

LANDER COUNTY
FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
WITH REPORT OF
CERTIFIED PUBLIC ACCOUNTANTS

LANDER COUNTY

Table of Contents

INTRODUCTORY SECTION

Letter of Transmittali

FINANCIAL SECTION

Independent Auditors' Report.....1

Management's Discussion and Analysis.....5

Basic Financial Statements:

 Government-wide Financial Statements:

 Statement of Net Position.....14

 Statement of Activities15

 Fund Financial Statements:

 Balance Sheet – Governmental Funds.....16

 Reconciliation of the Balance Sheet of Governmental Funds to
 the Statement of Net Position.....17

 Statement of Revenues, Expenditures, and Changes in Fund
 Balances – Governmental Funds18

 Reconciliation of the Statement of Revenues, Expenditures, and
 Changes in Fund Balances of Governmental Funds to the
 Statement of Activities19

 Statement of Net Position – Proprietary Funds20

 Statement of Revenues, Expenses, and Changes
 In Fund Net Position – Proprietary Funds21

 Statement of Cash Flows – Proprietary Funds22

 Combined Statement of Fiduciary Net Position – Fiduciary Funds23

 Statement of Changes in Fiduciary Net
 Position – Fiduciary Funds24

Notes to the Financial Statements25

Required Supplementary Information:

 Schedule of the Proportionate Share of the Net Pension Liability56

 Schedule of Contributions57

 Schedule of Revenues, Expenditures, and Changes in Fund
 Balances – Budget and Actual:

 General Fund (Detailed)58

 Schedule of Funding Progress63

INTRODUCTORY SECTION



Lander County

50 State Route 305
Battle Mountain, Nevada 89820
Phone (775) 635-2573 Fax (775) 635-9256

November 29, 2016

Residents of Lander County
Town of Battle Mountain and
Town of Austin
The Honorable Board of County Commissioners
Lander County, Nevada

We are pleased to submit the Management's Discussion and Analysis Report for Lander County, Town of Battle Mountain and Town of Austin Nevada for the fiscal year ended June 30, 2016.

Nevada Revised Statutes (NRS) 354.624 requires the County to issue an annual report on its financial position and activities and that this report be audited by an independent certified public accounting firm.

Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with county management based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute assurance that the financial statements are free from material misstatements. We believe the data, as presented, is accurate in all material aspects and that it is presented in manner designed to fairly set forth the financial position and results of operations of the County; and that all disclosures necessary to enable the reader to gain an understanding of the County's financial activities have been included.

REPORT PRESENTATION

We are presenting Management's Discussion and Analysis as an introduction to the financial information. It immediately follows the auditor's opinion. This section provides an overview and analysis of the County's significant transactions to aid readers in understanding their financial impact and relationship to the financial statements and schedules provided. This section is presented to provide more meaningful information to our readers and to demonstrate accountability for our financial actions.

OTHER INFORMATION

Independent Audit

Nevada Revised Statutes (NRS 354.624) require an annual audit of the affairs, transactions and financial records of the County by independent auditors. The firm of HintonBurdick CPA and Advisors, was selected by the County to perform an audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards*. The auditor's report on the financial statements is included in the financial section of this report. Their reports on internal controls and compliance with applicable laws and regulations are included in the compliance section.

Those who wish to obtain a true understanding of the financial condition and results of the operations of Lander County are encouraged to review this report, including the detailed notes to the financial statements, which are an integral part of the statements.

Acknowledgements

The preparation of this report could not have been accomplished without the efficient and dedicated services of the Lander County Finance Office staff during the entire fiscal year as well as during the audit. Thank you also to Grace Kemp (Treasurer) and Lura Duvall (Assessor) for all their efforts. Thanks also to the dedicated professional staff from HintonBurdick, Certified Public Accountants, for their contribution and support throughout the process. Special thank you to the Board of County Commissioners for their keen interest and support in the planning and conducting of the financial operations of the County in a responsible, clear, transparent and progressive manner.

Respectfully submitted,

Elizabeth Dias
Fiscal Officer

FINANCIAL SECTION



MEMBERS:

CHAD B. ATKINSON, CPA
KRIS J. BRAUNBERGER, CPA
ROBERT S. COX, CPA
TODD B. FELTNER, CPA
K. MARK FROST, CPA
MORRIS J. PEACOCK, CPA

PHILLIP S. PEINE, CPA
STEVEN D. PALMER, CPA
MICHAEL K. SPILKER, CPA
KEVIN L. STEPHENS, CPA
MARK E. TICHENOR, CPA
MICHAEL J. TORGERSON, CPA

Independent Auditors' Report

The Honorable County Commissioners
Lander County
Battle Mountain, Nevada

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 11, 2016, on our consideration of Lander County, 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

HintonBurdick, PLLC
HintonBurdick, PLLC
St. George, Utah
November 11, 2016

LANDER COUNTY
Management's Discussion and Analysis
June 30, 2016

Lander County Management's discussion and analysis of Lander County, Town of Battle Mountain and Town of Austin financial statements for the fiscal year ended June 30, 2016 provides an overview of the financial activities, financial performance and financial position of these entities as of June 30, 2016.

We invite and encourage the readers to read this information in conjunction with the financial statement presentation and notes to the financial statements to gain a more complete picture of the information presented.

- The net position of Lander County increased \$5.7 million or 2.4% as a result of this year's operations. Net position of our business – type activities increased by \$2.0 million, or 5.35%, and net position of our governmental activities increased by \$3.7 million, or 1.9%.
- During the year, the County had expenses for governmental activities that were \$17.5 million more than the \$3.2 million generated in program revenues. This phenomenon is normal due to governmental activities being financed principally through tax and intergovernmental revenue, rather than program revenues.
- The County Option Motor Vehicle Fuel Tax generated \$1.39 million in FY 15-16. This money is apportioned between the Road & Bridge Dept. and Regional Street and Highway Funds. The proceeds of this tax must be used for construction and improvement or the repair and maintenance of Lander County roads.
- Lander County's additional sales tax rate of .25% generated \$672,936 up 1.4% from FY 14-15. This money is used to accommodate for sewer and water infrastructure; primarily the Battle Mountain Wastewater Treatment Facility.

USING THE ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (on Pages 14-15) provide information about the financial activities of the County as a whole and present a longer-term view of the County's finances. Fund financial statements begin on page 16. Regarding governmental activities, these statements express how these services were financed in the short term as well as showing what remains for future spending. Fund financial statements also report the County's operations in more detail than the government-wide statements by providing information about the County's most significant funds. Finally, the fiduciary funds' statements provide financial information about activities for which the County acts solely as an agent for the benefit of those outside of the government.

Reporting the County as a Whole

The Statement of Net Position and the Statement of Activities

Our analysis of the County as a whole begins on page 7. Analysis of the County's financial statements is guided by the important question: "Is the County, as a whole, better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the County as a whole and about its activities in a manner that assists in answering this question. These statements include all assets and liabilities using the accrual basis of accounting, similar to the accounting basis used by most entities in the private-sector. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

The County as Trustee

Reporting the County's Fiduciary Responsibilities

The County is the trustee, or fiduciary, for numerous funds. Fiduciary funds include Agency funds. Agency funds are used to account for assets held by the County as an agent for other governments and organizations. The County's fiduciary activities are reported in a separate Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position on pages 23-24. These activities are excluded from the County's other financial statements because the County cannot use these assets to finance its operations. The County has fiduciary responsibility over the cash maintained in these funds.

Notes to the Financial Statements

The notes to the financial statements provide additional information essential to the full understanding of the data provided in the government-wide and fund financial statements.

Other

Supplementary information, including individual fund statements and schedules providing budget-to-actual comparisons, are presented following the basic financial statements. These schedules test compliance with budgetary constraints and management directives to enhance accountability at the fund and function level.

The County as a Whole

Net position is a useful indicator of a government's financial position.

LANDER COUNTY NET POSITION

	Governmental activities		Business-type activities		Combined total	
	2016	2015	2016	2015	2016	2015
Current and other assets	\$ 153,115,714	\$ 149,602,095	\$ 12,274,083	\$ 10,883,296	\$ 165,389,797	\$ 160,485,391
Capital assets	72,829,597	63,391,542	27,292,965	26,883,247	100,122,562	90,274,789
Total assets	225,945,311	212,993,637	39,567,048	37,766,543	265,512,359	250,760,180
Deferred outflows of resources	1,826,463	1,653,767	53,188	58,877	1,879,651	1,712,644
Long-term liabilities outstanding	12,980,289	11,587,009	372,642	469,661	13,352,931	12,056,670
Other liabilities	2,584,562	5,303,937	74,981	99,044	2,659,543	5,402,981
Total liabilities	15,564,851	16,890,946	447,623	568,705	16,012,474	17,459,651
Deferred inflows of resources	13,674,865	2,905,232	50,090	121,052	13,724,955	3,026,284
Net position:						
Net investment in capital assets	72,829,597	63,391,542	27,292,965	26,883,247	100,122,562	90,274,789
Restricted	56,049,125	63,517,320	4,157,636	3,507,636	60,206,761	67,024,956
Unrestricted	69,653,336	67,942,364	7,671,922	6,744,780	77,325,258	74,687,144
Total net position	\$ 198,532,058	\$ 194,851,226	\$ 39,122,523	\$ 37,135,663	\$ 237,654,581	\$ 231,986,889

For more detailed information see the Government-Wide Statement of Net Position and the Notes to the Financial Statements.

Net Position: Lander County's assets plus deferred outflows of resources exceeded liabilities plus deferred inflows of resources by \$237.7 million at June 30, 2016. A large portion of net position, 42.1%, reflects its investment in capital assets (e.g., land, buildings, equipment, improvements, infrastructure and construction in progress) less any related debt used to acquire those assets that is still outstanding. Lander County uses

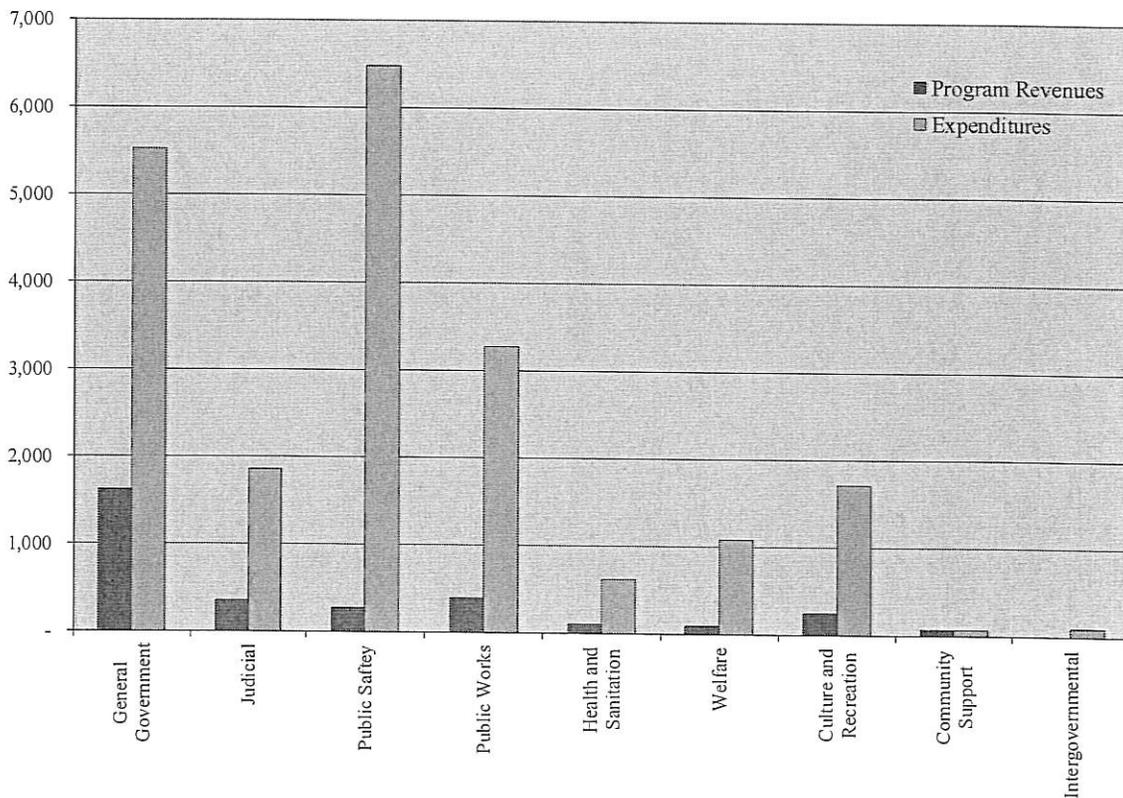
Total revenues: General revenue mainly comprised of various taxes and investment earnings represented 83.1% of total revenue. Program revenues are revenues directly related to service activities of a function and include charges for services, grants and contributions, and related investment earnings, when restricted for use in programs.

Program Expenses and Revenues for Governmental Activities

The following table presents program expenses and revenues for governmental activities. To aid in the understanding of the Statement of Activities, some additional explanation is given. Of particular interest is that the format is significantly different than a typical Statement of Revenues, Expenses, and Changes in Fund Balance. You will notice expenses are listed in the first column with revenues from that particular program reported to the right. The result is a Net (Expense)/Revenue. The reason for this kind of format is to highlight the relative financial burden of each of the functions on the County’s taxpayers. It also identifies how much each function draws from the general revenues or if it is self-financing through fees and grants. Overall, program revenues were insufficient in covering program expenses for governmental activities. The net program expenses of these governmental activities were, therefore, supported by general revenues, - mainly taxes received and fund reserves applied. Expenses were up from prior year in public works, judicial and welfare due to increases associated with salaries, employee benefits as well as service & supplies.

The three largest revenue sources for the County are ad valorem taxes, consolidated taxes and net proceeds of mines taxes.

Program Revenues and Expenditures - Governmental Activities
(in Thousands)



The County's Funds

Lander County uses fund accounting and budgetary integration to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds: The focus of the County's governmental funds is to provide information on current inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's current funding requirements. In particular, unrestricted fund balance serves as a useful measure of net resources available for appropriation at the end of the fiscal year.

As of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$138.6 million, a decrease of \$5.2 million over the prior fiscal year.

The General Fund is the County's primary operating fund. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$37.5 million. As a measure of liquidity, it is useful to compare the unassigned fund balance to total fund expenditures. Unassigned fund balance represents 348% of total fund expenditures, including transfers out.

The CCP Fund was created under the authority granted under Nevada Revised Statutes (NRS) 354.6113. This statute provides for the construction of capital projects included within the plan for capital improvements prepared in accordance with NRS 350.013. Revenues of the fund include net proceeds of mines taxes and investment earnings. The ending fund balance is \$43.2 million, a decrease of \$7,408,515 from the prior fiscal year. This decrease was derived from a decrease in the amount of net proceeds received by the county. Portions of these funds will be designated for construction of a new Lander County Recreation Center and the construction of the Battle Mountain Levee Project.

Proprietary Fund statements provide the same type of information found in the government-wide financial statements, but in more detail. They are accounted for by using full accrual; therefore, no reconciliation is required to the government-wide level.

The Battle Mountain Town Water and Sewer Funds were established to account for county-owned and operated water and sewer systems serving the Town of Battle Mountain. The fiscal year 2015-2016 operating gain for the water system was \$12,415 and net position of the fund increased by \$143,508. The operating gain for the sewer system was \$13,787 and net position of the fund increased by \$1.87 million.

General Fund Budgetary Highlights

Functions represent the legal level of budgetary control. The final budget appropriation was \$15,016,463 being the same as the original approved budget. Actual expenditures were 70.8% of appropriations and \$4.4 million less than the final budget.

Capital Asset and Debt Administration

Capital Assets

The County's investment in capital assets for its governmental and business-type activities as of June 30, 2016 is \$100.1 million (net of accumulated depreciation). This investment in capital assets includes land, improvements other than buildings, building and improvements, equipment, vehicles, construction work in progress and infrastructure. The total increase in the County's investment in capital assets for the current fiscal year was 10.9%.

BASIC FINANCIAL STATEMENTS

LANDER COUNTY
Statement of Activities
For the Year Ended June 30, 2016

	Program Revenues			Net (Expense) / Revenue and Change in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Functions/Programs							
Primary government:							
Governmental activities:							
General government	\$ 5,528,492	\$ 1,319,290	\$ -	\$ 307,345	\$ (3,901,857)	\$ -	\$ (3,901,857)
Judicial	1,857,872	353,522	-	10,000	(1,494,350)	-	(1,494,350)
Public safety	6,483,552	28,946	253,619	-	(6,200,987)	-	(6,200,987)
Public works	3,272,570	213,977	181,526	-	(2,877,067)	-	(2,877,067)
Health and sanitation	618,605	109,172	-	-	(509,433)	-	(509,433)
Welfare	1,093,339	56,285	47,904	-	(989,150)	-	(989,150)
Culture and recreation	1,714,344	42,177	-	210,000	(1,462,167)	-	(1,462,167)
Community support	81,223	-	-	79,799	(1,424)	-	(1,424)
Intergovernmental	96,881	-	-	-	(96,881)	-	(96,881)
Total governmental activities	20,746,878	2,123,369	483,049	607,144	(17,533,316)	-	(17,533,316)
Business-type activities:							
Water	754,030	766,445	-	-	-	12,415	12,415
Sewer	705,809	719,596	-	-	-	13,787	13,787
Communication Site	42,426	13,200	-	-	-	(29,226)	(29,226)
Total business-type activities	1,502,265	1,499,241	-	-	-	(3,024)	(3,024)
Total primary government	\$ 22,249,143	\$ 3,622,610	\$ 483,049	\$ 607,144	\$ (17,533,316)	\$ -	\$ (17,536,340)
General revenues:							
Ad valorem taxes					10,493,347	-	10,493,347
Unrestricted intergovernmental revenues (consolidated taxes)					3,934,022	-	3,934,022
Motor vehicle fuel tax					1,389,498	-	1,389,498
Sales taxes					-	672,936	672,936
Franchise taxes					121,005	-	121,005
Payment in lieu of taxes					1,058,585	-	1,058,585
State gaming licenses					138,096	-	138,096
Net proceeds from mines					2,468,549	-	2,468,549
Unrestricted investment earnings					2,767,597	109,294	2,876,891
Other revenues					51,103	-	51,103
Transfers					(1,207,654)	1,207,654	-
Total general revenues					21,214,148	1,989,884	23,204,032
Change in net position					3,680,832	1,986,860	5,667,692
Net position - beginning					194,851,226	37,135,663	231,986,889
Net position - ending					\$ 198,532,058	\$ 39,122,523	\$ 237,654,581

The accompanying notes are an integral part of the financial statements

LANDER COUNTY
Reconciliation of the Balance Sheet of Governmental Funds
To the Statement of Net Position
For the Year Ended June 30, 2016

Amounts reported for governmental activities in the statement of net position are different because:

Total fund balances - total governmental funds		\$ 138,639,752
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Governmental capital assets	\$ 110,683,778	
Accumulated depreciation	<u>(37,854,181)</u>	72,829,597
Deferred outflows and inflows of resources related to pensions and deferred charges or credits on refundings are applicable to future reporting periods and, therefore are not reported in the funds.		
Deferred outflows related to pensions	1,826,463	
Deferred inflows related to pensions	<u>(1,720,064)</u>	106,399
Revenues considered unavailable not reported in the funds.		93,837
Some liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Compensated absences	(349,417)	
Net pension liability	(12,483,002)	
Net OPEB obligation	<u>(305,108)</u>	<u>(13,137,527)</u>
Net position of governmental activities		<u><u>\$ 198,532,058</u></u>

The accompanying notes are an integral part of the financial statements

LANDER COUNTY
Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances of Governmental Funds
To The Statement of Activities
For the Year Ended June 30, 2016

Amounts reported for governmental activities in the statement of activities are different because:

Net changes in fund balances - total governmental funds		\$ (5,205,508)
Revenues that do not provide current financial resources are not reported as revenues in governmental funds. This represents the change in unavailable revenues for property taxes that are deferred in the funds.		
		(518,835)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period.		
Capital outlay	\$ 13,366,511	
Depreciation expense	<u>(3,924,456)</u>	9,442,055
Pension contributions are reported as expenditures in the governmental funds when made. However, they are reported as deferred outflows of resources in the statement of net position because the reported net pension liability is measured a year before the report date. Pension expense, which is the change in the net pension liability adjusted for changes in deferred outflows and inflows of resources related to pension, is reported in the statement of activities.		
Pension contributions	\$ 1,347,036	
Pension expense	<u>(1,374,682)</u>	(27,646)
The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins, and disposals) is to decrease net position.		
		(4,000)
Some changes in long term liabilities in the statement of activities do not reduce the use of current financial resources and, therefore, are not reported as expense reductions in the governmental funds.		
Change in compensated absences	3,573	
Net change in OPEB obligation	<u>(8,807)</u>	<u>(5,234)</u>
Change in net position of governmental activities		<u>\$ 3,680,832</u>

The accompanying notes are an integral part of the financial statements

LANDER COUNTY
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2016

	Battle Mountain Water	Battle Mountain Sewer	Nonmajor Mt. Lewis Communication Site	Combined Total
Operating Revenues				
Charges for sales and services				
Communication use fees	\$ -	\$ -	\$ 13,200	\$ 13,200
Water use fees	764,612	-	-	764,612
Sewer use fees	-	716,176	-	716,176
Rents	1,505	1,505	-	3,010
Miscellaneous	328	1,915	-	2,243
Total operating revenues	<u>766,445</u>	<u>719,596</u>	<u>13,200</u>	<u>1,499,241</u>
Operating Expenses				
Salaries and wages	109,335	104,472	-	213,807
Employee benefits	(36,129)	(32,815)	-	(68,944)
Service, supplies and other	275,153	278,259	6,054	559,466
Depreciation	405,671	355,893	36,372	797,936
Total operating expenses	<u>754,030</u>	<u>705,809</u>	<u>42,426</u>	<u>1,502,265</u>
Operating income (loss)	<u>12,415</u>	<u>13,787</u>	<u>(29,226)</u>	<u>(3,024)</u>
Non-operating Revenues (Expenses)				
County option sales tax	-	672,936	-	672,936
Investment earnings	30,920	78,374	-	109,294
Total non-operating revenue (expense)	<u>30,920</u>	<u>751,310</u>	<u>-</u>	<u>782,230</u>
Income (loss) before contributions and transfers	43,335	765,097	(29,226)	779,206
Capital contribution from governmental activities	100,173	1,107,481	-	1,207,654
Change in net position	143,508	1,872,578	(29,226)	1,986,860
Total net position, beginning of year	<u>19,874,114</u>	<u>16,961,029</u>	<u>300,520</u>	<u>37,135,663</u>
Total net position, end of year	<u>\$ 20,017,622</u>	<u>\$ 18,833,607</u>	<u>\$ 271,294</u>	<u>\$ 39,122,523</u>

The accompanying notes are an integral part of the financial statements

LANDER COUNTY
Combined Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2016

	Agency Funds	Investment Trust Fund
Assets		
Cash and investments	\$ 3,499,060	\$ 1,454,247
Total Assets	\$ 3,499,060	\$ 1,454,247
Liabilities		
Funds held in trust	\$ 3,499,060	\$ -
Total Liabilities	3,499,060	-
Net Position		
Funds held in trust for pool participants	-	1,454,247
Total Net Position	\$ -	\$ 1,454,247

The accompanying notes are an integral part of the financial statements

LANDER COUNTY
Notes to the Financial Statements
June 30, 2016

NOTE 1. Summary of Significant Accounting Policies

Description of Government-wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. All fiduciary activities are reported only in the fund financial statements. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support. Likewise, when applicable, the *primary government* is reported separately from certain legally separate component units for which the primary government is financially accountable.

Reporting Entity

The County (government) is a political subdivision of the State of Nevada with a County Commission comprised of five commissioners elected at large. The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units are, in substance, part of the primary government's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government. As to the County there are no discretely presented component units which are included to form the reporting entity.

Blended Component Units. The County Commissioners, by state statute, act as the governing board for the unincorporated towns of Austin and Battle Mountain. These towns are considered blended component units of the County and are reported as special revenue funds.

Jurisdictions that are not considered to be part of the County include the incorporated Town of Kingston, Kingston Water District, Kingston Volunteer Fire Department, Austin Fair and Recreation, Battle Mountain Fair and Recreation, Austin Sewer and Water District #2, Lander County School District, Lander County Hospital District, and Lander County General Improvement District #1.

Basis of Presentation – Government-wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the government's enterprise funds. 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.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Interfund activities relating to services provided and used between functions are not eliminated. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

LANDER COUNTY
Notes to the Financial Statements
June 30, 2016

NOTE 1. Summary of Significant Accounting Policies, Continued

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements.

Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. 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.

The 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. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be 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. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). Expenditure driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). All other revenue items are considered to be measurable and available only when cash is received by the government.

LANDER COUNTY
Notes to the Financial Statements
June 30, 2016

NOTE 1. Summary of Significant Accounting Policies, Continued

individual cost of more than \$50,000 for infrastructure assets, land, buildings and improvements, and \$5,000 for all other classifications of capital assets. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

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

Buildings & Improvements	5-65 years
Improvements (other than buildings)	10-60 years
Equipment and Vehicles	3-50 years
Infrastructure	30 years

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures by the governmental fund upon acquisition.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County has only one type of item that qualifies for reporting in this category on the statement of net position which is *deferred outflows related to pensions* (see Note 12).

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has one type of item that qualify for reporting in this category on the statement of net position which *deferred inflows related to pensions* (see Note 12). The governmental funds balance sheet reports *unavailable revenue – property taxes*. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the pension plan's fiduciary net position of the Public Employees' Retirement System of Nevada (PERS) and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Net Position Flow Assumption

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net

LANDER COUNTY
Notes to the Financial Statements
June 30, 2016

NOTE 1. Summary of Significant Accounting Policies, Continued

Revenues and Expenditures/Expenses

Program Revenues

Amounts reported as 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 (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

Property Taxes

All real property within Lander County is assigned a parcel number in accordance with state law, with each parcel being subject to physical reappraisal every five years. A factoring system is used to adjust the appraised value during the years between physical appraisals. The assessed valuation of the property and its improvements is being assessed at 35% of "taxable value" as defined by statute. The amount of tax levied is developed by multiplying the assessed value by the tax rate applicable to the area in which the property is located.

The maximum tax rate was established in the State Constitution at \$5.00 per hundred dollars of assessed valuation; however, as a result of the 1979 legislative sessions, the tax rate was further limited to \$3.66 per hundred dollars of assessed valuation unless an additional rate is approved by the electorate. In 2005 the Nevada State Legislature passed Assembly Bill 489 which provides for a partial abatement of the ad valorem taxes levied on qualified property. For qualified property, the abatement will limit the increase of property taxes based on the previous year's assessed value.

Taxes on real property are a lien on the property and attach on July 1 of the year for which the taxes are levied. Taxes on property are due on the third Monday in August; however, they may be made in four installments payable 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. After a two year waiting period, a tax deed is issued conveying the property to the County with a lien for back taxes and accumulated charges. 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.

Taxes on personal property are collected currently. Personal property declarations are mailed out annually and the tax is computed using percentages of taxable values established by the Department of Taxation and tax rates described above.

The major classifications of personal property are commercial and mobile homes. In Lander County, taxes on motor vehicles are collected by the County Recorder and remitted to the State. The taxes are then returned to the County of origin to be apportioned based on a statutory formula.

Taxes on net proceeds of mines are determined by the Nevada Tax Commission. Billing and collection functions are performed by the State with amounts remitted to the County.

LANDER COUNTY
Notes to the Financial Statements
June 30, 2016

NOTE 1. Summary of Significant Accounting Policies, Continued

Use of Estimates

Generally accepted accounting principles require management to make estimates and assumptions that affect assets and liabilities, contingent assets and liabilities, and revenues and expenditures. Actual results could differ from those estimates.

Prior-Year Summarized Comparative Information

Comparative data for the prior year has been extracted from the 2014-2015 financial statements and reclassified where necessary. It has been presented in the accompanying financial statements in order to provide an understanding of changes in the government's financial position and operations. However, comparative data has not been presented in all statements because their inclusion would make certain statements unduly complex and difficult to understand. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the County's financial statements for the year ended June 30, 2015, from which the summarized information was derived.

NOTE 2. Reconciliation of Government-Wide and Fund Financial Statements

The governmental fund balance sheet includes a reconciliation between total governmental fund balances and net position of governmental activities as reported in the government-wide statement of net position. This difference primarily results from the long-term economic focus of the statement of net position versus the current financial resources focus of the governmental fund balance sheets. The details of these differences are reported in the reconciliation on page 17.

The governmental fund statement of revenues, expenditures, and changes in fund balance includes a reconciliation between net changes in fund balances-total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. These differences are the result of converting from the current resources measurement focus and modified accrual basis for governmental fund statements to the economic resources measurement focus and full accrual basis used for government-wide statements. The details of these differences are reported in the reconciliation on page 19.

LANDER COUNTY
Notes to the Financial Statements
June 30, 2016

NOTE 4. Deposits and Investments

Deposits

To facilitate efficient management of County resources, the County maintains pooled operating and investment accounts unless cash is restricted and required to be maintained separately or is held by other custodians on behalf of the County, such as certain imprest bank and petty cash accounts.

Cash and deposits are carried at cost. The following schedule summarizes cash and investments for the County at June 30, 2016:

Cash and Investment balances held by:	
Governmental funds	\$ 151,977,121
Enterprise funds	11,983,352
Fiduciary funds	3,499,060
Total cash and investments	<u>\$ 167,459,533</u>

Custodial Credit Risk

Deposits Custodial credit risk is the risk in the event of a bank failure, the County's deposits may not be returned. The County's bank deposits are covered by Federal Deposit Insurance Corporation (FDIC) insurance and collateralized by the Office of the State Treasurer/Nevada Collateral Pool.

Investments

The County has a formal investment policy that, in the opinion of management, is designed to insure conformity with State Statutes and seeks to limit exposure to investment risks.

All investments are governed by the Board of Commissioners' policy of the "prudent person" rule. The prudent person rule is a standard to guide those with responsibility for investing the money of others. Such fiduciaries, must act as a prudent person would be expected to act, with discretion and intelligence, to seek reasonable income, preserve capital and, in general, avoid speculation.

Permitted investments allowed by the County's investment policy include the Local Government Investment Pool (LGIP) managed by the Office of the State Treasurer, mutual funds, agency discount notes, government agency securities (maturity of 10 years or less), AAA rated mortgage backed securities (through an investment advisor only), time certificates of deposit, and U.S. Treasuries (maturity of 10 years or less).

Investment in the State of Nevada Local Government Investment Pool is carried at fair value, which is the same as the value of the pool shares. The Local Government Investment Pool is an external investment pool administered by the Treasurer of the State of Nevada, with oversight provided by the Board of Finance.

LANDER COUNTY
Notes to the Financial Statements
June 30, 2016

NOTE 4. Deposits and Investments, Continued

inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The governmental securities and federal agency issues, as listed above, are valued using quoted market prices (Level 1 inputs). The money market, certificates of deposits and the corporate bonds, as listed above, are valued using significant other observable inputs (Level 2 inputs).

Interest Earnings & Fair Market Value Assigned to Other Funds

Investment income of \$1,018,233 for fiscal year ending June 30, 2016 associated with various funds was assigned to the General Fund and CCP Fund as required by County policy. The schedule below shows the related funds and the amount assigned to the General and CCP Funds.

	Interest Earnings & Fair Market Value	General	CCP Fund	Total
Non-major Governmental Funds				
Road & Bridge	\$ 94,631	\$ 37,853	\$ 56,779	\$ 94,631
Indigent Fund	27,522	11,009	16,513	27,522
State Medical Indigent	116,735	46,694	70,041	116,735
Agricultural extension	5,211	2,084	3,127	5,211
Aged Services	34,321	13,729	20,593	34,321
Lander County Landfill	61,355	24,542	36,813	61,355
Airport	28,887	11,555	17,332	28,887
Lander Economic Development	1,958	783	1,175	1,958
DOE Nuclear Repository	1,556	623	934	1,556
Regional Streets & Highway	40,655	16,262	24,393	40,655
Austin Capital Acquisition	243	97	146	243
Town of Austin General Fund	860	344	516	860
Town of Battle Mountain Fund	8,426	3,370	5,056	8,426
Equipment/Building Replacement	148,819	59,528	89,292	148,819
Capital Acquisition	59,371	23,748	35,623	59,371
Culture and Recreation	100,212	40,085	60,127	100,212
Battle Mountain Capital Acquisition	1,492	597	895	1,492
Emergency Maintenance	65,652	26,261	39,391	65,652
Reserve Fund	5,973	2,389	3,584	5,973
Title III SRS/CRA	3,461	1,384	2,076	3,461
Administration Assessment Fees	736	294	442	736
Genetic Marker Testing	16	6	9	16
Forensic Services	78	31	47	78
Drug Court	955	382	573	955
Court Facility Fee	2,755	1,102	1,653	2,755
Juvenile Administration Assessment	140	56	84	140
Mine Map Fees	2,941	1,177	1,765	2,941
Technology Fees	21,739	8,696	13,043	21,739
Airport Capital	73,070	29,228	43,842	73,070
Court Facility Capital	9,614	3,846	5,769	9,614
Enterprise Funds				
Mt. Lewis Communications Site	3,293	1,317	1,976	3,293
Battle Mountain Water	26,955	10,782	16,173	26,955
Battle Mountain Sewer	68,599	27,440	41,159	68,599
Total	<u>\$ 1,018,233</u>	<u>\$ 407,293</u>	<u>\$ 610,940</u>	<u>\$ 1,018,233</u>

LANDER COUNTY
Notes to the Financial Statements
June 30, 2016

NOTE 5. Interfund Receivables, Payables and Transfers

Interfund balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursed expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

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

Transfers between funds occur primarily to finance programs accounted for in one fund with resources collected in other funds in accordance with budgetary authorizations. Interfund transfers for the year ended June 30, 2016 are shown in the following table:

	Transfers out:						Total
	General	Lander County Airports	Capital Acquisition	Non-major Administrative Assessment Fees	Technology Fees	Court Facility Fees	
Transfer in:							
General Fund	\$ -	\$ -	\$ -	\$ 15,385	\$ 90,079	\$ 34,915	\$ 140,379
CCP Fund	90,079	-	-	-	-	-	90,079
Non-major Governmental Funds							
Road & Bridge	-	5,121	-	-	-	-	5,121
Austin Capital Acquisition	-	-	3,237	-	-	-	3,237
Battle Mountain Capital Acquisition	-	-	19,054	-	-	-	19,054
Court Facilities Capital	50,300	-	-	-	-	-	50,300
Total	<u>\$ 140,379</u>	<u>\$ 5,121</u>	<u>\$ 22,291</u>	<u>\$ 15,385</u>	<u>\$ 90,079</u>	<u>\$ 34,915</u>	<u>\$ 308,170</u>

LANDER COUNTY
Notes to the Financial Statements
June 30, 2016

NOTE 6. Capital Assets, Continued

The following table summarizes the changes to capital assets for business-type activities during the year:

Business Type Activities:	Balance 6/30/2015	Additions	Deletions	Transfers	Balance 6/30/2016
Capital assets, not being depreciated:					
Land	\$ 10,950	\$ -	\$ -	\$ -	\$ 10,950
Construction in progress	2,305,877	1,207,654	(2,981,204)	-	532,327
Total capital assets, not being depreciated:	<u>2,316,827</u>	<u>1,207,654</u>	<u>(2,981,204)</u>	<u>-</u>	<u>543,277</u>
Capital assets, being depreciated:					
Improvements other than buildings	31,277,465	2,981,204	-	(1,177,055)	33,081,614
Buildings	1,060,772	-	-	288,372	1,349,144
Equipment & vehicles	687,836	-	-	888,683	1,576,519
Total capital assets, being depreciated:	<u>33,026,073</u>	<u>2,981,204</u>	<u>-</u>	<u>-</u>	<u>36,007,277</u>
Less accumulated depreciation for:					
Improvements other than buildings	(7,719,183)	(659,454)	-	864,166	(7,514,471)
Buildings	(543,782)	(29,433)	-	(30)	(573,245)
Equipment & vehicles	(196,688)	(109,049)	-	(864,136)	(1,169,873)
Total accumulated depreciation	<u>(8,459,653)</u>	<u>(797,936)</u>	<u>-</u>	<u>-</u>	<u>(9,257,589)</u>
Total capital assets, being depreciated, net	<u>24,566,420</u>	<u>2,183,268</u>	<u>-</u>	<u>-</u>	<u>26,749,688</u>
Business type activities capital assets, net	<u>\$ 26,883,247</u>	<u>\$ 3,390,922</u>	<u>\$ (2,981,204)</u>	<u>\$ -</u>	<u>\$ 27,292,965</u>

Depreciation expense was charged to the business-type activities as follows:

Business Type Activities:	
Water	\$ 405,671
Sewer	355,893
Communication Site	36,372
Total depreciation expense - business type activities	<u>\$ 797,936</u>

Changes in construction in progress are summarized as follows:

The County is currently working on the following projects: Battle Mountain recreation center, airport projects, fuel system project, GES projects, flood levee, and lift station rehabilitation project.

LANDER COUNTY
Notes to the Financial Statements
June 30, 2016

NOTE 9. Available Borrowing Capacity

The lawful County government general obligation debt limit is established under NRS 244A.059 not to exceed an amount equal to 10 percent of the total of the last assessed valuation of taxable property situated within the County. At June 30, 2016, the general obligation debt limit of Lander County was \$1,168,524,947. The County has general obligation long-term debt outstanding at year end of \$0. Accordingly, its legal borrowing capacity is \$1,168,524,947 at June 30, 2016.

The lawful unincorporated town government general obligation debt limit is established under NRS 269.425 not to exceed an amount equal to 25 percent of the total of the last assessed valuation of taxable property situated within the town. At June 30, 2016, the general obligation debt limit of the unincorporated towns of Austin and Battle Mountain was \$1,119,038 and \$12,052,466 respectively. As none of these towns had general obligation debt at June 30, 2016, these amounts are also their available borrowing capacity amounts.

NOTE 10. Commitments and Contingencies

Lander County is obligated as follows:

Grants Received

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the Federal government. Any disallowed claims, including amounts already collected, may constitute a liability in the applicable funds. The amounts, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the County expects such amounts, if any, to be immaterial.

Litigation

The County is party to legal proceedings which normally occur in governmental operations. County officials believe these legal proceedings are not likely to have a material adverse impact on the financial position of the County.

LANDER COUNTY
Notes to the Financial Statements
June 30, 2016

NOTE 12. Retirement and Pension Plan, Continued

Benefit payments to which participants or their beneficiaries may be entitled under the plan include pension benefits, disability benefits, and survivor benefits.

Monthly benefit allowances for members are computed as 2.5% of average compensation for each accredited year of service prior to July 1, 2001. For service earned on and after July 1, 2001, this multiplier is 2.67% of average compensation. For members entering the System on or after January 1, 2010, there is a 2.5% multiplier. The System offers several alternatives to the unmodified service retirement allowance which, in general, allow the retired employee to accept a reduced service retirement allowance payable monthly during his or her lifetime and various optional monthly payments to a named beneficiary after his or her death.

Post-retirement increases are provided by authority of NRS 286.575 - .579.

Vesting

Regular members are eligible for retirement at age 65 with five years of service, at age 60 with 10 years of service, or at any age with thirty years of service. Regular members entering the System on or after January 1, 2010, are eligible for retirement at age 65 with five years of service, or age 62 with 10 years of service, or any age with thirty years of service.

Police/Fire members are eligible for retirement at age 65 with five years of service, at age 55 with ten years of service, at age 50 with twenty years of service, or at any age with twenty-five years of service. Police/Fire members entering the System on or after January 1, 2010, are eligible for retirement at 65 with five years of service, or age 60 with ten years of service, or age 50 with twenty years of service, or at any age with thirty years of service. Only service performed in a position as a police officer or firefighter may be counted towards to eligibility for retirement as Police/Fire accredited service.

The normal ceiling limitation on monthly benefits allowances is 75% of average compensation. However, a member who has an effective date of membership before July 1, 1985, is entitled to a benefit of up to 90% of average compensation. Both Regular and Police/Fire members become fully vested as to benefits upon completion of five years of service.

Contributions

The authority for establishing and amending the obligation to make contributions and member contribution rates is set by statute. New hires, in agencies which did not elect the Employer-Pay Contribution (EPC) plan prior to July 1, 1983, have the option of selecting one of two contribution plans. Contributions are shared equally by employer and employee. Employees can take a reduced salary and have contributions made by the employer (EPC) or can make contributions by a payroll deduction matched by the employer.

The System's basic funding policy provides for periodic contributions at a level pattern of cost as a percentage of salary throughout an employee's working lifetime in order to accumulate sufficient assets to pay benefits when due.

The System receives an actuarial valuation on an annual basis indicating the contribution rates required to fund the System on an actuarial reserve basis. Contributions actually made are in accordance with the required rates

LANDER COUNTY
Notes to the Financial Statements
June 30, 2016

NOTE 12. Retirement and Pension Plan, Continued

combined employer and member contributions relative to the total combined employer and member contributions for all employers for the period ended June 30, 2015. The County's proportion measured as of June 30, 2015, was 0.112104 percent, which was an decrease of 0.006916 percent from its proportion measured as of June 30, 2014.

Pension liability discount rate sensitivity

The following presents the net pension liability of the PERS as of June 30, 2015, calculated using the discount rate of 8.00%, as well as what the PERS net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (7.00%) or 1-percentage-point higher (9.00%) than the current discount rate:

	1% Decrease (7.00%)	Discount Rate (8.00%)	1% Increase (9.00%)
Proportionate share of Net pension (asset) / liability	\$ 19,584,402	\$ 12,846,521	\$ 7,243,553

Pension plan fiduciary net position

Detailed information about the pension plan's fiduciary net position is available in the PERS Comprehensive Annual Financial Report, available on the PERS website.

Actuarial assumptions

The County's net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation rate	3.50%
Payroll growth	5.00%, including inflation
Investment rate of return	8.00%
Productivity pay increase	0.75%
Projected salary increases	Regular: 4.60% to 9.75%, depending on service Police/Fire: 5.25% to 14.50%, depending on service Rates include inflation and productivity increases
Consumer Price Index	3.50%
Other assumptions	Same as those used in the June 30, 2015 funding actuarial valuation

Actuarial assumptions used in the June 30, 2015 valuation were based on the results of the experience review completed in 2013.

LANDER COUNTY
Notes to the Financial Statements
June 30, 2016

NOTE 12. Retirement and Pension Plan, Continued

The \$1,808,947 reported as deferred outflows of resources related to PERS pensions resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to PERS pensions will be recognized in pension expense as follows:

Year Ending June 30,	Deferred Outflows (Inflows) of Resources
2017	\$ (516,466)
2018	(516,466)
2019	(516,466)
2020	97,036
2021	(159,700)
2022	(50,070)
Thereafter	-

NOTE 13. Postemployment Benefits Other Than Pensions

Plan Description

The County administers a single-employer defined benefit healthcare plan, Lander County Employee Health Benefit Plan (LCEHBP). Additionally, the County subsidizes eligible retirees' contributions to an agent multiple-employer defined benefit postemployment healthcare plan, Public Employees' Benefits Plan (PEBP). Each plan provides medical, vision, dental, and life insurance benefits to eligible County retirees and their beneficiaries.

Benefit provisions for the LCEHBP are established pursuant to NRS 287.023 and amended through negotiations between the County and the respective associations. NRS 288.150 assigns the authority to establish benefit provisions to the Board of Commissioners. The plan provides healthcare insurance for eligible retirees and their beneficiaries through the County's group health insurance plan, which covers both active and retired members. Under NRS 287.023 eligible retirees are able to participate in the plan with blended rates, thereby benefitting from an implicit subsidy. Retirees are required to pay 100% of their premiums under the plan. As of June 30, 2016 no retirees were using this plan. The LCEHBP does not issue a publicly available financial report.

LANDER COUNTY
Notes to the Financial Statements
June 30, 2016

NOTE 13. Postemployment Benefits Other Than Pensions, Continued

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plans, and the net OPEB obligations (assets), by plan, for fiscal years 2014 through 2016 were as follows:

	Fiscal Year Ended	Annual OPEB Cost	Employer Contributions	% of Annual OPEB Cost Contributed	Net OPEB Obligation
LCEHBP	6/30/2016	\$ 25,912	\$ 2,809	11%	\$ 181,731
LCEHBP	6/30/2015	\$ 25,836	-	0%	\$ 158,628
LCEHBP	6/30/2014	\$ 32,076	-	0%	\$ 132,792
PEBP	6/30/2016	\$ 50,368	\$ 62,807	125%	\$ 132,499
PEBP	6/30/2015	\$ 54,750	\$ 54,917	100%	\$ 144,938
PEBP	6/30/2014	\$ 67,951	\$ 63,103	93%	\$ 145,105
Combined Totals	6/30/2016	\$ 76,280	\$ 65,616		
Combined Totals	6/30/2015	\$ 80,586	\$ 54,917		
Combined Totals	6/30/2014	\$ 100,027	\$ 63,103		

The net OPEB obligation as of June 30, 2016, was calculated as follows:

	LCEHBP	PEBP	Totals
Annual required contribution	\$ 30,371	\$ 58,419	\$ 88,790
Interest on net OPEB obligation	6,279	5,629	11,908
Adjustments to annual required contributions	(10,738)	(13,680)	(24,418)
Annual OPEB cost (expense)	25,912	50,368	76,280
Contributions made	(2,809)	(62,807)	(65,616)
Change in net OPEB obligation	23,103	(12,439)	10,664
Net OPEB obligation - beginning of year	158,628	144,938	303,566
Net OPEB obligation - end of year	\$ 181,731	\$ 132,499	\$ 314,230

Funding Status and Funding Progress

The funding status of the plans as of June 30, 2016, was as follows:

	LCEHBP	PEBP	Totals
Accrued actuarial liability (a)	\$ 172,228	\$ 867,913	\$ 1,040,141
Actuarial value of plan assets (b)	-	-	-
Unfunded actuarial accrued liability (a)-(b)	\$ 172,228	\$ 867,913	\$ 1,040,141
Funded ratio (b)/(a)	0.00%	0.00%	0.00%
Covered payroll (c)	\$ 6,800,000	N/A	
Unfunded actuarial accrued liability as a percentage of covered payroll $\left(\frac{[(a)-(b)]}{(c)}\right)$	2.53%		

LANDER COUNTY
Notes to the Financial Statements
June 30, 2016

NOTE 14. Landfill Closure and Postclosure Care Cost

State and federal laws and regulations require Lander County to place final covers on its Battle Mountain and Austin landfill sites when they stop accepting waste and to perform certain maintenance and monitoring functions at the sites for 30 years after closure. During the year ended June 30, 1999, the County Commissioners approved the County's purchase of insurance to cover the costs of closure and post-closure of the landfills. As such, the County has not recorded its liability in the Lander County Landfills Fund. The County is obligated under the insurance policy to pay an annual premium over 15 years. The County paid its final annual premium during fiscal year 2014. The County continually evaluates an expected closure date for the Battle Mountain landfill. Per an engineering study performed in 2003, the predicted life of the landfill was 77 years, through 2080. The engineer reevaluates the landfill capacity and adjusts it annually based on the landfill usage. At June 30, 2016 the estimated closure and post-closure liability is \$497,515 and the insured amount is \$500,145.

The Austin landfill was closed in 2006. During the fiscal year ended June 30, 2007, the County received State approval on the Austin landfill closure. A trust fund for post-closure financial assurance was established with Nevada Division of Environmental Protection named beneficiary of the trust. The trust was fully funded in 2007 in the amount of \$64,200 pursuant to an engineering report. The earnings in the trust have met the inflationary requirements set by the Nevada Division of Environmental Protection. At June 30, 2016 the estimated remaining post-closure liability is \$50,050.

NOTE 15. Construction and Purchase Commitments

Lander County has entered into contracts for construction and asset purchases as follows:

	Project Authorization	Expended/ Retainage	Commitment 6/30/2016
Airport Projects	\$ 4,155,950	\$ 1,624,842	\$ 2,531,108
Battle Mountain Recreation Center	16,014,127	1,423,405	14,590,722
Water and Sewer Projects	2,507,199	532,327	1,974,872
Various Projects	961,691	717,076	244,615
Total Projects	<u>\$ 23,638,967</u>	<u>\$ 4,297,650</u>	<u>\$ 19,341,317</u>

REQUIRED SUPPLEMENTARY INFORMATION

LANDER COUNTY
Schedule of Contributions
Public Employees' Retirement System of Nevada
June 30, 2016
Last 10 Fiscal Years

	<u>Reporting Fiscal Year</u> <u>(Measurement Date)</u>	<u>Reporting Fiscal Year</u> <u>(Measurement Date)</u>
	2016 (2015)	2015 (2014)
Contractually required contribution	\$ 1,730,381	\$ 1,711,073
Contributions in relation to the contractually required contribution	\$ (1,730,381)	\$ (1,711,073)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
Covered employee payroll	\$ 5,819,671	\$ 5,825,961
Contributions as a percentage of covered-employee payroll	29.73%	29.37%

Note: County implemented GASB 68 in fiscal year 2015. Some prior year information is not available.

**LANDER COUNTY
GENERAL FUND
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual (Continued)
For the Year Ended June 30, 2016
(With Comparative Totals for June 30, 2015)**

REVENUES (Continued):	Budget		Actual	Variance Favorable (Unfavorable)	Actual 2015
	Original	Final			
Fines and forfeitures					
Fines and forfeitures	182,000	182,000	240,626	58,626	182,156
Other	250	250	798	548	975
Total fines and forfeitures	<u>182,250</u>	<u>182,250</u>	<u>241,424</u>	<u>59,174</u>	<u>183,131</u>
Investment earnings					
Interest	518,580	518,580	552,897	34,317	360,901
Net increase (decrease) in the fair value of investments	-	-	534,783	534,783	43,728
Total investment earnings	<u>518,580</u>	<u>518,580</u>	<u>1,087,680</u>	<u>569,100</u>	<u>404,629</u>
Other revenue					
Rents	22,500	22,500	10,079	(12,421)	28,340
Sales of tax deeded property	-	-	-	-	23,060
Miscellaneous	20,000	20,000	17,149	(2,851)	26,457
Total other revenue	<u>42,500</u>	<u>42,500</u>	<u>27,228</u>	<u>(15,272)</u>	<u>77,857</u>
Total revenues	<u>13,466,860</u>	<u>13,466,860</u>	<u>13,864,393</u>	<u>397,533</u>	<u>13,494,293</u> (continued)

**LANDER COUNTY
GENERAL FUND**
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual (Continued)
For the Year Ended June 30, 2016
(With Comparative Totals for June 30, 2015)

EXPENDITURES (Continued):	Budget		Actual	Variance Favorable (Unfavorable)	Actual 2015
	Original	Final			
Public safety					
Sheriff					
Salaries and wages	1,993,740	1,993,740	1,672,798	320,942	1,689,379
Employee benefits	1,598,580	1,598,580	968,357	630,223	998,594
Services and supplies	537,200	537,200	365,223	171,977	412,940
Capital outlay	5,000	5,000	5,000	-	8,000
	<u>4,134,520</u>	<u>4,134,520</u>	<u>3,011,378</u>	<u>1,123,142</u>	<u>3,108,913</u>
Jail operations					
Salaries and wages	645,425	645,425	613,175	32,250	536,032
Employee benefits	548,315	548,315	364,074	184,241	345,457
Services and supplies	291,400	291,400	191,663	99,737	187,923
Capital outlay	20,000	20,000	-	20,000	-
	<u>1,505,140</u>	<u>1,505,140</u>	<u>1,168,912</u>	<u>336,228</u>	<u>1,069,412</u>
Animal control					
Salaries and wages	61,590	61,590	48,896	12,694	46,509
Employee benefits	32,990	32,990	23,563	9,427	19,872
Services and supplies	23,660	26,160	15,285	10,875	12,445
Capital outlay	1,500	1,500	1,630	(130)	-
	<u>119,740</u>	<u>122,240</u>	<u>89,374</u>	<u>32,866</u>	<u>78,826</u>
Austin fire department					
Salaries and wages	600	600	-	600	-
Employee benefits	15,666	15,666	5,418	10,248	2,735
Services and supplies	44,900	44,900	4,897	40,003	10,529
Capital outlay	2,800	2,800	521	2,279	-
	<u>63,966</u>	<u>63,966</u>	<u>10,836</u>	<u>53,130</u>	<u>13,264</u>
Austin ambulance					
Services and supplies	83,800	83,800	72,533	11,267	74,924
	<u>83,800</u>	<u>83,800</u>	<u>72,533</u>	<u>11,267</u>	<u>74,924</u>
Battle Mountain fire department					
Salaries and wages	1,800	1,800	1,800	-	1,800
Employee benefits	34,530	34,530	31,599	2,931	30,209
Services and supplies	205,700	205,700	170,312	35,388	169,019
Capital outlay	5,000	5,000	2,099	2,901	-
	<u>247,030</u>	<u>247,030</u>	<u>205,810</u>	<u>41,220</u>	<u>201,028</u>
Battle Mountain ambulance					
Salaries and wages	-	-	-	-	1,950
Services and supplies	268,000	268,000	251,377	16,623	258,125
	<u>268,000</u>	<u>268,000</u>	<u>251,377</u>	<u>16,623</u>	<u>260,075</u>
Total public safety	<u>6,422,196</u>	<u>6,424,696</u>	<u>4,810,220</u>	<u>1,614,476</u>	<u>4,806,442</u>

(continued)

LANDER COUNTY
Required Supplementary Information
Schedule of Funding Progress
Other Post-Employment Benefits
For the Year Ended June 30, 2016

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) EANC LCEHBP (b)	Actuarial Accrued Liability (AAL) EANC PEBP (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
7/1/2014	\$ -	\$ 148,109	\$ 891,425	\$ 1,039,534	0.0%	\$ 6,800,000	2.2%
7/1/2011	\$ -	\$ 170,341	\$ 1,140,305	\$ 1,310,646	0.0%	\$ 5,212,351	3.3%
7/1/2008	\$ -	\$ 148,388	\$ 2,851,024	\$ 2,999,412	0.0%	\$ 4,862,000	3.1%

SUPPLEMENTARY INFORMATION

MAJOR CAPITAL PROJECTS FUND

**NONMAJOR GOVERNMENTAL FUNDS
COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS**

**PROPRIETARY INDIVIDUAL FUND
FINANCIAL STATEMENTS**

LANDER COUNTY
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2016

	State		Agricultural Extension	Aged Services	Lander County Landfill	Lander County Airports	Lander County Economic Development
	Road and Bridge	Medical Indigent					
Assets							
Cash and investments	\$ 5,328,136	\$ 1,600,400	\$ 285,428	\$ 1,983,821	\$ 7,019,146	\$ 1,608,953	\$ 115,441
Accounts receivable	1,008	-	1,896	751	10,772	1,233	-
Taxes receivable	6,262	2,477	500	2,843	1,781	1,330	-
Due from other governments	171,279	-	-	-	-	297	-
Inventory	-	-	-	398	-	-	-
Total assets	\$ 5,506,685	\$ 1,602,877	\$ 287,824	\$ 1,987,813	\$ 7,031,699	\$ 1,611,813	\$ 115,441
Liabilities, Deferred Inflows, and Fund Balances							
Liabilities:							
Accounts payable	108,179	985	11,287	6,557	35,623	1,571	52,876
Accrued salaries	40,056	3,037	1,401	7,413	4,015	-	-
Unearned revenue	-	-	-	-	-	-	36,210
Due to other governments	-	-	-	-	-	-	-
Total liabilities	148,235	4,022	12,688	13,970	39,638	1,571	89,086
Deferred inflows of resources:							
Deferred revenue - net proceeds	-	-	-	-	300,773	-	-
Unavailable revenue - property taxes	5,146	2,030	412	2,340	1,486	1,094	-
Total deferred inflows of resources	5,146	2,030	412	2,340	302,259	1,094	-
Fund balances:							
Nonspendable	-	-	-	398	-	-	-
Restricted for:							
General government	-	-	-	-	-	-	-
Judicial	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-
Welfare	-	1,596,825	-	-	-	-	-
Community support	-	-	274,724	-	-	-	-
Committed for:							
General government	-	-	-	-	-	1,609,148	-
Culture and recreation	-	-	-	-	-	-	-
Health and sanitation	-	-	-	-	6,689,802	-	-
Capital projects	-	-	-	-	-	-	-
Assigned	5,353,304	-	-	1,971,105	-	-	26,355
Total fund balances	5,353,304	1,596,825	274,724	1,971,503	6,689,802	1,609,148	26,355
Total liabilities, deferred inflows, & fund balances	\$ 5,506,685	\$ 1,602,877	\$ 287,824	\$ 1,987,813	\$ 7,031,699	\$ 1,611,813	\$ 115,441

(Continued)

LANDER COUNTY
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2016

	Genetic Marker Testing	Forensic Services	District Drug Court	Court Facility Fees	Juvenile Administrative Assessment	Mine Map Fees	Technology Fees	Austin Capital Acquisition
Assets								
Cash and investments	\$ 655	\$ 5,203	\$ 57,826	\$ 137,255	\$ 8,895	\$ 166,952	\$ 2,436,691	\$ 29,999
Accounts receivable	-	-	-	-	-	-	-	-
Taxes receivable	-	-	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	-	-
Total assets	\$ 655	\$ 5,203	\$ 57,826	\$ 137,255	\$ 8,895	\$ 166,952	\$ 2,436,691	\$ 29,999
Liabilities, Deferred Inflows, and Fund Balances								
Liabilities:								
Accounts payable	655	-	-	-	-	2,280	83,589	-
Accrued salaries	-	-	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-	-	-
Due to other governments	-	-	-	-	-	-	-	-
Total liabilities	655	-	-	-	-	2,280	83,589	-
Deferred inflows of resources:								
Deferred revenue - net proceeds	-	-	-	-	-	-	383,209	-
Unavailable revenue - property taxes	-	-	-	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-	-	383,209	-
Fund balances:								
Nonspendable	-	-	-	-	-	-	-	-
Restricted for:								
General government	-	-	-	-	-	164,672	1,969,893	-
Judicial	-	-	57,826	137,255	8,895	-	-	-
Public safety	-	5,203	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-
Welfare	-	-	-	-	-	-	-	-
Community support	-	-	-	-	-	-	-	-
Committed for:								
General government	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-
Health and sanitation	-	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-	29,999
Assigned	-	-	-	-	-	-	-	-
Total fund balances	-	5,203	57,826	137,255	8,895	164,672	1,969,893	29,999
Total liabilities, deferred inflows, & fund balances	\$ 655	\$ 5,203	\$ 57,826	\$ 137,255	\$ 8,895	\$ 166,952	\$ 2,436,691	\$ 29,999

(Continued)

LANDER COUNTY
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2016

	Road and Bridge	Indigent	State Medical Indigent	Agricultural Extension	Aged Services	Lander County Landfill	Lander County Airports	Lander County Economic Development
REVENUES:								
Taxes	\$ 1,058,221	\$ 430,682	\$ 562,557	\$ 85,579	\$ 484,931	\$ 349,462	\$ 228,795	\$ -
Licenses, permits and fees	-	-	-	-	-	-	-	-
Intergovernmental	1,067,787	-	-	-	47,904	-	-	79,799
Charges for services	-	-	-	-	33,538	109,172	4,703	-
Investment earnings	-	-	-	-	-	66,047	-	-
Other revenues	120	-	-	-	22,747	-	19,156	-
Total	2,126,128	430,682	562,557	85,579	589,120	524,681	252,654	79,799
EXPENDITURES:								
Current:								
General government	-	-	-	-	-	-	130,511	-
Public safety	-	-	-	-	-	-	-	-
Judicial	-	-	-	-	-	-	-	-
Public works	1,748,663	-	-	-	-	-	-	-
Welfare	-	218,402	528,773	-	337,450	-	-	-
Health and sanitation	-	-	-	-	-	333,649	-	-
Culture and recreation	-	-	-	74,429	-	-	-	6,000
Community support	-	-	-	-	-	-	-	-
Capital outlay:								
General government	-	-	-	-	-	-	11	-
Public works	-	-	-	-	-	-	-	-
Health and sanitation	-	-	-	-	-	736,936	-	-
Culture and recreation	-	-	-	-	-	-	-	-
Community support	-	-	-	4,016	-	-	-	73,799
Total	1,748,663	218,402	528,773	78,445	337,450	1,070,585	130,522	79,799
Excess of revenues over (under) expenditures	377,465	212,280	33,784	7,134	251,670	(545,904)	122,132	-
Other financing sources (uses):								
Transfers in	5,121	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	(5,121)	-
Total other financing sources (uses)	5,121	-	-	-	-	-	(5,121)	-
Net change in fund balances	382,586	212,280	33,784	7,134	251,670	(545,904)	117,011	-
Fund balances - beginning	4,970,718	1,384,545	5,915,424	267,590	1,719,833	7,235,706	1,492,137	26,355
Fund balances - ending	\$ 5,353,304	\$ 1,596,825	\$ 5,949,208	\$ 274,724	\$ 1,971,503	\$ 6,689,802	\$ 1,609,148	\$ 26,355

(Continued)

LANDER COUNTY
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2016

	Genetic Marker Testing	Forensic Services	District Drug Court	Court Facility Fees	Juvenile Administrative Assessment	Mine Map Fees	Technology Fees	Austin Capital Acquisition
REVENUES:								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses, permits and fees	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	9,754	1,920	6,739	30,890	6,982	21,290	345,097	-
Investment earnings	-	-	-	-	-	-	22,911	-
Other revenues	-	-	-	-	-	-	-	276
Total	9,754	1,920	6,739	30,890	6,982	21,290	368,008	276
EXPENDITURES:								
Current:								
General government	-	-	-	-	-	13,392	361,059	-
Public safety	-	-	-	-	-	-	-	-
Judicial	9,754	-	4,182	-	2,895	-	-	-
Public works	-	-	-	-	-	-	-	182
Welfare	-	-	-	-	-	-	-	-
Health and sanitation	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-
Community support	-	-	-	-	-	-	-	-
Capital outlay:								
General government	-	-	-	-	-	-	483,992	-
Public works	-	-	-	-	-	-	-	-
Health and sanitation	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-
Community support	-	-	-	-	-	-	-	-
Total	9,754	-	4,182	-	2,895	13,392	845,051	182
Excess of revenues over (under) expenditures	-	1,920	2,557	30,890	4,087	7,898	(477,043)	94
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	3,237
Transfers out	-	-	-	(34,915)	-	-	(90,079)	-
Total other financing sources (uses)	-	-	-	(34,915)	-	-	(90,079)	3,237
Net change in fund balances	-	1,920	2,557	(4,025)	4,087	7,898	(567,122)	3,331
Fund balances - beginning	-	3,283	55,269	141,280	4,808	156,774	2,537,015	26,668
Fund balances - ending	\$ -	\$ 5,203	\$ 57,826	\$ 137,255	\$ 8,895	\$ 164,672	\$ 1,969,893	\$ 29,999

(Continued)

LANDER COUNTY
ROAD AND BRIDGE FUND
Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2016
(With Comparative Actual Amounts for the Year Ended June 30, 2015)

	Budget		Actual	Variance Favorable (Unfavorable)	Actual 2015
	Original	Final			
REVENUES:					
Tax revenue					
Ad valorem	\$ 1,240,264	\$ 1,240,264	\$ 1,058,221	\$ (182,043)	\$ 1,041,540
Total tax revenue	<u>1,240,264</u>	<u>1,240,264</u>	<u>1,058,221</u>	<u>(182,043)</u>	<u>1,041,540</u>
Intergovernmental					
State motor vehicle fuel tax	965,430	965,430	1,009,215	43,785	1,012,314
Forest reserve fees	11,500	11,500	58,572	47,072	59,688
Total intergovernmental	<u>976,930</u>	<u>976,930</u>	<u>1,067,787</u>	<u>90,857</u>	<u>1,072,002</u>
Investment earnings					
Interest	-	-	-	-	32,379
Net increase (decrease) in the fair value of investments	-	-	-	-	10,942
Total investment earnings	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>43,321</u>
Other revenue					
Miscellaneous	200	200	120	(80)	240
Total other revenues	<u>200</u>	<u>200</u>	<u>120</u>	<u>(80)</u>	<u>240</u>
Total revenues	<u>2,217,394</u>	<u>2,217,394</u>	<u>2,126,128</u>	<u>(91,266)</u>	<u>2,157,103</u>
EXPENDITURES:					
Public works					
Highway and streets - Austin					
Salaries and wages	407,195	407,195	340,422	66,773	364,744
Employee benefits	285,725	285,725	178,062	107,663	192,962
Services and supplies	291,565	291,565	234,497	57,068	191,366
Capital outlay	50,000	50,000	-	50,000	-
Total highway and streets - Austin	<u>1,034,485</u>	<u>1,034,485</u>	<u>752,981</u>	<u>281,504</u>	<u>749,072</u>
Highway and streets - Battle Mountain					
Salaries and wages	562,445	562,445	532,156	30,289	513,409
Employee benefits	388,975	388,975	226,543	162,432	252,644
Services and supplies	413,920	413,920	236,983	176,937	293,570
Capital outlay	222,450	222,450	-	222,450	-
Total highway and streets - BM	<u>1,587,790</u>	<u>1,587,790</u>	<u>995,682</u>	<u>592,108</u>	<u>1,059,623</u>
Total expenditures	<u>2,622,275</u>	<u>2,622,275</u>	<u>1,748,663</u>	<u>873,612</u>	<u>1,808,695</u>
Excess of revenues over (under) expenditures	<u>(404,881)</u>	<u>(404,881)</u>	<u>377,465</u>	<u>782,346</u>	<u>348,408</u>
Other financing sources (uses):					
Proceeds from sale of capital assets	-	-	-	-	172,450
Transfers in	15,500	15,500	5,121	(10,379)	6,626
Transfers out	-	-	-	-	(43,321)
Total other financing sources (uses)	<u>15,500</u>	<u>15,500</u>	<u>5,121</u>	<u>(10,379)</u>	<u>135,755</u>
Net change in fund balance	<u>(389,381)</u>	<u>(389,381)</u>	<u>382,586</u>	<u>771,967</u>	<u>484,163</u>
Fund balance, beginning of year	<u>4,970,718</u>	<u>4,970,718</u>	<u>4,970,718</u>	<u>-</u>	<u>4,486,555</u>
Fund balance, end of year	<u>\$ 4,581,337</u>	<u>\$ 4,581,337</u>	<u>\$ 5,353,304</u>	<u>\$ 771,967</u>	<u>\$ 4,970,718</u>

LANDER COUNTY
STATE MEDICAL INDIGENT FUND
Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2016
(With Comparative Actual Amounts for the Year Ended June 30, 2015)

	Budget		Actual	Variance	Actual 2015
	Original	Final		Favorable (Unfavorable)	
REVENUES:					
Tax revenue					
Ad valorem	\$ 437,937	\$ 437,937	\$ 373,761	\$ (64,176)	\$ 368,977
Ad valorem auto	100,291	100,291	85,493	(14,798)	84,505
Net proceeds of mines	-	-	84,054	84,054	432,843
Net proceeds auto	-	-	19,249	19,249	99,124
Total tax revenue	<u>538,228</u>	<u>538,228</u>	<u>562,557</u>	<u>24,329</u>	<u>985,449</u>
Investment earnings					
Interest	4,566	4,566	-	(4,566)	58,377
Net increase (decrease) in the fair value of investments	-	-	-	-	1,864
Total investment earnings	<u>4,566</u>	<u>4,566</u>	<u>-</u>	<u>(4,566)</u>	<u>60,241</u>
Total revenues	<u>542,794</u>	<u>542,794</u>	<u>562,557</u>	<u>19,763</u>	<u>1,045,690</u>
EXPENDITURES:					
Welfare					
Salaries and wages	24,955	25,205	25,131	74	24,069
Employee benefits	15,575	15,325	10,967	4,358	10,672
Services and supplies	500,132	500,132	161,916	338,216	118,516
Remittance to state	<u>822,482</u>	<u>822,482</u>	<u>330,759</u>	<u>491,723</u>	<u>304,954</u>
Total expenditures	<u>1,363,144</u>	<u>1,363,144</u>	<u>528,773</u>	<u>834,371</u>	<u>458,211</u>
Excess of revenues over (under) expenditures	<u>(820,350)</u>	<u>(820,350)</u>	<u>33,784</u>	<u>854,134</u>	<u>587,479</u>
Net change in fund balance	(820,350)	(820,350)	33,784	854,134	587,479
Fund balance, beginning of year	<u>5,915,424</u>	<u>5,915,424</u>	<u>5,915,424</u>	<u>-</u>	<u>5,327,945</u>
Fund balance, end of year	<u>\$ 5,095,074</u>	<u>\$ 5,095,074</u>	<u>\$ 5,949,208</u>	<u>\$ 854,134</u>	<u>\$ 5,915,424</u>

LANDER COUNTY
AGED SERVICES FUND
Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2016
(With Comparative Actual Amounts for the Year Ended June 30, 2015)

	Budget		Actual	Variance	Actual 2015
	Original	Final		Favorable (Unfavorable)	
REVENUES:					
Tax revenue					
Ad valorem	\$ 568,315	\$ 568,315	\$ 484,931	\$ (83,384)	\$ 478,836
Total tax revenue	<u>568,315</u>	<u>568,315</u>	<u>484,931</u>	<u>(83,384)</u>	<u>478,836</u>
Intergovernmental					
Federal grants	61,225	61,225	47,904	(13,321)	66,349
Total intergovernmental	<u>61,225</u>	<u>61,225</u>	<u>47,904</u>	<u>(13,321)</u>	<u>66,349</u>
Charges for services					
Meal fees	30,250	30,250	33,538	3,288	34,854
Total charges for services	<u>30,250</u>	<u>30,250</u>	<u>33,538</u>	<u>3,288</u>	<u>34,854</u>
Investment earnings					
Interest	-	-	-	-	9,285
Net increase (decrease) in the fair value of investments	-	-	-	-	7,380
Total investment earnings	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,665</u>
Other revenue					
Miscellaneous	25,500	25,500	22,747	(2,753)	25,225
Total other revenue	<u>25,500</u>	<u>25,500</u>	<u>22,747</u>	<u>(2,753)</u>	<u>25,225</u>
Total revenues	<u>685,290</u>	<u>685,290</u>	<u>589,120</u>	<u>(96,170)</u>	<u>621,929</u>
EXPENDITURES:					
Welfare					
Senior center					
Salaries and wages	215,030	215,530	167,725	47,805	160,799
Employee benefits	130,825	130,325	87,998	42,327	83,443
Services and supplies	142,885	142,885	69,086	73,799	77,912
Capital outlay	23,500	23,500	-	23,500	-
Total senior center	<u>512,240</u>	<u>512,240</u>	<u>324,809</u>	<u>187,431</u>	<u>322,154</u>
Austin school					
Salaries and wages	9,180	9,180	5,977	3,203	5,704
Employee benefits	4,685	4,685	2,628	2,057	2,199
Services and supplies	8,160	8,160	4,036	4,124	3,971
Total austin school	<u>22,025</u>	<u>22,025</u>	<u>12,641</u>	<u>9,384</u>	<u>11,874</u>
Total expenditures	<u>534,265</u>	<u>534,265</u>	<u>337,450</u>	<u>196,815</u>	<u>334,028</u>
Excess of revenues over (under) expenditures	<u>151,025</u>	<u>151,025</u>	<u>251,670</u>	<u>100,645</u>	<u>287,901</u>
Other financing sources (uses):					
Transfers out	-	-	-	-	(16,665)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(16,665)</u>
Net change in fund balance	<u>151,025</u>	<u>151,025</u>	<u>251,670</u>	<u>100,645</u>	<u>271,236</u>
Fund balance, beginning of year	<u>1,719,833</u>	<u>1,719,833</u>	<u>1,719,833</u>	<u>-</u>	<u>1,448,597</u>
Fund balance, end of year	<u>\$ 1,870,858</u>	<u>\$ 1,870,858</u>	<u>\$ 1,971,503</u>	<u>\$ 100,645</u>	<u>\$ 1,719,833</u>

LANDER COUNTY
LANDER COUNTY AIRPORTS FUND
Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2016
(With Comparative Actual Amounts for the Year Ended June 30, 2015)

	Budget		Actual	Variance Favorable (Unfavorable)	Actual 2015
	Original	Final			
REVENUES:					
Tax revenue					
Ad valorem	\$ 267,442	\$ 267,442	\$ 228,196	\$ (39,246)	\$ 225,307
Gasoline tax	500	500	599	99	228
Total tax revenue	<u>267,942</u>	<u>267,942</u>	<u>228,795</u>	<u>(39,147)</u>	<u>225,535</u>
Charges for services					
User fees and fuel sales	4,300	4,300	4,703	403	2,768
Total charges for services	<u>4,300</u>	<u>4,300</u>	<u>4,703</u>	<u>403</u>	<u>2,768</u>
Investment earnings					
Interest	992	992	-	(992)	1,722
Total investment earnings	<u>992</u>	<u>992</u>	<u>-</u>	<u>(992)</u>	<u>1,722</u>
Other revenues					
Rent	16,500	16,500	19,156	2,656	16,906
Total other revenues	<u>16,500</u>	<u>16,500</u>	<u>19,156</u>	<u>2,656</u>	<u>16,906</u>
Total revenues	<u>289,734</u>	<u>289,734</u>	<u>252,654</u>	<u>(37,080)</u>	<u>246,931</u>
EXPENDITURES:					
General government					
Services and supplies	173,300	173,300	130,511	42,789	104,436
Capital outlay	4,610	4,610	11	4,599	-
Total expenditures	<u>177,910</u>	<u>177,910</u>	<u>130,522</u>	<u>47,388</u>	<u>104,436</u>
Excess of revenues over (under) expenditures	<u>111,824</u>	<u>111,824</u>	<u>122,132</u>	<u>10,308</u>	<u>142,495</u>
Other financing sources (uses):					
Transfers out	(15,500)	(15,500)	(5,121)	10,379	(6,626)
Total other financing sources (uses)	<u>(15,500)</u>	<u>(15,500)</u>	<u>(5,121)</u>	<u>10,379</u>	<u>(6,626)</u>
Net change in fund balance	96,324	96,324	117,011	20,687	135,869
Fund balance, beginning of year	1,492,137	1,492,137	1,492,137	-	1,356,268
Fund balance, end of year	<u>\$ 1,588,461</u>	<u>\$ 1,588,461</u>	<u>\$ 1,609,148</u>	<u>\$ 20,687</u>	<u>\$ 1,492,137</u>

LANDER COUNTY
DOE NUCLEAR REPOSITORY FUND
Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2016
(With Comparative Actual Amounts for the Year Ended June 30, 2015)

	Budget		Actual	Variance Favorable (Unfavorable)	Actual 2015
	Original	Final			
REVENUES:					
Intergovernmental					
Federal grants	\$ 108,900	\$ 108,900	\$ 69,432	\$ (39,468)	\$ 148,034
Total intergovernmental	<u>108,900</u>	<u>108,900</u>	<u>69,432</u>	<u>(39,468)</u>	<u>148,034</u>
Investment earnings					
Interest	212	212	-	(212)	263
Total investment earnings	<u>212</u>	<u>212</u>	<u>-</u>	<u>(212)</u>	<u>263</u>
Total revenues	<u>109,112</u>	<u>109,112</u>	<u>69,432</u>	<u>(39,680)</u>	<u>148,297</u>
EXPENDITURES:					
Public safety					
Salaries and wages	-	-	-	-	38,597
Employee benefits	-	-	-	-	9,892
Services and supplies	<u>109,112</u>	<u>109,112</u>	<u>69,432</u>	<u>39,680</u>	<u>99,808</u>
Total expenditures	<u>109,112</u>	<u>109,112</u>	<u>69,432</u>	<u>39,680</u>	<u>148,297</u>
Excess of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

LANDER COUNTY
TOWN OF AUSTIN FUND
Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2016
(With Comparative Actual Amounts for the Year Ended June 30, 2015)

	Budget		Actual	Variance Favorable (Unfavorable)	Actual 2015
	Original	Final			
REVENUES:					
Tax revenue					
Ad valorem	\$ 9,772	\$ 9,772	\$ 9,087	\$ (685)	\$ 6,206
Net proceeds of mines	-	-	8,791	8,791	-
Franchise taxes	7,200	7,200	8,314	1,114	8,758
Total Taxes	<u>16,972</u>	<u>16,972</u>	<u>26,192</u>	<u>9,220</u>	<u>14,964</u>
Licenses and permits					
Business licenses	1,500	1,500	1,200	(300)	1,300
Gaming licenses	275	275	-	(275)	-
Animal licenses	50	50	-	(50)	-
Total licenses and permits	<u>1,825</u>	<u>1,825</u>	<u>1,200</u>	<u>(625)</u>	<u>1,300</u>
Intergovernmental					
Consolidated tax	14,120	14,120	15,299	1,179	14,807
Total intergovernmental	<u>14,120</u>	<u>14,120</u>	<u>15,299</u>	<u>1,179</u>	<u>14,807</u>
Charges for services					
Cemetery fees	500	500	200	(300)	-
Total charges for services	<u>500</u>	<u>500</u>	<u>200</u>	<u>(300)</u>	<u>-</u>
Investment earnings					
Interest	40	40	713	673	85
Total investment earnings	<u>40</u>	<u>40</u>	<u>713</u>	<u>673</u>	<u>85</u>
Other revenue					
Miscellaneous	-	-	10	10	-
Total other revenue	<u>-</u>	<u>-</u>	<u>10</u>	<u>10</u>	<u>-</u>
Total revenues	<u>33,457</u>	<u>33,457</u>	<u>43,614</u>	<u>10,157</u>	<u>31,156</u>
EXPENDITURES:					
General government					
Services and supplies	29,700	29,700	24,103	5,597	22,657
Total general government	<u>29,700</u>	<u>29,700</u>	<u>24,103</u>	<u>5,597</u>	<u>22,657</u>
Public works					
Services and supplies	12,000	12,000	2,740	9,260	7,385
Total public works	<u>12,000</u>	<u>12,000</u>	<u>2,740</u>	<u>9,260</u>	<u>7,385</u>
Health and sanitation					
Services and supplies	6,000	6,000	6,000	-	6,000
Total health and sanitation	<u>6,000</u>	<u>6,000</u>	<u>6,000</u>	<u>-</u>	<u>6,000</u>
Culture and recreation					
Services and supplies	7,500	7,500	7,500	-	7,500
Total culture and recreation	<u>7,500</u>	<u>7,500</u>	<u>7,500</u>	<u>-</u>	<u>7,500</u>
Total expenditures	<u>55,200</u>	<u>55,200</u>	<u>40,343</u>	<u>14,857</u>	<u>43,542</u>
Excess of revenues over (under) expenditures	<u>(21,743)</u>	<u>(21,743)</u>	<u>3,271</u>	<u>25,014</u>	<u>(12,386)</u>
Net change in fund balance	(21,743)	(21,743)	3,271	25,014	(12,386)
Fund balance, beginning of year	79,690	79,690	79,690	-	92,076
Fund balance, end of year	<u>\$ 57,947</u>	<u>\$ 57,947</u>	<u>\$ 82,961</u>	<u>\$ 25,014</u>	<u>\$ 79,690</u>

LANDER COUNTY
CULTURE AND RECREATION
Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2016
(With Comparative Actual Amounts for the Year Ended June 30, 2015)

	Budget		Actual	Variance Favorable (Unfavorable)	Actual 2015
	Original	Final			
REVENUES:					
Tax revenue					
Ad valorem	\$ 598,402	\$ 598,402	\$ 510,602	\$ (87,800)	\$ 504,187
Total tax revenue	<u>598,402</u>	<u>598,402</u>	<u>510,602</u>	<u>(87,800)</u>	<u>504,187</u>
Intergovernmental					
Federal payment in lieu of taxes	450,000	450,000	1,058,585	608,585	889,537
Total intergovernmental	<u>450,000</u>	<u>450,000</u>	<u>1,058,585</u>	<u>608,585</u>	<u>889,537</u>
Charges for services					
Cemetery fees	3,200	3,200	5,715	2,515	2,533
Green fees	35,000	35,000	23,727	(11,273)	51,944
Golf cart fees	7,000	7,000	5,500	(1,500)	6,050
Pool fees	15,000	15,000	5,835	(9,165)	13,868
Trail fees	4,000	4,000	75	(3,925)	3,775
Event fees	-	-	1,125	1,125	400
Total charges for services	<u>64,200</u>	<u>64,200</u>	<u>41,977</u>	<u>(22,223)</u>	<u>78,570</u>
Investment earnings					
Interest	-	-	-	-	38,945
Net increase (decrease) in the fair value of investments	-	-	-	-	17,040
Total investment earnings	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>55,985</u>
Total revenues	<u>1,112,602</u>	<u>1,112,602</u>	<u>1,611,164</u>	<u>498,562</u>	<u>1,528,279</u>

(continued)

**LANDER COUNTY
RESERVE FUND
Special Revenue Fund**
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2016
(With Comparative Actual Amounts for the Year Ended June 30, 2015)

	Budget		Actual	Variance Favorable (Unfavorable)	Actual 2015
	Original	Final			
REVENUES:					
Investment earnings					
Interest	\$ 240	\$ 240	\$ 6,786	\$ 6,546	\$ 533
Total investment earnings	<u>240</u>	<u>240</u>	<u>6,786</u>	<u>6,546</u>	<u>533</u>
Other revenue					
Geothermal revenue	72,750	72,750	252,661	179,911	180,572
Total other revenue	<u>72,750</u>	<u>72,750</u>	<u>252,661</u>	<u>179,911</u>	<u>180,572</u>
Total revenues	<u>72,990</u>	<u>72,990</u>	<u>259,447</u>	<u>186,457</u>	<u>181,105</u>
EXPENDITURES:					
General government					
Capital outlay	450,000	450,000	-	450,000	189,229
Total Expenditures	<u>450,000</u>	<u>450,000</u>	<u>-</u>	<u>450,000</u>	<u>189,229</u>
Excess of revenues over (under) expenditures	<u>(377,010)</u>	<u>(377,010)</u>	<u>259,447</u>	<u>636,457</u>	<u>(8,124)</u>
Net change in fund balance	(377,010)	(377,010)	259,447	636,457	(8,124)
Fund balance, beginning of year	563,181	563,181	563,181	-	571,305
Fund balance, end of year	<u>\$ 186,171</u>	<u>\$ 186,171</u>	<u>\$ 822,628</u>	<u>\$ 636,457</u>	<u>\$ 563,181</u>

LANDER COUNTY
ADMINISTRATIVE ASSESSMENT FEES FUND
Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2016
(With Comparative Actual Amounts for the Year Ended June 30, 2015)

	Budget		Actual	Variance Favorable (Unfavorable)	Actual 2015
	Original	Final			
REVENUES:					
Charges for services					
Administrative assessments	\$ 13,000	\$ 13,000	\$ 21,726	\$ 8,726	\$ 16,087
Total charges for services	<u>13,000</u>	<u>13,000</u>	<u>21,726</u>	<u>8,726</u>	<u>16,087</u>
Total revenues	<u>13,000</u>	<u>13,000</u>	<u>21,726</u>	<u>8,726</u>	<u>16,087</u>
EXPENDITURES:					
Judicial					
Services and supplies	22,000	22,000	2,354	19,646	2,551
Total expenditures	<u>22,000</u>	<u>22,000</u>	<u>2,354</u>	<u>19,646</u>	<u>2,551</u>
Excess of revenues over (under) expenditures	<u>(9,000)</u>	<u>(9,000)</u>	<u>19,372</u>	<u>28,372</u>	<u>13,536</u>
Other financing sources (uses):					
Transfers out	(17,738)	(17,738)	(15,385)	2,353	(16,432)
Total other financing sources (uses)	<u>(17,738)</u>	<u>(17,738)</u>	<u>(15,385)</u>	<u>2,353</u>	<u>(16,432)</u>
Net change in fund balance	(26,738)	(26,738)	3,987	30,725	(2,896)
Fund balance, beginning of year	<u>33,548</u>	<u>33,548</u>	<u>33,548</u>	<u>-</u>	<u>36,444</u>
Fund balance, end of year	<u>\$ 6,810</u>	<u>\$ 6,810</u>	<u>\$ 37,535</u>	<u>\$ 30,725</u>	<u>\$ 33,548</u>

LANDER COUNTY
FORENSIC SERVICES FUND
Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2016
(With Comparative Actual Amounts for the Year Ended June 30, 2015)

	Budget		Actual	Variance	Actual 2015
	Original	Final		Favorable (Unfavorable)	
REVENUES:					
Charges for services					
Fees	\$ 1,600	\$ 1,600	\$ 1,920	\$ 320	\$ 1,190
Total charges for services	<u>1,600</u>	<u>1,600</u>	<u>1,920</u>	<u>320</u>	<u>1,190</u>
Total revenues	<u>1,600</u>	<u>1,600</u>	<u>1,920</u>	<u>320</u>	<u>1,190</u>
EXPENDITURES:					
Public safety					
Services and supplies	<u>2,500</u>	<u>2,500</u>	-	<u>2,500</u>	<u>6,657</u>
Total expenditures	<u>2,500</u>	<u>2,500</u>	-	<u>2,500</u>	<u>6,657</u>
Excess of revenues over (under) expenditures	<u>(900)</u>	<u>(900)</u>	<u>1,920</u>	<u>2,820</u>	<u>(5,467)</u>
Net change in fund balance	(900)	(900)	1,920	2,820	(5,467)
Fund balance, beginning of year	<u>3,283</u>	<u>3,283</u>	<u>3,283</u>	<u>-</u>	<u>8,750</u>
Fund balance, end of year	<u>\$ 2,383</u>	<u>\$ 2,383</u>	<u>\$ 5,203</u>	<u>\$ 2,820</u>	<u>\$ 3,283</u>

LANDER COUNTY
COURT FACILITY FEES FUND
Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2016
(With Comparative Actual Amounts for the Year Ended June 30, 2015)

	Budget		Actual	Variance	Actual 2015
	Original	Final		Favorable (Unfavorable)	
REVENUES:					
Charges for services					
Court fees	\$ 22,000	\$ 22,000	\$ 30,890	\$ 8,890	\$ 22,965
Total charges for services	22,000	22,000	30,890	8,890	22,965
Total revenues	22,000	22,000	30,890	8,890	22,965
Excess of revenues over (under) expenditures	22,000	22,000	30,890	8,890	22,965
Other financing sources (uses):					
Transfers out	(34,915)	(34,915)	(34,915)	-	(36,582)
Total other financing sources (uses)	(34,915)	(34,915)	(34,915)	-	(36,582)
Net change in fund balance	(12,915)	(12,915)	(4,025)	8,890	(13,617)
Fund balance, beginning of year	141,280	141,280	141,280	-	154,897
Fund balance, end of year	\$ 128,365	\$ 128,365	\$ 137,255	\$ 8,890	\$ 141,280

LANDER COUNTY
MINE MAP FEES FUND
Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2016
(With Comparative Actual Amounts for the Year Ended June 30, 2015)

	Budget		Actual	Variance	Actual 2015
	Original	Final		Favorable (Unfavorable)	
REVENUES:					
Charges for services					
Map fees	\$ 16,000	\$ 16,000	\$ 21,290	\$ 5,290	\$ 11,120
Total charges for services	16,000	16,000	21,290	5,290	11,120
Total revenues	16,000	16,000	21,290	5,290	11,120
EXPENDITURES:					
General government					
Services and supplies	153,500	153,500	13,392	140,108	47,434
Total expenditures	153,500	153,500	13,392	140,108	47,434
Excess of revenues over (under) expenditures	(137,500)	(137,500)	7,898	145,398	(36,314)
Net change in fund balance	(137,500)	(137,500)	7,898	145,398	(36,314)
Fund balance, beginning of year	156,774	156,774	156,774	-	193,088
Fund balance, end of year	\$ 19,274	\$ 19,274	\$ 164,672	\$ 145,398	\$ 156,774

LANDER COUNTY
AUSTIN CAPITAL ACQUISITION FUND
Capital Projects Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2016
(With Comparative Actual Amounts for the Year Ended June 30, 2015)

	Budget		Actual	Variance Favorable (Unfavorable)	Actual 2015
	Original	Final			
REVENUES:					
Investment earnings					
Interest	\$ 18	\$ 18	\$ 276	\$ 258	\$ 24
Total investment earnings	<u>18</u>	<u>18</u>	<u>276</u>	<u>258</u>	<u>24</u>
Total revenues	<u>18</u>	<u>18</u>	<u>276</u>	<u>258</u>	<u>24</u>
EXPENDITURES:					
Public works					
Services and supplies	12,000	12,000	182	11,818	-
Total expenditures	<u>12,000</u>	<u>12,000</u>	<u>182</u>	<u>11,818</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>(11,982)</u>	<u>(11,982)</u>	<u>94</u>	<u>12,076</u>	<u>24</u>
Other financing sources (uses):					
Transfers in	1,665	1,665	3,237	1,572	3,048
Total other financing sources (uses)	<u>1,665</u>	<u>1,665</u>	<u>3,237</u>	<u>1,572</u>	<u>3,048</u>
Net change in fund balance	(10,317)	(10,317)	3,331	13,648	3,072
Fund balance, beginning of year	<u>26,668</u>	<u>26,668</u>	<u>26,668</u>	<u>-</u>	<u>23,596</u>
Fund balance, end of year	<u>\$ 16,351</u>	<u>\$ 16,351</u>	<u>\$ 29,999</u>	<u>\$ 13,648</u>	<u>\$ 26,668</u>

LANDER COUNTY
CAPITAL ACQUISITION FUND
Capital Projects Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2016
(With Comparative Actual Amounts for the Year Ended June 30, 2015)

	Budget		Actual	Variance Favorable (Unfavorable)	Actual 2015
	Original	Final			
REVENUES:					
Tax revenue					
Ad Valorem	\$ 200,582	\$ 200,582	\$ 171,151	\$ (29,431)	\$ 169,000
Net proceeds of mines	-	-	38,498	38,498	198,249
Total tax revenue	<u>200,582</u>	<u>200,582</u>	<u>209,649</u>	<u>9,067</u>	<u>367,249</u>
Investment earnings					
Interest	2,310	2,310	-	(2,310)	2,837
Total investment earnings	<u>2,310</u>	<u>2,310</u>	<u>-</u>	<u>(2,310)</u>	<u>2,837</u>
Total revenues	<u>202,892</u>	<u>202,892</u>	<u>209,649</u>	<u>6,757</u>	<u>370,086</u>
EXPENDITURES:					
Public works					
Services and supplies	40,000	40,000	145	39,855	9,437
Capital outlay	60,000	60,000	-	60,000	15,100
Total expenditures	<u>100,000</u>	<u>100,000</u>	<u>145</u>	<u>99,855</u>	<u>24,537</u>
Excess of revenues over (under) expenditures	<u>102,892</u>	<u>102,892</u>	<u>209,504</u>	<u>106,612</u>	<u>345,549</u>
Other financing sources (uses):					
Transfers out	(42,500)	(42,500)	(22,291)	20,209	(20,994)
Total other financing sources (uses)	<u>(42,500)</u>	<u>(42,500)</u>	<u>(22,291)</u>	<u>20,209</u>	<u>(20,994)</u>
Net change in fund balance	60,392	60,392	187,213	126,821	324,555
Fund balance, beginning of year	<u>3,034,527</u>	<u>3,034,527</u>	<u>3,034,527</u>	<u>-</u>	<u>2,709,972</u>
Fund balance, end of year	<u>\$ 3,094,919</u>	<u>\$ 3,094,919</u>	<u>\$ 3,221,740</u>	<u>\$ 126,821</u>	<u>\$ 3,034,527</u>

LANDER COUNTY
EMERGENCY MAINTENANCE FUND
Capital Projects Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2016
(With Comparative Actual Amounts for the Year Ended June 30, 2015)

	Budget		Actual	Variance	Actual 2015
	Original	Final		Favorable (Unfavorable)	
REVENUES:					
Investment earnings					
Interest	\$ 3,096	\$ 3,096	\$ -	\$ (3,096)	\$ 6,603
Net increase (decrease) in the fair value of investments	-	-	-	-	(5,119)
Total investment earnings	3,096	3,096	-	(3,096)	1,484
Total revenues	3,096	3,096	-	(3,096)	1,484
EXPENDITURES:					
General government					
Services and supplies	750,000	750,000	84,903	665,097	112,891
Total expenditures	750,000	750,000	84,903	665,097	112,891
Excess of revenues over (under) expenditures	(746,904)	(746,904)	(84,903)	662,001	(111,407)
Net change in fund balance	(746,904)	(746,904)	(84,903)	662,001	(111,407)
Fund balance, beginning of year	3,566,042	3,566,042	3,566,042	-	3,677,449
Fund balance, end of year	<u>\$ 2,819,138</u>	<u>\$ 2,819,138</u>	<u>\$ 3,481,139</u>	<u>\$ 662,001</u>	<u>\$ 3,566,042</u>

LANDER COUNTY
COURT FACILITIES CAPITAL FUND
Capital Projects Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2016
(With Comparative Actual Amounts for the Year Ended June 30, 2015)

	Budget		Actual	Variance Favorable (Unfavorable)	Actual 2015
	Original	Final			
REVENUES:					
Intergovernmental					
State grants	\$ -	\$ -	\$ 10,000	\$ 10,000	\$ -
Total intergovernmental	<u>-</u>	<u>-</u>	<u>10,000</u>	<u>10,000</u>	<u>-</u>
Investment Earnings					
Interest	1,262	1,262	9,418	8,156	14,360
Net increase (decrease) in the fair value of investments	-	-	-	-	4,090
Total investment earnings	<u>1,262</u>	<u>1,262</u>	<u>9,418</u>	<u>8,156</u>	<u>18,450</u>
Total revenues	<u>1,262</u>	<u>1,262</u>	<u>19,418</u>	<u>18,156</u>	<u>18,450</u>
EXPENDITURES:					
General government					
Capital outlay	1,250,000	1,250,000	1,000,000	250,000	-
Total expenditures	<u>1,250,000</u>	<u>1,250,000</u>	<u>1,000,000</u>	<u>250,000</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>(1,248,738)</u>	<u>(1,248,738)</u>	<u>(980,582)</u>	<u>268,156</u>	<u>18,450</u>
Other financing sources (uses):					
Transfers in	52,655	52,653	50,300	(2,353)	53,013
Total other financing sources (uses)	<u>52,655</u>	<u>52,653</u>	<u>50,300</u>	<u>(2,353)</u>	<u>53,013</u>
Net change in fund balance	(1,196,083)	(1,196,085)	(930,282)	265,803	71,463
Fund balance, beginning of year	<u>1,578,519</u>	<u>1,578,519</u>	<u>1,578,519</u>	<u>-</u>	<u>1,507,056</u>
Fund balance, end of year	<u>\$ 382,436</u>	<u>\$ 382,434</u>	<u>\$ 648,237</u>	<u>\$ 265,803</u>	<u>\$ 1,578,519</u>

LANDER COUNTY
BATTLE MOUNTAIN SEWER FUND
Proprietary Fund
Schedule of Revenues, Expenses and Changes in Net Position
Budget and Actual
For the Year Ended June 30, 2016
(With Comparative Actual Amounts for the Year Ended June 30, 2015)

	Budget		Actual	Variance Favorable (Unfavorable)	Actual 2015
	Original	Final			
OPERATING REVENUES:					
Sewer use fees	\$ 701,000	\$ 701,000	\$ 716,176	\$ 15,176	\$ 692,654
Rent	800	800	1,505	705	1,205
Miscellaneous	1,000	1,000	1,915	915	-
Total operating revenues	<u>702,800</u>	<u>702,800</u>	<u>719,596</u>	<u>16,796</u>	<u>693,859</u>
OPERATING EXPENDITURES:					
Salaries and wages	146,940	146,940	104,472	42,468	142,415
Employee benefits	120,555	120,555	(32,815)	153,370	65,810
Services and supplies	477,300	477,300	278,259	199,041	272,814
Depreciation	340,000	340,000	355,893	(15,893)	313,928
Total operating expenditures	<u>1,084,795</u>	<u>1,084,795</u>	<u>705,809</u>	<u>378,986</u>	<u>794,967</u>
Operating income (loss)	<u>(381,995)</u>	<u>(381,995)</u>	<u>13,787</u>	<u>395,782</u>	<u>(101,108)</u>
NON-OPERATING REVENUES (EXPENSES)					
Investment earnings	4,930	4,930	78,374	73,444	7,824
County option sales tax	700,000	700,000	672,936	(27,064)	663,478
Total non-operating revenues (expenses)	<u>704,930</u>	<u>704,930</u>	<u>751,310</u>	<u>46,380</u>	<u>671,302</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS					
Contributions	-	-	1,107,481	1,107,481	2,299,273
Net change in net position	322,935	322,935	1,872,578	1,549,643	2,869,467
Net position, beginning of year	16,961,029	16,961,029	16,961,029	-	14,353,127
Restatement adjustment	-	-	-	-	(261,565)
Net position, end of year	<u>\$ 17,283,964</u>	<u>\$ 17,283,964</u>	<u>\$ 18,833,607</u>	<u>\$ 1,549,643</u>	<u>\$ 16,961,029</u>

**COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS**

**Fiduciary Funds
Trust and Agency**

Trust and Agency Funds are used to account for assets held by the County in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

LANDER COUNTY
All Trust and Agency Funds
Combining Statement of Changes in Assets and Liabilities (Continued)
For the Year Ended June 30, 2016

	Balance 6/30/2015	Additions	Deductions	Balance 6/30/2016
LANDER COUNTY SCHOOL DISTRICT				
Assets:				
Cash	\$ 203,935	\$ 5,238,666	\$ 8,884,645	\$ 843,974
Total Assets	<u>\$ 203,935</u>	<u>\$ 5,238,666</u>	<u>\$ 8,884,645</u>	<u>\$ 843,974</u>
Liabilities:				
Funds Held in Trust	\$ 203,935	\$ 5,238,666	\$ 8,884,645	\$ 843,974
Total Liabilities	<u>\$ 203,935</u>	<u>\$ 5,238,666</u>	<u>\$ 8,884,645</u>	<u>\$ 843,974</u>
LANDER COUNTY CLERK				
Assets:				
Cash	\$ 21,453	\$ 23,090	\$ 11,350	\$ 33,193
Total Assets	<u>\$ 21,453</u>	<u>\$ 23,090</u>	<u>\$ 11,350</u>	<u>\$ 33,193</u>
Liabilities:				
Funds Held in Trust	\$ 21,453	\$ 23,090	\$ 11,350	\$ 33,193
Total Liabilities	<u>\$ 21,453</u>	<u>\$ 23,090</u>	<u>\$ 11,350</u>	<u>\$ 33,193</u>
FISH AND GAME FUND				
Assets:				
Cash	\$ 9,894	\$ -	\$ 530	\$ 9,364
Total Assets	<u>\$ 9,894</u>	<u>\$ -</u>	<u>\$ 530</u>	<u>\$ 9,364</u>
Liabilities:				
Funds Held in Trust	\$ 9,894	\$ -	\$ 530	\$ 9,364
Total Liabilities	<u>\$ 9,894</u>	<u>\$ -</u>	<u>\$ 530</u>	<u>\$ 9,364</u>
STATE OF NEVADA				
Assets:				
Cash	\$ 35,467	\$ 1,405,946	\$ 1,378,874	\$ 62,539
Total Assets	<u>\$ 35,467</u>	<u>\$ 1,405,946</u>	<u>\$ 1,378,874</u>	<u>\$ 62,539</u>
Liabilities:				
Funds Held in Trust	\$ 35,467	\$ 1,405,946	\$ 1,378,874	\$ 62,539
Total Liabilities	<u>\$ 35,467</u>	<u>\$ 1,405,946</u>	<u>\$ 1,378,874</u>	<u>\$ 62,539</u>
RANGE IMPROVEMENT DISTRICT NO. 6				
Assets:				
Cash	\$ 137,953	\$ 16,710	\$ 12,181	\$ 142,482
Total Assets	<u>\$ 137,953</u>	<u>\$ 16,710</u>	<u>\$ 12,181</u>	<u>\$ 142,482</u>
Liabilities:				
Funds Held in Trust	\$ 137,953	\$ 16,710	\$ 12,181	\$ 142,482
Total Liabilities	<u>\$ 137,953</u>	<u>\$ 16,710</u>	<u>\$ 12,181</u>	<u>\$ 142,482</u>

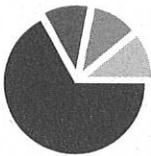
LANDER COUNTY
All Trust and Agency Funds
Combining Statement of Changes in Assets and Liabilities (Continued)
For the Year Ended June 30, 2016

	Balance 6/30/2015	Additions	Deductions	Balance 6/30/2016
DISTRICT ATTORNEY TRUST ACCOUNT				
Assets:				
Cash	\$ 9,418	\$ 254,144	\$ 129,778	\$ 133,784
Total Assets	<u>\$ 9,418</u>	<u>\$ 254,144</u>	<u>\$ 129,778</u>	<u>\$ 133,784</u>
Liabilities:				
Funds Held in Trust	\$ 9,418	\$ 254,144	\$ 129,778	\$ 133,784
Total Liabilities	<u>\$ 9,418</u>	<u>\$ 254,144</u>	<u>\$ 129,778</u>	<u>\$ 133,784</u>
INMATE COMMISSARY				
Assets:				
Cash	\$ 34,187	\$ 93,180	\$ 90,363	\$ 37,004
Total Assets	<u>\$ 34,187</u>	<u>\$ 93,180</u>	<u>\$ 90,363</u>	<u>\$ 37,004</u>
Liabilities:				
Funds Held in Trust	\$ 34,187	\$ 93,180	\$ 90,363	\$ 37,004
Total Liabilities	<u>\$ 34,187</u>	<u>\$ 93,180</u>	<u>\$ 90,363</u>	<u>\$ 37,004</u>
INMATE WELFARE FUND ACCOUNT				
Assets:				
Cash	\$ 3,850	\$ 2,241	\$ 2,121	\$ 3,970
Total Assets	<u>\$ 3,850</u>	<u>\$ 2,241</u>	<u>\$ 2,121</u>	<u>\$ 3,970</u>
Liabilities:				
Funds Held in Trust	\$ 3,850	\$ 2,241	\$ 2,121	\$ 3,970
Total Liabilities	<u>\$ 3,850</u>	<u>\$ 2,241</u>	<u>\$ 2,121</u>	<u>\$ 3,970</u>
BATTLE MOUNTAIN CEMETERY DISTRICT				
Assets:				
Cash	\$ 1	\$ 12,065	\$ 12,065	\$ 1
Total Assets	<u>\$ 1</u>	<u>\$ 12,065</u>	<u>\$ 12,065</u>	<u>\$ 1</u>
Liabilities:				
Funds Held in Trust	\$ 1	\$ 12,065	\$ 12,065	\$ 1
Total Liabilities	<u>\$ 1</u>	<u>\$ 12,065</u>	<u>\$ 12,065</u>	<u>\$ 1</u>
ARGENTA JUSTICE COURT				
Assets:				
Cash	\$ 6,340	\$ 461,912	\$ 449,494	\$ 18,758
Total Assets	<u>\$ 6,340</u>	<u>\$ 461,912</u>	<u>\$ 449,494</u>	<u>\$ 18,758</u>
Liabilities:				
Funds Held in Trust	\$ 6,340	\$ 461,912	\$ 449,494	\$ 18,758
Total Liabilities	<u>\$ 6,340</u>	<u>\$ 461,912</u>	<u>\$ 449,494</u>	<u>\$ 18,758</u>

LANDER COUNTY
All Trust and Agency Funds
Combining Statement of Changes in Assets and Liabilities (Continued)
For the Year Ended June 30, 2016

	Balance 6/30/2015	Additions	Deductions	Balance 6/30/2016
ELEVENTH JUDICIAL DISTRICT COURT				
Assets:				
Cash	\$ -	\$ 205	\$ -	\$ 205
Total Assets	<u>\$ -</u>	<u>\$ 205</u>	<u>\$ -</u>	<u>\$ 205</u>
Liabilities:				
Funds Held in Trust	\$ -	\$ 205	\$ -	\$ 205
Total Liabilities	<u>\$ -</u>	<u>\$ 205</u>	<u>\$ -</u>	<u>\$ 205</u>
BATTLE MOUNTAIN WATER AND SEWER CUSTOMER DEPOSIT ACCOUNT				
Assets:				
Cash	\$ -	\$ 27,000	\$ 6,255	\$ 20,745
Total Assets	<u>\$ -</u>	<u>\$ 27,000</u>	<u>\$ 6,255</u>	<u>\$ 20,745</u>
Liabilities:				
Funds Held in Trust	\$ -	\$ 27,000	\$ 6,255	\$ 20,745
Total Liabilities	<u>\$ -</u>	<u>\$ 27,000</u>	<u>\$ 6,255</u>	<u>\$ 20,745</u>
TOTAL - ALL TRUST AND AGENCY FUNDS				
Assets:				
Cash	\$ 1,284,361	\$ 12,667,991	\$ 17,658,945	\$ 3,499,060
Total Assets	<u>\$ 1,284,361</u>	<u>\$ 12,667,991</u>	<u>\$ 17,658,945</u>	<u>\$ 3,499,060</u>
Liabilities:				
Funds Held in Trust	\$ 1,284,361	\$ 12,667,991	\$ 17,658,945	\$ 3,499,060
Total Liabilities	<u>\$ 1,284,361</u>	<u>\$ 12,667,991</u>	<u>\$ 17,658,945</u>	<u>\$ 3,499,060</u>

OTHER COMMUNICATIONS FROM INDEPENDENT AUDITORS



MEMBERS:

CHAD B. ATKINSON, CPA
KRIS J. BRAUNBERGER, CPA
ROBERT S. COX, CPA
TODD B. FELTNER, CPA
K. MARK FROST, CPA
MORRIS J. PEACOCK, CPA

PHILLIP S. PEINE, CPA
STEVEN D. PALMER, CPA
MICHAEL K. SPILKER, CPA
KEVIN L. STEPHENS, CPA
MARK E. TICHENOR, CPA
MICHAEL J. TORGERSON, CPA

**Independent Auditors' Report on Internal Control over
Financial Reporting and on Compliance and other Matters
Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards***

The Honorable County Commission
Lander County
Battle Mountain, Nevada

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Lander County, Nevada, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated November 11, 2016.

Internal Control over Financial Reporting

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

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

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

2016-001 Bank Reconciliation Review
2016-002 Golf Course Internal Controls
2016-003 Segregation of Duties in Small Departments
2016-004 Segregation of Duties in Treasurer's Office
2016-005 Credit Card Internal Controls



MEMBERS:

CHAD B. ATKINSON, CPA
KRIS J. BRAUNBERGER, CPA
ROBERT S. COX, CPA
TODD B. FELTNER, CPA
K. MARK FROST, CPA
MORRIS J. PEACOCK, CPA

PHILLIP S. PEINE, CPA
STEVEN D. PALMER, CPA
MICHAEL K. SPILKER, CPA
KEVIN L. STEPHENS, CPA
MARK E. TICHENOR, CPA
MICHAEL J. TORGERSON, CPA

**Independent Auditors' Report on Compliance
With Statutes and Administrative Code in Accordance with
NRS 354.624(4)(C) and 354.6241**

The Honorable County Commissioners
Lander County
Battle Mountain, Nevada

We have audited the basic financial statements of Lander County, Nevada, for the year ended June 30, 2016, and have issued our report thereon dated November 11, 2016. Our audit also included test work on Lander County, Nevada's compliance with selected requirements identified in the State of Nevada Revised Statutes (NRS) including, but not limited to, NRS section 354.624 and section 354.6241.

The management of Lander County, Nevada is responsible for the County's compliance with the NRS and regulations (Nevada Administrative Code). Our responsibility is to express an opinion on compliance with those requirements based on our audit and make specific statements regarding funds established and the status of prior year findings and recommendations; accordingly, we make the following statements:

The County did not have any prior year compliance findings that needed to be resolved. We noted two new instances of noncompliance during the fiscal year 2016 which are described in the accompanying Schedule of Findings and Recommendations.

- 2016-006 List of Refunds
- 2016-007 Budgetary Compliance

Lander County has established several funds in accordance with NRS 354.624 as follows:

Funds whose balance is required to be used only for specific purposes or carried forward to the succeeding fiscal year in any designated amount:

Fiduciary Funds:

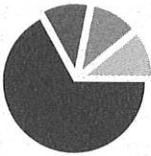
- Domestic Violence
- Kingston Capital Acquisitions
- Kingston Vol. Fire Dept.
- Austin Fair and Recreation
- Sewer & Water District #2
- Lander County School District
- Fish and Game
- Lander County Clerk
- Inmate Commissary
- Argenta Justice Court
- Austin Justice Court
- Lander County Treasurer District Attorney Public Admin Brown's Estate
- Lander County Treasurer General Improvement District
- Lander County Treasurer General Improvement District #1
- Kingston Town
- Kingston Water District
- Argenta TV Maint. District
- Battle Mountain Fair and Recreation
- Hospital District
- State of Nevada
- Range Improvement #6 Trust
- District Attorney Trust Account
- Inmate Welfare Fund Account
- Battle Mountain Cemetery District
- Eleventh Judicial District Court

LANDER COUNTY
Nevada Revised Statute 354.6113
For the Year Ended June 30, 2016

The County created the CCP (Construction of Capital Projects) Fund under the authority of NRS 354.6113. This statute provides for construction of capital projects. The following are affirmative statements pertaining to the items required by the statute.

- Interest earned on the cash balance of the fund was credited to the fund.
- The money in the fund was used only for the construction of capital projects which were included in the plan for capital improvement of the local government prepared pursuant to NRS 350.013.
- In fiscal year 2016, the money from the fund was used to construct the County Administration Complex building, recreation center project, golf course project, water and sewer projects, airport projects, flood levee project, and various paving projects as specified in the capital improvement plan for the County.
- According to the fiscal year 2017 approved budget, the only money to be deposited in the fund next year will be interest earnings on investment balances.
- In the next fiscal year, the County plans to use the remaining funds to continue construction on the recreation center project, water and sewer projects, airport projects, and flood levee project.
- According to the fiscal year 2017 approved budget, there is no planned accumulation of money in the fund.

The County complied with the provisions of NRS 354.6113.



MEMBERS:

CHAD B. ATKINSON, CPA
KRIS J. BRAUNBERGER, CPA
ROBERT S. COX, CPA
TODD B. FELTNER, CPA
K. MARK FROST, CPA
MORRIS J. PEACOCK, CPA

PHILLIP S. PEINE, CPA
STEVEN D. PALMER, CPA
MICHAEL K. SPILKER, CPA
KEVIN L. STEPHENS, CPA
MARK E. TICHENOR, CPA
MICHAEL J. TORGERSON, CPA

Findings and Recommendations
For the Fiscal Year Ended June 30, 2016

To the Honorable County Commissioners
Lander County
Battle Mountain, Nevada

Professional standards require that we provide written communications regarding deficiencies in internal control over financial reporting that are considered significant deficiencies or material weaknesses that are identified during the audit of the financial statements. We noted a few areas needing corrective action in order for the County to be in compliance with laws and regulations and we found circumstances that, if improved, would strengthen the County's accounting system and control over its assets. These items are discussed below for your consideration.

INTERNAL CONTROL OVER FINANCIAL REPORTING:

Material Weaknesses:

None noted

Significant Deficiencies:

2016-001 Bank Reconciliation Review

Condition: The monthly bank reconciliations are not being reviewed by a person independent of the preparation process after they are completed.

Effect: Reconciliation discrepancies and adjustments may go unnoticed. Misstatements in financial reporting may occur or go undetected.

Cause: The County's internal controls are not designed to provide a review of the bank reconciliations after they are completed.

Criteria: Bank reconciliations should be reviewed monthly by a person independent of the preparation process.

Recommendation: We recommend the Lander County Finance Director review the bank reconciliations after they are prepared and initial the reconciliations to document the review.

recordkeeping. We also recommend the Lander County Finance Director design and implement controls over the golf course and landfill cash receipting to ensure timely deposit of funds and better oversight of cash receipting locations with limited staff. A cloud based software technology could possibly be used to receipt and report County revenues from these locations.

2016-004

Segregation of Duties in Treasurer's Office

Condition: The County has inadequate segregation of duties over key financial controls in the Treasurer's office. The County Treasurer can perform cash receipting, adjust customer payments, and perform bank reconciliations. Mitigating controls appear to be in place, such as review of the payment adjustments, however the review of payment adjustments occurs only once a year.

Effect: Inadequate segregation of duties creates the potential for fraud, theft, or errors in financial reporting to occur.

Cause: The County's internal control design allows the Treasurer to authorize transactions, handle customer payments, and perform record keeping duties for the County with infrequent oversight from others.

Criteria: Authorization of transactions, custody of assets, and record keeping duties should be segregated between different individuals. Otherwise, mitigating controls should be implemented.

Recommendation: We recommend the County Finance Director review the customer payment adjustments monthly as opposed to annually. The Finance Director should initial the payment adjustments as evidence of the review and keep a record of the reviews.

2016-005

Credit Card Internal Controls

Conditions: The County uses credit cards for various purchases including purchases exceeding the County's purchase order limitation. We also noted that credit card limits can be changed by the County Treasurer without approval from the County Manager.

Effect: Purchases made on County credit cards can effectively circumvent the County's purchase order limitation if the credit card limit is set high enough. Credit card limits can be changed as needed without proper authorization.

Causes: The County's internal control policies have not been updated to address preauthorization of purchases when the intended method of payment will be a credit card. A regular process to notify the County Manager regarding changes in credit card limits has not been established internally or with the banking institution.

Criteria: County purchase limitations should be followed for all transactions, including credit card transactions. The County Manager should authorize and oversee any changes to card limitations for the County.

Recommendation: We recommend the County establish internal control policies over credit card purchases so that appropriate preauthorization for purchases exceeding the County's purchase limitations are obtained and documented. We also recommend that

It has been a pleasure to be of service to the County this year. We would like to express special thanks to each of you who assisted us so efficiently in this year's audit. We invite you to ask questions of us throughout the year as you feel it necessary and we look forward to a continued pleasant professional relationship.

Sincerely,

Hinton Burdick, PLLC
HintonBurdick, PLLC
November 11, 2016

