

**County of Nevada
State of California**

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2013



**Marcia L. Salter
Auditor-Controller**



Agriculture has been an integral part of the Nevada County landscape since the county's inception in 1851.

Early settlers of the western slopes of the Sierra Foothills searching for gold discovered they could make a living producing food locally. A full suite of crops were grown, dairy cattle and other livestock were raised, vineyards were planted, and the community subsisted on these products.

Over time, the dependence on local agricultural products diminished, but farming and ranching was still a way of life for many county residents.

In recent years, a major resurgence of local food production has occurred.

The 1980's brought wineries to the county as the climate and rolling topography are ideal for growing wine grapes. Today county wineries boast chic tasting rooms and award winning varietals.

The local food movement within the county is also in full swing with many small farms offering fruits, vegetables, and livestock grown and raised in Nevada County and sold at the many county farmers markets, on-site, and through Community Supported Agriculture (CSA) programs.

COUNTY OF NEVADA, CALIFORNIA

**COMPREHENSIVE
ANNUAL FINANCIAL REPORT**

For the Year Ended June 30, 2013

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

**Marcia L. Salter
Auditor-Controller**

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For the Year Ended June 30, 2013

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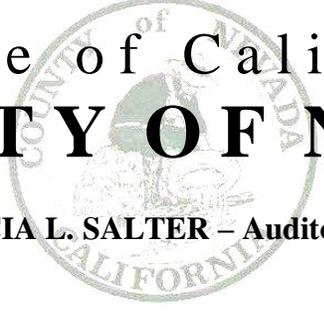
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INTRODUCTORY SECTION

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

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

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December 30, 2013

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, 2013 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, 2013. 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 773 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 established a consolidated Regional Dispatch Center for all County law enforcement services.
- The Library spearheaded the creation of a Collaborative Technology Center which opened in August 2013 and will provide a variety of computer and technology related opportunities to the community.
- Environmental Health provided certification programs for Pool Safety and Food Safety.

- Veterans Services partnered with local Veterans organizations, Employment Development Department and other community organizations to improve service delivery for veterans and their families.
- Behavioral Health through a partnership with Community Recovery Resources (CORR) created a Co-Occurring Disorders treatment program that treats both substance abuse and mental health issues in one integrated program.
- The Information Services Department coordinated the Mobile Worker Project, which reduced the number of vehicle trips required by County field workers and improved staff productivity, providing remote access to data and applications.
- Public Health, in partnership with Child Advocate's Foothills/Truckee Healthy Babies program, expanded nursing home visitation service countywide to support up to 135 high-risk women and their infants.

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 expenditure 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 Officer's 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 2013 estimated population figures, as provided by the California Department of Finance for the County are 97,019. This is a slight decrease from 2012 with about 67% or 65,375 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 2013. The City of Grass Valley is the second largest city within the boundaries of the County with a population of 12,657. Nevada City serves as the County seat with a population of 3,069.

Labor Force

The County's 2013 labor force totaled 50,220, a slight decrease from 2012 figures. Nevada County's unemployment rate in June 2013 was 7.5%, a 23% decrease from June 2012's unemployment rate of 9.7%. California's statewide rate was 8.9% for the same June time period.

Housing

According to the Data Quick real estate information website, approximately 2093 single family homes in Nevada County were sold in the calendar year 2012. This was a significant increase in the number of sales that occurred over the one year period and prices of local homes sold increased by 2.40% to a median price of \$256,000. The Penn Valley area has shown the largest one-year increase of 17.89% with the median home price jumping from \$190,000 to \$224,000.

Property Tax Collection and Apportionment

Property taxes levied countywide (secured, unsecured and unitary) dropped in fiscal year 2012-13 to \$150,110,064. This was a 1.1% decrease over the previous fiscal year total of \$151,831,654. 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 2012-13, the Auditor-Controller apportioned the revenue as follows:

- Nevada County General Fund: 14.0%
- Schools: 56.4%
- Special Districts: 19.5%
- 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 \$62,176,228 in direct debt outstanding as of June 30, 2013. 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 2013 CIP represents a five-year, \$58 million program from 2012 through 2017. 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 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 assigned a portion of the General Fund's available fund balance to build toward the funding for future projects.

Major Initiatives

The County's management continues to look for opportunities to provide needed services through various alternative delivery options. The primary service model that has proven to be most effective 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. Other service areas that have successfully transitioned to this model include the Animal Shelter services and a portion of the Housing and Community Services programs with both being managed and operated by not-for-profit organizations as well as the expanded Solid Waste franchise to include the western county transfer operations by a for-profit firm. Another delivery approach that has been explored is the regionalized services agreement option. The Sheriff's Office entered into an agreement this year to provide emergency dispatch services for all public safety agencies within the County. This win-win situation provides for annual cost savings

estimated to be over \$600,000 across the four jurisdictions involved, and has improved the communications between agencies in responding to emergency calls and situations.

The continued success of the alternative service delivery option 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 2013-14 adopted budget. During the economic downturn, overall County staff reductions had been the primary cost savings mechanism which provided the needed expenditure reductions to support the effort to maintain the County's core services to its citizens. Other cost saving measures were obtained through the negotiated agreements with the employee groups to implement a number of furlough days, suspending of pay increases for a period of time, the reduction of retirement benefits for all new employees and pension premium cost sharing with the majority of the bargaining groups. The implementation of the legislated Public Employee Pension Reform Act (PEPRA) provided for a third tier of capped benefits and an increased share of cost for all new employees hired beginning January 1, 2013. 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 susceptible to State and Federal budgetary difficulties. The federal sequestration that began in late winter through summer was a cause for concern at all levels of government. Though that crisis has passed for now, future funding hurdles remain. The State acts as a pass-through entity for much of the County's program revenues which are a mix of federal and state funding. On a positive note, the State's fiscal condition has improved. The California Legislative Analyst's Office has estimated that the 2013-14 year's State budget will end with a \$1.1 billion Reserve. This is good news on a number of fronts, however the County remains cautious on impacts that could occur on funding in the future. 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 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. With the passing of Proposition 30 in 2012, a dedicated revenue stream to fund the 2011 State Public Safety realigned programs is now in place, however there remains a concern of the potential impact on the County budget to provide the funding required for all realigned services and other mandated programs.

The County has trailed other areas of the State in economic recovery cycles, but is showing improvement. Sales Tax revenue has begun to rebound and is a good indicator that the local economy is improving. The real estate market has improved in the number housing sales and decline in home foreclosures, however housing prices, while slightly increasing, have not fully recovered and new construction remains sluggish. The lack of growth in property values has greatly affected the County's largest discretionary revenue source of the General Fund. The fiscal year 2013-14 Adopted Budget included an estimated no growth in property tax revenues from the prior year.

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, 2012. 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 sixth 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 leadership and strong 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



Government Finance Officers Association

**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, 2012

Executive Director/CEO

COUNTY OF NEVADA
County Officials
For the Year Ended June 30, 2013

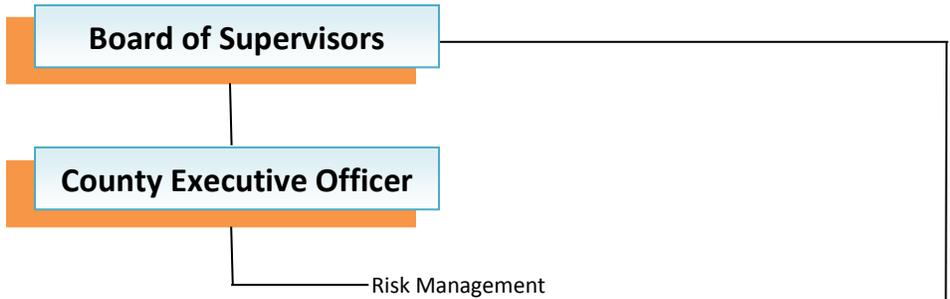
ELECTED OFFICIALS

Supervisor, District 1	Nate Beason
Supervisor, District 2	Ed Scofield
Supervisor, District 3	Terry Lamphier
Supervisor, District 4	Wm. Hank Weston
Supervisor, District 5	Richard Anderson
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
Interim Building Director.....	Daniel Chatigny
Chief Information Officer.....	Steve Monaghan
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
Interim Environmental Health Director.....	Daniel Chatigny
Farm Advisor.....	Roger Ingram
Health & Human Services Director.....	Jeffrey Brown
Human Resources Director.....	Charles Wilson
Librarian.....	Jessica Hudson
Planning Director.....	Brian Foss
Public Defender.....	Donald Lown Jr.
Interim Public Health Director.....	Tex Ritter
Public Works Director.....	Steve Castleberry
Social Services Director.....	Nicole Pollack

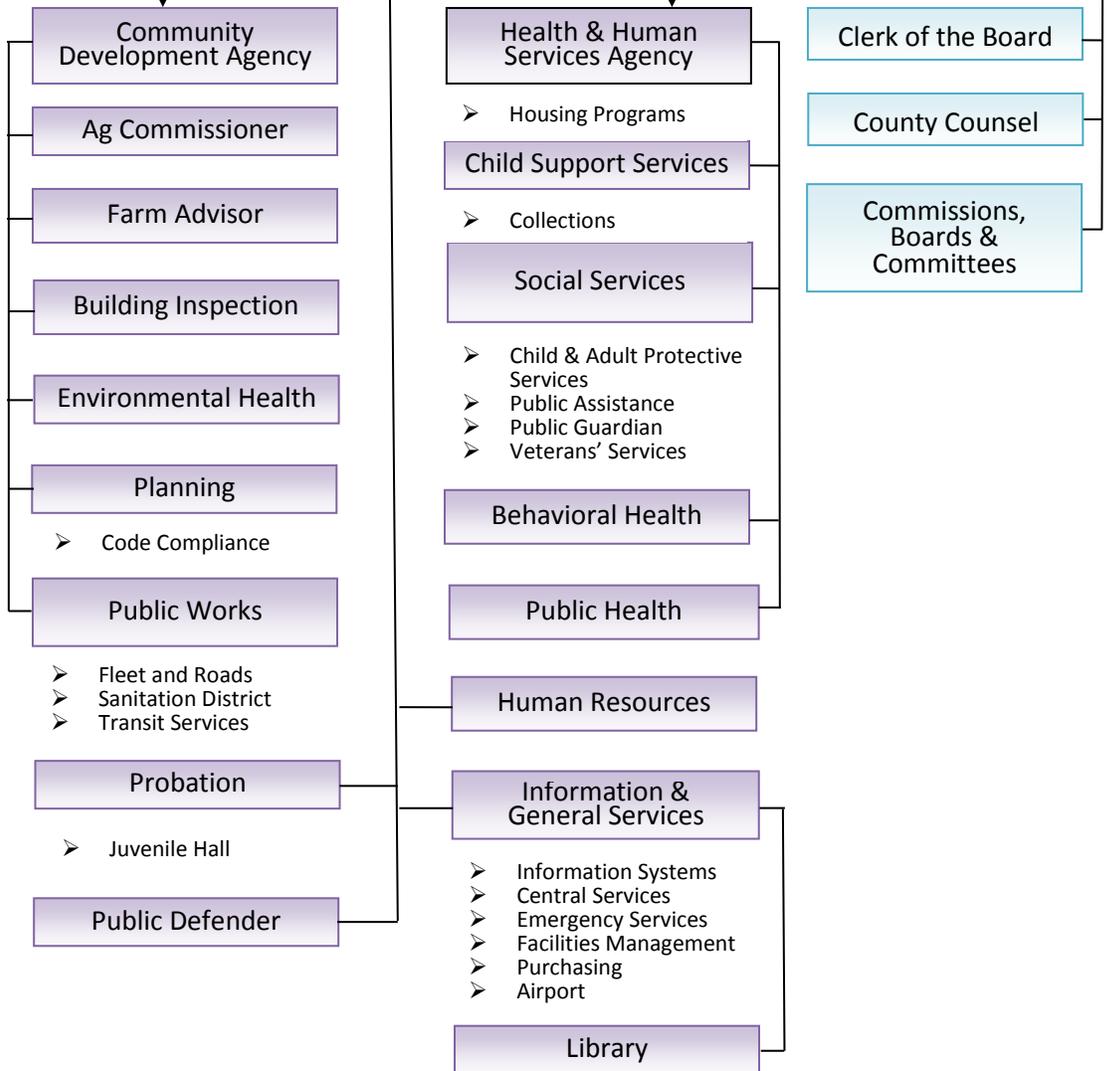
Nevada County Government Organization



Elective Offices

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

Appointive Offices



FINANCIAL SECTION

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

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the County of Nevada, California (County), as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

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

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, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in Note 1Q to the financial statements, in 2013, the County implemented Governmental Accounting Standards Board (GASB) Statements No. 60, 61, 62, 63 and 66 and implemented GASB 65 in advance during the fiscal year 2013. Among these new GASB Statements, GASB Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position; and GASB Statement No. 65, Items Previously Reported as Assets and Liabilities, have significant impact over the County of Nevada's financial statements. Our opinion is not modified with respect to these matters.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, Schedule of Funding Progress, 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The introductory section, combining and individual fund statements and schedules, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

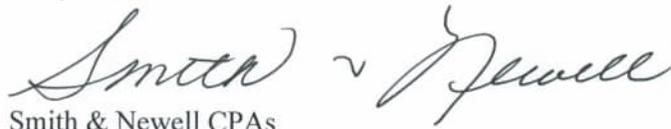
The combining and individual fund statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

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.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated December 20, 2013, 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 in considering the County's internal control over financial reporting and compliance.

Handwritten signatures of Smith and Newell in cursive script, with a small 'v' symbol between them.

Smith & Newell CPAs
Yuba City, California
December 20, 2013

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

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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, 2013. 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 2012/13 fiscal year by \$321,233,406 (net position). Of this amount, \$25,737,371 (unrestricted net position) may be used to fund programs for citizens and debt obligations to creditors within certain limitations, \$44,099,225 is restricted for specific purposes (restricted net position), and \$251,396,810 is the net investment in capital assets.
- The County's total net position increased by \$5,772,191. The governmental activities net position at the close of the 2012/13 fiscal year was \$321,233,406 and the business-type activities net position was \$38,491,729.
- As of June 30, 2013, the County's governmental funds reported combined ending fund balances of \$65,987,932, an increase of \$3,562,916 or 5.71% in comparison with the prior year's ending fund balance. Amounts available for spending include *restricted, committed, assigned and unassigned fund balance*, totaling \$65,740,627. Of this amount, \$42,307,835 is restricted by law or externally imposed requirements, \$4,023,764 has been formally committed for specific purposes, and \$19,411,005 has been earmarked for certain uses.
- At the end of the fiscal year, the fund balance for the General Fund was \$22,049,091, or 40.2% of the total General Fund expenditures for the year.
- The County's total long-term debt decreased from \$62,841,233 to \$62,176,228. This decrease of \$665,005, or 1.1 %, was related to scheduled payments on the Certificates of Participation and loans which were offset by the new financing for the purchase of two new facilities to house the District Attorney's Office and the Probation Department.

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

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

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

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 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 23-24 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 thirty-five 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 25-28 of this report.

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

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-two 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 single, aggregated presentations in the proprietary fund financial statements. Individual fund data for each of these nonmajor enterprise and internal service funds are provided in the form of *combining statements* elsewhere in this report.

The proprietary fund financial statements can be found on pages 29-33 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 two hundred ninety-nine fiduciary funds.

The fiduciary fund financial statements can be found on pages 34-35 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 36-75 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 76-87 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 88-137 of this report.

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve as a useful indicator of the County's financial position over time. On June 30, 2013, the County's assets exceeded its liabilities by \$359,725,135.

County's Net Position
June 30, 2013 and 2012

	Governmental Activities		Business-Type Activities		Total		Variance
	2013	2012	2013	2012	2013	2012	
Current and other assets	87,263,066	80,336,993	16,739,102	20,108,330	104,002,168	100,445,323	3.5%
Capital Assets	265,903,078	266,826,559	60,720,704	59,304,603	326,623,782	326,131,162	0.2%
Total Assets	353,166,144	347,163,552	77,459,806	79,412,933	430,625,950	426,576,485	0.9%
Long-term liabilities	25,315,893	23,438,680	36,860,335	39,402,553	62,176,228	62,841,233	-1.1%
Other liabilities	6,616,845	6,279,239	2,107,742	3,503,069	8,724,587	9,782,308	-10.8%
Total Liabilities	31,932,738	29,717,919	38,968,077	42,905,622	70,900,815	72,623,541	-2.4%
Net Position:							
Net Investment in capital assets	251,396,810	253,037,695	35,568,071	32,630,175	286,964,881	285,667,870	0.5%
Restricted	44,099,225	43,247,919	0	0	44,099,225	43,247,919	2.0%
Unrestricted	25,737,371	21,160,019	2,923,658	3,877,136	28,661,029	25,037,155	14.5%
Total Net Position	321,233,406	317,445,633	38,491,729	36,507,311	359,725,135	353,952,944	1.6%

Of the County's total net position, approximately 8.0% or \$28,661,029 is unrestricted and may be used to fund County programs for citizens and obligations to creditors within certain limitations. Within the Governmental Activities unrestricted net position, \$20,901,910 has been set aside in the General Fund for stabilization and long-term financing. Another 79.8%, or \$286,964,881, reflect the 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 represents restricted net position of \$44,099,225, or 12.2%, that has external restrictions on how these resources may be used.

Within the governmental activities, unrestricted net position increased by \$4,577,352 or 21.6% from the prior year. This was attributable to an increase in cash and investments of \$7,441,482 and offset by a \$1,877,213 increase in long-term liabilities related to the purchase of new facilities for the District Attorney's Office and the Probation Department.

The business-type activities unrestricted net position reflects a \$953,478, or a 24.6%, decrease compared to the prior year. The decrease is primarily attributable to a decline in current and other assets, specifically, cash and investments decreased by \$2,321,758. This was offset by a decline in accounts payable of \$898,228. Net investment in capital assets for business-type activities increased by \$2,937,896, which is attributable to the Airport runway rehabilitation project and the Lake Wildwood plant upgrade which was offset by scheduled depreciation and debt service payments.

There was an overall increase of \$5,772,191, or 1.6%, over the prior year's net position after considering negative offsets for a prior period adjustment of \$2,084,770 and the cumulative effect of a change in accounting principle of \$215,192. This amount is largely attributable to an increase of current and other assets in governmental activities and a decrease in other liabilities of \$1,057,721 in the governmental and business-type activities combined.

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

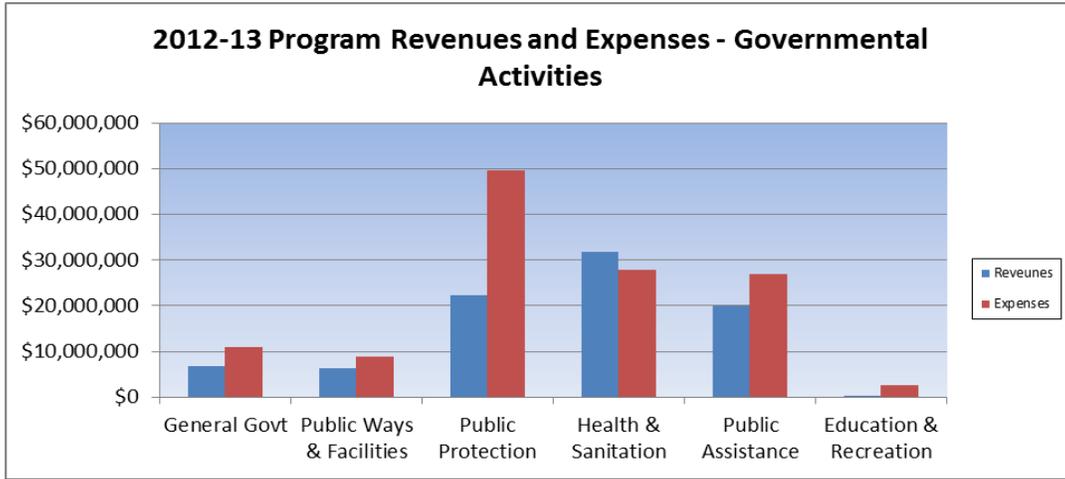
The following table shows the revenue, expenses and changes in net position for governmental and business-type activities:

County's Change in Net Position
June 30, 2013 and 2012

	Governmental Activities		Business-Type Activities		TOTAL		Percent Change
	2013	2012	2013	2012	2013	2012	
Revenues							
Program revenues:							
Charges for Services	16,795,287	16,317,498	9,430,069	15,044,932	26,225,356	31,362,430	-16.4%
Operating Grants and Contributions	70,201,674	68,545,772	330,921	350,893	70,532,595	68,896,665	2.4%
Capital Grants and Contributions	293,760	1,207,605	1,609,145	2,384,581	1,902,905	3,592,186	-47.0%
General Revenues:							
Property Taxes	31,310,243	30,870,233	6,990	7,068	31,317,233	30,877,301	1.4%
Other Taxes	8,034,134	6,420,314	1,782,869	1,792,673	9,817,003	8,212,987	19.5%
Unrestricted Grants & Contributions	2,876,984	2,906,113			2,876,984	2,906,113	-1.0%
Unrestricted Interest and Investment Earnings	335,554	826,145	32,412	206,582	367,966	1,032,727	-64.4%
Miscellaneous	3,471,887	2,407,063	301,654	311,911	3,773,541	2,718,974	38.8%
Total Revenues	133,319,523	129,500,743	13,494,060	20,098,640	146,813,583	149,599,383	-1.9%
Expenses:							
General Government	10,970,028	9,210,602			10,970,028	9,210,602	19.1%
Public Ways and Facilities	8,851,411	10,232,294			8,851,411	10,232,294	-13.5%
Public Protection	49,511,586	52,805,726			49,511,586	52,805,726	-6.2%
Health and Sanitation	27,827,434	26,621,726			27,827,434	26,621,726	4.5%
Public Assistance	26,928,270	25,183,015			26,928,270	25,183,015	6.9%
Education	2,492,903	2,307,992			2,492,903	2,307,992	8.0%
Recreation	179,793	176,920			179,793	176,920	1.6%
Interest on long-term debt	470,363	643,998			470,363	643,998	-27.0%
Eastern Nevada County Solid Waste			185,901	179,936	185,901	179,936	3.3%
Western Nevada County Solid Waste			743,678	7,213,400	743,678	7,213,400	-89.7%
Transit Services			2,594,522	2,548,163	2,594,522	2,548,163	1.8%
Airport			1,332,796	1,217,276	1,332,796	1,217,276	9.5%
Sanitation District			6,652,745	6,683,592	6,652,745	6,683,592	-0.5%
Total Expenses	127,231,788	127,182,273	11,509,642	17,842,367	138,741,430	145,024,640	-4.3%
Change in net position	6,087,735	2,318,470	1,984,418	2,256,273	8,072,153	4,574,743	76.5%
Prior Period adjustments	(2,299,962)	(62,946)			(2,299,962)	(62,946)	3553.9%
Net Position 7/1	317,445,633	315,190,109	36,507,311	34,251,038	353,952,944	349,441,147	1.3%
Net Position 06/30	321,233,406	317,445,633	38,491,729	36,507,311	359,725,135	353,952,944	1.6%

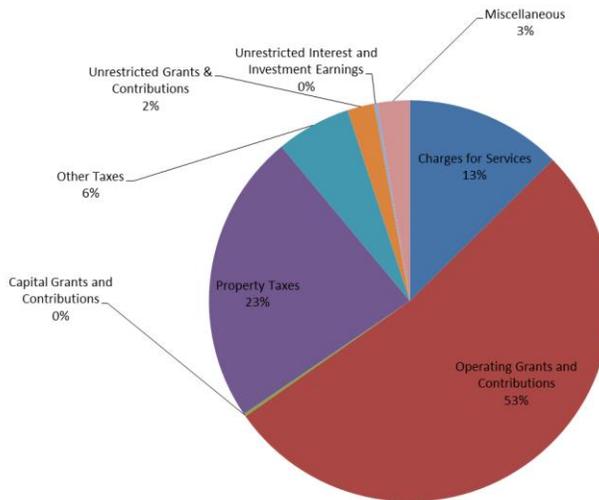
COUNTY OF NEVADA
Management's Discussion and Analysis
Required Supplementary Information

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



Revenues among governmental activities totaled \$133,319,523 for the fiscal year ended 2012/13. The chart below presents the percentage of total revenues by source for governmental activities:

Revenues by Source - Governmental Activities



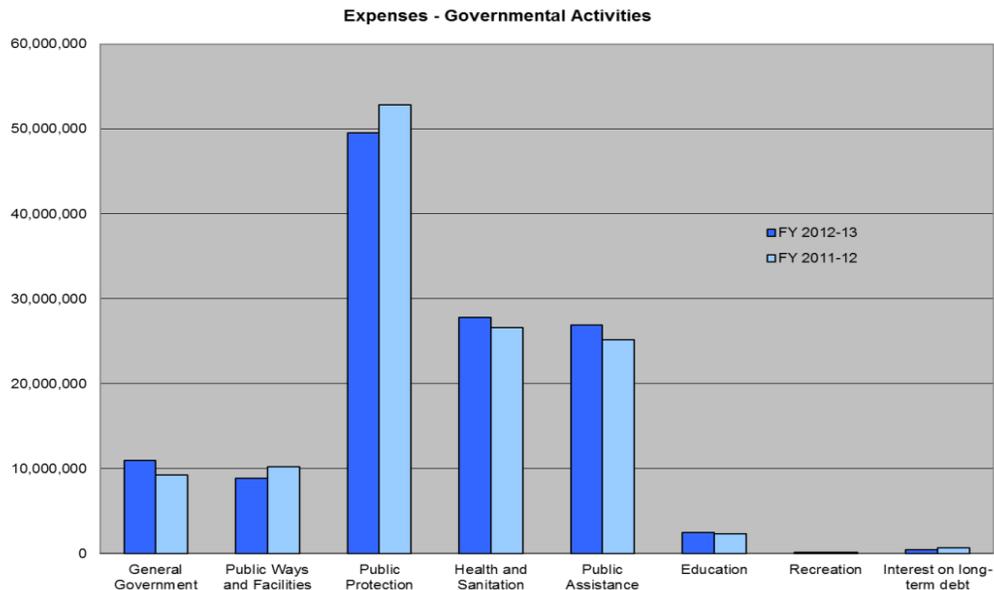
Key elements of the increase/decrease in *revenues* in the governmental activities:

- *Charges for Services* had an overall increase of \$477,789 or 2.9% from the prior year. The largest factor contributing to the increase in this area results from election cost reimbursements from special districts of \$104,810 and schools of \$177,522. In addition, recording fees collected by the Recorder's Office increased by \$107,539 compared to the prior year.

COUNTY OF NEVADA
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- *Operating Grants and Contributions*, which includes unrestricted grants, increased \$1,655,902 or 2.4% due to several factors. New federal funding of \$620,280 was received in 2012/13 for the Women, Infants, and Children (WIC) program and Mental Health Services Act (MHSA) funding increased by \$1,405,149 over prior year levels. Certain Behavioral Health Department programs, including the Early and Periodic Screening, Diagnosis, & Treatment (EPSDT) program, were realigned into the 2011 Local Realignment Fund by the State causing a reclassification of revenue into this category and a net decrease in receipts of \$430,793.
- *Capital Grants and Contributions* decreased substantially by \$913,845 or 75.7% due to federal funding for road programs received in 2011/12 that were not received in 2012/13.
- The *Property Tax* category experienced an overall increase of \$440,010, or 1.4%. Current secured taxes increased \$364,661 or 1.7% and property transfer taxes increased \$128,417, or 22.1% as a result of property sales and the corresponding increase in assessed values of those properties.
- The *Other Taxes* category increased by \$1,613,820 largely due to the Western Solid Waste franchise agreement with Waste Management. Specifically, Waste Management began remitting a host fee to the County based on the tonnage hauled from the McCourtney Road Transfer Station which generated \$881,646 in new revenue. In addition, the new contract increased the franchise fees related to curbside disposal resulting in an increase in fees collected of \$478,581.
- *Unrestricted Interest and Investments* declined by \$490,591 or 59.4% due to a lower rate of interest earnings and the annual offset from the fair value adjustment which is the difference between the market value of investments and the book value at June 30, 2013.
- The *Miscellaneous* revenue category increased by \$1,064,824, or 44.2%. Tobacco settlement receipts increased by \$445,127 and the Nevada County Library received a sizeable donation of \$575,000 for the purpose of expanding the facilities at the Grass Valley Library.

Expenses among governmental activities totaled \$127,231,788 for the fiscal year ended 2012/13. The chart below presents the two-year comparison of the total expenses by function for governmental activities.

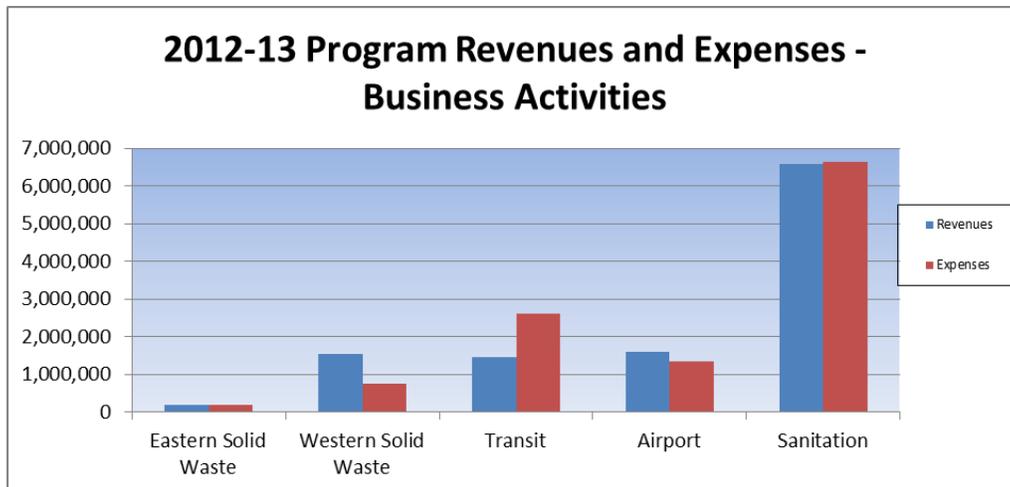


COUNTY OF NEVADA
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Key elements of the increase/decrease in *expenses* in the governmental activities:

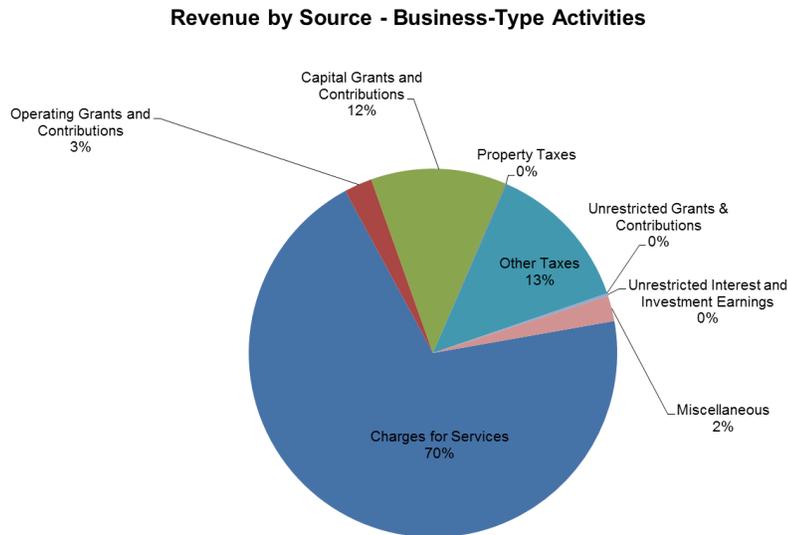
- General Government expenses increased by \$1,759,426 or 19.1% over prior year levels largely due to a decrease in cost allocation reimbursements for services provided to other County departments. In the prior year, the reimbursements were \$8,160,415, but that amount decreased by \$1,536,810 to \$6,623,605 in the current year.
- The Public Ways and Facilities category decreased expenses by 13.5%, or \$1,380,883 from prior year levels. The decrease reflects a reduction in road preservation projects of \$595,901 and an overall reduction in salaries and benefits of \$247,970 due to labor agreements and work furloughs implemented during the 2012/13 fiscal year. An additional reduction totaling \$380,288 was due to a road thermoplastic striping project incurred in the prior year that did not continue in the current fiscal year.
- The Public Protection category experienced a sizeable reduction of \$3,294,140 in expenses representing a 6.2% decline which was attributable to several areas. Specifically, administrative expenses of the Sheriff's Office declined by \$718,738, the Wayne Brown Correctional Facility's expenses declined by \$791,414, and the Probation Department expenses declined by \$602,742. The reductions were primarily due to reduced salaries and benefits as well as a decrease in cost allocations for services provided by General Government departments.
- Health and Sanitation expenses increased by \$1,205,708 or 4.5% over prior year levels. Mental Health Services Act (MHSA) expenses increased by \$879,166 due to increased funding over prior year levels as previously discussed. Additionally, the Environmental Health Department was required to remit \$244,556 to the State as a result of an overpayment on a grant program.
- The Public Assistance area increased by \$1,745,255, or 6.9% as a result of a combination of factors. Contracted eligibility services by the Social Services Department increased by \$392,866. Social Services expenses also increased an additional \$194,251 for funding provided to the Nevada County Library for construction, equipment and materials for the Collaborative Technology Center (CTC). Furthermore, benefit assistance payments for foster care increased by \$532,445 over prior year levels.

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



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

Revenues among business-type activities totaled \$13,494,060 for the year ended 2012/13. The chart below presents the percentage of total revenues by source for business-type activities:



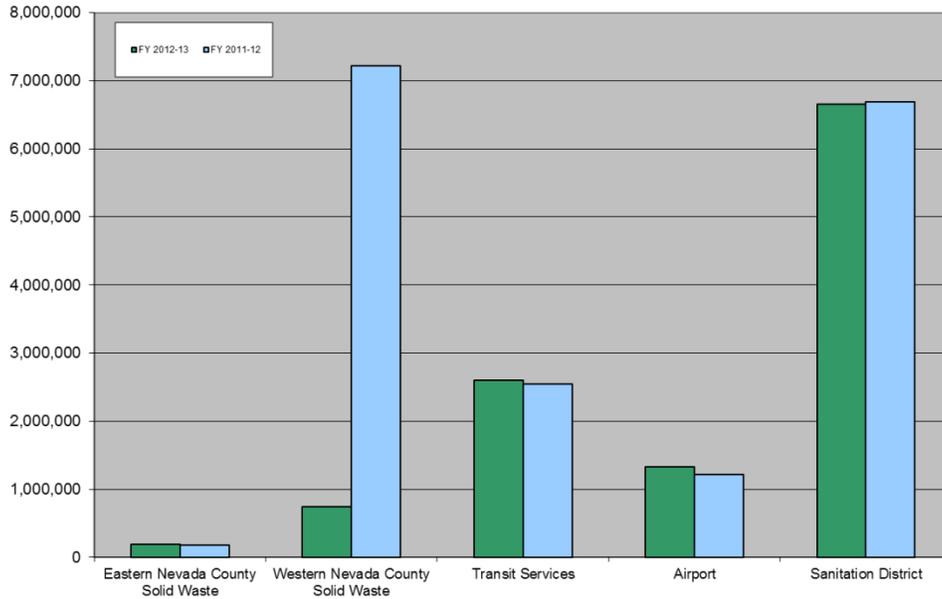
Key elements of the increase/decrease in revenues in the business-type activities:

- *Charges for Services* decreased by \$5,614,863 or 37.3% almost entirely due to an operational change for the Western Solid Waste enterprise fund. As of July 1, 2012 the County entered into an agreement with Waste Management, Inc. to provide a comprehensive solid waste collection, recycling, and facility operations program for western Nevada County. Accordingly, the rights to collect gate fees were assumed by Waste Management, Inc., resulting in a reduction of \$3,470,462. In addition, special assessment collections were reduced primarily due to the retirement of the Certificates of Participation in fiscal year 2011/12, resulting in a decline of \$2,146,762.
- *Operating Grants and Contributions* decreased \$19,972 or 5.7% due to an \$18,546 Western Solid Waste “Bottle Bill” recycling grant that had been received in fiscal year 2011/12.
- *Capital Grants and Contributions* decreased 32.5% or \$775,436. A Federal Aviation Administration grant had been awarded in fiscal year 2011/12 for rehabilitation of the airport’s runway. Grant reimbursements in fiscal year 12/13 for costs incurred were \$969,637 less than prior year amounts.
- *The Other Taxes category* decreased \$9,804 or 0.5% primarily attributable to a decrease in transportation taxes allocated for transit operations.
- *Unrestricted Interest and Investment Earnings* declined from \$206,582 in the prior year to only \$32,412 in fiscal year 2012/13. This was due to the annual offset from the fair value adjustment which is the difference between the market value of investments and the book value at June 30, 2013 plus the effect of lower interest earnings on those investments.
- Miscellaneous revenues declined 3.3% or \$10,257. The overall change was attributable to a decline in airport hangar rents of \$23,386 and the Nevada County Sanitation District No. 1 received settlement payments in the prior year of \$49,184. These reductions were offset by a gain on disposal of various items of equipment sold at auction by Western Solid Waste of \$35,587.

COUNTY OF NEVADA
Management's Discussion and Analysis
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Expenses among business-type activities for fiscal year 2012/13 totaled \$11,509,642, in comparison to fiscal year 2011/12 which totaled \$17,842,367, representing an overall decrease of 35.5%.

Expenses - Business-Type Activities



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

- Western Nevada County Solid Waste expenses declined by \$6,469,722 or 89.7% compared to the prior year. The decrease was the result of the negotiated franchise agreement with Waste Management, Inc. to operate the McCourtney Road Transfer Station beginning July 1, 2012. Accordingly, costs incurred by the County to operate and maintain the transfer station in the prior year did not occur in the 2012/13 fiscal year.
- Expenses for Transit Services increased by \$46,359 or 1.8% over prior year levels due to an increase in the allocation of costs for services provided by the County general government departments.
- Airport operating expenses increased \$115,520 or 9.5% from the prior year. The increase is primarily associated with an increase in aviation fuel costs of \$140,020. A heavy fire season during the 2012/13 fiscal year required higher fuel demands for the operation of the CalFire operations at the airport.
- Sanitation District operating expenses decreased \$30,847 or 0.5% over prior year levels. The decrease is primarily attributable to a decrease in salary and benefit costs for Wastewater Management.

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.

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

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, 2013 and 2012				
	2013	2012	Variance	Change
Total Assets	91,538,826	81,217,610	12.71%	10,321,216
Total Liabilities	16,388,480	18,792,594	-12.79%	-2,404,114
Deferred Inflows of Resources	9,162,414	0	n/a	9,162,414
Fund Balance				
General Fund				
Nonspendable	177,182	57,182	209.86%	120,000
Restricted	969,999	182,083	432.72%	787,916
Committed	3,967,000	3,967,000	0.00%	0
Assigned	16,934,910	15,205,934	11.37%	1,728,976
Unassigned				
Special Revenue Funds				
Nonspendable	70,123	79,626	-11.93%	-9,503
Restricted	41,337,836	40,154,597	2.95%	1,183,239
Committed	56,764	111,433	-49.06%	-54,669
Assigned	2,476,095	2,720,180	-8.97%	-244,085
Unassigned	-1,977	-53,019	-96.27%	51,042
Total Fund Balance	65,987,932	62,425,016	5.71%	3,562,916

As of June 30, 2013, the County's governmental funds reported combined ending fund balances in the amount of \$65,987,932, an increase of 5.71% or \$3,562,916 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, \$247,305 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, advances to other funds of \$120,000, and inventory of \$70,123.

Restricted fund balance, \$42,307,835 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 funds are restricted in the Road Fund; debt service reserve requirements; and amounts reserved for legislatively realigned Health & Human Service programs.

COUNTY OF NEVADA
Management's Discussion and Analysis
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Committed fund balance, \$4,023,764 are amounts established by the Board of Supervisors for a specified purpose before fiscal year-end and requires board action to appropriate. The General Fund general reserve of \$3,967,000 is included in this amount.

Assigned fund balance, \$19,411,005 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 \$1,284,000 for information systems infrastructure and \$3,631,000 for facilities planning.

Unassigned fund balance of (\$1,977) represents where expenditures exceeded revenues and available fund balance in the Health and Human Services Agency fund by \$1,543 and in the non-major Motor Vehicle License fund by \$434.

Approximately \$65,740,627 of the total fund balances is available to meet the County's current and future needs. The Board of Supervisors may commit or assign 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, 2013, the total fund balance was \$22,049,091, an increase of \$2,636,892 from the prior fiscal year. The nonspendable portion of fund balance was \$177,182, and the spendable portion was \$21,871,909, an increase of \$2,516,892 from the prior year spendable balance of \$19,355,017.

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 40.2% of total General Fund expenditures while spendable fund balance equates to 39.8% of total General Fund expenditures. Of the General Fund spendable fund balance, \$969,999, or 4.4% is restricted and \$3,967,000 or 18% is committed.

The following provides explanations for year over year revenue fluctuations by source:

Revenues Classified by Source
General Fund

Revenue Type	FY 2013	Percent	FY 2012	Percent	Increase	Percentage
	Amount	of Total	Amount	of Total	(Decrease) Amount	of Change
Taxes and Assessments	35,112,349	66.55%	34,405,349	67.43%	707,000	2.05%
License and Permits	2,527,162	4.79%	1,152,884	2.26%	1,374,278	119.20%
Fines and Forfeitures	2,533,248	4.80%	2,863,569	5.61%	(330,321)	-11.54%
Use of Money and Property	303,670	0.58%	461,441	0.90%	(157,771)	-34.19%
Intergovernmental	3,324,869	6.30%	3,649,014	7.15%	(324,145)	-8.88%
Charges for Service	7,344,919	13.92%	6,875,881	13.48%	469,038	6.82%
Other Revenues	1,614,691	3.06%	1,614,644	3.16%	47	0.00%
Total	52,760,908	100.00%	51,022,782	100.00%	1,738,126	3.41%

Taxes and Assessments – The increase in this category is primarily due to an increase in current secured taxes of \$364,661, property transfer taxes of \$128,417, and sales and use taxes of \$74,559 compared to the prior year.

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

License and Permits – Franchise revenues for the solid waste franchise agreement increased by \$1,372,015 compared to the prior year. The increase was the result of a new agreement with Waste Management Inc. that increased the franchise fees related to curbside disposal and the tonnage hauled from the McCourtney Road Transfer Station.

Fines and Forfeitures – Revenues from forfeitures and penalties collected at the District Attorney's Office decreased compared to the prior year due to settlement payments received during the 2011/12 fiscal year that did not occur during 2012/13.

Use of Money and Property – Interest and investment earnings decreased by \$157,771 due to the annual offset from the fair value adjustment in the amount of \$168,840 which is the difference between the market value of investments and the book value at June 30, 2013.

Intergovernmental – There was a decrease in this category of \$324,145, or 8.88%, due to several factors. In 2012, the General Fund received \$139,235 in trial court security funding from the Administrative Office of the Courts. In 2013, the source of that funding shifted to the 2011 Realignment, which no longer falls within this revenue category. Similarly, in the prior year, the Sheriff's Office had received \$155,767 in pass-thru ARRA funding from Sierra County that did not continue in 2013.

Charges for Services – Revenues generated from charges for services saw an overall increase of \$469,038 from 2012 to 2013. The largest factor contributing to the increase in this area results from election cost reimbursements of \$282,332 that were not received in the prior year. In addition, recording fees collected by the Recorder's Office increased by \$107,539 compared to the prior year.

Other Revenues – The slight increase in this category is a result of fluctuations among several areas of other revenues including an increase in tobacco settlement funds of \$445,127, a decrease of \$318,477 related to a one-time CalPERS adjustment in the prior year, and an increase in worker's compensation reimbursements of \$44,796.

The following provides an explanation of changes in expenditures by function compared to the prior year levels:

Expenditure by Function
General Fund

Expenditures by Function	FY 2013	Percent	FY 2012	Percent	Increase	Percentage
	Amount	of Total	Amount	of Total	(Decrease) Amount	of Change
General government	9,852,784	17.94%	7,853,261	14.51%	1,999,523	25.5%
Public protection	41,877,258	76.26%	44,005,071	81.31%	-2,127,813	-4.8%
Health and sanitation	111,351	.20%	-	-	111,351	100%
Public Assistance	267,001	0.49%	249,698	0.46%	17,303	6.9%
Education	46,888	0.09%	40,681	0.08%	6,207	15.3%
Capital outlay	2,650,174	4.83%	1,857,024	3.43%	793,150	42.7%
Debt Service	110,346	0.20%	111,895	0.21%	-1,549	-1.4%
Total	54,915,802	100.00%	54,117,630	100.00%	798,172	1.5%

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

General government – The \$1,999,523 or 25.5% overall increase in expenditures in this category is largely due to a decrease in cost allocations for County general support services. In the prior year, the General Fund received reimbursements of \$8,160,415 but that amount decreased by \$1,536,810 to \$6,623,605 in the current year. The remaining difference is due to the aggregation of minor incremental increases in expenditures across various categories.

Public Protection – The key factor in the \$2,127,813 decrease for this category was primarily due to savings from vacant positions of \$1,566,947 from the Wayne Brown Correctional Facility, Sheriff Administration, and the Sheriff's Truckee Operations. An additional \$603,981 reduction is due to a decrease in cost allocations for general support services.

Education – The 15.3% or \$6,207 increase in education expenditures is attributed to an increase in cost allocations for County general support services.

Capital outlay - Capital outlay expenditures for 2013 consisted of the purchase of two new facilities to house the District Attorney's Office and the Probation Department plus related upgrades.

Debt service – Debt service expenditures consist of annual payments for two software enterprise agreements.

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 \$1,805,692 or 26.8%. Intergovernmental revenues fell by \$2,642,363 primarily due to a \$2,004,395 reduction in State Highway Users Tax revenues that had been received in 2011/12 from state and federal sources for two road construction projects.

The Community Development Agency (CDA) Fund is used to account for Planning, Building, Environmental Health and Code Enforcement department activities. Overall, revenues declined by \$416,847, or 10.9%, due to a decline in intergovernmental revenues of \$189,469 primarily from a Local Oversight Program grant audit adjustment and a decline in other revenues of \$211,285 related to environmental impact report revenues received in 2011/12 that were not received in 2012/13.

The Human Services Agency Fund is used to account for the majority of the Public Health, Behavioral Health and Social Service programs. The net decrease in fund balance was \$519,453, bringing the total fund balance to a negative \$1,543. The decrease of fund balance was attributed to several factors intended to balance realignment backfill funding for various programs. Intergovernmental revenues declined by \$3,361,677 due to the State's realignment of State Mental Health and Early and Periodic Screening, Diagnosis, and Treatment program revenues.

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 \$750,440, or 10.4%, to a total of \$7,982,966. The increase in fund balance was due to an increase of intergovernmental revenues of \$488,303 and a decrease in transfers out to departments of \$169,653.

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

The Local Realignment Fund is used to account for the State's realignment of revenues and services for law enforcement that were previously performed by the State and passed to counties and social services revenues funded through alternative means. The fund balance increased by \$361,057, or 47.5%, mainly due to an increase in amounts due from other government agencies from \$1,110,952 to \$1,377,013. In addition, revenues increased by \$3,705,827 and transfers out increased by \$2,460,722, each of which was directly related to new funding in 2012/13 for specialty mental health services provided by the Behavioral Health Department.

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 position of the Western Nevada County Solid Waste at June 30, 2013 amounted to a deficit of \$1,890,909. The deficit reflects the total liability of \$11,067,034 for the cost of monitoring the closed landfill per regulatory requirements. The cost of post closure activity is met through annual parcel charges. Though the unrestricted net position remains in a deficit, the enterprise operation did reduce the deficit in unrestricted net position by \$875,721.

The unrestricted net position of the Airport enterprise operation increased to \$196,896 for the fiscal year ending June 30, 2013, largely due to an increase in fuel sales over the prior year.

The Sanitation District's unrestricted net position declined by \$1,784,490 compared to the prior year, which was mainly attributable to an increase in the net investment in capital assets for the Lake Wildwood upgrade project

GENERAL FUND BUDGETARY HIGHLIGHTS

The difference between the original budget and the final amended budget resulted in a \$5,075,360 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 \$512,806. The most significant amendment was an increase in the Information Systems budget for a project to upgrade the property tax accounting system totaling \$325,244. Funding for the project is provided through an assignment of fund balance in the General Fund.
- The Public Protection budget category increased by \$478,063. Operations at the Wayne Brown Correctional Facility (WBCF) accounted for increases in budget appropriations of \$590,610. A large portion of the increase, \$195,070, was attributable to a budgetary correction in Interagency Reimbursements. In addition, \$172,605 was needed to cover overtime for correctional officers related to AB 109, the transfer of inmates from state correctional facilities.
- Total budgeted Capital Outlay increased by \$4,086,961 with Capital Facilities Projects for the purchase of two new facilities for both the District Attorney's Office and the Probation Department totaling \$2,930,000. Another \$676,000 from Information Systems was budgeted for capital software expenditures related to the future upgrade of the property tax accounting system.

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

The difference between the final amended budget and the actual results at fiscal year-end resulted in a \$5,385,225 net increase in the ending General Fund balance compared to the balance anticipated in the final amended budget. Actual revenues were slightly higher than the budgetary estimate by \$921,675, or 1.8%, and expenditures were under the budgetary estimates by \$4,598,231 or 8.4%. The excess of expenditures over revenues, including other financing sources and uses, increased the General Fund's fund balance by \$2,636,892. Explanations of significant differences between budgeted and actual expenditures are as follows:

- The General Government category expenditures were \$972,992 less than budgeted expenditure levels. Information Systems had the largest variance in expenditures because the planned expenditures for the upgrade of the property tax accounting system were delayed to the next fiscal year resulting in a budgetary savings of \$285,829. The next largest variance was in the Assessor's Office of \$114,021, which was primarily attributable to a salary savings from unfilled positions.
- Budgeted expenditures in Public Protection were higher than the amounts actually expended by \$2,158,439. Of this variance, \$710,672 occurred in the Probation Department, \$446,804 in the WBCF, and \$440,948 in the Sheriff's Office related to salary savings from unfilled positions and the results of negotiated labor agreements.
- Actual expenditures for Capital Outlay were higher than the amounts originally budgeted by \$1,464,787 related to the purchase and renovation of two new facilities for the District Attorney's Office and the Probation Department. In addition, \$680,655 occurred in Information Services for the purchase of capitalized software for the new property tax accounting system that was rescheduled.

Additional information on the General Fund and other major funds budget can be found on pages 79-87.

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, 2013 amounted to \$326,623,782 (net of accumulated depreciation). This investment in capital assets includes land, infrastructure, buildings and improvements, equipment and software.

County's Capital Assets
(Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total		Variance
	2013	2012	2013	2012	2013	2012	
Land and Easements	104,608,171	104,487,370	3,596,251	3,593,251	108,204,422	108,080,621	0.11%
Infrastructure (Road Sys)	104,030,592	105,484,249	0	0	104,030,592	105,484,249	-1.38%
Infrastructure Structures and Improvements	18,147,520	18,654,327	48,131,261	50,367,807	66,278,781	69,022,134	-3.97%
Construction in Progress	30,763,656	30,117,366	2,835,200	1,328,937	33,598,856	31,446,303	6.85%
Equipment	2,859,022	2,372,065	5,687,606	3,497,817	8,546,628	5,869,882	45.60%
Intangible Assets	4,965,942	5,013,459	470,386	516,791	5,436,328	5,530,250	-1.70%
	528,175	697,723	0	0	528,175	697,723	-24.30%
Total	265,903,078	266,826,559	60,720,704	59,304,603	326,623,782	326,131,162	0.15%

Land and Easements – The land and easements of governmental and business-type entities remained relatively flat compared to the prior year.

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

Infrastructure (Road Sys) – the \$1,453,657 decrease in road system infrastructure is due to a complete road segment inventory utilizing more accurate measuring equipment which adjusted the estimate of historical cost.

Infrastructure – The decrease in infrastructure for business-type activities is directly related to depreciation of treatment plant assets of the Sanitation District and the decrease for governmental activities is solely due to depreciation of bridges and equipment.

Structures and Improvements – The \$1,506,263 increase in business-type activities is due to the completion of the Tinloy Transfer Station. Governmental activities increased by \$646,290 due to the purchase of two facilities to house the District Attorney's Office (\$435,000) and the Probation Department (\$1,180,000) less annual depreciation on all structures and improvements of \$985,143.

Construction in Progress –Business-type construction in progress increased by \$2,189,789 and was attributable to a waste water treatment facility project with accumulated expenses of \$2,341,428 and for the County Airport runway improvements with accumulated expenses of \$783,839, neither of which were completed by year end.

Equipment –Decreases are attributable to scheduled depreciation, asset retirements, and the completion of the Wayne Brown Correctional Facility's security system upgrade totaling \$594,638.

Intangible Assets – Decreases are attributable to scheduled depreciation and asset retirements related to capitalized computer software.

Additional information on the County's capital assets can be found in Note 4 on pages 53-55 of this report.

Long-term debt. At June 30, 2013, the County had total debt outstanding of \$62,176,228.

County's Outstanding Debt

	Governmental Activities		Business-Type Activities		Total		Variance
	2013	2012	2013	2012	2013	2012	
Certificate of Participation	7,920,338	9,048,243	0	0	7,920,338	9,048,243	-12.5%
Accrued Claims Liability	1,244,756	967,506	0	0	1,244,756	967,506	28.7%
Loans	7,102,548	4,425,114	25,167,988	26,697,926	32,270,536	31,123,040	3.7%
Enterprise Agreements	51,774	153,852	0	0	51,774	153,852	-197.2%
Special Assessment Debt	263,000	276,000	17,000	19,000	280,000	295,000	-5.1%
Landfill Post Closure	0	0	11,187,199	12,215,985	11,187,199	12,215,985	-8.4%
Capital Leases	7,342	14,875	0	0	7,342	14,875	-50.6%
Compensated Absences	5,062,661	5,253,978	252,668	249,874	5,315,329	5,503,852	-3.4%
OPEB Obligation	3,663,474	3,299,112	235,480	219,768	3,898,954	3,518,880	10.8%
Total	25,315,893	23,438,680	36,860,335	39,402,553	62,176,228	62,841,233	-1.1%

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

The County's total outstanding debt decreased by \$665,005, or 1.1%, during the fiscal year. The key factors for the decrease were the annual scheduled principal payments on the Certificates of Participation of \$1,060,000 and loan obligations of \$2,023,085, a reduction in the estimated liability for the landfill post closure costs, and other scheduled principal payments. The accrued claims liability increased by \$277,250 due to an adjustment in the actuarially determined unpaid claim amounts. This amount reflects a \$137,250 rise in unemployment unpaid claims and a \$140,000 increase in general liability unpaid claims.

Certain items resulted in increases to the County's outstanding debt balances. In particular, the County entered into a leaseback arrangement for the purchase and renovation costs of the two facilities for the District Attorney's Office and the Probation Department totaling \$2,930,000. The County's Net OPEB Obligation (NOO) increased by \$380,074, continuing the trend from the prior year. Actuarial assumptions set the County contribution rate at 8.3% and due to staffing reductions, and associated wages; this resulted in a reduced collection of contributions than anticipated.

Additional information on the County's long-term debt can be found in Note 7 on pages 57-62 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 complete three year assessment occurred 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, 2013

Expenditures	Capital Improvements	Preservation Maintenance	General Maintenance	Total Cost
Planned	1,711,800	1,406,200	3,469,642	6,587,642
Actual	273,380	1,773,438	2,880,339	4,927,157
Difference	(1,438,420)	367,238	(589,303)	(1,660,485)

The reduction in capital improvement expenses from planned levels was due to less preliminary engineering needed than planned and the delay of the Combie Road Corridor Improvement Project.

Planned preservation maintenance expenditures were increased due to more chipseal projects and less general maintenance required than planned.

Additional information on the County's use of the Modified Approach can be found in Required Supplementary Information (RSI) on pages 77-78 of this report.

Economic Factors and Next Year's Budget for FY 2013/14

The fiscal year 2013/14 adopted budget for all County funds totals \$183,473,716, a 1.2% increase when compared to the prior year. The General Fund 2013/14 is budgeted at \$60,571,646, a decrease of \$619,753.

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

The extended economic slowdown continues to impact the County on many fronts. The following factors were considered as the budget for fiscal year 2013/14 was prepared.

- The fiscal year 2013/14 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, has been a factor of 1.02. The Statewide inflationary factor for 2013 resulted in a 2% increase in assessed values. The Assessor has continued to review and reassess Nevada County property values. The total reassessments have resulted in a slight positive overall growth rate of 0.93% of assessed values for 2013/14 to reflect the current fair market value.
- The fiscal year 2013/14 budget contemplates a 4% 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.
- Although there have been signs indicating a slight recovery in the construction sector, the Planning Department, which is primarily supported by development fees has decreased its 2013/14 budget by 22% over the prior year. Similarly, the Building Inspection Department budget has declined by 2.1%. Together, these factors suggest the lackluster activity in the construction sector is anticipated to continue to linger. Service demands will be closely monitored in the fee revenue areas in the upcoming year and corresponding budget adjustments will occur as necessary.

The 2013/14 budget documents are available online at:

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

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Basic Financial Statements

- **Government-Wide Financial Statements**

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COUNTY OF NEVADA
Statement of Net Position
June 30, 2013

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and investments	\$ 55,074,797	\$ 16,234,848	\$ 71,309,645
Receivables:			
Accounts	1,109,428	115,160	1,224,588
Taxes	1,000,454	-	1,000,454
Intergovernmental	16,222,691	373,813	16,596,504
Due from other agencies	7,012,821	-	7,012,821
Internal balances	54,341	(54,341)	-
Inventory	143,118	54,490	197,608
Deposits	110,128	-	110,128
Prepaid costs	99,672	15,132	114,804
Restricted cash and investments	1,708,979	-	1,708,979
Loans receivable	4,726,637	-	4,726,637
Capital assets:			
Non-depreciable	211,497,785	9,283,857	220,781,642
Depreciable, net	54,405,293	51,436,847	105,842,140
Total capital assets	265,903,078	60,720,704	326,623,782
Total Assets	353,166,144	77,459,806	430,625,950
LIABILITIES			
Accounts payable	3,713,195	710,494	4,423,689
Accrued salaries and benefits	1,178,650	63,228	1,241,878
Intergovernmental payable	386,750	-	386,750
Accrued interest payable	120,934	385,736	506,670
Deposits payable	283,483	5,899	289,382
Unearned revenue	933,833	942,385	1,876,218
Long-term liabilities:			
Due within one year	7,030,761	2,392,553	9,423,314
Due in more than one year	18,285,132	34,467,782	52,752,914
Total Liabilities	31,932,738	38,968,077	70,900,815
NET POSITION			
Net investment in capital assets	251,396,810	35,568,071	286,964,881
Restricted for:			
General government	2,854,855	-	2,854,855
Public protection	9,428,867	-	9,428,867
Public ways and facilities	10,705,731	-	10,705,731
Health and sanitation	14,615,331	-	14,615,331
Public assistance	4,845,443	-	4,845,443
Education	1,410,320	-	1,410,320
Recreation	238,678	-	238,678
Unrestricted	25,737,371	2,923,658	28,661,029
Total Net Position	\$321,233,406	\$ 38,491,729	\$359,725,135

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, 2013

<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	\$ 10,970,028	\$ 5,927,769	\$ 899,957	\$ -
Public ways and facilities	8,851,411	1,391,104	4,676,588	263,760
Public protection	49,511,586	6,246,802	15,989,556	-
Health and sanitation	27,827,434	3,102,185	28,607,824	-
Public assistance	26,928,270	45,482	19,949,228	-
Education	2,492,903	81,945	78,521	30,000
Recreation	179,793	-	-	-
Interest on long-term debt	470,363	-	-	-
Total Governmental Activities	127,231,788	16,795,287	70,201,674	293,760
Business-type activities:				
Eastern Nevada County Solid Waste	185,901	178,813	-	-
Western Nevada County Solid Waste	743,678	1,544,170	1,815	-
Transit Services	2,594,522	323,201	317,456	831,709
Airport	1,332,796	804,774	11,650	777,436
Sanitation District	6,652,745	6,579,111	-	-
Total Business-Type Activities	11,509,642	9,430,069	330,921	1,609,145
Total	\$138,741,430	\$ 26,225,356	\$ 70,532,595	\$ 1,902,905

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 Position

Net Position - Beginning

Prior period adjustment
Cumulative effect of a change in accounting principle

Net Position - Beginning, Restated

Net Position - Ending

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

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

Governmental Activities	Business- Type Activities	Total
\$ (4,142,302)	\$ -	\$ (4,142,302)
(2,519,959)	-	(2,519,959)
(27,275,228)	-	(27,275,228)
3,882,575	-	3,882,575
(6,933,560)	-	(6,933,560)
(2,302,437)	-	(2,302,437)
(179,793)	-	(179,793)
(470,363)	-	(470,363)
<u>(39,941,067)</u>	<u>-</u>	<u>(39,941,067)</u>
-	(7,088)	(7,088)
-	802,307	802,307
-	(1,122,156)	(1,122,156)
-	261,064	261,064
-	(73,634)	(73,634)
<u>-</u>	<u>(139,507)</u>	<u>(139,507)</u>
<u>(39,941,067)</u>	<u>(139,507)</u>	<u>(40,080,574)</u>
31,310,243	6,990	31,317,233
4,534,294	-	4,534,294
710,251	-	710,251
276,664	17,398	294,062
21,819	880	22,699
47,750	33,806	81,556
2,415,479	-	2,415,479
9,440	1,730,785	1,740,225
18,437	-	18,437
2,876,984	-	2,876,984
1,322,875	-	1,322,875
335,554	32,412	367,966
2,149,012	301,654	2,450,666
<u>46,028,802</u>	<u>2,123,925</u>	<u>48,152,727</u>
<u>6,087,735</u>	<u>1,984,418</u>	<u>8,072,153</u>
317,445,633	36,507,311	353,952,944
(2,084,770)	-	(2,084,770)
(215,192)	-	(215,192)
<u>315,145,671</u>	<u>36,507,311</u>	<u>351,652,982</u>
<u>\$321,233,406</u>	<u>\$ 38,491,729</u>	<u>\$359,725,135</u>

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Basic Financial Statements

- **Fund Financial Statements**

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COUNTY OF NEVADA
Balance Sheet
Governmental Funds
June 30, 2013

	<u>General Fund</u>	<u>Road</u>	<u>Community Development Agency</u>	<u>Human Services Agency</u>
ASSETS				
Cash and investments	\$ 8,600,550	\$ 5,041,898	\$ 1,542,787	\$ 400
Receivables:				
Accounts	661,427	13,689	119,954	214,872
Taxes	727,230	-	74	-
Intergovernmental	2,110,821	866,817	292,001	8,441,963
Due from other agencies	7,012,821	-	-	-
Due from other funds	5,396,492	169,635	364,747	3,346,888
Deposits	-	-	-	14,353
Inventory	-	70,123	-	-
Prepaid costs	57,182	-	-	-
Advances to other funds	120,000	-	-	-
Restricted cash and investments	811,592	-	-	-
Loans receivable	-	-	-	-
Total Assets	<u>\$25,498,115</u>	<u>\$ 6,162,162</u>	<u>\$ 2,319,563</u>	<u>\$12,018,476</u>
LIABILITIES				
Accounts payable	\$ 733,162	\$ 482,990	\$ 53,979	\$ 1,726,919
Accrued salaries and benefits	711,704	60,166	80,564	258,186
Intergovernmental payable	-	-	244,556	-
Deposits payable	-	2,284	258,820	22,379
Due to other funds	212,006	169,077	37,533	3,051,403
Unearned revenue	47,176	-	85,684	380,051
Advances from other funds	-	-	-	-
Total Liabilities	<u>1,704,048</u>	<u>714,517</u>	<u>761,136</u>	<u>5,438,938</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	1,744,976	511,501	321,595	6,581,081
Total Deferred Inflows of Resources	<u>1,744,976</u>	<u>511,501</u>	<u>321,595</u>	<u>6,581,081</u>
FUND BALANCES				
Nonspendable	177,182	70,123	-	-
Restricted	969,999	4,866,021	20,546	-
Committed	3,967,000	-	-	-
Assigned	16,934,910	-	1,216,286	-
Unassigned	-	-	-	(1,543)
Total Fund Balances (Deficits)	<u>22,049,091</u>	<u>4,936,144</u>	<u>1,236,832</u>	<u>(1,543)</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$25,498,115</u>	<u>\$ 6,162,162</u>	<u>\$ 2,319,563</u>	<u>\$12,018,476</u>

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

Health and Welfare Realignment	Local Revenue Fund 2011 Realignment	Other Governmental Funds	Total
\$ 8,351,141	\$ 2,098,823	\$24,074,728	\$49,710,327
-	-	45,045	1,054,987
-	-	273,150	1,000,454
1,055,542	1,377,013	2,078,534	16,222,691
-	-	-	7,012,821
21,258	29,102	512,150	9,840,272
-	-	-	14,353
-	-	-	70,123
-	-	-	57,182
-	-	-	120,000
-	-	897,387	1,708,979
-	-	4,726,637	4,726,637
<u>\$ 9,427,941</u>	<u>\$ 3,504,938</u>	<u>\$32,607,631</u>	<u>\$91,538,826</u>
\$ -	\$ 72,785	\$ 546,153	\$ 3,615,988
-	-	56,057	1,166,677
-	-	142,194	386,750
-	-	-	283,483
1,444,975	2,310,961	2,655,794	9,881,749
-	-	420,922	933,833
-	-	120,000	120,000
<u>1,444,975</u>	<u>2,383,746</u>	<u>3,941,120</u>	<u>16,388,480</u>
-	-	3,261	9,162,414
-	-	3,261	9,162,414
-	-	-	247,305
7,982,966	1,121,192	27,347,111	42,307,835
-	-	56,764	4,023,764
-	-	1,259,809	19,411,005
-	-	(434)	(1,977)
<u>7,982,966</u>	<u>1,121,192</u>	<u>28,663,250</u>	<u>65,987,932</u>
<u>\$ 9,427,941</u>	<u>\$ 3,504,938</u>	<u>\$32,607,631</u>	<u>\$91,538,826</u>

COUNTY OF NEVADA
Reconciliation of the Governmental Funds Balance Sheet to the
Government-Wide Statement of Net Position - Governmental Activities
June 30, 2013

Total Fund Balance - Total Governmental Funds	\$ 65,987,932
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds balance sheets.	265,394,832
Other long term assets are not available to pay for current period expenditures and therefore, are reported as unavailable revenues in the governmental funds.	9,162,414
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.	(120,934)
Certain liabilities are not due and payable in the current period and therefore, are not reported in the governmental funds.	
Certificates of participation	(7,920,338)
Bonds payable	(263,000)
Loans payable	(7,102,548)
Enterprise agreements	(51,774)
Capital leases payable	(7,342)
Compensated absences	(4,999,426)
Net OPEB obligation	(3,616,695)
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 position.	4,770,285
Net Position of Governmental Activities	<u><u>\$321,233,406</u></u>

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

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COUNTY OF NEVADA
Statement of Revenues, Expenditures, and
Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2013

	<u>General Fund</u>	<u>Road</u>	<u>Community Development Agency</u>	<u>Human Services Agency</u>
REVENUES				
Taxes and assessments	\$35,112,349	\$ 9,440	\$ 17,398	\$ -
Licenses and permits	2,527,162	35,899	1,071,339	-
Fines and forfeitures	2,533,248	-	31,840	237
Use of money and property	303,670	526	7,699	31
Intergovernmental	3,324,869	4,615,932	511,913	27,024,452
Charges for services	7,344,919	626,019	1,749,569	1,547,157
Other revenues	1,614,691	16,576	24,606	198,272
Total Revenues	<u>52,760,908</u>	<u>5,304,392</u>	<u>3,414,364</u>	<u>28,770,149</u>
EXPENDITURES				
Current:				
General government	9,852,784	-	-	-
Public ways and facilities	-	7,159,963	-	-
Public protection	41,877,258	-	3,127,515	-
Health and sanitation	111,351	-	2,452,389	20,215,208
Public assistance	267,001	-	-	24,428,782
Education	46,888	-	-	-
Recreation	-	-	-	-
Debt service:				
Principal	109,612	-	-	-
Interest and other charges	734	-	-	-
Capital outlay	2,650,174	1,361,364	7,573	20,558
Total Expenditures	<u>54,915,802</u>	<u>8,521,327</u>	<u>5,587,477</u>	<u>44,664,548</u>
Excess of Revenues Over (Under) Expenditures	<u>(2,154,894)</u>	<u>(3,216,935)</u>	<u>(2,173,113)</u>	<u>(15,894,399)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	8,432,891	1,411,243	2,150,173	15,374,946
Transfers out	(6,571,105)	-	(11,603)	-
Issuance of debt	2,930,000	-	-	-
Total Other Financing Sources (Uses)	<u>4,791,786</u>	<u>1,411,243</u>	<u>2,138,570</u>	<u>15,374,946</u>
Net Change in Fund Balances	2,636,892	(1,805,692)	(34,543)	(519,453)
Fund Balances - Beginning	<u>19,412,199</u>	<u>6,741,836</u>	<u>1,271,375</u>	<u>517,910</u>
Fund Balances (Deficits) - Ending	<u>\$22,049,091</u>	<u>\$ 4,936,144</u>	<u>\$ 1,236,832</u>	<u>\$ (1,543)</u>

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

Health and Welfare Realignment	Local Revenue Fund 2011 Realignment	Other Governmental Funds	Total
\$ -	\$ -	\$ 1,557,469	\$36,696,656
-	-	10,649	3,645,049
-	-	522,033	3,087,358
-	-	25,023	336,949
9,069,882	10,557,305	16,190,913	71,295,266
-	-	1,205,687	12,473,351
-	-	1,766,902	3,621,047
<u>9,069,882</u>	<u>10,557,305</u>	<u>21,278,676</u>	<u>131,155,676</u>
-	-	609,924	10,462,708
-	-	520,550	7,680,513
-	269,110	3,781,498	49,055,381
10,458	1,300	4,946,989	27,737,695
-	-	2,208,068	26,903,851
-	-	2,379,197	2,426,085
-	-	179,793	179,793
-	-	1,325,569	1,435,181
-	-	548,122	548,856
-	-	11,501	4,051,170
<u>10,458</u>	<u>270,410</u>	<u>16,511,211</u>	<u>130,481,233</u>
<u>9,059,424</u>	<u>10,286,895</u>	<u>4,767,465</u>	<u>674,443</u>
127,268	-	5,658,816	33,155,337
(8,436,252)	(9,925,838)	(8,252,066)	(33,196,864)
-	-	-	2,930,000
<u>(8,308,984)</u>	<u>(9,925,838)</u>	<u>(2,593,250)</u>	<u>2,888,473</u>
750,440	361,057	2,174,215	3,562,916
<u>7,232,526</u>	<u>760,135</u>	<u>26,489,035</u>	<u>62,425,016</u>
<u>\$ 7,982,966</u>	<u>\$ 1,121,192</u>	<u>\$28,663,250</u>	<u>\$65,987,932</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, 2013

Net Change in Fund Balances - Total Governmental Funds \$ 3,562,916

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	4,051,170
Depreciation expense	(2,630,680)
Various adjustments affecting capital assets (including sales, trade-ins, and contributions)	30,000

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 \$4,735.

(16,709)

Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

Principal retirements	1,435,181
Proceeds from issuance of debt.	(2,930,000)

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 unavailable revenue	2,151,951
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Some expenses reported in the statement of activities, do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.

Change in compensated absences payable	207,252
Change in net OPEB obligation	(360,433)
Change in accrued interest on long-term debt	10,588
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.

508,594

Change in Net Position of Governmental Activities \$ 6,087,735

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COUNTY OF NEVADA
Statement of Net Position
Proprietary Funds
June 30, 2013

	Business-Type Activities - Enterprise Funds			
	Western Nevada County Solid Waste	Airport	Sanitation District	Other Enterprise Funds
ASSETS				
Current Assets:				
Cash and investments	\$ 9,323,254	\$ 96,805	\$ 5,589,233	\$ 1,225,556
Receivables:				
Accounts	68,812	42,351	170	3,827
Intergovernmental	5,554	215,054	-	153,205
Due from other funds	25,091	2	1,018,251	2,306
Prepaid costs	-	15,132	-	-
Inventory	-	54,490	-	-
Deposits	-	-	-	-
Total Current Assets	9,422,711	423,834	6,607,654	1,384,894
Noncurrent Assets:				
Capital assets:				
Non-depreciable	276,553	4,621,989	4,358,906	26,409
Depreciable, net	482,126	1,634,694	47,428,634	1,891,393
Total Noncurrent Assets	758,679	6,256,683	51,787,540	1,917,802
Total Assets	10,181,390	6,680,517	58,395,194	3,302,696
LIABILITIES				
Current Liabilities:				
Accounts payable	146,426	193,469	162,837	207,762
Accrued salaries and benefits	2,591	4,229	36,937	19,471
Accrued interest payable	-	537	385,199	-
Deposits payable	-	2,000	3,899	-
Due to other funds	17,222	2,049	1,108,343	50,510
Unearned revenue	-	3,820	-	938,565
Compensated absences payable	12,707	9,801	114,360	60,976
Special assessment bonds	-	-	2,000	-
Loans payable	-	3,689	1,504,689	-
Accrued claims payable	-	-	-	-
Post closure costs	680,659	-	-	3,672
Total Current Liabilities	859,605	219,594	3,318,264	1,280,956
Noncurrent Liabilities:				
Compensated absences payable	676	-	54,148	-
Special assessment bonds	-	-	15,000	-
Loans payable	-	96,209	23,563,401	-
Accrued claims payable	-	-	-	-
Post closure costs	10,386,375	-	-	116,493
Net OPEB obligation	66,964	11,033	95,792	61,691
Total Noncurrent Liabilities	10,454,015	107,242	23,728,341	178,184
Total Liabilities	11,313,620	326,836	27,046,605	1,459,140

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

	Governmental Activities
Totals	Internal Service Funds
\$ 16,234,848	\$ 5,364,470
115,160	54,441
373,813	-
1,045,650	310,776
15,132	42,490
54,490	72,995
-	95,775
<u>17,839,093</u>	<u>5,940,947</u>
9,283,857	-
<u>51,436,847</u>	<u>508,246</u>
<u>60,720,704</u>	<u>508,246</u>
<u>78,559,797</u>	<u>6,449,193</u>
710,494	97,207
63,228	11,973
385,736	-
5,899	-
1,178,124	136,825
942,385	-
197,844	50,826
2,000	-
1,508,378	-
-	867,401
684,331	-
<u>5,678,419</u>	<u>1,164,232</u>
54,824	12,409
15,000	-
23,659,610	-
-	377,355
10,502,868	-
235,480	46,779
<u>34,467,782</u>	<u>436,543</u>
<u>40,146,201</u>	<u>1,600,775</u>

COUNTY OF NEVADA
Statement of Net Position
Proprietary Funds
June 30, 2013

	Business-Type Activities - Enterprise Funds			
	Western Nevada County Solid Waste	Airport	Sanitation District	Other Enterprise Funds
NET POSITION				
Net investment in capital assets	758,679	6,156,785	26,734,805	1,917,802
Unrestricted	(1,890,909)	196,896	4,613,784	(74,246)
	Total Net Position (Deficits)	\$ 6,353,681	\$31,348,589	\$ 1,843,556

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

Net Position of Business-Type Activities

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

	Governmental Activities
Totals	Internal Service Funds
35,568,071	508,246
<u>2,845,525</u>	<u>4,340,172</u>
38,413,596	<u>\$ 4,848,418</u>
<u>78,133</u>	
<u>\$38,491,729</u>	

COUNTY OF NEVADA
Statement of Revenues, Expenses, and
Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2013

	Business-Type Activities - Enterprise Funds			
	Western Nevada County Solid Waste	Airport	Sanitation District	Other Enterprise Funds
OPERATING REVENUES				
Charges for services	\$ 1,544,170	\$ 20,565	\$ 6,579,111	\$ 502,014
Fuel sales	-	784,209	-	-
Total Operating Revenues	<u>1,544,170</u>	<u>804,774</u>	<u>6,579,111</u>	<u>502,014</u>
OPERATING EXPENSES				
Salaries and benefits	232,069	240,778	1,899,863	1,080,365
Services and supplies	107,299	729,731	1,434,978	1,381,478
Benefit and claim expense	-	-	24,385	7,000
Other charges	45,583	32,405	172,164	51,041
Expense transfers	136,088	16,687	487,457	90,402
Post closure expense	195,843	-	-	2,125
Depreciation	6,839	305,920	2,039,909	141,249
Total Operating Expenses	<u>723,721</u>	<u>1,325,521</u>	<u>6,058,756</u>	<u>2,753,660</u>
Operating Income (Loss)	<u>820,449</u>	<u>(520,747)</u>	<u>520,355</u>	<u>(2,251,646)</u>
NON-OPERATING REVENUES (EXPENSES)				
Taxes and assessments	-	59,074	-	1,730,785
Forfeitures and penalties	-	-	-	-
Intergovernmental revenues	1,815	11,650	-	317,456
Interest income	996	1,047	27,757	2,612
Other revenues	39,947	250,242	7,784	3,681
Interest expense	-	(5,400)	(557,100)	-
Total Non-Operating Revenues (Expenses)	<u>42,758</u>	<u>316,613</u>	<u>(521,559)</u>	<u>2,054,534</u>
Income (Loss) Before Contributions and Transfers	<u>863,207</u>	<u>(204,134)</u>	<u>(1,204)</u>	<u>(197,112)</u>
Capital contribution	-	777,436	-	831,709
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Change in Net Position	<u>863,207</u>	<u>573,302</u>	<u>(1,204)</u>	<u>634,597</u>
Total Net Position (Deficits) - Beginning	<u>(1,995,437)</u>	<u>5,780,379</u>	<u>31,349,793</u>	<u>1,208,959</u>
Total Net Position (Deficits) - Ending	<u>\$ (1,132,230)</u>	<u>\$ 6,353,681</u>	<u>\$ 31,348,589</u>	<u>\$ 1,843,556</u>

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

Change in Net Position of the Business-Type Activities

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

Governmental Activities	
Totals	Internal Service Funds
\$ 8,645,860	\$ 6,581,076
784,209	-
<u>9,430,069</u>	<u>6,581,076</u>
3,453,075	768,467
3,653,486	3,460,564
31,385	1,238,798
301,193	158,269
730,634	220,457
197,968	-
2,493,917	373,779
<u>10,861,658</u>	<u>6,220,334</u>
(1,431,589)	360,742
1,789,859	-
-	4,033
330,921	-
32,412	(1,395)
301,654	18,203
(562,500)	-
<u>1,892,346</u>	<u>20,841</u>
460,757	381,583
1,609,145	-
-	41,527
-	-
<u>2,069,902</u>	423,110
	<u>4,425,308</u>
	<u>\$ 4,848,418</u>
<u>(85,484)</u>	
<u>\$ 1,984,418</u>	

COUNTY OF NEVADA
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2013

	Business-Type Activities - Enterprise Funds			
	Western Nevada County Solid Waste	Airport	Sanitation District	Other Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 1,942,622	\$ 808,989	\$ 6,801,385	\$ 504,218
Payments to suppliers	(2,321,649)	(1,054,407)	(2,014,795)	(1,462,541)
Payments to employees	(245,516)	(255,972)	(1,871,765)	(1,073,290)
Net Cash Provided (Used) by Operating Activities	<u>(624,543)</u>	<u>(501,390)</u>	<u>2,914,825</u>	<u>(2,031,613)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Grants and other receipts	1,360	320,966	6,019	2,051,922
Transfers from other funds	-	-	-	-
Interfund loans received	-	1,786	37,151	-
Interfund loans made	(21,536)	-	-	-
Interfund loans repaid	(26,501)	-	(85,254)	(26,590)
Interfund loan repayments received	-	261	89,112	718
Net Cash Provided (Used) by Noncapital Financing Activities	<u>(46,677)</u>	<u>323,013</u>	<u>47,028</u>	<u>2,026,050</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition of capital assets	-	(783,838)	(2,351,890)	(779,966)
Proceeds from sale of capital assets	44,263	-	1,765	-
Capital grants	-	1,023,343	-	499,723
Principal paid on capital debt	-	(50,490)	(1,722,030)	-
Interest paid on capital debt	-	(10,492)	(331,252)	-
Net Cash Provided (Used) for Capital and Related Financing Activities	<u>44,263</u>	<u>178,523</u>	<u>(4,403,407)</u>	<u>(280,243)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest and dividends	996	1,047	27,758	2,612
Net Cash Provided (Used) by Investing Activities	<u>996</u>	<u>1,047</u>	<u>27,758</u>	<u>2,612</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(625,961)	1,193	(1,413,796)	(283,194)
Balances - Beginning	<u>9,949,215</u>	<u>95,612</u>	<u>7,003,029</u>	<u>1,508,750</u>
Balances - Ending	<u>\$ 9,323,254</u>	<u>\$ 96,805</u>	<u>\$ 5,589,233</u>	<u>\$ 1,225,556</u>

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

Governmental Activities	
Totals	Internal Service Funds
\$ 10,057,214	\$ 6,764,715
(6,853,392)	(4,891,392)
(3,446,543)	(748,537)
<u>(242,721)</u>	<u>1,124,786</u>
2,380,267	5,273
-	41,527
38,937	25,819
(21,536)	-
(138,345)	(103,180)
<u>90,091</u>	<u>68,196</u>
<u>2,349,414</u>	<u>37,635</u>
(3,915,694)	(114,436)
46,028	30,112
1,523,066	-
(1,772,520)	-
(341,744)	-
<u>(4,460,864)</u>	<u>(84,324)</u>
<u>32,413</u>	<u>(1,395)</u>
<u>32,413</u>	<u>(1,395)</u>
(2,321,758)	1,076,702
<u>18,556,606</u>	<u>4,287,768</u>
<u>\$ 16,234,848</u>	<u>\$ 5,364,470</u>

COUNTY OF NEVADA
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2013

	Business-Type Activities - Enterprise Funds			
	Western Nevada County Solid Waste	Airport	Sanitation District	Other Enterprise Funds
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating income (loss)	\$ 820,449	\$ (520,747)	\$ 520,355	\$ (2,251,646)
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	6,839	305,920	2,039,909	141,249
Decrease (increase) in:				
Accounts receivable	427,879	9,414	222,274	2,204
Prepaid costs	-	(8,319)	-	-
Inventory	-	(3,393)	-	-
Increase (decrease) in:				
Accounts payable	(806,655)	(263,872)	104,189	68,110
Accrued salaries and benefits	(15,260)	(397)	4,744	(1,061)
Deposits payable	(29,427)	-	-	-
Unearned revenue	-	(5,199)	-	-
Compensated absences payable	1,147	(15,599)	14,052	3,194
Claims payable	-	-	-	-
Post closure	(1,030,181)	-	-	1,395
Net OPEB obligation	666	802	9,302	4,942
Net Cash Provided (Used) by Operating Activities	\$ (624,543)	\$ (501,390)	\$ 2,914,825	\$ (2,031,613)
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES				
Correction of capital assets	\$ 3,000	\$ -	\$ -	\$ -
Amortization of discounts	-	-	240,581	-

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

	Governmental Activities	
<u>Totals</u>	<u>Internal Service Funds</u>	
\$ (1,431,589)	\$	360,742
2,493,917		373,779
661,771		183,639
(8,319)		(31,439)
(3,393)		(1,953)
(898,228)		(57,162)
(11,974)		62
(29,427)		-
(5,199)		-
2,794		15,938
-		277,250
(1,028,786)		-
15,712		3,930
<u>\$ (242,721)</u>	<u>\$</u>	<u>1,124,786</u>

\$ 3,000	\$	-
240,581		-

COUNTY OF NEVADA
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2013

	Investment Trust Funds	Agency
ASSETS		
Cash and investments	\$73,166,809	\$ 1,627,073
Restricted cash and investments	-	225,943
Receivables:		
Accounts	943,019	-
Taxes	-	10,455,136
Total Assets	74,109,828	12,308,152
LIABILITIES		
Accounts payable	140,877	-
Due to other agencies	-	7,012,821
Agency obligations	-	5,295,331
Total Liabilities	140,877	12,308,152
NET POSITION		
Net position held in trust for investment pool participants	\$73,968,951	\$ -

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

COUNTY OF NEVADA
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2013

	<u>Investment Trust Funds</u>
ADDITIONS	
Contributions:	
Contributions to investment pool	\$ 336,736,974
Net investment income:	
Interest income	<u>(21,444)</u>
Net investment income	<u>(21,444)</u>
Total Additions	<u>336,715,530</u>
DEDUCTIONS	
Distributions from investment pool	<u>331,679,033</u>
Total Deductions	<u>331,679,033</u>
Change in Net Position	5,036,497
Net Position - Beginning	<u>68,932,454</u>
Net Position - Ending	<u><u>\$ 73,968,951</u></u>

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

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Basic Financial Statements

- **Notes to Basic Financial Statements**

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COUNTY OF NEVADA
Notes to Basic Financial Statements
For the Year Ended June 30, 2013

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.

Generally accepted accounting principles require government financial statements to include the primary government and its component units. Component units of a governmental entity are legally separate entities for which the primary government is considered to be financially accountable and for which the nature and significance of their relationship with the primary government are such that exclusion would cause the combined financial statements to be misleading. The primary government is considered to be financially accountable if it appoints a majority of an organization's governing body and is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on the primary government.

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 or via the web at www.mynevadacounty.com/auditor.

Blended Component Units

Special Districts Governed by the Board of Supervisors - The County Board of Supervisors is the governing body of a number of special purpose district funds administered by the Department of Public Works. Among its duties, the County Board of Supervisors approves the budgets, special taxes and fees of these special districts. As an integral part of the County, these special districts are reported as a nonmajor special revenue fund in the County's financial statements.

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. The County Board of Supervisors is the governing body of these funds and approves all payments. As an integral part of the County, these funds are reported as a nonmajor debt service fund in the County's financial statements.

COUNTY OF NEVADA
Notes to Basic Financial Statements
For the Year Ended June 30, 2013

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting Entity (Continued)

Blended Component Units (Continued)

Finance Authority - The Finance Authority was formed to assist the County in the financing of real or personal property for the benefit of Nevada County. The Finance Authority is the lessor for the County's Certificates of Participation (2011 Refunding) and the Crown Point Building Loan and makes debt service payments on behalf of the County. The County Board of Supervisors appoints the governing body of the Finance Authority and because its financial and operational relationship with the County is closely integrated, the Finance Authority is reported as a nonmajor debt service fund in the County's financial statements.

Sanitation District - The County Board of Supervisors is the governing body of the Sanitation District. The Sanitation District accounts for activity related to providing customers with sanitation management and billing for services provided. As an integral part of the County, this special district is reported as a major enterprise fund in the County's financial statements.

Discretely Presented Component Units

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

Joint Agencies

The County is a member of the California State Association of Counties Excess Insurance Authority (CSAC). CSAC is a joint powers authority organized for the purpose of developing and funding excess insurance programs for member counties. CSAC operates public entity risk pools for workers' compensation, comprehensive liability, property, and medical malpractice, and the pool purchases excess insurance and services for members. CSAC is under the control and direction of a board of directors consisting of representatives of the fifty member counties. Complete audited financial statements can be obtained from CSAC's office at 75 Iron Point Circle, Suite 200, Folsom, California 95630. The County is not financially accountable for this organization and therefore it is not a component unit under Statement Nos. 14, 39 and 61 of the Governmental Accounting Standards Board.

B. Basis of Presentation

Government-Wide Financial Statements

The statement of net position 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.

COUNTY OF NEVADA
Notes to Basic Financial Statements
For the Year Ended June 30, 2013

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation (Continued)

Government-Wide Financial Statements (Continued)

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 for each function of the County's governmental activities. Direct expenses are those that are specifically associated with a program or function and; therefore, are clearly identifiable to a particular function. 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.

The County reports the following major governmental funds:

- The General fund is used to account for all revenues and expenditures necessary to carry out basic governmental activities of the County that are not accounted for through other funds. For the County, the General Fund includes such activities as public protection, public ways and facilities, health and sanitation, public assistance, education, and recreation services.
- The Road fund is a special revenue fund used to account for the revenues and expenditures for streets and road expansion. 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 and federal 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 realignment 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.

COUNTY OF NEVADA
Notes to Basic Financial Statements
For the Year Ended June 30, 2013

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation (Continued)

Fund Financial Statements (Continued)

The County reports the following major proprietary funds:

- The Western Nevada County Solid Waste fund is an enterprise fund used to account for activity related to providing customers with solid waste management and landfill postclosure maintenance services.
- 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, mail 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.
- 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.

COUNTY OF NEVADA
Notes to Basic Financial Statements
For the Year Ended June 30, 2013

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

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 position.

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.

COUNTY OF NEVADA
Notes to Basic Financial Statements
For the Year Ended June 30, 2013

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Cash, Cash Equivalents and Investments (Continued)

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, 2013, the County Treasurer has not entered into any legally binding guarantees to support the value of participant equity in the investment pool.

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

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 General fund for capital improvements of \$811,592, and the Finance Authority for debt service of \$897,387.

In addition, the Agency funds reflect cash and investments held for various restricted purposes as restricted cash of \$225,943.

G. Receivables

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

COUNTY OF NEVADA
Notes to Basic Financial Statements
For the Year Ended June 30, 2013

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

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.

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

COUNTY OF NEVADA
Notes to Basic Financial Statements
For the Year Ended June 30, 2013

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Capital Assets (Continued)

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.

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

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

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.

COUNTY OF NEVADA
Notes to Basic Financial Statements
For the Year Ended June 30, 2013

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Property Tax (Continued)

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, 2013, the outstanding net borrowing totaled \$7,012,821 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.

M. Unearned Revenue

Under the accrual and modified accrual basis of accounting, revenue may be recognized only when it is earned. When assets are recognized in connection with a transaction before the earnings process is complete, those assets are offset by a corresponding liability for unearned revenue.

COUNTY OF NEVADA
Notes to Basic Financial Statements
For the Year Ended June 30, 2013

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. At June 30, 2013, the County did not have any deferred outflows of resources.

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

P. 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.

Q. Implementation of Governmental Accounting Standards Board Statements (GASB)

The following Governmental Accounting Standards Board (GASB) Statements have been implemented, if applicable to the County of Nevada, in the current financial statements.

Statement No. 60, Accounting and Financial Reporting for Service Concession Arrangements. This statement improves financial reporting by addressing issues related to service concession arrangements.

Statement No. 61, The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 34. The statement clarifies the reporting of equity interest in legally separate organizations and requires the primary government to report its equity interest in a component unit as an asset.

COUNTY OF NEVADA
Notes to Basic Financial Statements
For the Year Ended June 30, 2013

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Q. Implementation of Governmental Accounting Standards Board Statements (GASB) (Continued)

Statement No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements. This statement improves reporting by contributing to GASB's efforts to codify all sources of generally accepted accounting principles for state and local governments so that they derive from a single source.

Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position. This statement provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources.

Statement No. 65, Items Previously Reported as Assets and Liabilities. This statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities.

Statement No. 66, Technical Corrections - 2012 - an amendment of GASB Statements No. 10 and No. 62. This statement improved accounting and financial reporting for a governmental financial reporting entity by resolving conflicting guidance that resulted from the issuance of GASB Statements No. 54 and No. 62.

NOTE 2: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Restatement of Net Position

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 position. During the current year an adjustment to net position was required to correct a prior year misstatement of capital assets. In addition, during the current year the County implemented GASB Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position and GASB Statement No. 65, Items Previously Reported as Assets and Liabilities. The County recorded a cumulative effect of a change in accounting principle for the unamortized costs of issuance.

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

	Governmental Activities
Net Position, June 30, 2012, as previously reported	\$ 317,445,633
Adjustment associated with:	
Correction of capital assets	(2,084,770)
Cumulative effect of a change in accounting principle	(215,192)
Total Adjustments	(2,299,962)
Net Position, July 1, 2012, as restated	<u>\$ 315,145,671</u>

COUNTY OF NEVADA
Notes to Basic Financial Statements
For the Year Ended June 30, 2013

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

B. Deficit Fund Balance/Net Position

The following major governmental fund had a deficit fund balance:

The Human Services Agency fund had a fund balance deficit of \$1,543, which is expected to be eliminated in the future through intergovernmental revenues.

The following major enterprise fund had a deficit net position:

The Western Nevada County Solid Waste fund had a net position deficit of \$1,132,230 due to the post closure liability of \$11,067,034. 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, 2013, does not expect to incur a liability.

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.

COUNTY OF NEVADA
Notes to Basic Financial Statements
For the Year Ended June 30, 2013

NOTE 3: CASH AND INVESTMENTS (CONTINUED)

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.

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 \$73,166,809 at June 30, 2013.

A. Financial Statement Presentation

As of June 30, 2013, the County's cash and investments are reported in the financial statements as follows:

Primary government	\$ 73,018,624
Investment trust fund	73,166,809
Agency funds	<u>1,853,016</u>
Total Cash and Investments	<u>\$ 148,038,449</u>

As of June 30, 2013, the County's cash and investments consisted of the following:

Cash:	
Cash on hand	\$ 625,893
Deposits in Treasurer's Pool (less outstanding warrants)	<u>12,169,804</u>
Total Cash in County Pool	12,795,697
Deposits with fiscal agents	<u>1,073,922</u>
Total Cash	<u>13,869,619</u>
Investments:	
In Treasurer's Pool	<u>133,307,830</u>
Total Investments in County Pool	<u>133,307,830</u>
Investments with fiscal agents	<u>861,000</u>
Total Investments	<u>134,168,830</u>
Total Cash and Investments	<u>\$ 148,038,449</u>

COUNTY OF NEVADA
Notes to Basic Financial Statements
For the Year Ended June 30, 2013

NOTE 3: CASH AND INVESTMENTS (CONTINUED)

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 \$13,243,726 and the bank balance was \$22,510,323. 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 \$625,893.

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.

C. Investments

The investment policy provides the basis for the management of a prudent, conservative investment program. Funds are invested to provide the maximum security of principal with secondary emphasis on achieving the highest return, while meeting daily cash flow needs. All investments are made in accordance with the Government Code and, in general, the investment policy is more restrictive than state law. Under the provisions of the County's investment policy 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
- Reverse Repurchase Agreements
- Securities of the Federal Government or its Agencies
- California State Registered Warrants, Treasury Notes and Bonds
- Local Agency Obligations
- Certificates of Deposit
- Pass-Through Security

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, 2013

NOTE 3: CASH AND INVESTMENTS (CONTINUED)

C. Investments (Continued)

As of June 30, 2013, 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		
Pooled Investments					
Government Agencies	0.34-1.375%	\$ 10,070,098	\$49,820,200	\$59,890,298	2.59
Medium Term Notes	0.85-4.85%	-	28,528,750	28,528,750	3.08
Municipal Bonds	1.05-1.49%	-	4,551,186	4,551,186	3.18
Negotiable CD's	0.40-2.00%	2,000,740	5,415,012	7,415,752	1.82
CAMP	-	1,008,441	-	1,008,441	-
LAIF	Variable	31,913,403	-	31,913,403	-
Total Pooled Investments		44,992,682	88,315,148	133,307,830	1.92
Investments Held by Fiscal Agents					
IXIS	5.91%	861,000	-	861,000	-
Total Investments Held By Fiscal Agents		861,000	-	861,000	-
Total Investments		<u>\$ 45,853,682</u>	<u>\$88,315,148</u>	<u>\$134,168,830</u>	<u>1.91</u>

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	AAA	Aaa	6.688%
Federal Home Loan Bank	N/A	AAA	Aaa	3.765%
Federal Home Loan Mortgage	N/A	AAA	Aaa	15.659%
Federal National Mortgage Assoc.	N/A	AAA	Aaa	18.526%
Medium Term Notes	A	A	A2	2.300%
Medium Term Notes	A	A+	Aa3	1.500%
Medium Term Notes	A	A+	A2	4.594%
Medium Term Notes	A	AA	Aa2	2.271%
Medium Term Notes	A	AA-	Aa3	4.663%
Medium Term Notes	A	AA+	Aa3	1.455%
Medium Term Notes	A	AA+	A1	1.489%
Medium Term Notes	A	AAA	Aaa	2.991%
Municipal Bonds	N/A	AA-	Aa3	1.476%
Municipal Bonds	N/A	AA+	N/A	.800%
Municipal Bonds	N/A	A	A1	1.116%
Negotiable CDs	N/A	N/A	Aaa	5.527%
CAMP	N/A	Unrated	Unrated	.752%

COUNTY OF NEVADA
Notes to Basic Financial Statements
For the Year Ended June 30, 2013

NOTE 3: CASH AND INVESTMENTS (CONTINUED)

C. Investments (Continued)

<u>Investment Type</u>	<u>Minimum Legal Rating</u>	<u>Standard & Poor's Rating</u>	<u>Moody's Rating</u>	<u>% of Portfolio</u>
LAIF	N/A	Unrated	Unrated	23.786%
IXIS	N/A	Unrated	Unrated	.642%
Total				<u>100.000%</u>

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 safekeeping by a third party under contract with the County. At June 30, 2013, the County's investment pool had no securities exposed to custodial credit risk.

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, 2013, 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	\$ 8,973,110	6.688%
Federal Home Loan Mortgage	21,008,940	15.659%
Federal National Mortgage Association	24,856,100	18.526%

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, 2013 the County's investment position in LAIF was \$31,913,403. The total amount invested by all public agencies in LAIF on that day was \$58,828,474,533. Of that amount, 98.04% is invested in non-derivative financial products and 1.96% in structured notes and asset-backed securities.

Investment in California Asset Management Program - The County of Nevada also maintains an investment in the California Asset Management Program (CAMP) a California JPA established in 1989 by the treasurers and finance directors of several California agencies. CAMP was created to provide professional investment services to California public agencies at a reasonable cost. The County's investment with CAMP as of June 30, 2013, was \$1,008,441, which approximates fair value.

COUNTY OF NEVADA
Notes to Basic Financial Statements
For the Year Ended June 30, 2013

NOTE 3: CASH AND INVESTMENTS (CONTINUED)

E. County Investment Pool Condensed Financial Information

The following are condensed statements of net position and changes in net position for the Treasurer's pool at June 30, 2013:

	<u>Internal Participants</u>	<u>External Participants</u>	<u>Total Pool</u>
Statement of Net Position			
Cash on hand	\$ 625,893	\$ -	\$ 625,893
Deposits (Less outstanding warrants)	12,169,804	-	12,169,804
Investments	60,141,021	73,166,809	133,307,830
Other assets	-	943,019	943,019
Other liabilities	-	(140,877)	(140,877)
Net Position at June 30, 2013	<u>\$ 72,936,718</u>	<u>\$ 73,968,951</u>	<u>\$ 146,905,669</u>
Statement of Changes in Net Position			
Net position at July 1, 2012	\$ 68,688,476	\$ 68,932,454	\$ 137,620,930
Net changes in investments by pool participants	<u>4,248,242</u>	<u>5,036,497</u>	<u>9,284,739</u>
Net Position at June 30, 2013	<u>\$ 72,936,718</u>	<u>\$ 73,968,951</u>	<u>\$ 146,905,669</u>

COUNTY OF NEVADA
Notes to Basic Financial Statements
For the Year Ended June 30, 2013

NOTE 4: CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2013, was as follows:

Governmental Activities

	Balance <u>July 1, 2012</u>	<u>Additions</u>	<u>Retirements</u>	Adjustments/ <u>Transfers</u>	Balance <u>June 30, 2013</u>
Capital Assets, Not Being Depreciated:					
Land and easements	\$104,487,370	\$ 751,914	\$ -	(\$ 631,113)	\$104,608,171
Infrastructure (maintained road system)	105,484,249	-	-	(1,453,657)	104,030,592
Construction in progress	<u>2,372,065</u>	<u>1,081,595</u>	<u>-</u>	<u>(594,638)</u>	<u>2,859,022</u>
Total Capital Assets, Not Being Depreciated	<u>212,343,684</u>	<u>1,833,509</u>	<u>-</u>	<u>(2,679,408)</u>	<u>211,497,785</u>
Capital Assets, Being Depreciated:					
Infrastructure	32,195,162	-	-	-	32,195,162
Structures and Improvements	50,336,338	1,631,433	-	-	51,967,771
Equipment	17,799,503	696,075	(602,228)	594,638	18,487,988
Software	<u>2,012,927</u>	<u>34,589</u>	<u>(195,000)</u>	<u>-</u>	<u>1,852,516</u>
Total Capital Assets, Being Depreciated	<u>102,343,930</u>	<u>2,362,097</u>	<u>(797,228)</u>	<u>594,638</u>	<u>104,503,437</u>
Less Accumulated Depreciation For:					
Infrastructure	(13,540,835)	(506,807)	-	-	(14,047,642)
Structures and Improvements	(20,218,972)	(985,143)	-	-	(21,204,115)
Equipment	(12,786,044)	(1,308,372)	572,370	-	(13,522,046)
Software	<u>(1,315,204)</u>	<u>(204,137)</u>	<u>195,000</u>	<u>-</u>	<u>(1,324,341)</u>
Total Accumulated Depreciation	<u>(47,861,055)</u>	<u>(3,004,459)</u>	<u>767,370</u>	<u>-</u>	<u>(50,098,144)</u>
Total Capital Assets, Being Depreciated, Net	<u>54,482,875</u>	<u>(642,362)</u>	<u>(29,858)</u>	<u>594,638</u>	<u>54,405,293</u>
Governmental Activities Capital Assets, Net	<u>\$266,826,559</u>	<u>\$1,191,147</u>	<u>(\$ 29,858)</u>	<u>(\$ 2,084,770)</u>	<u>\$265,903,078</u>

COUNTY OF NEVADA
Notes to Basic Financial Statements
For the Year Ended June 30, 2013

NOTE 4: CAPITAL ASSETS (CONTINUED)

Business-Type Activities

	Balance July 1, 2012	Additions	Retirements	Adjustments/ Transfers	Balance June 30, 2013
Capital Assets, Not Being Depreciated:					
Land and easements	\$ 3,593,251	\$ -	\$ -	\$ 3,000	\$ 3,596,251
Construction in progress	<u>3,497,817</u>	<u>3,125,267</u>	<u>-</u>	<u>(935,478)</u>	<u>5,687,606</u>
Total Capital Assets, Not Being Depreciated	<u>7,091,068</u>	<u>3,125,267</u>	<u>-</u>	<u>(932,478)</u>	<u>9,283,857</u>
Capital Assets, Being Depreciated:					
Infrastructure	72,700,840	-	-	-	72,700,840
Structures and Improvements	3,431,295	647,980	-	935,478	5,014,753
Equipment	<u>3,326,664</u>	<u>142,448</u>	<u>(155,097)</u>	<u>-</u>	<u>3,314,015</u>
Total Capital Assets, Being Depreciated	<u>79,458,799</u>	<u>790,428</u>	<u>(155,097)</u>	<u>935,478</u>	<u>81,029,608</u>
Less Accumulated Depreciation For:					
Infrastructure	(22,333,033)	(2,236,546)	-	-	(24,569,579)
Structures and Improvements	(2,102,358)	(77,195)	-	-	(2,179,553)
Equipment	<u>(2,809,873)</u>	<u>(180,176)</u>	<u>146,420</u>	<u>-</u>	<u>(2,843,629)</u>
Total Accumulated Depreciation	<u>(27,245,264)</u>	<u>(2,493,917)</u>	<u>146,420</u>	<u>-</u>	<u>(29,592,761)</u>
Total Capital Assets, Being Depreciated Net	<u>52,213,535</u>	<u>(1,703,489)</u>	<u>(8,677)</u>	<u>935,478</u>	<u>51,436,847</u>
Business-type Activities Capital Assets, Net	<u>\$ 59,304,603</u>	<u>\$ 1,421,778</u>	<u>(\$ 8,677)</u>	<u>\$ 3,000</u>	<u>\$ 60,720,704</u>

Depreciation

Depreciation expense was charged to governmental functions as follows:

General government	\$ 638,222
Public Ways and facilities	908,024
Public Protection	824,693
Health and sanitation	151,115
Public assistance	44,378
Education	<u>64,248</u>
Subtotal Governmental funds	2,630,680
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>373,779</u>
Total Depreciation Expense – Governmental Functions	<u>\$ 3,004,459</u>

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

Western Nevada County Solid Waste	\$ 6,839
Airport	305,920
Sanitation District	2,039,909
Transit	<u>141,249</u>
Total Depreciation Expense - Business-Type Functions	<u>\$ 2,493,917</u>

COUNTY OF NEVADA
Notes to Basic Financial Statements
For the Year Ended June 30, 2013

NOTE 4: CAPITAL ASSETS (CONTINUED)

Construction in Progress

Construction in progress for governmental activities related primarily to work performed on Eric Road Center drainage, Helling CTC, DA tenant improvements, Red Dog Road, Magnolia Road, Brunswick Road, Lime Kiln Road, Penn Valley Drive, Empress Road bike lane, Newton Road bike lane, Donner Pass Road, Hirschdale Bridges, Maybert Bridge, Purdon Bridge rehabilitation and Wolf Creek Bridge. Construction in progress for the business-type activities related primarily to work performed on Lake Wildwood treatment facility upgrade, Penn Valley treatment facility upgrade 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, 2013:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General fund	\$ 5,396,492	\$ 212,006
Road	169,635	169,077
Community Development Agency	364,747	37,533
Human Services Agency	3,346,888	3,051,403
Health and Welfare Realignment	21,258	1,444,975
Local Revenue Fund 2012 Realignment	29,102	2,310,961
Nonmajor Governmental funds	512,150	2,655,794
Western Nevada County Solid Waste	25,091	17,222
Airport	2	2,049
Sanitation District	1,018,251	1,108,343
Nonmajor Enterprise Funds	2,306	50,510
Internal Service Funds	<u>310,776</u>	<u>136,825</u>
Total	<u>\$ 11,196,698</u>	<u>\$ 11,196,698</u>

Advances To/From Other Funds

Advances to/from other funds are non-current interfund loans and are offset by a nonspendable fund balance account in applicable governmental funds to indicate they are not in spendable form. The following are advances to/from other funds as of June 30, 2013:

	<u>Advances To Other Funds</u>	<u>Advances From Other Funds</u>
General fund	\$ 120,000	\$ -
Nonmajor Governmental Funds	<u>-</u>	<u>120,000</u>
Total	<u>\$ 120,000</u>	<u>\$ 120,000</u>

COUNTY OF NEVADA
Notes to Basic Financial Statements
For the Year Ended June 30, 2013

NOTE 5: INTERFUND TRANSACTIONS (CONTINUED)

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, 2013:

	Transfer In	Transfer Out
General fund	\$ 8,432,891	\$ 6,571,105
Road	1,411,243	-
Community Development Agency	2,150,173	11,603
Human Services Agency	15,374,946	-
Health and Welfare Realignment	127,268	8,436,252
Local Revenue Fund 2012 Realignment	-	9,925,838
Nonmajor Governmental funds	5,658,816	8,252,066
Internal Service funds	41,527	-
Total	<u>\$ 33,196,864</u>	<u>\$ 33,196,864</u>

NOTE 6: UNEARNED/UNAVAILABLE REVENUE

At June 30, 2013, components of unearned and unavailable revenue were as follows:

	Unearned	Unavailable	Total
General Fund			
State mandated costs receivable	\$ -	\$ 1,561,994	\$ 1,561,994
GV vets rental	3,150	-	3,150
Sheriff Truckee dispatch receivable	-	37,944	37,944
Community Development Agency Surveyor receivable	-	1,600	1,600
State grant advance received	44,026	-	44,026
State grant receivable	-	143,438	143,438
Road			
State, Federal and other agency grant revenue receivable	-	511,501	511,501
Community Development Agency			
Building inspection fees prior to completion of earning requirements	46,712	-	46,712
Plan/Site review fees prior to completion of earning requirements	38,972	-	38,972
State mandated costs receivable	-	142,854	142,854
State, Federal and other agency grant revenue receivable	-	120,866	120,866
Planning and environmental health receivables	-	57,875	57,875
Human Services Agency			
State, Federal and other agency grant revenue receivable	-	4,515,798	4,515,798
State mandated costs receivable	-	2,065,283	2,065,283
State grant advances received	380,051	-	380,051
Non Major Governmental Funds			
State mandated costs receivable	-	3,261	3,261
State and Federal grant advances received	420,922	-	420,922
Airport			
Tiedown and hangar prepayments	3,820	-	3,820

COUNTY OF NEVADA
Notes to Basic Financial Statements
For the Year Ended June 30, 2013

NOTE 6: UNEARNED/UNAVAILABLE REVENUE (CONTINUED)

At June 30, 2013, components of unearned and unavailable revenue were as follows: (Continued)

	Unearned	Unavailable	Total
Non Major Enterprise Funds			
State grant advance received	938,565	-	938,565
Total	<u>\$ 1,876,218</u>	<u>\$ 9,162,414</u>	<u>\$ 11,038,632</u>

NOTE 7: LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities for the year ended June 30, 2013:

Type of Indebtedness	Balance July 1, 2012	Additions/ Adjustments	Retirements/ Adjustments	Balance June 30, 2013	Amounts Due Within One Year
Governmental Activities					
Certificates of Participation	\$ 8,505,000	\$ -	(\$ 1,060,000)	\$ 7,445,000	\$ 1,070,000
Plus: premium	543,243	-	(67,905)	475,338	67,905
Certificates or Participation, Net	9,048,243	-	(1,127,905)	7,920,338	1,137,905
Special Assessment Bonds with					
County Commitment	276,000	-	(13,000)	263,000	13,000
Loans	4,425,114	2,930,000	(252,566)	7,102,548	277,275
Enterprise agreements	153,852	-	(102,078)	51,774	51,774
Accrued claims liability	967,506	1,376,408	(1,099,158)	1,244,756	867,401
Capital Lease	14,875	-	(7,533)	7,342	7,342
Compensated Absences	5,253,978	5,350,802	(5,542,119)	5,062,661	4,676,064
Net OPEB Obligation	3,299,112	3,911,251	(3,546,889)	3,663,474	-
Total Governmental Activities	<u>\$ 23,438,680</u>	<u>\$ 13,568,461</u>	<u>(\$11,691,248)</u>	<u>\$ 25,315,893</u>	<u>\$ 7,030,761</u>
Business-Type Activities					
Special Assessment Bonds					
with County Commitment	\$ 19,000	\$ -	(\$ 2,000)	\$ 17,000	\$ 2,000
Loans	28,836,605	-	(1,770,519)	27,066,086	1,735,870
Less: Unamortized Discount	(2,138,679)	-	240,581	(1,898,098)	(227,492)
Loans, Net	26,697,926	-	(1,529,938)	25,167,988	1,508,378
Post Closure	12,215,985	197,968	(1,226,754)	11,187,199	684,331
Compensated Absences	249,874	235,069	(232,275)	252,668	197,844
Net OPEB Obligation	219,768	168,749	(153,037)	235,480	-
Total Business-Type Activities	<u>\$39,402,553</u>	<u>\$ 601,786</u>	<u>(\$ 3,144,004)</u>	<u>\$ 36,860,335</u>	<u>\$ 2,392,553</u>

Internal service funds predominately serve the governmental funds. Accordingly, long-term liabilities for these funds are included as part of the above totals for governmental activities. Estimated claims are liquidated by charges for services collected through individual internal service funds. The capital lease liability is liquidated by lease payments made by the departments leasing the equipment. Compensated absences for the governmental activities are generally liquidated by the fund where the accrued liability occurred. 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, 2013

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, 2013, are as follows:

Governmental Activities

Certificates of Participation:

Certificates of Participation (2012 Refunding), issued July 5, 2012, 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. \$ 7,445,000

Total Certificates of Participation 7,445,000

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. 263,000

Total Special Assessment Bonds with County Commitment 263,000

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. 2,286,034

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. 645,709

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. 1,240,805

COUNTY OF NEVADA
Notes to Basic Financial Statements
For the Year Ended June 30, 2013

NOTE 7: LONG-TERM LIABILITIES (CONTINUED)

Individual issues of debt payable outstanding at June 30, 2013, are as follows: (Continued)

Governmental Activities (Continued)

Loans: (Continued)

Calease Public Funding Corporation loan, issued May 1, 2013, in the amount of \$2,930,000 and payable in semi-annual installments of \$111,680 with an interest rate of 4.15% and maturity on March 1, 2033. Proceeds were used for the acquisition of land, an office building and condominium unit and improvements.

2,930,000

Total Loans

7,102,548

Enterprise Agreements:

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.

51,774

Total Enterprise Agreements

51,774

Total Governmental Activities

\$ 14,862,322

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.

\$ 17,000

Total Special Assessment Bonds with County Commitment

17,000

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.

70,433

California Airport Loan, issued December 12, 2012, 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 used to provide matching funds for runway rehabilitation project.

29,465

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.

271,331

COUNTY OF NEVADA
Notes to Basic Financial Statements
For the Year Ended June 30, 2013

NOTE 7: LONG-TERM LIABILITIES (CONTINUED)

Individual issues of debt payable outstanding at June 30, 2013, 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.	32,355
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.	1,985,295
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.	794,117
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.	9,648,720
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>14,234,370</u>
Total Loans	<u>27,066,086</u>
Total Business-Type Activities	<u>\$ 27,083,086</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 8, landfill postclosure costs which are reported in Note 9, 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, 2013

NOTE 7: LONG-TERM LIABILITIES (CONTINUED)

Governmental Activities

Year Ended June 30	Certificates of Participation		
	Principal	Interest	Total
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	1,290,000	107,950	1,397,950
2019-2020	<u>1,570,000</u>	<u>49,050</u>	<u>1,619,050</u>
Total	<u>\$ 7,445,000</u>	<u>\$ 1,161,925</u>	<u>\$ 8,606,925</u>

Year Ended June 30	Special Assessment Bonds with County Commitment		
	Principal	Interest	Total
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	16,000	10,835	26,835
2019-2023	95,000	39,463	134,463
2024-2027	<u>94,000</u>	<u>10,615</u>	<u>104,615</u>
Total	<u>\$ 263,000</u>	<u>\$ 112,366</u>	<u>\$ 375,366</u>

Year Ended June 30	Loans		
	Principal	Interest	Total
2014	\$ 277,275	\$ 272,984	\$ 550,259
2015	377,880	284,060	661,940
2016	393,819	268,120	661,939
2017	410,622	251,317	661,939
2018	428,076	233,863	661,939
2019-2023	2,430,095	879,600	3,309,695
2024-2028	1,785,533	365,760	2,151,293
2029-2033	<u>999,248</u>	<u>117,550</u>	<u>1,116,798</u>
Total	<u>\$ 7,102,548</u>	<u>\$ 2,673,254</u>	<u>\$ 9,775,802</u>

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

COUNTY OF NEVADA
Notes to Basic Financial Statements
For the Year Ended June 30, 2013

NOTE 7: LONG-TERM LIABILITIES (CONTINUED)

Business-Type Activities

Year Ended June 30	Special Assessment Bonds with County Commitment		
	Principal	Interest	Total
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	3,000	225	3,225
2019	3,000	75	3,075
Total	<u>\$ 17,000</u>	<u>\$ 2,675</u>	<u>\$ 19,675</u>

Year Ended June 30	Loans			
	Principal	Interest	Service Charge	Total
2014	\$ 1,735,870	\$ 215,638	\$ 96,487	\$ 2,047,995
2015	1,771,933	204,205	90,988	2,067,126
2016	1,784,799	188,590	85,368	2,058,757
2017	1,786,498	172,807	79,624	2,038,929
2018	1,776,116	157,212	73,754	2,007,082
2019-2023	9,071,915	561,574	276,093	9,909,582
2024-2028	9,121,997	181,993	108,709	9,412,699
2029	16,958	-	-	16,958
Total	<u>\$ 27,066,086</u>	<u>\$ 1,682,019</u>	<u>\$ 811,023</u>	<u>\$ 29,559,128</u>

NOTE 8: LEASES

Operating Leases

The County leases office buildings and equipment under non-cancellable operating leases. Total costs for these leases was \$376,768 for the year ended June 30, 2013. The future minimum lease payments are as follows:

Year Ended June 30	Lease Obligations
2014	\$ 325,502
2015	146,350
2016	62,954
2017	26,957
2018	9,382
2019-2023	<u>16,270</u>
Total	<u>\$ 587,415</u>

COUNTY OF NEVADA
Notes to Basic Financial Statements
For the Year Ended June 30, 2013

NOTE 8: LEASES (CONTINUED)

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, 2013</u>
Governmental activities	6.40%	\$ 7,342
Total		<u>\$ 7,342</u>

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

	<u>Governmental Activities</u>
Equipment	\$ 29,262
Less: Accumulated depreciation	(18,045)
Net Value	<u>\$ 11,217</u>

As of June 30, 2013, capital lease annual amortization is as follows:

<u>Year Ended June 30</u>	<u>Governmental Activities</u>
2014	\$ 7,578
Total Requirements	7,578
Less Interest	(236)
Present Value of Remaining Payments	<u>\$ 7,342</u>

NOTE 9: POSTCLOSURE

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 position date. Since the landfills are no longer accepting waste, the entire estimated expense and liability have been reported.

As of June 30, 2013, the County's estimated remaining liability for post closure maintenance costs for the closed landfills was \$11,187,199. 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, 2013. 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.

COUNTY OF NEVADA
Notes to Basic Financial Statements
For the Year Ended June 30, 2013

NOTE 9: POSTCLOSURE (CONTINUED)

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. The Hirschdale landfill is exempt from this requirement. The remaining fund balance is intended to fund the postclosure liability.

NOTE 10: SERVICE CONCESSION ARRANGEMENT

The County entered into an agreement with USA Waste of California (Waste Management of Nevada County) beginning July 1, 2012 to collect, transport, process and dispose of solid waste and operate the transfer stations in the western county area for the next 20 years. Under the terms of the agreement, Waste Management will be entitled to all collection service fee and tipping fee revenues during the 20 year period. Waste Management will remit to the County a franchise fee of 12% of all collection service revenues and a franchise host fee of \$20 per ton of solid waste and \$10.50 per ton of construction and demolition waste leaving the transfer station. In addition, Waste Management will provide up to \$5.6 million for the construction of a new or improvements to the existing transfer stations. Waste Management is responsible for complying with all applicable state and federal regulations in the performance of services related to this agreement. The County entered into the agreement to improve long range planning and cost stability; facilitate transfer station improvements; reduce risk from changes in regulations; and to facilitate the achievement of the waste diversion mandates and objectives specified in the California Public Resources Code. The County reports the transfer stations and related equipment as capital assets with a carrying amount of \$505,985 at year-end.

NOTE 11: NET POSITION

The government-wide and proprietary fund financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted, and unrestricted.

- Net investment in capital assets – 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 position – Consists of net position 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.
- Unrestricted net position - All other net position that does not meet the definition of “restricted” or “net investment in capital assets.”

Net Position 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 position is available, it is considered that restricted resources are used first, followed by the unrestricted resources.

COUNTY OF NEVADA
Notes to Basic Financial Statements
For the Year Ended June 30, 2013

NOTE 11: NET POSITION (CONTINUED)

Net Position Restricted by Enabling Legislation

The government-wide Statement of Net Position reports \$44,099,225 of restricted net position, of which \$4,586,434 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, 2013, fund balance for governmental funds is made up of the following:

- Nonspendable fund balance - amounts that cannot be spent because they are either (a) not 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 - amounts with constraints placed on their use that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.
- Committed fund balance - amounts that can only be used for the specific purposes determined by formal action of 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. The underlying action that imposed the limitation needs to occur no later than the close of the reporting period.
- Assigned fund balance - amounts that are constrained by the County’s intent to be used for specific purposes. The intent can be established at either the highest level of decision-making, or by a body or an official designated for that purpose.
- Unassigned fund balance - the residual classification for the County’s General fund that includes all amounts not contained in the other classifications. In other funds, the unassigned classification is used only if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes.

COUNTY OF NEVADA
Notes to Basic Financial Statements
For the Year Ended June 30, 2013

NOTE 12: FUND BALANCES (CONTINUED)

The fund balances for all major and nonmajor governmental funds as of June 30, 2013, were distributed as follows:

	General Fund	Road	Community Develop- ment Agency	Human Services Agency	Health & Welfare Realign- ment	Local Revenue Fund 2011 Realign- ment	Other Govern- mental Funds	Total
Nonspendable:								
Inventory	\$ -	\$ 70,123	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 70,123
Prepays	57,182	-	-	-	-	-	-	57,182
Advances to Other Funds	<u>120,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>120,000</u>
Subtotal	<u>177,182</u>	<u>70,123</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>247,305</u>
Restricted for:								
General government								
Building Purchase								
Financing	811,592	-	-	-	-	-	-	811,592
Workers' Compensation	-	-	-	-	-	-	281,653	281,653
Wildwood Estates restricted proceeds								
Wildwood Estates Mello Roos	-	-	-	-	-	-	1,074,641	1,074,641
Criminal Justice Facilities Construction	-	-	-	-	-	-	42,601	42,601
Dispute Resolution	-	-	-	-	-	-	8,348	8,348
Housing & Community Services	-	-	-	-	-	-	382,516	382,516
Debt Service Obligations	-	-	-	-	-	-	917,382	917,382
Public Protection								
Community Development	-	-	20,546	-	-	-	-	20,546
Unfair Competition	158,407	-	-	-	-	-	-	158,407
Fish and Game	-	-	-	-	-	-	39,519	39,519
Child Support Services	-	-	-	-	-	-	708,234	708,234
Public Safety - Prop 172	-	-	-	-	-	-	104,624	104,624
Nuisance Abatement	-	-	-	-	-	-	226,570	226,570
Capital Facilities and Equipment	-	-	-	-	-	-	83,685	83,685
Darkhorse Subdivision Improvements	-	-	-	-	-	-	1,009,349	1,009,349
District Attorney Programs	-	-	-	-	-	-	28,880	28,880
Probation Programs	-	-	-	-	-	-	1,391,853	1,391,853
Recorder Programs	-	-	-	-	-	-	481,439	481,439
Sheriff Programs	-	-	-	-	-	-	3,503,829	3,503,829
Animal Control Programs	-	-	-	-	-	-	324,391	324,391
2011 Realignment	-	-	-	-	-	1,077,915	-	1,077,915
Public Ways and Facilities								
Road Programs	-	4,866,021	-	-	-	-	-	4,866,021
CSA & PRD	-	-	-	-	-	-	1,588,547	1,588,547
Mitigation	-	-	-	-	-	-	2,817,537	2,817,537
Debt Service Obligations	-	-	-	-	-	-	126,673	126,673
Health and Sanitation								
Recycled Oil Grants	-	-	-	-	-	-	17,377	17,377
Behavioral Health	-	-	-	-	-	-	392,199	392,199
Mental Health Services Act	-	-	-	-	-	-	5,728,940	5,728,940
Public Health	-	-	-	-	-	-	125,755	125,755

COUNTY OF NEVADA
Notes to Basic Financial Statements
For the Year Ended June 30, 2013

NOTE 12: FUND BALANCES (CONTINUED)

The fund balances for all major and nonmajor governmental funds as of June 30, 2013, were distributed as follows: (Continued)

	General Fund	Road	Community Develop- ment Agency	Human Services Agency	Health & Welfare Realign- ment	Local Revenue Fund 2011 Realign- ment	Other Govern- mental Funds	Total
Restricted for: (Continued)								
Health and Sanitation (Continued)								
Social Services Programs	-	-	-	-	-	-	12,820	12,820
Environmental Health	-	-	-	-	-	-	241,573	241,573
1991 Realigned Programs	-	-	-	-	7,982,966	-	-	7,982,966
Public Assistance								
Victim Witness Programs	-	-	-	-	-	-	239	239
Housing & Community Services	-	-	-	-	-	-	4,801,926	4,801,926
2011 Realigned Programs	-	-	-	-	-	43,277	-	43,277
Education								
Forest Reserves	-	-	-	-	-	-	24,555	24,555
Library	-	-	-	-	-	-	577,223	577,223
Recreation and Cultural Services								
Recreation Mitigation	-	-	-	-	-	-	238,678	238,678
Subtotal	<u>969,999</u>	<u>4,866,021</u>	<u>20,546</u>	<u>-</u>	<u>7,982,966</u>	<u>1,121,192</u>	<u>27,347,111</u>	<u>42,307,835</u>
Committed to:								
General government								
General Reserve	3,967,000	-	-	-	-	-	-	3,967,000
Probation Fire Insurance	-	-	-	-	-	-	19,392	19,392
Claim Residuals	-	-	-	-	-	-	37,372	37,372
INET & PEG	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Subtotal	<u>3,967,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>56,764</u>	<u>4,023,764</u>
Assigned to:								
General government								
State Realignment	300,000	-	-	-	-	-	-	300,000
COP Lease Payments	43,000	-	-	-	-	-	-	43,000
Accumulated Leave Payments	1,650,000	-	-	-	-	-	-	1,650,000
Information Systems								
Infrastructure	1,284,000	-	-	-	-	-	-	1,284,000
Facilities Planning	3,631,000	-	-	-	-	-	-	3,631,000
PERS Liability	1,000,000	-	-	-	-	-	-	1,000,000
Civil Litigation	80,000	-	-	-	-	-	-	80,000
General Plan Update	750,000	-	-	-	-	-	-	750,000
Economic Development								
Infrastructure	121,000	-	-	-	-	-	-	121,000
Future Purposes	6,127,510	-	-	-	-	-	-	6,127,510
Cable INET and PEG	-	-	-	-	-	-	47,396	47,396
Appropriated for FY 13-14								
Budget	977,000	-	-	-	-	-	-	977,000
Property Tax System								
Upgrade	899,798	-	-	-	-	-	-	899,798
Legislative Meeting								
Software	19,950	-	-	-	-	-	-	19,950

COUNTY OF NEVADA
Notes to Basic Financial Statements
For the Year Ended June 30, 2013

NOTE 12: FUND BALANCES (CONTINUED)

The fund balances for all major and nonmajor governmental funds as of June 30, 2013, were distributed as follows: (Continued)

	General Fund	Road	Community Develop- ment Agency	Human Services Agency	Health & Welfare Realign- ment	Local Revenue Fund 2011 Realign- ment	Other Govern- mental Funds	Total
Assigned to: (Continued)								
General Government (Continued)								
Madelyn Helling Library								
Improvements	13,240	-	-	-	-	-	-	13,240
Imprest Cash	10,500	-	-	-	-	-	-	10,500
Toxic Substances Control	4,582	-	-	-	-	-	-	4,582
Facilities Improvements	3,120	-	-	-	-	-	-	3,120
Cable Franchise Audit	2,925	-	-	-	-	-	-	2,925
Public Protection								
Community Development	-	-	1,215,926	-	-	-	-	1,215,926
Imprest Cash	13,535	-	360	-	-	-	-	13,895
Child Support Services	-	-	-	-	-	-	290,170	290,170
Health and Sanitation								
Public Health	-	-	-	-	-	-	113,701	113,701
Public Assistance								
Thrift Store Project	3,750	-	-	-	-	-	-	3,750
Education								
Library	-	-	-	-	-	-	808,542	808,542
Subtotal	<u>16,934,910</u>	<u>-</u>	<u>1,216,286</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,259,809</u>	<u>19,411,005</u>
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,543)</u>	<u>-</u>	<u>-</u>	<u>(434)</u>	<u>(1,977)</u>
Total	<u><u>\$22,049,091</u></u>	<u><u>\$4,936,144</u></u>	<u><u>\$1,236,832</u></u>	<u><u>(\$ 1,543)</u></u>	<u><u>\$7,982,966</u></u>	<u><u>\$1,121,192</u></u>	<u><u>\$28,663,250</u></u>	<u><u>\$65,987,932</u></u>

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 fund balance is 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.

COUNTY OF NEVADA
Notes to Basic Financial Statements
For the Year Ended June 30, 2013

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.

B. Funding Policy

Miscellaneous plan members are required to contribute a set percentage of their annual covered salary. The Tier I members contribution rate is 8 percent of which the County committed to contribute either 4 or 8 percent depending on the specific bargaining group. The remaining two tiers pay 100 percent of their employee contribution which are: 7 percent for Tier II employees and 6.5 percent for Tier III (PEPRA). Safety plan members, for each of the three tiers, are required to contribute 9 percent of their annual covered salary. The members of Safety Tier II and Tier III (PEPRA) pay 100 percent of their employee contribution and the County pays 100 percent of the Safety Tier I.

The required employer contribution rate for fiscal year 2012/2013 was 22.738 percent for miscellaneous plan. Of this amount, employees within the various bargaining units of the Tier I group paid a share of cost ranging from 2.585 percent to 6.585 percent and members in the MEA & PPOA bargaining groups within Tier II group paid a share of cost of 2.822 percent. The required employer contribution rate for fiscal year 2012/2013 for Safety Tier I employees was 37.558 percent, 21.802 percent for safety Tier II employees and 12.150 percent for safety PEPRA employees. Employees within the SMA bargaining group in all three safety tiers paid a 2.822 percent share of cost. The employer's 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 amount necessary to fund the benefits of its members using the actuarial bases adopted by the PERS Board of Administrators.

C. Annual Pension Cost

For fiscal year 2012/2013, the County's annual pension cost of \$9,226,750 for the miscellaneous plan, \$1,922,639 for the safety first tier plan, \$59,660 for the safety second tier plan and \$2,324 for the safety PEPRA plan for PERS was equal to the County's actual contributions. The required contributions for fiscal year 2012/2013 were determined as part of the June 30, 2010, 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.

COUNTY OF NEVADA
Notes to Basic Financial Statements
For the Year Ended June 30, 2013

NOTE 13: EMPLOYEES' RETIREMENT PLAN (CONTINUED)

C. Annual Pension Cost (Continued)

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 following table 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, 2011	\$ 8,612,056	100%	-
June 30, 2012	9,353,072	100%	-
June 30, 2013	9,226,750	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, 2011	\$ 1,977,312	100%	-
June 30, 2012	1,964,185	100%	-
June 30, 2013	1,922,639	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%	-
June 30, 2013	59,660	100%	-

Safety PEPRA:

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
June 30, 2013	\$ 2,324	100%	-

D. Funded Status and Funding Progress

As of June 30, 2012, the most recent actuarial valuation date, the miscellaneous plan was 74.3 percent funded. The actuarial accrued liability for benefits was \$363,518,677, and the actuarial value of assets was \$270,262,241, resulting in an unfunded actuarial accrued liability (UAAL) of \$93,256,436. The covered payroll (annual payroll of active employees covered by the plan) was \$45,477,988, and the ratio of the UAAL to the covered payroll was 205.1 percent.

COUNTY OF NEVADA
Notes to Basic Financial Statements
For the Year Ended June 30, 2013

NOTE 13: EMPLOYEES' RETIREMENT PLAN (CONTINUED)

D. Funded Status and Funding Progress (Continued)

The safety first tier plan, safety second tier plan and safety PEPRA 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.

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.

COUNTY OF NEVADA
Notes to Basic Financial Statements
For the Year Ended June 30, 2013

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

B. Funding Policy (Continued)

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.

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	\$ 4,143,000
Interest on prior year net OPEB obligation	232,000
Amortization of prior year net OPEB obligation	(295,000)
Annual OPEB Cost	4,080,000
Contributions made:	
Pay as you go contribution	(1,727,926)
Additional funding contribution	(1,972,000)
Increase in net OPEB obligation	380,074
Net OPEB Obligation - Beginning of Year	<u>3,518,880</u>
Net OPEB Obligation - End of Year	<u><u>\$ 3,898,954</u></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>
6/30/11	\$ 3,219,000	92.9%	\$ 3,265,205
6/30/12	3,952,000	93.6%	3,518,880
6/30/13	4,080,000	90.7%	3,898,954

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, 2013

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, 2013 (the most recent actuarial valuation date), was as follows:

Actuarial accrued liability (AAL)	\$ 49,638,000
Actuarial value of plan assets	<u>11,010,000</u>
Unfunded actuarial accrued liability (UAAL)	<u>\$ 38,628,000</u>
Funded ratio (actuarial value of plan assets/AAL)	22.2%
Covered payroll (active plan members)	<u>\$ 50,021,000</u>
UAAL as a percentage of covered payroll	77.2%

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, 2013, 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 8.0% and 8.3%, respectively, and declines to 5.0% over seven 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, 2013

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, 2013, including any estimates for incurred but not reported (IBNR) amounts, constitute claims payable. The claims liability at June 30, 2013, was as follows:

Unemployment	\$ 562,756
Liability	<u>682,000</u>
Total	<u><u>\$ 1,244,756</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, 2013, the Risk Management Fund's fund equity was \$1,978,898. The claims liability of \$1,244,756 reported in the funds at June 30, 2013, 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 2011, 2012, and 2013 were as follows:

	Balance at Beginning of Fiscal Year	Current Year Claims and Changes in Estimates	Claims Payments	Balance at End of Fiscal Year
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
2013	967,506	1,376,048	1,098,798	1,244,756

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, 2013

NOTE 16: OTHER INFORMATION

A. Commitments and Contingencies

The County had active construction projects as of June 30, 2013, 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	\$ 8,673,824	\$ 2,111,869
Road infrastructure	586,143	767,207
Community development	1,089,705	1,147,276
Wastewater treatment facility upgrades	1,089,238	27,522
Landfill	40,011	141,239
Transit	<u>813,469</u>	<u>81,101</u>
Total	<u>\$ 12,292,390</u>	<u>\$ 4,276,214</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, 2013, General fund \$837,096, Community Development Agency \$202,238, Human Services Agency \$331,470, Airport \$61,762, Sanitation District \$32,407, and non-major funds \$438,004.

B. Subsequent Events

Management has evaluated events subsequent to June 30, 2013 through December 20, 2013, the date on which the financial statements were available for issuance. Management has determined no subsequent events requiring disclosure have occurred.

**Required Supplementary Information
(Unaudited)**

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COUNTY OF NEVADA
Required Supplementary Information
For the Year Ended June 30, 2013

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, 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%
June 30, 2012	363,518,677	270,262,241	93,256,436	74.3%	62.3%	45,477,988	205.1%

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, 2013, the County's unfunded debt balance should be \$4,849,223.

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 or www.calpers.ca.gov.

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, 2013

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

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) Entry Age	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage Of Covered Payroll
June 30, 2010	\$ 4,037,000	\$40,383,000	\$ 36,346,000	10.0%	\$ 46,922,000	77.5%
June 30, 2011	8,600,000	46,896,000	38,296,000	18.3%	48,447,000	79.0%
June 30, 2013	11,010,000	49,638,000	38,628,000	22.2%	50,021,000	77.2%

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, 2013

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

For the year ended June 30, 2013, actual maintenance and preservation costs were \$4,653,777, which was \$222,065 or 5% less than estimated. The decrease was due to expenses related to easement vegetation control included in planned maintenance but not actual costs. A five year history of planned to actual maintenance and preservation costs is provided in the following table.

<u>Fiscal Year</u>	<u>Maintenance & Preservation Cost</u>		
	<u>Estimated Costs</u>	<u>Actual Costs</u>	<u>Variance</u>
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)
2013	4,875,842	4,653,777	222,065

COUNTY OF NEVADA
Required Supplementary Information
Budgetary Comparison Schedule - Budgetary Basis
General Fund
For the Year Ended June 30, 2013

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes and assessments	\$34,973,455	\$34,582,074	\$35,112,349	\$ 530,275
Licenses and permits	2,652,065	2,665,115	2,527,162	(137,953)
Fines and forfeitures	3,105,036	3,106,106	2,533,248	(572,858)
Use of money and property	441,205	441,205	303,670	(137,535)
Intergovernmental	2,858,742	3,008,043	3,324,869	316,826
Charges for services	6,851,345	7,002,391	7,344,919	342,528
Other revenues	1,024,299	1,034,299	1,614,691	580,392
Total Revenues	51,906,147	51,839,233	52,760,908	921,675
EXPENDITURES				
Current:				
General government:				
Board of supervisors	1,033,681	1,032,489	1,019,950	12,539
Annual audit	29,610	29,610	29,610	-
County executive officer	1,155,523	1,116,500	1,148,397	(31,897)
Assessor	2,411,050	2,400,311	2,286,290	114,021
Auditor-controller	1,421,558	1,466,377	1,442,953	23,424
Treasurer-tax collector	1,043,959	1,038,138	1,000,654	37,484
Purchasing	302,451	314,043	314,286	(243)
Collections	223,342	225,375	217,046	8,329
Uses and sources	(5,867,008)	(5,982,951)	(6,024,350)	41,399
Trial court funding	1,426,674	1,426,674	1,428,370	(1,696)
WWE escrow account	3,060	13,060	6,493	6,567
Provision for contingencies	100,000	140,818	-	140,818
Building debt financing	1,593	34,593	34,548	45
County counsel	961,885	969,837	914,018	55,819
Personnel services	868,259	865,089	842,382	22,707
Elections	1,028,830	1,183,585	1,161,353	22,232
Facilities management	2,242,688	2,270,045	2,206,630	63,415
Capital facility projects	14,392	(49,006)	(115,606)	66,600
Economic development	125,000	125,000	125,000	-
Assessment appeals board	-	2,547	547	2,000
General services admin	12,137	22,277	11,102	11,175
Insurance	79,409	79,409	83,131	(3,722)
Risk management administration	-	35,726	-	35,726
Historical landmarks	208	208	86	122
Information systems	1,174,428	1,499,672	1,213,843	285,829
Geographic information	399,586	410,695	361,421	49,274
Surveying	68,445	103,445	100,107	3,338
Cable TV services	52,210	52,210	44,523	7,687
Total General Government	10,312,970	10,825,776	9,852,784	972,992
Public protection:				
Court security	1,094,092	1,090,614	913,902	176,712
Grand jury	96,350	96,350	87,817	8,533
Subtotal Public Protection	1,190,442	1,186,964	1,001,719	185,245

COUNTY OF NEVADA
Required Supplementary Information
Budgetary Comparison Schedule - Budgetary Basis
General Fund
For the Year Ended June 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
EXPENDITURES				
Public protection (continued):				
District attorney	3,462,886	3,451,383	3,334,260	117,123
Public defender services	1,979,733	1,979,546	1,885,492	94,054
Conflict indigent defense	487,666	487,666	457,384	30,282
Sheriff administrative support services	14,033,251	13,845,856	13,404,908	440,948
Department of corrections	8,893,250	9,483,860	9,037,056	446,804
Inmate medical services	1,886,400	1,886,400	1,885,860	540
Sheriff Truckee operations	2,258,188	2,290,911	1,963,684	327,227
Juvenile hall	2,548,490	2,589,831	2,765,657	(175,826)
Probation department	4,093,300	4,042,874	3,332,202	710,672
Ag services	575,097	673,901	657,650	16,251
Weights and measures	135,483	131,698	117,830	13,868
Clerk recorder	632,496	651,496	762,454	(110,958)
Emergency services	524,989	488,713	470,523	18,190
Animal control	855,963	844,598	800,579	44,019
Total Public Protection	<u>43,557,634</u>	<u>44,035,697</u>	<u>41,877,258</u>	<u>2,158,439</u>
Health and sanitation:				
Solid waste contract administration	202,825	200,438	111,351	89,087
Total Health and Sanitation	<u>202,825</u>	<u>200,438</u>	<u>111,351</u>	<u>89,087</u>
Public assistance:				
Community services	15,000	15,000	11,250	3,750
Victim witness	265,086	265,086	255,751	9,335
Total Public Assistance	<u>280,086</u>	<u>280,086</u>	<u>267,001</u>	<u>13,085</u>
Education:				
Farm advisor	48,891	48,808	46,888	1,920
Total Education	<u>48,891</u>	<u>48,808</u>	<u>46,888</u>	<u>1,920</u>
Debt service:				
Sheriff administrative support services	8,267	8,267	8,267	-
Information systems	-	-	102,079	(102,079)
Total Debt Service	<u>8,267</u>	<u>8,267</u>	<u>110,346</u>	<u>(102,079)</u>
Capital outlay:				
Capital facilities projects	-	3,009,487	2,275,650	733,837
Information systems	-	758,518	77,863	680,655
District attorney	-	23,110	20,302	2,808
Sheriff administrative support services	-	10,567	10,567	-
Department of corrections	28,000	279,777	232,290	47,487
Emergency management	-	33,502	33,502	-
Total Capital Outlay	<u>28,000</u>	<u>4,114,961</u>	<u>2,650,174</u>	<u>1,464,787</u>

COUNTY OF NEVADA
Required Supplementary Information
Budgetary Comparison Schedule - Budgetary Basis
General Fund
For the Year Ended June 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
EXPENDITURES				
Total Expenditures	54,438,673	59,514,033	54,915,802	4,598,231
Excess of Revenues Over (Under) Expenditures	(2,532,526)	(7,674,800)	(2,154,894)	5,519,906
OTHER FINANCING SOURCES (USES)				
Transfers in	8,291,213	11,779,456	8,432,891	(3,346,565)
Transfers out	(6,749,726)	(6,852,989)	(6,571,105)	281,884
Issuance of debt	-	-	2,930,000	2,930,000
Total Other Financing Sources (Uses)	1,541,487	4,926,467	4,791,786	(134,681)
Net Change in Fund Balances	(991,039)	(2,748,333)	2,636,892	5,385,225
Fund Balances - Beginning	19,412,199	19,412,199	19,412,199	-
Fund Balances - Ending	<u>\$18,421,160</u>	<u>\$16,663,866</u>	<u>\$22,049,091</u>	<u>\$ 5,385,225</u>

COUNTY OF NEVADA
Required Supplementary Information
Budgetary Comparison Schedule - Budgetary Basis
Road - Major Special Revenue Fund
For the Year Ended June 30, 2013

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes and assessments	\$ 35,000	\$ 35,000	\$ 9,440	\$ (25,560)
Licenses and permits	27,019	27,019	35,899	8,880
Use of money and property	25,000	25,000	526	(24,474)
Intergovernmental	7,390,743	7,430,743	4,615,932	(2,814,811)
Charges for services	680,326	680,326	626,019	(54,307)
Other revenues	-	-	16,576	16,576
Total Revenues	8,158,088	8,198,088	5,304,392	(2,893,696)
EXPENDITURES				
Current:				
Public ways and facilities	6,931,744	7,058,623	7,159,963	(101,340)
Capital outlay	4,165,766	4,165,766	1,361,364	2,804,402
Total Expenditures	11,097,510	11,224,389	8,521,327	2,703,062
Excess of Revenues Over (Under) Expenditures	(2,939,422)	(3,026,301)	(3,216,935)	(190,634)
OTHER FINANCING SOURCES (USES)				
Transfers in	2,403,300	2,403,300	1,411,243	(992,057)
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	2,403,300	2,403,300	1,411,243	(992,057)
Net Change in Fund Balance	(536,122)	(623,001)	(1,805,692)	(1,182,691)
Fund Balances - Beginning	6,741,836	6,741,836	6,741,836	-
Fund Balances - Ending	\$ 6,205,714	\$ 6,118,835	\$ 4,936,144	\$ (1,182,691)

COUNTY OF NEVADA
Required Supplementary Information
Budgetary Comparison Schedule - Budgetary Basis
Community Development Agency - Major Special Revenue Fund
For the Year Ended June 30, 2013

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes and assessments	\$ 15,000	\$ 15,000	\$ 17,398	\$ 2,398
Licenses and permits	1,147,890	1,151,890	1,071,339	(80,551)
Fines and forfeitures	14,000	24,000	31,840	7,840
Use of money and property	10,800	10,800	7,699	(3,101)
Intergovernmental	628,312	633,982	511,913	(122,069)
Charges for services	2,098,659	2,047,718	1,749,569	(298,149)
Other revenues	34,200	34,200	24,606	(9,594)
Total Revenues	3,948,861	3,917,590	3,414,364	(503,226)
EXPENDITURES				
Current:				
Public protection	3,883,318	3,906,702	3,127,515	779,187
Health and sanitation	2,396,634	2,491,027	2,452,389	38,638
Capital outlay	-	8,000	7,573	427
Total Expenditures	6,279,952	6,405,729	5,587,477	818,252
Excess of Revenues Over (Under) Expenditures	(2,331,091)	(2,488,139)	(2,173,113)	315,026
OTHER FINANCING SOURCES (USES)				
Transfers in	2,067,829	2,144,684	2,150,173	5,489
Transfers out	(6,743)	(11,743)	(11,603)	140
Total Other Financing Sources (Uses)	2,061,086	2,132,941	2,138,570	5,629
Net Change in Fund Balance	(270,005)	(355,198)	(34,543)	320,655
Fund Balances - Beginning	1,271,375	1,271,375	1,271,375	-
Fund Balances - Ending	\$ 1,001,370	\$ 916,177	\$ 1,236,832	\$ 320,655

COUNTY OF NEVADA
Required Supplementary Information
Budgetary Comparison Schedule - Budgetary Basis
Human Services Agency - Major Special Revenue Fund
For the Year Ended June 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Fines and forfeitures	\$ 120	\$ 120	\$ 237	\$ 117
Use of money and property	-	-	31	31
Intergovernmental	29,242,804	30,795,092	27,024,452	(3,770,640)
Charges for services	1,050,554	1,071,554	1,547,157	475,603
Other revenues	48,551	1,077,614	198,272	(879,342)
Total Revenues	<u>30,342,029</u>	<u>32,944,380</u>	<u>28,770,149</u>	<u>(4,174,231)</u>
EXPENDITURES				
Current:				
Health and sanitation	21,260,324	22,877,017	20,215,208	2,661,809
Public assistance	24,666,387	26,446,432	24,428,782	2,017,650
Capital outlay	159,487	20,558	20,558	-
Total Expenditures	<u>46,086,198</u>	<u>49,344,007</u>	<u>44,664,548</u>	<u>4,679,459</u>
Excess of Revenues Over (Under) Expenditures	<u>(15,744,169)</u>	<u>(16,399,627)</u>	<u>(15,894,399)</u>	<u>505,228</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	15,693,915	17,682,255	15,374,946	(2,307,309)
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	<u>15,693,915</u>	<u>17,682,255</u>	<u>15,374,946</u>	<u>(2,307,309)</u>
Net Change in Fund Balance	(50,254)	1,282,628	(519,453)	(1,802,081)
Fund Balances - Beginning	<u>517,910</u>	<u>517,910</u>	<u>517,910</u>	<u>-</u>
Fund Balances (Deficits) - Ending	<u>\$ 467,656</u>	<u>\$ 1,800,538</u>	<u>\$ (1,543)</u>	<u>\$ (1,802,081)</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, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Intergovernmental	\$ 8,622,940	\$ 8,622,940	\$ 9,069,882	\$ 446,942
Total Revenues	<u>8,622,940</u>	<u>8,622,940</u>	<u>9,069,882</u>	<u>446,942</u>
EXPENDITURES				
Current:				
Health and sanitation	47	47	10,458	(10,411)
Total Expenditures	<u>47</u>	<u>47</u>	<u>10,458</u>	<u>(10,411)</u>
Excess of Revenues Over (Under) Expenditures	<u>8,622,893</u>	<u>8,622,893</u>	<u>9,059,424</u>	<u>436,531</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	127,268	127,268	127,268	-
Transfers out	(9,376,661)	(10,652,060)	(8,436,252)	2,215,808
Total Other Financing Sources (Uses)	<u>(9,249,393)</u>	<u>(10,524,792)</u>	<u>(8,308,984)</u>	<u>2,215,808</u>
Net Change in Fund Balance	<u>(626,500)</u>	<u>(1,901,899)</u>	<u>750,440</u>	<u>2,652,339</u>
Fund Balances - Beginning	<u>7,232,526</u>	<u>7,232,526</u>	<u>7,232,526</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 6,606,026</u>	<u>\$ 5,330,627</u>	<u>\$ 7,982,966</u>	<u>\$ 2,652,339</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, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Intergovernmental	\$ 9,803,946	\$10,681,115	\$10,557,305	\$ (123,810)
Total Revenues	<u>9,803,946</u>	<u>10,681,115</u>	<u>10,557,305</u>	<u>(123,810)</u>
EXPENDITURES				
Current:				
Public protection	300,000	300,000	269,110	30,890
Health and sanitation	-	-	1,300	(1,300)
Total Expenditures	<u>300,000</u>	<u>300,000</u>	<u>270,410</u>	<u>29,590</u>
Excess of Revenues Over (Under) Expenditures	<u>9,503,946</u>	<u>10,381,115</u>	<u>10,286,895</u>	<u>(94,220)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(8,898,222)	(10,201,199)	(9,925,838)	275,361
Total Other Financing Sources (Uses)	<u>(8,898,222)</u>	<u>(10,201,199)</u>	<u>(9,925,838)</u>	<u>275,361</u>
Net Change in Fund Balance	605,724	179,916	361,057	181,141
Fund Balances - Beginning	<u>760,135</u>	<u>760,135</u>	<u>760,135</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 1,365,859</u>	<u>\$ 940,051</u>	<u>\$ 1,121,192</u>	<u>\$ 181,141</u>

COUNTY OF NEVADA
Required Supplementary Information
Note to Budgetary Comparison Schedules
For the Year Ended June 30, 2013

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**

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Nonmajor Governmental Funds

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COUNTY OF NEVADA
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2013

	Special Revenue Funds	Debt Service Funds	Totals
ASSETS			
Cash and investments	\$23,937,557	\$ 137,171	\$24,074,728
Receivables:			
Accounts	45,045	-	45,045
Taxes	273,150	-	273,150
Intergovernmental	2,078,534	-	2,078,534
Due from other funds	502,652	9,498	512,150
Restricted cash and investments	-	897,387	897,387
Loans receivable	4,726,637	-	4,726,637
	\$31,563,575	\$ 1,044,056	\$32,607,631
LIABILITIES			
Accounts payable	\$ 546,153	\$ -	\$ 546,153
Accrued salaries and benefits	56,057	-	56,057
Intergovernmental payable	142,194	-	142,194
Due to other funds	2,655,794	-	2,655,794
Unearned revenue	420,922	-	420,922
Advances from other funds	120,000	-	120,000
	3,941,120	-	3,941,120
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue	3,261	-	3,261
	3,261	-	3,261
FUND BALANCES			
Restricted	26,303,055	1,044,056	27,347,111
Committed	56,764	-	56,764
Assigned	1,259,809	-	1,259,809
Unassigned	(434)	-	(434)
	27,619,194	1,044,056	28,663,250
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$31,563,575	\$ 1,044,056	\$32,607,631

COUNTY OF NEVADA
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2013

	Special Revenue Funds	Debt Service Funds	Totals
REVENUES			
Taxes and assessments	\$ 1,557,469	\$ -	\$ 1,557,469
Licenses and permits	10,649	-	10,649
Fines and forfeitures	522,033	-	522,033
Use of money and property	2,227	22,796	25,023
Intergovernmental	16,190,913	-	16,190,913
Charges for services	1,164,961	40,726	1,205,687
Other revenues	1,766,902	-	1,766,902
Total Revenues	21,215,154	63,522	21,278,676
EXPENDITURES			
Current:			
General government	599,239	10,685	609,924
Public ways and facilities	518,415	2,135	520,550
Public protection	3,781,498	-	3,781,498
Health and sanitation	4,946,989	-	4,946,989
Public assistance	2,208,068	-	2,208,068
Education	2,379,197	-	2,379,197
Recreation	179,793	-	179,793
Debt service:			
Principal	-	1,325,569	1,325,569
Interest and other charges	-	548,122	548,122
Capital outlay	11,501	-	11,501
Total Expenditures	14,624,700	1,886,511	16,511,211
Excess of Revenues Over (Under) Expenditures	6,590,454	(1,822,989)	4,767,465
OTHER FINANCING SOURCES (USES)			
Transfers in	3,775,371	1,883,445	5,658,816
Transfers out	(8,224,145)	(27,921)	(8,252,066)
Total Other Financing Sources (Uses)	(4,448,774)	1,855,524	(2,593,250)
Net Change in Fund Balances	2,141,680	32,535	2,174,215
Fund Balances - Beginning	25,477,514	1,011,521	26,489,035
Fund Balances - Ending	\$27,619,194	\$ 1,044,056	\$28,663,250

Nonmajor Governmental Funds

- **Special Revenue Funds**

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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**
 - **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.

COUNTY OF NEVADA
Nonmajor Special Revenue Funds

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

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

To track receipt and expenditure of 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.

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.

COUNTY OF NEVADA
Nonmajor Special Revenue Funds

- **ADMINISTRATION (CONTINUED)**

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.

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.

COUNTY OF NEVADA
Nonmajor Special Revenue Funds

- **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.

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.

COUNTY OF NEVADA
Nonmajor Special Revenue Funds

• **SHERIFF (CONTINUED)**

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.

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.

COUNTY OF NEVADA
Nonmajor Special Revenue Funds

- **SHERIFF (CONTINUED)**

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.

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 Public Works. 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.

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COUNTY OF NEVADA
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2013

	Fish and Game	Child Support Services	Recycled Oil Block Grant	Probation Fire Insurance Admin Grant
ASSETS				
Cash and investments	\$ 38,520	\$ 1,434,662	\$ 37,601	\$ 19,392
Receivables:				
Accounts	1,000	-	-	-
Taxes	-	-	-	-
Intergovernmental	-	-	-	-
Due from other funds	-	101,651	-	-
Loans receivable	-	-	-	-
Total Assets	\$ 39,520	\$ 1,536,313	\$ 37,601	\$ 19,392
LIABILITIES				
Accounts payable	\$ -	\$ 4,127	\$ 20,224	\$ -
Accrued salaries and benefits	-	34,949	-	-
Intergovernmental payable	-	142,194	-	-
Due to other funds	-	2,983	-	-
Unearned revenue	-	353,656	-	-
Advances from other funds	-	-	-	-
Total Liabilities	-	537,909	20,224	-
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
FUND BALANCES				
Restricted	39,520	708,234	17,377	-
Committed	-	-	-	19,392
Assigned	-	290,170	-	-
Unassigned	-	-	-	-
Total Fund Balances (Deficits)	39,520	998,404	17,377	19,392
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 39,520	\$ 1,536,313	\$ 37,601	\$ 19,392

Motor Vehicle License	Public Library	Inet Maintenance	Workers' Compensation	Nonmajor Human Service Agency	Administration	Community Development Agency	District Attorney
\$ 96,499	\$ 1,173,195	\$ 91,089	\$ 323,512	\$ 7,045,590	\$ 1,202,057	\$ 1,945,550	\$ 46,958
-	16,148	8,218	-	8,402	-	503	-
-	273,150	-	-	-	-	-	-
-	11,191	-	-	441,874	1,075,495	-	-
-	869	-	-	21,571	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 96,499</u>	<u>\$ 1,474,553</u>	<u>\$ 99,307</u>	<u>\$ 323,512</u>	<u>\$ 7,517,437</u>	<u>\$ 2,277,552</u>	<u>\$ 1,946,053</u>	<u>\$ 46,958</u>
\$ -	\$ 39,730	\$ 14,269	\$ 1,404	\$ 343,407	\$ 23,594	\$ 2,640	\$ 6,678
-	21,108	-	-	-	-	-	-
-	-	-	-	-	-	-	-
96,933	2,893	270	40,456	800,615	955,635	143,558	11,160
-	22,950	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>96,933</u>	<u>86,681</u>	<u>14,539</u>	<u>41,860</u>	<u>1,144,022</u>	<u>979,229</u>	<u>146,198</u>	<u>17,838</u>
-	2,107	-	-	-	-	-	-
-	2,107	-	-	-	-	-	-
-	577,223	-	281,652	6,259,714	1,298,323	1,799,855	29,120
-	-	37,372	-	-	-	-	-
-	808,542	47,396	-	113,701	-	-	-
(434)	-	-	-	-	-	-	-
<u>(434)</u>	<u>1,385,765</u>	<u>84,768</u>	<u>281,652</u>	<u>6,373,415</u>	<u>1,298,323</u>	<u>1,799,855</u>	<u>29,120</u>
<u>\$ 96,499</u>	<u>\$ 1,474,553</u>	<u>\$ 99,307</u>	<u>\$ 323,512</u>	<u>\$ 7,517,437</u>	<u>\$ 2,277,552</u>	<u>\$ 1,946,053</u>	<u>\$ 46,958</u>

COUNTY OF NEVADA
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2013

	Probation	Recorder	Sheriff	Special Districts Governed by the Board of Supervisors
ASSETS				
Cash and investments	\$ 1,453,485	\$ 507,517	\$ 3,774,461	\$ 1,601,472
Receivables:				
Accounts	230	-	6,499	-
Taxes	-	-	-	-
Intergovernmental	146,851	-	-	-
Due from other funds	75,237	-	112,079	-
Loans receivable	-	-	-	-
	Total Assets	\$ 507,517	\$ 3,893,039	\$ 1,601,472
	\$ 1,675,803	\$ 507,517	\$ 3,893,039	\$ 1,601,472
LIABILITIES				
Accounts payable	\$ 64	\$ 4,151	\$ 9,897	\$ 10
Accrued salaries and benefits	-	-	-	-
Intergovernmental payable	-	-	-	-
Due to other funds	283,886	21,929	54,921	12,915
Unearned revenue	-	-	-	-
Advances from other funds	-	-	-	-
	Total Liabilities	26,080	64,818	12,925
	283,950	26,080	64,818	12,925
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	-	-	-	-
	Total Deferred Inflows of Resources	-	-	-
	-	-	-	-
FUND BALANCES				
Restricted	1,391,853	481,437	3,828,221	1,588,547
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
	Total Fund Balances (Deficits)	481,437	3,828,221	1,588,547
	1,391,853	481,437	3,828,221	1,588,547
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 1,675,803	\$ 507,517	\$ 3,893,039	\$ 1,601,472

Public Works	Housing and Community Services	Totals
\$ 2,843,342	\$ 302,655	\$23,937,557
4,045	-	45,045
-	-	273,150
-	403,123	2,078,534
3,531	187,714	502,652
-	4,726,637	4,726,637
<u>\$ 2,850,918</u>	<u>\$ 5,620,129</u>	<u>\$31,563,575</u>
\$ 32,971	\$ 42,987	\$ 546,153
-	-	56,057
-	-	142,194
412	227,228	2,655,794
-	44,316	420,922
-	120,000	120,000
<u>33,383</u>	<u>434,531</u>	<u>3,941,120</u>
-	1,154	3,261
-	1,154	3,261
2,817,535	5,184,444	26,303,055
-	-	56,764
-	-	1,259,809
-	-	(434)
<u>2,817,535</u>	<u>5,184,444</u>	<u>27,619,194</u>
<u>\$ 2,850,918</u>	<u>\$ 5,620,129</u>	<u>\$31,563,575</u>

COUNTY OF NEVADA
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2013

	Fish and Game	Child Support Services	Recycled Oil Block Grant	Probation Fire Insurance Admin Grant
REVENUES				
Taxes and assessments	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Fines and forfeitures	7,747	-	-	-
Use of money and property	(14)	1,389	16	16
Intergovernmental	-	2,703,923	-	-
Charges for services	-	-	-	-
Other revenues	-	626	-	-
Total Revenues	<u>7,733</u>	<u>2,705,938</u>	<u>16</u>	<u>16</u>
EXPENDITURES				
Current:				
General government	-	-	-	119
Public ways and facilities	-	-	-	-
Public protection	2,379	2,630,163	-	-
Health and sanitation	-	-	26,442	-
Public assistance	-	-	-	-
Education	-	-	-	-
Recreation	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	<u>2,379</u>	<u>2,630,163</u>	<u>26,442</u>	<u>119</u>
Excess of Revenues Over (Under) Expenditures	<u>5,354</u>	<u>75,775</u>	<u>(26,426)</u>	<u>(103)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	<u>5,354</u>	<u>75,775</u>	<u>(26,426)</u>	<u>(103)</u>
Fund Balances - Beginning	<u>34,166</u>	<u>922,629</u>	<u>43,803</u>	<u>19,495</u>
Fund Balances (Deficits) - Ending	<u>\$ 39,520</u>	<u>\$ 998,404</u>	<u>\$ 17,377</u>	<u>\$ 19,392</u>

Motor Vehicle License	Public Library	Inet Maintenance	Workers' Compensation	Nonmajor Human Service Agency	Administration	Community Development Agency	District Attorney
\$ -	\$ 1,524,365	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	10,649
-	-	-	-	192,898	146,637	106,181	36,403
(630)	7,735	(596)	83	1,801	164	(844)	(105)
-	48,595	-	-	4,692,130	6,038,094	-	6,123
-	81,945	13,498	-	53,569	-	-	-
-	842,372	43,474	403,977	119	18,720	1,815	-
(630)	2,505,012	56,376	404,060	4,940,517	6,203,615	107,152	53,070
-	-	56,563	516,939	-	286	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	696,982	232,248	33,214
-	-	-	-	4,878,681	-	41,866	-
-	-	-	-	-	-	-	12,958
-	2,327,948	-	-	-	51,249	-	-
-	-	-	-	-	-	179,793	-
-	-	11,501	-	-	-	-	-
-	2,327,948	68,064	516,939	4,878,681	748,517	453,907	46,172
(630)	177,064	(11,688)	(112,879)	61,836	5,455,098	(346,755)	6,898
1,409,188	565,902	-	-	516,643	-	-	-
(1,409,188)	-	-	-	(483,022)	(5,478,889)	(18,163)	(990)
-	565,902	-	-	33,621	(5,478,889)	(18,163)	(990)
(630)	742,966	(11,688)	(112,879)	95,457	(23,791)	(364,918)	5,908
196	642,799	96,456	394,531	6,277,958	1,322,114	2,164,773	23,212
\$ (434)	\$ 1,385,765	\$ 84,768	\$ 281,652	\$ 6,373,415	\$ 1,298,323	\$ 1,799,855	\$ 29,120

COUNTY OF NEVADA
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2013

	Probation	Recorder	Sheriff	Special Districts Governed by the Board of Supervisors
REVENUES				
Taxes and assessments	\$ -	\$ -	\$ -	\$ 33,104
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	32,167	-
Use of money and property	(1,235)	(2,963)	(3,121)	(75)
Intergovernmental	612,704	-	189,756	375
Charges for services	-	275,141	53,462	450,803
Other revenues	1,586	-	398,886	3,264
Total Revenues	613,055	272,178	671,150	487,471
EXPENDITURES				
Current:				
General government	-	-	-	-
Public ways and facilities	-	-	-	322,874
Public protection	1,719	103,846	80,947	-
Health and sanitation	-	-	-	-
Public assistance	-	-	-	-
Education	-	-	-	-
Recreation	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	1,719	103,846	80,947	322,874
Excess of Revenues Over (Under) Expenditures	611,336	168,332	590,203	164,597
OTHER FINANCING SOURCES (USES)				
Transfers in	436,453	-	653,665	-
Transfers out	(395,064)	-	(301,826)	-
Total Other Financing Sources (Uses)	41,389	-	351,839	-
Net Change in Fund Balance	652,725	168,332	942,042	164,597
Fund Balances - Beginning	739,128	313,105	2,886,179	1,423,950
Fund Balances (Deficits) - Ending	\$ 1,391,853	\$ 481,437	\$ 3,828,221	\$ 1,588,547

Public Works	Housing and Community Services	Totals
\$ -	\$ -	\$ 1,557,469
-	-	10,649
-	-	522,033
(714)	1,320	2,227
-	1,899,213	16,190,913
236,543	-	1,164,961
27,801	24,262	1,766,902
<u>263,630</u>	<u>1,924,795</u>	<u>21,215,154</u>
-	25,332	599,239
195,541	-	518,415
-	-	3,781,498
-	-	4,946,989
-	2,195,110	2,208,068
-	-	2,379,197
-	-	179,793
-	-	11,501
<u>195,541</u>	<u>2,220,442</u>	<u>14,624,700</u>
<u>68,089</u>	<u>(295,647)</u>	<u>6,590,454</u>
-	193,520	3,775,371
(2,053)	(134,950)	(8,224,145)
<u>(2,053)</u>	<u>58,570</u>	<u>(4,448,774)</u>
66,036	(237,077)	2,141,680
<u>2,751,499</u>	<u>5,421,521</u>	<u>25,477,514</u>
<u>\$ 2,817,535</u>	<u>\$ 5,184,444</u>	<u>\$27,619,194</u>

COUNTY OF NEVADA
Budgetary Comparison Schedule - Budgetary Basis
Fish and Game - Nonmajor Special Revenue Fund
For the Year Ended June 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Fines and forfeitures	\$ 3,500	\$ 3,500	\$ 7,747	\$ 4,247
Use of money and property	150	150	(14)	(164)
Total Revenues	<u>3,650</u>	<u>3,650</u>	<u>7,733</u>	<u>4,083</u>
EXPENDITURES				
Current:				
Public protection	3,052	3,052	2,379	673
Total Expenditures	<u>3,052</u>	<u>3,052</u>	<u>2,379</u>	<u>673</u>
Excess of Revenues Over (Under) Expenditures	<u>598</u>	<u>598</u>	<u>5,354</u>	<u>4,756</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	598	598	5,354	4,756
Fund Balances - Beginning	<u>34,166</u>	<u>34,166</u>	<u>34,166</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 34,764</u>	<u>\$ 34,764</u>	<u>\$ 39,520</u>	<u>\$ 4,756</u>

COUNTY OF NEVADA
Budgetary Comparison Schedule - Budgetary Basis
Child Support Services - Nonmajor Special Revenue Fund
For the Year Ended June 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Use of money and property	\$ 6,500	\$ 6,500	\$ 1,389	\$ (5,111)
Intergovernmental	4,368,597	4,254,317	2,703,923	(1,550,394)
Other revenues	-	-	626	626
Total Revenues	<u>4,375,097</u>	<u>4,260,817</u>	<u>2,705,938</u>	<u>(1,554,879)</u>
EXPENDITURES				
Current:				
Public protection	4,280,876	4,166,596	2,630,163	1,536,433
Capital outlay	94,221	94,221	-	94,221
Total Expenditures	<u>4,375,097</u>	<u>4,260,817</u>	<u>2,630,163</u>	<u>1,630,654</u>
Excess of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>75,775</u>	<u>75,775</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	<u>-</u>	<u>-</u>	<u>75,775</u>	<u>75,775</u>
Fund Balances - Beginning	<u>922,629</u>	<u>922,629</u>	<u>922,629</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 922,629</u>	<u>\$ 922,629</u>	<u>\$ 998,404</u>	<u>\$ 75,775</u>

COUNTY OF NEVADA
Budgetary Comparison Schedule - Budgetary Basis
Recycled Oil Block Grant - Nonmajor Special Revenue Fund
For the Year Ended June 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Use of money and property	\$ 150	\$ 150	\$ 16	\$ (134)
Intergovernmental	34,604	34,604	-	(34,604)
Total Revenues	<u>34,754</u>	<u>34,754</u>	<u>16</u>	<u>(34,738)</u>
EXPENDITURES				
Current:				
Health and sanitation	31,144	31,144	26,442	4,702
Total Expenditures	<u>31,144</u>	<u>31,144</u>	<u>26,442</u>	<u>4,702</u>
Excess of Revenues Over (Under) Expenditures	<u>3,610</u>	<u>3,610</u>	<u>(26,426)</u>	<u>(30,036)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	3,610	3,610	(26,426)	(30,036)
Fund Balances - Beginning	<u>43,803</u>	<u>43,803</u>	<u>43,803</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 47,413</u>	<u>\$ 47,413</u>	<u>\$ 17,377</u>	<u>\$ (30,036)</u>

COUNTY OF NEVADA
Budgetary Comparison Schedule - Budgetary Basis
Probation Fire Insurance Admin Grant - Nonmajor Special Revenue Fund
For the Year Ended June 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Use of money and property	\$ -	\$ 275	\$ 16	\$ (259)
Total Revenues	<u>-</u>	<u>275</u>	<u>16</u>	<u>(259)</u>
EXPENDITURES				
Current:				
General government	-	119	119	-
Total Expenditures	<u>-</u>	<u>119</u>	<u>119</u>	<u>-</u>
Excess of Revenues Over (Under) Expenditures	<u>-</u>	<u>156</u>	<u>(103)</u>	<u>(259)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	<u>-</u>	<u>156</u>	<u>(103)</u>	<u>(259)</u>
Fund Balances - Beginning	<u>19,495</u>	<u>19,495</u>	<u>19,495</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 19,495</u>	<u>\$ 19,651</u>	<u>\$ 19,392</u>	<u>\$ (259)</u>

COUNTY OF NEVADA
Budgetary Comparison Schedule - Budgetary Basis
Motor Vehicle License - Nonmajor Special Revenue Fund
For the Year Ended June 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Use of money and property	\$ -	\$ -	\$ (630)	\$ (630)
Total Revenues	<u>-</u>	<u>-</u>	<u>(630)</u>	<u>(630)</u>
EXPENDITURES				
Current:				
General government	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>(630)</u>	<u>(630)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	1,520,000	1,409,188	(110,812)
Transfers out	-	(1,520,000)	(1,409,188)	110,812
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	<u>-</u>	<u>-</u>	<u>(630)</u>	<u>(630)</u>
Fund Balances - Beginning	<u>196</u>	<u>196</u>	<u>196</u>	<u>-</u>
Fund Balances (Deficits) - Ending	<u>\$ 196</u>	<u>\$ 196</u>	<u>\$ (434)</u>	<u>\$ (630)</u>

COUNTY OF NEVADA
Budgetary Comparison Schedule - Budgetary Basis
Public Library - Nonmajor Special Revenue Fund
For the Year Ended June 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Taxes and assessments	\$ 1,478,000	\$ 1,478,000	\$ 1,524,365	\$ 46,365
Use of money and property	17,210	17,210	7,735	(9,475)
Intergovernmental	13,750	77,115	48,595	(28,520)
Charges for services	84,050	84,050	81,945	(2,105)
Other revenues	81,935	276,186	842,372	566,186
Total Revenues	<u>1,674,945</u>	<u>1,932,561</u>	<u>2,505,012</u>	<u>572,451</u>
EXPENDITURES				
Current:				
Education	2,207,220	2,526,323	2,327,948	198,375
Capital outlay	62,500	62,500	-	62,500
Total Expenditures	<u>2,269,720</u>	<u>2,588,823</u>	<u>2,327,948</u>	<u>260,875</u>
Excess of Revenues Over (Under) Expenditures	<u>(594,775)</u>	<u>(656,262)</u>	<u>177,064</u>	<u>833,326</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	565,902	565,902	565,902	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	<u>565,902</u>	<u>565,902</u>	<u>565,902</u>	<u>-</u>
Net Change in Fund Balance	<u>(28,873)</u>	<u>(90,360)</u>	<u>742,966</u>	<u>833,326</u>
Fund Balances - Beginning	<u>642,799</u>	<u>642,799</u>	<u>642,799</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 613,926</u>	<u>\$ 552,439</u>	<u>\$ 1,385,765</u>	<u>\$ 833,326</u>

COUNTY OF NEVADA
Budgetary Comparison Schedule - Budgetary Basis
Inet Maintenance - Nonmajor Special Revenue Fund
For the Year Ended June 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Use of money and property	\$ -	\$ -	\$ (596)	\$ (596)
Charges for services	15,300	15,300	13,498	(1,802)
Other revenues	48,000	48,000	43,474	(4,526)
Total Revenues	<u>63,300</u>	<u>63,300</u>	<u>56,376</u>	<u>(6,924)</u>
EXPENDITURES				
Current:				
General government	60,050	71,794	56,563	15,231
Capital outlay	-	11,539	11,501	38
Total Expenditures	<u>60,050</u>	<u>83,333</u>	<u>68,064</u>	<u>15,269</u>
Excess of Revenues Over (Under) Expenditures	<u>3,250</u>	<u>(20,033)</u>	<u>(11,688)</u>	<u>8,345</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	3,250	(20,033)	(11,688)	8,345
Fund Balances - Beginning	<u>96,456</u>	<u>96,456</u>	<u>96,456</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 99,706</u>	<u>\$ 76,423</u>	<u>\$ 84,768</u>	<u>\$ 8,345</u>

COUNTY OF NEVADA
Budgetary Comparison Schedule - Budgetary Basis
Workers' Compensation - Nonmajor Special Revenue Fund
For the Year Ended June 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Use of money and property	\$ 1,700	\$ 1,700	\$ 83	\$ (1,617)
Other revenues	191,500	191,500	403,977	212,477
Total Revenues	<u>193,200</u>	<u>193,200</u>	<u>404,060</u>	<u>210,860</u>
EXPENDITURES				
Current:				
General government	<u>674,063</u>	<u>674,063</u>	<u>516,939</u>	<u>157,124</u>
Total Expenditures	<u>674,063</u>	<u>674,063</u>	<u>516,939</u>	<u>157,124</u>
Excess of Revenues Over (Under) Expenditures	<u>(480,863)</u>	<u>(480,863)</u>	<u>(112,879)</u>	<u>367,984</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	(480,863)	(480,863)	(112,879)	367,984
Fund Balances - Beginning	<u>394,531</u>	<u>394,531</u>	<u>394,531</u>	<u>-</u>
Fund Balances - Ending	<u>\$ (86,332)</u>	<u>\$ (86,332)</u>	<u>\$ 281,652</u>	<u>\$ 367,984</u>

COUNTY OF NEVADA
Budgetary Comparison Schedule - Budgetary Basis
Nonmajor Human Services Agency - Nonmajor Special Revenue Fund
For the Year Ended June 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Fines and forfeitures	\$ 201,631	\$ 201,631	\$ 192,898	\$ (8,733)
Use of money and property	34,558	34,558	1,801	(32,757)
Intergovernmental	3,377,601	3,555,932	4,692,130	1,136,198
Charges for services	63,592	63,592	53,569	(10,023)
Other revenue	300	471,338	119	(471,219)
Total Revenues	<u>3,677,682</u>	<u>4,327,051</u>	<u>4,940,517</u>	<u>613,466</u>
EXPENDITURES				
Current:				
Health and sanitation	4,830,493	6,352,996	4,878,681	1,474,315
Total Expenditures	<u>4,830,493</u>	<u>6,352,996</u>	<u>4,878,681</u>	<u>1,474,315</u>
Excess of Revenues Over (Under) Expenditures	<u>(1,152,811)</u>	<u>(2,025,945)</u>	<u>61,836</u>	<u>2,087,781</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	434,860	502,953	516,643	13,690
Transfers out	(464,445)	(510,967)	(483,022)	27,945
Total Other Financing Sources (Uses)	<u>(29,585)</u>	<u>(8,014)</u>	<u>33,621</u>	<u>41,635</u>
Net Changes in Fund Balance	<u>(1,182,396)</u>	<u>(2,033,959)</u>	<u>95,457</u>	<u>2,129,416</u>
Fund Balances - Beginning	<u>6,277,958</u>	<u>6,277,958</u>	<u>6,277,958</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 5,095,562</u>	<u>\$ 4,243,999</u>	<u>\$ 6,373,415</u>	<u>\$ 2,129,416</u>

COUNTY OF NEVADA
Budgetary Comparison Schedule - Budgetary Basis
Administration - Nonmajor Special Revenue Fund
For the Year Ended June 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Fines and forfeitures	\$ 155,283	\$ 155,283	\$ 146,637	\$ (8,646)
Use of money and property	6,743	6,743	164	(6,579)
Intergovernmental	5,710,516	6,045,359	6,038,094	(7,265)
Other revenue	20,860	20,860	18,720	(2,140)
Total Revenues	<u>5,893,402</u>	<u>6,228,245</u>	<u>6,203,615</u>	<u>(24,630)</u>
EXPENDITURES				
Current:				
General government	259	259	286	(27)
Public protection	655,185	696,982	696,982	-
Education	47,000	75,936	51,249	24,687
Total Expenditures	<u>702,444</u>	<u>773,177</u>	<u>748,517</u>	<u>24,660</u>
Excess of Revenues Over (Under) Expenditures	<u>5,190,958</u>	<u>5,455,068</u>	<u>5,455,098</u>	<u>30</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(5,214,779)	(5,478,889)	(5,478,889)	-
Total Other Financing Sources (Uses)	<u>(5,214,779)</u>	<u>(5,478,889)</u>	<u>(5,478,889)</u>	<u>-</u>
Net Changes in Fund Balance	(23,821)	(23,821)	(23,791)	30
Fund Balances - Beginning	<u>1,322,114</u>	<u>1,322,114</u>	<u>1,322,114</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 1,298,293</u>	<u>\$ 1,298,293</u>	<u>\$ 1,298,323</u>	<u>\$ 30</u>

COUNTY OF NEVADA
Budgetary Comparison Schedule - Budgetary Basis
Community Development Agency - Nonmajor Special Revenue Fund
For the Year Ended June 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Fines and forfeitures	\$ 89,000	\$ 89,000	\$ 106,181	\$ 17,181
Use of money and property	12,000	12,000	(844)	(12,844)
Charges for services	3,800	3,800	-	(3,800)
Other revenue	9,325	9,325	1,815	(7,510)
Total Revenues	<u>114,125</u>	<u>114,125</u>	<u>107,152</u>	<u>(6,973)</u>
EXPENDITURES				
Current:				
Public protection	342,500	413,646	232,248	181,398
Health and sanitation	61,270	61,270	41,866	19,404
Recreation	100,650	412,231	179,793	232,438
Total Expenditures	<u>504,420</u>	<u>887,147</u>	<u>453,907</u>	<u>433,240</u>
Excess of Revenues Over (Under) Expenditures	<u>(390,295)</u>	<u>(773,022)</u>	<u>(346,755)</u>	<u>426,267</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(85,000)	(110,518)	(18,163)	92,355
Total Other Financing Sources (Uses)	<u>(85,000)</u>	<u>(110,518)</u>	<u>(18,163)</u>	<u>92,355</u>
Net Changes in Fund Balance	<u>(475,295)</u>	<u>(883,540)</u>	<u>(364,918)</u>	<u>518,622</u>
Fund Balances - Beginning	<u>2,164,773</u>	<u>2,164,773</u>	<u>2,164,773</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 1,689,478</u>	<u>\$ 1,281,233</u>	<u>\$ 1,799,855</u>	<u>\$ 518,622</u>

COUNTY OF NEVADA
Budgetary Comparison Schedule - Budgetary Basis
District Attorney - Nonmajor Special Revenue Fund
For the Year Ended June 30, 2013

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES				
Licenses and permits	\$ 9,500	\$ 12,440	\$ 10,649	\$ (1,791)
Fines and forfeitures	24,000	24,310	36,403	12,093
Use of money and property	188	188	(105)	(293)
Intergovernmental	6,000	6,000	6,123	123
Total Revenues	39,688	42,938	53,070	10,132
EXPENDITURES				
Current:				
Public protection	23,000	33,214	33,214	-
Public assistance	10,500	13,750	12,958	792
Total Expenditures	33,500	46,964	46,172	792
Excess of Revenues Over (Under) Expenditures	6,188	(4,026)	6,898	10,924
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	(1,000)	(990)	10
Total Other Financing Sources (Uses)	-	(1,000)	(990)	10
Net Changes in Fund Balance	6,188	(5,026)	5,908	10,934
Fund Balances - Beginning	23,212	23,212	23,212	-
Fund Balances - Ending	\$ 29,400	\$ 18,186	\$ 29,120	\$ 10,934

COUNTY OF NEVADA
Budgetary Comparison Schedule - Budgetary Basis
Probation - Nonmajor Special Revenue Fund
For the Year Ended June 30, 2013

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES				
Use of money and property	\$ 4,095	\$ 4,095	\$ (1,235)	\$ (5,330)
Intergovernmental	419,712	419,712	612,704	192,992
Other revenue	4,000	4,000	1,586	(2,414)
Total Revenues	<u>427,807</u>	<u>427,807</u>	<u>613,055</u>	<u>185,248</u>
EXPENDITURES				
Current:				
Public protection	3,780	3,780	1,719	2,061
Total Expenditures	<u>3,780</u>	<u>3,780</u>	<u>1,719</u>	<u>2,061</u>
Excess of Revenues Over (Under) Expenditures	<u>424,027</u>	<u>424,027</u>	<u>611,336</u>	<u>187,309</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	504,851	504,851	436,453	(68,398)
Transfers out	(714,981)	(546,327)	(395,064)	151,263
Total Other Financing Sources (Uses)	<u>(210,130)</u>	<u>(41,476)</u>	<u>41,389</u>	<u>82,865</u>
Net Changes in Fund Balance	213,897	382,551	652,725	270,174
Fund Balances - Beginning	<u>739,128</u>	<u>739,128</u>	<u>739,128</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 953,025</u>	<u>\$ 1,121,679</u>	<u>\$ 1,391,853</u>	<u>\$ 270,174</u>

COUNTY OF NEVADA
Budgetary Comparison Schedule - Budgetary Basis
Recorder - Nonmajor Special Revenue Fund
For the Year Ended June 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Use of money and property	\$ 220	\$ 220	\$ (2,963)	\$ (3,183)
Charges for services	220,176	220,176	275,141	54,965
Total Revenues	<u>220,396</u>	<u>220,396</u>	<u>272,178</u>	<u>51,782</u>
EXPENDITURES				
Current:				
Public protection	237,712	237,712	103,846	133,866
Total Expenditures	<u>237,712</u>	<u>237,712</u>	<u>103,846</u>	<u>133,866</u>
Excess of Revenues Over (Under) Expenditures	<u>(17,316)</u>	<u>(17,316)</u>	<u>168,332</u>	<u>185,648</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balance	(17,316)	(17,316)	168,332	185,648
Fund Balances - Beginning	313,105	313,105	313,105	-
Fund Balances - Ending	<u>\$ 295,789</u>	<u>\$ 295,789</u>	<u>\$ 481,437</u>	<u>\$ 185,648</u>

COUNTY OF NEVADA
Budgetary Comparison Schedule - Budgetary Basis
Sheriff - Nonmajor Special Revenue Fund
For the Year Ended June 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Fines and forfeitures	\$ 35,225	\$ 35,225	\$ 32,167	\$ (3,058)
Use of money and property	8,920	8,920	(3,121)	(12,041)
Intergovernmental	91,725	94,350	189,756	95,406
Charges for services	52,900	52,900	53,462	562
Other revenue	157,540	157,540	398,886	241,346
Total Revenues	<u>346,310</u>	<u>348,935</u>	<u>671,150</u>	<u>322,215</u>
EXPENDITURES				
Current:				
Public protection	100,110	110,117	80,947	29,170
Total Expenditures	<u>100,110</u>	<u>110,117</u>	<u>80,947</u>	<u>29,170</u>
Excess of Revenues Over (Under) Expenditures	<u>246,200</u>	<u>238,818</u>	<u>590,203</u>	<u>351,385</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	670,000	699,329	653,665	(45,664)
Transfers out	(529,901)	(570,425)	(301,826)	268,599
Total Other Financing Sources (Uses)	<u>140,099</u>	<u>128,904</u>	<u>351,839</u>	<u>222,935</u>
Net Changes in Fund Balance	386,299	367,722	942,042	574,320
Fund Balances - Beginning	<u>2,886,179</u>	<u>2,886,179</u>	<u>2,886,179</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 3,272,478</u>	<u>\$ 3,253,901</u>	<u>\$ 3,828,221</u>	<u>\$ 574,320</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, 2013

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes and assessments	\$ 38,700	\$ 38,700	\$ 33,104	\$ (5,596)
Use of money and property	6,216	6,216	(75)	(6,291)
Intergovernmental	393	393	375	(18)
Charges for services	373,080	395,731	450,803	55,072
Other revenues	-	-	3,264	3,264
Total Revenues	418,389	441,040	487,471	46,431
EXPENDITURES				
Current:				
Public ways and facilities	415,128	536,279	322,874	213,405
Total Expenditures	415,128	536,279	322,874	213,405
Excess of Revenues Over (Under) Expenditures	3,261	(95,239)	164,597	259,836
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Changes in Fund Balance	3,261	(95,239)	164,597	259,836
Fund Balances - Beginning	1,423,950	1,423,950	1,423,950	-
Fund Balances - Ending	\$ 1,427,211	\$ 1,328,711	\$ 1,588,547	\$ 259,836

COUNTY OF NEVADA
Budgetary Comparison Schedule - Budgetary Basis
Public Works - Nonmajor Special Revenue Fund
For the Year Ended June 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Use of money and property	\$ 11,050	\$ 11,050	\$ (714)	\$ (11,764)
Charges for services	260,000	260,000	236,543	(23,457)
Other revenue	28,000	28,000	27,801	(199)
Total Revenues	<u>299,050</u>	<u>299,050</u>	<u>263,630</u>	<u>(35,420)</u>
EXPENDITURES				
Current:				
Public ways and facilities	158,420	200,553	195,541	5,012
Total Expenditures	<u>158,420</u>	<u>200,553</u>	<u>195,541</u>	<u>5,012</u>
Excess of Revenues Over (Under) Expenditures	<u>140,630</u>	<u>98,497</u>	<u>68,089</u>	<u>(30,408)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(628,300)	(606,000)	(2,053)	603,947
Total Other Financing Sources (Uses)	<u>(628,300)</u>	<u>(606,000)</u>	<u>(2,053)</u>	<u>603,947</u>
Net Changes in Fund Balance	<u>(487,670)</u>	<u>(507,503)</u>	<u>66,036</u>	<u>573,539</u>
Fund Balances - Beginning	<u>2,751,499</u>	<u>2,751,499</u>	<u>2,751,499</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 2,263,829</u>	<u>\$ 2,243,996</u>	<u>\$ 2,817,535</u>	<u>\$ 573,539</u>

COUNTY OF NEVADA
Budgetary Comparison Schedule - Budgetary Basis
Housing and Community Services - Nonmajor Special Revenue Fund
For the Year Ended June 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Use of money and property	\$ 1,605	\$ 1,605	\$ 1,320	\$ (285)
Intergovernmental	1,623,445	2,737,196	1,899,213	(837,983)
Other revenue	124,799	124,799	24,262	(100,537)
Total Revenues	<u>1,749,849</u>	<u>2,863,600</u>	<u>1,924,795</u>	<u>(938,805)</u>
EXPENDITURES				
Current:				
General government	42,000	42,000	25,332	16,668
Public assistance	1,832,530	2,727,763	2,195,110	532,653
Total Expenditures	<u>1,874,530</u>	<u>2,769,763</u>	<u>2,220,442</u>	<u>549,321</u>
Excess of Revenues Over (Under) Expenditures	<u>(124,681)</u>	<u>93,837</u>	<u>(295,647)</u>	<u>(389,484)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	59,070	59,070	193,520	134,450
Transfers out	(500)	(500)	(134,950)	(134,450)
Total Other Financing Sources (Uses)	<u>58,570</u>	<u>58,570</u>	<u>58,570</u>	<u>-</u>
Net Changes in Fund Balance	<u>(66,111)</u>	<u>152,407</u>	<u>(237,077)</u>	<u>(389,484)</u>
Fund Balances - Beginning	<u>5,421,521</u>	<u>5,421,521</u>	<u>5,421,521</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 5,355,410</u>	<u>\$ 5,573,928</u>	<u>\$ 5,184,444</u>	<u>\$ (389,484)</u>

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Nonmajor Governmental Funds

- **Debt Service Funds**

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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.

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COUNTY OF NEVADA
Combining Balance Sheet
Nonmajor Debt Service Funds
June 30, 2013

	Government Debt Service	Special Assessment Debt With County Commitment	Finance Authority	Totals
ASSETS				
Cash and investments	\$ -	\$ 126,673	\$ 10,498	\$ 137,171
Due from other funds	-	-	9,498	9,498
Restricted cash and investments	-	-	897,387	897,387
Total Assets	\$ -	\$ 126,673	\$ 917,383	\$ 1,044,056
LIABILITIES				
Due to other funds	\$ -	\$ -	\$ -	\$ -
Total Liabilities	-	-	-	-
FUND BALANCES				
Restricted	-	126,673	917,383	1,044,056
Total Fund Balances	-	126,673	917,383	1,044,056
Total Liabilities and Fund Balances	\$ -	\$ 126,673	\$ 917,383	\$ 1,044,056

COUNTY OF NEVADA
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances
Nonmajor Debt Service Funds
For the Year Ended June 30, 2013

	Government Debt Service	Special Assessment Debt With County Commitment	Finance Authority	Totals
REVENUES				
Use of money and property	\$ (91)	\$ (74)	\$ 22,961	\$ 22,796
Charges for services	-	40,726	-	40,726
Total Revenues	(91)	40,652	22,961	63,522
EXPENDITURES				
Current:				
General government	-	657	10,028	10,685
Public ways & facilities	-	2,135	-	2,135
Debt service:				
Principal	121,231	13,000	1,191,338	1,325,569
Interest and other charges	72,730	14,661	460,731	548,122
Total Expenditures	193,961	30,453	1,662,097	1,886,511
Excess of Revenues Over (Under) Expenditures	(194,052)	10,199	(1,639,136)	(1,822,989)
OTHER FINANCING SOURCES (USES)				
Transfers in	193,960	27,921	1,661,564	1,883,445
Transfers out	-	(27,921)	-	(27,921)
Total Other Financing Sources (Uses)	193,960	-	1,661,564	1,855,524
Net Change in Fund Balance	(92)	10,199	22,428	32,535
Fund Balances - Beginning	92	116,474	894,955	1,011,521
Fund Balances - Ending	\$ -	\$ 126,673	\$ 917,383	\$ 1,044,056

COUNTY OF NEVADA
Budgetary Comparison Schedule - Budgetary Basis
Government Debt Service - Nonmajor Debt Service Fund
For the Year Ended June 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Use of money and property	\$ -	\$ -	\$ (91)	\$ (91)
Total Revenues	<u>-</u>	<u>-</u>	<u>(91)</u>	<u>(91)</u>
EXPENDITURES				
Current:				
General government	389	389	-	389
Debt service:				
Principal	121,231	121,231	121,231	-
Interest and other charges	72,729	72,729	72,730	(1)
Total Expenditures	<u>194,349</u>	<u>194,349</u>	<u>193,961</u>	<u>388</u>
Excess of Revenues Over (Under) Expenditures	<u>(194,349)</u>	<u>(194,349)</u>	<u>(194,052)</u>	<u>297</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	194,349	194,349	193,960	(389)
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>194,349</u>	<u>194,349</u>	<u>193,960</u>	<u>(389)</u>
Net Changes in Fund Balance	<u>-</u>	<u>-</u>	<u>(92)</u>	<u>(92)</u>
Fund Balances - Beginning	<u>92</u>	<u>92</u>	<u>92</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 92</u>	<u>\$ 92</u>	<u>\$ -</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, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Use of money and property	\$ 350	\$ 350	\$ (74)	\$ (424)
Charges for services	29,138	29,138	40,726	11,588
Total Revenues	<u>29,488</u>	<u>29,488</u>	<u>40,652</u>	<u>11,164</u>
EXPENDITURES				
Current:				
General government	656	657	657	-
Public ways and facilities	1,791	2,141	2,135	6
Debt service:				
Principal	12,000	12,000	13,000	(1,000)
Interest and other charges	15,921	15,921	14,661	1,260
Total Expenditures	<u>30,368</u>	<u>30,719</u>	<u>30,453</u>	<u>266</u>
Excess of Revenues Over (Under) Expenditures	<u>(880)</u>	<u>(1,231)</u>	<u>10,199</u>	<u>11,430</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	30,368	30,368	27,921	(2,447)
Transfers out	(30,368)	(30,368)	(27,921)	2,447
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balance	<u>(880)</u>	<u>(1,231)</u>	<u>10,199</u>	<u>11,430</u>
Fund Balances - Beginning	<u>116,474</u>	<u>116,474</u>	<u>116,474</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 115,594</u>	<u>\$ 115,243</u>	<u>\$ 126,673</u>	<u>\$ 11,430</u>

COUNTY OF NEVADA
Budgetary Comparison Schedule - Budgetary Basis
Finance Authority - Nonmajor Debt Service Fund
For the Year Ended June 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Use of money and property	\$ 23,023	\$ 23,023	\$ 22,961	\$ (62)
Total Revenues	<u>23,023</u>	<u>23,023</u>	<u>22,961</u>	<u>(62)</u>
EXPENDITURES				
Current:				
General government	10,053	10,053	10,028	25
Debt service:				
Principal	1,191,335	1,191,335	1,191,338	(3)
Interest and other charges	460,734	460,734	460,731	3
Total Expenditures	<u>1,662,122</u>	<u>1,662,122</u>	<u>1,662,097</u>	<u>25</u>
Excess of Revenues Over (Under) Expenditures	<u>(1,639,099)</u>	<u>(1,639,099)</u>	<u>(1,639,136)</u>	<u>(37)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	1,639,099	1,661,540	1,661,564	24
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	<u>1,639,099</u>	<u>1,661,540</u>	<u>1,661,564</u>	<u>24</u>
Net Changes in Fund Balance	-	22,441	22,428	(13)
Fund Balances - Beginning	894,955	894,955	894,955	-
Fund Balances - Ending	<u>\$ 894,955</u>	<u>\$ 917,396</u>	<u>\$ 917,383</u>	<u>\$ (13)</u>

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Nonmajor Proprietary Funds

- **Enterprise Funds**

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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.

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COUNTY OF NEVADA
Combining Statement of Net Position
Nonmajor Enterprise Funds
June 30, 2013

	Eastern Nevada County Solid Waste	Transit Services	Totals
ASSETS			
Current Assets:			
Cash and investments	\$ 248,896	\$ 976,660	\$ 1,225,556
Receivables:			
Accounts	-	3,827	3,827
Intergovernmental	-	153,205	153,205
Due from other funds	-	2,306	2,306
Total Current Assets	248,896	1,135,998	1,384,894
Noncurrent Assets:			
Capital assets:			
Non-depreciable	26,409	-	26,409
Depreciable, net	-	1,891,393	1,891,393
Total Noncurrent Assets	26,409	1,891,393	1,917,802
Total Assets	275,305	3,027,391	3,302,696
LIABILITIES			
Current Liabilities:			
Accounts payable	-	207,762	207,762
Accrued salaries and benefits	-	19,471	19,471
Due to other funds	-	50,510	50,510
Unearned revenue	-	938,565	938,565
Compensated absences payable	-	60,976	60,976
Post closure costs	3,672	-	3,672
Total Current Liabilities	3,672	1,277,284	1,280,956
Noncurrent Liabilities:			
Post closure costs	116,493	-	116,493
Net OPEB obligation	-	61,691	61,691
Total Noncurrent Liabilities	116,493	61,691	178,184
Total Liabilities	120,165	1,338,975	1,459,140
NET POSITION			
Net investment in capital assets	26,409	1,891,393	1,917,802
Unrestricted	128,731	(202,977)	(74,246)
Total Net Position	\$ 155,140	\$ 1,688,416	\$ 1,843,556

COUNTY OF NEVADA
Combining Statement of Revenues, Expenses, and
Changes in Net Position
Nonmajor Enterprise Funds
For the Year Ended June 30, 2013

	Eastern Nevada County Solid Waste	Transit Services	Totals
OPERATING REVENUES			
Charges for services	\$ 178,813	\$ 323,201	\$ 502,014
Operating Revenues	<u>178,813</u>	<u>323,201</u>	<u>502,014</u>
OPERATING EXPENSES			
Salaries and benefits	-	1,080,365	1,080,365
Services and supplies	178,929	1,202,549	1,381,478
Benefit and claim expense	-	7,000	7,000
Other charges	4,847	46,194	51,041
Expense transfers	-	90,402	90,402
Post closure expense	2,125	-	2,125
Depreciation	-	141,249	141,249
Operating Expenses	<u>185,901</u>	<u>2,567,759</u>	<u>2,753,660</u>
Operating Income (Loss)	<u>(7,088)</u>	<u>(2,244,558)</u>	<u>(2,251,646)</u>
NON-OPERATING REVENUE (EXPENSES)			
Taxes and assessments	-	1,730,785	1,730,785
Intergovernmental revenues	-	317,456	317,456
Interest income	91	2,521	2,612
Other revenues	-	3,681	3,681
Total Non-Operating Revenues (Expenses)	<u>91</u>	<u>2,054,443</u>	<u>2,054,534</u>
Income (Loss) Before Contributions and Transfers	<u>(6,997)</u>	<u>(190,115)</u>	<u>(197,112)</u>
Capital contribution	-	831,709	831,709
Transfers in	-	-	-
Transfers out	-	-	-
Change in Net Position	<u>(6,997)</u>	<u>641,594</u>	<u>634,597</u>
Net Position - Beginning	<u>162,137</u>	<u>1,046,822</u>	<u>1,208,959</u>
Net Position - Ending	<u>\$ 155,140</u>	<u>\$ 1,688,416</u>	<u>\$ 1,843,556</u>

COUNTY OF NEVADA
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended June 30, 2013

	Eastern Nevada County Solid Waste	Transit Services	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 178,813	\$ 325,405	\$ 504,218
Payments to suppliers	(184,506)	(1,278,035)	(1,462,541)
Payments to employees	-	(1,073,290)	(1,073,290)
Net Cash Provided (Used) by Operating Activities	<u>(5,693)</u>	<u>(2,025,920)</u>	<u>(2,031,613)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Grants and other receipts	-	2,051,922	2,051,922
Interfund loans repaid	-	(26,590)	(26,590)
Interfund loan repayments received	-	718	718
Net Cash Provided (Used) for Noncapital Financing Activities	<u>-</u>	<u>2,026,050</u>	<u>2,026,050</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition of capital assets	-	(779,966)	(779,966)
Capital grants	-	499,723	499,723
Net Cash Provided (Used) for Capital and Related Financing Activities	<u>-</u>	<u>(280,243)</u>	<u>(280,243)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest and dividends (expense)	91	2,521	2,612
Net Cash Provided (Used) by Investing Activities	<u>91</u>	<u>2,521</u>	<u>2,612</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(5,602)	(277,592)	(283,194)
Balances - Beginning	<u>254,498</u>	<u>1,254,252</u>	<u>1,508,750</u>
Balances - Ending	<u>\$ 248,896</u>	<u>\$ 976,660</u>	<u>\$ 1,225,556</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating income (loss)	\$ (7,088)	\$ (2,244,558)	\$ (2,251,646)
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	-	141,249	141,249
Decrease (Increase) in:			
Accounts receivable	-	2,204	2,204
Increase (Decrease) in:			
Accounts payable	-	68,110	68,110
Accrued salaries and benefits	-	(1,061)	(1,061)
Compensated absences payable	-	3,194	3,194
Post closure costs	1,395	-	1,395
Net OPEB obligation	-	4,942	4,942
Net Cash Provided (Used) by Operating Activities	<u>\$ (5,693)</u>	<u>\$ (2,025,920)</u>	<u>\$ (2,031,613)</u>

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Internal Service Funds

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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.

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COUNTY OF NEVADA
Combining Statement of Net Position
Internal Service Funds
June 30, 2013

	<u>Fleet Management</u>	<u>Vision Insurance</u>	<u>Unemployment Insurance</u>	<u>Liability Insurance</u>
ASSETS				
Current Assets:				
Cash and investments	\$ 2,181,282	\$ 94,475	\$ 1,294,967	\$ 1,461,578
Receivables:				
Accounts	1,312	11,121	-	-
Due from other funds	310,776	-	-	-
Prepaid costs	-	-	-	11,444
Inventory	72,995	-	-	-
Deposits	-	-	-	-
Total Current Assets	<u>2,566,365</u>	<u>105,596</u>	<u>1,294,967</u>	<u>1,473,022</u>
Noncurrent Assets:				
Capital assets:				
Depreciable, net	506,969	-	-	-
Total Noncurrent Assets	<u>506,969</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>3,073,334</u>	<u>105,596</u>	<u>1,294,967</u>	<u>1,473,022</u>
LIABILITIES				
Current Liabilities:				
Accounts payable	40,313	15,579	-	363
Accrued salaries and benefits	10,678	-	-	-
Due to other funds	91,476	218	337	24,734
Compensated absences payable	44,473	-	-	-
Accrued claims payable	-	-	562,756	304,645
Total Current Liabilities	<u>186,940</u>	<u>15,797</u>	<u>563,093</u>	<u>329,742</u>
Noncurrent Liabilities:				
Compensated absences payable	5,433	-	-	-
Accrued claims payable	-	-	-	377,355
Net OPEB obligation	43,763	-	-	-
Total Noncurrent Liabilities	<u>49,196</u>	<u>-</u>	<u>-</u>	<u>377,355</u>
Total Liabilities	<u>236,136</u>	<u>15,797</u>	<u>563,093</u>	<u>707,097</u>
NET POSITION				
Net investment in capital assets	506,969	-	-	-
Unrestricted	2,330,229	89,799	731,874	765,925
Total Net Position	<u>\$ 2,837,198</u>	<u>\$ 89,799</u>	<u>\$ 731,874</u>	<u>\$ 765,925</u>

Central Services	Dental Insurance	Totals
\$ 45,308	\$ 286,860	\$ 5,364,470
12	41,996	54,441
-	-	310,776
31,046	-	42,490
-	-	72,995
-	95,775	95,775
<u>76,366</u>	<u>424,631</u>	<u>5,940,947</u>
<u>1,277</u>	<u>-</u>	<u>508,246</u>
<u>1,277</u>	<u>-</u>	<u>508,246</u>
<u>77,643</u>	<u>424,631</u>	<u>6,449,193</u>
8,054	32,898	97,207
1,295	-	11,973
19,627	433	136,825
6,353	-	50,826
-	-	867,401
<u>35,329</u>	<u>33,331</u>	<u>1,164,232</u>
6,976	-	12,409
-	-	377,355
3,016	-	46,779
<u>9,992</u>	<u>-</u>	<u>436,543</u>
<u>45,321</u>	<u>33,331</u>	<u>1,600,775</u>
1,277	-	508,246
31,045	391,300	4,340,172
<u>\$ 32,322</u>	<u>\$ 391,300</u>	<u>\$ 4,848,418</u>

COUNTY OF NEVADA
Combining Statement of Revenues, Expenses, and
Changes in Net Position
Internal Service Funds
For the Year Ended June 30, 2013

	<u>Fleet Management</u>	<u>Vision Insurance</u>	<u>Unemployment Insurance</u>	<u>Liability Insurance</u>
OPERATING REVENUES				
Charges for services	\$ 3,573,668	\$ 187,614	\$ 732,552	\$ 657,277
Total Operating Revenues	<u>3,573,668</u>	<u>187,614</u>	<u>732,552</u>	<u>657,277</u>
OPERATING EXPENSES				
Salaries and benefits	681,249	-	-	-
Services and supplies	2,278,401	22,037	138,393	548,975
Benefit and claim expense	-	145,234	278,085	148,683
Other charges	75,248	3,886	12,999	41,469
Expense transfers	89,847	-	-	85,644
Depreciation	373,779	-	-	-
Total Operating Expenses	<u>3,498,524</u>	<u>171,157</u>	<u>429,477</u>	<u>824,771</u>
Operating Income (Loss)	<u>75,144</u>	<u>16,457</u>	<u>303,075</u>	<u>(167,494)</u>
NON-OPERATING REVENUE (EXPENSES)				
Forfeitures and penalties	4,033	-	-	-
Interest income	(837)	5	(192)	(346)
Other revenues	17,767	-	-	350
Total Non-Operating Revenues (Expenses)	<u>20,963</u>	<u>5</u>	<u>(192)</u>	<u>4</u>
Income (Loss) Before Transfers	<u>96,107</u>	<u>16,462</u>	<u>302,883</u>	<u>(167,490)</u>
Transfers in	41,527	-	-	-
Transfers out	-	-	-	-
Change in Net Position	<u>137,634</u>	<u>16,462</u>	<u>302,883</u>	<u>(167,490)</u>
Net Position - Beginning	<u>2,699,564</u>	<u>73,337</u>	<u>428,991</u>	<u>933,415</u>
Net Position - Ending	<u>\$ 2,837,198</u>	<u>\$ 89,799</u>	<u>\$ 731,874</u>	<u>\$ 765,925</u>

Central Services	Dental Insurance	Totals
\$ 548,049	\$ 881,916	\$ 6,581,076
548,049	881,916	6,581,076
87,218	-	768,467
405,549	67,209	3,460,564
-	666,796	1,238,798
13,867	10,800	158,269
44,966	-	220,457
-	-	373,779
551,600	744,805	6,220,334
(3,551)	137,111	360,742
-	-	4,033
(30)	5	(1,395)
86	-	18,203
56	5	20,841
(3,495)	137,116	381,583
-	-	41,527
-	-	-
(3,495)	137,116	423,110
35,817	254,184	4,425,308
\$ 32,322	\$ 391,300	\$ 4,848,418

COUNTY OF NEVADA
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2013

	Fleet Management	Vision Insurance	Unemployment Insurance	Liability Insurance
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 3,641,911	\$ 182,253	\$ 732,552	\$ 773,035
Payments to suppliers	(2,546,008)	(162,781)	(292,227)	(695,852)
Payments to employees	(675,501)	-	-	-
Net Cash Provided (Used) by Operating Activities	420,402	19,472	440,325	77,183
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Grants and other receipts	4,837	-	-	350
Transfers from other funds	41,527	-	-	-
Interfund loans received	-	218	337	5,524
Interfund loans repaid	(103,180)	-	-	-
Interfund loan repayments received	66,124	-	-	-
Net Cash Provided (Used) for Noncapital Financing Activities	9,308	218	337	5,874
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition of capital assets	(114,436)	-	-	-
Proceeds from sale of capital assets	30,112	-	-	-
Net Cash Provided (Used) for Capital and Related Financing Activities	(84,324)	-	-	-
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest and dividends	(837)	5	(192)	(346)
Net Cash Provided (Used) by Investing Activities	(837)	5	(192)	(346)
Net Increase (Decrease) in Cash and Cash Equivalents	344,549	19,695	440,470	82,711
Balances - Beginning	1,836,733	74,780	854,497	1,378,867
Balances - Ending	\$ 2,181,282	\$ 94,475	\$ 1,294,967	\$ 1,461,578

Central Services	Dental Insurance	Totals
\$ 548,267	\$ 886,697	\$ 6,764,715
(482,527)	(711,997)	(4,891,392)
(73,036)	-	(748,537)
<u>(7,296)</u>	<u>174,700</u>	<u>1,124,786</u>
86	-	5,273
-	-	41,527
19,307	433	25,819
-	-	(103,180)
<u>2,072</u>	<u>-</u>	<u>68,196</u>
<u>21,465</u>	<u>433</u>	<u>37,635</u>
-	-	(114,436)
<u>-</u>	<u>-</u>	<u>30,112</u>
-	-	(84,324)
<u>(30)</u>	<u>5</u>	<u>(1,395)</u>
<u>(30)</u>	<u>5</u>	<u>(1,395)</u>
14,139	175,138	1,076,702
<u>31,169</u>	<u>111,722</u>	<u>4,287,768</u>
<u>\$ 45,308</u>	<u>\$ 286,860</u>	<u>\$ 5,364,470</u>

COUNTY OF NEVADA
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2013

	<u>Fleet Management</u>	<u>Vision Insurance</u>	<u>Unemployment Insurance</u>	<u>Liability Insurance</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating income (loss)	\$ 75,144	\$ 16,457	\$ 303,075	\$ (167,494)
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	373,779	-	-	-
Decrease (Increase) in:				
Accounts receivable	68,243	(5,361)	-	115,758
Prepaid costs	-	-	-	(11,444)
Inventory	(1,953)	-	-	-
Increase (Decrease) in:				
Accounts payable	(100,559)	8,376	-	363
Accrued salaries and benefits	(349)	-	-	-
Compensated absences payable	2,675	-	-	-
Claims payable	-	-	137,250	140,000
Net OPEB obligation	3,422	-	-	-
Net Cash Provided (Used) by Operating Activities	<u>\$ 420,402</u>	<u>\$ 19,472</u>	<u>\$ 440,325</u>	<u>\$ 77,183</u>

<u>Central Services</u>	<u>Dental Insurance</u>	<u>Totals</u>
\$ (3,551)	\$ 137,111	\$ 360,742
-	-	373,779
218	4,781	183,639
(19,995)	-	(31,439)
-	-	(1,953)
1,850	32,808	(57,162)
411	-	62
13,263	-	15,938
-	-	277,250
508	-	3,930
<u>\$ (7,296)</u>	<u>\$ 174,700</u>	<u>\$ 1,124,786</u>

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Fiduciary Funds

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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.

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COUNTY OF NEVADA
Combining Statement of Fiduciary Net Position
Investment Trust Funds
June 30, 2013

	Independent Districts	School Districts	School Districts Debt Service	Courts and Jury/Witness
ASSETS				
Cash and investments	\$ 22,920,169	\$ 36,489,814	\$ 846,094	\$ 1,109,584
Receivables:				
Accounts	50,774	-	-	-
Total Assets	22,970,943	36,489,814	846,094	1,109,584
LIABILITIES				
Accounts payable	83,467	-	-	-
Total Liabilities	83,467	-	-	-
NET POSITION				
Net position held in trust for investment pool participants	\$ 22,887,476	\$ 36,489,814	\$ 846,094	\$ 1,109,584

Local Transportation Authority	Total Investment Trust Funds
\$ 11,801,148	\$ 73,166,809
<u>892,245</u>	<u>943,019</u>
<u>12,693,393</u>	<u>74,109,828</u>
<u>57,410</u>	<u>140,877</u>
<u>57,410</u>	<u>140,877</u>
<u><u>\$ 12,635,983</u></u>	<u><u>\$ 73,968,951</u></u>

COUNTY OF NEVADA
Combining Statement of Changes in Fiduciary Net Position
Investment Trust Funds
For the Year Ended June 30, 2013

	<u>Independent Districts</u>	<u>School Districts</u>	<u>School Districts Debt Service</u>	<u>Courts and Jury/Witness</u>
ADDITIONS				
Contributions:				
Contributions to investment pool	\$ 79,346,309	\$243,311,572	\$ 6,197,400	\$ 3,419,478
Net investment income:				
Interest income	(4,817)	(20,452)	(250)	807
Net investment income	(4,817)	(20,452)	(250)	807
Total Additions	<u>79,341,492</u>	<u>243,291,120</u>	<u>6,197,150</u>	<u>3,420,285</u>
DEDUCTIONS				
Distributions from investment pool	<u>77,752,150</u>	<u>239,729,202</u>	<u>6,285,822</u>	<u>3,364,071</u>
Total Deductions	<u>77,752,150</u>	<u>239,729,202</u>	<u>6,285,822</u>	<u>3,364,071</u>
Change in Net Position	1,589,342	3,561,918	(88,672)	56,214
Net Position - Beginning	<u>21,298,134</u>	<u>32,927,896</u>	<u>934,766</u>	<u>1,053,370</u>
Net Position - Ending	<u><u>\$ 22,887,476</u></u>	<u><u>\$ 36,489,814</u></u>	<u><u>\$ 846,094</u></u>	<u><u>\$ 1,109,584</u></u>

<u>Local Transportation Authority</u>	<u>Total Investment Trust Funds</u>
\$ 4,462,215	\$336,736,974
<u>3,268</u>	<u>(21,444)</u>
<u>3,268</u>	<u>(21,444)</u>
<u>4,465,483</u>	<u>336,715,530</u>
<u>4,547,788</u>	<u>331,679,033</u>
<u>4,547,788</u>	<u>331,679,033</u>
(82,305)	5,036,497
<u>12,718,288</u>	<u>68,932,454</u>
<u><u>\$ 12,635,983</u></u>	<u><u>\$ 73,968,951</u></u>

COUNTY OF NEVADA
Combining Statement of Assets and Liabilities
Agency Funds
June 30, 2013

	<u>Accrued Trust Funds</u>	<u>County Departmental Agency Funds</u>	<u>Total Agency Funds</u>
ASSETS			
Cash and investments	\$ 838,963	\$ 788,110	\$ 1,627,073
Restricted cash and investments	59,185	166,758	225,943
Receivables:			
Taxes	10,455,136	-	10,455,136
Total Assets	<u>\$ 11,353,284</u>	<u>\$ 954,868</u>	<u>\$ 12,308,152</u>
LIABILITIES			
Due to other agencies	\$ 7,012,821	\$ -	\$ 7,012,821
Agency obligations	4,340,463	954,868	5,295,331
Total Liabilities	<u>\$ 11,353,284</u>	<u>\$ 954,868</u>	<u>\$ 12,308,152</u>

COUNTY OF NEVADA
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended June 30, 2013

	<u>Balance</u> <u>June 30, 2012</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2013</u>
ACCRUED TRUST FUNDS				
ASSETS				
Cash and investments	\$ 507,141	\$ 7,012,821	\$ 6,680,999	\$ 838,963
Restricted cash and investments	59,179	6	-	59,185
Receivables:				
Taxes	11,013,353	-	558,217	10,455,136
Total Assets	<u>\$ 11,579,673</u>	<u>\$ 7,012,827</u>	<u>\$ 7,239,216</u>	<u>\$ 11,353,284</u>
LIABILITIES				
Due to other agencies	\$ 8,088,730	\$ 7,012,821	\$ 8,088,730	\$ 7,012,821
Agency obligations	3,490,943	849,520	-	4,340,463
Total Liabilities	<u>\$ 11,579,673</u>	<u>\$ 7,862,341</u>	<u>\$ 8,088,730</u>	<u>\$ 11,353,284</u>
COUNTY DEPARTMENTAL AGENCY FUNDS				
ASSETS				
Cash and investments	\$ 1,186,821	\$ -	\$ 398,711	\$ 788,110
Restricted cash and investments	167,098	-	340	166,758
Total Assets	<u>\$ 1,353,919</u>	<u>\$ -</u>	<u>\$ 399,051</u>	<u>\$ 954,868</u>
LIABILITIES				
Agency obligations	\$ 1,353,919	\$ -	\$ 399,051	\$ 954,868
Total Liabilities	<u>\$ 1,353,919</u>	<u>\$ -</u>	<u>\$ 399,051</u>	<u>\$ 954,868</u>
TOTAL AGENCY FUNDS				
ASSETS				
Cash and investments	\$ 1,693,962	\$ 7,012,821	\$ 7,079,710	\$ 1,627,073
Restricted cash and investments	226,277	6	340	225,943
Receivables:				
Taxes	11,013,353	-	558,217	10,455,136
Total Assets	<u>\$ 12,933,592</u>	<u>\$ 7,012,827</u>	<u>\$ 7,638,267</u>	<u>\$ 12,308,152</u>
LIABILITIES				
Due to other agencies	\$ 8,088,730	\$ 7,012,821	\$ 8,088,730	\$ 7,012,821
Agency obligations	4,844,862	849,520	399,051	5,295,331
Total Liabilities	<u>\$ 12,933,592</u>	<u>\$ 7,862,341</u>	<u>\$ 8,487,781</u>	<u>\$ 12,308,152</u>

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STATISTICAL SECTION

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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.

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

	Fiscal Year			
	2003/2004	2004/2005	2005/2006	2006/2007
Governmental Activities				
Net investment in capital assets	\$ 232,785,139	\$ 233,807,949	\$ 237,770,629	\$ 238,955,459
Restricted	31,297,665	37,995,142	39,102,881	40,643,025
Unrestricted	7,289,217	7,894,253	9,932,618	14,297,129
Total Governmental Activities Net Position	\$ 271,372,021	\$ 279,697,344	\$ 286,806,128	\$ 293,895,613
Business-Type Activities				
Net investment in capital assets	\$ 7,656,180	\$ 8,608,896	\$ 10,949,954	\$ 17,773,325
Unrestricted	(1,692,003)	(519,455)	142,603	650,031
Total Business-Type Activities Net Position	\$ 5,964,177	\$ 8,089,441	\$ 11,092,557	\$ 18,423,356
Primary Government				
Net investment in capital assets	\$ 240,441,319	\$ 242,416,845	\$ 248,720,583	\$ 256,728,784
Restricted	31,297,665	37,995,142	39,102,881	40,643,025
Unrestricted	5,597,214	7,374,798	10,075,221	14,947,160
Total Primary Government Net Position	\$ 277,336,198	\$ 287,786,785	\$ 297,898,685	\$ 312,318,969

2007/2008	2008/2009	2009/2010	2010/2011	2011/2012	2012/2013
\$ 240,377,169	\$ 245,044,668	\$ 248,400,614	\$ 250,376,233	\$ 253,037,695	\$ 251,396,810
38,274,175	36,273,724	40,542,205	40,759,140	43,247,919	44,099,225
15,395,845	18,517,776	19,001,129	24,054,736	21,160,019	25,737,371
<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>	<u>\$ 321,233,406</u>
\$ 25,611,733	\$ 30,433,338	\$ 29,861,732	\$ 31,980,481	\$ 32,630,175	\$ 35,568,071
(654,360)	(1,337,370)	108,052	2,270,557	3,877,136	2,923,658
<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>	<u>\$ 38,491,729</u>
\$ 265,988,902	\$ 275,478,006	\$ 278,262,346	\$ 282,356,714	\$ 285,667,870	\$ 286,964,881
38,274,175	36,273,724	40,542,205	40,759,140	43,247,919	44,099,225
14,741,485	17,180,406	19,109,181	26,325,293	25,037,155	28,661,029
<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>	<u>\$ 359,725,135</u>

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

	Fiscal Year			
	2003/2004	2004/2005	2005/2006	2006/2007
Expenses				
Governmental Activities:				
General government	\$ 11,633,754	\$ 8,938,435	\$ 11,249,361	\$ 12,221,901
Public ways and facilities	6,810,806	6,312,601	8,513,880	10,077,775
Public protection	40,081,096	43,150,103	45,190,677	46,998,768
Health and sanitation	16,297,053	16,151,498	18,470,443	17,680,812
Public assistance	21,127,891	21,271,351	22,393,216	23,173,587
Education	2,734,576	2,471,046	2,865,584	2,541,343
Recreation	-	11,126	51,729	237,357
Interest on long-term debt	1,006,952	757,523	855,225	832,300
Total Governmental Activities Expenses	<u>99,692,128</u>	<u>99,063,683</u>	<u>109,590,115</u>	<u>113,763,843</u>
Business-type Activities				
Eastern Nevada County Solid Waste	151,529	345,238	111,396	135,640
Western Nevada County Solid Waste	8,487,113	5,971,008	6,538,648	6,935,822
Transit Services	2,958,054	2,874,082	3,088,462	3,253,773
Airport	946,411	1,035,399	1,137,542	1,282,831
Sanitation District	3,068,942	3,331,819	4,037,253	4,502,075
Total Business-Type Activities Expenses	<u>15,612,049</u>	<u>13,557,546</u>	<u>14,913,301</u>	<u>16,110,141</u>
Total Primary Government Expenses	<u>\$115,304,177</u>	<u>\$112,621,229</u>	<u>\$124,503,416</u>	<u>\$129,873,984</u>
Program Revenues				
Governmental Activities:				
Charges for services:				
General government	\$ 9,237,614	\$ 6,338,047	\$ 6,232,111	\$ 5,497,348
Public ways and facilities	1,461,163	1,240,364	1,440,008	3,089,154
Public protection	6,253,050	6,121,598	6,364,587	4,814,608
Health and sanitation	1,892,426	2,269,265	2,267,470	1,836,658
Public assistance	51,856	57,583	47,007	37,445
Education	82,294	92,298	94,848	100,167
Recreation	-	-	-	476
Operating grants and contributions	51,931,440	55,728,641	58,599,661	56,087,452
Capital grants and contributions	-	-	2,296,519	54,876
Total Governmental Activities Program Revenues	<u>70,909,843</u>	<u>71,847,796</u>	<u>77,342,211</u>	<u>71,518,184</u>
Business-Type Activities:				
Charges for services:				
Eastern Nevada County Solid Waste	93,225	98,145	102,312	108,592
Western Nevada County Solid Waste	7,270,335	7,400,950	7,753,931	7,978,217
Transit Services	333,453	309,693	480,601	476,213
Airport	545,262	548,488	618,549	807,131
Sanitation District	2,159,899	3,818,931	3,509,905	6,551,985
Operating grants and contributions	2,396,154	2,787,415	2,633,921	475,587
Capital grants and contributions	242,664	-	2,179,464	1,380,188
Total Business-Type Activities Program Revenues	<u>13,040,992</u>	<u>14,963,622</u>	<u>17,278,683</u>	<u>17,777,913</u>
Total Primary Government Program Revenues	<u>\$ 83,950,835</u>	<u>\$ 86,811,418</u>	<u>\$ 94,620,894</u>	<u>\$ 89,296,097</u>

<u>2007/2008</u>	<u>2008/2009</u>	<u>2009/2010</u>	<u>2010/2011</u>	<u>2011/2012</u>	<u>2012/2013</u>
\$ 13,734,811	\$ 11,873,042	\$ 10,244,690	\$ 8,709,767	\$ 9,210,602	\$ 10,970,028
10,455,997	13,050,854	10,401,753	11,125,921	10,232,294	8,851,411
52,982,684	54,426,072	53,962,729	53,744,616	52,805,726	49,511,586
21,056,211	23,587,615	24,897,645	27,399,803	26,621,726	27,827,434
25,413,676	28,112,397	29,362,237	29,493,151	25,183,015	26,928,270
3,015,545	2,810,750	2,386,595	2,236,503	2,307,992	2,492,903
245,653	98,885	72,454	130,174	176,920	179,793
917,161	814,289	768,465	729,736	643,998	470,363
<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>	<u>127,231,788</u>
127,515	132,499	147,527	164,274	179,936	185,901
7,369,951	6,781,889	6,114,100	6,105,160	7,213,400	743,678
3,858,023	4,294,101	3,229,143	2,801,101	2,548,163	2,594,522
1,441,091	1,279,836	1,167,371	1,362,731	1,217,276	1,332,796
5,191,420	5,335,583	7,083,467	6,627,209	6,683,592	6,652,745
<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>11,509,642</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>	<u>\$138,741,430</u>
\$ 5,999,606	\$ 6,838,658	\$ 6,910,899	\$ 6,881,565	\$ 5,718,009	\$ 5,927,769
2,730,449	1,329,674	1,155,673	1,517,645	1,181,180	1,391,104
5,240,057	7,253,963	7,362,448	7,195,596	6,503,600	6,246,802
1,759,838	1,878,192	2,089,343	2,345,892	2,772,581	3,102,185
59,647	62,241	57,250	53,261	57,596	45,482
99,526	88,588	95,275	98,850	84,532	81,945
1,914	-	-	-	-	-
63,672,782	72,853,677	72,351,303	75,229,137	68,545,772	70,201,674
-	-	628,556	335,142	1,207,605	293,760
<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>	<u>87,290,721</u>
112,302	116,398	125,700	161,867	170,393	178,813
7,711,070	7,259,068	6,930,479	7,258,011	7,235,081	1,544,170
519,658	568,657	389,444	331,846	325,517	323,201
773,809	683,797	574,064	520,937	604,105	804,774
5,969,966	6,462,994	6,622,180	6,943,169	6,709,836	6,579,111
1,039,974	1,846,635	1,127,304	1,126,440	350,893	330,921
75,636	1,464,457	258,381	1,775,682	2,384,581	1,609,145
<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>11,370,135</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>	<u>\$ 98,660,856</u>

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

	Fiscal Year			
	2003/2004	2004/2005	2005/2006	2006/2007
Net (Expense)/Revenue¹				
Governmental activities	\$ (28,782,285)	\$ (27,215,887)	\$ (32,247,904)	\$ (42,245,659)
Business-type activities	(2,571,057)	1,406,076	2,365,382	1,667,772
Total Primary Government Net Expense	\$ (31,353,342)	\$ (25,809,811)	\$ (29,882,522)	\$ (40,577,887)
General Revenues and Other Changes in Net Position				
Governmental Activities				
Taxes				
Property taxes	\$ 16,319,630	\$ 18,086,143	\$ 27,749,937	\$ 31,516,285
Sales and use taxes	5,019,179	5,161,912	5,174,027	5,532,663
Property transfer taxes	1,263,945	1,613,064	1,391,798	974,171
Transient occupancy taxes	261,467	177,605	209,216	275,728
Timber yield taxes	90,609	79,126	79,308	61,133
Aircraft taxes	25,160	33,347	39,497	46,546
Franchise taxes	-	-	-	969,903
Transportation taxes	-	-	-	69,309
Other taxes	16,477	16,186	47,251	33,718
Grants and contributions - unrestricted	-	-	-	4,402,323
Tobacco settlement	-	-	-	955,670
Motor vehicle in-lieu taxes	-	6,370,271	-	-
Interest and investment earnings	706,775	967,696	1,133,058	2,412,223
Miscellaneous	2,311,607	3,021,371	2,822,437	2,724,014
Insurance recovery	-	-	-	-
Gain (loss) on disposal/sale of capital assets	(1,824,704)	-	-	-
Transfers	(194,839)	-	(51,765)	(381,600)
Total Governmental Activities	23,995,306	35,526,721	38,594,764	49,592,086
Business-Type Activities				
Taxes				
Property taxes	-	4,316	4,746	7,009
Transient occupancy taxes	16,690	11,293	13,013	16,796
Timber yield taxes	-	-	-	-
Aircraft taxes	40,357	37,052	32,060	40,871
Transportation taxes	-	-	-	2,442,000
Interest and investment earnings	101,956	305,818	391,775	1,167,496
Miscellaneous	176,546	352,469	813,121	1,172,322
Gain (loss) on disposal/sale of capital assets	-	-	-	-
Transfers	194,839	-	51,765	381,600
Total Business-Type Activities	530,388	710,948	1,306,480	5,228,094
Total Primary Government	\$ 24,525,694	\$ 36,237,669	\$ 39,901,244	\$ 54,820,180

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

<u>2007/2008</u>	<u>2008/2009</u>	<u>2009/2010</u>	<u>2010/2011</u>	<u>2011/2012</u>	<u>2012/2013</u>
\$ (48,257,919) (1,785,585)	\$ (44,468,911) 578,098	\$ (41,445,821) (1,714,056)	\$ (39,912,583) 1,057,477	\$ (41,111,398) (61,961)	\$ (39,941,067) (139,507)
<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>	<u>\$ (40,080,574)</u>
\$ 33,565,001	\$ 34,221,104	\$ 34,186,337	\$ 31,655,023	\$ 30,870,233	\$ 31,310,243
5,065,713	4,250,561	4,008,830	4,175,230	4,415,124	4,534,294
673,351	521,261	581,367	558,138	581,333	710,251
285,205	184,889	277,712	257,137	232,734	276,664
52,232	45,658	12,434	10,704	24,977	21,819
82,318	82,535	75,404	71,793	73,894	47,750
1,013,065	1,049,170	1,032,693	1,041,684	1,043,464	2,415,479
62,727	125,683	8,742	77,878	25,362	9,440
41,288	25,162	29,730	29,195	23,426	18,437
4,396,990	3,886,412	3,684,748	3,830,282	2,906,113	2,876,984
1,017,403	1,117,967	932,217	860,744	877,748	1,322,875
-	-	-	-	-	-
2,441,133	1,403,888	449,987	737,446	826,145	335,554
1,032,807	2,125,888	2,233,034	2,816,711	1,529,315	2,149,012
-	1,331,391	1,962,614	2,707,218	-	-
800,986	(38,760)	-	-	-	-
(660,365)	-	(252,205)	(1,670,439)	-	-
<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>	<u>46,028,802</u>
6,723	6,864	6,804	6,960	7,068	6,990
17,920	11,455	17,140	16,306	14,718	17,398
-	1,841	501	432	1,007	880
48,611	53,661	47,008	42,202	38,499	33,806
2,631,864	2,318,377	1,622,511	984,634	1,738,449	1,730,785
1,251,801	480,930	125,785	179,490	206,582	32,412
1,712,677	797,649	515,918	384,583	311,911	301,654
-	19,072	-	-	-	-
660,365	-	252,205	1,670,439	-	-
<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>2,123,925</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>	<u>\$ 48,152,727</u>

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

	Fiscal Year			
	2003/2004	2004/2005	2005/2006	2006/2007
Change in Net Position				
Governmental activities	\$ (4,786,979)	\$ 8,310,834	\$ 6,346,860	\$ 7,346,427
Business-type activities	(2,040,669)	2,117,024	3,671,862	6,895,866
 Total Primary Government	 \$ (6,827,648)	 \$ 10,427,858	 \$ 10,018,722	 \$ 14,242,293

<u>2007/2008</u>	<u>2008/2009</u>	<u>2009/2010</u>	<u>2010/2011</u>	<u>2011/2012</u>	<u>2012/2013</u>
\$ 1,611,935	\$ 5,863,898	\$ 7,777,823	\$ 7,246,161	\$ 2,318,470	\$ 6,087,735
4,544,376	4,267,947	873,816	4,342,523	2,256,273	1,984,418
<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>	<u>\$ 8,072,153</u>

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

	Fiscal Year			
	2003/2004	2004/2005	2005/2006	2006/2007
General Fund				
Reserved	\$ 775,788	\$ 808,498	\$ 1,150,883	\$ 685,415
Unreserved	9,094,403	10,465,538	11,373,937	15,271,699
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Total General Fund	<u>\$ 9,870,191</u>	<u>\$ 11,274,036</u>	<u>\$ 12,524,820</u>	<u>\$ 15,957,114</u>
All Other Governmental Funds				
Reserved	\$ 5,174,723	\$ 5,156,484	\$ 6,175,208	\$ 6,529,825
Unreserved, reported in:				
Special revenue funds	26,321,052	32,838,658	32,927,673	34,113,200
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total All Other Governmental Funds	<u>\$ 31,495,775</u>	<u>\$ 37,995,142</u>	<u>\$ 39,102,881</u>	<u>\$ 40,643,025</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. Years prior to FY 2010-11 have not been restated to conform with the new presentation.

<u>2007/2008</u>	<u>2008/2009</u>	<u>2009/2010</u>	<u>2010/2011</u>	<u>2011/2012</u>	<u>2012/2013</u>
\$ 367,172	\$ 557,619	\$ 294,709	\$ -	\$ -	\$ -
18,363,975	19,085,430	19,240,143	-	-	-
-	-	-	82,288	57,182	177,182
-	-	-	11,308	182,083	969,999
-	-	-	3,967,000	3,967,000	3,967,000
-	-	-	17,471,504	15,205,934	16,934,910
<u>\$ 18,731,147</u>	<u>\$ 19,643,049</u>	<u>\$ 19,534,852</u>	<u>\$ 21,532,100</u>	<u>\$ 19,412,199</u>	<u>\$ 22,049,091</u>
\$ 7,319,385	\$ 9,149,909	\$ 9,849,187	\$ -	\$ -	\$ -
30,954,790	27,123,815	30,693,018	-	-	-
-	-	-	111,923	79,626	70,123
-	-	-	40,359,584	40,154,597	41,337,836
-	-	-	178,545	111,433	56,764
-	-	-	1,677,485	2,720,180	2,476,095
-	-	-	(592,387)	(53,019)	(1,977)
<u>\$ 38,274,175</u>	<u>\$ 36,273,724</u>	<u>\$ 40,542,205</u>	<u>\$ 41,735,150</u>	<u>\$ 43,012,817</u>	<u>\$ 43,938,841</u>

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

	Fiscal Year			
	2003/2004	2004/2005	2005/2006	2006/2007
Revenues				
Taxes and assessments	\$ 22,905,858	\$ 25,088,257	\$ 34,611,724	38,448,420
Licenses and permits	2,774,001	2,874,129	3,022,441	2,679,837
Fines and forfeitures	2,501,164	2,309,855	2,413,690	2,608,195
Use of money and property	737,365	910,938	1,069,389	2,270,340
Intergovernmental	56,088,533	62,113,922	58,565,763	59,710,966
Charges for services	13,662,339	10,863,316	10,660,695	11,413,424
Other revenues	2,315,425	3,113,455	2,932,392	4,535,271
Total Revenues	100,984,685	107,273,872	113,276,094	121,666,453
Expenditures				
Current:				
General government	11,621,634	8,073,099	10,282,276	11,762,482
Public ways and facilities	7,066,320	7,057,898	7,866,131	9,314,841
Public protection	38,980,426	41,882,092	44,681,028	46,847,156
Health and sanitation	16,142,128	15,997,064	18,385,159	17,636,022
Public assistance	21,345,769	21,158,790	22,377,705	23,178,066
Education	2,654,324	2,442,534	2,810,092	2,516,991
Recreation	-	11,126	51,729	237,357
Debt service				
Principal	1,325,751	1,359,618	1,743,241	1,049,571
Interest and other charges	807,979	766,252	826,604	894,794
Issuance costs	-	-	-	-
Capital outlay	2,963,833	655,983	5,915,357	3,514,952
Total Expenditures	102,908,164	99,404,456	114,939,322	116,952,232
Excess of Revenues Over (Under) Expenditures	(1,923,479)	7,869,416	(1,663,228)	4,714,221
Other Financial Sources (Uses)				
Transfers in	23,912,010	25,848,038	28,485,767	26,169,015
Transfers out	(24,322,269)	(25,855,413)	(28,554,016)	(26,240,706)
Issuance of debt	-	26,682	4,090,000	329,908
Insurance recovery	-	-	-	-
Sale of capital assets	-	-	-	-
Premium on certificates of participation	-	-	-	-
Refunded certificates of participation redeemed	-	-	-	-
Total Other Financial Sources (Uses)	(410,259)	19,307	4,021,751	258,217
Net Change in Fund Balances	\$ (2,333,738)	\$ 7,888,723	\$ 2,358,523	\$ 4,972,438
Debt Service as a Percentage of Noncapital Expenditures	2.13%	2.15%	2.36%	1.71%

<u>2007/2008</u>	<u>2008/2009</u>	<u>2009/2010</u>	<u>2010/2011</u>	<u>2011/2012</u>	<u>2012/2013</u>
39,775,603	39,411,193	38,932,966	36,596,536	\$ 36,006,248	\$ 36,696,656
2,820,297	2,470,330	2,289,461	2,504,673	2,352,797	3,645,049
3,082,100	3,178,606	3,662,504	3,555,911	3,566,846	3,087,358
2,299,709	1,328,532	542,009	719,633	696,810	336,949
67,333,232	72,146,019	76,952,882	77,459,741	73,303,842	71,295,266
11,011,305	12,851,550	12,463,056	13,194,382	11,472,871	12,473,351
2,749,331	3,243,855	3,151,720	3,690,062	2,843,546	3,621,047
<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>	<u>131,155,676</u>
12,661,374	11,287,807	9,813,116	7,933,521	8,353,064	10,462,708
9,157,960	11,624,090	9,118,838	9,330,778	9,312,369	7,680,513
51,447,097	53,021,722	53,417,366	51,912,158	52,402,237	49,055,381
20,727,217	23,364,784	24,883,675	27,041,986	26,510,578	27,737,695
25,151,091	27,836,926	29,375,562	29,250,149	25,214,808	26,903,851
2,888,369	2,708,731	2,334,443	2,135,629	2,277,557	2,426,085
245,653	98,885	72,454	130,174	176,920	179,793
1,044,532	1,084,036	1,120,531	1,177,465	464,898	1,435,181
866,739	824,567	779,445	732,286	759,504	548,856
-	-	-	-	242,091	-
4,621,251	5,195,159	4,904,362	4,605,229	3,524,708	4,051,170
<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>	<u>130,481,233</u>
<u>260,294</u>	<u>(2,416,622)</u>	<u>2,174,806</u>	<u>3,471,563</u>	<u>1,004,226</u>	<u>674,443</u>
29,394,303	28,648,057	22,533,042	24,833,551	29,749,507	33,155,337
(30,083,150)	(28,672,801)	(22,539,440)	(26,507,147)	(29,797,114)	(33,196,864)
32,750	-	29,262	1,392,226	8,610,000	2,930,000
-	1,331,391	1,962,614	-	-	-
800,986	21,426	-	-	-	-
-	-	-	-	611,148	-
-	-	-	-	(11,020,000)	-
<u>144,889</u>	<u>1,328,073</u>	<u>1,985,478</u>	<u>(281,370)</u>	<u>(1,846,459)</u>	<u>2,888,473</u>
<u>\$ 405,183</u>	<u>\$ (1,088,549)</u>	<u>\$ 4,160,284</u>	<u>\$ 3,190,193</u>	<u>\$ (842,233)</u>	<u>\$ 3,562,916</u>

1.54%

1.45%

1.45%

1.47%

0.98%

1.57%

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

Fiscal Year	Secured Real Property	Unsecured Personal Property	Total Secured and Unsecured²	Less: Exemptions	Total Taxable Assessed Value¹	Total Direct Tax Rate
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%
2012/2013	14,945,038,224	358,435,747	15,303,473,971	484,419,120	14,819,054,851	1.00%

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

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

²Includes aircrafts

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

Source: Nevada County Auditor-Controller's Office

COUNTY OF NEVADA
Direct and Overlapping Property Tax Rates¹
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Basic Countywide Rate²</u>	<u>Schools</u>	<u>Special Districts</u>	<u>Total Rate</u>
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	0.08420	0.02360	1.10780
2012/2013	1.00000	0.08970	0.03070	1.12040

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

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

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

COUNTY OF NEVADA
Principal Property Tax Payers
Current Year and Nine Years Ago

Fiscal Year 2012/2013			Fiscal Year 2003/2004		
Taxpayer	Amount	Percentage of Total	Taxpayer	Amount	Percentage of Total
Secured Taxes			Secured Taxes		
Gray's Station, LLC	\$ 733,876	0.41%	Truckee Land, LLC	\$ 380,049	0.34%
Old Greenwood, LLC	668,551	0.37%	Western/Kienow, LP et al	281,514	0.25%
Tahoe Club Company LLC	314,682	0.18%	Tektronix, Inc.	149,230	0.13%
PK Pinecreek, LP et al	308,609	0.17%	GVSC, LLC	134,730	0.12%
Village at Gray's Crossing LP	252,498	0.14%	Coyote Moon, LLC	117,988	0.11%
Gateway at Donner Pass, LP	219,078	0.12%	Sierra Pacific Industries	116,878	0.10%
Joerger Associates LLC et al	216,989	0.12%	Best/Glenbrook Plaza Partners	111,165	0.10%
Truckee Donner Public Utility Dist	213,718	0.12%	Grass Valley LLC	95,741	0.09%
Hidden Lake Properties, Inc.	210,322	0.12%	Safeway, Inc.	89,988	0.08%
KENMAWR-Nevada City LLC	179,345	0.10%	Albertson's, Inc.	77,752	0.07%
Total	\$3,317,668	1.85%	Total	\$1,555,035	1.39%
Total Secured Taxes Levied		\$179,818,079	Total Secured Taxes Levied		\$111,856,346
Unsecured Taxes			Unsecured Taxes		
Cequel III Communications, LLC	\$ 132,527	3.57%	Truckee Meadows Water Auth.	\$ 120,339	4.40%
Comcast of California IX Inc.	120,369	3.24%	USA Media Group, LLC.	102,502	3.75%
Boreal Ridge Corp.	97,872	2.63%	Boreal Ridge, Corp.	85,288	3.12%
Truckee Meadows Water Authority	69,456	1.87%	Thomas Broadcasting & Media Solutions	67,876	2.48%
Safeway, Inc.	63,781	1.72%	Teichert A & Son	53,941	1.97%
Tahoe Donner Prop Owners Assoc	61,940	1.67%	TCI Cablevision of California, Inc.	49,783	1.82%
Raley's Supermarket Inc.	52,061	1.40%	Tahoe Donner Prop Owners Assoc	43,193	1.58%
Grass Valley, Inc.	51,837	1.39%	Manuel Brothers, Inc.	43,023	1.57%
AJA Video Systems Inc.	46,780	1.26%	Raley's Supermarket, Inc.	42,277	1.54%
Teichert A & Son	45,231	1.22%	Donner Ski Ranch, Inc.	33,913	1.24%
Total	\$ 741,854	19.96%	Total	\$ 642,135	23.47%
Total Unsecured Taxes Levied		\$ 3,717,244	Total Unsecured Taxes Levied		\$ 2,736,467
Public Utility Taxes			Public Utility Taxes		
Pacific Gas & Electric	\$1,761,704	62.64%	Pacific Gas & Electric	\$1,335,076	55.03%
Pacific Bell Telephone Co	350,639	12.47%	SBC California	419,074	17.27%
Southwest Gas	209,539	7.45%	Southwest Gas, Corp.	197,132	8.13%
California Pacific Electric	108,661	3.86%	Sierra Pacific Power Co.	178,487	7.36%
Union Pacific Railroad	88,391	3.14%	Union Pacific Railroad Company	67,272	2.77%
Sierra Pacific Power Co	69,840	2.48%	Wiltel Communications, Inc	41,964	1.73%
Cellco Partnership	60,220	2.14%	Verizon California, Inc.	41,346	1.70%
AT & T Mobility LLC	54,055	1.92%	AT & T Wireless	24,807	1.02%
T-Mobile West Corp	23,098	0.82%	MCIWorldcom Network Services	24,775	1.02%
SFPP LP	21,566	0.77%	UBIQUITEL, Inc.	24,134	0.99%
Total	\$2,747,713	97.70%	Total	\$2,354,067	97.04%
Total Public Utility Taxes Levied		\$ 2,812,271	Total Public Utility Taxes Levied		\$ 2,425,918

Source: Nevada County Treasurer-Tax Collector

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

Fiscal Year	Taxes Levied for the Fiscal Year			Collections within the Fiscal Year of the Levy		Tax Levies Moved to the Delinquent Roll²	Percent Delinquent
	Secured Tax	Unsecured Tax	Total Tax¹	Amount¹	Percent of Levy		
2003/2004	111,853,346	2,736,467	114,589,813	112,631,407	98.29%	1,958,406	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%	6,810,015	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%	5,609,672	3.04%
2012/2013	179,818,079	3,717,244	183,535,323	178,974,145	97.51%	4,561,178	2.49%

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

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

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

COUNTY OF NEVADA
Ratios of Net Obligation Bonded Debt to Assessed Value
and Net General Obligation Bonded Debt Per Capita
Last Ten Fiscal Years

Fiscal Year	Governmental Activities					Business-Type Activities	
	Capital Leases	Certificates of Participation	Special Assessment Bonds	Loans	Total ⁵	Certificates of Participation	Special Assessment Debt and Bonds Payable
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	9,048,243	276,000	4,425,114	13,764,232	-	19,000
2012/2013	7,342	7,920,338	263,000	7,102,548	15,293,228	-	17,000

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

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

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

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

n/a - information is not available

Source: County of Nevada Audited Financial Statements

Loans	Total³	Total Primary Government	Less: Amounts Restricted to Repaying Principal⁴	Total	Percentage of Personal Income¹	Percentage of Actual Value of Taxable Property²	Net Bonded Debt per Capita¹
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
23,373,698	32,772,698	51,759,940	(3,117,296)	48,642,644	0.09%	0.38%	491.21
31,623,342	40,470,342	58,440,974	(3,111,909)	55,329,065	n/a	0.39%	559.11
30,460,967	38,730,967	55,612,283	(3,160,548)	52,451,735	n/a	0.33%	531.31
29,597,852	37,260,852	53,045,123	(3,175,985)	49,869,138	0.09%	0.30%	504.93
28,143,111	35,259,111	51,252,920	(3,225,435)	48,027,485	0.09%	0.31%	484.58
26,697,926	26,716,926	40,481,158	(874,960)	39,606,198	n/a	0.26%	407.55
25,167,988	25,184,988	40,478,216	(897,387)	39,580,829	n/a	0.27%	407.97

COUNTY OF NEVADA
Legal Debt Margin Information
Last Ten Fiscal Years

	Fiscal Year			
	2003/2004	2004/2005	2005/2006	2006/2007
Total assessed value of all real and personal property ¹	\$ 9,516,732,169	\$10,380,648,704	\$ 11,274,049,259	\$ 12,701,008,771
Debt limit percentage ²	1.25%	1.25%	1.25%	1.25%
Total debt limit	118,959,152	129,758,109	140,925,616	158,762,610
Amount applicable to debt limit				
General Bonded Debt ³	30,276,416	28,484,757	30,725,075	51,759,940
Less: Resources Restricted to Repaying Principal	(3,107,181)	(3,107,956)	(3,108,472)	(3,117,296)
Total Net Debt Applicable to Limit	27,169,235	25,376,801	27,616,603	48,642,644
Legal debt margin ⁴	<u>\$ 91,789,917</u>	<u>\$ 104,381,308</u>	<u>\$ 113,309,013</u>	<u>\$ 110,119,966</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	22.84%	19.56%	19.60%	30.64%

¹ Assessed value is equal to full cash value.

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

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

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

Source: County of Nevada Audited Financial Statements

<u>2007/2008</u>	<u>2008/2009</u>	<u>2009/2010</u>	<u>2010/2011</u>	<u>2011/2012</u>	<u>2012/2013</u>
\$ 14,349,450,859	15,717,993,467	16,654,471,228	15,435,148,119	15,006,833,884	14,819,054,851
1.25%	1.25%	1.25%	1.25%	1.25%	1.25%
179,368,136	196,474,918	208,180,890	192,939,351	187,585,424	185,238,186
58,440,974 (3,111,909)	55,612,283 (3,160,548)	53,045,123 (3,175,985)	51,252,920 (3,225,435)	40,481,158 (874,960)	40,478,216 (897,387)
55,329,065	52,451,735	49,869,138	48,027,485	39,606,198	39,580,829
<u>\$ 124,039,071</u>	<u>\$ 144,023,183</u>	<u>\$ 158,311,752</u>	<u>\$ 144,911,866</u>	<u>\$ 147,979,226</u>	<u>\$ 145,657,357</u>
30.85%	26.70%	23.95%	24.89%	21.11%	21.37%

COUNTY OF NEVADA
Demographic and Economic Indicators
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Population</u>	<u>Per Capita Personal Income</u>	<u>Personal Income</u>	<u>Civilian Labor Force</u>	<u>Unemployment Rate</u>
2003/2004	97,647	33,957	3,309,043,000	48,830	5.2%
2004/2005	98,698	37,298	3,601,980,000	49,730	5.4%
2005/2006	99,392	40,736	3,939,777,000	50,560	4.3%
2006/2007	99,026	42,671	4,132,773,000	51,200	4.7%
2007/2008	98,959	45,618	n/a	51,570	6.7%
2008/2009	98,721	44,092	n/a	50,630	11.5%
2009/2010	98,764	43,119	4,258,678,000	51,410	11.5%
2010/2011	99,111	44,313	4,369,841,000	50,170	11.4%
2011/2012	97,182	n/a	n/a	51,130	9.7%
2012/2013	97,019	n/a	n/a	50,220	7.5%

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

County of Nevada Annual Budget Book

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

Fiscal Year 2012/2013			Fiscal Year 2003/2004		
Industry Title	Percentage	Number of Employees	Industry Title	Percentage	Number of Employees
Government	21.30%	6,080	Government	18.61%	5,450
Education and Health Services	14.72%	4,200	Education and Health Services	13.25%	3,880
Retail Trade	13.17%	3,760	Retail Trade	13.90%	4,070
Leisure and Hospitality	14.37%	4,100	Leisure and Hospitality	13.93%	4,080
Natural Resources, Mining & Construction	8.62%	2,460	Natural Resources, Mining & Construction	11.48%	3,360
Professional and Business Services	7.50%	2,140	Professional and Business Services	8.03%	2,350
Manufacturing	6.13%	1,750	Manufacturing	6.69%	1,960
Financial Activities	4.91%	1,400	Financial Activities	5.67%	1,660
Other Services	4.66%	1,330	Other Services	3.76%	1,100
Transportation, Warehousing & Utilities	1.68%	480	Transportation, Warehousing & Utilities	1.78%	520
Wholesale Trade	1.61%	460	Wholesale Trade	1.40%	410
Information	0.98%	280	Information	1.20%	350
Farming	0.35%	100	Farming	0.31%	90
Total, All Industries	100.00%	28,540	Total, All Industries	100.00%	29,280

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>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Public Protection	420.80	418.75	421.00	416.50
Health and Sanitation	123.95	105.10	108.65	102.65
Public Assistance	132.50	125.00	125.50	127.50
Education	34.20	29.45	29.85	30.10
Public Ways and Facilities	128.60	129.10	116.60	121.10
General Government	166.30	161.80	171.10	172.80
Total Full-Time Equivalent Employees	<u>1,006.35</u>	<u>969.20</u>	<u>972.70</u>	<u>970.65</u>

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

<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
430.25	414.15	396.15	368.80	352.85	347.30
101.15	105.35	95.95	85.05	84.00	106.50
129.00	129.50	126.70	125.70	112.50	112.50
29.60	29.60	26.35	20.63	19.28	19.53
123.10	122.10	121.40	100.00	84.00	62.00
<u>173.30</u>	<u>175.30</u>	<u>146.25</u>	<u>136.08</u>	<u>123.88</u>	<u>124.88</u>
<u>986.40</u>	<u>976.00</u>	<u>912.80</u>	<u>836.26</u>	<u>776.51</u>	<u>772.71</u>

COUNTY OF NEVADA
Operating Indicators by Function
Last Ten Fiscal Years

<u>Function/Program</u>	<u>Fiscal Year</u>			
	<u>2003/2004</u>	<u>2004/2005</u>	<u>2005/2006</u>	<u>2006/2007</u>
Public Protection				
Jail Bookings	5,430	5,519	5,620	5,775
Average Daily Population	177	184	179	167
Health and Sanitation				
Economic services/support				
Program - Unduplicated Cases Mental Health (Adults in Nevada County)	475	383	253	249
Public Ways and Facilities				
Centerline Mile of Road Maintained				
County	561	561	562	562
State	129	129	129	133
Airport				
Based Aircraft	n/a	n/a	150	150
Takeoffs and Landings	n/a	n/a	20,000	20,000

n/a - information is not available

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

<u>2007/2008</u>	<u>2008/2009</u>	<u>2009/2010</u>	<u>2010/2011</u>	<u>2011/2012</u>	<u>2012/2013</u>
5,391 167	5,048 199	4,802 194	4,673 186	4,945 195	4,464 215
465	713	556	670	631	605
562 133	562 133	562 133	563 133	562 133	565 129
150 20,000	150 20,000	150 20,000	135 15,000	121 10,000	136 27,740

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

<u>Function/Program</u>	<u>Fiscal Year</u>			
	<u>2003/2004</u>	<u>2004/2005</u>	<u>2005/2006</u>	<u>2006/2007</u>
Public Protection				
Correction facility capacities	223	250	250	250
Public Ways and Facilities				
Traffic Signals	2	2	2	2
Bridges	71	71	71	71
Active vehicles in vehicle replacement plan	149	149	149	143
Airports				
Number of runways	1	1	1	1

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

<u>2007/2008</u>	<u>2008/2009</u>	<u>2009/2010</u>	<u>2010/2011</u>	<u>2011/2012</u>	<u>2012/2013</u>
250	280	274	274	274	283
2	2	2	2	2	2
71	71	71	71	71	80
143	148	140	135	134	146
1	1	1	1	1	1

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