

Audit Report

***STOREY COUNTY, NEVADA***

June 30, 2013

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**INDEPENDENT AUDITOR'S REPORT**

To the Honorable Board of County Commissioners  
Storey County, Nevada

**Report on the Financial Statements**

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 Storey County, Nevada, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

**Management's Responsibility for the Financial Statements**

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

**Auditor's Responsibility**

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

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

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

**Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Storey County, Nevada, as of June 30, 2013, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3-7 and 16-24 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

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

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

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

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated September 6, 2013, on our consideration of Storey County, 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Storey County, Nevada's internal control over financial reporting and compliance.



David A. Pringle, CPA, LTD  
Carson City, NV  
September 6, 2013

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COUNTY OF STOREY, STATE OF NEVADA  
MANAGEMENT DISCUSSION AND ANALYSIS

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As management of Storey County, State of Nevada, we offer readers of Storey County's financial statements this overview and analysis of Storey County for the fiscal year ended June 30, 2013.

#### FINANCIAL HIGHLIGHTS

- The assets of Storey County exceeded its liabilities by \$30,835,241.
- The County's unrestricted net assets increased \$ 2,320,828.
- At June 30, 2013, the unreserved fund balance for the general fund was \$7,433,142.
- Storey County's bonded debt at June 30, 2013 was \$2,371,226 which was \$614,656 in revenue bonds of the County's Enterprise Funds a Medium term (7 yr.) General obligation bond of \$148,570, and Virginia City Rail Bonds of \$1,608,000.

#### OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to Storey County's basic financial statements. These basic financial statements include (1) Government-Wide Financial Statements (2) fund financial statements, and (3) notes to the financial statements. Other supplementary information is also available in this report.

**Government-Wide Financial Statements.** The government-wide statements are designed to provide readers with a broad overview of Storey County's finances in a manner similar to private-sector business.

The Statement of Net Assets is information on all of Storey County's assets and liabilities, with the difference between the two reported as net assets. Over time, increases in net assets may serve as an indicator to show if the financial position of Storey County is improving or declining.

The Statement of Activities notes information as to how the government's net assets changed during the last fiscal year. All changes in net assets are reported as soon as the event causing the change occurs, regardless of the timing of related cash flows. Revenues and expenses are reported for some items that result in cash flows in future periods, (e.g. earned, unused vacation)

The Government-Wide Financial Statements distinguish functions of Storey County that are mainly supported by taxes and intergovernmental revenues (government activities) from other functions that recover their costs through user fees and charges. The governmental activities of Storey County included general government, public safety, roads and streets, judicial and, culture and recreation. The business activities (enterprise funds) are the water and sewer.

The Government-Wide Financial Statements can be found in this report on pages 8 and 9.

**Fund Financial Statements.** Funds are groupings of related accounts and is used to maintain control over resources segregated for specific activities or purpose. Storey County uses fund accounting to ensure compliance with state and federal finance related requirements. The fund types of Storey County are as follows: governmental; enterprise; and fiduciary.

**Governmental Funds.** Governmental funds are used to account for the functions reported as governmental activities, in the Government-Wide Financial Statements. Unlike the Government-Wide Financial Statements, governmental fund statements focus on near term inflows of expendable resources and on balances of expendable resources at the end of the fiscal year. This information helps with decisions as to near term financing needs.

The focus of governmental funds is narrower than the Government-Wide Financial Statements. It is useful to compare the information for governmental funds with similar information for governmental activities in Government-Wide Financial Statements. Readers will better understand the long-term impact of governments near-term financing decisions. The governmental fund Balance Sheet and governmental fund Statement of Revenues, Expenditures, and Changes in fund balances allow this comparison between governmental funds and activities.

Storey County has twenty-four governmental funds. Financial information is stated separately in the governmental fund Balance Sheet and in the governmental Statement of Revenues, Expenditures, and Changes in fund balances, for the general fund and four other funds considered major funds. Data from the other twenty governmental funds are combined. Individual fund data for non-major governmental funds are reported in combining statements in this report.

Storey County adopts an annual budget for all the above funds. A budgetary comparison statement has been provided for all funds to show compliance with the budget.

The governmental funds financial statements can be found in this report on pages 11 through 24.

**Enterprise funds.** Storey County operates two enterprise funds, Water and Sewer. These funds are reported as business type activities, reported in the Government-Wide Financial Statements.

Enterprise funds are presented on pages 25 through 27.

**Fiduciary funds.** Fiduciary funds are used to account for resources held for other entities. Fiduciary funds are not reported in the government-wide financial statement as the resources do not support Storey County's needs. The cash basis of accounting is used for fiduciary funds.

Fiduciary fund financial statements can be found in this report on page 28.

**Notes to the financial statements.** The notes in this report provide additional information necessary for a full understanding of the information provided in the Government-Wide Financial Statements. The notes can be found on pages 29 through 40.

**Other information.** The combining and individual fund statements and schedules for major governmental funds can be found on page 16 through 24 of this report. This same information for non-major governmental funds can be found on pages 41 through 66 of this report.

STOREY COUNTY, NEVADA  
NET ASSETS

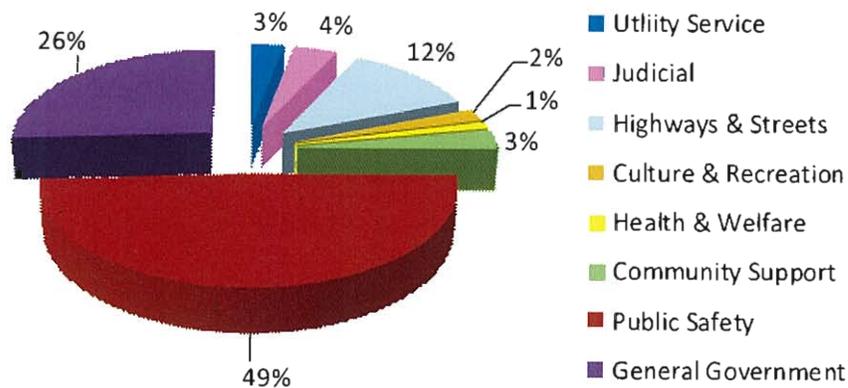
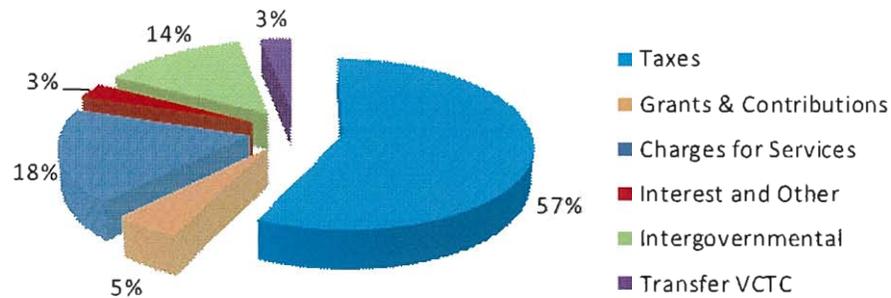
	Governmental Activities June 30, 2013	Business Type Activities June 30, 2013	Total June 30, 2013
Current and other Assets	\$ 19,623,337	\$ 1,315,290	\$ 20,938,627
Capital Assets	<u>52,050,319</u>	<u>5,788,541</u>	<u>57,838,860</u>
Total Assets	<u>\$ 71,673,656</u>	<u>\$ 7,103,831</u>	<u>\$ 78,777,487</u>
Long Term Liabilities			
Outstanding	\$ 45,843,992	\$ 557,098	\$ 46,401,090
Current Liabilities	<u>1,418,512</u>	<u>122,644</u>	<u>1,541,156</u>
Total Liabilities	<u>\$ 47,262,504</u>	<u>\$ 679,742</u>	<u>\$ 47,942,246</u>
 NET ASSETS			
Invested in Capital			
Assets, Net of Related Debt	\$ 8,002,439	\$ 5,173,885	\$ 13,176,324
Unrestricted	<u>16,408,713</u>	<u>1,250,204</u>	<u>17,658,917</u>
Total Net Assets	<u>\$ 24,411,152</u>	<u>\$ 6,424,089</u>	<u>\$ 30,835,241</u>

STOREY COUNTY, NEVADA  
CHANGES IN NET ASSETS

	Governmental Activities <u>June 30, 2013</u>	Business Type Activities <u>June 30, 2013</u>	Total <u>June 30, 2013</u>
REVENUES:			
Program Revenues:			
Charges For Services	\$ 2,842,740	\$ 702,666	\$ 3,545,406
Operating Grants and Contributions	324,581		324,581
Capital Grants and Contributions	574,271	152,428	726,699
General Revenues:			
Taxes	11,412,049		11,412,049
Intergovernmental	2,862,918		2,862,918
Other	<u>1,274,607</u>	<u>17,208</u>	<u>1,291,815</u>
Total Revenues	<u>19,291,166</u>	<u>872,302</u>	<u>20,163,468</u>
EXPENSES:			
General Government	3,987,100		3,987,100
Public Safety	9,180,547		9,180,547
Judicial	778,385		778,385
Health and Welfare	195,924		195,924
Culture and Recreation	312,866		312,866
Community Support	485,199		485,199
Highways & Streets	2,313,826		2,313,826
Water and Sewer	<u>0</u>	<u>650,271</u>	<u>650,271</u>
Total Expenses	<u>17,258,847</u>	<u>650,271</u>	<u>17,904,118</u>
Changes In Net Assets	2,037,319	222,031	2,259,350
Net Assets - beginning	<u>22,373,833</u>	<u>6,202,058</u>	<u>28,575,891</u>
Net Assets - ending	<u>\$ 24,411,152</u>	<u>\$ 6,424,089</u>	<u>\$30,835,241</u>

Revenues in the General Fund were \$10,928,991 which was \$329,774 more than the amount budgeted. Actual revenue exceeded budgeted amounts in all budget categories except taxes. Actual expenditures were \$8,703,384, which was \$707,068 less than appropriations for the year. Overall, the total ending fund balance was \$7,433,142 which is \$1,661,991 more than budgeted. Of the \$7,433,142 ending fund balances \$0 was designated as an opening fund balance on July 1, 2013 and \$0 was reserved on July 1, 2013.

### PERCENT TOTALS - ALL FUNDS



**Business Type Activities.** Business-type activities increased Storey County’s net assets by \$69,603. Depreciation expense for the current fiscal year was \$146,197.

**Financial Analysis of the Government’s Funds.** As noted earlier, Storey County uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

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

**Budgetary Highlights-Fiscal Year June 30, 2013.** The budget statements reflect a comparison of budgeted revenues and expenditures to actual for the year ended June 30, 2013. The budget statements were prepared from the final budget as filed with the Nevada Department of Taxation. Budget revenues and expenditures were adjusted for grants received in excess of original amounts budgeted. Augmentations and line item transfers were made during the year as approved by the Storey County Commissioners.

The General Fund revenues were more than expectations by \$329,774, leaving a fund balance of \$7,433,142.

General Fund budget information can be found on pages 16 through 20.

**Capital Assets.** Storey County’s investment in capital assets for its governmental and business type activities as of June 30, 2013 amounts to \$57,838,860 (net of accumulated depreciation). This investment in capital assets includes land, buildings, and system, improvements, machinery and equipment, park facilities, roads, and bridges.

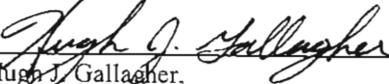
STOREY COUNTY NEVADA  
CAPITAL ASSETS  
JUNE 30, 2013

	Governmental Activities <u>June 30, 2013</u>	Business Type Activities <u>June 30, 2013</u>	Total <u>June 30, 2013</u>
Land	\$ 387,759		\$ 387,759
Antique Furniture	75,000		75,000
Construction in Process	2,229,317		2,229,317
Buildings and Improvements	7,268,956		7,268,956
Improvements other than Buildings	929,406		929,406
Machinery and Equipment	1,505,417	\$ 149,586	1,655,003
Sewer and Water systems		5,638,955	5,638,955
Infrastructure	<u>39,654,464</u>		<u>39,654,464</u>
 Total	 <u>\$ 52,060,319</u>	 <u>\$ 5,788,541</u>	 <u>\$ 57,838,860</u>

**Other Highlights-Fiscal Year June 30, 2013.** On August 3, 2011, Storey County issued \$2,000,000 worth of General Obligation Bonds for the purpose of completing the Virginia and Truckee Railroad Tunnel #6 for the purpose of extending the railroad line to the old Freight Depot. Funds were received on December 28, 2011 with a payback period ending June 1, 2028. As of this date no construction has commenced due to construction bids which were deemed too expensive. However, minor bonds proceeds have been used for design and engineering costs. Attempts to solicit additional bids are in the process.

In December of 2000 Storey County entered into a Public-Private partnership with Tahoe Regional Industrial Center for the development of an industrial park. In April of 2011 Storey County agreed to accept expenses for infrastructure in the amount of \$46,850,563. In addition, a payment of \$2,400,000 was paid in accordance with the Developer Agreement. A payment of \$838,459 was made during the fiscal year ended June 30, 2013.

This financial report is designed to provide a general overview of Storey County, Nevada’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 financial information should be addressed to Storey County Comptroller, P.O. Box 432, Virginia City, Nevada 89440, telephone number (775)847-1006, e-mail [Hgallagher@StoreyCounty.org](mailto:Hgallagher@StoreyCounty.org)

  
 \_\_\_\_\_  
 Hugh J. Gallagher,  
 Comptroller

STOREY COUNTY, NEVADA  
STATEMENT OF NET ASSETS  
JUNE 30, 2013

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
<u>ASSETS</u>			
Cash	\$ 18,575,766	\$ 1,244,809	\$ 19,820,575
Accounts receivables (net allowance)	888,114	68,081	956,195
Taxes receivable	153,864		153,864
Inventory	5,593		5,593
Prepaid expenses		2,400	2,400
Capital assets - net of accumulated depreciation			
Land	387,759		387,759
Antique furniture	75,000		75,000
Construction in progress	2,229,317		2,229,317
Buildings and improvements	7,268,956		7,268,956
Improvements other than buildings	929,406		929,406
Utility system		5,638,955	5,638,955
Machinery and equipment	1,505,417	149,586	1,655,003
Infrastructure	39,654,464		39,654,464
Total Assets	<u>\$ 71,673,656</u>	<u>\$ 7,103,831</u>	<u>\$ 78,777,487</u>
<u>LIABILITIES AND FUND BALANCES</u>			
Accounts payable and other current liabilities	\$ 1,262,823	\$ 65,086	\$ 1,327,909
Non-current liabilities			
Bonds/Notes payable - due within one year	155,689	57,558	213,247
- due in more than one year	1,888,086	557,098	2,445,184
Compensated absences - due in more than one year	150,186		150,186
Other non-current liabilities	193,615		193,615
Infrastructure loan	43,612,105		43,612,105
Total Liabilities	<u>\$ 47,262,504</u>	<u>\$ 679,742</u>	<u>\$ 47,942,246</u>
<u>NET ASSETS</u>			
Invested in capital assets - net of related debt	\$ 8,002,439	\$ 5,173,885	\$ 13,176,324
Unrestricted	16,408,713	1,250,204	17,658,917
Total Net Assets	<u>\$ 24,411,152</u>	<u>\$ 6,424,089</u>	<u>\$ 30,835,241</u>

The notes to financial statements are  
an integral part of this statement.

STOREY COUNTY, NEVADA  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2013

<u>FUNCTIONS/PROGRAMS</u>	<u>EXPENSES</u>	<u>PROGRAM REVENUES</u>		
		<u>CHARGES FOR SERVICES</u>	<u>OPERATING GRANTS AND CONTRIBUTIONS</u>	<u>CAPITAL GRANTS AND CONTRIBUTIONS</u>
Primary government:				
Governmental activities:				
General government	\$ 3,987,100	\$ 1,628,145	\$ 140,607	\$ 29,271
Public safety	9,180,547	1,112,497	29,025	244,809
Judicial	778,385			165,253
Health and Welfare	195,924			
Culture and recreation	312,866	250	54,397	60,645
Community support	485,199		100,552	
Highways and streets	2,313,826	101,848		74,293
Total Governmental Activities	17,253,847	2,842,740	324,581	574,271
Business type activities:				
Water	418,211	488,198		
Sewer	232,060	214,468		
Total Business-Type Activities	650,271	702,666		
Total Primary Government	\$ 17,904,118	\$ 3,545,406	\$ 324,581	\$ 574,271

The notes to financial statements are  
an integral part of this statement.

STOREY COUNTY, NEVADA  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2013

<u>FUNCTIONS/PROGRAMS</u>	NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS		
	GOVERNMENTAL ACTIVITIES	BUSINESS TYPE ACTIVITIES	TOTAL
Primary government:			
Governmental activities:			
General government	\$ (2,189,077)		\$ (2,189,077)
Public safety	(7,794,216)		(7,794,216)
Judicial	(613,132)		(613,132)
Health and Welfare	(195,924)		(195,924)
Culture and recreation	(197,574)		(197,574)
Community support	(384,647)		(384,647)
Highways and streets	(2,137,685)		(2,137,685)
Total Governmental Activities	(13,512,255)		(13,512,255)
Business type activities:			
Water		\$ 69,987	69,987
Sewer		(17,592)	(17,592)
Total Business-Type Activities		52,395	52,395
Total Primary Government	(13,512,255)	52,395	(13,459,860)
General revenues:			
Property Taxes	11,412,049		11,412,049
Various State Collected Pass-Through Revenues	2,862,918		2,862,918
Interest Earnings	41,232	5,208	46,440
Loan Proceeds	28,782		28,782
Transfer in from Virginia City			
Convention and Tourism Authority	632,335		632,335
Prior Period Adjustment	24,000		24,000
Miscellaneous Revenue	548,258	12,000	560,258
Capital Contributions and Grants	0	152,428	152,428
Total General Revenues	15,549,574	169,636	15,719,210
Change in Net Assets	2,037,319	222,031	2,259,350
Net Assets - beginning	22,373,833	6,202,058	28,575,891
Net Assets - ending	\$ 24,411,152	\$ 6,424,089	\$ 30,835,241

The notes to financial statements are  
an integral part of this statement.

STOREY COUNTY, NEVADA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2013

	GENERAL	ROAD FUND	FIRE FUND	TRI-PAYBACK FUND	VCTC FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
<u>ASSETS</u>							
Cash	\$ 8,048,875	\$ 1,135,078	\$ (111,924)	\$ 2,109,894	\$ 660,517	\$ 6,733,326	\$ 18,575,766
Accounts receivable (net allowance)	226,576	83,066	435,388		6	143,078	888,114
Taxes receivable	109,919		28,141			15,804	153,864
Inventory					5,593		5,593
<b>Total Assets</b>	<b>\$ 8,385,370</b>	<b>\$ 1,218,144</b>	<b>\$ 351,605</b>	<b>\$ 2,109,894</b>	<b>\$ 666,116</b>	<b>\$ 6,892,208</b>	<b>\$ 19,623,337</b>
<u>LIABILITIES AND FUND BALANCES</u>							
Liabilities							
Accounts payable	\$ 130,303	\$ 3,496	\$ 82,683	\$ 0	\$ 26,678	\$ 347,663	\$ 590,823
Accrued expenses	391,030	48,594	218,924		13,452		672,000
Deferred revenue	150,895		20,337		10,962	11,421	193,615
Note payable	280,000						280,000
<b>Total Liabilities</b>	<b>952,228</b>	<b>52,090</b>	<b>321,944</b>	<b>0</b>	<b>51,092</b>	<b>359,084</b>	<b>1,736,438</b>
<u>FUND BALANCES</u>							
Unassigned reported in:							
General fund	7,433,142						7,433,142
Capital projects funds						3,654,169	3,654,169
Special revenue funds		1,166,054	29,661	2,109,894	615,024	2,878,955	6,799,588
<b>Total Fund Balances</b>	<b>7,433,142</b>	<b>1,166,054</b>	<b>29,661</b>	<b>2,109,894</b>	<b>615,024</b>	<b>6,533,124</b>	<b>17,886,899</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 8,385,370</b>	<b>\$ 1,218,144</b>	<b>\$ 351,605</b>	<b>\$ 2,109,894</b>	<b>\$ 666,116</b>	<b>\$ 6,892,208</b>	<b>\$ 19,623,337</b>

The notes to financial statements are  
an integral part of this statement.

STOREY COUNTY, NEVADA  
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET ASSETS  
JUNE 30, 2013

Total Fund Balance - government funds - page 11	\$ 17,886,899
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets net of related depreciation are not reported in the Governmental Funds financial statements because they are not current financial resources, but they are reported in the statement of net assets	52,050,319
Long term liabilities are not due and payable in the current period and therefore are not reported in the funds.	<u>(45,526,055)</u>
Total Net Assets - governmental activities - page 8	<u>\$ 24,411,152</u>

The notes to financial statements are  
an integral part of this statement.

STOREY COUNTY, NEVADA  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2013

	GENERAL	ROAD FUND	FIRE FUND	TRI-PAYBACK FUND	VCTC FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
<u>REVENUES</u>							
Taxes	\$ 7,963,566		\$ 2,037,275	\$ 3,913		\$ 1,407,295	\$ 11,412,049
Licenses and permits	648,379		23,307		\$ 49,984		721,670
Intergovernmental	1,329,289	\$ 441,212	851,860		316,236	823,173	3,761,770
Charges for services	773,045	101,848	1,089,190		85,741	71,246	2,121,070
Fines and forfeitures	14,877					85,505	100,382
Miscellaneous	199,835	21,330	72,877		18,385	176,681	489,108
Total Revenues	<u>10,928,991</u>	<u>564,390</u>	<u>4,074,509</u>	<u>3,913</u>	<u>470,346</u>	<u>2,563,900</u>	<u>18,606,049</u>
<u>EXPENDITURES</u>							
Current:							
General government	3,605,312			838,459	487,657	162,415	5,093,843
Public safety	3,622,191		3,961,204			1,559,327	9,142,722
Judicial	775,325					3,060	778,385
Health and welfare	46,087					149,837	195,924
Culture and recreation	140,308					151,743	292,051
Community service	485,199						485,199
Highways and streets		663,884					663,884
Intergovernmental						278,086	278,086
Debt Service	28,962					288,701	317,663
Total Expenditures	<u>8,703,384</u>	<u>663,884</u>	<u>3,961,204</u>	<u>838,459</u>	<u>487,657</u>	<u>2,593,169</u>	<u>17,247,757</u>
Excess (deficiency) of revenues over expenditures	<u>2,225,607</u>	<u>(99,494)</u>	<u>113,305</u>	<u>(834,546)</u>	<u>(17,311)</u>	<u>(29,269)</u>	<u>1,358,292</u>

The notes to financial statements are  
an integral part of this statement.

STOREY COUNTY, NEVADA  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2013

	<u>GENERAL</u>	<u>ROAD FUND</u>	<u>FIRE FUND</u>	<u>TRI-PAYBACK FUND</u>	<u>VCTC FUND</u>	<u>OTHER GOVERNMENTAL FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>							
Transfers in	25,291	283,293	12,000	1,133,062	632,335		2,085,981
Transfers out	(1,012,702)		(238,083)			(202,861)	(1,453,646)
Short term loan (payments) proceeds							0
Bond proceeds						28,782	28,782
Bond interest							0
Prior period adjustment	24,000						24,000
Total Other Financing Sources (Uses)	<u>(963,411)</u>	<u>283,293</u>	<u>(226,083)</u>	<u>1,133,062</u>	<u>632,335</u>	<u>(174,079)</u>	<u>685,117</u>
Net change in fund balance	1,262,196	183,799	(112,778)	298,516	615,024	(203,348)	2,043,409
Fund balance - beginning	<u>6,170,946</u>	<u>982,255</u>	<u>142,439</u>	<u>1,811,378</u>	<u>0</u>	<u>6,736,472</u>	<u>15,843,490</u>
Fund balance - ending	<u>\$ 7,433,142</u>	<u>\$ 1,166,054</u>	<u>\$ 29,661</u>	<u>\$ 2,109,894</u>	<u>\$ 615,024</u>	<u>\$ 6,533,124</u>	<u>\$ 17,886,899</u>

The notes to financial statements are  
an integral part of this statement.

STOREY COUNTY, NEVADA  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2013

Net change in fund balances - governmental funds, page 14	\$ 2,043,409
Amounts reported for governmental activities in the statement of activities are different because:	
Capital outlays to purchase capital assets are reported in governmental funds as expenditures. However, those costs are shown in the statement of net assets and allocated over their estimated useful lives as depreciation expense in the statement of activities. This is the amount by which net capital outlays exceeded depreciation in the current period.	(840,278)
Net long-term receipts and payments reported in governmental funds as expenditures	838,459
Some expenses in the statement of activities do not require the use of current financial resources and therefore, are not reported as expenditures in governmental funds	<u>(4,271)</u>
Change in net assets of governmental activities, page 10	<u>\$ 2,037,319</u>

The notes to financial statements are  
an integral part of this statement

STOREY COUNTY, NEVADA  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2013

	ORIGINAL AND FINAL BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<u>REVENUES</u>			
Taxes:			
Property	\$ 8,103,528	\$ 7,942,480	\$ (161,048)
Youth Services	21,484	21,086	(398)
Total Taxes	<u>8,125,012</u>	<u>7,963,566</u>	<u>(161,446)</u>
Licenses and permits:			
Merchandise licenses	120,000	105,505	(14,495)
Prostitution licenses	75,000	71,139	(3,861)
Liquor licenses	0	190	190
Utility licenses	165,000	156,426	(8,574)
Franchise tax	60,000	62,129	2,129
Building permits & study	155,000	241,125	86,125
Special use permits	5,000	11,865	6,865
Other licenses	11,800	0	(11,800)
Total Licenses and Permits	<u>591,800</u>	<u>648,379</u>	<u>56,579</u>
Intergovernmental:			
Federal and state grants	30,429	30,564	135
Payment in lieu of taxes	30,000	35,261	5,261
State shared revenues:			
Cigarette tax	17,381	17,165	(216)
Liquor tax	5,113	5,221	108
Gaming licenses	0	137,099	137,099
Basic CCRT	305,497	327,685	22,188
Supplemental CCRT	451,116	459,698	8,582
Motor Vehicle Privilege Tax	250,540	261,513	10,973
Real Property Transfer Tax	46,108	55,083	8,975
Total Intergovernmental	<u>1,136,184</u>	<u>1,329,289</u>	<u>193,105</u>
Charges for Services:			
Clerk Fees	6,000	5,812	(188)
Recorder fees	30,000	32,543	2,543
Assessor fees/commissions	150,000	186,220	36,220
Building department fees	6,000	3,440	(2,560)
District Court fees	10,000	15,871	5,871
Justice court fees	9,000	11,201	2,201
JOP Court Facility fee	5,000	7,634	2,634
Sheriffs fees	35,000	30,336	(4,664)
Dog control	2,000	1,135	(865)
Swimming pool admissions/lessons	17,000	17,528	528
Park facilities fees	500	100	(400)
Import tonnage fees	350,000	372,969	22,969
IT Fees	75,721	85,451	9,730
Event fees	0	2,805	2,805
Total Charges for Services	<u>696,221</u>	<u>773,045</u>	<u>76,824</u>

The notes to financial statements are  
an integral part of this statement.

STOREY COUNTY, NEVADA  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2013

	ORIGINAL AND FINAL BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<u>REVENUES (cont'd.)</u>			
Fines and Forfeits:			
District fine	1,000	782	(218)
Juvenile fines/assessments	2,000	1,790	(210)
Chemical analysis fees	2,500	2,399	(101)
Forfeits	0	9,906	9,906
Total Fines and Forfeits	<u>5,500</u>	<u>14,877</u>	<u>9,377</u>
Miscellaneous:			
Rents	30,500	31,416	916
Penalties - Taxes	0	103,982	103,982
Penalties - Business Licenses	1,000	935	(65)
Interest	10,000	35,770	25,770
Other	3,000	27,732	24,732
Total Miscellaneous	<u>44,500</u>	<u>199,835</u>	<u>155,335</u>
Total Revenues	<u>10,599,217</u>	<u>10,928,991</u>	<u>329,774</u>
<u>EXPENDITURES</u>			
General Government			
Commissioners:			
Salaries and wages	316,516	385,304	(68,788)
Employee benefits	161,096	155,432	5,664
Services and supplies	27,250	23,399	3,851
	<u>504,862</u>	<u>564,135</u>	<u>(59,273)</u>
Clerk Treasurer:			
Salaries and wages	161,395	170,223	(8,828)
Employee benefits	73,766	73,822	(56)
Services and supplies	57,088	38,045	19,043
Capital outlay	0	3,815	(3,815)
	<u>292,249</u>	<u>285,905</u>	<u>6,344</u>
Recorder:			
Salaries and wages	132,936	119,716	13,220
Employee benefits	68,622	53,880	14,742
Services and supplies	58,840	54,420	4,420
	<u>260,398</u>	<u>228,016</u>	<u>32,382</u>
Assessor:			
Salaries and wages	194,161	194,965	(804)
Employee benefits	89,515	80,853	8,662
Services and supplies	37,550	28,289	9,261
	<u>321,226</u>	<u>304,107</u>	<u>17,119</u>
Administrative:			
Salaries and wages	91,675	88,885	2,790
Employee benefits	154,429	157,843	(3,414)
Services and supplies	796,619	607,179	189,440
Capital outlay	9,000	1,331	7,669
	<u>1,051,723</u>	<u>855,238</u>	<u>196,485</u>

The notes to financial statements are  
an integral part of this statement.

STOREY COUNTY, NEVADA  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2013

<u>EXPENDITURES</u>	<u>ORIGINAL AND FINAL BUDGETED AMOUNTS</u>	<u>ACTUAL AMOUNTS</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
<u>General Government (contd.)</u>			
<u>Building and Grounds:</u>			
Salaries and wages	127,213	111,489	15,724
Employee benefits	76,549	55,347	21,202
Services and supplies	173,510	144,578	28,932
	<u>377,272</u>	<u>311,414</u>	<u>65,858</u>
<u>Planning Commission:</u>			
Salaries and wages	147,338	139,444	7,894
Employee benefits	54,315	49,011	5,304
Services and supplies	31,800	22,236	9,564
	<u>233,453</u>	<u>210,691</u>	<u>22,762</u>
<u>Service:</u>			
Salaries and wages	140,234	132,321	7,913
Employee benefits	64,024	47,999	16,025
Services and supplies	51,131	52,383	(1,252)
	<u>255,389</u>	<u>232,703</u>	<u>22,686</u>
<u>Comptroller:</u>			
Salaries and wages	172,298	173,794	(1,496)
Employee benefits	61,924	58,424	3,500
Services and supplies	63,000	45,656	17,344
Capital outlay	3,000	317	2,683
	<u>300,222</u>	<u>278,191</u>	<u>22,031</u>
<u>Information technology:</u>			
Salaries and wages	178,256	182,711	(4,455)
Employees benefits	78,016	79,563	(1,547)
Services and supplies	38,650	36,550	2,100
Capital outlay	40,000	36,088	3,912
	<u>334,922</u>	<u>334,912</u>	<u>10</u>
Total General Government	<u>3,931,716</u>	<u>3,605,312</u>	<u>326,404</u>
<u>Judicial:</u>			
<u>District Attorney:</u>			
Salaries and wages	252,758	230,334	22,424
Employee benefits	116,210	88,663	27,547
Services and supplies	92,600	78,298	14,302
Capital outlay	14,500	7,111	7,389
	<u>476,068</u>	<u>404,406</u>	<u>71,662</u>
<u>District Court:</u>			
Services and supplies	139,417	107,847	31,570
	<u>139,417</u>	<u>107,847</u>	<u>31,570</u>

The notes to financial statements are  
an integral part of this statement.

STOREY COUNTY, NEVADA  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2013

EXPENDITURES	ORIGINAL AND FINAL BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
Judicial (contd.)			
Justice of the Peace:			
Salaries and wages	151,904	162,124	(10,220)
Employee benefits	73,530	76,194	(2,664)
Services and supplies	33,222	24,754	8,468
Capital outlay	1,000	0	1,000
	<u>259,656</u>	<u>263,072</u>	<u>(3,416)</u>
 Total Judicial	 <u>875,141</u>	 <u>775,325</u>	 <u>99,816</u>
 Public Safety:			
Sheriff:			
Salaries and wages	1,398,309	1,334,148	64,161
Employee benefits	825,315	736,970	88,345
Services and supplies	277,050	298,814	(21,764)
Capital outlay	105,000	66,877	38,123
	<u>2,605,674</u>	<u>2,436,809</u>	<u>168,865</u>
 Community Development			
Salaries and wages	241,492	236,697	4,795
Employee benefits	107,807	101,755	6,052
Services and supplies	34,875	31,340	3,535
	<u>384,174</u>	<u>369,792</u>	<u>14,382</u>
 Emergency Management:			
Salaries and wages	80,704	83,359	(2,655)
Employee benefits	41,491	35,291	6,200
Services and supplies	11,400	8,600	2,800
	<u>133,595</u>	<u>127,250</u>	<u>6,345</u>
 Communications			
Salaries and wages	482,589	424,144	58,445
Employee benefits	197,145	171,814	25,331
Services and supplies	66,700	62,530	4,170
Capital outlay	40,000	29,852	10,148
	<u>786,434</u>	<u>688,340</u>	<u>98,094</u>
 Total Public Safety	 <u>3,909,877</u>	 <u>3,622,191</u>	 <u>287,686</u>
 Health:			
Home Health:			
Services and supplies	72,507	46,087	26,420
 Culture and Recreation:			
Swimming Pools & Parks			
Salaries and wages	51,846	54,917	(3,071)
Employee benefits	15,706	11,106	4,600
Services and supplies	56,620	74,285	(17,665)
	<u>124,172</u>	<u>140,308</u>	<u>(16,136)</u>

The notes to financial statements are  
an integral part of this statement.

STOREY COUNTY, NEVADA  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2013

	<u>ORIGINAL AND FINAL BUDGETED AMOUNTS</u>	<u>ACTUAL AMOUNTS</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
Total Culture and Recreation	124,172	140,308	(16,136)
Community Service			
Salaries and wages	87,724	100,091	(12,367)
Employee benefits	38,872	33,524	5,348
Services and supplies	353,700	351,584	2,116
Total Community Support	480,296	485,199	(4,903)
Debt Service:			
Principle	15,983	15,637	346
Interest	760	13,325	(12,565)
Total Debt Service	16,743	28,962	(12,219)
 Total Expenditures	 9,410,452	 8,703,384	 707,068
Excess (Deficiency) of Revenue over Expenditures	1,188,765	2,225,607	1,036,842
Other Financing Sources (Uses)			
Transfers in	25,291	25,291	0
Transfers out	(1,012,702)	(1,012,702)	0
Contingency	(282,314)	0	282,314
Prior period adjustment	0	24,000	24,000
Total Other Financing Sources (Uses)	(1,269,725)	(963,411)	306,314
Net Change in Fund Balance	(80,960)	1,262,196	1,343,156
Fund balance - beginning	5,852,111	6,170,946	318,835
Fund balance - ending	<u>\$ 5,771,151</u>	<u>\$ 7,433,142</u>	<u>\$ 1,661,991</u>

The notes to financial statements are  
an integral part of this statement.

STOREY COUNTY, NEVADA  
ROADS SPECIAL REVENUE FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30,2013

	ORIGINAL AND FINAL BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<u>REVENUE</u>			
Intergovernmental			
Gasoline tax	\$ 145,951	\$ 158,842	\$ 12,891
Supplemental CCRT	281,947	282,370	423
Intergovernmental agreement			
Charges for services			
Import tonnage fees	96,000	101,848	5,848
Other revenue			
Interest	1,000	4,464	3,464
Miscellaneous	1,000	16,866	15,866
Total Revenue	<u>525,898</u>	<u>564,390</u>	<u>38,492</u>
<u>EXPENDITURES</u>			
Highways and streets			
Salaries and wages	301,860	270,773	31,087
Employee benefits	121,465	97,618	23,847
Services and supplies	89,695	104,965	(15,270)
Capital outlay	472,184	107,206	364,978
Debt service			
Principal	74,286	74,286	0
Interest	9,007	9,036	(29)
Total Expenditures	<u>1,068,497</u>	<u>663,884</u>	<u>404,613</u>
Excess (deficiency) of revenues over expenditures	(542,599)	(99,494)	443,105
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers	<u>283,293</u>	<u>283,293</u>	<u>0</u>
Excess (deficiency) of revenues and other financing sources over expenditures	(259,306)	183,799	443,105
Fund balance - beginning	<u>640,864</u>	<u>982,255</u>	<u>341,391</u>
Fund balance - ending	<u>\$ 381,558</u>	<u>\$ 1,166,054</u>	<u>\$ 784,496</u>

The notes to financial statements are  
an integral part of this statement.

STOREY COUNTY, NEVADA  
FIRE SPECIAL REVENUE FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2013

	ORIGINAL BUDGETED AMOUNTS	FINAL BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<u>REVENUE</u>				
Taxes				
Property	\$ 2,074,814	\$ 2,074,814	\$ 2,037,275	\$ (37,539)
Intergovernmental revenues				
Supplemental CCRT	750,871	750,871	851,860	100,989
Licenses and permits				
Ambulance program & license fees	9,500	9,500	23,307	13,807
Charges for services				
Fire/ambulance fees	265,000	265,000	311,619	46,619
Inspection fees	136,658	136,658	74,214	(62,444)
Fire billing	230,000	614,566	697,182	82,616
Special events	8,000	8,000	6,175	(1,825)
Other revenue				
Miscellaneous - other	0	0	72,877	72,877
Total Revenues	<u>3,474,843</u>	<u>3,859,409</u>	<u>4,074,509</u>	<u>215,100</u>
<u>EXPENDITURES</u>				
Public Safety				
Salaries and wages	1,829,299	1,882,656	2,149,529	(266,873)
Employee benefits	1,196,238	1,196,238	1,106,765	89,473
Services and supplies	276,327	603,536	667,851	(64,315)
Capital outlay	34,000	38,000	37,059	941
Total Expenditures	<u>3,335,864</u>	<u>3,720,430</u>	<u>3,961,204</u>	<u>(240,774)</u>
Excess (deficiency) of revenue over expenditures	138,979	138,979	113,305	(25,674)
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfer In	12,000	12,000	12,000	0
Transfer Out	<u>(238,083)</u>	<u>(238,083)</u>	<u>(238,083)</u>	<u>0</u>
Excess (deficiency) of revenue and other financing sources (uses) over expenditures	(87,104)	(87,104)	(112,778)	(25,674)
Fund balance - beginning	<u>348,675</u>	<u>348,675</u>	<u>142,439</u>	<u>(206,236)</u>
Fund balance - ending	<u>\$ 261,571</u>	<u>\$ 261,571</u>	<u>\$ 29,661</u>	<u>\$ (231,910)</u>

The notes to financial statements are  
an integral part of this statement.

STOREY COUNTY, NEVADA  
 TRI PAYBACK FUND  
 SCHEDULE OF REVENUES AND EXPENSES - BUDGET AND ACTUAL  
 AND CHANGES IN FUND BALANCES  
 FOR THE YEAR ENDED JUNE 30, 2013

	ORIGINAL AND FINAL BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<u>REVENUES</u>			
Taxes			
Property	\$ 0	\$ 3,913	\$ 3,913
<u>EXPENDITURES</u>			
General government			
Tri Payback	1,133,062	838,459	294,603
Excess (deficiency) of revenue over expenditures	(1,133,062)	(834,546)	298,516
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers in	1,133,062	1,133,062	0
Excess (deficiency) of revenue and other financing sources (uses) over expenditure	0	298,516	298,516
Fund balance - beginning	0	1,811,378	1,811,378
Fund balance - ending	<u>\$ 0</u>	<u>\$ 2,109,894</u>	<u>\$ 2,109,894</u>

The notes to financial statements are  
 an integral part of this statement.

STOREY COUNTY, NEVADA  
 VIRGINIA CITY TOURISM COMMISSION SPECIAL REVENUE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2013

	ORIGINAL AND FINAL BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<u>REVENUES</u>			
Licenses and permits			
Licenses - permits	\$ 42,600	\$ 49,984	\$ 7,384
Intergovernmental			
State licenses	2,300	3,605	1,305
Room tax	150,000	129,678	(20,322)
Tourism tax	150,000	155,453	5,453
State grants	0	27,500	27,500
Charges for services			
Special events (net)	8,000	33,223	25,223
CAP service change (net)	7,000	52,518	45,518
Miscellaneous			
Interest	1,000	697	(303)
Contributions	4,000	4,658	658
Miscellaneous	560,500	13,030	(547,470)
Total Revenues	<u>925,400</u>	<u>470,346</u>	<u>(455,054)</u>
<u>EXPENDITURES</u>			
General government			
Salaries and wages	161,663	166,963	(5,300)
Benefits	74,532	66,581	7,951
Services and supplies	250,568	245,461	5,107
Capital outlay	25,000	8,652	16,348
Total Expenditures	<u>511,763</u>	<u>487,657</u>	<u>24,106</u>
Excess (deficiency) of revenues over expenditures	413,637	(17,311)	(430,948)
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfer from VCCTA	0	632,335	632,335
Fund balance - ending	<u>\$ 413,637</u>	<u>\$ 615,024</u>	<u>\$ 201,387</u>

The notes to financial statements are  
an integral part of this statement.

STOREY COUNTY, NEVADA  
 PROPRIETARY FUNDS  
 STATEMENT OF NET ASSETS  
 JUNE 30, 2013

	BUSINESS-TYPE ENTERPRISE FUNDS		
	WATER SYSTEM	VIRGINIA DIVIDE SEWER	TOTAL
<u>ASSETS</u>			
Current Assets			
Cash	\$ 1,063,605	\$ 181,204	\$ 1,244,809
Accounts receivable (net allowance)	48,258	19,823	68,081
Prepaid expenses	2,400	0	2,400
Total Current Assets	<u>1,114,263</u>	<u>201,027</u>	<u>1,315,290</u>
Noncurrent Assets			
Capital assets - net of accumulated depreciation	<u>5,094,522</u>	<u>694,019</u>	<u>5,788,541</u>
Total Assets	<u>\$ 6,208,785</u>	<u>\$ 895,046</u>	<u>\$ 7,103,831</u>
<u>LIABILITIES</u>			
Current Liabilities			
Accounts payable	\$ 19,499	\$ 4,752	\$ 24,251
Refundable deposits	13,236	0	13,236
Bonds payable - current portion	52,000	5,558	57,558
Accrued expenses	7,570	7,334	14,904
Accrued interest	12,695	0	12,695
Total Current Liabilities	<u>105,000</u>	<u>17,644</u>	<u>122,644</u>
Long Term Liabilities			
Bonds payable - net of current portion	<u>510,555</u>	<u>46,543</u>	<u>557,098</u>
<u>NET ASSETS</u>			
Invested in capital assets - net of related debt	4,531,967	641,918	5,173,885
Unassigned	<u>1,061,263</u>	<u>188,941</u>	<u>1,250,204</u>
Total Net Assets	<u>\$ 5,593,230</u>	<u>\$ 830,859</u>	<u>\$ 6,424,089</u>

The notes to financial statements are  
 an integral part of this statement.

STOREY COUNTY, NEVADA  
 PROPRIETARY FUNDS  
 STATEMENT OF REVENUES AND EXPENSES  
 AND CHANGE IN NET ASSETS  
 FOR THE YEAR ENDED JUNE 30, 2013

	BUSINESS-TYPE ENTERPRISE FUNDS		
	WATER SYSTEM	VIRGINIA DIVIDE SEWER	TOTAL
<u>OPERATING REVENUES</u>			
Charges for services	\$ 488,198	\$ 214,468	\$ 702,666
<u>OPERATING EXPENSES</u>			
Salaries and wages	81,343	73,925	155,268
Benefits	34,267	29,842	64,109
Services and supplies	171,965	83,542	255,507
Depreciation	104,235	41,962	146,197
Total Operating Expense	391,810	229,271	621,081
Operating Income (Loss)	96,388	(14,803)	81,585
<u>NONOPERATING REVENUES (EXPENSES)</u>			
Rent and miscellaneous	12,000	0	12,000
Interest income	4,214	994	5,208
Interest expense	(26,401)	(2,789)	(29,190)
Total Nonoperating Revenues (Expenses)	(10,187)	(1,795)	(11,982)
Change in net assets	86,201	(16,598)	69,603
Net assets - beginning	5,507,029	695,029	6,202,058
Net assets - ending	\$ 5,593,230	\$ 678,431	\$ 6,271,661

The notes to financial statements are  
 an integral part of this statement.

STOREY COUNTY, NEVADA  
 PROPRIETARY FUNDS  
 STATEMENT OF CASH FLOWS  
 FOR THE YEAR ENDED JUNE 30, 2013

	BUSINESS-TYPE ENTERPRISE FUNDS		
	WATER SYSTEM	VIRGINIA DIVIDE SEWER	TOTALS
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Cash Inflows			
Sales of water/sewer fees	\$ 484,141	\$ 213,869	\$ 698,010
Cash Outflows			
Salaries and wages	(80,136)	(72,073)	(152,209)
Salary costs	(33,750)	(29,843)	(63,593)
Services and supplies	(165,010)	(83,992)	(249,002)
Prepaid Expenses	(2,400)	0	(2,400)
Net Cash Provided (Used) by Operating Activities	<u>202,845</u>	<u>27,961</u>	<u>230,806</u>
<u>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</u>			
Cash Inflows			
Rent	12,000	0	12,000
Customer deposits	(1,229)	0	(1,229)
Net Cash Provided by Non-Capital Financing Activities	<u>10,771</u>	<u>0</u>	<u>10,771</u>
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>			
Cash Inflows			
Capital contributions	0	152,428	152,428
Cash Outflows			
Capital outlay	(13,399)	(240,902)	(254,301)
Debt service	(26,911)	(5,287)	(32,198)
Interest expense	(14,431)	(2,789)	(17,220)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(54,741)</u>	<u>(96,550)</u>	<u>(151,291)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Cash Inflows			
Interest earnings	4,308	1,020	5,328
Net Increase (Decrease) in Cash	163,183	(67,569)	95,614
Cash - beginning	<u>900,422</u>	<u>248,773</u>	<u>1,149,195</u>
Cash - ending	<u>\$ 1,063,605</u>	<u>\$ 181,204</u>	<u>\$ 1,244,809</u>

The notes to financial statements are  
 an integral part of this statement.

STOREY COUNTY, NEVADA  
STATEMENT OF FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
JUNE 30, 2013

	<u>AGENCY FUNDS</u>
<u>ASSETS</u>	
Cash and cash equivalents	<u>\$          84,550</u>
<u>LIABILITIES</u>	
Due to other governments	<u>\$          84,550</u>
Net Assets	<u>\$              0</u>

The notes to financial statements are  
an integral part of this statement.

STOREY COUNTY, NEVADA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2013

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. REPORTING ENTITY

Storey County, Nevada, a local government created under the provisions of Nevada Revised Statutes 243.110 is governed by an elected three-member board of commissioners. As required by generally accepted accounting principles, these financial statements present the government 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 government's operations and so data from these units are combined with data of the primary government.

*Blended Component Units* - The Virginia Divide Sewer Improvement District is under the direct oversight of the Storey County Board of Commissioners. The rates for users charges and bond issuance authorizations are approved by the County Commissioners, and the legal liability for the Virginia Divide Sewer District's debt remains with Storey County. The District is reported as an enterprise fund.

The governing body for the towns of Virginia City and Gold Hill is the board of County Commissioners of Storey County. The county personnel provide essentially all services for both Virginia City and Gold Hill. These towns are reported as special revenue funds.

The Board of County Commissioners directly appoints the governing board of the Virginia City Tourism Commission (VCTC). The county personnel provides essentially all services, accounting, budgeting and other record keeping for the commission. The VCTC has elected to be reported as a major fund (Special Revenue) in the County financial statements.

*Excluded from the reporting entity* - Storey County Schools, Storey County Senior Center, and Canyon General Improvement District.

These potential component units have separate elected or appointed boards and provide services to residents, generally within the geographic boundaries of the government. These potential component units are excluded from the reporting entity because the government does not have the ability to exercise influence over their daily operations, approve budgets, or provide funding.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The Government-Wide Financial Statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of 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.

The statement of activities demonstrates the degrees 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*.

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 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 revenue 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. Gross receipts and sales taxes are considered “measurable” when in the hands of intermediary collecting agents or governments. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 60 days after the end of the current fiscal period. Anticipated refunds of taxes are recorded as liabilities and reductions of revenue when they are measurable and the payment seems certain. Expenditures are generally 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, franchise taxes, licenses, 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. All other revenue items are considered to be measurable and available only when cash is received by the County.

The government reports the following major governmental funds:

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

The *Fire Special Revenue Fund* accounts for money received primarily from intergovernmental sources. Expenditures are for County fire protection including the purchase of machinery and equipment to provide such services.

The *Tri Payback Fund* accounts for monies which shall be required to be paid back to the developers of the Tahoe-Reno Industrial Center as detailed in Note XVII.

The *Road Special Revenue Fund* accounts for money received primarily from gasoline taxes and other intergovernmental sources. Expenditures are for the construction and maintenance of County roads and bridges, and other road related infrastructure and the purchase of machinery and equipment required to do such work. (Elected to be reported as major fund.)

The *Virginia City Tourism Commission Special Revenue Fund* promotes tourism for Storey County and Virginia City through advertising and promotion of special events and attractions located within the County. (Elected to be reported as a major fund)

The government reports the following major proprietary funds:

The *Water System Fund* accounts for the activities of the Virginia City/Gold Hill water distribution system.

The *Virginia Divide Sewer System Fund* accounts for the operations of the sewage treatment plant, pumping stations and collection systems.

As a general rule the effect of interfund activity has been eliminated from the Government-Wide Financial Statements. Exceptions to this general rule are charges between the governments water and sewer functions. Eliminations of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as *Program Revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as *General Revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services or producing and delivering goods in connection with the proprietary funds’ principal ongoing operations. Revenue and expense not meeting this definition are reported as nonoperating revenues and expenses.

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

### 1. DEPOSITS AND INVESTMENTS

The government's cash and cash equivalents are considered to be cash on hand, demand deposits, short term investments with original maturities of three months or less from the date of acquisition, and the State Treasurer's investment pool. Investments are reported at fair value.

### 2. 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 "due to/from other funds".

All trade receivables are shown net of an allowance for uncollectibles. No allowance is recorded for property tax receivables. Property taxes are levied as of July 1 on property values assessed on the same date. The tax levy may be paid in four installments by the third Monday in August, and the first Monday in October, January and March. There is a ten day grace period allowed for each installment. Penalties and interest are assessed on all delinquent collections. Liens are filed on the property at one year's delinquency.

### 3. INVENTORIES AND PREPAID ITEMS

No inventories are maintained by the government for either operating or office supplies. These items are recorded as expenditures when purchased, rather than when consumed.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

### 4. RESTRICTED ASSETS

The County has no restricted assets as June 30, 2013.

### 5. CAPITAL ASSETS

Capital assets, which include property, plant, equipment, and infrastructure (i.e., roads, bridges, sidewalks, storm drains, 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 government as assets with an initial, individual cost of more than \$3000 (amount not rounded) and an estimated useful life in excess of two years. 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 cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized in proprietary funds as projects are constructed. Interest incurred during the construction phase of proprietary fund fixed assets is reflected in the capitalized value of the asset constructed, net of interest earned on the invested proceeds over the same period.

Property, plant and equipment are depreciated in the proprietary funds using the straight line method over the following useful lives:

<u>ASSETS</u>	<u>YEARS</u>
Public and System Infrastructure	20-100
Vehicles	5-10
Office Equipment	5-10
Equipment	10-20
Buildings	75-100
Building Improvements	35-50
Computer Equipment	5
Furniture and Fixtures	7-10

6. COMPENSATED ABSENCES

It is the government’s policy to permit employees to accumulate earned but unused vacation and sick pay benefits. Vested or accumulated vacation pay that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the fund that will pay it. Amounts of vested or accumulated vacation pay that are not expected to be liquidated with expendable available financial resources are reported as long term debt. No expenditure is reported for these amounts. No liability is recorded for nonvesting accumulating rights to receive sick pay benefits. However a liability is recognized for that portion of accumulated sick leave benefits that is required to be paid upon termination. All employees with a minimum accrued sick leave of 360 hours to a maximum of 960 hours (except for fire department - no maximum) shall be paid at retirement or termination of service, other than involuntary termination as follows:

<u>Years of Continuous Service</u>	<u>Other Employees Rate of Pay</u>	<u>Fire Department Rate of Pay</u>
5 years but less than 10 years	12.5¢ on the Dollar	20.0¢ on the Dollar
10 years but less than 15 years	25.0¢ on the Dollar	
10 years but less than 20 years		35.0¢ on the Dollar
15 years but less than 20 years	40.0¢ on the Dollar	
20 years or more	50.0¢ on the Dollar	50.0¢ on the Dollar

The maximum sick leave paid upon termination shall be \$5,000 for all employees except law enforcement and firemen.

Law Enforcement personnel:

Less than 10 years of service shall be paid at a rate of 20% of their base rate of pay for each hours, not to exceed \$1,500

10 to 20 years of service shall be paid at a rate of 40% of their base rate of pay for each hour, not to exceed \$2,500

More than 20 years of service shall be paid at a rate of 60% of their base rate of pay for each hour, not to exceed \$4,000

Firemen: 1,333 hrs. maximum for line employees  
952 hrs. maximum for 8 hr. employees

7. LONG-TERM OBLIGATIONS

In the Government-Wide Financial Statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities, business-type activities, or proprietary fund type statement of net assets.

The County currently has no long term bonds payable in the governmental funds. The revenue bonds reported in the proprietary fund-types incurred no bond premiums or discounts and therefore have no deferred charges or amortization.

The County has a long-term obligation relating to the Tahoe Reno Industrial Center (TRI) - see note XVII for details.

8. FUND EQUITY

In the fund financial statements, governmental funds report designations of fund balances for amounts which represent tentative management plans that are subject to change. The County has reserved \$ 0 of the general fund balance at July 1, 2013.

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

- A. The governmental fund balance sheet includes a reconciliation between *fund balance - total governmental funds and net assets - governmental activities* as reported in the government-wide statement of net assets. One element of that reconciliation explains that “long term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds. The details of this \$6,524,264 difference are as follows: Capital assets net of related depreciation are not reported in the Governmental Funds financial statements because they are not current financial resources, but they are reported in the statement of net assets - \$52,050,319. Long term liabilities are not due and payable in the current period and therefore are not reported in the funds, (\$45,526,055).

- B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities.

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances - total governmental funds and changes in net assets of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that "Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The details of this \$(6,090) difference are as follows: Capital outlays to purchase capital assets are reported in governmental funds as expenditures. However, those costs are shown in the statement of net assets and allocated over their estimated useful lives as depreciation expense in the statement of activities. This is the amount by which net capital outlays exceeded depreciation in the current period - \$(840,278). Net long-term receipts and payments reported in governmental funds as expenditures \$838,459. Some revenues and expenses in the statement of activities do not require the use of current financial resources and therefore, are not reported as expenditures in governmental funds - \$(4,271).

### III. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

#### A. BUDGETARY INFORMATION

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds.

The County follows these procedures in establishing the budgetary date reflected in the financial statements:

1. Prior to April 15, the County budget officer submits to the County Commissioners the tentative operating budgets (4) for the fiscal year commencing the following July 1. The operating budgets include proposed expenditures and the means of financing them.
2. The tentative budgets are filed with the State Department of Taxation by April 15.
3. A public hearing is conducted at the County Court House to obtain taxpayers comments. (3<sup>rd</sup> Monday in May)
4. The final budgets are adopted and filed with the State Department of Taxation. Final budgets must be certified by a majority of all members of the governing body. The final budgets must be adopted on or before June 1.
5. Budget amounts may be transferred within funds if the governing body is advised and the action is recorded in the official minutes of the next meeting. Revisions that alter the total expenditures of any fund must be approved by the County Commissioners. Budget revisions must also be filed with the State Department of Taxation.
6. Budgets for the General, Special Revenues, Debt Service, Proprietary, and Capital Projects Funds are adopted on a basis consistent with generally accepted accounting principles. (GAAP)
7. Budget augmentations were prepared for the various special revenue funds during the fiscal year ended June 30, 2013.
8. All budget appropriations lapse at the end of each fiscal year.

In accordance with State statute, actual expenditures may not exceed budgetary appropriations of the various governmental programs of the General Fund or total appropriations of the Special Revenue and Capital Projects Funds, except as expressly authorized by law.

B. EXCESS EXPENDITURES OVER APPROPRIATIONS

For the year ended June 30, 2013, expenditures exceeded appropriations as follows:

	<u>Expenditures</u>	<u>Appropriations</u>
Fire Special Revenue Fund	\$ 3,961,204	\$ 3,720,430
Wildland Fire Protection Special Revenue Fund	590,770	505,992
Sheriff Jail Special Revenue Fund	603,785	512,531
Emergency Mitigation Special Revenue Fund	4,609	0
Town of Gold Hill Special Revenue Fund	2,141	2,000
General Fund - Culture and Recreation Program	140,308	124,172
General Fund - Community Service Program	485,199	480,296
General Fund - Debt Service Program	28,962	16,743

C. DEFICIT FUND EQUITY

The Jail Special Revenue Fund incurred a deficit fund equity at June 30, 2013.

D. COMPLIANCE - NRS 354.624

Storey County has two enterprise funds: the Water System Enterprise Fund and the Virginia-Divide Sewer Improvement District Enterprise Fund. Storey County also maintains agency funds as follows: State of Nevada Fund Storey County School District Fund, Storey County School District Debt Service Fund and the Virginia City Convention and Tourism Authority Fund. The County maintains no internal service funds, self insurance funds or funds whose balance is required by law to be used for a specific purpose other than the payment of compensation to a bargaining unit, as defined in NRS 288.028 or carried forward to the succeeding fiscal year in any designated amount.

All enterprise and agency funds maintained by Storey County:

- a) are being used in accordance with NRS 354.624
- b) are being administered in accordance with generally accepted accounting procedures
- c) all reserves in the funds are reasonable and necessary to carry out the purposes of the funds
- d) reflect the sources of revenues available for the fund during the fiscal year - including transfers from other funds
- e) are following the statutory and regulatory requirements applicable to the funds
- f) reflect the balance and retained earning of the funds

Storey County has \$0 reserved in all funds.

IV. CASH

At year end, the carrying amount of the bank balances was \$19,989,675. Of the bank balances \$500,000 was covered by federal depositary insurance. Additionally \$6,175,507 cash was on deposit with the Nevada State Treasurer. The fair value of all cash and investments equaled 100% of book value.

Credit risk classification of the County's cash is as follows:

1. Insured by Federal Deposit Insurance	\$ 500,000
2. Collateralized with securities held by The Nevada State Treasurer	6,175,507
3. Uncollateralized with the financial institution	13,309,679
4. Uncollateralized - cash on hand	<u>4,489</u>
	<u>\$ 19,989,675</u>

Cash held by the County is allocated to the various funds as follows:

Major governmental funds	\$ 11,842,440
Non-major governmental funds	6,733,326
Business-type funds	<u>1,244,809</u>
	19,820,575
Fiduciary funds	<u>169,100</u>
Total	<u>\$ 19,989,675</u>

V. RECEIVABLES

Receivables as of year end for the governments individual major funds and non-major funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>Roads</u>	<u>Fire</u>	<u>VCTC</u>	<u>Non-Major Funds</u>	<u>Proprietary Funds</u>	<u>Total</u>
Receivables:							
Taxes	\$ 109,919		\$ 28,141		\$ 15,804		\$ 153,864
Accounts	<u>226,576</u>	<u>\$ 83,066</u>	<u>472,581</u>	<u>\$ 6</u>	<u>143,078</u>	<u>\$ 68,868</u>	<u>1,000,175</u>
Gross Receivables	336,495	83,066	506,722	6	158,882	68,868	1,154,039
Less: Allowance for uncollectibles	<u>0</u>	<u>0</u>	<u>(43,193)</u>	<u>0</u>	<u>0</u>	<u>(787)</u>	<u>(43,980)</u>
Total Net Receivables	<u>\$ 336,495</u>	<u>\$ 83,066</u>	<u>\$ 463,529</u>	<u>\$ 6</u>	<u>\$ 158,882</u>	<u>\$ 68,081</u>	<u>\$ 1,110,059</u>

The delinquent taxes receivable account represents the past three years of uncollected tax levies. No allowance for uncollectibles has been recorded by the County. Taxes received after 60 days of the year end are recorded as deferred revenue.

Accounts receivable include intergovernmental receivables. All accounts receivable, with the exception of the enterprise fund, were collected within a 60 day period, therefore no allowance for uncollectibles was recorded in those funds.

Governmental funds report *deferred revenue* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. At the end of the current fiscal year the various components of *deferred revenue* reported in the governmental funds were as follows:

Delinquent property taxes receivable:

General fund	\$ 145,243
Fire fund	20,337
VCTC	10,962
Non-major funds	11,421
Deferred revenue - District Court	<u>5,652</u>
Total	<u>\$ 193,615</u>

VI. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2013 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Primary Government				
Governmental activities				
Capital assets not being depreciated				
Land	\$ 280,259	\$ 107,500		\$ 387,759
Antique Furniture	0	75,000		75,000
Construction in progress	<u>2,229,317</u>		<u>0</u>	<u>2,229,317</u>
Total Capital assets not being depreciated	<u>2,509,576</u>	<u>182,500</u>	<u>0</u>	<u>2,692,076</u>
Capital assets being depreciated				
Buildings	8,987,639	558,255		9,545,894
Improvements other than buildings	987,208	179,105		1,166,313
Machinery and equipment	6,441,491	448,758		6,890,249
Infrastructure	<u>43,256,707</u>		<u>0</u>	<u>43,256,707</u>
Total capital assets being depreciated	<u>59,673,045</u>	<u>1,186,118</u>	<u>0</u>	<u>60,859,163</u>
Less accumulated depreciation for:				
Buildings	2,033,399	243,539		2,276,938
Improvements other than buildings	208,150	28,757		236,907
Machinery and equipment	4,971,799	413,033		5,384,832
Infrastructure	<u>2,078,676</u>	<u>1,523,567</u>		<u>3,602,243</u>
Total accumulated depreciation	<u>9,292,024</u>	<u>2,208,896</u>	<u>0</u>	<u>11,500,920</u>
Governmental activities capital assets - net	<u>\$ 52,890,597</u>	<u>\$ (840,278)</u>	<u>\$ 0</u>	<u>\$ 52,050,319</u>
Business type activities:				
Capital assets being depreciated				
Water and sewer system	\$ 7,448,430	\$ 240,904		\$ 7,689,334
Machinery and equipment	<u>580,578</u>	<u>10,145</u>		<u>590,723</u>
Total Capital assets being depreciated	<u>8,029,008</u>	<u>251,049</u>	<u>\$ 0</u>	<u>8,280,057</u>

Less accumulated depreciation for				
Water and sewer systems	1,933,910	116,469		2,050,379
Machinery and equipment	<u>411,409</u>	<u>29,728</u>		<u>441,137</u>
Total accumulated depreciation	<u>2,345,319</u>	<u>146,197</u>	<u>0</u>	<u>2,491,516</u>
Business type activities capital assets - net	<u>\$ 5,683,689</u>	<u>\$ 104,852</u>	<u>\$ 0</u>	<u>\$5,788,541</u>

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

Governmental activities:	
General government	\$ 325,041
Public safety	213,168
Highways and streets, including depreciation of general infrastructure assets	1,650,017
Culture and recreation	<u>20,670</u>
Total depreciation expense - Governmental activities	<u>\$ 2,208,896</u>
Business type activities:	
Water	\$ 104,235
Sewer	<u>41,962</u>
Total depreciation expense - business type activities	<u>\$ 146,197</u>

## VII. INTERFUND ASSETS/LIABILITIES

There were no interfund balances as of June 30, 2013.

Interfund transfers:

<u>Transfer From</u>	<u>Transfer to</u>	<u>Amount</u>
General Fund	Road Fund	\$ 200,000
General Fund	Tri Payback	812,702
Indigent Accident	General Fund	291
Wildland Fire Protection	General Fund	25,000
Equipment Acquisition	Road Fund	83,293
Fire Fund	Equipment Acquisition	30,000
Fire Fund	Tri Payback	208,083
Wildland Fire Protection	Fire Fund	12,000
Wildland Fire Protection	Tri Payback	52,667
Equipment Acquisition	Tri Payback	23,940
Jail Fund	Tri Payback	<u>35,670</u>
		<u>\$1,483,646</u>

## VIII. CAPITAL LEASES

On January 11, 2002, Storey County entered into a lease agreement as lessee for financing the acquisition of (4) Pierce Hawk Wildlands fire apparatus. This lease qualifies as a capital lease for accounting purposes (title transfers at the end of the lease term), and therefore was recorded at the present value of the future minimum lease payments as of the date of inception. This lease was completed during fiscal year ended June 30, 2013.

## IX. MEDIUM TERM AND LONG TERM DEBT

Special Assessment Bonds - The County has no special assessment bonds outstanding at June 30, 2013.

Contracts Payable - The County has no contracts payable at June 30, 2013.

Medium Term Loan - On December 21, 2008, Storey County entered into a medium term bond with Bank of America for \$520,000 bearing interest at a rate of 4.85% per annum. Repayment terms are interest only payable on June 21, with principal and interest payable on December 21 annually. The following schedule represents the debt service requirements:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
December 21, 2013	\$ 74,285	\$ 3,603	\$ 77,888
June 21, 2014		1,801	1,801
December 21, 2014	<u>74,285</u>	<u>1,801</u>	<u>76,086</u>
	<u>\$148,570</u>	<u>\$ 7,205</u>	<u>\$ 155,775</u>

Revenue Bonds - The County issued bonds, where the County pledges income derived from the acquired or constructed assets to pay debt service. Revenues bonds outstanding at June 30, 2013 are as follows:

\$714,000 water revenue bonds with semi-annual installments of interest and annual payments of principal totaling \$38,801 per year through January 1, 2037, used for improvements to the Virginia City water system.

BALANCE		BALANCE
<u>6/30/12</u>	<u>RETIRED</u>	<u>6/30/13</u>
<u>\$ 560,466</u>	<u>\$ 12,910</u>	<u>\$ 547,555</u>

\$294,000 water revenue bonds due in annual installments of \$10,000 to \$15,000 through January 1, 2014, used for improvements to the Virginia City Water System.

BALANCE		BALANCE
<u>6/30/12</u>	<u>RETIRED</u>	<u>6/30/13</u>
<u>\$ 29,000</u>	<u>\$ 14,000</u>	<u>\$ 15,000</u>

\$138,000 sewer revenue bonds due at \$673 per month including principal and interest through June 1, 2021 and a final payment of approximately \$260 used for improvements to the Virginia-Divide Sewer System.

BALANCE		BALANCE
<u>6/30/12</u>	<u>RETIRED</u>	<u>6/30/13</u>
<u>\$ 57,389</u>	<u>\$ 5,287</u>	<u>\$ 52,102</u>

\$890,000 Virginia City Rail Bond - Series 2010A due in annual installments of \$36,000 to \$73,000 through December 1, 2027.

BALANCE		BALANCE
<u>06/30/12</u>	<u>RETIRED</u>	<u>6/30/13</u>
<u>\$ 854,000</u>	<u>\$ 38,000</u>	<u>\$ 816,000</u>

\$859,000 Virginia City Rail Bond - Series 2010B due in annual installments of \$33,000 to \$73,000 through December 1, 2027.

BALANCE		BALANCE
<u>06/30/12</u>	<u>RETIRED</u>	<u>6/30/13</u>
<u>\$ 826,000</u>	<u>\$ 34,000</u>	<u>\$ 792,000</u>

Revenue bond debt service requirements to maturity including interest are as follows:

YEAR ENDING		TOTAL
<u>JUNE 30,</u>	<u>ANNUAL</u>	
2014 to 2015	\$ 223,197 to 225,272	\$ 448,469
2016 to 2021	212,876 to 221,887	1,305,911
2022 to 2028	189,546 to 203,201	1,376,342
2029 to 2037	38,801	<u>349,209</u>
		<u>\$3,479,931</u>

Changes In Long-Term Liabilities- During the fiscal year ended June 30, 2013, the following changes occurred in liabilities reported in the general long term debt group:

	BALANCE			BALANCE
	<u>JULY 1, 2012</u>	<u>ADDITIONS</u>	<u>REDUCTIONS</u>	<u>JUNE 30, 2013</u>
Compensated absences	\$ 124,453	\$ 29,158	\$ 3,425	\$ 150,186
Capital leases	105,241		105,241	0
Tri-Construction repayment	<u>44,450,564</u>	<u>0</u>	<u>838,459</u>	<u>43,612,105</u>
	<u>\$ 44,680,258</u>	<u>\$ 29,158</u>	<u>\$ 947,125</u>	<u>\$ 43,762,291</u>

X. SEGMENT INFORMATION - PROPRIETARY FUNDS

The County issued revenue bonds to finance its water department and sewage treatment facilities. Summary information for these funds is presented below:

	<u>Water Fund</u>	<u>Virginia Divide Sewer Fund</u>
<b>CONDENSED STATEMENT OF NET ASSETS</b>		
<b>ASSETS</b>		
Current assets	\$ 1,114,263	\$ 201,027
Capital assets (net accumulated depreciation)	<u>5,094,522</u>	<u>694,019</u>
Total Assets	<u>6,208,785</u>	<u>895,046</u>
<b>LIABILITIES</b>		
Current liabilities	105,000	17,644
Non-current liabilities	<u>515,555</u>	<u>46,543</u>
Total Liabilities	<u>615,555</u>	<u>64,187</u>
<b>NET ASSETS</b>		
Invested in capital assets, net of related debt	4,531,967	641,918
Unrestricted	<u>1,061,263</u>	<u>188,941</u>
Total Net Assets	<u>\$ 5,593,230</u>	<u>\$ 830,859</u>

**CONDENSED STATEMENT OF REVENUES AND EXPENSES**

Operating revenue	\$ 488,198	\$ 214,468
Depreciation	(104,235)	(41,962)
Other operating expenses	<u>(287,575)</u>	<u>(187,309)</u>
Operating income (loss)	96,388	(14,803)
<b>Nonoperating revenues (expenses)</b>		
Rent income	12,000	0
Interest income	4,214	994
Interest expense	<u>(26,401)</u>	<u>(2,789)</u>
Change in net assets	<u>\$ 86,201</u>	<u>\$ (16,598)</u>

**CONDENSED STATEMENTS OF CASH FLOWS**

Net cash provided (used) by		
Operating activities	\$ 202,845	\$ 27,961
Noncapital financing activities	10,771	0
Capital and related financing activities	(54,741)	(96,550)
Investing activities	<u>4,308</u>	<u>1,020</u>
Net increase (decrease) in cash	163,183	(67,569)
Cash - beginning	<u>900,422</u>	<u>406,874</u>
Cash - ending	<u>\$ 1,063,605</u>	<u>\$ 181,204</u>

**XI. CONTINGENT LIABILITIES**

The County participates in both Federal and State Grant Programs. The audits of these programs for or including the year ended June 30, 2013 have not been finalized. Accordingly, the County's compliance with applicable grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the County expects such amounts, if any, to be immaterial.

The County is currently a defendant in no lawsuits, with no other unasserted possible claims which are probable of assertion

**XII. AVAILABLE BORROWING CAPACITY**

The Nevada Revised Statutes section 244.805, limits the County's general obligation debt to 10% of the County's assessed valuation. The 2012/2013 assessed valuation is \$516,800,000 which would allow the bonding up to \$51,680,000. On June 30, 2013, the County had \$148,570 outstanding general obligation bonded debt, exclusive of revenue and school district bonds.

The town of Virginia City general obligation debt limit based on the 2012/2013 assessed valuation was \$32,700,000 (NRS 269.425). The town of Virginia City has at June 30, 2013 no general obligation bonds outstanding.

The town of Gold Hill general obligation debt limit based on the 2012/2013 assessed valuation was \$10,200,000 (NRS 269.425). The town of Gold Hill has at June 30, 2013, no general obligation bonds outstanding.

### XIII. PROPERTY TAXES

Property taxes attach as an enforceable lien as of July 1. The tax is levied for the fiscal year beginning July 1<sup>st</sup> after the Nevada Tax Commission has certified the combined tax rate for the county on May 25<sup>th</sup>.

Taxes on the property are due on the third Monday in July. Taxes may be paid in quarterly installments, due on the third Monday of July and the first Monday in October, January and March. Penalties are added if the installments are not made within ten (10) days of the due date.

### XIV. PENSION PROGRAM - NEVADA STATE PUBLIC EMPLOYEES RETIREMENT SYSTEM

The County participates in the statewide government retirement system; a multiple-employer, cost sharing public employees pension plan which covers substantially all of the County's full time employees. The County has no liability for unfunded obligations of the Nevada State Public Employees Retirement System.

PERS provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. Nevada Revised Statutes establish and amend benefit provisions to be administered by the Retirement Board. The Public Employees Retirement Board 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 from PERS, 693 West Nye Lane, Carson City, Nevada 89703

The County pays all contributions for all employees covered under the plan. PERS basic funding policy provides for periodic contributions at a level pattern of cost as a percentage of salary throughout an employee's working lifetime, in order to accumulate sufficient assets to pay benefits when due. Although PERS receives an actuarial valuation on an annual basis indicating the contribution rates as required to fund PERS on an actuarial reserve basis, both for funding purposes and GASB disclosure purposes, contributions actually made are in accordance with the required rates established by the Nevada State Legislature.

The payroll for employees covered by the system for the year ended June 30, 2013 was \$5,930,306. The County's total payroll was \$7,428,838. Storey County's contribution to the plan for the year ended June 30, 2013 was \$1,871,896. All costs to the County were paid or accrued at June 30, 2013. The County's contribution represented less than 1% of total contributions to the retirement system.

Currently 119 employees are covered under the retirement plan out of a total of 132 employees. Eligibility requirements are 40 hours per bi-weekly payroll period, no minimum wage is required for participation, nor is there any length of service requirement for participation. Contributions are made at a rate of 20.5% (33½% for police and firemen) of annual compensation.

### XV. SOLID WASTE LANDFILL - LOCKWOOD

In 1992 Refuse, Inc. received an amended special use permit from Storey County for the operation of a solid waste landfill, conditioned on meeting all of the requirements of federal landfill regulations (Subtitle D, 40CFR Parts 257 and 258). Under the terms of the agreement Refuse, Inc. is responsible for all closure and post closure costs. Estimated costs for closure are \$2,764,375 and the cost for post closure maintenance is \$9,503,634 for a total of \$12,268,009. There are currently no corrective action cost nor other environmental obligations. Refuse, Inc. is in complete compliance with the Financial Assurance Requirements of 40 CFR, part 258, Subpart G, as well as Nevada Administrative Code 444.685 - 444.6859. The closure and post closure costs are insured through Liberty Mutual Insurance Company.

### XVI. RISK MANAGEMENT

Storey County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employee and natural disasters. Storey County has joined together with other counties in the State to form Nevada Public Agency Insurance Pool, a public entity risk pool currently operating as a common risk management and insurance program for 41 governmental entities. The county pays an annual premium to PENCO for its general insurance coverage. The Agreement for Formation of the NPAIP program provides that NPAIP will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of \$100,000 for Property and Crime and \$150,000 Casualty for each insured event.

The County continues to carry commercial insurance for all other risks or loss, including workers' compensation and employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

## XVII. TAHOE-RENO INDUSTRIAL CENTER (TRI)

On February 2, 2000, Storey County Nevada, entered into a development agreement with Tahoe-Reno Industrial Center LLC along with DP Operating Partnership, LP for the purposes of completing structures, including grading, infrastructure, and all public facilities related to the property owned by TRI which consists of approximately 102,000 acres, of which approximately 9,000 acres is zoned for industrial usage within Storey County. The development agreement represents the commitment between Storey County and TRI to fund the capital infrastructure costs and local community services required by the project.

According to the agreements, TRI is responsible for the construction of the project public infrastructure, which shall be dedicated to and maintained by Storey County. Such infrastructure includes streets, sidewalks and streetlights, flood control, drainage channels, storm drains, basins and other related facilities; and County building complexes including fire stations, police stations, public works maintenance yards and administrative offices. The County is not responsible for the construction, operation, and maintenance of the project private infrastructure such as community water and sewer facilities, railroad track and related facilities, landscaping of common areas, or private trails and parks and other property not dedicated to the County. The County is responsible for separately recording certain revenue and expenses directly attributable to the TRI project, approving reimbursable costs, and determining the net annual revenue reimbursement to TRI.

The agreements establish a revenue threshold that represents the annual fiscal year in which the TRI net revenue exceeds \$5,000,000. The revenue threshold must be met before any reimbursements are made to TRI for project related infrastructure costs. Once the revenue threshold is met, the County is responsible for reimbursing TRI for approved project vouchers up to 35% of annual net revenue. Such reimbursements are also limited to 5% of the project assessed valuation at the end of each year. The revenue threshold has been met.

The term of this agreement shall commence upon the effective date and shall expire Fifty (50) years after the effective date, unless extended by written amendment executed by the County and Developer. A special revenue fund was established as of July 1, 2009, to provide payment to our TRI partners. A payment of \$838,459 was made by the TRI Payback Fund during the fiscal year.

Future allocations into the TRI Payback Fund will be a percentage of revenues directly attributed to TRI to include property taxes, business licence, permits, inspection fees, and real property transfer taxes.

## XVIII. EQUIPMENT ACQUISITION FUND

The County Comptroller has determined that funds have been expended out of the Equipment Acquisition Fund for the purpose of equipment maintenance, vehicle maintenance, supplies and rental equipment for the Fire Special Revenue Fund. The approximate total of these expenditures was \$650,000. An interfund loan will be established for the repayment of these funds. Payment will be made through each year's higher than anticipated revenues or 10% of all revenues collected, whichever is greater, until the balance is paid. A payment of \$30,000 was made in fiscal year 2013.

## XIX. PRIOR PERIOD ADJUSTMENT

A \$24,000 prior period adjustment was made for a check reissued to Sierra Pacific Power Co. Relating to 2010. The reissued check cleared the bank in fiscal year ended June 30, 2013.

STOREY COUNTY, NEVADA  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2013

	SPECIAL REVENUE						
	WILDLAND FIRE PROTECTION	EQUIPMENT ACQUISITION	INDIGENT ASSISTANCE	JUSTICE COURT FUND	DRUG COURT	INDIGENT MEDICAL	PARK TAX
<u>ASSETS</u>							
Cash	\$ 701,424	\$ 135,991		\$ 37,912	\$ 8,523	\$ 559,218	\$ 6,272
Receivables							
Taxes - property	7,117	3,233				639	
Accounts	5	2					
	<u>5</u>	<u>2</u>					
Total Assets	<u>\$ 708,546</u>	<u>\$ 139,226</u>	<u>\$ 0</u>	<u>\$ 37,912</u>	<u>\$ 8,523</u>	<u>\$ 559,857</u>	<u>\$ 6,272</u>
<u>LIABILITIES</u>							
Accounts payable	\$ 140,864		\$ 0	\$ 2,365	\$ 0	\$ 8,954	\$ 0
Deferred taxes	5,141	\$ 2,335				463	
	<u>146,005</u>	<u>2,335</u>	<u>0</u>	<u>2,365</u>	<u>0</u>	<u>9,417</u>	<u>0</u>
Total Liabilities	<u>146,005</u>	<u>2,335</u>	<u>0</u>	<u>2,365</u>	<u>0</u>	<u>9,417</u>	<u>0</u>
<u>FUND BALANCE</u>							
Designated for future year's operations	91,209			10,000		222,500	
Unassigned	471,332	136,891		25,547	8,523	327,940	6,272
	<u>562,541</u>	<u>136,891</u>		<u>35,547</u>	<u>8,523</u>	<u>550,440</u>	<u>6,272</u>
Total Fund Balance	<u>562,541</u>	<u>136,891</u>		<u>35,547</u>	<u>8,523</u>	<u>550,440</u>	<u>6,272</u>
Total Liabilities and Fund Balance	<u>\$ 708,546</u>	<u>\$ 139,226</u>	<u>\$ 0</u>	<u>\$ 37,912</u>	<u>\$ 8,523</u>	<u>\$ 559,857</u>	<u>\$ 6,272</u>

The notes to financial statements are  
in integral part of this statement.

STOREY COUNTY, NEVADA  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2013

	SPECIAL REVENUE					
	JAIL BUILDING	EMERGENCY MITIGATION	INDIGENT ACCIDENT	TECHNOLOGY	TOWN OF VIRGINIA CITY	
<u>ASSETS</u>						
Cash	\$ (52,408)	\$ 95,391	\$ 15,164	\$ 154,832	\$ 102,294	\$ 11,838
Receivables						
Taxes - property	4,815					
Accounts	4			17		
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Assets (deficit)	<u>\$ (47,589)</u>	<u>\$ 95,391</u>	<u>\$ 15,164</u>	<u>\$ 154,849</u>	<u>\$ 102,294</u>	<u>\$ 11,838</u>
<u>LIABILITIES</u>						
Accounts payable	\$ 45,140	\$ 0	\$ 0	\$ 29,108	\$ 1,276	\$ 178
Deferred taxes	3,482					
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities	<u>48,622</u>	<u>0</u>	<u>0</u>	<u>29,108</u>	<u>1,276</u>	<u>178</u>
<u>FUND BALANCE</u>						
Designated for future year's operations		20,000		63,150		
Unassigned	(96,211)	75,391	15,164	62,591	101,018	11,660
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Fund Balance	<u>(96,211)</u>	<u>95,391</u>	<u>15,164</u>	<u>125,741</u>	<u>101,018</u>	<u>11,660</u>
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities and Fund Balance (deficit)	<u>\$ (47,589)</u>	<u>\$ 95,391</u>	<u>\$ 15,164</u>	<u>\$ 154,849</u>	<u>\$ 102,294</u>	<u>\$ 11,838</u>

The notes to financial statements are  
an integral part of this statement.

STOREY COUNTY, NEVADA  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2013

	SPECIAL REVENUE				CAPITAL PROJECTS			TOTAL
	FEDERAL AND STATE GRANTS	FIRE EMERGENCY	STABILIZATION FUND	GENETIC MARKER TESTING FUND	CAPITAL PROJECTS	INFRASTRUCTURE FUND	VIRGINIA CITY RAIL PROJECT	
<u>ASSETS</u>								
Cash	\$ 104,523	\$ 204,337	\$ 1,000,000	\$ 26,325	\$ 350,803	\$ 1,894,317	\$ 1,376,570	\$ 6,733,326
Receivables								
Taxes - property								15,804
Accounts	110,571					32,479		143,078
Total Assets	<u>\$ 215,094</u>	<u>\$ 204,337</u>	<u>\$ 1,000,000</u>	<u>\$ 26,325</u>	<u>\$ 350,803</u>	<u>\$ 1,926,796</u>	<u>\$ 1,376,570</u>	<u>\$ 6,892,208</u>
<u>LIABILITIES</u>								
Accounts payable	\$ 119,778	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 347,663
Deferred taxes								11,421
Total Liabilities	<u>119,778</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>359,084</u>
<u>FUND BALANCE</u>								
Designated for future year's operations			200,000		5,000		849,721	1,461,580
Unassigned	95,316	204,337	800,000	26,325	345,803	1,926,796	526,849	5,071,544
Total Fund Balance	<u>95,316</u>	<u>204,337</u>	<u>1,000,000</u>	<u>26,325</u>	<u>350,803</u>	<u>1,926,796</u>	<u>1,376,570</u>	<u>6,533,124</u>
Total Liabilities and Fund Balance	<u>\$ 215,094</u>	<u>\$ 204,337</u>	<u>\$ 1,000,000</u>	<u>\$ 26,325</u>	<u>\$ 350,803</u>	<u>\$ 1,926,796</u>	<u>\$ 1,376,570</u>	<u>\$ 6,892,208</u>

The notes to financial statements are  
an integral part of this statement.

STOREY COUNTY, NEVADA  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2013

	SPECIAL REVENUE						
	WILDLAND FIRE PROTECTION	EQUIPMENT ACQUISITION	INDIGENT ASSISTANCE	JUSTICE COURT FUND	DRUG COURT	INDIGENT MEDICAL	PARK TAX
<u>REVENUE</u>							
Taxes	\$ 515,651	\$ 234,376				\$ 47,614	
Intergovernmental							
Charges for services							\$ 250
Fine and forfeitures				\$ 5,456	\$ 1,059		
Other revenues	171,010	497	\$ 0				
Total Revenues	<u>686,661</u>	<u>234,873</u>	<u>0</u>	<u>5,456</u>	<u>1,059</u>	<u>47,614</u>	<u>250</u>
<u>EXPENDITURES</u>							
Current:							
General government							
Public safety	590,770						
Judicial				3,060			
Culture and recreation							434
Welfare						89,467	
Intergovernmental							
Total Expenditures	<u>590,770</u>	<u>0</u>	<u>0</u>	<u>3,060</u>	<u>0</u>	<u>89,467</u>	<u>434</u>
Excess (deficiency) of revenues over expenditures	95,891	234,873	0	2,396	1,059	(41,853)	(184)
<u>OTHER FINANCING SOURCES (USES)</u>							
Transfers	(89,667)	(77,233)	(291)				
Debt service		(109,451)					
Bond proceeds							
Excess (deficiency) of Revenue and Other Financing Sources (Uses) over Expenditures	6,224	48,189	(291)	2,396	1,059	(41,853)	(184)
Fund balance - beginning (deficit)	<u>556,317</u>	<u>88,702</u>	<u>291</u>	<u>33,151</u>	<u>7,464</u>	<u>592,293</u>	<u>6,456</u>
Fund balance - ending (deficit)	<u>\$ 562,541</u>	<u>\$ 136,891</u>	<u>\$ 0</u>	<u>\$ 35,547</u>	<u>\$ 8,523</u>	<u>\$ 550,440</u>	<u>\$ 6,272</u>

The notes to financial statements are  
 an integral part of this statement.

STOREY COUNTY, NEVADA  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2013

REVENUE	SPECIAL REVENUE					
	JAIL BUILDING	EMERGENCY MITIGATION	INDIGENT ACCIDENT	TECHNOLOGY	TOWN OF VIRGINIA CITY	TOWN OF GOLD HILL
Taxes	\$ 348,466		\$ 70,282			
Intergovernmental						
Charges for services				\$ 70,996		
Fine and forfeiture	70,887					
Other revenues	4,434	\$ 0		740		
<b>Total Revenues</b>	<b>423,787</b>	<b>0</b>	<b>70,282</b>	<b>71,736</b>	<b>\$ 0</b>	<b>\$ 0</b>
<b>EXPENDITURES</b>						
Current:						
General government				107,715	29,580	2,141
Public safety	603,785	4,609				
Judicial						
Culture and recreation						
Welfare			60,370			
Intergovernmental						
<b>Total Expenditures</b>	<b>603,785</b>	<b>4,609</b>	<b>60,370</b>	<b>107,715</b>	<b>29,580</b>	<b>2,141</b>
Excess (deficiency) of revenues over expenditures	(179,998)	(4,609)	9,912	(35,979)	(29,580)	(2,141)
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers	(35,670)					
Debt service						
Bond proceeds						
Excess (deficiency) of Revenue and Other Financing Sources (Uses) over Expenditures	(215,668)	(4,609)	9,912	(35,979)	(29,580)	(2,141)
Fund balance - beginning	119,457	100,000	5,252	161,720	130,598	13,801
Fund balance - ending	<b>\$ (96,211)</b>	<b>\$ 95,391</b>	<b>\$ 15,164</b>	<b>\$ 125,741</b>	<b>\$ 101,018</b>	<b>\$ 11,660</b>

The notes to financial statements are  
an integral part of this statement.

STOREY COUNTY, NEVADA  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2013

	SPECIAL REVENUES				CAPITAL PROJECTS			TOTAL
	FEDERAL AND STATE GRANTS	FIRE EMERGENCY	STABILIZATION FUND	GENETIC MARKER TESTING FUND	CAPITAL PROJECTS	INFRASTRUCTURE FUND	VIRGINIA CITY RAIL PROJECT	
<u>REVENUE</u>								
Taxes						\$ 190,906		\$ 1,407,295
Intergovernmental	\$ 823,173							823,173
Charges for services								71,246
Fine and forfeitures				\$ 8,103				85,505
Other revenues		\$ 0	\$ 0		\$ 0		\$ 0	176,681
Total Revenues	823,173	0	0	8,103	0	190,906	0	2,563,900
<u>EXPENDITURES</u>								
Current:								
General government	22,979		0					162,415
Public safety	360,163	0						1,559,327
Judicial								3,060
Culture and recreation	151,309							151,743
Welfare								149,837
Intergovernmental								
Total Expenditures	534,451	0	0	0	0	0	0	2,026,382
Excess (deficiency) of revenues over expenditures	10,636	0	0	8,103	0	190,906	0	537,518
<u>OTHER FINANCING SOURCES (USES)</u>								
Transfers								(202,861)
Debt service							(179,250)	(288,701)
Bond proceeds								0
Excess (deficiency) of Revenue and Other Financing Sources (Uses) over Expenditures	10,636	0	0	8,103	0	190,906	(179,250)	45,956
Fund balance - beginning (deficit)	84,680	204,337	1,000,000	18,222	350,803	1,735,890	1,527,038	6,736,472
Fund balance - ending (deficit)	\$ 95,316	\$ 204,337	\$ 1,000,000	\$ 26,325	\$ 350,803	\$ 1,926,796	\$ 1,347,788	\$ 6,782,428

The notes to financial statements are  
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STOREY COUNTY, NEVADA  
WILDLAND FIRE PROTECTION SPECIAL REVENUE FUND  
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2013

	ORIGINAL AND FINAL BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<u>REVENUES</u>			
Taxes			
Property taxes	\$ 525,149	\$ 515,651	\$ (9,498)
Other Revenues			
Miscellaneous	0	171,010	171,010
	<u>525,149</u>	<u>686,661</u>	<u>161,512</u>
Total Revenues			
<u>EXPENDITURES</u>			
Public safety			
Salaries and wages	0	46,166	(46,166)
Benefits	0	7,411	(7,411)
Service and supplies	505,992	415,418	90,574
Capital outlay	0	121,775	(121,775)
Total expenditures	<u>505,992</u>	<u>590,770</u>	<u>(84,778)</u>
Excess (deficiency) of revenue over expenditures	19,157	95,891	76,734
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfer out	<u>(89,667)</u>	<u>(89,667)</u>	<u>0</u>
Excess (deficiency) of revenue and other financing sources (uses) over expenditures	(70,510)	6,224	76,734
Fund balance - beginning	<u>487,865</u>	<u>556,317</u>	<u>68,452</u>
Fund balance - ending	<u>\$ 417,355</u>	<u>\$ 562,541</u>	<u>\$ 145,186</u>

The notes to financial statements are  
an integral part of this statement.

STOREY COUNTY, NEVADA  
EQUIPMENT ACQUISITION SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURE, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2013

	ORIGINAL AND FINAL BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<u>REVENUE</u>			
Taxes			
Property taxes	\$ 238,705	\$ 234,376	\$ (4,329)
Other revenues			
Interest	500	497	(3)
Total Revenues	<u>239,205</u>	<u>234,873</u>	<u>(4,332)</u>
<u>EXPENDITURES</u>			
Public Safety			
Capital outlay	0	0	0
Debt service			
Principal	105,241	105,241	0
Interest	4,210	4,210	0
Total Expenditures	<u>109,451</u>	<u>109,451</u>	<u>0</u>
Excess (deficiency) of revenues over expenditures	129,754	125,422	(4,332)
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfer in	30,000	30,000	0
Transfer out	(107,233)	(107,233)	0
Excess (deficiency) of revenues and other financing sources (uses) over expenditures	52,521	48,189	(4,332)
Fund balance - beginning	<u>167,490</u>	<u>88,702</u>	<u>(78,788)</u>
Fund balance - ending	<u>\$ 220,011</u>	<u>\$ 136,891</u>	<u>\$ (83,120)</u>

The notes to financial statements are  
an integral part of this statement.

STOREY COUNTY, NEVADA  
INDIGENT ASSISTANCE SPECIAL REVENUE FUND  
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2013

	ORIGINAL AND FINAL BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<u>EXPENDITURES</u>			
Transfer out	\$ 291	\$ 291	\$ 0
Excess (deficiency) of revenue over expenditures	(291)	(291)	0
Fund balance - beginning	291	291	0
Fund balance - ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

The notes to financial statements are  
an integral part of this statement.

STOREY COUNTY, NEVADA  
 JUSTICE COURT SPECIAL REVENUE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2013

	ORIGINAL AND FINAL BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<u>REVENUE</u>			
Fines			
Justice court fines	\$ 5,000	\$ 5,456	\$ 456
<u>EXPENDITURES</u>			
Judicial			
Services and supplies	15,000	3,060	11,940
Excess (deficiency) of revenues over expenditures	(10,000)	2,396	12,396
Fund Balance - beginning	18,960	33,151	14,191
Fund Balance - ending	<u>\$ 8,960</u>	<u>\$ 35,547</u>	<u>\$ 26,587</u>

The notes to financial statements are  
 an integral part of this statement.

STOREY COUNTY, NEVADA  
 DRUG COURT SPECIAL REVENUE FUND  
 SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2013

	ORIGINAL AND FINAL BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<u>REVENUES</u>			
Fines and forfeits			
Drug court fees	\$ 900	\$ 1,059	\$ 159
Excess of revenue over expenditures	900	1,059	159
Fund balance - beginning	7,904	7,464	(440)
Fund balance - ending	<u>\$ 8,804</u>	<u>\$ 8,523</u>	<u>\$ (281)</u>

The notes to financial statements are an integral part of this statement.

STOREY COUNTY, NEVADA  
INDIGENT MEDICAL SPECIAL REVENUE FUND  
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2013

	<u>ORIGINAL AND FINAL BUDGETED AMOUNTS</u>	<u>ACTUAL AMOUNTS</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
<u>REVENUES</u>			
Taxes			
Property taxes	\$ 47,741	\$ 47,614	\$ (127)
<u>EXPENDITURES</u>			
Welfare			
Services and supplies	<u>369,778</u>	<u>89,467</u>	<u>280,311</u>
Excess (deficiency) of revenues over expenditures	(322,037)	(41,853)	280,184
Fund balance - beginning	<u>322,037</u>	<u>592,293</u>	<u>270,256</u>
Fund balance - ending	<u>\$ 0</u>	<u>\$ 550,440</u>	<u>\$ 550,440</u>

The notes to financial statements are  
an integral part of this statement.

STOREY COUNTY, NEVADA  
 PARK TAX SPECIAL REVENUE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2013

	<u>ORIGINAL AND FINAL BUDGETED AMOUNTS</u>	<u>ACTUAL AMOUNTS</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
<u>REVENUE</u>			
Charges for services	\$ 1,500	\$ 250	\$ (1,250)
<u>EXPENDITURES</u>			
Culture and recreation			
Services and supplies	<u>1,500</u>	<u>434</u>	<u>1,066</u>
Excess (deficiency) of revenues over expenditures	0	(184)	(184)
Fund balance - beginning	<u>6,205</u>	<u>6,456</u>	<u>251</u>
Fund balance - ending	<u>\$ 6,205</u>	<u>\$ 6,272</u>	<u>\$ 67</u>

The notes to financial statements are  
an integral part of this statement.

STOREY COUNTY, NEVADA  
SHERIFF JAIL SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2013

	ORIGINAL AND FINAL BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<u>REVENUE</u>			
Taxes			
Property taxes	\$ 355,668	\$ 348,466	\$ (7,202)
Fines			
Court fines	70,000	70,887	887
Other revenues			
Interest	600	301	(299)
Miscellaneous	2,000	4,133	2,133
Total Revenues	<u>428,268</u>	<u>423,787</u>	<u>(4,481)</u>
<u>EXPENDITURES</u>			
Public safety			
Salaries and wages	254,968	323,176	(68,208)
Employee benefits	171,563	214,895	(43,332)
Services and supplies	76,000	62,020	13,980
Capital outlay	10,000	3,694	6,306
Total Expenditures	<u>512,531</u>	<u>603,785</u>	<u>(91,254)</u>
Excess (deficiency) of revenues over expenditures	(84,263)	(179,998)	(95,735)
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfer out	<u>(35,670)</u>	<u>(35,670)</u>	<u>0</u>
Excess (deficiency) of revenues and other financing sources (uses) over expenditures	(119,933)	(215,668)	(95,735)
Fund balance - beginning	<u>172,346</u>	<u>119,457</u>	<u>(52,889)</u>
Fund balance - ending	<u>\$ 52,413</u>	<u>\$ (96,211)</u>	<u>\$ (148,624)</u>

The notes to financial statements are  
an integral part of this statement.

STOREY COUNTY, NEVADA  
 EMERGENCY MITIGATION SPECIAL REVENUE FUND  
 SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2013

	ORIGINAL AND FINAL BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<u>EXPENDITURES</u>			
Services and supplies	\$ 0	\$ 4,609	\$ (4,609)
Excess (deficiency) of revenue over expenditures	0	(4,609)	(4,609)
Fund balance - beginning	100,000	100,000	0
Fund balance - ending	\$ 100,000	\$ 95,391	\$ (4,609)

The notes to financial statements are  
 an integral part of this statement.

STOREY COUNTY, NEVADA  
INDIGENT ACCIDENT SPECIAL REVENUE FUND  
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2013

	<u>ORIGINAL AND FINAL BUDGETED AMOUNTS</u>	<u>ACTUAL AMOUNTS</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
<u>REVENUES</u>			
Taxes			
Property taxes	\$ 71,610	\$ 70,282	\$ (1,328)
<u>EXPENDITURES</u>			
Welfare			
Services and supplies	<u>71,610</u>	<u>60,370</u>	<u>11,240</u>
Excess (deficiency) of revenues over expenditures	0	9,912	9,912
Fund balance - beginning	<u>0</u>	<u>5,252</u>	<u>5,252</u>
Fund balance - ending	<u>\$ 0</u>	<u>\$ 15,164</u>	<u>\$ 15,164</u>

The notes to financial statements are  
an integral part of this statement.

STOREY COUNTY, NEVADA  
 TECHNOLOGY SPECIAL REVENUE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2013

	ORIGINAL AND FINAL BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<u>REVENUES</u>			
Charges for services			
Technology fees	\$ 50,050	\$ 70,996	\$ 20,946
Other revenues			
Interest income	300	740	440
Total revenues	50,350	71,736	21,386
<u>EXPENDITURES</u>			
General government			
Services and supplies	115,000	107,715	7,285
Excess (deficiency) of revenues over expenditures	(64,650)	(35,979)	28,671
Fund balance - beginning	114,856	161,720	46,864
Fund balance - ending	\$ 50,206	\$ 125,741	\$ 75,535

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STOREY COUNTY, NEVADA  
TOWN OF VIRGINIA CITY SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2013

	ORIGINAL AND FINAL BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<u>EXPENDITURES</u>			
General government			
Services and supplies	\$ 32,000	\$ 29,580	\$ 2,420
Excess (deficiency) of revenues over expenditures	(32,000)	(29,580)	2,420
Fund balance - beginning	125,847	130,598	4,751
Fund balance - ending	<u>\$ 93,847</u>	<u>\$ 101,018</u>	<u>\$ 7,171</u>

The notes to financial statements are  
an integral part of this statement.

STOREY COUNTY, NEVADA  
TOWN OF GOLD HILL SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2013

	<u>ORIGINAL AND FINAL BUDGETED AMOUNTS</u>	<u>ACTUAL AMOUNTS</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
<u>EXPENDITURES</u>			
General government			
Services and supplies	\$ 2,000	\$ 2,141	\$ (141)
Excess (deficiency) of revenues over expenditures	(2,000)	(2,141)	(141)
Fund balance - beginning	<u>14,294</u>	<u>13,801</u>	<u>(493)</u>
Fund balance - ending	<u>\$ 12,294</u>	<u>\$ 11,660</u>	<u>\$ (634)</u>

The notes to financial statements are  
an integral part of this statement.

STOREY COUNTY, NEVADA  
 FEDERAL/STATE GRANTS SPECIAL REVENUE FUND  
 SCHEDULE OF REVENUES, EXPENDITURE, AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2013

	ORIGINAL AND FINAL BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<u>REVENUES</u>			
Intergovernmental			
Federal grants	\$ 152,000	\$ 373,725	\$ 221,725
USACE Wastewater	513,375	168,870	(344,505)
State grants	442,503	261,994	(180,509)
VCTC	60,000	18,584	(41,416)
	<u>1,167,878</u>	<u>823,173</u>	<u>(344,705)</u>
Total Revenues			
<u>EXPENDITURES</u>			
General government - VCTC			
Services and supplies	60,000	22,979	37,021
Culture and recreation			
Services and supplies	152,000	151,309	691
Public safety			
Services and supplies	0	207,734	(207,734)
CDBG Wastewater	513,375	152,429	360,946
Intergovernmental - State			
Services and supplies	442,503	278,086	164,417
	<u>1,167,878</u>	<u>812,537</u>	<u>355,341</u>
Total Expenditures			
Excess (deficiency) of revenues over expenditures	0	10,636	10,636
Fund balance - beginning	<u>27,249</u>	<u>84,680</u>	<u>57,431</u>
Fund balance - ending	<u>\$ 27,249</u>	<u>\$ 95,316</u>	<u>\$ 68,067</u>

The notes to financial statements are  
 an integral part of this statement.

STOREY COUNTY, NEVADA  
 FIRE EMERGENCY SPECIAL REVENUE FUND  
 SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2013

	ORIGINAL AND FINAL BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<u>EXPENDITURES</u>			
Public Safety			
Services and supplies	\$ 83,462	\$ 0	\$ 83,462
Capital outlay	75,000	0	75,000
Total Expenditures	<u>158,462</u>	<u>0</u>	<u>158,462</u>
Excess (deficiency) of revenue over expenditures	(158,462)	0	158,462
Fund balance - beginning	<u>166,875</u>	<u>204,337</u>	<u>37,462</u>
Fund balance - ending	<u>\$ 8,413</u>	<u>\$ 204,337</u>	<u>\$ 195,924</u>

The notes to financial statements are  
an integral part of this statement.

STOREY COUNTY, NEVADA  
 STABILIZATION SPECIAL REVENUE FUND  
 SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2013

	ORIGINAL AND FINAL BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<u>EXPENDITURES</u>			
General government	\$ 200,000	\$ 0	\$ 200,000
Excess (deficit) of revenue over expenditures	(200,000)	0	200,000
Fund balance - beginning	800,000	1,000,000	200,000
Fund balance - ending	<u>\$ 600,000</u>	<u>\$ 1,000,000</u>	<u>\$ 400,000</u>

The notes to financial statements are  
 an integral part of this statement.

STOREY COUNTY, NEVADA  
GENETIC MARKER TESTING FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2013

	ORIGINAL AND FINAL BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<u>REVENUE</u>			
Fines and forfeitures	\$ 8,500	\$ 8,103	\$ (397)
<u>EXPENDITURES</u>			
Judicial			
Services and supplies	6,000	0	6,000
Excess (deficiency) of revenues over expenditures	2,500	8,103	5,603
Fund balance - beginning	18,179	18,222	43
Fund balance - ending	\$ 20,679	\$ 26,325	\$ 5,646

The notes to financial statements are  
an integral part of this statement.

STOREY COUNTY, NEVADA  
 CAPITAL PROJECTS FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2013

	ORIGINAL AND FINAL BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<u>EXPENDITURES</u>			
General government			
Capital outlay	\$ 230,000	\$ 0	\$ 230,000
Debt service	70,000	0	70,000
Total expenditures	<u>300,000</u>	<u>0</u>	<u>300,000</u>
Excess (deficiency) of revenues over expenditures	(300,000)	0	300,000
Fund balance - beginning (deficit)	<u>315,045</u>	<u>350,803</u>	<u>35,758</u>
Fund balance - ending	<u>\$ 15,045</u>	<u>\$ 350,803</u>	<u>\$ 335,758</u>

The notes to financial statements are  
 an integral part of this statement.

STOREY COUNTY, NEVADA  
INFRASTRUCTURE CAPITAL PROJECTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2013

	ORIGINAL AND FINAL BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<u>REVENUES</u>			
Intergovernmental			
¼% Optional sales tax	\$ 178,400	\$ 190,906	\$ 12,506
<u>EXPENDITURES</u>			
General government			
Services and supplies	676,185	0	676,185
Excess (deficiency) of revenues over expenditures	(497,785)	190,906	688,691
<u>OTHER FINANCING SOURCES (USES)</u>			
Virginia City Rail Project - transfer	(149,190)	0	149,190
Excess (deficiency) of revenues and other financing sources (uses) over expenditures	(646,975)	190,906	837,881
Fund balance - beginning	687,652	1,735,890	1,048,238
Fund balance - ending	<u>\$ 40,677</u>	<u>\$ 1,926,796</u>	<u>\$ 1,886,119</u>

The notes to financial statements are  
an integral part of this statement.

STOREY COUNTY, NEVADA  
 VIRGINIA CITY RAIL PROJECT  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2013

	ORIGINAL AND FINAL BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<b>EXPENDITURES</b>			
Culture and Recreation			
Capital Outlay	\$ 215,000	\$ 0	\$ 215,000
Excess (deficiency) of revenues over expenditures	(215,000)	0	215,000
 <b>OTHER FINANCING SOURCES (USES)</b>			
Bond Proceeds	30,060	28,782	(1,278)
Debt Service			
Principal	(72,000)	(72,000)	0
Interest	(107,250)	(107,250)	0
Transfers	149,190	0	(149,190)
Excess (deficiency) of revenues and other financing sources (uses) over expenditures	(215,000)	(150,468)	64,532
Fund balance - beginning	227,013	1,527,038	1,300,025
Fund balance - ending	\$ 12,013	\$ 1,376,570	\$ 1,364,557

The notes to financial statements are  
 an integral part of this statement.

STOREY COUNTY, NEVADA  
WATER SYSTEM ENTERPRISE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2013

	ORIGINAL AND FINAL BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<u>OPERATING REVENUES</u>			
Sales of water	\$ 437,000	\$ 488,198	\$ 51,198
<u>OPERATING EXPENSES</u>			
Salaries and wages	80,588	81,343	(755)
Benefits	38,105	34,267	3,838
Services and supplies	206,473	171,965	34,508
Depreciation	127,885	104,235	23,650
Total Operating Expenses	<u>453,051</u>	<u>391,810</u>	<u>61,241</u>
Operating Income (Loss)	(16,051)	96,388	112,439
<u>NON-OPERATING REVENUE (EXPENSES)</u>			
Capital contributions	10,000	0	(10,000)
Interest earnings	2,000	4,214	2,214
Rents	12,000	12,000	0
Interest expense	(27,341)	(26,401)	940
Grant match	(2,500)	0	2,500
System upgrade	(24,150)	0	24,150
Net Income (Loss)	<u>\$ (46,042)</u>	<u>\$ 86,201</u>	<u>\$ 132,243</u>

The notes to financial statements are  
an integral part of this statement.

STOREY COUNTY, NEVADA  
WATER SYSTEM ENTERPRISE FUND  
SCHEDULE OF CASH FLOWS  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2013

	ORIGINAL AND FINAL BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Cash In flows			
Sales of water	\$ 437,000	\$ 484,141	\$ 47,141
Cash Out flows			
Salaries and wages	(80,588)	(80,136)	452
Benefits	(38,105)	(33,750)	4,355
Services and supplies	(206,473)	(165,010)	41,463
Prepaid expenses	0	(2,400)	(2,400)
Net Cash Provided (Used) by Operating Activities	<u>111,834</u>	<u>202,845</u>	<u>91,011</u>
<u>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</u>			
Cash In flows			
Rent	12,000	12,000	0
Customer deposits	0	(1,229)	(1,229)
Net Cash Provided by Non Capital Financing Activities	<u>12,000</u>	<u>10,771</u>	<u>(1,229)</u>
<u>CASH FLOWS FROM CAPITAL AND RELATED ACTIVITIES</u>			
Cash In flows			
Capital contributed	10,000	0	(10,000)
Cash Out flows			
System upgrade	(24,150)	0	24,150
Capital outlay	(70,500)	(13,399)	57,101
Debt service	(26,910)	(26,911)	(1)
Interest expense	(27,341)	(14,431)	12,910
Net Cash Provided (Used) by Capital Related Activities	<u>(138,901)</u>	<u>(54,741)</u>	<u>84,160</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Interest earnings	2,000	4,308	2,308
Net Increase (Decrease) in Cash	<u>(13,067)</u>	<u>163,183</u>	<u>176,250</u>
Cash - beginning	<u>899,313</u>	<u>900,422</u>	<u>1,109</u>
Cash - ending	<u>\$ 886,246</u>	<u>\$ 1,063,605</u>	<u>\$ 177,359</u>

The notes to financial statements are  
an integral part of this statement.

STOREY COUNTY, NEVADA  
 VIRGINIA DIVIDE SEWER IMPROVEMENT DISTRICT ENTERPRISE FUND  
 SCHEDULE OF REVENUES AND EXPENSES - BUDGET AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2013

	ORIGINAL AND FINAL BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<u>OPERATING REVENUES</u>			
Sewer use fees	\$ 212,825	\$ 214,468	\$ 1,643
<u>OPERATING EXPENSES</u>			
Salaries and wages	75,692	73,925	1,767
Benefits	34,502	29,842	4,660
Services and supplies	79,485	83,542	(4,057)
Depreciation	40,000	41,962	(1,962)
Total Operating Expenses	<u>229,679</u>	<u>229,271</u>	<u>408</u>
Operating Income (Loss)	(16,854)	(14,803)	2,051
<u>NON OPERATING REVENUES (EXPENSE)</u>			
Interest income	500	994	494
Interest expense	(2,789)	(2,789)	0
Net income (Loss)	<u>\$ (19,143)</u>	<u>\$ (16,598)</u>	<u>\$ 2,545</u>

The notes to financial statements are  
an integral part of this statement.

STOREY COUNTY, NEVADA  
 VIRGINIA DIVIDE SEWER IMPROVEMENT DISTRICT ENTERPRISE FUND  
 SCHEDULE OF CASH FLOWS - BUDGET AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2013

	ORIGINAL AND FINAL BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Cash In Flows			
Sewer Fees	\$ 212,825	\$ 213,869	\$ 1,044
Cash Out Flows			
Salaries and wages	(75,692)	(72,073)	3,619
Benefits	(34,502)	(29,843)	4,659
Service and supplies	(79,485)	(83,992)	(4,507)
Net cash provided (used) by operating activities	<u>23,146</u>	<u>27,961</u>	<u>4,815</u>
<u>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</u>			
Cash Out Flows			
Capital Outlay	(25,000)	0	25,000
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>			
Cash In Flows			
Capital contributed by customers	10,000	0	(10,000)
Capital contributed by grant	0	152,428	152,428
Cash Out Flows			
Interest expense	(2,789)	(2,789)	0
Debt Service	(5,287)	(5,287)	0
Grant match	(140,844)	(88,474)	52,370
System upgrade	0	(152,428)	(152,428)
Net cash provided (used) by capital related financing activities	<u>(138,920)</u>	<u>(96,550)</u>	<u>42,370</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Interest income	500	1,020	520
Net increase (decrease) in cash	(140,274)	(67,569)	72,705
Cash - beginning	<u>257,188</u>	<u>248,773</u>	<u>(8,415)</u>
Cash - ending	<u>\$ 116,914</u>	<u>\$ 181,204</u>	<u>\$ 64,290</u>

The notes to financial statements are  
an integral part of this statement.

STOREY COUNTY, NEVADA  
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 ALL AGENCY FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2013

	BALANCE JULY 1, 2012	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 2013
<u>STATE OF NEVADA FUND</u>				
Assets				
Cash	\$ 142,825	\$ 978,376	\$ 1,042,738	\$ 78,463
Liabilities				
Due Other Governments	\$ 142,825	\$ 978,376	\$ 1,042,738	\$ 78,463
<u>STOREY COUNTY SCHOOL DISTRICT</u>				
Assets				
Cash	\$ 191,412	\$ 3,543,142	\$ 3,729,452	\$ 5,102
Liabilities				
Due Other Governments	\$ 191,412	\$ 3,543,142	\$ 3,729,452	\$ 5,102
<u>STOREY COUNTY SCHOOL DISTRICT DEBT SERVICE</u>				
Assets				
Cash	\$ 36,931	\$ 683,475	\$ 719,421	\$ 985
Liabilities				
Due Other Governments	\$ 36,931	\$ 683,475	\$ 719,421	\$ 985
<u>VIRGINIA CITY CONVENTION AND TOURISM AUTHORITY</u>				
Assets				
Cash	\$ 14,657	\$ 90,160	\$ 104,817	\$ 0
Liabilities				
Due Other Governments	\$ 14,657	\$ 90,160	\$ 104,817	\$ 0
<u>DISTRJCT ATTORNEY RESTITUTION FUND</u>				
Assets				
Cash	\$ 0	\$ 15	\$ 15	\$ 0
Liabilities				
Due Other Governments	\$ 0	\$ 15	\$ 15	\$ 0
<u>TOTAL - ALL FUNDS</u>				
Assets				
Cash	\$ 385,825	\$ 5,295,168	\$ 5,596,443	\$ 84,550
Liabilities				
Due Other Governments	\$ 385,825	\$ 5,295,168	\$ 5,596,443	\$ 84,550

The notes to financial statements are  
 an integral part of this statement.

STOREY COUNTY, NEVADA  
 COMPARATIVE SCHEDULES OF GENERAL FIXED ASSETS  
 BY SOURCE  
 JUNE 30, 2013 AND 2012

	JUNE 30,	
	2013	2012
<u>GENERAL FIXED ASSETS</u>		
Land	\$ 387,759	\$ 280,259
Antique Furniture	75,000	0
Infrastructure	43,256,707	43,256,707
Construction in progress	2,229,317	2,229,317
Building and improvements	9,861,612	9,303,357
Machinery and equipment	6,890,249	6,441,491
Park Improvements	850,595	671,490
Total General Fixed Assets	\$ 63,551,239	\$ 62,182,621
 <u>INVESTMENTS IN GENERAL FIXED ASSETS</u>		
<u>BY SOURCE:</u>		
General Fund	\$ 11,587,961	\$ 11,059,641
Road Fund	45,582,227	45,582,152
Fire Fund	6,309	6,309
Virginia City Tourism Commission	622,481	0
Wildland Fire Protection Fund	2,710,274	2,492,532
Fourth Ward Trustee	1,579,368	1,579,368
Sheriff's Jail	1,462,619	1,462,619
Total Investment in General Fixed Assets	\$ 63,551,239	\$ 62,182,621

The notes to financial statements are  
 an intergral part of this statement.

STOREY COUNTY, NEVADA  
SCHEDULE OF GENERAL FIXED ASSETS - BY FUNCTION AND ACTIVITY  
FOR THE YEAR ENDED JUNE 30, 2013

FUNCTION AND ACTIVITY	LAND	ANTIQU FURNITURE	INFRASTRUCTURE	CONSTRUCTION IN PROGRESS	BUILDING AND IMPROVEMENTS	PARK IMPROVEMENTS	MACHINERY AND EQUIPMENT	TOTAL
<b>GENERAL GOVERNMENT</b>								
Commissioners	\$ 114,849				\$ 17,161		\$ 46,435	\$ 178,445
Clerk - Treasurers							29,417	29,417
Recorder - Auditor					4,897		80,627	85,524
Assessor							42,132	42,132
Building - Grounds					181,725		217,746	399,471
Virginia City Tourism Commission	107,500	\$ 75,000			346,870		93,111	622,481
Tri Payback					1,468,644			1,468,644
Other - Administrative	165,410			\$ 1,443,914	2,198,450		514,084	4,321,858
<b>Total General Government</b>	<u>387,759</u>	<u>75,000</u>	<u>\$ 0</u>	<u>1,443,914</u>	<u>4,217,747</u>	<u>\$ 0</u>	<u>1,023,552</u>	<u>7,147,972</u>
<b>JUDICIAL</b>								
Justice Court							4,090	4,090
District Attorney							71,916	71,916
<b>Total Judicial</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>76,006</u>	<u>76,006</u>
<b>PUBLIC SAFETY</b>								
Sheriff				490,693	1,946,845		1,150,319	3,587,857
Fire					6,309			6,309
Wildland Fire Protection					180,914		2,529,360	2,710,274
Emergency Management							439,119	439,119
Building Department							91,820	91,820
<b>Total Public Safety</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>490,693</u>	<u>2,134,068</u>	<u>0</u>	<u>4,210,618</u>	<u>6,835,379</u>
<b>HIGHWAY AND STREETS</b>								
	<u>0</u>	<u>0</u>	<u>\$ 43,256,707</u>	<u>0</u>	<u>773,056</u>	<u>0</u>	<u>1,552,464</u>	<u>45,582,227</u>
<b>CULTURE AND RECREATION</b>								
	<u>0</u>	<u>0</u>	<u>0</u>	<u>294,710</u>	<u>2,736,741</u>	<u>850,595</u>	<u>27,609</u>	<u>3,909,655</u>
<b>Total General Fixed Assets</b>	<u>\$ 387,759</u>	<u>\$ 75,000</u>	<u>\$ 43,256,707</u>	<u>\$ 2,229,317</u>	<u>\$ 9,861,612</u>	<u>\$ 850,595</u>	<u>\$ 6,890,249</u>	<u>\$ 63,551,239</u>

The notes to financial statements are  
an integral part of this statement.

STOREY COUNTY, NEVADA  
SCHEDULE OF GENERAL FIXED ASSETS - BY FUNCTION AND ACTIVITY  
FOR THE YEAR ENDED JUNE 30, 2013

FUNCTION AND ACTIVITY	GENERAL FIXED ASSETS				GENERAL FIXED ASSETS
	July 1, 2012	ADDITIONS	DELETIONS	TRANSFERS	June 30, 2013
<b>GENERAL GOVERNMENT</b>					
Commissioners	\$ 178,445				\$ 178,445
Clerk Treasurer	29,417				29,417
Recorder - Auditor	85,524				85,524
Assessor	42,132				42,132
Building - Grounds	383,901	\$ 15,570			399,471
Virginia City Tourist Commission	0			\$ 622,481	622,481
Tri Payback	1,468,644				1,468,644
Other - Administrative	4,084,227	237,631			4,321,858
Total General Government	<u>6,272,290</u>	<u>253,201</u>	<u>\$ 0</u>	<u>622,481</u>	<u>7,147,972</u>
<b>JUDICIAL</b>					
District Attorney	71,916				71,916
District Court	4,090				4,090
Total Judicial	<u>76,006</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>76,006</u>
<b>PUBLIC SAFETY</b>					
Sheriff	3,491,843	96,014			3,587,857
Fire	6,309				6,309
Wildland Fire Protection	2,492,532	217,742			2,710,274
Emergency Management	439,119				439,119
Building Department	91,820				91,820
Total Public Safety	<u>6,521,623</u>	<u>313,756</u>	<u>0</u>	<u>0</u>	<u>6,835,379</u>
<b>HIGHWAY AND STREETS</b>					
	<u>45,582,152</u>	<u>75</u>	<u>0</u>	<u>0</u>	<u>45,582,227</u>
<b>CULTURE AND RECREATION</b>					
	<u>3,730,550</u>	<u>179,105</u>	<u>0</u>	<u>0</u>	<u>3,909,655</u>
Total General Fixed Assets	<u>\$ 62,182,621</u>	<u>\$ 746,137</u>	<u>\$ 0</u>	<u>\$ 622,481</u>	<u>\$ 63,551,239</u>

The notes to financial statements are  
an integral part of this statement.

STOREY COUNTY, NEVADA  
 SCHEDULE OF GENERAL OBLIGATIONS BONDS  
 AND OTHER CONTRACTUAL OBLIGATIONS FROM FUTURE REVENUES  
 JUNE 30, 2013

<u>COUNTY BONDS</u>	<u>DATE OF ISSUE</u>	<u>AMOUNT OF ISSUE</u>	<u>INTEREST RATE</u>	<u>BALANCE JUNE 30, 2012</u>	<u>PAID DURING YEAR</u>	<u>BALANCE JUNE 30, 2013</u>	<u>TERMS OF PAYMENT OF OUTSTANDING BALANCE</u>
<u>Revenue Bonds</u>							
County of Storey							
Water Revenues Bonds of 1974							
(Due United States of America							
Farmer's Home Administration)							
	6/26/1974	\$ 294,000	5%	\$ 29,000	\$ 14,000	\$ 15,000	\$ 15,000 January 1, 2014
Virginia City Rail Bond							
Series 2010A							
Taxable Recovery Zone Economic Development Bond							
(Due All Points Capital Corp.)							
	12/28/2010	\$ 890,000	8%	\$ 854,000	\$ 38,000	\$ 816,000	\$ 39,000 December 1, 2013 \$ 41,000 December 1, 2014 \$ 43,000 December 1, 2015 \$ 45,000 December 1, 2016 \$ 47,000 December 1, 2017 \$ 49,000 December 1, 2018 \$ 51,000 December 1, 2019 \$ 53,000 December 1, 2020 \$ 56,000 December 1, 2021 \$ 58,000 December 1, 2022 \$ 61,000 December 1, 2023 \$ 64,000 December 1, 2024 \$ 67,000 December 1, 2025 \$ 69,000 December 1, 2026 \$ 73,000 December 1, 2027 with interest only paid on June 1 and principle and interest paid on December 1 of each year.
<u>VIRGINIA CITY RAIL BOND</u>							
Series 2010B (Tax Exempt)							
(Due Capital One Public Funding, LLC)							
	12/28/2010	\$ 859,000	5%	\$ 826,000	\$ 34,000	\$ 792,000	\$ 37,000 December 1, 2013 \$ 38,000 December 1, 2014 \$ 40,000 December 1, 2015 \$ 42,000 December 1, 2016 \$ 44,000 December 1, 2017 \$ 47,000 December 1, 2018 \$ 49,000 December 1, 2019 \$ 52,000 December 1, 2020 \$ 54,000 December 1, 2021

The notes to financial statements are  
 an integral part of this statement.

STOREY COUNTY, NEVADA  
SCHEDULE OF GENERAL OBLIGATIONS BONDS  
AND OTHER CONTRACTUAL OBLIGATIONS FROM FUTURE REVENUES  
JUNE 30, 2013

	<u>DATE OF ISSUE</u>	<u>AMOUNT OF ISSUE</u>	<u>INTEREST RATE</u>	<u>BALANCE JUNE 30, 2012</u>	<u>PAID DURING YEAR</u>	<u>BALANCE JUNE 30, 2013</u>	<u>TERMS OF PAYMENT OF OUTSTANDING BALANCE</u>
<u>VIRGINIA CITY RAIL BOND (cont'd)</u>							
Series 2010B (Tax Exempt)							
(Due Capital One Public Funding, LLC)							
	12/28/2010	\$ 859,000	5%	\$ 826,000	\$ 34,000	\$ 792,000	\$ 60,000 December 1, 2023 \$ 63,000 December 1, 2024 \$ 66,000 December 1, 2025 \$ 70,000 December 1, 2026 \$ 73,000 December 1, 2027 with interest only paid on June 1 and principle and interest paid on December 1 of each year
<u>MEDIUM TERM LOAN</u>							
(7 yr) Due - Bank of America							
	12/20/2007	\$ 520,000	4.85%	\$ 222,856	\$ 74,286	\$ 148,570	\$ 74,286 Fiscal years 6/30/14 - 6/30/15 with interest only paid on June 21 and principal and interest paid on December 21, of each year.
<u>MEDIUM TERM LOAN</u>							
(5 yr) Due Doan Eggenberger Family Trust							
	3/2/2012	\$ 330,000	6%	\$ 330,000	\$ 50,000	\$ 280,000	Note to be paid semi-annually March 20, and September 20, for a period not to exceed 5 years.
<u>WATER REVENUE BOND - SERIES 1998</u>							
<u>U.S.D.A. - Rural Development Loan</u>							
	1/28/1997	\$ 714,000	4 1/2%	\$ 560,466	\$ 12,911	\$ 547,555	\$ 38,801 Fiscal Years 6/30/14-6/30/2037 with interest only paid on July 1, and interest and principal paid on January 1.
<u>VIRGINIA - DIVIDE SEWER</u>							
<u>IMPROVEMENTS DISTRICT</u>							
Sewer Revenue Bonds Series 1981							
(Due General Electric Credit Corp.							
Master Services - acquired from							
United States of America Farmer's							
Home Administration on 09/23/1987)							
	11/1/1981	\$ 138,000	5%	\$ 57,389	\$ 5,288	\$ 52,101	\$ 673 per month including principle and interest.

The notes to financial statements are  
an integral part of this statement.

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Honorable Board of County Commissioners  
Storey County, Nevada

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Storey County, Nevada, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise Storey County, Nevada's basic financial statements, and have issued our report thereon dated September 6, 2013.

**Internal Control Over Financial Reporting**

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

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

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

**Compliance and Other Matters**

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

**Purpose of this Report**

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



David A. Pringle, CPA, LTD  
Carson City, NV

September 6, 2013

**DAVID A. PRINGLE, CPA, LTD.**  
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**AUDITORS REPORT ON PRIOR YEAR'S RECOMMENDATIONS**

To The Honorable Board of County Commissioners  
Storey County, Nevada

We have reviewed the status of our recommendations included in last year's audit report dated September 18, 2012. This review indicated:

1. We recommended that the reconciliation of accounts and approval of writeoffs in the Fire department ambulance billings be authorized through a different department to ensure proper collection and write off controls. This was implemented during fiscal year 2013 by bringing ambulance billings and collections back under the supervision of County employees.
2. We recommended expenditures be monitored to prevent exceeding appropriations. This was not implemented during fiscal year 2013, since five special revenue funds and three programs in the general fund exceeded budgeted appropriations.
3. We recommended expenditures over \$10,000 in the Fire Special Revenue Fund be approved by the County Manager or Comptroller. This was partially implemented in the current year.
4. We recommended care should be taken in the assignment of funds and account numbers prior to recording the liabilities in the accounting records. This was partially implemented in the current year.
5. We recommended reviewing account numbers and names in the Federal/State Grant Fund to further differentiate the Federal and State grant revenues and expenditures. This was partially implemented in the 2013 fiscal year.



David A. Pringle, CPA, LTD.  
Carson City, Nevada

September 6, 2013

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**AUDITORS REPORT ON CURRENT YEAR'S RECOMMENDATIONS**

To the Honorable Board of County Commissioners  
Storey County, Nevada

We have audited the financial statements of Storey County, Nevada for the year ended June 30, 2013, and have issued our report thereon dated September 6, 2013. As part of our audit, we made a study and evaluation of the County's system of internal accounting control to the extent we considered necessary solely to determine the nature, timing and extent of our auditing procedures. Our study and evaluation was more limited than would be necessary to express an opinion on the system of internal accounting control taken as a whole, and we do not express such an opinion.

However during our audit we became aware of certain matters that, while not involving material weaknesses in internal accounting control, are opportunities for increasing controls and operating efficiency. This letter does not affect our report dated September 6, 2013, on the financial statements of Storey County, Nevada.

**Current Years Audit Recommendations**

1. We recommend monitoring expenditures to prevent exceeding budgeted amounts as expenditures exceeded appropriations in five Special Revenue Funds and three programs in the General Fund. One Special Revenue Fund also had a deficit fund balance.
2. We recommend more care be taken in the recording of cash receipts. There were numerous instances where revenue was received into the incorrect cash account.
3. Based upon the amount expenditures exceeded appropriations in almost every category in the Fire and Sheriff Jail Special Revenue Funds, we recommend expenditures over \$10,000 be approved by the County Manager or Comptroller.
4. Continued care should be taken in the assignment of funds and account numbers prior to recording the liabilities in the accounting records. Certain expenditures appear to be more correctly charged to the special revenue funds than the general fund.
5. We recommend account names in the Federal/State Grant Fund be reviewed and adjusted to further differentiate the Federal and State grant revenues and expenditures.
6. We recommend bank reconciliations be balanced to the general ledger, as well as be reviewed and approved by the Comptroller on a monthly basis.
7. We recommend adjusting beginning cash balances at July 1, 2013, either through loans or transfers, in order to eliminate the deficit cash balances in the Fire and Jail Building Funds.

The status of the above recommendations must be reviewed during your next audit engagement. We have already discussed these recommendations with the County Comptroller, and will be pleased to discuss them in further detail at your convenience.



David A. Pringle, CPA, LTD  
Carson City, Nevada

September 6, 2013

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON  
INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

To The Honorable County Commissioners,  
Storey County, Nevada

**Report on Compliance for Each Major Federal Program**

We have audited Storey County, Nevada's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Storey County, Nevada's major federal programs for the year ended June 30, 2013. Storey County, Nevada did not have any programs that qualified as major. The federal programs that were audited as major are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

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

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of Storey County, Nevada's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirement 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 Storey County, Nevada's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Storey County, Nevada's compliance.

**Opinion on Each Major Federal Program**

In our opinion, Storey County, Nevada complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013.

**Report on Internal Control Over Compliance**

Management of Storey County, Nevada, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Storey County, Nevada's internal control over compliance with the types of requirements

that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstance for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Storey County, Nevada's internal control over compliance.

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

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

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



David A. Pringle CPA, LTD.  
Carson City, Nevada  
September 6, 2013

STOREY COUNTY, NEVADA  
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE  
FOR THE YEAR ENDED JUNE 30, 2013

<u>FEDERAL GRANTOR/ PROGRAM/GRANT DESCRIPTION</u>	<u>FEDERAL CFDA NUMBER</u>	<u>FEDERAL AWARD AMOUNT</u>	<u>RECEIPTS</u>	<u>DISBURSEMENTS</u>	<u>MATCH AMOUNT</u>	<u>PASS-THROUGH ENTITY/ IDENTIFYING NUMBER</u>
Department of Agriculture Forest Service Cooperative Forestry Assistance USDA Mark Twain	10.664	\$ 44,740	\$ 46,740	\$ 7,367	\$ 61,090	Nevada Division of Forestry/ USDA/SFA/10/15
Department of Agriculture Forest Service Cooperative Forestry Assistance Fuel Management	10.664	252,291	0	5,597	164,447	Nevada Division of Forestry/ USDA/SFA/13/11
Office of the Chief of Engineers ARRA - Nevada Environmental Infrastructure USACE Waste Water	12.121	150,000,000	168,870	152,429	88,475	none
Office of Community Planning and Development Community Development Block Grant VC Pool Rehab	14.228	152,000	60,644	151,309	20,000	Nevada Governor's Office of Economic Development/12/PF/18
Office of Community Planning and Development Community Development Block Grant Rural NV Continuum	14.228	40,000	29,944	39,571	none	Nevada Governor's Office of Economic Development/12/PCB/19
Department of the Interior Historic Preservation Fund Grants-in-aid Historic Preservation	15.904	55,000	40,000	40,000	36,667	State of Nevada Historic Preservation Office /32-12-41935(8)
National Highway Traffic Safety Administration State and Community Highway Safety OTS	20.600	27,929	29,199	27,923	none	Nevada Department of Public Safety/ 23-EM-3
Pipeline and Hazardous Materials Safety Administration Interagency Hazardous Material Public Sector Training and Planning Grants HMEP Planning	20.703	9,125	9,125	9,125	none	State of Nevada Emergency Response Commission/ 12-HMEP-15-01

STOREY COUNTY, NEVADA  
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE  
FOR THE YEAR ENDED JUNE 30, 2013

<u>FEDERAL GRANTOR/ PROGRAM/GRANT DESCRIPTION</u>	<u>FEDERAL CFDA NUMBER</u>	<u>FEDERAL AWARD AMOUNT</u>	<u>RECEIPTS</u>	<u>DISBURSEMENTS</u>	<u>MATCH AMOUNT</u>	<u>PASS-THROUGH ENTITY/ IDENTIFYING NUMBER</u>
Pipeline and Hazardous Materials Safety Administration Interagency Hazardous Material Public Sector Training and Planning Grants Hazmat Training	20.703	3,900	1,950	1,950	none	State of Nevada Emergency Response Commission/ 12-HMEP-15-01
National Archives and Records Administration National Historical Publications and Records Grants Digitize Historical Records	89.003	5,000	5,000	5,000	6,719	Nevada State Library and Archives/ 2012-01
Administration for Children and Families Community Services Block Grant Childcare	93.569	67,143	71,343	68,427	none	Nevada Department of Health and Human Services/959.04
Department of Homeland Security Emergency Management Performance Grants Salaries	97.042	20,679	20,679	20,679	20,679	Nevada Department of Public Safety/ FY13EMPG
Department of Homeland Security Homeland Security Grant Program State Homeland Security	97.067	3,000	2,821	2,821	none	Nevada Department of Public Safety/ FFY08
Department of the Treasury, Internal Revenue Service V&T Railroad Project Bond Series 2010 (RZEDB)	8038-CP	890,000	28,782	<u>107,250</u>	none	none
Total Cash Disbursements				<u>\$ 639,448</u>		

STOREY COUNTY, NEVADA  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 YEAR ENDED JUNE 30, 2013

SECTION I - SUMMARY OF AUDITOR'S RESULTS

**Financial Statements**

Type of auditor's report issued: unqualified

Internal control over financial reporting:

Material weakness identified?  yes  no

Reportable condition identified  
 not considered to be material weaknesses?  yes  none reported

Noncompliance material to financial statements noted?  yes  no

**Federal Awards**

Internal Control over major program:

Material weakness identified?  yes  no

Reportable condition identified  
 not considered to be material weaknesses?  yes  none reported

Type of auditor's report issued on compliance  
 for major programs: unqualified

Any audit findings disclosed that are required  
 to be reported in accordance with  
 Circular A-133 Section .510(a)?  yes  no

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program</u>
12.121	Nevada Environmental Infrastructure - ARRA (Type B)
14.228	Community Development Block Grant (Type B)

Dollar threshold used to distinguish  
 between Type A and Type B programs: \$ 300,000

Auditee qualified as low-risk auditee?  yes  no

SECTION II - FINANCIAL STATEMENT FINDINGS

There were no reportable conditions, material weaknesses or instances of noncompliance related to the financial statements that are required to be reported in accordance with paragraphs 5.18 through 5.20 of *Government Auditing Standards*.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There were no audit findings required to be reported by Circular A-133, Section .510(a).

STOREY COUNTY, NEVADA  
NOTES TO SCHEDULE OF EXPENDITURES  
OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2013

NOTE A - BASIS OF PRESENTATION

The accompany schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of Storey County, Nevada under programs of the federal government for the year ended June 30, 2012. 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*. The Schedule presents only a selected portion of the operations of Storey County, Nevada, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Storey County, Nevada.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- (1) Expenditures reported on the Schedules are reported on the accrual basis of accounting. Such Expenditures are recognized following the cost principles contained in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, where in certain types of expenditures are not allowable or are limited as to reimbursement.
- (2) Pass-through entities and identifying numbers are presented where available.

NOTE C - MATCH AMOUNTS

Amounts listed under Match Amount are on the schedule of expenditures of federal awards are either in-kind or cash.