

Audit Report

*STOREY COUNTY,
NEVADA*

June 30, 2008

STOREY COUNTY, NEVADA
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INDEPENDENT AUDITOR'S REPORT

To the Honorable Board of County Commissioners
Storey County, Nevada

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated November 24, 2008, on our consideration of the Storey County, Nevada internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis and budgetary comparison information on pages 3 through 7 and 44 through 68, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquires of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Storey County, Nevada, basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.



David A. Pringle, CPA, LTD
November 24, 2008

COUNTY OF STOREY, STATE OF NEVADA
MANAGEMENT DISCUSSION AND ANALYSIS

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, 2008. We ask readers to consider the information presented, together with additional information in our letter of transmittal, which can be found within this document.

FINANCIAL HIGHLIGHTS

- The assets of Storey County exceeded its liabilities by \$29,319,383.
- The County's unrestricted net assets increased \$ 2,357,332.
- At June 30, 2008, the unreserved fund balance for the general fund was \$6,580,481 with an additional \$250,000 reserved.
- Storey County's bonded debt at June 30, 2008 was \$1,297,531 which was \$777,531 in revenue bonds of the County's Enterprise Funds and a Medium term (7 yr.) General obligation bond of \$520,000.

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 through 10.

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 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 three other funds considered major funds. Data from the other sixteen 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 22 .

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 23 through 25.

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 26.

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 27 through 38.

Other information. The combining and individual fund statements and schedules for major governmental funds can be found on page 11 of this report. This same information for non-major governmental funds can be found on pages 39 through 60 of this report.

STOREY COUNTY NEVADA
NET ASSETS

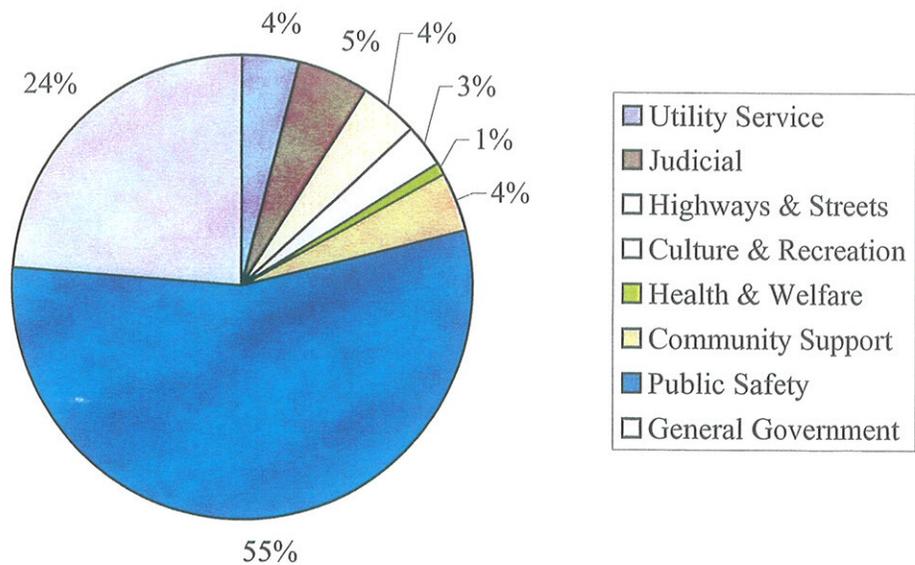
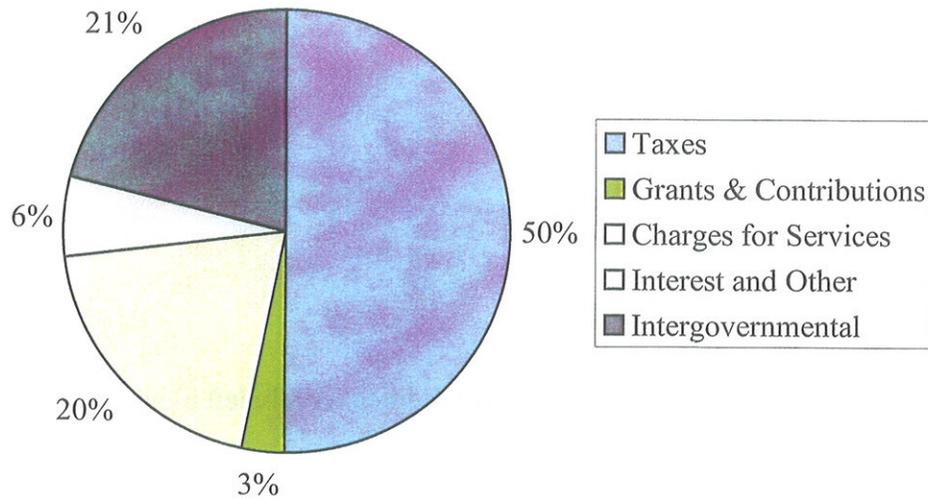
	Governmental Activities June 30, 2008	Business Type Activities June 30, 2008	Total June 30, 2008
Current and other Assets	\$15,788,504	\$ 1,369,427	\$ 17,157,931
Capital Assets	<u>7,062,303</u>	<u>5,963,763</u>	<u>13,026,066</u>
Total Assets	<u>\$ 22,850,807</u>	<u>\$ 7,333,190</u>	<u>\$ 30,183,997</u>
Long Term Liabilities			
Outstanding	\$ 1,174,256	\$ 750,375	\$ 1,924,631
Current Liabilities	<u>3,276,229</u>	<u>170,599</u>	<u>3,446,828</u>
Total Liabilities	<u>\$ 4,450,485</u>	<u>\$ 920,974</u>	<u>\$ 5,371,459</u>
 NET ASSETS			
Invested in Capital			
Assets, Net of Related Debt	\$ 6,430,855	\$ 5,186,231	\$ 11,617,086
Unrestricted	<u>11,969,467</u>	<u>1,225,985</u>	<u>13,195,452</u>
Total Net Assets	<u>\$ 18,400,322</u>	<u>\$ 6,412,216</u>	<u>\$ 24,812,538</u>

STOREY COUNTY NEVADA
CHANGES IN NET ASSETS

	Governmental Activities June 30, 2008	Business Type Activities June 30, 2008	Total June 30, 2008
REVENUES:			
Program Revenues:			
Charges For Services	\$ 3,430,073	\$ 501,820	\$ 3,931,893
Operating Grants and Contributions	145,477		145,477
Capital Grants and Contributions	149,548	391,999	541,547
General Revenues:			
Taxes	9,987,518		9,987,518
Intergovernmental	4,336,986		4,336,986
Other	<u>1,111,526</u>	<u>68,469</u>	<u>1,179,995</u>
Total Revenues	<u>19,161,128</u>	<u>962,288</u>	<u>20,123,416</u>
EXPENSES:			
General Government	4,004,741		4,004,741
Public Safety	9,135,287		9,135,287
Judicial	853,637		853,637
Health and Welfare	149,334		149,334
Culture and Recreation	424,756		424,756
Community Support	585,560		585,560
Highways and Streets	657,239		657,239
Water and Sewer	<u> </u>	<u>729,185</u>	<u>729,185</u>
Total Expenses	<u>15,810,554</u>	<u>729,185</u>	<u>16,539,739</u>
Changes In Net Assets	3,350,574	233,103	3,583,677
Net Assets July 1, 2007	<u>15,049,748</u>	<u>6,179,113</u>	<u>21,228,861</u>
Net Assets June 30, 2008	<u>\$18,400,322</u>	<u>\$ 6,412,216</u>	<u>\$24,812,538</u>

COUNTY OF STOREY, STATE OF NEVADA
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 JUNE 30, 2008

Revenues in the General Fund were \$11,592,110, which was \$641,678 more than the amount budgeted. Actual revenue exceeded budgeted amounts in all budget categories except taxes and licenses and permits. Actual expenditures were \$9,605,176 which was \$2,005,868 less than appropriations for the year. Overall, the total ending fund balance was \$6,830,481 which is \$4,436,057 more than budgeted. Of the \$6,860,481 ending fund balance \$4,092,068 was designated as an opening fund balance on July 1, 2008 and \$250,000 was reserved on July 1, 2008.



COUNTY OF STOREY, STATE OF NEVADA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2008

Business Type Activities. Business-type activities increased Storey County's net assets by \$233,103. Depreciation expense for the current fiscal year was \$120,678.

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, 2008. The budget statements reflect a comparison of budgeted revenues and expenditures to actual for the year ended June 30, 2008. 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 exceeded expectations by \$641,678, leaving a fund balance of \$6,830,481.

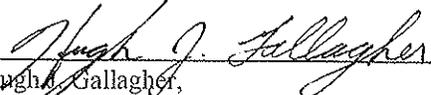
General Fund budget information can be found on pages 15 through 19.

Capital Assets. Storey County's investment in capital assets for its governmental and business type activities as of June 30, 2008 amounts to \$13,026,066 (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, 2008

	Governmental Activities June 30, 2008	Business Type Activities June 30, 2008	Total June 30, 2008
Land	\$ 134,443		\$ 134,443
Buildings and Improvements	4,869,863		4,869,863
Improvements other than Buildings	530,545		530,545
Machinery and Equipment	1,527,452	\$ 253,540	1,780,992
Sewer and Water systems	<u> </u>	<u>5,710,223</u>	<u>5,710,223</u>
 Total	 <u>\$ 7,062,303</u>	 <u>\$ 5,963,763</u>	 <u>\$ 13,026,066</u>

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 493, Virginia City, Nevada 89440, telephone number (775)847-1006, e-mail HGallagher@StoreyCounty.org



Hugh J. Gallagher,
Comptroller

STOREY COUNTY, NEVADA
STATEMENT OF NET ASSETS
JUNE 30, 2008

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
<u>ASSETS</u>			
Cash	\$ 14,326,166	\$ 1,312,657	\$ 15,638,823
Accounts receivables	1,291,622	53,332	1,344,954
Taxes receivable	106,030		106,030
Interest receivable	64,686	3,438	68,124
Capital assets - net of accumulated depreciation			
Land	134,443		134,443
Buildings and improvements	4,869,863		4,869,863
Improvements other than buildings	530,545		530,545
Utility system		5,710,223	5,710,223
Machinery and equipment	1,527,452	253,540	1,780,992
	\$ 22,850,807	\$ 7,333,190	\$ 30,183,997
<u>LIABILITIES AND FUND BALANCES</u>			
Accounts payable and other current liabilities	\$ 3,201,943	\$ 143,442	\$ 3,345,385
Non-current liabilities			
Bonds payable - due within one year	74,286	27,157	101,443
- due in more than one year	445,714	750,375	1,196,089
Compensated absences - due in more than one year	97,094		97,094
Other non-current liabilities	631,448		631,448
	\$ 4,450,485	\$ 920,974	\$ 5,371,459
<u>NET ASSETS</u>			
Invested in capital assets - net of related debt	\$ 6,430,855	\$ 5,186,231	\$ 11,617,086
Unrestricted	11,969,467	1,225,985	13,195,452
	\$ 18,400,322	\$ 6,412,216	\$ 24,812,538

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

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

<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	\$ 4,004,741	\$ 1,998,586	\$ 26,039	
Public safety	9,135,287	1,313,704	119,438	\$ 84,800
Judicial	853,637	36,668		
Health and Welfare	149,334			
Culture and recreation	424,756	35,207		64,748
Community support	585,560			
Highways and streets	657,239	45,908		
Total Governmental Activities	<u>15,810,554</u>	<u>3,430,073</u>	<u>145,477</u>	<u>149,548</u>
Business type activities:				
Water	487,710	357,298		
Sewer	241,475	144,522		
Total Business-Type Activities	<u>729,185</u>	<u>501,820</u>		
Total Primary Government	<u>\$ 16,539,739</u>	<u>\$ 3,931,893</u>	<u>\$ 145,477</u>	<u>\$ 149,548</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, 2008

FUNCTIONS/PROGRAMS	NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS		
	GOVERNMENTAL	BUSINESS	TOTAL
	ACTIVITIES	TYPE ACTIVITIES	
Primary government:			
Governmental activities:			
General government	\$ (1,980,116)		\$ (1,980,116)
Public safety	(7,617,345)		(7,617,345)
Judicial	(816,969)		(816,969)
Health and Welfare	(149,334)		(149,334)
Culture and recreation	(324,801)		(324,801)
Community support	(585,560)		(585,560)
Highways and streets	(611,331)		(611,331)
Total Governmental Activities	<u>(12,085,456)</u>		<u>(12,085,456)</u>
Business type activities:			
Water		\$ (130,412)	(130,412)
Sewer		(96,953)	(96,953)
Total Business-Type Activities		<u>(227,365)</u>	<u>(227,365)</u>
Total Primary Government	<u>(12,085,456)</u>	<u>(227,365)</u>	<u>(12,312,821)</u>
General revenues:			
Property taxes	9,987,518		9,987,518
Various State Collected Pass-Through Revenues	4,336,986		4,336,986
Interest Earnings	437,053	62,469	499,522
Miscellaneous Revenue	674,473	6,000	680,473
Capital Contributions and Grants		391,999	391,999
Total General Revenues	<u>15,436,030</u>	<u>460,468</u>	<u>15,896,498</u>
Change in Net Assets	3,350,574	233,103	3,583,677
Net Assets - July 1, 2007	15,049,748	6,179,113	21,228,861
Net Assets - June 30, 2008	<u>\$ 18,400,322</u>	<u>\$ 6,412,216</u>	<u>\$ 24,812,538</u>

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

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

	<u>GENERAL</u>	<u>ROAD FUND</u>	<u>FIRE FUND</u>	<u>INFRASTRUCTURE CAPITAL PROJECTS</u>	<u>OTHER GOVERNMENTAL FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
ASSETS						
Cash	\$ 9,025,951	\$ 428,000	\$ 456,908	\$ 1,193,920	\$ 3,221,387	\$ 14,326,166
Accounts receivable	1,020,722	74,913	151,582	27,300	17,105	1,291,622
Taxes receivable	45,674		14,824		45,532	106,030
Interest receivable	58,168	3,424			3,094	64,686
Total Assets	<u>\$ 10,150,515</u>	<u>\$ 506,337</u>	<u>\$ 623,314</u>	<u>\$ 1,221,220</u>	<u>\$ 3,287,118</u>	<u>\$ 15,788,504</u>
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts payable	\$ 225,925	\$ 101,577	\$ 96,782	\$ 16,961	\$ 44,907	\$ 486,152
Accrued expenses	203,288	16,208	98,429			317,925
Deferred revenue	2,370,821		20,798		6,247	2,397,866
Medium term note payable	520,000					520,000
Total Liabilities	<u>3,320,034</u>	<u>117,785</u>	<u>216,009</u>	<u>16,961</u>	<u>51,154</u>	<u>3,721,943</u>
FUND BALANCES						
Unreserved reported in:						
General fund	6,830,481					6,830,481
Capital projects funds				1,204,259		1,204,259
Special revenue funds		388,552	407,305		3,235,964	4,031,821
Total Fund Balances	<u>6,830,481</u>	<u>388,552</u>	<u>407,305</u>	<u>1,204,259</u>	<u>3,235,964</u>	<u>12,066,561</u>
Total Liabilities and Fund Balances	<u>\$ 10,150,515</u>	<u>\$ 506,337</u>	<u>\$ 623,314</u>	<u>\$ 1,221,220</u>	<u>\$ 3,287,118</u>	<u>\$ 15,788,504</u>

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, 2008

Total Fund Balance - government funds - page 11	\$12,066,561
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	7,062,048
Long term liabilities are not due and payable in the current period and therefore are not reported in the funds.	<u>(728,542)</u>
Total Net Assets - governmental activities - page 8	<u>\$18,400,322</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, 2008

	<u>GENERAL</u>	<u>ROAD FUND</u>	<u>FIRE FUND</u>	<u>INFRASTRUCTURE CAPITAL PROJECTS</u>	<u>OTHER GOVERNMENTAL FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
<u>REVENUES</u>						
Taxes	\$ 6,899,119		\$ 1,778,496		\$ 1,309,903	\$ 9,987,518
Licenses and permits	1,214,415		4,710		66,226	1,285,351
Intergovernmental	2,013,198	\$ 455,207	916,585	\$ 301,431	918,518	4,604,939
Charges for services	676,669	45,908	397,871		145,912	1,266,360
Fines and forfeitures	10,753				165,947	176,700
Miscellaneous	777,956	43,839	231,454		85,349	1,138,598
Total Revenues	<u>11,592,110</u>	<u>544,954</u>	<u>3,329,116</u>	<u>301,431</u>	<u>2,691,855</u>	<u>18,459,466</u>
<u>EXPENDITURES</u>						
Current:						
General government	3,474,444			335,339	209,423	4,019,206
Public safety	4,509,231		3,302,805		1,348,038	9,160,074
Judicial	842,178				11,090	853,268
Health and welfare	2,016				147,318	149,334
Culture and recreation	256,046				189,901	445,947
Community support	521,261					521,261
Highways and streets		781,161				781,161
Total Expenditures	<u>9,605,176</u>	<u>781,161</u>	<u>3,302,805</u>	<u>335,339</u>	<u>1,905,770</u>	<u>15,930,251</u>
Excess (deficiency) of revenues over expenditures	<u>1,986,934</u>	<u>(236,207)</u>	<u>26,311</u>	<u>(33,908)</u>	<u>786,085</u>	<u>2,529,215</u>
<u>OTHER FINANCING SOURCES (USES)</u>						
Transfers in	15,000	250,000	120,000		510,000	895,000
Transfers out	(870,000)		(25,000)		(146,792)	(895,000)
Short term loan payments						(146,792)
Property sales	701,662					701,662
Total Other Financing Sources (Uses)	<u>(153,338)</u>	<u>250,000</u>	<u>95,000</u>		<u>363,208</u>	<u>554,870</u>
Net change in fund balance	1,833,596	13,793	121,311	(33,908)	1,149,293	3,084,085
Fund balance - beginning	4,996,885	374,759	285,994	1,238,167	2,086,671	8,982,476
Fund balance - ending	<u>\$ 6,830,481</u>	<u>\$ 388,552</u>	<u>\$ 407,305</u>	<u>\$ 1,204,259</u>	<u>\$ 3,235,964</u>	<u>\$ 12,066,561</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, 2008

Net change in fund balances - governmental funds, page 13 \$ 3,084,085

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. 242,169

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 24,320

Change in net assets of governmental activities, page 10 \$3,350,574

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, 2008

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
Taxes:				
Property	\$ 6,447,051	\$ 7,047,051	\$ 6,874,326	\$ (172,725)
Youth Services	23,469	23,469	24,793	1,324
Total Taxes	<u>6,470,520</u>	<u>7,070,520</u>	<u>6,899,119</u>	<u>(171,401)</u>
Licenses and permits:				
Merchandise licenses	65,000	65,000	91,750	26,750
Prostitution licenses	225,000	225,000	225,000	0
Liquor licenses	2,000	2,000	4,635	2,635
Utility licenses	130,000	130,000	196,220	66,220
Franchise tax	40,000	40,000	71,896	31,896
Building permits	500,000	949,880	597,997	(351,883)
Special use permits	15,000	15,000	26,217	11,217
Other licenses	0	0	700	700
Total Licenses and Permits	<u>977,000</u>	<u>1,426,880</u>	<u>1,214,415</u>	<u>(212,465)</u>
Intergovernmental:				
Federal and state grants			26,039	26,039
Payment in lieu of taxes	20,000	20,000	20,680	680
State shared revenues:				
Cigarette tax	25,179	25,179	24,097	(1,082)
Liquor tax	5,241	5,241	5,053	(188)
Gaming licenses	160,000	160,000	115,895	(44,105)
Basic CCRT	413,875	413,875	777,584	363,709
Supplemental CCRT	581,286	581,286	581,286	0
Motor Vehicle Privilege Tax	335,717	335,717	330,490	(5,227)
Virginia City Intergovernment Agreement	30,000	30,000	0	(30,000)
Real Property Transfer Tax	103,734	103,734	132,074	28,340
Total Intergovernmental	<u>1,675,032</u>	<u>1,675,032</u>	<u>2,013,198</u>	<u>338,166</u>
Charges for Services:				
Clerk Fees	9,000	9,000	12,365	3,365
Recorder fees	85,000	85,000	63,268	(21,732)
Assessor fees/commissions	100,000	100,000	154,252	54,252
Building department fees	8,000	8,000	8,100	100
District Court fees	3,000	3,000	6,071	3,071
Justice court fees	3,000	3,000	9,371	6,371
District Court fees - other	0	0	2,340	2,340
Sheriffs fees	30,000	30,000	29,078	(922)
Dog control	0	0	835	835
Facility fees	4,000	4,000	12,596	8,596
Swimming pool admissions/lessons	10,000	10,000	15,033	5,033
Park facilities fees	500	500	400	(100)
Import tonnage fees	400,000	400,000	354,361	(45,639)
Swim pool - concessions	3,500	3,500	4,928	1,428
V.C. park fees	2,500	2,500	1,250	(1,250)
V.C. Highlands park fees	6,500	6,500	0	(6,500)
Mark Twain park fees	1,000	1,000	500	(500)
Lockwood park fees	0	0	500	500
Other fees	0	0	1,421	1,421
Total Charges for Services	<u>666,000</u>	<u>666,000</u>	<u>676,669</u>	<u>10,669</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, 2008

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
<u>REVENUES (cont'd.)</u>				
Fines and Forfeits:				
District fine	0	0	446	446
Juvenile fines/assessments	1,000	1,000	3,451	2,451
Chemical analysis fees	1,000	1,000	5,216	4,216
Other fines			1,640	1,640
Total Fines and Forfeits	2,000	2,000	10,753	8,753
Miscellaneous:				
Rents	15,000	15,000	36,447	21,447
Penalties - current year	10,000	10,000	71,613	61,613
Penalties - prior years	5,000	5,000	14,438	9,438
Interest	80,000	80,000	476,109	396,109
Other	0	0	179,349	179,349
Total Miscellaneous	110,000	110,000	777,956	667,956
Total Revenues	9,900,552	10,950,432	11,592,110	641,678
<u>EXPENDITURES</u>				
General Government				
Commissioners:				
Salaries and wages	347,553	422,553	394,155	28,398
Employee benefits	177,242	250,242	242,503	7,739
Services and supplies	19,700	19,700	14,728	4,972
Capital outlay	3,000	3,000	0	3,000
	547,495	695,495	651,386	44,109
Clerk Treasurer:				
Salaries and wages	200,020	200,020	177,272	22,748
Employee benefits	110,583	110,583	83,232	27,351
Services and supplies	69,300	69,300	15,233	54,067
Capital outlay	10,000	10,000	0	10,000
	389,903	389,903	275,737	114,166
Recorder Auditor:				
Salaries and wages	264,881	264,881	256,758	8,123
Employee benefits	114,760	114,760	97,357	17,403
Services and supplies	25,400	25,400	45,798	(20,398)
Capital outlay	6,000	6,000	0	6,000
	411,041	411,041	399,913	11,128
Assessor:				
Salaries and wages	226,858	226,858	204,970	21,888
Employee benefits	119,003	141,003	124,911	16,092
Services and supplies	27,000	27,000	17,471	9,529
Capital outlay	3,000	3,000	0	3,000
	375,861	397,861	347,352	50,509
Administrative:				
Employee benefits	76,500	88,000	78,951	9,049
Services and supplies	856,300	1,342,296	1,035,409	306,887
Capital outlay	106,000	106,000	0	106,000
	1,038,800	1,536,296	1,114,360	421,936

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, 2008

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
<u>EXPENDITURES</u>				
General Government (contd.)				
Building and Grounds:				
Salaries and wages	104,976	104,976	103,656	1,320
Employee benefits	65,926	65,926	57,639	8,287
Services and supplies	70,700	70,700	76,519	(5,819)
Capital outlay	76,000	76,000	35,439	40,561
	<u>317,602</u>	<u>317,602</u>	<u>273,253</u>	<u>44,349</u>
Planning Commission:				
Salaries and wages	236,265	236,265	146,637	89,628
Employee benefits	142,851	142,851	55,009	87,842
Services and supplies	15,950	15,950	21,801	(5,851)
Capital outlay	7,000	7,000	21,472	(14,472)
	<u>402,066</u>	<u>402,066</u>	<u>244,919</u>	<u>157,147</u>
Service				
Salaries and wages	61,620	61,620	46,030	15,590
Employee benefits	46,018	46,018	20,010	26,008
Services and supplies	75,000	75,000	61,283	13,717
Capital outlay	0	0	40,201	(40,201)
	<u>182,638</u>	<u>182,638</u>	<u>167,524</u>	<u>15,114</u>
Contingency				
	<u>300,752</u>	<u>300,752</u>	<u>0</u>	<u>300,752</u>
Total General Government	<u>3,966,158</u>	<u>4,633,654</u>	<u>3,474,444</u>	<u>1,159,210</u>
Judicial:				
District Attorney:				
Salaries and wages	315,646	315,646	283,875	31,771
Employee benefits	159,660	159,660	110,682	48,978
Services and supplies	70,800	70,800	19,451	51,349
Capital outlay	0	0	1,285	(1,285)
	<u>546,106</u>	<u>546,106</u>	<u>415,293</u>	<u>130,813</u>
District Court:				
Salaries and wages	45,000	45,000	37,500	7,500
Services and supplies	73,320	73,320	54,976	18,344
Capital outlay	3,000	3,000	0	3,000
	<u>121,320</u>	<u>121,320</u>	<u>92,476</u>	<u>28,844</u>
Justice of the Peace:				
Salaries and wages	222,330	222,330	200,464	21,866
Employee benefits	121,906	121,906	100,190	21,716
Services and supplies	44,000	44,000	33,755	10,245
Capital outlay	0	0	0	0
	<u>388,236</u>	<u>388,236</u>	<u>334,409</u>	<u>53,827</u>
Total Judicial	<u>1,055,662</u>	<u>1,055,662</u>	<u>842,178</u>	<u>213,484</u>
Public Safety:				
Sheriff:				
Salaries and wages	1,713,935	1,713,935	1,655,321	58,614
Employee benefits	1,048,322	1,048,322	913,078	135,244
Services and supplies	353,324	353,324	364,055	(10,731)
Capital outlay	48,500	193,500	173,906	19,594
	<u>3,164,081</u>	<u>3,309,081</u>	<u>3,106,360</u>	<u>202,721</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, 2008

EXPENDITURES	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
Public Safety: (contd.)				
Building Department:				
Salaries and wages	339,107	339,107	277,013	62,094
Employee benefits	190,324	190,324	120,635	69,689
Services and supplies	46,150	46,150	39,984	6,166
Capital outlay	35,000	35,000	31,746	3,254
	610,581	610,581	469,378	141,203
Emergency Management:				
Salaries and wages	27,328	27,328	26,964	364
Employee benefits	19,767	19,767	22,060	(2,293)
Services and supplies	63,950	63,950	39,947	24,003
Capital outlay	90,000	90,000	34,789	55,211
	201,045	201,045	123,760	77,285
Communications				
Salaries and wages	469,330	469,330	494,221	(24,891)
Employee benefits	285,061	285,061	206,633	78,428
Services and supplies	130,470	130,470	107,179	23,291
Capital outlay	6,000	6,000	1,700	4,300
	890,861	890,861	809,733	81,128
Total Public Safety	4,866,568	5,011,568	4,509,231	502,337
Health:				
Home Health:				
Services and supplies	2,016	2,016	2,016	0
Culture and Recreation:				
Swimming Pools & Parks				
Salaries and wages	54,212	54,212	55,258	(1,046)
Employee benefits	15,264	15,264	11,834	3,430
Services and supplies	115,850	115,850	66,324	49,526
Capital outlay	13,000	13,000	13,373	(373)
	198,326	198,326	146,789	51,537
Library:				
Salaries and wages	65,253	65,253	58,585	6,668
Employee benefits	25,275	25,275	21,113	4,162
Services and supplies	26,700	26,700	29,241	(2,541)
Capital outlay	2,000	2,000	318	1,682
	119,228	119,228	109,257	9,971
Total Culture and Recreation	317,554	317,554	256,046	61,508
Community Support:				
Aging Services:				
Salaries and wages	19,760	19,760	17,900	1,860
Employee benefits	3,285	3,285	2,093	1,192
Services and supplies	469,545	567,545	501,268	66,277
Total Community Support	492,590	590,590	521,261	69,329
Total Expenditures	10,700,548	11,611,044	9,605,176	2,005,868
Excess (Deficiency) of Revenue over Expenditures	(799,996)	(660,612)	1,986,934	2,647,546

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, 2008

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
Other Financing Sources (Uses)				
Transfers in	15,000	15,000	15,000	0
Transfers out	(820,000)	(820,000)	(870,000)	(50,000)
Property sales - holding account	700,000	700,000	701,662	1,662
Total Other Financing Sources (Uses)	<u>(105,000)</u>	<u>(105,000)</u>	<u>(153,338)</u>	<u>(48,338)</u>
Net Change in Fund Balance	(904,996)	(765,612)	1,833,596	2,599,208
Fund balance - beginning	<u>3,160,036</u>	<u>3,160,036</u>	<u>4,996,885</u>	<u>1,836,849</u>
Fund balance - ending	<u>\$ 2,255,040</u>	<u>\$ 2,394,424</u>	<u>\$ 6,830,481</u>	<u>\$ 4,436,057</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, 2008

	ORIGINAL BUDGETED AMOUNTS	FINAL BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<u>REVENUE</u>				
Intergovernmental				
Gasoline tax	\$ 106,725	\$ 106,725	\$ 116,399	\$ 9,674
Supplemental CCRT	308,808	308,808	308,808	0
Intergovernmental agreement	30,000	30,000	30,000	0
Charges for services				
Import tonnage fees	45,000	45,000	45,908	908
Other revenue				
Interest	10,000	10,000	23,611	13,611
Miscellaneous	2,500	2,500	20,228	17,728
Total Revenue	<u>503,033</u>	<u>503,033</u>	<u>544,954</u>	<u>41,921</u>
<u>EXPENDITURES</u>				
Highways and streets				
Salaries and wages	217,401	217,401	221,714	(4,313)
Salary costs	121,301	121,301	86,475	34,826
Services and supplies	81,100	131,100	148,595	(17,495)
Capital outlay	248,750	248,750	311,767	(63,017)
Debt service				
Principle	100,000	100,000	0	100,000
Interest	50,000	50,000	12,610	37,390
Total Expenditures	<u>818,552</u>	<u>868,552</u>	<u>781,161</u>	<u>87,391</u>
Excess (deficiency) of revenues over expenditures	(315,519)	(365,519)	(236,207)	129,312
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers	<u>200,000</u>	<u>250,000</u>	<u>250,000</u>	<u>0</u>
Excess (deficiency) of revenues and other financing sources over expenditures	(115,519)	(115,519)	13,793	129,312
Fund balance - beginning	<u>333,989</u>	<u>333,989</u>	<u>374,759</u>	<u>40,770</u>
Fund balance - ending	<u>\$ 218,470</u>	<u>\$ 218,470</u>	<u>\$ 388,552</u>	<u>\$ 170,082</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, 2008

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		POSITIVE (NEGATIVE)
<u>REVENUE</u>				
Taxes				
Property	\$ 1,665,532	\$ 1,665,532	\$ 1,778,496	\$ 112,964
Intergovernmental revenues				
Supplemental CCRT	890,094	890,094	885,552	(4,542)
Intergovernmental agreement	30,000	30,000	30,000	0
State grant			1,033	1,033
Licenses and permits				
Ambulance program	2,500	2,500	4,710	2,210
Charges for services				
Fire/ambulance fees	95,000	95,000	136,035	41,035
Inspection fees	82,500	82,500	261,836	179,336
Other revenue				
Miscellaneous - other			231,454	231,454
Total Revenues	<u>2,765,626</u>	<u>2,765,626</u>	<u>3,329,116</u>	<u>563,490</u>
<u>EXPENDITURES</u>				
Public Safety				
Salaries and wages	1,752,719	1,752,719	1,794,732	(42,013)
Salary costs	958,034	958,034	977,311	(19,277)
Services and supplies	509,500	509,500	502,088	7,412
Capital outlay	50,000	50,000	28,674	21,326
Total Expenditures	<u>3,270,253</u>	<u>3,270,253</u>	<u>3,302,805</u>	<u>(32,552)</u>
Excess (deficiency) of revenue over expenditures	(504,627)	(504,627)	26,311	530,938
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfer In	120,000	120,000	120,000	0
Transfer out	(25,000)	(75,000)	(25,000)	50,000
Excess (deficiency) of revenue and other financing sources (uses) over expenditures	(409,627)	(459,627)	121,311	580,938
Fund balance - beginning	<u>601,816</u>	<u>601,816</u>	<u>285,994</u>	<u>(315,822)</u>
Fund balance - ending	<u>\$ 192,189</u>	<u>\$ 142,189</u>	<u>\$ 407,305</u>	<u>\$ 265,116</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, 2008

	ORIGINAL AND FINAL BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<u>REVENUES</u>			
Intergovernmental			
¼% Optional sales tax	\$ 200,000	\$ 301,431	\$ 101,431
<u>EXPENDITURES</u>			
General government			
Services and supplies	300,000	335,339	(35,339)
Excess (deficiency) of revenues over expenditures	(100,000)	(33,908)	66,092
Fund balance - beginning	572,598	1,238,167	665,569
Fund balance - ending	\$ 472,598	\$ 1,204,259	\$ 731,661

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

STOREY COUNTY, NEVADA
 PROPRIETARY FUNDS
 STATEMENT OF NET ASSETS
 JUNE 30, 2008

	BUSINESS-TYPE ENTERPRISE FUNDS		
	WATER SYSTEM	VIRGINIA DIVIDE SEWER	TOTAL
<u>ASSETS</u>			
Current Assets			
Cash	\$ 763,916	\$ 548,741	\$ 1,312,657
Accounts receivable	38,943	14,389	53,332
Interest receivable	1,987	1,451	3,438
Total Current Assets	804,846	564,581	1,369,427
Noncurrent Assets			
Capital assets - net of accumulated depreciation	5,540,874	422,889	5,963,763
Total Assets	6,345,720	987,470	7,333,190
<u>LIABILITIES</u>			
Current Liabilities			
Accounts payable	86,661	31,975	118,636
Refundable deposits	9,329		9,329
Bonds payable - current portion	22,826	4,331	27,157
Accrued expenses	10,943	2,234	13,177
Accrued interest	2,300		2,300
Total Current Liabilities	132,059	38,540	170,599
Long Term Liabilities			
Bonds payable - net of current portion	678,840	71,535	750,375
<u>NET ASSETS</u>			
Invested in capital assets - net of related debt	4,839,208	347,023	5,186,231
Unrestricted	695,613	530,372	1,225,985
Total Net Assets	\$ 5,534,821	\$ 877,395	\$ 6,412,216

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, 2008

	BUSINESS-TYPE ENTERPRISE FUNDS		
	WATER SYSTEM	VIRGINIA DIVIDE SEWER	TOTAL
<u>OPERATING REVENUES</u>			
Charges for services	\$ 357,298	\$ 144,522	\$ 501,820
<u>OPERATING EXPENSES</u>			
Salaries and wages	156,895	85,971	242,866
Salary costs	63,551	40,975	104,526
Services and supplies	146,123	78,244	224,367
Depreciation	88,332	32,346	120,678
Total Operating Expense	454,901	237,536	692,437
Operating Income (Loss)	(97,603)	(93,014)	(190,617)
<u>NONOPERATING REVENUES (EXPENSES)</u>			
Rent and miscellaneous	6,000	0	6,000
Interest income	35,203	27,266	62,469
Interest expense	(32,809)	(3,939)	(36,748)
Capital contributions and grants	343,749	48,250	391,999
Total Nonoperating Revenues (Expenses)	352,143	71,577	423,720
Change in net assets	254,540	(21,437)	233,103
Net assets - beginning	5,280,281	898,832	6,179,113
Net assets - ending	\$ 5,534,821	\$ 877,395	\$ 6,412,216

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, 2008

	BUSINESS-TYPE ENTERPRISE FUNDS		
	WATER SYSTEM	VIRGINIA DIVIDE SEWER	TOTALS
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Cash Inflows			
Sales of water/sewer fees	\$ 365,653	\$ 145,529	\$ 511,182
Cash Outflows			
Salaries and wages	(156,361)	(85,424)	(241,785)
Salary costs	(63,551)	(40,975)	(104,526)
Services and supplies	(171,370)	(56,971)	(228,341)
Net Cash Provided (Used) by Operating Activities	(25,629)	(37,841)	(63,470)
<u>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</u>			
Cash Inflows			
Grants	33,360		33,360
Rent	6,000		6,000
Customer deposits	1,822		1,822
Net Cash Provided by Non-Capital Financing Activities	41,182	0	41,182
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>			
Cash Inflows			
Capital contributions	310,389	48,249	358,638
Cash Outflows			
Capital outlay	(427,940)	(81,786)	(509,726)
Debt service	(22,359)	(4,137)	(26,496)
Interest expense	(32,809)	(3,939)	(36,748)
Net Cash Provided (Used) by Capital and Related Financing Activities	(172,719)	(41,613)	(214,332)
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Cash Inflows			
Interest earnings	36,712	27,836	64,548
Net Increase (Decrease) in Cash	(120,454)	(51,618)	(172,072)
Cash - beginning	884,370	600,359	1,484,729
Cash - ending	\$ 763,916	\$ 548,741	\$ 1,312,657

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

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

	<u>AGENCY FUNDS</u>
<u>ASSETS</u>	
Cash and cash equivalents	<u>\$ 212,198</u>
<u>LIABILITIES</u>	
Due to other governments	<u>\$ 212,198</u>
Net Assets	<u>\$ 0</u>

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

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.

Excluded from the reporting entity - Storey County Schools, Storey County Senior Center, Virginia City Convention and Tourism authority, 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 *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.

The *Infrastructure Capital Projects* accounts for a special ¼% optional sales tax revenues used for capital projects infrastructure.

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 changes 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 INVESTMENT

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, 2008.

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 1,000 hours 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 \$4,000 for department heads and \$5,000 for other employees.

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 hour, 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

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.

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, 2008.

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 \$6,333,761 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 - \$7,062,048. Long term liabilities are not due and payable in the current period and therefore are not reported in the funds. (\$728,542.)
- 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 \$262,545 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 - \$242,169. 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 - \$24,320.

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. (3rd 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 general fund and various special revenue funds during the fiscal year ended June 30, 2008.
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, 2008, expenditures exceeded appropriations as follows:

	<u>Expenditures</u>	<u>Appropriations</u>
Virginia-Divide Sewer Improvement District	\$ 237,536	\$ 219,020
Federal Grants Fund	\$ 622,170	\$ 485,000
Infrastructure Fund	\$ 335,339	\$ 300,000
Fire Special Revenue Fund	\$ 3,302,805	\$ 3,270,253

C. DEFICIT FUND EQUITY

No funds incurred a deficit fund equity at June 30, 2008.

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 \$250,000 reserved in the general fund.

IV. CASH

At year end, the carrying amount of the bank balances was \$1,886,979. Of the bank balances \$405,525 was covered by federal depositary insurance. Additionally \$11,200,106 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	\$ 200,000
2. Collateralized with securities held by The Nevada State Treasurer	15,052,159
3. Uncollateralized with the financial institution	595,023
4. Uncollateralized - cash on hand	<u>3,739</u>
	<u>\$ 15,850,921</u>

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

Major governmental funds	\$11,104,779
Non-major governmental funds	3,221,287
Business-type funds	<u>1,312,657</u>
	15,638,723
Fiduciary funds	<u>212,198</u>
Total	<u>\$15,850,921</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>Infrastructure</u>	<u>Non-Major Funds</u>	<u>Proprietary Funds</u>	<u>Total</u>
Receivables:							
Taxes	\$ 45,674		\$ 14,824		\$ 45,532		\$ 106,030
Accounts	1,020,722	\$ 74,913	151,582	\$ 27,300	17,105	\$ 54,119	1,345,741
Interest	<u>58,169</u>	<u>3,424</u>			<u>3,094</u>	<u>3,438</u>	<u>68,125</u>
Gross Receivables	1,124,565	78,337	166,406	27,300	65,731	57,557	1,519,896
Less: Allowance for uncollectibles						787	787
Net Total							
Receivables	<u>\$1,124,565</u>	<u>\$ 78,337</u>	<u>\$ 166,406</u>	<u>\$ 27,300</u>	<u>\$ 65,731</u>	<u>\$ 56,770</u>	<u>\$1,519,109</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	\$ 63,466
Fire fund	20,798
Non-major funds	6,247
Deferred revenue - property sales	206,163
Deferred revenue - District Court	<u>2,101,192</u>
Total	<u>\$2,397,866</u>

VI. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2008 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	\$ 134,443	\$ 0	\$ 0	\$ 134,443
Capital assets being depreciated				
Buildings	6,280,699	31,479		6,312,178
Improvements other than buildings	590,250	41,255		631,505
Machinery and equipment	3,632,683	758,339		4,391,022
Infrastructure	0	0	0	0
Total capital assets being depreciated	<u>10,503,632</u>	<u>831,073</u>	<u>0</u>	<u>11,334,705</u>
Less accumulated depreciation for:				
Buildings and improvements	1,326,679	115,636		1,442,315
Improvements other than buildings	83,197	17,763		100,960
Machinery and equipment	2,408,065	455,505	0	2,863,570
Infrastructure	0	0	0	0
Total accumulated depreciation	<u>3,817,941</u>	<u>588,904</u>	<u>0</u>	<u>4,406,845</u>
Governmental activities capital assets - net	<u>\$ 6,820,134</u>	<u>\$ 242,169</u>	<u>\$ 0</u>	<u>\$ 7,062,303</u>
Business type activities:				
Capital assets being depreciated				
Water and sewer system	\$ 6,749,566	\$ 674,743		\$ 6,749,566
Machinery and equipment	462,605	55,998	\$ 0	462,605
Total Capital assets being depreciated	<u>7,212,171</u>	<u>786,739</u>	<u>0</u>	<u>7,212,171</u>
Less accumulated depreciation for:				
Water and sewer systems	1,400,898	92,174		1,493,072
Machinery and equipment	236,552	28,504	0	265,061
Total accumulated depreciation	<u>1,637,455</u>	<u>120,678</u>	<u>0</u>	<u>1,758,133</u>
Business type activities capital assets - net	<u>\$ 5,574,716</u>	<u>\$ 666,061</u>	<u>\$ 0</u>	<u>\$ 6,240,777</u>

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

Governmental activities:	
General government	\$ 169,285
Public safety	225,476
Highways and streets, including depreciation of general infrastructure assets	53,328
Culture and recreation	<u>20,064</u>
Total depreciation expense - Governmental activities	<u>\$ 588,904</u>
Business type activities:	
Water	\$ 88,332
Sewer	<u>32,346</u>
Total depreciation expense - business type activities	<u>\$ 120,678</u>

VII. INTERFUND ASSETS/LIABILITIES

There were no interfund balances as of June 30, 2008

Interfund transfers:

<u>Transfer From</u>	<u>Transfer to</u>	<u>Amount</u>
General Fund	Fire Fund	\$ 120,000
General Fund	Capital Projects Fund	400,000
General Fund	Stabilization Fund	100,000
General Fund	Road Fund	250,000
Fire Fund	Fire Emergency	25,000
Fire District	General Fund	15,000
		<u>\$ 910,000</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. The following schedule represents the future minimum lease payments as of June 30, 2008.

	<u>Fiscal Year Ending</u> <u>June 30,</u>	
	2009	149,175
	2010	149,175
	2011	149,174
	2012	149,174
	2013	<u>109,451</u>
		\$ 706,149
Less amounts representing interest		<u>74,701</u>
Present value of future minimum		
Lease payments		<u>\$ 631,448</u>

IX. MEDIUM TERM AND LONG TERM DEBT

Special Assessment Bonds - The County has no special assessment bonds outstanding at June 30, 2008.

Contracts Payable - The County has no contracts payable at June 30, 2008.

Medium Term Loan - On December 21, 2007, 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 principle and interest payable on December 21 annually. The following schedule represents the debt service requirements:

	<u>Principle</u>	<u>Interest</u>	<u>Total</u>
June 21, 2008		\$ 12,610	\$ 12,610
December 21, 2008	\$ 74,286	12,610	86,896
June 21, 2009		10,809	10,809
December 21, 2009	74,286	10,809	85,095
June 21, 2010		9,007	9,007
December 21, 2010	74,286	9,007	83,293
June 21, 2011		7,206	7,206
December 21, 2011	74,286	7,206	81,492
June 21, 2012		5,404	5,404
December 21, 2012	74,286	5,404	79,690
June 21, 2013		3,603	3,606
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>\$ 520,000</u>	<u>\$ 100,880</u>	<u>\$ 620,880</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, 2008 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>6/30/07</u>	<u>RETIRED</u>	<u>6/30/08</u>
<u>\$ 632,025</u>	<u>\$10,360</u>	<u>\$ 621,665</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>6/30/07</u>	<u>RETIRED</u>	<u>6/30/08</u>
<u>\$ 92,000</u>	<u>\$12,000</u>	<u>\$ 80,000</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>6/30/07</u>	<u>RETIRED</u>	<u>6/30/08</u>
<u>\$80,003</u>	<u>\$ 4,137</u>	<u>\$ 75,866</u>

Revenue bond debt service requirements to maturity including interest of \$647,700 are as follows:

YEAR ENDING		
<u>JUNE 30,</u>	<u>ANNUAL</u>	<u>TOTAL</u>
2009 to 2014	\$63,200 to \$62,400	\$ 376,900
2015 to 2021	46,900 to 44,900	326,100
2022 to 2037	38,800	620,800
		<u>\$1,323,800</u>

Changes In Long-Term Liabilities - During the fiscal year ended June 30, 2008, the following changes occurred in liabilities reported in the general long term debt group:

	BALANCE			BALANCE
	<u>JULY 1, 2007</u>	<u>ADDITIONS</u>	<u>REDUCTIONS</u>	<u>JUNE 30, 2008</u>
Compensated absences	\$ 76,718	\$ 20,376	\$ 0	\$ 97,094
Capital leases	676,144	0	44,696	631,448
	<u>\$ 868,702</u>	<u>\$ 20,376</u>	<u>\$ 44,696</u>	<u>\$ 728,542</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>
CONDENSED STATEMENT OF NET ASSETS		
ASSETS		
Current assets	\$ 804,846	\$ 564,581
Capital assets	5,540,874	422,889
Total Assets	<u>6,345,720</u>	<u>987,470</u>
LIABILITIES		
Current liabilities	132,059	38,540
Non-current liabilities	678,840	71,535
Total Liabilities	<u>810,899</u>	<u>110,075</u>
NET ASSETS		
Invested in capital assets, net of related debt	4,839,208	347,023
Unrestricted	695,613	530,372
Total Net Assets	<u>\$5,534,821</u>	<u>\$ 877,395</u>

CONDENSED STATEMENT OF REVENUES AND EXPENSES

Operating revenue	\$ 357,298	\$ 144,522
Depreciation	(88,332)	(32,346)
Other operating expenses	<u>(366,569)</u>	<u>(205,190)</u>
Operating income (loss)	(97,603)	(93,014)
Nonoperating revenues (expenses)		
Rent income	6,000	
Interest income	35,203	27,266
Interest expense	(32,809)	(3,939)
Capital contributions and grants	343,749	48,250
Change in net assets	<u>\$ 254,540</u>	<u>\$ (21,437)</u>

CONDENSED STATEMENTS OF CASH FLOWS

Net cash provided (used) by		
Operating activities	\$ (25,629)	\$ (37,841)
Noncapital financing activities	41,182	0
Capital and related financing activities	(172,719)	(41,613)
Investing activities	<u>36,712</u>	<u>27,836</u>
Net increase (decrease) in cash	<u>(120,454)</u>	<u>(51,618)</u>
Cash - beginning	<u>884,370</u>	<u>600,359</u>
Cash - ending	<u>\$ 763,916</u>	<u>\$ 548,741</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, 2008 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 named as a defendant in litigation that is pending relating to the Cordevista Subdivision. The litigation relates to a petition for judicial review of the County's decision to deny the application for a master plan amendment. The County's motion for dismissal has been appealed to the Nevada Supreme Court by Cordevista Subdivision. Legal counsel does not anticipate any adverse findings of damages, however legal fees and costs or estimated in the amount of \$200,000.

The County is currently a defendant in one lawsuit, with no other unasserted possible claims which are probable of assertion. Although the outcome of this lawsuit is not presently determinable, in the opinion of the county's attorney, resolution of these matters will not have a material adverse effect on the financial condition of the County.

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 2007/2008 assessed valuation is \$425,595,000 which would allow the bonding up to \$47,500,000. On June 30, 2008, the County had \$520,000 outstanding general obligation bonded debt, exclusive of revenue and school district bonds.

The town of Virginia City general obligation debt limit based on the 2007/2008 assessed valuation was \$7,495,000 (NRS 269.425). The town of Virginia City has at June 30, 2008 no general obligation bonds outstanding.

The town of Gold Hill general obligation debt limit based on the 2007/2008 assessed valuation was \$1,575,000 (NRS 269.425). The town of Gold Hill has at June 30, 2008 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 1st after the Nevada Tax Commission has certified the combined tax rate for the county on May 25th.

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 employees 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, 2008 was \$5,691,000. The County's total payroll was \$6,696,000. Storey County's contribution to the plan for the year ended June 30, 2008 was \$1,506,000. All costs to the County were paid or accrued at June 30, 2008. 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 143 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. Kennedy/Jenks Consultants have estimated the costs for closure to be \$2,516,000 and the cost for post closure maintenance be \$8,463,000 for a total of \$10,979,000. 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 guaranteed by Waste Management, Inc.

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 was met during the years ended June 30, 2007 and 2008. However, no vouchers have been approved at June 30, 2008, therefore no reimbursements can be made. Approximately \$33 million in vouchers have been submitted for the fiscal years ending June 30, 2007 and 2008. Subsequent to June 30, 2007, vouchers totaling \$33 million have been submitted for approval. Vouchers submitted for approval through June 30, 2007 total \$2,790,713. No additional vouchers have been submitted through June 30, 2008. The County Controller estimates a potential liability to the County of approximately \$36 million and that the audit of the vouchers will commence in the fiscal year ending June 30, 2009.

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.

XVIII ACCOUNT RECEIVABLE - STOREY COUNTY SCHOOL DISTRICT

On April 14, 2008, Storey County issued a check to the Storey County School for \$741,788 in excess of the amount of property tax collections. During the fiscal year property tax collections were applied to this overpayment and the balance of \$711,128 was refunded to Storey County on August 4, 2008. The \$711,128 is reported as an account receivable at June 30, 2008.

STOREY COUNTY, NEVADA
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2008

	SPECIAL REVENUE				
	FIRE DISTRICT	EQUIPMENT ACQUISITION	INDIGENT ASSISTANCE	JUSTICE COURT FEES	INDIGENT MEDICAL
ASSETS					
Cash	\$ 150,802	\$ 207,925	\$ 123	\$ 24,884	\$ 722,691
Receivables					
Taxes - property	5141	1,359			35,550
Accounts		15,415			
Interest		1,142			
Total Assets	<u>\$ 155,943</u>	<u>\$ 225,841</u>	<u>\$ 123</u>	<u>\$ 24,884</u>	<u>\$ 758,241</u>
LIABILITIES					
Accounts payable		\$ 12,629			\$ 3,324
Deferred taxes		1,403			2,160
Total Liabilities		<u>14,032</u>			<u>5,484</u>
FUND BALANCE					
Designated for future year's operations	\$ 8,386			\$ 10,000	158,684
Undesignated	<u>147,557</u>	<u>211,809</u>	<u>\$ 123</u>	<u>14,884</u>	<u>\$ 594,073</u>
Total Fund Balance	<u>155,943</u>	<u>211,809</u>	<u>123</u>	<u>24,884</u>	<u>752,757</u>
Total Liabilities and Fund Balance	<u>\$ 155,943</u>	<u>\$ 225,841</u>	<u>\$ 123</u>	<u>\$ 24,884</u>	<u>\$ 758,241</u>

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

STOREY COUNTY, NEVADA
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2008

	SPECIAL REVENUE					
	JAIL BUILDING	TRI NET	INDIGENT ACCIDENT	TECHNOLOGY	TOWN OF VIRGINIA CITY	TOWN OF GOLD HILL
ASSETS						
Cash	\$ 375,052		\$ 67,190	\$ 115,237	\$ 168,167	\$ 26,584
Receivables	3,482					
Taxes - property	1,447			505		
Accounts Interest						
Total Assets	\$ 379,981	\$ 0	\$ 67,190	\$ 115,742	\$ 168,167	\$ 26,584
LIABILITIES						
Accounts payable	\$ 14,211				\$ 2,287	\$ 177
Deferred taxes	2,684					
Total Liabilities	16,895				2,287	177
FUND BALANCE						
Designated for future year's operations			\$ 10,842		39,600	
Undesignated	363,086		56,348	\$ 115,742	126,280	26,407
Total Fund Balance	363,086		67,190	115,742	165,880	26,407
Total Liabilities and Fund Balance	\$ 379,981	\$ 0	\$ 67,190	\$ 115,742	\$ 168,167	\$ 26,584

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

STOREY COUNTY, NEVADA
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2008

	SPECIAL REVENUE				
	FEDERAL AND STATE GRANTS	FIRE EMERGENCY	STABILIZATION FUND	CAPITAL PROJECTS	TOTAL
<u>ASSETS</u>					
Cash	\$ 240,890	\$ 170,823	\$ 600,000	\$ 345,969	\$ 3,221,387
Receivables					45,532
Taxes - property					17,105
Accounts	1,690				3,094
Interest					
Total Assets	\$ 242,580	\$ 170,823	\$ 600,000	\$ 345,969	\$ 3,287,118
<u>LIABILITIES</u>					
Accounts payable	310	\$ 4,047		\$ 7,922	\$ 44,907
Deferred taxes					6,247
Total Liabilities	310	4,047		7,922	51,154
<u>FUND BALANCE</u>					
Designated for future year's operations	45,000	75,000	\$ 600,000		947,512
Undesignated	197,270	91,776		338,047	2,288,452
Total Fund Balance	242,270	166,776	600,000	338,047	3,235,964
Total Liabilities and Fund Balance	\$ 242,580	\$ 170,823	\$ 600,000	\$ 345,969	\$ 3,287,118

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, 2008

	FIRE DISTRICT	SPECIAL REVENUE					INDIGENT MEDICAL
		EQUIPMENT ACQUISITION	INDIGENT ASSISTANCE	JUSTICE COURT FEES	DRUG COURT	INDIGENT MEDICAL	
<u>REVENUE</u>							
Taxes	\$ 456,724	\$ 205,262				\$ 279,639	
Intergovernmental		40,872					
Charges for services		82,522					
Fine and fees		10,200		\$ 8,983	\$ 790		
Licenses and permits		9,619	\$ 154				
Other revenues							
Total Revenues	456,724	348,475	154	8,983	790	279,639	
<u>EXPENDITURES</u>							
Current:							
General government							
Public safety	451,617	167,266		11,090		111,354	
Judicial							
Culture and recreation							
Welfare							
Total Expenditures	451,617	167,266	0	11,090	0	111,354	
Excess (deficiency) of revenues over expenditures	5,107	181,209	154	(2,107)	790	168,285	
<u>OTHER FINANCING SOURCES (USES)</u>							
Transfers	(15,000)						
Debt service		(146,792)					
Excess (deficiency) of Revenue and Other Financing Sources (Uses) over Expenditures	(9,893)	34,417	154	(2,107)	790	168,285	
Fund balance - beginning (deficit)	165,836	177,392	(31)	26,991	4,260	584,472	
Fund balance - ending (deficit)	\$ 155,943	\$ 211,809	\$ 123	\$ 24,884	\$ 5,050	\$ 752,757	

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, 2008

	SPECIAL REVENUE					
	JAIL BUILDING	TRI-NET	INDICENT ACCIDENT	TECHNOLOGY	TOWN OF VIRGINIA CITY	TOWN OF GOLD HILL
<u>REVENUE</u>						
Taxes	\$ 306,699		\$ 61,579		\$ 45,338	\$ 1,015
Intergovernmental				\$ 63,390		
Charges for services	156,174					
Fine and fees					\$ 54,614	1,412
Licenses and permits	16,107			4,329		
Other revenues						
Total Revenues	478,980	0	61,579	67,719	99,952	2,427
<u>EXPENDITURES</u>						
Current:						
General government				11,818	97,594	2,438
Public safety	292,839					
Judicial						
Culture and recreation			35,964			
Welfare						
Total Expenditures	292,839	0	35,964	11,818	97,594	2,438
Excess (deficiency) of revenues over expenditures	186,141	0	25,615	55,901	2,358	(11)
<u>OTHER FINANCING SOURCES (USES)</u>						
Transfers		0				
Debt service						
Excess (deficiency) of Revenue and Other Financing Sources (Uses) over Expenditures	186,141	0	25,615	55,901	2,358	(11)
Fund balance - beginning	176,945	0	41,575	59,841	163,522	26,418
Fund balance - ending	\$ 363,086	\$ 0	\$ 67,190	\$ 115,742	\$ 165,880	\$ 26,407

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, 2008

<u>REVENUE</u>	<u>SPECIAL REVENUES</u>				<u>TOTAL</u>
	<u>FEDERAL AND STATE GRANTS</u>	<u>FIRE EMERGENCY</u>	<u>STABILIZATION FUND</u>	<u>CAPITAL PROJECTS</u>	
Taxes	\$ 831,293				\$ 1,309,903
Intergovernmental					918,518
Charges for services					145,912
Fine and fees					165,947
Licenses and permits		\$ 55,140			66,226
Other revenues					85,349
Total Revenues	831,293	55,140	0	0	2,691,855
<u>EXPENDITURES</u>					
Current:					
General government				\$ 97,573	209,423
Public safety	432,269	4,047			1,348,038
Judicial					11,090
Culture and recreation	189,901				189,901
Welfare					147,318
Total Expenditures	622,170	4,047		97,573	1,905,770
Excess (deficiency) of revenues over expenditures	209,123	51,093	0	(97,573)	786,085
<u>OTHER FINANCING SOURCES (USES)</u>					
Transfers		25,000	100,000	400,000	510,000
Debt service					(146,792)
Excess (deficiency) of Revenue and Other Financing Sources (Uses) over Expenditures	209,123	76,093	100,000	302,427	1,149,293
Fund balance - beginning (deficit)	33,147	90,683	500,000	35,620	2,086,671
Fund balance - ending (deficit)	\$ 242,270	\$ 166,776	\$ 600,000	\$ 338,047	\$ 3,235,964

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

STOREY COUNTY, NEVADA
FIRE DISTRICT SPECIAL REVENUE FUND
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008

	ORIGINAL AND FINAL BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<u>REVENUES</u>			
Property taxes	\$ 421,560	\$ 456,724	\$ 35,164
<u>EXPENDITURES</u>			
Public safety			
Service and supplies	400,504	451,617	(51,113)
Capital outlay	51,113	0	51,113
Total expenditures	451,617	451,617	0
Excess (deficiency) of revenue over expenditures	(30,057)	5,107	35,164
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfer out	(15,000)	(15,000)	0
Excess (deficiency) of revenue and other financing sources (uses) over expenditures	(45,057)	(9,893)	35,164
Fund balance - beginning	140,028	165,836	25,808
Fund balance - ending	\$ 94,971	\$ 155,943	\$ 60,972

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, 2008

	ORIGINAL AND FINAL BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<u>REVENUE</u>			
Taxes			
Property taxes	\$ 191,620	\$ 205,262	\$ 13,642
Intergovernmental			
Supplemental CCRT	36,330	40,872	4,542
Charges for services			
Import tonnage fees	65,000	82,522	17,522
Licenses and permits			
Business license fees	0	10,200	10,200
Other revenues			
Interest	5,000	9,619	4,619
Total Revenues	<u>297,950</u>	<u>348,475</u>	<u>50,525</u>
<u>EXPENDITURES</u>			
General government			
Services and supplies	\$ 60,000	10,817	49,183
Capital outlay	144,000	156,449	(12,449)
Debt service			
Principal	119,151	131,780	(12,629)
Interest	30,024	15,012	15,012
Total Expenditures	<u>353,175</u>	<u>314,058</u>	<u>39,117</u>
Excess (deficiency) of revenue over expenditures	(55,225)	34,417	89,642
Fund balance - beginning	<u>56,778</u>	<u>177,392</u>	<u>120,614</u>
Fund balance - ending	<u>\$ 1,553</u>	<u>\$ 211,809</u>	<u>\$ 210,256</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, 2008

	ORIGINAL AND FINAL BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<u>REVENUES</u>			
Other revenue	\$ 0	\$ 154	\$ 154
<u>EXPENDITURES</u>			
Welfare			
Services and supplies	0	0	0
Excess (deficiency) of revenue over expenditures	0	154	154
Fund balance - beginning	296	(31)	(327)
Fund balance - ending (deficit)	\$ 296	\$ 123	\$ (173)

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, 2008

	ORIGINAL AND FINAL BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<u>REVENUE</u>			
Fines			
Justice court fine	\$ 5,000	\$ 8,983	\$ 3,983
<u>EXPENDITURES</u>			
Judicial			
Services and supplies	20,000	11,090	8,910
Excess (deficiency) of revenues over expenditures	(15,000)	(2,107)	12,893
Balance - beginning	20,442	26,991	6,549
Balance - ending	\$ 5,442	\$ 24,884	\$ 19,442

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, 2008

	ORIGINAL AND FINAL BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<u>REVENUES</u>			
Fines and forfeits			
Drug court fees	\$ 0	\$ 790	\$ 790
Excess of revenue over expenditures		790	790
Fund balance - beginning	0	4,260	4,260
Fund balance - ending	<u>\$ 0</u>	<u>\$ 5,050</u>	<u>\$ 5,050</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, 2008

	ORIGINAL AND FINAL BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<u>REVENUES</u>			
Taxes			
Property taxes	\$ 229,940	\$ 279,639	\$ 49,699
<u>EXPENDITURES</u>			
Welfare			
Services and supplies	250,000	111,354	138,646
Excess (deficiency) of revenue over expenditures	(20,060)	168,285	188,345
Fund balance - beginning	531,576	584,472	52,896
Fund balance - ending	<u>\$ 511,516</u>	<u>\$ 752,757</u>	<u>\$ 241,241</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, 2008

	ORIGINAL AND FINAL BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<u>REVENUE</u>			
Taxes			
Property taxes	\$ 285,509	\$ 306,699	\$ 21,190
Fines			
Court fines	55,000	156,174	101,174
Other revenues			
Interest	3,000	13,385	10,385
Miscellaneous	0	2,722	2,722
Total Revenues	<u>343,509</u>	<u>478,980</u>	<u>135,471</u>
<u>EXPENDITURES</u>			
Public safety			
Salaries and wages	70,325	65,003	5,322
Salary costs	45,362	37,691	7,671
Services and supplies	230,373	159,414	70,959
Capital outlay	35,000	30,731	4,269
Total Expenditures	<u>381,060</u>	<u>292,839</u>	<u>88,221</u>
Excess (deficiency) of revenues over expenditures	(37,551)	186,141	223,692
Fund balance - beginning	<u>50,343</u>	<u>176,945</u>	<u>126,602</u>
Fund balance - ending	<u>\$ 12,792</u>	<u>\$ 363,086</u>	<u>\$ 350,294</u>

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

STOREY COUNTY, NEVADA
 TRI NET SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2008

	ORIGINAL AND FINAL BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
Fund balance - beginning	\$ 42,291	\$ 0	\$ (42,291)
Fund balance - ending	\$ 42,291	\$ 0	\$ (42,291)

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, 2008

	ORIGINAL AND FINAL BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<u>REVENUES</u>			
Taxes			
Property taxes	\$ 57,484	\$ 61,579	\$ 4,095
<u>EXPENDITURES</u>			
Welfare			
Services and supplies	55,000	35,964	19,036
Excess (deficiency) of revenue over expenditures	2,484	25,615	23,131
Fund balance - beginning	32,733	41,575	8,842
Fund balance - ending	\$ 35,217	\$ 67,190	\$ 31,973

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

STOREY COUNTY, NEVADA
 TECHNOLOGY CAPITAL PROJECTS FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2008

	ORIGINAL AND FINAL BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<u>REVENUES</u>			
Charges for services			
Technology fees	\$ 50,000	\$ 63,390	\$ 13,390
Other revenues			
Interest income		4,329	4,329
Total revenues	<u>50,000</u>	<u>67,719</u>	<u>17,719</u>
<u>EXPENDITURES</u>			
General government			
Services and supplies	<u>50,000</u>	<u>11,818</u>	<u>38,182</u>
Excess (deficiency) of revenues over expenditures	0	55,901	55,901
Fund balance - beginning	<u>26,236</u>	<u>59,841</u>	<u>33,605</u>
Fund balance - ending	<u>\$ 26,236</u>	<u>\$ 115,742</u>	<u>\$ 89,506</u>

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

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, 2008

	ORIGINAL AND FINAL BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<u>REVENUE</u>			
Licenses and permits			
Business licenses	\$ 18,000	\$ 20,246	\$ 2,246
Penalties		138	138
Licenses - liquor	11,000	11,040	40
Licenses - gaming	35,000	22,290	(12,710)
Cabaret licenses	3,000	900	(2,100)
Intergovernmental			
State gaming licenses	1,300	45,338	44,038
Total Revenues	<u>68,300</u>	<u>99,952</u>	<u>31,652</u>
<u>EXPENDITURES</u>			
General government			
Services and supplies	42,000	37,594	4,406
Intergovernmental agreement	90,000	60,000	30,000
Total Expenditures	<u>132,000</u>	<u>97,594</u>	<u>34,406</u>
Excess (deficiency) of revenues over expenditures	(63,700)	2,358	66,058
Fund balance - beginning	<u>146,689</u>	<u>163,522</u>	<u>16,833</u>
Fund balance - ending	<u>\$ 82,989</u>	<u>\$ 165,880</u>	<u>\$ 82,891</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, 2008

	ORIGINAL AND FINAL BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<u>REVENUE</u>			
Licenses and permits			
Business licenses	\$ 3,000	\$ 1,412	\$ (1,588)
Liquor licenses	1,000	0	(1,000)
Cabaret licenses	150	0	(150)
County gaming licenses	350	0	(350)
Intergovernmental			
State gaming license	1,100	1,015	(85)
Total Revenues	<u>5,600</u>	<u>2,427</u>	<u>(3,173)</u>
<u>EXPENDITURES</u>			
General government			
Services and supplies	3,500	2,438	1,062
Total Expenditures	<u>3,500</u>	<u>2,438</u>	<u>1,062</u>
Excess (deficiency) of revenues over expenditures	2,100	(11)	(2,111)
Fund balance - beginning	<u>29,041</u>	<u>26,418</u>	<u>(2,623)</u>
Fund balance - ending	<u>\$ 31,141</u>	<u>\$ 26,407</u>	<u>\$ (4,734)</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, 2008

	<u>FINAL BUDGETED</u> <u>AMOUNTS</u>	<u>ACTUAL</u> <u>AMOUNTS</u>	<u>VARIANCE WITH</u> <u>FINAL BUDGET</u> <u>POSITIVE</u> <u>(NEGATIVE)</u>
<u>REVENUES</u>			
Intergovernmental			
Federal grants	\$ 500,000	\$ 64,748	\$ (435,252)
State grants	200,000	118,405	(81,595)
Emergency planning	35,000	84,800	49,800
County flood reimbursement		563,340	563,340
Total Revenues	<u>735,000</u>	<u>831,293</u>	<u>96,293</u>
<u>EXPENDITURES</u>			
Culture and recreation			
Historic district	250,000	117,535	132,465
Other	200,000	72,366	127,634
Public safety			
County flood	0	426,190	(426,190)
Emergency planning	35,000	6,079	28,921
Total Expenditures	<u>485,000</u>	<u>622,170</u>	<u>(137,170)</u>
Excess (deficiency) of revenues over expenditures	250,000	209,123	(40,877)
Fund balance - beginning	<u>252,625</u>	<u>33,147</u>	<u>(219,478)</u>
Fund balance - ending	<u>\$ 502,625</u>	<u>\$ 242,270</u>	<u>\$ (260,355)</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, 2008

	ORIGINAL AND FINAL BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<u>OTHER REVENUES</u>			
Miscellaneous		\$ 55,140	\$ 55,140
<u>EXPENDITURES</u>			
Public Safety			
Capital outlay	\$ 25,000	4,047	20,953
Excess (deficiency) of revenues over expenditures	(25,000)	51,093	76,093
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfer in	25,000	25,000	0
Excess of revenues and other financing sources over expenditures	0	76,093	76,093
Fund balance - beginning	0	90,683	90,683
Fund balance - ending	\$ 0	\$ 166,776	\$ 166,776

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, 2008

	ORIGINAL AND FINAL BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfer	\$ 100,000	\$ 100,000	\$ 0
Fund balance - beginning	500,000	500,000	0
Fund balance - ending	<u>\$ 600,000</u>	<u>\$ 600,000</u>	<u>\$ 0</u>

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, 2008

	<u>ORIGINAL AND FINAL BUDGETED AMOUNTS</u>	<u>ACTUAL AMOUNTS</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
<u>REVENUE</u>			
None	\$ 0	\$ 0	\$ 0
<u>EXPENDITURES</u>			
General government			
Capital outlay	400,000	97,573	302,427
Excess (deficiency) of revenues over expenditures	(400,000)	(97,573)	302,427
<u>OTHER FINANCING SOURCES</u>			
Transfers in	400,000	400,000	0
Excess (deficiency) of revenues and other financing sources	0	302,427	302,427
Fund balance - beginning (deficit)	24,708	35,620	10,912
Fund balance - ending	<u>\$ 24,708</u>	<u>\$ 338,047</u>	<u>\$ 313,339</u>

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, 2008

	ORIGINAL AND FINAL BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<u>OPERATING REVENUES</u>			
Sales of water	\$ 400,000	\$ 357,298	\$ (42,702)
<u>OPERATING EXPENSES</u>			
Salaries and wages	157,085	156,895	190
Salary costs	76,884	63,551	13,333
Services and supplies	194,155	146,123	48,032
Depreciation	65,000	88,332	(23,332)
Total Operating Expenses	<u>493,124</u>	<u>454,901</u>	<u>38,223</u>
Operating Income (Loss)	(93,124)	(97,603)	(4,479)
<u>NON-OPERATING REVENUE (EXPENSES)</u>			
Grants	0	33,360	33,360
Interest earnings	30,000	35,203	5,203
Rents	6,000	6,000	0
Interest expense	(43,951)	(32,809)	11,142
Net Income (Loss)	<u>\$ (101,075)</u>	<u>\$ (55,849)</u>	<u>\$ 45,226</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, 2008

	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	\$ 400,000	\$ 365,653	\$ (34,347)
Cash Out flows			
Salaries and wages	(157,085)	(156,361)	724
Salary costs	(76,884)	(63,551)	13,333
Services and supplies	(194,155)	(171,370)	22,785
Net Cash Provided (Used) by Operating Activities	(28,124)	(25,629)	2,495
<u>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</u>			
Cash In flows			
Grants		33,360	33,360
Rent	6,000	6,000	0
Customer deposits		1,822	1,822
Net Cash Provided by Non Capital Financing Activities	6,000	41,182	35,182
<u>CASH FLOWS FROM CAPITAL AND RELATED ACTIVITIES</u>			
Cash In flows			
Capital contributed		310,389	310,389
Cash Out flows			
Capital outlay	(55,000)	(427,940)	(372,940)
Debt service	(20,914)	(22,359)	(1,445)
Interest expense	(43,951)	(32,809)	11,142
Net Cash Provided (Used) by Capital Related Activities	(119,865)	(172,719)	(52,854)
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Interest earnings	30,000	36,712	6,712
Net Increase (Decrease) in Cash	(111,989)	(120,454)	(8,465)
Cash - beginning	848,586	884,370	35,784
Cash - ending	\$ 736,597	\$ 763,916	\$ 27,319

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, 2008

	ORIGINAL AND FINAL BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<u>OPERATING REVENUES</u>			
Service use fees	\$ 171,000	\$ 144,522	\$ (26,478)
<u>OPERATING EXPENSES</u>			
Salaries and wages	62,882	85,971	(23,089)
Salary costs	37,038	40,975	(3,937)
Services and supplies	89,100	78,244	10,856
Depreciation	30,000	32,346	(2,346)
Total Operating Expenses	219,020	237,536	(18,516)
Operating Income (Loss)	(48,020)	(93,014)	(44,994)
<u>NON OPERATING REVENUES (EXPENSE)</u>			
Interest income	14,000	27,266	13,266
Interest expense	(4,600)	(3,939)	661
Net income (Loss)	\$ (38,620)	\$ (69,687)	\$ (31,067)

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, 2008

	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	\$ 171,000	\$ 145,529	\$ (25,471)
Cash Out Flows			
Salaries and wages	(62,882)	(85,424)	(22,542)
Salary costs	(37,038)	(40,975)	(3,937)
Service and supplies	(89,100)	(56,971)	32,129
Net cash provided (used) by Operating Activities	<u>(18,020)</u>	<u>(37,841)</u>	<u>(19,821)</u>
<u>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</u>			
None	<u>0</u>	<u>0</u>	<u>0</u>
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>			
Cash In Flows			
Capital contributed by customers	0	1,512	1,512
Capital contributed by grants	65,000	46,737	(18,263)
Cash Out Flows			
Interest expense	(4,600)	(3,939)	661
Principal - revenue bonds	(12,000)	(4,137)	7,863
Acquisition and construction of capital assets	(72,000)	(81,786)	(9,786)
Net cash provided (used) by capital related Financing Activities	<u>(23,600)</u>	<u>(41,613)</u>	<u>(18,013)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Interest income	<u>14,000</u>	<u>27,836</u>	<u>13,836</u>
Net Increase (Decrease) in Cash	(27,620)	(51,618)	(23,998)
Cash - beginning	<u>570,848</u>	<u>600,359</u>	<u>29,511</u>
Cash - ending	<u>\$ 543,228</u>	<u>\$ 548,741</u>	<u>\$ 5,513</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, 2008

	BALANCE JULY 1, 2007	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 2008
<u>STATE OF NEVADA FUND</u>				
Assets				
Cash	\$ 208,017	\$ 1,248,638	\$ 1,316,349	\$ 140,306
Liabilities				
Due Other Governments	\$ 208,017	\$ 1,248,638	\$ 1,316,349	\$ 140,306
<u>STOREY COUNTY SCHOOL DISTRICT</u>				
Assets				
Cash	\$ 32,793	\$ 3,793,092	\$ 3,825,885	\$ 0
Liabilities				
Due Other Governments	\$ 32,793	\$ 3,793,092	\$ 3,825,885	\$ 0
<u>STOREY COUNTY SCHOOL DISTRICT DEBT SERVICE</u>				
Assets				
Cash	\$ 6,097	\$ 594,027	\$ 597,492	\$ 2,632
Liabilities				
Due Other Governments	\$ 6,097	\$ 594,027	\$ 597,492	\$ 2,632
<u>VIRGINIA CITY CONVENTION AND TOURISM AUTHORITY</u>				
Assets				
Cash	\$ 49,490	\$ 394,220	\$ 380,339	\$ 63,371
Liabilities				
Due Other Governments	\$ 49,490	\$ 394,220	\$ 380,339	\$ 63,371
<u>DISTRICT ATTORNEY RESTITUTION FUND</u>				
Assets				
Cash	\$ 5,499	\$ 8,695	\$ 8,305	\$ 5,889
Liabilities				
Due Other Governments	\$ 5,499	\$ 8,695	\$ 8,305	\$ 5,889
<u>TOTAL - ALL FUNDS</u>				
Assets				
Cash	\$ 301,896	\$ 6,038,672	\$ 6,128,370	\$ 212,198
Liabilities				
Due Other Governments	\$ 301,896	\$ 6,038,672	\$ 6,128,370	\$ 212,198

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

STOREY COUNTY, NEVADA
 CAPITAL ASSETS USED IN THE OPERATION OF
 GOVERNMENTAL FUNDS BY SOURCE
 JUNE 30, 2008 AND 2007

	JUNE 30,	
	2008	2007
<u>GOVERNMENTAL FUNDS CAPITAL ASSETS:</u>		
Land	\$ 134,443	\$ 134,443
Building and improvements	6,312,178	6,280,699
Machinery and equipment	4,391,022	3,632,683
Park Improvements	631,505	590,250
Total General Fixed Assets	\$ 11,469,148	\$ 10,638,075
 <u>INVESTMENTS IN GOVERNMENTAL FUNDS</u>		
<u>CAPITAL ASSETS BY SOURCE:</u>		
General Fund	\$ 5,786,383	\$ 5,325,209
Road Fund	1,214,087	1,036,837
Fire Fund	6,309	24,589
Fire District Fund	1,911,075	1,700,146
Fourth Ward Trustee	1,579,368	1,579,368
Sheriff's Jail	971,926	971,926
Total Investment in General Fixed Assets	\$ 11,469,148	\$ 10,638,075

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

STOREY COUNTY, NEVADA
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE BY FUNCTION AND ACTIVITY
JUNE 30, 2008

<u>FUNCTION AND ACTIVITY</u>	<u>LAND</u>	<u>BUILDING AND IMPROVEMENTS</u>	<u>PARK IMPROVEMENTS</u>	<u>MACHINERY AND EQUIPMENT</u>	<u>TOTAL</u>
GENERAL GOVERNMENT					
Commissioners				\$ 2,595	\$ 2,595
Clerk-Treasurers				0	0
Recorder-Auditor				69,134	69,134
Assessor				24,463	24,463
Building-Grounds				165,727	165,727
Other - Administrative	\$ 134,443	\$ 1,763,555	\$ 0	309,414	2,207,412
Total General Government	<u>134,443</u>	<u>1,763,555</u>	<u>0</u>	<u>571,333</u>	<u>2,469,331</u>
JUDICIAL					
Justice Court				4,090	4,090
District Attorney				35,371	35,371
Total Judicial	<u>0</u>	<u>0</u>	<u>0</u>	<u>39,461</u>	<u>39,461</u>
PUBLIC SAFETY					
Sheriff		1,607,336		817,370	2,424,706
Fire		6,309		0	6,309
Fire District		126,644		1,784,431	1,911,075
Emergency Management				354,562	354,562
Building Department				91,820	91,820
Total Public Safety	<u>0</u>	<u>1,740,289</u>	<u>0</u>	<u>3,048,183</u>	<u>4,788,472</u>
HIGHWAY AND STREET					
	<u>0</u>	<u>509,651</u>	<u>0</u>	<u>704,436</u>	<u>1,214,087</u>
CULTURE AND RECREATION					
	<u>0</u>	<u>2,298,683</u>	<u>631,505</u>	<u>27,609</u>	<u>2,957,797</u>
 Total Capital Assets	 <u>\$ 134,443</u>	 <u>\$ 6,312,178</u>	 <u>\$ 631,505</u>	 <u>\$ 4,391,022</u>	 <u>\$ 11,469,148</u>

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

STOREY COUNTY, NEVADA
CAPITAL ASSETS USED IN THE OPERATIONS OF GOVERNMENTAL FUNDS
SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY
JUNE 30, 2008

<u>FUNCTION AND ACTIVITY</u>	<u>GOVERNMENTAL FUNDS CAPITAL ASSETS</u>				<u>GOVERNMENTAL FUNDS CAPITAL ASSETS</u>
	<u>JULY 1, 2007</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>TRANSFERS</u>	<u>JUNE 30, 2008</u>
GENERAL GOVERNMENT					
Commissioners	\$ 2,595				\$ 2,595
Recorder-Auditor	69,134				69,134
Assessor	24,463				24,463
Building-Grounds	147,321	\$ 18,406			165,727
Other-Administrative	2,195,902	82,086			2,277,988
Total General Government	<u>2,439,415</u>	<u>100,492</u>	<u>0</u>		<u>2,539,907</u>
JUDICIAL					
District Attorney	35,371				35,371
District Court	4,090				4,090
Total Judicial	<u>39,461</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>39,461</u>
PUBLIC SAFETY					
Sheriff	2,218,313	194,293		12,100	2,424,706
Fire	24,587	0		(18,280)	6,307
Fire District	1,700,146	204,749		6,180	1,911,075
Emergency Management	279,740	78,429			358,169
Building Department	61,396	34,605			96,001
Total Public Safety	<u>4,284,182</u>	<u>512,076</u>	<u>0</u>	<u>0</u>	<u>4,796,258</u>
HIGHWAY AND STREETS					
	<u>1,036,837</u>	<u>177,250</u>	<u>0</u>	<u>0</u>	<u>1,214,087</u>
CULTURE AND RECREATION					
	<u>2,838,180</u>	<u>41,255</u>	<u>0</u>	<u>0</u>	<u>2,879,435</u>
Total General Fixed Assets	<u>\$ 10,638,075</u>	<u>\$ 831,073</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 11,469,148</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, 2008

<u>COUNTY BONDS</u>	<u>DATE OF ISSUE</u>	<u>AMOUNT OF ISSUE</u>	<u>INTEREST RATE</u>	<u>BALANCE JUNE 30, 2007</u>	<u>PAID DURING YEAR</u>	<u>BALANCE JUNE 30, 2008</u>	<u>TERMS OF PAYMENT OF OUTSTANDING BALANCE</u>
<u>Revenue Bonds</u>							
County of Storey							
Water Revenues Bonds of 1974	6/26/74	\$ 294,000	5%	\$ 92,000	\$ 12,000	\$ 80,000	\$ 12,000 Annually - Jan 1, 2008-2010
(Due United States of American							\$ 13,000 Annually - Jan 1, 2011
Farmer's Home Administration)							\$ 14,000 Annually - Jan 1, 2012 - 2013
							\$ 15,000 January 1, 2014
<u>WATER REVENUE BOND - SERIES 1998</u>							
<u>U.S.D.A. - Rural Development Loan</u>	1/28/97	\$ 714,000	4 1/2%	\$ 632,025	\$ 10,360	\$ 621,665	\$ 38,801 Fiscal Years 6/30/05-6/30/2037 with interest only paid on July 1, and interest and principal paid on January 1, of each year.
<u>VIRGINIA - DIVIDE SEWER IMPROVEMENTS DISTRICT</u>							
Sewer Revenue Bonds Series 1981							
(Due General Electric Credit Corp.							
Master Services - acquired from							
United States of America Farmers							
Home Administration on 09/23/1987)	11/1/81	\$ 138,000	5%	\$ 80,003	\$ 4,137	\$ 75,866	\$ 673 per month
<u>MEDIUM TERM BOND</u>							
(7 yr) Due - Bank of America		\$ 520,000	4.85%			\$ 520,000	\$ 74,286 Fiscal years 6/30/08 - 6/30/15 with interest only paid on June 21 and principle used interest paid on December 21, of each year.

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

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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 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, 2008, which collectively comprise Storey County, Nevada's, basic financial statements and have issued our report thereon dated November 24, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Storey County, Nevada's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that we have reported to the management of Storey County, Nevada, in a separate letter dated November 24, 2008.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Storey County, Nevada's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. However, we noted certain matters that we reported to management of Storey County, Nevada, in a separate letter dated November 24, 2008.

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



David A. Pringle, CPA, LTD
Certified Public Accountant

November 24, 2008

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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 November 14, 2007. This review indicated:

1. Expenditures continued to exceed appropriations in special revenue and enterprise funds.
2. Bank reconciliations were not prepared timely and therefore were not submitted to the County manager for review as recommended.



David A. Pringle, CPA, LTD.
Certified Public Accountant

November 24, 2008

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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, 2008, and have issued our report thereon dated November 24, 2008. 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 November 24, 2008, on the financial statements of Storey County, Nevada.

Current Years Audit Recommendations

1. Expenditures must be monitored to prevent exceeding the amounts budgeted, as expenditures exceeded budget in the three Special Revenue Funds and the Virginia-Divide Sewer District Fund.
2. Bank reconciliations must be prepared on a timely basis and copies should be provided to both the County Manager and the County Comptroller for review.

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
Certified Public Accountants

November 24, 2008