

**CARSON CITY**  
**STORMWATER DRAINAGE FUND**  
**SCHEDULE OF CASH FLOWS - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2008**  
**(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007)**  
**(PAGE 1 OF 2)**

	FINAL BUDGET	ACTUAL	VARIANCE	2007
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash received for services	\$ 1,016,144	\$ 1,006,317	\$ (9,827)	\$ 996,753
Cash payments for personnel costs	(272,901)	(191,917)	80,984	(363,986)
Cash payments for services and supplies	(325,958)	(515,590)	(189,632)	(28,073)
Net Cash Provided by Operating Activities	417,285	298,810	(118,475)	604,694
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Transfer from other funds	-	-	-	100,000
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Acquisition of capital assets	(1,377,382)	(872,988)	504,394	(3,277,915)
Principal paid on capital debt	(220,000)	(220,000)	-	(210,000)
Interest paid on capital debt	(208,663)	(210,512)	(1,849)	(216,811)
Bond issuance costs	(500)	-	500	(479)
Net Cash Provided (Used) by Capital and Related Financing Activities	(1,806,545)	(1,303,500)	503,045	(3,705,205)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Investment income	25,000	76,981	51,981	140,360
Net Increase (Decrease) in Cash and Cash Equivalents	(1,364,260)	(927,709)	436,551	(2,860,151)
Cash and Cash Equivalents, July 1	1,952,617	1,952,617	-	4,812,768
Cash and Cash Equivalents, June 30	\$ 588,357	\$ 1,024,908	\$ 436,551	\$ 1,952,617

**CARSON CITY**  
**STORMWATER DRAINAGE FUND**  
**SCHEDULE OF CASH FLOWS - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2008**  
**(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007)**  
**(PAGE 2 OF 2)**

	FINAL BUDGET	ACTUAL	VARIANCE	2007
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:				
Operating income	\$ 267,285	\$ 357,209	\$ 89,924	\$ 357,777
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation and amortization expense	150,000	124,955	(25,045)	67,297
Changes in assets and liabilities:				
(Increase) decrease in:				
Accounts receivable	-	(11,600)	(11,600)	(10,731)
Prepaid items	-	90	90	119
Increase (decrease) in:				
Accrued salaries and benefits	-	(1,091)	(1,091)	1,273
Accounts payable	-	(158,752)	(158,752)	188,585
Due to other governments	-	(3,150)	(3,150)	3,150
Accrued compensated absences	-	(8,851)	(8,851)	(2,776)
Total Adjustments	150,000	(58,399)	(208,399)	246,917
Net Cash Provided by Operating Activities	<u>\$ 417,285</u>	<u>\$ 298,810</u>	<u>\$ (118,475)</u>	<u>\$ 604,694</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:				
Purchase of capital assets on account		\$ 33,500		\$ 108,190
Contributed capital assets		-		644,537

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## INTERNAL SERVICE FUNDS

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Internal Service Funds are used to account for the financing of goods or services provided by one department or agency of a government to other departments or agencies on a cost reimbursement basis. Accounting for Internal Service Funds as a proprietary fund type is designed to accumulate the total cost (including depreciation) of providing a particular service. Costs for services are reimbursed by the departments or agencies to which the services are provided.

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**Group Medical Insurance Fund** - This Fund is used to account for monies collected from City departments and employees to be expended for claims for medical services provided to employees and their dependents.

**Workers' Compensation Fund** - This Fund is used to account for monies collected for the insurance program from City departments to be expended for payment of claims, as required by law, to employees injured by accident while at work.

**Insurance Fund** - This Fund is used to account for monies collected from City departments for liability and property insurance.

**Fleet Management Fund** – This fund is used to account for monies collected from City departments for fleet maintenance operations.

**CARSON CITY  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF NET ASSETS  
JUNE 30, 2008**

	<u>GROUP MEDICAL INSURANCE</u>	<u>WORKERS' COMPENSATION</u>	<u>INSURANCE</u>
<b>ASSETS</b>			
Current assets:			
Cash and investments	\$ 1,654,393	\$ 2,360,636	\$ 833,056
Receivables:			
Accounts and contracts	219,352	66,512	17,431
Prepaid items	40	40	574,781
Inventories	-	-	-
Total Current Assets	<u>1,873,785</u>	<u>2,427,188</u>	<u>1,425,268</u>
Noncurrent assets:			
Capital assets:			
Machinery and equipment	-	-	17,289
Less: Accumulated depreciation	<u>-</u>	<u>-</u>	<u>(15,720)</u>
Net Capital Assets	<u>-</u>	<u>-</u>	<u>1,569</u>
Total Assets	<u>1,873,785</u>	<u>2,427,188</u>	<u>1,426,837</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	56,190	333,906	6,969
Accrued salaries and benefits	3,889	96	-
Due to other governments	27,578	-	5,750
Unearned revenue	1,210	-	-
Other liabilities	<u>-</u>	<u>390,019</u>	<u>187,492</u>
Total Current Liabilities	<u>88,867</u>	<u>724,021</u>	<u>200,211</u>
Noncurrent liabilities:			
Accrued compensated absences	21,117	-	-
Other liabilities	<u>-</u>	<u>-</u>	<u>74,012</u>
Total Noncurrent Liabilities	<u>21,117</u>	<u>-</u>	<u>74,012</u>
Total Liabilities	<u>109,984</u>	<u>724,021</u>	<u>274,223</u>
<b>NET ASSETS</b>			
Invested in capital assets	-	-	1,569
Unrestricted	<u>1,763,801</u>	<u>1,703,167</u>	<u>1,151,045</u>
Total Net Assets	<u>\$ 1,763,801</u>	<u>\$ 1,703,167</u>	<u>\$ 1,152,614</u>

<u>FLEET MANAGEMENT</u>	<u>TOTAL</u>
\$ 975,086	\$ 5,823,171
949	304,244
283	575,144
<u>75,322</u>	<u>75,322</u>
<u>1,051,640</u>	<u>6,777,881</u>
5,502	22,791
<u>-</u>	<u>(15,720)</u>
<u>5,502</u>	<u>7,071</u>
<u>1,057,142</u>	<u>6,784,952</u>
101,536	498,601
30,263	34,248
-	33,328
-	1,210
<u>-</u>	<u>577,511</u>
<u>131,799</u>	<u>1,144,898</u>
105,318	126,435
<u>-</u>	<u>74,012</u>
<u>105,318</u>	<u>200,447</u>
<u>237,117</u>	<u>1,345,345</u>
5,502	7,071
<u>814,523</u>	<u>5,432,536</u>
<u>\$ 820,025</u>	<u>\$ 5,439,607</u>

**CARSON CITY  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN NET ASSETS  
FOR THE YEAR ENDED JUNE 30, 2008**

	<u>GROUP MEDICAL INSURANCE</u>	<u>WORKERS' COMPENSATION</u>	<u>INSURANCE</u>
Operating Revenues:			
Charges for services	\$ 7,016,472	\$ 1,588,753	\$ 1,120,248
Operating Expenses:			
Salaries and wages	80,508	22,799	11,549
Employee benefits	27,570	12,697	4,165
Services and supplies	6,605,249	1,523,465	1,355,517
Depreciation	-	-	1,729
Total Operating Expenses	<u>6,713,327</u>	<u>1,558,961</u>	<u>1,372,960</u>
Operating Income (Loss)	<u>303,145</u>	<u>29,792</u>	<u>(252,712)</u>
Nonoperating Revenues (Expenses):			
Investment income	89,877	130,150	76,514
Miscellaneous	8,389	155,050	5,935
Gain (loss) on disposal of capital assets	-	-	(18,377)
Total Nonoperating Revenues (Expenses)	<u>98,266</u>	<u>285,200</u>	<u>64,072</u>
Income (Loss) Before Contributions and Transfers	401,411	314,992	(188,640)
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>
Change in Net Assets	401,411	314,992	(188,640)
Net Assets, July 1	<u>1,362,390</u>	<u>1,388,175</u>	<u>1,341,254</u>
Net Assets, June 30	<u>\$ 1,763,801</u>	<u>\$ 1,703,167</u>	<u>\$ 1,152,614</u>

<u>FLEET MANAGEMENT</u>	<u>TOTAL</u>
<u>\$ 1,225,448</u>	<u>\$ 10,950,921</u>
454,738	569,594
141,022	185,454
557,433	10,041,664
<u>-</u>	<u>1,729</u>
<u>1,153,193</u>	<u>10,798,441</u>
<u>72,255</u>	<u>152,480</u>
66,426	362,967
110	169,484
<u>245,008</u>	<u>226,631</u>
<u>311,544</u>	<u>759,082</u>
383,799	911,562
<u>(278,500)</u>	<u>(278,500)</u>
105,299	633,062
<u>714,726</u>	<u>4,806,545</u>
<u>\$ 820,025</u>	<u>\$ 5,439,607</u>

**CARSON CITY  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2008**

	<u>GROUP MEDICAL INSURANCE</u>	<u>WORKERS' COMPENSATION</u>	<u>INSURANCE</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash received for services	\$ 7,092,432	\$ 1,572,617	\$ 1,080,800
Cash payments for personnel costs	(105,399)	(54,850)	(15,714)
Cash payments for services and supplies	(6,521,678)	(1,736,600)	(1,392,139)
Miscellaneous cash received	<u>8,389</u>	<u>155,050</u>	<u>5,935</u>
Net Cash Provided (Used) by Operating Activities	<u>473,744</u>	<u>(63,783)</u>	<u>(321,118)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Transfer to other funds	<u>-</u>	<u>-</u>	<u>-</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Proceeds from sales of assets	<u>-</u>	<u>-</u>	<u>-</u>
Acquisition of capital assets	<u>-</u>	<u>-</u>	<u>-</u>
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>-</u>	<u>-</u>	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Investment income	<u>89,877</u>	<u>130,150</u>	<u>76,514</u>
Net Increase (Decrease) in Cash and Cash Equivalents	563,621	66,367	(244,604)
Cash and Cash Equivalents, July 1	<u>1,090,772</u>	<u>2,294,269</u>	<u>1,077,660</u>
Cash and Cash Equivalents, June 30	<u>\$ 1,654,393</u>	<u>\$ 2,360,636</u>	<u>\$ 833,056</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b>			
Operating income (loss)	<u>\$ 303,145</u>	<u>\$ 29,792</u>	<u>\$ (252,712)</u>
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation and amortization expense	-	-	1,729
Nonoperating revenues	8,389	155,050	5,935
Changes in assets and liabilities:			
(Increase) decrease in:			
Accounts receivable	75,297	(16,096)	(180)
Due from other governments	-	-	-
Inventories	-	-	-
Prepaid items	(40)	(40)	(39,268)
Increase (decrease) in:			
Accounts payable	56,033	(174,340)	(74,626)
Accrued salaries and benefits	1,676	(2,670)	-
Other liabilities	-	(38,795)	32,254
Due to other governments	27,578	-	5,750
Unearned revenue	663	-	-
Accrued compensated absences	<u>1,003</u>	<u>(16,684)</u>	<u>-</u>
Total Adjustments	<u>170,599</u>	<u>(93,575)</u>	<u>(68,406)</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 473,744</u>	<u>\$ (63,783)</u>	<u>\$ (321,118)</u>

FLEET MANAGEMENT	TOTAL
\$ 1,240,687	\$ 10,986,536
(565,805)	(741,768)
(526,112)	(10,176,529)
<u>110</u>	<u>169,484</u>
<u>148,880</u>	<u>237,723</u>
<u>(278,500)</u>	<u>(278,500)</u>
245,008	245,008
(5,502)	(5,502)
<u>239,506</u>	<u>239,506</u>
<u>66,426</u>	<u>362,967</u>
176,312	561,696
798,774	5,261,475
<u>\$ 975,086</u>	<u>\$ 5,823,171</u>
<u>\$ 72,255</u>	<u>\$ 152,480</u>
-	1,729
110	169,484
(949)	58,072
16,188	16,188
13,437	13,437
(283)	(39,631)
18,167	(174,766)
17,306	16,312
-	(6,541)
-	33,328
-	663
<u>12,649</u>	<u>(3,032)</u>
<u>76,625</u>	<u>85,243</u>
<u>\$ 148,880</u>	<u>\$ 237,723</u>

**CARSON CITY  
GROUP MEDICAL INSURANCE FUND  
SCHEDULE OF REVENUES, EXPENSES,  
AND CHANGES IN NET ASSETS - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2008  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007)**

	FINAL BUDGET	ACTUAL	VARIANCE	2007
Operating Revenues:				
Employee contributions	\$ 1,630,892	\$ 1,497,268	\$ (133,624)	\$ 1,576,034
Employer contributions	5,423,730	5,519,204	95,474	5,402,621
Total Operating Revenues	<u>7,054,622</u>	<u>7,016,472</u>	<u>(38,150)</u>	<u>6,978,655</u>
Operating Expenses:				
Salaries and wages	107,518	80,508	27,010	71,043
Employee benefits	44,143	27,570	16,573	25,550
Services and supplies	6,940,552	6,605,249	335,303	6,710,442
Total Operating Expenses	<u>7,092,213</u>	<u>6,713,327</u>	<u>378,886</u>	<u>6,807,035</u>
Operating Income (Loss)	<u>(37,591)</u>	<u>303,145</u>	<u>340,736</u>	<u>171,620</u>
Nonoperating Revenues (Expenses):				
Investment income	40,000	89,877	49,877	57,727
Miscellaneous	-	8,389	8,389	-
Total Nonoperating Revenues (Expenses)	<u>40,000</u>	<u>98,266</u>	<u>58,266</u>	<u>57,727</u>
Change in Net Assets	<u>\$ 2,409</u>	<u>401,411</u>	<u>\$ 399,002</u>	<u>229,347</u>
Net Assets, July 1		<u>1,362,390</u>		<u>1,133,043</u>
Net Assets, June 30		<u>\$ 1,763,801</u>		<u>\$ 1,362,390</u>

**CARSON CITY  
GROUP MEDICAL INSURANCE FUND  
SCHEDULE OF CASH FLOWS - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2008  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007)**

	FINAL BUDGET	ACTUAL	VARIANCE	2007
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash received for services	\$ 7,054,622	\$ 7,092,432	\$ 37,810	\$ 6,925,977
Cash payments for personnel costs	(151,661)	(105,399)	46,262	(91,907)
Cash payments for services and supplies	(6,940,552)	(6,521,678)	418,874	(7,128,824)
Miscellaneous cash received	-	8,389	8,389	-
Net Cash Provided (Used) by Operating Activities	<u>(37,591)</u>	<u>473,744</u>	<u>511,335</u>	<u>(294,754)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Investment income	<u>40,000</u>	<u>89,877</u>	<u>49,877</u>	<u>57,727</u>
Net Increase (Decrease) in Cash and Cash Equivalents	2,409	563,621	561,212	(237,027)
Cash and Cash Equivalents, July 1	<u>1,368,956</u>	<u>1,090,772</u>	<u>(278,184)</u>	<u>1,327,799</u>
Cash and Cash Equivalents, June 30	<u>\$ 1,371,365</u>	<u>\$ 1,654,393</u>	<u>\$ 283,028</u>	<u>\$ 1,090,772</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b>				
Operating income	<u>\$ (37,591)</u>	<u>\$ 303,145</u>	<u>\$ 340,736</u>	<u>\$ 171,620</u>
Adjustments to reconcile operating income to net cash provided (used) by operating activities:				
Nonoperating revenues	-	8,389	8,389	-
Changes in assets and liabilities:				
(Increase) decrease in:				
Accounts receivable	-	75,297	75,297	(93,433)
Due from other governments	-	-	-	40,755
Prepaid items	-	(40)	(40)	-
Increase (decrease) in:				
Accounts payable	-	56,033	56,033	(418,382)
Unearned revenue	-	663	663	-
Accrued salaries and benefits	-	1,676	1,676	286
Due to other governments	-	27,578	27,578	-
Accrued compensated absences	-	1,003	1,003	4,400
Total Adjustments	<u>-</u>	<u>170,599</u>	<u>170,599</u>	<u>(466,374)</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (37,591)</u>	<u>\$ 473,744</u>	<u>\$ 511,335</u>	<u>\$ (294,754)</u>

**CARSON CITY  
 WORKERS' COMPENSATION FUND  
 SCHEDULE OF REVENUES, EXPENSES,  
 AND CHANGES IN NET ASSETS - BUDGET AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2008  
 (WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007)**

	FINAL BUDGET	ACTUAL	VARIANCE	2007
Operating Revenues:				
Charges for services:				
Employer contributions	\$ 2,162,312	\$ 1,588,753	\$ (573,559)	\$ 2,111,338
Operating Expenses:				
Salaries and wages	52,890	22,799	30,091	120,102
Employee benefits	21,621	12,697	8,924	41,147
Services and supplies	1,964,394	1,523,465	440,929	1,963,841
Total Operating Expenses	2,038,905	1,558,961	479,944	2,125,090
Operating Income (Loss)	123,407	29,792	(93,615)	(13,752)
Nonoperating Revenues (Expenses):				
Investment income	80,000	130,150	50,150	103,993
Miscellaneous	10,000	155,050	145,050	15,169
Total Nonoperating Revenues (Expenses)	90,000	285,200	195,200	119,162
Change in Net Assets	\$ 213,407	314,992	\$ 101,585	105,410
Net Assets, July 1		1,388,175		1,282,765
Net Assets, June 30		\$ 1,703,167		\$ 1,388,175

**CARSON CITY  
WORKERS' COMPENSATION FUND  
SCHEDULE OF CASH FLOWS - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2008  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007)**

	FINAL BUDGET	ACTUAL	VARIANCE	2007
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash received for services	\$ 2,162,312	\$ 1,572,617	\$ (589,695)	\$ 2,064,252
Cash payments for personnel costs	(74,511)	(54,850)	19,661	(166,184)
Cash payments for services and supplies	(1,964,394)	(1,736,600)	227,794	(1,850,194)
Miscellaneous cash received	10,000	155,050	145,050	15,169
	<u>133,407</u>	<u>(63,783)</u>	<u>(197,190)</u>	<u>63,043</u>
Net Cash Provided (Used) by Operating Activities				
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Investment income	80,000	130,150	50,150	103,993
	<u>80,000</u>	<u>130,150</u>	<u>50,150</u>	<u>103,993</u>
Net Increase (Decrease) in Cash and Cash Equivalents	213,407	66,367	(147,040)	167,036
Cash and Cash Equivalents, July 1	1,985,409	2,294,269	308,860	2,127,233
Cash and Cash Equivalents, June 30	<u>\$ 2,198,816</u>	<u>\$ 2,360,636</u>	<u>\$ 161,820</u>	<u>\$ 2,294,269</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b>				
Operating income (loss)	\$ 123,407	\$ 29,792	\$ (93,615)	\$ (13,752)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Nonoperating revenues	10,000	155,050	145,050	15,169
Changes in assets and liabilities:				
(Increase) decrease in:				
Accounts receivable	-	(16,096)	(16,096)	(47,086)
Prepaid items	-	(40)	(40)	-
Increase (decrease) in:				
Accounts payable	-	(174,340)	(174,340)	174,704
Accrued salaries and benefits	-	(2,670)	(2,670)	(2,928)
Other liabilities	-	(38,795)	(38,795)	(61,057)
Accrued compensated absences	-	(16,684)	(16,684)	(2,007)
Total Adjustments	<u>10,000</u>	<u>(93,575)</u>	<u>(103,575)</u>	<u>76,795</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 133,407</u>	<u>\$ (63,783)</u>	<u>\$ (197,190)</u>	<u>\$ 63,043</u>

**CARSON CITY  
INSURANCE FUND  
SCHEDULE OF REVENUES, EXPENSES,  
AND CHANGES IN NET ASSETS - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2008  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007)**

	FINAL BUDGET	ACTUAL	VARIANCE	2007
Operating Revenues:				
Charges for services:				
Administrative fees	\$ 1,130,225	\$ 1,120,248	\$ (9,977)	\$ 1,439,582
Operating Expenses:				
Salaries and wages	65,541	11,549	53,992	-
Employee benefits	24,541	4,165	20,376	-
Services and supplies	1,432,796	1,355,517	77,279	1,202,199
Depreciation	5,000	1,729	3,271	3,771
Total Operating Expenses	<u>1,527,878</u>	<u>1,372,960</u>	<u>154,918</u>	<u>1,205,970</u>
Operating Income (Loss)	<u>(397,653)</u>	<u>(252,712)</u>	<u>144,941</u>	<u>233,612</u>
Nonoperating Revenues (Expenses):				
Investment income	30,000	76,514	46,514	60,802
Miscellaneous	7,500	5,935	(1,565)	37,359
Gain (loss) on disposal of capital assets	-	(18,377)	(18,377)	-
Total Nonoperating Revenues (Expenses)	<u>37,500</u>	<u>64,072</u>	<u>26,572</u>	<u>98,161</u>
Change in Net Assets	<u>\$ (360,153)</u>	<u>(188,640)</u>	<u>\$ 171,513</u>	<u>331,773</u>
Net Assets, July 1		<u>1,341,254</u>		<u>1,009,481</u>
Net Assets, June 30		<u>\$ 1,152,614</u>		<u>\$ 1,341,254</u>

**CARSON CITY  
INSURANCE FUND  
SCHEDULE OF CASH FLOWS - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2008  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007)**

	FINAL BUDGET	ACTUAL	VARIANCE	2007
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash received for services	\$ 1,130,225	\$ 1,080,800	\$ (49,425)	\$ 921,540
Cash payments for personnel costs	(90,082)	(15,714)	74,368	-
Cash payments for services and supplies	(1,432,796)	(1,392,139)	40,657	(1,199,744)
Miscellaneous cash received	7,500	5,935	(1,565)	37,359
Net Cash Provided (Used) by Operating Activities	<u>(385,153)</u>	<u>(321,118)</u>	<u>64,035</u>	<u>(240,845)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Investment income	30,000	76,514	46,514	60,802
Net Increase (Decrease) in Cash and Cash Equivalents	(355,153)	(244,604)	110,549	(180,043)
Cash and Cash Equivalents, July 1	1,077,660	1,077,660	-	1,257,703
Cash and Cash Equivalents, June 30	<u>\$ 722,507</u>	<u>\$ 833,056</u>	<u>\$ 110,549</u>	<u>\$ 1,077,660</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b>				
Operating income (loss)	<u>\$ (397,653)</u>	<u>\$ (252,712)</u>	<u>\$ 144,941</u>	<u>\$ 233,612</u>
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	5,000	1,729	(3,271)	3,771
Nonoperating revenues	7,500	5,935	(1,565)	37,359
Changes in assets and liabilities:				
(Increase) decrease in:				
Accounts receivable	-	(180)	(180)	-
Prepaid items	-	(39,268)	(39,268)	(518,042)
Increase (decrease) in:				
Accounts payable	-	(74,626)	(74,626)	5,005
Other liabilities	-	32,254	32,254	(2,550)
Due to other governments	-	5,750	5,750	-
Total Adjustments	<u>12,500</u>	<u>(68,406)</u>	<u>(80,906)</u>	<u>(474,457)</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (385,153)</u>	<u>\$ (321,118)</u>	<u>\$ 64,035</u>	<u>\$ (240,845)</u>

**CARSON CITY  
FLEET MANAGEMENT FUND  
SCHEDULE OF REVENUES, EXPENSES,  
AND CHANGES IN NET ASSETS (DEFICIT) - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2008  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007)**

	FINAL BUDGET	ACTUAL	VARIANCE	2007
Operating Revenues:				
Charges for services:				
Administrative Fees	\$ 1,225,448	\$ 1,225,448	\$ -	\$ 1,229,965
Operating Expenses:				
Salaries and wages	433,664	454,738	(21,074)	420,360
Employee benefits	145,948	141,022	4,926	130,560
Services and supplies	636,637	557,433	79,204	497,466
Total Operating Expenses	1,216,249	1,153,193	63,056	1,048,386
Operating Income (Loss)	9,199	72,255	63,056	181,579
Nonoperating Revenues (Expenses):				
Investment income	25,000	66,426	41,426	36,352
Miscellaneous	-	110	110	-
Gain (loss) on disposal of capital assets	-	245,008	245,008	154,107
Total Nonoperating Revenues (Expenses)	25,000	311,544	286,544	190,459
Income (Loss) Before Contributions and Transfers	34,199	383,799	349,600	372,038
Transfers out	-	(278,500)	(278,500)	-
Change in Net Assets	\$ 34,199	105,299	\$ 71,100	372,038
Net Assets, July 1		714,726		342,688
Net Assets, June 30		\$ 820,025		\$ 714,726

**CARSON CITY  
FLEET MANAGEMENT FUND  
SCHEDULE OF CASH FLOWS - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2008  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007)**

	FINAL BUDGET	ACTUAL	VARIANCE	2007
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash received for services	\$ 1,225,448	\$ 1,240,687	\$ 15,239	\$ 1,256,941
Cash payments for personnel costs	(579,612)	(565,805)	13,807	(544,931)
Cash payments for services and supplies	(636,637)	(526,112)	110,525	(515,750)
Miscellaneous cash received	-	110	110	-
	<u>9,199</u>	<u>148,880</u>	<u>139,681</u>	<u>196,260</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Transfer to other funds	-	(278,500)	(278,500)	-
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Proceeds from sales of assets	-	245,008	245,008	154,107
Acquisition of capital assets	-	(5,502)	(5,502)	-
	<u>-</u>	<u>239,506</u>	<u>239,506</u>	<u>154,107</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Investment income	25,000	66,426	41,426	36,352
	<u>34,199</u>	<u>176,312</u>	<u>142,113</u>	<u>386,719</u>
Net Increase (Decrease) in Cash and Cash Equivalents	34,199	176,312	142,113	386,719
Cash and Cash Equivalents, July 1	550,696	798,774	248,078	412,055
Cash and Cash Equivalents, June 30	<u>\$ 584,895</u>	<u>\$ 975,086</u>	<u>\$ 390,191</u>	<u>\$ 798,774</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b>				
Operating income (loss)	\$ 9,199	\$ 72,255	\$ 63,056	\$ 181,579
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Nonoperating revenues	-	110	110	-
Changes in assets and liabilities:				
(Increase) decrease in:				
Accounts receivable	-	(949)	(949)	875
Due from other governments	-	16,188	16,188	26,101
Inventories	-	13,437	13,437	(32,250)
Prepaid items	-	(283)	(283)	-
Increase (decrease) in:				
Accounts payable	-	18,167	18,167	13,966
Accrued salaries and benefits	-	17,306	17,306	1,455
Accrued compensated absences	-	12,649	12,649	4,534
	<u>-</u>	<u>76,625</u>	<u>76,625</u>	<u>14,681</u>
Total Adjustments	-	76,625	76,625	14,681
Net Cash Provided (Used) by Operating Activities	<u>\$ 9,199</u>	<u>\$ 148,880</u>	<u>\$ 139,681</u>	<u>\$ 196,260</u>

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## FIDUCIARY FUNDS

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Fiduciary Funds are used to account for assets held by the government in a trustee or agency capacity.

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**Investment Trust Fund** - This Fund is used to account for the external investment pool administered by Carson City. The pool has one involuntary participant, the Carson City School District Debt Service Fund. These statements can be found in the City's basic financial statements.

**Agency Funds** are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Agency Funds are merely clearing accounts and have no fund equity. The following information is presented to describe each of the City's Agency Funds:

**Sierra Forest Fire Protection Fund** - This Fund is used to accumulate ad valorem and supplemental City/County relief tax monies and provide payment of debts and just claims against the District.

**Eagle Valley Water District Fund** - This Fund is used to account for the collection and payment of ad valorem taxes on behalf of the District.

**Conservancy District Fund** - This Fund is used to account for the collection and payment of ad valorem taxes on behalf of the District.

**Sub-Conservancy District Fund** - This Fund is used to account for the collection and payment of ad valorem taxes on behalf of the District.

**Fish and Game Fund** - This Fund is used to account for monies withdrawn from the wildlife account within the State General Fund and transferred to the City for disposition by the City's Advisory Board to manage wildlife.

**Controller Trust Fund** - This Fund is used to account for unclaimed payroll warrants and accounts payable warrants during the required statutory period, which have been returned to the City until claimed or remitted to the State of Nevada Unclaimed Property Division.

**State of Nevada Fund** - This Fund is used to account for the collection and payment of the State of Nevada's share of ad valorem taxes, District and Justice Court fees, marriage fees, or fees otherwise mandated by statute, and collected by the City.

**FIDUCIARY FUNDS**  
**Continued**

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**Carson City School District Debt Service Fund** - This Fund is used to account for ad valorem taxes and interest earned thereon, specifically apportioned and appropriated for the retirement of long-term general obligation principal and interest of the School District.

**Carson City School District Operating Fund** - This Fund is used to account for the collection of and remittance to the school district of ad valorem taxes.

**Forfeiture Account Fund** - This Fund is used to account for currency that is seized by the Sheriff's Office and will remain in the Fund until the court determines if the currency is subject to forfeiture.

**Nevada Commission for the Reconstruction of the V & T Railway Fund** - This Fund is used to account for the collection and distribution of gifts, grants, and donations to reconstruct the Virginia and Truckee Railroad between Virginia City and Carson City.

**CARSON CITY**  
**COMBINING STATEMENT OF CHANGES IN**  
**ASSETS AND LIABILITIES - ALL AGENCY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2008**  
**(PAGE 1 OF 4)**

	BALANCE JULY 1, 2007	ADDITIONS	DELETIONS	BALANCE JUNE 30, 2008
<b>SIERRA FOREST FIRE PROTECTION FUND</b>				
Assets:				
Cash and investments	\$ 407,549	\$ 460,751	\$ 484,335	\$ 383,965
Taxes receivable, delinquent	112	698	1	809
Due from other governments	61,519	51,424	61,519	51,424
<b>Total Assets</b>	<b>\$ 469,180</b>	<b>\$ 512,873</b>	<b>\$ 545,855</b>	<b>\$ 436,198</b>
Liabilities:				
Accounts payable	\$ 85	\$ 484,335	\$ 484,336	\$ 84
Due to other governments	469,095	451,466	484,447	436,114
<b>Total Liabilities</b>	<b>\$ 469,180</b>	<b>\$ 935,801</b>	<b>\$ 968,783</b>	<b>\$ 436,198</b>
<b>EAGLE VALLEY WATER DISTRICT FUND</b>				
Assets:				
Cash and investments	\$ 378	\$ 48,796	\$ 48,766	\$ 408
Taxes receivable, delinquent	134	84	65	153
<b>Total Assets</b>	<b>\$ 512</b>	<b>\$ 48,880</b>	<b>\$ 48,831</b>	<b>\$ 561</b>
Liabilities:				
Accounts payable	\$ -	\$ 8	\$ 8	\$ -
Due to other governments	512	14,876	14,827	561
<b>Total Liabilities</b>	<b>\$ 512</b>	<b>\$ 14,884</b>	<b>\$ 14,835</b>	<b>\$ 561</b>
<b>CONSERVANCY DISTRICT FUND</b>				
Assets:				
Cash and investments	\$ 344	\$ 4,409	\$ 4,425	\$ 328
Due from other governments	787	-	787	-
<b>Total Assets</b>	<b>\$ 1,131</b>	<b>\$ 4,409</b>	<b>\$ 5,212</b>	<b>\$ 328</b>
Liabilities:				
Accounts payable	\$ -	\$ 4,753	\$ 4,753	\$ -
Due to other governments	1,131	3,950	4,753	328
<b>Total Liabilities</b>	<b>\$ 1,131</b>	<b>\$ 8,703</b>	<b>\$ 9,506</b>	<b>\$ 328</b>

**CARSON CITY**  
**COMBINING STATEMENT OF CHANGES IN**  
**ASSETS AND LIABILITIES - ALL AGENCY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2008**  
**(PAGE 2 OF 4)**

	BALANCE JULY 1, 2007	ADDITIONS	DELETIONS	BALANCE JUNE 30, 2008
<b>SUB-CONSERVANCY DISTRICT FUND</b>				
Assets:				
Cash and investments	\$ 4,397	\$ 733,104	\$ 735,692	\$ 1,809
Taxes receivable, delinquent	3,467	2,750	1,607	4,610
Due from other governments	-	9,097	-	9,097
Total Assets	<u>\$ 7,864</u>	<u>\$ 744,951</u>	<u>\$ 737,299</u>	<u>\$ 15,516</u>
Liabilities:				
Accounts payable	\$ 6	\$ 399,160	\$ 399,161	\$ 5
Due to other governments	178	753,880	747,644	6,414
Other liabilities	7,680	9,228	7,811	9,097
Total Liabilities	<u>\$ 7,864</u>	<u>\$ 1,162,268</u>	<u>\$ 1,154,616</u>	<u>\$ 15,516</u>
<b>FISH AND GAME FUND</b>				
Assets:				
Cash and investments	<u>\$ 3,400</u>	<u>\$ 2,088</u>	<u>\$ 3,417</u>	<u>\$ 2,071</u>
Liabilities:				
Accounts payable	\$ 536	\$ 2,038	\$ 2,230	\$ 344
Due to other governments	2,864	2,088	3,225	1,727
Total Liabilities	<u>\$ 3,400</u>	<u>\$ 4,126</u>	<u>\$ 5,455</u>	<u>\$ 2,071</u>
<b>CONTROLLER TRUST FUND</b>				
Assets:				
Cash and investments	<u>\$ 32,923</u>	<u>\$ 2,464</u>	<u>\$ 13,632</u>	<u>\$ 21,755</u>
Liabilities:				
Accounts payable	\$ 116	\$ 13,516	\$ 13,632	\$ -
Due to other governments	32,807	2,465	13,517	21,755
Total Liabilities	<u>\$ 32,923</u>	<u>\$ 15,981</u>	<u>\$ 27,149</u>	<u>\$ 21,755</u>
<b>STATE OF NEVADA FUND</b>				
Assets:				
Cash and investments	\$ 536,381	\$ 3,787,797	\$ 4,009,036	\$ 315,142
Accounts receivable	60	50	60	50
Taxes receivable, delinquent	19,686	15,675	9,117	26,244
Total Assets	<u>\$ 556,127</u>	<u>\$ 3,803,522</u>	<u>\$ 4,018,213</u>	<u>\$ 341,436</u>
Liabilities:				
Accounts payable	\$ 33	\$ 1,789	\$ 1,791	\$ 31
Due to other governments	556,094	4,656,428	4,871,117	341,405
Total Liabilities	<u>\$ 556,127</u>	<u>\$ 4,658,217</u>	<u>\$ 4,872,908</u>	<u>\$ 341,436</u>

**CARSON CITY**  
**COMBINING STATEMENT OF CHANGES IN**  
**ASSETS AND LIABILITIES - ALL AGENCY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2008**  
**(PAGE 3 OF 4)**

	<u>BALANCE</u> <u>JULY 1, 2007</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE</u> <u>JUNE 30, 2008</u>
<b>CARSON CITY SCHOOL DISTRICT</b>				
<b>DEBT SERVICE FUND</b>				
Assets:				
Taxes receivable, delinquent	\$ 54,428	\$ 43,392	\$ 25,209	\$ 72,611
Liabilities:				
Accounts payable	\$ 91	\$ 3,369	\$ 3,130	\$ 330
Due to other governments	54,337	6,796,112	6,778,168	72,281
Total Liabilities	<u>\$ 54,428</u>	<u>\$ 6,799,481</u>	<u>\$ 6,781,298</u>	<u>\$ 72,611</u>
<b>CARSON CITY SCHOOL DISTRICT</b>				
<b>OPERATING FUND</b>				
Assets:				
Cash and investments	\$ 97,499	\$ 9,883,554	\$ 9,948,249	\$ 32,804
Taxes receivable, delinquent	86,864	69,250	40,230	115,884
Due from other governments	-	906	-	906
Total Assets	<u>\$ 184,363</u>	<u>\$ 9,953,710</u>	<u>\$ 9,988,479</u>	<u>\$ 149,594</u>
Liabilities:				
Accounts payable	\$ 146	\$ 589	\$ 607	\$ 128
Due to other governments	184,217	10,090,417	10,125,168	149,466
Total Liabilities	<u>\$ 184,363</u>	<u>\$ 10,091,006</u>	<u>\$ 10,125,775</u>	<u>\$ 149,594</u>
<b>FORFEITURE ACCOUNT FUND</b>				
Assets:				
Cash and investments	\$ 24,872	\$ 24,799	\$ 1,814	\$ 47,857
Liabilities:				
Due to other governments	\$ 24,872	\$ 26,615	\$ 3,630	\$ 47,857
<b>NEVADA COMMISSION FOR THE</b>				
<b>RECONSTRUCTION OF THE V &amp; T</b>				
<b>RAILWAY FUND</b>				
Assets:				
Cash and investments				
Unrestricted	\$ 12,348,891	\$ 3,312,453	\$ 10,149,497	\$ 5,511,847
Restricted	-	300,000	-	300,000
Due from other governments	215,349	2,338,806	218,003	2,336,152
Prepaid items	250	8,852	250	8,852
Total Assets	<u>\$ 12,564,490</u>	<u>\$ 5,960,111</u>	<u>\$ 10,367,750</u>	<u>\$ 8,156,851</u>
Liabilities:				
Accounts payable	\$ 580,244	\$ 9,884,573	\$ 9,321,683	\$ 1,143,134
Due to other governments	11,984,246	5,431,290	10,401,819	7,013,717
Total Liabilities	<u>\$ 12,564,490</u>	<u>\$ 15,315,863</u>	<u>\$ 19,723,502</u>	<u>\$ 8,156,851</u>

**CARSON CITY**  
**COMBINING STATEMENT OF CHANGES IN**  
**ASSETS AND LIABILITIES - ALL AGENCY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2008**  
**(PAGE 4 OF 4)**

	<u>BALANCE</u> <u>JULY 1, 2007</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE</u> <u>JUNE 30, 2008</u>
<b>TOTALS - ALL AGENCY FUNDS</b>				
Assets:				
Cash and investments				
Unrestricted	\$ 13,456,634	\$ 18,260,215	\$ 25,398,863	\$ 6,317,986
Restricted	-	300,000	-	300,000
Accounts receivable	60	50	60	50
Taxes receivable, delinquent	164,691	131,849	76,229	220,311
Due from other governments	277,655	2,400,233	280,309	2,397,579
Prepaid items	250	8,852	250	8,852
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total Assets	<u>\$ 13,899,290</u>	<u>\$ 21,101,199</u>	<u>\$ 25,755,711</u>	<u>\$ 9,244,778</u>
Liabilities:				
Accounts payable	\$ 581,257	\$ 10,794,130	\$ 10,231,331	\$ 1,144,056
Due to other governments	13,310,353	28,229,587	33,448,315	8,091,625
Other liabilities	7,680	9,228	7,811	9,097
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total Liabilities	<u>\$ 13,899,290</u>	<u>\$ 39,032,945</u>	<u>\$ 43,687,457</u>	<u>\$ 9,244,778</u>

**STATISTICAL SECTION**

## CITY OF CARSON CITY, NEVADA STATISTICAL SECTION

*This part of the City of Carson City's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the city's overall financial health.*

<b><u>Section Contents</u></b>	<b><u>Schedule #</u></b>
<b>Financial Trends</b> <i>These schedules contain trend information to help the reader understand how the city's financial performance and well-being have changed over time.</i>	<b>1.1 - 1.4</b>
<b>Revenue Capacity</b> <i>These schedules contain information to help the reader assess the factors affecting the city's ability to generate its property and sales taxes.</i>	<b>2.1 - 2.4</b>
<b>Debt Capacity</b> <i>These schedules present information to help the reader assess the affordability of the city's current levels of outstanding debt, and its ability to issue additional future debt.</i>	<b>3.1 - 3.4</b>
<b>Demographic and Economic Information</b> <i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the city's financial activities take place and to help make comparisons over time and with other governments.</i>	<b>4.1 - 4.2</b>
<b>Operating Information</b> <i>These schedules contain information about the city's operations and resources to help the reader understand how the city's financial information relates to the services the city provides and the activities it performs.</i>	<b>5.1 - 5.3</b>

**Sources:** *Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The city implemented GASB Statement 34 in 2003, and schedules presenting government-wide information include information beginning in that year.*

**CARSON CITY**  
**NET ASSETS BY COMPONENT**  
**LAST SIX FISCAL YEARS**  
**(UNAUDITED)**

	FISCAL YEAR ENDED JUNE 30,					
	2008	2007	2006	2005	2004	2003
<b>GOVERNMENTAL ACTIVITIES</b>						
Invested in capital assets, net of related debt	\$ 131,338,112	\$ 120,602,072	\$ 65,849,092	\$ 69,600,063	\$ 63,816,236	\$ 60,351,746
Restricted	23,302,315	29,389,902	24,871,291	16,085,638	14,316,416	15,261,474
Unrestricted	2,417,112	(1,728,608)	(3,390,070)	15,697,202	14,233,204	15,440,977
Total Governmental Activities Net Assets	<u>\$ 157,057,539</u>	<u>\$ 148,263,366</u>	<u>\$ 87,330,313</u>	<u>\$ 101,382,903</u>	<u>\$ 92,365,856</u>	<u>\$ 91,054,197</u>
<b>BUSINESS-TYPE ACTIVITIES</b>						
Invested in capital assets, net of related debt	\$ 87,652,903	\$ 84,123,860	\$ 78,129,888	\$ 71,872,037	\$ 70,977,186	\$ 71,395,417
Restricted	-	2,742,096	2,598,135	2,545,363	2,482,872	2,481,867
Unrestricted	14,666,940	16,169,206	16,340,435	17,913,131	16,797,849	16,176,689
Total Business-Type Activities Net Assets	<u>\$ 102,319,843</u>	<u>\$ 103,035,162</u>	<u>97,068,458</u>	<u>\$ 92,330,531</u>	<u>\$ 90,257,907</u>	<u>\$ 90,053,973</u>
<b>PRIMARY GOVERNMENT</b>						
Invested in capital assets, net of related debt	\$ 218,991,015	\$ 204,725,932	\$ 143,978,980	\$ 141,472,100	\$134,793,422	\$ 131,747,163
Restricted	23,302,315	32,131,998	27,469,426	18,631,001	16,799,288	17,743,341
Unrestricted	17,084,052	14,440,598	12,950,365	33,610,333	31,031,053	31,617,666
Total Business-Type Activities Net Assets	<u>\$ 259,377,382</u>	<u>\$ 251,298,528</u>	<u>184,398,771</u>	<u>\$ 193,713,434</u>	<u>\$182,623,763</u>	<u>\$ 181,108,170</u>

Note: Accrual-basis financial information for the city government as a whole is available back to 2003 only; the year GASB Statement 34 was implemented.

**CARSON CITY**  
**CHANGES IN NET ASSETS**  
**LAST SIX FISCAL YEARS**  
**(UNAUDITED)**

	FISCAL YEAR ENDED JUNE 30,					
	2008	2007	2006	2005	2004	2003
<b>EXPENSES</b>						
<b>Governmental Activities:</b>						
General government	\$ 13,042,589	\$ 13,329,480	\$ 15,920,465	\$ 11,732,939	\$ 10,368,245	\$ 9,567,850
Judicial	4,526,334	3,656,007	3,505,076	3,158,460	2,826,724	2,792,776
Public safety	27,388,924	26,333,209	25,401,443	25,320,788	21,632,395	20,467,651
Public works	10,017,131	7,205,824	7,205,695	7,462,191	7,389,511	7,575,408
Sanitation	1,972,849	-	-	-	-	-
Community support	991,673	552,307	15,427,942	1,476,257	5,805,226	1,206,737
Airport	124,386	348,318	85,514	126,043	270,425	59,382
Economic Opportunity	560,255	485,422	4,466,036	520,190	243,268	274,626
Welfare	2,008,154	2,074,309	2,038,709	1,915,957	1,482,239	1,776,505
Health	2,781,546	2,736,463	1,808,078	1,320,958	1,040,547	987,750
Culture and recreation	9,056,223	8,897,085	8,885,644	8,184,715	7,368,395	6,998,621
Interest on long-term debt	3,721,332	3,844,651	3,078,771	2,126,197	1,486,850	1,827,665
Total Governmental Activities Expenses	76,191,396	69,463,075	87,823,373	63,344,695	59,913,825	53,534,971
<b>Business-type Activities:</b>						
Landfill	-	2,057,836	1,889,185	1,058,363	1,534,489	1,373,244
Ambulance	3,444,369	3,314,417	3,159,589	2,599,930	2,635,082	2,439,285
Sewer	8,196,029	7,751,960	7,592,212	7,164,159	7,044,425	6,533,017
Water	9,996,906	9,143,663	8,228,357	7,670,393	7,385,857	6,978,156
Cemetery	206,709	201,439	214,107	199,167	193,136	193,882
Building Permits	1,581,943	1,724,380	1,629,333	1,476,259	1,419,040	1,388,170
Stormwater Drainage	880,387	860,866	745,178	286,562	21,170	-
Total Business-type Activities Expenses	24,306,343	25,054,561	23,457,961	20,454,833	20,233,199	18,905,754
Total Primary Government Expenses	\$ 100,497,739	\$ 94,517,636	\$ 111,281,334	\$ 83,799,528	\$ 80,147,024	\$ 72,440,725
<b>PROGRAM REVENUES</b>						
<b>Governmental Activities:</b>						
Charges for services	\$ 12,887,791	\$ 7,194,480	\$ 7,249,876	\$ 6,995,677	\$ 6,287,043	\$ 5,997,754
Operating grants, interest, and contributions	5,088,124	6,129,717	8,678,963	6,003,596	3,351,158	2,177,667
Capital grants, interest, and contributions	2,819,030	14,492,662	51,789	2,211,437	568,537	4,241,309
Total Governmental Activities Program Revenues	20,794,945	27,816,859	15,980,628	15,210,710	10,206,738	12,416,730
<b>Business-type Activities:</b>						
Charges for services	20,545,041	22,492,588	19,894,278	17,884,199	17,437,463	16,001,959
Operating grants, interest, and contributions	-	-	12,538	31,080	44,830	25,366
Capital grants, interest, and contributions	4,987,392	6,462,247	7,000,395	5,150,250	2,934,428	2,950,430
Total Business-type Activities Program Revenues	25,532,433	28,954,835	26,907,211	23,066,029	20,416,721	18,977,755
Total Primary Government Program Revenues	\$ 46,327,378	\$ 56,771,694	\$ 42,887,839	\$ 38,276,739	\$ 30,623,459	\$ 31,394,485
<b>NET (EXPENSE) / REVENUE</b>						
Governmental activities	\$ (55,396,451)	\$ (41,646,216)	\$ (71,842,745)	\$ (48,133,985)	\$ (49,707,087)	\$ (41,118,241)
Business-type activities	1,226,090	3,900,274	3,449,250	2,611,196	183,522	72,001
Total Primary Government Net (Expense) / Revenue	\$ (54,170,361)	\$ (37,745,942)	\$ (68,393,495)	\$ (45,522,789)	\$ (49,523,565)	\$ (41,046,240)
<b>GENERAL REVENUES AND OTHER CHANGES IN NET ASSETS</b>						
<b>Governmental Activities:</b>						
<b>Taxes:</b>						
Property taxes	\$ 17,542,259	\$ 16,538,908	\$ 14,842,941	\$ 14,399,482	\$ 13,622,347	\$ 13,163,766
Sales taxes	5,669,448	6,097,893	5,355,446	4,856,154	4,517,602	4,243,911
Consolidated tax	23,442,872	25,944,779	26,808,073	25,661,323	23,827,916	22,273,319
Franchise taxes	5,371,215	4,619,984	4,423,774	4,081,139	3,541,660	3,400,865
Other taxes	3,911,193	4,262,092	4,273,234	4,193,053	3,889,322	3,520,210
Motor vehicle fuel tax	1,330,616	1,373,902	1,361,374	1,340,152	1,277,083	1,140,911
Grants and contributions not restricted to specific programs	3,312	687	589	576	568	-
Unrestricted investment income	3,614,317	3,530,584	1,367,181	1,197,060	122,925	1,685,904
Gain on sale of capital assets	-	-	1,337,946	-	-	-
Miscellaneous revenue	305,300	246,304	189,430	191,890	257,974	200,892
Transfers	3,000,092	(746,617)	(2,169,833)	1,230,203	(38,651)	(126,817)
Total Governmental Activities	64,190,624	61,868,516	57,790,155	57,151,032	51,018,746	49,502,961
<b>Business-type Activities:</b>						
Unrestricted investment income	1,058,683	1,319,813	476,360	691,631	(18,239)	955,581
Transfers	(3,000,092)	746,617	2,169,833	(1,230,203)	38,651	126,817
Total Business-type Activities	(1,941,409)	2,066,430	2,646,193	(538,572)	20,412	1,082,398
Total Primary Government Activities	\$ 62,249,215	\$ 63,934,946	\$ 60,436,348	\$ 56,612,460	\$ 51,039,158	\$ 50,585,359
<b>CHANGE IN NET ASSETS</b>						
Governmental activities	\$ 8,794,173	\$ 20,222,300	\$ (14,052,590)	\$ 9,017,047	\$ 1,311,659	\$ 8,384,720
Business-type activities	(715,319)	5,966,704	6,095,443	2,072,624	203,934	1,154,399
Total Primary Government Change in Net Assets	\$ 8,078,854	\$ 26,189,004	\$ (7,957,147)	\$ 11,089,671	\$ 1,515,593	\$ 9,539,119

Note: Accrual-basis financial information for the city government as a whole is available back to 2003 only; the year GASB Statement 34 was implemented

CARSON CITY  
FUND BALANCES, GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
(UNAUDITED)

GENERAL FUND	FISCAL YEAR ENDED JUNE 30,									
	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
Reserved	\$ 790,253	\$ 793,002	\$ 867,481	\$ 546,825	\$ 479,751	\$ 552,198	\$ 450,765	\$ 525,190	\$ 687,116	\$ 738,795
Undesignated	\$ 5,143,029	\$ 5,385,581	\$ 5,079,437	\$ 8,959,556	\$ 8,846,685	\$ 8,712,714	\$ 9,568,308	\$ 6,385,072	\$ 5,662,704	\$ 3,995,707
Designated	\$ 8,383,701	\$ 5,496,137	\$ 4,951,945	\$ 2,092,600	\$ 2,606,927	\$ 16,884	\$ 2,971,753	\$ 3,888,468	\$ 2,097,212	\$ 2,153,587
Total General Fund	\$ 14,316,983	\$ 11,674,720	\$ 10,898,863	\$ 11,598,981	\$ 11,933,363	\$ 9,261,796	\$ 12,790,826	\$ 10,798,730	\$ 8,447,032	\$ 6,888,089
<b>ALL OTHER GOVERNMENTAL FUNDS</b>										
Reserved	\$ 15,258	\$ 12,953	\$ 1,287	\$ 865	\$ 22,400	\$ 247	\$ 3,798,655	\$ 3,605,309	\$ 3,603,193	\$ 1,367,114
Undesignated	\$ 14,476,430	\$ 5,195,162	\$ 9,914,131	\$ 10,300,110	\$ 5,738,209	\$ 2,169,391	\$ 3,007,135	\$ 9,846,252	\$ 4,907,047	\$ 9,543,618
Designated in:	\$ 1,259,329	\$ 1,143,535	\$ 992,243	\$ 1,633,794	\$ 2,354,377	\$ 2,667,705	\$ -	\$ -	\$ -	\$ -
Special Revenue Funds										
Debt Service Funds										
Capital Projects Funds										
Undesignated in:	\$ 73,552	\$ 100,358	\$ 517,218	\$ 130,227	\$ 70,197	\$ 177,126	\$ 1,385,905	\$ 671,734	\$ 2,388,796	\$ 2,092,557
Special Revenue Funds	\$ 13,889,408	\$ 32,268,590	\$ 28,406,279	\$ 22,049,919	\$ 17,059,026	\$ 16,934,032	\$ 14,588,849	\$ 5,026,104	\$ 6,516,774	\$ 7,291,964
Debt Service Funds	\$ 24,354	\$ 37,444	\$ 443,148	\$ 13,798	\$ 27,006	\$ 194,164	\$ -	\$ -	\$ -	\$ -
Capital Projects Funds	\$ 3,095,754	\$ 7,245,512	\$ 14,599,397	\$ 2,801,349	\$ 2,071,348	\$ 3,001,323	\$ 1,354,474	\$ 1,242,002	\$ 1,172,546	\$ 2,049,830
Total All Other Governmental Funds	\$ 32,834,085	\$ 46,003,554	\$ 54,873,703	\$ 36,950,062	\$ 27,342,563	\$ 25,103,988	\$ 24,133,018	\$ 20,391,401	\$ 18,588,556	\$ 22,345,033

Fluctuations in the general fund and all other governmental fund balance reserved and unreserved amounts are explained in the Management Discussion and Analysis.

Note: This information is presented on the modified accrual basis of accounting.

**CARSON CITY**  
**CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(UNAUDITED)**

	FISCAL YEAR ENDED JUNE 30,									
	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
<b>REVENUES</b>										
Taxes	\$ 26,801,548	\$ 26,649,450	\$ 24,247,771	\$ 23,227,887	\$ 21,806,953	\$ 20,705,621	\$ 20,533,691	\$ 19,696,288	\$ 18,333,861	\$ 16,894,089
Special assessments	7,089,746	6,183,388	6,191,477	5,688,240	5,099,575	4,877,726	4,623,361	4,692,980	4,647,303	4,424,227
Licenses and permits	30,876,567	43,287,158	36,935,960	33,640,817	29,100,114	27,058,432	28,395,840	27,071,037	22,988,425	22,726,466
Intergovernmental revenues	13,322,748	8,417,219	7,455,522	6,997,392	6,133,344	5,645,508	5,293,332	4,222,609	4,316,626	3,728,263
Charges for services	1,023,459	901,404	1,011,142	902,536	845,779	789,494	828,567	902,643	714,707	740,536
Fines and forfeits	4,565,944	4,411,395	2,179,034	2,121,663	1,024,528	2,398,752	2,253,205	3,089,543	2,715,620	2,104,519
Miscellaneous	83,680,012	89,850,014	78,020,906	72,578,535	64,203,001	61,687,017	62,162,790	59,911,213	53,999,633	50,919,366
<b>Total Revenues</b>										
	14,514,253	15,037,996	19,586,502	13,998,307	12,828,474	12,949,568	12,308,055	11,496,429	9,937,028	9,765,936
<b>EXPENDITURES</b>										
General government	25,954,382	25,956,021	24,295,657	25,614,239	20,531,866	20,448,172	18,255,487	16,975,277	15,900,862	14,436,720
Public safety	4,704,943	3,652,245	3,521,459	3,093,465	2,794,389	2,779,499	2,473,197	2,271,193	1,913,447	2,049,685
Judicial	17,079,950	11,965,730	12,148,591	10,441,407	10,201,012	10,749,239	9,975,074	11,093,375	12,659,669	9,590,386
Public works	2,627,724	2,670,894	1,777,541	1,532,341	1,037,614	1,146,927	934,853	880,340	922,370	914,648
Health	3,386,664	2,073,901	2,033,648	1,911,782	1,478,840	1,773,771	1,388,945	227,215	210,071	153,056
Sanitation	2,011,350	9,461,358	8,810,148	11,169,867	10,299,483	7,926,518	8,296,395	6,560,870	1,283,167	1,097,915
Welfare	15,594,191	630,602	15,784,475	752,965	5,547,273	1,058,208	1,739,029	1,246,276	8,306,920	7,487,441
Culture and recreation	579,295	10,034,403	38,779	79,038	297,124	247,363	73,352	44,188	1,139,448	1,016,234
Community support	609,176	565,092	4,598,312	593,042	263,279	312,937	374,336	48,500	247,025	40,604
Intergovernmental	4,084,369	9,039,514	6,510,301	306,592	265,811	180,704	252,124	1,282,214	1,852,210	6,995,388
Airport	3,038,832	3,056,246	2,725,880	2,576,513	2,396,506	3,501,418	2,364,750	2,114,792	2,188,923	1,620,614
Economic opportunity	3,651,174	3,764,874	2,932,911	1,958,684	1,282,262	1,961,517	1,909,116	1,851,904	1,828,378	1,747,309
Capital outlay	98,407,219	97,911,876	104,764,204	74,027,542	69,223,933	65,035,841	60,594,586	58,078,490	58,756,806	57,218,413
Debt service:										
Principal	(14,727,207)	(8,061,862)	(26,743,298)	(1,449,007)	(5,020,932)	(3,348,824)	1,568,204	1,832,723	(4,757,173)	(6,299,047)
Interest and fiscal charges										
<b>Total Expenditures</b>										
	11,228	55,770	41,000,000	6,815,000	9,935,000	802,500	5,129,802	-	2,505,000	5,860,000
<b>OTHER FINANCING SOURCES (USES)</b>										
Capital asset sales	-	-	3,620,000	40,613	141,280	42,026	71,166	2,314,843	176,539	933,950
Capital leases	-	-	20,052	85,749	-	-	-	-	-	-
Bonds issued	-	-	41,000,000	3,028,000	-	-	-	-	-	-
Notes issued	-	-	(9,884,613)	-	-	(4,888,283)	-	-	-	(3,229,796)
Payment to refunded bond escrow agent	-	-	3,040,000	-	-	4,895,000	-	-	-	3,270,000
Refunding bonds issued	-	-	1,654,300	-	-	-	-	-	-	-
Refunding notes issued	-	-	278,709	-	-	-	-	-	-	-
Premium on refunding bonds issued	-	-	10,162,385	9,961,443	4,121,536	11,074,155	5,429,803	5,522,848	5,984,832	3,976,046
Transfers in	12,952,593	7,736,648	10,162,385	(9,162,332)	(4,121,536)	(11,136,634)	(5,839,803)	(5,742,848)	(6,334,832)	(4,190,446)
Transfers out	(8,763,820)	(7,824,848)	(11,212,920)	308,908	-	-	-	-	-	-
Premium on bonds issued	-	-	-	(66,349)	(145,206)	-	-	-	-	-
Discount on bonds issued	-	-	-	-	-	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>										
	4,200,001	(32,430)	43,986,821	10,702,124	9,931,074	788,764	4,790,968	2,094,843	2,331,539	6,619,754
<b>Net Change in Fund Balances</b>	\$ (10,527,206)	\$ (8,094,292)	\$ 17,243,523	\$ 9,253,117	\$ 4,910,142	\$ (2,560,060)	\$ 6,359,172	\$ 3,927,566	\$ (2,425,634)	\$ 320,707
<b>Debt service as a percentage of noncapital expenditures</b>	8.76%	9.30%	6.19%	6.98%	5.97%	9.57%	7.08%	6.98%	7.24%	6.71%

Note: This information is presented on the modified accrual basis of accounting.

**CARSON CITY**  
**ASSESSED AND ESTIMATED ACTUAL**  
**VALUE OF TAXABLE PROPERTY**  
**LAST TEN FISCAL YEARS**  
**(UNAUDITED)**

FISCAL YEAR ENDED JUNE 30,	REAL PROPERTY ASSESSED VALUE			PERSONAL PROPERTY ASSESSED VALUE	LESS: TAX EXEMPT PROPERTY	TOTAL		PERCENTAGE OF TAXABLE VALUE TO ACTUAL VALUE	TOTAL DIRECT TAX RATE (1)
	RESIDENTIAL	COMMERCIAL	INDUSTRIAL			TAXABLE ASSESSED VALUE	ESTIMATED ACTUAL VALUE		
2008	\$ 1,206,800,499	\$ 547,565,065	\$ 81,726,034	\$ 86,113,782	\$ 358,490,827	\$ 1,612,389,852	\$ 4,606,828,149	35.00%	1.5007
2007	1,083,303,781	451,206,734	73,847,370	83,969,393	307,878,233	1,433,303,610	4,095,153,171	35.00%	1.5075
2006	849,173,104	377,913,118	70,855,130	90,645,832	228,104,138	1,204,395,768	3,441,130,766	35.00%	1.2220
2005	787,818,702	353,104,623	66,465,018	85,499,759	216,695,480	1,125,818,236	3,216,623,531	35.00%	1.2220
2004	746,722,428	332,262,156	79,211,607	69,616,260	214,805,768	1,069,001,554	3,054,290,154	35.00%	1.2085
2003	724,967,564	325,002,781	70,047,686	65,168,733	198,173,195	1,055,965,403	3,017,044,009	35.00%	1.1809
2002	686,167,611	309,358,914	70,055,946	62,501,598	193,119,150	997,993,693	2,851,410,551	35.00%	1.1791
2001	666,155,934	287,996,135	66,598,662	55,041,111	182,457,938	978,805,722	2,796,587,777	35.00%	1.1484
2000	637,277,061	269,855,961	63,344,186	51,300,331	177,116,204	926,511,698	2,647,176,280	35.00%	1.1097
1999	605,449,267	246,765,018	60,808,788	54,256,056	166,625,864	883,733,920	2,524,954,057	35.00%	1.0426

Source: Carson City Assessor

Pursuant to NRS 361.227, real property is valued at taxable value, determined by calculating the full cash value (market value) of land and estimated replacement cost of improvements less appropriate depreciation. Taxable assessed value is 35% of estimated actual value. Real property is reappraised at least every five years. Property not reappraised is revalued annually using various approved methods.

(1) Per hundred dollars of assessed valuation.

**CARSON CITY**  
**DIRECT AND OVERLAPPING PROPERTY TAX RATES**  
**LAST TEN FISCAL YEARS**  
**(TAX RATE PER \$100 ASSESSED VALUATION)**  
**(UNAUDITED)**

	FISCAL YEAR ENDED JUNE 30,									
	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
<b>CITY OF CARSON CITY DIRECT RATE</b>										
Operating Rate	1.2102	1.2101	0.9634	0.9634	0.9634	0.9234	0.9234	0.8922	0.8499	0.8008
Vote Approved	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500
Legislative Overrides	0.2405	0.2153	0.1765	0.1765	0.1620	0.1744	0.1711	0.1710	0.1710	0.1513
Debt Service	0.0000	0.0321	0.0321	0.0321	0.0331	0.0331	0.0346	0.0352	0.0388	0.0405
<b>Total Carson City Direct Rate</b>	<b>1.5007</b>	<b>1.5075</b>	<b>1.2220</b>	<b>1.2220</b>	<b>1.2085</b>	<b>1.1809</b>	<b>1.1791</b>	<b>1.1484</b>	<b>1.1097</b>	<b>1.0426</b>
<b>OVERLAPPING RATES</b>										
Carson City School District	1.2200	1.2200	1.2200	1.2200	1.2200	1.2200	1.2200	1.2200	1.2200	1.2700
State of Nevada	0.1700	0.1700	0.1700	0.1700	0.1700	0.1500	0.1500	0.1500	0.1500	0.1500
Eagle Valley Underground Water	0.0011	0.0012	0.0016	0.0016	0.0016	0.0016	0.0016	0.0018	0.0019	0.0024
Carson Valley Ground Water Basin	0.0025	0.0029	0.0027	0.0027	0.0033	0.0034	0.0033	0.0034	0.0038	0.0059
Sub-Conservancy	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300
Sierra Forest Fire	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000
<b>Total Overlapping Rates</b>	<b>1.5236</b>	<b>1.5241</b>	<b>1.5243</b>	<b>1.5243</b>	<b>1.5249</b>	<b>1.5050</b>	<b>1.5049</b>	<b>1.5054</b>	<b>1.5057</b>	<b>1.5583</b>
<b>Total Carson City Property Tax Rate</b>	<b>3.0243</b>	<b>3.0316</b>	<b>2.7463</b>	<b>2.7463</b>	<b>2.7334</b>	<b>2.6859</b>	<b>2.6840</b>	<b>2.6538</b>	<b>2.6154</b>	<b>2.6009</b>
<b>REDEVELOPMENT AGENCY OF CARSON CITY</b>	<b>2.8108</b>	<b>2.7913</b>	<b>2.4845</b>	<b>2.5078</b>	<b>2.4891</b>	<b>2.4802</b>	<b>2.5239</b>	<b>2.5502</b>	<b>2.5116</b>	<b>2.4950</b>

Source: Nevada Department of Taxation

**CARSON CITY  
TEN LARGEST ASSESSED VALUATIONS  
CURRENT YEAR AND NINE YEARS AGO  
(UNAUDITED)**

<u>TAXPAYER</u>	<u>2008</u>			<u>1999</u>		
	<u>ASSESSED VALUATION</u>	<u>RANK</u>	<u>PERCENTAGE OF TOTAL ASSESSED VALUATION</u>	<u>ASSESSED VALUATION</u>	<u>RANK</u>	<u>PERCENTAGE OF TOTAL ASSESSED VALUATION</u>
Dwight Millard	\$ 13,391,942	1	0.83%	\$ 6,903,685	4	0.78%
Southwest Gas Corp	13,092,369	2	0.81%	13,270,657	1	1.50%
John Serpa	12,781,158	3	0.79%	4,007,609	7	0.45%
Sierra Pacific Power	12,009,811	4	0.74%	10,649,134	2	1.21%
Carson - Tahoe Hospital	11,854,006	5	0.74%	-	-	-
C & A Investment	9,326,656	6	0.58%	-	-	-
Garth Richards	7,481,869	7	0.46%	3,806,222	9	0.43%
Cubix/Ormsby	7,446,611	8	0.46%	-	-	-
AT&T Nevada	7,276,476	9	0.45%	9,749,495	3	1.10%
Carson Gaming LLC	6,546,402	10	0.41%	-	-	-
Clark Russell	-	-	-	5,324,371	5	0.60%
Carson Nugget	-	-	-	4,805,858	6	0.54%
K-Mart	-	-	-	3,805,069	8	0.43%
Roger Shaheen	-	-	-	2,782,173	10	0.31%
Total, Ten Largest Taxpayers	101,207,300		6.28%	65,104,273		7.37%
Total, Other Taxpayers	1,511,182,552		93.72%	818,629,647		92.63%
Total Assessed Valuations	<u>\$ 1,612,389,852</u>		<u>100.00%</u>	<u>\$ 883,733,920</u>		<u>100.00%</u>

Source: Carson City Assessor

This list represents the ten largest property assessments based on property-owning taxpayers in the City. It is possible that an owner of several parcels may have an aggregate assessed value that is larger than those listed above.

**CARSON CITY**  
**PROPERTY TAX LEVIES AND COLLECTIONS**  
**LAST TEN FISCAL YEARS**  
**(AMOUNT EXPRESSED IN THOUSANDS)**  
**(UNAUDITED)**

<b>FISCAL YEAR ENDED JUNE 30,</b>	<b>TAXES LEVIED</b>	<b>CURRENT YEAR</b>		<b>DELINQUENT TAX COLLECTIONS</b>	<b>TOTALS TO DATE</b>	
		<b>TAX COLLECTIONS</b>	<b>PERCENT OF TAXES LEVIED</b>		<b>TAX COLLECTIONS</b>	<b>PERCENT OF TAXES LEVIED</b>
1999	\$ 20,013	\$ 19,810	98.99%	\$ 290.00	\$ 20,100	100.43%
2000	21,287	21,024	98.76%	218.00	21,242	99.79%
2001	22,597	22,406	99.15%	217.00	22,623	100.12%
2002	23,617	23,407	99.11%	244.00	23,651	100.14%
2003	24,975	24,726	99.00%	208.00	24,934	99.84%
2004	25,945	25,757	99.28%	234.00	25,991	100.18%
2005	27,274	27,054	99.19%	193.00	27,247	99.90%
2006	28,436	28,213	99.22%	135.00	28,348	99.69%
2007	30,839	30,592	99.20%	84.00	30,676	99.47%
2008	35,546	35,174	98.95%	71.00	35,245	99.15%

Source: Carson City Treasurer's Office

Note: Outstanding Delinquent Taxes were those taxes of the current year tax levy that were delinquent as of the end of June of each year. This figure does not reflect other tax years that were still delinquent in the fiscal year being reported.

CARSON CITY  
RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS  
(UNAUDITED)

FISCAL YEAR ENDED JUNE 30,	GENERAL BONDED DEBT					OTHER GOVERNMENTAL ACTIVITIES DEBT					BUSINESS TYPE ACTIVITIES			TOTAL PRIMARY GOVERNMENT	PERCENTAGE OF PERSONAL INCOME(2)	PER CAPITA(2)
	GENERAL OBLIGATION BONDS	GENERAL OBLIGATION NOTES	TOTAL GENERAL BONDED DEBT	PERCENTAGE OF ACTUAL PROPERTY VALUE (1)	PER CAPITA (2)	REVENUE BONDS	CAPITAL LEASES	SPECIAL ASSESSMENT BONDS	PROPRIETARY BONDS	PROPRIETARY NOTES	PROPRIETARY BONDS	PROPRIETARY NOTES				
2008	\$ 72,462,454	\$ 3,847,078	\$ 76,309,532	1.57%	\$ 1,322.00	\$ 4,915,000	\$ 112,533	\$ -	\$ 53,797,713	\$ -	\$ -	\$ -	\$ 135,134,778	5.57%	\$ 2,341.09	
2007	74,574,351	4,399,013	78,973,364	1.82%	1,568.67	5,140,000	120,447	-	57,120,185	-	-	-	141,353,996	6.18%	2,449.77	
2006	76,884,293	4,925,317	81,809,610	2.23%	1,432.64	5,360,000	86,777	-	50,968,629	-	-	-	138,225,016	6.38%	2,420.58	
2005	37,953,154	3,398,036	41,351,190	1.18%	740.06	7,330,000	82,473	-	54,291,941	-	-	-	103,255,604	5.08%	1,839.06	
2004	32,973,990	755,713	33,729,703	1.08%	610.82	7,670,000	-	215,000	42,171,690	-	-	-	83,786,393	4.51%	1,517.32	
2003	30,843,709	802,500	31,646,209	1.02%	577.02	2,000,000	-	430,000	34,578,836	-	-	-	68,655,045	3.92%	1,251.82	
2002	31,549,802	650,325	32,200,127	1.11%	594.42	2,860,000	-	645,000	36,848,733	-	-	-	72,553,860	4.21%	1,339.35	
2001	28,045,000	860,075	28,905,075	1.00%	544.40	3,170,000	-	977,030	25,726,396	-	-	-	58,778,521	3.49%	1,107.04	
2000	29,495,000	1,059,867	30,554,867	1.11%	580.67	3,415,000	-	1,085,000	24,875,908	-	-	-	59,930,775	3.91%	1,138.94	
1999	25,865,000	1,250,190	27,115,190	1.02%	522.23	3,640,000	-	1,305,000	29,127,821	92,460	-	-	61,280,471	4.19%	1,180.24	

Notes:

- (1) See Schedule 2.1 for estimated actual property value.
- (2) See Schedule 4.1 for population and personal income data.

**CARSON CITY  
GENERAL OBLIGATION DIRECT  
AND OVERLAPPING DEBT  
FISCAL YEAR ENDED JUNE 30, 2008  
(UNAUDITED)**

NAME OF GOVERNMENT UNIT	GENERAL OBLIGATION DEBT OUTSTANDING	PRESENTLY SELF-SUPPORTING GENERAL OBLIGATION DEBT	PERCENT APPLICABLE (1)	APPLICABLE NET DEBT
Direct:				
City of Carson City:				
Governmental Activity Bonds	\$ 72,462,454	\$ 72,462,454	100.00%	\$ -
Business-Type Activity Bonds	53,797,713	53,797,713	100.00%	-
Total Direct Debt	<u>126,260,167</u>	<u>126,260,167</u>		<u>-</u>
Overlapping:				
Carson City School District	<u>48,204,000</u>	<u>-</u>	100.00%	<u>48,204,000</u>
Total Overlapping Debt	<u>48,204,000</u>	<u>-</u>		<u>48,204,000</u>
Total General Obligation Direct and Overlapping Debt	<u>\$ 174,464,167</u>	<u>\$ 126,260,167</u>		<u>\$ 48,204,000</u>

Source: Carson City Finance Office and Carson City School District

(1) Based on fiscal year 2007-08 assessed valuation in the respective jurisdiction.

CARSON CITY  
LEGAL DEBT MARGIN INFORMATION  
LAST TEN FISCAL YEARS  
(UNAUDITED)

Legal Debt Margin Calculation for Fiscal Year Ended June 30, 2008

Assessed value of taxable property(1)	\$ 1,930,348,587
Debt limit (15% of assessed value)	289,552,288
Debt applicable to limit:	
Governmental activities	\$ 76,309,532
Business-type activities	53,797,713
Less: Amount available for repayment of general obligation debt	(200,000)
Total net debt applicable to limitation	129,907,245
Legal debt margin	\$ 159,645,043

	FISCAL YEAR ENDED JUNE 30,									
	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
Debt limit	\$ 289,552,288	\$ 219,896,382	\$ 183,981,394	\$ 172,194,764	\$ 163,388,242	\$ 161,241,549	\$ 152,079,436	\$ 148,736,738	\$ 140,657,114	\$ 134,112,930
Total net debt subject to limitation	129,907,245	135,893,548	132,578,239	103,173,131	83,571,393	68,225,045	69,048,860	76,162,159	77,498,877	76,221,595
Legal Debt Margin	\$ 159,645,043	\$ 84,002,834	\$ 51,403,155	\$ 69,021,633	\$ 79,816,849	\$ 93,016,504	\$ 83,030,576	\$ 72,574,579	\$ 63,158,237	\$ 57,891,335
Total net debt subject to limitation as a percentage of debt limit	44.9%	61.8%	72.1%	59.9%	51.1%	42.3%	45.4%	51.2%	55.1%	56.8%

Note: The legal debt limit is set forth in NRS 266.600.

(1) Includes Redevelopment Authority amount of \$87,101,590.

**CARSON CITY  
PLEGGED REVENUE COVERAGE  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

FISCAL YEAR ENDED JUNE 30,	PLEGGED REVENUE	LESS: OPERATING EXPENSES	NET AVAILABLE REVENUE	DEBT SERVICE REQUIREMENTS			COVERAGE RATIOS
				PRINCIPAL	INTEREST	TOTAL	
<b>HIGHWAY REVENUE(MOTOR VEHICLE FUEL TAX) IMPROVEMENT BONDS (1)</b>							
2008	\$ 2,846,668	\$ 3,351,447	\$ (504,779)	\$ 225,000	\$ 199,925	\$ 424,925	-1.2
2007	2,919,391	2,022,026	897,365	220,000	205,500	425,500	2.1
2006	2,911,491	1,698,400	1,213,091	215,000	212,000	427,000	2.8
2005	2,882,846	1,076,793	1,806,053	210,000	216,200	426,200	4.2
2004	-	-	-	-	-	-	N/A
2003	-	-	-	-	-	-	N/A
2002	-	-	-	-	-	-	N/A
2001	-	-	-	-	-	-	N/A
2000	-	-	-	-	-	-	N/A
1999	-	-	-	-	-	-	N/A
<b>TAX ALLOCATION BOND - REDEVELOPMENT AUTHORITY (2)</b>							
2008	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	N/A
2007	-	-	-	-	-	-	N/A
2006	511,325	-	511,325	145,000	120,463	265,463	1.9
2005	544,413	-	544,413	130,000	128,912	258,912	2.1
2004	528,702	-	528,702	115,000	136,330	251,330	2.1
2003	605,520	-	605,520	100,000	142,730	242,730	2.5
2002	624,528	-	624,528	85,000	148,000	233,000	2.7
2001	592,329	-	592,329	35,000	150,100	185,100	3.2
2000	286,801	-	286,801	25,000	151,537	176,537	1.6
1999	253,890	-	253,890	10,000	152,087	162,087	1.6
<b>HIGHWAY REVENUE IMPROVEMENT BONDS (3)</b>							
2008	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	N/A
2007	-	-	-	-	-	-	N/A
2006	-	-	-	-	-	-	N/A
2005	-	-	-	-	-	-	N/A
2004	-	-	-	-	-	-	N/A
2003	2,805,923	1,990,175	815,748	760,000	18,698	778,698	1.0
2002	2,987,769	2,031,393	956,376	225,000	51,288	276,288	3.5
2001	3,064,787	2,048,783	1,016,004	210,000	63,580	273,580	3.7
2000	3,065,386	1,899,611	1,165,775	200,000	75,060	275,060	4.2
1999	3,154,032	2,060,282	1,093,750	185,000	85,748	270,748	4.0
<b>GRAVES LANE SPECIAL ASSESSMENT BONDS (4)</b>							
2008	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	N/A
2007	-	-	-	-	-	-	N/A
2006	-	-	-	-	-	-	N/A
2005	-	-	-	-	-	-	N/A
2004	192,708	-	192,708	215,000	22,575	237,575	0.8
2003	211,484	-	211,484	215,000	33,540	248,540	0.9
2002	234,794	-	234,794	220,000	44,540	264,540	0.9
2001	236,113	-	236,113	220,000	55,320	275,320	0.9
2000	283,091	-	283,091	220,000	65,880	285,880	1.0
1999	301,265	-	301,265	220,000	76,220	296,220	1.0

**Notes:**

(1) Pledged revenues include a tax currently levied at the rate of four cents per gallon by the City, and the City's interest in taxes equal in the aggregate to 5.35 cents per gallon, levied by the State of Nevada on certain motor vehicle fuel sold in the City and the State. Operating expenses include amounts in the Regional Transportation Fund, less NDOT bypass portion and expenses in the Streets Maintenance Fund, less County Option Sales Taxes and the County Option 1 cent fuel tax.

(2) Pledged revenues include the property taxes levied in the Redevelopment District.

(3) Pledged revenues include the County Option Fuel tax collected in the Regional Transportation Fund. Expenditures include operating expenditures, less capital outlay.

(4) Pledged revenues for Special Assessment Bonds includes assessments, prepaid assessments, assessment interest, and prepaid assessment interest.

**CARSON CITY  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

FISCAL YEAR ENDED JUNE 30.	POPULATION (1)	CITY AREA (SQUARE MILES) (6)	TOTAL PERSONAL INCOME (2)	PER CAPITA PERSONAL INCOME (3)	UNEMPLOYMENT RATE (4)	PUBLIC SCHOOL ENROLLMENT (5)	BUSINESS LICENSES ISSUED (2)	TOTAL CONSTRUCTION PERMITS (6)	TOTAL CONSTRUCTION VALUE (6)
2008	57,723	147.00	\$ 2,425,790,825	\$ 43,925	6.7%	13,493	1,242	295	\$ 74,801,157
2007	57,701	147.00	2,286,325,000	41,478	5.0%	13,790	1,223	425	87,262,258
2006	57,104	147.00	2,167,780,000	38,938	4.8%	13,638	1,312	385	76,840,787
2005	56,146	147.00	2,031,906,000	36,441	4.7%	14,524	1,182	426	58,999,793
2004	55,220	147.00	1,859,588,000	33,653	5.2%	14,667	1,287	491	129,693,867
2003	54,844	147.00	1,751,205,000	32,089	5.8%	14,906	1,315	600	78,026,678
2002	54,171	147.00	1,724,799,000	32,260	5.8%	15,480	1,209	612	69,999,803
2001	53,095	147.00	1,683,799,000	32,041	5.1%	12,809	1,246	610	73,703,153
2000	52,620	147.00	1,532,852,000	29,505	3.7%	12,457	1,508	618	72,169,862
1999	51,922	147.00	1,462,230,000	28,748	3.9%	12,514	1,339	639	60,448,147

NR = Not reported

Sources:

- (1) State of Nevada, Demographer's Office, 1999-2007; Estimated for 2008 as data was unavailable at time of publication
- (2) City of Carson City, Business License Division
- (3) U.S. Department of Commerce, Bureau of Economic Analysis, 1999-2007, for Carson City Metropolitan Area. Estimated for 2008 as data was unavailable at time of publication.
- (4) State of Nevada, Department of Employment Training & Rehabilitation for Carson City Metropolitan Area
- (5) Includes elementary, junior high, high school, and community college enrollment. Information obtained from the Carson City School District and Wester Nevada College - Carson City campus.
- (6) City of Carson City, Building and Safety Department

**CARSON CITY  
PRINCIPAL EMPLOYERS  
CURRENT YEAR AND NINE YEARS AGO  
(UNAUDITED)**

<u>EMPLOYER</u>	<u>2008</u>			<u>1999</u>		
	<u>EMPLOYEES (1)</u>	<u>RANK</u>	<u>PERCENTAGE OF TOTAL COUNTY(2)</u>	<u>EMPLOYEES (1)</u>	<u>RANK</u>	<u>PERCENTAGE OF TOTAL COUNTY EMPLOYMENT</u>
Carson Tahoe Hospital	1000-1499	1	3.49%	700-799	3	2.46%
Carson City School District	1000-1499	2	3.24%	900-999	2	3.16%
City of Carson City	700-799	3	2.42%	700-799	4	2.37%
State Department of Transportation	600-699	4	2.12%			
Carson City Nugget	400-499	5	1.54%	500-599	6	1.76%
Casino Fandango	400-499	6	1.46%			
Western Nevada Community College	400-499	7	1.43%	300-399	7	1.25%
Chromalloy Nevada	400-499	8	1.36%	300-399	9	1.20%
State Department of Motor Vehicles	300-399	9	1.22%			
Wal-Mart Supercenter	300-399	10	1.13%	200-299	10	0.98%
Nevada Dept of Transportation				600-699	5	2.03%
State of Nevada (2)				4500-4999	1	15.40%
State Industrial Insurance System				300-399	8	1.21%
Total Carson City Area Covered Employment	29,871			24,700		

Source: Each of the two years reflect respective June information as compiled by the Nevada Department of Employment, Training, and Rehabilitation, Division of Labor Marketing.

Notes:

- (1) Nevada Revised Statutes Chapter 612 stipulate that actual employment for individual employers may not be published.  
(2) The State of Nevada changed it's reporting requirements in 2005 - each division now reports information separately.

**CARSON CITY**  
**FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION**  
**LAST TEN FISCAL YEARS**  
**(UNAUDITED)**

FUNCTION:	FISCAL YEAR ENDED JUNE 30,									
	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
General Government	123.35	127.05	135.30	134.05	131.55	130.75	128.50	128.25	127.25	129.60
Public Safety	259.45	265.70	261.50	259.50	250.00	249.00	240.00	237.50	232.00	225.50
Judicial	45.00	42.25	35.50	29.75	28.75	26.75	26.75	28.75	27.50	26.50
Public Works	58.25	53.59	54.85	45.05	50.40	49.40	52.90	41.81	42.75	39.50
Sanitation	13.05	10.90	11.70	11.20	7.35	9.35	1.50	1.50	1.50	1.50
Health	23.25	18.75	14.00	12.00	12.00	12.50	12.00	15.00	15.00	15.50
Welfare	2.00	1.00	1.00	1.00	1.00	1.50	1.00	1.25	1.25	1.50
Culture and Recreation	57.82	61.95	59.76	58.01	54.01	54.06	52.44	54.62	55.00	61.65
Community Support	2.00	2.00	2.00	2.00	1.00	1.00	0.00	0.00	0.00	0.00
Utilities	47.50	49.65	48.40	47.75	54.00	48.00	48.20	58.69	58.15	62.75
Hospitals (1)	0.00	0.00	0.00	0.00	0.00	0.00	754.54	733.65	702.15	668.58
Other	0.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	2.25	1.00
<b>Total</b>	<b>631.67</b>	<b>633.84</b>	<b>625.01</b>	<b>601.31</b>	<b>591.06</b>	<b>583.31</b>	<b>1,318.83</b>	<b>1,302.02</b>	<b>1,264.80</b>	<b>1,233.58</b>

Source: City of Carson City Finance Department

(1) The hospital was transferred from a City owned facility to a private, non-profit corporation on March 1, 2002.

**CARSON CITY  
OPERATING INDICATORS BY FUNCTION / PROGRAM  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

	FISCAL YEAR ENDED JUNE 30.									
	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
<b>FUNCTION / PROGRAM:</b>										
<b>General Government</b>										
Business licenses issued (3)	1,242	1,223	1,312	1,182	1,287	1,315	1,209	1,246	1,508	1,339
<b>Judicial: (1)</b>										
Municipal Court Cases Filed:										
Criminal Cases:										
Felony death penalty	0	1	5	0	0	0	0	0	0	NR
Felony, crimes against persons	374	407	581	553	651	688	549	728	241	NR
Felony, crimes against property	228	227	473	490	444	326	415	385	933	NR
Gross misdemeanor, crimes against persons	64	59	102	96	115	88	67	48	71	NR
Gross misdemeanor, crimes against property	42	21	57	55	42	8	35	33	38	NR
Misdemeanor, non-traffic	1,492	1,309	2,040	2,011	2,569	2,117	2,201	2,108	2,287	NR
Traffic and parking violations	16,460	12,516	20,885	18,190	18,188	16,605	15,624	18,090	15,252	NR
Civil Cases:										
General	2,514	2,513	2,254	2,197	1,913	1,587	1,775	1,641	1,616	NR
Small claims	638	686	601	550	638	528	504	534	504	NR
Landlord/tenant (summary eviction)	1,473	1,466	1,235	1,173	1,274	1,293	1,290	1,190	1,144	NR
Request for domestic violence protective orders	484	452	361	424	513	622	593	445	502	NR
Request for protection orders (non-dom. violence)	346	322	376	506	569	455	342	240	245	NR
<b>Public Safety</b>										
Police: (5)										
Number of sworn police personnel and officers	98	94	95	95	93	93	93	93	89	87
Number of physical arrests	3,265	2,872	2,742	3,189	3,516	2,829	4,461	3,995	4,015	4,430
Number of traffic accidents	1,035	538	705	693	858	618	962	522	769	823
Fire: (6)										
Number of firefighters	64	66	66	66	61	65	66	58	56	58
Number of calls answered	7,941	7,681	7,200	6,346	6,053	6,109	5,715	5,280	4,848	4,972
Number of fire prevention inspections	2,090	2,061	1,681	1,784	2,185	2,256	3,020	3,219	2,517	1,374
<b>Public Works (7)</b>										
Number of street lights	1,723	1,525	1,406	1,391	1,391	1,290	1,292	1,292	1,172	1,160
<b>Culture and Recreation (8)</b>										
Number of participants in recreation sports	7,950	6,350	5,090	5,440	5,240	4,910	4,060	NR	NR	NR
Number of participants in sports tournaments	56,410	42,429	38,687	25,098	22,860	12,549	6,500	NR	NR	NR
Average number of children enrolled in summer program per day	262	290	370	370	370	390	390	390	390	380
Average number of children enrolled in latch key programs per day	265	275	400	400	370	390	390	418	355	347
<b>Utilities (4)</b>										
Sewer:										
Customer count as of June 30	15,379	15,312	15,227	15,151	15,028	14,752	14,442	14,080	13,850	13,370
Total discharge (in thousands of gallons)	1,869,403	1,878,804	1,833,250	1,868,459	1,864,459	1,800,538	1,793,575	1,819,101	1,772,451	1,686,758
Water:										
Customer count as of June 30	16,790	16,705	16,540	16,427	16,300	16,061	15,754	15,394	15,199	14,683
Total consumption (in thousands of gallons)	4,077,837	4,165,842	3,956,644	3,860,618	4,236,540	3,984,524	4,127,355	4,026,432	4,008,090	3,453,892
<b>Development Services (2)</b>										
Building permits issued	295	425	385	426	491	600	612	610	618	639

NR = Not reported

Sources:

- (1) Carson City Municipal Court
- (2) Carson City Community Development Department
- (3) Carson City Treasurer's Office
- (4) Carson City Public Works
- (5) Carson City Sheriff's Office
- (6) Carson City Fire Department
- (7) Carson City Public Works
- (8) Carson City Parks & Recreation

**CARSON CITY**  
**CAPITAL ASSETS STATISTICS BY FUNCTION / PROGRAM**  
**LAST TEN FISCAL YEARS**  
**(UNAUDITED)**

	FISCAL YEAR ENDED JUNE 30,									
	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
<b>FUNCTION / PROGRAM:</b>										
<b>General Government</b>										
City owned facilities (1)	82	82	82	84	84	83	82	81	80	79
City owned structures (1)	81	81	81	81	81	81	81	81	81	81
Number of networked computers (5)	650	650	517	NR						
<b>Public Safety</b>										
Police: (2)										
Marked police vehicles	37	36	32	32	32	25	25	25	25	23
Fire: (3)										
Fire stations	3	3	3	3	3	3	3	3	3	3
Fire engines	9	9	9	9	9	9	9	9	8	9
<b>Public Works (1)</b>										
Paved streets (miles)	259	259	250	250	250	241	241	241	236	235
<b>Culture and Recreation (4)</b>										
<b>Parks:</b>										
Acreage of parks - developed	780.5	772.5	765.5	765.5	765.5	757.5	754.5	754.5	754.5	754.5
Acreage of parks - undeveloped	436.0	444.0	448.0	448.0	448.0	448.0	448.0	448.0	448.0	448.0
Swimming pools - outdoors	1	1	1	1	1	1	1	1	1	0
Swimming pools - indoors	3	3	3	3	3	3	3	3	2	1
Ball fields - lighted	16	16	16	16	16	16	16	16	16	16
Ball fields - unlighted	19	19	19	19	19	19	19	19	19	19
Tennis courts - lighted	12	12	12	12	12	12	12	12	12	12
Tennis courts - unlighted	4	3	2	2	2	2	2	2	2	2
Basketball courts - lighted	0	0	0	0	0	0	0	0	0	0
Basketball courts - unlighted	8	6	4	4	4	4	4	4	4	4
Community Centers	1	1	1	1	1	1	1	1	1	1
Rodeo arenas	1	1	1	1	1	1	1	1	1	1
Sand volleyball courts	4	3	3	3	3	2	2	2	2	1
<b>Utilities (1)</b>										
Sewer lines (miles)	216.6	216.6	213	212	226	226	226	225	219	217
Storm drains (miles)	76.4	76.4	76.4	NR						
Water lines (miles)	296	296	235	301	290	240	240	239	238	220

NR = Not reported

Sources:

- (1) Carson City Facilities Division
- (2) Carson City Sheriff's Office
- (3) Carson City Fire Department
- (4) Carson City Parks & Recreation
- (5) Carson City Information Technology Department

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**COMPLIANCE SECTION**

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**KAFOURY, ARMSTRONG & CO.**  
A PROFESSIONAL CORPORATION  
CERTIFIED PUBLIC ACCOUNTANTS

**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 Mayor and Members of the  
Board of Supervisors, Carson City, Nevada

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Carson City, Nevada as of and for the year ended June 30, 2008, which collectively comprise Carson City's basic financial statements, and have issued our report thereon dated November 26, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control over Financial Reporting**

In planning and performing our audit, we considered Carson City's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Carson City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Carson City's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies described in Findings 08-1 and 08-2 in the accompanying Schedule of Findings and Questioned Costs to be significant deficiencies in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section, and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we do not believe that the significant deficiencies described above are material weaknesses.

### **Compliance and Other Matters**

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

Carson City's response to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. We did not audit Carson City's response, and accordingly, we express no opinion on it.

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

*Kafoury, Armstrong & Co.*

Reno, Nevada  
November 26, 2008



**KAFOURY, ARMSTRONG & CO.**  
A PROFESSIONAL CORPORATION  
CERTIFIED PUBLIC ACCOUNTANTS

**Independent Auditor's Report on Compliance with Requirements Applicable to Each  
Major Program and on Internal Control over Compliance in  
Accordance with OMB Circular A-133**

To the Honorable Mayor and Members of the  
Board of Supervisors, Carson City, Nevada

**Compliance**

We have audited the compliance of Carson City, Nevada with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2008. Carson City's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Carson City's management. Our responsibility is to express an opinion on Carson City's compliance based on our audit.

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

In our opinion, Carson City, Nevada complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2008.

**Internal Control Over Compliance**

The management of Carson City is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Carson City's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Carson City's internal control over compliance.

Our consideration of the internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses as defined below. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as items 08-2 and 08-3 to be significant deficiencies.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control. We do not consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs to be material weaknesses.

Carson City's responses to the findings identified in our audit are described in the accompany Schedule of Findings and Questioned Costs. We did not audit Carson City's responses and, accordingly, we express no opinion on them.

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



Reno, Nevada  
November 26, 2008

**CARSON CITY**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2008**  
**(PAGE 1 OF 5)**

<u>FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM TITLE</u>	<u>FEDERAL CFDA NUMBER</u>	<u>PASS-THROUGH GRANTOR'S NUMBER</u>	<u>FEDERAL EXPENSES/ EXPENDITURES</u>
<u>National Foundation on the Arts and the Humanities:</u>			
Passed through Nevada State Library and Archives:			
Grants to States - Statewide Reading Program	45 310	LSTA 2008-20-02	\$ 386
Grants to States - Assessment for Future Planning	45 310	LSTA 2007-03	<u>36,254</u>
Total Grants to States Program			<u>36,640</u>
<u>U.S. Department of Agriculture:</u>			
Direct programs:			
2007/2008 Cooperative Patrol	10 N/A	N/A	<u>9,885</u>
Wildlife Habitat Incentive Program	10 914	N/A	<u>75,193</u>
Soil and Water Conservation	10 902	N/A	<u>160,504</u>
Passed through Nevada Division of Forestry:			
Cooperative Forestry Assistance-Carson City Fuels Reduction	10 664	USDA/SFA/05/10	5,159
Cooperative Forestry Assistance-Carson City Fuels Reduction	10 664	USDA/SFA/06/24	<u>12,572</u>
Total Cooperative Forestry Assistance			<u>17,731</u>
Passed through Nevada Department of Health and Human Services:			
Special Supplemental Nutrition Program for Women, Infants, and Children	10 557	3214	<u>109,248</u>
Passed through State Controller:			
Schools and Roads - Grants to States	10 665	N/A	<u>1,187</u>
Passed through Nevada Department of Administration:			
National School Lunch Program - Food Donation	10 555	N/A	1,896
Passed through Nevada Department of Education:			
School Breakfast Program	10 553	N/A	10,032
National School Lunch Program	10 555	N/A	<u>17,426</u>
Total Child Nutrition Cluster			<u>29,354</u>
Total U S. Department of Agriculture			<u>403,102</u>
<u>U.S. Department of Health and Human Services:</u>			
Passed through Nevada Department of Health and Human Services:			
Community Services Block Grant	93 569	N/A	<u>87,001</u>
Family Planning Services	93 217	3224	<u>77,711</u>
Temporary Assistance for Needy Families	93 558	3224	<u>34,372</u>
Block Grants for Prevention and Treatment of Substance Abuse	93 959	3224	<u>22,417</u>
Maternal and Child Health Services Block Grant to the States	93 994	3224	<u>14,944</u>
Child Support Enforcement - Title IV - D	93 563	N/A	<u>252,117</u>
HIV Care Formula Grants - Ryan White Title II	93 917	N/A	<u>56,937</u>

**CARSON CITY**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2008**  
**(PAGE 2 OF 5)**

<u>FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM TITLE</u>	<u>FEDERAL CFDA NUMBER</u>	<u>PASS-THROUGH GRANTOR'S NUMBER</u>	<u>FEDERAL EXPENSES/ EXPENDITURES</u>
Immunization Grants	93.268	3213	\$ 194,916
Immunization Grants - Program Income	93.268	N/A	<u>48,854</u>
Total Immunization Grants			<u>243,770</u>
Passed through NACCHO:			
Medical Reserve Corps Small Grant Program	93 008	#MRC07411	<u>4,113</u>
Passed through Nevada Department of Health and Human Services:			
Centers for Disease Control and Prevention - Investigations and Technical Assistance - Public Health Preparedness and Terrorism Response	93 283	CDC 06-07/06-06	136,817
Centers for Disease Control and Prevention - Investigations and Technical Assistance - Pandemic Flu	93 283	CDC 18-06	<u>91,468</u>
Total Centers for Disease Control and Prevention - Investigations and Technical Assistance			<u>228,285</u>
Public Health Emergency Preparedness	93.069	CDC 09-07	243,594
Public Health Emergency Preparedness	93.069	CDC 11-07	<u>39,099</u>
Total Public Health Emergency Preparedness			<u>282,693</u>
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	3220	<u>2,221</u>
HIV Prevention Activities_Health Department Based	93.940	3215	<u>9,213</u>
National Bioterrorism Hospital Preparedness Program	93 889	08-06B/ASPR 08-07	<u>128,955</u>
Preventive Health Services-Sexually Transmitted Diseases Control Grants-Communicable Disease Program	93.977	N/A	<u>1,433</u>
Cooperative Agreements for State-Based Diabetes Control Programs and Evaluation of Surveillance Systems	93.988	N/A	<u>323</u>
Total U.S. Department of Health and Human Services			<u>1,446,505</u>
<u>U.S. Department of Housing and Urban Development:</u>			
Direct programs:			
Community Development Block Grants/ Entitlement Grants	14 218	N/A	<u>203,612</u>
Emergency Shelter Grants Program	14.231	N/A	<u>4,067</u>
Total U.S. Department of Housing and Urban Development			<u>207,679</u>
<u>U.S. Department of the Interior:</u>			
Direct programs:			
National Fire Plan - Wildland Urban Interface Community Fire Assistance	15 228	N/A	<u>14,112</u>
BLM Law Enforcement Services	15 N/A	N/A	<u>1,305</u>
Passed through Nevada Department of Museums, Libraries and Arts - State Historic Preservation Office:			
Historic Preservation Fund Grants-In-Aid - Historic Church Structures	15 904	N/A	<u>44,432</u>
Total U.S. Department of the Interior			<u>59,849</u>

**CARSON CITY**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2008**  
**(PAGE 3 OF 5)**

<u>FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM TITLE</u>	<u>FEDERAL CFDA NUMBER</u>	<u>PASS-THROUGH GRANTOR'S NUMBER</u>	<u>FEDERAL EXPENSES/ EXPENDITURES</u>
<u>U.S. Department of Justice:</u>			
Direct programs:			
D.E.A. Confiscated Property	16 Unknown	N/A	\$ 5,816
D.E.A. Integrated Drug Enforcement Assistance	16 Unknown	N/A	2,685
Edward Byrne Memorial Justice Assistance Grant Program	16.738	N/A	6,138
Edward Byrne Memorial Justice Assistance Grant Program- Crisis Negotiation Team Special Equipment	16.738	N/A	10,039
Edward Byrne Memorial Justice Assistance Grant Program- National Night Out/DARE	16.738	N/A	13,135
Total Edward Byrne Memorial Justice Assistance Grant Program			29,312
State Criminal Alien Assistance Program	16.606	N/A	64,625
Passed through Nevada Department of Human Resources:			
Enforcing Underage Drinking Laws Program	16.727	N/A	13,037
Passed through Nevada Office of the Attorney General:			
Violence Against Women Formula Grants - Alternative Sentencing Officer	16.588	2006-STOP-01	8,297
Passed through Nevada Department of Public Safety:			
Edward Byrne Memorial Justice Assistance Grant Program - Tri-Net	16.738	07-JAG-03	115,854
Edward Byrne Memorial Justice Assistance Grant Program - Gang Outreach	16.738	07-JAG-04	23,793
Edward Byrne Memorial Justice Assistance Grant Program - Gang Suppression	16.738	07-JAG-01	60,828
Edward Byrne Memorial Justice Assistance Grant Program - Special Response Tools	16.738	07-JAG-02	19,750
Edward Byrne Memorial Justice Assistance Grant Program - Special Response Tools	16.738	04-NC-043	32
Total Edward Byrne Memorial Justice Assistance Grant Program			220,257
Juvenile Justice and Delinquency Prevention - Allocation to States - Status Offender	16.540	N/A	4,830
Total U.S. Department of Justice			348,859
<u>U.S. Department of Transportation:</u>			
Direct Programs:			
Airport Improvement Program - 3-32-0004-14	20.106	N/A	303,793

**CARSON CITY**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2008**  
**(PAGE 4 OF 5)**

<u>FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM TITLE</u>	<u>FEDERAL CFDA NUMBER</u>	<u>PASS-THROUGH GRANTOR'S NUMBER</u>	<u>FEDERAL EXPENSES/ EXPENDITURES</u>
Passed through Emergency Response Commission: Interagency Hazardous Materials Public Sector Training and Planning Grants - HMEP Planning & Training	20 703	08-HMEP-01-01	\$ 7,868
Passed through Nevada Department of Public Safety: State and Community Highway Safety - Joining Forces	20 600	27-JF-1.01	4,011
State and Community Highway Safety - Joining Forces	20.600	28-JF-1 02	12,647
Total State and Community Highway Safety			<u>16,658</u>
Passed through Nevada Department of Transportation Federal Transit - Formula Grants (Urbanized Area Formula Program)	20 507	NV-90-0050 & -X052 NV-16-0032	797,309
Federal Transit - Formula Grants (Urbanized Area Formula Program) - Program Income	20 507	N/A	91,407
Federal Transit - Capital Investment Grants	20 500	NV-03-0036	41,242
Total Federal Transit Cluster DOT			<u>929,958</u>
Federal Transit - Metropolitan Planning Grants	20 505	NV-80-X014	29,046
Highway Planning and Construction - Unified Planning Work Program	20.205	PR70003-00-804	150,010
Total U.S. Department of Transportation			<u>1,437,333</u>
<u>U.S. Department of Homeland Security:</u>			
Direct Programs: Assistance to Firefighters Grant - FY 06/ Fire Prevention and Safety Program	97.044	N/A	260,221
Passed through Nevada Department of Public Safety: State Domestic Preparedness Equipment Support Program - DHS/05 - State Homeland Security Grant Program	97.004	97004HSS	28,192
Homeland Security Cluster: State Homeland Security Program- DHS/05	97.073	97073HL5	22,683
Homeland Security Grant Program - DHS/07 SHSP	97.067	97067HE7	251
Passed through the City of Las Vegas: Homeland Security Grant Program - DHS/06.02 SHSP	97.067	SHSP-06.02	10,500
Citizen Corps- DHS/06.02 - CCP	97.053	CCP-06.02	10,000
Total Homeland Security Cluster			<u>43,434</u>
Passed through Nevada Division of Emergency Management: Emergency Management Performance Grants	97.042	9704208	52,174
Emergency Management Performance Grants	97.042	9704207	6,429
Total Emergency Management Performance Grants			<u>58,603</u>

CARSON CITY  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2008**  
(PAGE 5 OF 5)

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH GRANTOR'S NUMBER	FEDERAL EXPENSES/ EXPENDITURES
Passed through Nevada Division of Emergency Management: Disaster Grants-Public Assistance - 2006 Flood	97 036	FEMA-NV-DR 1629	\$ 120,528
Total U.S. Department of Homeland Security			<u>510,978</u>
Total Expenditures of Federal Awards			<u>\$ 4,450,945</u>

**CARSON CITY**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2008**

**NOTE 1 - BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Carson City, Nevada and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

**NOTE 2 - SUBRECIPIENTS**

Of the federal expenditures presented in the schedule, Carson City, Nevada provided federal awards to subrecipients as follows:

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Amount Provided to Subrecipients</u>
Schools and Roads - Grants to States	10.665	\$ <u>594</u>
Community Development Block Grants	14.218	\$ <u>66,479</u>
Federal Transit – Formula Grants (Urbanized Area Formula Program)	20.507	\$116,720
Federal Transit – Capital Investment Grants	20.500	<u>2,903</u>
Total Federal Transit Cluster DOT		<u>\$119,623</u>

**NOTE 3 - NON-CASH ASSISTANCE**

The expenditures for the Food Donation program (CFDA #10.555) represent the dollar value of food commodities distributed to eligible recipients during the year. The value of commodities is determined by the U.S. Department of Agriculture.

The expenditures for the Immunization Grants program (CFDA # 93.268) include the value of vaccines received in lieu of cash in the amount of \$104,041.

**CARSON CITY, NEVADA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2008**

***A. Summary of Auditor's Results***

- Kafoury, Armstrong & Co. issued an unqualified opinion on the basic financial statements of Carson City, Nevada for the year ended June 30, 2008.
- Two significant deficiencies were identified during the audit of the financial statements as reported in the 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*. The deficiencies were not considered material weaknesses.
- The audit disclosed no instances of noncompliance, which were material to the financial statements of Carson City, Nevada.
- Two significant deficiencies in internal control over major federal award programs disclosed during the audit are reported in the Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular-A-133. The deficiencies were not considered material weaknesses.
- Kafoury, Armstrong & Co. issued an unqualified opinion on compliance for major Federal programs of Carson City, Nevada.
- Audit findings relative to the major federal award programs for Carson City, Nevada, which are required to be reported under Section .510(a) of the OMB Circular A-133, are reported in Part C of this Schedule.
- Carson City, Nevada had two major programs for the year ended June 30, 2008, as follows:
  - U.S. Department of Transportation:
    - Airport Improvement Program – CFDA 20.106
    - Federal Transit Cluster – CFDA 20.500 and 20.507
- The dollar threshold used to distinguish between Type A and Type B programs for the year ended June 30, 2008, was \$300,000.
- Carson City, Nevada qualified as a low risk auditee for the year ended June 30, 2008 under the criteria set forth in section .530 of OMB Circular A-133.

**CARSON CITY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2008**

***B. Findings Relating to the Financial Statement Audit Reported in Accordance with Generally Accepted Governmental Auditing Standards (GAGAS):***

**Significant Deficiencies:**

Finding 08-1:

Segregation of Duties of Landfill Cash Receipt Functions:

<i>Criteria:</i>	Internal controls over cash receipts should provide adequate segregation of duties between initiation, recording and handling of cash receipts.
<i>Condition:</i>	Responsibility for the preparation of invoices, cash collections and adjustments to receivable balances for Carson City's landfill activities resides with one individual.
<i>Effect:</i>	This could provide an opportunity to misappropriate funds and conceal such activity.
<i>Cause:</i>	Controls are not in place to segregate the duties of initiation and recording of landfill transactions from the handling of landfill cash receipts.
<i>Recommendation:</i>	We recommend the City implement additional controls to segregate the duties of initiation and recording of landfill transactions from the handling of landfill cash receipts.
<i>Management's Response:</i>	The responsibility for collection and posting of landfill cash receipts will be transferred from the Public Works Department to the Treasurer's Office. The Public Works Department will continue to prepare and mail out the monthly billing statements, record accounts receivable and make adjustments to accounts receivable as necessary. This will provide adequate segregation of duties between initiation, recording and handling of cash receipts.

Finding 08-2:

Reporting of Federal Expenditures:

<i>Finding:</i>	See Part C, Finding 08-2 – Major Federal Award Programs Audit on page 186.
<i>Management's Response:</i>	See management's response on page 189.

**CARSON CITY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2008**

***C. Findings and Questioned Costs for Major Federal Award Programs:***

**U.S. DEPARTMENT OF TRANSPORTATION:**

**U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:**

Finding 08-2:

Federal Transit Cluster, CFDA 20.500 and 20.507:  
Airport Improvement Program, CFDA 20.106:  
Public Health Emergency Preparedness, CFDA 93.069  
Immunization Grants, CFDA 93.268:

*Grant Award Number:* Potentially affects all grant awards under CFDA 20.500, 20.507, 20.106, 93.069 and 93.268 on the Schedule of Expenditures of Federal Awards.

*Criteria and Condition:* OMB Circular A-133 requires the City to prepare a Schedule of Expenditures of Federal Awards (Schedule) showing total Federal expenditures for the year and to maintain internal control over Federal programs that provides reasonable assurance that the City is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs. That Schedule should include the name of the Federal agency or pass-through entity and the identifying number assigned by the entity.

Carson City has assigned the responsibility for accumulating the information to prepare the Schedule to the Finance Department. The Finance Department compiles this information based on award information provided from the personnel who administer the various programs. During our testing and reconciliation of the Schedule, several errors were identified. These included omitting program income for the Immunization program (CFDA 93.268) and the Federal Transit Cluster (CFDA 20.500 and 20.507), as well as including the value of vaccines received under the Immunization Program. Also, expenditures amounting to \$282,693 relating to the Public Health Emergency Preparedness program (CFDA 93.069) were incorrectly reported as expenditures for the Centers for Disease Control and Prevention - Investigations and Technical Assistance program (CFDA 93.283).

During our major program testing we noted that the award documents for the Federal Transit Cluster and the Airport Improvement Program (CFDA 20.106) included identifying numbers assigned by granting agency, and those identifying numbers were not included on the Schedule.

*Questioned Costs:* None.

*Context:* The condition noted above appears to be a systemic problem.

*Effect:* The inability to provide complete and accurate information about Federal expenditures and awards may be an indicator that the City is not managing the funds in accordance with the grant agreements.

*Cause:* The Finance Department and grant program personnel do not have adequate communication regarding the Federal awards to ensure that Federal expenditures are reported completely and accurately on the Schedule of Expenditures of Federal Awards.

*Recommendation:* We recommend the Finance Department and grant program personnel, develop procedures to enhance communication regarding Federal awards and the related expenditures to ensure that Federal expenditures are completely and accurately reported to comply with the requirements of OMB Circular A-133.

*Management's Response:* See management's response on pages 189.

**U.S. DEPARTMENT OF TRANSPORTATION:**

Finding 08-3:

Federal Transit Cluster, CFDA 20.500 and 20.507:

*Grant Award Number:* Affects all grant awards under CFDA No. 20.507 on the Schedule of Expenditures of Federal Awards.

*Criteria and Condition:* As noted in OMB Circular A-133, a pass-through entity is responsible for monitoring the activities of subrecipients as necessary to ensure that Federal awards are used for authorized purposes, and for ensuring an audit is completed within nine months of the end of a subrecipient's audit period, when required.

There was no documentation available to confirm that subrecipient monitoring activities had been performed, or that the most recent audit report was received and reviewed for the subrecipient.

*Questioned Costs:* None

*Context:* The condition noted above appears to be a systemic problem.

*Effect:* Noncompliance at the subrecipient level may occur and not be detected by the City.

*Cause:* The City did not have procedures established for subrecipient monitoring activities or to request and review the audit reports.

*Recommendation:*

We recommend the City develop subrecipient monitoring policies for the Federal Transit Cluster program, which include receiving and reviewing the audit reports.

*Management's Response:*

See management's response on page 189.



**CARSON CITY, NEVADA**  
CONSOLIDATED MUNICIPALITY AND STATE CAPITAL

November 26, 2008

Dear Grantor Agencies:

The following is a discussion of our corrective action plan in response to the findings noted by Kafoury, Armstrong & Co. in the Schedule of Findings and Questioned Costs for the year ended June 30, 2008.

U.S. Department of Transportation:

U.S. Department of Health and Human Services:

Finding 08-2:

Federal Transit Cluster, CFDA 20.500 and 20.507  
Public Health Emergency Preparedness, CFDA 93.069  
Immunization Grants, CFDA 93.268

Corrective Action:

In response to this finding, the City will implement the following procedures:

- Departments that administer federal awards will be required to provide the Finance Department with all grant award documents.
- The grant award documents will be reviewed by the Finance Department to ensure that the appropriate information is reported on the Schedule of Expenditures of Federal Awards.
- The Finance Department will review OMB Circular A-133 annually to ensure the proper recording of information on the Schedule of Expenditures of Federal Awards.

U.S. Department of Transportation:

Finding 08-3:

Federal Transit Cluster, CFDA 20.500 and 20.507

Corrective Action:

To ensure that sub-recipient monitoring activities are being performed, the City will develop a sub-recipient monitoring checklist that includes requesting and reviewing the sub-recipient's most recent audit report.

These corrective actions will be implemented immediately to improve the City's internal control over compliance with requirements applicable to federal programs and compliance with the types of compliance requirements applicable to its federal programs.

Sincerely,

Nickolas Providenti  
Director of Finance

**CARSON CITY  
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2008**

***Findings Relating to the Financial Statement Audit Reported in Accordance with Generally Accepted Governmental Auditing Standards (GAGAS): Significant Deficiency***

Significant Deficiency:

Finding 07-1:

Payroll System Access Controls:

*Criteria and Condition:* System access controls should be in place to provide safeguards over assets and reduce the risk of misstatements in financial reporting.

Access to certain modules in the payroll software was not restricted to the designated personnel responsible for the related function of the software application.

*Effect:* Unauthorized transactions could occur in the Carson City's payroll system and not be detected.

*Cause:* Inadequate design of information technology application controls to prevent or detect unauthorized transactions in Carson City's payroll system.

*Recommendation:* Management should examine its access controls over critical software applications and restrict other than read-only access to those personnel responsible for the related function of the software application.

*Current Status:* Corrective action has been taken. The ability to make changes in the payroll system has been restricted to only those personnel that are responsible for the related function of the software application. Any others requiring information from these applications were given read-only access.

**CARSON CITY  
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2008**

U.S. Department of Housing and Urban Development:

Finding 07-2:

Community Development Block Grant, CFDA 14.218:

*Grant Award Number:* Potentially affects all grant awards under CFDA No. 14.218 on the Schedule of Expenditures of Federal Awards.

*Criteria and Condition:* As noted in OMB Circular A-133, a pass-through entity is responsible for ensuring an audit is completed within nine months of the end of a subrecipient's audit period, when required; issuing a management decision on audit findings within six months after receipt of a subrecipient's audit report; and ensuring that the subrecipient takes timely and appropriate corrective action on all audit findings.

There was no documentation available to confirm that the most recent audit report was received and reviewed for one of the three subrecipients tested, and the audit report could not be located in the office.

*Recommendation:* We recommend the City maintain adequate support of monitoring efforts and that this support be retained for review.

*Current Status:* Corrective action has been taken. Copies of sub-recipients' audit reports are retained to support the City's monitoring efforts.

**CARSON CITY  
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2008**

U.S. Department of Health and Human Services:

Finding 07-3:

Immunization Grants, CFDA 93.268:

*Grant Award Number:* Potentially affects all grant awards under CFDA No. 93.268 on the Schedule of Expenditures of Federal Awards.

*Criteria and Condition:* The OMB Circular A-133 Compliance Supplement allows grantees providing direct immunization services to generate program income from fees or donations. However, fees charged under VFC may not exceed the maximum reimbursement schedule established by the Centers for Medicare and Medicaid Services.

There was no documentation to verify that program income was properly determined or calculated and only collected from allowable sources. In addition, there was no documentation available to confirm that all program income was properly recorded in the accounting records.

*Recommendation:* We recommend the City establish procedures to ensure that all available program income is identified and recorded separately in the accounting records.

*Current Status:* Partially corrected. Procedures were established that enable the City to identify and separately account for Immunization Program revenue. Additional internal control procedures will be implemented to ensure the completeness and accuracy of the program revenue.

**CARSON CITY  
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2008**

U.S. Department of Health and Human Services:

Finding 07-4:

Immunization Grants, CFDA 93.268:

*Grant Award Number:* Potentially affects all grant awards under CFDA No. 93.268 on the Schedule of Expenditures of Federal Awards.

*Criteria and Condition:* The OMB Circular A-87 compliance requirements state that where employees are expected to work solely on a single Federal award or cost objective, charges for their salaries and wages will be supported by periodic certifications that the employees worked solely on that program for the period covered by the certification. These certifications will be prepared at least semi-annually and will be signed by the employee or supervisory official having first hand knowledge of the work performed by the employee.

During our testing of salary costs, it was noted that the City had a certification for the one employee charged to the program. The certification letter was signed July 13, 2007 for the period June 30, 2005 to June 30, 2007. The City did not have another certification for the employee.

*Recommendation:* We recommend that Carson City implement procedures to ensure amounts charged to Federal programs are supported by the required certifications.

*Current Status:* Corrective action has been taken. Payroll charged to Federal programs is supported by the required certifications.

**CARSON CITY  
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2008**

U.S. Department of Health and Human Services:

Finding 07-5:

Immunization Grants, CFDA 93.268:

*Grant Award Number:* Potentially affects all grant awards under CFDA No. 93.268 on the Schedule of Expenditures of Federal Awards.

*Criteria and Condition:* The OMB Circular A-133 Compliance Supplement requires entities to properly record the receipt, transfer and storage of vaccines. In addition, entities must safeguard vaccines from loss due to theft, expiration, or improper storage temperature.

The City's controls over receipt, storage, expiration and temperature were adequate. The City performs an inventory of vaccines on the 25<sup>th</sup> of each month. However, the City could not provide documentation of their monthly inventory reconciliation reports.

*Recommendation:* We recommend that Carson City implement procedures to ensure monthly reconciliations of vaccinations on hand are performed and documented, including usage, transfers and waste.

*Current Status:* Corrective action has been taken. Each month the City compares the physical inventory count to the inventory reports. This comparison is documented and any variances are noted and investigated.

**CARSON CITY  
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2008**

U.S. Department of Transportation:

Finding 07-6:

Airport Improvement Grants, CFDA 20.106:

*Grant Award Number:* Potentially affects all grant awards under CFDA No. 20.106 on the Schedule of Expenditures of Federal Awards.

*Criteria and Condition:* Government-wide requirements for real property acquisition and relocation assistance are contained in the Department of Transportation's single government-wide rule at 49 CFR part 24, Uniform Relocation Assistance and Real Property Acquisition regulations for Federal and Federally-Assisted Programs. 49 CFR Subpart B – Real Property Acquisition, Section 24.104 Review of Appraisals, requires that a qualified review appraiser examine all appraisals to assure they meet applicable appraisal requirements. The review appraiser's certification will identify the appraisal reports reviewed.

There was no review appraisal performed on the Hutchinson Valuation, Inc. appraisal of the industrial park lots purchase.

*Recommendation:* We recommend that Carson City implement procedures to ensure review appraisals are performed on appraisals for purchases with Federal funds.

*Current Status:* Corrective action has been taken. During fiscal year 2007-2008, there were no acquisitions of real property with Federal funds. Upon notification that a department has received a Federal grant that involves the acquisition of real property, the Finance department will inform the department of the necessary compliance requirements.



**KAFOURY, ARMSTRONG & CO.**  
A PROFESSIONAL CORPORATION  
CERTIFIED PUBLIC ACCOUNTANTS

Independent Accountant's Report on  
Nevada Revised Statute 354.6241

To the Honorable Mayor and Members of the  
Board of Supervisors, Carson City, Nevada

We have reviewed the assertion provided by management in accordance with Nevada Revised Statute 354.624 (5) (a):

- The identified funds are being used expressly for the purposes for which they were created,
- The funds are administered in accordance with accounting principles generally accepted in the United States of America,
- The reserved fund balances/net assets in the funds were reasonable and necessary to carry out the purposes of the funds at June 30, 2008 (based on the interpretation of reasonable and necessary provided by the Legislative Counsel Bureau),
- The sources of revenues, including transfers, available for the funds are as noted in the financial statements,
- The funds conformed to significant statutory and regulatory constraints on their financial administration during the year ended June 30, 2008,
- The balance and net assets of the funds are as noted in the financial statements.

This assertion is the responsibility of the management of Carson City, Nevada.

Our review was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. A review is substantially less in scope than an examination, the objective of which is the expression of an opinion on the assertion. Accordingly, we do not express such an opinion.

Based on our review, nothing came to our attention that caused us to believe that the assertion provided by management referred to above is not fairly stated in all material respects.

*Kafoury, Armstrong & Co.*

Reno, Nevada  
November 26, 2008

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## **AUDITOR'S COMMENTS**

### STATUTE COMPLIANCE

The required disclosure on compliance with Nevada Revised Statutes and the Nevada Administrative Code is contained in Note 2B to the financial statements.

### PROGRESS ON PRIOR YEAR STATUTE COMPLIANCE

The City monitored expenditures during the current year in order to prevent over-expenditures.

### PRIOR YEAR RECOMMENDATIONS

See the Summary Schedule of Prior Year Findings on pages 190-195.

### CURRENT YEAR RECOMMENDATIONS

Our recommendations for the current year are included in the Schedule of Findings and Questioned Costs.

**CARSON CITY**  
**SCHEDULE OF FEES IMPOSED**  
**SUBJECT TO THE PROVISIONS OF NRS 354.5989**  
**LIMITATION OF FEES FOR BUSINESS LICENSES**  
**FOR THE YEAR ENDED JUNE 30, 2008**

Flat Fixed Fees:	
Business license revenue adjusted base at June 30, 2007	<u>\$ 1,038,866</u>
Adjustment to Base:	
Base	
1. Percentage increase in population of the local government	1.0455%
2. Percentage increase in the Consumer Price Index for the year ending on December 31 next preceding the year for which the limit is being calculated	<u>2.5000%</u>
	<u>3.5455%</u>
	<u>36,833</u>
Adjusted Base at June 30, 2008	1,075,699
Actual Revenue Fiscal 2007-08	<u>784,593</u>
Amount Over (Under) Allowable Amount	<u><u>\$ (291,106)</u></u>