

Audit Report

STOREY COUNTY, NEVADA

June 30, 2016

STOREY COUNTY, NEVADA
TABLE OF CONTENTS
JUNE 30, 2016

	<u>Page</u>
FINANCIAL SECTION	
Independent Auditor's Report on Restated Financial Statements	1
Management's Discussion and Analysis	3
Basic Financial Statements	
Government-wide Financial Statements	
Statement of Net Position	9
Statement of Activities	10
Fund Financial Statements:	
Governmental Funds	
Balance Sheet	12
Reconciliation of the Governmental Funds	
Balance Sheet to the Statement of Net Assets	14
Statement of Revenues, Expenditures and Changes in Fund Balances	15
Reconciliation of the Statement of Revenues, Expenditures and	
Changes in Fund Balances of the Governmental Funds to the	
Statement of Activities	17
Statement of Revenues, Expenditures, and Changes in Fund	
Balances - Budget and Actual	
General Fund	18
Road Fund	23
474 Fire Protection District Fund	24
Tri Payback Fund	25
USDA Bond Fund	26
Virginia City Tourism Commission	27
Business Type Activities, Proprietary Funds	
Statement of Net Assets	28
Statement of Revenues, Expenditures and Changes in Net Assets	29
Statement of Cash Flows	30
Fiduciary Funds	
Statement of Net Assets	31
Notes to Financial Statements	32
Supplementary information:	45
Combining Balance Sheet - Nonmajor Governmental Funds	46
Combining Statement of Revenues, Expenditures and Changes in	
Fund Balances - Nonmajor Governmental Funds	49
Statement of Revenues, Expenditures and Changes in Fund Balance	
Budget and Actual	
Special Revenue Funds:	
Equipment Acquisition	52
Justice Court Fees	53
Drug Court	54
Indigent Medical Fund	55
Park Tax	56
Mutual Aid	57
Jail Building	58
Emergency Mitigation	59
Indigent Accident	60
Technology	61
Federal Grants	62
Fire Emergency	63
Stabilization	64
Genetic Marker Testing	65
Capital Projects Funds	
Capital Projects	66

STOREY COUNTY, NEVADA
TABLE OF CONTENTS
JUNE 30, 2016

	<u>Page</u>
FINANCIAL SECTION (cont'd.)	
Infrastructure Capital Projects Fund	67
Virginia City Rail Project	68
Enterprise Funds:	
Water System Fund	
Revenues and Expenses	69
Cash Flows	70
Virginia Divide Sewer Improvement District	
Revenues and Expense	71
Cash Flows	72
Fiduciary Fund Types:	
Combining Statement of Assets and Liabilities	
All Agency Funds	73
Comparative Schedules of General Fixed Assets	
By Source	74
By Function and Activity	75
Schedule of Changes by Function and Activity	76
Schedule of General Obligation Bonds	77
Schedule of Employers Share of Net Pension Liability	79
Schedule of Storey County Abatement Agreements	80
COMPLIANCE SECTION	
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	81
Auditors Report On Prior Year's Recommendations	83
Auditors Report On Current Year's Recommendations	84

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Board of County Commissioners
Storey County, Nevada

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Storey County, Nevada, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise Storey County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Storey County as of June 30, 2016, 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.

Change in Accounting Principle

In 2016 the County adopted new accounting guidance, GASB No. 68, *Accounting and Financial Reporting for Pensions*, GASB Statement No 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date* and GASB Statement No. 77, *Tax Abatement Disclosures*, which has resulted in a restatement of the net position as of June 30, 2016. Our opinion is not modified with respect to this matter.

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 49-72 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.

Other Reporting Required by Government Audition Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 21, 2016, on our consideration of Storey County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing on internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Audition Standards* in considering Storey County's internal control over financial reporting and compliance.



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

November 21, 2016

COUNTY OF STOREY, STATE OF NEVADA
MANAGEMENT DISCUSSION AND ANALYSIS

As management of Storey County, State of Nevada, we offer readers of Storey County's financial statements this overview and analysis of Storey County for the fiscal year ended June 30, 2016.

FINANCIAL HIGHLIGHTS

- The assets of Storey County exceeded its liabilities by \$26,004,000.
- The County's unrestricted net assets decreased \$12,800,00 (see notes).
- At June 30, 2016, the unreserved fund balance for the general fund was \$8,600,000.
Storey County's bonded debt at June 30, 2016 was \$6,980,000 which was \$3,458,000 in revenue bonds of the County's Enterprise Funds, Medium term (7 yr.) General obligation loans of \$272,000, Virginia City Rail Bonds of \$1,370,000 and \$1,880,000 bond of the Storey County Fire Protection District.

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-three 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 seventeen 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 68 of this report.

STOREY COUNTY, NEVADA
NET ASSETS

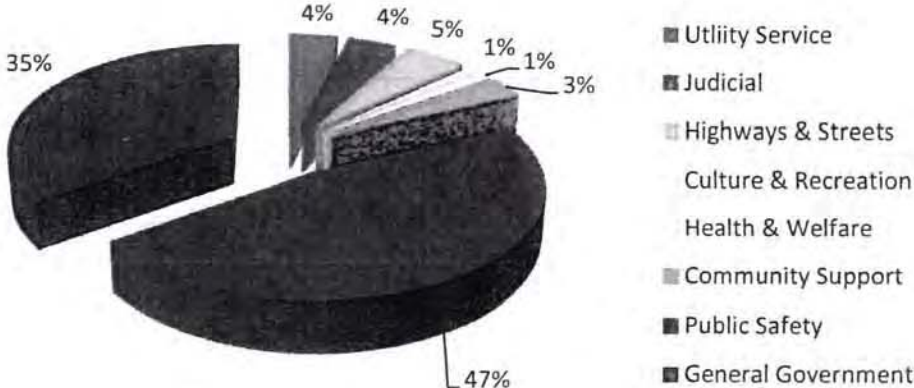
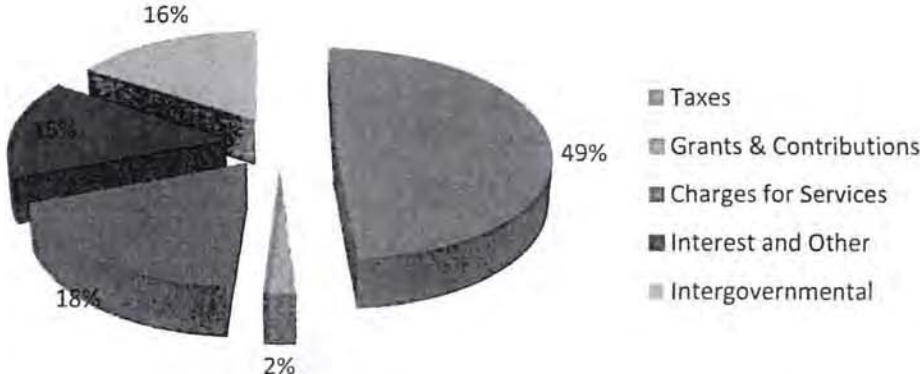
	Governmental Activities June 30, 2016	Business Type Activities June 30, 2016	Total June 30, 2016
Current and other Assets	\$ 24,097,000	\$ 2,011,000	\$ 26,108,000
Capital Assets	52,935,000	10,804,000	63,739,000
Deferred Inflows	<u>369,000</u>	<u> </u>	<u>369,000</u>
Total Assets	<u>\$ 77,401,000</u>	<u>\$ 12,815,000</u>	<u>\$ 90,216,000</u>
Long Term Liabilities			
Outstanding	\$ 43,315,000	\$ 3,399,000	\$ 46,714,000
Current Liabilities	2,321,000	131,000	2,452,000
Deferred Inflows	<u>14,897,000</u>	<u>150,000</u>	<u>15,047,000</u>
Total Liabilities	<u>\$ 60,533,000</u>	<u>\$ 3,680,000</u>	<u>\$ 64,213,000</u>
 NET ASSETS			
Invested in Capital			
Assets, Net of Related Debt	\$ 9,980,000	\$ 7,345,000	\$ 17,325,000
Unrestricted	<u>6,888,000</u>	<u>1,790,000</u>	<u>8,678,000</u>
Total Net Assets	<u>\$ 16,868,000</u>	<u>\$ 9,135,000</u>	<u>\$ 26,003,000</u>

STOREY COUNTY, NEVADA
CHANGES IN NET ASSETS

	Governmental Activities <u>June 30, 2016</u>	Business Type Activities <u>June 30, 2016</u>	Total <u>June 30, 2016</u>
REVENUES:			
Program Revenues:			
Charges For Services	\$ 5,600,000	\$ 994,000	\$ 6,594,000
Operating Grants and Contributions	10,000	8,000	18,000
Capital Grants and Contributions	665,000		665,000
General Revenues:			
Taxes	11,815,000		11,815,000
Intergovernmental	3,916,000		3,916,000
Bond proceeds	12,000		12,000
Other	1,332,000	54,000	1,386,000
Prior period adjustment	<u>5,000</u>	<u> </u>	<u>5,000</u>
Total Revenues	<u>\$ 23,355,000</u>	<u>\$1,056,000</u>	<u>\$24,411,000</u>
EXPENSES:			
General Government	5,644,000		5,644,000
Public Safety	10,535,000		10,535,000
Judicial	959,000		959,000
Health and Welfare	219,000		219,000
Culture and Recreation	139,000		139,000
Community Support	692,000		692,000
Highways & Streets	633,000		633,000
Water and Sewer	<u>0</u>	<u>859,000</u>	<u>859,000</u>
Total Expenses	<u>18,821,000</u>	<u>859,000</u>	<u>19,680,000</u>
Deferred Outflows	<u>(14,897,000)</u>	<u>(150,000)</u>	<u>(15,047,000)</u>
Changes In Net Assets	(10,363,000)	47,000	(10,316,000)
Net Assets - beginning	<u>27,231,000</u>	<u>9,089,000</u>	<u>36,320,000</u>
Net Assets - ending	<u>\$ 16,868,000</u>	<u>\$ 9,136,000</u>	<u>\$26,004,000</u>

Revenues in the General Fund were \$14,100,000 which was \$1,600,000 more than the amount budgeted. Actual revenue exceeded budgeted amounts in all budget categories except taxes and fines and forfeits. Actual expenditures were \$10,888,000, which was \$791,000 less than appropriations for the year. Overall, the total ending fund balance was \$8,600,000 which is \$2,700,000 more than budgeted. Of the \$8,600,000 ending fund balances \$6,455,000 was designated as an opening fund balance on July 1, 2016 and \$0 was reserved on July 1, 2016.

PERCENT TOTALS - ALL FUNDS



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Business Type Activities. Business-type activities increased Storey County's net assets by \$196,000. Depreciation expense for the current fiscal year was \$160,000.

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, 2016. The budget statements reflect a comparison of budgeted revenues and expenditures to actual for the year ended June 30, 2016. 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 \$1,600,000, leaving a fund balance of \$6,000,000.

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, 2016 amounts to \$63,739,000 (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, 2016

	Governmental Activities <u>June 30, 2016</u>	Business Type Activities <u>June 30, 2016</u>	Total <u>June 30, 2016</u>
Land	\$ 689,000		\$ 689,000
Antique Furniture	75,000		75,000
Construction in Process	663,000		663,000
Buildings and Improvements	7,281,000		7,281,000
Improvements other than Buildings	2,320,000		2,320,000
Machinery and Equipment	5,719,000		5,841,000
Sewer and Water systems Infrastructure	<u>36,188,000</u>	\$ 122,000	10,682,000
		<u>10,682,000</u>	<u>36,188,000</u>
Total	<u>\$ 52,935,000</u>	<u>\$ 10,804,000</u>	<u>63,739,000</u>

Tesla Motors:

On November 20, 2014, The Nevada Governors Office of Economic Development (GOED) gave final approval for the tax incentives and abatements 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 Nevada. See note relating to the tax abatement disclosures.

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

Hugh J. Gallagher,
Comptroller

STOREY COUNTY, NEVADA
STATEMENT OF NET POSITION
JUNE 30, 2016

	<u>GOVERNMENTAL</u> <u>ACTIVITIES</u>	<u>BUSINESS-TYPE</u> <u>ACTIVITIES</u>	<u>TOTAL</u>
<u>ASSETS</u>			
Cash	\$ 23,105,414	\$ 1,918,283	\$ 25,023,697
Accounts receivables (net allowance)	844,721	92,831	937,552
Taxes receivable	131,180		131,180
Inventory	15,303		15,303
Capital assets - net of accumulated depreciation			
Land	689,098		689,098
Antique furniture	75,000		75,000
Construction in progress	662,705		662,705
Buildings and improvements	7,281,258		7,281,258
Improvements other than buildings	2,319,737		2,319,737
Utility system		10,804,331	10,804,331
Machinery and equipment	5,719,209		5,719,209
Infrastructure	36,188,084		36,188,084
Deferred outflows			
Deferred outflows	369,486		369,486
Total Assets	<u>\$ 77,401,195</u>	<u>\$ 12,815,445</u>	<u>\$ 90,216,640</u>
<u>LIABILITIES AND FUND BALANCES</u>			
Accounts payable and other current liabilities	\$ 2,320,726	\$ 70,106	\$ 2,390,832
Non-current liabilities			
Bonds/Notes payable - due within one year	317,960	60,941	378,901
- due in more than one year	42,637,590	3,398,537	46,036,127
Compensated absences - due in more than one year	191,355		191,355
Other non-current liabilities	168,343		168,343
Deferred inflows - pension related	14,896,718	150,340	15,047,058
Total Liabilities	<u>\$ 60,532,692</u>	<u>\$ 3,679,924</u>	<u>\$ 64,212,616</u>
<u>NET ASSETS</u>			
Restricted reserve	\$ 17,830	\$ 51,915	\$ 69,745
Reserved other		19,771	19,771
Invested in capital assets - net of related debt	9,979,541	7,344,853	17,324,394
Unrestricted	6,871,132	1,718,982	8,590,114
Total Net Position	<u>\$ 16,868,503</u>	<u>\$ 9,135,521</u>	<u>\$ 26,004,024</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, 2016

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES		
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS
Primary government:				
Governmental activities:				
General government	\$ 5,643,954	\$ 4,106,821		
Public safety	10,535,249	1,311,166	\$ 10,426	\$ 664,610
Judicial	958,759	24,126		
Health and Welfare	218,979			
Culture and recreation	138,943	20,844		
Community support	691,930			
Highways and streets	632,828	137,532		
Total Governmental Activities	<u>18,820,642</u>	<u>5,600,489</u>	<u>10,426</u>	<u>664,610</u>
Business type activities:				
Water	539,898	617,396		
Sewer	319,957	376,920		
Total Business-Type Activities	<u>859,855</u>	<u>994,316</u>	<u>0</u>	<u>0</u>
Total Primary Government	<u>\$ 19,680,497</u>	<u>\$ 6,594,805</u>	<u>\$ 10,426</u>	<u>\$ 664,610</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, 2016

FUNCTIONS/PROGRAMS	NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS		
	GOVERNMENTAL ACTIVITIES	BUSINESS TYPE ACTIVITIES	TOTAL
Primary government:			
Governmental activities:			
General government	\$ (1,537,133)		\$ (1,537,133)
Public safety	(8,549,047)		(8,549,047)
Judicial	(934,633)		(934,633)
Health and Welfare	(218,979)		(218,979)
Culture and recreation	(118,099)		(118,099)
Community support	(691,930)		(691,930)
Highways and streets	(495,296)		(495,296)
Total Governmental Activities	(12,545,117)		(12,545,117)
Business type activities:			
Water		\$ 77,498	77,498
Sewer		56,963	56,963
Total Business-Type Activities	0	134,461	134,461
Total Primary Government	(12,545,117)	134,461	(12,410,656)
General revenues:			
Property Taxes	11,814,771		11,814,771
Various State Collected Pass-Through Revenues	3,915,642		3,915,642
Interest Earnings	144,473	32,233	176,706
Bond Proceeds	12,347		12,347
Miscellaneous Revenue	1,187,133	21,509	1,208,642
Capital Contributions and Grants	0	8,100	8,100
Total General Revenues	17,074,366	61,842	17,136,208
Other Adjustments:			
Prior period adjustment	4,550	491	5,041
Deferred inflows (Schedules)	(14,896,718)	(150,340)	(15,047,058)
Change in Net Position	(10,362,919)	46,454	(10,316,465)
Net Position - beginning	27,231,422	9,089,067	36,320,489
Net Position - ending	\$ 16,868,503	\$ 9,135,521	\$ 26,004,024

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

STOREY COUNTY, NEVADA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2016

	GENERAL	ROAD FUND	474 FIRE PROTECTION DISTRICT FUND	TRI-PAYBACK FUND	USDA BOND FUND
<u>ASSETS</u>					
Cash	\$ 9,734,674	\$ 1,248,890	\$ 1,581,258	\$ 2,020,563	\$ 29,017
Accounts receivable (net allowance)	331,906	99,975	269,888		
Taxes receivable	97,872		30,075		
Prepaid expenses	299,837				
Inventory					
Total Assets	<u>\$ 10,464,289</u>	<u>\$ 1,348,865</u>	<u>\$ 1,881,221</u>	<u>\$ 2,020,563</u>	<u>\$ 29,017</u>
<u>LIABILITIES AND FUND BALANCES</u>					
Liabilities					
Accounts payable	\$ 479,108	\$ 53,996	\$ 94,850		
Accrued expenses and deposits	438,191	32,775	353,047		
Deferred revenue	80,873		24,882		
Account payable - Tesla	660,152				
Note payable & Bond payable	171,965				
Total Liabilities	<u>1,830,289</u>	<u>86,771</u>	<u>472,779</u>		
<u>FUND BALANCES</u>					
Reserved - Debt Service			17,830		
Designated for future year's operations					
Unassigned reported in:					
General fund	8,634,000				
Capital projects funds					
Prior period adjustment					
Special revenue funds		1,262,064	1,390,612	\$ 2,020,563	\$ 29,017
Total Fund Balances	<u>8,634,000</u>	<u>1,262,064</u>	<u>1,408,442</u>	<u>2,020,563</u>	<u>29,017</u>
Total Liabilities and Fund Balances	<u>\$ 10,464,289</u>	<u>\$ 1,348,835</u>	<u>\$ 1,881,221</u>	<u>\$ 2,020,563</u>	<u>\$ 29,017</u>

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

STOREY COUNTY, NEVADA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2016

	<u>VCTC FUND</u>	<u>OTHER GOVERNMENTAL FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
<u>ASSETS</u>			
Cash	\$ 363,424	\$ 8,127,588	\$ 23,105,414
Accounts receivable (net allowance)	48,736	94,246	844,721
Taxes receivable		3,233	131,180
Prepaid expenses	69,649		369,486
Inventory	15,303		15,303
	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 497,112</u>	<u>\$ 8,225,067</u>	<u>\$ 24,466,104</u>
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities			
Accounts payable	\$ 51,945	\$ 162,692	\$ 842,591
Accrued expenses and deposits	13,360		837,373
Deferred revenue	59,928	2,660	168,343
Account payable - Tesla			660,152
Note payable & Bond payable			171,965
	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u>125,233</u>	<u>165,352</u>	<u>2,680,424</u>
<u>FUND BALANCES</u>			
Reserved - Debt Service			17,830
Designated for future year's operations			0
Unassigned reported in:			
General fund			8,634,000
Capital projects funds		5,261,755	5,261,755
Special revenue funds	371,879	2,797,960	7,872,095
	<u> </u>	<u> </u>	<u> </u>
Total Fund Balances	<u>371,879</u>	<u>8,059,715</u>	<u>21,785,680</u>
	<u> </u>	<u> </u>	<u> </u>
Total Liabilities and Fund Balances	<u>\$ 497,112</u>	<u>\$ 8,225,067</u>	<u>\$ 24,466,104</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, 2016

Total Fund Balance - government funds - page 13	\$ 21,785,680
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets net of related depreciation are not reported in the Governmental Funds financial statements because they are not current financial resources, but they are reported in the statement of net assets	52,935,091
Long term liabilities are not due and payable in the current period and therefore are not reported in the funds.	(42,955,550)
Deferred inflows - pension related are not due and payable in the current period and therefore are not reported in the funds.	<u>(14,896,718)</u>
Total Net Assets - governmental activities - page 9	<u>\$ 16,868,503</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, 2016

	GENERAL	ROAD FUND	474 FIRE PROTECTION DISTRICT FUND	TRI-PAYBACK FUND	USDA BOND FUND
REVENUES					
Taxes	\$ 8,750,682		\$ 2,679,287		
Licenses and permits	1,639,401		604,902		
Intergovernmental	1,556,624	\$ 519,478	851,878		
Charges for services	1,919,509	137,532	706,264		
Fines and forfeitures	3,288				
Miscellaneous	256,656	47,964	46,711	\$ 170,000	\$ 9,907
Total Revenues	<u>14,126,160</u>	<u>704,974</u>	<u>4,889,042</u>	<u>170,000</u>	<u>9,907</u>
EXPENDITURES					
Current:					
General government	4,364,633			574,145	
Public safety	4,671,195		5,003,131		1,650
Judicial	951,237				
Health and welfare	90,000				
Culture and recreation	107,317				
Community service	691,930				
Highways and streets		1,324,599			
Intergovernmental					
Debt Service	11,680				
Total Expenditures	<u>10,887,992</u>	<u>1,324,599</u>	<u>5,003,131</u>	<u>574,145</u>	<u>1,650</u>
Excess (deficiency) of revenues over expenditures	<u>3,238,168</u>	<u>(619,625)</u>	<u>(114,089)</u>	<u>(404,145)</u>	<u>8,257</u>
OTHER FINANCING SOURCES (USES)					
Transfers in		300,000		730,000	145,760
Transfers out	(1,015,000)		(170,000)		
Federal Grants			443,158		
Loan (payments) proceeds					
Bond proceeds					(86,819)
Other revenue					
Bond interest					(55,821)
Prior period adjustment	(237,850)				242,400
Total Other Financing Sources (Uses)	<u>(1,252,850)</u>	<u>300,000</u>	<u>273,158</u>	<u>730,000</u>	<u>245,520</u>
Net change in fund balance	1,985,318	(319,625)	159,069	325,855	253,777
Fund balance - beginning	<u>6,648,682</u>	<u>1,581,689</u>	<u>1,249,373</u>	<u>1,694,708</u>	<u>(224,760)</u>
Fund balance - ending	<u>\$ 8,634,000</u>	<u>\$ 1,262,064</u>	<u>\$ 1,408,442</u>	<u>\$ 2,020,563</u>	<u>\$ 29,017</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, 2016

	VCTC FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES			
Taxes		\$ 384,802	\$ 11,814,771
Licenses and permits	\$ 42,098		2,286,401
Intergovernmental	494,273	493,389	3,915,642
Charges for services	450,871	75,786	3,289,962
Fines and forfeitures		20,838	24,126
Miscellaneous	126,577	957,036	1,614,851
Total Revenues	<u>1,113,819</u>	<u>1,931,851</u>	<u>22,945,753</u>
EXPENDITURES			
Current:			
General government	1,199,653	1,873,842	8,012,273
Public safety		1,039,755	10,715,731
Judicial		35,013	986,250
Health and welfare		128,979	218,979
Culture and recreation		16,494	123,811
Community service			691,930
Highways and streets			1,324,599
Intergovernmental		3,698	3,698
Debt Service			11,680
Total Expenditures	<u>1,199,653</u>	<u>3,097,781</u>	<u>22,088,951</u>
Excess (deficiency) of revenues over expenditures	<u>(85,834)</u>	<u>(1,165,930)</u>	<u>856,802</u>
OTHER FINANCING SOURCES (USES)			
Transfers in			1,175,760
Transfers out		(160,760)	(1,345,760)
Federal Gramts			443,158
Loan (payments) proceeds		(225,153)	(311,972)
Bond proceeds		12,347	12,347
Other revenue		118,633	118,633
Bond interest			(55,821)
Prior period adjustment			4,550
Total Other Financing Sources (Uses)		<u>(254,933)</u>	<u>40,895</u>
Net change in fund balance	(85,834)	(1,420,863)	897,697
Fund balance - beginning	457,713	9,416,847	20,824,252
Fund balance - ending	<u>\$ 371,879</u>	<u>\$ 7,995,984</u>	<u>\$ 21,721,949</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, 2016

Net change in fund balances - governmental funds, page 16	\$	897,697
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 capital outlays exceeded depreciation.		3,161,952
Net long-term receipts and payments reported in governmental funds as expenditures		466,313
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		
Deferred inflows - pension related		(14,896,718)
Other		<u>7,837</u>
Change in net assets of governmental activities, page 11	\$	<u>(10,362,919)</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, 2016

	ORIGINAL BUDGETED AMOUNTS	FINAL BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES				
Taxes:				
Property	\$ 8,800,338	\$ 8,800,338	\$ 8,726,446	\$ (73,892)
Youth Services	23,000	23,000	24,236	1,236
Total Taxes	<u>8,823,338</u>	<u>8,823,338</u>	<u>8,750,682</u>	<u>(72,656)</u>
Licenses and permits:				
Merchandise licenses	200,000	200,000	152,108	(47,892)
Other licenses	77,800	77,800	78,361	561
Utility licenses	175,650	175,650	199,756	24,106
Franchise tax	65,000	65,000	89,630	24,630
Building permits & study	690,000	690,000	1,119,546	429,546
Total Licenses and Permits	<u>1,208,450</u>	<u>1,208,450</u>	<u>1,639,401</u>	<u>430,951</u>
Intergovernmental:				
Federal and state grants	40,292	40,292	16,459	(23,833)
Payment in lieu of taxes	36,000	36,000	40,517	4,517
State shared revenues:				
Cigarette tax	16,000	16,000	11,878	(4,122)
Liquor tax	5,500	5,500	5,373	(127)
Gaming licenses	131,500	131,500	138,484	6,984
Basic CCRT	500,000	500,000	462,338	(37,662)
Supplemental CCRT	450,000	450,000	493,774	43,774
Motor Vehicle Priviledge Tax	300,000	300,000	340,032	40,032
Real Property Transfer Tax	60,000	60,000	47,769	(12,231)
Total Intergovernmental	<u>1,539,292</u>	<u>1,539,292</u>	<u>1,556,624</u>	<u>17,332</u>
Charges for Services:				
Clerk Fees	8,000	8,000	5,973	(2,027)
Recorder fees	35,000	35,000	33,429	(1,571)
Assessor fees/commissions	190,000	190,000	221,806	31,806
Building department fees	6,000	6,000	13,643	7,643
District Court fees	16,000	16,000	11,468	(4,532)
Justice court fees	40,000	40,000	77,817	37,817
JOP Court Facility fee	6,000	6,000	6,770	770
Sheriffs fees	65,000	65,000	65,496	496
Swimming pool admissions/lessons	18,000	18,000	16,944	(1,056)
Park facilities fees	500	500	1,900	1,400
Import tonnage fees	468,000	468,000	487,613	19,613
IT Fees	20,000	20,000	22,763	2,763
Other fees - Tesla			785,037	785,037
BIA Housing			168,850	168,850
Total Charges for Services	<u>872,500</u>	<u>872,500</u>	<u>1,919,509</u>	<u>1,047,009</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, 2016

	ORIGINAL BUDGETED AMOUNTS	FINAL BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<u>REVENUES (cont'd.)</u>				
Fines and Forfeits:				
District fine	500	500		(500)
Juvenile fines/assessments	1,000	1,000	1,500	500
Chemical analysis fees	2,000	2,000	1,788	(212)
Total Fines and Forfeits	<u>3,500</u>	<u>3,500</u>	<u>3,288</u>	<u>(212)</u>
Miscellaneous:				
Rents	40,000	40,000	42,645	2,645
Penalties - Taxes			51,693	51,693
Penalties - Business Licenses			2,030	2,030
Interest	50,000	50,000	120,170	70,170
Tax settlement and sales	5,000	5,000	6,936	1,936
Other			33,182	33,182
Total Miscellaneous	<u>95,000</u>	<u>95,000</u>	<u>256,656</u>	<u>161,656</u>
Total Revenues	<u>12,542,080</u>	<u>12,542,080</u>	<u>14,126,160</u>	<u>1,584,080</u>
<u>EXPENDITURES</u>				
General Government				
Commissioners:				
Salaries and wages	329,876	352,341	350,872	1,469
Employee benefits	187,871	193,390	180,922	12,468
Capital outlay		5,000		5,000
Services and supplies	64,100	59,100	35,478	23,622
	<u>581,847</u>	<u>609,831</u>	<u>567,272</u>	<u>42,559</u>
Clerk Treasurer:				
Salaries and wages	187,532	189,720	192,590	(2,870)
Employee benefits	97,239	97,884	97,466	418
Services and supplies	76,250	133,550	123,901	9,649
Capital outlay	1,000	1,000	3,136	(2,136)
	<u>362,021</u>	<u>422,154</u>	<u>417,093</u>	<u>5,061</u>
Recorder:				
Salaries and wages	160,692	162,747	152,200	10,547
Employee benefits	75,305	75,911	69,475	6,436
Capital outlay			1,982	(1,982)
Services and supplies	59,400	59,700	42,245	17,455
	<u>295,397</u>	<u>298,358</u>	<u>265,902</u>	<u>32,456</u>
Assessor:				
Salaries and wages	243,918	245,973	249,339	(3,366)
Employee benefits	137,713	138,319	129,945	8,374
Capital outlay				
Services and supplies	40,850	40,850	40,733	117
	<u>422,481</u>	<u>425,142</u>	<u>420,017</u>	<u>5,125</u>
Administrative:				
Salaries and wages	100,357	136,474	137,477	(1,003)
Employee benefits	39,246	62,245	57,814	4,431
Services and supplies	946,400	951,150	759,665	191,485
Interest expense				
Capital outlay	14,000	14,000	6,967	7,033
	<u>1,100,003</u>	<u>1,163,869</u>	<u>961,923</u>	<u>201,946</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, 2016

EXPENDITURES	ORIGINAL BUDGETED AMOUNTS	FINAL BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
General Government (contd.)				
Building and Grounds:				
Salaries and wages	132,605	132,605	133,832	(1,227)
Employee benefits	75,946	75,946	63,108	12,838
Capital outlay			10,373	(10,373)
Services and supplies	198,500	198,500	147,174	51,326
	<u>407,051</u>	<u>407,051</u>	<u>354,487</u>	<u>52,564</u>
Planning Commission:				
Salaries and wages	154,129	154,129	125,238	28,891
Employee benefits	51,160	51,160	41,169	9,991
Services and supplies	76,800	76,800	19,132	57,668
	<u>282,089</u>	<u>282,089</u>	<u>185,539</u>	<u>96,550</u>
Service:				
Salaries and wages	152,447	152,447	151,999	448
Employee benefits	71,346	71,346	71,233	113
Capital outlay		3,000	3,900	(900)
Services and supplies	55,550	52,550	41,398	11,152
	<u>279,343</u>	<u>279,343</u>	<u>268,530</u>	<u>10,813</u>
Comptroller:				
Salaries and wages	222,946	222,946	231,752	(8,806)
Employee benefits	106,106	106,106	100,433	5,673
Capital outlay		2,000		2,000
Services and supplies	77,300	88,300	86,283	2,017
	<u>406,352</u>	<u>419,352</u>	<u>418,468</u>	<u>884</u>
Information technology:				
Salaries and wages	209,355	209,355	212,887	(3,532)
Employees benefits	113,807	113,807	105,895	7,912
Services and supplies	98,320	98,320	95,127	3,193
Capital outlay	91,050	91,050	91,493	(443)
	<u>512,532</u>	<u>512,532</u>	<u>505,402</u>	<u>7,130</u>
Total General Government	<u>4,649,116</u>	<u>4,819,721</u>	<u>4,364,633</u>	<u>455,088</u>
Judicial:				
District Attorney:				
Salaries and wages	290,344	293,614	285,386	8,228
Employee benefits	116,274	117,238	113,584	3,654
Services and supplies	125,575	165,575	160,423	5,152
Capital outlay	2,000	6,600	6,322	278
	<u>534,193</u>	<u>583,027</u>	<u>565,715</u>	<u>17,312</u>
District Court:				
Services and supplies	147,845	147,845	96,194	51,651
	<u>147,845</u>	<u>147,845</u>	<u>96,194</u>	<u>51,651</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, 2016

EXPENDITURES	ORIGINAL BUDGETED AMOUNTS	FINAL BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
Judicial (contd.)				
Justice of the Peace:				
Salaries and wages	163,573	165,475	166,044	(569)
Employee benefits	100,325	100,886	94,904	5,982
Services and supplies	22,850	22,850	28,380	(5,530)
	<u>286,748</u>	<u>289,211</u>	<u>289,328</u>	<u>(117)</u>
Total Judicial	<u>968,786</u>	<u>1,020,083</u>	<u>951,237</u>	<u>68,846</u>
Public Safety:				
Sheriff:				
Salaries and wages	1,770,935	1,757,609	1,753,255	4,354
Employee benefits	1,078,619	1,066,792	958,499	108,293
Services and supplies	315,000	363,500	474,417	(110,917)
Capital outlay	90,000	90,000	82,667	7,333
	<u>3,254,554</u>	<u>3,277,901</u>	<u>3,268,838</u>	<u>9,063</u>
Community Development				
Salaries and wages	333,598	333,598	353,724	(20,126)
Employee benefits	168,587	168,587	156,190	12,397
Capital outlay		31,000	30,608	392
Services and supplies	88,700	90,700	66,884	23,816
	<u>590,885</u>	<u>623,885</u>	<u>607,406</u>	<u>16,479</u>
Emergency Management:				
Salaries and wages	21,678	36,678	34,981	1,697
Employee benefits	18,599	23,399	20,519	2,880
Capital outlay	10,000	10,000	7,787	2,213
Services and supplies	8,900	8,900	8,579	321
	<u>59,177</u>	<u>78,977</u>	<u>71,866</u>	<u>7,111</u>
Communications				
Salaries and wages	468,284	468,284	462,127	6,157
Employee benefits	228,219	228,219	201,726	26,493
Services and supplies	88,200	88,200	56,870	31,330
Capital outlay			2,362	(2,362)
	<u>784,703</u>	<u>784,703</u>	<u>723,085</u>	<u>61,618</u>
Total Public Safety	<u>4,689,319</u>	<u>4,765,466</u>	<u>4,671,195</u>	<u>94,271</u>
Health and Human Service				
Salaries and wages	5,761	5,761	5,783	(22)
Employee benefits	2,678	2,678	2,499	179
Services and supplies	105,044	105,044	81,718	23,326
Total Health and Human Services	<u>113,483</u>	<u>113,483</u>	<u>90,000</u>	<u>23,483</u>
Culture and Recreation:				
Swimming Pools & Parks				
Salaries and wages	57,567	57,567	57,657	(90)
Employee benefits	13,527	13,527	11,016	2,511
Capital outlay			6,887	(6,887)
Services and supplies	92,800	92,800	31,757	61,043
Total Culture and Recreation	<u>163,894</u>	<u>163,894</u>	<u>107,317</u>	<u>56,577</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, 2016

	ORIGINAL BUDGETED AMOUNTS	FINAL BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
Community Service				
Salaries and wages	86,729	86,729	84,755	1,974
Employee benefits	32,536	32,536	29,949	2,587
Services and supplies	627,000	627,000	577,226	49,774
Total Community Support	<u>746,265</u>	<u>746,265</u>	<u>691,930</u>	<u>54,335</u>
Debt Service:				
Principle	36,601	36,601		36,601
Interest	13,399	13,399	11,680	1,719
Total Debt Service	<u>50,000</u>	<u>50,000</u>	<u>11,680</u>	<u>38,320</u>
Total Expenditures	<u>11,380,863</u>	<u>11,678,912</u>	<u>10,887,992</u>	<u>790,920</u>
Excess (Deficiency) of Revenue over Expenditures	<u>1,161,217</u>	<u>863,168</u>	<u>3,238,168</u>	<u>2,375,000</u>
Other Financing Sources (Uses)				
Transfers out	(1,015,000)	(1,015,000)	(1,015,000)	0
Contingency	(340,328)	(42,279)		42,279
Prior period adjustment			(237,850)	(237,850)
Total Other Financing Sources (Uses)	<u>(1,355,328)</u>	<u>(1,057,279)</u>	<u>(1,252,850)</u>	<u>(195,571)</u>
Net Change in Fund Balance	(194,111)	(194,111)	1,985,318	2,179,429
Fund balance - beginning	<u>6,161,235</u>	<u>6,161,235</u>	<u>6,648,682</u>	<u>487,447</u>
Fund balance - ending	<u>\$ 5,967,124</u>	<u>\$ 5,967,124</u>	<u>\$ 8,634,000</u>	<u>\$ 2,666,876</u>

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

STOREY COUNTY, NEVADA
ROADS SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30,2016

	ORIGINAL AND FINAL BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<u>REVENUE</u>			
Intergovernmental			
Gasoline tax	\$ 200,000	\$ 206,755	\$ 6,755
Supplemental CCRT	285,000	312,723	27,723
Charges for services			
Import tonnage fees	115,000	137,532	22,532
Other revenue			
Interest	5,000	21,090	16,090
Miscellaneous	1,000	26,874	25,874
Total Revenue	<u>606,000</u>	<u>704,974</u>	<u>98,974</u>
<u>EXPENDITURES</u>			
Highways and streets			
Salaries and wages	305,654	266,812	38,842
Employee benefits	130,552	115,521	15,031
Services and supplies	212,500	110,480	102,020
Capital outlay	1,050,120	831,786	218,334
Total Expenditures	<u>1,698,826</u>	<u>1,324,599</u>	<u>374,227</u>
Excess (deficiency) of revenues over expenditures	(1,092,826)	(619,625)	473,201
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers in	<u>300,000</u>	<u>300,000</u>	<u>0</u>
Excess (deficiency) of revenues and other financing sources over expenditures	(792,826)	(319,625)	473,201
Fund balance - beginning	<u>1,100,249</u>	<u>1,581,689</u>	<u>481,440</u>
Fund balance - ending	<u>\$ 307,423</u>	<u>\$ 1,262,064</u>	<u>\$ 954,641</u>

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

STOREY COUNTY, NEVADA
474 FIRE PROTECTION DISTRICT SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2016

	ORIGINAL BUDGETED AMOUNTS	FINAL BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUE				
Taxes				
Property	\$ 2,704,816	\$ 2,729,816	\$ 2,679,287	\$ (50,529)
Intergovernmental revenues				
Supplemental CCRT	762,130	762,130	851,878	89,748
Licenses and permits				
Ambulance program & license fees	534,467	648,167	604,902	(43,265)
Charges for services				
Fire/ambulance fees	272,000	272,000	374,262	102,262
Inspection fees	123,000	123,000	325,837	202,837
Special events	5,000	5,000	6,165	1,165
Other revenue				
Miscellaneous - other	68,570	68,570	46,711	(21,859)
Total Revenues	<u>4,469,983</u>	<u>4,608,683</u>	<u>4,889,042</u>	<u>280,359</u>
EXPENDITURES				
Public Safety				
Salaries and wages	2,269,058	2,619,058	2,717,618	(98,560)
Employee benefits	1,266,943	1,498,801	1,599,292	(100,491)
Services and supplies	653,995	695,179	638,216	56,963
Capital outlay		60,116	48,005	12,111
Contingency	125,000	23,700		23,700
Total Expenditures	<u>4,314,996</u>	<u>4,896,854</u>	<u>5,003,131</u>	<u>(106,277)</u>
Excess (deficiency) of revenue over expenditures	154,987	(288,171)	(114,089)	174,082
OTHER FINANCING SOURCES (USES)				
Federal Grants		443,158	443,158	0
Transfer Out	(170,000)	(170,000)	(170,000)	0
Excess (deficiency) of revenue and other financing sources (uses) over expenditures	(15,013)	(15,013)	159,069	174,082
Fund balance - beginning	<u>287,322</u>	<u>287,322</u>	<u>1,249,373</u>	<u>962,051</u>
Fund balance - ending	<u>\$ 272,309</u>	<u>\$ 272,309</u>	<u>\$ 1,408,442</u>	<u>\$ 1,136,133</u>

The notes to financial statements are
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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, 2016

	ORIGINAL AND FINAL BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<u>REVENUES</u>			
Intergovernmental			
474 Fire District	\$ 170,000	\$ 170,000	\$ 0
<u>EXPENDITURES</u>			
General government			
Tri Payback	900,000	574,145	325,855
Excess (deficiency) of revenue over expenditures	(730,000)	(404,145)	325,855
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers in	730,000	730,000	0
Excess (deficiency) of revenue and other financing sources (uses) over expenditure	0	325,855	325,855
Fund balance - beginning	1,449,685	1,694,708	245,023
Fund balance - ending	<u>\$ 1,449,685</u>	<u>\$ 2,020,563</u>	<u>\$ 570,878</u>

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, 2016

	ORIGINAL AND FINAL BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<u>REVENUES</u>			
Miscellaneous			
Miscellaneous revenue		\$ 9,907	\$ 9,907
 <u>EXPENDITURES</u>			
Public safety			
Capital outlay		1,650	(1,650)
Excess (deficiency) of revenue over expenditures		8,257	8,257
 <u>OTHER FINANCING SOURCES (USES)</u>			
Bond proceeds			
Debt Service	\$ (112,317)	(86,819)	25,498
Interest	(152,327)	(55,821)	96,506
Transfer in	264,644	145,760	(118,884)
Excess (deficiency) of revenue and other financing sources (uses) over expenditure	0	11,377	11,377
Fund balance - beginning	0	(224,760)	(224,760)
Adjustment for bond proceeds relating to prior year's expenditures		242,400	242,400
Fund balance - ending	<u>\$ 0</u>	<u>\$ 29,017</u>	<u>\$ 29,017</u>

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

STOREY COUNTY, NEVADA
 VIRGINIA CITY TOURISM COMMISSION SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2016

	ORIGINAL BUDGETED AMOUNTS	FINAL BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES				
Licenses and permits				
Licenses - permits	\$ 45,800	\$ 49,000	\$ 42,098	\$ (6,902)
Intergovernmental				
Grant revenue	40,500	56,000	58,250	2,250
State licenses	3,000	15,000	2,762	(12,238)
Room tax	135,000	155,000	161,533	6,533
Tourism tax	160,000	290,000	271,728	(18,272)
Charges for services				
Special events	318,501	306,750	258,086	(48,664)
CAP service charge (net)	140,000	180,000	192,785	12,785
Miscellaneous				
Interest	750	500	932	432
Contributions	5,000	4,500	4,050	(450)
Miscellaneous	31,662	13,250	11,931	(1,319)
Sales - merchandise		80,000	109,664	29,664
Total Revenues	<u>880,213</u>	<u>1,150,000</u>	<u>1,113,819</u>	<u>(36,181)</u>
EXPENDITURES				
General government				
Salaries and wages	235,937	249,877	245,938	3,939
Benefits	112,837	124,143	122,552	1,591
Services and supplies	656,820	771,200	764,302	6,898
Capital outlay	17,500	51,500	66,861	(15,361)
Total Expenditures	<u>1,023,094</u>	<u>1,196,720</u>	<u>1,199,653</u>	<u>(2,933)</u>
Excess (deficiency) of revenues over expenditures	(142,881)	(46,720)	(85,834)	(39,114)
Fund balance - beginning	508,379	508,379	457,713	(50,666)
Fund balance - ending	<u>\$ 365,498</u>	<u>\$ 461,659</u>	<u>\$ 371,879</u>	<u>\$ (89,780)</u>

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

STOREY COUNTY, NEVADA
 PROPRIETARY FUNDS
 STATEMENT OF NET ASSETS
 JUNE 30, 2016

	BUSINESS-TYPE ENTERPRISE FUNDS		
	WATER SYSTEM	VIRGINIA DIVIDE SEWER	TOTAL
<u>ASSETS</u>			
Current Assets			
Cash	\$ 1,561,235	\$ 357,048	\$ 1,918,283
Accounts receivable (net allowance)	60,163	32,668	92,831
Total Current Assets	<u>1,621,398</u>	<u>389,716</u>	<u>2,011,114</u>
Noncurrent Assets			
Capital assets - net of accumulated depreciation	4,853,961	5,950,370	10,804,331
Total Assets	<u>\$ 6,475,359</u>	<u>\$ 6,340,086</u>	<u>\$ 12,815,445</u>
<u>LIABILITIES</u>			
Current Liabilities			
Accounts payable	\$ 18,045	\$ 7,711	\$ 25,756
Refundable deposits	15,550		15,550
Bonds payable - current portion	15,396	45,545	60,941
Accrued expenses	16,611	12,189	28,800
Total Current Liabilities	<u>65,602</u>	<u>65,445</u>	<u>131,047</u>
Long Term Liabilities			
Bonds payable - net of current portion	489,837	2,908,700	3,398,537
<u>NET ASSETS</u>			
Restricted reserve	39,036	12,879	51,915
Reserved - Short lived asset replacement		19,771	19,771
Invested in capital assets - net of related debt	4,348,728	2,996,125	7,344,853
Unassigned	1,532,156	337,166	1,869,322
Total Net Assets	<u>\$ 5,919,920</u>	<u>\$ 3,365,941</u>	<u>\$ 9,285,861</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, 2016

	BUSINESS-TYPE ENTERPRISE FUNDS		
	WATER SYSTEM	VIRGINIA DIVIDE SEWER	TOTAL
<u>OPERATING REVENUES</u>			
Charges for services	\$ 617,396	\$ 376,920	\$ 994,316
<u>OPERATING EXPENSES</u>			
Salaries and wages	144,024	79,197	223,221
Benefits	62,651	34,222	96,873
Services and supplies	203,286	78,584	281,870
Depreciation	106,217	53,292	159,509
Total Operating Expense	516,178	245,295	761,473
Operating Income (Loss)	101,218	131,625	232,843
<u>NONOPERATING REVENUES (EXPENSES)</u>			
Rent and miscellaneous	13,500	8,009	21,509
Interest income	27,428	4,805	32,233
Interest expense	(23,720)	(74,662)	(98,382)
Grants and capital contributions		8,100	8,100
Total Nonoperating Revenues (Expenses)	17,208	(53,748)	(36,540)
Change in net assets	118,426	77,877	196,303
Prior year adjustment	492	(1)	491
Net assets - beginning	5,801,002	3,288,065	9,089,067
Net assets - ending	<u>\$ 5,919,920</u>	<u>\$ 3,365,941</u>	<u>\$ 9,285,861</u>

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, 2016

	BUSINESS-TYPE ENTERPRISE FUNDS		
	WATER SYSTEM	VIRGINIA DIVIDE SEWER	TOTALS
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Cash Inflows			
Sales of water/sewer fees	\$ 609,667	\$ 375,080	\$ 984,747
Cash Outflows			
Salaries and wages	(149,800)	(77,490)	(227,290)
Salary costs	(65,127)	(33,490)	(98,617)
Services and supplies	(202,603)	(75,473)	(278,076)
Net Cash Provided (Used) by Operating Activities	<u>192,137</u>	<u>188,627</u>	<u>380,764</u>
<u>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</u>			
Cash Inflows			
Rent	13,500		13,500
Customer deposits	(7,270)		(7,270)
Capital outlay		(4,081)	(4,081)
Net Cash Provided by Non-Capital Financing Activities	<u>6,230</u>	<u>(4,081)</u>	<u>2,149</u>
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>			
Cash Inflows			
Other Revenue		8,009	8,009
Capital contributions	18,548	8,100	26,648
Cash Outflows			
Capital outlay and grant match		(74,662)	(89,395)
Debt service	(14,733)	(44,222)	(67,942)
Interest expense	(23,720)		(23,720)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(19,905)</u>	<u>(102,775)</u>	<u>(122,680)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Cash Inflows			
Interest earnings	27,428	4,805	32,233
Net Increase (Decrease) in Cash	205,890	86,576	292,466
Cash - beginning	1,355,345	270,472	1,625,817
Cash - ending	<u>\$ 1,561,235</u>	<u>\$ 357,048</u>	<u>\$ 1,918,283</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, 2016

	<u>AGENCY FUNDS</u>
<u>ASSETS</u>	
Cash and cash equivalents	<u>\$ 558,554</u>
<u>LIABILITIES</u>	
Due to other governments	<u>\$ 558,554</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, 2016

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.

Effective July 1, 2014, the Storey County Fire Protection District 474 was created by the Storey County Board of Commissioners. This entity supercedes the Fire, and Fire District Special Revenue Funds. The governing body of the new Fire Protection District 474 is the Board of County Commissioners and will be reported as a Special Revenue Fund.

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 Protection District 474 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 USDA Bonds to improve water and waste disposal in Storey County and purchase additional fire and ambulance equipment for the Fire Protection District 474.

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. The VCTC maintains an inventory of resale souvenir items which are presented at cost.

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

4. RESTRICTED ASSETS/AND RESERVED FUNDS

At June 30, 2016 the County had the following restricted fund balances: a) 474 Fire Protection District Fund - \$17,830 b) Virginia Divide Sewer Improvement District - \$ 12,879 and c) Water System Fund \$39,036 and Reserved Fund Balance - Virginia Divide Sewer District - \$19,771.

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 hours, 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

G. 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.

H. 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, 2015.

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 \$25,733,438 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 - \$49,773,139. Long term liabilities are not due and payable in the current period and therefore are not reported in the funds, \$43,429,695.
- 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 \$264,683 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 - \$984,785. Net long-term receipts and payments reported in governmental funds as expenditures \$733,977. 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 - \$13,875.

III. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. BUDGETARY INFORMATION

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

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

1. Prior to April 15, the County budget officer submits to the County Commissioners the tentative operating budgets (4) for the fiscal year commencing the following July 1. The operating budgets include proposed expenditures and the means of financing them.
2. The tentative budgets are filed with the State Department of Taxation by April 15.
3. A public hearing is conducted at the County Court House to obtain taxpayers comments. (3rd Monday in May)
4. The final budgets are adopted and filed with the State Department of Taxation. Final budgets must be certified by a majority of all members of the governing body. The final budgets must be adopted on or before June 1.
5. Budget amounts may be transferred within funds if the governing body is advised and the action is recorded in the official minutes of the next meeting. Revisions that alter the total expenditures of any fund must be approved by the County Commissioners. Budget revisions must also be filed with the State Department of Taxation.

6. Budgets for the General, Special Revenues, Debt Service, Proprietary, and Capital Projects Funds are adopted on a basis consistent with generally accepted accounting principles. (GAAP)
7. Budget augmentations were prepared for the general, various special revenue funds and enterprise funds during the fiscal year ended June 30, 2016.
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, 2016, expenditures exceeded appropriations as follows:

	<u>Expenditures</u>	<u>Appropriations</u>
474 Fire Protection District	\$ 5,003,131	\$ 4,896,854
USDA Bond Fund	1,650	0
Justice Court Special Revenue	27,820	23,639
Water System Enterprise	516,178	493,997
Mutual Aid Special Revenue	671,671	651,000
Federal Grants Special Revenue	388,276	106,780

C. DEFICIT FUND EQUITY

No County Funds incurred a deficit fund equity at June 30, 2016.

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. 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 \$119,519 and restricted reserved in all funds.

IV. CASH

At year end, the carrying amount of the bank balances was \$25,582,251. Of the bank balances \$1,000,000 was covered by federal depository insurance. Additionally \$8,220,221 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	\$ 1,000,000
2. Collateralized with securities held by The Nevada State Treasurer	8,220,221
3. Uncollateralized with the financial institution	16,359,609
4. Uncollateralized - cash on hand	<u>2,421</u>
	<u>\$ 25,582,251</u>

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

Major governmental funds	\$ 14,977,826
Non-major governmental funds	8,127,588
Business-type funds	<u>1,918,283</u>
	25,023,697
Fiduciary funds	<u>558,554</u>
Total	<u>\$ 25,582,251</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	474 Fire District	VCTC	Non-Major Funds	Proprietary Funds	Total
Receivables:							
Taxes	\$ 97,872		\$ 30,075		\$ 3,233		\$131,180
Accounts	<u>331,906</u>	<u>\$ 99,975</u>	<u>284,819</u>	<u>\$ 48,736</u>	<u>94,246</u>	<u>\$ 93,618</u>	<u>953,300</u>
Gross Receivables	429,778	99,975	314,894	48,736	97,479	93,618	1,084,480
Less: Allowance for uncollectibles	<u>0</u>	<u>0</u>	<u>(14,931)</u>	<u>0</u>	<u>0</u>	<u>(787)</u>	<u>(15,718)</u>
Total Net Receivables	<u>\$ 429,778</u>	<u>\$ 99,975</u>	<u>\$ 299,963</u>	<u>\$ 48,736</u>	<u>\$ 97,479</u>	<u>\$ 92,831</u>	<u>\$1,068,792</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	\$ 97,872
454 Fire District Fund	30,075
Non-major funds	<u>3,233</u>
Total	<u>\$131,180</u>

VI. CAPITAL ASSETS (INCLUDING VCTC FUND)

Capital asset activity for the year ended June 30, 2016 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Primary Government				
Governmental activities				
Capital assets not being depreciated				
Land	\$ 689,098			\$ 689,098
Antique Furniture	75,000			75,000
Construction in progress	<u>688,190</u>	<u>\$ 24,477</u>	<u>\$ (49,962)</u>	<u>662,705</u>
Total Capital assets not being depreciated	<u>1,452,288</u>	<u>24,477</u>	<u>(49,962)</u>	<u>1,426,803</u>
Capital assets being depreciated				
Buildings	9,735,644	337,103		10,072,747
Improvements other than buildings	2,741,571			2,741,571
Machinery and equipment	8,228,687	4,292,520	(77,855)	12,443,352
Infrastructure	<u>43,328,320</u>	<u>1,051,224</u>		<u>44,379,544</u>
Total capital assets being depreciated	<u>64,034,222</u>	<u>5,680,847</u>	<u>(77,855)</u>	<u>69,637,214</u>
Less accumulated depreciation for:				
Buildings	2,603,398	188,091		2,791,489
Improvements other than buildings	324,759	97,075		421,834
Machinery and equipment	6,119,428	604,715		6,724,143
Infrastructure	<u>6,665,786</u>	<u>1,525,674</u>		<u>8,191,460</u>
Total accumulated depreciation	<u>15,713,371</u>	<u>2,415,555</u>	<u>0</u>	<u>18,128,926</u>
Governmental activities capital assets - net	<u>\$49,773,139</u>	<u>\$ 3,289,769</u>	<u>\$ (127,817)</u>	<u>\$ 52,935,091</u>

Business type activities:			
Capital assets being depreciated			
Water and sewer system	\$13,085,738	\$ 4,684	\$13,090,422
Machinery and equipment	665,690	(604)	665,086
Total Capital assets being depreciated	<u>13,751,428</u>	<u>4,080</u>	<u>\$ 0</u> <u>13,755,508</u>
Less accumulated depreciation for			
Water and sewer systems	2,277,704	130,169	2,407,873
Machinery and equipment	513,964	29,340	543,304
Total accumulated depreciation	<u>2,791,668</u>	<u>159,509</u>	<u>0</u> <u>2,951,177</u>
Business type activities capital assets - net	<u>\$ 10,959,760</u>	<u>\$ (155,429)</u>	<u>\$ 0</u> <u>\$10,804,331</u>

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

Governmental activities:	
General government	\$ 441,763
Public safety	286,084
Highways and streets, including depreciation of general infrastructure assets	1,665,689
Culture and recreation	22,019
Total depreciation expense - Governmental activities	<u>\$ 2,415,555</u>
Business type activities:	
Water	\$ 106,217
Sewer	53,292
Total depreciation expense - business type activities	<u>\$ 159,509</u>

VII. INTERFUND ASSETS/LIABILITIES

There were no interfund balances as of June 30, 2016.

Interfund transfers:

<u>Transfer From</u>	<u>Transfer to</u>	<u>Amount</u>
General Fund	Road Fund	\$ 300,000
General Fund	Tri Payback	715,000
Equipment Acquisition	USDA	145,760
Fire District 474	Tri Payback	170,000
Equipment Acquisition	Tri Payback	12,000
		<u>\$1,345,760</u>

VIII. CAPITAL LEASES

All Capital Leases were completely paid prior to the fiscal year ended June 30, 2016.

IX. MEDIUM TERM LOANS

Special Assessment Bonds - The County has no special assessment bonds outstanding at June 30, 2016.

Contracts Payable - The County has no contracts payable at June 30, 2016.

Medium Term Loan - On March 2, 2012, Storey County entered into a medium term loan with the Eggenberger Family Trust in the amount of \$330,000.

<u>BALANCE</u>			<u>BALANCE</u>
<u>6/30/15</u>	<u>Additions</u>	<u>Retired</u>	<u>6/30/16</u>
<u>\$ 210,285</u>	<u>\$ 0</u>	<u>\$ 38,320</u>	<u>\$171,965</u>

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 6/30/15	Additions	Retired	BALANCE 6/30/16
<u>\$ 150,000</u>	<u>\$ 0</u>	<u>\$ 50,000</u>	<u>\$ 100,000</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, 2016 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 6/30/15	RETIRED	BALANCE 6/30/16
<u>\$ 519,966</u>	<u>\$ 14,733</u>	<u>\$ 505,233</u>

\$3,002,000 sewer revenue bonds due monthly beginning June 12, 2015 at 2.5% interest with payments of \$9,907 per month and the maturity date: May 12, 2055.

BALANCE 6/30/15	ADDITIONS	RETIRED	BALANCE 6/30/16
<u>\$ 2,998,467</u>	<u>\$ -0-</u>	<u>\$ 44,875</u>	<u>\$ 2,953,592</u>

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

BALANCE 06/30/15	RETIRED	BALANCE 6/30/16
<u>\$ 736,000</u>	<u>\$ 43,000</u>	<u>\$ 693,000</u>

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

BALANCE 06/30/15	RETIRED	BALANCE 6/30/16
<u>\$ 717,000</u>	<u>\$ 40,000</u>	<u>\$ 677,000</u>

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

YEAR ENDING JUNE 30.	ANNUAL	TOTAL
2017 to 2021	331,125 to 332,645	1,531,286
2022 to 2028	268,085 to 322,085	2,208,530
2029 to 2037	157,885 to 157,885	1,419,165
2038 to 2055	108,977 to 118,884	2,130,005
		<u>\$ 7,288,986</u>

Changes In Long-Term Liabilities - During the fiscal year ended June 30, 2016, the following changes occurred in liabilities reported in the general long term debt group:

	BALANCE JULY 1, 2015	ADDITIONS	REDUCTIONS	BALANCE JUNE 30, 2016
Compensated absences	\$ 188,314	\$ 3,041	\$ -0-	\$ 191,355
Tri-Construction repayment	42,059,695	-0-	574,145	41,485,550
	<u>\$ 42,248,009</u>	<u>\$ 3,041</u>	<u>\$ 574,145</u>	<u>\$ 41,676,905</u>

X. SEGMENT INFORMATION - PROPRIETARY FUNDS

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

	<u>Water Fund</u>	<u>Virginia Divide Sewer Fund</u>
CONDENSED STATEMENT OF NET ASSETS		
ASSETS		
Current assets	\$ 1,621,398	\$ 389,716
Capital assets (net accumulated depreciation)	<u>4,853,961</u>	<u>5,950,370</u>
Total Assets	<u>6,475,359</u>	<u>6,340,086</u>
LIABILITIES		
Current liabilities	65,602	65,445
Non-current liabilities	<u>489,837</u>	<u>2,908,700</u>
Total Liabilities	<u>555,439</u>	<u>2,974,145</u>
NET ASSETS		
Invested in capital assets, net of related debt	4,348,728	2,996,125
Unrestricted	<u>1,571,192</u>	<u>369,816</u>
Total Net Assets	<u>\$ 5,919,920</u>	<u>\$3,365,941</u>
CONDENSED STATEMENT OF REVENUES AND EXPENSES		
Operating revenue	\$ 617,396	\$ 376,920
Depreciation	(106,217)	(53,292)
Other operating expenses	<u>(409,961)</u>	<u>(192,003)</u>
Operating income (loss)	<u>101,218</u>	<u>131,625</u>
Nonoperating revenues (expenses)		
Rent and miscellaneous	13,500	8,009
Interest income	27,428	4,805
Interest expense	(23,720)	(74,662)
Grants and capital contributions	<u>8,100</u>	<u>8,100</u>
Change in net assets	<u>\$ 118,926</u>	<u>\$ 77,877</u>
CONDENSED STATEMENTS OF CASH FLOWS		
Net cash provided (used) by		
Operating activities	\$ 192,137	\$ 188,627
Noncapital financing activities	6,230	(4,081)
Capital and related financing activities	(19,905)	(102,775)
Investing activities	<u>27,428</u>	<u>4,805</u>
Net increase (decrease) in cash	205,890	86,576
Cash - beginning	<u>1,335,345</u>	<u>270,472</u>
Cash - ending	<u>\$ 1,561,235</u>	<u>\$ 357,048</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, 2016 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 2015/2016 assessed valuation is \$510,172,664 which would allow the bonding up to \$51,000,000. On June 30, 2016, the County had \$150,000 outstanding general obligation bonded debt, exclusive of revenue and school district bonds.

XIII. PROPERTY TAXES

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

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

XIV. PENSION PROGRAM - NEVADA STATE PUBLIC EMPLOYEES RETIREMENT SYSTEM

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

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

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

The payroll for employees covered by the system for the year ended June 30, 2016 was \$7,299,918. The County's total payroll was \$8,789,000. Storey County's contribution to the plan for the year ended June 30, 2016 was \$2,458,889. All costs to the County were paid or accrued at June 30, 2016. The County's contribution represented less than 1% of total contributions to the retirement system.

Currently 120 employees are covered under the retirement plan out of a total of 162 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. As of this statement date, closure/post closure revisions by Waste Management has not been completed.

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 Ingalls and Associates for its general insurance coverage through PENCO. 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 \$500,000 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 \$654,977 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. TESLA MOTORS

On September 11, 2014 the Nevada State Legislature passed unanimously Senate Bill 1 which gave Tesla Motors \$1.25 billion dollars in tax abatements in exchange for Tesla investing \$3.5 billion dollars in the state within the first 10 years of the agreement. Under Section 13-3, transferable credits will be approved;

- (a) In the amount of \$12,500 for each qualified employee, up to a maximum of 6,000 qualified employees.
- (b) In the amount equal to 5 percent of the first \$1 billion of new capital investment in this State made collectively by the participants in the qualified project.
- (c) In an amount equal to 2.8 percent of the next \$2.5 billion on new capital investment in this State make collectively by the participants in the qualified project.

Section 15-2 provides abatement of 100% for the following:

- (a) For property taxes, for a duration of not more than 10 years after the date of which the application is submitted and in an amount that equals the amount of the property taxes that would otherwise be owed by each participation for the qualified project;
- (b) For employer excise taxes, be for a duration of not more than 10 years after the date on which the application is submitted and in an amount that equals the amount of the employer excise taxes that would otherwise be owed by each participant for employees employed by the participant for the qualified project; and

- (c) For local sales and use tax, be for duration of not more than 20 years after the date on which the application is submitted and in an amount that equals the amount of the local sales and use taxes that would otherwise be owed by each participant in the qualified project.

Under Section 25-36, the governing body of a county or city in which a qualified project is or is expected to be located to create an economic diversification district that includes within its boundaries the qualified project

Section 35 notes “the governing body of the municipality may enter into an agreement with one or more of the owners of any interest in the property within a district, pursuant to which that owner would agree to make payments to the municipality or to another local government that provides services in the district, or to both, to defray, in whole or in part, the cost of local governmental services during the term of the use of any money pledged pursuant to section 31 of this act. Such an agreement must specify the amount to be paid by the owner of the property interest, which may be stated as a specified amount per year or as an amount based upon any formula upon which the municipality and owner agree.

Subsequently, Ordinance No 14-260 creating the Storey County Economic Diversification District No. 1 was signed by the County Commissioners on December 2, 2014 and Ordinance 15-263 providing partial abatements of permitting or licensing fee was signed by the County Commissioners was passed on June 16, 2015. Additional provisions of Senate Bill 1 also provided the ability to “abate” partially or in full, permit fees and business license fees within the Economic Diversification District. Tesla and the County mutually negotiated a partial abatement of permit fees but no business license fees. These actions were codified into Ordinance 15-263. See separate schedule relating to additional tax abatements.

XIX. PENSION LIABILITY

The attached schedule reflects the pension liability for Storey County as required by GASB Number 45.

XX. USDA BOND - FIRE EQUIPMENT

On January 8, 2015 the County secured funding in the amount of \$2,000,000. This funding was for the purchase of 3 ambulances and 3 fire engines. The County received \$242,400 in January, 2015 and was recorded. Subsequently, the remaining \$1,757,600 was received July 28, 2015 to complete the purchase of the ambulances and fire engines.

XXI. DEFERRED INFLOW OF RESOURCES

The following schedule summarizes deferred revenues at June 30, 2016.

General Fund:	
Ad Valorem taxes receivable	<u>\$ 80,873</u>
474 Fire Protection Fund:	
Ad Valorem taxes receivable	<u>\$ 30,075</u>
Equipment Acquisition Fund:	
Ad Valorem taxes receivable	<u>\$ 2,282</u>
Indigent Medical Fund:	
Ad Valorem taxes receivable	<u>\$ 378</u>

Supplementary information

STOREY COUNTY, NEVADA
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2016

	SPECIAL REVENUE						
	EQUIPMENT ACQUISITION	JUSTICE COURT FUND	DRUG COURT	INDIGENT MEDICAL	PARK TAX	MUTUAL AID	JAIL BUILDING
<u>ASSETS</u>							
Cash	\$ 372,144	\$ 59,329	\$ 80	\$ 488,541	\$ 121,889	\$ 335,377	
Receivables							
Taxes - property	2,759			474			
Accounts							
Total Assets	\$ 374,903	\$ 59,329	\$ 80	\$ 489,015	\$ 121,889	\$ 335,377	\$ 0
<u>LIABILITIES</u>							
Accounts payable	\$ 2,282	\$ 36,058		\$ 5,137		\$ 36,692	
Deferred taxes				378			
Total Liabilities	2,282	36,058		5,515		36,692	
<u>FUND BALANCE</u>							
Designated for future year's operations	372,621	23,271	\$ 80	483,500	\$ 121,889	298,685	
Unassigned	\$ 372,621	23,271	80	483,500	121,889	298,685	
Total Fund Balance	\$ 374,903	\$ 59,329	\$ 80	\$ 489,015	\$ 121,889	\$ 335,377	\$ 0
Total Liabilities and Fund Balance							

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

STOREY COUNTY, NEVADA
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2016

	SPECIAL REVENUE						
	EMERGENCY MITIGATION	INDIGENT ACCIDENT	TECHNOLOGY	FEDERAL AND STATE GRANTS	FIRE EMERGENCY	STABILIZATION FUND	GENETIC MARKER TESTING FUND
<u>ASSETS</u>							
Cash	\$ 100,000	\$ 14,843	\$ 112,015	\$ 5,898	\$ 207,141	\$ 1,000,000	\$ 41,310
Receivables		20,093		26,138			
Taxes - property							
Accounts							
Total Assets (deficit)	\$ 100,000	\$ 34,936	\$ 112,015	\$ 32,036	\$ 207,141	\$ 1,000,000	\$ 41,310
<u>LIABILITIES</u>							
Accounts payable		\$ 16,033	\$ 158	\$ 13,333			
Deferred taxes							
Total Liabilities		16,033	158	13,333		\$ 0	
<u>FUND BALANCE</u>							
Designated for future year's operations	100,000	18,903	111,857	18,703	207,141		
Unassigned						1,000,000	41,310
Total Fund Balance	100,000	18,903	111,857	18,703	207,141	1,000,000	41,310
Total Liabilities and Fund Balance (deficit)	\$ 100,000	\$ 34,936	\$ 112,015	\$ 32,036	\$ 207,141	\$ 1,000,000	\$ 41,310

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

STOREY COUNTY, NEVADA
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2016

	CAPITAL PROJECTS			TOTAL
	CAPITAL PROJECTS	INFRASTRUCTURE FUND	VIRGINIA CITY RAIL PROJECT	
ASSETS				
Cash	\$ 2,827,906	\$ 1,455,085	\$ 986,030	\$ 8,127,588
Receivables				3,233
Taxes - property		48,015		94,246
Accounts				
Total Assets	\$ 2,827,906	\$ 1,503,100	\$ 986,030	\$ 8,225,067
LIABILITIES				
Accounts payable	\$ 55,281			\$ 162,692
Deferred taxes				2,660
Total Liabilities	55,281			165,352
FUND BALANCE				
Designated for future year's operations	2,772,625	1,503,100	986,030	8,059,715
Unassigned				0
Total Fund Balance	2,772,625	1,503,100	\$ 986,030	8,059,715
Total Liabilities and Fund Balance	\$ 2,827,906	\$ 1,503,100	\$ 986,030	\$ 8,225,067

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, 2016

REVENUE	SPECIAL REVENUE						
	EQUIPMENT ACQUISITION	JUSTICE COURT FUND	DRUG COURT	INDIGENT MEDICAL	PARK TAX	MUTUAL AID	JAIL BUILDING
Taxes	\$ 246,018			\$ 55,576			
Licenses and permits							
Intergovernmental							
Charges for services		\$ 10,407	\$ 500		\$ 2,000		
Fine and forfeitures	174,858					\$ 782,178	\$ 0
Other revenues							
Total Revenues	420,876	10,407	500	55,576	2,000	782,178	0
EXPENDITURES							
Current:							
General government	204,358					671,671	
Public safety							
Judicial		27,820	450				
Culture and recreation				55,260			
Welfare							
Intergovernmental							
Total Expenditures	\$ 204,358	27,820	450	55,260	0	671,671	0
Excess (deficiency) of revenues over expenditures	216,518	(17,413)	50	316	2,000	110,507	0
OTHER FINANCING SOURCES (USES)							
Transfers	\$ (160,760)						
Debt service							
Bond proceeds							
Prior period adjustment							
Interest income	5,100				2,281		
Excess (deficiency) of Revenue and Other Financing Sources (Uses) over Expenditures	60,858	(17,413)	50	316	4,281	110,507	0
Fund balance - beginning (deficit)	311,763	40,684	30	483,184	53,877	188,178	0
Fund balance - ending (deficit)	\$ 372,621	\$ 23,271	\$ 80	\$ 483,500	\$ 58,158	\$ 298,685	\$ 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, 2016

	SPECIAL REVENUE						
	EMERGENCY MITIGATION	INDIGENT ACCIDENT	TECHNOLOGY	FEDERAL AND STATE GRANTS	FIRE EMERGENCY	STABILIZATION FUND	GENETIC MARKER TESTING FUND
<u>REVENUE</u>							
Taxes		\$ 83,208					
Licenses and permits				\$ 221,452			
Intergovernmental			\$ 73,786				
Charges for services					\$ 0		\$ 9,931
Fine and forfeiture	\$ 0						
Other revenues	0	83,208	73,786	221,452	0	0	9,931
Total Revenues							
<u>EXPENDITURES</u>							
Current:							
General government			49,888	368,084			6,743
Public safety							
Judicial				16,494			
Culture and recreation		73,719		3,698			
Welfare							
Intergovernmental							
Total Expenditures	0	73,719	49,888	388,276	0	0	6,743
Excess (deficiency) of revenues over expenditures	0	9,489	23,898	(166,824)	0	0	3,188
<u>OTHER FINANCING SOURCES (USES)</u>							
Transfers							
Debt service							
Bond proceeds							
Other revenue			15,827				
Interest income			1,692				
Excess (deficiency) of Revenue and Other Financing Sources (Uses) over Expenditures	0	9,489	25,590	(150,997)	0	0	3,188
Fund balance - beginning	100,000	9,414	86,267	169,700	207,141	1,000,000	38,122
Fund balance - ending	\$ 100,000	\$ 18,903	\$ 111,857	\$ 18,703	\$ 207,141	\$ 1,000,000	\$ 41,310

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, 2016

	CAPITAL PROJECTS			TOTAL
	CAPITAL PROJECTS	INFRASTRUCTURE FUND	VIRGINIA CITY RAIL PROJECT	
<u>REVENUE</u>				
Taxes				\$ 384,802
Licenses and permits				0
Intergovernmental		\$ 271,937		493,389
Charges for services				75,786
Fine and forfeitures				20,838
Other revenues	\$ 0		\$ 0	957,036
Total Revenues	0	271,937	0	1,931,851
<u>EXPENDITURES</u>				
Current:				
General government	1,218,606	400,990		1,873,842
Public safety				1,039,755
Judicial				35,013
Culture and recreation				16,494
Welfare				128,979
Intergovernmental				3,698
Total Expenditures	1,218,606	400,990	0	3,097,781
Excess (deficiency) of revenues over expenditures	(1,218,606)	(129,053)		(1,165,930)
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers				(160,760)
Debt service	(50,143)		(175,010)	(225,153)
Bond proceeds			12,347	12,347
Other revenue	93,733			109,560
Interest income				9,073
Excess (deficiency) of Revenue and Other Financing Sources (Uses) over Expenditures	(1,175,016)	(129,053)	(162,663)	(1,420,863)
Fund balance - beginning (deficit)	3,947,641	1,632,153	1,148,693	9,416,847
Fund balance - ending (deficit)	\$ 2,772,625	\$ 1,503,100	\$ 986,030	\$ 7,995,984

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, 2016

	ORIGINAL BUDGETED AMOUNTS	FINAL BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<u>REVENUE</u>				
Taxes				
Property taxes	\$ 248,330	\$ 248,330	\$ 246,018	\$ (2,312)
Other revenues				
Interest	800	800	5,100	4,300
Total Revenues	<u>249,130</u>	<u>249,130</u>	<u>251,118</u>	<u>1,988</u>
<u>EXPENDITURES</u>				
General Government				
Capital outlay	50,000	205,000	204,358	642
Total Expenditures	<u>50,000</u>	<u>205,000</u>	<u>204,358</u>	<u>642</u>
Excess (deficiency) of revenues over expenditures	199,130	44,130	46,760	2,630
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfer out - Tri Payback	(15,000)	(15,000)	(15,000)	0
USDA Fund	(145,760)	(145,760)	(145,760)	0
Equipment sales		155,000	164,432	9,432
Federal Grants			10,426	10,426
Excess (deficiency) of revenues and other financing sources (uses) over expenditures	<u>38,370</u>	<u>38,370</u>	<u>60,858</u>	<u>22,488</u>
Fund balance - beginning	<u>129,808</u>	<u>129,808</u>	<u>311,763</u>	<u>181,955</u>
Fund balance - ending	<u>\$ 168,178</u>	<u>\$ 168,178</u>	<u>\$ 372,621</u>	<u>\$ 204,443</u>

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

STOREY COUNTY, NEVADA
JUSTICE COURT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2016

	ORIGINAL AND FINAL BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<u>REVENUE</u>			
Fines			
Justice court fines	\$ 5,250	\$ 10,407	\$ 5,157
<u>EXPENDITURES</u>			
Judicial			
Services and supplies	2,950	6,651	(3,701)
Capital outlay	20,689	21,169	(480)
	<u>23,639</u>	<u>27,820</u>	<u>(4,181)</u>
Excess (deficiency) of revenues over expenditures	(18,389)	(17,413)	976
Fund Balance - beginning	<u>36,813</u>	<u>40,684</u>	<u>3,871</u>
Fund Balance - ending	<u>\$ 18,424</u>	<u>\$ 23,271</u>	<u>\$ 4,847</u>

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

STOREY COUNTY, NEVADA
 DRUG COURT SPECIAL REVENUE FUND
 SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2016

	ORIGINAL AND FINAL BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<u>REVENUES</u>			
Fines and forfeits			
Drug court fees	\$ 600	\$ 500	\$ (100)
<u>EXPENDITURES</u>			
Judicial			
Services and supplies	600	450	150
Excess (deficiency) of revenue over expenditures	0	50	50
Fund balance - beginning	370	30	(340)
Fund balance - ending	\$ 370	\$ 80	\$ (290)

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, 2016

	ORIGINAL AND FINAL BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<u>REVENUES</u>			
Taxes			
Property taxes	\$ 49,666	\$ 55,576	\$ 5,910
<u>EXPENDITURES</u>			
Welfare			
Services and supplies	200,000	55,260	144,740
Excess (deficiency) of revenues over expenditures	(150,334)	316	150,650
Fund balance - beginning	349,396	483,184	133,788
Fund balance - ending	<u>\$ 199,062</u>	<u>\$ 483,500</u>	<u>\$ 284,438</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 30,2016

	FINAL BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<u>REVENUE</u>			
Charges for services			
Park fee	\$ 1,000	\$ 2,000	\$ 1,000
Other revenues			
Interest income		2,281	2,281
Total Revenues	<u>1,000</u>	<u>4,281</u>	<u>3,281</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	4,281	4,281
Fund balance - beginning	<u>63,731</u>	<u>117,608</u>	<u>53,877</u>
Fund balance - ending	<u>\$ 63,731</u>	<u>\$ 121,889</u>	<u>\$ 58,158</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, 2016

	ORIGINAL BUDGETED AMOUNTS	FINAL BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<u>REVENUES</u>				
Other revenues				
Fire suppression	\$ 400,000	\$ 776,000	\$ 782,178	\$ 6,178
Total Revenue	<u>400,000</u>	<u>776,000</u>	<u>782,178</u>	<u>6,178</u>
<u>EXPENDITURES</u>				
Public safety				
Salaries and wages	175,000	286,000	306,946	(20,946)
Benefits	18,500	37,200	49,545	(12,345)
Services and supplies	81,500	105,800	83,006	22,794
Capital outlay		<u>222,000</u>	<u>232,174</u>	<u>(10,174)</u>
Total Expenditures	<u>275,000</u>	<u>651,000</u>	<u>671,671</u>	<u>(20,671)</u>
Excess (deficiency) of revenues over expenditures	125,000	125,000	110,507	(14,493)
Fund balance - beginning deficit	<u>459</u>	<u>459</u>	<u>188,178</u>	<u>187,719</u>
Fund balance - ending (deficit)	<u>\$ 125,459</u>	<u>\$ 125,459</u>	<u>\$ 298,685</u>	<u>\$ 173,226</u>

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

STOREY COUNTY, NEVADA
 SHERIFF JAIL SPECIAL REVENUE FUND
 BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2016

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

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

STOREY COUNTY, NEVADA
 EMERGENCY MITIGATION SPECIAL REVENUE FUND
 SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2016

	<u>ORIGINAL AND FINAL BUDGETED AMOUNTS</u>	<u>ACTUAL AMOUNTS</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
<u>REVENUES</u>			
None			
<u>EXPENDITURES</u>			
Public Safety	\$ 50,000	\$ 0	\$ 50,000
Services and supplies			
Excess (deficiency) of revenue over expenditures	<u>(50,000)</u>		<u>50,000</u>
Fund balance - beginning	<u>80,000</u>	<u>100,000</u>	<u>20,000</u>
Fund balance - ending	<u>\$ 30,000</u>	<u>\$ 100,000</u>	<u>\$ 70,000</u>

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

STOREY COUNTY, NEVADA
INDIGENT ACCIDENT SPECIAL REVENUE FUND
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2016

	ORIGINAL AND FINAL BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<u>REVENUES</u>			
Taxes			
Property taxes	\$ 74,499	\$ 83,208	\$ 8,709
<u>EXPENDITURES</u>			
Welfare			
Services and supplies	74,499	73,719	\$ 780
Excess (deficiency) of revenues over expenditures	\$ 0	9,489	9,489
Fund balance - beginning	26,532	9,414	(17,118)
Fund balance - ending	\$ 26,532	\$ 18,903	\$ (7,629)

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, 2016

	ORIGINAL AND FINAL BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<u>REVENUES</u>			
Charges for services			
Technology fees	\$ 74,200	\$ 73,786	\$ (414)
Other revenues			
Interest income	550	1,692	1,142
Total revenues	74,750	75,478	728
<u>EXPENDITURES</u>			
General government			
Services and supplies	74,750	49,888	24,862
Excess (deficiency) of revenues over expenditures	0	25,590	25,590
Fund balance - beginning	70,423	86,267	15,844
Fund balance - ending	\$ 70,423	\$ 111,857	\$ 41,434

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, 2016

	ORIGINAL AND FINAL BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<u>REVENUES</u>			
Intergovernmental			
Federal grants	\$ 16,780	\$ 213,596	\$ 196,816
State grants	90,000	7,856	(82,144)
	<u>106,780</u>	<u>221,452</u>	<u>114,672</u>
<u>EXPENDITURES</u>			
Culture and recreation			
Services and supplies	0	16,494	(16,494)
Public safety			
Salaries and wages		35,286	(35,286)
Employee benefits		16,093	(16,093)
Services and supplies	56,780	316,705	(259,925)
Intergovernmental - State			
Services and supplies	50,000	3,698	46,302
	<u>106,780</u>	<u>388,276</u>	<u>(281,496)</u>
Excess (deficiency) of revenues over expenditures	0	(166,824)	(166,824)
Other financing sources (uses)			
Prior year revenue		15,827	15,827
Fund balance - beginning	238,011	169,700	(68,311)
Fund balance - ending	<u>\$ 238,011</u>	<u>\$ 18,703</u>	<u>\$ (219,308)</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, 2016

	ORIGINAL AND FINAL BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<u>REVENUES</u>			
None	\$ 0	\$ 0	\$ 0
<u>EXPENDITURES</u>			
Public Safety			
Services and supplies	204,337	0	204,337
Total Expenditures	<u>204,337</u>	<u>0</u>	<u>204,337</u>
Excess (deficiency) of revenue over expenditures	<u>(204,337)</u>	<u>0</u>	<u>204,337</u>
Fund balance - beginning	<u>204,337</u>	<u>207,141</u>	<u>2,804</u>
Fund balance - ending	<u>\$ 0</u>	<u>\$ 207,141</u>	<u>\$ 207,141</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, 2016

	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	600,000	1,000,000	400,000
Fund balance - ending	<u>\$ 400,000</u>	<u>\$ 1,000,000</u>	<u>\$ 600,000</u>

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

STOREY COUNTY, NEVADA
GENETIC MARKER TESTING FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2016

	ORIGINAL BUDGETED AMOUNTS	FINAL BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<u>REVENUE</u>				
Fines and forfeitures	\$ 6,400	\$ 7,643	\$ 9,931	\$ 2,288
<u>EXPENDITURES</u>				
Judicial				
Services and supplies	6,200	7,443	6,743	700
Excess (deficiency) of revenues over expenditures	200	200	3,188	2,988
Fund balance - beginning	32,522	32,522	38,122	5,600
Fund balance - ending	<u>\$ 32,722</u>	<u>\$ 32,722</u>	<u>\$ 41,310</u>	<u>\$ 8,588</u>

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

STOREY COUNTY, NEVADA
 CAPITAL PROJECTS FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2016

	ORIGINAL AND FINAL BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<u>EXPENDITURES</u>			
General government			
Capital outlay	\$ 1,249,857	\$ 1,218,606	\$ 31,251
Debt service	50,000	50,000	
Interest expense	143	143	
Total expenditures	<u>1,300,000</u>	<u>1,268,749</u>	<u>31,251</u>
Excess (deficiency) of revenues over expenditures	(1,300,000)	(1,268,749)	31,251
<u>OTHER FINANCING SOURCES (USES)</u>			
General government - Other		93,733	93,733
Excess (deficiency) of revenues and other financing sources (uses) over expenditures	(1,300,000)	(1,175,016)	124,984
Fund balance - beginning	<u>1,645,851</u>	<u>3,947,641</u>	<u>2,301,790</u>
Fund balance - ending	<u>\$ 345,851</u>	<u>\$ 2,772,625</u>	<u>\$ 2,426,774</u>

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

STOREY COUNTY, NEVADA
 INFRASTRUCTURE CAPITAL PROJECTS FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2016

	ORIGINAL AND FINAL BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<u>REVENUES</u>			
Intergovernmental			
¼% Optional sales tax	\$ 315,000	\$ 271,937	\$ (43,063)
<u>EXPENDITURES</u>			
General government			
Capital outlay	2,000,000	400,990	1,599,010
Excess (deficiency) of revenues over expenditures	(1,685,000)	(129,053)	1,555,947
Fund balance - beginning	1,742,807	1,632,153	(110,654)
Fund balance - ending	\$ 57,807	\$ 1,503,100	\$ 1,445,293

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, 2016

	<u>ORIGINAL AND FINAL BUDGETED AMOUNTS</u>	<u>ACTUAL AMOUNTS</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
EXPENDITURES			
Culture and Recreation			
Capital Outlay	\$ 700,000	\$ 0	\$ 700,000
<u>OTHER FINANCING SOURCES (USES)</u>			
Bond Proceeds	25,000	12,347	(12,653)
Debt Service			
Principal	(83,000)	(83,000)	0
Interest	(92,010)	(92,010)	0
Excess (deficiency) of revenues and other financing sources (uses) over expenditures	(850,010)	(162,663)	687,347
Fund balance - beginning	<u>1,048,464</u>	<u>1,148,693</u>	<u>100,229</u>
Fund balance - ending	<u>\$ 198,454</u>	<u>\$ 986,030</u>	<u>\$ 787,576</u>

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

STOREY COUNTY, NEVADA
WATER SYSTEM ENTERPRISE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2016

	ORIGINAL AND FINAL BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<u>OPERATING REVENUES</u>			
Sales of water	\$ 588,000	\$ 617,396	\$ 29,396
<u>OPERATING EXPENSES</u>			
Salaries and wages	148,465	144,024	4,441
Benefits	63,432	62,651	781
Services and supplies	177,100	203,286	(26,186)
Depreciation	105,000	106,217	(1,217)
Total Operating Expenses	<u>493,997</u>	<u>516,178</u>	<u>(22,181)</u>
Operating Income (Loss)	94,003	101,218	7,215
<u>NON-OPERATING REVENUE (EXPENSES)</u>			
Interest earnings	6,000	27,428	21,428
Rents	12,000	13,500	1,500
Interest expense	(24,068)	(23,720)	348
Net Income (Loss)	<u>\$ 87,935</u>	<u>\$ 118,426</u>	<u>\$ 30,491</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, 2016

	ORIGINAL AND FINAL BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Cash In flows			
Sales of water	\$ 588,000	\$ 609,667	\$ 21,667
Cash Out flows			
Salaries and wages	(148,465)	(149,800)	(1,335)
Benefits	(63,432)	(65,127)	(1,695)
Services and supplies	(177,100)	(202,603)	(25,503)
Net Cash Provided (Used) by Operating Activities	<u>199,003</u>	<u>192,137</u>	<u>(6,866)</u>
<u>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</u>			
Cash In flows			
Rent	12,000	13,500	1,500
Customer deposits	0	(7,270)	(7,270)
Net Cash Provided by Non Capital Financing Activities	<u>12,000</u>	<u>6,230</u>	<u>(5,770)</u>
<u>CASH FLOWS FROM CAPITAL AND RELATED ACTIVITIES</u>			
Cash In flows			
Capital contributed	0	18,548	18,548
Cash Out flows			
Capital outlay	(188,068)	0	(188,068)
Debt service	(14,733)	(14,733)	0
Interest expense	0	(23,720)	(23,720)
Net Cash Provided (Used) by Capital Related Activities	<u>(202,801)</u>	<u>(19,905)</u>	<u>182,896</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Interest earnings	6,000	27,428	21,428
Net Increase (Decrease) in Cash	<u>14,202</u>	<u>205,890</u>	<u>191,688</u>
Cash - beginning	<u>1,233,125</u>	<u>1,355,345</u>	<u>122,220</u>
Cash - ending	<u>\$ 1,247,327</u>	<u>\$ 1,561,235</u>	<u>\$ 313,908</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, 2016

	ORIGINAL BUDGETED AMOUNTS	FINAL BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<u>OPERATING REVENUES</u>				
Sewer use fees	\$ 348,500	\$ 364,478	\$ 376,920	\$ 12,442
<u>OPERATING EXPENSES</u>				
Salaries and wages	77,433	77,433	79,197	(1,764)
Benefits	34,235	34,235	34,222	13
Services and supplies	48,550	80,070	78,584	1,486
Depreciation	40,000	40,000	53,292	(13,292)
Total Operating Expenses	200,218	231,738	245,295	(13,557)
Operating Income (Loss)	148,282	132,740	131,625	(1,115)
<u>NON OPERATING REVENUES (EXPENSE)</u>				
Interest income	900	900	4,805	3,905
Interest expense	(74,662)	(74,662)	(74,662)	0
Debt Service		(44,222)		44,222
Other income			8,009	8,009
Net income (Loss)	\$ 74,520	\$ 14,756	\$ 69,777	\$ 55,021

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, 2016

	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	\$ 348,500	\$ 364,478	\$ 375,080	\$ 10,602
Cash Out Flows				
Salaries and wages	(77,433)	(77,433)	(77,490)	(57)
Benefits	(34,235)	(34,235)	(33,490)	745
Service and supplies	(48,550)	(80,070)	(75,473)	4,597
Net cash provided (used) by operating activities	<u>188,282</u>	<u>172,740</u>	<u>188,627</u>	<u>15,887</u>
<u>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</u>				
Cash Out Flows				
Capital Outlay	(86,520)	(86,520)	(4,081)	82,439
Net cash provided (used) by Non-Capital Financing Activities	<u>(86,520)</u>	<u>(86,520)</u>	<u>(4,081)</u>	<u>82,439</u>
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>				
Cash In Flows				
Other income			8,009	8,009
Capital contributed by customers			8,100	8,100
Cash Out Flows				
Interest expense	(74,662)	(74,662)	(74,662)	0
Debt Service	(44,222)	(44,222)	(44,222)	0
Net cash provided (used) by capital related financing activities	<u>(118,884)</u>	<u>(118,884)</u>	<u>(102,775)</u>	<u>16,109</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>				
Interest income	900	900	4,805	3,905
Net increase (decrease) in cash	(16,222)	(31,764)	86,576	118,340
Cash - beginning	<u>224,793</u>	<u>224,793</u> *	<u>270,472</u>	<u>45,679</u>
Cash - ending	<u>\$ 208,571</u>	<u>\$ 193,029</u>	<u>\$ 357,048</u>	<u>\$ 164,019</u>

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

STOREY COUNTY, NEVADA
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 ALL AGENCY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2016

	BALANCE JULY 1, 2015	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 2016
<u>STATE OF NEVADA FUND</u>				
Assets				
Cash	\$ 553,127	\$ 826,742	\$ 849,782	\$ 530,087
Liabilities				
Due Other Governments	\$ 553,127	\$ 826,742	\$ 849,782	\$ 530,087
<u>STOREY COUNTY SCHOOL DISTRICT</u>				
Assets				
Cash	\$ 4,464	\$ 4,210,350	\$ 4,101,265	\$ 113,549
Liabilities				
Due Other Governments	\$ 4,464	\$ 4,210,350	\$ 4,101,265	\$ 113,549
<u>STOREY COUNTY SCHOOL DISTRICT DEBT SERVICE</u>				
Assets				
Cash	\$ 763	\$ 811,554	\$ 790,695	\$ 21,622
Liabilities				
Due Other Governments	\$ 763	\$ 811,554	\$ 790,695	\$ 21,622
<u>DISTRICT ATTORNEY RESTITUTION FUND</u>				
Assets				
Cash	\$ 200	\$ 4,836	\$ 3,533	\$ 1,503
Liabilities				
Due Other Governments	\$ 200	\$ 4,836	\$ 3,533	\$ 1,503
<u>TOTAL - ALL FUNDS</u>				
Assets				
Cash	\$ 558,554	\$ 5,853,482	\$ 5,745,275	\$ 666,761
Liabilities				
Due Other Governments	\$ 558,554	\$ 5,853,482	\$ 5,745,275	\$ 666,761

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

STOREY COUNTY, NEVADA
 COMPARATIVE SCHEDULES OF CAPITAL ASSETS USED IN THE OPERATION OF
 GOVERNMENTAL FUNDS BY SOURCE
 JUNE 30, 2016 AND 2015

	JUNE 30,	
	2016	2015
<u>GENERAL FIXED ASSETS</u>		
Land	\$ 581,598	\$ 581,598
Infrastructure	44,379,544	43,328,320
Construction in progress	662,705	688,190
Building and improvements	11,590,904	11,253,801
Park Improvements	866,547	876,544
Machinery and equipment	12,306,375	8,158,571
Total General Fixed Assets	\$ 70,387,673	\$ 64,887,024
 <u>INVESTMENTS IN GENERAL FIXED ASSETS</u>		
<u>BY SOURCE:</u>		
General Fund	\$ 14,473,983	\$ 13,761,728
Road Fund	47,179,738	46,023,244
Fire Protection District	7,154,584	3,522,684
Fourth Ward Trustee	1,579,368	1,579,368
Total Investment in General Fixed Assets	\$ 70,387,673	\$ 64,887,024

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

STOREY COUNTY, NEVADA
 CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
 SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016

FUNCTION AND ACTIVITY GENERAL GOVERNMENT	GENERAL FIXED ASSETS			GENERAL FIXED ASSETS		
	July 1, 2015	ADDITIONS	DELETIONS	TRANSFERS	June 30, 2016	
Commissioners	\$ 251,749				\$ 251,749	
Clerk Treasurer	38,660				38,660	
Recorder - Auditor	85,524				85,524	
Assessor	42,132				42,132	
Building - Grounds	628,982				628,982	
Tri Payback	1,468,644			\$ (1,468,644)	0	
Other - Administrative	4,172,957	\$ 601,140	\$ (127,817)	1,468,644	6,114,924	
Total General Government	6,688,648	601,140	(127,817)	0	7,161,971	
JUDICIAL						
District Attorney	77,203				77,203	
District Court	4,090		0		4,090	
Total Judicial	81,293	0	0	0	81,293	
PUBLIC SAFETY						
Sheriff	3,803,868				3,803,868	
Fire	268,309				268,309	
Fire District	3,254,375	3,870,832			7,125,207	
Emergency Management	439,119				439,119	
Building Department	91,820				91,820	
Total Public Safety	7,857,491	3,870,832	0	0	11,728,323	
HIGHWAY AND STREETS						
	46,023,244	1,156,494	0	0	47,179,738	
CULTURE AND RECREATION						
	4,236,348			0	4,236,348	
Total General Fixed Assets	\$ 64,887,024	\$ 5,628,466	\$ (127,817)	\$ 0	\$ 70,387,673	

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

STOREY COUNTY, NEVADA
 CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
 SCHEDULE BY FUNCTION AND ACTIVITY
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	LAND	INFRASTRUCTURE	CONSTRUCTION IN PROGRESS	BUILDING AND IMPROVEMENTS	PARK IMPROVEMENTS	MACHINERY AND EQUIPMENT	TOTAL
FUNCTION AND ACTIVITY							
GENERAL GOVERNMENT							
Commissioners	\$ 114,849			\$ 17,161		\$ 119,739	\$ 251,749
Clerk - Treasurers						38,660	38,660
Recorder - Auditor				4,897		80,627	85,524
Assessor				295,434		42,132	42,132
Building - Grounds				0		221,430	516,864
Tri Payback				0		0	0
Other - Administrative	270,410		\$ 367,995	4,919,709		1,011,480	6,569,594
Total General Government	<u>385,259</u>	<u>\$ 0</u>	<u>367,995</u>	<u>5,237,201</u>	<u>\$ 0</u>	<u>1,514,068</u>	<u>7,504,523</u>
JUDICIAL							
Justice Court						4,090	4,090
District Attorney						77,203	77,203
Total Judicial	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>81,293</u>	<u>81,293</u>
PUBLIC SAFETY							
Sheriff				2,447,538		1,330,289	3,777,827
Fire	72,250			196,059		0	268,309
Fire District				180,914		6,705,361	6,886,275
Emergency Management						439,119	439,119
Building Department						129,238	129,238
Total Public Safety	<u>72,250</u>	<u>0</u>	<u>0</u>	<u>2,824,511</u>	<u>0</u>	<u>8,604,007</u>	<u>11,500,768</u>
HIGHWAY AND STREETS							
	<u>0</u>	<u>44,379,544</u>	<u>0</u>	<u>792,451</u>	<u>0</u>	<u>2,007,743</u>	<u>47,179,738</u>
CULTURE AND RECREATION							
	<u>124,089</u>	<u>0</u>	<u>294,710</u>	<u>2,736,741</u>	<u>866,547</u>	<u>99,264</u>	<u>4,121,351</u>
Total General Fixed Assets	<u>\$ 581,508</u>	<u>\$ 44,379,544</u>	<u>\$ 662,705</u>	<u>\$ 11,590,904</u>	<u>\$ 866,547</u>	<u>\$ 12,306,375</u>	<u>\$ 70,387,673</u>

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

STOREY COUNTY, NEVADA
SCHEDULE OF GENERAL OBLIGATIONS BONDS
AND OTHER CONTRACTUAL OBLIGATIONS FROM FUTURE REVENUES
JUNE 30, 2016

COUNTY BONDS Revenue Bonds	DATE OF ISSUE	AMOUNT OF ISSUE	INTEREST RATE	BALANCE JUNE 30, 2015	PAID DURING YEAR	BALANCE JUNE 30, 2016	TERMS OF PAYMENT OF OUTSTANDING BALANCE
Virginia City Rail Bond Series 2010A Taxable Recovery Zone Economic Development Bond (Due All Points Capital Corp.)	12/28/2010	\$ 890,000	8%	\$ 736,000	\$ 43,000	\$ 693,000	\$ 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%	\$ 717,000	\$ 40,000	\$ 677,000	\$ 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
STOREY COUNTY FIRE PROTECTION DISTRICT Due U.S.D.A. Rural Development Comm. Facilities	1/8/2015	\$ 2,000,000	3.34%	\$ 1,966,581	\$ 86,818	\$ 1,879,763	\$ 35,660 on April 8, July 8, October 8 and January 8 from 1/8/2015 through 1/8/2035 (20 year term)

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, 2016

	DATE OF ISSUE	AMOUNT OF ISSUE	INTEREST RATE	BALANCE JUNE 30, 2015	PAID DURING YEAR	BALANCE JUNE 30, 2016	TERMS OF PAYMENT OF OUTSTANDING BALANCE
MEDIUM TERM LOAN (5yr.) Due Doan Eggenberger Family Trust	3/2/2012	\$ 330,000	6%	\$ 210,285	\$ 38,320	\$ 171,965	Note to be paid semi-annually March 20, and September 20, for a period not to exceed 5 years.
WATER REVENUE BOND - SERIES 1998 U.S.D.A. - Rural Development Loan	1/28/1997	\$ 714,000	4 1/2%	\$ 519,966	\$ 14,733	\$ 505,233	\$ 38,801 Fiscal Years 6/30/17-6/30/2037 with interest only paid on July 1, and interest and principal paid on January 1.
VIRGINIA - DIVIDE SEWER IMPROVEMENTS DISTRICT USDA Sewer Revenue Bond Series 2015 - USDA	05/20/2015	\$ 3,002,000	2-50%	\$ 2,998,467	\$ 44,875	\$ 2,953,592	\$9,907 monthly July 12, 2005 - May 12, 2045 (40 year term)
MEDIUM TERM LOAN Virginia City Highlands Property Owners Association	6/26/14	\$ 250,000	.95%	\$ 150,000	\$ 50,000	\$ 100,000	\$50,000 Annually June 30, 2017 June 30, 2018

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

STOREY COUNTY, NEVADA
Schedule of Employers Share of
Net Pension Liability
Public Employee's Retirement System of Nevada
June 30, 2016

Employer's share of net pension liability	
Storey County	.09145%
474 Fire Protection District	.04055%
Employers proportionate share of net pension liability	
Storey County - General	\$ 11,581,500
474 Fire Protection District	\$ 3,039,816
Enterprise Funds	\$ 150,340
Road Fund	\$ 170,558
VCTC	\$ 104,844
Total	\$ 15,047,058
Employer's covered employee payroll	\$ 7,299,918
Employers proportional share of the net pension Liability as a percentage of it's covered employees	48.51%
Plan fiduciary net position as a percentage of total Pension liability	98.7%

Schedule of Employer Contributions
PERS - Base Plan

Statutorily required contribution	\$ 2,026,202
Contribution in relation to the statutorily required contribution	\$ 2,037,432
Contribution excess	\$ 11,230
Employers covered employee payroll	\$ 15,047,058
Contributions as a percentage of covered employee payroll	20.84%

*GASB Statement No 68 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, Storey County will present information for those years for which information is available.

STOREY COUNTY, NEVADA
 SCHEDULE OF ABATEMENT AGREEMENTS
 JUNE 30, 2016

Storey County has agreements with businesses within the Industrial Park for property tax, sales tax, plan review and permit fee abatement agreements. These agreements range from 5 years to 20 years depending on the individual abatement. The following is a list of those abatements.

State of Nevada Governor's Office on Economic Development (GOED)

Chapter 271B of the Nevada Revised Statutes created an Economic Diversification District for which Storey County is a participant. Tesla filed as a Lead participant within the Statue and was granted full abatements on Property Tax for 10 years and Sales and Use Tax for 20 years. The effect of this abatement is as follows:

REAL PROPERTY TAX

<u>ASSESSED VALUE</u>	<u>ABATEMENT</u>	<u>TOTAL ABATEMENT</u>
\$ 21,714,314	100%	\$751,467

SALES AND USE TAX

<u>TAX COLLECTED</u>	<u>ABATEMENT</u>	<u>TOTAL ABATEMENT</u>
\$ 2,131,147	100%	\$2,131,147

PLAN REVIEW AND PERMIT FEES

<u>FEES CJARGED</u>	<u>AMOUNT PAID</u>	<u>TOTAL ABATEMENT</u>
\$ 2,835,453	\$ 785,037	\$2,050,418

In addition, GOED has permitted several companies to abate a certain portion of their personal Property Tax.

PRE-ABATEMENT

<u>TAX AMOUNT</u>	<u>ABATEMENT</u>	<u>TOTAL ABATEMENT</u>
\$ 1,612,186	34%	\$ 510,466

Nevada Governor's Office of Energy (GOE)

The GOE administers the green building tax abatement program based on criteria set forth in the LEED of Green Globes rating system and certification from the U.S. Green Building Council. This abatement if as follows;

LEED ABATEMENTS

PRE-ABATEMENT

<u>TAX AMOUNT</u>	<u>ABATEMENT</u>	<u>TOTAL ABATEMENT</u>
\$ 953,468	17%	\$ 158,112

GRAND TOTAL		<u>\$ 5,601,608</u>
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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, each major fund and the aggregate remaining fund information of Storey County, as of the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise Storey County's basic financial statements and have issued our report thereon dated November 21, 2016.

INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit of the financial statements, we considered Storey County'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's internal control. Accordingly, we do not express an opinion on the effectiveness of Storey County's internal control.

A *deficiency in internal controls* exists when the design or operation of a control does not allow management of 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 and 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's financial statements are free from material misstatement, we performed tests of this 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, Nevada

November 21, 2016

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AUDITORS REPORT ON PRIOR YEAR'S RECOMMENDATIONS

To The Honorable Board of County Commissioners
Storey County, Nevada

We have reviewed the status of our recommendations included in last year's audit report dated November 19, 2015. This review indicated:

1. We recommended monitoring expenditures to prevent exceeding budgeted amounts as expenditures exceeded appropriations in the General Fund and four Special Revenue Funds. One Special Revenue Fund also had a deficit fund balance. The deficit fund balance was corrected and the monitoring was partially implemented.
2. Continued care should be taken in the assignment of funds and account numbers prior to recording liabilities in the accounting records. Certain expenditures appear to be more correctly charged to special revenue funds than the general fund. This was implemented during the 2015/16 year.
3. We recommend account names in the Federal/State Grant Fund be reviewed and adjusted to further differentiate the Federal and State revenues and expenditures. The County may want to consider establishing separate State Grants Funds. This was not implemented during the 2015/16 year.
4. We recommended double checking accounts after journal entries have been made to ensure the correct accounts have been affected and the correct amounts have been recorded in each account. This was implemented during the 2015/16 year.
5. We recommended a cut off date of August 30 be established and strictly enforced for all payable receivables, and journal entries by any government employee to prevent complications with the audit, this was implemented during the 2015/16 year.

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 please to discuss them in further detail at your convenience.



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

November 21, 2016

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AUDITORS REPORT ON CURRENT YEAR'S RECOMMENDATIONS

To the Honorable Board of County Commissioners
Storey County, Nevada

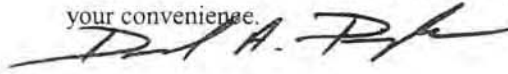
We have audited the financial statements of Storey County, Nevada for the year ended June 30, 2016, and have issued our report thereon dated November 19, 2016. As part of our audit, we made a study and evaluation of the County's system of internal accounting control to the extent we considered necessary solely to determine the nature, timing and extent of our auditing procedures. Our study and evaluation was more limited than would be necessary to express an opinion on the system of internal accounting control taken as a whole, and we do not express such an opinion.

However during our audit we became aware of certain matters that, while not involving material weaknesses in internal accounting control, are opportunities for increasing controls and operating efficiency. This letter does not affect our report dated November 19, 2016, 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 the General Fund and four Special Revenue Funds.
2. 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. The County may want to consider establishing separate State Grant Funds.
3. We recommend a cut off date of August 30 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

November 21, 2016

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INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

To Management
Capital Beverages, Inc.
2333 Fairview Drive
Carson City, Nevada 89701

We have compiled the accompany statement of assets, liabilities, and equity - income tax basis of Capital Beverages, Inc. (a S corporation) as of August 31, 2016 and the related statement of revenues, expenses, and retained earnings - income tax basis for the month and eight months then ended. We have not audited or reviewed the accompanying financial statements and accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with the income tax basis of accounting.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the income tax basis of accounting and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide an assurance that there are no material modifications that should be made to the financial statements.

Management has elected to omit substantially all of the disclosures ordinarily included in financial statements prepared in accordance with the income tax basis of accounting. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Company's assets, liabilities, equity, revenues, and expenses. Accordingly, the financial statements are not designed for those who are not informed about such matters.

The supplementary information contained in Schedules 1 thru 10 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplementary information has been compiled from information that is the representation of management. We have not audited or reviewed the supplementary information and, accordingly, do not express an opinion or provide any assurance on such supplementary information.

The Company, with consent of the shareholders has elected under the Internal Revenue Code to be an S corporation. In lieu of corporation income taxes the shareholders of an S corporation are taxed on their proportionate share of the Company's taxable income. Therefore, no provisions or liability for federal income taxes has been included in these financial statements.

DAVID A. PRINGLE, CPA, LTD
CERTIFIED PUBLIC ACCOUNTANT

January 4, 2017