

Audit Report

*STOREY COUNTY,
NEVADA*

June 30, 2009

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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, 2009, 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, 2009, 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, 2009, 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
December 2, 2009

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, 2009. 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 \$25,831,155.
- The County's unrestricted net assets increased \$ 124,690.
- At June 30, 2009, the unreserved fund balance for the general fund was \$8,647,056 with an additional \$250,000 reserved.
- Storey County's bonded debt at June 30, 2009 was \$1,168,205 which was \$722,491 in revenue bonds of the County's Enterprise Funds and a Medium term (7 yr.) General obligation bond of \$445,714.

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 21 .

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 22 through 24.

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 25.

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 26 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 38 through 60 of this report.

STOREY COUNTY NEVADA
NET ASSETS

	Governmental Activities June 30, 2009	Business Type Activities June 30, 2009	Total June 30, 2009
Current and other Assets	\$15,786,117	\$ 1,404,955	\$ 17,191,072
Capital Assets	<u>8,219,946</u>	<u>5,798,337</u>	<u>14,018,283</u>
Total Assets	<u>\$ 24,006,063</u>	<u>\$ 7,203,292</u>	<u>\$ 31,209,355</u>
Long Term Liabilities			
Outstanding	\$ 1,080,087	\$ 722,491	\$ 1,802,578
Current Liabilities	<u>3,468,960</u>	<u>106,662</u>	<u>3,575,622</u>
Total Liabilities	<u>\$ 4,549,047</u>	<u>\$ 829,153</u>	<u>\$ 5,378,200</u>
 NET ASSETS			
Invested in Capital			
Assets, Net of Related Debt	\$ 7,712,412	\$ 5,047,981	\$ 12,760,393
Unrestricted	<u>11,744,604</u>	<u>1,326,158</u>	<u>13,070,762</u>
Total Net Assets	<u>\$ 19,457,016</u>	<u>\$ 6,374,139</u>	<u>\$ 25,831,155</u>

STOREY COUNTY NEVADA
CHANGES IN NET ASSETS

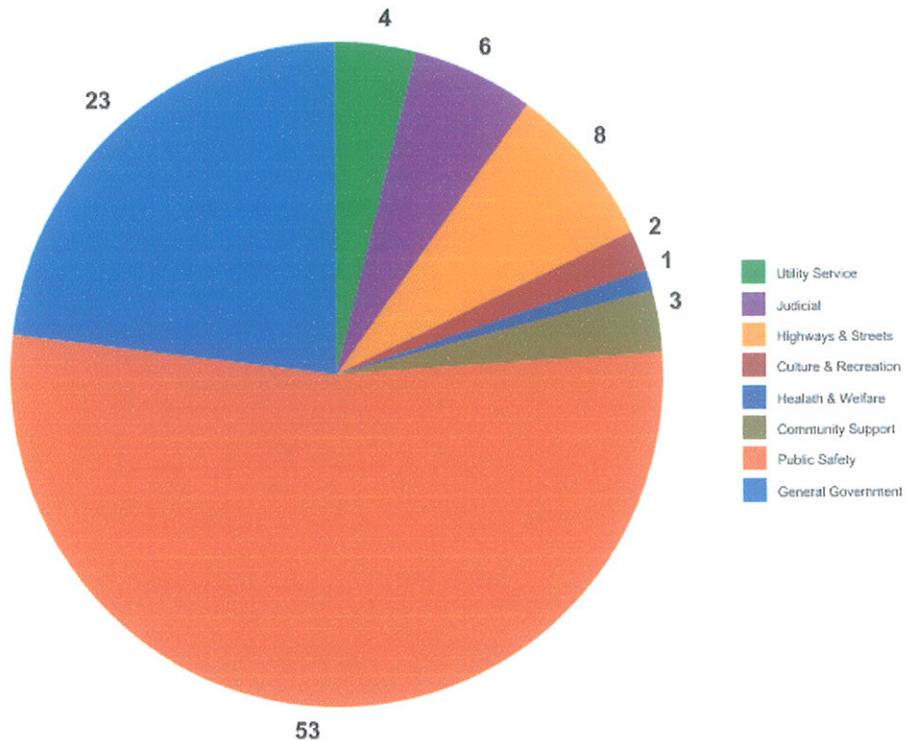
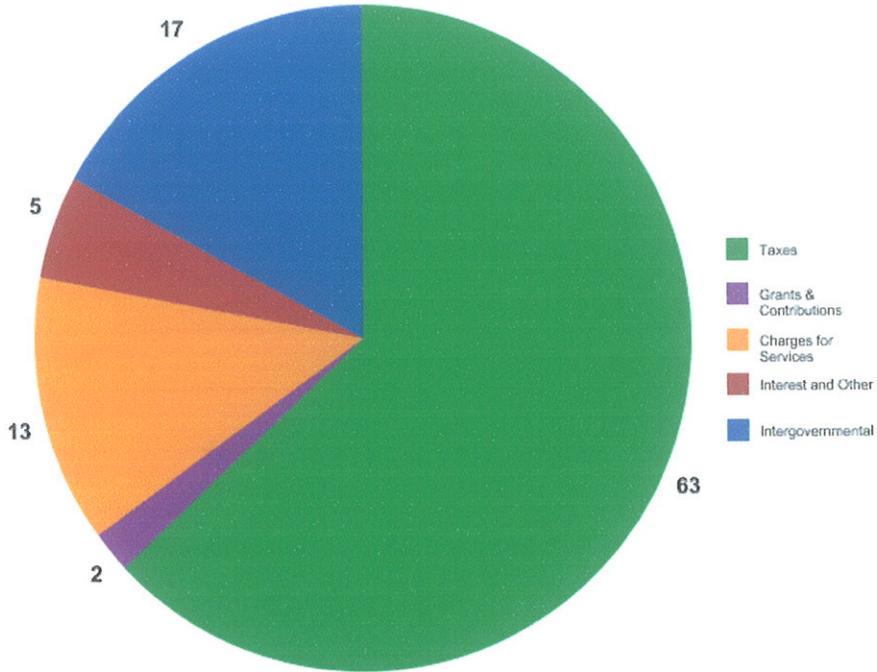
	Governmental Activities June 30, 2009	Business Type Activities June 30, 2009	Total June 30, 2009
REVENUES:			
Program Revenues:			
Charges For Services	\$ 2,600,162	\$ 494,210	\$ 3,094,372
Operating Grants and Contributions	126,475		126,475
Capital Grants and Contributions		110,900	110,900
General Revenues:			
Taxes	11,977,503		11,977,503
Intergovernmental	2,684,733		2,684,733
Other	<u>1,034,589</u>	<u>35,314</u>	<u>1,069,903</u>
Total Revenues	<u>18,423,462</u>	<u>640,424</u>	<u>19,063,886</u>
EXPENSES:			
General Government	4,182,281		4,182,281
Public Safety	9,562,548		9,562,548
Judicial	1,002,520		1,002,520
Health and Welfare	220,655		220,655
Culture and Recreation	398,144		398,144
Community Support	601,770		601,770
Highways and Streets	1,398,850		1,398,850
Water and Sewer	<u> </u>	<u>678,501</u>	<u>678,501</u>
Total Expenses	<u>17,366,768</u>	<u>678,501</u>	<u>18,045,269</u>
Changes In Net Assets	1,056,694	(38,077)	1,018,617
Net Assets July 1, 2008	<u>18,400,322</u>	<u>6,412,216</u>	<u>24,812,538</u>
Net Assets June 30, 2009	<u>\$19,457,016</u>	<u>\$ 6,374,139</u>	<u>\$25,831,155</u>

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COUNTY OF STOREY, STATE OF NEVADA
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 JUNE 30, 2009

Revenues in the General Fund were \$11,906,276 which was \$153,143 less than the amount budgeted. Actual revenue exceeded budgeted amounts in all budget categories except licenses and permits; Intergovernmental and charges for services. Actual expenditures were \$11,122,693 which was \$1,650,696 less than appropriations for the year. Overall, the total ending fund balance was \$6,015,420 which is \$4,577,266 more than budgeted. Of the \$6,015,420 ending fund balances \$3,251,844 was designated as an opening fund balance on July 1, 2008 and \$0 was reserved on July 1, 2009

PERCENT TOTALS - ALL FUNDS



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COUNTY OF STOREY, STATE OF NEVADA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2009

Business Type Activities. Business-type activities decreased Storey County's net assets by \$38,077. Depreciation expense for the current fiscal year was \$146,242.

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, 2009. The budget statements reflect a comparison of budgeted revenues and expenditures to actual for the year ended June 30, 2009. The budget statements were prepared from the final budget as filed with the Nevada Department of Taxation. Budget revenues and expenditures were adjusted for grants received in excess of original amounts budgeted. Augmentations and line item transfers were made during the year as approved by the Storey County Commissioners.

The General Fund revenues were less than expectations by \$(153,143), leaving a fund balance of \$6,015,420.

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, 2009 amounts to \$14,017,283 (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, 2009

	Governmental Activities June 30, 2009	Business Type Activities June 30, 2009	Total June 30, 2009
Land	\$ 249,292		\$ 249,292
Buildings and Improvements	5,465,738		5,465,738
Improvements other than Buildings	549,307		549,307
Machinery and Equipment	1,955,609	\$ 245,811	2,201,420
Sewer and Water systems	<u> </u>	<u>5,551,526</u>	<u>5,551,526</u>
Total	<u>\$ 8,219,946</u>	<u>\$ 5,797,337</u>	<u>\$ 14,017,283</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, 2009

<u>ASSETS</u>	<u>GOVERNMENTAL ACTIVITIES</u>	<u>BUSINESS-TYPE ACTIVITIES</u>	<u>TOTAL</u>
Cash	\$ 15,069,870	\$ 1,355,530	\$ 16,425,400
Accounts receivables	488,199	48,881	537,080
Taxes receivable	223,906		223,906
Interest receivable	4,142	544	4,686
Capital assets - net of accumulated depreciation			
Land	249,292		249,292
Buildings and improvements	5,465,738		5,465,738
Improvements other than buildings	549,307		549,307
Utility system		5,551,526	5,551,526
Machinery and equipment	1,955,609	246,811	2,202,420
Total Assets	<u>\$ 24,006,063</u>	<u>\$ 7,203,292</u>	<u>\$ 31,209,355</u>
 <u>LIABILITIES AND FUND BALANCES</u>			
Accounts payable and other current liabilities	\$ 3,468,960	\$ 78,797	\$ 3,547,757
Non-current liabilities			
Bonds payable - due within one year	74,826	27,865	102,691
- due in more than one year	370,888	722,491	1,093,379
Compensated absences - due in more than one year	126,839		126,839
Other non-current liabilities	507,534		507,534
Total Liabilities	<u>\$ 4,549,047</u>	<u>\$ 829,153</u>	<u>\$ 5,378,200</u>
 <u>NET ASSETS</u>			
Invested in capital assets - net of related debt	\$ 7,712,412	\$ 5,047,981	\$ 12,760,393
Unrestricted	11,744,604	1,326,158	13,070,762
Total Net Assets	<u>\$ 19,457,016</u>	<u>\$ 6,374,139</u>	<u>\$ 25,831,155</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, 2009

<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	\$ 4,182,281	\$ 1,895,156	\$ 33,564	
Public safety	9,562,548	510,681	32,727	
Judicial	1,002,520	28,467		
Health and Welfare	220,655			
Culture and recreation	398,144	28,985	60,184	
Community support	601,770			
Highways and streets	1,398,850	136,873		
Total Governmental Activities	<u>17,366,768</u>	<u>2,600,162</u>	<u>126,475</u>	\$ -0-
Business type activities:				
Water	433,611	350,200		
Sewer	244,890	144,010		
Total Business-Type Activities	<u>678,501</u>	<u>494,210</u>		
Total Primary Government	<u>\$ 18,045,269</u>	<u>\$ 3,094,372</u>	<u>\$ 126,475</u>	\$ -0-

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

STOREY COUNTY, NEVADA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2009

<u>FUNCTIONS/PROGRAMS</u>	NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS		
	GOVERNMENTAL ACTIVITIES	BUSINESS TYPE ACTIVITIES	TOTAL
	Primary government:		
Governmental activities:			
General government	\$ (2,253,561)		\$ (2,253,561)
Public safety	(9,019,140)		(9,019,140)
Judicial	(974,053)		(974,053)
Health and Welfare	(220,655)		(220,655)
Culture and recreation	(308,975)		(308,975)
Community support	(601,770)		(601,770)
Highways and streets	(1,261,977)		(1,261,977)
Total Governmental Activities	(14,640,131)		(14,640,131)
Business type activities:			
Water		\$ (83,411)	(83,411)
Sewer		(100,880)	(100,880)
Total Business-Type Activities		(184,291)	(184,291)
Total Primary Government	(14,640,131)	(184,291)	(14,824,422)
General revenues:			
Property taxes	11,977,503		11,977,503
Various State Collected Pass-Through Revenues	2,684,733		2,684,733
Interest Earnings	166,128	23,314	189,442
Miscellaneous Revenue	724,569	12,000	736,569
Capital Contributions and Grants	143,892	110,900	254,792
Total General Revenues	15,696,825	146,214	15,843,039
Change in Net Assets	1,056,694	(38,077)	1,018,617
Net Assets - July 1, 2008	18,400,322	6,412,216	24,812,538
Net Assets - June 30, 2009	\$ 19,457,016	\$ 6,374,139	\$ 25,831,155

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

STOREY COUNTY, NEVADA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2009

	<u>GENERAL</u>	<u>ROAD FUND</u>	<u>FIRE FUND</u>	<u>OTHER GOVERNMENTAL FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
<u>ASSETS</u>					
Cash	\$ 8,509,887	\$ 558,307	\$ 503,902	\$ 5,497,774	\$ 15,069,870
Accounts receivable	271,847	98,331	116,346	1,675	488,199
Taxes receivable	111,677		94,086	18,143	223,906
Interest receivable	3,645	212		285	4,142
Total Assets	<u>\$ 8,897,056</u>	<u>\$ 656,850</u>	<u>\$ 714,334</u>	<u>\$ 5,517,877</u>	<u>\$ 15,786,117</u>
<u>LIABILITIES AND FUND BALANCES</u>					
Liabilities					
Accounts payable	\$ 445,872	\$ 89,279	\$ 143,155	\$ 140,630	\$ 818,936
Accrued expenses	321,598	21,026	151,443		494,067
Deferred revenue	2,114,166		25,899	15,892	2,155,957
Total Liabilities	<u>2,881,636</u>	<u>110,305</u>	<u>320,497</u>	<u>156,522</u>	<u>3,468,960</u>
<u>FUND BALANCES</u>					
Unreserved reported in:					
General fund	6,015,420				6,015,420
Capital projects funds				1,820,344	1,820,344
Special revenue funds		546,545	393,837	3,541,011	4,481,393
Total Fund Balances	<u>6,015,420</u>	<u>546,545</u>	<u>393,837</u>	<u>5,361,355</u>	<u>12,317,157</u>
Total Liabilities and Fund Balances	<u>\$ 8,897,056</u>	<u>\$ 656,850</u>	<u>\$ 714,334</u>	<u>\$ 5,517,877</u>	<u>\$ 15,786,117</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, 2009

Total Fund Balance - government funds - page 11	\$12,317,157
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	8,219,946
Long term liabilities are not due and payable in the current period and therefore are not reported in the funds.	<u>(1,080,087)</u>
Total Net Assets - governmental activities - page 8	<u>\$19,457,016</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, 2009

	GENERAL	ROAD FUND	FIRE FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
<u>REVENUES</u>					
Taxes	\$ 8,364,161		\$ 2,163,647	\$ 1,449,695	\$ 11,977,503
Licenses and permits	761,106		18,138	85,675	864,919
Intergovernmental	1,561,552	\$ 521,522	950,387	348,134	3,381,595
Charges for services	704,460	116,135	317,018	2,750	1,140,363
Fines and forfeitures	18,879			137,761	156,640
Miscellaneous	496,118	24,160	307,161	75,003	902,442
Total Revenues	<u>11,906,276</u>	<u>661,817</u>	<u>3,756,351</u>	<u>2,099,018</u>	<u>18,423,462</u>
<u>EXPENDITURES</u>					
Current:					
General government	4,552,360			847,249	5,399,609
Public safety	4,693,112		3,925,949	908,073	9,527,134
Judicial	998,538			3,982	1,002,520
Health and welfare	2,016			218,639	220,655
Culture and recreation	274,897			122,247	397,144
Community support	601,770	1,398,850			601,770
Highways and streets					1,398,850
Total Expenditures	<u>11,122,693</u>	<u>1,398,850</u>	<u>3,925,949</u>	<u>2,100,190</u>	<u>18,547,682</u>
Excess (deficiency) of revenues over expenditures	<u>783,583</u>	<u>(737,033)</u>	<u>(169,598)</u>	<u>(1,172)</u>	<u>(124,220)</u>
<u>OTHER FINANCING SOURCES (USES)</u>					
Transfers in	25,000	375,000	156,000	1,069,000	1,625,000
Transfers out	(1,625,000)			(146,697)	(1,625,000)
Short term loan (payments) proceeds		\$ 520,000			373,303
Total Other Financing Sources (Uses)	<u>(1,600,000)</u>	<u>895,000</u>	<u>156,000</u>	<u>922,303</u>	<u>373,303</u>
Net change in fund balance	(\$16,417)	157,967	(13,598)	921,131	249,083
Fund balance - beginning	6,831,837	388,578	407,435	4,440,224	12,068,074
Fund balance - ending	<u>\$ 6,015,420</u>	<u>\$ 546,545</u>	<u>\$ 393,837</u>	<u>\$ 5,361,355</u>	<u>\$ 12,317,157</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, 2009

Net change in fund balances - governmental funds, page 13 \$ 249,083

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. 1,042,794

Net short and medium term loan receipts and payments reported in governmental funds as net revenue (264,927)

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 29,744

Change in net assets of governmental activities, page 10 \$1,056,694

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, 2009

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		POSITIVE (NEGATIVE)
REVENUES				
Taxes:				
Property	\$ 8,206,027	\$ 8,206,027	\$ 8,339,161	\$ 133,134
Youth Services	11,210	11,210	25,000	13,790
Total Taxes	8,217,237	8,217,237	8,364,161	146,924
Licenses and permits:				
Merchandise licenses	65,000	65,000	120,502	55,502
Prostitution licenses	225,000	225,000	143,850	(81,150)
Liquor licenses	2,000	2,000	1,021	(979)
Utility licenses	150,000	221,679	184,432	(37,247)
Franchise tax	45,000	45,000	59,486	14,486
Building permits	500,000	500,000	227,589	(272,411)
Special use permits	20,000	20,000	22,666	2,666
Other licenses	6,500	6,500	1,560	(4,940)
Total Licenses and Permits	1,013,500	1,085,179	761,106	(324,073)
Intergovernmental:				
Federal and state grants	0	0	33,564	33,564
Payment in lieu of taxes	20,000	20,000	46,610	26,610
State shared revenues:				
Cigarette tax	25,054	25,054	21,267	(3,787)
Liquor tax	5,366	5,366	4,678	(688)
Gaming licenses	160,000	160,000	144,203	(15,797)
Basic CCRT	502,827	502,827	294,439	(208,388)
Supplemental CCRT	590,296	590,296	590,296	0
Motor Vehicle Privilege Tax	346,132	346,132	329,447	(16,685)
Real Property Transfer Tax	124,382	124,382	97,048	(27,334)
Total Intergovernmental	1,774,057	1,774,057	1,561,552	(212,505)
Charges for Services:				
Clerk Fees	10,000	10,000	15,756	5,756
Recorder fees	70,000	70,000	39,657	(30,343)
Assessor fees/commissions	100,000	195,099	198,579	3,480
Building department fees	8,000	8,000	8,652	652
District Court fees	3,000	3,000	4,538	1,538
Justice court fees	6,500	6,500	7,376	876
District Court fees - other	0	0	0	0
Sheriffs fees	30,000	30,000	31,229	1,229
Dog control	0	0	1,800	1,800
Facility fees	0	0	6,777	6,777
Swimming pool admissions/lessons	17,000	17,000	15,531	(1,469)
Park facilities fees	4,000	4,000	1,050	(2,950)
Import tonnage fees	375,000	375,000	367,888	(7,112)
Swim pool - concessions	0	0	5,627	5,627
Total Charges for Services	623,500	718,599	704,460	(14,139)

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, 2009

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		POSITIVE (NEGATIVE)
<u>REVENUES (cont'd.)</u>				
Fines and Forfeits:				
District fine	0	0	1,395	1,395
Juvenile fines/assessments	1,500	1,500	2,673	1,173
Chemical analysis fees	2,000	2,000	5,958	3,958
Other fines			8,853	8,853
Total Fines and Forfeits	3,500	3,500	18,879	15,379
Miscellaneous:				
Rents	20,000	20,000	6,109	(13,891)
Penalties - current year	10,000	10,000	61,156	51,156
Penalties - prior years	5,000	5,000	15,001	10,001
Interest	100,000	172,381	152,515	(19,866)
Property sales			206,162	206,162
Other	23,000	53,466	55,175	1,709
Total Miscellaneous	158,000	260,847	496,118	235,271
Total Revenues	11,789,794	12,059,419	11,906,276	(153,143)
<u>EXPENDITURES</u>				
General Government				
Commissioners:				
Salaries and wages	434,934	474,934	451,469	23,465
Employee benefits	224,157	293,027	255,544	37,483
Services and supplies	36,200	36,200	23,142	13,058
Capital outlay	3,000	3,000	1,062	1,938
	698,291	807,161	731,217	75,944
Clerk Treasurer:				
Salaries and wages	182,396	182,396	188,561	(6,165)
Employee benefits	113,761	113,761	92,501	21,260
Services and supplies	74,800	74,800	48,261	26,539
Capital outlay	10,000	10,000	7,414	2,586
	380,957	380,957	336,737	44,220
Recorder:				
Salaries and wages	191,206	191,206	180,187	11,019
Employee benefits	86,308	86,308	88,217	(1,909)
Services and supplies	54,000	54,000	59,660	(5,660)
Capital outlay	7,000	7,000	3,598	3,402
	338,514	338,514	331,662	6,852
Assessor:				
Salaries and wages	233,492	233,492	228,210	5,282
Employee benefits	120,828	120,828	108,865	11,963
Services and supplies	27,000	37,600	28,989	8,611
Capital outlay	3,000	3,000	0	3,000
	384,320	394,920	366,064	28,856
Administrative:				
Employee benefits	125,000	125,000	111,471	13,529
Services and supplies	1,268,700	1,328,855	1,088,899	239,956
Capital outlay	50,000	50,000	9,492	40,508
	1,443,700	1,503,855	1,209,862	293,993

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, 2009

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		POSITIVE (NEGATIVE)
<u>EXPENDITURES</u>				
General Government (contd.)				
Building and Grounds:				
Salaries and wages	160,258	160,258	172,464	(12,206)
Employee benefits	98,159	98,159	93,648	4,511
Services and supplies	324,925	324,925	301,604	23,321
Capital outlay	18,600	18,600	20,900	(2,300)
	<u>601,942</u>	<u>601,942</u>	<u>588,616</u>	<u>13,326</u>
Planning Commission:				
Salaries and wages	169,575	169,575	146,804	22,771
Employee benefits	85,797	85,797	54,249	31,548
Services and supplies	38,900	38,900	22,933	15,967
Capital outlay	1,000	1,000	218	782
	<u>295,272</u>	<u>295,272</u>	<u>224,204</u>	<u>71,068</u>
Service:				
Salaries and wages	99,135	99,135	102,596	(3,461)
Employee benefits	55,070	55,070	50,600	4,470
Services and supplies	57,828	57,828	47,193	10,635
Capital outlay	31,172	31,172	4,967	26,205
	<u>243,205</u>	<u>243,205</u>	<u>205,356</u>	<u>37,849</u>
Comptroller:				
Salaries and wages	201,565	201,565	168,226	33,339
Employee benefits	105,705	105,705	60,416	45,289
Services and supplies	17,000	17,000	5,108	11,892
Capital outlay	10,000	10,000	0	10,000
	<u>334,270</u>	<u>334,270</u>	<u>233,750</u>	<u>100,520</u>
IT:				
Salaries and wages	153,904	153,904	158,282	(4,378)
Employees benefits	81,701	81,701	54,470	27,231
Services and supplies	101,700	101,700	38,334	63,366
Capital outlay	75,000	75,000	73,806	1,194
	<u>412,305</u>	<u>412,305</u>	<u>324,892</u>	<u>87,413</u>
Total General Government	<u>5,132,776</u>	<u>5,312,401</u>	<u>4,552,360</u>	<u>760,041</u>
Judicial:				
District Attorney:				
Salaries and wages	319,780	319,780	337,482	(17,702)
Employee benefits	145,890	145,890	129,356	16,534
Services and supplies	33,800	33,800	27,835	5,965
Capital outlay	8,000	8,000	6,769	1,231
	<u>507,470</u>	<u>507,470</u>	<u>501,442</u>	<u>6,028</u>
District Court:				
Salaries and wages	45,000	45,000	32,500	12,500
Services and supplies	88,218	88,218	74,649	13,569
Capital outlay	3,000	3,000	0	3,000
	<u>136,218</u>	<u>136,218</u>	<u>107,149</u>	<u>29,069</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, 2009

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
<u>EXPENDITURES</u>				
General Government (contd.)				
Justice of the Peace:				
Salaries and wages	253,928	253,928	232,190	21,738
Employee benefits	161,325	161,325	120,507	40,818
Services and supplies	58,500	58,500	35,671	22,829
Capital outlay	3,000	3,000	1,579	1,421
	<u>476,753</u>	<u>476,753</u>	<u>389,947</u>	<u>86,806</u>
Total Judicial	<u>1,120,441</u>	<u>1,120,441</u>	<u>998,538</u>	<u>121,903</u>
Public Safety:				
Sheriff:				
Salaries and wages	1,983,294	1,983,294	1,856,124	127,170
Employee benefits	1,252,278	1,252,278	1,032,566	219,712
Services and supplies	455,484	455,484	411,545	43,939
Capital outlay	41,500	41,500	42,876	(1,376)
	<u>3,732,556</u>	<u>3,732,556</u>	<u>3,343,111</u>	<u>389,445</u>
Building Department:				
Salaries and wages	381,332	381,332	305,584	75,748
Employee benefits	197,174	197,174	157,850	39,324
Services and supplies	48,600	48,600	34,996	13,604
Capital outlay	37,500	37,500	(6,335)	43,835
	<u>664,606</u>	<u>664,606</u>	<u>492,095</u>	<u>172,511</u>
Emergency Management:				
Salaries and wages	21,678	21,678	21,678	0
Employee benefits	20,372	20,372	21,425	(1,053)
Services and supplies	69,600	69,600	32,401	37,199
Capital outlay	20,000	20,000	3,553	16,447
	<u>131,650</u>	<u>131,650</u>	<u>79,057</u>	<u>52,593</u>
Communications				
Salaries and wages	473,099	473,099	478,845	(5,746)
Employee benefits	240,655	240,655	209,810	30,845
Services and supplies	61,050	61,050	31,805	29,245
Capital outlay	77,000	77,000	58,389	18,611
	<u>851,804</u>	<u>851,804</u>	<u>778,849</u>	<u>72,955</u>
Total Public Safety	<u>5,380,616</u>	<u>5,380,616</u>	<u>4,693,112</u>	<u>687,504</u>
Health:				
Home Health:				
Services and supplies	2,016	2,016	2,016	0
Culture and Recreation:				
Swimming Pools & Parks				
Salaries and wages	62,003	62,003	73,188	(11,185)
Employee benefits	19,800	19,800	14,410	5,390
Services and supplies	118,350	118,350	40,851	77,499
Capital outlay	15,000	15,000	39,985	(24,985)
	<u>215,153</u>	<u>215,153</u>	<u>168,434</u>	<u>46,719</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, 2009

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		POSITIVE (NEGATIVE)
Library:				
Salaries and wages	68,351	68,351	66,000	2,351
Employee benefits	26,165	26,165	22,004	4,161
Services and supplies	27,198	27,198	17,275	9,923
Capital outlay	2,000	2,000	918	1,082
	<u>123,714</u>	<u>123,714</u>	<u>106,197</u>	<u>17,517</u>
Regional Transportation Commission:				
Salaries and wages	0	0	240	(240)
Employee benefits	0	0	26	(26)
Services and supplies	8,500	6,000	0	6,000
Capital outlay	0	2,500	0	2,500
	<u>8,500</u>	<u>8,500</u>	<u>266</u>	<u>8,234</u>
Total Culture and Recreation	<u>347,367</u>	<u>347,367</u>	<u>274,897</u>	<u>72,470</u>
Community Support:				
Aging Services:				
Salaries and wages	18,720	18,720	17,910	810
Employee benefits	2,948	2,948	2,000	948
Services and supplies	573,880	588,880	581,860	7,020
Total Community Support	<u>595,548</u>	<u>610,548</u>	<u>601,770</u>	<u>8,778</u>
Total Expenditures	<u>12,578,764</u>	<u>12,773,389</u>	<u>11,122,693</u>	<u>1,650,696</u>
Excess (Deficiency) of Revenue over Expenditu	<u>(788,970)</u>	<u>(713,970)</u>	<u>783,583</u>	<u>1,497,553</u>
Other Financing Sources (Uses)				
Intergovernmental	30,000	30,000	0	(30,000)
Transfers in	25,000	25,000	25,000	0
Transfers out	(1,550,000)	(1,625,000)	(1,625,000)	0
Contingency	(369,944)	(369,944)	0	369,944
Total Other Financing Sources (Uses)	<u>(1,864,944)</u>	<u>1,939,944</u>	<u>(1,600,000)</u>	<u>339,944</u>
Net Change in Fund Balance	<u>(2,653,914)</u>	<u>(2,653,914)</u>	<u>(816,417)</u>	<u>1,837,497</u>
Fund balance - beginning	<u>4,092,068</u>	<u>4,092,068</u>	<u>6,831,837</u>	<u>2,739,769</u>
Fund balance - ending	<u>\$ 1,438,154</u>	<u>\$ 1,438,154</u>	<u>\$ 6,015,420</u>	<u>\$ 4,577,266</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, 2009

	ORIGINAL BUDGETED AMOUNTS	FINAL BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<u>REVENUE</u>				
Intergovernmental				
Gasoline tax	\$ 126,534	\$ 126,534	\$ 137,729	\$ 11,195
Supplemental CCRT	350,487	350,487	353,793	3,306
Intergovernmental agreement	30,000	30,000	30,000	0
Charges for services				
Import tonnage fees	125,000	125,000	116,135	(8,865)
Other revenue				
Interest	15,000	15,000	3,422	(11,578)
Miscellaneous	10,000	29,933	20,738	(9,195)
Total Revenue	<u>657,021</u>	<u>676,954</u>	<u>661,817</u>	<u>(15,137)</u>
<u>EXPENDITURES</u>				
Highways and streets				
Salaries and wages	279,204	279,204	236,543	42,661
Salary costs	120,933	120,933	97,248	23,685
Services and supplies	121,508	121,508	128,559	(7,051)
Capital outlay	554,953	1,094,886	827,813	267,073
Debt service				
Principle	74,286	74,286	74,286	0
Interest	12,610	12,610	34,401	(21,791)
Total Expenditures	<u>1,163,494</u>	<u>1,703,427</u>	<u>1,398,850</u>	<u>304,577</u>
Excess (deficiency) of revenues over expenditures	(506,473)	(1,026,473)	(737,033)	289,440
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers	300,000	300,000	375,000	75,000
Bond proceeds		520,000	520,000	0
FEMA reimbursement	180,000	180,000	0	(180,000)
Excess (deficiency) of revenues and other financing sources over expenditures	(26,473)	(26,473)	157,967	184,440
Fund balance - beginning	<u>259,238</u>	<u>259,238</u>	<u>388,578</u>	<u>129,340</u>
Fund balance - ending	<u>\$ 232,765</u>	<u>\$ 232,765</u>	<u>\$ 546,545</u>	<u>\$ 313,780</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, 2009

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		POSITIVE (NEGATIVE)
<u>REVENUE</u>				
Taxes				
Property	\$ 2,119,634	\$ 2,119,634	\$ 2,163,647	\$ 44,013
Intergovernmental revenues				
Supplemental CCRT	903,890	903,890	903,990	100
Intergovernmental agreement	30,000	30,000	30,000	0
State grant			16,397	16,397
Licenses and permits				
Ambulance program & license fees			18,138	18,138
Charges for services				
Fire/ambulance fees	127,500	127,500	261,484	133,984
Inspection fees	32,500	32,500	55,534	23,034
Other revenue				
Miscellaneous - other		268,788	307,161	38,373
Total Revenues	<u>3,213,524</u>	<u>3,482,312</u>	<u>3,756,351</u>	<u>274,039</u>
<u>EXPENDITURES</u>				
Public Safety				
Salaries and wages	2,129,719	2,254,719	2,222,476	32,243
Salary costs	1,157,117	1,300,905	1,189,043	111,862
Services and supplies	355,665	355,665	504,622	(148,957)
Capital outlay	38,000	38,000	9,808	28,192
Total Expenditures	<u>3,680,501</u>	<u>3,949,289</u>	<u>3,925,949</u>	<u>23,340</u>
Excess (deficiency) of revenue over expenditures	(466,977)	(466,977)	(169,598)	297,379
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfer In	156,000	156,000	156,000	0
Transfer out				
Excess (deficiency) of revenue and other financing sources (uses) over expenditures	(310,977)	(310,977)	(13,598)	297,379
Fund balance - beginning	<u>393,967</u>	<u>393,967</u>	<u>407,435</u>	<u>13,468</u>
Fund balance - ending	<u>\$ 82,990</u>	<u>\$ 82,990</u>	<u>\$ 393,837</u>	<u>\$ 310,847</u>

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

STOREY COUNTY, NEVADA
 PROPRIETARY FUNDS
 STATEMENT OF NET ASSETS
 JUNE 30, 2009

	BUSINESS-TYPE ENTERPRISE FUNDS		
	WATER SYSTEM	VIRGINIA DIVIDE SEWER	TOTAL
<u>ASSETS</u>			
Current Assets			
Cash	\$ 827,170	\$ 528,360	\$ 1,355,530
Accounts receivable	35,682	13,199	48,881
Interest receivable	332	212	544
Total Current Assets	863,184	541,771	1,404,955
Noncurrent Assets			
Capital assets - net of accumulated depreciation	5,402,545	395,792	5,798,337
Total Assets	6,265,729	937,563	7,203,292
<u>LIABILITIES</u>			
Current Liabilities			
Accounts payable	46,670	17,506	64,176
Refundable deposits	8,880	0	8,880
Bonds payable - current portion	23,313	4,552	27,865
Accrued expenses	2,129	1,812	3,941
Accrued interest	1,800	0	1,800
Total Current Liabilities	82,792	23,870	106,662
Long Term Liabilities			
Bonds payable - net of current portion	655,526	66,965	722,491
<u>NET ASSETS</u>			
Invested in capital assets - net of related debt	4,723,706	324,275	5,047,981
Unrestricted	803,705	522,453	1,326,158
Total Net Assets	\$ 5,527,411	\$ 846,728	\$ 6,374,139

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, 2009

	BUSINESS-TYPE ENTERPRISE FUNDS		
	WATER SYSTEM	VIRGINIA DIVIDE SEWER	TOTAL
<u>OPERATING REVENUES</u>			
Charges for services	\$ 350,200	\$ 144,010	\$ 494,210
<u>OPERATING EXPENSES</u>			
Salaries and wages	119,693	98,342	218,035
Salary costs	43,160	32,709	75,869
Services and supplies	133,752	71,639	205,391
Depreciation	106,569	38,473	145,042
Total Operating Expense	403,174	241,163	644,337
Operating Income (Loss)	(52,974)	(97,153)	(150,127)
<u>NONOPERATING REVENUES (EXPENSES)</u>			
Rent and miscellaneous	12,000	0	12,000
Interest income	13,876	9,438	23,314
Interest expense	(30,437)	(3,727)	(34,164)
Capital contributions and grants	50,125	60,775	110,900
Total Nonoperating Revenues (Expenses)	45,564	66,486	112,050
Change in net assets	(7,410)	(30,667)	(38,077)
Net assets - beginning	5,534,821	877,395	6,412,216
Net assets - ending	\$ 5,527,411	\$ 846,728	\$ 6,374,139

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, 2009

	BUSINESS-TYPE ENTERPRISE FUNDS		
	WATER SYSTEM	VIRGINIA DIVIDE SEWER	TOTALS
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Cash Inflows			
Sales of water/sewer fees	\$ 352,674	\$ 145,200	\$ 497,874
Cash Outflows			
Salaries and wages	(145,766)	(98,764)	(244,530)
Salary costs	(25,918)	(32,709)	(58,627)
Services and supplies	(171,832)	(86,108)	(257,940)
Net Cash Provided (Used) by Operating Activities	9,158	(72,381)	(63,223)
<u>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</u>			
Cash Inflows			
Rent	12,000	0	12,000
Net Cash Provided by Non-Capital Financing Activities	12,000	0	12,000
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>			
Cash Inflows			
Capital contributions	50,125	60,775	110,900
Cash Outflows			
Capital outlay	31,759	(11,375)	20,384
Debt service	(22,827)	(4,349)	(27,176)
Interest expense	(30,937)	(3,727)	(34,664)
Net Cash Provided (Used) by Capital and Related Financing Activities	28,120	41,324	69,444
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Cash Inflows			
Interest earnings	13,876	10,676	24,552
Net Increase (Decrease) in Cash	63,154	(20,381)	42,773
Cash - beginning	763,916	548,741	1,312,657
Cash - ending	\$ 827,070	\$ 528,360	\$ 1,355,430

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

STOREY COUNTY, NEVADA
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2009

	<u>AGENCY FUNDS</u>
<u>ASSETS</u>	
Cash and cash equivalents	<u>\$ 61,736</u>
<u>LIABILITIES</u>	
Due to other governments	<u>\$ 61,736</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. (Elected to be reported as major fund.)

The government reports the following major proprietary funds:

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

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

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

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

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

D. ASSETS, LIABILITIES AND NET ASSETS OR EQUITY

1. DEPOSITS AND 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, 2009.

5. CAPITAL ASSETS

Capital assets, which include property, plant, equipment, and infrastructure (i.e., roads, bridges, sidewalks, storm drains, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$3000 (amount not rounded) and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

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

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

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

6. COMPENSATED ABSENCES

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

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

The maximum sick leave paid upon termination shall be \$5,000 for all employees.

Law Enforcement personnel:

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

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

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

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, 2009.

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 \$7,139,859 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 - \$8,219,946. Long term liabilities are not due and payable in the current period and therefore are not reported in the funds. (\$1,080,087)
- 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 \$807,611 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 - \$1,042,794. 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 - \$29,744. Some short and medium term loans and payments are reported in the governmental funds - (\$264,927)

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, 2009.
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, 2009, expenditures exceeded appropriations as follows:

	<u>Expenditures</u>	<u>Appropriations</u>
Virginia-Divide Sewer Improvement District	\$ 241,163	\$ 223,841
Fire District Special Revenue Fund	\$ 585,569	\$ 560,076
Equipment acquisition fund	\$ 415,876	\$ 247,194

C. DEFICIT FUND EQUITY

No funds incurred a deficit fund equity at June 30, 2009.

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

- e) all reserves in the funds are reasonable and necessary to carry out the purposes of the funds
- d) reflect the sources of revenues available for the fund during the fiscal year - including transfers from other funds
- e) are following the statutory and regulatory requirements applicable to the funds
- f) reflect the balance and retained earning of the funds

Storey County has \$0 reserved in all funds.

IV. CASH

At year end, the carrying amount of the bank balances was \$16,487,136. Of the bank balances \$317,949 was covered by federal depository insurance. Additionally \$14,954,591 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	\$ 467,949
2. Collateralized with securities held by The Nevada State Treasurer	14,954,591
3. Uncollateralized with the financial institution	1,060,757
4. Uncollateralized - cash on hand	<u>3,839</u>
	<u>\$ 16,487,136</u>

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

Major governmental funds	\$ 9,572,096
Non-major governmental funds	5,497,774
Business-type funds	<u>1,355,530</u>
	16,425,400
Fiduciary funds	<u>61,736</u>
Total	<u>\$16,487,136</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>Non-Major Funds</u>	<u>Proprietary Funds</u>	<u>Total</u>
Receivables:						
Taxes	\$ 111,677		\$ 94,086	\$ 18,143		\$ 223,906
Accounts	271,847	\$ 98,331	116,346	1,675	\$ 49,668	537,867
Interest	<u>3,645</u>	<u>212</u>	<u> </u>	<u>285</u>	<u>544</u>	<u>4,686</u>
Gross Receivables	387,169	98,543	210,432	20,103	50,212	766,459
Less: Allowance for uncollectibles	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u>787</u>	<u>787</u>
Net Total						
Receivables	<u>\$ 387,169</u>	<u>\$ 98,543</u>	<u>\$ 210,432</u>	<u>\$ 20,103</u>	<u>\$ 49,425</u>	<u>\$ 765,672</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	\$ 102,044
Fire fund	25,899
Non-major funds	15,892
Deferred revenue - District Court	<u>2,012,122</u>
Total	<u>\$2,155,957</u>

VI. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2009 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	\$ 114,849	\$ 0	\$ 249,292
Capital assets being depreciated				
Buildings	6,312,178	717,899		7,030,077
Improvements other than buildings	631,505	39,985		671,490
Machinery and equipment	4,391,022	940,981		5,332,003
Infrastructure	0	0	0	0
Total capital assets being depreciated	<u>11,334,705</u>	<u>1,698,865</u>	<u>0</u>	<u>13,033,570</u>
Less accumulated depreciation for:				
Buildings	1,442,315	122,024		1,564,339
Improvements other than buildings	100,960	21,223		122,183
Machinery and equipment	2,863,570	512,824	0	3,376,394
Infrastructure	0	0	0	0
Total accumulated depreciation	<u>4,406,845</u>	<u>656,071</u>	<u>0</u>	<u>5,062,916</u>
Governmental activities capital assets - net	<u>\$ 7,062,303</u>	<u>\$ 1,157,643</u>	<u>\$ 0</u>	<u>\$ 8,219,946</u>
Business type activities:				
Capital assets being depreciated				
Water and sewer system	\$ 7,203,203	\$ 0	\$ (47,739)	\$ 7,155,464
Machinery and equipment	<u>518,603</u>	<u>27,445</u>	<u>0</u>	<u>546,048</u>
Total Capital assets being depreciated	<u>7,721,806</u>	<u>27,445</u>	<u>(47,739)</u>	<u>7,701,512</u>
Less accumulated depreciation for				
Water and sewer systems	1,493,072	110,866		1,603,938
Machinery and equipment	<u>265,061</u>	<u>34,176</u>	<u>0</u>	<u>299,237</u>
Total accumulated depreciation	<u>1,758,133</u>	<u>145,042</u>	<u>0</u>	<u>1,903,175</u>
Business type activities capital assets - net	<u>\$ 5,963,673</u>	<u>\$ (117,597)</u>	<u>\$ (47,739)</u>	<u>\$ 5,798,337</u>

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

Governmental activities:	
General government	\$ 159,392
Public safety	401,440
Highways and streets, including depreciation of general infrastructure assets	73,876
Culture and recreation	<u>21,363</u>
Total depreciation expense - Governmental activities	<u>\$ 656,071</u>
Business type activities:	
Water	\$ 106,569
Sewer	<u>38,473</u>
Total depreciation expense - business type activities	<u>\$ 145,042</u>

VII. INTERFUND ASSETS/LIABILITIES

There were no interfund balances as of June 30, 2009

Interfund transfers:

<u>Transfer From</u>	<u>Transfer to</u>	<u>Amount</u>
General Fund	Fire Fund	\$ 150,000
General Fund	Capital Projects Fund	600,000
General Fund	Stabilization Fund	400,000
General Fund	Road Fund	375,000
Fire Fund	Emergency Mitigation	100,000
First District Fund	General Fund	25,000
Fire District Fund	Fire Fund	<u>6,000</u>
		<u>\$ 1,656,000</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, 2009.

<u>Fiscal Year Ending</u>	
<u>June 30,</u>	
2010	149,175
2011	149,175
2012	149,175
2013	<u>109,451</u>
	\$ 556,976
Less amounts representing interest	<u>49,442</u>
Present value of future minimum Lease payments	<u>\$ 507,534</u>

IX. MEDIUM TERM AND LONG TERM DEBT

Special Assessment Bonds - The County has no special assessment bonds outstanding at June 30, 2009.

Contracts Payable - The County has no contracts payable at June 30, 2009.

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

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	3,603
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>\$ 445,714</u>	<u>\$ 75,660</u>	<u>\$ 521,374</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, 2009 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>6/30/08</u>	<u>RETIRED</u>	<u>6/30/09</u>
<u>\$ 621,665</u>	<u>\$10,826</u>	<u>\$ 610,839</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>6/30/08</u>	<u>RETIRED</u>	<u>6/30/09</u>
<u>\$ 80,000</u>	<u>\$12,000</u>	<u>\$ 68,000</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>6/30/08</u>	<u>RETIRED</u>	<u>6/30/09</u>
<u>\$75,866</u>	<u>\$ 4,349</u>	<u>\$ 71,517</u>

Revenue bond debt service requirements to maturity including interest of \$510,444 are as follows:

YEAR ENDING		TOTAL
<u>JUNE 30,</u>	<u>ANNUAL</u>	
2010 to 2014	\$62,300 to \$62,600	\$ 312,900
2015 to 2021	46,900 to 44,900	327,100
2022 to 2037	38,800	620,800
		<u>\$1,260,800</u>

Changes In Long-Term Liabilities - During the fiscal year ended June 30, 2009, the following changes occurred in liabilities reported in the general long term debt group:

	BALANCE			BALANCE
	<u>JULY 1, 2008</u>	<u>ADDITIONS</u>	<u>REDUCTIONS</u>	<u>JUNE 30, 2009</u>
Compensated absences	\$ 97,094	\$ 29,745	\$ 0	\$ 126,839
Capital leases	631,448	0	123,914	507,534
	<u>\$ 728,542</u>	<u>\$ 29,745</u>	<u>\$ 123,914</u>	<u>\$ 634,373</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	\$ 863,184	\$ 541,771
Capital assets	<u>5,402,545</u>	<u>395,792</u>
Total Assets	<u>6,265,729</u>	<u>937,563</u>
LIABILITIES		
Current liabilities	82,792	23,870
Non-current liabilities	<u>655,526</u>	<u>66,965</u>
Total Liabilities	<u>738,318</u>	<u>90,835</u>
NET ASSETS		
Invested in capital assets, net of related debt	4,723,206	324,275
Unrestricted	<u>804,205</u>	<u>522,453</u>
Total Net Assets	<u>\$5,527,411</u>	<u>\$ 846,728</u>

CONDENSED STATEMENT OF REVENUES AND EXPENSES

Operating revenue	\$ 350,200	\$ 144,522
Depreciation	(107,769)	(38,473)
Other operating expenses	<u>(295,405)</u>	<u>(202,690)</u>
Operating income (loss)	(52,974)	(97,153)
Nonoperating revenues (expenses)		
Rent income	12,000	
Interest income	13,876	9,438
Interest expense	(30,437)	(3,727)
Capital contributions and grants	<u>50,125</u>	
Change in net assets	<u>\$ 254,540</u>	<u>\$ (91,442)</u>

CONDENSED STATEMENTS OF CASH FLOWS

Net cash provided (used) by		
Operating activities	\$ 9,158	\$ (72,381)
Noncapital financing activities	12,000	0
Capital and related financing activities	28,120	(41,324)
Investing activities	<u>13,876</u>	<u>10,676</u>
Net increase (decrease) in cash	<u>63,154</u>	<u>(20,381)</u>
Cash - beginning	<u>763,916</u>	<u>548,741</u>
Cash - ending	<u>\$ 827,070</u>	<u>\$ 528,360</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, 2009 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. Further Legal fees and costs are estimated to be minimal.

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 2008/2009 assessed valuation is \$564,206,000 which would allow the bonding up to \$56,420,000. On June 30, 2009, the County had \$446,000 outstanding general obligation bonded debt, exclusive of revenue and school district bonds.

The town of Virginia City general obligation debt limit based on the 2008/2009 assessed valuation was \$8,848,000 (NRS 269.425). The town of Virginia City has at June 30, 2009 no general obligation bonds outstanding.

The town of Gold Hill general obligation debt limit based on the 2008/2009 assessed valuation was \$2,268,000 (NRS 269.425). The town of Gold Hill has at June 30, 2009 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, 2009 was \$6,701,000. The County's total payroll was \$7,617,000. Storey County's contribution to the plan for the year ended June 30, 2009 was \$1,794,000. All costs to the County were paid or accrued at June 30, 2009. The County's contribution represented less than 1% of total contributions to the retirement system.

Currently 130 employees are covered under the retirement plan out of a total of 155 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.

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 reported to be met in fiscal years ending June 30, 2007 and 2008, however, additional audit adjustments are still being discussed by the comptroller and the TRI partnership. However no vouchers have been approved at June 30, 2009, therefore no reimbursements can be made. Vouchers submitted for approval through June 30, 2009 total \$33 million. No additional vouchers have been submitted through June 30, 2009. The County Controller estimates a potential liability to the County of approximately \$38 million and that the audit of the vouchers will commence in the fiscal year ending June 30, 2010.

The term of this agreement shall commence upon the effective date and shall expire Fifty (50) years after the effective date, unless extended by written amendment executed by the County and Developer. A special revenue fund has been established as of July 1, 2009, however no funding source has been recognized.

STOREY COUNTY, NEVADA
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2009

	SPECIAL REVENUE					
	FIRE DISTRICT	EQUIPMENT ACQUISITION	INDIGENT ASSISTANCE	JUSTICE COURT FEES	DRUG COURT	INDIGENT MEDICAL
ASSETS						
Cash	\$ 182,918	\$ 61,850	\$ 263	\$ 27,114	\$ 5,760	\$ 751,022
Receivables						
Taxes - property	7,318	3,317				2,556
Accounts		32				
Interest						
Total Assets	<u>\$ 190,236</u>	<u>\$ 65,199</u>	<u>\$ 263</u>	<u>\$ 27,114</u>	<u>\$ 5,760</u>	<u>\$ 753,578</u>
LIABILITIES						
Accounts payable	\$ 50,606	\$ 13,830				\$ 17,717
Deferred taxes	6,551	2,577				2,331
Total Liabilities	<u>57,157</u>	<u>16,407</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>20,048</u>
FUND BALANCE						
Designated for future year's operations	\$ 3,915			\$ 10,000		345,982
Undesignated	129,164	48,792	\$ 263	17,114	\$ 5,760	387,548
Total Fund Balance	<u>133,079</u>	<u>48,792</u>	<u>263</u>	<u>27,114</u>	<u>5,760</u>	<u>733,530</u>
Total Liabilities and Fund Balance	<u>\$ 190,236</u>	<u>\$ 65,199</u>	<u>\$ 263</u>	<u>\$ 27,114</u>	<u>\$ 5,760</u>	<u>\$ 753,578</u>

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

STOREY COUNTY, NEVADA
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2009

	SPECIAL REVENUE					
	JAIL BUILDING	EMERGENCY MITIGATION	INDIGENT ACCIDENT	TECHNOLOGY	TOWN OF VIRGINIA CITY	TOWN OF GOLD HILL
<u>ASSETS</u>						
Cash	\$ 709,699	\$ 100,000	\$ 85,332	\$ 170,600	\$ 154,543	\$ 29,436
Receivables	4,952					
Taxes - property						
Accounts	285					
Interest						
Total Assets	<u>\$ 714,936</u>	<u>\$ 100,000</u>	<u>\$ 85,332</u>	<u>\$ 170,600</u>	<u>\$ 154,543</u>	<u>\$ 29,436</u>
<u>LIABILITIES</u>						
Accounts payable	\$ 14,585		\$ 2,175	\$ 3,459	\$ 2,158	\$ 175
Deferred taxes	4,433					
Total Liabilities	<u>19,018</u>	<u>0</u>	<u>2,175</u>	<u>3,459</u>	<u>2,158</u>	<u>175</u>
<u>FUND BALANCE</u>						
Designated for future year's operations	245,764	\$ 100,000			39,600	
Undesignated	450,154		83,157	167,141	112,785	29,261
Total Fund Balance	<u>695,918</u>	<u>100,000</u>	<u>83,157</u>	<u>167,141</u>	<u>152,385</u>	<u>29,261</u>
Total Liabilities and Fund Balance	<u>\$ 714,936</u>	<u>\$ 100,000</u>	<u>\$ 85,332</u>	<u>\$ 170,600</u>	<u>\$ 154,543</u>	<u>\$ 29,436</u>

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

STOREY COUNTY, NEVADA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2009

	<u>SPECIAL REVENUE</u>			<u>CAPITAL PROJECTS</u>		
	<u>FEDERAL AND STATE GRANTS</u>	<u>FIRE EMERGENCY</u>	<u>STABILIZATION FUND</u>	<u>CAPITAL PROJECTS</u>	<u>INFRASTRUCTURE FUND</u>	<u>TOTAL</u>
<u>ASSETS</u>						
Cash	\$ 204,092	\$ 177,462	\$ 1,000,000	\$ 526,041	\$ 1,311,642	\$ 5,497,774
Receivables						
Taxes - property	1,643					18,143
Accounts						1,675
Interest						285
Total Assets	<u>\$ 205,735</u>	<u>\$ 177,462</u>	<u>\$ 1,000,000</u>	<u>\$ 526,041</u>	<u>\$ 1,311,642</u>	<u>\$ 5,517,877</u>
<u>LIABILITIES</u>						
Accounts payable	\$ 18,586			\$ 17,339		\$ 140,630
Deferred taxes						15,892
Total Liabilities	<u>18,586</u>	<u>0</u>	<u>0</u>	<u>17,339</u>	<u>0</u>	<u>156,522</u>
<u>FUND BALANCE</u>						
Designated for future year's operations	187,149	\$ 15,000	\$ 1,000,000		\$ 775,000	2,722,410
Undesignated		162,462		508,702	536,642	2,638,945
Total Fund Balance	<u>187,149</u>	<u>177,462</u>	<u>1,000,000</u>	<u>508,702</u>	<u>1,311,642</u>	<u>5,361,355</u>
Total Liabilities and Fund Balance	<u>\$ 205,735</u>	<u>\$ 177,462</u>	<u>\$ 1,000,000</u>	<u>\$ 526,041</u>	<u>\$ 1,311,642</u>	<u>\$ 5,517,877</u>

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

STOREY COUNTY, NEVADA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2009

	FIRE DISTRICT	EQUIPMENT ACQUISITION	SPECIAL REVENUE				INDIGENT MEDICAL
			INDIGENT ASSISTANCE	JUSTICE COURT FEES	DRUG COURT		
REVENUE							
Taxes	\$ 539,372	\$ 248,798				\$ 140,927	
Intergovernmental							
Charges for services		2,750					
Fine and fees			\$ 140	\$ 5,817	\$ 710		
Licenses and permits							
Other revenues	46,197	1,311					
Total Revenues	585,569	252,859	140	5,817	710	140,927	
EXPENDITURES							
Current:							
General government		269,179					
Public safety	577,433						
Judicial				3,587			
Culture and recreation							160,155
Welfare							
Total Expenditures	577,433	269,179	0	3,587	0	160,155	
Excess (deficiency) of revenues over expenditures	8,136	(16,320)	140	2,230	710	(19,228)	
OTHER FINANCING SOURCES (USES)							
Transfers	(31,000)						
Debt service		(146,697)	0	0	0	0	
Excess (deficiency) of Revenue and Other Financing Sources (Uses) over Expenditures	(22,864)	(163,017)	140	2,230	710	(19,228)	
Fund balance - beginning (deficit)	155,943	211,809	123	24,884	5,050	752,758	
Fund balance - ending (deficit)	\$ 133,079	\$ 48,792	\$ 263	\$ 27,114	\$ 5,760	\$ 733,530	

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, 2009

	SPECIAL REVENUE					
	JAIL BUILDING	EMERGENCY MITIGATION	INDIGENT ACCIDENT	TECHNOLOGY	TOWN OF VIRGINIA CITY	TOWN OF GOLD HILL
<u>REVENUE</u>						
Taxes	\$ 369,266		\$ 74,451	\$ 76,881	\$ 1,290	\$ 1,020
Intergovernmental						
Charges for services	131,094				81,605	4,070
Fine and fees				2,053		
Licenses and permits	11,565					
Other revenues						
Total Revenues	511,925	0	74,451	78,934	82,895	5,090
<u>EXPENDITURES</u>						
Current:						
General government				27,535	96,390	2,236
Public safety	179,093					
Judicial						
Culture and recreation						
Welfare			58,484			
Total Expenditures	179,093	0	58,484	27,535	96,390	2,236
Excess (deficiency) of revenues over expenditures	332,832		15,967	51,399	(13,495)	2,854
<u>OTHER FINANCING SOURCES (USES)</u>						
Transfers		\$ 100,000				
Debt service						
Excess (deficiency) of Revenue and Other Financing Sources (Uses) over Expenditures	332,832	100,000	15,967	51,399	(13,495)	2,854
Fund balance - beginning	363,086	0	67,190	115,742	165,880	26,407
Fund balance - ending	\$ 695,918	\$ 100,000	\$ 83,157	\$ 167,141	\$ 152,385	\$ 29,261

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, 2009

	SPECIAL REVENUES			CAPITAL PROJECTS		TOTAL
	FEDERAL AND STATE GRANTS	FIRE EMERGENCY	STABILIZATION FUND	CAPITAL PROJECTS	INFRASTRUCTURE FUND	
<u>REVENUE</u>						
Taxes		\$ 13,877				\$ 1,449,695
Intergovernmental	\$ 220,406				\$ 125,418	348,134
Charges for services						2,750
Fine and fees						137,761
Licenses and permits						85,675
Other revenues						75,003
Total Revenues	220,406	13,877	0	0	125,418	2,099,018
<u>EXPENDITURES</u>						
Current:						
General government	4,529			429,345	18,035	847,249
Public safety	148,356	3,191				908,073
Judicial	395					3,982
Culture and recreation	122,247					122,247
Welfare						218,639
Total Expenditures	275,527	3,191	0	429,345	18,035	2,100,190
Excess (deficiency) of revenues over expenditures	(55,121)	10,686		(429,345)	107,383	(1,172)
<u>OTHER FINANCING SOURCES (USES)</u>						
Transfers				600,000		1,069,000
Debt service						(146,697)
Excess (deficiency) of Revenue and Other Financing Sources (Uses) over Expenditures	(55,121)	10,686	400,000	170,655	107,383	921,131
Fund balance - beginning (deficit)	242,270	166,776	600,000	338,047	1,204,259	4,440,224
Fund balance - ending (deficit)	\$ 187,149	\$ 177,462	\$ 1,000,000	\$ 508,702	\$ 1,311,642	\$ 5,361,355

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, 2009

	ORIGINAL BUDGETED AMOUNTS	FINAL BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<u>REVENUES</u>				
Taxes				
Property taxes	\$ 536,493	\$ 536,493	\$ 539,372	\$ 2,879
Other Revenues				
Miscellaneous	0	46,197	46,197	0
Total Revenues	<u>536,493</u>	<u>582,690</u>	<u>585,569</u>	<u>2,879</u>
<u>EXPENDITURES</u>				
Public safety				
Service and supplies	513,879	513,879	524,028	(10,149)
Capital outlay		46,197	53,405	(7,208)
Total expenditures	<u>513,879</u>	<u>560,076</u>	<u>577,433</u>	<u>(17,357)</u>
Excess (deficiency) of revenue over expenditures	22,614	22,614	8,136	(14,478)
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfer out	<u>(31,000)</u>	<u>(31,000)</u>	<u>(31,000)</u>	<u>0</u>
Excess (deficiency) of revenue and other financing sources (uses) over expenditures	(8,386)	(8,386)	(22,864)	(14,478)
Fund balance - beginning	<u>120,779</u>	<u>120,779</u>	<u>155,943</u>	<u>35,164</u>
Fund balance - ending	<u>\$ 112,393</u>	<u>\$ 112,393</u>	<u>\$ 133,079</u>	<u>\$ 20,686</u>

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

STOREY COUNTY, NEVADA
EQUIPMENT ACQUISITION SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURE, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2009

	ORIGINAL AND FINAL BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<u>REVENUE</u>			
Taxes			
Property taxes	\$ 243,860	\$ 248,798	\$ 4,938
Charges for services			
Import tonnage fees	0	2,750	2,750
Other revenues			
Interest	5,000	1,311	(3,689)
Total Revenues	<u>248,860</u>	<u>252,859</u>	<u>3,999</u>
<u>EXPENDITURES</u>			
General government			
Services and supplies	\$ 33,000	84,378	(51,378)
Capital outlay	65,019	184,801	(119,782)
Debt service			
Principal	123,917	123,917	0
Interest	25,258	22,780	2,478
Total Expenditures	<u>247,194</u>	<u>415,876</u>	<u>(168,682)</u>
Excess (deficiency) of revenue over expenditures	1,666	(163,017)	(164,683)
Fund balance - beginning	<u>122,167</u>	<u>211,809</u>	<u>89,642</u>
Fund balance - ending	<u>\$ 123,833</u>	<u>\$ 48,792</u>	<u>\$ (75,041)</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, 2009

	ORIGINAL AND FINAL BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<u>REVENUES</u>			
Fines and Forfeitures	\$ 26	\$ 140	\$ 114
<u>EXPENDITURES</u>			
Welfare			
Services and supplies	0	0	0
Excess (deficiency) of revenue over expenditures	26	140	114
Fund balance - beginning	34	123	89
Fund balance - ending	\$ 60	\$ 263	\$ 203

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, 2009

	ORIGINAL AND FINAL BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<u>REVENUE</u>			
Fines			
Justice court fine	\$ 10,000	\$ 5,817	\$ (4,183)
<u>EXPENDITURES</u>			
Judicial			
Services and supplies	20,000	3,587	16,413
Excess (deficiency) of revenues over expenditures	(10,000)	2,230	12,230
Balance - beginning	11,991	24,884	12,893
Balance - ending	\$ 1,991	\$ 27,114	\$ 25,123

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, 2009

	ORIGINAL AND FINAL BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<u>REVENUES</u>			
Fines and forfeits			
Drug court fees	\$ 0	\$ 710	\$ 710
Excess of revenue over expenditures		710	710
Fund balance - beginning	0	5,050	5,050
Fund balance - ending	<u>\$ 0</u>	<u>\$ 5,760</u>	<u>\$ 5,760</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, 2009

	<u>ORIGINAL AND FINAL BUDGETED AMOUNTS</u>	<u>ACTUAL AMOUNTS</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
<u>REVENUES</u>			
Taxes			
Property taxes	\$ 146,316	\$ 140,927	\$ (5,389)
<u>EXPENDITURES</u>			
Welfare			
Services and supplies	<u>305,000</u>	<u>160,155</u>	<u>144,845</u>
Excess (deficiency) of revenue over expenditures	(158,684)	(19,228)	139,456
Fund balance - beginning	<u>564,412</u>	<u>752,758</u>	<u>188,346</u>
Fund balance - ending	<u>\$ 405,728</u>	<u>\$ 733,530</u>	<u>\$ 327,802</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, 2009

	ORIGINAL AND FINAL BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<u>REVENUE</u>			
Taxes			
Property taxes	\$ 363,352	\$ 369,266	\$ 5,914
Fines			
Court fines	100,000	131,094	31,094
Other revenues			
Interest	5,000	8,138	3,138
Miscellaneous	6,000	3,427	(2,573)
Total Revenues	<u>474,352</u>	<u>511,925</u>	<u>37,573</u>
<u>EXPENDITURES</u>			
Public safety			
Services and supplies	266,900	135,402	131,498
Capital outlay	25,000	43,691	(18,691)
Total Expenditures	<u>291,900</u>	<u>179,093</u>	<u>112,807</u>
Excess (deficiency) of revenues over expenditures	182,452	332,832	150,380
Fund balance - beginning	<u>131,394</u>	<u>363,086</u>	<u>231,692</u>
Fund balance - ending	<u>\$ 313,846</u>	<u>\$ 695,918</u>	<u>\$ 382,072</u>

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

STOREY COUNTY, NEVADA
 EMERGENCY MITIGATION SPECIAL REVENUE FUND
 SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2009

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

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, 2009

	ORIGINAL AND FINAL BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<u>REVENUES</u>			
Taxes			
Property taxes	\$ 73,158	\$ 74,451	\$ 1,293
<u>EXPENDITURES</u>			
Welfare			
Services and supplies	84,000	58,484	25,516
Excess (deficiency) of revenue over expenditures	(10,842)	15,967	26,809
Fund balance - beginning	44,058	67,190	23,132
Fund balance - ending	\$ 33,216	\$ 83,157	\$ 49,941

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

STOREY COUNTY, NEVADA
 TECHNOLOGY SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2009

	ORIGINAL AND FINAL BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<u>REVENUES</u>			
Charges for services			
Technology fees	\$ 55,000	\$ 76,881	\$ 21,881
Other revenues			
Interest income	0	2,053	2,053
Total revenues	55,000	78,934	23,934
<u>EXPENDITURES</u>			
General government			
Services and supplies	55,000	27,535	27,465
Excess (deficiency) of revenues over expenditures	0	51,399	51,399
Fund balance - beginning	59,841	115,742	55,901
Fund balance - ending	\$ 59,841	\$ 167,141	\$ 107,300

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, 2009

	ORIGINAL AND FINAL BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<u>REVENUE</u>			
Licenses and permits			
Business licenses	\$ 18,000	\$ 25,353	\$ 7,353
Penalties	11,000	23,695	12,695
Licenses - liquor	0	860	860
Licenses - gaming	30,000	30,060	60
Cabaret licenses	3,000	1,637	(1,363)
Intergovernmental			
State gaming licenses	1,400	1,290	(110)
Total Revenues	<u>63,400</u>	<u>82,895</u>	<u>19,495</u>
<u>EXPENDITURES</u>			
General government			
Services and supplies	43,000	36,390	6,610
Intergovernmental agreement	60,000	60,000	0
Total Expenditures	<u>103,000</u>	<u>96,390</u>	<u>6,610</u>
Excess (deficiency) of revenues over expenditures	(39,600)	(13,495)	26,105
Fund balance - beginning	<u>99,822</u>	<u>165,880</u>	<u>66,058</u>
Fund balance - ending	<u>\$ 60,222</u>	<u>\$ 152,385</u>	<u>\$ 92,163</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, 2009

	ORIGINAL AND FINAL BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<u>REVENUE</u>			
Licenses and permits			
Business licenses	\$ 3,000	\$ 3,410	\$ 410
Liquor licenses	1,000	500	(500)
Cabaret licenses	150	160	10
County gaming licenses	350	0	(350)
Intergovernmental			
State gaming license	1,100	1,020	(80)
Total Revenues	<u>5,600</u>	<u>5,090</u>	<u>(510)</u>
<u>EXPENDITURES</u>			
General government			
Services and supplies	<u>3,500</u>	<u>2,236</u>	<u>1,264</u>
Total Expenditures	<u>3,500</u>	<u>2,236</u>	<u>1,264</u>
Excess (deficiency) of revenues over expenditures	2,100	2,854	754
Fund balance - beginning	<u>28,518</u>	<u>26,407</u>	<u>(2,111)</u>
Fund balance - ending	<u>\$ 30,618</u>	<u>\$ 29,261</u>	<u>\$ (1,357)</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, 2009

	<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 and State grants	\$ 200,000	\$ 220,406	\$ 20,406
Emergency management	150,000	0	(150,000)
Total Revenues	<u>350,000</u>	<u>220,406</u>	<u>(129,594)</u>
<u>EXPENDITURES</u>			
General Government			
Services and supplies	0	2,847	(2,847)
Capital outlay	0	1,682	(1,682)
Judicial			
Services and supplies	0	395	(395)
Culture and recreation			
Historic district	45,000	60,904	(15,904)
Other	0	61,343	(61,343)
Public safety			
County flood	350,000	18,168	331,832
Emergency planning	0	29,519	(29,519)
Other	0	100,669	(100,669)
Total Expenditures	<u>395,000</u>	<u>275,527</u>	<u>119,473</u>
Excess (deficiency) of revenues over expenditures	(45,000)	(55,121)	(10,121)
Fund balance - beginning	<u>272,115</u>	<u>242,270</u>	<u>(29,845)</u>
Fund balance - ending	<u>\$ 227,115</u>	<u>\$ 187,149</u>	<u>\$ (39,966)</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, 2009

	ORIGINAL AND FINAL BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<u>OTHER REVENUES</u>			
Miscellaneous	\$ 50,000	\$ 13,877	\$ (36,123)
<u>EXPENDITURES</u>			
Public Safety			
Capital outlay	<u>125,000</u>	<u>3,191</u>	<u>121,809</u>
Excess (deficiency) of revenues over expenditures	(75,000)	10,686	85,686
Fund balance - beginning	<u>90,683</u>	<u>166,776</u>	<u>76,093</u>
Fund balance - ending	<u>\$ 15,683</u>	<u>\$ 177,462</u>	<u>\$ 161,779</u>

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

STOREY COUNTY, NEVADA
 STABILIZATION SPECIAL REVENUE FUND
 SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2009

	ORIGINAL AND FINAL BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfer	\$ 400,000	\$ 400,000	\$ 0
Fund balance - beginning	600,000	600,000	0
Fund balance - ending	<u>\$ 1,000,000</u>	<u>\$ 1,000,000</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, 2009

	ORIGINAL AND FINAL BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<u>REVENUE</u>			
None	\$ 0	\$ 0	\$ 0
<u>EXPENDITURES</u>			
General government			
Capital outlay	600,000	429,345	170,655
Excess (deficiency) of revenues over expenditures	(600,000)	(429,345)	170,655
<u>OTHER FINANCING SOURCES</u>			
Transfers in	600,000	600,000	0
Excess (deficiency) of revenues and other financing sources	0	170,655	170,655
Fund balance - beginning (deficit)	35,620	338,047	302,427
Fund balance - ending	<u>\$ 35,620</u>	<u>\$ 508,702</u>	<u>\$ 473,082</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, 2009

	ORIGINAL AND FINAL BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<u>REVENUES</u>			
Intergovernmental			
¼% Optional sales tax	\$ 600,000	\$ 125,418	\$ (474,582)
<u>EXPENDITURES</u>			
General government			
Capital outlay	1,000,000	18,035	981,965
Excess (deficiency) of revenues over expenditures	(400,000)	107,383	507,383
Fund balance - beginning	1,138,167	1,204,259	66,092
Fund balance - ending	\$ 738,167	\$ 1,311,642	\$ 573,475

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, 2009

	ORIGINAL AND FINAL BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<u>OPERATING REVENUES</u>			
Sales of water	\$ 400,000	\$ 350,200	\$ (49,800)
<u>OPERATING EXPENSES</u>			
Salaries and wages	165,734	119,693	46,041
Salary costs	77,005	43,160	33,845
Services and supplies	252,843	133,752	119,091
Depreciation	65,000	106,569	(41,569)
Total Operating Expenses	<u>560,582</u>	<u>403,174</u>	<u>157,408</u>
Operating Income (Loss)	(160,582)	(52,974)	107,608
<u>NON-OPERATING REVENUE (EXPENSES)</u>			
Capital contributions	0	50,125	50,125
Interest earnings	15,000	13,876	(1,124)
Rents	12,000	12,000	0
Interest expense	<u>(32,809)</u>	<u>(30,437)</u>	<u>2,372</u>
Net Income (Loss)	<u>\$ (166,391)</u>	<u>\$ (7,410)</u>	<u>\$ 158,981</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, 2009

	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	\$ 352,674	\$ (47,326)
Cash Out flows			
Salaries and wages	(165,734)	(145,766)	19,968
Salary costs	(77,005)	(25,918)	51,087
Services and supplies	(252,843)	(171,832)	81,011
Net Cash Provided (Used) by Operating Activities	(95,582)	9,158	104,740
<u>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</u>			
Cash In flows			
Grants			0
Rent	12,000	12,000	0
Customer deposits			0
Net Cash Provided by Non Capital Financing Activities	12,000	12,000	0
<u>CASH FLOWS FROM CAPITAL AND RELATED ACTIVITIES</u>			
Cash In flows			
Capital contributed		50,125	50,125
Cash Out flows			
Capital outlay	(62,908)	31,759	94,667
Debt service	(22,360)	(22,827)	(467)
Interest expense	(32,809)	(30,937)	1,872
Net Cash Provided (Used) by Capital Related Activities	(118,077)	28,120	146,197
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Interest earnings	15,000	13,876	(1,124)
Net Increase (Decrease) in Cash	(186,659)	63,154	249,813
Cash - beginning	739,381	763,916	24,535
Cash - ending	\$ 552,722	\$ 827,070	\$ (274,348)

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, 2009

	ORIGINAL AND FINAL BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u> </u>	<u> </u>	<u> </u>
<u>OPERATING REVENUES</u>			
Service use fees	\$ 141,000	\$ 144,010	\$ 3,010
 <u>OPERATING EXPENSES</u>			
Salaries and wages	58,238	98,342	(40,104)
Salary costs	31,138	32,709	(1,571)
Services and supplies	104,465	71,639	32,826
Depreciation	30,000	38,473	(8,473)
	<u>223,841</u>	<u>241,163</u>	<u>(17,322)</u>
Total Operating Expenses			
Operating Income (Loss)	(82,841)	(97,153)	(14,312)
 <u>NON OPERATING REVENUES (EXPENSE)</u>			
Interest income	20,000	9,438	(10,562)
Interest expense	(3,745)	(3,727)	18
	<u> </u>	<u> </u>	<u> </u>
Net income (Loss)	<u>\$ (66,586)</u>	<u>\$ (91,442)</u>	<u>\$ (24,856)</u>

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

STOREY COUNTY, NEVADA
 VIRGINIA DIVIDE SEWER IMPROVEMENT DISTRICT ENTERPRISE FUND
 SCHEDULE OF CASH FLOWS - BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2009

	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	\$ 110,000	\$ 145,200	\$ 35,200
Cash Out Flows			
Salaries and wages	(58,238)	(98,764)	(40,526)
Salary costs	(31,138)	(32,709)	(1,571)
Service and supplies	(104,465)	(86,108)	18,357
Net cash provided (used) by Operating Activities	(83,841)	(72,381)	11,460
<u>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</u>			
None	0	0	0
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>			
Cash In Flows			
Capital contributed by customers	30,000	60,775	30,775
Cash Out Flows			
Interest expense	(3,745)	(3,727)	18
Principal - revenue bonds	(4,331)	(4,349)	(18)
Acquisition and construction of capital assets	(72,000)	(11,375)	60,625
Net cash provided (used) by capital related Financing Activities	(50,076)	41,324	91,400
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Interest income	20,000	10,676	(9,324)
Net Increase (Decrease) in Cash	(113,917)	(20,381)	93,536
Cash - beginning	525,139	548,741	23,602
Cash - ending	\$ 411,222	\$ 528,360	\$ 117,138

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, 2009

	BALANCE JULY 1, 2008	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 2009
<u>STATE OF NEVADA FUND</u>				
Assets				
Cash	\$ 140,306	\$ 1,161,606	\$ 1,320,866	\$ (18,954)
Liabilities				
Due Other Governments	\$ 140,306	\$ 1,161,606	\$ 1,320,866	\$ (18,954)
<u>STOREY COUNTY SCHOOL DISTRICT</u>				
Assets				
Cash	\$ 0	\$ 3,595,009	\$ 3,541,122	\$ 53,887
Liabilities				
Due Other Governments	\$ 0	\$ 3,595,009	\$ 3,541,122	\$ 53,887
<u>STOREY COUNTY SCHOOL DISTRICT DEBT SERVICE</u>				
Assets				
Cash	\$ 2,632	\$ 693,508	\$ 683,113	\$ 13,027
Liabilities				
Due Other Governments	\$ 2,632	\$ 693,508	\$ 683,113	\$ 13,027
<u>VIRGINIA CITY CONVENTION AND TOURISM AUTHORITY</u>				
Assets				
Cash	\$ 63,371	\$ 255,693	\$ 311,243	\$ 7,821
Liabilities				
Due Other Governments	\$ 63,371	\$ 255,693	\$ 311,243	\$ 7,821
<u>DISTRICT ATTORNEY RESTITUTION FUND</u>				
Assets				
Cash	\$ 5,889	\$ 3,948	\$ 3,882	\$ 5,955
Liabilities				
Due Other Governments	\$ 5,889	\$ 3,948	\$ 3,882	\$ 5,955
<u>TOTAL - ALL FUNDS</u>				
Assets				
Cash	\$ 212,198	\$ 5,709,764	\$ 5,860,226	\$ 61,736
Liabilities				
Due Other Governments	\$ 212,198	\$ 5,709,764	\$ 5,860,226	\$ 61,736

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

STOREY COUNTY, NEVADA
 COMPARATIVE SCHEDULES OF GENERAL FIXED ASSETS
 BY SOURCE
 JUNE 30, 2009 AND 2008

	JUNE 30,	
	2009	2008
<u>GENERAL FIXED ASSETS</u>		
Land	\$ 249,292	\$ 134,443
Building and improvements	7,030,077	6,312,178
Machinery and equipment	5,332,003	4,391,022
Park Improvements	671,490	631,505
Total General Fixed Assets	\$ 13,282,862	\$ 11,469,148
 <u>INVESTMENTS IN GENERAL FIXED ASSETS</u>		
<u>BY SOURCE:</u>		
General Fund	\$ 6,489,342	\$ 5,786,383
Road Fund	2,278,664	1,214,087
Fire Fund	6,309	6,309
Fire District Fund	1,957,253	1,911,075
Fourth Ward Trustee	1,579,368	1,579,368
Sheriff's Jail	971,926	971,926
Total Investment in General Fixed Assets	\$ 13,282,862	\$ 11,469,148

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

STOREY COUNTY, NEVADA
SCHEDULE OF GENERAL FIXED ASSETS
BY FUNCTION AND ACTIVITY
JUNE 30, 2009

<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	\$ 114,849	\$ 182,993		\$ 2,595	\$ 300,437
Clerk-Treasurers				3,235	3,235
Recorder-Auditor				69,134	69,134
Assessor				24,463	24,463
Building-Grounds		130,542		196,327	326,869
Other - Administrative	134,443	1,763,555	\$ 0	381,193	2,279,191
Total General Government	<u>249,292</u>	<u>2,077,090</u>	<u>0</u>	<u>676,947</u>	<u>3,003,329</u>
JUDICIAL					
Justice Court				4,090	4,090
District Attorney				38,963	38,963
Total Judicial	<u>0</u>	<u>0</u>	<u>0</u>	<u>43,053</u>	<u>43,053</u>
PUBLIC SAFETY					
Sheriff		1,615,895		934,195	2,550,090
Fire		6,309		0	6,309
Fire District		126,644		1,830,609	1,957,253
Emergency Management				354,562	354,562
Building Department				91,820	91,820
Total Public Safety	<u>0</u>	<u>1,748,848</u>	<u>0</u>	<u>3,211,186</u>	<u>4,960,034</u>
HIGHWAY AND STREET					
	<u>0</u>	<u>905,456</u>	<u>0</u>	<u>1,373,208</u>	<u>2,278,664</u>
CULTURE AND RECREATION					
	<u>0</u>	<u>2,298,683</u>	<u>671,490</u>	<u>27,609</u>	<u>2,997,782</u>
Total Capital Assets	<u>\$ 249,292</u>	<u>\$ 7,030,077</u>	<u>\$ 671,490</u>	<u>\$ 5,332,003</u>	<u>\$ 13,282,862</u>

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

STOREY COUNTY, NEVADA
SCHEDULE OF CHANGES - GENERAL FIXED ASSETS
BY FUNCTION AND ACTIVITY
JUNE 30, 2009

FUNCTION AND ACTIVITY	GENERAL FUND ASSETS				GENERAL FUND ASSETS
	JULY 1, 2008	ADDITIONS	DELETIONS	TRANSFERS	JUNE 30, 2009
GENERAL GOVERNMENT					
Commissioners	\$ 2,595	\$ 297,842			\$ 300,437
Recorder-Auditor	69,134				69,134
Assessor	24,463				24,463
Building-Grounds	165,727	161,142			326,869
Other-Administrative	2,277,988	75,014			2,353,002
Total General Government	<u>2,539,907</u>	<u>533,998</u>	<u>0</u>	<u>0</u>	<u>3,073,905</u>
JUDICIAL					
District Attorney	35,371	3,592			38,963
District Court	4,090				4,090
Total Judicial	<u>39,461</u>	<u>3,592</u>	<u>0</u>	<u>0</u>	<u>43,053</u>
PUBLIC SAFETY					
Sheriff	2,424,706	125,384			2,550,090
Fire	6,307				6,307
Fire District	1,911,075	46,178			1,957,253
Emergency Management	358,169				358,169
Building Department	96,001				96,001
Total Public Safety	<u>4,796,258</u>	<u>171,562</u>	<u>0</u>	<u>0</u>	<u>4,967,820</u>
HIGHWAY AND STREETS					
	<u>1,214,087</u>	<u>1,064,577</u>	<u>0</u>	<u>0</u>	<u>2,278,664</u>
CULTURE AND RECREATION					
	<u>2,879,435</u>	<u>39,985</u>	<u>0</u>	<u>0</u>	<u>2,919,420</u>
Total General Fixed Assets	<u>\$ 11,469,148</u>	<u>\$ 1,813,714</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 13,282,862</u>

STOREY COUNTY, NEVADA
 SCHEDULE OF GENERAL OBLIGATIONS BONDS
 AND OTHER CONTRACTUAL OBLIGATIONS FROM FUTURE REVENUES
 JUNE 30, 2009

<u>COUNTY BONDS</u>	<u>DATE OF ISSUE</u>	<u>AMOUNT OF ISSUE</u>	<u>INTEREST RATE</u>	<u>BALANCE JUNE 30, 2008</u>	<u>PAID DURING YEAR</u>	<u>BALANCE JUNE 30, 2009</u>	<u>TERMS OF PAYMENT OF OUTSTANDING BALANCE</u>
Revenue Bonds County of Storey Water Revenues Bonds of 1974 (Due United States of America Farmer's Home Administration)	6/26/74	\$ 294,000	5%	\$ 80,000	\$ 12,000	\$ 68,000	\$ 12,000 Annually - Jan 1, 2010 \$ 13,000 Annually - Jan 1, 2011 \$ 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%	\$ 621,665	\$ 10,826	\$ 610,839	\$ 38,801 Fiscal Years 6/30/10-6/30/2037 with interest only paid on July 1, and interest and principal paid on January 1, of each year.
<u>VIRGINIA - DIVIDE SEWER</u> <u>IMPROVEMENTS DISTRICT</u> Sewer Revenue Bonds Series 1981 (Due General Electric Credit Corp. Master Services - acquired from United States of America Farmer's Home Administration on 09/23/1987)	11/1/81	\$ 138,000	5%	\$ 75,866	\$ 4,249	\$ 71,517	\$ 673 per month
<u>MEDIUM TERM BOND</u> (7 yr) Due - Bank of America	12/20/07	\$ 520,000	4.85%	\$ 520,000	\$ 74,286	\$ 445,714	\$ 74,286 Fiscal years 6/30/09 - 6/30/15 with interest only paid on June 21 and principal and 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, 2009, which collectively comprise Storey County, Nevada's, basic financial statements and have issued our report thereon dated December 2, 2009. 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 December 2, 2009.

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 December 2, 2009.

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

December 2, 2009

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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 24, 2008. This review indicated:

1. Expenditures continued to exceed appropriations in special revenue and one enterprise fund.
2. Bank reconciliations are being prepared timely and are being reviewed by management.


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

December 2, 2009

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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 December 2, 2009. 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 December 2, 2009, 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. Additional care should be taken in the assignment of funds and account numbers prior to recording the liabilities in the accounting records. Certain expenditures appear to be more correctly charged to the special revenue funds rather than the general fund. If it is desired that the expenses are paid with the general fund monies, a transfer to the special revenue fund should be made, along with an augmentation of the budget, so that the expenses are properly reflected in the appropriate funds.
3. A payback fund (TRI Payback) has been established for the eventual refund of infrastructure costs. Funding to date represents transfers from the General Fund only. We believe that a continuous source of funding should be established in order to satisfy the requirements as set forth in the agreement between the County and the TRI development.
4. Revenue and expenditures appear to have been "netted" in certain accounts. We recommend that all revenue and expenditures be posted to their respective accounts rather than being combined or "netted" to the same account.

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

December 2, 2009