

CARSON CITY, NEVADA

***COMPREHENSIVE ANNUAL
FINANCIAL REPORT***

YEAR ENDED JUNE 30, 2005

CARSON CITY, NEVADA

COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED JUNE 30, 2005

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INTRODUCTORY SECTION

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CARSON CITY, NEVADA

CONSOLIDATED MUNICIPALITY AND STATE CAPITAL

November 22, 2005

Honorable Mayor,
Members of the Board of Supervisors
and the Citizens of Carson City:

The comprehensive annual financial report of Carson City for the fiscal year ended June 30, 2005, is hereby submitted as mandated by both local ordinances and state statutes. These ordinances and statutes require that Carson City issue annually a report on its financial position and activity, and that this report be audited by an independent firm of certified public accountants. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with management. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects. All disclosures necessary to enable the reader to gain an understanding of Carson City's activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and compliance. The introductory section, which is unaudited, includes this letter of transmittal, an organizational chart and a list of Carson City's principal elected and appointed officials. The financial section includes management's discussion and analysis, the basic financial statements and the combining and individual fund statements and schedules, as well as the independent auditor's report on these financial statements and schedules. The statistical section, which is unaudited, includes selected financial and demographic information, generally presented on a multi-year basis.

Carson City is required to undergo an annual single audit in conformity with the provisions of Government Auditing Standards and the U.S. Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Information related to this single audit, including the schedule of expenditures of federal awards, the independent auditor's reports on internal controls and compliance, the schedule of findings and questioned costs and the summary schedule of prior audit findings are included in the compliance section.

Accounting principles generally accepted in the United States of America (GAAP) require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. Carson City's MD&A can be found immediately following the report of the independent auditors.

DEPARTMENT OF FINANCE

201 North Carson Street, Suite #3 • 89701 • (775) 887-2133

The financial reporting entity, Carson City, includes all the funds of the primary government (i.e., the Consolidated Municipality of Carson City as legally defined), as well as all of its component units. Component units are legally separate entities for which the primary government is financially accountable. Carson City provides a full range of services including police and fire protection; sewer and water services; the construction and maintenance of highways, streets and infrastructure; and culture and recreational activities.

Blended component units, although legally separate entities, are in substance, part of the primary government's operations and are included as part of the primary government. Accordingly, the Redevelopment Authority is reported as special revenue, debt service and capital project funds of the primary government. Discretely presented component units are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the primary government and to differentiate their financial position and results of operations from those of the primary government. The Carson City Convention and Visitors' Bureau and Airport Authority are reported as discretely presented component units.

THE CITY AND ITS GOVERNING BODY

Carson City is the capital city of the State of Nevada. Carson City was founded as a trading post in 1858 and incorporated February 25, 1875. Carson City is a combined City and County governmental entity formed by the consolidation of the City of Carson City and Ormsby County on July 19, 1969.

Carson City has a land area of 147 square miles and an estimated population of 56,146 as of July 1, 2005. Real and personal taxable property located within the City has an estimated market value of \$4,106,670,735 and an assessed value of \$1,125,818,236.

The City operates under what is commonly known as a "council-manager" form of government which was established by charter and adopted by the State Legislature. Under this form of government, Carson City is governed by a mayor and four supervisors who are elected at large, on a non-partisan basis, for overlapping four year terms. The Board of Supervisors is a policy-making board, appointing a city manager to oversee daily operations.

ECONOMIC CONDITION AND OUTLOOK

Carson City is located in the Northwestern part of the State. Nevada's rate of growth in population is one of the highest in the country and is expected to continue over the next several years. The 2000 Census reported Carson City with a population of 52,457 which reflects a 30.5 percent increase over the 1990 population of 40,192. Carson City is expected to experience a steady growth rate. This growth has had a positive effect on local employment and the City's tax base.

In FY 04-05, Nevada's economy continued to grow. Statewide taxable sales increased by 14.2% for FY 04-05 compared to 12.8% for FY 03-04 and 5.6% for FY 02-03.

Carson City experienced an increase in taxable sales during the current fiscal year. In FY 04-05, Carson City's taxable sales increased 5.8% from the prior year compared to a 5.8% increase in FY 03-04 and a 3.2% decrease in FY 02-03.

The City's unemployment rate was 4.3% in FY 04-05, 5.0% in FY 03-04 and 5.8% in FY 02-03.

MAJOR INITIATIVES

FOR THE YEAR. During 2005, the City continued to work with the Nevada Department of Transportation (NDOT) on planning for a \$230 million freeway bypass around downtown Carson City, of which the City's \$19 million share will be funded by a five cent fuel tax increase allowed by NRS 373. Construction began in 2000 with completion anticipated in 2006. NDOT has begun design on phase 2 of the project and the City has agreed to contribute an additional \$15 million.

FOR THE FUTURE. The City assumed a conservative posture in budgeting for FY 05-06 by using a 2.5% growth rate on existing taxable sales. A new Wal-Mart store opened in October, 2005, which is expected to generate an estimated one million per year of additional revenue. The City's operating plan provided \$402,162 to expand existing service levels. The City's approved capital budget in FY 05-06, totaling \$2,789,942, provides for the timely replacement of equipment and facilities.

The Carson City Board of Supervisors has identified several major areas of improvement in the next fiscal year:

1. Illegal drug use.
2. Upgrade water, sewer and storm drainage infrastructure.
3. Improve City facilities.
4. Downtown improvements.
5. Business retention and recruitment.
6. Extension of the V & T Railroad to Carson City.
7. Traffic circulation.
8. Diverse and affordable housing.
9. Employee training and development.

The fiscal year 2005-06 budget addresses each of these issues by providing resources and staffing.

FINANCIAL INFORMATION

The management of Carson City is responsible for establishing and maintaining internal control for the purpose of ensuring that the assets of the City are protected from loss, theft, or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The objective of internal control is to provide management with reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

SINGLE AUDIT. As a recipient of federal and state awards, Carson City is also responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs.

As a part of Carson City's single audit, described earlier, testing of internal control and compliance is performed as it relates to federal programs. The results of the single audit for the fiscal year ended June 30, 2005 provided no instances of non-compliance with the requirements applicable to each of the City's major federal programs or matters involving the internal control over compliance and its operation that were considered to be material weaknesses.

BUDGETARY CONTROLS. The City maintains several budgetary controls to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City's governing body in accordance with Nevada Revised Statutes Chapter 354, the Local Government Budget and Finance Act. Activities of the general fund, special revenue funds, capital projects funds, debt service funds, enterprise funds and internal service funds are included in the annual appropriated budget. The level of budgetary control (that is, the level of which expenditures cannot legally exceed the appropriated amount) is established by function within an individual fund for governmental funds and the sum of operating and non-operating expenses in the proprietary funds.

The City's Internal Finance Committee, comprised of the City Manager, City Treasurer, Development Services Director, Director of Finance and the Human Resources Director, evaluates and reviews each department's budget in detail to determine annual funding levels. The budget is then presented to the citizens and the Board of Supervisors at several public hearings. After giving due consideration to public and staff comments, the Board adopts the final budget.

As demonstrated by the statements and schedules included in the financial section of this report, Carson City continues to meet its responsibility for sound financial management.

CASH MANAGEMENT. Cash temporarily idle during the year was invested in certificates of deposit, U.S. Government Securities, corporate bonds and the State of Nevada Local Government Investment Pool. The City follows the pooled cash concept which allows greater investment flexibility and greater investment returns. As of June 30, 2005, the City had total cash investments of \$84,187,556.

RISK MANAGEMENT. Carson City insures a portion of its risks and self-funds other. Property damage, general liability, law, errors and omissions, and auto are insured subject to a \$100,000 deductible per occurrence and, therefore, claims under \$100,000 are funded by the City. Other coverage currently held by the City includes applicable airport liability, boiler and machinery, and bonds for public officials. In addition, certain automobile damages are self-insured by the City. The Insurance Fund (an internal service fund) is used for the purpose of those self-insured areas discussed above and funding insurance premiums. Reserves are being accumulated to protect against future liability claims against the City as resources are available.

As of July 1, 2003, Carson City elected to become a member of the Public Agency Compensation Trust (PACT) for workers' compensation. The City pays an annual premium and there are no deductibles. The PACT is considered a self-sustaining risk pool that will provide coverage for its members up to \$350,000/\$600,000 per insured event. The Pool obtains independent coverage for insured events in excess of these limits. The City retains liability for claims for the period from July 1, 1992 to June 30, 2003 when the City was self-insured. The Workers' Compensation Fund (an internal service fund) is used to account for the payment of insurance premiums and for funding the liability for the period when the City was self-insured.

OTHER INFORMATION

INDEPENDENT AUDIT. State statutes require an annual audit by independent certified public accountants. The accounting firm of Kafoury, Armstrong and Co. was selected by the City's audit committee. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-profit Organizations. The auditor's report on the basic financial statements is included in the financial section of this report. The auditor's compliance reports related specifically to the single audit are included in the Compliance Section.

AWARDS. The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Carson City for its comprehensive annual financial report for the fiscal year ended June 30, 2004. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

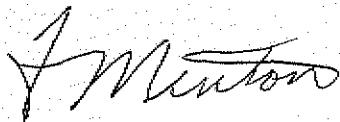
In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. Carson City has received a Certificate of Achievement for the last fifteen consecutive years. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.

ACKNOWLEDGMENTS. The preparation of the comprehensive annual financial report on a timely basis was made possible by the dedicated service of the entire staff of the Finance Department. Each member of the department has my sincere appreciation for the contribution made in the preparation of this report.

In closing, without the leadership and support of the Carson City Board of Supervisors and City Manager, the continued strengthening of the City's finances and the continued dedication to financial excellence would not have been possible.

Sincerely,

A handwritten signature in cursive script, appearing to read "T. Minton".

Thomas Minton, CPA
Director of Finance/Controller

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Carson City,
Nevada

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2004

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



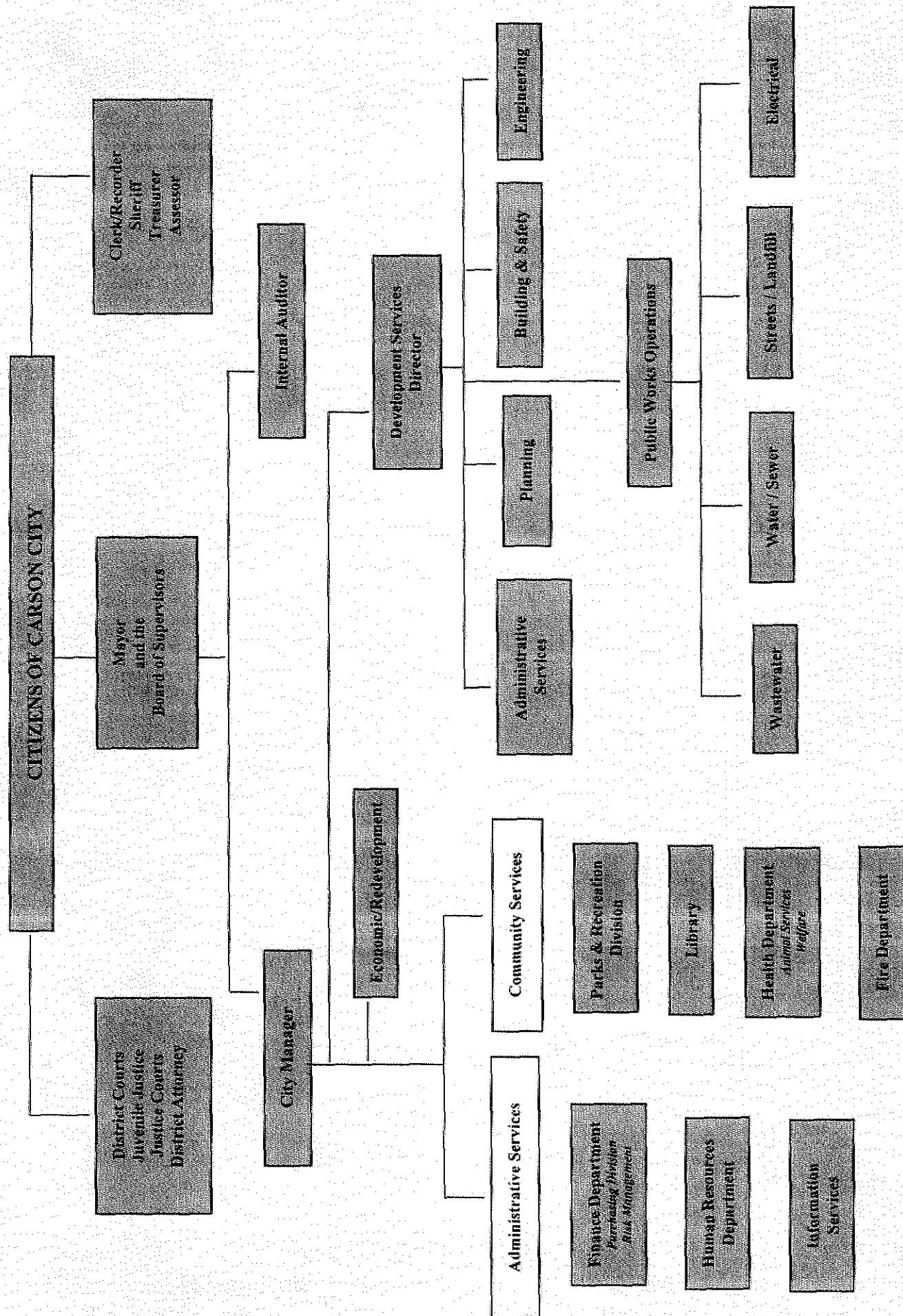
Nancy L. Zjelle

President

Jeffrey R. Emer

Executive Director

Carson City Organizational Chart



CARSON CITY
LISTING OF PRINCIPAL OFFICIALS
FY 2005

TITLE	NAME
Mayor	Marv Teixeira
Supervisor, Ward 1	Pete Livermore
Supervisor, Ward 2	Shelly Aldean
Supervisor, Ward 3	Robin Williamson
Supervisor, Ward 4	Richard Staub
Assessor	Dave Dawley
Treasurer	Al Kramer
District Attorney	Noel Waters
District Court I	Judge Michael Griffin
District Court II	Judge William Maddox
Justice of the Peace	Judge Robey Willis
Justice of the Peace	Judge John Tatro
Clerk-Recorder	Alan Glover
Sheriff	Ken Furlong
City Manager	Linda Ritter
Finance Director/Risk Manager	Tom Minton
Information Services Director	Kevin Haggerty
Community Development Director	Walter Sullivan
Economic/Redevelopment Director	Joe McCarthy
Cooperative Extension Director	JoAnn Skelly
Library Director	Sally Edwards
Health Director	Daren Winkleman
Juvenile Special Master	David Nielsen
Chief Juvenile Probation Officer	Sheila Banister
Parks and Recreation Director	Roger Moellendorf
Fire Chief	Stacey Giomi
Internal Auditor	Vacant
Senior Center Director	Janice McIntosh
Human Resources Manager	Lisa Roth
Development Services Director	Andrew Burnham
City Engineer	Larry Werner
Utilities Operations Manager	Tom Hoffert
Streets Operations Manager	John Flansberg
Chief Building Official	Phil Herrington

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FINANCIAL SECTION

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

Independent Auditor's Report

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, 2005, which collectively comprise Carson City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the management of Carson City, Nevada. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Airport Authority of Carson City, Nevada or the Carson City Convention and Visitors Bureau, both of which are discretely presented component units. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the discretely presented component units, is based on the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The financial statements of the Airport Authority of Carson City, Nevada and the Carson City Convention and Visitors Bureau were not audited in accordance with *Government Auditing Standards*. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Carson City, Nevada, as of June 30, 2005, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund and the Quality of Life major special revenue fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 22, 2005 on our consideration of Carson City, Nevada's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in conjunction with this report in considering the results of our audit.

Management's discussion and analysis on pages 3A through 3K is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Carson City, Nevada's basic financial statements. The introductory section, combining statements, individual nonmajor fund financial schedules, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements of Carson City, Nevada. The combining statements, individual nonmajor fund financial schedules and the schedule of expenditures of federal awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Kafoury, Armstrong & Co.

Reno, Nevada
November 22, 2005

Carson City, Nevada Management's Discussion and Analysis

As management of Carson City, Nevada (City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2005. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i-vi of this report.

Financial Highlights

The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$193,713,434 (*net assets*). Of this amount, \$33,610,333 (*unrestricted net assets*) may be used to meet the government's ongoing obligations to citizens and creditors.

The City's total net assets increased by \$11,089,671. Approximately, half of this increase is attributable to capital assets contributed by developers, connection fees in the Sewer and Water funds and an increase in investment earnings.

As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$48,529,043, an increase of \$9,253,117 in comparison with the prior year. \$47,981,353 is available for spending at the government's discretion (*unreserved fund balance*).

At the end of the current fiscal year, unreserved fund balance for the General Fund was \$11,052,156, or 23 percent of total General Fund expenditures.

The City's total bonded debt increased by \$16,544,415 (20 percent) during the current fiscal year. Key factors in this increase were the issuance of general obligation revenue bonds in the amount of \$6,815,000 to finance various parks projects, \$9,000,000 for the Water Fund and \$6,000,000 for the Stormwater Drainage Fund.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The *statement of net assets* presents information on all of the City's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *statement of activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus,

revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety, judicial, public works, health, welfare, community support, airport, economic opportunity, and culture and recreation. The business-type activities of the City include water, sewer, ambulance, cemetery, landfill, building permits and stormwater drainage.

The government-wide financial statements include not only the City itself (known as the *primary government*), but also a legally separate airport authority and a legally separate convention and visitors' bureau for which the City is financially accountable. Financial information for these *component units* is reported separately from the financial information presented for the primary government itself. The Redevelopment Authority, although also legally separate, functions for all practical purposes as a department of the City, therefore has been included as an integral part of the primary government.

The government-wide financial statements can be found on pages 4-7 of this report.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of the governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains twenty-five individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund and the Quality of Life Fund, both of which are considered to be major funds. Data from the other twenty-three governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining and individual fund statements and schedules* elsewhere in this report.

The City adopts an annual appropriated budget for its General Fund and for each of its special revenue funds, debt service funds and capital projects funds. A budgetary comparison statement has been provided for each of the City's governmental funds to demonstrate compliance with this budget.

The budgetary comparison statements for the General Fund and the Quality of Life Fund, major governmental funds, are located in the basic financial statements and budgetary comparison schedules for the nonmajor governmental funds are provided in the individual funds statements.

The basic governmental fund financial statements can be found on pages 8-13 of this report.

Proprietary funds. The City maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for its water, sewer, ambulance, cemetery, landfill, building permit, and stormwater drainage operations. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its group medical insurance, workers' compensation, insurance and fleet management. Because these services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water, sewer, and stormwater drainage operations, all of which are considered to be major funds of the City. Conversely, internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Data from the other four enterprise funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor funds is provided in the form of *combining and individual fund statements and schedules* elsewhere in this report. Individual fund data for the internal service funds is provided in the form of *combining and individual fund statements and schedules* elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 14-23 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 24-25 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 26-50 of this report.

Other Information. The combining statements referred to earlier in connection with nonmajor governmental funds, internal service funds, and enterprise funds are presented following the notes to the financial statements. Combining and individual fund statements and schedules can be found on pages 51-152 of this report.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$193,713,434 at the close of the most recent fiscal year.

By far the largest portion of the City's net assets (73 percent) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Carson City's Net Assets

	Governmental activities		Business-type activities		Total	
	2005	2004	2005	2004	2005	2004
Current and other assets	\$ 60,884,587	\$ 51,125,087	\$ 37,506,504	\$ 28,488,358	\$ 98,391,091	\$ 79,613,445
Capital assets	101,073,612	93,669,652	117,043,695	108,782,698	218,117,307	202,452,350
Total assets	161,958,199	144,794,739	154,550,199	137,271,056	316,508,398	282,065,795
Long-term liabilities outstanding	51,385,190	43,710,497	56,170,834	44,414,162	107,556,024	88,124,659
Other liabilities	9,190,106	8,718,386	6,048,834	2,598,987	15,238,940	11,317,373
Total liabilities	60,575,296	52,428,883	62,219,668	47,013,149	122,794,964	99,442,032
Net assets:						
Invested in capital assets, net of related debt	69,600,063	63,816,236	71,872,037	70,977,186	141,472,100	134,793,422
Restricted	16,085,638	14,316,416	2,545,363	2,482,872	18,631,001	16,799,288
Unrestricted	15,697,202	14,233,204	17,913,131	16,797,849	33,610,333	31,031,053
Total net assets	\$ 101,382,903	\$ 92,365,856	\$ 92,330,531	\$ 90,257,907	\$ 193,713,434	\$ 182,623,763

An additional portion of the City's net assets (10 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net assets* (\$33,610,333) may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

The City's net assets increased by \$11,089,671 during the current fiscal year. A majority of this increase represents the degree to which ongoing revenues have exceeded ongoing expenses in the governmental activities. The remaining increase was the result of increases in investment income in the governmental and business-type activities and capital assets contributed by developers and connection fees in the Sewer and Water Funds.

Carson City's Changes in Net Assets

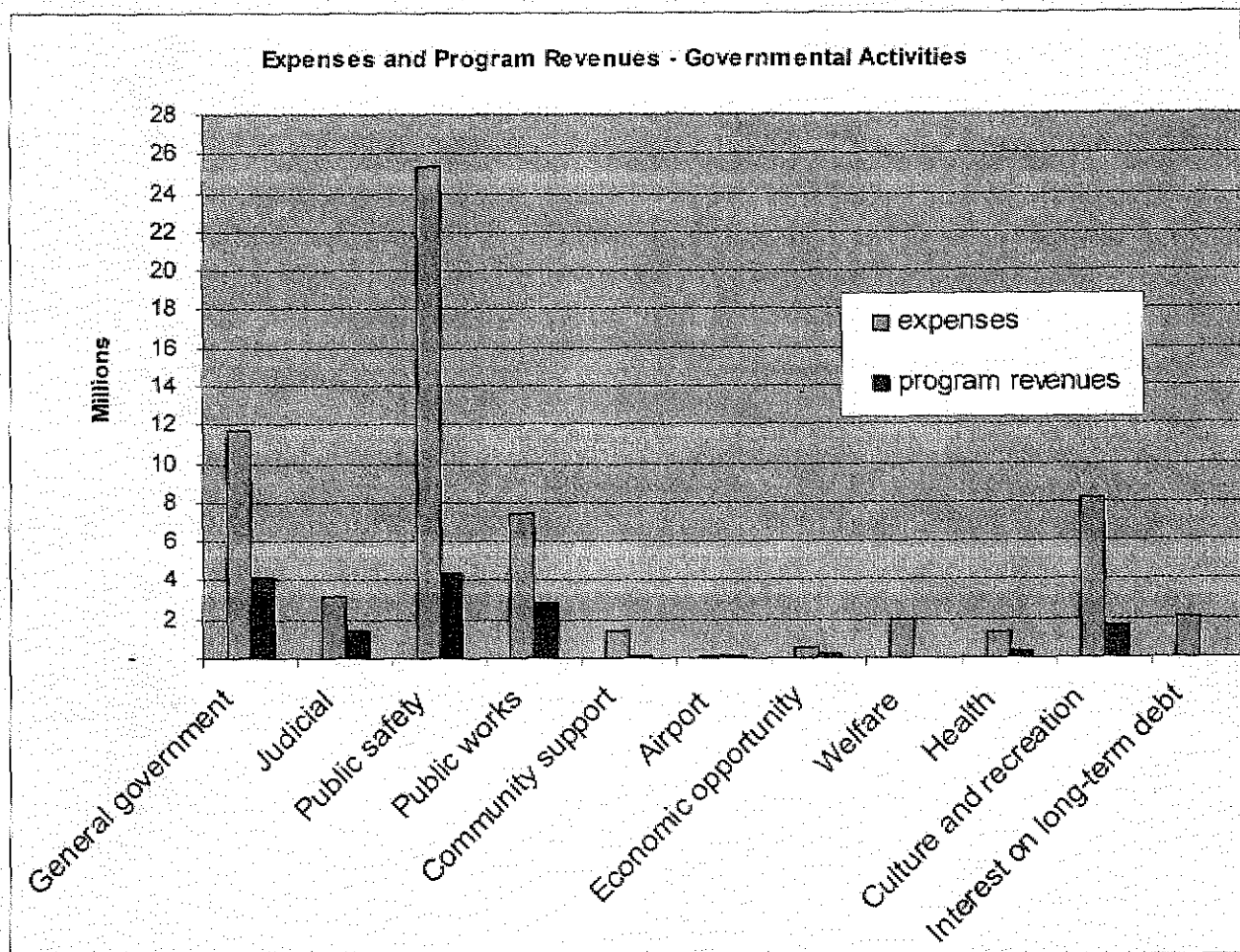
	Governmental Activities		Business-type Activities		Total	
	2005	2004	2005	2004	2005	2004
Revenues:						
Program revenues:						
Charges for services	\$ 6,995,677	\$ 6,287,043	\$ 17,884,199	\$ 17,437,463	\$ 24,879,876	\$ 23,724,506
Operating grants and contributions	6,003,596	3,351,158	31,080	44,830	6,034,676	3,395,988
Capital grants and contributions	2,211,437	568,537	5,150,750	2,934,428	7,362,187	3,502,965
General revenues:						
Property taxes	14,399,482	13,622,347	-	-	14,399,482	13,622,347
Other taxes	40,131,821	37,053,583	-	-	40,131,821	37,053,583
Other	1,389,526	381,467	691,631	(18,239)	2,081,157	363,228
Total Revenues	71,131,539	61,264,135	23,757,660	20,398,482	94,889,199	81,662,617
Expenses:						
General government	11,732,939	10,368,245	-	-	11,732,939	10,368,245
Judicial	3,158,460	2,826,724	-	-	3,158,460	2,826,724
Public safety	25,320,788	21,632,395	-	-	25,320,788	21,632,395
Public works	7,462,191	7,389,511	-	-	7,462,191	7,389,511
Community support	1,476,257	5,805,226	-	-	1,476,257	5,805,226
Airport	126,043	270,425	-	-	126,043	270,425
Economic opportunity	520,190	243,268	-	-	520,190	243,268
Welfare	1,915,957	1,482,239	-	-	1,915,957	1,482,239
Health	1,320,958	1,040,547	-	-	1,320,958	1,040,547
Culture and recreation	8,184,715	7,368,395	-	-	8,184,715	7,368,395
Interest and fiscal charges	2,126,197	1,486,850	-	-	2,126,197	1,486,850
Landfill	-	-	1,058,363	1,534,489	1,058,363	1,534,489
Ambulance	-	-	2,599,930	2,635,082	2,599,930	2,635,082
Sewer	-	-	7,164,159	7,044,425	7,164,159	7,044,425
Water	-	-	7,670,393	7,385,857	7,670,393	7,385,857
Cemetery	-	-	199,167	193,136	199,167	193,136
Building Permits	-	-	1,476,259	1,419,040	1,476,259	1,419,040
Stormwater Drainage	-	-	286,562	21,170	286,562	21,170
Total Expenses	63,344,695	59,913,825	20,454,833	20,233,199	83,799,528	80,147,024
Increase in net assets before transfers	7,786,844	1,350,310	3,302,827	165,283	11,089,671	1,515,593
Transfers	1,230,203	(38,651)	(1,230,203)	38,651	-	-
Increase in net assets	9,017,047	1,311,659	2,072,624	203,934	11,089,671	1,515,593
Net assets - July 1	92,365,856	91,054,197	90,257,907	90,053,973	182,623,763	181,108,170
Net assets - June 30	\$ 101,382,903	\$ 92,365,856	\$ 92,330,531	\$ 90,257,907	\$ 193,713,434	\$ 182,623,763

Governmental activities. Governmental activities increased the City's net assets by \$9,017,047, an increase of \$7,705,388 from the prior year. Key elements of the change from prior year are as follows:

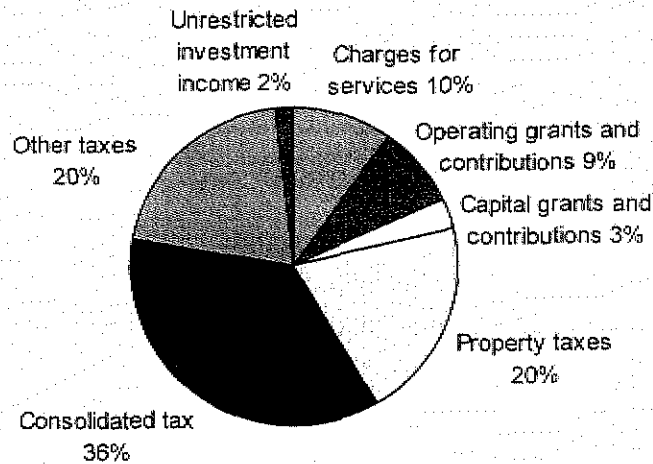
- Consolidated tax increased by \$1,833,407 (8 percent) during the year. Most of this increase is the result of the increase in taxable sales.
- \$4 million decrease in community support expenditures due to payments to Carson City Convention and Visitors' Bureau from the bond proceeds for the Virginia and Truckee Railroad Project in the prior year.
- Capital grants and contributions increased \$1.6 million due to contributions of infrastructure from developers in the current year.
- Unrestricted investment income increased \$1.1 million from the prior year due to an increase in the fair value of investments.

Program revenues for governmental activities provided 24 percent of the resources necessary to pay the cost of providing program services. The remaining program costs were financed with general revenues.

The largest general revenues are consolidated tax of \$25,661,323 and property taxes of \$14,399,482.



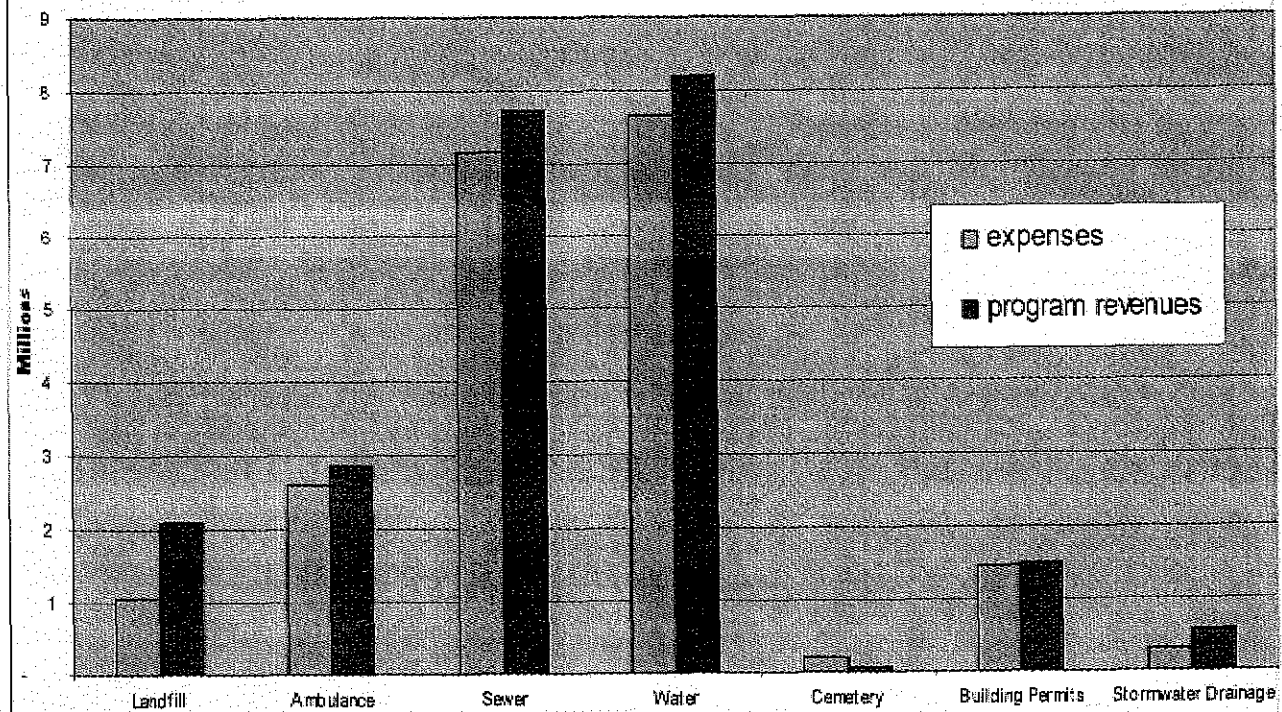
Revenues by Source - Governmental Activities



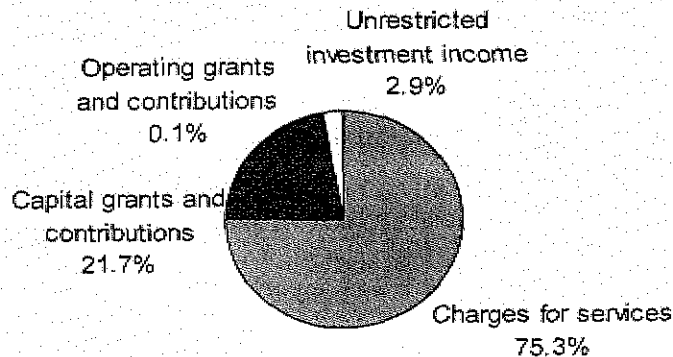
Business-type activities. Business-type activities increased the City's net assets by \$2,072,624, accounting for 19 percent of the total growth in the City's net assets. Investment earnings increased by \$700,000 because of an overall increase in the size of the investment portfolio, as well as an increase in the fair value of investments. Connection fees in the Sewer and Water funds increased \$1.6 million from the prior year due to an increase in commercial development.

Sewer and water expenses represent 73 percent of total expenses for business-type activities.

Expenses and Program Revenues - Business - type Activities



Revenues by Source - Business - type Activities



Financial Analysis of the Government's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the City's financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$48,529,043, an increase of \$9,253,117 in comparison with the prior year. Of this total amount, \$47,981,353 constitutes *unreserved fund balance*, which is available for spending at the government's discretion. The remainder of fund balance is *reserved* to indicate that it is not available for new spending because it has already been committed 1) for unspent donations (\$188,063), 2) for judicial programs (\$275,486), or 3) for a variety of other restricted purposes (\$84,141).

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, unreserved fund balance of the General Fund was \$11,052,156, while total fund balance reached \$11,598,981. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 23 percent of total General Fund expenditures, while total fund balance represents 24 percent of that same amount.

The fund balance of the City's General Fund decreased by \$334,382 during the current fiscal year, a decrease of \$3,005,949 from the prior year. Key elements of the change from prior year are as follows:

- Consolidated taxes increased by \$1.8 million over the prior year as a result of an increase in sales tax collections offset in part by an increase in ongoing expenditures.

- Transfers out increased by \$3.7 million from the prior year. A portion of this increase is due to the transfer of \$900,000 to the Stabilization Fund and \$750,000 to the Insurance Fund to offset the cost of various lawsuit settlements. The remaining increase of \$2 million is due to an increase in the amount allocated to capital programs in the current fiscal year.

The Quality of Life Fund has a total fund balance of \$12,971,839, all of which is unreserved except for \$358. The fund balance increased by \$7,028,776 during the current fiscal year, an increase of \$6,249,902 over the prior year. Key elements of the change from prior year are as follows:

- The issuance of \$5,835,000 in bonds for various park improvements.
- The issuance of \$3,028,000 in notes for the purchase of property for open space.
- \$2.9 million purchase of property for open space.

Proprietary funds. The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net assets at the end of the year amounted to \$9,436,572 in the Sewer Fund, \$6,963,299 for the Water Fund, and (\$694,699) for the Stormwater Drainage Fund. The total growth (decline) in net assets for the funds was \$1,008,583, \$680,867, and (\$860,662), respectively. Other factors concerning the finances of these three funds have already been addressed in the discussion of the City's business-type activities.

General Fund Budgetary Highlights

Budgeted appropriations increased \$3,657,669 between the original budget and the final amended budget. The increase can be briefly summarized as follows:

- \$3.2 million increase in expenditures due to carryover of grants and donations from the prior year and current year increase in grants and donations.
- Carryover of program costs from the prior year budget amounting to \$150,000 allocated to various departments.
- \$80,000 increase due to capital lease acquisitions for various departments.
- \$110,000 increase in various department services offset by increases in charges for services.

Of this increase, \$3.1 million was to be funded out of grant and donation carryovers from the prior year and current year increases in these revenues. Approximately \$110,000 was funded from charges for services, \$80,000 from capital leases, and the remaining \$250,000 was to be budgeted from available fund balance.

Capital Asset and Debt Administration

Capital assets. The City's investment in capital assets for its governmental and business-type activities as of June 30, 2005, amounts to \$218,117,307 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, infrastructure and water rights. The total increase in the City's investment in capital assets for the current fiscal year was 8 percent (an 8 percent increase for governmental activities and an 8 percent increase for business-type activities).

Major capital asset events during the current fiscal year included the following:

- Donated infrastructure (streets, curb and gutter) from developers was valued at \$1.6 million.
- Purchase of land for open space at a cost of approximately \$2.9 million.
- \$1.2 million for the purchase of equipment funded by U.S. Department of Homeland Security grants.
- \$700,000 for vehicle replacement program and buses for transit system.
- \$600,000 for lighting improvements at park facility.
- A variety of street construction projects are on-going, such as widening and expansion projects, at a cost of approximately \$1.0 million.
- \$8.0 million for improvements to increase capacity of the water system.

Carson City's Capital Assets (net of depreciation)

	Governmental activities		Business-type activities		Total	
	2005	2004	2005	2004	2005	2004
Land	\$ 20,929,040	\$ 17,448,539	\$ 1,513,454	\$ 1,495,305	\$ 22,442,494	\$ 18,943,844
Construction in progress/infrastructure	818,380	1,675,994	-	-	818,380	1,675,994
Construction in progress	4,724,128	7,705,764	15,028,756	8,997,302	19,752,884	16,703,066
Buildings	44,643,143	41,854,518	10,069,880	10,149,699	54,713,023	52,004,217
Improvements other than buildings	12,239,726	12,486,942	79,417,032	77,629,463	91,656,758	90,116,405
Machinery and equipment	9,417,740	7,508,089	3,007,313	2,503,669	12,425,053	10,011,758
Infrastructure	8,301,455	4,989,806	-	-	8,301,455	4,989,806
Water rights	-	-	8,007,260	8,007,260	8,007,260	8,007,260
Total	\$ 101,073,612	\$ 93,669,652	\$ 117,043,695	\$ 108,782,698	\$ 218,117,307	\$ 202,452,350

Additional information on the City's capital assets can be found in note 3-B on pages 37-41 of this report.

Long-term debt. At the end of the current fiscal year, the City had total bonded debt outstanding of \$99,575,095. Of this amount, \$92,245,095 comprises debt backed by the full faith and credit of the government. The remainder of the City's debt represents bonds secured solely by specified revenue sources (i.e., revenue bonds).

Carson City's Outstanding Debt General Obligation and Revenue Bonds

	Governmental activities		Business-type activities		Total	
	2005	2004	2005	2004	2005	2004
General obligation bonds	\$ 37,953,154	\$ 32,973,990	\$ 54,291,941	\$ 42,171,690	\$ 92,245,095	\$ 75,145,680
Special assessment debt with governmental commitment	-	215,000	-	-	-	215,000
Revenue bonds	7,330,000	7,670,000	-	-	7,330,000	7,670,000
Total	\$ 45,283,154	\$ 40,858,990	\$ 54,291,941	\$ 42,171,690	\$ 99,575,095	\$ 83,030,680

The City's total bonded debt increased by \$16,544,415 (20 percent) during the current fiscal year. Key factors in this increase were the issuance of general obligation revenue bonds in the amount of \$9,000,000 for the Water Fund, \$6,000,000 for the Stormwater Drainage Fund and \$6,815,000 for various parks projects.

The City maintains an "A+" rating from Standard & Poor's and an "A1" rating from Moody's for general obligation debt.

State statutes limit the amount of general obligation debt a governmental entity may issue up to 15 percent of its total assessed valuation. The current debt limitation for the City is \$172,194,764, which is significantly in excess of the City's outstanding general obligation debt.

Additional information on the City's long-term debt can be found in note 3-D on pages 42-47 of this report.

Economic Factors and Next Year's Budgets and Rates

During the current fiscal year, unreserved fund balance in the General Fund decreased \$401,456 to \$11,052,156. The City has appropriated \$8,959,556 of this amount for spending in the 2006 fiscal year budget.

Looking forward to fiscal 2005-06, total revenue growth excluding grants is projected to be 4.9 percent. While Carson City will continue to experience the effects of regional retail competition, taxable sales remain strong in the automotive, building materials and wholesale durable goods sectors. The City's assessed value grew 5.3 percent in fiscal 2004-05 to 1.126 billion and 7 percent in fiscal 2005-06 to 1.204 billion. The Board of Supervisors took the following actions in the fiscal 2005-06 budget:

- Identified \$402,162 of ongoing revenues for service level enhancements which include:
 - On call Juvenile Youth Counselor
 - 1.5 Justice Court Technicians
 - CASA ongoing grant
 - Economic Development professional services
 - Park Maintenance Worker
 - Information Services travel and training
 - Child safety seat program
 - Property Appraiser Tech
 - Debt Service - Future Projects
- Provided \$2.8 million in one shot and capital spending.

Requests for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Carson City Finance Department, 201 N. Carson Street, Suite 3, Carson City, Nevada 89701.

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BASIC FINANCIAL STATEMENTS

CARSON CITY
STATEMENT OF NET ASSETS
JUNE 30, 2005

	PRIMARY GOVERNMENT		
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS			
Cash and investments	\$ 47,789,876	\$ 30,599,733	\$ 78,389,609
Receivables (net of allowances for uncollectibles)	1,755,483	1,878,797	3,634,280
Due from other governments	9,328,823	1,772,684	11,101,507
Due from component units	12,635	-	12,635
Due from primary government	-	-	-
Internal balances	507,155	(507,155)	-
Inventories	119,439	262,373	381,812
Prepays	74,462	1,072	75,534
Restricted assets:			
Cash and investments	919,400	2,985,368	3,904,768
Other assets	377,314	513,632	890,946
Capital assets (net of accumulated depreciation):			
Land	20,929,040	1,513,454	22,442,494
Construction in progress - infrastructure	818,380	-	818,380
Construction in progress	4,724,128	15,028,756	19,752,884
Buildings	44,643,143	10,069,880	54,713,023
Improvements other than buildings	12,239,726	79,417,032	91,656,758
Machinery and equipment	9,417,740	3,007,313	12,425,053
Infrastructure	8,301,455	-	8,301,455
Water rights	-	8,007,260	8,007,260
Total Assets	<u>161,958,199</u>	<u>154,550,199</u>	<u>316,508,398</u>
LIABILITIES			
Accounts payable and accrued expenses	6,016,249	4,628,765	10,645,014
Accrued interest payable	440,278	408,745	849,023
Due to other governments	786,361	216,724	1,003,085
Due to component units	109,477	-	109,477
Due to primary government	-	-	-
Unearned revenue	147,571	339,290	486,861
Other liabilities	834,040	15,305	849,345
Current liabilities payable from restricted assets	856,130	440,005	1,296,135
Noncurrent liabilities:			
Due within one year	3,033,032	3,393,285	6,426,317
Due in more than one year	48,352,158	52,777,549	101,129,707
Total Liabilities	<u>60,575,296</u>	<u>62,219,668</u>	<u>122,794,964</u>
NET ASSETS			
Invested in capital assets, net of related debt	69,600,063	71,872,037	141,472,100
Restricted for:			
General government	38,617	-	38,617
Public safety	209,234	-	209,234
Judicial	204,059	-	204,059
Public works	5,489,797	-	5,489,797
Health	84,737	-	84,737
Culture and recreation	7,810,452	-	7,810,452
Welfare	42,649	-	42,649
Capital projects	549,364	-	549,364
Debt service	426,500	-	426,500
Claims	1,230,229	-	1,230,229
Emergency replacement	-	2,545,363	2,545,363
Unrestricted	15,697,202	17,913,131	33,610,333
Total net assets	<u>\$ 101,382,903</u>	<u>\$ 92,330,531</u>	<u>\$ 193,713,434</u>

See accompanying notes.

COMPONENT UNITS	
AIRPORT AUTHORITY	CONVENTION AND VISITORS' BUREAU
\$ 453,475	\$ 5,334,936
10,064	176,453
-	41,000
-	-
103,998	5,479
-	-
-	10,438
8,900	330
-	-
245,093	-
-	-
146,542	-
-	-
-	-
-	95,984
-	2,618
62,468	6,618
-	-
-	-
<u>1,030,540</u>	<u>5,673,856</u>
22,266	53,226
-	-
-	9,376
-	-
-	12,635
51,424	-
-	80,060
-	-
6,240	-
<u>238,853</u>	<u>48,522</u>
<u>318,783</u>	<u>203,819</u>
209,010	105,220
-	3,440
-	-
-	-
-	-
-	4,328,146
-	-
-	-
-	299,638
-	-
-	-
<u>502,747</u>	<u>733,593</u>
<u>\$ 711,757</u>	<u>\$ 5,470,037</u>

See accompanying notes.

CARSON CITY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2005

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES		
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS
Primary government:				
Governmental Activities:				
General government	\$ 11,732,939	\$ 3,025,997	\$ 1,086,456	\$ -
Judicial	3,158,460	1,420,357	52,305	-
Public safety	25,320,788	953,268	3,408,974	5,325
Public works	7,462,191	127,930	524,040	2,182,990
Community support	1,476,257	-	78,155	-
Airport	126,043	-	79,038	-
Economic opportunity	520,190	-	194,611	-
Welfare	1,915,957	-	26,248	-
Health	1,320,958	99,467	279,325	-
Culture and recreation	8,184,715	1,368,658	274,444	23,122
Debt Service:				
Interest and fiscal charges	2,126,197	-	-	-
Total Governmental Activities	63,344,695	6,995,677	6,003,596	2,211,437
Business-Type Activities:				
Landfill	1,058,363	2,101,413	3,817	-
Ambulance	2,599,930	2,878,935	-	-
Sewer	7,164,159	5,038,171	-	2,688,261
Water	7,670,393	5,696,364	26,427	2,462,489
Cemetery	199,167	81,897	836	-
Building Permits	1,476,259	1,514,599	-	-
Stormwater Drainage	286,562	572,820	-	-
Total Business-Type Activities	20,454,833	17,884,199	31,080	5,150,750
Total Primary Government	\$ 83,799,528	\$ 24,879,876	\$ 6,034,676	\$ 7,362,187
Component units:				
Airport Authority	\$ 251,376	172,417	74,098	\$ -
Convention and Visitors' Bureau	1,163,616	27,298	48,500	-
Total Component Units	\$ 1,414,992	\$ 199,715	\$ 122,598	\$ -

General Revenues:

- Property taxes
- Sales taxes
- Consolidated tax
- Franchise taxes
- Other taxes
- Room taxes
- Motor vehicle fuel tax
- Grants and contributions not restricted to specific programs
- Unrestricted investment income
- Miscellaneous revenue
- Transfers

Total General Revenues and Transfers

Change in Net Assets

NET ASSETS, JULY 1

NET ASSETS, JUNE 30

See accompanying notes.

NET (EXPENSE) REVENUE AND
CHANGES IN NET ASSETS

COMPONENT UNITS

NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS			COMPONENT UNITS	
GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	AIRPORT AUTHORITY	CONVENTION AND VISITORS' BUREAU
\$ (7,620,486)	\$ -	\$ (7,620,486)	\$ -	\$ -
(1,685,798)	-	(1,685,798)	-	-
(20,953,221)	-	(20,953,221)	-	-
(4,627,231)	-	(4,627,231)	-	-
(1,398,102)	-	(1,398,102)	-	-
(47,005)	-	(47,005)	-	-
(325,579)	-	(325,579)	-	-
(1,889,709)	-	(1,889,709)	-	-
(942,166)	-	(942,166)	-	-
(6,518,491)	-	(6,518,491)	-	-
(2,126,197)	-	(2,126,197)	-	-
(48,133,985)	-	(48,133,985)	-	-
-	1,046,867	1,046,867	-	-
-	279,005	279,005	-	-
-	562,273	562,273	-	-
-	514,887	514,887	-	-
-	(116,434)	(116,434)	-	-
-	38,340	38,340	-	-
-	286,258	286,258	-	-
-	2,611,196	2,611,196	-	-
(48,133,985)	2,611,196	(45,522,789)	-	-
-	-	-	(4,861)	-
-	-	-	-	(1,087,818)
-	-	-	(4,861)	(1,087,818)
14,399,482	-	14,399,482	74,772	-
4,856,154	-	4,856,154	-	-
25,661,323	-	25,661,323	-	-
4,081,139	-	4,081,139	-	-
4,193,053	-	4,193,053	-	-
-	-	-	-	1,292,417
1,340,152	-	1,340,152	-	-
576	-	576	-	-
1,197,060	691,631	1,888,691	6,692	109,824
191,890	-	191,890	-	-
1,230,203	(1,230,203)	-	-	-
57,151,032	(538,572)	56,612,460	81,464	1,402,241
9,017,047	2,072,624	11,089,671	76,603	314,423
92,365,856	90,257,907	182,623,763	635,154	5,155,614
\$ 101,382,903	\$ 92,330,531	\$ 193,713,434	\$ 711,757	\$ 5,470,037

See accompanying notes.

**CARSON CITY
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2005**

	GENERAL	QUALITY OF LIFE	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS				
Cash and investments	\$ 7,050,443	\$ 12,610,816	\$ 24,606,641	\$ 44,267,900
Receivables (net of allowances for uncollectibles):				
Taxes, delinquent	75,969	-	19,661	95,630
Accounts receivable	1,100,591	-	21,325	1,121,916
Interest	510,366	-	-	510,366
Due from other funds	545,000	-	-	545,000
Due from other governments	6,214,362	433,133	2,644,337	9,291,832
Due from component units	11,680	-	955	12,635
Inventories	9,679	-	-	9,679
Prepaid items	73,597	358	507	74,462
Restricted assets:				
Cash and investments	897,331	-	22,069	919,400
Total Assets	\$ 16,489,018	\$ 13,044,307	\$ 27,315,495	\$ 56,848,820
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 789,853	\$ 54,719	\$ 1,839,949	\$ 2,684,521
Accrued interest payable	-	-	17,987	17,987
Accrued salaries and benefits	2,781,541	17,749	123,009	2,922,299
Payable from restricted assets	834,061	-	22,069	856,130
Due to other funds	-	-	545,000	545,000
Due to other governments	123,344	-	663,017	786,361
Due to component units	74,772	-	34,705	109,477
Other liabilities	145,887	-	-	145,887
Deferred revenue	90,783	-	13,761	104,544
Unearned revenue	49,796	-	97,775	147,571
Total Liabilities	4,890,037	72,468	3,357,272	8,319,777
Fund balances:				
Reserved for inventory	9,679	-	-	9,679
Reserved for gifts and donations	188,063	-	-	188,063
Reserved for administrative assessments	81,606	-	-	81,606
Reserved for courts	155,694	-	-	155,694
Reserved for Co. Recorder technology	38,186	-	-	38,186
Reserved for prepaid items	73,597	358	507	74,462
Unreserved, reported in:				
General fund:				
Designated for subsequent year's expenditures	8,959,556	-	-	8,959,556
Undesignated	2,092,600	-	-	2,092,600
Special revenue funds:				
Designated for subsequent year's expenditures	-	4,579,324	5,720,786	10,300,110
Undesignated	-	8,392,157	13,657,762	22,049,919
Debt service funds	-	-	1,647,592	1,647,592
Capital projects funds	-	-	2,931,576	2,931,576
Total Fund Balances	11,598,981	12,971,839	23,958,223	48,529,043
Total Liabilities and Fund Balances	\$ 16,489,018	\$ 13,044,307	\$ 27,315,495	\$ 56,848,820

See accompanying notes.

CARSON CITY
RECONCILIATION OF THE BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
GOVERNMENTAL FUNDS
JUNE 30, 2005

Fund Balances - Governmental Funds (page 8)		\$ 48,529,043
<p>Amounts reported for governmental activities in the statement of net assets (pages 4-5) are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.</p>		
Governmental capital assets	\$ 131,200,325	
Less: Accumulated depreciation	<u>(30,134,300)</u>	101,066,025
<p>Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds.</p>		
General obligation bonds payable	(910,000)	
General obligation revenue bonds payable	(37,043,154)	
Notes payable	(3,598,036)	
Revenue bonds payable	(7,330,000)	
Loss on bond refunding	967,292	
Less: current year amortization	(88,607)	
Issuance discount	206,658	
Less: current year amortization	(8,244)	
Deferred charge for issuance costs	390,153	
Less: current year amortization	(12,839)	
Capital leases payable	(82,473)	
Compensated absences	<u>(3,331,198)</u>	(50,840,448)
Interest payable		(422,291)
<p>Deferred revenue represents amounts that are not available to fund current expenditures and, therefore, are not reported in the governmental funds.</p>		
		104,544
<p>Internal service funds are used by management to charge the costs of certain activities to individual funds. Net assets of the internal service funds are reported with governmental activities.</p>		
		2,438,875
<p>Internal balances are receivable from business-type activities.</p>		
		<u>507,155</u>
Net Assets - Governmental Activities (pages 4-5)		<u>\$ 101,382,903</u>

See accompanying notes.

CARSON CITY
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2005

	GENERAL	QUALITY OF LIFE	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
Revenues:				
Taxes	\$ 10,787,005	\$ 2,427,960	\$ 10,012,922	\$ 23,227,887
Licenses and permits	5,688,240	-	-	5,688,240
Intergovernmental revenues	29,529,628	-	4,111,189	33,640,817
Charges for services	6,822,554	2,145	172,693	6,997,392
Fines and forfeits	847,606	-	54,930	902,536
Miscellaneous	762,005	264,375	1,095,283	2,121,663
Total Revenues	54,437,038	2,694,480	15,447,017	72,578,535
Expenditures:				
Current:				
General government	12,012,590	-	1,985,717	13,998,307
Public safety	22,532,451	-	3,081,788	25,614,239
Judicial	2,984,486	-	108,979	3,093,465
Public works	2,675,588	-	7,765,819	10,441,407
Health	1,284,469	-	247,872	1,532,341
Welfare	431,953	-	1,479,829	1,911,782
Culture and recreation	5,930,933	3,774,508	1,463,926	11,169,367
Community support	381,162	-	371,803	752,965
Airport	-	-	79,038	79,038
Economic opportunity	342,387	-	250,655	593,042
Capital outlay	-	-	306,392	306,392
Debt service:				
Principal retirement	-	-	2,576,513	2,576,513
Interest and fiscal charges	-	-	1,958,684	1,958,684
Total Expenditures	48,576,019	3,774,508	21,677,015	74,027,542
Excess (Deficiency) of Revenues over Expenditures	5,861,019	(1,080,028)	(6,229,998)	(1,449,007)
Other Financing Sources (Uses):				
Sales of surplus property	4,513	-	36,100	40,613
Bonds issued	-	5,835,000	980,000	6,815,000
Notes issued	-	3,028,000	-	3,028,000
Capital leases	85,749	-	-	85,749
Transfers in	169,164	-	9,792,279	9,961,443
Transfers out	(6,454,827)	(692,154)	(2,015,351)	(9,162,332)
Discount on bonds issued	-	(62,042)	(4,307)	(66,349)
Total Other Financing Sources (Uses)	(6,195,401)	8,108,804	8,788,721	10,702,124
Net Change in Fund Balances	(334,382)	7,028,776	2,558,723	9,253,117
Fund Balances, July 1	11,933,363	5,943,063	21,399,500	39,275,926
Fund Balances, June 30	\$ 11,598,981	\$ 12,971,839	\$ 23,958,223	\$ 48,529,043

See accompanying notes.

CARSON CITY
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
TO THE STATEMENT OF ACTIVITIES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2005

Net Change in Fund Balances - Governmental Funds (page 10)		\$ 9,253,117
<p>Amounts reported for governmental activities in the statement of activities (pages 6-7) are different because:</p>		
<p>Governmental funds report capital outlays as expenditures and the proceeds from the sale of assets as other financing sources. However, in the statement of activities, the cost of those assets is depreciated over their estimated useful lives and only the gain or loss is recorded when assets are sold.</p>		
Expenditures for capital assets	\$ 9,041,401	
Contributions of capital assets from business-type activities	40,910	
Donated capital assets	1,787,285	
Transfers of capital assets to business-type activities	(27,908)	
Sale/disposition of assets	(378,190)	
Less: Current year depreciation	<u>(3,056,977)</u>	7,406,521
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in governmental funds.</p>		
Change in deferred revenue		(13,707)
<p>Bond and note proceeds and capital leases provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of bond and note principal and capital leases is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. This is the amount by which bonds and notes issued and capital lease financing exceeded repayments and costs of issuance.</p>		
Bonds and notes issued	(9,843,000)	
Bond issuance costs	222,330	
Bond discounts	66,349	
Capital lease financing	(85,749)	
Accrued interest	(422,291)	
Capital lease payments	3,276	
Interest payments	351,629	
Principal payments	<u>2,576,513</u>	(7,130,943)
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.</p>		
Amortization of loss on bond refunding	(88,607)	
Amortization of issuance costs	(12,839)	
Amortization of bond discounts	(8,244)	
Change in long-term compensated absences	<u>(330,424)</u>	(440,114)
<p>Internal service funds are used by management to charge the costs of certain activities to individual funds. The net loss of the internal service funds is reported with governmental activities.</p>		
		<u>(57,827)</u>
Change in Net Assets of Governmental Activities (pages 6-7)		<u>\$ 9,017,047</u>

See accompanying notes.

**CARSON CITY
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2005**

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		
Revenues:				
Taxes	\$ 10,831,497	\$ 10,831,497	\$ 10,787,005	\$ (44,492)
Licenses and permits	5,349,000	5,349,000	5,688,240	339,240
Intergovernmental revenues	25,113,498	28,285,286	29,529,628	1,244,342
Charges for services	6,798,058	6,906,573	6,822,554	(84,019)
Fines and forfeits	840,000	844,996	847,606	2,610
Miscellaneous	936,000	963,900	762,005	(201,895)
Total Revenues	49,868,053	53,181,252	54,437,038	1,255,786
Expenditures:				
Current:				
General government	12,638,166	12,572,876	12,012,590	560,286
Public safety	20,906,136	23,240,129	22,532,451	707,678
Judicial	2,876,067	3,086,363	2,984,486	101,877
Public works	2,671,158	3,040,933	2,675,588	365,345
Health	1,018,827	1,440,939	1,284,469	156,470
Welfare	412,717	431,953	431,953	-
Culture and recreation	5,939,801	6,445,947	5,930,933	515,014
Community support	1,029,283	385,300	381,162	4,138
Economic opportunity	-	659,460	342,387	317,073
Total Expenditures	47,492,155	51,303,900	48,576,019	2,727,881
Excess (Deficiency) of Revenues over Expenditures	2,375,898	1,877,352	5,861,019	3,983,667
Other Financing Sources (Uses):				
Sales of surplus property	20,000	20,000	4,513	(15,487)
Capital leases	-	78,740	85,749	7,009
Transfers in	177,070	205,320	169,164	(36,156)
Transfers out	(6,104,827)	(6,454,827)	(6,454,827)	-
Contingency	(1,000,000)	(495,924)	-	495,924
Total Other Financing Sources (Uses)	(6,907,757)	(6,646,691)	(6,195,401)	451,290
Net Change in Fund Balances	(4,531,859)	(4,769,339)	(334,382)	4,434,957
Fund Balances, July 1	8,846,685	11,933,363	11,933,363	-
Fund Balances, June 30	<u>\$ 4,314,826</u>	<u>\$ 7,164,024</u>	<u>\$ 11,598,981</u>	<u>\$ 4,434,957</u>

See accompanying notes.

**CARSON CITY
QUALITY OF LIFE FUND
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2005**

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		
Revenues:				
Taxes	\$ 2,250,000	\$ 2,250,000	\$ 2,427,960	\$ 177,960
Charges for services	3,200	3,200	2,145	(1,055)
Miscellaneous	100,000	100,000	264,375	164,375
Total Revenues	<u>2,353,200</u>	<u>2,353,200</u>	<u>2,694,480</u>	<u>341,280</u>
Expenditures:				
Current:				
Culture and recreation	1,640,250	15,615,312	3,774,508	11,840,804
Excess (Deficiency) of Revenues over Expenditures	<u>712,950</u>	<u>(13,262,112)</u>	<u>(1,080,028)</u>	<u>12,182,084</u>
Other Financing Sources (Uses):				
Bonds issued	-	5,835,000	5,835,000	-
Notes issued	-	3,028,000	3,028,000	-
Transfers out	(549,805)	(728,310)	(692,154)	36,156
Discount on bonds issued	-	(62,042)	(62,042)	-
Total Other Financing Sources (Uses)	<u>(549,805)</u>	<u>8,072,648</u>	<u>8,108,804</u>	<u>36,156</u>
Net Change in Fund Balances	163,145	(5,189,464)	7,028,776	12,218,240
Fund Balances, July 1	590,454	5,943,063	5,943,063	-
Fund Balances, June 30	<u>\$ 753,599</u>	<u>\$ 753,599</u>	<u>\$ 12,971,839</u>	<u>\$ 12,218,240</u>

See accompanying notes.

CARSON CITY
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2005
(PAGE 1 OF 2)

	BUSINESS-TYPE ACTIVITIES -		
	SEWER	WATER	STORMWATER DRAINAGE
ASSETS			
Current assets (unrestricted):			
Cash and investments	\$ 8,420,311	\$ 13,391,604	\$ 5,134,680
Receivables:			
Accounts and contracts, net	320,883	483,392	32,495
Due from other governments	1,156,957	597,727	-
Inventories	-	255,671	-
Prepaid items	255	200	-
Total Current Assets (Unrestricted)	9,898,406	14,728,594	5,167,175
Current assets (restricted):			
Cash and investments	90,183	349,822	-
Total Current Assets	9,988,589	15,078,416	5,167,175
Noncurrent assets:			
Restricted cash and investments	2,545,363	-	-
Other assets	75,026	309,180	129,426
Capital assets:			
Land	757,704	446,506	-
Buildings	10,298,161	1,585,664	-
Improvements other than buildings	76,607,642	51,825,725	10,330
Machinery and equipment	2,953,815	1,485,111	340,849
Water rights	-	8,007,260	-
Construction in progress	6,760,047	8,268,709	-
Total Capital Assets	97,377,369	71,618,975	351,179
Less: Accumulated depreciation	(34,886,746)	(20,100,919)	-
Net Capital Assets	62,490,623	51,518,056	351,179
Total Noncurrent Assets	65,111,012	51,827,236	480,605
Total Assets	75,099,601	66,905,652	5,647,780

See accompanying notes.

ENTERPRISE FUNDS		GOVERNMENTAL ACTIVITIES - INTERNAL SERVICE FUNDS
OTHER ENTERPRISE FUNDS	TOTAL ENTERPRISE FUNDS	
\$ 3,653,138	\$ 30,599,733	\$ 3,521,976
1,042,027	1,878,797	27,571
18,000	1,772,684	36,991
6,702	262,373	109,760
617	1,072	-
4,720,484	34,514,659	3,696,298
-	440,005	-
4,720,484	34,954,664	3,696,298
-	2,545,363	-
-	513,632	-
309,244	1,513,454	-
443,842	12,327,667	-
173,211	128,616,908	-
2,718,504	7,498,279	25,609
-	8,007,260	-
-	15,028,756	-
3,644,801	172,992,324	25,609
(960,964)	(55,948,629)	(18,022)
2,683,837	117,043,695	7,587
2,683,837	120,102,690	7,587
7,404,321	155,057,354	3,703,885

See accompanying notes.

CARSON CITY
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2005
(PAGE 2 OF 2)

	BUSINESS-TYPE ACTIVITIES -		
	SEWER	WATER	STORMWATER DRAINAGE
LIABILITIES			
Current liabilities payable from unrestricted assets:			
Accounts payable	\$ 402,988	\$ 3,210,645	\$ 212,214
Accrued salaries and benefits	83,434	112,695	-
Accrued interest	212,631	190,397	4,281
Due to other governments	-	216,634	-
Unearned revenue	-	-	100,000
Other current liabilities	-	-	-
Current portion:			
Commitments payable	-	15,305	-
General obligation bonds and notes payable	1,168,312	1,815,900	205,000
Total Current Liabilities Payable from Unrestricted Assets	<u>1,867,365</u>	<u>5,560,676</u>	<u>521,495</u>
Current liabilities payable from restricted assets:			
Construction contracts, retained percent	78,420	329,260	-
Connection deposits	11,763	20,562	-
Total Current Liabilities Payable from Restricted Assets	<u>90,183</u>	<u>349,822</u>	<u>-</u>
Total Current Liabilities	<u>1,957,548</u>	<u>5,910,498</u>	<u>521,495</u>
Noncurrent liabilities:			
Accrued compensated absences	160,932	205,724	-
Other liabilities	-	-	-
Closure / post closure care costs	-	-	-
General obligation bonds and notes payable	17,958,253	27,253,864	5,820,984
Total Noncurrent Liabilities	<u>18,119,185</u>	<u>27,459,588</u>	<u>5,820,984</u>
Total Liabilities	<u>20,076,733</u>	<u>33,370,086</u>	<u>6,342,479</u>
NET ASSETS			
Invested in capital assets, net of related debt	43,040,933	26,572,267	-
Restricted for emergency replacement	2,545,363	-	-
Unrestricted	9,436,572	6,963,299	(694,699)
Total Net Assets	<u>\$ 55,022,868</u>	<u>\$ 33,535,566</u>	<u>\$ (694,699)</u>

Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.

Net assets of business - type activities

See accompanying notes.

ENTERPRISE FUNDS		GOVERNMENTAL ACTIVITIES - INTERNAL SERVICE FUNDS
OTHER ENTERPRISE FUNDS	TOTAL ENTERPRISE FUNDS	
\$ 417,208	\$ 4,243,055	\$ 365,359
189,581	385,710	44,070
1,436	408,745	-
90	216,724	-
239,290	339,290	-
-	-	688,153
-	15,305	-
135,000	3,323,312	-
<u>982,605</u>	<u>8,932,141</u>	<u>1,097,582</u>
-	407,680	-
-	32,325	-
-	440,005	-
<u>982,605</u>	<u>9,372,146</u>	<u>1,097,582</u>
268,409	635,065	117,799
-	-	49,629
889,356	889,356	-
290,000	51,323,101	-
<u>1,447,765</u>	<u>52,847,522</u>	<u>167,428</u>
<u>2,430,370</u>	<u>62,219,668</u>	<u>1,265,010</u>
2,258,837	71,872,037	7,587
-	2,545,363	-
2,715,114	18,420,286	2,431,288
<u>\$ 4,973,951</u>	<u>92,837,686</u>	<u>\$ 2,438,875</u>
	(507,155)	
	<u>\$ 92,330,531</u>	

See accompanying notes.

**CARSON CITY
STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2005**

	<u>BUSINESS-TYPE ACTIVITIES -</u>		
	<u>SEWER</u>	<u>WATER</u>	<u>STORMWATER DRAINAGE</u>
Operating Revenues:			
Charges for services	\$ 5,023,611	\$ 5,686,284	\$ 572,820
Operating Expenses:			
Salaries and wages	1,006,320	1,343,737	-
Employee benefits	356,487	418,095	-
Services and supplies	2,433,743	3,245,266	282,135
Depreciation	2,387,624	1,543,594	-
Total Operating Expenses	6,184,174	6,550,692	282,135
Operating Income (Loss)	(1,160,563)	(864,408)	290,685
Nonoperating Revenues (Expenses):			
Investment income	267,285	260,593	75,618
Intergovernmental revenues	-	471,310	-
Miscellaneous	14,560	10,080	-
Interest expense	(789,423)	(974,374)	-
Gain (loss) on sales of capital assets	(8,000)	13,438	-
Bond issuance costs	(5,013)	(11,072)	(4,427)
Total Nonoperating Revenues (Expenses)	(520,591)	(230,025)	71,191
Income (Loss) Before Contributions and Transfers	(1,681,154)	(1,094,433)	361,876
Capital Contributions:			
Capital assets	1,476	84,267	-
Developers	428,612	827,372	-
Connection fees	2,259,649	1,190,234	-
Total Capital Contributions	2,689,737	2,101,873	-
Transfers In	-	-	-
Transfers Out	-	(326,573)	(1,222,538)
Change in Net Assets	1,008,583	680,867	(860,662)
Net Assets, July 1	54,014,285	32,854,699	165,963
Net Assets, June 30	\$ 55,022,868	\$ 33,535,566	\$ (694,699)

Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.

Change in net assets of business - type activities

See accompanying notes.

ENTERPRISE FUNDS		GOVERNMENTAL ACTIVITIES - INTERNAL SERVICE FUNDS
OTHER ENTERPRISE FUNDS	TOTAL ENTERPRISE FUNDS	
\$ 6,572,538	\$ 17,855,253	\$ 8,925,633
2,269,502	4,619,559	600,155
883,889	1,658,471	199,511
1,886,778	7,847,922	9,660,530
222,529	4,153,747	2,561
5,262,698	18,279,699	10,462,757
1,309,840	(424,446)	(1,537,124)
88,135	691,631	92,618
4,173	475,483	45,961
16,282	40,922	226,389
(21,992)	(1,785,789)	-
(40,910)	(35,472)	-
-	(20,512)	-
45,688	(633,737)	364,968
1,355,528	(1,058,183)	(1,172,156)
252,637	338,380	-
	1,255,984	-
	3,449,883	-
252,637	5,044,247	-
-	-	750,000
-	(1,549,111)	-
1,608,165	2,436,953	(422,156)
3,365,786		2,861,031
\$ 4,973,951		\$ 2,438,875
	(364,329)	
	\$ 2,072,624	

See accompanying notes.

CARSON CITY
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2005
(PAGE 1 OF 2)

BUSINESS-TYPE ACTIVITIES -

	SEWER	WATER	STORMWATER DRAINAGE
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received for services	\$ 4,993,301	\$ 5,755,492	\$ 571,275
Cash payments for personnel costs	(1,349,795)	(1,769,821)	-
Cash payments for services and supplies	(2,414,164)	(3,146,259)	(244,661)
Miscellaneous cash received	14,560	10,080	-
Net Cash Provided (Used) by Operating Activities	1,243,902	849,492	326,614
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfer from other funds	-	-	-
Transfer to other funds	-	(326,573)	(1,222,538)
Subsidy from federal grant	-	211,927	-
Subsidy from state grant	-	-	-
Net Cash Provided by Noncapital Financing Activities	-	(114,646)	(1,222,538)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Proceeds from capital debt	-	8,929,863	6,025,984
Connection fees	2,259,649	1,190,234	-
Acquisition of capital assets	(1,937,543)	(5,105,952)	(186,636)
Principal paid on capital debt	(1,214,749)	(1,535,000)	-
Interest paid on capital debt	(812,901)	(977,023)	4,281
Bond issuance costs	(572)	(55,982)	(133,853)
Net Cash Provided (Used) by Capital and Related Financing Activities	(1,706,116)	2,446,140	5,709,776
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment income	267,285	260,593	75,618
Net Increase (Decrease) in Cash and Cash Equivalents	(194,929)	3,441,579	4,889,470
Cash and Cash Equivalents, July 1	11,250,786	10,299,847	245,210
Cash and Cash Equivalents, June 30	\$ 11,055,857	\$ 13,741,426	\$ 5,134,680

See accompanying notes.

ENTERPRISE FUNDS		GOVERNMENTAL ACTIVITIES - INTERNAL SERVICE FUNDS
OTHER ENTERPRISE FUNDS	TOTAL ENTERPRISE FUNDS	
\$ 6,444,107	\$ 17,764,175	\$ 8,904,969
(3,093,791)	(6,213,407)	(774,786)
(2,343,327)	(8,148,411)	(9,579,369)
16,282	40,922	226,389
<u>1,023,271</u>	<u>3,443,279</u>	<u>(1,222,797)</u>
-	-	750,000
-	(1,549,111)	-
356	212,283	45,961
<u>3,817</u>	<u>3,817</u>	<u>-</u>
<u>4,173</u>	<u>(1,333,011)</u>	<u>795,961</u>
-	14,955,847	-
-	3,449,883	-
(349,227)	(7,579,358)	-
(130,000)	(2,879,749)	-
(22,425)	(1,808,068)	-
-	(190,407)	-
<u>(501,652)</u>	<u>5,948,148</u>	<u>-</u>
<u>88,132</u>	<u>691,628</u>	<u>92,613</u>
613,924	8,750,044	(334,218)
<u>3,039,214</u>	<u>24,835,057</u>	<u>3,856,194</u>
<u>\$ 3,653,138</u>	<u>\$ 33,585,101</u>	<u>\$ 3,521,976</u>

See accompanying notes.

**CARSON CITY
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2005
(PAGE 2 OF 2)**

BUSINESS-TYPE ACTIVITIES -

	<u>SEWER</u>	<u>WATER</u>	<u>STORMWATER DRAINAGE</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:			
Operating income (loss)	\$ (1,160,563)	\$ (864,408)	\$ 290,685
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation and amortization expense	2,387,624	1,543,594	-
Provision for uncollectible accounts	-	-	-
Nonoperating revenues	14,560	10,080	-
Changes in assets and liabilities:			
(Increase) decrease in:			
Accounts receivable	(24,290)	(27,763)	(1,545)
Due from other funds	1,695	12,436	76
Due from other governments	-	84,535	-
Inventories	-	26,965	-
Prepaid items	(255)	915	-
Increase (decrease) in:			
Accounts payable	30,739	42,333	37,398
Accrued salaries and benefits	9,677	(2,827)	-
Due to other governments	(12,600)	47,934	-
Unearned revenue	-	-	-
Connection deposits	(6,020)	(19,140)	-
Accrued compensated absences	3,335	(5,162)	-
Other liabilities	-	-	-
Closure/post closure care costs	-	-	-
Total Adjustments	<u>2,404,465</u>	<u>1,713,900</u>	<u>35,929</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 1,243,902</u>	<u>\$ 849,492</u>	<u>\$ 326,614</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:			
Purchase of capital assets on account	\$ 121,176	\$ 2,740,381	\$ 164,543
Purchase of capital assets due to other governments	-	52,613	-
Retainage payable on construction of capital assets	78,420	329,260	-
Capital assets contributed by contractors	1,476	84,267	-

See accompanying notes.

<u>ENTERPRISE FUNDS</u>		<u>GOVERNMENTAL ACTIVITIES - INTERNAL SERVICE FUNDS</u>
<u>OTHER ENTERPRISE FUNDS</u>	<u>TOTAL ENTERPRISE FUNDS</u>	
\$ 1,309,840	\$ (424,446)	\$ (1,537,124)
222,529	4,153,747	2,561
246,384	246,384	-
16,282	40,922	226,389
(433,637)	(487,235)	(24,239)
-	14,207	-
3,657	88,192	3,575
(1,586)	25,379	(14,954)
(89)	571	368,755
(16,593)	93,877	(101,163)
28,059	34,909	7,193
(41)	35,293	-
55,165	55,165	-
-	(25,160)	-
31,541	29,714	17,687
-	-	(171,477)
(438,240)	(438,240)	-
(286,569)	3,867,725	314,327
\$ 1,023,271	\$ 3,443,279	\$ (1,222,797)
\$ -	\$ 3,026,100	\$ -
-	52,613	-
-	407,680	-
252,637	338,380	-

See accompanying notes.

CARSON CITY
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2005

	INVESTMENT TRUST FUND	AGENCY FUNDS
ASSETS		
Cash and investments	\$ 2,458,772	\$ 1,638,202
Taxes receivable, delinquent	-	100,928
Due from other governments	-	128,120
Total Assets	<u>2,458,772</u>	<u>1,867,250</u>
LIABILITIES		
Accounts payable	-	6,657
Due to other governments	-	1,840,505
Other liabilities	-	20,088
Total Liabilities	<u>-</u>	<u>1,867,250</u>
NET ASSETS		
Held in trust for pool participants	<u>\$ 2,458,772</u>	<u>\$ -</u>

See accompanying notes.

CARSON CITY
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2005

	INVESTMENT TRUST FUND
Investment income	\$ 85,759
Capital share transactions:	
Shares sold	5,276,520
Less shares redeemed	(6,192,230)
Increase (Decrease) from Capital Share Transactions	(915,710)
Change in Net Assets	(829,951)
Net Assets, July 1	3,288,723
Net Assets, June 30	\$ 2,458,772

See accompanying notes.

CARSON CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2005
(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. REPORTING ENTITY

Carson City is a consolidated municipality governed by an elected mayor and a four-member board, which comprise the Board of Supervisors. The accompanying financial statements present the City and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the City's operations, and, therefore, data from these units are combined with data of the primary government. Each discretely presented component unit, on the other hand, is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government. Each blended and discretely presented component unit has a June 30 year end.

BLENDED COMPONENT UNIT. The Redevelopment Authority is governed by a board comprised of the City's elected Board of Supervisors. The ad valorem tax rates and bond issuance authorizations are approved by the Redevelopment Authority and the Board of Supervisors and the legal liability for the general obligation portion of the Authority's debt remains with the City. The financial statements of the Authority are reported as special revenue, debt service and capital projects funds.

DISCRETELY PRESENTED COMPONENT UNITS. The Carson City Convention and Visitors' Bureau is responsible for the promotion of tourism in Carson City. The members of the Bureau's governing board are appointed by the Board of Supervisors. The Bureau is fiscally dependent upon the City since the Board of Supervisors sets the room tax rates and must approve any general obligation debt issuances. The Convention and Visitors' Bureau is presented as a governmental fund type.

The Carson City Airport Authority is responsible for the operations of the Carson City Airport. The members of the Authority are appointed by the Board of Supervisors. The Authority is fiscally dependent upon the City since the Board of Supervisors is the recognized grantee for any Federal Aviation Administration grants awarded on behalf of the Authority and any property tax levies must be approved by the Board of Supervisors. The Authority is presented as a governmental fund type.

Complete financial statements for each of the discretely presented component units may be obtained at the entity's administrative offices.

Carson City Convention and Visitors' Bureau
1900 South Carson Street
Carson City, Nevada

Carson City Airport Authority
2600 East Graves Lane, Suite 6
Carson City, Nevada

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

CARSON CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2005
(Continued)

support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

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

Fund Financial Statements – Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

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

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. Carson City considers all revenues available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, consolidated taxes, franchise fees, motor vehicle fuel taxes, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period.

Shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria are met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met. All other revenue items are considered to be measurable and available only when cash is received by the City.

The government reports the following major governmental funds:

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

CARSON CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2005
(Continued)

The *Quality of Life Fund* accounts for the voter approved one-quarter percent sales tax for the purpose of acquiring open space and the construction and maintenance of park and trail facilities.

The government reports the following major proprietary funds:

The *Sewer Fund* accounts for the activities of the sewer services provided to the residents of Carson City.

The *Water Fund* accounts for the activities of the water services provided to the residents of Carson City.

The *Stormwater Drainage Fund* accounts for the activities of the City's stormwater management program.

Additionally, the government reports the following fund types:

Internal service funds account for group medical insurance, workers' compensation, liability and property insurance, and fleet management services provided to other departments or agencies of the government, or to other governments, on a cost reimbursement basis.

The *Investment Trust Fund* accounts for the external portion of the investment pool administered by the City.

Agency funds are used to account for assets held by the City in a purely custodial capacity for other organizations or governments.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board (GASB). Governments also have the *option* of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are interfund services provided and used and other charges between the City's business-type activities and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds and internal service funds are charges to customers for services. Operating expenses for enterprise funds and internal service funds include salaries and wages, employee benefits, services and supplies, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

CARSON CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2005
(Continued)

D. ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY

1. Deposits and Investments

For purposes of the statement of cash flows presented for proprietary funds, cash equivalents are defined as short-term, highly liquid investments, generally with original maturities of three months or less. Since all cash in proprietary funds is pooled with the rest of the City's cash and is available upon demand, all cash and investments in those funds are considered cash equivalents. The City considers cash purchases and sales of the following types of investments as part of its cash management program rather than part of its operating, capital, investing, and financing activities.

Pursuant to NRS 355.170 and 355.167, Carson City may only invest in the following types of securities:

- a) United States bonds and debentures maturing within ten (10) years from the date of purchase.
- b) Certain farm loan bonds.
- c) Bills and notes of the United States Treasury and obligations of an agency or instrumentality of the United States of America or a corporation sponsored by the government maturing within ten (10) years from the date of purchase.
- d) Negotiable and non-negotiable certificates of deposit from commercial banks and insured credit unions or savings and loan associations.
- e) Certain securities issued by local governments of the State of Nevada.
- f) Other securities expressly provided by other Statutes, including repurchase agreements.
- g) State of Nevada Local Government Investment Pool.
- h) Certain bankers' acceptances, commercial paper issued by a corporation organized and operating in the United States, and money market mutual funds.

Investments are reported at fair value.

2. Investment Pool Investment Income

Interest income is recorded on the accrual basis in the investment pool. Net realized gains (losses) on investments are the sum of differences between the cost (if purchased during the fiscal year) or the fair value of the investment at the beginning of the year, and the net selling price received for investments that are sold or matured.

The net increase (decrease) in fair value of investments in the investment pool is the difference between the cost (if purchased during the fiscal year) or the fair value of the investments at the beginning of the year, and the fair value of the investments at the end of the year.

CARSON CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2005
(Continued)

3. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances." Operating appropriations and subsidies are accounted for as transfers in the funds involved.

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

All funds employ the allowance method of recognizing bad debts. Management does not anticipate any material collection losses with respect to its accounts receivable balances in any fund, except the Ambulance Fund; and, therefore, the allowance in those funds is zero.

The Ambulance Fund accounts receivable are presented net of the allowance for uncollectible accounts. The allowance for uncollectible accounts for the year ended June 30, 2005 was \$1,110,948.

Property taxes are levied as of July 1 on property values assessed the previous December. Taxes may be paid in four installments on the third Monday in August and the first Mondays in October, January, and March. Penalties are assessed if a taxpayer fails to pay an installment within ten days of the installment due date. On the first Monday in June, if the taxes remain unpaid, a Treasurer's Trustee Certificate is issued conveying the property to the Treasurer as Trustee, constituting a lien for back taxes and accumulated delinquency charges. A two year redemption period begins after the certificate placing such property in trust is issued. Redemption may be made by the owner and such persons as described by Statute by paying all back taxes and accumulated penalties, interest, and costs before sale. For property with taxes remaining unpaid at the end of the two year redemption period, Carson City may take a deed to the property and proceed to a tax sale. Secured roll property taxes receivable reflect only those taxes receivable from the delinquent roll years. No provision for uncollectible accounts has been established since management does not anticipate any material collection losses in respect to the remaining balances.

Accounts receivable for the discretely presented component units do not reflect an allowance for uncollectible accounts. The managements of the respective entities do not anticipate any material collection losses with respect to accounts receivable balances.

4. Inventories and Prepaid Items

The City's policy is to value inventories in Governmental Funds at average cost, while Enterprise Fund inventories are valued using the weighted average method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

CARSON CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2005
(Continued)

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

5. Restricted Assets

Certain assets of Carson City's General Fund and Commissary Special Revenue Fund are classified as restricted assets because their use is restricted as the amounts are held for others.

Amounts in the Sewer Enterprise Fund are restricted for plant expansion and emergency replacement in accordance with grant agreements. In addition, amounts for connection deposits and construction contract retentions in the Sewer and Water Enterprise Funds are restricted given contractual requirements.

6. Capital Assets

Capital assets, which include land, construction in progress, buildings, improvements, machinery and equipment and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated useful life of at least one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	40-50
Improvements other than buildings	30-50
Machinery and equipment	5-20
Infrastructure	30-50

The retroactive reporting of infrastructure is subject to an extended implementation period and is first mandated for the fiscal year ending in 2007. The City has elected to implement the retroactive infrastructure provisions in or before fiscal year ending June 30, 2007.

CARSON CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2005
(Continued)

7. Long-Term Obligations

In the government-wide financial statements and the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method. For current and advanced refundings resulting in the defeasance of debt, the difference between the reacquisition price and the net carrying amount of the old debt is deferred and amortized as a component of interest expense using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. The City pays 33-1/3 percent of a portion of the employee's unused sick leave at time of employee termination if provided for in the applicable Employee Association contract. Vacation pay and sick leave payoff are accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

8. Connection Fees

It is the policy of the Board of Supervisors that new users hooking up to the water and sewer systems pay a "pro rata" share of the cost of the existing systems as calculated on the basis of "Equivalent Residential Customers." To this end, a connection fee is charged for new hookups to the water and sewer systems and the amounts are reported as capital contributions.

9. Equity Classifications

In the government-wide financial statements, equity is classified as net assets and displayed in three components:

- Invested in Capital Assets, Net of Related Debt – Consists of capital assets, net of accumulated depreciation and reduced by outstanding balances of any bonds, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.
- Restricted Net Assets – Consists of net assets with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; (2) law through constitutional provisions or enabling legislation.

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NOTES TO FINANCIAL STATEMENTS
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- Unrestricted Net Assets – All other net assets that do not meet the definition of “invested in capital assets, net of related debt” or “restricted.”

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent the estimated opening fund balance in the City's 2005-2006 final budget. The undesignated fund balance represents the amount by which the actual ending fund balance exceeded the reservations and designations.

10. Comparative Data

Comparative total data for the prior year have been presented only for individual funds in the fund financial statements in order to provide an understanding of the changes in financial position and operations for the funds.

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. BUDGETARY INFORMATION

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental and proprietary funds. All annual appropriations lapse at fiscal year end.

On or before mid-February of each year, all agencies of the City must submit requests for appropriations to the Internal Finance Committee comprised of the City Manager, Finance Director, Deputy Finance Director and Treasurer in order that a budget may be prepared. Before April 15th, a tentative budget is submitted to the Board of Supervisors, the Redevelopment Authority, and the State of Nevada. The City then holds a series of public hearings and a final budget must be prepared and adopted no later than June 1st.

The appropriated budget is prepared by fund, function and department. The City's department heads may request transfers of appropriations within the department's budget categories. Transfers of appropriations between department categories or functions within a fund may be made with the City Manager's approval. Transfers of appropriations between funds, from contingency accounts, or increases in budget appropriations require the approval of the Board of Supervisors or Redevelopment Authority. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the function level for governmental funds and the sum of operating and nonoperating expenses in the proprietary funds. There are no budgetary restrictions in the debt service funds regarding expenditures related to payments of principal and interest on long-term debt. The Board made several supplemental budgetary appropriations throughout the year.

B. EXCESS OF EXPENDITURES OVER APPROPRIATIONS

The City conformed to all significant statutory constraints on its financial administration during the year with the following possible exceptions:

- Actual expenditures exceeded appropriations in the Economic Opportunity Function of the Capital Acquisition and Development Special Revenue Fund by \$5,829. This is an apparent violation of NRS 354.626.
- Actual expenses exceeded appropriations in the Insurance Internal Service Fund by \$23,077. This is an apparent violation of NRS 354.626.

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NOTES TO FINANCIAL STATEMENTS
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(Continued)

- Actual expenditures exceeded appropriations in the Carson City Debt Service Fund by \$8,505. These overexpenditures were funded by available fund balance and are not apparent violations of NRS.

C. SHORTFALL IN RESERVED AND UNRESERVED/DESIGNATED FUND BALANCES

The Senior Citizens Center, Stabilization, Redevelopment Administration and Firefighter Retirement Medical Special Revenue Funds' fund balances were insufficient to cover the budgeted July 1, 2005 opening fund balance by \$40,478, \$111,150, \$7,642 and \$394, respectively. The Carson City Debt Service Fund's fund balance was insufficient to cover the budgeted July 1, 2005 opening fund balance by \$52,950.

NOTE 3 - DETAILED NOTES ON ALL FUNDS

A. DEPOSITS AND INVESTMENTS

At year end, the City's carrying amount of deposits was \$2,200,251 and the bank balance was \$2,490,791. All of the bank balance was covered by FDIC, SIPC, or collateralized by the Office of the State Treasurer / Nevada Collateral Pool.

The carrying amount of deposits for discretely presented component units was \$603,304 and the bank balance was \$606,953. All of the bank balance was covered by federal depository insurance or by collateral held by the component unit's agent in the component unit's name, with the exception of \$355,070 which was uninsured and uncollateralized.

The City has a formal investment policy to establish guidelines for the prudent investment of City funds. Funds of the City will be invested in compliance with the provisions of Nevada Revised Statutes, Chapters 355.167 through 355.200, and other applicable statutes. Allowable investments are described in Note 1.D.1.

At year end, the City had the following investments and maturities:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities (in Years)</u>			
		<u>Less Than 1</u>	<u>1-5</u>	<u>6-10</u>	<u>More Than 10</u>
U.S. Treasuries	\$24,565,683	\$ 4,768,301	\$15,743,810	\$4,053,572	\$ -
U.S. Agencies	31,071,567	12,553,741	15,058,894	2,555,037	903,895
Corporate Bonds	6,629,922	1,100,231	4,025,983	918,704	585,004
Certificates of Deposit	511,685	101,002	217,032	193,651	-
State of Nevada Local Government Investment Pool	<u>21,408,699</u>	<u>21,408,699</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$84,187,556</u>	<u>\$39,931,974</u>	<u>\$35,045,719</u>	<u>\$7,720,964</u>	<u>\$1,488,899</u>

Interest Rate Risk. As a means of limiting its exposure to fair value losses arising from rising interest rates, the city's investment policy states that portfolio maturities must be structured to avoid the forced sale of securities in any but the most severe circumstances. To this end, portfolio management procedures will provide for the projection of a "minimum liquidity requirement" for the City's operating fund.

CARSON CITY
NOTES TO FINANCIAL STATEMENTS
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(Continued)

The following procedures will be applied:

- **Minimum Liquidity Requirement:** This is defined as the total cash flow needed to pay City obligations for a period of four weeks. All securities to be included in the "minimum liquidity requirement" must mature within 28 days.
- **Intermediate Market Investment:** That portion of City funds remaining after deletion of the "minimum liquidity requirement" may be invested in the intermediate market, defined herein as instruments maturing between zero and ten years.
- **No U.S. bonds, debentures, bills, notes, agency obligations or securities purchased may have a maturity date of more than 10 years from the date of purchase.**

Credit Risk. As of June 30, 2005, the City's investments in U.S Agencies were rated AAA by Standard and Poor's and Aaa by Moody's Investors Service. The City's investment in the State of Nevada Local Government Investment Pool is unrated. Of the City's investments in corporate bonds, \$3,493,965 was rated AAA/Aaa, \$355,585 was rated AA/Aa, and \$2,780,372 was rated A.

Concentration of Credit Risk. The City's investment policy states that no more than 20% of the total book value of the portfolio will be invested in a single security type with the exception of U.S. Treasury and government agency securities.

At June 30, 2005, the following investments exceeded 5% of the City's total:

Federal Home Loan Banks	15.46%
Federal National Mortgage Association	9.81%
Federal Home Loan Mortgage Corporation	8.99%

At year end, the component units' investments and maturities were as follows:

	Fair Value	Investment Maturity Less Than 1 Year
State of Nevada Local Government Investment Pool	<u>\$5,181,017</u>	<u>\$5,181,017</u>

A reconciliation of cash and investments as shown on the Statement of Net Assets for the primary government follows:

Cash on hand	\$ 6,683
Carrying amount of deposits	2,200,251
Carrying amount of investments	<u>84,187,556</u>
	86,394,490
Less: Carrying amount of deposits held for component unit	<u>(3,139)</u>
	<u>\$86,391,351</u>
Cash and investments – governmental activities	\$47,789,876
Cash and investments – business-type activities	30,599,733
Cash and investments – investment trust fund	2,458,772
Cash and investments – agency funds	1,638,202
Cash and investments – restricted	<u>3,904,768</u>
	<u>\$86,391,351</u>

CARSON CITY
NOTES TO FINANCIAL STATEMENTS
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(Continued)

The State of Nevada Local Government Investment Pool is an external pool administered by the State Treasurer, with oversight by the State of Nevada Board of Finance.

Carson City administers an external investment pool combining Carson City money with involuntary investments from the Carson City School District. Each participant's share is equal to their original investment plus or minus monthly allocation of interest income and realized and unrealized gains and losses. The fair value of Carson City's investments is determined annually. The determination of realized gains and losses is independent of the determination of the net change in the fair value of investments and realized gains and losses on investments that were held by the governmental entity during a previous accounting period(s) but sold during the current period were used to compute the change in the fair value of investments for the previous year(s) as well as the current year. The participant's share and redemption value are calculated using the same method. The Board of Supervisors has overall responsibility for investment of City funds, including the Investment Trust Fund, in accordance with NRS 355.175. The Carson City Chief Investment Official is the Carson City Treasurer, under authority delegated by the Board of Supervisors. The City has not provided or obtained any legally binding guarantees during the period to support the value of shares. The external investment pool is not registered with the SEC as an investment company.

Summary of investments held in the external investment pool at June 30, 2005:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Principal Amount/ Number of Shares</u>	<u>Interest Rate</u>	<u>Maturity Dates</u>
U.S. Treasuries	\$24,565,683	\$26,143,802	1.875-5.875%	11/30/2005- 08/15/2014
U.S. Agencies	31,071,567	\$31,105,750	1.85-6.956%	07/15/2005- 09/20/2025
Corporate Bonds	6,629,922	\$6,601,219	1.44-7.00%	12/19/2005- 10/15/2041
Certificates of Deposit	511,685	\$513,000	3.10-6.90%	02/21/2006- 03/12/2013
State of Nevada Local Government Investment Pool	<u>21,408,699</u>	21,408,699	Variable Shares	7/1/2005
Total Pooled Investments	<u>\$84,187,556</u>			

External Investment Pool financial statements:

Statement of Net Assets, June 30, 2005

Assets:	
Investments in securities:	
U.S. Treasuries	\$24,565,683
U.S. Agencies	31,071,567
Corporate Bonds	6,629,922
Certificates of Deposit	511,685
State of Nevada Local Government Investment Pool	21,408,699
Interest receivable	<u>510,366</u>
Total Assets	<u>\$84,697,922</u>

CARSON CITY
NOTES TO FINANCIAL STATEMENTS
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(Continued)

Net assets consist of:	
Internal participants	\$82,239,150
External participants	<u>2,458,772</u>
Total Net Assets Held in Trust for Pool Participants (Participant units outstanding, \$1.00/par)	<u>\$84,697,922</u>

Statement of Changes in Net Assets, Year Ended June 30, 2005

Additions:	
Investment income	\$ 1,994,449
Capital share transactions	<u>13,947,607</u>
Total Increase	15,942,056
Net assets:	
Beginning of Year	<u>68,755,866</u>
End of Year	<u>\$84,697,922</u>

B. CAPITAL ASSETS

Capital asset activity of the primary government for the year ended June 30, 2005 was as follows:

	Balance <u>July 1, 2004</u>	Increases	Decreases	Balance <u>June 30, 2005</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 17,448,539	\$ 3,480,501	\$ -	\$ 20,929,040
Construction in progress – infrastructure	1,675,994	327,914	(1,185,528)	818,380
Construction in progress	<u>7,705,764</u>	<u>1,388,829</u>	<u>(4,370,465)</u>	<u>4,724,128</u>
Total Capital Assets not being Depreciated	<u>26,830,297</u>	<u>5,197,244</u>	<u>(5,555,993)</u>	<u>26,471,548</u>
Capital assets, being depreciated:				
Buildings	51,019,533	3,918,783	(103,104)	54,835,212
Improvements other than buildings	21,623,290	341,727	-	21,965,017
Machinery and equipment	16,748,940	3,625,879	(907,188)	19,467,631
Infrastructure	<u>5,061,457</u>	<u>3,425,069</u>	<u>-</u>	<u>8,486,526</u>
Total Capital Assets being Depreciated	<u>94,453,220</u>	<u>11,311,458</u>	<u>(1,010,292)</u>	<u>104,754,386</u>

CARSON CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2005
(Continued)

	Balance July 1, 2004	Increases	Decreases	Balance June 30, 2005
Less accumulated depreciation for:				
Buildings	\$ (9,165,015)	\$ (1,027,054)	\$ -	\$ (10,192,069)
Improvements other than buildings	(9,136,348)	(588,943)	-	(9,725,291)
Machinery and equipment	(9,240,851)	(1,330,121)	521,081	(10,049,891)
Infrastructure	(71,651)	(113,420)	-	(185,071)
Total Accumulated Depreciation	<u>(27,613,865)</u>	<u>(3,059,538)</u>	<u>521,081</u>	<u>(30,152,322)</u>
Total Capital Assets being Depreciated, Net	<u>66,839,355</u>	<u>8,251,920</u>	<u>(489,211)</u>	<u>74,602,064</u>
Governmental Activities Capital Assets, Net	<u>\$ 93,669,652</u>	<u>\$13,449,164</u>	<u>\$(6,045,204)</u>	<u>\$101,073,612</u>
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 1,495,305	\$ 18,149	\$ -	\$ 1,513,454
Construction in progress	8,997,302	6,728,200	(696,746)	15,028,756
Water rights	8,007,260	-	-	8,007,260
Total Capital Assets not being Depreciated	<u>18,499,867</u>	<u>6,746,349</u>	<u>(696,746)</u>	<u>24,549,470</u>
Capital assets, being depreciated:				
Buildings	12,156,653	171,014	-	12,327,667
Improvements other than buildings	123,436,760	5,247,944	(67,796)	128,616,908
Machinery and equipment	6,766,708	1,069,616	(338,045)	7,498,279
Total Capital Assets being Depreciated	<u>142,360,121</u>	<u>6,488,574</u>	<u>(405,841)</u>	<u>148,442,854</u>
Less accumulated depreciation for:				
Buildings	(2,006,954)	(250,833)	-	(2,257,787)
Improvements other than buildings	(45,807,297)	(3,443,926)	51,347	(49,199,876)
Machinery and equipment	(4,263,039)	(458,988)	231,061	(4,490,966)
Total Accumulated Depreciation	<u>(52,077,290)</u>	<u>(4,153,747)</u>	<u>282,408</u>	<u>(55,948,629)</u>
Total Capital Assets being Depreciated, Net	<u>90,282,83</u>	<u>2,334,827</u>	<u>(123,433)</u>	<u>92,494,225</u>
Business-type activities capital assets, net	<u>\$108,782,698</u>	<u>\$ 9,081,176</u>	<u>\$(820,179)</u>	<u>\$117,043,695</u>

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

Governmental activities:	
General government	\$ 210,580
Judicial	9,463
Public safety	1,386,593
Public works	340,895
Airport	47,005
Health	30,881
Culture and recreation	1,031,560
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	<u>2,561</u>
Total Depreciation Expense - Governmental Activities	<u>\$3,059,538</u>

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NOTES TO FINANCIAL STATEMENTS
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(Continued)

Business-type activities:		
Carson City Sanitary Landfill		\$ 124,218
Ambulance		66,946
Sewer		2,387,624
Water		1,543,594
Cemetery		16,406
Building permits		<u>14,959</u>
Total Depreciation Expense – Business-Type Activities		<u>\$4,153,747</u>

Construction commitments

The City was committed to construction projects in various funds, as of June 30, 2005, as follows:

Project Name Contract Number Vendor Name	<u>Bid Award</u>	<u>Value of Work Completed as of June 30, 2005</u>	<u>Remaining Commitment as of June 30, 2005</u>
<u>Water and Sewer Funds:</u>			
2003/2004 Sewer and Water Replacement Project #2003-100 Canyon Creek Construction	\$1,488,727	\$1,403,604	\$ 85,123
<u>Water Fund:</u>			
Highway 50 East Tank and Booster Pump Station Project #2004-049 Resource Development Company	3,235,558	2,710,132	525,426
<u>Water Fund:</u>			
Production Wells #25B & Well #51 #2004-110 Resource Development Company	610,900	156,060	454,840
<u>Water Fund:</u>			
Production Wells #10B & Well #55 #2004-111 Resource Development Company	664,100	109,982	554,118
<u>Capital Acquisition and Development Fund:</u>			
Carson City Hall Expansion (Re-bid) #2004-072 Building Solutions, LLC.	484,671	143,457	341,214
<u>Capital Facilities Fund:</u>			
Sheriff's Administration Building -- Construction Manager #2004-079 Metcalf Builders, Inc.	100,000	4,180	<u>95,820</u>
Total			<u>\$2,056,541</u>

CARSON CITY
NOTES TO FINANCIAL STATEMENTS
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Other Commitments:

On April 1, 1997, the City entered into an agreement with the State of Nevada, Department of Transportation (Highway Agreement No. R159-97-060) to help construct the Carson City Bypass. The City is funding this obligation through a \$.05 increase in the county motor vehicle fuel tax. The City intends to contribute a total of \$19 million plus interest. As of June 30, 2005 the City has contributed \$14,196,189.

In August 2004, the City and the State of Nevada, Department of Transportation (NDOT) added Amendment 1 to the above Agreement. The amendment provides for the following:

- The City shall pay to NDOT an amount of \$15,000,000, with payments beginning upon completion of the funding obligation for Phase I of the freeway as prescribed in Highway Agreement No. R159-97-060 and amended herein, estimated to start in 2011 and finish in 2026. For Phase 2, the City shall pay the tax based on a \$.03 levy in the county motor vehicle fuel tax. The amounts received from the additional \$.02 levy will be used to maintain Carson Street and Fairview Drive as described below.
- It is further agreed that the City will assume ownership and maintenance responsibility for Carson Street from approximately Arrowhead Drive in the north to the intersection of the Carson City Freeway at the Spooner Intersection to the south, upon construction completion to the point when vehicles are using Phase 2.
- The City also agrees to construct Fairview Drive to a minimum of four through lanes with turn lanes, from the terminus of Phase 2A at Fairview Drive to US 395/Carson Street, and to be responsible for maintenance of Fairview Drive.
- NDOT agrees to defer payment by the City of the current \$.05 tax as defined in Highway Agreement No. R159-97-060 from the period beginning July 1, 2005 through June 30, 2008, to allow the City to utilize the payments for the Fairview Drive improvements.

Discretely presented component units

Activity for the Airport Authority for the year ended June 30, 2005 was as follows:

	<u>Balance</u> <u>July 1, 2004</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>June 30, 2005</u>
Capital assets not being depreciated:				
Land	\$ 146,542	\$ -	\$ -	\$ 146,542
Capital assets being depreciated:				
Machinery and equipment	525,764	-	-	525,764
Less accumulated depreciation for:				
Machinery and equipment	(456,824)	(6,472)	-	(463,296)
Total Capital Assets being Depreciated, Net	68,940	(6,472)	-	62,468
Airport Authority Capital Assets, Net	<u>\$ 215,482</u>	<u>\$ (6,472)</u>	<u>\$ -</u>	<u>\$ 209,010</u>

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NOTES TO FINANCIAL STATEMENTS
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(Continued)

Activity for the Convention and Visitors' Bureau for the year ended June 30, 2005 was as follows:

	Balance July 1, 2004	Increases	Decreases	Balance June 30, 2005
Capital assets, being depreciated:				
Buildings	\$135,000	\$ -	\$ -	\$135,000
Improvement other than buildings	8,729	-	-	8,729
Machinery and equipment	<u>28,194</u>	<u>5,097</u>	<u>(6,323)</u>	<u>26,968</u>
Total Capital Assets being Depreciated	<u>171,923</u>	<u>5,097</u>	<u>(6,323)</u>	<u>170,697</u>
Less accumulated depreciation for:				
Buildings	(34,833)	(4,183)	-	(39,016)
Improvements other than buildings	(5,529)	(582)	-	(6,111)
Machinery and equipment	<u>(21,361)</u>	<u>(5,312)</u>	<u>6,323</u>	<u>(20,350)</u>
Total Accumulated Depreciation	<u>(61,723)</u>	<u>(10,077)</u>	<u>6,323</u>	<u>(65,477)</u>
Convention and Visitor's Bureau Capital Assets, Net	<u>\$110,200</u>	<u>\$ (4,980)</u>	<u>\$ -</u>	<u>\$105,220</u>

C. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances as of June 30, 2005, is as follows:

Due to/from other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General fund	Nonmajor governmental funds	<u>\$545,000</u>

The above interfund balances at June 30, 2005 are generally short-term loans to cover temporary cash deficits in various funds. They are expected to be repaid in the next fiscal year.

Due to/from primary government and component units:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Primary government – general fund	Component unit – Convention and Visitors' Bureau	<u>\$ 11,680</u>
Primary government – Nonmajor governmental fund	Component unit – Convention and Visitors' Bureau	<u>955</u>
Component unit – Convention and Visitors' Bureau	Primary government – Nonmajor governmental fund	<u>5,479</u>

CARSON CITY
NOTES TO FINANCIAL STATEMENTS
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(Continued)

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Component unit – Airport Authority	Primary government – general fund	\$ 74,772
	Primary government – Nonmajor governmental fund	<u>29,226</u>
	Subtotal	<u>103,998</u>
	Total	<u>\$122,112</u>

Interfund transfers:

<u>Transfer out:</u>	<u>Transfer In:</u>			
	<u>General Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Internal Service Funds</u>	<u>Total</u>
General fund	\$ -	\$5,704,827	\$750,000	\$ 6,454,827
Quality of Life fund	140,914	551,240	-	692,154
Nonmajor governmental funds	28,250	1,987,101	-	2,015,351
Water enterprise fund	-	326,573	-	326,573
Stormwater Drainage enterprise fund	-	<u>1,222,538</u>	-	<u>1,222,538</u>
Total transfers out	<u>\$169,164</u>	<u>\$9,792,279</u>	<u>\$750,000</u>	<u>\$10,711,443</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, and (2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

D. LONG-TERM DEBT

General Obligation Bonds. The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both governmental and business-type activities. In addition, general obligation bonds have been issued to refund general obligation bonds. General obligation bonds are direct obligations and pledge the full faith and credit of the City. These bonds generally are issued as serial bonds with equal amounts of principal maturing each year. General obligation bonds currently outstanding are as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
Governmental activities	2.0-8.0%	\$30,718,154
Governmental activities - refunding	2.9-5.4%	7,235,000
Business-type activities	1.6-7.5%	46,196,941
Business-type activities - refunding	3.0-6.5%	<u>8,095,000</u>
		<u>\$92,245,095</u>

CARSON CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2005
(Continued)

Revenue Bonds. The City also issues bonds where the City pledges income derived from the acquired or constructed assets to pay debt service. Revenue bonds outstanding at year end are as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
Tax Allocation Bond - Redevelopment Authority	5.3-7.0%	\$1,755,000
Regional Transportation	2.0-4.7%	<u>5,575,000</u>
		<u>\$7,330,000</u>

Notes Payable. The City issues notes to provide funds for open space and building improvements. Notes payable outstanding at year end are as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
Energy Retrofit	4.3287%	\$ 699,336
Open Space	3.25%	<u>2,898,700</u>
		<u>\$3,598,036</u>

Capital Leases. The City has entered into lease agreements as lessee for financing the acquisition of office equipment. The net present value of minimum lease payments at year end was \$82,473.

Compensated Absences. The compensated absences liability attributable to governmental activities will be liquidated primarily by the General Fund.

Prior-Year Defeasance of Debt. In prior years, the City defeased certain general obligation and other bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the City's financial statements. On June 30, 2005, \$6,290,000 of bonds outstanding are considered defeased. This amount is made up of \$2,730,000 from Business-type activities and \$3,560,000 from Governmental activities.

Conduit Debt. On March 4, 2002, and October 1, 2003, the City issued \$45,185,000 and \$95,000,000, respectively, in revenue bonds for Carson-Tahoe Hospital, a non-profit corporation. The bonds, issued pursuant to NRS Chapter 268, are not obligations of the City, nor shall they ever constitute a debt of the City and therefore have been excluded from the City's financial statements. The principal balance outstanding at June 30, 2005 was \$138,840,000.

CARSON CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2005
(Continued)

Changes in long-term liabilities. Long-term liability activity of the primary government for the year ended June 30, 2005, was as follows:

	Balance July 1, 2004	Additions	Reductions	Balance June 30, 2005	Due Within One Year
Governmental Activities:					
Bonds payable:					
General obligation bonds:					
4.0 to 4.1% Parks refunding general obligation bonds series 1998A, due 02/01/2007	\$ 1,010,000	\$ -	\$ (320,000)	\$ 690,000	\$ 335,000
4.0 to 4.1% Fire refunding general obligation bonds series 1998A, due 02/01/2006	435,000	-	(215,000)	220,000	220,000
Subtotal	<u>1,445,000</u>	<u>-</u>	<u>(535,000)</u>	<u>910,000</u>	<u>555,000</u>
General obligation revenue bonds:					
5.05 to 8.0% Public Safety general obligation revenue bonds series 1997A, due 05/01/22	8,970,000	-	(185,000)	8,785,000	300,000
3.50 to 5.0% Parks general obligation revenue bonds series 1998A, due 11/01/18	3,995,000	-	(195,000)	3,800,000	200,000
3.50 to 5.1% Capital Improvement general obligation revenue bonds series 1998B, due 11/01/18	820,000	-	(40,000)	780,000	40,000
5.0 to 5.4% Capital Improvement general obligation revenue bonds series 1999A, due 07/01/20	2,180,000	-	(90,000)	2,090,000	95,000
4.0 to 5.0% 2001 Redevelopment general obligation revenue bonds, due 06/01/21	1,950,000	-	(40,000)	1,910,000	30,000
4.0 to 5.0% 2001 Senior Citizens Center general obligation revenue bonds, due 05/01/18	1,560,000	-	(85,000)	1,475,000	85,000
4.32% 2001 Energy Retrofit general obligation revenue bonds, due 05/28/12	1,158,990	-	(95,836)	1,063,154	78,861
5.0% Golf Course refunding general obligation revenue bonds series 1997D, due 01/01/06	800,000	-	(390,000)	410,000	410,000
4.0 to 5.4% Parks refunding general obligation revenue bonds series 1997C, due 02/01/11	1,160,000	-	(140,000)	1,020,000	150,000
2.9 to 3.5% Public Safety refunding general obligation revenue bonds series 2003, due 05/31/15	4,895,000	-	-	4,895,000	-
2.0 to 4.625% Room Tax Revenue supported general obligation revenue bonds series 2003, due 06/31/23	4,040,000	-	(40,000)	4,000,000	40,000
3.0 to 4.4% Parks general obligation revenue bonds series 2005, due 03/01/25	-	980,000	-	980,000	35,000
3.0 to 4.625% Parks general obligation revenue bonds series 2005, due 03/01/30	-	5,835,000	-	5,835,000	20,000
Subtotal	<u>31,528,990</u>	<u>6,815,000</u>	<u>(1,300,836)</u>	<u>37,043,154</u>	<u>1,485,861</u>

CARSON CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2005
(Continued)

	Balance July 1, 2004	Additions	Reductions	Balance June 30, 2005	Due Within One Year
Special Assessment Bonds:					
4.0 to 5.3% Graves Lane improvement district bonds series 1994, due 06/01/05	\$ 215,000	\$ -	\$ (215,000)	\$ -	\$ -
Revenue Bonds:					
5.3 to 7.0% 1996 Redevelopment revenue bonds, due 05/01/13	1,885,000	-	(130,000)	1,755,000	145,000
2.0 to 4.7% 2003 Highway Revenue motor vehicle fuel tax revenue bonds, due 06/01/23	5,785,000	-	(210,000)	5,575,000	215,000
Subtotal	7,670,000	-	(340,000)	7,330,000	360,000
Notes Payable:					
4.3287% Energy Retrofit Instalment Purchase Financing	755,713	-	(56,377)	699,336	62,019
3.25% Parks general obligation (limited tax) medium-term note dated 12/15/2004, due 12/15/2014	-	3,028,000	(129,300)	2,898,700	265,000
Subtotal	755,713	3,028,000	(185,677)	3,598,036	327,019
Less deferred amounts:					
For issuance discounts	(140,309)	(66,349)	8,244	(198,414)	-
On refunding	(967,292)	-	88,607	(878,685)	-
Total Bonds and Notes Payable	40,507,102	9,776,651	(2,479,662)	47,804,091	2,725,880
Incurring but not Reported Claims Liability:	102,509	-	(32,880)	49,629	-
Capital Leases:	-	85,749	(3,276)	82,473	13,205
Compensated Absences Payable:	3,100,886	365,732	(17,621)	3,448,997	293,947
Governmental Activity Long-Term Liabilities	43,710,497	10,228,132	(2,553,439)	51,385,190	3,033,032
Business Type Activities:					
Bonds payable:					
General obligation revenue bonds:					
5.0 to 5.1% Water general obligation revenue bonds series 1995 (unrefunded portion), due 6/16/05	100,000	-	(100,000)	-	-
3.7 to 6.5% Water refunding general obligation revenue bonds series 1997, due 9/31/11	3,920,000	-	(405,000)	3,515,000	433,000
4.4 to 7.5% Water general obligation revenue bonds series 1997, due 5/01/13	1,250,000	-	(115,000)	1,135,000	120,000
3.5 to 4.7% Water general obligation revenue bonds series 1998C, due 5/01/14	1,240,000	-	(105,000)	1,135,000	105,000
4.9 to 5.0% Water general obligation revenue bonds series 1999B, due 11/01/14	1,225,000	-	(85,000)	1,140,000	90,000
4.875 to 5.2% Water general obligation revenue bonds series 2000B, due 12/01/15	1,135,000	-	(70,000)	1,065,000	75,000
1.6 to 4.9% Water general obligation revenue bonds series 2002, due 11/01/16	1,175,000	-	(175,000)	1,000,000	185,000

CARSON CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2005
(Continued)

	Balance July 1, 2004	Additions	Reductions	Balance June 30, 2005	Due Within One Year
3.0 to 5.0% Water refunding general obligation revenue bonds series 2003, due 11/01/09	\$ 2,605,000	\$ -	\$ (290,000)	\$ 1,715,000	\$ 305,000
3.0 to 5.0% Water refunding general obligation revenue bonds series 2003, due 11/01/15	1,360,000	-	-	1,360,000	-
3.0 to 5.0% Water general obligation revenue bonds series 2003, due 11/01/23	6,000,000	-	(190,000)	5,810,000	195,000
3.5 to 4.2% Water general obligation revenue bonds series 2005A, due 6/01/25	-	9,000,000	-	9,000,000	310,000
4.0% Sewer general obligation revenue bonds, dated 1994 State of Nevada revolving loan, due 07/01/2014	1,633,167	-	(127,950)	1,505,217	133,120
3.825% Sewer general obligation revenue bonds, dated 1996 State of Nevada revolving loan, due 07/01/2015	1,486,036	-	(105,085)	1,380,951	109,142
5.0 to 5.1% Sewer general obligation revenue bonds series 1995 (unrefunded portion), due 06/16/05	100,000	-	(100,000)	-	-
5.0 to 6.5% Sewer refunding general obligation revenue bonds series 1997, due 09/01/05	185,000	-	(90,000)	95,000	95,000
3.23% Sewer general obligation revenue bonds, dated 1998 State of Nevada revolving loan, due 07/01/18	5,207,487	-	(286,714)	4,920,773	296,050
3.5 to 4.7% Sewer general obligation revenue bonds series 1998D, due 11/01/13	875,000	-	(70,000)	805,000	75,000
4.875 to 5.2% Sewer general obligation revenue bonds series 2000B, due 12/01/15	2,360,000	-	(145,000)	2,215,000	155,000
1.6 to 4.9% Sewer general obligation revenue bonds series 2002, due 11/01/16	2,950,000	-	(165,000)	2,785,000	170,000
3.0 to 5.0% Sewer refunding general obligation revenue bonds series 2003, due 11/01/15	1,410,000	-	-	1,410,000	-
3.0 to 5.0% Sewer general obligation revenue bonds series 2003, due 11/01/23	4,000,000	-	(125,000)	3,875,000	135,000
4.0 to 4.15% 2001 Landfill general obligation revenue bonds, due 06/01/08	555,000	-	(130,000)	425,000	135,000
3.0 to 4.25% Drainage general obligation revenue bonds series 2005B, due 06/01/25	-	6,000,000	-	6,000,000	205,000
Subtotal	<u>42,171,690</u>	<u>15,000,000</u>	<u>(2,879,749)</u>	<u>54,291,941</u>	<u>3,323,312</u>
Deferred amounts:					
For issuance premiums	673,739	55,086	(59,458)	669,367	-
On refunding	(364,214)	-	49,319	(314,895)	-
Total bonds payable	<u>42,481,215</u>	<u>15,055,086</u>	<u>(2,889,888)</u>	<u>54,646,413</u>	<u>3,323,312</u>
Landfill Closure/Post closure costs:	1,327,596	-	(438,240)	889,356	-
Compensated Absences Payable:	605,351	29,714	-	635,065	69,973
Business-Type Activity Long-Term Liabilities	<u>44,414,162</u>	<u>15,084,800</u>	<u>(3,328,128)</u>	<u>56,170,834</u>	<u>3,393,285</u>
Total debt	<u>\$ 88,124,659</u>	<u>\$ 25,312,932</u>	<u>\$ (5,881,567)</u>	<u>\$ 107,556,024</u>	<u>\$ 6,426,317</u>

CARSON CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2005
(Continued)

Internal service funds predominately serve the governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. At year-end, \$117,799 of internal service funds compensated absences and \$49,629 of incurred but not reported claims liability are included in the above amounts.

Discretely presented component units

Long-term liability activity for the Airport Authority for the year ended June 30, 2005, was as follows:

	Balance July 1, 2004	Additions	Reductions	Balance June 30, 2005	Due Within One Year
Capital leases	\$ 251,333	\$ -	\$ (6,240)	\$ 245,093	\$ 6,240

Long-term liability activity for the Convention and Visitors' Bureau for the year ended June 30, 2005, was as follows:

	Balance July 1, 2004	Additions	Reductions	Balance June 30, 2005	Due Within One Year
Compensated absences	\$ 43,869	\$ 4,653	\$ -	\$ 48,522	\$ -

Payment requirements for debt service. The annual debt service requirements to maturity for all bonds outstanding of the primary government are as follows:

Year Ended June 30	GOVERNMENTAL ACTIVITIES							
	General Obligation Bonds		General Obligation Revenue Bonds		Revenue Bonds		Notes Payable	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2006	\$ 555,000	\$ 37,032	\$ 1,485,861	\$ 1,671,828	\$ 560,000	\$ 330,313	\$ 327,019	\$ 121,549
2007	355,000	14,555	1,239,942	1,620,646	380,000	315,465	339,604	110,055
2008	-	-	1,366,897	1,563,503	405,000	300,250	355,335	98,072
2009	-	-	1,649,754	1,498,893	435,000	281,365	369,834	85,507
2010	-	-	1,728,569	1,423,152	460,000	260,450	387,216	72,378
2011-2015	-	-	9,864,131	5,987,042	2,150,000	926,565	1,819,028	146,961
2016-2020	-	-	10,790,000	3,721,604	1,595,000	524,218	-	-
2021-2025	-	-	6,095,000	1,287,975	1,545,000	146,925	-	-
2026-2030	-	-	2,825,000	399,419	-	-	-	-
Total	\$ 910,000	\$ 51,587	\$ 37,043,154	\$ 19,174,062	\$ 7,330,000	\$ 3,086,491	\$ 3,598,036	\$ 634,522

Year Ended June 30	GOVERNMENTAL ACTIVITIES Capital Leases	
	Principal	Interest
2006	\$ 13,205	\$ 10,850
2007	15,203	8,849
2008	17,509	6,546
2009	20,169	3,885
2010	16,387	992
2011-2015	-	-
2016-2020	-	-
2021-2025	-	-
2026-2030	-	-
Total	\$ 82,473	\$ 31,122

Year Ended June 30	BUSINESS-TYPE ACTIVITIES General Obligation Revenue Bonds	
	Principal	Interest
2006	\$ 3,323,312	\$ 2,214,035
2007	3,622,546	2,059,432
2008	3,807,471	1,894,264
2009	3,833,116	1,724,133
2010	4,004,507	1,559,865
2011-2015	17,580,439	5,512,325
2016-2020	10,305,550	2,502,619
2021-2025	7,815,000	804,121
Total	\$ 54,291,941	\$ 18,270,734

CARSON CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2005
(Continued)

E. RESTRICTED ASSETS

The balances of the City's restricted cash and investment accounts in the enterprise funds are comprised of the following:

	<u>Sewer</u>	<u>Water</u>	<u>Total</u>
Connection deposits	\$ 11,763	\$ 20,562	\$ 32,325
Construction contracts, retained percent	78,420	329,260	407,680
Emergency replacement	<u>2,545,363</u>	<u>-</u>	<u>2,545,363</u>
	<u>\$2,635,546</u>	<u>\$349,822</u>	<u>\$2,985,368</u>

The balances of the City's restricted asset accounts in the governmental funds are as follows:

	<u>General</u>	<u>Commissary</u>	<u>Total</u>
Funds held in trust	<u>\$897,331</u>	<u>\$22,069</u>	<u>\$919,400</u>

NOTE 4 - OTHER INFORMATION

A. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The City has joined together with similar public agencies (cities, counties and special districts) throughout the State of Nevada to create a pool under the Nevada Interlocal Cooperation Act. The Nevada Public Agency Insurance Pool (Pool) is a public entity risk pool currently operating as a common risk management and insurance program for its members. The City pays an annual premium and is subject to a \$100,000 deductible per occurrence. The Pool is considered a self-sustaining risk pool that will provide coverage for its members up to \$200,000/\$350,000 per insured event. The Pool obtains independent coverage for insured events in excess of these limits. Other coverage currently held by the City, including airport liability, boiler and machinery, and bonds on public officials, are insured without a deductible. In addition, certain automobile damage is self-insured by the City.

The City became a member of the Public Agency Compensation Trust (PACT) for workers' compensation beginning July 1, 2003. The City pays an annual premium and there are no deductibles. The PACT is considered a self-sustaining risk pool that will provide coverage for its members up to \$350,000/\$600,000 per insured event. The Pool obtains independent coverage for insured events in excess of these limits. The City retains liability for claims for the period from July 1, 1992 to June 30, 2003 when the City was self-insured.

Liabilities are reported when it is probable that a loss has occurred and the amount of loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNRs). Claims liabilities are calculated considering the effects of inflation, recent claim settlement trends, including frequency and amount of payouts, and other economic and social factors.

CARSON CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2005
(Continued)

The liabilities for claims and judgments are reported in the Workers' Compensation and Insurance Funds. Changes in the balances of claims liabilities during the past two years are as follows:

	Current Portion	Long-Term Portion	Totals	
			2005	2004
Unpaid claims, beginning of fiscal year	\$ 806,750	\$102,509	\$ 909,259	\$1,076,023
Claims and changes in estimates	973,780	(52,880)	920,900	254,552
Claim payments	<u>(1,092,377)</u>	<u>-</u>	<u>(1,092,377)</u>	<u>(421,316)</u>
Unpaid claims, end of fiscal year	<u>\$ 688,153</u>	<u>\$ 49,629</u>	<u>\$ 737,782</u>	<u>\$ 909,259</u>

Settlements have not exceeded coverages in any of the past three fiscal years.

B. LANDFILL CLOSURE AND POSTCLOSURE COSTS

The City operates a Municipal Solid Waste Landfill. The operation of this landfill is regulated by both federal and state governments under Subtitle D (40 CFR Part 258) and NRS 444.556. Recognition of liability for closure and post closure care costs is based on landfill capacity used to date. This liability at June 30, 2005, \$889,356, is reported in the Carson City Sanitary Landfill Enterprise Fund. It is estimated that the landfill will be used for an additional fifty-six years and that at June 30, 2005, approximately 12.12 percent of its capacity had been utilized. The City passes the EPA "financial assurance test" for local governments, and will self-assure payment for its obligations for closure, post closure, and corrective care costs. The estimated total current cost of closure and post closure care, \$7,337,922, has been calculated in 2005 dollars in accordance with current federal and state regulations and will be adjusted each year for the effects of inflation or deflation.

C. CONTINGENT LIABILITIES

The City is a defendant in various lawsuits. Although the outcome of these lawsuits is not determinable, it is the opinion of the District Attorney, the City's counsel, that resolution of these matters will not have a material adverse effect on the financial condition of the City.

The City has wells that currently exceed the proposed federal drinking water standard for naturally occurring arsenic concentrations. Depending upon the final outcome of the regulations, the City may incur approximately \$6,700,000 by 2009 to meet the new standard.

D. OTHER POSTEMPLOYMENT BENEFITS

In addition to the pension benefits described in Note 4E, the City provides for a portion of postretirement health care benefits, in accordance with Carson City Administration Policy No. 3, to all employees who have been full-time, permanent employees for 10 or more years and have served 5 years immediately prior to retirement with Carson City. They must also be eligible to draw retirement benefits in accordance with the policies set forth under the Retirement Board regulations, be insurable under the eligibility requirements established by the City's insurance carrier, have been covered under a City paid group insurance program other than Industrial Insurance, and have been favorably terminated from City services. The City reimburses a portion of the monthly premium paid to the group insurance company at a rate of \$6 per month for each year of service up to the total cost of the premium. The City accounts for and finances these benefits on a pay-as-you-go basis. Currently, 171 retirees are receiving these benefits. Expenditures of \$300,121 were recognized for the portion paid by the City for postretirement health care

CARSON CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2005
(Continued)

for the fiscal year ended June 30, 2005. There are 122 retirees deducting medical insurance premiums from their pension benefits. Such deductions were in the amount of \$459,202 during the fiscal year ended June 30, 2005.

E. DEFINED BENEFIT PENSION PLAN

Plan Description. Carson City contributes to the Public Employees Retirement System of the State of Nevada (PERS), a cost sharing, multiple employer, defined benefit plan administered by the Public Employees Retirement System of the State of Nevada. PERS provides retirement benefits, disability benefits, and death benefits, including annual cost of living adjustments, to plan members and their beneficiaries. Chapter 286 of the Nevada Revised Statutes establishes the benefit provisions provided to the participants of PERS. These benefit provisions may only be amended through legislation. The Public Employees Retirement System of the State of Nevada issues a publicly available financial report that includes financial statements and required supplementary information for PERS. That report may be obtained by writing to the Public Employees Retirement System of the State of Nevada, 693 West Nye Lane, Carson City, NV 89703-1599 or by calling (775) 687-4200.

Funding Policy. Plan members' benefits are funded under one of two methods. Under the employer pay contribution plan, the City is required to contribute all amounts due under the plan. The rate for those contributions was 20.25% for regular members and 28.50% for police and fire employee members on all covered payroll. The second funding mechanism for providing benefits to regular employees is the employer/employee paid contribution plan. Under this method, employees are required to contribute a percentage of their compensation to the plan, while the City is required to match that contribution. The rate for regular employees under this plan was 10.50%. The contribution requirements of plan members and the City are established by NRS Chapter 286. The funding mechanism may only be amended through legislation. The City's contributions to PERS for the years ended June 30, 2005, 2004, and 2003 were \$6,916,465, \$6,441,314 and \$5,933,500, respectively, equal to the required contributions each year. The contribution rates for the year ended June 30, 2005 were the same as disclosed above. The contribution rates for the years ended June 30, 2004 and June 30, 2003 were 20.25% and 18.75% for regular employees, respectively, 28.50% for police and fire employees under the employer paid plan, and 10.50% and 9.75% for regular employees under the employer/employee paid plan, respectively.

F. FUND ADDITIONS/DELETIONS

The Waterfall Fire Fund, a special revenue fund, was created during fiscal year 2004-2005. This fund was established to account for revenues raised and expenditures incurred to rehabilitate and mitigate future hazards in the area destroyed by the Waterfall Fire.

The Firefighter Retirement Medical Fund, a special revenue fund, was created during fiscal year 2004-2005. This fund was established to account for revenues raised and expenditures incurred to provide retirement medical benefits to qualified retirees of the Carson City Fire Department.

The Park Bond Construction Fund, a capital projects fund, was deleted during fiscal year 2004-2005. The Carson City Convention and Visitors' Bureau is now responsible for payment of the bonds.

GENERAL FUND

The General Fund is used to account for resources traditionally associated with government, which are not required legally or by sound financial management to be accounted for in another fund.

**CARSON CITY
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2005
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2004)
(PAGE 1 OF 15)**

	FINAL BUDGET	ACTUAL	VARIANCE	2004
Revenues:				
Taxes:				
Ad valorem	\$ 10,831,497	\$ 10,787,005	\$ (44,492)	\$ 10,301,693
Licenses and permits:				
Business licenses and permits:				
Business licenses	805,000	784,363	(20,637)	779,859
Liquor licenses	131,000	142,193	11,193	130,415
City / county gaming licenses	540,000	644,300	104,300	608,645
Right of way toll	115,000	104,631	(10,369)	108,203
Franchise fees:				
Gas	880,000	1,122,272	242,272	748,790
Electric	1,300,000	1,336,997	36,997	1,181,984
Telephone	850,000	831,798	(18,202)	820,514
Sanitation	330,000	334,161	4,161	320,699
Cable television	360,000	351,280	(8,720)	361,470
	<u>5,311,000</u>	<u>5,651,995</u>	<u>340,995</u>	<u>5,060,579</u>
Nonbusiness licenses and permits:				
Marriage licenses	25,000	23,541	(1,459)	23,933
Animal licenses	13,000	12,596	(404)	14,905
Mobile home permits	-	108	108	158
	<u>38,000</u>	<u>36,245</u>	<u>(1,755)</u>	<u>38,996</u>
Total Licenses and Permits	<u>5,349,000</u>	<u>5,688,240</u>	<u>339,240</u>	<u>5,099,575</u>
Intergovernmental revenues:				
Federal grants:				
Drug Enforcement Administration	6,000	6,965	965	2,074
Tri-Net	157,124	157,124	-	158,385
State Criminal Alien Assistance	-	-	-	37,387
Public Assistance	49,785	54,737	4,952	-
Domestic Violence Prosecutor	67,808	54,523	(13,285)	53,115
Mills Park Arboretum	-	-	-	3,187
Alternative Sentencing Officer	46,625	46,625	-	41,000
F.E.M.A. Training	-	601	601	26,956
CDBG Entitlement	511,500	194,611	(316,889)	17,645

**CARSON CITY
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2005
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2004)
(PAGE 2 OF 15)**

	FINAL BUDGET	ACTUAL	VARIANCE	2004
Emergency Management	\$ 49,508	\$ 64,320	\$ 14,812	\$ 39,704
Business Development & Activity	-	-	-	32,249
Federal Child Nutrition	24,000	28,615	4,615	27,045
Juvenile Offender	12,105	10,524	(1,581)	11,230
Juvenile Food Donation	-	2,831	2,831	1,623
Byrne Grant	-	-	-	18,880
BIA Housing, Juvenile	5,000	-	(5,000)	8,872
COPS In Schools	-	-	-	19,443
EUDL	7,860	5,926	(1,934)	9,492
Child Support Enforcement	409,107	403,420	(5,687)	357,925
Renewable Energy Development	-	-	-	15,000
Community Services Block Grant	81,828	78,155	(3,673)	72,307
PH Prep and Terror Response	157,268	88,910	(68,358)	10,595
Boys and Girls Club HVAC	-	-	-	17,855
HIV / AIDS Program	-	-	-	37,941
Immunization Program	92,000	102,650	10,650	-
Public Health Tracking System	30,893	28,588	(2,305)	25,808
National Forest	-	576	576	568
HMEP Training	11,127	21,776	10,649	18,641
Ryan White Title II Program	30,124	39,467	9,343	9,876
State Fire Assistance	362,594	191,984	(170,610)	82,648
Automated Citation System	-	-	-	45,480
In Car Video	-	-	-	20,018
Accountability Grant	36,682	25,509	(11,173)	37,240
Volunteers in Partnership	8,284	8,137	(147)	23,890
Jackpot	-	600	600	-
Title IIE Challenge	3,845	3,845	-	6,377
Title V Prevention	6,500	-	(6,500)	4,737
Highest and Best Use Study	-	-	-	5,097
Joining Forces	9,939	7,095	(2,844)	11,908
LLEBG	37,970	21,530	(16,440)	34,996
ODP Equipment	1,700,514	1,648,648	(51,866)	405,259
Disaster Mitigation	35,285	5,785	(29,500)	5,215
Speed and Safety Project	-	-	-	17,595
GIS Documentation of Historic Properties	-	-	-	4,000
Signage Historic District	3,015	3,528	513	8,972
	<u>3,954,290</u>	<u>3,307,605</u>	<u>(646,685)</u>	<u>1,788,235</u>
Federal payments in lieu of taxes	<u>50,000</u>	<u>66,721</u>	<u>16,721</u>	<u>65,236</u>
State grants	<u>551,650</u>	<u>112,741</u>	<u>(438,909)</u>	<u>251,204</u>
State shared revenues:				
Consolidated tax revenues	23,295,000	25,661,323	2,366,323	23,827,916
State gaming licenses	160,000	158,355	(1,645)	161,137
Candidate filing fee	-	-	-	650

**CARSON CITY
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	FINAL BUDGET	ACTUAL	VARIANCE	2004
Court administrative assessments	\$ 59,646	\$ 58,105	\$ (1,541)	\$ 27,693
	<u>23,514,646</u>	<u>25,877,783</u>	<u>2,363,137</u>	<u>24,017,396</u>
Other local government grants:				
Interlocal cooperative agreements	189,700	164,588	(25,112)	226,554
Other local government shared revenues:				
Miscellaneous other governments	25,000	190	(24,810)	22,821
Total Intergovernmental Revenues	<u>28,285,286</u>	<u>29,529,628</u>	<u>1,244,342</u>	<u>26,371,446</u>
Charges for services:				
General government:				
Treasurer fees	43,000	39,525	(3,475)	43,568
Clerk fees	153,000	167,117	14,117	154,762
Recorder fees	411,050	422,873	11,823	471,395
Technology fees	52,000	51,108	(892)	57,915
Assessor commissions	130,000	144,576	14,576	126,428
Building and zoning fees	100,000	58,768	(41,232)	65,140
Public administrator fees	78,148	78,148	-	50,464
Administration fees	3,547,949	3,642,456	94,507	2,875,280
Miscellaneous	14,240	9,455	(4,785)	21,647
	<u>4,529,387</u>	<u>4,614,026</u>	<u>84,639</u>	<u>3,866,599</u>
Judicial:				
Drug Court	14,000	11,965	(2,035)	12,780
Court facilities	100,000	114,172	14,172	83,269
Public Defender Fees	240,000	-	(240,000)	-
Justice civil fees	321,000	351,150	30,150	347,206
	<u>675,000</u>	<u>477,287</u>	<u>(197,713)</u>	<u>443,255</u>
Public safety:				
Police:				
Sheriff's fees	260,925	257,910	(3,015)	258,985
Fire	6,000	11,888	5,888	10,793
Protective services	45,000	50,662	5,662	55,874
	<u>311,925</u>	<u>320,460</u>	<u>8,535</u>	<u>325,652</u>

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	FINAL BUDGET	ACTUAL	VARIANCE	2004
Public works:				
Street / engineering charges	\$ 17,500	\$ 12,401	\$ (5,099)	\$ 24,614
Health and sanitation:				
Pet cemetery charges	10,000	10,669	669	14,289
Health inspection fees	45,000	47,891	2,891	50,363
	55,000	58,560	3,560	64,652
Culture and recreation	1,317,761	1,339,820	22,059	1,229,163
Total Charges for Services	6,906,573	6,822,554	(84,019)	5,953,935
Fines and forfeits:				
Library	24,000	22,377	(1,623)	26,176
Court	778,996	797,172	18,176	733,015
Animal services	42,000	28,057	(13,943)	30,445
Total Fines and Forfeits	844,996	847,606	2,610	789,636
Miscellaneous:				
Investment income	600,000	372,720	(227,280)	76,147
Rents and royalties	60,000	60,663	663	66,519
Other	35,000	31,494	(3,506)	74,965
Gifts and donations	41,500	60,574	19,074	67,613
Refunds and reimbursements	57,400	68,688	11,288	48,510
Penalties and interest - delinquent taxes	170,000	167,866	(2,134)	166,227
Total Miscellaneous	963,900	762,005	(201,895)	499,981
Total Revenues	53,181,252	54,437,038	1,255,786	49,016,266
Expenditures:				
General Government:				
Legislative:				
Board of Supervisors:				
Salaries and wages	129,259	125,833	3,426	128,562
Employee benefits	72,123	58,546	13,577	57,930
Services and supplies	53,050	43,163	9,887	33,620
Total Legislative	254,432	227,542	26,890	220,112

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	FINAL BUDGET	ACTUAL	VARIANCE	2004
Executive:				
Clerk:				
Salaries and wages	\$ 210,569	\$ 211,092	\$ (523)	\$ 189,483
Employee benefits	77,055	71,953	5,102	68,809
Services and supplies	25,702	24,490	1,212	17,539
	<u>313,326</u>	<u>307,535</u>	<u>5,791</u>	<u>275,831</u>
Court Clerk:				
Salaries and wages	339,181	308,102	31,079	329,338
Employee benefits	121,816	113,554	8,262	107,571
Services and supplies	20,095	12,792	7,303	17,999
	<u>481,092</u>	<u>434,448</u>	<u>46,644</u>	<u>454,908</u>
Elections:				
Salaries and wages	129,595	133,622	(4,027)	101,490
Employee benefits	38,455	32,012	6,443	33,409
Services and supplies	109,825	88,768	21,057	6,287
	<u>277,875</u>	<u>254,402</u>	<u>23,473</u>	<u>141,186</u>
Treasurer:				
Salaries and wages	331,346	343,898	(12,552)	468,233
Employee benefits	132,596	127,652	4,944	171,811
Services and supplies	77,886	67,047	10,839	74,084
	<u>541,828</u>	<u>538,597</u>	<u>3,231</u>	<u>714,128</u>
Recorder:				
Salaries and wages	197,351	183,670	13,681	193,882
Employee benefits	78,984	70,607	8,377	72,069
Services and supplies	73,250	66,466	6,784	67,616
	<u>349,585</u>	<u>320,743</u>	<u>28,842</u>	<u>333,567</u>
Assessor:				
Salaries and wages	340,529	336,504	4,025	333,769
Employee benefits	131,563	125,715	5,848	119,653
Services and supplies	48,354	39,896	8,458	35,205
	<u>520,446</u>	<u>502,115</u>	<u>18,331</u>	<u>488,627</u>

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	FINAL BUDGET	ACTUAL	VARIANCE	2004
District Attorney:				
Salaries and wages	\$ 1,640,541	\$ 1,606,347	\$ 34,194	\$ 1,426,502
Employee benefits	548,790	506,934	41,856	444,568
Services and supplies	153,338	121,083	32,255	184,364
Capital outlay	16,171	16,171	-	-
	<u>2,358,840</u>	<u>2,250,535</u>	<u>108,305</u>	<u>2,055,434</u>
City Manager:				
Salaries and wages	300,838	281,877	18,961	267,792
Employee benefits	102,739	94,215	8,524	90,930
Services and supplies	213,410	156,628	56,782	104,775
	<u>616,987</u>	<u>532,720</u>	<u>84,267</u>	<u>463,497</u>
Central Services:				
Services and supplies	699,219	729,487	(30,268)	396,438
Total Executive	<u>6,159,198</u>	<u>5,870,582</u>	<u>288,616</u>	<u>5,323,616</u>
Finance:				
Finance:				
Salaries and wages	394,633	402,233	(7,600)	389,037
Employee benefits	144,877	139,302	5,575	127,462
Services and supplies	108,790	78,137	30,653	78,437
	<u>648,300</u>	<u>619,672</u>	<u>28,628</u>	<u>594,936</u>
Internal Auditor:				
Salaries and wages	74,213	32,544	41,669	72,452
Employee benefits	24,428	9,655	14,773	22,346
Services and supplies	1,709	6,209	(4,500)	1,388
	<u>100,350</u>	<u>48,408</u>	<u>51,942</u>	<u>96,186</u>
Purchasing:				
Salaries and wages	117,682	117,027	655	112,150
Employee benefits	40,449	39,042	1,407	36,771
Services and supplies	25,726	16,876	8,850	18,233
	<u>183,857</u>	<u>172,945</u>	<u>10,912</u>	<u>167,154</u>
Personnel:				
Salaries and wages	226,590	212,495	14,095	144,008
Employee benefits	74,970	70,072	4,898	45,542
Services and supplies	176,329	154,982	21,347	171,536
	<u>477,889</u>	<u>437,549</u>	<u>40,340</u>	<u>361,086</u>
Total Finance	<u>1,410,396</u>	<u>1,278,574</u>	<u>131,822</u>	<u>1,219,362</u>

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	FINAL BUDGET	ACTUAL	VARIANCE	2004
Other:				
Community Development:				
Planning:				
Salaries and wages	\$ 453,017	\$ 461,474	\$ (8,457)	\$ 421,130
Employee benefits	163,923	156,025	7,898	144,073
Services and supplies	87,675	73,711	13,964	145,362
	<u>704,615</u>	<u>691,210</u>	<u>13,405</u>	<u>710,565</u>
Automation Services:				
Salaries and wages	515,499	556,918	(41,419)	456,171
Employee benefits	186,651	177,044	9,607	148,160
Services and supplies	486,970	419,220	67,750	317,854
Capital outlay	10,750	-	10,750	-
	<u>1,199,870</u>	<u>1,153,182</u>	<u>46,688</u>	<u>922,185</u>
Geographic Information Systems:				
Salaries and wages	193,830	147,519	46,311	172,124
Employee benefits	69,861	53,411	16,450	58,051
Services and supplies	11,864	12,540	(676)	7,426
	<u>275,555</u>	<u>213,470</u>	<u>62,085</u>	<u>237,601</u>
Public Defender:				
Services and supplies	788,000	847,199	(59,199)	791,700
Public Safety Complex / Courthouse:				
Services and supplies	357,367	318,500	38,867	286,201
Capital outlay	-	8,547	(8,547)	-
	<u>357,367</u>	<u>327,047</u>	<u>30,320</u>	<u>286,201</u>
City Hall:				
Services and supplies	122,100	108,466	13,634	94,838
Records Management:				
Salaries and wages	85,534	84,252	1,282	82,028
Employee benefits	16,796	15,789	1,007	14,911
Services and supplies	35,675	34,083	1,592	32,385
	<u>138,005</u>	<u>134,124</u>	<u>3,881</u>	<u>129,324</u>

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	FINAL BUDGET	ACTUAL	VARIANCE	2004
Facilities Maintenance:				
Salaries and wages	\$ 659,808	\$ 655,280	\$ 4,528	\$ 578,529
Employee benefits	250,422	225,940	24,482	216,486
Services and supplies	253,108	279,974	(26,866)	270,628
	<u>1,163,338</u>	<u>1,161,194</u>	<u>2,144</u>	<u>1,065,643</u>
Total Other	<u>4,748,850</u>	<u>4,635,892</u>	<u>112,958</u>	<u>4,238,057</u>
Total General Government	<u>12,572,876</u>	<u>12,012,590</u>	<u>560,286</u>	<u>11,001,147</u>
Public Safety:				
Sheriff:				
Administrative Services:				
Salaries and wages	534,500	556,384	(21,884)	525,912
Employee benefits	245,081	235,941	9,140	218,739
Services and supplies	480,039	458,427	21,612	305,631
Capital outlay	33,901	62,540	(28,639)	-
	<u>1,293,521</u>	<u>1,313,292</u>	<u>(19,771)</u>	<u>1,050,282</u>
Operational Services:				
Salaries and wages	3,552,096	3,359,047	193,049	3,144,983
Employee benefits	1,867,855	1,666,309	201,546	1,562,063
Services and supplies	376,275	430,124	(53,849)	393,627
Capital outlay	-	11,426	(11,426)	-
	<u>5,796,226</u>	<u>5,466,906</u>	<u>329,320</u>	<u>5,100,673</u>
Detention Facility:				
Salaries and wages	1,754,737	1,795,004	(40,267)	1,657,023
Employee benefits	895,637	865,819	29,818	767,630
Services and supplies	285,015	356,195	(71,180)	338,510
Capital outlay	7,628	17,035	(9,407)	-
	<u>2,943,017</u>	<u>3,034,053</u>	<u>(91,036)</u>	<u>2,763,163</u>

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	FINAL BUDGET	ACTUAL	VARIANCE	2004
General Services:				
Salaries and wages	\$ 509,461	\$ 492,269	\$ 17,192	\$ 477,474
Employee benefits	215,112	202,759	12,353	182,466
Services and supplies	5,000	4,680	320	70,725
	<u>729,573</u>	<u>699,708</u>	<u>29,865</u>	<u>730,665</u>
Federal, Various Grants:				
Salaries and wages	9,939	7,095	2,844	11,988
Employee benefits	-	2,503	(2,503)	2,676
Services and supplies	54,217	26,496	27,721	123,475
Capital outlay	-	10,320	(10,320)	124,771
	<u>64,156</u>	<u>46,414</u>	<u>17,742</u>	<u>262,910</u>
Dispatch:				
Salaries and wages	935,625	906,244	29,381	879,932
Employee benefits	330,687	312,600	18,087	270,066
Services and supplies	196,929	197,285	(356)	179,340
Capital outlay	5,878	6,891	(1,013)	-
	<u>1,469,119</u>	<u>1,423,020</u>	<u>46,099</u>	<u>1,329,338</u>
Federal, Tri-Net Grant:				
Salaries and wages	119,587	125,830	(6,243)	113,865
Employee benefits	59,670	61,196	(1,526)	55,036
Services and supplies	16,650	17,444	(794)	14,498
Capital outlay	13,592	13,592	-	29,794
	<u>209,499</u>	<u>218,062</u>	<u>(8,563)</u>	<u>213,193</u>
Total Sheriff	<u>12,505,111</u>	<u>12,261,455</u>	<u>303,656</u>	<u>11,450,224</u>
Fire:				
Administration:				
Salaries and wages	188,350	217,831	(29,481)	184,697
Employee benefits	72,236	99,550	(27,314)	66,282
Services and supplies	622,242	560,750	61,492	341,046
Capital outlay	1,546,669	1,375,498	171,171	207,505
	<u>2,429,497</u>	<u>2,253,629</u>	<u>175,868</u>	<u>799,530</u>
Operations:				
Salaries and wages	2,845,068	2,774,067	71,001	2,899,087
Employee benefits	1,402,807	1,268,828	133,979	1,119,445
Services and supplies	356,722	356,067	655	362,717
	<u>4,604,597</u>	<u>4,398,962</u>	<u>205,635</u>	<u>4,381,249</u>

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	FINAL BUDGET	ACTUAL	VARIANCE	2004
Prevention:				
Salaries and wages	\$ 291,843	\$ 299,930	\$ (8,087)	\$ 262,164
Employee benefits	121,488	110,787	10,701	90,365
Services and supplies	14,663	13,816	847	13,451
	<u>427,994</u>	<u>424,533</u>	<u>3,461</u>	<u>365,980</u>
Warren Engine Co. No. 1				
Employee benefits	-	1,432	(1,432)	1,323
Services and supplies	33,485	35,494	(2,009)	21,325
	<u>33,485</u>	<u>36,926</u>	<u>(3,441)</u>	<u>22,648</u>
Training:				
Salaries and wages	132,733	177,764	(45,031)	87,807
Employee benefits	25,990	72,777	(46,787)	29,507
Services and supplies	61,424	55,978	5,446	43,773
	<u>220,147</u>	<u>306,519</u>	<u>(86,372)</u>	<u>161,087</u>
Total Fire	<u>7,715,720</u>	<u>7,420,569</u>	<u>295,151</u>	<u>5,730,494</u>
Corrections:				
Juvenile Probation:				
Salaries and wages	705,819	698,109	7,710	657,551
Employee benefits	339,099	322,413	16,686	308,146
Services and supplies	731,048	684,425	46,623	698,141
	<u>1,775,966</u>	<u>1,704,947</u>	<u>71,019</u>	<u>1,663,838</u>
Juvenile Detention:				
Salaries and wages	750,624	754,404	(3,780)	709,184
Employee benefits	271,380	250,102	21,278	225,676
Services and supplies	110,660	109,164	1,496	97,769
	<u>1,132,664</u>	<u>1,113,670</u>	<u>18,994</u>	<u>1,032,629</u>
Total Corrections	<u>2,908,630</u>	<u>2,818,617</u>	<u>90,013</u>	<u>2,696,467</u>

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	FINAL BUDGET	ACTUAL	VARIANCE	2004
Protective Services:				
Emergency Management:				
Salaries and wages	\$ 66,049	\$ 54,189	\$ 11,860	\$ 67,431
Employee benefits	25,766	18,965	6,801	23,698
Services and supplies	18,853	18,656	197	34,472
Total Protective Services	110,668	91,810	18,858	125,601
Total Public Safety	23,240,129	22,532,451	707,678	20,002,786
Judicial:				
Criminal - Civil Courts:				
District Court I:				
Salaries and wages	160,075	163,861	(3,786)	165,029
Employee benefits	64,447	61,980	2,467	61,333
Services and supplies	66,915	51,764	15,151	48,169
	291,437	277,605	13,832	274,531
District Court II:				
Salaries and wages	355,087	340,577	14,510	358,265
Employee benefits	138,764	130,021	8,743	121,618
Services and supplies	91,950	83,829	8,121	98,273
	585,801	554,427	31,374	578,156
Total Criminal - Civil Courts	877,238	832,032	45,206	852,687
Juvenile Court:				
Salaries and wages	177,175	177,796	(621)	174,015
Employee benefits	60,960	59,185	1,775	55,859
Services and supplies	33,661	16,306	17,355	15,791
Total Juvenile Court	271,796	253,287	18,509	245,665
Justice Court:				
Salaries and wages	781,723	794,804	(13,081)	761,980
Employee benefits	305,306	296,296	9,010	274,729
Services and supplies	214,512	178,031	36,481	153,364
Capital outlay	-	7,009	(7,009)	-
Total Justice Court	1,301,541	1,276,140	25,401	1,190,073

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	FINAL BUDGET	ACTUAL	VARIANCE	2004
Alternative Sentencing:				
Salaries and wages	\$ 420,727	\$ 409,957	\$ 10,770	\$ 237,972
Employee benefits	193,082	173,946	19,136	101,785
Services and supplies	21,979	39,124	(17,145)	28,873
Total Alternative Sentencing	<u>635,788</u>	<u>623,027</u>	<u>12,761</u>	<u>368,630</u>
Total Judicial	<u>3,086,363</u>	<u>2,984,486</u>	<u>101,877</u>	<u>2,657,055</u>
Public Works:				
Engineering / Public Works:				
Engineering:				
Salaries and wages	1,875,094	1,722,597	152,497	1,331,156
Employee benefits	625,722	563,443	62,279	413,704
Services and supplies	316,661	361,099	(44,438)	159,247
Capital outlay	223,456	28,449	195,007	224,240
Total Public Works	<u>3,040,933</u>	<u>2,675,588</u>	<u>365,345</u>	<u>2,128,347</u>
Health:				
Public Health Administration:				
Salaries and wages	341,551	318,227	23,324	263,177
Employee benefits	124,855	103,051	21,804	83,889
Services and supplies	572,921	536,307	36,614	334,598
Total Public Health Administration	<u>1,039,327</u>	<u>957,585</u>	<u>81,742</u>	<u>681,664</u>
Animal Services:				
Salaries and wages	220,830	193,672	27,158	205,715
Employee benefits	80,699	60,150	20,549	69,487
Services and supplies	100,083	73,062	27,021	56,807
Total Animal Services	<u>401,612</u>	<u>326,884</u>	<u>74,728</u>	<u>332,009</u>
Total Health	<u>1,440,939</u>	<u>1,284,469</u>	<u>156,470</u>	<u>1,013,673</u>

**CARSON CITY
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2005
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2004)
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	FINAL BUDGET	ACTUAL	VARIANCE	2004
Welfare:				
Salaries and wages	\$ 57,658	\$ 66,853	\$ (9,195)	\$ 51,218
Employee benefits	20,449	22,160	(1,711)	18,257
Services and supplies	353,846	342,940	10,906	261,582
Total Welfare	431,953	431,953	-	331,057
Culture and Recreation:				
Parks:				
Parks and Recreation Administration:				
Salaries and wages	241,479	230,907	10,572	227,006
Employee benefits	96,353	89,511	6,842	76,017
Services and supplies	31,455	39,897	(8,442)	28,430
	<u>369,287</u>	<u>360,315</u>	<u>8,972</u>	<u>331,453</u>
Park Maintenance:				
Salaries and wages	715,716	711,702	4,014	687,242
Employee benefits	245,195	235,973	9,222	220,967
Services and supplies	707,724	629,386	78,338	608,168
Capital outlay	10,000	-	10,000	6,625
	<u>1,678,635</u>	<u>1,577,061</u>	<u>101,574</u>	<u>1,523,002</u>
Grants, Gifts, and Donations:				
Salaries and wages	45,756	27,735	18,021	8,582
Employee benefits	-	1,104	(1,104)	1,081
Services and supplies	118,761	88,655	30,106	89,428
Capital outlay	257,500	24,202	233,298	-
	<u>422,017</u>	<u>141,696</u>	<u>280,321</u>	<u>99,091</u>
Total Parks	2,469,939	2,079,072	390,867	1,953,546
Participant Recreation:				
Community Center:				
Salaries and wages	165,513	169,456	(3,943)	149,127
Employee benefits	40,434	37,386	3,048	27,881
Services and supplies	101,650	101,502	148	110,514
	<u>307,597</u>	<u>308,344</u>	<u>(747)</u>	<u>287,522</u>

**CARSON CITY
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2005
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2004)
(PAGE 14 OF 15)**

	FINAL BUDGET	ACTUAL	VARIANCE	2004
Recreation:				
Salaries and wages	\$ 621,044	\$ 644,257	\$ (23,213)	\$ 583,710
Employee benefits	140,474	137,565	2,909	109,448
Services and supplies	247,099	217,369	29,730	187,034
Capital outlay	11,329	11,329	-	-
	<u>1,019,946</u>	<u>1,010,520</u>	<u>9,426</u>	<u>880,192</u>
Swimming Pool:				
Salaries and wages	432,390	390,273	42,117	380,126
Employee benefits	86,471	86,220	251	69,918
Services and supplies	292,240	264,970	27,270	210,435
	<u>811,101</u>	<u>741,463</u>	<u>69,638</u>	<u>660,479</u>
Sports:				
Salaries and wages	110,887	121,509	(10,622)	112,683
Employee benefits	22,779	23,589	(810)	20,206
Services and supplies	105,450	118,687	(13,237)	91,468
	<u>239,116</u>	<u>263,785</u>	<u>(24,669)</u>	<u>224,357</u>
Total Participant Recreation	<u>2,377,760</u>	<u>2,324,112</u>	<u>53,648</u>	<u>2,052,550</u>
Pony Express Pavilion:				
Salaries and wages	2,500	-	2,500	-
Employee benefits	150	-	150	-
Services and supplies	19,650	11,217	8,433	17,492
	<u>22,300</u>	<u>11,217</u>	<u>11,083</u>	<u>17,492</u>
Library:				
Salaries and wages	903,550	889,766	13,784	821,600
Employee benefits	343,939	336,712	7,227	310,749
Services and supplies	328,459	290,054	38,405	275,221
	<u>1,575,948</u>	<u>1,516,532</u>	<u>59,416</u>	<u>1,407,570</u>
Total Culture and Recreation	<u>6,445,947</u>	<u>5,930,933</u>	<u>515,014</u>	<u>5,431,158</u>

**CARSON CITY
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES,
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FOR THE YEAR ENDED JUNE 30, 2005
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2004)
(PAGE 15 OF 15)**

	FINAL BUDGET	ACTUAL	VARIANCE	2004
Community Support:				
Support Services:				
Services and supplies	\$ 385,300	\$ 381,162	\$ 4,138	\$ 5,082,334
Economic Opportunity:				
Economic Development:				
Salaries and wages	115,104	118,650	(3,546)	71,439
Employee benefits	39,410	45,119	(5,709)	23,363
Services and supplies	504,946	178,618	326,328	68,477
Total Economic Opportunity	659,460	342,387	317,073	163,279
Total Expenditures	51,303,900	48,576,019	2,727,881	47,810,836
Excess (Deficiency) of Revenues over Expenditures	1,877,352	5,861,019	3,983,667	1,205,430
Other Financing Sources (Uses):				
Sales of surplus property	20,000	4,513	(15,487)	29,780
Bonds issued	-	-	-	4,150,000
Capital leases	78,740	85,749	7,009	-
Transfers in (out):				
Quality of Life Fund	177,070	140,914	(36,156)	101,415
Capital Acquisition and Development Fund	28,250	28,250	-	-
Supplemental Indigent Fund	(220,000)	(220,000)	-	(214,555)
Senior Citizens Fund	-	-	-	(229,500)
Capital Facilities Fund	(1,075,000)	(1,075,000)	-	-
Capital Acquisition and Development Fund	(2,135,089)	(2,135,089)	-	(1,200,000)
Capital Projects Fund	-	-	-	(50,500)
Carson City Debt Service Fund	(1,071,138)	(1,071,138)	-	(736,925)
Insurance Fund	(750,000)	(750,000)	-	-
Stabilization Fund	(900,000)	(900,000)	-	-
Carson City Transit Fund	(303,600)	(303,600)	-	(303,600)
Contingency	(495,924)	-	495,924	-
Discount on bonds issued	-	-	-	(79,978)
Total Other Financing Sources (Uses)	(6,646,691)	(6,195,401)	451,290	1,466,137
Net Change in Fund Balances	(4,769,339)	(334,382)	4,434,957	2,671,567
Fund Balances, July 1	11,933,363	11,933,363	-	9,261,796
Fund Balances, June 30	<u>\$ 7,164,024</u>	<u>\$ 11,598,981</u>	<u>\$ 4,434,957</u>	<u>\$ 11,933,363</u>