



*CARSON CITY, NEVADA*

*COMPREHENSIVE ANNUAL  
FINANCIAL REPORT*

*YEAR ENDED JUNE 30, 2007*

# CARSON CITY, NEVADA

## COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED JUNE 30, 2007

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**INTRODUCTORY SECTION**

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# CARSON CITY, NEVADA

CONSOLIDATED MUNICIPALITY AND STATE CAPITAL

November 30, 2007

Honorable Mayor,  
Members of the Board of Supervisors  
and the Citizens of Carson City:

The comprehensive annual financial report of Carson City for the fiscal year ended June 30, 2007, is hereby submitted as mandated by both local ordinances and state statutes. These ordinances and statutes require that Carson City issue annually a report on its financial position and activity, and that this report be audited by an independent firm of certified public accountants.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Kafoury, Armstrong & Co., Certified Public Accountants, have issued an unqualified opinion on Carson City's financial statements for the year ended June 30, 2007. The independent auditor's report is located at the front of the financial section of this report.

Carson City is required to undergo an annual single audit in conformity with the provisions of Government Auditing Standards and the U.S. Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Information related to this single audit, including the schedule of expenditures of federal awards, the independent auditor's reports on internal controls and compliance, the schedule of findings and questioned costs and the summary schedule of prior audit findings are included in the compliance section.

Accounting principles generally accepted in the United States of America (GAAP) require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. Carson City's MD&A can be found immediately following the report of the independent auditors.

The financial reporting entity, Carson City, includes all the funds of the primary government (i.e., the Consolidated Municipality of Carson City as legally defined), as well as

**DEPARTMENT OF FINANCE**

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all of its component units. Component units are legally separate entities for which the primary government is financially accountable. Blended component units, although legally separate entities, are in substance, part of the primary government's operations and are included as part of the primary government. Accordingly, the Redevelopment Authority is reported as special revenue, debt service and capital project funds of the primary government. Discretely presented component units are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the primary government and to differentiate their financial position and results of operations from those of the primary government. The Carson City Convention and Visitors' Bureau and Airport Authority are reported as discretely presented component units.

### **THE CITY AND ITS GOVERNING BODY**

Carson City is the capital city of the State of Nevada. Carson City was founded as a trading post in 1858 and incorporated February 25, 1875. Carson City is a combined City and County governmental entity formed by the consolidation of the City of Carson City and Ormsby County on July 19, 1969.

Carson City has a land area of 147 square miles and an estimated population of 57,701 as of July 1, 2007. The City is empowered to levy a property tax on both real and personal property located within its boundaries. Real and personal taxable property located within the City has an estimated market value of \$4,095,153,171 and an assessed value of \$1,433,303,610.

The City operates under what is commonly known as a "council-manager" form of government which was established by charter and adopted by the State Legislature. Under this form of government, Carson City is governed by a mayor and four supervisors who are elected at large, on a non-partisan basis, for overlapping four year terms. The Board of Supervisors is a policy-making board, appointing a city manager to oversee daily operations.

Carson City provides a full range of services including police and fire protection; sewer and water services; the construction and maintenance of highways, streets and infrastructure; and culture and recreational activities.

### **LOCAL ECONOMY**

Carson City is located in the Northwestern part of the State. Nevada's rate of growth in population is one of the highest in the country and is expected to continue over the next several years. The Nevada State Demographer reported a 1% increase in Carson City's population between July 1, 2005 and July 1, 2006. Looking at the past 5 years, Carson City's growth rate has averaged 1.5% per year. Neighboring counties are experiencing much higher growth rates. Douglas County saw an increase of 3% and Lyon County experienced an increase of 10.6% in population between 2005 and 2006. This growth in the region provides a positive impact on economic activity as Carson City serves as a service center for the

region. During the past year, Carson City experienced a general slow down in the real estate market, not unlike the region, the state and the nation.

The real estate slow down has impacted sales tax revenues in Carson City as well as the region. As a result, actual general fund intergovernmental revenues, a significant portion of which are made up of sales taxes revenues, were \$1.8 million less than the final budget. Planned expenditures were reduced during the last half of the fiscal year in response to this reduction in revenue. At the end of the current fiscal year, total fund balance of the general fund exceeded the final budget by \$6,604,317. Of this amount, \$4.85 million is unspent incentives for business retention and recruitment that will be carried over to the next fiscal year. The remaining balance of \$1.75 million is evidence that these mid year reductions effectively offset the reduction in revenues. Continued reductions in sales taxes are anticipated and continued reductions in expenditures are being evaluated. During FY 2002/2003, Carson City established the Stabilization Fund which may be used to offset reductions in tax revenues such as sales tax. In years in which growth in sales taxes was experienced, funds were transferred into the Stabilization Fund in order to build a reserve to buffer normal economic cycles. Continued declines in sales tax revenues could bring about the need to draw from the Stabilization Fund in Fiscal Year 2007/2008 in order to maintain public service levels.

The assessed valuation of Carson City continues to increase. Due to a cap on the growth in property tax for existing property and improvements approved by the 2005 Nevada State Legislature, the real growth in tax revenues is limited. The growth in the tax bill for residential property is limited to 3% annual growth and commercial property can grow by a maximum of 8% per year. Only new construction is outside of this cap for the first year it is on the tax rolls. The difference between the actual tax calculation (assessed valuation (x) tax rate) and the capped tax calculation is termed the "abatement". In the general fund, this abatement amount exceeded \$7 million in FY 2007/2008.

When compiling the budget for FY 2007/08, it was determined that there was an urgent need for two deputy sheriff positions and one deputy district attorney. In order to fund these positions and to help offset the loss in sales tax revenues experienced in FY 2006/2007 an increase in franchise fees was approved. This increase was made effective August 1, 2007. No further increases in franchise fees can be approved until fiscal 2009/2010.

### **LONG-TERM FINANCIAL PLANNING**

During FY 2006/2007, fees charged at the Carson City Landfill were set based upon regional market rates rather than actual costs. The resultant change in rates has produced revenues in excess of expenses in the Carson City Sanitary Landfill Fund. These excess revenues will be used to fund economic development activities, capital expenditures and replenishment of the Stabilization Fund.

Carson City remains very active in recruiting retail development in order to enhance the sales tax base. So far in FY 2007/2008, development agreements have been reached with a retail developer to fill a vacant big box. This follows a development agreement approved in FY 2006/2007 with a local auto dealer that will provide for a new automotive retail store. Both of these will provide enhancement of our sales tax base for the future.

### **RELEVANT FINANCIAL POLICIES**

It is Carson City's policy that "one-shot" revenues not be used for future operations. These funds are reserved for capital expenditure only. Each year, any unreserved, undesignated fund balance in the general fund is transferred to the Capital Acquisition and Development Fund or the Stabilization Fund.

### **MAJOR INITIATIVES**

Planning is now underway for a new Recreation Center. This facility will be funded through prior and future debt supported by the Quality of Life Initiative which is a ¼% sales tax levy. Partnership agreements with other organizations are being pursued in order to maximize use and share expenses for the facility.

Improvements to the Wastewater Treatment Plant are now being designed and new federal standards for drinking water are necessitating the design and construction of additional water treatment facilities. Rates and charges for the Sewer and Water Funds are reviewed each January and rates are recommended to the Board of Supervisors to cover all operations and capital costs.

The Carson Freeway, Phase 2 A has been funded by the State of Nevada. This extension of the Carson Freeway from Highway 50 to Fairview Drive also requires relocation of Carson City utilities. These improvements have been funded through their respective enterprise funds. The funding for Carson Freeway Phase 2B (Fairview Drive to Highway 50 at Spooner Summit) has yet to be identified by the State of Nevada. By agreement with the State of Nevada, should Phase 2B not be completed by 2010, the allocation of local fuel taxes previously agreed to would cease, making additional funds available for local road projects.

### **FINANCIAL INFORMATION**

**SINGLE AUDIT.** As a recipient of federal and state awards, Carson City is also responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs.

As a part of Carson City's single audit, described earlier, testing of internal control and compliance is performed as it relates to federal programs. The results of the single audit for the fiscal year ended June 30, 2007 provided no instances of non-compliance with the requirements applicable to each of the City's major federal programs or matters involving the

internal control over compliance and its operation that were considered to be material weaknesses.

**BUDGETARY CONTROLS.** The City maintains several budgetary controls to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City's governing body in accordance with Nevada Revised Statutes Chapter 354, the Local Government Budget and Finance Act. Activities of the general fund, special revenue funds, capital projects funds, debt service funds, enterprise funds and internal service funds are included in the annual appropriated budget. The level of budgetary control (that is, the level of which expenditures cannot legally exceed the appropriated amount) is established by function within an individual fund for governmental funds and the sum of operating and non-operating expenses in the proprietary funds.

**CASH MANAGEMENT.** Cash temporarily idle during the year was invested in U.S. Government Securities, corporate bonds and the State of Nevada Local Government Investment Pool. The City follows the pooled cash concept which allows greater investment flexibility and greater investment returns. As of June 30, 2007, the City had total cash investments of \$99,749,318.

**RISK MANAGEMENT.** Carson City insures a portion of its risks and self-funds other. Property damage, general liability, law, errors and omissions, and auto are insured subject to a \$100,000 deductible per occurrence and, therefore, claims under \$100,000 are funded by the City. Other coverage currently held by the City includes applicable airport liability, boiler and machinery, and bonds for public officials. In addition, certain automobile damages are self-insured by the City. The Insurance Fund (an internal service fund) is used for the purpose of those self-insured areas discussed above and funding insurance premiums. Reserves are being accumulated to protect against future liability claims against the City as resources are available.

As of July 1, 2003, Carson City elected to become a member of the Public Agency Compensation Trust (PACT) for workers' compensation. The City pays an annual premium and there are no deductibles. The PACT is considered a self-sustaining risk pool that will provide coverage for its members based on established statutory limits. The Pool obtains independent coverage for insured events in excess of these limits. The City retains liability for claims for the period from July 1, 1992 to June 30, 2003 when the City was self-insured. The Workers' Compensation Fund (an internal service fund) is used to account for the payment of insurance premiums and for funding the liability for the period when the City was self-insured.

## **OTHER INFORMATION**

**AWARDS.** The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Carson City for its comprehensive annual financial report for the fiscal year ended June 30, 2006. The Certificate of Achievement is a prestigious national award recognizing

conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. Carson City has received a Certificate of Achievement for the last seventeen consecutive years. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.

**ACKNOWLEDGMENTS.** The preparation of the comprehensive annual financial report on a timely basis was made possible by the dedicated service of the entire staff of the Finance Department. Each member of the department has my sincere appreciation for the contribution made in the preparation of this report.

In closing, without the leadership and support of the Carson City Board of Supervisors, the continued strengthening of the City's finances and the continued dedication to financial excellence would not have been possible.

Sincerely,

A handwritten signature in black ink, appearing to read "Linda Ritter". The signature is fluid and cursive, with a large initial "L" and "R".

Linda Ritter  
City Manager/Acting Director of Finance

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Carson City  
Nevada

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2006

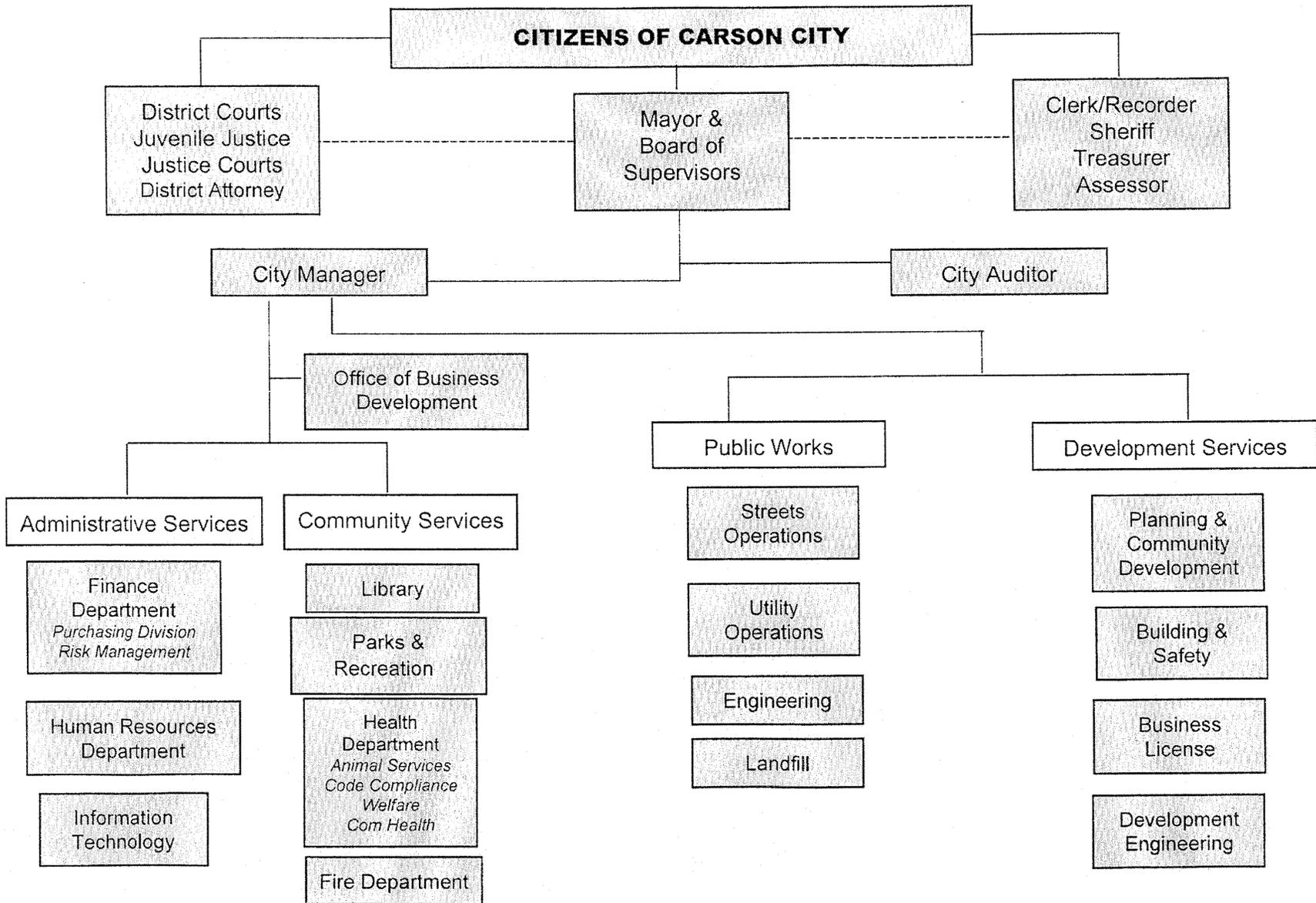
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards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



President

Executive Director

# Carson City Organizational Chart



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**CARSON CITY**  
**LISTING OF PRINCIPAL OFFICIALS**  
**FY 2007**

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<b>TITLE</b>	<b>NAME</b>
Mayor	Marv Teixeira
Supervisor, Ward 1	Robin Williamson
Supervisor, Ward 2	Shelly Aldean
Supervisor, Ward 3	Pete Livermore
Supervisor, Ward 4	Richard Staub
Assessor	Dave Dawley
Treasurer	Al Kramer
District Attorney	Neil Rombardo
District Court I	Judge James T. Russell
District Court II	Judge William Maddox
Justice of the Peace	Judge Robey Willis
Justice of the Peace	Judge John Tatro
Clerk-Recorder	Alan Glover
Sheriff	Ken Furlong
City Manager	Linda Ritter
Finance Director/Risk Manager	Vacant
Information Services Director	Kevin Haggerty
Community Development Director	Walter Sullivan
Economic/Redevelopment Manager	Joe McCarthy
Library Director	Sara Jones
Health Director	Vicky Fogelman
Juvenile Special Master	David Nielsen
Chief Juvenile Probation Officer	John Simms
Parks and Recreation Director	Roger Moellendorf
Fire Chief	Stacey Giomi
City Auditor	Susan Johnson
Senior Center Director	Janice McIntosh
Human Resources Director	Ann Silver
Public Works Director	Andrew Burnham
Development Services Director/Public Works	Larry Werner
Public Works Operation Manager	Ken Arnold
Transportation Program Manager	Patrick Pittenger
Chief Building Official	Kevin Gattis

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**FINANCIAL SECTION**

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

## Independent Auditor's Report

To the Honorable Mayor and Members of the  
Board of Supervisors, Carson City, Nevada

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Carson City, Nevada, as of and for the year ended June 30, 2007, which collectively comprise Carson City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the management of Carson City, Nevada. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Airport Authority of Carson City, Nevada or the Carson City Convention and Visitors' Bureau, both of which are discretely presented component units. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the discretely presented component units, is based on the reports of the other auditors.

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. The financial statements of the Carson City Convention and Visitors' Bureau were not audited in accordance with *Government Auditing Standards*. 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, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Carson City, Nevada, as of June 30, 2007, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund, the Quality of Life Special Revenue Fund and the Airport Special Revenue Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2007 on our consideration of Carson City, Nevada's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Management's discussion and analysis on pages 3A through 3L 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 Carson City, Nevada's basic financial statements. The Introductory Section, combining and individual fund statements and schedules, and Statistical Section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements of Carson City, Nevada. The combining and individual fund statements and schedules and the Schedule of Expenditures of Federal Awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The Introductory Section and Statistical Section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

*Kafoory, Armstrong & Co.*

Reno, Nevada  
November 30, 2007

## Carson City, Nevada Management's Discussion and Analysis

As management of Carson City, Nevada (City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2007. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i-vi of this report.

### Financial Highlights

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$251,298,528 (*net assets*). Of this amount, \$14,440,598 (*unrestricted net assets*) may be used to meet the government's ongoing obligations to citizens and creditors.
- The City's total net assets increased by \$26,189,004. Approximately, half of this increase is attributable to capital assets contributed by developers, connection fees in the Sewer and Water funds and investment earnings. The remaining increase is due to capital grants related to airport development.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$57,678,274, a decrease of \$8,094,292 in comparison with the prior year. \$56,872,319 is available for spending at the government's discretion (*unreserved fund balance*).
- At the end of the current fiscal year, unreserved fund balance for the General Fund was \$10,881,718, or 21 percent of total General Fund expenditures.
- The City's total bonded debt increased by \$3,621,614 (3 percent) during the current fiscal year. The key factor in this increase was the issuance of general obligation revenue bonds in the amount of \$10,047,500 for the Water Fund.

### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-wide financial statements.** The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The *statement of net assets* presents information on all of the City's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *statement of activities* presents information showing how the government's net assets changed during the most recent fiscal 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 (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety, judicial, public works, health, welfare, community support, airport, economic opportunity, and culture and recreation. The business-type activities of the City include water, sewer, ambulance, cemetery, landfill, building permits and stormwater drainage.

The government-wide financial statements include not only the City itself (known as the *primary government*), but also a legally separate airport authority and a legally separate convention and visitors' bureau for which the City is financially accountable. Financial information for these *component units* is reported separately from the financial information presented for the primary government itself. The Redevelopment Authority, although also legally separate, functions for all practical purposes as a department of the City, therefore has been included as an integral part of the primary government.

The government-wide financial statements can be found on pages 4-7 of this report.

**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 City, 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 City 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 inflows 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 the 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 this comparison between *governmental funds* and *governmental activities*.

The City maintains twenty-eight individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Quality of Life Fund, and the Airport Fund all of which are considered to be major funds. Data from the other twenty-five governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining and individual fund statements and schedules* elsewhere in this report.

The City adopts an annual appropriated budget for its General Fund and for each of its special revenue funds, debt service funds and capital projects funds. A budgetary comparison statement has been provided for each of the City's governmental funds to demonstrate compliance with this budget. The budgetary comparison statements for the General Fund, Quality of Life Fund and the Airport Fund, major governmental funds, are located in the basic financial statements and budgetary comparison schedules for the nonmajor governmental funds are provided in the individual funds statements.

The basic governmental fund financial statements can be found on pages 8-16 of this report.

**Proprietary funds.** The City maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for its water, sewer, ambulance, cemetery, landfill, building permit, and stormwater drainage operations. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its group medical insurance, workers' compensation, insurance and fleet management. Because these services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water and sewer operations, both of which are considered to be major funds of the City. Conversely, internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Data from the other five enterprise funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor funds is provided in the form of *combining and individual fund statements and schedules* elsewhere in this report. Individual fund data for the internal service funds is provided in the form of *combining and individual fund statements and schedules* elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 17-26 of this report.

**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 the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 27-28 of this report.

**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 29-53 of this report.

**Other Information.** The combining statements referred to earlier in connection with nonmajor governmental funds, internal service funds, and enterprise funds are presented following the notes to the financial statements. Combining and individual fund statements and schedules can be found on pages 54-156 of this report.

## Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$251,298,528 at the close of the most recent fiscal year.

By far the largest portion of the City's net assets (81 percent) reflects its investment in capital assets (e.g., land, buildings, improvements, machinery and equipment, and infrastructure), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

### Carson City's Net Assets

	Governmental activities		Business-type activities		Total	
	2007	2006	2007	2006	2007	2006
Current and other assets	\$ 77,298,334	\$ 79,348,431	\$ 33,392,976	\$ 29,190,919	\$ 110,691,310	\$ 108,539,350
Capital assets	172,286,623	107,029,699	132,763,549	124,984,936	305,050,172	232,014,635
Total assets	249,584,957	186,378,130	166,156,525	154,175,855	415,741,482	340,553,985
Long-term liabilities outstanding	87,421,893	90,341,400	60,443,337	54,281,538	147,865,230	144,622,938
Other liabilities	13,899,698	8,706,417	2,678,026	2,825,859	16,577,724	11,532,276
Total liabilities	101,321,591	99,047,817	63,121,363	57,107,397	164,442,954	156,155,214
Net assets:						
Invested in capital assets, net of related debt	120,602,072	65,849,092	84,123,860	78,129,888	204,725,932	143,978,980
Restricted	29,389,902	24,871,291	2,742,096	2,598,135	32,131,998	27,469,426
Unrestricted	(1,728,608)	(3,390,070)	16,169,206	16,340,435	14,440,598	12,950,365
Total net assets	\$ 148,263,366	\$ 87,330,313	\$ 103,035,162	\$ 97,068,458	\$ 251,298,528	\$ 184,398,771

An additional portion of the City's net assets (13 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net assets* (\$14,440,598) may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City is able to report positive balances in all three categories of net assets for the government as a whole as well as for its separate business-type activities. The governmental activities reported a negative balance for unrestricted net assets. This was the same as the prior fiscal year.

The City's net assets increased \$26,189,004 during the current fiscal year. The majority of this increase is attributable to an increase in capital grants and contributions in the airport and public works functions and a decrease in community support expenditures in the governmental activities. The remaining increase was the result of investment income in the governmental and business-type activities and capital assets contributed by developers and connection fees in the Sewer and Water Funds.

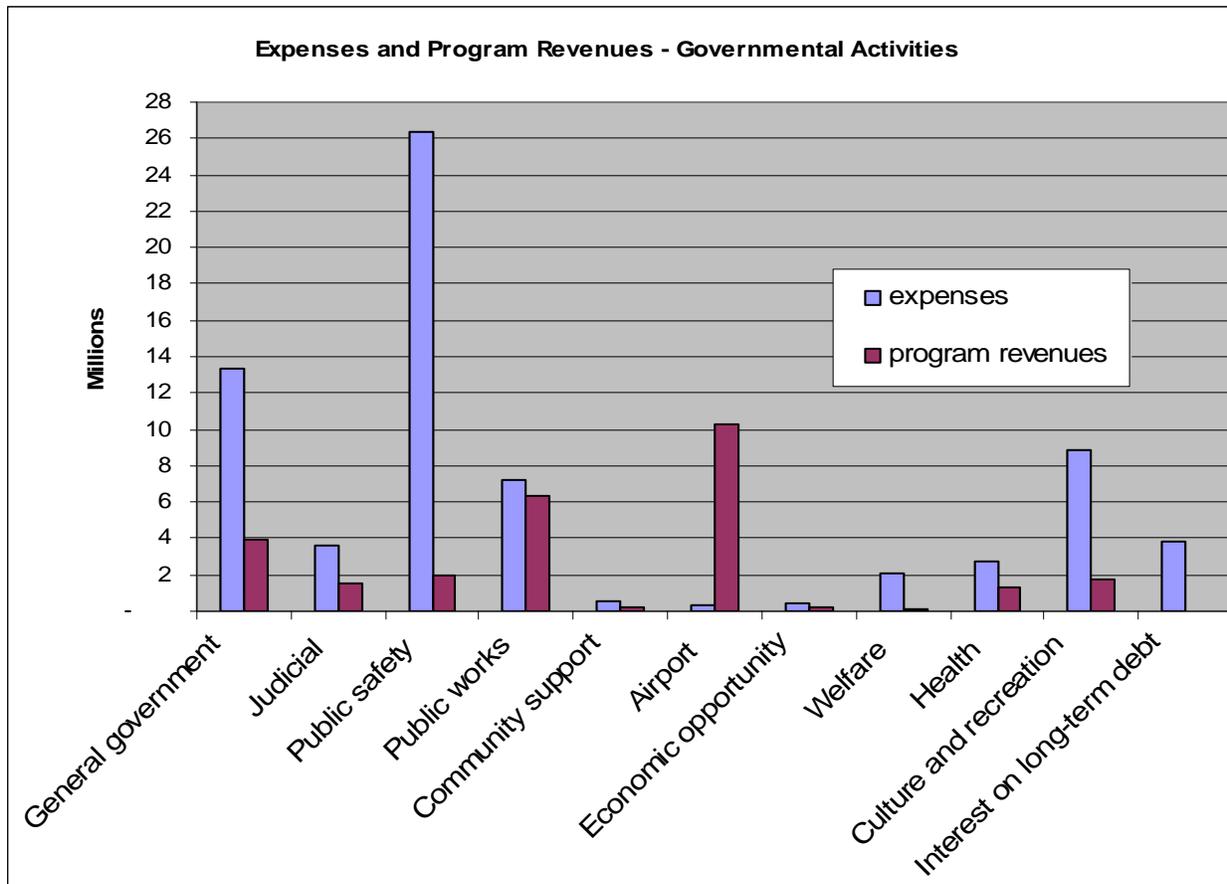
### Carson City's Changes in Net Assets

	Governmental Activities		Business-type Activities		Total	
	2007	2006	2007	2006	2007	2006
Revenues:						
Program revenues:						
Charges for services	\$ 7,194,480	\$ 7,249,876	\$ 22,492,588	\$ 19,894,278	\$ 29,687,068	\$ 27,144,154
Operating grants and contributions	6,129,717	8,678,963	-	12,538	6,129,717	8,691,501
Capital grants and contributions	14,492,662	51,789	6,462,247	7,000,395	20,954,909	7,052,184
General revenues:						
Property taxes	16,538,908	14,842,941	-	-	16,538,908	14,842,941
Other taxes	42,298,650	42,221,901	-	-	42,298,650	42,221,901
Other	3,777,575	2,895,146	1,319,813	476,360	5,097,388	3,371,506
Total Revenues	90,431,992	75,940,616	30,274,648	27,383,571	120,706,640	103,324,187
Expenses:						
General government	13,329,480	15,920,465	-	-	13,329,480	15,920,465
Judicial	3,656,007	3,505,076	-	-	3,656,007	3,505,076
Public safety	26,333,209	25,401,443	-	-	26,333,209	25,401,443
Public works	7,205,824	7,205,695	-	-	7,205,824	7,205,695
Community support	552,307	15,427,942	-	-	552,307	15,427,942
Airport	348,318	85,514	-	-	348,318	85,514
Economic opportunity	485,422	4,466,036	-	-	485,422	4,466,036
Welfare	2,074,309	2,038,709	-	-	2,074,309	2,038,709
Health	2,736,463	1,808,078	-	-	2,736,463	1,808,078
Culture and recreation	8,897,085	8,885,644	-	-	8,897,085	8,885,644
Interest and fiscal charges	3,844,651	3,078,771	-	-	3,844,651	3,078,771
Landfill	-	-	2,057,836	1,889,185	2,057,836	1,889,185
Ambulance	-	-	3,314,417	3,159,589	3,314,417	3,159,589
Sewer	-	-	7,751,960	7,592,212	7,751,960	7,592,212
Water	-	-	9,143,663	8,228,357	9,143,663	8,228,357
Cemetery	-	-	201,439	214,107	201,439	214,107
Building Permits	-	-	1,724,380	1,629,333	1,724,380	1,629,333
Stormwater Drainage	-	-	860,866	745,178	860,866	745,178
Total Expenses	69,463,075	87,823,373	25,054,561	23,457,961	94,517,636	111,281,334
Increase (decrease) in net assets before transfers	20,968,917	(11,882,757)	5,220,087	3,925,610	26,189,004	(7,957,147)
Transfers	(746,617)	(2,169,833)	746,617	2,169,833	-	-
Increase (decrease) in net assets	20,222,300	(14,052,590)	5,966,704	6,095,443	26,189,004	(7,957,147)
Net assets - July 1, as Previously Reported	87,330,313	101,382,903	97,068,458	92,330,531	184,398,771	193,713,434
Cumulative effect of a change in accounting principle	40,710,753	-	-	-	40,710,753	-
Prior period adjustment – error correction	-	-	-	(1,357,516)	-	(1,357,516)
Net assets – July 1, as Adjusted	128,041,066	101,382,903	97,068,458	90,973,015	225,109,524	192,355,918
Net assets - June 30	\$148,263,366	\$ 87,330,313	\$103,035,162	\$ 97,068,458	\$ 251,298,528	\$ 184,398,771

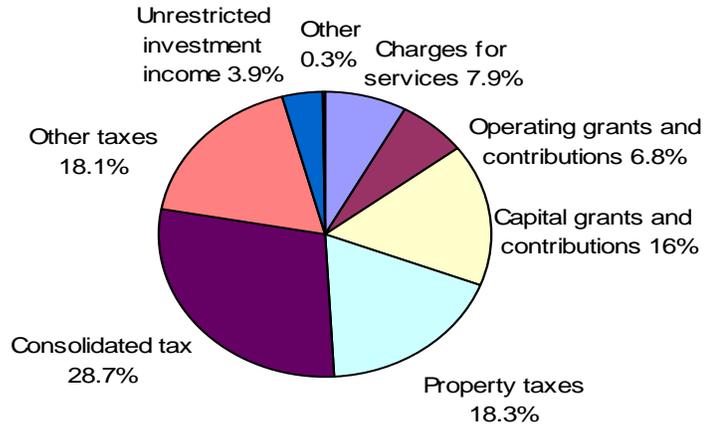
**Governmental activities.** Governmental activities increased the City’s net assets by \$20,222,300, an increase of \$34,274,890 from the prior year. Key elements of the change from prior year are as follows:

- \$14 million decrease in community support expenditures due to an inter-local grant in the prior year to the Nevada Commission for the Reconstruction of the V & T Railway from the proceeds of bonds issued by the City for the Virginia and Truckee Railroad Project.
- Capital grants and contributions increased \$14.3 million over the prior year due to contributions of infrastructure from developers and the receipt of \$10 million in federal and local grants for airport development.
- Unrestricted investment income increased \$2.2 million from the prior year due to an increase in the fair value of investments as well as increased investment earnings in the current year.

Program revenues for governmental activities provided 40 percent of the resources necessary to pay the cost of providing program services. The remaining program costs were financed with general revenues. The largest general revenues are consolidated tax of \$25,944,779 and property taxes of \$16,538,908.



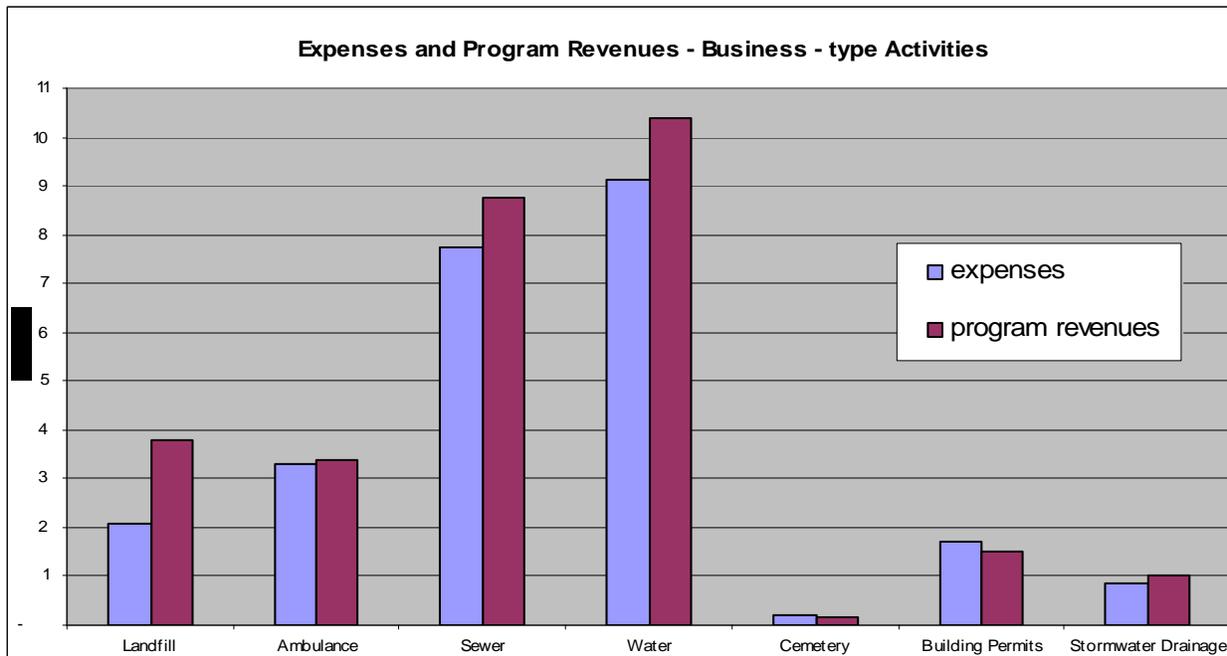
### Revenues by Source - Governmental Activities



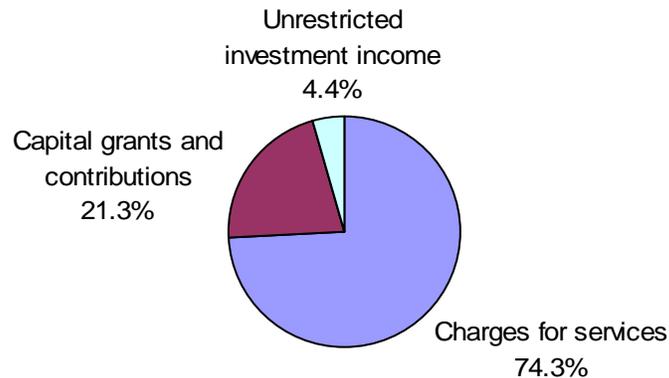
**Business-type activities.** Business-type activities increased the City’s net assets by \$5,966,704, a decrease of \$128,739 from the prior year. Key elements of this decrease are as follows:

- \$512,000 decrease in transfers in from governmental activities due to the completion of Waterfall Fire projects in the prior year.
- \$984,000 decrease in capital assets transferred from governmental activities.
- \$240,000 increase in capital grants for various projects.
- \$975,000 increase in landfill revenues due to an increase in rates during the current year.
- \$790,000 decrease in capital assets contributed by developers and connection fees in the Sewer and Water funds.
- Unrestricted investment earnings increased by \$840,000 from the prior year due to an increase in the fair value of investments as well as increased investment earnings in the current year.

Sewer and water expenses represent 67 percent of total expenses for business-type activities.



### Revenues by Source - Business - type Activities



### Financial Analysis of the Government's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds.** The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the City's financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$57,678,274, a decrease of \$8,094,292 in comparison with the prior year. Of this total amount, \$56,872,319 constitutes *unreserved fund balance*, which is available for spending at the government's discretion. The remainder of fund balance is *reserved* to indicate that it is not available for new spending because it has already been committed 1) for unspent donations (\$317,767), 2) for judicial programs (\$423,836), or 3) for prepaid items and inventory (\$64,352).

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, unreserved fund balance of the General Fund was \$10,881,718, while total fund balance reached \$11,674,720. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 21 percent of total General Fund expenditures, while total fund balance represents 22 percent of that same amount.

The fund balance of the City's General Fund increased by \$775,857 during the current fiscal year, an increase of \$1,475,975 from the prior year. Key elements of the change from prior year are as follows:

- Property taxes increased by \$1.3 million over the prior year as a result of an increase in property tax rates and assessed valuation.

- Transfers in decreased by \$2 million from the prior year. This was offset by a decrease in expenditures in the economic opportunity function related to incentives for business retention and recruitment in the automotive sector.
- Transfers out decreased by \$1.2 million from the prior year. Most of this decrease is due to a prior year transfer of \$1.15 million to the Capital Facilities Fund for the sheriff administration building.
- Miscellaneous revenue increased \$600,000 over the prior year due to an increase in the fair value of investments as well as increased investment earnings in the current year.

The Quality of Life Fund has a total fund balance of \$17,788,630, all of which is unreserved. The fund balance increased by \$610,593 during the current fiscal year, a decrease of \$3,595,605 from the prior year. This decrease is due to the sale of land in the prior year for \$3.6 million.

The Airport Fund received \$10 million in federal and local grants in the current year for airport development.

**Proprietary funds.** The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net assets at the end of the year amounted to \$5,510,995 in the Sewer Fund and \$7,528,633 for the Water Fund. The total growth in net assets for the funds was \$1,396,446 and \$1,716,366, respectively. Other factors concerning the finances of these two funds have already been addressed in the discussion of the City's business-type activities.

### **General Fund Budgetary Highlights**

Budgeted appropriations increased \$5,973,202 between the original budget and the final amended budget. The increase can be briefly summarized as follows:

- \$4.85 million increase in appropriations for economic development to fund incentives for business retention and recruitment in the automotive sector.
- Carryover of program costs from the prior year budget amounting to \$314,451 allocated to various departments.
- \$634,234 increase in various department appropriations offset by increases in charges for services, intergovernmental revenues, investment income and donations.

Of this increase, \$209,000 was funded from charges for services, \$425,000 was funded from intergovernmental revenues, grants and donations, and investment income. The remaining \$5.2 was to be budgeted from available fund balance.

The only significant differences between the final amended budget and actual amounts are as follows:

- There was \$4.85 million in unspent incentives for business retention and recruitment in the economic opportunity function. This appropriation will be carried over to the next fiscal year.
- Actual intergovernmental revenues were \$1.8 million less than the final budget due to a decline in consolidated tax revenues.

## Capital Asset and Debt Administration

**Capital assets.** The City's investment in capital assets for its governmental and business-type activities as of June 30, 2007, amounts to \$305,050,172 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, infrastructure and water rights. The total increase in the City's investment in capital assets for the current fiscal year was 12 percent (a 16.6 percent increase for governmental activities and a 6.2 percent increase for business-type activities). Net capital assets for FY 2006 have been increased by \$40,710,753 for the retroactive reporting of major general infrastructure assets. For more detail see Note 4-F in the notes to financial statements.

Major capital asset events during the current fiscal year included the following:

- Donated infrastructure (streets, curb and gutter) from developers was valued at \$4.3 million.
- \$8.3 million for the construction of the sheriff administration building.
- \$717,000 for the acquisition of two fire engines.
- \$10 million land purchase for airport development.
- \$705,000 land purchase for open space.
- \$800,000 for storm drain project and asphalt replacement at park facility.
- A variety of street construction projects are on-going, such as widening and expansion projects, at a cost of approximately \$1.4 million.
- \$3 million for storm drainage projects.
- \$4 million for various sewer projects.
- \$2 million for various water projects.

### Carson City's Capital Assets (net of depreciation)

	Governmental Activities		Business-type activities		Total	
	2007	2006	2007	2006	2007	2006
Land	\$ 29,208,402	\$ 18,228,791	\$ 3,076,948	\$ 3,076,948	\$ 32,285,350	\$ 21,305,739
Construction in progress/infrastructure	2,851,150	1,300,249	-	-	2,851,150	1,300,249
Construction in progress	11,144,673	5,984,619	14,296,881	15,642,654	25,441,554	21,627,273
Buildings	47,264,119	48,718,514	9,563,288	9,815,627	56,827,407	58,534,141
Improvements other than buildings	13,279,985	13,054,269	93,317,291	84,968,832	106,597,276	98,023,101
Machinery and equipment	10,715,540	9,219,069	4,501,881	3,473,615	15,217,421	12,692,684
Infrastructure	57,822,754	51,234,941	-	-	57,822,754	51,234,941
Water rights	-	-	8,007,260	8,007,260	8,007,260	8,007,260
Total	\$172,286,623	\$147,740,452	\$132,763,549	\$124,984,936	\$305,050,172	\$272,725,388

Additional information on the City's capital assets can be found in note 3-B on pages 40-43 of this report.

**Long-term debt.** At the end of the current fiscal year, the City had total bonded debt outstanding of \$136,834,536. Of this amount, \$131,694,536 comprises debt backed by the full faith and credit of the government. The remainder of the City's debt represents bonds secured solely by specified revenue sources (i.e., revenue bonds).

**Carson City's Outstanding Debt**  
General Obligation and Revenue Bonds

	Governmental Activities		Business-type activities		Total	
	2007	2006	2007	2006	2007	2006
General obligation bonds	\$74,574,351	\$76,884,293	\$57,120,185	\$50,968,629	\$131,694,536	\$127,852,922
Revenue bonds	5,140,000	5,360,000	-	-	5,140,000	5,360,000
Total	\$79,714,351	\$82,244,293	\$57,120,185	\$50,968,629	\$136,834,536	\$133,212,922

The City's total bonded debt increased by \$3,621,614 (3 percent) during the current fiscal year. The key factor in this increase was the issuance of general obligation revenue bonds in the amount of \$10,047,500 for the Water Fund.

During the current fiscal year, the City refinanced some of its existing debt to take advantage of favorable interest rates. The City entered into a general obligation bond refinancing that is expected to decrease annual debt service payments over the next several years.

The City maintains an "A+" rating from Standard & Poor's and an "A1" rating from Moody's for general obligation debt.

State statutes limit the amount of general obligation debt a governmental entity may issue up to 15 percent of its total assessed valuation. The current debt limitation for the City is \$219,896,382, which is significantly in excess of the City's outstanding general obligation debt.

Additional information on the City's long-term debt can be found in note 3-D on pages 45-50 of this report.

**Economic Factors and Next Year's Budgets and Rates**

- The City's unemployment rate was 5% at June 30, 2007, which is an increase from a rate of 4.8% a year ago. The national and state unemployment rates were both 4.7% at June 30, 2007.
- The City's assessed value grew 19 percent in fiscal 2006-07 to 1.433 billion and 12 percent in fiscal 2007-08 to 1.612 billion.
- Continued reductions in sales tax revenue are anticipated for FY 2007-08.

All of these factors were considered in preparing the City's budget for the 2008 fiscal year.

During the current fiscal year, unreserved fund balance in the General Fund increased \$850,336 to \$10,881,718. The City has appropriated \$5,385,581 of this amount for spending in the 2008 fiscal year budget.

When compiling the budget for FY 07-08, it was determined that there was an urgent need for two deputy sheriff positions and one deputy district attorney. In order to fund these positions and to help offset the loss in sales tax revenues experienced in FY 06-07 an increase in franchise fees was approved. This increase was made effective August 1, 2007. No further increases in franchise fees can be approved until FY 09-10.

## **Requests for Information**

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Carson City Finance Department, 201 N. Carson Street, Suite 3, Carson City, Nevada 89701.

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**BASIC FINANCIAL STATEMENTS**

**CARSON CITY**  
**STATEMENT OF NET ASSETS**  
**JUNE 30, 2007**

	PRIMARY GOVERNMENT		
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
<b>ASSETS</b>			
Cash and investments	\$ 58,478,057	\$ 24,526,062	\$ 83,004,119
Receivables (net of allowances for uncollectibles)	2,416,710	3,005,007	5,421,717
Due from other governments	13,203,437	2,362,643	15,566,080
Due from component units	262,636	-	262,636
Due from primary government	-	-	-
Internal balances	196,530	(196,530)	-
Inventories	91,512	303,839	395,351
Prepays	597,112	17,570	614,682
Restricted assets:			
Cash and investments	1,003,905	2,915,266	3,919,171
Other assets	1,048,435	459,119	1,507,554
Capital assets (net of accumulated depreciation):			
Land	29,208,402	3,076,948	32,285,350
Construction in progress - infrastructure	2,851,150	-	2,851,150
Construction in progress	11,144,673	14,296,881	25,441,554
Buildings	47,264,119	9,563,288	56,827,407
Improvements other than buildings	13,279,985	93,317,291	106,597,276
Machinery and equipment	10,715,540	4,501,881	15,217,421
Infrastructure	57,822,754	-	57,822,754
Water rights	-	8,007,260	8,007,260
Total Assets	<u>249,584,957</u>	<u>166,156,525</u>	<u>415,741,482</u>
<b>LIABILITIES</b>			
Accounts payable and accrued expenses	5,899,908	1,708,927	7,608,835
Accrued interest payable	895,943	341,992	1,237,935
Due to other governments	345,302	165,272	510,574
Due to component units	153,336	-	153,336
Due to primary government	-	-	-
Unearned revenue	174,999	273,360	448,359
Other liabilities	5,485,827	15,305	5,501,132
Current liabilities payable from restricted assets	944,383	173,170	1,117,553
Noncurrent liabilities:			
Due within one year	3,409,080	3,371,174	6,780,254
Due in more than one year	84,012,813	57,072,163	141,084,976
Total Liabilities	<u>101,321,591</u>	<u>63,121,363</u>	<u>164,442,954</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	120,602,072	84,123,860	204,725,932
Restricted for:			
General government	123,056	-	123,056
Public safety	343,782	-	343,782
Judicial	262,140	-	262,140
Public works	10,798,560	-	10,798,560
Health	155,294	-	155,294
Culture and recreation	14,016,522	-	14,016,522
Capital projects	782,794	-	782,794
Debt service	200,000	-	200,000
Claims	2,707,754	-	2,707,754
Emergency replacement	-	2,742,096	2,742,096
Unrestricted	(1,728,608)	16,169,206	14,440,598
Total Net Assets	<u>\$ 148,263,366</u>	<u>\$ 103,035,162</u>	<u>\$ 251,298,528</u>

COMPONENT UNITS	
AIRPORT AUTHORITY	CONVENTION AND VISITORS' BUREAU
\$ 737,310	\$ 1,430,167
8,538	190,983
400	42,436
-	-
153,336	-
-	-
-	15,212
8,767	330
-	94,919
232,613	-
146,542	-
-	-
-	-
-	87,618
-	1,453
64,087	14,619
-	-
-	-
<u>1,351,593</u>	<u>1,877,737</u>
8,115	73,945
-	-
-	11,799
-	-
249,686	12,950
2,468	-
-	-
-	94,919
15,364	-
<u>666,877</u>	<u>67,601</u>
<u>942,510</u>	<u>261,214</u>
210,629	103,690
-	1,390
-	-
-	-
-	-
-	401,234
-	-
-	309,366
-	-
-	-
<u>198,454</u>	<u>800,843</u>
<u>\$ 409,083</u>	<u>\$ 1,616,523</u>

See accompanying notes

**CARSON CITY  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2007**

FUNCTIONS/PROGRAMS	PROGRAM REVENUES			
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS
Primary government:				
Governmental Activities:				
General government	\$ 13,329,480	\$ 2,927,954	\$ 1,024,890	\$ -
Judicial	3,656,007	1,532,800	26,603	-
Public safety	26,333,209	869,747	1,073,731	24,000
Public works	7,205,824	351,854	1,728,077	4,280,671
Community support	552,307	-	179,915	-
Airport	348,318	-	301,583	10,027,533
Economic opportunity	485,422	-	234,127	-
Welfare	2,074,309	-	154,380	-
Health	2,736,463	196,846	1,155,330	-
Culture and recreation	8,897,085	1,315,279	251,081	160,458
Debt Service:				
Interest and fiscal charges	3,844,651	-	-	-
Total Governmental Activities	<u>69,463,075</u>	<u>7,194,480</u>	<u>6,129,717</u>	<u>14,492,662</u>
Business-Type Activities:				
Landfill	2,057,836	3,795,200	-	-
Ambulance	3,314,417	3,373,632	-	-
Sewer	7,751,960	5,084,414	-	3,670,871
Water	9,143,663	7,593,208	-	2,791,376
Cemetery	201,439	150,912	-	-
Building Permits	1,724,380	1,487,738	-	-
Stormwater Drainage	860,866	1,007,484	-	-
Total Business-Type Activities	<u>25,054,561</u>	<u>22,492,588</u>	<u>-</u>	<u>6,462,247</u>
Total Primary Government	<u>\$ 94,517,636</u>	<u>\$ 29,687,068</u>	<u>\$ 6,129,717</u>	<u>\$ 20,954,909</u>
Component units:				
Airport Authority	\$ 895,717	\$ 229,826	\$ 155,653	\$ -
Convention and Visitors' Bureau	1,430,062	27,358	42,436	-
Total Component Units	<u>\$ 2,325,779</u>	<u>\$ 257,184</u>	<u>\$ 198,089</u>	<u>\$ -</u>

General Revenues:

- Property taxes
- Sales taxes
- Consolidated tax
- Franchise taxes
- Other taxes
- Room taxes
- Motor vehicle fuel tax
- Grants and contributions not restricted to specific programs
- Unrestricted investment income
- Miscellaneous revenue

Transfers

Total General Revenues and Transfers

Change in Net Assets

NET ASSETS, JULY 1, as Previously Reported  
Cumulative effect of a change in accounting principle

NET ASSETS, JULY 1, as Adjusted

NET ASSETS, JUNE 30

NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS			COMPONENT UNITS	
GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	AIRPORT AUTHORITY	CONVENTION AND VISITORS' BUREAU
\$ (9,376,636)	\$ -	\$ (9,376,636)	\$ -	\$ -
(2,096,604)	-	(2,096,604)	-	-
(24,365,731)	-	(24,365,731)	-	-
(845,222)	-	(845,222)	-	-
(372,392)	-	(372,392)	-	-
9,980,798	-	9,980,798	-	-
(251,295)	-	(251,295)	-	-
(1,919,929)	-	(1,919,929)	-	-
(1,384,287)	-	(1,384,287)	-	-
(7,170,267)	-	(7,170,267)	-	-
(3,844,651)	-	(3,844,651)	-	-
(41,646,216)	-	(41,646,216)	-	-
-	1,737,364	1,737,364	-	-
-	59,215	59,215	-	-
-	1,003,325	1,003,325	-	-
-	1,240,921	1,240,921	-	-
-	(50,527)	(50,527)	-	-
-	(236,642)	(236,642)	-	-
-	146,618	146,618	-	-
-	3,900,274	3,900,274	-	-
(41,646,216)	3,900,274	(37,745,942)	-	-
-	-	-	(510,238)	-
-	-	-	-	(1,360,268)
-	-	-	(510,238)	(1,360,268)
16,538,908	-	16,538,908	106,927	-
6,097,893	-	6,097,893	-	-
25,944,779	-	25,944,779	-	-
4,619,984	-	4,619,984	-	-
361,818	-	361,818	-	-
-	-	-	-	1,419,192
5,274,176	-	5,274,176	-	-
687	-	687	-	-
3,530,584	1,319,813	4,850,397	25,772	71,928
246,304	-	246,304	-	-
(746,617)	746,617	-	-	-
61,868,516	2,066,430	63,934,946	132,699	1,491,120
20,222,300	5,966,704	26,189,004	(377,539)	130,852
87,330,313	97,068,458	184,398,771	786,622	1,485,671
40,710,753	-	40,710,753	-	-
128,041,066	97,068,458	225,109,524	786,622	1,485,671
\$ 148,263,366	\$ 103,035,162	\$ 251,298,528	\$ 409,083	\$ 1,616,523

See accompanying notes.

CARSON CITY  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2007

	GENERAL	QUALITY OF LIFE	AIRPORT
<b>ASSETS</b>			
Cash and investments	\$ 7,550,523	\$ 17,368,338	\$ 2,377
Receivables (net of allowances for uncollectibles):			
Taxes, delinquent	145,428	-	-
Accounts receivable	1,118,261	26,122	-
Interest	695,975	-	-
Due from other funds	-	-	-
Due from other governments	5,158,877	460,770	4,791,235
Due from component units	12,950	-	249,686
Inventories	2,753	-	-
Prepaid items	48,646	-	-
Restricted assets:			
Cash and investments	980,165	-	-
Total Assets	<u>\$ 15,713,578</u>	<u>\$ 17,855,230</u>	<u>\$ 5,043,298</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable	\$ 588,194	\$ 55,445	\$ -
Accrued salaries and benefits	1,957,537	5,927	-
Payable from restricted assets	920,643	-	-
Due to other funds	-	-	-
Due to other governments	182,621	5,228	-
Due to component units	106,128	-	47,208
Other liabilities	185,463	-	4,705,000
Deferred revenue	86,266	-	288,713
Unearned revenue	12,006	-	2,377
Total Liabilities	<u>4,038,858</u>	<u>66,600</u>	<u>5,043,298</u>
Fund balances:			
Reserved for inventory	2,753	-	-
Reserved for gifts and donations	317,767	-	-
Reserved for administrative assessments	119,614	-	-
Reserved for courts	229,527	-	-
Reserved for technology	74,695	-	-
Reserved for prepaid items	48,646	-	-
Unreserved, reported in:			
General fund:			
Designated for subsequent year's expenditures	5,385,581	-	-
Undesignated	5,496,137	-	-
Special revenue funds:			
Designated for subsequent year's expenditures	-	328,472	-
Undesignated	-	17,460,158	-
Debt service funds:			
Designated for subsequent year's expenditures	-	-	-
Undesignated	-	-	-
Capital projects funds:			
Designated for subsequent year's expenditures	-	-	-
Undesignated	-	-	-
Total Fund Balances	<u>11,674,720</u>	<u>17,788,630</u>	<u>-</u>
Total Liabilities and Fund Balances	<u>\$ 15,713,578</u>	<u>\$ 17,855,230</u>	<u>\$ 5,043,298</u>

OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
\$ 28,295,344	\$ 53,216,582
33,753	179,181
34,855	1,179,238
-	695,975
91,284	91,284
2,776,367	13,187,249
-	262,636
-	2,753
12,953	61,599
23,740	1,003,905
<u>\$ 31,268,296</u>	<u>\$ 69,880,402</u>
\$ 2,534,198	\$ 3,177,837
67,304	2,030,768
23,740	944,383
91,284	91,284
157,453	345,302
-	153,336
-	4,890,463
19,324	394,303
160,069	174,452
<u>3,053,372</u>	<u>12,202,128</u>
-	2,753
-	317,767
-	119,614
-	229,527
-	74,695
12,953	61,599
-	5,385,581
-	5,496,137
4,866,690	5,195,162
14,808,432	32,268,590
1,143,535	1,143,535
37,444	37,444
100,358	100,358
7,245,512	7,245,512
<u>28,214,924</u>	<u>57,678,274</u>
<u>\$ 31,268,296</u>	<u>\$ 69,880,402</u>

See accompanying notes.

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**CARSON CITY, NEVADA**  
**RECONCILIATION OF THE BALANCE SHEET**  
**TO THE STATEMENT OF NET ASSETS**  
**GOVERNMENTAL FUNDS**  
**JUNE 30, 2007**

Fund Balances - Governmental Funds (pages 8-9)		\$ 57,678,274
<p>Amounts reported for governmental activities in the statement of net assets (pages 4-5) are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.</p>		
Governmental capital assets	\$ 220,245,972	
Less: Accumulated depreciation	<u>(47,981,024)</u>	172,264,948
<p>Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds.</p>		
General obligation revenue bonds payable	(74,574,351)	
Notes payable	(4,399,013)	
Revenue bonds payable	(5,140,000)	
Loss on bond refunding	987,807	
Less: current year amortization	(102,448)	
Issuance discount	188,372	
Less: current year amortization	(10,043)	
Issuance premium	(570,455)	
Less: current year amortization	29,421	
Deferred charge for issuance costs	1,107,035	
Less: current year amortization	(58,600)	
Capital leases payable	(120,447)	
Compensated absences	<u>(3,518,569)</u>	(86,181,291)
Interest payable		(895,943)
<p>Deferred revenue represents amounts that are not available to fund current expenditures and, therefore, are not reported in the governmental funds.</p>		
		394,303
<p>Internal service funds are used by management to charge the costs of certain activities to individual funds. Net assets of the internal service funds are reported with governmental activities.</p>		
		4,806,545
<p>Internal balances are receivable from business-type activities.</p>		
		<u>196,530</u>
Net Assets - Governmental Activities (pages 4-5)		<u>\$ 148,263,366</u>

See accompanying notes.

**CARSON CITY**  
**STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2007**

	GENERAL	QUALITY OF LIFE	AIRPORT
Revenues:			
Taxes	\$ 12,492,864	\$ 2,444,405	\$ -
Licenses and permits	6,183,388	-	-
Intergovernmental revenues	26,612,979	152,682	10,034,403
Charges for services	7,868,594	-	-
Fines and forfeits	825,900	-	-
Miscellaneous	1,564,918	993,102	-
Total Revenues	<u>55,548,643</u>	<u>3,590,189</u>	<u>10,034,403</u>
Expenditures:			
Current:			
General government	13,120,595	-	-
Public safety	23,786,322	-	-
Judicial	3,547,132	-	-
Public works	3,032,079	-	-
Health	1,492,098	-	-
Welfare	336,854	-	-
Culture and recreation	6,244,911	1,820,707	-
Community support	566,796	-	-
Airport	-	-	10,034,403
Economic opportunity	236,465	-	-
Capital outlay	-	-	-
Debt service:			
Principal retirement	-	-	-
Interest and fiscal charges	-	-	-
Total Expenditures	<u>52,363,252</u>	<u>1,820,707</u>	<u>10,034,403</u>
Excess (Deficiency) of Revenues over Expenditures	<u>3,185,391</u>	<u>1,769,482</u>	<u>-</u>
Other Financing Sources (Uses):			
Capital leases	55,770	-	-
Transfers in	461,219	-	-
Transfers out	(2,926,523)	(1,158,889)	-
Total Other Financing Sources (Uses)	<u>(2,409,534)</u>	<u>(1,158,889)</u>	<u>-</u>
Net Change in Fund Balances	775,857	610,593	-
Fund Balances, July 1	<u>10,898,863</u>	<u>17,178,037</u>	<u>-</u>
Fund Balances, June 30	<u>\$ 11,674,720</u>	<u>\$ 17,788,630</u>	<u>\$ -</u>

OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
\$ 11,712,181	\$ 26,649,450
-	6,183,388
6,487,094	43,287,158
548,625	8,417,219
75,504	901,404
1,853,375	4,411,395
<u>20,676,779</u>	<u>89,850,014</u>
1,917,401	15,037,996
2,169,699	25,956,021
105,113	3,652,245
8,933,651	11,965,730
1,178,796	2,670,894
1,737,047	2,073,901
1,398,740	9,464,358
63,806	630,602
-	10,034,403
328,627	565,092
9,039,514	9,039,514
3,056,246	3,056,246
3,764,874	3,764,874
<u>33,693,514</u>	<u>97,911,876</u>
<u>(13,016,735)</u>	<u>(8,061,862)</u>
-	55,770
7,275,429	7,736,648
(3,739,436)	(7,824,848)
<u>3,535,993</u>	<u>(32,430)</u>
(9,480,742)	(8,094,292)
<u>37,695,666</u>	<u>65,772,566</u>
<u>\$ 28,214,924</u>	<u>\$ 57,678,274</u>

See accompanying notes.

**CARSON CITY, NEVADA  
RECONCILIATION OF THE STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCES  
TO THE STATEMENT OF ACTIVITIES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2007**

Net Change in Fund Balances - Governmental Funds (page 11-12) \$ (8,094,292)

Amounts reported for governmental activities in the statement of activities (pages 6-7) are different because:

Governmental funds report capital outlays as expenditures and the proceeds from the sale of assets as other financing sources. However, in the statement of activities, the cost of those assets is depreciated over their estimated useful lives and only the gain or loss is recorded when assets are sold.

Expenditures for capital assets	\$ 24,559,681	
Contributions of capital assets from business-type activities	14,500	
Donated capital assets	4,300,622	
Transfers of capital assets to business-type activities	(28,380)	
Sale/disposition of assets	(828,755)	
Less: Current year depreciation	<u>(3,467,727)</u>	24,549,941

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in governmental funds.

Change in deferred revenue	281,822
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Bond and note proceeds and capital leases provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of bond and note principal and capital leases is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. This is the amount by which bonds and notes issued and capital lease financing exceeded repayments and costs of issuance.

Capital lease financing	(55,770)	
Accrued interest	(895,943)	
Capital lease payments	22,100	
Interest payments	622,491	
Principal payments	<u>3,056,246</u>	2,749,124

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Amortization of loss on bond refunding	(102,448)	
Amortization of issuance costs	(58,600)	
Amortization of bond discounts	(10,043)	
Amortization of bond premiums	29,421	
Change in long-term compensated absences	<u>(10,648)</u>	(152,318)

Internal service funds are used by management to charge the costs of certain activities to individual funds. The net income of the internal service funds is reported with governmental activities.

888,023

Change in Net Assets of Governmental Activities (pages 6-7) \$ 20,222,300

**CARSON CITY  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2007**

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		
Revenues:				
Taxes	\$ 11,796,000	\$ 11,833,200	\$ 12,492,864	\$ 659,664
Licenses and permits	6,240,500	6,240,500	6,183,388	(57,112)
Intergovernmental revenues	28,347,000	28,423,415	26,612,979	(1,810,436)
Charges for services	7,921,612	8,130,880	7,868,594	(262,286)
Fines and forfeits	878,000	878,000	825,900	(52,100)
Miscellaneous	945,000	1,293,551	1,564,918	271,367
Total Revenues	<u>56,128,112</u>	<u>56,799,546</u>	<u>55,548,643</u>	<u>(1,250,903)</u>
Expenditures:				
Current:				
General government	13,706,291	13,593,741	13,120,595	473,146
Public safety	23,866,462	24,079,190	23,786,322	292,868
Judicial	3,432,054	3,719,800	3,547,132	172,668
Public works	3,059,531	3,056,587	3,032,079	24,508
Health	1,347,447	1,539,529	1,492,098	47,431
Welfare	362,994	336,855	336,854	1
Culture and recreation	6,583,012	6,687,278	6,244,911	442,367
Community support	404,850	626,645	566,796	59,849
Economic opportunity	240,911	5,127,770	236,465	4,891,305
Total Expenditures	<u>53,003,552</u>	<u>58,767,395</u>	<u>52,363,252</u>	<u>6,404,143</u>
Excess (Deficiency) of Revenues over Expenditures	<u>3,124,560</u>	<u>(1,967,849)</u>	<u>3,185,391</u>	<u>5,153,240</u>
Other Financing Sources (Uses):				
Capital leases	-	56,068	55,770	(298)
Transfers in	210,000	291,677	461,219	169,542
Transfers out	(3,498,997)	(3,544,997)	(2,926,523)	618,474
Contingency	(500,000)	(663,359)	-	663,359
Total Other Financing Sources (Uses)	<u>(3,788,997)</u>	<u>(3,860,611)</u>	<u>(2,409,534)</u>	<u>1,451,077</u>
Net Change in Fund Balances	<u>(664,437)</u>	<u>(5,828,460)</u>	<u>775,857</u>	<u>6,604,317</u>
Fund Balances, July 1	<u>5,079,437</u>	<u>10,898,863</u>	<u>10,898,863</u>	<u>-</u>
Fund Balances, June 30	<u>\$ 4,415,000</u>	<u>\$ 5,070,403</u>	<u>\$ 11,674,720</u>	<u>\$ 6,604,317</u>

See accompanying notes.

**CARSON CITY  
QUALITY OF LIFE FUND  
STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2007**

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		
Revenues:				
Taxes	\$ 2,675,000	\$ 2,675,000	\$ 2,444,405	\$ (230,595)
Intergovernmental revenues	-	431,627	152,682	(278,945)
Charges for services	3,200	3,200	-	(3,200)
Miscellaneous	100,000	222,699	993,102	770,403
Total Revenues	<u>2,778,200</u>	<u>3,332,526</u>	<u>3,590,189</u>	<u>257,663</u>
Expenditures:				
Current:				
Culture and recreation	3,674,975	18,848,251	1,820,707	17,027,544
Excess (Deficiency) of Revenues over Expenditures	<u>(896,775)</u>	<u>(15,515,725)</u>	<u>1,769,482</u>	<u>17,285,207</u>
Other Financing Sources (Uses):				
Transfers out	<u>(1,214,347)</u>	<u>(1,214,347)</u>	<u>(1,158,889)</u>	<u>55,458</u>
Net Change in Fund Balances	(2,111,122)	(16,730,072)	610,593	17,340,665
Fund Balances, July 1	<u>2,559,087</u>	<u>17,178,037</u>	<u>17,178,037</u>	<u>-</u>
Fund Balances, June 30	<u>\$ 447,965</u>	<u>\$ 447,965</u>	<u>\$ 17,788,630</u>	<u>\$ 17,340,665</u>

See accompanying notes.

**CARSON CITY  
AIRPORT FUND  
STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2007**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL AMOUNTS</u>	<u>VARIANCE WITH FINAL BUDGET</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
Revenues:				
Intergovernmental revenues	\$ -	\$ 10,034,403	\$ 10,034,403	\$ -
Expenditures:				
Current:				
Airport	-	10,034,403	10,034,403	-
Excess (Deficiency) of Revenues over Expenditures	-	-	-	-
Fund Balances, July 1	-	-	-	-
Fund Balances, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes.

**CARSON CITY**  
**STATEMENT OF NET ASSETS**  
**PROPRIETARY FUNDS**  
**JUNE 30, 2007**  
**(PAGE 1 OF 2)**

BUSINESS-TYPE ACTIVITIES -

	<u>SEWER</u>	<u>WATER</u>
<b>ASSETS</b>		
Current assets (unrestricted):		
Cash and investments	\$ 3,903,201	\$ 14,157,759
Receivables:		
Accounts and contracts, net	361,239	774,895
Due from other governments	1,542,063	820,580
Inventories	-	282,367
Prepaid items	61	1,315
Total Current Assets (Unrestricted)	<u>5,806,564</u>	<u>16,036,916</u>
Current assets (restricted):		
Cash and investments	<u>111,560</u>	<u>61,610</u>
Total Current Assets	<u>5,918,124</u>	<u>16,098,526</u>
Noncurrent assets:		
Restricted cash and investments	<u>2,742,096</u>	<u>-</u>
Other assets	<u>66,145</u>	<u>276,491</u>
Capital assets:		
Land	757,704	446,506
Buildings	10,298,161	1,589,345
Improvements other than buildings	84,362,505	63,145,974
Machinery and equipment	3,619,788	1,917,252
Water rights	-	8,007,260
Construction in progress	<u>7,433,056</u>	<u>4,099,199</u>
	106,471,214	79,205,536
Less: Accumulated depreciation	<u>(39,687,382)</u>	<u>(23,372,028)</u>
Net Capital Assets	<u>66,783,832</u>	<u>55,833,508</u>
Total Noncurrent Assets	<u>69,592,073</u>	<u>56,109,999</u>
Total Assets	<u>75,510,197</u>	<u>72,208,525</u>

ENTERPRISE FUNDS		GOVERNMENTAL ACTIVITIES - INTERNAL SERVICE FUNDS
OTHER ENTERPRISE FUNDS	TOTAL ENTERPRISE FUNDS	
\$ 6,465,102	\$ 24,526,062	\$ 5,261,475
1,868,873	3,005,007	362,316
-	2,362,643	16,188
21,472	303,839	88,759
16,194	17,570	535,513
<u>8,371,641</u>	<u>30,215,121</u>	<u>6,264,251</u>
-	173,170	-
<u>8,371,641</u>	<u>30,388,291</u>	<u>6,264,251</u>
-	2,742,096	-
<u>116,483</u>	<u>459,119</u>	<u>-</u>
1,872,738	3,076,948	-
443,842	12,331,348	-
2,242,733	149,751,212	-
4,149,041	9,686,081	37,708
-	8,007,260	-
2,764,626	14,296,881	-
<u>11,472,980</u>	<u>197,149,730</u>	<u>37,708</u>
<u>(1,326,771)</u>	<u>(64,386,181)</u>	<u>(16,033)</u>
<u>10,146,209</u>	<u>132,763,549</u>	<u>21,675</u>
<u>10,262,692</u>	<u>135,964,764</u>	<u>21,675</u>
<u>18,634,333</u>	<u>166,353,055</u>	<u>6,285,926</u>

**CARSON CITY  
STATEMENT OF NET ASSETS  
PROPRIETARY FUNDS  
JUNE 30, 2007  
(PAGE 2 OF 2)**

BUSINESS-TYPE ACTIVITIES -

	<u>SEWER</u>	<u>WATER</u>
<b>LIABILITIES</b>		
Current liabilities payable from unrestricted assets:		
Accounts payable	\$ 220,690	\$ 524,126
Accrued salaries and benefits	34,216	46,899
Accrued interest	183,850	140,080
Due to other governments	841	153,465
Unearned revenue	-	-
Other current liabilities	-	-
Current portion:		
Commitments payable	-	15,305
General obligation bonds and notes payable	1,287,471	1,665,000
Total Current Liabilities Payable from Unrestricted Assets	1,727,068	2,544,875
Current liabilities payable from restricted assets:		
Construction contracts, retained percent	102,372	46,847
Connection deposits	9,188	14,763
Total Current Liabilities Payable from Restricted Assets	111,560	61,610
Total Current Liabilities	1,838,628	2,606,485
Noncurrent liabilities:		
Accrued compensated absences	158,502	136,045
Other liabilities	-	2,522
Closure / post closure care costs	-	-
General obligation bonds and notes payable	15,423,409	33,215,475
Total Noncurrent Liabilities	15,581,911	33,354,042
Total Liabilities	17,420,539	35,960,527
<b>NET ASSETS</b>		
Invested in capital assets, net of related debt	49,836,567	28,719,365
Restricted for emergency replacement	2,742,096	-
Unrestricted	5,510,995	7,528,633
Total Net Assets	\$ 58,089,658	\$ 36,247,998

Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.

Net assets of business - type activities

ENTERPRISE FUNDS		GOVERNMENTAL ACTIVITIES - INTERNAL SERVICE FUNDS
OTHER ENTERPRISE FUNDS	TOTAL ENTERPRISE FUNDS	
\$ 800,382	\$ 1,545,198	\$ 673,367
82,614	163,729	17,936
18,062	341,992	-
10,966	165,272	-
273,360	273,360	547
-	-	595,364
-	15,305	-
370,000	3,322,471	-
<u>1,555,384</u>	<u>5,827,327</u>	<u>1,287,214</u>
-	149,219	-
-	23,951	-
-	173,170	-
<u>1,555,384</u>	<u>6,000,497</u>	<u>1,287,214</u>
278,211	572,758	129,467
-	2,522	62,700
2,518,316	2,518,316	-
5,388,386	54,027,270	-
<u>8,184,913</u>	<u>57,120,866</u>	<u>192,167</u>
<u>9,740,297</u>	<u>63,121,363</u>	<u>1,479,381</u>
5,567,928	84,123,860	21,675
-	2,742,096	-
3,326,108	16,365,736	4,784,870
<u>\$ 8,894,036</u>	<u>103,231,692</u>	<u>\$ 4,806,545</u>
	<u>(196,530)</u>	
	<u>\$ 103,035,162</u>	

See accompanying notes.

**CARSON CITY  
STATEMENT OF REVENUES, EXPENSES,  
AND CHANGES IN NET ASSETS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2007**

	BUSINESS-TYPE ACTIVITIES -	
	SEWER	WATER
Operating Revenues:		
Charges for services	\$ 5,065,655	\$ 7,579,552
Operating Expenses:		
Salaries and wages	1,134,658	1,290,879
Employee benefits	395,648	475,318
Services and supplies	2,927,216	4,291,395
Depreciation	2,499,322	1,871,094
Total Operating Expenses	6,956,844	7,928,686
Operating Income (Loss)	(1,891,189)	(349,134)
Nonoperating Revenues (Expenses):		
Investment income	434,373	506,216
Intergovernmental revenues	1,541,965	788,036
Miscellaneous	18,759	13,656
Interest expense	(692,270)	(1,105,130)
Gain (loss) on sales of capital assets	(139,220)	(118,967)
Arbitrage rebate	-	(2,522)
Bond issuance costs	(4,878)	(19,129)
Total Nonoperating Revenues (Expenses)	1,158,729	62,160
Income (Loss) Before Contributions and Transfers	(732,460)	(286,974)
Capital Contributions:		
Capital assets	-	11,750
Developers	583,092	851,107
Connection fees	1,545,814	1,140,483
Total Capital Contributions	2,128,906	2,003,340
Transfers In	-	-
Transfers Out	-	-
Total Transfers	-	-
Change in Net Assets	1,396,446	1,716,366
Net Assets, July 1	56,693,212	34,531,632
Net Assets, June 30	\$ 58,089,658	\$ 36,247,998
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.		
Change in net assets of business - type activities		

ENTERPRISE FUNDS		GOVERNMENTAL ACTIVITIES - INTERNAL SERVICE FUNDS
OTHER ENTERPRISE FUNDS	TOTAL ENTERPRISE FUNDS	
\$ 9,745,016	\$ 22,390,223	\$ 11,759,540
2,566,666	4,992,203	611,505
1,198,172	2,069,138	197,257
3,860,706	11,079,317	10,373,948
365,230	4,735,646	3,771
7,990,774	22,876,304	11,186,481
1,754,242	(486,081)	573,059
379,224	1,319,813	258,874
-	2,330,001	-
69,950	102,365	52,528
(226,346)	(2,023,746)	-
490	(257,697)	154,107
-	(2,522)	-
(6,950)	(30,957)	-
216,368	1,437,257	465,509
1,970,610	951,176	1,038,568
644,537	656,287	-
-	1,434,199	-
-	2,686,297	-
644,537	4,776,783	-
188,200	188,200	-
(100,000)	(100,000)	-
88,200	88,200	-
2,703,347	5,816,159	1,038,568
6,190,689		3,767,977
\$ 8,894,036		\$ 4,806,545
	150,545	
	\$ 5,966,704	

See accompanying notes.

**CARSON CITY  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2007  
(PAGE 1 OF 2)**

	BUSINESS-TYPE ACTIVITIES -	
	SEWER	WATER
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received for services	\$ 5,863,692	\$ 7,432,643
Cash payments for personnel costs	(1,536,517)	(1,789,883)
Cash payments for services and supplies	(2,973,084)	(4,146,005)
Miscellaneous cash received	18,759	13,656
	1,372,850	1,510,411
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Transfer from other funds	-	-
Transfer to other funds	-	-
	-	-
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Proceeds from capital debt	-	12,394,100
Proceeds from sales of capital assets	-	-
Connection fees	1,545,817	1,140,489
Acquisition of capital assets	(4,378,167)	(2,796,035)
Principal paid on capital debt	(1,232,544)	(4,723,850)
Interest paid on capital debt	(713,902)	(1,155,847)
Bond issuance costs	(437)	(56,323)
Subsidy from grant	1,541,965	590,169
	(3,237,268)	5,392,703
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Investment income	434,373	506,216
	434,373	506,216
Net Increase (Decrease) in Cash and Cash Equivalents	(1,430,045)	7,409,330
Cash and Cash Equivalents, July 1	8,186,902	6,810,039
Cash and Cash Equivalents, June 30	\$ 6,756,857	\$ 14,219,369
Represented by:		
Current Assets:		
Cash and investments (unrestricted)	\$ 3,903,201	\$ 14,157,759
Cash and investments (restricted)	111,560	61,610
Noncurrent assets:		
Cash and investments (restricted)	2,742,096	-
	\$ 6,756,857	\$ 14,219,369

ENTERPRISE FUNDS		GOVERNMENTAL ACTIVITIES - INTERNAL SERVICE FUNDS
OTHER ENTERPRISE FUNDS	TOTAL ENTERPRISE FUNDS	
\$ 9,514,076	\$ 22,810,411	\$ 11,168,710
(3,779,714)	(7,106,114)	(803,022)
(3,713,694)	(10,832,783)	(10,694,512)
69,951	102,366	52,528
2,090,619	4,973,880	(276,296)
188,200	188,200	-
(100,000)	(100,000)	-
88,200	88,200	-
-	12,394,100	-
-	-	154,107
-	2,686,306	-
(3,820,018)	(10,994,220)	-
(350,000)	(6,306,394)	-
(228,636)	(2,098,385)	-
(479)	(57,239)	-
-	2,132,134	-
(4,399,133)	(2,243,698)	154,107
379,223	1,319,812	258,874
(1,841,091)	4,138,194	136,685
8,306,193	23,303,134	5,124,790
<u>\$ 6,465,102</u>	<u>\$ 27,441,328</u>	<u>\$ 5,261,475</u>
\$ 6,465,102	\$ 24,526,062	\$ 5,261,475
-	173,170	-
-	2,742,096	-
<u>\$ 6,465,102</u>	<u>\$ 27,441,328</u>	<u>\$ 5,261,475</u>

**CARSON CITY  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2007  
(PAGE 2 OF 2)**

BUSINESS-TYPE ACTIVITIES -

	<u>SEWER</u>	<u>WATER</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Operating income (loss)	\$ (1,891,189)	\$ (349,134)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation and amortization expense	2,499,322	1,871,094
Provision for uncollectible accounts	-	-
Nonoperating revenues	18,759	13,656
Changes in assets and liabilities:		
(Increase) decrease in:		
Accounts receivable	(51,713)	(163,100)
Due from other governments	850,575	16,191
Inventories	-	32,342
Prepaid items	11,515	60
Increase (decrease) in:		
Accounts payable	(33,843)	50,677
Accrued salaries and benefits	(4,300)	(741)
Due to other governments	-	62,286
Due to other funds	(23,540)	-
Unearned revenue	-	-
Connection deposits	(825)	25
Accrued compensated absences	(1,911)	(22,945)
Other liabilities	-	-
Closure/post closure care costs	-	-
Total Adjustments	<u>3,264,039</u>	<u>1,859,545</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 1,372,850</u>	<u>\$ 1,510,411</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:		
Purchase of capital assets on account	\$ 134,013	\$ 101,995
Retainage payable on construction of capital assets	102,372	46,847
Contributed capital assets	-	11,750

ENTERPRISE FUNDS		GOVERNMENTAL ACTIVITIES - INTERNAL SERVICE FUNDS
OTHER ENTERPRISE FUNDS	TOTAL ENTERPRISE FUNDS	
\$ 1,754,242	\$ (486,081)	\$ 573,059
365,230	4,735,646	3,771
658,328	658,328	-
69,951	102,366	52,528
(907,278)	(1,122,091)	(139,644)
-	866,766	40,755
(14,756)	17,586	(32,250)
(15,341)	(3,766)	(518,042)
171,873	188,707	(224,707)
(2,695)	(7,736)	(1,187)
(1,537)	60,749	26,101
(150,000)	(173,540)	-
18,010	18,010	-
-	(800)	-
(12,181)	(37,037)	6,927
-	-	(63,607)
156,773	156,773	-
336,377	5,459,961	(849,355)
\$ 2,090,619	\$ 4,973,880	\$ (276,296)
\$ 108,190	\$ 344,198	\$ -
-	149,219	-
644,537	656,287	-

See accompanying notes.

**CARSON CITY**  
**STATEMENT OF FIDUCIARY NET ASSETS**  
**FIDUCIARY FUNDS**  
**JUNE 30, 2007**

	INVESTMENT TRUST FUND	AGENCY FUNDS
<b>ASSETS</b>		
Cash and investments	\$ 3,639,179	\$ 13,456,634
Accounts receivable	-	60
Taxes receivable, delinquent	-	164,691
Due from other governments	-	277,655
Prepaid items	-	250
	3,639,179	13,899,290
<b>LIABILITIES</b>		
Accounts payable	-	581,257
Due to other governments	-	13,310,353
Other liabilities	-	7,680
	-	13,899,290
<b>NET ASSETS</b>		
Held in trust for pool participants	\$ 3,639,179	\$ -

See accompanying notes.

**CARSON CITY**  
**STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS**  
**FIDUCIARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2007**

	INVESTMENT TRUST FUND
ADDITIONS	
Investment income	\$ 274,137
Capital share transactions:	
Shares sold	5,845,871
Total Additions	6,120,008
DEDUCTIONS	
Capital share transactions:	
Shares redeemed	5,321,606
Change in Net Assets	798,402
Net Assets, July 1	2,840,777
Net Assets, June 30	\$ 3,639,179

See accompanying notes.

**CARSON CITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2007**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. REPORTING ENTITY**

Carson City is a consolidated municipality governed by an elected mayor and a four-member board, which comprise the Board of Supervisors. The accompanying financial statements present the City and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the City's operations, and, therefore, data from these units are combined with data of the primary government. Each discretely presented component unit, on the other hand, is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government. Each blended and discretely presented component unit has a June 30 year end.

**BLENDED COMPONENT UNIT.** The Redevelopment Authority is governed by a board comprised of the City's elected Board of Supervisors. The ad valorem tax rates and bond issuance authorizations are approved by the Redevelopment Authority and the Board of Supervisors and the legal liability for the general obligation portion of the Authority's debt remains with the City. The financial statements of the Authority are reported as special revenue, debt service and capital projects funds.

**DISCRETELY PRESENTED COMPONENT UNITS.** The Carson City Convention and Visitors' Bureau is responsible for the promotion of tourism in Carson City. The members of the Bureau's governing board are appointed by the Board of Supervisors. The Bureau is fiscally dependent upon the City since the Board of Supervisors sets the room tax rates and must approve any general obligation debt issuances. The Convention and Visitors' Bureau is presented as a governmental fund type.

The Carson City Airport Authority is responsible for the operations of the Carson City Airport. The members of the Authority are appointed by the Board of Supervisors. The Authority is fiscally dependent upon the City since the Board of Supervisors is the recognized grantee for any Federal Aviation Administration grants awarded on behalf of the Authority and any property tax levies must be approved by the Board of Supervisors. The Authority is presented as a governmental fund type.

Complete financial statements for each of the discretely presented component units may be obtained at the entity's administrative offices.

Carson City Convention and Visitors' Bureau  
1900 South Carson Street  
Carson City, Nevada

Carson City Airport Authority  
2600 East Graves Lane, Suite 6  
Carson City, Nevada

**B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

**Government-Wide Financial Statements** – The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all the nonfiduciary activities of the primary government and its component units. 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. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

**CARSON CITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2007**

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *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 or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

**Fund Financial Statements** – 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 enterprise funds are reported as separate columns in the fund financial statements.

**C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION**

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.

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. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. Carson City considers all revenues available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, consolidated taxes, franchise fees, motor vehicle fuel taxes, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period.

Shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria are met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met. All other revenue items are considered to be measurable and available only when cash is received by the City.

The government reports the following major governmental funds:

The *General Fund* is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *Quality of Life Fund* accounts for the voter approved one-quarter percent sales tax for the purpose of acquiring open space and the construction and maintenance of park and trail facilities.

**CARSON CITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2007**

The *Airport Fund* is used to account for Federal Aviation Administration grants awarded to the City.

The government reports the following major proprietary funds:

The *Sewer Fund* accounts for the activities of the sewer services provided to the residents of Carson City.

The *Water Fund* accounts for the activities of the water services provided to the residents of Carson City.

Additionally, the government reports the following fund types:

*Internal service funds* account for group medical insurance, workers' compensation, liability and property insurance, and fleet management services provided to other departments or agencies of the government, or to other governments, on a cost reimbursement basis.

The *Investment Trust Fund* accounts for the external portion of the investment pool administered by the City.

*Agency funds* are used to account for assets held by the City in a purely custodial capacity for other organizations or governments.

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

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are interfund services provided and used and other charges between the City's business-type activities and various other functions of the government. 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 a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds and internal service funds are charges to customers for services. Operating expenses for enterprise funds and internal service funds include salaries and wages, employee benefits, services and supplies, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

**D. ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY**

**1. Deposits and Investments**

For purposes of the statement of cash flows presented for proprietary funds, cash equivalents are defined as short-term, highly liquid investments, generally with original maturities of three months or less. Since all cash in proprietary funds is pooled with the rest of the City's cash and is available upon demand, all cash and investments in those funds are considered cash equivalents. The City considers cash purchases and sales of the following types of investments

**CARSON CITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2007**

as part of its cash management program rather than part of its operating, capital, investing, and financing activities.

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

- a) United States bonds and debentures maturing within ten (10) years from the date of purchase.
- b) Certain farm loan bonds.
- c) Bills and notes of the United States Treasury and obligations of an agency or instrumentality of the United States of America or a corporation sponsored by the government maturing within ten (10) years from the date of purchase.
- d) Negotiable and non-negotiable certificates of deposit from commercial banks and insured credit unions or savings and loan associations.
- e) Certain securities issued by local governments of the State of Nevada.
- f) Other securities expressly provided by other Statutes, including repurchase agreements.
- g) State of Nevada Local Government Investment Pool.
- h) Certain bankers' acceptances, commercial paper issued by a corporation organized and operating in the United States, and money market mutual funds.

Investments are reported at fair value.

**2. Investment Pool Investment Income**

Interest income is recorded on the accrual basis in the investment pool. Net realized gains (losses) on investments are the sum of differences between the cost (if purchased during the fiscal year) or the fair value of the investment at the beginning of the year, and the net selling price received for investments that are sold or matured.

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.

**3. Receivables and Payables**

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances." Operating appropriations and subsidies are accounted for as transfers in the funds involved.

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Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

All funds employ the allowance method of recognizing bad debts. Management does not anticipate any material collection losses with respect to its accounts receivable balances in any fund, except the Ambulance Fund; and, therefore, the allowance in those funds is zero.

The Ambulance Fund accounts receivable are presented net of the allowance for uncollectible accounts. The allowance for uncollectible accounts for the year ended June 30, 2007 was \$2,574,702.

Property taxes are levied as of July 1 on property values assessed the previous December. Taxes may be paid in four installments on the third Monday in August and the first Mondays in October, January, and March. Penalties are assessed if a taxpayer fails to pay an installment within ten days of the installment due date. On the first Monday in June, if the taxes remain unpaid, a Treasurer's Trustee Certificate is issued conveying the property to the Treasurer as Trustee, constituting a lien for back taxes and accumulated delinquency charges. A two year redemption period begins after the certificate placing such property in trust is issued. 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. For property with taxes remaining unpaid at the end of the two year redemption period, Carson City may take a deed to the property and proceed to a tax sale. 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 losses in respect to the remaining balances.

Accounts receivable for the discretely presented component units do not reflect an allowance for uncollectible accounts. The managements of the respective entities do not anticipate any material collection losses with respect to accounts receivable balances.

**4. Inventories and Prepaid Items**

The City's policy is to value inventories in Governmental Funds at cost using the average cost method, while Enterprise Fund inventories are valued at cost using the weighted average method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

**5. Restricted Assets**

Certain assets of Carson City's General Fund and Commissary Special Revenue Fund are classified as restricted assets because their use is restricted as the amounts are held for others.

Amounts in the Sewer Enterprise Fund are restricted for plant expansion and emergency replacement in accordance with grant agreements. In addition, amounts for connection deposits and construction contract retentions in the Sewer and Water Enterprise Funds are restricted given contractual requirements.

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**6. Capital Assets**

Capital assets, which include land, construction in progress, buildings, improvements, machinery and equipment and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated useful life of at least one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	40-50
Improvements other than buildings	30-45
Machinery and equipment	5-10
Infrastructure	15-50

**7. Long-Term Obligations**

In the government-wide financial statements and the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method. For current and advanced refundings resulting in the defeasance of debt, the difference between the reacquisition price and the net carrying amount of the old debt is deferred and amortized as a component of interest expense using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. The City pays 33-1/3 percent of a portion of the employee's unused sick leave at time of employee termination if provided for in the applicable Employee Association contract. Vacation pay and sick leave payoff are accrued when incurred in the government-wide and

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proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

**8. Connection Fees**

It is the policy of the Board of Supervisors that new users hooking up to the water and sewer systems pay a "pro rata" share of the cost of the existing systems as calculated on the basis of "Equivalent Residential Customers." To this end, a connection fee is charged for new hookups to the water and sewer systems and the amounts are reported as capital contributions.

**9. Equity Classifications**

In the government-wide financial 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 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 their use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; (2) law through constitutional provisions or enabling legislation.
- Unrestricted Net Assets – All other net assets that do not meet the definition of "invested in capital assets, net of related debt" or "restricted."

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent the estimated opening fund balance in the City's 2007-2008 final budget. The undesignated fund balance represents the amount by which the actual ending fund balance exceeded the reservations and designations.

**10. Comparative Data**

Comparative total data for the prior year have been presented only for individual funds in the fund financial statements in order to provide an understanding of the changes in financial position and operations for the funds.

**NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**A. BUDGETARY INFORMATION**

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental and proprietary funds. All annual appropriations lapse at fiscal year end.

On or before mid-February of each year, all agencies of the City must submit requests for appropriations to the Internal Finance Committee comprised of the City Manager, Finance Director, Deputy Finance Director and Treasurer in order that a budget may be prepared. Before April 15th, a tentative budget is submitted to the Board of Supervisors, the Redevelopment Authority, and the State of Nevada. The City then holds a series of public hearings and a final budget must be prepared and adopted no later than June 1st.

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The appropriated budget is prepared by fund, function and department. The City's department heads may request transfers of appropriations within the department's budget categories. Transfers of appropriations between department categories or functions within a fund may be made with the City Manager's approval. Transfers of appropriations between funds, from contingency accounts, or increases in budget appropriations require the approval of the Board of Supervisors or Redevelopment Authority. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the function level for governmental funds and the sum of operating and nonoperating expenses in the proprietary funds. There are no budgetary restrictions in the debt service funds regarding expenditures related to payments of principal and interest on long-term debt. The Board made several supplemental budgetary appropriations throughout the year.

**B. EXCESS OF EXPENDITURES OVER APPROPRIATIONS**

The City conformed to all significant statutory constraints on its financial administration during the year with the following possible exceptions:

- Actual expenditures exceeded appropriations in the Welfare Function of the Supplemental Indigent Special Revenue Fund by \$88,168. This is an apparent violation of NRS 354.626.
- Actual expenditures exceeded appropriations in the Redevelopment Debt Service Fund by \$1,649. These overexpenditures were funded by available fund balance and are not apparent violations of NRS.

**C. SHORTFALL IN RESERVED AND UNRESERVED/DESIGNATED FUND BALANCES**

The Redevelopment Administration and V & T Special Infrastructure Special Revenue Funds' fund balances were insufficient to cover the budgeted July 1, 2007 opening fund balance by \$2,892 and \$65,618, respectively. The Redevelopment Debt Service Fund's fund balance was insufficient to cover the budgeted July 1, 2007 opening fund balance by \$13,769.

**NOTE 3 - DETAILED NOTES ON ALL FUNDS**

**A. DEPOSITS AND INVESTMENTS**

At year end, the City's carrying amount of deposits was \$4,266,210 and the bank balance was \$7,849,528. All of the bank balance was covered by FDIC, SIPC, or collateralized by the Office of the State Treasurer / Nevada Collateral Pool.

The carrying amount of deposits for discretely presented component units was \$914,882 and the bank balance was \$961,990. All of the bank balance was covered by federal depository insurance or by collateral held by the component unit's agent in the component unit's name, with the exception of \$614,667 which was uninsured and uncollateralized.

The City has a formal investment policy to establish guidelines for the prudent investment of City funds. Funds of the City will be invested in compliance with the provisions of Nevada Revised Statutes, Chapters 355.167 through 355.200, and other applicable statutes. Allowable investments are described in Note 1.D.1.

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At year end, the City had the following investments and maturities:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-5	6-10	More Than 10
U.S. Treasuries	\$33,315,329	\$24,571,150	\$ 8,744,179	\$ -	\$ -
U.S. Agencies	26,975,632	3,317,538	21,104,994	1,979,239	573,861
Corporate Bonds	8,467,852	166,511	5,612,498	299,471	2,389,372
Money Market Mutual Fund	17,315,887	17,315,887	-	-	-
State of Nevada: Local Government Investment Pool	13,674,618	13,674,618	-	-	-
<b>Total</b>	<b>\$99,749,318</b>	<b>\$59,045,704</b>	<b>\$35,461,671</b>	<b>\$2,278,710</b>	<b>\$2,963,233</b>

*Interest Rate Risk.* As a means of limiting its exposure to fair value losses arising from rising interest rates, the City's investment policy states that portfolio maturities must be structured to avoid the forced sale of securities in any but the most severe circumstances. To this end, portfolio management procedures will provide for the projection of a "minimum liquidity requirement" for the City's operating fund.

The following procedures will be applied:

- **Minimum Liquidity Requirement:** This is defined as the total cash flow needed to pay City obligations for a period of four weeks. All securities to be included in the "minimum liquidity requirement" must mature within 28 days.
- **Intermediate Market Investment:** That portion of City funds remaining after deletion of the "minimum liquidity requirement" may be invested in the intermediate market, defined herein as instruments maturing between zero and ten years.
- **No U.S. bonds, debentures, bills, notes, agency obligations or securities purchased may have a maturity date of more than 10 years from the date of purchase with the exception of investments with the State of Nevada - NVEST.**

*Credit Risk.* Funds invested with the State of Nevada Treasurer in the Local Government Investment Pool or NVEST portfolios may be invested as permitted by Nevada Revised Statutes. City policy does not further restrict these investments. As of June 30, 2007, the City's investments in U.S Agencies were rated AAA by Standard and Poor's and Aaa by Moody's Investors Service. The City's investment in the State of Nevada Local Government Investment Pool is an unrated external investment pool with an average duration of 72 days. Of the City's investments in corporate bonds, \$4,809,525 was rated AAA, \$1,303,930 was rated AA, \$1,196,981 was rated A and \$1,157,416 was unrated.

*Concentration of Credit Risk.* The City's investment policy states that no more than 20% of the total book value of the portfolio will be invested in a single security type with the exception of U.S. Treasury and government agency securities.

At June 30, 2007 the following investments exceeded 5% of the City's total:

Federal Home Loan Bank	\$13,563,236	13.60%
Federal National Mortgage Association	5,877,225	5.89%
Federal Home Loan Mortgage Corporation	5,697,567	5.71%

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At year end, the component units' investments and maturities were as follows:

	<u>Fair Value</u>	<u>Investment Maturity Less Than 1 Year</u>
State of Nevada Local Government		
Investment Pool	<u>\$1,343,157</u>	<u>\$1,343,157</u>

A reconciliation of cash and investments as shown on the Statement of Net Assets for the primary government follows:

Cash on hand	\$ 6,515
Carrying amount of deposits	4,266,210
Carrying amount of investments	<u>99,749,318</u>
	104,022,043
Less: Carrying amount of deposits held for component unit	<u>(2,940)</u>
	<u>\$104,019,103</u>
Cash and investments – governmental activities	\$ 58,478,057
Cash and investments – business-type activities	24,526,062
Cash and investments – investment trust fund	3,639,179
Cash and investments – agency funds	13,456,634
Cash and investments – restricted	<u>3,919,171</u>
	<u>\$104,019,103</u>

The State of Nevada Local Government Investment Pool is an external pool administered by the State Treasurer, with oversight by the State of Nevada Board of Finance.

Carson City administers an external investment pool combining Carson City money with involuntary investments from the Carson City School District. Each participant's share is equal to their original investment plus or minus monthly allocation of interest income and realized and unrealized gains and losses. The fair value of Carson City's investments is determined annually. The determination of realized gains and losses is independent of the determination of the net change in the fair value of investments and realized gains and losses on investments that were held by the governmental entity during a previous accounting period(s) but sold during the current period were used to compute the change in the fair value of investments for the previous year(s) as well as the current year. The participant's share and redemption value are calculated using the same method. The Board of Supervisors has overall responsibility for investment of City funds, including the Investment Trust Fund, in accordance with NRS 355.175. The Carson City Chief Investment Official is the Carson City Treasurer, under authority delegated by the Board of Supervisors. The City has not provided or obtained any legally binding guarantees during the period to support the value of shares. The external investment pool is not registered with the SEC as an investment company.

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Summary of investments held in the external investment pool at June 30, 2007:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Principal Amount/ Number of Shares</u>	<u>Interest Rate</u>	<u>Maturity Dates</u>
U.S. Treasuries	\$33,315,329	\$33,945,000	2.625-4.875%	02/15/2008- 04/30/2012
U.S. Agencies	26,975,632	27,272,867	3.15-6.956%	7/01/2007- 09/20/2025
Corporate Bonds	8,467,852	8,522,714	3.00-9.75%	06/01/2008- 03/12/2044
Money Market Mutual Fund	17,315,887	17,315,887	5.18%	07/01/2007
State of Nevada Local Government Investment Pool	<u>13,674,618</u>	13,674,618 Shares	Variable	7/1/2007
Total Pooled Investments	<u>\$99,749,318</u>			

**External Investment Pool financial statements:**

**Statement of Net Assets, June 30, 2007**

Assets:

Investments in securities:	
U.S. Treasuries	\$ 33,315,329
U.S. Agencies	26,975,632
Corporate Bonds	8,467,852
Money Market Mutual Fund	17,315,887
State of Nevada Local Government Investment Pool	13,674,618
Interest receivable	<u>669,356</u>
Total Assets	<u>\$100,418,674</u>

Net assets consist of:

Internal participants	\$ 96,779,495
External participants	<u>3,639,179</u>

Total Net Assets Held in Trust for Pool Participants (Participant units outstanding, \$1.00/par)	<u>\$100,418,674</u>
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**Statement of Changes in Net Assets, Year Ended June 30, 2007**

Additions:	
Investment income	\$ 5,639,234
Capital share transactions	<u>(13,116,068)</u>
Total Decrease	(7,476,834)
Net assets:	
Beginning of Year	<u>107,895,508</u>
End of Year	<u>\$100,418,674</u>

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**B. CAPITAL ASSETS**

Capital asset activity of the primary government for the year ended June 30, 2007 was as follows:

	Restated Balance <u>July 1, 2006</u>	<u>Increases</u>	<u>Decreases</u>	Balance <u>June 30, 2007</u>
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 18,228,791	\$ 10,979,611	\$ -	\$ 29,208,402
Construction in progress – infrastructure	1,300,249	1,563,896	(12,995)	2,851,150
Construction in progress	<u>5,984,619</u>	<u>8,604,238</u>	<u>(3,444,184)</u>	<u>11,144,673</u>
Total Capital Assets not being Depreciated	<u>25,513,659</u>	<u>21,147,745</u>	<u>(3,457,179)</u>	<u>43,204,225</u>
Capital assets, being depreciated:				
Buildings	59,917,851	123,305	(439,155)	59,602,001
Improvements other than buildings	23,359,631	871,070	(7,131)	24,223,570
Machinery and equipment	20,236,378	3,322,089	(1,252,015)	22,306,452
Infrastructure	<u>64,158,561</u>	<u>7,082,462</u>	<u>(293,591)</u>	<u>70,947,432</u>
Total Capital Assets being Depreciated	<u>167,672,421</u>	<u>11,398,926</u>	<u>(1,991,892)</u>	<u>177,079,455</u>
Less accumulated depreciation for:				
Buildings	(11,199,337)	(1,197,336)	58,791	(12,337,882)
Improvements other than buildings	(10,305,362)	(645,353)	7,130	(10,943,585)
Machinery and equipment	(11,017,309)	(1,382,324)	808,721	(11,590,912)
Infrastructure	<u>(12,923,620)</u>	<u>(246,485)</u>	<u>45,427</u>	<u>(13,124,678)</u>
Total Accumulated Depreciation	<u>(45,445,628)</u>	<u>(3,471,498)</u>	<u>920,069</u>	<u>(47,997,057)</u>
Total Capital Assets being Depreciated, Net	<u>122,226,793</u>	<u>7,927,428</u>	<u>(1,071,823)</u>	<u>129,082,398</u>
Governmental Activities Capital Assets, Net	<u>\$147,740,452</u>	<u>\$29,075,173</u>	<u>\$(4,529,002)</u>	<u>\$172,286,623</u>
<b>Business-type activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 3,076,948	\$ -	\$ -	\$ 3,076,948
Construction in progress	15,642,654	7,084,223	(8,429,996)	14,296,881
Water rights	<u>8,007,260</u>	<u>-</u>	<u>-</u>	<u>8,007,260</u>
Total Capital Assets not being Depreciated	<u>26,726,862</u>	<u>7,084,223</u>	<u>(8,429,996)</u>	<u>25,381,089</u>
Capital assets, being depreciated:				
Buildings	12,327,667	3,681	-	12,331,348
Improvements other than buildings	137,754,239	12,480,945	(483,972)	149,751,212
Machinery and equipment	<u>8,200,481</u>	<u>1,646,786</u>	<u>(161,186)</u>	<u>9,686,081</u>
Total Capital Assets being Depreciated	<u>158,282,387</u>	<u>14,131,412</u>	<u>(645,158)</u>	<u>171,768,641</u>

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	Balance <u>July 1, 2006</u>	<u>Increases</u>	<u>Decreases</u>	Balance <u>June 30, 2007</u>
Less accumulated depreciation for:				
Buildings	\$ (2,512,040)	\$ (254,253)	\$ (1,767)	\$ (2,768,060)
Improvements other than buildings	(52,785,407)	(3,850,920)	202,406	(56,433,921)
Machinery and equipment	<u>(4,726,866)</u>	<u>(630,473)</u>	<u>173,139</u>	<u>(5,184,200)</u>
Total Accumulated Depreciation	<u>(60,024,313)</u>	<u>(4,735,646)</u>	<u>373,778</u>	<u>(64,386,181)</u>
Total Capital Assets being Depreciated, Net	<u>98,258,074</u>	<u>9,395,766</u>	<u>(271,380)</u>	<u>107,382,460</u>
Business-type activities capital assets, net	<u>\$124,984,936</u>	<u>\$ 16,479,989</u>	<u>\$(8,701,376)</u>	<u>\$132,763,549</u>

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:	
General government	\$ 152,407
Judicial	10,043
Public safety	1,468,923
Public works	441,324
Airport	46,735
Health	127,491
Culture and recreation	1,220,804
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	<u>3,771</u>
Total Depreciation Expense – Governmental Activities	<u>\$3,471,498</u>
Business-type activities:	
Carson City Sanitary Landfill	\$ 168,563
Ambulance	87,621
Sewer	2,499,322
Water	1,871,094
Cemetery	21,932
Storm Drainage	67,297
Building Permits	<u>19,817</u>
Total Depreciation Expense – Business-Type Activities	<u>\$4,735,646</u>

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**Construction commitments**

The City was committed to construction projects in various funds, as of June 30, 2007, as follows:

<u>Project Name</u> <u>Contract Number</u> <u>Vendor Name</u>	<u>Bid Award</u>	<u>Value of Work Completed as of June 30, 2007</u>	<u>Remaining Commitment as of June 30, 2007</u>
<u>Sewer Funds:</u>			
Freeway Utilities Relocation, Phase 2A #2006-074 Rapid Construction	\$ 1,740,087	\$1,529,398	\$ 210,689
Freeway Utilities Relocation, Phase 2A #2006-170 Marv McQueary Excavation	5,244,899	-	5,244,899
<u>Regional Transportation Fund:</u>			
Saliman Road Construction #2006-147 Sierra Nevada Construction	732,951	576,413	156,538
2007 Street Maint Program #2006-148 Sierra Nevada Construction	756,497	702,437	54,060
<u>Quality of Life Fund:</u>			
Bob Boldrick Theater #2006-111 Building Solutions	311,115	42,480	268,635
<u>Capital Facilities Fund:</u>			
Sheriff's Administration Building Various Various	9,433,614	5,735,962	3,697,652
Total	<u>\$18,219,163</u>	<u>\$8,586,690</u>	<u>\$9,632,473</u>

Other Commitments:

On April 1, 1997, the City entered into an agreement with the State of Nevada, Department of Transportation (Highway Agreement No. R159-97-060) to help construct the Carson City Bypass. The City is funding this obligation through a \$.05 increase in the county motor vehicle fuel tax. The City intends to contribute a total of \$19 million plus interest. As of June 30, 2007 the City has contributed \$14,196,189.

In August 2004, the City and the State of Nevada, Department of Transportation (NDOT) added Amendment 1 to the above Agreement. The amendment provides for the following:

- The City shall pay to NDOT an amount of \$15,000,000, with payments beginning upon completion of the funding obligation for Phase I of the freeway as prescribed in Highway Agreement No. R159-97-060 and amended herein, estimated to start in 2011 and finish in 2026. For Phase 2, the City shall pay

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the tax based on a \$.03 levy in the county motor vehicle fuel tax. The amounts received from the additional \$.02 levy will be used to maintain Carson Street and Fairview Drive as described below.

- It is further agreed that the City will assume ownership and maintenance responsibility for Carson Street from approximately Arrowhead Drive in the north to the intersection of the Carson City Freeway at the Spooner Intersection to the south, upon construction completion to the point when vehicles are using Phase 2.
- The City also agrees to construct Fairview Drive to a minimum of four through lanes with turn lanes, from the terminus of Phase 2A at Fairview Drive to US 395/Carson Street, and to be responsible for maintenance of Fairview Drive.
- NDOT agrees to defer payment by the City of the current \$.05 tax as defined in Highway Agreement No. R159-97-060 from the period beginning July 1, 2005 through June 30, 2008, to allow the City to utilize the payments for the Fairview Drive improvements.

**Discretely presented component units**

Activity for the Airport Authority for the year ended June 30, 2007 was as follows:

	<u>Balance</u> <u>July 1, 2006</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>June 30, 2007</u>
Capital assets not being depreciated:				
Land	\$ 509,696	\$ -	\$(363,154)	\$ 146,542
Capital assets being depreciated:				
Machinery and equipment	531,402	-	-	531,402
Less accumulated depreciation for:				
Machinery and equipment	<u>(465,374)</u>	<u>(1,941)</u>	<u>-</u>	<u>(467,315)</u>
Total Capital Assets being Depreciated, Net	<u>66,028</u>	<u>(1,941)</u>	<u>-</u>	<u>64,087</u>
Airport Authority Capital Assets, Net	<u>\$ 575,724</u>	<u>\$(1,941)</u>	<u>\$(363,154)</u>	<u>\$ 210,629</u>

Activity for the Convention and Visitors' Bureau for the year ended June 30, 2007 was as follows:

	<u>Balance</u> <u>July 1, 2006</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>June 30, 2007</u>
Capital assets, being depreciated:				
Buildings	\$135,000	\$ -	\$ -	\$135,000
Improvement other than buildings	8,729	-	-	8,729
Machinery and equipment	<u>51,109</u>	<u>-</u>	<u>-</u>	<u>51,109</u>
Total Capital Assets being Depreciated	<u>194,838</u>	<u>-</u>	<u>-</u>	<u>194,838</u>
Less accumulated depreciation for:				
Buildings	(43,199)	(4,183)	-	(47,382)
Improvements other than buildings	(6,693)	(582)	-	(7,275)
Machinery and equipment	<u>(26,449)</u>	<u>(10,042)</u>	<u>-</u>	<u>(36,491)</u>
Total Accumulated Depreciation	<u>(76,341)</u>	<u>(14,807)</u>	<u>-</u>	<u>(91,148)</u>
Convention and Visitor's Bureau Capital Assets, Net	<u>\$118,497</u>	<u>\$(14,807)</u>	<u>\$ -</u>	<u>\$103,690</u>

**CARSON CITY**  
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**C. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS**

The composition of interfund balances as of June 30, 2007, is as follows:

**Due to/from other funds:**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Nonmajor governmental fund	Nonmajor governmental fund	<u>\$91,284</u>

The above interfund balances at June 30, 2007 are generally short-term loans to cover temporary cash deficits in various funds. They are expected to be repaid in the next fiscal year.

**Due to/from primary government and component units:**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Primary government – general fund	Component unit – Convention and Visitors' Bureau	\$ 12,950
Primary government – airport fund	Component unit – Airport Authority	249,686
Component unit – Airport Authority	Primary government – general fund	106,128
Component unit – Airport Authority	Primary government – airport fund	<u>47,208</u>
	Total	<u>\$415,972</u>

**Interfund transfers:**

<u>Transfer out:</u>	<u>Transfer In:</u>			<u>Total</u>
	<u>General Fund</u>	<u>Nonmajor Enterprise Funds</u>	<u>Nonmajor Governmental Funds</u>	
General Fund	\$ -	\$ 75,000	\$2,851,523	\$2,926,523
Quality of Life Fund	154,542	-	1,004,347	1,158,889
Nonmajor Governmental Funds	306,677	113,200	3,319,559	3,739,436
Nonmajor Enterprise Funds	<u>-</u>	<u>-</u>	<u>100,000</u>	<u>100,000</u>
Total transfers out	<u>\$461,219</u>	<u>\$188,200</u>	<u>\$7,275,429</u>	<u>\$7,924,848</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, and (2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

**CARSON CITY**  
**NOTES TO FINANCIAL STATEMENTS**  
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**D. LONG-TERM DEBT**

**General Obligation Bonds.** The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both governmental and business-type activities. In addition, general obligation bonds have been issued to refund general obligation bonds. During the year, general obligation bonds totaling \$12,394,100 were issued to refund general obligation bonds and to finance construction projects to both expand existing water facilities and construct additional facilities.

General obligation bonds are direct obligations and pledge the full faith and credit of the City. These bonds generally are issued as serial bonds with equal amounts of principal maturing each year. General obligation bonds currently outstanding are as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
Governmental activities	2.0-8.0%	\$60,949,351
Governmental activities - refunding	2.9-5.4%	13,625,000
Business-type activities	1.6-7.5%	51,148,585
Business-type activities - refunding	3.0-6.5%	5,971,600

**Revenue Bonds.** The City also issues bonds where the City pledges income derived from the acquired or constructed assets to pay debt service. Revenue bonds outstanding at year end are as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
Regional Transportation	2.0-4.7%	\$5,140,000

**Notes Payable.** The City issues notes to provide funds for open space and building improvements and to refund Redevelopment debt. Notes payable outstanding at year end are as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
Energy Retrofit	4.3287%	\$ 571,513
Open Space	3.25%	2,359,900
Redevelopment Refunding note	3.97%	1,467,600

**CARSON CITY**  
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**Capital Leases.** The City has entered into lease agreements as lessee for financing the acquisition of office equipment. The net present value of minimum lease payments at year end was \$120,447.

The assets acquired through capital leases are as follows:

	Governmental Activities
Asset:	
Machinery and equipment	\$161,571
Less: Accumulated depreciation	<u>(35,569)</u>
Total	<u>\$126,002</u>

**Compensated Absences.** The compensated absences liability attributable to governmental activities will be liquidated primarily by the General Fund.

**Advance Refundings.** On June 21, 2007, the City issued \$2,346,600 of General Obligation (Limited Tax) Water Refunding Bonds to provide resources to purchase U.S. Government State and Local Government Series securities that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of \$2,266,100 of general obligation bonds. The refunding was undertaken to refund the "Carson City, Nevada General Obligation (Limited Tax) Refunding Water Bonds (Additionally Secured by Pledged Revenues), Series 1997" maturing on September 1, 2008 to September 1, 2011. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the statement of net assets of the Water Fund. The reacquisition price exceeded the net carrying amount of the old debt by \$63,850. This amount is being netted against the new debt and amortized over the remaining life of the old debt, which is less than the life of the refunded debt. The advance refunding resulted in an increase in total debt service payments over the next twelve years of \$724,697 and an economic gain of \$2,066. The total amount of the outstanding debt defeased and placed in an irrevocable trust at June 30, 2007 was \$2,620,000.

**Conduit Debt.** On March 4, 2002, October 1, 2003, and October 27, 2005, the City issued \$45,185,000, \$95,000,000, and \$15,000,000, respectively, in revenue bonds for Carson-Tahoe Regional Healthcare, a non-profit corporation. The bonds, issued pursuant to NRS Chapter 268, are not obligations of the City, nor shall they ever constitute a debt of the City and therefore have been excluded from the City's financial statements. The principal balance outstanding at June 30, 2007 was \$152,350,000.

**CARSON CITY**  
**NOTES TO FINANCIAL STATEMENTS**  
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**Changes in long-term liabilities.** Long-term liability activity of the primary government for the year ended June 30, 2007, was as follows:

	Balance July 1, 2006	Additions	Reductions	Balance June 30, 2007	Due Within One Year
<b>Governmental Activities:</b>					
<b>Bonds payable:</b>					
<b>General obligation bonds:</b>					
4.0 to 4.1% Parks refunding general obligation bonds series 1998A, due 02/01/07	\$ 355,000	\$ -	\$ (355,000)	\$ -	\$ -
<b>General obligation revenue bonds:</b>					
5.05 to 8.0% Public Safety general obligation revenue bonds series 1997A, due 05/01/22	415,000	-	(415,000)	-	-
3.50 to 5.0% Parks general obligation revenue bonds series 1998A, due 11/01/18	3,600,000	-	(210,000)	3,390,000	220,000
3.50 to 5.1% Capital Improvement general obligation revenue bonds series 1998B, due 11/01/18	740,000	-	(45,000)	695,000	45,000
5.0 to 5.4% Capital Improvement general obligation revenue bonds series 1999A, due 07/01/20	1,995,000	-	(100,000)	1,895,000	105,000
4.0 to 5.0% 2001 Redevelopment general obligation revenue bonds, due 06/01/21	1,880,000	-	(30,000)	1,850,000	20,000
4.0 to 5.0% 2001 Senior Citizens Center general obligation revenue bonds, due 06/01/18	1,390,000	-	(90,000)	1,300,000	95,000
4.32% 2001 Energy Retrofit general obligation revenue bonds, due 05/28/12	984,293	-	(99,942)	884,351	111,897
4.0 to 5.4% Parks refunding general obligation revenue bonds series 1997C, due 02/01/11	870,000	-	(155,000)	715,000	165,000
2.9 to 3.5% Public Safety refunding general obligation revenue bonds series 2003, due 05/01/15	4,895,000	-	-	4,895,000	-
2.0 to 4.625% Room Tax Revenue supported general obligation revenue bonds series 2003, due 06/01/23	3,960,000	-	(40,000)	3,920,000	40,000
3.0 to 4.4% Parks general obligation revenue bonds series 2005, due 03/01/25	945,000	-	(35,000)	910,000	35,000
3.0 to 4.625% Parks general obligation revenue bonds series 2005, due 03/01/30	5,815,000	-	(20,000)	5,795,000	20,000
4.0 to 5.0% Sheriff/Hospital general obligation revenue bonds series 2005A, due 05/01/33	18,000,000	-	-	18,000,000	-
4.0 to 5.0% Capital Projects general obligation revenue bonds series 2005A, due 05/01/30	8,000,000	-	(195,000)	7,805,000	205,000
4.0 to 5.0% Refunding general obligation revenue bonds series 2005A, due 05/01/22	8,040,000	-	(25,000)	8,015,000	535,000
4.0 to 4.50% V&T Historical general obligation revenue bonds series 2005B, due 12/01/25	15,000,000	-	(495,000)	14,505,000	515,000
Subtotal	76,529,293	-	(1,954,942)	74,574,351	2,111,897

**CARSON CITY**  
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**Changes in long-term liabilities.** Long-term liability activity of the primary government for the year ended June 30, 2007, was as follows:

	Balance July 1, 2006	Additions	Reductions	Balance June 30, 2007	Due Within One Year
<b>Revenue Bonds:</b>					
2.0 to 4.7% 2003 Highway Revenue motor vehicle fuel tax revenue bonds, due 06/01/23	\$ 5,360,000	\$ -	\$ (220,000)	\$ 5,140,000	\$ 225,000
<b>Notes Payable:</b>					
4.3287% Energy Retrofit Installment Purchase Financing dated 2/11/03, due 2/11/13	637,317	-	(65,804)	571,513	72,635
3.25% Parks general obligation (limited tax) medium-term note dated 12/15/04, due 12/15/14	2,633,700	-	(273,800)	2,359,900	282,700
3.97% general obligation (Limited Tax) Redevelopment Authority refunding note series 2006, due 05/01/13	1,654,300	-	(186,700)	1,467,600	196,600
Subtotal	4,925,317	-	(526,304)	4,399,013	551,935
<b>Deferred amounts:</b>					
For issuance premiums	570,455	-	(29,421)	541,034	-
For issuance discounts	(188,372)	-	10,043	(178,329)	-
On refunding	(987,807)	-	102,448	(885,359)	-
Total Bonds and Notes Payable	86,563,886	-	(2,973,176)	83,590,710	2,888,832
<b>Incurred but not Reported Claims Liability:</b>	60,276	2,424	-	62,700	-
<b>Capital Leases:</b>	86,777	55,770	(22,100)	120,447	30,054
<b>Compensated Absences Payable:</b>	3,630,461	2,669,700	(2,652,125)	3,648,036	490,194
Governmental Activity Long-Term Liabilities	90,341,400	2,727,894	(5,647,401)	87,421,893	3,409,080
<b>Business Type Activities:</b>					
<b>Bonds payable:</b>					
<b>General obligation revenue bonds:</b>					
3.7 to 6.5% Water refunding general obligation revenue bonds series 1997, due 9/01/11	3,085,000	-	(3,085,000)	-	-
4.4 to 7.5% Water general obligation revenue bonds series 1997, due 5/01/13	1,015,000	-	(125,000)	890,000	130,000
3.5 to 4.7% Water general obligation revenue bonds series 1998C, due 5/01/14	1,030,000	-	(110,000)	920,000	115,000
4.9 to 5.0% Water general obligation revenue bonds series 1999B, due 11/01/14	1,050,000	-	(95,000)	955,000	100,000
4.875 to 5.2% Water general obligation revenue bonds series 2000B, due 12/01/15	990,000	-	(80,000)	910,000	80,000
1.6 to 4.9% Water general obligation revenue bonds series 2002, due 11/01/16	2,815,000	-	(195,000)	2,620,000	205,000
3.0 to 5.0% Water refunding general obligation revenue bonds series 2003, due 11/01/09	1,410,000	-	(330,000)	1,080,000	345,000
3.0 to 5.0% Water refunding general obligation revenue bonds series 2003, due 11/01/15	1,360,000	-	(110,000)	1,250,000	115,000
3.0 to 5.0% Water general obligation revenue bonds series 2003, due 11/01/23	5,615,000	-	(210,000)	5,405,000	220,000

**CARSON CITY**  
**NOTES TO FINANCIAL STATEMENTS**  
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**Changes in long-term liabilities.** Long-term liability activity of the primary government for the year ended June 30, 2007, was as follows:

	Balance July 1, 2006	Additions	Reductions	Balance June 30, 2007	Due Within One Year
3.5 to 4.2% Water general obligation revenue bonds series 2005A, due 6/01/25	\$ 8,690,000	\$ -	\$ (320,000)	\$ 8,370,000	\$ 330,000
4.0% Sewer general obligation revenue bonds, dated 1994 State of Nevada revolving loan, due 07/01/14	1,372,097	-	(138,498)	1,233,599	144,093
3.825% Sewer general obligation revenue bonds, dated 1996 State of Nevada revolving loan, due 07/01/15	1,271,809	-	(113,357)	1,158,452	117,735
3.23% Sewer general obligation revenue bonds, dated 1998 State of Nevada revolving loan, due 07/01/18	4,624,723	-	(305,689)	4,319,034	315,643
3.5 to 4.7% Sewer general obligation revenue bonds series 1998D, due 11/01/13	730,000	-	(80,000)	650,000	80,000
4.875 to 5.2% Sewer general obligation revenue bonds series 2000B, due 12/01/15	2,060,000	-	(160,000)	1,900,000	170,000
1.6 to 4.9% Sewer general obligation revenue bonds series 2002, due 11/01/16	2,615,000	-	(180,000)	2,435,000	190,000
3.0 to 5.0% Sewer refunding general obligation revenue bonds series 2003, due 11/01/15	1,410,000	-	(115,000)	1,295,000	125,000
3.0 to 5.0% Sewer general obligation revenue bonds series 2003, due 11/01/23	3,740,000	-	(140,000)	3,600,000	145,000
4.0 to 4.15% 2001 Landfill general obligation revenue bonds, due 06/01/08	290,000	-	(140,000)	150,000	150,000
3.0 to 4.25% Drainage general obligation revenue bonds series 2005B, due 06/01/25	5,795,000	-	(210,000)	5,585,000	220,000
4.34% Water refunding general obligation revenue bonds series 2007, due 12/01/18	-	2,346,600	-	2,346,600	25,000
4.34% Water general obligation revenue bonds series 2007, due 12/01/18	-	10,047,500	-	10,047,500	-
Subtotal	50,968,629	12,394,100	(6,242,544)	57,120,185	3,322,471
<b>Deferred amounts:</b>					
For issuance premiums	607,148	-	(62,206)	544,942	-
On refunding	(265,577)	(107,859)	58,050	(315,386)	-
Total bonds payable	51,310,200	12,286,241	(6,246,700)	57,349,741	3,322,471
<b>Arbitrage</b>	-	2,522	-	2,522	-
<b>Landfill Closure/Post closure costs:</b>	2,361,543	156,773	-	2,518,316	-
<b>Compensated Absences Payable:</b>	609,795	408,220	(445,257)	572,758	48,703
Business-Type Activity Long-Term Liabilities	54,281,538	12,853,756	(6,691,957)	60,443,337	3,371,174
<b>Total debt</b>	<u>\$ 144,622,938</u>	<u>\$ 15,581,650</u>	<u>\$ (12,339,358)</u>	<u>\$ 147,865,230</u>	<u>\$ 6,780,254</u>

Internal service funds predominately serve the governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. At year-end, \$129,467 of internal service funds compensated absences and \$62,700 of incurred but not reported claims liability are included in the above amounts.

**CARSON CITY**  
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**Discretely presented component units**

Long-term liability activity for the Airport Authority for the year ended June 30, 2007, was as follows:

	Balance July 1, 2006	Additions	Reductions	Balance June 30, 2007	Due Within One Year
Capital leases	\$ 238,853	\$ -	\$ (6,240)	\$ 232,613	\$ 6,240
Prepaid Lease Agreement	356,842	100,679	(7,893)	449,628	9,124
	<u>\$ 595,695</u>	<u>\$ 100,679</u>	<u>\$ (14,133)</u>	<u>\$ 682,241</u>	<u>\$ 15,364</u>

Long-term liability activity for the Convention and Visitors' Bureau for the year ended June 30, 2007, was as follows:

	Balance July 1, 2006	Additions	Reductions	Balance June 30, 2007	Due Within One Year
Compensated absences	\$ 59,907	\$ 7,694	\$ -	\$ 67,601	\$ -

**Payment requirements for debt service.** The annual debt service requirements to maturity for all bonds outstanding of the primary government are as follows:

Year Ended June 30	GOVERNMENTAL ACTIVITIES					
	General Obligation Revenue Bonds		Revenue Bonds		Notes Payable	
	Principal	Interest	Principal	Interest	Principal	Interest
2008	\$ 2,111,897	\$ 3,286,109	\$ 225,000	\$ 199,925	\$ 551,935	\$ 154,404
2009	2,419,754	3,199,746	230,000	193,100	587,434	133,828
2010	2,523,569	3,099,659	235,000	186,125	619,716	111,913
2011	2,623,404	2,994,917	245,000	178,803	657,370	88,676
2012	2,744,326	2,891,786	255,000	170,670	700,192	63,921
2013-2017	16,196,401	12,697,342	1,410,000	703,840	1,282,366	53,230
2018-2022	19,175,000	8,818,270	1,730,000	384,191	-	-
2023-2037	14,865,000	4,659,172	810,000	38,343	-	-
2028-2032	10,310,000	1,716,156	-	-	-	-
2033-2037	1,605,000	74,231	-	-	-	-
Total	<u>\$ 74,574,351</u>	<u>\$ 43,437,388</u>	<u>\$ 5,140,000</u>	<u>\$ 2,054,997</u>	<u>\$ 4,399,013</u>	<u>\$ 605,972</u>

Year Ended June 30	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES	
	Capital Leases		General Obligation Revenue Bonds	
	Principal	Interest	Principal	Interest
2008	\$ 30,054	\$ 14,391	\$ 3,322,471	\$ 2,315,130
2009	34,344	10,099	3,313,116	2,167,110
2010	32,427	5,339	3,454,507	2,030,796
2011	15,067	2,340	3,206,670	1,903,907
2012	8,555	496	3,324,634	1,775,644
2013-2017	-	-	16,594,710	6,710,329
2018-2022	-	-	12,276,477	3,801,781
2023-2037	-	-	11,627,600	1,219,182
2028-2032	-	-	-	-
2033-2037	-	-	-	-
Total	<u>\$ 120,447</u>	<u>\$ 32,665</u>	<u>\$ 57,120,185</u>	<u>\$ 21,923,879</u>

**CARSON CITY**  
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**E. RESTRICTED ASSETS**

The balances of the City's restricted asset accounts in the enterprise funds are as follows:

	<u>Sewer</u>	<u>Water</u>	<u>Total</u>
Connection deposits	\$ 9,188	\$14,763	\$ 23,951
Construction contracts, retained percent	102,372	46,847	149,219
Emergency replacement	2,742,096	-	2,742,096
	<u>\$2,853,656</u>	<u>\$61,610</u>	<u>\$2,915,266</u>

The balances of the City's restricted asset accounts in the governmental funds are as follows:

	<u>General</u>	<u>Commissary</u>	<u>Total</u>
Funds held in trust	<u>\$980,165</u>	<u>\$23,740</u>	<u>\$1,003,905</u>

**NOTE 4 - OTHER INFORMATION**

**A. RISK MANAGEMENT**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The City has joined together with similar public agencies (cities, counties and special districts) throughout the State of Nevada to create a pool under the Nevada Interlocal Cooperation Act. The Nevada Public Agency Insurance Pool (Pool) is a public entity risk pool currently operating as a common risk management and insurance program for its members. The City pays an annual premium and is subject to a \$100,000 deductible per occurrence. The Pool is considered a self-sustaining risk pool that will provide coverage for its members up to \$10,000,000 per event and a \$13,000,000 general aggregate per member. Other coverage currently held by the City, including airport liability, boiler and machinery, and bonds on public officials, are insured without a deductible. In addition, certain automobile damage is self-insured by the City.

The City became a member of the Public Agency Compensation Trust (PACT) for workers' compensation beginning July 1, 2003. The City pays an annual premium and there are no deductibles. The PACT is considered a self-sustaining risk pool that will provide coverage for its members based on established statutory limits. The City retains liability for claims for the period from July 1, 1992 to June 30, 2003 when the City was self-insured.

Liabilities are reported when it is probable that a loss has occurred and the amount of loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNRs). Claims liabilities are calculated considering the effects of inflation, recent claim settlement trends, including frequency and amount of payouts, and other economic and social factors.

**CARSON CITY**  
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The liabilities for claims and judgments are reported in the Workers' Compensation and Insurance Funds. Changes in the balances of claims liabilities during the past two years are as follows:

	<u>Current Portion</u>	<u>Long-Term Portion</u>	<u>Totals</u>	
			<u>2007</u>	<u>2006</u>
Unpaid claims, beginning of fiscal year	\$ 661,394	\$60,276	\$ 721,670	\$ 737,782
Claims and changes in estimates	415,895	2,424	418,319	449,208
Claim payments	<u>(481,925)</u>	<u>-</u>	<u>(481,925)</u>	<u>(465,320)</u>
Unpaid claims, end of fiscal year	<u>\$ 595,364</u>	<u>\$62,700</u>	<u>\$ 658,064</u>	<u>\$ 721,670</u>

Settlements have not exceeded coverages in any of the past three fiscal years.

**B. LANDFILL CLOSURE AND POSTCLOSURE COSTS**

The City operates a Municipal Solid Waste Landfill. The operation of this landfill is regulated by both federal and state governments under Subtitle D (40 CFR Part 258) and NRS 444.556. Recognition of liability for closure and post closure care costs is based on landfill capacity used to date. This liability at June 30, 2007, \$2,518,316, is reported in the Carson City Sanitary Landfill Enterprise Fund. It is estimated that the landfill will be used for an additional fifty-two years and that at June 30, 2007, approximately 32.03 percent of its capacity had been utilized. The City passes the EPA "financial assurance test" for local governments, and will self-assure payment for its obligations for closure, post closure, and corrective care costs. The estimated total current cost of closure and post closure care, \$7,862,368, has been calculated in 2007 dollars in accordance with current federal and state regulations and will be adjusted each year for the effects of inflation or deflation.

**C. CONTINGENT LIABILITIES**

The City is a defendant in various lawsuits. Although the outcome of these lawsuits is not determinable, it is the opinion of the District Attorney, the City's counsel, that resolution of these matters will not have a material adverse effect on the financial condition of the City.

The City has wells that currently exceed the proposed federal drinking water standard for naturally occurring arsenic concentrations. Depending upon the final outcome of the regulations, the City may incur approximately \$6,700,000 by 2009 to meet the new standard.

**D. OTHER POSTEMPLOYMENT BENEFITS**

In addition to the pension benefits described in Note 4E, the City provides for a portion of postretirement health care benefits, in accordance with Carson City Administration Policy No. 3, to all employees who have been full-time, permanent employees for 10 or more years and have served 5 years immediately prior to retirement with Carson City. They must also be eligible to draw retirement benefits in accordance with the policies set forth under the Retirement Board regulations, be insurable under the eligibility requirements established by the City's insurance carrier, have been covered under a City paid group insurance program other than Industrial Insurance, and have been favorably terminated from City services. The City reimburses a portion of the monthly premium paid to the group insurance company at a rate of \$6 per month for each year of service up to the total cost of the premium. The City accounts for and finances these benefits on a pay-as-you-go basis. Currently, 112 retirees are receiving these benefits. Expenditures of \$199,443 were recognized for the portion paid by the City for postretirement health care for the fiscal year ended June 30, 2007. There are 108 retirees deducting medical insurance premiums from their pension benefits. Such deductions were in the amount of \$492,871 during the fiscal year ended June 30, 2007.

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Post employment benefits are also available to City retirees, if the retiree so elects, as established by Nevada Revised Statutes, through the Public Employees' Benefits Program (PEBP) based on date of retirement and years of service. A portion of the cost of coverage under PEBP is paid by the City for those retired employees joining PEBP. As of June 30, 2007, the City paid \$347,934 for 91 retirees participating in PEBP. Premium payments are funded by operating resources as incurred and no provision has been made to permanently fund future liabilities.

**E. DEFINED BENEFIT PENSION PLAN**

**Plan Description.** Carson City 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, NV 89703-1599 or by calling (775) 687-4200.

**Funding Policy.** Plan members' benefits are funded under one of two methods. Under the employer pay contribution plan, the City is required to contribute all amounts due under the plan. The rate for those contributions was 19.75% for regular members and 32% for police and fire employee members on all covered payroll. The second funding mechanism for providing benefits to regular employees is the employer/employee paid contribution plan. Under this method, employees are required to contribute a percentage of their compensation to the plan, while the City is required to match that contribution. The rate for regular employees under this plan was 10.50%. The contribution requirements of plan members and the City are established by NRS Chapter 286. The funding mechanism may only be amended through legislation. The City's contributions to PERS for the years ended June 30, 2007, 2006, and 2005 were \$7,951,803, \$7,895,956, and \$6,916,465, respectively, equal to the required contributions each year. The contribution rates for the years ended June 30, 2007 and June 30, 2006 were the same as disclosed above. The contribution rates for the year ended June 30, 2005 were 20.25% for regular employees, 28.50% for police and fire employees under the employer paid plan, and 10.50% for regular employees under the employer/employee paid plan.

**F. CHANGE IN ACCOUNTING PRINCIPLE**

Governmental Accounting Standards Board (GASB) Statement No. 34 – Basic Financial Statements and Management’s Discussion and Analysis requires retroactive reporting of all major general infrastructure assets for fiscal years ending after June 30, 1980. In implementing this requirement, Carson City determined the historical cost of infrastructure assets by calculating the current replacement cost of similar assets and deflating this cost through the use of price-level indexes to the acquisition year. Accumulated depreciation was calculated on the deflated amount. The following is a summary of the increases to infrastructure assets and net assets as a result of the cumulative effect of this change in accounting principle:

	Balance June 30, 2006 (as originally reported)	Increases	Balance June 30, 2006 (as adjusted)
Capital Assets:			
Infrastructure	\$10,908,319	\$ 53,250,242	\$ 64,158,561
Less accumulated depreciation for:			
Infrastructure	<u>(384,131)</u>	<u>(12,539,489)</u>	<u>(12,923,620)</u>
Net balance/change	<u>\$10,524,188</u>	<u>\$ 40,710,753</u>	<u>\$ 51,234,941</u>

The increase to infrastructure includes the roads throughout Carson City.

## **GENERAL FUND**

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The General Fund is used to account for resources traditionally associated with government, which are not required legally or by sound financial management to be accounted for in another fund.

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**CARSON CITY  
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	FINAL BUDGET	ACTUAL	VARIANCE	2006
Revenues:				
Taxes:				
Ad valorem	\$ 11,833,200	\$ 12,492,864	\$ 659,664	\$ 11,164,336
Licenses and permits:				
Business licenses and permits:				
Business licenses	845,000	816,837	(28,163)	808,744
Liquor licenses	129,000	152,227	23,227	147,615
City / county gaming licenses	620,000	565,878	(54,122)	777,113
Right of way toll	120,000	123,017	3,017	111,674
Franchise fees:				
Gas	1,327,000	1,239,040	(87,960)	1,212,769
Electric	1,611,500	1,605,137	(6,363)	1,519,770
Telephone	850,000	861,240	11,240	806,775
Sanitation	340,000	386,534	46,534	393,018
Cable television	360,000	405,016	45,016	379,768
	<u>6,202,500</u>	<u>6,154,926</u>	<u>(47,574)</u>	<u>6,157,246</u>
Nonbusiness licenses and permits:				
Marriage licenses	25,000	19,348	(5,652)	22,101
Animal licenses	13,000	8,970	(4,030)	12,020
Mobile home permits	-	144	144	110
	<u>38,000</u>	<u>28,462</u>	<u>(9,538)</u>	<u>34,231</u>
Total Licenses and Permits	<u>6,240,500</u>	<u>6,183,388</u>	<u>(57,112)</u>	<u>6,191,477</u>
Intergovernmental revenues:				
Federal grants:				
Drug Enforcement Administration	-	10,792	10,792	3,403
BIA Housing, Juvenile	-	480	480	-
State Criminal Alien Assistance	-	50,543	50,543	15,495
Bulletproof Vest Partnership Program	-	10,594	10,594	-
Federal Lands Lease	-	92	92	-
Federal Child Nutrition	-	28,463	28,463	25,972
US Marshall Housing	-	13,696	13,696	1,587
Robert's House	-	5,660	5,660	-
Hurricane Katrina	-	-	-	44,744
	<u>-</u>	<u>120,320</u>	<u>120,320</u>	<u>91,201</u>
Federal payments in lieu of taxes	50,000	69,805	19,805	70,265

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	FINAL BUDGET	ACTUAL	VARIANCE	2006
State grants	\$ -	\$ 42,960	\$ 42,960	\$ 23,920
State shared revenues:				
Consolidated tax revenues	27,953,000	25,944,779	(2,008,221)	26,808,073
State gaming licenses	160,000	163,674	3,674	154,252
Candidate filing fee	-	-	-	1,740
Court administrative assessments	120,490	87,271	(33,219)	97,566
	<u>28,233,490</u>	<u>26,195,724</u>	<u>(2,037,766)</u>	<u>27,061,631</u>
Other local government grants:				
Interlocal cooperative agreements	139,925	164,456	24,531	143,025
Other local government shared revenues:				
Miscellaneous other governments	-	19,714	19,714	320
Total Intergovernmental Revenues	<u>28,423,415</u>	<u>26,612,979</u>	<u>(1,810,436)</u>	<u>27,390,362</u>
Charges for services:				
General government:				
Treasurer fees	43,000	40,932	(2,068)	42,925
Clerk fees	173,000	194,449	21,449	188,626
Recorder fees	439,000	327,748	(111,252)	473,936
Technology fees	50,000	38,361	(11,639)	48,711
Assessor commissions	245,000	226,269	(18,731)	193,044
Building and zoning fees	100,000	81,313	(18,687)	94,449
Public administrator fees	40,000	52,657	12,657	41,023
Administration fees	4,488,130	4,521,120	32,990	3,843,672
Miscellaneous	14,300	30,781	16,481	7,692
	<u>5,592,430</u>	<u>5,513,630</u>	<u>(78,800)</u>	<u>4,934,078</u>
Judicial:				
Drug Court	12,000	11,200	(800)	12,450
Court facilities	115,000	118,735	3,735	138,433
Justice civil fees	378,000	418,840	40,840	375,264
	<u>505,000</u>	<u>548,775</u>	<u>43,775</u>	<u>526,147</u>

**CARSON CITY  
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	FINAL BUDGET	ACTUAL	VARIANCE	2006
Public safety:				
Police:				
Sheriff's fees	\$ 330,000	\$ 252,291	\$ (77,709)	\$ 251,577
Fire	11,000	14,470	3,470	11,888
Protective services	66,000	83,399	17,399	59,271
	<u>407,000</u>	<u>350,160</u>	<u>(56,840)</u>	<u>322,736</u>
Public works:				
Street / engineering charges	15,000	1,263	(13,737)	1,912
Health and sanitation:				
Pet cemetery charges	10,000	5,850	(4,150)	9,961
Vaccine	84,268	58,057	(26,211)	50,485
Clinic Services	40,000	50,198	10,198	-
Health inspection fees	70,000	48,850	(21,150)	48,178
	<u>204,268</u>	<u>162,955</u>	<u>(41,313)</u>	<u>108,624</u>
Culture and recreation	1,407,182	1,291,811	(115,371)	1,289,419
Total Charges for Services	<u>8,130,880</u>	<u>7,868,594</u>	<u>(262,286)</u>	<u>7,182,916</u>
Fines and forfeits:				
Library	24,000	25,125	1,125	24,313
Court	824,000	776,361	(47,639)	895,340
Animal services	30,000	24,414	(5,586)	27,952
Total Fines and Forfeits	<u>878,000</u>	<u>825,900</u>	<u>(52,100)</u>	<u>947,605</u>
Miscellaneous:				
Investment income	685,713	944,896	259,183	347,876
Rents and royalties	134,000	81,489	(52,511)	76,140
Other	35,000	75,567	40,567	54,259
Gifts and donations	290,838	250,150	(40,688)	202,070
Refunds and reimbursements	48,000	35,657	(12,343)	36,886
Penalties and interest - delinquent taxes	100,000	177,159	77,159	136,542
Total Miscellaneous	<u>1,293,551</u>	<u>1,564,918</u>	<u>271,367</u>	<u>853,773</u>
Total Revenues	<u>56,799,546</u>	<u>55,548,643</u>	<u>(1,250,903)</u>	<u>53,730,469</u>
Expenditures:				
General Government:				
Legislative:				
Board of Supervisors:				
Salaries and wages	135,640	134,548	1,092	133,224
Employee benefits	77,303	63,078	14,225	64,000
Services and supplies	68,864	61,619	7,245	55,746
Total Legislative	<u>281,807</u>	<u>259,245</u>	<u>22,562</u>	<u>252,970</u>

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	FINAL BUDGET	ACTUAL	VARIANCE	2006
Executive:				
Clerk:				
Salaries and wages	\$ 228,890	\$ 223,289	\$ 5,601	\$ 214,424
Employee benefits	80,183	78,452	1,731	74,956
Services and supplies	22,200	22,761	(561)	27,579
	<u>331,273</u>	<u>324,502</u>	<u>6,771</u>	<u>316,959</u>
Court Clerk:				
Salaries and wages	289,908	290,850	(942)	331,297
Employee benefits	129,321	122,745	6,576	128,909
Services and supplies	19,600	13,760	5,840	16,361
	<u>438,829</u>	<u>427,355</u>	<u>11,474</u>	<u>476,567</u>
Elections:				
Salaries and wages	161,687	123,020	38,667	100,869
Employee benefits	36,996	40,366	(3,370)	32,255
Services and supplies	98,450	93,609	4,841	14,366
	<u>297,133</u>	<u>256,995</u>	<u>40,138</u>	<u>147,490</u>
Treasurer:				
Salaries and wages	328,559	293,131	35,428	342,026
Employee benefits	114,479	98,245	16,234	112,035
Services and supplies	78,580	81,090	(2,510)	55,300
	<u>521,618</u>	<u>472,466</u>	<u>49,152</u>	<u>509,361</u>
Recorder:				
Salaries and wages	199,628	203,580	(3,952)	197,115
Employee benefits	81,220	80,867	353	73,882
Services and supplies	63,910	45,571	18,339	69,361
	<u>344,758</u>	<u>330,018</u>	<u>14,740</u>	<u>340,358</u>
Assessor:				
Salaries and wages	392,336	383,326	9,010	370,842
Employee benefits	155,035	142,500	12,535	140,503
Services and supplies	40,786	41,285	(499)	36,609
Capital outlay	52,000	20,050	31,950	-
	<u>640,157</u>	<u>587,161</u>	<u>52,996</u>	<u>547,954</u>

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	FINAL BUDGET	ACTUAL	VARIANCE	2006
District Attorney:				
Salaries and wages	\$ 1,385,821	\$ 1,351,840	\$ 33,981	\$ 1,176,815
Employee benefits	627,039	577,480	49,559	569,348
Services and supplies	136,330	94,695	41,635	113,319
	<u>2,149,190</u>	<u>2,024,015</u>	<u>125,175</u>	<u>1,859,482</u>
City Manager:				
Salaries and wages	320,855	316,415	4,440	316,889
Employee benefits	127,837	127,323	514	110,644
Services and supplies	124,210	111,360	12,850	131,316
	<u>572,902</u>	<u>555,098</u>	<u>17,804</u>	<u>558,849</u>
Central Services:				
Services and supplies	919,350	976,410	(57,060)	907,900
Total Executive	<u>6,215,210</u>	<u>5,954,020</u>	<u>261,190</u>	<u>5,664,920</u>
Finance:				
Finance:				
Salaries and wages	481,609	471,815	9,794	450,104
Employee benefits	163,211	171,812	(8,601)	146,045
Services and supplies	80,875	65,212	15,663	64,632
	<u>725,695</u>	<u>708,839</u>	<u>16,856</u>	<u>660,781</u>
Internal Auditor:				
Salaries and wages	15,100	11,574	3,526	9,302
Employee benefits	1,056	735	321	438
Services and supplies	500	498	2	4,847
	<u>16,656</u>	<u>12,807</u>	<u>3,849</u>	<u>14,587</u>
Purchasing:				
Salaries and wages	118,490	115,089	3,401	119,002
Employee benefits	42,170	46,809	(4,639)	40,830
Services and supplies	19,950	14,226	5,724	19,473
	<u>180,610</u>	<u>176,124</u>	<u>4,486</u>	<u>179,305</u>
Personnel:				
Salaries and wages	287,416	253,466	33,950	219,420
Employee benefits	108,961	88,426	20,535	73,488
Services and supplies	186,720	155,279	31,441	100,686
	<u>583,097</u>	<u>497,171</u>	<u>85,926</u>	<u>393,594</u>
Total Finance	<u>1,506,058</u>	<u>1,394,941</u>	<u>111,117</u>	<u>1,248,267</u>

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	FINAL BUDGET	ACTUAL	VARIANCE	2006
Other:				
Community Development:				
Planning:				
Salaries and wages	\$ 518,132	\$ 538,282	\$ (20,150)	\$ 491,349
Employee benefits	195,266	192,163	3,103	169,932
Services and supplies	97,128	88,604	8,524	86,696
Capital outlay	11,214	11,214	-	-
	<u>821,740</u>	<u>830,263</u>	<u>(8,523)</u>	<u>747,977</u>
Automation Services:				
Salaries and wages	681,454	678,946	2,508	588,024
Employee benefits	243,083	242,768	315	203,047
Services and supplies	492,370	475,319	17,051	551,924
	<u>1,416,907</u>	<u>1,397,033</u>	<u>19,874</u>	<u>1,342,995</u>
Geographic Information Systems:				
Salaries and wages	185,804	182,517	3,287	161,547
Employee benefits	59,199	63,108	(3,909)	55,197
Services and supplies	12,100	10,306	1,794	13,172
	<u>257,103</u>	<u>255,931</u>	<u>1,172</u>	<u>229,916</u>
Public Defender:				
Services and supplies	912,861	914,811	(1,950)	801,050
Public Safety Complex / Courthouse:				
Services and supplies	426,675	396,583	30,092	375,171
Capital outlay	-	-	-	22,182
	<u>426,675</u>	<u>396,583</u>	<u>30,092</u>	<u>397,353</u>
City Hall:				
Services and supplies	132,260	109,694	22,566	113,706
Records Management:				
Salaries and wages	116,810	95,341	21,469	87,900
Employee benefits	35,159	26,956	8,203	21,384
Services and supplies	74,950	70,386	4,564	39,986
Capital outlay	8,327	8,327	-	-
	<u>235,246</u>	<u>201,010</u>	<u>34,236</u>	<u>149,270</u>

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	FINAL BUDGET	ACTUAL	VARIANCE	2006
Facilities Maintenance:				
Salaries and wages	\$ 790,082	\$ 748,026	\$ 42,056	\$ 711,253
Employee benefits	299,665	287,852	11,813	246,147
Services and supplies	298,127	371,186	(73,059)	373,446
	<u>1,387,874</u>	<u>1,407,064</u>	<u>(19,190)</u>	<u>1,330,846</u>
Total Other	<u>5,590,666</u>	<u>5,512,389</u>	<u>78,277</u>	<u>5,113,113</u>
Total General Government	<u>13,593,741</u>	<u>13,120,595</u>	<u>473,146</u>	<u>12,279,270</u>
Public Safety:				
Sheriff:				
Administrative Services:				
Salaries and wages	624,726	637,020	(12,294)	612,914
Employee benefits	260,664	245,221	15,443	272,890
Services and supplies	656,927	472,903	184,024	455,035
Capital outlay	12,403	19,909	(7,506)	-
	<u>1,554,720</u>	<u>1,375,053</u>	<u>179,667</u>	<u>1,340,839</u>
Operational Services:				
Salaries and wages	4,004,544	3,889,688	114,856	3,726,779
Employee benefits	2,212,229	2,269,759	(57,530)	2,061,763
Services and supplies	464,500	561,123	(96,623)	540,525
Capital outlay	-	-	-	14,544
	<u>6,681,273</u>	<u>6,720,570</u>	<u>(39,297)</u>	<u>6,343,611</u>
Detention Facility:				
Salaries and wages	2,007,679	1,957,881	49,798	1,904,818
Employee benefits	1,072,893	1,142,929	(70,036)	1,009,643
Services and supplies	314,675	286,104	28,571	342,034
	<u>3,395,247</u>	<u>3,386,914</u>	<u>8,333</u>	<u>3,256,495</u>
General Services:				
Salaries and wages	535,036	506,716	28,320	507,010
Employee benefits	226,469	225,630	839	204,725
Services and supplies	7,405	8,355	(950)	2,969
	<u>768,910</u>	<u>740,701</u>	<u>28,209</u>	<u>714,704</u>

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	FINAL BUDGET	ACTUAL	VARIANCE	2006
Dispatch:				
Salaries and wages	\$ 1,122,508	\$ 1,051,082	\$ 71,426	\$ 998,447
Employee benefits	398,195	339,472	58,723	336,691
Services and supplies	206,185	226,488	(20,303)	205,930
Capital outlay	-	20,182	(20,182)	-
	<u>1,726,888</u>	<u>1,637,224</u>	<u>89,664</u>	<u>1,541,068</u>
Federal, Tri-Net Grant:				
Salaries and wages	47,070	27,467	19,603	-
Employee benefits	17,380	33,141	(15,761)	38,903
Services and supplies	21,533	16,670	4,863	19,060
	<u>85,983</u>	<u>77,278</u>	<u>8,705</u>	<u>57,963</u>
Total Sheriff	<u>14,213,021</u>	<u>13,937,740</u>	<u>275,281</u>	<u>13,254,680</u>
Fire:				
Administration:				
Salaries and wages	211,621	212,102	(481)	162,443
Employee benefits	86,799	87,739	(940)	67,234
Services and supplies	28,015	47,530	(19,515)	44,462
Capital outlay	-	-	-	238
	<u>326,435</u>	<u>347,371</u>	<u>(20,936)</u>	<u>274,377</u>
Operations:				
Salaries and wages	3,212,040	3,132,118	79,922	2,876,027
Employee benefits	1,716,723	1,900,783	(184,060)	1,573,169
Services and supplies	497,068	467,517	29,551	442,898
Capital outlay	-	2,354	(2,354)	-
	<u>5,425,831</u>	<u>5,502,772</u>	<u>(76,941)</u>	<u>4,892,094</u>
Prevention:				
Salaries and wages	328,606	324,719	3,887	323,198
Employee benefits	138,891	116,173	22,718	117,124
Services and supplies	24,272	22,580	1,692	24,689
	<u>491,769</u>	<u>463,472</u>	<u>28,297</u>	<u>465,011</u>
Warren Engine Co. No. 1:				
Employee benefits	-	2	(2)	393
Services and supplies	29,226	25,288	3,938	18,650
	<u>29,226</u>	<u>25,290</u>	<u>3,936</u>	<u>19,043</u>

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	FINAL BUDGET	ACTUAL	VARIANCE	2006
Emergency Management:				
Salaries and wages	\$ 26,046	\$ 28,981	\$ (2,935)	\$ 13,123
Employee benefits	34,271	36,770	(2,499)	30,803
Services and supplies	30,257	25,386	4,871	18,209
	<u>90,574</u>	<u>91,137</u>	<u>(563)</u>	<u>62,135</u>
Training:				
Salaries and wages	269,189	244,428	24,761	230,687
Employee benefits	93,688	127,095	(33,407)	111,051
Services and supplies	76,294	78,508	(2,214)	60,962
	<u>439,171</u>	<u>450,031</u>	<u>(10,860)</u>	<u>402,700</u>
Total Fire	<u>6,803,006</u>	<u>6,880,073</u>	<u>(77,067)</u>	<u>6,115,360</u>
Corrections:				
Juvenile Probation:				
Salaries and wages	717,961	720,492	(2,531)	704,262
Employee benefits	372,899	368,188	4,711	355,846
Services and supplies	666,806	648,405	18,401	646,014
Capital outlay	-	-	-	6,658
	<u>1,757,666</u>	<u>1,737,085</u>	<u>20,581</u>	<u>1,712,780</u>
Juvenile Detention:				
Salaries and wages	873,287	828,902	44,385	856,670
Employee benefits	311,225	288,933	22,292	278,557
Services and supplies	120,985	113,589	7,396	113,667
	<u>1,305,497</u>	<u>1,231,424</u>	<u>74,073</u>	<u>1,248,894</u>
Total Corrections	<u>3,063,163</u>	<u>2,968,509</u>	<u>94,654</u>	<u>2,961,674</u>
Total Public Safety	<u>24,079,190</u>	<u>23,786,322</u>	<u>292,868</u>	<u>22,331,714</u>
Judicial:				
Criminal - Civil Courts:				
District Court I:				
Salaries and wages	172,762	158,118	14,644	170,459
Employee benefits	67,702	65,373	2,329	61,421
Services and supplies	87,755	64,477	23,278	57,587
	<u>328,219</u>	<u>287,968</u>	<u>40,251</u>	<u>289,467</u>

**CARSON CITY  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2007  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2006)  
(PAGE 10 OF 14)**

	FINAL BUDGET	ACTUAL	VARIANCE	2006
District Court II:				
Salaries and wages	\$ 339,723	\$ 353,620	\$ (13,897)	\$ 376,497
Employee benefits	152,367	118,148	34,219	137,407
Services and supplies	123,909	123,791	118	143,823
Capital outlay	-	5,705	(5,705)	-
	<u>615,999</u>	<u>601,264</u>	<u>14,735</u>	<u>657,727</u>
Total Criminal - Civil Courts	<u>944,218</u>	<u>889,232</u>	<u>54,986</u>	<u>947,194</u>
Juvenile Court:				
Salaries and wages	191,877	189,026	2,851	186,633
Employee benefits	65,192	67,826	(2,634)	61,971
Services and supplies	62,713	40,244	22,469	13,076
	<u>319,782</u>	<u>297,096</u>	<u>22,686</u>	<u>261,680</u>
Total Juvenile Court	<u>319,782</u>	<u>297,096</u>	<u>22,686</u>	<u>261,680</u>
Justice Court:				
Salaries and wages	1,068,267	1,007,741	60,526	900,163
Employee benefits	372,534	419,882	(47,348)	330,119
Services and supplies	265,711	281,913	(16,202)	296,417
Capital outlay	28,327	8,327	20,000	-
	<u>1,734,839</u>	<u>1,717,863</u>	<u>16,976</u>	<u>1,526,699</u>
Total Justice Court	<u>1,734,839</u>	<u>1,717,863</u>	<u>16,976</u>	<u>1,526,699</u>
Alternative Sentencing:				
Salaries and wages	457,933	389,580	68,353	416,542
Employee benefits	210,223	203,149	7,074	201,763
Services and supplies	52,805	50,212	2,593	25,683
	<u>720,961</u>	<u>642,941</u>	<u>78,020</u>	<u>643,988</u>
Total Alternative Sentencing	<u>720,961</u>	<u>642,941</u>	<u>78,020</u>	<u>643,988</u>
Total Judicial	<u>3,719,800</u>	<u>3,547,132</u>	<u>172,668</u>	<u>3,379,561</u>
Public Works:				
Engineering / Public Works:				
Public Works:				
Salaries and wages	1,369,469	1,351,586	17,883	1,690,453
Employee benefits	476,229	475,158	1,071	546,644
Services and supplies	153,150	132,062	21,088	330,524
Capital outlay	15,797	15,797	-	10,244
	<u>2,014,645</u>	<u>1,974,603</u>	<u>40,042</u>	<u>2,577,865</u>
Total Public Works	<u>2,014,645</u>	<u>1,974,603</u>	<u>40,042</u>	<u>2,577,865</u>

**CARSON CITY  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2007  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2006)  
(PAGE 11 OF 14)**

	FINAL BUDGET	ACTUAL	VARIANCE	2006
Development Engineering:				
Salaries and wages	\$ 691,284	\$ 704,257	\$ (12,973)	\$ -
Employee benefits	231,228	236,630	(5,402)	-
Services and supplies	119,430	116,589	2,841	-
Total Development Engineering	<u>1,041,942</u>	<u>1,057,476</u>	<u>(15,534)</u>	<u>-</u>
Total Public Works	<u>3,056,587</u>	<u>3,032,079</u>	<u>24,508</u>	<u>2,577,865</u>
Health:				
Public Health Administration:				
Salaries and wages	498,729	515,315	(16,586)	430,461
Employee benefits	165,224	177,685	(12,461)	132,933
Services and supplies	446,546	431,311	15,235	236,726
Capital outlay	-	5,622	(5,622)	-
Total Public Health Administration	<u>1,110,499</u>	<u>1,129,933</u>	<u>(19,434)</u>	<u>800,120</u>
Animal Services:				
Salaries and wages	215,916	211,660	4,256	201,206
Employee benefits	81,509	76,057	5,452	71,167
Services and supplies	106,605	74,448	32,157	86,488
Capital outlay	25,000	-	25,000	-
Total Animal Services	<u>429,030</u>	<u>362,165</u>	<u>66,865</u>	<u>358,861</u>
Total Health	<u>1,539,529</u>	<u>1,492,098</u>	<u>47,431</u>	<u>1,158,981</u>
Welfare:				
Salaries and wages	73,235	72,722	513	71,329
Employee benefits	23,939	22,907	1,032	23,946
Services and supplies	239,681	241,225	(1,544)	249,402
Total Welfare	<u>336,855</u>	<u>336,854</u>	<u>1</u>	<u>344,677</u>
Culture and Recreation:				
Parks:				
Parks and Recreation Administration:				
Salaries and wages	288,867	287,621	1,246	268,253
Employee benefits	120,972	117,588	3,384	102,402
Services and supplies	39,297	46,194	(6,897)	45,878
Total Parks and Recreation Administration	<u>449,136</u>	<u>451,403</u>	<u>(2,267)</u>	<u>416,533</u>

**CARSON CITY  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2007  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2006)  
(PAGE 12 OF 14)**

	FINAL BUDGET	ACTUAL	VARIANCE	2006
Park Maintenance:				
Salaries and wages	\$ 727,721	\$ 697,381	\$ 30,340	\$ 722,748
Employee benefits	241,803	243,142	(1,339)	243,563
Services and supplies	797,087	819,025	(21,938)	814,946
Capital outlay	-	3,075	(3,075)	2,610
	<u>1,766,611</u>	<u>1,762,623</u>	<u>3,988</u>	<u>1,783,867</u>
Grants, Gifts, and Donations:				
Salaries and wages	-	-	-	30,817
Employee benefits	-	-	-	1,430
Services and supplies	119,839	100,928	18,911	231,433
Capital outlay	-	7,680	(7,680)	-
	<u>119,839</u>	<u>108,608</u>	<u>11,231</u>	<u>263,680</u>
Total Parks	<u>2,335,586</u>	<u>2,322,634</u>	<u>12,952</u>	<u>2,464,080</u>
Participant Recreation:				
Community Center:				
Salaries and wages	167,099	166,112	987	182,515
Employee benefits	48,639	42,848	5,791	45,620
Services and supplies	116,935	103,871	13,064	111,514
	<u>332,673</u>	<u>312,831</u>	<u>19,842</u>	<u>339,649</u>
Recreation:				
Salaries and wages	635,176	598,225	36,951	636,945
Employee benefits	149,577	137,753	11,824	139,051
Services and supplies	258,621	230,126	28,495	227,003
	<u>1,043,374</u>	<u>966,104</u>	<u>77,270</u>	<u>1,002,999</u>
Swimming Pool:				
Salaries and wages	460,913	395,237	65,676	413,980
Employee benefits	102,829	101,187	1,642	94,315
Services and supplies	361,640	315,774	45,866	303,598
	<u>925,382</u>	<u>812,198</u>	<u>113,184</u>	<u>811,893</u>

**CARSON CITY  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2007  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2006)  
(PAGE 13 OF 14)**

	FINAL BUDGET	ACTUAL	VARIANCE	2006
Sports:				
Salaries and wages	\$ 145,087	\$ 128,493	\$ 16,594	\$ 128,963
Employee benefits	44,029	30,909	13,120	27,272
Services and supplies	134,652	148,054	(13,402)	127,572
	<u>323,768</u>	<u>307,456</u>	<u>16,312</u>	<u>283,807</u>
Total Participant Recreation	<u>2,625,197</u>	<u>2,398,589</u>	<u>226,608</u>	<u>2,438,348</u>
Pony Express Pavilion:				
Salaries and wages	2,500	-	2,500	-
Employee benefits	150	-	150	-
Services and supplies	21,160	17,016	4,144	8,608
Capital outlay	-	-	-	13,246
	<u>23,810</u>	<u>17,016</u>	<u>6,794</u>	<u>21,854</u>
Library:				
Salaries and wages	949,812	832,718	117,094	880,608
Employee benefits	384,283	325,164	59,119	345,930
Services and supplies	368,590	348,790	19,800	328,541
	<u>1,702,685</u>	<u>1,506,672</u>	<u>196,013</u>	<u>1,555,079</u>
Total Culture and Recreation	<u>6,687,278</u>	<u>6,244,911</u>	<u>442,367</u>	<u>6,479,361</u>
Community Support:				
Support Services:				
Services and supplies	626,645	511,539	115,106	15,427,078
Capital outlay	-	55,257	(55,257)	-
Total Community Support	<u>626,645</u>	<u>566,796</u>	<u>59,849</u>	<u>15,427,078</u>
Economic Opportunity:				
Economic Development:				
Salaries and wages	109,895	116,393	(6,498)	65,509
Employee benefits	57,203	53,299	3,904	53,385
Services and supplies	4,960,672	66,773	4,893,899	3,753,595
Total Economic Opportunity	<u>5,127,770</u>	<u>236,465</u>	<u>4,891,305</u>	<u>3,872,489</u>
Total Expenditures	<u>58,767,395</u>	<u>52,363,252</u>	<u>6,404,143</u>	<u>67,850,996</u>

**CARSON CITY  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2007  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2006)  
(PAGE 14 OF 14)**

	FINAL BUDGET	ACTUAL	VARIANCE	2006
Excess (Deficiency) of Revenues over Expenditures	\$ (1,967,849)	\$ 3,185,391	\$ 5,153,240	\$ (14,120,527)
Other Financing Sources (Uses):				
Bonds issued	-	-	-	15,000,000
Premium on bonds issued	-	-	-	31,221
Capital leases	56,068	55,770	(298)	20,052
Transfers in (out):				
Quality of Life Fund	210,000	154,542	(55,458)	171,300
Senior Citizens Fund	15,000	15,000	-	-
Cooperative Extension Fund	59,177	59,177	-	-
Grant Fund	-	225,000	225,000	-
Capital Acquisition and Development Fund	7,500	7,500	-	1,665,893
Capital Projects Fund	-	-	-	689,263
Supplemental Indigent Fund	(120,000)	(120,000)	-	(120,000)
Grant Fund	-	(198,029)	(198,029)	(425,000)
Capital Facilities Fund	-	-	-	(1,150,000)
Capital Acquisition and Development Fund	(862,503)	(46,000)	816,503	-
Carson City Debt Service Fund	(2,137,494)	(2,137,494)	-	(1,512,320)
Insurance Fund	-	-	-	(500,000)
Cemetery Fund	(75,000)	(75,000)	-	-
Carson City Transit Fund	(350,000)	(350,000)	-	(450,000)
Contingency	(663,359)	-	663,359	-
Total Other Financing Sources (Uses)	(3,860,611)	(2,409,534)	1,451,077	13,420,409
Net Change in Fund Balances	(5,828,460)	775,857	6,604,317	(700,118)
Fund Balances, July 1	10,898,863	10,898,863	-	11,598,981
Fund Balances, June 30	\$ 5,070,403	\$ 11,674,720	\$ 6,604,317	\$ 10,898,863

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## SPECIAL REVENUE FUNDS

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Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

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### Major Fund

**Quality of Life Fund** - This Fund is used to account for a voter approved one-quarter percent (0.25%) sales tax for the purpose of acquiring open space and the construction and maintenance of park and trail facilities.

**Airport Fund** - This Fund is used to account for Federal Aviation Administration grants awarded to the City.

### Nonmajor Funds

**Senior Citizens Center Fund** - This Fund is used to account for the 1984 voter-approved tax override of five cents to provide for the construction, furnishing, equipment, operation, and ongoing maintenance of Senior Citizens facilities in Carson City.

**Cooperative Extension Fund** - This Fund was established in accordance with Nevada Revised Statute 549.020 and is used to account for the City's share of the Cooperative Extension work which is funded by a one cent to five cent tax rate subject to Board of Supervisor approval.

**Traffic Transportation Fund** - This Fund was established in accordance with the Carson City Charter Section 2.240 and is used to account for monies received for parking fees and fines and may be expended only for the establishment, repair, and control of parking meters, facilities for parking, and any other appurtenances necessary for traffic control.

**Supplemental Indigent Fund** - This Fund is used to account for additional indigent expenditures other than General Fund requirements and for the collection and payment to the State of Nevada for the auto accident indigent ad valorem tax levy.

**Library Gift Fund** - This Fund was established in accordance with Nevada Revised Statute 379.106 and is used to account for all gifts to the Ormsby Public Library.

**Administrative Assessments Fund** - This Fund was established by NRS 176.059 and is used to account for the City's share of assessments on misdemeanor convictions.

**SPECIAL REVENUE FUNDS**  
**Continued**

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**Regional Transportation Fund** - This Fund is used to account for the nine cent per gallon County fuel tax imposed in accordance with Nevada Revised Statute 373.030. The monies are to be used for the purpose of street and highway construction.

**Capital Projects Fund** - This Fund is used to account for the additional ad valorem tax imposed in accordance with Nevada Revised Statute 354.598155 for the purpose of replacing major assets.

**Street Maintenance Fund** - This Fund is used to account for the one-quarter percent (0.25%) retail sales and use tax for the sole purpose of maintaining and repairing public roads within Carson City; the one cent per gallon motor vehicle fuel tax approved by the voters in 1986 for the purpose of repairing or restoring existing paved roads, streets, and alleys; and the 3.60 and 1.75 cents per gallon motor vehicle fuel taxes collected in accordance with Nevada Revised Statutes 365.180 and 365.190.

**Capital Acquisition and Development Fund** - This Fund is used to account for sales of City property and the financing and purchasing of large capital items for the benefit of the public at large.

**Stabilization Fund** - This fund is used to stabilize the operation of the City and mitigate the effects of natural disasters.

**Redevelopment Administration Fund** - This Fund is used to account for the operations of the Redevelopment Agency, which has been combined with Carson City for financial statement purposes.

**Continuous Quality Improvement Fund** - This Fund is used to account for budgetary savings from General Fund departments. The City has established a policy that a department will receive 30% of its prior year savings for nonrecurring items.

**Firefighter Retirement Medical Fund** - This fund is used to account for revenues raised and expenditures incurred to provide retirement medical benefits to qualified retirees of the Carson City Fire Department.

**Waterfall Fire Fund** - This fund is used to account for revenues and expenditures to rehabilitate and mitigate future hazards in the area destroyed by the Waterfall Fire.

**Carson City Transit Fund** - This Fund is used to account for transit grants, fares, donations, and additional City funding to be used for the sole purpose of providing public transportation services within Carson City.

**SPECIAL REVENUE FUNDS**  
**Continued**

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**Commissary Fund** - This Fund is used to operate a commissary to allow the Sheriff to sell to the prisoners food, beverages, toiletries, and similar items as the Sheriff may approve. The Sheriff must expend the profits from the operation of the commissary only for the welfare and benefit of the prisoners in the jail.

**V & T Special Infrastructure Fund** – This fund is used to account for the 0.125% sales tax revenue that is pledged for the payment of principal and interest on the bonds known as the V & T Historical Bonds.

**2006 Flood Fund** - This fund is used to account for revenues received and expenditures incurred for the 2006 New Year's Flood.

**Grant Fund** - This fund is used to account for state and federal grants.

**CARSON CITY  
QUALITY OF LIFE FUND  
SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2007  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2006)  
(PAGE 1 OF 2)**

	FINAL BUDGET	ACTUAL	VARIANCE	2006
Revenues:				
Taxes:				
Sales tax, voter approved	\$ 2,675,000	\$ 2,444,405	\$ (230,595)	\$ 2,525,824
Intergovernmental revenues:				
Federal grants	431,627	152,682	(278,945)	-
State grants	-	-	-	12,495
	<u>431,627</u>	<u>152,682</u>	<u>(278,945)</u>	<u>12,495</u>
Charges for services:	<u>3,200</u>	<u>-</u>	<u>(3,200)</u>	<u>-</u>
Miscellaneous:				
Investment income	100,000	887,649	787,649	292,871
Other	122,699	105,453	(17,246)	7,301
	<u>222,699</u>	<u>993,102</u>	<u>770,403</u>	<u>300,172</u>
Total Revenues	<u>3,332,526</u>	<u>3,590,189</u>	<u>257,663</u>	<u>2,838,491</u>
Expenditures:				
Culture and recreation:				
Park maintenance:				
Salaries and wages	62,232	63,107	(875)	90,012
Employee benefits	12,361	13,277	(916)	19,356
Services and supplies	87,039	113,814	(26,775)	98,413
Capital outlay	105,700	9,953	95,747	66,948
	<u>267,332</u>	<u>200,151</u>	<u>67,181</u>	<u>274,729</u>
Parks capital:				
Salaries and wages	59,705	61,084	(1,379)	47,120
Employee benefits	20,989	23,960	(2,971)	16,789
Services and supplies	76,558	81,130	(4,572)	43,100
Capital outlay	9,460,037	153,705	9,306,332	392,960
	<u>9,617,289</u>	<u>319,879</u>	<u>9,297,410</u>	<u>499,969</u>
Quality of life:				
Salaries and wages	115,524	100,917	14,607	106,261
Employee benefits	33,592	32,623	969	35,224
Services and supplies	673,170	356,480	316,690	170,007
Capital outlay	8,141,344	810,657	7,330,687	7,301
	<u>8,963,630</u>	<u>1,300,677</u>	<u>7,662,953</u>	<u>318,793</u>
Total Expenditures	<u>18,848,251</u>	<u>1,820,707</u>	<u>17,027,544</u>	<u>1,093,491</u>

**CARSON CITY**  
**QUALITY OF LIFE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2007**  
**(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2006)**  
**(PAGE 2 OF 2)**

	FINAL BUDGET	ACTUAL	VARIANCE	2006
Excess (Deficiency) of Revenues over Expenditures	\$ (15,515,725)	\$ 1,769,482	\$ 17,285,207	\$ 1,745,000
Other Financing Sources (Uses):				
Sales of surplus property	-	-	-	3,620,000
Transfers in (out):				
General Fund	(210,000)	(154,542)	55,458	(171,300)
Carson City Debt Service Fund	(1,004,347)	(1,004,347)	-	(987,502)
Total Other Financing Sources (Uses)	(1,214,347)	(1,158,889)	55,458	2,461,198
Net Change in Fund Balances	(16,730,072)	610,593	17,340,665	4,206,198
Fund Balances, July 1	17,178,037	17,178,037	-	12,971,839
Fund Balances, June 30	\$ 447,965	\$ 17,788,630	\$ 17,340,665	\$ 17,178,037

**CARSON CITY  
AIRPORT FUND  
SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2007  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2006)**

	FINAL BUDGET	ACTUAL	VARIANCE	2006
Revenues:				
Intergovernmental revenues:				
Federal grant, FAA	\$ 9,529,024	\$ 9,529,024	\$ -	\$ 36,356
Other local shared revenues:				
CC Airport Authority	505,379	505,379	-	2,423
Total Revenues	<u>10,034,403</u>	<u>10,034,403</u>	<u>-</u>	<u>38,779</u>
Expenditures:				
Airport:				
Services and supplies	12,870	12,870	-	38,779
Capital outlay	10,021,533	10,021,533	-	-
Total Expenditures	<u>10,034,403</u>	<u>10,034,403</u>	<u>-</u>	<u>38,779</u>
Excess (Deficiency) of Revenues over Expenditures	-	-	-	-
Fund Balances, July 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**NONMAJOR GOVERNMENTAL FUNDS**

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**Combining Balance Sheet**

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**

**CARSON CITY  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2007**

	SPECIAL REVENUE FUNDS	DEBT SERVICE FUNDS	CAPITAL PROJECTS FUNDS	TOTAL NONMAJOR GOVERNMENTAL FUNDS
<b>ASSETS</b>				
Cash and investments	\$ 18,299,834	\$ 1,087,478	\$ 8,908,032	\$ 28,295,344
Receivables (net of allowances for uncollectibles):				
Taxes, delinquent	26,338	7,415	-	33,753
Accounts receivable	34,855	-	-	34,855
Due from other funds	-	91,284	-	91,284
Due from other governments	2,744,890	-	31,477	2,776,367
Prepaid items	12,703	250	-	12,953
Restricted assets:				
Cash and investments	23,740	-	-	23,740
<b>Total Assets</b>	<u>\$ 21,142,360</u>	<u>\$ 1,186,427</u>	<u>\$ 8,939,509</u>	<u>\$ 31,268,296</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	\$ 941,568	\$ 6	\$ 1,592,624	\$ 2,534,198
Accrued salaries and benefits	66,289	-	1,015	67,304
Payable from restricted assets	23,740	-	-	23,740
Due to other funds	91,284	-	-	91,284
Due to other governments	157,453	-	-	157,453
Deferred revenue	14,132	5,192	-	19,324
Unearned revenue	160,069	-	-	160,069
<b>Total Liabilities</b>	<u>1,454,535</u>	<u>5,198</u>	<u>1,593,639</u>	<u>3,053,372</u>
Fund balances:				
Reserved for prepaid items	12,703	250	-	12,953
Unreserved:				
Designated for subsequent year's expenditures	4,866,690	1,143,535	100,358	6,110,583
Undesignated	14,808,432	37,444	7,245,512	22,091,388
<b>Total Fund Balances</b>	<u>19,687,825</u>	<u>1,181,229</u>	<u>7,345,870</u>	<u>28,214,924</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 21,142,360</u>	<u>\$ 1,186,427</u>	<u>\$ 8,939,509</u>	<u>\$ 31,268,296</u>

**CARSON CITY**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2007**

	SPECIAL REVENUE FUNDS	DEBT SERVICE FUNDS	CAPITAL PROJECTS FUNDS	TOTAL NONMAJOR GOVERNMENTAL FUNDS
Revenues:				
Taxes	\$ 10,394,663	\$ 1,025,570	\$ 291,948	\$ 11,712,181
Intergovernmental revenues	6,048,397	407,220	31,477	6,487,094
Charges for services	548,625	-	-	548,625
Fines and forfeits	75,504	-	-	75,504
Miscellaneous	991,536	286,922	574,917	1,853,375
Total Revenues	<u>18,058,725</u>	<u>1,719,712</u>	<u>898,342</u>	<u>20,676,779</u>
Expenditures:				
Current:				
General government	1,911,924	-	5,477	1,917,401
Public safety	2,167,898	-	1,801	2,169,699
Judicial	105,113	-	-	105,113
Public works	8,933,651	-	-	8,933,651
Health	1,148,449	-	30,347	1,178,796
Welfare	1,737,047	-	-	1,737,047
Culture and recreation	1,361,043	-	37,697	1,398,740
Community support	-	-	63,806	63,806
Economic opportunity	328,627	-	-	328,627
Capital outlay	-	-	9,039,514	9,039,514
Debt service:				
Principal retirement	-	3,056,246	-	3,056,246
Interest and fiscal charges	-	3,764,874	-	3,764,874
Total Expenditures	<u>17,693,752</u>	<u>6,821,120</u>	<u>9,178,642</u>	<u>33,693,514</u>
Excess (Deficiency) of Revenues over Expenditures	<u>364,973</u>	<u>(5,101,408)</u>	<u>(8,280,300)</u>	<u>(13,016,735)</u>
Other Financing Sources (Uses):				
Transfers in	1,289,240	5,476,634	509,555	7,275,429
Transfers out	<u>(3,109,881)</u>	<u>(629,555)</u>	<u>-</u>	<u>(3,739,436)</u>
Total Other Financing Sources (Uses)	<u>(1,820,641)</u>	<u>4,847,079</u>	<u>509,555</u>	<u>3,535,993</u>
Net Change in Fund Balances	<u>(1,455,668)</u>	<u>(254,329)</u>	<u>(7,770,745)</u>	<u>(9,480,742)</u>
Fund Balances, July 1	<u>21,143,493</u>	<u>1,435,558</u>	<u>15,116,615</u>	<u>37,695,666</u>
Fund Balances, June 30	<u>\$ 19,687,825</u>	<u>\$ 1,181,229</u>	<u>\$ 7,345,870</u>	<u>\$ 28,214,924</u>

CARSON CITY  
 COMBINING BALANCE SHEET  
 NONMAJOR SPECIAL REVENUE FUNDS  
 JUNE 30, 2007  
 (PAGE 1 OF 3)

	SENIOR CITIZENS CENTER	COOPERATIVE EXTENSION	TRAFFIC TRANSPORTATION
<b>ASSETS</b>			
Cash and investments:			
Unrestricted	\$ 430,060	\$ 156,669	\$ 50,687
Restricted	-	-	-
Taxes receivable, delinquent	5,784	1,474	-
Accounts receivable	-	-	-
Due from other governments	-	-	-
Prepaid items	-	-	-
	<u>          </u>	<u>          </u>	<u>          </u>
Total Assets	<u>\$ 435,844</u>	<u>\$ 158,143</u>	<u>\$ 50,687</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 6,776	\$ 2,006	\$ 620
Accrued salaries and benefits	5,546	193	1,901
Due to other funds	-	-	-
Due to other governments	-	19,506	-
Deferred revenue	3,104	790	-
Unearned revenue	-	-	-
Payable from restricted assets	-	-	-
	<u>          </u>	<u>          </u>	<u>          </u>
Total Liabilities	<u>15,426</u>	<u>22,495</u>	<u>2,521</u>
<b>FUND BALANCES</b>			
Reserved for prepaid items	-	-	-
Unreserved:			
Designated for subsequent year's expenditures	409,287	73,862	41,404
Undesignated	11,131	61,786	6,762
	<u>          </u>	<u>          </u>	<u>          </u>
Total Fund Balances	<u>420,418</u>	<u>135,648</u>	<u>48,166</u>
Total Liabilities and Fund Balances	<u>\$ 435,844</u>	<u>\$ 158,143</u>	<u>\$ 50,687</u>

<u>SUPPLEMENTAL INDIGENT</u>	<u>LIBRARY GIFT</u>	<u>ADMINISTRATIVE ASSESSMENTS</u>	<u>REGIONAL TRANSPORTATION</u>	<u>CAPITAL PROJECTS</u>
\$ 141,538	\$ 114,736	\$ 64,029	\$ 7,529,141	\$ 645,492
-	-	-	-	-
13,298	-	-	-	5,782
-	-	-	10,049	-
35,005	2,932	-	632,217	-
-	-	-	-	-
<u>\$ 189,841</u>	<u>\$ 117,668</u>	<u>\$ 64,029</u>	<u>\$ 8,171,407</u>	<u>\$ 651,274</u>
\$ 122,852	\$ 300	\$ 2,611	\$ 302,752	\$ 10
-	-	-	359	-
-	-	-	-	-
59,852	-	-	-	-
7,137	-	-	-	3,101
-	-	-	1,250	-
-	-	-	-	-
<u>189,841</u>	<u>300</u>	<u>2,611</u>	<u>304,361</u>	<u>3,111</u>
-	-	-	-	-
-	15,500	5,000	227,316	167,897
-	101,868	56,418	7,639,730	480,266
-	117,368	61,418	7,867,046	648,163
<u>\$ 189,841</u>	<u>\$ 117,668</u>	<u>\$ 64,029</u>	<u>\$ 8,171,407</u>	<u>\$ 651,274</u>

CARSON CITY  
 COMBINING BALANCE SHEET  
 NONMAJOR SPECIAL REVENUE FUNDS  
 JUNE 30, 2007  
 (PAGE 2 OF 3)

	<u>STREET MAINTENANCE</u>	<u>CAPITAL ACQUISITION AND DEVELOPMENT</u>	<u>STABILIZATION</u>
<b>ASSETS</b>			
Cash and investments:			
Unrestricted	\$ 2,167,281	\$ 3,105,386	\$ 2,934,968
Restricted	-	-	-
Taxes receivable, delinquent	-	-	-
Accounts receivable	-	-	-
Due from other governments	738,959	9,715	-
Prepaid items	100	-	-
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total Assets	<u>\$ 2,906,340</u>	<u>\$ 3,115,101</u>	<u>\$ 2,934,968</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 105,395	\$ 89,037	\$ -
Accrued salaries and benefits	40,402	-	-
Due to other funds	-	-	-
Due to other governments	2,586	43,841	-
Deferred revenue	-	-	-
Unearned revenue	-	-	-
Payable from restricted assets	-	-	-
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total Liabilities	<u>148,383</u>	<u>132,878</u>	<u>-</u>
<b>FUND BALANCES</b>			
Reserved for prepaid items	100	-	-
Unreserved:			
Designated for subsequent year's expenditures	100,000	463,587	2,934,968
Undesignated	2,657,857	2,518,636	-
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total Fund Balances	<u>2,757,957</u>	<u>2,982,223</u>	<u>2,934,968</u>
Total Liabilities and Fund Balances	<u>\$ 2,906,340</u>	<u>\$ 3,115,101</u>	<u>\$ 2,934,968</u>

<u>REDEVELOPMENT ADMINISTRATION</u>	<u>FIREFIGHTER RETIREMENT MEDICAL</u>	<u>CARSON CITY TRANSIT</u>	<u>COMMISSARY</u>	<u>V &amp; T SPECIAL INFRASTRUCTURE</u>
\$ 37,006	\$ 97,389	\$ 244,450	\$ 179,616	\$ -
-	-	-	23,740	-
-	-	-	-	-
18,426	-	-	5,560	-
-	-	167,928	-	215,506
-	-	11,588	-	-
<u>\$ 55,432</u>	<u>\$ 97,389</u>	<u>\$ 423,966</u>	<u>\$ 208,916</u>	<u>\$ 215,506</u>
\$ 35,303	\$ -	\$ 78,149	\$ 5,037	\$ -
1,023	-	-	1,559	-
-	-	-	-	91,284
-	-	28,946	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	23,740	-
<u>36,326</u>	<u>-</u>	<u>107,095</u>	<u>30,336</u>	<u>91,284</u>
-	-	11,588	-	-
19,106	90,719	64,917	128,905	124,222
-	6,670	240,366	49,675	-
<u>19,106</u>	<u>97,389</u>	<u>316,871</u>	<u>178,580</u>	<u>124,222</u>
<u>\$ 55,432</u>	<u>\$ 97,389</u>	<u>\$ 423,966</u>	<u>\$ 208,916</u>	<u>\$ 215,506</u>

CARSON CITY  
 COMBINING BALANCE SHEET  
 NONMAJOR SPECIAL REVENUE FUNDS  
 JUNE 30, 2007  
 (PAGE 3 OF 3)

	2006 FLOOD	GRANT	TOTAL
<b>ASSETS</b>			
Cash and investments:			
Unrestricted	\$ 401,386	\$ -	\$ 18,299,834
Restricted	-	-	23,740
Taxes receivable, delinquent	-	-	26,338
Accounts receivable	-	820	34,855
Due from other governments	320,128	622,500	2,744,890
Prepaid items	-	1,015	12,703
	<u>\$ 721,514</u>	<u>\$ 624,335</u>	<u>\$ 21,142,360</u>
Total Assets			
<b>LIABILITIES</b>			
Accounts payable	\$ 29,559	\$ 161,161	\$ 941,568
Accrued salaries and benefits	-	15,306	66,289
Due to other funds	-	-	91,284
Due to other governments	-	2,722	157,453
Deferred revenue	-	-	14,132
Unearned revenue	82,385	76,434	160,069
Payable from restricted assets	-	-	23,740
	<u>111,944</u>	<u>255,623</u>	<u>1,454,535</u>
Total Liabilities			
<b>FUND BALANCES</b>			
Reserved for prepaid items	-	1,015	12,703
Unreserved:			
Designated for subsequent year's expenditures	-	-	4,866,690
Undesignated	609,570	367,697	14,808,432
	<u>609,570</u>	<u>368,712</u>	<u>19,687,825</u>
Total Fund Balances			
Total Liabilities and Fund Balances	<u>\$ 721,514</u>	<u>\$ 624,335</u>	<u>\$ 21,142,360</u>

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**CARSON CITY**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2007**  
**(PAGE 1 OF 3)**

	SENIOR CITIZENS CENTER	COOPERATIVE EXTENSION	TRAFFIC TRANSPORTATION
Revenues:			
Taxes	\$ 623,554	\$ 159,629	\$ -
Intergovernmental revenues	-	-	-
Charges for services	-	-	-
Fines and forfeits	-	-	75,504
Miscellaneous	25,737	10,700	16,888
Total Revenues	<u>649,291</u>	<u>170,329</u>	<u>92,392</u>
Expenditures:			
Current:			
General government	-	-	-
Public safety	-	-	139,034
Judicial	-	-	-
Public works	-	-	-
Welfare	-	-	-
Health	-	-	-
Culture and recreation	415,864	156,355	-
Economic opportunity	-	-	-
Total Expenditures	<u>415,864</u>	<u>156,355</u>	<u>139,034</u>
Excess (Deficiency) of Revenues over Expenditures	<u>233,427</u>	<u>13,974</u>	<u>(46,642)</u>
Other Financing Sources (Uses):			
Transfers in	-	-	-
Transfers out	(169,813)	(59,177)	-
Total Other Financing Sources (Uses)	<u>(169,813)</u>	<u>(59,177)</u>	<u>-</u>
Net Change in Fund Balances	63,614	(45,203)	(46,642)
Fund Balances, July 1	<u>356,804</u>	<u>180,851</u>	<u>94,808</u>
Fund Balances, June 30	<u>\$ 420,418</u>	<u>\$ 135,648</u>	<u>\$ 48,166</u>

SUPPLEMENTAL INDIGENT	LIBRARY GIFT	ADMINISTRATIVE ASSESSMENTS	REGIONAL TRANSPORTATION	CAPITAL PROJECTS
\$ 1,434,159	\$ -	\$ -	\$ 3,477,350	\$ 623,559
-	24,265	83,818	319,126	-
-	-	-	-	-
-	-	-	-	-
28,509	21,249	-	400,659	40,923
<u>1,462,668</u>	<u>45,514</u>	<u>83,818</u>	<u>4,197,135</u>	<u>664,482</u>
-	-	-	-	64,019
-	-	-	-	-
-	-	78,510	-	-
-	-	-	2,500,360	-
1,582,668	-	-	-	-
-	-	-	-	-
-	29,699	-	-	-
-	-	-	-	-
<u>1,582,668</u>	<u>29,699</u>	<u>78,510</u>	<u>2,500,360</u>	<u>64,019</u>
<u>(120,000)</u>	<u>15,815</u>	<u>5,308</u>	<u>1,696,775</u>	<u>600,463</u>
120,000	-	-	-	-
-	-	-	(425,500)	(769,325)
<u>120,000</u>	<u>-</u>	<u>-</u>	<u>(425,500)</u>	<u>(769,325)</u>
-	15,815	5,308	1,271,275	(168,862)
-	101,553	56,110	6,595,771	817,025
<u>\$ -</u>	<u>\$ 117,368</u>	<u>\$ 61,418</u>	<u>\$ 7,867,046</u>	<u>\$ 648,163</u>

**CARSON CITY**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2007**  
**(PAGE 2 OF 3)**

	<u>STREET MAINTENANCE</u>	<u>CAPITAL ACQUISITION AND DEVELOPMENT</u>	<u>STABILIZATION</u>
Revenues:			
Taxes	\$ 2,868,094	\$ -	\$ -
Intergovernmental revenues	1,374,102	297,435	-
Charges for services	237,063	37,241	-
Fines and forfeits	-	-	-
Miscellaneous	106,532	171,896	-
Total Revenues	<u>4,585,791</u>	<u>506,572</u>	<u>-</u>
Expenditures:			
Current:			
General government	-	1,078,516	-
Public safety	-	1,202,621	-
Judicial	-	-	-
Public works	4,837,212	-	-
Welfare	-	-	-
Health	-	40,055	-
Culture and recreation	-	700,643	-
Economic opportunity	-	94,500	-
Total Expenditures	<u>4,837,212</u>	<u>3,116,335</u>	<u>-</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(251,421)</u>	<u>(2,609,763)</u>	<u>-</u>
Other Financing Sources (Uses):			
Transfers in	-	401,211	-
Transfers out	-	(99,711)	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>301,500</u>	<u>-</u>
Net Change in Fund Balances	<u>(251,421)</u>	<u>(2,308,263)</u>	<u>-</u>
Fund Balances, July 1	<u>3,009,378</u>	<u>5,290,486</u>	<u>2,934,968</u>
Fund Balances, June 30	<u>\$ 2,757,957</u>	<u>\$ 2,982,223</u>	<u>\$ 2,934,968</u>

REDEVELOPMENT ADMINISTRATION	CONTINUOUS QUALITY IMPROVEMENT	FIREFIGHTER RETIREMENT MEDICAL	WATERFALL FIRE
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	86,735	-
-	-	-	-
16,987	-	3,020	-
<u>16,987</u>	<u>-</u>	<u>89,755</u>	<u>-</u>
355,570	-	-	-
-	-	46,487	-
-	-	-	-
-	-	-	-
-	-	-	-
-	456	-	-
-	-	-	-
<u>355,570</u>	<u>456</u>	<u>46,487</u>	<u>-</u>
<u>(338,583)</u>	<u>(456)</u>	<u>43,268</u>	<u>-</u>
220,000	-	-	-
-	(145,211)	-	(100,000)
<u>220,000</u>	<u>(145,211)</u>	<u>-</u>	<u>(100,000)</u>
(118,583)	(145,667)	43,268	(100,000)
<u>137,689</u>	<u>145,667</u>	<u>54,121</u>	<u>100,000</u>
<u>\$ 19,106</u>	<u>\$ -</u>	<u>\$ 97,389</u>	<u>\$ -</u>

**CARSON CITY**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2007**  
**(PAGE 3 OF 3)**

	<u>CARSON CITY TRANSIT</u>	<u>COMMISSARY</u>	<u>V &amp; T SPECIAL INFRASTRUCTURE</u>
Revenues:			
Taxes	\$ -	\$ -	\$ 1,208,318
Intergovernmental revenues	967,648	-	-
Charges for services	79,044	108,542	-
Fines and forfeits	-	-	-
Miscellaneous	4,123	93,296	9,314
Total Revenues	<u>1,050,815</u>	<u>201,838</u>	<u>1,217,632</u>
Expenditures:			
Current:			
General government	-	-	1,508
Public safety	-	161,132	-
Judicial	-	-	-
Public works	1,229,845	-	-
Welfare	-	-	-
Health	-	-	-
Culture and recreation	-	-	-
Economic opportunity	-	-	-
Total Expenditures	<u>1,229,845</u>	<u>161,132</u>	<u>1,508</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(179,030)</u>	<u>40,706</u>	<u>1,216,124</u>
Other Financing Sources (Uses):			
Transfers in	350,000	-	-
Transfers out	-	-	(1,116,144)
Total Other Financing Sources (Uses)	<u>350,000</u>	<u>-</u>	<u>(1,116,144)</u>
Net Change in Fund Balances	170,970	40,706	99,980
Fund Balances, July 1	<u>145,901</u>	<u>137,874</u>	<u>24,242</u>
Fund Balances, June 30	<u>\$ 316,871</u>	<u>\$ 178,580</u>	<u>\$ 124,222</u>

2006 FLOOD	GRANT	TOTAL
\$ -	\$ -	\$ 10,394,663
441,103	2,540,900	6,048,397
-	-	548,625
-	-	75,504
-	41,703	991,536
<u>441,103</u>	<u>2,582,603</u>	<u>18,058,725</u>
-	412,311	1,911,924
-	618,624	2,167,898
-	26,603	105,113
366,234	-	8,933,651
-	154,379	1,737,047
-	1,108,394	1,148,449
-	58,026	1,361,043
-	234,127	328,627
<u>366,234</u>	<u>2,612,464</u>	<u>17,693,752</u>
<u>74,869</u>	<u>(29,861)</u>	<u>364,973</u>
-	198,029	1,289,240
-	(225,000)	(3,109,881)
<u>-</u>	<u>(26,971)</u>	<u>(1,820,641)</u>
74,869	(56,832)	(1,455,668)
534,701	425,544	21,143,493
<u>\$ 609,570</u>	<u>\$ 368,712</u>	<u>\$ 19,687,825</u>

**CARSON CITY  
 SENIOR CITIZENS CENTER FUND  
 SCHEDULE OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2007  
 (WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2006)**

	FINAL BUDGET	ACTUAL	VARIANCE	2006
Revenues:				
Taxes:				
Ad valorem	\$ 590,000	\$ 623,554	\$ 33,554	\$ 579,813
Miscellaneous:				
Investment income	10,000	25,657	15,657	8,540
Gifts and donations	-	80	80	-
	10,000	25,737	15,737	8,540
Total Revenues	600,000	649,291	49,291	588,353
Expenditures:				
Culture and recreation:				
Participant recreation:				
Salaries and wages	167,929	165,112	2,817	152,566
Employee benefits	65,018	66,419	(1,401)	62,140
Services and supplies	183,675	184,333	(658)	156,834
Total Expenditures	416,622	415,864	758	371,540
Excess (Deficiency) of Revenues over Expenditures	183,378	233,427	50,049	216,813
Other Financing Sources (Uses):				
Transfers in (out):				
General Fund	(15,000)	(15,000)	-	-
Carson City Debt Service Fund	(154,813)	(154,813)	-	(153,213)
Total Other Financing Sources (Uses)	(169,813)	(169,813)	-	(153,213)
Net Change in Fund Balances	13,565	63,614	50,049	63,600
Fund Balances, July 1	356,804	356,804	-	293,204
Fund Balances, June 30	\$ 370,369	\$ 420,418	\$ 50,049	\$ 356,804

**CARSON CITY  
COOPERATIVE EXTENSION FUND  
SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2007  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2006)**

	FINAL BUDGET	ACTUAL	VARIANCE	2006
Revenues:				
Taxes:				
Ad valorem	\$ 152,000	\$ 159,629	\$ 7,629	\$ 148,426
Miscellaneous:				
Refunds and reimbursements	-	10,700	10,700	10,764
Total Revenues	152,000	170,329	18,329	159,190
Expenditures:				
Culture and recreation:				
Cooperative extension:				
Salaries and wages	45,471	17,848	27,623	44,874
Employee benefits	14,713	2,912	11,801	14,039
Services and supplies	194,376	135,595	58,781	167,197
Total Expenditures	254,560	156,355	98,205	226,110
Excess (Deficiency) of Revenues over Expenditures	(102,560)	13,974	116,534	(66,920)
Other Financing Sources (Uses):				
Transfers in (out):				
General Fund	(59,177)	(59,177)	-	-
Net Change in Fund Balances	(161,737)	(45,203)	116,534	(66,920)
Fund Balances, July 1	180,851	180,851	-	247,771
Fund Balances, June 30	\$ 19,114	\$ 135,648	\$ 116,534	\$ 180,851

**CARSON CITY  
TRAFFIC TRANSPORTATION FUND  
SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2007  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2006)**

	FINAL BUDGET	ACTUAL	VARIANCE	2006
Revenues:				
Fines and forfeits:				
Fines:				
Court	\$ 55,000	\$ 75,504	\$ 20,504	\$ 63,537
Miscellaneous:				
Investment income	3,000	2,687	(313)	1,871
Rents and royalties	15,000	14,183	(817)	13,763
Other	-	18	18	340
	<u>18,000</u>	<u>16,888</u>	<u>(1,112)</u>	<u>15,974</u>
Total Revenues	<u>73,000</u>	<u>92,392</u>	<u>19,392</u>	<u>79,511</u>
Expenditures:				
Public safety:				
Sheriff - parking enforcement:				
Salaries and wages	57,355	57,479	(124)	55,632
Employee benefits	23,271	25,215	(1,944)	21,882
Services and supplies	47,365	35,615	11,750	11,933
Capital outlay	22,000	20,725	1,275	-
Total Expenditures	<u>149,991</u>	<u>139,034</u>	<u>10,957</u>	<u>89,447</u>
Excess (Deficiency) of Revenues over Expenditures	(76,991)	(46,642)	30,349	(9,936)
Fund Balances, July 1	<u>94,808</u>	<u>94,808</u>	<u>-</u>	<u>104,744</u>
Fund Balances, June 30	<u>\$ 17,817</u>	<u>\$ 48,166</u>	<u>\$ 30,349</u>	<u>\$ 94,808</u>

**CARSON CITY  
SUPPLEMENTAL INDIGENT FUND  
SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2007  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2006)**

	FINAL BUDGET	ACTUAL	VARIANCE	2006
Revenues:				
Taxes:				
Ad valorem	\$ 1,364,500	\$ 1,434,159	\$ 69,659	\$ 1,333,501
Miscellaneous:				
Investment income	10,000	28,509	18,509	9,055
Total Revenues	<u>1,374,500</u>	<u>1,462,668</u>	<u>88,168</u>	<u>1,342,556</u>
Expenditures:				
Welfare:				
Institutional care:				
Services and supplies	1,494,500	1,582,668	(88,168)	1,505,205
Excess (Deficiency) of Revenues over Expenditures	(120,000)	(120,000)	-	(162,649)
Other Financing Sources (Uses):				
Transfers in (out):				
General Fund	120,000	120,000	-	120,000
Net Change in Fund Balances	-	-	-	(42,649)
Fund Balances, July 1	-	-	-	42,649
Fund Balances, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CARSON CITY  
LIBRARY GIFT FUND  
SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2007  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2006)**

	FINAL BUDGET	ACTUAL	VARIANCE	2006
Revenues:				
Intergovernmental revenues:				
Federal grants	\$ 65,000	\$ 3,432	\$ (61,568)	\$ 13,925
State grants	20,833	20,833	-	20,591
Other local government grants	-	-	-	1,000
	<u>85,833</u>	<u>24,265</u>	<u>(61,568)</u>	<u>35,516</u>
Miscellaneous:				
Donations and gifts	1,000	15,374	14,374	17,673
Investment income	1,000	5,875	4,875	1,799
	<u>2,000</u>	<u>21,249</u>	<u>19,249</u>	<u>19,472</u>
Total Revenues	<u>87,833</u>	<u>45,514</u>	<u>(42,319)</u>	<u>54,988</u>
Expenditures:				
Culture and recreation:				
Libraries:				
Services and supplies	180,606	29,699	150,907	28,388
Capital outlay	5,000	-	5,000	13,607
Total Expenditures	<u>185,606</u>	<u>29,699</u>	<u>155,907</u>	<u>41,995</u>
Excess (Deficiency) of Revenues over Expenditures	(97,773)	15,815	113,588	12,993
Fund Balances, July 1	<u>101,553</u>	<u>101,553</u>	<u>-</u>	<u>88,560</u>
Fund Balances, June 30	<u>\$ 3,780</u>	<u>\$ 117,368</u>	<u>\$ 113,588</u>	<u>\$ 101,553</u>

**CARSON CITY**  
**ADMINISTRATIVE ASSESSMENTS FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2007**  
**(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2006)**

	FINAL BUDGET	ACTUAL	VARIANCE	2006
Revenues:				
Intergovernmental revenues:				
State shared revenue:				
Administrative assessments	\$ 80,000	\$ 83,818	\$ 3,818	\$ 98,679
Expenditures:				
Judicial:				
Salaries and wages	-	-	-	2,404
Employee benefits	-	-	-	111
Services and supplies	32,750	36,963	(4,213)	76,367
Capital outlay	98,360	41,547	56,813	7,708
Total Expenditures	131,110	78,510	52,600	86,590
Excess (Deficiency) of Revenues over Expenditures	(51,110)	5,308	56,418	12,089
Fund Balances, July 1	56,110	56,110	-	44,021
Fund Balances, June 30	\$ 5,000	\$ 61,418	\$ 56,418	\$ 56,110

**CARSON CITY  
REGIONAL TRANSPORTATION FUND  
SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2007  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2006)**

	FINAL BUDGET	ACTUAL	VARIANCE	2006
Revenues:				
Taxes:				
County option motor vehicle fuel tax	\$ 3,632,779	\$ 3,477,350	\$ (155,429)	\$ 3,487,763
Intergovernmental revenues:				
Federal grants	-	319,126	319,126	178,407
Miscellaneous:				
Investment income	50,000	375,610	325,610	112,442
Rents and royalties	15,000	15,000	-	15,000
Other	-	-	-	40
Donations and gifts	-	10,049	10,049	-
	<u>65,000</u>	<u>400,659</u>	<u>335,659</u>	<u>127,482</u>
Total Revenues	<u>3,697,779</u>	<u>4,197,135</u>	<u>499,356</u>	<u>3,793,652</u>
Expenditures:				
Public works:				
Paved streets:				
Salaries and wages	-	2,448	(2,448)	2,044
Employee benefits	-	843	(843)	774
Services and supplies	653,976	781,215	(127,239)	637,744
Capital outlay	9,001,324	1,715,854	7,285,470	3,012,029
Total Expenditures	<u>9,655,300</u>	<u>2,500,360</u>	<u>7,154,940</u>	<u>3,652,591</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(5,957,521)</u>	<u>1,696,775</u>	<u>7,654,296</u>	<u>141,061</u>
Other Financing Sources (Uses):				
Transfers in (out):				
Carson City Debt Service Fund	(425,500)	(425,500)	-	(424,850)
Net Change in Fund Balances	<u>(6,383,021)</u>	<u>1,271,275</u>	<u>7,654,296</u>	<u>(283,789)</u>
Fund Balances, July 1	<u>6,595,771</u>	<u>6,595,771</u>	<u>-</u>	<u>6,879,560</u>
Fund Balances, June 30	<u>\$ 212,750</u>	<u>\$ 7,867,046</u>	<u>\$ 7,654,296</u>	<u>\$ 6,595,771</u>

**CARSON CITY  
CAPITAL PROJECTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2007  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2006)  
(PAGE 1 OF 2)**

	FINAL BUDGET	ACTUAL	VARIANCE	2006
Revenues:				
Taxes:				
Ad valorem	\$ 590,000	\$ 623,559	\$ 33,559	\$ 579,812
Miscellaneous:				
Investment income	15,000	40,923	25,923	18,376
Total Revenues	605,000	664,482	59,482	598,188
Expenditures:				
General government:				
Services and supplies:				
Professional services	29,680	11,784	17,896	47,665
Building improvements	-	-	-	30,677
	29,680	11,784	17,896	78,342
Capital outlay:				
Vehicle Replacement Program	297,110	51,933	245,177	698,889
Building improvements	114,587	302	114,285	14,256
	411,697	52,235	359,462	713,145
Total General Government	441,377	64,019	377,358	791,487
Public works:				
Services and supplies:				
Parking Lot Improvement Program	78,648	-	78,648	-
Total Expenditures	520,025	64,019	456,006	791,487
Excess (Deficiency) of Revenues over Expenditures	84,975	600,463	515,488	(193,299)

**CARSON CITY  
CAPITAL PROJECTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2007  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2006)  
(PAGE 2 OF 2)**

	FINAL BUDGET	ACTUAL	VARIANCE	2006
Other Financing Sources (Uses):				
Bonds issued	\$ -	\$ -	\$ -	\$ 991,732
Premium on bonds issued	-	-	-	18,592
Transfers in (out):				
Capital Acquisition and Development Fund	(210,000)	(210,000)	-	-
Carson City Debt Service Fund	(559,325)	(559,325)	-	-
General Fund	-	-	-	(689,263)
Total Other Financing Sources (Uses)	(769,325)	(769,325)	-	321,061
Net Change in Fund Balances	(684,350)	(168,862)	515,488	127,762
Fund Balances, July 1	817,025	817,025	-	689,263
Fund Balances, June 30	\$ 132,675	\$ 648,163	\$ 515,488	\$ 817,025

**CARSON CITY  
STREET MAINTENANCE FUND  
SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2007  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2006)**

	FINAL BUDGET	ACTUAL	VARIANCE	2006
Revenues:				
Taxes:				
County option motor vehicle fuel tax	\$ 405,712	\$ 422,924	\$ 17,212	\$ 354,444
Sales tax, voter approved	2,675,000	2,445,170	(229,830)	2,526,669
	<u>3,080,712</u>	<u>2,868,094</u>	<u>(212,618)</u>	<u>2,881,113</u>
Intergovernmental revenues:				
State shared revenues:				
Motor vehicle fuel tax	1,417,277	1,373,902	(43,375)	1,361,374
Other local government grants:				
Interlocal cooperative agreements	-	200	200	21,200
	<u>1,417,277</u>	<u>1,374,102</u>	<u>(43,175)</u>	<u>1,382,574</u>
Charges for services:	<u>100,000</u>	<u>237,063</u>	<u>137,063</u>	<u>39,990</u>
Miscellaneous:				
Investment income	50,000	99,864	49,864	46,589
Other	-	-	-	122
Refunds and reimbursements	-	6,668	6,668	-
	<u>50,000</u>	<u>106,532</u>	<u>56,532</u>	<u>46,711</u>
Total Revenues	<u>4,647,989</u>	<u>4,585,791</u>	<u>(62,198)</u>	<u>4,350,388</u>
Expenditures:				
Public works:				
Salaries and wages	1,260,918	1,176,712	84,206	1,187,996
Employee benefits	398,961	394,793	4,168	378,582
Services and supplies	4,546,169	2,535,823	2,010,346	2,372,373
Capital outlay	1,191,319	729,884	461,435	56,681
Total Expenditures	<u>7,397,367</u>	<u>4,837,212</u>	<u>2,560,155</u>	<u>3,995,632</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(2,749,378)</u>	<u>(251,421)</u>	<u>2,497,957</u>	<u>354,756</u>
Other Financing Sources (Uses):				
Contingency	<u>(60,000)</u>	<u>-</u>	<u>60,000</u>	<u>-</u>
Net Change in Fund Balances	<u>(2,809,378)</u>	<u>(251,421)</u>	<u>2,557,957</u>	<u>354,756</u>
Fund Balances, July 1	<u>3,009,378</u>	<u>3,009,378</u>	<u>-</u>	<u>2,654,622</u>
Fund Balances, June 30	<u>\$ 200,000</u>	<u>\$ 2,757,957</u>	<u>\$ 2,557,957</u>	<u>\$ 3,009,378</u>

**CARSON CITY**  
**CAPITAL ACQUISITION AND DEVELOPMENT FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2007**  
**(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2006)**  
**(PAGE 1 OF 2)**

	FINAL BUDGET	ACTUAL	VARIANCE	2006
Revenues:				
Intergovernmental revenues:				
Federal grants	\$ 297,435	\$ 297,435	\$ -	\$ -
Charges for services:				
Paramedic Training Program	40,000	37,241	(2,759)	-
Miscellaneous:				
Investment income	200,000	171,896	(28,104)	126,909
Total Revenues	<u>537,435</u>	<u>506,572</u>	<u>(30,863)</u>	<u>126,909</u>
Expenditures:				
General government:				
Salaries and wages	-	-	-	9,293
Employee benefits	-	-	-	1,401
Services and supplies	61,657	281,357	(219,700)	819,298
Capital outlay	3,371,530	797,159	2,574,371	1,236,492
	<u>3,433,187</u>	<u>1,078,516</u>	<u>2,354,671</u>	<u>2,066,484</u>
Public safety:				
Services and supplies	511,717	485,564	26,153	127,922
Capital outlay	813,049	717,057	95,992	152,334
	<u>1,324,766</u>	<u>1,202,621</u>	<u>122,145</u>	<u>280,256</u>
Public works:				
Capital outlay	-	-	-	200,000
Health:				
Services and supplies	-	23,675	(23,675)	-
Capital outlay	241,773	16,380	225,393	4,982
	<u>241,773</u>	<u>40,055</u>	<u>201,718</u>	<u>4,982</u>
Culture and recreation:				
Salaries and wages	-	1,371	(1,371)	724
Employee benefits	-	319	(319)	89
Services and supplies	91,761	19,532	72,229	30,076
Capital outlay	1,219,999	679,421	540,578	476,116
	<u>1,311,760</u>	<u>700,643</u>	<u>611,117</u>	<u>507,005</u>
Economic opportunity:				
Services and supplies	114,500	94,500	20,000	111,908
Capital outlay	-	-	-	132,093
	<u>114,500</u>	<u>94,500</u>	<u>20,000</u>	<u>244,001</u>
Total Expenditures	<u>6,425,986</u>	<u>3,116,335</u>	<u>3,309,651</u>	<u>3,302,728</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(5,888,551)</u>	<u>(2,609,763)</u>	<u>3,278,788</u>	<u>(3,175,819)</u>

**CARSON CITY**  
**CAPITAL ACQUISITION AND DEVELOPMENT FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2007**  
**(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2006)**  
**(PAGE 2 OF 2)**

	FINAL BUDGET	ACTUAL	VARIANCE	2006
Other Financing Sources (Uses):				
Bonds issued	\$ -	\$ -	\$ -	\$ 7,008,268
Premium on bonds issued	-	-	-	131,382
Transfers in (out):				
General Fund	862,503	46,000	(816,503)	-
Continuous Quality Improvement Fund	145,211	145,211	-	-
Capital Projects Fund	210,000	210,000	-	-
General Fund	(7,500)	(7,500)	-	(1,665,893)
Cemetery Fund	-	(13,200)	(13,200)	-
Carson City Debt Service Fund	(79,011)	(79,011)	-	(206,309)
Total Other Financing Sources (Uses)	<u>1,131,203</u>	<u>301,500</u>	<u>(829,703)</u>	<u>5,267,448</u>
Net Change in Fund Balances	(4,757,348)	(2,308,263)	2,449,085	2,091,629
Fund Balances, July 1	<u>5,290,486</u>	<u>5,290,486</u>	<u>-</u>	<u>3,198,857</u>
Fund Balances, June 30	<u>\$ 533,138</u>	<u>\$ 2,982,223</u>	<u>\$ 2,449,085</u>	<u>\$ 5,290,486</u>

**CARSON CITY  
STABILIZATION FUND  
SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2007  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2006)**

	FINAL BUDGET	ACTUAL	VARIANCE	2006
Other Financing Sources (Uses):				
Transfers in (out):				
Waterfall Fire Fund	\$ -	\$ -	\$ -	\$ 44,618
2006 Flood Fund	-	-	-	(648,500)
Total Other Financing Sources (Uses)	-	-	-	(603,882)
Fund Balances, July 1	3,538,850	2,934,968	(603,882)	3,538,850
Fund Balances, June 30	<u>\$ 3,538,850</u>	<u>\$ 2,934,968</u>	<u>\$ (603,882)</u>	<u>\$ 2,934,968</u>

**CARSON CITY**  
**REDEVELOPMENT ADMINISTRATION FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2007**  
**(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2006)**

	FINAL BUDGET	ACTUAL	VARIANCE	2006
Revenues:				
Intergovernmental revenues:				
Other local government grants	\$ -	\$ -	\$ -	\$ 3,600,000
Miscellaneous:				
Investment income	2,000	1,364	(636)	872
Other	20,000	15,623	(4,377)	27,393
	<u>22,000</u>	<u>16,987</u>	<u>(5,013)</u>	<u>28,265</u>
Total Revenues	<u>22,000</u>	<u>16,987</u>	<u>(5,013)</u>	<u>3,628,265</u>
Expenditures:				
General government:				
Salaries and wages	29,220	29,028	192	26,409
Employee benefits	15,860	13,811	2,049	14,216
Services and supplies	319,543	312,731	6,812	3,835,601
	<u>364,623</u>	<u>355,570</u>	<u>9,053</u>	<u>3,876,226</u>
Total Expenditures	<u>364,623</u>	<u>355,570</u>	<u>9,053</u>	<u>3,876,226</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(342,623)</u>	<u>(338,583)</u>	<u>4,040</u>	<u>(247,961)</u>
Other Financing Sources (Uses):				
Transfers in (out):				
Redevelopment Debt Service Fund	220,000	220,000	-	371,500
Net Change in Fund Balances	<u>(122,623)</u>	<u>(118,583)</u>	<u>4,040</u>	<u>123,539</u>
Fund Balances, July 1	<u>137,689</u>	<u>137,689</u>	<u>-</u>	<u>14,150</u>
Fund Balances, June 30	<u>\$ 15,066</u>	<u>\$ 19,106</u>	<u>\$ 4,040</u>	<u>\$ 137,689</u>

**CARSON CITY**  
**CONTINUOUS QUALITY IMPROVEMENT FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2007**  
**(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2006)**

	FINAL BUDGET	ACTUAL	VARIANCE	2006
Expenditures:				
General government:				
Services and supplies	\$ -	\$ -	\$ -	\$ 47,992
Capital outlay	-	-	-	15,182
	-	-	-	63,174
Public safety:				
Services and supplies	-	-	-	80,941
Judicial:				
Services and supplies	-	-	-	12,948
Public works:				
Services and supplies	-	-	-	17,163
Culture and recreation:				
Services and supplies	456	456	-	11,998
Capital outlay	-	-	-	7,767
	456	456	-	19,765
Total Expenditures	456	456	-	193,991
Excess (Deficiency) of Revenues over Expenditures	(456)	(456)	-	(193,991)
Other Financing Sources (Uses):				
Transfers in (out):				
Capital Acquisition and Development Fund	(145,211)	(145,211)	-	-
Net Change in Fund Balances	(145,667)	(145,667)	-	(193,991)
Fund Balances, July 1	145,667	145,667	-	339,658
Fund Balances, June 30	\$ -	\$ -	\$ -	\$ 145,667

**CARSON CITY  
FIREFIGHTER RETIREMENT MEDICAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2007  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2006)**

	FINAL BUDGET	ACTUAL	VARIANCE	2006
Revenues:				
Charges for services:				
Employee contributions	\$ 9,200	\$ 9,179	\$ (21)	\$ 7,609
Employer contributions	81,831	77,556	(4,275)	67,896
	<u>91,031</u>	<u>86,735</u>	<u>(4,296)</u>	<u>75,505</u>
Miscellaneous:				
Investment income	200	3,020	2,820	420
	<u>91,231</u>	<u>89,755</u>	<u>(1,476)</u>	<u>75,925</u>
Total Revenues				
Expenditures:				
Public safety:				
Services and supplies	50,000	46,487	3,513	37,566
Excess (Deficiency) of Revenues over Expenditures	<u>41,231</u>	<u>43,268</u>	<u>2,037</u>	<u>38,359</u>
Fund Balances, July 1	56,194	54,121	(2,073)	15,762
Fund Balances, June 30	<u>\$ 97,425</u>	<u>\$ 97,389</u>	<u>\$ (36)</u>	<u>\$ 54,121</u>

**CARSON CITY**  
**WATERFALL FIRE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2007**  
**(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2006)**

	FINAL BUDGET	ACTUAL	VARIANCE	2006
Revenues:				
Intergovernmental revenues:				
Federal grants	\$ -	\$ -	\$ -	\$ 221,494
Other local government grants:				
Interlocal cooperative agreements	-	-	-	100,000
Total Revenues	-	-	-	321,494
Expenditures:				
Public safety:				
Services and supplies	-	-	-	333,523
Excess (Deficiency) of Revenues over Expenditures	-	-	-	(12,029)
Other Financing Sources (Uses):				
Transfers in (out):				
Stormwater Drainage Fund Stabilization Fund	(100,000)	(100,000)	-	(700,535)
Stabilization Fund	-	-	-	(44,618)
Total Other Financing Sources (Uses)	(100,000)	(100,000)	-	(745,153)
Net Change in Fund Balances	(100,000)	(100,000)	-	(757,182)
Fund Balances, July 1	100,000	100,000	-	857,182
Fund Balances, June 30	\$ -	\$ -	\$ -	\$ 100,000

**CARSON CITY**  
**CARSON CITY TRANSIT FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2007**  
**(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2006)**

	FINAL BUDGET	ACTUAL	VARIANCE	2006
Revenues:				
Intergovernmental revenues:				
Federal grants	\$ 950,000	\$ 953,097	\$ 3,097	\$ 412,840
Other local government grants	-	14,551	14,551	-
	<u>950,000</u>	<u>967,648</u>	<u>17,648</u>	<u>412,840</u>
Charges for services:				
Ticket sales	60,000	79,044	19,044	48,239
Contract payments	-	-	-	424
	<u>60,000</u>	<u>79,044</u>	<u>19,044</u>	<u>48,663</u>
Miscellaneous:				
Investment income	4,000	4,123	123	3,779
Rents and royalties	-	-	-	1,000
Gifts and donations	13,000	-	(13,000)	6,547
	<u>17,000</u>	<u>4,123</u>	<u>(12,877)</u>	<u>11,326</u>
Total Revenues	<u>1,027,000</u>	<u>1,050,815</u>	<u>23,815</u>	<u>472,829</u>
Expenditures:				
Public works:				
Transit system:				
Services and supplies	835,834	1,229,845	(394,011)	1,056,857
Capital outlay	400,000	-	400,000	-
Total Expenditures	<u>1,235,834</u>	<u>1,229,845</u>	<u>5,989</u>	<u>1,056,857</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(208,834)</u>	<u>(179,030)</u>	<u>29,804</u>	<u>(584,028)</u>
Other Financing Sources (Uses):				
Transfers in (out):				
General Fund	350,000	350,000	-	450,000
Net Change in Fund Balances	<u>141,166</u>	<u>170,970</u>	<u>29,804</u>	<u>(134,028)</u>
Fund Balances, July 1	<u>244,637</u>	<u>145,901</u>	<u>(98,736)</u>	<u>279,929</u>
Fund Balances, June 30	<u>\$ 385,803</u>	<u>\$ 316,871</u>	<u>\$ (68,932)</u>	<u>\$ 145,901</u>

**CARSON CITY  
COMMISSARY FUND  
SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2007  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2006)**

	FINAL BUDGET	ACTUAL	VARIANCE	2006
Revenues:				
Charges for Services:				
Public safety:				
Commissary sales	\$ 100,000	\$ 108,542	\$ 8,542	\$ 108,448
Miscellaneous:				
Investment income	1,500	8,482	6,982	2,438
Rents and royalties	55,200	80,055	24,855	83,414
Gifts and donations	3,000	4,759	1,759	5,320
	<u>59,700</u>	<u>93,296</u>	<u>33,596</u>	<u>91,172</u>
Total Revenues	<u>159,700</u>	<u>201,838</u>	<u>42,138</u>	<u>199,620</u>
Expenditures:				
Public safety:				
Salaries and wages	51,715	50,608	1,107	46,439
Employee benefits	25,204	16,116	9,088	13,839
Services and supplies	155,524	94,408	61,116	91,741
Total Expenditures	<u>232,443</u>	<u>161,132</u>	<u>71,311</u>	<u>152,019</u>
Excess (Deficiency) of Revenues over Expenditures	(72,743)	40,706	113,449	47,601
Fund Balances, July 1	<u>137,874</u>	<u>137,874</u>	-	<u>90,273</u>
Fund Balances, June 30	<u>\$ 65,131</u>	<u>\$ 178,580</u>	<u>\$ 113,449</u>	<u>\$ 137,874</u>

**CARSON CITY**  
**V & T SPECIAL INFRASTRUCTURE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2007**  
**(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2006)**

	FINAL BUDGET	ACTUAL	VARIANCE	2006
Revenues:				
Taxes:				
Sales tax	\$ 1,337,500	\$ 1,208,318	\$ (129,182)	\$ 302,953
Miscellaneous:				
Investment income	11,600	9,314	(2,286)	-
Total Revenues	<u>1,349,100</u>	<u>1,217,632</u>	<u>(131,468)</u>	<u>302,953</u>
Expenditures:				
General government:				
Services and supplies	1,600	1,508	92	-
Excess (Deficiency) of Revenues over Expenditures	<u>1,347,500</u>	<u>1,216,124</u>	<u>(131,376)</u>	<u>302,953</u>
Other Financing Sources (Uses):				
Transfers in (out):				
Carson City Debt Service Fund	(1,116,144)	(1,116,144)	-	(278,711)
Net Change in Fund Balances	231,356	99,980	(131,376)	24,242
Fund Balances, July 1	49,789	24,242	(25,547)	-
Fund Balances, June 30	<u>\$ 281,145</u>	<u>\$ 124,222</u>	<u>\$ (156,923)</u>	<u>\$ 24,242</u>

**CARSON CITY**  
**2006 FLOOD FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2007**  
**(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2006)**

	FINAL BUDGET	ACTUAL	VARIANCE	2006
Revenues:				
Intergovernmental revenues:				
Federal grants	\$ 604,556	\$ 316,103	\$ (288,453)	\$ 484,684
Other local government grants:				
Interlocal cooperative agreements	125,000	125,000	-	50,000
Total Revenues	<u>729,556</u>	<u>441,103</u>	<u>(288,453)</u>	<u>534,684</u>
Expenditures:				
Public works:				
Salaries and wages	-	-	-	54,815
Employee benefits	-	-	-	13,310
Services and supplies	806,074	366,234	439,840	580,358
Total Expenditures	<u>806,074</u>	<u>366,234</u>	<u>439,840</u>	<u>648,483</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(76,518)</u>	<u>74,869</u>	<u>151,387</u>	<u>(113,799)</u>
Other Financing Sources (Uses):				
Transfers in (out):				
Stabilization Fund	(458,183)	-	458,183	648,500
Net Change in Fund Balances	(534,701)	74,869	609,570	534,701
Fund Balances, July 1	<u>534,701</u>	<u>534,701</u>	<u>-</u>	<u>-</u>
Fund Balances, June 30	<u>\$ -</u>	<u>\$ 609,570</u>	<u>\$ 609,570</u>	<u>\$ 534,701</u>

**CARSON CITY  
GRANT FUND  
SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2007  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2006)  
(PAGE 1 OF 2)**

	FINAL BUDGET	ACTUAL	VARIANCE	2006
Revenues:				
Intergovernmental revenues:				
Federal grants	\$ 3,023,514	\$ 2,326,722	\$ (696,792)	\$ 2,353,600
State grants	779,395	196,508	(582,887)	132,627
Other local government grants:				
Interlocal cooperative agreements	20,000	17,670	(2,330)	33,383
	<u>3,822,909</u>	<u>2,540,900</u>	<u>(1,282,009)</u>	<u>2,519,610</u>
Miscellaneous:				
Other	20,000	41,703	21,703	6,575
Total Revenues	<u>3,842,909</u>	<u>2,582,603</u>	<u>(1,260,306)</u>	<u>2,526,185</u>
Expenditures:				
General government:				
Services and supplies	482,415	400,232	82,183	509,861
Capital outlay	12,079	12,079	-	-
	<u>494,494</u>	<u>412,311</u>	<u>82,183</u>	<u>509,861</u>
Public safety:				
Salaries and wages	-	2,527	(2,527)	2,398
Employee benefits	-	106	(106)	126
Services and supplies	918,991	452,106	466,885	614,776
Capital outlay	-	163,885	(163,885)	106,576
	<u>918,991</u>	<u>618,624</u>	<u>300,367</u>	<u>723,876</u>
Judicial:				
Services and supplies	75,437	26,603	48,834	42,360
Welfare:				
Salaries and wages	-	29,465	(29,465)	8,488
Employee benefits	-	15,075	(15,075)	3,910
Services and supplies	158,000	109,839	48,161	171,368
	<u>158,000</u>	<u>154,379</u>	<u>3,621</u>	<u>183,766</u>
Health:				
Salaries and wages	476,277	298,034	178,243	152,431
Employee benefits	63,457	119,854	(56,397)	58,852
Services and supplies	879,969	685,306	194,663	349,586
Capital outlay	-	5,200	(5,200)	-
	<u>1,419,703</u>	<u>1,108,394</u>	<u>311,309</u>	<u>560,869</u>
Culture and recreation:				
Services and supplies	-	-	-	9,999
Capital outlay	519,236	58,026	461,210	13,088
	<u>519,236</u>	<u>58,026</u>	<u>461,210</u>	<u>23,087</u>

**CARSON CITY  
GRANT FUND  
SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2007  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2006)  
(PAGE 2 OF 2)**

	FINAL BUDGET	ACTUAL	VARIANCE	2006
Economic opportunity:				
Services and supplies	\$ 457,592	\$ 154,327	\$ 303,265	\$ 481,822
Capital outlay	-	79,800	(79,800)	-
	<u>457,592</u>	<u>234,127</u>	<u>223,465</u>	<u>481,822</u>
Total Expenditures	<u>4,043,453</u>	<u>2,612,464</u>	<u>1,430,989</u>	<u>2,525,641</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(200,544)</u>	<u>(29,861)</u>	<u>170,683</u>	<u>544</u>
Other Financing Sources (Uses):				
Transfers in (out):				
General Fund	-	198,029	198,029	425,000
General Fund	-	(225,000)	(225,000)	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>(26,971)</u>	<u>(26,971)</u>	<u>425,000</u>
Net Change in Fund Balances	<u>(200,544)</u>	<u>(56,832)</u>	<u>143,712</u>	<u>425,544</u>
Fund Balances, July 1	<u>400,544</u>	<u>425,544</u>	<u>25,000</u>	<u>-</u>
Fund Balances, June 30	<u>\$ 200,000</u>	<u>\$ 368,712</u>	<u>\$ 168,712</u>	<u>\$ 425,544</u>

## DEBT SERVICE FUNDS

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Debt Service Funds are used to account for the accumulation of resources and payment of long-term obligation principal and interest from governmental resources.

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**Carson City Debt Service Fund** - This Fund is used to accumulate monies for payment of general obligation bonds, notes, and capital lease obligations of the City that are not required to be accounted for in the Proprietary Funds.

**Redevelopment Debt Service Fund** - This Fund is used to accumulate monies for the payment of bonds and notes of the Redevelopment Agency.

**CARSON CITY  
COMBINING BALANCE SHEET  
NONMAJOR DEBT SERVICE FUNDS  
JUNE 30, 2007**

	<u>CARSON CITY DEBT</u>	<u>REDEVELOPMENT DEBT</u>	<u>TOTAL</u>
<b>ASSETS</b>			
Cash and investments	\$ 879,123	\$ 208,355	\$ 1,087,478
Taxes receivable, delinquent	3,704	3,711	7,415
Due from other funds	91,284	-	91,284
Prepaid items	250	-	250
	<u>974,361</u>	<u>212,066</u>	<u>1,186,427</u>
Total Assets	<u>\$ 974,361</u>	<u>\$ 212,066</u>	<u>\$ 1,186,427</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 6	\$ -	\$ 6
Deferred revenue	1,987	3,205	5,192
	<u>1,993</u>	<u>3,205</u>	<u>5,198</u>
Total Liabilities	<u>1,993</u>	<u>3,205</u>	<u>5,198</u>
<b>FUND BALANCES</b>			
Reserved for prepaid items	250	-	250
Unreserved:			
Designated for subsequent year's expenditures	934,674	208,861	1,143,535
Undesignated	37,444	-	37,444
	<u>972,368</u>	<u>208,861</u>	<u>1,181,229</u>
Total Fund Balances	<u>972,368</u>	<u>208,861</u>	<u>1,181,229</u>
Total Liabilities and Fund Balances	<u>\$ 974,361</u>	<u>\$ 212,066</u>	<u>\$ 1,186,427</u>

**CARSON CITY**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR DEBT SERVICE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2007**

	CARSON CITY DEBT	REDEVELOPMENT DEBT	TOTAL
Revenues:			
Taxes	\$ 400,319	\$ 625,251	\$ 1,025,570
Intergovernmental revenues	407,220	-	407,220
Miscellaneous	279,525	7,397	286,922
	1,087,064	632,648	1,719,712
Expenditures:			
Debt service:			
Principal	2,839,546	216,700	3,056,246
Interest	3,612,981	147,639	3,760,620
Fiscal charges	4,105	149	4,254
	6,456,632	364,488	6,821,120
Excess (Deficiency) of Revenues over Expenditures	(5,369,568)	268,160	(5,101,408)
Other Financing Sources (Uses):			
Transfers in	5,476,634	-	5,476,634
Transfers out	(369,555)	(260,000)	(629,555)
	5,107,079	(260,000)	4,847,079
Net Change in Fund Balances	(262,489)	8,160	(254,329)
Fund Balances, July 1	1,234,857	200,701	1,435,558
Fund Balances, June 30	\$ 972,368	\$ 208,861	\$ 1,181,229

**CARSON CITY  
CARSON CITY DEBT SERVICE FUND  
SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2007  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2006)  
(PAGE 1 OF 2)**

	FINAL BUDGET	ACTUAL	VARIANCE	2006
Revenues:				
Taxes:				
Ad valorem	\$ 369,555	\$ 400,319	\$ 30,764	\$ 372,253
Intergovernmental revenues:				
Other local government grants:				
Interlocal cooperative agreements	406,320	407,220	900	410,520
Miscellaneous:				
Investment income	100,000	79,525	(20,475)	24,435
Rents and royalties	200,000	200,000	-	200,000
Refunds and reimbursements	-	-	-	238
	300,000	279,525	(20,475)	224,673
Total Revenues	1,075,875	1,087,064	11,189	1,007,446
Expenditures:				
Debt service:				
General obligation bonds:				
Principal	2,279,942	2,279,942	-	2,008,861
Interest	3,297,426	3,297,426	-	2,237,091
	5,577,368	5,577,368	-	4,245,952
Revenue bonds:				
Principal	220,000	220,000	-	215,000
Interest	205,500	205,500	-	209,850
	425,500	425,500	-	424,850
Notes payable:				
Principal	339,604	339,604	-	327,019
Interest	110,055	110,055	-	121,549
	449,659	449,659	-	448,568
Fiscal charges	5,000	4,105	895	114,957
Total Expenditures	6,457,527	6,456,632	895	5,234,327
Excess (Deficiency) of Revenues over Expenditures	(5,381,652)	(5,369,568)	12,084	(4,226,881)

**CARSON CITY**  
**CARSON CITY DEBT SERVICE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2007**  
**(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2006)**  
**(PAGE 2 OF 2)**

	FINAL BUDGET	ACTUAL	VARIANCE	2006
Other Financing Sources (Uses):				
Refunding bonds issued	\$ -	\$ -	\$ -	\$ 8,040,000
Premium on refunding bonds issued	-	-	-	278,709
Transfers in (out):				
General Fund	2,137,494	2,137,494	-	1,512,320
Senior Citizens Center Fund	154,813	154,813	-	153,213
Capital Acquisition and Development Fund	79,011	79,011	-	206,309
Regional Transportation Fund	425,500	425,500	-	424,850
Capital Projects Fund	559,325	559,325	-	-
Capital Facilities Fund	-	-	-	673,406
V & T Special Infrastructure Fund	1,116,144	1,116,144	-	278,711
Quality of Life Fund	1,004,347	1,004,347	-	987,502
Capital Facilities Fund	-	(369,555)	(369,555)	-
Payment to refunded bond escrow agent	-	-	-	(8,258,161)
Total Other Financing Sources (Uses)	<u>5,476,634</u>	<u>5,107,079</u>	<u>(369,555)</u>	<u>4,296,859</u>
Net Change in Fund Balances	94,982	(262,489)	(357,471)	69,978
Fund Balances, July 1	<u>791,542</u>	<u>1,234,857</u>	<u>443,315</u>	<u>1,164,879</u>
Fund Balances, June 30	<u>\$ 886,524</u>	<u>\$ 972,368</u>	<u>\$ 85,844</u>	<u>\$ 1,234,857</u>

**CARSON CITY**  
**REDEVELOPMENT DEBT SERVICE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2007**  
**(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2006)**

	FINAL BUDGET	ACTUAL	VARIANCE	2006
Revenues:				
Taxes:				
Ad valorem	\$ 624,768	\$ 625,251	\$ 483	\$ 511,325
Miscellaneous				
Investment income	20,000	7,397	(12,603)	14,779
Total Revenues	<u>644,768</u>	<u>632,648</u>	<u>(12,120)</u>	<u>526,104</u>
Expenditures:				
Debt service:				
Principal	216,700	216,700	-	175,000
Interest	145,639	147,639	(2,000)	213,373
Fiscal charges	500	149	351	36,091
Total Expenditures	<u>362,839</u>	<u>364,488</u>	<u>(1,649)</u>	<u>424,464</u>
Excess (Deficiency) of Revenues over Expenditures	<u>281,929</u>	<u>268,160</u>	<u>(13,769)</u>	<u>101,640</u>
Other Financing Sources (Uses):				
Refunding notes issued	-	-	-	1,654,300
Transfers in (out):				
Redevelopment Administration Fund	(220,000)	(220,000)	-	(371,500)
Redevelopment Revolving Fund	(40,000)	(40,000)	-	(40,000)
Payment to refunded bond escrow agent	-	-	-	(1,626,452)
Total Other Financing Sources (Uses)	<u>(260,000)</u>	<u>(260,000)</u>	<u>-</u>	<u>(383,652)</u>
Net Change in Fund Balances	21,929	8,160	(13,769)	(282,012)
Fund Balances, July 1	<u>200,701</u>	<u>200,701</u>	<u>-</u>	<u>482,713</u>
Fund Balances, June 30	<u>\$ 222,630</u>	<u>\$ 208,861</u>	<u>\$ (13,769)</u>	<u>\$ 200,701</u>

## CAPITAL PROJECTS FUNDS

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Capital Projects Funds are used to account for the acquisition and construction of major capital facilities other than those financed by Proprietary Funds.

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### Nonmajor Funds

**Capital Facilities Fund** - This Fund is used to account for acquisition, construction, or renovation of City facilities.

**Residential Construction Fund** - This Fund is used to account for the one percent tax on the valuation of each building permit issued or \$1,000 per residential dwelling unit, whichever is less, to be used for the purpose of providing neighborhood parks and park facilities in accordance with Nevada Revised Statute 278.4983.

**Redevelopment Revolving Fund** - This Fund is used to account for construction projects of the Redevelopment Agency.

**CARSON CITY  
COMBINING BALANCE SHEET  
NONMAJOR CAPITAL PROJECTS FUNDS  
JUNE 30, 2007**

	<u>CAPITAL FACILITIES</u>	<u>RESIDENTIAL CONSTRUCTION</u>	<u>REDEVELOPMENT REVOLVING</u>	<u>TOTAL</u>
<b>ASSETS</b>				
Cash and investments:				
Unrestricted	\$ 7,171,566	\$ 821,396	\$ 915,070	\$ 8,908,032
Due from other governments	-	-	31,477	31,477
Total Assets	<u>\$ 7,171,566</u>	<u>\$ 821,396</u>	<u>\$ 946,547</u>	<u>\$ 8,939,509</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 1,523,684	\$ 39,038	\$ 29,902	\$ 1,592,624
Accrued salaries and benefits	-	829	186	1,015
Total Liabilities	<u>1,523,684</u>	<u>39,867</u>	<u>30,088</u>	<u>1,593,639</u>
<b>FUND BALANCES</b>				
Unreserved:				
Designated for subsequent year's expenditures	10,000	80,358	10,000	100,358
Undesignated	5,637,882	701,171	906,459	7,245,512
Total Fund Balances	<u>5,647,882</u>	<u>781,529</u>	<u>916,459</u>	<u>7,345,870</u>
Total Liabilities and Fund Balances	<u>\$ 7,171,566</u>	<u>\$ 821,396</u>	<u>\$ 946,547</u>	<u>\$ 8,939,509</u>

**CARSON CITY**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR CAPITAL PROJECTS FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2007**

	CAPITAL FACILITIES	RESIDENTIAL CONSTRUCTION	REDEVELOPMENT REVOLVING	TOTAL
Revenues:				
Taxes	\$ -	\$ 291,948	\$ -	\$ 291,948
Intergovernmental revenues	-	-	31,477	31,477
Miscellaneous	486,720	41,754	46,443	574,917
Total Revenues	<u>486,720</u>	<u>333,702</u>	<u>77,920</u>	<u>898,342</u>
Expenditures:				
Current:				
General government	5,477	-	-	5,477
Public safety	1,801	-	-	1,801
Health	30,347	-	-	30,347
Culture and recreation	-	37,697	-	37,697
Community support	-	-	63,806	63,806
Capital outlay:				
Public safety	8,330,151	-	-	8,330,151
Public works	38,788	-	-	38,788
Health	449,912	-	-	449,912
Culture and recreation	-	189,186	-	189,186
Community support	-	-	31,477	31,477
Total Expenditures	<u>8,856,476</u>	<u>226,883</u>	<u>95,283</u>	<u>9,178,642</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(8,369,756)</u>	<u>106,819</u>	<u>(17,363)</u>	<u>(8,280,300)</u>
Other Financing Sources (Uses):				
Transfers in	469,555	-	40,000	509,555
Net Change in Fund Balances	<u>(7,900,201)</u>	<u>106,819</u>	<u>22,637</u>	<u>(7,770,745)</u>
Fund Balances, July 1	<u>13,548,083</u>	<u>674,710</u>	<u>893,822</u>	<u>15,116,615</u>
Fund Balances, June 30	<u>\$ 5,647,882</u>	<u>\$ 781,529</u>	<u>\$ 916,459</u>	<u>\$ 7,345,870</u>

**CARSON CITY**  
**CAPITAL FACILITIES FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2007**  
**(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2006)**

	FINAL BUDGET	ACTUAL	VARIANCE	2006
Revenues:				
Miscellaneous:				
Investment income	\$ 235,000	\$ 486,720	\$ 251,720	\$ 223,610
Expenditures:				
General government:				
Services and supplies	-	5,477	(5,477)	-
Capital outlay	496,013	-	496,013	-
	496,013	5,477	490,536	-
Public safety:				
Services and supplies	-	1,801	(1,801)	266,315
Capital outlay	13,016,366	8,330,151	4,686,215	1,609,860
	13,016,366	8,331,952	4,684,414	1,876,175
Public works:				
Capital outlay	300,000	38,788	261,212	-
Health:				
Employee benefits	-	-	-	861
Services and supplies	-	30,347	(30,347)	51,848
Capital outlay	480,259	449,912	30,347	4,698,370
	480,259	480,259	-	4,751,079
Total Expenditures	14,292,638	8,856,476	5,436,162	6,627,254
Excess (Deficiency) of Revenues over Expenditures	(14,057,638)	(8,369,756)	5,687,882	(6,403,644)
Other Financing Sources (Uses):				
Bonds issued	-	-	-	18,000,000
Premium on bonds issued	-	-	-	127,713
Transfers in (out):				
General Fund	-	-	-	1,150,000
Building Permits Fund	150,000	100,000	(50,000)	150,000
Carson City Debt Service Fund	369,555	369,555	-	-
Carson City Debt Service Fund	-	-	-	(673,406)
Total Other Financing Sources (Uses)	519,555	469,555	(50,000)	18,754,307
Net Change in Fund Balances	(13,538,083)	(7,900,201)	5,637,882	12,350,663
Fund Balances, July 1	13,548,083	13,548,083	-	1,197,420
Fund Balances, June 30	\$ 10,000	\$ 5,647,882	\$ 5,637,882	\$ 13,548,083

**CARSON CITY**  
**RESIDENTIAL CONSTRUCTION FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2007**  
**(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2006)**

	FINAL BUDGET	ACTUAL	VARIANCE	2006
Revenues:				
Taxes:				
Park residential construction tax	\$ 125,000	\$ 291,948	\$ 166,948	\$ 360,652
Miscellaneous:				
Investment income	15,000	41,754	26,754	17,967
Total Revenues	<u>140,000</u>	<u>333,702</u>	<u>193,702</u>	<u>378,619</u>
Expenditures:				
Culture and recreation:				
Parks:				
Salaries and wages	20,188	22,355	(2,167)	25,929
Employee benefits	7,617	8,824	(1,207)	9,157
Services and supplies	23,567	6,518	17,049	12,708
	<u>51,372</u>	<u>37,697</u>	<u>13,675</u>	<u>47,794</u>
Capital outlay:				
Theater Lighting Fixtures	75,000	-	75,000	-
BMX Lighting	40,000	-	40,000	-
Urban Fishing Pond	49,143	14,739	34,404	-
Concrete Playground Border	12,500	-	12,500	-
Wungnema House	4,000	-	4,000	-
YSA Babe Ruth Fields	6,900	-	6,900	-
Community Center Theatre Improv	23,100	-	23,100	-
Sunset Park Equipment	-	-	-	1,427
Recreational Trails Engineering	2,885	-	2,885	-
Centennial Park Play Equipment	11,038	-	11,038	-
Edmonds Sports Complex	3,908	-	3,908	-
Hidden Meadows	5,000	-	5,000	-
Silver Oaks	-	119,943	(119,943)	197,196
Carson River Park Phase 1 & 2	78,193	-	78,193	-
CC Radio Club	9,000	-	9,000	-
Ronald D. Wilson	239,192	47,684	191,508	1,328
Nv Landmark Soc / Rbts Hse	92,168	-	92,168	-
Governors Field Expansion	7,790	-	7,790	-
Other projects	17,163	6,820	10,343	2,120
	<u>676,980</u>	<u>189,186</u>	<u>487,794</u>	<u>202,071</u>
Total Expenditures	<u>728,352</u>	<u>226,883</u>	<u>501,469</u>	<u>249,865</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(588,352)</u>	<u>106,819</u>	<u>695,171</u>	<u>128,754</u>
Other Financing Sources (Uses):				
Contingency	(6,000)	-	6,000	-
Net Change in Fund Balances	(594,352)	106,819	701,171	128,754
Fund Balances, July 1	674,710	674,710	-	545,956
Fund Balances, June 30	<u>\$ 80,358</u>	<u>\$ 781,529</u>	<u>\$ 701,171</u>	<u>\$ 674,710</u>

**CARSON CITY**  
**REDEVELOPMENT REVOLVING FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2007**  
**(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2006)**

	FINAL BUDGET	ACTUAL	VARIANCE	2006
Revenues:				
Intergovernmental revenues:				
State grants	\$ -	\$ 31,477	\$ 31,477	\$ -
Miscellaneous:				
Investment income	20,000	46,443	26,443	17,981
Refunds and reimbursements	-	-	-	5,038
	<u>20,000</u>	<u>46,443</u>	<u>26,443</u>	<u>23,019</u>
Total Revenues	<u>20,000</u>	<u>77,920</u>	<u>57,920</u>	<u>23,019</u>
Expenditures:				
Community support:				
Redevelopment:				
Salaries and wages	5,506	5,721	(215)	5,298
Employee benefits	2,373	2,145	228	2,194
Services and supplies	52,121	55,940	(3,819)	349,905
Capital outlay	883,822	31,477	852,345	-
Total Expenditures	<u>943,822</u>	<u>95,283</u>	<u>848,539</u>	<u>357,397</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(923,822)</u>	<u>(17,363)</u>	<u>906,459</u>	<u>(334,378)</u>
Other Financing Sources (Uses):				
Transfers in (out):				
Redevelopment Debt Service Fund	40,000	40,000	-	40,000
Net Change in Fund Balances	<u>(883,822)</u>	<u>22,637</u>	<u>906,459</u>	<u>(294,378)</u>
Fund Balances, July 1	<u>893,822</u>	<u>893,822</u>	<u>-</u>	<u>1,188,200</u>
Fund Balances, June 30	<u>\$ 10,000</u>	<u>\$ 916,459</u>	<u>\$ 906,459</u>	<u>\$ 893,822</u>

## ENTERPRISE FUNDS

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Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises—where the intent of the government's board is that the costs of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the government's board has decided that periodic determination of net income is appropriate for accountability purposes.

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### Major Funds

**Sewer Fund** - This Fund is used to account for the revenues and expenses of sewer services provided to the residents of Carson City.

**Water Fund** - This Fund is used to account for the revenues and expenses of water services provided to the residents of Carson City.

### Nonmajor Funds

**Ambulance Fund** - This Fund is used to account for the operations of the ambulance service provided by the Carson City Fire Department.

**Cemetery Fund** - This Fund is used to account for the costs of providing interment services and perpetual care of the City's cemetery.

**Carson City Sanitary Landfill Fund** - This Fund is used to account for the revenues and expenses of the Carson City Sanitary Landfill.

**Building Permits Fund** - This Fund is used to account for the revenues and expenses of the Building Permit Program.

**Stormwater Drainage Fund** – This Fund is used to account for the revenues and expenses of the stormwater management program.

**CARSON CITY  
SEWER FUND  
SCHEDULE OF REVENUES, EXPENSES,  
AND CHANGES IN NET ASSETS - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2007  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2006)**

	FINAL BUDGET	ACTUAL	VARIANCE	2006
Operating Revenues:				
Charges for services:				
User fees and charges	\$ 5,107,630	\$ 5,065,655	\$ (41,975)	\$ 4,941,436
Operating Expenses:				
Salaries and wages	1,169,243	1,134,658	34,585	1,187,038
Employee benefits	411,737	395,648	16,089	408,845
Services and supplies	3,264,265	2,927,216	337,049	2,855,072
Depreciation	2,500,000	2,499,322	678	2,437,425
Total Operating Expenses	7,345,245	6,956,844	388,401	6,888,380
Operating Income (Loss)	(2,237,615)	(1,891,189)	346,426	(1,946,944)
Nonoperating Revenues (Expenses):				
Investment income	347,065	434,373	87,308	173,769
Grant revenue	2,225,000	1,541,965	(683,035)	1,235,680
Miscellaneous	50,100	18,759	(31,341)	6,475
Interest expense	(1,197,620)	(692,270)	505,350	(740,267)
Gain (loss) on sales of capital assets	(10,000)	(139,220)	(129,220)	-
Bond issuance costs	(52,200)	(4,878)	47,322	(4,888)
Total Nonoperating Revenues (Expenses)	1,362,345	1,158,729	(203,616)	670,769
Income (Loss) Before Contributions	\$ (875,270)	(732,460)	\$ 142,810	(1,276,175)
Capital Contributions:				
Connection fees		1,545,814		1,856,648
Developers		583,092		1,089,871
Total Capital Contributions		2,128,906		2,946,519
Change in Net Assets		1,396,446		1,670,344
Net Assets, July 1		56,693,212		55,022,868
Net Assets, June 30		\$ 58,089,658		\$ 56,693,212

**CARSON CITY  
SEWER FUND  
SCHEDULE OF CASH FLOWS - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2007  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2006)  
(PAGE 1 OF 2)**

	FINAL BUDGET	ACTUAL	VARIANCE	2006
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash received for services	\$ 5,107,630	\$ 5,863,692	\$ 756,062	\$ 3,715,362
Cash payments for personnel costs	(1,580,980)	(1,536,517)	44,463	(1,641,320)
Cash payments for services and supplies	(3,264,265)	(2,973,084)	291,181	(2,879,769)
Miscellaneous cash received	-	18,759	18,759	6,475
Net Cash Provided by Operating Activities	<u>262,385</u>	<u>1,372,850</u>	<u>1,110,465</u>	<u>(799,252)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Subsidy from grant	-	-	-	2,800
Miscellaneous	50,100	-	(50,100)	-
Net Cash Provided (Used) by Noncapital Financing Activities	<u>50,100</u>	<u>-</u>	<u>(50,100)</u>	<u>2,800</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Proceeds from capital debt	10,107,000	-	(10,107,000)	-
Connection fees	1,733,100	1,545,817	(187,283)	1,856,648
Acquisition of capital assets	(16,525,954)	(4,378,167)	12,147,787	(3,404,792)
Principal paid on capital debt	(1,538,206)	(1,232,544)	305,662	(1,168,313)
Interest paid on capital debt	(1,197,620)	(713,902)	483,718	(762,248)
Bond issuance costs	(52,200)	(437)	51,763	(447)
Subsidy from grant	-	1,541,965	1,541,965	1,232,880
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(7,473,880)</u>	<u>(3,237,268)</u>	<u>4,236,612</u>	<u>(2,246,272)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Investment income	<u>347,065</u>	<u>434,373</u>	<u>87,308</u>	<u>173,769</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(6,814,330)	(1,430,045)	5,384,285	(2,868,955)
Cash and Cash Equivalents, July 1	<u>8,186,902</u>	<u>8,186,902</u>	<u>-</u>	<u>11,055,857</u>
Cash and Cash Equivalents, June 30	<u>\$ 1,372,572</u>	<u>\$ 6,756,857</u>	<u>\$ 5,384,285</u>	<u>\$ 8,186,902</u>
Represented by:				
Current Assets:				
Cash and investments (unrestricted)		\$ 3,903,201		\$ 5,525,275
Cash and investments (restricted)		111,560		63,492
Noncurrent assets:				
Cash and investments (restricted)		<u>2,742,096</u>		<u>2,598,135</u>
		<u>\$ 6,756,857</u>		<u>\$ 8,186,902</u>

**CARSON CITY**  
**SEWER FUND**  
**SCHEDULE OF CASH FLOWS - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2007**  
**(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2006)**  
**(PAGE 2 OF 2)**

	FINAL BUDGET	ACTUAL	VARIANCE	2006
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:				
Operating loss	\$ (2,237,615)	\$ (1,891,189)	\$ 346,426	\$ (1,946,944)
Adjustments to reconcile operating loss to net cash provided by operating activities:				
Depreciation and amortization expense	2,500,000	2,499,322	(678)	2,437,425
Nonoperating revenues	-	18,759	18,759	6,475
Changes in assets and liabilities:				
(Increase) decrease in:				
Accounts receivable	-	(51,713)	(51,713)	11,357
Due from other governments	-	850,575	850,575	(1,235,681)
Prepaid items	-	11,515	11,515	(11,321)
Increase (decrease) in:				
Accounts payable	-	(33,843)	(33,843)	(37,757)
Accrued salaries and benefits	-	(4,300)	(4,300)	(44,918)
Due to other funds	-	(23,540)	(23,540)	24,381
Connection deposits	-	(825)	(825)	(1,750)
Accrued compensated absences	-	(1,911)	(1,911)	(519)
Total Adjustments	2,500,000	3,264,039	764,039	1,147,692
Net Cash Provided (Used) by Operating Activities	<u>\$ 262,385</u>	<u>\$ 1,372,850</u>	<u>\$ 1,110,465</u>	<u>\$ (799,252)</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES				
Purchase of capital assets on account		\$ 134,013		\$ 130,970
Retainage payable on construction of capital assets		102,372		53,479

**CARSON CITY  
WATER FUND  
SCHEDULE OF REVENUES, EXPENSES,  
AND CHANGES IN NET ASSETS - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2007  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2006)**

	FINAL BUDGET	ACTUAL	VARIANCE	2006
Operating Revenues:				
Charges for services:				
User fees and charges	\$ 6,986,799	\$ 7,371,032	\$ 384,233	\$ 6,366,379
Other charges	-	208,520	208,520	166,803
Total Operating Revenues	<u>6,986,799</u>	<u>7,579,552</u>	<u>592,753</u>	<u>6,533,182</u>
Operating Expenses:				
Salaries and wages	1,393,153	1,290,879	102,274	1,213,060
Employee benefits	483,200	475,318	7,882	411,003
Services and supplies	4,496,317	4,291,395	204,922	3,697,617
Depreciation and amortization	<u>2,000,000</u>	<u>1,871,094</u>	<u>128,906</u>	<u>1,649,884</u>
Total Operating Expenses	<u>8,372,670</u>	<u>7,928,686</u>	<u>443,984</u>	<u>6,971,564</u>
Operating Income (Loss)	<u>(1,385,871)</u>	<u>(349,134)</u>	<u>1,036,737</u>	<u>(438,382)</u>
Nonoperating Revenues (Expenses):				
Investment income	240,000	506,216	266,216	129,697
Grant revenue	1,137,000	788,036	(348,964)	550,792
Miscellaneous	9,834	13,656	3,822	117,528
Interest expense	(1,140,818)	(1,105,130)	35,688	(1,235,173)
Gain (loss) on sales of capital assets	(2,293)	(118,967)	(116,674)	(71,694)
Arbitrage rebate	-	(2,522)	(2,522)	-
Bond issuance costs	<u>(54,000)</u>	<u>(19,129)</u>	<u>34,871</u>	<u>(18,740)</u>
Total Nonoperating Revenues (Expenses)	<u>189,723</u>	<u>62,160</u>	<u>(127,563)</u>	<u>(527,590)</u>
Income (Loss) Before Contributions	<u>\$ (1,196,148)</u>	<u>(286,974)</u>	<u>\$ 909,174</u>	<u>(965,972)</u>
Capital Contributions:				
Capital assets		11,750		-
Developers		851,107		743,496
Connection fees		<u>1,140,483</u>		<u>1,218,542</u>
Total Capital Contributions		<u>2,003,340</u>		<u>1,962,038</u>
Change in Net Assets		1,716,366		996,066
Net Assets, July 1		<u>34,531,632</u>		<u>33,535,566</u>
Net Assets, June 30		<u>\$ 36,247,998</u>		<u>\$ 34,531,632</u>

**CARSON CITY  
WATER FUND  
SCHEDULE OF CASH FLOWS - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2007  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2006)  
(PAGE 1 OF 2)**

	FINAL BUDGET	ACTUAL	VARIANCE	2006
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash received for services	\$ 6,986,799	\$ 7,432,643	\$ 445,844	\$ 6,432,352
Cash payments for personnel costs	(1,876,353)	(1,789,883)	86,470	(1,735,852)
Cash payments for services and supplies	(4,496,317)	(4,146,005)	350,312	(3,802,450)
Miscellaneous cash received	-	13,656	13,656	117,528
Net Cash Provided by Operating Activities	<u>614,129</u>	<u>1,510,411</u>	<u>896,282</u>	<u>1,011,578</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Subsidy from grant	-	-	-	8,658
Miscellaneous	9,834	-	(9,834)	-
Net Cash Provided (Used) by Noncapital Financing Activities	<u>9,834</u>	<u>-</u>	<u>(9,834)</u>	<u>8,658</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Proceeds from capital debt	10,000,000	12,394,100	2,394,100	-
Proceeds from sales of capital assets	12,707	-	(12,707)	-
Connection fees	1,362,900	1,140,489	(222,411)	1,218,542
Acquisition of capital assets	(6,466,832)	(2,796,035)	3,670,797	(6,730,834)
Principal paid on capital debt	(2,040,000)	(4,723,850)	(2,683,850)	(1,815,000)
Interest paid on capital debt	(1,140,818)	(1,155,847)	(15,029)	(1,225,667)
Bond issuance costs	(54,000)	(56,323)	(2,323)	(1,744)
Subsidy from grant	1,137,000	590,169	(546,831)	473,383
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>2,810,957</u>	<u>5,392,703</u>	<u>2,581,746</u>	<u>(8,081,320)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Investment income	240,000	506,216	266,216	129,697
Net Increase (Decrease) in Cash and Cash Equivalents	3,674,920	7,409,330	3,734,410	(6,931,387)
Cash and Cash Equivalents, July 1	6,810,039	6,810,039	-	13,741,426
Cash and Cash Equivalents, June 30	<u>\$ 10,484,959</u>	<u>\$ 14,219,369</u>	<u>\$ 3,734,410</u>	<u>\$ 6,810,039</u>
Represented by:				
Current Assets:				
Cash and investments (unrestricted)		\$ 14,157,759		\$ 6,391,277
Cash and investments (restricted)		61,610		418,762
		<u>\$ 14,219,369</u>		<u>\$ 6,810,039</u>

**CARSON CITY  
WATER FUND  
SCHEDULE OF CASH FLOWS - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2007  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2006)  
(PAGE 2 OF 2)**

	FINAL BUDGET	ACTUAL	VARIANCE	2006
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:				
Operating income (loss)	\$ (1,385,871)	\$ (349,134)	\$ 1,036,737	\$ (438,382)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation and amortization expense	2,000,000	1,871,094	(128,906)	1,649,884
Nonoperating revenues	-	13,656	13,656	117,528
Changes in assets and liabilities:				
(Increase) decrease in:				
Accounts receivable	-	(163,100)	(163,100)	(128,403)
Due from other governments	-	16,191	16,191	27,573
Inventories	-	32,342	32,342	(59,038)
Prepaid items	-	60	60	(1,175)
Increase (decrease) in:				
Accounts payable	-	50,677	50,677	2,546
Accrued salaries and benefits	-	(741)	(741)	(65,055)
Due to other governments	-	62,286	62,286	(41,342)
Connection deposits	-	25	25	(5,824)
Accrued compensated absences	-	(22,945)	(22,945)	(46,734)
Total Adjustments	2,000,000	1,859,545	(140,455)	1,449,960
Net Cash Provided by Operating Activities	<u>\$ 614,129</u>	<u>\$ 1,510,411</u>	<u>\$ 896,282</u>	<u>\$ 1,011,578</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:				
Purchase of capital assets on account		\$ 101,995		\$ 2,764,313
Purchase of capital assets due to other governments		-		34,663
Retainage payable on construction of capital assets		46,847		404,025
Contributed capital assets		11,750		-

**CARSON CITY**  
**COMBINING STATEMENT OF NET ASSETS**  
**NONMAJOR ENTERPRISE FUNDS**  
**JUNE 30, 2007**

	<u>AMBULANCE</u>	<u>CEMETERY</u>	<u>CARSON CITY SANITARY LANDFILL</u>
<b>ASSETS</b>			
Current assets (unrestricted):			
Cash and investments	\$ 106,956	\$ 132,337	\$ 4,105,681
Receivables:			
Accounts and contracts, net	1,224,024	-	581,927
Inventories	-	21,472	-
Prepaid items	-	-	15,884
Total Current Assets (Unrestricted)	<u>1,330,980</u>	<u>153,809</u>	<u>4,703,492</u>
Noncurrent assets:			
Other Assets	-	-	-
Capital assets:			
Land	-	293,449	14,520
Buildings	-	354,931	88,911
Improvements other than buildings	-	173,211	-
Machinery and equipment	880,778	148,863	2,130,101
Construction in progress	-	-	126,406
Less: Accumulated depreciation	<u>880,778</u> <u>(390,478)</u>	<u>970,454</u> <u>(172,786)</u>	<u>2,359,938</u> <u>(585,160)</u>
Net Capital Assets	<u>490,300</u>	<u>797,668</u>	<u>1,774,778</u>
Total Noncurrent Assets	<u>490,300</u>	<u>797,668</u>	<u>1,774,778</u>
Total Assets	<u>1,821,280</u>	<u>951,477</u>	<u>6,478,270</u>
<b>LIABILITIES:</b>			
Current liabilities (payable from unrestricted assets):			
Accounts payable	62,119	1,412	453,505
Accrued salaries and benefits	36,526	3,091	17,973
Accrued interest	-	-	519
Due to other governments	740	-	3,380
Unearned revenue	-	273,360	-
Current portion:			
General obligation bonds and notes payable	-	-	150,000
Total Current Liabilities (Payable from Unrestricted Assets)	<u>99,385</u>	<u>277,863</u>	<u>625,377</u>
Noncurrent liabilities:			
Accrued compensated absences	107,777	31,953	42,773
Closure / post closure care costs	-	-	2,518,316
General obligation bonds and notes payable	-	-	-
Total Noncurrent Liabilities	<u>107,777</u>	<u>31,953</u>	<u>2,561,089</u>
Total Liabilities	<u>207,162</u>	<u>309,816</u>	<u>3,186,466</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	490,300	797,668	1,609,385
Unrestricted	<u>1,123,818</u>	<u>(156,007)</u>	<u>1,682,419</u>
Total Net Assets	<u>\$ 1,614,118</u>	<u>\$ 641,661</u>	<u>\$ 3,291,804</u>

BUILDING PERMITS	STORMWATER DRAINAGE	TOTAL
\$ 167,511	\$ 1,952,617	\$ 6,465,102
-	62,922	1,868,873
-	-	21,472
-	310	16,194
<u>167,511</u>	<u>2,015,849</u>	<u>8,371,641</u>
-	116,483	116,483
-	1,564,769	1,872,738
-	-	443,842
-	2,069,522	2,242,733
212,585	776,714	4,149,041
-	2,638,220	2,764,626
<u>212,585</u>	<u>7,049,225</u>	<u>11,472,980</u>
<u>(75,585)</u>	<u>(102,762)</u>	<u>(1,326,771)</u>
<u>137,000</u>	<u>6,946,463</u>	<u>10,146,209</u>
<u>137,000</u>	<u>7,062,946</u>	<u>10,262,692</u>
<u>304,511</u>	<u>9,078,795</u>	<u>18,634,333</u>
10,598	272,748	800,382
18,672	6,352	82,614
-	17,543	18,062
3,696	3,150	10,966
-	-	273,360
-	220,000	370,000
<u>32,966</u>	<u>519,793</u>	<u>1,555,384</u>
71,692	24,016	278,211
-	-	2,518,316
-	5,388,386	5,388,386
<u>71,692</u>	<u>5,412,402</u>	<u>8,184,913</u>
<u>104,658</u>	<u>5,932,195</u>	<u>9,740,297</u>
137,000	2,533,575	5,567,928
62,853	613,025	3,326,108
<u>\$ 199,853</u>	<u>\$ 3,146,600</u>	<u>\$ 8,894,036</u>

**CARSON CITY**  
**COMBINING STATEMENT OF REVENUES, EXPENSES,**  
**AND CHANGES IN NET ASSETS**  
**NONMAJOR ENTERPRISE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2007**

	<u>AMBULANCE</u>	<u>CEMETERY</u>	<u>CARSON CITY SANITARY LANDFILL</u>
Operating Revenues:			
Charges for services	\$ 3,309,492	\$ 145,102	\$ 3,795,200
Operating Expenses:			
Salaries and wages	997,490	100,674	550,440
Employee benefits	617,745	35,600	209,972
Services and supplies	1,632,899	48,797	1,134,392
Depreciation	87,621	21,932	168,563
Total Operating Expenses	<u>3,335,755</u>	<u>207,003</u>	<u>2,063,367</u>
Operating Income (Loss)	<u>(26,263)</u>	<u>(61,901)</u>	<u>1,731,833</u>
Nonoperating Revenues (Expenses):			
Investment income	6,700	6,573	207,423
Miscellaneous	64,140	5,810	-
Interest expense	-	-	(11,358)
Gain (loss) on disposal of capital assets	(310)	(4,200)	-
Bond issuance costs	-	-	-
Total Nonoperating Revenues (Expenses)	<u>70,530</u>	<u>8,183</u>	<u>196,065</u>
Income (Loss) Before Capital Contributions and Transfers	<u>44,267</u>	<u>(53,718)</u>	<u>1,927,898</u>
Capital Contributions:			
Capital assets	-	-	-
Transfers In	-	88,200	-
Transfers Out	-	-	-
Change in Net Assets	44,267	34,482	1,927,898
Net Assets, July 1	<u>1,569,851</u>	<u>607,179</u>	<u>1,363,906</u>
Net Assets, June 30	<u>\$ 1,614,118</u>	<u>\$ 641,661</u>	<u>\$ 3,291,804</u>

BUILDING PERMITS	STORMWATER DRAINAGE	TOTAL
\$ 1,487,738	\$ 1,007,484	\$ 9,745,016
656,794	261,268	2,566,666
233,640	101,215	1,198,172
824,691	219,927	3,860,706
19,817	67,297	365,230
1,734,942	649,707	7,990,774
(247,204)	357,777	1,754,242
18,168	140,360	379,224
-	-	69,950
-	(214,988)	(226,346)
-	5,000	490
-	(6,950)	(6,950)
18,168	(76,578)	216,368
(229,036)	281,199	1,970,610
-	644,537	644,537
-	100,000	188,200
(100,000)	-	(100,000)
(329,036)	1,025,736	2,703,347
528,889	2,120,864	6,190,689
\$ 199,853	\$ 3,146,600	\$ 8,894,036

**CARSON CITY**  
**COMBINING STATEMENT OF CASH FLOWS**  
**NONMAJOR ENTERPRISE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2007**  
**(PAGE 1 OF 2)**

	<u>AMBULANCE</u>	<u>CEMETERY</u>	<u>CARSON CITY SANITARY LANDFILL</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash received for services	\$ 3,280,047	\$ 163,112	\$ 3,581,726
Cash payments for personnel costs	(1,629,195)	(131,983)	(753,412)
Cash payments for services and supplies	(1,758,963)	(63,325)	(1,050,885)
Miscellaneous cash received	64,141	5,810	-
	<u>(43,970)</u>	<u>(26,386)</u>	<u>1,777,429</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Transfer from other funds	-	88,200	-
Transfer to other funds	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>88,200</u>	<u>-</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Acquisition of capital assets	-	-	(540,436)
Principal paid on capital debt	-	-	(140,000)
Interest paid on capital debt	-	-	(11,825)
Bond issuance costs	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>(692,261)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Investment income	<u>6,700</u>	<u>6,573</u>	<u>207,423</u>
	<u>(37,270)</u>	<u>68,387</u>	<u>1,292,591</u>
Cash and Cash Equivalents, July 1	<u>144,226</u>	<u>63,950</u>	<u>2,813,090</u>
Cash and Cash Equivalents, June 30	<u>\$ 106,956</u>	<u>\$ 132,337</u>	<u>\$ 4,105,681</u>

<u>BUILDING PERMITS</u>	<u>STORMWATER DRAINAGE</u>	<u>TOTAL</u>
\$ 1,492,438	\$ 996,753	\$ 9,514,076
(901,138)	(363,986)	(3,779,714)
(812,448)	(28,073)	(3,713,694)
-	-	69,951
<u>(221,148)</u>	<u>604,694</u>	<u>2,090,619</u>
-	100,000	188,200
<u>(100,000)</u>	<u>-</u>	<u>(100,000)</u>
<u>(100,000)</u>	<u>100,000</u>	<u>88,200</u>
(1,667)	(3,277,915)	(3,820,018)
-	(210,000)	(350,000)
-	(216,811)	(228,636)
-	(479)	(479)
<u>(1,667)</u>	<u>(3,705,205)</u>	<u>(4,399,133)</u>
<u>18,167</u>	<u>140,360</u>	<u>379,223</u>
(304,648)	(2,860,151)	(1,841,091)
<u>472,159</u>	<u>4,812,768</u>	<u>8,306,193</u>
<u>\$ 167,511</u>	<u>\$ 1,952,617</u>	<u>\$ 6,465,102</u>

**CARSON CITY**  
**COMBINING STATEMENT OF CASH FLOWS**  
**NONMAJOR ENTERPRISE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2007**  
**(PAGE 2 OF 2)**

	AMBULANCE	CEMETERY	CARSON CITY SANITARY LANDFILL
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:			
Operating income (loss)	\$ (26,263)	\$ (61,901)	\$ 1,731,833
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation and amortization expense	87,621	21,932	168,563
Provision for uncollectible accounts	658,328	-	-
Nonoperating revenues	64,141	5,810	-
Changes in assets and liabilities:			
(Increase) decrease in:			
Accounts receivable	(687,773)	-	(213,474)
Inventories	-	(14,756)	-
Prepaid items	105	319	(15,884)
Increase (decrease) in:			
Accounts payable	23,091	(91)	(48,259)
Accrued salaries and benefits	(2,741)	188	3,953
Due to other governments	740	-	(9,123)
Due to other funds	(150,000)	-	-
Unearned revenue	-	18,010	-
Accrued compensated absences	(11,219)	4,103	3,047
Closure / post closure care costs	-	-	156,773
Total Adjustments	(17,707)	35,515	45,596
Net Cash Provided (Used) by Operating Activities	\$ (43,970)	\$ (26,386)	\$ 1,777,429
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:			
Purchase of capital assets on account	\$ -	\$ -	\$ -
Contributed capital assets	-	-	-

<u>BUILDING PERMITS</u>	<u>STORMWATER DRAINAGE</u>	<u>TOTAL</u>
<u>\$ (247,204)</u>	<u>\$ 357,777</u>	<u>\$ 1,754,242</u>
19,817	67,297	365,230
-	-	658,328
-	-	69,951
4,700	(10,731)	(907,278)
-	-	(14,756)
-	119	(15,341)
8,547	188,585	171,873
(5,368)	1,273	(2,695)
3,696	3,150	(1,537)
-	-	(150,000)
-	-	18,010
(5,336)	(2,776)	(12,181)
-	-	156,773
<u>26,056</u>	<u>246,917</u>	<u>336,377</u>
<u>\$ (221,148)</u>	<u>\$ 604,694</u>	<u>\$ 2,090,619</u>
\$ -	\$ 108,190	\$ 108,190
-	644,537	644,537

**CARSON CITY  
 AMBULANCE FUND  
 SCHEDULE OF REVENUES, EXPENSES,  
 AND CHANGES IN NET ASSETS - BUDGET AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2007  
 (WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2006)**

	FINAL BUDGET	ACTUAL	VARIANCE	2006
Operating Revenues:				
Charges for services	\$ 3,428,413	\$ 3,309,492	\$ (118,921)	\$ 3,266,204
Operating Expenses:				
Salaries and wages	1,126,127	997,490	128,637	1,041,496
Employee benefits	611,532	617,745	(6,213)	557,197
Services and supplies	1,694,864	1,632,899	61,965	1,482,940
Depreciation	100,000	87,621	12,379	94,321
Total Operating Expenses	<u>3,532,523</u>	<u>3,335,755</u>	<u>196,768</u>	<u>3,175,954</u>
Operating Income (Loss)	<u>(104,110)</u>	<u>(26,263)</u>	<u>77,847</u>	<u>90,250</u>
Nonoperating Revenues (Expenses):				
Investment income	10,000	6,700	(3,300)	(937)
Miscellaneous	1,000	64,140	63,140	48,680
Gain (loss) on disposal of capital assets	<u>(2,000)</u>	<u>(310)</u>	<u>1,690</u>	<u>20,693</u>
Total Nonoperating Revenues (Expenses)	<u>9,000</u>	<u>70,530</u>	<u>61,530</u>	<u>68,436</u>
Change in Net Assets	<u>\$ (95,110)</u>	<u>44,267</u>	<u>\$ 139,377</u>	<u>158,686</u>
Net Assets, July 1		<u>1,569,851</u>		<u>1,411,165</u>
Net Assets, June 30		<u>\$ 1,614,118</u>		<u>\$ 1,569,851</u>

**CARSON CITY  
AMBULANCE FUND  
SCHEDULE OF CASH FLOWS - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2007  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2006)**

	FINAL BUDGET	ACTUAL	VARIANCE	2006
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash received for services	\$ 3,428,413	\$ 3,280,047	\$ (148,366)	\$ 2,861,682
Cash payments for personnel costs	(1,737,659)	(1,629,195)	108,464	(1,633,019)
Cash payments for services and supplies	(1,694,864)	(1,758,963)	(64,099)	(1,315,307)
Miscellaneous cash received	1,000	64,141	63,141	48,680
Net Cash Provided (Used) by Operating Activities	<u>(3,110)</u>	<u>(43,970)</u>	<u>(40,860)</u>	<u>(37,964)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Acquisition of capital assets	<u>(25,000)</u>	<u>-</u>	<u>25,000</u>	<u>(20,790)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Investment income	<u>10,000</u>	<u>6,700</u>	<u>(3,300)</u>	<u>(937)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(18,110)	(37,270)	(19,160)	(59,691)
Cash and Cash Equivalents, July 1	<u>144,226</u>	<u>144,226</u>	<u>-</u>	<u>203,917</u>
Cash and Cash Equivalents, June 30	<u>\$ 126,116</u>	<u>\$ 106,956</u>	<u>\$ (19,160)</u>	<u>\$ 144,226</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b>				
Operating income (loss)	<u>\$ (104,110)</u>	<u>\$ (26,263)</u>	<u>\$ 77,847</u>	<u>\$ 90,250</u>
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation and amortization expense	100,000	87,621	(12,379)	94,321
Provision for uncollectible accounts	-	658,328	658,328	805,428
Nonoperating revenues	1,000	64,141	63,141	48,680
Changes in assets and liabilities:				
(Increase) decrease in:				
Accounts receivable	-	(687,773)	(687,773)	(1,209,950)
Prepaid items	-	105	105	300
Increase (decrease) in:				
Accounts payable	-	23,091	23,091	17,423
Accrued salaries and benefits	-	(2,741)	(2,741)	(52,060)
Due to other governments	-	740	740	(90)
Due to other funds	-	(150,000)	(150,000)	150,000
Accrued compensated absences	-	(11,219)	(11,219)	17,734
Total Adjustments	<u>101,000</u>	<u>(17,707)</u>	<u>(118,707)</u>	<u>(128,214)</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (3,110)</u>	<u>\$ (43,970)</u>	<u>\$ (40,860)</u>	<u>\$ (37,964)</u>

**CARSON CITY  
CEMETERY FUND  
SCHEDULE OF REVENUES, EXPENSES,  
AND CHANGES IN NET ASSETS - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2007  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2006)**

	FINAL BUDGET	ACTUAL	VARIANCE	2006
Operating Revenues:				
Charges for services	\$ 151,800	\$ 145,102	\$ (6,698)	\$ 101,691
Operating Expenses:				
Salaries and wages	95,393	100,674	(5,281)	96,196
Employee benefits	39,203	35,600	3,603	36,977
Services and supplies	54,000	48,797	5,203	60,987
Depreciation	30,000	21,932	8,068	25,977
Total Operating Expenses	218,596	207,003	11,593	220,137
Operating Loss	(66,796)	(61,901)	4,895	(118,446)
Nonoperating Revenues (Expenses):				
Investment income	2,000	6,573	4,573	1,378
Miscellaneous	1,000	5,810	4,810	3,600
Gain (loss) on disposal of capital assets	-	(4,200)	(4,200)	1,978
Total Nonoperating Revenues (Expenses)	3,000	8,183	5,183	6,956
Income (Loss) Before Contributions and Transfers	\$ (63,796)	(53,718)	\$ 10,078	(111,490)
Capital Contributions:				
Capital assets		-		5,105
Transfers in		88,200		-
Change in Net Assets		34,482		(106,385)
Net Assets, July 1		607,179		713,564
Net Assets, June 30		\$ 641,661		\$ 607,179

**CARSON CITY  
CEMETERY FUND  
SCHEDULE OF CASH FLOWS - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2007  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2006)**

	FINAL BUDGET	ACTUAL	VARIANCE	2006
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash received for services	\$ 151,800	\$ 163,112	\$ 11,312	\$ 117,751
Cash payments for personnel costs	(134,596)	(131,983)	2,613	(134,295)
Cash payments for services and supplies	(54,000)	(63,325)	(9,325)	(60,852)
Miscellaneous cash received	1,000	5,810	4,810	3,600
Net Cash Provided (Used) by Operating Activities	<u>(35,796)</u>	<u>(26,386)</u>	<u>9,410</u>	<u>(73,796)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Transfer from other funds	75,000	88,200	13,200	-
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Investment income	2,000	6,573	4,573	1,380
Net Increase (Decrease) in Cash and Cash Equivalents	41,204	68,387	27,183	(72,416)
Cash and Cash Equivalents, July 1	63,950	63,950	-	136,366
Cash and Cash Equivalents, June 30	<u>\$ 105,154</u>	<u>\$ 132,337</u>	<u>\$ 27,183</u>	<u>\$ 63,950</u>
<b>RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b>				
Operating loss	\$ (66,796)	\$ (61,901)	\$ 4,895	\$ (118,446)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:				
Depreciation and amortization expense	30,000	21,932	(8,068)	25,977
Nonoperating revenues	1,000	5,810	4,810	3,600
Changes in assets and liabilities:				
(Increase) decrease in:				
Inventories	-	(14,756)	(14,756)	(14)
Prepaid items	-	319	319	(319)
Increase (decrease) in:				
Accounts payable	-	(91)	(91)	468
Accrued salaries and benefits	-	188	188	(4,157)
Unearned revenue	-	18,010	18,010	16,060
Accrued compensated absences	-	4,103	4,103	3,035
Total Adjustments	<u>31,000</u>	<u>35,515</u>	<u>4,515</u>	<u>44,650</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (35,796)</u>	<u>\$ (26,386)</u>	<u>\$ 9,410</u>	<u>\$ (73,796)</u>
<b>NONCASH INVESTING CAPITAL AND FINANCING ACTIVITIES</b>				
Contributed capital assets		\$ -		\$ 5,105

**CARSON CITY  
CARSON CITY SANITARY LANDFILL FUND  
SCHEDULE OF REVENUES, EXPENSES,  
AND CHANGES IN NET ASSETS - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2007  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2006)**

	FINAL BUDGET	ACTUAL	VARIANCE	2006
Operating Revenues:				
Charges for services				
User fees and charges	\$ 3,775,638	\$ 3,795,200	\$ 19,562	\$ 2,650,501
Operating Expenses:				
Salaries and wages	590,547	550,440	40,107	506,285
Employee benefits	198,889	209,972	(11,083)	173,775
Services and supplies	1,188,876	1,134,392	54,484	1,012,957
Depreciation	175,000	168,563	6,437	104,040
Total Operating Expenses	<u>2,153,312</u>	<u>2,063,367</u>	<u>89,945</u>	<u>1,797,057</u>
Operating Income	<u>1,622,326</u>	<u>1,731,833</u>	<u>109,507</u>	<u>853,444</u>
Nonoperating Revenues (Expenses):				
Investment income	150,000	207,423	57,423	60,843
Gain (loss) on disposal of capital assets	-	-	-	(102,160)
Interest expense	(11,358)	(11,358)	-	(16,775)
Total Nonoperating Revenues (Expenses)	<u>138,642</u>	<u>196,065</u>	<u>57,423</u>	<u>(58,092)</u>
Income Before Capital Contributions	<u>\$ 1,760,968</u>	<u>1,927,898</u>	<u>\$ 166,930</u>	<u>795,352</u>
Capital Contributions:				
Capital assets		-		64,824
Change in Net Assets		<u>1,927,898</u>		<u>860,176</u>
Net Assets, July 1, as Previously Reported		1,363,906		1,861,246
Prior period adjustment - error correction		-		<u>(1,357,516)</u>
Net Assets, July 1, as Adjusted		<u>1,363,906</u>		<u>503,730</u>
Net Assets, June 30		<u>\$ 3,291,804</u>		<u>\$ 1,363,906</u>

**CARSON CITY**  
**CARSON CITY SANITARY LANDFILL FUND**  
**SCHEDULE OF CASH FLOWS - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2007**  
**(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2006)**  
**(PAGE 1 OF 2)**

	FINAL BUDGET	ACTUAL	VARIANCE	2006
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash received for services	\$ 3,775,638	\$ 3,581,726	\$ (193,912)	\$ 2,552,017
Cash payments for personnel costs	(789,436)	(753,412)	36,024	(710,077)
Cash payments for services and supplies	(1,065,279)	(1,050,885)	14,394	(773,420)
Net Cash Provided by Operating Activities	<u>1,920,923</u>	<u>1,777,429</u>	<u>(143,494)</u>	<u>1,068,520</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Acquisition of capital assets	(1,173,272)	(540,436)	632,836	(506,952)
Principal paid on capital debt	(140,000)	(140,000)	-	(135,000)
Interest paid on capital debt	(11,358)	(11,825)	(467)	(17,225)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(1,324,630)</u>	<u>(692,261)</u>	<u>632,369</u>	<u>(659,177)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Investment income	<u>150,000</u>	<u>207,423</u>	<u>57,423</u>	<u>60,843</u>
Net Increase (Decrease) in Cash and Cash Equivalents	746,293	1,292,591	546,298	470,186
Cash and Cash Equivalents, July 1	<u>2,813,090</u>	<u>2,813,090</u>	<u>-</u>	<u>2,342,904</u>
Cash and Cash Equivalents, June 30	<u>\$ 3,559,383</u>	<u>\$ 4,105,681</u>	<u>\$ 546,298</u>	<u>\$ 2,813,090</u>

**CARSON CITY**  
**CARSON CITY SANITARY LANDFILL FUND**  
**SCHEDULE OF CASH FLOWS - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2007**  
**(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2006)**  
**(PAGE 2 OF 2)**

	FINAL BUDGET	ACTUAL	VARIANCE	2006
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:				
Operating income	\$ 1,622,326	\$ 1,731,833	\$ 109,507	\$ 853,444
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation and amortization expense	175,000	168,563	(6,437)	104,040
Changes in assets and liabilities:				
(Increase) decrease in:				
Accounts receivable	-	(213,474)	(213,474)	(116,484)
Due from other governments	-	-	-	18,000
Prepaid items	-	(15,884)	(15,884)	212
Increase (decrease) in:				
Accounts payable	-	(48,259)	(48,259)	112,151
Accrued salaries and benefits	-	3,953	3,953	(25,250)
Due to other governments	-	(9,123)	(9,123)	12,503
Accrued compensated absences	-	3,047	3,047	(4,767)
Closure / post closure care costs	123,597	156,773	33,176	114,671
Total Adjustments	298,597	45,596	(253,001)	215,076
Net Cash Provided by Operating Activities	<u>\$ 1,920,923</u>	<u>\$ 1,777,429</u>	<u>\$ (143,494)</u>	<u>\$ 1,068,520</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES				
Contributed capital assets		\$ -		\$ 64,824

**CARSON CITY  
BUILDING PERMITS FUND  
SCHEDULE OF REVENUES, EXPENSES,  
AND CHANGES IN NET ASSETS - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2007  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2006)**

	FINAL BUDGET	ACTUAL	VARIANCE	2006
Operating Revenues:				
Charges for services				
User fees and charges	\$ 1,687,300	\$ 1,487,738	\$ (199,562)	\$ 1,344,789
Operating Expenses:				
Salaries and wages	695,732	656,794	38,938	718,938
Employee benefits	256,153	233,640	22,513	275,363
Services and supplies	890,520	824,691	65,829	652,172
Depreciation	20,000	19,817	183	17,496
Total Operating Expenses	<u>1,862,405</u>	<u>1,734,942</u>	<u>127,463</u>	<u>1,663,969</u>
Operating Income	<u>(175,105)</u>	<u>(247,204)</u>	<u>(72,099)</u>	<u>(319,180)</u>
Nonoperating Revenues (Expenses):				
Investment income	40,000	18,168	(21,832)	13,500
Gain (loss) on disposal of capital assets	-	-	-	(3,407)
Total Nonoperating Revenues (Expenses)	<u>40,000</u>	<u>18,168</u>	<u>(21,832)</u>	<u>10,093</u>
Income (Loss) Before Transfers	<u>\$ (135,105)</u>	<u>(229,036)</u>	<u>\$ (93,931)</u>	<u>(309,087)</u>
Transfers Out		<u>(100,000)</u>		<u>(150,000)</u>
Change in Net Assets		<u>(329,036)</u>		<u>(459,087)</u>
Net Assets, July 1		<u>528,889</u>		<u>987,976</u>
Net Assets, June 30		<u>\$ 199,853</u>		<u>\$ 528,889</u>

**CARSON CITY  
BUILDING PERMITS FUND  
SCHEDULE OF CASH FLOWS - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2007  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2006)**

	FINAL BUDGET	ACTUAL	VARIANCE	2006
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash received for services	\$ 1,687,300	\$ 1,492,438	\$ (194,862)	\$ 1,340,089
Cash payments for personnel costs	(951,885)	(901,138)	50,747	(1,042,996)
Cash payments for services and supplies	(890,520)	(812,448)	78,072	(655,074)
Net Cash Provided (Used) by Operating Activities	<u>(155,105)</u>	<u>(221,148)</u>	<u>(66,043)</u>	<u>(357,981)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Transfer to other funds	<u>(150,000)</u>	<u>(100,000)</u>	<u>50,000</u>	<u>(150,000)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Acquisition of capital assets	<u>(169,221)</u>	<u>(1,667)</u>	<u>167,554</u>	<u>(3,311)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Investment income	<u>40,000</u>	<u>18,167</u>	<u>(21,833)</u>	<u>13,500</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(434,326)	(304,648)	129,678	(497,792)
Cash and Cash Equivalents, July 1	<u>472,159</u>	<u>472,159</u>	-	<u>969,951</u>
Cash and Cash Equivalents, June 30	<u>\$ 37,833</u>	<u>\$ 167,511</u>	<u>\$ 129,678</u>	<u>\$ 472,159</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b>				
Operating income (loss)	<u>\$ (175,105)</u>	<u>\$ (247,204)</u>	<u>\$ (72,099)</u>	<u>\$ (319,180)</u>
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation and amortization expense	20,000	19,817	(183)	17,496
Changes in assets and liabilities:				
(Increase) decrease in:				
Accounts receivable	-	4,700	4,700	(4,700)
Increase (decrease) in:				
Accounts payable	-	8,547	8,547	(2,902)
Accrued salaries and benefits	-	(5,368)	(5,368)	(27,884)
Due to other governments	-	3,696	3,696	-
Accrued compensated absences	-	(5,336)	(5,336)	(20,811)
Total Adjustments	<u>20,000</u>	<u>26,056</u>	<u>6,056</u>	<u>(38,801)</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (155,105)</u>	<u>\$ (221,148)</u>	<u>\$ (66,043)</u>	<u>\$ (357,981)</u>

**CARSON CITY  
STORMWATER DRAINAGE FUND  
SCHEDULE OF REVENUES, EXPENSES,  
AND CHANGES IN NET ASSETS - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2007  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2006)**

	FINAL BUDGET	ACTUAL	VARIANCE	2006
Operating Revenues:				
Charges for services				
User fees and charges	\$ 1,005,214	\$ 1,007,484	\$ 2,270	\$ 998,097
Operating Expenses:				
Salaries and wages	266,983	261,268	5,715	176,339
Employee benefits	99,613	101,215	(1,602)	50,575
Services and supplies	259,938	219,927	40,011	255,023
Depreciation	75,000	67,297	7,703	35,465
Total Operating Expenses	701,534	649,707	51,827	517,402
Operating Income	303,680	357,777	54,097	480,695
Nonoperating Revenues (Expenses):				
Investment income	75,000	140,360	65,360	98,110
Grant revenue	-	-	-	200,000
Interest expense	(214,989)	(214,988)	1	(221,825)
Gain (loss) on sales of capital assets	-	5,000	5,000	-
Bond issuance costs	(500)	(6,950)	(6,450)	(6,721)
Total Nonoperating Revenues (Expenses)	(140,489)	(76,578)	63,911	69,564
Income (Loss) Before Contributions and Transfers	\$ 163,191	281,199	\$ 118,008	550,259
Capital Contributions:				
Capital assets		644,537		1,564,769
Transfers In		100,000		700,535
Change in Net Assets		1,025,736		2,815,563
Net Assets, July 1		2,120,864		(694,699)
Net Assets, June 30		\$ 3,146,600		\$ 2,120,864

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**CARSON CITY**  
**STORMWATER DRAINAGE FUND**  
**SCHEDULE OF CASH FLOWS - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2007**  
**(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2006)**  
**(PAGE 1 OF 2)**

	FINAL BUDGET	ACTUAL	VARIANCE	2006
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash received for services	\$ 1,005,214	\$ 996,753	\$ (8,461)	\$ 878,401
Cash payments for personnel costs	(366,596)	(363,986)	2,610	(195,043)
Cash payments for services and supplies	(259,938)	(28,073)	231,865	(283,235)
Net Cash Provided by Operating Activities	<u>378,680</u>	<u>604,694</u>	<u>226,014</u>	<u>400,123</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Grant revenues	-	-	-	100,000
Transfer from other funds	100,000	100,000	-	700,535
Net Cash Provided (Used) by Noncapital Financing Activities	<u>100,000</u>	<u>100,000</u>	<u>-</u>	<u>800,535</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Acquisition of capital assets	(4,456,000)	(3,277,915)	1,178,085	(1,205,826)
Principal paid on capital debt	(210,000)	(210,000)	-	(205,000)
Interest paid on capital debt	(214,989)	(216,811)	(1,822)	(209,604)
Bond issuance costs	(500)	(479)	21	(250)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(4,881,489)</u>	<u>(3,705,205)</u>	<u>1,176,284</u>	<u>(1,620,680)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Investment income	75,000	140,360	65,360	98,110
Net Increase (Decrease) in Cash and Cash Equivalents	<u>(4,327,809)</u>	<u>(2,860,151)</u>	<u>1,467,658</u>	<u>(321,912)</u>
Cash and Cash Equivalents, July 1	<u>4,812,768</u>	<u>4,812,768</u>	<u>-</u>	<u>5,134,680</u>
Cash and Cash Equivalents, June 30	<u>\$ 484,959</u>	<u>\$ 1,952,617</u>	<u>\$ 1,467,658</u>	<u>\$ 4,812,768</u>

**CARSON CITY**  
**STORMWATER DRAINAGE FUND**  
**SCHEDULE OF CASH FLOWS - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2007**  
**(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2006)**  
**(PAGE 2 OF 2)**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>2006</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:				
Operating income	\$ 303,680	\$ 357,777	\$ 54,097	\$ 480,695
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation and amortization expense	75,000	67,297	(7,703)	35,465
Changes in assets and liabilities:				
(Increase) decrease in:				
Accounts receivable	-	(10,731)	(10,731)	(19,696)
Prepaid items	-	119	119	(429)
Increase (decrease) in:				
Accrued salaries and benefits	-	1,273	1,273	5,079
Accounts payable	-	188,585	188,585	(27,783)
Due to other governments	-	3,150	3,150	-
Accrued compensated absences	-	(2,776)	(2,776)	26,792
Unearned revenue	-	-	-	(100,000)
Total Adjustments	<u>75,000</u>	<u>246,917</u>	<u>171,917</u>	<u>(80,572)</u>
Net Cash Provided by Operating Activities	<u>\$ 378,680</u>	<u>\$ 604,694</u>	<u>\$ 226,014</u>	<u>\$ 400,123</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:				
Purchase of capital assets on account		\$ 108,190		\$ 64,276
Contributed capital assets		644,537		1,564,769

## INTERNAL SERVICE FUNDS

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Internal Service Funds are used to account for the financing of goods or services provided by one department or agency of a government to other departments or agencies on a cost reimbursement basis. Accounting for Internal Service Funds as a proprietary fund type is designed to accumulate the total cost (including depreciation) of providing a particular service. Costs for services are reimbursed by the departments or agencies to which the services are provided.

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**Group Medical Insurance Fund** - This Fund is used to account for monies collected from City departments and employees to be expended for claims for medical services provided to employees and their dependents.

**Workers' Compensation Fund** - This Fund is used to account for monies collected for the insurance program from City departments to be expended for payment of claims, as required by law, to employees injured by accident while at work.

**Insurance Fund** - This Fund is used to account for monies collected from City departments for liability and property insurance.

**Fleet Management Fund** – This fund is used to account for monies collected from City departments for fleet maintenance operations.

**CARSON CITY  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF NET ASSETS  
JUNE 30, 2007**

	GROUP MEDICAL INSURANCE	WORKERS' COMPENSATION	INSURANCE
<b>ASSETS</b>			
Current assets:			
Cash and investments	\$ 1,090,772	\$ 2,294,269	\$ 1,077,660
Receivables:			
Accounts and contracts	294,649	50,416	17,251
Due from other governments	-	-	-
Prepaid items	-	-	535,513
Inventories	-	-	-
Total Current Assets	<u>1,385,421</u>	<u>2,344,685</u>	<u>1,630,424</u>
Noncurrent assets:			
Capital assets:			
Machinery and equipment	-	-	37,708
Less: Accumulated depreciation	-	-	<u>(16,033)</u>
Net Capital Assets	<u>-</u>	<u>-</u>	<u>21,675</u>
Total Assets	<u>1,385,421</u>	<u>2,344,685</u>	<u>1,652,099</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	157	508,246	81,595
Accrued salaries and benefits	2,213	2,766	-
Unearned revenue	547	-	-
Other liabilities	-	428,814	166,550
Total Current Liabilities	<u>2,917</u>	<u>939,826</u>	<u>248,145</u>
Noncurrent liabilities:			
Accrued compensated absences	20,114	16,684	-
Other liabilities	-	-	<u>62,700</u>
Total Noncurrent Liabilities	<u>20,114</u>	<u>16,684</u>	<u>62,700</u>
Total Liabilities	<u>23,031</u>	<u>956,510</u>	<u>310,845</u>
<b>NET ASSETS</b>			
Invested in capital assets	-	-	21,675
Unrestricted	1,362,390	1,388,175	1,319,579
Total Net Assets	<u>\$ 1,362,390</u>	<u>\$ 1,388,175</u>	<u>\$ 1,341,254</u>

<u>FLEET MANAGEMENT</u>	<u>TOTAL</u>
\$ 798,774	\$ 5,261,475
-	362,316
16,188	16,188
-	535,513
88,759	88,759
<u>903,721</u>	<u>6,264,251</u>
-	37,708
-	<u>(16,033)</u>
-	21,675
<u>903,721</u>	<u>6,285,926</u>
83,369	673,367
12,957	17,936
-	547
-	595,364
<u>96,326</u>	<u>1,287,214</u>
92,669	129,467
-	62,700
<u>92,669</u>	<u>192,167</u>
188,995	1,479,381
-	21,675
<u>714,726</u>	<u>4,784,870</u>
<u>\$ 714,726</u>	<u>\$ 4,806,545</u>

**CARSON CITY  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN NET ASSETS  
FOR THE YEAR ENDED JUNE 30, 2007**

	<u>GROUP MEDICAL INSURANCE</u>	<u>WORKERS' COMPENSATION</u>	<u>INSURANCE</u>
Operating Revenues:			
Charges for services	\$ 6,978,655	\$ 2,111,338	\$ 1,439,582
Operating Expenses:			
Salaries and wages	71,043	120,102	-
Employee benefits	25,550	41,147	-
Services and supplies	6,710,442	1,963,841	1,202,199
Depreciation	-	-	3,771
Total Operating Expenses	<u>6,807,035</u>	<u>2,125,090</u>	<u>1,205,970</u>
Operating Income (Loss)	<u>171,620</u>	<u>(13,752)</u>	<u>233,612</u>
Nonoperating Revenues (Expenses):			
Investment income	57,727	103,993	60,802
Miscellaneous	-	15,169	37,359
Gain (loss) on disposal of capital assets	-	-	-
Total Nonoperating Revenues (Expenses)	<u>57,727</u>	<u>119,162</u>	<u>98,161</u>
Change in Net Assets	229,347	105,410	331,773
Net Assets, July 1	<u>1,133,043</u>	<u>1,282,765</u>	<u>1,009,481</u>
Net Assets, June 30	<u>\$ 1,362,390</u>	<u>\$ 1,388,175</u>	<u>\$ 1,341,254</u>

<u>FLEET MANAGEMENT</u>	<u>TOTAL</u>
<u>\$ 1,229,965</u>	<u>\$ 11,759,540</u>
420,360	611,505
130,560	197,257
497,466	10,373,948
<u>-</u>	<u>3,771</u>
<u>1,048,386</u>	<u>11,186,481</u>
<u>181,579</u>	<u>573,059</u>
36,352	258,874
-	52,528
<u>154,107</u>	<u>154,107</u>
<u>190,459</u>	<u>465,509</u>
372,038	1,038,568
<u>342,688</u>	<u>3,767,977</u>
<u>\$ 714,726</u>	<u>\$ 4,806,545</u>

CARSON CITY  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2007

	GROUP MEDICAL INSURANCE	WORKERS' COMPENSATION	INSURANCE
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received for services	\$ 6,925,977	\$ 2,064,252	\$ 921,540
Cash payments for personnel costs	(91,907)	(166,184)	-
Cash payments for services and supplies	(7,128,824)	(1,850,194)	(1,199,744)
Miscellaneous cash received	-	15,169	37,359
	(294,754)	63,043	(240,845)
Net Cash Provided (Used) by Operating Activities			
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Proceeds from sales of assets	-	-	-
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment income	57,727	103,993	60,802
	(237,027)	167,036	(180,043)
Net Increase (Decrease) in Cash and Cash Equivalents			
Cash and Cash Equivalents, July 1	1,327,799	2,127,233	1,257,703
Cash and Cash Equivalents, June 30	\$ 1,090,772	\$ 2,294,269	\$ 1,077,660
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:			
Operating income (loss)	\$ 171,620	\$ (13,752)	\$ 233,612
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation and amortization expense	-	-	3,771
Nonoperating revenues	-	15,169	37,359
Changes in assets and liabilities:			
(Increase) decrease in:			
Accounts receivable	(93,433)	(47,086)	-
Due from other governments	40,755	-	-
Inventories	-	-	-
Prepaid items	-	-	(518,042)
Increase (decrease) in:			
Accounts payable	(418,382)	174,704	5,005
Accrued salaries and benefits	286	(2,928)	-
Other liabilities	-	(61,057)	(2,550)
Due to other governments	-	-	-
Accrued compensated absences	4,400	(2,007)	-
	(466,374)	76,795	(474,457)
Total Adjustments			
Net Cash Provided (Used) by Operating Activities	\$ (294,754)	\$ 63,043	\$ (240,845)

FLEET MANAGEMENT	TOTAL
\$ 1,256,941	\$ 11,168,710
(544,931)	(803,022)
(515,750)	(10,694,512)
-	52,528
196,260	(276,296)
154,107	154,107
36,352	258,874
386,719	136,685
412,055	5,124,790
\$ 798,774	\$ 5,261,475
\$ 181,579	\$ 573,059
-	3,771
-	52,528
875	(139,644)
-	40,755
(32,250)	(32,250)
-	(518,042)
13,966	(224,707)
1,455	(1,187)
-	(63,607)
26,101	26,101
4,534	6,927
14,681	(849,355)
\$ 196,260	\$ (276,296)

**CARSON CITY  
GROUP MEDICAL INSURANCE FUND  
SCHEDULE OF REVENUES, EXPENSES,  
AND CHANGES IN NET ASSETS - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2007  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2006)**

	FINAL BUDGET	ACTUAL	VARIANCE	2006
Operating Revenues:				
Employee contributions	\$ 1,697,326	\$ 1,576,034	\$ (121,292)	\$ 1,528,707
Employer contributions	5,509,593	5,402,621	(106,972)	4,832,524
Total Operating Revenues	<u>7,206,919</u>	<u>6,978,655</u>	<u>(228,264)</u>	<u>6,361,231</u>
Operating Expenses:				
Salaries and wages	62,630	71,043	(8,413)	61,562
Employee benefits	23,398	25,550	(2,152)	21,789
Services and supplies	7,120,199	6,710,442	409,757	6,268,460
Total Operating Expenses	<u>7,206,227</u>	<u>6,807,035</u>	<u>399,192</u>	<u>6,351,811</u>
Operating Income (Loss)	<u>692</u>	<u>171,620</u>	<u>170,928</u>	<u>9,420</u>
Nonoperating Revenues (Expenses):				
Investment income	25,000	57,727	32,727	22,286
Miscellaneous	-	-	-	3,308
Total Nonoperating Revenues (Expenses)	<u>25,000</u>	<u>57,727</u>	<u>32,727</u>	<u>25,594</u>
Change in Net Assets	<u>\$ 25,692</u>	<u>229,347</u>	<u>\$ 203,655</u>	<u>35,014</u>
Net Assets, July 1		<u>1,133,043</u>		<u>1,098,029</u>
Net Assets, June 30		<u>\$ 1,362,390</u>		<u>\$ 1,133,043</u>

**CARSON CITY  
GROUP MEDICAL INSURANCE FUND  
SCHEDULE OF CASH FLOWS - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2007  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2006)**

	FINAL BUDGET	ACTUAL	VARIANCE	2006
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash received for services	\$ 7,206,919	\$ 6,925,977	\$ (280,942)	\$ 6,158,139
Cash payments for personnel costs	(86,028)	(91,907)	(5,879)	(82,483)
Cash payments for services and supplies	(7,120,199)	(7,128,824)	(8,625)	(5,849,455)
Miscellaneous cash received	-	-	-	3,308
Net Cash Provided (Used) by Operating Activities	<u>692</u>	<u>(294,754)</u>	<u>(295,446)</u>	<u>229,509</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Investment income	<u>25,000</u>	<u>57,727</u>	<u>32,727</u>	<u>22,286</u>
Net Increase (Decrease) in Cash and Cash Equivalents	25,692	(237,027)	(262,719)	251,795
Cash and Cash Equivalents, July 1	<u>1,001,522</u>	<u>1,327,799</u>	<u>326,277</u>	<u>1,076,004</u>
Cash and Cash Equivalents, June 30	<u>\$ 1,027,214</u>	<u>\$ 1,090,772</u>	<u>\$ 63,558</u>	<u>\$ 1,327,799</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b>				
Operating income	<u>\$ 692</u>	<u>\$ 171,620</u>	<u>\$ 170,928</u>	<u>\$ 9,420</u>
Adjustments to reconcile operating income to net cash provided (used) by operating activities:				
Nonoperating revenues	-	-	-	3,308
Changes in assets and liabilities:				
(Increase) decrease in:				
Accounts receivable	-	(93,433)	(93,433)	(199,328)
Due from other governments	-	40,755	40,755	(3,764)
Increase (decrease) in:				
Accounts payable	-	(418,382)	(418,382)	418,458
Unearned revenue	-	-	-	547
Accrued salaries and benefits	-	286	286	(2,341)
Accrued compensated absences	-	4,400	4,400	3,209
Total Adjustments	<u>-</u>	<u>(466,374)</u>	<u>(466,374)</u>	<u>220,089</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 692</u>	<u>\$ (294,754)</u>	<u>\$ (295,446)</u>	<u>\$ 229,509</u>

**CARSON CITY  
WORKERS' COMPENSATION FUND  
SCHEDULE OF REVENUES, EXPENSES,  
AND CHANGES IN NET ASSETS - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2007  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2006)**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>2006</u>
Operating Revenues:				
Charges for services:				
Employer contributions	\$ 2,136,130	\$ 2,111,338	\$ (24,792)	\$ 1,813,834
Operating Expenses:				
Salaries and wages	205,809	120,102	85,707	178,753
Employee benefits	37,982	41,147	(3,165)	74,542
Services and supplies	2,031,347	1,963,841	67,506	1,546,852
Total Operating Expenses	<u>2,275,138</u>	<u>2,125,090</u>	<u>150,048</u>	<u>1,800,147</u>
Operating Income (Loss)	<u>(139,008)</u>	<u>(13,752)</u>	<u>125,256</u>	<u>13,687</u>
Nonoperating Revenues (Expenses):				
Investment income	60,000	103,993	43,993	42,994
Miscellaneous	100,000	15,169	(84,831)	61,199
Total Nonoperating Revenues (Expenses)	<u>160,000</u>	<u>119,162</u>	<u>(40,838)</u>	<u>104,193</u>
Change in Net Assets	<u>\$ 20,992</u>	<u>105,410</u>	<u>\$ 84,418</u>	<u>117,880</u>
Net Assets, July 1		<u>1,282,765</u>		<u>1,164,885</u>
Net Assets, June 30		<u>\$ 1,388,175</u>		<u>\$ 1,282,765</u>

**CARSON CITY  
WORKERS' COMPENSATION FUND  
SCHEDULE OF CASH FLOWS - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2007  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2006)**

	FINAL BUDGET	ACTUAL	VARIANCE	2006
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash received for services	\$ 2,136,130	\$ 2,064,252	\$ (71,878)	\$ 1,810,504
Cash payments for personnel costs	(243,791)	(166,184)	77,607	(258,717)
Cash payments for services and supplies	(2,031,347)	(1,850,194)	181,153	(1,517,077)
Miscellaneous cash received	100,000	15,169	(84,831)	61,199
	<u>(39,008)</u>	<u>63,043</u>	<u>102,051</u>	<u>95,909</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Investment income	60,000	103,993	43,993	42,994
	<u>20,992</u>	<u>167,036</u>	<u>146,044</u>	<u>138,903</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>				
	<u>2,127,233</u>	<u>2,127,233</u>	<u>-</u>	<u>1,988,330</u>
Cash and Cash Equivalents, July 1	2,127,233	2,127,233	-	1,988,330
Cash and Cash Equivalents, June 30	<u>\$ 2,148,225</u>	<u>\$ 2,294,269</u>	<u>\$ 146,044</u>	<u>\$ 2,127,233</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b>				
Operating income (loss)	\$ (39,008)	\$ (13,752)	\$ 25,256	\$ 13,687
<b>Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:</b>				
Nonoperating revenues	-	15,169	15,169	61,199
<b>Changes in assets and liabilities:</b>				
<b>(Increase) decrease in:</b>				
Accounts receivable	-	(47,086)	(47,086)	(3,330)
<b>Increase (decrease) in:</b>				
Accounts payable	-	174,704	174,704	25,913
Accrued salaries and benefits	-	(2,928)	(2,928)	(7,474)
Other liabilities	-	(61,057)	(61,057)	3,861
Accrued compensated absences	-	(2,007)	(2,007)	2,053
	<u>-</u>	<u>76,795</u>	<u>76,795</u>	<u>82,222</u>
Total Adjustments	<u>-</u>	<u>76,795</u>	<u>76,795</u>	<u>82,222</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (39,008)</u>	<u>\$ 63,043</u>	<u>\$ 102,051</u>	<u>\$ 95,909</u>

**CARSON CITY  
INSURANCE FUND  
SCHEDULE OF REVENUES, EXPENSES,  
AND CHANGES IN NET ASSETS - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2007  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2006)**

	FINAL BUDGET	ACTUAL	VARIANCE	2006
Operating Revenues:				
Charges for services:				
Administrative fees	\$ 1,400,000	\$ 1,439,582	\$ 39,582	\$ 1,407,138
Operating Expenses:				
Services and supplies	1,322,899	1,202,199	120,700	1,032,894
Depreciation	5,000	3,771	1,229	1,729
Total Operating Expenses	<u>1,327,899</u>	<u>1,205,970</u>	<u>121,929</u>	<u>1,034,623</u>
Operating Income (Loss)	<u>72,101</u>	<u>233,612</u>	<u>161,511</u>	<u>372,515</u>
Nonoperating Revenues (Expenses):				
Investment income	15,000	60,802	45,802	22,730
Miscellaneous	7,500	37,359	29,859	21,719
Gain (loss) on disposal of capital assets	-	-	-	(833)
Total Nonoperating Revenues (Expenses)	<u>22,500</u>	<u>98,161</u>	<u>75,661</u>	<u>43,616</u>
Income (Loss) Before Contributions and Transfers	<u>\$ 94,601</u>	<u>331,773</u>	<u>\$ 237,172</u>	<u>416,131</u>
Transfers in		-		500,000
Capital Contributions:				
Capital assets		-		<u>20,419</u>
Change in Net Assets		331,773		936,550
Net Assets, July 1		<u>1,009,481</u>		<u>72,931</u>
Net Assets, June 30		<u>\$ 1,341,254</u>		<u>\$ 1,009,481</u>

**CARSON CITY  
INSURANCE FUND  
SCHEDULE OF CASH FLOWS - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2007  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2006)**

	FINAL BUDGET	ACTUAL	VARIANCE	2006
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash received for services	\$ 1,400,000	\$ 921,540	\$ (478,460)	\$ 1,397,416
Cash payments for personnel costs	-	-	-	-
Cash payments for services and supplies	(1,322,899)	(1,199,744)	123,155	(984,145)
Miscellaneous cash received	7,500	37,359	29,859	21,719
	<u>84,601</u>	<u>(240,845)</u>	<u>(325,446)</u>	<u>434,990</u>
<b>Net Cash Provided (Used) by Operating Activities</b>				
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Transfers from other funds	-	-	-	500,000
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Investment income	15,000	60,802	45,802	22,729
	<u>99,601</u>	<u>(180,043)</u>	<u>(279,644)</u>	<u>957,719</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>				
Cash and Cash Equivalents, July 1	329,918	1,257,703	927,785	299,984
Cash and Cash Equivalents, June 30	<u>\$ 429,519</u>	<u>\$ 1,077,660</u>	<u>\$ 648,141</u>	<u>\$ 1,257,703</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b>				
Operating income (loss)	\$ 84,601	\$ 233,612	\$ 149,011	\$ 372,515
<b>Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:</b>				
Depreciation	-	3,771	3,771	1,729
Nonoperating revenues	-	37,359	37,359	21,719
<b>Changes in assets and liabilities:</b>				
<b>(Increase) decrease in:</b>				
Accounts receivable	-	-	-	7,749
Prepaid items	-	(518,042)	(518,042)	(17,471)
<b>Increase (decrease) in:</b>				
Accounts payable	-	5,005	5,005	68,723
Other liabilities	-	(2,550)	(2,550)	(19,974)
Total Adjustments	<u>-</u>	<u>(474,457)</u>	<u>(474,457)</u>	<u>62,475</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 84,601</u>	<u>\$ (240,845)</u>	<u>\$ (325,446)</u>	<u>\$ 434,990</u>
<b>NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES</b>				
Contributed capital assets		\$ -		\$ 20,419

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**CARSON CITY  
FLEET MANAGEMENT FUND  
SCHEDULE OF REVENUES, EXPENSES,  
AND CHANGES IN NET ASSETS (DEFICIT) - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2007  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2006)**

	FINAL BUDGET	ACTUAL	VARIANCE	2006
Operating Revenues:				
Charges for services:				
Administrative Fees	\$ 1,231,175	\$ 1,229,965	\$ (1,210)	\$ 1,145,550
Operating Expenses:				
Salaries and wages	427,487	420,360	7,127	406,192
Employee benefits	143,221	130,560	12,661	127,876
Services and supplies	660,211	497,466	162,745	536,282
Total Operating Expenses	1,230,919	1,048,386	182,533	1,070,350
Operating Income (Loss)	256	181,579	181,323	75,200
Nonoperating Revenues (Expenses):				
Investment income	10,000	36,352	26,352	6,563
Grant revenue	-	-	-	42,289
Gain (loss) on disposal of capital assets	-	154,107	154,107	115,606
Total Nonoperating Revenues (Expenses)	10,000	190,459	180,459	164,458
Change in Net Assets	\$ 10,256	372,038	\$ 361,782	239,658
Net Assets, July 1		342,688		103,030
Net Assets, June 30		\$ 714,726		\$ 342,688

**CARSON CITY**  
**FLEET MANAGEMENT FUND**  
**SCHEDULE OF CASH FLOWS - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2007**  
**(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2006)**

	FINAL BUDGET	ACTUAL	VARIANCE	2006
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash received for services	\$ 1,231,175	\$ 1,256,941	\$ 25,766	\$ 1,103,069
Cash payments for personnel costs	(570,708)	(544,931)	25,777	(549,720)
Cash payments for services and supplies	(660,211)	(515,750)	144,461	(463,410)
Net Cash Provided (Used) by Operating Activities	<u>256</u>	<u>196,260</u>	<u>196,004</u>	<u>89,939</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Subsidy from federal grant	-	-	-	42,289
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Proceeds from sales of assets	-	154,107	154,107	115,606
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Investment income	10,000	36,352	26,352	6,563
Net Increase (Decrease) in Cash and Cash Equivalents	10,256	386,719	376,463	254,397
Cash and Cash Equivalents, July 1	19	412,055	412,036	157,658
Cash and Cash Equivalents, June 30	<u>\$ 10,275</u>	<u>\$ 798,774</u>	<u>\$ 788,499</u>	<u>\$ 412,055</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b>				
Operating income (loss)	\$ 256	\$ 181,579	\$ 181,323	\$ 75,200
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Changes in assets and liabilities:				
(Increase) decrease in:				
Accounts receivable	-	875	875	(191)
Inventories	-	(32,250)	(32,250)	53,251
Increase (decrease) in:				
Accounts payable	-	13,966	13,966	19,620
Accrued salaries and benefits	-	1,455	1,455	(15,132)
Due to other governments	-	26,101	26,101	(42,289)
Accrued compensated absences	-	4,534	4,534	(520)
Total Adjustments	<u>-</u>	<u>14,681</u>	<u>14,681</u>	<u>14,739</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 256</u>	<u>\$ 196,260</u>	<u>\$ 196,004</u>	<u>\$ 89,939</u>

## FIDUCIARY FUNDS

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Fiduciary Funds are used to account for assets held by the government in a trustee or agency capacity.

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**Investment Trust Fund** - This Fund is used to account for the external investment pool administered by Carson City. The pool has one involuntary participant, the Carson City School District Debt Service Fund. These statements can be found in the City's basic financial statements.

**Agency Funds** are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Agency Funds are merely clearing accounts and have no fund equity. The following information is presented to describe each of the City's Agency Funds:

**Sierra Forest Fire Protection Fund** - This Fund is used to accumulate ad valorem and supplemental City/County relief tax monies and provide payment of debts and just claims against the District.

**Eagle Valley Water District Fund** - This Fund is used to account for the collection and payment of ad valorem taxes on behalf of the District.

**Conservancy District Fund** - This Fund is used to account for the collection and payment of ad valorem taxes on behalf of the District.

**Sub-Conservancy District Fund** - This Fund is used to account for the collection and payment of ad valorem taxes on behalf of the District.

**Fish and Game Fund** - This Fund is used to account for monies withdrawn from the wildlife account within the State General Fund and transferred to the City for disposition by the City's Advisory Board to manage wildlife.

**Controller Trust Fund** - This Fund is used to account for unclaimed payroll warrants and accounts payable warrants during the required statutory period, which have been returned to the City until claimed or remitted to the State of Nevada Unclaimed Property Division.

**State of Nevada Fund** - This Fund is used to account for the collection and payment of the State of Nevada's share of ad valorem taxes, District and Justice Court fees, marriage fees, or fees otherwise mandated by statute, and collected by the City.

**FIDUCIARY FUNDS**  
**Continued**

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**Carson City School District Debt Service Fund** - This Fund is used to account for ad valorem taxes and interest earned thereon, specifically apportioned and appropriated for the retirement of long-term general obligation principal and interest of the School District.

**Carson City School District Operating Fund** - This Fund is used to account for the collection of and remittance to the school district of ad valorem taxes.

**Forfeiture Account Fund** - This Fund is used to account for currency that is seized by the Sheriff's Office and will remain in the Fund until the court determines if the currency is subject to forfeiture.

**Nevada Commission for the Reconstruction of the V & T Railway Fund** - This Fund is used to account for the collection and distribution of gifts, grants, and donations to reconstruct the Virginia and Truckee Railroad between Virginia City and Carson City.

**CARSON CITY**  
**COMBINING STATEMENT OF CHANGES IN**  
**ASSETS AND LIABILITIES - ALL AGENCY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2007**  
**(PAGE 1 OF 4)**

	BALANCE JULY 1, 2006	ADDITIONS	DELETIONS	BALANCE JUNE 30, 2007
<b>SIERRA FOREST FIRE PROTECTION FUND</b>				
Assets:				
Cash and investments	\$ 159,618	\$ 778,119	\$ 530,188	\$ 407,549
Taxes receivable, delinquent	377	1	266	112
Due from other governments	56,266	61,519	56,266	61,519
<b>Total Assets</b>	<b>\$ 216,261</b>	<b>\$ 839,639</b>	<b>\$ 586,720</b>	<b>\$ 469,180</b>
Liabilities:				
Accounts payable	\$ 77	\$ 566,946	\$ 566,938	\$ 85
Due to other governments	216,184	820,126	567,215	469,095
<b>Total Liabilities</b>	<b>\$ 216,261</b>	<b>\$ 1,387,072</b>	<b>\$ 1,134,153</b>	<b>\$ 469,180</b>
<b>EAGLE VALLEY WATER DISTRICT FUND</b>				
Assets:				
Cash and investments	\$ 388	\$ 13,709	\$ 13,719	\$ 378
Taxes receivable, delinquent	115	66	47	134
<b>Total Assets</b>	<b>\$ 503</b>	<b>\$ 13,775</b>	<b>\$ 13,766</b>	<b>\$ 512</b>
Liabilities:				
Accounts payable	\$ 2	\$ 4	\$ 6	\$ -
Due to other governments	501	14,193	14,182	512
<b>Total Liabilities</b>	<b>\$ 503</b>	<b>\$ 14,197</b>	<b>\$ 14,188</b>	<b>\$ 512</b>
<b>CONSERVANCY DISTRICT FUND</b>				
Assets:				
Cash and investments	\$ 407	\$ 4,190	\$ 4,253	\$ 344
Due from other governments	818	787	818	787
<b>Total Assets</b>	<b>\$ 1,225</b>	<b>\$ 4,977</b>	<b>\$ 5,071</b>	<b>\$ 1,131</b>
Liabilities:				
Accounts payable	\$ -	\$ 4,598	\$ 4,598	\$ -
Due to other governments	1,225	4,504	4,598	1,131
<b>Total Liabilities</b>	<b>\$ 1,225</b>	<b>\$ 9,102</b>	<b>\$ 9,196</b>	<b>\$ 1,131</b>

**CARSON CITY**  
**COMBINING STATEMENT OF CHANGES IN**  
**ASSETS AND LIABILITIES - ALL AGENCY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2007**  
**(PAGE 2 OF 4)**

	BALANCE JULY 1, 2006	ADDITIONS	DELETIONS	BALANCE JUNE 30, 2007
<b>SUB-CONSERVANCY DISTRICT FUND</b>				
Assets:				
Cash and investments	\$ -	\$ 707,202	\$ 702,805	\$ 4,397
Taxes receivable, delinquent	2,400	1,718	651	3,467
Due from other governments	35,031	-	35,031	-
<b>Total Assets</b>	<b>\$ 37,431</b>	<b>\$ 708,920</b>	<b>\$ 738,487</b>	<b>\$ 7,864</b>
Liabilities:				
Accounts payable	\$ 30,382	\$ 373,000	\$ 403,376	\$ 6
Due to other governments	-	379,462	379,284	178
Other liabilities	7,049	7,680	7,049	7,680
<b>Total Liabilities</b>	<b>\$ 37,431</b>	<b>\$ 760,142</b>	<b>\$ 789,709</b>	<b>\$ 7,864</b>
<b>FISH AND GAME FUND</b>				
Assets:				
Cash and investments	\$ 3,834	\$ 1,500	\$ 1,934	\$ 3,400
Liabilities:				
Accounts payable	\$ 270	\$ 2,200	\$ 1,934	\$ 536
Due to other governments	3,564	1,500	2,200	2,864
<b>Total Liabilities</b>	<b>\$ 3,834</b>	<b>\$ 3,700</b>	<b>\$ 4,134</b>	<b>\$ 3,400</b>
<b>CONTROLLER TRUST FUND</b>				
Assets:				
Cash and investments	\$ 29,352	\$ 12,673	\$ 9,102	\$ 32,923
Liabilities:				
Accounts payable	\$ 227	\$ 8,991	\$ 9,102	\$ 116
Due to other governments	29,125	12,603	8,921	32,807
<b>Total Liabilities</b>	<b>\$ 29,352</b>	<b>\$ 21,594</b>	<b>\$ 18,023</b>	<b>\$ 32,923</b>
<b>STATE OF NEVADA FUND</b>				
Assets:				
Cash and investments	\$ 602,627	\$ 4,466,453	\$ 4,532,699	\$ 536,381
Accounts receivable	-	60	-	60
Taxes receivable, delinquent	13,600	9,773	3,687	19,686
<b>Total Assets</b>	<b>\$ 616,227</b>	<b>\$ 4,476,286</b>	<b>\$ 4,536,386</b>	<b>\$ 556,127</b>
Liabilities:				
Accounts payable	\$ 297	\$ 1,010	\$ 1,274	\$ 33
Due to other governments	615,930	5,006,475	5,066,311	556,094
<b>Total Liabilities</b>	<b>\$ 616,227</b>	<b>\$ 5,007,485</b>	<b>\$ 5,067,585</b>	<b>\$ 556,127</b>

**CARSON CITY  
COMBINING STATEMENT OF CHANGES IN  
ASSETS AND LIABILITIES - ALL AGENCY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2007  
(PAGE 3 OF 4)**

	<u>BALANCE JULY 1, 2006</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE JUNE 30, 2007</u>
<b>CARSON CITY SCHOOL DISTRICT DEBT SERVICE FUND</b>				
Assets:				
Taxes receivable, delinquent	\$ 37,597	\$ 27,025	\$ 10,194	\$ 54,428
Liabilities:				
Accounts payable	\$ 906	\$ 3,939	\$ 4,754	\$ 91
Due to other governments	36,691	6,164,667	6,147,021	54,337
Total Liabilities	<u>\$ 37,597</u>	<u>\$ 6,168,606</u>	<u>\$ 6,151,775</u>	<u>\$ 54,428</u>
<b>CARSON CITY SCHOOL DISTRICT OPERATING FUND</b>				
Assets:				
Cash and investments	\$ 8,627	\$ 9,329,139	\$ 9,240,267	\$ 97,499
Taxes receivable, delinquent	59,994	43,134	16,264	86,864
Total Assets	<u>\$ 68,621</u>	<u>\$ 9,372,273</u>	<u>\$ 9,256,531</u>	<u>\$ 184,363</u>
Liabilities:				
Accounts payable	\$ 1,047	\$ 2,297	\$ 3,198	\$ 146
Due to other governments	67,574	9,497,912	9,381,269	184,217
Total Liabilities	<u>\$ 68,621</u>	<u>\$ 9,500,209</u>	<u>\$ 9,384,467</u>	<u>\$ 184,363</u>
<b>FORFEITURE ACCOUNT FUND</b>				
Assets:				
Cash and investments	\$ 6,191	\$ 29,679	\$ 10,998	\$ 24,872
Liabilities:				
Due to other governments	\$ 6,191	\$ 29,679	\$ 10,998	\$ 24,872
<b>NEVADA COMMISSION FOR THE RECONSTRUCTION OF THE V &amp; T RAILWAY FUND</b>				
Assets:				
Cash and investments	\$ 15,693,724	\$ 2,325,671	\$ 5,670,504	\$ 12,348,891
Due from other governments	702,614	216,399	703,664	215,349
Prepaid items	-	250	-	250
Total Assets	<u>\$ 16,396,338</u>	<u>\$ 2,542,320</u>	<u>\$ 6,374,168</u>	<u>\$ 12,564,490</u>
Liabilities:				
Accounts payable	\$ 206,420	\$ 5,343,810	\$ 4,969,986	\$ 580,244
Due to other governments	16,189,918	1,664,905	5,870,577	11,984,246
Total Liabilities	<u>\$ 16,396,338</u>	<u>\$ 7,008,715</u>	<u>\$ 10,840,563</u>	<u>\$ 12,564,490</u>

**CARSON CITY**  
**COMBINING STATEMENT OF CHANGES IN**  
**ASSETS AND LIABILITIES - ALL AGENCY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2007**  
**(PAGE 4 OF 4)**

	<u>BALANCE</u> <u>JULY 1, 2006</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE</u> <u>JUNE 30, 2007</u>
<b>TOTALS - ALL AGENCY FUNDS</b>				
Assets:				
Cash and investments	\$ 16,504,768	\$ 17,668,335	\$ 20,716,469	\$ 13,456,634
Accounts receivable	-	60	-	60
Taxes receivable, delinquent	114,083	81,717	31,109	164,691
Due from other governments	794,729	278,705	795,779	277,655
Prepaid items	-	250	-	250
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total Assets	<u>\$ 17,413,580</u>	<u>\$ 18,029,067</u>	<u>\$ 21,543,357</u>	<u>\$ 13,899,290</u>
Liabilities:				
Accounts payable	\$ 239,628	\$ 6,306,795	\$ 5,965,166	\$ 581,257
Due to other governments	17,166,903	23,596,026	27,452,576	13,310,353
Other liabilities	7,049	7,680	7,049	7,680
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total Liabilities	<u>\$ 17,413,580</u>	<u>\$ 29,910,501</u>	<u>\$ 33,424,791</u>	<u>\$ 13,899,290</u>

**STATISTICAL SECTION**

# CITY OF CARSON CITY, NEVADA

## STATISTICAL SECTION

*This part of the City of Carson City'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 city's overall financial health.*

<b><u>Section Contents</u></b>	<b><u>Schedule #</u></b>
<b>Financial Trends</b> <i>These schedules contain trend information to help the reader understand how the city's financial performance and well-being have changed over time.</i>	<b>1.1 - 1.4</b>
<b>Revenue Capacity</b> <i>These schedules contain information to help the reader assess the factors affecting the city's ability to generate its property and sales taxes.</i>	<b>2.1 - 2.4</b>
<b>Debt Capacity</b> <i>These schedules present information to help the reader assess the affordability of the city's current levels of outstanding debt, and its ability to issue additional future debt.</i>	<b>3.1 - 3.4</b>
<b>Demographic and Economic Information</b> <i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the city's financial activities take place and to help make comparisons over time and with other governments.</i>	<b>4.1 - 4.2</b>
<b>Operating Information</b> <i>These schedules contain information about the city's operations and resources to help the reader understand how the city's financial information relates to the services the city provides and the activities it performs.</i>	<b>5.1 - 5.3</b>

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

**CARSON CITY**  
**NET ASSETS BY COMPONENT**  
**LAST FIVE FISCAL YEARS**  
**(UNAUDITED)**

	<u>FISCAL YEAR ENDED JUNE 30,</u>				
	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
<b>GOVERNMENTAL ACTIVITIES</b>					
Invested in capital assets, net of related debt	\$ 120,602,072	\$ 65,849,092	\$ 69,600,063	\$ 63,816,236	\$ 60,351,746
Restricted	29,389,902	24,871,291	16,085,638	14,316,416	15,261,474
Unrestricted	<u>(1,728,608)</u>	<u>(3,390,070)</u>	<u>15,697,202</u>	<u>14,233,204</u>	<u>15,440,977</u>
Total Governmental Activities Net Assets	<u>\$ 148,263,366</u>	<u>\$ 87,330,313</u>	<u>\$ 101,382,903</u>	<u>\$ 92,365,856</u>	<u>\$ 91,054,197</u>
<b>BUSINESS-TYPE ACTIVITIES</b>					
Invested in capital assets, net of related debt	\$ 84,123,860	\$ 78,129,888	\$ 71,872,037	\$ 70,977,186	\$ 71,395,417
Restricted	2,742,096	2,598,135	2,545,363	2,482,872	2,481,867
Unrestricted	<u>16,169,206</u>	<u>16,340,435</u>	<u>17,913,131</u>	<u>16,797,849</u>	<u>16,176,689</u>
Total Business-Type Activities Net Assets	<u>\$ 103,035,162</u>	<u>\$ 97,068,458</u>	<u>\$ 92,330,531</u>	<u>\$ 90,257,907</u>	<u>\$ 90,053,973</u>
<b>PRIMARY GOVERNMENT</b>					
Invested in capital assets, net of related debt	\$ 204,725,932	\$ 143,978,980	\$ 141,472,100	\$ 134,793,422	\$ 131,747,163
Restricted	32,131,998	27,469,426	18,631,001	16,799,288	17,743,341
Unrestricted	<u>14,440,598</u>	<u>12,950,365</u>	<u>33,610,333</u>	<u>31,031,053</u>	<u>31,617,666</u>
Total Business-Type Activities Net Assets	<u>\$ 251,298,528</u>	<u>\$ 184,398,771</u>	<u>\$ 193,713,434</u>	<u>\$ 182,623,763</u>	<u>\$ 181,108,170</u>

Note: Accrual-basis financial information for the city government as a whole is available back to 2003 only; the year GASB Statement 34 was implemented.

**CARSON CITY  
CHANGES IN NET ASSETS  
LAST FIVE FISCAL YEARS  
(UNAUDITED)**

	FISCAL YEAR ENDED JUNE 30,				
	2007	2006	2005	2004	2003
<b>EXPENSES</b>					
<b>Governmental Activities:</b>					
General government	\$ 13,329,480	\$ 15,920,465	\$ 11,732,939	\$ 10,368,245	\$ 9,567,850
Judicial	3,656,007	3,505,076	3,158,460	2,826,724	2,792,776
Public safety	26,333,209	25,401,443	25,320,788	21,632,395	20,467,651
Public works	7,205,824	7,205,695	7,462,191	7,389,511	7,575,408
Community support	552,307	15,427,942	1,476,257	5,805,226	1,206,737
Airport	348,318	85,514	126,043	270,425	59,382
Economic Opportunity	485,422	4,466,036	520,190	243,268	274,626
Welfare	2,074,309	2,038,709	1,915,957	1,482,239	1,776,505
Health	2,736,463	1,808,078	1,320,958	1,040,547	987,750
Culture and recreation	8,897,085	8,885,644	8,184,715	7,368,395	6,998,621
Interest on long-term debt	3,844,651	3,078,771	2,126,197	1,486,850	1,827,665
Total Governmental Activities Expenses	69,463,075	87,823,373	63,344,695	59,913,825	53,534,971
<b>Business-type Activities:</b>					
Landfill	2,057,836	1,889,185	1,058,363	1,534,489	1,373,244
Ambulance	3,314,417	3,159,589	2,599,930	2,635,082	2,439,285
Sewer	7,751,960	7,592,212	7,164,159	7,044,425	6,533,017
Water	9,143,663	8,228,357	7,670,393	7,385,857	6,978,156
Cemetery	201,439	214,107	199,167	193,136	193,882
Building Permits	1,724,380	1,629,333	1,476,259	1,419,040	1,388,170
Stormwater Drainage	860,866	745,178	286,562	21,170	-
Total Business-type Activities Expenses	25,054,561	23,457,961	20,454,833	20,233,199	18,905,754
Total Primary Government Expenses	\$ 94,517,636	\$ 111,281,334	\$ 83,799,528	\$ 80,147,024	\$ 72,440,725
<b>PROGRAM REVENUES</b>					
<b>Governmental Activities:</b>					
Charges for services	\$ 7,194,480	\$ 7,249,876	\$ 6,995,677	\$ 6,287,043	\$ 5,997,754
Operating grants, interest, and contributions	6,129,717	8,678,963	6,003,596	3,351,158	2,177,667
Capital grants, interest, and contributions	14,492,662	51,789	2,211,437	568,537	4,241,309
Total Governmental Activities Program Revenues	27,816,859	15,980,628	15,210,710	10,206,738	12,416,730
<b>Business-type Activities:</b>					
Charges for services	22,492,588	19,894,278	17,884,199	17,437,463	16,001,959
Operating grants, interest, and contributions	-	12,538	31,080	44,830	25,366
Capital grants, interest, and contributions	6,462,247	7,000,395	5,150,750	2,934,428	2,950,430
Total Business-type Activities Program Revenues	28,954,835	26,907,211	23,066,029	20,416,721	18,977,755
Total Primary Government Program Revenues	\$ 56,771,694	\$ 42,887,839	\$ 38,276,739	\$ 30,623,459	\$ 31,394,485
<b>NET (EXPENSE) / REVENUE</b>					
Governmental activities	\$ (41,646,216)	\$ (71,842,745)	\$ (48,133,985)	\$ (49,707,087)	\$ (41,118,241)
Business-type activities	3,900,274	3,449,250	2,611,196	183,522	72,001
Total Primary Government Net (Expense) / Revenue	\$ (37,745,942)	\$ (68,393,495)	\$ (45,522,789)	\$ (49,523,565)	\$ (41,046,240)
<b>GENERAL REVENUES AND OTHER CHANGES IN NET ASSETS</b>					
<b>Governmental Activities:</b>					
<b>Taxes:</b>					
Property taxes	\$ 16,538,908	\$ 14,842,941	\$ 14,399,482	\$ 13,622,347	\$ 13,163,766
Sales taxes	6,097,893	5,355,446	4,856,154	4,517,602	4,243,911
Consolidated tax	25,944,779	26,808,073	25,661,323	23,827,916	22,273,319
Franchise taxes	4,619,984	4,423,774	4,081,139	3,541,660	3,400,865
Other taxes	4,262,092	4,273,234	4,193,053	3,889,322	3,520,210
Motor vehicle fuel tax	1,373,902	1,361,374	1,340,152	1,277,083	1,140,911
Grants and contributions not restricted to specific programs	687	589	576	568	-
Unrestricted investment income	3,530,584	1,367,181	1,197,060	122,925	1,685,904
Gain on sale of capital assets	-	1,337,946	-	-	-
Miscellaneous revenue	246,304	189,430	191,890	257,974	200,892
Transfers	(746,617)	(2,169,833)	1,230,203	(38,651)	(126,817)
Total Governmental Activities	61,868,516	57,790,155	57,151,032	51,018,746	49,502,961
<b>Business-type Activities:</b>					
Unrestricted investment income	1,319,813	476,360	691,631	(18,239)	955,581
Transfers	746,617	2,169,833	(1,230,203)	38,651	126,817
Total Business-type Activities	2,066,430	2,646,193	(538,572)	20,412	1,082,398
Total Primary Government Activities	\$ 63,934,946	\$ 60,436,348	\$ 56,612,460	\$ 51,039,158	\$ 50,585,359
<b>CHANGE IN NET ASSETS</b>					
Governmental activities	\$ 20,222,300	\$ (14,052,590)	\$ 9,017,047	\$ 1,311,659	\$ 8,384,720
Business-type activities	5,966,704	6,095,443	2,072,624	203,934	1,154,399
Total Primary Government Change in Net Assets	\$ 26,189,004	\$ (7,957,147)	\$ 11,089,671	\$ 1,515,593	\$ 9,539,119

Note: Accrual-basis financial information for the city government as a whole is available back to 2003 only; the year GASB Statement 34 was implemented.

CARSON CITY  
FUND BALANCES, GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
(UNAUDITED)

	FISCAL YEAR ENDED JUNE 30.									
	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
<b>GENERAL FUND</b>										
Reserved	\$ 793,002	\$ 867,481	\$ 546,825	\$ 479,751	\$ 532,198	\$ 450,765	\$ 525,190	\$ 687,116	\$ 738,795	\$ 624,256
Unreserved:										
Designated	5,385,581	5,079,437	8,959,556	8,846,685	8,712,714	9,368,308	6,385,072	5,662,704	3,995,707	3,491,446
Undesignated	5,496,137	4,951,945	2,092,600	2,606,927	16,884	2,971,753	3,888,468	2,097,212	2,153,587	938,461
Total General Fund	<u>\$ 11,674,720</u>	<u>\$ 10,898,863</u>	<u>\$ 11,598,981</u>	<u>\$ 11,933,363</u>	<u>\$ 9,261,796</u>	<u>\$ 12,790,826</u>	<u>\$ 10,798,730</u>	<u>\$ 8,447,032</u>	<u>\$ 6,888,089</u>	<u>\$ 5,054,163</u>
<b>ALL OTHER GOVERNMENTAL FUNDS</b>										
Reserved	\$ 12,953	\$ 1,287	\$ 865	\$ 22,400	\$ 247	\$ 3,798,655	\$ 3,605,309	\$ 3,603,193	\$ 1,367,114	\$ 1,376,971
Unreserved:										
Designated in:										
Special Revenue Funds	5,195,162	9,914,131	10,300,110	5,738,209	2,169,391	3,007,135	9,846,252	4,907,047	9,543,618	10,405,315
Debt Service Funds	1,143,535	992,243	1,633,794	2,354,377	2,667,705	-	-	-	-	-
Capital Projects Funds	100,358	517,218	130,227	70,197	177,126	1,385,905	671,734	2,388,796	2,092,557	4,823,929
Undesignated in:										
Special Revenue Funds	32,268,590	28,406,279	22,049,919	17,059,026	16,934,032	14,588,849	5,026,104	6,516,774	7,291,964	3,174,699
Debt Service Funds	37,444	443,148	13,798	27,006	154,164	-	-	-	-	-
Capital Projects Funds	7,245,512	14,599,397	2,801,349	2,071,348	3,001,323	1,354,474	1,242,002	1,172,546	2,049,830	4,363,669
Total All Other Governmental Funds	<u>\$ 46,003,554</u>	<u>\$ 54,873,703</u>	<u>\$ 36,930,062</u>	<u>\$ 27,342,563</u>	<u>\$ 25,103,988</u>	<u>\$ 24,135,018</u>	<u>\$ 20,391,401</u>	<u>\$ 18,588,356</u>	<u>\$ 22,345,083</u>	<u>\$ 24,144,583</u>

Fluctuations in the general fund and all other governmental fund balance reserved and unreserved amounts are explained in the Management Discussion and Analysis.

**CARSON CITY  
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

	FISCAL YEAR ENDED JUNE 30,									
	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
<b>REVENUES</b>										
Taxes	\$ 26,649,450	\$ 24,247,771	\$ 23,227,887	\$ 21,806,953	\$ 20,705,621	\$ 20,533,691	\$ 19,696,288	\$ 18,333,861	\$ 16,894,089	\$ 16,487,385
Special assessments				192,708	211,484	234,794	236,113	283,091	301,266	345,760
Licenses and permits	6,183,388	6,191,477	5,688,240	5,099,575	4,877,726	4,623,361	4,692,980	4,647,303	4,424,227	4,170,129
Intergovernmental revenues	43,287,158	36,935,960	33,640,817	29,100,114	27,058,432	28,395,840	27,071,037	22,988,425	22,726,466	21,963,499
Charges for services	8,417,219	7,455,522	6,997,392	6,133,344	5,645,508	5,293,332	4,222,609	4,316,626	3,728,263	3,223,497
Fines and forfeits	901,404	1,011,142	902,536	845,779	789,494	828,567	902,643	714,707	740,536	724,796
Miscellaneous	4,411,395	2,179,034	2,121,663	1,024,528	2,398,752	2,253,205	3,089,543	2,715,620	2,104,519	2,932,898
<b>Total Revenues</b>	<b>89,850,014</b>	<b>78,020,906</b>	<b>72,578,535</b>	<b>64,203,001</b>	<b>61,687,017</b>	<b>62,162,790</b>	<b>59,911,213</b>	<b>53,999,633</b>	<b>50,919,366</b>	<b>49,847,964</b>
<b>EXPENDITURES</b>										
General government	15,037,996	19,586,502	13,998,307	12,828,474	12,949,568	12,308,055	11,496,429	9,937,028	9,765,936	9,277,497
Public safety	25,956,021	24,295,657	25,614,239	20,531,866	20,448,172	18,255,487	16,975,277	15,900,862	14,436,720	13,134,647
Judicial	3,652,245	3,521,459	3,093,465	2,794,389	2,779,499	2,473,197	2,271,193	1,913,447	2,049,685	1,619,546
Public works	11,965,730	12,148,591	10,441,407	10,201,012	10,749,239	9,975,074	11,093,375	12,659,669	9,590,386	9,247,513
Health	2,670,894	1,777,541	1,532,341	1,037,614	1,146,927	934,853	880,340	922,370	914,648	957,427
Sanitation	-	-	-	-	-	-	227,215	210,071	153,056	194,762
Welfare	2,073,901	2,033,648	1,911,782	1,478,840	1,773,771	1,388,945	1,342,230	1,283,167	1,097,915	1,098,940
Culture and recreation	9,464,358	8,810,148	11,169,367	10,299,483	7,926,518	8,296,395	6,560,870	8,306,920	7,487,441	5,142,604
Community support	630,602	15,784,475	752,965	5,547,273	1,058,208	1,739,029	1,246,276	1,139,448	1,016,234	977,614
Intergovernmental	-	-	-	-	-	249,873	243,687	231,765	220,644	208,206
Airport	10,034,403	38,779	79,038	297,124	247,363	73,352	444,188	247,025	40,604	943,795
Economic opportunity	565,092	4,598,312	593,042	263,279	312,937	374,336	48,500	35,523	81,833	5,000
Capital outlay	9,039,514	6,510,301	306,392	265,811	180,704	252,124	1,282,214	1,852,210	6,995,388	15,593,097
Debt service:										
Principal	3,056,246	2,725,880	2,576,513	2,396,506	3,501,418	2,364,750	2,114,792	2,188,923	1,620,614	1,482,035
Interest and fiscal charges	3,764,874	2,932,911	1,958,684	1,282,262	1,961,517	1,909,116	1,851,904	1,928,378	1,747,309	1,626,212
<b>Total Expenditures</b>	<b>97,911,876</b>	<b>104,764,204</b>	<b>74,027,542</b>	<b>69,223,933</b>	<b>65,035,841</b>	<b>60,594,586</b>	<b>58,078,490</b>	<b>58,756,806</b>	<b>57,218,413</b>	<b>61,508,895</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(8,061,862)</b>	<b>(26,743,298)</b>	<b>(1,449,007)</b>	<b>(5,020,932)</b>	<b>(3,348,824)</b>	<b>1,568,204</b>	<b>1,832,723</b>	<b>(4,757,173)</b>	<b>(6,299,047)</b>	<b>(11,660,931)</b>
<b>OTHER FINANCING SOURCES (USES)</b>										
Capital asset sales	-	3,620,000	40,613	141,280	42,026	71,166	2,314,843	176,539	933,950	32,883
Capital leases	55,770	20,052	85,749	-	-	-	-	-	-	-
Bonds issued	-	41,000,000	6,815,000	9,935,000	-	5,129,802	-	2,505,000	5,860,000	-
Notes issued	-	-	3,028,000	-	802,500	-	-	-	-	-
Payment to refunded bond escrow agent	-	(9,884,613)	-	-	(4,888,283)	-	-	-	(3,229,796)	-
Refunding bonds issued	-	8,040,000	-	-	4,895,000	-	-	-	3,270,000	-
Refunding notes issued	-	1,654,300	-	-	-	-	-	-	-	-
Premium on refunding bonds issued	-	278,709	-	-	-	-	-	-	-	-
Transfers in	7,736,648	10,162,385	9,961,443	4,121,536	11,074,155	5,429,803	5,522,848	5,984,832	3,976,046	4,387,403
Transfers out	(7,824,848)	(11,212,920)	(9,162,332)	(4,121,536)	(11,136,634)	(5,839,803)	(5,742,848)	(6,334,832)	(4,190,446)	(4,617,403)
Premium on bonds issued	-	308,908	-	-	-	-	-	-	-	-
Discount on bonds issued	-	-	(66,349)	(145,206)	-	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>(32,430)</b>	<b>43,986,821</b>	<b>10,702,124</b>	<b>9,931,074</b>	<b>788,764</b>	<b>4,790,968</b>	<b>2,094,843</b>	<b>2,331,539</b>	<b>6,619,754</b>	<b>(197,117)</b>
<b>Net Change in Fund Balances</b>	<b>\$ (8,094,292)</b>	<b>\$ 17,243,523</b>	<b>\$ 9,253,117</b>	<b>\$ 4,910,142</b>	<b>\$ (2,560,060)</b>	<b>\$ 6,359,172</b>	<b>\$ 3,927,566</b>	<b>\$ (2,425,634)</b>	<b>\$ 320,707</b>	<b>\$ (11,858,048)</b>
<b>Debt service as a percentage of noncapital expenditures</b>	<b>9.30%</b>	<b>6.19%</b>	<b>6.98%</b>	<b>5.97%</b>	<b>9.57%</b>	<b>7.08%</b>	<b>6.98%</b>	<b>7.24%</b>	<b>6.71%</b>	<b>6.77%</b>

Note: This information is presented on the modified accrual basis of accounting.

CARSON CITY  
 ASSESSED AND ESTIMATED ACTUAL  
 VALUE OF TAXABLE PROPERTY  
 LAST TEN FISCAL YEARS  
 (UNAUDITED)

FISCAL YEAR ENDED JUNE 30,	REAL PROPERTY ASSESSED VALUE				PERSONAL PROPERTY ASSESSED VALUE	LESS: TAX EXEMPT PROPERTY	TOTAL		PERCENTAGE OF TAXABLE VALUE TO ACTUAL VALUE	TOTAL DIRECT TAX RATE (1)
	RESIDENTIAL	COMMERCIAL	INDUSTRIAL	OTHER			TAXABLE ASSESSED VALUE	ESTIMATED ACTUAL VALUE		
2007	\$ 1,083,303,781	\$ 451,206,734	\$ 73,847,370	\$ 48,854,565	\$ 83,969,393	\$ 307,878,233	1,433,303,610	\$ 4,095,153,171	35.00%	1.5075
2006	849,173,104	377,913,118	70,855,130	43,912,722	90,645,832	228,104,138	1,204,395,768	3,441,130,766	35.00%	1.2220
2005	787,818,702	353,104,623	66,465,018	49,625,614	85,499,759	216,695,480	1,125,818,236	3,216,623,531	35.00%	1.2220
2004	746,722,428	332,262,156	79,211,607	55,994,871	69,616,260	214,805,768	1,069,001,554	3,054,290,154	35.00%	1.2085
2003	724,967,564	325,002,781	70,047,686	68,951,834	65,168,733	198,173,195	1,055,965,403	3,017,044,009	35.00%	1.1809
2002	686,167,611	309,358,914	70,055,946	63,028,774	62,501,598	193,119,150	997,993,693	2,851,410,551	35.00%	1.1791
2001	666,155,934	287,996,135	66,598,662	85,471,818	55,041,111	182,457,938	978,805,722	2,796,587,777	35.00%	1.1484
2000	637,277,061	269,855,961	63,344,186	81,850,363	51,300,331	177,116,204	926,511,698	2,647,176,280	35.00%	1.1097
1999	605,449,267	246,765,018	60,808,788	83,080,655	54,256,056	166,625,864	883,733,920	2,524,954,057	35.00%	1.0426
1998	569,417,140	224,430,928	57,368,208	88,854,531	52,488,987	162,011,944	830,547,850	2,372,993,857	35.00%	1.0283

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Source: Carson City Assessor

Pursuant to NRS 361.227, real property is valued at taxable value, determined by calculating the full cash value (market value) of land and estimated replacement cost of improvements less appropriate depreciation. Taxable assessed value is 35% of estimated actual value. Real property is reappraised at least every five years. Property not reappraised is revalued annually using various approved methods.

(1) Per hundred dollars of assessed valuation.

**CARSON CITY  
DIRECT AND OVERLAPPING PROPERTY TAX RATES  
LAST TEN FISCAL YEARS  
(TAX RATE PER \$100 ASSESSED VALUATION)  
(UNAUDITED)**

	<b>FISCAL YEAR ENDED JUNE 30,</b>									
	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>	<b>2002</b>	<b>2001</b>	<b>2000</b>	<b>1999</b>	<b>1998</b>
<b>CITY OF CARSON CITY DIRECT RATE</b>										
Operating Rate	1.2101	0.9634	0.9634	0.9634	0.9234	0.9234	0.8922	0.8499	0.8008	0.7645
Voter Approved	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500
Legislative Overrides	0.2153	0.1765	0.1765	0.1620	0.1744	0.1711	0.1710	0.1710	0.1513	0.1713
Debt Service	0.0321	0.0321	0.0321	0.0331	0.0331	0.0346	0.0352	0.0388	0.0405	0.0425
<b>Total Carson City Direct Rate</b>	<b>1.5075</b>	<b>1.2220</b>	<b>1.2220</b>	<b>1.2085</b>	<b>1.1809</b>	<b>1.1791</b>	<b>1.1484</b>	<b>1.1097</b>	<b>1.0426</b>	<b>1.0283</b>
<b>OVERLAPPING RATES</b>										
Carson City School District	1.2200	1.2200	1.2200	1.2200	1.2200	1.2200	1.2200	1.2200	1.2700	1.3500
State of Nevada	0.1700	0.1700	0.1700	0.1700	0.1500	0.1500	0.1500	0.1500	0.1500	0.1500
Eagle Valley Underground Water	0.0012	0.0016	0.0016	0.0016	0.0016	0.0016	0.0018	0.0019	0.0024	0.0026
Carson Valley Ground Water Basin	0.0029	0.0027	0.0027	0.0033	0.0034	0.0033	0.0036	0.0038	0.0059	0.0081
Sub-Conservancy	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300
Sierra Forest Fire	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000
<b>Total Overlapping Rates</b>	<b>1.5241</b>	<b>1.5243</b>	<b>1.5243</b>	<b>1.5249</b>	<b>1.5050</b>	<b>1.5049</b>	<b>1.5054</b>	<b>1.5057</b>	<b>1.5583</b>	<b>1.6407</b>
<b>Total Carson City Property Tax Rate</b>	<b>3.0316</b>	<b>2.7463</b>	<b>2.7463</b>	<b>2.7334</b>	<b>2.6859</b>	<b>2.6840</b>	<b>2.6538</b>	<b>2.6154</b>	<b>2.6009</b>	<b>2.6690</b>
<b>REDEVELOPMENT AGENCY OF CARSON CITY</b>	<b>2.8108</b>	<b>2.4845</b>	<b>2.5078</b>	<b>2.4891</b>	<b>2.4802</b>	<b>2.5239</b>	<b>2.5502</b>	<b>2.5116</b>	<b>2.4950</b>	<b>2.5609</b>

Source: Nevada Department of Taxation

**CARSON CITY**  
**TEN LARGEST ASSESSED VALUATIONS**  
**CURRENT YEAR AND NINE YEARS AGO**  
**(UNAUDITED)**

TAXPAYER	2007			1998		
	ASSESSED VALUATION	RANK	PERCENTAGE OF TOTAL ASSESSED VALUATION	ASSESSED VALUATION	RANK	PERCENTAGE OF TOTAL ASSESSED VALUATION
Dwight Millard	\$ 12,532,553	1	0.87%	\$ 7,987,852	5	0.96%
Sierra Pacific Power	11,929,276	2	0.83%	11,720,312	2	1.41%
Southwest Gas Corp	11,746,308	3	0.82%	14,232,781	1	1.71%
C & A Investment	10,941,542	4	0.76%	-		0.00%
John Serpa	9,748,164	5	0.68%	7,996,800	4	0.96%
Garth Richards	8,970,864	6	0.63%	6,425,111	6	0.77%
Carson - Tahoe Hospital	8,272,544	7	0.58%	-		-
SBC Nevada	7,717,500	8	0.54%	11,445,037	3	1.38%
Carson City Hotel LLC	7,360,334	9	0.51%	-		-
Cubix/Ormsby	6,396,139	10	0.45%	-		-
Clark Russell				3,692,207	7	0.44%
Carson Nugget			-	3,489,446	8	0.42%
K-Mart			-	3,445,184	9	0.41%
Carrington & Codding			-	3,008,166	10	0.36%
Total, Ten Largest Taxpayers	95,615,224		6.67%	73,442,896		8.84%
Total, Other Taxpayers	1,337,688,386		93.33%	757,104,954		91.16%
Total Assessed Valuations	\$ 1,433,303,610		100.00%	\$ 830,547,850		100.00%

Source: Carson City Assessor

This list represents the ten largest property assessments based on property-owning taxpayers in the City. It is possible that an owner of several parcels may have an aggregate assessed value that is larger than those listed above.

**CARSON CITY**  
**PROPERTY TAX LEVIES AND COLLECTIONS**  
**LAST TEN FISCAL YEARS**  
**(AMOUNT EXPRESSED IN THOUSANDS)**  
**(UNAUDITED)**

<u>FISCAL YEAR ENDED JUNE 30,</u>	<u>TAXES LEVIED</u>	<u>CURRENT YEAR</u>			<u>DELINQUENT TAX COLLECTIONS</u>	<u>TOTALS TO DATE</u>	
		<u>TAX COLLECTIONS</u>	<u>PERCENT OF TAXES LEVIED</u>	<u>TAX COLLECTIONS</u>		<u>PERCENT OF TAXES LEVIED</u>	
1998	\$ 19,280	\$ 19,015	98.63%	\$ 233.00	\$ 19,248	99.83%	
1999	20,013	19,810	98.99%	290.00	20,100	100.43%	
2000	21,287	21,024	98.76%	218.00	21,242	99.79%	
2001	22,597	22,406	99.15%	217.00	22,623	100.12%	
2002	23,617	23,407	99.11%	244.00	23,651	100.14%	
2003	24,975	24,726	99.00%	208.00	24,934	99.84%	
2004	25,945	25,757	99.28%	234.00	25,991	100.18%	
2005	27,274	27,054	99.19%	193.00	27,247	99.90%	
2006	28,436	28,213	99.22%	135.00	28,348	99.69%	
2007	30,839	30,592	99.20%	84.00	30,676	99.47%	

Source: Carson City Treasurer's Office

Note: Outstanding Delinquent Taxes were those taxes of the current year tax levy that were delinquent as of the end of June of each year. This figure does not reflect other tax years that were still delinquent in the fiscal year being reported.

CARSON CITY  
RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS  
(UNAUDITED)

FISCAL YEAR ENDED JUNE 30.	GENERAL BONDED DEBT						OTHER GOVERNMENTAL ACTIVITIES DEBT			BUSINESS TYPE ACTIVITIES		TOTAL PRIMARY GOVERNMENT	PERCENTAGE OF PERSONAL INCOME(2)	PER CAPITA (2)
	GENERAL OBLIGATION BONDS	GENERAL OBLIGATION NOTES	TOTAL GENERAL BONDED DEBT	PERCENTAGE OF ACTUAL PROPERTY VALUE (1)	PER CAPITA (2)		REVENUE BONDS	CAPITAL LEASES	SPECIAL ASSESSMENT BONDS	PROPRIETARY BONDS	PROPRIETARY NOTES			
2007	\$ 74,574,351	\$ 4,399,013	\$ 78,973,364	1.82%	\$ 1,368.67	\$ 5,140,000	\$ 120,447	\$ -	\$ 57,120,185	\$ -	\$ 141,353,996	6.37%	\$ 2,449.77	
2006	76,884,293	4,925,317	81,809,610	2.23%	1432.64	5,360,000	86,777	\$ -	50,968,629	\$ -	138,225,016	6.53%	2420.58	
2005	37,953,154	3,598,036	41,551,190	1.18%	740.06	7,330,000	\$ 82,473	-	54,291,941	-	103,255,604	5.17%	1839.06	
2004	32,973,990	755,713	33,729,703	1.08%	610.82	7,670,000	-	215,000	42,171,690	-	83,786,393	4.51%	1517.32	
2003	30,843,709	802,500	31,646,209	1.02%	577.02	2,000,000	-	430,000	34,578,836	-	68,655,045	3.92%	1251.82	
2002	31,549,802	650,325	32,200,127	1.11%	594.42	2,860,000	-	645,000	36,848,733	-	72,553,860	4.21%	1339.35	
2001	28,045,000	860,075	28,905,075	1.00%	544.40	3,170,000	-	977,050	25,726,396	-	58,778,521	3.49%	1107.04	
2000	29,495,000	1,059,867	30,554,867	1.11%	580.67	3,415,000	-	1,085,000	24,875,908	-	59,930,775	3.91%	1138.94	
1999	25,865,000	1,250,190	27,115,190	1.02%	522.23	3,640,000	-	1,305,000	29,127,821	92,460	61,280,471	4.19%	1180.24	
1998	20,780,000	1,480,804	22,260,804	0.88%	441.60	3,835,000	-	1,525,000	29,597,426	157,580	57,375,810	4.14%	1138.18	

Notes:

- (1) See Schedule 2.1 for estimated actual property value.  
(2) See Schedule 4.1 for population and personal income data.

**CARSON CITY  
GENERAL OBLIGATION DIRECT  
AND OVERLAPPING DEBT  
FISCAL YEAR ENDED JUNE 30, 2007  
(UNAUDITED)**

NAME OF GOVERNMENT UNIT	GENERAL OBLIGATION DEBT OUTSTANDING	PRESENTLY SELF-SUPPORTING GENERAL OBLIGATION DEBT	PERCENT APPLICABLE (1)	APPLICABLE NET DEBT
Direct:				
City of Carson City:				
Governmental Activity Bonds	\$ 74,574,351	\$ 74,574,351	100.00%	\$ -
Business-Type Activity Bonds	57,120,184	57,120,184	100.00%	-
Total Direct Debt	<u>131,694,535</u>	<u>131,694,535</u>		<u>-</u>
Overlapping:				
Carson City School District	<u>36,955,000</u>	<u>-</u>	100.00%	<u>36,955,000</u>
Total Overlapping Debt	<u>36,955,000</u>	<u>-</u>		<u>36,955,000</u>
Total General Obligation Direct and Overlapping Debt	<u>\$ 168,649,535</u>	<u>\$ 131,694,535</u>		<u>\$ 36,955,000</u>

Source: Carson City Finance Office and Carson City School District

(1) Based on fiscal year 2006-07 assessed valuation in the respective jurisdiction.

CARSON CITY  
LEGAL DEBT MARGIN INFORMATION  
LAST TEN FISCAL YEARS  
(UNAUDITED)

Legal Debt Margin Calculation for Fiscal Year Ended June 30, 2007

Assessed value of taxable property(1)	<u>\$ 1,465,975,882</u>
Debt limit (15% of assessed value)	<u>219,896,382</u>
Debt applicable to limit:	
Governmental activities	\$ 78,973,364
Business-type activities	57,120,184
Less: Amount available for repayment of general obligation debt	<u>(200,000)</u>
Total net debt applicable to limitation	<u>135,893,548</u>
Legal debt margin	<u>\$ 84,002,834</u>

FISCAL YEAR ENDED JUNE 30,

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>
Debt limit	\$ 219,896,382	\$ 183,981,394	\$ 172,194,764	\$ 163,388,242	\$ 161,241,549	\$ 152,079,436	\$ 148,736,738	\$ 140,657,114	\$ 134,112,930	\$ 126,461,125
Total net debt subject to limitation	<u>135,893,548</u>	<u>132,578,239</u>	<u>103,173,131</u>	<u>83,571,393</u>	<u>68,225,045</u>	<u>69,048,860</u>	<u>76,162,159</u>	<u>77,498,877</u>	<u>76,221,595</u>	<u>70,095,808</u>
Legal Debt Margin	<u>\$ 84,002,834</u>	<u>\$ 51,403,155</u>	<u>\$ 69,021,633</u>	<u>\$ 79,816,849</u>	<u>\$ 93,016,504</u>	<u>\$ 83,030,576</u>	<u>\$ 72,574,579</u>	<u>\$ 63,158,237</u>	<u>\$ 57,891,335</u>	<u>\$ 56,365,317</u>
Total net debt subject to limitation as a percentage of debt limit	<u>61.8%</u>	<u>72.1%</u>	<u>59.9%</u>	<u>51.1%</u>	<u>42.3%</u>	<u>45.4%</u>	<u>51.2%</u>	<u>55.1%</u>	<u>56.8%</u>	<u>55.4%</u>

Note: The legal debt limit is set forth in NRS 266.600.

(1) Includes Redevelopment Authority amount of \$32,672,272

**CARSON CITY**  
**PLEGDED REVENUE COVERAGE**  
**LAST TEN FISCAL YEARS**  
**(UNAUDITED)**

FISCAL YEAR ENDED JUNE 30,	PLEGDED REVENUE	LESS: OPERATING EXPENSES	NET AVAILABLE REVENUE	DEBT SERVICE REQUIREMENTS			COVERAGE RATIOS
				PRINCIPAL	INTEREST	TOTAL	
<b>HIGHWAY REVENUE(MOTOR VEHICLE FUEL TAX) IMPROVEMENT BONDS (1)</b>							
2007	\$ 2,919,391	\$ 2,022,026	\$ 897,365	\$ 220,000	\$ 205,500	\$ 425,500	2.1
2006	2,911,491	1,698,400	1,213,091	215,000	212,000	427,000	2.8
2005	2,882,846	1,076,793	1,806,053	210,000	216,200	426,200	4.2
2004	-	-	-	-	-	-	N/A
2003	-	-	-	-	-	-	N/A
2002	-	-	-	-	-	-	N/A
2001	-	-	-	-	-	-	N/A
2000	-	-	-	-	-	-	N/A
1999	-	-	-	-	-	-	N/A
1998	-	-	-	-	-	-	N/A
<b>TAX ALLOCATION BOND - REDEVELOPMENT AUTHORITY (2)</b>							
2007	\$ -	\$ -	\$ -	-	-	\$ -	N/A
2006	511,325	-	511,325	145,000	120,463	265,463	1.9
2005	544,413	-	544,413	130,000	128,912	258,912	2.1
2004	528,702	-	528,702	115,000	136,330	251,330	2.1
2003	605,520	-	605,520	100,000	142,730	242,730	2.5
2002	624,528	-	624,528	85,000	148,000	233,000	2.7
2001	592,329	-	592,329	35,000	150,100	185,100	3.2
2000	286,801	-	286,801	25,000	151,537	176,537	1.6
1999	253,890	-	253,890	10,000	152,087	162,087	1.6
1998	318,848	-	318,848	10,000	152,617	162,617	2.0
<b>HIGHWAY REVENUE IMPROVEMENT BONDS (3)</b>							
2007	-	-	\$ -	-	-	\$ -	N/A
2006	-	-	-	-	-	-	N/A
2005	-	-	-	-	-	-	N/A
2004	-	-	-	-	-	-	N/A
2003	2,805,923	1,990,175	815,748	760,000	18,698	778,698	1.0
2002	2,987,769	2,031,393	956,376	225,000	51,288	276,288	3.5
2001	3,064,787	2,048,783	1,016,004	210,000	63,580	273,580	3.7
2000	3,065,386	1,899,611	1,165,775	200,000	75,060	275,060	4.2
1999	3,154,032	2,060,282	1,093,750	185,000	85,748	270,748	4.0
1998	3,226,147	1,778,585	1,447,562	175,000	96,741	271,741	5.3
<b>GRAVES LANE SPECIAL ASSESSMENT BONDS (4)</b>							
2007	-	-	\$ -	-	-	\$ -	N/A
2006	-	-	-	-	-	-	N/A
2005	-	-	-	-	-	-	N/A
2004	192,708	-	192,708	215,000	22,575	237,575	0.8
2003	211,484	-	211,484	215,000	33,540	248,540	0.9
2002	234,794	-	234,794	220,000	44,540	264,540	0.9
2001	236,113	-	236,113	220,000	55,320	275,320	0.9
2000	283,091	-	283,091	220,000	65,880	285,880	1.0
1999	301,265	-	301,265	220,000	76,220	296,220	1.0
1998	345,761	-	345,761	225,000	86,345	311,345	1.1

**Notes:**

(1) Pledged revenues include a tax currently levied at the rate of four cents per gallon by the City, and the City's interest in taxes equal in the aggregate to 5.35 cents per gallon, levied by the State of Nevada on certain motor vehicle fuel sold in the City and the State. Operating expenses include amounts in the Regional Transportation Fund, less NDOT bypass portion and expenses in the Streets Maintenance Fund, less County Option Sales Taxes and the County Option 1 cent fuel tax.

(2) Pledged revenues include the property taxes levied in the Redevelopment District.

(3) Pledged revenues include the County Option Fuel tax collected in the Regional Transportation Fund. Expenditures include operating expenditures, less capital outlay.

(4) Pledged revenues for Special Assessment Bonds includes assessments, prepaid assessments, assessment interest, and prepaid assessment interest.

**CARSON CITY  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

<b>FISCAL YEAR ENDED JUNE 30,</b>	<b>POPULATION (1)</b>	<b>CITY AREA (SQUARE MILES) (6)</b>	<b>TOTAL PERSONAL INCOME (3)</b>	<b>PER CAPITA PERSONAL INCOME (3)</b>	<b>UNEMPLOYMENT RATE (4)</b>	<b>PUBLIC SCHOOL ENROLLMENT (5)</b>	<b>BUSINESS LICENSES ISSUED (2)</b>	<b>TOTAL CONSTRUCTION PERMITS (6)</b>	<b>TOTAL CONSTRUCTION VALUE (6)</b>
2007	57,701	147.00	\$ 2,217,495,336	\$ 39,209	5.0%	13,790	1,223	425	\$ 87,262,258
2006	57,104	147.00	2,117,628,000	37,898	4.8%	13,638	1,312	385	76,840,787
2005	56,146	147.00	1,996,847,000	35,697	4.7%	14,524	1,182	426	58,999,793
2004	55,220	147.00	1,859,588,000	33,653	5.2%	14,667	1,287	491	129,693,867
2003	54,844	147.00	1,751,205,000	32,089	5.8%	14,906	1,315	600	78,026,678
2002	54,171	147.00	1,724,799,000	32,260	5.8%	15,480	1,209	612	69,999,803
2001	53,095	147.00	1,683,799,000	32,041	5.1%	12,809	1,246	610	73,703,153
2000	52,620	147.00	1,532,852,000	29,505	3.7%	12,457	1,508	618	72,169,862
1999	51,922	147.00	1,462,230,000	28,748	3.9%	12,514	1,339	639	60,448,147
1998	50,410	147.00	1,386,560,000	27,477	5.9%	11,918	1,240	612	53,969,060

NR = Not reported

Sources:

- (1) State of Nevada, Demographer's Office, 1998-2006; Estimated for 2007 as data was unavailable at time of publication  
(2) City of Carson City, Treasurer's Office  
(3) U.S. Department of Commerce, Bureau of Economic Analysis, 1998-2006, for Carson City Metropolitan Area; Estimated for 2007 as data was unavailable at time of publication.  
(4) State of Nevada, Department of Employment Training & Rehabilitation for Carson City Metropolitan Area  
(5) Includes elementary, junior high, high school, and community college enrollment. Information obtained from the Carson City School District and Wester Nevada College - Carson City campus.  
(6) City of Carson City, Building and Safety Department

**CARSON CITY  
PRINCIPAL EMPLOYERS  
CURRENT YEAR AND NINE YEARS AGO  
(UNAUDITED)**

<u>EMPLOYER</u>	<u>2007</u>			<u>1998</u>		
	<u>EMPLOYEES (1)</u>	<u>RANK</u>	<u>PERCENTAGE OF TOTAL COUNTY(2) EMPLOYMENT</u>	<u>EMPLOYEES (1)</u>	<u>RANK</u>	<u>PERCENTAGE OF TOTAL COUNTY EMPLOYMENT</u>
Carson City School District	1000-1499	1	3.54%	900-999	2	3.27%
Carson Tahoe Hospital	1000-1499	2	3.21%	700-799	3	2.57%
City of Carson City	700-799	3	2.62%	700-799	4	2.40%
State Department of Transportation	600-699	4	2.10%	600-699	5	2.24%
Carson City Nugget	600-699	5	1.53%	500-599	6	1.90%
Western Nevada Community College	500-599	6	1.36%	300-399	8	1.33%
Casino Fandango	400-499	7	1.34%			N/A
Chromalloy Nevada	400-499	8	1.27%	300-399	9	1.19%
State Department of Motor Vehicles	400-499	9	1.23%			N/A
State Department of Corrections	300-399	10	1.10%			N/A
State of Nevada (3)				4000-4499	1	15.06%
State Industrial Insurance System				400-499	7	1.50%
Ormsby House Hotel and Casino				300-399	10	1.15%
Total Carson City Metropolitan Area Covered Employment (2)	38,348			23,991		

Source: Each of the two years reflect respective June information as compiled by the Nevada Department of Employment, Training, and Rehabilitation, Division of Labor Marketing.

Notes:

- (1) Nevada Revised Statutes Chapter 612 stipulate that actual employment for individual employers may not be published.
- (2) Total employment statistics are for the Carson City metropolitan area.
- (3) The State of Nevada changed its reporting requirements in 2005 - each division now reports information separately.

CARSON CITY  
 FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION  
 LAST TEN FISCAL YEARS  
 (UNAUDITED)

FUNCTION:	FISCAL YEAR ENDED JUNE 30,									
	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
General Government	127.05	135.30	134.05	131.55	130.75	128.50	128.25	127.25	129.60	119.60
Public Safety	265.70	261.50	259.50	250.00	249.00	240.00	237.50	232.00	225.50	209.00
Judicial	42.25	35.50	29.75	28.75	26.75	26.75	28.75	27.50	26.50	22.50
Public Works	53.59	54.85	45.05	50.40	49.40	52.90	41.81	42.75	39.50	40.00
Sanitation	10.90	11.70	11.20	7.35	9.35	1.50	1.50	1.50	1.50	1.50
Health	18.75	14.00	12.00	12.00	12.50	12.00	15.00	15.00	15.50	14.50
Welfare	1.00	1.00	1.00	1.00	1.50	1.00	1.25	1.25	1.50	1.00
Culture and Recreation	61.95	59.76	58.01	54.01	54.06	52.44	54.62	55.00	61.65	70.70
Community Support	2.00	2.00	2.00	1.00	1.00	0.00	0.00	0.00	0.00	0.00
Utilities	49.65	48.40	47.75	54.00	48.00	48.20	58.69	58.15	62.75	65.00
Hospitals (1)	0.00 #	0.00 #	0.00	0.00	0.00	754.54	733.65	702.15	668.58	731.30
Other	1.00	1.00	1.00	1.00	1.00	1.00	1.00	2.25	1.00	1.00
Total	<u>633.84</u>	<u>625.01</u>	<u>601.31</u>	<u>591.06</u>	<u>583.31</u>	<u>1,318.83</u>	<u>1,302.02</u>	<u>1,264.80</u>	<u>1,233.58</u>	<u>1,276.10</u>

Source: City of Carson City Finance Department

(1) The hospital was transferred from a City owned facility to a private, non-profit corporation on March 1, 2002.

**CARSON CITY  
OPERATING INDICATORS BY FUNCTION / PROGRAM  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

FUNCTION / PROGRAM:	FISCAL YEAR ENDED JUNE 30,									
	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
<b>General Government</b>										
Business licenses issued (3)	1,223	1,312	1,182	1,287	1,315	1,209	1,246	1,508	1,339	1,240
<b>Judicial: (1)</b>										
Municipal Court Cases Filed:										
Criminal Cases:										
Felony death penalty	1	5	0	0	0	0	0	0	NR	NR
Felony, crimes against persons	407	581	553	651	688	549	728	241	NR	NR
Felony, crimes against property	227	473	490	444	326	415	385	933	NR	NR
Gross misdemeanor, crimes against persons	59	102	96	115	88	67	48	71	NR	NR
Gross misdemeanor, crimes against property	21	57	55	42	8	35	33	38	NR	NR
Misdemeanor, non-traffic	1,309	2,040	2,011	2,569	2,117	2,201	2,108	2,287	NR	NR
Traffic and parking violations	12,516	20,885	18,190	18,188	16,605	15,624	18,090	15,252	NR	NR
Civil Cases:										
General	2,513	2,254	2,197	1,913	1,587	1,775	1,641	1,616	NR	NR
Small claims	686	601	550	638	528	504	534	504	NR	NR
Landlord/tenant (summary eviction)	1,466	1,235	1,173	1,274	1,293	1,290	1,190	1,144	NR	NR
Request for domestic violence protective orders	452	361	424	513	622	593	445	502	NR	NR
Request for protection orders (non-dom. violence)	322	376	506	569	455	342	240	245	NR	NR
<b>Public Safety</b>										
Police: (5)										
Number of sworn police personnel and officers	94	95	95	93	93	93	93	89	87	83
Number of physical arrests	2,872	2,742	3,189	3,516	2,829	4,461	3,995	4,015	4,430	4,510
Number of traffic accidents	558	705	693	858	618	962	522	769	823	860
Fire: (6)										
Number of firefighters	66	66	66	61	65	66	58	56	58	58
Number of calls answered	7,681	7,200	6,346	6,053	6,109	5,715	5,280	4,848	4,972	4,505
Number of fire prevention inspections	2,061	1,681	1,784	2,185	2,256	3,020	3,219	2,517	1,374	1,050
<b>Public Works (7)</b>										
Number of street lights	1,525	1,406	1,391	1,391	1,290	1,292	1,292	1,172	1,160	1,135
<b>Culture and Recreation (8)</b>										
Number of participants in recreation sports	6,350	5,090	5,440	5,240	4,910	4,060	NR	NR	NR	NR
Average number of children enrolled in summer program per day	290	370	370	370	390	390	390	390	380	380
Average number of children enrolled in latch key programs per day	275	400	400	370	390	390	418	355	347	270
<b>Utilities (4)</b>										
Sewer:										
Customer count as of June 30	15,312	15,227	15,151	15,028	14,752	14,442	14,080	13,850	13,370	12,955
Total discharge (in thousands of gallons)	1,878,804	1,833,250	1,868,459	1,864,459	1,800,538	1,793,575	1,819,101	1,772,451	1,686,758	1,626,564
Water:										
Customer count as of June 30	16,705	16,540	16,427	16,300	16,061	15,754	15,394	15,199	14,683	14,328
Total consumption (in thousands of gallons)	4,165,842	3,956,644	3,860,618	4,236,540	3,984,524	4,127,355	4,026,432	4,008,090	3,453,892	3,206,465
<b>Development Services (2)</b>										
Building permits issued	425	385	426	491	600	612	610	618	639	612

NR = Not reported

Sources:

- (1) Carson City Municipal Court
- (2) Carson City Community Development Department
- (3) Carson City Treasurer's Office
- (4) Carson City Public Works
- (5) Carson City Sheriff's Office
- (6) Carson City Fire Department
- (7) Carson City Public Works
- (8) Carson City Parks & Recreation

**CARSON CITY**  
**CAPITAL ASSETS STATISTICS BY FUNCTION / PROGRAM**  
**LAST TEN FISCAL YEARS**  
**(UNAUDITED)**

FUNCTION / PROGRAM:	FISCAL YEAR ENDED JUNE 30,									
	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
<b>General Government</b>										
City owned facilities (1)	82	82	84	84	83	82	81	80	79	79
City owned structures (1)	81	81	81	81	81	81	81	81	81	79
Number of networked computers (5)	650	517	NR							
<b>Public Safety</b>										
Police: (2)										
Marked police vehicles	36	32	32	32	25	25	25	25	23	23
Fire: (3)										
Fire stations	3	3	3	3	3	3	3	3	3	3
Fire engines	9	9	9	9	9	9	9	8	9	9
<b>Public Works (1)</b>										
Paved streets (miles)	259	250	250	250	241	241	241	236	235	221
<b>Culture and Recreation (4)</b>										
Parks:										
Acreage of parks - developed	772.5	765.5	765.5	765.5	757.5	754.5	754.5	754.5	754.5	754.4
Acreage of parks - undeveloped	444.0	448.0	448.0	448.0	448.0	448.0	448.0	448.0	448.0	448.0
Swimming pools - outdoors	1	1	1	1	1	1	1	1	0	1
Swimming pools - indoors	3	3	3	3	3	3	3	2	1	2
Ball fields - lighted	16	16	16	16	16	16	16	16	16	16
Ball fields - unlighted	19	19	19	19	19	19	19	19	19	19
Tennis courts - lighted	12	12	12	12	12	12	12	12	12	12
Tennis courts - unlighted	3	2	2	2	2	2	2	2	2	2
Basketball courts - lighted	0	0	0	0	0	0	0	0	0	0
Basketball courts - unlighted	6	4	4	4	4	4	4	4	4	4
Community Centers	1	1	1	1	1	1	1	1	1	1
Rodeo arenas	1	1	1	1	1	1	1	1	1	1
Sand volleyball courts	3	3	3	3	2	2	2	2	1	1
<b>Utilities (1)</b>										
Sewer lines (miles)	216.6	213	212	226	226	226	225	219	217	210
Storm drains (miles)	76.4	76.4	NR							
Water lines (miles)	296	235	301	290	240	240	239	238	220	218

NR = Not reported

Sources:

- (1) Carson City Facilities Division
- (2) Carson City Sheriff's Office
- (3) Carson City Fire Department
- (4) Carson City Parks & Recreation

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**COMPLIANCE SECTION**

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

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

To the Honorable Mayor and Members of the  
Board of Supervisors, Carson City, Nevada

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Carson City, Nevada as of and for the year ended June 30, 2007, which collectively comprise Carson City's basic financial statements, and have issued our report thereon dated November 30, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control over Financial Reporting**

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified a deficiency in internal control over financial reporting that we consider to be significant deficiencies.

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 affects the entity'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 entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiency described in item 07-1 of the accompanying Schedule of Findings and Questioned Costs to be a significant deficiency in internal control over financial reporting.

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 entity's internal control. We did not identify any deficiencies in internal control over financial reporting that we consider to be a material weakness.

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## Compliance and Other Matters

As part of obtaining reasonable assurance about whether Carson City'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*.

Carson City's responses to the identified findings are described in the accompanying Schedule of Findings and Questioned Costs. We did not audit Carson City's responses, and accordingly, we express no opinion on them.

This report is intended solely for the information of the Mayor, Board of Supervisors, and management 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.

*Kafoory, Armstrong & Co.*

Reno, Nevada  
November 30, 2007

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

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

To the Honorable Mayor and Members of the  
Board of Supervisors, Carson City, Nevada

**Compliance**

We have audited the compliance of Carson City, Nevada 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, 2007. Carson City's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Carson City's management. Our responsibility is to express an opinion on Carson City'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 Carson City'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 Carson City's compliance with those requirements.

In our opinion, Carson City, Nevada complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2007.

**Internal Control Over Compliance**

The management of Carson City is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Carson City's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, 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 Carson City's internal control over compliance.

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Our consideration of the internal control over compliance was for the limited purpose described in the preceding paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

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. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs [items 07-2, 07-3, 07-4, 07-5 and 07-6] to be significant deficiencies.

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. We did not consider any of the deficiencies described in the accompanying Schedule of Findings and Questioned Costs to be material weaknesses.

Carson City's responses to the findings identified in our audit are described in the accompany Schedule of Findings and Questioned Costs. We did not audit Carson City's responses and, accordingly, we express no opinion on them.

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

*Kafoury, Armstrong & Co.*

Reno, Nevada  
November 30, 2007

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**CARSON CITY**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2007**  
**(PAGE 1 OF 5)**

<u>FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM TITLE</u>	<u>FEDERAL CFDA NUMBER</u>	<u>PASS-THROUGH GRANTOR'S NUMBER</u>	<u>FEDERAL EXPENSES/ EXPENDITURES</u>
<u>National Foundation on the Arts and the Humanities:</u>			
Passed through Nevada State Library and Archives:			
State Library Program - Statewide Reading Program	45.310	LSTA 2006-26	\$ 500
State Library Program - Assessment for Future Planning	45.310	LSTA 2007-03	<u>2,932</u>
Total State Library Program			<u>3,432</u>
<u>U.S. Department of Agriculture:</u>			
Direct programs:			
2006/2007 Cooperative Patrol	10.N/A	N/A	<u>10,939</u>
Wildlife Habitat Incentive Program	10.914	N/A	<u>5,138</u>
Soil and Water Conservation	10.902	N/A	<u>147,544</u>
Passed through Nevada Division of Forestry:			
Cooperative Forestry Assistance-Carson City Fuels Reduction	10.664	USDA/SFA/06/24	<u>3,485</u>
Passed through Nevada Department of Health & Human Services:			
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	N/A	<u>73,169</u>
Passed through State Controller:			
Schools and Roads - Grants to States	10.665	N/A	<u>1,190</u>
Passed through Nevada Department of Administration:			
Food Donation	10.550	E027	<u>1,976</u>
Passed through Nevada Department of Education:			
School Breakfast Program	10.553	N/A	10,390
National School Lunch Program	10.555	N/A	<u>18,073</u>
Total Child Nutrition Cluster			<u>28,463</u>
Total U.S. Department of Agriculture			<u>271,904</u>
<u>U.S. Department of Health and Human Services:</u>			
Passed through Nevada Department of Health & Human Services			
Community Services Block Grant	93.569	N/A	<u>76,534</u>
Centers for Disease Control and Prevention - Investigations and Technical Assistance - Pandemic Flu	93.283	N/A	81,009
Centers for Disease Control and Prevention - Investigations and Technical Assistance - Public Health Preparedness and Terrorism Response	93.283	N/A	<u>268,601</u>
Total Centers for Disease Control and Prevention - Investigations and Technical Assistance			<u>349,610</u>

**CARSON CITY**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2007**  
**(PAGE 2 OF 5)**

<u>FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM TITLE</u>	<u>FEDERAL CFDA NUMBER</u>	<u>PASS-THROUGH GRANTOR'S NUMBER</u>	<u>FEDERAL EXPENSES/ EXPENDITURES</u>
HIV Care Formula Grants - Ryan White Title II	93.917	N/A	\$ 20,219
Immunization Grants	93.268	N/A	430,495
Family Planning Services	93.217	N/A	79,327
Temporary Assistance for Needy Families	93.558	N/A	35,087
Block Grants for Prevention and Treatment of Substance Abuse	93.959	N/A	22,883
Maternal and Child Health Services Block Grant to the States	93.994	N/A	15,255
Child Support Enforcement - Title IV - D	93.563	N/A	386,089
Passed through Nevada Department of Health and Human Services: HIV Prevention Activities Health Department Based	93.940	N/A	2,793
National Bioterrorism Hospital Preparedness	93.889	N/A	46,263
Preventive Health Services-Sexually Transmitted Diseases Control Grants-Communicable Disease Program	93.977	N/A	5,400
Diabetes Prevention and Control Program	93.988	N/A	6,376
Total U.S. Department of Health and Human Services			1,476,331
<u>U.S. Department of Housing and Urban Development:</u>			
Direct programs:			
Community Development Block Grants/ Entitlement Grants	14.218	N/A	531,029
Emergency Shelter Grants Program	14.231	N/A	960
Total U.S. Department of Housing and Urban Development			531,989
<u>U.S. Department of the Interior:</u>			
Passed through Nevada Department of Museums, Libraries and Arts - State Historic Preservation Office:			
Historic Preservation Fund Grants-In-Aid - Survey and Inventory of Post WWII Subdivisions	15.904	32-06-21531 (2)	7,000
Historic Preservation Fund Grants-In-Aid - East Side Inventory	15.904	32-05-20430(1)	6,825
Total Historic Preservation Fund Grants-In-Aid			13,825
<u>U.S. Department of Justice:</u>			
Direct programs:			
D.E.A. Confiscated Property	16.N/A	N/A	10,792
U.S. Marshall Housing	16.N/A	N/A	13,696

CARSON CITY  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2007  
(PAGE 3 OF 5)

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH GRANTOR'S NUMBER	FEDERAL EXPENSES/ EXPENDITURES
B.I.A. Detention Service Agreement	16.N/A	N/A	\$ 480
Local Law Enforcement Block Grants Program	16.592	N/A	5,563
Edward Byrne Memorial Justice Assistance Grant Program- Crisis Negotiation Team Special Equipment	16.738	N/A	5,786
Edward Byrne Memorial Justice Assistance Grant Program- National Night Out/DARE	16.738	N/A	1,872
Total Edward Byrne Memorial Justice Assistance Grant Program			7,658
State Criminal Alien Assistance Program	16.606	N/A	59,462
Bulletproof Vest Partnership Program	16.607	N/A	10,594
Passed through Nevada Department of Health & Human Services Enforcing Underage Drinking Laws Program	16.727	N/A	20,709
Passed through Nevada Office of the Attorney General: Violence Against Women Formula Grants - Alternative Sentencing Officer	16.588	2006-STOP-01	26,603
Passed through Nevada Department of Public Safety: Edward Byrne Memorial Justice Assistance Grant Program - Tri-Net	16.738	06-JAG-01	121,109
Edward Byrne Memorial Justice Assistance Grant Program - Special Response Tools	16.738	04-NC-043	19,131
Total Edward Byrne Memorial Justice Assistance Grant Program			140,240
Juvenile Justice and Delinquency Prevention - Allocation to States - Status Offender	16.540	N/A	7,725
Total U.S. Department of Justice			303,522
<u>U.S. Department of Transportation:</u>			
Direct Programs:			
Airport Improvement Program - Environmental Assessment and Benefit Cost Analysis	20.106	N/A	12,066
Airport Improvement Program - 3-32-0004-13	20.106	N/A	5,000,000
Airport Improvement Program - 3-32-0004-14	20.106	N/A	4,516,958
Total Airport Improvement Program			9,529,024
Passed through Emergency Response Commission:			
Interagency Hazardous Materials Public Sector Training and Planning Grants - HMEP Planning & Training	20.703	07-HMEP-01-01	5,571

**CARSON CITY**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2007**  
**(PAGE 4 OF 5)**

<u>FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM TITLE</u>	<u>FEDERAL CFDA NUMBER</u>	<u>PASS-THROUGH GRANTOR'S NUMBER</u>	<u>FEDERAL EXPENSES/ EXPENDITURES</u>
Passed through Nevada Department of Public Safety:			
State and Community Highway Safety - Joining Forces	20.600	27-JF-1.01	\$ 11,318
State and Community Highway Safety - Joining Forces	20.600	26-JF-1.1	3,542
State and Community Highway Safety - Traffic Data Recording	20.600	27-408TR-1.M7	4,785
State and Community Highway Safety - Pedestrian Safety Enforcement	20.600	27-163PS-2.1	<u>1,172</u>
Total State and Community Highway Safety			<u>20,817</u>
Passed through Nevada Department of Transportation:			
Federal Transit - Formula Grants (Urbanized Area Formula Program)	20.507	N/A	<u>769,367</u>
Federal Transit - Metropolitan Planning Grants	20.505	NV-80-X012 to X014	<u>19,662</u>
Highway Planning and Construction - Unified Planning Work Program	20.205	N/A	<u>254,838</u>
Total U.S. Department of Transportation			<u>10,599,279</u>
<u>U.S. Department of Homeland Security:</u>			
Direct Programs:			
Assistance to Firefighters - FY 05/ Fire Prevention and Safety Program	97.044	N/A	<u>67,271</u>
Homeland Security Cluster:			
Passed through Nevada Department of Public Safety:			
State Domestic Preparedness Equipment Support Program - ODP/03-Homeland Security Grant Phase 1 Exercise Supp	97.004	97004E3	15,553
State Homeland Security Program- DHS/05	97.073	97073HS5	<u>87,999</u>
Total Homeland Security Cluster			<u>103,552</u>
Passed through Nevada Division of Emergency Management:			
Emergency Management Performance Grants	97.042	9704206	4,474
Emergency Management Performance Grants	97.042	9704207	<u>44,670</u>
Total Emergency Management Performance Grants			<u>49,144</u>
Passed through Nevada Division of Forestry:			
Fire Management Assistance Grant	97.046	N/A	<u>48,075</u>

**CARSON CITY**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2007**  
**(PAGE 5 OF 5)**

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH GRANTOR'S NUMBER	FEDERAL EXPENSES/ EXPENDITURES
Passed through Nevada Division of Emergency Management:			
Disaster Grants-Public Assistance - 2006 Flood Small Projects	97.036	FEMA-NV-DR 1629	\$ 171,790
Disaster Grants-Public Assistance - 2006 Flood Large Projects	97.036	FEMA-NV-DR 1629	<u>144,313</u>
Total Disaster Grants-Public Assistance			<u>316,103</u>
Total U.S. Department of Homeland Security			<u>584,145</u>
Total Expenditures of Federal Awards			<u><u>\$ 13,784,427</u></u>

**CARSON CITY**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2007**

**NOTE 1 - BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Carson City, Nevada and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

**NOTE 2 - SUBRECIPIENTS**

Of the federal expenditures presented in the schedule, Carson City, Nevada provided federal awards to subrecipients as follows:

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Amount Provided to Subrecipients</u>
Airport Improvement Program – Environmental Assessment and Benefit Cost Analysis	20.106	\$ 12,066
Airport Improvement Program – 3-32-0004-13	20.106	96,379
Airport Improvement Program – 3-32-0004-14	20.106	<u>47,208</u>
Total Airport Improvement Program		<u>\$155,653</u>
Schools and Roads - Grants to States	10.665	<u>\$ 595</u>
Community Development Block Grants	14.218	<u>\$ 75,225</u>

**NOTE 3 - NON-CASH ASSISTANCE**

The expenditures for the Food Donation program (CFDA #10.550) represent the dollar value of food commodities distributed to eligible recipients during the year. The value of commodities is determined by the U.S. Department of Agriculture.

The expenditures for the Immunization Grants program (CFDA # 93.268) include the value of vaccines received in lieu of cash.

**CARSON CITY, NEVADA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2007**

*Summary of Auditor's Results*

- Kafoury, Armstrong & Co. issued an unqualified opinion on the financial statements of the Carson City, Nevada for the year ended June 30, 2007.
- A significant deficiency was identified during the audit of the financial statements as 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*.
- The audit disclosed no instances of noncompliance, which were material to the financial statements of Carson City, Nevada.
- Five significant deficiencies in internal control over major federal award programs disclosed during the audit are reported in the Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular-A-133. The deficiencies were not considered material weaknesses.
- Kafoury, Armstrong & Co. issued an unqualified opinion on compliance for major Federal programs of Carson City, Nevada.
- Carson City, Nevada had four major programs for the year ended June 30, 2007, as follows:
  - Immunization Grants – CFDA 93.268
  - Community Development Block Grants / Entitlement Grants – CFDA 14.218
  - Child Support Enforcement – CFDA 93.563
  - Airport Improvement Program – CFDA 20.106
- The dollar threshold used to distinguish between Type A and Type B programs for the year ended June 30, 2007, was \$413,533.
- Carson City, Nevada qualified as a low risk auditee for the year ended June 30, 2007 under the criteria set forth in section .530 of OMB Circular A-133.

**CARSON CITY**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2007**

***Findings Relating to the Financial Statement Audit Reported in Accordance with Generally Accepted Governmental Auditing Standards (GAGAS):***

Significant Deficiency:

Finding 07-1:

Payroll System Access Controls:

*Criteria and Condition:* System access controls should be in place to provide safeguards over assets and reduce the risk of misstatements in financial reporting.

Access to certain modules in the payroll software was not restricted to the designated personnel responsible for the related function of the software application.

*Effect:* Unauthorized transactions could occur in Carson City's payroll system and not be detected.

*Cause:* Inadequate design of information technology application controls to prevent or detect unauthorized transactions in Carson City's payroll system.

*Recommendation:* Management should examine its access controls over critical software applications and restrict other than read-only access to those personnel responsible for the related function of the software application.

*Management's Response:* The Carson City Finance, Information Technology, and Human Resources departments will examine personnel access to critical software applications and functions related to the payroll system and restrict the ability to make changes to only those personnel that are responsible for the related function of the software application. Any others requiring information from these applications will be given read-only access.

**CARSON CITY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2007**

***Findings and Questioned Costs for Major Federal Award Programs:***

U.S. Department of Housing and Urban Development:

Finding 07-2:

Community Development Block Grant, CFDA 14.218:

*Grant Award Number:* Potentially affects all grant awards under CFDA No. 14.218 on the Schedule of Expenditures of Federal Awards.

*Criteria and Condition:* As noted in OMB Circular A-133, a pass-through entity is responsible for ensuring an audit is completed within nine months of the end of a subrecipient's audit period, when required; issuing a management decision on audit findings within six months after receipt of a subrecipient's audit report; and ensuring that the subrecipient takes timely and appropriate corrective action on all audit findings.

There was no documentation available to confirm that the most recent audit report was received and reviewed for one of the three subrecipients tested, and the audit report could not be located in the office.

*Questioned Costs:* None

*Context:* The condition noted above appears to be a systemic problem.

*Effect:* Noncompliance at the subrecipient level may occur and not be detected by the City.

*Cause:* The City does not have procedures in place to review the subrecipient audit reports, including the retention of documentation to support the receipt and review of those reports.

*Recommendation:* We recommend the City develop procedures to review the subrecipient audit reports, including the retention of documentation to support the receipt and review of those reports.

*Management's Response:* See management's response on page 195.

**CARSON CITY**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2007**

U.S. Department of Health and Human Services:

Finding 07-3:

Immunization Grants, CFDA 93.268:

*Grant Award Number:* Potentially affects all grant awards under CFDA No. 93.268 on the Schedule of Expenditures of Federal Awards.

*Criteria and Condition:* The OMB Circular A-133 Compliance Supplement allows grantees providing direct immunization services to generate program income from fees or donations. However, fees charged under VFC may not exceed the maximum reimbursement schedule established by the Centers for Medicare and Medicaid Services.

There was no documentation to verify that program income was properly determined or calculated and only collected from allowable sources. In addition, there was no documentation available to confirm that all program income was properly recorded in the accounting records.

*Questioned Costs:* None

*Context:* The condition noted above appears to be a systemic problem.

*Effect:* The City may not be collecting the appropriate program income. The accounting records do not reflect the program income; therefore it is not reported on the Schedule of Expenditures of Federal Awards.

*Cause:* The City had procedures in place to record income; however they could not separately identify federal program income from other cash receipts.

*Recommendation:* We recommend the City establish procedures to ensure that all available program income is identified and recorded separately in the accounting records.

*Management's Response:* See management's response on page 195.

**CARSON CITY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2007**

U.S. Department of Health and Human Services:

Finding 07-4:

Immunization Grants, CFDA 93.268:

*Grant Award Number:* Potentially affects all grant awards under CFDA No. 93.268 on the Schedule of Expenditures of Federal Awards.

*Criteria and Condition:* The OMB Circular A-87 compliance requirements state that where employees are expected to work solely on a single Federal award or cost objective, charges for their salaries and wages will be supported by periodic certifications that the employees worked solely on that program for the period covered by the certification. These certifications will be prepared at least semi-annually and will be signed by the employee or supervisory official having first hand knowledge of the work performed by the employee.

During our testing of salary costs, it was noted that the City had a certification for the one employee charged to the program. The certification letter was signed July 13, 2007 for the period June 30, 2005 to June 30, 2007. The City did not have another certification for the employee.

*Questioned Costs:* None

*Context:* The condition noted above appears to be a systemic problem.

*Effect:* Unallowable costs could be charged to the Federal program.

*Cause:* Adequate procedures were not in place to ensure costs charged to the Federal program were supported by required certifications.

*Recommendation:* We recommend that Carson City implement procedures to ensure amounts charged to Federal programs are supported by the required certifications.

*Management's Response:* See management's response on page 195.

**CARSON CITY**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2007**

U.S. Department of Health and Human Services:

Finding 07-5:

Immunization Grants, CFDA 93.268:

*Grant Award Number:* Potentially affects all grant awards under CFDA No. 93.268 on the Schedule of Expenditures of Federal Awards.

*Criteria and Condition:* The OMB Circular A-133 Compliance Supplement requires entities to properly record the receipt, transfer and storage of vaccines. In addition, entities must safeguard vaccines from loss due to theft, expiration, or improper storage temperature.

The City's controls over receipt, storage, expiration and temperature were adequate. The City performs an inventory of vaccines on the 25<sup>th</sup> of each month. However, the City could not provide documentation of their monthly inventory reconciliation reports.

*Questioned Costs:* None

*Context:* The condition noted above appears to be a systemic problem.

*Effect:* Vaccines may be stolen or misused without the City being aware of the problem.

*Cause:* Adequate procedures were not in place to ensure monthly inventory reconciliations were documented.

*Recommendation:* We recommend that Carson City implement procedures to ensure monthly reconciliations of vaccinations on hand are performed and documented, including usage, transfers and waste.

*Management's Response:* See management's response on page 195.

**CARSON CITY**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2007**

U.S. Department of Transportation:

Finding 07-6:

Airport Improvement Grants, CFDA 20.106:

*Grant Award Number:* Potentially affects all grant awards under CFDA No. 20.106 on the Schedule of Expenditures of Federal Awards.

*Criteria and Condition:* Government-wide requirements for real property acquisition and relocation assistance are contained in the Department of Transportation's single government-wide rule at 49 CFR part 24, Uniform Relocation Assistance and Real Property Acquisition regulations for Federal and Federally-Assisted Programs. 49 CFR Subpart B – Real Property Acquisition, Section 24.104 Review of Appraisals, requires that a qualified review appraiser examine all appraisals to assure they meet applicable appraisal requirements. The review appraiser's certification will identify the appraisal reports reviewed.

There was no review appraisal performed on the Hutchinson Valuation, Inc. appraisal of the industrial park lots purchase.

*Questioned Costs:* Undetermined

*Context:* The condition noted above appears to be a systemic problem.

*Effect:* Unallowable costs could be charged to the Federal program.

*Cause:* Adequate procedures were not in place to ensure review appraisals were performed on the land purchase.

*Recommendation:* We recommend that Carson City implement procedures to ensure review appraisals are performed on appraisals for purchases of real property with Federal funds.

*Management's Response:* See management's response on page 195.



# CARSON CITY, NEVADA

CONSOLIDATED MUNICIPALITY AND STATE CAPITAL

November 30, 2007

Dear Grantor Agencies:

The following is a discussion of our corrective action plan in response to the findings noted by Kafoury, Armstrong & Co. in the Schedule of Findings and Questioned Costs for the year ended June 30, 2007.

07-2 – U.S. Department of Housing and Urban Development  
Community Development Block Grant, CFDA 14.218

Corrective Action:

The City utilizes a sub-recipient monitoring checklist for the CDBG program that includes requesting a copy of the sub-recipient's most recent audit report to keep on file. In the future, the City will retain a copy of the sub-recipient's audit report to support its monitoring efforts.

07-3 – U.S. Department of Health and Human Services  
Immunization Grants, CFDA 93.268

Corrective Action:

Beginning July 1, 2007, the cash register at the health department was programmed with codes that will enable the City to identify and separately account for immunization program revenue.

07-4 – U.S. Department of Health and Human Services  
Immunization Grants, CFDA 93.268

In response to this finding, the City will implement the following procedures:

Upon notification that a department has received a grant that reimburses employee salaries and benefits, the Finance Department will inform the department of the certification requirements. Employees can do one of the following to meet this requirement:

- a) Employees who charge all or a portion of their salaries and benefits to federal programs will include a distribution on their bi-weekly timesheet that outlines the time spent on the federal program versus all other activities. The timesheet will be signed by the employee certifying the accuracy of the information.
- b) Employees will prepare a certification, at least semi-annually, that states the amount of time spent working on a particular federal award. The certification will be signed by the employee or a supervisory official having first hand knowledge of the work performed by the employee.

07-5 – U.S. Department of Health and Human Services  
Immunization Grants, CFDA 93.268

Corrective Action:

In response to this finding, the City will implement the following procedures:

- a) The City will properly record all receipts, transfers and usage of vaccine in the inventory records.
- b) Each month, the City will compare the physical inventory count to the inventory reports. This comparison will be properly documented and any variances will be noted and investigated.

07-6 – U.S. Department of Transportation  
Airport Improvement Grants, CFDA 20.106

Corrective Action:

Upon notification that a department has received a federal grant that involves the acquisition of real property, the Finance Department will inform the department of the necessary compliance requirements. This will include advising the department that the property appraisal must be examined by a review appraiser.

These corrective actions will be implemented immediately to improve the City's internal control over compliance with requirements applicable to federal programs and compliance with the types of compliance requirements applicable to its federal programs.

Sincerely,

A handwritten signature in black ink, appearing to read "Linda Ritter", written in a cursive style.

Linda Ritter

City Manager /  
Acting Director of Finance

**CARSON CITY  
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2007**

U.S. Department of Health and Human Services:

Finding 06-01:

Child Support Enforcement, CFDA 93.563:

*Grant Award Number:* Affects the grant award included under CFDA 93.563 on the Schedule of Expenditures of Federal Awards.

*Criteria and Condition:* The OMB Circular A-87 compliance requirements state that a cost is allowable under an award if it is necessary and reasonable for the proper administration of the program and is supported by appropriate documentation.

On one monthly Request for Reimbursement the allowable 10% indirect cost rate was calculated using a base of both direct and ancillary salaries. The 10% indirect cost rate should be calculated based on direct salaries only. The grantor agency identified the error and reduced the reimbursement amount for the month by the unallowed portion.

*Auditor's Recommendation:* We recommended that Carson City implement procedures to ensure amounts charged to Federal programs are allowable.

*Current Status:* Corrective action has been taken. The allowable 10% indirect cost rate on the Request for Reimbursement was calculated based on direct salaries only.

**CARSON CITY  
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2007**

U.S. Department of Health and Human Services:

Finding 06-02:

Child Support Enforcement, CFDA 93.563:

*Grant Award Number:* Affects the grant award included under CFDA 93.563 on the Schedule of Expenditures of Federal Awards.

*Criteria and Condition:* As noted in the OMB Circular A-133 Compliance Supplement for Child Support Enforcement, the IV-D agency must attempt to establish paternity and a support obligation for children born out of wedlock, and these services must be provided within the time frames specified in 45 CFR sections 303.3(b)(3) and (b)(5), 303.3(c), and 303.4(d).

During our testing of paternity and support obligation cases we noted several instances where services were not provided within the specified time frames. We identified four instances where the cases were not opened and assessed within 20 days of the receipt or referral of the case, and two instances where the amount of time that elapsed from the date of location of the non-custodial parent to the time of completion of the service of process exceeded 90 days.

*Auditor's Recommendation:* We recommended that Carson City enhance their case-processing procedures and controls to ensure that Child Support Enforcement services are provided within the time frames specified in 45 CFR.

*Current Status:* Corrective action has been partially implemented. Of the 25 cases, we identified two instances where the cases were not opened and assessed within 20 days of the receipt or referral of the case.

**CARSON CITY  
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2007**

U.S. Department of Health and Human Services:

Finding 06-03:

Child Support Enforcement, CFDA 93.563:

*Grant Award Number:* Affects the grant award included under CFDA 93.563 on the Schedule of Expenditures of Federal Awards.

*Criteria and Condition:* As noted in the OMB Circular A-133 Compliance Supplement for Child Support Enforcement, the IV-D agency must provide the appropriate child support services needed for interstate cases and meet required time frames pertaining to provision of interstate services. Specific time frame requirements for responding and initiating interstate cases are at 45 CFR sections 303.7(a) and 303.7(b)(2), (4), (5) and (6).

45 CFR 303.7(b)(6) states that if initiating, the Title IV-D agency must send a request for review of a child support order to another state within 20 days of determining that a request for review of the order should be sent to the other state. During our testing of interstate cases, KACO noted an instance where services were not provided within the required time frames. In that case, 71 days elapsed from the date that the City determined that a request for review of an order from another state was necessary and the date the request was made. Additionally, there were two interstate cases identified where more than 20 days had elapsed after receiving the cases before the cases were opened and assessed.

*Auditor's Recommendation:* We recommended that Carson City enhance their case-processing procedures and controls to ensure that services are provided within the time frames specified in 45 CFR.

*Current Status:* Corrective action has been taken. Procedures and controls have been implemented to ensure that services for interstate cases are provided within the time frames specified in 45 CFR.

**CARSON CITY  
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2007**

U.S. Department of Housing and Urban Development:

Finding 06-04:

Community Development Block Grants / Entitlement Grant, CFDA 14.218:

*Grant Award Number:* Affects the grant award included under CFDA 14.218 on the Schedule of Expenditures of Federal Awards.

*Criteria and Condition:* The OMB Circular A-87 compliance requirements state that where employees are expected to work solely on a single Federal award or cost objective, charges for their salaries and wages will be supported by periodic certifications that the employees worked solely on that program for the period covered by the certification. These certifications will be prepared at least semi-annually and will be signed by the employee or supervisory official having first hand knowledge of the work performed by the employee.

During our testing of salary costs, it was noted that Carson City did not have certifications for the one employee charged to the program. 100% of that employee's salary was charged to the program.

*Auditor's Recommendation:* We recommended that Carson City implement procedures to ensure amounts charged to Federal programs are supported by the required certifications.

*Current Status:* Corrective action has been taken. The employees charged to this program certified their timesheets.

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

Independent Accountant's Report on  
Nevada Revised Statute 354.6241

To the Honorable Mayor and Members of the  
Board of Supervisors, Carson City, 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, 2007 (based on the interpretation of reasonable and necessary provided by the Legislative Counsel Bureau),
- The sources of revenues, including transfers, available for the funds are as noted in the financial statements,
- The funds conformed to significant statutory and regulatory constraints on their financial administration during the year ended June 30, 2007 (except as previously noted under statute compliance in Note 2B to the financial statements),
- The balance and net assets of the funds are as noted in the financial statements.

This assertion is the responsibility of the management of Carson City, Nevada.

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

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

*Kafoury, Armstrong & Co.*

Reno, Nevada  
November 30, 2007

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## **AUDITOR'S COMMENTS**

### STATUTE COMPLIANCE

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

### PROGRESS ON PRIOR YEAR STATUTE COMPLIANCE

The City monitored expenditures during the current year in order to prevent overexpenditures; however, refer to Note 2B to the financial statements.

### PRIOR YEAR RECOMMENDATIONS

There were no recommendations made in the audit report for the year ended June 30, 2006.

### CURRENT YEAR RECOMMENDATIONS

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

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**CARSON CITY**  
**SCHEDULE OF FEES IMPOSED**  
**SUBJECT TO THE PROVISIONS OF NRS 354.5989**  
**LIMITATION OF FEES FOR BUSINESS LICENSES**  
**FOR THE YEAR ENDED JUNE 30, 2007**

Flat Fixed Fees:	
Business license revenue adjusted base at June 30, 2006	<u>\$ 988,396</u>
Adjustment to Base:	
Base	
1. Percentage increase in population of the local government	1.7063%
2. Percentage increase in the Consumer Price Index for the year ending on December 31 next preceding the year for which the limit is being calculated	<u>3.4000%</u>
	<u>5.1063%</u>
	<u>50,470</u>
Adjusted Base at June 30, 2007	1,038,866
Actual Revenue Fiscal 2006-07	<u>816,837</u>
Amount Over (Under) Allowable Amount	<u><u>\$ (222,029)</u></u>

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