

HUMBOLDT COUNTY

JUNE 30, 2014

HUMBOLDT COUNTY
June 30, 2014

TABLE OF CONTENTS

	<u>Page</u>
FINANCIAL SECTION	
Independent Auditor's Report.....	1-3
Management's Discussion and Analysis (required supplementary information)	4-11
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position.....	12
Statement of Activities	13-14
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet.....	15-16
Reconciliation of the Balance Sheet of Governmental Funds To the Statement of Net Position.....	17
Statement of Revenues, Expenditures, and Changes in Fund Balances	18-19
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	20
Proprietary Funds:	
Statement of Net Position	21
Statement of Revenues, Expenses, and Changes in Net Position.....	22
Statement of Cash Flows	23
Fiduciary Funds:	
Statement of Fiduciary Net Position.....	24
Statement of Changes in Fiduciary Net Position	25
Notes to the Financial Statements	26-45
Required Supplementary Information	
Schedule of Revenues, Expenditures, and Changes in Fund Balances -- Budget and Actual:	
General Fund (Budgetary Basis)	46-47
Major Special Revenue Funds:	
Indigent Fund	48
Road Fund.....	49-50
Regional Transportation Fund	51
6 th Judicial District Fund	52-53
Indigent Medical Fund.....	54
Winnemucca Events Complex Fund.....	55
Reconciliation of the General Fund (Budgetary Basis) to the General Fund (GAAP Basis)	56
Schedule of Funding Progress – Other Postemployment Benefits.....	57
Notes to Required Supplementary Information.....	58
Combining and Individual Fund Statements and Schedules:	
Nonmajor Governmental Funds:	
Combining Balance Sheet.....	59
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	60
Governmental Funds:	
Reconciliation of the General Fund (Budgetary Basis) to the General Fund (GAAP Basis) - Balance Sheet	61

HUMBOLDT COUNTY
June 30, 2014

TABLE OF CONTENTS

	<u>Page</u>
Schedules of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual:	
General Fund (Budgetary Basis):	62-69
Special Revenue Funds:	
Nonmajor Special Revenue Funds:	
Combining Balance Sheet.....	70-72
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	73-75
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual:	
Cooperative Extension Fund.....	76
Library Fund	77
6th Judicial District Drug Court Fund	78
In-Lieu-of Tax Fund.....	79
Administrative Assessment Fund.....	80
Stabilization Fund.....	81
Check Restitution Fund.....	82
Genetic Marker Testing Fund	83
Assessor’s Technology Fund.....	84
911 Enhancement Fund.....	85
Justice Court Administrative Assessment Fund.....	86
Humboldt Fire District General Fund	87
Library Memorial Fund	88
Internally Reported (Budgetary Basis) Funds Reported as Part of the General Fund for External Reporting Purposes:	
Combining Balance Sheet	89
Combining Statement of Revenues, Expenditures and Changes in Fund Balance.....	90
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	
Unemployment Insurance Fund	91
Compensated Absence Fund.....	92
Capital Project Funds:	
Major Capital Project Fund:	
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual:	
Building Reserve Fund.....	93
Nonmajor Capital Project Fund:	
Balance Sheet	94
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual:	
Capital Projects Fund.....	95
Enterprise Funds:	
Major Enterprise Funds:	
Humboldt Television Fund:	
Schedule of Revenues, Expenses, and Changes in Net Position – Budget and Actual	96
Schedule of Cash Flows.....	97

HUMBOLDT COUNTY
June 30, 2014

TABLE OF CONTENTS

	<u>Page</u>
Enterprise Funds:	
Major Enterprise Funds:	
Solid Waste Management Fund:	
Schedule of Revenues, Expenses, and Changes in	
Net Position – Budget and Actual	98
Schedule of Cash Flows	99
Fiduciary Funds:	
Combining Statement of Changes in Assets and Liabilities –	
Agency Funds	100-104
COMPLIANCE SECTION	
Report on Internal Control over Financial Reporting and on Compliance and Other	
Matters Based on an Audit of Financial Statements Performed in Accordance	
with <i>Government Auditing Standards</i>	105-106
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	107-109
Schedule of Expenditures of Federal Awards	110-111
Notes to the Schedule of Expenditures of Federal Award	112
Schedule of Findings and Questioned Costs	113-115
Summary Schedule of Prior Audit Findings	116
Schedule of Fees Imposed Subject to the Provisions of NRS 354.5989	117
Auditor’s Comments:	
Statute Compliance	118
Progress on Prior Year Statute Compliance	118
Prior Year Recommendations	118
Current Year Recommendations	118
Nevada Revised Statutes 354.6113 and 354.6115	118
Independent Accountant’s Report on Nevada Revised Statute 354.6241	119



Independent Auditor's Report

To the Honorable Board of Commissioners of
Humboldt County, Nevada

Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Humboldt County, Nevada as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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, 2014, 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.

Change in Accounting Principle

As described in Note 12 to the financial statements, in 2014, the County adopted new accounting guidance, GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4-11, budgetary comparison information on pages 45 through 55, reconciliation of the General Fund budgetary basis to GAAP basis on page 60, the schedule of funding progress for other post employment benefits on page 56, and the notes to RSI on page 57 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining and individual nonmajor fund statements and schedules, budgetary comparison schedules, the auditor's comments, Nevada Revised Statute 354.6113 statement and the limitation of fees for business licenses schedule are presented for purposes of additional analysis and are not a required part of the financial statements. The 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 financial statements, the budgetary comparison 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. Such information has been subjected to the

auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules, budgetary comparison schedules, and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

The auditor's comments, Nevada Revised Statute 354.6113 statement, and the limitation of fees for business licenses schedule have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 25, 2014 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* in considering the County's internal control over financial reporting and compliance.

Blake Row & Associates, LLC

Winnemucca, Nevada
November 25, 2014

**HUMBOLDT COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

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, 2014. 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 \$104,729,085 (*net position*). Of this amount, \$38,292,678 (*unrestricted net position*) 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 position increased by \$1,290,545. 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 \$47,251,577, an increase of \$2,939,357 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 position* presents information on all of Humboldt County's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position 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 position changed during the most recent fiscal year. All changes in net position 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*). The library memorial fund and the general fund of the Humboldt Fire District are considered component units of Humboldt County and have been included in these statements.

The government-wide financial statements can be found on pages 12-14.

**HUMBOLDT COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(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-four 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 sixteen 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 15-20 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 21-23 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support 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 24-25 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 26-45 of this report and the required supplementary information can be found on pages 46-58.

**HUMBOLDT COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(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 62-95 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Humboldt County, assets exceeded liabilities by \$104,729,085 at the close of the most recent fiscal year.

A large portion of Humboldt County's net position (55.5 percent) reflects its net 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 POSITION*

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Current and other assets	\$ 49,609,244	\$ 46,953,963	\$ 3,503,359	\$ 3,117,923	\$ 53,112,603	\$ 50,071,886
Capital assets	58,025,082	59,453,555	124,729	169,605	58,149,811	59,623,160
Total assets	<u>107,634,326</u>	<u>106,407,518</u>	<u>3,628,088</u>	<u>3,287,528</u>	<u>111,262,414</u>	<u>109,695,046</u>
Long-term liabilities outstanding	4,182,207	3,595,247	27,180	22,429	4,209,387	3,617,676
Other liabilities	2,290,712	2,579,152	33,230	59,678	2,323,942	2,638,830
Total liabilities	<u>6,472,919</u>	<u>6,174,399</u>	<u>60,410</u>	<u>82,107</u>	<u>6,533,329</u>	<u>6,256,506</u>
Net Position:						
Net investment in capital assets	58,025,082	59,453,555	124,729	169,605	58,149,811	59,623,160
Restricted	8,286,596	7,758,698	-	-	8,286,596	7,758,698
Unrestricted	<u>34,849,729</u>	<u>33,045,866</u>	<u>3,442,949</u>	<u>3,035,816</u>	<u>38,292,678</u>	<u>36,081,682</u>
Total net position	<u>\$101,161,407</u>	<u>\$100,233,119</u>	<u>\$ 3,567,678</u>	<u>\$ 3,205,421</u>	<u>\$104,729,085</u>	<u>\$103,438,540</u>

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

An additional portion of Humboldt County's net position (\$8,286,596) represents resources subject to external restrictions (statutory, bond covenants or granting agency) on how they may be used. The remaining balance of *unrestricted net position* (\$38,292,678) 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 a positive balance in net position, 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 position by \$928,288 accounting for 72 percent of the total increase in the net assets of Humboldt County compared to an increase of \$5,855,123 in the prior year. Business-type activities increased the County's net position by \$362,257 or 28 percent compared to an increase of \$308,682 in the prior year. Key reasons for this decrease in the change in fund balance is as follows.

**HUMBOLDT COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(CONTINUED)**

- Consolidated taxes decreased \$1,309,835 from the previous fiscal year. This decrease can be attributed to a decrease in sales taxes collected in Humboldt County.
- Property tax revenues decreased from the previous year by \$3,051,427 as result of the decrease in net proceeds of mines taxes received from the mining companies.
- Governmental activities expenses increased 1.9 percent \$581,271 over the previous fiscal year. The primary reason for this increase was increased expenses in the general government, public safety, culture and recreation functions, and a decline in the public works function.

HUMBOLDT COUNTY'S CHANGES IN NET POSITION

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Revenues:						
Program revenues:						
Charges for services	\$4,097,170	\$4,094,526	\$1,352,662	\$1,316,924	\$5,449,832	\$5,411,450
Operating grants and contributions	1,040,093	1,276,494	2,297	6,146	1,042,390	1,282,640
Capital grants and contributions	22,611	63,718	-	-	22,611	63,718
General revenues:						
Property taxes	9,629,093	12,680,520	-	-	9,629,093	12,680,520
Consolidated taxes	11,353,307	12,663,142	-	-	11,353,307	12,663,142
Franchise taxes	899,827	753,306	-	-	899,827	753,306
Motor vehicle fuel taxes	2,766,181	2,810,785	-	-	2,766,181	2,810,785
Room taxes	349,487	394,976	-	-	349,487	394,976
Miscellaneous	303,657	391,702	15,500	17,735	319,157	409,437
Unrestricted investment earnings	248,502	41,199	1,797	1,716	250,299	42,915
Payments in-lieu of taxes	1,718,685	1,604,229	-	-	1,718,685	1,604,229
Total revenues	32,428,613	36,774,597	1,372,256	1,342,521	33,800,869	38,117,118
Expenses:						
General government	5,774,975	5,100,255	-	-	5,774,975	5,100,255
Public safety	10,086,814	9,337,242	-	-	10,086,814	9,337,242
Judicial	4,161,477	3,988,790	-	-	4,161,477	3,988,790
Public works	5,508,629	6,678,919	-	-	5,508,629	6,678,919
Health	255,210	249,411	-	-	255,210	249,411
Welfare	592,623	610,496	-	-	592,623	610,496
Culture and recreation	2,433,034	2,199,774	-	-	2,433,034	2,199,774
Community support	2,687,983	2,754,587	-	-	2,687,983	2,754,587
Television	-	-	95,131	183,755	95,131	183,755
Solid waste management	-	-	914,448	850,084	914,448	850,084
Total expenses	31,500,745	30,919,474	1,009,579	1,033,839	32,510,324	31,953,313
Increase (decrease) in net position before transfers	927,868	5,855,123	362,677	308,682	1,290,545	6,163,805
Transfers	420	1,120	(420)	(1,120)	-	-
Increase (decrease) in net position	928,288	5,856,243	362,257	307,562	1,290,545	6,163,805
Net position - July 1,	100,233,119	94,376,876	3,205,421	2,897,859	103,438,540	97,274,735
Net position - June 30,	\$101,161,407	\$100,233,119	\$3,567,678	\$3,205,421	\$104,729,085	\$103,438,540

**HUMBOLDT COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(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 the general government, public safety, judicial, health, and cultural and recreation functions. The largest increase was in the public safety function, which was related primarily to increases associated with salaries and employee benefits in the sheriff and detention departments and miscellaneous (insurance and special projects) and compensated absences expenses in the general government function.

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

	Program Expenses		Program Revenues		Net Program Exp/(Rev)	
	2014	2013	2014	2013	2014	2013
Governmental Activities:						
General government	\$5,774,975	\$5,100,255	\$1,211,404	\$1,537,176	\$(4,563,571)	\$(3,563,079)
Public safety	10,086,814	9,337,242	1,526,247	1,480,695	(8,560,567)	(7,856,547)
Judicial	4,161,477	3,988,790	1,581,632	1,313,080	(2,579,845)	(2,675,710)
Public works	5,508,629	6,678,919	306,605	537,935	(5,202,024)	(6,140,984)
Health	255,210	249,411	-	-	(255,210)	(249,411)
Welfare	592,623	610,496	37,083	29,463	(555,540)	(581,033)
Cultural and recreation	2,433,034	2,199,774	251,379	260,872	(2,181,655)	(1,938,902)
Community support	2,687,983	2,754,587	245,524	275,517	(2,442,459)	(2,479,070)
Totals	<u>\$31,500,745</u>	<u>\$30,919,474</u>	<u>\$5,159,874</u>	<u>\$5,434,738</u>	<u>\$(26,340,871)</u>	<u>\$(25,484,736)</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)	
	2014	2013	2014	2013	2014	2013
Business-Type Activities:						
Television	\$ 95,131	\$ 183,755	\$ 231,810	\$ 229,429	\$ 136,678	\$ 45,674
Solid waste management	914,448	850,084	1,123,149	1,093,641	208,701	243,557
Totals	<u>\$1,009,579</u>	<u>\$1,033,839</u>	<u>\$1,354,959</u>	<u>\$1,323,070</u>	<u>\$345,380</u>	<u>\$289,231</u>

**HUMBOLDT COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(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 \$47,251,577, an increase of \$2,939,357 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 \$12,318,300 while the total fund balance reached \$19,269,111. 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 64 percent of total general fund expenditures.

The fund balance of Humboldt County's general fund increased \$1,213,268 during the current year. The key factors in this increase were the decrease in transfers out and decrease in combined tax revenue. General fund revenues decreased \$2,482,399 from the prior year. General fund expenditures increased over the prior fiscal year by \$948,447 or 6 percent.

The indigent fund's ending fund balance increased \$73,651 from the prior year. Total revenue decreased \$123,247 due mostly to decreased net proceeds payments received. Expenditures decreased \$174,882 from the prior year.

Humboldt County's road fund has an ending fund balance of \$1,929,199 which is an increase of \$198,724 over the prior year. This increase is primarily the result of a transfer in from the in-lieu-of tax fund.

The regional transportation fund's ending fund balance increased \$412,003 from the prior year. Revenues decreased 3.4% from the prior fiscal year as the result of a decrease in gallons of gasoline being purchased. Expenditures also decreased 60% or \$1,313,951 due to decreased road projects activity in the current fiscal year.

The 6th judicial district's fund balance increased \$513,350 over the prior year. Current year revenues decreased by \$693,755 or 13.3% over previous year and were the result of the decreased net proceeds taxes and combined taxes received as previously mentioned. Expenditures increased by \$178,049 or 4.4% over the previous fiscal year. This increase was the result of increases in personnel costs (salary increase).

The indigent medical fund's ending fund balance decreased \$114,738 or 7.2% over the prior year. Revenues decreased by \$106,242 or 23.3% over prior year. Expenditures were \$24,793 or 5.4% higher than prior year. The increase in expenditures was the result of an increase in services and supplies expenditures.

The Winnemucca events complex fund has an ending fund balance of \$2,180,750 which is an increase of \$221,682 over the prior year. Revenues decreased by \$222,367 or 15.4% over the prior year. This was the result of decreases in net proceeds tax, combined tax, and room tax revenues. Expenditures increased by \$71,946 or 7.8% over the prior year due to increases in services and supplies and capital outlay.

The building reserve fund's ending fund balance decreased \$71,813. Revenues decreased by \$70,331 over prior year. Expenditures decreased by \$3,354,609. This was due primarily to completed construction of the new dispatch building in prior year.

**HUMBOLDT COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(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 position at the end of the year amounted to \$1,174,635 for the television fund and \$2,268,314 for the solid waste management fund. The portion of net position invested in capital assets was \$124,141 for the TV fund and \$588 for the solid waste management fund. The total growth in net position for the funds was \$152,179 and \$210,078 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 \$134,386 higher than the original approved budget. Actual expenditures were 89 percent of appropriations and \$1,988,837 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, 2014, amounts to \$58,149,811 (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 \$1,428,473 in governmental activities. Business-type activities capital assets decreased \$44,876.

HUMBOLDT COUNTY'S CAPITAL ASSETS (Net of Depreciation)

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Land and CIP	\$ 2,397,353	\$ 6,381,357	\$ -	\$ -	\$ 2,397,353	\$ 6,381,357
Land improvements	476,450	523,992	-	-	476,450	523,992
Buildings/ improvements	10,842,849	7,136,719	-	-	10,842,849	7,136,719
Infrastructure	40,213,180	41,644,756	-	-	40,213,180	41,644,756
Equipment	4,095,250	3,766,731	124,729	169,605	4,219,979	3,936,336
Total	<u>\$58,025,082</u>	<u>\$59,453,555</u>	<u>\$ 124,729</u>	<u>\$ 169,605</u>	<u>\$58,149,811</u>	<u>\$59,623,160</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	
	2014	2013	2014	2013	2014	2013
Compensated Absences Payable	\$ 794,644	\$ 748,615	\$ -	\$ -	\$ 794,644	\$ 748,615
Other postemployment Benefits	3,387,563	2,846,632	27,180	22,429	3,414,743	2,869,061
Total	<u>\$4,182,207</u>	<u>\$3,595,247</u>	<u>\$ 27,180</u>	<u>\$ 22,429</u>	<u>\$4,209,387</u>	<u>\$3,617,676</u>

**HUMBOLDT COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(CONTINUED)**

Additional information on Humboldt County's long-term debt can be found in Notes 1 E (7 and 8) and Notes 8 and 14 of the notes to the financial statements.

Economic Factors and Next Year's Budget

The 2015 budget for Humboldt County had an overall increase in appropriations of 4 percent including a modest cost of living increase of 2.18% for its employees as well as a 2.5% merit increase for those employees who qualify. Other expenditures contributing to this increase are the purchase of additional servers, replacement of old computers, roofing projects for four buildings, new HVAC units for the jail, and completing phase one of the CSI recommendations for the dispatch center. The County's economy has seen housing prices continue to drop but layoffs at the mines have stabilized. Consolidated taxes came in 11.5 percent lower than the previous year; therefore the County has been very conservative in the 2015 budget estimate. Net proceeds of mines have dropped significantly with the mines cutting back on production due to lower gold prices. There have been no layoffs, no service reductions or salary/benefit reductions. 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 2014-2015 increased approximately 15 percent over the actual fiscal year 2013 expenditures (including transfers). 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 lower at 88.3 percent of the augmented budget for fiscal year 2014. 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 Position
June 30, 2014

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS			
Cash and investments	\$ 46,920,992	\$ 3,420,640	\$ 50,341,632
Taxes receivable	49,184	-	49,184
Accounts receivable	287,233	63,720	350,953
Interest receivable	1,378	137	1,515
Notes receivable	27,340	-	27,340
Intergovernmental receivable	2,322,597	2,345	2,324,942
Inventories	-	17,037	17,037
Internal balances	520	(520)	-
Capital assets:			
Land	2,382,383	-	2,382,383
Construction in progress	14,970	-	14,970
Other capital assets net of depreciation	55,627,729	124,729	55,752,458
	<u>107,634,326</u>	<u>3,628,088</u>	<u>111,262,414</u>
LIABILITIES			
Accounts payable	1,309,276	31,679	1,340,955
Accrued salaries and benefits	492,323	1,466	493,789
Intergovernmental payable	377,571	85	377,656
Unearned revenue	111,542	-	111,542
Noncurrent liabilities:			
Due within one year:			
Compensated absences	794,644	-	794,644
Other postemployment benefits	3,387,563	27,180	3,414,743
	<u>6,472,919</u>	<u>60,410</u>	<u>6,533,329</u>
NET POSITION			
Net investment in capital assets	58,025,082	124,729	58,149,811
Restricted for:			
County and city road projects	1,982,320	-	1,982,320
Indigent medical	1,473,671	-	1,473,671
Government stabilization	1,050,843	-	1,050,843
Purchase of capital assets	698,092	-	698,092
Assessor's technology	1,082,208	-	1,082,208
Local agricultural education	934,793	-	934,793
Other purposes	1,064,669	-	1,064,669
Unrestricted	34,849,729	3,442,949	38,292,678
	<u>\$ 101,161,407</u>	<u>\$ 3,567,678</u>	<u>\$ 104,729,085</u>

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

**HUMBOLDT COUNTY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2014**

	<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	\$ 5,774,975	\$ 1,185,902	\$ 25,502	\$ -
Public safety	10,086,814	1,499,600	26,647	-
Judicial	4,161,477	1,009,617	572,015	-
Public works	5,508,629	149,798	134,196	22,611
Health	255,210	-	-	-
Welfare	592,623	-	37,083	-
Culture and recreation	2,433,034	222,831	28,548	-
Community support	2,687,983	29,422	216,102	-
Total governmental activities	<u>31,500,745</u>	<u>4,097,170</u>	<u>1,040,093</u>	<u>22,611</u>
Business-type activities:				
Television	95,131	229,513	2,297	-
Solid waste management	914,448	1,123,149	-	-
Total business-type activities	<u>1,009,579</u>	<u>1,352,662</u>	<u>2,297</u>	<u>-</u>
Total primary government	<u>\$ 32,510,324</u>	<u>\$ 5,449,832</u>	<u>\$ 1,042,390</u>	<u>\$ 22,611</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

Transfers:

Total general revenues and transfers

Change in net position

Net position - beginning

Net position - ending

**Net (Expenses) Revenues and
Changes in Net Position**

Primary Government		
Governmental Activities	Business- type Activities	Total
\$ (4,563,571)	\$ -	\$ (4,563,571)
(8,560,567)	-	(8,560,567)
(2,579,845)	-	(2,579,845)
(5,202,024)	-	(5,202,024)
(255,210)	-	(255,210)
(555,540)	-	(555,540)
(2,181,655)	-	(2,181,655)
(2,442,459)	-	(2,442,459)
<u>(26,340,871)</u>	<u>-</u>	<u>(26,340,871)</u>
-	136,678	136,678
-	208,701	208,701
-	345,380	345,380
<u>(26,340,871)</u>	<u>345,380</u>	<u>(25,995,491)</u>
9,629,093	-	9,629,093
11,353,307	-	11,353,307
899,827	-	899,827
2,766,181	-	2,766,181
349,487	-	349,487
303,657	15,500	319,157
248,502	1,797	250,299
1,718,685	-	1,718,685
420	(420)	-
<u>27,269,159</u>	<u>16,877</u>	<u>27,286,036</u>
928,288	362,257	1,290,545
<u>100,233,119</u>	<u>3,205,421</u>	<u>103,438,540</u>
<u>\$ 101,161,407</u>	<u>\$ 3,567,678</u>	<u>\$ 104,729,085</u>

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

HUMBOLDT COUNTY
Balance Sheet
Governmental Funds
June 30, 2014

	<u>General Fund</u>	<u>Indigent Fund</u>	<u>Road Fund</u>	<u>Regional Transportation Fund</u>
Assets				
Cash and investments	\$ 18,492,925	\$ 596,598	\$ 2,122,957	\$ 1,833,380
Taxes receivable	20,501	2,438	-	-
Accounts receivable	252,640	-	-	-
Interest receivable	1,125	-	-	112
Notes receivable	569	-	-	-
Due from other governments	1,487,357	288	295,634	230,446
Due from other funds	1,578	-	50,877	-
	<u>\$ 20,256,695</u>	<u>\$ 599,324</u>	<u>\$ 2,469,468</u>	<u>\$ 2,063,938</u>
Liabilities				
Accounts payable	\$ 490,657	\$ 868	\$ 499,616	\$ 81,618
Accrued salaries and benefits	329,821	2,022	40,275	-
Due to other governments	70,811	93,845	297	-
Due to other funds	42,359	39	81	-
Unearned revenues	33,435	-	-	-
	<u>967,083</u>	<u>96,774</u>	<u>540,269</u>	<u>81,618</u>
Deferred Inflows of Resources				
Unavailable revenue - property taxes	20,501	2,438	-	-
Unavailable revenue - assessment district receivable	-	-	-	-
	<u>20,501</u>	<u>2,438</u>	<u>-</u>	<u>-</u>
Fund Balances				
Nonspendable				
Notes receivable	569	-	-	-
Restricted for:				
Unemployment claims	154,824	-	-	-
County and city road projects	-	-	-	1,982,320
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	-	-	-	-
911 enhancement	-	-	-	-
Fire protection	-	-	-	-
Library	-	-	-	-
Committed to:				
Compensated absences	583,514	-	-	-
Road repairs and maintenance	-	-	1,929,199	-
6th judicial court	-	-	-	-
Winnemucca events center complex	-	-	-	-
Indigent services	-	500,112	-	-
Library	-	-	-	-
Local agricultural education	-	-	-	-
Capital building projects	-	-	-	-
Excess road fund expenditures	-	-	-	-
Assigned for:				
Budget shortfalls	5,779,084	-	-	-
Excess road fund expenditures	-	-	-	-
Unassigned	12,751,120	-	-	-
	<u>19,269,111</u>	<u>500,112</u>	<u>1,929,199</u>	<u>1,982,320</u>
Total fund balances	<u>19,269,111</u>	<u>500,112</u>	<u>1,929,199</u>	<u>1,982,320</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 20,256,695</u>	<u>\$ 599,324</u>	<u>\$ 2,469,468</u>	<u>\$ 2,063,938</u>

6th Judicial District Fund	Indigent Medical Fund	Winnemucca Events Complex Fund	Building Reserve Fund	Other Governmental Funds	Total Governmental Funds
\$ 5,635,153	\$ 1,611,223	\$ 2,197,957	\$ 1,756,255	\$ 12,674,544	\$ 46,920,992
12,611	1,940	2,587	647	8,460	49,184
130	-	3,538	26,130	4,795	287,233
-	98	-	-	43	1,378
-	-	-	26,771	-	27,340
112,533	33	93,858	11	102,437	2,322,597
-	-	-	-	-	52,455
<u>\$ 5,760,427</u>	<u>\$ 1,613,294</u>	<u>\$ 2,297,940</u>	<u>\$ 1,809,814</u>	<u>\$ 12,790,279</u>	<u>\$ 49,661,179</u>
\$ 78,328	\$ 1,900	\$ 93,608	\$ 8,207	\$ 54,474	\$ 1,309,276
79,547	-	11,058	-	29,600	492,323
58,634	135,783	6,560	-	11,641	377,571
3,549	-	3,377	-	2,530	51,935
78,107	-	-	-	-	111,542
<u>298,165</u>	<u>137,683</u>	<u>114,603</u>	<u>8,207</u>	<u>98,245</u>	<u>2,342,647</u>
12,611	1,940	2,587	647	8,460	49,184
-	-	-	17,771	-	17,771
<u>12,611</u>	<u>1,940</u>	<u>2,587</u>	<u>18,418</u>	<u>8,460</u>	<u>66,955</u>
-	-	-	9,000	-	9,569
-	-	-	-	-	154,824
-	-	-	-	-	1,982,320
1,616	-	-	-	-	1,616
-	1,473,671	-	-	-	1,473,671
-	-	732	-	-	732
-	-	-	-	1,050,843	1,050,843
-	-	-	-	698,092	698,092
-	-	-	-	95,925	95,925
-	-	-	-	9,325	9,325
-	-	-	-	1,082,208	1,082,208
-	-	-	-	934,793	934,793
-	-	-	-	123,946	123,946
-	-	-	-	93,965	93,965
-	-	-	-	503,054	503,054
-	-	-	-	71,713	71,713
-	-	-	-	-	583,514
-	-	-	-	-	1,929,199
5,448,035	-	-	-	-	5,448,035
-	-	2,180,018	-	-	2,180,018
-	-	-	-	-	500,112
-	-	-	-	4,196,816	4,196,816
-	-	-	-	25,000	25,000
-	-	-	1,774,189	-	1,774,189
-	-	-	-	1,000,000	1,000,000
-	-	-	-	-	5,779,084
-	-	-	-	2,797,894	2,797,894
-	-	-	-	-	12,751,120
<u>5,449,651</u>	<u>1,473,671</u>	<u>2,180,750</u>	<u>1,783,189</u>	<u>12,683,574</u>	<u>47,251,577</u>
<u>\$ 5,760,427</u>	<u>\$ 1,613,294</u>	<u>\$ 2,297,940</u>	<u>\$ 1,809,814</u>	<u>\$ 12,790,279</u>	<u>\$ 49,661,179</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 Position
Governmental Funds
June 30, 2014

Total Governmental Fund Balances	\$	47,251,577
<p>Amounts reported for governmental activities in the statement of net position 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	\$ 107,938,854	
Less accumulated depreciation	<u>(49,913,772)</u>	58,025,082
<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	3,387,563	
Compensated absences	<u>794,644</u>	(4,182,207)
<p>Deferred revenue represents amounts that were not available to fund current expenditures and therefore are not reported in the governmental funds.</p>		
		<u>66,955</u>
Net Position of Governmental Activities	\$	<u>101,161,407</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, 2014

	<u>General Fund</u>	<u>Indigent Fund</u>	<u>Road Fund</u>	<u>Regional Transportation Fund</u>
REVENUES				
Taxes	\$ 4,318,246	\$ 435,728	\$ -	\$ -
Licenses and permits	1,322,921	-	-	-
Intergovernmental revenue	10,832,258	51,246	1,606,079	1,294,298
Charges for services	436,824	-	340,982	-
Fines and forfeits	591,712	-	-	-
Miscellaneous revenues	460,390	3,169	36,689	1,243
Total Revenues	<u>17,962,351</u>	<u>490,143</u>	<u>1,983,750</u>	<u>1,295,541</u>
EXPENDITURES				
Current:				
General government	5,503,417	-	-	-
Judicial	2,247,640	-	-	-
Public safety	7,237,450	-	-	-
Public works	21,846	-	3,635,288	883,538
Health	259,416	-	-	-
Welfare	-	242,440	-	-
Culture and recreation	2,500	-	-	-
Community support	1,029,421	-	-	-
Intergovernmental expenditures	507,028	173,352	66,026	-
Total Expenditures	<u>16,808,718</u>	<u>415,792</u>	<u>3,701,314</u>	<u>883,538</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,153,633</u>	<u>74,351</u>	<u>(1,717,564)</u>	<u>412,003</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	59,635	-	1,930,288	-
Transfers out	-	(700)	(14,000)	-
Total Other Financing Sources (Uses)	<u>59,635</u>	<u>(700)</u>	<u>1,916,288</u>	<u>-</u>
Net Change in Fund Balances	1,213,268	73,651	198,724	412,003
Fund Balances - beginning	<u>18,055,843</u>	<u>426,461</u>	<u>1,730,475</u>	<u>1,570,317</u>
Fund Balances - ending	<u>\$ 19,269,111</u>	<u>\$ 500,112</u>	<u>\$ 1,929,199</u>	<u>\$ 1,982,320</u>

6th Judicial District Fund	Indigent Medical Fund	Winnemucca Events Complex Fund	Building Reserve Fund	Other Governmental Funds	Total Governmental Funds
\$ 2,253,592	\$ 346,708	\$ 462,279	\$ 115,578	\$ 1,692,003	\$ 9,624,134
-	-	-	-	-	1,322,921
2,205,051	-	536,241	-	2,809,344	19,334,517
146	-	213,424	29,422	23,569	1,044,367
58,925	-	-	-	65,894	716,531
12,329	1,329	12,340	593	43,280	571,362
<u>4,530,043</u>	<u>348,037</u>	<u>1,224,284</u>	<u>145,593</u>	<u>4,634,090</u>	<u>32,613,832</u>
-	-	-	-	241,205	5,744,622
1,379,843	-	-	-	511,827	4,139,310
2,549,682	-	-	-	34,949	9,822,081
-	-	-	-	-	4,540,672
-	-	-	-	-	259,416
-	347,215	-	-	-	589,655
-	-	999,087	-	1,125,417	2,127,004
-	-	-	217,406	256,812	1,503,639
58,068	115,560	-	-	28,462	948,496
<u>3,987,593</u>	<u>462,775</u>	<u>999,087</u>	<u>217,406</u>	<u>2,198,672</u>	<u>29,674,895</u>
<u>542,450</u>	<u>(114,738)</u>	<u>225,197</u>	<u>(71,813)</u>	<u>2,435,418</u>	<u>2,938,937</u>
-	-	-	-	25,000	2,014,923
(29,100)	-	(3,515)	-	(1,967,188)	(2,014,503)
(29,100)	-	(3,515)	-	(1,942,188)	420
513,350	(114,738)	221,682	(71,813)	493,230	2,939,357
<u>4,936,301</u>	<u>1,588,409</u>	<u>1,959,068</u>	<u>1,855,002</u>	<u>12,190,344</u>	<u>44,312,220</u>
<u>\$ 5,449,651</u>	<u>\$ 1,473,671</u>	<u>\$ 2,180,750</u>	<u>\$ 1,783,189</u>	<u>\$ 12,683,574</u>	<u>\$ 47,251,577</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, 2014

Net Change in Fund Balances - Governmental Funds \$ 2,939,357

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	\$ 1,514,685	
Less current year depreciation	(2,944,575)	
Gain on disposition of assets	<u>1,417</u>	
		(1,428,473)

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		4,364
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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		(540,931)
Change in long-term compensated absences		<u>(46,029)</u>

Change in Net Position of Governmental Activities		<u><u>\$ 928,288</u></u>
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The notes to the financial statements are an integral part of this statement.

HUMBOLDT COUNTY
Statement of Net Position
Proprietary Funds
June 30, 2014

	Business-Type Activities - Enterprise Funds		
	Humboldt Television Fund	Solid Waste Management Fund	Totals Current Year
ASSETS			
Current Assets:			
Cash and investments	\$ 1,170,384	\$ 2,250,256	\$ 3,420,640
Accounts receivable	11,775	51,945	63,720
Interest receivable	-	137	137
Intergovernmental receivable	-	2,345	2,345
Due from other funds	-	170	170
Inventories	17,037	-	17,037
Total Current Assets	<u>1,199,196</u>	<u>2,304,853</u>	<u>3,504,049</u>
Noncurrent Assets:			
Capital assets:			
Buildings	24,195	-	24,195
Machinery and equipment	745,804	92,286	838,090
Less accumulated depreciation	<u>(645,858)</u>	<u>(91,698)</u>	<u>(737,556)</u>
Total capital assets (net of accumulated depreciation)	<u>124,141</u>	<u>588</u>	<u>124,729</u>
Total Assets	<u>1,323,337</u>	<u>2,305,441</u>	<u>3,628,778</u>
LIABILITIES			
Current Liabilities:			
Accounts payable	1,822	29,857	31,679
Accrued liabilities	-	1,466	1,466
Due to other governments	85	-	85
Due to other funds	554	136	690
Total Current Liabilities	<u>2,461</u>	<u>31,459</u>	<u>33,920</u>
Noncurrent Liabilities:			
Other postemployment benefits	<u>22,100</u>	<u>5,080</u>	<u>27,180</u>
Total Liabilities	<u>24,561</u>	<u>36,539</u>	<u>61,100</u>
NET POSITION			
Net investment in capital assets	124,141	588	124,729
Unrestricted	<u>1,174,635</u>	<u>2,268,314</u>	<u>3,442,949</u>
Total Net Position	<u>\$ 1,298,776</u>	<u>\$ 2,268,902</u>	<u>\$ 3,567,678</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 Position
For the Year Ended June 30, 2014

	Business-Type Activities - Enterprise Funds		
	Humboldt Television Fund	Solid Waste Management Fund	Totals Current Year
OPERATING REVENUES			
Charges for Services:			
User fees	\$ 229,513	\$ 1,123,149	\$ 1,352,662
Grants	2,297	-	2,297
Miscellaneous	15,500	-	15,500
Total Operating Revenues	<u>247,310</u>	<u>1,123,149</u>	<u>1,370,459</u>
OPERATING EXPENSES			
Salaries and wages	-	40,668	40,668
Employee benefits	3,593	17,475	21,068
Services and supplies	50,166	852,801	902,967
Depreciation	41,372	3,504	44,876
Total Operating Expenses	<u>95,131</u>	<u>914,448</u>	<u>1,009,579</u>
Operating Income (Loss)	<u>152,179</u>	<u>208,701</u>	<u>360,880</u>
NONOPERATING REVENUES (EXPENSES)			
Interest earnings	-	1,797	1,797
Income (Loss) Before Transfers	152,179	210,498	362,677
TRANSFERS IN (OUT)			
Transfers out	-	(420)	(420)
Change in Net Position	152,179	210,078	362,257
NET POSITION, JULY 1	<u>1,146,597</u>	<u>2,058,824</u>	<u>3,205,421</u>
NET POSITION, JUNE 30	<u>\$ 1,298,776</u>	<u>\$ 2,268,902</u>	<u>\$ 3,567,678</u>

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, 2014

	Business-type Activities - Enterprise Funds		
	Humboldt Television Fund	Solid Waste Management Fund	Totals Current Year
CASH FLOWS FROM			
OPERATING ACTIVITIES:			
Cash received from customers	\$ 245,807	\$ 1,144,570	\$ 1,390,377
Cash payments for personnel costs	-	(56,384)	(56,384)
Cash payments for services and supplies	(50,813)	(880,467)	(931,280)
Net Cash Provided (Used) by Operating Activities	194,994	207,719	402,713
CASH FLOWS FROM NONCAPITAL			
FINANCING ACTIVITIES:			
Transfers to other funds	-	(420)	(420)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest received	-	1,787	1,787
Net Increase (Decrease) in Cash and Investments	194,994	209,086	404,080
CASH AND INVESTMENTS, JULY 1	975,390	2,041,170	3,016,560
CASH AND INVESTMENTS, JUNE 30	\$ 1,170,384	\$ 2,250,256	\$ 3,420,640
RECONCILIATION OF OPERATING INCOME (LOSS) TO			
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating Income (Loss)	\$ 152,179	\$ 208,701	\$ 360,881
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operations			
Depreciation	41,372	3,504	44,876
Change in assets and liabilities:			
(Increase) decrease in:			
Accounts receivable	(1,503)	21,421	19,918
Inventory	(520)	-	(520)
Increase (decrease) in:			
Accounts payable	(126)	(27,666)	(27,792)
Accrued salaries and benefits	3,592	1,759	5,351
Total adjustments	42,815	(982)	41,833
Net Cash Provided (Used) by Operating Activities	\$ 194,994	\$ 207,719	\$ 402,714

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

HUMBOLDT COUNTY
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2014

	AGENCY FUNDS	INVESTMENT TRUST FUND
ASSETS		
Cash and investments	\$ 5,305,783	\$ 3,121,613
Interest receivable	-	122
 Total Assets	 \$ 5,305,783	 \$ 3,121,735
 LIABILITIES		
Due to other governments	\$ 5,042,744	\$ -
Funds held in trust for others	263,039	-
Total Liabilities	5,305,783	-
 NET POSITION		
Held in trust	\$ -	\$ 3,121,735

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

HUMBOLDT COUNTY
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2014

	INVESTMENT TRUST FUND
ADDITIONS	
Investment earnings:	
Interest	\$ 1,258
Net increase (decrease) in share transactions	173,066
Change in net position	174,324
Net position - beginning	2,947,411
Net position - ending	\$ 3,121,735

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

HUMBOLDT COUNTY
Notes to the Financial Statements
June 30, 2014

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.

These financial statements include the Humboldt Fire special district and the Library Memorial Fund as component units of Humboldt County, in accordance with Governmental Accounting Standards Board (GASB) Statement No. 61, *The Financial Reporting Entity*. Component units include legally separate organizations for which the County is financially accountable or the Board has the ability to impose its will on these entities. Blended component units are, in substance, part of the primary government's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government. Both component units of the County are presented in this blended format.

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 Position 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 Position, 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 position is reported in three parts – invested in capital assets, restricted, and unrestricted net position.

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, 2014

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 position, 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, 2014

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 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.

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 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.

HUMBOLDT COUNTY
Notes to the Financial Statements
June 30, 2014

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 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.

HUMBOLDT COUNTY
Notes to the Financial Statements
June 30, 2014

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 2013-2014 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 2013-2014 fiscal year was due and payable on the third Monday in August 2013. 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 8%.

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 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 2012-2013 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, 2014, net proceeds of mines received on actual business from January through December 2013 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, 2014 through December 31, 2014 are reflected in the financial statements.

Additional amounts due, based upon actual business for the January 1, 2014 through December 31, 2014 in comparison to estimated payments, are determined subsequent to the 2014 calendar year. Credits for overpayments, based on actual business for the period of January 1, 2014 through December 31, 2014 in

HUMBOLDT COUNTY
Notes to the Financial Statements
June 30, 2014

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, 2014 and are not reflected in these financial statements. It should be noted that the estimated payments for calendar year 2013 (received in fiscal year 2013-2014) were calculated using fiscal year 2013-2014 tax rates. Any true-up of these estimated payments will use fiscal year 2014-2015 tax rates. It is unknown at June 30, 2014 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 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 Position.

The current portion of compensated absences is defined as those benefits 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.

HUMBOLDT COUNTY
Notes to the Financial Statements
June 30, 2014

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 position.

9. Deferred Inflows/Outflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The County has no items that qualify for reporting in this category.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The County has only one type of item that qualifies for reporting in this category, which arises only under a modified accrual basis of accounting. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. This amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The unavailable revenues are from two sources: property taxes and special assessments.

10. 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.

11. Equity Classifications

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

- a. Net investment in capital assets – Consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position – Consists of assets with constraints placed on their 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 position – Consists of the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted components of net position.

12. 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:

HUMBOLDT COUNTY
Notes to the Financial Statements
June 30, 2014

- 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.

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.

HUMBOLDT COUNTY
Notes to the Financial Statements
June 30, 2014

The legal level of budgetary control is at the function level for the General Fund, special revenue funds, 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 constraints on its financial administration during the year except for the following:

- The Humboldt County Sixth Judicial District Fund purchased vehicles for \$46,600 without soliciting (3) three quotes.
- Expenditures in the culture and recreation function of the Library Memorial fund exceeded appropriations by \$9,736.
- Expenditures in welfare function of the Indigent fund exceeded appropriations by \$19,054.

NOTE 3 – CASH AND INVESTMENTS

Deposits and investments

The following schedule summarizes cash and investments for the County at June 30, 2014:

Cash and Investment Balances Held By:	
Governmental Funds	\$46,920,992
Enterprise Funds	3,420,640
Fiduciary Funds	<u>8,427,396</u>
 Total Cash and Investments	 <u>\$58,769,028</u>

HUMBOLDT COUNTY
Notes to the Financial Statements
June 30, 2014

Investments are carried at fair value. The following is a listing of those investments as of June 30, 2014:

<u>Investment Type</u>	<u>Investment Maturities</u> (in years)			
	<u>Fair Value</u>	<u>Less than 1</u>	<u>1 to 5</u>	<u>6 to 10</u>
U.S. Treasury Notes	\$ 1,132,716	\$ 1,132,716	\$ -	\$ -
Government Agencies	2,912,560	85,840	326,424	2,500,296
Asset Backed Fixed Income Securities	1,377,814	868,664	509,150	-
Corporate Bonds	1,093,753	305,107	788,646	-
Mortgage Backed Securities	2,489,792	916,076	1,573,716	-
Money Market Mutual Funds	274,346	274,346	-	-
State of Nevada Local Government Investment Pool	19,950	19,950	-	-
Total Investments	9,300,931	3,602,699	3,197,936	2,500,296
Total Cash (Carrying Amount)	49,468,097	46,119,268	3,106,736	242,093
Total Cash and Investments	\$ 58,769,028	\$ 49,721,967	\$ 6,304,672	\$ 2,742,389

<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>
<u>Debt Securities</u>					
U.S. Treasury Notes	\$ 1,132,716	\$ 1,132,716	\$ -	\$ -	\$ -
Government Agencies	2,912,560	2,912,560	-	-	-
Asset Backed Fixed Income Securities	1,377,814	1,377,814	-	-	-
Corporate Bonds	1,093,753	-	102,337	991,416	-
Mortgage Backed Securities	2,489,792	2,489,792	-	-	-
Money Market Mutual Funds	274,346	-	-	-	274,346
State of Nevada Local Government Investment Pool	19,950	-	-	-	19,950
Total Investments	9,300,931	\$ 7,912,882	\$ 102,337	\$ 991,416	\$ 294,296
Total Cash (Carrying Amount)	49,468,097				
Total Cash and Investments	\$ 58,769,028				

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.

HUMBOLDT COUNTY
Notes to the Financial Statements
June 30, 2014

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.

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	\$11,784,709	\$11,784,709	Variable	July 1, 2015

EXTERNAL INVESTMENT POOL CONDENSED FINANCIAL STATEMENTS
STATEMENT OF NET POSITION
JUNE 30, 2014

ASSETS:

Wells Fargo Savings \$ 11,784,709

NET POSITION HELD IN TRUST FOR POOL PARTICIPANTS:

Net position consists of:

Internal participant shares \$ 8,663,096

External participant shares 3,121,613

Total Participant Shares Outstanding (\$1.00 par) \$ 11,784,709

HUMBOLDT COUNTY
Notes to the Financial Statements
June 30, 2014
STATEMENT OF CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2014

Net increase (decrease) in net position resulting from operations:	
Investment income (loss)	\$ 21,135
Net position, July 1	11,763,574
Net position, June 30	<u>\$ 11,784,709</u>

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, 2014 is \$17,771.

NOTE 5 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2014 was as follows:

	<u>Beginning Balance (Restated)</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>3,998,974</u>	<u>341,726</u>	<u>(4,325,730)</u>	<u>14,970</u>
Total capital assets, not being depreciated	<u>6,381,357</u>	<u>341,726</u>	<u>(4,325,730)</u>	<u>2,397,353</u>
Capital assets, being depreciated				
Buildings	20,483,908	4,303,104	-	24,787,012
Improvements other than buildings	1,052,051	14,731	-	1,066,782
Infrastructure	66,606,071	7,880	-	66,613,951
Machinery and equipment	<u>12,036,521</u>	<u>1,172,974</u>	<u>(135,739)</u>	<u>13,073,756</u>
Total assets, being depreciated	<u>100,178,551</u>	<u>5,498,689</u>	<u>(135,739)</u>	<u>105,541,501</u>
Less accumulated depreciation for:				
Buildings	(13,347,189)	(596,974)	-	(13,944,163)
Improvements other than buildings	(528,059)	(62,273)	-	(590,332)
Infrastructure	(24,961,315)	(1,439,456)	-	(26,400,771)
Machinery and equipment	<u>(8,269,790)</u>	<u>(845,872)</u>	<u>137,156</u>	<u>(8,978,506)</u>
Total accumulated depreciation	<u>(47,106,353)</u>	<u>(2,944,575)</u>	<u>137,156</u>	<u>(49,913,772)</u>
Total capital assets, being depreciated, net	<u>53,072,198</u>	<u>2,554,114</u>	<u>1,417</u>	<u>55,627,729</u>
Governmental activities capital assets, net	<u>\$ 59,453,555</u>	<u>\$ 2,895,840</u>	<u>\$ (4,324,313)</u>	<u>\$ 58,025,082</u>

HUMBOLDT COUNTY
Notes to the Financial Statements
June 30, 2014

	<u>Beginning Balance (Restated)</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	838,090			838,090
Total assets, being depreciated	<u>862,285</u>	<u> </u>	<u> </u>	<u>862,285</u>
Less accumulated depreciation for:				
Buildings	(24,195)	-	-	(24,195)
Machinery and equipment	(668,485)	(44,876)		(713,361)
Total accumulated depreciation	<u>(692,680)</u>	<u>(44,876)</u>	<u>-</u>	<u>(713,361)</u>
Total capital assets, being depreciated, net	<u>169,605</u>	<u>(44,876)</u>	<u>-</u>	<u>124,729</u>
Business-type activities capital assets, net	<u>\$ 169,603</u>	<u>\$ (44,876)</u>	<u>\$ -</u>	<u>\$ 124,729</u>

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

Governmental activities:	
General government	\$ 167,793
Public safety	319,711
Judicial	30,009
Public works	1,673,446
Culture and recreation	57,551
Community support	696,065
Total depreciation expense – governmental activities	<u>\$ 2,944,575</u>
Business-type activities:	
Humboldt Television fund	\$ 41,372
Solid waste management fund	3,504
Total depreciation expense – business-type activities	<u>\$ 44,876</u>

HUMBOLDT COUNTY
Notes to the Financial Statements
June 30, 2014

NOTE 6 – INTERFUND BALANCES AND TRANSFERS

The composition of interfund balances as of June 30, 2014 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	\$ 1,392
	Road Fund	11
	Indigent Fund	39
	Solid Waste Fund	<u>136</u>
		<u>1,578</u>
Road Fund	General Fund	42,359
	6 th Judicial District Fund	2,157
	Winnemucca Events Complex Fund	3,277
	Nonmajor Governmental Funds	2,530
	Humboldt Television Fund	<u>554</u>
		<u>50,877</u>
Solid Waste Fund	Winnemucca Events Complex Fund	100
	Road Fund	<u>70</u>
		<u>170</u>
Total		<u>\$ 52,625</u>

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, 2014 are as follows:

<u>Transfers from:</u>	<u>Transfers to:</u>	<u>Amount</u>
Indigent Fund	General Fund	\$ 700
Road Fund	General Fund	<u>14,000</u>
Winnemucca Events Complex Fund	General Fund	<u>3,515</u>
6 th Judicial District Fund	General Fund	<u>29,100</u>
Nonmajor Governmental Funds	General Fund	11,900
	Road Fund	1,930,288
	Nonmajor Governmental Funds	<u>25,000</u>
		<u>1,967,188</u>
Solid Waste Fund	General Fund	<u>420</u>
	Total interfund transfers	<u>\$ 2,014,923</u>

HUMBOLDT COUNTY
Notes to the Financial Statements
June 30, 2014

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, (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 and (3) to provide funding for the internally-reported compensated absences and unemployment compensation funds.

NOTE 7 – COMMITMENTS

As of June 30, 2014, the County had the following commitments outstanding:

<u>Project Description</u>	<u>Commitment Authorization</u>	<u>Project Expended/Retainage</u>	<u>Balance at June 30, 2014</u>
Event Center Evaporative Coolers	\$ 99,720	\$ 14,970	\$ 84,750

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 Position. 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.

Changes in long-term liabilities

Long-term liability activity for the year ended June 30, 2014 was as follows:

<u>Governmental activities:</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Compensated absences	\$ 748,615	\$ 989,825	\$ 943,796	\$ 794,644	\$ 794,644
Governmental activities Long-term liabilities	<u>\$ 748,615</u>	<u>\$ 989,825</u>	<u>\$ 943,796</u>	<u>\$ 794,644</u>	<u>\$ 794,644</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.

HUMBOLDT COUNTY
Notes to the Financial Statements
June 30, 2014

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.

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 only be 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>Fiscal Year</u>	<u>Contribution Rate</u>			<u>Total Contributions</u>
	<u>Regular Members</u>	<u>Police Members</u>		
2013-2014	25.75%	40.50%		\$3,233,716
2012-2013	23.75%	39.75%		\$2,998,291
2011-2012	23.75 %	39.75%		\$2,859,149

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, 2014 financial assurance relative to costs of closure and post-closure of the landfill was fulfilled through insurance coverage.

HUMBOLDT COUNTY
Notes to the Financial Statements
June 30, 2014

NOTE 12 – ACCOUNTING CHANGES AND ACCOUNTING STANDARDS

In fiscal year 2014, the County implemented Governmental Accounting Standards Board (GASB) Statement 65 “Items Previously Reported as Assets and Liabilities”. The objective of Statement 65 is to either properly classify certain items that were previously reported as assets and liabilities as deferred outflows of resources or deferred inflows of resources or to recognize certain items that were previously reported as assets and liabilities as outflows of resources (expenses or expenditures) or inflows of resources (revenues).

The GASB has issued the following Statement which will become effective in future years as shown below:

Statement No. 68, “Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27.” The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. This Statement will become effective for the County in fiscal year 2015. Management has not yet determined the impact of this Statement on the financial statements.

NOTE 13 - CONTINGENCIES

There are legal actions and claims pending against Humboldt County. The financial impact of these actions is not determinable at June 30, 2014. The affect of any resulting uninsured liability on the financial position or results of operations of the County is unknown.

NOTE 14 – 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, 2014, the net other postemployment benefit liability for the County was \$3,403,442. 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, 2014, 13 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

HUMBOLDT COUNTY
Notes to the Financial Statements
June 30, 2014

from state service who have continued to participate in the plan. As of June 30, 2014, 55 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 \$60,470.

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, 2014, retirees qualify for a subsidy of \$114 at five years of service and \$627 at 20 years of service with incremental increases for years of service between. Subsidy rates for retirees covered under the Medicare Exchange were \$55 at five years of service and \$220 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 2014, the County contributed \$142,237 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.

HUMBOLDT COUNTY
Notes to the Financial Statements
June 30, 2014

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 2012 through 2014 were as follows:

	Fiscal Year Ended	Annual OPEB Cost	Employer Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
HCHIP	6/30/14	\$ 614,081	\$ 60,470	10.45%	\$ 3,227,211
HCHIP	6/30/13	\$ 545,203	\$ 45,738	8.39%	\$ 2,673,000
HCHIP	6/30/12	\$ 560,479	\$ 55,150	9.84%	\$ 2,174,135
PEBP	6/30/14	\$ 134,309	\$ 142,237	121.22%	\$ 176,231
PEBP	6/30/13	\$ 125,956	\$ 144,420	114.66%	\$ 195,461
PEBP	6/30/12	\$ 229,592	\$ 138,721	60.42%	\$ 213,925
Combined Totals	6/30/14	\$ 748,390	\$ 202,707		\$ 3,403,442
Combined totals	6/30/13	\$ 671,159	\$ 190,158		\$ 2,869,061
Combined Totals	6/30/12	\$ 790,071	\$ 200,143		\$ 2,388,060

The net OPEB obligation (NOPEBO) as of June 30, 2014, was calculated as follows:

	HCHIP	PEBP	Totals
Annual required contribution (ARC)	\$ 638,920	\$ 133,570	\$ 772,490
Interest on the beginning net OPEB obligation	123,829	11,607	135,436
ARC Adjustment	(148,668)	(10,869)	(159,537)
Annual OPEB cost	614,081	134,308	748,389
Contributions made	(60,470)	(142,237)	(202,707)
Increase (decrease) in net OPEB obligation	553,611	(7,929)	545,682
Net OPEB obligation (asset), beginning of year	2,673,600	195,461	2,869,061
Net OPEB obligation (asset), end of year	\$ 3,227,211	\$ 187,532	\$ 3,414,743

Funded Status and Funding Progress:

The funded status of the plans as of June 30, 2014, was as follows:

	HCHIP	PEBP	Totals
Accrued actuarial liability (a)	\$ 3,791,643	\$ 2,963,965	\$ 6,755,608
Actuarial value of plan assets (b)	-	-	-
Unfunded actuarial accrued liability (a) – (b)	\$ 3,791,643	\$ 2,963,965	\$ 6,755,608
Funded ratio (b) / (a)	0.00%	0.00%	0.00%
Covered payroll (c)	\$ 10,566,658	N/A	
Unfunded actuarial accrued liability as a percentage of covered payroll ((a) – (b)) / (c)	35.88%	N/A	

HUMBOLDT COUNTY
Notes to the Financial Statements
June 30, 2014

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, 2011 actuarial valuation were as follows:

	HCHIP	PEBP
Actuarial valuation date	10/01/11	10/01/11
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*	5.00%	5.00%

*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, 2014

	2014 Budgeted Amounts		2014	
	Original Budget	Final Budget	Actual	Variance to Final Budget
REVENUES				
Taxes	\$ 2,283,237	\$ 2,283,237	\$ 4,318,246	\$ 2,035,009
Licenses and permits	711,000	711,000	1,322,921	611,921
Intergovernmental revenues	8,980,040	9,230,237	10,832,258	1,602,021
Charges for services	332,200	332,200	436,824	104,624
Fines and forfeits	607,000	607,000	591,712	(15,288)
Miscellaneous	120,000	120,000	459,156	339,156
Total Revenues	13,033,477	13,283,674	17,961,117	4,677,443
EXPENDITURES BY FUNCTION AND DEPARTMENT				
Current:				
General Government:				
Commission	259,560	259,560	249,924	9,636
Administrator	326,140	332,640	330,164	2,476
Elections	25,000	25,000	26,464	(1,464)
Comptroller	335,350	335,350	308,574	26,776
Assessor	723,863	723,863	655,111	68,752
Treasurer	269,080	269,080	266,389	2,691
Clerk	426,710	426,710	421,534	5,176
Recorder	334,835	334,835	323,392	11,443
Computer systems	372,802	372,802	289,194	83,608
Planning	147,420	147,420	134,525	12,895
Buildings and grounds	1,334,846	1,334,846	1,188,189	146,657
Communications	495,940	495,940	274,491	221,449
Personnel	90,500	90,500	17,395	73,105
Miscellaneous	1,642,250	1,417,550	796,169	621,381
Total General Government Function	6,784,296	6,566,096	5,281,515	1,284,581
Judicial:				
Justice Court	721,080	721,080	674,011	47,069
District Attorney	1,297,480	1,297,480	1,014,810	282,670
Child Support	345,076	345,076	344,237	839
Public Defender	225,840	225,840	214,582	11,258
Total Judicial Function	2,589,476	2,589,476	2,247,640	341,836

(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, 2014

	2014 Budgeted Amounts		2014	
	Original Budget	Final Budget	Actual	Variance to Final Budget
Public Safety:				
Sheriff	\$ 3,465,125	\$ 3,636,125	\$ 3,612,169	\$ 23,956
Detention	2,456,681	2,462,838	2,267,106	195,732
Dispatch	1,208,367	1,037,367	920,894	116,473
Building Official	298,450	302,450	299,222	3,228
Task Force	142,530	163,020	138,059	24,961
Total Public Safety Function	<u>7,571,153</u>	<u>7,601,800</u>	<u>7,237,450</u>	<u>364,350</u>
Public Works	<u>22,000</u>	<u>22,000</u>	<u>21,846</u>	<u>154</u>
Health:				
Health	188,108	188,108	140,815	47,293
Mosquito control	150,444	150,444	118,601	31,843
Total Health Function	<u>338,552</u>	<u>338,552</u>	<u>259,416</u>	<u>79,136</u>
Culture and Recreation	<u>2,500</u>	<u>2,500</u>	<u>2,500</u>	<u>-</u>
Community Support	<u>527,290</u>	<u>866,840</u>	<u>1,029,421</u>	<u>(162,581)</u>
Intergovernmental Expenditures	<u>606,000</u>	<u>606,000</u>	<u>507,028</u>	<u>98,972</u>
Total Expenditures	<u>18,441,267</u>	<u>18,593,264</u>	<u>16,586,816</u>	<u>2,006,448</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(5,407,790)</u>	<u>(5,309,590)</u>	<u>1,374,301</u>	<u>6,683,891</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	5,000	5,000	5,000	-
Transfers out	-	(98,200)	(98,200)	-
Contingency	(350,000)	(350,000)	-	350,000
Total other financing sources and uses	<u>(345,000)</u>	<u>(443,200)</u>	<u>(93,200)</u>	<u>350,000</u>
Net change in fund balance	(5,752,790)	(5,752,790)	1,281,101	7,033,891
Fund balance - beginning	<u>11,046,148</u>	<u>11,046,148</u>	<u>17,249,672</u>	<u>6,203,524</u>
Fund balance - ending	<u>\$ 5,293,358</u>	<u>\$ 5,293,358</u>	<u>\$ 18,530,773</u>	<u>\$ 13,237,415</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, 2014

	2014			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance to Final Budget</u>
REVENUES				
Taxes:				
Property taxes	\$ 263,977	\$ 263,977	\$ 435,728	\$ 171,751
Intergovernmental Revenue:				
Welfare set aside	-	-	14,163	14,163
Federal grants	-	37,083	37,083	-
Total Intergovernmental Revenue	-	37,083	51,246	14,163
Miscellaneous	1,000	1,000	3,169	2,169
Total Revenues	<u>264,977</u>	<u>302,060</u>	<u>490,143</u>	<u>188,083</u>
EXPENDITURES				
Welfare Function:				
Institutional care	75,533	75,533	88,622	(13,089)
Old age assistance	-	-	7,458	(7,458)
General assistance:				
Salaries and wages	51,320	51,920	51,860	60
Employee benefits	24,450	24,450	23,834	616
Services and supplies	35,000	71,483	70,666	817
Total Welfare Function	<u>186,303</u>	<u>223,386</u>	<u>242,440</u>	<u>(19,054)</u>
Intergovernmental Expenditure Function:				
Services and supplies	113,468	113,468	173,352	(59,884)
Total Expenditures	<u>299,771</u>	<u>336,854</u>	<u>415,792</u>	<u>(78,938)</u>
Excess (deficiency) of revenues over (under) expenditures	(34,794)	(34,794)	74,351	109,145
OTHER FINANCING SOURCES (USES)				
Transfers - out	-	-	(700)	(700)
Net change in fund balance	(34,794)	(34,794)	73,651	108,445
Fund balance - beginning	309,763	309,763	426,461	116,698
Fund balance - ending	<u>\$ 274,969</u>	<u>\$ 274,969</u>	<u>\$ 500,112</u>	<u>\$ 225,143</u>

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, 2014

	<u>2014 Budgeted Amounts</u>		<u>2014</u>	
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance to Final Budget</u>
REVENUES				
Intergovernmental Revenues:				
Federal grants	\$ -	\$ 134,196	\$ 134,196	\$ -
Motor vehicle fuel taxes 1.25 cents	455,919	455,919	490,238	34,319
Motor vehicle fuel taxes 1.75 cents	195,556	195,556	207,832	12,276
Motor vehicle fuel taxes 2.35 cents	722,624	722,624	773,813	51,189
Total Intergovernmental Revenues	<u>1,374,099</u>	<u>1,508,295</u>	<u>1,606,079</u>	<u>97,784</u>
Charges for Services:				
Fuel sales reimbursements	300,000	300,000	259,897	(40,103)
Repair reimbursements	80,000	80,000	81,085	1,085
Total Charges for Services	<u>380,000</u>	<u>380,000</u>	<u>340,982</u>	<u>(39,018)</u>
Miscellaneous	<u>5,000</u>	<u>5,000</u>	<u>36,689</u>	<u>31,689</u>
Total Revenues	<u>1,759,099</u>	<u>1,893,295</u>	<u>1,983,750</u>	<u>90,455</u>
EXPENDITURES				
Public Works Function:				
Highways and Street:				
Salaries and wages	1,040,570	1,040,570	995,539	45,031
Employee benefits	486,960	486,960	451,387	35,573
Services and supplies	1,816,700	1,884,870	1,668,318	216,552
Capital outlay	455,000	455,000	520,044	(65,044)
Total Public Works Function	<u>3,799,230</u>	<u>3,867,400</u>	<u>3,635,288</u>	<u>232,112</u>
Intergovernmental Expenditure Function:				
Services and supplies	<u>-</u>	<u>66,026</u>	<u>66,026</u>	<u>-</u>
Total Expenditures	<u>3,799,230</u>	<u>3,933,426</u>	<u>3,701,314</u>	<u>232,112</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,040,131)</u>	<u>(2,040,131)</u>	<u>(1,717,564)</u>	<u>322,567</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, 2014

	2014 Budgeted Amounts		2014	
	Original Budget	Final Budget	Actual	Variance to Final Budget
OTHER FINANCING SOURCES (USES)				
Transfers - in	\$ 1,930,288	\$ 1,930,288	\$ 1,930,288	\$ -
Transfers - out	-	-	(14,000)	(14,000)
Total Other Financing Sources (Uses)	1,930,288	1,930,288	1,916,288	(14,000)
Net change in fund balance	(109,843)	(109,843)	198,724	308,567
Fund balance - beginning	441,406	441,406	1,730,475	1,289,069
Fund balance - ending	\$ 331,563	\$ 331,563	\$ 1,929,199	\$ 1,597,636

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, 2014

	<u>2014 Budgeted Amounts</u>		<u>2014</u>	
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance to Final Budget</u>
REVENUES				
Intergovernmental Revenue:				
Gasoline taxes	\$ 1,204,626	\$ 1,204,626	\$ 1,294,298	\$ 89,672
Miscellaneous	<u>1,000</u>	<u>1,000</u>	<u>1,243</u>	<u>243</u>
 Total Revenues	 <u>1,205,626</u>	 <u>1,205,626</u>	 <u>1,295,541</u>	 <u>89,915</u>
EXPENDITURES				
Public Works Function:				
Highways and Street:				
Services and supplies	<u>1,393,000</u>	<u>1,393,000</u>	<u>883,538</u>	<u>509,462</u>
 Excess (deficiency) of revenues over (under) expenditures	 (187,374)	 (187,374)	 412,003	 599,377
 Fund balance - beginning	 <u>1,407,042</u>	 <u>1,407,042</u>	 <u>1,570,317</u>	 <u>163,275</u>
 Fund balance - ending	 <u><u>\$ 1,219,668</u></u>	 <u><u>\$ 1,219,668</u></u>	 <u><u>\$ 1,982,320</u></u>	 <u><u>\$ 762,652</u></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, 2014

	<u>2014 Budgeted Amounts</u>		<u>2014</u>	
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance to Final Budget</u>
REVENUES				
Taxes	\$ 1,360,224	\$ 1,360,224	\$ 2,253,592	\$ 893,368
Intergovernmental Revenue:				
Grants:				
OJJDP formula grant	-	-	9,600	9,600
OJJDP youth outreach	-	-	433	433
Room and board	-	-	31,781	31,781
Combined tax	663,120	663,120	792,289	129,169
Pershing County contribution	690,889	690,889	685,474	(5,415)
Lander County contribution	690,889	690,889	685,474	(5,415)
Total Intergovernmental Revenues	<u>2,044,898</u>	<u>2,044,898</u>	<u>2,205,051</u>	<u>160,153</u>
Charges for Services	-	-	146	146
Fines and Forfeits	20,000	20,000	58,925	38,925
Miscellaneous	-	-	12,329	12,329
Total Revenues	<u>3,425,122</u>	<u>3,425,122</u>	<u>4,530,043</u>	<u>1,104,921</u>
EXPENDITURES				
Judicial Function:				
District Court:				
Salaries and wages	501,070	501,070	506,995	(5,925)
Employee benefits	195,174	195,174	188,713	6,461
Services and supplies	527,323	527,323	514,391	12,932
Capital outlay	4,000	4,000	2,585	1,415
Total Expenditures	<u>1,227,567</u>	<u>1,227,567</u>	<u>1,212,684</u>	<u>14,883</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, 2014

	2014 Budgeted Amounts		2014	
	Original Budget	Final Budget	Actual	Variance to Final Budget
Public Safety Function:				
Juvenile Probation:				
Salaries and wages	\$ 1,427,660	\$ 1,427,660	\$ 1,417,832	\$ 9,828
Employee benefits	731,760	731,760	714,747	17,013
Services and supplies	425,491	425,491	372,103	53,388
Capital outlay	45,000	45,000	45,000	-
Total Public Safety Function	2,629,911	2,629,911	2,549,682	80,229
Court Reporters:				
Salaries and wages	127,340	127,340	107,203	20,137
Employee benefits	41,440	41,440	38,535	2,905
Services and supplies	40,500	40,500	21,421	19,079
Total Judicial Function	1,436,847	1,436,847	1,379,843	57,004
Intergovernmental Expenditure Function:				
Services and supplies	71,000	71,000	58,068	12,932
Total Expenditures	4,137,758	4,137,758	3,987,593	150,165
Excess (deficiency) of revenues over expenditures	(712,636)	(712,636)	542,450	1,255,086
OTHER FINANCING SOURCES (USES)				
Transfers out	(5,000)	(5,000)	(29,100)	(24,100)
Net change in fund balance	(717,636)	(717,636)	513,350	1,230,986
Fund balance - beginning	2,858,741	2,858,741	4,936,301	2,077,560
Fund balance - ending	<u>\$ 2,141,105</u>	<u>\$ 2,141,105</u>	<u>\$ 5,449,651</u>	<u>\$ 3,308,546</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, 2014

	<u>2014 Budgeted Amounts</u>		<u>2014</u>	
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance to Final Budget</u>
REVENUES				
Taxes	\$ 209,265	\$ 209,265	\$ 346,708	\$ 137,443
Miscellaneous	1,000	1,000	1,329	329
Total Revenues	<u>210,265</u>	<u>210,265</u>	<u>348,037</u>	<u>137,772</u>
EXPENDITURES				
Welfare Function:				
Services and supplies	707,000	707,000	347,215	359,785
Intergovernmental Expenditure Function:				
Services and supplies	<u>66,970</u>	<u>66,970</u>	<u>115,560</u>	<u>(48,590)</u>
Total Expenditures	<u>773,970</u>	<u>773,970</u>	<u>462,775</u>	<u>311,195</u>
Excess (deficiency) of revenues over (under) expenditures	(563,705)	(563,705)	(114,738)	448,967
Fund balance - beginning	<u>884,104</u>	<u>884,104</u>	<u>1,588,409</u>	<u>704,305</u>
Fund balance - ending	<u><u>\$ 320,399</u></u>	<u><u>\$ 320,399</u></u>	<u><u>\$ 1,473,671</u></u>	<u><u>\$ 1,153,272</u></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, 2014

	2014 Budgeted Amounts		2014	
	Original Budget	Final Budget	Actual	Variance to Final Budget
REVENUES				
Taxes	\$ 279,020	\$ 279,020	\$ 462,279	\$ 183,259
Intergovernmental Revenue:				
Combined tax	156,300	156,300	186,754	30,454
Room taxes	200,000	200,000	349,487	149,487
Total Intergovernmental Revenues	356,300	356,300	536,241	179,941
Charges for Services	159,600	159,600	213,424	53,824
Miscellaneous	-	-	12,340	12,340
Total Revenues	794,920	794,920	1,224,284	429,364
EXPENDITURES				
Culture and Recreation Function:				
Salaries and wages	326,615	327,615	311,798	15,817
Employee benefits	126,570	125,570	115,032	10,538
Services and supplies	463,100	463,100	418,863	44,237
Capital outlay	295,000	295,000	153,394	141,606
Total Expenditures	1,211,285	1,211,285	999,087	212,198
Excess (deficiency) of revenues over (under) expenditures	(416,365)	(416,365)	225,197	641,562
OTHER FINANCING SOURCES (USES)				
Transfers out	-	-	(3,515)	(3,515)
Net change in fund balance	(416,365)	(416,365)	221,682	638,047
Fund balance - beginning	1,294,017	1,294,017	1,959,068	665,051
Fund balance - ending	\$ 877,652	\$ 877,652	\$ 2,180,750	\$ 1,303,098

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, 2014

	<u>General Fund Budgetary Basis</u>	<u>Internally Reported Funds</u>	<u>Eliminations</u>	<u>General Fund GAAP Basis</u>
REVENUES				
Taxes	\$ 4,318,246	\$ -	\$ -	\$ 4,318,246
Licenses and permits	1,322,921	-	-	1,322,921
Intergovernmental revenue	10,832,258	-	-	10,832,258
Charges for services	436,824	-	-	436,824
Fines and forfeits	591,712	-	-	591,712
Miscellaneous revenues	459,156	1,234	-	460,390
	<u>17,961,117</u>	<u>1,234</u>	<u>-</u>	<u>17,962,351</u>
EXPENDITURES				
Current:				
General government	5,281,515	221,902	-	5,503,417
Judicial	2,247,640	-	-	2,247,640
Public safety	7,237,450	-	-	7,237,450
Public works	21,846	-	-	21,846
Health	259,416	-	-	259,416
Culture and recreation	2,500	-	-	2,500
Community support	1,029,421	-	-	1,029,421
Intergovernmental expenditures	507,028	-	-	507,028
	<u>16,586,816</u>	<u>221,902</u>	<u>-</u>	<u>16,808,718</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,374,301</u>	<u>(220,668)</u>	<u>-</u>	<u>1,153,633</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	5,000	152,835	(98,200)	59,635
Transfers out	(98,200)	-	98,200	-
	<u>(93,200)</u>	<u>152,835</u>	<u>-</u>	<u>59,635</u>
Net Change in Fund Balances	1,281,101	(67,833)	-	1,213,268
Fund Balances - beginning	17,249,672	806,171	-	18,055,843
Fund Balances - ending	<u>\$ 18,530,773</u>	<u>\$ 738,338</u>	<u>\$ -</u>	<u>\$ 19,269,111</u>

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

HUMBOLDT COUNTY
Required Supplementary Information
June 30, 2014

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%
HCHIP	10/1/2011	\$ -	\$ 3,978,933	\$ 3,978,933	0.00%	\$ 10,160,248	39.16%
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
PEBP	10/1/2011	\$ -	\$ 2,325,181	\$ 2,325,181	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, 2014

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, 2014

	<u>Special Revenue Funds</u>	<u>Capital Projects Fund</u>	<u>Total</u>
Assets			
Cash and investments	\$ 11,973,843	\$ 700,701	\$ 12,674,544
Taxes receivable	7,813	647	8,460
Interest receivable	-	43	43
Accounts receivable	4,795	-	4,795
Due from other governments	102,426	11	102,437
	<u>102,426</u>	<u>11</u>	<u>102,437</u>
 Total assets	 <u>\$ 12,088,877</u>	 <u>\$ 701,402</u>	 <u>\$ 12,790,279</u>
Liabilities			
Accounts payable	\$ 54,474	\$ -	\$ 54,474
Accrued salaries and benefits	29,600	-	29,600
Due to other governments	8,978	2,663	11,641
Due to other funds	2,530	-	2,530
Deferred revenues	-	-	-
	<u>95,582</u>	<u>2,663</u>	<u>98,245</u>
Total liabilities	<u>95,582</u>	<u>2,663</u>	<u>98,245</u>
Deferred Inflows of Resources			
Unavailable revenue - property taxes	7,813	647	8,460
	<u>7,813</u>	<u>647</u>	<u>8,460</u>
Fund Balances			
Restricted	3,965,772	698,092	4,663,864
Committed	5,221,816	-	5,221,816
Assigned	2,797,894	-	2,797,894
	<u>11,985,482</u>	<u>698,092</u>	<u>12,683,574</u>
Total fund balances	<u>11,985,482</u>	<u>698,092</u>	<u>12,683,574</u>
 Total liabilities, deferred inflows, and fund balances	 <u>\$ 12,088,877</u>	 <u>\$ 701,402</u>	 <u>\$ 12,790,279</u>

HUMBOLDT COUNTY
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2014

	Special Revenue Funds	Capital Projects Fund	Total
REVENUES			
Taxes	\$ 1,576,427	\$ 115,576	\$ 1,692,003
Intergovernmental revenues	2,809,344	-	2,809,344
Charges for services	23,569	-	23,569
Fines and forfeits	65,894	-	65,894
Miscellaneous revenues	42,741	539	43,280
	<u>4,517,975</u>	<u>116,115</u>	<u>4,634,090</u>
EXPENDITURES			
Current:			
General Government	241,205	-	241,205
Judicial	511,827	-	511,827
Public Safety	34,949	-	34,949
Culture and Recreation	1,125,417	-	1,125,417
Community Support	182,978	73,834	256,812
Intergovernmental	-	28,462	28,462
	<u>2,096,376</u>	<u>102,296</u>	<u>2,198,672</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,421,599</u>	<u>13,819</u>	<u>2,435,418</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	25,000	-	25,000
Transfers out	(1,967,188)	-	(1,967,188)
	<u>(1,942,188)</u>	<u>-</u>	<u>(1,942,188)</u>
Net Change in Fund Balances	479,411	13,819	493,230
Fund balances - beginning	<u>11,506,071</u>	<u>684,273</u>	<u>12,190,344</u>
Fund balances - ending	<u>\$ 11,985,482</u>	<u>\$ 698,092</u>	<u>\$ 12,683,574</u>

HUMBOLDT COUNTY
Reconciliation of the General Fund (Budgetary Basis) to the General Fund (GAAP Basis)
Balance Sheet
June 30, 2014

	<u>General Fund</u>	<u>Internally Reported Funds</u>	<u>General Fund Total</u>
Assets			
Cash and investments	\$ 17,734,244	\$ 758,681	\$ 18,492,925
Taxes receivable	20,501	-	20,501
Accounts receivable	252,640	-	252,640
Interest receivable	1,089	36	1,125
Notes receivable	569	-	569
Due from other governments	1,487,357	-	1,487,357
Due from other funds	1,578	-	1,578
	<u>19,497,978</u>	<u>758,717</u>	<u>20,256,695</u>
Total assets	<u>\$ 19,497,978</u>	<u>\$ 758,717</u>	<u>\$ 20,256,695</u>
Liabilities			
Accounts payable	\$ 482,572	\$ 8,085	\$ 490,657
Accrued salaries/benefits	329,821	-	329,821
Due to other governments	58,517	12,294	70,811
Due to other funds	42,359	-	42,359
Deferred revenue	33,435	-	33,435
	<u>946,704</u>	<u>20,379</u>	<u>967,083</u>
Total liabilities	<u>946,704</u>	<u>20,379</u>	<u>967,083</u>
Deferred Inflows of Resources			
Unavailable revenue - property taxes	20,501	-	20,501
	<u>20,501</u>	<u>-</u>	<u>20,501</u>
Fund Balances			
Nonspendable	569	-	569
Restricted	-	154,824	154,824
Committed	-	583,514	583,514
Assigned	5,779,084	-	5,779,084
Unassigned	12,751,120	-	12,751,120
	<u>18,530,773</u>	<u>738,338</u>	<u>19,269,111</u>
Total fund balances	<u>18,530,773</u>	<u>738,338</u>	<u>19,269,111</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 19,497,978</u>	<u>\$ 758,717</u>	<u>\$ 20,256,695</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, 2014

(With comparative actual amounts for the fiscal year ended June 30, 2013)

	2014				2013
	Original Budget	Final Budget	Actual	Variance to Final Budget	Actual
REVENUES					
Taxes:					
Property taxes	\$ 2,211,237	\$ 2,211,237	\$ 4,207,791	\$ 1,996,554	\$ 5,575,913
Tax penalties	72,000	72,000	110,455	38,455	95,325
Total Taxes	<u>2,283,237</u>	<u>2,283,237</u>	<u>4,318,246</u>	<u>2,035,009</u>	<u>5,671,238</u>
Licenses and Permits:					
Business:					
Business licenses	40,000	40,000	55,594	15,594	57,826
Liquor licenses	6,000	6,000	5,660	(340)	6,220
Local gaming licenses	45,000	45,000	57,034	12,034	62,958
Franchise fees	450,000	450,000	899,827	449,827	753,306
Nonbusiness:					
Building permits	160,000	160,000	270,351	110,351	460,331
Dog licenses	10,000	10,000	11,924	1,924	11,764
CCW permits	-	-	20,518	20,518	24,460
Marriage licenses	-	-	1,950	1,950	1,870
Other permits	-	-	63	63	48
Total Licenses and Permits	<u>711,000</u>	<u>711,000</u>	<u>1,322,921</u>	<u>611,921</u>	<u>1,378,783</u>
Intergovernmental Revenues:					
Federal grants:					
Child support enforcement	180,000	180,000	227,926	47,926	229,440
Consolidated task force	-	20,490	20,490	-	26,851
Senior transportation grant	-	200,939	200,939	-	220,555
SCAAP grant	-	6,157	6,157	-	2,981
TCSRT safety equipment grant	-	-	-	-	40,000
NDEP clean water grant	-	-	-	-	8,500
CDBG grant	-	-	-	-	43,184
NDOW grant	-	22,611	22,611	-	-
Other Intergovernmental Revenues:					
Taylor grazing fees	40,000	40,000	25,502	(14,498)	31,179
NRA grant	-	-	-	-	6,086
City-county sharing agreement	400,000	400,000	365,118	(34,882)	310,442
Humboldt river basin authority	40,000	40,000	40,467	467	40,000
Combined tax	8,180,040	8,180,040	9,773,454	1,593,414	10,899,842
State gaming license fees	140,000	140,000	141,872	1,872	139,946
Lease of federal lands	-	-	7,722	7,722	95,287
Total Intergovernmental Revenues	<u>8,980,040</u>	<u>9,230,237</u>	<u>10,832,258</u>	<u>1,602,021</u>	<u>12,094,293</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, 2014
(With comparative actual amounts for the fiscal year ended June 30, 2013)

	2014				2013
	Original Budget	Final Budget	Actual	Variance to Final Budget	Actual
Charges for Services:					
General Government:					
Clerk fees	\$ 17,500	\$ 17,500	\$ 21,405	\$ 3,905	\$ 24,707
Candidate fees	-	-	1,480	1,480	-
Recorder fees	150,000	150,000	122,889	(27,111)	147,981
Recorder technology fees	-	-	12,936	12,936	15,345
Planning fees	9,000	9,000	10,705	1,705	12,191
Map fees	30,000	30,000	8,620	(21,380)	22,526
Subtotal General Government	<u>206,500</u>	<u>206,500</u>	<u>178,035</u>	<u>(28,465)</u>	<u>222,750</u>
Judicial:					
Legal assistance fees	5,200	5,200	8,108	2,908	8,051
Law library fees	4,000	4,000	6,855	2,855	6,705
Bail bond fees	6,000	6,000	5,249	(751)	5,100
Civil action fees	30,000	30,000	59,972	29,972	40,993
Public administrator/guardian fees	-	-	-	-	2,761
District court filing fees	-	-	22,073	22,073	21,422
Public defender fees	-	-	13,270	13,270	9,821
Subtotal Judicial	<u>45,200</u>	<u>45,200</u>	<u>115,527</u>	<u>70,327</u>	<u>94,853</u>
Public Safety:					
Sheriff fees	25,000	25,000	38,147	13,147	39,420
Detention fees	30,000	30,000	58,318	28,318	45,736
Detention meal preparation	20,000	20,000	16,520	(3,480)	22,485
Subtotal Public Safety	<u>75,000</u>	<u>75,000</u>	<u>112,985</u>	<u>37,985</u>	<u>107,641</u>
Other Charges for Services	<u>5,500</u>	<u>5,500</u>	<u>30,277</u>	<u>24,777</u>	<u>20,034</u>
Total Charges for Services	<u>332,200</u>	<u>332,200</u>	<u>436,824</u>	<u>104,624</u>	<u>445,278</u>
Fines and Forfeits	<u>607,000</u>	<u>607,000</u>	<u>591,712</u>	<u>(15,288)</u>	<u>515,325</u>
Miscellaneous Revenues:					
Interest earnings	120,000	120,000	244,857	124,857	34,237
Miscellaneous	-	-	155,039	155,039	222,989
Geothermal lease	-	-	48,674	48,674	68,704
Election reimbursement	-	-	80	80	3,927
Forensic services	-	-	8,409	8,409	7,946
Restitution	-	-	852	852	612
Contributions	-	-	1,245	1,245	-
Total Miscellaneous Revenues	<u>120,000</u>	<u>120,000</u>	<u>459,156</u>	<u>339,156</u>	<u>338,415</u>
Total Revenues	<u>13,033,477</u>	<u>13,283,674</u>	<u>17,961,117</u>	<u>4,677,443</u>	<u>20,443,332</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, 2014
(With comparative actual amounts for the fiscal year ended June 30, 2013)

	2014			2013	
	Original Budget	Final Budget	Actual	Variance to Final Budget	Actual
EXPENDITURES BY FUNCTION AND ACTIVITY					
General Government Function:					
Legislative:					
Commissioners					
Salaries and wages	\$ 143,560	\$ 143,560	\$ 143,571	\$ (11)	\$ 145,648
Employee benefits	76,250	76,250	75,251	999	70,822
Services and supplies	39,750	39,750	31,102	8,648	29,192
Subtotal Legislative	<u>259,560</u>	<u>259,560</u>	<u>249,924</u>	<u>9,636</u>	<u>245,662</u>
Executive:					
County Administrator					
Salaries and wages	231,710	238,210	236,500	1,710	234,394
Employee benefits	93,430	93,430	92,868	562	86,118
Services and supplies	1,000	1,000	796	204	326
Subtotal Executive	<u>326,140</u>	<u>332,640</u>	<u>330,164</u>	<u>2,476</u>	<u>320,838</u>
Elections:					
Services and supplies	<u>25,000</u>	<u>25,000</u>	<u>26,464</u>	<u>(1,464)</u>	<u>28,740</u>
Finance:					
Comptroller:					
Salaries and wages	142,510	142,510	141,845	665	159,659
Employee benefits	64,760	64,760	63,329	1,431	61,923
Services and supplies	128,080	128,080	103,400	24,680	94,598
	<u>335,350</u>	<u>335,350</u>	<u>308,574</u>	<u>26,776</u>	<u>316,180</u>
Assessor:					
Salaries and wages	451,050	451,050	425,048	26,002	390,992
Employee benefits	204,480	204,480	187,275	17,205	160,237
Services and supplies	68,333	68,333	42,788	25,545	43,803
	<u>723,863</u>	<u>723,863</u>	<u>655,111</u>	<u>68,752</u>	<u>595,032</u>
Treasurer:					
Salaries and wages	168,770	168,770	168,476	294	161,975
Employee benefits	76,310	76,310	74,820	1,490	68,283
Services and supplies	24,000	24,000	23,093	907	21,191
	<u>269,080</u>	<u>269,080</u>	<u>266,389</u>	<u>2,691</u>	<u>251,449</u>
Subtotal Finance	<u>1,328,293</u>	<u>1,328,293</u>	<u>1,230,074</u>	<u>98,219</u>	<u>1,162,661</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, 2014
(With comparative actual amounts for the fiscal year ended June 30, 2013)

	2014				2013
	Original Budget	Final Budget	Actual	Variance to Final Budget	Actual
Other:					
Clerk:					
Salaries and wages	\$ 277,900	\$ 277,900	\$ 276,552	\$ 1,348	\$ 269,960
Employee benefits	127,110	127,110	124,029	3,081	113,391
Services and supplies	21,700	21,700	20,953	747	24,310
	<u>426,710</u>	<u>426,710</u>	<u>421,534</u>	<u>5,176</u>	<u>407,661</u>
Recorder:					
Salaries and wages	176,790	179,590	179,594	(4)	174,859
Employee benefits	77,970	77,970	76,941	1,029	70,189
Services and supplies	80,075	77,275	66,857	10,418	48,216
	<u>334,835</u>	<u>334,835</u>	<u>323,392</u>	<u>11,443</u>	<u>293,264</u>
Computer Systems:					
Salaries and wages	150,678	150,678	101,467	49,211	59,074
Employee benefits	59,988	59,988	44,366	15,622	25,585
Services and supplies	162,136	162,136	143,361	18,775	128,234
	<u>372,802</u>	<u>372,802</u>	<u>289,194</u>	<u>83,608</u>	<u>212,893</u>
Planning:					
Salaries and wages	82,750	82,750	82,991	(241)	78,645
Employee benefits	43,470	43,470	41,307	2,163	36,349
Services and supplies	21,200	21,200	10,227	10,973	8,562
	<u>147,420</u>	<u>147,420</u>	<u>134,525</u>	<u>12,895</u>	<u>123,556</u>
Buildings and Grounds:					
Salaries and wages	440,150	440,150	427,442	12,708	422,850
Employee benefits	213,170	213,170	202,264	10,906	186,588
Services and supplies	610,726	610,726	465,377	145,349	495,454
Capital outlay	70,800	70,800	93,106	(22,306)	93,827
	<u>1,334,846</u>	<u>1,334,846</u>	<u>1,188,189</u>	<u>146,657</u>	<u>1,198,719</u>
Communications:					
Salaries and wages	181,640	181,640	123,896	57,744	128,274
Employee benefits	76,800	76,800	41,444	35,356	43,789
Services and supplies	82,100	82,100	70,327	11,773	50,697
Capital outlay	155,400	155,400	38,824	116,576	134,144
	<u>495,940</u>	<u>495,940</u>	<u>274,491</u>	<u>221,449</u>	<u>356,904</u>
Personnel:					
Services and supplies	90,500	90,500	17,395	73,105	11,250

(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, 2014
(With comparative actual amounts for the fiscal year ended June 30, 2013)

	2014				2013
	Original Budget	Final Budget	Actual	Variance to Final Budget	Actual
Miscellaneous:					
Insurance	\$ 522,500	\$ 522,500	\$ 448,464	\$ 74,036	\$ 238,125
Insurance reserve	500,000	500,000	9,245	490,755	175,436
Humboldt river basin authority	42,750	42,750	44,467	(1,717)	44,000
Miscellaneous	577,000	352,300	293,993	58,307	133,857
	<u>1,642,250</u>	<u>1,417,550</u>	<u>796,169</u>	<u>621,381</u>	<u>591,418</u>
Subtotal Other	<u>4,845,303</u>	<u>4,620,603</u>	<u>3,444,889</u>	<u>1,175,714</u>	<u>3,195,665</u>
Total General Government Function	<u>6,784,296</u>	<u>6,566,096</u>	<u>5,281,515</u>	<u>1,284,581</u>	<u>4,953,566</u>
Judicial Function:					
Justice Court:					
Salaries and wages	451,080	451,080	435,787	15,293	409,516
Employee benefits	201,500	201,500	190,808	10,692	163,211
Services and supplies	68,500	68,500	47,416	21,084	62,748
	<u>721,080</u>	<u>721,080</u>	<u>674,011</u>	<u>47,069</u>	<u>635,475</u>
District Attorney:					
Salaries and wages	737,010	737,010	625,810	111,200	710,186
Employee benefits	311,230	311,230	251,688	59,542	267,532
Services and supplies	89,700	89,700	94,134	(4,434)	61,702
Capital Outlay	159,540	159,540	43,178	116,362	-
	<u>1,297,480</u>	<u>1,297,480</u>	<u>1,014,810</u>	<u>282,670</u>	<u>1,039,420</u>
Child Support:					
Salaries and wages	195,100	189,100	189,186	(86)	179,073
Employee benefits	105,240	93,240	88,919	4,321	85,951
Services and supplies	44,736	62,736	66,132	(3,396)	51,784
	<u>345,076</u>	<u>345,076</u>	<u>344,237</u>	<u>839</u>	<u>316,808</u>
Public Defender:					
Salaries and wages	146,150	148,950	148,996	(46)	142,441
Employee benefits	60,690	61,890	59,963	1,927	54,185
Services and supplies	19,000	15,000	5,623	9,377	9,393
	<u>225,840</u>	<u>225,840</u>	<u>214,582</u>	<u>11,258</u>	<u>206,019</u>
Total Judicial Function	<u>2,589,476</u>	<u>2,589,476</u>	<u>2,247,640</u>	<u>341,836</u>	<u>2,197,722</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, 2014

(With comparative actual amounts for the fiscal year ended June 30, 2013)

	2014			2013	
	Original Budget	Final Budget	Actual	Variance to Final Budget	Actual
Public Safety Function:					
Sheriff:					
Salaries and wages	\$ 1,844,158	\$ 1,999,158	\$ 2,017,931	\$ (18,773)	\$ 1,928,644
Employee benefits	1,026,314	1,071,314	1,039,079	32,235	980,105
Services and supplies	414,653	414,653	359,852	54,801	448,429
Capital outlay	180,000	151,000	195,307	(44,307)	70,653
	<u>3,465,125</u>	<u>3,636,125</u>	<u>3,612,169</u>	<u>23,956</u>	<u>3,427,831</u>
Detention:					
Salaries and wages	1,325,054	1,325,054	1,318,329	6,725	1,060,278
Employee benefits	729,267	729,267	673,068	56,199	546,856
Services and supplies	402,360	408,517	275,709	132,808	251,897
Capital outlay	-	-	-	-	11,310
	<u>2,456,681</u>	<u>2,462,838</u>	<u>2,267,106</u>	<u>195,732</u>	<u>1,870,341</u>
Dispatch:					
Salaries and wages	757,621	602,621	556,911	45,710	548,784
Employee benefits	262,546	203,546	157,102	46,444	169,415
Services and supplies	188,200	188,200	164,072	24,128	107,557
Capital outlay	-	43,000	42,809	191	201,975
	<u>1,208,367</u>	<u>1,037,367</u>	<u>920,894</u>	<u>116,473</u>	<u>1,027,731</u>
Building Official:					
Salaries and wages	187,830	190,330	190,218	112	183,017
Employee benefits	82,520	84,020	81,056	2,964	73,678
Services and supplies	28,100	28,100	27,948	152	25,552
	<u>298,450</u>	<u>302,450</u>	<u>299,222</u>	<u>3,228</u>	<u>282,247</u>
Task Force:					
Salaries and wages	79,840	79,840	76,666	3,174	82,572
Employee benefits	43,190	43,190	43,324	(134)	43,553
Services and supplies	19,500	32,845	10,924	21,921	24,906
Capital outlay	-	7,145	7,145	-	-
	<u>142,530</u>	<u>163,020</u>	<u>138,059</u>	<u>24,961</u>	<u>151,031</u>
Total Public Safety Function	<u>7,571,153</u>	<u>7,601,800</u>	<u>7,237,450</u>	<u>364,350</u>	<u>6,759,181</u>
Public Works Function:					
Services and supplies	<u>22,000</u>	<u>22,000</u>	<u>21,846</u>	<u>154</u>	<u>20,466</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, 2014

(With comparative actual amounts for the fiscal year ended June 30, 2013)

	2014			2013	
	Original Budget	Final Budget	Actual	Variance to Final Budget	Actual
Health Function:					
Health:					
Services and supplies	\$ 188,108	\$ 188,108	\$ 140,815	\$ 47,293	\$ 167,432
Mosquito Control:					
Services and supplies	150,444	150,444	118,601	31,843	85,327
Total Health Function	338,552	338,552	259,416	79,136	252,759
Culture and Recreation Function:					
Virgin Valley Campground:					
Services and supplies	2,500	2,500	2,500	-	2,500
Community Support Function:					
Services and supplies:					
Senior citizens	196,636	196,636	339,220	(142,584)	469,101
Museum	98,321	98,321	169,616	(71,295)	234,563
Senior transportation grant	-	200,939	200,939	-	204,482
Humboldt development authority	15,000	15,000	15,000	-	15,000
Chamber of commerce	6,500	6,500	6,500	-	6,500
Range improvement districts	-	26,000	25,502	498	31,179
BLM rural fire grant	-	-	-	-	-
Sonoma industries	-	-	-	-	50,000
Paradise valley weed	-	-	-	-	117,790
Western NV development	5,000	5,000	4,500	500	4,500
Melarkey & WMCA Blvd.	93,333	183,333	138,033	45,300	9,506
CDBG grant	-	-	-	-	43,184
Vitality center	7,500	7,500	7,500	-	7,500
Ruby mtn cloud seeding	5,000	5,000	-	5,000	-
NDOW Grant	-	22,611	22,611	-	-
Fire protection	100,000	100,000	100,000	-	-
Total Community Support Function	527,290	866,840	1,029,421	(162,581)	1,193,305

(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, 2014
(With comparative actual amounts for the fiscal year ended June 30, 2013)

	2014			2013	
	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	4,975	45,025	3,875
Cemetery	35,000	35,000	31,525	3,475	21,600
Parks and recreation	400,000	400,000	340,420	59,580	277,980
Animal control/spay neuter	15,000	15,000	22,000	(7,000)	8,200
Legal assistance	6,000	6,000	8,108	(2,108)	8,051
Total Intergovernmental Expenditure Function	<u>606,000</u>	<u>606,000</u>	<u>507,028</u>	<u>98,972</u>	<u>419,706</u>
Total Expenditures	<u>18,441,267</u>	<u>18,593,264</u>	<u>16,586,816</u>	<u>2,006,448</u>	<u>15,799,205</u>
Excess (deficiency) of revenues over expenditures	<u>(5,407,790)</u>	<u>(5,309,590)</u>	<u>1,374,301</u>	<u>6,683,891</u>	<u>4,644,127</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	5,000	5,000	5,000	-	5,000
Transfers out	-	(98,200)	(98,200)	-	(3,085,980)
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>(443,200)</u>	<u>(93,200)</u>	<u>350,000</u>	<u>(3,080,980)</u>
Net change in fund balance	(5,752,790)	(5,752,790)	1,281,101	7,033,891	1,563,147
Fund balance - beginning	<u>11,046,148</u>	<u>11,046,148</u>	<u>17,249,672</u>	<u>6,203,524</u>	<u>15,686,525</u>
Fund balance - ending	<u>\$ 5,293,358</u>	<u>\$ 5,293,358</u>	<u>\$ 18,530,773</u>	<u>\$ 13,237,415</u>	<u>\$ 17,249,672</u>

HUMBOLDT COUNTY
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2014
(Page 1 of 2)

	<u>Cooperative Extension Fund</u>	<u>Library Fund</u>	<u>6th Judicial District Drug Court Fund</u>	<u>In-Lieu-of- Tax Fund</u>
Assets				
Cash and investments	\$ 930,711	\$ 4,165,661	\$ 126,530	\$ 3,822,894
Taxes receivable	1,067	6,144	-	-
Accounts receivable	-	-	-	-
Due from other governments	11,533	65,353	20,727	-
	<u>11,533</u>	<u>65,353</u>	<u>20,727</u>	<u>-</u>
 Total assets	 <u>\$ 943,311</u>	 <u>\$ 4,237,158</u>	 <u>\$ 147,257</u>	 <u>\$ 3,822,894</u>
Liabilities				
Accounts payable	\$ 3,165	\$ 10,268	\$ 19,542	\$ -
Accrued salaries/benefits	3,483	22,058	3,769	-
Due to other governments	145	-	-	-
Due to other funds	658	1,872	-	-
Deferred revenue	-	-	-	-
	<u>7,451</u>	<u>34,198</u>	<u>23,311</u>	<u>-</u>
Total liabilities	<u>7,451</u>	<u>34,198</u>	<u>23,311</u>	<u>-</u>
Deferred Inflows of Resources				
Unavailable revenue - property taxes	1,067	6,144	-	-
	<u>1,067</u>	<u>6,144</u>	<u>-</u>	<u>-</u>
Fund Balances				
Restricted	934,793	-	123,946	-
Committed	-	4,196,816	-	1,025,000
Assigned	-	-	-	2,797,894
	<u>934,793</u>	<u>4,196,816</u>	<u>123,946</u>	<u>3,822,894</u>
Total fund balances	<u>934,793</u>	<u>4,196,816</u>	<u>123,946</u>	<u>3,822,894</u>
 Total Liabilities, Deferred Inflows, and Fund Balances	 <u>\$ 943,311</u>	 <u>\$ 4,237,158</u>	 <u>\$ 147,257</u>	 <u>\$ 3,822,894</u>

<u>Administrative Assessment Fund</u>	<u>Stabilization Fund</u>	<u>Check Restitution Fund</u>	<u>Genetic Marker Testing Fund</u>	<u>Assessor's Technology Fund</u>	<u>911 Enhancement Fund</u>
\$ 76,900	\$ 1,050,843	\$ 10,240	\$ 1,937	\$ 1,092,169	\$ 89,170
-	-	-	-	-	-
-	-	-	-	-	4,795
-	-	-	-	49	-
<u>\$ 76,900</u>	<u>\$ 1,050,843</u>	<u>\$ 10,240</u>	<u>\$ 1,937</u>	<u>\$ 1,092,218</u>	<u>\$ 93,965</u>
\$ 5,000	\$ -	\$ 915	\$ -	\$ 9,720	\$ -
-	-	-	-	290	-
-	-	-	1,937	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>5,000</u>	<u>-</u>	<u>915</u>	<u>1,937</u>	<u>10,010</u>	<u>-</u>
-	-	-	-	-	-
71,900	1,050,843	9,325	-	1,082,208	93,965
-	-	-	-	-	-
-	-	-	-	-	-
<u>71,900</u>	<u>1,050,843</u>	<u>9,325</u>	<u>-</u>	<u>1,082,208</u>	<u>93,965</u>
<u>\$ 76,900</u>	<u>\$ 1,050,843</u>	<u>\$ 10,240</u>	<u>\$ 1,937</u>	<u>\$ 1,092,218</u>	<u>\$ 93,965</u>

HUMBOLDT COUNTY
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2014
(Page 2 of 2)

	Justice Court Administrative Assessment Fund	Humboldt Fire District General Fund	Library Memorial Fund	Total Nonmajor Special Revenue Funds
Assets				
Cash and investments	\$ 24,025	\$ 506,981	\$ 75,782	\$ 11,973,843
Taxes receivable	-	602	-	7,813
Accounts receivable	-	-	-	4,795
Due from other governments	-	4,764	-	102,426
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 24,025</u>	<u>\$ 512,347</u>	<u>\$ 75,782</u>	<u>\$ 12,088,877</u>
Liabilities				
Accounts payable	-	\$ 1,795	\$ 4,069	\$ 54,474
Accrued salaries/benefits	-	-	-	29,600
Due to other governments	-	6,896	-	8,978
Due to other funds	-	-	-	2,530
Deferred revenue	-	-	-	-
Total liabilities	<u> </u>	<u>8,691</u>	<u>4,069</u>	<u>95,582</u>
Deferred Inflows of Resources				
Unavailable revenue - property taxes	-	602	-	7,813
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Fund Balances				
Restricted	24,025	503,054	71,713	3,965,772
Committed	-	-	-	5,221,816
Assigned	-	-	-	2,797,894
Total fund balances	<u>24,025</u>	<u>503,054</u>	<u>71,713</u>	<u>11,985,482</u>
Total Liabilities, Deferred Inflows, and Fund Balances	<u>\$ 24,025</u>	<u>\$ 512,347</u>	<u>\$ 75,782</u>	<u>\$ 12,088,877</u>

HUMBOLDT COUNTY
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2014
(Page 1 of 2)

	<u>Cooperative Extension Fund</u>	<u>Library Fund</u>	<u>6th Judicial Drug Court Fund</u>	<u>In-Lieu-of Tax Fund</u>
REVENUES				
Taxes	\$ 190,696	\$ 1,097,916	\$ -	\$ -
Intergovernmental revenue	85,888	509,581	460,301	1,718,685
Charges for services	-	-	-	-
Fines and forfeits	-	3,974	-	-
Miscellaneous revenues	1,312	75	-	-
	<u>277,896</u>	<u>1,611,546</u>	<u>460,301</u>	<u>1,718,685</u>
Total Revenues				
EXPENDITURES				
General government	-	-	-	-
Judicial	-	-	413,280	-
Public safety	-	-	-	-
Culture and recreation	-	1,080,681	-	-
Community support	182,978	-	-	-
	<u>182,978</u>	<u>1,080,681</u>	<u>413,280</u>	<u>-</u>
Total Expenditures				
Excess (deficiency) of revenues over (under) expenditures	<u>94,918</u>	<u>530,865</u>	<u>47,021</u>	<u>1,718,685</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	25,000	-	-	-
Transfers out	(1,400)	(10,500)	-	(1,955,288)
Total Other Financing Sources (Uses)	<u>23,600</u>	<u>(10,500)</u>	<u>-</u>	<u>(1,955,288)</u>
Net Change in Fund Balances	118,518	520,365	47,021	(236,603)
Fund Balances - beginning	<u>816,275</u>	<u>3,676,451</u>	<u>76,925</u>	<u>4,059,497</u>
Fund Balances - ending	<u>\$ 934,793</u>	<u>\$ 4,196,816</u>	<u>\$ 123,946</u>	<u>\$ 3,822,894</u>

<u>Administrative Assessment Fund</u>	<u>Stabilization Fund</u>	<u>Check Restitution Fund</u>	<u>Genetic Marker Testing Fund</u>	<u>Assessor's Technology Fund</u>	<u>911 Enhancement Fund</u>
\$ -	\$ -	\$ -	\$ -	\$ 202,365	\$ 58,240
-	-	-	-	-	-
-	-	3,217	20,352	-	-
37,895	-	-	-	-	-
-	-	-	-	-	-
<u>37,895</u>	<u>-</u>	<u>3,217</u>	<u>20,352</u>	<u>202,365</u>	<u>58,240</u>
-	-	-	-	241,205	-
72,449	-	5,746	20,352	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>72,449</u>	<u>-</u>	<u>5,746</u>	<u>20,352</u>	<u>241,205</u>	<u>-</u>
<u>(34,554)</u>	<u>-</u>	<u>(2,529)</u>	<u>-</u>	<u>(38,840)</u>	<u>58,240</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>(34,554)</u>	<u>-</u>	<u>(2,529)</u>	<u>-</u>	<u>(38,840)</u>	<u>58,240</u>
<u>106,454</u>	<u>1,050,843</u>	<u>11,854</u>	<u>-</u>	<u>1,121,048</u>	<u>35,725</u>
<u>\$ 71,900</u>	<u>\$ 1,050,843</u>	<u>\$ 9,325</u>	<u>\$ -</u>	<u>\$ 1,082,208</u>	<u>\$ 93,965</u>

HUMBOLDT COUNTY
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2014
(Page 2 of 2)

	Justice Court Administrative Assessment	Humboldt Fire District General Fund	Library Memorial Fund	Total Nonmajor Special Revenue Funds
REVENUES				
Taxes	\$ -	\$ 27,210	\$ -	\$ 1,576,427
Intergovernmental revenue	-	34,889	-	2,809,344
Charges for services	-	-	-	23,569
Fines and forfeits	24,025	-	-	65,894
Miscellaneous revenues	-	-	41,354	42,741
	<u>24,025</u>	<u>62,099</u>	<u>41,354</u>	<u>4,517,975</u>
EXPENDITURES				
General government	-	-	-	241,205
Judicial	-	-	-	511,827
Public safety	-	34,949	-	34,949
Culture and recreation	-	-	44,736	1,125,417
Community support	-	-	-	182,978
	<u>-</u>	<u>34,949</u>	<u>44,736</u>	<u>2,096,376</u>
Excess (deficiency) of revenues over (under) expenditures	<u>24,025</u>	<u>27,150</u>	<u>(3,382)</u>	<u>2,421,599</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	25,000
Transfers out	-	-	-	(1,967,188)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,942,188)</u>
Net Change in Fund Balances	24,025	27,150	(3,382)	479,411
Fund Balances - beginning	<u>-</u>	<u>475,904</u>	<u>75,095</u>	<u>11,506,071</u>
Fund Balances - ending	<u>\$ 24,025</u>	<u>\$ 503,054</u>	<u>\$ 71,713</u>	<u>\$ 11,985,482</u>

HUMBOLDT COUNTY
Cooperative Extension Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2014
(With comparative actual amounts for the fiscal year ended June 30, 2013)

	2014			2013	
	Original Budget	Final Budget	Actual	Variance to Final Budget	Actual
REVENUES					
Taxes	\$ 115,096	\$ 115,096	\$ 190,696	\$ 75,600	\$ 249,078
Intergovernmental Revenue:					
Combined tax	71,050	71,050	84,888	13,838	94,671
Grants	-	-	1,000	1,000	20,630
Total Intergovernmental Revenues	<u>71,050</u>	<u>71,050</u>	<u>85,888</u>	<u>14,838</u>	<u>115,301</u>
Miscellaneous	-	-	1,312	1,312	1,840
Total Revenues	<u>186,146</u>	<u>186,146</u>	<u>277,896</u>	<u>91,750</u>	<u>366,219</u>
EXPENDITURES					
Community Support Function:					
Salaries and wages	87,670	88,170	88,186	(16)	85,245
Employee benefits	44,640	44,140	43,778	362	39,891
Services and supplies	96,992	96,992	51,014	45,978	77,556
Total Expenditures	<u>229,302</u>	<u>229,302</u>	<u>182,978</u>	<u>46,324</u>	<u>202,692</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(43,156)</u>	<u>(43,156)</u>	<u>94,918</u>	<u>138,074</u>	<u>163,527</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	25,000	25,000	25,000	-	25,000
Transfers out	-	-	(1,400)	(1,400)	(1,400)
Total Other Financing Sources (Uses)	<u>25,000</u>	<u>25,000</u>	<u>23,600</u>	<u>(1,400)</u>	<u>23,600</u>
Net change in fund balance	(18,156)	(18,156)	118,518	136,674	187,127
Fund balance - beginning	<u>596,914</u>	<u>596,914</u>	<u>816,275</u>	<u>219,361</u>	<u>629,148</u>
Fund balance - ending	<u><u>\$ 578,758</u></u>	<u><u>\$ 578,758</u></u>	<u><u>\$ 934,793</u></u>	<u><u>\$ 356,035</u></u>	<u><u>\$ 816,275</u></u>

HUMBOLDT COUNTY
Library Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2014
(With comparative actual amounts for the fiscal year ended June 30, 2013)

	<u>2014</u>			<u>Variance to Final Budget</u>	<u>2013</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>		<u>Actual</u>
REVENUES					
Taxes	\$ 662,674	\$ 662,674	\$ 1,097,916	\$ 435,242	\$ 1,434,077
Intergovernmental Revenue:					
Federal grants	-	-	5,100	5,100	5,100
State grants	-	-	23,448	23,448	25,302
Combined tax	402,600	402,600	481,033	78,433	536,472
Total Intergovernmental Revenues	402,600	402,600	509,581	106,981	566,874
Fines and Forfeits:					
Library fines	2,500	2,500	3,974	1,474	3,631
Miscellaneous	-	-	75	75	-
Total Revenues	1,067,774	1,067,774	1,611,546	543,772	2,004,582
EXPENDITURES					
Culture and Recreation Function:					
Salaries and wages	568,380	568,380	554,464	13,916	551,353
Employee benefits	288,810	288,810	264,940	23,870	248,771
Services and supplies	292,703	292,703	261,277	31,426	215,181
Capital outlay	250,000	250,000	-	250,000	-
Total Expenditures	1,399,893	1,399,893	1,080,681	319,212	1,015,305
Excess (deficiency) of revenues over (under) expenditures	(332,119)	(332,119)	530,865	862,984	989,277
OTHER FINANCING SOURCES (USES)					
Transfers out	-	-	(10,500)	(10,500)	(10,500)
Net change in fund balance	(332,119)	(332,119)	520,365	852,484	978,777
Fund balance - beginning	2,314,258	2,314,258	3,676,451	1,362,193	2,697,674
Fund balance - ending	\$1,982,139	\$1,982,139	\$ 4,196,816	\$2,214,677	\$ 3,676,451

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, 2014
(With comparative actual amounts for the fiscal year ended June 30, 2013)

	<u>2014</u>			<u>2013</u>	
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance to Final Budget</u>	<u>Actual</u>
REVENUES					
Intergovernmental Revenue:					
A/A specialty court fund	\$ 54,000	\$ 104,000	\$ 158,027	\$ 54,027	\$ 117,336
Federal grant	<u>324,930</u>	<u>324,930</u>	<u>302,274</u>	<u>(22,656)</u>	<u>235,597</u>
Total Revenues	<u>378,930</u>	<u>428,930</u>	<u>460,301</u>	<u>31,371</u>	<u>352,933</u>
EXPENDITURES					
Judicial Function:					
Drug Court:					
Salaries and wages	25,680	106,598	106,598	-	11,387
Employee benefits	2,396	29,127	29,127	-	1,202
Services and supplies	<u>376,854</u>	<u>319,205</u>	<u>277,555</u>	<u>41,650</u>	<u>333,752</u>
Total Expenditures	<u>404,930</u>	<u>454,930</u>	<u>413,280</u>	<u>41,650</u>	<u>346,341</u>
Excess (deficiency) of revenues over (under) expenditures	(26,000)	(26,000)	47,021	73,021	6,592
Fund balance - beginning	<u>44,333</u>	<u>44,333</u>	<u>76,925</u>	<u>32,592</u>	<u>70,333</u>
Fund balance - ending	<u>\$ 18,333</u>	<u>\$ 18,333</u>	<u>\$ 123,946</u>	<u>\$ 105,613</u>	<u>\$ 76,925</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, 2014
(With comparative actual amounts for the fiscal year ended June 30, 2013)

	<u>2014</u>			<u>2013</u>	
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance to Final Budget</u>	<u>Actual</u>
REVENUES					
Intergovernmental Revenue:					
In-lieu-of tax payments	<u>\$1,400,000</u>	<u>\$1,400,000</u>	<u>\$ 1,718,685</u>	<u>\$ 318,685</u>	<u>\$1,604,229</u>
OTHER FINANCING SOURCES (USES)					
Transfers out	<u>(1,955,288)</u>	<u>(1,955,288)</u>	<u>(1,955,288)</u>	<u>-</u>	<u>(1,176,320)</u>
Net change in fund balance	(555,288)	(555,288)	(236,603)	318,685	427,909
Fund balance - beginning	<u>3,355,268</u>	<u>3,355,268</u>	<u>4,059,497</u>	<u>704,229</u>	<u>3,631,588</u>
Fund balance - ending	<u><u>\$2,799,980</u></u>	<u><u>\$2,799,980</u></u>	<u><u>\$ 3,822,894</u></u>	<u><u>\$ 1,022,914</u></u>	<u><u>\$ 4,059,497</u></u>

HUMBOLDT COUNTY
Administrative Assessment Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2014
(With comparative actual amounts for the fiscal year ended June 30, 2013)

	<u>2014</u>			<u>Variance to</u>	<u>2013</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					
Fines and Forfeits:					
Court administrative assessment	<u>\$ 40,000</u>	<u>\$ 40,000</u>	<u>\$ 37,895</u>	<u>\$ (2,105)</u>	<u>\$ 30,080</u>
EXPENDITURES					
Judicial Function:					
Justice Court:					
Services and supplies	<u>70,000</u>	<u>70,000</u>	<u>72,449</u>	<u>(2,449)</u>	<u>20,161</u>
Excess (deficiency) of revenues over (under) expenditures	(30,000)	(30,000)	(34,554)	(4,554)	9,919
Fund balance - beginning	<u>36,535</u>	<u>36,535</u>	<u>106,454</u>	<u>69,919</u>	<u>96,535</u>
Fund balance - ending	<u><u>\$ 6,535</u></u>	<u><u>\$ 6,535</u></u>	<u><u>\$ 71,900</u></u>	<u><u>\$ 65,365</u></u>	<u><u>\$ 106,454</u></u>

HUMBOLDT COUNTY
Stabilization Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2014
(With comparative actual amounts for the fiscal year ended June 30, 2013)

	<u>2014</u>			<u>Variance to Final Budget</u>	<u>2013</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</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><u>\$1,050,842</u></u>	<u><u>\$1,050,842</u></u>	<u><u>\$1,050,843</u></u>	<u><u>\$ 1</u></u>	<u><u>\$1,050,843</u></u>

HUMBOLDT COUNTY
Check Restitution Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2014
(With comparative actual amounts for the fiscal year ended June 30, 2013)

	<u>2014</u>			<u>Variance to</u>	<u>2013</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					
Charges for Services:					
Check restitution	\$ 30,000	\$ 30,000	\$ 3,217	\$ (26,783)	\$ 7,316
Fines and Forfeits:					
Administrative assessments	2,200	2,200	-	(2,200)	-
Total Revenues	<u>32,200</u>	<u>32,200</u>	<u>3,217</u>	<u>(28,983)</u>	<u>7,316</u>
EXPENDITURES					
Judicial Function:					
Settlements	30,000	30,000	3,478	26,522	4,942
Services and supplies	2,125	2,125	2,268	(143)	3,117
Total Expenditures	<u>32,125</u>	<u>32,125</u>	<u>5,746</u>	<u>26,379</u>	<u>8,059</u>
Excess (deficiency) of revenues over (under) expenditures	75	75	(2,529)	(2,604)	(743)
Fund balance - beginning	<u>12,597</u>	<u>12,597</u>	<u>11,854</u>	<u>(743)</u>	<u>12,597</u>
Fund balance - ending	<u>\$ 12,672</u>	<u>\$ 12,672</u>	<u>\$ 9,325</u>	<u>\$ (3,347)</u>	<u>\$ 11,854</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, 2014
(With comparative actual amounts for the fiscal year ended June 30, 2013)

	<u>2014</u>			Variance to Final Budget	<u>2013</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>		<u>Actual</u>
REVENUES					
Charges for Services:					
Fees	\$ -	\$ -	\$ 20,352	\$ 20,352	\$ 5,488
EXPENDITURES					
Judicial Function:					
Services and supplies	-	-	20,352	(20,352)	5,488
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, 2014
(With comparative actual amounts for the fiscal year ended June 30, 2013)

	2014			Variance to Final Budget	2013
	Original Budget	Final Budget	Actual		Actual
REVENUES					
Taxes:					
Property taxes	\$ 50,000	\$ 50,000	\$ 202,365	\$ 152,365	\$ 425,916
EXPENDITURES					
General Government Function:					
Services and supplies	540,000	540,000	241,205	298,795	70,712
Excess (deficiency) of revenues over (under) expenditures	(490,000)	(490,000)	(38,840)	451,160	355,204
Fund balance - beginning	495,844	495,844	1,121,048	625,204	765,844
Fund balance - ending	<u>\$ 5,844</u>	<u>\$ 5,844</u>	<u>\$ 1,082,208</u>	<u>\$ 1,076,364</u>	<u>\$ 1,121,048</u>

HUMBOLDT COUNTY
911 Enhancement Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2014
(With comparative actual amounts for the fiscal year ended June 30, 2013)

	2014			Variance to Final Budget	2013
	Original Budget	Final Budget	Actual		Actual
REVENUES					
Taxes:					
Surcharge	\$ -	\$ -	\$ 58,240	\$ 58,240	\$ 35,725
EXPENDITURES					
Public Safety Function:					
Services and supplies	-	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	-	-	58,240	58,240	35,725
Fund balance - beginning	-	-	35,725	35,725	-
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 93,965</u>	<u>\$ 93,965</u>	<u>\$ 35,725</u>

HUMBOLDT COUNTY
Justice Court Administrative Assessment
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2014

	2014			
	Original Budget	Final Budget	Actual	Variance to Final Budget
REVENUES				
Fines and Forfeits:				
Court administrative assessment	\$ -	\$ -	\$ 24,025	\$ 24,025
Excess (deficiency) of revenues				
over (under) expenditures	-	-	24,025	24,025
Fund balance - beginning	-	-	-	-
Fund balance - ending	\$ -	\$ -	\$ 24,025	\$ 24,025

HUMBOLDT COUNTY
Humboldt Fire District General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2014
(With comparative actual amounts for the fiscal year ended June 30, 2013)

	<u>2014</u>			<u>Variance to Final Budget</u>	<u>2013</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>		<u>Actual</u>
REVENUES					
Taxes:					
Property taxes	\$ 23,361	\$ 23,361	\$ 27,210	\$ 3,849	\$ 25,717
Intergovernmental Revenue:					
Combined tax	<u>28,436</u>	<u>28,436</u>	<u>34,889</u>	<u>6,453</u>	<u>40,279</u>
Total Revenues	<u>51,797</u>	<u>51,797</u>	<u>62,099</u>	<u>10,302</u>	<u>65,996</u>
EXPENDITURES					
Public Safety Function:					
Services and supplies	<u>35,000</u>	<u>35,000</u>	<u>34,949</u>	<u>51</u>	<u>26,095</u>
Excess (deficiency) of revenues over (under) expenditures	16,797	16,797	27,150	10,353	39,901
Fund balance - beginning	<u>339,972</u>	<u>339,972</u>	<u>475,904</u>	<u>135,932</u>	<u>436,003</u>
Fund balance - ending	<u>\$ 356,769</u>	<u>\$ 356,769</u>	<u>\$ 503,054</u>	<u>\$ 146,285</u>	<u>\$ 475,904</u>

HUMBOLDT COUNTY
Library Memorial Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2014
(With comparative actual amounts for the fiscal year ended June 30, 2013)

	<u>2014</u>			Variance to Final Budget	<u>2013</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>		<u>Actual</u>
REVENUES					
Miscellaneous	\$ -	\$ 35,000	\$ 41,354	\$ 6,354	\$ 23,772
EXPENDITURES					
Culture and Recreation Function:					
Services and supplies	-	35,000	44,736	(9,736)	27,530
Excess (deficiency) of revenues over (under) expenditures	-	-	(3,382)	(3,382)	(3,758)
Fund balance - beginning	-	-	75,095	75,095	78,853
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 71,713</u>	<u>\$ 71,713</u>	<u>\$ 75,095</u>

HUMBOLDT COUNTY
Internally Reported (Budgetary Basis) Funds Reported
As Part of the General Fund for External Reporting Purposes
Combining Balance Sheet
June 30, 2014

	<u>Unemployment Insurance Fund</u>	<u>Compensated Absences Fund</u>	<u>Total</u>
Assets:			
Cash and investments	\$ 167,118	\$ 591,563	\$ 758,681
Interest receivable	-	36	36
	<hr/>	<hr/>	<hr/>
Total assets	<u>\$ 167,118</u>	<u>\$ 591,599</u>	<u>\$ 758,717</u>
Liabilities			
Accounts payable	\$ -	\$ 8,085	\$ 8,085
Due to other governments	12,294	-	12,294
	<hr/>	<hr/>	<hr/>
Total liabilities	<u>12,294</u>	<u>8,085</u>	<u>20,379</u>
Fund Balances			
Restricted	154,824	-	154,824
Committed	-	583,514	583,514
	<hr/>	<hr/>	<hr/>
Total fund balances	<u>154,824</u>	<u>583,514</u>	<u>738,338</u>
	<hr/>	<hr/>	<hr/>
Total liabilities and fund balances	<u>\$ 167,118</u>	<u>\$ 591,599</u>	<u>\$ 758,717</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, 2014

	<u>Unemployment Insurance Fund</u>	<u>Compensated Absences Fund</u>	<u>Total</u>
REVENUES			
Miscellaneous revenues	\$ 200	\$ 1,034	\$ 1,234
EXPENDITURES			
General Government Function	<u>28,941</u>	<u>192,961</u>	<u>221,902</u>
Excess (deficiency) of revenues over (under) expenditures	(28,741)	(191,927)	(220,668)
OTHER FINANCING SOURCES (USES)			
Transfers in	<u>42,410</u>	<u>110,425</u>	<u>152,835</u>
Net change in fund balance	13,669	(81,502)	(67,833)
Fund balance - beginning	<u>141,155</u>	<u>665,016</u>	<u>806,171</u>
Fund balance - ending	<u>\$ 154,824</u>	<u>\$ 583,514</u>	<u>\$ 738,338</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, 2014
(With comparative actual amounts for the fiscal year ended June 30, 2013)

	<u>2014</u>			<u>Variance to Final Budget</u>	<u>2013</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	\$ 200	\$ (39,800)	\$ 367
EXPENDITURES					
General Government Function:					
Services and supplies	30,000	30,000	28,941	1,059	11,330
Excess (deficiency) of revenues over (under) expenditures	10,000	10,000	(28,741)	(38,741)	(10,963)
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	42,410	42,410	39,000
Net change in fund balance	10,000	10,000	13,669	3,669	28,037
Fund balance - beginning	123,118	123,118	141,155	18,037	113,118
Fund balance - ending	<u>\$ 133,118</u>	<u>\$ 133,118</u>	<u>\$ 154,824</u>	<u>\$ 21,706</u>	<u>\$ 141,155</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, 2014
(With comparative actual amounts for the fiscal year ended June 30, 2013)

	<u>2014</u>			Variance to Final Budget	<u>2013</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>		<u>Actual</u>
REVENUES					
Miscellaneous:					
Fund assessments	\$ 105,000	\$ 105,000	\$ 500	\$ (104,500)	\$ 500
Interest	-	-	534	534	551
	<u>105,000</u>	<u>105,000</u>	<u>1,034</u>	<u>(103,966)</u>	<u>1,051</u>
EXPENDITURES					
General Government Function:					
Services and supplies	200,000	200,000	192,961	7,039	49,736
Excess (deficiency) of revenues over (under) expenditures	(95,000)	(95,000)	(191,927)	(96,927)	(48,685)
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	110,425	110,425	102,001
Net change in fund balance	(95,000)	(95,000)	(81,502)	13,498	53,316
Fund balance - beginning	516,700	516,700	665,016	148,316	611,700
Fund balance - ending	<u>\$ 421,700</u>	<u>\$ 421,700</u>	<u>\$ 583,514</u>	<u>\$ 161,814</u>	<u>\$ 665,016</u>

HUMBOLDT COUNTY
Building Reserve Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2014
(With comparative actual amounts for the fiscal year ended June 30, 2013)

	<u>2014</u>			<u>2013</u>	
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance to Final Budget</u>	<u>Actual</u>
REVENUES					
Taxes:					
Property taxes	\$ 69,760	\$ 69,760	\$ 115,578	\$ 45,818	\$ 150,958
Charges for Services:					
Rents	10,000	10,000	29,422	19,422	28,530
Miscellaneous	-	-	593	593	36,436
Total Revenues	<u>79,760</u>	<u>79,760</u>	<u>145,593</u>	<u>65,833</u>	<u>215,924</u>
EXPENDITURES					
Community Support Function:					
Capital outlay	<u>500,000</u>	<u>500,000</u>	<u>217,406</u>	<u>282,594</u>	<u>3,572,015</u>
Excess (deficiency) of revenues over (under) expenditures	(420,240)	(420,240)	(71,813)	348,427	(3,356,091)
Other Financing Sources (Uses)					
Transfers in	-	-	-	-	2,000,000
Net change in fund balance	(420,240)	(420,240)	(71,813)	348,427	(1,356,091)
Fund balance - beginning	<u>1,348,114</u>	<u>1,348,114</u>	<u>1,855,002</u>	<u>506,888</u>	<u>3,211,093</u>
Fund balance - ending	<u>\$ 927,874</u>	<u>\$ 927,874</u>	<u>\$ 1,783,189</u>	<u>\$ 855,315</u>	<u>\$ 1,855,002</u>

HUMBOLDT COUNTY
Balance Sheet
Nonmajor Capital Projects Fund
June 30, 2014

ASSETS

Cash and investments	\$ 700,701
Taxes receivable	647
Interest receivable	43
Due from other governments	<u>11</u>
 Total assets	 <u><u>\$ 701,402</u></u>

LIABILITIES AND FUND BALANCES

Liabilities:

Due to other governments	<u>2,663</u>
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Deferred Inflows of Resources

Unavailable revenue - property taxes	<u>647</u>
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Fund Balances:

Restricted	<u>698,092</u>
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Total liabilities, deferred inflows, and fund balances	<u><u>\$ 701,402</u></u>
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HUMBOLDT COUNTY
Capital Projects Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2014
(With comparative actual amounts for the fiscal year ended June 30, 2013)

	<u>2014</u>			<u>Variance to</u>	<u>2013</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	\$ 69,760	\$ 69,760	\$ 115,576	\$ 45,816	\$ 150,956
Miscellaneous	-	-	539	539	190,548
Total Revenues	<u>69,760</u>	<u>69,760</u>	<u>116,115</u>	<u>46,355</u>	<u>341,504</u>
EXPENDITURES					
Community Support Function:					
Services and supplies	5,000	5,000	-	5,000	54,072
Capital outlay	104,000	104,000	73,834	30,166	151,527
Total Community Support	<u>109,000</u>	<u>109,000</u>	<u>73,834</u>	<u>35,166</u>	<u>205,599</u>
Intergovernmental Expenditure Function:					
Services and supplies	25,000	25,000	28,462	(3,462)	39,359
Total Expenditures	<u>134,000</u>	<u>134,000</u>	<u>102,296</u>	<u>31,704</u>	<u>244,958</u>
Excess (deficiency) of revenues over (under) expenditures	(64,240)	(64,240)	13,819	78,059	96,546
Fund balance - beginning	<u>550,123</u>	<u>550,123</u>	<u>684,273</u>	<u>134,150</u>	<u>587,727</u>
Fund balance - ending	<u>\$ 485,883</u>	<u>\$ 485,883</u>	<u>\$ 698,092</u>	<u>\$ 212,209</u>	<u>\$ 684,273</u>

HUMBOLDT COUNTY
Humboldt Television Fund
Schedule of Revenues, Expenses, and
Changes in Net Position - Budget and Actual
For the Year Ended June 30, 2014
(With comparative actual amounts for the fiscal year ended June 30, 2013)

	2014			2013	
	<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	\$ 229,513	\$ 29,513	\$ 223,283
PBS grant	-	2,297	2,297	-	-
Federal grants	-	-	-	-	6,146
Miscellaneous revenue	10,000	10,000	15,500	5,500	17,735
Total Operating Revenues	<u>210,000</u>	<u>212,297</u>	<u>247,310</u>	<u>35,013</u>	<u>247,164</u>
OPERATING EXPENSES					
Salaries and wages	93,100	93,100	-	93,100	61,971
Employee benefits	34,430	34,430	3,593	30,837	25,246
Services and supplies	54,940	57,237	50,166	7,071	52,702
Depreciation	50,000	50,000	41,372	8,628	43,836
Total Operating Expenses	<u>232,470</u>	<u>234,767</u>	<u>95,131</u>	<u>139,636</u>	<u>183,755</u>
Operating Income (Loss)	(22,470)	(22,470)	152,179	174,648	63,409
NONOPERATING REVENUES (EXPENSES)					
Capital Outlay	<u>(7,000)</u>	<u>(7,000)</u>	-	7,000	-
Income Before Transfers	<u>(29,470)</u>	<u>(29,470)</u>	<u>152,179</u>	<u>181,648</u>	<u>63,409</u>
TRANSFERS IN (OUT)					
Transfers out	-	-	-	-	(700)
Change in Net Position	<u>\$ (29,470)</u>	<u>\$ (29,470)</u>	152,179	<u>\$ 181,648</u>	62,709
Net position, July 1			<u>1,146,597</u>		<u>1,083,888</u>
Net position, June 30			<u>\$ 1,298,776</u>		<u>\$ 1,146,597</u>

HUMBOLDT COUNTY
Humboldt Television Fund
Schedule of Cash Flows
For the Year Ended June 30, 2014
(With comparative actual amounts for the fiscal year ended June 30, 2013)

	<u>2014</u>	<u>2013</u>
	<u>Actual</u>	<u>Actual</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from customers	\$ 245,807	\$ 269,149
Cash payments for personnel costs	-	(98,735)
Cash payments for services and supplies	<u>(50,813)</u>	<u>(53,009)</u>
Net Cash Provided (Used) by Operating Activities	<u>194,994</u>	<u>117,405</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Transfers to other funds	<u>-</u>	<u>(700)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Purchases of capital assets	<u>-</u>	<u>(5,000)</u>
Net Cash Provided (Used) by Financing Activities	<u>-</u>	<u>(5,000)</u>
Net Increase (Decrease) in Cash and Investments	194,994	111,705
CASH AND INVESTMENTS, JULY 1	<u>975,390</u>	<u>863,685</u>
CASH AND INVESTMENTS, JUNE 30	<u>\$ 1,170,384</u>	<u>\$ 975,390</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating Income (Loss)	<u>\$ 152,179</u>	<u>\$ 63,409</u>
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Depreciation	41,372	43,836
Change in assets and liabilities:		
(Increase) decrease in:		
Accounts receivable	(1,503)	21,985
Inventory	(520)	200
Increase (decrease) in:		
Accounts payable	(126)	(507)
Accrued salaries and benefits	<u>3,592</u>	<u>(11,518)</u>
Total Adjustments	<u>42,815</u>	<u>53,996</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 194,994</u>	<u>\$ 117,405</u>

HUMBOLDT COUNTY
Solid Waste Management Fund
Schedule of Revenues, Expenses, and
Changes in Net Position - Budget and Actual
For the Year Ended June 30, 2014
(With comparative actual amounts for the fiscal year ended June 30, 2013)

	2014			2013	
	<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	\$ 930,000	\$ 930,000	\$ 1,123,149	\$ 193,149	\$ 1,093,641
OPERATING EXPENSES					
Salaries and wages	42,110	42,110	40,668	1,442	32,950
Employee benefits	17,670	17,670	17,475	195	13,013
Services and supplies	888,200	888,200	852,801	35,399	800,617
Depreciation	8,000	8,000	3,504	4,496	3,504
Total Operating Expenses	<u>955,980</u>	<u>955,980</u>	<u>914,448</u>	<u>41,531</u>	<u>850,084</u>
Operating Income (Loss)	(25,980)	(25,980)	208,701	234,680	243,557
NONOPERATING REVENUES (EXPENSES)					
Interest earnings	<u>1,000</u>	<u>1,000</u>	<u>1,797</u>	<u>797</u>	<u>1,716</u>
Income Before Transfers	(24,980)	(24,980)	210,498	235,477	245,273
TRANSFERS IN (OUT)					
Transfers out	<u>-</u>	<u>-</u>	<u>(420)</u>	<u>(420)</u>	<u>(420)</u>
Change in Net Position	<u>\$ (24,980)</u>	<u>\$ (24,980)</u>	210,078	<u>\$ 235,057</u>	244,853
Net position, July 1			<u>2,058,824</u>		<u>1,813,971</u>
Net position, June 30			<u>\$ 2,268,902</u>		<u>\$ 2,058,824</u>

HUMBOLDT COUNTY
Solid Waste Management Fund
Schedule of Cash Flows
For the Year Ended June 30, 2014
(With comparative actual amounts for the fiscal year ended June 30, 2013)

	2014	2013
	Actual	Actual
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from customers	\$ 1,144,570	\$ 1,085,616
Cash payments for personnel costs	(56,384)	(44,880)
Cash payments for services and supplies	(880,467)	(759,871)
Net Cash Provided (Used) by Operating Activities	207,719	280,865
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Transfers to other funds	(420)	(420)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest received	1,787	1,701
Net Increase (Decrease) in Cash and Investments	209,086	282,146
CASH AND INVESTMENTS, JULY 1	2,041,170	1,759,024
CASH AND INVESTMENTS, JUNE 30	\$ 2,250,256	\$ 2,041,170
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating Income (Loss)	\$ 208,701	\$ 243,557
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	21,421	(8,025)
Increase (decrease) in:		
Accounts payable	(27,666)	40,746
Accrued salaries and benefits	1,759	1,083
Total Adjustments	(982)	37,308
Net Cash Provided (Used) by Operating Activities	\$ 207,719	\$ 280,865

HUMBOLDT COUNTY
Agency Funds
Combining Statement of Changes in Assets and Liabilities
For the Year Ended June 30, 2014

	<u>Balance</u> <u>July 01, 2013</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2014</u>
City of Winnemucca:				
Assets:				
Cash and investments	\$ 35,854	\$ 1,977,212	\$ 1,926,747	\$ 86,319
Liabilities:				
Due to other governments	\$ 35,854	\$ 1,977,212	\$ 1,926,747	\$ 86,319
Court Ordered Restitution:				
Assets:				
Cash and investments	\$ 16,597	\$ 43,771	\$ 41,304	\$ 19,064
Liabilities:				
Funds held in trust for others	\$ 16,597	\$ 43,771	\$ 41,304	\$ 19,064
Denio Television District:				
Assets:				
Cash and investments	\$ 26,900	\$ 1,730	\$ 40	\$ 28,590
Liabilities:				
Due to other governments	\$ 26,900	\$ 1,730	\$ 40	\$ 28,590
District Court Bail:				
Assets:				
Cash and investments	\$ 160,117	\$ -	\$ 26,500	\$ 133,617
Liabilities:				
Funds held in trust for others	\$ 160,117	\$ -	\$ 26,500	\$ 133,617
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	\$ 134,976	\$ 36,676	\$ 39,517	\$ 132,135
Liabilities:				
Due to other governments	\$ 134,976	\$ 36,676	\$ 39,517	\$ 132,135

(continued)

HUMBOLDT COUNTY
Agency Funds
Combining Statement of Changes in Assets and Liabilities
For the Year Ended June 30, 2014

	<u>Balance</u> <u>July 01, 2013</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2014</u>
Humboldt County General Hospital:				
Assets:				
Cash and investments	\$ 133,756	\$ 5,775,431	\$ 5,300,160	\$ 609,027
Liabilities:				
Due to other governments	\$ 133,756	\$ 5,775,431	\$ 5,300,160	\$ 609,027
Humboldt County School District:				
Assets:				
Cash and investments	\$ 8,755	\$ 8,510,696	\$ 7,536,241	\$ 983,210
Liabilities:				
Due to other governments	\$ 8,755	\$ 8,510,696	\$ 7,536,241	\$ 983,210
Humboldt Development Authority:				
Assets:				
Cash and investments	\$ 317,046	\$ 68,147	\$ 78,574	\$ 306,619
Liabilities:				
Due to other governments	\$ 317,046	\$ 68,147	\$ 78,574	\$ 306,619
Justice Court Bail:				
Assets:				
Cash and investments	\$ 48,102	\$ 6,446	\$ -	\$ 54,548
Liabilities:				
Funds held in trust for others	\$ 48,102	\$ 6,446	\$ -	\$ 54,548
Kings River GID:				
Assets:				
Cash and investments	\$ 9,238	\$ 9,093	\$ 9,165	\$ 9,166
Liabilities:				
Due to other governments	\$ 9,238	\$ 9,093	\$ 9,165	\$ 9,166
McDermitt Fire Protection District:				
Assets:				
Cash and investments	\$ 19,628	\$ 87,928	\$ 81,016	\$ 26,540
Liabilities:				
Due to other governments	\$ 19,628	\$ 87,928	\$ 81,016	\$ 26,540

(continued)

HUMBOLDT COUNTY
Agency Funds
Combining Statement of Changes in Assets and Liabilities
For the Year Ended June 30, 2014

	<u>Balance</u> <u>July 01, 2013</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2014</u>
McDermitt Sewer District:				
Assets:				
Cash and investments	\$ 153,081	\$ 53,651	\$ 36,958	\$ 169,774
Liabilities:				
Due to other governments	\$ 153,081	\$ 53,651	\$ 36,958	\$ 169,774
McDermitt Water District:				
Assets:				
Cash and investments	\$ 101,930	\$ 203,380	\$ 210,193	\$ 95,117
Liabilities:				
Due to other governments	\$ 101,930	\$ 203,380	\$ 210,193	\$ 95,117
Orovada Community Services District:				
Assets:				
Cash and investments	\$ 127,394	\$ 81,136	\$ 76,213	\$ 132,317
Liabilities:				
Due to other governments	\$ 127,394	\$ 81,136	\$ 76,213	\$ 132,317
Orovada Fire Protection District:				
Assets:				
Cash and investments	\$ 250,842	\$ 108,041	\$ 32,167	\$ 326,716
Liabilities:				
Due to other governments	\$ 250,842	\$ 108,041	\$ 32,167	\$ 326,716
Orovada General Improvement District:				
Assets:				
Cash and investments	\$ 64,814	\$ 240,269	\$ 176,159	\$ 128,924
Liabilities:				
Due to other governments	\$ 64,814	\$ 240,269	\$ 176,159	\$ 128,924
Orovada Rodent Control District:				
Assets:				
Cash and investments	\$ 38,085	\$ 19,207	\$ 13,729	\$ 43,563
Liabilities:				
Due to other governments	\$ 38,085	\$ 19,207	\$ 13,729	\$ 43,563

(continued)

HUMBOLDT COUNTY
Agency Funds
Combining Statement of Changes in Assets and Liabilities
For the Year Ended June 30, 2014

	<u>Balance</u> <u>July 01, 2013</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2014</u>
Paradise Sewer District:				
Assets:				
Cash and investments	\$ 7,793	\$ 13,233	\$ 14,140	\$ 6,886
Liabilities:				
Due to other governments	\$ 7,793	\$ 13,233	\$ 14,140	\$ 6,886
Paradise Weed Control District:				
Assets:				
Cash and investments	\$ 81,445	\$ 131,627	\$ 66,554	\$ 146,518
Liabilities:				
Due to other governments	\$ 81,445	\$ 131,627	\$ 66,554	\$ 146,518
Pueblo Fire Protection District:				
Assets:				
Cash and investments	\$ 195,870	\$ 137,921	\$ 8,263	\$ 325,528
Liabilities:				
Due to other governments	\$ 195,870	\$ 137,921	\$ 8,263	\$ 325,528
Quinn River Television District:				
Assets:				
Cash and investments	\$ 154,848	\$ 17,763	\$ 2,200	\$ 170,411
Liabilities:				
Due to other governments	\$ 154,848	\$ 17,763	\$ 2,200	\$ 170,411
Range Improvement:				
Assets:				
Cash and investments	\$ 8,999	\$ 38,538	\$ 24,467	\$ 23,070
Liabilities:				
Due to other governments	\$ 8,999	\$ 38,538	\$ 24,467	\$ 23,070
State Department of Wildlife:				
Assets:				
Cash and investments	\$ 3,611	\$ 2,576	\$ 2,740	\$ 3,447
Liabilities:				
Due to other governments	\$ 3,611	\$ 2,576	\$ 2,740	\$ 3,447

(continued)

HUMBOLDT COUNTY
Agency Funds
Combining Statement of Changes in Assets and Liabilities
For the Year Ended June 30, 2014

	<u>Balance</u> <u>July 01, 2013</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2014</u>
State of Nevada Trust:				
Assets:				
Cash and investments	\$ 170,903	\$ 2,204,384	\$ 2,063,858	\$ 311,429
Liabilities:				
Due to other governments	\$ 170,903	\$ 2,204,384	\$ 2,063,858	\$ 311,429
Sheriff's Commissary:				
Assets:				
Cash and investments	\$ 50,725	\$ 5,085	\$ -	\$ 55,810
Liabilities:				
Funds held in trust for others	\$ 50,725	\$ 5,085	\$ -	\$ 55,810
Winnemucca Convention and Visitors Authority:				
Assets:				
Cash and investments	\$ 51,760	\$ 468,849	\$ 468,223	\$ 52,386
Liabilities:				
Due to other governments	\$ 51,760	\$ 468,849	\$ 468,223	\$ 52,386
Winnemucca Rural Fire Protection District:				
Assets:				
Cash and investments	\$ 697,055	\$ 314,893	\$ 164,801	\$ 847,147
Liabilities:				
Due to other governments	\$ 697,055	\$ 314,893	\$ 164,801	\$ 847,147
Other Collections:				
Assets:				
Cash and investments	\$ 80,331	\$ 62,071	\$ 80,331	\$ 62,071
Liabilities:				
Due to other governments	\$ 80,331	\$ 62,071	\$ 80,331	\$ 62,071
Totals, All Agency Funds:				
Assets:				
Cash and investments	\$ 3,166,289	\$ 20,619,754	\$ 18,480,260	\$ 5,305,783
Liabilities:				
Due to other governments	2,890,748	20,564,452	18,412,456	5,042,744
Funds held in trust for others	275,541	55,302	67,804	263,039
Total Liabilities	\$ 3,166,289	\$ 20,619,754	\$ 18,480,260	\$ 5,305,783



**Independent Auditor's 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, 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, 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, 2014, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated November 25, 2014.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify and deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not yet been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be a significant deficiency (2014-001).

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*.

Humboldt County's Response to Findings

The County's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Blake Row & Associates, LLC

Winnemucca, Nevada

November 25, 2014



Independent Auditor's Report on Compliance for 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

Report on Compliance for Each Major Federal Program

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, 2014. 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.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. 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 on compliance for each major federal program. However, our audit does not provide a legal determination of the County's compliance.

Basis for Qualified Opinion on Transit Services Programs Cluster

As described in the accompanying schedule of findings and questioned costs, The County did not comply with requirements regarding CFDA 20.513 Transit Services Programs Cluster as described in finding number 2014-002 for Sub-Recipient Monitoring. Compliance with such requirements is necessary, in our opinion, for Humboldt County to comply with the requirements applicable to that program.

Qualified Opinion on Transit Services Programs Cluster

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, Humboldt County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the Transit Services Programs Cluster for the year ended June 30, 2014.

Unmodified Opinion on Each of the Other Major Federal Programs

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2014.

Report on Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances 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.

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 material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be *material weaknesses*. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be a significant deficiency.

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.

A significant deficiency in internal controls over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2014-002 to be a significant deficiency.

Humboldt County's response to the internal control over compliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Humboldt County's response was not subject to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Blake Row & Associates, LLC

Winnemucca, Nevada
November 25, 2014

HUMBOLDT COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2014
(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:			
Food Distribution Cluster			
Emergency Food Assistance Program, Food Commodities (non-cash)	10.569	N/A	\$ 35,285
Emergency Food Assistance Program, Administrative Costs	10.568	N/A	<u>1,797</u>
Total Food Distribution Cluster			<u>37,082</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>132,051</u>
Total Forest Service Schools and Road Cluster			<u>132,051</u>
Total US Department of Agriculture			<u>169,133</u>
<u>US Department of Justice:</u>			
Direct Programs:			
State Criminal Alien Assistance Program	16.606	2013-AP-BX-0590	<u>6,157</u>
Passed through State of Nevada Department of Health and Human Services:			
Juvenile Justice and Delinquency Prevention Allocation to States	16.540	2013-AP-BX-0590	<u>9,600</u>
Total Nevada Department of Health and Human Services			<u>9,600</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	13-JAG-16	<u>20,490</u>
Total Nevada Department of Public Safety			<u>20,490</u>
Total US Department of Justice			<u>36,247</u>
<u>US Department of Transportation:</u>			
Passed through State of Nevada Department of Transportation:			
Transit Services Programs Cluster			
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	PR442-12-802	42,215
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	PR468-13-802	<u>158,724</u>
Total Enhanced Mobility of Seniors and Individuals with Disabilities			<u>200,939</u>
Total Transit Services Programs Cluster			<u>200,939</u>
Total US Department of Transportation			<u>200,939</u>

HUMBOLDT COUNTY
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED JUNE 30, 2014
 (Page 2 of 2)

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH GRANTOR'S NUMBER	FEDERAL EXPENDITURES
<u>National Foundation on the Arts and the Humanities:</u>			
Passed through Nevada State Library and Archives Institute of Museum and Library Services: Rural Bookmobile Support	45.310	45.31	<u>5,100</u>
Total National Foundation on the Arts and the Humanities			<u>5,100</u>
<u>US Department of Health and Human Services:</u>			
Child Support Enforcement	93.563	N/A	227,926
Direct Program: Substance Abuse and Mental Health Services: Treatment Expansion & Enhancement for Adult Drug Court - Rural NV	93.243	1H79TI024157-01	<u>302,274</u>
Total US Department of Health and Human Services			<u>530,200</u>
<u>US Department of Interior</u>			
Passed through State of Nevada Department of Wildlife			
Fish and Wildlife Cluster			
Restoration and Basic Hunter Education	15.611	W51-HS-03	<u>22,611</u>
Total Fish and Wildlife Cluster			<u>22,611</u>
Total US Department of the Interior			<u>22,611</u>
Total Federal Grant Awards			<u>\$ 964,230</u>

See accompanying notes to schedule of expenditures of federal awards.

HUMBOLDT COUNTY
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2014

(1) Reporting Entity

The accompanying schedule of expenditures of federal awards (the "Schedule") presents the expenditure activity of all federal awards programs of Humboldt County (the County) for the year ended June 30, 2014. 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. The information in this Schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Because the schedule presents only a

(2) Basis of Accounting

The accompanying schedule of expenditures of federal awards is prepared on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-87, Cost Principles for State, Local and Indian Tribal Governments, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The amounts shown as expenditures of the Food Distribution Program represent the fair value of commodity food received 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>
FTA for Elderly and Disabled Persons	20.513	<u>\$ 200,939</u>
Total		<u><u>\$ 200,939</u></u>

**HUMBOLDT COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2014**

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, 2014.
- One significant deficiency disclosed during the audit of the financial statements is reported in the Independent Auditor’s 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*.
- 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.
- One significant deficiency in internal control over major federal award programs disclosed during the audit is reported in the Independent Auditor’s Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by OMB Circular A-133.
- The auditor’s report on compliance for the Transit Services Programs Cluster expresses a qualified opinion; the report on the remaining program is unmodified.
- Audit findings that are required to be reported under Section 510(a) of Circular A-133 are reported in this Schedule.
- The programs tested as major programs for the year ended June 30, 2014 included:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
20.513	Transit Services Programs Cluster
93.243	Treatment Expansion & Enhancement for Adult Drug Court

- The dollar threshold used for distinguishing between Type A and Type B programs for the year ended June 30, 2014, was \$300,000.
- Humboldt County did not qualify as a low-risk auditee for the year ended June 30, 2014.

**HUMBOLDT COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2014**

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

SIGNIFICANT DEFICIENCY

2014-001 Capital Assets

Condition and Criteria: Procedures at the County should be sufficient to ensure that all significant additions and dispositions are reflected in the accounting records, and are reflected in the appropriate fiscal year. Such conditions are not currently present at the County.

Effect: Capital assets balances were understated by approximately \$230,000, due mostly to failure to capitalize \$157,353 and \$33,562 for software expenditures in the Assessor's Technology Fund and District Attorney's department of the General Fund, respectively, and \$22,611 for shooting range restroom in the General Fund, with the remainder being composed of various other assets that were not captured or were added to the fixed asset system in incorrect amounts. Additionally, an herbicide storage building costing \$117,790 was left in construction in progress from the prior fiscal year and should have been placed in service during 2014, resulting in an immaterial understatement of depreciation expense and overstatement of capital assets balances. Finally, two assets totaling \$45,500 were placed in service in 2014 but were not actually received until 2015, resulting in an overstatement of capital assets balances and overstatement of depreciation expense.

Cause: Procedures to ensure that additions and dispositions at the County are reflected appropriately in the accounting records are not in place. This is due to insufficient awareness of the entity's transactions, insufficient training on the proper use of the County's fixed asset recording system, and inadequate reconciliation and review procedures.

Auditor's Recommendation: Procedures should be implemented to train staff on fixed assets system, establish proper review and reconciliation procedures, and use entity information such as budgets, capital acquisition plans, and information obtained transaction review procedures, to ensure completeness and accuracy of capital assets balances.

Views of Responsible Officials and Planned Corrective Actions:

All transactions will be scrutinized to ensure that all capital assets are identified and added to the fixed asset accounting system as appropriate. Training will be provided to all staff involved in the identification of assets so they are correctly accounted for and recorded accurately. Management will review the fixed asset accounting to ensure that records are complete and accurate.

**HUMBOLDT COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2014**

Findings and Questioned Costs—Major Federal Award Programs Audit:

2014-002 Transit Services Programs Cluster – CFDA 20.513

Passed through the State of Nevada Department of Transportation

Grant period – years ended September 30, 2013 and September 30, 2014

Condition and Criteria: As a pass-through entity, the County is responsible for ensuring that subrecipients expend awards in accordance with applicable laws, regulations, and provisions of contracts or grant agreements. In order to do so, the Single Audit Act requires that the pass-through entity establish an appropriate subrecipient monitoring process to ensure the subrecipients' compliance. Subrecipient monitoring processes at the County are not sufficient to ensure subrecipient compliance.

Context: The County passed \$200,939 through to the Senior Citizens of Humboldt County and did not perform adequate procedures to ensure subrecipient compliance. This is not however deemed to be a questioned cost as no instances of material non-compliance were noted during our testing of the subrecipient's grant activities.

Cause and Effect: County management conducted risk assessments to determine what procedures were necessary to ensure subrecipient compliance and performed limited monitoring procedures, relying mostly on the State of Nevada Department of Transportation to provide the needed oversight for the subrecipient. As a result of the limited understanding of the grant and narrow oversight provided, the County does not have evidence to show or make a determination related to compliance on the part of the subrecipient.

Recommendation: Procedures should be established to identify which compliance areas are direct and material to the grant, and implement monitoring and evidence-gathering procedures sufficient to ensure that subrecipients are in compliance with grant requirements.

Views of Responsible Officials and Planned Corrective Actions:

A sub-recipient monitoring plan will be implemented at the County. Management will work with the grantor agency to identify federal compliance areas for the program, ensure a plan is in place to comply with each requirement, and obtain documentation from the sub-recipient that they understand and agree with compliance requirements. Additionally, monitoring will be conducted to provide documentation over sub-recipient compliance. Management will maintain documentation of evidence of review of the monthly reimbursement requests.

**HUMBOLDT COUNTY
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2014**

No prior year findings related to federal awards were reported at June 30, 2013.

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, 2014

Flat Fixed Fees:

Business license revenue for the year ended June 30, 1991 (base year) adjusted through June 30, 2013	\$ 74,938
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Adjustment to Base:

Base year adjusted	
Percentage increase in population of the local government	1.45%

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>1.45%</u>	<u>2.90%</u>
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<u>2,173</u>

Adjusted base at June 30, 2014	77,111
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Actual revenue	<u>55,594</u>
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Amount under allowable amount	\$ <u><u>21,517</u></u>
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**HUMBOLDT COUNTY
AUDITOR'S COMMENTS
FOR THE YEAR ENDED JUNE 30, 2014**

CURRENT YEAR 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, 2013.

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, 2014.



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, 2014 (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, 2014,
- 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 25, 2014