

CARSON CITY
REDEVELOPMENT REVOLVING FUND
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2007
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2006)

	FINAL BUDGET	ACTUAL	VARIANCE	2006
Revenues:				
Intergovernmental revenues:				
State grants	\$ -	\$ 31,477	\$ 31,477	\$ -
Miscellaneous:				
Investment income	20,000	46,443	26,443	17,981
Refunds and reimbursements	-	-	-	5,038
	<u>20,000</u>	<u>46,443</u>	<u>26,443</u>	<u>23,019</u>
Total Revenues	<u>20,000</u>	<u>77,920</u>	<u>57,920</u>	<u>23,019</u>
Expenditures:				
Community support:				
Redevelopment:				
Salaries and wages	5,506	5,721	(215)	5,298
Employee benefits	2,373	2,145	228	2,194
Services and supplies	52,121	55,940	(3,819)	349,905
Capital outlay	883,822	31,477	852,345	-
Total Expenditures	<u>943,822</u>	<u>95,283</u>	<u>848,539</u>	<u>357,397</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(923,822)</u>	<u>(17,363)</u>	<u>906,459</u>	<u>(334,378)</u>
Other Financing Sources (Uses):				
Transfers in (out):				
Redevelopment Debt Service Fund	40,000	40,000	-	40,000
Net Change in Fund Balances	<u>(883,822)</u>	<u>22,637</u>	<u>906,459</u>	<u>(294,378)</u>
Fund Balances, July 1	<u>893,822</u>	<u>893,822</u>	<u>-</u>	<u>1,188,200</u>
Fund Balances, June 30	<u>\$ 10,000</u>	<u>\$ 916,459</u>	<u>\$ 906,459</u>	<u>\$ 893,822</u>

ENTERPRISE FUNDS

Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises—where the intent of the government's board is that the costs of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the government's board has decided that periodic determination of net income is appropriate for accountability purposes.

Major Funds

Sewer Fund - This Fund is used to account for the revenues and expenses of sewer services provided to the residents of Carson City.

Water Fund - This Fund is used to account for the revenues and expenses of water services provided to the residents of Carson City.

Nonmajor Funds

Ambulance Fund - This Fund is used to account for the operations of the ambulance service provided by the Carson City Fire Department.

Cemetery Fund - This Fund is used to account for the costs of providing interment services and perpetual care of the City's cemetery.

Carson City Sanitary Landfill Fund - This Fund is used to account for the revenues and expenses of the Carson City Sanitary Landfill.

Building Permits Fund - This Fund is used to account for the revenues and expenses of the Building Permit Program.

Stormwater Drainage Fund – This Fund is used to account for the revenues and expenses of the stormwater management program.

**CARSON CITY
SEWER FUND
SCHEDULE OF REVENUES, EXPENSES,
AND CHANGES IN NET ASSETS - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2007
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2006)**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>2006</u>
Operating Revenues:				
Charges for services:				
User fees and charges	\$ 5,107,630	\$ 5,065,655	\$ (41,975)	\$ 4,941,436
Operating Expenses:				
Salaries and wages	1,169,243	1,134,658	34,585	1,187,038
Employee benefits	411,737	395,648	16,089	408,845
Services and supplies	3,264,265	2,927,216	337,049	2,855,072
Depreciation	2,500,000	2,499,322	678	2,437,425
Total Operating Expenses	<u>7,345,245</u>	<u>6,956,844</u>	<u>388,401</u>	<u>6,888,380</u>
Operating Income (Loss)	<u>(2,237,615)</u>	<u>(1,891,189)</u>	<u>346,426</u>	<u>(1,946,944)</u>
Nonoperating Revenues (Expenses):				
Investment income	347,065	434,373	87,308	173,769
Grant revenue	2,225,000	1,541,965	(683,035)	1,235,680
Miscellaneous	50,100	18,759	(31,341)	6,475
Interest expense	(1,197,620)	(692,270)	505,350	(740,267)
Gain (loss) on sales of capital assets	(10,000)	(139,220)	(129,220)	-
Bond issuance costs	(52,200)	(4,878)	47,322	(4,888)
Total Nonoperating Revenues (Expenses)	<u>1,362,345</u>	<u>1,158,729</u>	<u>(203,616)</u>	<u>670,769</u>
Income (Loss) Before Contributions	<u>\$ (875,270)</u>	<u>(732,460)</u>	<u>\$ 142,810</u>	<u>(1,276,175)</u>
Capital Contributions:				
Connection fees		1,545,814		1,856,648
Developers		583,092		1,089,871
Total Capital Contributions		<u>2,128,906</u>		<u>2,946,519</u>
Change in Net Assets		1,396,446		1,670,344
Net Assets, July 1		<u>56,693,212</u>		<u>55,022,868</u>
Net Assets, June 30		<u>\$ 58,089,658</u>		<u>\$ 56,693,212</u>

**CARSON CITY
SEWER FUND
SCHEDULE OF CASH FLOWS - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2007
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2006)
(PAGE 1 OF 2)**

	FINAL BUDGET	ACTUAL	VARIANCE	2006
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received for services	\$ 5,107,630	\$ 5,863,692	\$ 756,062	\$ 3,715,362
Cash payments for personnel costs	(1,580,980)	(1,536,517)	44,463	(1,641,320)
Cash payments for services and supplies	(3,264,265)	(2,973,084)	291,181	(2,879,769)
Miscellaneous cash received	-	18,759	18,759	6,475
Net Cash Provided by Operating Activities	<u>262,385</u>	<u>1,372,850</u>	<u>1,110,465</u>	<u>(799,252)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Subsidy from grant	-	-	-	2,800
Miscellaneous	50,100	-	(50,100)	-
Net Cash Provided (Used) by Noncapital Financing Activities	<u>50,100</u>	<u>-</u>	<u>(50,100)</u>	<u>2,800</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Proceeds from capital debt	10,107,000	-	(10,107,000)	-
Connection fees	1,733,100	1,545,817	(187,283)	1,856,648
Acquisition of capital assets	(16,525,954)	(4,378,167)	12,147,787	(3,404,792)
Principal paid on capital debt	(1,538,206)	(1,232,544)	305,662	(1,168,313)
Interest paid on capital debt	(1,197,620)	(713,902)	483,718	(762,248)
Bond issuance costs	(52,200)	(437)	51,763	(447)
Subsidy from grant	-	1,541,965	1,541,965	1,232,880
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(7,473,880)</u>	<u>(3,237,268)</u>	<u>4,236,612</u>	<u>(2,246,272)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Investment income	347,065	434,373	87,308	173,769
Net Increase (Decrease) in Cash and Cash Equivalents	<u>(6,814,330)</u>	<u>(1,430,045)</u>	<u>5,384,285</u>	<u>(2,868,955)</u>
Cash and Cash Equivalents, July 1	<u>8,186,902</u>	<u>8,186,902</u>	<u>-</u>	<u>11,055,857</u>
Cash and Cash Equivalents, June 30	<u>\$ 1,372,572</u>	<u>\$ 6,756,857</u>	<u>\$ 5,384,285</u>	<u>\$ 8,186,902</u>
Represented by:				
Current Assets:				
Cash and investments (unrestricted)		\$ 3,903,201		\$ 5,525,275
Cash and investments (restricted)		111,560		63,492
Noncurrent assets:				
Cash and investments (restricted)		<u>2,742,096</u>		<u>2,598,135</u>
		<u>\$ 6,756,857</u>		<u>\$ 8,186,902</u>

CARSON CITY
SEWER FUND
SCHEDULE OF CASH FLOWS - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2007
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2006)
(PAGE 2 OF 2)

	FINAL BUDGET	ACTUAL	VARIANCE	2006
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:				
Operating loss	\$ (2,237,615)	\$ (1,891,189)	\$ 346,426	\$ (1,946,944)
Adjustments to reconcile operating loss to net cash provided by operating activities:				
Depreciation and amortization expense	2,500,000	2,499,322	(678)	2,437,425
Nonoperating revenues	-	18,759	18,759	6,475
Changes in assets and liabilities:				
(Increase) decrease in:				
Accounts receivable	-	(51,713)	(51,713)	11,357
Due from other governments	-	850,575	850,575	(1,235,681)
Prepaid items	-	11,515	11,515	(11,321)
Increase (decrease) in:				
Accounts payable	-	(33,843)	(33,843)	(37,757)
Accrued salaries and benefits	-	(4,300)	(4,300)	(44,918)
Due to other funds	-	(23,540)	(23,540)	24,381
Connection deposits	-	(825)	(825)	(1,750)
Accrued compensated absences	-	(1,911)	(1,911)	(519)
Total Adjustments	2,500,000	3,264,039	764,039	1,147,692
Net Cash Provided (Used) by Operating Activities	<u>\$ 262,385</u>	<u>\$ 1,372,850</u>	<u>\$ 1,110,465</u>	<u>\$ (799,252)</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES				
Purchase of capital assets on account		\$ 134,013		\$ 130,970
Retainage payable on construction of capital assets		102,372		53,479

**CARSON CITY
WATER FUND
SCHEDULE OF REVENUES, EXPENSES,
AND CHANGES IN NET ASSETS - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2007
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2006)**

	FINAL BUDGET	ACTUAL	VARIANCE	2006
Operating Revenues:				
Charges for services:				
User fees and charges	\$ 6,986,799	\$ 7,371,032	\$ 384,233	\$ 6,366,379
Other charges	-	208,520	208,520	166,803
Total Operating Revenues	<u>6,986,799</u>	<u>7,579,552</u>	<u>592,753</u>	<u>6,533,182</u>
Operating Expenses:				
Salaries and wages	1,393,153	1,290,879	102,274	1,213,060
Employee benefits	483,200	475,318	7,882	411,003
Services and supplies	4,496,317	4,291,395	204,922	3,697,617
Depreciation and amortization	<u>2,000,000</u>	<u>1,871,094</u>	<u>128,906</u>	<u>1,649,884</u>
Total Operating Expenses	<u>8,372,670</u>	<u>7,928,686</u>	<u>443,984</u>	<u>6,971,564</u>
Operating Income (Loss)	<u>(1,385,871)</u>	<u>(349,134)</u>	<u>1,036,737</u>	<u>(438,382)</u>
Nonoperating Revenues (Expenses):				
Investment income	240,000	506,216	266,216	129,697
Grant revenue	1,137,000	788,036	(348,964)	550,792
Miscellaneous	9,834	13,656	3,822	117,528
Interest expense	(1,140,818)	(1,105,130)	35,688	(1,235,173)
Gain (loss) on sales of capital assets	(2,293)	(118,967)	(116,674)	(71,694)
Arbitrage rebate	-	(2,522)	(2,522)	-
Bond issuance costs	<u>(54,000)</u>	<u>(19,129)</u>	<u>34,871</u>	<u>(18,740)</u>
Total Nonoperating Revenues (Expenses)	<u>189,723</u>	<u>62,160</u>	<u>(127,563)</u>	<u>(527,590)</u>
Income (Loss) Before Contributions	<u>\$ (1,196,148)</u>	<u>(286,974)</u>	<u>\$ 909,174</u>	<u>(965,972)</u>
Capital Contributions:				
Capital assets		11,750		-
Developers		851,107		743,496
Connection fees		<u>1,140,483</u>		<u>1,218,542</u>
Total Capital Contributions		<u>2,003,340</u>		<u>1,962,038</u>
Change in Net Assets		1,716,366		996,066
Net Assets, July 1		<u>34,531,632</u>		<u>33,535,566</u>
Net Assets, June 30		<u>\$ 36,247,998</u>		<u>\$ 34,531,632</u>

**CARSON CITY
WATER FUND
SCHEDULE OF CASH FLOWS - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2007
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2006)
(PAGE 1 OF 2)**

	FINAL BUDGET	ACTUAL	VARIANCE	2006
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received for services	\$ 6,986,799	\$ 7,432,643	\$ 445,844	\$ 6,432,352
Cash payments for personnel costs	(1,876,353)	(1,789,883)	86,470	(1,735,852)
Cash payments for services and supplies	(4,496,317)	(4,146,005)	350,312	(3,802,450)
Miscellaneous cash received	-	13,656	13,656	117,528
Net Cash Provided by Operating Activities	<u>614,129</u>	<u>1,510,411</u>	<u>896,282</u>	<u>1,011,578</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Subsidy from grant	-	-	-	8,658
Miscellaneous	9,834	-	(9,834)	-
Net Cash Provided (Used) by Noncapital Financing Activities	<u>9,834</u>	<u>-</u>	<u>(9,834)</u>	<u>8,658</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Proceeds from capital debt	10,000,000	12,394,100	2,394,100	-
Proceeds from sales of capital assets	12,707	-	(12,707)	-
Connection fees	1,362,900	1,140,489	(222,411)	1,218,542
Acquisition of capital assets	(6,466,832)	(2,796,035)	3,670,797	(6,730,834)
Principal paid on capital debt	(2,040,000)	(4,723,850)	(2,683,850)	(1,815,000)
Interest paid on capital debt	(1,140,818)	(1,155,847)	(15,029)	(1,225,667)
Bond issuance costs	(54,000)	(56,323)	(2,323)	(1,744)
Subsidy from grant	1,137,000	590,169	(546,831)	473,383
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>2,810,957</u>	<u>5,392,703</u>	<u>2,581,746</u>	<u>(8,081,320)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Investment income	240,000	506,216	266,216	129,697
Net Increase (Decrease) in Cash and Cash Equivalents	3,674,920	7,409,330	3,734,410	(6,931,387)
Cash and Cash Equivalents, July 1	6,810,039	6,810,039	-	13,741,426
Cash and Cash Equivalents, June 30	<u>\$ 10,484,959</u>	<u>\$ 14,219,369</u>	<u>\$ 3,734,410</u>	<u>\$ 6,810,039</u>
Represented by:				
Current Assets:				
Cash and investments (unrestricted)		\$ 14,157,759		\$ 6,391,277
Cash and investments (restricted)		61,610		418,762
		<u>\$ 14,219,369</u>		<u>\$ 6,810,039</u>

**CARSON CITY
WATER FUND
SCHEDULE OF CASH FLOWS - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2007
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2006)
(PAGE 2 OF 2)**

	FINAL BUDGET	ACTUAL	VARIANCE	2006
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:				
Operating income (loss)	\$ (1,385,871)	\$ (349,134)	\$ 1,036,737	\$ (438,382)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation and amortization expense	2,000,000	1,871,094	(128,906)	1,649,884
Nonoperating revenues	-	13,656	13,656	117,528
Changes in assets and liabilities:				
(Increase) decrease in:				
Accounts receivable	-	(163,100)	(163,100)	(128,403)
Due from other governments	-	16,191	16,191	27,573
Inventories	-	32,342	32,342	(59,038)
Prepaid items	-	60	60	(1,175)
Increase (decrease) in:				
Accounts payable	-	50,677	50,677	2,546
Accrued salaries and benefits	-	(741)	(741)	(65,055)
Due to other governments	-	62,286	62,286	(41,342)
Connection deposits	-	25	25	(5,824)
Accrued compensated absences	-	(22,945)	(22,945)	(46,734)
Total Adjustments	2,000,000	1,859,545	(140,455)	1,449,960
Net Cash Provided by Operating Activities	<u>\$ 614,129</u>	<u>\$ 1,510,411</u>	<u>\$ 896,282</u>	<u>\$ 1,011,578</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:				
Purchase of capital assets on account		\$ 101,995		\$ 2,764,313
Purchase of capital assets due to other governments		-		34,663
Retainage payable on construction of capital assets		46,847		404,025
Contributed capital assets		11,750		-

CARSON CITY
COMBINING STATEMENT OF NET ASSETS
NONMAJOR ENTERPRISE FUNDS
JUNE 30, 2007

	<u>AMBULANCE</u>	<u>CEMETERY</u>	<u>CARSON CITY SANITARY LANDFILL</u>
ASSETS			
Current assets (unrestricted):			
Cash and investments	\$ 106,956	\$ 132,337	\$ 4,105,681
Receivables:			
Accounts and contracts, net	1,224,024	-	581,927
Inventories	-	21,472	-
Prepaid items	-	-	15,884
Total Current Assets (Unrestricted)	<u>1,330,980</u>	<u>153,809</u>	<u>4,703,492</u>
Noncurrent assets:			
Other Assets	-	-	-
Capital assets:			
Land	-	293,449	14,520
Buildings	-	354,931	88,911
Improvements other than buildings	-	173,211	-
Machinery and equipment	880,778	148,863	2,130,101
Construction in progress	-	-	126,406
Less: Accumulated depreciation	<u>880,778</u> <u>(390,478)</u>	<u>970,454</u> <u>(172,786)</u>	<u>2,359,938</u> <u>(585,160)</u>
Net Capital Assets	<u>490,300</u>	<u>797,668</u>	<u>1,774,778</u>
Total Noncurrent Assets	<u>490,300</u>	<u>797,668</u>	<u>1,774,778</u>
Total Assets	<u>1,821,280</u>	<u>951,477</u>	<u>6,478,270</u>
LIABILITIES:			
Current liabilities (payable from unrestricted assets):			
Accounts payable	62,119	1,412	453,505
Accrued salaries and benefits	36,526	3,091	17,973
Accrued interest	-	-	519
Due to other governments	740	-	3,380
Unearned revenue	-	273,360	-
Current portion:			
General obligation bonds and notes payable	-	-	150,000
Total Current Liabilities (Payable from Unrestricted Assets)	<u>99,385</u>	<u>277,863</u>	<u>625,377</u>
Noncurrent liabilities:			
Accrued compensated absences	107,777	31,953	42,773
Closure / post closure care costs	-	-	2,518,316
General obligation bonds and notes payable	-	-	-
Total Noncurrent Liabilities	<u>107,777</u>	<u>31,953</u>	<u>2,561,089</u>
Total Liabilities	<u>207,162</u>	<u>309,816</u>	<u>3,186,466</u>
NET ASSETS			
Invested in capital assets, net of related debt	490,300	797,668	1,609,385
Unrestricted	<u>1,123,818</u>	<u>(156,007)</u>	<u>1,682,419</u>
Total Net Assets	<u>\$ 1,614,118</u>	<u>\$ 641,661</u>	<u>\$ 3,291,804</u>

BUILDING PERMITS	STORMWATER DRAINAGE	TOTAL
\$ 167,511	\$ 1,952,617	\$ 6,465,102
-	62,922	1,868,873
-	-	21,472
-	310	16,194
<u>167,511</u>	<u>2,015,849</u>	<u>8,371,641</u>
-	116,483	116,483
-	1,564,769	1,872,738
-	-	443,842
-	2,069,522	2,242,733
212,585	776,714	4,149,041
-	2,638,220	2,764,626
<u>212,585</u>	<u>7,049,225</u>	<u>11,472,980</u>
<u>(75,585)</u>	<u>(102,762)</u>	<u>(1,326,771)</u>
<u>137,000</u>	<u>6,946,463</u>	<u>10,146,209</u>
<u>137,000</u>	<u>7,062,946</u>	<u>10,262,692</u>
<u>304,511</u>	<u>9,078,795</u>	<u>18,634,333</u>
10,598	272,748	800,382
18,672	6,352	82,614
-	17,543	18,062
3,696	3,150	10,966
-	-	273,360
-	220,000	370,000
<u>32,966</u>	<u>519,793</u>	<u>1,555,384</u>
71,692	24,016	278,211
-	-	2,518,316
-	5,388,386	5,388,386
<u>71,692</u>	<u>5,412,402</u>	<u>8,184,913</u>
<u>104,658</u>	<u>5,932,195</u>	<u>9,740,297</u>
137,000	2,533,575	5,567,928
62,853	613,025	3,326,108
<u>\$ 199,853</u>	<u>\$ 3,146,600</u>	<u>\$ 8,894,036</u>

CARSON CITY
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET ASSETS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2007

	<u>AMBULANCE</u>	<u>CEMETERY</u>	<u>CARSON CITY SANITARY LANDFILL</u>
Operating Revenues:			
Charges for services	\$ 3,309,492	\$ 145,102	\$ 3,795,200
Operating Expenses:			
Salaries and wages	997,490	100,674	550,440
Employee benefits	617,745	35,600	209,972
Services and supplies	1,632,899	48,797	1,134,392
Depreciation	87,621	21,932	168,563
Total Operating Expenses	<u>3,335,755</u>	<u>207,003</u>	<u>2,063,367</u>
Operating Income (Loss)	<u>(26,263)</u>	<u>(61,901)</u>	<u>1,731,833</u>
Nonoperating Revenues (Expenses):			
Investment income	6,700	6,573	207,423
Miscellaneous	64,140	5,810	-
Interest expense	-	-	(11,358)
Gain (loss) on disposal of capital assets	(310)	(4,200)	-
Bond issuance costs	-	-	-
Total Nonoperating Revenues (Expenses)	<u>70,530</u>	<u>8,183</u>	<u>196,065</u>
Income (Loss) Before Capital Contributions and Transfers	<u>44,267</u>	<u>(53,718)</u>	<u>1,927,898</u>
Capital Contributions:			
Capital assets	-	-	-
Transfers In	-	88,200	-
Transfers Out	-	-	-
Change in Net Assets	44,267	34,482	1,927,898
Net Assets, July 1	<u>1,569,851</u>	<u>607,179</u>	<u>1,363,906</u>
Net Assets, June 30	<u>\$ 1,614,118</u>	<u>\$ 641,661</u>	<u>\$ 3,291,804</u>

<u>BUILDING PERMITS</u>	<u>STORMWATER DRAINAGE</u>	<u>TOTAL</u>
\$ 1,487,738	\$ 1,007,484	\$ 9,745,016
656,794	261,268	2,566,666
233,640	101,215	1,198,172
824,691	219,927	3,860,706
19,817	67,297	365,230
<u>1,734,942</u>	<u>649,707</u>	<u>7,990,774</u>
<u>(247,204)</u>	<u>357,777</u>	<u>1,754,242</u>
18,168	140,360	379,224
-	-	69,950
-	(214,988)	(226,346)
-	5,000	490
-	(6,950)	(6,950)
<u>18,168</u>	<u>(76,578)</u>	<u>216,368</u>
<u>(229,036)</u>	<u>281,199</u>	<u>1,970,610</u>
<u>-</u>	<u>644,537</u>	<u>644,537</u>
-	100,000	188,200
<u>(100,000)</u>	<u>-</u>	<u>(100,000)</u>
<u>(329,036)</u>	<u>1,025,736</u>	<u>2,703,347</u>
<u>528,889</u>	<u>2,120,864</u>	<u>6,190,689</u>
<u>\$ 199,853</u>	<u>\$ 3,146,600</u>	<u>\$ 8,894,036</u>

CARSON CITY
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2007
(PAGE 1 OF 2)

	<u>AMBULANCE</u>	<u>CEMETERY</u>	<u>CARSON CITY SANITARY LANDFILL</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received for services	\$ 3,280,047	\$ 163,112	\$ 3,581,726
Cash payments for personnel costs	(1,629,195)	(131,983)	(753,412)
Cash payments for services and supplies	(1,758,963)	(63,325)	(1,050,885)
Miscellaneous cash received	64,141	5,810	-
	<u>(43,970)</u>	<u>(26,386)</u>	<u>1,777,429</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfer from other funds	-	88,200	-
Transfer to other funds	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>88,200</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition of capital assets	-	-	(540,436)
Principal paid on capital debt	-	-	(140,000)
Interest paid on capital debt	-	-	(11,825)
Bond issuance costs	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>(692,261)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment income	<u>6,700</u>	<u>6,573</u>	<u>207,423</u>
	<u>(37,270)</u>	<u>68,387</u>	<u>1,292,591</u>
Cash and Cash Equivalents, July 1	<u>144,226</u>	<u>63,950</u>	<u>2,813,090</u>
Cash and Cash Equivalents, June 30	<u>\$ 106,956</u>	<u>\$ 132,337</u>	<u>\$ 4,105,681</u>

<u>BUILDING PERMITS</u>	<u>STORMWATER DRAINAGE</u>	<u>TOTAL</u>
\$ 1,492,438	\$ 996,753	\$ 9,514,076
(901,138)	(363,986)	(3,779,714)
(812,448)	(28,073)	(3,713,694)
-	-	69,951
<u>(221,148)</u>	<u>604,694</u>	<u>2,090,619</u>
-	100,000	188,200
<u>(100,000)</u>	<u>-</u>	<u>(100,000)</u>
<u>(100,000)</u>	<u>100,000</u>	<u>88,200</u>
(1,667)	(3,277,915)	(3,820,018)
-	(210,000)	(350,000)
-	(216,811)	(228,636)
-	(479)	(479)
<u>(1,667)</u>	<u>(3,705,205)</u>	<u>(4,399,133)</u>
<u>18,167</u>	<u>140,360</u>	<u>379,223</u>
(304,648)	(2,860,151)	(1,841,091)
<u>472,159</u>	<u>4,812,768</u>	<u>8,306,193</u>
<u>\$ 167,511</u>	<u>\$ 1,952,617</u>	<u>\$ 6,465,102</u>

CARSON CITY
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2007
(PAGE 2 OF 2)

	AMBULANCE	CEMETERY	CARSON CITY SANITARY LANDFILL
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:			
Operating income (loss)	\$ (26,263)	\$ (61,901)	\$ 1,731,833
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation and amortization expense	87,621	21,932	168,563
Provision for uncollectible accounts	658,328	-	-
Nonoperating revenues	64,141	5,810	-
Changes in assets and liabilities:			
(Increase) decrease in:			
Accounts receivable	(687,773)	-	(213,474)
Inventories	-	(14,756)	-
Prepaid items	105	319	(15,884)
Increase (decrease) in:			
Accounts payable	23,091	(91)	(48,259)
Accrued salaries and benefits	(2,741)	188	3,953
Due to other governments	740	-	(9,123)
Due to other funds	(150,000)	-	-
Unearned revenue	-	18,010	-
Accrued compensated absences	(11,219)	4,103	3,047
Closure / post closure care costs	-	-	156,773
Total Adjustments	(17,707)	35,515	45,596
Net Cash Provided (Used) by Operating Activities	\$ (43,970)	\$ (26,386)	\$ 1,777,429
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:			
Purchase of capital assets on account	\$ -	\$ -	\$ -
Contributed capital assets	-	-	-

<u>BUILDING PERMITS</u>	<u>STORMWATER DRAINAGE</u>	<u>TOTAL</u>
<u>\$ (247,204)</u>	<u>\$ 357,777</u>	<u>\$ 1,754,242</u>
19,817	67,297	365,230
-	-	658,328
-	-	69,951
4,700	(10,731)	(907,278)
-	-	(14,756)
-	119	(15,341)
8,547	188,585	171,873
(5,368)	1,273	(2,695)
3,696	3,150	(1,537)
-	-	(150,000)
-	-	18,010
(5,336)	(2,776)	(12,181)
-	-	156,773
<u>26,056</u>	<u>246,917</u>	<u>336,377</u>
<u>\$ (221,148)</u>	<u>\$ 604,694</u>	<u>\$ 2,090,619</u>
\$ -	\$ 108,190	\$ 108,190
-	644,537	644,537

**CARSON CITY
AMBULANCE FUND
SCHEDULE OF REVENUES, EXPENSES,
AND CHANGES IN NET ASSETS - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2007
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2006)**

	FINAL BUDGET	ACTUAL	VARIANCE	2006
Operating Revenues:				
Charges for services	\$ 3,428,413	\$ 3,309,492	\$ (118,921)	\$ 3,266,204
Operating Expenses:				
Salaries and wages	1,126,127	997,490	128,637	1,041,496
Employee benefits	611,532	617,745	(6,213)	557,197
Services and supplies	1,694,864	1,632,899	61,965	1,482,940
Depreciation	100,000	87,621	12,379	94,321
Total Operating Expenses	<u>3,532,523</u>	<u>3,335,755</u>	<u>196,768</u>	<u>3,175,954</u>
Operating Income (Loss)	<u>(104,110)</u>	<u>(26,263)</u>	<u>77,847</u>	<u>90,250</u>
Nonoperating Revenues (Expenses):				
Investment income	10,000	6,700	(3,300)	(937)
Miscellaneous	1,000	64,140	63,140	48,680
Gain (loss) on disposal of capital assets	<u>(2,000)</u>	<u>(310)</u>	<u>1,690</u>	<u>20,693</u>
Total Nonoperating Revenues (Expenses)	<u>9,000</u>	<u>70,530</u>	<u>61,530</u>	<u>68,436</u>
Change in Net Assets	<u>\$ (95,110)</u>	<u>44,267</u>	<u>\$ 139,377</u>	<u>158,686</u>
Net Assets, July 1		<u>1,569,851</u>		<u>1,411,165</u>
Net Assets, June 30		<u>\$ 1,614,118</u>		<u>\$ 1,569,851</u>

**CARSON CITY
AMBULANCE FUND
SCHEDULE OF CASH FLOWS - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2007
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2006)**

	FINAL BUDGET	ACTUAL	VARIANCE	2006
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received for services	\$ 3,428,413	\$ 3,280,047	\$ (148,366)	\$ 2,861,682
Cash payments for personnel costs	(1,737,659)	(1,629,195)	108,464	(1,633,019)
Cash payments for services and supplies	(1,694,864)	(1,758,963)	(64,099)	(1,315,307)
Miscellaneous cash received	1,000	64,141	63,141	48,680
Net Cash Provided (Used) by Operating Activities	<u>(3,110)</u>	<u>(43,970)</u>	<u>(40,860)</u>	<u>(37,964)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition of capital assets	<u>(25,000)</u>	<u>-</u>	<u>25,000</u>	<u>(20,790)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Investment income	<u>10,000</u>	<u>6,700</u>	<u>(3,300)</u>	<u>(937)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(18,110)	(37,270)	(19,160)	(59,691)
Cash and Cash Equivalents, July 1	<u>144,226</u>	<u>144,226</u>	<u>-</u>	<u>203,917</u>
Cash and Cash Equivalents, June 30	<u>\$ 126,116</u>	<u>\$ 106,956</u>	<u>\$ (19,160)</u>	<u>\$ 144,226</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:				
Operating income (loss)	<u>\$ (104,110)</u>	<u>\$ (26,263)</u>	<u>\$ 77,847</u>	<u>\$ 90,250</u>
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation and amortization expense	100,000	87,621	(12,379)	94,321
Provision for uncollectible accounts	-	658,328	658,328	805,428
Nonoperating revenues	1,000	64,141	63,141	48,680
Changes in assets and liabilities:				
(Increase) decrease in:				
Accounts receivable	-	(687,773)	(687,773)	(1,209,950)
Prepaid items	-	105	105	300
Increase (decrease) in:				
Accounts payable	-	23,091	23,091	17,423
Accrued salaries and benefits	-	(2,741)	(2,741)	(52,060)
Due to other governments	-	740	740	(90)
Due to other funds	-	(150,000)	(150,000)	150,000
Accrued compensated absences	-	(11,219)	(11,219)	17,734
Total Adjustments	<u>101,000</u>	<u>(17,707)</u>	<u>(118,707)</u>	<u>(128,214)</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (3,110)</u>	<u>\$ (43,970)</u>	<u>\$ (40,860)</u>	<u>\$ (37,964)</u>

**CARSON CITY
CEMETERY FUND
SCHEDULE OF REVENUES, EXPENSES,
AND CHANGES IN NET ASSETS - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2007
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2006)**

	FINAL BUDGET	ACTUAL	VARIANCE	2006
Operating Revenues:				
Charges for services	\$ 151,800	\$ 145,102	\$ (6,698)	\$ 101,691
Operating Expenses:				
Salaries and wages	95,393	100,674	(5,281)	96,196
Employee benefits	39,203	35,600	3,603	36,977
Services and supplies	54,000	48,797	5,203	60,987
Depreciation	30,000	21,932	8,068	25,977
Total Operating Expenses	218,596	207,003	11,593	220,137
Operating Loss	(66,796)	(61,901)	4,895	(118,446)
Nonoperating Revenues (Expenses):				
Investment income	2,000	6,573	4,573	1,378
Miscellaneous	1,000	5,810	4,810	3,600
Gain (loss) on disposal of capital assets	-	(4,200)	(4,200)	1,978
Total Nonoperating Revenues (Expenses)	3,000	8,183	5,183	6,956
Income (Loss) Before Contributions and Transfers	\$ (63,796)	(53,718)	\$ 10,078	(111,490)
Capital Contributions:				
Capital assets		-		5,105
Transfers in		88,200		-
Change in Net Assets		34,482		(106,385)
Net Assets, July 1		607,179		713,564
Net Assets, June 30		\$ 641,661		\$ 607,179

**CARSON CITY
CEMETERY FUND
SCHEDULE OF CASH FLOWS - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2007
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2006)**

	FINAL BUDGET	ACTUAL	VARIANCE	2006
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received for services	\$ 151,800	\$ 163,112	\$ 11,312	\$ 117,751
Cash payments for personnel costs	(134,596)	(131,983)	2,613	(134,295)
Cash payments for services and supplies	(54,000)	(63,325)	(9,325)	(60,852)
Miscellaneous cash received	1,000	5,810	4,810	3,600
Net Cash Provided (Used) by Operating Activities	<u>(35,796)</u>	<u>(26,386)</u>	<u>9,410</u>	<u>(73,796)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfer from other funds	75,000	88,200	13,200	-
CASH FLOWS FROM INVESTING ACTIVITIES				
Investment income	2,000	6,573	4,573	1,380
Net Increase (Decrease) in Cash and Cash Equivalents	41,204	68,387	27,183	(72,416)
Cash and Cash Equivalents, July 1	63,950	63,950	-	136,366
Cash and Cash Equivalents, June 30	<u>\$ 105,154</u>	<u>\$ 132,337</u>	<u>\$ 27,183</u>	<u>\$ 63,950</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:				
Operating loss	\$ (66,796)	\$ (61,901)	\$ 4,895	\$ (118,446)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:				
Depreciation and amortization expense	30,000	21,932	(8,068)	25,977
Nonoperating revenues	1,000	5,810	4,810	3,600
Changes in assets and liabilities:				
(Increase) decrease in:				
Inventories	-	(14,756)	(14,756)	(14)
Prepaid items	-	319	319	(319)
Increase (decrease) in:				
Accounts payable	-	(91)	(91)	468
Accrued salaries and benefits	-	188	188	(4,157)
Unearned revenue	-	18,010	18,010	16,060
Accrued compensated absences	-	4,103	4,103	3,035
Total Adjustments	<u>31,000</u>	<u>35,515</u>	<u>4,515</u>	<u>44,650</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (35,796)</u>	<u>\$ (26,386)</u>	<u>\$ 9,410</u>	<u>\$ (73,796)</u>
NONCASH INVESTING CAPITAL AND FINANCING ACTIVITIES				
Contributed capital assets		\$ -		\$ 5,105

CARSON CITY
CARSON CITY SANITARY LANDFILL FUND
SCHEDULE OF REVENUES, EXPENSES,
AND CHANGES IN NET ASSETS - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2007
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2006)

	FINAL BUDGET	ACTUAL	VARIANCE	2006
Operating Revenues:				
Charges for services				
User fees and charges	\$ 3,775,638	\$ 3,795,200	\$ 19,562	\$ 2,650,501
Operating Expenses:				
Salaries and wages	590,547	550,440	40,107	506,285
Employee benefits	198,889	209,972	(11,083)	173,775
Services and supplies	1,188,876	1,134,392	54,484	1,012,957
Depreciation	175,000	168,563	6,437	104,040
Total Operating Expenses	2,153,312	2,063,367	89,945	1,797,057
Operating Income	1,622,326	1,731,833	109,507	853,444
Nonoperating Revenues (Expenses):				
Investment income	150,000	207,423	57,423	60,843
Gain (loss) on disposal of capital assets	-	-	-	(102,160)
Interest expense	(11,358)	(11,358)	-	(16,775)
Total Nonoperating Revenues (Expenses)	138,642	196,065	57,423	(58,092)
Income Before Capital Contributions	\$ 1,760,968	1,927,898	\$ 166,930	795,352
Capital Contributions:				
Capital assets		-		64,824
Change in Net Assets		1,927,898		860,176
Net Assets, July 1, as Previously Reported		1,363,906		1,861,246
Prior period adjustment - error correction		-		(1,357,516)
Net Assets, July 1, as Adjusted		1,363,906		503,730
Net Assets, June 30		\$ 3,291,804		\$ 1,363,906

CARSON CITY
CARSON CITY SANITARY LANDFILL FUND
SCHEDULE OF CASH FLOWS - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2007
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2006)
(PAGE 1 OF 2)

	FINAL BUDGET	ACTUAL	VARIANCE	2006
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received for services	\$ 3,775,638	\$ 3,581,726	\$ (193,912)	\$ 2,552,017
Cash payments for personnel costs	(789,436)	(753,412)	36,024	(710,077)
Cash payments for services and supplies	(1,065,279)	(1,050,885)	14,394	(773,420)
Net Cash Provided by Operating Activities	<u>1,920,923</u>	<u>1,777,429</u>	<u>(143,494)</u>	<u>1,068,520</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition of capital assets	(1,173,272)	(540,436)	632,836	(506,952)
Principal paid on capital debt	(140,000)	(140,000)	-	(135,000)
Interest paid on capital debt	(11,358)	(11,825)	(467)	(17,225)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(1,324,630)</u>	<u>(692,261)</u>	<u>632,369</u>	<u>(659,177)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Investment income	<u>150,000</u>	<u>207,423</u>	<u>57,423</u>	<u>60,843</u>
Net Increase (Decrease) in Cash and Cash Equivalents	746,293	1,292,591	546,298	470,186
Cash and Cash Equivalents, July 1	<u>2,813,090</u>	<u>2,813,090</u>	<u>-</u>	<u>2,342,904</u>
Cash and Cash Equivalents, June 30	<u>\$ 3,559,383</u>	<u>\$ 4,105,681</u>	<u>\$ 546,298</u>	<u>\$ 2,813,090</u>

CARSON CITY
CARSON CITY SANITARY LANDFILL FUND
SCHEDULE OF CASH FLOWS - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2007
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2006)
(PAGE 2 OF 2)

	FINAL BUDGET	ACTUAL	VARIANCE	2006
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:				
Operating income	\$ 1,622,326	\$ 1,731,833	\$ 109,507	\$ 853,444
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation and amortization expense	175,000	168,563	(6,437)	104,040
Changes in assets and liabilities:				
(Increase) decrease in:				
Accounts receivable	-	(213,474)	(213,474)	(116,484)
Due from other governments	-	-	-	18,000
Prepaid items	-	(15,884)	(15,884)	212
Increase (decrease) in:				
Accounts payable	-	(48,259)	(48,259)	112,151
Accrued salaries and benefits	-	3,953	3,953	(25,250)
Due to other governments	-	(9,123)	(9,123)	12,503
Accrued compensated absences	-	3,047	3,047	(4,767)
Closure / post closure care costs	123,597	156,773	33,176	114,671
Total Adjustments	298,597	45,596	(253,001)	215,076
Net Cash Provided by Operating Activities	<u>\$ 1,920,923</u>	<u>\$ 1,777,429</u>	<u>\$ (143,494)</u>	<u>\$ 1,068,520</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES				
Contributed capital assets		\$ -		\$ 64,824

**CARSON CITY
BUILDING PERMITS FUND
SCHEDULE OF REVENUES, EXPENSES,
AND CHANGES IN NET ASSETS - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2007
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2006)**

	FINAL BUDGET	ACTUAL	VARIANCE	2006
Operating Revenues:				
Charges for services				
User fees and charges	\$ 1,687,300	\$ 1,487,738	\$ (199,562)	\$ 1,344,789
Operating Expenses:				
Salaries and wages	695,732	656,794	38,938	718,938
Employee benefits	256,153	233,640	22,513	275,363
Services and supplies	890,520	824,691	65,829	652,172
Depreciation	20,000	19,817	183	17,496
Total Operating Expenses	<u>1,862,405</u>	<u>1,734,942</u>	<u>127,463</u>	<u>1,663,969</u>
Operating Income	<u>(175,105)</u>	<u>(247,204)</u>	<u>(72,099)</u>	<u>(319,180)</u>
Nonoperating Revenues (Expenses):				
Investment income	40,000	18,168	(21,832)	13,500
Gain (loss) on disposal of capital assets	-	-	-	(3,407)
Total Nonoperating Revenues (Expenses)	<u>40,000</u>	<u>18,168</u>	<u>(21,832)</u>	<u>10,093</u>
Income (Loss) Before Transfers	<u>\$ (135,105)</u>	<u>(229,036)</u>	<u>\$ (93,931)</u>	<u>(309,087)</u>
Transfers Out		<u>(100,000)</u>		<u>(150,000)</u>
Change in Net Assets		<u>(329,036)</u>		<u>(459,087)</u>
Net Assets, July 1		<u>528,889</u>		<u>987,976</u>
Net Assets, June 30		<u>\$ 199,853</u>		<u>\$ 528,889</u>

**CARSON CITY
BUILDING PERMITS FUND
SCHEDULE OF CASH FLOWS - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2007
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2006)**

	FINAL BUDGET	ACTUAL	VARIANCE	2006
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received for services	\$ 1,687,300	\$ 1,492,438	\$ (194,862)	\$ 1,340,089
Cash payments for personnel costs	(951,885)	(901,138)	50,747	(1,042,996)
Cash payments for services and supplies	(890,520)	(812,448)	78,072	(655,074)
Net Cash Provided (Used) by Operating Activities	<u>(155,105)</u>	<u>(221,148)</u>	<u>(66,043)</u>	<u>(357,981)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfer to other funds	<u>(150,000)</u>	<u>(100,000)</u>	<u>50,000</u>	<u>(150,000)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition of capital assets	<u>(169,221)</u>	<u>(1,667)</u>	<u>167,554</u>	<u>(3,311)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Investment income	<u>40,000</u>	<u>18,167</u>	<u>(21,833)</u>	<u>13,500</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(434,326)	(304,648)	129,678	(497,792)
Cash and Cash Equivalents, July 1	<u>472,159</u>	<u>472,159</u>	-	<u>969,951</u>
Cash and Cash Equivalents, June 30	<u>\$ 37,833</u>	<u>\$ 167,511</u>	<u>\$ 129,678</u>	<u>\$ 472,159</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:				
Operating income (loss)	<u>\$ (175,105)</u>	<u>\$ (247,204)</u>	<u>\$ (72,099)</u>	<u>\$ (319,180)</u>
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation and amortization expense	20,000	19,817	(183)	17,496
Changes in assets and liabilities:				
(Increase) decrease in:				
Accounts receivable	-	4,700	4,700	(4,700)
Increase (decrease) in:				
Accounts payable	-	8,547	8,547	(2,902)
Accrued salaries and benefits	-	(5,368)	(5,368)	(27,884)
Due to other governments	-	3,696	3,696	-
Accrued compensated absences	-	(5,336)	(5,336)	(20,811)
Total Adjustments	<u>20,000</u>	<u>26,056</u>	<u>6,056</u>	<u>(38,801)</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (155,105)</u>	<u>\$ (221,148)</u>	<u>\$ (66,043)</u>	<u>\$ (357,981)</u>

**CARSON CITY
STORMWATER DRAINAGE FUND
SCHEDULE OF REVENUES, EXPENSES,
AND CHANGES IN NET ASSETS - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2007
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2006)**

	FINAL BUDGET	ACTUAL	VARIANCE	2006
Operating Revenues:				
Charges for services				
User fees and charges	\$ 1,005,214	\$ 1,007,484	\$ 2,270	\$ 998,097
Operating Expenses:				
Salaries and wages	266,983	261,268	5,715	176,339
Employee benefits	99,613	101,215	(1,602)	50,575
Services and supplies	259,938	219,927	40,011	255,023
Depreciation	75,000	67,297	7,703	35,465
Total Operating Expenses	701,534	649,707	51,827	517,402
Operating Income	303,680	357,777	54,097	480,695
Nonoperating Revenues (Expenses):				
Investment income	75,000	140,360	65,360	98,110
Grant revenue	-	-	-	200,000
Interest expense	(214,989)	(214,988)	1	(221,825)
Gain (loss) on sales of capital assets	-	5,000	5,000	-
Bond issuance costs	(500)	(6,950)	(6,450)	(6,721)
Total Nonoperating Revenues (Expenses)	(140,489)	(76,578)	63,911	69,564
Income (Loss) Before Contributions and Transfers	\$ 163,191	281,199	\$ 118,008	550,259
Capital Contributions:				
Capital assets		644,537		1,564,769
Transfers In		100,000		700,535
Change in Net Assets		1,025,736		2,815,563
Net Assets, July 1		2,120,864		(694,699)
Net Assets, June 30		\$ 3,146,600		\$ 2,120,864

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CARSON CITY
STORMWATER DRAINAGE FUND
SCHEDULE OF CASH FLOWS - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2007
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2006)
(PAGE 1 OF 2)

	FINAL BUDGET	ACTUAL	VARIANCE	2006
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received for services	\$ 1,005,214	\$ 996,753	\$ (8,461)	\$ 878,401
Cash payments for personnel costs	(366,596)	(363,986)	2,610	(195,043)
Cash payments for services and supplies	(259,938)	(28,073)	231,865	(283,235)
Net Cash Provided by Operating Activities	<u>378,680</u>	<u>604,694</u>	<u>226,014</u>	<u>400,123</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Grant revenues	-	-	-	100,000
Transfer from other funds	100,000	100,000	-	700,535
Net Cash Provided (Used) by Noncapital Financing Activities	<u>100,000</u>	<u>100,000</u>	<u>-</u>	<u>800,535</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition of capital assets	(4,456,000)	(3,277,915)	1,178,085	(1,205,826)
Principal paid on capital debt	(210,000)	(210,000)	-	(205,000)
Interest paid on capital debt	(214,989)	(216,811)	(1,822)	(209,604)
Bond issuance costs	(500)	(479)	21	(250)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(4,881,489)</u>	<u>(3,705,205)</u>	<u>1,176,284</u>	<u>(1,620,680)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Investment income	75,000	140,360	65,360	98,110
Net Increase (Decrease) in Cash and Cash Equivalents	<u>(4,327,809)</u>	<u>(2,860,151)</u>	<u>1,467,658</u>	<u>(321,912)</u>
Cash and Cash Equivalents, July 1	<u>4,812,768</u>	<u>4,812,768</u>	<u>-</u>	<u>5,134,680</u>
Cash and Cash Equivalents, June 30	<u>\$ 484,959</u>	<u>\$ 1,952,617</u>	<u>\$ 1,467,658</u>	<u>\$ 4,812,768</u>

CARSON CITY
STORMWATER DRAINAGE FUND
SCHEDULE OF CASH FLOWS - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2007
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2006)
(PAGE 2 OF 2)

	FINAL BUDGET	ACTUAL	VARIANCE	2006
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:				
Operating income	\$ 303,680	\$ 357,777	\$ 54,097	\$ 480,695
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation and amortization expense	75,000	67,297	(7,703)	35,465
Changes in assets and liabilities:				
(Increase) decrease in:				
Accounts receivable	-	(10,731)	(10,731)	(19,696)
Prepaid items	-	119	119	(429)
Increase (decrease) in:				
Accrued salaries and benefits	-	1,273	1,273	5,079
Accounts payable	-	188,585	188,585	(27,783)
Due to other governments	-	3,150	3,150	-
Accrued compensated absences	-	(2,776)	(2,776)	26,792
Unearned revenue	-	-	-	(100,000)
Total Adjustments	75,000	246,917	171,917	(80,572)
Net Cash Provided by Operating Activities	\$ 378,680	\$ 604,694	\$ 226,014	\$ 400,123
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:				
Purchase of capital assets on account		\$ 108,190		\$ 64,276
Contributed capital assets		644,537		1,564,769

INTERNAL SERVICE FUNDS

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.

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, 2007**

	GROUP MEDICAL INSURANCE	WORKERS' COMPENSATION	INSURANCE
ASSETS			
Current assets:			
Cash and investments	\$ 1,090,772	\$ 2,294,269	\$ 1,077,660
Receivables:			
Accounts and contracts	294,649	50,416	17,251
Due from other governments	-	-	-
Prepaid items	-	-	535,513
Inventories	-	-	-
Total Current Assets	<u>1,385,421</u>	<u>2,344,685</u>	<u>1,630,424</u>
Noncurrent assets:			
Capital assets:			
Machinery and equipment	-	-	37,708
Less: Accumulated depreciation	-	-	<u>(16,033)</u>
Net Capital Assets	<u>-</u>	<u>-</u>	<u>21,675</u>
Total Assets	<u>1,385,421</u>	<u>2,344,685</u>	<u>1,652,099</u>
LIABILITIES			
Current liabilities:			
Accounts payable	157	508,246	81,595
Accrued salaries and benefits	2,213	2,766	-
Unearned revenue	547	-	-
Other liabilities	-	428,814	166,550
Total Current Liabilities	<u>2,917</u>	<u>939,826</u>	<u>248,145</u>
Noncurrent liabilities:			
Accrued compensated absences	20,114	16,684	-
Other liabilities	-	-	<u>62,700</u>
Total Noncurrent Liabilities	<u>20,114</u>	<u>16,684</u>	<u>62,700</u>
Total Liabilities	<u>23,031</u>	<u>956,510</u>	<u>310,845</u>
NET ASSETS			
Invested in capital assets	-	-	21,675
Unrestricted	1,362,390	1,388,175	1,319,579
Total Net Assets	<u>\$ 1,362,390</u>	<u>\$ 1,388,175</u>	<u>\$ 1,341,254</u>

<u>FLEET MANAGEMENT</u>	<u>TOTAL</u>
\$ 798,774	\$ 5,261,475
-	362,316
16,188	16,188
-	535,513
88,759	88,759
<u>903,721</u>	<u>6,264,251</u>
-	37,708
-	<u>(16,033)</u>
-	21,675
<u>903,721</u>	<u>6,285,926</u>
83,369	673,367
12,957	17,936
-	547
-	595,364
<u>96,326</u>	<u>1,287,214</u>
92,669	129,467
-	62,700
<u>92,669</u>	<u>192,167</u>
188,995	1,479,381
-	21,675
<u>714,726</u>	<u>4,784,870</u>
<u>\$ 714,726</u>	<u>\$ 4,806,545</u>

**CARSON CITY
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2007**

	GROUP MEDICAL INSURANCE	WORKERS' COMPENSATION	INSURANCE
Operating Revenues:			
Charges for services	\$ 6,978,655	\$ 2,111,338	\$ 1,439,582
Operating Expenses:			
Salaries and wages	71,043	120,102	-
Employee benefits	25,550	41,147	-
Services and supplies	6,710,442	1,963,841	1,202,199
Depreciation	-	-	3,771
Total Operating Expenses	6,807,035	2,125,090	1,205,970
Operating Income (Loss)	171,620	(13,752)	233,612
Nonoperating Revenues (Expenses):			
Investment income	57,727	103,993	60,802
Miscellaneous	-	15,169	37,359
Gain (loss) on disposal of capital assets	-	-	-
Total Nonoperating Revenues (Expenses)	57,727	119,162	98,161
Change in Net Assets	229,347	105,410	331,773
Net Assets, July 1	1,133,043	1,282,765	1,009,481
Net Assets, June 30	\$ 1,362,390	\$ 1,388,175	\$ 1,341,254

<u>FLEET MANAGEMENT</u>	<u>TOTAL</u>
<u>\$ 1,229,965</u>	<u>\$ 11,759,540</u>
420,360	611,505
130,560	197,257
497,466	10,373,948
<u>-</u>	<u>3,771</u>
<u>1,048,386</u>	<u>11,186,481</u>
<u>181,579</u>	<u>573,059</u>
36,352	258,874
-	52,528
<u>154,107</u>	<u>154,107</u>
<u>190,459</u>	<u>465,509</u>
372,038	1,038,568
<u>342,688</u>	<u>3,767,977</u>
<u>\$ 714,726</u>	<u>\$ 4,806,545</u>

CARSON CITY
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2007

	GROUP MEDICAL INSURANCE	WORKERS' COMPENSATION	INSURANCE
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received for services	\$ 6,925,977	\$ 2,064,252	\$ 921,540
Cash payments for personnel costs	(91,907)	(166,184)	-
Cash payments for services and supplies	(7,128,824)	(1,850,194)	(1,199,744)
Miscellaneous cash received	-	15,169	37,359
	(294,754)	63,043	(240,845)
Net Cash Provided (Used) by Operating Activities			
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Proceeds from sales of assets	-	-	-
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment income	57,727	103,993	60,802
	(237,027)	167,036	(180,043)
Net Increase (Decrease) in Cash and Cash Equivalents			
Cash and Cash Equivalents, July 1	1,327,799	2,127,233	1,257,703
Cash and Cash Equivalents, June 30	\$ 1,090,772	\$ 2,294,269	\$ 1,077,660
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:			
Operating income (loss)	\$ 171,620	\$ (13,752)	\$ 233,612
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation and amortization expense	-	-	3,771
Nonoperating revenues	-	15,169	37,359
Changes in assets and liabilities:			
(Increase) decrease in:			
Accounts receivable	(93,433)	(47,086)	-
Due from other governments	40,755	-	-
Inventories	-	-	-
Prepaid items	-	-	(518,042)
Increase (decrease) in:			
Accounts payable	(418,382)	174,704	5,005
Accrued salaries and benefits	286	(2,928)	-
Other liabilities	-	(61,057)	(2,550)
Due to other governments	-	-	-
Accrued compensated absences	4,400	(2,007)	-
Total Adjustments	(466,374)	76,795	(474,457)
Net Cash Provided (Used) by Operating Activities	\$ (294,754)	\$ 63,043	\$ (240,845)

FLEET MANAGEMENT	TOTAL
\$ 1,256,941	\$ 11,168,710
(544,931)	(803,022)
(515,750)	(10,694,512)
-	52,528
196,260	(276,296)
154,107	154,107
36,352	258,874
386,719	136,685
412,055	5,124,790
\$ 798,774	\$ 5,261,475
\$ 181,579	\$ 573,059
-	3,771
-	52,528
875	(139,644)
-	40,755
(32,250)	(32,250)
-	(518,042)
13,966	(224,707)
1,455	(1,187)
-	(63,607)
26,101	26,101
4,534	6,927
14,681	(849,355)
\$ 196,260	\$ (276,296)

**CARSON CITY
GROUP MEDICAL INSURANCE FUND
SCHEDULE OF REVENUES, EXPENSES,
AND CHANGES IN NET ASSETS - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2007
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2006)**

	FINAL BUDGET	ACTUAL	VARIANCE	2006
Operating Revenues:				
Employee contributions	\$ 1,697,326	\$ 1,576,034	\$ (121,292)	\$ 1,528,707
Employer contributions	5,509,593	5,402,621	(106,972)	4,832,524
Total Operating Revenues	<u>7,206,919</u>	<u>6,978,655</u>	<u>(228,264)</u>	<u>6,361,231</u>
Operating Expenses:				
Salaries and wages	62,630	71,043	(8,413)	61,562
Employee benefits	23,398	25,550	(2,152)	21,789
Services and supplies	7,120,199	6,710,442	409,757	6,268,460
Total Operating Expenses	<u>7,206,227</u>	<u>6,807,035</u>	<u>399,192</u>	<u>6,351,811</u>
Operating Income (Loss)	<u>692</u>	<u>171,620</u>	<u>170,928</u>	<u>9,420</u>
Nonoperating Revenues (Expenses):				
Investment income	25,000	57,727	32,727	22,286
Miscellaneous	-	-	-	3,308
Total Nonoperating Revenues (Expenses)	<u>25,000</u>	<u>57,727</u>	<u>32,727</u>	<u>25,594</u>
Change in Net Assets	<u>\$ 25,692</u>	<u>229,347</u>	<u>\$ 203,655</u>	<u>35,014</u>
Net Assets, July 1		<u>1,133,043</u>		<u>1,098,029</u>
Net Assets, June 30		<u>\$ 1,362,390</u>		<u>\$ 1,133,043</u>

**CARSON CITY
GROUP MEDICAL INSURANCE FUND
SCHEDULE OF CASH FLOWS - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2007
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2006)**

	FINAL BUDGET	ACTUAL	VARIANCE	2006
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received for services	\$ 7,206,919	\$ 6,925,977	\$ (280,942)	\$ 6,158,139
Cash payments for personnel costs	(86,028)	(91,907)	(5,879)	(82,483)
Cash payments for services and supplies	(7,120,199)	(7,128,824)	(8,625)	(5,849,455)
Miscellaneous cash received	-	-	-	3,308
Net Cash Provided (Used) by Operating Activities	692	(294,754)	(295,446)	229,509
CASH FLOWS FROM INVESTING ACTIVITIES				
Investment income	25,000	57,727	32,727	22,286
Net Increase (Decrease) in Cash and Cash Equivalents	25,692	(237,027)	(262,719)	251,795
Cash and Cash Equivalents, July 1	1,001,522	1,327,799	326,277	1,076,004
Cash and Cash Equivalents, June 30	<u>\$ 1,027,214</u>	<u>\$ 1,090,772</u>	<u>\$ 63,558</u>	<u>\$ 1,327,799</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:				
Operating income	\$ 692	\$ 171,620	\$ 170,928	\$ 9,420
Adjustments to reconcile operating income to net cash provided (used) by operating activities:				
Nonoperating revenues	-	-	-	3,308
Changes in assets and liabilities:				
(Increase) decrease in:				
Accounts receivable	-	(93,433)	(93,433)	(199,328)
Due from other governments	-	40,755	40,755	(3,764)
Increase (decrease) in:				
Accounts payable	-	(418,382)	(418,382)	418,458
Unearned revenue	-	-	-	547
Accrued salaries and benefits	-	286	286	(2,341)
Accrued compensated absences	-	4,400	4,400	3,209
Total Adjustments	-	(466,374)	(466,374)	220,089
Net Cash Provided (Used) by Operating Activities	<u>\$ 692</u>	<u>\$ (294,754)</u>	<u>\$ (295,446)</u>	<u>\$ 229,509</u>

**CARSON CITY
WORKERS' COMPENSATION FUND
SCHEDULE OF REVENUES, EXPENSES,
AND CHANGES IN NET ASSETS - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2007
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2006)**

	FINAL BUDGET	ACTUAL	VARIANCE	2006
Operating Revenues:				
Charges for services:				
Employer contributions	\$ 2,136,130	\$ 2,111,338	\$ (24,792)	\$ 1,813,834
Operating Expenses:				
Salaries and wages	205,809	120,102	85,707	178,753
Employee benefits	37,982	41,147	(3,165)	74,542
Services and supplies	2,031,347	1,963,841	67,506	1,546,852
Total Operating Expenses	2,275,138	2,125,090	150,048	1,800,147
Operating Income (Loss)	(139,008)	(13,752)	125,256	13,687
Nonoperating Revenues (Expenses):				
Investment income	60,000	103,993	43,993	42,994
Miscellaneous	100,000	15,169	(84,831)	61,199
Total Nonoperating Revenues (Expenses)	160,000	119,162	(40,838)	104,193
Change in Net Assets	\$ 20,992	105,410	\$ 84,418	117,880
Net Assets, July 1		1,282,765		1,164,885
Net Assets, June 30		\$ 1,388,175		\$ 1,282,765

**CARSON CITY
WORKERS' COMPENSATION FUND
SCHEDULE OF CASH FLOWS - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2007
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2006)**

	FINAL BUDGET	ACTUAL	VARIANCE	2006
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received for services	\$ 2,136,130	\$ 2,064,252	\$ (71,878)	\$ 1,810,504
Cash payments for personnel costs	(243,791)	(166,184)	77,607	(258,717)
Cash payments for services and supplies	(2,031,347)	(1,850,194)	181,153	(1,517,077)
Miscellaneous cash received	100,000	15,169	(84,831)	61,199
	<u>(39,008)</u>	<u>63,043</u>	<u>102,051</u>	<u>95,909</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Investment income	60,000	103,993	43,993	42,994
	<u>20,992</u>	<u>167,036</u>	<u>146,044</u>	<u>138,903</u>
Net Increase (Decrease) in Cash and Cash Equivalents				
	<u>2,127,233</u>	<u>2,127,233</u>	<u>-</u>	<u>1,988,330</u>
Cash and Cash Equivalents, July 1	2,127,233	2,127,233	-	1,988,330
Cash and Cash Equivalents, June 30	<u>\$ 2,148,225</u>	<u>\$ 2,294,269</u>	<u>\$ 146,044</u>	<u>\$ 2,127,233</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:				
Operating income (loss)	\$ (39,008)	\$ (13,752)	\$ 25,256	\$ 13,687
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Nonoperating revenues	-	15,169	15,169	61,199
Changes in assets and liabilities:				
(Increase) decrease in:				
Accounts receivable	-	(47,086)	(47,086)	(3,330)
Increase (decrease) in:				
Accounts payable	-	174,704	174,704	25,913
Accrued salaries and benefits	-	(2,928)	(2,928)	(7,474)
Other liabilities	-	(61,057)	(61,057)	3,861
Accrued compensated absences	-	(2,007)	(2,007)	2,053
	<u>-</u>	<u>76,795</u>	<u>76,795</u>	<u>82,222</u>
Total Adjustments	<u>-</u>	<u>76,795</u>	<u>76,795</u>	<u>82,222</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (39,008)</u>	<u>\$ 63,043</u>	<u>\$ 102,051</u>	<u>\$ 95,909</u>

**CARSON CITY
INSURANCE FUND
SCHEDULE OF REVENUES, EXPENSES,
AND CHANGES IN NET ASSETS - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2007
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2006)**

	FINAL BUDGET	ACTUAL	VARIANCE	2006
Operating Revenues:				
Charges for services:				
Administrative fees	\$ 1,400,000	\$ 1,439,582	\$ 39,582	\$ 1,407,138
Operating Expenses:				
Services and supplies	1,322,899	1,202,199	120,700	1,032,894
Depreciation	5,000	3,771	1,229	1,729
Total Operating Expenses	<u>1,327,899</u>	<u>1,205,970</u>	<u>121,929</u>	<u>1,034,623</u>
Operating Income (Loss)	<u>72,101</u>	<u>233,612</u>	<u>161,511</u>	<u>372,515</u>
Nonoperating Revenues (Expenses):				
Investment income	15,000	60,802	45,802	22,730
Miscellaneous	7,500	37,359	29,859	21,719
Gain (loss) on disposal of capital assets	-	-	-	(833)
Total Nonoperating Revenues (Expenses)	<u>22,500</u>	<u>98,161</u>	<u>75,661</u>	<u>43,616</u>
Income (Loss) Before Contributions and Transfers	<u>\$ 94,601</u>	<u>331,773</u>	<u>\$ 237,172</u>	<u>416,131</u>
Transfers in		-		500,000
Capital Contributions:				
Capital assets		-		<u>20,419</u>
Change in Net Assets		331,773		936,550
Net Assets, July 1		<u>1,009,481</u>		<u>72,931</u>
Net Assets, June 30		<u>\$ 1,341,254</u>		<u>\$ 1,009,481</u>

**CARSON CITY
INSURANCE FUND
SCHEDULE OF CASH FLOWS - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2007
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2006)**

	FINAL BUDGET	ACTUAL	VARIANCE	2006
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received for services	\$ 1,400,000	\$ 921,540	\$ (478,460)	\$ 1,397,416
Cash payments for personnel costs	-	-	-	-
Cash payments for services and supplies	(1,322,899)	(1,199,744)	123,155	(984,145)
Miscellaneous cash received	7,500	37,359	29,859	21,719
	<u>84,601</u>	<u>(240,845)</u>	<u>(325,446)</u>	<u>434,990</u>
Net Cash Provided (Used) by Operating Activities				
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers from other funds	-	-	-	500,000
CASH FLOWS FROM INVESTING ACTIVITIES				
Investment income	15,000	60,802	45,802	22,729
	<u>99,601</u>	<u>(180,043)</u>	<u>(279,644)</u>	<u>957,719</u>
Net Increase (Decrease) in Cash and Cash Equivalents				
Cash and Cash Equivalents, July 1	329,918	1,257,703	927,785	299,984
Cash and Cash Equivalents, June 30	<u>\$ 429,519</u>	<u>\$ 1,077,660</u>	<u>\$ 648,141</u>	<u>\$ 1,257,703</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:				
Operating income (loss)	\$ 84,601	\$ 233,612	\$ 149,011	\$ 372,515
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	-	3,771	3,771	1,729
Nonoperating revenues	-	37,359	37,359	21,719
Changes in assets and liabilities:				
(Increase) decrease in:				
Accounts receivable	-	-	-	7,749
Prepaid items	-	(518,042)	(518,042)	(17,471)
Increase (decrease) in:				
Accounts payable	-	5,005	5,005	68,723
Other liabilities	-	(2,550)	(2,550)	(19,974)
Total Adjustments	<u>-</u>	<u>(474,457)</u>	<u>(474,457)</u>	<u>62,475</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 84,601</u>	<u>\$ (240,845)</u>	<u>\$ (325,446)</u>	<u>\$ 434,990</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES				
Contributed capital assets		\$ -		\$ 20,419

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**CARSON CITY
FLEET MANAGEMENT FUND
SCHEDULE OF REVENUES, EXPENSES,
AND CHANGES IN NET ASSETS (DEFICIT) - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2007
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2006)**

	FINAL BUDGET	ACTUAL	VARIANCE	2006
Operating Revenues:				
Charges for services:				
Administrative Fees	\$ 1,231,175	\$ 1,229,965	\$ (1,210)	\$ 1,145,550
Operating Expenses:				
Salaries and wages	427,487	420,360	7,127	406,192
Employee benefits	143,221	130,560	12,661	127,876
Services and supplies	660,211	497,466	162,745	536,282
Total Operating Expenses	1,230,919	1,048,386	182,533	1,070,350
Operating Income (Loss)	256	181,579	181,323	75,200
Nonoperating Revenues (Expenses):				
Investment income	10,000	36,352	26,352	6,563
Grant revenue	-	-	-	42,289
Gain (loss) on disposal of capital assets	-	154,107	154,107	115,606
Total Nonoperating Revenues (Expenses)	10,000	190,459	180,459	164,458
Change in Net Assets	\$ 10,256	372,038	\$ 361,782	239,658
Net Assets, July 1		342,688		103,030
Net Assets, June 30		\$ 714,726		\$ 342,688

CARSON CITY
FLEET MANAGEMENT FUND
SCHEDULE OF CASH FLOWS - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2007
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2006)

	FINAL BUDGET	ACTUAL	VARIANCE	2006
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received for services	\$ 1,231,175	\$ 1,256,941	\$ 25,766	\$ 1,103,069
Cash payments for personnel costs	(570,708)	(544,931)	25,777	(549,720)
Cash payments for services and supplies	(660,211)	(515,750)	144,461	(463,410)
Net Cash Provided (Used) by Operating Activities	<u>256</u>	<u>196,260</u>	<u>196,004</u>	<u>89,939</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Subsidy from federal grant	-	-	-	42,289
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Proceeds from sales of assets	-	154,107	154,107	115,606
CASH FLOWS FROM INVESTING ACTIVITIES				
Investment income	10,000	36,352	26,352	6,563
Net Increase (Decrease) in Cash and Cash Equivalents	10,256	386,719	376,463	254,397
Cash and Cash Equivalents, July 1	19	412,055	412,036	157,658
Cash and Cash Equivalents, June 30	<u>\$ 10,275</u>	<u>\$ 798,774</u>	<u>\$ 788,499</u>	<u>\$ 412,055</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:				
Operating income (loss)	\$ 256	\$ 181,579	\$ 181,323	\$ 75,200
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Changes in assets and liabilities:				
(Increase) decrease in:				
Accounts receivable	-	875	875	(191)
Inventories	-	(32,250)	(32,250)	53,251
Increase (decrease) in:				
Accounts payable	-	13,966	13,966	19,620
Accrued salaries and benefits	-	1,455	1,455	(15,132)
Due to other governments	-	26,101	26,101	(42,289)
Accrued compensated absences	-	4,534	4,534	(520)
Total Adjustments	<u>-</u>	<u>14,681</u>	<u>14,681</u>	<u>14,739</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 256</u>	<u>\$ 196,260</u>	<u>\$ 196,004</u>	<u>\$ 89,939</u>

FIDUCIARY FUNDS

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

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

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, 2007
(PAGE 1 OF 4)

	BALANCE JULY 1, 2006	ADDITIONS	DELETIONS	BALANCE JUNE 30, 2007
SIERRA FOREST FIRE PROTECTION FUND				
Assets:				
Cash and investments	\$ 159,618	\$ 778,119	\$ 530,188	\$ 407,549
Taxes receivable, delinquent	377	1	266	112
Due from other governments	56,266	61,519	56,266	61,519
Total Assets	\$ 216,261	\$ 839,639	\$ 586,720	\$ 469,180
Liabilities:				
Accounts payable	\$ 77	\$ 566,946	\$ 566,938	\$ 85
Due to other governments	216,184	820,126	567,215	469,095
Total Liabilities	\$ 216,261	\$ 1,387,072	\$ 1,134,153	\$ 469,180
EAGLE VALLEY WATER DISTRICT FUND				
Assets:				
Cash and investments	\$ 388	\$ 13,709	\$ 13,719	\$ 378
Taxes receivable, delinquent	115	66	47	134
Total Assets	\$ 503	\$ 13,775	\$ 13,766	\$ 512
Liabilities:				
Accounts payable	\$ 2	\$ 4	\$ 6	\$ -
Due to other governments	501	14,193	14,182	512
Total Liabilities	\$ 503	\$ 14,197	\$ 14,188	\$ 512
CONSERVANCY DISTRICT FUND				
Assets:				
Cash and investments	\$ 407	\$ 4,190	\$ 4,253	\$ 344
Due from other governments	818	787	818	787
Total Assets	\$ 1,225	\$ 4,977	\$ 5,071	\$ 1,131
Liabilities:				
Accounts payable	\$ -	\$ 4,598	\$ 4,598	\$ -
Due to other governments	1,225	4,504	4,598	1,131
Total Liabilities	\$ 1,225	\$ 9,102	\$ 9,196	\$ 1,131

CARSON CITY
COMBINING STATEMENT OF CHANGES IN
ASSETS AND LIABILITIES - ALL AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2007
(PAGE 2 OF 4)

	BALANCE JULY 1, 2006	ADDITIONS	DELETIONS	BALANCE JUNE 30, 2007
SUB-CONSERVANCY DISTRICT FUND				
Assets:				
Cash and investments	\$ -	\$ 707,202	\$ 702,805	\$ 4,397
Taxes receivable, delinquent	2,400	1,718	651	3,467
Due from other governments	35,031	-	35,031	-
Total Assets	\$ 37,431	\$ 708,920	\$ 738,487	\$ 7,864
Liabilities:				
Accounts payable	\$ 30,382	\$ 373,000	\$ 403,376	\$ 6
Due to other governments	-	379,462	379,284	178
Other liabilities	7,049	7,680	7,049	7,680
Total Liabilities	\$ 37,431	\$ 760,142	\$ 789,709	\$ 7,864
FISH AND GAME FUND				
Assets:				
Cash and investments	\$ 3,834	\$ 1,500	\$ 1,934	\$ 3,400
Liabilities:				
Accounts payable	\$ 270	\$ 2,200	\$ 1,934	\$ 536
Due to other governments	3,564	1,500	2,200	2,864
Total Liabilities	\$ 3,834	\$ 3,700	\$ 4,134	\$ 3,400
CONTROLLER TRUST FUND				
Assets:				
Cash and investments	\$ 29,352	\$ 12,673	\$ 9,102	\$ 32,923
Liabilities:				
Accounts payable	\$ 227	\$ 8,991	\$ 9,102	\$ 116
Due to other governments	29,125	12,603	8,921	32,807
Total Liabilities	\$ 29,352	\$ 21,594	\$ 18,023	\$ 32,923
STATE OF NEVADA FUND				
Assets:				
Cash and investments	\$ 602,627	\$ 4,466,453	\$ 4,532,699	\$ 536,381
Accounts receivable	-	60	-	60
Taxes receivable, delinquent	13,600	9,773	3,687	19,686
Total Assets	\$ 616,227	\$ 4,476,286	\$ 4,536,386	\$ 556,127
Liabilities:				
Accounts payable	\$ 297	\$ 1,010	\$ 1,274	\$ 33
Due to other governments	615,930	5,006,475	5,066,311	556,094
Total Liabilities	\$ 616,227	\$ 5,007,485	\$ 5,067,585	\$ 556,127

**CARSON CITY
COMBINING STATEMENT OF CHANGES IN
ASSETS AND LIABILITIES - ALL AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2007
(PAGE 3 OF 4)**

	<u>BALANCE JULY 1, 2006</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE JUNE 30, 2007</u>
CARSON CITY SCHOOL DISTRICT DEBT SERVICE FUND				
Assets:				
Taxes receivable, delinquent	\$ 37,597	\$ 27,025	\$ 10,194	\$ 54,428
Liabilities:				
Accounts payable	\$ 906	\$ 3,939	\$ 4,754	\$ 91
Due to other governments	36,691	6,164,667	6,147,021	54,337
Total Liabilities	<u>\$ 37,597</u>	<u>\$ 6,168,606</u>	<u>\$ 6,151,775</u>	<u>\$ 54,428</u>
CARSON CITY SCHOOL DISTRICT OPERATING FUND				
Assets:				
Cash and investments	\$ 8,627	\$ 9,329,139	\$ 9,240,267	\$ 97,499
Taxes receivable, delinquent	59,994	43,134	16,264	86,864
Total Assets	<u>\$ 68,621</u>	<u>\$ 9,372,273</u>	<u>\$ 9,256,531</u>	<u>\$ 184,363</u>
Liabilities:				
Accounts payable	\$ 1,047	\$ 2,297	\$ 3,198	\$ 146
Due to other governments	67,574	9,497,912	9,381,269	184,217
Total Liabilities	<u>\$ 68,621</u>	<u>\$ 9,500,209</u>	<u>\$ 9,384,467</u>	<u>\$ 184,363</u>
FORFEITURE ACCOUNT FUND				
Assets:				
Cash and investments	\$ 6,191	\$ 29,679	\$ 10,998	\$ 24,872
Liabilities:				
Due to other governments	\$ 6,191	\$ 29,679	\$ 10,998	\$ 24,872
NEVADA COMMISSION FOR THE RECONSTRUCTION OF THE V & T RAILWAY FUND				
Assets:				
Cash and investments	\$ 15,693,724	\$ 2,325,671	\$ 5,670,504	\$ 12,348,891
Due from other governments	702,614	216,399	703,664	215,349
Prepaid items	-	250	-	250
Total Assets	<u>\$ 16,396,338</u>	<u>\$ 2,542,320</u>	<u>\$ 6,374,168</u>	<u>\$ 12,564,490</u>
Liabilities:				
Accounts payable	\$ 206,420	\$ 5,343,810	\$ 4,969,986	\$ 580,244
Due to other governments	16,189,918	1,664,905	5,870,577	11,984,246
Total Liabilities	<u>\$ 16,396,338</u>	<u>\$ 7,008,715</u>	<u>\$ 10,840,563</u>	<u>\$ 12,564,490</u>

CARSON CITY
COMBINING STATEMENT OF CHANGES IN
ASSETS AND LIABILITIES - ALL AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2007
(PAGE 4 OF 4)

	<u>BALANCE</u> <u>JULY 1, 2006</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE</u> <u>JUNE 30, 2007</u>
TOTALS - ALL AGENCY FUNDS				
Assets:				
Cash and investments	\$ 16,504,768	\$ 17,668,335	\$ 20,716,469	\$ 13,456,634
Accounts receivable	-	60	-	60
Taxes receivable, delinquent	114,083	81,717	31,109	164,691
Due from other governments	794,729	278,705	795,779	277,655
Prepaid items	-	250	-	250
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 17,413,580</u>	<u>\$ 18,029,067</u>	<u>\$ 21,543,357</u>	<u>\$ 13,899,290</u>
Liabilities:				
Accounts payable	\$ 239,628	\$ 6,306,795	\$ 5,965,166	\$ 581,257
Due to other governments	17,166,903	23,596,026	27,452,576	13,310,353
Other liabilities	7,049	7,680	7,049	7,680
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u>\$ 17,413,580</u>	<u>\$ 29,910,501</u>	<u>\$ 33,424,791</u>	<u>\$ 13,899,290</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.

<u>Section Contents</u>	<u>Schedule #</u>
Financial Trends <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>	1.1 - 1.4
Revenue Capacity <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>	2.1 - 2.4
Debt Capacity <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>	3.1 - 3.4
Demographic and Economic Information <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>	4.1 - 4.2
Operating Information <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>	5.1 - 5.3

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 FIVE FISCAL YEARS
(UNAUDITED)

	FISCAL YEAR ENDED JUNE 30,				
	2007	2006	2005	2004	2003
GOVERNMENTAL ACTIVITIES					
Invested in capital assets, net of related debt	\$ 120,602,072	\$ 65,849,092	\$ 69,600,063	\$ 63,816,236	\$ 60,351,746
Restricted	29,389,902	24,871,291	16,085,638	14,316,416	15,261,474
Unrestricted	<u>(1,728,608)</u>	<u>(3,390,070)</u>	<u>15,697,202</u>	<u>14,233,204</u>	<u>15,440,977</u>
Total Governmental Activities Net Assets	<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>
BUSINESS-TYPE ACTIVITIES					
Invested in capital assets, net of related debt	\$ 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	<u>16,169,206</u>	<u>16,340,435</u>	<u>17,913,131</u>	<u>16,797,849</u>	<u>16,176,689</u>
Total Business-Type Activities Net Assets	<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>
PRIMARY GOVERNMENT					
Invested in capital assets, net of related debt	\$ 204,725,932	\$ 143,978,980	\$ 141,472,100	\$ 134,793,422	\$ 131,747,163
Restricted	32,131,998	27,469,426	18,631,001	16,799,288	17,743,341
Unrestricted	<u>14,440,598</u>	<u>12,950,365</u>	<u>33,610,333</u>	<u>31,031,053</u>	<u>31,617,666</u>
Total Business-Type Activities Net Assets	<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 FIVE FISCAL YEARS
(UNAUDITED)**

	FISCAL YEAR ENDED JUNE 30,				
	2007	2006	2005	2004	2003
EXPENSES					
Governmental Activities:					
General government	\$ 13,329,480	\$ 15,920,465	\$ 11,732,939	\$ 10,368,245	\$ 9,567,850
Judicial	3,656,007	3,505,076	3,158,460	2,826,724	2,792,776
Public safety	26,333,209	25,401,443	25,320,788	21,632,395	20,467,651
Public works	7,205,824	7,205,695	7,462,191	7,389,511	7,575,408
Community support	552,307	15,427,942	1,476,257	5,805,226	1,206,737
Airport	348,318	85,514	126,043	270,425	59,382
Economic Opportunity	485,422	4,466,016	520,190	243,268	274,626
Welfare	2,074,309	2,038,709	1,915,957	1,482,239	1,776,505
Health	2,736,463	1,808,078	1,320,958	1,040,547	987,750
Culture and recreation	8,897,085	8,885,644	8,184,715	7,368,395	6,998,621
Interest on long-term debt	3,844,651	3,078,771	2,126,197	1,486,850	1,827,665
Total Governmental Activities Expenses	69,463,075	87,823,373	63,344,695	59,913,825	53,534,971
Business-type Activities:					
Landfill	2,057,836	1,889,185	1,058,363	1,534,489	1,373,244
Ambulance	3,314,417	3,159,589	2,599,930	2,635,082	2,439,285
Sewer	7,751,960	7,592,212	7,164,159	7,044,425	6,533,017
Water	9,143,663	8,228,357	7,670,393	7,385,857	6,978,156
Cemetery	201,439	214,107	199,167	193,136	193,882
Building Permits	1,724,380	1,629,333	1,476,259	1,419,040	1,388,170
Stormwater Drainage	860,866	745,178	286,562	21,170	-
Total Business-type Activities Expenses	25,054,561	23,457,961	20,454,833	20,233,199	18,905,754
Total Primary Government Expenses	\$ 94,517,636	\$ 111,281,334	\$ 83,799,528	\$ 80,147,024	\$ 72,440,725
PROGRAM REVENUES					
Governmental Activities:					
Charges for services	\$ 7,194,480	\$ 7,249,876	\$ 6,995,677	\$ 6,287,043	\$ 5,997,754
Operating grants, interest, and contributions	6,129,717	8,678,963	6,003,596	3,351,158	2,177,667
Capital grants, interest, and contributions	14,492,662	51,789	2,211,437	568,537	4,241,309
Total Governmental Activities Program Revenues	27,816,859	15,980,628	15,210,710	10,206,738	12,416,730
Business-type Activities:					
Charges for services	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	6,462,247	7,000,395	5,150,750	2,934,428	2,950,430
Total Business-type Activities Program Revenues	28,954,835	26,907,211	23,066,029	20,416,721	18,977,755
Total Primary Government Program Revenues	\$ 56,771,694	\$ 42,887,839	\$ 38,276,739	\$ 30,623,459	\$ 31,394,485
NET (EXPENSE) / REVENUE					
Governmental activities	\$ (41,646,216)	\$ (71,842,745)	\$ (48,133,985)	\$ (49,707,087)	\$ (41,118,241)
Business-type activities	3,900,274	3,449,250	2,611,196	183,522	72,001
Total Primary Government Net (Expense) / Revenue	\$ (37,745,942)	\$ (68,393,495)	\$ (45,522,789)	\$ (49,523,565)	\$ (41,046,240)
GENERAL REVENUES AND OTHER CHANGES IN NET ASSETS					
Governmental Activities:					
Taxes:					
Property taxes	\$ 16,538,908	\$ 14,842,941	\$ 14,399,482	\$ 13,622,347	\$ 13,163,766
Sales taxes	6,097,893	5,355,446	4,856,154	4,517,602	4,243,911
Consolidated tax	25,944,779	26,808,073	25,661,323	23,827,916	22,273,319
Franchise taxes	4,619,984	4,423,774	4,081,139	3,541,660	3,400,865
Other taxes	4,262,092	4,273,234	4,193,053	3,889,322	3,520,210
Motor vehicle fuel tax	1,373,902	1,361,374	1,340,152	1,277,083	1,140,911
Grants and contributions not restricted to specific programs	687	589	576	568	-
Unrestricted investment income	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	246,304	189,430	191,890	257,974	200,892
Transfers	(746,617)	(2,169,833)	1,230,203	(38,651)	(126,817)
Total Governmental Activities	61,868,516	57,790,155	57,151,032	51,018,746	49,502,961
Business-type Activities:					
Unrestricted investment income	1,319,813	476,360	691,631	(18,239)	955,581
Transfers	746,617	2,169,833	(1,230,203)	38,651	126,817
Total Business-type Activities	2,066,430	2,646,193	(538,572)	20,412	1,082,398
Total Primary Government Activities	\$ 63,934,946	\$ 60,436,348	\$ 56,612,460	\$ 51,039,158	\$ 50,585,359
CHANGE IN NET ASSETS					
Governmental activities	\$ 20,222,300	\$ (14,052,590)	\$ 9,017,047	\$ 1,311,659	\$ 8,384,720
Business-type activities	5,966,704	6,095,443	2,072,624	203,934	1,154,399
Total Primary Government Change in Net Assets	\$ 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.									
	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
Reserved	\$ 793,002	\$ 867,481	\$ 546,825	\$ 479,751	\$ 532,198	\$ 450,765	\$ 525,190	\$ 687,116	\$ 738,795	\$ 624,256
Undesignated:										
Designated	5,385,581	5,079,437	8,959,556	8,846,685	8,712,714	9,368,308	6,385,072	5,662,704	3,995,707	3,491,446
Undesignated	5,496,137	4,951,945	2,092,600	2,606,927	16,384	2,971,753	3,888,468	2,097,212	2,153,587	938,461
Total General Fund	\$ 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	\$ 5,054,163
ALL OTHER GOVERNMENTAL FUNDS										
Reserved	\$ 12,953	\$ 1,287	\$ 865	\$ 22,400	\$ 247	\$ 3,798,655	\$ 3,605,309	\$ 3,603,193	\$ 1,367,114	\$ 1,376,971
Undesignated:										
Designated in:										
Special Revenue Funds	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	10,405,315
Debt Service Funds	1,143,535	992,243	1,633,794	2,354,377	2,667,705	-	-	-	-	-
Capital Projects Funds	100,358	517,218	130,227	70,197	177,126	1,385,905	671,734	2,388,796	2,092,557	4,823,929
Undesignated in:										
Special Revenue Funds	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	3,174,699
Debt Service Funds	37,444	443,148	13,798	27,006	154,164	-	-	-	-	-
Capital Projects Funds	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	4,363,669
Total All Other Governmental Funds	\$ 46,003,554	\$ 54,873,703	\$ 36,930,062	\$ 27,342,563	\$ 25,103,988	\$ 24,135,018	\$ 20,391,401	\$ 18,588,356	\$ 22,345,083	\$ 24,144,583

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

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

	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
FISCAL YEAR ENDED JUNE 30.										
REVENUES										
Taxes	\$ 26,649,450	\$ 24,247,771	\$ 23,227,887	\$ 21,806,953	\$ 20,705,621	\$ 20,533,691	\$ 19,696,238	\$ 18,333,861	\$ 16,894,089	\$ 16,487,385
Special assessments	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	4,170,129
Licenses and permits	43,287,138	36,935,960	33,640,817	29,100,114	27,058,432	28,395,840	27,071,037	22,988,425	22,726,466	21,963,499
Intergovernmental revenues	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	3,223,497
Charges for services	901,404	1,011,142	902,536	845,779	789,494	828,567	902,643	714,707	740,536	724,796
Fines and forfeits	4,411,395	2,179,034	2,121,663	1,024,528	2,398,752	2,233,205	3,089,543	2,715,620	2,104,519	2,932,898
Miscellaneous	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	49,847,964
Total Revenues										
	\$ 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	\$ 9,277,497
EXPENDITURES										
General government	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	13,134,647
Public safety	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	1,619,546
Judicial	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	9,247,513
Public works	2,670,894	1,777,541	1,532,341	1,037,614	1,146,927	934,853	880,340	922,370	914,648	957,427
Sanitation	2,073,901	2,033,648	1,911,782	1,478,840	1,773,771	-	227,215	210,071	153,056	194,762
Welfare	9,464,358	8,810,148	11,169,367	10,299,483	7,926,518	8,296,395	1,342,230	1,283,167	1,097,915	1,098,940
Culture and recreation	650,602	15,784,475	732,965	5,547,273	1,058,208	1,739,029	6,560,870	8,306,920	7,487,441	5,142,604
Community support	10,034,403	38,779	79,038	297,124	247,363	249,873	1,246,276	1,139,448	1,016,234	977,614
Intergovernmental	565,092	4,598,312	593,042	263,279	312,937	374,336	44,188	247,025	220,644	208,206
Airport	9,039,514	6,510,301	306,392	265,811	180,704	252,124	243,687	231,765	206,404	943,795
Economic opportunity	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	1,482,035
Debt service:	3,764,874	2,932,911	1,958,684	1,282,262	1,961,517	1,909,116	1,851,904	1,928,378	1,747,309	1,626,212
Principal										
Interest and fiscal charges	97,911,876	104,764,204	74,027,542	69,223,933	65,033,841	60,594,586	58,078,490	58,756,806	57,218,413	61,508,895
Total Expenditures										
	\$ (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)	\$ (11,660,931)
Excess (Deficiency) of Revenues Over (Under) Expenditures										
OTHER FINANCING SOURCES (USES)										
Capital asset sales	-	3,620,000	40,613	141,280	42,026	71,166	2,314,843	176,539	933,950	32,883
Capital leases	55,770	20,052	85,749	-	-	-	-	-	-	-
Bonds issued	-	41,000,000	6,815,000	9,935,000	-	5,129,802	-	2,505,000	5,860,000	-
Notes issued	-	-	3,028,000	-	-	-	-	-	-	-
Payment to refunded bond escrow agent	-	(9,884,613)	-	-	(4,888,283)	-	-	-	(3,229,796)	-
Refunding bonds issued	-	8,040,000	-	-	4,895,000	-	-	-	3,270,000	-
Refunding notes issued	-	1,654,300	-	-	-	-	-	-	-	-
Premium on refunding bonds issued	-	1,654,300	-	-	-	-	-	-	-	-
Transfers in	7,736,648	10,162,385	9,961,443	4,121,536	11,074,155	5,429,803	5,522,848	5,984,832	3,976,046	4,387,403
Transfers out	(7,824,848)	(11,212,920)	(9,162,332)	(4,121,536)	(11,136,634)	(5,819,803)	(5,742,848)	(6,334,832)	(4,190,446)	(4,617,403)
Premium on bonds issued	-	308,908	-	-	-	-	-	-	-	-
Discount on bonds issued	-	-	(66,349)	(145,206)	-	-	-	-	-	-
Total Other Financing Sources (Uses)										
	\$ (8,094,292)	\$ 17,243,523	\$ 9,233,117	\$ 4,910,142	\$ (2,560,060)	\$ 6,359,172	\$ 3,927,566	\$ (2,425,634)	\$ 320,707	\$ (11,858,048)
Net Change in Fund Balances										
	9.30%	6.19%	6.98%	5.97%	9.57%	7.08%	6.98%	7.24%	6.71%	6.77%
Debt service as a percentage of noncapital expenditures										

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		
2007	\$ 1,083,303,781	\$ 451,206,734	\$ 73,847,370	\$ 83,969,393	\$ 307,878,233	\$ 4,095,153,171	\$ 1,433,503,610	35.00%	1.5075
2006	849,173,104	377,913,118	70,855,130	90,645,832	228,104,138	3,441,130,766	1,204,395,768	35.00%	1.2220
2005	787,818,702	353,104,623	66,465,018	85,499,759	216,695,480	3,216,623,531	1,125,818,236	35.00%	1.2220
2004	746,722,428	332,262,156	79,211,607	69,616,260	214,805,768	3,054,290,154	1,069,001,554	35.00%	1.2085
2003	724,967,564	325,002,781	70,047,686	65,168,733	198,173,195	3,017,044,009	1,055,965,403	35.00%	1.1809
2002	686,167,611	309,358,914	70,055,946	63,501,598	193,119,150	2,851,410,551	997,993,693	35.00%	1.1791
2001	666,155,934	287,996,135	66,598,662	55,041,111	182,457,938	2,796,587,777	978,805,722	35.00%	1.1484
2000	637,277,061	269,855,961	63,344,186	51,300,331	177,116,204	2,647,176,280	926,511,698	35.00%	1.1097
1999	605,449,267	246,765,018	60,808,788	54,256,056	166,625,864	2,524,954,057	883,753,920	35.00%	1.0426
1998	569,417,140	224,430,928	57,368,208	52,488,987	162,011,944	2,372,993,857	830,547,850	35.00%	1.0283

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,									
	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
CITY OF CARSON CITY DIRECT RATE										
Operating Rate	1.2101	0.9634	0.9634	0.9634	0.9234	0.9234	0.8922	0.8499	0.8008	0.7645
Voter Approved	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500
Legislative Overrides	0.2153	0.1765	0.1765	0.1620	0.1744	0.1711	0.1710	0.1710	0.1513	0.1713
Debt Service	0.0321	0.0321	0.0321	0.0331	0.0331	0.0346	0.0352	0.0388	0.0405	0.0425
Total Carson City Direct Rate	1.5075	1.2220	1.2220	1.2085	1.1809	1.1791	1.1484	1.1097	1.0426	1.0283
OVERLAPPING RATES										
Carson City School District	1.2200	1.2200	1.2200	1.2200	1.2200	1.2200	1.2200	1.2200	1.2700	1.3500
State of Nevada	0.1700	0.1700	0.1700	0.1700	0.1500	0.1500	0.1500	0.1500	0.1500	0.1500
Eagle Valley Underground Water	0.0012	0.0016	0.0016	0.0016	0.0016	0.0016	0.0018	0.0019	0.0024	0.0026
Carson Valley Ground Water Basin	0.0029	0.0027	0.0027	0.0053	0.0053	0.0053	0.0056	0.0058	0.0059	0.0081
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
Total Overlapping Rates	1.5241	1.5243	1.5243	1.5249	1.5050	1.5049	1.5054	1.5057	1.5583	1.6407
Total Carson City Property Tax Rate	3.0316	2.7463	2.7463	2.7334	2.6859	2.6840	2.6538	2.6154	2.6009	2.6690
REDEVELOPMENT AGENCY OF CARSON CITY	2.8108	2.4845	2.5078	2.4891	2.4802	2.5239	2.5502	2.5116	2.4950	2.5609

Source: Nevada Department of Taxation

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

TAXPAYER	2007			1998		
	ASSESSED VALUATION	RANK	PERCENTAGE OF TOTAL ASSESSED VALUATION	ASSESSED VALUATION	RANK	PERCENTAGE OF TOTAL ASSESSED VALUATION
Dwight Millard	\$ 12,532,553	1	0.87%	\$ 7,987,852	5	0.96%
Sierra Pacific Power	11,929,276	2	0.83%	11,720,312	2	1.41%
Southwest Gas Corp	11,746,308	3	0.82%	14,232,781	1	1.71%
C & A Investment	10,941,542	4	0.76%	-		0.00%
John Serpa	9,748,164	5	0.68%	7,996,800	4	0.96%
Garth Richards	8,970,864	6	0.63%	6,425,111	6	0.77%
Carson - Tahoe Hospital	8,272,544	7	0.58%	-		-
SBC Nevada	7,717,500	8	0.54%	11,445,037	3	1.38%
Carson City Hotel LLC	7,360,334	9	0.51%	-		-
Cubix/Ormsby	6,396,139	10	0.45%	-		-
Clark Russell				3,692,207	7	0.44%
Carson Nugget			-	3,489,446	8	0.42%
K-Mart			-	3,445,184	9	0.41%
Carrington & Codding			-	3,008,166	10	0.36%
Total, Ten Largest Taxpayers	95,615,224		6.67%	73,442,896		8.84%
Total, Other Taxpayers	1,337,688,386		93.33%	757,104,954		91.16%
Total Assessed Valuations	<u>\$ 1,433,303,610</u>		<u>100.00%</u>	<u>\$ 830,547,850</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)

<u>FISCAL YEAR ENDED JUNE 30,</u>	<u>TAXES LEVIED</u>	<u>CURRENT YEAR</u>		<u>DELINQUENT TAX COLLECTIONS</u>	<u>TOTALS TO DATE</u>	
		<u>TAX COLLECTIONS</u>	<u>PERCENT OF TAXES LEVIED</u>		<u>TAX COLLECTIONS</u>	<u>PERCENT OF TAXES LEVIED</u>
1998	\$ 19,280	\$ 19,015	98.63%	\$ 233.00	\$ 19,248	99.83%
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%

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			
2007	\$ 74,574,331	\$ 4,399,013	\$ 78,973,364	1.82%	\$ 1,368.67	\$ 5,140,000	\$ 120,447	\$ -	\$ 57,120,185	\$ -	\$ -	\$ -	\$ 141,353,996	6.37%	\$ 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	6.53%	2,420.58
2005	37,953,154	3,598,036	41,551,190	1.18%	740.06	7,330,000	82,473	-	54,291,941	-	-	-	103,255,604	5.17%	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	2,600,000	-	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	-	977,050	25,728,396	-	-	-	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	-	1,065,000	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
1998	20,780,000	1,480,804	22,260,804	0.88%	441.60	3,835,000	-	1,825,000	29,597,426	-	157,880	-	57,375,810	4.14%	1,138.18

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, 2007
(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	\$ 74,574,351	\$ 74,574,351	100.00%	\$ -
Business-Type Activity Bonds	57,120,184	57,120,184	100.00%	-
Total Direct Debt	<u>131,694,535</u>	<u>131,694,535</u>		<u>-</u>
Overlapping:				
Carson City School District	<u>36,955,000</u>	<u>-</u>	100.00%	<u>36,955,000</u>
Total Overlapping Debt	<u>36,955,000</u>	<u>-</u>		<u>36,955,000</u>
Total General Obligation Direct and Overlapping Debt	<u>\$ 168,649,535</u>	<u>\$ 131,694,535</u>		<u>\$ 36,955,000</u>

Source: Carson City Finance Office and Carson City School District

(1) Based on fiscal year 2006-07 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, 2007

Assessed value of taxable property ⁽¹⁾	\$ 1,465,975,882
Debt limit (15% of assessed value)	219,896,382
Debt applicable to limit	
Governmental activities	\$ 78,973,364
Business-type activities	57,120,184
Less: Amount available for repayment of general obligation debt	(200,000)
Total net debt applicable to limitation	135,893,548
Legal debt margin	\$ 84,002,834

	FISCAL YEAR ENDED JUNE 30,									
	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
Debt limit	\$ 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	\$ 126,461,125
Total net debt subject to limitation	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	70,095,808
Legal Debt Margin	\$ 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	\$ 56,365,317
Total net debt subject to limitation as a percentage of debt limit	61.8%	72.1%	59.9%	51.1%	42.3%	45.4%	51.2%	55.1%	56.8%	55.4%

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

(1) Includes Redevelopment Authority amount of \$32,672,272

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

FISCAL YEAR ENDED JUNE 30,	PLEGDED REVENUE	LESS: OPERATING EXPENSES	NET AVAILABLE REVENUE	DEBT SERVICE REQUIREMENTS			COVERAGE RATIOS
				PRINCIPAL	INTEREST	TOTAL	
HIGHWAY REVENUE(MOTOR VEHICLE FUEL TAX) IMPROVEMENT BONDS (1)							
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
1998	-	-	-	-	-	-	N/A
TAX ALLOCATION BOND - REDEVELOPMENT AUTHORITY (2)							
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
1998	318,848	-	318,848	10,000	152,617	162,617	2.0
HIGHWAY REVENUE IMPROVEMENT BONDS (3)							
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
1998	3,226,147	1,778,585	1,447,562	175,000	96,741	271,741	5.3
GRAVES LANE SPECIAL ASSESSMENT BONDS (4)							
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
1998	345,761	-	345,761	225,000	86,345	311,345	1.1

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)
2007	57,701	147.00	\$ 2,217,495,336	\$ 39,209	5.0%	13,790	1,223	425	\$ 87,262,258
2006	57,104	147.00	2,117,628,000	37,898	4.8%	13,638	1,312	385	76,840,787
2005	56,146	147.00	1,996,847,000	35,697	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	1,532,832,000	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
1998	50,410	147.00	1,386,560,000	27,477	5.9%	11,918	1,240	612	53,969,060

NR = Not reported

Sources:

- (1) State of Nevada, Demographer's Office, 1998-2006; Estimated for 2007 as data was unavailable at time of publication
- (2) City of Carson City, Treasurer's Office
- (3) U.S. Department of Commerce, Bureau of Economic Analysis, 1998-2006, for Carson City Metropolitan Area, Estimated for 2007 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>2007</u>			<u>1998</u>		
	<u>EMPLOYEES (1)</u>	<u>RANK</u>	<u>PERCENTAGE OF TOTAL COUNTY(2) EMPLOYMENT</u>	<u>EMPLOYEES (1)</u>	<u>RANK</u>	<u>PERCENTAGE OF TOTAL COUNTY EMPLOYMENT</u>
Carson City School District	1000-1499	1	3.54%	900-999	2	3.27%
Carson Tahoe Hospital	1000-1499	2	3.21%	700-799	3	2.57%
City of Carson City	700-799	3	2.62%	700-799	4	2.40%
State Department of Transportation	600-699	4	2.10%	600-699	5	2.24%
Carson City Nugget	600-699	5	1.53%	500-599	6	1.90%
Western Nevada Community College	500-599	6	1.36%	300-399	8	1.33%
Casino Fandango	400-499	7	1.34%			N/A
Chromalloy Nevada	400-499	8	1.27%	300-399	9	1.19%
State Department of Motor Vehicles	400-499	9	1.23%			N/A
State Department of Corrections	300-399	10	1.10%			N/A
State of Nevada (3)				4000-4499	1	15.06%
State Industrial Insurance System				400-499	7	1.50%
Ormsby House Hotel and Casino				300-399	10	1.15%
Total Carson City Metropolitan Area Covered Employment (2)	38,348			23,991		

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) Total employment statistics are for the Carson City metropolitan area.
- (3) The State of Nevada changed its 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)

	FISCAL YEAR ENDED JUNE 30,									
	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
FUNCTION:										
General Government	127.05	135.30	134.05	131.55	130.75	128.50	128.25	127.25	129.60	119.60
Public Safety	265.70	261.50	259.50	250.00	249.00	240.00	237.50	232.00	222.50	209.00
Judicial	42.25	35.50	29.75	28.75	26.75	26.75	28.75	27.50	26.50	22.50
Public Works	53.59	54.85	45.05	50.40	49.40	52.90	41.81	42.75	39.50	40.00
Sanitation	10.90	11.70	11.20	7.35	9.35	1.50	1.50	1.50	1.50	1.50
Health	18.75	14.00	12.00	12.00	12.50	12.00	15.00	15.00	15.50	14.50
Welfare	1.00	1.00	1.00	1.00	1.50	1.00	1.25	1.25	1.50	1.00
Culture and Recreation	61.95	59.76	58.01	54.01	54.06	52.44	54.62	55.00	61.65	70.70
Community Support	2.00	2.00	2.00	1.00	1.00	0.00	0.00	0.00	0.00	0.00
Utilities	49.65	48.40	47.75	54.00	48.00	48.20	58.69	58.15	62.75	65.00
Hospitals (1)	0.00 #	0.00 #	0.00	0.00	0.00	754.54	733.65	702.15	668.58	731.30
Other	1.00	1.00	1.00	1.00	1.00	1.00	1.00	2.25	1.00	1.00
Total	633.84	625.01	601.31	591.06	583.31	1,318.83	1,302.02	1,264.80	1,233.58	1,276.10

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									
	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
FUNCTION / PROGRAM:										
General Government										
Business licenses issued (3)	1,223	1,312	1,182	1,287	1,315	1,209	1,246	1,508	1,339	1,240
Judicial: (1)										
Municipal Court Cases Filed:										
Criminal Cases:										
Felony death penalty:	1	5	0	0	0	0	0	0	NR	NR
Felony, crimes against persons:	407	581	553	651	683	549	728	241	NR	NR
Felony, crimes against property:	227	473	490	444	326	415	385	933	NR	NR
Gross misdemeanor, crimes against persons:	59	102	96	115	88	67	48	71	NR	NR
Gross misdemeanor, crimes against property:	21	57	55	42	8	35	33	38	NR	NR
Misdemeanor, non-traffic:	1,309	2,040	2,011	2,569	2,117	2,201	2,108	2,287	NR	NR
Traffic and parking violations:	12,516	20,835	18,190	18,188	16,605	15,624	18,090	15,252	NR	NR
Civil Cases:										
General:	2,513	2,254	2,197	1,913	1,587	1,775	1,641	1,616	NR	NR
Small claims:	686	601	550	638	528	504	534	504	NR	NR
Landlord/tenant (summary eviction):	1,466	1,235	1,173	1,274	1,293	1,290	1,190	1,144	NR	NR
Request for domestic violence protective orders:	452	361	424	513	622	593	445	502	NR	NR
Request for protection orders (non-dom. violence):	322	376	506	569	455	342	240	245	NR	NR
Public Safety										
Police: (5)										
Number of sworn police personnel and officers:	94	95	95	93	93	93	93	89	87	83
Number of physical arrests:	2,872	2,742	3,189	3,516	2,829	4,461	3,995	4,015	4,430	4,510
Number of traffic accidents:	538	705	693	838	618	962	522	769	823	860
Fire: (6)										
Number of firefighters:	66	66	66	61	65	66	58	56	58	58
Number of calls answered:	7,681	7,200	6,346	6,053	6,109	5,715	5,280	4,848	4,972	4,505
Number of fire prevention inspections:	2,061	1,681	1,784	2,185	2,256	3,020	3,219	2,517	1,374	1,050
Public Works (7)										
Number of street lights:	1,525	1,406	1,391	1,391	1,290	1,292	1,292	1,172	1,160	1,135
Culture and Recreation (8)										
Number of participants in recreation sports program per day:	6,350	5,090	5,440	5,240	4,910	4,060	NR	NR	NR	NR
Average number of children enrolled in summer programs per day:	290	370	370	370	390	390	390	390	380	380
Average number of children enrolled in latch key programs per day:	275	400	400	370	390	390	418	355	347	270
Utilities (4)										
Sewer:										
Customer count as of June 30:	15,312	15,227	15,151	15,028	14,752	14,442	14,080	13,850	13,370	12,955
Total discharge (in thousands of gallons):	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	1,628,564
Water:										
Customer count as of June 30:	16,705	16,540	16,427	16,300	16,061	15,754	15,394	15,199	14,683	14,328
Total consumption (in thousands of gallons):	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	3,206,465
Development Services (2)										
Building permits issued:	425	385	426	491	600	612	610	618	639	612

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,									
	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
FUNCTION / PROGRAM:										
General Government										
City owned facilities (1)	82	82	84	84	83	82	81	80	79	79
City owned structures (1)	81	81	81	81	81	81	81	81	81	79
Number of networked computers (5)	650	517	NR	NR	NR	NR	NR	NR	NR	NR
Public Safety										
Police: (2)										
Marked police vehicles	36	32	32	32	25	25	25	25	23	23
Fire: (3)										
Fire stations	3	3	3	3	3	3	3	3	3	3
Fire engines	9	9	9	9	9	9	9	8	9	9
Public Works (1)										
Paved streets (miles)	259	250	250	250	241	241	241	236	235	221
Culture and Recreation (4)										
Parks:										
Acres of parks - developed	772.5	765.5	765.5	765.5	757.5	754.5	754.5	754.5	754.5	754.4
Acres of parks - undeveloped	444.0	448.0	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	0	1
Swimming pools - indoors	3	3	3	3	3	3	3	2	1	2
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	3	2	2	2	2	2	2	2	2	2
Basketball courts - lighted	0	0	0	0	0	0	0	0	0	0
Basketball courts - unlighted	6	4	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	3	3	3	3	2	2	2	2	1	1
Utilities (1)										
Sewer lines (miles)	216.6	213	212	226	226	226	225	219	217	210
Storm drains (miles)	76.4	76.4	NR	NR	NR	NR	NR	NR	NR	NR
Water lines (miles)	296	235	301	290	240	240	239	238	220	218

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

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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, 2007, which collectively comprise Carson City's basic financial statements, and have issued our report thereon dated November 30, 2007. 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 a deficiency 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 deficiency described in item 07-1 of the accompanying Schedule of Findings and Questioned Costs to be a significant deficiency 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. We did not identify any deficiencies in internal control over financial reporting that we consider to be a material weakness.

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Compliance and Other Matters

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

Carson City's responses to the identified findings are described in the accompanying 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.

Kafoory, Armstrong & Co.

Reno, Nevada
November 30, 2007

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

**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, 2007. 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, 2007.

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.

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Our consideration of the internal control over compliance was for the limited purpose described in the preceding paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. 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 [items 07-2, 07-3, 07-4, 07-5 and 07-6] 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 did not consider any of 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.

Kafoury, Armstrong & Co.

Reno, Nevada
November 30, 2007

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CARSON CITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2007
(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:			
State Library Program - Statewide Reading Program	45.310	LSTA 2006-26	\$ 500
State Library Program - Assessment for Future Planning	45.310	LSTA 2007-03	<u>2,932</u>
Total State Library Program			<u>3,432</u>
<u>U.S. Department of Agriculture:</u>			
Direct programs:			
2006/2007 Cooperative Patrol	10.N/A	N/A	<u>10,939</u>
Wildlife Habitat Incentive Program	10.914	N/A	<u>5,138</u>
Soil and Water Conservation	10.902	N/A	<u>147,544</u>
Passed through Nevada Division of Forestry:			
Cooperative Forestry Assistance-Carson City Fuels Reduction	10.664	USDA/SFA/06/24	<u>3,485</u>
Passed through Nevada Department of Health & Human Services:			
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	N/A	<u>73,169</u>
Passed through State Controller:			
Schools and Roads - Grants to States	10.665	N/A	<u>1,190</u>
Passed through Nevada Department of Administration:			
Food Donation	10.550	E027	<u>1,976</u>
Passed through Nevada Department of Education:			
School Breakfast Program	10.553	N/A	10,390
National School Lunch Program	10.555	N/A	<u>18,073</u>
Total Child Nutrition Cluster			<u>28,463</u>
Total U.S. Department of Agriculture			<u>271,904</u>
<u>U.S. Department of Health and Human Services:</u>			
Passed through Nevada Department of Health & Human Services			
Community Services Block Grant	93.569	N/A	<u>76,534</u>
Centers for Disease Control and Prevention - Investigations and Technical Assistance - Pandemic Flu	93.283	N/A	81,009
Centers for Disease Control and Prevention - Investigations and Technical Assistance - Public Health Preparedness and Terrorism Response	93.283	N/A	<u>268,601</u>
Total Centers for Disease Control and Prevention - Investigations and Technical Assistance			<u>349,610</u>

CARSON CITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2007
(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>
HIV Care Formula Grants - Ryan White Title II	93.917	N/A	\$ 20,219
Immunization Grants	93.268	N/A	430,495
Family Planning Services	93.217	N/A	79,327
Temporary Assistance for Needy Families	93.558	N/A	35,087
Block Grants for Prevention and Treatment of Substance Abuse	93.959	N/A	22,883
Maternal and Child Health Services Block Grant to the States	93.994	N/A	15,255
Child Support Enforcement - Title IV - D	93.563	N/A	386,089
Passed through Nevada Department of Health and Human Services: HIV Prevention Activities Health Department Based	93.940	N/A	2,793
National Bioterrorism Hospital Preparedness	93.889	N/A	46,263
Preventive Health Services-Sexually Transmitted Diseases Control Grants-Communicable Disease Program	93.977	N/A	5,400
Diabetes Prevention and Control Program	93.988	N/A	6,376
Total U.S. Department of Health and Human Services			1,476,331
<u>U.S. Department of Housing and Urban Development:</u>			
Direct programs:			
Community Development Block Grants/ Entitlement Grants	14.218	N/A	531,029
Emergency Shelter Grants Program	14.231	N/A	960
Total U.S. Department of Housing and Urban Development			531,989
<u>U.S. Department of the Interior:</u>			
Passed through Nevada Department of Museums, Libraries and Arts - State Historic Preservation Office:			
Historic Preservation Fund Grants-In-Aid - Survey and Inventory of Post WWII Subdivisions	15.904	32-06-21531 (2)	7,000
Historic Preservation Fund Grants-In-Aid - East Side Inventory	15.904	32-05-20430(1)	6,825
Total Historic Preservation Fund Grants-In-Aid			13,825
<u>U.S. Department of Justice:</u>			
Direct programs:			
D.E.A. Confiscated Property	16.N/A	N/A	10,792
U.S. Marshall Housing	16.N/A	N/A	13,696

CARSON CITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2007
(PAGE 3 OF 5)

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH GRANTOR'S NUMBER	FEDERAL EXPENSES/ EXPENDITURES
B.I.A. Detention Service Agreement	16.N/A	N/A	\$ 480
Local Law Enforcement Block Grants Program	16.592	N/A	5,563
Edward Byrne Memorial Justice Assistance Grant Program- Crisis Negotiation Team Special Equipment	16.738	N/A	5,786
Edward Byrne Memorial Justice Assistance Grant Program- National Night Out/DARE	16.738	N/A	1,872
Total Edward Byrne Memorial Justice Assistance Grant Program			7,658
State Criminal Alien Assistance Program	16.606	N/A	59,462
Bulletproof Vest Partnership Program	16.607	N/A	10,594
Passed through Nevada Department of Health & Human Services Enforcing Underage Drinking Laws Program	16.727	N/A	20,709
Passed through Nevada Office of the Attorney General: Violence Against Women Formula Grants - Alternative Sentencing Officer	16.588	2006-STOP-01	26,603
Passed through Nevada Department of Public Safety: Edward Byrne Memorial Justice Assistance Grant Program - Tri-Net	16.738	06-JAG-01	121,109
Edward Byrne Memorial Justice Assistance Grant Program - Special Response Tools	16.738	04-NC-043	19,131
Total Edward Byrne Memorial Justice Assistance Grant Program			140,240
Juvenile Justice and Delinquency Prevention - Allocation to States - Status Offender	16.540	N/A	7,725
Total U.S. Department of Justice			303,522
<u>U.S. Department of Transportation:</u>			
Direct Programs:			
Airport Improvement Program - Environmental Assessment and Benefit Cost Analysis	20.106	N/A	12,066
Airport Improvement Program - 3-32-0004-13	20.106	N/A	5,000,000
Airport Improvement Program - 3-32-0004-14	20.106	N/A	4,516,958
Total Airport Improvement Program			9,529,024
Passed through Emergency Response Commission:			
Interagency Hazardous Materials Public Sector Training and Planning Grants - HMEP Planning & Training	20.703	07-HMEP-01-01	5,571

CARSON CITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2007
(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 Nevada Department of Public Safety:			
State and Community Highway Safety - Joining Forces	20.600	27-JF-1.01	\$ 11,318
State and Community Highway Safety - Joining Forces	20.600	26-JF-1.1	3,542
State and Community Highway Safety - Traffic Data Recording	20.600	27-408TR-1.M7	4,785
State and Community Highway Safety - Pedestrian Safety Enforcement	20.600	27-163PS-2.1	<u>1,172</u>
Total State and Community Highway Safety			<u>20,817</u>
Passed through Nevada Department of Transportation:			
Federal Transit - Formula Grants (Urbanized Area Formula Program)	20.507	N/A	<u>769,367</u>
Federal Transit - Metropolitan Planning Grants	20.505	NV-80-X012 to X014	<u>19,662</u>
Highway Planning and Construction - Unified Planning Work Program	20.205	N/A	<u>254,838</u>
Total U.S. Department of Transportation			<u>10,599,279</u>
<u>U.S. Department of Homeland Security:</u>			
Direct Programs:			
Assistance to Firefighters - FY 05/ Fire Prevention and Safety Program	97.044	N/A	<u>67,271</u>
Homeland Security Cluster:			
Passed through Nevada Department of Public Safety:			
State Domestic Preparedness Equipment Support Program - ODP/03-Homeland Security Grant Phase 1 Exercise Supp	97.004	97004E3	15,553
State Homeland Security Program- DHS/05	97.073	97073HS5	<u>87,999</u>
Total Homeland Security Cluster			<u>103,552</u>
Passed through Nevada Division of Emergency Management:			
Emergency Management Performance Grants	97.042	9704206	4,474
Emergency Management Performance Grants	97.042	9704207	<u>44,670</u>
Total Emergency Management Performance Grants			<u>49,144</u>
Passed through Nevada Division of Forestry:			
Fire Management Assistance Grant	97.046	N/A	<u>48,075</u>

CARSON CITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2007
(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 Small Projects	97.036	FEMA-NV-DR 1629	\$ 171,790
Disaster Grants-Public Assistance - 2006 Flood Large Projects	97.036	FEMA-NV-DR 1629	<u>144,313</u>
Total Disaster Grants-Public Assistance			<u>316,103</u>
Total U.S. Department of Homeland Security			<u>584,145</u>
Total Expenditures of Federal Awards			<u><u>\$ 13,784,427</u></u>

CARSON CITY
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2007

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>
Airport Improvement Program – Environmental Assessment and Benefit Cost Analysis	20.106	\$ 12,066
Airport Improvement Program – 3-32-0004-13	20.106	96,379
Airport Improvement Program – 3-32-0004-14	20.106	<u>47,208</u>
Total Airport Improvement Program		<u>\$155,653</u>
Schools and Roads - Grants to States	10.665	<u>\$ 595</u>
Community Development Block Grants	14.218	<u>\$ 75,225</u>

NOTE 3 - NON-CASH ASSISTANCE

The expenditures for the Food Donation program (CFDA #10.550) 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.

CARSON CITY, NEVADA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2007

Summary of Auditor's Results

- Kafoury, Armstrong & Co. issued an unqualified opinion on the financial statements of the Carson City, Nevada for the year ended June 30, 2007.
- A significant deficiency was 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 audit disclosed no instances of noncompliance, which were material to the financial statements of Carson City, Nevada.
- Five 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.
- Carson City, Nevada had four major programs for the year ended June 30, 2007, as follows:
 - Immunization Grants – CFDA 93.268
 - Community Development Block Grants / Entitlement Grants – CFDA 14.218
 - Child Support Enforcement – CFDA 93.563
 - Airport Improvement Program – CFDA 20.106
- The dollar threshold used to distinguish between Type A and Type B programs for the year ended June 30, 2007, was \$413,533.
- Carson City, Nevada qualified as a low risk auditee for the year ended June 30, 2007 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, 2007**

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

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 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.

Management's Response: The Carson City Finance, Information Technology, and Human Resources departments will examine personnel access to critical software applications and functions related to the payroll system and restrict the ability to make changes to only those personnel that are responsible for the related function of the software application. Any others requiring information from these applications will be given read-only access.

CARSON CITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2007

Findings and Questioned Costs for Major Federal Award Programs:

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.

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 does not have procedures in place to review the subrecipient audit reports, including the retention of documentation to support the receipt and review of those reports.

Recommendation: We recommend the City develop procedures to review the subrecipient audit reports, including the retention of documentation to support the receipt and review of those reports.

Management's Response: See management's response on page 195.

CARSON CITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2007

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.

Questioned Costs: None

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

Effect: The City may not be collecting the appropriate program income. The accounting records do not reflect the program income; therefore it is not reported on the Schedule of Expenditures of Federal Awards.

Cause: The City had procedures in place to record income; however they could not separately identify federal program income from other cash receipts.

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

Management's Response: See management's response on page 195.

**CARSON CITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2007**

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.

Questioned Costs: None

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

Effect: Unallowable costs could be charged to the Federal program.

Cause: Adequate procedures were not in place to ensure costs charged to the Federal program were supported by required certifications.

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

Management's Response: See management's response on page 195.

CARSON CITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2007

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 25th of each month. However, the City could not provide documentation of their monthly inventory reconciliation reports.

Questioned Costs: None

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

Effect: Vaccines may be stolen or misused without the City being aware of the problem.

Cause: Adequate procedures were not in place to ensure monthly inventory reconciliations were documented.

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.

Management's Response: See management's response on page 195.

**CARSON CITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2007**

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.

Questioned Costs: Undetermined

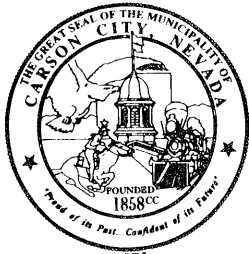
Context: The condition noted above appears to be a systemic problem.

Effect: Unallowable costs could be charged to the Federal program.

Cause: Adequate procedures were not in place to ensure review appraisals were performed on the land purchase.

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

Management's Response: See management's response on page 195.



CARSON CITY, NEVADA

CONSOLIDATED MUNICIPALITY AND STATE CAPITAL

November 30, 2007

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, 2007.

07-2 – U.S. Department of Housing and Urban Development
Community Development Block Grant, CFDA 14.218

Corrective Action:

The City utilizes a sub-recipient monitoring checklist for the CDBG program that includes requesting a copy of the sub-recipient's most recent audit report to keep on file. In the future, the City will retain a copy of the sub-recipient's audit report to support its monitoring efforts.

07-3 – U.S. Department of Health and Human Services
Immunization Grants, CFDA 93.268

Corrective Action:

Beginning July 1, 2007, the cash register at the health department was programmed with codes that will enable the City to identify and separately account for immunization program revenue.

07-4 – U.S. Department of Health and Human Services
Immunization Grants, CFDA 93.268

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

Upon notification that a department has received a grant that reimburses employee salaries and benefits, the Finance Department will inform the department of the certification requirements. Employees can do one of the following to meet this requirement:

- a) Employees who charge all or a portion of their salaries and benefits to federal programs will include a distribution on their bi-weekly timesheet that outlines the time spent on the federal program versus all other activities. The timesheet will be signed by the employee certifying the accuracy of the information.
- b) Employees will prepare a certification, at least semi-annually, that states the amount of time spent working on a particular federal award. The certification will be signed by the employee or a supervisory official having first hand knowledge of the work performed by the employee.

07-5 – U.S. Department of Health and Human Services
Immunization Grants, CFDA 93.268

Corrective Action:

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

- a) The City will properly record all receipts, transfers and usage of vaccine in the inventory records.
- b) Each month, the City will compare the physical inventory count to the inventory reports. This comparison will be properly documented and any variances will be noted and investigated.

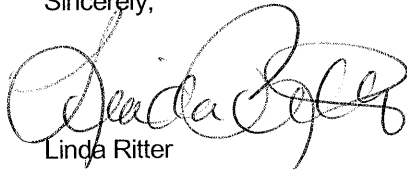
07-6 – U.S. Department of Transportation
Airport Improvement Grants, CFDA 20.106

Corrective Action:

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. This will include advising the department that the property appraisal must be examined by a review appraiser.

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,

A handwritten signature in cursive script, appearing to read "Linda Ritter".

Linda Ritter

City Manager /
Acting Director of Finance

**CARSON CITY
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2007**

U.S. Department of Health and Human Services:

Finding 06-01:

Child Support Enforcement, CFDA 93.563:

Grant Award Number: Affects the grant award included under CFDA 93.563 on the Schedule of Expenditures of Federal Awards.

Criteria and Condition: The OMB Circular A-87 compliance requirements state that a cost is allowable under an award if it is necessary and reasonable for the proper administration of the program and is supported by appropriate documentation.

On one monthly Request for Reimbursement the allowable 10% indirect cost rate was calculated using a base of both direct and ancillary salaries. The 10% indirect cost rate should be calculated based on direct salaries only. The grantor agency identified the error and reduced the reimbursement amount for the month by the unallowed portion.

Auditor's Recommendation: We recommended that Carson City implement procedures to ensure amounts charged to Federal programs are allowable.

Current Status: Corrective action has been taken. The allowable 10% indirect cost rate on the Request for Reimbursement was calculated based on direct salaries only.

**CARSON CITY
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2007**

U.S. Department of Health and Human Services:

Finding 06-02:

Child Support Enforcement, CFDA 93.563:

Grant Award Number: Affects the grant award included under CFDA 93.563 on the Schedule of Expenditures of Federal Awards.

Criteria and Condition: As noted in the OMB Circular A-133 Compliance Supplement for Child Support Enforcement, the IV-D agency must attempt to establish paternity and a support obligation for children born out of wedlock, and these services must be provided within the time frames specified in 45 CFR sections 303.3(b)(3) and (b)(5), 303.3(c), and 303.4(d).

During our testing of paternity and support obligation cases we noted several instances where services were not provided within the specified time frames. We identified four instances where the cases were not opened and assessed within 20 days of the receipt or referral of the case, and two instances where the amount of time that elapsed from the date of location of the non-custodial parent to the time of completion of the service of process exceeded 90 days.

Auditor's Recommendation: We recommended that Carson City enhance their case-processing procedures and controls to ensure that Child Support Enforcement services are provided within the time frames specified in 45 CFR.

Current Status: Corrective action has been partially implemented. Of the 25 cases, we identified two instances where the cases were not opened and assessed within 20 days of the receipt or referral of the case.

**CARSON CITY
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2007**

U.S. Department of Health and Human Services:

Finding 06-03:

Child Support Enforcement, CFDA 93.563:

Grant Award Number: Affects the grant award included under CFDA 93.563 on the Schedule of Expenditures of Federal Awards.

Criteria and Condition: As noted in the OMB Circular A-133 Compliance Supplement for Child Support Enforcement, the IV-D agency must provide the appropriate child support services needed for interstate cases and meet required time frames pertaining to provision of interstate services. Specific time frame requirements for responding and initiating interstate cases are at 45 CFR sections 303.7(a) and 303.7(b)(2), (4), (5) and (6).

45 CFR 303.7(b)(6) states that if initiating, the Title IV-D agency must send a request for review of a child support order to another state within 20 days of determining that a request for review of the order should be sent to the other state. During our testing of interstate cases, KACO noted an instance where services were not provided within the required time frames. In that case, 71 days elapsed from the date that the City determined that a request for review of an order from another state was necessary and the date the request was made. Additionally, there were two interstate cases identified where more than 20 days had elapsed after receiving the cases before the cases were opened and assessed.

Auditor's Recommendation: We recommended that Carson City enhance their case-processing procedures and controls to ensure that services are provided within the time frames specified in 45 CFR.

Current Status: Corrective action has been taken. Procedures and controls have been implemented to ensure that services for interstate cases are provided within the time frames specified in 45 CFR.

**CARSON CITY
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2007**

U.S. Department of Housing and Urban Development:

Finding 06-04:

Community Development Block Grants / Entitlement Grant, CFDA 14.218:

Grant Award Number: Affects the grant award included under CFDA 14.218 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 Carson City did not have certifications for the one employee charged to the program. 100% of that employee's salary was charged to the program.

Auditor's Recommendation: We recommended 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. The employees charged to this program certified their timesheets.

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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, 2007 (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, 2007 (except as previously noted under statute compliance in Note 2B to the financial statements),
- 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 30, 2007

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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 overexpenditures; however, refer to Note 2B to the financial statements.

PRIOR YEAR RECOMMENDATIONS

There were no recommendations made in the audit report for the year ended June 30, 2006.

CURRENT YEAR RECOMMENDATIONS

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

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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, 2007

Flat Fixed Fees:	
Business license revenue adjusted base at June 30, 2006	<u>\$ 988,396</u>
Adjustment to Base:	
Base	
1. Percentage increase in population of the local government	1.7063%
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>3.4000%</u>
	<u>5.1063%</u>
	<u>50,470</u>
Adjusted Base at June 30, 2007	1,038,866
Actual Revenue Fiscal 2006-07	<u>816,837</u>
Amount Over (Under) Allowable Amount	<u><u>\$ (222,029)</u></u>

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