

County of Nevada, California

Comprehensive Annual Financial Report

For the Fiscal Year Ended
June 30, 2007



Bridgeport Covered Bridge, Penn Valley

Marcia L. Salter, Auditor-Controller

COUNTY OF NEVADA, CALIFORNIA

**COMPREHENSIVE
ANNUAL FINANCIAL REPORT**

For the Year Ended June 30, 2007

**COUNTY OF NEVADA
Auditor-Controller Department**

**Marcia L. Salter
Auditor-Controller**

COUNTY OF NEVADA, CALIFORNIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2007

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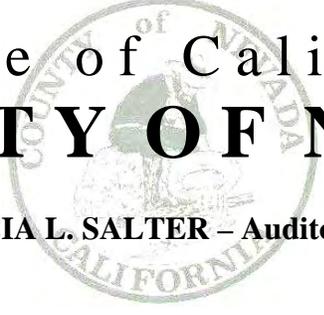
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INTRODUCTORY SECTION

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- **Letter of Transmittal**
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 - **Organizational Chart**



State of California
C O U N T Y O F N E V A D A

MARCIA L. SALTER – Auditor-Controller

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December 31, 2007

To the Honorable Board of Supervisors and the Citizens of the County of Nevada:

The Comprehensive Annual Financial Report (CAFR) of the County of Nevada for the fiscal year ended June 30, 2007 is hereby submitted in compliance with Sections 25250 & 25253 of the Government Code of the State of California. These statutes require all general-purpose local governments to issue an annual report on the financial position and activities of that government. The report must be presented in conformance with generally accepted accounting principles (GAAP) and must be audited by an independent firm of certified public accountants in conformance with generally accepted auditing standards (GAAS). The financial statements contained in this CAFR meet these requirements.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Since the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

The financial statements contained in this CAFR have been audited by Smith & Newell, a Professional Corporation of Certified Public Accountants. Their audit was performed in accordance with GAAS. The auditors have concluded, based on their audit, that the financial statements combined with the accompanying footnotes present fairly, in all material respects, the financial condition of Nevada County as of June 30, 2007. A copy of their report is located at the front of the financial section of this CAFR. In planning and performing the audit of the financial statements, Smith & Newell considered the internal control structure of the County in order to determine appropriate audit procedures. During this review, no required reportable conditions were noted; however, several opportunities to strengthen internal control and operating efficiency were recommended. This information was presented in a letter to the Board of Supervisors and management.

Management is required by GAAP (GASB 34) to provide a management discussion and analysis (MD&A) in conjunction with financial statement reporting. The purpose of the MD&A is to introduce the basic financial statements and to provide an analytical overview of the financial activities of the County. The MD&A can be found immediately following the report of the independent auditors.

In addition to the annual audit of this CAFR, the County is also required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 and the 1996 amendments to that act, and the US Office of Management and Budget Circular A-133, “*Audits of States, Local Governments and Non-Profit Organizations.*” Information related to the single audit, including the schedule of expenditures of federal awards, findings and recommendations, and the auditors’ report on the internal control and compliance with applicable laws and regulations are presented in a separate publication.

PROFILE OF THE COUNTY OF NEVADA

General Information

With an area of about 978 square miles, the County of Nevada is situated in the gold country of northern California. The County is located about 45 miles northeast of Sacramento, 130 miles northeast of San Francisco, and 12 miles southwest of Reno, Nevada. It is bordered by Sierra County to the north, Yuba County to the west, Placer County to the south, and the State of Nevada to the east.

County Government

Nevada County was organized by an act of the legislature, approved May 18, 1851. Before that time it had been a part of Yuba County, but the growth of population and business following the gold rush of 1849-50 plus the distance of the courts for trial of important criminal and civil business, resulted in the move for a separate county organization.

The County is a general law county and is governed by a five-member Board of Supervisors, elected to serve four-year terms. Each is elected from one of the five supervisorial districts of the County. Supervisors from District 3 and 4 are elected in gubernatorial election years (2002, 2006 etc) while supervisors from Districts 1, 2 and 5 are elected in presidential years (2000, 2004 etc.). District boundaries are adjusted after every federal census to equalize district population as closely as possible.

The Board of Supervisors is the legislative and executive body of County government and also serves as the governing body of the Nevada County Sanitation District No.1 and the Nevada County Housing Authority. In addition, members of the Board represent the County on numerous intergovernmental bodies. In its legislative duties the Board adopts ordinances, resolutions and rules within the limits prescribed by State law and is responsible for seeing that all Federal and State mandated functions are properly discharged.

As an executive body, the Board determines annual budget allocation; approves contracts for public improvement projects and other specialized services; conducts public hearings on matters such as zoning appeals and planning issues; provides for the compensation of all County officials and employees; creates offices, boards and commissions as needed, appointing members and fixing the terms of office; directs an annual audit of all County accounts, books, and records; provides policy direction to the County Executive Officer for the operation and administration of County departments; and exercises executive authority for the provision of local government services to County residents.

The remaining elected officials are the Assessor, the Auditor-Controller, the Clerk-Recorder, the District Attorney, the Sheriff and the Treasurer-Tax Collector. The County Executive Officer (CEO) is appointed by the Board to run the day-to-day operations of the County.

County Services

The County, with an average 986 full-time equivalent employees, provides a full range of services to its residents, including public safety protection; corrections and probation; construction and maintenance of roads, bridges and other infrastructure; health services, public assistance programs, sanitation services, environmental services, libraries, and a variety of other general governmental services. Every resident of the County, directly or indirectly, benefits from these services. Most services performed by the County are provided for all residents, regardless of whether those residents live in cities or unincorporated areas. The County prides itself on being innovative in the delivery of services to its citizens. The following is a sampling of recently deployed service enhancements:

- Social Services, in conjunction with Information Services, implemented a Web Based Community Resource Directory, Dial 2-1-1. The directory provides information on over 900 regional community resources for children, families and seniors.
- The Sheriff's Department installed and activated Mobile Data Terminals (MDT) in patrol vehicles. This greatly enhances the information and communications available to the individual units.
- The Community Development Agency (CDA) implemented an Integrated Voice Response System for automated building inspection scheduling for contractors and Haz Mat first responder notification.

Accounting Information

The accounts of the County are organized on the basis of funds, each of which is considered a separate entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which the spending activities are controlled.

The governmental reporting entity consists of the County and its component units. Component units are legally separate organizations for which the Board of Supervisors is financially accountable or other organizations for which the nature and significant relationship with the County are such that exclusion would cause the County's financial statement to be misleading or incomplete. The following blended component units are considered to be part of the primary government for reporting purposes: Nevada County Sanitation District, the Nevada County Housing Authority, the Nevada County Finance Authority and Special Districts governed by the Board. Note 1 of the Notes to the Financial Statements contains additional information on these entities.

Budgetary Process

The County is required by State law to adopt a balanced budget by July 1 of each fiscal year. The process begins in February with budget instructions issued to departments by the County Executive Officer (CEO). Department heads are responsible for preparing and managing their budgets. The County Executive Office reviews departmental projections for expense and income accuracy, consistency with budget policies, and planned attainment of the County's goals and objectives. As a recommending body to the CEO, a Budget Subcommittee is appointed, whose members provide a comprehensive review of department requests for service levels, funding, and staffing. The subcommittee consists of two members of the Board of Supervisors. Also serving as advisors are the elected Auditor-Controller, the County Executive Officer and the Deputy County Executive Officer. The Board of Supervisors is responsible for adopting the budget, after considering it as a whole, and gauging its success in reflecting County goals and priorities for the community. After adoption of the budget, the County Executive Office staff reviews and monitors revenues and expenses quarterly and assists departments in fiscal management as necessary.

The County Auditor-Controller is responsible for monitoring and reporting expenditures within budgeted appropriations. Budget information is presented for the general and special revenue funds. This budget data is prepared on the modified accrual basis consistent with comparable actual amounts. Budgets are also adopted for the enterprise and internal service funds. Budget appropriations represent original amounts adjusted by budget transfers and appropriation amendments. Encumbrance accounting is utilized during the year for budget control purposes. However, encumbrances outstanding at year-end do not constitute expenditures or liabilities, but rather reserves of fund balances. Unencumbered budget appropriations lapse at the end of the fiscal year.

The CEO may approve transfers of appropriations between major objects of expenditure within the same service budget unit (SBU) and fund. The Board must approve amendments or transfers of appropriations between SBUs within any fund and supplemental appropriations necessary and normally financed by

unanticipated revenues during the year. Any deficiency of budgeted revenues and other financing sources over expenditures and other financing uses is financed by beginning available fund balances.

LOCAL ECONOMY

Population

The 2007 estimated population figures as provided by the California Department of Finance for the County is 99,766. This is up a slight .36% from 2006, with about 67% of the residents living in the unincorporated areas. The Town of Truckee is the largest of the three cities within the County, with approximately 16,019 residents in 2007. The City of Grass Valley is the second largest city within the boundaries of the County with a population of 12,958. Nevada City serves as the County seat with a population in 2007 of 3,079.

Labor Force

The County's 2007 labor force totaled 51,200, an increase of 11.5 percent from 2000 figures. Nevada County's unemployment rate in June 2007 was 4.7 percent, which is slightly below California's rate of 5.2 percent for the same year.

Industry Employment

Nevada County's industry employment increased by 3 percent (870 jobs), during the 2002-2006 profiled period. Three industries led job growth over these years: professional and business services; natural resources, mining and construction; leisure and hospitality and other services. Leisure and hospitality increased by 10.5 percent (400 jobs), natural resources, mining and construction gained 18.7 percent (620 jobs), and professional and business services expanded by 8.8 percent (220 jobs). Offsetting these gains, several industries posted losses over the profiled period: government decreased by 430 jobs; trade, transportation and utilities decreased by 150 jobs; agriculture was reduced by 20 jobs; and financial activities declined by 120 jobs.

Housing

According to MLS, approximately 1,461 homes in Nevada County were sold in the calendar year 2006. However, prices were impacted by the general housing market trends, and prices of local homes sold declined by 5.68%, to a median price of \$448,000 as of October 2007.

Property Tax Collection and Apportionment

Property taxes levied countywide (secured, unsecured and unitary) rose in fiscal year 2006-07 to \$150,688,525, an increase of 12.6% over the previous fiscal year total of \$133,795,528. The Auditor-Controller calculates the local property tax bills based on assessed values as provided by the Assessor. The Treasurer-Tax Collector then distributes the tax bills and is charged with collection. In fiscal year 2006-07 the Auditor-Controller apportioned the revenue as follows:

Nevada County General Fund: 14.3%
Schools: 57.0%
Special Districts: 19.3%
Cities: 7.3%
Redevelopment Agencies: 2.1%

Transient Occupancy Tax (TOT)

As of January 1, 2005, the administration of the Transient Occupancy Tax was delegated to the Treasurer and Tax Collector. The County's 10% tax is levied in the unincorporated area of Nevada County on lodging fees where the lodger stays for 30-days or less. Transient Occupancy Tax (TOT) revenues increased 31.6% to \$292,524 in fiscal year 2006-07 over the prior fiscal year. The increase was due to enhanced collection efforts for current and delinquent amounts owed.

Debt Administration

Contained within the County's tax code area are numerous municipalities, school districts and special-purpose districts providing public services. These entities have outstanding bonds issued in the form of general obligation bonds.

Direct debt constitutes debt directly issued by the County while overlapping debt constitutes that portion of the debt issued by different public entities within the same tax code area as the County's. The County is not responsible for overlapping debt of the other local agencies.

The County has \$69,727,218 in direct debt outstanding as of June 30, 2007. This includes the 2002 Certificates of Participation, capital leases, special assessment debt, loans payable, compensated absences, accrued claims payable and landfill post closure.

RELEVANT FINANCIAL POLICIES

Budget Policies

The Board of Supervisors adopted several policies to guide the preparation of the budget. The following are several key items:

- Every effort will be made to provide same level service as 2005-06. This may require the reorganization or streamlining of current resources.
- The budget will only use reserve funds for emergency and one-time expenditures or for purposes designated to fund. Every effort will be used to preserve reserve funds.
- There will be a high level of fiscal discipline by the Department Heads, Budget Subcommittee, County Executive Office and Board of Supervisors. Every effort will be made to maximize County assets, evaluate cost per service item and develop and maintain contracts with vendors within Nevada County.

Cash Management

The County sponsors an investment pool that is managed by the County Treasurer-Tax Collector for the purpose of earning interest through investments. The State of California statutes require certain government entities and special districts to maintain their surplus cash with the County Treasurer-Tax Collector. Cash and investments for most County activities are included in the investment pool.

The California Government Code statutes and the County's investment policy govern the County's investment pool activity. The County's investment policy has the following objectives: safety, liquidity, and yield. Those statutes and policy authorize the County Treasurer-Tax Collector to invest in securities issued by the U.S. Government Treasury and its Agencies, certain corporate bonds and notes, bankers' acceptances, certificates of deposit, commercial paper, and repurchase agreements. The investment pool's maximum maturity limitation is 5 years. A Treasury Oversight Committee monitors and reviews the management of the County's investment pool. The County pool of investments earned an average rate of return for the fiscal year ending June 30, 2007 of 3.96%.

Risk Management

The County is a member of the CSAC Excess Insurance Authority, a public entity risk pool currently operating as a common risk management and insurance program for Counties. Under this program, the Risk Management Funds provide coverage for up to a maximum of \$100,000 for each general liability claim. In fiscal year 2006-07, the County maintained two layers of excess coverage for a total of \$15.0 million in general liability coverage.

The claims liability for General Liability self-insurance was approximately \$689,198 at the end of fiscal 2007 and was funded at \$1,347,108. Details on the Risk Management program are contained in the footnotes to the financial statements.

Pension Benefits

The County of Nevada is a member of the California Public Employee's Retirement System (CalPERS). CalPERS revised their calculation process beginning in 2004-05 to help smooth the rates and reduce the extreme rate fluctuations that participating entities had seen in recent years. The estimate of 31.217% cost of payroll for Safety Members and 18.433% cost of payroll for General Members in 2006-07 was up from 29.578% and 12.032% respectively in 2005-06 and has increased estimated payments to CalPERS from \$5.4 million in fiscal year 2005-06 to \$5.8 million in 2006-07. Barring any changes in actuarial assumptions and benefit levels, rates would remain fairly stable.

The County implemented a negotiated retirement enhancement to 2.7% @ 55 for its local miscellaneous members beginning July 1, 2006. The agreement included a share of cost with employees with a County cap. The 2006-07 CalPERS rates were increased accordingly.

Other Factors Affecting Financial Condition

California local governments are particularly vulnerable to State and Federal budgetary difficulties. The State of California acts as a pass-through entity for much of the County revenue. Reduction of revenues and delays in payment to the County will negatively affect the County budget and therefore decrease the ability to provide services.

In the recent past, the State imposed several shifts in local governments' revenues, known as the Triple Flip, the VLF Swap and the ERAF III. The Educational Revenue Augmentation Fund III (ERAF III) program required Nevada County to shift an additional \$503,388 in property tax revenue for each of the fiscal years 2004-05 and 2005-06 to the State of California to cover State shortfalls in school funding. The Triple Flip is an exchange of revenues generated from .25% sales and use tax that previously was credited to counties and cities with an equal amount of property tax revenues. The VLF swap is an exchange of the discretionary motor vehicle license fees (VLF) for property tax revenues. The flipped/swapped property tax revenues flow through the ERAF fund, which reduces the flow of property tax revenues to schools. Schools revenues are then backfilled by the State General Fund.

In 2004, the California Constitution was amended under the voter approved Proposition 1A, to grant certain protections on local governments property tax revenues. Under certain circumstance, the Governor may declare a state of severe fiscal hardship and potentially shift a capped % of the local property tax to the State. This may only occur twice in ten years and the State is required to repay the shifted amount in full within three years.

The State of California continued to delay payment to the County in revenue reimbursements of State mandate claims (SB90). The County has submitted for approval, claims totaling \$3.6 million. The State has signified that the payment of deferred claims would occur, however it will be over an extended period.

Acknowledgments

The preparation of this Comprehensive Annual Financial Report was possible with the combined efforts of numerous individuals. I wish to express my sincere appreciation to my staff in the Auditor-Controller's Office for their tremendous effort and dedication to the preparation and review of this report. I would like to thank all the departments and agencies who contributed financial information to this report along with our independent auditors, Smith & Newell and staff, for their assistance and guidance in producing this CAFR. In addition, I would like to thank the Board of Supervisors and the County Executive Office for their continued efforts in planning and overseeing the financial operations of the County in a responsible and progressive manner.

Respectfully Submitted,

A handwritten signature in cursive script that reads "Marcia L. Salter".

Marcia L. Salter
Auditor-Controller

COUNTY OF NEVADA, CALIFORNIA
COUNTY OFFICIALS
FOR THE YEAR ENDED JUNE 30, 2007

ELECTED OFFICIALS

Supervisor, District 1	Nate Beason
Supervisor, District 2	Sue Horne
Supervisor, District 3	John Spencer
Supervisor, District 4	Wm. Hank Weston
Supervisor, District 5	Ted Owens

Assessor	Dale Flippin
Auditor-Controller	Marcia Salter
Clerk-Recorder	Gregory Diaz
District Attorney	Clifford Newell
Sheriff-Coroner/Public Administrator	Keith Royal
Treasurer-Tax Collector	Chris Dabis

DEPARTMENT DIRECTORS/ADMINISTRATORS

Agricultural Commissioner	Jeff Pylman
Behavioral Health Director	Michael Heggarty
Building Director	Brian Washko
Chief Information Officer	Steve Monaghan
Chief Probation Officer	Doug Carver
Child Support Director	Kathy Hrepich
Clerk of the Board	Cathy Thompson
Community Development Agency Director	Steve DeCamp
County Counsel	Robert Shulman
County Executive Officer	Rick Haffey
Emergency Services Program Director	Victor Ferrera
Environmental Health Director	Wesley Nicks
Health & Human Services Director	Jeff Brown
Human Resources Director	Gayle Satchwell
Librarian	Mary Ann Trygg
Planning Director	Randy Wilson
Public Defender	Donald Lown Jr.
Public Health Officer	Joseph Iser, M.D.
Public Works Director	Douglas Farrell
Sanitation Director	Nick Zaninovich
Social Services Director	Cynthia Bryan
Veterans Service Officer	Ray Holcomb

Nevada County Government Organization



Board of Supervisors

County Executive Officer

Airport

Elective Offices

Assessor

Auditor-Controller

Clerk-Recorder

- Clerk-Recorder
- Elections

District Attorney

Sheriff-Coroner

- Animal Care Services
- Corrections
- Court Security
- Operations

Treasurer-Tax Collector

- Collections

Superintendent of Schools

Superior Court

- Grand Jury

Appointive Offices

Community Development Agency

Ag Commissioner

- Ag Services
- Weights & Measures

Farm Advisor

Building Inspection

Planning

- Code Compliance
- Housing Programs

Environmental Health

Public Works

- Roads
- Fleet
- Transit Services

Sanitation

- Solid Waste
- Wastewater

Child Support Services

Probation

- Juvenile Hall
- Victim / Witness

Health & Human Services Agency

Department of Social Services

- Adult Protective Services
- Child Protective Services
- Public Assistance
- Veterans' Services

Behavioral Health

Public Health

- Public Health Officer

Human Resources

- Personnel Services
- Risk Management

Information & General Services

- Information Systems
- GIS
- Cable TV
- Central Services
- Emergency Services
- Facilities Management
- Purchasing

Library

Public Defender

Clerk of the Board

County Counsel

Commissions, Boards & Committees

FINANCIAL SECTION

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- **Independent Auditor's Report**
 - **Management's Discussion and Analysis**
 - **Basic Financial Statements**
 - **Required Supplementary Information**
 - **Combining and Individual Fund Statements and Schedules**

INDEPENDENT AUDITOR'S REPORT

To the Board of Supervisors and Grand Jury
County of Nevada
Nevada City, California

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 the County of Nevada, California (County), as of and for the year ended June 30, 2007, which collectively comprise the County's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit.

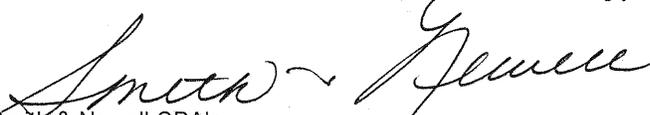
We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County as of June 30, 2007, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated November 29, 2007, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

The accompanying Required Supplementary Information, such as Management's Discussion and Analysis, the schedule of Defined Benefit Pension Plans Funded Status, and the Budgetary Comparison Schedules as listed in the table of contents is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The introductory section, the major fund budgetary comparison schedules, the combining and individual nonmajor fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.



Smith & Newell CPA's
Yuba City, California
November 29, 2007

MANAGEMENT'S DISCUSSION AND ANALYSIS
(Unaudited)

COUNTY OF NEVADA
Management's Discussion and Analysis
Required Supplementary Information

This section of the County of Nevada's (County's) comprehensive annual financial report provides an overview and analysis of the County's financial activities for the fiscal year ended June 30, 2007. Please read it in conjunction with the transmittal letter at the front of this report and the County's basic financial statements following this section.

FINANCIAL HIGHLIGHTS

- The assets of the County exceeded its liabilities at the close of the 2006-2007 fiscal year by \$312,318,969 (net assets). Of this amount, \$14,947,160 (unrestricted net assets) may be used to meet the County's ongoing obligations to citizens and creditors, \$40,643,025 is restricted for specific purposes (restricted net assets), and \$256,728,784 is invested in capital assets, net of related debt.
- The County's total net assets increased by \$14,420,284. The governmental activities net assets at the close of the 2006-2007 fiscal were \$293,895,613 and the business-type activities net assets were \$18,423,356.
- As of June 30, 2007, the County's governmental funds reported combined ending fund balances of \$56,600,139 an increase of \$4,972,438 or 9.6% in comparison with the prior year's ending fund balance. Approximately 60.3% of this total amount, \$34,113,200 is *available* to meet the County's current and future needs (*unreserved fund balance*).
- At the end of the fiscal year, the unreserved fund balance for the General Fund was \$15,271,699, or 31% of the total General Fund expenditures for the year.
- The County's total long-term debt increased from \$48,800,480 to \$69,727,218. This \$20,926,738 or 42.8 % increase was related to loans used to fund two major capital projects in the Sanitation District.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements comprise three components: 1) **Government-wide** financial statements, 2) **Fund** financial statements, and 3) **Notes** to the basic financial statements. Required Supplementary Information is included in addition to the basic financial statements.

Government-wide Financial Statements are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business.

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

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

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Both of these government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the County include general government, public protection, public ways and facilities, health and sanitation, public assistance, education and recreation. The business-type activities of the County include the Western Nevada County Solid Waste, Eastern Nevada County Solid Waste, Transit Services, and the Airport.

Component units are included in our basic financial statements and consist of legally separate entities for which the County is financially accountable and that have substantially the same board as the County or provide services entirely to the County. The County's component units are: Nevada County Sanitation District, Nevada County Housing Authority, and Nevada County Finance Authority.

The government-wide financial statements can be found on pages 18-19 of this report.

Fund Financial Statements are groupings of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The 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 the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary 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 the County'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 County's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The County maintains one hundred seventy individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund and other major governmental funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual and grouped fund data for the non-major governmental funds are provided in the form of *combining statements* elsewhere in this report.

The governmental fund financial statements can be found on pages 20-23 of this report.

Proprietary funds are maintained in two ways. Enterprise funds are used to report the same functions presented as *business-type activities* in the government-wide financial statements. *Internal service funds* are used to accumulate and allocate costs internally among the County's various functions. The County maintains twenty-seven individual proprietary funds. The Western Nevada County Solid Waste, Eastern Nevada County Solid Waste, the Airport, Transit Services and Sanitation District are used for business-type activity. The County uses internal service funds to account for its Fleet Management, Vision

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Insurance, Unemployment Insurance, Liability Insurance, Dental Insurance and Central Services. As these services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. Western Nevada County Solid Waste, the Airport and the Sanitation District are considered to be major funds of the County and are presented individually. The County's non-major enterprise funds and the six internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for each of these nonmajor enterprise and internal service funds are provided in the form of *combining statements* elsewhere in this report.

The proprietary fund financial statements can be found on pages 24-29 of this report.

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 statements because the resources of those funds are not available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The County maintains three hundred ten fiduciary funds.

The fiduciary fund financial statements can be found on pages 30-31 of this report.

Notes to the Financial Statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

The notes can be found on pages 32-57 of this report.

Required Supplementary Information consists of a funding progress schedules for the County Defined Benefit Pension Plan; the County's General Fund budgetary schedule to demonstrate compliance with the County's adopted budget; and infrastructure assets reported using the modified approach to account for the County's road subsystem.

Required supplementary information can be found on pages 58-67 of this report.

Combining and individual fund statements and schedules referred to earlier provide information for nonmajor governmental funds, nonmajor enterprise funds, internal service funds, and fiduciary funds and are presented immediately following the required supplementary information.

Combining and individual fund statements and schedules can be found on pages 68-105 of this report.

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GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may over time serve as a useful indicator of the County's financial position. On June 30, 2007, the County's assets exceeded its liabilities by \$312,318,969.

County's Net Assets
June 30, 2007 and 2006

	Governmental Activities		Business-Type Activities		Total		Variance
	2007	2006	2007	2006	2007	2006	
Current and other assets	67,896,533	60,854,695	27,208,640	15,720,367	95,105,173	76,575,062	24.20%
Capital Assets	257,942,702	257,477,515	39,981,773	21,662,136	297,924,475	279,139,651	6.73%
Total Assets	325,839,235	318,332,210	67,190,413	37,382,503	393,029,648	355,714,713	10.49%
Long-term liabilities	24,136,470	25,536,109	45,590,748	24,276,652	69,727,218	49,812,761	39.98%
Other liabilities	7,807,152	5,989,973	3,176,309	2,013,294	10,983,461	8,003,267	37.24%
Total Liabilities	31,943,622	31,526,082	48,767,057	26,289,946	80,710,679	57,816,028	39.60%
Net Assets:							
Invested in capital assets, net of related debt	238,955,459	237,770,629	17,773,325	10,949,954	256,728,784	248,720,583	3.22%
Restricted	40,643,025	39,102,881			40,643,025	39,102,881	3.94%
Unrestricted	14,297,129	9,932,618	650,031	142,603	14,947,160	10,075,221	48.36%
Total Net Assets	293,895,613	286,806,128	18,423,356	11,092,557	312,318,969	297,898,685	4.84%

Of the County's total net assets, approximately 4.7% are unrestricted net assets that may be used to meet the County's ongoing obligations to citizens and creditors. 82.2% of the County's net assets reflect its investment in capital assets (e.g., land, buildings, equipment and other infrastructure), less any related debt used to acquire those assets that is still outstanding. The remaining portion of the County's net assets, 13% represents resources that are externally restricted in purpose.

At the end of the current fiscal year, the County is able to report positive balances in all three categories of net assets, as well as for its separate governmental and business-type activities. This has been the trend for two years in a row.

As mentioned earlier, there was an overall increase of \$14,420,284 (or 4.84%) over the prior year's net assets. Approximately 51% of the noted amount is attributable to the increase County's business-type activities category of Invested in capital assets.

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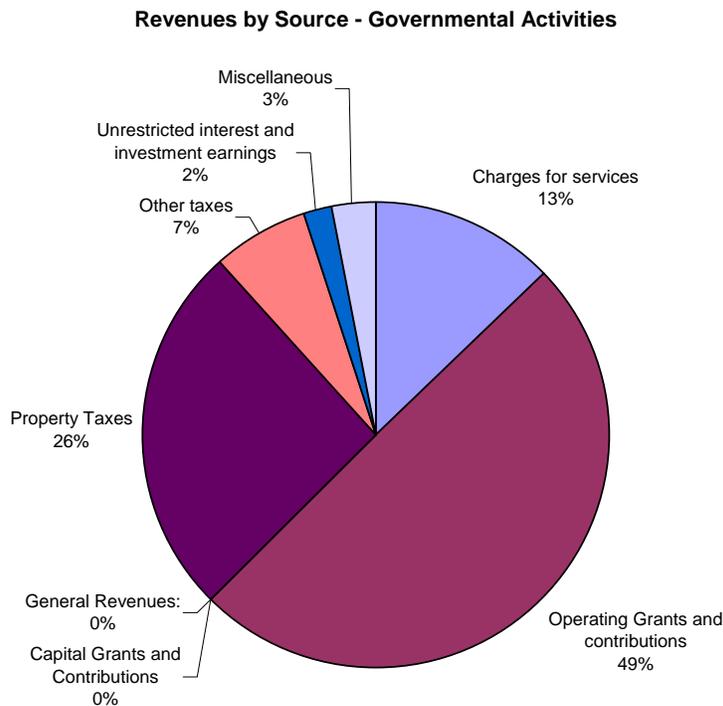
County's Change in Net Assets
June 30, 2007 and 2006

	Governmental		Business-Type		TOTAL		Variance
	Activities		Activities				
	2007	2006	2007	2006	2007	2006	
Revenues							
Program revenues:							
Charges for services	15,375,856	16,446,031	15,922,138	12,465,298	31,297,994	28,911,329	8.26%
Operating Grants and contributions	60,489,775	58,599,661	475,587	2,633,921	60,965,362	61,233,582	-0.44%
Capital Grants and Contributions	54,876	2,296,519	1,380,188	2,179,464	1,435,064	4,475,983	-67.94%
General Revenues:							
Property Taxes	31,516,285	27,749,937	7,009	4,746	31,523,294	27,754,683	13.58%
Other taxes	7,963,171	6,941,097	2,499,667	45,073	10,462,838	6,986,170	49.77%
Unrestricted interest and investment earnings	2,412,223	1,133,058	1,167,496	391,775	3,579,719	1,524,833	134.76%
Miscellaneous	3,679,684	2,822,437	1,172,322	813,121	4,852,006	3,635,558	33.46%
Total Revenues	121,491,870	115,988,740	22,624,407	18,533,398	144,116,277	134,522,138	7.13%
Expenses:							
General Government	12,221,901	11,249,361			12,221,901	11,249,361	8.65%
Public Ways and Facilities	10,077,775	8,513,880			10,077,775	8,513,880	18.37%
Public Protection	46,998,768	45,190,677			46,998,768	45,190,677	4.00%
Health and sanitation	17,680,812	18,470,443			17,680,812	18,470,443	-4.28%
Public Assistance	23,173,587	22,393,216			23,173,587	22,393,216	3.48%
Education	2,541,343	2,865,584			2,541,343	2,865,584	-11.32%
Recreation	237,357	51,729			237,357	51,729	358.85%
Interest on long-term debt	832,300	855,225			832,300	855,225	-2.68%
Eastern Nevada County Solid Waste			135,640	111,396	135,640	111,396	21.76%
Western Nevada County Solid Waste			6,935,822	6,538,648	6,935,822	6,538,648	6.07%
Transit Services			3,253,773	3,088,462	3,253,773	3,088,462	5.35%
Airport			1,282,831	1,137,542	1,282,831	1,137,542	12.77%
Sanitation District			4,502,075	4,037,253	4,502,075	4,037,253	11.51%
Total Expenses	113,763,843	109,590,115	16,110,141	14,913,301	129,873,984	124,503,416	4.31%
Change in net assets before transfers	7,728,027	6,398,625	6,514,266	3,620,097	14,242,293	10,018,722	42.16%
Transfers	(381,600)	(51,765)	381,600	51,765		0	
Change in net assets	7,346,427	6,346,860	6,895,866	3,671,862	14,242,293	10,018,722	42.16%
Prior Period adjustments	(256,942)	761,924	434,933	(668,746)	177,991	93,178	91.02%
Net Assets 7/1	286,806,128	279,697,344	11,092,557	8,089,441	297,898,685	287,786,785	3.51%
Net Assets 06/30	293,895,613	286,806,128	18,423,356	11,092,557	312,318,969	297,898,685	4.84%

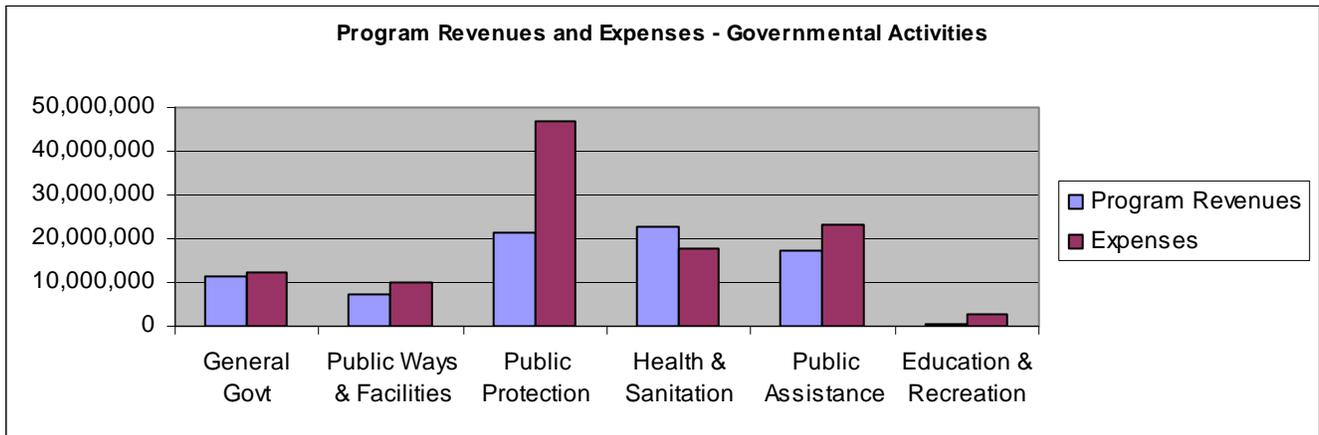
Key elements of the increase/decrease in *revenues* in the governmental activities:

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- Property tax revenues increased \$3,766,348 or 13.5%. Of this amount, approximately \$1,825,356 was due to the overall growth in property tax from the past year. The remaining portion of approximately \$1,855,841 was due to an increase of the in-lieu of vehicle license fees (VLF) that are now reported as property tax due to fact that the revenue source is based upon assessed valuation.
- Other tax revenue category increased 14.7% or \$1,022,074 from the prior year. Of the total increase, \$358,636 was in Sales and Use tax category along with increases in the Transient Occupancy tax and Transportation taxes collections in the amounts of \$66,512 and \$45,189 respectively.
- Capital Grants and Contributions category decreased by \$2,241,643 or (64.1) %. The decrease was associated with the prior year’s recognition of annexations into the County road system totaling \$2,296,519, which none occurred this fiscal year.
- Interest and investment earnings reflect an increase of 112.8%, which is primarily due to the increasing market interest rates and increased on-hand cash balances.



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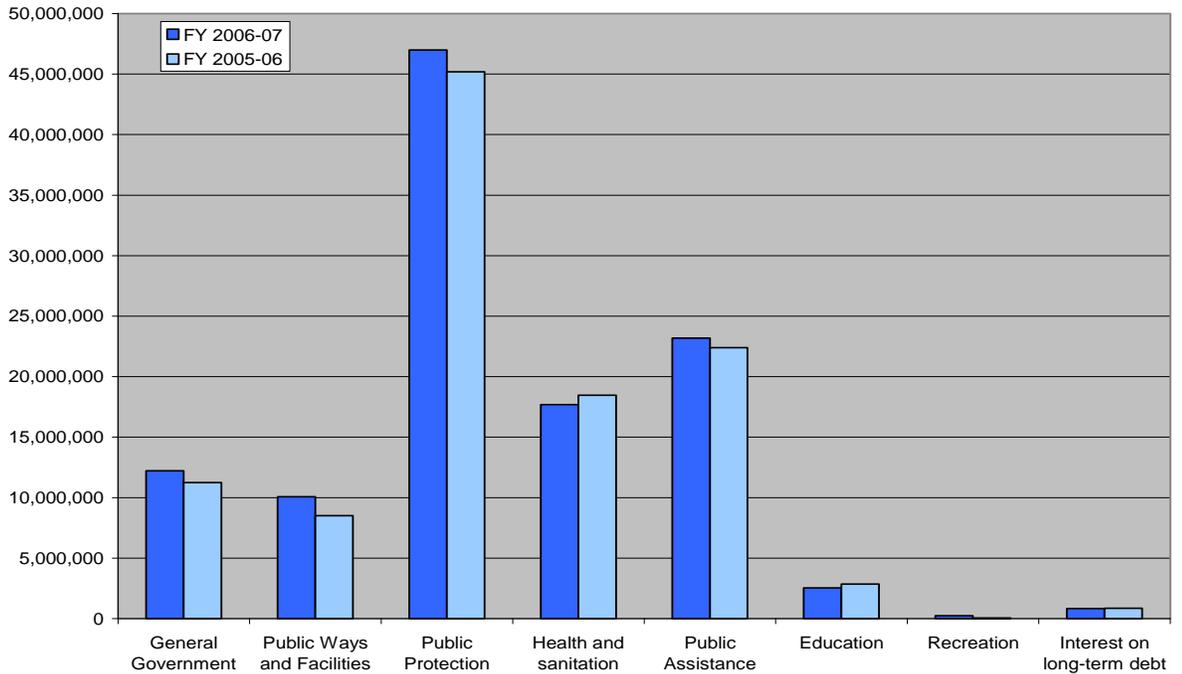


Key elements of the increase/decrease in *expenses* in the governmental activities:

- The General Government category increased by 8.7% or \$972,540. Approximately 64.4% of this increase in expense was due to adjustments in salary and benefit costs.
- Public Ways and Facilities increased its expenditures by 18.4% due primarily to increases in the infrastructure maintenance and roads preservation activities.
- Education category decreased in expenditures by 11.3% or \$324,241. The majority of the decrease, \$243,296 was within the Public Library Fund in which expenditures of the prior year for circulation materials and a computer software upgrade were one time cost.
- Recreation category increased 358.9% in expenditures due primarily to the funding of additional community projects totaling \$131,369. These expenditures were funded from the Quimby Recreation Mitigation fees.

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Expenses - Governmental Activities

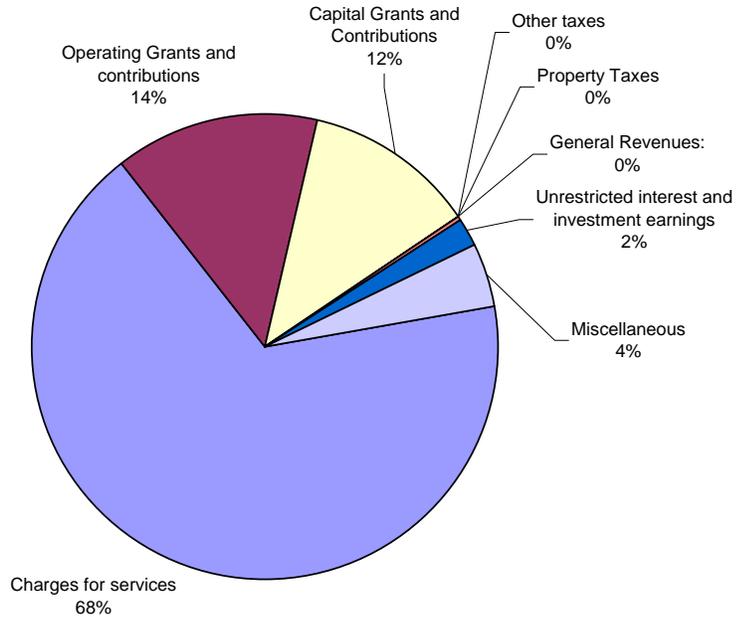


Key elements of the increase/decrease in revenues in the business-type activities:

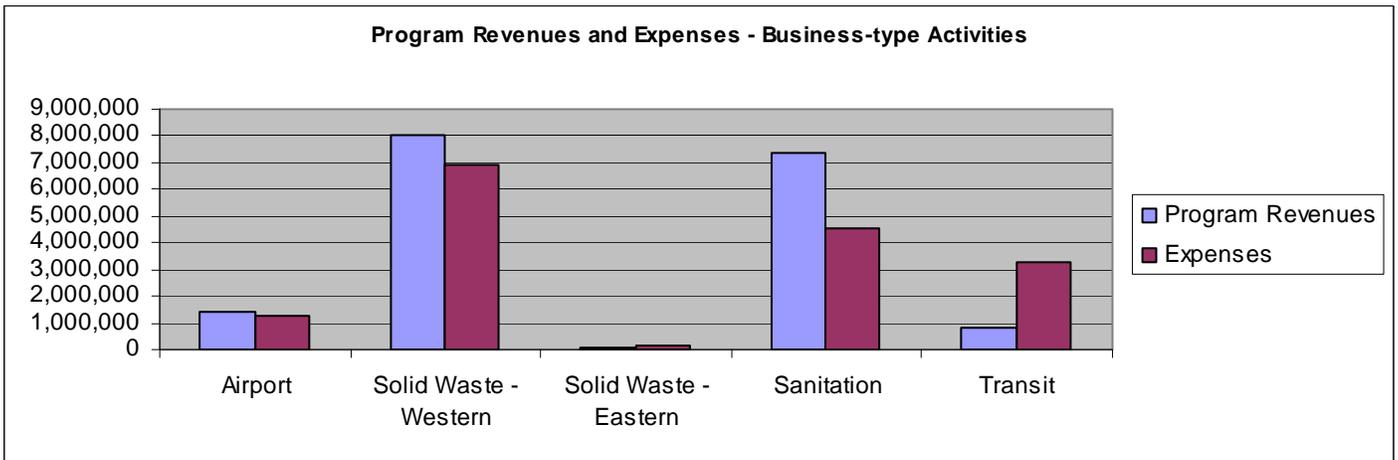
- Operating Grants and contributions decreased \$2,158,334 over the prior year which was due to the reclassification of the Transportation tax to Other taxes.
- Charges for services increased 27.7% or 3,456,840 which was primarily due to an increase in the Sanitation Service special assessments fees.
- Other taxes increased by \$2,454,594 from the prior year which as noted above was primarily due to a change in classification of Transportation tax revenues from Operating grants and contributions category.
- Interest and investment earnings reflect an increase of 198% or \$775,721, which is primarily due to the increasing market interest rates and increase of on-hand cash balances from capital loan proceeds and special assessment fee revenue held for capital project expenses.

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Revenue by Source - Business-type Activities



Program Revenues and Expenses - Business-type Activities



Key elements of the increase/decrease in *expenses* in the business-type activities:

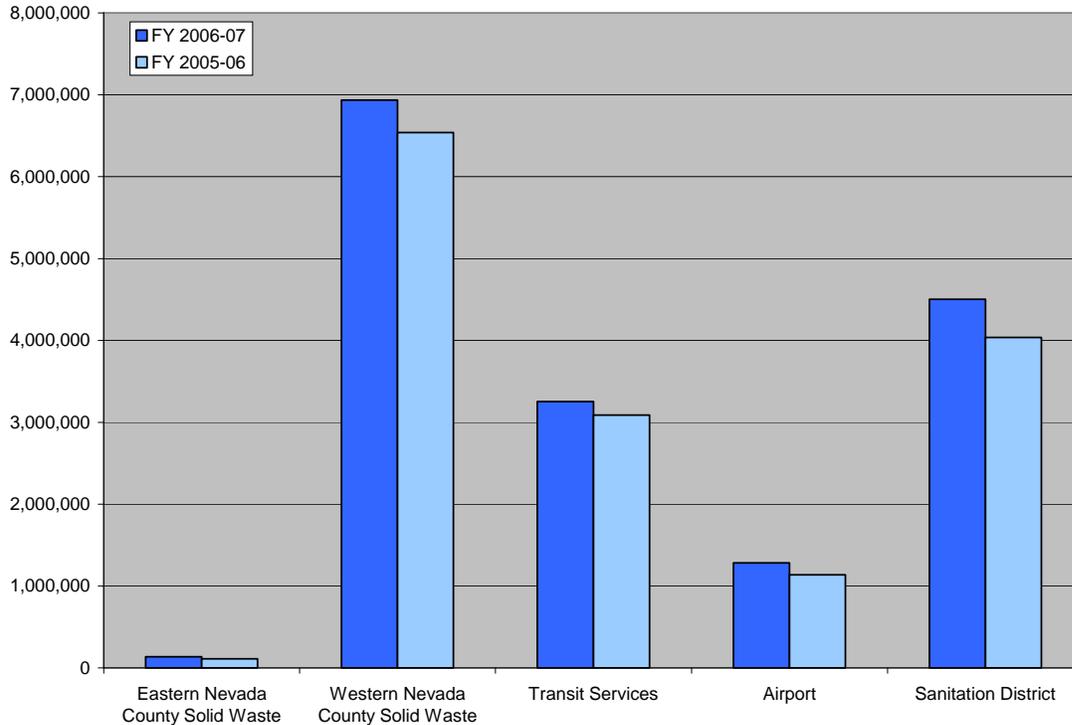
- Airport operation expenses increased 12.77% or \$145,289 over the prior year. The primary factor was in the cost of fuel purchased for resale which was up 36.4% or \$170,531. Correspondingly,

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the revenue for fuel sales increased over the prior year by 30.6%. Reductions in expense occurred in insurance costs and other administrative overhead.

- Sanitation District expenses increased 11.5% or \$464,822 which was attributable to the impairment of a portion of the Cascade Shores facility as a result of the landslide event that damaged the plant in May 2005.

Expenses - Business-type Activities



FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

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

Governmental funds. The general government functions are contained in the General Fund, Special Revenue, Debt Service, and Capital Project Funds. Included in these funds are the special districts governed by the Board of Supervisors. The focus of the County's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the County's financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of the County's net resources available for spending at the end of the fiscal year.

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Governmental Funds
Combined Balance Sheet
June 30, 2007 and 2006

	2007	2006	Variance	Change
Total Assets	<u>69,316,634</u>	<u>62,365,561</u>	<u>11.15%</u>	<u>6,951,073</u>
Total Liabilities	12,716,495	10,737,860	18.43%	1,978,635
Fund Balance				
Reserved	7,215,240	7,326,091	-1.51%	-110,851
Unreserved, reported in:				
General				
Designated	11,596,259	8,905,000	30.22%	2,691,259
Undesignated	3,675,440	2,468,937	48.87%	1,206,503
Special Revenue Funds				
Undesignated	<u>34,113,200</u>	<u>32,927,673</u>	<u>3.60%</u>	<u>1,185,527</u>
Total Undesignated	<u>37,788,640</u>	<u>35,396,610</u>	<u>6.76%</u>	<u>2,392,030</u>
Total Fund Balance	<u>56,600,139</u>	<u>51,627,701</u>	<u>9.63%</u>	<u>4,972,438</u>
Total Liabilities and Fund Balance	<u>69,316,634</u>	<u>62,365,561</u>	<u>11.15%</u>	<u>6,951,073</u>

As of June 30, 2007, the County's governmental funds reported combined ending fund balances in the amount of \$56,600,139 an increase of 9.6% or \$4,972,438 in comparison with the prior year's fund balance. Approximately 66.7% of this total amount or \$37,788,640 constitutes *undesignated fund balance*, which is available to meet the County's current and future needs. The *designated fund balance increased 30.2% or \$2,691,259*. This segregation of a portion of the fund balance indicates tentative plans for financial resource utilization in a future period. The remainder of fund balance is reserved to indicate that it is not available for new spending as it has been committed (1) to pay debt service \$2,156,952 (2) to reflect inventories \$124,915 and (3) the amount due from other funds that are long-term in nature and thus do not represent available spendable resources \$561,211, and (4) to liquidate contractual commitments \$782,849, and (5) for a variety of other restricted purposes \$3,589,313.

The General Fund is the chief operating fund of the County. At June 30, 2007, total fund balance was \$15,957,114, an increase of \$3,432,294 from the prior fiscal year. Of the unreserved portion of the fund balance, \$11,596,259 was designated for specific purposes and the remaining balance of \$3,675,440 was undesignated.

As a measure of the General Fund's liquidity, it may be useful to compare unreserved, undesignated fund balance and total fund balance to total general fund expenditures. The unreserved fund balance represents 31.0% of total general fund expenditures, while total fund balance represents 32.4% of that same amount.

The following provides explanations of revenues by source that changed significantly over the prior year:

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Revenues Classified By Source
General Fund

Revenue Type	FY 2007	Percent	FY 2006	Percent	Increase	Percentage of
	Amount	of Total	Amount	of Total	(Decrease) Amount	Change
Taxes and Assessments	36,445,320	67.84%	32,848,953	70.47%	3,596,367	10.95%
License and Permits	1,064,449	1.98%	896,382	1.92%	168,067	18.75%
Fines and Forfeitures	2,029,952	3.78%	1,873,887	4.02%	156,065	8.33%
Use of Money and Property	1,128,937	2.10%	536,185	1.15%	592,752	110.55%
Intergovernmental	3,709,196	6.90%	3,322,494	7.13%	386,702	11.64%
Charges for Service	6,732,794	12.53%	6,065,041	13.01%	667,753	11.01%
Other Revenues	2,612,084	4.86%	1,071,950	2.30%	1,540,134	143.68%
Total	53,722,732	100.00%	46,614,892	100.00%	7,107,840	15.25%

Taxes and Assessments – The \$3,596,367 or 11% increase in this category is mainly due to an increase in property taxes. Included in this increase is \$1,825,356 of secured tax revenue and \$1,855,841 of vehicle license fee (VLF) revenue that in the prior year was appropriately reported as motor vehicle in-lieu taxes. Beginning with the 2005-06, the VLF amount is based on assessed valuations and reported as property tax.

License and Permits – The 18.8% increase reflected in this category is primarily attributable to a \$147,622 increase in franchise fees which includes the newly negotiated cable franchise agreements.

Use of Money and Property – The net increase of 110.6% or \$592,752 in this category was largely due to a \$406,710 or 95.4% increase in interest earnings.

Intergovernmental – The 11.7 % increase in this category is equated to the addition of several grant programs in which the County participated. Those included the Help America Vote Act and additional Homeland Security funding.

Charge for Service – The 11.0% increase shown reflects the additional revenue for Property Tax Administration and Public Administrator fees.

Other Revenues – The 143.7% increase in this category is primarily attributable to a change in classification of reimbursable expenditures. Other revenues reflected in this increase include a \$30,000 Cable TV grant and an increase in tobacco settlement funds of \$42,639.

The following provides an explanation of expenditures by function that changed significantly over the prior year:

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Expenditures by Function
General Fund

Expenditures by Function	FY 2007	Percent	FY 2006	Percent	Increase	Percentage of
	Amount	of Total	Amount	of Total	(Decrease) Amount	Change
General government	11,479,993	23.31%	9,956,000	20.09%	1,523,993	15.31%
Public protection	36,500,979	74.10%	34,805,552	70.22%	1,695,427	4.87%
Public Assistance	291,213	0.59%	233,069	0.47%	58,144	24.95%
Education	94,378	0.19%	99,846	0.20%	-5,468	-5.48%
Capital outlay	873,008	1.77%	4,450,877	8.98%	-3,577,869	-80.39%
Debt Service	18,477	0.04%	22,868	0.05%	-4,391	-19.20%
Total	49,258,048	100.00%	49,568,212	100.00%	-310,164	-0.63%

General government – The \$1,523,993 or 15.3% increase in expenditures in this category was across various activities. Salaries and benefits increased 4.3% or \$529,077 primarily due to an increase in the retirement contribution rate. The service and supplies increased 6.1% or \$360,338. Of this amount \$105,000 was attributable to the cost of Help America Vote Act (HAVA) compliance; \$70,000 for the Wayne Brown Correctional Facility assessment, \$97,000 for the HEW facilities assessment, and \$95,000 for Personnel professional services.

Public Protection – Key factors of the 4.9% increase were salaries and benefits from the negotiated labor agreements and a technology improvement project to enhance the Sheriff's operations which included computers/related equipment in patrol cars.

Public Assistance – The key factor in this 24.9% increase for the category was the \$13,179 increase in salaries and benefits costs from the negotiated labor agreements and a \$62,150 increase in the Community Partner program expenditures.

Capital Outlay – The key factor of this decrease was in the prior year several one time purchases were made that did not reoccur in this fiscal year. Those one time costs were the acquisition of the two buildings to house various Human Service Agency programs and the Mobile Command vehicle.

Other Major Funds Highlights

The Road Fund is used to account for the activities associated with the construction and maintenance of county roads and bridges. The Road Fund's undesignated fund balance decreased by \$910,667 or 12.1%. The majority of this decrease represents sources that have used to fund the \$1,083,717 or 81.8% increase in road capital project expenditures.

The Health and Welfare Realignment Fund is used to account for direct allocations from the State for sales tax revenues dedicated to certain Health, Mental Health and Social Service programs. The net increase in fund balance was \$2,377,052 bringing the total fund balance available for future programs expenses to \$7,794,505.

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

Unrestricted net assets (deficits) of the Western Nevada County Solid Waste at June 30, 2007 amounted

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to (\$8,410,583). Though the unrestricted net assets remain in a deficit, the enterprise operation did have a positive change in Net Assets in the amount of \$1,782,941.

The unrestricted net assets of the Airport enterprise operation increased to \$54,343 for the fiscal year ending June 30, 2007.

GENERAL FUND BUDGETARY HIGHLIGHTS

The difference between the original budget and the final amended budget resulted in \$2,615,176 net increase in appropriations (excluding transfers). Explanations of significant changes for this increase are as follows:

- \$1,090,505 was the result of an increase in the General Government budget category. The increase was scattered amongst many service budget units. The most significant amendments effected increases in the Elections and Capital Facilities.
- \$1,199,996 was the result of an increase in the Public Protection budget category primarily due to additional appropriations of funds in the Emergency Services and Sheriff Operations budget unit.

The increase was possible through unanticipated revenues from various sources and general reserves, including additional aid from other governments.

At fiscal year end, revenues were over the budgetary estimate by \$2,269,424 or 4.4%, and expenditures were under the budgetary estimates by \$2,798,721 or 4.8%. The net actual activity, including the transfers, was over the budgetary estimated increase in fund balance by \$2,946,961.

Additional information on the General Fund and other major funds budget can be found on pages 59-65.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital assets The County's investment in capital assets for its governmental and business-type activities as of June 30, 2007 amounted to \$297,924,475 (net of accumulated depreciation). This investment in capital assets includes land, infrastructure, buildings and improvements, and equipment.

County's Capital Assets
(Net of depreciation)

	Governmental Activities		Business-Type Activities		Total		Variance
	2007	2006	2007	2006	2007	2006	
Land and Easements	101,579,438	101,819,894	3,593,251	3,444,495	105,172,689	105,264,389	-0.09%
Infrastructure (road sys)	100,965,723	100,336,861			100,965,723	100,336,861	0.63%
Infrastructure	17,266,471	17,157,105	11,089,698	10,764,726	28,356,169	27,921,831	1.56%
Structures and Improvements	32,758,004	33,644,216	1,860,916	1,150,605	34,618,920	34,794,821	-0.51%
Construction in Progress	1,484,577	1,145,691	22,289,452	4,979,206	23,774,029	6,124,897	288.15%
Equipment	3,888,489	3,373,748	1,148,456	1,323,104	5,036,945	4,696,852	7.24%
Total	257,942,702	257,477,515	39,981,773	21,662,136	297,924,475	279,139,651	6.73%

COUNTY OF NEVADA
Management's Discussion and Analysis
Required Supplementary Information

Construction in progress – The capital improvements to the Sanitation District assets were the key factors in the 288.15% increase reflected in 2007. Projects are in progress and will be reclassified to the appropriate asset categories upon completion.

Additional information on the County's capital assets can be found in Note 3 on pages 46-47 of this report.

Long-term debt. At June 30, 2007, the County had total debt outstanding of \$69,727,218.

County's Outstanding Debt
Certificates of Participation, Notes Payable, Capital Lease Obligations, Compensated Absences

	Governmental Activities		Business-Type Activities		Total		Variance
	2007	2006	2007	2006	2007	2006	
Certificate of Participation	14,730,000	15,630,000	8,216,119	8,627,719	22,946,119	24,257,719	-5.4%
Accrued Claims Liability	689,198	765,545			689,198	765,545	-10.0%
Loans	3,893,757	4,026,631	23,373,698	472,182	27,267,455	4,498,813	506.1%
Special Assessment Debt	329,908	0	234,000	306,000	563,908	306,000	84.3%
Landfill Post Closure		0	13,514,659	13,631,155	13,514,659	13,631,155	-0.9%
Capital Leases	33,577	50,255		0	33,577	50,255	-33.2%
Compensated Absences	4,460,030	5,063,678	252,272	227,315	4,712,302	5,290,993	-10.9%
Total	24,136,470	25,536,109	45,590,748	23,264,371	69,727,218	48,800,480	42.9%

The County's total outstanding debt increased by \$20,926,738, or 42.9 %, during the fiscal year. The key factor for the increase was in the securing of capital improvement loans by the Sanitation District to fund two large plant upgrade projects in the amount of \$23,530,405. The net difference is a decrease due to the payment of the annual scheduled principal payments primarily on the Certificates of Participation in the amount of \$1,375,000.

Additional information on the County's long-term debt can be found in Note 3 on pages 48-53 of this report.

Infrastructure Assets Reported Under the Modified Approach

The County is using the modified approach to account for the maintained road system. This method is in lieu of the depreciation method used for all other assets. The County has set their average Pavement Condition Index (PCI) rating at 62. The rating must be achieved for each three year assessment period. The first three year assessment completed June 30, 2006, achieved on average of PCI rating of 67. As of June 30, 2007, the County's maintained road system was rated at an average PCI index of 65.

COUNTY OF NEVADA
Management's Discussion and Analysis
Required Supplementary Information

Road System Infrastructure Assets Using Modified Approach
Summary Activity for Fiscal Year ending June 30, 2007

Expenditures	Capital Improvements	Preservation Maintenance	General Maintenance	Total Cost
Planned	5,366,500	1,776,585	1,336,369	8,479,454
Actual	1,062,773	2,565,758	3,087,061	6,715,592
Difference	-4,303,727	789,173	1,750,692	-1,763,862

The primary explanation for the unmet planned expenditures for the Capital improvements is related to a misreported Bridge project under this category. Bridges are not subject to the modified approach. The correct capital improvements amount should have been \$1,666,500. Two unanticipated projects, Allison Ranch Road Slide and the Combie/Higgins Light installation, did defer some planned projects.

Under Preservation and General Maintenance categories, the actual costs exceeded the planned expenditures. The differences are due to the fact that the costs of labor, equipment and inventory amounts were not included in the original planned amounts. The routine overlay preparation work and chip seals were performed.

Additional information on the County's use of the Modified Approach can be found in Required Supplementary Information (RSI) on page 66-67 of this report.

Economic Factors and Next Year's Budget for FY 2007-08

The economy has shown to be slowing by many key indicators.

The growth in property tax revenues are projected to decrease from the prior year. Though the real estate sales activity in the area had been strong in the prior years, there are growing indications of a slowing of the market which will affect the growth of revenue in this category for future years. Data shows recent selling prices of homes in the area have been impacted by the general housing market trends with prices of local homes declining by 5.68%, to a median price of \$448,000 as of October 2007.

Nevada County unemployment rate increased slightly to 4.7 %, but remains lower than the statewide rate of 5.2%.

The fiscal year 2007-08 adopted budget for all County funds totals \$180,121,519, a 6.7 percent increase when compared to the prior year. The General Fund 2007-08 budget is \$60,947,475, which was a 8.1 percent increase from the adopted 2006-07 budget.

The 2007-08 budget documents are available on the County's website: www.mynevadacounty.com .

Request for Information

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the County's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Nevada County Auditor-Controller, Marcia L. Salter, 950 Maidu Avenue, Nevada City CA 95959. This entire report is available online at <http://new.mynevadacounty.com/auditor/>

BASIC FINANCIAL STATEMENTS
Government Wide Financial Statements

COUNTY OF NEVADA, CALIFORNIA
STATEMENT OF NET ASSETS
JUNE 30, 2007

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<u>ASSETS</u>			
Cash and investments	\$ 51,949,611	\$ 24,841,117	\$ 76,790,728
Restricted cash and investments	2,139,685	1,775,929	3,915,614
Accounts receivable (net of allowance)	1,733,434	847,915	2,581,349
Taxes receivable	1,271,881	-	1,271,881
Due from other governmental agencies	6,328,012	226,852	6,554,864
Internal balances	548,275	(548,275)	-
Inventory	182,836	65,102	247,938
Deposits	41,310	-	41,310
Prepaid costs	112,176	-	112,176
Loans receivable	3,589,313	-	3,589,313
Capital assets:			
Non depreciable	204,029,738	25,882,703	229,912,441
Depreciable, net	53,912,964	14,099,070	68,012,034
Total capital assets	<u>257,942,702</u>	<u>39,981,773</u>	<u>297,924,475</u>
Total Assets	<u>325,839,235</u>	<u>67,190,413</u>	<u>393,029,648</u>
<u>LIABILITIES</u>			
Accounts payable	3,433,465	2,740,279	6,173,744
Accrued salaries and benefits	2,403,996	181,739	2,585,735
Accrued interest payable	152,509	156,278	308,787
Deposits payable	302,526	34,915	337,441
Unearned revenue	1,514,656	63,098	1,577,754
Long-term liabilities:			
Due within one year	6,192,432	2,562,506	8,754,938
Due in more than one year	17,944,038	43,028,242	60,972,280
Total Liabilities	<u>31,943,622</u>	<u>48,767,057</u>	<u>80,710,679</u>
<u>NET ASSETS</u>			
Invested in capital assets, net of related debt	238,955,459	17,773,325	256,728,784
Restricted for:			
Debt service	2,156,952	-	2,156,952
Grants, taxes, and fees	38,486,073	-	38,486,073
Unrestricted	14,297,129	650,031	14,947,160
Total Net Assets	<u>\$293,895,613</u>	<u>\$ 18,423,356</u>	<u>\$312,318,969</u>

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

COUNTY OF NEVADA, CALIFORNIA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2007

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	\$ 12,221,901	\$ 5,497,348	\$ 1,425,315	\$ -
Public ways and facilities	10,077,775	3,089,154	4,856,118	-
Public protection	46,998,768	4,814,608	14,702,945	54,876
Health and sanitation	17,680,812	1,836,658	16,388,617	-
Public assistance	23,173,587	37,445	18,456,711	-
Education	2,541,343	100,167	98,452	-
Recreation	237,357	476	159,294	-
Interest on long-term debt	832,300	-	-	-
Total Governmental Activities	113,763,843	15,375,856	56,087,452	54,876
Business-type activities:				
Eastern Nevada County Solid Waste	135,640	108,592	-	-
Western Nevada County Solid Waste	6,935,822	7,978,217	54,924	-
Transit Services	3,253,773	476,213	351,813	-
Airport	1,282,831	807,131	13,536	629,693
Sanitation District	4,502,075	6,551,985	55,314	750,495
Total Business-type Activities	16,110,141	15,922,138	475,587	1,380,188
Total Primary Government	\$129,873,984	\$ 31,297,994	\$ 56,563,039	\$ 1,435,064

General revenues:

Taxes:

- Property taxes
- Sales and use taxes
- Property transfer taxes
- Transient occupancy taxes
- Timber yield taxes
- Aircraft taxes
- Franchise taxes
- Transportation taxes
- Other taxes
- Grants and contributions - unrestricted
- Tobacco settlement
- Interest and investment earnings
- Miscellaneous

Transfers

Total General Revenues and Transfers

Change in Net Assets

Net Assets - Beginning

Prior period adjustment

Net Assets - Beginning, Restated

Net Assets - Ending

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

**Net (Expense) Revenue and
Changes in Net Assets**

Governmental Activities	Business- Type Activities	Total
\$ (5,299,238)	\$ -	\$ (5,299,238)
(2,132,503)	-	(2,132,503)
(27,426,339)	-	(27,426,339)
544,463	-	544,463
(4,679,431)	-	(4,679,431)
(2,342,724)	-	(2,342,724)
(77,587)	-	(77,587)
(832,300)	-	(832,300)
<u>(42,245,659)</u>	<u>-</u>	<u>(42,245,659)</u>
-	(27,048)	(27,048)
-	1,097,319	1,097,319
-	(2,425,747)	(2,425,747)
-	167,529	167,529
-	2,855,719	2,855,719
<u>-</u>	<u>1,667,772</u>	<u>1,667,772</u>
<u>(42,245,659)</u>	<u>1,667,772</u>	<u>(40,577,887)</u>
31,516,285	7,009	31,523,294
5,532,663	-	5,532,663
974,171	-	974,171
275,728	16,796	292,524
61,133	-	61,133
46,546	40,871	87,417
969,903	-	969,903
69,309	2,442,000	2,511,309
33,718	-	33,718
4,402,323	-	4,402,323
955,670	-	955,670
2,412,223	1,167,496	3,579,719
2,724,014	1,172,322	3,896,336
(381,600)	381,600	-
<u>49,592,086</u>	<u>5,228,094</u>	<u>54,820,180</u>
<u>7,346,427</u>	<u>6,895,866</u>	<u>14,242,293</u>
286,806,128	11,092,557	297,898,685
<u>(256,942)</u>	<u>434,933</u>	<u>177,991</u>
<u>286,549,186</u>	<u>11,527,490</u>	<u>298,076,676</u>
<u>\$293,895,613</u>	<u>\$ 18,423,356</u>	<u>\$312,318,969</u>

BASIC FINANCIAL STATEMENTS
Fund Financial Statements

COUNTY OF NEVADA, CALIFORNIA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2007

	General Fund	Road Fund	Community Development Agency	Human Services Agency
ASSETS				
Cash and investments	\$ 15,170,245	\$ 6,230,707	\$ 737,875	\$ 852,671
Restricted cash and investments	-	-	-	-
Accounts receivable (net of allowance)	430,064	856	226,917	71,548
Due from other governmental agencies	302,025	785,618	30,138	2,272,441
Taxes receivable	937,108	-	28,673	-
Due from other funds	1,971,142	590,106	173,313	464,183
Inventory	-	124,915	-	-
Advances to other funds	561,211	-	-	-
Loans receivable	-	-	-	-
	Total Assets	\$ 7,732,202	\$ 1,196,916	\$ 3,660,843
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 1,517,332	\$ 618,261	\$ 96,373	\$ 766,031
Accrued salaries and benefits	1,395,889	161,721	193,107	460,355
Deposits payable	4,794	65,384	188,673	43,675
Due to other funds	496,666	32,562	40,912	1,404,277
Unearned revenue	-	253,557	390,368	323,829
Advance from other funds	-	-	-	-
	Total Liabilities	1,131,485	909,433	2,998,167
FUND BALANCES				
Reserved for:				
Debt service	-	-	-	-
Encumbrances	124,204	415,179	-	203,638
Inventory	-	124,915	-	-
Advances	561,211	-	-	-
Loans receivable	-	-	-	-
Unreserved, reported in:				
General				
Designated	11,596,259	-	-	-
Undesignated	3,675,440	-	-	-
Special revenue funds				
Undesignated	-	6,060,623	287,483	459,038
	Total Fund Balances	6,600,717	287,483	662,676
	Total Liabilities and Fund Balances	\$ 7,732,202	\$ 1,196,916	\$ 3,660,843

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

<u>Health and Welfare Realignment</u>	<u>Other Governmental Funds</u>	<u>Total</u>
\$ 5,501,099	\$ 20,451,880	\$ 48,944,477
-	2,139,685	2,139,685
-	70,801	800,186
1,174,186	1,763,604	6,328,012
-	306,100	1,271,881
1,290,431	835,069	5,324,244
-	-	124,915
-	232,710	793,921
-	3,589,313	3,589,313
<u>\$ 7,965,716</u>	<u>\$ 29,389,162</u>	<u>\$ 69,316,634</u>

\$ -	\$ 167,954	\$ 3,165,951
-	164,101	2,375,173
-	-	302,526
171,211	3,228,766	5,374,394
-	297,987	1,265,741
-	232,710	232,710
<u>171,211</u>	<u>4,091,518</u>	<u>12,716,495</u>

-	2,156,952	2,156,952
-	39,828	782,849
-	-	124,915
-	-	561,211
-	3,589,313	3,589,313
-	-	11,596,259
-	-	3,675,440
<u>7,794,505</u>	<u>19,511,551</u>	<u>34,113,200</u>
<u>7,794,505</u>	<u>25,297,644</u>	<u>56,600,139</u>
<u>\$ 7,965,716</u>	<u>\$ 29,389,162</u>	<u>\$ 69,316,634</u>

COUNTY OF NEVADA, CALIFORNIA
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO THE GOVERNMENT WIDE STATEMENT OF
NET ASSETS - GOVERNMENTAL ACTIVITIES
JUNE 30, 2007

Total Governmental Fund Balances	\$ 56,600,139
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	256,729,857
Interest payable on long-term debt does not require the use of current financial resources and, therefore, is not accrued as a liability in the governmental funds.	(152,509)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(23,362,809)
Under the modified accrual basis of accounting used in governmental funds, revenues are not recognized for transactions that do not represent available financial resources. In the statement of activities, however, revenues and assets are reported regardless of when financial resources are available.	
Accounts receivable (net of allowance)	930,865
Internal service funds are used by management to charge the cost of certain activities, such as insurance and equipment maintenance and operations, to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.	<u>3,150,070</u>
Net Assets of Governmental Activities	<u>\$ 293,895,613</u>

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

COUNTY OF NEVADA, CALIFORNIA
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2007

	General Fund	Road Fund	Community Development Agency	Human Services Agency
REVENUES				
Taxes and assessments	\$ 36,445,320	\$ 69,309	\$ 16,796	\$ -
Licenses and permits	1,064,449	47,754	1,555,869	702
Fines and forfeitures	2,029,952	-	5,637	959
Use of money and property	1,128,937	254,143	60,989	96,179
Intergovernmental	3,709,196	4,462,043	614,052	25,776,733
Charges for services	6,732,794	750,524	2,195,737	463,629
Other revenues	2,612,084	299,671	44,943	308,102
Total Revenues	53,722,732	5,883,444	4,494,023	26,646,304
EXPENDITURES				
Current:				
General government	11,479,993	-	-	-
Public ways and facilities	-	8,597,037	-	-
Public protection	36,500,979	-	4,776,874	-
Health and sanitation	-	-	2,264,032	13,827,181
Public assistance	291,213	-	-	20,082,510
Education	94,378	-	-	-
Recreation	-	-	-	-
Debt service:				
Principal	16,697	-	-	-
Interest and other charges	1,780	-	-	-
Capital outlay	873,008	2,408,495	-	85,324
Total Expenditures	49,258,048	11,005,532	7,040,906	33,995,015
Excess of Revenues Over (Under) Expenditures	4,464,684	(5,122,088)	(2,546,883)	(7,348,711)
OTHER FINANCING SOURCES (USES)				
Transfers in	7,434,435	4,211,421	2,228,505	6,460,017
Transfers out	(8,466,825)	-	(26,571)	(26,248)
Issuance of debt	-	-	-	-
Total Other Financing Sources (Uses)	(1,032,390)	4,211,421	2,201,934	6,433,769
Net Change in Fund Balance	3,432,294	(910,667)	(344,949)	(914,942)
Fund Balances - Beginning	12,524,820	7,511,384	632,432	1,577,618
Fund Balances - Ending	\$ 15,957,114	\$ 6,600,717	\$ 287,483	\$ 662,676

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

<u>Health and Welfare Realignment</u>	<u>Other Governmental Funds</u>	<u>Total</u>
\$ -	\$ 1,916,995	\$ 38,448,420
-	11,063	2,679,837
-	571,647	2,608,195
26,178	703,914	2,270,340
7,203,889	17,945,053	59,710,966
-	1,270,740	11,413,424
-	1,270,471	4,535,271
<u>7,230,067</u>	<u>23,689,883</u>	<u>121,666,453</u>
-	282,489	11,762,482
-	717,804	9,314,841
-	5,569,303	46,847,156
-	1,544,809	17,636,022
-	2,804,343	23,178,066
-	2,422,613	2,516,991
-	237,357	237,357
-	1,032,874	1,049,571
-	893,014	894,794
-	148,125	3,514,952
<u>-</u>	<u>15,652,731</u>	<u>116,952,232</u>
<u>7,230,067</u>	<u>8,037,152</u>	<u>4,714,221</u>
546,113	5,288,524	26,169,015
(5,399,128)	(12,321,934)	(26,240,706)
-	329,908	329,908
<u>(4,853,015)</u>	<u>(6,703,502)</u>	<u>258,217</u>
2,377,052	1,333,650	4,972,438
<u>5,417,453</u>	<u>23,963,994</u>	<u>51,627,701</u>
<u>\$ 7,794,505</u>	<u>\$ 25,297,644</u>	<u>\$ 56,600,139</u>

COUNTY OF NEVADA, CALIFORNIA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES - GOVERNMENTAL ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2007

Net Change in Fund Balances - Total Governmental Funds	\$ 4,972,438
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay of \$3,514,952 and various adjustments involving capital assets of \$3,001 exceeded depreciation expense of \$2,113,681 in the current period.	1,404,272
Governmental funds only report the disposal of assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. This is the cost of the capital assets disposed. Proceeds from the sale of capital assets were zero.	(860,671)
Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. This is the amount by which repayments exceeded proceeds.	719,663
Some revenues reported in the statement of activities will not be collected for several months after the County's year end and do not provide current financial resources and therefore are not reported as revenues in the governmental funds. Change in accounts receivable	544,205
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 compensated absences payable Change in accrued interest on long-term debt	592,407 62,494
Internal service funds are used by management to charge the cost of certain activities, such as insurance and equipment maintenance and operations, to individual funds. The net revenue (expense) of certain internal service funds is reported with governmental activities.	<u>(88,381)</u>
Change in Net Assets of Governmental Activities	<u>\$ 7,346,427</u>

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

COUNTY OF NEVADA, CALIFORNIA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2007

	Business-type Activities Enterprise Funds			
	Western Nevada County		Sanitation	Other
	Solid Waste	Airport	District	Enterprise Funds
ASSETS				
Current Assets				
Cash and investments	\$ 11,923,998	\$ 150,265	\$ 12,431,614	\$ 335,240
Restricted cash and investments	1,010,525	-	765,404	-
Accounts receivable (net of allowance)	714,336	80,200	73	53,306
Due from other governmental agencies	20,990	10,815	195,047	-
Due from other funds	43,965	4,432	2,442,011	1,097
Prepaid costs	-	-	-	-
Inventory	-	58,845	-	6,257
Deposits	-	-	-	-
Advances to other funds	-	-	-	-
Total Current Assets	13,713,814	304,557	15,834,149	395,900
Noncurrent Assets				
Capital Assets (net)	1,834,539	5,088,289	32,589,389	469,556
Total Noncurrent Assets	1,834,539	5,088,289	32,589,389	469,556
Total Assets	15,548,353	5,392,846	48,423,538	865,456
LIABILITIES				
Current Liabilities				
Accounts payable	318,838	68,677	2,276,911	75,853
Accrued salaries and benefits	56,633	8,159	67,052	49,895
Accrued interest payable	-	50,895	105,383	-
Deposits payable	32,915	2,000	-	-
Due to other funds	58,015	1,479	2,287,907	98,658
Unearned revenue	-	14,768	-	48,330
Compensated absences payable	38,288	11,236	138,972	63,776
Capital leases payable	-	-	-	-
Certificates of participation	426,600	-	-	-
Bonds payable	-	-	62,000	-
Loans payable	-	42,957	8,707	-
Accrued claims payable	-	-	-	-
Closure/postclosure costs	1,761,130	-	-	8,840
Total Current Liabilities	2,692,419	200,171	4,946,932	345,352
Noncurrent Liabilities				
Advances from other funds	-	93,000	618,211	-
Capital leases payable	-	-	-	-
Certificates of participation	7,789,519	-	-	-
Bonds payable	-	-	172,000	-
Loans payable	-	291,401	23,030,633	-
Closure/postclosure costs	11,642,459	-	-	102,230
Total Noncurrent Liabilities	19,431,978	384,401	23,820,844	102,230
Total Liabilities	22,124,397	584,572	28,767,776	447,582

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

Governmental Activities	
Totals	Internal Service Funds
\$ 24,841,117	\$ 3,005,134
1,775,929	-
847,915	2,383
226,852	-
2,491,505	369,603
-	112,176
65,102	57,921
-	41,310
-	150,000
<u>30,248,420</u>	<u>3,738,527</u>
<u>39,981,773</u>	<u>1,212,845</u>
<u>39,981,773</u>	<u>1,212,845</u>
<u>70,230,193</u>	<u>4,951,372</u>
2,740,279	267,514
181,739	28,823
156,278	-
34,915	-
2,446,059	364,899
63,098	248,915
252,272	63,354
-	4,830
426,600	-
62,000	-
51,664	-
-	689,198
<u>1,769,970</u>	<u>-</u>
<u>8,184,874</u>	<u>1,667,533</u>
711,211	-
-	16,279
7,789,519	-
172,000	-
23,322,034	-
<u>11,744,689</u>	<u>-</u>
<u>43,739,453</u>	<u>16,279</u>
<u>51,924,327</u>	<u>1,683,812</u>

COUNTY OF NEVADA, CALIFORNIA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2007

	Business-type Activities Enterprise Funds			
	Western Nevada County Solid Waste	Airport	Sanitation District	Other Enterprise Funds
NET ASSETS				
Invested in capital assets, net of related debt	1,834,539	4,753,931	10,715,299	469,556
Unrestricted	(8,410,583)	54,343	8,940,463	(51,682)
Total Net Assets	<u>\$ (6,576,044)</u>	<u>\$ 4,808,274</u>	<u>\$ 19,655,762</u>	<u>\$ 417,874</u>

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

Net Assets of Business-Type Activities

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

	Governmental Activities
Totals	Internal Service Funds
17,773,325	1,191,736
<u>532,541</u>	<u>2,075,824</u>
18,305,866	<u>\$ 3,267,560</u>
<u>117,490</u>	
<u>\$ 18,423,356</u>	

COUNTY OF NEVADA, CALIFORNIA
STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2007

	Business-type Activities Enterprise Funds			
	Western Nevada County		Sanitation District	Other Enterprise Funds
	Solid Waste	Airport		
<u>OPERATING REVENUES</u>				
Charges for services	\$ 7,978,217	\$ 11,736	\$ 6,551,985	\$ 584,805
Fuel sales	-	795,395	-	-
Total Operating Revenues	7,978,217	807,131	6,551,985	584,805
<u>OPERATING EXPENSES</u>				
Salaries and benefits	1,628,842	229,142	1,814,012	1,365,848
Fuel - sold	-	639,123	-	-
Fuel - used in operations	14,115	-	-	-
Maintenance and repairs	51,129	36,088	284,804	518,243
Parts and supplies	8,701	228	27,280	223
Outside services	3,943,431	33,527	374,242	1,123,801
Administration and office	552,733	10,858	535,379	303,144
Utilities	35,518	16,003	314,430	5,283
Insurance	5,903	6,692	6,514	58,853
Benefits paid	-	-	-	-
Depreciation	169,551	286,890	448,620	190,513
Rental and lease payments	47,783	3,854	116,062	14,607
Miscellaneous expense	11,126	-	10,431	-
Total Operating Expenses	6,468,832	1,262,405	3,931,774	3,580,515
Operating Income (Loss)	1,509,385	(455,274)	2,620,211	(2,995,710)
<u>NON-OPERATING REVENUES (EXPENSES)</u>				
Taxes	-	64,676	-	2,442,000
Forfeitures and penalties	-	-	-	-
Intergovernmental revenues	54,924	643,229	250,361	351,813
Interest income	604,765	6,533	533,034	23,164
Other revenues	42,202	202,814	927,258	48
Interest expense	(474,559)	(23,562)	(47,351)	(8,894)
Amortization	(25,590)	-	-	-
Impairment loss	-	-	(541,675)	-
Gain (loss) on disposition of capital assets	-	-	(43,645)	-
Contribution expense	-	-	-	-
Total Non-Operating Revenues (Expenses)	201,742	893,690	1,077,982	2,808,131
Income (Loss) Before Contributions and Transfers	1,711,127	438,416	3,698,193	(187,579)
Capital contribution	-	-	555,448	-
Transfers in	71,814	-	309,786	-
Transfers out	-	-	-	-
Change in Net Assets	1,782,941	438,416	4,563,427	(187,579)

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

Governmental Activities	
Totals	Internal Service Funds
\$ 15,126,743	\$ 6,350,095
795,395	-
<u>15,922,138</u>	<u>6,350,095</u>
5,037,844	868,483
639,123	807,958
14,115	-
890,264	1,548,861
36,432	67,972
5,475,001	130,753
1,402,114	507,448
371,234	-
77,962	466,556
-	942,953
1,095,574	379,006
182,306	359,592
21,557	2,610
<u>15,243,526</u>	<u>6,082,192</u>
<u>678,612</u>	<u>267,903</u>
2,506,676	-
-	366
1,300,327	-
1,167,496	141,883
1,172,322	98,930
(554,366)	(1,809)
(25,590)	-
(541,675)	-
(43,645)	12,916
-	(108,254)
<u>4,981,545</u>	<u>144,032</u>
5,660,157	411,935
555,448	-
381,600	71,691
-	(381,600)
<u>6,597,205</u>	<u>102,026</u>

COUNTY OF NEVADA, CALIFORNIA
STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2007

	Business-type Activities Enterprise Funds			Other Enterprise Funds
	Western Nevada County Solid Waste	Airport	Sanitation District	
Total Net Assets - Beginning	(8,358,985)	4,369,858	14,657,402	605,453
Prior period adjustment	-	-	434,933	-
Total Net Assets - Beginning, Restated	<u>(8,358,985)</u>	<u>4,369,858</u>	<u>15,092,335</u>	<u>605,453</u>
Total Net Assets - Ending	<u>\$ (6,576,044)</u>	<u>\$ 4,808,274</u>	<u>\$ 19,655,762</u>	<u>\$ 417,874</u>

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

Change in Net Assets of the Business-Type Activities

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

<u>Governmental Activities</u>	
<u>Totals</u>	<u>Internal Service Funds</u>
	3,422,476
	<u>(256,942)</u>
	<u>3,165,534</u>
	<u>\$ 3,267,560</u>
<u>298,661</u>	
<u>\$ 6,895,866</u>	

COUNTY OF NEVADA, CALIFORNIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2007

Business-type Activities
Enterprise Funds

	Enterprise Funds			
	Western Nevada County Solid Waste	Airport	Sanitation District	Other Enterprise Funds
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>				
Receipts from customers	\$ 7,768,648	\$ 773,468	\$ 6,552,264	\$ 593,767
Payments to suppliers	(5,006,197)	(704,993)	(1,548,467)	(2,116,458)
Payments to employees	(1,614,762)	(226,417)	(1,784,866)	(1,354,394)
Net Cash Provided (Used) by Operating Activities	1,147,689	(157,942)	3,218,931	(2,877,085)
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</u>				
Grants and other receipts	152,811	899,904	1,074,208	3,209,155
Subsidies, loans, and transfers from (to) other funds	44,242	(3,730)	98,749	(386,955)
Net Cash Provided (Used) by Noncapital Financing Activities	197,053	896,174	1,172,957	2,822,200
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>				
Acquisition of capital assets	(427,760)	(627,822)	(16,043,309)	-
Proceeds from sale of capital assets	-	-	-	-
Proceeds from issuance of debt	-	-	26,407,338	-
Principal paid on capital debt	(475,000)	(40,562)	(4,180,445)	-
Interest paid on capital debt	(436,749)	(17,990)	(21,461)	-
Net Cash Provided (Used) for Capital and Related Financing Activities	(1,339,509)	(686,374)	6,162,123	-
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>				
Interest and dividends	528,089	6,533	533,033	1,392
Net Cash Provided (Used) by Investing Activities	528,089	6,533	533,033	1,392
Net Increase (Decrease) in Cash and Cash Equivalents	533,322	58,391	11,087,044	(53,493)
Balances - Beginning of the Year	12,401,201	91,874	2,109,974	388,733
Balances - End of the Year	\$ 12,934,523	\$ 150,265	\$ 13,197,018	\$ 335,240

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

**Governmental
Activities**

<u>Totals</u>	<u>Internal Service Funds</u>
\$ 15,688,147	\$ 6,343,654
(9,376,115)	(5,071,905)
<u>(4,980,439)</u>	<u>(879,408)</u>
1,331,593	392,341
5,336,078	99,337
(247,694)	81,204
<u>5,088,384</u>	<u>180,541</u>
(17,098,891)	(489,615)
-	12,916
26,407,338	-
(4,696,007)	(3,854)
<u>(476,200)</u>	<u>(1,809)</u>
4,136,240	(482,362)
1,069,047	141,842
<u>1,069,047</u>	<u>141,842</u>
11,625,264	232,362
<u>14,991,782</u>	<u>2,772,772</u>
<u>\$ 26,617,046</u>	<u>\$ 3,005,134</u>

COUNTY OF NEVADA, CALIFORNIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2007

	Business-type Activities			
	Enterprise Funds			
	Western Nevada County Solid Waste	Airport	Sanitation District	Other Enterprise Funds
<u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</u>				
Operating income (loss)	\$ 1,509,385	\$ (455,274)	\$ 2,620,211	\$ (2,995,710)
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	169,551	286,890	448,620	190,513
Decrease (increase) in:				
Accounts receivable	(211,154)	(4,404)	279	8,962
Prepaid costs	-	1,432	-	-
Inventory	-	(23,439)	-	744
Increase (decrease) in:				
Accounts payable	(266,417)	63,387	120,675	(5,679)
Accrued salaries and benefits	8,703	752	13,944	9,049
Due to other governmental agencies	-	-	-	(40,214)
Compensated absences payable	5,377	1,973	15,202	2,405
Deposits payable	1,585	-	-	-
Unearned revenue	-	(29,259)	-	-
Claims payable	-	-	-	-
Closure/post closure	(69,341)	-	-	(47,155)
Net Cash Provided (Used) by Operating Activities	<u>\$ 1,147,689</u>	<u>\$ (157,942)</u>	<u>\$ 3,218,931</u>	<u>\$ (2,877,085)</u>
<u>NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES</u>				
Capital asset impairment	\$ -	\$ -	\$ (541,675)	\$ -
Capital asset donated by developer	-	-	555,488	-
Capital lease acquisition	-	-	-	-
Contribution of capital assets to governmental activities	-	-	-	-

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

Governmental Activities	
Totals	Internal Service Funds
\$ 678,612	\$ 267,903
1,095,574	379,006
(206,317)	1,586
1,432	(130,365)
(22,695)	-
(88,034)	(30,490)
32,448	316
(40,214)	-
24,957	(11,241)
1,585	-
(29,259)	(8,027)
-	(76,347)
(116,496)	-
<u>\$ 1,331,593</u>	<u>\$ 392,341</u>

\$ (541,675)	\$ -
555,488	-
-	(3,874)
-	(108,254)

COUNTY OF NEVADA, CALIFORNIA
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2007

	Investment Trust Funds	Agency
<u>ASSETS</u>		
Cash and investments	\$ 57,808,645	\$ 3,237,566
Restricted cash and investments	-	233,459
Taxes receivable	-	9,702,657
Due from other funds	7,850,032	-
Total Assets	\$ 65,658,677	\$ 13,173,682
<u>LIABILITIES</u>		
Due to other funds	\$ -	\$ 7,850,032
Agency obligations	-	5,323,650
Total Liabilities	-	13,173,682
<u>NET ASSETS</u>		
Net assets held in trust for investment pool participants	\$ 65,658,677	\$ -

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

COUNTY OF NEVADA, CALIFORNIA
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2007

	Investment Trust Funds
<u>ADDITIONS</u>	
Contributions:	
Contributions to investment pool	\$356,010,676
Net investment income:	
Interest income	3,456,654
Net investment income	3,456,654
Total Additions	359,467,330
<u>DEDUCTIONS</u>	
Distributions from investment pool	353,784,980
Total Deductions	353,784,980
Change in Net Assets	5,682,350
Net Assets - Beginning	59,976,327
Net Assets - Ending	\$ 65,658,677

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

BASIC FINANCIAL STATEMENTS
Notes to Basic Financial Statements

COUNTY OF NEVADA, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2007

NOTE 1: FINANCIAL REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The County operates under an Administrator-Board of Supervisors form of government and provides various services on a county wide basis including law and justice, education, detention, social, health, fire protection, road construction, road maintenance, transportation, park and recreation facilities, elections and records, communications, planning, zoning and tax collection.

The accounting methods and procedures adopted by the County conform to generally accepted accounting principles as applied to governmental entities. These financial statements present the government and its component units, entities for which the government is considered to be financially accountable under the criteria set by Governmental Accounting Standards Board (GASB) Statement No. 14.

The governmental reporting entity consists of the County (Primary Government) and its component units. Component units are legally separate organizations for which the Board of Supervisors is financially accountable or other organizations whose component units nature and significant relationship with the County are such that exclusion would cause the County's financial statements to be misleading or incomplete. Financial accountability is defined as the appointment of a voting majority of the component unit's board, and (i) either the County's ability to impose its will on the organization or (ii) there is potential for the organization to provide a financial benefit to or impose a financial burden on the County.

Reporting for component units on the County's financial statements can be blended or discretely presented. Blended component units are, although legally separate entities, in substance part of the County's operations and, therefore, data from these units are combined with data of the primary government. Discretely presented component units, on the other hand, would be reported in a separate column in the government-wide financial statements to emphasize it is legally separate from the government.

For financial reporting purposes, the County's basic financial statements include all financial activities that are controlled by or are dependent upon actions taken by the County's Board. The financial statements of the individual component units may be obtained by writing to the County of Nevada, Auditor-Controller's Office, 950 Maidu Avenue, Nevada City, CA 95959.

Blended Component Units

The blended component units' governing bodies are substantively the same as the governing body of the primary government. Component units that are blended into the reporting activity types of the County's report are presented below:

Special Revenue Funds:

Nevada County Housing Authority
Special Districts Governed by the Board of Supervisors

Debt Service Funds:

Nevada County Finance Authority

Enterprise Funds:

Sanitation District

Discretely Presented Component Units

There are no component units of the County which meet the criteria for discrete presentation.

COUNTY OF NEVADA, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2007

NOTE 1: FINANCIAL REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation

Government-Wide Financial Statements

The statement of net assets and statement of activities display information on all of the nonfiduciary activities of the County, and its blended component units. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the governmental and business-type activities of the County. Governmental activities, which are normally supported by taxes and inter-governmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the County's governmental activities. Direct expenses are those that are specifically associated with a program or function and; therefore, are clearly identifiable to a particular function. Program revenues include (1) charges paid by the recipients of goods and services offered by the program and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented instead as general revenues.

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the County or meets the following criteria:

- Total assets, liabilities, revenues or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- Total assets, liabilities, revenues or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The County reports the following major governmental funds:

- The General Fund is used to account for all revenues and expenditures necessary to carry out basic governmental activities of the County that are not accounted for through other funds. For the County, the General Fund includes such activities as public protection, public ways and facilities, health and sanitation, public assistance, education, and recreation services.
- The Road Fund is a special revenue fund used to account for the revenues and expenditures for streets and road expansion.
- The Community Development Agency Fund is a special revenue fund used to account for the operation of community development programs.
- The Human Services Agency Fund is a special revenue fund used to account for revenues and expenditures for human service programs.
- The Health and Welfare Realignment Fund is a special revenue fund used to account for revenues and expenditures for public and mental health and social services programs.

COUNTY OF NEVADA, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2007

NOTE 1: FINANCIAL REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation (Continued)

Fund Financial Statements (Continued)

The County reports the following major proprietary funds:

- The Western Nevada County Solid Waste Fund is an enterprise fund used to account for activity related to providing customers with solid waste management and billing for services provided by the County.
- The Airport Fund is an enterprise fund used to account for activity related to the County Airport and billing for services provided by the County.
- The Sanitation District Fund is an enterprise fund used to account for activity related to providing customers with sanitation management and billing for services provided by the County.

The County reports the following additional fund types:

- Internal Service Funds account for the County's fleet maintenance and self insurance programs which provide services to other departments on a cost reimbursement basis.
- The Investment Trust Funds account for the assets of legally separate entities that deposit cash with the County Treasurer. The assets of these funds are held in trust for other agencies and are part of the County's external pool. The external investment pool is made up of five separate funds; Special Districts governed by Local Boards, School Districts, School Districts Debt Service, Courts and Jury/Witness and Local Transportation Authority. These funds account for assets, primarily cash and investments in the County's investment pool, owned by legally separate entities such as school and community colleges, special districts governed by local boards, regional boards and authorities, and pass through funds for tax collections for cities. The County is obligated to disburse monies from these funds on demand.
- Agency Funds account for the receipt and disbursement of various taxes, deposits, deductions, and property collected by the County, acting in the capacity of an agent for distribution to other governmental units or other organizations. The agency funds maintained by the County include two separate components.

Accrued Trust Funds - Accounts for property tax receipts awaiting apportionment to other local governmental agencies and investment earnings awaiting apportionment to other local government agencies.

County Departmental Agency - Accounts for all assets under the control of County departments which are held in a fiduciary capacity.

C. Basis of Accounting and Measurement Focus

The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, include property and sales tax, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenues from sales tax are recognized when the underlying transactions take place. Revenues from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

COUNTY OF NEVADA, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2007

NOTE 1: FINANCIAL REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting and Measurement Focus (Continued)

For its business-type activities and enterprise funds, the County has elected, under Governmental Accounting Standards Board (GASB) Statement No. 20, "Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting", to apply all applicable pronouncements as well as any applicable pronouncements of the Financial Accounting Standards Board, the Accounting Principles Board or any Accounting Research Bulletins issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to the same limitation. The County has elected not to follow subsequent private-sector guidance. The GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes accounting principles generally accepted in the United States of America (GAAP) for government units.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Property and sales taxes, interest, certain state and federal grants, and charges for services are accrued when their receipt occurs within sixty days after the end of the accounting period so as to be both measurable and available. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures as well as expenditures related to claims and judgments are recorded only when payment is due. Capital assets acquisitions are reported as expenditures in governmental funds. Proceeds of long-term debt and capital leases are reported as other financing sources.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise and internal service funds are charges to customers for sales and services. Operating expenses for enterprise and internal service 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 nonoperating revenues and expenses.

Fiduciary funds include trust and agency funds. All trust funds typically employ the same economic resources measurement focus and accrual basis of accounting as do proprietary funds. Agency funds, however, are unlike all other types of funds, reporting only assets and liabilities. So agency funds cannot be said to have a measurement focus. They do, however, typically use the accrual basis of accounting to recognize receivables and payables.

D. Cash and Cash Equivalents

For purposes of the accompanying statement of cash flows, the enterprise and the internal service funds consider all highly liquid investments with a maturity of three months or less when purchased, and their equity in the County Treasurer's investment pool, to be cash equivalents.

E. Investments

The County sponsors an investment pool that is managed by the County Treasurer. The Treasurer invests on behalf of most funds of the County and external participants in accordance with the California State Government Code and the County's investment policy. State statutes authorize the County to invest its cash surplus in obligations of the U.S. Treasury, agencies and instrumentalities, corporate bonds, medium term notes, bankers' acceptances, certificates of deposit, commercial paper, repurchase agreements, and the State of California Local Agency Investment Fund

Investment transactions are recorded on the trade date. Investments are reported at fair value which is determined using selected bases annually. The fair value represents the amount the County could reasonably expect to receive for an investment in a current sale between a willing buyer and seller. Short term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Cash deposits are reported at carrying amount which reasonably estimates fair value. Managed funds not listed on an established market are reported at the estimated fair value as determined by the respective fund managers based on quoted sales prices of the underlying securities.

COUNTY OF NEVADA, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2007

NOTE 1: FINANCIAL REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Investments (Continued)

Participant's equity in the investment pool is determined by the dollar amount of participant deposits, adjusted for withdrawals and distributed investment income. Investment income is determined on an amortized cost basis. Amortized premiums and accreted discounts, accrued interest, and realized gains and losses, net of expenses, are apportioned to pool participants each quarter. This method differs from the fair value method used to value investments in these financial statements, as unrealized gains or losses are not apportioned to pool participants. During the fiscal year ended June 30, 2007, the County Treasurer has not entered into any legally binding guarantees to support the value of participant equity in the investment pool.

Income from pooled investments is allocated to the individual funds or external participants based on the fund or participant's average daily cash balance at quarter end in relation to the total pool investments. Interest income earned in agency funds where there are no interest earnings requirements are assigned to the General Fund per County Policy. Income from non-pooled investments is recorded based on the specific investments held by the fund. The interest income is recorded in the fund that earned the interest.

F. Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Major receivable balances for the governmental activities include taxes, grants, and interest. Business-type activities report user fees and interest earnings as their major receivables.

In the fund financial statements, material receivables in governmental funds include revenue accruals such as taxes, grants, interest, and other similar intergovernmental revenues since they are usually both measurable and available. Nonexchange transactions collectible but not available are deferred in the fund financial statements in accordance with modified accrual, but not deferred in the government-wide financial statements in accordance with the accrual basis. Interest and investment earnings are recorded when earned only if paid within 60 days since they would be considered both measurable and available. Proprietary fund material receivables consist of all revenues earned at year-end and not yet received. User fee receivable and interest earnings compose the majority of proprietary fund receivables. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable.

G. Interfund Transactions

Interfund transactions are reflected as either loans, services provided or used, reimbursements or transfers.

- Loans reported as receivables and payables are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans) as appropriate and are subject to elimination upon consolidation. Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances". Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not available financial resources.
- Services provided or used, deemed to be at market or near market rates, are treated as revenues and expenditures or expenses. These services provide information on the net cost of each government function and therefore are not eliminated in the process of preparing the government-wide statement of activities.
- Reimbursements occur when the funds responsible for particular expenditures or expenses repay the funds that initially paid for them. Such reimbursements are treated as an adjustment to expenditures or expenses; that is, a corresponding increase in expenditures or expenses in the reimbursing fund and a corresponding decrease in expenditures or expenses in the reimbursed fund.
- All other interfund transactions are treated as transfers. Transfers between governmental and proprietary funds are netted as part of the reconciliation to the government-wide presentation.

See Note 3 for details of interfund transactions, including receivables and payables at year end.

COUNTY OF NEVADA, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2007

NOTE 1: FINANCIAL REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Inventory and Prepaid Costs

Inventories are stated at average cost for governmental and proprietary funds. Inventory recorded by governmental funds includes materials and supplies for roads. Governmental fund inventories are recorded as expenditures at the time the inventory is consumed. Inventory recorded by proprietary funds includes supplies for internal service funds. Proprietary fund inventories are recorded as expenses at the time the inventory is consumed.

Certain payments to vendors reflect costs applicable to future accounting periods and are accounted for as prepaid costs.

I. Loans Receivables

For the purpose of the fund financial statements, Special Revenue Fund expenditures relating to long-term loans receivable arising from mortgage subsidy programs are charged to operations upon funding and the loans receivable are recorded. The balance of the long-term receivable includes loans that may be forgiven if certain terms and conditions of the loans are met.

J. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (roads, bridges, sidewalks, sewer, and similar items), are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the County as assets with a cost of more than \$5,000 for equipment and \$25,000 for structures and infrastructure and an estimated useful life of more than two years. Such assets are recorded at historical or estimated historical cost. Contributed capital assets are recorded at estimated fair market value at the date of donation.

The accounting treatment over property, plant, and equipment (capital assets) depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

Government-Wide Financial Statements

In the government-wide financial statements, property, plant, equipment and infrastructure (except for the maintained road system) are accounted for as exhaustible capital assets. All capital assets are valued at historical cost, or estimated historical cost if actual is unavailable, except for donated capital assets which are recorded at their estimated fair value at the date of donation.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

<u>Depreciable Asset</u>	<u>Estimated Lives</u>
Equipment	3-25 years
Structures and improvements	5-50 years
Infrastructure (except for the maintained road system)	20-75 years

The County's infrastructure assets are recorded at historical cost in the government-wide financial statements as required by the Governmental Accounting Standards Board (GASB) Statement No. 34. The County has elected to use the modified approach to report its maintained road system. Infrastructure assets reported under the modified approach are not subject to depreciation per GASB Statement No. 34.

COUNTY OF NEVADA, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2007

NOTE 1: FINANCIAL REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Capital Assets (Continued)

The County manages its maintained road system using the Metropolitan Transportation Commission's Pavement Management program (Program) and accounts for them using the modified approach. The Program establishes a Pavement Condition Index (PCI) on a scale from zero to one hundred (0-100) for each road segment being maintained by the Department of Public Works. The Program has defined the pavement of roads with PCIs of 40 or better to be in a "Fair" or better condition and roads with a PCI of 55 or better to be in a "Good" or better condition. The system-wide average PCI number for all paved or chip sealed roads in the County maintained road system is calculated on a weighted by section, road area basis. The amount that an individual road section's condition contributes to the overall system average rating is proportionate to the amount of the total systems surfaced area that the individual segment contains. It is the County's policy relative to maintaining the maintained road system to keep an average PCI rating of 62. This rating must be achieved over a three year period.

Maintenance and repairs are charged to operations when incurred. Betterments and major improvements which significantly increase values, change capacities or extend useful lives are capitalized. Upon sale or retirement of capital assets, the cost and related accumulated depreciation are removed from the respective accounts and any resulting gain or loss is included in the results of operations.

Fund Financial Statements

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same as in the government-wide statements.

K. Unearned Revenue/Deferred Revenue

Under both the accrual and modified accrual basis of accounting, revenues are recognized only when earned. Thus, the government-wide statement of net assets, governmental funds, and enterprise funds defer revenue recognition for resources that have been received at year-end, but not yet earned. Assets recognized before the earning process is complete are offset by a corresponding liability as unearned revenues. Under the modified accrual basis of accounting, revenues are recognized when earned and susceptible to accrual. Revenues are considered susceptible to accrual if they are measurable and available to finance expenditures of the current period. Thus, governmental funds also defer revenue recognition for revenues not considered available to liquidate liabilities of the current period.

See Note 3 for details of unearned/deferred revenues at year end.

L. Long-Term Debt

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term debt to be repaid from governmental and business-type resources is reported as liabilities in the government-wide statements. The long-term debt consists primarily of certificates of participation, special assessment bonds, loans, capital leases, and accrued compensated absences.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest is reported as expenditures. The accounting for proprietary funds is the same in the fund statements as it is in the government-wide statements.

COUNTY OF NEVADA, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2007

NOTE 1: FINANCIAL REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Compensated Absences

It is the County's policy to permit employees to accumulate a limited amount of earned but unused vacation or personal paid leave. An unlimited amount of sick leave may be accrued in accordance with each bargaining unit's MOU and, upon separation from County's service, will either be paid to employees or converted to PERS service credit. In the government-wide financial statements the accrued compensated absences is recorded as an expense and related liability, with the current portion estimated based on historical trends. In the governmental fund financial statements the expenditures and liabilities related to those obligations are recognized only when they mature. In the proprietary funds the accrued compensated absences is recorded as an expense and related liability in the year earned. The County includes its share of social security and medicare taxes payable on behalf of the employees in the accrual for compensated absences.

N. Fund Balances/Net Assets

The government-wide and business-type fund financial statements utilize a net asset presentation. Equity is classified as net assets and displayed in three components:

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

When both restricted and unrestricted net assets are available, unrestricted resources are depleted first before the restricted resources are used.

In the fund financial statements governmental funds report reserves and designations as segregated portions of fund balance. Reservations of fund balance are for amounts that are not available or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance are established by action of management and represent tentative plans that are subject to change.

As of June 30, 2007, reservations of fund balance included:

Debt Service - to reflect the funds held for future payment on debt principal and interest.

Encumbrances - to reflect the outstanding contractual obligations for which goods and services have not been received.

Inventory - to reflect the portion of assets which represent inventory and do not represent available spendable resources.

Advances - to reflect the amount due from other funds that are long-term in nature. Such amounts do not represent available spendable resources.

Loans Receivable - to reflect the portion of loans receivable which is long-term in nature. Such amounts do not represent available spendable resources.

COUNTY OF NEVADA, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2007

NOTE 1: FINANCIAL REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Fund Balances/Net Assets (Continued)

As of June 30, 2007, designations of fund balance included:

Designated for General - to reflect the funds the County has set aside to fund subsequent year expenditures and projects not yet approved.

Designated for Leave Liability - to reflect the funds the County has set aside to fund subsequent payment to retire compensated absences.

Designated for PERS Pension - to reflect funds the County has set aside to fund future PERS costs.

Designated for Special Projects - to reflect the funds the County has set aside to fund subsequent projects.

Designated for General Plan Update - to reflect the funds the County has set aside to fund the General Plan update.

Designated for Realignment - to reflect the funds the County has set aside to fund subsequent potential State expenditures.

Designated for COP Lease Payment - to reflect the funds the County has set aside to fund subsequent COP Lease payments.

Designated for Civil Litigation - to reflect the funds the County has set aside to fund subsequent civil litigation.

Designated for Technology - to reflect the funds the County has set aside to fund subsequent upgrades.

The County's designations at June 30, 2007, are comprised of the following:

	<u>General</u>
Designated for:	
General	\$ 4,277,000
Leave liability	1,650,000
PERS pension	1,000,000
Special projects	3,040,000
General plan update	400,000
Realignment	300,000
COP	43,000
Civil litigation	30,000
Technology	856,259
Total	<u>\$ 11,596,259</u>

O. Property Tax Levy, Collection, and Maximum Rates

The State of California's (State) Constitution Article XIII A provides that the combined maximum property tax rate on any given property may not exceed 1% of its assessed value unless an additional amount for general obligation debt has been approved by voters. Assessed value is calculated at 100% of market value, as defined by Article XIII A, and may be adjusted by no more than 2% per year unless the property is sold or transferred. The State Legislature has determined the method of distribution of receipts from a 1% tax levy among the County, cities, school districts, and other districts.

The County of Nevada assesses properties and bills for and collects property taxes as follows:

	<u>Secured</u>	<u>Unsecured</u>
Valuation/lien dates	January 1	January 1
Levy dates	January 1	January 1
Due dates	November 1 (1 st installment) February 1 (2 nd installment)	July 1
Delinquent dates	December 10 (1 st installment) April 10 (2 nd installment)	August 31

COUNTY OF NEVADA, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2007

NOTE 1: FINANCIAL REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

O. Property Tax Levy, Collection, and Maximum Rates (Continued)

The term "unsecured" refers to taxes on personal property other than land and buildings. These taxes are secured by liens on the personal property being taxed. Property tax revenues are recognized in the fiscal year for which they are levied, provided they are due and collected within sixty days after fiscal year-end.

The County of Nevada apportions secured property tax revenue in accordance with the alternate methods of distribution, the "Teeter Plan", as described by Section 4717 of the California Revenue and Taxation code. Under the Teeter Plan, penalties and interest collected on delinquent secured taxes are required to be held in trust in the Tax Loss Recovery Fund (TLRF). The primary purpose of TLRF is to cover losses that may occur as a result of special sales of tax-defaulted property.

The County is legally required to maintain a minimum balance of 1% of the annual taxes levied on properties participating in the Teeter Plan. The balance in the TLRF was \$1,636,762 at June 30, 2007. The County's management believes that any ownership rights to the TLRF the County may have are effective only upon a Board approved transfer or to the extent of losses related to the sale of tax defaulted property. Amounts in the TLRF are considered to be held in a custodial capacity for the participants in the County's Teeter Plan and accounted for in an agency fund.

P. Grant Revenues

Certain grant revenues are recognized when specific related expenditures have been incurred. In other grant programs, monies are virtually unrestricted as to purpose of expenditure and are only revocable for failure to comply with prescribed compliance requirements. These revenues are recognized at the time of receipt, or earlier if susceptible to accrual criteria is met. Cash received prior to incurrence of the related expenditure is recorded as unearned revenue.

Q. Expenditures/Expenses

In the government-wide financial statements, expenses are classified by function for both governmental and business-type activities.

In the fund financial statements, expenditures are classified as follows:

Government Funds – By Character
 Current (further classified by function)
 Debt Service
 Capital Outlay

Proprietary Funds – By Operating and Nonoperating

R. Estimates

The preparation of basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 2: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Restatement of Fund Balance/Net Assets

Adjustments resulting from errors or a change to comply with provisions of the accounting standards are treated as adjustments to prior periods. Accordingly, the County reports these changes as restatements of beginning fund balance/net assets. During the current year, an adjustment to net assets was required to correct a prior year misstatement of capital assets.

COUNTY OF NEVADA, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2007

NOTE 2: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)

A. Restatement of Fund Balance/Net Assets (Continued)

The impact of the restatements on the net assets on the government-wide financial statements as previously reported is presented below:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Net Assets, June 30, 2006, as previously reported	\$ 286,806,128	\$ 11,092,557
Adjustment associated with:		
Correction of capital assets	-	434,933
Correction of unearned revenue	(256,942)	-
Total Adjustments	<u>(256,942)</u>	<u>434,933</u>
Net Assets, July 1, 2006, as restated	<u>\$ 286,549,186</u>	<u>\$ 11,527,490</u>

The impact of the restatements on the net assets on the fund financial statements as previously reported is presented below:

	<u>Sanitation District</u>	<u>Internal Service Funds</u>
Net Assets, June 30, 2006, as previously reported	\$ 14,657,402	\$ 3,422,476
Adjustment associated with:		
Correction of capital assets	434,933	-
Correction of unearned revenue	-	(256,942)
Total Adjustments	<u>434,933</u>	<u>(256,942)</u>
Net Assets, July 1, 2006, as restated	<u>\$ 15,092,335</u>	<u>\$ 3,165,534</u>

B. Deficit Fund Balance/Net Assets

The following major enterprise fund had deficit net assets:

The Western Nevada County Solid Waste fund had a net asset deficit of \$6,576,044, due to booking the post closure liability of \$13,403,589, in accordance with GASB Statement 18. The County has established a pledge of revenues consisting of parcel charges to demonstrate financial responsibility for postclosure maintenance in accordance with California Code of Regulations.

The following internal service funds had deficit net assets:

The Central Services fund had a net asset deficit of \$12,315, which is expected to be eliminated through cost containment.

C. Rebtable Arbitrage

The Tax Reform Act of 1986 instituted certain arbitrage restrictions with respect to the issuance of tax-exempt bonds after August 31, 1986. Arbitrage regulations deal with the investment of all tax exempt bond proceeds at an interest yield greater than the interest yield paid to bondholders. Generally, all interest paid to bondholders can be retroactively rendered taxable if applicable rebates are not reported and paid to the Internal Revenue Service (IRS) at least every five years. During the current year, the County performed calculations of excess investment earnings on various bonds and financing and paid an arbitrage rebate of \$100,373.

D. Gann Spending Limitation

Under Article XIII B of the California Constitution (the Gann Spending Limitation), the County is restricted as to the amount of annual appropriations from proceeds of taxes, and if proceeds of taxes exceed allowed appropriations, the excess must either be refunded to the State Controller or returned to the taxpayers through revised tax rates, revised fee schedules or other refund arrangements.

COUNTY OF NEVADA, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2007

NOTE 3: DETAILED NOTES

A. Cash and Investments

The County sponsors an investment pool that is managed by the County Treasurer for the purpose of increasing interest earnings through investment activities. The investment pool is not registered with the Securities and Exchange Commission as an investment company. Investments made by the Treasurer are regulated by the California Government Code and by the County's investment policy. The objectives of the policy are in order of priority, safety, liquidity, yield and public trust. The County has established a treasury oversight committee to monitor and review the management of public funds maintained in the investment pool in accordance with Article 6 Section 27131 of the California Government Code. The oversight committee and the Board of Supervisors review and approve the investment policy annually. The County Treasurer prepares and submits a comprehensive investment report to the members of the oversight committee and the investment pool participants every month. The report covers the type of investments in the pool, maturity dates, par value, actual cost and fair value. All cash and investments with the exception of deposits with fiscal agents and investments with fiscal agents are considered a part of the investment pool.

The County sponsored investment pool includes both internal and external participants. The portion of the pool attributable to external pool participants, which are considered involuntary participants, are included in the primary government as an Investment Trust Fund which does not have separate financial reports. The State of California statutes require certain special districts and other governmental entities to maintain their cash surplus with the County Treasurer. The net assets value of involuntary participation in the investment pool totaled \$65,658,677 at June 30, 2007.

As of June 30, 2007, the County's cash and investments are reported on the financial statements as follows:

Primary government	\$ 80,706,342
Investment trust fund	57,808,645
Agency funds	<u>3,471,025</u>
Total Cash and Investments	<u>\$ 141,986,012</u>

As of June 30, 2007, the County's cash and investments consisted of the following:

Cash and Deposits:	
Cash on hand	\$ 1,138,702
Deposits (less outstanding checks)	5,683,233
Deposits with fiscal agents	<u>1,065,572</u>
Total Cash and Deposits	<u>7,887,507</u>
Investments:	
In Treasurer's Pool	131,015,005
Investments with fiscal agents	<u>3,083,500</u>
Total Investments	<u>134,098,505</u>
Total Cash and Investments	<u>\$ 141,986,012</u>

Deposits

The California Government Code requires California banks and savings and loan associations to collateralize a County's deposits by pledging government securities. The market value of pledged securities must equal at least 110 percent of a County's deposits. California law also allows financial institutions to collateralize County deposits by pledging first trust deed mortgage notes having a value of 150 percent of a County's total deposits. The County may waive collateral requirements for deposits which are fully insured up to \$100,000 by Federal Depository insurance.

At year end, the carrying amount of the County's cash deposits (including amount in checking accounts, money market accounts and cash with fiscal agents) was \$6,748,805 and the bank balance was \$17,692,194. The difference between the bank balance and the carrying amount represents outstanding checks and deposits in transit. Of the bank balance, \$473,771 was covered by federal depository insurance and \$17,218,423 was uninsured and collateralized (i.e., collateralized with securities held by the pledging financial institution at 110 percent of the deposits, in accordance with the State of California Government Code, deemed to be held in the County's name).

COUNTY OF NEVADA, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2007

NOTE 3: DETAILED NOTES (CONTINUED)

A. Cash and Investments (Continued)

Investments

As of June 30, 2007, the County's investments consisted of the following:

	Maturities			Fair Value	Weighed Average Maturity (Years)
	0-1 year	1-5 years	Over 5 years		
Investments in Investment Pool					
Commercial Paper	\$ 12,986,980	\$ -	\$ -	\$ 12,986,980	0.00
Government Agency Securities	47,792,880	18,308,745	-	66,101,625	0.91
Corporate Notes	19,926,400	-	-	19,926,400	0.52
Negotiable CD's	5,000,000	-	-	5,000,000	0.13
Certificates of Deposit	<u>27,000,000</u>	-	-	<u>27,000,000</u>	<u>0.24</u>
Total Investments in Investment Pool	<u>\$112,706,260</u>	<u>\$ 18,308,745</u>	<u>\$ -</u>	<u>\$ 131,015,005</u>	<u>0.59</u>
Investments Held by Fiscal Agents					
Corporate Notes	\$ -	\$ -	\$ 945,000	\$ 945,000	2.07
IXIS	<u>2,138,500</u>	-	-	<u>2,138,500</u>	-
Total Investments Held by Fiscal Agents	<u>2,138,500</u>	-	<u>945,000</u>	<u>3,083,500</u>	<u>0.92</u>
Total Investments	<u>\$114,844,760</u>	<u>\$ 18,308,745</u>	<u>\$ 945,000</u>	<u>\$ 134,098,505</u>	<u>0.63</u>

Interest Rate Risk - Interest rate risk is the risk of loss due to the fair value of an investment falling due to interest rates rising. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. Through its investment policy, the County manages its exposure to fair value losses arising from increasing interest rates by limiting the maturity of its investments to 5 years or less. Of the investments in the County's investment pool, over 85% of the investments have a maturity of one year or less. Of the remainder, less than 0.1% have a maturity of more than 5 years.

Credit Risk - Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. State law limits investments in corporate bonds to the rating of A by both Standards & Poor's and Moody's Investors Service. The County does not have credit limits on U.S. government securities or U.S. government agency securities.

<u>Investment</u>	<u>Standard & Poor's Rating</u>	<u>% of Portfolio</u>
Commercial paper	A-1	3.73%
Commercial paper	A-1+	5.96%
Federal Farm Credit Bank	AAA	9.60%
Federal Home Loan Bank	AAA	24.09%
Federal Home Loan Mortgage	AAA	5.19%
Federal National Mortgage Association	AAA	10.41%
Corporate notes	AA+	2.97%
Corporate notes	AA-	2.23%
Corporate notes	AAA	9.66%
Corporate notes	AA	0.70%
Negotiable CD's	Unrated	3.73%
Certificates of Deposit	Unrated	20.13%
IXIS	Unrated	<u>1.60%</u>
Total		<u>100%</u>

Custodial Credit Risk - Custodial Credit Risk is the risk that, in the event of the failure of a depository financial institution, the County will not be able to recover its deposits or collateral securities that are in the possession of an outside party. The County's investment policy does not contain legal requirements that would limit the exposure to custodial credit risk.

COUNTY OF NEVADA, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2007

NOTE 3: DETAILED NOTES (CONTINUED)

A. Cash and Investments (Continued)

Concentration of Credit Risk - Concentration of credit risk is the risk of loss attributed to the magnitude of the County's investment in a single issuer of securities. When investments are concentrated in one issuer, this concentration presents a heightened risk of potential loss. Nearly 69% of the County's investments at year-end are in U.S. Government Agency securities and certificates of deposit. There is no limitation on amounts invested in these types of issues. State law restricts the County's investments in commercial paper to 40% of its investment pool and to 10% per issuer. State law also limits the County's investments in corporate notes and negotiable certificates of deposit to 30% of its investment pool and to 10% per issuer. At the June 30, 2007, the County's investments were in compliance with concentration of credit risk State law.

County Investment Pool Condensed Financial Information

A condensed statement of net assets and changes in net assets for the investment pool as of and for the year ended June 30, 2007 follows:

	<u>Internal Participants</u>	<u>External Participants</u>	<u>Total Pool</u>
Statement of Net Assets			
Cash on hand	\$ 1,138,702	\$ -	\$ 1,138,702
Deposits (Less outstanding checks)	5,683,233	-	5,683,233
Investments	73,206,360	57,808,645	131,015,005
Due from other funds	-	7,850,032	7,850,032
Due to other funds	(7,850,032)	-	(7,850,032)
Net Assets at June 30, 2007	<u>\$ 72,178,263</u>	<u>\$ 65,658,677</u>	<u>\$ 137,836,940</u>
Statement of Changes in Net Assets			
Net assets at July 1, 2006	\$ 54,514,040	\$ 59,976,327	\$ 114,490,367
Net changes in investments by pool participants	17,664,223	5,682,350	23,346,573
Net Assets at June 30, 2007	<u>\$ 72,178,263</u>	<u>\$ 65,658,677</u>	<u>\$ 137,836,940</u>

B. Restricted Cash and Investments

The County reflects cash and investments held for certificates of participation as restricted cash of \$2,139,685, in non-major governmental funds, cash and investments held for certificates of participation as restricted cash of \$1,010,525 in the Western Nevada County Solid Waste major enterprise fund and cash held for payment of retention on the Lake Wildwood treatment plant project as restricted cash of \$765,404 in the Sanitation District major enterprise fund.

In addition the Agency funds reflect cash and investments held for various restricted purposes as restricted cash of \$233,459.

COUNTY OF NEVADA, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2007

NOTE 3: DETAILED NOTES (CONTINUED)

C. Capital Assets

Capital assets activity for the year ended June 30, 2007, was as follows:

	Balance July 1, 2006	Additions	Retirements	Adjustments/ Transfers	Balance June 30, 2007
Governmental Activities					
Capital Assets, Not Being Depreciated:					
Land and easements	\$ 101,819,894	\$ 1,486	(\$ 241,942)	\$ -	\$ 101,579,438
Infrastructure (maintained road system)	100,336,861	793,643	(554,175)	389,394	100,965,723
Construction in progress	1,145,691	835,108	-	(496,222)	1,484,577
Total Capital Assets, Not Being Depreciated	<u>203,302,446</u>	<u>1,630,237</u>	<u>(796,117)</u>	<u>(106,828)</u>	<u>204,029,738</u>
Capital Assets, Being Depreciated:					
Infrastructure	28,458,415	478,429	(4,676)	106,828	29,038,996
Structures and Improvements	49,955,637	86,000	-	-	50,041,637
Equipment	15,418,791	1,813,776	(1,333,793)	(436,355)	15,462,419
Total Capital Assets, Being Depreciated	<u>93,832,843</u>	<u>2,378,205</u>	<u>(1,338,469)</u>	<u>(329,527)</u>	<u>94,543,052</u>
Less Accumulated Depreciation For:					
Infrastructure	(11,301,310)	(472,930)	1,715	-	(11,772,525)
Structures and Improvements	(16,311,421)	(972,212)	-	-	(17,283,633)
Equipment	(12,045,043)	(1,047,545)	1,260,371	258,287	(11,573,930)
Total Accumulated Depreciation	<u>(39,657,774)</u>	<u>(2,492,687)</u>	<u>1,262,086</u>	<u>258,287</u>	<u>(40,630,088)</u>
Total Capital Assets, Being Depreciated, Net	<u>54,175,069</u>	<u>(114,482)</u>	<u>(76,383)</u>	<u>(71,240)</u>	<u>53,912,964</u>
Governmental Activities Capital Assets, Net	<u>\$ 257,477,515</u>	<u>\$ 1,515,755</u>	<u>(\$ 872,500)</u>	<u>(\$ 178,068)</u>	<u>\$ 257,942,702</u>
	Balance July 1, 2006	Additions	Retirements	Adjustments/ Transfers	Balance June 30, 2007
Business-Type Activities					
Capital Assets, Not Being Depreciated:					
Land	\$ 3,444,495	\$ 4,800	\$ -	\$ 143,956	\$ 3,593,251
Construction in progress	4,979,206	17,720,352	-	(410,106)	22,289,452
Total Capital Assets, Not Being Depreciated	<u>8,423,701</u>	<u>17,725,152</u>	<u>-</u>	<u>(266,150)</u>	<u>25,882,703</u>
Capital Assets, Being Depreciated:					
Infrastructure	21,484,987	1,389,970	-	58,000	22,932,957
Structures and Improvements	2,338,458	507,860	-	346,623	3,192,941
Equipment	3,282,868	1,814	(12,284)	453,404	3,725,802
Total Capital Assets, Being Depreciated	<u>27,106,313</u>	<u>1,899,644</u>	<u>(12,284)</u>	<u>858,027</u>	<u>29,851,700</u>
Less Accumulated Depreciation For:					
Infrastructure	(10,720,261)	(581,323)	-	(541,675)	(11,843,259)
Structures and Improvements	(1,187,853)	(144,172)	-	-	(1,332,025)
Equipment	(1,959,764)	(370,079)	10,784	(258,287)	(2,577,346)
Total Accumulated Depreciation	<u>(13,867,878)</u>	<u>(1,095,574)</u>	<u>10,784</u>	<u>(799,962)</u>	<u>(15,752,630)</u>
Total Capital Assets, Being Depreciated, Net	<u>13,238,435</u>	<u>804,070</u>	<u>(1,500)</u>	<u>58,065</u>	<u>14,099,070</u>
Business-type Activities Capital Assets, Net	<u>\$ 21,662,136</u>	<u>\$ 18,529,222</u>	<u>(\$ 1,500)</u>	<u>(\$ 208,085)</u>	<u>\$ 39,981,773</u>

COUNTY OF NEVADA, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2007

NOTE 3: DETAILED NOTES (CONTINUED)

C. Capital Assets (Continued)

Depreciation

Depreciation expense was charged to governmental functions as follows:

General government	\$ 422,696
Public Ways and facilities	681,238
Public Protection	754,395
Health and sanitation	119,913
Public assistance	75,091
Education	<u>60,348</u>
Subtotal Governmental funds	2,113,681
Depreciation on capital assets held by the County's internal service funds are charged to the various functions based on their usage of the assets	<u>379,006</u>
Total Depreciation Expense – Governmental Functions	<u><u>\$ 2,492,687</u></u>

Depreciation expense was charged to business-type functions as follows:

Western Nevada County Solid Waste	169,551
Airport	286,890
Transit	190,513
Sanitation District	<u>448,620</u>
Total Depreciation Expense - Business-Type Functions	<u><u>\$ 1,095,574</u></u>

Construction in Progress

Construction in progress for governmental activities related primarily to work performed on Rood Center residing, Allison Ranch Road, Auburn Road, Bitney Springs Road, Brunswick Road, Combie Road, Dog Bar Road, Duggans Road, Greenhorn Road, Lime Kiln Road, Lower Colfax Road, McCourtney Road, Pleasant Valley Road, Red Dog Road, Rough and Ready Highway, Washington Road, Wolf Road, Hirschdale Bridges, Valley Drive Bridge, Floriston bridge replacement, Purdon bridge replacement, and Alta Street sidewalk. Construction in progress for the business-type activities related primarily to work performed on Cascade Shores treatment facility upgrade, Lake Wildwood wastewater treatment plant upgrade and Lake of the Pines wastewater treatment plant upgrade.

Impairment Loss

During the current year, the Sanitation District major enterprise fund recorded an asset impairment loss of \$541,675 for the Cascade Shores Wastewater Treatment Plant. The impairment is due to a change in the State Water Quality Control standards required for permit renewal which resulted in a reduced useful life for the plant infrastructure. The State Water Quality Control Board has extended the use of the existing plant to December 2008.

COUNTY OF NEVADA, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2007

NOTE 3: DETAILED NOTES (CONTINUED)

D. Unearned/Deferred Revenue

Under both the accrual and modified accrual basis of accounting revenues are recognized only when earned. Thus, the government-wide statement of net assets, governmental funds, and enterprise funds defer revenue recognition for resources that have been received at year-end, but not yet earned. Assets recognized before the earning process is complete are offset by a corresponding liability as unearned revenues. Under the modified accrual basis of accounting, revenues are recognized when earned and susceptible to accrual. Revenues are considered susceptible to accrual if they are measurable and available to finance expenditures of the current period. Thus, governmental funds also defer revenue recognition for revenues not considered available to liquidate liabilities of the current period. At June 30, 2007, the County had no recorded deferred revenue and components of unearned revenue reported were as follows:

	<u>Unearned</u>
Road Fund	
Grantor drawdowns prior to meeting all eligibility requirements	\$ 253,557
Community Development Agency	
Building Inspection Fees (not earned)	214,965
Plan/Site Review Fees (not earned)	175,403
Human Services Agency	
Grant drawdowns prior to meeting all eligibility requirements	17,557
Advances from California Department of Social Services	306,272
Non Major Governmental Funds	
Grant drawdowns prior to meeting all eligibility requirements	30,000
Advances from California Department of Mental Health	267,987
Airport	
Tiedown and hangar payments (not earned)	14,768
Non Major Enterprise Funds	
N.V. County Transportation Commission allocation (not earned)	48,330
Internal Service Funds	
Fleet vehicle maintenance charges (not earned)	248,915
Total Unearned Revenue	\$ 1,577,754

E. Long-Term Liabilities

The following is a summary of changes in long-term liabilities for the year ended June 30, 2007:

<u>Type of Indebtedness</u>	<u>Balance</u> <u>July 1, 2006</u>	<u>Additions/</u> <u>Adjustments</u>	<u>Retirements/</u> <u>Adjustments</u>	<u>Balance</u> <u>June 30, 2007</u>	<u>Amounts</u> <u>Due Within</u> <u>One Year</u>
Governmental Activities					
Certificates of Participation	\$ 15,630,000	\$ -	\$ 900,000	\$ 14,730,000	\$ 880,000
Special Assessment Bonds	-	329,908	-	329,908	9,908
Loans	4,026,631	-	132,874	3,893,757	141,503
Accrued claims liability (Note 5)	765,545	892,301	968,648	689,198	689,198
Capital Lease (Note 3G)	50,255	3,874	20,552	33,577	11,793
Compensated Absences (Note 1M)	5,063,678	5,119,631	5,723,279	4,460,030	4,460,030
Total Governmental Activities	\$ 25,536,109	\$ 6,345,714	\$ 7,745,353	\$ 24,136,470	\$ 6,192,432

COUNTY OF NEVADA, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2007

NOTE 3: DETAILED NOTES (CONTINUED)

E. Long-Term Liabilities

<u>Type of Indebtedness</u>	<u>Balance July 1, 2006</u>	<u>Additions/ Adjustments</u>	<u>Retirements/ Adjustments</u>	<u>Balance June 30, 2007</u>	<u>Amounts Due Within One Year</u>
Business-Type Activities					
Certificates of Participation	\$ 9,640,000	\$ -	\$ 475,000	\$ 9,165,000	\$ 490,000
Less: bond issue costs	(407,315)	25,590	-	(381,725)	(25,590)
Less: deferred reacquisition costs	(604,966)	37,810	-	(567,156)	(37,810)
Certificates of Participation, Net	8,627,719	63,400	475,000	8,216,119	426,600
Special Assessment Bonds	306,000	-	72,000	234,000	62,000
Loans	472,182	27,030,405	3,549,007	23,953,580	51,664
Less: Unamortized Discount	-	(579,882)	-	(579,882)	-
Loans, Net	472,182	26,450,523	3,549,007	23,373,698	51,664
Closure/Post-Closure (Note 3H)	13,631,155	380,879	497,375	13,514,659	1,769,970
Compensated Absences (Note 1M)	227,315	350,253	325,296	252,272	252,272
Total Business-type Activities	<u>\$ 23,264,371</u>	<u>\$ 27,245,055</u>	<u>\$ 4,918,678</u>	<u>\$ 45,590,748</u>	<u>\$ 2,562,506</u>

Internal service funds predominately serve the governmental funds. Accordingly, long-term liabilities for these funds are included as part of the above totals for governmental activities. Estimated claims are liquidated by charges for services collected through individual internal service funds. The capital lease liability is liquidated by lease payments made by the departments leasing the equipment. Compensated absences for the governmental activities are generally liquidated by the fund where the accrued liability occurred.

Special assessment bonds with County commitment are not a direct responsibility of the County. Principal and interest payments are funded from the collection of special assessments. For the governmental activities, the debt is accounted for in the Special Districts Governed by the Board of Supervisors Component Unit special revenue fund. For the business-type activities, the debt is accounted for in the Sanitation District component unit enterprise fund. The County is obligated for special assessment debt only to the extent of special assessments collected.

At June 30, 2007, long term liabilities consisted of the following:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Certificates of Participation		
2002 Issue Certificates of Participation, issued in the amount of \$21,385,000 and payable in annual installments of \$880,000 to \$1,660,000, with an interest rate of 4.05% to 5.25% and maturity date of June 30, 2020. These bonds were used to defease 1991 and 1993 Certificates of Participation financing the acquisition and construction of the County Administration building and the County jail.	\$ 14,730,000	\$ -
2002 Refunding of 1991 Certificates of Participation, issued in the amount of \$11,415,000, and payable in annual installments of \$475,000 to \$900,000 with an interest rate of 2.30% to 5.00% and maturity of June 30, 2021. These bonds were used to refund the 1991 Certificates of Participation which were used for landfill closure costs.	-	9,165,000
Total Certificates of Participation	<u>\$ 14,730,000</u>	<u>\$ 9,165,000</u>

COUNTY OF NEVADA, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2007

NOTE 3: DETAILED NOTES (CONTINUED)

E. Long-Term Liabilities (Continued)

	Governmental Activities	Business-Type Activities
Special Assessment Bonds		
County Service Area 22 Assessment District Limited Obligation Improvement Bonds, issued in the amount of \$329,908 and payable in annual installments of \$9,908 to \$25,000 with an interest rate of 5.25% to 5.50% and maturity of September 2, 2026. Bond proceeds were used for the construction of improvements.	\$ 329,908	\$ -
USDA Rural Development Bond - North San Juan, issued in the amount of \$76,130 and payable in annual installments of \$1,000 to \$3,000 with an interest rate of 5.00% and maturity of September 2, 2018. The bond proceeds were used to construct improvements in the North San Juan Sewer Assessment District.	-	29,000
USDA Rural Development Bond - Penn Valley, issued in the amount of \$1,264,703 and payable in semi-annual installments of \$35,000 to \$75,000 and maturity of September 2, 2009. The bond proceeds were used for the construction of a wastewater collection, treatment, and disposal system in the Penn Valley Sewer Assessment District.	-	205,000
Total Special Assessment Bonds	\$ 329,908	\$ 234,000

Loans

Crown Point Building Loan, issued in the amount of \$3,210,000 and payable in annual installments of \$52,000 to \$120,000, with an interest rate of 4.75 to 8.00% and maturity of November 1, 2025. Loan proceeds were used to finance the acquisition of the Crown Point building to house County health programs.	\$ 3,053,954	-
Laura Wilcox Building Loan, issued in the amount of \$880,000 and payable in annual installments of \$13,400 to \$34,200 with an interest rate of 4.99% and maturity of August 31, 2025. Loan proceeds were used to finance the acquisition of the Laura Wilcox building to house County children's programs.	839,803	-
California Airport Loan, issued in the amount of \$360,000 and payable in annual installments of \$17,215 to \$30,519 with an interest rate of 4.28% and maturity of July 26, 2017. Loan proceeds were used to finance the construction of an above ground aircraft fuel storage and dispensing system.	-	247,042
California Airport Loan, issued in the amount of \$258,500 and payable in annual installments of \$16,600 to \$24,701 with an interest rate of 6.06% and maturity of September 21, 2011. Loan proceeds were used to finance airport improvements.	-	87,316
SWRCB Revolving Loan, issued in the amount of \$170,367 and payable in annual installments of \$8,445 to \$11,116 with an interest rate of 3.10% and maturity of January 22, 2016. Loan proceeds were used to finance modifications to the Cascade Shores Wastewater collection system with upgrade and modification to the existing lift station.	-	88,817
LaSalle Bank National Association loan, issued in the amount of \$8,000,000 and payable in one installment of \$8,000,000 with an interest rate of 4.48% and maturity of August 1, 2009. The loan proceeds are to be used for interim financing for the acquisition and construction of improvements to the Lake of the Pines Zone 2 wastewater system.	-	8,000,000
LaSalle Bank National Association loan, issued in the amount of \$8,500,000 and payable in one installment of \$8,500,000, with an interest rate of 4.48% and maturity of August 1, 2009. The loan proceeds are to be used for interim financing for the acquisition and construction of improvements to the Lake Wildwood Zone 1 wastewater system.	-	5,000,000

COUNTY OF NEVADA, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2007

NOTE 3: DETAILED NOTES (CONTINUED)

E. Long-Term Liabilities (Continued)

	Governmental Activities	Business-Type Activities
Loans (Continued)		
State Water Resources Control Board loan, issued in the amount of \$12,122,824 and payable in annual installments of \$492,213 to \$739,310, with an interest rate of 2.2% and maturity on November 23, 2027. Loan proceeds are to be used for the acquisition and construction of improvements to the Lake Wildwood Zone 1 wastewater system. Loan proceeds are being drawdown as the project is constructed. At June 30, 2007, \$7,051,183 of the loan had been drawdown and \$6,940,483 had been used for the acquisition of capital assets.	-	7,051,183
State Water Resources Control Board loan, issued in the amount of \$18,964,071 and payable in annual installments of \$948,204, with an interest rate of 0.0% and maturity on January 12, 2028. Loan proceeds are to be used for the acquisition and construction of improvements to the Lake of the Pines Zone 2 wastewater system. The loan includes a loan discount of \$3,160,742. Loan proceeds are being drawdown as the project is constructed. At June 30, 2007, \$3,479,222 of the loan had been drawdown and a loan discount of \$579,882 had been incurred. Of the balance \$1,610,791 had been used for the acquisition of capital assets.	-	3,479,222
Total Loans	\$ 3,893,757	\$ 23,953,580

At June 30, 2007, the annual debt service requirements were summarized as follows:

Certificates of Participation

Year Ended June 30	Governmental Activities		Business-Type Activities		Total
	Principal	Interest	Principal	Interest	
2008	\$ 880,000	\$ 650,248	\$ 490,000	\$ 421,074	\$ 2,441,322
2009	910,000	618,904	505,000	403,434	2,437,338
2010	940,000	584,785	530,000	384,244	2,439,029
2011	980,000	547,560	545,000	363,044	2,435,604
2012	1,010,000	507,760	575,000	341,244	2,434,004
2013-2017	5,760,000	1,803,570	3,260,000	1,292,481	12,116,051
2018-2022	4,250,000	349,388	3,260,000	419,750	8,279,138
Total	\$ 14,730,000	\$ 5,062,215	\$ 9,165,000	\$ 3,625,271	\$ 32,582,486

Special Assessment Bonds

Year Ended June 30	Governmental Activities		Business-Type Activities		Total
	Principal	Interest	Principal	Interest	
2008	\$ 9,908	\$ 17,573	\$ 62,000	\$ 13,795	\$ 103,276
2009	10,000	17,050	72,000	9,110	108,160
2010	11,000	16,499	77,000	3,863	108,362
2011	11,000	15,921	2,000	1,100	30,021
2012	12,000	15,318	2,000	1,000	30,318
2013-2017	71,000	66,114	13,000	3,275	153,389
2018-2022	90,000	44,550	6,000	300	140,850
2023-2027	115,000	16,362	-	-	131,362
Total	\$ 329,908	\$ 209,387	\$ 234,000	\$ 32,443	\$ 805,738

COUNTY OF NEVADA, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2007

NOTE 3: DETAILED NOTES (CONTINUED)

E. Long-Term Liabilities (Continued)

Loans

Year Ended June 30	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2008	\$ 141,503	\$ 196,206	\$ 51,664	\$ 510,844	\$ 900,217
2009	150,700	187,010	453,211	818,798	1,609,719
2010	160,501	177,208	13,524,248	456,427	14,318,384
2011	170,948	166,762	524,192	155,827	1,017,729
2012	170,564	155,626	515,667	146,700	988,557
2013-2017	924,593	648,765	2,679,885	604,024	4,857,267
2018-2022	1,172,208	401,150	2,693,597	393,525	4,660,482
2023-2027	1,002,740	133,640	2,903,238	183,884	4,223,500
2028-2032	-	-	607,878	9,546	617,424
Total	<u>\$ 3,893,757</u>	<u>\$ 2,066,367</u>	<u>\$ 23,953,580</u>	<u>\$ 3,279,575</u>	<u>\$ 33,193,279</u>

F. Short-Term Liabilities

The following is a summary of changes in short-term liabilities for the year ended June 30, 2007:

<u>Type of Indebtedness</u>	<u>Balance July 1, 2006</u>	<u>Additions/ Adjustments</u>	<u>Retirements/ Adjustments</u>	<u>Balance June 30, 2007</u>
Business-Type Activities				
Line of Credit	\$ 600,000	\$ -	\$ 600,000	\$ -
Total Business-Type Activities	<u>\$ 600,000</u>	<u>\$ -</u>	<u>\$ 600,000</u>	<u>\$ -</u>

G. Leases

Operating Leases

The County leases office buildings and equipment under non-cancellable operating leases. Total costs for these leases was \$959,629 for the year ended June 30, 2007. The future minimum lease payments are as follows:

<u>Year Ended June 30</u>	<u>Lease Obligations</u>
2008	\$ 631,279
2009	72,644
2010	66,853
2011	59,745
Total	<u>\$ 830,521</u>

Capital Leases

The County has entered into certain capital lease agreements under which the related equipment will become the property of the County when all terms of the lease agreements are met.

	<u>Stated Interest Rate</u>	<u>Present Value Of remaining Payments at June 30, 2007</u>
Governmental activities	5.90% - 11.91%	\$ 33,577
Total		<u>\$ 33,577</u>

Equipment and related accumulated depreciation under capital lease are as follows:

	<u>Governmental Activities</u>
Equipment	\$ 52,225
Less: Accumulated depreciation	(13,981)
Net Value	<u>\$ 38,244</u>

COUNTY OF NEVADA, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2007

NOTE 3: DETAILED NOTES (CONTINUED)

G. Leases (Continued)

As of June 30, 2007, capital lease annual amortization is as follows:

<u>Year Ended</u> <u>June 30</u>	<u>Governmental</u> <u>Activities</u>
2008	\$ 14,055
2009	12,173
2010	6,528
2011	<u>5,440</u>
Total Requirements	38,196
Less Interest	<u>(4,619)</u>
Present Value of Remaining Payments	<u>\$ 33,577</u>

H. Closure/Post Closure

The County is responsible for one closed and one inactive solid waste landfill site. State and federal laws and regulations require the County to place a final cover on its landfill sites when they stop accepting waste and to perform certain maintenance and monitoring functions at the landfill sites for thirty years after closure. GASB Statement No. 18 requires a portion of these closure and postclosure care costs be reported as an operating expense in each period based on landfill capacity used as of each statement of net assets date. Since the landfills are no longer accepting waste, the entire estimated expense and liability have been reported.

As of June 30, 2007, the County's estimated remaining liability for post closure maintenance costs for the closed landfill was \$13,403,589. The estimated remaining liability for closure of the inactive landfill was zero with \$111,070 estimated for postclosure maintenance. These estimates are based on the amount that would be paid if all equipment, facilities, and services required to close and/or monitor the landfills were acquired as of June 30, 2007. Actual costs may be higher due to inflation, change in technology, or changes in regulations.

The County is required by the California Code of Regulations to demonstrate financial responsibility for post closure maintenance costs through a pledge of revenues. The County has met this requirement for the closed landfill through a pledge of annual parcel charges. A pledge of the remaining fund balance for the inactive landfill is pending approval by the California Integrated Waste Management Board.

I. Interfund Transactions

Due To/From Other Funds

Operating receivables and payables between funds are classified as due from or due to other funds. The following are due from and due to balances as of June 30, 2007:

	<u>Due From</u> <u>Other Funds</u>	<u>Due To</u> <u>Other Funds</u>
General fund	\$ 1,971,142	\$ 496,666
Road fund	590,106	32,562
Community Development Agency	173,313	40,912
Human Services Agency	464,183	1,404,277
Health and Welfare Realignment	1,290,431	171,211
Nonmajor Governmental funds	835,069	3,228,766
Western Nevada County Solid Waste	43,965	58,015
Airport	4,432	1,479
Sanitation District	2,442,011	2,287,907
Nonmajor Enterprise funds	1,097	98,658
Internal Service funds	369,603	364,899
Investment Trust funds	7,850,032	-
Agency funds	-	7,850,032
Total	<u>\$ 16,035,384</u>	<u>\$ 16,035,384</u>

COUNTY OF NEVADA, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2007

NOTE 3: DETAILED NOTES (CONTINUED)

I. Interfund Transactions (Continued)

Advances To/From Other Funds

Advances to/from other funds are non-current interfund loans and are offset by a fund balance reserve account in applicable governmental funds to indicate they are not available for appropriations and are not expendable available financial resources. The following are advances to/from other funds as of June 30, 2007:

	<u>Advance to Other Funds</u>	<u>Advance from Other Funds</u>
General fund	\$ 561,211	\$ -
Nonmajor Governmental funds	232,710	232,710
Airport	-	93,000
Sanitation District	-	618,211
Internal Service funds	<u>150,000</u>	<u>-</u>
Total	<u>\$ 943,921</u>	<u>\$ 943,921</u>

Transfers

Transfers are indicative of funding for capital projects, lease payments or debt service, reimbursement of various County operations and re-allocations of special revenues. The following are the interfund transfer balances as of June 30, 2007:

	<u>Transfer In</u>	<u>Transfer Out</u>
General fund	\$ 7,434,435	\$ 8,466,825
Road fund	4,211,421	-
Community Development Agency	2,228,505	26,571
Human Services Agency	6,460,017	26,248
Health and Welfare Realignment	546,113	5,399,128
Nonmajor Governmental funds	5,288,524	12,321,934
Western Nevada County Solid Waste	71,814	-
Sanitation District	309,786	-
Internal Service funds	<u>71,691</u>	<u>381,600</u>
Total	<u>\$ 26,622,306</u>	<u>\$ 26,622,306</u>

NOTE 4: EMPLOYEES' RETIREMENT PLAN AND POST EMPLOYMENT BENEFITS

A. Defined Benefit Pension Plan

Plan Description

The County contributes to the California Public Employees Retirement System (PERS), an agent multiple-employer public employee defined benefit plan. PERS provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. PERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by statute. Copies of PERS' annual financial report may be obtained from their executive office – 400 P Street, Sacramento, CA 95814.

Funding Policy

Miscellaneous plan members are required to contribute 8 percent of their annual covered salary. Safety plan members are required to contribute 9 percent of their annual covered salary. The County is required to contribute the actuarially determined remaining amounts necessary to fund the benefits for its members. The County has committed to contribute a portion of the required employee contribution in addition to their own required contributions. The actuarial methods and assumptions used are those adopted by the PERS Board of Administration. The required employer contribution rate for fiscal year 2006/2007 was 18.43 percent for miscellaneous employees and 31.217 percent for safety employees. The contribution requirements of the plan are established by State statute and the employer contribution rate is established and may be amended by PERS. The County is required to contribute the remaining amounts necessary to fund the benefits of its members using the actuarial basis adopted by the PERS Board of Administrators.

COUNTY OF NEVADA, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2007

NOTE 4: EMPLOYEES' RETIREMENT PLAN AND POST EMPLOYMENT BENEFITS (CONTINUED)

Annual Pension Cost

For fiscal year 2006/2007, the County's annual pension cost of \$7,326,333 for the miscellaneous plan and \$1,403,032 for the safety plan was equal to the County's required and actual contributions. The required contribution was determined as part of the June 30, 2004, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) 7.75 percent investment rate of return (net of administrative expenses), (b) projected annual salary increases of 3.25 percent to 14.45 percent for miscellaneous plan and 3.25 percent to 14.45 percent for safety plan, depending on age, service, and type of employment, and (c) 3.25 percent per year cost of living adjustment. Both (a) and (b) included an inflation component of 3.00 percent. The actuarial value of PERS assets was determined using techniques that smooth the effect of short term volatility in the market value of investments over a three-year period (smoothed market value).

Initial unfunded liabilities are amortized over a closed period that depends on the plan's date of entry into PERS. Subsequent plan amendments are amortized as a level percentage of pay over a closed 20 year period. Gains and losses that occur in the operation of the plan are amortized over a rolling period, which results in an amortization of 10% of unamortized gains and losses each year. If the plan's accrued liability exceeds the actuarial value of plan assets, then the amortization payment on the total unfunded liability may not be lower than the payment calculated over a 30 year amortization period.

Three Year Trend Information for PERS

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
June 30, 2005	\$ 4,779,184	100%	-
June 30, 2006	6,171,136	100%	-
June 30, 2007	8,729,365	100%	-

B. Employee Benefits

Post-Employment Benefits

The County has agreed by resolution to pay post-employment health insurance benefits for certain retirees who have retired from employment with the County. These benefits are financed on a pay-as-you-go basis. At June 30, 2007, 367 retired employees were covered and the cost of this coverage for the year ended June 30, 2007, was \$906,783.

C. 457 Plan

The County maintains a deferred compensation plan (the Plan) for its employees. The plan was created in accordance with Internal Revenue Code Section 457. The plan is available to all permanent County employees and permits them to defer a portion of their salary until future years. The deferred compensation is not available until terminations, retirement, death or unforeseeable emergency.

Pursuant to changes in August 1996, of IRC Section 457, in January 1997, the County formally established a trust in which all assets and income of the 457 plan were placed. The assets, all property and rights purchased with such amounts, and all income attributable to such amounts, property, or rights are held in trust for the exclusive benefit of the participants and their beneficiaries. These assets are no longer the property of the County, and as such are no longer subject to the claims of the County's general creditors. As a result, the assets of the 457 plan are not reflected on the County financial statements.

NOTE 5: 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. The County has Risk Management Funds (Internal Service Funds) to account for and finance self-insured risks of loss for public liability, unemployment, dental, and vision. The County is a member of the California State Association of Counties of California Excess Insurance Authority, a public entity risk pool currently operating as a common risk management and insurance program for Counties. Should actual loss among participants be greater than anticipated, the County will be assessed its pro rata share of the deficiency. Conversely, if the actual losses are less than anticipated, the County will be refunded its pro rata share of the excess.

COUNTY OF NEVADA, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2007

NOTE 5: RISK MANAGEMENT (CONTINUED)

The County is a member of the County Supervisors Association of California Excess Insurance Authority, a public entity risk pool currently operating as a common risk management and insurance program for Counties. The Authority is solvent. Under this program, the Risk Management Funds provide coverage for up to a maximum of \$100,000 for each general liability claim, and \$10,000 for each unemployment claim.

Should actual loss among participants be greater than anticipated, the County will be assessed its prorata share of the deficiency. Conversely, if the actual losses are less than anticipated, the County will be refunded its prorata share of the excess. Settled claims have not exceeded commercial coverage in any of the past three fiscal years.

Actual claims unpaid as of June 30, 2007, including any estimates for incurred but not reported (IBNR) amounts, constitute claims payable. The claims liability at June 30, 2007, was as follows:

Unemployment	\$ 223,198
Liability	<u>466,000</u>
Total	<u>\$ 689,198</u>

All funds of the County participate in the program and make payments to the Risk Management Funds based on estimates of the amounts needed to pay prior and current year claims. At June 30, 2007, the Risk Management Fund's fund equity was \$2,216,783. The claims liability of \$689,198 reported in the funds at June 30, 2007, is based on the requirements of Governmental Accounting Standards Board Statement No. 10, which required that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably determined.

Changes in the County's claims liability amount for the fiscal years 2005, 2006, and 2007 were as follows:

	Balance at Beginning of Fiscal Year	Current Year Claims and Changes in Estimates	Claims Payments	Balance at End of Fiscal Year
2005	\$ 977,573	\$ 968,228	\$ 990,893	\$ 954,908
2006	954,908	1,331,465	1,520,828	765,545
2007	765,545	892,301	968,648	689,198

The ultimate settlement of specific claims against the County cannot presently be determined and no provision for any other liability that may result has been made in the financial statements.

NOTE 6: OTHER INFORMATION

A. Construction Commitments

The County has signed agreements to construct various capital improvement jobs subsequent to June 30, 2007. The balance owed on these commitments at June 30, 2007, was approximately \$12,262,319 and consisted of \$655,833 in projects for Road fund and \$11,606,486 in projects for Sanitation District fund.

B. Contingent Liabilities

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

The County is involved in several lawsuits. Due to the nature of the cases, County Counsel is unable to estimate at this time the probability of favorable or unfavorable outcomes. Therefore, no provision has been made in the financial statements for a loss contingency.

COUNTY OF NEVADA, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2007

NOTE 6: OTHER INFORMATION (CONTINUED)

C. Joint Agencies

The CSAC Excess Insurance Authority is a joint powers authority organized for the purpose of developing and funding excess insurance programs for member counties. The Authority operates public entity risk pools for workers' compensation, comprehensive liability, property, medical malpractice, and the pool purchases excess insurance and services for members. The Authority is under the control and direction of a board of directors consisting of representatives of the fifty member counties. There is no significant financial interest or ongoing financial responsibility on the part of the County with this Authority.

Complete audited financial statements for CSAC Excess Insurance Authority can be obtained from the Authority's office at 3017 Gold Canal Drive, Suite 300, Rancho Cordova, California 95670.

REQUIRED SUPPLEMENTARY INFORMATION
(Unaudited)

COUNTY OF NEVADA, CALIFORNIA
SCHEDULE OF DEFINED BENEFIT PENSION PLANS FUNDED STATUS
FOR THE YEAR ENDED JUNE 30, 2007

EMPLOYEES' RETIREMENT PLAN

Schedule of Funding Progress:

The table below shows a three-year analysis of the actuarial value of assets as a percentage of the actuarial accrued liability and the unfunded actuarial accrued liability as a percentage of the annual covered payroll as of June 30, 2007 for the County Miscellaneous Plan:

Miscellaneous Plan:

Valuation Date	Entry Age Normal Accrued Liability	Actuarial Value of Assets	Unfunded Liability (Excess Assets)	Funded Ratios		Annual Covered Payroll	UAAL as a % of Payroll
				Actuarial Value	Market Value		
June 30, 2004	\$ 169,243,317	\$ 148,579,518	\$ 20,663,799	87.8%	86.4%	\$ 41,529,003	49.8%
June 30, 2005	199,902,829	161,848,134	38,054,695	81.0%	83.2%	42,832,755	88.8%
June 30, 2006	219,324,147	177,539,454	41,784,693	80.9%	85.8%	45,425,702	92.0%

COUNTY OF NEVADA, CALIFORNIA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2007

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes and assessments	\$ 35,759,000	\$ 35,759,000	\$ 36,445,320	\$ 686,320
Licenses and permits	910,980	959,980	1,064,449	104,469
Fines and forfeitures	1,883,800	1,940,757	2,029,952	89,195
Use of money and property	448,274	522,949	1,128,937	605,988
Intergovernmental	2,635,704	3,949,959	3,709,196	(240,763)
Charges for services	6,512,598	6,820,158	6,732,794	(87,364)
Other revenues	1,310,073	1,500,505	2,612,084	1,111,579
Total Revenues	49,460,429	51,453,308	53,722,732	2,269,424
EXPENDITURES				
Current:				
General government:				
Board of supervisors	1,036,916	1,034,248	987,756	46,492
Annual audit	23,531	23,531	33,009	(9,478)
County executive officer	1,101,615	1,119,873	1,122,813	(2,940)
Assessor	2,544,644	2,554,953	2,536,342	18,611
Auditor-controller	1,248,968	1,284,134	1,242,131	42,003
Treasurer-tax collector	1,037,119	1,118,676	988,526	130,150
Purchasing	210,626	210,301	206,150	4,151
Collections	190,378	190,103	174,125	15,978
Uses and sources	1,316,413	1,126,523	526,697	599,826
Trial court funding	1,256,349	1,368,349	1,368,151	198
Provision for contingencies	30,000	25,756	-	25,756
Building debt financing	(11,151)	(11,151)	(11,151)	-
County counsel	929,729	928,208	942,603	(14,395)
Personnel services	791,155	949,430	920,707	28,723
Countywide succession planning	200,000	200,000	4,278	195,722
Elections	949,855	1,302,537	1,149,380	153,157
Facilities management	2,435,021	2,617,835	2,475,638	142,197
Capital facility projects	140,399	407,298	338,657	68,641
Community partners	-	71,050	56,950	14,100
Economic development	225,996	225,996	222,436	3,560
Assessment appeals board	12,310	12,310	11,260	1,050
Insurance	57,009	57,009	55,841	1,168
Historical landmarks	497	497	101	396
Information systems	1,580,039	1,568,714	1,492,367	76,347
Geographic information	300,539	300,148	281,357	18,791
Surveying	220,792	220,792	218,591	2,201
Cable TV services	32,521	44,655	43,153	1,502
Total General Government	17,861,270	18,951,775	17,387,868	1,563,907

COUNTY OF NEVADA, CALIFORNIA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2007

<u>EXPENDITURES</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
Public protection:				
Court security	735,560	737,825	732,719	5,106
Grand jury	81,686	81,686	71,800	9,886
District attorney	3,082,606	3,152,445	3,053,178	99,267
Public defender services	1,642,485	1,635,841	1,586,996	48,845
Conflict indigent defense	597,547	660,547	675,484	(14,937)
Sheriff administrative support services	11,428,294	11,937,682	11,749,801	187,881
Department of corrections	7,968,937	8,137,022	7,874,876	262,146
Inmate medical services	1,312,264	1,372,363	1,361,064	11,299
Sheriff Truckee operations	1,841,893	1,862,097	1,725,830	136,267
Juvenile hall	2,046,771	2,070,840	1,886,607	184,233
Probation department	3,536,393	3,556,392	3,356,761	199,631
Ag services	464,738	485,830	517,461	(31,631)
Weights and measures	91,805	83,091	62,679	20,412
Clerk recorder	721,293	717,063	654,873	62,190
Emergency services	207,812	479,372	471,826	7,546
Animal control	788,144	778,128	719,024	59,104
Total Public Protection	36,548,228	37,748,224	36,500,979	1,247,245
Public assistance:				
Community services	75,632	75,632	62,282	13,350
Victim witness	222,132	232,702	228,931	3,771
Total Public Assistance	297,764	308,334	291,213	17,121
Education:				
Farm advisor	107,440	110,428	94,378	16,050
Total Education	107,440	110,428	94,378	16,050
Debt service:				
Sheriff administrative support services	13,938	13,938	13,938	-
Sheriff Truckee operations	4,539	4,539	4,539	-
Total Debt Service	18,477	18,477	18,477	-
Capital outlay:				
Assessor	20,000	20,350	20,350	-
Elections	30,065	30,065	12,902	17,163
Facilities management	14,582	10,946	89,695	(78,749)
Information systems	8,000	29,491	28,375	1,116
Cable TV services	-	21,600	19,527	2,073
Sheriff administrative support services	33,594	262,749	218,761	43,988
Department of corrections	230,680	52,742	86,000	(33,258)
Sheriff Truckee operations	-	9,232	9,538	(306)
Juvenile hall	7,500	24,500	23,930	570
Emergency services	150,068	343,931	343,931	-
Animal control	21,800	21,800	19,999	1,801
Total Capital Outlay	516,289	827,406	873,008	(45,602)

Continued (Page 2 of 3)

COUNTY OF NEVADA, CALIFORNIA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2007

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
<u>EXPENDITURES</u>				
Total Expenditures	55,349,468	57,964,644	55,165,923	2,798,721
Excess of Revenues Over (Under) Expenditures	(5,889,039)	(6,511,336)	(1,443,191)	5,068,145
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	8,191,517	8,428,773	7,434,435	(994,338)
Transfers out	(992,478)	(1,432,104)	(2,558,950)	(1,126,846)
Total Other Financing Sources (Uses)	7,199,039	6,996,669	4,875,485	(2,121,184)
Net Change in Fund Balances	1,310,000	485,333	3,432,294	2,946,961
Fund Balances - Beginning	13,963,210	6,816,326	12,524,820	5,708,494
Fund Balances - Ending	<u>\$ 15,273,210</u>	<u>\$ 7,301,659</u>	<u>\$ 15,957,114</u>	<u>\$ 8,655,455</u>

Reconciliation of Net Changes in Fund Balances - Budgetary to GAAP Basis:

Net Change in Fund Balances - Budgetary Basis \$ 3,432,294

The amount reported in the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances was different because:

Reimbursements for services are offset to transfers out for budgetary purposes but are a reduction of expenditures for financial reporting purposes.

General government	(5,907,875)
Transfers out	<u>5,907,875</u>

Net Change in Fund Balances - Statement of Revenues, Expenditures, and Changes in Fund Balances \$ 3,432,294

Reconciliation of Fund Balances - Budgetary to GAAP Basis:

Fund Balances - Ending - Budgetary Basis \$ 15,957,114

Cumulative effect of reclassification of reimbursements	<u>-</u>
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Fund Balances - Ending - GAAP Basis \$ 15,957,114

COUNTY OF NEVADA, CALIFORNIA
BUDGETARY COMPARISON SCHEDULE
ROAD FUND - MAJOR SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2007

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
<u>REVENUES</u>				
Taxes and assessments	\$ 66,550	\$ 66,550	\$ 69,309	\$ 2,759
Licenses and permits	43,000	43,000	47,754	4,754
Use of money and property	29,574	29,574	254,143	224,569
Intergovernmental	6,903,428	6,975,428	4,462,043	(2,513,385)
Charges for services	959,773	919,161	750,524	(168,637)
Other revenues	-	18,429	299,671	281,242
Total Revenues	8,002,325	8,052,142	5,883,444	(2,168,698)
<u>EXPENDITURES</u>				
Current:				
Public ways and facilities	8,699,596	9,095,104	8,597,037	498,067
Capital outlay	6,348,786	6,770,821	2,408,495	4,362,326
Total Expenditures	15,048,382	15,865,925	11,005,532	4,860,393
Excess of Revenues Over (Under) Expenditures	(7,046,057)	(7,813,783)	(5,122,088)	2,691,695
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	6,265,883	6,005,260	4,211,421	(1,793,839)
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	6,265,883	6,005,260	4,211,421	(1,793,839)
Net Change in Fund Balance	(780,174)	(1,808,523)	(910,667)	897,856
Fund Balances - Beginning	7,511,384	7,511,384	7,511,384	-
Fund Balances - Ending	\$ 6,731,210	\$ 5,702,861	\$ 6,600,717	\$ 897,856

See accompanying note to the required supplementary information

COUNTY OF NEVADA, CALIFORNIA
BUDGETARY COMPARISON SCHEDULE
COMMUNITY DEVELOPMENT AGENCY - MAJOR SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2007

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
<u>REVENUES</u>				
Taxes and assessments	\$ 6,935	\$ 6,935	\$ 16,796	\$ 9,861
Licenses and permits	2,250,117	2,250,117	1,555,869	(694,248)
Fines and forfeitures	500	500	5,637	5,137
Use of money and property	40,000	40,000	60,989	20,989
Intergovernmental	553,123	634,573	614,052	(20,521)
Charges for services	2,330,152	2,330,152	2,195,737	(134,415)
Other revenues	107,134	107,134	44,943	(62,191)
Total Revenues	<u>5,287,961</u>	<u>5,369,411</u>	<u>4,494,023</u>	<u>(875,388)</u>
<u>EXPENDITURES</u>				
Current:				
Public protection	5,153,541	5,265,967	4,776,874	489,093
Health and sanitation	2,346,641	2,326,671	2,264,032	62,639
Total Expenditures	<u>7,500,182</u>	<u>7,592,638</u>	<u>7,040,906</u>	<u>551,732</u>
Excess of Revenues Over (Under) Expenditures	<u>(2,212,221)</u>	<u>(2,223,227)</u>	<u>(2,546,883)</u>	<u>(323,656)</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	2,201,665	2,236,626	2,228,505	(8,121)
Transfers out	(62,893)	(62,893)	(26,571)	36,322
Total Other Financing Sources (Uses)	<u>2,138,772</u>	<u>2,173,733</u>	<u>2,201,934</u>	<u>28,201</u>
Net Change in Fund Balance	<u>(73,449)</u>	<u>(49,494)</u>	<u>(344,949)</u>	<u>(295,455)</u>
Fund Balances - Beginning	<u>632,432</u>	<u>632,432</u>	<u>632,432</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 558,983</u>	<u>\$ 582,938</u>	<u>\$ 287,483</u>	<u>\$ (295,455)</u>

See accompanying note to the required supplementary information

COUNTY OF NEVADA, CALIFORNIA
BUDGETARY COMPARISON SCHEDULE
HUMAN SERVICES AGENCY - MAJOR SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2007

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
<u>REVENUES</u>				
Licenses and permits	\$ 1,224	\$ 1,224	\$ 702	\$ (522)
Fines and forfeitures	260	260	959	699
Use of money and property	43,000	43,000	96,179	53,179
Intergovernmental	25,122,329	26,385,010	25,776,733	(608,277)
Charges for services	551,163	551,163	463,629	(87,534)
Other revenues	1,000	189,770	308,102	118,332
Total Revenues	25,718,976	27,170,427	26,646,304	(524,123)
<u>EXPENDITURES</u>				
Current:				
Health and sanitation	13,987,432	14,936,816	13,827,181	1,109,635
Public assistance	20,901,001	21,512,119	20,082,510	1,429,609
Capital outlay	21,450	85,381	85,324	57
Total Expenditures	34,909,883	36,534,316	33,995,015	2,539,301
Excess of Revenues Over (Under) Expenditures	(9,190,907)	(9,363,889)	(7,348,711)	2,015,178
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	9,138,832	9,303,879	6,460,017	(2,843,862)
Transfers out	(5,602)	(5,802)	(26,248)	(20,446)
Total Other Financing Sources (Uses)	9,133,230	9,298,077	6,433,769	(2,864,308)
Net Change in Fund Balance	(57,677)	(65,812)	(914,942)	(849,130)
Fund Balances - Beginning	1,577,618	1,577,618	1,577,618	-
Fund Balances - Ending	\$ 1,519,941	\$ 1,511,806	\$ 662,676	\$ (849,130)

See accompanying note to the required supplementary information

COUNTY OF NEVADA, CALIFORNIA
BUDGETARY COMPARISON SCHEDULE
HEALTH AND WELFARE REALIGNMENT - MAJOR SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2007

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
<u>REVENUES</u>				
Use of money and property	\$ -	\$ -	\$ 26,178	\$ 26,178
Intergovernmental	7,101,096	7,101,096	7,203,889	102,793
Total Revenues	7,101,096	7,101,096	7,230,067	128,971
<u>EXPENDITURES</u>				
Current:				
Health and sanitation	633	633	-	633
Total Expenditures	633	633	-	633
Excess of Revenues Over (Under) Expenditures	7,100,463	7,100,463	7,230,067	129,604
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	127,268	127,268	546,113	418,845
Transfers out	(7,817,313)	(8,084,449)	(5,399,128)	2,685,321
Total Other Financing Sources (Uses)	(7,690,045)	(7,957,181)	(4,853,015)	3,104,166
Net Change in Fund Balance	(589,582)	(856,718)	2,377,052	3,233,770
Fund Balances - Beginning	5,417,453	5,417,453	5,417,453	-
Fund Balances - Ending	\$ 4,827,871	\$ 4,560,735	\$ 7,794,505	\$ 3,233,770

See accompanying note to the required supplementary information

COUNTY OF NEVADA, CALIFORNIA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2007

A. DEFINED BENEFIT PENSION PLANS

The schedules of defined benefit pension plan funded status display a historical summary of the Entry Age Normal Accrued Liability, the Actuarial Value of Assets, the Unfunded Actuarial Accrued Liability ("UAAL") or Excess Assets, the Funded Ratio, the estimated annual covered payroll and the UAAL as a percentage of covered payroll for the County's miscellaneous plan. Since the safety plan had less than 100 active members, effective for fiscal year 2002/2003 the plan was required to participate in a risk pool and does not present individual plan funded status.

B. BUDGETARY BASIS OF ACCOUNTING

In accordance with the provisions of Sections 29000 and 29143, inclusive, of the California Government Code and other statutory provisions, commonly known as the County Budget Act, the County prepares a budget for each fiscal year on or before August 30. Budgeted expenditures are enacted into law through the passage of an Appropriation Ordinance. This ordinance mandates the maximum authorized expenditures for the fiscal year and cannot be exceeded except by subsequent amendments to the budget by the County's Board of Supervisors.

The County follows these procedures annually in establishing the budgetary data reflected in the financial statements:

- (1) The County Executive Officer submits to the Board of Supervisors a proposed draft budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing them.
- (2) The Board of Supervisors reviews the proposed budget at regularly scheduled meetings, which are open to the public. The Board also conducts a public hearing on the proposed budget to obtain comments from interested persons.
- (3) Prior to July 1, the budget is adopted through the passage of a resolution.
- (4) From the effective date of the budget, which is adopted and controlled at the service budget unit, the amounts stated therein, as proposed expenditures become appropriations to the various County service budget units. The Board of Supervisors may amend the budget by motion during the fiscal year. The County Administrative Officer may authorize transfers from one object or purpose to another within the same service budget unit.

Formal budgetary integration is employed as a management control device during the year. The County presents a comparison of annual budgets to actual results for the County's General, Special Revenue and Debt Service funds. The amounts reported on the budgetary basis are generally on a basis consistent with accounting principles generally accepted in the United States of America (GAAP). The St/County Property Tax Admin Grant nonmajor special revenue fund did not have a legally adopted budget.

The County uses an encumbrance system as an extension of normal budgetary accounting for the general and other governmental funds. Under this system, purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of applicable appropriations. Encumbrances outstanding at year end are recorded as reservations of fund balance since they do not constitute expenditures or liabilities. Unencumbered appropriations lapse at year-end. Encumbered appropriations are carried forward in the ensuing year's budget.

C. INFRASTRUCTURE ASSETS REPORTED USING THE MODIFIED APPROACH

The County's infrastructure assets are recorded at historical cost in the government-wide financial statements as required by the Governmental Accounting Standards Board (GASB) Statement No. 34. The County has elected to use the modified approach to report its maintained road system. Infrastructure assets reported under the modified approach are not subject to depreciation per GASB Statement No. 34.

The County manages its maintained road system using the Metropolitan Transportation Commission's Pavement Management program (Program) and accounts for them using the modified approach. The Program establishes a Pavement Condition Index (PCI) on a scale from zero to one hundred (0-100) for each road segment being maintained by the Department of Public Works. The Program has defined the pavement of roads with PCIs of 40 or better to be in a "Fair" or better condition and roads with a PCI of 55 or better to be in a "Good" or better condition. The system-wide average PCI number for all paved or chip sealed roads in the County maintained road system is calculated on a weighted by section, road area basis. The amount that an individual road section's condition contributes to the overall system average rating is proportionate to the amount of the total systems surfaced area that the individual segment contains. It is the County's policy relative to maintaining the maintained road system to keep an average PCI rating of 62. This rating must be achieved over a three year period.

COUNTY OF NEVADA, CALIFORNIA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2007

C. INFRASTRUCTURE ASSETS REPORTED USING THE MODIFIED APPROACH (CONTINUED)

One third of the County maintained roads are assessed each year, with a complete condition assessment calculated every three years. The last complete condition assessment was completed in fiscal year 2006. As of June 30, 2006, the County's road system was rated at a PCI of 65, for a three-year average PCI of 67.

As of June 30, 2007, the County's road system was rated at a PCI of 65. A three year history of the PCI ratings for the County maintained roads as of June 30, 2007 is provided below:

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>3 Year Average</u>
PCI Index	65.00	65.00	67.00	66.00

For the year ended June 30, 2007, actual preservation maintenance and general maintenance costs were \$5,652,819, which was \$2,539,865 or 45% greater than estimated. The increase was due to two unanticipated projects, the Allison Ranch Road Slide and Combie/Higgins Light installation. A five year history of planned to actual expenditures is provided below.

<u>Fiscal Year</u>	<u>Estimated Maintenance & Preservation Costs</u>	<u>Actual Maintenance & Preservation Costs</u>	<u>Variance</u>
2003	\$ 7,631,291	\$ 6,479,848	\$ 1,151,443
2004	4,083,793	3,887,933	195,860
2005	1,974,249	2,676,307	(702,058)
2006	3,698,191	4,868,759	(1,170,568)
2007	3,112,954	5,652,819	(2,539,865)

SUPPLEMENTARY INFORMATION

**COMBINING AND INDIVIDUAL
FUND STATEMENTS AND SCHEDULES**

NONMAJOR GOVERNMENTAL FUNDS

COUNTY OF NEVADA, CALIFORNIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2007

	Special Revenue Funds	Debt Service Funds	Totals
<u>ASSETS</u>			
Cash and investments	\$ 20,440,906	\$ 10,974	\$ 20,451,880
Restricted cash and investments	-	2,139,685	2,139,685
Accounts receivable	70,801	-	70,801
Due from other governmental agencies	1,763,604	-	1,763,604
Taxes receivable	306,100	-	306,100
Due from other funds	828,776	6,293	835,069
Advance to other funds	232,710	-	232,710
Loans receivable	3,589,313	-	3,589,313
	<hr/>	<hr/>	<hr/>
Total Assets	\$ 27,232,210	\$ 2,156,952	\$ 29,389,162
	<hr/>	<hr/>	<hr/>
<u>LIABILITIES AND FUND BALANCES</u>			
LIABILITIES			
Accounts payable	\$ 167,954	\$ -	\$ 167,954
Accrued salaries and benefits	164,101	-	164,101
Due to other funds	3,228,766	-	3,228,766
Unearned revenue	297,987	-	297,987
Advance from other funds	232,710	-	232,710
	<hr/>	<hr/>	<hr/>
Total Liabilities	4,091,518	-	4,091,518
	<hr/>	<hr/>	<hr/>
FUND BALANCES			
Reserved for:			
Debt service	-	2,156,952	2,156,952
Encumbrances	39,828	-	39,828
Loans receivable	3,589,313	-	3,589,313
Unreserved:			
Undesignated	19,511,551	-	19,511,551
	<hr/>	<hr/>	<hr/>
Total Fund Balances	23,140,692	2,156,952	25,297,644
	<hr/>	<hr/>	<hr/>
Total Liabilities and Fund Balances	\$ 27,232,210	\$ 2,156,952	\$ 29,389,162
	<hr/>	<hr/>	<hr/>

COUNTY OF NEVADA, CALIFORNIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2007

	Special Revenue Funds	Debt Service Funds	Totals
<u>REVENUES</u>			
Taxes and assessments	\$ 1,916,995	\$ -	\$ 1,916,995
Licenses and permits	11,063	-	11,063
Fines and forfeitures	571,647	-	571,647
Use of money and property	572,780	131,134	703,914
Intergovernmental	17,945,053	-	17,945,053
Charges for services	1,270,740	-	1,270,740
Other revenues	1,270,471	-	1,270,471
	23,558,749	131,134	23,689,883
<u>EXPENDITURES</u>			
Current:			
General government	137,779	144,710	282,489
Public ways and facilities	717,804	-	717,804
Public protection	5,569,303	-	5,569,303
Health and sanitation	1,544,809	-	1,544,809
Public Assistance	2,804,343	-	2,804,343
Education	2,422,613	-	2,422,613
Recreation	237,357	-	237,357
Debt service			
Principal	-	1,032,874	1,032,874
Interest and other charges	9,015	883,999	893,014
Capital outlay	148,125	-	148,125
	13,591,148	2,061,583	15,652,731
Excess of Revenues Over (Under) Expenditures	9,967,601	(1,930,449)	8,037,152
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers in	3,399,706	1,888,818	5,288,524
Transfers out	(12,321,934)	-	(12,321,934)
Issuance of debt	329,908	-	329,908
	(8,592,320)	1,888,818	(6,703,502)
Net Change in Fund Balances	1,375,281	(41,631)	1,333,650
Fund Balances - Beginning	21,765,411	2,198,583	23,963,994
Fund Balances - Ending	\$ 23,140,692	\$ 2,156,952	\$ 25,297,644

NONMAJOR GOVERNMENTAL FUNDS
Special Revenue Funds

COUNTY OF NEVADA, CALIFORNIA NONMAJOR SPECIAL REVENUE FUNDS

Special revenue funds are used to account for revenues that are restricted by law or administrative action and expenditures for specified purposes. Nonmajor special revenue funds used by the County are listed below:

- **FISH AND GAME**
The fund provides for expenditures, which are used for the protection and propagation of fish and game. Revenues are from the County's share of fines collected for violations of fish and game laws.
- **CHILD SUPPORT SERVICES**
The fund provides for services to establish paternity, obtains and enforces court orders for child support, collects and distributes payments, and provides community outreach about those services for the benefit of minor children.
- **COUNTY-WIDE TECH PROJECTS**
The fund provides for technological projects that benefit the entire County.
- **PROBATION FIRE INSURANCE ADMIN GRANT**
The fund provides for the administration of the insurance claims relating to the Probation Department Fire on March 20, 2002.
- **ST/COUNTY PROPERTY TAX ADMIN GRANT**
State Department of Finance Revenue and Tax Code section 95.35 provides participation in the State/County Property Tax Administration Grant Program to supplement other funding for property tax administration.
- **MOTOR VEHICLE LICENSE**
The fund is used to deposit all Motor Vehicle License Fees in accordance with Measure F passed by voters in March 1996.
- **PUBLIC LIBRARY**
The fund finances public library services for 3 branches and 2 stations located in the unincorporated and incorporated areas within the County.
- **WORKER'S COMPENSATION**
The fund provides claims management and pays the premium costs for workers' compensation.
- **NONMAJOR HUMAN SERVICE AGENCY**
 - **PROPOSITION 36 SACPA**
The fund was established for the deposit of Proposition 36 funds to allow the Human Services Agency to proceed with the Substance Abuse and Crime Prevention Act Plan.
 - **CHILDREN'S SYSTEM OF CARE**
The fund provides for a comprehensive, coordinated interagency children's system of care which provides the highest benefit to children and adolescents with serious emotional problems.
 - **CBFRP COMMUNITY BASED FAMILY PROGRAM**
The fund was established to develop and implement a county-wide system of community based family resource services.
 - **SIERRA COUNTY ALCO PC 1463.16**
The fund was established per Penal Code 1463.16 for the County's (Sierra County) Alcohol Program Plan which is submitted to the State Department of Alcohol and Drug Programs.
 - **NEVADA COUNTY CO ALCO PC 1463.16**
The fund was established per Penal Code 1463.16 for the County's Alcohol Program Plan which is submitted to the State Department of Alcohol and Drug Programs.
 - **DRUG EDUCATION TRUST**
The fund was established per Health and Safety Code 11372.7 to maintain a drug program fund, amounts to be deposited into the fund shall be allocated by the administrator of the County's Drug Program.
 - **ALCOHOL EDUCATION PG PC 1463.25**
The fund was established per Penal Code 1463.25 pursuant to Vehicle Code Section 23196 and utilized pursuant to Health and Safety Code Section 11802, amounts deposited into the fund shall be allocated by the administrator of the County's Drug Program.

COUNTY OF NEVADA, CALIFORNIA NONMAJOR SPECIAL REVENUE FUNDS

EMERGENCY MEDICAL SERVICES

The fund was established to support emergency medical services pursuant to Chapter 2.5, Division 2.5 of the Health and Safety Code.

CALWORKS PERFORM INCENTIVE

The fund was established to administer the Calworks Incentive Program in accordance with the County Fiscal Letter (CFL) No. 98/99-36, dated September 21, 1998.

LOCAL BIOTERRORISM PREPAREDNESS

The fund accounts for funding from CA. Dept. of Health Services for public health emergency preparedness including pandemic influenza and other potential emergencies.

CHILDREN'S TRUST AB-2994

The fund was established pursuant to Assembly Bill 2994 for child abuse prevention and treatment services.

HEALTH - VRIP

The fund provides for the Vital Records Improvement Program.

- **ADMINISTRATION**

FOREST RESERVES

The fund provides for disbursement of Title III funds at the County's discretion as long as the projects meet the requirements established in the law. Examples of authorized uses are: search, rescue and emergency services to reimburse a County or Sheriff's department for services performed on Federal lands; easement purchases to provide access to public lands; forest related educational opportunities and fire prevention planning.

DRYDEN WILSON

The fund provides for the distribution of a gift from the Dryden J. Wilson Trust. The gift is to be used for the furtherance and preservation of open space land and other recreational uses. The remaining \$50,000 has been allocated for the acquisition of parkland in the North San Juan Area of the County.

WILDWOOD ESTATES ESCROW ACCOUNT

The fund is used to capture the monies received and disbursed pursuant to the Net Sale Proceeds Agreements for the Wildwood Estates Bond Counsel and Financial Advisor Agreement.

COMMUNITY FACILITIES DISTRICT #1990-1 WILDWOOD ESTATES

The fund accounts for the restricted proceeds of certain amounts related to the workout plan of Wildwood Estates and related infrastructure.

WILDWOOD ESTATES MELLO-ROOS

The fund accounts for special taxes and bonds used to finance development projects in Wildwood Estates.

CRIMINAL JUSTICE TEMPORARY FACILITY CONSTRUCTION

The fund provides for Criminal Justice construction projects pursuant to Government Code Section 761010.

COURTHOUSE TEMPORARY CONSTRUCTION

The fund provides for courthouse construction projects pursuant to Government Code Section 76100.

PUBLIC SAFETY AUGMENT

The fund provides for the receipting of and disbursement of Public Safety Augmentation Funds (Proposition 172), according to the agreed upon allocations per County resolution.

DISPUTE RESOLUTION

The Dispute Resolution Programs Act of 1986 provided for the local establishment and funding of informal dispute resolution. The County is authorized to allocate up to \$8 from filing fees in superior, municipal and justice court actions to generate new revenues for these local programs.

- **COMMUNITY DEVELOPMENT AGENCY**

The fund provides for the fiscal, administrative, management, long-range planning and coordination services that support the efforts, authority and duties of the Building, Environmental Health, Agriculture, Planning Departments, which includes the Code Compliance Program.

COUNTY OF NEVADA, CALIFORNIA NONMAJOR SPECIAL REVENUE FUNDS

- **DISTRICT ATTORNEY**

The fund provides for the review of investigations conducted by the law enforcement agencies, sometimes conducts its own investigations or joint investigations, makes filing decisions regarding criminal complaints, and handles misdemeanor and felony cases at all stages of proceedings, both adult and juvenile.

- **PROBATION**

The fund provides for mandated tasks for adult/juvenile intake and supervision services, alternative custody programs, juvenile hall, and victim witness services.

- **RECORDER**

The fund provides for repository of official and vital records for the County and files or records a variety of documents, maintains a record of those documents for posterity, and makes certified copies available to the public.

- **SHERIFF**

AUTOMATED WARRANT SYSTEM

The fund was established to track vehicle code 40508.5 fines for development and operation of the automated warrant system.

SHERIFF ANTI-DRUG GRANT

The fund was established to record revenues and expenses associated with anti-drug investigations and prosecutions.

CLETEP GRANT-OCJP#LO9901

The fund was established to record revenues and expenses for the California Law Enforcement Technology Enhancement Program.

CIVIL FEE - AB709

The fund was established per Assembly Bill 709, funds to be used for implementation, maintenance and purchase of equipment and furnishings for Sheriff-Civil.

ATTACHMENT ASSESSMENT FEE

The fund was established per Government Code Section 26746, funds to be used for County's cost for vehicle fleet replacement and equipment for the Sheriff.

CORRECTIONAL TRAINING

The fund was established for training of eligible corrections officers, juvenile counselors, and probation officers to improve the level of competence of such staff. Such application and approval is governed by regulation and procedures established by the Board, subject to the availability of funds.

INMATE WELFARE FUND

The fund was created by statute primarily for the benefit, education and welfare of the inmates confined within the jail.

TRUCKEE ANIMAL SHELTER

Fund set up in 1982 with a \$1000 donation from the Humane Society to go toward the funding of a Truckee based Animal Shelter.

FEDERAL ASSET FORFEITURE FUND

The fund was established to hold proceeds from property seized until a Federal court order allocates the distribution per Code Section 11489.

FINGERPRINT IDENTIFICATION

Fund was established for the enhancement of fingerprint facilities funded by monies levied from fines, fee and forfeitures on criminal offenses. Monies are to be used only for the purchase, lease, operation, including personnel and related costs, and maintenance of automated fingerprint equipment, or for the reimbursement to agencies that had previously performed any of these functions.

LAW ENFORCEMENT SERVICES

Also known as the Citizens for Public Safety grant (COPS). These funds are allocated to the Sheriff - Jail (12.5%) for county jail construction and operations, the District Attorney (12.5%) for the prosecution of criminals and 75% to the County and the cities within the County local front line law enforcement services.

COUNTY OF NEVADA, CALIFORNIA NONMAJOR SPECIAL REVENUE FUNDS

LAW ENFORCEMENT BLOCK GRANT

The fund was established for deposit and transfer of Federal funds received from the Local Law Enforcement Block Grant Program. All requirements of the expenditure of these funds, including a recommendation from the LLEBG Grant Advisory Board, and the successful completion of a public hearing have been met.

GC76104.6 ST DNA ACT

The fund was established to collect fines from the DNA Penalty Assessment (Proposition 69). These funds are used for Administrative costs; collection of samples; processing/analysis/tracking and storage of DNA crime scene samples; equipment; software and other.

STATE ASSET FORFEITURE

The fund was established to hold proceeds from property seized until a State court order allocates the distribution per Code Section 11489.

- **HOUSING AUTHORITY**

These funds provide Section 8 rental assistance vouchers to very low-income seniors, disabled persons, families and individuals, to ensure safe, affordable housing.

- **SPECIAL DISTRICTS GOVERNED BY THE BOARD OF SUPERVISORS**

These funds support a number of special purpose district funds administered by the Department of Transportation. Funding is provided by tax levies and service charges.

- **DEPARTMENT OF TRANSPORTATION**

The fund provides for the construction and maintenance of County Roads, along with transportation planning activities.

- **HOUSING AND COMMUNITY SERVICES**

The fund provides for the securing of State and Federal grants for affordable housing, economic development, energy assistance, community facilities and various low-income community services.

COUNTY OF NEVADA, CALIFORNIA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2007

	<u>Fish and Game</u>	<u>Child Support Services</u>	<u>County-wide Tech Projects</u>	<u>Probation Fire Insurance Admin Grant</u>
<u>ASSETS</u>				
Cash and investments	\$ 36,576	\$ 183,101	\$ 39,704	\$ 258,728
Accounts receivable	-	-	-	-
Due from other governmental agencies	-	-	-	-
Taxes receivable	-	-	-	-
Due from other funds	-	5,520	-	-
Advance to other funds	-	-	-	-
Loans receivable	-	-	-	-
Total Assets	<u>\$ 36,576</u>	<u>\$ 188,621</u>	<u>\$ 39,704</u>	<u>\$ 258,728</u>
<u>LIABILITIES AND FUND BALANCES</u>				
LIABILITIES				
Accounts payable	\$ -	\$ 20,604	\$ -	\$ -
Accrued salaries and benefits	-	87,486	-	-
Due to other funds	-	12,499	-	-
Unearned revenue	-	-	-	-
Advance from other funds	-	-	-	-
Total Liabilities	<u>-</u>	<u>120,589</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Reserved for:				
Encumbrances	-	-	-	-
Loans receivable	-	-	-	-
Unreserved:				
Undesignated	36,576	68,032	39,704	258,728
Total Fund Balances	<u>36,576</u>	<u>68,032</u>	<u>39,704</u>	<u>258,728</u>
Total Liabilities and Fund Balances	<u>\$ 36,576</u>	<u>\$ 188,621</u>	<u>\$ 39,704</u>	<u>\$ 258,728</u>

<u>St/County Property Tax Admin Grant</u>	<u>Motor Vehicle License</u>	<u>Public Library</u>	<u>Workers' Compensation</u>	<u>Nonmajor Human Service Agency</u>	<u>Administration</u>	<u>Community Development Agency</u>	<u>District Attorney</u>
\$ 9,896	\$ 6,294,491	\$ 912,389	\$ 171,967	\$ 2,115,579	\$ 2,539,980	\$ 1,208,003	\$ 69,001
-	-	623	-	50,322	5,360	381	-
-	-	-	-	16,581	1,207,191	-	-
-	-	306,100	-	-	-	-	-
-	85,732	607	-	891	5,935	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 9,896</u>	<u>\$ 6,380,223</u>	<u>\$ 1,219,719</u>	<u>\$ 171,967</u>	<u>\$ 2,183,373</u>	<u>\$ 3,758,466</u>	<u>\$ 1,208,384</u>	<u>\$ 69,001</u>
\$ -	\$ -	\$ 14,662	\$ 67	\$ 16,925	\$ 14,349	\$ 1,407	\$ 8,049
-	-	51,770	-	1,915	1,577	-	-
-	409,049	15,924	90,184	386,130	1,298,399	22,809	-
-	-	-	-	267,987	30,000	-	-
-	-	-	-	-	-	-	-
-	409,049	82,356	90,251	672,957	1,344,325	24,216	8,049
-	-	18,481	-	3,000	18,347	-	-
-	-	-	-	-	-	-	-
<u>9,896</u>	<u>5,971,174</u>	<u>1,118,882</u>	<u>81,716</u>	<u>1,507,416</u>	<u>2,395,794</u>	<u>1,184,168</u>	<u>60,952</u>
<u>9,896</u>	<u>5,971,174</u>	<u>1,137,363</u>	<u>81,716</u>	<u>1,510,416</u>	<u>2,414,141</u>	<u>1,184,168</u>	<u>60,952</u>
<u>\$ 9,896</u>	<u>\$ 6,380,223</u>	<u>\$ 1,219,719</u>	<u>\$ 171,967</u>	<u>\$ 2,183,373</u>	<u>\$ 3,758,466</u>	<u>\$ 1,208,384</u>	<u>\$ 69,001</u>

COUNTY OF NEVADA, CALIFORNIA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2007

	<u>Probation</u>	<u>Recorder</u>	<u>Sheriff</u>	<u>Housing Authority</u>
<u>ASSETS</u>				
Cash and investments	\$ 34,184	\$ 1,449,198	\$ 1,574,700	\$ 270,275
Accounts receivable	665	1,884	11,566	-
Due from other governmental agencies	4,407	-	162,869	-
Taxes receivable	-	-	-	-
Due from other funds	-	-	1,058	8,014
Advance to other funds	-	-	-	-
Loans receivable	-	-	-	-
Total Assets	<u>\$ 39,256</u>	<u>\$ 1,451,082</u>	<u>\$ 1,750,193</u>	<u>\$ 278,289</u>
<u>LIABILITIES AND FUND BALANCES</u>				
LIABILITIES				
Accounts payable	\$ 5,692	\$ 5,425	\$ 15,276	\$ -
Accrued salaries and benefits	-	-	-	5,788
Due to other funds	23,552	42,358	164,590	981
Unearned revenue	-	-	-	-
Advance from other funds	-	-	-	-
Total Liabilities	<u>29,244</u>	<u>47,783</u>	<u>179,866</u>	<u>6,769</u>
FUND BALANCES				
Reserved for:				
Encumbrances	-	-	-	-
Loans receivable	-	-	-	-
Unreserved:				
Undesignated	10,012	1,403,299	1,570,327	271,520
Total Fund Balances	<u>10,012</u>	<u>1,403,299</u>	<u>1,570,327</u>	<u>271,520</u>
Total Liabilities and Fund Balances	<u>\$ 39,256</u>	<u>\$ 1,451,082</u>	<u>\$ 1,750,193</u>	<u>\$ 278,289</u>

Special Districts Governed by the Board of Supervisors	Department of Transportation	Housing and Community Services	Totals
\$ 1,021,198	\$ 2,201,114	\$ 50,822	\$ 20,440,906
-	-	-	70,801
7,408	32,829	332,319	1,763,604
-	-	-	306,100
-	836	720,183	828,776
-	232,710	-	232,710
-	-	3,589,313	3,589,313
<u>\$ 1,028,606</u>	<u>\$ 2,467,489</u>	<u>\$ 4,692,637</u>	<u>\$ 27,232,210</u>
\$ 20	\$ 5,761	\$ 59,717	\$ 167,954
-	-	15,565	164,101
26,477	21,705	714,109	3,228,766
-	-	-	297,987
-	232,710	-	232,710
<u>26,497</u>	<u>260,176</u>	<u>789,391</u>	<u>4,091,518</u>
-	-	-	39,828
-	-	3,589,313	3,589,313
1,002,109	2,207,313	313,933	19,511,551
<u>1,002,109</u>	<u>2,207,313</u>	<u>3,903,246</u>	<u>23,140,692</u>
<u>\$ 1,028,606</u>	<u>\$ 2,467,489</u>	<u>\$ 4,692,637</u>	<u>\$ 27,232,210</u>

COUNTY OF NEVADA, CALIFORNIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2007

	<u>Fish and Game</u>	<u>Child Support Services</u>	<u>County-wide Tech Projects</u>	<u>Probation Fire Insurance Admin Grant</u>
REVENUES				
Taxes and assessments	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Fines and forfeitures	6,942	-	-	-
Use of money and property	1,926	38,405	276	11,679
Intergovernmental	-	3,780,853	-	-
Charges for services	-	-	-	-
Other revenues	693	817	-	-
Total Revenues	<u>9,561</u>	<u>3,820,075</u>	<u>276</u>	<u>11,679</u>
EXPENDITURES				
Current:				
General government	-	-	876	-
Public ways and facilities	-	-	-	-
Public protection	17,790	4,033,503	-	-
Health and sanitation	-	-	-	-
Public assistance	-	-	-	-
Education	-	-	-	-
Recreation	-	-	-	-
Debt service:				
Interest and other charges	-	-	-	-
Capital outlay	-	119,624	-	-
Total Expenditures	<u>17,790</u>	<u>4,153,127</u>	<u>876</u>	<u>-</u>
Excess of Revenues Over (Under) Expenditures	<u>(8,229)</u>	<u>(333,052)</u>	<u>(600)</u>	<u>11,679</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Issuance of debt	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	<u>(8,229)</u>	<u>(333,052)</u>	<u>(600)</u>	<u>11,679</u>
Fund Balances - Beginning	<u>44,805</u>	<u>401,084</u>	<u>40,304</u>	<u>247,049</u>
Fund Balances - Ending	<u>\$ 36,576</u>	<u>\$ 68,032</u>	<u>\$ 39,704</u>	<u>\$ 258,728</u>

St/County Property Tax Admin Grant	Motor Vehicle License	Public Library	Workers' Compensation	Nonmajor Human Service Agency	Administration	Community Development Agency	District Attorney
\$ -	\$ -	\$ 1,880,709	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	446,119	67,912	-
447	55,652	40,076	15,064	30,542	83,865	51,185	2,424
-	31,194	98,452	-	2,330,033	7,010,452	50,972	56
-	-	100,167	-	21,795	-	10,527	19,857
-	-	14,262	-	304,553	407,942	112,432	24,392
447	86,846	2,133,666	15,064	2,686,923	7,948,378	293,028	46,729
-	-	-	13,070	-	62,486	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	654,291	6,397	43,446
-	-	-	-	1,300,072	177,910	29,384	-
-	-	-	-	-	-	-	-
-	-	2,422,613	-	-	-	-	-
-	-	-	-	-	105,988	131,369	-
-	-	-	-	-	-	-	-
-	-	5,131	-	6,429	16,941	-	-
-	-	2,427,744	13,070	1,306,501	1,017,616	167,150	43,446
447	86,846	(294,078)	1,994	1,380,422	6,930,762	125,878	3,283
-	2,185,564	565,902	-	116,417	202,635	-	-
-	(3,995,786)	-	-	(541,233)	(6,425,921)	-	-
-	-	-	-	-	-	-	-
-	(1,810,222)	565,902	-	(424,816)	(6,223,286)	-	-
447	(1,723,376)	271,824	1,994	955,606	707,476	125,878	3,283
9,449	7,694,550	865,539	79,722	554,810	1,706,665	1,058,290	57,669
\$ 9,896	\$ 5,971,174	\$ 1,137,363	\$ 81,716	\$ 1,510,416	\$ 2,414,141	\$ 1,184,168	\$ 60,952

COUNTY OF NEVADA, CALIFORNIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2007

	<u>Probation</u>	<u>Recorder</u>	<u>Sheriff</u>	<u>Housing Authority</u>
<u>REVENUES</u>				
Taxes and assessments	\$ -	\$ -	\$ -	\$ -
Licenses and permits	11,063	-	-	-
Fines and forfeitures	4,610	-	46,064	-
Use of money and property	431	9,356	76,354	10,360
Intergovernmental	29,380	-	1,616,886	1,576,216
Charges for services	-	287,550	32,824	-
Other revenues	4,129	-	303,591	21,159
Total Revenues	<u>49,613</u>	<u>296,906</u>	<u>2,075,719</u>	<u>1,607,735</u>
<u>EXPENDITURES</u>				
Current:				
General government	-	-	-	-
Public ways and facilities	-	-	-	-
Public protection	3,638	294,337	515,901	-
Health and sanitation	-	-	-	-
Public assistance	15,558	-	-	1,453,374
Education	-	-	-	-
Recreation	-	-	-	-
Debt service:				
Interest and other charges	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	<u>19,196</u>	<u>294,337</u>	<u>515,901</u>	<u>1,453,374</u>
Excess of Revenues Over (Under) Expenditures	<u>30,417</u>	<u>2,569</u>	<u>1,559,818</u>	<u>154,361</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	-	-	77,238	4,537
Transfers out	(29,380)	-	(1,138,389)	(4,537)
Issuance of debt	-	-	-	-
Total Other Financing Sources (Uses)	<u>(29,380)</u>	<u>-</u>	<u>(1,061,151)</u>	<u>-</u>
Net Change in Fund Balance	1,037	2,569	498,667	154,361
Fund Balances - Beginning	<u>8,975</u>	<u>1,400,730</u>	<u>1,071,660</u>	<u>117,159</u>
Fund Balances - Ending	<u>\$ 10,012</u>	<u>\$ 1,403,299</u>	<u>\$ 1,570,327</u>	<u>\$ 271,520</u>

Special Districts Governed by the Board of Supervisors	Department of Transportation	Housing and Community Services	Totals
\$ 36,286	\$ -	\$ -	\$ 1,916,995
-	-	-	11,063
-	-	-	571,647
43,479	90,488	10,771	572,780
7,823	39,726	1,373,010	17,945,053
468,604	329,416	-	1,270,740
-	45,062	31,439	1,270,471
<u>556,192</u>	<u>504,692</u>	<u>1,415,220</u>	<u>23,558,749</u>
-	-	61,347	137,779
645,537	72,267	-	717,804
-	-	-	5,569,303
-	37,443	-	1,544,809
-	-	1,335,411	2,804,343
-	-	-	2,422,613
-	-	-	237,357
9,015	-	-	9,015
-	-	-	148,125
<u>654,552</u>	<u>109,710</u>	<u>1,396,758</u>	<u>13,591,148</u>
<u>(98,360)</u>	<u>394,982</u>	<u>18,462</u>	<u>9,967,601</u>
-	-	247,413	3,399,706
-	(78,276)	(108,412)	(12,321,934)
329,908	-	-	329,908
<u>329,908</u>	<u>(78,276)</u>	<u>139,001</u>	<u>(8,592,320)</u>
231,548	316,706	157,463	1,375,281
770,561	1,890,607	3,745,783	21,765,411
<u>\$ 1,002,109</u>	<u>\$ 2,207,313</u>	<u>\$ 3,903,246</u>	<u>\$ 23,140,692</u>

COUNTY OF NEVADA, CALIFORNIA
BUDGETARY COMPARISON SCHEDULE
FISH AND GAME - NONMAJOR SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2007

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
<u>REVENUES</u>				
Fines and forfeitures	\$ 4,000	\$ 4,000	\$ 6,942	\$ 2,942
Use of money and property	1,000	1,000	1,926	926
Other revenues	-	693	693	-
Total Revenues	5,000	5,693	9,561	3,868
<u>EXPENDITURES</u>				
Current:				
Public protection	19,350	19,350	17,790	1,560
Capital outlay	-	6,037	-	6,037
Total Expenditures	19,350	25,387	17,790	7,597
Excess of Revenues Over (Under) Expenditures	(14,350)	(19,694)	(8,229)	11,465
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balance	(14,350)	(19,694)	(8,229)	11,465
Fund Balances - Beginning	44,805	44,805	44,805	-
Fund Balances - Ending	\$ 30,455	\$ 25,111	\$ 36,576	\$ 11,465

COUNTY OF NEVADA, CALIFORNIA
BUDGETARY COMPARISON SCHEDULE
CHILD SUPPORT SERVICES - NONMAJOR SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2007

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
<u>REVENUES</u>				
Use of money and property	\$ 15,000	\$ 15,000	\$ 38,405	\$ 23,405
Intergovernmental	4,231,016	4,340,273	3,780,853	(559,420)
Other revenues	-	-	817	817
Total Revenues	4,246,016	4,355,273	3,820,075	(535,198)
<u>EXPENDITURES</u>				
Current:				
Public protection	4,246,016	4,206,922	4,033,503	173,419
Capital outlay	-	145,351	119,624	25,727
Total Expenditures	4,246,016	4,352,273	4,153,127	199,146
Excess of Revenues Over (Under) Expenditures	-	3,000	(333,052)	(336,052)
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balance	-	3,000	(333,052)	(336,052)
Fund Balances - Beginning	401,084	401,084	401,084	-
Fund Balances - Ending	\$ 401,084	\$ 404,084	\$ 68,032	\$ (336,052)

COUNTY OF NEVADA, CALIFORNIA
BUDGETARY COMPARISON SCHEDULE
COUNTY-WIDE TECH PROJECTS - NONMAJOR SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2007

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
<u>REVENUES</u>				
Use of money and property	\$ -	\$ -	\$ 276	\$ 276
Total Revenues	-	-	276	276
<u>EXPENDITURES</u>				
Current:				
General government	876	876	876	-
Total Expenditures	876	876	876	-
Excess of Revenues Over (Under) Expenditures	(876)	(876)	(600)	276
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balance	(876)	(876)	(600)	276
Fund Balances - Beginning	40,304	40,304	40,304	-
Fund Balances - Ending	\$ 39,428	\$ 39,428	\$ 39,704	\$ 276

COUNTY OF NEVADA, CALIFORNIA
BUDGETARY COMPARISON SCHEDULE
PROBATION FIRE INSURANCE ADMIN GRANT - NONMAJOR SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2007

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
<u>REVENUES</u>				
Use of money and property	\$ 5,000	\$ 5,000	\$ 11,679	\$ 6,679
Total Revenues	<u>5,000</u>	<u>5,000</u>	<u>11,679</u>	<u>6,679</u>
<u>EXPENDITURES</u>				
Current:				
General government	63,652	63,652	-	63,652
Total Expenditures	<u>63,652</u>	<u>63,652</u>	<u>-</u>	<u>63,652</u>
Excess of Revenues Over (Under) Expenditures	<u>(58,652)</u>	<u>(58,652)</u>	<u>11,679</u>	<u>70,331</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	<u>(58,652)</u>	<u>(58,652)</u>	<u>11,679</u>	<u>70,331</u>
Fund Balances - Beginning	<u>247,049</u>	<u>247,049</u>	<u>247,049</u>	<u>-</u>
Fund Balances - Ending	<u><u>\$ 188,397</u></u>	<u><u>\$ 188,397</u></u>	<u><u>\$ 258,728</u></u>	<u><u>\$ 70,331</u></u>

COUNTY OF NEVADA, CALIFORNIA
BUDGETARY COMPARISON SCHEDULE
MOTOR VEHICLE LICENSE - MAJOR SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2007

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
<u>REVENUES</u>				
Use of money and property	\$ -	\$ -	\$ 55,652	\$ 55,652
Intergovernmental	-	-	31,194	31,194
Total Revenues	-	-	86,846	86,846
<u>EXPENDITURES</u>				
Current:				
General government	-	-	-	-
Total Expenditures	-	-	-	-
Excess of Revenues Over (Under) Expenditures	-	-	86,846	86,846
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	-	2,249,376	2,185,564	(63,812)
Transfers out	(3,901,124)	(5,720,500)	(3,995,786)	1,724,714
Total Other Financing Sources (Uses)	(3,901,124)	(3,471,124)	(1,810,222)	1,660,902
Net Change in Fund Balance	(3,901,124)	(3,471,124)	(1,723,376)	1,747,748
Fund Balances - Beginning	7,694,550	7,694,550	7,694,550	-
Fund Balances - Ending	\$ 3,793,426	\$ 4,223,426	\$ 5,971,174	\$ 1,747,748

COUNTY OF NEVADA, CALIFORNIA
BUDGETARY COMPARISON SCHEDULE
PUBLIC LIBRARY - NONMAJOR SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2007

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
<u>REVENUES</u>				
Taxes and assessments	\$ 1,800,000	\$ 1,800,000	\$ 1,880,709	\$ 80,709
Use of money and property	26,000	26,000	40,076	14,076
Intergovernmental	98,001	104,927	98,452	(6,475)
Charges for services	105,800	105,800	100,167	(5,633)
Other revenues	3,100	8,231	14,262	6,031
Total Revenues	<u>2,032,901</u>	<u>2,044,958</u>	<u>2,133,666</u>	<u>88,708</u>
<u>EXPENDITURES</u>				
Current:				
Education	2,579,862	2,605,244	2,422,613	182,631
Capital outlay	23,192	23,612	5,131	18,481
Total Expenditures	<u>2,603,054</u>	<u>2,628,856</u>	<u>2,427,744</u>	<u>201,112</u>
Excess of Revenues Over (Under) Expenditures	<u>(570,153)</u>	<u>(583,898)</u>	<u>(294,078)</u>	<u>289,820</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	565,902	565,902	565,902	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	<u>565,902</u>	<u>565,902</u>	<u>565,902</u>	<u>-</u>
Net Change in Fund Balance	<u>(4,251)</u>	<u>(17,996)</u>	<u>271,824</u>	<u>289,820</u>
Fund Balances - Beginning	<u>865,539</u>	<u>865,539</u>	<u>865,539</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 861,288</u>	<u>\$ 847,543</u>	<u>\$ 1,137,363</u>	<u>\$ 289,820</u>

COUNTY OF NEVADA, CALIFORNIA
BUDGETARY COMPARISON SCHEDULE
WORKERS' COMPENSATION - NONMAJOR SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2007

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
<u>REVENUES</u>				
Use of money and property	\$ 2,700	\$ 2,700	\$ 15,064	\$ 12,364
Total Revenues	<u>2,700</u>	<u>2,700</u>	<u>15,064</u>	<u>12,364</u>
<u>EXPENDITURES</u>				
Current:				
General government	<u>2,700</u>	<u>2,700</u>	<u>13,070</u>	<u>(10,370)</u>
Total Expenditures	<u>2,700</u>	<u>2,700</u>	<u>13,070</u>	<u>(10,370)</u>
Excess of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>1,994</u>	<u>1,994</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	-	-	-	-
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	<u>-</u>	<u>-</u>	<u>1,994</u>	<u>1,994</u>
Fund Balances - Beginning	<u>79,722</u>	<u>79,722</u>	<u>79,722</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 79,722</u>	<u>\$ 79,722</u>	<u>\$ 81,716</u>	<u>\$ 1,994</u>

COUNTY OF NEVADA, CALIFORNIA
BUDGETARY COMPARISON SCHEDULE
NONMAJOR HUMAN SERVICES AGENCY - NONMAJOR SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2007

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
<u>REVENUES</u>				
Use of money and property	\$ 12,205	\$ 12,205	\$ 30,542	\$ 18,337
Intergovernmental	2,211,127	2,480,319	2,330,033	(150,286)
Charges for services	17,886	19,967	21,795	1,828
Other revenue	278,926	314,119	304,553	(9,566)
Total Revenues	2,520,144	2,826,610	2,686,923	(139,687)
<u>EXPENDITURES</u>				
Current:				
Health and sanitation	2,146,284	2,531,235	1,300,072	1,231,163
Capital outlay	-	6,545	6,429	116
Total Expenditures	2,146,284	2,537,780	1,306,501	1,231,279
Excess of Revenues Over (Under) Expenditures	373,860	288,830	1,380,422	1,091,592
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	147,507	147,507	116,417	(31,090)
Transfers out	(601,115)	(601,115)	(541,233)	59,882
Total Other Financing Sources (Uses)	(453,608)	(453,608)	(424,816)	28,792
Net Changes in Fund Balance	(79,748)	(164,778)	955,606	1,120,384
Fund Balances - Beginning	554,810	554,810	554,810	-
Fund Balances - Ending	\$ 475,062	\$ 390,032	\$ 1,510,416	\$ 1,120,384

COUNTY OF NEVADA, CALIFORNIA
BUDGETARY COMPARISON SCHEDULE
ADMINISTRATION - NONMAJOR SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2007

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
<u>REVENUES</u>				
Fines and forfeitures	\$ 449,906	\$ 449,906	\$ 446,119	\$ (3,787)
Use of money and property	36,687	36,687	83,865	47,178
Intergovernmental	7,319,388	7,391,288	7,010,452	(380,836)
Other revenue	7,500	419,529	407,942	(11,587)
Total Revenues	<u>7,813,481</u>	<u>8,297,410</u>	<u>7,948,378</u>	<u>(349,032)</u>
<u>EXPENDITURES</u>				
Current:				
General government	202,593	504,182	62,486	441,696
Public protection	723,164	723,164	654,291	68,873
Health and sanitation	198,100	248,803	177,910	70,893
Recreation	215,622	215,622	105,988	109,634
Capital outlay	-	116,197	16,941	99,256
Total Expenditures	<u>1,339,479</u>	<u>1,807,968</u>	<u>1,017,616</u>	<u>790,352</u>
Excess of Revenues Over (Under) Expenditures	<u>6,474,002</u>	<u>6,489,442</u>	<u>6,930,762</u>	<u>441,320</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	198,000	202,560	202,635	75
Transfers out	(6,734,306)	(6,779,271)	(6,425,921)	353,350
Total Other Financing Sources (Uses)	<u>(6,536,306)</u>	<u>(6,576,711)</u>	<u>(6,223,286)</u>	<u>353,425</u>
Net Changes in Fund Balance	(62,304)	(87,269)	707,476	794,745
Fund Balances - Beginning	<u>1,706,665</u>	<u>1,706,665</u>	<u>1,706,665</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 1,644,361</u>	<u>\$ 1,619,396</u>	<u>\$ 2,414,141</u>	<u>\$ 794,745</u>

COUNTY OF NEVADA, CALIFORNIA
BUDGETARY COMPARISON SCHEDULE
COMMUNITY DEVELOPMENT AGENCY - NONMAJOR SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2007

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
<u>REVENUES</u>				
Fines and forfeitures	\$ 32,493	\$ 66,093	\$ 67,912	\$ 1,819
Use of money and property	17,776	18,489	51,185	32,696
Intergovernmental	17,200	17,372	50,972	33,600
Charges for services	17,154	17,154	10,527	(6,627)
Other revenue	126,000	126,000	112,432	(13,568)
Total Revenues	210,623	245,108	293,028	47,920
<u>EXPENDITURES</u>				
Current:				
Public protection	12,732	12,732	6,397	6,335
Health and sanitation	17,376	47,096	29,384	17,712
Recreation	138,500	213,839	131,369	82,470
Total Expenditures	168,608	273,667	167,150	106,517
Excess of Revenues Over (Under) Expenditures	42,015	(28,559)	125,878	154,437
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Changes in Fund Balance	42,015	(28,559)	125,878	154,437
Fund Balances - Beginning	1,058,290	1,058,290	1,058,290	-
Fund Balances - Ending	\$ 1,100,305	\$ 1,029,731	\$ 1,184,168	\$ 154,437

COUNTY OF NEVADA, CALIFORNIA
BUDGETARY COMPARISON SCHEDULE
DISTRICT ATTORNEY - NONMAJOR SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2007

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
<u>REVENUES</u>				
Fines and forfeitures	\$ 1,075	\$ 1,075	\$ -	\$ (1,075)
Use of money and property	975	975	2,424	1,449
Intergovernmental	-	-	56	56
Charges for services	13,340	19,840	19,857	17
Other revenue	22,750	24,250	24,392	142
Total Revenues	38,140	46,140	46,729	589
<u>EXPENDITURES</u>				
Current:				
Public protection	37,990	49,490	43,446	6,044
Total Expenditures	37,990	49,490	43,446	6,044
Excess of Revenues Over (Under) Expenditures	150	(3,350)	3,283	6,633
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Changes in Fund Balance	150	(3,350)	3,283	6,633
Fund Balances - Beginning	57,669	57,669	57,669	-
Fund Balances - Ending	\$ 57,819	\$ 54,319	\$ 60,952	\$ 6,633

COUNTY OF NEVADA, CALIFORNIA
BUDGETARY COMPARISON SCHEDULE
PROBATION - NONMAJOR SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2007

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
<u>REVENUES</u>				
Licenses and permits	\$ 10,850	\$ 10,850	\$ 11,063	\$ 213
Fines and forfeitures	4,650	5,450	4,610	(840)
Use of money and property	105	105	431	326
Intergovernmental revenues	-	29,380	29,380	-
Other revenue	7,134	7,134	4,129	(3,005)
Total Revenues	22,739	52,919	49,613	(3,306)
<u>EXPENDITURES</u>				
Current:				
Public protection	7,239	7,239	3,638	3,601
Public assistance	15,500	16,300	15,558	742
Total Expenditures	22,739	23,539	19,196	4,343
Excess of Revenues Over (Under) Expenditures	-	29,380	30,417	1,037
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	-	-	-	-
Transfers out	-	(29,380)	(29,380)	-
Total Other Financing Sources (Uses)	-	(29,380)	(29,380)	-
Net Changes in Fund Balance	-	-	1,037	1,037
Fund Balances - Beginning	8,975	8,975	8,975	-
Fund Balances - Ending	\$ 8,975	\$ 8,975	\$ 10,012	\$ 1,037

COUNTY OF NEVADA, CALIFORNIA
BUDGETARY COMPARISON SCHEDULE
RECORDER - NONMAJOR SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2007

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
<u>REVENUES</u>				
Use of money and property	\$ -	\$ -	\$ 9,356	\$ 9,356
Charges for services	360,000	360,000	287,550	(72,450)
Total Revenues	360,000	360,000	296,906	(63,094)
<u>EXPENDITURES</u>				
Current:				
Public protection	317,157	317,157	294,337	22,820
Capital outlay	8,550	8,550	-	8,550
Total Expenditures	325,707	325,707	294,337	31,370
Excess of Revenues Over (Under) Expenditures	34,293	34,293	2,569	(31,724)
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Changes in Fund Balance	34,293	34,293	2,569	(31,724)
Fund Balances - Beginning	1,400,730	1,400,730	1,400,730	-
Fund Balances - Ending	\$ 1,435,023	\$ 1,435,023	\$ 1,403,299	\$ (31,724)

COUNTY OF NEVADA, CALIFORNIA
BUDGETARY COMPARISON SCHEDULE
SHERIFF - NONMAJOR SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2007

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
<u>REVENUES</u>				
Fines and forfeitures	\$ 58,000	\$ 58,000	\$ 46,064	\$ (11,936)
Use of money and property	28,440	28,544	76,354	47,810
Intergovernmental	1,565,822	1,606,382	1,616,886	10,504
Charges for services	23,000	30,598	32,824	2,226
Other revenue	255,986	255,986	303,591	47,605
Total Revenues	1,931,248	1,979,510	2,075,719	96,209
<u>EXPENDITURES</u>				
Current:				
Public protection	562,786	586,759	515,901	70,858
Total Expenditures	562,786	586,759	515,901	70,858
Excess of Revenues Over (Under) Expenditures	1,368,462	1,392,751	1,559,818	167,067
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	-	11,620	77,238	65,618
Transfers out	(1,323,879)	(1,469,329)	(1,138,389)	330,940
Total Other Financing Sources (Uses)	(1,323,879)	(1,457,709)	(1,061,151)	396,558
Net Changes in Fund Balance	44,583	(64,958)	498,667	563,625
Fund Balances - Beginning	1,071,660	1,071,660	1,071,660	-
Fund Balances - Ending	\$ 1,116,243	\$ 1,006,702	\$ 1,570,327	\$ 563,625

COUNTY OF NEVADA, CALIFORNIA
BUDGETARY COMPARISON SCHEDULE
HOUSING AUTHORITY - NONMAJOR SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2007

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
<u>REVENUES</u>				
Use of money and property	\$ 2,250	\$ 2,250	\$ 10,360	\$ 8,110
Intergovernmental	1,465,188	1,465,188	1,576,216	111,028
Other revenue	38,000	38,000	21,159	(16,841)
Total Revenues	<u>1,505,438</u>	<u>1,505,438</u>	<u>1,607,735</u>	<u>102,297</u>
<u>EXPENDITURES</u>				
Current:				
Public assistance	1,501,488	1,501,488	1,453,374	48,114
Total Expenditures	<u>1,501,488</u>	<u>1,501,488</u>	<u>1,453,374</u>	<u>48,114</u>
Excess of Revenues Over (Under) Expenditures	<u>3,950</u>	<u>3,950</u>	<u>154,361</u>	<u>150,411</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	7,000	7,000	4,537	(2,463)
Transfers out	(7,000)	(7,000)	(4,537)	2,463
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balance	3,950	3,950	154,361	150,411
Fund Balances - Beginning	<u>117,159</u>	<u>117,159</u>	<u>117,159</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 121,109</u>	<u>\$ 121,109</u>	<u>\$ 271,520</u>	<u>\$ 150,411</u>

COUNTY OF NEVADA, CALIFORNIA
BUDGETARY COMPARISON SCHEDULE
SPECIAL DISTRICTS GOVERNED BY THE BOARD OF SUPERVISORS -
NONMAJOR SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2007

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
<u>REVENUES</u>				
Taxes and assessments	\$ 19,550	\$ 19,550	\$ 36,286	\$ 16,736
Use of money and property	13,490	17,498	43,479	25,981
Intergovernmental	-	-	7,823	7,823
Charges for services	369,440	455,444	468,604	13,160
Total Revenues	402,480	492,492	556,192	63,700
<u>EXPENDITURES</u>				
Current:				
Public ways and facilities	337,709	778,137	645,537	132,600
Debt service:				
Interest and other charges	-	-	9,015	(9,015)
Total Expenditures	337,709	778,137	654,552	123,585
Excess of Revenues Over (Under) Expenditures	64,771	(285,645)	(98,360)	187,285
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Issuance of debt	-	329,908	329,908	-
Total Other Financing Sources (Uses)	-	329,908	329,908	-
Net Changes in Fund Balance	64,771	44,263	231,548	187,285
Fund Balances - Beginning	770,561	770,561	770,561	-
Fund Balances - Ending	\$ 835,332	\$ 814,824	\$ 1,002,109	\$ 187,285

COUNTY OF NEVADA, CALIFORNIA
BUDGETARY COMPARISON SCHEDULE
DEPARTMENT OF TRANSPORTATION - NONMAJOR SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2007

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
<u>REVENUES</u>				
Use of money and property	\$ 33,706	\$ 33,706	\$ 90,488	\$ 56,782
Intergovernmental	32,839	39,735	39,726	(9)
Charges for services	376,904	387,514	329,416	(58,098)
Other revenue	61,435	61,435	45,062	(16,373)
Total Revenues	<u>504,884</u>	<u>522,390</u>	<u>504,692</u>	<u>(17,698)</u>
<u>EXPENDITURES</u>				
Current:				
Public ways and facilities	110,003	122,368	72,267	50,101
Health and sanitation	33,339	40,235	37,443	2,792
Total Expenditures	<u>143,342</u>	<u>162,603</u>	<u>109,710</u>	<u>52,893</u>
Excess of Revenues Over (Under) Expenditures	<u>361,542</u>	<u>359,787</u>	<u>394,982</u>	<u>35,195</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	-	-	-	-
Transfers out	(115,383)	(122,626)	(78,276)	44,350
Total Other Financing Sources (Uses)	<u>(115,383)</u>	<u>(122,626)</u>	<u>(78,276)</u>	<u>44,350</u>
Net Changes in Fund Balance	246,159	237,161	316,706	79,545
Fund Balances - Beginning	<u>1,890,607</u>	<u>1,890,607</u>	<u>1,890,607</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 2,136,766</u>	<u>\$ 2,127,768</u>	<u>\$ 2,207,313</u>	<u>\$ 79,545</u>

COUNTY OF NEVADA, CALIFORNIA
BUDGETARY COMPARISON SCHEDULE
HOUSING AND COMMUNITY SERVICES - NONMAJOR SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2007

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
<u>REVENUES</u>				
Use of money and property	\$ 1,511	\$ 4,411	\$ 10,771	\$ 6,360
Intergovernmental	1,626,949	2,347,081	1,373,010	(974,071)
Other revenue	555,721	555,721	31,439	(524,282)
Total Revenues	2,184,181	2,907,213	1,415,220	(1,491,993)
<u>EXPENDITURES</u>				
Current:				
General government	62,744	243,244	61,347	181,897
Public assistance	2,070,976	2,675,198	1,335,411	1,339,787
Total Expenditures	2,133,720	2,918,442	1,396,758	1,521,684
Excess of Revenues Over (Under) Expenditures	50,461	(11,229)	18,462	29,691
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	358,481	431,481	247,413	(184,068)
Transfers out	(179,481)	(291,981)	(108,412)	183,569
Total Other Financing Sources (Uses)	179,000	139,500	139,001	(499)
Net Changes in Fund Balance	229,461	128,271	157,463	29,192
Fund Balances - Beginning	3,745,783	3,745,783	3,745,783	-
Fund Balances - Ending	\$ 3,975,244	\$ 3,874,054	\$ 3,903,246	\$ 29,192

NONMAJOR GOVERNMENTAL FUNDS
Debt Service Funds

COUNTY OF NEVADA, CALIFORNIA NONMAJOR DEBT SERVICE FUNDS

Debt Service Funds are used to account for accumulation of resources for, and the payment of, principal and interest on the County's general long-term debt. Nonmajor debt service funds used by the County are listed below:

- **GOVERNMENT DEBT SERVICE**
Fund accounts for other financing requirements of the County, including for Laura Wilcox Memorial building. Amounts are transferred into, and payments made out of, this fund.
- **FINANCE AUTHORITY**
Fund accounts for finance and refinance of any real or personal property for the benefit of Nevada County. The Finance Authority is the lessor for the County's Certificates of Participation, and makes debt service payments on behalf of the County.

COUNTY OF NEVADA, CALIFORNIA
COMBINING BALANCE SHEET
NONMAJOR DEBT SERVICE FUNDS
JUNE 30, 2007

	<u>Government Debt Service</u>	<u>Finance Authority</u>	<u>Totals</u>
<u>ASSETS</u>			
Cash and investments	\$ -	\$ 10,974	\$ 10,974
Restricted cash and investments	-	2,139,685	2,139,685
Due from other funds	-	6,293	6,293
	<hr/>	<hr/>	<hr/>
Total Assets	\$ -	\$ 2,156,952	\$ 2,156,952
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<u>LIABILITIES AND FUND BALANCES</u>			
LIABILITIES			
Due to other funds	\$ -	\$ -	\$ -
	<hr/>	<hr/>	<hr/>
Total Liabilities	-	-	-
	<hr/>	<hr/>	<hr/>
FUND BALANCES			
Reserved for:			
Debt service	-	2,156,952	2,156,952
	<hr/>	<hr/>	<hr/>
Total Fund Balances	-	2,156,952	2,156,952
	<hr/>	<hr/>	<hr/>
Total Liabilities and Fund Balances	\$ -	\$ 2,156,952	\$ 2,156,952
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

COUNTY OF NEVADA, CALIFORNIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR DEBT SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2007

	<u>Government Debt Service</u>	<u>Finance Authority</u>	<u>Totals</u>
<u>REVENUES</u>			
Use of money and property	\$ -	\$ 131,134	\$ 131,134
Total Revenues	<u>-</u>	<u>131,134</u>	<u>131,134</u>
<u>EXPENDITURES</u>			
Current			
General government	112	144,598	144,710
Debt service:			
Principal	27,127	1,005,747	1,032,874
Interest and other charges	42,926	841,073	883,999
Total Expenditures	<u>70,165</u>	<u>1,991,418</u>	<u>2,061,583</u>
Excess of Revenues Over (Under) Expenditures	<u>(70,165)</u>	<u>(1,860,284)</u>	<u>(1,930,449)</u>
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers in	70,165	1,818,653	1,888,818
Transfers out	-	-	-
Total Other Financing Sources (Uses)	<u>70,165</u>	<u>1,818,653</u>	<u>1,888,818</u>
Net Change in Fund Balance	<u>-</u>	<u>(41,631)</u>	<u>(41,631)</u>
Fund Balances - Beginning	<u>-</u>	<u>2,198,583</u>	<u>2,198,583</u>
Fund Balances - Ending	<u>\$ -</u>	<u>\$ 2,156,952</u>	<u>\$ 2,156,952</u>

COUNTY OF NEVADA, CALIFORNIA
BUDGETARY COMPARISON SCHEDULE
GOVERNMENT DEBT SERVICE - NONMAJOR DEBT SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2007

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
<u>REVENUES</u>				
Use of money and property	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-
<u>EXPENDITURES</u>				
Current				
General government	112	112	112	-
Debt service:				
Principal	27,127	27,127	27,127	-
Interest and other charges	42,926	42,926	42,926	-
Total Expenditures	70,165	70,165	70,165	-
Excess of Revenues Over (Under) Expenditures	(70,165)	(70,165)	(70,165)	-
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	70,165	70,165	70,165	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	70,165	70,165	70,165	-
Net Changes in Fund Balance	-	-	-	-
Fund Balances - Beginning	-	-	-	-
Fund Balances - Ending	\$ -	\$ -	\$ -	\$ -

COUNTY OF NEVADA, CALIFORNIA
BUDGETARY COMPARISON SCHEDULE
FINANCE AUTHORITY - NONMAJOR DEBT SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2007

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
<u>REVENUES</u>				
Use of money and property	\$ 129,955	\$ 129,955	\$ 131,134	\$ 1,179
Total Revenues	129,955	129,955	131,134	1,179
<u>EXPENDITURES</u>				
Current				
General government	120,143	144,806	144,598	208
Debt service:				
Principal	1,005,747	1,005,747	1,005,747	-
Interest and other charges	841,070	841,070	841,073	(3)
Total Expenditures	1,966,960	1,991,623	1,991,418	205
Excess of Revenues Over (Under) Expenditures	(1,837,005)	(1,861,668)	(1,860,284)	1,384
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	1,794,105	1,818,768	1,818,653	(115)
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	1,794,105	1,818,768	1,818,653	(115)
Net Changes in Fund Balance	(42,900)	(42,900)	(41,631)	1,269
Fund Balances - Beginning	2,198,583	2,198,583	2,198,583	-
Fund Balances - Ending	\$ 2,155,683	\$ 2,155,683	\$ 2,156,952	\$ 1,269

NONMAJOR PROPRIETARY FUNDS
Enterprise Funds

COUNTY OF NEVADA, CALIFORNIA NONMAJOR ENTERPRISE FUNDS

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis be financed primarily through user charges; or where the County has decided that periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. Nonmajor enterprise funds of the County are listed below:

- **EASTERN NEVADA COUNTY SOLID WASTE**

Fund accounts for the solid waste support services in Eastern Nevada County. Includes administration of refuse collection franchise in Eastern Nevada County. Fees collected from property owners in unincorporated Eastern Nevada County and used for residential refuse collection, recycling, and disposal activities. Also used to administer the Hirschdale Landfill closure and provide post-closure monitoring services.

- **TRANSIT SERVICES**

Fund accounts for administration and delivery of public transit and paratransit services, primarily in Western Nevada County. Includes the Gold Country Stage, a fixed-route system serving Western Nevada County, and administers a contract for provision of specialized paratransit services for disabled persons. Also used to account for participation in the Truckee-North Tahoe Transportation management Association, a public-private partnership working to improve transportation in the Truckee-Tahoe area.

COUNTY OF NEVADA, CALIFORNIA
COMBINING STATEMENT OF NET ASSETS
NONMAJOR ENTERPRISE FUNDS
JUNE 30, 2007

	Eastern Nevada County Solid Waste	Transit Services	Totals
<u>ASSETS</u>			
Current Assets			
Cash and investments	\$ 291,365	\$ 43,875	\$ 335,240
Accounts receivable (net of allowance)	-	53,306	53,306
Due from other funds	-	1,097	1,097
Inventory	-	6,257	6,257
Total Current Assets	291,365	104,535	395,900
Noncurrent Assets			
Capital assets (net)	26,409	443,147	469,556
Total Noncurrent Assets	26,409	443,147	469,556
Total Assets	317,774	547,682	865,456
<u>LIABILITIES</u>			
Current Liabilities			
Accounts payable	-	75,853	75,853
Accrued salaries and benefits	-	49,895	49,895
Due to other funds	1,352	97,306	98,658
Unearned revenue	-	48,330	48,330
Compensated absences payable	-	63,776	63,776
Closure/postclosure costs	8,840	-	8,840
Total Current Liabilities	10,192	335,160	345,352
Noncurrent Liabilities			
Closure/postclosure costs	102,230	-	102,230
Total Noncurrent Liabilities	102,230	-	102,230
Total Liabilities	112,422	335,160	447,582
<u>NET ASSETS</u>			
Invested in capital assets, net of related debt	26,409	443,147	469,556
Unrestricted	178,943	(230,625)	(51,682)
Total Net Assets	\$ 205,352	\$ 212,522	\$ 417,874

COUNTY OF NEVADA, CALIFORNIA
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET ASSETS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2007

	Eastern Nevada County Solid Waste	Transit Services	Totals
<u>OPERATING REVENUES</u>			
Charges for services	\$ 108,592	\$ 476,213	\$ 584,805
Operating Revenues	<u>108,592</u>	<u>476,213</u>	<u>584,805</u>
<u>OPERATING EXPENSES</u>			
Salaries and benefits	-	1,365,848	1,365,848
Maintenance and repairs	-	518,243	518,243
Parts and supplies	-	223	223
Outside services	131,793	992,008	1,123,801
Administration and office	3,847	299,297	303,144
Utilities	-	5,283	5,283
Insurance	-	58,853	58,853
Depreciation	-	190,513	190,513
Rentals and lease payments	-	14,607	14,607
Operating Expenses	<u>135,640</u>	<u>3,444,875</u>	<u>3,580,515</u>
Operating Income (Loss)	<u>(27,048)</u>	<u>(2,968,662)</u>	<u>(2,995,710)</u>
<u>NON-OPERATING REVENUE (EXPENSES)</u>			
Taxes and assessments	-	2,442,000	2,442,000
Intergovernmental revenues	-	351,813	351,813
Interest income	14,817	8,347	23,164
Other revenues	-	48	48
Interest expense	-	(8,894)	(8,894)
Total Non-operating Revenues (Expenses)	<u>14,817</u>	<u>2,793,314</u>	<u>2,808,131</u>
Income (Loss) Before Transfers	<u>(12,231)</u>	<u>(175,348)</u>	<u>(187,579)</u>
Transfers in	-	-	-
Transfers out	-	-	-
Change in Net Assets	<u>(12,231)</u>	<u>(175,348)</u>	<u>(187,579)</u>
Net Assets - Beginning	<u>217,583</u>	<u>387,870</u>	<u>605,453</u>
Net Assets - Ending	<u>\$ 205,352</u>	<u>\$ 212,522</u>	<u>\$ 417,874</u>

COUNTY OF NEVADA, CALIFORNIA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2007

	Eastern Nevada County Solid Waste	Transit Services	Totals
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Receipts from customers	\$ 108,592	\$ 485,175	\$ 593,767
Payments to suppliers	(182,795)	(1,933,663)	(2,116,458)
Payments to employees	-	(1,354,394)	(1,354,394)
Net Cash Provided (Used) by Operating Activities	(74,203)	(2,802,882)	(2,877,085)
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</u>			
Grants and other receipts	-	3,209,155	3,209,155
Subsidies, loans, and transfers from (to) other funds	949	(387,904)	(386,955)
Net Cash Provided (Used) for Noncapital Financing Activities	949	2,821,251	2,822,200
<u>CASH FLOWS FROM INVESTMENT ACTIVITIES</u>			
Interest and dividends (expense)	14,817	(13,425)	1,392
Net Cash Provided (Used) by Investing Activities	14,817	(13,425)	1,392
Net Increase (Decrease) in Cash and Cash Equivalents	(58,437)	4,944	(53,493)
Balances - Beginning of the Year	349,802	38,931	388,733
Balances - End of the Year	\$ 291,365	\$ 43,875	\$ 335,240
<u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</u>			
Operating income (loss)	\$ (27,048)	\$ (2,968,662)	\$ (2,995,710)
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	-	190,513	190,513
Decrease (Increase) in:			
Accounts receivable	-	8,962	8,962
Inventory	-	744	744
Increase (Decrease) in:			
Accounts payable	-	(5,679)	(5,679)
Accrued salaries and benefits	-	9,049	9,049
Due to other governmental agencies	-	(40,214)	(40,214)
Compensated absences payable	-	2,405	2,405
Closure/post closure	(47,155)	-	(47,155)
Net Cash Provided (Used) by Operating Activities	\$ (74,203)	\$ (2,802,882)	\$ (2,877,085)

INTERNAL SERVICE FUNDS

COUNTY OF NEVADA, CALIFORNIA INTERNAL SERVICE FUNDS

Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments on a cost-reimbursement basis. Internal Service Funds used at the County are listed below:

- **FLEET MANAGEMENT**
The fund accounts for the management of a program to ensure that both current and future vehicle needs are met for all County departments.
- **VISION INSURANCE**
The fund accounts for the vision insurance component of the self-insurance services provided to County employees.
- **UNEMPLOYMENT INSURANCE**
The fund accounts for the management of unemployment insurance for the County's self-funded plan.
- **LIABILITY INSURANCE**
The fund accounts for the services related to the protection of the County from general liability exposures. It provides claims management services, and pays the premium costs for general liability insurance.
- **CENTRAL SERVICES**
The fund accounts for printing, copier, mail, pool car scheduling, answering the County information line, and scanning services provided to County departments and outside agencies.
- **DENTAL INSURANCE**
The fund accounts for the dental insurance component of the self-insurance services provided to County employees.

COUNTY OF NEVADA, CALIFORNIA
COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS
JUNE 30, 2007

	<u>Fleet Management</u>	<u>Vision Insurance</u>	<u>Unemployment Insurance</u>	<u>Liability Insurance</u>
<u>ASSETS</u>				
Current Assets				
Cash and investments	\$ 248,741	\$ 92,076	\$ 758,779	\$ 1,571,996
Accounts receivable	1,625	-	-	-
Due from other funds	294,297	-	-	12,319
Prepaid costs	-	-	-	101,870
Inventory	57,921	-	-	-
Deposits	-	7,310	-	-
Advances to other funds	-	-	-	150,000
Total Current Assets	<u>602,584</u>	<u>99,386</u>	<u>758,779</u>	<u>1,836,185</u>
Noncurrent Assets				
Capital assets (net)	1,192,707	-	-	-
Total Noncurrent Assets	<u>1,192,707</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>1,795,291</u>	<u>99,386</u>	<u>758,779</u>	<u>1,836,185</u>
<u>LIABILITIES</u>				
Current Liabilities				
Accounts payable	97,671	12,527	-	1,246
Accrued salaries and benefits	27,129	-	-	-
Due to other funds	296,330	9,697	11,479	21,831
Unearned revenues	248,915	-	-	-
Compensated absences payable	62,154	-	-	-
Capital leases payable	-	-	-	-
Accrued claims payable	-	-	223,198	466,000
Total Current Liabilities	<u>732,199</u>	<u>22,224</u>	<u>234,677</u>	<u>489,077</u>
Noncurrent Liabilities				
Capital leases payable	-	-	-	-
Total Noncurrent Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>732,199</u>	<u>22,224</u>	<u>234,677</u>	<u>489,077</u>
<u>NET ASSETS</u>				
Invested in capital assets, net of related debt	1,192,707	-	-	-
Unrestricted	(129,615)	77,162	524,102	1,347,108
Total Net Assets	<u>\$ 1,063,092</u>	<u>\$ 77,162</u>	<u>\$ 524,102</u>	<u>\$ 1,347,108</u>

<u>Central Services</u>	<u>Dental Insurance</u>	<u>Totals</u>
\$ 26,203	\$ 307,339	\$ 3,005,134
758	-	2,383
62,987	-	369,603
10,306	-	112,176
-	-	57,921
-	34,000	41,310
-	-	150,000
<u>100,254</u>	<u>341,339</u>	<u>3,738,527</u>
<u>20,138</u>	<u>-</u>	<u>1,212,845</u>
<u>20,138</u>	<u>-</u>	<u>1,212,845</u>
<u>120,392</u>	<u>341,339</u>	<u>4,951,372</u>
96,662	59,408	267,514
1,694	-	28,823
12,042	13,520	364,899
-	-	248,915
1,200	-	63,354
4,830	-	4,830
-	-	689,198
<u>116,428</u>	<u>72,928</u>	<u>1,667,533</u>
<u>16,279</u>	<u>-</u>	<u>16,279</u>
<u>16,279</u>	<u>-</u>	<u>16,279</u>
<u>132,707</u>	<u>72,928</u>	<u>1,683,812</u>
(971)	-	1,191,736
<u>(11,344)</u>	<u>268,411</u>	<u>2,075,824</u>
<u>\$ (12,315)</u>	<u>\$ 268,411</u>	<u>\$ 3,267,560</u>

COUNTY OF NEVADA, CALIFORNIA
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET ASSETS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2007

	<u>Fleet Management</u>	<u>Vision Insurance</u>	<u>Unemployment Insurance</u>	<u>Liability Insurance</u>
<u>OPERATING REVENUES</u>				
Charges for services	\$ 4,009,212	\$ 180,870	\$ 206,583	\$ 450,154
Total Operating Revenues	<u>4,009,212</u>	<u>180,870</u>	<u>206,583</u>	<u>450,154</u>
<u>OPERATING EXPENSES</u>				
Salaries and benefits	809,458	-	-	-
Fuel - sold	807,958	-	-	-
Maintenance and repairs	1,546,599	-	-	-
Parts and supplies	67,972	-	-	-
Outside services	5,308	25,927	25,789	2,250
Administration and office	95,799	-	5,641	60,627
Insurance	557	-	-	465,893
Benefits paid	-	158,351	67,572	45,003
Depreciation	374,631	-	-	-
Rentals and lease payments	5,514	-	-	-
Miscellaneous	2,610	-	-	-
Total Operating Expenses	<u>3,716,406</u>	<u>184,278</u>	<u>99,002</u>	<u>573,773</u>
Operating Income (Loss)	<u>292,806</u>	<u>(3,408)</u>	<u>107,581</u>	<u>(123,619)</u>
<u>NON-OPERATING REVENUE (EXPENSES)</u>				
Forfeitures and penalties	366	-	-	-
Interest income	10,090	5,322	34,735	76,483
Other revenues	2,056	-	-	96,874
Interest expense	-	-	-	-
Gain (loss) on disposition of capital assets	12,916	-	-	-
Contribution expense	(108,254)	-	-	-
Total Non-operating Revenues (Expenses)	<u>(82,826)</u>	<u>5,322</u>	<u>34,735</u>	<u>173,357</u>
Income (Loss) Before Transfers	<u>209,980</u>	<u>1,914</u>	<u>142,316</u>	<u>49,738</u>
Transfers in	71,691	-	-	-
Transfers out	(381,600)	-	-	-
Change in Net Assets	<u>(99,929)</u>	<u>1,914</u>	<u>142,316</u>	<u>49,738</u>
Net Assets - Beginning	<u>1,419,963</u>	<u>75,248</u>	<u>381,786</u>	<u>1,297,370</u>
Prior period adjustment	<u>(256,942)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Assets - Beginning, Restated	<u>1,163,021</u>	<u>75,248</u>	<u>381,786</u>	<u>1,297,370</u>
Net Assets - Ending	<u>\$ 1,063,092</u>	<u>\$ 77,162</u>	<u>\$ 524,102</u>	<u>\$ 1,347,108</u>

<u>Central Services</u>	<u>Dental Insurance</u>	<u>Totals</u>
\$ 754,317	\$ 748,959	\$ 6,350,095
<u>754,317</u>	<u>748,959</u>	<u>6,350,095</u>
59,025	-	868,483
-	-	807,958
2,262	-	1,548,861
-	-	67,972
156	71,323	130,753
333,118	12,263	507,448
106	-	466,556
-	672,027	942,953
4,375	-	379,006
354,078	-	359,592
-	-	2,610
<u>753,120</u>	<u>755,613</u>	<u>6,082,192</u>
<u>1,197</u>	<u>(6,654)</u>	<u>267,903</u>
-	-	366
1,429	13,824	141,883
-	-	98,930
(1,809)	-	(1,809)
-	-	12,916
-	-	(108,254)
<u>(380)</u>	<u>13,824</u>	<u>144,032</u>
817	7,170	411,935
-	-	71,691
-	-	(381,600)
<u>817</u>	<u>7,170</u>	<u>102,026</u>
(13,132)	261,241	3,422,476
-	-	(256,942)
<u>(13,132)</u>	<u>261,241</u>	<u>3,165,534</u>
<u>\$ (12,315)</u>	<u>\$ 268,411</u>	<u>\$ 3,267,560</u>

COUNTY OF NEVADA, CALIFORNIA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2007

	<u>Fleet Management</u>	<u>Vision Insurance</u>	<u>Unemployment Insurance</u>	<u>Liability Insurance</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>				
Receipts from customers	\$ 4,002,062	\$ 180,870	\$ 206,583	\$ 450,154
Payments to suppliers	(2,526,494)	(265,994)	(85,349)	(770,815)
Payments to employees	(820,220)	-	-	-
Net Cash Provided (Used) by Operating Activities	655,348	(85,124)	121,234	(320,661)
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</u>				
Grants and other receipts	2,463	-	-	96,874
Subsidies, loans, and transfers from (to) other funds	18,087	9,697	11,479	1,573
Net Cash Provided (Used) for Noncapital Financing Activities	20,550	9,697	11,479	98,447
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>				
Acquisition of capital assets	(489,615)	-	-	-
Proceeds from sale of capital assets	12,916	-	-	-
Principal payments on capital leases	-	-	-	-
Interest payments on capital leases	-	-	-	-
Net Cash Provided (Used) for Capital and Related Financing Activities	(476,699)	-	-	-
<u>CASH FLOWS FROM INVESTMENT ACTIVITIES</u>				
Interest and dividends	10,049	5,322	34,735	76,483
Net Cash Provided (Used) by Investing Activities	10,049	5,322	34,735	76,483
Net Increase (Decrease) in Cash and Cash Equivalents	209,248	(70,105)	167,448	(145,731)
Balances - Beginning of the Year	39,493	162,181	591,331	1,717,727
Balances - End of the Year	\$ 248,741	\$ 92,076	\$ 758,779	\$ 1,571,996
<u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</u>				
Operating income (loss)	\$ 292,806	\$ (3,408)	\$ 107,581	\$ (123,619)
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	374,631	-	-	-
Decrease (Increase) in:				
Accounts receivable	877	-	-	-
Prepaid costs	(18,189)	-	-	(101,870)
Increase (Decrease) in:				
Accounts payable	24,012	(81,716)	-	(5,172)
Accrued salaries and benefits	(134)	-	-	-
Unearned revenue	(8,027)	-	-	-
Compensated absences payable	(10,628)	-	-	-
Claims payable	-	-	13,653	(90,000)
Net Cash Provided (Used) by Operating Activities	\$ 655,348	\$ (85,124)	\$ 121,234	\$ (320,661)
<u>NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:</u>				
Capital lease acquisition	\$ -	\$ -	\$ -	\$ -
Contribution of capital assets to governmental activities	(108,254)	-	-	-

Central Services	Dental Insurance	Totals
\$ 755,026	\$ 748,959	\$ 6,343,654
(692,703)	(730,550)	(5,071,905)
(59,188)	-	(879,408)
<u>3,135</u>	<u>18,409</u>	<u>392,341</u>
-	-	99,337
<u>26,848</u>	<u>13,520</u>	<u>81,204</u>
<u>26,848</u>	<u>13,520</u>	<u>180,541</u>
-	-	(489,615)
-	-	12,916
(3,854)	-	(3,854)
<u>(1,809)</u>	<u>-</u>	<u>(1,809)</u>
<u>(5,663)</u>	<u>-</u>	<u>(482,362)</u>
<u>1,429</u>	<u>13,824</u>	<u>141,842</u>
<u>1,429</u>	<u>13,824</u>	<u>141,842</u>
25,749	45,753	232,362
<u>454</u>	<u>261,586</u>	<u>2,772,772</u>
<u>\$ 26,203</u>	<u>\$ 307,339</u>	<u>\$ 3,005,134</u>

\$ 1,197	\$ (6,654)	\$ 267,903
4,375	-	379,006
709	-	1,586
(10,306)	-	(130,365)
7,323	25,063	(30,490)
450	-	316
-	-	(8,027)
(613)	-	(11,241)
<u>-</u>	<u>-</u>	<u>(76,347)</u>
<u>\$ 3,135</u>	<u>\$ 18,409</u>	<u>\$ 392,341</u>

\$ (3,874)	\$ -	\$ (3,874)
-	-	(108,254)

FIDUCIARY FUNDS

COUNTY OF NEVADA, CALIFORNIA FIDUCIARY FUNDS

Fiduciary funds are used to report assets held in a trustee or agency capacity for others and therefore cannot be used to support the government's own programs. Fiduciary funds include investment trust funds and agency funds.

- **INVESTMENT TRUST FUNDS**

The assets of these funds are held in trust for other agencies and are part of the County's external pool. The external investment pool is made up of five separate funds; Special Districts governed by Local Boards, School Districts, School Districts Debt Service, Courts and Jury/Witness and Local Transportation Authority. These funds account for assets, primarily cash and investments in the County's investment pool, owned by legally separate entities such as school and community colleges, special districts governed by local boards, regional boards and authorities, and pass through funds for tax collections for cities. The County is obligated to disburse monies from these funds on demand.

- **AGENCY FUNDS**

To account for the receipt and disbursement of various taxes, deposits, deductions, and property collected by the County, acting in the capacity of an agent for distribution to other governmental units or other organizations. The agency funds maintained by the County include two separate components.

Accrued Trust Funds - Accounts for property tax receipts awaiting apportionment to other local governmental agencies and investment earnings awaiting apportionment to other local government agencies.

County Departmental Agency - Accounts for all assets under the control of County departments which are held in a fiduciary capacity.

COUNTY OF NEVADA, CALIFORNIA
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
INVESTMENT TRUST FUNDS
JUNE 30, 2007

	<u>Independent Districts</u>	<u>School Districts</u>	<u>Debt Service</u>	<u>Courts and Jury/Witness</u>
<u>ASSETS</u>				
Cash and investments	\$ 14,587,403	\$ 34,193,337	\$ 726,705	\$ 1,478,768
Due from other funds	7,850,032	-	-	-
Total Assets	<u>22,437,435</u>	<u>34,193,337</u>	<u>726,705</u>	<u>1,478,768</u>
<u>NET ASSETS</u>				
Net assest held in trust for investment pool participants	<u>\$ 22,437,435</u>	<u>\$ 34,193,337</u>	<u>\$ 726,705</u>	<u>\$ 1,478,768</u>

<u>Local Transportation Authority</u>	<u>Total Investment Trust Funds</u>
\$ 6,822,432	\$ 57,808,645
-	7,850,032
<u>6,822,432</u>	<u>65,658,677</u>
<u>\$ 6,822,432</u>	<u>\$ 65,658,677</u>

COUNTY OF NEVADA, CALIFORNIA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
INVESTMENT TRUST FUNDS
FOR THE YEAR ENDED JUNE 30, 2007

	Independent Districts	School Districts	Debt Service	Courts and Jury/Witness
<u>ADDITIONS</u>				
Contributions:				
Contributions to investment pool	\$ 72,563,315	\$259,996,407	\$ 5,398,525	\$ 11,942,440
Net investment income:				
Interest income	1,017,723	2,056,213	37,824	85,412
Net investment income	1,017,723	2,056,213	37,824	85,412
Total Additions	73,581,038	262,052,620	5,436,349	12,027,852
<u>DEDUCTIONS</u>				
Distributions from investment pool	70,411,636	261,528,336	5,571,543	11,382,368
Total Deductions	70,411,636	261,528,336	5,571,543	11,382,368
Change in Net Assets	3,169,402	524,284	(135,194)	645,484
Net Assets - Beginning	19,268,033	33,669,053	861,899	833,284
Net Assets - Ending	\$ 22,437,435	\$ 34,193,337	\$ 726,705	\$ 1,478,768

<u>Local Transportation Authority</u>	<u>Total Investment Trust Funds</u>
\$ 6,109,989	\$356,010,676
<u>259,482</u>	<u>3,456,654</u>
<u>259,482</u>	<u>3,456,654</u>
<u>6,369,471</u>	<u>359,467,330</u>
<u>4,891,097</u>	<u>353,784,980</u>
<u>4,891,097</u>	<u>353,784,980</u>
1,478,374	5,682,350
<u>5,344,058</u>	<u>59,976,327</u>
<u>\$ 6,822,432</u>	<u>\$ 65,658,677</u>

COUNTY OF NEVADA, CALIFORNIA
COMBINING STATEMENT OF ASSETS AND LIABILITIES
AGENCY FUNDS
JUNE 30, 2007

	<u>Accrued Trust Funds</u>	<u>County Departmental Agency Funds</u>	<u>Total Agency Funds</u>
<u>ASSETS</u>			
Cash and investments	\$ 2,030,464	\$ 1,207,102	\$ 3,237,566
Restricted cash and investments	56,885	176,574	233,459
Taxes receivable	9,702,657	-	9,702,657
Total Assets	<u>\$ 11,790,006</u>	<u>\$ 1,383,676</u>	<u>\$ 13,173,682</u>
<u>LIABILITIES</u>			
Due to other funds	\$ 7,850,032	\$ -	\$ 7,850,032
Agency obligations	3,939,974	1,383,676	5,323,650
Total Liabilities	<u>\$ 11,790,006</u>	<u>\$ 1,383,676</u>	<u>\$ 13,173,682</u>

COUNTY OF NEVADA, CALIFORNIA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2007

	<u>Balance</u> <u>July 1, 2006</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2007</u>
ACCRUED TRUST FUNDS				
<u>ASSETS</u>				
Cash and investments	\$ 803,652	\$ 1,226,812	\$ -	\$ 2,030,464
Restricted cash and investments	49,206	7,679	-	56,885
Taxes receivable	7,659,395	2,043,262	-	9,702,657
Total Assets	\$ 8,512,253	\$ 3,277,753	\$ -	\$ 11,790,006
<u>LIABILITIES</u>				
Due to other funds	\$ 5,791,519	\$ 2,058,513	\$ -	\$ 7,850,032
Agency Obligations	2,720,734	1,219,240	-	3,939,974
Total Liabilities	\$ 8,512,253	\$ 3,277,753	\$ -	\$ 11,790,006
COUNTY DEPARTMENTAL AGENCY FUNDS				
<u>ASSETS</u>				
Cash and investments	\$ 705,189	\$ 755,471	\$ 253,558	\$ 1,207,102
Restricted cash and investments	187,278	-	10,704	176,574
Total Assets	\$ 892,467	\$ 755,471	\$ 264,262	\$ 1,383,676
<u>LIABILITIES</u>				
Agency obligations	\$ 892,467	\$ 755,471	\$ 264,262	\$ 1,383,676
Total Liabilities	\$ 892,467	\$ 755,471	\$ 264,262	\$ 1,383,676
TOTAL FIDUCIARY FUNDS				
<u>ASSETS</u>				
Cash and investments	\$ 1,508,841	\$ 1,982,283	\$ 253,558	\$ 3,237,566
Restricted cash and investments	236,484	7,679	10,704	233,459
Taxes receivable	7,659,395	2,043,262	-	9,702,657
Total Assets	\$ 9,404,720	\$ 4,033,224	\$ 264,262	\$ 13,173,682
<u>LIABILITIES</u>				
Due to other funds	\$ 5,791,519	\$ 2,058,513	\$ -	\$ 7,850,032
Agency Obligations	3,613,201	1,974,711	264,262	5,323,650
Total Liabilities	\$ 9,404,720	\$ 4,033,224	\$ 264,262	\$ 13,173,682

STATISTICAL SECTION

COUNTY OF NEVADA, CALIFORNIA STATISTICAL SECTION

This part of the County's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the County's overall financial health.

- **Financial Trends**

These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.

- **Revenue Capacity**

These schedules contain information to help the reader assess the factors affecting the County's ability to generate its property and sales taxes.

- **Debt Capacity**

These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.

- **Demographic and Economic Information**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place and to help make comparisons over time and with other governments.

- **Operating Information**

These schedules contain information about the County's operations and resources to help the reader understand how the County's financial information relates to the services the County provides and the activities it performs.

COUNTY OF NEVADA, CALIFORNIA
NET ASSETS BY COMPONENT
LAST FIVE FISCAL YEARS
(accrual basis of accounting)

	Fiscal Year			
	2002/2003	2003/2004	2004/2005	2005/2006
Governmental Activities				
Invested in capital assets, net of related debt	\$ 232,657,259	\$ 232,785,139	\$ 233,807,949	\$ 237,770,629
Restricted	3,864,404	31,297,665	37,995,142	39,102,881
Unrestricted	38,043,501	7,289,217	7,894,253	9,932,618
Total governmental activities net assets	<u>\$ 274,565,164</u>	<u>\$ 271,372,021</u>	<u>\$ 279,697,344</u>	<u>\$ 286,806,128</u>
Business-type Activities				
Invested in capital assets, net of related debt	\$ 8,541,197	\$ 7,656,180	\$ 8,608,896	\$ 10,949,954
Unrestricted	1,277,886	(1,692,003)	(519,455)	142,603
Total business-type activities net assets	<u>\$ 9,819,083</u>	<u>\$ 5,964,177</u>	<u>\$ 8,089,441</u>	<u>\$ 11,092,557</u>
Primary Government				
Invested in capital assets, net of related debt	\$ 241,198,456	\$ 240,441,319	\$ 242,416,845	\$ 248,720,583
Restricted	3,864,404	31,297,665	37,995,142	39,102,881
Unrestricted	39,321,387	5,597,214	7,374,798	10,075,221
Total primary government net assets	<u>\$ 284,384,247</u>	<u>\$ 277,336,198</u>	<u>\$ 287,786,785</u>	<u>\$ 297,898,685</u>

Note: Accrual-basis financial information for the county government as a whole is available back to 2002/03 only, the year GASB Statement 34 was implemented.

Source: Comprehensive Annual Financial Reports - County of Nevada, California

2006/2007

\$ 238,955,459
40,643,025
14,297,129

\$ 293,895,613

\$ 17,773,325
650,031

\$ 18,423,356

\$ 256,728,784
40,643,025
14,947,160

\$ 312,318,969

COUNTY OF NEVADA, CALIFORNIA
CHANGES IN NET ASSETS
LAST FIVE FISCAL YEARS
(accrual basis of accounting)

	Fiscal Year			
	2002/2003	2003/2004	2004/2005	2005/2006
Expenses				
Governmental Activities:				
General government	\$ 25,291,032	\$ 11,633,754	\$ 8,938,435	\$ 11,249,361
Public ways and facilities	7,262,903	6,810,806	6,312,601	8,513,880
Public protection	28,820,570	40,081,096	43,150,103	45,190,677
Health and sanitation	13,579,832	16,297,053	16,151,498	18,470,443
Public assistance	31,787,977	21,127,891	21,271,351	22,393,216
Education	2,343,855	2,734,576	2,471,046	2,865,584
Recreation	-	-	11,126	51,729
Interest on long-term debt	850,537	1,006,952	757,523	855,225
Total Governmental Activities Expenses	<u>109,936,706</u>	<u>99,692,128</u>	<u>99,063,683</u>	<u>109,590,115</u>
Business-type Activities				
Eastern Nevada County Solid Waste	1,397,691	151,529	345,238	111,396
Western Nevada County Solid Waste	4,857,721	8,487,113	5,971,008	6,538,648
Transit Services	3,123,973	2,958,054	2,874,082	3,088,462
Airport	897,783	946,411	1,035,399	1,137,542
Sanitation District	4,915,869	3,068,942	3,331,819	4,037,253
Total Business-Type Activities Expenses	<u>15,193,037</u>	<u>15,612,049</u>	<u>13,557,546</u>	<u>14,913,301</u>
Total Primary Government Expenses	<u>\$ 125,129,743</u>	<u>\$ 115,304,177</u>	<u>\$ 112,621,229</u>	<u>\$ 124,503,416</u>
Program Revenues				
Governmental Activities:				
Charges for services:				
General government	\$ 10,813,766	\$ 9,237,614	\$ 6,338,047	\$ 6,232,111
Public ways and facilities	1,602,653	1,461,163	1,240,364	1,440,008
Public protection	2,867,404	6,253,050	6,121,598	6,364,587
Health and sanitation	511,121	1,892,426	2,269,265	2,267,470
Public assistance	3,101,448	51,856	57,583	47,007
Education	74,551	82,294	92,298	94,848
Recreation	-	-	-	-
Operating grants and contributions	53,575,635	51,931,440	55,728,641	58,599,661
Capital grants and contributions	1,437,252	-	-	2,296,519
Total Governmental Activities Program Revenues	<u>73,983,830</u>	<u>70,909,843</u>	<u>71,847,796</u>	<u>77,342,211</u>
Business-Type Activities:				
Charges for services:				
Eastern Nevada County Solid Waste	1,101,826	93,225	98,145	102,312
Western Nevada County Solid Waste	6,377,927	7,270,335	7,400,950	7,753,931
Transit Services	390,174	333,453	309,693	480,601
Airport	636,150	545,262	548,488	618,549
Sanitation District	4,115,772	2,159,899	3,818,931	3,509,905
Operating grants and contributions	566,522	2,396,154	2,787,415	2,633,921
Capital grants and contributions	-	242,664	-	2,179,464
Total Business-Type Activities Program Revenues	<u>13,188,371</u>	<u>13,040,992</u>	<u>14,963,622</u>	<u>17,278,683</u>
Total Primary Government Program Revenues	<u>\$ 87,172,201</u>	<u>\$ 83,950,835</u>	<u>\$ 86,811,418</u>	<u>\$ 94,620,894</u>
Net (Expense)/Revenue¹				
Governmental activities	\$ (35,952,876)	\$ (28,782,285)	\$ (27,215,887)	\$ (32,247,904)
Business-type activities	(2,004,666)	(2,571,057)	1,406,076	2,365,382
Total Primary Government Net Expense	<u>\$ (37,957,542)</u>	<u>\$ (31,353,342)</u>	<u>\$ (25,809,811)</u>	<u>\$ (29,882,522)</u>

¹ Net expense is the difference between the expenses and program revenues of a function or program. It indicates the degree to which a function or program supports itself with its own fees and grants versus its reliance upon funding from taxes and general revenues. Numbers in parentheses are net expenses, indicating that expenses were greater than program revenues and therefore general revenues were needed to finance that function or program.

2006/2007

\$ 12,221,901
10,077,775
46,998,768
17,680,812
23,173,587
2,541,343
237,357
832,300

113,763,843

135,640
6,935,822
3,253,773
1,282,831
4,502,075

16,110,141

\$ 129,873,984

\$ 5,497,348
3,089,154
4,814,608
1,836,658
37,445
100,167
476
56,087,452
54,876

71,518,184

108,592
7,978,217
476,213
807,131
6,551,985
475,587
1,380,188

17,777,913

\$ 89,296,097

\$ (42,245,659)
1,667,772

\$ (40,577,887)

COUNTY OF NEVADA, CALIFORNIA
CHANGES IN NET ASSETS
LAST FIVE FISCAL YEARS
(accrual basis of accounting)

	Fiscal Year			
	2002/2003	2003/2004	2004/2005	2005/2006
General Revenues and Other Changes in Net Assets				
Governmental Activities				
Taxes				
Property taxes	\$ 15,608,675	\$ 16,319,630	\$ 18,086,143	\$ 27,749,937
Sales and use taxes	4,705,748	5,019,179	5,161,912	5,174,027
Property transfer taxes	1,002,984	1,263,945	1,613,064	1,391,798
Transient occupancy taxes	250,195	261,467	177,605	209,216
Timber yield taxes	102,177	90,609	79,126	79,308
Aircraft taxes	35,292	25,160	33,347	39,497
Franchise taxes	-	-	-	-
Transportation taxes	-	-	-	-
Other taxes	120,836	16,477	16,186	47,251
Grants and contributions - unrestricted	-	-	-	-
Tobacco settlement	-	-	-	-
Motor vehicle in-lieu taxes	13,045,388	-	6,370,271	-
Interest and investment earnings	1,361,759	706,775	967,696	1,133,058
Miscellaneous	5,388,965	2,311,607	3,021,371	2,822,437
Gain (loss) on disposal/sale of capital assets	(80,753)	(1,824,704)	-	-
Transfers	-	(194,839)	-	(51,765)
Total Governmental Activities	<u>41,541,266</u>	<u>23,995,306</u>	<u>35,526,721</u>	<u>38,594,764</u>
Business-type Activities				
Taxes				
Property taxes	2,156	-	4,316	4,746
Transient occupancy taxes	15,970	16,690	11,293	13,013
Timber yield taxes	4,121	-	-	-
Aircraft taxes	34,505	40,357	37,052	32,060
Transportation taxes	-	-	-	-
Other taxes	2,146,743	-	-	-
Interest and investment earnings	367,769	101,956	305,818	391,775
Miscellaneous	305,627	176,546	352,469	813,121
Gain (loss) on disposal/sale of capital assets	(49,445)	-	-	-
Capital contribution	16,163	-	-	-
Transfers	-	194,839	-	51,765
Total Business-Type Activities	<u>2,843,609</u>	<u>530,388</u>	<u>710,948</u>	<u>1,306,480</u>
Total Primary Government	<u>\$ 44,384,875</u>	<u>\$ 24,525,694</u>	<u>\$ 36,237,669</u>	<u>\$ 39,901,244</u>
Change in Net Assets				
Governmental activities	\$ 5,588,390	\$ (4,786,979)	\$ 8,310,834	\$ 6,346,860
Business-type activities	838,943	(2,040,669)	2,117,024	3,671,862
Total Primary Government	<u>\$ 6,427,333</u>	<u>\$ (6,827,648)</u>	<u>\$ 10,427,858</u>	<u>\$ 10,018,722</u>

Note: Accrual-basis financial information for the county government as a whole is available back to 2002/03 only, the year GASB Statement 34 was implemented.

Source: Comprehensive Annual Financial Reports - County of Nevada, California

2006/2007

\$ 31,516,285
5,532,663
974,171
275,728
61,133
46,546
969,903
69,309
33,718
4,402,323
955,670
-
2,412,223
2,724,014
-
(381,600)
49,592,086

7,009
16,796
-
40,871
2,442,000
-
1,167,496
1,172,322
-
-
381,600

5,228,094

\$ 54,820,180

\$ 7,346,427
6,895,866

\$ 14,242,293

COUNTY OF NEVADA, CALIFORNIA
FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

	Fiscal Year			
	1997/1998	1998/1999	1999/2000	2000/2001
General Fund				
Reserved	\$ 1,519,014	\$ 1,924,353	\$ 1,919,882	\$ 1,779,113
Unreserved	3,502,487	3,792,154	6,988,998	9,736,068
Total General Fund	<u>\$ 5,021,501</u>	<u>\$ 5,716,507</u>	<u>\$ 8,908,880</u>	<u>\$ 11,515,181</u>
All Other Governmental Funds				
Reserved	\$ 4,677,850	\$ 4,674,677	\$ 4,277,477	\$ 5,381,966
Unreserved, reported in:				
Special revenue funds	7,526,119	6,957,196	7,679,312	9,037,082
Capital projects funds	696,134	1,157,423	595,237	593,149
Total All Other Governmental Funds	<u>\$ 12,900,103</u>	<u>\$ 12,789,296</u>	<u>\$ 12,552,026</u>	<u>\$ 15,012,197</u>

Note: The implementation of GASB Statement 34 in fiscal year 2003 resulted in the reclassification of funds from fiduciary to governmental in accordance with the expanded definition of governmental fund types. These and other changes necessitated by the implementation of GASB Statement 34 make the information prior to and after the implementation incomparable.

Source: Comprehensive Annual Financial Reports - County of Nevada, California

<u>2001/2002</u>	<u>2002/2003</u>	<u>2003/2004</u>	<u>2004/2005</u>	<u>2005/2006</u>	<u>2006/2007</u>
\$ 2,796,757	\$ 1,352,840	\$ 775,788	\$ 808,498	\$ 1,150,883	\$ 685,415
11,973,483	11,914,079	9,094,403	10,465,538	11,373,937	15,271,699
<u>\$ 14,770,240</u>	<u>\$ 13,266,919</u>	<u>\$ 9,870,191</u>	<u>\$ 11,274,036</u>	<u>\$ 12,524,820</u>	<u>\$ 15,957,114</u>
\$ 4,880,754	\$ 5,653,048	\$ 5,174,723	\$ 5,156,484	\$ 6,175,208	\$ 6,529,825
9,799,670	23,196,620	26,321,052	32,838,658	32,927,673	34,113,200
(344,539)	-	-	-	-	-
<u>\$ 14,335,885</u>	<u>\$ 28,849,668</u>	<u>\$ 31,495,775</u>	<u>\$ 37,995,142</u>	<u>\$ 39,102,881</u>	<u>\$ 40,643,025</u>

COUNTY OF NEVADA, CALIFORNIA
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

	Fiscal Year			
	1997/1998	1998/1999	1999/2000	2000/2001
Revenues				
Taxes and assessments	\$ 14,318,495	\$ 15,917,346	\$ 17,588,551	\$ 18,933,436
Licenses and permits	1,460,055	1,656,858	2,092,492	1,845,620
Fines and forfeitures	2,307,703	3,820,406	3,067,764	2,824,558
Use of money and property	1,348,153	1,258,971	1,386,006	2,200,365
Intergovernmental	37,573,354	39,300,832	42,692,596	55,422,084
Charges for services	10,277,005	13,713,103	13,482,420	15,745,316
Other revenues	1,377,055	520,674	2,167,607	1,632,575
Total Revenues	68,661,820	76,188,190	82,477,436	98,603,954
Expenditures				
Current:				
General government	9,137,064	10,769,710	8,463,501	10,025,813
Public ways and facilities	10,573,531	11,345,562	9,013,637	9,333,162
Public protection	19,236,424	21,223,105	25,028,831	22,224,399
Health and sanitation	14,076,720	15,423,886	16,797,052	17,720,818
Public assistance	12,764,257	13,118,291	13,850,146	24,638,809
Education	31,167	1,088,255	1,848,994	1,940,160
Recreation	-	69,101	85,717	-
Debt service				
Principal	1,209,495	874,291	1,273,867	985,837
Interest and other charges	1,565,514	1,364,656	1,409,052	1,270,136
Capital outlay	328,605	1,444,029	2,660,071	5,670,129
Total Expenditures	68,922,777	76,720,886	80,430,868	93,809,263
Excess of Revenues Over (Under) Expenditures	(260,957)	(532,696)	2,046,568	4,794,691
Other Financial Sources (Uses)				
Transfers in	2,721,269	3,251,092	4,535,646	5,094,779
Transfers out	(3,937,388)	(3,001,377)	(4,670,367)	(5,147,878)
Issuance of debt	182,287	628,116	290,479	302,934
Refunding bond proceeds	-	-	-	-
Payments to refunding agents	-	-	-	-
Total Other Financial Sources (Uses)	(1,033,832)	877,831	155,758	249,835
Net Change in Fund Balances	\$ (1,294,789)	\$ 345,135	\$ 2,202,326	\$ 5,044,526
 Debt Service as a Percentage of Noncapital Expenditures	 4.05%	 2.97%	 3.45%	 2.56%

Note: The implementation of GASB Statement 34 in fiscal year 2003 resulted in the reclassification of funds from fiduciary to governmental in accordance with the expanded definition of governmental fund types. These and other changes necessitated by the implementation of GASB Statement 34 make the information prior to and after the implementation incomparable.

Source: Comprehensive Annual Financial Reports - County of Nevada, California

<u>2001/2002</u>	<u>2002/2003</u>	<u>2003/2004</u>	<u>2004/2005</u>	<u>2005/2006</u>	<u>2006/2007</u>
\$ 19,705,093	\$ 21,469,815	\$ 22,905,858	\$ 25,088,257	\$ 34,611,724	\$ 38,448,420
2,166,166	2,225,703	2,774,001	2,874,129	3,022,441	2,679,837
2,415,210	2,305,652	2,501,164	2,309,855	2,413,690	2,608,195
1,992,882	1,257,561	737,365	910,938	1,069,389	2,270,340
55,952,099	66,165,210	56,088,533	62,113,922	58,565,763	59,710,966
17,778,546	14,314,796	13,662,339	10,863,316	10,660,695	11,413,424
3,852,985	5,388,965	2,315,425	3,113,455	2,932,392	4,535,271
<u>103,862,981</u>	<u>113,127,702</u>	<u>100,984,685</u>	<u>107,273,872</u>	<u>113,276,094</u>	<u>121,666,453</u>
9,391,872	23,918,121	11,621,634	8,073,099	10,282,276	11,762,482
9,688,155	8,735,672	7,066,320	7,057,898	7,866,131	9,314,841
22,452,884	28,452,202	38,980,426	41,882,092	44,681,028	46,847,156
17,876,014	13,362,630	16,142,128	15,997,064	18,385,159	17,636,022
27,642,882	30,919,280	21,345,769	21,158,790	22,377,705	23,178,066
2,103,661	2,310,954	2,654,324	2,442,534	2,810,092	2,516,991
-	-	-	11,126	51,729	237,357
3,406,505	1,495,425	1,325,751	1,359,618	1,743,241	1,049,571
1,191,075	850,537	807,979	766,252	826,604	894,794
9,271,333	960,649	2,963,833	655,983	5,915,357	3,514,952
<u>103,024,381</u>	<u>111,005,470</u>	<u>102,908,164</u>	<u>99,404,456</u>	<u>114,939,322</u>	<u>116,952,232</u>
838,600	2,122,232	(1,923,479)	7,869,416	(1,663,228)	4,714,221
5,593,541	17,262,307	23,912,010	25,848,038	28,485,767	26,169,015
(6,039,372)	(17,262,307)	(24,322,269)	(25,855,413)	(28,554,016)	(26,240,706)
23,425	68,671	-	26,682	4,090,000	329,908
21,007,538	-	-	-	-	-
(18,844,986)	-	-	-	-	-
<u>1,740,146</u>	<u>68,671</u>	<u>(410,259)</u>	<u>19,307</u>	<u>4,021,751</u>	<u>258,217</u>
<u>\$ 2,578,746</u>	<u>\$ 2,190,903</u>	<u>\$ (2,333,738)</u>	<u>\$ 7,888,723</u>	<u>\$ 2,358,523</u>	<u>\$ 4,972,438</u>
4.90%	2.13%	2.13%	2.15%	2.36%	1.71%

COUNTY OF NEVADA, CALIFORNIA
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS

Fiscal Year	Secured Real Property	Unsecured Personal Property	Total Secured and Unsecured ²	Less: Exemptions	Total Taxable Assessed Value ¹	Total Direct Tax Rate
1997/1998	\$6,813,587,629	\$ 207,715,961	\$7,021,303,590	\$ 244,895,773	\$ 6,776,407,817	1.00%
1998/1999	7,128,134,251	210,613,780	7,338,748,031	253,024,744	7,085,723,287	1.00%
1999/2000	7,492,298,257	221,593,583	7,713,891,840	251,743,454	7,462,148,386	1.00%
2000/2001	7,896,507,808	230,969,058	8,127,476,866	264,939,154	7,862,537,712	1.00%
2001/2002	8,833,385,724	255,954,266	9,089,339,990	212,058,149	8,877,281,841	1.00%
2002/2003	9,593,595,384	251,989,513	9,845,584,897	328,852,728	9,516,732,169	1.00%
2003/2004	10,489,020,503	245,890,683	10,734,911,186	354,262,482	10,380,648,704	1.00%
2004/2005	11,378,385,878	255,638,057	11,634,023,935	359,974,676	11,274,049,259	1.00%
2005/2006	12,798,167,869	310,443,412	13,108,611,281	407,602,510	12,701,008,771	1.00%
2006/2007	15,725,950,382	421,420,263	16,147,370,645	429,377,178	15,717,993,467	1.00%

¹Article XIII A, added to the California Constitution by Proposition 13 in 1978, fixed the base for valuation of property subject to taxes at the full cash value that appeared on the Assessor's 1975-76 assessment roll. Thereafter, full cash value can be increased to reflect:

- a) annual inflation up to 2 percent;
- b) current market value at time of ownership change;
- c) market value for new construction

²Includes aircrafts

Note: Estimated actual value of taxable property cannot easily be determined as property in the County is not reassessed annually, reassessment normally occurs when ownership changes.

Source: Nevada County Auditor-Controller's office

COUNTY OF NEVADA, CALIFORNIA
DIRECT AND OVERLAPPING PROPERTY TAX RATES¹
LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Basic Countywide Rate²</u>	<u>Schools</u>	<u>Special Districts</u>	<u>Total Rate</u>
1997/1998	1.00000	0.01920	0.11250	1.13170
1998/1999	1.00000	0.01860	0.08090	1.09950
1999/2000	1.00000	0.01370	0.08640	1.10010
2000/2001	1.00000	0.05250	0.06520	1.11770
2001/2002	1.00000	0.02960	0.05710	1.08670
2002/2003	1.00000	0.05680	0.04350	1.10030
2003/2004	1.00000	0.04230	0.05530	1.09760
2004/2005	1.00000	0.03640	0.05960	1.09600
2005/2006	1.00000	0.08770	0.03280	1.12050
2006/2007	1.00000	0.07410	0.02480	1.09890

¹ On June 6, 1978, California voters approved a constitutional amendment to Article XIII A of the California Constitution, commonly known as Proposition 13, that limits the taxing power of California public agencies. Legislation to implement Article XIII A (Statutes of 1978, Chapter 292, as amended) provides that notwithstanding any other law, local agencies may not levy property taxes except to pay debt service on indebtedness approved by voters prior to July 1, 1978 or any bonded indebtedness for the acquisition or improvement of real property approved on or after July 1, 1978 by two-thirds of the voting public.

² Proposition 13 allows each county to levy a maximum of \$1 per \$100 of full cash value. Full cash value is equivalent to assessed value pursuant to Statutes of 1978, Senate Bill 1656.

Source: Nevada County Auditor-Controller annual tax rate schedule prepared in accordance with Government Code Section 29100.

**COUNTY OF NEVADA, CALIFORNIA
PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR AND SEVEN YEARS AGO**

Fiscal Year 2006/2007			Fiscal Year 1999/2000 ¹		
Taxpayer	Amount	Percentage of Total	Taxpayer	Amount	Percentage of Total
Secured Taxes			Secured Taxes		
Gray's Station, LLC	\$ 1,062,950	0.64%	First Commercial Bank	\$ 509,460	0.63%
Old Greenwood, LLC etal	545,220	0.33%	Tektronix, Inc.	426,122	0.53%
Tahoe Club Company, LLC	387,060	0.23%	Western/Kienow LP, et al	289,996	0.36%
Old Greenwood, LLC	326,098	0.20%	GVSC, LLC	124,082	0.15%
Western/Kienow LP etal	260,314	0.16%	Town & Country	122,942	0.15%
Hidden Lake Properties Inc.	187,742	0.11%	Sierra Pacific Industries	110,554	0.14%
GVSC, LLC	144,703	0.09%	Ranch Development Assoc.	90,875	0.11%
Wildwood Resolutio, LLC	142,664	0.09%	Siskono Gold Corp.	69,201	0.09%
Martis Creek Inc.	142,218	0.09%	Ananda Church of Self Realization	67,213	0.08%
Coyote Moon, LLC	133,449	0.08%	Gold County Ranch, Inc	66,283	0.08%
Total	\$ 3,332,418	2.00%	Total	\$ 1,876,728	2.34%
Total Secured Taxes Levied		\$166,744,752	Total Secured Taxes Levied		\$ 80,247,724
Unsecured Taxes			Unsecured Taxes		
Cequel III Communications, LLC	\$ 118,593	3.46%	Boreal Ridge Corp	\$ 95,160	4.03%
Comcast of California IX Inc.	104,380	3.05%	TCI Cablevision of California, Inc.	79,160	3.35%
Boreal Ridge Corp.	87,515	2.56%	Welstar Communications, Inc.	57,451	2.43%
Truckee Meadows Water Authority	64,406	1.88%	Tahoe Donner Property Owner's Assoc.	52,608	2.23%
Thomson Broadcast & Media Solutions	62,000	1.81%	Welstar Communications	47,051	1.99%
Teichert A & Son	59,305	1.73%	Robinson Enterprises, Inc.	39,535	1.67%
Manuel Brothers Inc.	41,182	1.20%	Teichert, A. & Son	37,913	1.60%
Tahoe Club Company, LLC	40,412	1.18%	Innovative Metal Fabrication, Inc.	35,396	1.50%
Tahoe Donner Property Owners Assoc.	35,865	1.05%	Manuel Brothers, Inc.	33,649	1.42%
Suburban Propane LP	31,065	0.91%	Lucky Stores, Inc.	33,383	1.41%
Total	\$ 644,723	18.83%	Total	\$ 511,306	21.63%
Total Unsecured Taxes Levied		\$ 3,424,737	Total Unsecured Taxes Levied		\$ 2,363,449
Public Utility Taxes			Public Utility Taxes		
Pacific Gas & Electric	\$ 1,411,109	58.99%	Pacific Gas & Electric	\$ 1,434,360	52.18%
AT & T California	279,723	11.69%	Pacific Bell	700,834	25.50%
Southwest Gas	217,746	9.10%	Sierra Pacific Power Co.	239,426	8.71%
Sierra Pacific Power	189,665	7.93%	Union Pacific Railroad Company	71,592	2.60%
Union Pacific Railroad Co.	58,390	2.44%	Southwest Gas, Corp.	68,140	2.48%
Sacramento Valley LP	54,227	2.27%	MCI Worldcom Network Services, Inc.	40,919	1.49%
Cingular Wireless	36,391	1.52%	AT&T Communications	36,705	1.34%
Nextel of California Inc.	25,529	1.07%	Qwest Communications	32,876	1.20%
T-Mobile	21,763	0.91%	Airtouch Cellular	29,211	1.06%
SFPP LP	20,591	0.86%	SFPP, LP	20,363	0.74%
Total	\$ 2,315,134	96.77%	Total	\$ 2,674,426	97.29%
Total Public Utility Taxes Levied		\$ 2,392,294	Total Public Utility Taxes Levied		\$ 2,748,824

¹ Data for nine years ago is not available. Data for seven years ago, the latest data available is presented.

Source: County of Nevada Treasurer Tax Collector

COUNTY OF NEVADA, CALIFORNIA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Fiscal Year	Taxes Levied for the Fiscal Year			Collections within the Fiscal Year of the Levy		Tax Levies Moved to the Delinquent Roll ²	Percent Delinquent
	Secured Tax	Unsecured Tax	Total Tax ¹	Amount ¹	Percent of Levy		
1997/1998	\$ 73,760,043	\$ 2,224,586	\$ 75,984,629	\$ 70,853,822	93.25%	\$ 5,130,807	6.75%
1998/1999	77,497,609	2,213,259	79,710,868	74,790,316	93.83%	4,920,552	6.17%
1999/2000	80,247,724	2,363,449	82,611,173	77,734,044	94.10%	4,877,129	5.90%
2000/2001	85,761,041	2,476,757	88,237,798	84,009,298	95.21%	4,228,500	4.79%
2001/2002	94,784,809	2,743,323	97,528,132	95,341,702	97.76%	2,186,431	2.24%
2002/2003	103,919,577	2,729,577	106,649,154	104,402,124	97.89%	2,247,029	2.11%
2003/2004	111,853,346	2,736,467	114,589,813	112,631,407	98.29%	1,958,407	1.71%
2004/2005	125,662,768	2,981,802	128,644,570	126,440,754	98.29%	2,203,816	1.71%
2005/2006	148,443,185	3,403,715	151,846,900	148,913,026	98.07%	2,933,874	1.93%
2006/2007	167,956,273	3,514,488	171,470,761	166,516,529	97.11%	4,954,232	2.89%

¹The levy and collection amounts include special assessments, penalties, cost, and any applicable interest. They do not include supplemental taxes. Also, the levy is based on the equalized roll and all escaped assessments and assessor's roll corrections processed within the fiscal year.

²This reflects the current levies unpaid at year end. Currently, the County's property tax system does not have the ability to track delinquent collections by the respective year of the levy.

Source: County of Nevada Auditor's and Tax Collector's Office District Summary Reports.

COUNTY OF NEVADA, CALIFORNIA
RATIOS OF NET OBLIGATION BONDED DEBT TO ASSESSED VALUE
AND NET GENERAL OBLIGATION BONDED DEBT PER CAPITA
LAST TEN FISCAL YEARS

Fiscal Year	Governmental Activities					Business-Type Activities	
	Capital Leases	Certificates of Participation	Loans	Special Assessment Bonds	Total ³	Certificates of Participation	Special Assessment Debt and Bonds Payable
1997/1998	\$ 10,076	\$ 21,275,000	\$ 267,458	\$ -	\$ 21,552,534	\$ 23,995,000	\$ 1,945,000
1998/1999	-	23,175,000	206,551	-	23,381,551	20,895,000	1,578,000
1999/2000	-	22,310,000	142,872	-	22,452,872	20,485,000	1,226,000
2000/2001	-	21,395,000	-	-	21,395,000	20,045,000	934,000
2001/2002	56,176	21,385,000	-	-	21,441,176	30,990,000	621,000
2002/2003	90,492	19,925,000	-	-	20,015,492	10,990,000	535,000
2003/2004	56,156	18,630,000	-	-	18,686,156	10,550,000	478,000
2004/2005	59,216	17,290,000	-	-	17,349,216	10,100,000	417,000
2005/2006	50,259	15,630,000	4,026,634	-	19,706,893	9,640,000	306,000
2006/2007	33,577	14,730,000	3,893,757	329,908	18,987,242	9,165,000	234,000

¹ See Demographic and Economic Indicators schedule for personal income and population data.

² See Assessed Value and Actual Value of Taxable Property schedule for property value data.

³ Includes bonds, notes, certificates of participation, loans and capital leases. Does not include compensated absences, net pension obligations, landfill postclosure costs or claims and judgements.

⁴ Amount available for repayment of debt - deposits with agents.

n/a - information is not available

Source: County of Nevada Audited Financial Statements

<u>Loans</u>	<u>Total³</u>	<u>Total Primary Government</u>	<u>Less: Amounts Restricted to Repaying Principal⁴</u>	<u>Total</u>	<u>Percentage of Personal Income¹</u>	<u>Percentage of Actual Value of Taxable Property²</u>	<u>Net Bonded Debt per Capita¹</u>
\$ 268,568	\$ 26,208,568	\$ 47,761,102	\$ (12,550,204)	\$ 35,210,898	0.07%	0.52%	\$ 390.49
611,342	23,084,342	46,465,893	(12,417,466)	34,048,427	0.08%	0.48%	374.57
592,298	22,303,298	44,756,170	(11,990,139)	32,766,031	0.09%	0.44%	356.02
692,876	21,671,876	43,066,876	(12,307,578)	30,759,298	0.10%	0.39%	333.25
648,546	32,259,546	53,700,722	(23,171,930)	30,528,792	0.10%	0.34%	325.12
788,345	12,313,345	32,328,837	(3,181,651)	29,147,186	0.11%	0.31%	306.49
562,260	11,590,260	30,276,416	(3,107,181)	27,169,235	0.12%	0.26%	277.79
618,541	11,135,541	28,484,757	(3,107,956)	25,376,801	0.14%	0.23%	255.02
1,072,182	11,018,182	30,725,075	(3,108,472)	27,616,603	0.13%	0.22%	275.98
23,953,580	33,352,580	52,339,822	(3,117,296)	49,222,526	n/a	0.31%	493.38

**COUNTY OF NEVADA, CALIFORNIA
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS**

	Fiscal Year			
	1997/1998	1998/1999	1999/2000	2000/2001
Total assessed value of all real and personal property ¹	\$6,776,407,817	\$7,085,723,287	\$7,462,148,386	\$7,862,537,712
Debt limit percentage ²	1.25%	1.25%	1.25%	1.25%
Total debt limit	84,705,098	88,571,541	93,276,855	98,281,721
Amount applicable to debt limit				
General Bonded Debt ³	47,761,102	46,465,893	44,756,170	43,066,876
Less: Resources Restricted to Repaying Principal	(12,550,204)	(12,417,466)	(11,990,139)	(12,307,578)
Total Net Debt Applicable to Limit	35,210,898	34,048,427	32,766,031	30,759,298
Legal debt margin ⁴	\$ 49,494,200	\$ 54,523,114	\$ 60,510,824	\$ 67,522,423
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	41.57%	38.44%	35.13%	31.30%

¹ Assessed value is equal to full cash value.

² The legal debt limit is 1.25% of assessed valuation.

³ General bonded debt includes bonds, notes, certificates of participation, loans and capital leases. Does not include compensated absences, net pension obligations, landfill postclosure costs or claims and judgments.

⁴ Legal debt margin is computed by subtracting the County legal general obligation bonded debt from the legal debt limit.

Source: County of Nevada Audited Financial Statements

<u>2001/2002</u>	<u>2002/2003</u>	<u>2003/2004</u>	<u>2004/2005</u>	<u>2005/2006</u>	<u>2006/2007</u>
\$8,877,281,841	\$9,516,732,169	\$ 10,380,648,704	\$ 11,274,049,259	\$ 12,701,008,771	\$ 15,717,993,467
<u>1.25%</u>	<u>1.25%</u>	<u>1.25%</u>	<u>1.25%</u>	<u>1.25%</u>	<u>1.25%</u>
110,966,023	118,959,152	129,758,109	140,925,616	158,762,610	196,474,918
53,700,722	32,328,837	30,276,416	28,484,757	30,725,075	52,339,822
<u>(23,171,930)</u>	<u>(3,181,651)</u>	<u>(3,107,181)</u>	<u>(3,107,956)</u>	<u>(3,108,472)</u>	<u>(3,117,296)</u>
30,528,792	29,147,186	27,169,235	25,376,801	27,616,603	49,222,526
<u>\$ 80,437,231</u>	<u>\$ 89,811,966</u>	<u>\$ 102,588,874</u>	<u>\$ 115,548,815</u>	<u>\$ 131,146,007</u>	<u>\$ 147,252,392</u>
27.51%	24.50%	20.94%	18.01%	17.39%	25.05%

COUNTY OF NEVADA, CALIFORNIA
DEMOGRAPHIC AND ECONOMIC INDICATORS
LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Population</u>	<u>Per Capita Personal Income</u>	<u>Personal Income</u>	<u>Civilian Labor Force</u>	<u>Unemployment Rate</u>	<u>Percentage of Population Over 65</u>
1997/1998	90,170	\$ 26,050	\$ 2,348,951,000	42,240	5.4%	20.4%
1998/1999	90,899	27,409	2,491,475,000	43,540	4.1%	20.1%
1999/2000	92,033	30,544	2,826,443,000	45,430	3.6%	17.4%
2000/2001	92,300	31,590	2,965,263,000	46,860	3.6%	n/a
2001/2002	93,900	31,294	2,975,115,000	48,450	4.5%	n/a
2002/2003	95,100	32,136	3,092,595,000	48,430	4.7%	n/a
2003/2004	97,804	33,957	3,309,043,000	48,830	5.2%	n/a
2004/2005	99,510	35,134	n/a	49,730	5.4%	n/a
2005/2006	100,066	37,020	n/a	50,560	4.3%	n/a
2006/2007	99,766	n/a	n/a	51,200	4.7%	n/a

n/a - information is not available

Sources: Nevada County Economic & Fiscal Indicator Review Report
State of California Employment Development Department - Labor Market Information Division - www.labormarketinfo.edd.ca.gov
County of Nevada Annual Budget Book

COUNTY OF NEVADA, CALIFORNIA
LABOR FORCE AND EMPLOYMENT
CURRENT YEAR AND NINE YEARS AGO

Fiscal Year 2006/2007		Fiscal Year 1997/1998	
Industry Title	Number of Employees	Employer	Number of Employees
Total, All Industries	30,940	Total, All Industries	24,510
Total Farm	70	Total Farm	130
Total Nonfarm	30,870	Total Nonfarm	24,380
Total Private	25,300	Total Private	17,880
Service Providing	24,530	Service Providing	19,970
Residual -Private Services Providing	18,960	Residual -Private Services Providing	14,940
Goods Producing	6,340	Goods Producing	4,410
Leisure and Hospitality	4,270	Leisure and Hospitality	3,210
Trade, Transportation and Utilities	4,960	Trade, Transportation and Utilities	4,990
Retail Trade	4,100	Retail Trade	3,940
Natural Resources, Mining & Construction	4,390	Natural Resources, Mining & Construction	1,950
Education and Health Services	3,720	Education and Health Services	2,650
Food Services and Drinking Places	2,760	Food Services and Drinking Places	1,990
Professional and Business Services	2,790	Professional and Business Services	1,630
Manufacturing	1,950	Manufacturing	2,460
Financial Activities	1,630	Financial Activities	1,310
Food and Beverage Stores	1,140	Food and Beverage Stores	960
Finance and Insurance	1,030	Finance and Insurance	880
Real Estate and Rental and Leasing	600	Real Estate and Rental and Leasing	430
Transportation, Warehousing & Utilities	510	Transportation, Warehousing & Utilities	550
Wholesale Trade	350	Wholesale Trade	500
Information	410	Information	410
Other Services	1,180	Other Services	740
Government	5,570	Government	5,030
Federal Government	400	Federal Government	560
State and Local Government	5,170	State and Local Government	4,470
State Government	390	State Government	580
Local Government	4,780	Local Government	3,890

Source: <http://www.labormarketinfo.edd.ca.gov>

COUNTY OF NEVADA, CALIFORNIA
FULL-TIME EQUIVALENT COUNTY GOVERNMENT EMPLOYEES
BY FUNCTION
LAST TEN FISCAL YEARS

<u>Function/Program</u>	<u>As of June 30,</u>			
	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>
Public Protection	388.10	354.75	383.75	417.25
Health and Sanitation	95.40	109.40	124.90	123.90
Public Assistance	132.00	134.00	142.00	146.50
Education	17.80	27.50	29.50	33.80
Public Ways and Facilities	113.60	118.35	123.35	123.35
General Government	150.00	155.00	176.50	181.00
Total Full-Time Equivalent Employees	<u>896.90</u>	<u>899.00</u>	<u>980.00</u>	<u>1,025.80</u>

Source: Fiscal year beginning authorized personnel staffing resolution (unamended)

<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
442.25	427.80	420.80	418.75	421.00	416.50
125.50	130.50	123.95	105.10	108.65	102.65
144.50	146.00	132.50	125.00	125.50	127.50
37.75	39.85	34.20	29.45	29.85	30.10
126.35	127.60	128.60	129.10	116.60	121.10
177.50	179.30	166.30	161.80	171.10	172.80
<u>1,053.85</u>	<u>1,051.05</u>	<u>1,006.35</u>	<u>969.20</u>	<u>972.70</u>	<u>970.65</u>

COUNTY OF NEVADA, CALIFORNIA
OPERATING INDICATORS
BY FUNCTION
LAST TEN FISCAL YEARS

Function/Program	Fiscal Year			
	1997/1998	1998/1999	1999/2000	2000/2001
Public Protection				
Jail Bookings	n/a	n/a	n/a	n/a
Average Daily Population	134	152	141	130
Health and Sanitation				
Economic services/support				
Program - Unduplicated Cases Mental Health (Adults in Nevada County)	121	144	583	595
Public Ways and Facilities				
Centerline Mile of Road Maintained				
County	565	565	565	565
State	129	129	129	129
Airport				
Based Aircraft	n/a	n/a	n/a	n/a
Takeoffs and Landings	n/a	n/a	n/a	n/a

n/a - information is not available

Sources: Nevada County Sheriff
Human Services Agency
Department of Transportation and Sanitation
Nevada County Airport

2001/2002	2002/2003	2003/2004	2004/2005	2005/2006	2006/2007
n/a 140	n/a 159	5,430 177	5,519 184	5,620 179	5,775 167
666	595	475	383	253	249
565 129	565 129	561 129	561 129	562 129	561 133
n/a n/a	n/a n/a	n/a n/a	n/a n/a	150 20,000	150 20,000

COUNTY OF NEVADA, CALIFORNIA
CAPITAL ASSET STATISTICS
BY FUNCTION
LAST TEN FISCAL YEARS

<u>Function/Program</u>	<u>Fiscal Year</u>			
	<u>1997/1998</u>	<u>1998/1999</u>	<u>1999/2000</u>	<u>2000/2001</u>
Public Protection				
Correction facility capacities	223	223	223	223
Public Ways and Facilities				
Traffic Signals	6	6	6	6
Bridges	71	71	71	71
Active vehicles in vehicle replacement plan	n/a	n/a	n/a	n/a
Airports				
Number of runways	1	1	1	1

n/a - information is not available

Sources: Nevada County Sheriff
Department of Transportation and Sanitation
Nevada County Airport

2001/2002	2002/2003	2003/2004	2004/2005	2005/2006	2006/2007
223	223	223	250	250	250
6	6	2	2	2	2
71	71	71	71	71	71
n/a	n/a	149	149	149	143
1	1	1	1	1	1