

Audit Report

***STOREY COUNTY, NEVADA***

June 30, 2014



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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, 2014, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

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

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

**Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

**Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Storey County, Nevada, as of June 30, 2014, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3-8 and 18-27 and 51-75 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Storey County, Nevada's basic financial statements. The introductory section, combining and individual nonmajor fund financial, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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



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

October 31, 2014

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COUNTY OF STOREY, STATE OF NEVADA  
MANAGEMENT DISCUSSION AND ANALYSIS

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As management of Storey County, State of Nevada, we offer readers of Storey County's financial statements this overview and analysis of Storey County for the fiscal year ended June 30, 2014.

#### FINANCIAL HIGHLIGHTS

- The assets of Storey County exceeded its liabilities by \$34,986,000.
- The County's unrestricted net assets increased \$ 4,435,000.
- At June 30, 2014, the unreserved fund balance for the general fund was \$9,161,000.
- Storey County's bonded debt at June 30, 2014 was \$5,396,000 which was \$3,534,000 in revenue bonds of the County's Enterprise Funds a Medium term (7 yr.) General obligation loans of \$330,000, and Virginia City Rail Bonds of \$1,532,000.

#### 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 and 10.

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

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

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

Storey County has twenty-seven 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 five other funds considered major funds. Data from the other twenty-one 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 12 through 27.

**Enterprise funds.** Storey County operates two enterprise (proprietary) 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 28 through 30.

**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 31.

**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 32 through 44.

**Other information.** The combining and individual fund statements and schedules for major governmental funds can be found on page 18 through 27 of this report. This same information for non-major governmental funds can be found on pages 45 through 71 of this report.

STOREY COUNTY, NEVADA  
NET ASSETS

	Governmental Activities June 30, 2014	Business Type Activities June 30, 2014	Total June 30, 2014
Current and other Assets	\$ 23,693,000	\$ 1,432,000	\$ 25,125,000
Capital Assets	<u>50,845,000</u>	<u>5,743,000</u>	<u>56,588,000</u>
Total Assets	<u>\$ 74,538,000</u>	<u>\$ 7,175,000</u>	<u>\$ 81,713,000</u>
Long Term Liabilities			
Outstanding	\$ 44,988,000	\$ 520,000	\$ 45,508,000
Current Liabilities	<u>1,156,000</u>	<u>62,000</u>	<u>1,218,000</u>
Total Liabilities	<u>\$ 46,144,000</u>	<u>\$ 582,000</u>	<u>\$ 46,726,000</u>
NET ASSETS			
Invested in Capital			
Assets, Net of Related Debt	\$ 7,684,000	\$ 5,209,000	\$ 12,893,000
Unrestricted	<u>20,710,000</u>	<u>1,384,000</u>	<u>22,094,000</u>
Total Net Assets	<u>\$ 28,394,000</u>	<u>\$ 6,593,000</u>	<u>\$ 34,987,000</u>

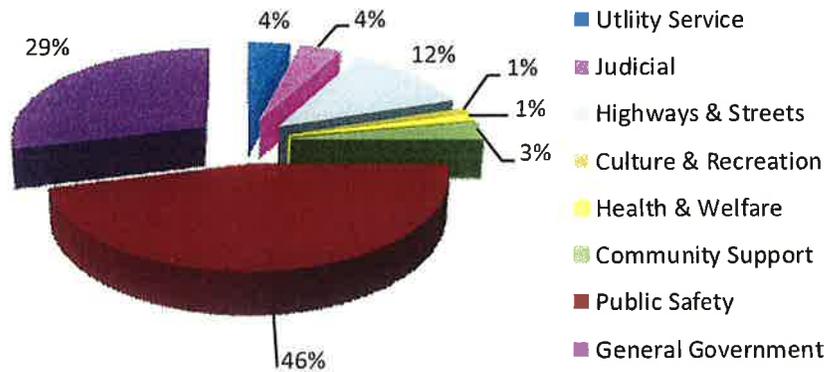
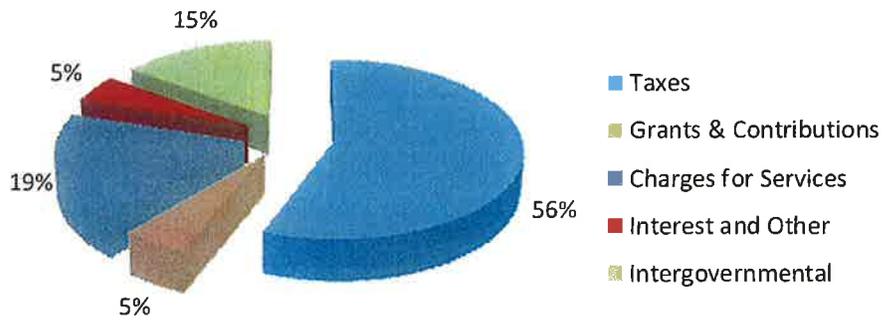
STOREY COUNTY, NEVADA  
CHANGES IN NET ASSETS

	Governmental Activities <u>June 30, 2014</u>	Business Type Activities <u>June 30, 2014</u>	Total <u>June 30, 2014</u>
<b>REVENUES:</b>			
Program Revenues:			
Charges For Services	\$ 2,978,000	\$ 807,000	\$ 3,785,000
Operating Grants and Contributions	624,000		624,000
Capital Grants and Contributions	261,000	84,000	345,000
General Revenues:			
Taxes	11,340,000		11,340,000
Intergovernmental	3,031,000		3,031,000
Bond proceeds	3,017,000		3,017,000
Other	<u>980,000</u>	<u>19,000</u>	<u>999,000</u>
<b>Total Revenues</b>	<u><b>22,231,000</b></u>	<u><b>910,000</b></u>	<u><b>23,141,000</b></u>
<b>EXPENSES:</b>			
General Government	5,459,000		5,459,000
Public Safety	8,702,000		8,702,000
Judicial	797,000		797,000
Health and Welfare	182,000		182,000
Culture and Recreation	290,000		290,000
Community Support	487,000		487,000
Highways & Streets	2,220,000		2,220,000
Water and Sewer	<u>0</u>	<u>741,000</u>	<u>741,000</u>
<b>Total Expenses</b>	<u><b>18,137,000</b></u>	<u><b>741,000</b></u>	<u><b>18,878,000</b></u>
Changes In Net Assets	4,094,000	169,000	4,263,000
Net Assets - beginning	<u>24,300,000</u>	<u>6,424,000</u>	<u>30,724,000</u>
Net Assets - ending	<u><b>\$ 28,394,000</b></u>	<u><b>\$ 6,593,000</b></u>	<u><b>\$34,987,000</b></u>

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Revenues in the General Fund were \$11,317,000 which was \$1,124,000 more than the amount budgeted. Actual revenue exceeded budgeted amounts in all budget categories except taxes. Actual expenditures were \$8,859,000, which was \$930,000 less than appropriations for the year. Overall, the total ending fund balance was \$9,161,000 which is \$3,789,000 more than budgeted. Of the \$9,161,000 ending fund balances \$0 was designated as an opening fund balance on July 1, 2014 and \$0 was reserved on July 1, 2014.

PERCENT TOTALS - ALL FUNDS



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**Business Type Activities.** Business-type activities increased Storey County's net assets by \$169,000. Depreciation expense for the current fiscal year was \$152,000.

**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, 2014.** The budget statements reflect a comparison of budgeted revenues and expenditures to actual for the year ended June 30, 2014. 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 \$1,124,000, leaving a fund balance of \$9,161,000.

General Fund budget information can be found on pages 18 through 22.

**Capital Assets.** Storey County's investment in capital assets for its governmental and business type activities as of June 30, 2013 amounts to \$56,587,000 (net of accumulated depreciation). This investment in capital assets includes land, buildings, and system, improvements, machinery and equipment, park facilities, roads, and bridges.

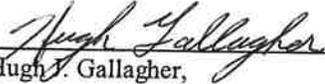
STOREY COUNTY NEVADA  
CAPITAL ASSETS  
JUNE 30, 2014

	Governmental Activities <u>June 30, 2014</u>	Business Type Activities <u>June 30, 2014</u>	Total <u>June 30, 2014</u>
Land	\$ 460,000		\$ 460,000
Antique Furniture	75,000		75,000
Construction in Process	2,244,000		2,244,000
Buildings and Improvements	7,739,000		7,739,000
Improvements other than Buildings	574,000		574,000
Machinery and Equipment	1,610,000		1,610,000
Sewer and Water systems Infrastructure	<u>38,142,000</u>	\$ 5,743,000	<u>5,743,000</u>
Total	<u>\$ 50,844,000</u>	<u>\$ 5,743,000</u>	<u>\$ 56,587,000</u>

**Other Highlights-Fiscal Year June 30, 2014.** 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. The balance owed on the bonds at June 30, 2014 is \$1,532,000.

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 \$46,851,000. In addition, a payment of \$2,400,000 was paid in accordance with the Developer Agreement. A payment of \$897,000 was made during the fiscal year ended June 30, 2014.

This financial report is designed to provide a general overview of Storey County, Nevada's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Storey County Comptroller, P.O. Box 432, Virginia City, Nevada 89440, telephone number (775)847-1006, e-mail [Hgallagher@StoreyCounty.org](mailto:Hgallagher@StoreyCounty.org)

  
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Hugh J. Gallagher,  
Comptroller

STOREY COUNTY, NEVADA  
STATEMENT OF NET ASSETS  
JUNE 30, 2014

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
<u>ASSETS</u>			
Cash	\$ 22,438,568	\$ 1,360,076	\$ 23,798,644
Accounts receivables (net allowance)	665,418	71,763	737,181
Taxes receivable	148,248		148,248
Inventory	7,961		7,961
Prepaid expenses	432,545		432,545
Capital assets - net of accumulated depreciation			
Land	460,009		460,009
Antique furniture	75,000		75,000
Construction in progress	2,244,377		2,244,377
Buildings and improvements	7,739,358		7,739,358
Improvements other than buildings	574,458		574,458
Utility system		5,743,048	5,743,048
Machinery and equipment	1,609,852		1,609,852
Infrastructure	38,141,830		38,141,830
Total Assets	<u>\$ 74,537,624</u>	<u>\$ 7,174,887</u>	<u>\$ 81,712,511</u>
<u>LIABILITIES AND FUND BALANCES</u>			
Accounts payable and other current liabilities	\$ 1,155,531	\$ 47,870	\$ 1,203,401
Non-current liabilities			
Bonds/Notes payable - due within one year	162,950	14,098	177,048
- due in more than one year	1,815,100	519,966	2,335,066
Compensated absences - due in more than one year	163,575		163,575
Other non-current liabilities	131,999		131,999
Infrastructure loan	42,714,672		42,714,672
Total Liabilities	<u>\$ 46,143,827</u>	<u>\$ 581,934</u>	<u>\$ 46,725,761</u>
<u>NET ASSETS</u>			
Invested in capital assets - net of related debt	\$ 7,684,162	\$ 5,208,984	\$ 12,893,146
Unrestricted	20,709,638	1,383,969	22,093,607
Total Net Assets	<u>\$ 28,393,800</u>	<u>\$ 6,592,953</u>	<u>\$ 34,986,753</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, 2014

<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	\$ 5,458,818	\$ 2,200,616	\$ 54,468	\$ 29,158
Public safety	8,701,873	776,570	389,396	96,601
Judicial	796,823			43,408
Health and Welfare	182,220			
Culture and recreation	290,068	1,000	55,239	91,356
Community support	487,587		125,152	
Highways and streets	2,220,225			
Total Governmental Activities	<u>18,137,614</u>	<u>2,978,186</u>	<u>624,255</u>	<u>260,523</u>
Business type activities:				
Water	483,980	567,263		
Sewer	257,348	239,936		
Total Business-Type Activities	<u>741,328</u>	<u>807,199</u>	<u>0</u>	<u>0</u>
Total Primary Government	<u>\$ 18,878,942</u>	<u>\$ 3,785,385</u>	<u>\$ 624,255</u>	<u>\$ 260,523</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, 2014

FUNCTIONS/PROGRAMS	NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS		
	GOVERNMENTAL ACTIVITIES	BUSINESS TYPE ACTIVITIES	TOTAL
<b>Primary government:</b>			
<b>Governmental activities:</b>			
General government	\$ (3,174,576)		\$ (3,174,576)
Public safety	(7,439,306)		(7,439,306)
Judicial	(753,415)		(753,415)
Health and Welfare	(182,220)		(182,220)
Culture and recreation	(142,473)		(142,473)
Community support	(362,435)		(362,435)
Highways and streets	(2,220,225)		(2,220,225)
Total Governmental Activities	(14,274,650)		(14,274,650)
<b>Business type activities:</b>			
Water		\$ 83,283	83,283
Sewer		(17,412)	(17,412)
Total Business-Type Activities	0	65,871	65,871
<b>Total Primary Government</b>	(14,274,650)	65,871	(14,208,779)
<b>General revenues:</b>			
Property Taxes	11,340,108		11,340,108
Various State Collected Pass-Through Revenues	3,031,366		3,031,366
Interest Earnings	50,293	6,523	56,816
Bond Proceeds	3,016,809		3,016,809
Miscellaneous Revenue	929,951	12,000	941,951
Capital Contributions and Grants	0	84,470	84,470
Total General Revenues	18,368,527	102,993	18,471,520
<b>Other Adjustments:</b>			
Prior period adjustment	(111,229)	0	(111,229)
Change in Net Assets	3,982,648	168,864	4,151,512
Net Assets - beginning	24,411,152	6,424,089	30,835,241
Net Assets - ending	\$ 28,393,800	\$ 6,592,953	\$ 34,986,753

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

STOREY COUNTY, NEVADA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2014

	GENERAL	ROAD FUND	FIRE FUND	TRI-PAYBACK FUND	USDA BOND FUND
<u>ASSETS</u>					
Cash	\$ 9,421,484	\$ 1,325,062	\$ (93,156)	\$ 1,781,685	\$ 2,908,833
Accounts receivable (net allowance)	274,294	95,974	223,712		
Taxes receivable	105,898		27,114		
Prepaid expenses	289,340				
Inventory					
Total Assets	<u>\$ 10,091,016</u>	<u>\$ 1,421,036</u>	<u>\$ 157,670</u>	<u>\$ 1,781,685</u>	<u>\$ 2,908,833</u>
<u>LIABILITIES AND FUND BALANCES</u>					
Liabilities					
Accounts payable	\$ 209,099	\$ 31,257	\$ 126,776		
Accrued expenses	388,120	48,485	164,573		
Deferred revenue	86,699		22,199		
Note payable	246,050				
Total Liabilities	<u>929,968</u>	<u>79,742</u>	<u>313,548</u>	<u>\$ 0</u>	<u>\$ 0</u>
<u>FUND BALANCES</u>					
Unassigned reported in:					
General fund	9,161,048				
Capital projects funds					
Special revenue funds		1,341,294	(155,878)	1,781,685	2,908,833
Total Fund Balances	<u>9,161,048</u>	<u>1,341,294</u>	<u>(155,878)</u>	<u>1,781,685</u>	<u>2,908,833</u>
Total Liabilities and Fund Balances	<u>\$ 10,091,016</u>	<u>\$ 1,421,036</u>	<u>\$ 157,670</u>	<u>\$ 1,781,685</u>	<u>\$ 2,908,833</u>

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

STOREY COUNTY, NEVADA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2014

	VCTC FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
<u>ASSETS</u>			
Cash	\$ 504,105	\$ 6,590,555	\$ 22,438,568
Accounts receivable (net allowance)		71,438	665,418
Taxes receivable		15,236	148,248
Prepaid expenses	143,205		432,545
Inventory	7,961		7,961
Total Assets	<u>\$ 655,271</u>	<u>\$ 6,677,229</u>	<u>\$ 23,692,740</u>
<u>LIABILITIES AND FUND BALANCES</u>			
<u>Liabilities</u>			
Accounts payable	\$ 22,872	\$ 147,279	\$ 537,283
Accrued expenses	17,070		618,248
Deferred revenue	10,629	12,472	131,999
Note payable			246,050
Total Liabilities	<u>50,571</u>	<u>159,751</u>	<u>1,533,580</u>
<u>FUND BALANCES</u>			
Unassigned reported in:			
General fund			9,161,048
Capital projects funds		3,428,442	3,428,442
Special revenue funds	604,700	3,089,036	9,569,670
Total Fund Balances	<u>604,700</u>	<u>6,517,478</u>	<u>22,159,160</u>
Total Liabilities and Fund Balances	<u>\$ 655,271</u>	<u>\$ 6,677,229</u>	<u>\$ 23,692,740</u>

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

STOREY COUNTY, NEVADA  
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET ASSETS  
JUNE 30, 2014

Total Fund Balance - government funds - page 13	\$ 22,159,160
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	50,844,884
Long term liabilities are not due and payable in the current period and therefore are not reported in the funds.	<u>(44,610,244)</u>
Total Net Assets - governmental activities - page 9	<u>\$ 28,393,800</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, 2014

	GENERAL	ROAD FUND	FIRE FUND	TRI-PAYBACK FUND	USDA BOND FUND
<u>REVENUES</u>					
Taxes	\$ 7,890,487		\$ 2,014,510	\$ 1,224	
Licenses and permits	1,076,548		36,762		
Intergovernmental	1,428,514	\$ 475,131	764,437		
Charges for services	708,916	109,842	553,376		
Fines and forfeitures	2,934				
Miscellaneous	209,945	141,454	11,843		\$ 388
Total Revenues	<u>11,317,344</u>	<u>726,427</u>	<u>3,380,928</u>	<u>1,224</u>	<u>388</u>
<u>EXPENDITURES</u>					
Current:					
General government	3,863,811			897,433	
Public safety	3,564,230		3,333,238		81,755
Judicial	795,208				
Health and welfare	30,100				
Culture and recreation	101,864				
Community service	487,587				
Highways and streets		677,328			
Intergovernmental					
Debt Service	16,050	153,549			
Total Expenditures	<u>8,858,850</u>	<u>830,877</u>	<u>3,333,238</u>	<u>897,433</u>	<u>81,755</u>
Excess (deficiency) of revenues over expenditures	<u>2,458,494</u>	<u>(104,450)</u>	<u>47,690</u>	<u>(896,209)</u>	<u>(81,367)</u>
<u>OTHER FINANCING SOURCES (USES)</u>					
Transfers in	112,678	279,690	12,000	568,000	
Transfers out	(785,820)		(134,000)		
Short term loan (payments) proceeds					
Bond proceeds					2,990,200
Bond interest					
Prior period adjustment	(57,446)		(111,229)		
Total Other Financing Sources (Uses)	<u>(730,588)</u>	<u>279,690</u>	<u>(233,229)</u>	<u>568,000</u>	<u>2,990,200</u>
Net change in fund balance	1,727,906	175,240	(185,539)	(328,209)	2,908,833
Fund balance - beginning	7,433,142	1,166,054	29,661	2,109,894	0
Fund balance - ending	<u>\$ 9,161,048</u>	<u>\$ 1,341,294</u>	<u>\$ (155,878)</u>	<u>\$ 1,781,685</u>	<u>\$ 2,908,833</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, 2014

	VCTC FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
<u>REVENUES</u>			
Taxes		\$ 1,433,887	\$ 11,340,108
Licenses and permits	\$ 48,645	76,590	1,238,545
Intergovernmental	389,177	858,885	3,916,144
Charges for services	295,790	71,717	1,739,641
Fines and forfeitures		78,296	81,230
Miscellaneous	33,924	501,460	899,014
	<u>767,536</u>	<u>3,020,835</u>	<u>19,214,682</u>
Total Revenues			
<u>EXPENDITURES</u>			
Current:			
General government	777,860	707,455	6,246,559
Public safety		1,953,133	8,932,356
Judicial		6,902	802,110
Health and welfare		152,120	182,220
Culture and recreation		3,717	105,581
Community service			487,587
Highways and streets			677,328
Intergovernmental		66,266	66,266
Debt Service		178,395	347,994
	<u>777,860</u>	<u>3,067,988</u>	<u>17,848,001</u>
Total Expenditures			
	<u>(10,324)</u>	<u>(47,153)</u>	<u>1,366,681</u>
Excess (deficiency) of revenues over expenditures			
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers in		148,820	1,121,188
Transfers out		(201,368)	(1,121,188)
Short term loan (payments) proceeds			
Bond proceeds		26,609	3,016,809
Bond interest			
Prior period adjustment		57,446	(111,229)
	<u>0</u>	<u>31,507</u>	<u>2,905,580</u>
Total Other Financing Sources (Uses)			
Net change in fund balance	(10,324)	(15,646)	4,272,261
Fund balance - beginning	615,024	6,533,124	17,886,899
Fund balance - ending	<u>\$ 604,700</u>	<u>\$ 6,517,478</u>	<u>\$ 22,159,160</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, 2014

Net change in fund balances - governmental funds, page 16	\$ 4,272,261
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 depreciation exceeded net capital outlays.	(1,173,657)
Net long-term receipts and payments reported in governmental funds as expenditures	897,433
Some expenses in the statement of activities do not require the use of current financial resources and therefore, are not reported as expenditures in governmental funds	<u>(13,389)</u>
Change in net assets of governmental activities, page 11	<u>\$ 3,982,648</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, 2014

	ORIGINAL BUDGETED AMOUNTS	FINAL BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<b>REVENUES</b>				
Taxes:				
Property	\$ 7,651,000	\$ 7,651,000	\$ 7,869,592	\$ 218,592
Youth Services	16,000	16,000	20,895	4,895
Total Taxes	<u>7,667,000</u>	<u>7,667,000</u>	<u>7,890,487</u>	<u>223,487</u>
Licenses and permits:				
Merchandise licenses	90,000	90,000	177,327	87,327
Utility licenses	175,000	175,000	174,610	(390)
Franchise tax	80,000	80,000	59,372	(20,628)
Building permits & study	175,000	175,000	665,239	490,239
Total Licenses and Permits	<u>520,000</u>	<u>520,000</u>	<u>1,076,548</u>	<u>556,548</u>
Intergovernmental:				
Federal and state grants	30,450	30,450	22,614	(7,836)
Payment in lieu of taxes	35,000	35,000	37,402	2,402
State shared revenues:				
Cigarette tax	16,144	16,144	16,107	(37)
Liquor tax	5,377	5,377	5,253	(124)
Gaming licenses	140,000	140,000	137,621	(2,379)
Basic CCRT	308,089	308,089	409,361	101,272
Supplemental CCRT	456,574	456,574	450,567	(6,007)
Motor Vehicle Privilege Tax	261,987	261,987	279,881	17,894
Real Property Transfer Tax	40,971	40,971	69,708	28,737
Total Intergovernmental	<u>1,294,592</u>	<u>1,294,592</u>	<u>1,428,514</u>	<u>133,922</u>
Charges for Services:				
Clerk Fees	6,000	6,000	6,787	787
Recorder fees	30,000	30,000	31,116	1,116
Assessor fees/commissions	165,000	165,000	196,710	31,710
Building department fees	4,000	4,000	5,080	1,080
District Court fees	13,000	13,000	15,380	2,380
Justice court fees	9,000	9,000	10,785	1,785
JOP Court Facility fee	6,000	6,000	5,945	(55)
Sheriffs fees	0	0	2,572	2,572
Swimming pool admissions/lessons	16,500	16,500	16,365	(135)
Park facilities fees	500	500	800	300
Import tonnage fees	360,000	360,000	390,938	30,938
IT Fees	31,000	31,000	24,287	(6,713)
Other fees	0	0	2,151	2,151
Total Charges for Services	<u>641,000</u>	<u>641,000</u>	<u>708,916</u>	<u>67,916</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, 2014

	ORIGINAL BUDGETED AMOUNTS	FINAL BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<u>REVENUES (cont'd.)</u>				
Fines and Forfeits:				
District fine	1,000	1,000	450	(550)
Juvenile fines/assessments	2,000	2,000	1,304	(696)
Chemical analysis fees	1,500	1,500	1,180	(320)
Total Fines and Forfeits	<u>4,500</u>	<u>4,500</u>	<u>2,934</u>	<u>(1,566)</u>
Miscellaneous:				
Rents	31,000	31,000	30,401	(599)
Penalties - Taxes	0	0	100,923	100,923
Penalties - Business Licenses	2,000	2,000	7,002	5,002
Interest	30,000	30,000	42,068	12,068
Other	3,000	3,000	29,551	26,551
Total Miscellaneous	<u>66,000</u>	<u>66,000</u>	<u>209,945</u>	<u>143,945</u>
Total Revenues	<u>10,193,092</u>	<u>10,193,092</u>	<u>11,317,344</u>	<u>1,124,252</u>
<u>EXPENDITURES</u>				
General Government				
Commissioners:				
Salaries and wages	317,980	323,980	322,410	1,570
Employee benefits	186,117	176,117	179,201	(3,084)
Services and supplies	30,400	52,900	49,852	3,048
	<u>534,497</u>	<u>552,997</u>	<u>551,463</u>	<u>1,534</u>
Clerk Treasurer:				
Salaries and wages	168,869	170,469	170,034	435
Employee benefits	87,224	87,224	89,165	(1,941)
Services and supplies	66,300	84,300	74,990	9,310
Capital outlay	0	9,273	9,243	30
	<u>322,393</u>	<u>351,266</u>	<u>343,432</u>	<u>7,834</u>
Recorder:				
Salaries and wages	132,217	132,217	127,534	4,683
Employee benefits	67,178	67,178	65,867	1,311
Services and supplies	61,400	61,400	57,474	3,926
	<u>260,795</u>	<u>260,795</u>	<u>250,875</u>	<u>9,920</u>
Assessor:				
Salaries and wages	205,371	205,371	198,145	7,226
Employee benefits	98,819	98,819	91,575	7,244
Services and supplies	40,300	40,300	31,957	8,343
	<u>344,490</u>	<u>344,490</u>	<u>321,677</u>	<u>22,813</u>
Administrative:				
Salaries and wages	105,766	105,766	64,924	40,842
Employee benefits	191,552	191,552	39,308	152,244
Services and supplies	1,076,875	832,275	683,853	148,422
Capital outlay	5,000	5,000	0	5,000
	<u>1,379,193</u>	<u>1,134,593</u>	<u>788,085</u>	<u>346,508</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, 2014

<u>EXPENDITURES</u>	<u>ORIGINAL BUDGETED AMOUNTS</u>	<u>FINAL BUDGETED AMOUNTS</u>	<u>ACTUAL AMOUNTS</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
General Government (contd.)				
Building and Grounds:				
Salaries and wages	125,213	125,213	122,935	2,278
Employee benefits	88,763	88,763	74,533	14,230
Services and supplies	255,700	255,700	196,770	58,930
	<u>469,676</u>	<u>469,676</u>	<u>394,238</u>	<u>75,438</u>
Planning Commission:				
Salaries and wages	147,023	147,023	123,703	23,320
Employee benefits	61,373	61,373	38,951	22,422
Services and supplies	29,500	29,500	23,722	5,778
	<u>237,896</u>	<u>237,896</u>	<u>186,376</u>	<u>51,520</u>
Service:				
Salaries and wages	138,610	139,610	134,317	5,293
Employee benefits	67,185	63,185	63,217	(32)
Services and supplies	51,350	55,350	47,182	8,168
	<u>257,145</u>	<u>258,145</u>	<u>244,716</u>	<u>13,429</u>
Comptroller:				
Salaries and wages	177,291	207,864	214,646	(6,782)
Employee benefits	67,954	76,954	77,912	(958)
Services and supplies	65,600	65,600	55,793	9,807
	<u>310,845</u>	<u>350,418</u>	<u>348,351</u>	<u>2,067</u>
Information technology:				
Salaries and wages	191,215	191,215	190,598	617
Employees benefits	95,677	95,677	98,402	(2,725)
Services and supplies	73,800	98,540	89,503	9,037
Capital outlay	13,500	73,436	56,095	17,341
	<u>374,192</u>	<u>458,868</u>	<u>434,598</u>	<u>24,270</u>
Total General Government	<u>4,491,122</u>	<u>4,419,144</u>	<u>3,863,811</u>	<u>555,333</u>
Judicial:				
District Attorney:				
Salaries and wages	237,771	237,771	232,297	5,474
Employee benefits	103,340	103,340	95,974	7,366
Services and supplies	93,050	93,050	69,108	23,942
Capital outlay	6,500	6,500	6,366	134
	<u>440,661</u>	<u>440,661</u>	<u>403,745</u>	<u>36,916</u>
District Court:				
Services and supplies	130,900	144,900	115,967	28,933
	<u>130,900</u>	<u>144,900</u>	<u>115,967</u>	<u>28,933</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, 2014

EXPENDITURES	ORIGINAL BUDGETED AMOUNTS	FINAL BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
Judicial (contd.)				
Justice of the Peace:				
Salaries and wages	157,959	157,959	155,738	2,221
Employee benefits	95,208	93,208	95,698	(2,490)
Services and supplies	27,000	29,000	24,060	4,940
	<u>280,167</u>	<u>280,167</u>	<u>275,496</u>	<u>4,671</u>
 Total Judicial	 <u>851,728</u>	 <u>865,728</u>	 <u>795,208</u>	 <u>70,520</u>
 Public Safety:				
Sheriff:				
Salaries and wages	1,248,663	1,339,663	1,273,937	65,726
Employee benefits	821,240	821,240	784,220	37,020
Services and supplies	314,450	261,925	234,463	27,462
Capital outlay	5,000	5,000	0	5,000
	<u>2,389,353</u>	<u>2,427,828</u>	<u>2,292,620</u>	<u>135,208</u>
 Community Development				
Salaries and wages	238,775	251,775	253,445	(1,670)
Employee benefits	117,465	117,465	118,130	(665)
Services and supplies	238,150	39,650	36,585	3,065
	<u>594,390</u>	<u>408,890</u>	<u>408,160</u>	<u>730</u>
 Emergency Management:				
Salaries and wages	82,770	82,770	82,356	414
Employee benefits	45,212	41,212	39,585	1,627
Services and supplies	10,300	14,300	12,681	1,619
	<u>138,282</u>	<u>138,282</u>	<u>134,622</u>	<u>3,660</u>
 Communications				
Salaries and wages	466,534	486,534	417,554	68,980
Employee benefits	228,600	228,600	226,964	1,636
Services and supplies	67,050	83,050	78,387	4,663
Capital outlay	6,000	6,000	5,923	77
	<u>768,184</u>	<u>804,184</u>	<u>728,828</u>	<u>75,356</u>
 Total Public Safety	 <u>3,890,209</u>	 <u>3,779,184</u>	 <u>3,564,230</u>	 <u>214,954</u>
 Health:				
Home Health:				
Services and supplies	75,770	73,900	30,100	43,800
 Culture and Recreation:				
Swimming Pools & Parks				
Salaries and wages	56,279	56,279	50,311	5,968
Employee benefits	17,448	17,448	14,659	2,789
Services and supplies	54,000	64,000	36,894	27,106
	<u>127,727</u>	<u>137,727</u>	<u>101,864</u>	<u>35,863</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, 2014

	ORIGINAL BUDGETED AMOUNTS	FINAL BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
Total Culture and Recreation	127,727	137,727	101,864	35,863
Community Service				
Salaries and wages	90,073	90,073	88,394	1,679
Employee benefits	41,821	40,821	41,933	(1,112)
Services and supplies	364,000	365,000	357,260	7,740
Total Community Support	495,894	495,894	487,587	8,307
Debt Service:				
Principle	1,390	1,390	0	1,390
Interest	16,060	16,060	16,050	10
Total Debt Service	17,450	17,450	16,050	1,400
Total Expenditures	9,949,900	9,789,027	8,858,850	930,177
Excess (Deficiency) of Revenue over Expenditure	243,192	404,065	2,458,494	2,054,429
Other Financing Sources (Uses)				
Transfers in	0	0	112,678	112,678
Transfers out	(663,000)	(907,600)	(785,820)	121,780
Contingency	(298,497)	(214,770)	0	214,770
Prior period adjustment	0	0	(57,446)	(57,446)
Total Other Financing Sources (Uses)	(961,497)	(1,122,370)	(730,588)	391,782
Net Change in Fund Balance	(718,305)	(718,305)	1,727,906	2,446,211
Fund balance - beginning	6,089,986	6,089,986	7,433,142	1,343,156
Fund balance - ending	\$ 5,371,681	\$ 5,371,681	\$ 9,161,048	\$ 3,789,367

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, 2014

	ORIGINAL BUDGETED AMOUNTS	FINAL BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<u>REVENUE</u>				
Intergovernmental				
Gasoline tax	\$ 159,378	\$ 159,378	\$ 189,772	\$ 30,394
Supplemental CCRT	285,359	285,359	285,359	0
Charges for services				
Import tonnage fees	96,000	96,000	109,842	13,842
Other revenue				
Interest	4,000	4,000	6,130	2,130
Miscellaneous	2,500	2,500	135,324	132,824
Total Revenue	<u>547,237</u>	<u>547,237</u>	<u>726,427</u>	<u>179,190</u>
<u>EXPENDITURES</u>				
Highways and streets				
Salaries and wages	283,561	298,561	260,558	38,003
Employee benefits	122,572	122,572	115,827	6,745
Services and supplies	97,650	127,650	131,171	(3,521)
Capital outlay	500,000	396,050	169,772	226,278
Debt service				
Principle	74,286	148,136	148,571	(435)
Interest	5,404	5,504	4,978	526
Total Expenditures	<u>1,083,473</u>	<u>1,098,473</u>	<u>830,877</u>	<u>267,596</u>
Excess (deficiency) of revenues over expenditures	(536,236)	(551,236)	(104,450)	446,786
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	<u>279,690</u>	<u>294,690</u>	<u>279,690</u>	<u>(15,000)</u>
Excess (deficiency) of revenues and other financing sources over expenditures	(256,546)	(256,546)	175,240	431,786
Fund balance - beginning	<u>722,948</u>	<u>722,948</u>	<u>1,166,054</u>	<u>443,106</u>
Fund balance - ending	<u>\$ 466,402</u>	<u>\$ 466,402</u>	<u>\$ 1,341,294</u>	<u>\$ 874,892</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, 2014

	ORIGINAL BUDGETED AMOUNTS	FINAL BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<u>REVENUE</u>				
Taxes				
Property	\$ 1,959,000	\$ 1,959,000	\$ 2,014,510	\$ 55,510
Intergovernmental revenues				
Supplemental CCRT	759,956	759,956	764,437	4,481
Licenses and permits				
Ambulance program & license fees	19,500	19,500	36,762	17,262
Charges for services				
Fire/ambulance fees	240,000	240,000	247,095	7,095
Inspection fees	64,000	64,000	119,901	55,901
Fire billing	287,600	287,600	181,655	(105,945)
Special events	9,000	9,000	4,725	(4,275)
Other revenue				
Miscellaneous - other	0	0	11,843	11,843
Total Revenues	<u>3,339,056</u>	<u>3,339,056</u>	<u>3,380,928</u>	<u>41,872</u>
<u>EXPENDITURES</u>				
Public Safety				
Salaries and wages	1,681,593	1,877,593	1,851,057	26,536
Employee benefits	1,121,871	1,117,936	1,163,025	(45,089)
Services and supplies	288,132	288,132	299,725	(11,593)
Capital outlay	15,250	15,250	19,431	(4,181)
Total Expenditures	<u>3,106,846</u>	<u>3,298,911</u>	<u>3,333,238</u>	<u>(34,327)</u>
Excess (deficiency) of revenue over expenditures	232,210	40,145	47,690	7,545
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfer In	0	196,000	12,000	(184,000)
Transfer Out	(134,000)	(134,000)	(134,000)	0
Prior period adjustment	0	0	(111,229)	(111,229)
Excess (deficiency) of revenue and other financing sources (uses) over expenditures	98,210	102,145	(185,539)	(287,684)
Fund balance - beginning	<u>55,335</u>	<u>55,335</u>	<u>29,661</u>	<u>(25,674)</u>
Fund balance - ending	<u>\$ 153,545</u>	<u>\$ 157,480</u>	<u>\$ (155,878)</u>	<u>\$ (313,358)</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, 2014

	<u>ORIGINAL AND FINAL BUDGETED AMOUNTS</u>	<u>ACTUAL AMOUNTS</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
<u>REVENUES</u>			
Taxes			
Property	\$ 0	\$ 1,224	\$ 1,224
<u>EXPENDITURES</u>			
General government			
Tri Payback	568,000	897,433	(329,433)
Excess (deficiency) of revenue over expenditures	(568,000)	(896,209)	(328,209)
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers in	568,000	568,000	0
Excess (deficiency) of revenue and other financing sources (uses) over expenditure	0	(328,209)	(328,209)
Fund balance - beginning	1,811,378	2,109,894	298,516
Fund balance - ending	\$ 1,811,378	\$ 1,781,685	\$ (29,693)

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

STOREY COUNTY, NEVADA  
 USDA BOND FUND  
 SCHEDULE OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES  
 BUDGET AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2014

	ORIGINAL AND FINAL BUDGETED AMOUNTS	FINAL BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<u>REVENUES</u>				
Miscellaneous				
Interest income	\$ 0	\$ 0	\$ 388	\$ 388
<u>EXPENDITURES</u>				
Public safety				
Capital outlay	0	1,000,000	81,755	918,245
Excess (deficiency) of revenue over expenditures	0	(1,000,000)	(81,367)	918,633
<u>OTHER FINANCING SOURCES (USES)</u>				
Bond proceeds	0	2,990,200	2,990,200	0
Excess (deficiency) of revenue and other financing sources (uses) over expenditure	0	1,990,200	2,908,833	918,633
Fund balance - beginning	0	0	0	0
Fund balance - ending	\$ 0	1,990,200	\$ 2,908,833	\$ 918,633

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

STOREY COUNTY, NEVADA  
 VIRGINIA CITY TOURISM COMMISSION SPECIAL REVENUE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2014

	ORIGINAL AND FINAL BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<u>REVENUES</u>			
Licenses and permits			
Licenses - permits	\$ 43,000	\$ 48,645	\$ 5,645
Intergovernmental			
State licenses	3,000	4,229	1,229
Room tax	150,000	165,425	15,425
Tourism tax	150,000	219,523	69,523
Charges for services			
Special events	264,890	280,876	15,986
CAP service charge (net)	10,000	14,914	4,914
Miscellaneous			
Interest	1,200	443	(757)
Contributions	5,000	5,248	248
Miscellaneous	14,162	28,233	14,071
Total Revenues	<u>641,252</u>	<u>767,536</u>	<u>126,284</u>
<u>EXPENDITURES</u>			
General government			
Salaries and wages	167,321	171,778	(4,457)
Benefits	77,428	75,642	1,786
Services and supplies	468,148	500,042	(31,894)
Capital outlay	25,000	30,398	(5,398)
Total Expenditures	<u>737,897</u>	<u>777,860</u>	<u>(39,963)</u>
Excess (deficiency) of revenues over expenditures	(96,645)	(10,324)	86,321
Fund balance - beginning	<u>1,085,614</u>	<u>615,024</u>	<u>(470,590)</u>
Fund balance - ending	<u>\$ 988,969</u>	<u>\$ 604,700</u>	<u>\$ (384,269)</u>

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

STOREY COUNTY, NEVADA  
 PROPRIETARY FUNDS  
 STATEMENT OF NET ASSETS  
 JUNE 30, 2014

	BUSINESS-TYPE ENTERPRISE FUNDS		
	WATER SYSTEM	VIRGINIA DIVIDE SEWER	TOTAL
<u>ASSETS</u>			
Current Assets			
Cash	\$ 1,197,756	\$ 162,320	\$ 1,360,076
Accounts receivable (net allowance)	51,501	20,262	71,763
Total Current Assets	<u>1,249,257</u>	<u>182,582</u>	<u>1,431,839</u>
Noncurrent Assets			
Capital assets - net of accumulated depreciation	<u>5,036,183</u>	<u>706,865</u>	<u>5,743,048</u>
Total Assets	<u>\$ 6,285,440</u>	<u>\$ 889,447</u>	<u>\$ 7,174,887</u>
<u>LIABILITIES</u>			
Current Liabilities			
Accounts payable	\$ 11,797	\$ 5,953	\$ 17,750
Refundable deposits	14,166		14,166
Bonds payable - current portion	14,098		14,098
Accrued expenses	<u>9,071</u>	<u>6,883</u>	<u>15,954</u>
Total Current Liabilities	<u>49,132</u>	<u>12,836</u>	<u>61,968</u>
Long Term Liabilities			
Bonds payable - net of current portion	<u>519,966</u>		<u>519,966</u>
<u>NET ASSETS</u>			
Invested in capital assets - net of related debt	4,502,119	706,865	5,208,984
Unassigned	<u>1,214,223</u>	<u>169,746</u>	<u>1,383,969</u>
Total Net Assets	<u>\$ 5,716,342</u>	<u>\$ 876,611</u>	<u>\$ 6,592,953</u>

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

STOREY COUNTY, NEVADA  
 PROPRIETARY FUNDS  
 STATEMENT OF REVENUES AND EXPENSES  
 AND CHANGE IN NET ASSETS  
 FOR THE YEAR ENDED JUNE 30, 2014

	BUSINESS-TYPE ENTERPRISE FUNDS		
	WATER SYSTEM	VIRGINIA DIVIDE SEWER	TOTAL
<u>OPERATING REVENUES</u>			
Charges for services	\$ 567,263	\$ 239,936	\$ 807,199
<u>OPERATING EXPENSES</u>			
Salaries and wages	119,693	66,517	186,210
Benefits	52,011	29,338	81,349
Services and supplies	182,390	111,052	293,442
Depreciation	104,204	47,982	152,186
Total Operating Expense	458,298	254,889	713,187
Operating Income (Loss)	108,965	(14,953)	94,012
<u>NONOPERATING REVENUES (EXPENSES)</u>			
Rent and miscellaneous	12,000		12,000
Interest income	5,686	837	6,523
Interest expense	(25,682)	(2,459)	(28,141)
Grants and capital contributions	22,143	62,327	84,470
Total Nonoperating Revenues (Expenses)	14,147	60,705	74,852
Change in net assets	123,112	45,752	168,864
Net assets - beginning	5,593,230	830,859	6,424,089
Net assets - ending	\$ 5,716,342	\$ 876,611	\$ 6,592,953

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, 2014

	BUSINESS-TYPE ENTERPRISE FUNDS		
	WATER SYSTEM	VIRGINIA DIVIDE SEWER	TOTALS
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Cash Inflows			
Sales of water/sewer fees	\$ 564,020	\$ 239,497	\$ 803,517
Cash Outflows			
Salaries and wages	(118,454)	(66,968)	(185,422)
Salary costs	(51,748)	(29,338)	(81,086)
Services and supplies	(190,092)	(74,879)	(264,971)
Prepaid Expenses	2,400	0	2,400
Net Cash Provided (Used) by Operating Activities	<u>206,126</u>	<u>68,312</u>	<u>274,438</u>
<u>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</u>			
Cash Inflows			
Rent	12,000	0	12,000
Customer deposits	930	0	930
Net Cash Provided by Non-Capital Financing Activities	<u>12,930</u>	<u>0</u>	<u>12,930</u>
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>			
Cash Inflows			
Capital contributions	22,143	1,500	23,643
Cash Outflows			
Capital outlay and grant match	(45,866)	(34,972)	(80,838)
Debt service	(28,491)	(52,101)	(80,592)
Interest expense	(38,377)	(2,459)	(40,836)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(90,591)</u>	<u>(88,032)</u>	<u>(178,623)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Cash Inflows			
Interest earnings	5,686	836	6,522
Net Increase (Decrease) in Cash	134,151	(18,884)	115,267
Cash - beginning	<u>1,063,605</u>	<u>181,204</u>	<u>1,244,809</u>
Cash - ending	<u>\$ 1,197,756</u>	<u>\$ 162,320</u>	<u>\$ 1,360,076</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, 2014

	<u>AGENCY FUNDS</u>
<u>ASSETS</u>	
Cash and cash equivalents	<u>\$ 1,042,451</u>
<u>LIABILITIES</u>	
Due to other governments	<u>\$ 1,042,451</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, 2014

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. REPORTING ENTITY

Storey County, Nevada, a local government created under the provisions of Nevada Revised Statutes 243.110 is governed by an elected three-member board of commissioners. As required by generally accepted accounting principles, these financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are in substance, part of the government's operations and so data from these units are combined with data of the primary government.

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

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

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

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

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

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The Government-Wide Financial Statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported, separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degrees to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

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

The Government-Wide Financial Statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Gross receipts and sales taxes are considered "measurable" when in the hands of intermediary collecting agents or governments. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 60 days after the end of the current fiscal period. Anticipated refunds of taxes are recorded as liabilities and reductions of revenue when they are measurable and the payment seems certain. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the County.

The government reports the following major governmental funds:

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

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

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

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

The *USDA Bond Special Revenue Fund* accounts for money received from a USDA Bond to improve water and waste disposal in Storey County.

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

The government reports the following major proprietary funds:

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

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

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

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

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

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

### 1. DEPOSITS AND INVESTMENTS

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

### 2. RECEIVABLES AND PAYABLES

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds".

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

### 3. INVENTORIES AND PREPAID ITEMS

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

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

### 4. RESTRICTED ASSETS

The County has no restricted assets as June 30, 2014.

### 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:

Payment for Sick Leave at Termination: Upon an Employee's end of service through PERS retirement or termination from service, other than involuntary termination, with a total accrued hours of three hundred sixty (360) or more, the Employee shall be paid for unused Sick Leave at the following rate:

- a. 10 to 15 years of service shall be paid at a rate of 20% of their base rate of pay for each hour, not to exceed \$2,500 cash or \$3,125 toward the purchase of PERS.
- b. 15 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 \$3,500 cash or \$4,375 toward the purchase of PERS.
- c. 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 \$5,000 cash or \$6,250 toward the purchase of PERS.

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

## 7. LONG-TERM OBLIGATIONS

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

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

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

## 8. FUND EQUITY

In the fund financial statements, governmental funds report designations of fund balances for amounts which represent tentative management plans that are subject to change. The County has reserved \$ 0 of the general fund balance at July 1, 2014.

## 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 \$6,234,640 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 - \$50,844,884. Long term liabilities are not due and payable in the current period and therefore are not reported in the funds, (\$44,610,244).
- 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 \$(289,613) 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 depreciation exceeded net capital outlays in the current period - \$(1,173,657). Net long-term receipts and payments reported in governmental funds as expenditures \$897,433. 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 - \$(13,389).

## III. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

### A. BUDGETARY INFORMATION

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

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

1. Prior to April 15, the County budget officer submits to the County Commissioners the tentative operating budgets (4) for the fiscal year commencing the following July 1. The operating budgets include proposed expenditures and the means of financing them.
2. The tentative budgets are filed with the State Department of Taxation by April 15.
3. A public hearing is conducted at the County Court House to obtain taxpayers comments. (3<sup>rd</sup> Monday in May)
4. The final budgets are adopted and filed with the State Department of Taxation. Final budgets must be certified by a majority of all members of the governing body. The final budgets must be adopted on or before June 1.
5. Budget amounts may be transferred within funds if the governing body is advised and the action is recorded in the official minutes of the next meeting. Revisions that alter the total expenditures of any fund must be approved by the County Commissioners. Budget revisions must also be filed with the State Department of Taxation.
6. Budgets for the General, Special Revenues, Debt Service, Proprietary, and Capital Projects Funds are adopted on a basis consistent with generally accepted accounting principles. (GAAP)
7. Budget augmentations were prepared for the general, various special revenue funds and enterprise funds during the fiscal year ended June 30, 2014.
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, 2014, expenditures exceeded appropriations as follows:

	<u>Expenditures</u>	<u>Appropriations</u>
Fire Special Revenue Fund	\$ 3,333,238	\$ 3,302,846
Mutual Aid Special Revenue Fund	308,961	177,000
Sheriff Jail Special Revenue Fund	578,353	563,533
Tri Payback Fund	897,433	568,000
Equipment Acquisition Special Revenue Fund	167,295	159,535

**C. DEFICIT FUND EQUITY**

The Jail Special Revenue Fund, Fire Special Revenue Fund and Mutual Aid Special Revenue Fund incurred a deficit fund equity at June 30, 2014. 71% of the deficit in the Fire Special Revenue Fund was caused by a write off of uncollectible ambulance fees.

**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 \$24,841,095. Of the bank balances \$500,000 was covered by federal depository insurance. Additionally \$8,183,034 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	8,183,034
3. Uncollateralized with the financial institution	16,154,582
4. Uncollateralized - cash on hand	3,479
	<u>\$ 24,841,095</u>

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

Major governmental funds	\$ 15,848,013
Non-major governmental funds	6,590,555
Business-type funds	1,360,076
	23,798,644
Fiduciary funds	1,042,451
Total	<u>\$ 24,841,095</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:

	General	Roads	Fire	VCTC	Non-Major Funds	Proprietary Funds	Total
Receivables:							
Taxes	\$ 105,898		\$ 27,114		\$ 15,236		\$ 148,248
Accounts	<u>274,294</u>	<u>\$ 95,974</u>	<u>255,592</u>	<u>\$ 0</u>	<u>71,438</u>	<u>\$ 72,550</u>	<u>769,848</u>
Gross Receivables	380,192	95,974	282,706	0	86,674	72,550	918,096
Less: Allowance for uncollectibles	<u>0</u>	<u>0</u>	<u>(31,880)</u>	<u>0</u>	<u>0</u>	<u>(787)</u>	<u>(32,667)</u>
Total Net Receivables	<u>\$ 380,192</u>	<u>\$ 95,974</u>	<u>\$ 250,826</u>	<u>\$ 0</u>	<u>\$ 86,674</u>	<u>\$ 71,763</u>	<u>\$ 885,429</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	\$ 86,699
Fire fund	22,199
VCTC	10,629
Non-major funds	<u>12,472</u>
Total	<u>\$ 131,999</u>

VI. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2014 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Primary Government				
Governmental activities				
Capital assets not being depreciated				
Land	\$ 387,759	\$ 72,250		\$ 460,009
Antique Furniture	75,000			75,000
Construction in progress	<u>2,229,317</u>	<u>15,060</u>	<u>\$ 0</u>	<u>2,244,377</u>
Total Capital assets not being depreciated	<u>2,692,076</u>	<u>87,310</u>	<u>0</u>	<u>2,779,386</u>
Capital assets being depreciated				
Buildings	9,545,894	189,750		9,735,644
Improvements other than buildings	1,166,313	109,712		1,276,025
Machinery and equipment	6,890,249	446,607		7,336,856
Infrastructure	<u>43,256,707</u>	<u>26,028</u>	<u>0</u>	<u>43,282,735</u>
Total capital assets being depreciated	<u>60,859,163</u>	<u>772,097</u>	<u>0</u>	<u>61,631,260</u>
Less accumulated depreciation for:				
Buildings	2,276,938	144,778		2,421,716
Improvements other than buildings	236,907	39,230		276,137
Machinery and equipment	5,384,832	342,172		5,727,004
Infrastructure	<u>3,602,243</u>	<u>1,538,662</u>	<u>0</u>	<u>5,140,905</u>
Total accumulated depreciation	<u>11,500,920</u>	<u>2,064,842</u>	<u>0</u>	<u>13,565,762</u>
Governmental activities capital assets - net	<u>\$52,050,319</u>	<u>\$(1,205,435)</u>	<u>\$ 0</u>	<u>\$ 50,844,884</u>
Business type activities:				
Capital assets being depreciated				
Water and sewer system	\$ 7,689,334	\$ 89,826		\$ 7,779,160
Machinery and equipment	<u>590,723</u>	<u>16,866</u>	<u>0</u>	<u>607,589</u>
Total Capital assets being depreciated	<u>8,280,057</u>	<u>106,692</u>	<u>\$ 0</u>	<u>8,386,749</u>

Less accumulated depreciation for				
Water and sewer systems	2,050,379	104,204		2,154,583
Machinery and equipment	441,137	47,982		489,119
Total accumulated depreciation	<u>2,491,516</u>	<u>152,186</u>	<u>0</u>	<u>2,643,702</u>
Business type activities capital assets - net	<u>\$ 5,788,541</u>	<u>\$ (45,494)</u>	<u>\$ 0</u>	<u>\$5,743,047</u>

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

Governmental activities:	
General government	\$ 234,188
Public safety	182,617
Highways and streets, including depreciation of general infrastructure assets	1,626,885
Culture and recreation	<u>21,152</u>
Total depreciation expense - Governmental activities	<u>\$ 2,064,842</u>
Business type activities:	
Water	\$ 104,204
Sewer	<u>47,982</u>
Total depreciation expense - business type activities	<u>\$ 152,186</u>

## VII. INTERFUND ASSETS/LIABILITIES

There were no interfund balances as of June 30, 2014.

Interfund transfers:

<u>Transfer From</u>	<u>Transfer to</u>	<u>Amount</u>
General Fund	Road Fund	\$ 200,000
General Fund	Tri Payback	407,000
General Fund	Fire Fund	12,000
General Fund	Capital Projects	118,420
General Fund	Jail Fund	56,000
Equipment Acquisition	Road Fund	79,690
Fire Fund	Equipment Acquisition	30,000
Fire Fund	Tri Payback	104,000
Fire District	Tri Payback	27,000
Equipment Acquisition	Tri Payback	12,000
Town of Gold Hill	General Fund	11,660
Town of Virginia City	General Fund	<u>101,018</u>
		<u>\$1,158,788</u>

## VIII. CAPITAL LEASES

All Capital Leases were completely paid prior to the fiscal year ended June 30, 2014.

## IX. MEDIUM TERM AND LONG TERM DEBT

Special Assessment Bonds - The County has no special assessment bonds outstanding at June 30, 2014.

Contracts Payable - The County has no contracts payable at June 30, 2014.

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. This note was paid in full during the fiscal year ended June 30, 2014.

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Amount paid	\$ 148,551	\$ 4,978	\$ 153,529

On June 26, 2013, Storey County entered into a medium term loan for \$250,000 with the Virginia City Highlands Property Owners Association for the purchase of a 1.32 acre parcel of land legally described as Lot 2 Block E of the Virginia City Highlands Unit 1 Subdivision Map, bearing interest at a rate of .095% per annum, payable \$50,000 at signing and \$50,000 annually for 4 years.

BALANCE			BALANCE
<u>6/30/13</u>	<u>Additions</u>	<u>Retired</u>	<u>6/30/14</u>
<u>\$ 0</u>	<u>\$250,000</u>	<u>\$ 50,000</u>	<u>\$200,000</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, 2014 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>6/30/13</u>	<u>RETIRED</u>	<u>6/30/14</u>
<u>\$ 547,555</u>	<u>\$ 13,491</u>	<u>\$ 534,064</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>6/30/13</u>	<u>RETIRED</u>	<u>6/30/14</u>
<u>\$ 15,000</u>	<u>\$ 15,000</u>	<u>\$ -0-</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. This bond was paid off early during the fiscal year ended June 30, 2014.

BALANCE		BALANCE
<u>6/30/13</u>	<u>RETIRED</u>	<u>6/30/14</u>
<u>\$ 52,102</u>	<u>\$ 52,102</u>	<u>\$ -0-</u>

\$3,000,200 sewer revenue bonds due November 30, 2015 at 1.56% interest with interest due on December 1, 2014 and June 1, 2015; maturity date : November 30, 2015.

BALANCE			BALANCE
<u>6/30/13</u>	<u>ADDITIONS</u>	<u>RETIRED</u>	<u>6/30/14</u>
<u>\$ -0-</u>	<u>\$ 3,000,200</u>	<u>\$ -0-</u>	<u>\$ 3,000,200</u>

\$890,000 Virginia City Rail Bond - Series 2010A due in annual installments of \$41,000 to \$73,000 through December 1, 2027.

BALANCE		BALANCE
<u>06/30/13</u>	<u>RETIRED</u>	<u>6/30/14</u>
<u>\$ 816,000</u>	<u>\$ 39,000</u>	<u>\$ 777,000</u>

\$859,000 Virginia City Rail Bond - Series 2010B due in annual installments of \$38,000 to \$73,000 through December 1, 2027.

BALANCE		BALANCE
<u>06/30/13</u>	<u>RETIRED</u>	<u>6/30/14</u>
<u>\$ 792,000</u>	<u>\$ 37,000</u>	<u>\$ 755,000</u>

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

YEAR ENDING		
<u>JUNE 30,</u>	<u>ANNUAL</u>	<u>TOTAL</u>
2014 to 2015	\$ 3,262,621	\$ 3,262,621
2016 to 2021	205,211 to 213,761	1,269,561
2022 to 2028	189,546 to 203,201	1,376,342
2029 to 2037	38,801	349,209
		<u>\$6,257,733</u>

Changes In Long-Term Liabilities - During the fiscal year ended June 30, 2014, the following changes occurred in liabilities reported in the general long term debt group:

	BALANCE			BALANCE
	<u>JULY 1, 2013</u>	<u>ADDITIONS</u>	<u>REDUCTIONS</u>	<u>JUNE 30, 2014</u>
Compensated absences	\$ 150,186	\$ 13,389	\$ -0-	\$ 163,575
Tri-Construction repayment	43,612,105	-0-	897,433	42,714,672
	<u>\$ 43,762,291</u>	<u>\$ 13,389</u>	<u>\$ 897,433</u>	<u>\$ 42,878,250</u>

X. SEGMENT INFORMATION - PROPRIETARY FUNDS

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

	<u>Water Fund</u>	<u>Virginia Divide Sewer Fund</u>
<b>CONDENSED STATEMENT OF NET ASSETS</b>		
<b>ASSETS</b>		
Current assets	\$ 1,249,257	\$ 182,582
Capital assets (net accumulated depreciation)	<u>5,036,183</u>	<u>706,865</u>
Total Assets	<u>6,285,440</u>	<u>889,447</u>
<b>LIABILITIES</b>		
Current liabilities	49,132	12,836
Non-current liabilities	<u>519,966</u>	<u>0</u>
Total Liabilities	<u>569,098</u>	<u>12,836</u>
<b>NET ASSETS</b>		
Invested in capital assets, net of related debt	4,502,119	706,865
Unrestricted	<u>1,214,223</u>	<u>169,746</u>
Total Net Assets	<u>\$ 5,716,342</u>	<u>\$ 876,611</u>

**CONDENSED STATEMENT OF REVENUES AND EXPENSES**

Operating revenue	\$ 567,263	\$ 239,936
Depreciation	(104,204)	(47,982)
Other operating expenses	<u>(354,094)</u>	<u>(206,907)</u>
Operating income (loss)	108,965	(14,953)
<b>Nonoperating revenues (expenses)</b>		
Rent income	12,000	0
Interest income	5,686	837
Interest expense	(25,682)	(2,459)
Grants and capital contributions	<u>22,143</u>	<u>62,327</u>
Change in net assets	<u>\$ 123,112</u>	<u>\$ 45,752</u>

**CONDENSED STATEMENTS OF CASH FLOWS**

<b>Net cash provided (used) by</b>		
Operating activities	\$ 206,126	\$ 68,312
Noncapital financing activities	12,930	0
Capital and related financing activities	(90,591)	(88,032)
Investing activities	<u>5,686</u>	<u>836</u>
Net increase (decrease) in cash	134,151	(18,884)
Cash - beginning	<u>1,063,605</u>	<u>181,204</u>
Cash - ending	<u>\$ 1,197,756</u>	<u>\$ 162,320</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, 2014 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 2013/2014 assessed valuation is \$497,587,000 which would allow the bonding up to \$49,758,000. On June 30, 2014, the County had \$200,000 outstanding general obligation bonded debt, exclusive of revenue and school district bonds.

The town of Virginia City general obligation debt limit based on the 2013/2014 assessed valuation was \$31,558,000 (NRS 269.425). The town of Virginia City has at June 30, 2014 no general obligation bonds outstanding.

The town of Gold Hill general obligation debt limit based on the 2013/2014 assessed valuation was \$9,525,000 (NRS 269.425). The town of Gold Hill has at June 30, 2014, no general obligation bonds outstanding.

### XIII. PROPERTY TAXES

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

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

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

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

PERS provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. Nevada Revised Statutes establish and amend benefit provisions to be administered by the Retirement Board. The Public Employees Retirement Board of the State of Nevada issues a publicly available financial report that includes financial statements and required supplementary information for PERS. That report may be obtained from PERS, 693 West Nye Lane, Carson City, Nevada 89703

The County pays all contributions for all employees covered under the plan. PERS basic funding policy provides for periodic contributions at a level pattern of cost as a percentage of salary throughout an 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, 2014 was \$6,040,606. The County's total payroll was \$7,225,154. Storey County's contribution to the plan for the year ended June 30, 2014 was \$1,939,990. All costs to the County were paid or accrued at June 30, 2014. The County's contribution represented less than 1% of total contributions to the retirement system.

Currently 113 employees are covered under the retirement plan out of a total of 141 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 25.75% (40½% 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 \$3,138,388 and the cost for post closure maintenance is \$12,865,241 for a total of \$16,003,629. There are currently no corrective action cost nor other environmental obligations. Refuse, Inc. is in complete compliance with the Financial Assurance Requirements of 40 CFR, part 258, Subpart G, as well as Nevada Administrative Code 444.685 - 444.6859. The closure and post closure costs are insured through Liberty Mutual Insurance Company.

### XVI. RISK MANAGEMENT

Storey County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employee and natural disasters. Storey County has joined together with other counties in the State to form Nevada Public Agency Insurance Pool, a public entity risk pool currently operating as a common risk management and insurance program for 41 governmental entities. The

county pays an annual premium to PENCO for its general insurance coverage. The Agreement for Formation of the NPAIP program provides that NPAIP will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of \$100,000 for Property and Crime and \$150,000 Casualty for each insured event.

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

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

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

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

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

The term of this agreement shall commence upon the effective date and shall expire Fifty (50) years after the effective date, unless extended by written amendment executed by the County and Developer. A special revenue fund was established as of July 1, 2009, to provide payment to our TRI partners. A payment of \$897,433 was made by the TRI Payback Fund during the fiscal year.

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

#### XVIII. EQUIPMENT ACQUISITION FUND

The County Comptroller has determined that funds have been expended out of the Equipment Acquisition Fund for the purpose of equipment maintenance, vehicle maintenance, supplies and rental equipment for the Fire Special Revenue Fund. The approximate total of these expenditures was \$650,000. An interfund loan was scheduled to be established for the repayment of these funds, however, additional information may exclude all or a portion of the repayment due to documentation that these amounts were included in the budgets in those years the expenditures took place and said amounts were approved by the Board of County Commissioners. The County Comptroller will investigate these findings and make adjustments as deemed necessary according to the documentation

XIX. PRIOR PERIOD ADJUSTMENT

A prior period adjustment in the amount of \$111,229 was made to the Fire Special Revenue Fund during fiscal year 2014. The adjustment was needed to write off uncollectible ambulance fees. Another prior period adjustment was made between the General Fund and Park Tax Fund in the amount of \$57,446. Representing amounts received by the parks before the Park Tax Fund was created. Lastly a prior period adjustment was made between the Infrastructure and Virginia City Rail Project Funds in the amount of \$25,000 to repay amounts incorrectly expended out of the Infrastructure Fund for the Virginia City Rail Project.

XX. SUBSEQUENT EVENTS

Tesla Motors:

On November 20, 2014, The Nevada Economic Development Board, gave final approval for the tax breaks and incentives to Tesla Motors for the construction and development of the mile long battery factory, located in the Storey County, Tahoe-Reno Industrial Center. The project is expected to employ more than 6,000 people in the plant located 15 miles east of Reno-Sparks.

Storey County Fire District:

On June 18, 2013, Resolution No 13-374 was signed by the Storey County Board of County Commissioners that NRS 473 (NDF) Fire Protection District as created by the Board of Commissioners July 12, 1974 was dissolved and annexed into the Storey County Fire Protection District (474) effective July 1, 2014.

STOREY COUNTY, NEVADA  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 JUNE 30, 2014

	SPECIAL REVENUE						
	FIRE DISTRICT	EQUIPMENT ACQUISITION	INDIGENT ASSISTANCE	JUSTICE COURT FUND	DRUG COURT	INDIGENT MEDICAL	PARK TAX
<u>ASSETS</u>							
Cash	\$ 740,111	\$ 146,945	\$ 0	\$ 54,038	\$ 8,893	\$ 509,673	\$ 64,731
Receivables	6,860	3,112				618	
Taxes - property							
Accounts							
Total Assets	<u>\$ 746,971</u>	<u>\$ 150,057</u>	<u>\$ 0</u>	<u>\$ 54,038</u>	<u>\$ 8,893</u>	<u>\$ 510,291</u>	<u>\$ 64,731</u>
<u>LIABILITIES</u>							
Accounts payable	\$ 19,067			\$ 17,225		\$ 6,691	
Deferred taxes	5,616	\$ 2,549				505	
Total Liabilities	<u>24,683</u>	<u>2,549</u>	<u>\$ 0</u>	<u>17,225</u>	<u>\$ 0</u>	<u>7,196</u>	<u>\$ 0</u>
<u>FUND BALANCE</u>							
Designated for future year's operations		17,700				153,700	1,000
Unassigned	722,288	129,808	0	36,813	8,893	349,395	63,731
Total Fund Balance	<u>722,288</u>	<u>147,508</u>	<u>0</u>	<u>36,813</u>	<u>8,893</u>	<u>503,095</u>	<u>64,731</u>
Total Liabilities and Fund Balance	<u>\$ 746,971</u>	<u>\$ 150,057</u>	<u>\$ 0</u>	<u>\$ 54,038</u>	<u>\$ 8,893</u>	<u>\$ 510,291</u>	<u>\$ 64,731</u>

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

STOREY COUNTY, NEVADA  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 JUNE 30, 2014

	SPECIAL REVENUE						
	MUTUAL AID	JAIL BUILDING	EMERGENCY MITIGATION	INDIGENT ACCIDENT	TECHNOLOGY	TOWN OF VIRGINIA CITY	TOWN OF GOLD HILL
<b>ASSETS</b>							
Cash	\$ 1,590	\$ (61,984)	\$ 100,000	\$ 23,532	\$ 97,923		
Receivables		4,646					
Taxes - property							
Accounts							
Total Assets (deficit)	\$ 1,590	\$ (57,338)	\$ 100,000	\$ 23,532	\$ 97,923	\$ 0	\$ 0
<b>LIABILITIES</b>							
Accounts payable	\$ 2,049	\$ 30,918					
Deferred taxes		3,802					
Total Liabilities	2,049	34,720	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<b>FUND BALANCE</b>							
Designated for future year's operations			50,000		27,500		
Unassigned	(459)	(92,058)	50,000	26,532	70,423		
Total Fund Balance	(459)	(92,058)	100,000	26,532	97,923	0	0
Total Liabilities and Fund Balance (deficit)	\$ 1,590	\$ (57,338)	\$ 100,000	\$ 26,532	\$ 97,923	\$ 0	\$ 0

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

STOREY COUNTY, NEVADA  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 JUNE 30, 2014

	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	
<b>ASSETS</b>								
Cash	\$ 281,869	\$ 204,337	\$ 1,000,000	\$ 31,422	\$ 45,851	\$ 2,138,840	\$ 1,199,784	\$ 6,590,555
Receivables								
Taxes - property								
Accounts	27,471					43,967		15,236
								71,438
Total Assets	\$ 309,340	\$ 204,337	\$ 1,000,000	\$ 31,422	\$ 45,851	\$ 2,182,807	\$ 1,199,784	\$ 6,677,229
<b>LIABILITIES</b>								
Accounts payable	\$ 71,329							\$ 147,279
Deferred taxes								12,472
Total Liabilities	71,329	0	0	0	0	0	0	159,751
<b>FUND BALANCE</b>								
Designated for future year's operations			200,000			1,840,000	851,320	3,141,220
Unassigned	238,011	204,337	800,000	31,422	45,851	342,807	348,464	3,376,258
Total Fund Balance	238,011	204,337	1,000,000	31,422	45,851	2,182,807	1,199,784	6,517,478
Total Liabilities and Fund Balance	\$ 309,340	\$ 204,337	\$ 1,000,000	\$ 31,422	\$ 45,851	\$ 2,182,807	\$ 1,199,784	\$ 6,677,229

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, 2014

REVENUE	SPECIAL REVENUE						
	FIRE DISTRICT	EQUIPMENT ACQUISITION	INDIGENT ASSISTANCE	JUSTICE COURT FUND	DRUG COURT	INDIGENT MEDICAL	PARK TAX
Taxes	\$ 509,885	\$ 231,767				\$ 46,489	
Licenses and permits							
Intergovernmental							
Charges for services			\$ 0	\$ 6,962	\$ 370		\$ 1,000
Fine and forfeitures	112,696	7,835					13
Other revenues							
Total Revenues	622,581	239,602	0	6,962	370	46,489	1,013
<u>EXPENDITURES</u>							
Current:							
General government		167,295					
Public safety	435,834						
Judicial				5,696			
Culture and recreation						93,834	
Welfare							
Intergovernmental							
Total Expenditures	435,834	167,295	0	5,696	0	93,834	0
Excess (deficiency) of revenues over expenditures	186,747	72,307	0	1,266	370	(47,345)	1,013
<u>OTHER FINANCING SOURCES (USES)</u>							
Transfers		(61,690)					
Debt service	(27,000)						
Bond proceeds							
Prior period adjustment							57,446
Excess (deficiency) of Revenue and Other Financing Sources (Uses) over Expenditures	159,747	10,617	0	1,266	370	(47,345)	58,459
Fund balance - beginning (deficit)	562,541	136,891	0	35,547	8,523	550,440	6,272
Fund balance - ending (deficit)	\$ 722,288	\$ 147,508	\$ 0	\$ 36,813	\$ 8,893	\$ 503,095	\$ 64,731

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, 2014

REVENUE	SPECIAL REVENUE						
	MUTUAL AID	JAIL BUILDING	EMERGENCY MITIGATION	INDIGENT ACCIDENT	TECHNOLOGY	TOWN OF VIRGINIA CITY	TOWN OF GOLD HILL
Taxes		\$ 345,095		\$ 69,654			
Licenses and permits		76,590					
Intergovernmental					\$ 70,717		
Charges for services		64,647					
Fine and forfeiture	\$ 308,502	58,174	\$ 13,828		412		
Other revenues							
Total Revenues	308,502	544,506	13,828	69,654	71,129	0	0
<u>EXPENDITURES</u>							
Current:							
General government							
Public safety	308,961	578,353	9,219		98,947		
Judicial							
Culture and recreation							
Welfare				58,286			
Intergovernmental							
Total Expenditures	308,961	578,353	9,219	58,286	98,947	0	0
Excess (deficiency) of revenues over expenditures	(459)	(33,847)	4,609	11,368	(27,818)	0	0
<u>OTHER FINANCING SOURCES (USES)</u>							
Transfers		38,000				(101,018)	(11,660)
Debt service							
Bond proceeds							
Prior period adjustment							
Excess (deficiency) of Revenue and Other Financing Sources (Uses) over Expenditures	(459)	4,153	4,609	11,368	(27,818)	(101,018)	(11,660)
Fund balance - beginning	0	(96,211)	95,391	15,164	125,741	101,018	11,660
Fund balance - ending	\$ (459)	\$ (92,058)	\$ 100,000	\$ 26,532	\$ 97,923	\$ 0	\$ 0

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, 2014

	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						\$ 231,011			\$ 1,433,901
Licenses and permits	\$ 858,885								76,590
Intergovernmental									858,885
Charges for services				\$ 6,303					71,717
Fine and forfeitures									78,202
Other revenues									501,460
Total Revenues	858,885	0	0	6,303	0	231,011	0	0	3,020,755
<u>EXPENDITURES</u>									
Current:									
General government	25,441				415,772				707,455
Public safety	620,766								1,953,133
Judicial									6,902
Culture and recreation	3,717			1,206					3,717
Welfare									152,120
Intergovernmental	66,266								66,266
Total Expenditures	716,190	0	0	1,206	415,772	0	0	0	2,889,593
Excess (deficiency) of revenues over expenditures	142,695	0	0	5,097	(415,772)	231,011	0	0	131,162
<u>OTHER FINANCING SOURCES (USES)</u>									
Transfers					110,820				(52,548)
Debt service							(178,395)		(178,395)
Bond proceeds							26,609		26,609
Prior period adjustments							(25,000)		57,446
Excess (deficiency) of Revenue and Other Financing Sources (Uses) over Expenditures	142,695	0	0	5,097	(304,952)	256,011	(176,786)		(15,726)
Fund balance - beginning (deficit)	95,316	204,337	1,000,000	26,325	350,803	1,926,796	1,376,570		6,533,124
Fund balance - ending (deficit)	\$ 238,011	\$ 204,337	\$ 1,000,000	\$ 31,422	\$ 45,851	\$ 2,182,807	\$ 1,199,784		\$ 6,517,398

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, 2014

	ORIGINAL AND FINAL BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<u>REVENUES</u>			
Taxes			
Property taxes	\$ 496,000	\$ 509,885	\$ 13,885
Other Revenues			
Miscellaneous	0	112,696	112,696
Total Revenues	<u>496,000</u>	<u>622,581</u>	<u>126,581</u>
<u>EXPENDITURES</u>			
Public safety			
Salaries and wages	183,446	84,358	99,088
Benefits	25,621	30,541	(4,920)
Service and supplies	220,300	241,583	(21,283)
Capital outlay	109,842	79,352	30,490
Total expenditures	<u>539,209</u>	<u>435,834</u>	<u>103,375</u>
Excess (deficiency) of revenue over expenditures	(43,209)	186,747	229,956
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfer out	<u>(27,000)</u>	<u>(27,000)</u>	<u>0</u>
Excess (deficiency) of revenue and other financing sources (uses) over expenditures	(70,209)	159,747	229,956
Fund balance - beginning	<u>485,806</u>	<u>562,541</u>	<u>76,735</u>
Fund balance - ending	<u>\$ 415,597</u>	<u>\$ 722,288</u>	<u>\$ 306,691</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, 2014

	ORIGINAL AND FINAL BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<u>REVENUE</u>			
Taxes			
Property taxes	\$ 225,000	\$ 231,767	\$ 6,767
Other revenues			
Interest	500	835	335
Equipment Sales	0	7,000	7,000
Total Revenues	<u>225,500</u>	<u>239,602</u>	<u>14,102</u>
<u>EXPENDITURES</u>			
General Government			
Capital outlay	159,535	167,295	(7,760)
Total Expenditures	<u>159,535</u>	<u>167,295</u>	<u>(7,760)</u>
Excess (deficiency) of revenues over expenditures	65,965	72,307	6,342
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfer in	30,000	30,000	0
Transfer out	(91,690)	(91,690)	0
Excess (deficiency) of revenues and other financing sources (uses) over expenditures	4,275	10,617	6,342
Fund balance - beginning	<u>141,225</u>	<u>136,891</u>	<u>(4,334)</u>
Fund balance - ending	<u>\$ 145,500</u>	<u>\$ 147,508</u>	<u>\$ 2,008</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, 2014

	ORIGINAL AND FINAL BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<u>REVENUES</u>			
Fines and forfeitures			
Legal service fee	\$ 0	\$ 0	\$ 0
Excess (deficiency) of revenue over expenditures	0	0	0
Fund balance - beginning	0	0	0
Fund balance - ending	\$ 0	\$ 0	\$ 0

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, 2014

	ORIGINAL AND FINAL BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<u>REVENUE</u>			
Fines			
Justice court fines	\$ 5,000	\$ 6,962	\$ 1,962
<u>EXPENDITURES</u>			
Judicial			
Services and supplies	15,000	5,696	9,304
Excess (deficiency) of revenues over expenditures	(10,000)	1,266	11,266
Fund Balance - beginning	23,151	35,547	12,396
Fund Balance - ending	\$ 13,151	\$ 36,813	\$ 23,662

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, 2014

	ORIGINAL AND FINAL BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<u>REVENUES</u>			
Fines and forfeits			
Drug court fees	\$ 600	\$ 370	\$ (230)
Excess of revenue over expenditures	600	370	(230)
Fund balance - beginning	8,364	8,523	159
Fund balance - ending	\$ 8,964	\$ 8,893	\$ (71)

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, 2014

	ORIGINAL AND FINAL BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>          </u>	<u>          </u>	<u>          </u>
<u>REVENUES</u>			
Taxes			
Property taxes	\$      46,000	\$      46,489	\$          489
 <u>EXPENDITURES</u>			
Welfare			
Services and supplies	<u>          268,500</u>	<u>          93,834</u>	<u>         174,666</u>
Excess (deficiency) of revenues over expenditures	(222,500)	(47,345)	175,155
Fund balance - beginning	<u>          270,256</u>	<u>          550,440</u>	<u>          280,184</u>
Fund balance - ending	<u>          \$      47,756</u>	<u>          \$     503,095</u>	<u>          \$     455,339</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 30,2014

	ORIGINAL AND FINAL BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<u>REVENUE</u>			
Charges for services			
Park fee	\$ 1,000	\$ 1,000	\$ 0
Other revenues			
Interest income	0	13	13
Total Revenues	<u>1,000</u>	<u>1,013</u>	<u>13</u>
<u>EXPENDITURES</u>			
Culture and recreation			
Services and supplies	<u>1,000</u>	<u>0</u>	<u>1,000</u>
Excess (deficiency) of revenues over expenditures	0	1,013	1,013
<u>OTHER FINANCING SOURCES (USES)</u>			
Prior period adjustment	<u>0</u>	<u>57,446</u>	<u>57,446</u>
Excess (deficiency) of revenue and other financing Sources (uses) over expenditures	0	58,459	58,459
Fund balance - beginning	<u>6,456</u>	<u>6,272</u>	<u>(184)</u>
Fund balance - ending	<u>\$ 6,456</u>	<u>\$ 64,731</u>	<u>\$ 58,275</u>

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

STOREY COUNTY, NEVADA  
MUTUAL AID SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2014

	ORIGINAL AND FINAL BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<u>REVENUES</u>			
Other revenues			
Fire suppression	\$ 177,000	\$ 308,502	\$ 131,502
 <u>EXPENDITURES</u>			
Public safety			
Salaries and wages	0	144,367	(144,367)
Benefits	0	19,343	(19,343)
Services and supplies	64,000	28,602	35,398
Capital outlay	113,000	116,649	(3,649)
Total Expenditures	177,000	308,961	(131,961)
Excess (deficiency) of revenues over expenditures	0	(459)	(459)
Fund balance - beginning	0	0	0
Fund balance - ending (deficit)	\$ 0	\$ (459)	\$ (459)

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, 2014

	ORIGINAL BUDGETED AMOUNTS	FINAL BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<u>REVENUE</u>				
Taxes				
Property taxes	\$ 336,000	\$ 336,000	\$ 345,095	\$ 9,095
Licenses and permits				
Various licenses	90,300	90,300	76,590	(13,710)
Fines				
Court fines	70,000	70,000	64,647	(5,353)
Other revenues				
Interest	500	500	5	(495)
Miscellaneous	33,500	33,500	58,169	24,669
Total Revenues	<u>530,300</u>	<u>530,300</u>	<u>544,506</u>	<u>14,206</u>
<u>EXPENDITURES</u>				
Public safety				
Salaries and wages	259,880	275,880	308,605	(32,725)
Employee benefits	195,953	195,953	194,399	1,554
Services and supplies	81,700	81,700	71,097	10,603
Capital outlay	10,000	10,000	4,252	5,748
Total Expenditures	<u>547,533</u>	<u>563,533</u>	<u>578,353</u>	<u>(14,820)</u>
Excess (deficiency) of revenues over expenditures	(17,233)	(33,233)	(33,847)	(614)
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfer in	56,000	72,000	56,000	(16,000)
Transfer out	(18,000)	(18,000)	(18,000)	0
Excess (deficiency) of revenues and other financing sources (uses) over expenditures	20,767	20,767	4,153	(16,614)
Fund balance - beginning	1,524	1,524	(96,211)	(97,735)
Fund balance - ending	<u>\$ 22,291</u>	<u>\$ 22,291</u>	<u>\$ (92,058)</u>	<u>\$ (114,349)</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, 2014

	ORIGINAL AND FINAL BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<u>REVENUES</u>			
Other revenues			
Refunds	\$ 0	\$ 13,828	\$ 13,828
<u>EXPENDITURES</u>			
Public Safety			
Services and supplies	20,000	9,219	10,781
Excess (deficiency) of revenue over expenditures	(20,000)	4,609	24,609
Fund balance - beginning	100,000	95,391	(4,609)
Fund balance - ending	\$ 80,000	\$ 100,000	\$ 20,000

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, 2014

	ORIGINAL AND FINAL BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<u>REVENUES</u>			
Taxes			
Property taxes	\$ 68,000	\$ 69,654	\$ 1,654
<u>EXPENDITURES</u>			
Welfare			
Services and supplies	68,000	58,286	9,714
Excess (deficiency) of revenues over expenditures	0	11,368	11,368
Fund balance - beginning	5,252	15,164	9,912
Fund balance - ending	\$ 5,252	\$ 26,532	\$ 21,280

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, 2014

	ORIGINAL AND FINAL BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<u>REVENUES</u>			
Charges for services			
Technology fees	\$ 52,050	\$ 70,717	\$ 18,667
Other revenues			
Interest income	300	412	112
Total revenues	<u>52,350</u>	<u>71,129</u>	<u>18,779</u>
<u>EXPENDITURES</u>			
General government			
Services and supplies	<u>115,500</u>	<u>98,947</u>	<u>16,553</u>
Excess (deficiency) of revenues over expenditures	(63,150)	(27,818)	35,332
Fund balance - beginning	<u>97,069</u>	<u>125,741</u>	<u>28,672</u>
Fund balance - ending	<u>\$ 33,919</u>	<u>\$ 97,923</u>	<u>\$ 64,004</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, 2014

	ORIGINAL AND FINAL BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<u>EXPENDITURES</u>			
General government			
Services and supplies	\$ 0	\$ 0	\$ 0
Excess (deficiency) of revenues over expenditures	0	0	0
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfer out	0	(101,018)	(101,018)
Excess (deficiency) of revenues and other financing sources (uses) over expenditures	0	(101,018)	(101,018)
Fund balance - beginning	98,599	101,018	2,419
Fund balance - ending	\$ 98,599	\$ 0	\$ (98,599)

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, 2014

	ORIGINAL AND FINAL BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>          </u>	<u>          </u>	<u>          </u>
<u>EXPENDITURES</u>			
General government			
Services and supplies	\$          0	\$          0	\$          0
	<u>          </u>	<u>          </u>	<u>          </u>
Excess (deficiency) of revenues over expenditures	0	0	0
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfer out	0	(11,660)	(11,660)
	<u>          </u>	<u>          </u>	<u>          </u>
Excess (deficiency) of revenues and other financing sources (uses) over expenditures	0	(11,660)	(11,660)
Fund balance - beginning	11,801	11,660	(141)
	<u>          </u>	<u>          </u>	<u>          </u>
Fund balance - ending	<u>\$      11,801</u>	<u>\$              0</u>	<u>\$      (11,801)</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, 2014

	ORIGINAL AND FINAL BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<u>REVENUES</u>			
Intergovernmental			
Federal grants	\$ 3,063,243	\$ 723,028	\$ (2,340,215)
State grants	33,000	132,857	99,857
Other	0	3,000	3,000
	<u>3,096,243</u>	<u>858,885</u>	<u>(2,237,358)</u>
Total Revenues			
<u>EXPENDITURES</u>			
General government - VCTC			
Services and supplies	0	25,441	(25,441)
Culture and recreation			
Services and supplies	33,000	3,717	29,283
Public safety			
Services and supplies	3,063,243	620,766	2,442,477
Intergovernmental - State			
Services and supplies	0	66,266	(66,266)
	<u>3,096,243</u>	<u>716,190</u>	<u>2,380,053</u>
Total Expenditures			
Excess (deficiency) of revenues over expenditures	0	142,695	142,695
Fund balance - beginning	<u>84,680</u>	<u>95,316</u>	<u>10,636</u>
Fund balance - ending	<u>\$ 84,680</u>	<u>\$ 238,011</u>	<u>\$ 153,331</u>

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

STOREY COUNTY, NEVADA  
 FIRE EMERGENCY SPECIAL REVENUE FUND  
 SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2014

	ORIGINAL AND FINAL BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<u>REVENUES</u>			
Other revenues	\$ 159,000	\$ 0	\$ (159,000)
Miscellaneous			
<u>EXPENDITURES</u>			
Public Safety			
Services and supplies	84,000	0	84,000
Capital outlay	75,000	0	75,000
Total Expenditures	<u>159,000</u>	<u>0</u>	<u>159,000</u>
Excess (deficiency) of revenue over expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Fund balance - beginning	<u>45,875</u>	<u>204,337</u>	<u>158,462</u>
Fund balance - ending	<u>\$ 45,875</u>	<u>\$ 204,337</u>	<u>\$ 158,462</u>

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

STOREY COUNTY, NEVADA  
 STABILIZATION SPECIAL REVENUE FUND  
 SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2014

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

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, 2014

	ORIGINAL AND FINAL BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<u>REVENUE</u>			
Fines and forfeitures	\$ 8,500	\$ 6,303	\$ (2,197)
<u>EXPENDITURES</u>			
Judicial			
Services and supplies	6,000	1,206	4,794
Excess (deficiency) of revenues over expenditures	2,500	5,097	2,597
Fund balance - beginning	20,721	26,325	5,604
Fund balance - ending	\$ 23,221	\$ 31,422	\$ 8,201

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, 2014

	ORIGINAL BUDGETED AMOUNTS	FINAL BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<u>EXPENDITURES</u>				
General government				
Capital outlay	\$ 5,000	\$ 305,001	\$ 415,772	\$ (110,771)
Debt service	0	7,600	0	7,600
Total expenditures	5,000	312,601	415,772	(103,171)
Excess (deficiency) of revenues over expenditures	(5,000)	(312,601)	(415,772)	(103,171)
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	0	118,420	110,820	(7,600)
Excess (deficiency) of revenues and other financing sources (uses) over expenditures	(5,000)	(194,181)	(304,952)	(110,771)
Fund balance - beginning	50,802	350,803	350,803	0
Fund balance - ending	\$ 45,802	\$ 156,622	\$ 45,851	\$ (110,771)

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, 2014

	ORIGINAL AND FINAL BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<u>REVENUES</u>			
Intergovernmental			
¼% Optional sales tax	\$ 154,000	\$ 231,011	\$ 77,011
<u>EXPENDITURES</u>			
General government			
Services and supplies	0	0	0
Excess (deficiency) of revenues over expenditures	154,000	231,011	77,011
<u>OTHER FINANCING SOURCES (USES)</u>			
Prior period adjustment	0	25,000	25,000
Excess (deficiency) of revenues and other financing sources (uses) over expenditures	154,000	256,011	102,011
Fund balance - beginning	1,263,105	1,926,796	663,691
Fund balance - ending	\$ 1,417,105	\$ 2,182,807	\$ 765,702

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, 2014

	ORIGINAL AND FINAL BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<b>EXPENDITURES</b>			
Culture and Recreation			
Capital Outlay	\$ 700,000	\$ 0	\$ 700,000
Excess (deficiency) of revenues over expenditures	(700,000)	0	700,000
<b><u>OTHER FINANCING SOURCES (USES)</u></b>			
Bond Proceeds	28,674	26,609	(2,065)
Debt Service			
Principal	(76,000)	(76,000)	0
Interest	(102,395)	(102,395)	0
Prior period adjustment	0	(25,000)	(25,000)
Excess (deficiency) of revenues and other financing sources (uses) over expenditures	(849,721)	(176,786)	672,935
Fund balance - beginning	1,137,848	1,376,570	238,722
Fund balance - ending	\$ 288,127	\$ 1,199,784	\$ 911,657

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, 2014

	ORIGINAL BUDGETED AMOUNTS	FINAL BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<u>OPERATING REVENUES</u>				
Sales of water	\$ 540,000	\$ 540,000	\$ 567,263	\$ 27,263
<u>OPERATING EXPENSES</u>				
Salaries and wages	129,265	135,265	119,693	15,572
Benefits	75,341	75,341	52,011	23,330
Services and supplies	236,050	236,050	182,390	53,660
Depreciation	110,000	110,000	104,204	5,796
Total Operating Expenses	<u>550,656</u>	<u>556,656</u>	<u>458,298</u>	<u>98,358</u>
Operating Income (Loss)	(10,656)	(16,656)	108,965	125,621
<u>NON-OPERATING REVENUE (EXPENSES)</u>				
Capital contributions	0	0	0	0
Interest earnings	2,000	2,000	5,686	3,686
Rents	12,000	12,000	12,000	0
Interest expense	(26,060)	(26,060)	(25,682)	378
Transfer in	0	6,000	0	(6,000)
Net Income (Loss)	<u>\$ (22,716)</u>	<u>\$ (22,716)</u>	<u>\$ 100,969</u>	<u>\$ 123,685</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 30,2014

	ORIGINAL BUDGETED AMOUNTS	FINAL BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>				
Cash In flows				
Sales of water	\$ 540,000	\$ 540,000	\$ 564,020	\$ 24,020
Cash Out flows				
Salaries and wages	(129,265)	(135,265)	(118,454)	16,811
Benefits	(75,341)	(75,341)	(51,748)	23,593
Services and supplies	(236,050)	(236,050)	(190,092)	45,958
Prepaid expenses	0	0	2,400	2,400
Net Cash Provided (Used) by Operating Activities	<u>99,344</u>	<u>93,344</u>	<u>206,126</u>	<u>112,782</u>
<u>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</u>				
Cash In flows				
Rent	12,000	12,000	12,000	0
Customer deposits	0	0	930	930
Net Cash Provided by Non Capital Financing Activities	<u>12,000</u>	<u>12,000</u>	<u>12,930</u>	<u>930</u>
<u>CASH FLOWS FROM CAPITAL AND RELATED ACTIVITIES</u>				
Cash In flows				
Transfer in	0	6,000	0	(6,000)
Capital contributed	0	0	22,143	22,143
Cash Out flows				
System upgrade	0	0	(29,000)	(29,000)
Capital outlay	(68,000)	(68,000)	(16,866)	51,134
Debt service	(28,491)	(28,491)	(28,491)	0
Interest expense	(26,060)	(26,060)	(38,377)	(12,317)
Net Cash Provided (Used) by Capital Related Activities	<u>(122,551)</u>	<u>(116,551)</u>	<u>(90,591)</u>	<u>25,960</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>				
Interest earnings	2,000	2,000	5,686	3,686
Net Increase (Decrease) in Cash	<u>(9,207)</u>	<u>(9,207)</u>	<u>134,151</u>	<u>143,358</u>
Cash - beginning	<u>887,355</u>	<u>887,355</u>	<u>1,063,605</u>	<u>176,250</u>
Cash - ending	<u>\$ 878,148</u>	<u>\$ 878,148</u>	<u>\$ 1,197,756</u>	<u>\$ 319,608</u>

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

STOREY COUNTY, NEVADA  
 VIRGINIA DIVIDE SEWER IMPROVEMENT DISTRICT ENTERPRISE FUND  
 SCHEDULE OF REVENUES AND EXPENSES - BUDGET AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2014

	ORIGINAL BUDGETED AMOUNTS	FINAL BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<u>OPERATING REVENUES</u>				
Sewer use fees	\$ 230,000	\$ 230,000	\$ 239,936	\$ 9,936
<u>OPERATING EXPENSES</u>				
Salaries and wages	74,156	78,156	66,517	11,639
Benefits	42,444	42,444	29,338	13,106
Services and supplies	87,100	87,100	76,080	11,020
Depreciation	40,000	40,000	47,982	(7,982)
Total Operating Expenses	243,700	247,700	219,917	27,783
Operating Income (Loss)	(13,700)	(17,700)	20,019	37,719
<u>NON OPERATING REVENUES (EXPENSE)</u>				
Interest income	500	500	837	337
Interest expense	(2,518)	(2,518)	(2,459)	59
Grant match	(93,000)	(93,000)	(34,972)	58,028
Transfer in	0	4,000	0	(4,000)
Net income (Loss)	\$ (108,718)	\$ (108,718)	\$ (16,575)	\$ 92,143

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, 2014

	ORIGINAL BUDGETED AMOUNTS	FINAL BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>				
Cash In Flows				
Sewer Fees	\$ 230,000	\$ 230,000	\$ 239,497	\$ 9,497
Cash Out Flows				
Salaries and wages	(74,156)	(78,156)	(66,968)	11,188
Benefits	(42,444)	(42,444)	(29,338)	13,106
Service and supplies	(87,100)	(87,100)	(74,879)	12,221
Net cash provided (used) by operating activities	26,300	(22,300)	68,312	46,012
<u>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</u>				
Cash Out Flows				
Capital Outlay	(5,000)	(5,000)	0	5,000
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>				
Cash In Flows				
Transfer in	0	4,000	0	(4,000)
Capital contributed by customers	0	0	1,500	1,500
Cash Out Flows				
Interest expense	(2,518)	(2,518)	(2,459)	59
Debt Service	(5,558)	(5,558)	(52,101)	(46,543)
Grant match	(93,000)	(93,000)	(34,972)	58,028
Net cash provided (used) by capital related financing activities	(101,076)	(97,076)	(88,032)	9,044
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>				
Interest income	500	500	836	336
Net increase (decrease) in cash	(79,276)	(79,276)	(18,884)	60,392
Cash - beginning	118,499	118,499	181,204	62,705
Cash - ending	\$ 39,223	\$ 39,223	\$ 162,320	\$ 123,097

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, 2014

	BALANCE JULY 1, 2013	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 2014
<u>STATE OF NEVADA FUND</u>				
Assets				
Cash	\$ 78,463	\$ 1,098,997	\$ 1,025,226	\$ 152,234
Liabilities				
Due Other Governments	\$ 78,463	\$ 1,098,997	\$ 1,025,226	\$ 152,234
<u>STOREY COUNTY SCHOOL DISTRICT</u>				
Assets				
Cash	\$ 5,102	\$ 3,524,989	\$ 2,784,433	\$ 745,658
Liabilities				
Due Other Governments	\$ 5,102	\$ 3,524,989	\$ 2,784,433	\$ 745,658
<u>STOREY COUNTY SCHOOL DISTRICT DEBT SERVICE</u>				
Assets				
Cash	\$ 985	\$ 679,702	\$ 536,128	\$ 144,559
Liabilities				
Due Other Governments	\$ 985	\$ 679,702	\$ 536,128	\$ 144,559
<u>DISTRICT ATTORNEY RESTITUTION FUND</u>				
Assets				
Cash	\$ 0	\$ 0	\$ 0	\$ 0
Liabilities				
Due Other Governments	\$ 0	\$ 0	\$ 0	\$ 0
<u>TOTAL - ALL FUNDS</u>				
Assets				
Cash	\$ 84,550	\$ 5,303,688	\$ 4,345,787	\$ 1,042,451
Liabilities				
Due Other Governments	\$ 84,550	\$ 5,303,688	\$ 4,345,787	\$ 1,042,451

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, 2014 AND 2013

	JUNE 30,	
	2014	2013
<u>GENERAL FIXED ASSETS</u>		
Land	\$ 460,009	\$ 387,759
Antique Furniture	75,000	75,000
Infrastructure	43,282,735	43,256,707
Construction in progress	2,244,377	2,229,317
Building and improvements	10,161,074	9,861,612
Machinery and equipment	7,336,856	6,890,249
Park Improvements	850,595	850,595
Total General Fixed Assets	<u>\$ 64,410,646</u>	<u>\$ 63,551,239</u>

INVESTMENTS IN GENERAL FIXED ASSETS  
BY SOURCE:

General Fund	\$ 11,796,211	\$ 11,587,961
Road Fund	45,666,215	45,582,227
Fire Fund	268,309	6,309
Virginia City Tourism Commission	622,481	622,481
Wildland Fire Protection Fund	3,015,443	2,710,274
Fourth Ward Trustee	1,579,368	1,579,368
Sheriff's Jail	1,462,619	1,462,619
Total Investment in General Fixed Assets	<u>\$ 64,410,646</u>	<u>\$ 63,551,239</u>

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, 2014

FUNCTION AND ACTIVITY GENERAL GOVERNMENT	LAND	ANTIQUE FURNITURE	CONSTRUCTION IN PROGRESS	BUILDING AND IMPROVEMENTS	PARK IMPROVEMENTS	MACHINERY AND EQUIPMENT	TOTAL
Commissioners	\$ 114,849			\$ 17,161		\$ 46,435	\$ 178,445
Clerk - Treasurers						38,660	38,660
Recorder - Auditor				4,897		80,627	85,524
Assessor						42,132	42,132
Building - Grounds	107,500	\$ 75,000		263,149		221,430	484,579
Virginia City Tourism Commission				346,870		93,111	622,481
Tri Payback	165,410			1,468,644			1,468,644
Other - Administrative	387,759		\$ 1,443,914	2,207,343		583,213	4,399,880
Total General Government		75,000	\$ 1,443,914	4,308,064	\$ 0	1,105,608	7,320,345
<b>JUDICIAL</b>							
Justice Court						4,090	4,090
District Attorney						77,203	77,203
Total Judicial	0	0	0	0	0	81,293	81,293
<b>PUBLIC SAFETY</b>							
Sheriff			490,693	1,946,845		1,165,849	3,603,387
Fire	72,250			196,059			268,309
Wildland Fire Protection				180,914		2,834,529	3,015,443
Emergency Management						439,119	439,119
Building Department	72,250	0	490,693	2,323,818	0	91,820	91,820
Total Public Safety		0	490,693	2,323,818	0	4,531,317	7,418,078
<b>HIGHWAY AND STREETS</b>							
	0	0	43,282,735	792,451	0	1,591,029	45,666,215
<b>CULTURE AND RECREATION</b>							
	0	0	309,770	2,736,741	850,595	27,609	3,924,715
Total General Fixed Assets	\$ 460,009	\$ 75,000	\$ 43,282,735	\$ 10,161,074	\$ 850,595	\$ 7,336,856	\$ 64,410,646

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, 2014

FUNCTION AND ACTIVITY	GENERAL FIXED ASSETS			GENERAL FIXED ASSETS	
	July 1, 2013	ADDITIONS	DELETIONS	TRANSFERS	June 30, 2014
<b>GENERAL GOVERNMENT</b>					
Commissioners	\$ 178,445				\$ 178,445
Clerk Treasurer	29,417	\$ 9,243			38,660
Recorder - Auditor	85,524				85,524
Assessor	42,132				42,132
Building - Grounds	399,471	85,108			484,579
Virginia City Tourism Commission	622,481				622,481
Tri Payback	1,468,644				1,468,644
Other - Administrative	4,321,858	78,022			4,399,880
Total General Government	7,147,972	172,373	\$ 0	\$ 0	7,320,345
<b>JUDICIAL</b>					
District Attorney	71,916	5,287			77,203
District Court	4,090				4,090
Total Judicial	76,006	5,287	0	0	81,293
<b>PUBLIC SAFETY</b>					
Sheriff	3,587,857	15,530			3,603,387
Fire	6,309	262,000			268,309
Wildland Fire Protection	2,710,274	305,169			3,015,443
Emergency Management	439,119				439,119
Building Department	91,820				91,820
Total Public Safety	6,835,379	582,699	0	0	7,418,078
<b>HIGHWAY AND STREETS</b>					
	45,582,227	83,988	0	0	45,666,215
<b>CULTURE AND RECREATION</b>					
	3,909,655	15,060	0	0	3,924,715
<b>Total General Fixed Assets</b>	\$ 63,551,239	\$ 859,407	\$ 0	\$ 0	\$ 64,410,646

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, 2014

COUNTY BONDS Revenue Bonds	DATE OF ISSUE	AMOUNT OF ISSUE	INTEREST RATE	BALANCE	PAYED	BALANCE	TERMS OF PAYMENT OF OUTSTANDING BALANCE
				JUNE 30, 2013	DURING YEAR	JUNE 30, 2014	
County of Storey Water Revenues Bonds of 1974 (Due United States of America Farmer's Home Administration)	6/26/1974	\$ 294,000	5%	\$ 15,000	\$ 15,000	\$ 0	Paid off 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%	\$ 816,000	\$ 39,000	\$ 777,000	\$ 41,000 December 1, 2014 \$ 43,000 December 1, 2015 \$ 45,000 December 1, 2016 \$ 47,000 December 1, 2017 \$ 49,000 December 1, 2018 \$ 51,000 December 1, 2019 \$ 53,000 December 1, 2020 \$ 56,000 December 1, 2021 \$ 58,000 December 1, 2022 \$ 61,000 December 1, 2023 \$ 64,000 December 1, 2024 \$ 67,000 December 1, 2025 \$ 69,000 December 1, 2026 \$ 73,000 December 1, 2027 with interest only paid on June 1 and principle and interest paid on December 1 of each year.
VIRGINIA CITY RAIL BOND Series 2010B (Tax Exempt) (Due Capital One Public Funding, LLC)	12/28/2010	\$ 859,000	5%	\$ 792,000	\$ 37,000	\$ 755,000	\$ 38,000 December 1, 2014 \$ 40,000 December 1, 2015 \$ 42,000 December 1, 2016 \$ 44,000 December 1, 2017 \$ 47,000 December 1, 2018 \$ 49,000 December 1, 2019 \$ 52,000 December 1, 2020 \$ 54,000 December 1, 2021 \$ 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.

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, 2014

	<u>DATE OF ISSUE</u>	<u>AMOUNT OF ISSUE</u>	<u>INTEREST RATE</u>	<u>BALANCE JUNE 30, 2013</u>	<u>PAID DURING YEAR</u>	<u>BALANCE JUNE 30, 2014</u>	<u>TERMS OF PAYMENT OF OUTSTANDING BALANCE</u>
<u>MEDIUM TERM LOAN</u>							
(7 yr) Due - Bank of America	12/20/2007	\$ 520,000	4.85%	\$ 148,551	\$ 148,551	\$ 0	Paid off 2013/14 fiscal year
(5yr.) Due Doan Eggenberger Family Trust	3/2/2012	\$ 330,000	6%	\$ 280,000	\$ 50,000	\$ 230,000	Note to be paid semi-annually March 20, and September 20, for a period not to exceed 5 years.
<u>WATER REVENUE BOND - SERIES 1998</u>							
<u>U.S.D.A. - Rural Development Loan</u>	1/28/1997	\$ 714,000	4 1/2%	\$ 547,555	\$ 13,491	\$ 534,064	\$ 38,801 Fiscal Years 6/30/15-6/30/2037 with interest only paid on July 1, and interest and principal paid on January 1.
<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)	11/1/1981	\$ 138,000	5%	\$ 52,101	\$ 52,101	\$ 0	Paid off June, 2014
<u>USDA SEWER REVENUE BOND</u>							
Virginia City Highlands Property Owners Association	7/1/2013	\$ 3,000,200	1.56%	\$ 0	\$ 0	\$ 3,000,200	Interest only December 1, 2014 June 1, 2015 All due January 30, 2016
<u>MEDIUM TERM LOAN</u>							
Virginia City Highlands Property Owners Association	6/26/13	\$ 250,000	.95%	\$ 250,000	\$ 50,000	\$ 200,000	\$50,000 Annually June 30, 2015 June 30, 2016 June 30, 2017 June 30, 2018

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

To the Honorable Board of County Commissioners  
Storey County, Nevada

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Storey County, Nevada, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise Storey County, Nevada's basic financial statements, and have issued our report thereon dated October 31, 2014.

**Internal Control Over Financial Reporting**

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

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

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

**Compliance and Other Matters**

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

### **Purpose of this Report**

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



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

October 31, 2014

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

To The Honorable Board of County Commissioners  
Storey County, Nevada

We have reviewed the status of our recommendations included in last year's audit report dated September 6, 2013. This review indicated:

1. We recommended monitoring expenditures to prevent exceeding budgeted amounts. This was partially implemented during the fiscal year 2014.
2. We recommended more care be taken in the recording of cash receipts. This was implemented during the fiscal year 2014.
3. We recommend expenditures over \$10,000 in the Fire Special Revenue Fund be approved by the County Manager or Comptroller. This was partially implemented during the fiscal year 2014.
4. We recommended care should be taken in the assignment of funds and account numbers prior to recording the liabilities in the accounting records. This was partially implemented during the fiscal year 2014..
5. We recommended account names in the Federal/State Grant Fund be reviewed and adjusted to further differentiate the Federal and State grant revenues and expenditures. This was partially implemented during the fiscal year 2014.
6. We recommended bank reconciliations be balanced to the general ledger, as well as be reviewed and approved by the Comptroller on a monthly basis. This was implemented during the fiscal year 2014.
7. We recommended adjusting beginning cash balances at July 1, 2013, either through loans or transfers, in order to eliminate the deficit cash balances in the Fire and Jail Building Funds. This was not implemented during the fiscal year 2014.



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

October 31, 2014

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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, 2014, and have issued our report thereon dated October 31, 2014. 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 October 31, 2014, on the financial statements of Storey County, Nevada.

**Current Years Audit Recommendations**

1. We recommend monitoring expenditures to prevent exceeding budgeted amounts as expenditures exceeded appropriations in five Special Revenue Fund. Three Special Revenue Funds also had a deficit fund balance.
2. We recommend more care be taken in the recording of revenue. There were numerous instances where revenue was recorded in expenditure accounts.
3. Based upon the amount expenditures exceeded appropriations in almost every category in the Fire and Sheriff Jail Special Revenue Funds, we recommend expenditures over \$10,000 be approved by the County Manager or Comptroller.
4. Continued care should be taken in the assignment of funds and account numbers prior to recording the liabilities in the accounting records. Certain expenditures appear to be more correctly charged to the special revenue funds than the general fund.
5. We recommend account names in the Federal/State Grant Fund be reviewed and adjusted to further differentiate the Federal and State grant revenues and expenditures.
6. We recommend adjusting beginning cash balances at July 1, 2014, either through loans or transfers, in order to eliminate the deficit cash balances in the Fire and Jail Building Funds.
7. We recommend more care be taken in recording journal entries as we found numerous duplicate entries.
8. We recommend double checking accounts after journal entries have been made to ensure the correct accounts have been affected and the correct amounts has been recorded in each account.
9. We recommend a cut off date of August 15 be established and strictly enforced for all payables, receivables, and journal entries by any government employee to prevent complications with the audit.

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

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

October 31, 2014

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

To The Honorable County Commissioners,  
Storey County, Nevada

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

We have audited Storey County, Nevada's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Storey County, Nevada's major federal programs for the year ended June 30, 2014. 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.

**Management's Responsibility**

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

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of Storey County, Nevada's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance 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 on compliance for each major federal program. However, our audit does not provide a legal determination of Storey County, Nevada's compliance.

**Opinion on Each Major Federal Program**

In our opinion, Storey County, Nevada complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2014.

**Report on Internal Control Over Compliance**

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

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

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

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

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



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

October 31, 2014

STOREY COUNTY, NEVADA  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 FOR THE YEAR ENDED JUNE 30, 2014

<u>FEDERAL GRANTOR/PROGRAM/GRANT DESCRIPTION</u>	<u>FEDERAL CFA NUMBER</u>	<u>FEDERAL AWARD AMOUNT</u>	<u>RECEIPTS</u>	<u>DISBURSEMENTS</u>	<u>MATCH AMOUNT</u>	<u>PASS-THROUGH ENTITY/ IDENTIFYING NUMBER</u>
Department of Agriculture Forest Service Cooperative Forestry Assistance Storey County Fuel Management	10.664	\$ 252,291	\$ 252,235	\$ 247,757	\$ 173,480	Nevada Division of Forestry/ USDA/SFA/13/11
Department of Agriculture Forest Service Cooperative Forestry Assistance Six Mile and Lousetown Fuel Reduction	10.664	115,465	115,060	114,970	none	Nevada Division of Forestry/ USDA/SFA/14/10
Department of Agriculture Water and Waste Disposal Loans and Grants USDA Bond	10.770	2,990,200	2,990,200	81,755	none	none
Office of the Chief of Engineers ARRA - Nevada Environmental Infrastructure USACE Waste Water	12.121	150,000,000	81,183	60,828	31,972	none
Office of Community Planning and Development Community Development Block Grant VC Pool Rehab	14.228	152,000	91,356	961	none	Nevada Governor's Office of Economic Development/12/PF/18
Office of Community Planning and Development Community Development Block Grant Rural NV Continuum	14.228	40,000	10,055	428	none	Nevada Governor's Office of Economic Development/12/PCB/19
Office of Community Planning and Development Community Development Block Grant CDBG RSVP	14.228	63,150	20,680	23,447	none	Nevada Governor's Office of Economic Development/CDBG RSVP
Department of the Interior Historic Preservation Fund Grants-in-aid Historic Preservation	15.904	40,000	42,246	43,119	21,497	State of Nevada Historic Preservation Office /32-12-41935(8)
Department of Justice Violence Against Women Formula Grants STOP	16.017/16.588	20,000	10,917	0	0	Office of the Attorney General/ STOP
Federal Highway Administration Highway Research and Development Program Streetscape	20.205	709,963	82	0	0	State of Nevada Department of Transportation/PR240-09-063

STOREY COUNTY, NEVADA  
 SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE  
 FOR THE YEAR ENDED JUNE 30, 2014

<u>FEDERAL GRANTOR/ PROGRAM/GRANT DESCRIPTION</u>	<u>FEDERAL CFDA NUMBER</u>	<u>FEDERAL AWARD AMOUNT</u>	<u>RECEIPTS</u>	<u>DISBURSEMENTS</u>	<u>MATCH AMOUNT</u>	<u>PASS-THROUGH ENTITY/ IDENTIFYING NUMBER</u>
National Highway Traffic Safety Administration State and Community Highway Safety Radar Units Grants	20.600	3,980	0	3,980	820	Nevada Department of Public Safety/ LFD-2014-STCSO-00006
Pipeline and Hazardous Materials Safety Administration Interagency Hazardous Material Public Sector Training and Planning Grants HMEP Planning	20.703	5,850	5,850	5,850	none	State of Nevada Emergency Response Commission/ 14-HMEP-15-01
Pipeline and Hazardous Materials Safety Administration Interagency Hazardous Material Public Sector Training and Planning Grants Hazmat Training	20.703	1,950	1,950	1,950	none	State of Nevada Emergency Response Commission/ 13-HMEP-15-01
Administration for Children and Families Community Services Block Grant Childcare	93.569	63,434	61,777	61,777	none	Nevada Department of Health and Human Services/959.04
Department of Homeland Security Emergency Management Performance Grants Salaries	97.042	20,645	20,645	20,645	none	Nevada Department of Public Safety/ FY14EMPG
Department of Homeland Security Assistance to Firefighters Grant Safer PPE	97.044	1,285,998	12,000	12,000	none	none
Department of Homeland Security Assistance to Firefighters Grant Fire Alarm Grant	97.044	39,256	15,337	14,411	2,066	none
Department of Homeland Security Homeland Security Grant Program Emergency Managers Workshops	97.067	2,960	2,301	2,301	none	Nevada Department of Public Safety/ DHS FFY12
Department of the Treasury, Internal Revenue Service V&T Railroad Project Bond Series 2010 (RZEDB)	8038-CP	890,000	26,609	102,395	none	none
Total Cash Disbursements				<u>\$ 798,574</u>		

STOREY COUNTY, NEVADA  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 YEAR ENDED JUNE 30, 2014

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: unqualified

Internal control over financial reporting:

Material weakness identified?  yes  no

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

Noncompliance material to financial statements noted?  yes  no

Federal Awards

Internal Control over major program:

Material weakness identified?  yes  no

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

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

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

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program</u>
12.121	Nevada Environmental Infrastructure - ARRA (Type B)
10,664	Cooperative Forestry Assistance (Type A)

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

Auditee qualified as low-risk auditee?  yes  no

SECTION II - FINANCIAL STATEMENT FINDINGS

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

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

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

STOREY COUNTY, NEVADA  
NOTES TO SCHEDULE OF EXPENDITURES  
OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2014

NOTE A - BASIS OF PRESENTATION

The accompany schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of Storey County, Nevada under programs of the federal government for the year ended June 30, 2014. The information in this Schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. The Schedule presents only a selected portion of the operations of Storey County, Nevada, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Storey County, Nevada.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE C - MATCH AMOUNTS

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

