

HUMBOLDT COUNTY

JUNE 30, 2012

HUMBOLDT COUNTY
June 30, 2012

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Independent Auditor's Report

To the Honorable Board of Commissioners of
Humboldt County, Nevada

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 Humboldt County, Nevada as of and for the year ended June 30, 2012, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Humboldt County's management. Our responsibility is to express opinions 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 the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County, as of June 30, 2012, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 29, 2012 on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3-10, budgetary comparison information on pages 46 through 57, and the schedule of funding progress for other post employment benefits on page 58 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's financial statements as a whole. The combining and individual nonmajor fund statements and schedules for the year ended June 30, 2012 are presented for purposes of additional

analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133 *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the financial statements. The combining and individual nonmajor fund statements and schedules and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

The County's financial statements for the year ended June 30, 2011 (not presented herein), were audited by other auditors whose report thereon dated November 28, 2011, expressed unqualified opinions on the respective financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information. The report of the other auditors dated November 28, 2011, stated that the combining and individual nonmajor fund financial statements for the year ended June 30, 2011 were subjected to the auditing procedures applied in the audit of the 2011 financial statements and certain additional auditing procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or those financials statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America and, in their opinion, were fairly stated in all material respects in relation to the statements as a whole for the year ended June 30, 2011.

Blake Row & Associates, LLC

Winnemucca, Nevada
November 29, 2012

**HUMBOLDT COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

As management of Humboldt County, we offer readers of Humboldt County's financial statements this narrative overview and analysis of the financial activities of Humboldt County for the fiscal year ended June 30, 2012. We encourage readers to consider the information presented here in conjunction with the financial statements and notes to the financial statements to gain a more complete picture of the information presented. All amounts, unless otherwise indicated, are expressed in whole dollars.

Financial Highlights

- ◆ The assets of Humboldt County exceeded its liabilities at the close of the most recent fiscal year by \$96,738,873 (*net assets*). Of this amount, \$31,978,733 (*unrestricted net assets*) may be used to meet the government's ongoing obligations to citizens and creditors.
- ◆ The auditor's report offers an unqualified opinion on the financial statements, the highest opinion that can be obtained.
- ◆ The government's total net assets increased by \$3,256,988. This increase is primarily the result of an increase in resources received over the previous year.
- ◆ As of the close of the current fiscal year, Humboldt County's governmental funds reported the combined ending fund balances of \$39,621,678, an increase of \$5,068,034 in comparison with the prior year.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to Humboldt County's basic financial statements. Humboldt County's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains supplementary information in addition to the basic financial statements themselves.

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

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

The *statement of activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish the functions of Humboldt County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of Humboldt County include general government, public safety, public works, judicial, health, welfare, culture and recreation and community support. The business-type activities of Humboldt County include television services and solid waste management operations.

The government-wide financial statements include only Humboldt County itself (known as the *primary government*). There are no component units included in these statements.

The government-wide financial statements can be found on pages 11-13.

**HUMBOLDT COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(CONTINUED)**

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

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

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

Humboldt County maintains twenty individual governmental funds including two internally reported funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, indigent fund, road fund, regional transportation fund, 6th judicial district fund, indigent medical fund, Winnemucca events complex fund, and the building reserve fund, all which are considered to be major funds. Data from the other ten governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

Humboldt County adopts an annual appropriated budget for all of its governmental and proprietary funds. A budgetary comparison schedule has been provided for the funds to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 14-19 of this report.

Proprietary funds. Humboldt County maintains only one type of proprietary fund. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. Humboldt County uses enterprise funds to account for its television fund and its solid waste management fund. Humboldt County does not utilize *internal service funds*, which are also a proprietary fund type.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the television fund and the solid waste management fund, both of which are considered to be major funds of Humboldt County.

The basic proprietary fund financial statements can be found on pages 20-22 of this report.

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

The basic fiduciary fund statements can be found on pages 23-24 of this report.

Notes to the financial statements and required supplementary information. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 25-44 of this report and the required supplementary information can be found on pages 45-59.

**HUMBOLDT COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(CONTINUED)**

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *supplementary information*, including individual fund statements and schedules providing budget to actual comparisons. These schedules test compliance with budgetary constraints and management directives to enhance accountability at the fund and function level. This information may be found on pages 60-94 of this report.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of Humboldt County, assets exceeded liabilities by \$96,738,873 at the close of the most recent fiscal year.

A large portion of Humboldt County's net assets (59 percent) reflects its investment in capital assets (e.g., land, buildings, infrastructure, machinery, and equipment). Humboldt County uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending.

HUMBOLDT COUNTY'S NET ASSETS*

	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Current and other assets	\$41,169,815	\$36,239,980	\$2,736,702	\$2,482,880	\$43,906,517	\$38,722,860
Capital assets	57,197,323	58,556,219	211,945	250,433	57,409,268	58,806,652
Total assets	<u>98,367,138</u>	<u>94,796,299</u>	<u>2,948,647</u>	<u>2,733,313</u>	<u>101,315,785</u>	<u>97,529,512</u>
Long-term liabilities outstanding	3,064,568	1,778,089	30,941	13,771	3,095,509	1,791,860
Other liabilities	1,461,556	2,229,522	19,847	26,245	1,481,403	2,255,767
Total liabilities	<u>4,526,124</u>	<u>4,007,611</u>	<u>50,788</u>	<u>40,016</u>	<u>4,576,912</u>	<u>4,047,627</u>
Net Assets:						
Invested in capital assets	57,197,323	58,556,219	211,945	250,433	57,409,268	58,806,652
Restricted	7,350,872	3,781,706	-	-	7,350,872	3,781,706
Unrestricted	29,292,819	28,450,663	2,685,914	2,442,864	31,978,733	30,893,527
Total Net Assets	<u>\$93,841,014</u>	<u>\$90,788,588</u>	<u>\$2,897,859</u>	<u>\$2,693,297</u>	<u>\$96,738,873</u>	<u>\$93,481,885</u>

*For more detailed information, see the government-wide Statement of Net Assets and Notes to the Financial Statements.

An additional portion of Humboldt County's net assets (\$7,350,872) represents resources subject to external restrictions (statutory, bond covenants or granting agency) on how they may be used. The remaining balance of *unrestricted net assets* (\$31,978,733) may be used to meet the government's ongoing obligations to citizens and creditors.

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

Governmental activities increased Humboldt County's net assets by \$3,052,426 thereby accounting for 94 percent of the total increase in the net assets of Humboldt County. Business-type activities increased the County's net assets by \$204,562 or 6 percent. Key elements of this increase are as follows.

**HUMBOLDT COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(CONTINUED)**

HUMBOLDT COUNTY'S CHANGES IN NET ASSETS

	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Revenues:						
Program revenues:						
Charges for services	\$3,786,008	\$3,781,557	\$1,278,358	\$1,249,767	\$5,064,366	\$5,031,324
Operating grants and contributions	837,999	1,173,343	21,439	2,320	859,438	1,175,663
Capital grants and contributions	-	97,000	-	-	-	97,000
General revenues:						
Property Taxes	11,435,180	8,911,033	-	-	11,435,180	8,911,033
Consolidated Taxes	10,034,161	9,257,172	-	-	10,034,161	9,257,172
Franchise taxes	759,715	683,082	-	-	759,715	683,082
Motor vehicle fuel taxes	2,790,963	2,837,648	-	-	2,790,963	2,837,648
Room taxes	353,511	371,372	-	-	353,511	371,372
Miscellaneous	423,292	202,687	17,892	19,440	441,184	222,127
Unrestricted investment earnings	242,670	214,637	1,555	2,308	244,225	216,945
Payments in-lieu of taxes	1,641,926	1,641,292	-	-	1,641,926	1,641,292
Total revenues	32,305,425	29,170,823	1,319,244	1,273,835	33,624,669	30,444,658
Expenses:						
General government	5,499,179	5,006,452	-	-	5,499,179	5,006,452
Public safety	8,330,042	8,202,095	-	-	8,330,042	8,202,095
Judicial	3,492,312	3,328,429	-	-	3,492,312	3,328,429
Public works	6,840,435	4,555,359	-	-	6,840,435	4,555,359
Health	321,038	252,938	-	-	321,038	252,938
Welfare	697,571	779,883	-	-	697,571	779,883
Culture and recreation	2,104,315	2,099,019	-	-	2,104,315	2,099,019
Community support	1,968,107	2,492,387	-	-	1,968,107	2,482,387
Television	-	-	221,393	219,407	221,393	219,407
Solid waste management	-	-	893,289	830,254	893,289	830,254
Total expenses	29,252,999	26,716,562	1,114,682	1,049,661	30,367,681	27,756,223
Increase (decrease) in net assets	3,052,426	2,454,261	204,562	224,174	3,256,988	2,678,435
Net assets - July 1,	90,788,588	88,334,327	2,693,297	2,469,123	93,481,885	90,803,450
Net assets - June 30,	\$93,841,014	\$90,788,588	\$2,897,859	\$2,693,297	\$96,738,873	\$93,481,885

- Consolidated taxes increased \$776,989 over the previous fiscal year. This increase can be attributed to an increase in sales taxes collected in Humboldt County.
- Unrestricted investment earnings increased \$28,033 over the previous year as a result of higher interest rates.
- Motor vehicle fuel taxes decreased (\$46,685) as a result of fewer gallons of gasoline being purchased.
- Franchise fees increased \$76,633 over the previous year, mainly as a result of decreased revenues for the utility companies upon which franchise fees are collected.
- Property tax revenues increased from the previous year by \$2,524,147 as result of the increase in net proceeds of mines taxes received from the mining companies.
- Governmental activities expenses increased 9.49 percent \$2,536,437 over the previous fiscal year. The primary reason for this increase was increased expenses in the Regional Transportation Fund.

**HUMBOLDT COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(CONTINUED)**

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 the format which 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 all functions except for the community support function due to increases associated with salaries, employee benefits, as well as service and supplies and capital outlay.

The three largest revenue sources for the County are property taxes, consolidated taxes and fuel taxes.

	Program Expenses		Program Revenues		Net Program Exp/(Rev)	
	2012	2011	2012	2011	2012	2011
Governmental Activities:						
General government	\$5,499,179	\$5,006,452	\$1,228,123	\$1,253,106	\$(4,271,056)	\$(3,753,346)
Public safety	8,330,042	8,202,095	1,444,246	1,532,535	(6,885,796)	(6,669,560)
Judicial	3,492,312	3,328,429	1,059,972	1,215,985	(2,432,340)	(2,112,444)
Public works	6,840,435	4,555,359	381,445	375,332	(6,458,990)	(4,180,027)
Health	321,038	252,938	-	-	(321,038)	(252,938)
Welfare	697,571	779,883	40,654	62,696	(656,917)	(717,187)
Cultural and recreation	2,104,315	2,099,019	244,512	318,179	(1,859,803)	(1,780,840)
Community support	1,968,107	2,492,387	225,055	294,067	(1,743,052)	(2,198,320)
Totals	<u>\$29,252,999</u>	<u>\$26,716,562</u>	<u>\$4,624,007</u>	<u>\$5,051,900</u>	<u>\$(24,628,992)</u>	<u>\$(21,664,662)</u>

Program Expenses and Revenues for Business-type Activities:

This table presents program expenses and revenues for business-type activities. Program revenues generated from business-type activities were sufficient to cover program expenses in the television fund and the solid waste management fund during the current year.

	Program Expenses		Program Revenues		Net Program Exp/(Rev)	
	2012	2011	2012	2011	2012	2011
Business-Type Activities:						
Television	\$ 221,393	\$219,407	\$ 242,713	\$216,907	\$ 21,320	\$(2,500)
Solid waste management	893,289	830,254	1,057,084	1,035,180	163,795	204,926
Totals	<u>\$1,114,682</u>	<u>\$1,049,661</u>	<u>\$1,299,797</u>	<u>\$1,252,087</u>	<u>\$185,115</u>	<u>\$202,426</u>

**HUMBOLDT COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(CONTINUED)**

Financial Analysis of the Government's Funds

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

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

As of the end of the current fiscal year, Humboldt County's governmental funds reported combined ending fund balances of \$39,621,678, an increase of \$5,068,034 in comparison with the prior year.

The general fund is the chief operating fund of Humboldt County. At the end of the current fiscal year, unassigned fund balance of the general fund was \$11,042,322 while the total fund balance reached \$16,411,343. As a measure of the general fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents 75 percent of total general fund expenditures.

The fund balance of Humboldt County's general fund increased \$2,759,900 during the current year. The key factor in this increase was the increase in net proceeds of mines taxes received. General fund revenues increased \$1,771,442 from the prior year. General fund expenditures increased over the prior fiscal year by \$785,647 or 6 percent.

The indigent fund's ending fund balance decreased (\$57,573) from the prior year. Total revenue increased \$119,327 due mostly to increased net proceeds payments received. Expenditures were consistent with prior year.

Humboldt County's road fund has an ending fund balance of \$1,057,179 which is a decrease of (\$169,728) over the prior year. This decrease is the result of additional spending for salaries and wages, benefits, services and supplies, and capital outlay, and an slight increase in revenues of over the prior year, however, the effect of the shortfall was partially mitigated by an additional transfer of \$150,000 over the prior year's \$1,000,000 transfer. The revenue increase was due mainly to increased miscellaneous revenue and increased fuel and repairs charges to other departments.

The regional transportation fund's ending fund balance decreased (\$577,278) from the prior year. Revenues decreased slightly (3%) from the prior fiscal year as the result of a decrease in gallons of gasoline being purchased. Expenditures increased significantly (411% or \$1,531,910) due to significantly increased road projects activity in the current fiscal year.

The 6th judicial district's fund balance increased \$1,318,688 over the prior year. Current year revenues increased by 18% over previous year and were the result of the extra net proceeds taxes and combined taxes received as previously mentioned. Expenditures increased by 7% over the previous fiscal year. This increase was the result of increases in personnel costs (salary increase) and increased services and supplies expense. The increase in expenditures was further mitigated by a \$210,000 transfer in from the In-Lieu of Tax Fund.

The indigent medical fund's ending fund balance increased \$27,873 or 1.8% over the prior year. Revenues increased 28% over prior year. Expenditures were 3% lower than prior year. The decrease in expenditures was the result of a decrease in services and supplies expenditures.

The Winnemucca events complex fund has an ending fund balance of \$1,443,059, which is an increase of \$487,063 over the prior year. Revenues increased by 12% over the prior year and were the result of an increase in property tax revenues of 29%. Expenditures increased by 3% over the prior year due to increases in personnel costs and capital outlay.

The building reserve fund's ending fund balance decreased (\$184,744). Revenues decreased (\$120,863) from the prior year due mainly to less miscellaneous revenue being received in the current year than in the prior year. Expenditures remained consistent with prior year.

**HUMBOLDT COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(CONTINUED)**

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

Unrestricted net assets of the television fund at the end of the year amounted to \$879,538 and those for the solid waste management fund amounted to \$1,806,375. The portion of net assets invested in capital assets was \$204,349 for the TV fund and \$7,596 for the solid waste management fund. The total growth in net assets for the funds was \$39,212 and \$165,350 respectively. Other factors concerning the finances of these two funds have already been addressed in the discussion of Humboldt County's business-type activities.

General Fund Budgetary Highlights

Functions represent the legal level of budgetary control. The final budget appropriation was \$198,000 higher than the original approved budget. Actual expenditures were 95 percent of appropriations and \$748,733 less than the final budget.

Capital Asset and Debt Administration

Capital assets. Humboldt County's investment in capital assets for its governmental and business-type activities as of June 30, 2012, amounts to \$57,409,268 (net of accumulated depreciation). This investment in capital assets includes land, buildings and systems, improvements, infrastructure and machinery and equipment. Humboldt County's investment in capital assets for the current fiscal year decreased \$1,358,896 in governmental activities. Business-type activities capital assets decreased \$38,488.

HUMBOLDT COUNTY'S CAPITAL ASSETS (Net of Depreciation)

	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Land and CIP	\$ 2,691,552	\$ 2,385,032	\$ -	\$ -	\$ 2,691,552	\$ 2,385,032
Land improvements	578,385	614,835	-	-	578,385	614,835
Buildings/ improvements	7,395,029	7,866,283	-	-	7,395,029	7,866,283
Infrastructure	43,087,233	44,526,426	-	-	43,087,233	44,526,426
Equipment	3,445,124	3,163,643	211,945	250,433	3,657,069	3,414,076
Total	<u>\$57,197,323</u>	<u>\$58,556,219</u>	<u>\$ 211,945</u>	<u>\$ 250,433</u>	<u>\$57,409,268</u>	<u>\$58,806,652</u>

Additional information on Humboldt County's capital assets can be found in Notes 1 (E) 6 and Note 5 of the notes to the financial statements.

Long-term debt. At the end of the current fiscal year, Humboldt County had no bonded long-term debt outstanding or outstanding capital leases.

HUMBOLDT COUNTY'S OUTSTANDING DEBT

	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Compensated Absences Payable	\$ 694,360	\$671,789	\$13,089	\$13,156	\$ 707,449	\$684,945
Other postemployment Benefits	2,370,208	1,778,089	17,852	13,771	2,388,060	1,791,860
Total	<u>\$3,064,568</u>	<u>\$2,449,878</u>	<u>\$30,941</u>	<u>\$ 26,927</u>	<u>\$3,095,509</u>	<u>\$2,476,805</u>

**HUMBOLDT COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(CONTINUED)**

Additional information on Humboldt County's long-term debt can be found in Notes 1 E (7 and 8) and Notes 8 and 12 of the notes to the financial statements.

Economic Factors and Next Year's Budget

The 2013 budget for Humboldt County had an overall increase in appropriations of 10.2 percent including a modest cost of living increase of 3% for its employees. Over half of this increase is attributed to the construction of the new Communications/Dispatch Center and the purchase of a new bookmobile for the library. This County's economy has continued to remain stable with housing values remaining constant and gold prices remaining high. Estimated consolidated taxes came in 26 percent higher compared to last year while estimated property taxes showed a 5 percent increase. There have been no layoffs, no service reductions or salary/benefit reductions that have become the norm for other local governments, including the State. The mining industry has remained strong and has continued to contribute to our economic success. The County will continue to budget conservatively and build up its reserves as part of its ongoing program to promote financial stability for its citizens.

The County's unemployment rate continues to be lower than the State and most other counties within Nevada.

The general fund budget (including transfers) for 2012-2013 increased approximately 12 percent over the actual expenditures (including transfers) for fiscal 2012. This increase is the result of anticipating higher cost of operations, capital expenditures, and community support. Historically, the County spends approximately 90-93 percent of its general fund budget but was slightly higher at 95 percent for fiscal year 2012. The County's practice of budgeting conservatively on revenues and budgeting liberally on expenditures has resulted in a strong, fiscally responsible government.

Humboldt County continues to maintain one of the lowest tax rates in the State of Nevada.

Requests for Information

This financial report is designed to provide a general overview of Humboldt County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Humboldt County, Comptroller's Office, 50 W. Fifth Street, Room 203, Winnemucca, Nevada 89445.

HUMBOLDT COUNTY
Statement of Net Assets
June 30, 2012

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and investments	\$ 37,106,867	\$ 2,622,709	\$ 39,729,576
Taxes receivable	40,464	-	40,464
Accounts receivable	240,256	78,538	318,794
Interest receivable	1,327	113	1,440
Notes receivable	67,940	-	67,940
Intergovernmental receivable	3,710,147	21,439	3,731,586
Inventories	-	16,717	16,717
Internal balances	2,814	(2,814)	-
Capital assets:			
Land	2,382,383	-	2,382,383
Construction in progress	309,169	-	309,169
Other capital assets net of depreciation	54,505,771	211,945	54,717,716
Total assets	98,367,138	2,948,647	101,315,785
LIABILITIES			
Accounts payable	805,319	16,979	822,298
Accrued salaries and benefits	275,733	2,789	278,522
Intergovernmental payable	304,464	79	304,543
Unearned revenue	76,040	-	76,040
Noncurrent liabilities:			
Due within one year:			
Compensated absences	694,360	13,089	707,449
Other postemployment benefits	2,370,208	17,852	2,388,060
Total liabilities	4,526,124	50,788	4,576,912
NET ASSETS			
Invested in capital assets	57,197,323	211,945	57,409,268
Restricted for:			
County and city road projects	2,427,912	-	2,427,912
Indigent medical	1,572,112	-	1,572,112
Government stabilization	1,050,842	-	1,050,842
Purchase of capital assets	587,727	-	587,727
Assessor's technology	765,844	-	765,844
Local agricultural education	629,148	-	629,148
Other purposes	317,287	-	317,287
Unrestricted	29,292,819	2,685,914	31,978,733
Total net assets	\$ 93,841,014	\$ 2,897,859	\$ 96,738,873

The notes to the financial statements are an integral part of this statement.

**HUMBOLDT COUNTY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2012**

	<u>Program Revenues</u>			
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Primary government:				
Governmental activities:				
General government	\$ 5,499,179	\$ 1,182,854	\$ 45,269	\$ -
Public safety	8,330,042	1,386,880	57,366	-
Judicial	3,492,312	823,090	236,882	-
Public works	6,840,435	150,556	230,889	-
Health	321,038	-	-	-
Welfare	697,571	-	40,654	-
Culture and recreation	2,104,315	208,321	36,191	-
Community support	1,968,107	34,307	190,748	-
Total governmental activities	<u>29,252,999</u>	<u>3,786,008</u>	<u>837,999</u>	<u>-</u>
Business-type activities:				
Television	221,393	221,274	21,439	-
Solid waste management	893,289	1,057,084	-	-
Total business-type activities	<u>1,114,682</u>	<u>1,278,358</u>	<u>21,439</u>	<u>-</u>
Total primary government	<u>\$ 30,367,681</u>	<u>\$ 5,064,366</u>	<u>\$ 859,438</u>	<u>\$ -</u>

General revenues:

- Property taxes
- Consolidated taxes
- Franchise taxes
- Motor vehicle fuel taxes
- Room taxes
- Miscellaneous revenues
- Unrestricted investment earnings
- Payments in-lieu of taxes
- Total general revenues

Change in Net Assets

- Net assets - beginning
- Net assets - ending

**Net (Expenses) Revenues and
Changes in Net Assets
Primary Government**

Governmental Activities	Business-type Activities	Total
\$ (4,271,056)	\$ -	\$ (4,271,056)
(6,885,796)	-	(6,885,796)
(2,432,340)	-	(2,432,340)
(6,458,990)	-	(6,458,990)
(321,038)	-	(321,038)
(656,917)	-	(656,917)
(1,859,803)	-	(1,859,803)
(1,743,052)	-	(1,743,052)
<u>(24,628,992)</u>	<u>-</u>	<u>(24,628,992)</u>
-	21,320	21,320
-	163,795	163,795
-	185,115	185,115
<u>(24,628,992)</u>	<u>185,115</u>	<u>(24,443,877)</u>
11,435,180	-	11,435,180
10,034,161	-	10,034,161
759,715	-	759,715
2,790,963	-	2,790,963
353,511	-	353,511
423,292	17,892	441,184
242,670	1,555	244,225
1,641,926	-	1,641,926
<u>27,681,418</u>	<u>19,447</u>	<u>27,700,865</u>
3,052,426	204,562	3,256,988
90,788,588	2,693,297	93,481,885
<u>\$ 93,841,014</u>	<u>\$ 2,897,859</u>	<u>\$ 96,738,873</u>

The notes to the financial statements are an integral part of this statement.

HUMBOLDT COUNTY
Balance Sheet
Governmental Funds
June 30, 2012

	General Fund	Indigent Fund	Road Fund	Regional Transportation Fund
Assets:				
Cash and investments	\$ 14,845,565	\$ 530,193	\$ 811,259	\$ 2,182,163
Taxes receivable	15,783	2,618	-	-
Accounts receivable	224,765	6,666	3,973	-
Interest receivable	1,043	-	-	140
Notes receivable	3,825	-	-	-
Due from other governments	2,213,109	25,801	286,692	245,609
Due from other funds	7,872	-	77,770	-
 Total assets	 \$ 17,311,962	 \$ 565,278	 \$ 1,179,694	 \$ 2,427,912
Liabilities				
Accounts payable	\$ 570,385	\$ 16,126	\$ 101,027	\$ -
Accrued salaries/benefits	188,393	1,183	21,340	-
Due to other governments	36,995	140,887	144	-
Due to other funds	55,841	19	4	-
Deferred revenue	49,005	2,618	-	-
 Total liabilities	 900,619	 160,833	 122,515	 -
Fund Balances				
Nonspendable				
Notes receivable	3,825	-	-	-
Restricted for:				
Unemployment claims	113,118	-	-	-
County and city road projects	-	-	-	2,427,912
Technology enhancements	-	-	-	-
Indigent medical	-	-	-	-
Pari-mutual betting	-	-	-	-
Government stabilization	-	-	-	-
Purchase of capital assets	-	-	-	-
Judicial support	-	-	-	-
Check restitution	-	-	-	-
Assessor's technology	-	-	-	-
Local agricultural education	-	-	-	-
Drug court	-	-	-	-
Committed to:				
Compensated absences	611,700	-	-	-
Road repairs and maintenance	-	-	1,057,179	-
6th judicial court	-	-	-	-
Winnemucca events center complex	-	-	-	-
Indigent services	-	404,445	-	-
Library	-	-	-	-
Local agricultural education	-	-	-	-
Capital building projects	-	-	-	-
Excess road fund expenditures	-	-	-	-
Assigned for:				
Budget shortfalls	4,640,378	-	-	-
Excess road fund expenditures	-	-	-	-
Unassigned	11,042,322	-	-	-
 Total fund balances	 16,411,343	 404,445	 1,057,179	 2,427,912
 Total Liabilities and Fund Balances	 \$ 17,311,962	 \$ 565,278	 \$ 1,179,694	 \$ 2,427,912

6th Judicial District Fund	Indigent Medical Fund	Winnemucca Events Complex Fund	Building Reserve Fund	Other Governmental Funds	Total Governmental Funds
\$ 3,140,893	\$ 1,647,226	\$ 1,353,977	\$ 3,203,310	\$ 9,392,280	\$ 37,106,866
10,504	2,321	2,155	539	6,545	40,465
-	-	1,352	27	3,473	240,256
-	106	-	-	38	1,327
-	-	-	64,115	-	67,940
587,008	16,251	130,970	5,417	199,290	3,710,147
363	-	-	-	-	86,005
<u>\$ 3,738,768</u>	<u>\$ 1,665,904</u>	<u>\$ 1,488,454</u>	<u>\$ 3,273,408</u>	<u>\$ 9,601,626</u>	<u>\$ 41,253,006</u>
\$ 67,423	\$ 1,900	\$ 20,028	\$ 10,228	\$ 18,202	\$ 805,319
44,158	-	5,988	-	14,673	275,735
16,189	89,571	6,758	-	13,920	304,464
6,267	-	10,466	5,434	5,160	83,191
52,484	2,321	2,155	46,653	7,383	162,619
<u>186,521</u>	<u>93,792</u>	<u>45,395</u>	<u>62,315</u>	<u>59,338</u>	<u>1,631,328</u>
-	-	-	18,000	-	21,825
-	-	-	-	-	113,118
-	-	-	-	-	2,427,912
1,368	-	-	-	-	1,368
-	1,572,112	-	-	-	1,572,112
-	-	1,511	-	-	1,511
-	-	-	-	1,050,842	1,050,842
-	-	-	-	587,727	587,727
-	-	-	-	96,535	96,535
-	-	-	-	12,597	12,597
-	-	-	-	765,844	765,844
-	-	-	-	629,148	629,148
-	-	-	-	70,333	70,333
-	-	-	-	-	611,700
-	-	-	-	-	1,057,179
3,550,879	-	-	-	-	3,550,879
-	-	1,441,548	-	-	1,441,548
-	-	-	-	-	404,445
-	-	-	-	2,697,674	2,697,674
-	-	-	-	25,000	25,000
-	-	-	3,193,093	500,000	3,693,093
-	-	-	-	1,151,320	1,151,320
-	-	-	-	-	4,640,378
-	-	-	-	1,955,268	1,955,268
-	-	-	-	-	11,042,322
<u>3,552,247</u>	<u>1,572,112</u>	<u>1,443,059</u>	<u>3,211,093</u>	<u>9,542,288</u>	<u>39,621,678</u>
<u>\$ 3,738,768</u>	<u>\$ 1,665,904</u>	<u>\$ 1,488,454</u>	<u>\$ 3,273,408</u>	<u>\$ 9,601,626</u>	<u>\$ 41,253,006</u>

The notes to the financial statements are an integral part of this statement.

HUMBOLDT COUNTY
Reconciliation of the Balance Sheet
To the Statement of Net Assets
Governmental Funds
June 30, 2012

Total Governmental Fund Balances	\$	39,621,678
<p>Amounts reported for governmental activities in the statement of net assets are different because:</p>		
<p>Capital Assets used in governmental activities are not resources and therefore are not reported in the funds.</p>		
Governmental Capital Assets	\$	102,080,052
Less Accumulated Depreciation		<u>(44,882,729)</u>
		57,197,323
<p>Long-term liabilities, including bonds payable are not due and payable in the current period and therefore are not reported in the governmental funds.</p>		
Net OPEB obligation		2,370,208
Compensated absences		<u>694,360</u>
		(3,064,568)
<p>Deferred revenue represents amounts that were not available to fund current expenditures and therefore are not reported in the governmental funds.</p>		
		<u>86,581</u>
Net Assets of Governmental Activities	\$	<u><u>93,841,014</u></u>

The notes to the financial statements are an integral part of this statement.

HUMBOLDT COUNTY
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2012

	<u>General Fund</u>	<u>Indigent Fund</u>	<u>Road Fund</u>	<u>Regional Transportation Fund</u>
REVENUES				
Taxes	\$ 5,107,201	\$ 520,441	\$ -	\$ -
Licenses and permits	1,056,752	-	-	-
Intergovernmental revenue	9,718,552	57,650	1,696,235	1,325,620
Charges for services	498,640	-	410,518	-
Fines and forfeits	554,345	-	-	-
Miscellaneous revenues	<u>580,793</u>	<u>13,073</u>	<u>84,957</u>	<u>1,621</u>
 Total Revenues	 <u>17,516,283</u>	 <u>591,164</u>	 <u>2,191,710</u>	 <u>1,327,241</u>
EXPENDITURES				
Current:				
General government	5,196,458	-	-	-
Judicial	2,010,094	-	-	-
Public safety	5,917,697	-	-	-
Public works	20,285	-	3,396,966	1,904,519
Health	330,349	-	-	-
Welfare	-	444,172	-	-
Culture and recreation	2,500	-	-	-
Community support	850,436	-	-	-
Intergovernmental expenditures	<u>433,564</u>	<u>204,565</u>	<u>114,472</u>	<u>-</u>
 Total Expenditures	 <u>14,761,383</u>	 <u>648,737</u>	 <u>3,511,438</u>	 <u>1,904,519</u>
 Excess (deficiency) of revenues over (under) expenditures	 <u>2,754,900</u>	 <u>(57,573)</u>	 <u>(1,319,728)</u>	 <u>(577,278)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	5,000	-	1,150,000	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	<u>5,000</u>	<u>-</u>	<u>1,150,000</u>	<u>-</u>
 Net Change in Fund Balances	 2,759,900	 (57,573)	 (169,728)	 (577,278)
 Fund Balances - beginning	 <u>13,651,443</u>	 <u>462,018</u>	 <u>1,226,907</u>	 <u>3,005,190</u>
 Fund Balances - ending	 <u>\$ 16,411,343</u>	 <u>\$ 404,445</u>	 <u>\$ 1,057,179</u>	 <u>\$ 2,427,912</u>

<u>6th Judicial District Fund</u>	<u>Indigent Medical Fund</u>	<u>Winnemucca Events Complex Fund</u>	<u>Building Reserve Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 2,691,110	\$ 414,180	\$ 552,031	\$ 138,008	\$ 2,021,862	\$ 11,444,833
-	-	-	-	-	1,056,752
1,993,542	-	519,075	-	2,244,727	17,555,401
1,067	-	199,704	34,145	12,376	1,156,450
83,020	-	-	-	38,573	675,938
7,791	1,372	6,933	47,924	2,507	746,971
<u>4,776,530</u>	<u>415,552</u>	<u>1,277,743</u>	<u>220,077</u>	<u>4,320,045</u>	<u>32,636,345</u>
-	-	-	-	95,269	5,291,727
1,219,934	-	-	-	197,456	3,427,484
2,389,864	-	-	-	-	8,307,561
-	-	-	-	-	5,321,770
-	-	-	-	-	330,349
-	251,308	-	-	-	695,480
-	-	790,680	-	1,005,801	1,798,981
-	-	-	404,821	163,389	1,418,646
53,044	136,371	-	-	34,297	976,313
<u>3,662,842</u>	<u>387,679</u>	<u>790,680</u>	<u>404,821</u>	<u>1,496,212</u>	<u>27,568,311</u>
<u>1,113,688</u>	<u>27,873</u>	<u>487,063</u>	<u>(184,744)</u>	<u>2,823,833</u>	<u>5,068,034</u>
210,000	-	-	-	25,000	1,390,000
(5,000)	-	-	-	(1,385,000)	(1,390,000)
<u>205,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,360,000)</u>	<u>-</u>
1,318,688	27,873	487,063	(184,744)	1,463,833	5,068,034
<u>2,233,559</u>	<u>1,544,239</u>	<u>955,996</u>	<u>3,395,837</u>	<u>8,078,455</u>	<u>34,553,644</u>
<u>\$ 3,552,247</u>	<u>\$ 1,572,112</u>	<u>\$ 1,443,059</u>	<u>\$ 3,211,093</u>	<u>\$ 9,542,288</u>	<u>\$ 39,621,678</u>

The notes to the financial statements are an integral part of this statement.

HUMBOLDT 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, 2012

Net Change in Fund Balances - Governmental Funds \$ 5,068,034

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

Governmental funds report capital outlays as expenditures. The cost of those assets is depreciated over their estimated useful lives in the statement of activities.

Expenditures for capital assets	\$ 1,592,589	
Less current year depreciation	(2,770,886)	
Loss on disposition of assets	<u>(180,599)</u>	
		(1,358,896)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in governmental funds.

Change in deferred revenue	(42,024)
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Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.

Change in net OPEB obligation	(592,117)
Change in long-term compensated absences	<u>(22,571)</u>

Change in Net Assets of Governmental Activities	<u><u>\$ 3,052,426</u></u>
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The notes to the financial statements are an integral part of this statement.

HUMBOLDT COUNTY
Statement of Net Assets
Proprietary Funds
June 30, 2012

	Business-Type Activities - Enterprise Funds		
	Humboldt Television Fund	Solid Waste Management Fund	Totals Current Year
ASSETS			
Current:			
Cash and investments	\$ 863,685	\$ 1,759,024	\$ 2,622,709
Accounts receivable	10,818	67,720	78,538
Interest receivable	-	113	113
Intergovernmental receivable	21,439	-	21,439
Due from other funds	-	135	135
Inventories	16,717	-	16,717
	<u>912,659</u>	<u>1,826,992</u>	<u>2,739,651</u>
Total Current Assets			
Noncurrent Assets:			
Capital assets:			
Buildings	24,195	-	24,195
Machinery and equipment	919,841	92,286	1,012,127
Less accumulated depreciation	(739,687)	(84,690)	(824,377)
Total capital assets (net of accumulated depreciation)	<u>204,349</u>	<u>7,596</u>	<u>211,945</u>
	<u>1,117,008</u>	<u>1,834,588</u>	<u>2,951,596</u>
Total Assets			
LIABILITIES			
Current Liabilities:			
Accounts payable	297	16,682	16,979
Accrued liabilities	15,005	873	15,878
Due to other governments	79	-	79
Due to other funds	2,718	231	2,949
Total Current Liabilities	<u>18,099</u>	<u>17,786</u>	<u>35,885</u>
Noncurrent Liabilities:			
Other postemployment benefits	15,021	2,831	17,852
	<u>33,120</u>	<u>20,617</u>	<u>53,737</u>
Total Liabilities			
NET ASSETS			
Invested in capital assets	204,349	7,596	211,945
Unrestricted	879,539	1,806,375	2,685,914
	<u>1,083,888</u>	<u>1,813,971</u>	<u>2,897,859</u>
Total Net Assets	<u>\$ 1,083,888</u>	<u>\$ 1,813,971</u>	<u>\$ 2,897,859</u>

The notes to the financial statements are an integral part of this statement.

HUMBOLDT COUNTY
Proprietary Funds
Statement of Revenues, Expenses, and
Changes in Net Assets
For the Year Ended June 30, 2012

	Business-Type Activities - Enterprise Funds		
	Humboldt Television Fund	Solid Waste Management Fund	Totals Current Year
OPERATING REVENUES			
Charges for Services:			
User fees	\$ 221,274	\$ 1,057,084	\$ 1,278,358
Grants	21,439	-	21,439
Miscellaneous	17,892	-	17,892
Total Operating Revenues	260,605	1,057,084	1,317,689
OPERATING EXPENSES			
Salaries and wages	87,832	39,890	127,722
Employee benefits	32,691	16,412	49,103
Services and supplies	56,206	833,483	889,688
Depreciation	44,664	3,504	48,168
Total Operating Expenses	221,393	893,289	1,114,681
Operating Income (Loss)	39,212	163,795	203,008
NONOPERATING REVENUES (EXPENSES)			
Interest earnings	-	1,555	1,555
Change in Net Assets	39,212	165,350	204,562
NET ASSETS, JULY 1	1,044,676	1,648,621	2,693,297
NET ASSETS, JUNE 30	\$ 1,083,888	\$ 1,813,971	\$ 2,897,859

The notes to the financial statements are an integral part of this statement.

HUMBOLDT COUNTY
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2012

	Business-type Activities - Enterprise Funds		
	Humboldt Television Fund	Solid Waste Management Fund	Totals Current Year
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from customers	\$ 239,080	\$ 1,030,531	\$ 1,269,611
Cash payments for personnel costs	(120,484)	(56,252)	(176,736)
Cash payments for services and supplies	<u>(50,215)</u>	<u>(881,783)</u>	<u>(931,998)</u>
Net Cash Provided (Used) by Operating Activities	<u>68,381</u>	<u>92,496</u>	<u>160,877</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Purchases of capital assets	(21,175)	-	(21,175)
Capital asset disposals	11,495	-	11,495
Net Cash Provided (Used) by Financing Activities	<u>(9,680)</u>	<u>-</u>	<u>(9,680)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest received	-	1,613	1,613
Net Increase (Decrease) in Cash and Investments	58,701	94,109	152,810
CASH AND INVESTMENTS, JULY 1	<u>804,984</u>	<u>1,664,915</u>	<u>2,469,899</u>
CASH AND INVESTMENTS, JUNE 30	<u>\$ 863,685</u>	<u>\$ 1,759,024</u>	<u>\$ 2,622,709</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating Income (Loss)	\$ 39,212	\$ 163,795	\$ 203,007
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operations:			
Depreciation	44,664	3,504	48,168
Change in assets and liabilities:			
(Increase) decrease in:			
Accounts receivable	(21,525)	(26,553)	(48,078)
Inventory	5,778	-	5,778
Increase (decrease) in:			
Accounts payable	213	(48,300)	(48,087)
Accrued salaries and benefits	39	50	89
Total adjustments	<u>29,169</u>	<u>(71,299)</u>	<u>(42,130)</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 68,381</u>	<u>\$ 92,496</u>	<u>\$ 160,877</u>

The notes to the financial statements are an integral part of this statement.

HUMBOLDT COUNTY
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2012

	AGENCY FUNDS	INVESTMENT TRUST FUND
ASSETS		
Cash and investments	\$ 9,194,546	\$ 2,947,319
Interest receivable	-	92
Total Assets	\$ 9,194,546	\$ 2,947,411
LIABILITIES		
Due to other governments	\$ 8,930,915	\$ -
Funds held in trust for others	263,631	-
Total Liabilities	9,194,546	-
NET ASSETS		
Held in trust	\$ -	\$ 2,947,411

The notes to the financial statements are an integral part of this statement.

HUMBOLDT COUNTY
Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
For the Year Ended June 30, 2012

	INVESTMENT TRUST FUND
ADDITIONS	
Investment earnings:	
Interest	\$ 762
Net increase (decrease) in share transactions	1,279,826
Change in net assets	1,280,588
Net assets - beginning	1,666,823
Net assets - ending	\$ 2,947,411

The notes to the financial statements are an integral part of this statement.

HUMBOLDT COUNTY
Notes to the Financial Statements
June 30, 2012

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements of Humboldt County have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP), as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the standard-setting body for governmental accounting and financial reporting. The GASB periodically updates its codification of the existing Governmental and Financial Reporting Standards which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units.

A. Reporting entity

Humboldt County was incorporated as one of the original nine counties of the State of Nevada in 1861 and is governed by a five-member elected Board of Commissioners. The major operations of Humboldt County are property tax assessment and collections, public safety, road maintenance, judicial, recreation and administrative activities. The accompanying financial statements present Humboldt County and any component units. Humboldt County does not have any discretely presented component units nor blended component units.

B. Basic Financial Statements - Government-wide Statements

The basic financial statements include both government-wide (based upon Humboldt County as a whole) and fund financial statements. The reporting focus is on either Humboldt County as a whole or major individual funds and nonmajor funds in the aggregate (within the fund financial statements). Both the government-wide and fund financial statements (within the basic financial statements) categorize primary activities as either governmental or business type.

The government-wide financial statements (the Statement of Net Assets and Statement of Activities) report information on all of the non-fiduciary activities of Humboldt County. The effect of interfund activity has been removed from these 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. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

In the government-wide Statement of Net Assets, both the governmental and business-type activity columns are presented on a consolidated basis by column, and are reflected on a full-accrual, economic resource basis which recognizes all long-term assets and receivables as well as long-term debt and obligations. Humboldt County's net assets are reported in three parts – invested in capital assets, restricted, and unrestricted net assets.

The government-wide Statement of Activities reports both the gross and net cost of each of Humboldt County's functions and business-type activities. Functions are also supported by general government revenues (property and combined taxes, certain intergovernmental revenues, interest income not legally restricted for specific programs, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating grants and capital grants. Program revenues include charges to customers, operating grants and contributions and capital grants and contributions. Program revenues must be directly associated with the function or business-type activity. Operating grants, include operating-specific and discretionary grants while the capital grants reflect capital-specific grants. The net costs (by function or business-type activity) are normally covered by general revenue.

HUMBOLDT COUNTY
Notes to the Financial Statements
June 30, 2012

C. Basic Financial Statements – Fund Financial Statements

The financial transactions of Humboldt County are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures/expenses. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter is excluded from the government-wide financial statements.

The emphasis in fund financial statements is on major funds in either governmental or business-type (proprietary) activity categories. Nonmajor funds by category are summarized into a single column. GASB Statement No. 34 sets forth minimum criteria (percentage of assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and business-type categories combined) for the determination of major funds. Humboldt County's management may electively add funds as major funds, when it is determined the funds have specific community or management focus. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The focus of the governmental funds measurement in the fund financial statements is upon determination of financial position and changes in financial position (sources, uses and balances of financial resources) rather than upon net income.

The focus for proprietary fund measurement is upon determination of operating income, changes in net assets, financial position, and cash flows. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. The generally accepted accounting principles applicable are those similar to businesses in the private sector.

Humboldt County's fiduciary funds are presented in the fiduciary fund financial statements by type. Since, by definition, these assets are held for the benefit of a third party and cannot be used to address activities or obligations of Humboldt County, these funds are not incorporated into the government-wide statements.

Humboldt County reports the following major governmental funds:

The **General Fund** is the government's primary operating fund. It is used to account for resources traditionally associated with Humboldt County that are not required legally or by sound financial management to be accounted in another fund.

The **Indigent Fund** is used to account for resources and expenditures for indigent assistance.

The **Road Fund** is used to account for resources and expenditures for Humboldt County's roads.

The **Regional Transportation Fund** is used to account for resources and expenditures on road projects of regional significance.

The **6th Judicial District Fund** is used to account for the resources and expenditures for the District Court and Juvenile Probation.

HUMBOLDT COUNTY
Notes to the Financial Statements
June 30, 2012

The ***Winnemucca Events Complex Fund*** is used to account for the resources and expenditures associated with the operations of Humboldt County's fairgrounds and indoor events center.

The ***Indigent Medical Fund*** is used to account for the resources and expenditures relating to indigent medical care.

The ***Building Reserve Fund*** is used to account for the resources and expenditures for major capital projects.

Humboldt County reports the following major proprietary funds:

The ***Humboldt Television Fund*** is used to account for television services provided to most of the residents of Humboldt County (some County residents are provided television services from other districts).

The ***Solid Waste Management Fund*** is used to account for landfill operations of Humboldt County.

In addition, Humboldt County uses the following funds:

Agency funds are custodial in nature and do not involve measurement of results of operations. The funds account for assets held by the County as an agent for various governments, special districts and individuals. Included are funds for apportioned property and sales taxes, shared revenues and other financial resources for schools, hospital, special districts, boards and other state and city agencies; bonds posted with the District Court and Justice Courts; funds held for inmates housed at the County jail; unapportioned taxes for other local governments; and assets held on the behalf of special districts, boards and other miscellaneous agencies.

Investment trust fund is the external investment pool administered by Humboldt County. Voluntary participants include Humboldt County School District (Debt Service), Golconda Fire Protection District and Paradise Fire Protection District.

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

D. Measurement Focus, Basis of Accounting

The measurement focus describes the types of transactions and events that are reported in a fund's operating statement. Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized and reported in the financial statements. It relates to the timing of the measurement made, regardless of the measurement focus applied.

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and

HUMBOLDT COUNTY
Notes to the Financial Statements
June 30, 2012

available. Revenues are considered *available* when they are collected 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, other postemployment benefits and claims and judgments, are recorded only when payment is due.

Governmental revenues susceptible to accrual are ad valorem taxes, interest, grant revenues and revenues collected and distributed by the State. These include consolidated taxes, government services taxes, and motor vehicle fuel taxes. Licenses and permits, fines, and charges for services are recognized as revenue when they are received.

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

E. Financial Statement Amounts:

1. Cash and Investments

For purposes of the statement of cash flows presented for proprietary funds, cash equivalents are defined as short-term, highly liquid investments that are both readily convertible to cash and have an original maturity date of three months or less to be cash and cash equivalents. Since all cash in proprietary funds is pooled with the rest of Humboldt County's cash and is available upon demand, all cash and investments in those funds are considered cash equivalents.

All interest earned on cash deposits is recognized in the General Fund in accordance with Nevada Revised Statutes, except for amounts credited to various other funds in accordance with law or contract and is allocated based upon their combined investment balances.

Investments are recorded at fair value.

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

- ◇ Obligations of the United States, or an agency or instrumentality of the United States, or a corporation sponsored by the government, maturing within ten (10) years from the date of purchase.
- ◇ Time certificates of deposit from commercial banks and insured savings and loan associations within the State of Nevada, and certain farm loan bonds.
- ◇ Certain securities issued by local governments of the State of Nevada and other securities expressly provided by other statutes, including repurchase agreements.
- ◇ Money market mutual funds that are registered with the Securities and Exchange Commission, are AAA rated and invest only in securities of the Federal Government for fully collateralized repurchase agreements.
- ◇ State of Nevada Local Government Investment Pool.

NRS 355.172 requires Humboldt County's Treasurer or the appropriate officer to take physical possession of collateral in the name of Humboldt County for all securities except those subject to repurchase by the seller if

HUMBOLDT COUNTY
Notes to the Financial Statements
June 30, 2012

Humboldt County has a fully perfected, first-priority interest having a fair market value equal to or greater than the repurchase price of the security.

Humboldt County's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

2. Investment Pool Investment Earnings

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

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

3. Property Taxes Receivable

All real property in Humboldt County is subject to physical reappraisal every five years. Annual adjustments are made to the assessed valuation to reflect general changes in property values. The assessed valuation of the property and its improvements is computed at 35% of "taxable value" as defined by statute. Taxable value is defined as full cash value for land, replacement cost less straight-line depreciation for land improvements, and statutory depreciation for personal property. The maximum depreciation allowed is 75% of replacement cost.

The maximum tax rate for all overlapping governmental units within any county, as established by the state constitution, is \$5 per \$100 assessed valuation. The combined overlapping rate for any county is further limited by state statute to \$3.64 per \$100 assessed valuation except in cases of severe financial emergency as defined in NRS 354.705. Humboldt County's individual tax rate for fiscal year 2011-2012 was \$0.7512 per \$100 of assessed valuation.

The total combined rate was \$2.2016 per \$100 of assessed valuation in the unincorporated area of Humboldt County, exclusive of special district tax rates.

Tax rates are levied by Humboldt County Commissioners immediately after the Nevada Tax Commission has certified the combined rate. Upon certification, the rates are transmitted to Humboldt County's Treasurer for billing. The tax rate levied is for the current fiscal year, July 1 to June 30, and the taxes are considered a lien against real property attaching on July 1. The tax for the 2011-2012 fiscal year was due and payable on the third Monday in August 2011. Taxes may be paid in four equal installments on the third Monday in August, and the first Mondays in October, January and March. Penalties are assessed if a taxpayer fails to pay an installment within ten days of the installment due date. After a two-year waiting period, a tax deed is issued conveying the property to Humboldt County with a lien for back taxes.

In 2005, the Nevada State Legislature passed Assembly Bill 489 which provides for a partial abatement of the ad valorem taxes levied on a qualified property. The abatement will limit the increase of a taxpayer's bill to 3% over the previous year's tax amount for a primary residence and some rental property. All other property will have a higher limit of 6%.

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 State Department of Taxation and the tax

HUMBOLDT COUNTY
Notes to the Financial Statements
June 30, 2012

rates. The major classifications of personal property are commercial, agricultural and mobile homes. In Humboldt County, taxes on motor vehicles are collected by a state agency and remitted to Humboldt County based on statutory formulas as a part of combined taxes.

Secured roll property taxes receivable reflect only those taxes receivable from the delinquent roll years. Delinquent taxes from all roll years prior to 2010-2011 have been written off. No provision for uncollectible accounts has been established since management does not anticipate any material collection loss in respect to remaining balances. Personal property taxes receivable reflect only those taxes collected within 60 days of year-end.

4. Net Proceeds of Mines

Net proceeds of mines are paid on an annual basis. For the year ended June 30, 2012 net proceeds of mines received on actual business from January through December 2011 are reflected in the financial statements. In addition, due to legislative changes occurring during the year ended June 30, 2010, the payments of net proceeds received on estimated business from January 1, 2012 through December 31, 2012 are reflected in the financial statements.

Additional amounts due, based upon actual business for the January 1, 2012 through December 31, 2012 in comparison to estimated payments, are determined subsequent to the 2012 calendar year. Credits for overpayments, based on actual business for the period of January 1, 2012 through December 31, 2012 in comparison to estimated payments, are applied to future tax payments in accordance with NRS 362.130. The overall financial impact on the County of future additional amounts due or future credits is not determinable at June 30, 2012 and are not reflected in these financial statements. It should be noted that the estimated payments for calendar year 2012 (received in fiscal year 2011-2012) were calculated using fiscal year 2011-2012 tax rates. Any true-up of these estimated payments will use fiscal year 2012-2013 tax rates. It is unknown at June 30, 2012 what, if any, impact this will have on future financial statements.

5. Inventories

The Television fund inventories are valued at cost using the first in / first out (FIFO) method. Inventories consist primarily of materials and supplies. For all other funds, Humboldt County charges consumable supplies as expenditures against appropriations at the time of purchase. All inventories of such supplies at June 30 are not material to the individual funds and are not recognized in these financial statements.

6. Capital Assets

Capital assets, which include buildings, improvements, equipment, and infrastructure assets (e.g., roads, bridges, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by Humboldt County as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Significant projects in process are depreciated once the projects are placed in service. Prior to that time, they are reported as construction

HUMBOLDT COUNTY
Notes to the Financial Statements
June 30, 2012

in progress. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Property, plant, and equipment of Humboldt County are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and improvements to buildings	15-30
Improvements other than buildings	15-30
Equipment and motor vehicles	5-15
Infrastructure	30-45

7. *Compensated Absences*

It is Humboldt County's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. In proprietary funds, compensated absences are recorded when the liabilities are incurred. In governmental funds, the current portion is recorded as an expenditure. The entire amount is accounted for in the governmental column of the government-wide statement of net assets.

The current portion of compensated absences is defined as those benefits actually paid or accrued as a result of employees who have terminated employment by June 30. Agreements with the two employee associations provide for the payment of total accrued compensatory and vacation time in all cases. Accumulated sick leave benefits are payable to terminated employees who meet specific requirements set forth in the negotiated employee association contracts.

8. *Long-term Obligations*

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets.

9. *Interfund Activity*

Interfund activity is reported either as a loan, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed at or near market rates, are treated as revenues and expenditures/expenses. Cost allocations for support services are revenue and expense in the fund financial statements and are eliminated in the government-wide Statement of Activities.

10. *Equity Classifications*

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

- a. Invested in capital assets, net of related debt – Consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

HUMBOLDT COUNTY
Notes to the Financial Statements
June 30, 2012

- b. Restricted net assets - Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net assets – All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

11. Governmental Fund Balance

Beginning with fiscal year 2011, the County implemented GASB Statement 54 “Fund Balance Reporting and Governmental Fund Type Definitions”. This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government’s fund balance more transparent. The following classifications describe the relative strength the spending constraints places on the purposes for which resources can be used:

- a. Nonspendable fund balance – amounts that are not in spendable form (such as inventory or prepaids) or are required to remain intact (such as notes receivable or principal of a permanent fund).
- b. Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.
- c. Committed fund balance – amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint.
- d. Assigned fund balance – amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority.
- e. Unassigned fund balance- amounts available for any purpose; positive amounts are reported only in the general fund.

The Board of Commissioners establishes (and modifies or rescinds) fund balance commitments by passage of a resolution. The County Administrator and Comptroller have been delegated authority to assign ending fund balance and to report any assigned funds to the Board of Commissioners at their next regular scheduled board meeting.

It is the policy of the County to spend restricted fund balance first (unless legal requirements dictate otherwise) followed by committed, assigned, and unassigned fund balance.

The Board also adopted a policy to maintain a minimum level of unrestricted fund balance for the General Fund at 10% of total general fund expenditures including other financing uses. By adopting this policy, the County wishes to avoid the need for service level reductions in the event of an economic downturn causing revenues to come in lower than budget.

HUMBOLDT COUNTY
Notes to the Financial Statements
June 30, 2012

11. Stabilization Arrangement

The County has established a stabilization arrangement under NRS 354.6115 to stabilize operations and mitigate effects of natural disasters. Funds restricted in the Stabilization Fund must be used only if the total actual revenue falls short by 8% or more of the total anticipated revenue in the general fund for the fiscal year in which the County uses the funds. Additionally, the County Board of Commissioners must issue a formal declaration that a natural disaster exists before resources in the fund can be used to pay expenses incurred to mitigate the effects of the disaster. There are currently no provisions for additions to the stabilization fund.

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary Information

Annual budgets are adopted on a basis consistent with GAAP for all funds except trust and agency funds, which do not require budgets, and certain special revenue funds that do not meet the requirements to be considered a fund under U.S. GAAP. All annual appropriations lapse at fiscal year end.

Humboldt County adheres to the Local Government Budget and Finance Act (NRS 354.470-.626) incorporated within state statutes and the procedures set by the Department of Taxation to establish the budgetary data reflected in these financial statements. The Board adopts the budget on or before June 1 and files it with the Nevada State Department of Taxation.

The legal level of budgetary control is at the function level for the General Fund, special revenue funds, debt service and capital projects funds, and by the sum of operating and non-operating expenses in proprietary funds. Exceptions apply for certain debt service and intergovernmental expenditures.

All budget amounts presented in these financial statements and schedules reflect the amended budget which has been adjusted for legally authorized revisions of the annual budgets during the year. Original budgets are provided for the General Fund and major special revenue funds in compliance with reporting requirements. The Comptroller may approve budget adjustments within a function. Budget adjustments between functions or funds may be approved by the Comptroller with Board notification. Adjustments that affect fund balance or increase the original budget require Board approval.

Encumbrance accounting is employed in governmental and proprietary funds. In governmental funds, encumbrances, which include purchase orders and contracts awarded for which goods and services have not been received at year-end, are reappropriated in the subsequent year.

Compliance

The County conformed to all significant statutory and administrative code constraints on its financial administration during the year.

HUMBOLDT COUNTY
Notes to the Financial Statements
June 30, 2012

NOTE 3 – CASH AND INVESTMENTS

Deposits and investments

The following is a listing of deposits indicating collateral or insurance on those deposits. The bank balance differs from the carrying amount by outstanding checks and deposits in transit.

	<u>Carrying Amount</u>	<u>Bank Balance</u>
Insured, (FDIC)	\$30,836,721	\$30,905,854
Uninsured and collateralized, collateral held by the office of the State Treasurer/Nevada Collateral Pool	12,569,172	12,569,387
Petty Cash	<u>11,760</u>	<u>11,760</u>
Total Cash Deposits	<u>\$43,417,653</u>	<u>\$43,487,001</u>

Investments are carried at fair value. The following is a listing of those investments as of June 30, 2012:

<u>Investment Type</u>	<u>Investment Maturities (in years)</u>			
	<u>Fair Value</u>	<u>Less than 1</u>	<u>1 to 5</u>	<u>6 to 10</u>
U.S. Treasury Notes	\$ 1,797,001	\$ -	\$ 1,797,001	\$ -
Government Agencies	3,381,179	726,155	703,752	1,951,272
Asset Backed Fixed Income Securities	572,341	194,298	378,043	-
Corporate Bonds	1,374,515	278,139	1,096,376	-
Mortgage Backed Securities	1,191,840	391,755	800,085	-
Money Market Mutual Funds	117,016	117,016	-	-
State of Nevada Local Government Investment Pool	<u>19,896</u>	<u>19,896</u>	<u>-</u>	<u>-</u>
Total Investments	8,453,788	1,727,259	4,775,257	1,951,272
Total Cash (Carrying Amount)	<u>43,417,653</u>	<u>40,702,883</u>	<u>2,714,770</u>	<u>-</u>
Total Cash and Investments	<u>\$ 51,871,441</u>	<u>\$ 42,430,142</u>	<u>\$ 7,490,027</u>	<u>\$ 1,951,272</u>

HUMBOLDT COUNTY
Notes to the Financial Statements
June 30, 2012

<u>Investment Type</u>	<u>Quality Ratings Average of Moody's and Standard & Poor's</u>				
	<u>Fair Value</u>	<u>AAA</u>	<u>AA</u>	<u>A</u>	<u>Unrated</u>
Debt Securities					
U.S. Treasury Notes	\$ 1,797,001	\$ 1,797,001	\$ -	\$ -	\$ -
Government Agencies	3,381,179	3,381,179	-	-	-
Asset Backed Fixed					
Income Securities	572,341	572,341	-	-	-
Corporate Bonds	1,374,515	-	432,707	941,808	-
Mortgage Backed Securities	1,191,840	1,191,840	-	-	-
Money Market Mutual Funds	117,016	-	-	-	117,016
State of Nevada Local Government Investment Pool	19,896	-	-	-	19,896
Total Investments	8,453,788	\$ 6,942,361	\$ 432,707	\$ 941,808	\$ 136,912
Total Cash (Carrying Amount)	43,417,653				
Total Cash and Investments	\$ 51,871,441				

The County is a voluntary participant in the State of Nevada Local Government Investment Pool (LGIP), which has regulatory oversight from the State of Nevada Board of Finance. The County's investments in the LGIP is equal to its original investment plus monthly allocations of interest income, and realized and unrealized gains and losses, which is the same as the value of the pool shares. The County's investment in the LGIP is reported at fair value. Wells Fargo determines the fair value of the investments in NVEST on a monthly basis.

As noted, Nevada Revised Statutes (NRS. 355.170) set forth acceptable investments for Nevada local governments. The County has not adopted a formal investment policy that would further limit its investment choices nor further limit its exposure to certain risks as set forth below.

Interest rate risk

Interest rate risk is the risk of possible reduction in the value of a security, especially a bond, resulting from a rise in interest rates. As noted above, the County does not have a formal investment policy that limits investment maturities to reduce its exposure to fair value losses arising from increasing interest rates beyond those specified in the Statute.

Credit risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation and is a function of the credit quality ratings of investments. The LGIP is an unrated external investment pool and as noted above the County does not have a formal investment policy that specifies minimum acceptable credit ratings beyond those specified in the statute.

Custodial credit risk on deposits

Custodial credit risk is the risk that 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.

Concentration of Credit Risk

At June 30, 2012, the following investments exceeded 5% of the County's total:

Federal Home Loan Banks 6%

HUMBOLDT COUNTY
Notes to the Financial Statements
June 30, 2012

External Investment Pool

Humboldt County administers an external investment pool combining Humboldt County funds with voluntary investments from Humboldt County School District (Debt Service), Golconda Fire Protection District and Paradise Fire Protection District. The Board of County Commissioners has overall responsibility for investment of funds including the external investment pool in accordance with NRS 355.175. The Humboldt County Treasurer is delegated investment responsibilities. Monthly, Wells Fargo Bank determines the fair value of the pool's investments held by them. Each participant's share is equal to their original investment plus the monthly allocation of interest income. The County has not provided nor obtained any legally binding guarantees to support the value of shares. This is an unrated pool.

<u>Investment Type</u>	<u>Fair Value/ Carrying Amount</u>	<u>Principal Amount Number of Shares</u>	<u>Interest Rate</u>	<u>Maturity Dates</u>
Wells Fargo Savings	\$11,742,654	\$11,742,654	Variable	July 1, 2013

EXTERNAL INVESTMENT POOL CONDENSED FINANCIAL STATEMENTS
STATEMENT OF NET ASSETS
JUNE 30, 2012

ASSETS:

Wells Fargo Savings	<u>\$ 11,742,654</u>
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NET ASSETS HELD IN TRUST FOR POOL PARTICIPANTS:

Net assets consist of:	
Internal participant shares	\$ 8,795,335
External participant shares	<u>2,947,319</u>
Total Participant Shares Outstanding (\$1.00 par)	<u>\$ 11,742,654</u>

**STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2012**

Net increase (decrease) in net assets resulting from operations:	
Investment income (loss)	\$ (3,186,895)
Net assets, July 1	<u>14,929,549</u>
Net assets, June 30	<u>\$ 11,742,654</u>

HUMBOLDT COUNTY
Notes to the Financial Statements
June 30, 2012

NOTE 4 – ASSESSMENT DISTRICT RECEIVABLE

During the year ended June 30, 2009, Humboldt County completed improvements on a special assessment district. The total cost of the project was \$305,101. The County contributed \$72,144 and \$232,957 was charged back to the land owners in the form of notes receivable from the landowners. The balance remaining on the assessment receivable as of June 30, 2012 is \$46,115.

NOTE 5 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2012 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities				
Capital assets, not being depreciated:				
Land	\$ 2,382,383	\$ -	\$ -	\$ 2,382,383
Construction in progress	<u>2,649</u>	<u>331,510</u>	<u>(24,990)</u>	<u>309,169</u>
Total capital assets, not being depreciated	<u>2,385,032</u>	<u>331,510</u>	<u>(24,990)</u>	<u>2,691,552</u>
Capital assets, being depreciated				
Buildings	20,231,493	61,888	-	20,293,381
Improvements other than buildings	1,019,181	24,990	-	1,044,171
Infrastructure	66,606,071	-	-	66,606,071
Machinery and equipment	<u>10,816,646</u>	<u>1,199,191</u>	<u>(570,960)</u>	<u>11,444,877</u>
Total assets, being depreciated	<u>98,673,391</u>	<u>1,286,069</u>	<u>(570,960)</u>	<u>99,388,500</u>
Less accumulated depreciation for:				
Buildings	(12,365,210)	(533,142)	-	(12,898,352)
Improvements other than buildings	(404,346)	(61,440)	-	(465,786)
Infrastructure	(22,079,645)	(1,439,193)	-	(23,518,838)
Machinery and equipment	<u>(7,653,003)</u>	<u>(737,111)</u>	<u>390,361</u>	<u>(7,999,753)</u>
Total accumulated depreciation	<u>(42,502,204)</u>	<u>(2,770,886)</u>	<u>390,361</u>	<u>(44,882,729)</u>
Total capital assets, being depreciated, net	<u>56,171,187</u>	<u>(1,484,817)</u>	<u>180,599</u>	<u>54,505,771</u>
Governmental activities capital assets, net	<u>\$ 58,556,219</u>	<u>\$ (1,153,307)</u>	<u>\$ 205,589</u>	<u>\$ 57,197,323</u>
	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-type activities:				
Capital assets, being depreciated				
Buildings	\$ 24,195	\$ -	\$ -	\$ 24,195
Machinery and equipment	1,115,294	21,175	(124,342)	1,012,127
Total assets, being depreciated	<u>1,139,489</u>	<u>21,175</u>	<u>(124,342)</u>	<u>1,036,322</u>
Less accumulated depreciation for:				
Buildings	(24,195)	-	-	(24,195)
Machinery and equipment	<u>(864,861)</u>	<u>(48,168)</u>	<u>112,847</u>	<u>(800,182)</u>
Total accumulated depreciation	<u>(889,056)</u>	<u>(48,168)</u>	<u>112,847</u>	<u>(824,377)</u>
Total capital assets, being depreciated, net	<u>250,433</u>	<u>(26,993)</u>	<u>(11,495)</u>	<u>211,945</u>
Business-type activities capital assets, net	<u>\$ 250,433</u>	<u>\$ (26,993)</u>	<u>\$ (11,495)</u>	<u>\$ 211,945</u>

HUMBOLDT COUNTY
Notes to the Financial Statements
June 30, 2012

Depreciation expense was charged to functions/programs of Humboldt County as follows:

Governmental activities:	
General government	\$ 147,439
Public safety	239,650
Judicial	13,124
Public works	1,667,063
Culture and recreation	51,268
Community support	<u>652,342</u>
Total depreciation expense – governmental activities	<u>\$ 2,770,886</u>

Business-type activities:	
Humboldt Television fund	\$ 44,664
Solid waste management fund	<u>3,504</u>
Total depreciation expense – business-type activities	<u>\$ 48,168</u>

NOTE 6 – INTERFUND BALANCES AND TRANSFERS

The composition of interfund balances as of June 30, 2012 is as follows:

Due to/from other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	6 th Judicial District Fund	\$ 2,163
	Road Fund	4
	Indigent Fund	19
	Building Reserve Fund	5,434
	Humboldt Television Fund	21
	Solid Waste Fund	<u>231</u>
		<u>7,872</u>
Road Fund	General Fund	55,841
	6 th Judicial District Fund	4,096
	Winnemucca Events Complex Fund	10,454
	Nonmajor Governmental Funds	4,790
	Humboldt Television Fund	<u>2,589</u>
		<u>77,770</u>
6 th Judicial District Fund	Nonmajor Governmental Funds	<u>363</u>
Solid Waste Fund	Nonmajor Governmental Funds	6
	6 th Judicial District Fund	8
	Winnemucca Events Complex Fund	12
	Humboldt Television Fund	<u>108</u>
Total		<u>\$ 158,187</u>

HUMBOLDT COUNTY
Notes to the Financial Statements
June 30, 2012

Interfund receivables and payables include charges incurred by one fund for the benefit of another fund. An example of these types of charges is motor vehicle fuel. Bulk fuel is purchased by the road department for use by other funds. These charges are then allocated to the appropriate fund. Other examples include postage and copy charges.

Interfund transfers for the year ended June 30, 2012

<u>Transfers from:</u>	<u>Amount</u>	<u>Transfers to:</u>	<u>Amount</u>
6 th Judicial District Fund	\$ <u>5,000</u>	General Fund	\$ <u>5,000</u>
Nonmajor Governmental Funds	<u>1,385,000</u>	Road Fund	1,150,000
		6 th Judicial District Fund	210,000
		Nonmajor Governmental Funds	<u>25,000</u>
			<u>1,385,000</u>
Total Transfers Out	\$ <u>1,390,000</u>	Total Transfers In	\$ <u>1,390,000</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to spend them and (2) use of revenues collected in the In-Lieu-of Tax Fund to finance various programs accounted for in other funds in accordance with budgetary authorization.

NOTE 7 – COMMITMENTS

As of June 30, 2012, the County had the following construction commitments outstanding:

<u>Project Description</u>	<u>Commitment Authorization</u>	<u>Project Expended/Retainage</u>	<u>Balance at June 30, 2012</u>
Chip Seal Project	<u>\$1,912,244</u>	<u>\$ -</u>	<u>\$1,912,244</u>

NOTE 8 – LONG TERM DEBT

Compensated absences

The liability for compensated absences is included in the noncurrent liabilities on the government-wide Statement of Net Assets. For the governmental activities, compensated absences are generally liquidated by a combination of the major and nonmajor governmental funds with the majority liquidated from the General Fund. For the business-type activities, the Television fund paid for 100 percent of the compensated absences.

HUMBOLDT COUNTY
Notes to the Financial Statements
June 30, 2012

Changes in long-term liabilities

Long-term liability activity for the year ended June 30, 2012 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<u>Governmental activities:</u>					
Compensated absences	\$ 671,789	\$ 1,108,028	\$ 1,085,457	\$ 694,360	\$ 694,360
Governmental activities long-term liabilities	<u>\$ 671,789</u>	<u>\$ 1,108,028</u>	<u>\$ 1,085,457</u>	<u>\$ 694,360</u>	<u>\$ 694,360</u>
<u>Business-type activities:</u>					
Compensated absences	\$ 13,156	\$ 11,405	\$ 11,472	\$ 13,089	\$ 13,089
Business-type activities Long-term liabilities	<u>\$ 13,156</u>	<u>\$ 11,405</u>	<u>\$ 11,472</u>	<u>\$ 13,089</u>	<u>\$ 13,089</u>

NOTE 9 – RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters as are all entities. The County has joined together with similar public agencies (cities, counties and special districts) throughout the State of Nevada to create a pool under the Nevada Interlocal Cooperation Act. The Nevada Public Agency Insurance Pool (Pool) is a public entity risk pool currently operating as a common risk management and insurance program for its members. The County pays an annual premium and specific deductibles, as necessary, to the Pool for its general insurance coverage. The pool is considered a self-sustaining risk pool that will provide liability coverage for its members up to \$10,000,000 per event and a \$10,000,000 general aggregate per member. Property, crime and equipment breakdown coverage is provided to its members up to \$300,000,000 per loss with various sub-limits established for earthquake, flood, equipment breakdown, and money and securities.

The County has also joined together with similar public agencies effective April 1, 1996, to create a pool under the Nevada Interlocal Cooperation Act for workers compensation insurance. The Public Agency Compensation Trust (PACT) is an intergovernmental self-insurance association for workers compensation insurance.

The County pays premiums based upon payroll costs to the PACT. The PACT is considered a self-sustaining pool that will provide coverage based on established statutory limits.

The County continues to carry commercial insurance for other risks of loss, including specific risks of loss not covered by the Pool (bonding and boiler coverage) and employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

HUMBOLDT COUNTY
Notes to the Financial Statements
June 30, 2012

NOTE 10 – PENSION PROGRAM

Plan Description:

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

Funding Policy:

Benefits for plan members are funded under the employer pay contribution plan method. Under this method, the County is required to contribute all amounts due under the plan. The contribution requirements of plan members and the County are established by Chapter 286 of the Nevada Revised Statutes. The funding mechanism may be only amended through legislation.

The County's contribution rates and amounts contributed (which are equal to/or 100% of the required contribution) for the last three years are as follows:

	<u>Contribution Rate</u>		
<u>Fiscal Year</u>	<u>Regular Members</u>	<u>Police Members</u>	<u>Total Contributions</u>
2011-2012	23.75%	39.75%	\$2,799,215
2010-2011	21.50 %	37.00%	\$2,387,648
2009-2010	21.50%	37.00%	\$2,480,209

NOTE 11 – LANDFILL CLOSURE AND POSTCLOSURE COSTS

State and federal laws and regulations require the government to place a final cover on the Humboldt County Regional Landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site 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 landfill. The County is obligated under the insurance policy to an annual premium of \$61,646 over 15 years, with the first payment due July 1, 1999. The County expects to close the landfill in the year 2031.

At June 30, 2012 financial assurance relative to costs of closure and post-closure of the landfill was fulfilled through insurance coverage.

NOTE 12 - CONTINGENCIES

There are legal actions and claims pending against Humboldt County. The financial impact of these actions is not determinable at June 30, 2012. The affect of any resulting uninsured liability on the financial position or results of operations of the County is unknown.

HUMBOLDT COUNTY
Notes to the Financial Statements
June 30, 2012

NOTE 13 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

Net Other Postemployment Benefits Obligation

In fiscal year 2009, the County implemented GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions*. This statement required the County to calculate and record a net other postemployment benefit obligation. At June 30, 2012, the net other postemployment benefit liability for the County was \$2,388,060. The County finances their liability on the pay-as-you-go basis.

Plan Descriptions:

The County administers a single-employer defined benefit healthcare plan, Humboldt County Health Insurance Plan (HCHIP). Additionally, the County contributes to an agent multiple-employer defined benefit postemployment healthcare plan, Public Employees' Benefit Plan (PEBP). Each plan provides medical, vision, dental, prescription, and life insurance benefits to eligible retired County employees and beneficiaries.

Benefit provisions for the HCHIP 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 County 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, 2012, 11 retirees were using this plan. The HCHIP does not issue a publicly available financial report.

Benefit provisions for the PEBP are administered by the State of Nevada. NRS 287.043 assigns the authority to establish and amend benefits provisions to the PEBP nine-member board of trustees. County employees who met the eligibility requirements effective September 1, 2008 for retirement within the Public Employee Retirement System had the option upon retirement to enroll in coverage under the PEBP. NRS 287.023 sunsetted the option to join PEBP for County employees who retired after November 29, 2008. Local governments are required to pay the same portion of cost of coverage for those persons joining PEBP that the State of Nevada pays for those persons retired from state service who have continued to participate in the plan. As of June 30, 2012, 57 county retirees were utilizing this benefit. The PEBP issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to Public Employee's Benefits Program, 901 S. Stewart Street, Suite 1001, Carson City, NV 89701, by calling (775) 684-7000, or by accessing the website at www.pebp.state.nv.us/informed/financial.htm.

Funding Policy and Annual OPEB Cost:

For HCHIP, contribution requirements of the plan members and the County are established and may be amended through negotiations between the County and the associations. Retirees pay 100% of the pay-as-you-go premiums based on a blended rate that blends active participants and retirees. The County's contribution requirements for retirees relate to the implicit subsidy that results from using the blended rates and is determined in actuarial studies contracted for by the County. The implicit subsidy as determined by the actuary is \$55,150.

For the PEBP plan, NRS 287.046 establishes the subsidies to be contributed toward the premium costs of the eligible retired County employees. Plan members receiving benefits have their monthly contribution deducted from their pension checks based on the health plan chosen by the retiree as reduced by the amount of the subsidy therefore, their contributions are not available. For the plan year ended June 30, 2012, retirees qualify for a subsidy of \$105 at five years of service and \$575 at 20 years of service with incremental increases for years of service

HUMBOLDT COUNTY
Notes to the Financial Statements
June 30, 2012

between. Subsidy rates for retirees covered under the Medicare Exchange were \$50 at five years of service and \$200 at 20 years of service with incremental increases for years of service between. The contribution requirements of plan members and the County are established and amended by the PEBP board of trustees. As a participating employer, the County is billed for the subsidy on a monthly basis and is legally required under NRS 287.023 to provide for it. For fiscal year 2012, the County contributed \$138,721 to the plan for current premiums. The County did not prefund any future benefits.

Annual OPEB Cost and Net OPEB Obligation:

The County's annual other postemployment benefit (OPEB) cost (expense) for the plans is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

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 2010 through 2012 were as follows:

	Fiscal Year Ended	Annual OPEB Cost	Employer Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
HCHIP	6/30/12	\$ 560,479	\$ 55,150	9.84%	\$ 2,174,135
HCHIP	6/30/11	\$ 528,992	\$ 44,076	8.33%	\$ 1,668,806
HCHIP	6/30/10	\$ 651,487	\$ 29,584	4.54%	\$ 1,183,890
PEBP	6/30/12	\$ 229,592	\$ 138,721	60.42%	\$ 213,925
PEBP	6/30/11	\$ 230,220	\$ 156,067	67.79%	\$ 123,054
PEBP	6/30/10	\$ 181,302	\$ 145,614	80.32%	\$ 48,901
Combined Totals	6/30/12	\$ 790,071	\$ 193,871		\$ 2,388,060
Combined totals	6/30/11	\$ 759,212	\$ 200,143		\$ 1,791,860
Combined Totals	6/30/10	\$ 832,789	\$ 175,198		\$ 1,232,791

The net OPEB obligation (NOPEBO) as of June 30, 2012, was calculated as follows:

	HCHIP	PEBP	Totals
Annual required contribution (ARC)	\$ 586,522	\$ 231,512	\$ 818,034
Interest on the beginning net OPEB obligation	66,752	4,922	71,674
ARC Adjustment	(92,795)	(6,843)	(99,638)
Annual OPEB cost	560,479	229,591	790,070
Contributions made	(55,150)	(138,720)	(193,870)
Increase (decrease) in net OPEB obligation	505,329	90,871	596,200
Net OPEB obligation (asset), beginning of year	1,668,806	123,054	1,791,860
Net OPEB obligation (asset), end of year	\$2,174,135	\$ 213,925	\$2,388,060

HUMBOLDT COUNTY
Notes to the Financial Statements
June 30, 2012

Funded Status and Funding Progress:

The funded status of the plans as of June 30, 2012, was as follows:

	HCHIP	PEBP	Totals
Accrued actuarial liability (a)	\$ 4,063,123	\$ 4,043,513	\$ 8,106,636
Actuarial value of plan assets (b)	-	-	-
Unfunded actuarial accrued liability (a) – (b)	\$ 4,063,123	\$ 4,043,513	\$ 8,106,636
Funded ratio (b) / (a)	0.00%	0.00%	0.00%
Covered payroll (c)	\$ 10,618,098	N/A	
Unfunded actuarial accrued liability as a percentage of covered payroll ([(a) – (b)] / (c))	38.19%	N/A	

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actual accrued liabilities for benefits.

Actuarial Methods and Assumptions:

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the County and the plan members to that point. Actuarial calculations reflect long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

Significant methods and assumptions used in the October 1, 2009 actuarial valuation were as follows:

	HCHIP	PEBP
Actuarial valuation date	10/01/09	10/01/09
Actuarial cost method	Entry Age Normal Cost	Entry Age Normal Cost
Amortization method	Level dollar	Level dollar
Amortization period (open)	30 years	30 years
Asset valuation method	Market value	Market value
<u>Actuarial assumptions:</u>		
Investment rate of return	4.00%	4.00%
Projected salary increases	4.00%	4.00%
Healthcare inflation rate*	7.00%	7.00%

*Decreasing 1.00% each year until ultimate trend rate of 5.00% is reached

HUMBOLDT COUNTY
Required Supplementary Information
General Fund (Budgetary Basis)
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual - By Function and Department
For the Year Ended June 30, 2012

	<u>2012 Budgeted Amounts</u>		<u>2012</u>	
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance to Final Budget</u>
REVENUES				
Taxes	\$ 1,938,749	\$ 1,938,749	\$ 5,107,201	\$ 3,168,452
Licenses and permits	701,000	701,000	1,056,752	355,752
Intergovernmental revenues	6,681,838	6,879,838	9,718,552	2,838,714
Charges for services	322,200	322,200	498,640	176,440
Fines and forfeits	575,000	575,000	554,345	(20,655)
Miscellaneous	107,000	107,000	580,220	473,220
	<u>10,325,787</u>	<u>10,523,787</u>	<u>17,515,710</u>	<u>6,991,923</u>
EXPENDITURES BY FUNCTION AND DEPARTMENT				
Current:				
General government:				
Commission	252,890	258,890	242,089	16,801
Administrator	296,012	307,012	303,099	3,913
Elections	30,000	30,000	29,681	319
Comptroller	331,694	320,494	295,742	24,752
Assessor	681,127	681,127	629,628	51,499
Treasurer	246,171	251,171	245,031	6,140
Clerk	392,456	397,456	392,179	5,277
Recorder	319,034	319,034	286,761	32,273
Computer systems	346,012	351,012	288,600	62,412
Planning	130,550	130,550	117,471	13,079
Buildings and grounds	1,171,718	1,183,718	1,041,313	142,405
Communications	280,840	292,040	219,537	72,503
Personnel	16,500	16,500	7,486	9,014
Miscellaneous	1,109,000	934,500	970,576	(36,076)
	<u>5,604,004</u>	<u>5,473,504</u>	<u>5,069,193</u>	<u>404,311</u>
Total General Government Function				(continued)

HUMBOLDT COUNTY
Required Supplementary Information
General Fund (Budgetary Basis)
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual - By Function and Department
For the Year Ended June 30, 2012

	2012 Budgeted Amounts		2012	
	Original Budget	Final Budget	Actual	Variance to Final Budget
Judicial:				
Justice Court	\$ 693,825	\$ 693,825	\$ 632,767	\$ 61,058
District Attorney	1,031,610	962,610	870,378	92,232
Child Support	322,078	322,078	305,213	16,865
Public Defender	203,480	208,480	201,736	6,744
Total Judicial Function	2,250,993	2,186,993	2,010,094	176,899
Public Safety:				
Sheriff	3,016,781	3,256,246	3,184,031	72,215
Detention	1,711,826	1,673,336	1,555,034	118,302
Dispatch	958,947	922,671	761,078	161,593
Building Official	267,660	274,660	269,287	5,373
Task Force	134,252	143,852	148,267	(4,415)
Total Public Safety Function	6,089,466	6,270,765	5,917,697	353,068
Public Works	22,000	22,000	20,285	1,715
Health:				
Health	172,947	212,947	182,172	30,775
Mosquito control	147,944	147,944	148,177	(233)
Total Health Function	320,891	360,891	330,349	30,542
Culture and Recreation	2,500	2,500	2,500	-
Community Support	328,996	500,198	850,436	(350,238)
Intergovernmental Expenditures	566,000	566,000	433,564	132,436
Total Expenditures	15,184,850	15,382,850	14,634,118	748,733

(continued)

HUMBOLDT COUNTY
Required Supplementary Information
General Fund (Budgetary Basis)
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual - By Function and Department
For the Year Ended June 30, 2012

	<u>2012 Budgeted Amounts</u>		<u>2012</u>	
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance to Final Budget</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (4,859,063)</u>	<u>\$ (4,859,063)</u>	<u>\$ 2,881,592</u>	<u>\$ 7,740,655</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	5,000	5,000	5,000	-
Contingency	<u>(350,000)</u>	<u>(350,000)</u>	<u>-</u>	<u>350,000</u>
Total other financing sources and uses	<u>(345,000)</u>	<u>(345,000)</u>	<u>5,000</u>	<u>350,000</u>
Net change in fund balance	(5,204,063)	(5,204,063)	2,886,592	8,090,655
Fund balance - beginning	<u>9,446,256</u>	<u>9,446,256</u>	<u>12,799,933</u>	<u>3,353,677</u>
Fund balance - ending	<u><u>\$ 4,242,193</u></u>	<u><u>\$ 4,242,193</u></u>	<u><u>\$ 15,686,525</u></u>	<u><u>\$ 11,444,332</u></u>

The notes to the required supplementary information are an integral part of this statement.

HUMBOLDT COUNTY
Required Supplementary Information
Indigent Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2012

	2012			Variance to Final Budget
	Original Budget	Final Budget	Actual	
REVENUES				
Taxes:				
Property taxes	\$ 222,007	\$ 222,007	\$ 520,441	\$ 298,434
Intergovernmental Revenue:				
Welfare set aside	-	-	16,996	16,996
Federal grants	-	-	40,654	40,654
Total Intergovernmental Revenue	-	-	57,650	57,650
Miscellaneous	1,000	1,000	13,073	12,073
Total Revenues	223,007	223,007	591,164	368,157
EXPENDITURES				
Welfare Function:				
Institutional care	367,765	367,765	286,106	81,659
Old age assistance	13,890	13,890	17,562	(3,672)
General assistance:				
Salaries and wages	47,960	47,960	48,515	(555)
Employee benefits	20,770	20,770	20,998	(228)
Services and supplies	46,676	46,676	70,991	(24,315)
Total Welfare Function	497,061	497,061	444,172	52,889
Intergovernmental Expenditure Function:				
Services and supplies	91,576	91,576	204,565	(112,989)
Total Expenditures	588,637	588,637	648,737	(60,100)
Excess (deficiency) of revenues over (under) expenditures	(365,630)	(365,630)	(57,573)	308,057
Fund balance - beginning	365,630	365,630	462,018	96,388
Fund balance - ending	\$ -	\$ -	\$ 404,445	\$ 404,445

The notes to the required supplementary information are an integral part of this statement.

HUMBOLDT COUNTY
Required Supplementary Information
Road Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2012

	2012 Budgeted Amounts		2012	
	Original Budget	Final Budget	Actual	Variance To Final Budget
REVENUES				
Intergovernmental Revenues:				
Federal grants	\$ -	\$ 228,944	\$ 230,892	\$ 1,948
Motor vehicle fuel taxes 1.25 cents	454,393	454,393	490,238	35,845
Motor vehicle fuel taxes 1.75 cents	187,679	187,679	201,099	13,420
Motor vehicle fuel taxes 2.35 cents	<u>718,739</u>	<u>718,739</u>	<u>774,006</u>	<u>55,267</u>
Total Intergovernmental revenues	<u>1,360,811</u>	<u>1,589,755</u>	<u>1,696,235</u>	<u>106,480</u>
Charges for Services				
Fuel sales reimbursements	185,000	185,000	300,462	115,462
Repair reimbursements	<u>60,000</u>	<u>60,000</u>	<u>110,056</u>	<u>50,056</u>
Total Charges for Services	<u>245,000</u>	<u>245,000</u>	<u>410,518</u>	<u>165,518</u>
Miscellaneous				
	<u>5,000</u>	<u>5,000</u>	<u>84,957</u>	<u>79,957</u>
Total Revenues	<u>1,610,811</u>	<u>1,839,755</u>	<u>2,191,710</u>	<u>351,955</u>
EXPENDITURES				
Public Works Function:				
Highways and Street:				
Salaries and wages	905,200	905,200	888,306	16,894
Employee benefits	380,090	380,090	377,962	2,128
Services and supplies	1,626,500	1,779,244	1,594,572	184,672
Capital outlay	<u>460,000</u>	<u>536,200</u>	<u>536,126</u>	<u>74</u>
Total Public Works Function	<u>3,371,790</u>	<u>3,600,734</u>	<u>3,396,966</u>	<u>203,768</u>
Intergovernmental Expenditure Function:				
Services and supplies	<u>-</u>	<u>-</u>	<u>114,472</u>	<u>(114,472)</u>
Total Expenditures	<u>3,371,790</u>	<u>3,600,734</u>	<u>3,511,438</u>	<u>89,296</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,760,979)</u>	<u>(1,760,979)</u>	<u>(1,319,728)</u>	<u>441,251</u> (continued)

HUMBOLDT COUNTY
Required Supplementary Information
Road Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2012

	<u>2012 Budgeted Amounts</u>		<u>2012</u>	
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>VarianceTo Final Budget</u>
OTHER FINANCING SOURCES (USES)				
Transfers - in	\$ 1,150,000	\$ 1,150,000	\$ 1,150,000	\$ -
Net change in fund balance	(610,979)	(610,979)	(169,728)	441,251
Fund balance - beginning	748,179	748,179	1,226,907	478,728
Fund balance - ending	<u>\$ 137,200</u>	<u>\$ 137,200</u>	<u>\$ 1,057,179</u>	<u>\$ 919,979</u>

The notes to the required supplementary information are an integral part of this statement.

HUMBOLDT COUNTY
Required Supplementary Information
Regional Transportation Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2012

	<u>2012 Budgeted Amounts</u>		<u>2012</u>	
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance To Final Budget</u>
REVENUES				
Intergovernmental Revenue:				
Gasoline taxes	\$ 1,267,311	\$ 1,267,311	\$ 1,325,620	\$ 58,309
Miscellaneous	1,000	1,000	1,621	621
	<u>1,268,311</u>	<u>1,268,311</u>	<u>1,327,241</u>	<u>58,930</u>
Total Revenues				
EXPENDITURES				
Public Works Function:				
Highways and Street:				
Services and supplies	1,813,000	1,942,000	1,904,519	37,481
	<u>1,813,000</u>	<u>1,942,000</u>	<u>1,904,519</u>	<u>37,481</u>
Excess (deficiency) of revenues over (under) expenditures	(544,689)	(673,689)	(577,278)	96,411
	<u>(544,689)</u>	<u>(673,689)</u>	<u>(577,278)</u>	<u>96,411</u>
Fund balance - beginning	1,110,875	1,239,875	3,005,190	1,765,315
	<u>1,110,875</u>	<u>1,239,875</u>	<u>3,005,190</u>	<u>1,765,315</u>
Fund balance - ending	\$ 566,186	\$ 566,186	\$ 2,427,912	\$ 1,861,726
	<u>\$ 566,186</u>	<u>\$ 566,186</u>	<u>\$ 2,427,912</u>	<u>\$ 1,861,726</u>

The notes to the required supplementary information are an integral part of this statement.

HUMBOLDT COUNTY
Required Supplementary Information
6th Judicial District Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2012

	<u>2012 Budgeted Amounts</u>		<u>2012</u>	
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance To Final Budget</u>
REVENUES				
Taxes	\$ 1,148,315	\$ 1,148,315	\$ 2,691,110	\$ 1,542,795
Intergovernmental Revenue:				
Grants:				
OJJDP formula grant	-	4,980	16,385	11,405
Loveloock indian tribe grant	-	-	1,848	1,848
Parenting project grant	-	18,875	18,782	(93)
Room and board	-	41,142	9,620	(31,522)
Combined tax	469,518	469,518	702,391	232,873
Pershing County contribution	618,288	618,288	622,258	3,970
Lander County contribution	618,288	618,288	622,258	3,970
Total Intergovernmental Revenues	<u>1,706,094</u>	<u>1,771,091</u>	<u>1,993,542</u>	<u>222,451</u>
Charges for Services	<u>-</u>	<u>-</u>	<u>1,067</u>	<u>1,067</u>
Fines and Forfeits	<u>20,000</u>	<u>20,000</u>	<u>83,020</u>	<u>63,020</u>
Miscellaneous	<u>-</u>	<u>-</u>	<u>7,791</u>	<u>7,791</u>
Total Revenues	<u>2,874,409</u>	<u>2,939,406</u>	<u>4,776,530</u>	<u>1,837,124</u> (continued)

HUMBOLDT COUNTY
Required Supplementary Information
6th Judicial District Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2012

	<u>2012 Budgeted Amounts</u>		<u>2012</u>	
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance To Final Budget</u>
EXPENDITURES				
Public Safety Function:				
Juvenile Probation:				
Salaries and wages	\$ 1,297,110	\$ 1,342,110	\$ 1,319,703	\$ 22,407
Employee benefits	641,860	641,860	651,016	(9,156)
Services and supplies	360,202	425,199	374,454	50,745
Capital outlay	45,000	45,000	44,691	309
	<u>2,344,172</u>	<u>2,454,169</u>	<u>2,389,864</u>	<u>64,305</u>
Total Public Safety Function				
Judicial Function:				
District Court:				
Salaries and wages	385,015	407,015	396,235	10,780
Employee benefits	139,345	139,345	145,669	(6,324)
Services and supplies	586,294	531,294	465,642	65,652
Capital outlay	4,000	4,000	-	4,000
	<u>1,114,654</u>	<u>1,081,654</u>	<u>1,007,546</u>	<u>74,108</u>
Court Reporters:				
Salaries and wages	153,930	141,930	144,516	(2,586)
Employee benefits	56,180	56,180	51,672	4,508
Services and supplies	-	-	16,200	(16,200)
	<u>210,110</u>	<u>198,110</u>	<u>212,388</u>	<u>(14,278)</u>
Total Judicial Function	<u>1,324,764</u>	<u>1,279,764</u>	<u>1,219,934</u>	<u>59,830</u>
Intergovernmental Expenditure Function:				
Services and supplies	<u>54,846</u>	<u>54,846</u>	<u>53,044</u>	<u>1,802</u>
Total Expenditures	<u>3,723,782</u>	<u>3,788,779</u>	<u>3,662,842</u>	<u>125,937</u>

(continued)

HUMBOLDT COUNTY
Required Supplementary Information
6th Judicial District Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2012

	<u>2012 Budgeted Amounts</u>		<u>2012</u>	
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance To Final Budget</u>
Excess (deficiency) of revenues over expenditures	\$ (849,373)	\$ (849,373)	\$ 1,113,688	\$ 1,963,061
OTHER FINANCING SOURCES (USES)				
Transfers in	210,000	210,000	210,000	-
Transfers out	(5,000)	(5,000)	(5,000)	-
Total Other Financing Sources (Uses)	<u>205,000</u>	<u>205,000</u>	<u>205,000</u>	<u>-</u>
Net change in fund balance	(644,373)	(644,373)	1,318,688	1,963,061
Fund balance - beginning	<u>1,389,092</u>	<u>1,389,092</u>	<u>2,233,559</u>	<u>844,467</u>
Fund balance - ending	<u><u>\$ 744,719</u></u>	<u><u>\$ 744,719</u></u>	<u><u>\$ 3,552,247</u></u>	<u><u>\$ 2,807,528</u></u>

The notes to the required supplementary information are an integral part of this statement.

HUMBOLDT COUNTY
Required Supplementary Information
Indigent Medical Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2012

	<u>2012 Budgeted Amounts</u>		<u>2012</u>	
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance To Final Budget</u>
REVENUES				
Taxes	\$ 176,664	\$ 176,664	\$ 414,180	\$ 237,516
Miscellaneous	3,000	3,000	1,372	(1,628)
Total Revenues	<u>179,664</u>	<u>179,664</u>	<u>415,552</u>	<u>235,888</u>
EXPENDITURES				
Welfare Function:				
Services and supplies	<u>494,853</u>	<u>494,853</u>	<u>251,308</u>	<u>243,545</u>
Intergovernmental Expenditure Function:				
Services and supplies	<u>98,000</u>	<u>98,000</u>	<u>136,371</u>	<u>(38,371)</u>
Total Expenditures	<u>592,853</u>	<u>592,853</u>	<u>387,679</u>	<u>205,174</u>
Excess (deficiency) of revenues over (under) expenditures	(413,189)	(413,189)	27,873	441,062
Fund balance - beginning	<u>1,364,983</u>	<u>1,364,983</u>	<u>1,544,239</u>	<u>179,256</u>
Fund balance - ending	<u>\$ 951,794</u>	<u>\$ 951,794</u>	<u>\$ 1,572,112</u>	<u>\$ 620,318</u>

The notes to the required supplementary information are an integral part of this statement.

HUMBOLDT COUNTY
Required Supplementary Information
Winnemucca Events Complex Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2012

	<u>2012 Budgeted Amounts</u>		<u>2012</u>	
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance To Final Budget</u>
REVENUES				
Taxes	<u>\$ 235,552</u>	<u>\$ 235,552</u>	<u>\$ 552,031</u>	<u>\$ 316,479</u>
Intergovernmental				
Combined tax	110,672	110,672	165,564	54,892
Room taxes	<u>200,000</u>	<u>200,000</u>	<u>353,511</u>	<u>153,511</u>
Total Intergovernmental Revenues	<u>310,672</u>	<u>310,672</u>	<u>519,075</u>	<u>208,403</u>
Charges for Services	<u>160,500</u>	<u>160,500</u>	<u>199,704</u>	<u>39,204</u>
Miscellaneous	<u>7,000</u>	<u>7,000</u>	<u>6,933</u>	<u>(67)</u>
Total Revenues	<u>713,724</u>	<u>713,724</u>	<u>1,277,743</u>	<u>564,019</u>
EXPENDITURES				
Culture and Recreation Function:				
Salaries and wages	254,806	307,806	291,679	16,127
Employee benefits	83,190	83,190	91,679	(8,489)
Services and supplies	412,200	385,200	380,146	5,054
Capital outlay	<u>57,500</u>	<u>31,500</u>	<u>27,176</u>	<u>4,324</u>
Total Expenditures	<u>807,696</u>	<u>807,696</u>	<u>790,680</u>	<u>17,016</u>
Excess (deficiency) of revenues over (under) expenditures	(93,972)	(93,972)	487,063	581,035
Fund balance - beginning	<u>549,025</u>	<u>549,025</u>	<u>955,996</u>	<u>406,971</u>
Fund balance - ending	<u>\$ 455,053</u>	<u>\$ 455,053</u>	<u>\$ 1,443,059</u>	<u>\$ 988,006</u>

The notes to the required supplementary information are an integral part of this statement.

HUMBOLDT COUNTY
Required Supplementary Information
Reconciliation of the General Fund (Budgetary Basis) to the General Fund (GAAP Basis)
Schedule of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2012

	<u>General Fund Budgetary Basis</u>	<u>Internally Reported Funds</u>	<u>General Fund GAAP Basis</u>
REVENUES			
Taxes	\$ 5,107,201	\$ -	\$ 5,107,201
Licenses and permits	1,056,752	-	1,056,752
Intergovernmental revenue	9,718,552	-	9,718,552
Charges for services	498,640	-	498,640
Fines and forfeits	554,345	-	554,345
Miscellaneous revenues	580,220	573	580,793
	<u>17,515,710</u>	<u>573</u>	<u>17,516,283</u>
Total Revenues			
EXPENDITURES			
Current:			
General government	5,069,193	127,265	5,196,458
Judicial	2,010,094	-	2,010,094
Public safety	5,917,697	-	5,917,697
Public works	20,285	-	20,285
Health	330,349	-	330,349
Culture and recreation	2,500	-	2,500
Community support	850,436	-	850,436
Intergovernmental expenditures	433,564	-	433,564
	<u>14,634,118</u>	<u>127,265</u>	<u>14,761,383</u>
Total Expenditures			
Excess (deficiency) of revenues over (under) expenditures	<u>2,881,592</u>	<u>(126,692)</u>	<u>2,754,900</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	<u>5,000</u>	<u>-</u>	<u>5,000</u>
Net Change in Fund Balances	2,886,592	(126,692)	2,759,900
Fund Balances - beginning	<u>12,799,933</u>	<u>851,510</u>	<u>13,651,443</u>
Fund Balances - ending	<u>\$ 15,686,525</u>	<u>\$ 724,818</u>	<u>\$ 16,411,343</u>

The notes to the required supplementary information are an integral part of this statement.

HUMBOLDT COUNTY
Required Supplementary Information
June 30, 2012

Schedule of Funding Progress
Other Postemployment Benefits

	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Level Dollar (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	** Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ([b-a]/c)
HCHIP	10/1/2007	\$ -	\$ 3,262,137	\$ 3,262,137	0.00%	\$ 9,836,233	33.16%
HCHIP	10/1/2009	\$ -	\$ 4,063,123	\$ 4,063,123	0.00%	\$ 10,638,870	38.19%
PEBP	10/1/2007	\$ -	\$ 4,019,118	\$ 4,019,118	0.00%	N/A	N/A
PEBP	10/1/2009	\$ -	\$ 4,043,513	\$ 4,043,513	0.00%	N/A	N/A

*Prospective implementation as of June 30, 2009

**PEBP closed to nonstaff public employees who retired after November 29, 2008.

The notes to the required supplementary information are an integral part of this statement.

HUMBOLDT COUNTY
Notes to Required Supplementary Information
June 30, 2012

Note 1 - Explanation of Differences Between General Fund (Budgetary Basis) and General Fund GAAP Basis

The accompanying Reconciliation of the General Fund (Budgetary Basis) to the General Fund (GAAP Basis) presents balances combined for external financial reporting purposes.

With the implementation of GASB Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the budgetary basis of accounting for the General Fund differs from generally accepted accounting principles (GAAP).

Guidance in GASB Statement 54 changed the definition of Special Revenue Funds for financial reporting purposes. Pursuant to statute, budget comparisons are required using the budget adopted. Two internally reported special revenue funds of the County (Unemployment Compensation Fund and Compensated Absences Fund) are combined with the General Fund for external reporting purposes to conform to generally accepted accounting principles.

HUMBOLDT COUNTY
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2012

	Special Revenue Funds	Capital Projects Fund	Total
Assets			
Cash and investments	\$ 8,797,025	\$ 595,255	\$ 9,392,280
Taxes receivable	6,006	539	6,545
Interest receivable	-	38	38
Accounts receivable	3,473	-	3,473
Due from other governments	193,873	5,417	199,290
Total assets	\$ 9,000,377	\$ 601,249	\$ 9,601,626
Liabilities			
Accounts payable	\$ 18,202	\$ -	\$ 18,202
Accrued salaries and benefits	14,673	-	14,673
Due to other governments	937	12,983	13,920
Due to other funds	5,160	-	5,160
Deferred revenues	6,844	539	7,383
Total liabilities	45,816	13,522	59,338
Fund Balances			
Restricted	2,625,299	587,727	3,213,026
Committed	4,373,994	-	4,373,994
Assigned	1,955,268	-	1,955,268
Total fund balances	8,954,561	587,727	9,542,288
Total Liabilities and Fund Balances	\$ 9,000,377	\$ 601,249	\$ 9,601,626

HUMBOLDT COUNTY
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2012

	Special Revenue Funds	Capital Projects Fund	Total
REVENUES			
Taxes	\$ 1,883,856	\$ 138,006	\$ 2,021,862
Intergovernmental revenues	2,244,727	-	2,244,727
Charges for services	12,376	-	12,376
Fines and forfeits	38,573	-	38,573
Miscellaneous	2,054	453	2,507
 Total revenues	 4,181,586	 138,459	 4,320,045
 EXPENDITURES			
Current:			
General Government	95,269	-	95,269
Judicial	197,456	-	197,456
Culture and Recreation	1,005,801	-	1,005,801
Community Support	163,389	-	163,389
Intergovernmental	-	34,297	34,297
 Total Expenditures	 1,461,915	 34,297	 1,496,212
 Excess (deficiency) of revenues over (under) expenditures	 2,719,671	 104,162	 2,823,833
 OTHER FINANCING SOURCES (USES)			
Transfers in	25,000	-	25,000
Transfers out	(1,385,000)	-	(1,385,000)
 Total other financing sources (uses)	 (1,360,000)	 -	 (1,360,000)
 Net Change in Fund Balances	 1,359,671	 104,162	 1,463,833
 Fund balances - beginning	 7,594,890	 483,565	 8,078,455
 Fund balances - ending	 \$ 8,954,561	 \$ 587,727	 \$ 9,542,288

HUMBOLDT COUNTY
Reconciliation of the General Fund (Budgetary Basis) to the General Fund (GAAP Basis)
Balance Sheet
June 30, 2012

	<u>General Fund</u>	<u>Internally Reported Funds</u>	<u>General Fund Total</u>
Assets			
Cash and investments	\$ 14,119,015	\$ 726,550	\$ 14,845,565
Taxes receivable	15,783	-	15,783
Accounts receivable	224,765	-	224,765
Interest receivable	1,004	39	1,043
Notes receivable	3,825	-	3,825
Due from other governments	2,213,109	-	2,213,109
Due from other funds	<u>7,872</u>	<u>-</u>	<u>7,872</u>
 Total assets	 <u>\$ 16,585,373</u>	 <u>\$ 726,589</u>	 <u>\$ 17,311,962</u>
Liabilities			
Accounts payable	\$ 570,385	\$ -	\$ 570,385
Accrued salaries/benefits	186,622	1,771	188,393
Due to other governments	36,995	-	36,995
Due to other funds	55,841	-	55,841
Deferred revenue	<u>49,005</u>	<u>-</u>	<u>49,005</u>
 Total liabilities	 <u>898,848</u>	 <u>1,771</u>	 <u>900,619</u>
Fund Balances			
Nonspendable	3,825	-	3,825
Restricted	-	113,118	113,118
Committed	-	611,700	611,700
Assigned	4,640,378	-	4,640,378
Unassigned	<u>11,042,322</u>	<u>-</u>	<u>11,042,322</u>
 Total fund balances	 <u>15,686,525</u>	 <u>724,818</u>	 <u>16,411,343</u>
 Total Liabilities and Fund Balances	 <u>\$ 16,585,373</u>	 <u>\$ 726,589</u>	 <u>\$ 17,311,962</u>

HUMBOLDT COUNTY
General Fund (Budgetary Basis)
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2012
(With comparative actual amounts for the fiscal year ended June 30, 2011)

	2012			2011	
	Original Budget	Final Budget	Actual	Variance to Final Budget	Actual
REVENUES					
Taxes:					
Property taxes	\$ 1,866,749	\$ 1,866,749	\$ 5,008,047	\$ 3,141,298	\$ 3,899,402
Tax penalties	72,000	72,000	99,154	27,154	124,033
Total Taxes	<u>1,938,749</u>	<u>1,938,749</u>	<u>5,107,201</u>	<u>3,168,452</u>	<u>4,023,435</u>
Licenses and Permits:					
Business:					
Business licenses	40,000	40,000	54,050	14,050	55,459
Liquor licenses	6,000	6,000	6,620	620	6,419
Local gaming licenses	45,000	45,000	43,497	(1,503)	45,803
Franchise fees	450,000	450,000	759,715	309,715	683,082
Nonbusiness:					
Building permits	150,000	150,000	163,284	13,284	208,203
Dog licenses	10,000	10,000	12,577	2,577	12,815
CCW permits	-	-	14,984	14,984	9,202
Marriage licenses	-	-	1,970	1,970	2,340
Other permits	-	-	55	55	85
Total Licenses and Permits	<u>701,000</u>	<u>701,000</u>	<u>1,056,752</u>	<u>355,752</u>	<u>1,023,408</u>
Intergovernmental Revenues:					
Federal grants:					
Child support enforcement	200,000	200,000	199,866	(134)	184,497
Consolidated task force	40,000	40,000	36,815	(3,185)	52,410
Ots/joining forces	-	1,984	1,984	-	3,432
Senior transportation grant	-	171,202	171,202	-	154,368
SCAAP grant	-	12,334	12,334	-	9,714
BLM rural fire grant	-	-	-	-	127,800
Sheriff's stimulus funds	-	-	-	-	2,114
COPS/Meth grant	-	-	-	-	38,923
CDBG Strategic Planning Grant	-	-	10,366	10,366	10,000
Other Intergovernmental Revenues:					
Taylor grazing fees	40,000	40,000	34,903	(5,097)	32,585
Domestic Preparedness	-	2,068	2,068	-	-
NRA grant	-	10,412	4,167	(6,245)	-
City-county sharing agreement	400,000	400,000	376,650	(23,350)	397,136
Humboldt contribution	20,000	20,000	-	(20,000)	-
Humboldt river basin authority	40,000	40,000	34,250	(5,750)	34,250
Combined tax	5,791,838	5,791,838	8,664,498	2,872,660	7,993,568

(continued)

HUMBOLDT COUNTY
General Fund (Budgetary Basis)
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2012

(With comparative actual amounts for the fiscal year ended June 30, 2011)

	2012			2011	
	Original Budget	Final Budget	Actual	Variance to Final Budget	Actual
State gaming license fees	\$ 150,000	\$ 150,000	\$ 145,020	\$ (4,980)	\$ 144,522
Lease of federal lands	-	-	24,429	24,429	55,582
Total Intergovernmental Revenues	<u>6,681,838</u>	<u>6,879,838</u>	<u>9,718,552</u>	<u>2,838,714</u>	<u>9,240,901</u>
Charges for Services:					
General Government:					
Clerk fees	17,500	17,500	22,645	5,145	23,992
Candidate fees	-	-	1,830	1,830	-
Recorder fees	140,000	140,000	155,467	15,467	152,019
Recorder technology fees	-	-	19,371	19,371	16,887
Planning fees	9,000	9,000	14,780	5,780	9,575
Map fees	30,000	30,000	51,934	21,934	32,265
Subtotal General Government	<u>196,500</u>	<u>196,500</u>	<u>266,027</u>	<u>69,527</u>	<u>234,738</u>
Judicial:					
Legal assistance fees	5,200	5,200	8,611	3,411	6,605
Law library fees	4,000	4,000	7,500	3,500	4,875
Bail bond fees	6,000	6,000	5,420	(580)	6,180
Civil action fees	30,000	30,000	34,077	4,077	40,547
Public administrator/guardian fees	-	-	-	-	9,194
District court filing fees	-	-	23,566	23,566	15,511
Public defender fees	-	-	5,616	5,616	8,316
Subtotal Judicial	<u>45,200</u>	<u>45,200</u>	<u>84,790</u>	<u>39,590</u>	<u>91,228</u>
Public Safety:					
Sheriff fees	25,000	25,000	36,286	11,286	37,397
Detention fees	30,000	30,000	65,755	35,755	62,095
Detention meal preparation	20,000	20,000	21,132	1,132	21,976
Subtotal Public Safety	<u>75,000</u>	<u>75,000</u>	<u>123,173</u>	<u>48,173</u>	<u>121,468</u>
Other Charges for Services	<u>5,500</u>	<u>5,500</u>	<u>24,650</u>	<u>19,150</u>	<u>6,956</u>
Total Charges for Services	<u>322,200</u>	<u>322,200</u>	<u>498,640</u>	<u>176,440</u>	<u>454,390</u>
Fines and Forfeits	<u>575,000</u>	<u>575,000</u>	<u>554,345</u>	<u>(20,655)</u>	<u>626,947</u>
Miscellaneous Revenues:					
Interest earnings	100,000	100,000	234,543	134,543	203,013
Miscellaneous	-	-	249,018	249,018	155,314
Geothermal lease	-	-	76,207	76,207	-
Election reimbursement	-	-	11,405	11,405	6,414

(continued)

HUMBOLDT COUNTY
General Fund (Budgetary Basis)
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2012

(With comparative actual amounts for the fiscal year ended June 30, 2011)

	2012			2011	
	Original Budget	Final Budget	Actual	Variance to Final Budget	Actual
Forensic services	\$ 7,000	\$ 7,000	\$ 9,047	\$ 2,047	\$ 10,446
Total Miscellaneous Revenues	107,000	107,000	580,220	473,220	375,187
Total Revenues	10,325,787	10,523,787	17,515,710	6,991,923	15,744,268
EXPENDITURES BY FUNCTION AND ACTIVITY					
General Government Function:					
Legislative:					
Commissioners					
Salaries and wages	147,214	153,214	147,345	5,869	151,139
Employee benefits	66,926	66,926	69,457	(2,531)	66,977
Services and supplies	38,750	38,750	25,287	13,463	29,966
Subtotal Legislative	252,890	258,890	242,089	16,801	248,082
Executive:					
County Administrator					
Salaries and wages	215,496	226,496	220,892	5,604	214,974
Employee benefits	79,516	79,516	81,560	(2,044)	72,543
Services and supplies	1,000	1,000	647	353	245
Subtotal Executive	296,012	307,012	303,099	3,913	287,762
Elections:					
Services and supplies	30,000	30,000	29,681	319	44,953
Finance:					
Comptroller:					
Salaries and wages	143,990	143,990	140,437	3,553	119,106
Employee benefits	57,804	57,804	57,623	181	44,291
Services and supplies	129,900	118,700	97,682	21,018	90,492
	331,694	320,494	295,742	24,752	253,889
Assessor:					
Salaries and wages	440,632	440,632	417,014	23,618	417,715
Employee benefits	183,365	183,365	172,392	10,973	152,818
Services and supplies	57,130	57,130	40,222	16,908	38,006
Capital outlay	-	-	-	-	19,350
	681,127	681,127	629,628	51,499	627,889

(continued)

HUMBOLDT COUNTY
General Fund (Budgetary Basis)
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2012

(With comparative actual amounts for the fiscal year ended June 30, 2011)

	2012			2011	
	Original Budget	Final Budget	Actual	Variance to Final Budget	Actual
Treasurer:					
Salaries and wages	\$ 156,284	\$ 161,284	\$ 156,334	\$ 4,950	\$ 156,572
Employee benefits	65,187	65,187	65,918	(731)	61,692
Services and supplies	24,700	24,700	22,779	1,921	20,728
	<u>246,171</u>	<u>251,171</u>	<u>245,031</u>	<u>6,140</u>	<u>238,992</u>
Subtotal Finance	<u>1,258,992</u>	<u>1,252,792</u>	<u>1,170,401</u>	<u>82,391</u>	<u>1,120,770</u>
Other:					
Clerk:					
Salaries and wages	262,855	267,855	262,530	5,325	256,638
Employee benefits	108,901	108,901	109,499	(598)	98,191
Services and supplies	20,700	20,700	20,150	550	14,467
	<u>392,456</u>	<u>397,456</u>	<u>392,179</u>	<u>5,277</u>	<u>369,296</u>
Recorder:					
Salaries and wages	171,226	176,226	172,086	4,140	170,224
Employee benefits	67,733	67,733	68,254	(521)	61,514
Services and supplies	80,075	75,075	46,421	28,654	53,191
	<u>319,034</u>	<u>319,034</u>	<u>286,761</u>	<u>32,273</u>	<u>284,929</u>
Computer systems:					
Salaries and wages	113,680	118,680	114,893	3,787	99,277
Employee benefits	46,090	46,090	46,403	(313)	35,083
Services and supplies	186,242	186,242	127,304	58,938	105,490
	<u>346,012</u>	<u>351,012</u>	<u>288,600</u>	<u>62,412</u>	<u>239,850</u>
Planning:					
Salaries and wages	79,780	79,780	75,376	4,404	78,467
Employee benefits	37,120	37,120	33,940	3,180	33,814
Services and supplies	13,650	13,650	8,155	5,495	6,527
	<u>130,550</u>	<u>130,550</u>	<u>117,471</u>	<u>13,079</u>	<u>118,808</u>
Buildings and grounds:					
Salaries and wages	410,760	422,760	413,788	8,972	403,011
Employee benefits	181,030	181,030	181,893	(863)	163,454
Services and supplies	472,812	472,812	417,614	55,198	441,242
Capital outlay	107,116	107,116	28,018	79,098	-
	<u>1,171,718</u>	<u>1,183,718</u>	<u>1,041,313</u>	<u>142,405</u>	<u>1,007,707</u>

(continued)

HUMBOLDT COUNTY
General Fund (Budgetary Basis)
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2012

(With comparative actual amounts for the fiscal year ended June 30, 2011)

	2012			2011	
	Original Budget	Final Budget	Actual	Variance to Final Budget	Actual
Communications:					
Salaries and wages	\$ 118,490	\$ 125,490	\$ 123,253	\$ 2,237	\$ 114,814
Employee benefits	45,970	45,970	46,799	(829)	41,551
Services and supplies	66,900	66,900	37,990	28,910	40,404
Capital outlay	49,480	53,680	11,495	42,185	9,851
	<u>280,840</u>	<u>292,040</u>	<u>219,537</u>	<u>72,503</u>	<u>206,620</u>
Personnel:					
Services and supplies	<u>16,500</u>	<u>16,500</u>	<u>7,486</u>	<u>9,014</u>	<u>17,447</u>
Miscellaneous:					
Insurance	475,000	475,000	627,297	(152,297)	448,350
Insurance reserve	-	-	-	-	1,872
Humboldt river basin authority	45,000	45,000	38,000	7,000	38,000
Miscellaneous	589,000	414,500	305,279	109,221	107,625
	<u>1,109,000</u>	<u>934,500</u>	<u>970,576</u>	<u>(36,076)</u>	<u>595,847</u>
Subtotal Other	<u>3,766,110</u>	<u>3,624,810</u>	<u>3,323,923</u>	<u>300,887</u>	<u>2,840,504</u>
Total General Government Function	<u>5,604,004</u>	<u>5,473,504</u>	<u>5,069,193</u>	<u>404,311</u>	<u>4,542,071</u>
Judicial Function:					
Justice Court:					
Salaries and wages	437,170	437,170	416,814	20,356	441,903
Employee benefits	181,155	181,155	161,880	19,275	159,173
Services and supplies	75,500	75,500	54,073	21,427	50,665
	<u>693,825</u>	<u>693,825</u>	<u>632,767</u>	<u>61,058</u>	<u>651,741</u>
District Attorney:					
Salaries and wages	686,660	617,660	594,355	23,305	576,751
Employee benefits	263,925	263,925	221,934	41,991	201,487
Services and supplies	81,025	81,025	54,089	26,936	71,298
	<u>1,031,610</u>	<u>962,610</u>	<u>870,378</u>	<u>92,232</u>	<u>849,536</u>
Child Support:					
Salaries and wages	187,694	147,694	156,608	(8,914)	158,764
Employee benefits	90,648	90,648	70,127	20,521	70,266
Services and supplies	43,736	83,736	78,478	5,258	53,318
	<u>322,078</u>	<u>322,078</u>	<u>305,213</u>	<u>16,865</u>	<u>282,348</u>

(continued)

HUMBOLDT COUNTY
General Fund (Budgetary Basis)
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2012

(With comparative actual amounts for the fiscal year ended June 30, 2011)

	2012			2011	
	Original Budget	Final Budget	Actual	Variance to Final Budget	Actual
Public Defender:					
Salaries and wages	\$ 136,630	\$ 141,630	\$ 137,983	\$ 3,647	\$ 135,218
Employee benefits	51,850	51,850	52,373	(523)	46,624
Services and supplies	15,000	15,000	11,380	3,620	10,862
	<u>203,480</u>	<u>208,480</u>	<u>201,736</u>	<u>6,744</u>	<u>192,704</u>
 Total Judicial Function	 <u>2,250,993</u>	 <u>2,186,993</u>	 <u>2,010,094</u>	 <u>176,899</u>	 <u>1,976,329</u>
Public Safety Function:					
Sheriff:					
Salaries and wages	1,730,137	1,931,137	1,746,948	184,189	1,721,175
Employee benefits	778,355	778,355	896,833	(118,478)	817,114
Services and supplies	334,789	399,254	408,729	(9,475)	432,723
Capital outlay	173,500	147,500	131,521	15,979	128,639
	<u>3,016,781</u>	<u>3,256,246</u>	<u>3,184,031</u>	<u>72,215</u>	<u>3,099,651</u>
Detention:					
Salaries and wages	924,769	939,769	883,681	56,088	954,278
Employee benefits	467,440	467,440	474,194	(6,754)	470,330
Services and supplies	191,194	198,528	191,200	7,328	154,619
Capital outlay	128,423	67,599	5,959	61,640	-
	<u>1,711,826</u>	<u>1,673,336</u>	<u>1,555,034</u>	<u>118,302</u>	<u>1,579,227</u>
Dispatch:					
Salaries and wages	541,887	451,887	470,113	(18,226)	458,649
Employee benefits	178,829	178,829	131,714	47,115	125,613
Services and supplies	67,700	86,424	64,360	22,064	49,760
Capital outlay	170,531	205,531	94,891	110,640	73,487
	<u>958,947</u>	<u>922,671</u>	<u>761,078</u>	<u>161,593</u>	<u>707,509</u>
Building Official:					
Salaries and wages	174,790	181,790	177,331	4,459	175,535
Employee benefits	70,170	70,170	70,969	(799)	64,101
Services and supplies	22,700	22,700	20,987	1,713	19,724
	<u>267,660</u>	<u>274,660</u>	<u>269,287</u>	<u>5,373</u>	<u>259,360</u>

(continued)

HUMBOLDT COUNTY
General Fund (Budgetary Basis)
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2012

(With comparative actual amounts for the fiscal year ended June 30, 2011)

	2012			2011	
	Original Budget	Final Budget	Actual	Variance to Final Budget	Actual
Task Force:					
Salaries and wages	\$ 75,782	\$ 78,282	\$ 76,678	\$ 1,604	\$ 77,413
Employee benefits	41,970	41,970	39,701	2,269	36,518
Services and supplies	16,500	16,500	24,814	(8,314)	29,887
Capital outlay	-	7,100	7,074	26	-
	<u>134,252</u>	<u>143,852</u>	<u>148,267</u>	<u>(4,415)</u>	<u>143,818</u>
 Total Public Safety Function	 <u>6,089,466</u>	 <u>6,270,765</u>	 <u>5,917,697</u>	 <u>353,068</u>	 <u>5,789,565</u>
 Public Works Function:					
Services and supplies	<u>22,000</u>	<u>22,000</u>	<u>20,285</u>	<u>1,715</u>	<u>19,791</u>
 Health Function:					
Health:					
Services and supplies	<u>172,947</u>	<u>212,947</u>	<u>182,172</u>	<u>30,775</u>	<u>113,345</u>
 Mosquito control:					
Services and supplies	<u>147,944</u>	<u>147,944</u>	<u>148,177</u>	<u>(233)</u>	<u>143,408</u>
 Total Health Function	 <u>320,891</u>	 <u>360,891</u>	 <u>330,349</u>	 <u>30,542</u>	 <u>256,753</u>
 Culture and Recreation Function:					
Virgin valley campground:					
Services and supplies	<u>2,500</u>	<u>2,500</u>	<u>2,500</u>	<u>-</u>	<u>2,500</u>
 Community Support Function:					
Services and supplies:					
Senior citizens	176,664	176,664	409,504	(232,840)	310,238
Museum	88,332	88,332	204,754	(116,422)	155,115
Senior transportation grant	-	171,202	187,275	(16,073)	154,368
Chamber of commerce	6,500	6,500	6,500	-	6,500
Range improvement districts	50,000	50,000	34,903	15,097	32,585
BLM rural fire grant	-	-	-	-	127,800
CDBG strategic planning grant	-	-	-	-	10,000
Vitality center	7,500	7,500	7,500	-	7,500
Total Community Support Function	<u>328,996</u>	<u>500,198</u>	<u>850,436</u>	<u>(350,238)</u>	<u>804,106</u>

(continued)

HUMBOLDT COUNTY
General Fund (Budgetary Basis)
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2012

(With comparative actual amounts for the fiscal year ended June 30, 2011)

	2012			2011	
	Original Budget	Final Budget	Actual	Variance to Final Budget	Actual
Intergovernmental Expenditure Function:					
Services and supplies:					
City of Winnemucca gaming licenses	\$ 100,000	\$ 100,000	\$ 100,000	\$ -	\$ 100,000
Airport	50,000	50,000	9,375	40,625	16,246
Cemetery	35,000	35,000	26,838	8,162	26,275
Parks and recreation	375,000	375,000	288,740	86,260	308,230
Legal assistance	6,000	6,000	8,611	(2,611)	6,605
Total Intergovernmental Expenditure Function	<u>566,000</u>	<u>566,000</u>	<u>433,564</u>	<u>132,436</u>	<u>457,356</u>
Total Expenditures	<u>15,184,850</u>	<u>15,382,850</u>	<u>14,634,118</u>	<u>748,733</u>	<u>13,848,471</u>
Excess (deficiency) of revenues over expenditures	<u>(4,859,063)</u>	<u>(4,859,063)</u>	<u>2,881,592</u>	<u>7,740,656</u>	<u>1,895,797</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	5,000	5,000	5,000	-	83,084
Contingency	<u>(350,000)</u>	<u>(350,000)</u>	<u>-</u>	<u>350,000</u>	<u>-</u>
Total other financing sources (uses)	<u>(345,000)</u>	<u>(345,000)</u>	<u>5,000</u>	<u>350,000</u>	<u>83,084</u>
Net change in fund balances	(5,204,063)	(5,204,063)	2,886,592	8,090,656	1,978,881
Fund balance - beginning	<u>9,446,256</u>	<u>9,446,256</u>	<u>12,799,933</u>	<u>3,353,677</u>	<u>10,821,052</u>
Fund balance - ending	<u>\$ 4,242,193</u>	<u>\$ 4,242,193</u>	<u>\$ 15,686,525</u>	<u>\$ 11,444,333</u>	<u>\$ 12,799,933</u>

HUMBOLDT COUNTY
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2012

	Cooperative Extension Fund	Library Fund	6th Judicial District Drug Court Fund	In-Lieu-of- Tax Fund
Assets				
Cash and investments	\$ 607,581	\$ 2,578,164	\$ 75,395	\$3,631,588
Taxes receivable	889	5,117	-	-
Accounts receivable	-	-	3,433	-
Due from other governments	25,438	144,961	-	-
Total assets	<u>\$ 633,908</u>	<u>\$ 2,728,242</u>	<u>\$ 78,828</u>	<u>\$3,631,588</u>
Liabilities				
Accounts payable	\$ 448	\$ 8,221	\$ 8,120	\$ -
Accrued salaries/benefits	2,007	12,654	12	-
Due to other governments	357	-	-	-
Due to other funds	221	4,576	363	-
Deferred revenue	1,727	5,117	-	-
Total liabilities	<u>4,760</u>	<u>30,568</u>	<u>8,495</u>	<u>-</u>
Fund Balances				
Restricted	629,148	-	70,333	-
Committed	-	2,697,674	-	1,676,320
Assigned	-	-	-	1,955,268
Total fund balances	<u>629,148</u>	<u>2,697,674</u>	<u>70,333</u>	<u>3,631,588</u>
Total Liabilities and Fund Balances	<u>\$ 633,908</u>	<u>\$ 2,728,242</u>	<u>\$ 78,828</u>	<u>\$3,631,588</u>

Administrative Assessment Fund	Stabilization Fund	Check Restitution Fund	Genetic Marker Testing Fund	Assessor's Technology Fund	Total Nonmajor Special Revenue Funds
\$ 96,535	\$ 1,050,842	\$ 13,185	\$ 519	\$ 743,216	\$ 8,797,025
-	-	-	-	-	6,006
-	-	40	-	-	3,473
-	-	-	-	23,474	193,873
<u>\$ 96,535</u>	<u>\$ 1,050,842</u>	<u>\$ 13,225</u>	<u>\$ 519</u>	<u>\$ 766,690</u>	<u>\$ 9,000,377</u>
\$ -	\$ -	\$ 567	\$ -	846	\$ 18,202
-	-	-	-	-	14,673
-	-	61	519	-	937
-	-	-	-	-	5,160
-	-	-	-	-	6,844
-	-	628	519	846	45,816
96,535	1,050,842	12,597	-	765,844	2,625,299
-	-	-	-	-	4,373,994
-	-	-	-	-	1,955,268
<u>96,535</u>	<u>1,050,842</u>	<u>12,597</u>	<u>-</u>	<u>765,844</u>	<u>8,954,561</u>
<u>\$ 96,535</u>	<u>\$ 1,050,842</u>	<u>\$ 13,225</u>	<u>\$ 519</u>	<u>\$ 766,690</u>	<u>\$ 9,000,377</u>

HUMBOLDT COUNTY
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2012

	Cooperative Extension Fund	Library Fund	6th Judicial Drug Court Fund	In-Lieu-of Tax Fund
REVENUES				
Taxes	\$ 227,712	\$ 1,311,070	\$ -	\$ -
Intergovernmental revenue	77,968	462,643	62,190	1,641,926
Charges for services	-	-	-	-
Fines and forfeits	-	4,081	-	-
Miscellaneous revenues	2,054	-	-	-
	<u>307,734</u>	<u>1,777,794</u>	<u>62,190</u>	<u>1,641,926</u>
Total Revenues				
EXPENDITURES				
Current:				
General government	-	-	-	-
Judicial	-	-	124,636	-
Culture and recreation	-	1,005,801	-	-
Community support	163,389	-	-	-
	<u>163,389</u>	<u>1,005,801</u>	<u>124,636</u>	<u>-</u>
Total Expenditures				
Excess (deficiency) of revenues over (under) expenditures	<u>144,345</u>	<u>771,993</u>	<u>(62,446)</u>	<u>1,641,926</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	25,000	-	-	-
Transfers out	-	-	-	(1,385,000)
Total Other Financing Sources (Uses)	<u>25,000</u>	<u>-</u>	<u>-</u>	<u>(1,385,000)</u>
Net Change in Fund Balances	169,345	771,993	(62,446)	256,926
Fund Balances - beginning	<u>459,803</u>	<u>1,925,681</u>	<u>132,779</u>	<u>3,374,662</u>
Fund Balances - ending	<u>\$ 629,148</u>	<u>\$ 2,697,674</u>	<u>\$ 70,333</u>	<u>\$ 3,631,588</u>

Administrative Assessment Fund	Stabilization Fund	Check Restitution Fund	Genetic Marker Testing Fund	Assessor's Technology Fund	Total Nonmajor Special Revenue Funds
\$ -	\$ -	\$ -	\$ -	\$ 345,074	\$ 1,883,856
-	-	-	-	-	2,244,727
-	-	8,411	3,965	-	12,376
34,492	-	-	-	-	38,573
-	-	-	-	-	2,054
<u>34,492</u>	<u>-</u>	<u>8,411</u>	<u>3,965</u>	<u>345,074</u>	<u>4,181,586</u>
-	-	-	-	95,269	95,269
61,357	-	7,498	3,965	-	197,456
-	-	-	-	-	1,005,801
-	-	-	-	-	163,389
<u>61,357</u>	<u>-</u>	<u>7,498</u>	<u>3,965</u>	<u>95,269</u>	<u>1,461,915</u>
<u>(26,865)</u>	<u>-</u>	<u>913</u>	<u>-</u>	<u>249,805</u>	<u>2,719,671</u>
-	-	-	-	-	25,000
-	-	-	-	-	(1,385,000)
-	-	-	-	-	(1,360,000)
(26,865)	-	913	-	249,805	1,359,671
<u>123,400</u>	<u>1,050,842</u>	<u>11,684</u>	<u>-</u>	<u>516,039</u>	<u>7,594,890</u>
<u>\$ 96,535</u>	<u>\$ 1,050,842</u>	<u>\$ 12,597</u>	<u>\$ -</u>	<u>\$ 765,844</u>	<u>\$ 8,954,561</u>

HUMBOLDT COUNTY
Cooperative Extension Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2012
(With comparative actual amounts for the fiscal year ended June 30, 2011)

	<u>2012</u>			Variance to Final Budget	<u>2011</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>		<u>Actual</u>
REVENUES					
Taxes	\$ 97,165	\$ 97,165	\$ 227,712	\$ 130,547	\$ 176,086
Intergovernmental Revenue:					
Combined tax	50,305	50,305	75,256	24,951	69,429
Grants	-	2,550	2,712	162	29,224
Total Intergovernmental Revenues	<u>50,305</u>	<u>52,855</u>	<u>77,968</u>	<u>25,113</u>	<u>98,653</u>
Miscellaneous	-	-	2,054	2,054	388
Total Revenues	<u>147,470</u>	<u>150,020</u>	<u>307,734</u>	<u>157,714</u>	<u>275,127</u>
EXPENDITURES					
Community Support Function:					
Salaries and wages	82,010	82,010	82,625	(615)	80,402
Employee benefits	37,910	37,910	38,320	(410)	34,279
Services and supplies	<u>52,046</u>	<u>54,596</u>	<u>42,444</u>	<u>12,152</u>	<u>71,730</u>
Total Expenditures	<u>171,966</u>	<u>174,516</u>	<u>163,389</u>	<u>11,127</u>	<u>186,411</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(24,496)</u>	<u>(24,496)</u>	<u>144,345</u>	<u>168,841</u>	<u>88,716</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>	<u>-</u>	<u>25,000</u>
Net change in fund balance	504	504	169,345	168,841	113,716
Fund balance - beginning	<u>388,730</u>	<u>388,730</u>	<u>459,803</u>	<u>71,073</u>	<u>346,087</u>
Fund balance - ending	<u>\$ 389,234</u>	<u>\$ 389,234</u>	<u>\$ 629,148</u>	<u>\$ 239,914</u>	<u>\$ 459,803</u>

HUMBOLDT COUNTY
Library Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2012
(With comparative actual amounts for the fiscal year ended June 30, 2011)

	<u>2012</u>			Variance to Final Budget	<u>2011</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>		<u>Actual</u>
REVENUES					
Taxes	\$ 559,436	\$ 559,436	\$ 1,311,070	\$ 751,634	\$ 1,013,811
Intergovernmental Revenue:					
Federal grants	-	-	10,200	10,200	-
State grants	-	-	25,991	25,991	31,022
Combined tax	285,064	285,064	426,452	141,388	393,430
Total Intergovernmental Revenues	285,064	285,064	462,643	177,579	424,452
Fines and forfeits:					
Library fines	2,500	2,500	4,081	1,581	5,209
Miscellaneous	-	-	-	-	18,618
Total Revenues	847,000	847,000	1,777,794	930,794	1,462,090
EXPENDITURES					
Culture and Recreation Function:					
Salaries and wages	530,430	530,430	526,844	3,586	526,660
Employee benefits	253,020	253,020	234,089	18,931	207,382
Services and supplies	270,703	270,703	244,868	25,835	230,398
Total Expenditures	1,054,153	1,054,153	1,005,801	48,352	964,440
Excess (deficiency) of revenues over (under) expenditures	(207,153)	(207,153)	771,993	979,146	497,650
Fund balance - beginning	1,455,792	1,455,792	1,925,681	469,889	1,428,031
Fund balance - ending	<u>\$ 1,248,639</u>	<u>\$ 1,248,639</u>	<u>\$ 2,697,674</u>	<u>\$ 1,449,035</u>	<u>\$ 1,925,681</u>

HUMBOLDT COUNTY
6th Judicial District Drug Court Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2012
(With comparative actual amounts for the fiscal year ended June 30, 2011)

	<u>2012</u>			<u>Variance to</u>	<u>2011</u>
	<u>Original</u> <u>Budget</u>	<u>Final</u> <u>Budget</u>	<u>Actual</u>	<u>Final</u> <u>Budget</u>	<u>Actual</u>
REVENUES					
Intergovernmental Revenue:					
A/A specialty court fund	\$ 53,000	\$ 73,000	\$ 62,190	\$ (10,810)	\$ 89,689
EXPENDITURES					
Judicial Function:					
Drug Court:					
Salaries and wages	22,655	22,655	15,626	7,029	23,927
Employee benefits	9,705	9,705	7,326	2,379	9,470
Services and supplies	80,000	100,000	101,684	(1,684)	108,190
Total Expenditures	<u>112,360</u>	<u>132,360</u>	<u>124,636</u>	<u>7,724</u>	<u>141,587</u>
Excess (deficiency) of revenues over (under) expenditures	(59,360)	(59,360)	(62,446)	(3,086)	(51,898)
Fund balance - beginning	<u>123,503</u>	<u>123,503</u>	<u>132,779</u>	<u>9,276</u>	<u>184,677</u>
Fund balance - ending	<u>\$ 64,143</u>	<u>\$ 64,143</u>	<u>\$ 70,333</u>	<u>\$ 6,190</u>	<u>\$ 132,779</u>

HUMBOLDT COUNTY
In-Lieu-of Tax Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2012
(With comparative actual amounts for the fiscal year ended June 30, 2011)

	<u>2012</u>			<u>Variance</u>	<u>2011</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>to Final</u>	<u>Actual</u>
	<u>Budget</u>	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>
REVENUES					
Intergovernmental Revenue:					
In-lieu-of tax payments	<u>\$ 1,400,000</u>	<u>\$ 1,400,000</u>	<u>\$ 1,641,926</u>	<u>\$ 241,926</u>	<u>\$ 1,641,292</u>
OTHER FINANCING SOURCES (USES)					
Transfers out	<u>(1,385,000)</u>	<u>(1,385,000)</u>	<u>(1,385,000)</u>	<u>-</u>	<u>(1,103,084)</u>
Net change in fund balance	15,000	15,000	256,926	241,926	538,208
Fund balance - beginning	<u>3,133,370</u>	<u>3,133,370</u>	<u>3,374,662</u>	<u>241,292</u>	<u>2,836,454</u>
Fund balance - ending	<u>\$ 3,148,370</u>	<u>\$ 3,148,370</u>	<u>\$ 3,631,588</u>	<u>\$ 483,218</u>	<u>\$ 3,374,662</u>

HUMBOLDT COUNTY
Administrative Assessment Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2012
(With comparative actual amounts for the fiscal year ended June 30, 2011)

	2012			Variance to Final Budget	2011
	Original Budget	Final Budget	Actual		Actual
REVENUES					
Fines and Forfeits:					
Court administrative assessment	\$ 40,000	\$ 40,000	\$ 34,492	\$ (5,508)	\$ 37,070
EXPENDITURES					
Judicial Function:					
Justice Court:					
Services and supplies	100,000	100,000	61,357	38,643	50,653
Excess (deficiency) of revenues over (under) expenditures	(60,000)	(60,000)	(26,865)	33,135	(13,583)
Fund balance - beginning	76,983	76,983	123,400	46,417	136,983
Fund balance - ending	<u>\$ 16,983</u>	<u>\$ 16,983</u>	<u>\$ 96,535</u>	<u>\$ 79,552</u>	<u>\$ 123,400</u>

HUMBOLDT COUNTY
Stabilization Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2012
(With comparative actual amounts for the fiscal year ended June 30, 2011)

	<u>2012</u>			<u>Variance to</u>	<u>2011</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final</u>	<u>Actual</u>
	<u>Budget</u>	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>
REVENUES					
Taxes:					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
EXPENDITURES					
General Government Function:					
Services and supplies	-	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-	-
Fund balance - beginning	<u>1,050,842</u>	<u>1,050,842</u>	<u>1,050,843</u>	<u>1</u>	<u>1,050,843</u>
Fund balance - ending	<u>\$ 1,050,842</u>	<u>\$ 1,050,842</u>	<u>\$ 1,050,843</u>	<u>\$ 1</u>	<u>\$ 1,050,843</u>

HUMBOLDT COUNTY
Check Restitution Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2012
(With comparative actual amounts for the fiscal year ended June 30, 2011)

	<u>2012</u>			<u>Variance to</u>	<u>2011</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final</u>	<u>Actual</u>
	<u>Budget</u>	<u>Budget</u>		<u>Budget</u>	
REVENUES					
Charges for Services:					
Check restitution	\$ 30,000	\$ 30,000	\$ 8,411	\$ (21,589)	\$ 25,019
EXPENDITURES					
Judicial Function:					
Services and supplies	30,000	30,000	7,498	22,502	20,316
Excess (deficiency) of revenues over (under) expenditures	-	-	913	913	4,703
Fund balance - beginning	6,980	6,980	11,684	4,704	6,981
Fund balance - ending	<u>\$ 6,980</u>	<u>\$ 6,980</u>	<u>\$ 12,597</u>	<u>\$ 5,617</u>	<u>\$ 11,684</u>

HUMBOLDT COUNTY
Genetic Marker Testing Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2012
(With comparative actual amounts for the fiscal year ended June 30, 2011)

	<u>2012</u>			<u>Variance to Final Budget</u>	<u>2011</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>		<u>Actual</u>
REVENUES					
Charges for Services:					
Fees	\$ -	\$ -	\$ 3,965	\$ 3,965	\$ 3,579
EXPENDITURES					
Judicial Function:					
Services and supplies	-	-	3,965	(3,965)	3,579
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-	-
Fund balance - beginning	-	-	-	-	-
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

HUMBOLDT COUNTY
Assessor's Technology Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2012
(With comparative actual amounts for the fiscal year ended June 30, 2011)

	<u>2012</u>			<u>Variance to Final Budget</u>	<u>2011</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>		<u>Actual</u>
REVENUES					
Taxes:					
Property taxes	<u>\$ 50,000</u>	<u>\$ 50,000</u>	<u>\$ 345,074</u>	<u>\$ 295,074</u>	<u>\$ 258,537</u>
Miscellaneous	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>900</u>
Total Revenues	<u>50,000</u>	<u>50,000</u>	<u>345,074</u>	<u>295,074</u>	<u>259,437</u>
EXPENDITURES					
General Government Function:					
Services and supplies	<u>293,047</u>	<u>293,047</u>	<u>95,269</u>	<u>197,778</u>	<u>186,445</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(243,047)</u>	<u>(243,047)</u>	<u>249,805</u>	<u>492,852</u>	<u>72,992</u>
Fund balance - beginning	<u>243,047</u>	<u>243,047</u>	<u>516,039</u>	<u>272,992</u>	<u>443,047</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 765,844</u>	<u>\$ 765,844</u>	<u>\$ 516,039</u>

HUMBOLDT COUNTY
Internally Reported (Budgetary Basis) Funds Reported
As Part of the General Fund for External Reporting Purposes
Combining Balance Sheet
June 30, 2012

	<u>Unemployment Insurance Fund</u>	<u>Compensated Absences Fund</u>	<u>Total</u>
Assets:			
Cash and investments	\$ 113,118	\$ 613,432	\$ 726,550
Interest receivable	-	39	39
	<hr/>	<hr/>	<hr/>
Total assets	<u>\$ 113,118</u>	<u>\$ 613,471</u>	<u>\$ 726,589</u>
Liabilities			
Accrued salaries/benefits	\$ -	\$ 1,771	\$ 1,771
	<hr/>	<hr/>	<hr/>
Total liabilities	<u>-</u>	<u>1,771</u>	<u>1,771</u>
Fund Balances			
Restricted	113,118	-	113,118
Committed	-	611,700	611,700
	<hr/>	<hr/>	<hr/>
Total fund balances	<u>113,118</u>	<u>611,700</u>	<u>724,818</u>
Total Liabilities and Fund Balances	<u>\$ 113,118</u>	<u>\$ 613,471</u>	<u>\$ 726,589</u>

HUMBOLDT COUNTY
Internally Reported (Budgetary Basis) Funds Reported
As Part of the General Fund for External Reporting Purposes
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2012

	<u>Unemployment Insurance Fund</u>	<u>Compensated Absences Fund</u>	<u>Total</u>
REVENUES			
Miscellaneous	\$ -	\$ 573	\$ 573
Total Revenues	-	573	573
EXPENDITURES			
General Government Function	10,842	116,423	127,265
Excess (deficiency) of revenues over (under) expenditures	(10,842)	(115,850)	(126,692)
Fund balance - beginning	123,960	727,550	851,510
Fund balance - ending	<u>\$ 113,118</u>	<u>\$ 611,700</u>	<u>\$ 724,818</u>

HUMBOLDT COUNTY
Unemployment Insurance Fund (Budgetary Basis)
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2012
(With comparative actual amounts for the fiscal year ended June 30, 2011)

	<u>2012</u>			Variance to Final Budget	<u>2011</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>		<u>Actual</u>
REVENUES					
Charges for Services:					
Fund assessments	\$ 40,000	\$ 40,000	\$ -	\$ (40,000)	\$ -
EXPENDITURES					
General Government Function:					
Services and supplies	30,000	30,000	10,842	19,158	9,735
Excess (deficiency) of revenues over (under) expenditures	10,000	10,000	(10,842)	(20,842)	(9,735)
Fund balance - beginning	143,695	143,695	123,960	(19,735)	133,695
Fund balance - ending	<u>\$ 153,695</u>	<u>\$ 153,695</u>	<u>\$ 113,118</u>	<u>\$ (40,577)</u>	<u>\$ 123,960</u>

HUMBOLDT COUNTY
Compensated Absence Fund (Budgetary Basis)
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2012
(With comparative actual amounts for the fiscal year ended June 30, 2011)

	<u>2012</u>			<u>Variance to Final Budget</u>	<u>2011</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>		<u>Actual</u>
REVENUES					
Miscellaneous:					
Fund assessments	\$ 105,000	\$ 105,000	\$ -	\$ (105,000)	\$ -
Interest	-	-	573	573	1,156
Total Revenues	<u>105,000</u>	<u>105,000</u>	<u>573</u>	<u>(104,427)</u>	<u>1,156</u>
EXPENDITURES					
General Government Function:					
Services and supplies	<u>200,000</u>	<u>200,000</u>	<u>116,423</u>	<u>83,577</u>	<u>194,636</u>
Excess (deficiency) of revenues over (under) expenditures	(95,000)	(95,000)	(115,850)	(20,850)	(193,480)
Fund balance - beginning	<u>876,030</u>	<u>876,030</u>	<u>727,550</u>	<u>(148,480)</u>	<u>921,030</u>
Fund balance - ending	<u>\$ 781,030</u>	<u>\$ 781,030</u>	<u>\$ 611,700</u>	<u>\$ (169,330)</u>	<u>\$ 727,550</u>

HUMBOLDT COUNTY
Building Reserve Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2012
(With comparative actual amounts for the fiscal year ended June 30, 2011)

	<u>2012</u>			Variance to Final Budget	<u>2011</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>		<u>Actual</u>
REVENUES					
Taxes:					
Property taxes	\$ 58,888	\$ 58,888	\$ 138,008	\$ 79,120	\$ 106,710
Intergovernmental Revenue:					
NDOW grant	-	-	-	-	59,762
Total Intergovernmental Revenues	-	-	-	-	59,762
Charges for Services:					
Rents	10,000	10,000	34,145	24,145	17,153
Miscellaneous	-	-	47,924	47,924	157,315
Total Revenues	68,888	68,888	220,077	151,189	340,940
EXPENDITURES					
Community Support Function:					
Capital outlay	1,100,000	1,100,000	404,821	695,179	422,522
Excess (deficiency) of revenues over (under) expenditures	(1,031,112)	(1,031,112)	(184,744)	846,368	(81,582)
Fund balance - beginning	2,467,244	2,467,244	3,395,837	928,593	3,477,419
Fund balance - ending	<u>\$ 1,436,132</u>	<u>\$ 1,436,132</u>	<u>\$ 3,211,093</u>	<u>\$ 1,774,961</u>	<u>\$ 3,395,837</u>

HUMBOLDT COUNTY
Balance Sheet
Nonmajor Capital Projects Fund
June 30, 2012

ASSETS

Cash and investments	\$ 595,255
Taxes receivable	539
Interest receivable	38
Due from other governments	<u>5,417</u>
 Total Assets	 <u><u>\$ 601,249</u></u>

LIABILITIES AND FUND BALANCES

Liabilities:

Due to other governments	12,983
Deferred revenues	<u>539</u>
 Total Liabilities	 <u>13,522</u>

Fund Balances:

Restricted	<u>587,727</u>
 Total Liabilities and Fund Balances	 <u><u>\$ 601,249</u></u>

HUMBOLDT COUNTY
Capital Projects Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2012
(With comparative actual amounts for the fiscal year ended June 30, 2011)

	<u>2012</u>			Variance to Final Budget	<u>2011</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>		<u>Actual</u>
REVENUES					
Taxes:					
Property taxes	\$ 58,888	\$ 58,888	\$ 138,006	\$ 79,118	\$ 105,399
Miscellaneous	500	500	453	(47)	718
Total Revenues	<u>59,388</u>	<u>59,388</u>	<u>138,459</u>	<u>79,071</u>	<u>106,117</u>
EXPENDITURES					
Community Support Function:					
Services and supplies	5,000	5,000	-	5,000	9,763
Capital outlay	192,000	192,000	-	192,000	62,900
Total Community Support	<u>197,000</u>	<u>197,000</u>	<u>-</u>	<u>197,000</u>	<u>72,663</u>
Intergovernmental expenditure function:					
Services and supplies	25,000	25,000	34,297	(9,297)	25,694
Total Expenditures	<u>222,000</u>	<u>222,000</u>	<u>34,297</u>	<u>187,703</u>	<u>98,357</u>
Excess (deficiency) of revenues over (under) expenditures	(162,612)	(162,612)	104,162	266,774	7,760
Fund balance - beginning	<u>334,630</u>	<u>334,630</u>	<u>483,565</u>	<u>148,935</u>	<u>475,805</u>
Fund balance - ending	<u>\$ 172,018</u>	<u>\$ 172,018</u>	<u>\$ 587,727</u>	<u>\$ 415,709</u>	<u>\$ 483,565</u>

HUMBOLDT COUNTY
Humboldt Television Fund
Schedule of Revenues, Expenses, and
Changes in Net Assets - Budget and Actual
For the Year Ended June 30, 2012
(With comparative actual amounts for the fiscal year ended June 30, 2011)

	<u>2012</u>			<u>2011</u>	
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance to Final Budget</u>	<u>Actual</u>
OPERATING REVENUES					
Charges for Services:					
User fees	\$ 200,000	\$ 200,000	\$ 221,274	\$ 21,274	\$ 214,587
PBS grant	-	-	-	-	2,320
Federal grants	-	-	21,439	21,439	-
Miscellaneous revenue	10,000	10,000	17,892	7,892	19,440
Total Operating Revenues	<u>210,000</u>	<u>210,000</u>	<u>260,605</u>	<u>50,606</u>	<u>236,347</u>
OPERATING EXPENSES					
Salaries and wages	86,180	90,180	87,832	2,348	85,540
Employee benefits	29,180	29,180	32,691	(3,511)	29,035
Services and supplies	70,940	57,240	56,206	1,034	51,875
Depreciation	90,000	99,700	44,664	55,036	52,957
Total Operating Expenses	<u>276,300</u>	<u>276,300</u>	<u>221,393</u>	<u>54,908</u>	<u>219,407</u>
Change in Net Assets	<u>\$ (66,300)</u>	<u>\$ (66,300)</u>	39,212	<u>\$ 105,512</u>	16,940
Net assets, July 1			<u>1,044,676</u>		<u>1,027,736</u>
Net assets, June 30			<u>\$ 1,083,888</u>		<u>\$ 1,044,676</u>

HUMBOLDT COUNTY
Humboldt Television Fund
Schedule of Cash Flows
For the Year Ended June 30, 2012
(With comparative actual amounts for the fiscal year ended June 30, 2011)

	2012	2011
	Actual	Actual
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from customers	\$ 239,080	\$ 236,946
Cash payments for personnel costs	(120,484)	(111,386)
Cash payments for services and supplies	(50,215)	(47,872)
Net Cash Provided (Used) by Operating Activities	68,381	77,688
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Purchases of capital assets	(21,175)	(7,377)
Capital asset disposals	11,495	-
Net Cash Provided (Used) by Financing Activities	(9,680)	(7,377)
Net Increase (Decrease) in Cash and Investments	58,701	70,311
CASH AND INVESTMENTS, JULY 1	804,984	734,673
CASH AND INVESTMENTS, JUNE 30	\$ 863,685	\$ 804,984
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating Income (Loss)	\$ 39,212	\$ 16,940
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Depreciation	44,664	52,957
Change in assets and liabilities:		
(Increase) decrease in:		
Accounts receivable	(21,525)	599
Inventory	5,778	3,416
Increase (decrease) in:		
Accounts payable	213	587
Accrued salaries and benefits	39	3,189
Total Adjustments	29,169	60,748
Net Cash Provided (Used) by Operating Activities	\$ 68,381	\$ 77,688

HUMBOLDT COUNTY
Solid Waste Management Fund
Schedule of Revenues, Expenses, and
Changes in Net Assets - Budget and Actual
For the Year Ended June 30, 2012

(With comparative actual amounts for the fiscal year ended June 30, 2011)

	<u>2012</u>			<u>2011</u>	
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance to Final Budget</u>	<u>Actual</u>
OPERATING REVENUES					
Charges for Services:					
User fees	\$ 915,000	\$ 915,000	\$ 1,057,084	\$ 142,084	\$ 1,035,180
OPERATING EXPENSES					
Salaries and wages	42,874	42,874	39,890	2,984	31,929
Employee benefits	16,129	16,129	16,412	(283)	11,825
Services and supplies	863,200	863,200	833,483	29,717	782,996
Depreciation	8,000	8,000	3,504	4,496	3,504
Total Operating Expenses	<u>930,203</u>	<u>930,203</u>	<u>893,289</u>	<u>36,914</u>	<u>830,254</u>
Operating Income (Loss)	<u>(15,203)</u>	<u>(15,203)</u>	<u>163,795</u>	<u>178,998</u>	<u>204,926</u>
NONOPERATING REVENUES (EXPENSES)					
Interest earnings	<u>1,000</u>	<u>1,000</u>	<u>1,555</u>	<u>555</u>	<u>2,308</u>
Change in Net Assets	<u>\$ (14,203)</u>	<u>\$ (14,203)</u>	<u>165,350</u>	<u>\$ 179,553</u>	<u>207,234</u>
Net assets, July 1			<u>1,648,621</u>		<u>1,441,387</u>
Net assets, June 30			<u>\$ 1,813,971</u>		<u>\$ 1,648,621</u>

HUMBOLDT COUNTY
Solid Waste Management Fund
Schedule of Cash Flows
For the Year Ended June 30, 2012
(With comparative actual amounts for the fiscal year ended June 30, 2011)

	2012	2011
	Actual	Actual
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from customers	\$ 1,030,531	\$ 1,041,576
Cash payments for personnel costs	(56,252)	(42,627)
Cash payments for services and supplies	(881,783)	(734,300)
Net Cash Provided (Used) by Operating Activities	92,496	264,649
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest received	1,613	2,352
Net Increase (Decrease) in Cash and Investments	94,109	267,001
CASH AND INVESTMENTS, JULY 1	1,664,915	1,397,914
CASH AND INVESTMENTS, JUNE 30	\$ 1,759,024	\$ 1,664,915
RECONCILIATION OF OPERATING INCOME (LOSS)		
TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating Income (Loss)	\$ 163,795	\$ 204,926
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operations:		
Depreciation	3,504	3,504
Change in assets and liabilities:		
(Increase) decrease in:		
Accounts receivable	(26,553)	6,396
Increase (decrease) in:		
Accounts payable	(48,300)	48,696
Accrued salaries and benefits	50	1,127
Total Adjustments	(71,299)	59,723
Net Cash Provided (Used) by Operating Activities	\$ 92,496	\$ 264,649

HUMBOLDT COUNTY
Agency Funds
Combining Statement of Changes in Assets and Liabilities
For the Year Ended June 30, 2012

	<u>Balance July 1, 2011</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2012</u>
City of Winnemucca:				
Assets:				
Cash and investments	\$ 28,026	\$ 1,617,828	\$ 1,613,372	\$ 32,482
Liabilities:				
Due to other governments	\$ 28,026	\$ 1,617,828	\$ 1,613,372	\$ 32,482
Court Ordered Restitution:				
Assets:				
Cash and investments	\$ 13,208	\$ 28,212	\$ 26,348	\$ 15,072
Liabilities:				
Funds held in trust for others	\$ 13,208	\$ 28,212	\$ 26,348	\$ 15,072
Denio Television District:				
Assets:				
Cash and investments	\$ 23,487	\$ 1,705	\$ 60	\$ 25,132
Liabilities:				
Due to other governments	\$ 23,487	\$ 1,705	\$ 60	\$ 25,132
District Court Bail:				
Assets:				
Cash and investments	\$ 142,137	\$ -	\$ 28,415	\$ 113,722
Liabilities:				
Funds held in trust for others	\$ 142,137	\$ -	\$ 28,415	\$ 113,722
General Trust Fund:				
Assets:				
Cash and investments	\$ 15,834	\$ -	\$ -	\$ 15,834
Liabilities:				
Due to other governments	\$ 15,834	\$ -	\$ -	\$ 15,834
Golconda Water District:				
Assets:				
Cash and investments	\$ 153,735	\$ 41,412	\$ 50,891	\$ 144,256
Liabilities:				
Due to other governments	\$ 153,735	\$ 41,412	\$ 50,891	\$ 144,256
Humboldt County Fire Protection District:				
Assets:				
Cash and investments	\$ 375,034	\$ 53,902	\$ -	\$ 428,936
Liabilities:				
Due to other governments	\$ 375,034	\$ 53,902	\$ -	\$ 428,936

(continued)

HUMBOLDT COUNTY
Agency Funds
Combining Statement of Changes in Assets and Liabilities
For the Year Ended June 30, 2012

	<u>Balance July 1, 2011</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2012</u>
Humboldt County General Hospital:				
Assets:				
Cash and investments	\$ 1,663,176	\$ 6,407,733	\$ 5,942,697	\$ 2,128,212
Liabilities:				
Due to other governments	\$ 1,663,176	\$ 6,407,733	\$ 5,942,697	\$ 2,128,212
Humboldt County School District:				
Assets:				
Cash and investments	\$ 2,595,551	\$ 10,246,778	\$ 8,973,822	\$ 3,868,507
Liabilities:				
Due to other governments	\$ 2,595,551	\$ 10,246,778	\$ 8,973,822	\$ 3,868,507
Humboldt Development Authority:				
Assets:				
Cash and investments	\$ 252,378	\$ 75,000	\$ 65,042	\$ 262,336
Liabilities:				
Due to other governments	\$ 252,378	\$ 75,000	\$ 65,042	\$ 262,336
Justice Court Bail:				
Assets:				
Cash and investments	\$ 37,008	\$ 52,222	\$ -	\$ 89,230
Liabilities:				
Funds held in trust for others	\$ 37,008	\$ 52,222	\$ -	\$ 89,230
Kings River GID:				
Assets:				
Cash and investments	\$ 15,574	\$ 8,900	\$ 16,203	\$ 8,271
Liabilities:				
Due to other governments	\$ 15,574	\$ 8,900	\$ 16,203	\$ 8,271
Library Memorial:				
Assets:				
Cash and investments	\$ 80,608	\$ 30,818	\$ 28,459	\$ 82,967
Liabilities:				
Due to other governments	\$ 80,608	\$ 30,818	\$ 28,459	\$ 82,967

(continued)

HUMBOLDT COUNTY
Agency Funds
Combining Statement of Changes in Assets and Liabilities
For the Year Ended June 30, 2012

	<u>Balance July 1, 2011</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2012</u>
McDermitt Fire Protection District:				
Assets:				
Cash and investments	\$ 19,393	\$ 21,947	\$ 20,119	\$ 21,221
Liabilities:				
Due to other governments	\$ 19,393	\$ 21,947	\$ 20,119	\$ 21,221
McDermitt Sewer District:				
Assets:				
Cash and investments	\$ 86,968	\$ 72,807	\$ 31,269	\$ 128,506
Liabilities:				
Due to other governments	\$ 86,968	\$ 72,807	\$ 31,269	\$ 128,506
McDermitt Water District:				
Assets:				
Cash and investments	\$ 69,909	\$ 54,255	\$ 51,304	\$ 72,860
Liabilities:				
Due to other governments	\$ 69,909	\$ 54,255	\$ 51,304	\$ 72,860
Orovada Community Services District:				
Assets:				
Cash and investments	\$ 147,147	\$ 66,561	\$ 50,817	\$ 162,891
Liabilities:				
Due to other governments	\$ 147,147	\$ 66,561	\$ 50,817	\$ 162,891
Orovada Fire Protection District:				
Assets:				
Cash and investments	\$ 587,329	\$ 87,277	\$ 451,438	\$ 223,168
Liabilities:				
Due to other governments	\$ 587,329	\$ 87,277	\$ 451,438	\$ 223,168
Orovada General Improvement District:				
Assets:				
Cash and investments	\$ 76,366	\$ 46,699	\$ 33,590	\$ 89,475
Liabilities:				
Due to other governments	\$ 76,366	\$ 46,699	\$ 33,590	\$ 89,475
Orovada Rodent Control District:				
Assets:				
Cash and investments	\$ 29,933	\$ 21,820	\$ 16,195	\$ 35,558
Liabilities:				
Due to other governments	\$ 29,933	\$ 21,820	\$ 16,195	\$ 35,558

(continued)

HUMBOLDT COUNTY
Agency Funds
Combining Statement of Changes in Assets and Liabilities
For the Year Ended June 30, 2012

	<u>Balance</u> <u>July 1, 2011</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2012</u>
Paradise Sewer District:				
Assets:				
Cash and investments	\$ 6,702	\$ 11,760	\$ 10,899	\$ 7,563
Liabilities:				
Due to other governments	\$ 6,702	\$ 11,760	\$ 10,899	\$ 7,563
Paradise Weed Control District:				
Assets:				
Cash and investments	\$ 92,880	\$ 150,754	\$ 151,149	\$ 92,485
Liabilities:				
Due to other governments	\$ 92,880	\$ 150,754	\$ 151,149	\$ 92,485
Pueblo Fire Protection District:				
Assets:				
Cash and investments	\$ 90,693	\$ 76,108	\$ 9,445	\$ 157,356
Liabilities:				
Due to other governments	\$ 90,693	\$ 76,108	\$ 9,445	\$ 157,356
Quinn River Television District:				
Assets:				
Cash and investments	\$ 132,974	\$ 14,917	\$ 87,542	\$ 60,349
Liabilities:				
Due to other governments	\$ 132,974	\$ 14,917	\$ 87,542	\$ 60,349
Range Improvement:				
Assets:				
Cash and investments	\$ 4,611	\$ 59,478	\$ 51,956	\$ 12,133
Liabilities:				
Due to other governments	\$ 4,611	\$ 59,478	\$ 51,956	\$ 12,133
State Department of Wildlife:				
Assets:				
Cash and investments	\$ 1,961	\$ 2,903	\$ 2,438	\$ 2,426
Liabilities:				
Due to other governments	\$ 1,961	\$ 2,903	\$ 2,438	\$ 2,426

(continued)

HUMBOLDT COUNTY
Agency Funds
Combining Statement of Changes in Assets and Liabilities
For the Year Ended June 30, 2012

	<u>Balance July 1, 2011</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2012</u>
State of Nevada Trust:				
Assets:				
Cash and investments	\$ 1,772,273	\$ 1,911,164	\$ 3,530,368	\$ 153,069
Liabilities:				
Due to other governments	\$ 1,772,273	\$ 1,911,164	\$ 3,530,368	\$ 153,069
Sheriff's Commissary:				
Assets:				
Cash and investments	\$ 32,704	\$ 12,903	\$ -	\$ 45,607
Liabilities:				
Funds held in trust for others	\$ 32,704	\$ 12,903	\$ -	\$ 45,607
Winnemucca Convention and Visitors Authority:				
Assets:				
Cash and investments	\$ 62,157	\$ 471,170	\$ 434,331	\$ 98,996
Liabilities:				
Due to other governments	\$ 62,157	\$ 471,170	\$ 434,331	\$ 98,996
Winnemucca Rural Fire Protection District:				
Assets:				
Cash and investments	\$ 552,894	\$ 262,670	\$ 234,623	\$ 580,941
Liabilities:				
Due to other governments	\$ 552,894	\$ 262,670	\$ 234,623	\$ 580,941
Other collections:				
Assets:				
Cash and investments	\$ 40,945	\$ -	\$ 5,960	\$ 34,985
Liabilities:				
Due to other governments	\$ 40,945	\$ -	\$ 5,960	\$ 34,985
Totals, All Agency Funds:				
Assets:				
Cash and investments	\$ 9,203,595	\$ 21,909,703	\$ 21,918,752	\$ 9,194,546
Liabilities:				
Due to other governments	8,978,538	21,816,366	21,863,989	8,930,915
Funds held in trust for others	225,057	93,337	54,763	263,631
Total Liabilities	\$ 9,203,595	\$ 21,909,703	\$ 21,918,752	\$ 9,194,546



**Report on Internal Control Over Financial Reporting
and on Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with Government Auditing Standards**

To the Honorable Board of Commissioners
of Humboldt County, Nevada

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Humboldt County, Nevada, (the County) as of and for the year ended June 30, 2012, which collectively comprise the County's basic financial statements and have issued our report thereon dated November 29, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of Humboldt County is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the County's internal control over financial reporting as a basis for designing our auditing procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

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 financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies in internal control over financial reporting (2012-1 and 2012-2). 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.

Compliance and Other Matters

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

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

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

Blake Rose & Associates, LLC

Winnemucca, Nevada
November 29, 2012



**Independent Auditor's Report on Compliance with Requirements
That Could Have a Direct and Material Effect on each Major Program and on Internal
Control Over Compliance in Accordance with OMB Circular A-133**

To the Honorable Board of County Commissioners
of Humboldt County, Nevada

Compliance

We have audited Humboldt County, Nevada's (the County) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended June 30, 2012. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

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

In our opinion, the County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012.

Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be *material weaknesses*, as defined above.

This report is intended solely for the information and use of management, the Honorable Board of Commissioners of Humboldt County, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Blake Row & Associates, LLC

Winnemucca, Nevada
November 29, 2012

HUMBOLDT COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2012
(Page 1 of 2)

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH GRANTOR'S NUMBER	FEDERAL EXPENDITURES
<u>US Department of Agriculture:</u>			
Passed through State of Nevada Department of Administration:			
Emergency Food Assistance Cluster			
Emergency Food Assistance Program, Food Commodities (non-cash)	10.569	N/A	\$ 33,880
ARRA - Emergency Food Assistance Program, Administrative Costs	10.568	N/A	<u>1,774</u>
Total Emergency Food Assistance Cluster			<u>35,654</u>
Passed through State of Nevada Department of the Controller:			
Forest Service Schools and Roads Cluster			
Schools and Roads - Grants to States	10.665	N/A	<u>228,944</u>
Total Forest Service Schools and Roads Cluster			<u>228,944</u>
Total US Department of Agriculture			<u>264,598</u>
<u>US Department of Housing and Urban Development:</u>			
CDBG - State-Administered CDBG Cluster			
Passed through State of Nevada Commission on Economic Development:			
Community Development Block Grant	14.228	CDBG-2011/PF/14	<u>10,366</u>
Total CDBG - State-Administered CDBG Cluster			<u>10,366</u>
Passed through State of Nevada Department of Business and Industry			
Emergency Shelter Grant	14.231	N/A	<u>5,000</u>
Total US Department of Housing and Urban Development			<u>15,366</u>
<u>US Department of Justice:</u>			
Direct Programs:			
State Criminal Alien Assistance Program	16.606	2011-AP-BX-0251	<u>12,334</u>
Passed through State of Nevada Department of Public Safety, Office of Criminal Justice Assistance:			
JAG Program Cluster			
Edward Byrne Memorial Justice Assistance Grant Program:			
Tri-County Drug Enforcement Team	16.738	11-JAG-13	<u>36,815</u>
Total JAG Program Cluster			<u>36,815</u>
Passed through State of Nevada Department of Health and Human Services:			
Juvenile Justice and Delinquency Prevention:			
Basic	16.540	2011-JF-FX-004	9,960
Basic	16.540	N/A	<u>6,425</u>
Total Juvenile Justice and Delinquency Prevention			<u>16,385</u>
Total US Department of Justice			<u>65,534</u>

HUMBOLDT COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2012
(Page 2 of 2)

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH GRANTOR'S NUMBER	FEDERAL EXPENDITURES
<u>US Department of Transportation:</u>			
Passed through State of Nevada Department of Transportation:			
Transit Services Programs Cluster			
FTA for Elderly and Disabled Persons	20.513	PR156-10-802	51,650
FTA for Elderly and Disabled Persons	20.513	PR517-11-802	135,625
Total Transit Services Programs Cluster			187,275
Highway Safety Cluster			
Passed through State of Nevada Department of Public Safety:			
Joining Forces	20.600	21-JF-1.08	1,400
Joining Forces	20.600	22-JF-1.09	584
Total Highway Safety Cluster			1,984
Total US Department of Transportation			189,259
<u>US Department of Health and Human Services:</u>			
Passed through State of Nevada Department of Health and Human Services - Welfare Division:			
Child Support Enforcement	93.563	N/A	199,866
Total US Department of Health and Human Services			199,866
<u>US Department of the Interior:</u>			
Direct Programs:			
Partners for Fish and Wildlife	15.631	843208J509	2,550
Total US Department of the Interior			2,550
<u>National Foundation on the Arts and the Humanities:</u>			
Passed through Nevada State Library and Archives			
Institute of Museum and Library Services:			
Library Services & Technology Act	45.310	2011-29B	5,100
Library Services & Technology Act	45.310	2010-29	5,100
Total National Foundation on the Arts and the Humanities			10,200
<u>US Department of Commerce:</u>			
Direct Programs:			
Low-Power Television and Translator Upgrade Program LPTV - Humboldt County	11.559	32-09-U90446	21,439
Total US Department of Commerce			21,439
Total Expenditures of Federal Grant Awards			\$ 768,812

HUMBOLDT COUNTY
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2012

(1) Reporting Entity

The accompanying Schedule of Expenditures of Federal Awards presents the expenditure activity of all federal awards programs of Humboldt County (the County) for the year ended June 30, 2012. The County's reporting entity is defined in Note 1 to its basic financial statements. All expenditures of federal awards received directly from federal agencies as well as federal awards passed through other government agencies are included in the schedule.

(2) Basis of Accounting

The accompanying schedule of expenditures of federal awards is prepared on the modified accrual basis of accounting. The amounts shown as expenditures of the Food Assistance Program, Food Commodities represent the fair value of commodity food expended by the County.

(3) Subrecipients

Of the federal expenditures presented in the schedule, the County provided federal awards to subrecipients as follows:

<u>Program Name</u>	<u>CFDA Number</u>	<u>Amount Provided to</u>
Community Development Block Grant	14.228	\$ 10,366
FTA for Elderly and Disabled Persons	20.513	<u>187,275</u>
Total		<u>\$ 197,641</u>

**HUMBOLDT COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2012**

Summary of Audit Results:

- Drake Rose & Associates, LLC issued an unqualified opinion on the financial statements of Humboldt County for the year ended June 30, 2012.
- Two significant deficiencies disclosed during the audit of the financial statements are reported in the Report on Internal Controls Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*. None of the deficiencies are reported as material weaknesses.
- No instances of noncompliance material to the financial statements of Humboldt County, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
- No significant deficiencies relating to the audit of the major federal award programs are reported in the Independent Auditor's Report on Compliance with Requirements That Could Have a Direct and Material Effect on each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133.
- Drake Rose & Associates, LLC issued an unqualified opinion on compliance for major programs of Humboldt County.
- The audit disclosed no audit findings that the auditor is required to report under Section 510(a) of Circular A-133.
- The programs tested as major programs for the year ended June 30, 2012 included:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
10.665	Forest Service Schools and Roads Cluster
- The dollar threshold used for distinguishing between Type A and Type B programs for the year ended June 30, 2012, was \$300,000.
- Humboldt County qualified as a low risk auditee for the year ended June 30, 2012.

Findings Relating to the Financial Statements Reported in Accordance with Generally Accepted Government Auditing Standards (GAGAS):

SIGNIFICANT DEFICIENCIES

2012-1 Controls Over Capturing and Recording Transactional Information

Condition and Criteria: Communication and understanding of the entity on the part of the financial management at the County is not adequate to enable thorough understanding of all accounts' and funds' purposes and functions. Continuous and extensive communication and complete comprehension of all accounts' and funds' purposes and functions should be in place to ensure entries posted are correct, timely, complete, and supported by underlying transactions.

**HUMBOLDT COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2012**

Findings Relating to the Financial Statements Reported in Accordance with Generally Accepted Government Auditing Standards (GAGAS) (Continued):

Effect: Some incorrect adjusting entries were posted and adjustments were overlooked.

Auditor's Recommendation: Personnel responsible for capturing and recording transactional information should obtain a full understanding of the County's operations, transactions, and funds to ensure that accurate and complete data is captured and recorded in the County's accounting records and financial statements. Communications, diligence, and subsequent review should be enhanced to facilitate accurate and complete understanding.

Management's Response: Management will improve communications and follow-through in order to enhance understanding, thereby ensuring the accuracy and completeness of the County's accounting records and financial statements.

2012-2 Cut-off Procedures

Condition and Criteria: Material receipts including June room tax, landfill billings, and senior transportation and CDBG grants received subsequent to year-end were recorded in the 2012-2013 fiscal year instead of the 2011-2012 fiscal year. Additionally, the senior transportation grant is a pass-through to another entity and the June reimbursement payable was not recorded.

Effect: Accounts receivable was understated by \$77,933, revenue was understated by \$61,860, and deferred revenue was understated by \$16,073. Additionally, accounts payable and expenditures were understated by \$16,073.

Auditor's Recommendation: Control processes should be reviewed and enhanced to ensure that receipts near year-end are properly evaluated to determine the correct period in which they should be posted. All individuals involved in initiating, recording, and posting deposits should review their processes to ensure proper cut-off procedures are being followed.

Management's Response: Management has reviewed our processes over cut-off procedures and has established guidelines that will ensure receipts are recorded in the correct period.

Findings and Questioned Costs for Federal Awards:

There were no findings or questioned costs.

**HUMBOLDT COUNTY
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2012**

No prior year findings related to federal awards were reported at June 30, 2011.

HUMBOLDT COUNTY
SCHEDULE OF FEES IMPOSED SUBJECT TO THE PROVISIONS OF NRS 354.5989
LIMITATION OF FEES FOR BUSINESS LICENSES
FOR THE YEAR ENDED JUNE 30, 2012

Flat Fixed Fees:

Business license revenue for the year ended June 30, 1991 (base year) adjusted through June 30, 2011	\$ 69,067
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Adjustment to Base:

Base year adjusted		
Percentage increase in population of the local government	2.11%	
Percentage increase in the Consumer Price Index for the year ending December 31 next preceding the year for which the limit is being calculated	<u>3.21%</u>	<u>5.32%</u>
		<u>3,674</u>
Adjusted base at June 30, 2012		72,741
Actual revenue		<u>54,050</u>
Amount under allowable amount		<u><u>\$ 18,691</u></u>

AUDITOR'S COMMENTS

STATUTE COMPLIANCE

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

PROGRESS ON PRIOR YEAR STATUTE COMPLIANCE

Humboldt County conformed to all significant statutory constraints on its financial administration for the year ended June 30, 2011, as reported by other auditors in their report dated November 28, 2011.

PRIOR YEAR RECOMMENDATIONS

Efforts were made by management to implement prior year recommendations.

CURRENT YEAR RECOMMENDATIONS

Current year audit recommendations are included in the Schedule of Findings and Questioned Costs.

NEVADA REVISED STATUTES 354.6113 AND 354.6115

There were no funds created by Humboldt County, Nevada under the authority of NRS 354.6113 and NRS 354.6115 for the year ended June 30, 2012.



Independent Accountant's Report

To the Honorable Board of Commissioners
of Humboldt County, Nevada

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

- The identified funds are being used expressly for the purposes for which they were created,
- The funds are administered in accordance with accounting principles generally accepted in the United States of America,
- The restricted fund balances/ net assets in the funds were reasonable and necessary to carry out the purposes of the funds at June 30, 2012 (based on the interpretation of reasonable and necessary provided by the Legislative Counsel Bureau),
- The sources of revenues, including transfers, available for the funds are as noted in the financial statements,
- The funds conformed to significant statutory and regulatory constraints on its financial administration during the year ended June 30, 2012,
- The fund balance and net assets of the funds are as noted in the financial statements.

This assertion is the responsibility of the management of Humboldt County.

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

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

Drake Rose & Associates, LLC

Winnemucca, Nevada
November 29, 2012