MINUTES OF THE CHURCHILL COUNTY AUDIT COMMITTEE

155 N. Taylor St., Fallon, NV 89406
December 10, 2024

Call to Order:

The regular meeting of the Audit Committee was called to order at 10:00 AM on December 10, 2024.

PRESENT:	Member Alan Kalt Member Joseph Sanford Comptroller Sherry Wideman Chad Atkinson, HintonBurdick CPAs Kelli Jones, HintonBurdick CPAs Mark Feest, CC Communications Jamie Hyde, CC Communications Deputy Clerk of the Board Pamela D. Moore Deputy Clerk Crystal Muschetto
ABSENT:	Commissioner Harry Scharmann

Pledge of Allegiance:

The Pledge of Allegiance was recited by the board and public.

Public Comment:

Member Sanford asked if there was any public comment but there was none.

Verification of the Posting of the Agenda:

It was verified by Pamela D. Moore, Deputy Clerk of the Board, that the Agenda for this meeting was posted on the 3rd day of December, 2024, between the hours of 9:00 and 11:00 AM at all of the locations listed on the Agenda, in accordance with NRS 241.

Consideration and possible action re: Approval of Agenda as submitted or revised:

Member Alan Kalt made a motion to approve the Agenda as submitted. Member Joseph Sanford seconded the motion, which carried by unanimous vote.

Consideration and possible action re: Approval of Minutes of the meeting held on:

A- December 19, 2023.
The Minutes of the meeting held on December 19, 2023 are presented for the committee's consideration and approval.
FISCAL IMPACT: N/A
EXPLANATION OF IMPACT:
FUNDING SOURCE: N/A
ACTION REQUESTED: Accept

Member Alan Kalt made a motion to approve the Minutes of the meeting held on December 19, 2023 as presented. MemberJoseph Sanford seconded the motion, which carried by unanimous vote.

Appointments:

A- Consideration and possible action re: Presentation of the Annual Comprehensive Financial Report for the general Churchill County and CC Communications for the Fiscal Year Ending June 30, 2024.

The Annual Comprehensive Financial Report for the Fiscal Year Ending June 30, 2024 will be presented to the Audit Committee. After review of the report, the Audit Committee is asked to make a recommendation to the Board of County Commissioners for acceptance and approval of the audit report.

FISCAL IMPACT: As contracted.

EXPLANATION OF IMPACT:

FUNDING SOURCE: General Fund.

ACTION REQUESTED: Accept

Kelli Jones, with HintonBurdick CPAs, had the following PowerPoint presentation:

CHURCHILL COUNTY

There's no place like home!

Summary of the Annual Comprehensive
Annual Financial Report
FYE 6-30-2024

Presented By Sherry Wideman, CPA

Comptroller

Churchill County Est. 1861

CC Communications

Telephone • Long Distance • Internet • Wireless

HINTONBURDICK

Two-year comparison
Net Position (assets – liabilities)

page 22

	Governmental activities		Business-type activities		Combined total	
	2024	2023	2024	2023	2024	2023
Current and other assets	$ 65,489,838	$ 63,775,918	$ 25,276,512	$ 22,129,628	$ 90,766,350	$ 87,905,546
Noncurrent assets	459,423	388,742	18,624	348,467	478,047	737,209
Capital assets	100,821,204	95,812,335	86,960,804	88,882,064	187,782,008	182,694,399
Total assets	166,770,465	159,976,995	112,255,940	111,360,159	279,026,405	271,337,154
Deferred outflows of resources	16,827,829	16,513,529	3,375,707	4,011,308	20,203,536	20,524,837
Current liabilities	3,966,375	4,489,460	2,187,618	2,310,362	6,153,993	6,799,822
Long-term liabilities outstanding	64,570,068	62,089,123	26,028,401	27,164,918	90,598,469	89,254,041
Total liabilities	68,536,443	66,578,583	28,216,019	29,475,280	96,752,462	96,053,863
Deferred inflows of resources	3,862,357	4,195,818	2,956,979	2,348,467	6,819,336	6,544,285
Net position						
Net investment in capital assets	79,945,414	72,209,148	72,775,569	70,771,150	152,720,983	142,980,298
Restricted	18,615,536	18,700,474	18,624	18,624	18,634,160	18,719,098
Unrestricted	12,638,544	14,806,501	11,664,456	12,757,946	24,303,000	27,564,447
Total net position	$ 111,199,494	$ 105,716,123	$ 84,458,649	$ 83,547,720	$ 195,658,143	$ 189,263,843

Governmental Activities ↑ **$5.48M** **Business Activity** ↑ **$911K**

Revenues and Expense Compared to Prior Year

page 23

	Governmental Activities		Business-type activities		Combined total	
	2024	2023	2024	2023	2024	2023
Revenues						
Program revenues						
Charges for services	$ 5,156,258	$ 4,778,236	$ 22,974,584	$ 22,410,935	$ 28,130,842	$ 27,108,171
Operating grants and contributions	9,447,720	7,233,690			9,447,720	7,233,690
Capital grants and contributions	7,500	122,188	665,901	233,676	673,401	355,864
General revenues						
Ad valorem taxes	11,592,153	10,684,810	-	-	11,592,153	10,684,810
Consolidated taxes	8,630,989	8,667,443	-	-	8,630,989	8,667,443
Other taxes	9,862,246	9,841,944	-	-	9,862,246	9,841,944
Other unrestricted intergovernmental	-	20,000,000	-	-	-	20,000,000
Unrestricted investment earnings	2,893,652	79,285	582,470	245,619	3,476,122	324,904
Other miscellaneous revenues	3,553,895	2,999,389	1,264	40,728	3,555,159	3,040,117
Total revenues	51,234,415	64,406,983	24,224,219	22,930,958	75,378,632	87,346,943
Expenses						
General government	11,634,695	7,110,816	-	-	11,634,695	7,110,816
Judicial	6,105,290	5,804,558	-	-	6,105,290	5,804,558
Public safety	13,855,505	17,161,691	-	-	13,855,505	17,161,691
Public works	5,940,516	4,677,397	-	-	5,940,516	4,677,397
Health	393,597	235,305	-	-	393,597	235,305
Welfare	3,601,085	3,367,347	-	-	3,601,085	3,367,347
Culture and recreation	3,756,755	2,624,423	-	-	3,756,755	2,624,423
Community support	2,257,722	1,927,675	-	-	2,257,722	1,927,675
Interest on long-term debt	555,603	572,686	-	-	555,603	572,686
Telephone	-	-	12,865,941	11,193,980	12,865,941	11,193,980
Long distance	-	-	100,935	108,184	100,935	108,184
Broadband	-	-	5,536,421	5,335,411	5,536,421	5,335,411
CAP	-	-	3,086,486	1,095,401	3,086,486	1,095,401
Waste water	-	-	1,099,649	1,102,810	1,099,649	1,102,810
Utility water	-	-	709,441	609,721	709,441	609,721
Golf course	-	-	64,417	60,746	64,417	60,746
Total expenses	48,100,768	43,481,898	23,463,290	19,506,253	71,564,058	62,988,151
Increase(Decrease) in net position before transfers and contributions	3,053,645	20,925,087	760,929	3,433,705	3,814,574	24,358,792
Transfers	(150,000)	703,216	150,000	(703,216)	-	-
Increase(Decrease) in net position	2,903,645	21,628,303	910,929	2,730,489	3,814,574	24,358,792
Net position, beginning	103,716,123	84,087,820	83,547,720	80,817,231	189,263,843	164,905,051
Restatement adjustments	2,579,726	-	-	-	2,579,726	-
Net position, ending	$ 111,199,494	$ 105,716,123	$ 84,458,649	$ 83,547,720	$ 195,658,143	$ 189,263,843

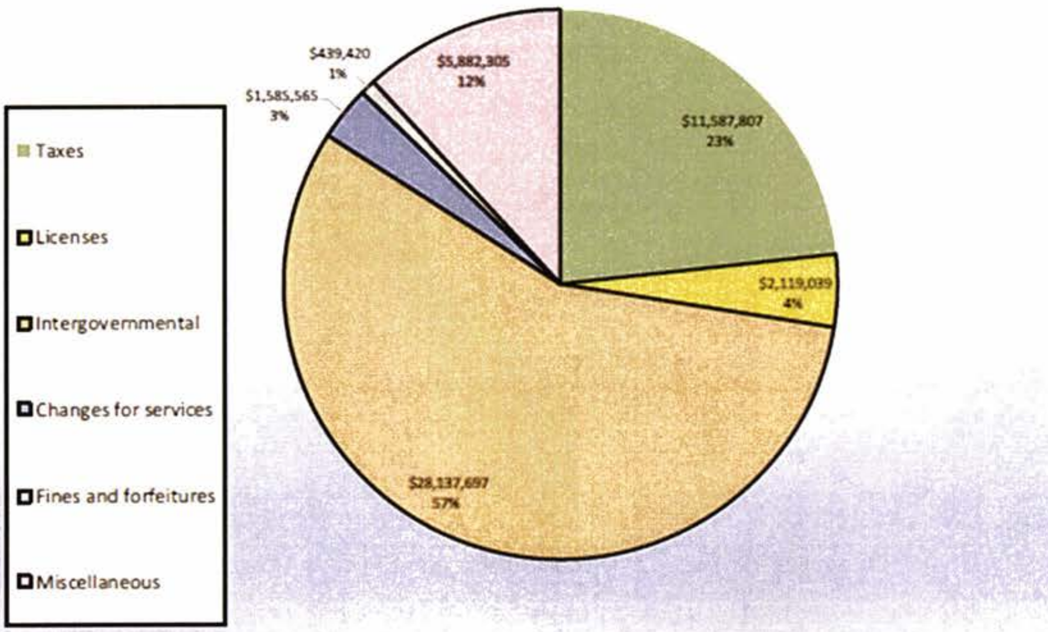
Change from FY 2023

Governmental Revenue	↓	**$13.2M**	**Business-type Revenue** ↑	**$1.3M**
Governmental Expense	↑	**$4.6M**	**Business-type Expense** ↑	**$3.96M**

Note: The expense includes depreciation, pension, and debt principal payments

Governmental funds revenue of $49,751,833 by source

Page 36



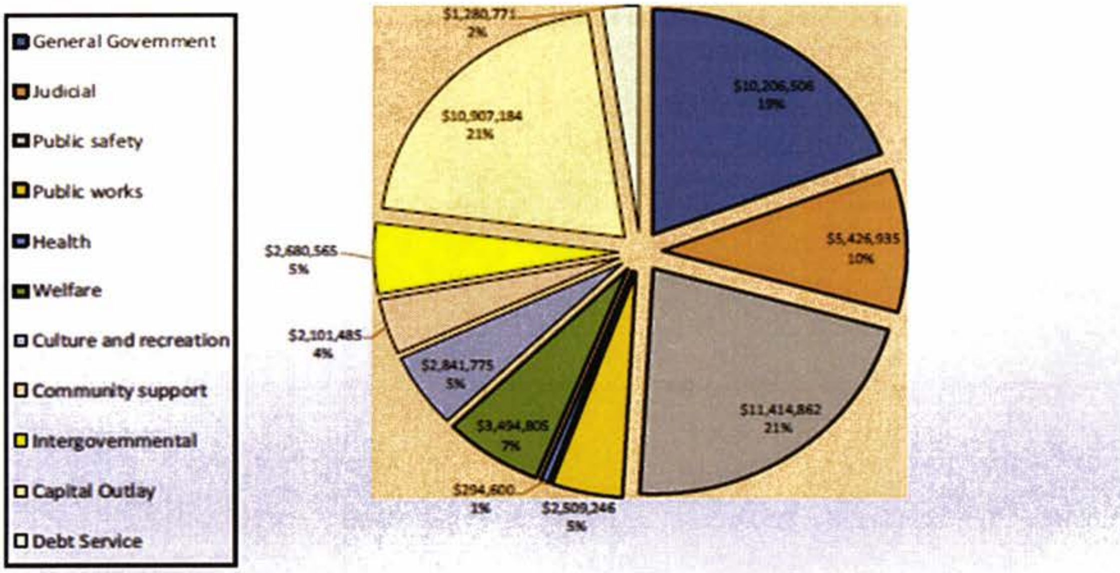
General Government Revenues By Source for the last 10 years

page 197

Fiscal Year Ended June 30.	Taxes	Licenses and Permits	Intergovernmental Revenues	Charges for Services	Fines and Forfeits	Interest and Miscellaneous	Total	% Change
2015	8,529,270	563,707	14,463,708	1,242,500	478,467	1,928,228	27,205,880	-2.7%
2016	9,087,338	793,920	13,837,411	1,272,148	539,451	2,446,582	27,976,850	2.8%
2017	8,167,353	1,022,824	14,495,790	1,280,962	549,907	3,276,448	28,793,284	2.9%
2018	8,663,383	1,290,770	16,598,844	1,327,975	533,486	1,585,135	29,999,593	4.2%
2019	9,251,305	1,559,879	17,427,798	1,422,464	590,092	2,401,615	32,653,153	8.8%
2020	9,376,255	1,639,593	19,659,848	1,278,356	453,816	2,682,900	35,090,768	7.5%
2021	9,820,415	1,709,994	21,890,790	1,447,419	535,194	2,219,330	37,623,142	7.2%
2022	9,863,554	1,659,495	27,787,689	1,573,854	503,748	2,315,781	43,704,121	16.2%
2023	10,689,362	1,929,091	46,087,563	1,571,275	540,555	3,115,871	63,933,717	46.3%
2024	11,587,807	2,119,039	28,137,697	1,585,565	439,420	5,882,305	49,751,833	-22.2%

Includes: General, Special Revenue, Capital Projects and Debt Service Funds.

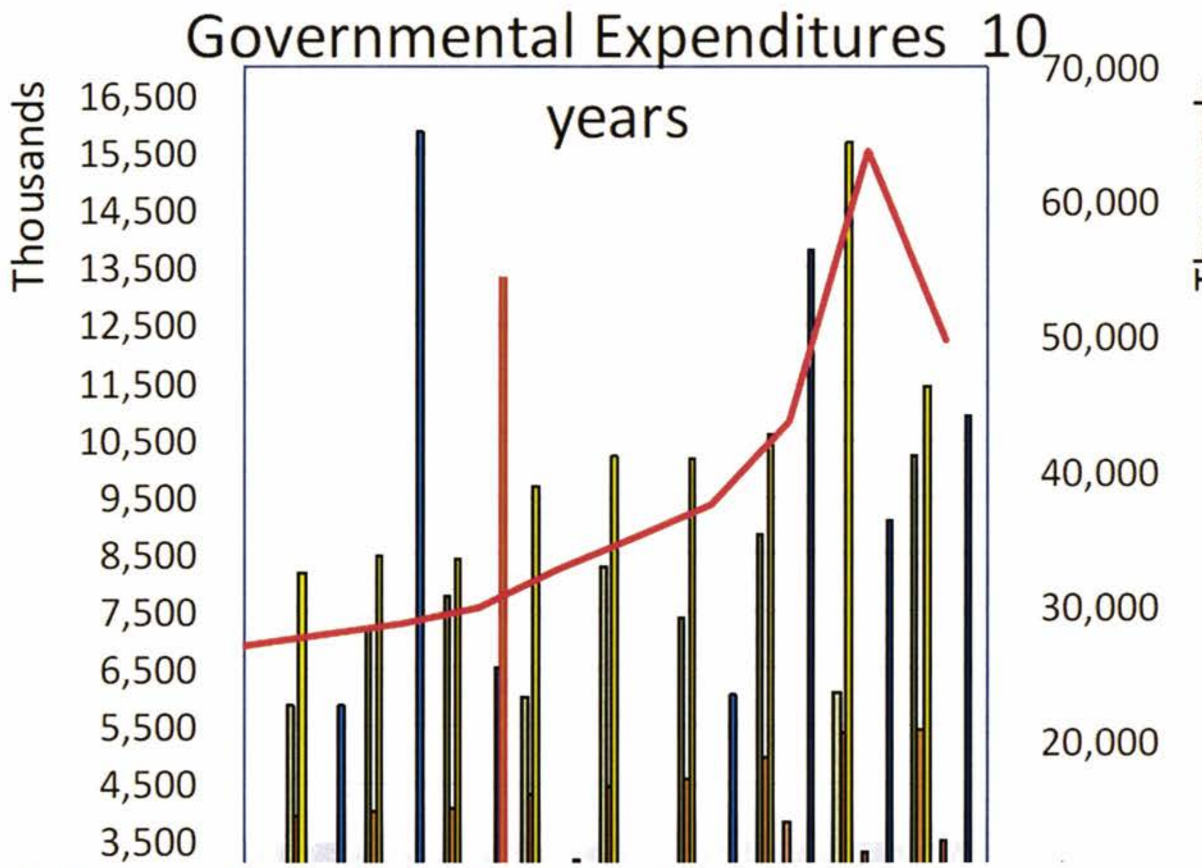
Governmental Funds Expenditure of $53,158,734 by function page 198



Governmental Expenditures by Function Last ten fiscal years Page 198

	General Government	Judicial	Public Safety	Public Works	Health & Sanitation	Welfare	Culture & Recreation	Community Support	Intergov ernmental	Capital Outlay	Debt Service Principal	Interest	Totals	% Chg
2015	5,782,396	3,717,272	7,846,161	2,075,870	238,713	1,229,988	1,968,570	664,805	790,694	2,155,727		3,032	26,473,228	36.00%
2016	5,837,818	3,913,785	8,162,516	1,768,435	249,213	1,365,054	2,157,656	760,391	749,891	5,839,879			30,804,638	16.36%
2017	7,162,468	3,985,087	8,461,439	2,528,935	251,941	1,645,667	2,169,488	665,063	479,524	15,858,022		17,980	43,225,634	40.32%
2018	7,750,612	4,073,982	8,382,431	1,714,917	259,386	1,645,902	2,177,199	1,112,338	392,272	6,489,000	13,305,041	294,410	47,597,490	10.11%
2019	5,995,438	4,278,793	9,703,540	1,963,445	277,435	2,011,637	2,094,855	1,027,198	384,644	3,162,768	301,465	405,339	31,606,557	-33.60%
2020	8,257,433	4,429,904	10,196,318	1,354,530	280,115	2,000,549	2,282,289	1,434,499	392,059	1,619,965	308,749	398,055	32,953,465	4.26%
2021	7,356,495	4,579,569	10,151,831	1,945,151	295,025	2,581,457	2,286,222	1,009,747	1,701,598	6,021,531	318,420	388,384	38,635,430	17.24%
2022	8,838,774	4,950,534	10,597,231	2,077,267	300,295	3,818,300	2,374,082	1,773,084	769,403	13,821,311	687,267	589,675	50,597,223	30.96%
2023	6,045,846	5,367,972	15,672,242	2,129,999	214,422	3,277,345	2,077,607	1,781,354	1,875,579	9,068,076	705,360	575,082	48,790,884	-3.57%
2024	10,206,506	5,426,935	11,414,862	2,509,246	294,600	3,494,805	2,841,775	2,101,485	2,680,565	10,907,184	722,713	558,058	53,158,734	8.95%

General, Special Revenue, Debt Service and Capital Projects.



HintonBurdick Contacts

Chad Atkinson, CPA
Engagement Partner

Kelli Jones, CPA
Engagement Manager

(888) 566-1277 www.hintonburdick.com

Churchill County, Nevada
Fiscal Year 2024
Audit Presentation

Presented by
HintonBurdick CPAs and Advisors

Introduction

- Thanks to the County's staff
- Letter of transmittal
- Management's discussion and analysis (MDA)

Audit Reports

- **Independent auditors report – page 15**
  - Unmodified opinion or "clean opinion"

- **Report on Internal Controls over Financial Reporting and On Compliance – page 219**
  - No internal control deficiencies
  - 2024-001 Budgetary Compliance

Audit Reports

- **Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance in Accordance with the Uniform Guidance – page 225 (Churchill County)**
  - No instances of noncompliance or internal control deficiencies reported
  - Low risk auditee – see page 228
- **Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance in Accordance with the Uniform Guidance – page 237 (Central Nevada Health District)**
  - No instances of noncompliance or internal control deficiencies reported
  - High risk auditee (due to first year) – see page 240

Financial Highlights

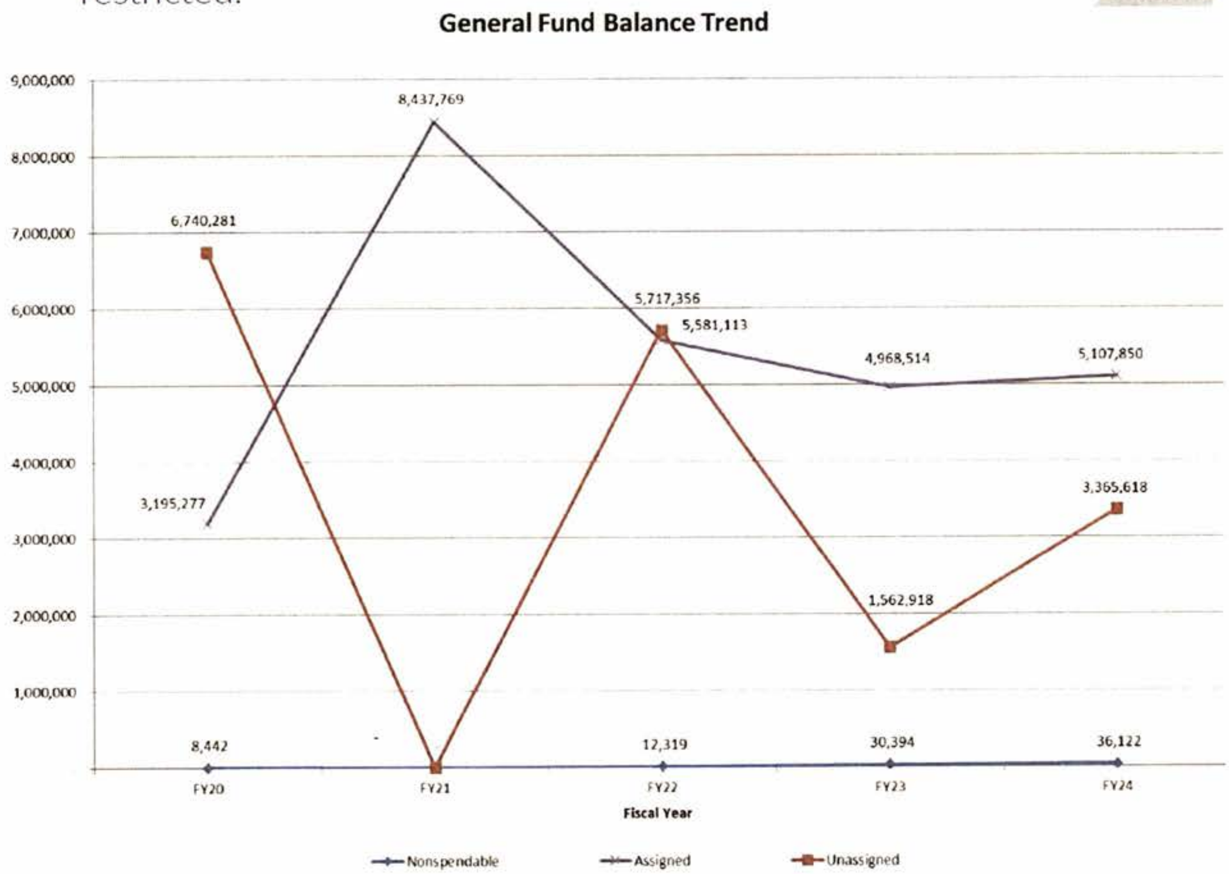
- All funds operated within approved budgets, except Indigent Services Fund
- Changes in fund balances – governmental funds - page 36
- Changes in net position – business-type funds - page 42

- Review of fund balance and net position
  - Assets/deferred outflows – liabilities/deferred inflows = fund balance or net position

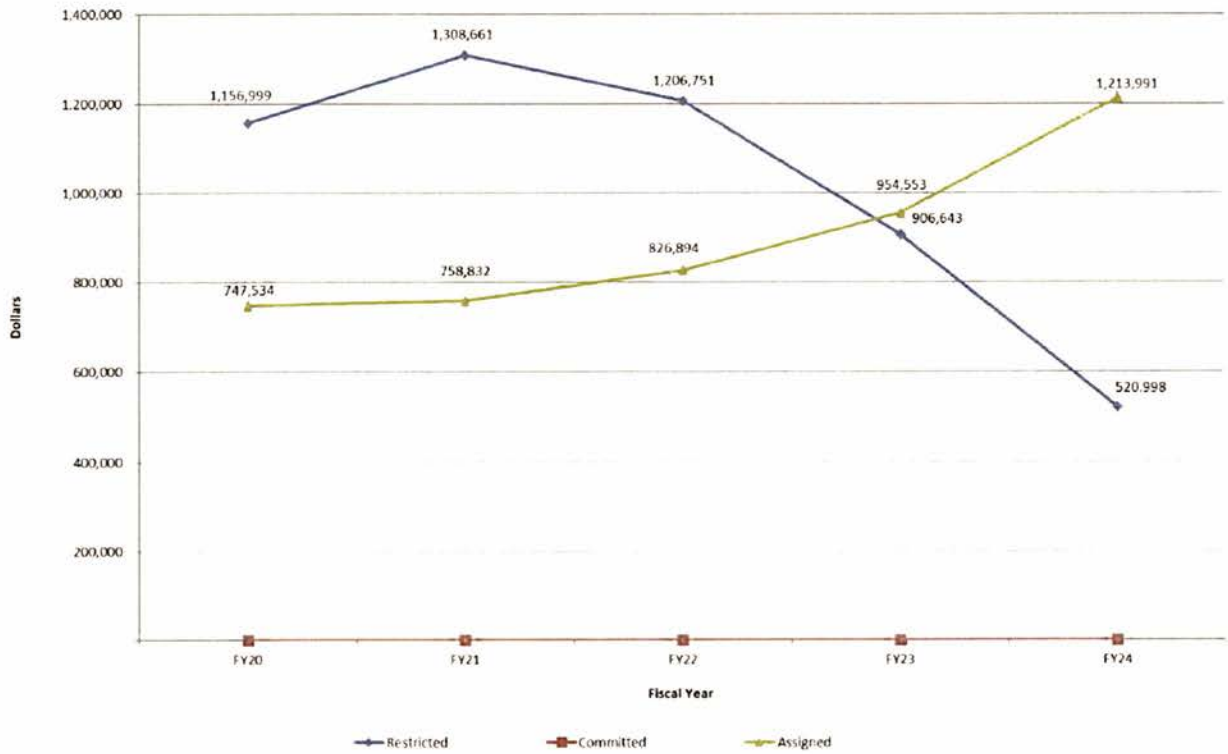
Financial Highlights

- Churchill County took over the management and accounting of Central Nevada Health District which has been included as a discretely presented component unit.
  - CNHD had an over increase in net position of $478,115
  - See page 32 & 33

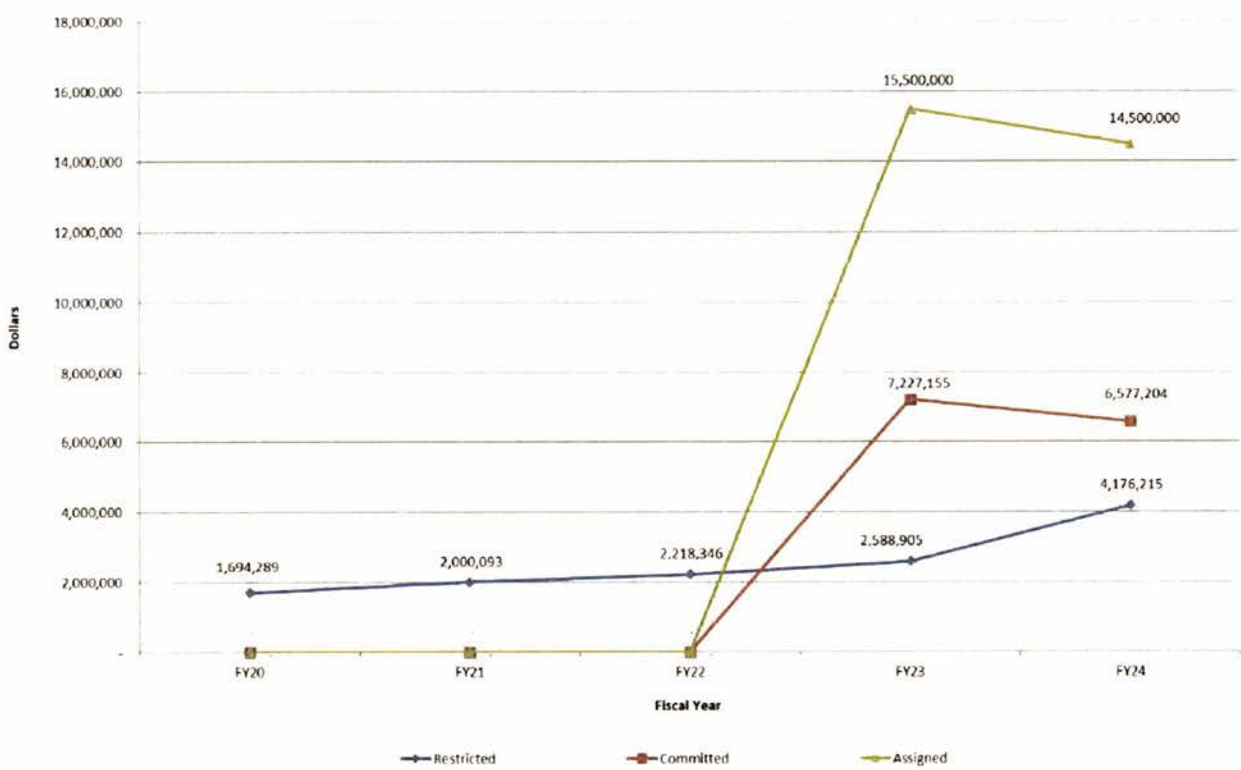
- County also added the new Opioid Settlement special revenue fund during FY2024. This is considered a major fund for FY2024.
  - This fund had an increase in fund balance of $376,390 which is all restricted.



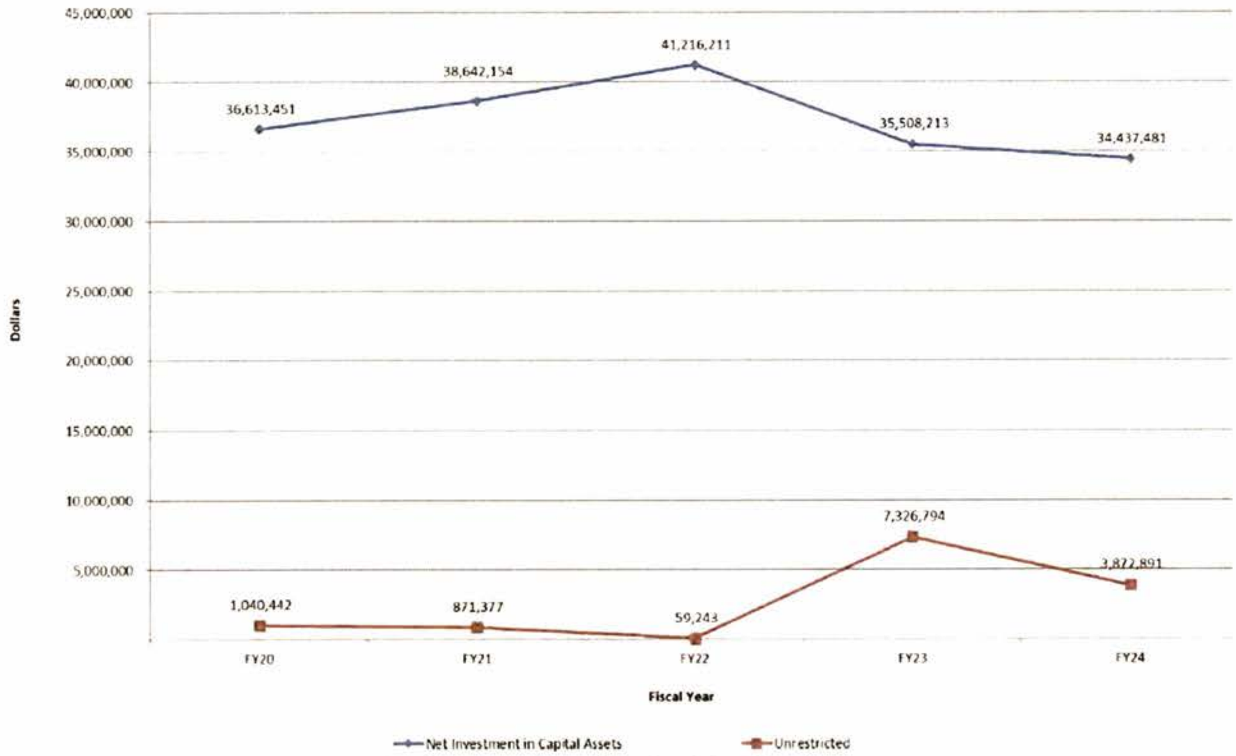
Road Fund Balance Trend



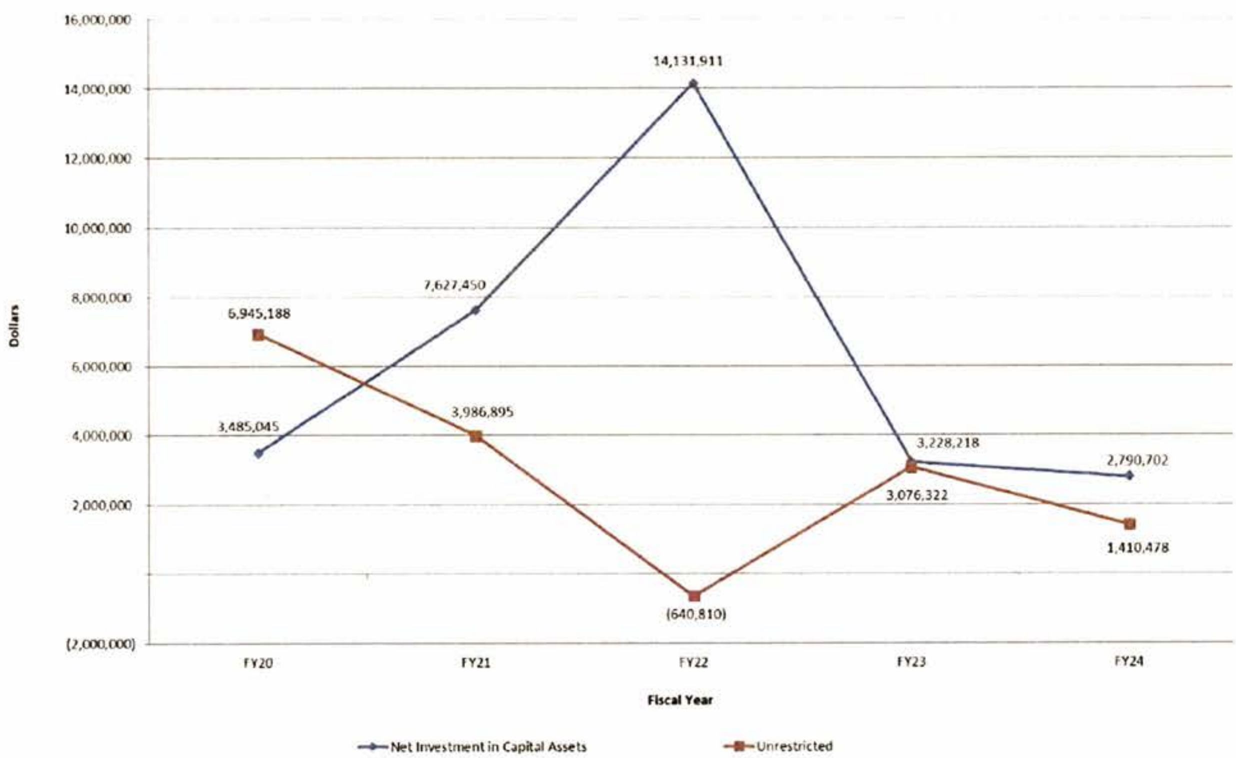
Special Ad Valorem Capital Projects Fund Balance Trend

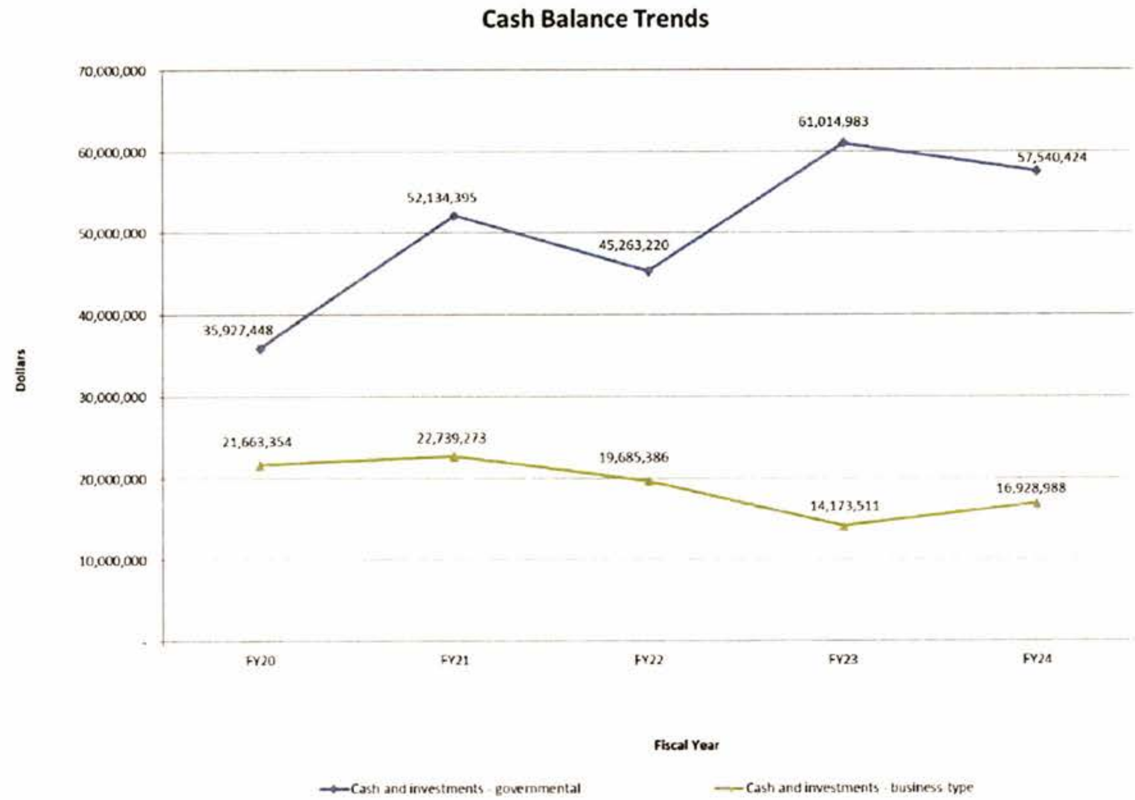


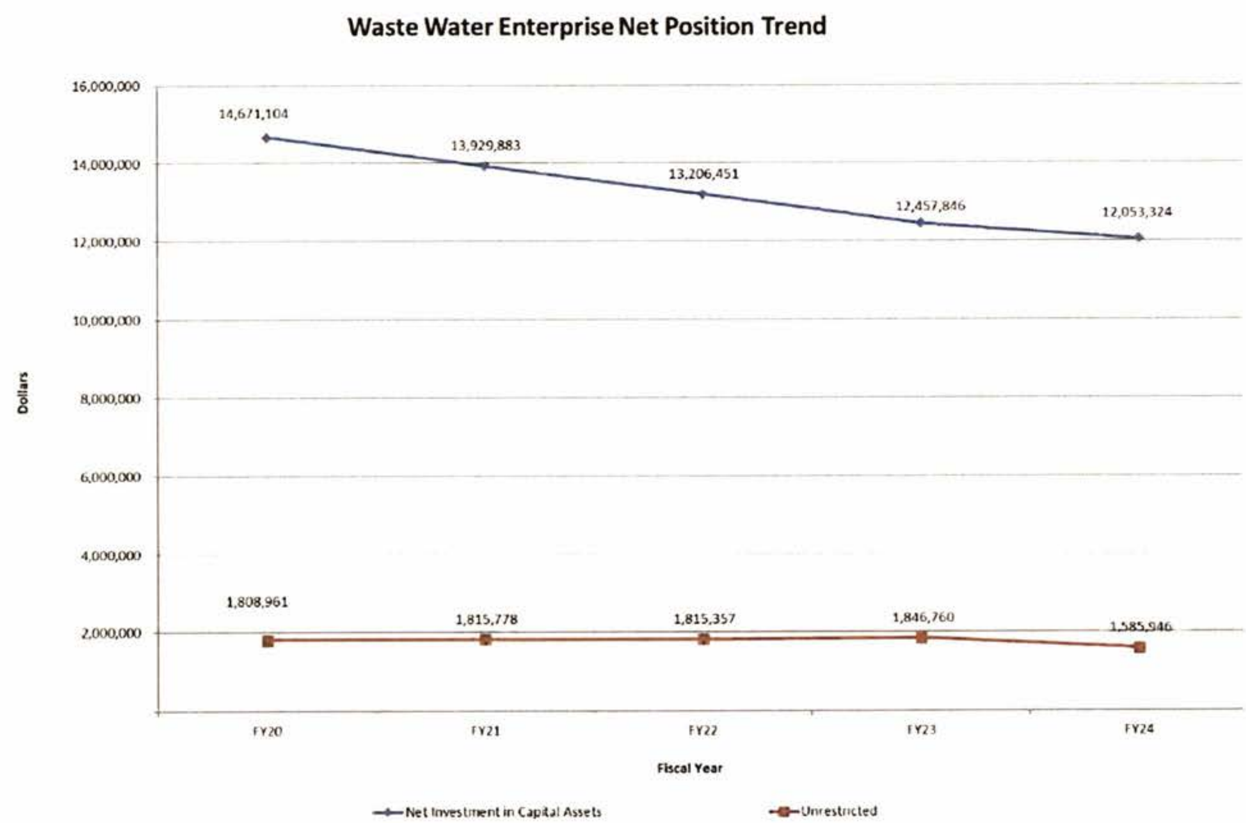
CC Communications Telephone Net Position Trend



CC Communications Broadband Net Position Trend




Cash Balance Trends
70,000,000
60,000,000
50,000,000
40,000,000
30,000,000
20,000,000
10,000,000
-
Dollars
35,927,448
52,134,395
45,263,220
61,014,983
57,540,424
21,663,354
22,739,273
19,685,386
14,173,511
16,928,988
FY20
FY21
FY22
FY23
FY24
Fiscal Year
Cash and investments - governmental
Cash and investments - business type


Waste Water Enterprise Net Position Trend
16,000,000
14,000,000
12,000,000
10,000,000
8,000,000
6,000,000
4,000,000
2,000,000
Dollars
14,671,104
13,929,883
13,206,451
12,457,846
12,053,324
1,808,961
1,815,778
1,815,357
1,846,760
1,585,946
FY20
FY21
FY22
FY23
FY24
Fiscal Year
Net Investment in Capital Assets
Unrestricted

Member Alan Kalt said did you guys encounter any difficulties during the audit? Ms. Jones said no. In fact, this was an easier year than it has been previously. Things went really well. I know in the past we had some difficulty gathering information from CC Communications but this year went very well with the audit. Chad Atkinson, HintonBurdick, said we tried to improve the communication this year. We had regular updates that we were sending out on a weekly basis, regarding where the project was and information that we needed. I think that seemed to help all parties, the auditor and the auditees, and others involved in the oversight. I think that helped a lot. Ms. Jones said I would also add that I think there has been some additional staffing, as well, which also helped the overall audit. Member Kalt asked if there were any disagreements with management? Ms. Jones said no. Member Kalt asked if there were any concerns of fraud, waste, or abuse? Ms. Jones said no. I just wanted to cover my fiduciary responsibility as a board member to be sure we covered those things.

Mr. Kalt said I have a couple of comments about the audit. First, I am so proud that you guys got it done. Management got the statements out on November 22nd. Kudos to the county and CC Communications for doing that and, obviously, to the auditors for getting the audit completed before the deadline. I participate in the Committee for Local Government Finance meetings and the number of extensions that are being requested is just going up. The fact that you guys got it done is just great work. It is also great that there were no issues, no difficulties, no disagreements, and no fraud.

I would point, regarding Note 2 on the compliance for the Indigent Services Special Revenue Fund that, yes, it was overextended by $21,000.00. Although, revenue exceeded the budget by $383,000.00. The ending fund balance was $1,200,000.00 and they were $150,000.00 over budget. From a compliance and fiduciary responsibility standpoint, I do not see an issue. Yes, an augmentation should have been done. That is easy to say. When I was Comptroller, I never got them all done myself. I am not worried about that finding. Obviously, they will address it with the Department of Taxation and they will be happy with that.

Those were the questions and concerns that I had. There is some specific stuff that I may talk with Sherry and Jamie about offline about but I am just proud of the process, which went well. Mr. Atkinson said the connection is somewhat bad but I think we are catching most of the conversation but, if there is anything we need to respond to, let us know. Member Kalt said I was just complimenting everybody. Keep up the good work.

Member Sanford asked if there was any public comment but there was none.

Member Alan Kalt made a motion to recommend acceptance of the audit report and related findings for the Annual Comprehensive Financial Report for the Fiscal Year Ending June 30, 2024 to the Board of County Commissioners. Member Joseph Sanford seconded the motion, which carried by unanimous vote.

Discussion by Committee regarding matters affecting the committee:

There was no further discussion.

Consider and schedule future meeting dates and future Agenda items:

There were no future meeting dates or Agenda items suggested. However, it was noted that there will be new members next year and we may need to select a Chair and Vice-Chair earlier than the regularly scheduled meeting.

Public Comment:

Member Sanford asked if there was any public comment but there was none.

Adjournment:

The meeting was adjourned at 10:18 AM.

APPROVED: Alan Kalt
Alan Kalt, Member

ATTEST:
Linda Rothery, Clerk/Treasurer

Pamela D Moore
Pamela D. Moore, Deputy Clerk to the Board