

**County of Nevada  
State of California**

**Comprehensive Annual Financial Report**

**For the Fiscal Year Ended June 30, 2012**



**Rainbow Bridge, Historic Highway 40  
Truckee**

**Marcia L. Salter  
Auditor-Controller**



Photographs by Cynthia Soszka

Rainbow Bridge is an iconic feature of Nevada County's road system.

Located on historic Highway 40 in Truckee, the bridge was built in 1925 by the U.S. Bureau of Public Roads, as an improvement to the Lincoln Highway system — devised in the 1910s to fill the nation's growing need for coast-to-coast automobile travel, according to the Donner Summit Historical Society.

The bridge also alleviated overwhelmed lumber mills in Truckee, by making timber transportation possible. Although the design of Rainbow Bridge was commonplace in the 1920s, the placement of the bridge, with its grade and curvature, was an engineering feat.

In 1993 Rainbow Bridge underwent a comprehensive rehabilitation which, while preserving access to historic Highway 40, maintained the inimitable spirit of the bridge itself.

Today, Rainbow Bridge is a popular destination, with breathtaking views of Donner Lake for motorists and bicyclists. It also makes accessible the world-class rock climbing offered by the granite monoliths of the Sierra Nevada Mountains.

**COUNTY OF NEVADA, CALIFORNIA**

**COMPREHENSIVE  
ANNUAL FINANCIAL REPORT**

**For the Year Ended June 30, 2012**

**COUNTY OF NEVADA  
Auditor-Controller's Office**

**Marcia L. Salter  
Auditor-Controller**

**THIS PAGE INTENTIONALLY LEFT BLANK**

**COUNTY OF NEVADA**  
**Comprehensive Annual Financial Report**  
**For the Year Ended June 30, 2012**

**Table of Contents**

	Page
<b>INTRODUCTORY SECTION</b>	
Letter of Transmittal. . . . .	i-vii
Government Finance Officer’s Association Certificate of Achievement. . . . .	viii
County Officials. . . . .	ix
Organizational Chart. . . . .	x
<b>FINANCIAL SECTION</b>	
Independent Auditor’s Report. . . . .	1-2
Management’s Discussion and Analysis (Required Supplementary Information - Unaudited). . . . .	3-19
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Assets. . . . .	20
Statement of Activities. . . . .	21
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet. . . . .	22
Reconciliation of the Governmental Funds Balance Sheet to the Government- Wide Statement of Net Assets - Governmental Activities. . . . .	23
Statement of Revenues, Expenditures, and Changes in Fund Balances . . . . .	24
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Government-Wide Statement of Activities - Governmental Activities. . . . .	25
Proprietary Funds:	
Statement of Net Assets. . . . .	26-27
Statement of Revenues, Expenses, and Changes in Net Assets. . . . .	28
Statement of Cash Flows . . . . .	29-30
Fiduciary Funds:	
Statement of Fiduciary Net Assets. . . . .	31
Statement of Changes in Fiduciary Net Assets.. . . .	32
Notes to Basic Financial Statements. . . . .	33-69
Required Supplementary Information (Unaudited):	
Schedule of Funding Progress - Pension. . . . .	70
Schedule of Funding Progress - Other Postemployment Benefits (OPEB). . . . .	70-71
Infrastructure Assets Reported Using the Modified Approach. . . . .	71-72

**COUNTY OF NEVADA**  
**Comprehensive Annual Financial Report**  
**For the Year Ended June 30, 2012**

**Table of Contents**

	Page
<b>FINANCIAL SECTION (CONTINUED)</b>	
Required Supplementary Information (Unaudited) (Continued):	
Budgetary Comparison Schedule - Budgetary Basis - General Fund. . . . .	73-75
Budgetary Comparison Schedule - Budgetary Basis - Road. . . . .	76
Budgetary Comparison Schedule - Budgetary Basis - Community Development Agency. . . . .	77
Budgetary Comparison Schedule - Budgetary Basis - Human Services Agency. . . . .	78
Budgetary Comparison Schedule - Budgetary Basis - Health and Welfare Realignment. . . . .	79
Budgetary Comparison Schedule - Budgetary Basis - Local Revenue Fund 2011 Realignment. . . . .	80
Note to Budgetary Comparison Schedules. . . . .	81
Combining and Individual Fund Statements and Schedules:	
Nonmajor Governmental Funds:	
Combining Balance Sheet. . . . .	82
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances. . . . .	83
Special Revenue Funds:	
Narrative Summary. . . . .	84-90
Combining Balance Sheet . . . . .	91-92
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances. . . . .	93-94
Budgetary Comparison Schedules - Budgetary Basis:	
Fish and Game. . . . .	95
Child Support Services. . . . .	96
Recycled Oil Block Grant. . . . .	97
Probation Fire Insurance Admin Grant. . . . .	98
Motor Vehicle License. . . . .	99
Public Library. . . . .	100
Inet Maintenance. . . . .	101
Workers' Compensation. . . . .	102
Nonmajor Human Services Agency. . . . .	103
Administration. . . . .	104
Community Development Agency. . . . .	105
District Attorney. . . . .	106
Probation. . . . .	107
Recorder. . . . .	108
Sheriff. . . . .	109
Special Districts Governed by the Board of Supervisors. . . . .	110
Public Works. . . . .	111
Housing and Community Services. . . . .	112
Debt Service Funds:	
Narrative Summary. . . . .	113
Combining Balance Sheet. . . . .	114
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances. . . . .	115

**COUNTY OF NEVADA**  
**Comprehensive Annual Financial Report**  
**For the Year Ended June 30, 2012**

**Table of Contents**

	Page
<b>FINANCIAL SECTION (CONTINUED)</b>	
Combining and Individual Fund Statements and Schedules (Continued):	
Nonmajor Governmental Funds (Continued):	
Debt Service Funds (Continued):	
Budgetary Comparison Schedules - Budgetary Basis:	
Government Debt Service. . . . .	116
Special Assessment Debt with County Commitment. . . . .	117
Finance Authority. . . . .	118
Nonmajor Proprietary Funds:	
Enterprise Funds:	
Narrative Summary. . . . .	119
Combining Statement of Net Assets. . . . .	120
Combining Statement of Revenues, Expenses, and Changes in Net Assets. . . . .	121
Combining Statement of Cash Flows. . . . .	122
Internal Service Funds:	
Narrative Summary. . . . .	123
Combining Statement of Net Assets. . . . .	124
Combining Statement of Revenues, Expenses, and Changes in Net Assets. . . . .	125
Combining Statement of Cash Flow. . . . .	126-127
Fiduciary Funds:	
Narrative Summary. . . . .	128
Trust Funds:	
Combining Statement of Fiduciary Net Assets - Investment Trust Funds. . . . .	129
Combining Statement of Changes in Fiduciary Net Assets - Investment Trust Funds. . . . .	130
Agency Funds:	
Combining Statement of Assets and Liabilities - Agency Funds. . . . .	131
Combining Statement of Changes in Assets and Liabilities - Agency Funds. . . . .	132
<b>STATISTICAL SECTION (UNAUDITED)</b>	
Narrative Summary . . . . .	133
Financial Trend Information:	
Net Assets by Component - Last Ten Fiscal Years. . . . .	134
Changes in Net Assets - Last Ten Fiscal Years. . . . .	135-137
Fund Balances-Governmental Funds - Last Ten Fiscal Years. . . . .	138
Changes in Fund Balances-Governmental Funds - Last Ten Fiscal Years. . . . .	139
Revenue Capacity Information:	
Assessed Value and Actual Value of Taxable Property - Last Ten Fiscal Years. . . . .	140
Direct and Overlapping Property Tax Rates - Last Ten Fiscal Years. . . . .	141
Principal Property Tax Payers - Current Year and Nine Years Ago. . . . .	142
Property Tax Levies and Collections -Last Ten Fiscal Years. . . . .	143

**COUNTY OF NEVADA**  
**Comprehensive Annual Financial Report**  
**For the Year Ended June 30, 2012**

**Table of Contents**

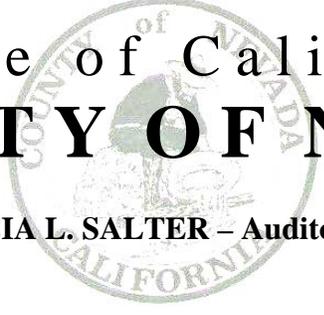
	Page
<b>STATISTICAL SECTION (UNAUDITED) (CONTINUED)</b>	
Debt Capacity Information:	
Ratios of Net Obligation Bonded Debt to Assessed Value and Net General Obligation	
Bonded Debt Per Capita - Last Ten Fiscal Years.....	144
Legal Debt Margin Information - Last Ten Fiscal Years. ....	145
Demographic and Economic Information:	
Demographic and Economic Indicators - Last Ten Fiscal Years. ....	146
Labor Force and Employment - Current Year and Nine Years Ago.....	147
Operating Information:	
Full-time Equivalent County Government Employees by Function - Last Ten Fiscal Years.....	148
Operating Indicators by Function - Last Ten Fiscal Years. ....	149
Capital Asset Statistics by Function - Last Ten Fiscal Years. ....	150

---

## **INTRODUCTORY SECTION**

- **Letter of Transmittal**
- **Government Finance Officer's Association Certificate of Achievement**
- **County Elected and Appointed Officials**
- **Organizational Chart**

**THIS PAGE INTENTIONALLY LEFT BLANK**



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

**MARCIA L. SALTER – Auditor-Controller**

**Auditor-Controller**  
950 Maidu Avenue  
Nevada City CA 95959

(530) 265-1244  
Fax: (530) 265-9843  
Email: [auditor.controller@co.nevada.ca.us](mailto:auditor.controller@co.nevada.ca.us)

December 30, 2012

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, 2012 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, 2012. 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 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 required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984, 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 (2006, 2010 etc) while supervisors from Districts 1, 2 and 5 are elected in presidential years (2008, 2012 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. 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 777 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:

- Sheriff's Office launched an Online Crime Reporting Service.
- Probation Department - Developed and created a Day Reporting Center (DRC) for Post Release Community Supervision felons and high-risk probation felons, which provides for intensive supervision and treatment.
- The District Attorney and Public Defender - Implemented the Damion case management system, with functionality that streamlines every aspect of case processing.
- Information Services - Redesigned the County website, [www.mynevadacounty.com](http://www.mynevadacounty.com), as a platform for citizen engagement.

- Health and Human Services Agency - Collaborated with two community coalitions – Coalition for a Drug Free Nevada County in western County and Future Without Drug Dependence (FWDD) in the Tahoe Region – to successfully apply for and launch two 5-year Drug Free Community grants
- Public Health and Behavioral Health - Created a countywide Suicide Prevention education program
- Behavioral Health implemented the first year of a pilot project with Community Recovery Resources to partner on providing Co-Occurring Disorder treatment to adults and Juvenile Drug Court participants utilizing an Integrated Health Care Model.

### **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 statements 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 Finance Authority, Special Districts governed by the Board, and Special Assessment Debt with County commitment. 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 expenditures 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 2012 estimated population figures, as provided by the California Department of Finance for the County are 97,095. This is a slight decrease from 2011 with about 68% or 65,477 of the residents living in the unincorporated areas. The Town of Truckee is the largest of the three cities within the County, with approximately 15,918 residents in 2012. The City of Grass Valley is the second largest city within the boundaries of the County with a population of 12,638. Nevada City serves as the County seat with a population of 3,062.

### **Labor Force**

The County's 2012 labor force totaled 50,913, a slight decrease from 2011 figures. Nevada County's unemployment rate in June 2012 was 9.7%, a decrease from June 2011's unemployment rate of 11.4%. California's statewide rate was 10.7 % for the same June time period.

### **Housing**

According to the California Association of Realtors, approximately 1,053 single family homes in Nevada County were sold in the calendar year 2011. Prices remain impacted by the general housing market trends, and prices of local homes sold declined by 15% to a median price of \$225,000. The Penn Valley area has shown the largest one-year decrease of 24.0% with the median home price dropping from \$250,000 to \$190,000.

### **Property Tax Collection and Apportionment**

Property taxes levied countywide (secured, unsecured and unitary) dropped in fiscal year 2011-12 to \$151,831,654. This was a 2.6% decrease over the previous fiscal year total of \$155,839,526. 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 the collection. In fiscal year 2011-12, the Auditor-Controller apportioned the revenue as follows:

- Nevada County General Fund: 14.0%
- Schools: 56.5%
- Special Districts: 19.4%
- Cities: 10.1%

### **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 \$62,626,044 in direct debt outstanding as of June 30, 2012. This includes the 2011 Certificates of Participation, capital leases, special assessment debt, loans payable, compensated absences, accrued claims payable and landfill post closure. This amount also includes the Sanitation District's State Revolving Fund loans for three major plant upgrades.

## **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 the prior year. This may require the reorganization or streamlining of current resources.
- There will be no unfunded positions included in the budget. All vacancies will be reviewed for need and potential elimination. Revenue contingent positions that lose their State and Federal funding will be eliminated first before other cuts are enacted.
- 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, achieve a high level of funding for employee retirement promises, evaluate cost per service item and develop and maintain contracts with vendors within Nevada County.

### **Fund Balance Policies**

The Board of Supervisors took the first step in establishing a comprehensive fund balance policy for the County's General fund in June 2011. In an effort to maintain the County's credit rating and meet seasonal cash flow shortfalls, the Board has established and committed to maintain a minimum unrestricted fund balance in the General Fund equal to two months of annual revenue within the Discretionary Revenue category as defined in the adopted budget.

### **Long-term Financial Planning**

The County's long term financial planning has focused on the capital and infrastructure improvements needs of Facilities and Roads. Each year a five-year Road Maintenance and Capital Improvement Plan (CIP) is prepared for and approved by the County Board of Supervisors. The CIP is a plan for short range and long-range plans to improve or rehabilitate the 562 miles of County-owned roads. While the CIP covers a five-year planning period, it is updated each year to reflect ongoing changes as new projects are added, existing projects modified, and completed projects deleted from the plan document. The 2012 CIP represents a five-year, \$25.5 million program from 2012 through 2016. The funding for the CIP projects is a mix of Federal, State and local sources and subject to availability.

The County's Capital Facilities Master Plan is reviewed and updated on a periodic basis. The current plan was presented and adopted by the Board in 2008. An updated plan is being prepared for presentation in late 2012. The plan document contains a facilities condition assessment of all buildings, the life expectancy of systems and finishes, and the priority of identified projects. The plan provides information on future facility needs and estimated costs. The County has designated a portion of the General Fund's available fund balance to build toward the funding for future projects.

## **Major Initiatives**

The County's management has continued to take a pragmatic approach in its efforts to seek and implement a new form of service delivery for those County services befitting that model. The primary service model is based upon contracting with a qualified independent service provider. The most prevalent service area that has transferred to this model has been in the mental health services. The County is currently delivering the majority of its Behavioral Health program services through a system of contracted independent providers. Additional areas of service have transitioned to this model, which include Animal Shelter services and a portion of the Housing and Community Services programs with both being managed and operated by not-for-profit organizations. The County converted the Solid Waste transfer station operations to a for-profit service contractor for the next twenty years, through a negotiated franchise agreement. The agreement provides for comprehensive solid waste collection, recycling, and facility operations for western Nevada County.

The success of this alternative of service delivery has provided the County with a means to control a portion of its largest expenditure category, the salaries and benefits of its workforce, while still maintaining the level and quality of services. Staffing levels have gone from a high of 1,055 in 2001-02 to 773 authorized positions for the 2012-13 adopted budget. During the economic downturn, overall County staff reductions have been a primary cost savings mechanism; providing the needed expenditure reductions to support the effort to maintain the County's core services to its citizens. In addition, the recently negotiated agreements with all the employee groups call for the reduction of retirement benefits for all new employees. The labor agreements will reduce the cost of pensions through increased contributions by all employees and a new lower retirement formula for new employees. A lower tier of benefits for new safety employees went into effect in 2011 and a new lower tier of benefits for all other new employees will go into effect in late 2012. The reduction in the retirement benefits will reduce the County's pension obligations and its unfunded actuarial liability in the long term.

## **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's program revenues. The State's slow economic recovery and its struggle to reduce its deficit continue to trouble local governments. The California Legislative Analyst's Office has estimated that a \$9.2 billion shortfall exists for the 2012-13 year's State budget. The current trend by the State is for the realignment of certain programs. Beginning with the 2011-12 fiscal year, the state shifted \$12.1 million dollars of funding for the newly realigned programs in the areas of criminal justice, law enforcement, mental health, Cal WORKS, child welfare, foster care, and adoptions. While this shift promotes local control for the service delivery, there is a question as to whether an adequate flow of funds will be available in the future to support the on-going programs. There is concern of the potential impact on the County budget to provide the funding required for such realigned services and other mandated programs.

The County seems to lag behind in economic recovery cycles. Unemployment remains relatively high and the real estate market continues to struggle in terms of housing prices, housing sales, home foreclosures and new construction. The housing sector crisis remains at the forefront, though there are positive signs that a real estate market recovery may be beginning to take place in other areas of the state. The drop in property values has greatly affected the County's largest discretionary revenue source of the General Fund. The fiscal year 2012-13 Recommended Budget included an estimated no growth in property tax revenues from the prior year and this estimate has now been determined to be a 2.2% reduction. This will have an impact on the budget of the 2012-13 fiscal year and those beyond. Though slight, the sales tax revenues are beginning to show increases.

Throughout the economic crisis of the past several years, the County has maintained its proactive approach and made strategic adjustments to ensure it remains fiscally solvent. The General Fund reserves, purposely set aside during the past years when double-digit growth was realized, continue to provide some cushion while waiting out the extended economic recovery.

## **Awards**

The Government Finance Officers Association of the United States and Canada awarded the Certificate of Achievement for Excellence in Financial Reporting to the County of Nevada for its CAFR covering the fiscal year ended June 30, 2011. The Certificate of Achievement is a prestigious national award, recognizing conformance with the highest standards for preparation of state and local government financial reports. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized CAFR whose contents conform to program standards. Such CAFRs must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. This is the fifth year we have received this esteemed award. We believe our current CAFR continues to meet the Certificate of Achievement program requirements, and we are submitting our application for the Certificate for this year.

## **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 concerted effort and commitment to the timely 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 exemplary leadership and conservative fiscal management of the financial operations of the County.

Respectfully Submitted,

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

Marcia L. Salter  
Auditor-Controller

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

County of Nevada  
California

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2011

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



*Linda C. Davison*

President

*Jeffrey R. Egan*

Executive Director

**COUNTY OF NEVADA**  
**County Officials**  
**For the Year Ended June 30, 2012**

**ELECTED OFFICIALS**

Supervisor, District 1 .....	Nate Beason
Supervisor, District 2 .....	Ed Scofield
Supervisor, District 3 .....	Terry Lamphier
Supervisor, District 4 .....	Wm. Hank Weston
Supervisor, District 5 .....	Ted Owens
Assessor .....	Sue Horne
Auditor-Controller .....	Marcia Salter
Clerk-Recorder .....	Gregory Diaz
District Attorney .....	Clifford Newell
Sheriff-Coroner/Public Administrator .....	Keith Royal
Treasurer-Tax Collector .....	Tina Vernon

**DEPARTMENT DIRECTORS/ADMINISTRATORS**

Agricultural Commissioner .....	Jeff Pylman
Behavioral Health Director .....	Michael Heggarty
Building Director .....	Brian Washko
Chief Information Officer .....	Steve Monaghan
Interim Chief Probation Officer .....	Michael Ertola
Child Support Director .....	Tex Ritter
Clerk of the Board .....	Donna Landi
Community Development Agency Director .....	Steve DeCamp
County Counsel .....	Alison Barratt-Green
County Executive Officer .....	Rick Haffey
Environmental Health Director .....	Wesley Nicks
Farm Advisor .....	Roger Ingram
Health & Human Services Director .....	Jeff Brown
Human Resources Director .....	Gayle Satchwell
Librarian .....	Jessica Hudson
Interim Planning Director .....	Brian Foss
Public Defender .....	Donald Lown Jr.
Public Health Officer .....	Karen Milman, M.D.
Public Works Director .....	Steve Castleberry
Social Services Director .....	Alison Lehman

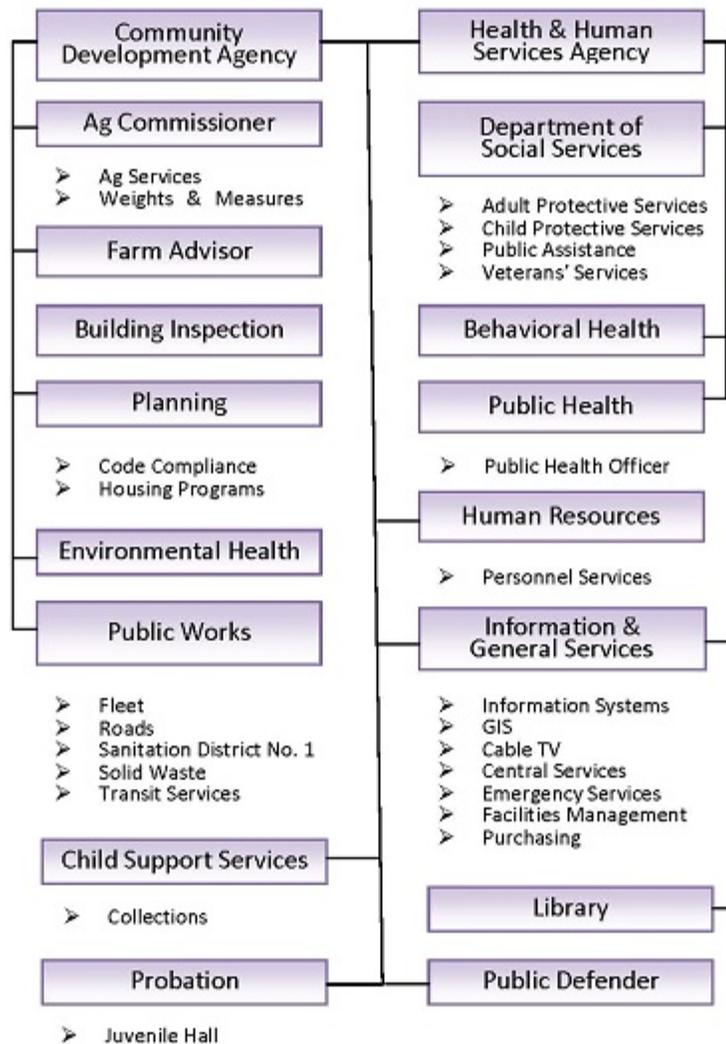
# Nevada County Government Organization



## Elective Offices

- Assessor
- Auditor-Controller
- Clerk-Recorder
  - Clerk-Recorder
  - Elections
- District Attorney
  - Victim/Witness
- Sheriff-Coroner
  - Animal Control
  - Corrections
  - Court Security
  - Operations
- Treasurer-Tax Collector
  - Collections
- Superintendent of Schools
- Superior Court
  - Grand Jury

## Appointive Offices



- Clerk of the Board
- County Council
- Commissions, Boards & Committees

---

## **FINANCIAL SECTION**

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

**THIS PAGE INTENTIONALLY LEFT BLANK**

**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, 2012, 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 the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County as of June 30, 2012, and the respective changes in financial position, and cash flows, where applicable, 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 December 20, 2012, 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 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.

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

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and budgetary comparison information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's financial statements as a whole. The introductory section, combining and individual fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

A handwritten signature in cursive script, appearing to read "Smith & Newell", written in dark ink.

Smith & Newell CPAs  
Yuba City, California  
December 20, 2012

---

**Management's Discussion and Analysis  
(Unaudited)**

**THIS PAGE INTENTIONALLY LEFT BLANK**

**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, 2012. 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 Governmental Activities of the County exceeded its liabilities at the close of the 2011-2012 fiscal year by \$317,445,633 (net assets). Of this amount, \$21,160,019 (unrestricted net assets) may be used to fund programs for citizens and debt obligations to creditors, \$43,247,919 is restricted for specific purposes (restricted net assets), and \$253,037,695 is invested in capital assets, net of related debt.
- The County's total net assets increased by \$4,511,797. The governmental activities net assets at the close of the 2011-2012 fiscal were \$317,445,633 and the business-type activities net assets were \$36,507,311.
- As of June 30, 2012, the County's governmental funds reported combined ending fund balances of \$62,425,016, a decrease of \$842,234 or 1.3% in comparison with the prior year's ending fund balance. Amounts available for spending include *restricted, committed, assigned and unassigned fund balance*, totaling \$62,288,208. Of this amount, \$40,336,680 is restricted by law or externally imposed requirements, and \$4,078,433 is committed for specific purposes.
- At the end of the fiscal year, the fund balance for the General Fund was \$19,412,199, or 35.9% of the total General Fund expenditures for the year.
- The County's total long-term debt decreased from \$73,250,199 to \$62,841,233. This decrease of \$10,408,966, or 14 %, was related to scheduled payments on the Certificates of Participation and loans payable plus the extinguishment of the 2002 Western Solid Waste Certificates of Participation that had a balance of \$6,679,084 upon liquidation.

**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).

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 Western

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

Nevada County Solid Waste, Eastern Nevada County Solid Waste, the Sanitation District, 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 Finance Authority, Special Districts governed by the Board, and Special Assessment Debt with County Commitment.

*The government-wide financial statements can be found on pages 20-21 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 fifty-six 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 22-25 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 thirty-five 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 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.

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

*The proprietary fund financial statements can be found on pages 26-30 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 forty-two fiduciary funds.

*The fiduciary fund financial statements can be found on pages 31-32 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 33-69 of this report.*

**Required Supplementary Information** consists of funding progress schedules for the County Defined Benefit Pension Plan and Other Post Employment Benefit Plan; the County's General Fund budgetary schedule to demonstrate compliance with the County's adopted budget; the budgetary comparison schedules for all Major Funds, and infrastructure assets reported using the modified approach to account for the County's road subsystem.

*Required supplementary information can be found on pages 70-81 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 82-132 of this report.*

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net assets may serve as a useful indicator of the County's financial position over time. On June 30, 2012, the County's assets exceeded its liabilities by \$353,952,944.

**County's Net Assets**  
**June 30, 2012 and 2011**

	Governmental Activities		Business-Type Activities		Total		Variance
	2012	2011	2012	2011	2012	2011	
Current and other assets	80,336,993	81,975,385	20,108,330	23,774,926	100,445,323	105,750,311	-5.0%
Capital Assets	266,826,559	266,370,042	59,304,603	60,092,256	326,131,162	326,462,298	-0.1%
<b>Total Assets</b>	<b>347,163,552</b>	<b>348,345,427</b>	<b>79,412,933</b>	<b>83,867,182</b>	<b>426,576,485</b>	<b>432,212,609</b>	<b>-1.3%</b>
Long-term liabilities	23,438,680	25,590,591	39,402,553	47,659,608	62,841,233	73,250,199	-14.2%
Other liabilities	6,279,239	7,564,727	3,503,069	1,956,536	9,782,308	9,521,263	2.7%
<b>Total Liabilities</b>	<b>29,717,919</b>	<b>33,155,318</b>	<b>42,905,622</b>	<b>49,616,144</b>	<b>72,623,541</b>	<b>82,771,462</b>	<b>-12.3%</b>
Net Assets:							
Invested in capital assets, net of related debt	253,037,695	250,376,233	32,630,175	31,980,481	285,667,870	282,356,714	1.2%
Restricted	43,247,919	40,759,140	0	0	43,247,919	40,759,140	6.1%
Unrestricted	21,160,019	24,054,736	3,877,136	2,270,557	25,037,155	26,325,293	-4.9%
<b>Total Net Assets</b>	<b>317,445,633</b>	<b>315,190,109</b>	<b>36,507,311</b>	<b>34,251,038</b>	<b>353,952,944</b>	<b>349,441,147</b>	<b>1.3%</b>

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

Of the County's total net assets, approximately 7% or \$25,037,155 are unrestricted net assets that may be used to fund County programs for citizens and obligations to creditors. Another 81%, or \$285,667,870, of the County's net assets reflect its investment in capital assets (e.g., land, buildings, equipment and infrastructure), less any related debt that is still outstanding used to acquire those assets. The remaining portion of the County's net assets, \$43,247,919, or 12%, represents resources that are externally restricted on how they may be used.

Within the governmental activities, unrestricted net assets decreased by \$2,894,717 or 12% from the prior year. This was attributable to a decrease of long-term debt which increased net assets invested in capital assets net of related debt.

The business-type activities unrestricted balance reflects a \$1,606,579, or 71%, increase over the prior year. The increase resulted from a significant reduction in long-term liabilities attributable to extinguishment of the 2002 Western Solid Waste certificates of participation which was partially offset by a 15.4% decline in current assets and an increase in other liabilities. The decline in current assets was due to cash on deposit with fiscal agent of \$2,138,500 that was used to extinguish the aforementioned certificates of participation. The increase in other liabilities was related to an increase in accounts payable and unearned revenues at year-end of \$1,101,816 and \$467,867, respectively.

There was an overall increase of \$4,511,797, or 1.3%, over the prior year's net assets. This amount is largely attributable to a \$10,408,966 decrease in long-term liabilities combined with a decrease in current and other assets of \$5,304,988 of the governmental and business-type activities combined.

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

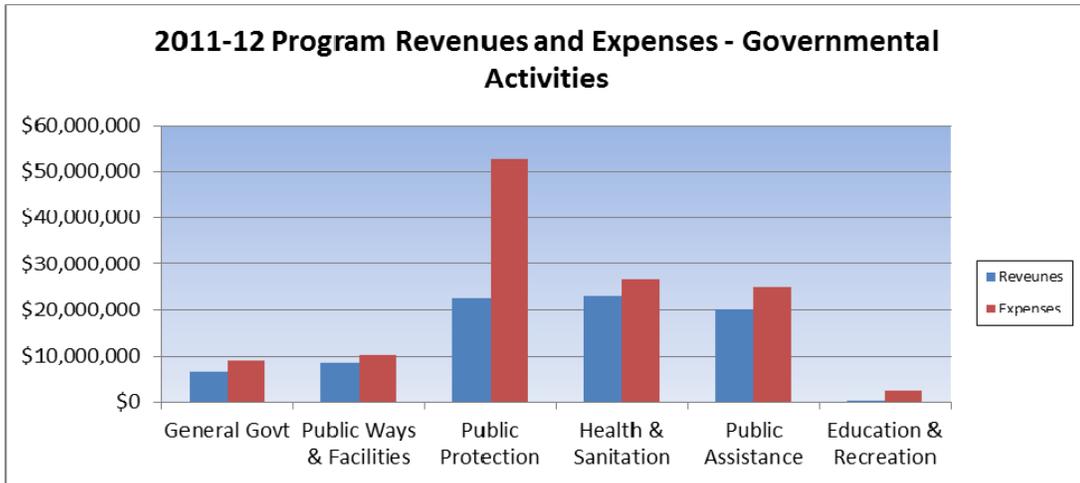
The following table shows the revenue, expenses and changes in net assets for governmental and business-type activities:

**County's Change in Net Assets**  
**June 30, 2012 and 2011**

	Governmental Activities		Business-Type Activities		TOTAL		Percent Change
	2012	2011	2012	2011	2012	2011	
Revenues							
Program revenues:							
Charges for Services	16,317,498	18,092,809	15,044,932	15,215,830	31,362,430	33,308,639	-5.8%
Operating Grants and Contributions	68,545,772	75,229,137	350,893	1,126,440	68,896,665	76,355,577	-9.8%
Capital Grants and Contributions	1,207,605	335,142	2,384,581	1,775,682	3,592,186	2,110,824	70.2%
General Revenues:							
Property Taxes	30,870,233	31,655,023	7,068	6,960	30,877,301	31,661,983	-2.5%
Other Taxes	6,420,314	6,221,759	1,792,673	1,043,574	8,212,987	7,265,333	13.0%
Unrestricted Grants & Contributions	2,906,113	3,830,282			2,906,113	3,830,282	-24.1%
Unrestricted Interest and Investment Earnings	826,145	737,446	206,582	179,490	1,032,727	916,936	12.6%
Miscellaneous	2,407,063	6,384,673	311,911	384,583	2,718,974	6,769,256	-59.8%
<b>Total Revenues</b>	<b>129,500,743</b>	<b>142,486,271</b>	<b>20,098,640</b>	<b>19,732,559</b>	<b>149,599,383</b>	<b>162,218,830</b>	<b>-7.8%</b>
Expenses:							
General Government	9,210,602	8,709,767			9,210,602	8,709,767	5.8%
Public Ways and Facilities	10,232,294	11,125,921			10,232,294	11,125,921	-8.0%
Public Protection	52,805,726	53,744,616			52,805,726	53,744,616	-1.7%
Health and Sanitation	26,621,726	27,399,803			26,621,726	27,399,803	-2.8%
Public Assistance	25,183,015	29,493,151			25,183,015	29,493,151	-14.6%
Education	2,307,992	2,236,503			2,307,992	2,236,503	3.2%
Recreation	176,920	130,174			176,920	130,174	35.9%
Interest on long-term debt	643,998	729,736			643,998	729,736	-11.7%
Eastern Nevada County Solid Waste			179,936	164,274	179,936	164,274	9.5%
Western Nevada County Solid Waste			7,213,400	6,105,160	7,213,400	6,105,160	18.2%
Transit Services			2,548,163	2,801,101	2,548,163	2,801,101	-9.0%
Airport			1,217,276	1,362,731	1,217,276	1,362,731	-10.7%
Sanitation District			6,683,592	6,627,209	6,683,592	6,627,209	0.9%
<b>Total Expenses</b>	<b>127,182,273</b>	<b>133,569,671</b>	<b>17,842,367</b>	<b>17,060,475</b>	<b>145,024,640</b>	<b>150,630,146</b>	<b>-3.7%</b>
Change in net assets before transfers	2,318,470	8,916,600	2,256,273	2,672,084	4,574,743	11,588,684	-60.5%
Transfers		(1,670,439)		1,670,439	0	0	
Change in net assets	2,318,470	7,246,161	2,256,273	4,342,523	4,574,743	11,588,684	-60.5%
Prior Period adjustments	(62,946)	0		(61,269)	(62,946)	(61,269)	2.7%
Net Assets 7/1	315,190,109	307,943,948	34,251,038	29,969,784	349,441,147	337,913,732	3.4%
Net Assets 06/30	317,445,633	315,190,109	36,507,311	34,251,038	353,952,944	349,441,147	1.3%

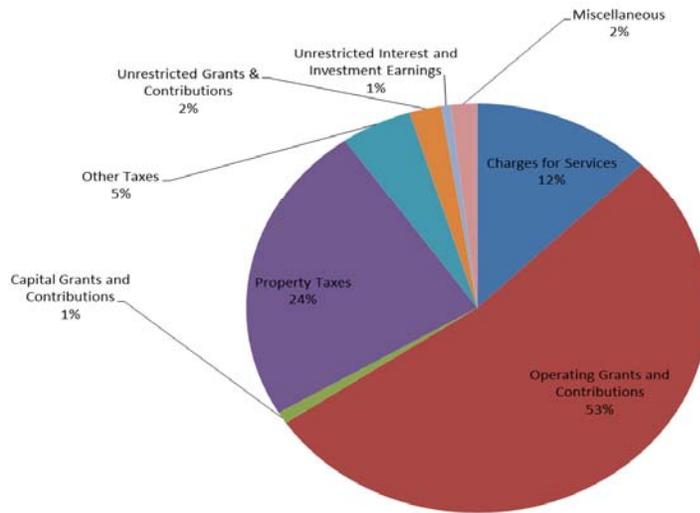
**COUNTY OF NEVADA**  
**Management's Discussion and Analysis**  
**Required Supplementary Information**

The following chart presents a comparison of expenses by function and the associated program revenues for governmental activities:



Revenues among governmental activities totaled \$129,500,743 for the fiscal year ended 2011-12. The chart below presents the percentage of total revenues by source for governmental activities:

**Revenues by Source - Governmental Activities**



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

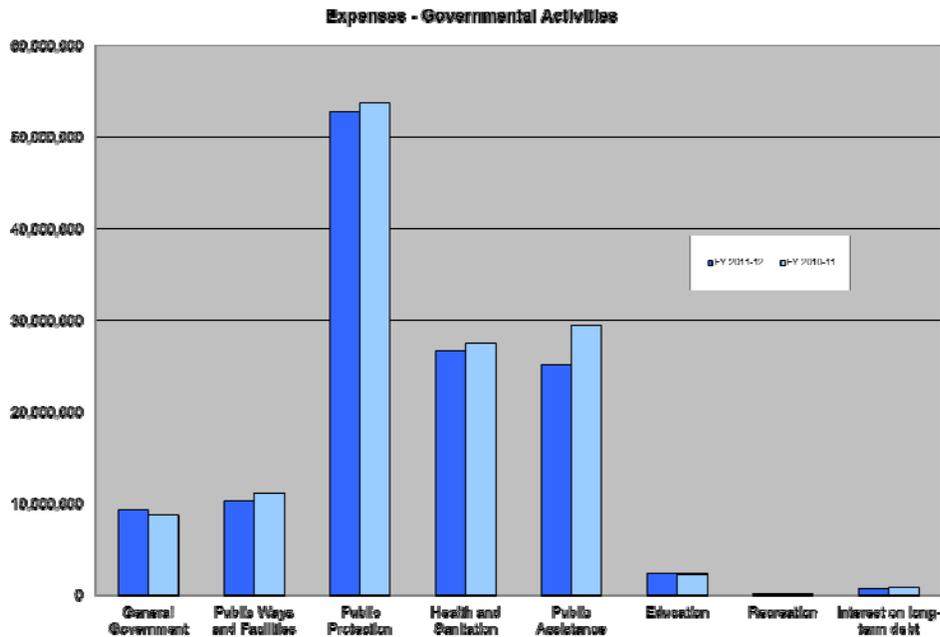
- Charges for Services had an overall decrease of \$1,775,311 or 9.8% from the prior year. This revenue category decreased due to the transition in the funding source for trial court security from a contract service in 2011 to the State's 2011 Realignment of services in 2012, causing a decline in this revenue area of \$699,053. Collections of penalties on delinquent taxes declined by \$603,661 compared to the prior year.
- Operating Grants and Contributions decreased \$6,683,365 or 8.9%. American Recovery and Reinvestment (ARRA) dollars used to fund County road overlay projects in Public Works in 2011 were not available in

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

2012, resulting in a decline of revenues totaling \$2,147,889. Public assistance revenues decreased by \$4,911,319, including \$788,398 in one-time ARRA dollars, compared to prior year levels due to transfer of the Section 8 housing voucher program to the Regional Housing Authority of Sutter and Nevada Counties.

- Capital Grants and Contributions increased substantially by \$872,463 or 260.3% due to a reclassification of federal funding for road programs that were previously reported as Operating Grants and Contributions.
- There was an overall decrease in the property tax category of \$784,790, or 2.5%. Current secured taxes decreased \$573,313 or 2.7% due to continued declining home values and assessment reductions. Property tax in lieu of VLF fees decreased \$101,108, or 1.09%. This revenue reduction is associated with the decline in property values.
- Unrestricted Grants and Contributions decreased by \$924,169 or 24.1% due to a reduction in State motor vehicle in-lieu taxes.
- The Miscellaneous revenue category decreased by \$3,977,610, or 62.3% largely due to insurance recoveries for the defense and settlement costs associated with a County lawsuit that occurred in the prior year and did not occur in the current year .

Expenses among governmental activities totaled \$127,182,273 for the fiscal year ended 2011-12. The chart below presents the two-year comparison of the total expenses by function for governmental activities.



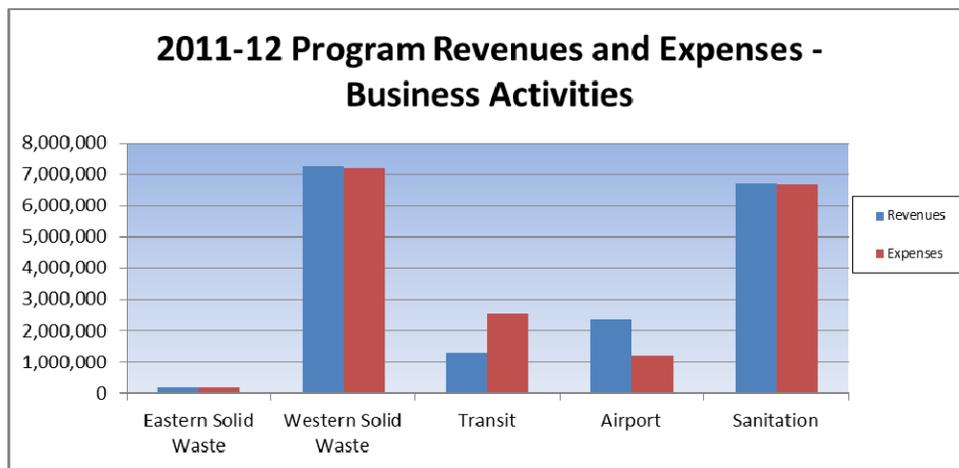
Key elements of the increase/decrease in *expenses* in the governmental activities:

- The Public Ways and Facilities category decreased expenses by 8.0%, or \$893,627 from prior year levels. The decrease reflects a reduction in road improvement projects of \$970,299 and decrease in land improvements of \$346,287.
- The Public Protection category experienced a decrease of \$938,890 in expenses, which represents a 1.7% decline. The net decline was largely due to a decrease in the Sheriff's administrative expenditures of \$756,871 and Child Support expenditures of \$515,157, which are largely attributable to reductions in salaries and benefits.

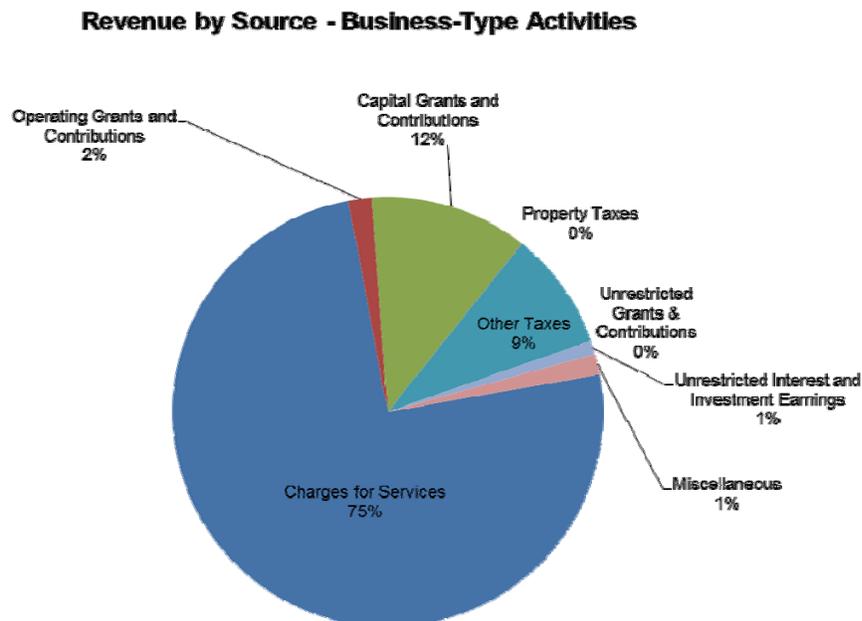
**COUNTY OF NEVADA**  
**Management's Discussion and Analysis**  
**Required Supplementary Information**

- The Public Assistance area decreased by a substantial \$4,310,136, or 14.6%. This is largely attributable to the County's transfer of responsibility for administering the Section 8 Voucher housing program to the Regional Housing Authority of Sutter and Nevada Counties. In the prior year, the County incurred \$2,055,368 in program expenditures that were not incurred in the current fiscal year as a result of this transition. Another \$1,304,287 is due to a reduction in assistance for child welfare eligibility benefits of \$593,287 and CalWorks benefits of \$544,363.
- The Recreation category experienced an increase in expenses of \$46,746, or 35.9% over prior year levels. This was attributable to the allocation of the funds remaining in the Dryden Wilson Bequest fund to the Oak Tree Community Park District.

The following chart displays expenses and the associated program revenues by function for the business-type activities:



Revenues among business-type activities totaled \$20,098,640 for the year ended 2011-12. The chart below presents the percentage of total revenues by source for business-type activities:



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

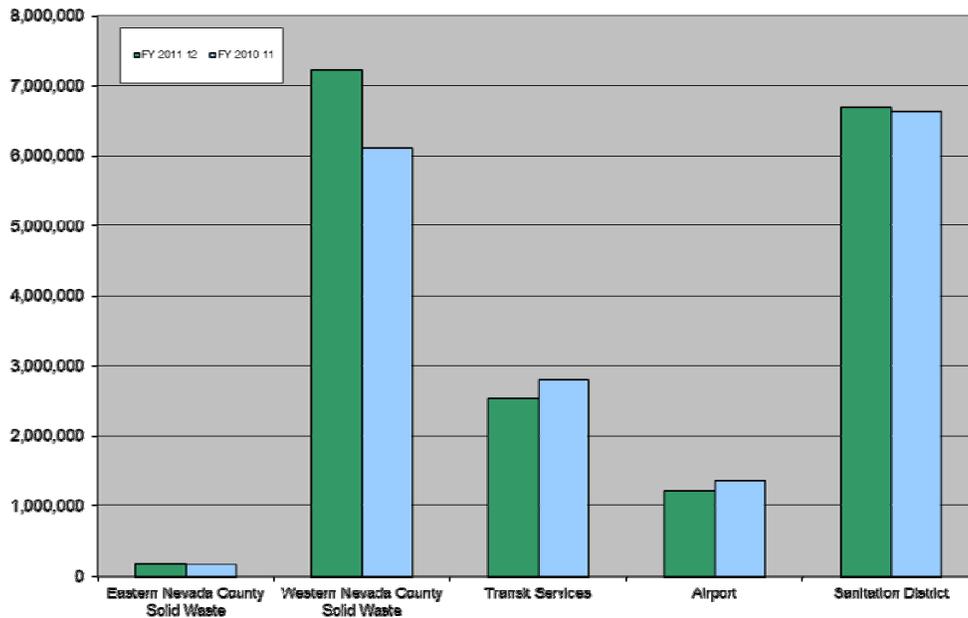
Key elements of the increase/decrease in revenues in the business-type activities:

- Operating Grants and Contributions decreased \$775,547 or 68.8% largely due to a \$593,424 drop in State assistance revenues earned for transit services.
- Capital Grants and Contributions increased 34.3% or \$608,899 due to several factors. Transit revenue increased by \$420,702 over the prior period due to increased utilization of services from other agencies. A grant from the Federal Aviation Administration to rehabilitate the airport runway contributed to an increase of current year revenue of \$1,540,959. The Sanitation District experienced an overall decrease in revenue in this area of \$1,352,762 due to the funding of two one-time projects in the prior year for the Darkhorse collection system and the Cascade Shore treatment plant upgrade that was completed in the prior fiscal year.
- The Other Taxes category increased \$749,099 or 71.8%. Increased transit service levels resulted in increased operating costs, which increased the recognition of Local Transportation Funding.
- Miscellaneous revenues decreased 18.9% or \$72,672. Western Solid Waste recognized an investment loss on funds deposited with the financial custodian upon redemption of the 2002 Solid Waste certificates of participation in the amount of \$63,779.

Expenses among business-type activities for fiscal year 2011-12 totaled \$17,842,367, in comparison to fiscal year 2010-11 which totaled \$17,060,475, resulting in an overall increase of 4.6%.

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

**Expenses - Business-Type Activities**



- Western Nevada County Solid Waste expenses increased \$1,108,240 or 18.2% compared to the prior year. The increase was largely driven by a \$418,465 increase in landfill post-closure costs and a \$290,829 increase in services and supplies.

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

- Airport operating expenses decreased \$145,455 or 10.7% from the prior year. The decrease is primarily associated with professional services for runway design costs that were incurred in the prior year and that did not continue in the current year.
- Sanitation District operating expenses increased \$56,383 or 0.9% over prior year levels. The increase is attributable to an increase in engineering services related to certain capital projects and an increase in general liability insurance costs.

**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, *total fund balance less the nonspendable portion* may serve as a useful measure of the County's net resources available for spending at the end of the fiscal year.

**Governmental Funds**

**Combined Balance Sheet**  
**June 30, 2012 and 2011**

	2012	2011	Variance	Change
Total Assets	81,217,610	82,704,448	-1.80%	-1,486,838
Total Liabilities	18,792,594	19,437,198	-3.32%	-644,604
Fund Balance				
General Fund				
Nonspendable	57,182	82,288	-30.51%	-25,106
Restricted	182,083	11,308	1510.21%	170,775
Committed	3,967,000	3,967,000	0.00%	0
Assigned	15,205,934	17,471,504	-12.97%	-2,265,570
Unassigned				
Special Revenue Funds				
Nonspendable	79,626	111,923	-28.86%	-32,297
Restricted	40,154,597	40,359,584	-0.51%	-204,987
Committed	111,433	178,545	-37.59%	-67,112
Assigned	2,720,180	1,677,485	62.16%	1,042,695
Unassigned	-53,019	-592,387	-91.05%	539,368
Total Fund Balance	62,425,016	63,267,250	-1.33%	-842,234
Total Liabilities and Fund Balance	81,217,610	82,704,448	-1.80%	-1,486,838

As of June 30, 2012, the County's governmental funds reported combined ending fund balances in the amount of \$62,425,016, a decrease of 1.3% or \$842,234 in comparison with the prior year's ending fund balance. The components of total fund balance are as follows (for more information see Note 12 – Fund Balances):

*Nonspendable fund balance*, \$136,808, are amounts that are not spendable in form, or are legally or contractually required to be maintained intact, and are made up of prepaid expenses of \$57,182 and inventory of \$79,626.

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

*Restricted fund balance*, \$40,336,680, consists of amounts with externally imposed constraints put on their use by creditors, grantors, contributors, laws, regulations or enabling legislation. Examples of restrictions on funds are those for road improvement projects, whereby Highway Users Taxes, Federal Forest Reserve funds, State Exchange funds, and State Proposition 1B funds are restricted in the Road Fund; debt service reserve requirements; and amounts reserved for legislatively realigned Health & Human Service programs.

*Committed fund balance*, \$4,078,433, are amounts established by the Board of Supervisors for a specified purpose before fiscal year-end, requires board action to appropriate, and survive the budget. The General Fund general reserve of \$3,967,000 is included in this amount.

*Assigned fund balance*, \$17,926,114, formerly designations, is established by the Board of Supervisors for specified purposes, requires board action to appropriate, and may expire at any time. Included in this balance is \$1,400,000 for information systems infrastructure, \$4,286,000 for facilities planning, and \$4,035,781 for other future purposes.

*Unassigned fund balance of (\$53,019)* represents amounts that are not otherwise restricted, committed, or assigned. This deficit is attributable to negative balances in certain Health and Human Services Agency housing funds where expenditures exceeded revenues and available fund balance.

Approximately \$62,288,208 of the total fund balances is available to meet the County's current and future needs. The Board of Supervisors may designate a portion of the spendable fund balance in the current year within the constraints applied to the various categories of fund balance. Spendable fund balances are available for appropriation at any time, with the exception of the general reserve portion of the committed fund balance which can only be decreased at the time the budget is adopted except in cases of a legally declared emergency.

*The General Fund* is the chief operating fund of the County. At June 30, 2012, the total fund balance was \$19,412,199, a decrease of \$2,119,901 from the prior fiscal year. The nonspendable portion of fund balance was \$57,182, and the spendable portion was \$19,355,017, a decrease of \$2,094,795 from the prior year spendable balance of \$21,449,812.

As a measure of the General Fund's liquidity, it is useful to compare both total fund balance and spendable fund balance to total fund expenditures. The total fund balance equates to 35.9% of total General Fund expenditures while spendable fund balance equates to 35.8% of total General Fund expenditures. Of the General Fund spendable fund balance, \$182,083, or 0.94% is restricted and \$3,967,000 or 20.4% is committed.

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

**Revenues Classified by Source**  
**General Fund**

Revenue Type	FY 2012	Percent	FY 2011	Percent	Increase	Percentage of
	Amount	of Total	Amount	of Total	(Decrease) Amount	
Taxes and Assessments	34,405,349	67.43%	35,066,651	64.34%	(661,302)	-1.89%
License and Permits	1,152,884	2.26%	1,156,171	2.12%	(3,287)	-0.28%
Fines and Forfeitures	2,863,569	5.61%	3,239,074	5.94%	(375,505)	-11.59%
Use of Money and Property	461,441	0.90%	423,647	0.78%	37,794	8.92%
Intergovernmental	3,649,014	7.15%	5,035,274	9.24%	(1,386,260)	-27.53%
Charges for Service	6,875,881	13.48%	8,257,632	15.15%	(1,381,751)	-16.73%
Other Revenues	1,614,644	3.16%	1,320,629	2.42%	294,015	22.26%
<b>Total</b>	<b>51,022,782</b>	<b>100.00%</b>	<b>54,499,078</b>	<b>100.00%</b>	<b>(3,476,296)</b>	<b>-6.38%</b>

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

*Taxes and Assessments* – The decrease in this category represents a continuation of property values in Nevada County being reassessed at lower values. The current secured tax category is responsible for a significant portion of the decline, which fell to \$20,858,249 in 2011-12 from \$21,431,562 in 2010-11, a total decline of \$573,313.

*Fines and Forfeitures* – Revenues from penalties and costs charged on delinquent taxes fell by \$603,661 compared to the prior year, representing a decrease of 22.5%. This was partially offset by a \$225,000 settlement in two unfair competition cases.

*Use of Money and Property* – Interest and investment earnings increased by \$62,631, or 104.4%, due to interest rate returns on investments. The investment returns were offset by a \$26,840 decline in the fair value of investments held by the County Treasury.

*Intergovernmental* – There was a decrease in this category of \$1,386,260, or 27.5% due to several factors. In 2011, the General Fund received \$373,291 of ARRA grant funds for an energy retrofit and upgrade to the HVAC unit for the County jail. ARRA funding did not continue in 2012 and contributed to a year to year decline in revenue. Overall, one-time ARRA revenues contributed to a decline of \$548,471 for this revenue category. In addition, Motor Vehicle License Fee (MVLFF) revenues during 2012 were 72%, or \$134,365 less than 2011 revenues. Another factor contributing to the decrease in this area of revenue resulted from the Probation Department receiving \$153,037 less for certain juvenile probation activities allocated from the State. A total of \$2,212 was received in 2012, compared to \$155,248 in 2011.

*Charges for Services* – Revenues generated from charges for services saw an overall decrease of \$1,381,751 from 2011 to 2012. The largest factor contributing to the decline in this area results from the transition in the funding source for trial court security from a contract service in 2011 to the State's 2011 Realignment of services in 2012, causing a decline in this revenue category of \$699,053. Several other areas with significant changes from the prior year contribute to the remaining decline in revenues. Specifically, election services revenue decreased by 99.6%, from \$274,075 in 2011 to \$1,046 in 2012 due to a consolidation of special district measures onto the County's ballot in 2011 that did not occur in 2012. In addition, legal services revenues dropped 41% to \$95,258.

*Other Revenues* – The 22.3% or \$294,015 increase in this category is a result of several areas of other revenues including fees generated by the Nevada County Collections Department through a collection fee of 25% applied to certain dollars it collects in order to offset its operating costs. These fees increased by \$14,534, or 18% from 2011 to 2012. Recoveries also increased by \$15,372 between 2011 and 2012 due to a settlement of \$17,549 for facility design defects in the Rood Center.

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

**Expenditure by Function**  
**General Fund**

Expenditures by Function	FY 2012	Percent	FY 2011	Percent	Increase	Percentage of
	Amount	of Total	Amount	of Total	(Decrease) Amount	
General government	7,853,261	14.51%	7,403,961	13.82%	449,300	6.07%
Public protection	44,005,071	81.31%	43,779,423	81.71%	225,648	0.52%
Public Assistance	249,698	0.46%	247,510	0.46%	2,188	0.88%
Education	40,681	0.08%	87,480	0.16%	-46,799	-53.50%
Capital outlay	1,857,024	3.43%	2,041,466	3.81%	-184,442	-9.03%
Debt Service	111,895	0.21%	17,560	0.03%	94,335	537.22%
<b>Total</b>	<b>54,117,630</b>	<b>100.00%</b>	<b>53,577,400</b>	<b>100.00%</b>	<b>540,230</b>	<b>1.01%</b>

*General government* – The \$449,300 or 6.1% overall increase in expenditures in this category is across various activities. There was a decrease in general government salaries and benefits of \$365,021 or 2.7% primarily due to

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

retirements and vacancies during the year. Services and supplies expenditures increased by \$120,575 or 2.2% primarily due to professional contract services. Other charges increased by \$255,002 due to an increase of trial court facility payments and trial court maintenance of effort payments increased by \$174,660 due to an over payment to courts adjusted in the prior fiscal year. Another \$102,078 was related to principal debt payments for two enterprise agreements that were not previously recognized as long-term debt.

*Public Protection* – The key factor in the \$225,648 increase for this category was an overall increase for professional services in the amount \$367,982 which was partially offset by decreases in various other areas of expenditure.

*Education* – The 53.5% or \$46,799 decrease in education expenditures is attributed to a \$37,797 or 31.5% reduction in staff hours for the Farm Advisor.

*Capital outlay* - Capital outlay expenditures for 2012 consisted primarily of a land purchase of \$1,011,596 and a security system upgrade at the Wayne Brown Correctional Facility of \$594,638.

*Debt service* – The increase in expenditures was primarily attributable to annual payments for two software enterprise agreements that were reclassified as long-term debt.

***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 fund balance decreased by \$912,796 or 11.9%. Intergovernmental revenues fell by \$2,273,556 as a result of ARRA funding received for projects in the prior year that were not received in 2012. Funds remain available for future project expenditures.

*The Community Development Agency (CDA) Fund* is used to account for Planning, Building, Environmental Health and Code Enforcement department activities. Overall, revenues and expenditures remained flat, with very little change from year to year.

*The Human Services Agency Fund* is used to account for the majority of the Public Health, Behavioral Health and Social Service programs. The net increase in fund balance was \$1,109,957, bringing the total fund balance to \$517,910 from the prior year's ending fund balance of a negative \$592,047. The increase of fund balance was attributed to a decrease in assistance expenditures from the Welfare to Work and the CalWorks programs.

*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 fund balance increased by \$104,417, or 1.5%, to a total of \$7,232,526. Intergovernmental revenues and transfers to departments increased at similar levels and resulted in little change in ending fund balance.

*The Local Revenue Fund 2011 Realignment Fund* is used to account for the State's realignment of revenues and services for law enforcement and social services passed to counties or funded through alternative means. This fund was newly created in the 2011-12 fiscal year and ended with a fund balance of \$760,135.

***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 of the Western Nevada County Solid Waste at June 30, 2012 amounted to a deficit of \$2,766,631. The deficit reflects that portion of the total liability that exceeds current available resources. The recognized cost of monitoring the closed landfill per regulatory requirements is approximately \$12.1 million. The cost of post closure activity is being met through annual parcel charges. Though the unrestricted net assets remain in a deficit, the enterprise operation did reduce the deficit in unrestricted net assets by \$972,392.

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

The unrestricted net assets of the Airport enterprise operation decreased to \$152,002 for the fiscal year ending June 30, 2012, largely due to scheduled loan payments.

The Sanitation District increased its unrestricted net assets by \$215,793 over the prior year, primarily due to an increase in debt related to capital assets reducing the investment in capital assets net of related debt.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

The difference between the original budget and the final amended budget resulted in \$3,424,818 net increase in appropriations (excluding other financing sources and uses). Explanations of significant changes for this increase are as follows:

- The General Government budget category experienced an increase of \$257,949. The most significant amendment was an increase in the Information Systems budget for a project increasing utilization of mobile technology. Funding was provided through a grant from the Northern Sierra Air Quality Management District in the amount of \$53,600.
- The Public Protection budget category increased by \$1,175,019. The Other Post Employment Benefit (OPEB) budget increased by \$359,888 and special department expense budget increased by \$485,916 related to the 2011 realigned programs.
- Total budgeted Capital Outlay increased by \$1,983,623 with the purchase of the land for a new Public Works corporate yard representing \$1,011,596 and the upgrade to the Wayne Brown Correctional Facility's security system accounting for \$867,855 of the increase.

At fiscal year end, actual revenues were lower than the budgetary estimate by \$1,657,306, or 3.1%. The primary difference was an unfavorable variance of \$841,266 in charges for services resulting from over budgeted collections from Truckee Law Enforcement Services of \$100,853, Trial Court Fines of \$229,798, and \$133,279 in budgeted revenues with zero collection from the District Attorney's internal allocation of charges.

Actual expenditures were also under the budgetary estimates by \$3,178,316 or 5.5%. The largest variance occurred in the Sheriff's administrative support services in the amount of \$861,154. Salaries were under budgeted by \$504,039 as were special departmental expenses by \$137,397. The excess of expenditures over revenues (including other financing sources and uses) decreased the General Fund's fund balance by \$2,119,901.

*Additional information on the General Fund and other major funds budget can be found on pages 73-81.*

**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, 2012 amounted to \$326,131,162 (net of accumulated depreciation). This investment in capital assets includes land, infrastructure, buildings and improvements, equipment and software.

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

**County's Capital Assets**  
(Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total		Variance
	2012	2011	2012	2011	2012	2011	
Land and Easements	104,487,370	103,641,982	3,593,251	3,593,251	108,080,621	107,235,233	0.79%
Infrastructure (Road Sys)	105,484,249	104,574,649	0	0	105,484,249	104,574,649	0.87%
Infrastructure	18,654,327	19,166,023	50,367,807	52,604,864	69,022,134	71,770,887	-3.83%
Structures and Improvements	30,117,366	31,439,952	1,328,937	1,683,961	31,446,303	33,123,913	-5.06%
Construction in Progress	2,372,065	1,907,342	3,497,817	1,257,564	5,869,882	3,164,906	85.47%
Equipment	5,013,459	5,408,656	516,791	952,616	5,530,250	6,361,272	-13.06%
Intangible Assets	697,723	231,438	0	0	697,723	231,438	201.47%
<b>Total</b>	<b>266,826,559</b>	<b>266,370,042</b>	<b>59,304,603</b>	<b>60,092,256</b>	<b>326,131,162</b>	<b>326,462,298</b>	<b>-0.10%</b>

*Land and Easements* – The land and easements of governmental entities increased primarily due to purchase of the land for a future public works operations site.

*Structures and Improvements* – The decrease in infrastructure for business-type activities is directly related to depreciation of treatment plant assets of the Sanitation District.

*Construction in Progress* – Governmental construction in progress experienced an overall increase of \$464,723 due to a project to upgrade the security system at the Wayne Brown Correctional Facility. The \$2,240,253 increase in Business-Type construction in progress is related to runway improvements to the County Airport.

*Equipment* –Decreases are attributable to scheduled depreciation, asset retirements, and expensing of Western Solid Waste assets previously reported as capital assets.

*Intangible Assets* – The increase in intangible assets is attributed to costs associated with redesign of the County website, new software purchased by the District Attorney and Public Defender's Offices', and implementation of Behavioral Health's comprehensive management software application.

*Additional information on the County's capital assets can be found in Note 4 on pages 48-50 of this report.*

**Long-term debt.** At June 30, 2012, the County had total debt outstanding of \$62,841,233.

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

	Governmental Activities		Business-Type Activities		Total		Variance
	2012	2011	2012	2011	2012	2011	
Certificate of Participation	9,048,243	11,020,000	0	6,679,084	9,048,243	17,699,084	-48.9%
Accrued Claims Liability	967,506	1,341,185	0	0	967,506	1,341,185	-27.9%
Loans	4,425,114	4,662,330	26,697,926	28,143,111	31,123,040	32,805,441	-5.1%
Enterprise Agreements	153,852	0	0	0	153,852	0	100.0%
Special Assessment Debt	276,000	288,000	19,000	21,000	295,000	309,000	-4.5%
Landfill Post Closure	0	0	12,215,985	12,364,705	12,215,985	12,364,705	-1.2%
Capital Leases	14,875	23,479	0	0	14,875	23,479	-36.6%
Compensated Absences	5,253,978	5,199,223	249,874	242,877	5,503,852	5,442,100	1.1%
OPEB Obligation	3,299,112	3,056,374	219,768	208,831	3,518,880	3,265,205	7.8%
<b>Total</b>	<b>23,438,680</b>	<b>25,590,591</b>	<b>39,402,553</b>	<b>47,659,608</b>	<b>62,841,233</b>	<b>73,250,199</b>	<b>-14.2%</b>

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

During the fiscal year, the County extinguished the 2002 Solid Waste Certificates of Participation that had a principal balance of \$7,095,000, and after certain accounting adjustments, a value of \$6,679,084, using fund balance that existed in the Western Nevada County Solid Waste Fund. In addition, the County defeased the entire 2001 Certificates of Participation principal balance of \$11,020,000 primarily through a a refunding transaction by issuing \$8,610,000 in 2011 Certificates of Participation. These transactions accounted for \$8,650,841, or 83.1%, of the County's total reduction in outstanding debt of \$10,408,966 from the prior fiscal year.

Other key factors for the decrease were the annual scheduled principal payments on loan obligations totaling \$1,682,399, a reduction in the estimated liability for the landfill post closure costs, and other scheduled principal payments. The accrued claims liability decreased by \$373,679 due to a reduction in the actuarially determined unpaid claim amounts. This amount reflects a \$292,000 decline in general liability unpaid claims and an \$81,679 decline in unemployment unpaid claims.

Certain items resulted in increases to the County's outstanding debt balances. In particular, the County's Net Other Post-Employment Benefit (OPEB) Obligation increased by \$253,675, continuing the trend from the prior year. Actuarial assumptions set the County contribution rate at 8.3%, resulted in an under-collection of contributions due to staffing reductions, and associated wages.

*Additional information on the County's long-term debt can be found in Note 7 on pages 52-57 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 most recent assessment was completed in fiscal year 2011-12 with an average PCI rating of 65.3.

**Road System Infrastructure Assets Using Modified Approach**  
**Summary Activity for Fiscal Year ending June 30, 2012**

Expenditures	Capital Improvements	Preservation Maintenance	General Maintenance	Total Cost
Planned	1,205,932	2,473,928	3,455,459	7,135,319
Actual	759,095	2,581,654	4,007,127	7,347,876
Difference	(446,837)	107,726	551,668	212,557

The reduction in capital improvement expenses from planned levels was due to the reclassification of the two projects from capital improvements to maintenance.

Planned preservation maintenance expenditures were increased due to more chip seal projects and increased materials costs.

*Additional information on the County's use of the Modified Approach can be found in Required Supplementary Information (RSI) on page 71-72 of this report.*

**Economic Factors and Next Year's Budget for FY 2012-13**

The fiscal year 2012-13 adopted budget for all County funds totals \$181,357,659, a 4.9% increase when compared to the prior year. The General Fund 2012-13 is \$61,188,399, a decrease of \$426,037.

The extended economic slowdown continues to impact the County on many fronts. The following factors were considered as the budget for fiscal year 2012-13 was prepared.

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

- The fiscal year 2012-13 budget reflected no growth for property tax related revenues to the County. This includes secured, unsecured, and unitary as well as the property transfer tax and supplemental property tax revenues.
  - The annual adjustment of property base year values is tied to the consumer price index (inflationary) factor, and historically, the factor has been 2%. The Statewide inflationary factor for 2012 resulted in a 2% increase in assessed values; however, the Assessor has continued to review and reassess Nevada County property values. The total reassessments have resulted in a negative growth rate in the unincorporated areas of -2.2% of secured assessed values for 2012-13 to reflect the current fair market value.
- The fiscal year 2012-13 budget contemplates a slight increase in the sales and use tax revenue stream. This has a direct effect on the 1/8% sales tax revenue source for the Library fund as well as the Realignment program revenues and other County programs with a direct share of various State allocations based on sales tax collections.
- There are signs pointing towards a slight recovery in the construction sector. The Planning department, which is primarily supported by fees, has increased its 2012-13 budget by 8.7% over the prior year. The increase is attributable to consultant services related to several new proposed developments that will require environmental impact reviews. Service demands will be closely monitored in the fee revenue areas in the upcoming year and corresponding budget adjustments will occur as necessary.

*The 2012-13 budget documents are available online at: [www.mynevadacounty.com/nc/ceo/Pages/budgetmain.aspx](http://www.mynevadacounty.com/nc/ceo/Pages/budgetmain.aspx)*

**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 [www.mynevadacounty.com/nc/auditor/Pages/Home.aspx](http://www.mynevadacounty.com/nc/auditor/Pages/Home.aspx)

**THIS PAGE INTENTIONALLY LEFT BLANK**

---

## **Basic Financial Statements**

- **Government-Wide Financial Statements**

**THIS PAGE INTENTIONALLY LEFT BLANK**

**COUNTY OF NEVADA**  
**Statement of Net Assets**  
**June 30, 2012**

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and investments	\$ 48,467,336	\$ 18,527,179	\$ 66,994,515
Accounts receivable (net of allowance)	1,377,884	776,931	2,154,815
Due from other governmental agencies	14,618,046	716,593	15,334,639
Due from other agencies	8,088,730	-	8,088,730
Taxes receivable	1,390,247	-	1,390,247
Internal balances	(290)	290	-
Inventory	150,668	51,097	201,765
Deposits	113,548	-	113,548
Prepaid costs	68,233	6,813	75,046
Restricted cash and investments	874,960	29,427	904,387
Deferred charges	215,192	-	215,192
Loans receivable	4,972,439	-	4,972,439
Capital assets:			
Non-depreciable	212,343,684	7,091,068	219,434,752
Depreciable, net	54,482,875	52,213,535	106,696,410
Total capital assets	<u>266,826,559</u>	<u>59,304,603</u>	<u>326,131,162</u>
<b>Total Assets</b>	<u>347,163,552</u>	<u>79,412,933</u>	<u>426,576,485</u>
<b>LIABILITIES</b>			
Accounts payable	3,809,480	1,608,722	5,418,202
Accrued salaries and benefits	1,322,673	75,202	1,397,875
Accrued interest payable	131,522	405,561	537,083
Deposits payable	207,060	35,326	242,386
Unearned revenue	808,504	1,378,258	2,186,762
Long-term liabilities:			
Due within one year	6,925,172	2,372,448	9,297,620
Due in more than one year	<u>16,513,508</u>	<u>37,030,105</u>	<u>53,543,613</u>
<b>Total Liabilities</b>	<u>29,717,919</u>	<u>42,905,622</u>	<u>72,623,541</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	253,037,695	32,630,175	285,667,870
Restricted for:			
General government	2,962,867	-	2,962,867
Public protection	6,999,594	-	6,999,594
Public ways and facilities	12,305,134	-	12,305,134
Health and sanitation	14,062,232	-	14,062,232
Public assistance	5,793,552	-	5,793,552
Education	689,846	-	689,846
Recreation and culture	434,694	-	434,694
Unrestricted	<u>21,160,019</u>	<u>3,877,136</u>	<u>25,037,155</u>
<b>Total Net Assets</b>	<u>\$317,445,633</u>	<u>\$ 36,507,311</u>	<u>\$353,952,944</u>

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

**COUNTY OF NEVADA**  
**Statement of Activities**  
**For the Year Ended June 30, 2012**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Governmental activities:				
General government	\$ 9,210,602	\$ 5,718,009	\$ 661,474	\$ -
Public ways and facilities	10,232,294	1,181,180	6,181,678	1,262,588
Public protection	52,805,726	6,503,600	16,176,255	(39,422)
Health and sanitation	26,621,726	2,772,581	25,191,730	(15,561)
Public assistance	25,183,015	57,596	20,273,639	-
Education	2,307,992	84,532	60,996	-
Recreation	176,920	-	-	-
Interest on long-term debt	643,998	-	-	-
<b>Total Governmental Activities</b>	<b>127,182,273</b>	<b>16,317,498</b>	<b>68,545,772</b>	<b>1,207,605</b>
Business-type activities:				
Eastern Nevada County Solid Waste	179,936	170,393	-	-
Western Nevada County Solid Waste	7,213,400	7,235,081	23,207	-
Transit Services	2,548,163	325,517	316,728	636,952
Airport	1,217,276	604,105	10,958	1,747,629
Sanitation District	6,683,592	6,709,836	-	-
<b>Total Business-Type Activities</b>	<b>17,842,367</b>	<b>15,044,932</b>	<b>350,893</b>	<b>2,384,581</b>
<b>Total</b>	<b>\$145,024,640</b>	<b>\$ 31,362,430</b>	<b>\$ 68,896,665</b>	<b>\$ 3,592,186</b>

**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

**Total General Revenues**

**Change in Net Assets**

**Net Assets - Beginning**

Prior period adjustments

**Net Assets - Beginning, Restated**

**Net Assets - Ending**

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

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

<b>Governmental Activities</b>	<b>Business- Type Activities</b>	<b>Total</b>
\$ (2,831,119)	\$ -	\$ (2,831,119)
(1,606,848)	-	(1,606,848)
(30,165,293)	-	(30,165,293)
1,327,024	-	1,327,024
(4,851,780)	-	(4,851,780)
(2,162,464)	-	(2,162,464)
(176,920)	-	(176,920)
(643,998)	-	(643,998)
<u>(41,111,398)</u>	<u>-</u>	<u>(41,111,398)</u>
-	(9,543)	(9,543)
-	44,888	44,888
-	(1,268,966)	(1,268,966)
-	1,145,416	1,145,416
-	26,244	26,244
<u>-</u>	<u>(61,961)</u>	<u>(61,961)</u>
<u>(41,111,398)</u>	<u>(61,961)</u>	<u>(41,173,359)</u>
30,870,233	7,068	30,877,301
4,415,124	-	4,415,124
581,333	-	581,333
232,734	14,718	247,452
24,977	1,007	25,984
73,894	38,499	112,393
1,043,464	-	1,043,464
25,362	1,738,449	1,763,811
23,426	-	23,426
2,906,113	-	2,906,113
877,748	-	877,748
826,145	206,582	1,032,727
1,529,315	311,911	1,841,226
<u>43,429,868</u>	<u>2,318,234</u>	<u>45,748,102</u>
<u>2,318,470</u>	<u>2,256,273</u>	<u>4,574,743</u>
315,190,109	34,251,038	349,441,147
(62,946)	-	(62,946)
<u>315,127,163</u>	<u>34,251,038</u>	<u>349,378,201</u>
<u>\$317,445,633</u>	<u>\$ 36,507,311</u>	<u>\$353,952,944</u>

**THIS PAGE INTENTIONALLY LEFT BLANK**

---

## **Basic Financial Statements**

- **Fund Financial Statements**

**THIS PAGE INTENTIONALLY LEFT BLANK**

**THIS PAGE INTENTIONALLY LEFT BLANK**

**COUNTY OF NEVADA**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2012**

	<b>General Fund</b>	<b>Road</b>	<b>Community Development Agency</b>	<b>Human Services Agency</b>
<b>ASSETS</b>				
Cash and investments	\$ 8,560,843	\$ 5,779,831	\$ 1,299,758	\$ 400
Accounts receivable (net of allowance)	769,129	-	96,686	215,369
Due from other governmental agencies	2,214,925	1,085,343	395,146	5,891,655
Due from other agencies	8,088,730	-	-	-
Taxes receivable	1,144,487	-	-	-
Due from other funds	2,391,726	376,523	196,215	1,836,332
Deposits	-	-	-	17,773
Inventory	-	79,626	-	-
Prepaid costs	57,182	-	-	-
Restricted cash and investments	-	-	-	-
Loans receivable	21,921	-	-	-
<b>Total Assets</b>	<b>\$23,248,943</b>	<b>\$ 7,321,323</b>	<b>\$ 1,987,805</b>	<b>\$ 7,961,529</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 953,747	\$ 159,971	\$ 71,721	\$ 1,712,849
Accrued salaries and benefits	780,670	63,228	88,390	294,359
Deposits payable	-	3,065	160,247	43,748
Due to other funds	389,684	167,251	23,490	504,483
Deferred revenue	1,671,126	185,972	297,442	4,850,591
Unearned revenue	41,517	-	75,140	37,589
<b>Total Liabilities</b>	<b>3,836,744</b>	<b>579,487</b>	<b>716,430</b>	<b>7,443,619</b>
<b>Fund Balances:</b>				
Nonspendable	57,182	79,626	-	-
Restricted	182,083	6,662,210	360	240
Committed	3,967,000	-	-	-
Assigned	15,205,934	-	1,271,015	517,670
Unassigned	-	-	-	-
<b>Total Fund Balances</b>	<b>19,412,199</b>	<b>6,741,836</b>	<b>1,271,375</b>	<b>517,910</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$23,248,943</b>	<b>\$ 7,321,323</b>	<b>\$ 1,987,805</b>	<b>\$ 7,961,529</b>

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

<b>Health and Welfare Realignment</b>	<b>Local Revenue Fund 2011 Realignment</b>	<b>Other Governmental Funds</b>	<b>Total</b>
\$ 7,081,781	\$ 880,181	\$20,576,774	\$44,179,568
-	-	58,620	1,139,804
998,440	1,110,952	2,921,585	14,618,046
-	-	-	8,088,730
-	-	245,760	1,390,247
30,801	-	967,638	5,799,235
-	-	-	17,773
-	-	-	79,626
-	-	-	57,182
-	-	874,960	874,960
-	-	4,950,518	4,972,439
<u>\$ 8,111,022</u>	<u>\$ 1,991,133</u>	<u>\$30,595,855</u>	<u>\$81,217,610</u>
\$ -	\$ 67,567	\$ 689,256	\$ 3,655,111
-	-	84,115	1,310,762
-	-	-	207,060
878,496	1,163,431	2,673,859	5,800,694
-	-	5,332	7,010,463
-	-	654,258	808,504
<u>878,496</u>	<u>1,230,998</u>	<u>4,106,820</u>	<u>18,792,594</u>
-	-	-	136,808
7,232,526	760,135	25,499,126	40,336,680
-	-	111,433	4,078,433
-	-	931,495	17,926,114
-	-	(53,019)	(53,019)
<u>7,232,526</u>	<u>760,135</u>	<u>26,489,035</u>	<u>62,425,016</u>
<u>\$ 8,111,022</u>	<u>\$ 1,991,133</u>	<u>\$30,595,855</u>	<u>\$81,217,610</u>

**COUNTY OF NEVADA**  
**Reconciliation of the Governmental Funds Balance Sheet to the**  
**Government-Wide Statement of Net Assets - Governmental Activities**  
**June 30, 2012**

<b>Total Fund Balance - Total Governmental Funds</b>	<b>\$ 62,425,016</b>
Amounts reported for governmental activities in the statement of net assets are different because:	
Deferred charges in governmental activities are not financial resources and therefore are not reported in the funds.	215,192
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds balance sheets.	266,045,821
Other long term assets are not available to pay for current period expenditures and therefore, are not reported in the funds or are reported as deferred in the governmental funds. Deferred revenue	7,010,463
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 balance sheets.	(131,522)
Certain liabilities are not due and payable in the current period and therefore, are not reported in the governmental funds. Certificates of participation Bonds payable Loans payable Enterprise agreements Capital leases payable Compensated absences Net OPEB obligation	(9,048,243) (276,000) (4,425,114) (153,852) (14,875) (5,206,681) (3,256,263)
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 must be added to the statement of net assets.	4,261,691
<b>Net Assets of Governmental Activities</b>	<b>\$317,445,633</b>

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

**THIS PAGE INTENTIONALLY LEFT BLANK**

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

	<b>General Fund</b>	<b>Road</b>	<b>Community Development Agency</b>	<b>Human Services Agency</b>
<b>REVENUES</b>				
Taxes and assessments	\$34,405,349	\$ 25,362	\$ 14,718	\$ -
Licenses and permits	1,152,884	67,325	1,122,330	-
Fines and forfeitures	2,863,569	-	20,122	74
Use of money and property	461,441	31,652	14,927	(2,146)
Intergovernmental	3,649,014	7,258,295	701,382	30,962,329
Charges for services	6,875,881	435,702	1,721,839	1,182,542
Other revenues	1,614,644	132,411	235,891	128,170
<b>Total Revenues</b>	<b>51,022,782</b>	<b>7,950,747</b>	<b>3,831,209</b>	<b>32,270,969</b>
<b>EXPENDITURES</b>				
Current:				
General government	7,853,261	-	-	-
Public ways and facilities	-	8,933,872	-	-
Public protection	44,005,071	-	3,525,339	-
Health and sanitation	-	-	2,266,378	19,939,315
Public assistance	249,698	-	-	23,283,758
Education	40,681	-	-	-
Recreation	-	-	-	-
Debt service:				
Principal	110,683	-	-	-
Interest and other charges	1,212	-	-	-
Issuance costs	-	-	-	-
Capital outlay	1,857,024	1,506,083	-	132,255
<b>Total Expenditures</b>	<b>54,117,630</b>	<b>10,439,955</b>	<b>5,791,717</b>	<b>43,355,328</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(3,094,848)</b>	<b>(2,489,208)</b>	<b>(1,960,508)</b>	<b>(11,084,359)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	7,771,593	1,576,412	2,298,008	12,210,591
Transfers out	(6,796,646)	-	-	(16,275)
Issuance of debt	-	-	-	-
Premium on certificates of participation	-	-	-	-
Refunded certificates of participation redeemed	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>974,947</b>	<b>1,576,412</b>	<b>2,298,008</b>	<b>12,194,316</b>
<b>Net Change in Fund Balances</b>	<b>(2,119,901)</b>	<b>(912,796)</b>	<b>337,500</b>	<b>1,109,957</b>
<b>Fund Balances - Beginning</b>	<b>21,532,100</b>	<b>7,654,632</b>	<b>933,875</b>	<b>(592,047)</b>
<b>Fund Balances - Ending</b>	<b>\$19,412,199</b>	<b>\$ 6,741,836</b>	<b>\$ 1,271,375</b>	<b>\$ 517,910</b>

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

<b>Health and Welfare Realignment</b>	<b>Local Revenue Fund 2011 Realignment</b>	<b>Other Governmental Funds</b>	<b>Total</b>
\$ -	\$ -	\$ 1,560,819	\$36,006,248
-	-	10,258	2,352,797
-	-	683,081	3,566,846
1,475	1,301	188,160	696,810
8,581,579	6,850,178	15,301,065	73,303,842
-	-	1,256,907	11,472,871
-	-	732,430	2,843,546
<u>8,583,054</u>	<u>6,851,479</u>	<u>19,732,720</u>	<u>130,242,960</u>
-	-	499,803	8,353,064
-	-	378,497	9,312,369
-	300,000	4,571,827	52,402,237
-	-	4,304,885	26,510,578
-	-	1,681,352	25,214,808
-	-	2,236,876	2,277,557
-	-	176,920	176,920
-	-	354,215	464,898
-	-	758,292	759,504
-	-	242,091	242,091
-	-	29,346	3,524,708
<u>-</u>	<u>300,000</u>	<u>15,234,104</u>	<u>129,238,734</u>
<u>8,583,054</u>	<u>6,551,479</u>	<u>4,498,616</u>	<u>1,004,226</u>
127,268	-	5,765,635	29,749,507
(8,605,905)	(5,791,344)	(8,586,944)	(29,797,114)
-	-	8,610,000	8,610,000
-	-	611,148	611,148
-	-	(11,020,000)	(11,020,000)
<u>(8,478,637)</u>	<u>(5,791,344)</u>	<u>(4,620,161)</u>	<u>(1,846,459)</u>
104,417	760,135	(121,545)	(842,233)
<u>7,128,109</u>	<u>-</u>	<u>26,610,580</u>	<u>63,267,249</u>
<u>\$ 7,232,526</u>	<u>\$ 760,135</u>	<u>\$26,489,035</u>	<u>\$62,425,016</u>

**COUNTY OF NEVADA**  
**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, 2012**

**Net Change in Fund Balances - Total Governmental Funds** \$ (842,233)

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.

Expenditures for capital outlay	3,524,708
Depreciation expense	(2,629,850)
Various adjustments affecting capital assets (including sales, trade-ins, and contributions)	27,271

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 net cost of the capital assets disposed. Proceeds from the sale of capital assets were \$116,402.

(607,414)

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.

Principal retirements	11,484,898
Proceeds from issuance of debt, net of reoffering premium of \$611,148 and cost of issuance of \$242,091.	(8,979,057)

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 deferred revenue	(298,048)
----------------------------	-----------

Investment income related to rebatable arbitrage does not provide current financial resources and therefore is not reported as revenue in the governmental funds.

Change in arbitrage rebate payable	103,922
------------------------------------	---------

Some expenses reported in the statement of activities, do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.

Change in net OPEB obligation	(240,095)
Change in compensated absences payable	(85,429)
Change in accrued interest on long-term debt	47,601
Amortization of deferred charges	(26,899)
Amortization of premium	67,905

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 services funds is reported with governmental activities.

771,190

**Change in Net Assets of Governmental Activities**

\$ 2,318,470

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

**THIS PAGE INTENTIONALLY LEFT BLANK**

**COUNTY OF NEVADA**  
**Statement of Net Assets**  
**Proprietary Funds**  
**June 30, 2012**

	<b>Business-Type Activities - Enterprise Funds</b>			
	<b>Western</b>			<b>Other</b>
	<b>Nevada County</b>	<b>Airport</b>	<b>Sanitation</b>	<b>Enterprise</b>
	<b>Solid Waste</b>		<b>District</b>	<b>Funds</b>
<b>ASSETS</b>				
Current Assets:				
Cash and investments	\$ 9,919,788	\$ 95,612	\$ 7,003,029	\$ 1,508,750
Accounts receivable (net of allowance)	496,691	51,765	222,444	6,031
Due from other governmental agencies	3,739	460,961	-	251,893
Due from other funds	3,555	263	1,107,358	3,024
Prepaid costs	-	6,813	-	-
Inventory	-	51,097	-	-
Deposits	-	-	-	-
<b>Total Current Assets</b>	<b>10,423,773</b>	<b>666,511</b>	<b>8,332,831</b>	<b>1,769,698</b>
Noncurrent Assets:				
Restricted cash and investments	29,427	-	-	-
Capital assets:				
Non-depreciable	273,553	3,838,150	2,017,478	961,887
Depreciable, net	497,641	1,940,615	49,458,081	317,198
<b>Total Noncurrent Assets</b>	<b>800,621</b>	<b>5,778,765</b>	<b>51,475,559</b>	<b>1,279,085</b>
<b>Total Assets</b>	<b>11,224,394</b>	<b>6,445,276</b>	<b>59,808,390</b>	<b>3,048,783</b>
<b>LIABILITIES</b>				
Current Liabilities:				
Accounts payable	953,081	457,341	58,648	139,652
Accrued salaries and benefits	17,851	4,626	32,193	20,532
Accrued interest payable	-	5,629	399,932	-
Deposits payable	29,427	2,000	3,899	-
Due to other funds	43,723	263	1,156,441	77,100
Unearned revenue	-	9,019	-	1,369,239
Compensated absences payable	12,236	12,827	109,031	57,782
Special assessment bonds	-	-	2,000	-
Loans payable	-	27,012	1,479,228	-
Accrued claims payable	-	-	-	-
Post closure costs	668,624	-	-	3,708
<b>Total Current Liabilities</b>	<b>1,724,942</b>	<b>518,717</b>	<b>3,241,372</b>	<b>1,668,013</b>
Noncurrent Liabilities:				
Compensated absences payable	-	12,573	45,425	-
Special assessment bonds	-	-	17,000	-
Loans payable	-	123,376	25,068,310	-
Accrued claims payable	-	-	-	-
Post closure costs	11,428,591	-	-	115,062
Net OPEB obligation	66,298	10,231	86,490	56,749
<b>Total Noncurrent Liabilities</b>	<b>11,494,889</b>	<b>146,180</b>	<b>25,217,225</b>	<b>171,811</b>
<b>Total Liabilities</b>	<b>13,219,831</b>	<b>664,897</b>	<b>28,458,597</b>	<b>1,839,824</b>

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

	<b>Governmental Activities</b>
<b>Totals</b>	<b>Internal Service Funds</b>
\$18,527,179	\$ 4,287,768
776,931	238,080
716,593	-
1,114,200	378,972
6,813	11,051
51,097	71,042
-	95,775
<u>21,192,813</u>	<u>5,082,688</u>
29,427	-
7,091,068	-
<u>52,213,535</u>	<u>780,738</u>
<u>59,334,030</u>	<u>780,738</u>
<u>80,526,843</u>	<u>5,863,426</u>
1,608,722	154,369
75,202	11,911
405,561	-
35,326	-
1,277,527	214,186
1,378,258	-
191,876	47,297
2,000	-
1,506,240	-
-	681,921
<u>672,332</u>	<u>-</u>
<u>7,153,044</u>	<u>1,109,684</u>
57,998	-
17,000	-
25,191,686	-
-	285,585
11,543,653	-
<u>219,768</u>	<u>42,849</u>
<u>37,030,105</u>	<u>328,434</u>
<u>44,183,149</u>	<u>1,438,118</u>

**COUNTY OF NEVADA**  
**Statement of Net Assets**  
**Proprietary Funds**  
**June 30, 2012**

NET ASSETS	Business-Type Activities - Enterprise Funds			
	Western Nevada County Solid Waste	Airport	Sanitation District	Other Enterprise Funds
	Invested in capital assets, net of related debt	771,194	5,628,377	24,951,519
Unrestricted	(2,766,631)	152,002	6,398,274	(70,126)
<b>Total Net Assets</b>	<b>\$ (1,995,437)</b>	<b>\$ 5,780,379</b>	<b>\$31,349,793</b>	<b>\$ 1,208,959</b>

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

**Net Assets of Business-Type Activities**

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

	<b>Governmental Activities</b>
<b>Totals</b>	<b>Internal Service Funds</b>
32,630,175	780,738
<u>3,713,519</u>	<u>3,644,570</u>
36,343,694	<u>\$ 4,425,308</u>
<u>163,617</u>	
<u>\$36,507,311</u>	

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

	<b>Business-Type Activities - Enterprise Funds</b>			
	<b>Western</b>	<b>Airport</b>	<b>Sanitation</b>	<b>Other</b>
	<b>Nevada County</b>			
	<b>Solid Waste</b>			<b>Funds</b>
<b>OPERATING REVENUES</b>				
Charges for services	\$ 7,243,309	\$ 9,945	\$ 6,709,836	\$ 495,910
Fuel sales	-	594,160	-	-
<b>Total Operating Revenues</b>	<u>7,243,309</u>	<u>604,105</u>	<u>6,709,836</u>	<u>495,910</u>
<b>OPERATING EXPENSES</b>				
Salaries and benefits	484,902	267,752	1,963,649	1,114,743
Services and supplies	4,510,940	594,840	1,550,594	1,307,026
Benefit and claim expense	-	-	17,512	-
Other charges	280,917	46,762	231,767	91,103
Expense transfers	357,070	4,376	444,970	94,281
Post closure expense	539,896	-	-	2,443
Depreciation	96,534	305,920	2,048,043	323,920
<b>Total Operating Expenses</b>	<u>6,270,259</u>	<u>1,219,650</u>	<u>6,256,535</u>	<u>2,933,516</u>
<b>Operating Income (Loss)</b>	<u>973,050</u>	<u>(615,545)</u>	<u>453,301</u>	<u>(2,437,606)</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>				
Taxes and assessments	-	61,293	-	1,738,448
Forfeitures and penalties	-	-	-	-
Intergovernmental revenues	23,207	10,958	-	316,728
Interest income	119,164	1,671	74,110	11,637
Other revenues	(4,579)	271,941	32,937	3,384
Interest expense	(727,971)	(5,629)	(589,965)	-
Amortization	(279,365)	-	-	-
Contribution expense	-	-	-	-
<b>Total Non-Operating Revenues (Expenses)</b>	<u>(869,544)</u>	<u>340,234</u>	<u>(482,918)</u>	<u>2,070,197</u>
<b>Income (Loss) Before Contributions and Transfers</b>	<u>103,506</u>	<u>(275,311)</u>	<u>(29,617)</u>	<u>(367,409)</u>
Capital contribution	-	1,747,629	-	636,952
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<b>Change in Net Assets</b>	<u>103,506</u>	<u>1,472,318</u>	<u>(29,617)</u>	<u>269,543</u>
<b>Total Net Assets - Beginning</b>	<u>(2,098,943)</u>	<u>4,308,061</u>	<u>31,379,410</u>	<u>939,416</u>
<b>Total Net Assets - Ending</b>	<u>\$ (1,995,437)</u>	<u>\$ 5,780,379</u>	<u>\$31,349,793</u>	<u>\$ 1,208,959</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 basic financial statements are an integral part of this statement.

	<b>Governmental Activities</b>
<b>Totals</b>	<b>Internal Service Funds</b>
\$14,459,000	\$ 7,481,241
594,160	-
<u>15,053,160</u>	<u>7,481,241</u>
3,831,046	830,289
7,963,400	3,321,105
17,512	1,589,510
650,549	332,895
900,697	254,701
542,339	-
<u>2,774,417</u>	<u>317,008</u>
<u>16,679,960</u>	<u>6,645,508</u>
<u>(1,626,800)</u>	<u>835,733</u>
1,799,741	-
-	25,894
350,893	-
206,582	25,414
303,683	304,336
(1,323,565)	-
(279,365)	-
-	<u>(27,271)</u>
<u>1,057,969</u>	<u>328,373</u>
(568,831)	1,164,106
2,384,581	-
-	47,607
-	-
<u>1,815,750</u>	<u>1,211,713</u>
	<u>3,213,595</u>
	<u>\$ 4,425,308</u>
<u>440,523</u>	
<u>\$ 2,256,273</u>	

**COUNTY OF NEVADA**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended June 30, 2012**

	<b>Business-Type Activities - Enterprise Funds</b>			
	<b>Western</b>			<b>Other</b>
	<b>Nevada County</b>	<b>Airport</b>	<b>Sanitation</b>	<b>Enterprise</b>
	<b>Solid Waste</b>		<b>District</b>	<b>Funds</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers	\$ 7,174,412	\$ 584,615	\$ 6,675,280	\$ 524,734
Payments to suppliers	(4,479,709)	(235,887)	(2,236,442)	(1,413,743)
Payments to employees	(490,441)	(265,241)	(1,941,926)	(1,096,174)
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>2,204,262</b>	<b>83,487</b>	<b>2,496,912</b>	<b>(1,985,183)</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Grants and other receipts	68,916	344,192	51,809	2,278,811
Transfers from other funds	-	-	-	-
Interfund loans received	9,970	(1,043)	-	38,840
Interfund loans made	(1,637)	(263)	(33,708)	(3,024)
Interfund loans repaid	-	-	(283,596)	-
Interfund loan repayments received	-	-	323,608	-
<b>Net Cash Provided (Used) by Noncapital Financing Activities</b>	<b>77,249</b>	<b>342,886</b>	<b>58,113</b>	<b>2,314,627</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Acquisition of capital assets	-	(1,799,855)	(376,829)	(603,496)
Proceeds from sale of capital assets	-	-	2,194	-
Capital grants	-	1,308,619	-	636,952
Proceeds from issuance of debt	-	33,000	-	-
Principal paid on capital debt	(7,095,000)	(23,478)	(1,710,142)	-
Interest paid on capital debt	(340,492)	(6,033)	(350,606)	-
<b>Net Cash Provided (Used) for Capital and Related Financing Activities</b>	<b>(7,435,492)</b>	<b>(487,747)</b>	<b>(2,435,383)</b>	<b>33,456</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest and dividends	119,163	1,671	74,108	11,637
<b>Net Cash Provided (Used) by Investing Activities</b>	<b>119,163</b>	<b>1,671</b>	<b>74,108</b>	<b>11,637</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>(5,034,818)</b>	<b>(59,703)</b>	<b>193,750</b>	<b>374,537</b>
<b>Balances - Beginning of the Year</b>	<b>14,984,033</b>	<b>155,315</b>	<b>6,809,279</b>	<b>1,134,213</b>
<b>Balances - End of the Year</b>	<b>\$ 9,949,215</b>	<b>\$ 95,612</b>	<b>\$ 7,003,029</b>	<b>\$ 1,508,750</b>

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

<b>Governmental Activities</b>	
<b>Totals</b>	<b>Internal Service Funds</b>
\$14,959,041	\$10,028,649
(8,365,781)	(8,038,391)
<u>(3,793,782)</u>	<u>(857,592)</u>
<u>2,799,478</u>	<u>1,132,666</u>
2,743,728	180,563
-	47,607
47,767	81,653
(38,632)	(5,578)
(283,596)	(880,000)
<u>323,608</u>	<u>67,351</u>
<u>2,792,875</u>	<u>(508,404)</u>
(2,780,180)	(294,951)
2,194	35,764
1,945,571	-
33,000	-
(8,828,620)	-
<u>(697,131)</u>	<u>-</u>
<u>(10,325,166)</u>	<u>(259,187)</u>
<u>206,579</u>	<u>25,414</u>
<u>206,579</u>	<u>25,414</u>
(4,526,234)	390,489
<u>23,082,840</u>	<u>3,897,279</u>
<u>\$18,556,606</u>	<u>\$ 4,287,768</u>

**COUNTY OF NEVADA**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended June 30, 2012**

	Business-Type Activities - Enterprise Funds			
	Western Nevada County		Sanitation District	Other Enterprise Funds
	Solid Waste	Airport		
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>				
Operating income (loss)	\$ 973,050	\$ (615,545)	\$ 453,301	\$ (2,437,606)
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	96,534	305,920	2,048,043	323,920
Reclassification of capital assets to post closure expense	285,750	-	-	-
Write off of construction in progress	486,603	-	-	-
Decrease (increase) in:				
Accounts receivable	(68,897)	(16,305)	(34,556)	28,824
Prepaid costs	-	(2,166)	-	-
Inventory	-	(15,005)	-	-
Deposits	-	-	-	-
Increase (decrease) in:				
Accounts payable	587,486	427,262	8,401	78,667
Accrued salaries and benefits	3,536	119	7,839	7,836
Deposits payable	438	-	-	-
Unearned revenue	-	(3,185)	-	-
Compensated absences payable	(10,068)	1,669	7,905	7,491
Claims payable	-	-	-	-
Post closure	(151,163)	-	-	2,443
Net OPEB obligation	993	723	5,979	3,242
	<b>\$ 2,204,262</b>	<b>\$ 83,487</b>	<b>\$ 2,496,912</b>	<b>\$ (1,985,183)</b>
<b>NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES</b>				
Reclassification of capital assets to post closure expense	\$ 285,750	\$ -	\$ -	\$ -
Write off of construction in progress	486,603	-	-	-
Amortization of deferred reacquisition costs	415,916	-	-	-
Amortization of issuance costs and discounts	279,365	-	253,436	-

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

	<b>Governmental Activities</b>
<u>Totals</u>	<u>Internal Service Funds</u>
\$ (1,626,800)	\$ 835,733
2,774,417	317,008
285,750	-
486,603	-
(90,934)	2,608,183
(2,166)	(1,204)
(15,005)	(5,073)
-	(60,775)
1,101,816	(2,160,224)
19,330	728
438	-
(3,185)	-
6,997	(30,673)
-	(373,679)
(148,720)	-
10,937	2,642
<u>\$ 2,799,478</u>	<u>\$ 1,132,666</u>

\$ 285,750	\$ -
486,603	-
415,916	-
532,801	-

**COUNTY OF NEVADA**  
**Statement of Fiduciary Net Assets**  
**Fiduciary Funds**  
**June 30, 2012**

	<b>Investment Trust Funds</b>	<b>Agency</b>
<b>ASSETS</b>		
Cash and investments	\$67,465,623	\$ 1,693,962
Restricted cash and investments	-	226,277
Accounts receivable	1,666,557	-
Taxes receivable	-	11,013,353
<b>Total Assets</b>	<b>69,132,180</b>	<b>12,933,592</b>
<b>LIABILITIES</b>		
Accounts payable	177,805	-
Notes payable	21,921	-
Due to other agencies	-	8,088,730
Agency obligations	-	4,844,862
<b>Total Liabilities</b>	<b>199,726</b>	<b>12,933,592</b>
<b>NET ASSETS</b>		
Net assets held in trust for investment pool participants	<b>\$68,932,454</b>	<b>\$ -</b>

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

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

	<u><b>Investment Trust Funds</b></u>
<b>ADDITIONS</b>	
Contributions:	
Contributions to investment pool	\$ 326,722,480
Net investment income:	
Interest income	<u>448,956</u>
Net investment income	<u>448,956</u>
<b>Total Additions</b>	<u>327,171,436</u>
<b>DEDUCTIONS</b>	
Distributions from investment pool	<u>331,316,917</u>
<b>Total Deductions</b>	<u>331,316,917</u>
<b>Change in Net Assets</b>	(4,145,481)
<b>Net Assets - Beginning</b>	<u>73,077,935</u>
<b>Net Assets - Ending</b>	<u><u>\$ 68,932,454</u></u>

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

**THIS PAGE INTENTIONALLY LEFT BLANK**

---

## **Basic Financial Statements**

- **Notes to Basic Financial Statements**

**THIS PAGE INTENTIONALLY LEFT BLANK**

**COUNTY OF NEVADA**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2012**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The basic financial statements of County of Nevada (County) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental agencies. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the County's accounting policies are described below.

**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, road construction, road maintenance, transportation, elections and records, communications, planning, zoning and tax collection.

As required by GAAP, these financial statements present the County and its component units, entities for which the government is considered to be financially accountable.

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 Board of Supervisors. 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, [www.mynevadacounty.com/auditor](http://www.mynevadacounty.com/auditor).

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:

Special Districts Governed by the Board of Supervisors

Debt Service Funds:

Special Assessment Debt with County Commitment  
Nevada County Finance Authority

Enterprise Funds:

Sanitation District

**COUNTY OF NEVADA**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2012**

**NOTE 1: 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. These statements include the financial activities of the overall government, except fiduciary activities. 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 different identifiable activity of the County's business-type activities and 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. Certain indirect costs, which cannot be identified and broken down, are included in the program expense reported for individual functions and activities. Program revenues include (1) charges paid by the recipients of goods and services offered by the program, (2) operating grants and contributions, and (3) capital grants and contributions. Taxes and other items not properly included among program revenues are presented instead as general revenues.

**Fund Financial Statements**

The fund financial statements provide information about the County's funds, including fiduciary funds and blended component units. Funds are organized into three major categories: governmental, proprietary, and fiduciary. The emphasis is placed on major funds within the governmental and proprietary categories; each is displayed in a separate column. All remaining governmental and enterprise funds are separately aggregated and reported as nonmajor funds. 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.

**COUNTY OF NEVADA**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2012**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. Basis of Presentation (Continued)**

**Fund Financial Statements (Continued)**

- The Road Fund is a special revenue fund used to account for the revenues and expenditures for streets and road expansion. Funding comes primarily from state highway users taxes and state and federal highway improvement grants.
- The Community Development Agency Fund is a special revenue fund used to account for the operation of community development programs. Funding comes primarily from construction permit and inspection fees, state grants and charges for various services.
- The Human Services Agency Fund is a special revenue fund used to account for revenues and expenditures for human service programs. Funding comes primarily from state grant revenues.
- 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. Funding comes primarily from state and federal grant revenues.
- The Local Revenue Fund 2011 Realignment Fund is a special revenue fund used to account for revenues and expenditures related to 2011 realignment funding. Funding comes primarily from state realignment revenues.

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. The County is obligated to disburse monies from these funds on demand.

**COUNTY OF NEVADA**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2012**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. Basis of Presentation (Continued)**

**Fund Financial Statements (Continued)**

- 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 government 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. Under the 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.

Private sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide financial statements for the business-type activities and the proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board (GASB). 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.

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 considered susceptible to accrual and are accrued when their receipt occurs within sixty days after the end of the fiscal year. 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. General capital assets acquisitions are reported as expenditures in the various functions of the governmental funds. Proceeds of governmental long-term debt and acquisitions under capital leases are reported as other financing sources.

**COUNTY OF NEVADA**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2012**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Basis of Accounting and Measurement Focus (Continued)**

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 on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Fiduciary funds include trust funds and agency funds. All trust funds are reported using the economic resources measurement focus and the accrual basis of accounting. Agency funds are reported using the accrual basis of accounting to recognize receivables and payables.

**D. Non-Current Governmental Assets/Liabilities**

Non-current governmental assets and liabilities, such as capital assets and long-term liabilities, are reported in the governmental activities column in the government-wide statement of net assets.

**E. Cash, Cash Equivalents and 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.

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. Corporate notes are valued by the safekeeping institution and by the County brokerage firm. 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.

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 every 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, 2012, the County Treasurer has not entered into any legally binding guarantees to support the value of participant equity in the investment pool.

**COUNTY OF NEVADA**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2012**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**E. Cash, Cash Equivalents and Investments (Continued)**

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.

For purposes of the accompanying statement of cash flows, the County considers all highly liquid investments with a maturity of three months or less when purchased, including cash with fiscal agents and restricted cash, and their equity in the County Treasurer's investment pool, to be cash equivalents.

**F. Restricted Cash and Investments**

Restricted assets in the governmental funds represents cash and investments held in the Finance Authority for debt service (\$874,960). Restricted assets in the proprietary funds represent cash and investments held in the Western Nevada County Solid Waste fund for customer deposits (\$29,427).

In addition, the Agency funds reflect cash and investments held for various restricted purposes as restricted cash of \$226,277.

**G. Receivables**

**Accounts Receivable**

Accounts receivable for governmental activities consist mainly of taxes, grants, and interest. Accounts receivable in business-type activities consist mainly of user fees and interest earnings. Management believes its receivables are fully collectible and, accordingly, no allowance for doubtful accounts is required.

**Proposition 1A Borrowing by the State of California**

Under the provisions of Proposition 1A and as part of the 2009-10 budget package passed by the California state legislature on July 28, 2009, the State of California borrowed 8% of the amount of property tax revenue, including those property taxes associated with the in-lieu motor vehicle license fee, the triple flip in lieu sales tax, and supplemental property tax, apportioned to cities, counties and special districts (excluding redevelopment agencies). The state is required to repay this borrowing plus interest by June 30, 2013. After repayment of this initial borrowing, the California legislature may consider only one additional borrowing within a ten-year period. The amount of this borrowing pertaining to the Special Districts Governed by the Board of Supervisors was \$3,061.

This borrowing by the State of California was recognized as a receivable in the accompanying financial statements. Under the modified accrual basis of accounting, the borrowed tax revenues are not permitted to be recognized as revenue in the governmental fund financial statements until the tax revenues are received from the State of California (expected to be fiscal year 2012-13). In the government-wide financial statements, the tax revenues were recognized in the fiscal year for which they were levied (fiscal year 2009-10).

**COUNTY OF NEVADA**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2012**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**H. Other Assets**

**Inventory**

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.

**Prepaid Items**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

**I. Loans Receivable**

The General fund loan receivable is a loan to the Nevada County Local Area Formation Commission (LAFCO) made pursuant to California Government Code Section 56381 (c). The loan receivable balance at June 30, 2012 was \$21,921 and is scheduled for repayment in fiscal year 2012-13.

For the purpose of the governmental 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, including public domain (infrastructure such as roads, bridges, sidewalks, sewer, and similar items), are defined by the County as assets with a cost of more than \$5,000 for equipment, \$25,000 for intangibles and \$50,000 for structures and infrastructure and an estimated useful life of more than one year. Capital assets are recorded at historical or estimated historical cost if actual historical cost is unavailable. Contributed capital assets are recorded at their estimated fair market value at the date of donation.

The County has elected to use the modified approach to report its maintained road system. Under the modified approach depreciation is not reported for this system and all expenditures, except for betterments and major improvements made to the system, are expensed.

**COUNTY OF NEVADA**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2012**

**NOTE 1: 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.

Capital assets used in operations are depreciated or amortized using the straight line method over the assets estimated useful life in the government-wide financial statements. The range of estimated useful lives by type of asset is as follows:

<u>Depreciable Asset</u>	<u>Estimated Lives</u>
Equipment	2-25 years
Structures and improvements	5-50 years
Infrastructure (except for the maintained road system)	20-75 years
Intangibles (Computer Software)	5 years

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.

**K. Property Tax**

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 percent of its assessed value unless an additional amount for general obligation debt has been approved by voters. Assessed value is calculated at 100 percent of market value, as defined by Article XIII A, and may be increased by no more than 2 percent per fiscal year unless the property is sold or transferred. The State Legislature has determined the method of distribution of receipts from a 1 percent tax levy among the County, cities, school districts, and other districts.

The County of Nevada is responsible for assessing, collecting, and distributing property taxes in accordance with State law. Property taxes are levied on both secured (real property) and unsecured (personal property other than land and buildings) property. Supplemental property taxes are assessed upon transfer of ownership in property or completion of new construction.

**COUNTY OF NEVADA**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2012**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**K. Property Tax (Continued)**

The County levies, bills, and collects taxes as follows:

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

The County of Nevada apportions secured property tax revenue in accordance with the alternate methods of distribution, the “Teeter Plan”, as described by Sections 4701 through 4717 of the California Revenue and Taxation code. Under the Teeter Plan, the County Auditor-Controller, an elected official is authorized to pay 100 percent of the property taxes billed (secured, supplemental, and debt service) to the taxing agencies within the County. The County recognizes property tax revenues in the period for which the taxes are levied. Previously, such taxes were allocated and paid as the taxes were collected.

To fund the advances, the County borrowed from its pooled cash and investments. The advances are secured by delinquent taxes receivable and will be repaid as delinquencies plus penalties (10 percent) and interest (18 percent) are collected. As of June 30, 2012, the outstanding net borrowing totaled \$8,088,730 and was recorded as a reduction of cash in the General fund with a corresponding due from other agencies.

**L. 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 nonspendable fund balance account in applicable governmental funds to indicate that they are not in spendable form.

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 reflected as expenditures or expenses in the reimbursing fund and reductions to expenditures or expenses in the reimbursed fund.

All other interfund transactions are treated as transfers. Transfers between funds are netted as part of the reconciliation to the government-wide presentation.

**COUNTY OF NEVADA**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2012**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**M. Unearned Revenue/Deferred Revenue**

Unearned revenue is recorded for assets recognized in connection with a transaction before the earnings process is complete. Those assets are offset by a corresponding liability for unearned revenue.

Deferred revenue is recorded under the modified accrual basis of accounting when revenue which has been earned during the current period has met the measurable criteria but has not met the available criteria.

**N. 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.

**O. 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 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 net assets. During the current year adjustments to net assets were required to correct a prior year misstatement of capital assets and debt. The capital assets adjustment in governmental activities was due to prior year computer software that was not capitalized. The debt adjustment in governmental activities was due to enterprise agreements entered into in a prior year that were not recorded.

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

	Governmental Activities
Net Assets, June 30, 2011, as previously reported	\$ 315,190,109
Adjustment associated with:	
Correction of capital assets	192,984
Correction of debt	( 255,930)
Total Adjustments	( 62,946)
Net Assets, July 1, 2011, as restated	\$ 315,127,163

**COUNTY OF NEVADA**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2012**

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

**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 \$1,995,437 due to the post closure liability of \$12,097,215. 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.

**C. Rebatable 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 at June 30, 2012, does not expect to incur a liability.

**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.

**NOTE 3: CASH AND INVESTMENTS**

The County Treasurer manages, in accordance with California Government Code Section 53600, funds deposited in the investment pool by the County, all County school districts, various districts, and some cities within the County. The County investment pool is not registered with the Securities and Exchange Commission as an investment company. California Government Code and the County's investment policy govern the investment pool activity. The objectives of the policy are in order of priority, safety, liquidity, yield and public trust. The pool attempts to match maturities with planned outlays and maximize the return on investment over various market cycles. Yield is considered only after safety and credit quality have been met, consistent with limiting risk and prudent investment principles.

The Board of Supervisors monitor and review the management of the public funds maintained in the investment pool in accordance with Article 6 Section 27131 of the California Government Code. 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 Board of Supervisors 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 and investments with fiscal agents are considered part of the investment pool.

**COUNTY OF NEVADA**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2012**

**NOTE 3: CASH AND INVESTMENTS (CONTINUED)**

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 investments of involuntary participants in the investment pool totaled \$67,465,623 at June 30, 2012.

**A. Financial Statement Presentation**

As of June 30, 2012, the County's cash and investments are reported in the financial statements as follows:

Primary government	\$ 67,898,902
Investment trust fund	67,465,623
Agency funds	<u>1,920,239</u>
Total Cash and Investments	<u><u>\$ 137,284,764</u></u>

As of June 30, 2012, the County's cash and investments consisted of the following:

Cash:	
Cash on hand	\$ 1,842,622
Deposits in Treasurer's Pool (less outstanding warrants)	<u>22,570,711</u>
Total Cash in County Pool	24,413,333
Deposits with fiscal agents	<u>269,665</u>
Total Cash	<u>24,682,998</u>
Investments:	
In Treasurer's Pool	<u>111,740,766</u>
Total Investments in County Pool	<u>111,740,766</u>
Investments with fiscal agents	<u>861,000</u>
Total Investments	<u>112,601,766</u>
Total Cash and Investments	<u><u>\$ 137,284,764</u></u>

**B. Cash**

At year end, the carrying amount of the County's cash deposits (including amount in checking accounts, money market accounts and deposits with fiscal agents) was \$22,840,376 and the bank balance was \$33,288,258. The difference between the bank balance and the carrying amount represents outstanding warrants and deposits in transit. In addition, the County had cash on hand of \$1,842,622.

**COUNTY OF NEVADA**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2012**

**NOTE 3: CASH AND INVESTMENTS (CONTINUED)**

**B. Cash (Continued)**

Custodial Credit Risk For Deposits - Custodial credit risk for deposits 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 requires that deposits in banks must meet the requirements of the California Government Code. Under this code, deposits of more than \$250,000 must be collateralized at 105 percent to 150 percent of the value of the deposit to guarantee the safety of the public funds. The first \$250,000 of the County's deposits are insured by the Federal Deposit Insurance Corporation (FDIC). Deposits more than the \$250,000 insured amount are collateralized. The County's investment policy does not further limit its deposits.

**C. Investments**

Under the provisions of the County's investment policy and the California Government Code, the County may invest or deposit in the following:

- Banker's Acceptances
- Commercial Paper
- Local Agency Investment Fund
- Medium Term Corporate Notes
- Money Market Funds
- Negotiable Certificates of Deposit
- Repurchase Agreements
- Securities of the Federal Government or its Agencies.

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. One of the ways that the County manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations. The County limits its exposure to interest rate risk inherent in its portfolio by limiting individual maturities to 5 years or less.

**COUNTY OF NEVADA**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2012**

**NOTE 3: CASH AND INVESTMENTS (CONTINUED)**

**C. Investments (Continued)**

As of June 30, 2012, the County had the following investments, all of which had a maturity of 5 years or less:

Investment Type	Interest Rates	Maturities		Fair Value	Weighted Average Maturity (Years)
		0-1 year	1-5 years		
<b>Pooled Investments</b>					
Government Agencies	0.18-3.00%	\$ -	85,388,050	85,388,050	3.21
Medium Term Notes	3.50%	15,184,600	5,010,650	20,195,250	.94
Negotiable CD's	0.34-0.53%	5,001,150	-	5,001,150	0.14
LAIF	Variable	1,156,316	-	1,156,316	-
Total Pooled Investments		21,342,066	90,398,700	111,740,766	2.63
<b>Investments Held by Fiscal Agents</b>					
IXIS	5.91%	861,000	-	861,000	-
Total Investments Held By Fiscal Agents		861,000	-	861,000	-
Total Investments		\$ 22,203,066	\$90,398,700	\$112,601,766	2.61

Credit Risk - Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code or the County's investment policy, and the actual rating as of year end for each investment type.

Investment Type	Minimum Legal Rating	Standard & Poor's Rating	Moody's Rating	% of Portfolio
Federal Farm Credit Bank	N/A	AA+	Aaa	13.34%
Federal Home Loan Bank	N/A	AA+	Aaa	4.53%
Federal Home Loan Mortgage	N/A	AA+	Aaa	31.23%
Federal National Mortgage Assoc.	N/A	AA+	Aaa	26.73%
Medium Term Notes	A	AA+	A1	8.95%
Medium Term Notes	A	AA+	Aaa	4.45%
Medium Term Notes	A	A+	A2	4.54%
Negotiable CDs	N/A	A-1	P-1	4.44%
LAIF	N/A	Unrated	Unrated	1.03%
IXIS	N/A	Unrated	Unrated	.76%
Total				100.00%

Custodial Credit Risk for Investments - Custodial credit risk for investments 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. To mitigate the custodial credit risk the County requires that all of its managed investments be held in the name of the County. At June 30, 2012, the County's investment pool had no securities exposed to custodial credit risk.

**COUNTY OF NEVADA**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2012**

**NOTE 3: CASH AND INVESTMENTS (CONTINUED)**

**C. 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. State law and the investment policy of the County contain limitations on the amount that can be invested in any one issuer. Investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) at June 30, 2012, that represent 5 percent or more of total County investments are as follows:

<u>Investment Type</u>	<u>Amount Invested</u>	<u>Percentage of Investments</u>
Federal Farm Credit Bank	15,028,300	13.34%
Federal Home Loan Mortgage	35,160,900	31.23%
Federal National Mortgage Association	30,097,700	26.73%
Medium Term Notes	10,074,950	8.95%

**D. Investment in External Investment Pools**

Investment in Local Agency Investment Fund - The County of Nevada is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code and is managed by the Treasurer of the State of California. The Local Investment Advisory Board (LAIF Board) has oversight responsibility for LAIF. The LAIF Board consists of five members as designated by State statute.

Investments in LAIF are available on demand and are stated at amortized cost, which approximates fair value. The fair value of the County's position in the pool is the same as the value of the pooled shares. At June 30, 2012 the County's investment position in LAIF was \$1,156,316. The total amount invested by all public agencies in LAIF on that day was \$60,588,263,603. Of that amount, 96.53% is invested in non-derivative financial products and 3.47% in structured notes and asset-backed securities.

**E. County Investment Pool Condensed Financial Information**

The following are condensed statements of net assets and changes in net assets for the Treasurer's pool at June 30, 2012:

	<u>Internal Participants</u>	<u>External Participants</u>	<u>Total Pool</u>
<b>Statement of Net Assets</b>			
Cash on hand	\$ 1,842,622	\$ -	\$ 1,842,622
Deposits (Less outstanding warrants)	22,570,711	-	22,570,711
Investments	44,275,143	67,465,623	111,740,766
Other assets	-	1,666,557	1,666,557
Other liabilities	-	( 199,726)	( 199,726)
Net Assets at June 30, 2012	<u>\$ 68,688,476</u>	<u>\$ 68,932,454</u>	<u>\$ 137,620,930</u>
<b>Statement of Changes in Net Assets</b>			
Net assets at July 1, 2011	\$ 71,478,513	\$ 73,077,935	\$ 144,556,448
Net changes in investments by pool participants	( 2,790,037)	( 4,145,481)	( 6,935,518)
Net Assets at June 30, 2012	<u>\$ 68,688,476</u>	<u>\$ 68,932,454</u>	<u>\$ 137,620,930</u>

**COUNTY OF NEVADA**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2012**

**NOTE 4: CAPITAL ASSETS**

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

**Governmental Activities**

	Balance <u>July 1, 2011</u>	<u>Additions</u>	<u>Retirements</u>	Adjustments/ <u>Transfers</u>	Balance <u>June 30, 2012</u>
Capital Assets, Not Being Depreciated:					
Land and easements	\$103,641,982	\$1,061,245	(\$ 427,351)	\$ 211,494	\$104,487,370
Infrastructure (maintained road system)	104,574,649	681,544	-	228,056	105,484,249
Construction in progress	<u>1,907,342</u>	<u>877,263</u>	<u>-</u>	<u>( 412,540)</u>	<u>2,372,065</u>
Total Capital Assets, Not Being Depreciated	<u>210,123,973</u>	<u>2,620,052</u>	<u>( 427,351)</u>	<u>27,010</u>	<u>212,343,684</u>
Capital Assets, Being Depreciated:					
Infrastructure	32,195,148	-	-	14	32,195,162
Structures and Improvements	50,678,356	-	( 130,524)	( 211,494)	50,336,338
Equipment	17,890,810	973,765	( 1,065,072)	-	17,799,503
Software	<u>1,391,638</u>	<u>225,842</u>	<u>-</u>	<u>395,447</u>	<u>2,012,927</u>
Total Capital Assets, Being Depreciated	<u>102,155,952</u>	<u>1,199,607</u>	<u>( 1,195,596)</u>	<u>183,967</u>	<u>102,343,930</u>
Less Accumulated Depreciation For:					
Infrastructure	( 13,029,125)	( 511,710)	-	-	( 13,540,835)
Structures and Improvements	( 19,238,404)	( 985,136)	4,568	-	( 20,218,972)
Equipment	( 12,482,154)	( 1,307,157)	1,009,111	( 5,844)	( 12,786,044)
Software	<u>( 1,160,200)</u>	<u>( 142,855)</u>	<u>-</u>	<u>( 12,149)</u>	<u>( 1,315,204)</u>
Total Accumulated Depreciation	<u>( 45,909,883)</u>	<u>( 2,946,858)</u>	<u>1,013,679</u>	<u>( 17,993)</u>	<u>( 47,861,055)</u>
Total Capital Assets, Being Depreciated, Net	<u>56,246,069</u>	<u>( 1,747,251)</u>	<u>( 181,917)</u>	<u>165,974</u>	<u>54,482,875</u>
Governmental Activities Capital Assets, Net	<u>\$266,370,042</u>	<u>\$ 872,801</u>	<u>(\$ 609,268)</u>	<u>\$ 192,984</u>	<u>\$266,826,559</u>

**COUNTY OF NEVADA**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2012**

**NOTE 4: CAPITAL ASSETS (CONTINUED)**

**Business-Type Activities**

	Balance July 1, 2011	Additions	Retirements	Adjustments/ Transfers	Balance June 30, 2012
Capital Assets, Not Being Depreciated:					
Land and easements	\$ 3,593,251	\$ -	\$ -	\$ -	\$ 3,593,251
Construction in progress	<u>1,257,564</u>	<u>2,726,856</u>	<u>-</u>	<u>( 486,603)</u>	<u>3,497,817</u>
Total Capital Assets, Not Being Depreciated	<u>4,850,815</u>	<u>2,726,856</u>	<u>-</u>	<u>( 486,603)</u>	<u>7,091,068</u>
Capital Assets, Being Depreciated:					
Infrastructure	72,700,840	-	-	-	72,700,840
Structures and Improvements	3,756,943	-	-	( 325,648)	3,431,295
Equipment	<u>3,688,263</u>	<u>53,323</u>	<u>( 109,655)</u>	<u>( 305,267)</u>	<u>3,326,664</u>
Total Capital Assets, Being Depreciated	<u>80,146,046</u>	<u>53,323</u>	<u>( 109,655)</u>	<u>( 630,915)</u>	<u>79,458,799</u>
Less Accumulated Depreciation For:					
Infrastructure	( 20,095,976)	( 2,237,057)	-	-	( 22,333,033)
Structures and Improvements	( 2,072,982)	( 140,624)	-	111,248	( 2,102,358)
Equipment	<u>( 2,735,647)</u>	<u>( 396,736)</u>	<u>88,593</u>	<u>233,917</u>	<u>( 2,809,873)</u>
Total Accumulated Depreciation	<u>( 24,904,605)</u>	<u>( 2,774,417)</u>	<u>88,593</u>	<u>345,165</u>	<u>( 27,245,264)</u>
Total Capital Assets, Being Depreciated Net	<u>55,241,441</u>	<u>( 2,721,094)</u>	<u>( 21,062)</u>	<u>( 285,750)</u>	<u>52,213,535</u>
Business-type Activities Capital Assets, Net	<u>\$ 60,092,256</u>	<u>\$ 5,762</u>	<u>(\$ 21,062)</u>	<u>(\$ 772,353)</u>	<u>\$ 59,304,603</u>

**Depreciation**

Depreciation expense was charged to governmental functions as follows:

General government	\$ 643,811
Public Ways and facilities	945,796
Public Protection	826,356
Health and sanitation	113,139
Public assistance	38,329
Education	<u>62,419</u>
Subtotal Governmental funds	2,629,850
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>317,008</u>
Total Depreciation Expense – Governmental Functions	<u>\$ 2,946,858</u>

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

Western Nevada County Solid Waste	\$ 96,534
Airport	305,920
Sanitation District	2,048,043
Transit	<u>323,920</u>
Total Depreciation Expense - Business-Type Functions	<u>\$ 2,774,417</u>

**COUNTY OF NEVADA**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2012**

**NOTE 4: CAPITAL ASSETS (CONTINUED)**

**Construction in Progress**

Construction in progress for governmental activities related primarily to work performed on Red Dog Road, Hirschdale Bridges, Maybert Bridge, Purdon Bridge rehabilitation, Wolf Creek Bridge, and Newton and Empress Bike Path. Construction in progress for the business-type activities related primarily to work performed on Lake Wildwood treatment facility upgrade, Penn Valley treatment facility upgrade, transit transfer facility improvements and airport runway improvements.

**NOTE 5: INTERFUND TRANSACTIONS**

**Due To/From Other Funds**

During the course of operations, transactions occur between funds to account for goods received or services rendered. These receivables and payables are classified as due from or due to other funds. In addition, when funds overdraw their share of pooled cash, the receivables and payables are also classified as due from or due to other funds. The following are due from and due to balances as of June 30, 2012:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General fund	\$ 2,391,726	\$ 389,684
Road	376,523	167,251
Community Development Agency	196,215	23,490
Human Services Agency	1,836,332	504,483
Health and Welfare Realignment	30,801	878,496
Local Revenue Fund 2011 Realignment	-	1,163,431
Nonmajor Governmental funds	967,638	2,673,859
Western Nevada County Solid Waste	3,555	43,723
Airport	263	263
Sanitation District	1,107,358	1,156,441
Nonmajor Enterprise Funds	3,024	77,100
Internal Service Funds	<u>378,972</u>	<u>214,186</u>
Total	<u>\$ 7,292,407</u>	<u>\$ 7,292,407</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, 2012:

	<u>Transfer In</u>	<u>Transfer Out</u>
General fund	\$ 7,771,593	\$ 6,796,646
Road	1,576,412	-
Community Development Agency	2,298,008	-
Human Services Agency	12,210,591	16,275
Health and Welfare Realignment	127,268	8,605,905
Local Revenue Fund 2011 Realignment	-	5,791,344
Nonmajor Governmental funds	5,765,635	8,586,944
Internal Service funds	<u>47,607</u>	<u>-</u>
Total	<u>\$ 29,797,114</u>	<u>\$ 29,797,114</u>

**COUNTY OF NEVADA**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2012**

**NOTE 6: UNEARNED/DEFERRED REVENUE**

At June 30, 2012, components of unearned and deferred revenue were as follows:

	<u>Unearned</u>	<u>Deferred</u>	<u>Total</u>
<b>General Fund</b>			
State, Federal and other agency grant revenue receivable	\$ -	\$ 255,538	\$ 255,538
State mandated costs receivable	-	1,377,516	1,377,516
Law enforcement services	-	37,944	37,944
Microfilm surcharge	-	128	128
State grant advance received	41,517	-	41,517
<b>Road</b>			
State, Federal and other agency grant revenue receivable	-	185,972	185,972
<b>Community Development Agency</b>			
Building inspection fees prior to completion of earning requirements	40,352	-	40,352
Plan/Site review fees prior to completion of earning requirements	34,788	-	34,788
Plan/Site review fees receivable	-	87,936	87,936
Environmental health fees receivable	-	183	183
State mandated costs receivable	-	137,576	137,576
State, Federal and other agency grant revenue receivable	-	71,747	71,747
<b>Human Services Agency</b>			
State, Federal and other agency grant revenue receivable	-	2,787,288	2,787,288
State mandated costs receivable	-	2,063,303	2,063,303
State grant advances received	37,589	-	37,589
<b>Non Major Governmental Funds</b>			
State, Federal and other agency grant revenue receivable	-	3,061	3,061
State mandated costs receivable	-	2,271	2,271
State and Federal grant advances received	639,258	-	639,258
Local grant advance received	15,000	-	15,000
<b>Airport</b>			
Tiedown and hangar pre payments	9,019	-	9,019
<b>Non Major Enterprise Funds</b>			
Nevada County Transportation Commission allocation	197,912	-	197,912
State grant advance received	<u>1,171,327</u>	<u>-</u>	<u>1,171,327</u>
<b>Total</b>	<b><u>\$ 2,186,762</u></b>	<b><u>\$ 7,010,463</u></b>	<b><u>\$ 9,197,225</u></b>

**COUNTY OF NEVADA**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2012**

**NOTE 7: LONG-TERM LIABILITIES**

The following is a summary of changes in long-term liabilities for the year ended June 30, 2012:

Type of Indebtedness	Balance July 1, 2011	Additions/ Adjustments	Retirements/ Adjustments	Balance June 30, 2012	Amounts Due Within One Year
<b>Governmental Activities</b>					
Certificates of Participation	\$ 11,020,000	\$ 8,610,000	\$ 11,125,000	\$ 8,505,000	\$ 1,060,000
Plus: premium	-	611,148	67,905	543,243	67,905
Certificates of Participation, Net	11,020,000	9,221,148	11,192,905	9,048,243	1,127,905
Special Assessment Bonds with					
County Commitment	288,000	-	12,000	276,000	13,000
Loans	4,662,330	-	237,216	4,425,114	252,566
Enterprise agreements	-	255,930	102,078	153,852	102,078
Accrued claims liability	1,341,185	732,556	1,106,235	967,506	681,921
Capital Lease	23,479	-	8,604	14,875	7,533
Compensated Absences	5,199,223	5,673,159	5,618,404	5,253,978	4,740,169
Net OPEB Obligation	3,056,374	3,781,720	3,538,982	3,299,112	-
<b>Total Governmental Activities</b>	<b><u>\$ 25,590,591</u></b>	<b><u>\$ 19,664,513</u></b>	<b><u>\$ 21,816,424</u></b>	<b><u>\$ 23,438,680</u></b>	<b><u>\$ 6,925,172</u></b>
<b>Business-Type Activities</b>					
Certificates of Participation	\$ 7,095,000	\$ -	\$ 7,095,000	\$ -	\$ -
Less: deferred reacquisition costs	( 415,916)	-	415,916	-	-
Certificates of Participation, Net	6,679,084	-	6,679,084	-	-
Special Assessment Bonds					
with County Commitment	21,000	-	2,000	19,000	2,000
Loans	30,535,224	33,000	1,731,619	28,836,605	1,747,042
Less: Unamortized Discount	( 2,392,113)	-	253,434	( 2,138,679)	( 240,802)
Loans, Net	28,143,111	33,000	1,478,185	26,697,926	1,506,240
Post Closure	12,364,705	251,418	400,138	12,215,985	672,332
Compensated Absences	242,877	262,732	255,735	249,874	191,876
Net OPEB Obligation	208,831	170,280	159,343	219,768	-
<b>Total Business-Type Activities</b>	<b><u>\$47,659,608</u></b>	<b><u>\$ 717,430</u></b>	<b><u>\$ 8,974,485</u></b>	<b><u>\$ 39,402,553</u></b>	<b><u>\$ 2,372,448</u></b>

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. The net other postemployment benefit obligation for the governmental activities is generally liquidated by the fund where the accrued liability occurred.

**COUNTY OF NEVADA**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2012**

**NOTE 7: LONG-TERM LIABILITIES (CONTINUED)**

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 Assessment Debt with County Commitment component unit debt service 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.

Individual issues of debt payable outstanding at June 30, 2012, are as follows:

**Governmental Activities**

Certificates of Participation:

Certificates of Participation (2011 Refunding), issued July 5, 2011, in the amount of \$8,610,000 and payable in annual installments of \$105,000 to \$1,290,000, with an interest rate of 2.00% to 5.00% and maturity on October 1, 2019. These bonds were used to refinance the 2001 Certificates of Participation which were used to defease 1991 and 1993 Certificates of Participation financing the acquisition and construction of the County Administration building and the County jail. \$ 8,505,000

Total Certificates of Participation 8,505,000

Special Assessment Bonds with County Commitment:

County Service Area 22 Assessment District Limited Obligation Improvement Bonds, issued August 31, 2006, 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 on September 2, 2026. Bond proceeds were used for the construction of improvements. 276,000

Total Special Assessment Bonds with County Commitment 276,000

Loans:

Crown Point Building Loan, issued November 1, 2005, 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 6.75% and maturity on November 1, 2025. Loan proceeds were used to finance the acquisition of the Crown Point building to house County health programs. 2,417,369

Laura Wilcox Building Loan, issued August 31, 2005, in the amount of \$880,000 and payable in annual installments of \$13,070 to \$34,174 with an interest rate of 4.99% and maturity on August 31, 2025. Loan proceeds were used to finance the acquisition of the Laura Wilcox building to house County children's programs. 682,170

California Energy Commission loan, issued March 9, 2010, in the amount of \$1,392,226 and payable in annual installments of \$29,258 to \$61,041 with an interest rate of 3.00% and maturity on June 22, 2025. Loan proceeds were used to finance energy upgrades to the County Administration building and County jail. 1,325,575

Total Loans 4,425,114

**COUNTY OF NEVADA**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2012**

**NOTE 7: LONG-TERM LIABILITIES (CONTINUED)**

Individual issues of debt payable outstanding at June 30, 2012, are as follows: (Continued)

**Governmental Activities (Continued)**

Enterprise Agreements:

Microsoft Enterprise Agreement, issued June 30, 2009, in the amount of \$251,522 and payable in annual installments of \$50,304 with an interest rate of 0% and maturity on December 31, 2012. Proceeds were used to finance the County website development. 50,304

Microsoft Enterprise Agreement, issued June 30, 2009, in the amount of \$258,869 and payable in annual installments of \$51,774 with an interest rate of 0% and maturity on July 1, 2013. Proceeds were used to finance the County website development. 103,548

Total Enterprise Agreements 153,852

Total Governmental Activities \$ 13,359,966

**Business-Type Activities**

Special Assessment Bonds with County Commitment:

USDA Rural Development Bond - North San Juan, issued July 19, 1988, 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 on September 2, 2018. Bond proceeds were used to construct improvements in the North San Juan Sewer Assessment District. \$ 19,000

Total Special Assessment Bonds with County Commitment 19,000

Loans:

California Airport Loan, issued November 13, 1998, 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 on July 26, 2017. Loan proceeds were used to finance the construction of an above ground aircraft fuel storage dispensing system. 117,388

California Airport Loan, issued December 12, 2011, in the amount of \$33,000 and payable in annual installments of \$4,977 with an interest rate of 4.37% and maturity on February 14, 2020. Loan proceeds were usee to provide matching funds for runway rehabilitation project. 33,000

State Water Resources Control Board loan, issued November 13, 2010, in the amount of \$339,164 and payable in annual installments of \$16,958, with an interest rate of 0.0% and maturity on June 30, 2029. Loan proceeds were used for the acquisition and construction of improvements to the Cascade Shores Wastewater system. The loan includes a loan discount of \$56,528. 288,289

**COUNTY OF NEVADA**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2012**

**NOTE 7: LONG-TERM LIABILITIES (CONTINUED)**

Individual issues of debt payable outstanding at June 30, 2012, are as follows: (Continued)

**Business-Type Activities (Continued)**

Loans: (Continued)

SWRCB Revolving Loan, issued December 12, 2006, 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 on 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. The lift station was impaired and removed from the capital assets schedule.	42,498
Banc of America Leasing and Capital, LLC loan, issued August 1, 2009, in the amount of \$2,500,000 and payable in annual installments of \$73,529, with an interest rate of 3.55% and maturity on August 1, 2026. Loan proceeds were used for interim financing for the acquisition and construction of improvements to the Lake of the Pines Zone 2 wastewater system.	2,132,353
Banc of America Leasing and Capital, LLC loan, issued August 1, 2009, in the amount of \$1,000,000 and payable in annual installments of \$29,412, with an interest rate of 3.55% and maturity on August 1, 2026. Loan proceeds were used for interim financing for the acquisition and construction of improvements to the Lake Wildwood Zone 1 wastewater system.	852,941
State Water Resources Control Board loan, issued September 13, 2010, in the amount of \$12,122,824 plus accrued interest of \$110,523 and payable in annual installments of \$492,213 to \$739,310 with an interest rate of 1.2% and maturity on November 23, 2027. Loan proceeds were used for the acquisition and construction of improvements to the Lake Wildwood Zone 1 wastewater system.	10,186,809
State Water Resources Control Board loan, issued September 13, 2010, in the amount of \$18,964,071 and payable in annual installments of \$948,204, with an interest rate of 0.00% and maturity on January 12, 2028. Loan proceeds were 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.	<u>15,183,327</u>
Total Loans	<u>28,836,605</u>
Total Business-Type Activities	<u>\$ 28,855,605</u>

Following is a schedule of debt payment requirements of governmental activities and business-type activities to maturity for long-term debt, excluding compensated absences that have indefinite maturities, capital leases which are reported in Note 9, landfill post closure costs which are reported in Note 10, net OPEB obligation which is reported in Note 14 and accrued claims liability which is reported in Note 15.

**COUNTY OF NEVADA**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2012**

**NOTE 7: LONG-TERM LIABILITIES (CONTINUED)**

**Governmental Activities**

Year Ended <u>June 30</u>	Certificates of Participation		
	Principal	Interest	Total
2013	\$ 1,060,000	\$ 347,450	\$ 1,407,450
2014	1,070,000	320,800	1,390,800
2015	1,120,000	282,350	1,402,350
2016	1,165,000	230,825	1,395,825
2017	1,230,000	170,950	1,400,950
2018-2022	2,860,000	157,000	3,017,000
Total	\$ 8,505,000	\$ 1,509,375	\$ 10,014,375

Year Ended <u>June 30</u>	Special Assessment Bonds with County Commitment		
	Principal	Interest	Total
2013	\$ 13,000	\$ 14,661	\$ 27,661
2014	13,000	13,979	26,979
2015	14,000	13,270	27,270
2016	15,000	12,509	27,509
2017	16,000	11,695	27,695
2018-2022	90,000	44,550	134,550
2023-2027	115,000	16,362	131,362
Total	\$ 276,000	\$ 127,026	\$ 403,026

Year Ended <u>June 30</u>	Loans		
	Principal	Interest	Total
2013	\$ 252,566	\$ 186,014	\$ 438,580
2014	263,283	175,297	438,580
2015	274,473	164,106	438,579
2016	286,076	152,503	438,579
2017	298,361	140,218	438,579
2018-2022	1,694,676	498,221	2,192,897
2023-2027	1,355,679	117,395	1,473,074
Total	\$ 4,425,114	\$ 1,433,754	\$ 5,858,868

Year Ended <u>June 30</u>	Enterprise Agreements		
	Principal	Interest	Total
2013	\$ 102,078	\$ -	\$ 102,078
2014	51,774	-	51,774
Total	\$ 153,852	\$ -	\$ 153,852

**COUNTY OF NEVADA**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2012**

**NOTE 7: LONG-TERM LIABILITIES (CONTINUED)**

**Business-Type Activities**

Year Ended June 30	Special Assessment Bonds with County Commitment		
	Principal	Interest	Total
2013	\$ 2,000	\$ 900	\$ 2,900
2014	2,000	800	2,800
2015	3,000	675	3,675
2016	3,000	525	3,525
2017	3,000	375	3,375
2018-2022	<u>6,000</u>	<u>300</u>	<u>6,300</u>
Total	<u>\$ 19,000</u>	<u>\$ 3,575</u>	<u>\$ 22,575</u>

Year Ended June 30	Loans			
	Principal	Interest	Service Charge	Total
2013	1,747,041	234,953	101,868	2,083,862
2014	1,759,348	219,659	96,487	2,075,494
2015	1,771,932	204,206	90,988	2,067,126
2016	1,784,799	188,590	85,368	2,058,757
2017	1,786,496	172,809	79,624	2,038,929
2018-2022	9,007,330	636,604	307,439	9,951,373
2023-2027	9,250,991	255,225	143,659	9,649,875
2028-2032	<u>1,728,668</u>	<u>8,949</u>	<u>7,458</u>	<u>1,745,075</u>
Total	<u>\$ 28,836,605</u>	<u>\$ 1,920,995</u>	<u>\$ 912,891</u>	<u>\$ 31,670,491</u>

**Current Refunding**

On July 5, 2011, the County of Nevada issued \$8,610,000 of County of Nevada Certificates of Participation (2011 Refunding) with interest rates ranging from 2.00% to 5.00% to refund the outstanding 2001 Refunding Certificates of Participation with interest rates ranging from 4.00% to 5.25% and a par value of \$11,020,000. The 2001 Refunding Certificates of Participation matured annually on October 1 between 2011 and 2019 and were callable on October 1, 2011. The net proceeds from issuance of the County of Nevada Certificates of Participation (2011 Refunding) were used to retire the 2001 Refunding Certificates of Participation on October 1, 2011.

As a result of refunding, the County of Nevada reduced its total debt service requirement by \$372,456, which resulted in an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$323,778.

**NOTE 8: ASSISTANCE PROGRAM LOAN**

The County received a loan from the Nevada County Association of Realtors for the purpose of providing cash flow assistance for the County's first time homebuyers down payment assistance program. The loan is a short-term loan to be repaid from reimbursements received from the State of California Department of Housing and Community Development HOME Program. The balance outstanding as of June 30, 2012, was \$0.

**COUNTY OF NEVADA**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2012**

**NOTE 8: ASSISTANCE PROGRAM LOAN (CONTINUED)**

Short-term debt activity for the year ended June 30, 2012, was as follows:

Beginning Balance	\$ 35,000
Additions	-
Reductions	( 35,000)
Ending Balance	<u>\$ -</u>

**NOTE 9: LEASES**

**Operating Leases**

The County leases office buildings and equipment under non-cancellable operating leases. Total costs for these leases was \$938,571 for the year ended June 30, 2012. The future minimum lease payments are as follows:

<u>Year Ended June 30</u>	<u>Lease Obligations</u>
2013	\$ 693,056
2014	303,543
2015	155,167
2016	63,246
2017	26,621
2018-2022	<u>23,407</u>
Total	<u>\$ 1,265,040</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, 2012</u>
Governmental activities	5.90% - 11.91%	\$ 14,875
Total		<u>\$ 14,875</u>

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

	<u>Governmental Activities</u>
Equipment	\$ 29,262
Less: Accumulated depreciation	( 12,192)
Net Value	<u>\$ 17,070</u>

**COUNTY OF NEVADA**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2012**

**NOTE 9: LEASES (CONTINUED)**

**Capital Leases (Continued)**

As of June 30, 2012, capital lease annual amortization is as follows:

Year Ended June 30	Governmental Activities
2013	\$ 8,267
2014	<u>7,578</u>
Total Requirements	15,845
Less Interest	<u>( 970)</u>
Present Value of Remaining Payments	<u>\$ 14,875</u>

**NOTE 10: POST CLOSURE**

The County is responsible for two closed solid waste landfill sites. 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, 2012, the County's estimated remaining liability for post closure maintenance costs for the closed landfills was \$12,215,985. This estimate is 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, 2012. Actual costs may be higher due to inflation, change in technology, or changes in regulations. The County has applied the annual inflation factor to the liability each year and has reduced the liability by actual expenses incurred.

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

**NOTE 11: NET ASSETS**

The government-wide and proprietary fund financial statements utilize a net assets presentation. Net assets are categorized as invested in capital assets (net of related debt), restricted, and unrestricted.

- 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. These principally include restrictions for capital projects, debt service requirements and other special revenue fund purposes.

**COUNTY OF NEVADA**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2012**

**NOTE 11: NET ASSETS (CONTINUED)**

- Unrestricted net assets – All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

**Net Asset Flow Assumption**

When a government funds outlays for a particular purpose from both restricted and unrestricted resources, a flow assumption must be made about the order in which the resources are considered to be applied. When both restricted and unrestricted net assets are available, it is considered that restricted resources are used first, followed by the unrestricted resources.

**Net Assets Restricted by Enabling Legislation**

The government-wide Statement of Net Assets reports \$43,247,919 of restricted net assets, of which \$3,857,806 is restricted by enabling legislation.

**NOTE 12: FUND BALANCES**

As prescribed by GASB Statement No. 54, governmental funds report fund balance in classifications based primarily on the extent to which the County is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. As of June 30, 2012, fund balance for governmental funds is made up of the following:

- Nonspendable fund balance - includes amounts that are (a) not in spendable form, or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, for example: inventories and prepaid amounts.
- Restricted fund balance - includes amounts that can be spent for specific purposes stipulated by external resource providers, constitutionally or through enabling legislation. Restrictions may effectively be changed or lifted only with the consent of resource providers.
- Committed fund balance - includes amounts that can only be used for the specific purposes determined by the County’s highest level of decision-making authority. The Board of Supervisors is the highest level of decision making authority for the County that can, by adoption of an ordinance, commit fund balance. Once adopted, the limitation imposed remains in place until a similar action is taken to remove or revise the limitation.
- Assigned fund balance - comprises amounts intended to be used by the County for specific purposes that are neither restricted nor committed. The Board of Supervisors has by resolution authorized the Auditor-Controller to assign fund balance. The Board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year’s appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment.

**COUNTY OF NEVADA**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2012**

**NOTE 12: FUND BALANCES (CONTINUED)**

- Unassigned fund balance - is the residual classification for the General Fund and includes all amounts not contained in the other classifications. Unassigned amounts are technically available for any purpose. In other governmental funds, if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes, that fund would report a negative unassigned fund balance.

The fund balances for all major and nonmajor governmental funds as of June 30, 2012, were distributed as follows:

	General Fund	Road	Community Development Agency	Human Services Agency	Health & Welfare Realignment	Local Revenue Fund 2011 Realignment	Other Governmental Funds	Total
<b>Nonspendable:</b>								
Inventory	\$ -	\$ 79,626	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 79,626
Prepays	57,182	-	-	-	-	-	-	57,182
Subtotal	57,182	79,626	-	-	-	-	-	136,808
<b>Restricted for:</b>								
General government	-	-	-	-	-	-	2,856,550	2,856,550
Public protection	182,083	-	360	-	-	306,279	6,212,053	6,700,775
Public ways and facilities	-	6,662,210	-	-	-	-	4,291,923	10,954,133
Health and sanitation	-	-	-	140	7,232,526	129,744	6,500,446	13,862,856
Public assistance	-	-	-	100	-	324,112	5,070,994	5,395,206
Education	-	-	-	-	-	-	132,466	132,466
Recreation and culture	-	-	-	-	-	-	434,694	434,694
Subtotal	182,083	6,662,210	360	240	7,232,526	760,135	25,499,126	40,336,680
<b>Committed to:</b>								
General government	3,967,000	-	-	-	-	-	111,433	4,078,433
Subtotal	3,967,000	-	-	-	-	-	111,433	4,078,433
<b>Assigned to:</b>								
General government	14,937,182	-	-	-	-	-	4,518	14,941,700
Public protection	268,752	-	1,271,015	-	-	-	289,545	1,829,312
Health and sanitation	-	-	-	119,325	-	-	80,051	199,376
Public assistance	-	-	-	398,345	-	-	-	398,345
Education	-	-	-	-	-	-	557,381	557,381
Subtotal	15,205,934	-	1,271,015	517,670	-	-	931,495	17,926,114
<b>Unassigned</b>								
	-	-	-	-	-	-	( 53,019)	( 53,019)
<b>Total</b>	<u>\$19,412,199</u>	<u>\$6,741,836</u>	<u>\$1,271,375</u>	<u>\$517,910</u>	<u>\$7,232,526</u>	<u>\$760,135</u>	<u>\$26,489,035</u>	<u>\$62,425,016</u>

**COUNTY OF NEVADA**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2012**

**NOTE 12: FUND BALANCES (CONTINUED)**

**Fund Balance Flow Assumption**

When a government funds outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance), a flow assumption must be made about the order in which the resources are considered to be applied. When both restricted and unrestricted net assets are available, it is considered that restricted fund balance is depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

**Fund Balance Policy**

The Board of Supervisors has adopted a fund balance policy for financial statement reporting. The policy establishes procedures for reporting fund balance classifications, establishes prudent reserve requirements and establishes a hierarchy of fund balance expenditures. The policy also provides for the County to establish and maintain a minimum unrestricted fund balance in the General Fund equal to two months of annual revenue within the Discretionary Revenue category as defined in the budget. The minimum unrestricted fund balance may be recognized within the committed, assigned, or unassigned classifications.

**NOTE 13: EMPLOYEES' RETIREMENT PLAN**

**A. 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 Q Street, Lincoln Plaza East, Sacramento, CA 95811 or [www.calpers.ca.gov](http://www.calpers.ca.gov).

**B. 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 2011/2012 was 21.694 percent for miscellaneous employees, 36.696 percent for safety first tier employees and 22.062 percent for safety second tier 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**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2012**

**NOTE 13: EMPLOYEES' RETIREMENT PLAN (CONTINUED)**

**C. Annual Pension Cost**

For fiscal year 2011/2012, the County's annual pension cost of \$9,353,072 for the miscellaneous plan, \$1,964,185 for the safety first tier plan and \$3,204 for the safety second tier plan for PERS was equal to the County's actual contributions. The required contributions for fiscal year 2011/2012 were determined as part of the June 30, 2009, 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 3.55 percent to 14.45 percent, depending on age, service, and type of employment, (c) 3.00 percent inflation, (d) 3.25 percent payroll growth and (e) individual salary growth based on a merit scale with assumed annual inflation of 3.00 percent and annual production growth of 0.25 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 fifteen year period (smoothed market value). Initial unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. All changes in liability due to plan amendments, changes in actuarial assumptions, or changes in actuarial methodology are amortized separately over a 20 year period. All gains or losses are tracked and amortized over a rolling 30 year period with the exception of gains and losses in fiscal years 2008-2009, 2009-2010 and 2010-2011 in which each year's gains or losses will be isolated and amortized over fixed and declining 30 year periods (as opposed to the current rolling 30 year amortization). If the plan's accrued liability exceeds the actuarial value of plan assets, the annual contribution with respect to the total unfunded liability may not be less than the amount produced by a 30 year amortization of the unfunded liability. The table below presents three year trend information.

Miscellaneous:

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
June 30, 2010	\$ 8,949,433	100%	-
June 30, 2011	8,612,056	100%	-
June 30, 2012	9,353,072	100%	-

Safety First Tier:

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
June 30, 2010	\$ 1,949,073	100%	-
June 30, 2011	1,977,312	100%	-
June 30, 2012	1,964,185	100%	-

Safety Second Tier:

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
June 30, 2012	\$ 3,204	100%	-

**COUNTY OF NEVADA**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2012**

**NOTE 13: EMPLOYEES' RETIREMENT PLAN (CONTINUED)**

**D. Funded Status and Funding Progress**

As of June 30, 2011, the most recent actuarial valuation date, the miscellaneous plan was 74.9 percent funded. The actuarial accrued liability for benefits was \$343,180,761, and the actuarial value of assets was \$257,114,302, resulting in an unfunded actuarial accrued liability (UAAL) of \$86,066,459. The covered payroll (annual payroll of active employees covered by the plan) was \$46,911,252, and the ratio of the UAAL to the covered payroll was 183.5 percent.

The safety first tier plan and safety second tier plan had less than 100 active members in at least one valuation since June 30, 2003, therefore it is required to participate in a risk pool and does not present individual plan funded status. Information on the safety first tier plan side fund funding is presented as RSI following the notes to the financial statements.

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

**NOTE 14: OTHER POSTEMPLOYMENT BENEFITS (OPEB)**

**A. Plan Description**

The County of Nevada provides, under a defined benefit plan, retiree healthcare benefits to qualifying employees retiring directly from the County. The benefit level is determined by date of hire and length of service. The County has contracted for medical coverage to be provided through an agent multiple-employer CalPERS Healthcare (PEMHCA) plan.

The County pays the least expensive available plan single premium up to Medicare eligible age for retirees with more than 20 years of County Service. Employees hired before July 1, 2000, with less than 20 years of County service at retirement, receive a fixed stipend amount. After reaching Medicare eligible age, the County also pays 80% of the least expensive Medicare supplemental plan single premium for all retirees hired before July 1, 2000 and for employees hired after July 1, 2000 with 20 years of County service. For safety employees with disability retirement, the County pays 100% of the least expensive medical single premium for life.

Employees Hired On or After July 1, 2008—Employees hired on or after July 1, 2008, and who retire from the County, the County will continue to provide access to medical insurance coverage for those employees who retire from employment with the County and who constitute “annuitants” as defined by the Public Employees Medical and Hospital Care Act (PEMHCA) only.

**B. Funding Policy**

The OPEB funding policy provides for periodic contributions by the County. The contribution rate is determined on an annual basis by an independent actuary and is authorized by the County Board of Supervisors. The contribution rate is based on the annual required contribution (ARC), an amount that is actuarially determined in accordance with the parameters of GASB Statement No. 45, Accounting and Financial Reporting By Employers for Postemployment Benefits Other Than Pensions.

**COUNTY OF NEVADA**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2012**

**NOTE 14: OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)**

**B. Funding Policy (Continued)**

The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liabilities as a level percent of pay over a 30 year (closed) period beginning June 30, 2009 and to account for assumption changes and experience gain/losses over a 15 year fixed (closed) period.

The County has established an irrevocable trust with CalPERS - California Employers' Retiree Benefit Trust Fund (CERBT) to deposit the contributions above the current year pay-as-you-go portion. CERBT issues a publicly available financial report including GASB 43 disclosure information in the aggregate with the other CERBT participating employers. That report may be obtained by contacting CalPERS, P.O. Box 942703, Sacramento, CA 94229-2703 or [www.calpers.ca.gov](http://www.calpers.ca.gov).

**C. Annual OPEB Cost and Net OPEB Obligation**

The following table shows the County's annual OPEB cost for the year, the amount actually contributed to the plan, and the resulting net OPEB obligation.

Annual required contribution	\$ 4,015,000
Interest on prior year net OPEB obligation	253,000
Amortization of prior year net OPEB obligation	( 316,000)
Annual OPEB Cost	3,952,000
Contributions made:	
Pay as you go contribution	( 1,770,325)
Additional funding contribution	( 1,928,000)
Increase in net OPEB obligation	253,675
Net OPEB Obligation - Beginning of Year	<u>3,265,205</u>
Net OPEB Obligation - End of Year	<u>\$ 3,518,880</u>

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the current and prior two years are as follows:

<u>Fiscal Year</u> <u>Ended</u>	<u>Annual OPEB</u> <u>Cost</u>	<u>Percentage of Annual</u> <u>OPEB Cost Contributed</u>	<u>Net OPEB</u> <u>Obligation</u>
6/30/10	\$ 3,104,000	105.7%	\$ 3,036,264
6/30/11	3,219,000	92.9%	3,265,205
6/30/12	3,952,000	93.6%	3,518,880

The quantifications of costs set forth above should not be interpreted in any way as vesting such benefits: rather the disclosures are made solely to comply with the County's reporting obligations under GASB 45, as the County understands these obligations.

**COUNTY OF NEVADA**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2012**

**NOTE 14: OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)**

**D. Funded Status and Funding Progress**

The unfunded actuarial accrued liability is being amortized as a level percentage of payroll over a closed 30 year period beginning July 1, 2009. The funded status of the plan as of June 30, 2011 (the most recent actuarial valuation date), was as follows:

Actuarial accrued liability (AAL)	\$ 46,896,000
Actuarial value of plan assets	<u>8,600,000</u>
Unfunded actuarial accrued liability (UAAL)	<u>\$ 38,296,000</u>
Funded ratio (actuarial value of plan assets/AAL)	18.3%
Covered payroll (active plan members)	<u>\$ 48,447,000</u>
UAAL as a percentage of covered payroll	79.0%

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

**E. Actuarial Methods and Assumptions**

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of the valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. In the June 30, 2011, actuarial valuation, the entry age normal actuarial cost method was used. The actuarial assumptions included a 7.25% discount rate, and annual healthcare cost trends for HMO and PPO that start with 9.0% and 9.4%, respectively, and declines to 5.0% over ten years for both plan types. The actuarial assumptions included an annual 3.0% inflation rate and a 3.25% per annum aggregate payroll increases.

**NOTE 15: 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 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**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2012**

**NOTE 15: 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, 2012, including any estimates for incurred but not reported (IBNR) amounts, constitute claims payable. The claims liability at June 30, 2012, was as follows:

Unemployment	\$ 425,506
Liability	<u>542,000</u>
Total	<u><u>\$ 967,506</u></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, 2012, the Risk Management Fund's fund equity was \$1,689,927. The claims liability of \$967,506 reported in the funds at June 30, 2012, is based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires 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 2010, 2011, and 2012 were as follows:

	Balance at Beginning of <u>Fiscal Year</u>	Current Year Claims and Changes in <u>Estimates</u>	Claims <u>Payments</u>	Balance at End of <u>Fiscal Year</u>
2010	\$ 1,018,455	\$ 1,876,925	\$ 1,500,013	\$ 1,395,367
2011	1,395,367	1,682,201	1,736,383	1,341,185
2012	1,341,185	1,602,402	1,976,081	967,506

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.

**COUNTY OF NEVADA**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2012**

**NOTE 16: OTHER INFORMATION**

**A. Commitments and Contingencies**

The County had active construction projects as of June 30, 2012, including County Facility improvements, road safety improvements, sidewalk preservation and improvements and upgrades to existing wastewater treatment plants to comply with new regulatory requirements. At year end the County's commitments with contractors were as follows:

<u>Project</u>	<u>Spent-to-Date</u>	<u>Remaining Commitment</u>
County facility improvements	\$ 765,716	\$ 934,358
Road infrastructure	136,409	587,132
Darkhorse infrastructure	60,040	71,146
Airport improvements	2,079,973	316,041
Wastewater treatment facility upgrades	599,014	2,857,530
Leachate tank plans	58,068	604,132
Transit Center Tinloy Street	<u>390,430</u>	<u>550,496</u>
Total	<u>\$ 4,089,650</u>	<u>\$ 5,920,835</u>

The wastewater treatment projects are financed with long-term debt to be repaid from special assessments.

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.

The County had the following encumbrances at June 30, 2012, General fund \$278,867, Road \$9,274, Community Development Agency \$98,190, Western Nevada County Solid Waste \$653,708, Sanitation District \$109,683, and non-major funds \$138,114.

**B. Subsequent Events**

Management has evaluated events subsequent to June 30, 2012 through December 20, 2012, the date on which the financial statements were available for issuance. Management has determined no subsequent events requiring disclosure have occurred.

**COUNTY OF NEVADA**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2012**

**NOTE 16: 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, and 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.

**THIS PAGE INTENTIONALLY LEFT BLANK**

---

**Required Supplementary Information  
(Unaudited)**

**THIS PAGE INTENTIONALLY LEFT BLANK**

**COUNTY OF NEVADA**  
**Required Supplementary Information**  
**For the Year Ended June 30, 2012**

**1. SCHEDULE OF FUNDING PROGRESS - PENSION**

The Schedule of Funding Progress - Pension presents a consolidated snapshot of the County's ability to meet current and future liabilities with the plan assets. Of particular interest to most is the funded status ratio. This ratio conveys a plan's level of assets to liabilities, an important indicator to determine the financial health of the pension plan. The closer the plan is to a 100% funded status, the better position it will be in to meet all of its future liabilities.

Miscellaneous Plan:

The table below shows a three-year analysis of the most recent 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 for the County 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, 2009	\$301,107,683	\$228,631,554	\$ 72,476,129	75.9%	55.2%	\$ 50,418,956	143.7%
June 30, 2010	319,732,395	242,799,994	76,932,401	75.9%	59.6%	48,510,139	158.6%
June 30, 2011	343,180,761	257,114,302	86,066,459	74.9%	66.9%	46,911,252	183.5%

Safety Plans:

The County's Safety Plans participate in a risk sharing pool with other safety plans. Participation was required as of June 30, 2003 (when CalPERS set up risk sharing pools) since the plan had less than 100 active members at that time. The County specific funding information is no longer available for the Safety Plans.

At the time that the County's Safety First Tier Plan was pooled with other agencies, the Plan's existing UAAL was placed in a "side fund" separate from the rest of the pool and for which the County is responsible for paying off the remaining unfunded liability. The side fund is amortized at a fixed interest rate of 7.75% and has been assigned a set payment schedule. As of June 30, 2010, the County's unfunded debt balance should be \$5,191,759.

Funding information is available on a pooled-basis only and can be obtained upon request to the County or directly from CalPERS, P.O. Box 942709, Sacramento, CA 94229-2709.

**2. SCHEDULE OF FUNDING PROGRESS - OTHER POSTEMPLOYMENT BENEFITS (OPEB)**

The Schedule of Funding Progress - Other Postemployment Benefits provides a consolidated snapshot of the County's ability to meet current and future liabilities with the plan assets. Of particular interest to most is the funded status ratio. This ratio conveys a plan's level of assets to liabilities, an important indicator to determine the financial health of the OPEB plan. The closer the plan is to a 100% funded status, the better position it will be in to meet all of its future liabilities.

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 for the County Other Post-Employment Benefit Plan.

**COUNTY OF NEVADA**  
**Required Supplementary Information**  
**For the Year Ended June 30, 2012**

**2. SCHEDULE OF FUNDING PROGRESS - OTHER POSTEMPLOYMENT BENEFITS (OPEB)**  
**(CONTINUED)**

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Liability (AAL) Entry Age	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage Of Covered Payroll
June 30, 2008	\$ 608,000	\$ 29,999,000	\$ 29,391,000	2.0%	\$ 43,877,000	61.7 %
June 30, 2010	4,037,000	40,383,000	36,346,000	10.0%	46,922,000	77.5%
June 30, 2012	8,600,000	46,896,000	38,296,000	18.3%	48,447,000	79.0%

**3. 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.

One third of the County maintained roads are assessed each year, with a complete condition assessment calculated every three years. As of June 30, 2012, the County's road system was rated at a PCI of 66. The last complete condition assessment was completed in fiscal year 2012 with an average PCI rating of 65.3. The overall condition of the County maintained roads increased slightly from the fiscal year 2009 average PCI rating of 65.0. The history of the condition assessments is provided below.

	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>3 Year Average</u>
2012	64	66	66	65.3
2009	65	66	64	65.0
2006	68	67	65	66.7

**COUNTY OF NEVADA**  
**Required Supplementary Information**  
**For the Year Ended June 30, 2012**

**3. INFRASTRUCTURE ASSETS REPORTED USING THE MODIFIED APPROACH  
(CONTINUED)**

For the year ended June 30, 2012, actual maintenance and preservation costs were \$6,588,781, which was \$659,394 or 11% more than estimated. The increase was due to an increase in chip seal projects and increases in the cost of materials. A five year history of planned to actual maintenance and preservation costs is provided in the following table.

<u>Fiscal Year</u>	<u>Maintenance &amp; Preservation Cost</u>		
	<u>Estimated Costs</u>	<u>Actual Costs</u>	<u>Variance</u>
2008	\$ 2,581,563	\$ 6,134,322	(\$ 3,552,759)
2009	9,525,400	8,177,280	1,348,120
2010	8,882,400	6,253,914	2,628,486
2011	6,270,000	6,340,588	( 70,588)
2012	5,929,387	6,588,781	( 659,394)

**COUNTY OF NEVADA**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule - Budgetary Basis**  
**General Fund**  
**For the Year Ended June 30, 2012**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual Amounts (Budgetary Basis)</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>REVENUES</b>				
Taxes and assessments	\$35,228,876	\$34,852,454	\$34,405,349	\$ (447,105)
Licenses and permits	1,168,059	1,168,059	1,152,884	(15,175)
Fines and forfeitures	3,366,397	3,360,326	2,863,569	(496,757)
Use of money and property	470,264	459,464	461,441	1,977
Intergovernmental	3,057,614	3,494,248	3,649,014	154,766
Charges for services	8,524,702	7,717,147	6,875,881	(841,266)
Other revenues	1,286,549	1,628,390	1,614,644	(13,746)
<b>Total Revenues</b>	<b>53,102,461</b>	<b>52,680,088</b>	<b>51,022,782</b>	<b>(1,657,306)</b>
<b>EXPENDITURES</b>				
Current:				
General government:				
Board of supervisors	1,060,258	1,068,520	1,047,385	21,135
Annual audit	28,654	28,654	31,740	(3,086)
County executive officer	1,131,929	1,143,244	1,117,383	25,861
Assessor	2,561,108	2,545,334	2,288,828	256,506
Auditor-controller	1,446,802	1,432,089	1,387,536	44,553
Treasurer-tax collector	1,057,715	1,050,152	997,417	52,735
Purchasing	299,280	300,802	296,579	4,223
Collections	180,364	207,732	206,977	755
Uses and sources	(7,728,760)	(7,832,617)	(7,866,121)	33,504
Trial court funding	1,433,572	1,433,572	1,426,674	6,898
WWE escrow account	-	5,105	5,105	-
Provision for contingencies	150,000	96,050	-	96,050
Building debt financing	1,285	1,285	785	500
County counsel	780,704	818,470	787,746	30,724
Personnel services	858,148	865,226	861,421	3,805
Elections	1,173,738	1,198,426	1,195,222	3,204
Facilities management	2,338,829	2,308,297	2,224,445	83,852
Capital facility projects	44,187	117,349	113,130	4,219
Economic development	125,000	150,616	150,616	-
Assessment appeals board	1,079	1,079	(2,050)	3,129
General services admin	19,582	82,615	37,065	45,550
Insurance	76,193	76,193	72,763	3,430
Historical landmarks	217	217	92	125
Information systems	1,235,386	1,401,935	1,123,438	278,497
Geographic information	418,497	420,171	404,057	16,114
Surveying	61,356	86,356	63,147	23,209
Cable TV services	38,841	45,041	35,197	9,844
<b>Total General Government</b>	<b>8,793,964</b>	<b>9,051,913</b>	<b>8,006,577</b>	<b>1,045,336</b>
Public protection:				
Court security	860,114	866,004	852,271	13,733
Grand jury	111,428	111,428	95,045	16,383
<b>Subtotal Public Protection</b>	<b>971,542</b>	<b>977,432</b>	<b>947,316</b>	<b>30,116</b>

**COUNTY OF NEVADA**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule - Budgetary Basis**  
**General Fund**  
**For the Year Ended June 30, 2012**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>EXPENDITURES</b>				
Public protection (continued):				
District attorney	3,531,492	3,656,488	3,499,747	156,741
Public defender services	1,944,107	1,976,015	1,903,667	72,348
Conflict indigent defense	489,203	489,203	412,646	76,557
Sheriff administrative support services	14,565,486	14,934,423	14,073,269	861,154
Department of corrections	9,494,489	9,758,619	9,308,061	450,558
Inmate medical services	1,806,338	1,829,238	1,830,729	(1,491)
Sheriff Truckee operations	2,438,802	2,441,556	2,164,491	277,065
Juvenile hall	2,617,211	2,710,413	2,913,667	(203,254)
Probation department	3,900,790	4,125,914	3,935,031	190,883
Ag services	577,089	597,494	597,069	425
Weights and measures	130,443	122,953	91,420	31,533
Clerk recorder	693,780	697,725	674,287	23,438
Emergency services	562,995	564,829	486,026	78,803
Animal control	1,168,726	1,185,210	1,166,443	18,767
<b>Total Public Protection</b>	<u>44,892,493</u>	<u>46,067,512</u>	<u>44,003,869</u>	<u>2,063,643</u>
Public assistance:				
Community services	15,000	22,453	22,364	89
Victim witness	268,869	268,869	227,334	41,535
<b>Total Public Assistance</b>	<u>283,869</u>	<u>291,322</u>	<u>249,698</u>	<u>41,624</u>
Education:				
Farm advisor	43,873	43,873	40,681	3,192
<b>Total Education</b>	<u>43,873</u>	<u>43,873</u>	<u>40,681</u>	<u>3,192</u>
Debt service:				
Sheriff administrative support services	9,043	9,817	9,817	-
Information systems	-	-	102,078	(102,078)
<b>Total Debt Service</b>	<u>9,043</u>	<u>9,817</u>	<u>111,895</u>	<u>(102,078)</u>
Capital outlay:				
Capital facilities projects	-	1,011,596	1,011,596	-
Information systems	-	21,242	131,065	(109,823)
Geographic information	-	-	38,840	(38,840)
Sheriff administrative support services	-	33,549	32,499	1,050
Department of corrections	-	867,855	594,638	273,217
Juvenile hall	-	10,000	9,949	51
Emergency management	-	32,354	31,854	500
Ag services	-	7,027	6,583	444
<b>Total Capital Outlay</b>	<u>-</u>	<u>1,983,623</u>	<u>1,857,024</u>	<u>126,599</u>
<b>Total Expenditures</b>	<u>54,023,242</u>	<u>57,448,060</u>	<u>54,269,744</u>	<u>3,178,316</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>(920,781)</u>	<u>(4,767,972)</u>	<u>(3,246,962)</u>	<u>1,521,010</u>

Continued (Page 2 of 3)

**COUNTY OF NEVADA**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule - Budgetary Basis**  
**General Fund**  
**For the Year Ended June 30, 2012**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	6,371,975	8,165,382	7,771,593	(393,789)
Transfers out	(7,591,194)	(7,739,780)	(6,644,532)	1,095,248
Issuance of debt	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>(1,219,219)</u>	<u>425,602</u>	<u>1,127,061</u>	<u>701,459</u>
<b>Net Change in Fund Balances</b>	(2,140,000)	(4,342,370)	(2,119,901)	2,222,469
<b>Fund Balances - Beginning</b>	21,532,100	21,532,100	21,532,100	-
<b>Fund Balances - Ending</b>	<u>\$19,392,100</u>	<u>\$17,189,730</u>	<u>\$19,412,199</u>	<u>\$ 2,222,469</u>

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

**Net Change in Fund Balances - Budgetary Basis** \$ (2,119,901)

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

Transfers included in general government and public protection expenditures for budgetary purposes, are a decrease to expenditures and an increase to transfers out for financial reporting purposes.

General government	(153,316)
Public protection	1,202
Transfers out	<u>152,114</u>

**Net Change in Fund Balances - Statement of Revenues, Expenditures, and Changes in Fund Balances** \$ (2,119,901)

**Reconciliation of Fund Balances - Budgetary to GAAP Basis:**

**Fund Balances - Ending - Budgetary Basis** \$19,412,199

Cumulative effect of reclassification of transfers -

**Fund Balances - Ending - GAAP Basis** \$19,412,199

**COUNTY OF NEVADA**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule - Budgetary Basis**  
**Road - Major Special Revenue Fund**  
**For the Year Ended June 30, 2012**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual Amounts (Budgetary Basis)</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>REVENUES</b>				
Taxes and assessments	\$ 35,500	\$ 35,500	\$ 25,362	\$ (10,138)
Licenses and permits	39,700	39,700	67,325	27,625
Use of money and property	11,000	11,000	31,652	20,652
Intergovernmental	7,171,335	7,171,335	7,258,295	86,960
Charges for services	617,536	617,536	435,702	(181,834)
Other revenues	-	106,657	132,411	25,754
<b>Total Revenues</b>	<u>7,875,071</u>	<u>7,981,728</u>	<u>7,950,747</u>	<u>(30,981)</u>
<b>EXPENDITURES</b>				
Current:				
Public ways and facilities	7,926,259	8,589,393	8,933,872	(344,479)
Capital outlay	1,994,300	2,860,180	1,506,083	1,354,097
<b>Total Expenditures</b>	<u>9,920,559</u>	<u>11,449,573</u>	<u>10,439,955</u>	<u>1,009,618</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>(2,045,488)</u>	<u>(3,467,845)</u>	<u>(2,489,208)</u>	<u>978,637</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	1,934,078	1,934,078	1,576,412	(357,666)
Transfers out	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>1,934,078</u>	<u>1,934,078</u>	<u>1,576,412</u>	<u>(357,666)</u>
<b>Net Change in Fund Balance</b>	(111,410)	(1,533,767)	(912,796)	620,971
<b>Fund Balances - Beginning</b>	<u>7,654,632</u>	<u>7,654,632</u>	<u>7,654,632</u>	<u>-</u>
<b>Fund Balances - Ending</b>	<u>\$ 7,543,222</u>	<u>\$ 6,120,865</u>	<u>\$ 6,741,836</u>	<u>\$ 620,971</u>

**COUNTY OF NEVADA**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule - Budgetary Basis**  
**Community Development Agency - Major Special Revenue Fund**  
**For the Year Ended June 30, 2012**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES</b>				
Taxes and assessments	\$ 15,000	\$ 15,000	\$ 14,718	\$ (282)
Licenses and permits	993,418	1,099,394	1,122,330	22,936
Fines and forfeitures	11,000	11,000	20,122	9,122
Use of money and property	10,830	10,830	14,927	4,097
Intergovernmental	826,138	845,006	701,382	(143,624)
Charges for services	1,502,045	1,868,161	1,721,839	(146,322)
Other revenues	32,421	32,421	235,891	203,470
<b>Total Revenues</b>	<u>3,390,852</u>	<u>3,881,812</u>	<u>3,831,209</u>	<u>(50,603)</u>
<b>EXPENDITURES</b>				
Current:				
Public protection	3,129,707	3,920,023	3,525,339	394,684
Health and sanitation	2,480,568	2,498,685	2,266,378	232,307
<b>Total Expenditures</b>	<u>5,610,275</u>	<u>6,418,708</u>	<u>5,791,717</u>	<u>626,991</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>(2,219,423)</u>	<u>(2,536,896)</u>	<u>(1,960,508)</u>	<u>576,388</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	2,178,252	2,342,504	2,298,008	(44,496)
Transfers out	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>2,178,252</u>	<u>2,342,504</u>	<u>2,298,008</u>	<u>(44,496)</u>
<b>Net Change in Fund Balance</b>	(41,171)	(194,392)	337,500	531,892
<b>Fund Balances - Beginning</b>	<u>933,875</u>	<u>933,875</u>	<u>933,875</u>	<u>-</u>
<b>Fund Balances - Ending</b>	<u>\$ 892,704</u>	<u>\$ 739,483</u>	<u>\$ 1,271,375</u>	<u>\$ 531,892</u>

**COUNTY OF NEVADA**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule - Budgetary Basis**  
**Human Services Agency - Major Special Revenue Fund**  
**For the Year Ended June 30, 2012**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual Amounts (Budgetary Basis)</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>REVENUES</b>				
Fines and forfeitures	\$ 275	\$ 275	\$ 74	\$ (201)
Use of money and property	40	40	(2,146)	(2,186)
Intergovernmental	36,418,160	33,045,859	30,962,329	(2,083,530)
Charges for services	646,013	646,013	1,182,542	536,529
Other revenues	6,000	73,511	128,170	54,659
<b>Total Revenues</b>	<u>37,070,488</u>	<u>33,765,698</u>	<u>32,270,969</u>	<u>(1,494,729)</u>
<b>EXPENDITURES</b>				
Current:				
Health and sanitation	20,346,409	21,789,735	19,939,315	1,850,420
Public assistance	23,509,275	24,892,337	23,283,758	1,608,579
Capital outlay	159,487	355,560	132,255	223,305
<b>Total Expenditures</b>	<u>44,015,171</u>	<u>47,037,632</u>	<u>43,355,328</u>	<u>3,682,304</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>(6,944,683)</u>	<u>(13,271,934)</u>	<u>(11,084,359)</u>	<u>2,187,575</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	7,150,033	14,437,424	12,210,591	(2,226,833)
Transfers out	-	(16,300)	(16,275)	25
<b>Total Other Financing Sources (Uses)</b>	<u>7,150,033</u>	<u>14,421,124</u>	<u>12,194,316</u>	<u>(2,226,808)</u>
<b>Net Change in Fund Balance</b>	205,350	1,149,190	1,109,957	(39,233)
<b>Fund Balances - Beginning</b>	<u>(592,047)</u>	<u>(592,047)</u>	<u>(592,047)</u>	<u>-</u>
<b>Fund Balances - Ending</b>	<u>\$ (386,697)</u>	<u>\$ 557,143</u>	<u>\$ 517,910</u>	<u>\$ (39,233)</u>

**COUNTY OF NEVADA**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule - Budgetary Basis**  
**Health And Welfare Realignment - Major Special Revenue Fund**  
**For the Year Ended June 30, 2012**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES</b>				
Use of money and property	\$ -	\$ -	\$ 1,475	\$ 1,475
Intergovernmental	5,725,342	7,852,151	8,581,579	729,428
<b>Total Revenues</b>	<u>5,725,342</u>	<u>7,852,151</u>	<u>8,583,054</u>	<u>730,903</u>
<b>EXPENDITURES</b>				
Current:				
Health and sanitation	155	155	-	155
<b>Total Expenditures</b>	<u>155</u>	<u>155</u>	<u>-</u>	<u>155</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>5,725,187</u>	<u>7,851,996</u>	<u>8,583,054</u>	<u>731,058</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	127,268	127,268	127,268	-
Transfers out	(6,665,828)	(10,455,685)	(8,605,905)	1,849,780
<b>Total Other Financing Sources (Uses)</b>	<u>(6,538,560)</u>	<u>(10,328,417)</u>	<u>(8,478,637)</u>	<u>1,849,780</u>
<b>Net Change in Fund Balance</b>	(813,373)	(2,476,421)	104,417	2,580,838
<b>Fund Balances - Beginning</b>	<u>7,128,109</u>	<u>7,128,109</u>	<u>7,128,109</u>	<u>-</u>
<b>Fund Balances - Ending</b>	<u>\$ 6,314,736</u>	<u>\$ 4,651,688</u>	<u>\$ 7,232,526</u>	<u>\$ 2,580,838</u>

**COUNTY OF NEVADA**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule - Budgetary Basis**  
**Local Revenue Fund 2011 Realignment - Major Special Revenue Fund**  
**For the Year Ended June 30, 2012**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES</b>				
Use of money and property	\$ -	\$ -	\$ 1,301	\$ 1,301
Intergovernmental	-	6,893,625	6,850,178	(43,447)
<b>Total Revenues</b>	<u>-</u>	<u>6,893,625</u>	<u>6,851,479</u>	<u>(42,146)</u>
<b>EXPENDITURES</b>				
Current:				
Public protection	-	300,000	300,000	-
<b>Total Expenditures</b>	<u>-</u>	<u>300,000</u>	<u>300,000</u>	<u>-</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>-</u>	<u>6,593,625</u>	<u>6,551,479</u>	<u>(42,146)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	-
Transfers out	-	(6,502,238)	(5,791,344)	710,894
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>(6,502,238)</u>	<u>(5,791,344)</u>	<u>710,894</u>
<b>Net Change in Fund Balance</b>	<u>-</u>	<u>91,387</u>	<u>760,135</u>	<u>668,748</u>
<b>Fund Balances - Beginning</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balances - Ending</b>	<u>\$ -</u>	<u>\$ 91,387</u>	<u>\$ 760,135</u>	<u>\$ 668,748</u>

**COUNTY OF NEVADA**  
**Required Supplementary Information**  
**Note to Budgetary Comparison Schedules**  
**For the Year Ended June 30, 2012**

**BUDGETARY BASIS OF ACCOUNTING**

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).

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 following procedures are performed by the County in establishing the budgetary data reflected in the financial statements:

- (1) The County Executive Officer submits to the Board of Supervisors a recommended draft budget for the fiscal year commencing the following July 1. The budget includes recommended expenditures and the means of financing them.
- (2) The Board of Supervisors reviews the recommended budget at regularly scheduled meetings, which are open to the public. The Board also conducts a public hearing on the recommended 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 recommended 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 Executive Officer may authorize transfers from one object or purpose to another within the same service budget unit.

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 restricted, committed or assigned 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.

---

**Combining and Individual Fund Statements and  
Schedules**

**THIS PAGE INTENTIONALLY LEFT BLANK**

---

## **Nonmajor Governmental Funds**

**THIS PAGE INTENTIONALLY LEFT BLANK**

**COUNTY OF NEVADA**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**June 30, 2012**

	<b>Special Revenue Funds</b>	<b>Debt Service Funds</b>	<b>Totals</b>
<b>ASSETS</b>			
Cash and investments	\$20,440,673	\$ 136,101	\$20,576,774
Accounts receivable	58,620	-	58,620
Due from other governmental agencies	2,921,585	-	2,921,585
Taxes receivable	245,300	460	245,760
Due from other funds	967,638	-	967,638
Restricted cash and investments	-	874,960	874,960
Loans receivable	4,950,518	-	4,950,518
	<b>\$29,584,334</b>	<b>\$ 1,011,521</b>	<b>\$30,595,855</b>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities:</b>			
Accounts payable	\$ 689,256	\$ -	\$ 689,256
Accrued salaries and benefits	84,115	-	84,115
Due to other funds	2,673,859	-	2,673,859
Deferred revenue	5,332	-	5,332
Unearned revenue	654,258	-	654,258
	<b>4,106,820</b>	<b>-</b>	<b>4,106,820</b>
<b>Fund Balances:</b>			
Restricted	24,487,605	1,011,521	25,499,126
Committed	111,433	-	111,433
Assigned	931,495	-	931,495
Unassigned	(53,019)	-	(53,019)
	<b>25,477,514</b>	<b>1,011,521</b>	<b>26,489,035</b>
<b>Total Fund Balances</b>	<b>25,477,514</b>	<b>1,011,521</b>	<b>26,489,035</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$29,584,334</b>	<b>\$ 1,011,521</b>	<b>\$30,595,855</b>

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

	<b>Special Revenue Funds</b>	<b>Debt Service Funds</b>	<b>Totals</b>
<b>REVENUES</b>			
Taxes and assessments	\$ 1,560,819	\$ -	\$ 1,560,819
Licenses and permits	10,258	-	10,258
Fines and forfeitures	683,081	-	683,081
Use of money and property	132,530	55,630	188,160
Intergovernmental	15,301,065	-	15,301,065
Charges for services	1,228,811	28,096	1,256,907
Other revenues	732,430	-	732,430
<b>Total Revenues</b>	<b>19,648,994</b>	<b>83,726</b>	<b>19,732,720</b>
<b>EXPENDITURES</b>			
Current:			
General government	379,073	120,730	499,803
Public ways and facilities	376,707	1,790	378,497
Public protection	4,571,827	-	4,571,827
Health and sanitation	4,304,885	-	4,304,885
Public assistance	1,681,352	-	1,681,352
Education	2,236,876	-	2,236,876
Recreation	176,920	-	176,920
Debt service:			
Principal	-	354,215	354,215
Interest and other charges	-	758,292	758,292
Issuance costs	-	242,091	242,091
Capital outlay	29,346	-	29,346
<b>Total Expenditures</b>	<b>13,756,986</b>	<b>1,477,118</b>	<b>15,234,104</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>5,892,008</b>	<b>(1,393,392)</b>	<b>4,498,616</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	3,810,286	1,955,349	5,765,635
Transfers out	(8,559,626)	(27,318)	(8,586,944)
Refunding certificates of participation issued	-	8,610,000	8,610,000
Premium on certificates of participation	-	611,148	611,148
Refunded certificates of participation redeemed	-	(11,020,000)	(11,020,000)
<b>Total Other Financing Sources (Uses)</b>	<b>(4,749,340)</b>	<b>129,179</b>	<b>(4,620,161)</b>
<b>Net Change in Fund Balances</b>	<b>1,142,668</b>	<b>(1,264,213)</b>	<b>(121,545)</b>
<b>Fund Balances - Beginning</b>	<b>24,334,846</b>	<b>2,275,734</b>	<b>26,610,580</b>
<b>Fund Balances - Ending</b>	<b>\$25,477,514</b>	<b>\$ 1,011,521</b>	<b>\$26,489,035</b>

---

## **Nonmajor Governmental Funds**

- **Special Revenue Funds**

**THIS PAGE INTENTIONALLY LEFT BLANK**

**COUNTY OF NEVADA**  
**Nonmajor Special Revenue Funds**

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specific purposes other than debt service or capital projects. 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.
- **RECYCLED OIL BLOCK GRANT**  
The fund was established to record funds received from the State for the California Oil Recycling Enhancement Act to implement the collection of used oil at the County transfer station.
- **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.
- **MOTOR VEHICLE LICENSE**  
Fees imposed by State and distributed to Counties. Fund established to track general fund 50% contribution to Roads per Measure F passed by County voters to enhance road maintenance and repairs.
- **PUBLIC LIBRARY**  
The fund finances public library services for 3 branches and 2 stations located in the unincorporated and incorporated areas within the County.
- **INET MAINTENANCE**  
The fund was established for cable franchise agreements that provide payment of grants to support the development of an institutional network (INET) to purchase equipment and to support public, educational and governmental television programming.
- **WORKERS' 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.
  - **CBFRP COMMUNITY BASED FAMILY PROGRAM**  
The fund was established to develop and implement a county-wide system of community based family resource services.

**COUNTY OF NEVADA**  
**Nonmajor Special Revenue Funds**

- **NONMAJOR HUMAN SERVICE AGENCY (CONTINUED)**

**ALCOHOL EDUCATION PROGRAM 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.

**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.

**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.

**HPP - H1N1 - CDC PHER**

To track receipt and expenditure of Federal H1N1 supplemental funds for Public Health Emergency Response (PHER), Local Hospital Preparedness Program (HPP) for vaccination, antiviral distribution/dispensing and administration, epidemiology, laboratory, surveillance and other associated pandemic preparedness and response activities.

- **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.

**COUNTY OF NEVADA**  
**Nonmajor Special Revenue Funds**

- **ADMINISTRATION (CONTINUED)**

**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.

**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**

**PROPERTY MAINTENANCE/NUISANCE ABATEMENT**

This fund was established to deposit building code, fire code, zoning fines and is for the ongoing abatement of violations under regulatory authority in order to improve the quality of life and resolve safety issues within neighborhoods. Nuisance abatement is often a component of problem oriented or community policing programs.

**RECREATION MITIGATION**

Funds setup for deposit of fees for the purpose of developing new or rehabilitating existing neighborhood or community park or recreation facilities.

**VECTOR CONTROL**

Grant funds to be used to prevent the spread of disease through tick, flea and mosquito borne vectors. Coordinate mosquito fish giveaways, surveillance and abatement programs.

**COUNTY OF NEVADA**  
**Nonmajor Special Revenue Funds**

- **COMMUNITY DEVELOPMENT AGENCY (CONTINUED)**

- **LEA GRANT FUND**

- Fund setup to track Grants funds used for enforcement of solid waste facilities permit and inspection activities.

- **ENVIRONMENTAL HEALTH PENALTIES**

- Fund setup for deposit of fines and penalties related to underground storage tanks and tracks expenditures exclusively related to enforcement.

- **CAPITAL FACILITY MITIGATION**

- Fund setup for the receipt and disbursement of Capital Facility Mitigation fees collected under CEQA statutes from subdivisions for fair-share contributions.

- **DISTRICT ATTORNEY**

- **DUI LAB FEES**

- To pay the costs of performing analysis of blood, breath or urine for alcohol content or the presence of drugs and the related costs for criminal lab services. Funded by a fee collected for the conviction of specific Vehicle Code Sections.

- **ASSET FORFEITURE**

- The fund was established to hold proceeds from property seized.

- **ENVIRONMENTAL ENFORCEMENT**

- Funds to be used to support environmental enforcement activities, including litigation, training and related expenses.

- **PROBATION**

- **DOMESTIC VIOLENCE PROGRAM**

- This fund was established by statute for the deposit of fee per marriage license issued by the County Clerk-Recorder to be used to fund domestic violence shelter-based programs.

- **CORRECTIONAL TRAINING**

- The fund was established for training of eligible 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.

- **WARD WELFARE FUND**

- This fund was established by statute for the deposit of any funds received from a telephone company that is attributable to the use of pay telephones which are primarily used by confined wards while incarcerated, and to be used for the benefit, education and welfare of the wards detained.

- **ASSET FORFEITURE**

- This fund was established to hold proceeds from property seized.

**COUNTY OF NEVADA**  
**Nonmajor Special Revenue Funds**

- **PROBATION (CONTINUED)**

**YOUTHFUL OFFENDER BLOCK GRANT**

Fund established to track the revenues and expenditures related to the Youthful Offender Block Grant allocation. The fund is to be used to provide the appropriate rehabilitative, intervention and supervision services.

**JJCPA**

To provide for front-line law enforcement services specific to juveniles as part of the Juvenile Justice Crime Prevention Act.

- **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.

**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.

**JUSTICE ASSISTANCE GRANT**

This fund was established to track revenues and expenditures related to grant objectives.

**RURAL & SMALL COUNTIES LAP (LOCAL ASSISTANCE PROGRAM)**

Grant funds to be used for paying expenses related to law enforcement.

**CORRECTIONAL TRAINING**

The fund was established for training of eligible corrections 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.

**LDF - LOCAL DETENTION FACILITY FUND**

Allocation from State for the operation, renovation, remodeling and construction of local detention facilities. Fees charged to outside agencies if no appropriation.

**COUNTY OF NEVADA**  
**Nonmajor Special Revenue Funds**

• **SHERIFF (CONTINUED)**

**INMATE WELFARE FUND**

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

**ANIMAL HEALTH FUND**

The fund was established to provide treatment for stray animals that could become adoptable with reasonable efforts, Food & Agriculture Code 17005.

**SPAY AND NEUTER FUND**

The fund is utilized as a collection for donations and large animal spay and neuter deposit fees that are to be used for the spay and neuter program, public education and administration of the program.

**KREA SPAY AND NEUTER PROGRAM FUND**

The fund was established for a voucher program with set dollar amounts to help defray the costs to the public and ensure dogs and cats are spayed and neutered. The Estate of Nickolaus Krea made a donation for the specific purpose of spaying and neutering dogs and cats.

**WILSON FAMILY TRUST**

The fund was established exclusively for food and medical care of the animals under their control and not for administrative, labor, overhead expenses of the like. The Wilson Family Trust made a donation for this specific purpose.

**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.

**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.

**COUNTY OF NEVADA**  
**Nonmajor Special Revenue Funds**

- **SHERIFF (CONTINUED)**

- **ANTI-DRUG ABUSE/GANG DIVERSION**

- This fund was established per Health and Safety Code. Funds are a portion of State Asset Forfeiture distributions and are to used solely to fund programs designed to combat drug abuse and divert gang activity.

- **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.

- **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.

- **PUBLIC WORKS**

- 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.

**THIS PAGE INTENTIONALLY LEFT BLANK**

**THIS PAGE INTENTIONALLY LEFT BLANK**

**COUNTY OF NEVADA**  
**Combining Balance Sheet**  
**Nonmajor Special Revenue Funds**  
**June 30, 2012**

	<b>Fish and Game</b>	<b>Child Support Services</b>	<b>Recycled Oil Block Grant</b>	<b>Probation Fire Insurance Admin Grant</b>
<b>ASSETS</b>				
Cash and investments	\$ 34,248	\$ 945,283	\$ 46,836	\$ 88,881
Accounts receivable	-	-	-	-
Due from other governmental agencies	-	-	-	-
Taxes receivable	-	-	-	-
Due from other funds	-	22,061	-	-
Loans receivable	-	-	-	-
<b>Total Assets</b>	<b>\$ 34,248</b>	<b>\$ 967,344</b>	<b>\$ 46,836</b>	<b>\$ 88,881</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 82	\$ 2,988	\$ -	\$ -
Accrued salaries and benefits	-	39,166	-	-
Due to other funds	-	2,561	3,033	69,386
Deferred revenue	-	-	-	-
Unearned revenue	-	-	-	-
<b>Total Liabilities</b>	<b>82</b>	<b>44,715</b>	<b>3,033</b>	<b>69,386</b>
<b>Fund Balances:</b>				
Restricted	34,166	633,084	43,803	-
Committed	-	-	-	19,495
Assigned	-	289,545	-	-
Unassigned	-	-	-	-
<b>Total Fund Balances</b>	<b>34,166</b>	<b>922,629</b>	<b>43,803</b>	<b>19,495</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 34,248</b>	<b>\$ 967,344</b>	<b>\$ 46,836</b>	<b>\$ 88,881</b>

<b>Motor Vehicle License</b>	<b>Public Library</b>	<b>Inet Maintenance</b>	<b>Workers' Compensation</b>	<b>Nonmajor Human Service Agency</b>	<b>Administration</b>	<b>Community Development Agency</b>	<b>District Attorney</b>
\$ 132,542	\$ 416,417	\$ 125,760	\$ 420,210	\$ 5,977,141	\$ 1,218,580	\$ 2,257,570	\$ 25,370
-	35,388	5,757	-	6,671	-	-	80
-	5,646	-	-	1,155,130	1,065,801	-	-
-	245,300	-	-	-	-	-	-
85,794	1,848	2,232	-	145,715	-	-	1,150
-	-	-	-	-	-	-	-
<u>\$ 218,336</u>	<u>\$ 704,599</u>	<u>\$ 133,749</u>	<u>\$ 420,210</u>	<u>\$ 7,284,657</u>	<u>\$ 2,284,381</u>	<u>\$ 2,257,570</u>	<u>\$ 26,600</u>
\$ -	\$ 28,472	\$ 21,145	\$ 2,057	\$ 412,663	\$ 12,640	\$ 67,890	\$ 3,260
-	28,398	-	-	-	-	-	-
218,140	3,813	1,148	23,622	594,036	949,627	24,907	128
-	1,117	-	-	-	-	-	-
-	-	15,000	-	-	-	-	-
<u>218,140</u>	<u>61,800</u>	<u>37,293</u>	<u>25,679</u>	<u>1,006,699</u>	<u>962,267</u>	<u>92,797</u>	<u>3,388</u>
196	85,418	-	394,531	6,197,907	1,322,114	2,164,773	23,366
-	-	91,938	-	-	-	-	-
-	557,381	4,518	-	80,051	-	-	-
-	-	-	-	-	-	-	(154)
<u>196</u>	<u>642,799</u>	<u>96,456</u>	<u>394,531</u>	<u>6,277,958</u>	<u>1,322,114</u>	<u>2,164,773</u>	<u>23,212</u>
<u>\$ 218,336</u>	<u>\$ 704,599</u>	<u>\$ 133,749</u>	<u>\$ 420,210</u>	<u>\$ 7,284,657</u>	<u>\$ 2,284,381</u>	<u>\$ 2,257,570</u>	<u>\$ 26,600</u>

**COUNTY OF NEVADA**  
**Combining Balance Sheet**  
**Nonmajor Special Revenue Funds**  
**June 30, 2012**

	<u>Probation</u>	<u>Recorder</u>	<u>Sheriff</u>	<u>Special Districts Governed by the Board of Supervisors</u>
<b>ASSETS</b>				
Cash and investments	\$ 691,419	\$ 613,943	\$ 2,620,875	\$ 1,429,572
Accounts receivable	1,100	-	9,207	-
Due from other governmental agencies	97,552	-	-	-
Taxes receivable	-	-	-	-
Due from other funds	109,013	-	350,516	-
Loans receivable	-	-	-	3,061
<b>Total Assets</b>	<u>\$ 899,084</u>	<u>\$ 613,943</u>	<u>\$ 2,980,598</u>	<u>\$ 1,432,633</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 72	\$ 5,164	\$ 23,925	\$ -
Accrued salaries and benefits	-	-	-	-
Due to other funds	159,884	295,674	70,494	5,622
Deferred revenue	-	-	-	3,061
Unearned revenue	-	-	-	-
<b>Total Liabilities</b>	<u>159,956</u>	<u>300,838</u>	<u>94,419</u>	<u>8,683</u>
<b>Fund Balances:</b>				
Restricted	739,128	313,105	2,886,179	1,423,950
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
<b>Total Fund Balances</b>	<u>739,128</u>	<u>313,105</u>	<u>2,886,179</u>	<u>1,423,950</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 899,084</u>	<u>\$ 613,943</u>	<u>\$ 2,980,598</u>	<u>\$ 1,432,633</u>

<b>Public Works</b>	<b>Housing and Community Services</b>	<b>Totals</b>
\$ 2,763,093	\$ 632,933	\$20,440,673
-	417	58,620
-	597,456	2,921,585
-	-	245,300
-	249,309	967,638
-	4,947,457	4,950,518
<u>\$ 2,763,093</u>	<u>\$ 6,427,572</u>	<u>\$29,584,334</u>
\$ 11,469	\$ 97,429	\$ 689,256
-	16,551	84,115
125	251,659	2,673,859
-	1,154	5,332
-	639,258	654,258
<u>11,594</u>	<u>1,006,051</u>	<u>4,106,820</u>
2,751,499	5,474,386	24,487,605
-	-	111,433
-	-	931,495
-	(52,865)	(53,019)
<u>2,751,499</u>	<u>5,421,521</u>	<u>25,477,514</u>
<u>\$ 2,763,093</u>	<u>\$ 6,427,572</u>	<u>\$29,584,334</u>

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

	<b>Fish and Game</b>	<b>Child Support Services</b>	<b>Recycled Oil Block Grant</b>	<b>Probation Fire Insurance Admin Grant</b>
<b>REVENUES</b>				
Taxes and assessments	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Fines and forfeitures	2,151	-	-	-
Use of money and property	198	6,535	230	592
Intergovernmental	-	3,391,610	37,432	-
Charges for services	-	122,375	-	-
Other revenues	-	326	-	-
<b>Total Revenues</b>	<b>2,349</b>	<b>3,520,846</b>	<b>37,662</b>	<b>592</b>
<b>EXPENDITURES</b>				
Current:				
General government	-	-	-	161
Public ways and facilities	-	-	-	-
Public protection	3,410	3,161,797	-	-
Health and sanitation	-	-	33,014	-
Public assistance	-	-	-	-
Education	-	-	-	-
Recreation	-	-	-	-
Capital outlay	-	-	-	-
<b>Total Expenditures</b>	<b>3,410</b>	<b>3,161,797</b>	<b>33,014</b>	<b>161</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(1,061)</b>	<b>359,049</b>	<b>4,648</b>	<b>431</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	(69,386)
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(69,386)</b>
<b>Net Change in Fund Balance</b>	<b>(1,061)</b>	<b>359,049</b>	<b>4,648</b>	<b>(68,955)</b>
<b>Fund Balances - Beginning</b>	<b>35,227</b>	<b>563,580</b>	<b>39,155</b>	<b>88,450</b>
<b>Fund Balances - Ending</b>	<b>\$ 34,166</b>	<b>\$ 922,629</b>	<b>\$ 43,803</b>	<b>\$ 19,495</b>

<b>Motor Vehicle License</b>	<b>Public Library</b>	<b>Inet Maintenance</b>	<b>Workers' Compensation</b>	<b>Nonmajor Human Service Agency</b>	<b>Administration</b>	<b>Community Development Agency</b>	<b>District Attorney</b>
\$ -	\$ 1,527,284	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	10,258
-	-	-	-	201,637	149,450	273,596	24,807
(99)	15,563	3	3,109	42,700	7,067	12,245	175
-	27,568	-	-	3,499,618	5,795,897	17,358	4,708
-	84,532	28,721	-	59,091	-	15,905	-
-	120,473	72,501	108,291	41,785	21,687	2,651	37
(99)	1,775,420	101,225	111,400	3,844,831	5,974,101	321,755	39,985
-	-	94,811	268,711	-	415	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	665,936	255,307	29,892
-	-	-	-	4,210,504	-	61,367	-
-	-	-	-	-	-	-	11,242
-	2,236,707	-	-	-	169	-	-
-	-	-	-	-	57,555	119,365	-
-	19,196	10,150	-	-	-	-	-
-	2,255,903	104,961	268,711	4,210,504	724,075	436,039	41,134
(99)	(480,483)	(3,736)	(157,311)	(365,673)	5,250,026	(114,284)	(1,149)
1,453,056 (1,573,911)	565,902 -	- -	- -	167,614 (528,683)	- (5,283,083)	9,795 -	- (14,762)
(120,855)	565,902	-	-	(361,069)	(5,283,083)	9,795	(14,762)
(120,954)	85,419	(3,736)	(157,311)	(726,742)	(33,057)	(104,489)	(15,911)
121,150	557,380	100,192	551,842	7,004,700	1,355,171	2,269,262	39,123
\$ 196	\$ 642,799	\$ 96,456	\$ 394,531	\$ 6,277,958	\$ 1,322,114	\$ 2,164,773	\$ 23,212

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

	<u>Probation</u>	<u>Recorder</u>	<u>Sheriff</u>	<u>Special Districts Governed by the Board of Supervisors</u>
<b>REVENUES</b>				
Taxes and assessments	\$ -	\$ -	\$ -	\$ 33,535
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	31,440	-
Use of money and property	3,972	326	12,644	8,057
Intergovernmental	477,610	-	224,259	384
Charges for services	-	225,442	58,594	392,309
Other revenues	2,289	-	287,811	3,438
<b>Total Revenues</b>	<u>483,871</u>	<u>225,768</u>	<u>614,748</u>	<u>437,723</u>
<b>EXPENDITURES</b>				
Current:				
General government	-	-	-	-
Public ways and facilities	-	-	-	246,192
Public protection	2,061	359,168	94,256	-
Health and sanitation	-	-	-	-
Public assistance	-	-	-	-
Education	-	-	-	-
Recreation	-	-	-	-
Capital outlay	-	-	-	-
<b>Total Expenditures</b>	<u>2,061</u>	<u>359,168</u>	<u>94,256</u>	<u>246,192</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>481,810</u>	<u>(133,400)</u>	<u>520,492</u>	<u>191,531</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	508,022	-	895,527	-
Transfers out	(576,671)	-	(358,828)	-
<b>Total Other Financing Sources (Uses)</b>	<u>(68,649)</u>	<u>-</u>	<u>536,699</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	413,161	(133,400)	1,057,191	191,531
<b>Fund Balances - Beginning</b>	<u>325,967</u>	<u>446,505</u>	<u>1,828,988</u>	<u>1,232,419</u>
<b>Fund Balances - Ending</b>	<u>\$ 739,128</u>	<u>\$ 313,105</u>	<u>\$ 2,886,179</u>	<u>\$ 1,423,950</u>

<b>Public Works</b>	<b>Housing and Community Services</b>	<b>Totals</b>
\$ -	\$ -	\$ 1,560,819
-	-	10,258
-	-	683,081
15,421	3,792	132,530
-	1,824,621	15,301,065
241,842	-	1,228,811
17,759	53,382	732,430
<u>275,022</u>	<u>1,881,795</u>	<u>19,648,994</u>
-	14,975	379,073
130,515	-	376,707
-	-	4,571,827
-	-	4,304,885
-	1,670,110	1,681,352
-	-	2,236,876
-	-	176,920
-	-	29,346
<u>130,515</u>	<u>1,685,085</u>	<u>13,756,986</u>
<u>144,507</u>	<u>196,710</u>	<u>5,892,008</u>
-	210,370	3,810,286
(2,502)	(151,800)	(8,559,626)
<u>(2,502)</u>	<u>58,570</u>	<u>(4,749,340)</u>
142,005	255,280	1,142,668
<u>2,609,494</u>	<u>5,166,241</u>	<u>24,334,846</u>
<u>\$ 2,751,499</u>	<u>\$ 5,421,521</u>	<u>\$25,477,514</u>

**COUNTY OF NEVADA**  
**Budgetary Comparison Schedule - Budgetary Basis**  
**Fish and Game - Nonmajor Special Revenue Fund**  
**For the Year Ended June 30, 2012**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES</b>				
Fines and forfeitures	\$ 4,000	\$ 4,000	\$ 2,151	\$ (1,849)
Use of money and property	132	132	198	66
<b>Total Revenues</b>	<u>4,132</u>	<u>4,132</u>	<u>2,349</u>	<u>(1,783)</u>
<b>EXPENDITURES</b>				
Current:				
Public protection	<u>4,612</u>	<u>4,612</u>	<u>3,410</u>	<u>1,202</u>
<b>Total Expenditures</b>	<u>4,612</u>	<u>4,612</u>	<u>3,410</u>	<u>1,202</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>(480)</u>	<u>(480)</u>	<u>(1,061)</u>	<u>(581)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	-
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	(480)	(480)	(1,061)	(581)
<b>Fund Balances - Beginning</b>	<u>35,227</u>	<u>35,227</u>	<u>35,227</u>	<u>-</u>
<b>Fund Balances - Ending</b>	<u>\$ 34,747</u>	<u>\$ 34,747</u>	<u>\$ 34,166</u>	<u>\$ (581)</u>

**COUNTY OF NEVADA**  
**Budgetary Comparison Schedule - Budgetary Basis**  
**Child Support Services - Nonmajor Special Revenue Fund**  
**For the Year Ended June 30, 2012**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual Amounts (Budgetary Basis)</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>REVENUES</b>				
Use of money and property	\$ 3,000	\$ 3,000	\$ 6,535	\$ 3,535
Intergovernmental	4,368,597	4,368,597	3,391,610	(976,987)
Charges for services	-	-	122,375	122,375
Other revenues	-	-	326	326
<b>Total Revenues</b>	<u>4,371,597</u>	<u>4,371,597</u>	<u>3,520,846</u>	<u>(850,751)</u>
<b>EXPENDITURES</b>				
Current:				
Public protection	4,240,397	4,205,361	3,161,797	1,043,564
Capital outlay	131,200	131,200	-	131,200
<b>Total Expenditures</b>	<u>4,371,597</u>	<u>4,336,561</u>	<u>3,161,797</u>	<u>1,174,764</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>-</u>	<u>35,036</u>	<u>359,049</u>	<u>324,013</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	<u>-</u>	<u>35,036</u>	<u>359,049</u>	<u>324,013</u>
<b>Fund Balances - Beginning</b>	<u>563,580</u>	<u>563,580</u>	<u>563,580</u>	<u>-</u>
<b>Fund Balances - Ending</b>	<u>\$ 563,580</u>	<u>\$ 598,616</u>	<u>\$ 922,629</u>	<u>\$ 324,013</u>

**COUNTY OF NEVADA**  
**Budgetary Comparison Schedule - Budgetary Basis**  
**Recycled Oil Block Grant - Nonmajor Special Revenue Fund**  
**For the Year Ended June 30, 2012**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES</b>				
Use of money and property	\$ 103	\$ 103	\$ 230	\$ 127
Intergovernmental	-	-	37,432	37,432
<b>Total Revenues</b>	<u>103</u>	<u>103</u>	<u>37,662</u>	<u>37,559</u>
<b>EXPENDITURES</b>				
Current:				
Health and sanitation	<u>36,045</u>	<u>36,045</u>	<u>33,014</u>	<u>3,031</u>
<b>Total Expenditures</b>	<u>36,045</u>	<u>36,045</u>	<u>33,014</u>	<u>3,031</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>(35,942)</u>	<u>(35,942)</u>	<u>4,648</u>	<u>40,590</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	<u>(35,942)</u>	<u>(35,942)</u>	<u>4,648</u>	<u>40,590</u>
<b>Fund Balances - Beginning</b>	<u>39,155</u>	<u>39,155</u>	<u>39,155</u>	<u>-</u>
<b>Fund Balances - Ending</b>	<u>\$ 3,213</u>	<u>\$ 3,213</u>	<u>\$ 43,803</u>	<u>\$ 40,590</u>

**COUNTY OF NEVADA**  
**Budgetary Comparison Schedule - Budgetary Basis**  
**Probation Fire Insurance Admin Grant - Nonmajor Special Revenue Fund**  
**For the Year Ended June 30, 2012**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES</b>				
Use of money and property	\$ 400	\$ 400	\$ 592	\$ 192
<b>Total Revenues</b>	<u>400</u>	<u>400</u>	<u>592</u>	<u>192</u>
<b>EXPENDITURES</b>				
Current:				
General government	161	161	161	-
<b>Total Expenditures</b>	<u>161</u>	<u>161</u>	<u>161</u>	<u>-</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>239</u>	<u>239</u>	<u>431</u>	<u>192</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	-
Transfers out	(98,251)	(98,251)	(69,386)	28,865
<b>Total Other Financing Sources (Uses)</b>	<u>(98,251)</u>	<u>(98,251)</u>	<u>(69,386)</u>	<u>28,865</u>
<b>Net Change in Fund Balance</b>	<u>(98,012)</u>	<u>(98,012)</u>	<u>(68,955)</u>	<u>29,057</u>
<b>Fund Balances - Beginning</b>	<u>88,450</u>	<u>88,450</u>	<u>88,450</u>	<u>-</u>
<b>Fund Balances - Ending</b>	<u><u>\$ (9,562)</u></u>	<u><u>\$ (9,562)</u></u>	<u><u>\$ 19,495</u></u>	<u><u>\$ 29,057</u></u>

**COUNTY OF NEVADA**  
**Budgetary Comparison Schedule - Budgetary Basis**  
**Motor Vehicle License - Nonmajor Special Revenue Fund**  
**For the Year Ended June 30, 2012**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES</b>				
Use of money and property	\$ -	\$ -	\$ (99)	\$ (99)
<b>Total Revenues</b>	<u>-</u>	<u>-</u>	<u>(99)</u>	<u>(99)</u>
<b>EXPENDITURES</b>				
Current:				
General government	-	-	-	-
<b>Total Expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>-</u>	<u>-</u>	<u>(99)</u>	<u>(99)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	1,830,778	1,453,056	(377,722)
Transfers out	-	(1,830,778)	(1,573,911)	256,867
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>(120,855)</u>	<u>(120,855)</u>
<b>Net Change in Fund Balance</b>	<u>-</u>	<u>-</u>	<u>(120,954)</u>	<u>(120,954)</u>
<b>Fund Balances - Beginning</b>	<u>121,150</u>	<u>121,150</u>	<u>121,150</u>	<u>-</u>
<b>Fund Balances - Ending</b>	<u>\$ 121,150</u>	<u>\$ 121,150</u>	<u>\$ 196</u>	<u>\$ (120,954)</u>

**COUNTY OF NEVADA**  
**Budgetary Comparison Schedule - Budgetary Basis**  
**Public Library - Nonmajor Special Revenue Fund**  
**For the Year Ended June 30, 2012**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual Amounts (Budgetary Basis)</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>REVENUES</b>				
Taxes and assessments	\$ 1,380,000	\$ 1,380,000	\$ 1,527,284	\$ 147,284
Use of money and property	16,100	16,100	15,563	(537)
Intergovernmental	1,488	44,164	27,568	(16,596)
Charges for services	96,554	96,554	84,532	(12,022)
Other revenues	73,048	94,712	120,473	25,761
<b>Total Revenues</b>	<b>1,567,190</b>	<b>1,631,530</b>	<b>1,775,420</b>	<b>143,890</b>
<b>EXPENDITURES</b>				
Current:				
Education	2,197,977	2,366,785	2,236,707	130,078
Capital outlay	18,606	19,206	19,196	10
<b>Total Expenditures</b>	<b>2,216,583</b>	<b>2,385,991</b>	<b>2,255,903</b>	<b>130,088</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(649,393)</b>	<b>(754,461)</b>	<b>(480,483)</b>	<b>273,978</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	565,902	565,902	565,902	-
Transfers out	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>565,902</b>	<b>565,902</b>	<b>565,902</b>	<b>-</b>
<b>Net Change in Fund Balance</b>	<b>(83,491)</b>	<b>(188,559)</b>	<b>85,419</b>	<b>273,978</b>
<b>Fund Balances - Beginning</b>	<b>557,380</b>	<b>557,380</b>	<b>557,380</b>	<b>-</b>
<b>Fund Balances - Ending</b>	<b>\$ 473,889</b>	<b>\$ 368,821</b>	<b>\$ 642,799</b>	<b>\$ 273,978</b>

**COUNTY OF NEVADA**  
**Budgetary Comparison Schedule - Budgetary Basis**  
**Inet Maintenance - Nonmajor Special Revenue Fund**  
**For the Year Ended June 30, 2012**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual Amounts (Budgetary Basis)</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>REVENUES</b>				
Use of money and property	\$ -	\$ -	\$ 3	\$ 3
Charges for services	23,060	39,572	28,721	(10,851)
Other revenues	75,800	75,800	72,501	(3,299)
<b>Total Revenues</b>	<u>98,860</u>	<u>115,372</u>	<u>101,225</u>	<u>(14,147)</u>
<b>EXPENDITURES</b>				
Current:				
General government	88,025	109,910	94,811	15,099
Capital outlay	-	16,472	10,150	6,322
<b>Total Expenditures</b>	<u>88,025</u>	<u>126,382</u>	<u>104,961</u>	<u>21,421</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>10,835</u>	<u>(11,010)</u>	<u>(3,736)</u>	<u>7,274</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	10,835	(11,010)	(3,736)	7,274
<b>Fund Balances - Beginning</b>	<u>100,192</u>	<u>100,192</u>	<u>100,192</u>	<u>-</u>
<b>Fund Balances - Ending</b>	<u>\$ 111,027</u>	<u>\$ 89,182</u>	<u>\$ 96,456</u>	<u>\$ 7,274</u>

**COUNTY OF NEVADA**  
**Budgetary Comparison Schedule - Budgetary Basis**  
**Workers' Compensation - Nonmajor Special Revenue Fund**  
**For the Year Ended June 30, 2012**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES</b>				
Use of money and property	\$ 1,100	\$ 1,100	\$ 3,109	\$ 2,009
Other revenues	56,715	56,715	108,291	51,576
<b>Total Revenues</b>	<u>57,815</u>	<u>57,815</u>	<u>111,400</u>	<u>53,585</u>
<b>EXPENDITURES</b>				
Current:				
General government	417,307	417,307	268,711	148,596
<b>Total Expenditures</b>	<u>417,307</u>	<u>417,307</u>	<u>268,711</u>	<u>148,596</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>(359,492)</u>	<u>(359,492)</u>	<u>(157,311)</u>	<u>202,181</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	(359,492)	(359,492)	(157,311)	202,181
<b>Fund Balances - Beginning</b>	551,842	551,842	551,842	-
<b>Fund Balances - Ending</b>	<u>\$ 192,350</u>	<u>\$ 192,350</u>	<u>\$ 394,531</u>	<u>\$ 202,181</u>

**COUNTY OF NEVADA**  
**Budgetary Comparison Schedule - Budgetary Basis**  
**Nonmajor Human Services Agency - Nonmajor Special Revenue Fund**  
**For the Year Ended June 30, 2012**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES</b>				
Fines and forfeitures	\$ 203,000	\$ 203,000	\$ 201,637	\$ (1,363)
Use of money and property	33,058	34,511	42,700	8,189
Intergovernmental	3,926,861	3,978,316	3,499,618	(478,698)
Charges for services	19,200	19,200	59,091	39,891
Other revenue	46,840	46,840	41,785	(5,055)
<b>Total Revenues</b>	<u>4,228,959</u>	<u>4,281,867</u>	<u>3,844,831</u>	<u>(437,036)</u>
<b>EXPENDITURES</b>				
Current:				
Health and sanitation	4,856,635	5,048,829	4,210,504	838,325
<b>Total Expenditures</b>	<u>4,856,635</u>	<u>5,048,829</u>	<u>4,210,504</u>	<u>838,325</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>(627,676)</u>	<u>(766,962)</u>	<u>(365,673)</u>	<u>401,289</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	32,079	167,615	167,614	(1)
Transfers out	(445,084)	(583,259)	(528,683)	54,576
<b>Total Other Financing Sources (Uses)</b>	<u>(413,005)</u>	<u>(415,644)</u>	<u>(361,069)</u>	<u>54,575</u>
<b>Net Changes in Fund Balance</b>	<u>(1,040,681)</u>	<u>(1,182,606)</u>	<u>(726,742)</u>	<u>455,864</u>
<b>Fund Balances - Beginning</b>	<u>7,004,700</u>	<u>7,004,700</u>	<u>7,004,700</u>	<u>-</u>
<b>Fund Balances - Ending</b>	<u>\$ 5,964,019</u>	<u>\$ 5,822,094</u>	<u>\$ 6,277,958</u>	<u>\$ 455,864</u>

**COUNTY OF NEVADA**  
**Budgetary Comparison Schedule - Budgetary Basis**  
**Administration - Nonmajor Special Revenue Fund**  
**For the Year Ended June 30, 2012**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES</b>				
Fines and forfeitures	\$ 183,000	\$ 183,000	\$ 149,450	\$ (33,550)
Use of money and property	5,851	6,063	7,067	1,004
Intergovernmental	5,076,872	5,776,625	5,795,897	19,272
Other revenue	24,100	24,100	21,687	(2,413)
<b>Total Revenues</b>	<u>5,289,823</u>	<u>5,989,788</u>	<u>5,974,101</u>	<u>(15,687)</u>
<b>EXPENDITURES</b>				
Current:				
General government	3,475	415	415	-
Public protection	591,711	665,936	665,936	-
Education	30,179	30,179	169	30,010
Recreation	-	57,600	57,555	45
<b>Total Expenditures</b>	<u>625,365</u>	<u>754,130</u>	<u>724,075</u>	<u>30,055</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>4,664,458</u>	<u>5,235,658</u>	<u>5,250,026</u>	<u>14,368</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	3,060	-	-	-
Transfers out	(4,664,080)	(5,285,108)	(5,283,083)	2,025
<b>Total Other Financing Sources (Uses)</b>	<u>(4,661,020)</u>	<u>(5,285,108)</u>	<u>(5,283,083)</u>	<u>2,025</u>
<b>Net Changes in Fund Balance</b>	3,438	(49,450)	(33,057)	16,393
<b>Fund Balances - Beginning</b>	<u>1,355,171</u>	<u>1,355,171</u>	<u>1,355,171</u>	<u>-</u>
<b>Fund Balances - Ending</b>	<u>\$ 1,358,609</u>	<u>\$ 1,305,721</u>	<u>\$ 1,322,114</u>	<u>\$ 16,393</u>

**COUNTY OF NEVADA**  
**Budgetary Comparison Schedule - Budgetary Basis**  
**Community Development Agency - Nonmajor Special Revenue Fund**  
**For the Year Ended June 30, 2012**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES</b>				
Fines and forfeitures	\$ 78,500	\$ 78,500	\$ 273,596	\$ 195,096
Use of money and property	12,666	12,777	12,245	(532)
Intergovernmental	17,200	17,358	17,358	-
Charges for services	21,976	12,724	15,905	3,181
Other revenue	8,125	8,125	2,651	(5,474)
<b>Total Revenues</b>	<u>138,467</u>	<u>129,484</u>	<u>321,755</u>	<u>192,271</u>
<b>EXPENDITURES</b>				
Current:				
Public protection	1,000,247	1,007,688	255,307	752,381
Health and sanitation	70,750	77,508	61,367	16,141
Recreation	-	178,997	119,365	59,632
<b>Total Expenditures</b>	<u>1,070,997</u>	<u>1,264,193</u>	<u>436,039</u>	<u>828,154</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>(932,530)</u>	<u>(1,134,709)</u>	<u>(114,284)</u>	<u>1,020,425</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	9,795	9,795	-
Transfers out	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>9,795</u>	<u>9,795</u>	<u>-</u>
<b>Net Changes in Fund Balance</b>	<u>(932,530)</u>	<u>(1,124,914)</u>	<u>(104,489)</u>	<u>1,020,425</u>
<b>Fund Balances - Beginning</b>	<u>2,269,262</u>	<u>2,269,262</u>	<u>2,269,262</u>	<u>-</u>
<b>Fund Balances - Ending</b>	<u>\$ 1,336,732</u>	<u>\$ 1,144,348</u>	<u>\$ 2,164,773</u>	<u>\$ 1,020,425</u>

**COUNTY OF NEVADA**  
**Budgetary Comparison Schedule - Budgetary Basis**  
**District Attorney - Nonmajor Special Revenue Fund**  
**For the Year Ended June 30, 2012**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual Amounts (Budgetary Basis)</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>REVENUES</b>				
Licenses and permits	\$ 9,000	\$ 9,000	\$ 10,258	\$ 1,258
Fines and forfeitures	4,750	4,750	24,807	20,057
Use of money and property	130	130	175	45
Intergovernmental	6,000	6,000	4,708	(1,292)
Other revenue	22,000	22,000	37	(21,963)
<b>Total Revenues</b>	<b>41,880</b>	<b>41,880</b>	<b>39,985</b>	<b>(1,895)</b>
<b>EXPENDITURES</b>				
Current:				
Public protection	30,500	30,500	29,892	608
Public assistance	13,750	13,750	11,242	2,508
<b>Total Expenditures</b>	<b>44,250</b>	<b>44,250</b>	<b>41,134</b>	<b>3,116</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(2,370)</b>	<b>(2,370)</b>	<b>(1,149)</b>	<b>1,221</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	-
Transfers out	-	(19,689)	(14,762)	4,927
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>(19,689)</b>	<b>(14,762)</b>	<b>4,927</b>
<b>Net Changes in Fund Balance</b>	<b>(2,370)</b>	<b>(22,059)</b>	<b>(15,911)</b>	<b>6,148</b>
<b>Fund Balances - Beginning</b>	<b>39,123</b>	<b>39,123</b>	<b>39,123</b>	<b>-</b>
<b>Fund Balances - Ending</b>	<b>\$ 36,753</b>	<b>\$ 17,064</b>	<b>\$ 23,212</b>	<b>\$ 6,148</b>

**COUNTY OF NEVADA**  
**Budgetary Comparison Schedule - Budgetary Basis**  
**Probation - Nonmajor Special Revenue Fund**  
**For the Year Ended June 30, 2012**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES</b>				
Use of money and property	\$ 1,687	\$ 1,687	\$ 3,972	\$ 2,285
Intergovernmental	673,802	688,763	477,610	(211,153)
Other revenue	5,340	5,340	2,289	(3,051)
<b>Total Revenues</b>	<u>680,829</u>	<u>695,790</u>	<u>483,871</u>	<u>(211,919)</u>
<b>EXPENDITURES</b>				
Current:				
Public protection	5,420	5,420	2,061	3,359
<b>Total Expenditures</b>	<u>5,420</u>	<u>5,420</u>	<u>2,061</u>	<u>3,359</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>675,409</u>	<u>690,370</u>	<u>481,810</u>	<u>(208,560)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	280,000	508,022	228,022
Transfers out	(737,639)	(720,741)	(576,671)	144,070
<b>Total Other Financing Sources (Uses)</b>	<u>(737,639)</u>	<u>(440,741)</u>	<u>(68,649)</u>	<u>372,092</u>
<b>Net Changes in Fund Balance</b>	(62,230)	249,629	413,161	163,532
<b>Fund Balances - Beginning</b>	<u>325,967</u>	<u>325,967</u>	<u>325,967</u>	<u>-</u>
<b>Fund Balances - Ending</b>	<u>\$ 263,737</u>	<u>\$ 575,596</u>	<u>\$ 739,128</u>	<u>\$ 163,532</u>

**COUNTY OF NEVADA**  
**Budgetary Comparison Schedule - Budgetary Basis**  
**Recorder - Nonmajor Special Revenue Fund**  
**For the Year Ended June 30, 2012**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES</b>				
Use of money and property	\$ -	\$ -	\$ 326	\$ 326
Charges for services	239,830	239,830	225,442	(14,388)
<b>Total Revenues</b>	<u>239,830</u>	<u>239,830</u>	<u>225,768</u>	<u>(14,062)</u>
<b>EXPENDITURES</b>				
Current:				
Public protection	374,015	383,295	359,168	24,127
<b>Total Expenditures</b>	<u>374,015</u>	<u>383,295</u>	<u>359,168</u>	<u>24,127</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>(134,185)</u>	<u>(143,465)</u>	<u>(133,400)</u>	<u>10,065</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Changes in Fund Balance</b>	(134,185)	(143,465)	(133,400)	10,065
<b>Fund Balances - Beginning</b>	<u>446,505</u>	<u>446,505</u>	<u>446,505</u>	<u>-</u>
<b>Fund Balances - Ending</b>	<u>\$ 312,320</u>	<u>\$ 303,040</u>	<u>\$ 313,105</u>	<u>\$ 10,065</u>

**COUNTY OF NEVADA**  
**Budgetary Comparison Schedule - Budgetary Basis**  
**Sheriff - Nonmajor Special Revenue Fund**  
**For the Year Ended June 30, 2012**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES</b>				
Fines and forfeitures	\$ 44,000	\$ 44,000	\$ 31,440	\$ (12,560)
Use of money and property	6,270	6,270	12,644	6,374
Intergovernmental	155,750	185,148	224,259	39,111
Charges for services	37,600	37,600	58,594	20,994
Other revenue	172,850	182,850	287,811	104,961
<b>Total Revenues</b>	<u>416,470</u>	<u>455,868</u>	<u>614,748</u>	<u>158,880</u>
<b>EXPENDITURES</b>				
Current:				
Public protection	128,860	153,860	94,256	59,604
<b>Total Expenditures</b>	<u>128,860</u>	<u>153,860</u>	<u>94,256</u>	<u>59,604</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>287,610</u>	<u>302,008</u>	<u>520,492</u>	<u>218,484</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	886,924	895,527	8,603
Transfers out	(670,655)	(822,543)	(358,828)	463,715
<b>Total Other Financing Sources (Uses)</b>	<u>(670,655)</u>	<u>64,381</u>	<u>536,699</u>	<u>472,318</u>
<b>Net Changes in Fund Balance</b>	(383,045)	366,389	1,057,191	690,802
<b>Fund Balances - Beginning</b>	<u>1,828,988</u>	<u>1,828,988</u>	<u>1,828,988</u>	<u>-</u>
<b>Fund Balances - Ending</b>	<u>\$ 1,445,943</u>	<u>\$ 2,195,377</u>	<u>\$ 2,886,179</u>	<u>\$ 690,802</u>

**COUNTY OF NEVADA**  
**Budgetary Comparison Schedule - Budgetary Basis**  
**Special Districts Governed by the Board of Supervisors -**  
**Nonmajor Special Revenue Fund**  
**For the Year Ended June 30, 2012**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES</b>				
Taxes and assessments	\$ 38,700	\$ 38,700	\$ 33,535	\$ (5,165)
Use of money and property	3,355	3,355	8,057	4,702
Intergovernmental	393	393	384	(9)
Charges for services	374,679	379,179	392,309	13,130
Other revenues	-	-	3,438	3,438
<b>Total Revenues</b>	<u>417,127</u>	<u>421,627</u>	<u>437,723</u>	<u>16,096</u>
<b>EXPENDITURES</b>				
Current:				
Public ways and facilities	389,494	416,994	246,192	170,802
<b>Total Expenditures</b>	<u>389,494</u>	<u>416,994</u>	<u>246,192</u>	<u>170,802</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>27,633</u>	<u>4,633</u>	<u>191,531</u>	<u>186,898</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Changes in Fund Balance</b>	27,633	4,633	191,531	186,898
<b>Fund Balances - Beginning</b>	<u>1,232,419</u>	<u>1,232,419</u>	<u>1,232,419</u>	<u>-</u>
<b>Fund Balances - Ending</b>	<u>\$ 1,260,052</u>	<u>\$ 1,237,052</u>	<u>\$ 1,423,950</u>	<u>\$ 186,898</u>

**COUNTY OF NEVADA**  
**Budgetary Comparison Schedule - Budgetary Basis**  
**Public Works - Nonmajor Special Revenue Fund**  
**For the Year Ended June 30, 2012**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual Amounts (Budgetary Basis)</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>REVENUES</b>				
Use of money and property	\$ 6,702	\$ 6,702	\$ 15,421	\$ 8,719
Charges for services	260,000	260,000	241,842	(18,158)
Other revenue	28,000	28,000	17,759	(10,241)
<b>Total Revenues</b>	<u>294,702</u>	<u>294,702</u>	<u>275,022</u>	<u>(19,680)</u>
<b>EXPENDITURES</b>				
Current:				
Public ways and facilities	114,301	139,901	130,515	9,386
<b>Total Expenditures</b>	<u>114,301</u>	<u>139,901</u>	<u>130,515</u>	<u>9,386</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>180,401</u>	<u>154,801</u>	<u>144,507</u>	<u>(10,294)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	-
Transfers out	(103,300)	(77,700)	(2,502)	75,198
<b>Total Other Financing Sources (Uses)</b>	<u>(103,300)</u>	<u>(77,700)</u>	<u>(2,502)</u>	<u>75,198</u>
<b>Net Changes in Fund Balance</b>	77,101	77,101	142,005	64,904
<b>Fund Balances - Beginning</b>	<u>2,609,494</u>	<u>2,609,494</u>	<u>2,609,494</u>	<u>-</u>
<b>Fund Balances - Ending</b>	<u>\$ 2,686,595</u>	<u>\$ 2,686,595</u>	<u>\$ 2,751,499</u>	<u>\$ 64,904</u>

**COUNTY OF NEVADA**  
**Budgetary Comparison Schedule - Budgetary Basis**  
**Housing and Community Services - Nonmajor Special Revenue Fund**  
**For the Year Ended June 30, 2012**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES</b>				
Use of money and property	\$ 1,125	\$ 1,125	\$ 3,792	\$ 2,667
Intergovernmental	880,274	3,015,875	1,824,621	(1,191,254)
Other revenue	139,650	143,490	53,382	(90,108)
<b>Total Revenues</b>	<u>1,021,049</u>	<u>3,160,490</u>	<u>1,881,795</u>	<u>(1,278,695)</u>
<b>EXPENDITURES</b>				
Current:				
General government	201,300	201,300	14,975	186,325
Public assistance	921,554	3,049,195	1,670,110	1,379,085
Debt service:				
Interest and other charges	-	35,000	-	35,000
<b>Total Expenditures</b>	<u>1,122,854</u>	<u>3,285,495</u>	<u>1,685,085</u>	<u>1,600,410</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>(101,805)</u>	<u>(125,005)</u>	<u>196,710</u>	<u>321,715</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	73,570	73,570	210,370	136,800
Transfers out	(15,000)	(26,800)	(151,800)	(125,000)
<b>Total Other Financing Sources (Uses)</b>	<u>58,570</u>	<u>46,770</u>	<u>58,570</u>	<u>11,800</u>
<b>Net Changes in Fund Balance</b>	<u>(43,235)</u>	<u>(78,235)</u>	<u>255,280</u>	<u>333,515</u>
<b>Fund Balances - Beginning</b>	<u>5,166,241</u>	<u>5,166,241</u>	<u>5,166,241</u>	<u>-</u>
<b>Fund Balances - Ending</b>	<u>\$ 5,123,006</u>	<u>\$ 5,088,006</u>	<u>\$ 5,421,521</u>	<u>\$ 333,515</u>

**THIS PAGE INTENTIONALLY LEFT BLANK**

---

## **Nonmajor Governmental Funds**

- **Debt Service Funds**

**THIS PAGE INTENTIONALLY LEFT BLANK**

**COUNTY OF NEVADA**  
**Nonmajor Debt Service Funds**

Debt Service Funds are used to account for and report financial resources that are restricted, committed or assigned to expenditure for principal and interest. 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.
- **SPECIAL ASSESSMENT DEBT WITH COUNTY COMMITMENT**  
These funds were established to administer bonds issued by the County of Nevada on behalf of the County Service Area 22 Assessment District under the Improvement Bond Act of 1915.
- **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.

**THIS PAGE INTENTIONALLY LEFT BLANK**

**COUNTY OF NEVADA**  
**Combining Balance Sheet**  
**Nonmajor Debt Service Funds**  
**June 30, 2012**

	<b>Government Debt Service</b>	<b>Special Assessment Debt With County Commitment</b>	<b>Finance Authority</b>	<b>Totals</b>
<b>ASSETS</b>				
Cash and investments	\$ 92	\$ 116,014	\$ 19,995	\$ 136,101
Taxes receivable	-	460	-	460
Restricted cash and investments	-	-	874,960	874,960
<b>Total Assets</b>	<u>\$ 92</u>	<u>\$ 116,474</u>	<u>\$ 894,955</u>	<u>\$ 1,011,521</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Due to other funds	\$ -	\$ -	\$ -	\$ -
<b>Total Liabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balances:</b>				
Restricted	<u>92</u>	<u>116,474</u>	<u>894,955</u>	<u>1,011,521</u>
<b>Total Fund Balances</b>	<u>92</u>	<u>116,474</u>	<u>894,955</u>	<u>1,011,521</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 92</u>	<u>\$ 116,474</u>	<u>\$ 894,955</u>	<u>\$ 1,011,521</u>

**COUNTY OF NEVADA**  
**Combining Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances**  
**Nonmajor Debt Service Funds**  
**For the Year Ended June 30, 2012**

	<b>Government Debt Service</b>	<b>Special Assessment Debt With County Commitment</b>	<b>Finance Authority</b>	<b>Totals</b>
<b>REVENUES</b>				
Use of money and property	\$ 92	\$ 637	\$ 54,901	\$ 55,630
Charges for services	-	28,096	-	28,096
<b>Total Revenues</b>	<u>92</u>	<u>28,733</u>	<u>54,901</u>	<u>83,726</u>
<b>EXPENDITURES</b>				
Current:				
General government	558	787	119,385	120,730
Public ways & facilities	-	1,790	-	1,790
Debt service:				
Principal	101,359	12,000	240,856	354,215
Interest and other charges	92,601	15,318	650,373	758,292
Issuance costs	-	-	242,091	242,091
<b>Total Expenditures</b>	<u>194,518</u>	<u>29,895</u>	<u>1,252,705</u>	<u>1,477,118</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>(194,426)</u>	<u>(1,162)</u>	<u>(1,197,804)</u>	<u>(1,393,392)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	194,518	27,318	1,733,513	1,955,349
Transfers out	-	(27,318)	-	(27,318)
Refunding certificates of participation issued	-	-	8,610,000	8,610,000
Premium on certificates of participation	-	-	611,148	611,148
Refunded certificates of participation redeemed	-	-	(11,020,000)	(11,020,000)
<b>Total Other Financing Sources (Uses)</b>	<u>194,518</u>	<u>-</u>	<u>(65,339)</u>	<u>129,179</u>
<b>Net Change in Fund Balance</b>	<u>92</u>	<u>(1,162)</u>	<u>(1,263,143)</u>	<u>(1,264,213)</u>
<b>Fund Balances - Beginning</b>	<u>-</u>	<u>117,636</u>	<u>2,158,098</u>	<u>2,275,734</u>
<b>Fund Balances - Ending</b>	<u>\$ 92</u>	<u>\$ 116,474</u>	<u>\$ 894,955</u>	<u>\$ 1,011,521</u>

**COUNTY OF NEVADA**  
**Budgetary Comparison Schedule - Budgetary Basis**  
**Government Debt Service - Nonmajor Debt Service Fund**  
**For the Year Ended June 30, 2012**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES</b>				
Use of money and property	\$ -	\$ -	\$ 92	\$ 92
<b>Total Revenues</b>	<u>-</u>	<u>-</u>	<u>92</u>	<u>92</u>
<b>EXPENDITURES</b>				
Current:				
General government	-	558	558	-
Debt service:				
Principal	-	152,849	101,359	51,490
Interest and other charges	-	83,870	92,601	(8,731)
<b>Total Expenditures</b>	<u>-</u>	<u>237,277</u>	<u>194,518</u>	<u>42,759</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>-</u>	<u>(237,277)</u>	<u>(194,426)</u>	<u>42,851</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	237,277	237,277	194,518	(42,759)
Transfers out	(237,277)	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>237,277</u>	<u>194,518</u>	<u>(42,759)</u>
<b>Net Changes in Fund Balance</b>	<u>-</u>	<u>-</u>	<u>92</u>	<u>92</u>
<b>Fund Balances - Beginning</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balances - Ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 92</u>	<u>\$ 92</u>

**COUNTY OF NEVADA**  
**Budgetary Comparison Schedule - Budgetary Basis**  
**Special Assessment Debt with County Commitment -**  
**Nonmajor Debt Service Fund**  
**For the Year Ended June 30, 2012**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES</b>				
Use of money and property	\$ 363	\$ 363	\$ 637	\$ 274
Charges for services	29,138	29,138	28,096	(1,042)
<b>Total Revenues</b>	<u>29,501</u>	<u>29,501</u>	<u>28,733</u>	<u>(768)</u>
<b>EXPENDITURES</b>				
Current:				
General government	281	787	787	-
Public ways and facilities	2,479	1,973	1,790	183
Debt service:				
Principal	11,000	11,397	12,000	(603)
Interest and other charges	15,921	15,921	15,318	603
<b>Total Expenditures</b>	<u>29,681</u>	<u>30,078</u>	<u>29,895</u>	<u>183</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>(180)</u>	<u>(577)</u>	<u>(1,162)</u>	<u>(585)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	29,138	29,535	27,318	(2,217)
Transfers out	(29,138)	(29,535)	(27,318)	2,217
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Changes in Fund Balance</b>	<u>(180)</u>	<u>(577)</u>	<u>(1,162)</u>	<u>(585)</u>
<b>Fund Balances - Beginning</b>	<u>117,636</u>	<u>117,636</u>	<u>117,636</u>	<u>-</u>
<b>Fund Balances - Ending</b>	<u>\$ 117,456</u>	<u>\$ 117,059</u>	<u>\$ 116,474</u>	<u>\$ (585)</u>

**COUNTY OF NEVADA**  
**Budgetary Comparison Schedule - Budgetary Basis**  
**Finance Authority - Nonmajor Debt Service Fund**  
**For the Year Ended June 30, 2012**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive Negative</u>
<b>REVENUES</b>				
Use of money and property	\$ 127,595	\$ 127,595	\$ 54,901	\$ (72,694)
<b>Total Revenues</b>	<u>127,595</u>	<u>127,595</u>	<u>54,901</u>	<u>(72,694)</u>
<b>EXPENDITURES</b>				
Current:				
General government	152,453	152,453	119,385	33,068
Debt service:				
Principal	1,145,856	1,250,856	240,856	1,010,000
Interest and other charges	628,042	478,040	650,373	(172,333)
Issuance costs	-	-	242,091	(242,091)
<b>Total Expenditures</b>	<u>1,926,351</u>	<u>1,881,349</u>	<u>1,252,705</u>	<u>628,644</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>(1,798,756)</u>	<u>(1,753,754)</u>	<u>(1,197,804)</u>	<u>555,950</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	1,798,756	1,753,754	1,733,513	(20,241)
Transfers out	-	-	-	-
Refunding certificates of participation issued	-	-	8,610,000	8,610,000
Premium on certificates of participation	-	-	611,148	611,148
Refunded certificates of participation redeemed	-	-	(11,020,000)	(11,020,000)
<b>Total Other Financing Sources (Uses)</b>	<u>1,798,756</u>	<u>1,753,754</u>	<u>(65,339)</u>	<u>(1,819,093)</u>
<b>Net Changes in Fund Balance</b>	-	-	(1,263,143)	(1,263,143)
<b>Fund Balances - Beginning</b>	<u>2,158,098</u>	<u>2,158,098</u>	<u>2,158,098</u>	<u>-</u>
<b>Fund Balances - Ending</b>	<u>\$ 2,158,098</u>	<u>\$ 2,158,098</u>	<u>\$ 894,955</u>	<u>\$ (1,263,143)</u>

**THIS PAGE INTENTIONALLY LEFT BLANK**

---

## **Nonmajor Proprietary Funds**

- **Enterprise Funds**

**THIS PAGE INTENTIONALLY LEFT BLANK**

**COUNTY OF NEVADA**  
**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.

**THIS PAGE INTENTIONALLY LEFT BLANK**

**COUNTY OF NEVADA**  
**Combining Statement of Net Assets**  
**Nonmajor Enterprise Funds**  
**June 30, 2012**

	<b>Eastern Nevada County Solid Waste</b>	<b>Transit Services</b>	<b>Totals</b>
<b>ASSETS</b>			
Current Assets:			
Cash and investments	\$ 254,498	\$ 1,254,252	\$ 1,508,750
Accounts receivable (net of allowance)	-	6,031	6,031
Due from other governmental agencies	-	251,893	251,893
Due from other funds	-	3,024	3,024
<b>Total Current Assets</b>	<b>254,498</b>	<b>1,515,200</b>	<b>1,769,698</b>
Noncurrent Assets:			
Capital assets:			
Non-depreciable	26,409	935,478	961,887
Depreciable, net	-	317,198	317,198
<b>Total Noncurrent Assets</b>	<b>26,409</b>	<b>1,252,676</b>	<b>1,279,085</b>
<b>Total Assets</b>	<b>280,907</b>	<b>2,767,876</b>	<b>3,048,783</b>
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts payable	-	139,652	139,652
Accrued salaries and benefits	-	20,532	20,532
Due to other funds	-	77,100	77,100
Unearned revenue	-	1,369,239	1,369,239
Compensated absences payable	-	57,782	57,782
Post closure costs	3,708	-	3,708
<b>Total Current Liabilities</b>	<b>3,708</b>	<b>1,664,305</b>	<b>1,668,013</b>
Noncurrent Liabilities:			
Post closure costs	115,062	-	115,062
Net OPEB obligation	-	56,749	56,749
<b>Total Noncurrent Liabilities</b>	<b>115,062</b>	<b>56,749</b>	<b>171,811</b>
<b>Total Liabilities</b>	<b>118,770</b>	<b>1,721,054</b>	<b>1,839,824</b>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	26,409	1,252,676	1,279,085
Unrestricted	135,728	(205,854)	(70,126)
<b>Total Net Assets</b>	<b>\$ 162,137</b>	<b>\$ 1,046,822</b>	<b>\$ 1,208,959</b>

**COUNTY OF NEVADA**  
**Combining Statement of Revenues, Expenses, and**  
**Changes in Net Assets**  
**Nonmajor Enterprise Funds**  
**For the Year Ended June 30, 2012**

	<b>Eastern Nevada County Solid Waste</b>	<b>Transit Services</b>	<b>Totals</b>
<b>OPERATING REVENUES</b>			
Charges for services	\$ 170,393	\$ 325,517	\$ 495,910
<b>Operating Revenues</b>	<u>170,393</u>	<u>325,517</u>	<u>495,910</u>
<b>OPERATING EXPENSES</b>			
Salaries and benefits	-	1,114,743	1,114,743
Services and supplies	171,468	1,135,558	1,307,026
Other charges	4,144	86,959	91,103
Expense transfers	1,881	92,400	94,281
Post closure expense	2,443	-	2,443
Depreciation	-	323,920	323,920
<b>Operating Expenses</b>	<u>179,936</u>	<u>2,753,580</u>	<u>2,933,516</u>
<b>Operating Income (Loss)</b>	<u>(9,543)</u>	<u>(2,428,063)</u>	<u>(2,437,606)</u>
<b>NON-OPERATING REVENUE (EXPENSES)</b>			
Taxes and assessments	-	1,738,448	1,738,448
Intergovernmental revenues	-	316,728	316,728
Interest income	1,498	10,139	11,637
Other revenues	-	3,384	3,384
<b>Total Non-Operating Revenues (Expenses)</b>	<u>1,498</u>	<u>2,068,699</u>	<u>2,070,197</u>
<b>Income (Loss) Before Transfers</b>	<u>(8,045)</u>	<u>(359,364)</u>	<u>(367,409)</u>
Capital contribution	-	636,952	636,952
Transfers in	-	-	-
Transfers out	-	-	-
<b>Change in Net Assets</b>	<u>(8,045)</u>	<u>277,588</u>	<u>269,543</u>
<b>Net Assets - Beginning</b>	<u>170,182</u>	<u>769,234</u>	<u>939,416</u>
<b>Net Assets - Ending</b>	<u>\$ 162,137</u>	<u>\$ 1,046,822</u>	<u>\$ 1,208,959</u>

**COUNTY OF NEVADA**  
**Combining Statement of Cash Flows**  
**Nonmajor Enterprise Funds**  
**For the Year Ended June 30, 2012**

	<b>Eastern Nevada County Solid Waste</b>	<b>Transit Services</b>	<b>Totals</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers	\$ 170,393	\$ 354,341	\$ 524,734
Payments to suppliers	(177,493)	(1,236,250)	(1,413,743)
Payments to employees	-	(1,096,174)	(1,096,174)
<b>Net Cash Provided (Used) by Operating Activities</b>	<u>(7,100)</u>	<u>(1,978,083)</u>	<u>(1,985,183)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Grants and other receipts	-	2,278,811	2,278,811
Interfund loans received	-	38,840	38,840
Interfund loans made	-	(3,024)	(3,024)
<b>Net Cash Provided (Used) for Noncapital Financing Activities</b>	<u>-</u>	<u>2,314,627</u>	<u>2,314,627</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Acquisition of capital assets	-	(603,496)	(603,496)
Capital grants	-	636,952	636,952
<b>Net Cash Provided (Used) for Capital and Related Financing Activities</b>	<u>-</u>	<u>33,456</u>	<u>33,456</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest and dividends (expense)	1,498	10,139	11,637
<b>Net Cash Provided (Used) by Investing Activities</b>	<u>1,498</u>	<u>10,139</u>	<u>11,637</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	(5,602)	380,139	374,537
<b>Balances - Beginning of the Year</b>	<u>260,100</u>	<u>874,113</u>	<u>1,134,213</u>
<b>Balances - End of the Year</b>	<u>\$ 254,498</u>	<u>\$ 1,254,252</u>	<u>\$ 1,508,750</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>			
Operating income (loss)	\$ (9,543)	\$ (2,428,063)	\$ (2,437,606)
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	-	323,920	323,920
Decrease (Increase) in:			
Accounts receivable	-	28,824	28,824
Increase (Decrease) in:			
Accounts payable	-	78,667	78,667
Accrued salaries and benefits	-	7,836	7,836
Compensated absences payable	-	7,491	7,491
Post closure costs	2,443	-	2,443
Net OPEB obligation	-	3,242	3,242
<b>Net Cash Provided (Used) by Operating Activities</b>	<u>\$ (7,100)</u>	<u>\$ (1,978,083)</u>	<u>\$ (1,985,183)</u>

**THIS PAGE INTENTIONALLY LEFT BLANK**

---

## **Internal Service Funds**

**THIS PAGE INTENTIONALLY LEFT BLANK**

**COUNTY OF NEVADA**  
**Internal Service Funds**

Internal service funds are used to account for the financing of good 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.

**THIS PAGE INTENTIONALLY LEFT BLANK**

**THIS PAGE INTENTIONALLY LEFT BLANK**

**COUNTY OF NEVADA**  
**Combining Statement of Net Assets**  
**Internal Service Funds**  
**June 30, 2012**

	<b>Fleet Management</b>	<b>Vision Insurance</b>	<b>Unemployment Insurance</b>	<b>Liability Insurance</b>
<b>ASSETS</b>				
Current Assets:				
Cash and investments	\$ 1,836,733	\$ 74,780	\$ 854,497	\$ 1,378,867
Accounts receivable	69,555	5,760	-	115,758
Due from other funds	376,900	-	-	-
Prepaid costs	-	-	-	-
Inventory	71,042	-	-	-
Deposits	-	-	-	-
<b>Total Current Assets</b>	<b>2,354,230</b>	<b>80,540</b>	<b>854,497</b>	<b>1,494,625</b>
Noncurrent Assets:				
Capital assets:				
Depreciable, net	779,461	-	-	-
<b>Total Noncurrent Assets</b>	<b>779,461</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Assets</b>	<b>3,133,691</b>	<b>80,540</b>	<b>854,497</b>	<b>1,494,625</b>
<b>LIABILITIES</b>				
Current Liabilities:				
Accounts payable	140,872	7,203	-	-
Accrued salaries and benefits	11,027	-	-	-
Due to other funds	194,656	-	-	19,210
Compensated absences payable	47,231	-	-	-
Accrued claims payable	-	-	425,506	256,415
<b>Total Current Liabilities</b>	<b>393,786</b>	<b>7,203</b>	<b>425,506</b>	<b>275,625</b>
Noncurrent Liabilities:				
Compensated absences payable	-	-	-	-
Accrued claims payable	-	-	-	285,585
Net OPEB obligation	40,341	-	-	-
<b>Total Noncurrent Liabilities</b>	<b>40,341</b>	<b>-</b>	<b>-</b>	<b>285,585</b>
<b>Total Liabilities</b>	<b>434,127</b>	<b>7,203</b>	<b>425,506</b>	<b>561,210</b>
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt	779,461	-	-	-
Unrestricted	1,920,103	73,337	428,991	933,415
<b>Total Net Assets</b>	<b>\$ 2,699,564</b>	<b>\$ 73,337</b>	<b>\$ 428,991</b>	<b>\$ 933,415</b>

<b>Central Services</b>	<b>Dental Insurance</b>	<b>Totals</b>
\$ 31,169	\$ 111,722	\$ 4,287,768
230	46,777	238,080
2,072	-	378,972
11,051	-	11,051
-	-	71,042
-	95,775	95,775
<u>44,522</u>	<u>254,274</u>	<u>5,082,688</u>
<u>1,277</u>	<u>-</u>	<u>780,738</u>
<u>1,277</u>	<u>-</u>	<u>780,738</u>
<u>45,799</u>	<u>254,274</u>	<u>5,863,426</u>
6,204	90	154,369
884	-	11,911
320	-	214,186
66	-	47,297
-	-	681,921
<u>7,474</u>	<u>90</u>	<u>1,109,684</u>
-	-	-
-	-	285,585
<u>2,508</u>	<u>-</u>	<u>42,849</u>
<u>2,508</u>	<u>-</u>	<u>328,434</u>
<u>9,982</u>	<u>90</u>	<u>1,438,118</u>
1,277	-	780,738
<u>34,540</u>	<u>254,184</u>	<u>3,644,570</u>
<u>\$ 35,817</u>	<u>\$ 254,184</u>	<u>\$ 4,425,308</u>

**COUNTY OF NEVADA**  
**Combining Statement of Revenues, Expenses, and**  
**Changes in Net Assets**  
**Internal Service Funds**  
**For the Year Ended June 30, 2012**

	<u>Fleet Management</u>	<u>Vision Insurance</u>	<u>Unemployment Insurance</u>	<u>Liability Insurance</u>
<b>OPERATING REVENUES</b>				
Charges for services	\$ 3,838,616	\$ 173,115	\$ 842,871	\$ 1,293,500
<b>Total Operating Revenues</b>	<u>3,838,616</u>	<u>173,115</u>	<u>842,871</u>	<u>1,293,500</u>
<b>OPERATING EXPENSES</b>				
Salaries and benefits	777,411	-	-	-
Services and supplies	2,491,330	18,774	-	365,295
Benefit and claim expense	-	136,513	552,176	263,264
Other charges	96,811	3,484	4,583	175,183
Expense transfers	148,191	-	-	59,690
Depreciation	316,685	-	-	-
<b>Total Operating Expenses</b>	<u>3,830,428</u>	<u>158,771</u>	<u>556,759</u>	<u>863,432</u>
<b>Operating Income (Loss)</b>	<u>8,188</u>	<u>14,344</u>	<u>286,112</u>	<u>430,068</u>
<b>NON-OPERATING REVENUE (EXPENSES)</b>				
Forfeitures and penalties	25,894	-	-	-
Interest income	10,447	467	4,294	8,795
Other revenues	38,519	-	81,056	184,097
Contribution expense	(27,271)	-	-	-
<b>Total Non-Operating Revenues (Expenses)</b>	<u>47,589</u>	<u>467</u>	<u>85,350</u>	<u>192,892</u>
<b>Income (Loss) Before Transfers</b>	<u>55,777</u>	<u>14,811</u>	<u>371,462</u>	<u>622,960</u>
Transfers in	47,607	-	-	-
Transfers out	-	-	-	-
<b>Change in Net Assets</b>	<u>103,384</u>	<u>14,811</u>	<u>371,462</u>	<u>622,960</u>
<b>Net Assets - Beginning</b>	<u>2,596,180</u>	<u>58,526</u>	<u>57,529</u>	<u>310,455</u>
<b>Net Assets - Ending</b>	<u>\$ 2,699,564</u>	<u>\$ 73,337</u>	<u>\$ 428,991</u>	<u>\$ 933,415</u>

<b>Central Services</b>	<b>Dental Insurance</b>	<b>Totals</b>
\$ 564,677	\$ 768,462	\$ 7,481,241
564,677	768,462	7,481,241
52,878	-	830,289
403,887	41,819	3,321,105
-	637,557	1,589,510
42,203	10,631	332,895
46,820	-	254,701
323	-	317,008
546,111	690,007	6,645,508
18,566	78,455	835,733
-	-	25,894
243	1,168	25,414
664	-	304,336
-	-	(27,271)
907	1,168	328,373
19,473	79,623	1,164,106
-	-	47,607
-	-	-
19,473	79,623	1,211,713
16,344	174,561	3,213,595
\$ 35,817	\$ 254,184	\$ 4,425,308

**COUNTY OF NEVADA**  
**Combining Statement of Cash Flows**  
**Internal Service Funds**  
**For the Year Ended June 30, 2012**

	<u>Fleet Management</u>	<u>Vision Insurance</u>	<u>Unemployment Insurance</u>	<u>Liability Insurance</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers	\$ 3,771,722	\$ 172,491	\$ 842,871	\$ 4,000,718
Payments to suppliers	(2,759,798)	(164,508)	(638,438)	(3,255,857)
Payments to employees	(804,978)	-	-	-
<b>Net Cash Provided (Used) by Operating Activities</b>	<u>206,946</u>	<u>7,983</u>	<u>204,433</u>	<u>744,861</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Grants and other receipts	30,504	-	81,056	68,339
Transfers from other funds	47,607	-	-	-
Interfund loans received	81,653	-	-	-
Interfund loans made	(5,578)	-	-	-
Interfund loans repaid	-	(1,986)	(2,830)	(867,482)
Interfund loan repayments received	58,072	-	-	-
<b>Net Cash Provided (Used) for Noncapital Financing Activities</b>	<u>212,258</u>	<u>(1,986)</u>	<u>78,226</u>	<u>(799,143)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Acquisition of capital assets	(294,951)	-	-	-
Proceeds from sale of capital assets	35,764	-	-	-
<b>Net Cash Provided (Used) for Capital and Related Financing Activities</b>	<u>(259,187)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest and dividends	10,447	467	4,294	8,795
<b>Net Cash Provided (Used) by Investing Activities</b>	<u>10,447</u>	<u>467</u>	<u>4,294</u>	<u>8,795</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	170,464	6,464	286,953	(45,487)
<b>Balances - Beginning of the Year</b>	<u>1,666,269</u>	<u>68,316</u>	<u>567,544</u>	<u>1,424,354</u>
<b>Balances - End of the Year</b>	<u>\$ 1,836,733</u>	<u>\$ 74,780</u>	<u>\$ 854,497</u>	<u>\$ 1,378,867</u>

<b>Central Services</b>	<b>Dental Insurance</b>	<b>Totals</b>
\$ 564,487	\$ 676,360	\$10,028,649
(498,596)	(721,194)	(8,038,391)
(52,614)	-	(857,592)
<u>13,277</u>	<u>(44,834)</u>	<u>1,132,666</u>
664	-	180,563
-	-	47,607
-	-	81,653
-	-	(5,578)
(5,280)	(2,422)	(880,000)
9,279	-	67,351
<u>4,663</u>	<u>(2,422)</u>	<u>(508,404)</u>
-	-	(294,951)
-	-	35,764
-	-	(259,187)
<u>243</u>	<u>1,168</u>	<u>25,414</u>
<u>243</u>	<u>1,168</u>	<u>25,414</u>
18,183	(46,088)	390,489
<u>12,986</u>	<u>157,810</u>	<u>3,897,279</u>
<u>\$ 31,169</u>	<u>\$ 111,722</u>	<u>\$ 4,287,768</u>

**COUNTY OF NEVADA**  
**Combining Statement of Cash Flows**  
**Internal Service Funds**  
**For the Year Ended June 30, 2012**

	<u>Fleet Management</u>	<u>Vision Insurance</u>	<u>Unemployment Insurance</u>	<u>Liability Insurance</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>				
Operating income (loss)	\$ 8,188	\$ 14,344	\$ 286,112	\$ 430,068
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	316,685	-	-	-
Decrease (Increase) in:				
Accounts receivable	(66,894)	(624)	-	2,707,218
Prepaid costs	-	-	-	-
Inventory	(5,073)	-	-	-
Deposits	-	-	-	-
Increase (Decrease) in:				
Accounts payable	(18,393)	(5,737)	-	(2,100,425)
Accrued salaries and benefits	541	-	-	-
Compensated absences payable	(30,589)	-	-	-
Claims payable	-	-	(81,679)	(292,000)
Net OPEB obligation	2,481	-	-	-
	<u>206,946</u>	<u>7,983</u>	<u>204,433</u>	<u>744,861</u>
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$ 206,946</b>	<b>\$ 7,983</b>	<b>\$ 204,433</b>	<b>\$ 744,861</b>

<u>Central Services</u>	<u>Dental Insurance</u>	<u>Totals</u>
\$ 18,566	\$ 78,455	\$ 835,733
323	-	317,008
(190)	(31,327)	2,608,183
(1,204)	-	(1,204)
-	-	(5,073)
-	(60,775)	(60,775)
(4,482)	(31,187)	(2,160,224)
187	-	728
(84)	-	(30,673)
-	-	(373,679)
161	-	2,642
<u>\$ 13,277</u>	<u>\$ (44,834)</u>	<u>\$ 1,132,666</u>

**THIS PAGE INTENTIONALLY LEFT BLANK**

---

**Fiduciary Funds**

**THIS PAGE INTENTIONALLY LEFT BLANK**

**COUNTY OF NEVADA**  
**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; Independent Districts, School Districts, School Districts Debt Service, Courts and Jury/Witness and Local Transportation Authority. 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 Funds - Accounts for all assets under the control of County departments which are held in a fiduciary capacity.

**THIS PAGE INTENTIONALLY LEFT BLANK**

**THIS PAGE INTENTIONALLY LEFT BLANK**

**COUNTY OF NEVADA**  
**Combining Statement of Fiduciary Net Assets**  
**Investment Trust Funds**  
**June 30, 2012**

	<b>Independent Districts</b>	<b>School Districts</b>	<b>School Districts Debt Service</b>	<b>Courts and Jury/Witness</b>
<b>ASSETS</b>				
Cash and investments	\$ 21,305,732	\$ 33,009,225	\$ 934,766	\$ 1,053,370
Accounts receivable	18,278	-	-	-
<b>Total Assets</b>	21,324,010	33,009,225	934,766	1,053,370
<b>LIABILITIES</b>				
Accounts payable	3,955	81,329	-	-
Notes payable	21,921	-	-	-
<b>Total Liabilities</b>	25,876	81,329	-	-
<b>NET ASSETS</b>				
Net assest held in trust for investment pool participants	\$ 21,298,134	\$ 32,927,896	\$ 934,766	\$ 1,053,370

<b>Local Transportation Authority</b>	<b>Total Investment Trust Funds</b>
\$ 11,162,530	\$ 67,465,623
<u>1,648,279</u>	<u>1,666,557</u>
<u>12,810,809</u>	<u>69,132,180</u>
92,521	177,805
<u>-</u>	<u>21,921</u>
<u>92,521</u>	<u>199,726</u>
<u><u>\$ 12,718,288</u></u>	<u><u>\$ 68,932,454</u></u>

**COUNTY OF NEVADA**  
**Combining Statement of Changes in Fiduciary Net Assets**  
**Investment Trust Funds**  
**For the Year Ended June 30, 2012**

	<u>Independent Districts</u>	<u>School Districts</u>	<u>School Districts Debt Service</u>	<u>Courts and Jury/Witness</u>
<b>ADDITIONS</b>				
Contributions:				
Contributions to investment pool	\$ 77,239,511	\$234,448,667	\$ 5,828,765	\$ 3,839,819
Net investment income:				
Interest income	<u>127,734</u>	<u>245,464</u>	<u>4,736</u>	<u>7,038</u>
Net investment income	<u>127,734</u>	<u>245,464</u>	<u>4,736</u>	<u>7,038</u>
<b>Total Additions</b>	<u>77,367,245</u>	<u>234,694,131</u>	<u>5,833,501</u>	<u>3,846,857</u>
<b>DEDUCTIONS</b>				
Distributions from investment pool	<u>79,717,860</u>	<u>237,469,601</u>	<u>5,671,805</u>	<u>3,962,458</u>
<b>Total Deductions</b>	<u>79,717,860</u>	<u>237,469,601</u>	<u>5,671,805</u>	<u>3,962,458</u>
<b>Change in Net Assets</b>	(2,350,615)	(2,775,470)	161,696	(115,601)
<b>Net Assets - Beginning</b>	<u>23,648,749</u>	<u>35,703,366</u>	<u>773,070</u>	<u>1,168,971</u>
<b>Net Assets - Ending</b>	<u><u>\$ 21,298,134</u></u>	<u><u>\$ 32,927,896</u></u>	<u><u>\$ 934,766</u></u>	<u><u>\$ 1,053,370</u></u>

<u>Local Transportation Authority</u>	<u>Total Investment Trust Funds</u>
\$ 5,365,718	\$326,722,480
<u>63,984</u>	<u>448,956</u>
<u>63,984</u>	<u>448,956</u>
<u>5,429,702</u>	<u>327,171,436</u>
<u>4,495,193</u>	<u>331,316,917</u>
<u>4,495,193</u>	<u>331,316,917</u>
934,509	(4,145,481)
<u>11,783,779</u>	<u>73,077,935</u>
<u><u>\$ 12,718,288</u></u>	<u><u>\$ 68,932,454</u></u>

**COUNTY OF NEVADA**  
**Combining Statement of Assets and Liabilities**  
**Agency Funds**  
**June 30, 2012**

	<u>Accrued</u> <u>Trust Funds</u>	<u>County</u> <u>Departmental</u> <u>Agency Funds</u>	<u>Total Agency</u> <u>Funds</u>
<b>ASSETS</b>			
Cash and investments	\$ 507,141	\$ 1,186,821	\$ 1,693,962
Restricted cash and investments	59,179	167,098	226,277
Taxes receivable	11,013,353	-	11,013,353
	<u>11,579,673</u>	<u>1,353,919</u>	<u>12,933,592</u>
<b>Total Assets</b>	<u>\$ 11,579,673</u>	<u>\$ 1,353,919</u>	<u>\$ 12,933,592</u>
<b>LIABILITIES</b>			
Due to other agencies	\$ 8,088,730	\$ -	\$ 8,088,730
Agency obligations	3,490,943	1,353,919	4,844,862
	<u>11,579,673</u>	<u>1,353,919</u>	<u>12,933,592</u>
<b>Total Liabilities</b>	<u>\$ 11,579,673</u>	<u>\$ 1,353,919</u>	<u>\$ 12,933,592</u>

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

	<u>Balance</u> <u>June 30, 2011</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2012</u>
<b>ACCRUED TRUST FUNDS</b>				
<b>ASSETS</b>				
Cash and investments	\$ 698,020	\$ 8,088,760	\$ 8,279,639	\$ 507,141
Restricted cash and investments	59,173	6	-	59,179
Taxes receivable	11,082,767	-	69,414	11,013,353
<b>Total Assets</b>	<u>\$ 11,839,960</u>	<u>\$ 8,088,766</u>	<u>\$ 8,349,053</u>	<u>\$ 11,579,673</u>
<b>LIABILITIES</b>				
Due to other agencies	\$ 8,230,739	\$ 8,088,730	\$ 8,230,739	\$ 8,088,730
Agency obligations	3,609,221	-	118,278	3,490,943
<b>Total Liabilities</b>	<u>\$ 11,839,960</u>	<u>\$ 8,088,730</u>	<u>\$ 8,349,017</u>	<u>\$ 11,579,673</u>
<b>COUNTY DEPARTMENTAL AGENCY FUNDS</b>				
<b>ASSETS</b>				
Cash and investments	\$ 1,757,465	\$ -	\$ 570,644	\$ 1,186,821
Restricted cash and investments	226,796	-	59,698	167,098
<b>Total Assets</b>	<u>\$ 1,984,261</u>	<u>\$ -</u>	<u>\$ 630,342</u>	<u>\$ 1,353,919</u>
<b>LIABILITIES</b>				
Agency obligations	\$ 1,984,261	\$ -	\$ 630,342	\$ 1,353,919
<b>Total Liabilities</b>	<u>\$ 1,984,261</u>	<u>\$ -</u>	<u>\$ 630,342</u>	<u>\$ 1,353,919</u>
<b>TOTAL AGENCY FUNDS</b>				
<b>ASSETS</b>				
Cash and investments	\$ 2,455,485	\$ 8,088,760	\$ 8,850,283	\$ 1,693,962
Restricted cash and investments	285,969	6	59,698	226,277
Taxes receivable	11,082,767	-	69,414	11,013,353
<b>Total Assets</b>	<u>\$ 13,824,221</u>	<u>\$ 8,088,766</u>	<u>\$ 8,979,395</u>	<u>\$ 12,933,592</u>
<b>LIABILITIES</b>				
Due to other agencies	\$ 8,230,739	\$ 8,088,730	\$ 8,230,739	\$ 8,088,730
Agency obligations	5,593,482	-	748,620	4,844,862
<b>Total Liabilities</b>	<u>\$ 13,824,221</u>	<u>\$ 8,088,730</u>	<u>\$ 8,979,359</u>	<u>\$ 12,933,592</u>

**THIS PAGE INTENTIONALLY LEFT BLANK**

---

**STATISTICAL SECTION**

**THIS PAGE INTENTIONALLY LEFT BLANK**

**COUNTY OF NEVADA**  
**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.

Sources: Unless otherwise stated, the information in this section is derived from the comprehensive annual financial reports for the relevant year. The County implemented Governmental Accounting Standards Board Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments, in FY 2002-03; schedules presenting the government-wide activities include information beginning from that year.

**THIS PAGE INTENTIONALLY LEFT BLANK**

**THIS PAGE INTENTIONALLY LEFT BLANK**

**COUNTY OF NEVADA**  
**Net Assets by Component**  
**Last Ten Fiscal Years**  
**(Accrual Basis of Accounting)**

	<b>Fiscal Year</b>			
	<b>2002/2003</b>	<b>2003/2004</b>	<b>2004/2005</b>	<b>2005/2006</b>
<b>Governmental Activities</b>				
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>
<b>Business-Type Activities</b>				
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>
<b>Primary Government</b>				
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>

<u>2006/2007</u>	<u>2007/2008</u>	<u>2008/2009</u>	<u>2009/2010</u>	<u>2010/2011</u>	<u>2011/2012</u>
\$ 238,955,459	\$ 240,377,169	\$ 245,044,668	\$ 248,400,614	\$ 250,376,233	\$ 253,037,695
40,643,025	38,274,175	36,273,724	40,542,205	40,759,140	43,247,919
14,297,129	15,395,845	18,517,776	19,001,129	24,054,736	21,160,019
<u>\$ 293,895,613</u>	<u>\$ 294,047,189</u>	<u>\$ 299,836,168</u>	<u>\$ 307,943,948</u>	<u>\$ 315,190,109</u>	<u>\$ 317,445,633</u>
\$ 17,773,325	\$ 25,611,733	\$ 30,433,338	\$ 29,861,732	\$ 31,980,481	\$ 32,630,175
650,031	(654,360)	(1,337,370)	108,052	2,270,557	3,877,136
<u>\$ 18,423,356</u>	<u>\$ 24,957,373</u>	<u>\$ 29,095,968</u>	<u>\$ 29,969,784</u>	<u>\$ 34,251,038</u>	<u>\$ 36,507,311</u>
\$ 256,728,784	\$ 265,988,902	\$ 275,478,006	\$ 278,262,346	\$ 282,356,714	\$ 285,667,870
40,643,025	38,274,175	36,273,724	40,542,205	40,759,140	43,247,919
14,947,160	14,741,485	17,180,406	19,109,181	26,325,293	25,037,155
<u>\$ 312,318,969</u>	<u>\$ 319,004,562</u>	<u>\$ 328,932,136</u>	<u>\$ 337,913,732</u>	<u>\$ 349,441,147</u>	<u>\$ 353,952,944</u>

**COUNTY OF NEVADA**  
**Changes in Net Assets**  
**Last Ten Fiscal Years**  
**(Accrual Basis of Accounting)**

	Fiscal Year			
	2002/2003	2003/2004	2004/2005	2005/2006
<b>Expenses</b>				
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
<b>Total Governmental Activities Expenses</b>	<b>109,936,706</b>	<b>99,692,128</b>	<b>99,063,683</b>	<b>109,590,115</b>
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
<b>Total Business-Type Activities Expenses</b>	<b>15,193,037</b>	<b>15,612,049</b>	<b>13,557,546</b>	<b>14,913,301</b>
<b>Total Primary Government Expenses</b>	<b>\$125,129,743</b>	<b>\$115,304,177</b>	<b>\$112,621,229</b>	<b>\$124,503,416</b>
<b>Program Revenues</b>				
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
<b>Total Governmental Activities Program Revenues</b>	<b>73,983,830</b>	<b>70,909,843</b>	<b>71,847,796</b>	<b>77,342,211</b>
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
<b>Total Business-Type Activities Program Revenues</b>	<b>13,188,371</b>	<b>13,040,992</b>	<b>14,963,622</b>	<b>17,278,683</b>
<b>Total Primary Government Program Revenues</b>	<b>\$ 87,172,201</b>	<b>\$ 83,950,835</b>	<b>\$ 86,811,418</b>	<b>\$ 94,620,894</b>

<u>2006/2007</u>	<u>2007/2008</u>	<u>2008/2009</u>	<u>2009/2010</u>	<u>2010/2011</u>	<u>2011/2012</u>
\$ 12,221,901	\$ 13,734,811	\$ 11,873,042	\$ 10,244,690	\$ 8,709,767	\$ 9,210,602
10,077,775	10,455,997	13,050,854	10,401,753	11,125,921	10,232,294
46,998,768	52,982,684	54,426,072	53,962,729	53,744,616	52,805,726
17,680,812	21,056,211	23,587,615	24,897,645	27,399,803	26,621,726
23,173,587	25,413,676	28,112,397	29,362,237	29,493,151	25,183,015
2,541,343	3,015,545	2,810,750	2,386,595	2,236,503	2,307,992
237,357	245,653	98,885	72,454	130,174	176,920
832,300	917,161	814,289	768,465	729,736	643,998
<u>113,763,843</u>	<u>127,821,738</u>	<u>134,773,904</u>	<u>132,096,568</u>	<u>133,569,671</u>	<u>127,182,273</u>
135,640	127,515	132,499	147,527	164,274	179,936
6,935,822	7,369,951	6,781,889	6,114,100	6,105,160	7,213,400
3,253,773	3,858,023	4,294,101	3,229,143	2,801,101	2,548,163
1,282,831	1,441,091	1,279,836	1,167,371	1,362,731	1,217,276
4,502,075	5,191,420	5,335,583	7,083,467	6,627,209	6,683,592
<u>16,110,141</u>	<u>17,988,000</u>	<u>17,823,908</u>	<u>17,741,608</u>	<u>17,060,475</u>	<u>17,842,367</u>
<u>\$129,873,984</u>	<u>\$145,809,738</u>	<u>\$152,597,812</u>	<u>\$149,838,176</u>	<u>\$150,630,146</u>	<u>\$145,024,640</u>
\$ 5,497,348	\$ 5,999,606	\$ 6,838,658	\$ 6,910,899	\$ 6,881,565	\$ 5,718,009
3,089,154	2,730,449	1,329,674	1,155,673	1,517,645	1,181,180
4,814,608	5,240,057	7,253,963	7,362,448	7,195,596	6,503,600
1,836,658	1,759,838	1,878,192	2,089,343	2,345,892	2,772,581
37,445	59,647	62,241	57,250	53,261	57,596
100,167	99,526	88,588	95,275	98,850	84,532
476	1,914	-	-	-	-
56,087,452	63,672,782	72,853,677	72,351,303	75,229,137	68,545,772
54,876	-	-	628,556	335,142	1,207,605
<u>71,518,184</u>	<u>79,563,819</u>	<u>90,304,993</u>	<u>90,650,747</u>	<u>93,657,088</u>	<u>86,070,875</u>
108,592	112,302	116,398	125,700	161,867	170,393
7,978,217	7,711,070	7,259,068	6,930,479	7,258,011	7,235,081
476,213	519,658	568,657	389,444	331,846	325,517
807,131	773,809	683,797	574,064	520,937	604,105
6,551,985	5,969,966	6,462,994	6,622,180	6,943,169	6,709,836
475,587	1,039,974	1,846,635	1,127,304	1,126,440	350,893
1,380,188	75,636	1,464,457	258,381	1,775,682	2,384,581
<u>17,777,913</u>	<u>16,202,415</u>	<u>18,402,006</u>	<u>16,027,552</u>	<u>18,117,952</u>	<u>17,780,406</u>
<u>\$ 89,296,097</u>	<u>\$ 95,766,234</u>	<u>\$108,706,999</u>	<u>\$106,678,299</u>	<u>\$111,775,040</u>	<u>\$103,851,281</u>

**COUNTY OF NEVADA**  
**Changes in Net Assets**  
**Last Ten Fiscal Years**  
**(Accrual Basis of Accounting)**

	Fiscal Year			
	2002/2003	2003/2004	2004/2005	2005/2006
<b>Net (Expense)/Revenue<sup>1</sup></b>				
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>
<b>General Revenues and Other Changes in Net Assets</b>				
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
Insurance recovery	-	-	-	-
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>

<sup>1</sup> 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.

<u>2006/2007</u>	<u>2007/2008</u>	<u>2008/2009</u>	<u>2009/2010</u>	<u>2010/2011</u>	<u>2011/2012</u>
\$ (42,245,659)	\$ (48,257,919)	\$ (44,468,911)	\$ (41,445,821)	\$ (39,912,583)	\$ (41,111,398)
1,667,772	(1,785,585)	578,098	(1,714,056)	1,057,477	(61,961)
<u>\$ (40,577,887)</u>	<u>\$ (50,043,504)</u>	<u>\$ (43,890,813)</u>	<u>\$ (43,159,877)</u>	<u>\$ (38,855,106)</u>	<u>\$ (41,173,359)</u>
\$ 31,516,285	\$ 33,565,001	\$ 34,221,104	\$ 34,186,337	\$ 31,655,023	\$ 30,870,233
5,532,663	5,065,713	4,250,561	4,008,830	4,175,230	4,415,124
974,171	673,351	521,261	581,367	558,138	581,333
275,728	285,205	184,889	277,712	257,137	232,734
61,133	52,232	45,658	12,434	10,704	24,977
46,546	82,318	82,535	75,404	71,793	73,894
969,903	1,013,065	1,049,170	1,032,693	1,041,684	1,043,464
69,309	62,727	125,683	8,742	77,878	25,362
33,718	41,288	25,162	29,730	29,195	23,426
4,402,323	4,396,990	3,886,412	3,684,748	3,830,282	2,906,113
955,670	1,017,403	1,117,967	932,217	860,744	877,748
-	-	-	-	-	-
2,412,223	2,441,133	1,403,888	449,987	737,446	826,145
2,724,014	1,032,807	2,125,888	2,233,034	2,816,711	1,529,315
-	-	1,331,391	1,962,614	2,707,218	-
-	800,986	(38,760)	-	-	-
(381,600)	(660,365)	-	(252,205)	(1,670,439)	-
<u>49,592,086</u>	<u>49,869,854</u>	<u>50,332,809</u>	<u>49,223,644</u>	<u>47,158,744</u>	<u>43,429,868</u>
7,009	6,723	6,864	6,804	6,960	7,068
16,796	17,920	11,455	17,140	16,306	14,718
-	-	1,841	501	432	1,007
40,871	48,611	53,661	47,008	42,202	38,499
2,442,000	2,631,864	2,318,377	1,622,511	984,634	1,738,449
-	-	-	-	-	-
1,167,496	1,251,801	480,930	125,785	179,490	206,582
1,172,322	1,712,677	797,649	515,918	384,583	311,911
-	-	19,072	-	-	-
-	-	-	-	-	-
381,600	660,365	-	252,205	1,670,439	-
<u>5,228,094</u>	<u>6,329,961</u>	<u>3,689,849</u>	<u>2,587,872</u>	<u>3,285,046</u>	<u>2,318,234</u>
<u>\$ 54,820,180</u>	<u>\$ 56,199,815</u>	<u>\$ 54,022,658</u>	<u>\$ 51,811,516</u>	<u>\$ 50,443,790</u>	<u>\$ 45,748,102</u>

**COUNTY OF NEVADA**  
**Changes in Net Assets**  
**Last Ten Fiscal Years**  
**(Accrual Basis of Accounting)**

	Fiscal Year			
	2002/2003	2003/2004	2004/2005	2005/2006
<b>Change in Net Assets</b>				
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>

<u>2006/2007</u>	<u>2007/2008</u>	<u>2008/2009</u>	<u>2009/2010</u>	<u>2010/2011</u>	<u>2011/2012</u>
\$ 7,346,427	\$ 1,611,935	\$ 5,863,898	\$ 7,777,823	\$ 7,246,161	\$ 2,318,470
6,895,866	4,544,376	4,267,947	873,816	4,342,523	2,256,273
<u>\$ 14,242,293</u>	<u>\$ 6,156,311</u>	<u>\$ 10,131,845</u>	<u>\$ 8,651,639</u>	<u>\$ 11,588,684</u>	<u>\$ 4,574,743</u>

**COUNTY OF NEVADA**  
**Fund Balances - Governmental Funds**  
**Last Ten Fiscal Years**  
**(Modified Accrual Basis of Accounting)**

	Fiscal Year			
	2002/2003	2003/2004	2004/2005	2005/2006
General Fund				
Reserved	\$ 1,352,840	\$ 775,788	\$ 808,498	\$ 1,150,883
Unreserved	11,914,079	9,094,403	10,465,538	11,373,937
Total General Fund	<u>\$ 13,266,919</u>	<u>\$ 9,870,191</u>	<u>\$ 11,274,036</u>	<u>\$ 12,524,820</u>
All Other Governmental Funds				
Reserved	\$ 5,653,048	\$ 5,174,723	\$ 5,156,484	\$ 6,175,208
Unreserved, reported in: Special revenue funds	23,196,620	26,321,052	32,838,658	32,927,673
Total All Other Governmental Funds	<u>\$ 28,849,668</u>	<u>\$ 31,495,775</u>	<u>\$ 37,995,142</u>	<u>\$ 39,102,881</u>

	Fiscal Year	
	2010/2011	2011/2012
General Fund		
Nonspendable	\$ 82,288	\$ 57,182
Restricted	11,308	182,083
Committed	3,967,000	3,967,000
Assigned	17,471,504	15,205,934
Total General Fund	<u>\$ 21,532,100</u>	<u>\$ 19,412,199</u>
All Other Governmental Funds		
Nonspendable	\$ 111,923	\$ 79,626
Restricted	40,359,584	40,154,597
Committed	178,545	111,433
Assigned	1,677,485	2,720,180
Unassigned	(592,387)	(53,019)
Total All Other Governmental Funds	<u>\$ 41,735,150</u>	<u>\$ 43,012,817</u>

**Notes:** In FY 2010-11 the County implemented GASB 54 under which governmental fund balances are reported as nonspendable, restricted, committed, assigned, and unassigned.

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.

<u>2006/2007</u>	<u>2007/2008</u>	<u>2008/2009</u>	<u>2009/2010</u>
\$ 685,415	\$ 367,172	\$ 557,619	\$ 294,709
15,271,699	18,363,975	19,085,430	19,240,143
<u>\$ 15,957,114</u>	<u>\$ 18,731,147</u>	<u>\$ 19,643,049</u>	<u>\$ 19,534,852</u>
\$ 6,529,825	\$ 7,319,385	\$ 9,149,909	\$ 9,849,187
34,113,200	30,954,790	27,123,815	30,693,018
<u>\$ 40,643,025</u>	<u>\$ 38,274,175</u>	<u>\$ 36,273,724</u>	<u>\$ 40,542,205</u>

**COUNTY OF NEVADA**  
**Changes in Fund Balances - Governmental Funds**  
**Last Ten Fiscal Years**  
**(Modified Accrual Basis of Accounting)**

	Fiscal Year			
	2002/2003	2003/2004	2004/2005	2005/2006
<b>Revenues</b>				
Taxes and assessments	\$ 21,469,815	\$ 22,905,858	\$ 25,088,257	\$ 34,611,724
Licenses and permits	2,225,703	2,774,001	2,874,129	3,022,441
Fines and forfeitures	2,305,652	2,501,164	2,309,855	2,413,690
Use of money and property	1,257,561	737,365	910,938	1,069,389
Intergovernmental	66,165,210	56,088,533	62,113,922	58,565,763
Charges for services	14,314,796	13,662,339	10,863,316	10,660,695
Other revenues	5,388,965	2,315,425	3,113,455	2,932,392
<b>Total Revenues</b>	<b>113,127,702</b>	<b>100,984,685</b>	<b>107,273,872</b>	<b>113,276,094</b>
<b>Expenditures</b>				
Current:				
General government	23,918,121	11,621,634	8,073,099	10,282,276
Public ways and facilities	8,735,672	7,066,320	7,057,898	7,866,131
Public protection	28,452,202	38,980,426	41,882,092	44,681,028
Health and sanitation	13,362,630	16,142,128	15,997,064	18,385,159
Public assistance	30,919,280	21,345,769	21,158,790	22,377,705
Education	2,310,954	2,654,324	2,442,534	2,810,092
Recreation	-	-	11,126	51,729
Debt service				
Principal	1,495,425	1,325,751	1,359,618	1,743,241
Interest and other charges	850,537	807,979	766,252	826,604
Issuance costs	-	-	-	-
Capital outlay	960,649	2,963,833	655,983	5,915,357
<b>Total Expenditures</b>	<b>111,005,470</b>	<b>102,908,164</b>	<b>99,404,456</b>	<b>114,939,322</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>2,122,232</b>	<b>(1,923,479)</b>	<b>7,869,416</b>	<b>(1,663,228)</b>
<b>Other Financial Sources (Uses)</b>				
Transfers in	17,262,307	23,912,010	25,848,038	28,485,767
Transfers out	(17,262,307)	(24,322,269)	(25,855,413)	(28,554,016)
Issuance of debt	68,671	-	26,682	4,090,000
Insurance recovery	-	-	-	-
Sale of capital assets	-	-	-	-
Premium on certificates of participation	-	-	-	-
Refunded certificates of participation redeemed	-	-	-	-
<b>Total Other Financial Sources (Uses)</b>	<b>68,671</b>	<b>(410,259)</b>	<b>19,307</b>	<b>4,021,751</b>
<b>Net Change in Fund Balances</b>	<b>\$ 2,190,903</b>	<b>\$ (2,333,738)</b>	<b>\$ 7,888,723</b>	<b>\$ 2,358,523</b>
Debt Service as a Percentage of Noncapital Expenditures	2.13%	2.13%	2.15%	2.36%

**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.

<u>2006/2007</u>	<u>2007/2008</u>	<u>2008/2009</u>	<u>2009/2010</u>	<u>2010/2011</u>	<u>2011/2012</u>
38,448,420	39,775,603	39,411,193	38,932,966	36,596,536	\$ 36,006,248
2,679,837	2,820,297	2,470,330	2,289,461	2,504,673	2,352,797
2,608,195	3,082,100	3,178,606	3,662,504	3,555,911	3,566,846
2,270,340	2,299,709	1,328,532	542,009	719,633	696,810
59,710,966	67,333,232	72,146,019	76,952,882	77,459,741	73,303,842
11,413,424	11,011,305	12,851,550	12,463,056	13,194,382	11,472,871
4,535,271	2,749,331	3,243,855	3,151,720	3,690,062	2,843,546
<u>121,666,453</u>	<u>129,071,577</u>	<u>134,630,085</u>	<u>137,994,598</u>	<u>137,720,938</u>	<u>130,242,960</u>
11,762,482	12,661,374	11,287,807	9,813,116	7,933,521	8,353,064
9,314,841	9,157,960	11,624,090	9,118,838	9,330,778	9,312,369
46,847,156	51,447,097	53,021,722	53,417,366	51,912,158	52,402,237
17,636,022	20,727,217	23,364,784	24,883,675	27,041,986	26,510,578
23,178,066	25,151,091	27,836,926	29,375,562	29,250,149	25,214,808
2,516,991	2,888,369	2,708,731	2,334,443	2,135,629	2,277,557
237,357	245,653	98,885	72,454	130,174	176,920
1,049,571	1,044,532	1,084,036	1,120,531	1,177,465	464,898
894,794	866,739	824,567	779,445	732,286	759,504
-	-	-	-	-	242,091
3,514,952	4,621,251	5,195,159	4,904,362	4,605,229	3,524,708
<u>116,952,232</u>	<u>128,811,283</u>	<u>137,046,707</u>	<u>135,819,792</u>	<u>134,249,375</u>	<u>129,238,734</u>
4,714,221	260,294	(2,416,622)	2,174,806	3,471,563	1,004,226
26,169,015	29,394,303	28,648,057	22,533,042	24,833,551	29,749,507
(26,240,706)	(30,083,150)	(28,672,801)	(22,539,440)	(26,507,147)	(29,797,114)
329,908	32,750	-	29,262	1,392,226	8,610,000
-	-	1,331,391	1,962,614	-	-
-	800,986	21,426	-	-	-
-	-	-	-	-	611,148
-	-	-	-	-	(11,020,000)
<u>258,217</u>	<u>144,889</u>	<u>1,328,073</u>	<u>1,985,478</u>	<u>(281,370)</u>	<u>(1,846,459)</u>
<u>\$ 4,972,438</u>	<u>\$ 405,183</u>	<u>\$ (1,088,549)</u>	<u>\$ 4,160,284</u>	<u>\$ 3,190,193</u>	<u>\$ (842,233)</u>
1.71%	1.54%	1.45%	1.45%	1.47%	0.98%

**COUNTY OF NEVADA**  
**Assessed Value and Actual Value of Taxable Property**  
**Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>Secured Real Property</b>	<b>Unsecured Personal Property</b>	<b>Total Secured and Unsecured<sup>2</sup></b>	<b>Less: Exemptions</b>	<b>Total Taxable Assessed Value<sup>1</sup></b>	<b>Total Direct Tax Rate</b>
2002/2003	8,833,385,724	255,954,266	9,089,339,990	212,058,149	8,877,281,841	1.00%
2003/2004	9,593,595,384	251,989,513	9,845,584,897	328,852,728	9,516,732,169	1.00%
2004/2005	10,489,020,503	245,890,683	10,734,911,186	354,262,482	10,380,648,704	1.00%
2005/2006	11,378,385,878	255,638,057	11,634,023,935	359,974,676	11,274,049,259	1.00%
2006/2007	12,798,167,869	310,443,412	13,108,611,281	407,602,510	12,701,008,771	1.00%
2007/2008	14,435,619,000	335,221,841	14,770,840,841	421,389,982	14,349,450,859	1.00%
2008/2009	15,784,303,555	363,067,090	16,147,370,645	429,377,178	15,717,993,467	1.00%
2009/2010	16,769,888,355	391,003,163	17,160,891,518	506,420,290	16,654,471,228	1.00%
2010/2011	15,537,324,628	394,380,861	15,931,705,489	496,557,370	15,435,148,119	1.00%
2011/2012	15,142,005,218	377,512,059	15,519,517,277	512,683,393	15,006,833,884	1.00%

<sup>1</sup>Article 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.

<sup>2</sup>Includes 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**  
**Direct and Overlapping Property Tax Rates<sup>1</sup>**  
**Last Ten Fiscal Years**

<u>Fiscal Year</u>	<u>Basic Countywide Rate<sup>2</sup></u>	<u>Schools</u>	<u>Special Districts</u>	<u>Total Rate</u>
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	0.08140	0.02670	1.10810
2007/2008	1.00000	0.07410	0.02480	1.09890
2008/2009	1.00000	0.07810	0.03000	1.10810
2009/2010	1.00000	0.07500	0.02840	1.10340
2010/2011	1.00000	0.08480	0.03500	1.11980
2011/2012	1.00000	0.08970	0.03070	1.12040

<sup>1</sup> 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.

<sup>2</sup> 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**  
**Principal Property Tax Payers**  
**Current Year and Nine Years Ago**

Fiscal Year 2011/2012			Fiscal Year 2002/2003		
Taxpayer	Amount	Percentage of Total	Taxpayer	Amount	Percentage of Total
<b>Secured Taxes</b>			<b>Secured Taxes</b>		
Gray's Station, LLC	\$ 900,333	0.50%	Truckee Land, LLC	\$ 380,049	0.37%
Old Greenwood, LLC	632,217	0.35%	Western/Kienow, LP et al	281,514	0.27%
PK II Pinecreek, LP et al	351,950	0.19%	Tektronix, Inc.	149,230	0.14%
Federal National Mortgage Assn	316,941	0.18%	GVSC, LLC	134,730	0.13%
Tahoe Club Company LLC	308,749	0.17%	Coyote Moon, LLC	117,988	0.11%
Village at Gray's Crossing LP	257,203	0.14%	Sierra Pacific Industries	116,878	0.11%
Hidden Lake Properties Inc.	217,531	0.12%	Best/Glenbrook Plaza Partners	111,165	0.11%
Gateway at Donner Pass, LP	212,446	0.12%	Grass Valley LLC	95,741	0.09%
Joerger Associates LLC et al	209,967	0.12%	Safeway, Inc.	89,988	0.09%
KENMAWR-Nevada City LLC	177,842	0.10%	Albertson's, Inc.	77,752	0.07%
<b>Total</b>	<b><u>\$3,585,179</u></b>	<b><u>1.98%</u></b>	<b>Total</b>	<b><u>\$1,555,035</u></b>	<b><u>1.50%</u></b>
<b>Total Secured Taxes Levied</b>		<b><u>\$180,629,580</u></b>	<b>Total Secured Taxes Levied</b>		<b><u>\$103,919,577</u></b>
<b>Unsecured Taxes</b>			<b>Unsecured Taxes</b>		
Cequel III Communications, LLC	\$ 132,527	3.32%	Truckee Meadows Water Auth.	\$ 120,339	4.41%
Comcast of California IX Inc.	120,369	3.02%	USA Media Group, LLC.	102,502	3.76%
Boreal Ridge Corp.	97,872	2.45%	Boreal Ridge, Corp.	85,288	3.12%
Truckee Meadows Water Authority	69,456	1.74%	Thomas Broadcasting & Media Solutions	67,876	2.49%
Safeway, Inc.	63,781	1.60%	Teichert A & Son	53,941	1.98%
Tahoe Donner Prop Owners Assoc	61,940	1.55%	TCI Cablevision of California, Inc.	49,783	1.82%
Raley's Supermarket Inc.	52,061	1.30%	Tahoe Donner Prop Owners Assoc	43,193	1.58%
Grass Valley, Inc.	51,837	1.30%	Manuel Brothers, Inc.	43,023	1.58%
AJA Video Systems Inc.	46,780	1.17%	Raley's Supermarket, Inc.	42,277	1.55%
Teichert A & Son	45,231	1.13%	Donner Ski Ranch, Inc.	33,913	1.24%
<b>Total</b>	<b><u>\$ 741,854</u></b>	<b><u>18.59%</u></b>	<b>Total</b>	<b><u>\$ 642,135</u></b>	<b><u>23.53%</u></b>
<b>Total Unsecured Taxes Levied</b>		<b><u>\$ 3,989,736</u></b>	<b>Total Unsecured Taxes Levied</b>		<b><u>\$ 2,729,577</u></b>
<b>Public Utility Taxes</b>			<b>Public Utility Taxes</b>		
Pacific Gas & Electric	\$1,766,676	64.26%	Pacific Gas & Electric	\$1,318,646	56.47%
Pacific Bell Telephone Co	393,182	14.30%	Pacific Bell	499,185	21.38%
Southwest Gas	226,598	8.24%	Sierra Pacific Power Co.	170,251	7.29%
Union Pacific Railroad	105,736	3.85%	Southwest Gas, Corp.	155,466	6.66%
California Pacific Electric	98,625	3.59%	Williams Network Inc.	75,671	3.24%
Sierra Pacific Power Co	67,206	2.44%	Union Pacific Railroad Company	64,393	2.76%
Cellco Partnership	63,648	2.32%	Verizon California, Inc.	51,489	2.20%
AT & T Mobility LLC	51,848	1.89%	MCI Worldcom Network Svcs, Inc.	42,876	1.84%
SFPP LP	20,973	0.76%	Ubiquitel, Inc.	31,087	1.33%
T-Mobile West Corp	19,502	0.71%	SFPP, LP	24,638	1.06%
<b>Total</b>	<b><u>\$2,813,994</u></b>	<b><u>102.36%</u></b>	<b>Total</b>	<b><u>\$2,433,702</u></b>	<b><u>104.22%</u></b>
<b>Total Public Utility Taxes Levied</b>		<b><u>\$ 2,749,100</u></b>	<b>Total Public Utility Taxes Levied</b>		<b><u>\$ 2,335,172</u></b>

Source: Nevada County Treasurer-Tax Collector

**COUNTY OF NEVADA**  
**Property Tax Levies and Collections**  
**Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>Taxes Levied for the Fiscal Year</b>			<b>Collections within the Fiscal Year of the Levy</b>		<b>Tax Levies Moved to the Delinquent Roll<sup>2</sup></b>	<b>Percent Delinquent</b>
	<b>Secured Tax</b>	<b>Unsecured Tax</b>	<b>Total Tax<sup>1</sup></b>	<b>Amount<sup>1</sup></b>	<b>Percent of Levy</b>		
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%
2007/2008	182,095,672	3,764,991	185,860,663	179,050,648	96.34%	6,810,016	3.66%
2008/2009	191,210,832	4,351,995	195,562,827	186,806,518	95.52%	8,756,309	4.48%
2009/2010	194,439,225	4,150,289	198,589,514	190,738,711	96.05%	7,850,803	3.95%
2010/2011	184,260,769	4,174,830	188,435,599	182,498,292	96.85%	5,937,307	3.15%
2011/2012	180,629,580	3,989,736	184,619,316	179,009,644	96.96%	5,609,673	3.04%

<sup>1</sup>The 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.

<sup>2</sup>This 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**  
**Ratios of Net Obligation Bonded Debt to Assessed Value**  
**and Net General Obligation Bonded Debt Per Capita**  
**Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>Governmental Activities</b>					<b>Business-Type Activities</b>	
	<b>Capital Leases</b>	<b>Certificates of Participation</b>	<b>Special Assessment Bonds</b>	<b>Loans</b>	<b>Total<sup>3</sup></b>	<b>Certificates of Participation</b>	<b>Special Assessment Debt and Bonds Payable</b>
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	329,908	3,893,757	18,987,242	9,165,000	234,000
2007/2008	48,378	13,850,000	320,000	3,752,254	17,970,632	8,675,000	172,000
2008/2009	29,762	12,940,000	310,000	3,601,554	16,881,316	8,170,000	100,000
2009/2010	44,218	12,000,000	299,000	3,441,053	15,784,271	7,640,000	23,000
2010/2011	23,479	11,020,000	288,000	4,662,330	15,993,809	7,095,000	21,000
2011/2012	14,875	8,505,000	276,000	4,425,114	13,220,989	-	19,000

<sup>1</sup> See Demographic and Economic Indicators schedule for personal income and population data.

<sup>2</sup> See Assessed Value and Actual Value of Taxable Property schedule for property value data.

<sup>3</sup> 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.

<sup>4</sup> Amount available for repayment of debt - deposits with agents.

n/a - information is not available

**Source:** County of Nevada Audited Financial Statements

<b>Loans</b>	<b>Total<sup>3</sup></b>	<b>Total Primary Government</b>	<b>Less: Amounts Restricted to Repaying Principal<sup>4</sup></b>	<b>Total</b>	<b>Percentage of Personal Income<sup>1</sup></b>	<b>Percentage of Actual Value of Taxable Property<sup>2</sup></b>	<b>Net Bonded Debt per Capita<sup>1</sup></b>
788,345	12,313,345	32,328,837	(3,181,651)	29,147,186	0.11%	0.33%	302.56
562,260	11,590,260	30,276,416	(3,107,181)	27,169,235	0.12%	0.29%	278.24
618,541	11,135,541	28,484,757	(3,107,956)	25,376,801	0.15%	0.24%	257.12
1,072,182	11,018,182	30,725,075	(3,108,472)	27,616,603	0.15%	0.24%	277.86
23,953,580	33,352,580	52,339,822	(3,117,296)	49,222,526	0.09%	0.39%	497.07
34,727,112	43,574,112	61,544,744	(3,111,909)	58,432,835	n/a	0.41%	590.48
33,293,307	41,563,307	58,444,623	(3,160,548)	55,284,075	n/a	0.35%	560.00
32,256,025	39,919,025	55,703,296	(3,175,985)	52,527,311	n/a	0.32%	531.85
30,535,223	37,651,223	53,645,032	(3,225,435)	50,419,597	n/a	0.33%	508.72
28,836,605	28,855,605	42,076,594	(874,960)	41,201,634	n/a	0.27%	423.96

**COUNTY OF NEVADA**  
**Legal Debt Margin Information**  
**Last Ten Fiscal Years**

	Fiscal Year			
	2002/2003	2003/2004	2004/2005	2005/2006
Total assessed value of all real and personal property <sup>1</sup>	\$ 8,877,281,841	\$ 9,516,732,169	\$ 10,380,648,704	\$ 11,274,049,259
Debt limit percentage <sup>2</sup>	1.25%	1.25%	1.25%	1.25%
Total debt limit	110,966,023	118,959,152	129,758,109	140,925,616
Amount applicable to debt limit				
General Bonded Debt <sup>3</sup>	32,328,837	30,276,416	28,484,757	30,725,075
Less: Resources Restricted to Repaying Principal	(3,181,651)	(3,107,181)	(3,107,956)	(3,108,472)
Total Net Debt Applicable to Limit	29,147,186	27,169,235	25,376,801	27,616,603
Legal debt margin <sup>4</sup>	<u>\$ 81,818,837</u>	<u>\$ 91,789,917</u>	<u>\$ 104,381,308</u>	<u>\$ 113,309,013</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	26.27%	22.84%	19.56%	19.60%

<sup>1</sup> Assessed value is equal to full cash value.

<sup>2</sup> The legal debt limit is 1.25% of assessed valuation.

<sup>3</sup> 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.

<sup>4</sup> 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>2006/2007</u>	<u>2007/2008</u>	<u>2008/2009</u>	<u>2009/2010</u>	<u>2010/2011</u>	<u>2011/2012</u>
\$ 12,701,008,771	\$ 14,349,450,859	15,717,993,467	16,654,471,228	15,435,148,119	15,006,833,884
1.25%	1.25%	1.25%	1.25%	1.25%	1.25%
158,762,610	179,368,136	196,474,918	208,180,890	192,939,351	187,585,424
52,339,822 (3,117,296)	61,544,744 (3,111,909)	58,444,623 (3,160,548)	55,703,296 (3,175,985)	53,645,032 (3,225,435)	42,076,594 (874,960)
49,222,526	58,432,835	55,284,075	52,527,311	50,419,597	41,201,634
<u>\$ 109,540,084</u>	<u>\$ 120,935,301</u>	<u>\$ 141,190,843</u>	<u>\$ 155,653,579</u>	<u>\$ 142,519,754</u>	<u>\$ 146,383,790</u>
31.00%	32.58%	28.14%	25.23%	26.13%	21.96%

**COUNTY OF NEVADA**  
**Demographic and Economic Indicators**  
**Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>Population</b>	<b>Per Capita Personal Income</b>	<b>Personal Income</b>	<b>Civilian Labor Force</b>	<b>Unemployment Rate</b>	<b>Percentage of Population Over 65</b>
2002/2003	96,334	32,136	3,092,595,000	48,430	4.7%	n/a
2003/2004	97,647	33,957	3,309,043,000	48,830	5.2%	n/a
2004/2005	98,698	37,298	3,601,980,000	49,730	5.4%	n/a
2005/2006	99,392	40,736	3,939,777,000	50,560	4.3%	n/a
2006/2007	99,026	42,671	4,132,773,000	51,200	4.7%	n/a
2007/2008	98,959	45,618	n/a	51,570	6.7%	n/a
2008/2009	98,721	44,092	n/a	50,630	11.5%	n/a
2009/2010	98,764	43,119	n/a	51,410	11.5%	n/a
2010/2011	99,111	n/a	n/a	50,170	11.4%	n/a
2011/2012	97,182	n/a	n/a	51,130	9.7%	n/a

n/a - information is not available

**Note:** Population information for fiscal year 2009/10 adjusted per available data from State of California Department of Finance, Census 2010.

**Sources:** State of California Department of Finance  
State of California Employment Development Department - Labor Market Information Division - [www.labormarketinfo.edd.ca.gov](http://www.labormarketinfo.edd.ca.gov)  
County of Nevada Annual Budget Book

**COUNTY OF NEVADA**  
**Labor Force and Employment**  
**Current Year and Nine Years Ago**

<b>Fiscal Year 2011/2012</b>			<b>Fiscal Year 2002/2003</b>		
<b>Industry Title</b>	<b>Percentage</b>	<b>Number of Employees</b>	<b>Industry Title</b>	<b>Percentage</b>	<b>Number of Employees</b>
Government	21.68%	6,170	Government	19.52%	5,880
Education and Health Services	13.42%	3,820	Education and Health Services	11.82%	3,560
Retail Trade	13.14%	3,740	Retail Trade	14.28%	4,300
Leisure and Hospitality	16.62%	4,730	Leisure and Hospitality	13.35%	4,020
Natural Resources, Mining & Construction	7.62%	2,170	Natural Resources, Mining & Construction	11.72%	3,530
Professional and Business Services	8.43%	2,400	Professional and Business Services	8.53%	2,570
Manufacturing	6.04%	1,720	Manufacturing	6.21%	1,870
Financial Activities	4.78%	1,360	Financial Activities	5.81%	1,750
Other Services	3.83%	1,090	Other Services	3.75%	1,130
Transportation, Warehousing & Utilities	1.55%	440	Transportation, Warehousing & Utilities	1.79%	540
Wholesale Trade	1.55%	440	Wholesale Trade	1.53%	460
Information	1.02%	290	Information	1.33%	400
Farming	0.32%	90	Farming	0.37%	110
<b>Total, All Industries</b>	<b>100.00%</b>	<b>28,460</b>	<b>Total, All Industries</b>	<b>100.00%</b>	<b>30,120</b>

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

**COUNTY OF NEVADA**  
**Full-Time Equivalent County Government Employees by Function**  
**Last Ten Fiscal Years**

<u>Function/Program</u>	<u>As of June 30,</u>			
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Public Protection	427.80	420.80	418.75	421.00
Health and Sanitation	130.50	123.95	105.10	108.65
Public Assistance	146.00	132.50	125.00	125.50
Education	39.85	34.20	29.45	29.85
Public Ways and Facilities	127.60	128.60	129.10	116.60
General Government	179.30	166.30	161.80	171.10
Total Full-Time Equivalent Employees	<u>1,051.05</u>	<u>1,006.35</u>	<u>969.20</u>	<u>972.70</u>

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

<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
416.50	430.25	414.15	396.15	368.80	352.85
102.65	101.15	105.35	95.95	85.05	84.00
127.50	129.00	129.50	126.70	125.70	112.50
30.10	29.60	29.60	26.35	20.63	19.28
121.10	123.10	122.10	121.40	100.00	84.00
<u>172.80</u>	<u>173.30</u>	<u>175.30</u>	<u>146.25</u>	<u>136.08</u>	<u>123.88</u>
<u>970.65</u>	<u>986.40</u>	<u>976.00</u>	<u>912.80</u>	<u>836.26</u>	<u>776.51</u>

**COUNTY OF NEVADA**  
**Operating Indicators by Function**  
**Last Ten Fiscal Years**

<u>Function/Program</u>	<u>Fiscal Year</u>			
	<u>2002/2003</u>	<u>2003/2004</u>	<u>2004/2005</u>	<u>2005/2006</u>
Public Protection				
Jail Bookings	n/a	5,430	5,519	5,620
Average Daily Population	159	177	184	179
Health and Sanitation				
Economic services/support				
Program - Unduplicated Cases Mental Health (Adults in Nevada County)	595	475	383	253
Public Ways and Facilities				
Centerline Mile of Road Maintained				
County	565	561	561	562
State	129	129	129	129
Airport				
Based Aircraft	n/a	n/a	n/a	150
Takeoffs and Landings	n/a	n/a	n/a	20,000

n/a - information is not available

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

<u>2006/2007</u>	<u>2007/2008</u>	<u>2008/2009</u>	<u>2009/2010</u>	<u>2010/2011</u>	<u>2011/2012</u>
5,775 167	5,391 167	5,048 199	4,802 194	4,673 186	4,945 195
249	465	713	556	670	631
562 133	562 133	562 133	562 133	563 133	562 133
150 20,000	150 20,000	150 20,000	150 20,000	135 15,000	121 10,000

**COUNTY OF NEVADA**  
**Capital Asset Statistics by Function**  
**Last Ten Fiscal Years**

<u>Function/Program</u>	<u>Fiscal Year</u>			
	<u>2002/2003</u>	<u>2003/2004</u>	<u>2004/2005</u>	<u>2005/2006</u>
Public Protection				
Correction facility capacities	223	223	250	250
Public Ways and Facilities				
Traffic Signals	6	2	2	2
Bridges	71	71	71	71
Active vehicles in vehicle replacement plan	n/a	149	149	149
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

<u>2006/2007</u>	<u>2007/2008</u>	<u>2008/2009</u>	<u>2009/2010</u>	<u>2010/2011</u>	<u>2011/2012</u>
250	250	280	274	274	274
2	2	2	2	2	2
71	71	71	71	71	71
143	143	148	140	135	134
1	1	1	1	1	1

**THIS PAGE INTENTIONALLY LEFT BLANK**