

Audit Report

STOREY COUNTY, NEVADA

June 30, 2011

STOREY COUNTY, NEVADA
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INDEPENDENT AUDITOR'S REPORT

To the Honorable Board of County Commissioners
Storey County, Nevada

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Storey County, Nevada, as of and for the year ended June 30, 2011, 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's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Storey County, Nevada, as of June 30, 2011, 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 18, 2011, 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.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 8 and 47 through 70 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Storey County, Nevada's financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements, and statistical section, are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards is presented for the purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.



David A. Pringle, CPA, LTD
November 18, 2011

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, 2011. 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 \$27,232,321.
- The County's unrestricted net assets increased \$ 403,717.
- At June 30, 2011, the unreserved fund balance for the general fund was \$5,570,711.
- Storey County's bonded debt at June 30, 2011 was \$2,720,541 which was \$693,125 in revenue bonds of the County's Enterprise Funds a Medium term (7 yr.) General obligation bond of \$297,142, and Virginia City Rail Bonds of \$1,749,000.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

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

The Government-wide financial statements can be found in this report on pages 9 through 14.

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

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

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

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

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

The governmental funds financial statements can be found in this report on pages 17 through 24.

Enterprise funds. Storey County operates two enterprise funds, Water and Sewer. These funds are reported as business type activities, reported in the government-wide financial statements.

Enterprise funds are presented on pages 25 through 27.

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

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

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

Other information. The combining and individual fund statements and schedules for major governmental funds can be found on page 17 of this report. This same information for non-major governmental funds can be found on pages 41 through 66 of this report.

STOREY COUNTY, NEVADA
NET ASSETS

	Governmental Activities June 30, 2011	Business Type Activities June 30, 2011	Total June 30, 2011
Current and other Assets	\$ 17,513,161	\$ 1,351,653	\$ 18,864,814
Capital Assets	<u>52,923,138</u>	<u>5,596,546</u>	<u>58,519,784</u>
Total Assets	<u>\$ 70,436,299</u>	<u>\$ 6,948,299</u>	<u>\$ 77,384,598</u>
Long Term Liabilities			
Outstanding	\$ 46,838,615	\$ 674,399	\$ 47,513,014
Current Liabilities	<u>2,575,483</u>	<u>63,780</u>	<u>2,639,263</u>
Total Liabilities	<u>\$ 49,414,098</u>	<u>\$ 738,179</u>	<u>\$ 50,152,277</u>
 NET ASSETS			
Invested in Capital			
Assets, Net of Related Debt	\$ 8,175,032	\$ 4,922,247	\$ 13,097,279
Unrestricted	<u>12,847,169</u>	<u>1,287,873</u>	<u>14,135,042</u>
Total Net Assets	<u>\$ 21,022,201</u>	<u>\$ 6,210,120</u>	<u>\$ 27,232,321</u>

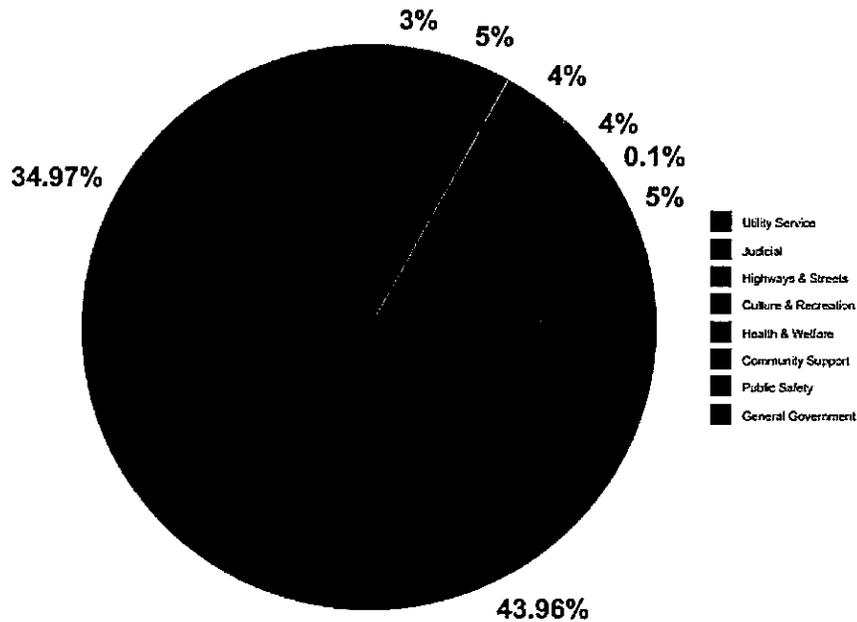
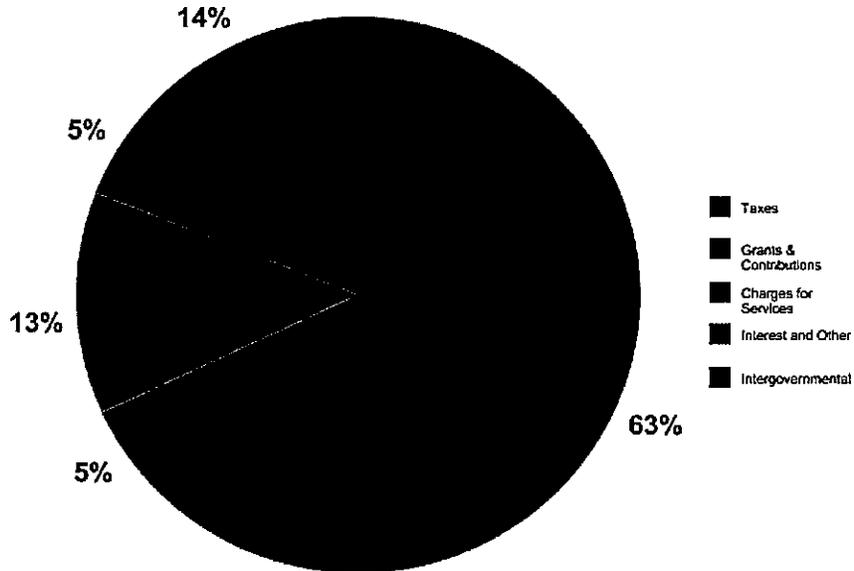
STOREY COUNTY, NEVADA
CHANGES IN NET ASSETS

	Governmental Activities <u>June 30, 2011</u>	Business Type Activities <u>June 30, 2011</u>	Total <u>June 30, 2011</u>
REVENUES:			
Program Revenues:			
Charges For Services	\$ 2,046,969	\$ 489,445	\$ 2,536,414
Operating Grants and Contributions	331,176		331,176
Capital Grants and Contributions	643,551		643,551
General Revenues:			
Taxes	12,228,580		12,228,580
Intergovernmental	2,658,084		2,658,084
Other	<u>1,021,233</u>	<u>41,490</u>	<u>1,062,723</u>
Total Revenues	<u>18,929,593</u>	<u>530,935</u>	<u>19,460,528</u>
EXPENSES:			
General Government	6,710,546		6,710,546
Public Safety	8,388,893		8,388,893
Judicial	901,922		901,922
Health and Welfare	2,016		2,016
Culture and Recreation	677,943		677,943
Community Support	1,020,860		1,020,860
Highways and Streets	768,465		768,465
Water and Sewer		<u>605,428</u>	<u>605,428</u>
Total Expenses	<u>18,470,645</u>	<u>605,428</u>	<u>19,076,073</u>
Changes In Net Assets	458,948	(74,493)	384,455
Net Assets July 1, 2010	<u>20,563,253</u>	<u>6,265,887</u>	<u>26,829,140</u>
Net Assets June 30, 2011	<u><u>\$21,022,201</u></u>	<u><u>\$ 6,191,394</u></u>	<u><u>\$27,213,595</u></u>

COUNTY OF STOREY, STATE OF NEVADA
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 JUNE 30, 2011

Revenues in the General Fund were \$11,591,000 which was \$820,000 more than the amount budgeted. Actual revenue exceeded budgeted amounts in all budget categories. Actual expenditures were \$1,300,000 which was \$877,000 less than appropriations for the year. Overall, the total ending fund balance was \$5,571,000 which is \$4,386,000 more than budgeted. Of the \$5,571,000 ending fund balances \$ 0 was designated as an opening fund balance on July 1, 2012 and \$0 was reserved on July 1, 2012

PERCENT TOTALS - ALL FUNDS



COUNTY OF STOREY, STATE OF NEVADA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2011

Business Type Activities. Business-type activities decreased Storey County's net assets by \$74,493. Depreciation expense for the current fiscal year was \$144,985.

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, 2011. The budget statements reflect a comparison of budgeted revenues and expenditures to actual for the year ended June 30, 2011. The budget statements were prepared from the final budget as filed with the Nevada Department of Taxation. Budget revenues and expenditures were adjusted for grants received in excess of original amounts budgeted. Augmentations and line item transfers were made during the year as approved by the Storey County Commissioners.

The General Fund revenues were more than expectations by \$820,000, leaving a fund balance of \$5,570,000.

General Fund budget information can be found on pages 17 through 21.

Capital Assets. Storey County's investment in capital assets for its governmental and business type activities as of June 30, 2011 amounts to \$58,519,783 (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, 2011

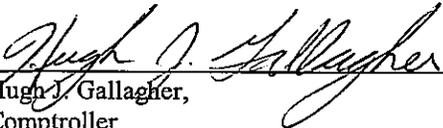
	Governmental Activities June 30, 2011	Business Type Activities June 30, 2011	Total June 30, 2011
Land	\$ 280,259		\$ 280,259
Construction in Process	877,967		877,967
Buildings and Improvements	6,793,480		6,793,480
Improvements other than Buildings	806,809		806,809
Machinery and Equipment	1,470,970	\$ 170,761	1,641,731
Sewer and Water systems Infrastructure	<u>42,693,653</u>	<u>5,425,884</u>	<u>42,693,653</u>
Total	<u>\$ 52,923,138</u>	<u>\$ 5,596,645</u>	<u>\$ 58,519,783</u>

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

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

COUNTY OF STOREY, STATE OF NEVADA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2011

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, 2011

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
<u>ASSETS</u>			
Cash	\$ 16,538,012	\$ 1,296,338	\$ 17,834,350
Accounts receivables	699,105	55,211	754,316
Taxes receivable	275,341		275,341
Interest receivable	703	104	807
Capital assets - net of accumulated depreciation			
Land	280,259		280,259
Construction in Progress	877,967		877,967
Buildings and improvements	6,793,480		6,793,480
Improvements other than buildings	806,809		806,809
Utility system		5,424,632	5,424,632
Machinery and equipment	1,470,970	172,014	1,642,984
Infrastructure	42,693,653		42,693,653
Total Assets	<u>\$ 70,436,299</u>	<u>\$ 6,948,299</u>	<u>\$ 77,384,598</u>
<u>LIABILITIES AND FUND BALANCES</u>			
Accounts payable and other current liabilities	\$ 2,575,483	\$ 63,780	\$ 2,639,263
Non-current liabilities			
Bonds payable - due within one year	143,286	12,158	155,444
- due in more than one year	1,902,856	662,241	2,565,097
Compensated absences - due in more than one year	104,812		104,812
Other non-current liabilities	237,097		237,097
Infrastructure loan	44,450,564		44,450,564
Total Liabilities	<u>\$ 49,414,098</u>	<u>\$ 738,179</u>	<u>\$ 50,152,277</u>
<u>NET ASSETS</u>			
Invested in capital assets - net of related debt	\$ 8,175,032	\$ 4,922,247	\$ 13,097,279
Unrestricted	12,847,169	1,287,873	14,135,042
Total Net Assets	<u>\$ 21,022,201</u>	<u>\$ 6,210,120</u>	<u>\$ 27,232,321</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, 2011

<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	\$ 6,710,546	\$ 1,466,092	\$ 24,575	\$ 29,642
Public safety	8,388,893	444,459	136,093	487,613
Judicial	901,922	22,671	23,334	31,258
Health and Welfare	2,016			
Culture and recreation	677,943	17,592		27,072
Community support	1,020,860		147,174	25,000
Highways and streets	768,465	96,155		42,966
Total Governmental Activities	18,470,645	2,046,969	331,176	643,551
Business type activities:				
Water	401,028	347,359		
Sewer	204,400	142,086		
Total Business-Type Activities	605,428	489,445		
Total Primary Government	\$ 19,076,073	\$ 2,536,414	\$ 331,176	\$ 643,551

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

STOREY COUNTY, NEVADA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2011

<u>FUNCTIONS/PROGRAMS</u>	NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS		
	GOVERNMENTAL ACTIVITIES	BUSINESS TYPE ACTIVITIES	TOTAL
Primary government:			
Governmental activities:			
General government	\$ (5,190,234)		\$ (5,190,234)
Public safety	(7,320,728)		(7,320,728)
Judicial	(824,659)		(824,659)
Health and Welfare	(2,016)		(2,016)
Culture and recreation	(633,279)		(633,279)
Community support	(848,686)		(848,686)
Highways and streets	(629,344)		(629,344)
Total Governmental Activities	<u>(15,448,946)</u>		<u>(15,448,946)</u>
Business type activities:			
Water		\$ (53,669)	(53,669)
Sewer		(62,314)	(62,314)
Total Business-Type Activities		<u>(115,983)</u>	<u>(115,983)</u>
Total Primary Government	<u>(15,448,946)</u>	<u>(115,983)</u>	<u>(15,564,929)</u>
General revenues:			
Property taxes	12,228,580		12,228,580
Various State Collected Pass-Through Revenues	2,658,084		2,658,084
Interest Earnings	56,663	10,340	67,003
Miscellaneous Revenue	964,570	12,000	976,570
Capital Contributions and Grants	0	19,150	19,150
Total General Revenues	<u>15,907,897</u>	<u>41,490</u>	<u>15,949,387</u>
Change in Net Assets	458,948	(74,493)	384,455
Net Assets - July 1, 2010	20,563,253	6,265,887	26,829,140
Net Assets - June 30, 2011	<u>\$ 21,022,201</u>	<u>\$ 6,191,394</u>	<u>\$ 27,213,595</u>

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

STOREY COUNTY, NEVADA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2011

	GENERAL	ROAD FUND	FIRE FUND	TRI-PAYBACK FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS						
Cash	\$ 7,353,428	\$ 837,309	\$ 351,744	\$ 700,655	\$ 7,294,876	\$ 16,538,012
Accounts receivable (net allowance)	225,923	82,151	341,539		49,492	699,105
Taxes receivable	195,735		50,355		29,251	275,341
Interest receivable	585	59			59	703
Total Assets	\$ 7,775,671	\$ 919,519	\$ 743,638	\$ 700,655	\$ 7,373,678	\$ 17,513,161
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts payable	\$ 219,964	\$ 77,125	\$ 95,170	\$ 0	\$ 183,445	\$ 575,704
Accrued expenses	523,569	35,867	192,696			752,132
Deferred revenue	1,461,427		44,852		38,510	1,544,789
Total Liabilities	2,204,960	112,992	332,718	0	221,955	2,872,625
FUND BALANCES						
Unreserved reported in:						
General fund	5,570,711					5,570,711
Capital projects funds					3,722,754	3,722,754
Special revenue funds		806,527	410,920	700,655	3,428,969	5,347,071
Total Fund Balances	5,570,711	806,527	410,920	700,655	7,151,723	14,640,536
Total Liabilities and Fund Balances	\$ 7,775,671	\$ 919,519	\$ 743,638	\$ 700,655	\$ 7,373,678	\$ 17,513,161

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, 2011

Total Fund Balance - government funds - page 13	\$14,640,536
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets net of related depreciation are not reported in the Governmental Funds financial statements because they are not current financial resources, but they are reported in the statement of net assets	52,923,138
Long term liabilities are not due and payable in the current period and therefore are not reported in the funds.	<u>(46,541,473)</u>
Total Net Assets - governmental activities - page 9	<u>\$21,022,201</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, 2011

	GENERAL	ROAD FUND	FIRE FUND	TRI-PAYBACK FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES						
Taxes	\$ 8,375,478		\$ 2,089,250	\$ 681,238	\$ 1,082,614	\$ 12,228,580
Licenses and permits	710,646		13,907	18,340	51,742	794,635
Intergovernmental	1,303,424	\$ 470,006	751,050		1,108,331	3,632,811
Charges for services	669,041	96,155	386,185	348	100,605	1,252,334
Fines and forfeitures	6,739				87,540	94,279
Miscellaneous	525,711	24,397	161,093	729	215,024	926,954
Total Revenues	11,591,039	590,558	3,401,485	700,655	2,645,856	18,929,593
EXPENDITURES						
Current:						
General government	3,888,647			2,400,000	370,277	6,658,924
Public safety	3,723,161		3,239,175		1,435,650	8,397,986
Judicial	897,228				2,452	899,680
Health and welfare	2,016					2,016
Culture and recreation	89,475				63,064	152,539
Community support	698,951				181,534	880,485
Highways and streets		664,220				664,220
Intergovernmental					932,619	932,619
Debt Service	16,742					16,742
Total Expenditures	9,316,220	664,220	3,239,175	2,400,000	2,985,596	18,605,211
Excess (deficiency) of revenues over expenditures	2,274,819	(73,662)	162,310	(1,699,345)	(339,740)	324,382

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, 2011

	GENERAL	ROAD FUND	FIRE FUND	TRI-PAYBACK FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
<u>OTHER FINANCING SOURCES (USES)</u>						
Transfers in	54,796	393,730	3,000	0		451,526
Transfers out	(300,000)				(151,526)	(451,526)
Short term loan (payments) proceeds		(90,640)			(141,601)	(232,241)
Bond proceeds					1,762,617	1,762,617
Bond interest					(48,514)	(48,514)
Other					(11,778)	(11,778)
Total Other Financing Sources (Uses)	<u>(245,204)</u>	<u>303,090</u>	<u>3,000</u>	<u>0</u>	<u>1,409,198</u>	<u>1,470,084</u>
Net change in fund balance	2,029,615	229,428	165,310	(1,699,345)	1,069,458	1,794,466
Fund balance - beginning	<u>3,541,096</u>	<u>577,099</u>	<u>245,610</u>	<u>2,400,000</u>	<u>6,082,265</u>	<u>12,846,070</u>
Fund balance - ending	<u>\$ 5,570,711</u>	<u>\$ 806,527</u>	<u>\$ 410,920</u>	<u>\$ 700,655</u>	<u>\$ 7,151,723</u>	<u>\$ 14,640,536</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, 2011

Net change in fund balances - governmental funds, page 14 \$ 324,382

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. 44,373,478

Net short and medium term loan receipts and payments reported in governmental funds as net revenue (44,261,334)

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 22,422

Change in net assets of governmental activities, page 10 \$ 458,948

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, 2011

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
Taxes:				
Property	\$ 8,311,485	\$ 8,311,484	\$ 8,352,061	\$ 40,577
Youth Services	23,364	23,364	23,417	53
Total Taxes	<u>8,334,849</u>	<u>8,334,848</u>	<u>8,375,478</u>	<u>40,630</u>
Licenses and permits:				
Merchandise licenses	55,000	55,000	95,334	40,334
Prostitution licenses	150,000	150,000	137,500	(12,500)
Liquor licenses	0	2,000	4,120	2,120
Utility licenses	190,000	190,000	161,592	(28,408)
Franchise tax	42,000	40,000	51,865	11,865
Building permits	137,000	137,000	234,163	97,163
Special use permits	10,000	10,000	10,682	682
Other licenses	2,500	2,500	15,390	12,890
Total Licenses and Permits	<u>586,500</u>	<u>586,500</u>	<u>710,646</u>	<u>124,146</u>
Intergovernmental:				
Federal and state grants	0	0	59,822	59,822
Payment in lieu of taxes	0	0	36,022	36,022
State shared revenues:				
Cigarette tax	18,498	18,498	18,768	270
Liquor tax	4,909	4,909	5,260	351
Gaming licenses	133,000	133,000	116,612	(16,388)
Basic CCRT	225,246	225,246	275,520	50,274
Supplemental CCRT	490,482	490,482	490,482	0
Motor Vehicle Priviledge Tax	287,759	287,759	258,261	(29,498)
Real Property Transfer Tax	34,937	34,937	42,677	7,740
Total Intergovernmental	<u>1,194,831</u>	<u>1,194,831</u>	<u>1,303,424</u>	<u>108,593</u>
Charges for Services:				
Clerk Fees	12,000	12,000	6,460	(5,540)
Recorder fees	34,000	34,000	34,774	774
Assessor fees/commissions	150,000	150,000	177,389	27,389
Building department fees	5,000	5,000	5,960	960
District Court fees	4,000	4,000	9,779	5,779
Justice court fees	6,000	6,000	7,331	1,331
JOP Court Facility fee	5,000	5,000	5,561	561
Sheriffs fees	20,000	20,000	44,367	24,367
Dog control	0	0	2,312	2,312
Swimming pool admissions/lessons	14,000	10,000	16,292	6,292
Park facilities fees	500	500	1,300	800
Import tonnage fees	314,000	314,000	353,168	39,168
Swim pool - concessions	0	4,000	4,348	348
Total Charges for Services	<u>564,500</u>	<u>564,500</u>	<u>669,041</u>	<u>104,541</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, 2011

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		POSITIVE (NEGATIVE)
REVENUES (cont'd.)				
Fines and Forfeits:				
District fine	0	0	2,359	2,359
Juvenile fines/assessments	1,000	1,000	1,514	514
Chemical analysis fees	4,000	4,000	1,842	(2,158)
Business license penalty	1,000	1,000	1,024	24
Total Fines and Forfeits	6,000	6,000	6,739	739
Miscellaneous:				
Rents	30,000	30,000	33,211	3,211
Penalties - current year	10,000	10,000	46,740	36,740
Penalties - prior years	12,500	12,500	47,889	35,389
Interest	11,600	11,600	45,086	33,486
Other	3,000	20,101	352,785	332,684
Total Miscellaneous	67,100	84,201	525,711	441,510
Total Revenues	10,753,780	10,770,880	11,591,039	820,159
EXPENDITURES				
General Government				
Commissioners:				
Salaries and wages	348,570	348,570	339,468	9,102
Employee benefits	140,453	140,453	127,192	13,261
Services and supplies	29,900	29,900	30,310	(410)
	518,923	518,923	496,970	21,953
Clerk Treasurer:				
Salaries and wages	193,881	193,881	197,008	(3,127)
Employee benefits	107,149	107,149	97,822	9,327
Services and supplies	45,900	45,900	27,559	18,341
Capital outlay	1,500	1,500	1,366	134
	348,430	348,430	323,755	24,675
Recorder:				
Salaries and wages	128,307	128,307	129,361	(1,054)
Employee benefits	65,877	65,877	61,412	4,465
Services and supplies	55,500	55,500	46,361	9,139
	249,684	249,684	237,134	12,550
Assessor:				
Salaries and wages	262,859	262,859	229,237	33,622
Employee benefits	138,822	138,822	98,181	40,641
Services and supplies	27,000	27,000	26,185	815
	428,681	428,681	353,603	75,078
Administrative:				
Salaries and wages	0	0	21,734	(21,734)
Employee benefits	220,000	220,000	192,207	27,793
Services and supplies	1,249,024	1,249,024	929,687	319,337
Capital outlay	9,000	9,000	3,367	5,633
	1,478,024	1,478,024	1,146,995	331,029

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, 2011

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		POSITIVE (NEGATIVE)
EXPENDITURES				
General Government (contd.)				
Building and Grounds:				
Salaries and wages	159,051	159,051	141,803	17,248
Employee benefits	95,958	95,958	80,641	15,317
Services and supplies	197,745	197,745	117,988	79,757
	<u>452,754</u>	<u>452,754</u>	<u>340,432</u>	<u>112,322</u>
Planning Commission:				
Salaries and wages	222,715	222,715	172,973	49,742
Employee benefits	86,084	86,084	64,459	21,625
Services and supplies	49,300	49,300	48,306	994
	<u>358,099</u>	<u>358,099</u>	<u>285,738</u>	<u>72,361</u>
Service:				
Salaries and wages	130,214	130,214	127,603	2,611
Employee benefits	58,427	58,427	54,454	3,973
Services and supplies	53,136	53,136	32,622	20,514
	<u>241,777</u>	<u>241,777</u>	<u>214,679</u>	<u>27,098</u>
Comptroller:				
Salaries and wages	163,496	163,496	165,013	(1,517)
Employee benefits	63,221	63,221	53,651	9,570
Services and supplies	5,200	5,200	7,069	(1,869)
Capital outlay	2,500	2,500		2,500
	<u>234,417</u>	<u>234,417</u>	<u>225,733</u>	<u>8,684</u>
IT:				
Salaries and wages	116,904	116,904	117,983	(1,079)
Employees benefits	50,744	50,744	47,742	3,002
Services and supplies	37,000	37,000	30,966	6,034
Capital outlay	80,000	80,000	66,917	13,083
	<u>284,648</u>	<u>284,648</u>	<u>263,608</u>	<u>21,040</u>
Total General Government	<u>4,595,437</u>	<u>4,595,437</u>	<u>3,888,647</u>	<u>706,790</u>
Judicial:				
District Attorney:				
Salaries and wages	340,628	340,628	316,600	24,028
Employee benefits	136,417	136,417	114,640	21,777
Services and supplies	31,900	31,900	16,212	15,688
Capital outlay	0	0	4,988	(4,988)
	<u>508,945</u>	<u>508,945</u>	<u>452,440</u>	<u>56,505</u>
District Court:				
Services and supplies	134,000	134,000	101,468	32,532
	<u>134,000</u>	<u>134,000</u>	<u>101,468</u>	<u>32,532</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, 2011

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		POSITIVE (NEGATIVE)
EXPENDITURES				
Judicial (contd.)				
Justice of the Peace:				
Salaries and wages	211,207	211,207	213,102	(1,895)
Employee benefits	106,411	106,411	100,616	5,795
Services and supplies	57,200	57,200	28,423	28,777
Capital outlay	2,400	2,400	1,179	1,221
	<u>377,218</u>	<u>377,218</u>	<u>343,320</u>	<u>33,898</u>
Total Judicial	<u>1,020,163</u>	<u>1,020,163</u>	<u>897,228</u>	<u>122,935</u>
Public Safety:				
Sheriff:				
Salaries and wages	1,406,791	1,406,791	1,486,755	(79,964)
Employee benefits	867,629	867,629	820,291	47,338
Services and supplies	306,700	321,571	270,861	50,710
Capital outlay	5,000	5,000	0	5,000
	<u>2,586,120</u>	<u>2,600,991</u>	<u>2,577,907</u>	<u>23,084</u>
Building Department:				
Salaries and wages	212,145	212,145	217,670	(5,525)
Employee benefits	103,150	103,150	101,062	2,088
Services and supplies	40,000	40,000	28,143	11,857
Capital outlay	1,000	1,000	2,548	(1,548)
	<u>356,295</u>	<u>356,295</u>	<u>349,423</u>	<u>6,872</u>
Emergency Management:				
Salaries and wages	54,122	54,122	75,468	(21,346)
Employee benefits	38,571	38,571	36,143	2,428
Services and supplies	7,600	7,600	9,080	(1,480)
	<u>100,293</u>	<u>100,293</u>	<u>120,691</u>	<u>(20,398)</u>
Communications				
Salaries and wages	396,096	396,096	433,873	(37,777)
Employee benefits	184,643	184,643	169,336	15,307
Services and supplies	66,600	66,600	68,886	(2,286)
Capital outlay	6,500	6,500	3,045	3,455
	<u>653,839</u>	<u>653,839</u>	<u>675,140</u>	<u>(21,301)</u>
Total Public Safety	<u>3,696,547</u>	<u>3,711,418</u>	<u>3,723,161</u>	<u>(11,743)</u>
Health:				
Home Health:				
Services and supplies	2,016	2,016	2,016	0
Culture and Recreation:				
Swimming Pools & Parks				
Salaries and wages	50,800	50,800	53,914	(3,114)
Employee benefits	12,632	12,632	10,315	2,317
Services and supplies	82,300	82,300	25,157	57,143
	<u>145,732</u>	<u>145,732</u>	<u>89,386</u>	<u>56,346</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, 2011

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		POSITIVE (NEGATIVE)
Regional Transportation Commission:				
Salaries and wages	960	960	80	880
Employee benefits	152	152	9	143
Services and supplies	1,000	1,000	0	1,000
	<u>2,112</u>	<u>2,112</u>	<u>89</u>	<u>2,023</u>
Total Culture and Recreation	<u>147,844</u>	<u>147,844</u>	<u>89,475</u>	<u>58,369</u>
Community Support:				
Aging Services:				
Salaries and wages	149,552	149,253	146,607	2,646
Employee benefits	63,156	63,455	58,852	4,603
Services and supplies	484,482	486,712	493,492	(6,780)
Total Community Support	<u>697,190</u>	<u>699,420</u>	<u>698,951</u>	<u>469</u>
Debt Service:				
Principle	13,769	13,769	14,116	(347)
Interest	2,973	2,973	2,626	347
Total Debt Service	<u>16,742</u>	<u>16,742</u>	<u>16,742</u>	<u>0</u>
Total Expenditures	<u>10,175,939</u>	<u>10,193,040</u>	<u>9,316,220</u>	<u>876,820</u>
Excess (Deficiency) of Revenue over Expenditu	<u>577,841</u>	<u>577,840</u>	<u>2,274,819</u>	<u>1,696,979</u>
Other Financing Sources (Uses)				
Transfers in	64,400	64,400	54,796	(9,604)
Transfers out	(300,000)	(300,000)	(300,000)	0
Contingency	(305,278)	(305,278)	0	305,278
Total Other Financing Sources (Uses)	<u>(540,878)</u>	<u>(540,878)</u>	<u>(245,204)</u>	<u>295,674</u>
Net Change in Fund Balance	36,963	36,962	2,029,615	1,992,653
Fund balance - beginning	<u>1,148,229</u>	<u>1,148,229</u>	<u>3,541,096</u>	<u>2,392,867</u>
Fund balance - ending	<u>\$ 1,185,192</u>	<u>\$ 1,185,191</u>	<u>\$ 5,570,711</u>	<u>\$ 4,385,520</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 30,2011

	ORIGINAL AND FINAL BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<u>REVENUE</u>			
Intergovernmental			
Gasoline tax	\$ 152,791	\$ 148,782	\$ (4,009)
Supplemental CCRT	291,224	291,224	0
Intergovernmental agreement	30,000	30,000	0
Charges for services			
Import tonnage fees	86,000	96,155	10,155
Other revenue			
Interest	400	5,283	4,883
Miscellaneous	11,500	19,114	7,614
Total Revenue	<u>571,915</u>	<u>590,558</u>	<u>18,643</u>
<u>EXPENDITURES</u>			
Highways and streets			
Salaries and wages	294,734	280,848	13,886
Employee benefits	107,658	95,702	11,956
Services and supplies	100,250	71,080	29,170
Capital outlay	490,200	216,590	273,610
Debt service			
Principal	74,286	74,286	0
Interest	16,443	16,354	89
Total Expenditures	<u>1,083,571</u>	<u>754,860</u>	<u>328,711</u>
Excess (deficiency) of revenues over expenditures	(511,656)	(164,302)	347,354
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers	<u>390,730</u>	<u>393,730</u>	<u>3,000</u>
Excess (deficiency) of revenues and other financing sources over expenditures	(120,926)	229,428	350,354
Fund balance - beginning	<u>130,997</u>	<u>577,099</u>	<u>446,102</u>
Fund balance - ending	<u>\$ 10,071</u>	<u>\$ 806,527</u>	<u>\$ 796,456</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, 2011

	ORIGINAL BUDGETED AMOUNTS	FINAL BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<u>REVENUE</u>				
Taxes				
Property	\$ 2,070,170	\$ 2,070,170	\$ 2,089,250	\$ 19,080
Intergovernmental revenues				
Supplemental CCRT	751,050	751,050	751,050	0
Licenses and permits				
Ambulance program & license fees	2,500	4,000	13,907	9,907
Charges for services				
Fire/ambulance fees	240,000	240,000	302,341	62,341
Inspection fees	2,500	39,206	64,234	25,028
Consortium	1,500	19,610	19,610	0
Other revenue				
Miscellaneous - other	0	4,000	161,093	157,093
Total Revenues	<u>3,067,720</u>	<u>3,128,036</u>	<u>3,401,485</u>	<u>273,449</u>
<u>EXPENDITURES</u>				
Public Safety				
Salaries and wages	1,705,902	1,705,902	1,805,451	(99,549)
Employee benefits	1,048,963	1,048,963	1,065,426	(16,463)
Services and supplies	438,962	499,278	368,298	130,980
Total Expenditures	<u>3,193,827</u>	<u>3,254,143</u>	<u>3,239,175</u>	<u>14,968</u>
Excess (deficiency) of revenue over expenditures	(126,107)	(126,107)	162,310	288,417
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfer In	6,000	6,000	3,000	(3,000)
Excess (deficiency) of revenue and other financing sources (uses) over expenditures	(120,107)	(120,107)	165,310	285,417
Fund balance - beginning	342,880	342,880	245,610	(97,270)
Fund balance - ending	<u>\$ 222,773</u>	<u>\$ 222,773</u>	<u>\$ 410,920</u>	<u>\$ 188,147</u>

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

STOREY COUNTY, NEVADA
 TRI PAYBACK FUND
 SCHEDULE OF REVENUES AND EXPENSES - BUDGET AND ACTUAL
 AND CHANGES IN FUND BALANCES
 FOR THE YEAR ENDED JUNE 30, 2011

	ORIGINAL AND FINAL BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<u>REVENUES</u>			
Taxes			
Property	\$ 1,028,867	\$ 681,238	\$ (347,629)
Licenses and Permits			
Merchandise Licenses	23,000	1,916	(21,084)
Building Permits	13,000	16,424	3,424
Intergovernmental			
Real Property Transfer Tax	10,801	0	(10,801)
Charges for services			
Inspection fees	1,000	0	(1,000)
Recorder fees	1,000	348	(652)
Miscellaneous			
Other	0	729	729
	<u>1,077,668</u>	<u>700,655</u>	<u>(377,013)</u>
<u>EXPENDITURES</u>			
General government			
Tri Payback capital outlay	2,677,668	2,400,000	277,668
	<u>2,677,668</u>	<u>2,400,000</u>	<u>277,668</u>
Excess (deficiency) of revenue over expenditures	(1,600,000)	(1,699,345)	(99,345)
Fund balance - beginning	1,600,000	2,400,000	800,000
Fund balance - ending	<u>\$ 0</u>	<u>\$ 700,655</u>	<u>\$ 700,655</u>

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

STOREY COUNTY, NEVADA
 PROPRIETARY FUNDS
 STATEMENT OF NET ASSETS
 JUNE 30, 2011

	BUSINESS-TYPE ENTERPRISE FUNDS		
	WATER SYSTEM	VIRGINIA DIVIDE SEWER	TOTAL
<u>ASSETS</u>			
Current Assets			
Cash	\$ 889,464	\$ 406,874	\$ 1,296,338
Accounts receivable (net allowance)	39,195	16,016	55,211
Interest receivable	71	33	104
Total Current Assets	928,730	422,923	1,351,653
Noncurrent Assets			
Capital assets - net of accumulated depreciation	5,186,127	410,519	5,596,646
Total Assets	6,114,857	833,442	6,948,299
<u>LIABILITIES</u>			
Current Liabilities			
Accounts payable	13,452	28,215	41,667
Refundable deposits	8,880	0	8,880
Bonds payable - current portion	25,854	5,030	30,884
Accrued expenses	6,585	5,573	12,158
Accrued interest	1,075	0	1,075
Total Current Liabilities	55,846	38,818	94,664
Long Term Liabilities			
Bonds payable - net of current portion	604,850	57,391	662,241
<u>NET ASSETS</u>			
Invested in capital assets - net of related debt	4,557,298	348,098	4,905,396
Unrestricted	896,863	389,135	1,285,998
Total Net Assets	\$ 5,454,161	\$ 737,233	\$ 6,191,394

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, 2011

	BUSINESS-TYPE ENTERPRISE FUNDS		
	WATER SYSTEM	VIRGINIA DIVIDE SEWER	TOTAL
<u>OPERATING REVENUES</u>			
Charges for services	\$ 347,359	\$ 142,086	\$ 489,445
<u>OPERATING EXPENSES</u>			
Salaries and wages	73,726	67,506	141,232
Benefits	29,956	26,487	56,443
Services and supplies	160,701	69,721	230,422
Depreciation	107,590	37,395	144,985
Total Operating Expense	371,973	201,109	573,082
Operating Income (Loss)	(24,614)	(59,023)	(83,637)
<u>NONOPERATING REVENUES (EXPENSES)</u>			
Rent and miscellaneous	12,000	0	12,000
Interest income	6,939	3,401	10,340
Interest expense	(29,055)	(3,291)	(32,346)
Capital contributions and grants	8,650	10,500	19,150
Total Nonoperating Revenues (Expenses)	(1,466)	10,610	9,144
Change in net assets	(26,080)	(48,413)	(74,493)
Net assets - beginning	5,480,241	785,646	6,265,887
Net assets - ending	\$ 5,454,161	\$ 737,233	\$ 6,191,394

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, 2011

	BUSINESS-TYPE ENTERPRISE FUNDS		
	WATER SYSTEM	VIRGINIA DIVIDE SEWER	TOTALS
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Cash Inflows			
Sales of water/sewer fees	\$ 339,993	\$ 139,387	\$ 479,380
Cash Outflows			
Salaries and wages	(72,992)	(66,986)	(139,978)
Salary costs	(29,956)	(26,487)	(56,443)
Services and supplies	(169,282)	(45,323)	(214,605)
Net Cash Provided (Used) by Operating Activities	<u>67,763</u>	<u>591</u>	<u>68,354</u>
<u>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</u>			
Cash Inflows			
Rent	12,000	0	12,000
Customer deposits	5,001	0	5,001
Net Cash Provided by Non-Capital Financing Activities	<u>17,001</u>	<u>0</u>	<u>17,001</u>
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>			
Cash Inflows			
Capital contributions	8,650	10,500	19,150
Cash Outflows			
Debt service	(24,822)	(4,785)	(29,607)
Interest expense	(29,780)	(3,291)	(33,071)
Grant Match		(92,084)	(92,084)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(45,952)</u>	<u>(89,660)</u>	<u>(135,612)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Cash Inflows			
Interest earnings	7,080	3,492	10,572
Net Increase (Decrease) in Cash	45,892	(85,577)	(39,685)
Cash - beginning	<u>843,572</u>	<u>492,451</u>	<u>1,336,023</u>
Cash - ending	<u>\$ 889,464</u>	<u>\$ 406,874</u>	<u>\$ 1,296,338</u>

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

STOREY COUNTY, NEVADA
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2011

	<u>AGENCY FUNDS</u>
<u>ASSETS</u>	
Cash and cash equivalents	<u>\$ 177,921</u>
<u>LIABILITIES</u>	
Due to other governments	<u>\$ 177,921</u>
Net Assets	<u>\$ 0</u>

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

STOREY COUNTY, NEVADA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

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

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

The 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, 2011.

5. CAPITAL ASSETS

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

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

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

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

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

6. COMPENSATED ABSENCES

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

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

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

Law Enforcement personnel:

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

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

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

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

7. LONG-TERM OBLIGATIONS

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

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

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, 2011.

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

- A. The governmental fund balance sheet includes a reconciliation between *fund balance - total governmental funds and net assets - governmental activities* as reported in the government-wide statement of net assets. One element of that reconciliation explains that “long term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds “. The details of this \$6,381,665 difference are as follows: Capital assets net of related depreciation are not reported in the Governmental Funds financial statements because they are not current financial resources, but they are reported in the statement of net assets - \$52,923,138. Long term liabilities are not due and payable in the current period and therefore are not reported in the funds, (\$46,541,473).
- 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 \$134,566 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 - \$44,373,478. Some revenues and expenses in the statement of activities do not require the use of current financial resources and therefore, are not reported as expenditures in governmental funds - \$22,422. Some short and medium and long term loans and payments are reported in the governmental funds - (\$44,261,334).

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, 2011.
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, 2011, expenditures exceeded appropriations as follows:

	<u>Expenditures</u>	<u>Appropriations</u>
Park Tax Special Revenue Fund	\$ 28,737	\$ 9,000

C. DEFICIT FUND EQUITY

No funds incurred a deficit fund equity at June 30, 2011.

D. COMPLIANCE - NRS 354.624

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

All enterprise and agency funds maintained by Storey County:

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

- e) are following the statutory and regulatory requirements applicable to the funds
 f) reflect the balance and retained earning of the funds

Storey County has \$0 reserved in all funds.

IV. CASH

At year end, the carrying amount of the bank balances was \$18,012,271. Of the bank balances \$500,000 was covered by federal depository insurance. Additionally \$7,252,379 cash was on deposit with the Nevada State Treasurer. The fair value of all cash and investments equaled 100% of book value.

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

1. Insured by Federal Deposit Insurance	\$ 500,000
2. Collateralized with securities held by The Nevada State Treasurer	7,252,379
3. Uncollateralized with the financial institution	10,256,153
4. Uncollateralized - cash on hand	3,739
	<u>\$ 18,012,271</u>

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

Major governmental funds	\$ 9,243,136
Non-major governmental funds	7,294,876
Business-type funds	<u>1,296,338</u>
	17,834,350
Fiduciary funds	<u>177,921</u>
Total	<u>\$18,012,271</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	\$ 195,735		\$ 50,355	\$ 29,251		\$ 275,341
Accounts	225,923	\$ 82,151	375,841	49,492	\$ 55,998	789,405
Interest	<u>584</u>	<u>59</u>		<u>59</u>	<u>104</u>	<u>806</u>
Gross Receivables	422,242	82,210	426,196	78,802	56,102	1,065,552
Less: Allowance for uncollectibles			<u>34,302</u>		<u>787</u>	<u>35,089</u>
Net Total						
Receivables	<u>\$ 422,242</u>	<u>\$ 82,210</u>	<u>\$ 391,894</u>	<u>\$ 78,802</u>	<u>\$ 55,315</u>	<u>\$1,030,463</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	\$ 225,669
Fire fund	44,852
Non-major funds	38,510
Deferred revenue - District Court	<u>1,235,758</u>
Total	<u>\$1,544,789</u>

VI. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2011 was follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Primary Government				
Governmental activities				
Capital assets not being depreciated				
Land	\$ 280,259			\$ 280,259
Construction in progress	<u>597,109</u>	<u>\$ 280,858</u>		<u>877,967</u>
Total Capital assets not being depreciated	<u>877,368</u>	<u>280,858</u>	<u>\$ 0</u>	<u>1,158,226</u>
Capital assets being depreciated				
Buildings	7,030,077	1,645,212		8,675,289
Improvements other than buildings	691,353	295,855		987,208
Machinery and equipment	5,730,236	244,545		5,974,781
Infrastructure	<u>0</u>	<u>43,256,707</u>		<u>43,256,707</u>
Total capital assets being depreciated	<u>13,451,666</u>	<u>45,442,319</u>	<u>\$ 0</u>	<u>58,893,985</u>
Less accumulated depreciation for:				
Buildings	1,690,796	191,013		1,881,809
Improvements other than buildings	148,899	31,500		180,399
Machinery and equipment	3,939,679	564,132		4,503,811
Infrastructure	<u>0</u>	<u>563,054</u>		<u>563,054</u>
Total accumulated depreciation	<u>5,779,374</u>	<u>1,349,699</u>	<u>\$ 0</u>	<u>7,129,073</u>
Governmental activities capital assets - net	<u>\$ 8,549,660</u>	<u>\$ 44,373,478</u>	<u>\$ 0</u>	<u>\$52,923,138</u>
Business type activities:				
Capital assets being depreciated				
Water and sewer system	\$ 7,155,464	\$ 92,084		\$ 7,247,548
Machinery and equipment	<u>546,048</u>			<u>546,048</u>
Total Capital assets being depreciated	<u>7,701,512</u>	<u>92,084</u>	<u>\$ 0</u>	<u>7,793,596</u>
Less accumulated depreciation for				
Water and sewer systems	1,712,766	108,898		1,821,664
Machinery and equipment	<u>339,200</u>	<u>36,087</u>		<u>375,287</u>
Total accumulated depreciation	<u>2,051,966</u>	<u>144,985</u>	<u>0</u>	<u>2,196,951</u>
Business type activities capital assets - net	<u>\$ 5,649,546</u>	<u>\$ (52,901)</u>	<u>\$ 0</u>	<u>\$ 5,596,645</u>

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

Governmental activities:	
General government	\$ 318,531
Public safety	358,135
Highways and streets, including depreciation of general infrastructure assets	652,477
Culture and recreation	<u>20,556</u>
Total depreciation expense - Governmental activities	<u>\$ 1,349,699</u>
Business type activities:	
Water	\$ 107,590
Sewer	<u>37,395</u>
Total depreciation expense - business type activities	<u>\$ 144,985</u>

VII. INTERFUND ASSETS/LIABILITIES

There were no interfund balances as of June 30, 2011.

Interfund transfers:

<u>Transfer From</u>	<u>Transfer to</u>	<u>Amount</u>
Fire District	General Fund	\$ 25,000
Indigent Assistance	General Fund	29,796
General Fund	Road Fund	300,000
Town of Virginia City	Road Fund	30,000
Equipment Acquisition Fund	Road Fund	90,730
Fire District Fund	Road Fund	3,000
		<u>\$ 478,526</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, 2011.

<u>Fiscal Year Ending</u>	
<u>June 30,</u>	
2012	149,175
2013	109,451
	<u>\$ 258,626</u>
Less amounts representing interest	13,995
Present value of future minimum Lease payments	<u>\$ 244,631</u>

IX. MEDIUM TERM AND LONG TERM DEBT

Special Assessment Bonds - The County has no special assessment bonds outstanding at June 30, 2011

Contracts Payable - The County has no contracts payable at June 30, 2011

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

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
December 21, 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	74,285	1,801	76,086
	<u>\$ 297,142</u>	<u>\$ 28,822</u>	<u>\$ 325,964</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, 2011 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>6/30/10</u>	<u>RETIRED</u>	<u>6/30/11</u>
<u>\$ 599,526</u>	<u>\$11,822</u>	<u>\$ 587,704</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>6/30/10</u>	<u>RETIRED</u>	<u>6/30/11</u>
<u>\$ 56,000</u>	<u>\$13,000</u>	<u>\$ 43,000</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>6/30/10</u>	<u>RETIRED</u>	<u>6/30/11</u>
<u>\$67,206</u>	<u>\$ 4,785</u>	<u>\$ 62,421</u>

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

ADDITION		BALANCE
<u>12/28/10</u>	<u>RETIRED</u>	<u>6/30/11</u>
<u>\$ 890,000</u>	<u>0</u>	<u>\$890,000</u>

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

ADDITION		BALANCE
<u>12/28/10</u>	<u>RETIRED</u>	<u>6/30/11</u>
<u>\$ 859,000</u>	<u>0</u>	<u>\$859,000</u>

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

YEAR ENDING	ANNUAL	TOTAL
<u>JUNE 30.</u>		
2012 to 2014	\$131,300 to \$138,600	\$ 405,700
2015 to 2021	125,900 to 149,900	968,700
2022 to 2028	156,900 to 190,000	1,162,100
2029 to 2037	38,800	349,200
		<u>\$2,885,000</u>

Changes In Long-Term Liabilities - During the fiscal year ended June 30, 2011, the following changes occurred in liabilities reported in the general long term debt group:

	BALANCE			BALANCE
	<u>JULY 1, 2010</u>	<u>ADDITIONS</u>	<u>REDUCTIONS</u>	<u>JUNE 30, 2011</u>
Compensated absences	\$ 82,390	\$ 22,422	\$ 0	\$ 104,812
Capital leases	378,658	0	141,601	237,057
Tri-Construction repayment	0	46,850,564	2,400,000	44,450,564
	<u>\$ 461,048</u>	<u>\$ 46,872,986</u>	<u>\$ 2,541,601</u>	<u>\$ 44,792,433</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	\$ 928,730	\$ 422,923
Capital assets	<u>5,186,127</u>	<u>410,519</u>
Total Assets	<u>6,114,442</u>	<u>833,442</u>

LIABILITIES		
Current liabilities	55,846	38,818
Non-current liabilities	<u>604,850</u>	<u>57,391</u>
Total Liabilities	<u>660,696</u>	<u>96,209</u>
NET ASSETS		
Invested in capital assets, net of related debt	4,557,298	348,098
Unrestricted	<u>896,863</u>	<u>389,135</u>
Total Net Assets	<u>\$5,454,161</u>	<u>\$ 737,233</u>

CONDENSED STATEMENT OF REVENUES AND EXPENSES

Operating revenue	\$ 347,359	\$ 142,086
Depreciation	(107,590)	(37,395)
Other operating expenses	<u>(264,383)</u>	<u>(163,714)</u>
Operating income (loss)	(24,614)	(59,023)
Nonoperating revenues (expenses)		
Rent income	12,000	0
Interest income	6,939	3,291
Interest expense	(29,055)	(3,291)
Capital contributions and grants	<u>8,650</u>	<u>10,500</u>
Change in net assets	<u>\$ (26,080)</u>	<u>\$ (48,413)</u>

CONDENSED STATEMENTS OF CASH FLOWS

Net cash provided (used) by		
Operating activities	\$ 67,763	\$ 591
Noncapital financing activities	17,001	0
Capital and related financing activities	(45,952)	(89,660)
Investing activities	<u>7,080</u>	<u>3,492</u>
Net increase (decrease) in cash	<u>45,892</u>	<u>(85,577)</u>
Cash - beginning	<u>843,572</u>	<u>492,451</u>
Cash - ending	<u>\$ 889,464</u>	<u>\$ 406,874</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, 2011 have not been finalized. Accordingly, the County's compliance with applicable grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the County expects such amounts, if any, to be immaterial.

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

XII. AVAILABLE BORROWING CAPACITY

The Nevada Revised Statutes section 244.805, limits the County's general obligation debt to 10% of the County's assessed valuation. The 2010/2011 assessed valuation is \$583,921,000 which would allow the bonding up to \$58,400,000. On June 30, 2011, the County had \$297,100 outstanding general obligation bonded debt, exclusive of revenue and school district bonds.

The town of Virginia City general obligation debt limit based on the 2010/2011 assessed valuation was \$9,270,000 (NRS 269.425). The town of Virginia City has at June 30, 2011 no general obligation bonds outstanding.

The town of Gold Hill general obligation debt limit based on the 2010/2011 assessed valuation was \$2,699,000 (NRS 269.425). The town of Gold Hill has at June 30, 2011, 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, 2011 was \$6,192,500. The County's total payroll was \$6,837,300. Storey County's contribution to the plan for the year ended June 30, 2011 was \$1,770,700. All costs to the County were paid or accrued at June 30, 2011. The County's contribution represented less than 1% of total contributions to the retirement system.

Currently 114 employees are covered under the retirement plan out of a total of 115 employees. Eligibility requirements are 40 hours per bi-weekly payroll period, no minimum wage is required for participation, nor is there any length of service requirement for participation. Contributions are made at a rate of 20.5% (33½% for police and firemen) of annual compensation.

XV. SOLID WASTE LANDFILL - LOCKWOOD

In 1992 Refuse, Inc. received an amended special use permit from Storey County for the operation of a solid waste landfill, conditioned on meeting all of the requirements of federal landfill regulations (Subtitle D, 40CFR Parts 257 and 258). Under the terms of the agreement Refuse, Inc. is responsible for all closure and post closure costs. Estimated costs for closure are \$2,707,700 and the cost for post closure maintenance is \$9,307,000 for a total of \$12,014,000. 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 insured through Liberty Mutual Insurance Company.

XVI. RISK MANAGEMENT

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

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

XVII. TAHOE-RENO INDUSTRIAL CENTER (TRI)

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

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

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

The term of this agreement shall commence upon the effective date and shall expire Fifty (50) years after the effective date, unless extended by written amendment executed by the County and Developer. A special revenue fund was established as of July 1, 2009, to provide payment to our TRI partners. Payment of \$2,400,000 was made by the TRI Payback Fund during the fiscal year.

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

XVIII SUBSEQUENT EVENTS

- A) The County Comptroller has determined that funds have been expended out of the Equipment Acquisition Fund for the purpose of equipment maintenance, vehicle maintenance, supplies and rental equipment for the Fire Special Revenue Fund. The approximate total of these expenditures is approximately \$650,000. An interfund loan will be established for the repayment of these funds. Payment will be made through each year's higher than anticipated revenues or 10% of all revenues collected, whichever is greater, until the balance is paid.
- B) The Storey County Board of Commissioners revoked the prostitution license of the Wild Horse Brothel. The financial impact would reduce licensing fees by \$300,000 per year along with various retail reductions as a result of the revocation. The County intends for the applicant to reapply, but a final approval date cannot be determined at this time.

STOREY COUNTY, NEVADA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2011

	SPECIAL REVENUE						
	FIRE DISTRICT	EQUIPMENT ACQUISITION	INDIGENT ASSISTANCE	JUSTICE COURT FEES	DRUG COURT	INDIGENT MEDICAL	PARK TAX
<u>ASSETS</u>							
Cash	\$ 496,719	\$ 171,738	\$ 291	\$ 27,365	\$ 7,004	\$ 711,309	\$ 5,705
Receivables							
Taxes - property	12,744	5,777				2,107	
Accounts							
Interest		15					
Total Assets	<u>\$ 509,463</u>	<u>\$ 177,530</u>	<u>\$ 291</u>	<u>\$ 27,365</u>	<u>\$ 7,004</u>	<u>\$ 713,416</u>	<u>\$ 5,705</u>
<u>LIABILITIES</u>							
Accounts payable			\$ 0	\$ 0	\$ 0	\$ 13,924	\$ 0
Deferred taxes	\$ 10,134	\$ 4,208				3,060	
Total Liabilities	<u>10,134</u>	<u>4,208</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>16,984</u>	<u>0</u>
<u>FUND BALANCE</u>							
Designated for future year's operations							
Undesignated	499,329	173,322	291	27,365	7,004	696,432	5,705
Total Fund Balance	<u>499,329</u>	<u>173,322</u>	<u>291</u>	<u>27,365</u>	<u>7,004</u>	<u>696,432</u>	<u>5,705</u>
Total Liabilities and Fund Balance	<u>\$ 509,463</u>	<u>\$ 177,530</u>	<u>\$ 291</u>	<u>\$ 27,365</u>	<u>\$ 7,004</u>	<u>\$ 713,416</u>	<u>\$ 5,705</u>

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

STOREY COUNTY, NEVADA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2011

	SPECIAL REVENUE					
	JAIL BUILDING	EMERGENCY MITIGATION	INDIGENT ACCIDENT	TECHNOLOGY	TOWN OF VIRGINIA CITY	TOWN OF GOLD HILL
<u>ASSETS</u>						
Cash	\$ 418,633	\$ 100,000	\$ 11,895	\$ 130,643	\$ 155,379	\$ 15,886
Receivables						
Taxes - property	8,623					
Accounts					1	1
Interest	33			11		
Total Assets	<u>\$ 427,289</u>	<u>\$ 100,000</u>	<u>\$ 11,895</u>	<u>\$ 130,654</u>	<u>\$ 155,380</u>	<u>\$ 15,887</u>
<u>LIABILITIES</u>						
Accounts payable	\$ 21,830	\$ 0	\$ 11,895	\$ 3,798	\$ 7,049	\$ 169
Deferred taxes	6,860				13,084	1,164
Total Liabilities	<u>28,690</u>	<u>0</u>	<u>11,895</u>	<u>3,798</u>	<u>20,133</u>	<u>1,333</u>
<u>FUND BALANCE</u>						
Designated for future year's operations						
Undesignated	398,599	100,000	0	126,856	135,247	14,554
Total Fund Balance	<u>398,599</u>	<u>100,000</u>	<u>0</u>	<u>126,856</u>	<u>135,247</u>	<u>14,554</u>
Total Liabilities and Fund Balance	<u>\$ 427,289</u>	<u>\$ 100,000</u>	<u>\$ 11,895</u>	<u>\$ 130,654</u>	<u>\$ 155,380</u>	<u>\$ 15,887</u>

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

STOREY COUNTY, NEVADA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2011

	SPECIAL REVENUE				CAPITAL PROJECTS			TOTAL
	FEDERAL AND STATE GRANTS	FIRE EMERGENCY	STABILIZATION FUND	GENETIC MARKER TESTING FUND	CAPITAL PROJECTS	INFRASTRUCTURE FUND	VIRGINIA CITY RAIL PROJECT	
ASSETS								
Cash	\$ 103,196	\$ 203,020	\$ 1,000,000	\$ 12,679	\$ 442,842	\$ 1,567,446	\$ 1,713,126	\$ 7,294,876
Receivables								
Taxes - property								29,251
Accounts	19,400	2,953				27,137		49,492
Interest								59
Total Assets	\$ 122,596	\$ 205,973	\$ 1,000,000	\$ 12,679	\$ 442,842	\$ 1,594,583	\$ 1,713,126	\$ 7,373,678
LIABILITIES								
Accounts payable	\$ 95,347	\$ 1,636	\$ 0	\$ 0	\$ 27,797	\$ 0	\$ 0	\$ 183,445
Deferred taxes								38,510
Total Liabilities	95,347	1,636	0	0	27,797	0	0	221,955
FUND BALANCE								
Designated for future year's operations								
Undesignated	27,249	204,337	1,000,000	12,679	415,045	1,594,583	1,713,126	7,151,723
Total Fund Balance	27,249	204,337	1,000,000	12,679	415,045	1,594,583	1,713,126	7,151,723
Total Liabilities and Fund Balance	\$ 122,596	\$ 205,973	\$ 1,000,000	\$ 12,679	\$ 442,842	\$ 1,594,583	\$ 1,713,126	\$ 7,373,678

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, 2011

	SPECIAL REVENUE						
	FIRE DISTRICT	EQUIPMENT ACQUISITION	INDIGENT ASSISTANCE	JUSTICE COURT FEES	DRUG COURT	INDIGENT MEDICAL	PARK TAX
<u>REVENUE</u>							
Taxes	\$ 528,619	\$ 240,413	\$ 0			\$ 51,569	
Intergovernmental							\$ 34,442
Charges for services							
Fine and forfeitures				\$ 3,960	\$ 510		
Licenses and permits							
Other revenues	185,069	1,529					
Total Revenues	713,688	241,942	0	3,960	510	51,569	34,442
<u>EXPENDITURES</u>							
Current:							
General government							
Public safety	489,528						
Judicial							
Culture and recreation							28,737
Welfare						103,504	
Intergovernmental							
Total Expenditures	489,528	0	0	0	0	103,504	28,737
Excess (deficiency) of revenues over expenditures	224,160	241,942	0	3,960	510	(51,935)	5,705
<u>OTHER FINANCING SOURCES (USES)</u>							
Transfers	(31,000)	(90,730)					
Debt service		(141,601)	0	0	0	0	0
Bond proceeds							
Other							
Excess (deficiency) of Revenue and Other Financing Sources (Uses) over Expenditures	193,160	9,611	0	3,960	510	(51,935)	5,705
Fund balance - beginning (deficit)	306,169	163,711	291	23,405	6,494	748,367	0
Fund balance - ending (deficit)	\$ 499,329	\$ 173,322	\$ 291	\$ 27,365	\$ 7,004	\$ 696,432	\$ 5,705

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, 2011

	SPECIAL REVENUE					
	JAIL BUILDING	EMERGENCY MITIGATION	INDIGENT ACCIDENT	TECHNOLOGY	TOWN OF VIRGINIA CITY	TOWN OF GOLD HILL
<u>REVENUE</u>						
Taxes	\$ 183,983	\$ 0	\$ 78,030			
Intergovernmental					\$ 1,019	\$ 805
Charges for services				\$ 66,163		
Fine and forfeiture	74,598					
Licenses and permits					48,743	2,999
Other revenues	4,964			1,110		
Total Revenues	<u>263,545</u>	<u>0</u>	<u>78,030</u>	<u>67,273</u>	<u>49,762</u>	<u>3,804</u>
<u>EXPENDITURES</u>						
Current:						
General government				97,494	59,741	20,001
Public safety	409,499					
Judicial						
Culture and recreation						
Welfare			78,030			
Intergovernmental						
Total Expenditures	<u>409,499</u>	<u>0</u>	<u>78,030</u>	<u>97,494</u>	<u>59,741</u>	<u>20,001</u>
Excess (deficiency) of revenues over expenditures	(145,954)		0	(30,221)	(9,979)	(16,197)
<u>OTHER FINANCING SOURCES (USES)</u>						
Transfers	0	0	(29,796)	0	0	0
Debt service						
Bond proceeds						
Other			(11,778)			
Excess (deficiency) of Revenue and Other Financing Sources (Uses) over Expenditures	(145,954)	0	(41,574)	(30,221)	(9,979)	(16,197)
Fund balance - beginning	<u>544,553</u>	<u>100,000</u>	<u>41,574</u>	<u>157,077</u>	<u>145,226</u>	<u>30,751</u>
Fund balance - ending	<u>\$ 398,599</u>	<u>\$ 100,000</u>	<u>\$ 0</u>	<u>\$ 126,856</u>	<u>\$ 135,247</u>	<u>\$ 14,554</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, 2011

	SPECIAL REVENUES				CAPITAL PROJECTS			TOTAL
	FEDERAL AND STATE GRANTS	FIRE EMERGENCY	STABILIZATION FUND	GENETIC MARKER TESTING FUND	CAPITAL PROJECTS	INFRASTRUCTURE FUND	VIRGINIA CITY RAIL PROJECT	
REVENUE								
Taxes					\$ 0			\$ 1,082,614
Intergovernmental	\$ 956,497					\$ 150,010		1,108,331
Charges for services								100,605
Fine and forfeitures				\$ 8,472				87,540
Licenses and permits								51,742
Other revenues	18,230	\$ 4,122	\$ 0				\$ 0	215,024
Total Revenues	<u>974,727</u>	<u>4,122</u>	<u>0</u>	<u>8,472</u>	<u>0</u>	<u>150,010</u>	<u>0</u>	<u>2,645,856</u>
EXPENDITURES								
Current:								
General government					193,041			370,277
Public safety	531,771	4,852						1,435,650
Judicial				2,452				2,452
Culture and recreation	33,350					977		63,064
Welfare								181,534
Intergovernmental	932,619							932,619
Total Expenditures	<u>1,497,740</u>	<u>4,852</u>	<u>0</u>	<u>2,452</u>	<u>193,041</u>	<u>0</u>	<u>977</u>	<u>2,985,596</u>
Excess (deficiency) of revenues over expenditures	(523,013)	(730)	0	6,020	(193,041)	150,010	(977)	(339,740)
OTHER FINANCING SOURCES (USES)								
Transfers	0	0	0	0	0	0		(151,526)
Debt service							(48,514)	(190,115)
Bond proceeds							1,762,617	1,762,617
Other								(11,778)
Excess (deficiency) of Revenue and Other Financing Sources (Uses) over Expenditures	(523,013)	(730)	0	6020	(193,041)	150,010	1,713,126	1,069,458
Fund balance - beginning (deficit)	550,262	205,067	1,000,000	6,659	608,086	1,444,573	0	6,082,265
Fund balance - ending (deficit)	<u>\$ 27,249</u>	<u>\$ 204,337</u>	<u>\$ 1,000,000</u>	<u>\$ 12,679</u>	<u>\$ 415,045</u>	<u>\$ 1,594,583</u>	<u>\$ 1,713,126</u>	<u>\$ 7,151,723</u>

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 30,2011

	ORIGINAL AND FINAL BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<u>REVENUES</u>			
Taxes			
Property taxes	\$ 523,996	\$ 528,619	\$ 4,623
Other Revenues			
Miscellaneous	0	185,069	185,069
Total Revenues	<u>523,996</u>	<u>713,688</u>	<u>189,692</u>
<u>EXPENDITURES</u>			
Public safety			
Service and supplies	489,528	489,528	0
Capital outlay	0	0	0
Total expenditures	<u>489,528</u>	<u>489,528</u>	<u>0</u>
Excess (deficiency) of revenue over expenditures	34,468	224,160	189,692
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfer out	<u>(31,000)</u>	<u>(31,000)</u>	<u>0</u>
Excess (deficiency) of revenue and other financing sources (uses) over expenditures	3,468	193,160	189,692
Fund balance - beginning	<u>129,164</u>	<u>306,169</u>	<u>177,005</u>
Fund balance - ending	<u>\$ 132,632</u>	<u>\$ 499,329</u>	<u>\$ 366,697</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, 2011

	ORIGINAL AND FINAL BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<u>REVENUE</u>			
Taxes			
Property taxes	\$ 238,289	\$ 240,413	\$ 2,124
Other revenues			
Interest	100	1,529	1,429
Total Revenues	<u>238,389</u>	<u>241,942</u>	<u>3,553</u>
<u>EXPENDITURES</u>			
Debt service			
Principal	134,028	134,028	0
Interest	15,146	7,573	7,573
Total Expenditures	<u>149,174</u>	<u>141,601</u>	<u>7,573</u>
Excess (deficiency) of revenues over expenditures	89,215	100,341	11,126
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfer out	<u>(90,730)</u>	<u>(90,730)</u>	<u>0</u>
Excess (deficiency) of revenues and other financing sources (uses) over expenditures	(1,515)	9,611	11,126
Fund balance - beginning	<u>87,555</u>	<u>163,711</u>	<u>76,156</u>
Fund balance - ending	<u>\$ 86,040</u>	<u>\$ 173,322</u>	<u>\$ 87,282</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, 2011

	<u>ORIGINAL AND FINAL BUDGETED AMOUNTS</u>	<u>ACTUAL AMOUNTS</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
<u>REVENUES</u>			
None			
<u>EXPENDITURES</u>			
Welfare			
None			
Fund balance - beginning	<u>\$ 263</u>	<u>\$ 291</u>	<u>\$ 28</u>
Fund balance - ending	<u><u>\$ 263</u></u>	<u><u>\$ 291</u></u>	<u><u>\$ 28</u></u>

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

STOREY COUNTY, NEVADA
 JUSTICE COURT SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2011

	ORIGINAL AND FINAL BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<u>REVENUE</u>			
Fines			
Justice court fines	\$ 5,000	\$ 3,960	\$ (1,040)
<u>EXPENDITURES</u>			
Judicial			
Services and supplies	20,000	0	20,000
Excess (deficiency) of revenues over expenditures	(15,000)	3,960	18,960
Fund Balance - beginning	17,114	23,405	6,291
Fund Balance - ending	\$ 2,114	\$ 27,365	\$ 25,251

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, 2011

	ORIGINAL AND FINAL BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<u>REVENUES</u>			
Fines and forfeits			
Drug court fees	\$ 700	\$ 510	\$ (190)
Excess of revenue over expenditures	700	510	(190)
Fund balance - beginning	5,760	6,494	734
Fund balance - ending	\$ 6,460	\$ 7,004	\$ 544

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, 2011

	<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	\$ 51,950	\$ 51,569	\$ (381)
<u>EXPENDITURES</u>			
Welfare			
Services and supplies	<u>425,000</u>	<u>103,504</u>	<u>321,496</u>
Excess (deficiency) of revenues over expenditures	(373,050)	(51,935)	321,115
Fund balance - beginning	<u>387,548</u>	<u>748,367</u>	<u>360,819</u>
Fund balance - ending	<u>\$ 14,498</u>	<u>\$ 696,432</u>	<u>\$ 681,934</u>

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

STOREY COUNTY, NEVADA
 PARK TAX SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30,2011

	ORIGINAL BUDGETED AMOUNTS	FINAL BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<u>REVENUE</u>				
Charges for services	\$ 0	\$ 34,192	\$ 34,442	\$ 250
<u>EXPENDITURES</u>				
Culture and recreation				
Services and supplies	0	9,000	28,737	(19,737)
Excess (deficiency) of revenues and over expenditures	0	25,192	5,705	(19,487)
Fund balance - beginning	0	0	0	0
Fund balance - ending	<u>\$ 0</u>	<u>\$ 25,192</u>	<u>\$ 5,705</u>	<u>\$ (19,487)</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, 2011

	ORIGINAL AND FINAL BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<u>REVENUE</u>			
Taxes			
Property taxes	\$ 155,189	\$ 183,983	\$ 28,794
Fines			
Court fines	100,000	74,598	(25,402)
Other revenues			
Interest	1,000	3,655	2,655
Miscellaneous	1,000	1,309	309
Total Revenues	<u>257,189</u>	<u>263,545</u>	<u>6,356</u>
<u>EXPENDITURES</u>			
Public safety			
Salaries and wages	198,498	189,793	8,705
Employee benefits	127,759	110,809	16,950
Services and supplies	152,400	108,297	44,103
Capital outlay	0	600	(600)
Total Expenditures	<u>478,657</u>	<u>409,499</u>	<u>69,158</u>
Excess (deficiency) of revenues over expenditures	(221,468)	(145,954)	75,514
Fund balance - beginning	<u>450,154</u>	<u>544,553</u>	<u>94,399</u>
Fund balance - ending	<u>\$ 228,686</u>	<u>\$ 398,599</u>	<u>\$ 169,913</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, 2011

	ORIGINAL AND FINAL BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfer	\$ 0	\$ 0	\$ 0
<u>EXPENDITURES</u>			
Capital Outlay	0	0	0
Fund balance - beginning	0	100,000	100,000
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, 2011

	ORIGINAL AND FINAL BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<u>REVENUES</u>			
Taxes			
Property taxes	\$ 77,926	\$ 78,030	\$ 104
<u>EXPENDITURES</u>			
Welfare			
Services and supplies	77,926	78,030	(104)
Excess (deficiency) of revenues over expenditures	0	0	0
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfer out	(39,400)	(29,796)	9,604
Excess (deficiency) of revenues and other financing sources (uses) over expenditures	(39,400)	(29,796)	9,604
<u>OTHER CHANGES IN FUND BALANCE</u>			
Prior period adjustment	0	(11,778)	(11,778)
Fund balance - beginning	83,157	41,574	(41,583)
Fund balance - ending	\$ 43,757	\$ 0	\$ (43,757)

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, 2011

	ORIGINAL AND FINAL BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<u>REVENUES</u>			
Charges for services			
Technology fees	\$ 65,000	\$ 66,163	\$ 1,163
Other revenues			
Interest income	500	1,110	610
<u>Total revenues</u>	<u>65,500</u>	<u>67,273</u>	<u>1,773</u>
<u>EXPENDITURES</u>			
General government			
Services and supplies	190,000	97,494	92,506
Excess (deficiency) of revenues over expenditures	(124,500)	(30,221)	94,279
Fund balance - beginning	143,141	157,077	13,936
Fund balance - ending	<u>\$ 18,641</u>	<u>\$ 126,856</u>	<u>\$ 108,215</u>

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

STOREY COUNTY, NEVADA
TOWN OF VIRGINIA CITY SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2011

	ORIGINAL AND FINAL BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<u>REVENUE</u>			
Licenses and permits			
Business licenses	\$ 20,000	\$ 20,459	\$ 459
Liquor licenses	9,500	11,737	2,237
Cabaret licenses	1,500	1,837	337
County gaming licenses	30,000	14,400	(15,600)
Penalties	0	310	310
Intergovernmental			
State gaming license	1,100	1,019	(81)
Total Revenues	<u>62,100</u>	<u>49,762</u>	<u>(12,338)</u>
<u>EXPENDITURES</u>			
General government			
Services and supplies	32,000	29,741	2,259
Intergovernmental agreement	30,000	30,000	0
Total Expenditures	<u>62,000</u>	<u>59,741</u>	<u>2,259</u>
Excess (deficiency) of revenues over expenditures	100	(9,979)	(10,079)
Fund balance - beginning	<u>112,785</u>	<u>145,226</u>	<u>32,441</u>
Fund balance - ending	<u>\$ 112,885</u>	<u>\$ 135,247</u>	<u>\$ 22,362</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, 2011

	ORIGINAL AND FINAL BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<u>REVENUE</u>			
Licenses and permits			
Business licenses	\$ 2,000	\$ 1,765	\$ (235)
Penalties	0	22	22
Licenses - liquor	0	1,024	1,024
Cabaret licenses	0	188	188
Intergovernmental			
State gaming license	900	805	(95)
Total Revenues	<u>2,900</u>	<u>3,804</u>	<u>904</u>
<u>EXPENDITURES</u>			
General government			
Services and supplies	20,500	20,001	499
Total Expenditures	<u>20,500</u>	<u>20,001</u>	<u>499</u>
Excess (deficiency) of revenues over expenditures	(17,600)	(16,197)	1,403
Fund balance - beginning	<u>30,861</u>	<u>30,751</u>	<u>(110)</u>
Fund balance - ending	<u>\$ 13,261</u>	<u>\$ 14,554</u>	<u>\$ 1,293</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, 2011

	ORIGINAL AND FINAL BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<u>REVENUES</u>			
Intergovernmental			
Federal and State grants - Other	\$ 2,958,893	\$ 498,884	\$ (2,460,009)
CDBG Wastewater	150,000	140,375	(9,625)
USACE Wastewater	1,279,000	317,238	(961,762)
Miscellaneous			
HMEP Planning	10,000	18,230	8,230
Total Revenues	<u>4,397,893</u>	<u>974,727</u>	<u>(3,423,166)</u>
<u>EXPENDITURES</u>			
Culture and recreation			
Services and supplies	34,000	33,350	650
Public safety			
Services and supplies	10,000	18,230	(8,230)
CDBG Wastewater (1)		126,125	(126,125)
USACE Wastewater (1)		387,416	(387,416)
Intergovernmental			
Salaries and wages	20,795	0	20,795
Services and supplies	2,908,098	932,619	1,975,479
Highways and Streets (1)	1,425,000		1,425,000
Total Expenditures	<u>4,397,893</u>	<u>1,497,740</u>	<u>2,900,153</u>
Excess (deficiency) of revenues over expenditures	0	(523,013)	(523,013)
Fund balance - beginning	<u>178,470</u>	<u>550,262</u>	<u>371,792</u>
Fund balance - ending	<u>\$ 178,470</u>	<u>\$ 27,249</u>	<u>\$ (151,221)</u>

MEMO:

- (1) The approval budget submitted to the State of Nevada included the CDBG Wastewater and USACE Wastewater grants under Highways and Streets.

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, 2011

	ORIGINAL AND FINAL BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<u>OTHER REVENUES</u>			
Miscellaneous	\$ 0	\$ 4,122	\$ 4,122
<u>EXPENDITURES</u>			
Public Safety			
Services and supplies	162,462	4,852	157,610
Excess (deficiency) of revenues over expenditures	(162,462)	(730)	161,732
Fund balance - beginning	162,462	205,067	42,605
Fund balance - ending	\$ 0	\$ 204,337	\$ 204,337

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, 2011

	<u>ORIGINAL AND FINAL BUDGETED AMOUNTS</u>	<u>ACTUAL AMOUNTS</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
<u>REVENUE</u>			
None			
<u>EXPENDITURES</u>			
Capital outlay	\$ 200,000	\$ 0	\$ 200,000
Excess (deficit) of revenue over expenditures	(200,000)	0	200,000
Fund balance - beginning	<u>1,000,000</u>	<u>1,000,000</u>	<u>0</u>
Fund balance - ending	<u>\$ 800,000</u>	<u>\$ 1,000,000</u>	<u>\$ 200,000</u>

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

STOREY COUNTY, NEVADA
GENETIC MARKER TESTING FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2011

	ORIGINAL BUDGETED AMOUNTS	FINAL BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<u>REVENUE</u>				
Fines and forfeitures	\$ 6,500	\$ 6,500	\$ 8,472	\$ 1,972
<u>EXPENDITURES</u>				
Judicial				
Services and supplies	1,000	3,452	2,452	1,000
Excess (deficiency) of revenues over expenditures	5,500	3,048	6,020	2,972
Fund balance - beginning	0	6,659	6,659	0
Fund balance - ending	\$ 5,500	\$ 9,707	\$ 12,679	\$ 2,972

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, 2011

	<u>ORIGINAL BUDGETED AMOUNTS</u>	<u>FINAL BUDGETED AMOUNTS</u>	<u>ACTUAL AMOUNTS</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
<u>REVENUE</u>				
None				
<u>EXPENDITURES</u>				
General government				
Capital outlay	\$ 408,702	\$ 508,086	\$ 193,041	\$ 315,045
Excess (deficiency) of revenues over expenditures	(408,702)	(508,086)	(193,041)	315,045
Fund balance - beginning (deficit)	508,702	508,702	608,086	99,384
Fund balance - ending	<u>\$ 100,000</u>	<u>\$ 616</u>	<u>\$ 415,045</u>	<u>\$ 414,429</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 30,2011

	ORIGINAL AND FINAL BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<u>REVENUES</u>			
Intergovernmental			
¼% Optional sales tax	\$ 110,000	\$ 150,010	\$ 40,010
<u>EXPENDITURES</u>			
General government			
Services and supplies	646,642	0	646,642
Excess (deficiency) of revenues over expenditures	(536,642)	150,010	686,652
Fund balance - beginning	536,642	1,444,573	907,931
Fund balance - ending	\$ 0	\$ 1,594,583	\$ 1,594,583

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

STOREY COUNTY, NEVADA
 VIRGINIA CITY RAIL PROJECT
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2011

	ORIGINAL BUDGETED AMOUNTS	FINAL BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<u>EXPENDITURES</u>				
Culture and Recreation				
Capital Outlay	\$ 0	\$ 637,990	\$ 977	\$ 637,013
Excess (deficiency) of revenues over expenditures	0	(637,990)	(977)	637,013
<u>OTHER FINANCING SOURCES (USES)</u>				
Bond Proceeds	0	2,172,617	1,762,617	(410,000)
Debt Service - interest	0	(48,514)	(48,514)	0
Excess (deficiency) of revenues and other financing sources (uses) over expenditures	0	1,486,113	1,713,126	227,013
Fund balance - beginning	0	0	0	0
Fund balance - ending	<u>\$ 0</u>	<u>\$ 1,486,113</u>	<u>\$ 1,713,126</u>	<u>\$ 227,013</u>

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

STOREY COUNTY, NEVADA
WATER SYSTEM ENTERPRISE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2011

	ORIGINAL AND FINAL BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<u>OPERATING REVENUES</u>			
Sales of water	\$ 376,000	\$ 347,359	\$ (28,641)
<u>OPERATING EXPENSES</u>			
Salaries and wages	71,252	73,726	(2,474)
Benefits	33,117	29,956	3,161
Services and supplies	228,559	160,701	67,858
System upgrade	7,908	0	7,908
Depreciation	127,885	107,590	20,295
Total Operating Expenses	<u>468,721</u>	<u>371,973</u>	<u>96,748</u>
Operating Income (Loss)	(92,721)	(24,614)	68,107
<u>NON-OPERATING REVENUE (EXPENSES)</u>			
Capital contributions	0	8,650	8,650
Interest earnings	1,000	6,939	5,939
Rents	12,000	12,000	0
Interest expense	<u>(29,779)</u>	<u>(29,055)</u>	<u>724</u>
Net Income (Loss)	<u>\$ (109,500)</u>	<u>\$ (26,080)</u>	<u>\$ 83,420</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 30,2011

	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	\$ 376,000	\$ 339,993	\$ (36,007)
Cash Out flows			
Salaries and wages	(71,252)	(72,992)	(1,740)
Benefits	(33,117)	(29,956)	3,161
Services and supplies	(228,559)	(169,282)	59,277
Net Cash Provided (Used) by Operating Activities	43,072	67,763	24,691
<u>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</u>			
Cash In flows			
Customer Hook-ups	0	0	0
Rent	12,000	12,000	0
Customer deposits	0	5,001	5,001
Net Cash Provided by Non Capital Financing Activities	12,000	17,001	5,001
<u>CASH FLOWS FROM CAPITAL AND RELATED ACTIVITIES</u>			
Cash In flows			
Capital contributed	0	8,650	8,650
Cash Out flows			
System upgrade	(7,908)	0	7,908
Capital outlay	(103,000)	0	103,000
Grant match	(18,750)	0	18,750
Debt service	(24,822)	(24,822)	0
Interest expense	(29,779)	(29,780)	(1)
Net Cash Provided (Used) by Capital Related Activities	(184,259)	(45,952)	138,307
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Interest earnings	1,000	7,080	6,080
Net Increase (Decrease) in Cash	(128,187)	45,892	174,079
Cash - beginning	680,469	843,572	163,103
Cash - ending	\$ 552,282	\$ 889,464	\$ 337,182

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, 2011

	ORIGINAL AND FINAL BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<u>OPERATING REVENUES</u>			
Service use fees	\$ 134,000	\$ 142,086	\$ 8,086
<u>OPERATING EXPENSES</u>			
Salaries and wages	66,682	67,506	(824)
Benefits	29,844	26,487	3,357
Services and supplies	95,035	69,721	25,314
Depreciation	30,000	37,395	(7,395)
Total Operating Expenses	<u>221,561</u>	<u>201,109</u>	<u>20,452</u>
Operating Income (Loss)	(87,561)	(59,023)	28,538
<u>NON OPERATING REVENUES (EXPENSE)</u>			
Interest income	600	3,401	2,801
Interest expense	(3,291)	(3,291)	0
Net income (Loss)	<u>\$ (90,252)</u>	<u>\$ (58,913)</u>	<u>\$ 31,339</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, 2011

	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	\$ 134,000	\$ 139,387	\$ 5,387
Cash Out Flows			
Salaries and wages	(66,682)	(66,986)	(304)
Benefits	(29,844)	(26,487)	3,357
Service and supplies	(95,035)	(45,323)	49,712
Net cash provided (used) by operating activities	(57,561)	591	58,152
<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	0	10,500	10,500
Cash Out Flows			
Interest expense	(3,291)	(3,291)	0
Debt Service	(4,785)	(4,785)	0
Capital outlay	(32,000)	0	32,000
Grant match	(174,250)	(92,084)	82,166
Net cash provided (used) by capital related financing activities	(214,326)	(89,660)	124,666
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Interest income	600	3,492	2,892
Net increase (decrease) in cash	(271,287)	(85,577)	185,710
Cash - beginning	462,836	492,451	29,615
Cash - ending	\$ 191,549	\$ 406,874	\$ 215,325

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, 2011

	BALANCE JULY 1, 2010	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 2011
<u>STATE OF NEVADA FUND</u>				
Assets				
Cash	\$ 67,790	\$ 1,087,325	\$ 1,017,985	\$ 137,130
Liabilities				
Due Other Governments	\$ 67,790	\$ 1,087,325	\$ 1,017,985	\$ 137,130
<u>STOREY COUNTY SCHOOL DISTRICT</u>				
Assets				
Cash	\$ 9,912	\$ 3,927,037	\$ 3,928,951	\$ 7,998
Liabilities				
Due Other Governments	\$ 9,912	\$ 3,927,037	\$ 3,928,951	\$ 7,998
<u>STOREY COUNTY SCHOOL DISTRICT DEBT SERVICE</u>				
Assets				
Cash	\$ 4,542	\$ 757,035	\$ 760,034	\$ 1,543
Liabilities				
Due Other Governments	\$ 4,542	\$ 757,035	\$ 760,034	\$ 1,543
<u>VIRGINIA CITY CONVENTION AND TOURISM AUTHORITY</u>				
Assets				
Cash	\$ 23,341	\$ 288,933	\$ 281,024	\$ 31,250
Liabilities				
Due Other Governments	\$ 23,341	\$ 288,933	\$ 281,024	\$ 31,250
<u>DISTRICT ATTORNEY RESTITUTION FUND</u>				
Assets				
Cash	\$ 0	\$ 575	\$ 575	\$ 0
Liabilities				
Due Other Governments	\$ 0	\$ 575	\$ 575	\$ 0
<u>TOTAL - ALL FUNDS</u>				
Assets				
Cash	\$ 105,585	\$ 6,060,905	\$ 5,988,569	\$ 177,921
Liabilities				
Due Other Governments	\$ 105,585	\$ 6,060,905	\$ 5,988,569	\$ 177,921

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, 2011 AND 2010

	JUNE 30,	
	2011	2010
<u>GENERAL FIXED ASSETS</u>		
Land	\$ 280,259	\$ 280,259
Infrastructure	43,256,707	0
Construction in progress	877,967	597,109
Building and improvements	8,991,007	7,049,940
Machinery and equipment	5,974,781	5,730,236
Park Improvements	671,490	671,490
Total General Fixed Assets	\$ 60,052,211	\$ 14,329,034
 <u>INVESTMENTS IN GENERAL FIXED ASSETS</u>		
<u>BY SOURCE:</u>		
General Fund	\$ 9,196,908	\$ 6,784,471
Road Fund	45,628,254	2,356,622
Fire Fund	6,309	6,309
Fire District Fund	2,178,753	2,139,645
Fourth Ward Trustee	1,579,368	1,579,368
Sheriff's Jail	1,462,619	1,462,619
Total Investment in General Fixed Assets	\$ 60,052,211	\$ 14,329,034

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

STOREY COUNTY, NEVADA
SCHEDULE OF GENERAL FIXED ASSETS - BY FUNCTION AND ACTIVITY
FOR THE YEAR ENDED JUNE 30, 2011

FUNCTION AND ACTIVITY	LAND	INFRASTRUCTURE	CONSTRUCTION IN PROGRESS	BUILDING AND IMPROVEMENTS	PARK IMPROVEMENTS	MACHINERY AND EQUIPMENT	TOTAL
GENERAL GOVERNMENT							
Commissioners	\$ 114,849			\$ 182,993		\$ 2,595	\$ 300,437
Clerk - Treasurers						29,417	29,417
Recorder - Auditor						69,134	69,134
Assessor						24,463	24,463
Building - Grounds				144,620		210,202	354,822
Other - Administrative	165,410		127,466	3,710,407		587,642	4,590,925
Total General Government	<u>280,259</u>	<u>0</u>	<u>127,466</u>	<u>4,038,020</u>	<u>0</u>	<u>923,453</u>	<u>5,369,198</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>0</u>	<u>0</u>	<u>43,053</u>	<u>43,053</u>
PUBLIC SAFETY							
Sheriff			490,693	1,615,895		960,920	3,067,508
Fire				6,309			6,309
Fire District				126,644		2,052,109	2,178,753
Emergency Management						409,726	409,726
Building Department						91,820	91,820
Total Public Safety	<u>0</u>	<u>0</u>	<u>490,693</u>	<u>1,748,848</u>	<u>0</u>	<u>3,514,575</u>	<u>5,754,116</u>
HIGHWAY AND STREETS							
	<u>0</u>	<u>\$ 43,256,707</u>	<u>0</u>	<u>905,456</u>	<u>0</u>	<u>1,466,091</u>	<u>45,628,254</u>
CULTURE AND RECREATION							
	<u>0</u>	<u>0</u>	<u>259,808</u>	<u>2,298,683</u>	<u>671,490</u>	<u>27,609</u>	<u>3,257,590</u>
Total General Fixed Assets	<u>\$ 280,259</u>	<u>\$ 43,256,707</u>	<u>\$ 877,967</u>	<u>\$ 8,991,007</u>	<u>\$ 671,490</u>	<u>\$ 5,974,781</u>	<u>\$ 60,052,211</u>

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

STOREY COUNTY, NEVADA
SCHEDULE OF GENERAL FIXED ASSETS - BY FUNCTION AND ACTIVITY
FOR THE YEAR ENDED JUNE 30, 2011

FUNCTION AND ACTIVITY	GENERAL FIXED ASSETS				GENERAL FIXED ASSETS
	July 1, 2010	ADDITIONS	DELETIONS	TRANSFERS	June 30, 2011
GENERAL GOVERNMENT					
Commissioners	\$ 300,437				\$ 300,437
Recorder - Auditor	69,134				69,134
Assessor	24,463				24,463
Building - Grounds	340,947	13,875			354,822
Other - Administrative	2,622,945	2,003,224			4,626,169
Total General Government	<u>3,357,926</u>	<u>2,017,099</u>	<u>0</u>	<u>0</u>	<u>5,375,025</u>
JUDICIAL					
District Attorney	38,963	0			38,963
District Court	4,090				4,090
Total Judicial	<u>43,053</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>43,053</u>
PUBLIC SAFETY					
Sheriff	3,040,783	26,725			3,067,508
Fire	6,307				6,307
Fire District	2,139,645	112,997			2,252,642
Emergency Management	363,492	49,841			413,333
Building Department	96,001				96,001
Total Public Safety	<u>5,646,228</u>	<u>189,563</u>	<u>0</u>	<u>0</u>	<u>5,835,791</u>
HIGHWAY AND STREETS					
	<u>2,356,622</u>	<u>43,256,707</u>	<u>0</u>	<u>0</u>	<u>45,613,329</u>
CULTURE AND RECREATION					
	<u>2,925,205</u>	<u>259,808</u>	<u>0</u>	<u>0</u>	<u>3,185,013</u>
Total General Fixed Assets	<u>\$ 14,329,034</u>	<u>\$ 45,723,177</u>	<u>0</u>	<u>0</u>	<u>\$ 60,052,211</u>

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

STOREY COUNTY, NEVADA
 SCHEDULE OF GENERAL OBLIGATIONS BONDS
 AND OTHER CONTRACTUAL OBLIGATIONS FROM FUTURE REVENUES
 JUNE 30, 2011

<u>COUNTY BONDS</u>	<u>DATE OF ISSUE</u>	<u>AMOUNT OF ISSUE</u>	<u>INTEREST RATE</u>	<u>BALANCE JUNE 30, 2010</u>	<u>PAID DURING YEAR</u>	<u>BALANCE JUNE 30, 2011</u>	<u>TERMS OF PAYMENT OF OUTSTANDING BALANCE</u>
<u>Revenue Bonds</u>							
County of Storey							
Water Revenues Bonds of 1974							
(Due United States of America							
Farmer's Home Administration)							
	6/26/74	\$ 294,000	5%	\$ 56,000	\$ 13,000	\$ 43,000	\$ 14,000 Annually - Jan 1, 2012 - 2013 \$ 15,000 January 1, 2014
Virginia City Rail Bond							
Series 2010A							
Taxable Recovery Zone Economic Development Bond							
(Due all points Capital Corp.)							
	12/28/2010	\$ 890,000	8%	\$ 0	\$ 0	\$ 890,000	\$ 36,000 December 1, 2011 \$ 38,000 December 1, 2012 \$ 39,000 December 1, 2013 \$ 41,000 December 1, 2014 \$ 43,000 December 1, 2015 \$ 45,000 December 1, 2016 \$ 47,000 December 1, 2017 \$ 49,000 December 1, 2018 \$ 51,000 December 1, 2019 \$ 53,000 December 1, 2020 \$ 56,000 December 1, 2021 \$ 58,000 December 1, 2022 \$ 61,000 December 1, 2023 \$ 64,000 December 1, 2024 \$ 67,000 December 1, 2025 \$ 69,000 December 1, 2026 \$ 73,000 December 1, 2027 with interest only paid on June 1 and principle interest paid on December 1 of each year.
<u>VIRGINIA CITY RAIL BOND</u>							
Series 2010B (Tax Exempt)							
(Due Capital One Public Funding, LLC)							
	12/28/10	\$ 859,000	5%	\$ 0	\$ 0	\$ 859,000	\$ 33,000 December 1, 2011 \$ 34,000 December 1, 2012 \$ 37,000 December 1, 2013 \$ 38,000 December 1, 2014 \$ 40,000 December 1, 2015 \$ 42,000 December 1, 2016 \$ 44,000 December 1, 2017 \$ 47,000 December 1, 2018 \$ 49,000 December 1, 2019 \$ 52,000 December 1, 2020 (cont'd)

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

STOREY COUNTY, NEVADA
SCHEDULE OF GENERAL OBLIGATIONS BONDS
AND OTHER CONTRACTUAL OBLIGATIONS FROM FUTURE REVENUES
JUNE 30, 2011

	<u>DATE OF ISSUE</u>	<u>AMOUNT OF ISSUE</u>	<u>INTEREST RATE</u>	<u>BALANCE JUNE 30, 2010</u>	<u>PAID DURING YEAR</u>	<u>BALANCE JUNE 30, 2011</u>	<u>TERMS OF PAYMENT OF OUTSTANDING BALANCE</u>
<u>VIRGINIA CITY RAIL BOND (cont'd)</u>							
Series 2010B (Tax Exempt) (Due Capital One Public Funding, LLC)	12/28/10	\$ 859,000	5%	\$ 0	\$ 0	\$ 859,000	\$ 54,000 December 1, 2021 \$ 57,000 December 1, 2022 \$ 60,000 December 1, 2023 \$ 63,000 December 1, 2024 \$ 66,000 December 1, 2025 \$ 70,000 December 1, 2026 \$ 73,000 December 1, 2027 with interest only paid on June 1 and principle and interest paid on December 1 of each year
<u>MEDIUM TERM BOND</u>							
(7 yr) Due - Bank of America	12/20/07	\$ 520,000	4.85%	\$ 371,428	\$ 74,286	\$ 297,142	\$ 74,286 Fiscal years 6/30/11 - 6/30/15 with interest only paid on June 21 and principal and interest paid on December 21, of each year.
<u>WATER REVENUE BOND - SERIES 1998</u>							
<u>U.S.D.A. - Rural Development Loan</u>	1/28/97	\$ 714,000	4 1/2%	\$ 599,526	\$ 11,822	\$ 587,704	\$ 38,801 Fiscal Years 6/30/11-6/30/2037 with interest only paid on July 1, and interest and principal paid on
<u>VIRGINIA - DIVIDE SEWER IMPROVEMENTS DISTRICT</u>							
Sewer Revenue Bonds Series 1981 (Due General Electric Credit Corp. Master Services - acquired from United States of America Farmer's Home Administration on 09/23/1987)	11/1/81	\$ 138,000	5%	\$ 67,206	\$ 4,785	\$ 62,421	\$ 673 per month

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, 2011, which collectively comprise Storey County, Nevada's basic financial statements and have issued our report thereon dated November 18, 2011. 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 as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Storey County, Nevada's basic financial statements and have issued our report November 18, 2011. 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.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

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

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.

We noted certain matters that we reported to management of Storey County, Nevada, in a separate letter dated November 18, 2011.

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.

A handwritten signature in black ink, appearing to read "David A. Pringle". The signature is fluid and cursive, with a long horizontal stroke at the end.

David A. Pringle, CPA, LTD
Certified Public Accountant

November 18, 2011

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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 October 22, 2010. This review indicated:

1. Expenditures continued to exceed appropriations in one special revenue fund.
2. The assignment of account numbers and fund numbers to expenditures was greatly improved.



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

November 18, 2011

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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, 2011, and have issued our report thereon dated November 18, 2011. As part of our audit, we made a study and evaluation of the County's system of internal accounting control to the extent we considered necessary solely to determine the nature, timing and extent of our auditing procedures. Our study and evaluation was more limited than would be necessary to express an opinion on the system of internal accounting control taken as a whole, and we do not express such an opinion.

However during our audit we became aware of certain matters that, while not involving material weaknesses in internal accounting control, are opportunities for increasing controls and operating efficiency. This letter does not affect our report dated November 18, 2011, 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 one Special Revenue Fund.
2. Continued care should be taken in the assignment of funds and account numbers prior to recording the liabilities in the accounting records. Certain expenditures appear to be more correctly changed 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. The Storey County Library is currently included in the general fund operations of the County. We recommend that the Library contributions be made consistent with all other non-profit organizations funded or partially funded by the County. Support would be requested by the County Library Board of Directors, which would then have direct control over income and expenses of their organization.

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



David A. Pringle, CPA, LTD
Certified Public Accountants

November 18, 2011

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To The Honorable County Commissioners,
Storey County, Nevada

Compliance

We have audited Storey County, Nevada compliance with the types of compliance requirements described in the *Circular A-133 OMB Compliance Supplement* that could have a direct and material effect on each of Storey County, Nevada's major federal programs for the year ended June 30, 2011. Storey County, Nevada's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Storey County, Nevada's management. Our responsibility is to express an opinion on Storey County, Nevada's compliance based on our audit.

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

In our opinion, Storey County, Nevada complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011.

Internal Control Over Compliance

Management of Storey County, Nevada, is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Storey County, Nevada's internal control over compliance with requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Storey County, Nevada's internal control over compliance.

Internal Control Over Compliance (contd.)

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

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

Our consideration of internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a 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 noncompliance with applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period of employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

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



David A. Pringle CPA, LTD.
Certified Public Accountant
November 18, 2011

STOREY COUNTY, NEVADA
 SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
 FOR THE YEAR ENDED JUNE 30, 2011

<u>FEDERAL GRANTOR/ PROGRAM</u>	<u>FEDERAL CFDA NUMBER</u>	<u>FEDERAL AWARD AMOUNT</u>	<u>CASH RECEIPTS</u>	<u>CASH DISBURSEMENTS</u>
Office of Community Planning and Development Community Development Block Grant	14.228	150,000	140,375	126,125
Department of Homeland Security Assistance to Firefighters Grant	97.044	61,750	61,750	46,750
Office of Community Planning and Development Community Development Block Grant	14.228	100,000	2,200	2,200
Office of Community Planning and Development Community Development Block Grant	14.228	125,000	38,000	32,000
Office of the Chief of Engineers Nevada Environmental Infrastructure - ARRA	12.121	1,275,000	317,238	387,416
National Highway Traffic Safety Administration State and Community Highway Safety	20.600	30,000	29,642	29,642
Bureau of Land Mangement National Fire Plan - Rural Fire Assistance	15.242	12,000	12,208	12,113
Pipeline and Hazardous Materials Safety Administration Interagency Hazardous Material Public Sector Training and Planning Grants	20.703	5,775	3,705	3,705
Federal Highway Administration Highway Research and Development Program	20.205	733,000	42,966	42,966

STOREY COUNTY, NEVADA
 SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
 FOR THE YEAR ENDED JUNE 30, 2011

<u>FEDERAL GRANTOR/ PROGRAM</u>	<u>FEDERAL CFDA NUMBER</u>	<u>FEDERAL AWARD AMOUNT</u>	<u>CASH RECEIPTS</u>	<u>CASH DISBURSEMENTS</u>
Violence against Women Office Violence against Women Formula Grant	16.588	29,944	2,057	2,057
Department of Energy Energy Efficiency and Conservation Block Grant Program	81.128	485,000	25,000	504,553
National Highway Traffic Safety Administration State and Community Highway Safety	20.600	5,500	30,000	29,395
Administration for Children and Families Community Services Block Grant	93.569	49,000	96,210	71,252
Pipeline and Hazardous Materials Safety Administration Interagency Hazardous Material Public Sector Training and Planning Grants	20.703	18,230	18,230	18,230

STOREY COUNTY, NEVADA
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 YEAR ENDED JUNE 30, 2011

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: unqualified

Internal control over financial reporting:

Material weakness identified? yes no
 Reportable condition identified
 not considered to be material weaknesses? yes none reported
 Noncompliance material to financial statements noted? yes no

Federal Awards

Internal Control over major program:

Material weakness identified? yes no
 Reportable condition identified
 not considered to be material weaknesses? yes none reported

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

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

Identification of major programs: (All Type B)

<u>CFDA Number</u>	<u>Name of Federal Program</u>
12.121	Nevada Environmental Infrastructure - ARRA
81.128	Energy Efficiency and Conservation Block Grant Program

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

Auditee qualified as low-risk auditee? yes no

SECTION II - FINANCIAL STATEMENT FINDINGS

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

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

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