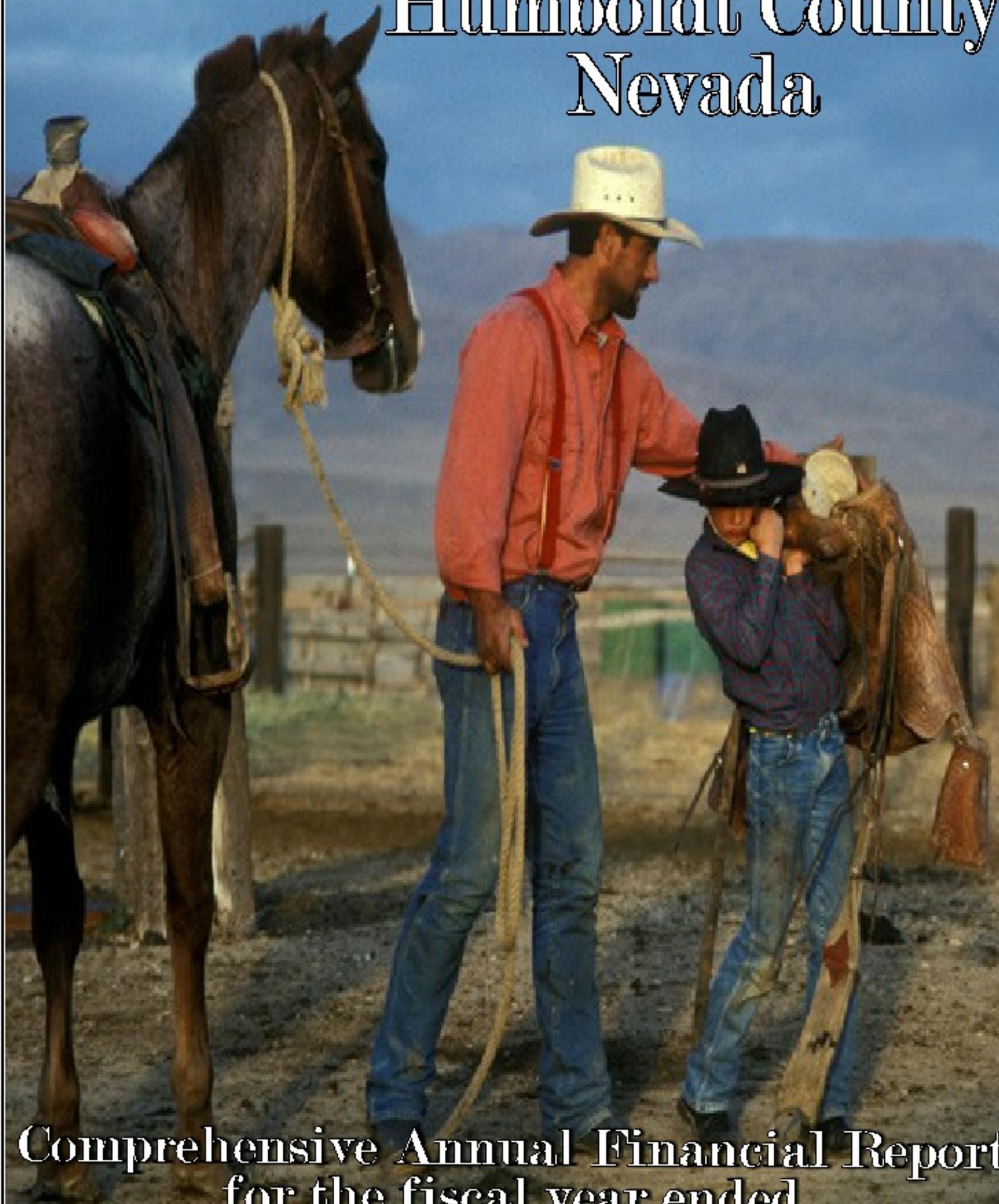


Humboldt County Nevada



Comprehensive Annual Financial Report
for the fiscal year ended
June 30, 2006

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT
HUMBOLDT COUNTY, NEVADA**

For the Fiscal Year Ended June 30, 2006

PREPARED BY THE HUMBOLDT COUNTY
COMPTROLLER'S OFFICE
BRUCE BROOKS, COMPTROLLER

Cover Photo
Provided by Linda Dufurrena
"Passing it On"

Farming and ranching provides a cornerstone to the economies of rural Nevada counties and improves the quality of life in the urban areas. Methods of working cattle and dealing with the land are a learned practice by watching and listening to the older hands. This picture depicts the teaching of that skill and a relationship that is based upon a traditional code of trust, respect and honor of doing a good day's work.

HUMBOLDT COUNTY
Comprehensive Annual Financial Report
For the Year Ended June 30, 2006

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HUMBOLDT COUNTY COMPTROLLER

BRUCE BROOKS
COMPTROLLER

50 W. FIFTH STREET, ROOM 203
WINNEMUCCA, NEVADA 89445
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E-MAIL comptroller@hcnv.us

November 3, 2006

Residents of Humboldt County
The Honorable Board of County Commissioners
Humboldt County, Nevada

We are pleased to submit the Comprehensive Annual Financial Report of Humboldt County, Nevada for the fiscal year ended June 30, 2006.

Nevada Revised Statutes (NRS) 354.624 requires the County to issue an annual report on its financial position and activities and that this report be audited by an independent firm of certified public accountants.

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. Because 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.

Kafoury, Armstrong & Co., Certified Public Accountants, have issued their unqualified ("clean") opinion on Humboldt County's financial statements for the year ended June 30, 2006. The independent auditor's report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A compliment this letter of transmittal and should be read in conjunction with it.

PROFILE OF THE GOVERNMENT

Humboldt County was created in 1861 and is located in the rugged, high desert region of north-central Nevada, bordered on the north by Oregon and by neighboring Nevada counties to the west, south and east. The County's 9,626 square miles offer some of the most varied, spectacular scenery in the State and a wide array of recreational opportunities.

Humboldt County is located in the rich gold mining center of the Western U.S. and is the leading agricultural county in the State of Nevada with over 100,000 acres under cultivation. Nevada is the third largest gold producer in the world. Tourism is also a large part of the County's economic base due to the large number of visitors the gaming industry brings into the area and the draw of the beautiful wide-open spaces, historical sites and great hunting and fishing.

The County provides an array of mandated services including property appraisal and assessment; tax collection; judicial services; public safety; and indigent services. Other services include library; juvenile and adult detention; road construction and maintenance; landfill; and television services. All services are supported by administrative services including management, finance, risk management and human resources.

This report includes all funds of the County that are under the control or supervision of the Board of County Commissioners. Humboldt County does not have any discretely presented component units nor blended component units.

The annual budget serves as the financial plan for county operations. After departmental input, County Commission and State review and public hearings, the budget is adopted by June 1. The budget is integrated into the financial system for monitoring and control. The legal level of budgetary control is at the function level for governmental funds and at the operating and non-operating expense level for proprietary funds. The Comptroller, with Board approval, may approve budget adjustments within functions or funds. Adjustments that affect fund balance, or increase the original budget require Board approval. Additional information regarding the budget process and adjustments made can be found in Note 1 to the financial statements.

ECONOMIC CONDITION AND OUTLOOK

The County's economy is derived in large part from its main industries: mining, agriculture and agricultural services, tourism and construction. Humboldt County's population increased over fiscal year 2005 by 3.6% (17,293 vs. 16,692). Assessed value decreased 6.6% over the previous fiscal year (2005) and this decrease was primarily the result in a reduction in the value of net proceeds of mines. The County's average unemployment rate (unadjusted) for June 2006 was 4.3%, while the national unemployment rate for the same period was 4.6%. Humboldt County's labor force increased 3.6% over the previous year and employment increased 3.1%. These increases can be attributed to the increases in mining activity, primarily gold production.

Home sales and new construction were very brisk during the 2006 fiscal year. County building permit activity, including both commercial and residential permits, increased approximately 30% over the previous fiscal year.

Humboldt County enjoyed the largest increase in taxable sales during fiscal 2006 since the late 1990's.

For fiscal 2006, Humboldt County experienced significant growth in its taxable sales of goods and services, resulting in higher than anticipated sales taxes. Major increases were realized in utilities (8%), machinery manufacturing (41%), merchant wholesalers-durable goods (37%), and motor vehicle and parts dealers (3%). These four segments comprised 50.1% of the total taxable sales for Humboldt County.

Taxable sales for Humboldt County for the last five years were:

Taxable Sales				
Fiscal Year Ended June 30	Total	Percent Change	State Total	Percent Change
<u>2006</u>	\$483,365,773	25.1%	\$48,402,487,258	10.1%
<u>2005</u>	\$386,363,972	15.9%	\$43,960,513,744	14.2%
<u>2004</u>	\$333,495,041	8.1%	\$38,239,526,538	12.8%
<u>2003</u>	\$306,694,898	-2.6%	\$33,774,897,294	5.6%
<u>2002</u>	\$312,272,975	1.2%	\$31,715,361,399	0.2%

Sales taxes, along with cigarette taxes, liquor taxes, real property transfer taxes, and government services taxes, comprise the largest single source of revenues for Humboldt County. These taxes, redistributed monthly back to the County from the State in a single lump sum, are called "Consolidated taxes".

County consolidated tax revenues for the last five years were:

<u>Consolidated Taxes</u>	
<u>Fiscal year</u>	<u>Actual Amounts</u>
2005-2006	\$7,713,455
2004-2005	\$6,366,894
2003-2004	\$5,393,737
2002-2003	\$4,983,127
2001-2002	\$5,050,932

Property taxes are the County's second largest source of revenues.

Property tax revenues for the last five years were:

Property Taxes

Fiscal year Ended <u>June 30</u>	<u>Actual Amounts</u>
2006	\$3,972,205
2005	\$4,126,192
2004	\$4,176,705
2003	\$3,625,614
2002	\$3,873,994

The decrease in property tax revenues from the prior fiscal year is the result of two factors. Assessed value decreased as previously mentioned and the Nevada State Legislature, during its last session (February 2005-June 2005) passed Assembly Bill 489 which placed a "Tax Cap" on the amount of property tax revenues that can be generated by Nevada local governments. This legislation limits increases in ad valorem billings (not valuations) to 3% for primary residences and certain qualified rental property, or more than an amount determined pursuant to a two-part formula. The first part of the formula requires a determination of the lesser of: (1) the average percentage change in the assessed valuation of all taxable property in the County over the 10-year period immediately preceding the fiscal year in which the levy is made; or (2) 8%. The second part of the formula requires determination of the percentage equal twice the increase in the Consumer Price Index for the immediately preceding calendar year. After making both determinations, whatever part of the formula yields the greatest percentage is used to establish the maximum percentage increase (over the prior year) in tax liability for each existing property. This abatement formula also must be applied to existing owner-occupied residential properties and low-income rental properties if it yields a greater reduction in property taxes than the 3% described above.

The following table provides the assessed valuation in the County and its only incorporated city.

ASSESSED VALUATIONS

Fiscal Year Ended June 30	Actual 2006	Actual 2005	Actual 2004	Actual 2003	Actual 2002
Unincorporated County	\$372,603,229	\$408,980,024	\$360,383,399	\$413,130,235	\$477,658,524
City of Winnemucca	\$117,347,730	\$115,697,650	\$113,198,692	\$118,376,882	\$116,580,547
Total	\$489,950,959	\$524,677,674	\$473,582,391	\$531,507,117	\$594,239,071
Percent Increase/Decrease	-6.6%	10.8%	-10.9%	-10.6%	-2.4%

One of the main economic engines of Humboldt County is the mining industry, especially gold production. For fiscal year 2006, London gold prices ranged from an average of \$432.60 to \$613.50 per ounce. This increase in gold prices translated into the mines hiring additional employees and increasing their efforts in finding new gold deposits. These new employees purchased homes, groceries, cars, etc., which contributed to the increased taxable sales within the county.

The agricultural industry has remained fairly stable and the number of tourists visiting Humboldt County has increased. Some of the increased tourism activity can be attributed to the Indoor Events Center built by the County in 2000 and the efforts to bring more events into the County.

Operating revenues exceeded operating expenditures for the second year in a row, which is an indication that Humboldt County's economy is strong.

LONG-TERM FINANCIAL PLANNING

Unreserved, undesignated fund balance in the general fund (98 percent of general fund expenditures) exceeds the minimum policy guideline set by the County Commission (i.e. minimum of 60 percent of general fund expenditures).

The County anticipates paying off the Bonds issued in 2000 for the Indoor Events Center early. Currently, there is approximately 2.5 years of principal set aside in a reserve for this prepayment. The County's goal is pay these Bonds off at least two years prior to their maturity.

Another goal of the County is to build back up several fund balances (Building Reserve Fund, Capital Projects Fund and others) that have been eroded over the last several

years. These balances will be utilized in the future to forego the added expense of issuing debt to complete future projects.

Transfers to the Building Reserve Fund (\$2,200,000), Capital Projects Fund (\$ 500,000) and Compensated Absence Fund (\$300,000) are included in the County's 2006-2007 budget.

The County's Stabilization Fund (created by the Nevada Legislature to stabilize the operations of government and to mitigate the effects of natural disasters) has accumulated the maximum balance allowed by law.

By the end of fiscal 2007, the County's compensated absence liability is anticipated to be 100% funded.

RELEVANT FINANCIAL POLICIES

The County Commission has adopted several policies that provide a framework for financial stability for the residents of Humboldt County. These include:

1. Setting a General Fund Balance minimum of 60% of General Fund Expenditures. Since Nevada's tax structure is primarily based upon sales tax, which is extremely volatile, a larger fund balance is warranted to provide resources when the economy turns downward. In addition, with an economy reliant upon the mining industry, it is also prudent to build up fund balance.
2. An attrition policy that provides vacated positions may not be filled until 120 days (90 days for public safety positions) have passed and that there is ample justification to refill. This policy was adopted a number of years ago and remains in effect.
3. Provide sufficient resources over a 5-year period to fully fund the County's outstanding liability for compensated absences.

MAJOR INITIATIVES

Implementation of AB 489 (the Tax Cap legislation) was a priority for the County in order to meet the requirements of the new law. This implementation utilized a significant amount of County resources.

Contract negotiations for fiscal 2006 and going to arbitration (for fiscal years 2003-2005) with the County's Law Enforcement Association also consumed a significant amount of time. A 3-year agreement (2006-2008) was reached. The arbitrator ruled in favor of the association and all issues regarding the 2003-2005 contract have been resolved and paid. For the first time since June 2003, there are no outstanding contract issues between Humboldt County and its employees.

The County also completed the implementation of GASB 34 (infrastructure reporting) as required.

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Humboldt County for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2005. This is the third consecutive year that the County received this prestigious award. In order to be awarded a Certificate of Achievement, the County must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report on a timely basis could not be accomplished without the efficient and dedicated services of the staff of the Comptroller's Office, specifically, Gina Rackley and Janel Chavez as well as the assistance and support provided by the County's auditors, Kafoury, Armstrong & Co., Certified Public Accountants. Special credit must also be given to the Humboldt County Commissioners and County Administrator, Bill Deist, for their unfailing support for maintaining the highest standards of professionalism in the management of Humboldt County's finances.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Bruce Brooks".

Bruce Brooks
Comptroller

HUMBOLDT COUNTY
LISTING OF COUNTY OFFICIALS
AS OF JUNE 30, 2006

ELECTED OFFICIALS

		<u>Term Expires</u>
COUNTY COMMISSIONER,	DAN CASSINELLI	1/07
COUNTY COMMISSIONER	CHUCK GIORDANO	1/07
COUNTY COMMISSIONER	GARLEY AMOS	1/09
COUNTY COMMISSIONER, VICE-CHAIR	TOM FRANSWAY	1/09
COUNTY COMMISSIONER, CHAIRMAN	JOHN MILTON III	1/09
ASSESSOR	JEFF JOHNSON	1/07
COUNTY CLERK	TAMI SPERO	1/07
DISTRICT ATTORNEY	DAVE ALLISON	1/07
RECORDER	MARY ANN HAMMOND	1/07
SHERIFF	GENE HILL	1/07
TREASURER	BELLE BUNDY	1/07
JUSTICE COURT	GENE WAMBOLT	1/07
DISTRICT COURT DEPT. 1	RICHARD WAGNER	1/09
DISTRICT COURT DEPT. 2	JOHN IROZ	1/09

APPOINTED OFFICIALS

COUNTY ADMINISTRATOR	BILL DEIST
COMPTROLLER	BRUCE BROOKS
BUILDING OFFICIAL	TERESA SCHROEDER
BUILDINGS & GROUNDS DIRECTOR	DOUG CAIN
COMMUNICATIONS DIRECTOR	PAUL BURKHOLDER
ROAD SUPERINTENDENT	JOHN RUSSUM
LIBRARY DIRECTOR	SHARON ALLEN
WINNEMUCCA CONVENTION & VISITOR'S AUTHORITY DIRECTOR	KIM PETERSEN

HUMBOLDT COUNTY
LISTING OF COUNTY OFFICIALS
AS OF JUNE 30, 2006

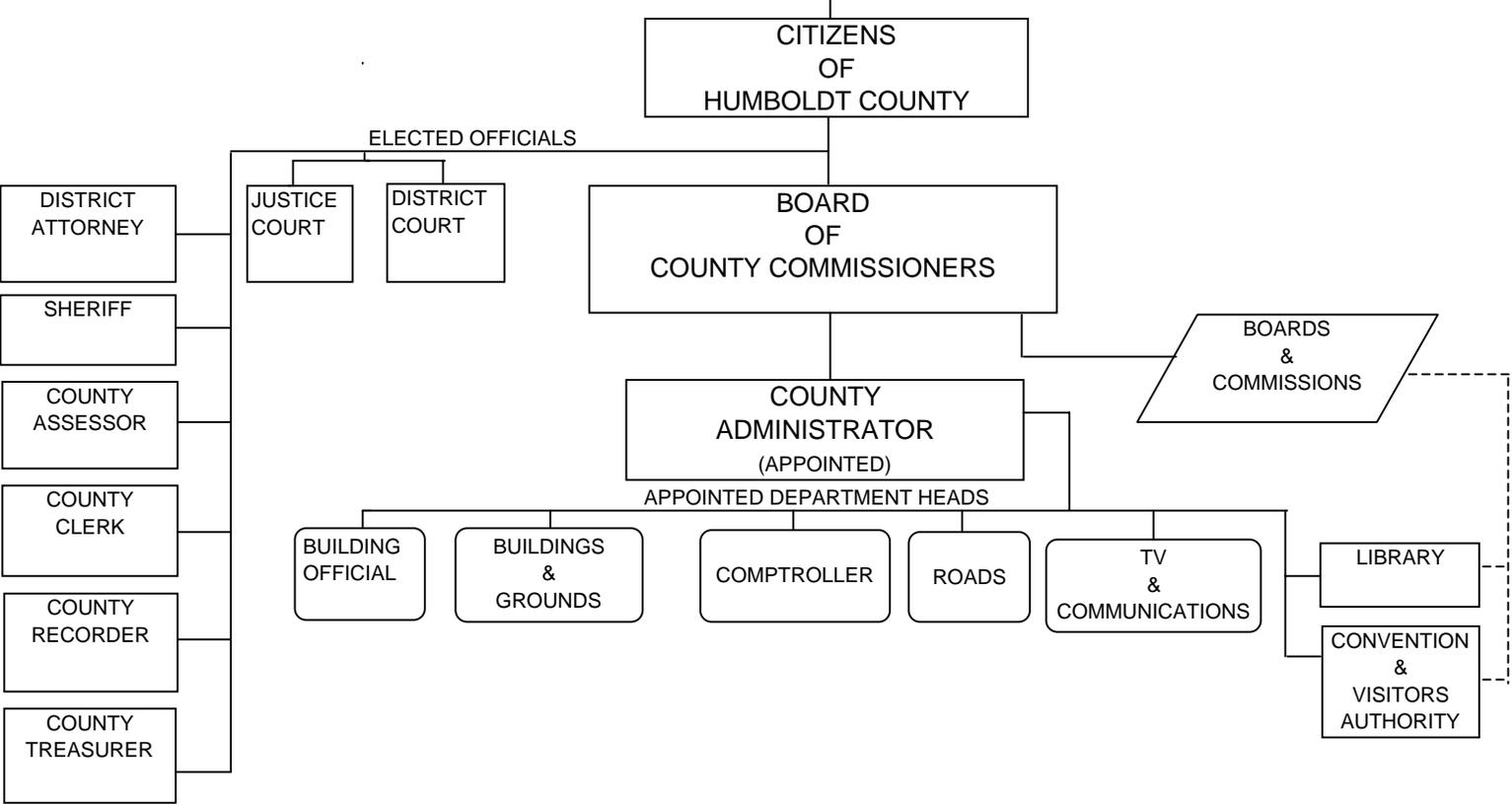
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DISTRICT ATTORNEY	DAVE ALLISON	1/07
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LIBRARY DIRECTOR	SHARON ALLEN
WINNEMUCCA CONVENTION & VISITOR'S AUTHORITY DIRECTOR	KIM PETERSEN

HUMBOLDT COUNTY ORGANIZATIONAL CHART



Certificate of Achievement for Excellence in Financial Reporting

Presented to

Humboldt County,
Nevada

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2005

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



Carla E. Perry

President

Jeffrey R. Emery

Executive Director

KAFOURY, ARMSTRONG & CO.
A PROFESSIONAL CORPORATION
CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditor's Report

To the Honorable Board of Commissioners of
Humboldt County, Nevada

We have audited the accompanying financial statements of the governmental activities and the business-type activities, each major fund, and the aggregate remaining fund information of Humboldt County, Nevada as of and for the year ended June 30, 2006, which collectively comprise the County's basic financial statements as listed in the Table of Contents. We also have audited the financial statements of each of the County's nonmajor governmental and fiduciary funds presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2006 as listed in the Table of Contents. These financial statements are the responsibility of the management of Humboldt County. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business type activities, each major fund, and the aggregate remaining fund information of the County, as of June 30, 2006, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund, Road Fund, Regional Transportation Fund, 6th Judicial District Fund, Indigent Medical Fund and Winnemucca Events Complex Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental and fiduciary fund of the County, as of June 30, 2006, and the respective changes in financial position, where applicable, thereof and the respective budgetary comparisons of each nonmajor governmental fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated November 3, 2006 on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying Introductory Section, the Schedule of Expenditures of Federal Awards (as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*) and Statistical Section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole. The Introductory Section and Statistical Section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Kafony, Armstrong + Co.

Winnemucca, Nevada
November 3, 2006

**HUMBOLDT COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006**

As management of Humboldt County, we offer readers of Humboldt County's financial statements this narrative overview and analysis of the financial activities of Humboldt County for the fiscal year ended June 30, 2006. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i-vii of this report. All amounts, unless otherwise indicated, are expressed in whole dollars.

Financial Highlights

- ◆ The assets of Humboldt County exceeded its liabilities at the close of the most recent fiscal year by \$86,143,214 (*net assets*). Of this amount, \$21,664,646 (*unrestricted net assets*) may be used to meet the government's ongoing obligations to citizens and creditors.
- ◆ The auditor's report offers an unqualified opinion on the financial statements, the highest opinion that can be obtained.
- ◆ The government's total net assets increased by \$52,728,850. This increase is the result of implementing the infrastructure portion of GASB 34 during the year, which added net assets of \$52,897,549 along with a current year reduction of net assets of (\$168,699).
- ◆ As of the close of the current fiscal year, Humboldt County's governmental funds reported the combined ending fund balances of \$21,415,915, an increase of \$1,638,227 in comparison with the prior year. Approximately 94 percent of this total amount, \$20,079,994 is *available for spending* at the government's discretion (*unreserved, undesignated fund balance*).
- ◆ At the end of the current fiscal year, unreserved, undesignated fund balance for the general fund was \$10,914,794, or 96 percent of total general fund expenditures. This is a \$844,115 increase over the prior year.
- ◆ Humboldt County's total debt decreased by \$357,172 (13.2 percent) during the current fiscal year. Humboldt County did not add any new debt, however, there was an increase in compensated absences. Principal payments of \$394,405 contributed to the overall decrease in debt.

Overview of the Financial Statements

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

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

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

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

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

**HUMBOLDT COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006**

health, welfare, culture and recreation, community support, and intergovernmental. The business-type activities of Humboldt County include television services and solid waste management operations.

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

The government-wide financial statements can be found on pages 14-16.

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

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

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

Humboldt County maintains 20 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, road fund, regional transportation fund, 6th judicial district fund, indigent medical fund, winnemucca events complex fund, and the building reserve fund, all which are considered to be major funds. Data from the other thirteen governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

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

The basic governmental fund financial statements can be found on pages 17-33 of this report.

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

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

The basic proprietary fund financial statements can be found on pages 34-37 of this report.

**HUMBOLDT COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006**

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

The basic fiduciary fund statements can be found on pages 38-39 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 40-60 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *supplementary information*, including individual fund statements and schedules providing budget to actual comparisons, are presented after the other government-wide financial statements. These schedules test compliance with budgetary constraints and management directives to enhance accountability at the fund and function level. This information may be found on pages 61-103 of this report.

Statistical information is provided on a ten-year basis, as available, for trend and historical analysis and can be found on pages 104-129 of this report.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of Humboldt County, assets exceeded liabilities by \$86,143,214 at the close of the most recent fiscal year.

A large portion of Humboldt County's net assets (75 percent) reflects its investment in capital assets (e.g., land, buildings, infrastructure, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. Humboldt County uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although Humboldt County's investment in its assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

HUMBOLDT COUNTY'S NET ASSETS*

	Governmental Activities		Business-type Activities		Total	
	2006	2005	2006	2005	2006	2005
Current and other assets	\$23,165,389	\$20,942,675	\$1,516,014	\$1,518,103	\$24,681,403	\$22,460,778
Capital assets	65,200,821	14,500,880	285,471	316,676	65,486,292	14,817,556
Total assets	<u>88,366,210</u>	<u>35,443,555</u>	<u>1,801,485</u>	<u>1,834,779</u>	<u>90,167,695</u>	<u>37,278,334</u>
Long-term liabilities outstanding	2,275,110	2,679,573	10,164	12,874	2,285,274	2,642,447
Other liabilities	1,723,139	1,129,883	16,068	91,641	1,739,207	1,221,524
Total liabilities	<u>3,998,249</u>	<u>3,759,456</u>	<u>26,232</u>	<u>104,515</u>	<u>4,024,481</u>	<u>3,863,971</u>
Net Assets:						
Invested in capital assets, net of related debt	64,193,097	13,318,841	285,471	316,676	64,478,568	13,635,517
Unrestricted	20,174,864	18,365,259	1,489,782	1,413,588	21,664,646	19,778,847
Total Net Assets	<u>\$84,367,961</u>	<u>\$31,684,100</u>	<u>\$1,775,253</u>	<u>\$1,730,264</u>	<u>\$86,143,214</u>	<u>\$33,414,364</u>

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

**HUMBOLDT COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006**

The remaining balance of *unrestricted net assets* (\$21,664,646) may be used to meet the government's ongoing obligations to citizens and creditors.

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

The government's net assets increased by \$52,728,850 during the current fiscal year. This increase is the net result of implementing the infrastructure portion of GASB 34 and the current year operations.

Governmental activities. Governmental activities increased Humboldt County's net assets by \$52,683,861 thereby accounting for 99.9 percent of the total growth in the net assets of Humboldt County. Key elements of this increase are as follows:

HUMBOLDT COUNTY'S CHANGES IN NET ASSETS

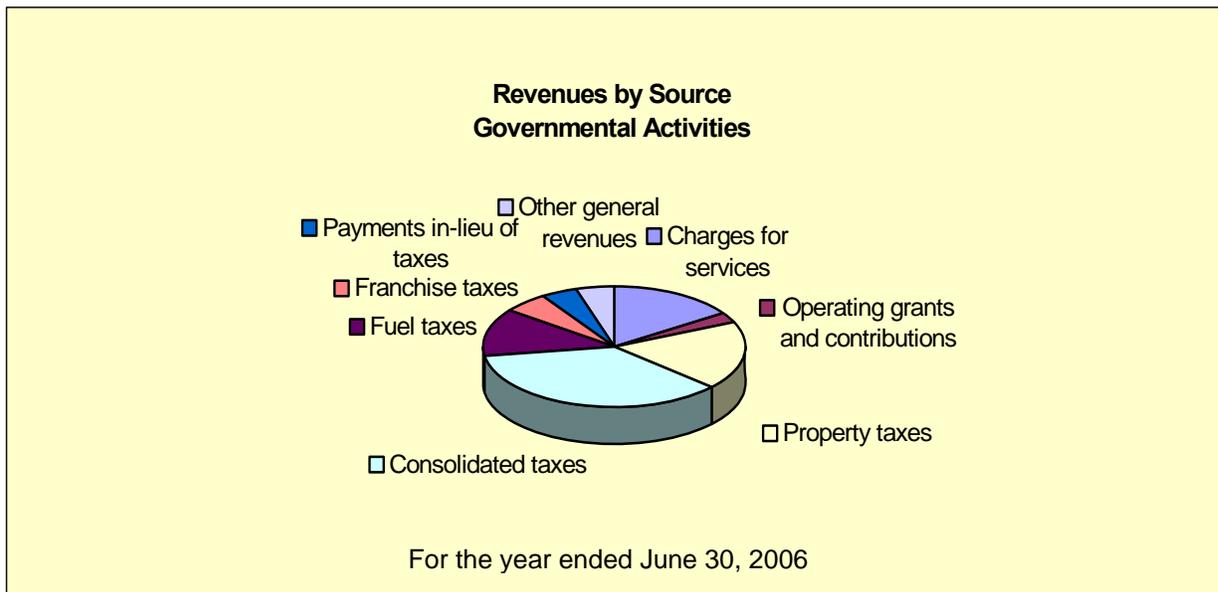
	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
Revenues:						
Program revenues:						
Charges for services	\$3,325,981	\$3,039,456	\$928,204	\$898,195	\$4,254,185	\$3,937,651
Operating grants and contributions	627,108	699,481	-	-	627,108	699,481
Capital grants and contributions	-	226,189	-	-	-	226,189
General revenues:						
Property taxes	3,963,433	4,125,240	-	-	3,963,433	4,125,240
Consolidated taxes	7,713,455	6,366,894	-	-	7,713,455	6,366,894
Franchise taxes	1,157,296	936,900	-	-	1,157,296	936,900
Room taxes	248,447	218,887	-	-	248,447	218,887
Motor vehicle fuel taxes	2,770,112	2,714,893	-	-	2,770,112	2,714,893
Payments in-lieu of taxes	961,407	859,218	-	-	961,407	859,218
State gaming license fees	159,535	158,345	-	-	159,535	158,345
Unrestricted investment earnings	504,236	248,851	24,500	16,021	528,736	248,346
Miscellaneous	121,572	103,130	25,503	30,075	147,075	133,205
Total revenues	<u>21,552,582</u>	<u>19,733,484</u>	<u>978,207</u>	<u>944,291</u>	<u>22,530,789</u>	<u>20,677,775</u>
Expenses:						
General government	4,055,658	3,603,852	-	-	4,055,658	3,603,852
Public safety	6,145,864	5,638,630	-	-	6,145,864	5,638,630
Judicial	2,550,980	2,200,344	-	-	2,550,980	2,200,344
Public works	4,741,313	3,653,354	-	-	4,741,313	3,653,354
Health	232,906	230,049	-	-	232,906	230,049
Welfare	752,208	636,674	-	-	752,208	636,674
Culture and recreation	1,687,906	1,583,626	-	-	1,687,906	1,583,626
Community support	1,568,161	1,382,564	-	-	1,568,161	1,382,564
Interest on long-term debt	31,274	29,811	-	-	31,274	29,811
Television	-	-	194,281	198,771	194,281	198,771
Solid waste management	-	-	738,937	711,305	738,937	711,305
Total expenses	<u>21,766,270</u>	<u>18,958,904</u>	<u>933,218</u>	<u>910,076</u>	<u>22,699,488</u>	<u>19,868,980</u>

**HUMBOLDT COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006**

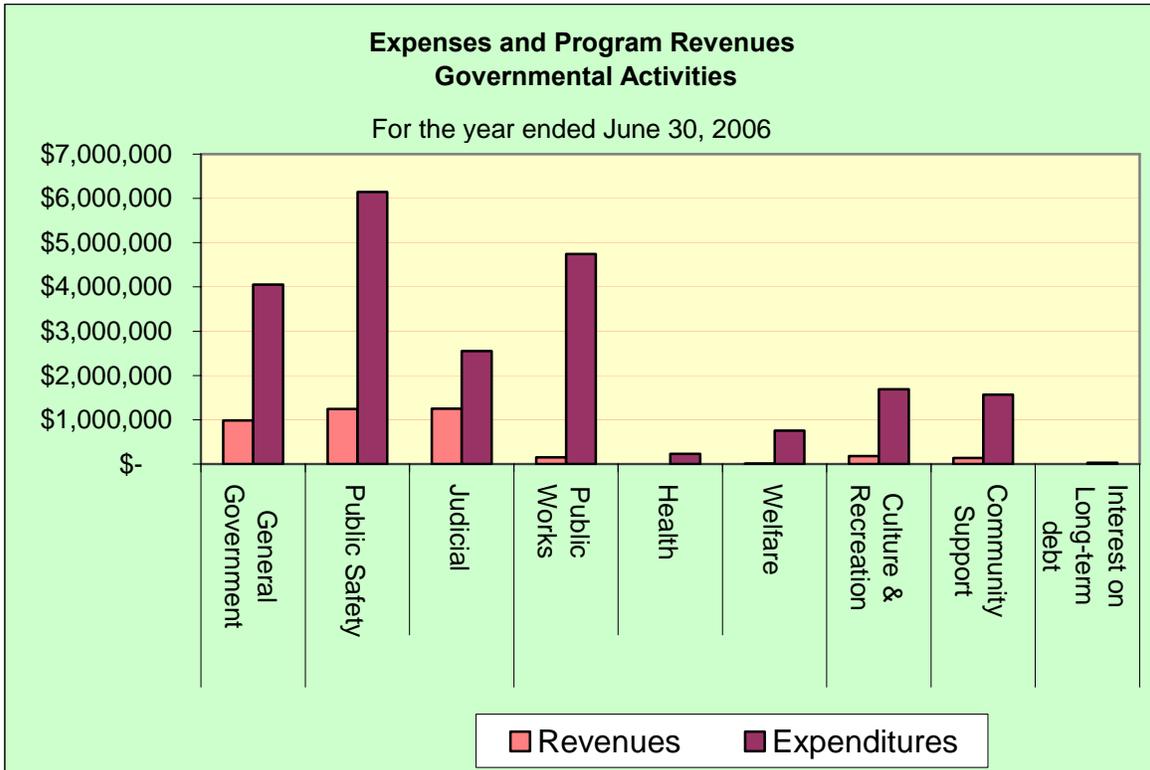
**HUMBOLDT COUNTY'S CHANGES IN NET ASSETS
(continued)**

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
Increase (decrease) in net assets	<u>(213,688)</u>	<u>774,580</u>	<u>44,989</u>	<u>34,215</u>	<u>(168,699)</u>	<u>808,795</u>
Net assets – July 1, as originally reported	31,684,100	30,909,520	1,730,264	1,696,049	33,414,364	32,605,569
Cumulative effect of change in Accounting principle (Note 4)	52,897,549	-	-	-	52,897,549	-
Net assets, July 1, as amended	<u>84,581,649</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>84,581,649</u>	<u>-</u>
Net assets – June 30,	<u>\$84,367,961</u>	<u>\$31,684,100</u>	<u>\$1,775,253</u>	<u>\$1,730,264</u>	<u>\$86,143,214</u>	<u>\$33,414,364</u>

- Consolidated taxes increased \$1,346,561 (21.1 percent) over the previous fiscal year. This increase can be attributed to the increase (25.1 percent) in taxable sales within Humboldt County during the year. This one revenue source comprises over 72 percent of the total increase in revenues for governmental activities for fiscal 2006.
- Unrestricted investment earnings increased \$219,385 (77 percent) over the previous year.
- Motor vehicle fuel taxes increased \$55,219 as a result of the additional gallons of gasoline purchased.
- Franchise fees increased \$220,396 over the previous year.
- Property tax revenues declined from the previous year by \$161,807 as result of a decline in assessed value and net proceeds taxes received from the mining companies.

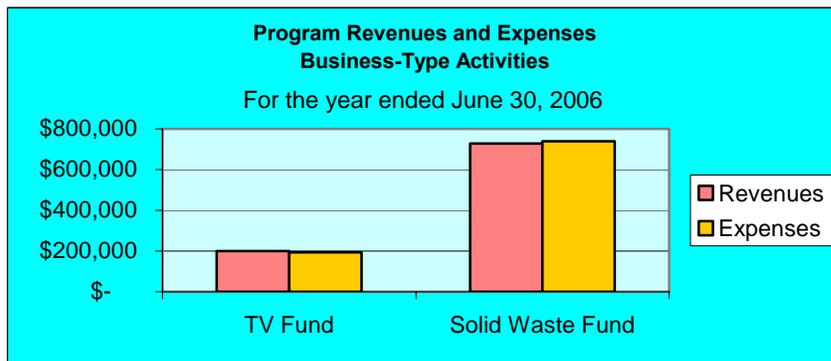


**HUMBOLDT COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006**



Governmental activities expenses increased 14.8 percent (\$2,807,366) over the previous fiscal year. The primary reasons for this increase is 1) Public works expenses increased \$1,087,959 because additional projects (street improvements) were undertaken in the current year; 2) Public safety expenses increased primarily as the result of contract settlements; 3) General government expenses increased as the result of added staff, new legislative requirements and special projects; and 3) Judicial expenses increased because of added staff and programs. All other functions increased as well as the result of the rising cost of operations.

Business-type activities. Business-type activities increased Humboldt County's net assets by \$44,989 accounting for less than 1 percent of the total growth in the government's net assets.



**HUMBOLDT COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006**

The key elements of this increase were:

- Television fund expenses for the current year were less than the previous fiscal year by \$4,490 (2.2 percent).
- Solid Waste Management fund expenses increased \$27,632 (3.8 percent) over the previous fiscal year.
- Charges for services in the Solid Waste Management fund increased \$26,542 (3.8 percent) over the prior year and for the Television fund, these charges increased \$3,467 or 1.8 percent.
- Interest earnings in the Solid Waste Management fund increased over 52 percent (\$8,479) over last fiscal year.



Financial Analysis of the Government's Funds

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

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

As of the end of the current fiscal year, Humboldt County's governmental funds reported combined ending fund balances of \$21,415,915, an increase of \$1,638,227 in comparison with the prior year. Approximately 94 percent (\$20,079,994) of the total amount constitutes *unreserved, undesignated fund balance*, which is available for spending at the government's discretion. The remainder of fund balance is *reserved or designated* to indicate that it is not available for new spending because it has already been committed 1) to liquidate contracts, including construction contracts and purchase orders of the prior period (\$98,984), 2) to set aside amounts for the stabilization of the government as provided by Nevada law (\$1,047,283), and 3) for a variety of other restricted purposes (\$189,654).

The general fund is the chief operating fund of Humboldt County. At the end of the current fiscal year, unreserved, undesignated fund balance of the general fund was \$10,914,794 while the total balance reached \$11,069,604. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved, undesignated fund balance represents 98 percent of total general fund expenditures, while total fund balance represents 99 percent of that same amount.

**HUMBOLDT COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006**

The fund balance of Humboldt County's general fund increased by \$844,115 during the current year. Key factors in this growth are as follows:

- Significant increases (25.1 percent) in taxable sales for Humboldt County resulting in over \$1,510,265 in additional combined taxes distributed to our county.
- Total general fund revenues increased 18.3 percent over the prior year, while total general fund expenditures increased 15.8 percent over the same period.

Humboldt County's road fund has an ending fund balance of \$1,240,458, which is a decrease of \$15,800 from the prior year. This decrease is the result of higher operating costs (fuel, wages and utilities) and flat revenues. Revenues increased 3.7 percent (\$63,898) over the prior year, while expenditures increased 1.5 percent (\$29,322). Since the revenues generated are less than the expenditures incurred, Humboldt County transfers in-lieu-of tax funds into the road fund. The transfer for fiscal 2006 was \$250,000.

The regional transportation fund's ending fund balance increased \$79,480 from the prior year. This increase was the result of revenues exceeding expenditures as the number of projects has diminished.

The 6th judicial district's fund balance decreased \$109,970 over the prior year. This decrease was the result of reductions in federal grants, staffing increases and higher operational costs.

The indigent medical fund's ending fund balance increased \$63,332 or 17.4 percent over the prior year. Even though revenues declined \$22,705 (4.6 percent) from the previous year and expenditures increased \$83,344 (26 percent) over fiscal 2005, total revenues received in 2006 exceeded total expenditures incurred.

The Winnemucca events complex fund has an ending fund balance of \$195,396, which is an increase of \$83,056 over the prior year. In fiscal 2005, this fund began receiving a portion of the combined tax distributed by the State. This new revenue source (\$127,272), along with an increase in transfers-in (\$201,000 to \$208,000) from the County's in-lieu-of tax fund for operating purposes, and an increase in expenditures of \$29,011 were the key factors to the increase in ending fund balance.

The building reserve fund's ending fund balance increased over the prior year by \$43,886. This increase was the result of planned (budgeted) projects being delayed or deferred.

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

Unrestricted net assets of the television fund at the end of the year amounted to \$691,410, and those for the solid waste management fund amounted to \$798,372. The portion of net assets invested in capital assets was \$245,106 for the TV fund and \$40,365 for the Solid waste management fund. The total growth in net assets for both funds was \$30,526 and \$14,463, respectively. Other factors concerning the finances of these two funds have already been addressed in the discussion of Humboldt County's business-type activities.

General Fund Budgetary Highlights

During the year there was a \$141,869 increase in appropriations between the original and final amended budget. Following are the main components of the increase:

- General government function – \$183,887 reduction. This reduction was the result of transfers from the general government function to other functions in the amount of \$251,487 offset by minor increases approved by the County Commission for the Assessor (\$15,150-needed for implementation of new property tax legislation), Comptroller (\$16,615-increase in salaries not budgeted but approved by Commission and retirement of senior employee), Treasurer (\$1,000-tax bill changes), Recorder (\$1,685-contract adjustment), Planning (\$2,150-contract adjustment), Building and Grounds (\$15,000-increase in utility bills), and Personnel (\$16,000-employee negotiations) budgets.

**HUMBOLDT COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006**

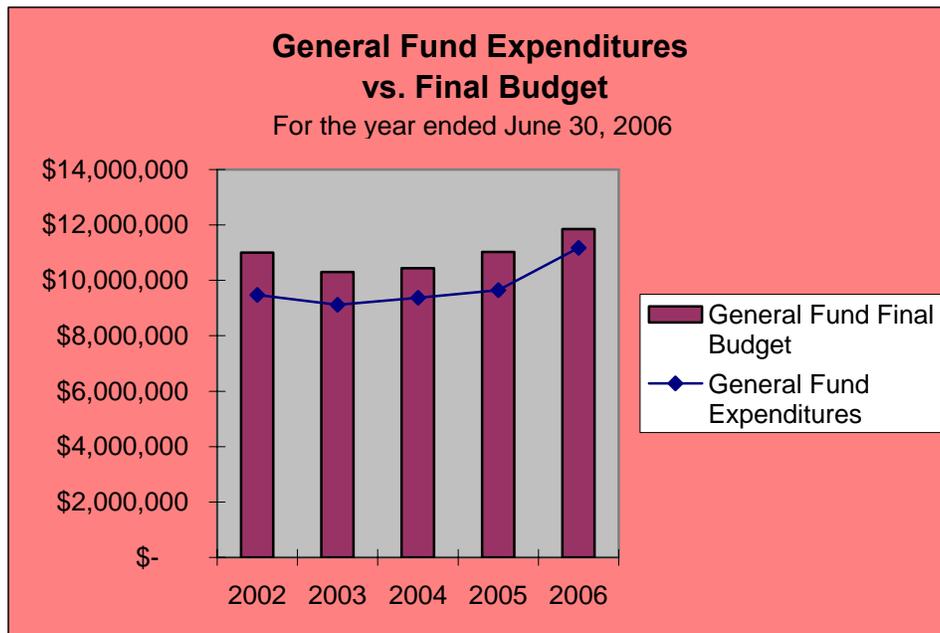
General Fund Budgetary Highlights-continued

- Judicial function - \$22,549 increase. This was the result of additional staff hired.
- Public safety function - \$186,176 increase. This increase was primarily the result of the settlement of employee contracts.
- Community support function - \$117,031 increase. This increase was primarily the result of the receipt of our Senior Transportation grant.

Actual general fund expenditures were less than the final amended budget by \$647,417 or 5.5 percent. The main factors contributing to this were:

1. Continued efforts by the County Commissioners and staff to reduce the cost of operations.
2. Liberal budget estimates for contract settlements that didn't materialize.
3. Anticipated increases in court trial costs that did not materialize
4. Humboldt County's attrition policy, which provides that vacated positions must remain unfilled for 120 days.
5. Budgeted positions not filled either by management's decision not to hire or by not being able to recruit individuals with the necessary skills and abilities for the job.

At the function level, general government expenditures were \$323,983 less than the final budget and public safety expenditures were \$118,604 less. These two functions accounted for 68.4 percent of difference between actual general fund expenditures and the final amended budget.



**HUMBOLDT COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006**

Actual revenues in the general fund exceeded budgeted amounts by 28 percent or \$2,614,964. This increase was primarily the result of the additional Combined tax revenues from the increases in taxable sales. The increase in Combined taxes accounted for over 58 percent of the budget to actual variance. Interest earning and licenses and permits also exceeded budgeted amounts by \$287,015 and \$285,272, respectfully, accounting for 22 percent (combined) of the total increase in revenues over budget.

Capital Asset and Debt Administration

Capital assets. Humboldt County's investment in capital assets for its governmental and business-type activities as of June 30, 2006, amounts to \$65,486,292 (net of accumulated depreciation). This investment in capital assets includes land, buildings and systems, improvements, infrastructure and machinery and equipment. Net assets for fiscal 2006 have been increased \$51,451,074 for the retroactive reporting of major general infrastructure. Without this addition, Humboldt County's investment in capital assets for the current fiscal year would have decreased 5.1 percent in governmental activities. Business-type activities capital assets decreased 9.9 percent.

Humboldt County's Capital Assets
(net of depreciation)

	Governmental <u>Activities</u> 2006	Business-Type <u>Activities</u> 2006	<u>Total</u> 2006
Land	\$ 1,311,564	\$ -	\$ 1,311,564
Land improvements	386,062	-	386,062
Buildings and improvements	9,816,842	-	9,816,842
Infrastructure	51,451,074	-	51,451,074
Equipment	<u>2,235,279</u>	<u>285,471</u>	<u>2,520,750</u>
Total	<u>\$ 65,200,821</u>	<u>\$ 285,471</u>	<u>\$ 65,486,292</u>

Additional information on Humboldt County's capital assets can be found in Notes 1F(5) & 5B of the notes to the financial statements.

Long-term debt. At the end of the current fiscal year, Humboldt County had total bonded debt outstanding of \$892,571. Of this amount, \$892,571 comprises debt backed by the full faith and credit of the government.

**Humboldt County's
Outstanding Debt**

	Governmental <u>Activities</u> 2006	Business-Type <u>Activities</u> 2006	<u>Total</u> 2006
General Obligation (Limited tax) Bonds	\$ 892,571	\$ -	\$ 892,571
Notes Payable	677,887	-	677,887
Capital Leases	115,153	-	115,153
Compensated Absences Payable	<u>589,499</u>	<u>10,164</u>	<u>599,663</u>
Total	<u>\$ 2,275,110</u>	<u>\$ 10,164</u>	<u>\$ 2,285,274</u>

Additional information on Humboldt County's long-term debt can be found in Notes 1F(7) & 5E of the notes to the financial statements.

**HUMBOLDT COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006**

Economic Factors and Next Year's Budget and Rates

- ◆ The unemployment rate for Humboldt County as of June 30, 2006 was 4.3 percent. For the same time, the State of Nevada's rate was 4.3 percent and the rate for the U. S. was 4.6 percent.
- ◆ Gold prices remain very strong. As of November 10, 2006, the New York market for gold was over \$627.60 per ounce. Gold mining remains very robust with current price of gold. Mining operations are expanding bringing in new employees, equipment and capital expansion.
- ◆ Taxable sales for Humboldt County for July and August were 28.6 percent higher than the same period in the prior year.

The general fund budget for 2007 increased approximately 1.1 percent over the final approved budget for fiscal 2006. Historically, the County spends approximately 88-90 percent of its general fund budget.

Humboldt County increased its property tax rate \$0.015 cents in fiscal 2006 specifically for Humboldt County's Senior Center. Even with this increase, Humboldt County maintains one of the lowest tax rates in the State of Nevada.

Humboldt County has increased the rates it charges for its landfill fees effective July 1, 2007. This increase is to assure sufficient resources are available to maintain and improve Humboldt County's landfill. In addition, a portion of this increase is to be set aside to improve recycling efforts within Humboldt County and reduce the amount of waste going into the landfill.

Requests for Information

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

HUMBOLDT COUNTY
Statement of Activities
For the Year Ended June 30, 2006

	<u>Program Revenues</u>			
		<u>Operating</u>	<u>Capital</u>	
<u>Expenses</u>	<u>Charges for Services</u>	<u>Grants and Contributions</u>	<u>Grants and Contributions</u>	
Primary government:				
Governmental activities:				
General government	\$ 4,055,658	\$ 942,180	\$ 41,184	\$ -
Public safety	6,145,864	1,052,683	190,441	-
Judicial	2,550,980	1,041,769	210,239	-
Public works	4,741,313	132,182	16,476	-
Health	232,906	-	-	-
Welfare	752,208	-	9,523	-
Culture and recreation	1,687,906	141,975	41,214	-
Community support	1,568,161	15,192	118,031	-
Interest on long-term debt	31,274	-	-	-
Total governmental activities	<u>21,766,270</u>	<u>3,325,981</u>	<u>627,108</u>	<u>-</u>
Business-type activities:				
Television	194,281	199,304	-	-
Solid waste management	738,937	728,900	-	-
Total business-type activities	<u>933,218</u>	<u>928,204</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 22,699,488</u>	<u>\$ 4,254,185</u>	<u>\$ 627,108</u>	<u>\$ -</u>

General revenues:

Property taxes

Unrestricted intergovernmental revenues:

Consolidated taxes

Franchise taxes

Motor vehicle fuel taxes

Room taxes

Payments in-lieu of taxes

State gaming license fees

Miscellaneous revenues

Unrestricted investment earnings

Total general revenues, special items, and transfers

Change in Net Assets

Net Assets, July 1, as originally reported

Cumulative effect of change in accounting principle (Note 4)

Net Assets, July 1, as amended

Net Assets, June 30

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

Governmental Activities	Business-type Activities	Total
\$ (3,072,294)	\$ -	\$ (3,072,294)
(4,902,740)	-	(4,902,740)
(1,298,972)	-	(1,298,972)
(4,592,655)	-	(4,592,655)
(232,906)	-	(232,906)
(742,685)	-	(742,685)
(1,504,717)	-	(1,504,717)
(1,434,938)	-	(1,434,938)
(31,274)	-	(31,274)
<u>(17,813,181)</u>	<u>-</u>	<u>(17,813,181)</u>
-	5,023	5,023
-	<u>(10,037)</u>	<u>(10,037)</u>
-	<u>(5,014)</u>	<u>(5,014)</u>
<u>\$ (17,813,181)</u>	<u>\$ (5,014)</u>	<u>\$ (17,818,195)</u>
\$ 3,963,433	\$ -	\$ 3,963,433
7,713,455	-	7,713,455
1,157,296	-	1,157,296
2,770,112	-	2,770,112
248,447	-	248,447
961,407	-	961,407
159,535	-	159,535
121,572	25,503	147,075
504,236	24,500	528,736
<u>17,599,493</u>	<u>50,003</u>	<u>17,649,496</u>
<u>(213,688)</u>	<u>44,989</u>	<u>(168,699)</u>
31,684,100	1,730,264	33,414,364
52,897,549	-	52,897,549
<u>84,581,649</u>	<u>1,730,264</u>	<u>86,311,913</u>
<u>\$ 84,367,961</u>	<u>\$ 1,775,253</u>	<u>\$ 86,143,214</u>

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

HUMBOLDT COUNTY
Statement of Net Assets
June 30, 2006

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 20,744,037	\$ 1,425,055	\$ 22,169,092
Receivables	424,020	64,384	488,404
Interest receivable	49,616	2,109	51,725
Intergovernmental receivable	1,845,720	-	1,845,720
Internal balances	1,880	(1,880)	-
Inventories	-	26,346	26,346
Notes receivable	73,781	-	73,781
Taxes receivable	26,335	-	26,335
Capital assets:			
Land	1,311,564	-	1,311,564
Other capital assets net of depreciation	63,889,257	285,471	64,174,728
	<u>88,366,210</u>	<u>1,801,485</u>	<u>90,167,695</u>
Total assets			
LIABILITIES			
Accounts payable	1,097,668	12,009	1,109,677
Accrued salaries and benefits	290,545	3,943	294,488
Intergovernmental payable	289,446	116	289,562
Unearned revenue	45,480	-	45,480
Noncurrent liabilities:			
Due within one year:			
Compensated absences	449,906	7,757	457,663
Long-term debt	852,817	-	852,817
Due in more than one year:			
Compensated absences	139,593	2,407	142,000
Long-term debt	832,794	-	832,794
	<u>3,998,249</u>	<u>26,232</u>	<u>4,024,481</u>
Total liabilities			
NET ASSETS			
Invested in capital assets, net of related debt	64,193,097	285,471	64,478,568
Unrestricted	20,174,864	1,489,782	21,664,646
	<u>84,367,961</u>	<u>1,775,253</u>	<u>86,143,214</u>
Total net assets			

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

HUMBOLDT COUNTY
Balance Sheet
Governmental Funds
June 30, 2006

	<u>General Fund</u>	<u>Road Fund</u>	<u>Regional Transportation Fund</u>	<u>6th Judicial District Fund</u>
Assets:				
Cash and cash equivalents	\$ 10,097,700	\$ 972,370	\$ 1,925,052	\$ 678,721
Taxes receivable	7,076	-	-	6,808
Accounts receivable	421,311	-	-	1,220
Interest receivable	40,918	-	5,378	-
Notes receivable	25,285	-	-	-
Intergovernmental receivable	1,098,708	287,098	234,567	89,486
Due from other funds	3,695	47,594	-	115
Total assets	<u>\$ 11,694,693</u>	<u>\$ 1,307,062</u>	<u>\$ 2,164,997</u>	<u>\$ 776,350</u>
Liabilities				
Accounts payable	\$ 253,432	\$ 38,486	\$ 686,797	\$ 49,140
Accrued salaries/benefits	182,334	28,050	-	53,594
Intergovernmental payable	99,831	60	-	54,000
Due to other funds	39,991	8	-	6,414
Deferred revenue	49,501	-	-	9,863
Total liabilities	<u>625,089</u>	<u>66,604</u>	<u>686,797</u>	<u>173,011</u>
Fund Balances				
Reserved for government stabilization	-	-	-	-
Reserved for encumbrances	19,774	-	79,210	-
Reserved for notes receivable	25,285	-	-	-
Reserved for technology enhancements	60,640	-	-	416
Reserved for pari-mutual betting	-	-	-	-
Reserved for child support	49,111	-	-	-
Reserved for debt service	-	-	-	-
Unreserved reported in:				
General Fund	10,914,794			
Special Revenue Fund		1,240,458	1,398,990	602,923
Debt Service Fund				
Capital Projects Funds				
Total fund balances	<u>11,069,604</u>	<u>1,240,458</u>	<u>1,478,200</u>	<u>416</u>
Total Liabilities and Fund Balances	<u>\$ 11,694,693</u>	<u>\$ 1,307,062</u>	<u>\$ 2,164,997</u>	<u>\$ 173,427</u>

Indigent Medical Fund	Winnemucca Events Complex Fund	Building Reserve Fund	Other Governmental Funds	Total Governmental Funds
\$ 556,361	\$ 200,573	\$ 2,685,393	\$ 3,627,867	\$ 20,744,037
3,142	1,596	349	7,364	26,335
-	-	-	1,489	424,020
1,554	-	-	1,766	49,616
-	-	48,496	-	73,781
350	21,867	39	113,605	1,845,720
-	-	-	13,017	64,421
<u>\$ 561,407</u>	<u>\$ 224,036</u>	<u>\$ 2,734,277</u>	<u>\$ 3,765,108</u>	<u>\$ 23,227,930</u>
\$ 16,716	\$ 19,781	\$ 1	\$ 33,315	\$ 1,097,668
-	5,013	-	21,554	290,545
101,354	669	-	33,532	289,446
12,933	1,581	-	1,614	62,541
3,142	1,596	349	7,364	71,815
<u>134,145</u>	<u>28,640</u>	<u>350</u>	<u>97,379</u>	<u>1,812,015</u>
-	-	-	1,047,283	1,047,283
-	-	-	-	98,984
-	-	48,496	-	73,781
-	-	-	-	61,056
-	5,142	-	-	5,142
-	-	-	-	49,111
-	-	-	564	564
 				10,914,794
427,262	190,254		2,060,962	5,920,849
			448,076	448,076
		2,685,431	110,844	2,796,275
<u>-</u>	<u>5,142</u>	<u>48,496</u>	<u>3,667,729</u>	<u>21,415,915</u>
<u>\$ 134,145</u>	<u>\$ 33,782</u>	<u>\$ 48,846</u>	<u>\$ 3,765,108</u>	<u>\$ 23,227,930</u>

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

HUMBOLDT COUNTY
Reconciliation of the Balance Sheet
To the Statement of Net Assets
Governmental Funds
June 30, 2006

Total Governmental Fund Balances \$ 21,415,915

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

Capital assets used in governmental activities are not resources and therefore are not reported in the funds.

Governmental capital assets	\$ 96,100,407	
Less accumulated depreciation	<u>(30,899,586)</u>	65,200,821

Long-term liabilities, including bonds payable are not due and payable in the current period and therefore are not reported in the governmental funds.

Bonds payable	(892,571)	
Capital lease obligation	(115,153)	
Contract payment to State	(677,887)	
Compensated absences	<u>(589,499)</u>	(2,275,110)

Deferred revenue represents amounts that were not available to fund current expenditures and therefore are not reported in the governmental funds.

26,335

Net Assets of Governmental Activities

\$ 84,367,961

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

HUMBOLDT COUNTY
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2006

	<u>General Fund</u>	<u>Road Fund</u>	<u>Regional Transportation Fund</u>	<u>6th Judicial District Fund</u>
REVENUES				
Property taxes	\$ 1,213,940	\$ -	\$ -	\$ 978,499
Licenses and permits	1,439,772	-	-	-
Intergovernmental revenue	7,664,600	1,467,918	1,318,670	1,544,337
Charges for services	443,941	303,368	-	-
Fines and forfeits	737,874	-	-	50,362
Miscellaneous revenues	512,958	3,812	45,306	957
Total Revenues	<u>12,013,085</u>	<u>1,775,098</u>	<u>1,363,976</u>	<u>2,574,155</u>
EXPENDITURES				
General government	3,991,314	-	-	-
Judicial	1,622,099	-	-	718,330
Public safety	4,374,989	-	-	1,911,516
Public works	19,946	2,016,469	1,064,406	-
Health	254,012	-	-	-
Welfare	-	-	-	-
Culture and recreation	2,500	-	-	-
Community support	435,079	-	-	-
Intergovernmental	474,031	6,265	-	49,279
Debt service:				
Principal	-	12,668	220,090	-
Interest	-	5,496	-	-
Total Expenditures	<u>11,173,970</u>	<u>2,040,898</u>	<u>1,284,496</u>	<u>2,679,125</u>
Excess (deficiency) of revenues over (under) expenditures	<u>839,115</u>	<u>(265,800)</u>	<u>79,480</u>	<u>(104,970)</u>
Other Financing Sources (Uses)				
Transfers in	5,000	250,000	-	-
Transfers out	-	-	-	(5,000)
Total Other Financing Sources (Uses)	<u>5,000</u>	<u>250,000</u>	<u>-</u>	<u>(5,000)</u>
Net Change in Fund Balances	844,115	(15,800)	79,480	(109,970)
Fund Balances - beginning	<u>10,225,489</u>	<u>1,256,258</u>	<u>1,398,720</u>	<u>713,309</u>
Fund Balances - ending	<u>\$ 11,069,604</u>	<u>\$ 1,240,458</u>	<u>\$ 1,478,200</u>	<u>\$ 603,339</u>

<u>Indigent Medical Fund</u>	<u>Winnemucca Events Complex Fund</u>	<u>Building Reserve Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 451,573	\$ 200,735	\$ 50,360	\$ 1,077,099	\$ 3,972,206
-	-	-	-	1,439,772
-	127,272	-	1,696,501	13,819,298
-	137,748	15,192	118,139	1,018,388
-	-	-	59,084	847,320
14,713	30,786	-	27,025	635,557
<u>466,286</u>	<u>496,541</u>	<u>65,552</u>	<u>2,977,848</u>	<u>21,732,541</u>
-	-	-	126,204	4,117,518
-	-	-	155,668	2,496,097
-	-	-	-	6,286,505
-	-	-	-	3,100,821
-	-	-	-	254,012
352,756	-	-	399,453	752,209
-	621,485	-	778,870	1,402,855
-	-	21,666	133,449	590,194
50,198	-	-	88,651	668,424
-	-	-	161,648	394,406
-	-	-	25,777	31,273
<u>402,954</u>	<u>621,485</u>	<u>21,666</u>	<u>1,869,720</u>	<u>20,094,314</u>
<u>63,332</u>	<u>(124,944)</u>	<u>43,886</u>	<u>1,108,128</u>	<u>1,638,227</u>
-	208,000	-	250,000	713,000
-	-	-	(708,000)	(713,000)
-	208,000	-	(458,000)	-
63,332	83,056	43,886	650,128	1,638,227
<u>363,930</u>	<u>112,340</u>	<u>2,690,041</u>	<u>3,017,601</u>	<u>19,777,688</u>
<u>\$ 427,262</u>	<u>\$ 195,396</u>	<u>\$ 2,733,927</u>	<u>\$ 3,667,729</u>	<u>\$ 21,415,915</u>

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

HUMBOLDT COUNTY
Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances
To the Statement of Activities
Governmental Funds
For the Year Ended June 30, 2006

Net Change in Fund Balances - Governmental Funds \$ 1,638,227

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

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

Expenditures for capital assets	\$ 340,289	
Less current year depreciation	<u>(2,537,895)</u>	(2,197,606)

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

Change in deferred revenue		(8,772)
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Loan proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of debt principal is an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. This is the amount by which debt repayments exceed debt issued.

Bonds payable-principal payments	161,648	
Capital lease-principal payments	12,668	
Contract payable-principal payment-Nev. Dept. of Trans.	<u>220,090</u>	394,406

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 long-term compensated absences		<u>(39,943)</u>
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Change in Net Assets of Governmental Funds		<u><u>\$ (213,688)</u></u>
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The notes to the financial statements are an integral part of this statement.

HUMBOLDT COUNTY
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual-By Function and Department
For the Year Ended June 30, 2006

	2006 Budgeted Amounts		2006	
	Original Budget	Final Budget	Actual	Variance to Final Budget
REVENUES				
Property taxes	\$ 1,053,149	\$ 1,053,149	\$ 1,213,940	\$ 160,791
Licenses and permits	1,154,500	1,154,500	1,439,772	285,272
Intergovernmental revenues	5,921,303	6,063,172	7,664,600	1,601,428
Charges for services	327,500	327,500	443,941	116,441
Fines and forfeits	650,000	650,000	737,874	87,874
Miscellaneous	149,800	149,800	512,958	363,158
Total Revenues	9,256,252	9,398,121	12,013,085	2,614,964
EXPENDITURES BY FUNCTION AND DEPARTMENT				
Current:				
General government:				
Commission	256,470	256,470	240,863	15,607
Administrator	243,075	243,075	214,040	29,035
Elections	25,000	25,000	16,188	8,812
Comptroller	228,900	245,515	242,497	3,018
Assessor	462,169	477,319	465,763	11,556
Treasurer	227,842	228,842	232,167	(3,325)
Clerk	290,830	290,830	288,146	2,684
Recorder	248,145	249,830	248,299	1,531
Computer systems	232,696	232,696	210,325	22,371
Planning	131,661	133,811	128,966	4,845
Buildings and grounds	938,594	953,594	970,326	(16,732)
Communications	198,102	198,102	169,514	28,588
Personnel	30,200	46,200	39,254	6,946
Public administrator	16,000	16,000	16,994	(994)
Miscellaneous	969,500	718,013	507,972	210,041
Total general government function	4,499,184	4,315,297	3,991,314	323,983

(continued)

HUMBOLDT COUNTY
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual-By Function and Department
For the Year Ended June 30, 2006

	2006 Budgeted Amounts		2006	
	Original Budget	Final Budget	Actual	Variance to Final Budget
Judicial:				
Justice court	\$ 610,680	\$ 610,680	\$ 564,609	\$ 46,071
District attorney	637,355	654,237	647,676	6,561
Child support	255,340	259,340	260,159	(819)
Other legal expenses	151,531	153,198	149,655	3,543
	1,654,906	1,677,455	1,622,099	55,356
Total judicial function				
Public safety:				
Sheriff	2,152,660	2,272,560	2,267,476	5,084
Detention	1,224,195	1,229,316	1,165,701	63,615
Dispatch	649,800	664,800	643,355	21,445
Building official	166,130	173,550	163,722	9,828
Task force	109,142	125,042	106,622	18,420
Emergency management	5,490	5,490	5,278	212
LEPC	-	22,835	22,835	-
	4,307,417	4,493,593	4,374,989	118,604
Total public safety function				
Public works	25,000	25,000	19,946	5,054
Health:				
Health	143,320	143,320	140,408	2,912
Mosquito control	121,663	121,663	113,604	8,059
	264,983	264,983	254,012	10,971
Total health function				
Culture and recreation	2,500	2,500	2,500	-
Community support	401,528	518,559	435,079	83,480
Intergovernmental	524,000	524,000	474,031	49,969
Total Expenditures	11,679,518	11,821,387	11,173,970	647,417

(continued)

HUMBOLDT COUNTY
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual-By Function and Department
For the Year Ended June 30, 2006

	2006 Budgeted Amounts		2006	
	Original Budget	Final Budget	Actual	Variance to Final Budget
Excess (deficiency) of revenues over expenditures	\$ (2,423,266)	\$ (2,423,266)	\$ 839,115	\$ 3,262,381
OTHER FINANCING SOURCES (USES)				
Transfers in	5,000	5,000	5,000	-
Contingency	(305,000)	(305,000)	-	305,000
Total other financing sources and (uses)	(300,000)	(300,000)	5,000	305,000
Net change in fund balance	(2,723,266)	(2,723,266)	844,115	3,567,381
Fund balance - beginning	6,855,796	6,855,796	10,225,489	3,369,693
Fund balance - ending	<u>\$ 4,132,530</u>	<u>\$ 4,132,530</u>	<u>\$ 11,069,604</u>	<u>\$ 6,937,074</u>

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

HUMBOLDT COUNTY
Road Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2006

	<u>2006 Budgeted Amounts</u>		<u>2006</u>	
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance To Final Budget</u>
REVENUES				
Intergovernmental revenues:				
Federal grants	\$ -	\$ -	\$ 16,476	\$ 16,476
Motor vehicle fuel taxes 1.25 cents	490,236	490,236	490,208	(28)
Motor vehicle fuel taxes 1.75 cents	173,884	173,884	185,391	11,507
Motor vehicle fuel taxes 2.35 cents	780,000	780,000	775,843	(4,157)
Total Intergovernmental revenues	<u>1,444,120</u>	<u>1,444,120</u>	<u>1,467,918</u>	<u>23,798</u>
Charges for services:				
Fuel sales reimbursements	147,000	147,000	219,149	72,149
Repair reimbursements	64,000	64,000	84,219	20,219
Total Charges for services	<u>211,000</u>	<u>211,000</u>	<u>303,368</u>	<u>92,368</u>
Miscellaneous	<u>5,000</u>	<u>5,000</u>	<u>3,812</u>	<u>(1,188)</u>
Total Revenues	<u>1,660,120</u>	<u>1,660,120</u>	<u>1,775,098</u>	<u>114,978</u>
EXPENDITURES				
Public works function:				
Highways and street:				
Salaries and wages	783,570	783,570	729,068	54,502
Employee benefits	281,710	281,710	266,529	15,181
Services and supplies	984,200	984,200	995,257	(11,057)
Capital outlay	40,000	40,000	25,615	14,385
Total Public works function	<u>2,089,480</u>	<u>2,089,480</u>	<u>2,016,469</u>	<u>73,011</u>
Intergovernmental expenditure function:				
Services and supplies	<u>6,000</u>	<u>6,000</u>	<u>6,265</u>	<u>(265)</u>
Debt service function:				
Principal	18,164	18,164	12,668	5,496
Interest	5,497	5,497	5,496	1
Total Debt service function	<u>23,661</u>	<u>23,661</u>	<u>18,164</u>	<u>5,497</u>
Total Expenditures	<u>2,119,141</u>	<u>2,119,141</u>	<u>2,040,898</u>	<u>78,243</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(459,021)</u>	<u>(459,021)</u>	<u>(265,800)</u>	<u>193,221</u>

(continued)

HUMBOLDT COUNTY
Road Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2006

	<u>2006 Budgeted Amounts</u>		<u>2006</u>	
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance To Final Budget</u>
OTHER FINANCING SOURCES (USES)				
Transfers - in	\$ 350,000	\$ 350,000	\$ 250,000	\$ (100,000)
Net change in fund balance	(109,021)	(109,021)	(15,800)	93,221
Fund balance - beginning	1,039,949	1,039,949	1,256,258	216,309
Fund balance - ending	<u>\$ 930,928</u>	<u>\$ 930,928</u>	<u>\$ 1,240,458</u>	<u>\$ 309,530</u>

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

HUMBOLDT COUNTY
Regional Transportation Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2006

	<u>2006 Budgeted Amounts</u>		<u>2006</u>	
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance To Final Budget</u>
REVENUES				
Intergovernmental revenue:				
Gasoline taxes	\$ 1,264,323	\$ 1,264,323	\$ 1,318,670	\$ 54,347
Miscellaneous	<u>20,000</u>	<u>20,000</u>	<u>45,306</u>	<u>25,306</u>
Total Revenues	<u>1,284,323</u>	<u>1,284,323</u>	<u>1,363,976</u>	<u>79,653</u>
EXPENDITURES				
Public works function:				
Highways and street:				
Services and supplies	<u>1,064,406</u>	<u>1,064,406</u>	<u>1,064,406</u>	<u>-</u>
Debt service function:				
Principal	<u>220,090</u>	<u>220,090</u>	<u>220,090</u>	<u>-</u>
Total Expenditures	<u>1,284,496</u>	<u>1,284,496</u>	<u>1,284,496</u>	<u>-</u>
Net change in fund balance	(173)	(173)	79,480	79,653
Fund balance - beginning	<u>1,567,327</u>	<u>1,567,327</u>	<u>1,398,720</u>	<u>(168,607)</u>
Fund balance - ending	<u>\$ 1,567,154</u>	<u>\$ 1,567,154</u>	<u>\$ 1,478,200</u>	<u>\$ (88,954)</u>

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

HUMBOLDT COUNTY
6th Judicial District Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2006

	<u>2006 Budgeted Amounts</u>		<u>2006</u>	
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance To Final Budget</u>
REVENUES				
Taxes:				
Property taxes	\$ 926,154	\$ 926,154	\$ 978,499	\$ 52,345
Intergovernmental revenue:				
Federal grants:				
JABIG grant	10,169	10,169	10,169	-
OJJDP formula grant	-	10,000	10,000	-
OJJDP drug free communities grant	25,000	7,813	7,813	-
BADA guiding good choice	-	2,852	2,852	-
BADA parenting wisely	-	12,039	12,039	-
Drug free school grant	-	13,419	13,419	-
State grants:				
Family resource center	33,338	1,587	-	(1,587)
OJJDP community partnership grant	17,174	17,174	15,659	(1,515)
Parole fees	7,920	7,920	7,590	(330)
Combined tax	417,512	417,512	539,942	122,430
Lander county contribution	486,321	486,321	462,427	(23,894)
Pershing county contribution	486,321	486,321	462,427	(23,894)
 Total Intergovernmental revenues	 <u>1,483,755</u>	 <u>1,473,127</u>	 <u>1,544,337</u>	 <u>71,210</u>
 Fines and forfeits	 <u>20,000</u>	 <u>20,000</u>	 <u>50,362</u>	 <u>30,362</u>
 Miscellaneous	 <u>50,000</u>	 <u>50,000</u>	 <u>957</u>	 <u>(49,043)</u>
 Total Revenues	 <u>2,479,909</u>	 <u>2,469,281</u>	 <u>2,574,155</u>	 <u>104,874</u> (continued)

HUMBOLDT COUNTY
6th Judicial District Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2006

	<u>2006 Budgeted Amounts</u>		<u>2006</u>	
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance To Final Budget</u>
EXPENDITURES				
Public safety function:				
Juvenile probation:				
Salaries and wages	\$ 1,197,504	\$ 1,195,204	\$ 1,161,989	\$ 33,215
Employee benefits	452,543	452,543	440,181	12,362
Services and supplies	317,321	306,693	294,219	12,474
Capital outlay	16,000	16,000	15,128	872
Total Public safety function	<u>1,983,368</u>	<u>1,970,440</u>	<u>1,911,517</u>	<u>58,923</u>
Judicial function:				
District court:				
Salaries and wages	190,914	190,914	180,144	10,770
Employee benefits	53,753	53,753	53,339	414
Services and supplies	342,500	342,500	297,692	44,808
Capital outlay	19,000	19,000	1	18,999
Total District court	<u>606,167</u>	<u>606,167</u>	<u>531,176</u>	<u>74,991</u>
Court reporters:				
Salaries and wages	122,950	122,950	122,430	520
Employee benefits	38,720	38,720	38,558	162
Services and supplies	48,000	48,000	26,165	21,835
Total Court reporters	<u>209,670</u>	<u>209,670</u>	<u>187,153</u>	<u>22,517</u>
Total Judicial function	<u>815,837</u>	<u>815,837</u>	<u>718,329</u>	<u>97,508</u>
Intergovernmental expenditure function:				
Services and supplies	46,986	49,286	49,279	7
Total Expenditures	<u>2,846,191</u>	<u>2,835,563</u>	<u>2,679,125</u>	<u>156,438</u>

(continued)

HUMBOLDT COUNTY
6th Judicial District Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2006

	<u>2006 Budgeted Amounts</u>		<u>2006</u>	
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance To Final Budget</u>
Excess (deficiency) of revenues over expenditures	\$ (366,282)	\$ (366,282)	\$ (104,970)	\$ 261,312
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(5,000)</u>	<u>(5,000)</u>	<u>(5,000)</u>	<u>-</u>
Net change in fund balance	(371,282)	(371,282)	(109,970)	261,312
Fund balance - beginning	<u>379,324</u>	<u>379,324</u>	<u>713,309</u>	<u>333,985</u>
Fund balance - ending	<u>\$ 8,042</u>	<u>\$ 8,042</u>	<u>\$ 603,339</u>	<u>\$ 595,297</u>

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

HUMBOLDT COUNTY
Indigent Medical Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2006

	<u>2006 Budgeted Amounts</u>		<u>2006</u>	
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance To Final Budget</u>
REVENUES				
Taxes:				
Property taxes	\$ 427,456	\$ 427,456	\$ 451,573	\$ 24,117
Miscellaneous	3,800	3,800	14,713	10,913
	<u>431,256</u>	<u>431,256</u>	<u>466,286</u>	<u>35,030</u>
Total Revenues				
EXPENDITURES				
Welfare function:				
Services and supplies	390,483	390,483	352,756	37,727
Intergovernmental expenditure function:				
Services and supplies	48,810	48,810	50,198	(1,388)
	<u>439,293</u>	<u>439,293</u>	<u>402,954</u>	<u>36,339</u>
Total Expenditures				
Net change in fund balance	(8,037)	(8,037)	63,332	71,369
Fund balance - beginning	209,110	209,110	363,930	154,820
Fund balance - ending	<u>\$ 201,073</u>	<u>\$ 201,073</u>	<u>\$ 427,262</u>	<u>\$ 226,189</u>

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

HUMBOLDT COUNTY
Winnemucca Events Complex Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2006

	<u>2006 Budgeted Amounts</u>		<u>2006</u>	
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance To Final Budget</u>
REVENUES				
Taxes:				
Property taxes	\$ 189,980	\$ 189,980	\$ 200,735	\$ 10,755
Intergovernmental				
Combined tax	98,413	119,950	127,272	7,322
Charges for services	96,600	126,600	137,748	11,148
Miscellaneous	-	-	30,786	30,786
	<u>384,993</u>	<u>436,530</u>	<u>496,541</u>	<u>60,011</u>
Total Revenues				
EXPENDITURES				
Culture and Recreation Function:				
Salaries and wages	204,555	204,555	206,033	(1,478)
Employee benefits	50,526	51,376	49,912	1,464
Services and supplies	291,959	347,621	342,642	4,979
Capital outlay	47,500	42,525	22,898	19,627
	<u>594,540</u>	<u>646,077</u>	<u>621,485</u>	<u>24,592</u>
Total Expenditures				
Excess (deficiency) of revenues over (under) expenditures	<u>(209,547)</u>	<u>(209,547)</u>	<u>(124,944)</u>	<u>84,603</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>208,000</u>	<u>208,000</u>	<u>208,000</u>	<u>-</u>
Net change in fund balance	(1,547)	(1,547)	83,056	84,603
Fund balance - beginning	<u>75,932</u>	<u>75,932</u>	<u>112,340</u>	<u>36,408</u>
Fund balance - ending	<u>\$ 74,385</u>	<u>\$ 74,385</u>	<u>\$ 195,396</u>	<u>\$ 121,011</u>

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

HUMBOLDT COUNTY
Statement of Net Assets
Proprietary Funds
June 30, 2006

	Business-Type Activities - Enterprise Funds		
	Humboldt Television Fund	Solid Waste Management Fund	Total Proprietary Funds
ASSETS			
Current:			
Cash and Cash Equivalents	\$ 669,999	\$ 755,056	\$ 1,425,055
Accounts receivable	10,582	53,802	64,384
Interest receivable	-	2,109	2,109
Inventories	26,346	-	26,346
Total Current Assets	706,927	810,967	1,517,894
Noncurrent Assets:			
Capital assets:			
Buildings	24,195	-	24,195
Machinery and equipment	868,122	92,286	960,408
Less accumulated depreciation	(647,211)	(51,921)	(699,132)
Total capital assets (net of accumulated depreciation)	245,106	40,365	285,471
Total Assets	952,033	851,332	1,803,365
LIABILITIES			
Current Liabilities:			
Accounts payable	830	11,178	12,008
Accrued salaries and benefits	12,791	1,317	14,108
Intergovernmental payable	116	-	116
Due to other funds	1,781	99	1,880
Total Liabilities	15,518	12,594	28,112
NET ASSETS			
Invested in capital assets	245,106	40,365	285,471
Unrestricted	691,410	798,372	1,489,782
Total Net Assets	\$ 936,516	\$ 838,737	\$ 1,775,253

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

HUMBOLDT COUNTY
Proprietary Funds
Statement of Revenues, Expenses, and
Changes in Net Assets
For the Year Ended June 30, 2006

	Business-Type Activities - Enterprise Funds		
	Humboldt Television Fund	Solid Waste Management Fund	Total Proprietary Funds
OPERATING REVENUES			
Charges for services:			
User fees	\$ 199,304	\$ 728,900	\$ 928,204
Miscellaneous	25,503	-	25,503
Total Revenues	224,807	728,900	953,707
OPERATING EXPENSES			
Salaries and wages	65,839	34,082	99,921
Employee benefits	19,791	10,591	30,382
Services and supplies	60,243	687,059	747,302
Depreciation	47,376	7,205	54,581
Total Operating Expenses	193,249	738,937	932,186
Operating Income (Loss)	31,558	(10,037)	21,521
NONOPERATING REVENUES (EXPENSES)			
Interest earnings	-	24,500	24,500
Loss on disposition of assets	(1,032)	-	(1,032)
Total Nonoperating Revenues (Expenses)	(1,032)	24,500	23,468
Change in Net Assets	30,526	14,463	44,989
NET ASSETS, JULY 1	905,990	824,274	1,730,264
NET ASSETS, JUNE 30	\$ 936,516	\$ 838,737	\$ 1,775,253

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

HUMBOLDT COUNTY
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2006

	Business-type Activities - Enterprise Funds		
	Humboldt Television Fund	Solid Waste Management Fund	Total Proprietary Funds
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ 234,311	\$ 705,028	\$ 939,339
Payment to employees	(87,938)	(44,476)	(132,414)
Payment to suppliers	(100,721)	(726,784)	(827,505)
Net cash provided (used) by operating activities	<u>45,652</u>	<u>(66,232)</u>	<u>(20,580)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchases of capital assets	<u>(24,408)</u>	<u>-</u>	<u>(24,408)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	<u>-</u>	<u>23,912</u>	<u>23,912</u>
Net increase (decrease) in cash and cash equivalents	<u>21,244</u>	<u>(42,320)</u>	<u>(21,076)</u>
Cash and cash equivalents, July 1	<u>648,755</u>	<u>797,376</u>	<u>1,446,131</u>
Cash and cash equivalents, June 30	<u>\$ 669,999</u>	<u>\$ 755,056</u>	<u>\$ 1,425,055</u>

HUMBOLDT COUNTY
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2006

	<u>Business-type Activities - Enterprise Funds</u>		
	<u>Humboldt Television Fund</u>	<u>Solid Waste Management Fund</u>	<u>Total Proprietary Funds</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating income (loss)	\$ 31,558	\$ (10,307)	\$ 21,251
Adjustments to reconcile operating income (loss) to net cash provided (used) by operations:			
Depreciation expense	47,376	7,476	54,852
Change in assets and liabilities:			
(Increase) decrease in:			
Accounts receivable	9,504	(23,872)	(14,368)
Inventory	(3,652)	-	(3,652)
Increase (decrease) in:			
Accounts payable	(36,826)	(39,725)	(76,551)
Accrued liabilities	(2,308)	196	(2,112)
Total adjustments	<u>14,094</u>	<u>(55,925)</u>	<u>(41,831)</u>
Net cash provided by operating activities	<u>\$ 45,652</u>	<u>\$ (66,232)</u>	<u>\$ (20,580)</u>

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

HUMBOLDT COUNTY
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2006

	Agency Funds	Investment Trust Funds
ASSETS		
Cash and cash equivalents	\$ 3,399,279	\$ 1,709,656
Interest receivable	-	4,775
Total Assets	3,399,279	1,714,431
LIABILITIES		
Intergovernmental payable	3,219,467	-
Funds held in trust for others	179,812	-
Total Liabilities	3,399,279	-
NET ASSETS		
Held in trust	\$ -	\$ 1,714,431

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

HUMBOLDT COUNTY
Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
For the Year Ended June 30, 2006

	Investment Trust Fund
ADDITIONS	
Investment earnings:	
Interest	\$ 58,955
Net increase (decrease) in share transactions	(52,577)
Change in net assets	6,378
Net assets - beginning	1,708,053
Net assets - ending	\$ 1,714,431

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

HUMBOLDT COUNTY
Notes to the Financial Statements
June 30, 2006

1. Summary of Significant Accounting Policies

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

A. Reporting entity

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

B. Basic Financial Statements - Government-wide Statements

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

The government-wide financial statements (the Statement of Net Assets and Statement of Activities) report information on all of the nonfiduciary activities of Humboldt County. The effect of interfund activity has been removed from these statements. Interfund activities relating to services provided and used between functions are not eliminated. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

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

HUMBOLDT COUNTY
Notes to the Financial Statements
June 30, 2006

C. Basic Financial Statements – Fund Financial Statements

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

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

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

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

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

Humboldt County reports the following major governmental funds:

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

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

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

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

HUMBOLDT COUNTY
Notes to the Financial Statements
June 30, 2006

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

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

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

Humboldt County reports the following major proprietary funds:

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

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

In addition, Humboldt County uses the following funds:

Agency funds are custodial in nature and do not present results of operations or have a measurement focus. Agency funds are accounted for using the accrual basis of accounting. These funds are used to account for assets that Humboldt County holds for others in an agency capacity.

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

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

GASB Statement No. 34 eliminates the presentation of Account Groups, but provides for these balances to be maintained and incorporated into the governmental column of the government-wide Statement of Net Assets.

D. Measurement Focus, Basis of Accounting

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

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

HUMBOLDT COUNTY
Notes to the Financial Statements
June 30, 2006

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered *available* when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

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

E. Budgets and Budgetary Accounting

Humboldt County adheres to the Local Government Budget and Finance Act incorporated within Nevada Revised Statutes and follows these procedures in establishing the budgetary data reflected in the financial statements.

1. On or before April 15th, the County Administrator submits to the Board of County Commissioners a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures/expenses and the means of financing them. Appropriations are required to be detailed by object (Salaries and wages, Employee benefits, Services and supplies, and Capital outlay) within a department, within a function, and within each fund. This "Tentative" budget is forwarded to the Nevada State Department of Taxation.
2. The Department of Taxation notifies Humboldt County of its acceptance of the budget.
3. Public hearings are conducted on the third Monday in May on the "Tentative" budget.
4. After all the changes have been noted and the public hearing closed, the Board of County Commissioners adopts the budget on or before June 1st and files it with the Nevada State Department of Taxation.
5. Budgets are adopted on a basis consistent with Accounting Principles Generally Accepted in the United States of America (GAAP) for all funds except trust and agency funds, which do not require budgets. Formal budgetary integration in the financial records is employed to enhance management control during the year.
6. All budget amounts presented in these financial statements and schedules reflect amended budget (which has been adjusted for legally authorized revisions of the annual budgets during the year). Original budgets are provided for all funds except trust and agency funds. Appropriations except encumbrances and unexpended grant appropriations, lapse at the end of each fiscal year.
7. The legal level of budgetary control is at the function level for the General Fund, special revenue funds, debt service and capital projects funds, and by the sum of operating and nonoperating expenses in proprietary funds. Statutes do not require that capital outlay, debt service payments and other cash transactions normally reflected in the balance sheet of proprietary funds be limited by budget. However, they are budgeted in the Statement of Cash Flows and in the corresponding Budget Form F-2.

HUMBOLDT COUNTY
Notes to the Financial Statements
June 30, 2006

8. The Comptroller may approve budget adjustments within a function. The Comptroller with Board notification may approve budget adjustments between functions or funds. Adjustments that affect fund balance or increase the original budget require Board approval. The budget was adjusted during the fiscal year.
9. Budgetary transfers and grant entries had no effect on budgeted ending fund balances.

F. Fund Financial Statements

1. Cash and Investments

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

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

Investments are recorded at fair value.

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

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

NRS 355.172 requires Humboldt County's Treasurer or the appropriate officer to take physical possession of collateral in the name of Humboldt County for all securities except those subject to repurchase by the seller if Humboldt County has a fully perfected, first-priority interest having a fair market value equal to or greater than the repurchase price of the security.

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

HUMBOLDT COUNTY
Notes to the Financial Statements
June 30, 2006

2. Investment Pool Investment Earnings

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

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

3. Property Taxes Receivable

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

The maximum tax rate for all overlapping governmental units within any county, as established by the state constitution, is \$5 per \$100 assessed valuation. The combined overlapping rate for any county is further limited by state statute to \$3.64 per \$100 assessed valuation except in cases of severe financial emergency as defined in NRS 354.705. Humboldt County's individual tax rate for fiscal year 2005-2006 was \$0.7512 per \$100 of assessed valuation.

The total combined rate was \$2.2135 per \$100 of assessed valuation in the unincorporated area of Humboldt County, exclusive of special district tax rates.

Tax rates are levied by Humboldt County Commissioners immediately after the Nevada Tax Commission has certified the combined rate. Upon certification, the rates are transmitted to Humboldt County's Treasurer for billing. The tax rate levied is for the current fiscal year, July 1 to June 30, and the taxes are considered a lien against real property attaching on July 1. The tax for the 2005-2006 fiscal year was due and payable on the third Monday in August 2005. Taxes may be paid in four equal installments on the third Monday in August, and the first Mondays in October, January and March. Penalties are assessed if a taxpayer fails to pay an installment within ten days of the installment due date. After a two-year waiting period, a tax deed is issued conveying the property to Humboldt County with a lien for back taxes.

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

Taxes on personal property are collected currently. Personal property declarations are mailed out annually and the tax is computed using percentages of taxable values established by the State Department of Taxation and the tax rates. The major classifications of personal property are commercial, agricultural and mobile homes. In Humboldt County, taxes on motor vehicles are collected by a state agency and remitted to Humboldt County based on statutory formulas as a part of combined taxes.

HUMBOLDT COUNTY
Notes to the Financial Statements
June 30, 2006

Secured roll property taxes receivable reflect only those taxes receivable from the delinquent roll years. Delinquent taxes from all roll years prior to 2004-2005 have been written off. No provision for uncollectible accounts has been established since management does not anticipate any material collection loss in respect to remaining balances.

Personal property taxes receivable reflect only those taxes collected within 60 days of year-end.

4. Inventories

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

5. Capital Assets

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

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Significant projects in process are depreciated once the projects are placed in service. Prior to that time, they are reported as construction in progress. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

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

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

6. Compensated Absences

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

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

HUMBOLDT COUNTY
Notes to the Financial Statements
June 30, 2006

payable to terminated employees who meet specific requirements set forth in the negotiated employee association contracts.

7. Long-term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

8. Interfund Activity

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

9. Fund Equity

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

- a. Invested in capital assets, net of related debt – Consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Unrestricted net assets – All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

In fund financial statements, governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved. Reservations of fund balance consist of amounts that are not available for appropriation or are legally restricted by outside parties for a specific purpose. Proprietary fund equity is classified the same as in the government-wide statements.

HUMBOLDT COUNTY
Notes to the Financial Statements
June 30, 2006

2. Reconciliation of Government-wide and Fund Financial Statements

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets

The governmental fund balance sheet includes a reconciliation between *fund balance – total governmental funds* and *net assets – governmental activities* as reported in the government-wide statement of net assets. The first element in this reconciliation is the total fund balance for all governmental funds.

Total governmental fund balance	<u>\$21,415,915</u>
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Another element of that reconciliation explains, “long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.”

Bonds payable:	
Events Center bonds	800,000
Kings River community center bonds	<u>92,571</u>
Total bonds payable	892,571
Contracts payable:	
State of Nevada	677,887
Lease payable:	
Caterpillar financial	115,153
Compensated absences	<u>589,499</u>
Net adjustment to reduce <i>fund balance - total governmental funds</i> – to arrive at <i>net assets – governmental activities</i>	<u>(2,775,110)</u>

Another element of that reconciliation explains that “capital assets used in governmental activities are not resources and therefore are not reported in the funds.” The details of this \$65,200,821 difference includes:

Governmental capital assets	96,100,407
Less: accumulated depreciation	<u>(30,899,586)</u>
Net adjustment to increase <i>fund balance – total governmental funds</i> – to arrive at <i>net assets – governmental activities</i>	<u>65,200,821</u>

The final element of that reconciliation explains that “deferred revenue represents amounts that were not available to fund current expenditures and therefore are not reported in the governmental funds.” The details of this \$26,335 difference is:

Current year deferred revenue	<u>26,335</u>
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Net adjustment to increase fund balance- total governmental funds to arrive at netassets-governmental activities	<u>\$84,367,961</u>
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HUMBOLDT COUNTY
Notes to the Financial Statements
June 30, 2006

B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances – total governmental funds* and *changes in net assets of governmental activities* as reported in the government-wide statement of activities. The first element of this reconciliation is the net change in fund balance for all governmental funds.

Net change in fund balance – governmental funds	<u>\$1,638,227</u>
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Another element of that reconciliation explains, “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.” The details of this \$2,197,606 difference are as follows:

Capital outlay	340,289
Depreciation expense	<u>(2,537,895)</u>
Net adjustment to decrease <i>net changes in fund balances-total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i>	<u>(2,197,606)</u>

Another element of that reconciliation states that “the issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.” The details of this \$394,406 difference are as follows:

Principal repayments:	
Events center bonds	160,000
Kings River community center bonds	1,648
Contract payable State of Nevada	220,090
Capital lease	<u>12,668</u>
Net adjustment to increase <i>net changes in fund balances-total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i>	<u>394,406</u>

Another element of that reconciliation states that “revenues in the statement of activities that do not provide current financial resources are not reported as revenues in governmental funds. The details of this \$8,772 difference is:

Change in deferred revenue	(8,772)
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Another element of that reconciliation states that “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. The details of this \$39,943 difference is:

Change in compensated absences	<u>(39,943)</u>	(continued)
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HUMBOLDT COUNTY
Notes to the Financial Statements
June 30, 2006

(continued)

Net adjustment to increase net changes in fund balances-total governmental funds to arrive at changes in net assets of governmental activities **(\$213,688)**

3. Compliance with Nevada Revised Statutes and Administrative Code

The County conformed to all significant statutory and code requirements on its financial administration during the year, except for:

For the fiscal year ending June 30, 2006, the fund balance in the Stabilization Fund exceeded 10% of the expenditures (excluding any federal funds expended) from the General Fund for the previous fiscal year, which is an apparent violation of NRS 354.6115.

4. Change in Accounting Principle

Governmental Accounting Standards Board (GASB) Statement No. 34-Basic Financial Statements and Management's Discussion and Analysis requires retroactive reporting of all major general infrastructure assets for fiscal years ending after June 30, 1980. In implementing this requirement, Humboldt County determined the historical cost of infrastructure assets by calculating the current replacement cost of similar assets and deflating this cost through the use of price-level indexes to the acquisition year. Accumulated depreciation was calculated on the deflated amount. The following is a summary of the increases to infrastructure assets and net assets as a result of the cumulative effect of this change in accounting principle:

	<u>Balance June 30, 2005</u> <u>(as originally reported)</u>	<u>Net</u> <u>Additions</u>	<u>Current Year</u> <u>Depreciation</u>	<u>Balance June 30, 2006</u> <u>(as adjusted)</u>
Capital Assets:				
Infrastructure	\$ -	\$52,897,547	\$1,446,473	\$51,451,074

The increase to infrastructure includes the roads throughout Humboldt County. Net additions reflect the value of roads (\$66,291,062) less the accumulated depreciation associated with those roads (\$13,393,515) for net additions of \$52,897,549.

5. Detailed Notes on All Funds

A. Deposits and investments

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

	<u>Carrying</u> <u>Amount</u>	<u>Bank</u> <u>Balance</u>
Insured, (FDIC)	\$ 675,880	\$ 678,040
Uninsured and collateralized, collateral held in Nevada Collateralized Pool	10,746,816	10,913,549

(continued)

HUMBOLDT COUNTY
Notes to the Financial Statements
June 30, 2006

(continued)

Uninsured and collateralized, collateral held by County's agent in County's name	150,000	150,286
Petty Cash	<u>11,860</u>	<u>11,860</u>
Total Cash Deposits	<u>\$11,584,556</u>	<u>\$11,742,475</u>

Investments are carried at fair value. The following is a listing of those investments:

<u>Investment Type</u>	<u>Maturities (maturity, in years)</u>			
	<u>Fair Value</u>	<u>Less than 1</u>	<u>1 to 3</u>	<u>4 to 5</u>
U.S. Treasury Notes	\$ 465,270	\$ -	\$ 462,995	\$ -
Government Agencies	2,219,052	1,066,731	1,134,907	-
Asset Backed Fixed Income Securities*	877,803	223,836	432,188	221,779
Corporate Bonds*	988,189	99,745	875,246	-
Mortgage Backed Securities*	337,477	-	-	332,765
Money Market Mutual Funds*	252,817	290,416	-	-
State of Nevada Local Government Investment Pool	<u>10,552,863</u>	<u>10,552,863</u>	-	-
Total Investments	15,693,471	12,233,591	2,905,336	554,544
Total Cash (Carrying Amount)	<u>11,584,556</u>	<u>11,584,556</u>	-	-
Total Cash and Investments	<u>\$27,278,027</u>	<u>\$23,818,147</u>	<u>\$ 2,905,336</u>	<u>\$ 554,544</u>

* Credit ratings range from A/a to A/A and Aaa/AAA.

The County is a voluntary participant in the State of Nevada Local Government Investment Pool (LGIP), which has regulatory oversight from the State of Nevada Board of Finance.

The County's investments in both pools discussed above is equal to its original investment plus monthly allocations of interest income, and realized and unrealized gains and losses, which is the same as the value of the pool shares. The County's investment in the LGIP is reported at fair value. Wells Fargo determines the fair value of the investments in NVEST on a monthly basis.

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

Interest rate risk

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

HUMBOLDT COUNTY
Notes to the Financial Statements
June 30, 2006

Credit risk

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

Custodial credit risk on deposits

Custodial credit risk is the risk that in the event of a bank failure, the County's deposits may not be returned. The County's bank deposits are covered by Federal Deposit Insurance Corporation (FDIC) insurance and collateralized by the Office of the State Treasurer/Nevada Collateral Pool and various other agents in the County's name.

External Investment Pool

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

<u>Investment Type</u>	<u>Fair Value/ Carrying Amount</u>	<u>Principal Amount Number of Shares</u>	<u>Interest Rate</u>	<u>Maturity Dates</u>
Local Government Pooled Investment Fund	\$10,552,863	\$10,552,863	Variable	July 1, 2007

EXTERNAL INVESTMENT POOL CONDENSED FINANCIAL STATEMENTS
STATEMENT OF NET ASSETS
JUNE 30, 2006

ASSETS:

Local Government Pooled Investment Fund	\$ 10,552,863
Interest receivable	<u>43,843</u>
Total Assets	<u>\$ 10,596,706</u>

NET ASSETS HELD IN TRUST FOR POOL PARTICIPANTS:

Net assets consist of:	
Internal participant shares	\$ 8,882,275
External participant shares	<u>1,714,431</u>
Total Participant Shares Outstanding (\$1.00 par)	<u>\$ 10,596,706</u>

HUMBOLDT COUNTY
Notes to the Financial Statements
June 30, 2006

**STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2006**

Net increase (decrease) in net assets resulting from operations:	
Investment income	\$ 432,512
Capital share transactions	100,000
Total decrease in net assets	<u>532,512</u>
Net assets, July 1	\$ 10,064,194
Net assets, June 30	<u>\$ 10,596,706</u>

B. Capital assets

Capital asset activity for the year ended June 30, 2006 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities				
Capital assets, not being depreciated:				
Land	\$ 1,311,564	\$ -	\$ -	\$ 1,311,564
Total capital assets, not being depreciated	<u>1,311,564</u>	<u>-</u>	<u>-</u>	<u>1,311,564</u>
Capital assets, being depreciated				
Buildings	19,350,831	12,540	-	19,363,371
Improvements other than buildings	568,410	-	-	568,410
Infrastructure	66,291,062	-	-	66,291,062
Machinery and equipment	<u>8,422,784</u>	<u>327,749</u>	<u>184,533</u>	<u>8,566,000</u>
Total assets, being depreciated	<u>94,633,087</u>	<u>340,289</u>	<u>184,533</u>	<u>94,788,843</u>
Less accumulated depreciation for:				
Buildings	(8,978,671)	(567,858)	-	(9,546,529)
Improvements other than buildings	(144,454)	(37,894)	-	(182,348)
Infrastructure	(13,393,515)	(1,446,473)	-	(14,839,988)
Machinery and equipment	<u>(6,029,584)</u>	<u>(485,670)</u>	<u>184,533</u>	<u>(6,330,721)</u>
Total accumulated depreciation	<u>(28,546,224)</u>	<u>(2,537,895)</u>	<u>184,533</u>	<u>(30,899,586)</u>
Total capital assets, being depreciated, net	<u>66,086,863</u>	<u>(2,197,606)</u>	<u>-</u>	<u>63,889,257</u>
Governmental activities capital assets, net	<u>\$ 67,398,427</u>	<u>\$ (2,197,606)</u>	<u>\$ -</u>	<u>\$ 65,200,821</u>
Business-type activities:				
Capital assets, being depreciated				
Buildings	\$ 24,195	\$ -	\$ -	\$ 24,195
Machinery and equipment	<u>996,845</u>	<u>24,408</u>	<u>60,845</u>	<u>960,408</u>
Total assets, being depreciated	<u>1,021,040</u>	<u>24,408</u>	<u>60,845</u>	<u>984,603</u>
Less accumulated depreciation for:				
Buildings	(24,195)	-	-	(24,195)
Machinery and equipment	<u>(679,898)</u>	<u>(54,852)</u>	<u>59,813</u>	<u>(674,937)</u>
Total accumulated depreciation	<u>(704,093)</u>	<u>(54,852)</u>	<u>59,813</u>	<u>(699,132)</u>
Total capital assets, being depreciated, net	<u>316,947</u>	<u>(30,444)</u>	<u>1,032</u>	<u>285,471</u>
Business-type activities capital assets, net	<u>\$ 316,947</u>	<u>\$ (30,444)</u>	<u>\$ 1,032</u>	<u>\$ 285,471</u>

HUMBOLDT COUNTY
Notes to the Financial Statements
June 30, 2006

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

Governmental activities:

General government	\$ 54,624
Public safety	100,003
Judicial	13,404
Public works	1,665,906
Health	745
Culture and recreation	39,553
Community support	<u>663,660</u>
Total depreciation expense – governmental activities	<u>\$ 2,537,895</u>

Business-type activities:

Television fund	\$ 47,376
Solid waste management fund	<u>7,476</u>
Total depreciation expense – business-type activities	<u>\$ 54,852</u>

Construction commitments

Humboldt County has active construction projects as of June 30, 2006. The projects include road sealing in various areas of the County. The original project commitment was \$731,892 with payments of \$652,682 having been made in fiscal year 2006. A balance of \$79,210 remains to be paid.

C. Interfund receivables, payables, and transfers

The composition of interfund balances as of June 30, 2006 is as follows:

Due to/from other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	6 th Judicial district fund	\$ 2,816
	Road fund	7
	Nonmajor governmental funds	773
	Solid Waste fund	<u>99</u>
		<u>3,695</u>
Road	General fund	39,876
	6 th Judicial district fund	3,598
	Winnemucca Events Complex	1,581
	Nonmajor governmental funds	758
	Television fund	<u>1,781</u>
	<u>47,594</u>	

(continued)

HUMBOLDT COUNTY
Notes to the Financial Statements
June 30, 2006

(continued)

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Nonmajor governmental funds	Nonmajor governmental funds	\$ 84
	Medical Indigent Fund	<u>12,933</u>
		<u>13,107</u>
6 th Judicial District Fund	General Fund	<u>115</u>
Total		<u>\$ 64,421</u>

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

Interfund transfers:

Transfers In:

Transfers out:	General Fund	Road Fund	Winnemucca Events Complex Fund	Nonmajor Governmental Funds	Total
6 th Judicial District fund	\$ 5,000	\$ -	\$ -	\$ -	\$ 5,000
Nonmajor governmental funds	<u>-</u>	<u>250,000</u>	<u>208,000</u>	<u>250,000</u>	<u>708,000</u>
Total	<u>\$ 5,000</u>	<u>\$ 300,000</u>	<u>\$ 201,000</u>	<u>\$ 250,000</u>	<u>\$ 713,000</u>

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

D. Leases

Capital Leases

Humboldt County has entered into a lease agreement as lessee for financing the acquisition of a road grader. This lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of its future minimum lease payments as of the inception date.

(continued)

HUMBOLDT COUNTY
Notes to the Financial Statements
June 30, 2006

(continued)

The asset acquired through capital leases are as follows:

	<u>Governmental Activities</u>
Asset:	
Machinery and equipment	\$ 145,985
Less: Accumulated depreciation	<u>(14,598)</u>
Total	<u>\$ 131,387</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2006, were as follows:

<u>Year Ending June 30</u>	<u>Governmental Activities</u>
2007	\$ 18,164
2008	18,164
2009	18,164
2010	<u>76,960</u>
Total minimum lease payments	131,452
Less: amount representing interest	<u>(16,299)</u>
Present value of minimum lease payments	<u>\$ 115,153</u>

E. Long-term debt

General Obligation Bonds

Humboldt County issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for governmental activities only. The original amount of the outstanding general obligation bonds was \$1,600,000 and were issued for the construction of the indoor events center. In 2005, the County also issued \$95,000 in bonds to fund the construction of the Kings River community center.

General obligation bonds are direct obligations and pledge the full faith and credit of Humboldt County. The Events center bonds were originally issued in 2000 with a ten-year maturity and the Kings River community center bonds have a thirty-year maturity.

(continued)

HUMBOLDT COUNTY
Notes to the Financial Statements
June 30, 2006

(continued)

General obligation bonds currently outstanding include:

<u>Purpose</u>	<u>Interest rate</u>	<u>Amount</u>
Governmental activities		
Events center bonds	2.48%	\$ 800,000
Kings River community center	4.25%	<u>92,571</u>
Total bonds outstanding		<u>\$ 892,571</u>

Annual debt service requirements to maturity for general obligation bonds are as follows:

<u>Year Ending June 30</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2007	\$ 161,718	\$ 21,772
2008	161,792	17,730
2009	161,869	13,685
2010	161,949	9,637
2011	162,033	5,585
2012-2016	11,553	16,617
2017-2021	14,256	13,914
2022-2026	17,592	10,578
2027-2031	21,709	6,760
2032-2036	<u>18,100</u>	<u>1,566</u>
Total	<u>\$ 892,571</u>	<u>\$ 117,844</u>

The County's Business-type activities (proprietary funds) have no bonds outstanding.

Contracts Payable

As of June 30, 2006, Humboldt County has an outstanding note payable to the State of Nevada, Department of Transportation for work on Haskell Street. The original amount of the note was \$1,338,157 for four years, beginning in fiscal 2004 and ending in fiscal 2007. The note calls for equal payments of \$220,090 for years 2004, 2005, and 2006 and a balloon payment of \$677,877 in 2007. There was no interest charged to this note.

Compensated absences

The liability for compensated absences is included in the noncurrent liabilities on the government-wide Statement of Net Assets. About 51 percent of the governmental funds' compensated absences were paid by the general fund. For the business-type activities, the Television fund paid for 100 percent of the compensated absences.

HUMBOLDT COUNTY
Notes to the Financial Statements
June 30, 2006

Changes in long-term liabilities

Long-term liability activity for the year ended June 30, 2006 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<u>Governmental activities:</u>					
Bonds payable	\$ 1,054,218	\$ -	\$ 161,647	\$ 892,571	\$ 161,718
Contracts payable	897,977	-	220,090	677,887	677,887
Compensated absences	549,556	683,151	643,208	589,499	449,906
Capital lease	<u>127,821</u>	<u>-</u>	<u>12,668</u>	<u>115,153</u>	<u>13,212</u>
Governmental activities long-term liabilities	<u>\$ 2,629,572</u>	<u>\$ 683,151</u>	<u>\$ 1,037,613</u>	<u>\$ 2,275,110</u>	<u>\$ 1,302,723</u>
	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<u>Business-type activities:</u>					
Compensated absences	<u>\$ 12,874</u>	<u>\$ 3,439</u>	<u>\$ 6,149</u>	<u>\$ 10,164</u>	<u>\$ 7,757</u>
Business-type activities Long-term liabilities	<u>\$ 12,874</u>	<u>\$ 3,439</u>	<u>\$ 6,149</u>	<u>\$ 10,164</u>	<u>\$ 7,757</u>

6. Other Information

A. Risk management

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters as are all entities. The County has joined together with similar public agencies (cities, counties and special districts) throughout the State of Nevada to create a pool under the Nevada Interlocal Cooperation Act. The Nevada Public Agency Insurance Pool (Pool) is a public entity risk pool currently operating as a common risk management and insurance program for its members.

The County pays an annual premium and specific deductibles, as necessary, to the Pool for its general insurance coverage. The Pool is considered a self-sustaining risk pool that will provide coverage for its members for up to \$200,000 per insured event. The Pool obtains independent coverage for insured events in excess of the \$200,000 limit.

HUMBOLDT COUNTY
Notes to the Financial Statements
June 30, 2006

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

The County pays premiums based on payroll costs to PACT. The PACT is considered a self-sustaining pool that will provide coverage up to \$750,000 for police and fire employees and \$350,000 for all other employees, per insured event. The PACT obtains independent coverage for events in excess of the \$350,000 limit.

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

B. Defined benefit pension plan

Plan Description: Humboldt County contributes to the Public Employees Retirement System of the State of Nevada (PERS), a cost sharing, multiple employer, defined benefit plan administered by the Public Employees Retirement System of the State of Nevada.

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

Funding Policy: Benefits for plan members are funded under one of two methods; the employer pay contribution plan or the employer/employee pay contribution plan. All of the employees of the County are under the employer pay contribution plan, where the County is required to contribute all amounts due under the plan. The contribution requirements of plan members and the County are established by Chapter 286 of the Nevada Revised Statutes. The funding mechanism may be only amended through legislation.

The County's contribution rates on all covered payroll and amounts contributed, which are equal to the required contributions, for the last three years are as follows:

<u>Fiscal Year</u>	<u>Contribution Rate</u>		<u>Total</u>
	<u>Regular Members</u>	<u>Police Members</u>	<u>Contributions</u>
2005-2006	19.75%	32.0%	\$1,755,009
2004-2005	20.25%	28.5%	\$1,584,049
2003-2004	20.25%	28.5%	\$1,572,755

HUMBOLDT COUNTY
Notes to the Financial Statements
June 30, 2006

C. Landfill Closure and Post-closure Costs

State and federal laws and regulations require the government to place a final cover on the Humboldt County Regional Landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. During the year ended June 30, 1999, the County Commissioners approved the County's purchase of insurance to cover the costs of closure and post-closure of the landfill. The County is obligated under the insurance policy to an annual premium of \$61,646 over 15 years, with the first payment due July 1, 1999. The County expects to close the landfill in the year 2031.

At June 30, 2006 financial assurance relative to costs of closure and post-closure of the landfill was fulfilled through insurance coverage.

D. Contingencies

There are legal actions and claims pending against Humboldt County. The financial impact of these actions is not determinable at June 30, 2006, but in the opinion of management and legal counsel, any resulting uninsured liability will not materially affect the financial position or results of operations of the County.

E. Fund Additions

The Assessor's Technology Fund was established per Nevada Revised Statutes 354 to account for the resources and expenditures associated with providing enhanced technology improvements in the Assessor's office.

HUMBOLDT COUNTY
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2006

	<u>Special Revenue Funds</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Total</u>
Assets				
Cash and cash equivalents	\$ 3,117,418	\$ 399,298	\$ 111,151	\$ 3,627,867
Taxes receivable	7,015	-	349	7,364
Accounts receivable	1,489	-	-	1,489
Interest receivable	-	1,456	310	1,766
Intergovernmental receivable	65,680	47,886	39	113,605
Due from other funds	13,017	-	-	13,017
Total assets	<u>\$ 3,204,619</u>	<u>\$ 448,640</u>	<u>\$ 111,849</u>	<u>\$ 3,765,108</u>
Liabilities				
Accounts payable	\$ 33,314	\$ -	\$ 1	\$ 33,315
Accrued salaries/benefits	21,554	-	-	21,554
Intergovernmental payable	32,877	-	655	33,532
Due to other funds	1,614	-	-	1,614
Deferred revenue	7,015	-	349	7,364
Total liabilities	<u>96,374</u>	<u>-</u>	<u>1,005</u>	<u>97,379</u>
Fund Balances				
Reserved for government stabilization	1,047,283	-	-	1,047,283
Reserved for debt service	-	564	-	564
Unreserved and undesignated	2,060,962	448,076	110,844	2,619,882
Total fund balances	<u>3,108,245</u>	<u>448,640</u>	<u>110,844</u>	<u>3,667,729</u>
Total Liabilities and Fund Balances	<u>\$ 3,204,619</u>	<u>\$ 448,640</u>	<u>\$ 111,849</u>	<u>\$ 3,765,108</u>

HUMBOLDT COUNTY
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2006

	<u>Special Revenue Funds</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Total</u>
REVENUES				
Taxes	\$ 1,026,878	\$ 22	\$ 50,198	\$ 1,077,098
Intergovernmental revenues	1,448,054	248,447	-	1,696,501
Charges for services	118,140	-	-	118,140
Fines and forfeits	59,084	-	-	59,084
Miscellaneous	<u>3,626</u>	<u>20,562</u>	<u>2,837</u>	<u>27,025</u>
 Total revenues	 <u>2,655,782</u>	 <u>269,031</u>	 <u>53,035</u>	 <u>2,977,848</u>
EXPENDITURES				
Current:				
General government	126,204	-	-	126,204
Judicial	155,668	-	-	155,668
Welfare	399,453	-	-	399,453
Culture and recreation	778,870	-	-	778,870
Community support	133,449	-	-	133,449
Intergovernmental	75,066	-	13,585	88,651
Debt service	<u>-</u>	<u>187,425</u>	<u>-</u>	<u>187,425</u>
 Total expenditures	 <u>1,668,710</u>	 <u>187,425</u>	 <u>13,585</u>	 <u>1,869,720</u>
 Excess (deficiency) of revenues over (under) expenditures	 <u>987,072</u>	 <u>81,606</u>	 <u>39,450</u>	 <u>1,108,128</u>
OTHER FINANCING SOURCES (USES)				
Transfers in:	250,000	-	-	250,000
Transfers out:	<u>(708,000)</u>	<u>-</u>	<u>-</u>	<u>(708,000)</u>
 Total Other Financing Sources (Uses)	 <u>(458,000)</u>	 <u>-</u>	 <u>-</u>	 <u>(458,000)</u>
 Net Change in Fund Balances	 529,072	 81,606	 39,450	 650,128
 Fund balances - beginning	 <u>2,579,173</u>	 <u>367,034</u>	 <u>71,394</u>	 <u>3,017,601</u>
 Fund balances - ending	 <u>\$ 3,108,245</u>	 <u>\$ 448,640</u>	 <u>\$ 110,844</u>	 <u>\$ 3,667,729</u>

HUMBOLDT COUNTY
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2006
(With comparative actual amounts for the fiscal year ended June 30, 2005)

	<u>2006</u>			<u>2005</u>	
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance to Final Budget</u>	<u>Actual</u>
REVENUES					
Taxes:					
Property taxes	\$ 983,149	\$ 983,149	\$ 1,114,880	\$ 131,731	\$ 1,061,982
Tax penalties	70,000	70,000	99,060	29,060	89,830
Total Taxes	<u>1,053,149</u>	<u>1,053,149</u>	<u>1,213,940</u>	<u>160,791</u>	<u>1,151,812</u>
Licenses and Permits:					
Business:					
Business licenses	40,000	40,000	40,855	855	41,269
Liquor licenses	6,000	6,000	6,180	180	5,907
Local gaming licenses	56,000	56,000	55,365	(635)	56,680
Franchise fees	950,000	950,000	1,157,296	207,296	936,900
Nonbusiness:					
Building permits	90,000	90,000	162,812	72,812	101,769
Dog licenses	12,500	12,500	12,276	(224)	8,500
CCW permits	-	-	2,385	2,385	2,355
Marriage licenses	-	-	2,440	2,440	2,850
Other permits	-	-	163	163	140
Total Licenses and Permits	<u>1,154,500</u>	<u>1,154,500</u>	<u>1,439,772</u>	<u>285,272</u>	<u>1,156,370</u>
Intergovernmental Revenues:					
Federal grants:					
Community services block grant	-	-	-	-	22,103
Child support enforcement	140,000	140,000	193,357	53,357	153,674
Consolidated task force	70,000	70,000	80,361	10,361	65,980
Civil defense	-	-	2,584	2,584	2,584
Taylor grazing fees	40,000	40,000	41,184	1,184	36,137
Hots grant	-	-	-	-	7,054
Senior transportation grant	21,000	118,031	118,031	-	76,788
SCAAP grant	-	5,121	5,121	-	-
Violence against women grant	-	16,882	16,882	-	-
State grants:					
SERC grant	-	22,835	22,835	-	954
Computer aided dispatch grant	-	-	-	-	67,582
Homeland security grant	-	-	-	-	35,800

(continued)

HUMBOLDT COUNTY
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2006
(With comparative actual amounts for the fiscal year ended June 30, 2005)

	<u>2006</u>			<u>2005</u>	
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance to Final Budget</u>	<u>Actual</u>
Other Intergovernmental revenues:					
City-county sharing agreement	\$ 290,000	\$ 290,000	\$ 281,798	\$ (8,202)	\$ 283,089
Humboldt contribution	15,000	15,000	25,864	10,864	16,667
Humboldt river basin authority	40,000	40,000	56,480	16,480	49,050
Combined tax	5,150,303	5,150,303	6,660,568	1,510,265	5,500,997
State gaming license fees	155,000	155,000	159,535	4,535	158,345
Total Intergovernmental Revenues	<u>5,921,303</u>	<u>6,063,172</u>	<u>7,664,600</u>	<u>1,601,428</u>	<u>6,476,804</u>
Charges for Services:					
General government:					
Clerk fees	20,000	20,000	22,314	2,314	21,211
Recorder fees	120,000	120,000	159,786	39,786	156,564
Recorder technology fees	-	-	22,557	22,557	28,244
Planning fees	6,000	6,000	23,410	17,410	11,420
Map fees	27,500	27,500	54,853	27,353	83,318
Subtotal General government	<u>173,500</u>	<u>173,500</u>	<u>282,920</u>	<u>109,420</u>	<u>300,757</u>
Judicial:					
Legal assistance fees	5,200	5,200	5,881	681	6,059
Law library fees	3,800	3,800	4,380	580	4,230
Bail bond fees	5,500	5,500	7,650	2,150	7,000
Civil action fees	31,000	31,000	32,921	1,921	30,341
District court filing fees	-	-	15,970	15,970	15,777
Subtotal Judicial	<u>45,500</u>	<u>45,500</u>	<u>66,802</u>	<u>21,302</u>	<u>63,407</u>
Public safety:					
Sheriff fees	32,000	32,000	27,214	(4,786)	30,117
Detention fees	30,000	30,000	25,767	(4,233)	31,855
Detention meal preparation	40,000	40,000	28,596	(11,404)	36,135
Subtotal Public safety	<u>102,000</u>	<u>102,000</u>	<u>81,577</u>	<u>(20,423)</u>	<u>98,107</u>
Other charges for services	6,500	6,500	12,642	6,142	8,092
Total Charges for Services	<u>327,500</u>	<u>327,500</u>	<u>443,941</u>	<u>116,441</u>	<u>470,363</u>
Fines and forfeits	<u>650,000</u>	<u>650,000</u>	<u>737,874</u>	<u>87,874</u>	<u>609,799</u>
Miscellaneous Revenues:					
Interest earnings	140,000	140,000	427,015	287,015	249,824
Miscellaneous	2,300	2,300	77,767	75,467	30,588
Forensic services	7,500	7,500	8,176	676	7,258
Total Miscellaneous Revenues	<u>149,800</u>	<u>149,800</u>	<u>512,958</u>	<u>363,158</u>	<u>287,670</u>
Total Revenues	<u>9,256,252</u>	<u>9,398,121</u>	<u>12,013,085</u>	<u>2,614,964</u>	<u>10,152,818</u>

(continued)

HUMBOLDT COUNTY
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2006
(With comparative actual amounts for the fiscal year ended June 30, 2005)

	<u>2006</u>			<u>2005</u>	
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance to Final Budget</u>	<u>Actual</u>
EXPENDITURES BY FUNCTION AND ACTIVITY					
General government function:					
Legislative:					
Commissioners					
Salaries and wages	\$ 129,210	\$ 129,210	\$ 128,606	\$ 604	\$ 128,372
Employee benefits	56,760	56,760	55,711	1,049	55,993
Services and supplies	44,500	44,500	32,696	11,804	28,842
Capital outlay	26,000	26,000	23,850	2,150	-
Subtotal Legislative	<u>256,470</u>	<u>256,470</u>	<u>240,863</u>	<u>15,607</u>	<u>213,207</u>
Executive:					
County administrator					
Salaries and wages	183,166	183,166	161,863	21,303	171,935
Employee benefits	57,809	57,809	51,528	6,281	55,367
Services and supplies	2,100	2,100	649	1,451	1,650
Subtotal Executive	<u>243,075</u>	<u>243,075</u>	<u>214,040</u>	<u>29,035</u>	<u>228,952</u>
Elections:					
Services and supplies	<u>25,000</u>	<u>25,000</u>	<u>16,188</u>	<u>8,812</u>	<u>69,163</u>
Finance:					
Comptroller:					
Salaries and wages	127,824	139,224	139,161	63	127,402
Employee benefits	42,876	48,091	47,784	307	42,288
Services and supplies	58,200	58,200	55,552	2,648	56,488
	<u>228,900</u>	<u>245,515</u>	<u>242,497</u>	<u>3,018</u>	<u>226,178</u>
Assessor:					
Salaries and wages	289,708	295,008	296,419	(1,411)	277,941
Employee benefits	94,820	101,170	100,567	603	93,843
Services and supplies	37,041	49,154	49,949	(795)	37,584
Capital outlay	40,600	31,987	18,828	13,159	-
	<u>462,169</u>	<u>477,319</u>	<u>465,763</u>	<u>11,556</u>	<u>409,368</u>

(continued)

HUMBOLDT COUNTY
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2006
(With comparative actual amounts for the fiscal year ended June 30, 2005)

	<u>2006</u>			<u>2005</u>	
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance to Final Budget</u>	<u>Actual</u>
Treasurer:					
Salaries and wages	\$ 153,876	\$ 153,876	\$ 152,506	\$ 1,370	\$ 149,616
Employee benefits	49,841	49,841	49,190	651	47,861
Services and supplies	24,125	25,125	30,471	(5,346)	23,061
	<u>227,842</u>	<u>228,842</u>	<u>232,167</u>	<u>(3,325)</u>	<u>220,538</u>
Subtotal Finance	<u>918,911</u>	<u>951,676</u>	<u>940,427</u>	<u>11,249</u>	<u>856,084</u>
Other:					
Clerk:					
Salaries and wages	201,270	201,270	200,410	860	196,384
Employee benefits	73,660	73,660	73,538	122	72,416
Services and supplies	15,900	15,900	14,198	1,702	13,764
	<u>290,830</u>	<u>290,830</u>	<u>288,146</u>	<u>2,684</u>	<u>282,564</u>
Recorder:					
Salaries and wages	137,980	139,130	139,084	46	134,454
Employee benefits	46,690	47,225	47,053	172	45,829
Services and supplies	63,475	63,475	62,162	1,313	49,627
	<u>248,145</u>	<u>249,830</u>	<u>248,299</u>	<u>1,531</u>	<u>229,910</u>
Computer systems:					
Salaries and wages	50,880	50,880	47,454	3,426	46,672
Employee benefits	16,370	16,370	16,319	51	16,122
Services and supplies	154,996	154,996	146,552	8,444	105,515
Capital outlay	10,450	10,450	-	10,450	-
	<u>232,696</u>	<u>232,696</u>	<u>210,325</u>	<u>22,371</u>	<u>168,309</u>
Planning:					
Salaries and wages	83,750	86,800	86,701	99	83,470
Employee benefits	29,761	30,331	30,292	39	29,573
Services and supplies	18,150	16,680	11,973	4,707	6,427
	<u>131,661</u>	<u>133,811</u>	<u>128,966</u>	<u>4,845</u>	<u>119,470</u>
Buildings and grounds:					
Salaries and wages	345,356	345,356	341,915	3,441	308,793
Employee benefits	128,908	128,908	127,068	1,840	115,382
Services and supplies	464,330	479,330	501,343	(22,013)	374,035
	<u>938,594</u>	<u>953,594</u>	<u>970,326</u>	<u>(16,732)</u>	<u>798,210</u>

(continued)

HUMBOLDT COUNTY
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2006
(With comparative actual amounts for the fiscal year ended June 30, 2005)

	<u>2006</u>			<u>2005</u>	
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance to Final Budget</u>	<u>Actual</u>
Communications:					
Salaries and wages	\$ 92,712	\$ 94,412	\$ 97,203	\$ (2,791)	\$ 70,272
Employee benefits	31,590	32,340	31,243	1,097	21,236
Services and supplies	32,900	32,900	24,023	8,877	20,100
Capital outlay	40,900	38,450	17,045	21,405	-
	<u>198,102</u>	<u>198,102</u>	<u>169,514</u>	<u>28,588</u>	<u>111,608</u>
Personnel:					
Services and supplies	<u>30,200</u>	<u>46,200</u>	<u>39,254</u>	<u>6,946</u>	<u>28,159</u>
Public administrator:					
Services and supplies	<u>16,000</u>	<u>16,000</u>	<u>16,994</u>	<u>(994)</u>	<u>15,414</u>
Miscellaneous:					
Services and supplies:					
Insurance	300,000	300,000	338,489	(38,489)	309,710
Insurance reserve	25,000	25,000	6,024	18,976	2,400
Humboldt river basin authority	40,000	40,000	58,980	(18,980)	53,550
Miscellaneous	604,500	353,013	104,479	248,534	51,282
	<u>969,500</u>	<u>718,013</u>	<u>507,972</u>	<u>210,041</u>	<u>416,942</u>
Subtotal Other	<u>3,055,728</u>	<u>2,839,076</u>	<u>2,579,796</u>	<u>259,280</u>	<u>2,170,586</u>
Total General government function	<u>4,499,184</u>	<u>4,315,297</u>	<u>3,991,314</u>	<u>323,983</u>	<u>3,537,992</u>
Judicial function:					
Justice court:					
Salaries and wages	372,378	372,378	369,911	2,467	326,095
Employee benefits	137,027	137,027	132,983	4,044	120,889
Services and supplies	101,275	101,275	61,715	39,560	67,144
	<u>610,680</u>	<u>610,680</u>	<u>564,609</u>	<u>46,071</u>	<u>514,128</u>
District attorney:					
Salaries and wages	423,775	458,909	460,865	(1,956)	378,107
Employee benefits	136,880	147,040	151,542	(4,502)	122,853
Services and supplies	76,700	48,288	35,269	13,019	41,174
	<u>637,355</u>	<u>654,237</u>	<u>647,676</u>	<u>6,561</u>	<u>542,134</u>

(continued)

HUMBOLDT COUNTY
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2006
(With comparative actual amounts for the fiscal year ended June 30, 2005)

	<u>2006</u>			<u>2005</u>	
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance to Final Budget</u>	<u>Actual</u>
Child support:					
Salaries and wages	\$ 166,195	\$ 166,195	\$ 166,287	\$ (92)	\$ 127,896
Employee benefits	63,245	63,245	62,100	1,145	50,888
Services and supplies	25,900	29,900	31,772	(1,872)	25,751
	<u>255,340</u>	<u>259,340</u>	<u>260,159</u>	<u>(819)</u>	<u>204,535</u>
Other legal expenses:					
Services and supplies	151,531	153,198	149,655	3,543	159,355
	<u>151,531</u>	<u>153,198</u>	<u>149,655</u>	<u>3,543</u>	<u>159,355</u>
Total Judicial function	<u>1,654,906</u>	<u>1,677,455</u>	<u>1,622,099</u>	<u>55,356</u>	<u>1,420,152</u>
Public safety function:					
Sheriff:					
Salaries and wages	1,214,830	1,290,730	1,309,971	(19,241)	1,126,431
Employee benefits	535,380	564,380	542,356	22,024	427,626
Services and supplies	264,450	279,450	283,288	(3,838)	307,010
Capital outlay	138,000	138,000	131,861	6,139	24,410
	<u>2,152,660</u>	<u>2,272,560</u>	<u>2,267,476</u>	<u>5,084</u>	<u>1,885,477</u>
Detention:					
Salaries and wages	712,330	712,330	718,790	(6,460)	594,240
Employee benefits	346,930	346,930	287,130	59,800	231,699
Services and supplies	164,935	170,056	159,781	10,275	137,827
	<u>1,224,195</u>	<u>1,229,316</u>	<u>1,165,701</u>	<u>63,615</u>	<u>963,766</u>
Dispatch:					
Salaries and wages	375,230	390,230	398,006	(7,776)	357,271
Employee benefits	132,400	132,400	111,220	21,180	91,603
Services and supplies	142,170	142,170	134,129	8,041	46,281
Capital outlay	-	-	-	-	125,738
	<u>649,800</u>	<u>664,800</u>	<u>643,355</u>	<u>21,445</u>	<u>620,893</u>
Building official:					
Salaries and wages	108,070	111,070	110,600	470	106,012
Employee benefits	34,550	34,970	34,868	102	34,164
Services and supplies	23,510	27,510	18,254	9,256	16,038
Capital outlay	-	-	-	-	9,600
	<u>166,130</u>	<u>173,550</u>	<u>163,722</u>	<u>9,828</u>	<u>165,814</u>

(continued)

HUMBOLDT COUNTY
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2006
(With comparative actual amounts for the fiscal year ended June 30, 2005)

	<u>2006</u>			<u>2005</u>	
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance to Final Budget</u>	<u>Actual</u>
Task force:					
Salaries and wages	\$ 57,610	\$ 67,610	\$ 64,256	\$ 3,354	\$ 51,633
Employee benefits	25,032	30,932	31,525	(593)	22,348
Services and supplies	21,500	21,500	10,841	10,659	8,511
Capital outlay	5,000	5,000	-	5,000	5,200
	<u>109,142</u>	<u>125,042</u>	<u>106,622</u>	<u>18,420</u>	<u>87,692</u>
Emergency management:					
Salaries and wages	4,800	4,800	4,800	-	4,800
Employee benefits	490	490	478	12	657
Services and supplies	200	200	-	200	-
	<u>5,490</u>	<u>5,490</u>	<u>5,278</u>	<u>212</u>	<u>5,457</u>
LEPC:					
Services and supplies	-	22,835	22,835	-	1,077
	<u>-</u>	<u>22,835</u>	<u>22,835</u>	<u>-</u>	<u>1,077</u>
 Total Public safety function	 <u>4,307,417</u>	 <u>4,493,593</u>	 <u>4,374,989</u>	 <u>118,604</u>	 <u>3,730,176</u>
Public works function:					
Services and supplies	25,000	25,000	19,946	5,054	19,081
Total Public works function	<u>25,000</u>	<u>25,000</u>	<u>19,946</u>	<u>5,054</u>	<u>19,081</u>
Health function:					
Health:					
Salaries and wages	61,680	61,680	59,498	2,182	54,671
Employee benefits	25,440	25,440	25,549	(109)	22,361
Services and supplies	56,200	56,200	55,361	839	50,332
	<u>143,320</u>	<u>143,320</u>	<u>140,408</u>	<u>2,912</u>	<u>127,364</u>
Miscellaneous:					
Mosquito control:					
Services and supplies	121,663	114,163	106,149	8,014	106,245
Capital outlay	-	7,500	7,455	45	-
	<u>121,663</u>	<u>121,663</u>	<u>113,604</u>	<u>8,059</u>	<u>106,245</u>
 Total Health function	 <u>264,983</u>	 <u>264,983</u>	 <u>254,012</u>	 <u>10,971</u>	 <u>233,609</u>

(continued)

HUMBOLDT COUNTY
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2006
(With comparative actual amounts for the fiscal year ended June 30, 2005)

	<u>2006</u>			<u>2005</u>	
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance to Final Budget</u>	<u>Actual</u>
Culture and recreation function:					
Virgin valley campground:					
Services and supplies	\$ 2,500	\$ 2,500	\$ 2,500	\$ -	\$ 2,500
Community support function:					
Services and supplies:					
Senior citizens	142,485	152,485	155,646	(3,161)	74,565
Museum	71,243	81,243	80,947	296	74,327
Cat spay/neuter	2,800	2,800	2,800	-	-
Senior transportation grant	21,000	118,031	118,002	29	76,788
Humboldt development authority	20,000	20,000	20,000	-	20,000
County recreation	10,000	10,000	2,500	7,500	5,347
Chamber of commerce	6,500	6,500	6,500	-	6,500
Economic development	50,000	50,000	-	50,000	-
Range improvement districts	70,000	70,000	41,184	28,816	36,137
Vitality center	7,500	7,500	7,500	-	7,500
Total Community support function	<u>401,528</u>	<u>518,559</u>	<u>435,079</u>	<u>83,480</u>	<u>301,164</u>
Intergovernmental expenditure function:					
Services and supplies:					
City of Winnemucca gaming licenses	100,000	100,000	100,000	-	100,000
Airport	113,000	113,000	69,585	43,415	17,425
Cemetery	22,000	22,000	21,175	825	20,625
Parks and recreation	282,500	282,500	277,390	5,110	261,214
Legal assistance	6,500	6,500	5,881	619	6,059
Total Intergovernmental expenditure function	<u>524,000</u>	<u>524,000</u>	<u>474,031</u>	<u>49,969</u>	<u>405,323</u>
Total Expenditures	<u>11,679,518</u>	<u>11,821,387</u>	<u>11,173,970</u>	<u>647,417</u>	<u>9,650,000</u>
Excess (deficiency) of revenues over expenditures	<u>(2,423,266)</u>	<u>(2,423,266)</u>	<u>839,115</u>	<u>3,262,381</u>	<u>502,818</u>

(continued)

HUMBOLDT COUNTY
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2006
(With comparative actual amounts for the fiscal year ended June 30, 2005)

	<u>2006</u>			<u>2005</u>	
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance to Final Budget</u>	<u>Actual</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	\$ 5,000	\$ 5,000	\$ 5,000	\$ -	\$ 540,063
Transfers out	-	-	-	-	(25,000)
Contingency	<u>(305,000)</u>	<u>(305,000)</u>	<u>-</u>	<u>305,000</u>	<u>-</u>
Total other financing sources and uses	<u>(300,000)</u>	<u>(300,000)</u>	<u>5,000</u>	<u>305,000</u>	<u>515,063</u>
Net change in fund balances	(2,723,266)	(2,723,266)	844,115	3,567,381	1,017,880
Fund balance - beginning	<u>6,855,796</u>	<u>6,855,796</u>	<u>10,225,489</u>	<u>3,369,693</u>	<u>9,207,609</u>
Fund balance - ending	<u>\$ 4,132,530</u>	<u>\$ 4,132,530</u>	<u>\$ 11,069,604</u>	<u>\$ 6,937,074</u>	<u>\$ 10,225,489</u>

HUMBOLDT COUNTY
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2006

	<u>Indigent Fund</u>	<u>Cooperative Extension Fund</u>	<u>Library Fund</u>	<u>Unemployment Insurance Fund</u>	<u>6th Judicial District Drug Court Fund</u>	<u>In-Lieu-of Tax Trust Fund</u>
Assets						
Cash and cash equivalents	\$ 201,516	\$ 86,596	\$ 431,239	\$ 70,585	\$ 44,499	\$ 811,606
Taxes receivable	3,062	576	3,317	-	-	-
Accounts receivable	1,250	-	239	-	-	-
Intergovernmental receivable	5,338	9,059	51,099	-	-	-
Due from other funds	13,017	-	-	-	-	-
Total assets	<u>\$ 224,183</u>	<u>\$ 96,231</u>	<u>\$ 485,894</u>	<u>\$ 70,585</u>	<u>\$ 44,499</u>	<u>\$ 811,606</u>
Liabilities						
Accounts payable	\$ 8,634	\$ 3,976	\$ 11,956	\$ -	\$ 6,312	\$ -
Accrued salaries/benefits	1,526	2,930	17,098	-	-	-
Intergovernmental payable	29,032	762	20	3,063	-	-
Due to other funds	143	467	880	-	124	-
Deferred revenue	3,062	576	3,317	-	-	-
Total liabilities	<u>42,397</u>	<u>8,711</u>	<u>33,271</u>	<u>3,063</u>	<u>6,436</u>	<u>-</u>
Fund Balances						
Reserved for government stabilization	-	-	-	-	-	-
Unreserved and undesignated	181,786	87,520	452,623	67,522	38,063	811,606
Total fund balances	<u>181,786</u>	<u>87,520</u>	<u>452,623</u>	<u>67,522</u>	<u>38,063</u>	<u>811,606</u>
Total Liabilities and Fund Balances	<u>\$ 224,183</u>	<u>\$ 96,231</u>	<u>\$ 485,894</u>	<u>\$ 70,585</u>	<u>\$ 44,499</u>	<u>\$ 811,606</u>

Administrative Assessment Fund	Stabilization Fund	Check Restitution Fund	Compensated Absence Fund	Genetic Marker Testing Fund	Assessor's Technology Fund	Total Nonmajor Special Revenue Funds
\$ 91,793	\$ 1,047,285	\$ 42,005	\$ 269,466	\$ 5,210	\$ 15,618	\$ 3,117,418
-	60	-	-	-	-	7,015
-	-	-	-	-	-	1,489
-	-	-	-	15	169	65,680
-	-	-	-	-	-	13,017
<u>\$ 91,793</u>	<u>\$ 1,047,345</u>	<u>\$ 42,005</u>	<u>\$ 269,466</u>	<u>\$ 5,225</u>	<u>\$ 15,787</u>	<u>\$ 3,204,619</u>
\$ 1,788	\$ 2	\$ 646	\$ -	\$ -	\$ -	\$ 33,314
-	-	-	-	-	-	21,554
-	-	-	-	-	-	32,877
-	-	-	-	-	-	1,614
-	60	-	-	-	-	7,015
<u>1,788</u>	<u>62</u>	<u>646</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>96,374</u>
-	1,047,283	-	-	-	-	1,047,283
<u>90,005</u>	<u>-</u>	<u>41,359</u>	<u>269,466</u>	<u>5,225</u>	<u>15,787</u>	<u>2,060,962</u>
<u>90,005</u>	<u>1,047,283</u>	<u>41,359</u>	<u>269,466</u>	<u>5,225</u>	<u>15,787</u>	<u>3,108,245</u>
<u>\$ 91,793</u>	<u>\$ 1,047,345</u>	<u>\$ 42,005</u>	<u>\$ 269,466</u>	<u>\$ 5,225</u>	<u>\$ 15,787</u>	<u>\$ 3,204,619</u>

HUMBOLDT COUNTY
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2006

	<u>Indigent Fund</u>	<u>Cooperative Extension Fund</u>	<u>Library Fund</u>	<u>Unemployment Insurance Fund</u>	<u>6th Judicial District Drug Court Fund</u>	<u>In-Lieu-of Tax Trust Fund</u>
REVENUES						
Property taxes	\$ 439,811	\$ 82,793	\$ 476,670	\$ -	\$ -	\$ -
Intergovernmental revenue	9,523	57,851	369,036	-	50,237	961,407
Charges for services	-	-	-	38,400	-	-
Fines and forfeits	-	-	4,227	-	-	-
Miscellaneous revenues	3,026	-	-	-	600	-
Total Revenues	<u>452,360</u>	<u>140,644</u>	<u>849,933</u>	<u>38,400</u>	<u>50,837</u>	<u>961,407</u>
EXPENDITURES						
General government	-	-	-	6,913	-	-
Judicial	-	-	-	-	38,663	-
Welfare	399,453	-	-	-	-	-
Culture and recreation	-	-	778,870	-	-	-
Community support	-	133,449	-	-	-	-
Intergovernmental	75,066	-	-	-	-	-
Total Expenditures	<u>474,519</u>	<u>133,449</u>	<u>778,870</u>	<u>6,913</u>	<u>38,663</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(22,159)</u>	<u>7,195</u>	<u>71,063</u>	<u>31,487</u>	<u>12,174</u>	<u>961,407</u>
Other Financing Sources (Uses)						
Transfers in	60,970	25,000	-	-	-	-
Transfers out	-	-	-	-	-	(708,000)
Total Other Financing Sources (Uses)	<u>60,970</u>	<u>25,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(708,000)</u>
Net Change in Fund Balances	38,811	32,195	71,063	31,487	12,174	253,407
Fund Balance - beginning	<u>142,975</u>	<u>55,325</u>	<u>381,560</u>	<u>36,035</u>	<u>25,889</u>	<u>558,199</u>
Fund Balances - ending	<u><u>\$ 181,786</u></u>	<u><u>\$ 87,520</u></u>	<u><u>\$ 452,623</u></u>	<u><u>\$ 67,522</u></u>	<u><u>\$ 38,063</u></u>	<u><u>\$ 811,606</u></u>

Administrative Assessment Fund	Stabilization Fund	Check Restitution Fund	Compensated Absence Fund	Genetic Marker Testing Fund	Assessor's Technology Fund	Total Nonmajor Special Revenue Funds
\$ -	\$ 501	\$ -	\$ -	\$ -	\$ 27,103	\$ 1,026,878
-	-	-	-	-	-	1,448,054
-	-	77,997	-	1,743	-	118,140
54,857	-	-	-	-	-	59,084
-	-	-	-	-	-	3,626
<u>54,857</u>	<u>501</u>	<u>77,997</u>	<u>-</u>	<u>1,743</u>	<u>27,103</u>	<u>2,655,782</u>
-	-	-	107,975	-	11,316	126,204
36,418	-	80,587	-	-	-	155,668
-	-	-	-	-	-	399,453
-	-	-	-	-	-	778,870
-	-	-	-	-	-	133,449
-	-	-	-	-	-	75,066
<u>36,418</u>	<u>-</u>	<u>80,587</u>	<u>107,975</u>	<u>-</u>	<u>11,316</u>	<u>1,668,710</u>
<u>18,439</u>	<u>501</u>	<u>(2,590)</u>	<u>(107,975)</u>	<u>1,743</u>	<u>15,787</u>	<u>987,072</u>
-	-	-	164,030	-	-	250,000
-	-	-	-	-	-	(708,000)
-	-	-	164,030	-	-	(458,000)
18,439	501	(2,590)	56,055	1,743	15,787	529,072
<u>71,566</u>	<u>1,046,782</u>	<u>43,949</u>	<u>213,411</u>	<u>3,482</u>	<u>-</u>	<u>2,579,173</u>
<u>\$ 90,005</u>	<u>\$ 1,047,283</u>	<u>\$ 41,359</u>	<u>\$ 269,466</u>	<u>\$ 5,225</u>	<u>\$ 15,787</u>	<u>\$ 3,108,245</u>

HUMBOLDT COUNTY
Indigent Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2006
(With comparative actual amounts for the fiscal year ended June 30, 2005)

	<u>2006</u>			Variance to Final Budget	<u>2005</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>		<u>Actual</u>
REVENUES					
Taxes:					
Property taxes	\$ 416,532	\$ 416,532	\$ 439,811	\$ 23,279	\$ 469,948
Intergovernmental revenue:					
Federal grants	-	2,766	9,523	6,757	7,240
Miscellaneous	1,000	1,000	3,026	2,026	8,538
Total Revenues	<u>417,532</u>	<u>420,298</u>	<u>452,360</u>	<u>32,062</u>	<u>485,726</u>
EXPENDITURES					
Welfare function:					
Institutional care	266,328	301,328	298,257	3,071	267,442
Vendor welfare payment	1,500	1,500	1,103	397	1,918
Old age assistance	13,890	13,890	13,886	4	13,886
General assistance:					
Salaries and wages	39,200	40,000	39,942	58	38,477
Employee benefits	14,630	14,800	14,760	40	14,391
Services and supplies	41,400	44,166	31,505	12,661	31,636
Total Welfare function	<u>376,948</u>	<u>415,684</u>	<u>399,453</u>	<u>16,231</u>	<u>367,750</u>
Intergovernmental expenditure function:					
Services and supplies	71,243	71,243	75,066	(3,823)	70,909
Total Expenditures	<u>448,191</u>	<u>486,927</u>	<u>474,519</u>	<u>12,408</u>	<u>438,659</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(30,659)</u>	<u>(66,629)</u>	<u>(22,159)</u>	<u>44,470</u>	<u>47,067</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	25,000	60,970	60,970	-	25,000
Net change in fund balance	<u>(5,659)</u>	<u>(5,659)</u>	<u>38,811</u>	<u>44,470</u>	<u>72,067</u>
Fund balance - beginning	<u>104,175</u>	<u>104,175</u>	<u>142,975</u>	<u>38,800</u>	<u>70,908</u>
Fund balance - ending	<u>\$ 98,516</u>	<u>\$ 98,516</u>	<u>\$ 181,786</u>	<u>\$ 83,270</u>	<u>\$ 142,975</u>

HUMBOLDT COUNTY
Cooperative Extension Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2006
(With comparative actual amounts for the fiscal year ended June 30, 2005)

	2006			Variance to Final Budget	2005
	Original Budget	Final Budget	Actual		Actual
REVENUES					
Taxes:					
Property taxes	\$ 78,367	\$ 78,367	\$ 82,793	\$ 4,426	\$ 88,751
Intergovernmental revenue:					
Combined tax	44,733	44,733	57,851	13,118	32,471
 Total Revenues	 123,100	 123,100	 140,644	 17,544	 121,222
EXPENDITURES					
Community Support Function:					
Salaries and wages	75,270	75,270	75,723	(453)	72,855
Employee benefits	28,440	28,440	28,673	(233)	27,993
Services and supplies	44,799	44,799	29,053	15,746	15,348
 Total Expenditures	 148,509	 148,509	 133,449	 15,060	 116,196
 Excess (deficiency) of revenues over (under) expenditures	 (25,409)	 (25,409)	 7,195	 32,604	 5,026
OTHER FINANCING SOURCES (USES)					
Transfers in	25,000	25,000	25,000	-	-
 Net change in fund balance	 (409)	 (409)	 32,195	 32,604	 5,026
 Fund balance - beginning	 35,110	 35,110	 55,325	 20,215	 50,299
 Fund balance - ending	 <u>\$ 34,701</u>	 <u>\$ 34,701</u>	 <u>\$ 87,520</u>	 <u>\$ 52,819</u>	 <u>\$ 55,325</u>

HUMBOLDT COUNTY
Library Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2006
(With comparative actual amounts for the fiscal year ended June 30, 2005)

	<u>2006</u>			<u>Variance to</u>	<u>2005</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final</u>	<u>Actual</u>
	<u>Budget</u>	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>
REVENUES					
Taxes:					
Property taxes	\$ 451,203	\$ 451,203	\$ 476,670	\$ 25,467	\$ 510,972
Intergovernmental revenue:					
State grants	21,200	35,964	41,214	5,250	21,200
Combined tax	253,489	253,489	327,822	74,333	261,043
Fines and forfeits:					
Library fines	3,500	3,500	4,227	727	2,970
Total Revenues	<u>729,392</u>	<u>744,156</u>	<u>849,933</u>	<u>105,777</u>	<u>796,185</u>
EXPENDITURES					
Culture and Recreation Function:					
Salaries and wages	443,442	443,442	439,021	4,421	406,621
Employee benefits	147,450	154,875	150,034	4,841	137,813
Services and supplies	190,705	198,044	189,815	8,229	171,612
Capital outlay	-	-	-	-	6,187
Total Expenditures	<u>781,597</u>	<u>796,361</u>	<u>778,870</u>	<u>17,491</u>	<u>722,233</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(52,205)</u>	<u>(52,205)</u>	<u>71,063</u>	<u>123,268</u>	<u>73,952</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	50,000
Net change in fund balance	<u>(52,205)</u>	<u>(52,205)</u>	<u>71,063</u>	<u>123,268</u>	<u>123,952</u>
Fund balance - beginning	<u>265,706</u>	<u>265,706</u>	<u>381,560</u>	<u>115,854</u>	<u>257,608</u>
Fund balance - ending	<u>\$ 213,501</u>	<u>\$ 213,501</u>	<u>\$ 452,623</u>	<u>\$ 239,122</u>	<u>\$ 381,560</u>

HUMBOLDT COUNTY
Unemployment Insurance Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2006
(With comparative actual amounts for the fiscal year ended June 30, 2005)

	<u>2006</u>			<u>Variance to Final Budget</u>	<u>2005</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>		<u>Actual</u>
REVENUES					
Charges for services:					
Fund assessments	\$ 30,000	\$ 30,000	\$ 38,400	\$ 8,400	\$ 36,500
EXPENDITURES					
General government function:					
Services and supplies	30,000	30,000	6,913	23,087	10,004
Net change in fund balance	-	-	31,487	31,487	26,496
Fund balance - beginning	9,538	9,538	36,035	26,497	9,539
Fund balance - ending	<u>\$ 9,538</u>	<u>\$ 9,538</u>	<u>\$ 67,522</u>	<u>\$ 57,984</u>	<u>\$ 36,035</u>

HUMBOLDT COUNTY
6th Judicial District Drug Court Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2006
(With comparative actual amounts for the fiscal year ended June 30, 2005)

	2006			Variance to Final Budget	2005
	Original Budget	Final Budget	Actual		Actual
REVENUES					
Intergovernmental revenue:					
A/A Specialty Court Fund	\$ 42,000	\$ 42,000	\$ 50,237	\$ 8,237	\$ 68,522
Miscellaneous	-	-	600	600	-
Total Revenues	42,000	42,000	50,837	8,837	68,522
EXPENDITURES					
Judicial function:					
Drug Court:					
Services and supplies	42,000	42,000	38,662	3,338	42,633
Net change in fund balance	-	-	12,175	12,175	25,889
Fund balance - beginning	5,000	5,000	25,889	20,889	-
Fund balance - ending	\$ 5,000	\$ 5,000	\$ 38,064	\$ 33,064	\$ 25,889

HUMBOLDT COUNTY
In-Lieu-of Tax Trust Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2006
(With comparative actual amounts for the fiscal year ended June 30, 2005)

	2006			Variance to Final Budget	2005
	Original Budget	Final Budget	Actual		Actual
REVENUES					
Intergovernmental revenue:					
In-lieu-of tax payments	\$ 865,000	\$ 865,000	\$ 961,407	\$ 96,407	\$ 859,218
OTHER FINANCING SOURCES (USES)					
Transfers out	(708,000)	(708,000)	(708,000)	-	(1,251,000)
Net change in fund balance	157,000	157,000	253,407	96,407	(391,782)
Fund balance - beginning	548,981	548,981	558,199	9,218	949,981
Fund balance - ending	<u>\$ 705,981</u>	<u>\$ 705,981</u>	<u>\$ 811,606</u>	<u>\$ 105,625</u>	<u>\$ 558,199</u>

HUMBOLDT COUNTY
Administrative Assessment Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2006
(With comparative actual amounts for the fiscal year ended June 30, 2005)

	<u>2006</u>			<u>Variance to</u>	<u>2005</u>
	<u>Original</u> <u>Budget</u>	<u>Final</u> <u>Budget</u>	<u>Actual</u>	<u>Final</u> <u>Budget</u>	<u>Actual</u>
REVENUES					
Fines and forfeits:					
Court administrative assessment	\$ 45,000	\$ 45,000	\$ 54,857	\$ 9,857	\$ 39,529
EXPENDITURES					
Judicial function:					
Justice Court:					
Services and supplies	50,000	50,000	36,418	13,582	20,179
Excess (deficiency) of revenues over (under) expenditures	(5,000)	(5,000)	18,439	23,439	19,350
OTHER FINANCING SOURCES (USES)					
Transfers out	-	-	-	-	(85,063)
Net change in fund balance	(5,000)	(5,000)	18,439	23,439	(65,713)
Fund balance - beginning	137,279	137,279	71,566	(65,713)	137,279
Fund balance - ending	<u>\$ 132,279</u>	<u>\$ 132,279</u>	<u>\$ 90,005</u>	<u>\$ (42,274)</u>	<u>\$ 71,566</u>

HUMBOLDT COUNTY
Stabilization Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2006
(With comparative actual amounts for the fiscal year ended June 30, 2005)

	<u>2006</u>			<u>Variance to</u>	<u>2005</u>
	<u>Original</u> <u>Budget</u>	<u>Final</u> <u>Budget</u>	<u>Actual</u>	<u>Final</u> <u>Budget</u>	<u>Actual</u>
REVENUES					
Taxes:					
Property taxes	\$ -	\$ -	\$ 501	\$ 501	\$ 54,576
EXPENDITURES					
General government function:					
Services and supplies	-	-	-	-	-
Net change in fund balance	-	-	501	501	54,576
Fund balance - beginning	<u>1,043,834</u>	<u>1,043,834</u>	<u>1,046,782</u>	<u>2,948</u>	<u>992,206</u>
Fund balance - ending	<u><u>\$ 1,043,834</u></u>	<u><u>\$ 1,043,834</u></u>	<u><u>\$ 1,047,283</u></u>	<u><u>\$ 3,449</u></u>	<u><u>\$ 1,046,782</u></u>

HUMBOLDT COUNTY
Check Restitution Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2006
(With comparative actual amounts for the fiscal year ended June 30, 2005)

	2006			Variance to Final Budget	2005
	Original Budget	Final Budget	Actual		Actual
REVENUES					
Charges for services:					
Bad check restitution	\$ 30,000	\$ 67,110	\$ 77,997	\$ 10,887	\$ 93,364
EXPENDITURES					
Judicial function:					
Services and supplies	63,600	100,710	80,587	20,123	94,812
Net change in fund balance	(33,600)	(33,600)	(2,590)	31,010	(1,448)
Fund balance - beginning	34,197	34,197	43,949	9,752	45,397
Fund balance - ending	<u>\$ 597</u>	<u>\$ 597</u>	<u>\$ 41,359</u>	<u>\$ 40,762</u>	<u>\$ 43,949</u>

HUMBOLDT COUNTY
Compensated Absence Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2006
(With comparative actual amounts for the fiscal year ended June 30, 2005)

	<u>2006</u>			<u>Variance to</u>	<u>2005</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final</u>	<u>Actual</u>
	<u>Budget</u>	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>
REVENUES					
Miscellaneous:					
Fund assessments	\$ -	\$ -	\$ -	\$ -	\$ -
EXPENDITURES					
General government function:					
Services and supplies	75,000	139,030	107,975	31,055	36,589
OTHER FINANCING SOURCES (USES)					
Transfers in	100,000	164,030	164,030	-	250,000
Net change in fund balance	25,000	25,000	56,055	31,055	213,411
Fund balance - beginning	250,000	250,000	213,411	(36,589)	-
Fund balance - ending	<u>\$ 275,000</u>	<u>\$ 275,000</u>	<u>\$ 269,466</u>	<u>\$ (5,534)</u>	<u>\$ 213,411</u>

HUMBOLDT COUNTY
Genetic Marker Testing Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2006
(With comparative actual amounts for the fiscal year ended June 30, 2005)

	<u>2006</u>			<u>Variance to</u>	<u>2005</u>
	<u>Original</u> <u>Budget</u>	<u>Final</u> <u>Budget</u>	<u>Actual</u>	<u>Final</u> <u>Budget</u>	<u>Actual</u>
REVENUES					
Charges for services:					
Fees	\$ -	\$ -	\$ 1,743	\$ 1,743	\$ 1,211
EXPENDITURES					
Judicial function:					
Services and supplies	-	-	-	-	-
Net change in fund balance	-	-	1,743	1,743	1,211
Fund balance - beginning	<u>2,271</u>	<u>2,271</u>	<u>3,482</u>	<u>1,211</u>	<u>2,271</u>
Fund balance - ending	<u>\$ 2,271</u>	<u>\$ 2,271</u>	<u>\$ 5,225</u>	<u>\$ 2,954</u>	<u>\$ 3,482</u>

HUMBOLDT COUNTY
Assessor's Technology Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2006
(With comparative actual amounts for the fiscal year ended June 30, 2005)

	2006			Variance to Final Budget	2005
	Original Budget	Final Budget	Actual		Actual
REVENUES					
Taxes:					
Property taxes	\$ -	\$ 15,903	\$ 27,103	\$ 11,200	\$ -
EXPENDITURES					
General government function:					
Services and supplies	-	15,903	11,316	4,587	-
Net change in fund balance	-	-	15,787	15,787	-
Fund balance - beginning	-	-	-	-	-
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,787</u>	<u>\$ 15,787</u>	<u>\$ -</u>

HUMBOLDT COUNTY
Nonmajor Debt Service Fund
Balance Sheet
June 30, 2006

ASSETS

Cash and Cash Equivalents	\$ 399,298
Interest receivable	1,456
Intergovernmental receivable	<u>47,886</u>

Total Assets \$ 448,640

LIABILITIES AND FUND BALANCES

Liabilities \$ -

Fund Balances:

Reserved	564
Unreserved	<u>448,076</u>

Total Fund Balances 448,640

Total Liabilities and Fund Balances \$ 448,640

HUMBOLDT COUNTY
Debt Service Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2006
(With comparative actual amounts for the fiscal year ended June 30, 2005)

	2006			Variance to Final Budget	2005
	Original Budget	Final Budget	Actual		Actual
REVENUES					
Taxes:					
Property taxes	\$ -	\$ -	\$ 22	\$ 22	\$ 6
Intergovernmental revenue:					
Room taxes	210,000	210,000	248,447	38,447	218,887
Miscellaneous revenue	17,198	17,198	20,562	3,364	39,935
Total Revenues	227,198	227,198	269,031	41,833	258,828
EXPENDITURES					
Events Center principal	160,000	160,000	160,000	-	160,000
Kings River principal	1,648	1,648	1,648	-	782
Events Center interest	21,824	21,824	21,791	33	25,792
Kings River interest	3,986	3,986	3,986	-	2,035
Total Expenditures	187,458	187,458	187,425	33	188,609
Excess (deficiency) of revenues over (under) expenditures	39,740	39,740	81,606	41,866	70,219
Net change in fund balance	39,740	39,740	81,606	41,866	70,219
Fund balance - beginning	307,404	307,404	367,034	59,630	296,815
Fund balance - ending	<u>\$ 347,144</u>	<u>\$ 347,144</u>	<u>\$ 448,640</u>	<u>\$ 101,496</u>	<u>\$ 367,034</u>

HUMBOLDT COUNTY
Building Reserve Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2006
(With comparative actual amounts for the fiscal year ended June 30, 2005)

	<u>2006</u>				<u>2005</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance to Final Budget</u>	<u>Actual</u>
REVENUES					
Taxes:					
Property taxes	\$ 47,495	\$ 47,495	\$ 50,360	\$ 2,865	\$ 55,380
Intergovernmental revenue:					
Federal grant	-	-	-	-	122,807
Charges for services:					
Rents	10,000	10,000	15,192	5,192	15,421
Miscellaneous:					
Miscellaneous	-	-	-	-	100
Total Revenues	<u>57,495</u>	<u>57,495</u>	<u>65,552</u>	<u>8,057</u>	<u>193,708</u>
EXPENDITURES					
Community support function:					
Services and supplies	-	-	-	-	5,880
Capital outlay	904,000	904,000	21,666	882,334	531,125
Total Expenditures	<u>904,000</u>	<u>904,000</u>	<u>21,666</u>	<u>882,334</u>	<u>537,005</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(846,505)</u>	<u>(846,505)</u>	<u>43,886</u>	<u>890,391</u>	<u>(343,297)</u>
OTHER FINANCING SOURCES (USES)					
Debt issued	-	-	-	-	95,000
Net change in fund balance	(846,505)	(846,505)	43,886	890,391	(248,297)
Fund balance - beginning	<u>2,556,066</u>	<u>2,556,066</u>	<u>2,690,041</u>	<u>128,975</u>	<u>2,938,338</u>
Fund balance - ending	<u>\$ 1,709,561</u>	<u>\$ 1,709,561</u>	<u>\$ 2,733,927</u>	<u>\$ 1,024,366</u>	<u>\$ 2,690,041</u>

HUMBOLDT COUNTY
Nonmajor Capital Projects Fund
June 30, 2006

ASSETS

Cash and Cash Equivalents	\$ 111,151
Taxes receivable	349
Interest receivable	310
Intergovernmental receivable	<u>39</u>

Total Assets \$ 111,849

LIABILITIES AND FUND BALANCES

Liabilities:

Accounts payable	\$ 1
Intergovernmental payable	655
Deferred revenues	<u>349</u>

Total Liabilities 1,005

Fund Balances:

Unreserved:

Undesignated 110,844

Total Fund Balances 110,844

Total Liabilities and Fund Balances \$ 111,849

HUMBOLDT COUNTY
Capital Projects Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2006
(With comparative actual amounts for the fiscal year ended June 30, 2005)

	<u>2006</u>			Variance to Final Budget	<u>2005</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>		<u>Actual</u>
REVENUES					
Taxes:					
Property taxes	\$ 47,495	\$ 47,495	\$ 50,198	\$ 2,703	\$ 53,787
Miscellaneous	1,000	1,000	2,837	1,837	1,169
Total Revenues	<u>48,495</u>	<u>48,495</u>	<u>53,035</u>	<u>4,540</u>	<u>54,956</u>
EXPENDITURES					
Community support function:					
Services and supplies	-	-	-	-	14,270
Capital outlay	34,000	34,000	-	34,000	6,550
Total Community Support	<u>34,000</u>	<u>34,000</u>	<u>-</u>	<u>34,000</u>	<u>20,820</u>
Intergovernmental expenditure function:					
Services and supplies	15,000	15,000	13,585	1,415	12,581
Total Expenditures	<u>49,000</u>	<u>49,000</u>	<u>13,585</u>	<u>35,415</u>	<u>33,401</u>
Net change in fund balance	(505)	(505)	39,450	39,955	21,555
Fund balance - beginning	<u>66,106</u>	<u>66,106</u>	<u>71,394</u>	<u>5,288</u>	<u>49,838</u>
Fund balance - ending	<u>\$ 65,601</u>	<u>\$ 65,601</u>	<u>\$ 110,844</u>	<u>\$ 45,243</u>	<u>\$ 71,393</u>

HUMBOLDT COUNTY
Humboldt Television Fund
Schedule of Revenues, Expenses, and
Changes in Net Assets - Budget and Actual
For the Year Ended June 30, 2006
(With comparative actual amounts for the fiscal year ended June 30, 2005)

	<u>2006</u>			<u>2005</u>	
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance to Final Budget</u>	<u>Actual</u>
OPERATING REVENUES					
Charges for services:					
User fees	\$ 190,000	\$ 190,000	\$ 199,304	\$ 9,304	\$ 195,837
Miscellaneous revenue	35,000	35,000	25,503	(9,497)	30,075
Total Operating Revenues	<u>225,000</u>	<u>225,000</u>	<u>224,807</u>	<u>(193)</u>	<u>225,912</u>
OPERATING EXPENSES					
Community support function:					
Salaries and wages	65,530	68,550	65,839	2,711	62,315
Employee benefits	19,270	19,885	19,791	94	19,172
Services and supplies	126,600	126,600	60,243	66,357	63,205
Depreciation/amortization	52,300	52,300	47,376	4,924	48,036
Total Operating Expenses	<u>263,700</u>	<u>267,335</u>	<u>193,249</u>	<u>74,086</u>	<u>192,728</u>
Operating Income (Loss)	<u>(38,700)</u>	<u>(42,335)</u>	<u>31,558</u>	<u>73,893</u>	<u>33,184</u>
NONOPERATING REVENUES (EXPENSES)					
Loss on disposition of assets	-	-	(1,032)	(1,032)	(6,043)
Total Nonoperating Revenues (Expenses)	<u>-</u>	<u>-</u>	<u>(1,032)</u>	<u>(1,032)</u>	<u>(6,043)</u>
Change in Net Assets	<u>\$ (38,700)</u>	<u>\$ (42,335)</u>	30,526	<u>\$ 72,861</u>	27,141
Net assets, July 1			<u>905,990</u>		<u>878,849</u>
Net assets, June 30			<u>\$ 936,516</u>		<u>\$ 905,990</u>

HUMBOLDT COUNTY
Humboldt Television Fund
Schedule of Cash Flows - Budget and Actual
For the Year Ended June 30, 2006

	<u>2006</u>				<u>2005</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance to Final Budget</u>	<u>Actual</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS					
Cash Flows From Operations:					
Cash received from customers	\$ 225,000	\$ 225,000	\$ 234,311	\$ 9,311	\$ 227,033
Cash payments for personnel costs	(84,800)	(84,800)	(87,938)	(3,138)	(83,389)
Cash payments for services and supplies	(126,600)	(126,600)	(100,721)	25,879	(46,323)
Net Cash Provided (Used) by Operations	<u>13,600</u>	<u>13,600</u>	<u>45,652</u>	<u>32,052</u>	<u>97,321</u>
Cash Flows From Capital and Related Financing Activities					
Acquisition of capital assets	<u>(52,300)</u>	<u>(52,300)</u>	<u>(24,408)</u>	<u>27,892</u>	<u>(59,037)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(38,700)	(38,700)	21,244	59,944	38,284
CASH AND CASH EQUIVALENTS, JULY 1	<u>539,781</u>	<u>539,781</u>	<u>648,755</u>	<u>108,974</u>	<u>610,471</u>
CASH AND CASH EQUIVALENTS, JUNE 30	<u>\$ 501,081</u>	<u>\$ 501,081</u>	<u>\$ 669,999</u>	<u>\$ 168,918</u>	<u>\$ 648,755</u>

HUMBOLDT COUNTY
Television Fund
Schedule of Cash Flows - Budget and Actual
For the Year Ended June 30, 2006
(With comparative actual amounts for the fiscal year ended June 30, 2005)

	<u>2006</u>			<u>Variance to</u>	<u>2005</u>
	<u>Original</u> <u>Budget</u>	<u>Final</u> <u>Budget</u>	<u>Actual</u>	<u>Final</u> <u>Budget</u>	<u>Actual</u>
RECONCILIATION OF OPERATING INCOME (LOSS)					
TO NET CASH PROVIDED (USED) BY OPERATIONS					
Operating income (loss)	\$ (38,700)	\$ (38,700)	\$ 31,558	\$ 70,258	\$ 33,184
Adjustments to reconcile operating income (loss)					
to net cash provided (used) by operations:					
Depreciation	52,300	52,300	47,376	(4,924)	48,036
Change in assets and liabilities:					
(Increase) decrease in:					
Accounts receivable	-	-	9,504	9,504	1,121
Inventory	-	-	(3,652)	(3,652)	(1,506)
Increase (decrease) in:					
Accounts payable	-	-	(36,826)	(36,826)	18,388
Accrued salaries and benefits	-	-	(2,308)	(2,308)	(1,902)
Total Adjustments	<u>52,300</u>	<u>52,300</u>	<u>14,094</u>	<u>(38,206)</u>	<u>64,137</u>
Net Cash Provided (Used) by Operations	<u>\$ 13,600</u>	<u>\$ 13,600</u>	<u>\$ 45,652</u>	<u>\$ 32,052</u>	<u>\$ 97,321</u>

HUMBOLDT COUNTY
Solid Waste Management Fund
Schedule of Revenues, Expenses, and
Changes in Net Assets - Budget and Actual
For the Year Ended June 30, 2006
(With comparative actual amounts for the fiscal year ended June 30, 2005)

	2006			2005	
	Original Budget	Final Budget	Actual	Variance to Final Budget	Actual
OPERATING REVENUES					
Charges for Services:					
User fees	\$ 675,000	\$ 675,000	\$ 728,900	\$ 53,900	\$ 702,358
OPERATING EXPENSES					
Health Function:					
Salaries and wages	35,180	35,180	34,082	1,098	34,062
Employee benefits	11,247	11,247	10,591	656	10,886
Services and supplies	718,800	718,800	687,059	31,741	658,881
Depreciation/Amortization	8,000	8,000	7,205	795	7,476
Total Operating Expenses	<u>773,227</u>	<u>773,227</u>	<u>738,937</u>	<u>34,290</u>	<u>711,305</u>
Operating Income (Loss)	<u>(98,227)</u>	<u>(98,227)</u>	<u>(10,037)</u>	<u>88,190</u>	<u>(8,947)</u>
NONOPERATING REVENUES (EXPENSES)					
Interest	<u>10,000</u>	<u>10,000</u>	<u>24,500</u>	<u>14,500</u>	<u>16,021</u>
Change in Net Assets	<u><u>\$ (88,227)</u></u>	<u><u>\$ (88,227)</u></u>	14,463	<u><u>\$ 102,690</u></u>	7,074
Net assets, July 1			<u>824,274</u>		<u>817,200</u>
Net assets, June 30			<u><u>\$ 838,737</u></u>		<u><u>\$ 824,274</u></u>

HUMBOLDT COUNTY
Solid Waste Management Fund
Schedule of Cash Flows - Budget and Actual
For the Year Ended June 30, 2006
(With comparative actual amounts for the fiscal year ended June 30, 2005)

	2006			Variance to Final Budget	2005
	Original Budget	Final Budget	Actual		Actual
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS					
Cash Flows From Operating Activities:					
Receipts from customers	\$ 675,000	\$ 675,000	\$ 705,028	\$ 30,028	\$ 718,127
Payments to employees	(46,427)	(46,427)	(44,476)	1,951	(44,844)
Payments to suppliers	<u>(718,800)</u>	<u>(718,800)</u>	<u>(726,784)</u>	<u>(7,984)</u>	<u>(658,614)</u>
Net Cash Provided (Used) by Operations	<u>(90,227)</u>	<u>(90,227)</u>	<u>(66,232)</u>	<u>23,995</u>	<u>14,669</u>
Cash Flows From Investing Activities					
Investment earnings received	<u>10,000</u>	<u>10,000</u>	<u>23,912</u>	<u>13,912</u>	<u>15,204</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(80,227)	(80,227)	(42,320)	37,907	29,873
CASH AND CASH EQUIVALENTS, JULY 1	<u>598,182</u>	<u>598,182</u>	<u>797,376</u>	<u>199,194</u>	<u>767,503</u>
CASH AND CASH EQUIVALENTS, JUNE 30	<u><u>\$ 517,955</u></u>	<u><u>\$ 517,955</u></u>	<u><u>\$ 755,056</u></u>	<u><u>\$ 237,101</u></u>	<u><u>\$ 797,376</u></u>

HUMBOLDT COUNTY
Solid Waste Management Fund
Schedule of Cash Flows - Budget and Actual
For the Year Ended June 30, 2006
(With comparative actual amounts for the fiscal year ended June 30, 2005)

	<u>2006</u>			<u>Variance to</u>	<u>2005</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final</u>	<u>Actual</u>
	<u>Budget</u>	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>
RECONCILIATION OF OPERATING INCOME (LOSS)					
TO NET CASH PROVIDED (USED) BY OPERATIONS					
Operating income (loss)	\$ (98,227)	\$ (98,227)	\$ (10,037)	\$ 88,190	\$ (8,947)
Adjustments to reconcile operating income (loss)					
to net cash provided (used) by operations:					
Depreciation	8,000	8,000	7,205	(795)	7,476
Change in assets and liabilities:					
(Increase) decrease in:					
Accounts receivable	-	-	(23,872)	(23,872)	15,769
Increase (decrease) in:					
Accounts payable	-	-	(39,724)	(39,724)	267
Accrued salaries and benefits	-	-	196	196	104
Total Adjustments	<u>8,000</u>	<u>8,000</u>	<u>(56,195)</u>	<u>(64,195)</u>	<u>23,616</u>
Net Cash Provided (Used) by Operations	<u>\$ (90,227)</u>	<u>\$ (90,227)</u>	<u>\$ (66,232)</u>	<u>\$ 23,995</u>	<u>\$ 14,669</u>

HUMBOLDT COUNTY
Agency Funds
Combining Statement of Changes in Assets and Liabilities
For the Year Ended June 30, 2006

	<u>Balance July 1, 2005</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2006</u>
City of Winnemucca				
Assets:				
Cash and cash equivalents	\$ 50,735	\$ 1,259,891	\$ 1,279,133	\$ 31,493
Liabilities:				
Due to other governments	\$ 50,735	\$ 1,259,891	\$ 1,279,133	\$ 31,493
Court Ordered Restitution				
Assets:				
Cash and cash equivalents	\$ -	\$ 30,239	\$ 26,307	\$ 3,932
Liabilities:				
Funds held in trust for others	\$ -	\$ 30,239	\$ 26,307	\$ 3,932
Denio Television District:				
Assets:				
Cash and cash equivalents	\$ 25,556	\$ 1,649	\$ 10,789	\$ 16,416
Liabilities:				
Due to other governments	\$ 25,556	\$ 1,649	\$ 10,789	\$ 16,416
District Court Bail:				
Assets:				
Cash and cash equivalents	\$ 39,042	\$ 58,939	\$ 1,085	\$ 96,896
Liabilities:				
Funds held in trust for others	\$ 39,042	\$ 58,939	\$ 1,085	\$ 96,896
General Trust Fund:				
Assets:				
Cash and cash equivalents	\$ 15,824	\$ 10	\$ -	\$ 15,834
Liabilities:				
Due to other governments	\$ 15,824	\$ 10	\$ -	\$ 15,834
Golconda Water District:				
Assets:				
Cash and cash equivalents	\$ 135,395	\$ 63,063	\$ 56,365	\$ 142,093
Liabilities:				
Due to other governments	\$ 135,395	\$ 63,063	\$ 56,365	\$ 142,093
Humboldt County Fire Protection District:				
Assets:				
Cash and cash equivalents	\$ 141,578	\$ 39,930	\$ 8,850	\$ 172,658
Liabilities:				
Due to other governments	\$ 141,578	\$ 39,930	\$ 8,850	\$ 172,658

HUMBOLDT COUNTY
Agency Funds
Combining Statement of Changes in Assets and Liabilities
For the Year Ended June 30, 2006

	<u>Balance July 1, 2005</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2006</u>
Humboldt County General Hospital				
Assets:				
Cash and cash equivalents	\$ 558,423	\$ 3,041,184	\$ 2,900,838	\$ 698,769
Liabilities:				
Due to other governments	\$ 558,423	\$ 3,041,184	\$ 2,900,838	\$ 698,769
Humboldt County School District:				
Assets:				
Cash and cash equivalents	\$ 96,591	\$ 4,068,708	\$ 3,965,622	\$ 199,677
Liabilities:				
Due to other governments	\$ 96,591	\$ 4,068,708	\$ 3,965,622	\$ 199,677
Humboldt Development Authority:				
Assets:				
Cash and cash equivalents	\$ 156,760	\$ 70,000	\$ 35,447	\$ 191,313
Liabilities:				
Due to other governments	\$ 156,760	\$ 70,000	\$ 35,447	\$ 191,313
Justice Court Bail:				
Assets:				
Cash and cash equivalents	\$ 19,901	\$ 10,453	\$ -	\$ 30,354
Liabilities:				
Funds held in trust for others	\$ 19,901	\$ 10,453	\$ -	\$ 30,354
Kings River GID:				
Assets:				
Cash and cash equivalents	\$ 6,726	\$ 13,521	\$ 13,596	\$ 6,651
Liabilities:				
Due to other governments	\$ 6,726	\$ 13,521	\$ 13,596	\$ 6,651
Library Memorial:				
Assets:				
Cash and cash equivalents	\$ 14,035	\$ 15,866	\$ 15,789	\$ 14,112
Liabilities:				
Due to other governments	\$ 14,035	\$ 15,866	\$ 15,789	\$ 14,112
McDermitt Fire Protection District:				
Assets:				
Cash and cash equivalents	\$ 34,290	\$ 53,635	\$ 13,322	\$ 74,603
Liabilities:				
Due to other governments	\$ 34,290	\$ 53,635	\$ 13,322	\$ 74,603

HUMBOLDT COUNTY
Agency Funds
Combining Statement of Changes in Assets and Liabilities
For the Year Ended June 30, 2006

	<u>Balance July 1, 2005</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2006</u>
McDermitt Sewer District:				
Assets:				
Cash and cash equivalents	\$ 59,672	\$ 80,145	\$ 53,184	\$ 86,633
Liabilities:				
Due to other governments	\$ 59,672	\$ 80,145	\$ 53,184	\$ 86,633
Orovada Community Services District:				
Assets:				
Cash and cash equivalents	\$ 23,935	\$ 47,596	\$ 18,513	\$ 53,018
Liabilities:				
Due to other governments	\$ 23,935	\$ 47,596	\$ 18,513	\$ 53,018
Orovada Fire Protection District:				
Assets:				
Cash and cash equivalents	\$ 297,924	\$ 63,021	\$ 17,105	\$ 343,840
Liabilities:				
Due to other governments	\$ 297,924	\$ 63,021	\$ 17,105	\$ 343,840
Orovada General Improvement District:				
Assets:				
Cash and cash equivalents	\$ 57,465	\$ 38,873	\$ 37,565	\$ 58,773
Liabilities:				
Due to other governments	\$ 57,465	\$ 38,873	\$ 37,565	\$ 58,773
Orovada Rodent Control District:				
Assets:				
Cash and cash equivalents	\$ 5,047	\$ 18,974	\$ 18,788	\$ 5,233
Liabilities:				
Due to other governments	\$ 5,047	\$ 18,974	\$ 18,788	\$ 5,233
Paradise Sewer District:				
Assets:				
Cash and cash equivalents	\$ 60,504	\$ 6,640	\$ 24,288	\$ 42,856
Liabilities:				
Due to other governments	\$ 60,504	\$ 6,640	\$ 24,288	\$ 42,856
Paradise Weed Control District:				
Assets:				
Cash and cash equivalents	\$ 34,429	\$ 75,497	\$ 69,855	\$ 40,071
Liabilities:				
Due to other governments	\$ 34,429	\$ 75,497	\$ 69,855	\$ 40,071

HUMBOLDT COUNTY
Agency Funds
Combining Statement of Changes in Assets and Liabilities
For the Year Ended June 30, 2006

	<u>Balance</u> <u>July 1, 2005</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2006</u>
Pueblo Fire Protection District:				
Assets:				
Cash and cash equivalents	\$ 54,532	\$ 33,315	\$ 22,777	\$ 65,070
Liabilities:				
Due to other governments	\$ 54,532	\$ 33,315	\$ 22,777	\$ 65,070
Quinn River Television District:				
Assets:				
Cash and cash equivalents	\$ 78,875	\$ 15,879	\$ 4,093	\$ 90,661
Liabilities:				
Due to other governments	\$ 78,875	\$ 15,879	\$ 4,093	\$ 90,661
Range Improvement:				
Assets:				
Cash and cash equivalents	\$ 64,958	\$ 53,984	\$ 44,424	\$ 74,518
Liabilities:				
Due to other governments	\$ 64,958	\$ 53,984	\$ 44,424	\$ 74,518
State Department of Wildlife:				
Assets:				
Cash and cash equivalents	\$ 1,344	\$ 1,673	\$ 2,010	\$ 1,007
Liabilities:				
Due to other governments	\$ 1,344	\$ 1,673	\$ 2,010	\$ 1,007
State of Nevada Trust:				
Cash and cash equivalents	\$ 178,517	\$ 1,941,074	\$ 1,937,731	\$ 181,860
Liabilities:				
Due to other governments	\$ 178,517	\$ 1,941,074	\$ 1,937,731	\$ 181,860
Sheriff's Commissary:				
Assets:				
Cash and cash equivalents	\$ 45,675	\$ 2,955	\$ -	\$ 48,630
Liabilities:				
Funds held in trust for others	\$ 45,675	\$ 2,955	\$ -	\$ 48,630

HUMBOLDT COUNTY
Agency Funds
Combining Statement of Changes in Assets and Liabilities
For the Year Ended June 30, 2006

	<u>Balance</u> <u>July 1, 2005</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2006</u>
Winnemucca Convention and Visitors Authority:				
Assets:				
Cash and cash equivalents	\$ 35,945	\$ 285,797	\$ 286,172	\$ 35,570
Liabilities:				
Due to other governments	\$ 35,945	\$ 285,797	\$ 286,172	\$ 35,570
Winnemucca Rural Fire Protection District:				
Assets:				
Cash and cash equivalents	\$ 223,884	\$ 218,105	\$ 145,398	\$ 296,591
Liabilities:				
Due to other governments	\$ 223,884	\$ 218,105	\$ 145,398	\$ 296,591
Other collections:				
Assets:				
Cash and cash equivalents	\$ 11,124	\$ 280,147	\$ 11,124	\$ 280,147
Liabilities:				
Due to other governments	\$ 11,124	\$ 280,147	\$ 11,124	\$ 280,147
Totals, All Agency Funds:				
Assets:				
Cash and cash equivalents	\$ 2,528,686	\$ 11,890,763	\$ 11,020,170	\$ 3,399,279
Liabilities:				
Due to other governments	2,424,068	11,788,177	10,992,778	3,219,467
Funds held in trust for others	104,618	102,586	27,392	179,812
Total Liabilities	\$ 2,528,686	\$ 11,890,763	\$ 11,020,170	\$ 3,399,279

STATISTICAL SECTION

(UNAUDITED)

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SOURCES: Unless otherwise noted, the information in these schedules is derived from the comprehensive financial reports for the relevant year. Humboldt County implemented GASB 34 in Fiscal Year 2003; schedules presenting government-wide information include information beginning in that year.

**Humboldt County
Net Assets by Component,
Last Four Fiscal Years**

	Fiscal Year Ended June 30,			
	2006	2005	2004	2003
	#			
Governmental activities				
Invested in capital assets, net of related debt	\$ 64,193,097	\$ 13,318,841	\$ 13,538,302	\$ 13,914,376
Unrestricted	20,174,864	18,365,259	17,371,218	17,367,538
Total governmental activities net assets	<u>\$ 84,367,961</u>	<u>\$ 31,684,100</u>	<u>\$ 30,909,520</u>	<u>\$ 31,281,914</u>
Business-type activities				
Investment in capital assets, net of related debt	\$ 285,471	\$ 316,676	\$ 319,194	\$ 354,817
Unrestricted	1,489,782	1,413,588	1,376,855	1,335,243
Total business-type activities net assets	<u>\$ 1,775,253</u>	<u>\$ 1,730,264</u>	<u>\$ 1,696,049</u>	<u>\$ 1,690,060</u>
Primary government				
Investment in capital assets, net of related debt	\$ 64,478,568	\$ 13,635,517	\$ 13,857,496	\$ 14,269,193
Unrestricted	21,664,646	19,778,847	18,748,073	18,702,781
Total primary government net assets	<u>\$ 86,143,214</u>	<u>\$ 33,414,364</u>	<u>\$ 32,605,569</u>	<u>\$ 32,971,974</u>

Humboldt County implemented the infrastructure portion of GASB 34 during fiscal 2006.

Note: Information is presented on the accrual basis of accounting.

Humboldt County
Changes in Net Assets, Last Four Fiscal Years

	Fiscal Year Ended June 30,	
	2006	2005
Expenses		
Governmental activities:		
General government	\$ 4,055,658	\$ 3,603,852
Public safety	6,145,864	5,638,630
Judicial	2,550,980	2,200,344
Public works	4,741,313	3,653,354
Health	232,906	230,049
Welfare	752,208	636,674
Culture and recreation	1,687,906	1,583,626
Community support	1,568,161	1,382,564
Interest on long-term debt	31,274	29,811
Total governmental activities expenses	21,766,270	18,958,904
Business-type activities:		
Television	194,281	198,771
Solid waste management	738,937	711,305
Total business-type activities expenses	933,218	910,076
Total primary government expenses	\$ 22,699,488	\$ 19,868,980
Program Revenues		
Governmental activities:		
Charges for services:		
General government	\$ 942,180	\$ 877,124
Public safety	1,052,683	1,028,316
Judicial	1,041,769	918,696
Public works	132,182	92,499
Culture and recreation	141,975	107,400
Community support	15,192	15,421
Operating grants and contributions	627,108	699,481
Capital grants and contributions	-	226,189
Total governmental activities program revenues	3,953,089	3,965,126
Business-type activities:		
Charges for services:		
Television	199,304	195,837
Solid waste management	728,900	702,358
Operating grants and contributions	-	-
Total business-type activities program revenues	928,204	898,195
Total primary government program revenues	\$ 4,881,293	\$ 4,863,321
Net (Expenses)/Revenues		
Governmental activities	\$ (17,813,181)	\$ (14,993,778)
Business-type activities	(5,014)	(11,881)
Total primary government net expenses	\$ (17,818,195)	\$ (15,005,659)

<u>2004</u>	<u>2003</u>
\$ 3,503,667	\$ 3,264,241
5,669,973	5,668,546
1,943,925	1,780,621
3,933,431	2,848,334
222,260	215,181
605,525	782,596
1,501,982	1,265,616
1,262,295	1,459,370
52,870	363,646
<u>18,695,928</u>	<u>17,648,151</u>
208,298	209,924
<u>734,564</u>	<u>875,788</u>
<u>942,862</u>	<u>1,085,712</u>
<u>\$ 19,638,790</u>	<u>\$ 18,733,863</u>
\$ 711,227	\$ 723,439
957,810	923,796
854,191	771,048
85,043	81,203
93,655	80,158
10,717	204,530
817,037	766,819
158,544	155,429
<u>3,688,224</u>	<u>3,706,422</u>
191,390	188,369
690,173	664,435
5,500	-
<u>887,063</u>	<u>852,804</u>
<u>\$ 4,575,287</u>	<u>\$ 4,559,226</u>
\$ (15,007,704)	\$ (13,941,729)
<u>(55,799)</u>	<u>(232,908)</u>
<u>\$ (15,063,503)</u>	<u>\$ (14,174,637)</u>

(continued)

Humboldt County
Changes in Net Assets, Last Four Fiscal Years

	Fiscal Year Ended June 30,	
	2006	2005
General Revenues and Other Changes in Net Assets		
Governmental activities:		
Taxes		
Property taxes	\$ 3,963,433	\$ 4,125,240
Consolidated taxes	7,713,455	6,366,894
Franchise taxes	1,157,296	936,900
Motor vehicle fuel taxes	2,770,112	2,714,893
Room taxes	248,447	218,887
Miscellaneous revenues	121,572	103,130
Unrestricted investment earnings	504,236	284,851
Payments in-lieu of taxes	961,407	859,218
State gaming license fees	159,535	158,345
Total governmental activities	<u>17,599,493</u>	<u>15,768,358</u>
Business-type activities:		
Investment earnings	24,500	16,021
Miscellaneous	25,503	30,075
Total business-type activities	<u>50,003</u>	<u>46,096</u>
Total primary government	<u>\$ 17,649,496</u>	<u>\$ 15,814,454</u>
Change in Net Assets		
Governmental activities	\$ (213,688)	\$ 774,580
Business-type activities	44,989	34,215
Total primary government	<u>\$ (168,699)</u>	<u>\$ 808,795</u>

<u>2004</u>	<u>2003</u>
\$ 4,172,180	\$ 3,625,615
5,393,737	4,983,127
951,224	935,115
2,646,453	2,602,658
199,028	-
115,599	77,333
154,298	238,927
841,654	818,663
161,137	157,847
<u>14,635,310</u>	<u>13,439,285</u>
9,115	25,272
52,673	14,276
<u>61,788</u>	<u>39,548</u>
<u>\$ 14,697,098</u>	<u>\$ 13,478,833</u>
\$ (372,394)	\$ (502,444)
<u>5,989</u>	<u>(193,360)</u>
<u>\$ (366,405)</u>	<u>\$ (695,804)</u>

Note: Information is presented on the accrual basis of accounting.

**Humboldt County
Fund Balances, Governmental Funds
Last Ten Fiscal Years**

	Fiscal Year Ended June 30,			
	2006	2005	2004	2003
General Fund				
Reserved	\$ 154,810	\$ 103,670	\$ 108,239	\$ 149,634
Unreserved	<u>10,914,794</u>	<u>10,121,819</u>	<u>9,099,370</u>	<u>8,640,830</u>
Total general fund	<u>\$ 11,069,604</u>	<u>\$ 10,225,489</u>	<u>\$ 9,207,609</u>	<u>\$ 8,790,464</u>
All Other Governmental Funds				
Reserved	\$ 1,181,111	\$ 1,183,432	\$ 2,026,959	\$ 1,313,603
Unreserved, reported in:				
Special revenue funds	5,920,849	5,260,296	4,791,190	4,678,666
Capital projects funds	2,796,275	2,741,434	2,855,898	3,214,909
Debt service funds	<u>448,076</u>	<u>367,034</u>	<u>296,815</u>	<u>99,458</u>
Total all other governmental funds	<u>\$ 10,346,311</u>	<u>\$ 9,552,196</u>	<u>\$ 9,970,862</u>	<u>\$ 9,306,636</u>

<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>
\$ 145,162	\$ 206,500	\$ 170,000	\$ 222,520	\$ -	\$ 394,819
<u>8,980,057</u>	<u>9,368,379</u>	<u>9,584,038</u>	<u>10,325,861</u>	<u>10,414,394</u>	<u>9,292,120</u>
<u>\$ 9,125,219</u>	<u>\$ 9,574,879</u>	<u>\$ 9,754,038</u>	<u>\$ 10,548,381</u>	<u>\$ 10,414,394</u>	<u>\$ 9,686,939</u>
\$ 1,717,208	\$ 2,523,564	\$ 1,384,203	\$ 342,640	\$ 623,636	\$ 129,187
4,591,016	3,980,769	3,613,356	3,980,708	2,657,431	3,168,106
2,883,143	3,098,611	5,271,566	5,752,757	5,135,861	4,587,025
<u>254,565</u>	<u>183,260</u>	<u>147,535</u>	<u>153,342</u>	<u>144,023</u>	<u>82,543</u>
<u>\$ 9,445,932</u>	<u>\$ 9,786,204</u>	<u>\$ 10,416,660</u>	<u>\$ 10,229,447</u>	<u>\$ 8,560,951</u>	<u>\$ 7,966,861</u>

Note: Information is presented on the modified accrual basis of accounting.

Humboldt County
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years

	Fiscal Year Ended June 30,			
	2006	2005	2004	2003
Revenues				
Taxes	\$ 3,972,206	\$ 4,126,192	\$ 4,176,705	\$ 3,625,614
Licenses and permits	1,439,772	1,156,370	1,152,732	1,123,411
Intergovernmental	13,819,298	12,537,391	11,309,825	10,822,813
Charges for services	1,018,388	948,035	736,150	651,184
Fines and forfeits	847,320	678,961	721,336	677,306
Miscellaneous	635,557	421,738	357,832	357,339
Total revenues	<u>21,732,541</u>	<u>19,868,687</u>	<u>18,454,580</u>	<u>17,257,667</u>
Expenditures				
General government	4,117,518	3,584,587	3,449,626	3,214,657
Public safety	6,286,505	5,755,057	5,676,700	5,563,431
Judicial	2,496,097	2,170,794	2,014,127	1,797,186
Public works	3,100,821	3,596,366	3,700,997	2,955,309
Health	254,012	233,609	224,359	215,654
Welfare	752,209	637,242	605,234	644,954
Culture and recreation	1,402,855	1,317,207	1,226,903	1,239,010
Community support	590,194	975,185	835,049	660,736
Intergovernmental	668,424	593,978	513,924	592,134
Debt service				
Principal	394,405	616,353	411,845	758,276
Interest	31,274	29,811	52,870	90,370
Total expenditures	<u>20,094,314</u>	<u>19,510,189</u>	<u>18,711,634</u>	<u>17,731,717</u>
Excess of revenues over (under) expenditures	1,638,227	358,498	(257,054)	(474,050)

	2002	2001	2000	1999	1998	1997
\$	3,873,994	\$ 4,112,511	\$ 4,019,738	\$ 4,418,753	\$ 4,014,345	\$ 3,639,036
	1,118,510	868,693	857,008	990,697	1,034,456	987,685
	11,624,854	10,820,077	11,326,249	10,276,833	10,400,388	11,233,097
	542,738	460,013	524,330	413,853	448,253	553,052
	548,222	596,042	563,858	616,396	627,360	665,489
	792,357	1,412,644	1,182,614	1,219,952	1,049,785	985,216
	<u>18,500,675</u>	<u>18,269,980</u>	<u>18,473,797</u>	<u>17,936,484</u>	<u>17,574,587</u>	<u>18,063,575</u>
	3,185,406	3,323,927	3,424,271	3,591,309	3,311,801	2,988,416
	5,467,653	5,431,037	5,313,870	5,137,002	4,783,143	4,435,985
	1,915,781	1,755,599	1,876,706	1,670,299	1,613,310	1,487,013
	2,490,889	3,569,144	2,801,084	3,180,513	2,678,951	2,620,943
	170,094	176,138	184,904	169,891	159,634	155,142
	671,577	663,442	646,812	438,899	523,114	496,341
	1,134,754	1,068,591	1,110,514	1,239,732	1,203,588	1,144,292
	2,652,423	3,369,291	2,463,547	451,059	686,652	401,192
	574,335	604,930	557,588	592,204	605,011	485,206
	895,285	770,296	667,832	634,004	1,081,436	444,006
	132,410	106,495	108,327	119,835	129,902	139,374
	<u>19,290,607</u>	<u>20,838,890</u>	<u>19,155,455</u>	<u>17,224,747</u>	<u>16,776,542</u>	<u>14,797,910</u>
	(789,932)	(2,568,910)	(681,658)	711,737	798,045	3,265,665

Humboldt County
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years

	Fiscal Year Ended June 30,			
	2006	2005	2004	2003
Other Financing Sources (Uses)				
Transfers in	713,000	1,366,063	1,010,000	1,256,520
Proceeds from contracts	-	145,985		
Proceeds from bonds	-	95,000	1,338,157	
Refunding bonds issued	-	-	1,280,000	-
Payment to refunded bonds escrow agent	-	-	(1,280,000)	-
Sale of equipment	-	-	-	
Transfers out	<u>(713,000)</u>	<u>(1,366,063)</u>	<u>(1,010,000)</u>	<u>(1,256,520)</u>
 Total other financing sources (uses)	 <u>-</u>	 <u>240,985</u>	 <u>1,338,157</u>	 <u>-</u>
 Net change in fund balances	 <u>\$ 1,638,227</u>	 <u>\$ 599,483</u>	 <u>\$ 1,081,103</u>	 <u>\$ (474,050)</u>
 Debt service as a percentage of noncapital expenditures	 <u>2.2%</u>	 <u>3.5%</u>	 <u>2.6%</u>	 <u>4.9%</u>

<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>
					(continued)
854,960	537,205	496,801	480,433	489,848	440,039
-	159,295	74,528	1,090,746	-	-
-	1,600,000	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	523,500	-
<u>(854,960)</u>	<u>(537,205)</u>	<u>(496,801)</u>	<u>(480,433)</u>	<u>(489,848)</u>	<u>(440,039)</u>
<u>-</u>	<u>1,759,295</u>	<u>74,528</u>	<u>1,090,746</u>	<u>523,500</u>	<u>-</u>
<u>\$ (789,932)</u>	<u>\$ (809,615)</u>	<u>\$ (607,130)</u>	<u>\$ 1,802,483</u>	<u>\$ 1,321,545</u>	<u>\$ 3,265,665</u>
<u>7.5%</u>	<u>5.1%</u>	<u>4.8%</u>	<u>4.7%</u>	<u>8.2%</u>	<u>4.2%</u>

Note: Information is presented on the modified accrual basis of accounting.

**Humboldt County
Principal Property Taxpayers
Fiscal 2006-2007 and Five Years Ago**

<u>Taxpayer</u>	<u>2006-2007</u>			<u>2000</u>		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total Taxable Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total Taxable Assessed Value</u>
Newmont Gold Corp.	\$ 100,877,917	1	17.7%	\$ -	-	
Sierra Pacific Power	35,028,915	2	6.2%	30,680,055	4	4.8%
Turquoise Ridge Joint Venture	28,969,385	3				
Idaho Power	28,024,755	4	4.9%	23,489,643	5	3.7%
Union Pacific Railroad	13,895,142	5	2.4%	9,143,147	7	1.4%
Marigold Mine (gold mining)	13,691,060	6	2.4%	6,418,120	8	1.0%
Southwest Gas	7,419,293	7	1.3%	6,327,161	9	1.0%
Winnemucca Farms	5,934,818	8	1.0%	-	-	
Humboldt Telephone	2,872,089	9	0.5%	-	-	
SBC Nevada	2,288,910	10	0.4%	-	-	
Santa Fe (gold mining-Twin Creeks)	-	-	-	150,163,121	1	23.5%
First Miss Gold	-	-	-	71,128,144	2	11.1%
Hycroft (gold mining)	-	-	-	13,226,240	6	2.1%
Santa Fe (gold mining-Lone Tree)	-	-	-	40,860,455	3	6.4%
Amax (gold mining)	-	-	-	3,562,090	10	0.6%
Totals	<u>\$ 239,002,284</u>		<u>36.9%</u>	<u>\$ 354,998,176</u>		<u>55.5%</u>
Humboldt County's Total Assessed Value	<u>\$ 569,230,689</u>		<u>100%</u>	<u>\$ 639,631,164</u>		<u>100%</u>

Source: Nevada Department of Taxation and Humboldt County's Assessor's Office
Note: Humboldt County Assessor indicates data for years prior to 2000 is not available without significant clerical effort to obtain.

Humboldt County
Direct and Overlapping Property Tax Rates,
Last Ten Fiscal Years

	Fiscal Year Ended June 30									
	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
COUNTY DIRECT TAX RATES										
General Fund										
General	0.1620	0.1520	0.1743	0.1743	0.2405	0.1962	0.1167	0.0520	0.2700	0.3293
Museum	0.0150	0.0150	0.0150	0.0150	0.0150	0.0150	0.0150	0.0000	0.0000	0.0000
Senior citizens center	<u>0.0300</u>	<u>0.0150</u>								
Total General Fund	0.2070	0.1820	0.2043	0.2043	0.2705	0.2262	0.1467	0.0670	0.2850	0.3443
Indigent Fund	0.0877	0.0877	0.0592	0.0692	0.0692	0.0610	0.0595	0.0600	0.0300	0.0300
Cooperative Extension Fund	0.0165	0.0165	0.0165	0.0165	0.0165	0.0165	0.0175	0.0182	0.0075	0.0050
Building Reserve Fund	0.0100	0.0100	0.0300	0.0300	0.0300	0.0525	0.0525	0.0525	0.0800	0.0760
6th Judicial District Fund	0.1950	0.1950	0.1950	0.1250	0.1250	0.1150	0.1250	0.1500	0.1000	0.0400
Capital Projects Fund	0.0100	0.0100	0.0100	0.0100	0.0100	0.0100	0.0100	0.0100	0.0100	0.0100
Stabilization Fund	0.0000	0.0100	0.0200	0.0200	0.0200	0.0200	0.0400	0.0450	0.0000	0.0000
Debt Service Fund	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0525	0.0700	0.0640
Library Fund	0.0950	0.0950	0.0950	0.0950	0.0950	0.0850	0.0850	0.1000	0.0450	0.0450
Indigent Medical Fund	0.0900	0.0900	0.0662	0.0662	0.0000	0.0500	0.1000	0.0810	0.0100	0.0230
Winnemucca Events Complex Fund	<u>0.0400</u>	<u>0.0400</u>	<u>0.0400</u>	<u>0.0000</u>						
Total Direct rates	0.7512	0.7362	0.7362	0.6362	0.6362	0.6362	0.6362	0.6362	0.6375	0.6373
OVERLAPPING TAX RATES										
County Hospital rates										
Operating rate	0.3004	0.3004	0.1004	0.1004	0.1404	0.1604	0.1656	0.2458	0.2439	0.2168
Debt rate	<u>0.1069</u>	<u>0.1051</u>	<u>0.1083</u>	<u>0.1110</u>	<u>0.0974</u>	<u>0.0936</u>	<u>0.0884</u>	<u>0.0930</u>	<u>0.1161</u>	<u>0.1097</u>
Total Hospital rates	0.4073	0.4055	0.2087	0.2114	0.2378	0.2540	0.2540	0.3388	0.3600	0.3265
County School District rates										
Operating rate	0.7500	0.7500	0.7500	0.7500	0.7500	0.7500	0.7500	0.7500	0.7500	0.7500
Debt rate	<u>0.1350</u>	<u>0.1350</u>	<u>0.1350</u>	<u>0.1350</u>	<u>0.1350</u>	<u>0.1000</u>	<u>0.3000</u>	<u>0.3000</u>	<u>0.3500</u>	<u>0.5000</u>
Total School District rate	0.8850	0.8850	0.8850	0.8850	0.8850	0.8500	1.0500	1.0500	1.1000	1.2500
State of Nevada rates	0.1700	0.1700	0.1700	0.1500	0.1500	0.1500	0.1500	0.1500	0.1500	0.1500
City of Winnemucca rates	0.9700	0.9700	0.9700	0.9700	0.9700	0.9700	0.9700	0.9700	0.9700	0.9500

Source: State of Nevada Department of Taxation and Humboldt County Comptroller's Office.

**Humboldt County
Assessed Value and Estimated Actual Value of Property,
Last Ten Fiscal Years**

Fiscal Year Ended June 30,	Total Assessed Value (1)	Total Direct Tax Rate	Estimated Actual Value	Assessed Value as a Percentage of Actual Value
2006	\$ 489,950,959	0.7512	\$ 1,399,859,883	35%
2005	524,677,674	0.7362	1,499,079,069	35%
2004	473,582,391	0.7362	1,353,092,546	35%
2003	531,507,117	0.6362	1,518,591,763	35%
2002	594,239,071	0.6362	1,697,825,917	35%
2001	608,541,545	0.6362	1,738,690,129	35%
2000	639,631,164	0.6362	1,827,517,611	35%
1999	615,512,600	0.6362	1,758,607,429	35%
1998	495,281,524	0.6375	1,415,090,069	35%
1997	489,653,937	0.6373	1,399,011,249	35%

Note: Property in Humboldt County is reassessed once every five years on average. The County assesses property at 35 percent of actual value for all property. Estimated actual value is calculated by dividing assessed value by this percentage. Tax rates are per \$100 of assessed value.

(1) Includes tax-exempt property.

**Humboldt County
Property Tax Levies and Collections
Last Seven Fiscal Years**

Fiscal Year Ended June 30	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Delinquent Tax Collections	Tax Collections	Percent of Taxes Levied
		Amount	Percent of Levy			
2006	\$ 2,595,003	\$ 2,572,988	99.2%	\$ 26,952	\$ 2,599,940	100.2%
2005	2,596,576	2,569,331	99.0%	25,772	2,595,103	99.9%
2004	2,450,405	2,421,274	98.8%	33,943	2,455,217	100.2%
2003	2,264,507	2,235,178	98.7%	33,452	2,268,630	100.2%
2002	2,724,083	2,687,197	98.6%	21,692	2,708,889	99.4%
2001	2,719,816	2,694,073	99.1%	# 71,255	2,765,328	101.7%
2000	2,934,486	2,908,108	99.1%	10,364	2,918,472	99.5%

Treasurer not available to explain increase.

County Treasurer has indicated data prior to fiscal 2000 would take an unreasonable amount of time to compile.

Humboldt County
Ratio of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Governmental Activities			Business-Type Activities		
	General Obligation Bonds	Capital Leases	Contracts Payable	General Obligation Bonds	Capital Leases	Contracts Payable
2006	\$ 892,571	\$ 115,153	\$ 677,887	-	-	-
2005	1,054,218	127,821	897,977			
2004	1,120,000	33,630	1,301,756			
2003	1,280,000	65,384	185,000			
2002	1,765,000	160,028	357,263			
2001	2,230,000	411,681	535,895			
2000	915,000	559,051	714,527			
1999	1,185,000	812,806	784,076			
1998	1,440,000	762,433	122,200			
1997	1,685,000	710,585	244,400			

Note: Details regarding the County's debt can be found in the notes to the financial statements.

1) See the Schedule of Demographic and Economic Statistics on page 128 for personal income and population data.

N/A-Data not available.

	Total Primary Government	Percentage of Personal income	Per Capita 1)
\$	1,685,611	N/A	101
	2,080,016	N/A	126
	2,455,386	566.38%	151
	1,530,384	388.46%	95
	2,282,291	612.68%	141
	3,177,576	840.52%	186
	2,188,578	556.57%	125
	2,781,882	695.93%	163
	2,324,633	575.73%	144
	2,639,985	689.60%	170

Humboldt County
Ratio of General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year Ended June 30	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	Percentage of Estimated Actual Value of Property (1)	Per Capita (2)
2006	\$ 892,571	\$ 448,640	\$ 443,931	0.09%	\$ 27
2005	1,054,218	367,034	687,184	0.05%	42
2004	1,120,000	272,171	847,829	0.06%	52
2003	1,280,000	99,458	1,180,542	0.08%	73
2002	1,765,000	254,565	1,510,435	0.09%	93
2001	2,230,000	183,260	2,046,740	0.12%	120
2000	915,000	147,535	767,465	0.04%	44
1999	1,185,000	153,342	1,031,658	0.06%	61
1998	1,440,000	144,023	1,295,977	0.09%	80
1997	1,685,000	82,543	1,602,457	0.11%	103

Note: Details regarding the County's debt can be found in the notes to the financial statements.

- 1) See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property on page 116 for property value data.
- 2) See the Schedule of Demographic and Economic Statistics on page 128 for personal income and population data.

**Humboldt County
Legal Debt Margin Information
Last Ten Fiscal Years**

	Fiscal Year									
	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
Debt limit	\$ 48,995,096	\$ 52,467,767	\$ 47,358,239	\$ 53,150,712	\$ 59,423,907	\$ 60,854,155	\$ 63,963,116	\$ 61,551,260	\$ 49,528,152	\$ 48,965,394
Total net debt applicable to limit	<u>892,571</u>	<u>1,054,218</u>	<u>1,120,000</u>	<u>1,280,000</u>	<u>1,765,000</u>	<u>2,230,000</u>	<u>915,000</u>	<u>1,185,000</u>	<u>1,440,000</u>	<u>1,685,000</u>
Legal Debt Margin	<u>\$ 48,102,525</u>	<u>\$ 51,413,549</u>	<u>\$ 46,238,239</u>	<u>\$ 51,870,712</u>	<u>\$ 57,658,907</u>	<u>\$ 58,624,155</u>	<u>\$ 63,048,116</u>	<u>\$ 60,366,260</u>	<u>\$ 48,088,152</u>	<u>\$ 47,280,394</u>
Total net debt applicable to the limit as a percentage of debt limit	1.82%	2.01%	2.36%	2.41%	2.97%	3.66%	1.43%	1.93%	2.91%	3.44%

Legal Debt Margin Calculation for Fiscal 2006

Total assessed value	\$ 489,950,959
Debt limit (10 % of total assessed value)	\$ 48,995,096
Debt applicable to limit: General obligation bonds	<u>892,571</u>
Legal debt margin	<u>\$ 48,102,525</u>

Note: The statutory debt limit for Humboldt County is 10 percent of the assessed value of all taxable property within Humboldt County.

HUMBOLDT COUNTY
Direct and Overlapping Governmental Activities Debt
As of June 30, 2006
(amounts expressed in whole dollars)

<u>JURISDICTION</u>	<u>OUTSTANDING GENERAL OBLIGATION DEBT</u>	<u>PERCENT APPLICABLE TO HUMBOLDT COUNTY</u>	<u>AMOUNT APPLICABLE TO HUMBOLDT COUNTY</u>
HUMBOLDT COUNTY	\$ 892,571	100.0%	\$ 892,571
CITY OF WINNEMUCCA	-	-	-
HUMBOLDT COUNTY SCHOOL DISTRICT	\$ 3,215,000	100.0%	\$ 3,215,000
HUMBOLDT COUNTY GENERAL HOSPITAL	\$ 3,093,000	100.0%	\$ 3,093,000

Source: Nevada Department of Taxation and Humboldt County Comptroller.

**HUMBOLDT COUNTY
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO**

EMPLOYER	MARCH, 2006			MARCH, 1997		
	EMPLOYEES	RANK	PERCENTAGE OF TOTAL COUNTY EMPLOYMENT	EMPLOYEES	RANK	PERCENTAGE OF TOTAL COUNTY EMPLOYMENT
Newmont Mining	1000-1198	1	16.1%	0	0	0
Humboldt County School District	500-599	2	8.1%	400-499	2	6.1%
Winners Hotel & Casino	200-299	3	4.0%	200-299	4	3.6%
Wal Mart	100-199	4	2.7%	0	0	0
Humboldt County Government	100-199	5	2.7%	100-199	6	2.4%
Humboldt General Hospital	100-199	6	2.7%	100-199	9	2.4%
Transystems	100-199	7	2.7%	0	0	0
Manpower Temporary Services	100-199	8	2.7%	0	0	0
Marigold Mining	100-199	9	2.7%	0	0	0
Winnemucca Farms	100-199	10	2.7%	0	0	0
Santa Fe Pacific Gold Corp.	0	0	0	1200-1398	1	17.0%
FirstMiss Gold	0	0	0	300-399	3	4.8%
Hycroft Resources & Dev. Inc.	0	0	0	200-299	5	3.6%
Parker's Model T, Inc.	100-199	11	2.7%	100-199	7	2.4%
Sierra Pacific Power Company	100-199	12	2.7%	100-199	10	2.4%
Winnemucca RL Casino, Inc.	0	0	0	100-199	8	2.4%
Total County Covered Employment	7440		52.2%	8240		47.2%

The swings in the mining companies is the result of mergers and sales of companies.

SOURCE: Each of the two years reflect respective 1st quarter (March) information compiled by the Nevada Department of Employment, Training and Rehabilitation, Division of Labor Marketing.

NOTE: Nevada Revised Statutes Chapter 612 stipulates that actual employment for individual employers may not be published.

Humboldt County
Full-time Equivalent County Government Employees by Function
Last Ten Fiscal Years

Function	Full-time Equivalent Employees as of June 30,			
	2006	2005	2004	2003
General government	45.50	46.25	46.25	58.75
Public safety	62.25	62.25	66.75	70.25
Judicial	27.50	23.00	22.00	20.75
Public works	21.00	21.00	20.00	22.00
Health	2.00	2.00	2.00	2.00
Welfare	1.00	1.00	1.00	1.00
Culture and Recreation	18.50	19.75	19.75	9.00
Community Support	<u>2.00</u>	<u>2.00</u>	<u>2.00</u>	<u>2.00</u>
Total	<u>179.75</u>	<u>177.25</u>	<u>179.75</u>	<u>185.75</u>

For Fiscal Year 2003, Library employees were included in General Government instead of Culture & Recreation.

For Fiscal Years 1999 through 2002, Public Safety employees increased in the Sheriff's Office and the new Juvenile Detention Center.

For Fiscal Years 2003 through 2006, Public Safety employees decreased as a result of the reduction in staff at the Juvenile Detention Center and positions not being filled in the Sheriff's Office.

Source: Adopted State Budget Schedule S-2.

<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>
41.25	41.25	47.00	50.50	48.50	45.50
91.25	91.25	95.75	91.60	90.60	76.50
29.00	29.00	25.00	25.00	25.00	25.50
24.00	24.00	24.00	26.00	26.00	24.00
2.00	2.00	2.00	2.00	2.00	1.50
1.00	1.00	1.00	1.00	1.00	1.00
17.00	17.00	17.00	18.90	18.90	22.40
<u>2.00</u>	<u>2.00</u>	<u>2.00</u>	<u>2.00</u>	<u>2.00</u>	<u>2.00</u>
<u><u>207.50</u></u>	<u><u>207.50</u></u>	<u><u>213.75</u></u>	<u><u>217.00</u></u>	<u><u>214.00</u></u>	<u><u>198.40</u></u>

**Humboldt County
Demographic and Economic Statistics
Last Ten Fiscal Years**

Fiscal Year Ended June 30	Population	Personal Income	Per Capita Personal Income	School Enrollment	Unemployment Rate
2006	16,692	N/A	N/A	3,459	4.3
2005	16,457	N/A	N/A	3,461	3.9
2004	16,308	\$ 433,524	\$ 25,709	3,523	4.1
2003	16,164	\$ 393,958	\$ 23,787	3,500	5.1
2002	16,197	\$ 372,512	\$ 23,076	3,616	5.6
2001	17,103	\$ 378,050	\$ 23,674	3,805	5.6
2000	17,456	\$ 393,227	\$ 24,702	4,032	4.9
1999	17,032	\$ 399,848	\$ 23,911	4,286	6.3
1998	16,161	\$ 399,737	\$ 23,411	4,260	6.7
1997	15,530	\$ 403,769	\$ 24,290	4,048	4.5
	(1)	(2)	(5)	(3)	(4)

- (1) Source: State Demographer
- (2) Source: Washington State University, Northwest Income Indicators Project
- (3) Source: Humboldt County School District
- (4) Source: Nevada Workforce Informer, Data Analysis
- (5) Source: Bureau of Economic Analysis

N/A-Data is not available.

**Humboldt County
Operating Indicators by Function
Last Ten Fiscal Years**

Function	Fiscal Year									
	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
General government										
Business licenses	553	N/A								
Public safety										
Bookings	1,373	1,277	1,277	1,213	1,098	1,001	1,108	1,412	1,543	N/A
Building permits issued	381	296	293	246	220	240	338	425	654	726
Judicial										
Justice Court										
Cases filed:										
Criminal	2,205	2,285	2,906	2,332	1,824	1,829	943	1,284	1,720	952
Civil	1,055	856	851	882	830	924	1,009	988	1,039	1,087
Traffic and parking violations	6,882	4,200	5,506	5,264	3,373	5,100	6,134	5,134	5,115	5,330
Non-traffic	N/A	3,717	3,757	3,214	2,654	2,753	N/A	N/A	N/A	N/A
Cases disposed:										
Criminal	1,735	2,237	2,492	2,323	2,011	346	951	1,085	859	N/A
Civil	945	555	692	731	671	683	N/A	N/A	N/A	N/A
Traffic and parking violations	6,756	3,886	4,572	3,772	2,327	5,406	9,080	7,935	9,201	N/A
Non-traffic	N/A	2,792	3,184	3,054	2,682	1,029	N/A	N/A	N/A	N/A
District Court										
Cases filed:										
Criminal	199	211	141	111	124	112	N/A	N/A	N/A	N/A
Civil	108	120	123	115	94	95	N/A	N/A	N/A	N/A
Family	338	302	230	290	388	293	N/A	N/A	N/A	N/A
Juvenile	136	106	178	174	131	127	N/A	N/A	N/A	N/A
Cases disposed:										
Criminal	188	91	127	146	109	128	N/A	N/A	N/A	N/A
Civil	70	85	70	61	62	105	N/A	N/A	N/A	N/A
Family	238	210	196	213	246	280	N/A	N/A	N/A	N/A
Juvenile	52	46	86	59	68	72	N/A	N/A	N/A	N/A
Public works										
Miles of roads graded	7,077	4,134	5,981	5,887	N/A	N/A	N/A	N/A	N/A	N/A
Health										
Cubic yards deposited at landfill	141,627	124,686	122,401	107,768	96,394	97,663	105,456	114,694	N/A	N/A
Welfare (number of individuals helped)										
Bus fares	83	64	47	50	66	57	98	13	N/A	N/A
Gasoline	169	189	206	249	218	173	153	159	220	294
Lodgings	91	65	56	46	115	50	50	77	20	41
Prescriptions purchased	165	185	147	177	248	159	158	97	123	84
Culture and recreation										
Library										
Visitors	97,754	93,862	93,820	95,410	96,926	94,751	92,983	91,784	92,549	93,844
Circulation totals	175,662	166,967	175,371	184,759	184,783	180,203	176,846	175,100	181,423	183,980
Volumes in collection	72,891	71,504	70,104	68,694	67,134	65,201	63,385	61,682	59,456	58,202

Sources: Humboldt County Sheriff's Office, Building Department, Road Department, Library, County Administrator's Office, County Clerk, Justice and District Courts
 Business license information is not available for years prior to 2006 because file is updated as records are added or deleted.
 There are no indicators for the function of Community Support. These are both recurring expenditures and nonrecurring expenditures.
 N/A: Information is not available according to departments that provide information.

KAFOURY, ARMSTRONG & CO.
A PROFESSIONAL CORPORATION
CERTIFIED PUBLIC ACCOUNTANTS

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

To the Honorable Board of Commissioners
of Humboldt County, Nevada

We have audited the financial statements of the governmental activities and business-type activities, each major fund and the aggregate remaining fund information of Humboldt County, Nevada, as of and for the year ended June 30, 2006, which collectively comprise the County's basic financial statements as listed in the Table of Contents. We also have audited the financial statements of each of the County's nonmajor governmental and fiduciary funds presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2006 as listed in the Table of Contents. And we have issued our report thereon dated November 3, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance

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

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

Kafoury, Armstrong + Co.

Winnemucca, Nevada
November 3, 2006

KAFOURY, ARMSTRONG & CO.
A PROFESSIONAL CORPORATION
CERTIFIED PUBLIC ACCOUNTANTS

**Independent Auditor's Report on Compliance with Requirements
Applicable to each Major Program and on Internal Control Over
Compliance in Accordance with OMB Circular A-133**

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

Compliance

We have audited the compliance of Humboldt County, Nevada with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2006. The County's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

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

In our opinion, the County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2006.

Internal Control Over Compliance

The management of the County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

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

Kafoury, Armstrong + Co.

Winnemucca, Nevada
November 3, 2006

KAFOURY, ARMSTRONG & CO.
A PROFESSIONAL CORPORATION
CERTIFIED PUBLIC ACCOUNTANTS

HUMBOLDT COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2006
(Page 1 of 2)

<u>FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/PROGRAM TITLE</u>	<u>FEDERAL CFDA NUMBER</u>	<u>PASS-THROUGH GRANTOR'S NUMBER</u>	<u>EXPENDITURES</u>
<u>US Department of Agriculture:</u>			
Passed through State of Nevada Department of Administration:			
Emergency Food Assistance Program, Food Commodities (1)	10.569	N/A	\$ 25,447
Emergency Food Assistance Program, Administrative Costs	10.568	N/A	1,397
Passed through State of Nevada:			
Schools and Roads - Grants to States	10.665	N/A	12,529
Direct Programs:			
Community Facilities Loans and Grants	10.766	N/A	<u>92,571</u>
Total US Department of Agriculture			<u>131,944</u>
<u>US Department of Housing and Urban Development:</u>			
Passed through State of Nevada Department of Human Resources - Welfare Division:			
Emergency Shelter Grant	14.231	N/A	<u>6,317</u>
<u>US Department of Justice:</u>			
Direct Programs:			
State Criminal Alien Assistance Program	16.606	N/A	5,121
Drug Free Communities	16.729	N/A	7,813
Passed through State of Nevada Department of Human Resources:			
Juvenile Justice and Delinquency Prevention:			
Basic	16.540	N/A	10,000
Juvenile Accountability Incentive Block Grant	16.523	2003-JB-XV-0004	10,169
Passed through State of Nevada Department of Public Safety, Office of Criminal Justice Assistance:			
Byrne Formula Grant Program:			
TRIDENT Narcotics Task Force	16.579	05-JAG-22	80,361
Passed through State of Nevada Office of the Attorney General:			
Violence Against Women Grant	16.588	2005-WF-AX-0023	<u>16,883</u>
Total US Department of Justice			<u>130,347</u>
<u>US Department of Transportation</u>			
Passed through State of Nevada Department of Transportation:			
FTA for Elderly and Disabled Persons	20.513	NV-16-0029	\$ 118,031
Passed through State of Nevada State Emergency Response Commission:			
HMEP Training Grant	20.703	06-HMEP-08-01	<u>2,692</u>
Total US Department of Transportation			<u>120,723</u>

HUMBOLDT COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2006
(Page 2 of 2)

<u>FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/PROGRAM TITLE</u>	<u>FEDERAL CFDA NUMBER</u>	<u>PASS-THROUGH GRANTOR'S NUMBER</u>	<u>EXPENDITURES</u>
<u>National Foundation on the Arts and the Humanities:</u>			
Passed through Nevada State Library and Archives:			
Institute of Museum and Library Services -			
General Operating Support - Bookmobile Grant	45.301	LSTA 2004-29	<u>5,100</u>
<u>Federal Emergency Management Agency:</u>			
Passed through State of Nevada Division			
of Emergency Management:			
Civil Defense - State and Local			
Emergency Management Assistance	83.552	EMA06	<u>2,584</u>
<u>US Department of Education:</u>			
Passed through State of Nevada Department			
of Human Resources:			
Bureau of Alcohol and Drug Abuse			
Safe and Drug Free Schools	84.186	05-2605-01	9,057
Safe and Drug Free Schools	84.186	05063PX	<u>4,362</u>
			<u>13,419</u>
<u>US Department of Health and Human Services:</u>			
Passed through State of Nevada Department of			
Human Resources - Welfare Division:			
Child Support Enforcement	93.563	N/A	193,357
Passed through Frontier Community Coalition			
Parenting Wisely	93.243	N/A	12,039
Guiding Good Choices	93.243	05014IP - 01	<u>2,852</u>
Total US Department of Health and Human Services			<u>208,248</u>
Total Federal Grant Awards			<u>\$ 618,681</u>

(1) Humboldt County receives no money from this program. Food commodities are received and disbursed.

NOTE: The accompanying schedule of expenditures of federal awards is prepared on the accrual basis of accounting.

**HUMBOLDT COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2006**

Summary of Audit Results:

- Kafoury, Armstrong & Co. issued an unqualified opinion on the financial statements of Humboldt County for the year ended June 30, 2006.
- No reportable conditions relating to the audit of the financial statements are reported in the Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
- The audit disclosed no instances of noncompliance, which were material to the financial statements of Humboldt County.
- No reportable conditions relating to the audit of the major federal award programs are reported in the Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133.
- Kafoury, Armstrong & Co. issued an unqualified opinion on compliance for major programs of Humboldt County.
- Humboldt County had two major programs for the year ended June 30, 2006, as follows:
 - Byrne Formula Grant Program - CFDA #16.579
TRIDENT Narcotics Task Force
 - FTA for Elderly and Disabled Persons – CFDA #20.513
- The dollar threshold used for distinguishing between Type A and Type B programs for the year ended June 30, 2006, was \$300,000.
- Humboldt County qualified as a low risk auditee for the year ended June 30, 2006.

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

There were no such findings in relation to the financial statement audit of Humboldt County for the year ended June 30, 2006.

Findings and Questioned Costs for Federal Awards:

There were no findings or questioned costs.

**HUMBOLDT COUNTY
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2006**

There were no material weaknesses in internal control, instances of noncompliance or findings found during our 2004-2005 audit procedures.

HUMBOLDT COUNTY
SCHEDULE OF FEES IMPOSED SUBJECT TO THE PROVISIONS OF NRS 354.5989
LIMITATION OF FEES FOR BUSINESS LICENSES
FOR THE YEAR ENDED JUNE 30, 2006

Flat Fixed Fees:

Business license revenue for the year ended June 30, 1991 (base year) adjusted through June 30, 2005	\$ 55,631
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Adjustment to Base:

Base year adjusted		
Percentage increase in population of the local government	1.43%	
Percentage increase in the Consumer Price Index for the year ending on December 31 next preceding the year for which the limit is being calculated	3.49%	4.92%
		2,737
Adjusted base at June 30, 2005		58,368
Actual revenue		40,855
Amount under allowable amount		\$ 17,513

AUDITOR'S COMMENTS

STATUTE COMPLIANCE

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

PROGRESS ON PRIOR YEAR STATUTE COMPLIANCE

Humboldt County conformed to all significant statutory constraints on its financial administration for the year ended June 30, 2005.

PRIOR YEAR RECOMMENDATIONS

There were no recommendations made in the audit report for the year ended June 30, 2005.

CURRENT YEAR RECOMMENDATIONS

We did not find any financial weaknesses of a magnitude to justify inclusion within our report.

NEVADA REVISED STATUTES 354.6113 AND 354.6115

There were no funds created by Humboldt County, Nevada under the authority of NRS 354.6113 for the year ended June 30, 2006.

A fund was created in accordance with Nevada Revised Statute 354.6115, "Fund to stabilize operations of local government and mitigate effects of natural disaster." The Statement of Revenues, Expenditures and Changes in Fund Balance for the stabilization Fund for the year ended June 30, 2006 is presented in these financial statements. There were no expenditures for the year ended June 30, 2006. For the fiscal year ending June 30, 2006, the fund balance in the Stabilization Fund exceeded 10% of the expenditures (excluding any federal funds expended) from the General Fund for the previous fiscal year, which is an apparent violation of NRS 354.6115.

KAFOURY, ARMSTRONG & CO.
A PROFESSIONAL CORPORATION
CERTIFIED PUBLIC ACCOUNTANTS

Independent Accountant's Report

To the Honorable Board of Commissioners
of Humboldt County, Nevada

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

- The identified funds are being used expressly for the purposes for which they were created,
- The funds are administered in accordance with accounting principles generally accepted in the United States of America,
- The reserved fund balances/net assets in the funds were reasonable and necessary to carry out the purposes of the funds at June 30, 2006 (based on the interpretation of reasonable and necessary provided by the Legislative Counsel Bureau),
- The sources of revenues, including transfers, available for the funds are as noted in the financial statements,
- The funds conform to significant statutory and regulatory constraints on its financial administration during the year ended June 30, 2006,
- The balance and net assets of the funds are as noted in the financial statements.

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

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

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

Kafoury, Armstrong + Co.

Winnemucca, Nevada
November 3, 2006