

HUMBOLDT COUNTY

JUNE 30, 2011

HUMBOLDT COUNTY
June 30, 2011

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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, 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, 2011, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Humboldt County's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County, as of June 30, 2011, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 28, 2011 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.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3-10, budgetary comparison information on pages 46 through 58, and the schedule of funding progress for other post employment benefits on page 58 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

the financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133 *Audits of States, Local Governments, and Non-Profit Organizations* and is also not a required part of the financial statements. The combining and individual nonmajor fund statements and schedules and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. We also have previously audited, in accordance with auditing standards generally accepted in the United States of America, the County's basic financial statements for the year ended June 30, 2010, which are not presented with the accompanying financial statements. In our report dated November 24, 2010, we expressed unqualified opinions on the respective financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information. In our opinion, the 2010 combining and individual nonmajor fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements for the year ended June 30, 2010, taken as a whole.

Kafoury, Armstrong & Co.

Winnemucca, Nevada
November 28, 2011

**HUMBOLDT COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

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, 2011. We encourage readers to consider the information presented here in conjunction with the financial statements and notes to the financial statements to gain a more complete picture of the information presented. All amounts, unless otherwise indicated, are expressed in whole dollars.

Financial Highlights

- ◆ The assets of Humboldt County exceeded its liabilities at the close of the most recent fiscal year by \$93,481,885 (*net assets*). Of this amount, \$30,893,527 (*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 \$2,678,435. This increase is primarily the result of an increase in resources received over the previous year.
- ◆ As of the close of the current fiscal year, Humboldt County's governmental funds reported the combined ending fund balances of \$34,553,644, an increase of \$4,348,993 in comparison with the prior year.

Overview of the Financial Statements

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

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

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

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

The government-wide financial statements can be found on pages 11-13.

**HUMBOLDT COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(CONTINUED)**

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

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

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

Humboldt County maintains twenty individual governmental funds including two internally reported funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, 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 eleven governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

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

The basic governmental fund financial statements can be found on pages 14-19 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 20-22 of this report.

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

The basic fiduciary fund statements can be found on pages 23-24 of this report.

Notes to the financial statements and required supplementary information. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 25-45 of this report and the required supplementary information can be found on page 59.

**HUMBOLDT COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(CONTINUED)**

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *supplementary information*, including individual fund statements and schedules providing budget to actual comparisons. These schedules test compliance with budgetary constraints and management directives to enhance accountability at the fund and function level. This information may be found on pages 60-95 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 \$93,481,885 at the close of the most recent fiscal year.

A large portion of Humboldt County's net assets (64 percent) reflects its investment in capital assets (e.g., land, buildings, infrastructure, machinery, and equipment). Humboldt County uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending

HUMBOLDT COUNTY'S NET ASSETS*

	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
Current and other assets	\$36,239,980	\$31,845,355	\$2,482,880	\$2,216,499	\$38,722,860	\$34,061,854
Capital assets	58,556,219	59,905,855	250,433	299,517	58,806,652	60,205,372
Total assets	<u>94,796,299</u>	<u>91,751,210</u>	<u>2,733,313</u>	<u>2,516,016</u>	<u>97,529,512</u>	<u>94,267,226</u>
Long-term liabilities outstanding	1,778,089	1,222,902	13,771	9,889	1,791,860	1,232,791
Other liabilities	2,229,522	2,193,981	26,245	37,004	2,255,767	2,230,985
Total liabilities	<u>4,007,611</u>	<u>3,416,883</u>	<u>40,016</u>	<u>46,893</u>	<u>4,047,627</u>	<u>3,463,776</u>
Net Assets:						
Invested in capital assets	58,556,219	59,905,855	250,433	299,517	58,806,652	60,205,372
Restricted	3,781,706	3,800,403	-	-	3,781,706	3,800,403
Unrestricted	28,450,663	24,628,069	2,442,864	2,169,606	30,893,527	26,797,675
Total Net Assets	<u>\$90,788,588</u>	<u>\$88,334,327</u>	<u>\$2,693,297</u>	<u>\$2,469,123</u>	<u>\$93,481,885</u>	<u>\$90,803,450</u>

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

An additional portion of Humboldt County's net assets (\$3,781,706) represents resources subject to external restrictions (statutory, bond covenants or granting agency) on how they may be used. The remaining balance of *unrestricted net assets* (\$30,893,527) 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 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.

Governmental activities increased Humboldt County's net assets by \$2,454,261 thereby accounting for 92 percent of the total increase in the net assets of Humboldt County. Business-type activities increased the County's net assets by \$224,174 or 8 percent. Key elements of these increases are as follows:

**HUMBOLDT COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(CONTINUED)**

HUMBOLDT COUNTY'S CHANGES IN NET ASSETS

	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
Revenues:						
Program revenues:						
Charges for services	\$3,781,557	\$3,694,047	\$1,249,766	\$1,293,633	\$5,031,323	\$4,987,680
Operating grants and contributions	1,173,343	1,204,896	2,320	36,402	1,175,663	1,241,298
Capital grants and contributions	97,000	-	-	-	97,000	-
General revenues:						
Property Taxes	8,911,033	8,133,107	-	-	8,911,033	8,133,107
Consolidated Taxes	9,257,172	7,416,350	-	-	9,257,172	7,416,350
Franchise taxes	683,082	704,003	-	-	683,082	704,003
Motor vehicle fuel taxes	2,837,648	2,743,829	-	-	2,837,648	2,743,829
Room taxes	371,372	145,296	-	-	371,372	145,296
Miscellaneous	202,687	689,007	19,440	3,343	222,127	709,521
Unrestricted investment earnings	214,637	436,119	2,308	20,514	216,945	439,462
Payments in-lieu of taxes	1,641,292	1,641,405	-	-	1,641,292	1,641,405
Total revenues	29,170,823	26,808,059	1,273,834	1,353,892	30,444,657	28,161,951
Expenses:						
General government	5,006,452	5,053,275	-	-	5,006,452	5,053,275
Public safety	8,202,095	8,066,873	-	-	8,202,095	8,066,873
Judicial	3,328,429	3,563,509	-	-	3,328,429	3,563,509
Public works	4,555,359	5,367,835	-	-	4,555,359	5,367,835
Health	252,938	218,193	-	-	252,938	218,193
Welfare	779,883	557,206	-	-	779,883	557,206
Culture and recreation	2,099,019	2,066,966	-	-	2,099,019	2,066,966
Community support	2,492,387	2,238,898	-	-	2,492,387	2,238,898
Interest on long-term debt	-	3,203	-	-	-	3,203
Television	-	-	219,406	228,081	219,406	228,081
Solid waste management	-	-	830,254	874,721	830,254	874,721
Total expenses	26,716,562	27,135,958	1,049,660	1,102,802	27,766,222	28,238,760
Increase (decrease) in net assets	2,454,261	(327,897)	224,174	251,090	2,678,435	(76,807)
Net assets - July 1,	88,334,327	88,662,224	2,469,123	2,218,033	90,803,450	90,880,257
Net assets - June 30,	\$90,788,588	\$88,334,327	\$2,693,297	\$2,469,123	\$93,481,885	\$90,803,450

- Consolidated taxes increased \$1,840,822 over the previous fiscal year. This increase can be attributed to an increase in sales tax collected in Humboldt County.
- Unrestricted investment earnings decreased (\$222,517) over the previous year as a result of lower interest rates.
- Motor vehicle fuel taxes increased \$93,819 as a result of more gallons of gasoline being purchased.
- Franchise fees decreased slightly (\$20,921) over the previous year mainly as a result of decreased revenues for the utility companies upon which franchise fees are collected.
- Property tax revenues increased from the previous year by \$777,926 as result of the increase in net proceeds of mines taxes received from the mining companies.
- Governmental activities expenses decreased 1.6 percent (\$419,396) over the previous fiscal year. The primary reason for this decrease was decreased expenditures in the Regional Transportation Fund.

**HUMBOLDT COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(CONTINUED)**

Program Expenses and Revenues for Governmental Activities:

The following table presents program expenses and revenues for governmental activities. To aid in the understanding of the Statement of Activities, some additional explanation is given. Of particular interest is the format, which is significantly different than a typical Statement of Revenues, Expenses, and Changes in Fund Balance. You will notice expenses are listed in the first column with revenues from that particular program reported to the right. The result is a Net (Expense)/Revenue. The reason for this kind of format is to highlight the relative financial burden of each of the functions on the County's taxpayers. It also identifies how much each function draws from the general revenues or if it is self-financing through fees and grants. Overall, program revenues were insufficient in covering program expenses for governmental activities. The net program expenses of these governmental activities were, therefore, supported by general revenues, mainly taxes received and fund reserves applied. Expenses were up from prior year in public safety, health, welfare, culture & recreation, and community support functions due to increases associated with salaries, employee benefits, as well as service and supplies and capital outlay.

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

	Program Expenses		Program Revenues		Net Program Exp/(Rev)	
	2011	2010	2011	2010	2011	2010
Governmental Activities:						
General government	\$5,006,452	\$5,053,275	\$1,253,106	\$1,107,890	\$(3,753,346)	\$(3,945,384)
Public safety	8,202,095	8,066,873	1,532,535	1,614,288	(6,669,560)	(6,452,584)
Judicial	3,328,429	3,563,509	1,215,985	1,217,609	(2,112,444)	(2,345,900)
Public works	4,555,359	5,367,835	375,332	422,165	(4,180,027)	(4,945,670)
Health	252,938	218,193	-	-	(252,938)	(218,193)
Welfare	779,883	557,206	62,696	86,019	(717,187)	(471,187)
Culture and recreation	2,099,019	2,066,966	318,179	214,312	(1,780,840)	(1,852,654)
Community support	2,492,387	2,238,898	294,067	236,660	(2,198,320)	(2,002,238)
Interest on long-term debt	-	3,203	-	-	-	(3,203)
Totals	\$26,716,562	\$27,135,958	\$5,051,900	\$4,898,943	\$(21,664,662)	\$(22,237,013)

Program Expenses and Revenues for Business-type Activities

This table presents program expenses and revenues for business-type activities. Program revenues generated from business-type activities were not sufficient to cover program expenses in the television fund during the current year however program revenues were sufficient to cover program expenses in the solid waste management fund.

	Program Expenses		Program Revenues		Net Program 2011	Exp/(Rev) 2010
	2011	2010	2011	2010		
Business-Type Activities:						
Television	\$219,407	\$228,081	\$216,907	\$254,322	\$(2,500)	\$26,241
Solid waste management	830,254	874,721	1,035,180	1,075,713	204,926	200,992
Totals	\$1,049,661	\$1,102,802	\$1,252,087	\$1,330,035	\$202,426	\$227,233

Financial Analysis of the Government's Funds

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

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

**HUMBOLDT COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(CONTINUED)**

As of the end of the current fiscal year, Humboldt County's governmental funds reported combined ending fund balances of \$34,553,644, an increase of \$4,348,993 in comparison with the prior year.

The general fund is the chief operating fund of Humboldt County. At the end of the current fiscal year, unassigned fund balance of the general fund was \$6,055,573 while the total fund balance reached \$13,651,443. As a measure of the general fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents 43 percent of total general fund expenditures.

The fund balance of Humboldt County's general fund increased \$1,775,666 during the current year. The key factor in this increase was the increase in consolidated taxes received. General fund revenues increased \$1,643,773 from the prior year. General fund expenditures increased over the prior fiscal year by \$175,885 or 1.3 percent.

Humboldt County's road fund has an ending fund balance of \$1,226,907 which is a decrease of \$266,425 over the prior year. This decrease is the result of additional spending for services and supplies and capital outlay. Revenues decreased slightly (\$82,515) over prior year. This decrease was mainly due to less grant monies received and a decrease in miscellaneous revenue.

The regional transportation fund's ending fund balance increased \$997,314 from the prior year. Revenues increased slightly (5%) from the prior fiscal year as the result of an increase in gallons of gasoline being purchased. Expenditures decreased significantly (72% or \$943,328) due to the projects undertaken being completed in the prior year and minimal activity in the current fiscal year.

The 6th judicial district's fund balance increased \$615,915 over the prior year. Current year revenues exceeded prior year revenues by \$338,343 and were the result of the extra net proceeds taxes and combined taxes received as previously mentioned. Expenditures increased \$62,449 over the previous fiscal year. This increase was the result of increases in personnel costs (salary increase).

The indigent medical fund's ending fund balance decreased (\$77,688) or 5% over the prior year. Revenues decreased (\$21,178) over prior year. Expenditures were \$238,126 higher than last year. The increase in expenditures was the result of an increase in indigent care.

The Winnemucca events complex fund has an ending fund balance of \$955,996, which is an increase of \$377,215 over the prior year. Revenues increased significantly by 33% or \$282,824 over the prior year and was the result of an increase in property tax revenues of 9% or \$35,088 from the extra net proceeds distribution previously discussed and a increase in room taxes of \$226,076 or 156%. This revenue previously went into the debt service fund to pay for bonds which were retired in fiscal year 2010. This revenue is now used to help pay for the operations of the facilities. Expenditures were consistent with the prior year.

The building reserve fund's ending fund balance decreased \$81,582. Revenues decreased (\$16,275) from the prior year mainly due to the fact more grants were received in the prior year than the current year. Expenditures increased \$190,168 as a result of an increase in capital outlay.

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 \$805,343 , and those for the solid waste management fund amounted to \$1,637,521. The portion of net assets invested in capital assets was \$239,333 for the TV fund and \$11,100 for the solid waste management fund. The total growth in net assets for both funds was \$16,940 and \$207,234 respectively. Other factors concerning the finances of these two funds have already been addressed in the discussion of Humboldt County's business-type activities.

**HUMBOLDT COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(CONTINUED)**

General Fund Budgetary Highlights

Functions represent the legal level of budgetary control. The final budget appropriation was the same as the original approved budget. Actual expenditures were 94 percent of appropriations and \$946,515 less than the final budget.

Capital Asset and Debt Administration

Capital assets. Humboldt County's investment in capital assets for its governmental and business-type activities as of June 30, 2011, amounts to \$58,806,652 (net of accumulated depreciation). This investment in capital assets includes land, buildings and systems, improvements, infrastructure and machinery and equipment. Humboldt County's investment in capital assets for the current fiscal year decreased \$1,349,636 in governmental activities. Business-type activities capital assets decreased \$49,084.

HUMBOLDT COUNTY'S CAPITAL ASSETS (Net of Depreciation)

	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
Land and CIP	\$ 2,385,032	\$ 2,375,301	\$ -	\$ -	\$ 2,385,032	\$ 2,375,301
Land improvements	614,835	499,775	-	-	614,835	499,775
Buildings/ improvements	7,866,283	8,260,906	-	-	7,866,283	8,260,906
Infrastructure	44,526,426	45,971,867	-	-	44,526,426	45,971,867
Equipment	3,163,643	2,798,006	250,433	299,517	3,414,076	3,097,523
Total	<u>\$58,556,219</u>	<u>\$59,905,855</u>	<u>\$ 250,433</u>	<u>\$ 299,517</u>	<u>\$58,806,652</u>	<u>\$60,205,372</u>

Additional information on Humboldt County's capital assets can be found in Notes 1 (E) 6 and Note 5 of the notes to the financial statements.

Long-term debt. At the end of the current fiscal year, Humboldt County had no bonded long-term debt outstanding or outstanding capital leases.

HUMBOLDT COUNTY'S OUTSTANDING DEBT

	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
Compensated Absences Payable	\$ 671,789	\$ 721,951	\$ 13,156	\$ 13,166	\$ 684,945	\$ 735,117
Other postemployment Benefits	1,778,089	1,222,902	13,771	9,889	1,791,860	1,232,791
Total	<u>\$2,449,878</u>	<u>\$1,944,853</u>	<u>\$ 26,927</u>	<u>\$ 23,055</u>	<u>\$2,476,805</u>	<u>\$1,967,908</u>

The County's Compensated Absence liability is fully funded.

Additional information on Humboldt County's long-term debt can be found in Notes 1 E (7 and 8) and Notes 7 and 12 of the notes to the financial statements.

**HUMBOLDT COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(CONTINUED)**

Economic Factors and Next Year's Budget

The 2012 budget for Humboldt County had an overall increase in appropriations of 4 percent including a modest cost of living increase ranging from 3% for its employees. This County's economy has continued to remain stable with housing values remaining constant and gold prices at an all-time high. Consolidated taxes continue to come in higher than estimated. There have been no layoffs, no service reductions or salary/benefit reductions that have become the norm for other local governments, including the State. The mining industry has remained strong and has continued to contribute to our economic success. The County will continue to budget conservatively and build up its reserves as part of its ongoing program to promote financial stability for its citizens.

The County's unemployment rate continues to be lower than the State and most other counties within Nevada.

The general fund budget (including transfers) for 2011-2012 increased approximately 8 percent over the actual expenditures (including transfers) for fiscal 2011. This increase is the result of anticipating higher cost of operations, capital expenditures and programs the State will no longer fund. Historically, the County spends approximately 90-93 percent of its general fund budget but was slightly higher at 94 percent for fiscal year 2011. The County's practice of budgeting conservatively on revenues and budgeting liberally on expenditures has resulted in a strong, fiscally responsible government.

Humboldt County continues to maintain one of the lowest tax rates in the State of Nevada.

Requests for Information

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

HUMBOLDT COUNTY
Statement of Net Assets
June 30, 2011

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS			
Cash and investments	\$ 32,918,117	\$ 2,469,899	\$ 35,388,016
Taxes receivable	50,123	-	50,123
Accounts receivable	195,318	50,625	245,943
Interest receivable	1,832	171	2,003
Notes receivable	107,363	-	107,363
Intergovernmental receivable	2,906,917	-	2,906,917
Inventories	-	22,495	22,495
Internal balances	60,310	(60,310)	-
Capital assets:			
Land	2,382,383	-	2,382,383
Construction in progress	2,649	-	2,649
Other capital assets net of depreciation	56,171,187	250,433	56,421,620
Total assets	<u>94,796,199</u>	<u>2,733,313</u>	<u>97,529,512</u>
LIABILITIES			
Accounts payable	415,716	6,374	422,090
Accrued salaries and benefits	553,736	6,715	560,451
Intergovernmental payable	545,578	-	545,578
Unearned revenue	42,703	-	42,703
Noncurrent liabilities:			
Due within one year:			
Compensated absences	671,789	13,156	684,945
Other postemployment benefits	1,778,089	13,771	1,791,860
Total liabilities	<u>4,007,611</u>	<u>40,016</u>	<u>4,047,627</u>
NET ASSETS			
Invested in capital assets	58,556,219	250,433	58,806,652
Restricted for:			
Indigent medical	1,547,542	-	1,547,542
Government stabilization	1,050,842	-	1,050,842
Purchase of capital assets	484,232	-	484,232
Assessor's technology	516,039	-	516,039
Other purposes	183,051	-	183,051
Unrestricted	28,450,663	2,442,864	30,893,527
Total net assets	<u>\$ 90,788,588</u>	<u>\$ 2,693,297</u>	<u>\$ 93,481,885</u>

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

**HUMBOLDT COUNTY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Program Revenues</u>			
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Primary government:				
Governmental activities:				
General government	\$ 5,006,452	\$ 1,220,521	\$ 32,585	\$ -
Public safety	8,202,095	1,298,142	234,393	-
Judicial	3,328,429	922,511	293,474	-
Public works	4,555,359	126,013	249,319	-
Health	252,938	-	-	-
Welfare	779,883	-	62,696	-
Culture and recreation	2,099,019	190,157	31,022	97,000
Community support	2,492,387	24,213	269,854	-
Total governmental activities	<u>26,716,562</u>	<u>3,781,557</u>	<u>1,173,343</u>	<u>97,000</u>
Business-type activities:				
Television	219,407	214,587	2,320	-
Solid waste management	830,254	1,035,180	-	-
Total business-type activities	<u>1,049,661</u>	<u>1,249,767</u>	<u>2,320</u>	<u>-</u>
Total primary government	<u>\$ 27,766,223</u>	<u>\$ 5,031,324</u>	<u>\$ 1,175,663</u>	<u>\$ 97,000</u>

General revenues:

- Property taxes
- Consolidated taxes
- Franchise taxes
- Motor vehicle fuel taxes
- Room taxes
- Miscellaneous revenues
- Unrestricted investment earnings
- Payments in-lieu of taxes
- Total general revenues

Change in Net Assets

- Net assets - beginning
- Net assets - ending

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

Primary Government		
Governmental Activities	Business-type Activities	Total
\$ (3,753,346)	\$ -	\$ (3,753,346)
(6,669,560)	-	(6,669,560)
(2,112,444)	-	(2,112,444)
(4,180,027)	-	(4,180,027)
(252,938)	-	(252,938)
(717,187)	-	(717,187)
(1,780,840)	-	(1,780,840)
(2,198,320)	-	(2,198,320)
(21,664,662)	-	(21,664,662)
-	(2,500)	(2,500)
-	204,926	204,926
-	202,426	202,426
(21,664,662)	202,426	(21,462,236)
8,911,033	-	8,911,033
9,257,172	-	9,257,172
683,082	-	683,082
2,837,648	-	2,837,648
371,372	-	371,372
202,687	19,440	222,127
214,637	2,308	216,945
1,641,292	-	1,641,292
24,118,923	21,748	24,140,671
2,454,261	224,174	2,678,435
88,334,327	2,469,123	90,803,450
\$ 90,788,588	\$ 2,693,297	\$ 93,481,885

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

HUMBOLDT COUNTY
Balance Sheet
Governmental Funds
June 30, 2011

	General Fund	Road Fund	Regional Transportation Fund	6th Judicial District Fund
Assets:				
Cash and investments	\$ 12,562,203	\$ 1,007,147	\$ 2,757,197	\$ 2,222,755
Taxes receivable	18,766	-	-	13,011
Accounts receivable	180,842	-	-	14,247
Interest receivable	1,330	-	283	-
Notes receivable	6,383	-	-	-
Due from other governments	1,773,381	292,446	247,710	201,134
Due from other funds	64,879	72,815	-	12,321
Total assets	<u>\$ 14,607,784</u>	<u>\$ 1,372,408</u>	<u>\$ 3,005,190</u>	<u>\$ 2,463,468</u>
Liabilities				
Accounts payable	\$ 177,647	\$ 103,214	\$ -	\$ 57,060
Accrued salaries/benefits	367,016	42,120	-	96,412
Due to other governments	298,675	131	-	24,270
Due to other funds	82,835	36	-	7,855
Deferred revenue	30,168	-	-	44,312
Total liabilities	<u>956,341</u>	<u>145,501</u>	<u>-</u>	<u>229,909</u>
Fund Balances				
Nonspendable				
Notes receivable	6,383	-	-	-
Restricted for:				
Technology enhancements	16,769	-	-	1,208
Child support	26,393	-	-	-
Pari-mutual betting	-	-	-	-
Indigent medical	-	-	-	-
Government stabilization	-	-	-	-
Purchase of capital assets	-	-	-	-
Judicial support	-	-	-	-
Check restitution	-	-	-	-
Assessor's technology	-	-	-	-
Committed to:				
Unemployment claims	123,960	-	-	-
Compensated absences	727,550	-	-	-
Road repairs and maintenance	-	1,226,907	-	-
County and city road projects	-	-	3,005,190	-
6th judicial court	-	-	-	2,232,351
Winnemucca events center complex	-	-	-	-
Indigent services	-	-	-	-
Local agricultural education	-	-	-	-
Library	-	-	-	-
Drug court	-	-	-	-
Capital building projects	-	-	-	-
Excess road fund expenditures	-	-	-	-
Assigned for budget shortfalls	6,694,815	-	-	-
Unassigned	6,055,573	-	-	-
Total fund balances	<u>13,651,443</u>	<u>1,226,907</u>	<u>3,005,190</u>	<u>2,233,559</u>
Total Liabilities and Fund Balances	<u>\$ 14,607,784</u>	<u>\$ 1,372,408</u>	<u>\$ 3,005,190</u>	<u>\$ 2,463,468</u>

Indigent Medical Fund	Winnemucca Events Complex Fund	Building Reserve Fund	Other Governmental Funds	Total Governmental Funds
\$ 1,649,871	\$ 888,604	\$ 3,284,468	\$ 8,545,872	\$ 32,918,117
3,303	2,669	667	11,707	50,123
-	-	-	229	195,318
169	-	-	50	1,832
-	-	100,980	-	107,363
11,728	120,767	87,018	172,733	2,906,917
-	1,603	4,500	660	156,778
<u>\$ 1,665,071</u>	<u>\$ 1,013,643</u>	<u>\$ 3,477,633</u>	<u>\$ 8,731,251</u>	<u>\$ 36,336,448</u>
\$ 2,006	\$ 37,926	\$ 2,649	\$ 35,214	\$ 415,716
-	11,665	-	36,523	553,736
115,523	2,454	-	104,525	545,578
-	2,933	-	2,809	96,468
3,303	2,669	79,147	11,707	171,306
<u>120,832</u>	<u>57,647</u>	<u>81,796</u>	<u>190,778</u>	<u>1,782,804</u>
-	-	22,500	-	28,883
-	-	-	-	17,977
-	-	-	-	26,393
-	3,597	-	-	3,597
1,544,239	-	-	-	1,544,239
-	-	-	1,050,842	1,050,842
-	-	-	483,565	483,565
-	-	-	123,400	123,400
-	-	-	11,684	11,684
-	-	-	516,039	516,039
-	-	-	-	123,960
-	-	-	-	727,550
-	-	-	-	1,226,907
-	-	-	-	3,005,190
-	-	-	-	2,232,351
-	952,399	-	-	952,399
-	-	-	462,018	462,018
-	-	-	459,803	459,803
-	-	-	1,925,681	1,925,681
-	-	-	132,779	132,779
-	-	3,373,337	-	3,373,337
-	-	-	3,374,662	3,374,662
-	-	-	-	6,694,815
-	-	-	-	6,055,573
<u>1,544,239</u>	<u>955,996</u>	<u>3,395,837</u>	<u>8,540,473</u>	<u>34,553,644</u>
<u>\$ 1,665,071</u>	<u>\$ 1,013,643</u>	<u>\$ 3,477,633</u>	<u>\$ 8,731,251</u>	<u>\$ 36,336,448</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, 2011

Total Governmental Fund Balances	\$	34,553,644
<p>Amounts reported for governmental activities in the statement of net assets are different because:</p>		
<p>Capital Assets used in governmental activities are not resources and therefore are not reported in the funds.</p>		
Governmental Capital Assets	\$ 101,058,423	
Less Accumulated Depreciation	<u>(42,502,204)</u>	58,556,219
<p>Long-term liabilities, including bonds payable are not due and payable in the current period and therefore are not reported in the governmental funds.</p>		
Net OPEB obligation	1,778,089	
Compensated absences	<u>671,789</u>	(2,449,878)
<p>Deferred revenue represents amounts that were not available to fund current expenditures and therefore are not reported in the governmental funds.</p>		
		<u>128,603</u>
Net Assets of Governmental Activities	\$	<u>90,788,588</u>

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

HUMBOLDT COUNTY
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2011

	<u>General Fund</u>	<u>Road Fund</u>	<u>Regional Transportation Fund</u>	<u>6th Judicial District Fund</u>
REVENUES				
Taxes	\$ 4,023,435	\$ -	\$ -	\$ 2,080,949
Licenses and permits	1,023,408	-	-	-
Intergovernmental revenue	9,240,901	1,720,112	1,366,854	1,919,974
Charges for services	454,390	339,147	-	1,185
Fines and forfeits	626,947	-	-	50,845
Miscellaneous revenues	376,343	11,214	3,069	5,790
	<u>15,745,424</u>	<u>2,070,473</u>	<u>1,369,923</u>	<u>4,058,743</u>
EXPENDITURES				
Current:				
General government	4,746,442	-	-	-
Judicial	1,976,329	-	-	1,081,946
Public safety	5,789,565	-	-	2,301,039
Public works	19,791	3,213,146	372,609	-
Health	256,753	-	-	-
Welfare	-	-	-	-
Culture and recreation	2,500	-	-	-
Community support	804,106	-	-	-
Intergovernmental expenditures	457,356	123,752	-	54,843
	<u>14,052,842</u>	<u>3,336,898</u>	<u>372,609</u>	<u>3,437,828</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,692,582</u>	<u>(1,266,425)</u>	<u>997,314</u>	<u>620,915</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	83,084	1,000,000	-	-
Transfers out	-	-	-	(5,000)
Total Other Financing Sources (Uses)	<u>83,084</u>	<u>1,000,000</u>	<u>-</u>	<u>(5,000)</u>
Net Change in Fund Balances	1,775,666	(266,425)	997,314	615,915
Fund Balances - beginning - as restated	<u>11,875,777</u>	<u>1,493,332</u>	<u>2,007,876</u>	<u>1,617,644</u>
Fund Balances - ending	<u>\$ 13,651,443</u>	<u>\$ 1,226,907</u>	<u>\$ 3,005,190</u>	<u>\$ 2,233,559</u>

Indigent Medical Fund	Winnemucca Events Complex Fund	Building Reserve Fund	Other Governmental Funds	Total Governmental Funds
\$ 321,112	\$ 426,865	\$ 106,710	\$ 1,956,984	\$ 8,916,055
-	-	-	-	1,023,408
-	524,115	59,762	2,316,782	17,148,500
-	176,602	17,153	28,598	1,017,075
-	-	-	42,279	720,071
2,392	16,181	157,315	26,614	598,918
<u>323,504</u>	<u>1,143,763</u>	<u>340,940</u>	<u>4,371,257</u>	<u>29,424,027</u>
-	-	-	186,445	4,932,887
-	-	-	216,135	3,274,410
-	-	-	-	8,090,604
-	-	-	-	3,605,546
-	-	-	-	256,753
298,393	-	-	478,588	776,981
-	766,548	-	964,440	1,733,488
-	-	422,522	259,074	1,485,702
102,799	-	-	179,913	918,663
<u>401,192</u>	<u>766,548</u>	<u>422,522</u>	<u>2,284,595</u>	<u>25,075,034</u>
<u>(77,688)</u>	<u>377,215</u>	<u>(81,582)</u>	<u>2,086,662</u>	<u>4,348,993</u>
-	-	-	25,000	1,108,084
-	-	-	(1,103,084)	(1,108,084)
-	-	-	(1,078,084)	-
<u>(77,688)</u>	<u>377,215</u>	<u>(81,582)</u>	<u>1,008,578</u>	<u>4,348,993</u>
<u>1,621,927</u>	<u>578,781</u>	<u>3,477,419</u>	<u>7,531,895</u>	<u>30,204,651</u>
<u>\$ 1,544,239</u>	<u>\$ 955,996</u>	<u>\$ 3,395,837</u>	<u>\$ 8,540,473</u>	<u>\$ 34,553,644</u>

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

HUMBOLDT COUNTY
Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances of Governmental Funds
To the Statement of Activities
For the Year Ended June 30, 2011

Net Change in Fund Balances - Governmental Funds \$ 4,348,993

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

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

Expenditures for capital assets	\$ 1,422,786	
Less current year depreciation	(2,718,460)	
Loss on disposition of assets	<u>(53,962)</u>	
		(1,349,636)

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	(40,071)
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Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.

Change in net OPEB obligation	(555,187)
Change in long-term compensated absences	<u>50,162</u>

Change in Net Assets of Governmental Activities	<u><u>\$ 2,454,261</u></u>
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The notes to the financial statements are an integral part of this statement.

HUMBOLDT COUNTY
Statement of Net Assets
Proprietary Funds
June 30, 2011

	Business-Type Activities - Enterprise Funds		
	Humboldt Television Fund	Solid Waste Management Fund	Totals Current Year
ASSETS			
Current:			
Cash and cash equivalents	\$ 804,984	\$ 1,664,915	\$ 2,469,899
Accounts receivable	9,825	40,800	50,625
Interest receivable	-	171	171
Due from other funds	907	502	1,409
Inventories	22,495	-	22,495
Total Current Assets	838,211	1,706,388	2,544,599
Noncurrent Assets:			
Capital assets:			
Buildings	24,195	-	24,195
Machinery and equipment	1,023,008	92,286	1,115,294
Less accumulated depreciation	(807,870)	(81,186)	(889,056)
Total capital assets (net of accumulated depreciation)	239,333	11,100	250,433
Total Assets	1,077,544	1,717,488	2,795,032
LIABILITIES			
Current Liabilities:			
Accounts payable	1,582	4,792	6,374
Accrued liabilities	17,790	2,081	19,871
Due to other funds	1,298	60,421	61,719
Total Current Liabilities	20,670	67,294	87,964
Noncurrent Liabilities:			
Other postemployment benefits	12,198	1,573	13,771
Total Liabilities	32,868	68,867	101,735
NET ASSETS			
Invested in capital assets	239,333	11,100	250,433
Unrestricted	805,343	1,637,521	2,442,864
Total Net Assets	\$ 1,044,676	\$ 1,648,621	\$ 2,693,297

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, 2011

Business-Type Activities - Enterprise Funds

	<u>Humboldt Television Fund</u>	<u>Solid Waste Management Fund</u>	<u>Totals Current Year</u>
OPERATING REVENUES			
Charges for Services:			
User fees	\$ 214,587	\$ 1,035,180	\$ 1,249,767
Grants	2,320	-	2,320
Miscellaneous	19,440	-	19,440
Total Operating Revenues	<u>236,347</u>	<u>1,035,180</u>	<u>1,271,527</u>
OPERATING EXPENSES			
Salaries and wages	85,540	31,929	117,469
Employee benefits	29,035	11,825	40,860
Services and supplies	51,875	782,996	834,871
Depreciation	<u>52,957</u>	<u>3,504</u>	<u>56,461</u>
Total Operating Expenses	<u>219,407</u>	<u>830,254</u>	<u>1,049,661</u>
Operating Income (Loss)	<u>16,940</u>	<u>204,926</u>	<u>221,866</u>
NONOPERATING REVENUES (EXPENSES)			
Interest earnings	<u>-</u>	<u>2,308</u>	<u>2,308</u>
Change in Net Assets	16,940	207,234	224,174
NET ASSETS, JULY 1	<u>1,027,736</u>	<u>1,441,387</u>	<u>2,469,123</u>
NET ASSETS, JUNE 30	<u><u>\$ 1,044,676</u></u>	<u><u>\$ 1,648,621</u></u>	<u><u>\$ 2,693,297</u></u>

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

HUMBOLDT COUNTY
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2011

	Business-type Activities - Enterprise Funds		
	Humboldt Television Fund	Solid Waste Management Fund	Totals Current Year
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from customers	\$ 236,946	\$ 1,041,576	\$ 1,278,522
Cash payments for personnel costs	(111,386)	(42,627)	(154,013)
Cash payments for services and supplies	(47,872)	(734,300)	(782,172)
Net Cash Provided by Operating Activities	<u>77,688</u>	<u>264,649</u>	<u>342,337</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Purchases of capital assets	<u>(7,377)</u>	<u>-</u>	<u>(7,377)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest received	<u>-</u>	<u>2,352</u>	<u>2,352</u>
Net Increase (Decrease) in Cash and Cash Equivalents	70,311	267,001	337,312
CASH AND CASH EQUIVALENTS, JULY 1	<u>734,673</u>	<u>1,397,914</u>	<u>2,132,587</u>
CASH AND CASH EQUIVALENTS, JUNE 30	<u>\$ 804,984</u>	<u>\$ 1,664,915</u>	<u>\$ 2,469,899</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating Income (Loss)	<u>\$ 16,940</u>	<u>\$ 204,926</u>	<u>\$ 221,866</u>
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operations:			
Depreciation	52,957	3,504	56,461
Change in assets and liabilities:			
(Increase) decrease in:			
Accounts receivable	599	6,396	6,995
Inventory	3,416	-	3,416
Increase (decrease) in:			
Accounts payable	587	48,696	49,283
Accrued salaries and benefits	3,189	1,127	4,316
Total adjustments	<u>60,748</u>	<u>59,723</u>	<u>120,471</u>
Net Cash Provided by Operating Activities	<u>\$ 77,688</u>	<u>\$ 264,649</u>	<u>\$ 342,337</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, 2011

	AGENCY FUNDS	INVESTMENT TRUST FUND
ASSETS		
Cash and cash equivalents	\$ 9,203,595	\$ 1,666,705
Interest receivable	-	118
Total Assets	\$ 9,203,595	\$ 1,666,823
LIABILITIES		
Due to other governments	\$ 8,978,538	\$ -
Funds held in trust for others	225,057	-
Total Liabilities	9,203,595	-
NET ASSETS		
Held in trust	\$ -	\$ 1,666,823

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, 2011

	INVESTMENT TRUST FUND
ADDITIONS	
Investment earnings:	
Interest	\$ 3,483
Net increase (decrease) in share transactions	(569,689)
Change in net assets	(566,206)
Net assets - beginning	2,233,029
Net assets - ending	\$ 1,666,823

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

HUMBOLDT COUNTY
Notes to the Financial Statements
June 30, 2011

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting entity

Humboldt County was incorporated as one of the original nine counties of the State of Nevada in 1861 and is governed by a five-member elected Board of Commissioners. The major operations of Humboldt County are property tax assessment and collections, public safety, road maintenance, judicial, recreation and administrative activities. 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 non-fiduciary activities of Humboldt County. The effect of interfund activity has been removed from these statements. Interfund activities relating to services provided and used between functions are not eliminated. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

In the government-wide Statement of Net 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 three parts – invested in capital assets, restricted, 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. 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, 2011

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 non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. The generally accepted accounting principles applicable are those similar to businesses in the private sector.

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

Humboldt County reports the following major governmental funds:

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

The **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.

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.

HUMBOLDT COUNTY
Notes to the Financial Statements
June 30, 2011

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

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

Humboldt County reports the following major proprietary funds:

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

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

In addition, Humboldt County uses the following funds:

Agency funds are custodial in nature and do not involve measurement of results of operations. The funds account for assets held by the County as an agent for various governments, special districts and individuals. Included are funds for apportioned property and sales taxes, shared revenues and other financial resources for schools, hospital, special districts, boards and other state and city agencies; bonds posted with the District Court and Justice Courts; funds held for inmates housed at the County jail; unapportioned taxes for other local governments; and assets held on the behalf of special districts, boards and other miscellaneous agencies.

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

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.

D. Measurement Focus, Basis of Accounting

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

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered *available* when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available

HUMBOLDT COUNTY
Notes to the Financial Statements
June 30, 2011

if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, other postemployment benefits and claims and judgments, are recorded only when payment is due.

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

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

E. Financial Statement Amounts:

1. Cash and Investments

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

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

Investments are recorded at fair value.

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

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

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

HUMBOLDT COUNTY
Notes to the Financial Statements
June 30, 2011

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

2. Investment Pool Investment Earnings

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

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

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 2010-2011 was \$0.7512 per \$100 of assessed valuation.

The total combined rate was \$2.2016 per \$100 of assessed valuation in the unincorporated area of Humboldt County, exclusive of special district tax rates.

Tax rates are levied by Humboldt County Commissioners immediately after the Nevada Tax Commission has certified the combined rate. Upon certification, the rates are transmitted to Humboldt County's Treasurer for billing. The tax rate levied is for the current fiscal year, July 1 to June 30, and the taxes are considered a lien against real property attaching on July 1. The tax for the 2010-2011 fiscal year was due and payable on the third Monday in August 2010. 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, 2011

Secured roll property taxes receivable reflect only those taxes receivable from the delinquent roll years. Delinquent taxes from all roll years prior to 2009-2010 have been written off. No provision for uncollectible accounts has been established since management does not anticipate any material collection loss in respect to remaining balances. Personal property taxes receivable reflect only those taxes collected within 60 days of year-end.

4. Net Proceeds of Mines

Net proceeds of mines are paid on an annual basis. For the year ended June 30, 2011 net proceeds of mines received on actual business from January through December 2010 are reflected in the financial statements. In addition, due to legislative changes occurring during the year ended June 30, 2011, the payments of net proceeds received on estimated business from January 1, 2011 through December 31, 2011 are reflected in the financial statements.

Additional amounts due, based upon actual business for the January 1, 2011 through December 31, 2011 in comparison to estimated payments, are determined subsequent to the 2011 calendar year. Credits for overpayments, based on actual business for the period of January 1, 2011 through December 31, 2011 in comparison to estimated payments, are applied to future tax payments in accordance with NRS 362.130. The overall financial impact on the County of future additional amounts due or future credits is not determinable at June 30, 2011 and are not reflected in these financial statements. It should be noted that the estimated payments for calendar year 2011 (received in fiscal year 2010-2011) were calculated using fiscal year 2010-2011 tax rates. Any true-up of these estimated payments will use fiscal year 2011-2012 tax rates. It is unknown at June 30, 2011 what, if any, impact this will have on future financial statements.

5. Inventories

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

6. Capital Assets

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

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

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

HUMBOLDT COUNTY
Notes to the Financial Statements
June 30, 2011

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

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

7. *Compensated Absences*

It is Humboldt County's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. In proprietary funds, compensated absences are recorded when the liabilities are incurred. In governmental funds, the current portion is recorded as an expenditure. The entire amount is accounted for in the governmental column of the government-wide statement of net 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 payable to terminated employees who meet specific requirements set forth in the negotiated employee association contracts.

8. *Long-term Obligations*

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net 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.

9. *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.

HUMBOLDT COUNTY
Notes to the Financial Statements
June 30, 2011

10. Equity Classifications

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

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

11. Governmental Fund Balance

Beginning with fiscal year 2011, the County implemented GASB Statement 54 “Fund Balance Reporting and Governmental Fund Type Definitions”. This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government’s fund balance more transparent. The following classifications describe the relative strength the spending constraints places on the purposes for which resources can be used:

- a. Nonspendable fund balance – amounts that are not in spendable form (such as inventory or prepaids) or are required to remain intact (such as notes receivable or principal of a permanent fund).
- b. Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.
- c. Committed fund balance – amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint.
- d. Assigned fund balance – amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority.
- e. Unassigned fund balance- amounts available for any purpose; positive amounts are reported only in the general fund.

The Board of Commissioners establishes (and modifies or rescinds) fund balance commitments by passage of a resolution. The County Administrator and Comptroller have been delegated authority to assign ending fund balance and to report any assigned funds to the Board of Commissioners at their next regular scheduled board meeting.

It is the policy of the County to spend restricted fund balance first (unless legal requirements dictate otherwise) followed by committed, assigned, and unassigned fund balance.

HUMBOLDT COUNTY
Notes to the Financial Statements
June 30, 2011

The Board also adopted a policy to maintain a minimum level of unrestricted fund balance for the General Fund at 10% of total general fund expenditures including other financing uses. By adopting this policy, the County wishes to avoid the need for service level reductions in the event of an economic downturn causing revenues to come in lower than budget.

11. Stabilization Arrangement

The County has established a stabilization arrangement under NRS 354.6115 to stabilize operations and mitigate effects of natural disasters. Funds restricted in the Stabilization Fund must be used only if the total actual revenue falls short by 8% or more of the total anticipated revenue in the general fund for the fiscal year in which the County uses the funds. Additionally, the County Board of Commissioners must issue a formal declaration that a natural disaster exists before resources in the fund can be used to pay expenses incurred to mitigate the effects of the disaster. There are currently no provisions for additions to the stabilization fund.

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary Information

Annual budgets are adopted on a basis consistent with GAAP for all funds except trust and agency funds, which do not require budgets, and certain special revenue funds that do not meet the requirements to be considered a fund under U.S. GAAP. All annual appropriations lapse at fiscal year end.

Humboldt County adheres to the Local Government Budget and Finance Act (NRS 354.470-.626) incorporated within state statutes and the procedures set by the Department of Taxation to establish the budgetary data reflected in these financial statements. The Board adopts the budget on or before June 1 and files it with the Nevada State Department of Taxation.

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 non-operating expenses in proprietary funds. Exceptions apply for certain debt service and intergovernmental expenditures.

All budget amounts presented in these financial statements and schedules reflect the amended budget which has been adjusted for legally authorized revisions of the annual budgets during the year. Original budgets are provided for the General Fund and major special revenue funds in compliance with reporting requirements. The Comptroller may approve budget adjustments within a function. Budget adjustments between functions or funds may be approved by the Comptroller with Board notification. Adjustments that affect fund balance or increase the original budget require Board approval.

Encumbrance accounting is employed in governmental and proprietary funds. In governmental funds, encumbrances, which include purchase orders and contracts awarded for which goods and services have not been received at year-end, are reappropriated in the subsequent year.

Compliance

The County conformed to all significant statutory and administrative code constraints on its financial administration during the year.

HUMBOLDT COUNTY
Notes to the Financial Statements
June 30, 2011

NOTE 3 – CASH AND INVESTMENTS

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 Amount</u>	<u>Bank Balance</u>
Insured, (FDIC)	\$ 2,121,502	\$ 2,121,502
Uninsured and collateralized, collateral held by the office of the State Treasurer/Nevada Collateral Pool	33,428,883	33,655,546
Petty Cash	<u>11,860</u>	<u>11,860</u>
Total Cash Deposits	<u>\$35,562,245</u>	<u>\$35,788,908</u>

Investments are carried at fair value. The following is a listing of those investments as of June 30, 2011:

<u>Investment Type</u>	<u>Investment Maturities (in years)</u>			
	<u>Fair Value</u>	<u>Less than 1</u>	<u>1 to 5</u>	<u>6 to 10</u>
U.S. Treasury Notes	\$ 1,204,272	\$ -	\$ 1,204,272	\$ -
Government Agencies	1,661,190	692,483	889,834	78,873
Asset Backed Fixed Income Securities	1,011,693	289,421	696,990	25,282
Corporate Bonds	1,335,707	234,250	1,101,457	-
Mortgage Backed Securities	5,042,942	138,689	469,506	4,434,747
Money Market Mutual Funds	420,389	420,389	-	-
State of Nevada Local Government Investment Pool	<u>19,875</u>	<u>19,875</u>	<u>-</u>	<u>-</u>
Total Investments	10,696,068	1,795,107	4,362,059	4,538,902
Total Cash (Carrying Amount)	<u>35,562,245</u>	<u>34,557,096</u>	<u>1,005,149</u>	<u>-</u>
Total Cash and Investments	<u>\$ 46,258,313</u>	<u>\$ 36,352,202</u>	<u>\$ 5,367,208</u>	<u>\$ 4,538,902</u>

HUMBOLDT COUNTY
Notes to the Financial Statements
June 30, 2011

<u>Investment Type</u>	<u>Quality Ratings Average of Moody's and Standard & Poor's</u>				
	<u>Fair Value</u>	<u>AAA</u>	<u>AA</u>	<u>A</u>	<u>Unrated</u>
Debt Securities					
U.S. Treasury Notes	\$ 1,204,273	\$ 1,204,273	\$ -	\$ -	\$ -
Government Agencies	1,661,190	1,661,190	-	-	-
Asset Backed Fixed					
Income Securities	1,011,692	1,011,692	-	-	-
Corporate Bonds	1,335,707	118,304	478,819	738,584	-
Mortgage Backed Securities	5,042,942	5,042,942	-	-	-
Money Market Mutual Funds	420,389	420,389	-	-	-
State of Nevada Local Government Investment Pool	19,875	-	-	-	19,875
Total Investments	10,696,068	\$ 9,458,790	\$ 478,819	\$ 738,584	\$ 19,875
Total Cash (Carrying Amount)	35,562,245				
Total Cash and Investments	\$ 46,258,313				

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 to reduce its exposure to fair value losses arising from increasing interest rates beyond those specified in the Statute.

Credit risk

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

Custodial credit risk on deposits

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

HUMBOLDT COUNTY
Notes to the Financial Statements
June 30, 2011

Concentration of Credit Risk

At June 30, 2011, the following investments exceeded 5% of the County's total:

Federal Home Loan Banks	47%
Fannie Mae	15%

External Investment Pool

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

<u>Investment Type</u>	<u>Fair Value/ Carrying Amount</u>	<u>Principal Amount Number of Shares</u>	<u>Interest Rate</u>	<u>Maturity Dates</u>
Wells Fargo Savings	\$14,929,549	\$14,929,549	Variable	July 1, 2012

EXTERNAL INVESTMENT POOL CONDENSED FINANCIAL STATEMENTS
STATEMENT OF NET ASSETS
JUNE 30, 2011

ASSETS:

Wells Fargo Savings	\$ <u>14,929,549</u>
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NET ASSETS HELD IN TRUST FOR POOL PARTICIPANTS:

Net assets consist of:

Internal participant shares	\$ 13,262,844
External participant shares	<u>1,666,705</u>
Total Participant Shares Outstanding (\$1.00 par)	<u>\$ 14,929,549</u>

**STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2011**

Net increase (decrease) in net assets resulting from operations:

Investment income	\$ 3,232,626
Net assets, July 1	<u>11,696,923</u>
Net assets, June 30	<u>\$ 14,929,549</u>

HUMBOLDT COUNTY
Notes to the Financial Statements
June 30, 2011

NOTE 4 – ASSESSMENT DISTRICT RECEIVABLE

During the year ended June 30, 2009, Humboldt County completed improvements on a special assessment district. The total cost of the project was \$305,101. The County contributed \$72,144 and \$232,957 was charged back to the land owners in the form of notes receivable from the landowners. The balance remaining on the assessment receivable as of June 30, 2011 is \$78,480.

NOTE 5 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2011 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities				
Capital assets, not being depreciated:				
Land	\$ 2,313,835	\$ 68,548	\$ -	\$ 2,382,383
Construction in progress	<u>61,466</u>	<u>87,578</u>	<u>146,395</u>	<u>2,649</u>
Total capital assets, not being depreciated	<u>2,375,301</u>	<u>156,126</u>	<u>146,395</u>	<u>2,385,032</u>
Capital assets, being depreciated				
Buildings	20,072,116	159,377	-	20,231,493
Improvements other than buildings	847,233	171,948	-	1,019,181
Infrastructure	66,606,071	-	-	66,606,071
Machinery and equipment	<u>10,388,047</u>	<u>1,081,730</u>	<u>653,131</u>	<u>10,816,646</u>
Total assets, being depreciated	<u>97,913,467</u>	<u>1,413,055</u>	<u>653,131</u>	<u>98,673,391</u>
Less accumulated depreciation for:				
Buildings	(11,811,210)	(554,000)	-	(12,365,210)
Improvements other than buildings	(347,458)	(56,888)	-	(404,346)
Infrastructure	(20,634,204)	(1,445,441)	-	(22,079,645)
Machinery and equipment	<u>(7,590,041)</u>	<u>(662,131)</u>	<u>599,169</u>	<u>(7,653,003)</u>
Total accumulated depreciation	<u>(40,382,913)</u>	<u>(2,718,460)</u>	<u>599,169</u>	<u>(42,502,204)</u>
Total capital assets, being depreciated, net	<u>57,530,554</u>	<u>(1,305,405)</u>	<u>53,962</u>	<u>56,171,187</u>
Governmental activities capital assets, net	<u>\$ 59,905,855</u>	<u>\$ (1,149,279)</u>	<u>\$ 200,357</u>	<u>\$ 58,556,219</u>
	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-type activities:				
Capital assets, being depreciated				
Buildings	\$ 24,195	\$ -	\$ -	\$ 24,195
Machinery and equipment	<u>1,135,925</u>	<u>7,377</u>	<u>28,008</u>	<u>1,115,294</u>
Total assets, being depreciated	<u>1,160,120</u>	<u>7,377</u>	<u>28,008</u>	<u>1,139,489</u>
Less accumulated depreciation for:				
Buildings	(24,195)	-	-	(24,195)
Machinery and equipment	<u>(836,408)</u>	<u>(56,461)</u>	<u>28,008</u>	<u>(864,861)</u>
Total accumulated depreciation	<u>(860,603)</u>	<u>(56,461)</u>	<u>28,008</u>	<u>(889,056)</u>
Total capital assets, being depreciated, net	<u>299,517</u>	<u>(49,084)</u>	<u>-</u>	<u>250,433</u>
Business-type activities capital assets, net	<u>\$ 299,517</u>	<u>\$ (49,084)</u>	<u>\$ -</u>	<u>\$ 250,433</u>

HUMBOLDT COUNTY
Notes to the Financial Statements
June 30, 2011

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

Governmental activities:	
General government	\$ 114,189
Public safety	223,368
Judicial	4,753
Public works	1,653,852
Health	746
Culture and recreation	48,983
Community support	<u>\$ 672,569</u>
Total depreciation expense – governmental activities	<u>\$ 2,718,460</u>

Business-type activities:

Humboldt Television fund	\$ 52,957
Solid waste management fund	<u>3,504</u>
Total depreciation expense – business-type activities	<u>\$ 56,461</u>

NOTE 6 – INTERFUND BALANCES AND TRANSFERS

The composition of interfund balances as of June 30, 2011 is as follows:

Due to/from other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	6 th Judicial District Fund	\$ 4,367
	Road Fund	36
	Nonmajor Governmental Funds	55
	Solid Waste Fund	<u>60,421</u>
		<u>64,879</u>
Road Fund	General Fund	62,425
	6 th Judicial District Fund	3,488
	Winnemucca Events Complex Fund	2,850
	Nonmajor Governmental Funds	2,754
	Humboldt Television Fund	<u>1,298</u>
	<u>72,815</u>	
6 th Judicial District Fund	General Fund	<u>12,321</u>
Winnemucca Events Center	General Fund	<u>1,603</u>
Building Reserve Fund	General Fund	<u>4,500</u>
Nonmajor Governmental Funds	General Fund	<u>660</u>
Solid Waste Fund	General Fund	419

HUMBOLDT COUNTY
Notes to the Financial Statements
June 30, 2011

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
	Winnemucca Events Complex Fund	<u>83</u>
		<u>502</u>
Humboldt Television Fund	General Fund	<u>907</u>
Total		<u>\$ 158,187</u>

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

Interfund transfers for the year ended June 30, 2011

<u>Transfers from:</u>	<u>Amount</u>	<u>Transfers to:</u>	<u>Amount</u>
6 th Judicial District	<u>\$ 5,000</u>	General Fund	<u>\$ 83,084</u>
Nonmajor Governmental Funds	<u>1,103,084</u>	Road Fund	1,000,000
		Nonmajor Governmental Funds	<u>25,000</u>
			<u>1,025,000</u>
Total Transfers Out	<u>\$ 1,108,084</u>	Total Transfers In	<u>\$1,108,084</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 of revenues collected in the In-Lieu-of Tax Fund to finance various programs accounted for in other funds in accordance with budgetary authorization and (3) use of Debt Service Fund balance remaining after all debt is satisfied.

NOTE 7 – LONG TERM DEBT

Compensated absences

The liability for compensated absences is included in the noncurrent liabilities on the government-wide Statement of Net Assets. For the governmental activities, compensated absences are generally liquidated by a combination of the major and nonmajor governmental funds with the majority liquidated from the General Fund. For the business-type activities, the Television fund paid for 100 percent of the compensated absences.

HUMBOLDT COUNTY
Notes to the Financial Statements
June 30, 2011

Changes in long-term liabilities

Long-term liability activity for the year ended June 30, 2011 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>					
Compensated absences	\$ 721,951	\$ 1,016,908	\$ 1,067,070	\$ 671,789	\$ 671,789
Governmental activities long-term liabilities	<u>\$ 721,951</u>	<u>\$ 1,016,908</u>	<u>\$ 1,067,070</u>	<u>\$ 671,789</u>	<u>\$ 671,789</u>
<u>Business-type activities:</u>					
Compensated absences	\$ 13,166	\$ 6,216	\$ 6,226	\$ 13,156	\$ 13,156
Business-type activities Long-term liabilities	<u>\$ 13,166</u>	<u>\$ 6,216</u>	<u>\$ 6,226</u>	<u>\$ 13,156</u>	<u>\$ 13,156</u>

NOTE 8 – RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters as are all entities. The County has joined together with similar public agencies (cities, counties and special districts) throughout the State of Nevada to create a pool under the Nevada Interlocal Cooperation Act. The Nevada Public Agency Insurance Pool (Pool) is a public entity risk pool currently operating as a common risk management and insurance program for its members. The County pays an annual premium and specific deductibles, as necessary, to the Pool for its general insurance coverage. The pool is considered a self-sustaining risk pool that will provide liability coverage for its members up to \$10,000,000 per event and a \$10,000,000 general aggregate per member. Property, crime and equipment breakdown coverage is provided to its members up to \$300,000,000 per loss with various sub-limits established for earthquake, flood, equipment breakdown, and money and securities.

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

The County pays premiums based upon payroll costs to the PACT. The PACT is considered a self-sustaining pool that will provide coverage based on established statutory limits.

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

HUMBOLDT COUNTY
Notes to the Financial Statements
June 30, 2011

NOTE 9 – PENSION PROGRAM

Plan Description:

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

Funding Policy:

Benefits for plan members are funded under the employer pay contribution plan method. Under this method, the County is required to contribute all amounts due under the plan. The contribution requirements of plan members and the County are established by Chapter 286 of the Nevada Revised Statutes. The funding mechanism may be only amended through legislation.

The County's contribution rates and amounts contributed (which are equal to/or 100% of the required contribution) for the last three years are as follows:

<u>Fiscal Year</u>	<u>Contribution Rate</u>		<u>Total</u>
	<u>Regular Members</u>	<u>Police Members</u>	<u>Contributions</u>
2010-2011	21.50%	37.0%	\$2,530,196
2009-2010	21.50%	37.0%	\$2,480,209
2008-2009	20.50%	33.5%	\$2,271,033

NOTE 10 – LANDFILL CLOSURE AND POSTCLOSURE COSTS

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

At June 30, 2011 financial assurance relative to costs of closure and post-closure of the landfill was fulfilled through insurance coverage.

NOTE 11 - CONTINGENCIES

There are legal actions and claims pending against Humboldt County. The financial impact of these actions is not determinable at June 30, 2011. The affect of any resulting uninsured liability on the financial position or results of operations of the County is unknown.

HUMBOLDT COUNTY
Notes to the Financial Statements
June 30, 2011

NOTE 12 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

Net Other Postemployment Benefits Obligation

In fiscal year 2009, the County implemented GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions*. This statement required the County to calculate and record a net other postemployment benefit obligation. At June 30, 2011, the net other postemployment benefit liability for the County was \$1,791,860. The County finances their liability on the pay-as-you-go basis.

Plan Descriptions:

The County administers a single-employer defined benefit healthcare plan, Humboldt County Health Insurance Plan (HCHIP). Additionally, the County contributes to an agent multiple-employer defined benefit postemployment healthcare plan, Public Employees' Benefit Plan (PEBP). Each plan provides medical, vision, dental, prescription, and life insurance benefits to eligible retired County employees and beneficiaries.

Benefit provisions for the HCHIP are established pursuant to NRS 287.023 and amended through negotiations between the County and the respective associations. NRS 288.150 assigns the authority to establish benefit provisions to the Board of County Commissioners. The plan provides healthcare insurance for eligible retirees and their beneficiaries through the County's group health insurance plan, which covers both active and retired members. Under NRS 287.023 eligible retirees are able to participate in the plan with blended rates, thereby benefitting from an implicit subsidy. Retirees are required to pay 100% of their premiums under the plan. As of June 30, 2011, 11 retirees were using this plan. The HCHIP does not issue a publicly available financial report.

Benefit provisions for the PEBP are administered by the State of Nevada. NRS 287.043 assigns the authority to establish and amend benefits provisions to the PEBP nine-member board of trustees. County employees who met the eligibility requirements effective September 1, 2008 for retirement within the Public Employee Retirement System had the option upon retirement to enroll in coverage under the PEBP. NRS 287.023 sunsetted the option to join PEBP for County employees who retired after November 29, 2008. Local governments are required to pay the same portion of cost of coverage for those persons joining PEBP that the State of Nevada pays for those persons retired from state service who have continued to participate in the plan. As of June 30, 2011, 55 county retirees were utilizing this benefit. The PEBP issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to Public Employee's Benefits Program, 901 S. Stewart Street, Suite 1001, Carson City, Nv 89701, by calling (775) 684-7000, or by accessing the website at www.pebp.state.nv.us/informed/financial.htm.

Funding Policy and Annual OPEB Cost:

For HCHIP, contribution requirements of the plan members and the County are established and may be amended through negotiations between the County and the associations. Retirees pay 100% of the pay-as-you-go premiums based on a blended rate that blends active participants and retirees. The County's contribution requirements for retirees relate to the implicit subsidy that results from using the blended rates and is determined in actuarial studies contracted for by the County. The implicit subsidy as determined by the actuary is \$44,076.

For the PEBP plan, NRS 287.046 establishes the subsidies to be contributed toward the premium costs of the eligible retired County employees. Plan members receiving benefits have their monthly contribution deducted from their pension checks based on the health plan chosen by the retiree as reduced by the amount of the subsidy therefore, their contributions are not available. For the plan year ended June 30, 2011, retirees qualify for a subsidy of \$86 at five years of service and \$473 at 20 years of service with incremental increases for years of service between. The contribution requirements of plan members and the County are established and amended by the

HUMBOLDT COUNTY
Notes to the Financial Statements
June 30, 2011

PEBP board of trustees. As a participating employer, the County is billed for the subsidy on a monthly basis and is legally required under NRS 287.023 to provide for it. For fiscal year 2011, the County contributed \$156,067 to the plan for current premiums. The County did not prefund any future benefits.

Annual OPEB Cost and Net OPEB Obligation:

The County's annual other postemployment benefit (OPEB) cost (expense) for the plans is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plans, and the net OPEB obligations (assets), by plan, for fiscal years 2009 through 2011 were as follows:

	Fiscal Year Ended	Annual OPEB Cost	Employer Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
HCHIP	6/30/11	\$ 528,992	\$ 44,076	8.33%	\$ 1,668,806
HCHIP	6/30/10	\$ 651,487	\$ 29,584	4.54%	\$ 1,183,890
HCHIP	6/30/09	\$ 597,515	\$ 35,528	5.95%	\$ 561,987
PEBP	6/30/11	\$ 230,220	\$ 156,067	67.79%	\$ 123,054
PEBP	6/30/10	\$ 181,302	\$ 145,614	80.32%	\$ 48,901
PEBP	6/30/09	\$ 178,357	\$ 165,144	92.59%	\$ 13,213
Combined totals	6/30/11	\$ 759,212	\$ 200,143		\$ 1,791,860
Combined Totals	6/30/10	\$ 832,789	\$ 175,198		\$ 1,232,791
Combined Totals	6/30/09	\$ 775,872	\$ 200,672		\$ 575,200

The net OPEB obligation (NOPEBO) as of June 30, 2011, was calculated as follows:

	HCHIP	PEBP	Totals
Annual required contribution (ARC)	\$ 547,468	\$ 230,983	\$ 778,451
Interest on the beginning net OPEB obligation	47,355	1,956	49,311
ARC Adjustment	(65,831)	(2,719)	(68,550)
Annual OPEB cost	528,992	230,220	759,212
Contributions made	(44,076)	(156,067)	(200,143)
Increase (decrease) in net OPEB obligation	484,916	74,153	559,069
Net OPEB obligation (asset), beginning of year	1,183,890	48,901	1,232,791
Net OPEB obligation (asset), end of year	\$ 1,668,806	\$ 123,054	\$ 1,791,860

HUMBOLDT COUNTY
Notes to the Financial Statements
June 30, 2011

Funded Status and Funding Progress:

The funded status of the plans as of June 30, 2011, was as follows:

	HCHIP	PEBP	Totals
Accrued actuarial liability (a)	\$ 3,618,755	\$ 4,034,269	\$ 7,653,024
Actuarial value of plan assets (b)	-	-	-
Unfunded actuarial accrued liability (a) – (b)	\$ 3,618,755	\$ 4,034,269	\$ 7,653,024
Funded ratio (b) / (a)	0.00%	0.00%	0.00%
Covered payroll (c)	\$ 10,229,682	N/A	
Unfunded actuarial accrued liability as a percentage of covered payroll ([(a) – (b)] / (c))	35.38%	N/A	

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

Actuarial Methods and Assumptions:

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the County and the plan members to that point. Actuarial calculations reflect long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

Significant methods and assumptions used in the October 1, 2009 actuarial valuation were as follows:

	HCHIP	PEBP
Actuarial valuation date	10/01/09	10/01/09
Actuarial cost method	Entry Age Normal Cost	Entry Age Normal Cost
Amortization method	Level dollar	Level dollar
Amortization period (open)	30 years	30 years
Asset valuation method	Market value	Market value
Actuarial assumptions:		
Investment rate of return	4.00%	4.00%
Projected salary increases	4.00%	4.00%
Healthcare inflation rate*	8.00%	8.00%

*Decreasing 1.00% each year until ultimate trend rate of 5.00% is reached

HUMBOLDT COUNTY
Notes to the Financial Statements
June 30, 2011

NOTE 13 – ACCOUNTING CHANGES AND RESTATEMENTS:

During the year, certain accounting changes were made that required restatement of fund balances.

<u>Governmental Funds</u>	Fund Balance July 1, 2010 as Previously Reported	<u>Restatement</u>	Fund Balance July 1, 2010 as Restated
Major Fund:			
General Fund	\$ 10,821,052	\$ 1,054,725	\$ 11,875,777
Nonmajor Funds:			
Unemployment Compensation Fund	133,695	(133,695)	-
Compensated Absences Fund	921,030	(921,030)	-
Total Restated Fund Balances	<u>\$ 11,875,777</u>	<u>\$ -</u>	<u>\$ 11,875,777</u>

The County implemented Governmental Accounting Standards Board (GASB) Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which changed the classification of fund balances and clarified the definitions of the General Fund and other fund types. The County's Unemployment Compensation Fund and Compensated Absences Fund no longer meet the definition of a special revenue fund under GASB Statement 54 so for financial reporting purposes, they are combined with the General Fund. A reconciliation has been provided in the required supplementary information to reflect this change. Fund balances in the General Fund and special revenue fund have been restated by \$1,054,725 to reflect this change.

HUMBOLDT COUNTY
Required Supplementary Information
General Fund (Budgetary Basis)
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual - By Function and Department
For the Year Ended June 30, 2011

	<u>2011 Budgeted Amounts</u>		<u>2011</u>	
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance to Final Budget</u>
REVENUES				
Taxes	\$ 2,437,237	\$ 2,437,237	\$ 4,023,435	\$ 1,586,198
Licenses and permits	711,000	711,000	1,023,408	312,408
Intergovernmental revenues	6,745,045	7,037,213	9,240,901	2,203,688
Charges for services	327,200	327,200	454,390	127,190
Fines and forfeits	650,000	650,000	626,947	(23,053)
Miscellaneous	407,000	407,000	375,187	(31,813)
	<u>11,277,482</u>	<u>11,569,650</u>	<u>15,744,268</u>	<u>4,174,618</u>
EXPENDITURES BY FUNCTION AND DEPARTMENT				
Current:				
General government:				
Commission	258,384	258,384	248,082	10,302
Administrator	276,300	290,148	287,762	2,386
Elections	65,000	57,505	44,953	12,552
Comptroller	280,967	267,119	253,889	13,230
Assessor	656,815	656,815	627,889	28,926
Treasurer	254,581	254,581	238,992	15,589
Clerk	366,046	373,541	369,296	4,245
Recorder	314,082	314,082	284,929	29,153
Computer systems	279,124	279,124	239,850	39,274
Planning	121,649	121,649	118,808	2,841
Buildings and grounds	1,066,220	1,066,220	1,007,707	58,513
Communications	233,180	233,180	206,620	26,560
Personnel	26,500	26,500	17,447	9,053
Miscellaneous	1,276,000	1,027,573	595,847	431,726
	<u>5,474,848</u>	<u>5,226,421</u>	<u>4,542,071</u>	<u>684,350</u>
Total General Government Function				(continued)

HUMBOLDT COUNTY
Required Supplementary Information
General Fund (Budgetary Basis)
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual - By Function and Department
For the Year Ended June 30, 2011

	2011 Budgeted Amounts		2011	
	Original Budget	Final Budget	Actual	Variance to Final Budget
Judicial:				
Justice Court	\$ 696,630	\$ 688,368	\$ 651,741	\$ 36,627
District Attorney	918,783	888,153	849,536	38,617
Child Support	355,501	355,501	282,348	73,153
Public Defender	186,590	194,852	192,704	2,148
Total Judicial Function	2,157,504	2,126,874	1,976,329	150,545
Public Safety:				
Sheriff	2,819,365	3,068,162	3,099,651	(31,489)
Detention	1,510,034	1,629,864	1,579,227	50,637
Dispatch	861,063	738,363	707,509	30,854
Building Official	248,820	263,450	259,360	4,090
Task Force	128,404	146,904	143,818	3,086
Total Public Safety Function	5,567,686	5,846,743	5,789,565	57,178
Public Works	22,000	22,000	19,791	2,209
Health:				
Health	128,600	128,600	113,345	15,255
Mosquito control	148,430	148,430	143,408	5,022
Total Health Function	277,030	277,030	256,753	20,277
Culture and Recreation	2,500	2,500	2,500	-
Community Support	435,250	727,418	804,106	(76,688)
Intergovernmental Expenditures	566,000	566,000	457,356	108,644
Total Expenditures	14,502,818	14,794,986	13,848,471	946,515

(continued)

HUMBOLDT COUNTY
Required Supplementary Information
General Fund (Budgetary Basis)
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual - By Function and Department
For the Year Ended June 30, 2011

	2011 Budgeted Amounts		2011	
	Original Budget	Final Budget	Actual	Variance to Final Budget
Excess (deficiency) of revenues over (under) expenditures	\$ (3,225,336)	\$ (3,225,336)	\$ 1,895,797	\$ 5,121,133
OTHER FINANCING SOURCES (USES)				
Transfers in	83,084	83,084	83,084	-
Contingency	(350,000)	(350,000)	-	350,000
Total other financing sources and uses	(266,916)	(266,916)	83,084	350,000
Net change in fund balance	(3,492,252)	(3,492,252)	1,978,881	5,471,133
Fund balance - beginning	6,931,440	6,931,440	10,821,052	3,889,612
Fund balance - ending	<u>\$ 3,439,188</u>	<u>\$ 3,439,188</u>	<u>\$ 12,799,933</u>	<u>\$ 9,360,745</u>

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

HUMBOLDT COUNTY
Required Supplementary Information
Road Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2011

	<u>2011 Budgeted Amounts</u>		<u>2011</u>	
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance To Final Budget</u>
REVENUES				
Intergovernmental Revenues:				
Federal grants	\$ 240,000	\$ 240,000	\$ 249,319	\$ 9,319
Motor vehicle fuel taxes 1.25 cents	475,528	475,528	490,238	14,710
Motor vehicle fuel taxes 1.75 cents	167,958	167,958	208,299	40,341
Motor vehicle fuel taxes 2.35 cents	753,704	753,704	772,256	18,552
Total Intergovernmental revenues	<u>1,637,190</u>	<u>1,637,190</u>	<u>1,720,112</u>	<u>82,922</u>
Charges for Services				
Fuel sales reimbursements	185,000	185,000	250,315	65,315
Repair reimbursements	60,000	60,000	88,832	28,832
Total Charges for Services	<u>245,000</u>	<u>245,000</u>	<u>339,147</u>	<u>94,147</u>
Miscellaneous				
	<u>5,000</u>	<u>5,000</u>	<u>11,214</u>	<u>6,214</u>
Total Revenues	<u>1,887,190</u>	<u>1,887,190</u>	<u>2,070,473</u>	<u>183,283</u>
EXPENDITURES				
Public Works Function:				
Highways and Street:				
Salaries and wages	860,330	863,559	863,955	(396)
Employee benefits	342,710	342,710	336,946	5,764
Services and supplies	1,464,300	1,461,071	1,510,483	(49,412)
Capital outlay	635,000	635,000	501,762	133,238
Total Public Works Function	<u>3,302,340</u>	<u>3,302,340</u>	<u>3,213,146</u>	<u>89,194</u>
Intergovernmental Expenditure Function:				
Services and supplies	<u>130,000</u>	<u>130,000</u>	<u>123,752</u>	<u>6,248</u>
Total Expenditures	<u>3,432,340</u>	<u>3,432,340</u>	<u>3,336,898</u>	<u>95,442</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,545,150)</u>	<u>(1,545,150)</u>	<u>(1,266,425)</u>	<u>278,725</u> (continued)

HUMBOLDT COUNTY
Required Supplementary Information
Road Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2011

	<u>2011 Budgeted Amounts</u>		<u>2011</u>	
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance To Final Budget</u>
OTHER FINANCING SOURCES (USES)				
Transfers - in	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ -
Net change in fund balance	(545,150)	(545,150)	(266,425)	278,725
Fund balance - beginning	1,026,346	1,026,346	1,493,332	466,986
Fund balance - ending	<u>\$ 481,196</u>	<u>\$ 481,196</u>	<u>\$ 1,226,907</u>	<u>\$ 745,711</u>

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

HUMBOLDT COUNTY
Required Supplementary Information
Regional Transportation Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2011

	<u>2011 Budgeted Amounts</u>		<u>2011</u>	
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance To Final Budget</u>
REVENUES				
Intergovernmental Revenue:				
Gasoline taxes	\$ 1,245,823	\$ 1,245,823	\$ 1,366,854	\$ 121,031
Miscellaneous	5,000	5,000	3,069	(1,931)
Total Revenues	<u>1,250,823</u>	<u>1,250,823</u>	<u>1,369,923</u>	<u>119,100</u>
EXPENDITURES				
Public Works Function:				
Highways and Street:				
Services and supplies	897,000	897,000	372,609	524,391
Capital outlay	<u>1,250,823</u>	<u>1,250,823</u>	-	<u>1,250,823</u>
Total Expenditures	<u>2,147,823</u>	<u>2,147,823</u>	<u>372,609</u>	<u>1,775,214</u>
Excess (deficiency) of revenues over (under) expenditures	(897,000)	(897,000)	997,314	1,894,314
Fund balance - beginning	<u>1,311,037</u>	<u>1,311,037</u>	<u>2,007,876</u>	<u>696,839</u>
Fund balance - ending	<u><u>\$ 414,037</u></u>	<u><u>\$ 414,037</u></u>	<u><u>\$ 3,005,190</u></u>	<u><u>\$ 2,591,153</u></u>

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

HUMBOLDT COUNTY
Required Supplementary Information
6th Judicial District Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2011

	<u>2011 Budgeted Amounts</u>		<u>2011</u>	
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance To Final Budget</u>
REVENUES				
Taxes	\$ 1,463,437	\$ 1,463,437	\$ 2,080,949	\$ 617,512
Intergovernmental Revenue:				
Grants:				
USJR grant	-	12,345	12,345	-
USJR supreme court grant	-	-	3,500	3,500
OJJDP formula grant	-	-	2,625	2,625
Lovelock indian tribe grant	6,300	6,300	4,486	(1,814)
Summer school grant	4,200	4,200	3,600	(600)
Parenting project grant	-	19,179	19,179	-
OJJDP youth outreach	-	-	7,364	7,364
OJJDP community partnership grant	27,980	47,539	47,539	-
Parole fees	7,590	7,590	7,590	-
Combined tax	473,831	473,831	648,002	174,171
Pershing County contribution	589,375	589,375	581,872	(7,503)
Lander County contribution	589,375	589,375	581,872	(7,503)
Total Intergovernmental Revenues	<u>1,698,651</u>	<u>1,749,734</u>	<u>1,919,974</u>	<u>170,240</u>
Charges for Services	<u>-</u>	<u>-</u>	<u>1,185</u>	<u>1,185</u>
Fines and Forfeits	<u>20,000</u>	<u>20,000</u>	<u>50,845</u>	<u>30,845</u>
Miscellaneous	<u>-</u>	<u>-</u>	<u>5,790</u>	<u>5,790</u>
Total Revenues	<u>3,182,088</u>	<u>3,233,171</u>	<u>4,058,743</u>	<u>825,572</u> (continued)

HUMBOLDT COUNTY
Required Supplementary Information
6th Judicial District Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2011

	2011 Budgeted Amounts		2011	
	Original Budget	Final Budget	Actual	Variance To Final Budget
EXPENDITURES				
Public Safety Function:				
Juvenile Probation:				
Salaries and wages	\$ 1,292,255	\$ 1,292,255	\$ 1,282,233	\$ 10,022
Employee benefits	596,328	596,328	579,284	17,044
Services and supplies	342,070	380,808	398,227	(17,419)
Capital outlay	45,000	45,000	41,295	3,705
Total Public Safety Function	2,275,653	2,314,391	2,301,039	13,352
Judicial Function:				
District Court:				
Salaries and wages	347,680	354,916	354,118	798
Employee benefits	121,300	121,300	120,071	1,229
Services and supplies	365,000	362,359	367,007	(4,648)
Capital outlay	4,000	4,000	-	4,000
Total District Court	837,980	842,575	841,196	1,379
Court Reporters:				
Salaries and wages	146,900	154,650	152,788	1,862
Employee benefits	50,410	50,410	50,829	(419)
Services and supplies	40,500	40,500	37,133	3,367
Total Court Reporters	237,810	245,560	240,750	4,810
Total Judicial Function	1,075,790	1,088,135	1,081,946	6,189
Intergovernmental Expenditure Function:				
Services and supplies	54,197	54,197	54,843	(646)
Total Intergovernmental Expenditure Function	54,197	54,197	54,843	(646)
Total Expenditures	3,405,640	3,456,723	3,437,828	18,895

(continued)

HUMBOLDT COUNTY
Required Supplementary Information
6th Judicial District Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2011

	<u>2011 Budgeted Amounts</u>		<u>2011</u>	
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance To Final Budget</u>
Excess (deficiency) of revenues over expenditures	\$ (223,552)	\$ (223,552)	\$ 620,915	\$ 844,467
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	(228,552)	(228,552)	615,915	844,467
Fund balance - beginning	<u>752,348</u>	<u>752,348</u>	<u>1,617,644</u>	<u>865,296</u>
Fund balance - ending	<u>\$ 523,796</u>	<u>\$ 523,796</u>	<u>\$ 2,233,559</u>	<u>\$ 1,709,763</u>

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

HUMBOLDT COUNTY
Required Supplementary Information
Indigent Medical Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2011

	<u>2011 Budgeted Amounts</u>		<u>2011</u>	
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance To Final Budget</u>
REVENUES				
Taxes	\$ 239,479	\$ 239,479	\$ 321,112	\$ 81,633
Miscellaneous	6,000	6,000	2,392	(3,608)
Total Revenues	<u>245,479</u>	<u>245,479</u>	<u>323,504</u>	<u>78,025</u>
EXPENDITURES				
Welfare Function:				
Services and supplies	445,000	445,000	298,393	146,607
Intergovernmental Expenditure Function:				
Services and supplies	57,422	57,422	102,799	(45,377)
Total Expenditures	<u>502,422</u>	<u>502,422</u>	<u>401,192</u>	<u>101,230</u>
Excess (deficiency) of revenues over (under) expenditures	(256,943)	(256,943)	(77,688)	179,255
Fund balance - beginning	<u>1,167,527</u>	<u>1,167,527</u>	<u>1,621,927</u>	<u>454,400</u>
Fund balance - ending	<u><u>\$ 910,584</u></u>	<u><u>\$ 910,584</u></u>	<u><u>\$ 1,544,239</u></u>	<u><u>\$ 633,655</u></u>

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

HUMBOLDT COUNTY
Required Supplementary Information
Winnemucca Events Complex Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2011

	<u>2011 Budgeted Amounts</u>		<u>2011</u>	
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance To Final Budget</u>
REVENUES				
Taxes	\$ 319,302	\$ 319,302	\$ 426,865	\$ 107,563
Intergovernmental				
Combined tax	111,689	111,689	152,743	41,054
Room taxes	200,000	200,000	371,372	171,372
Total Intergovernmental Revenues	311,689	311,689	524,115	212,426
Charges for Services	116,300	116,300	176,602	60,302
Miscellaneous	7,000	7,000	16,181	9,181
Total Revenues	754,291	754,291	1,143,763	389,472
EXPENDITURES				
Culture and Recreation Function:				
Salaries and wages	262,121	280,522	283,438	(2,916)
Employee benefits	80,926	80,926	81,699	(773)
Services and supplies	391,200	408,799	391,664	17,135
Capital outlay	57,900	21,900	9,747	12,153
Total Expenditures	792,147	792,147	766,548	25,599
Excess (deficiency) of revenues over (under) expenditures	(37,856)	(37,856)	377,215	415,071
Fund balance - beginning	287,417	287,417	578,781	291,364
Fund balance - ending	<u>\$ 249,561</u>	<u>\$ 249,561</u>	<u>\$ 955,996</u>	<u>\$ 706,435</u>

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

HUMBOLDT COUNTY
Required Supplementary Information
Reconciliation of the General Fund (Budgetary Basis) to the General Fund (GAAP Basis)
Schedule of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2011

	<u>General Fund Budgetary Basis</u>	<u>Internally Reported Funds</u>	<u>General Fund GAAP Basis</u>
REVENUES			
Taxes	\$ 4,023,435	\$ -	\$ 4,023,435
Licenses and permits	1,023,408	-	1,023,408
Intergovernmental revenue	9,240,901	-	9,240,901
Charges for services	454,390	-	454,390
Fines and forfeits	626,947	-	626,947
Miscellaneous revenues	375,187	1,156	376,343
	<u>15,744,268</u>	<u>1,156</u>	<u>15,745,424</u>
EXPENDITURES			
Current:			
General government	4,542,071	204,371	4,746,442
Judicial	1,976,329	-	1,976,329
Public safety	5,789,565	-	5,789,565
Public works	19,791	-	19,791
Health	256,753	-	256,753
Culture and recreation	2,500	-	2,500
Community support	804,106	-	804,106
Intergovernmental expenditures	457,356	-	457,356
	<u>13,848,471</u>	<u>204,371</u>	<u>14,052,842</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,895,797</u>	<u>(203,215)</u>	<u>1,692,582</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	83,084	-	83,084
Net Change in Fund Balances	1,978,881	(203,215)	1,775,666
Fund Balances - beginning	<u>10,821,052</u>	<u>1,054,725</u>	<u>11,875,777</u>
Fund Balances - ending	<u>\$ 12,799,933</u>	<u>\$ 851,510</u>	<u>\$ 13,651,443</u>

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

HUMBOLDT COUNTY
Required Supplementary Information
June 30, 2011

Schedule of Funding Progress
Other Postemployment Benefits

	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Level Dollar (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	** Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ([b-a]/c)
HCHIP	10/01/07	\$ -	\$ 3,262,137	\$ 3,262,137	0.00%	\$ 9,836,233	33.16%
HCHIP	10/01/09	\$ -	\$ 3,618,755	\$ 3,618,755	0.00%	\$ 10,229,682	35.38%
PEBP	10/01/07	\$ -	\$ 4,019,118	\$ 4,019,118	0.00%	N/A	N/A
PEBP	10/01/09	\$ -	\$ 4,034,269	\$ 4,034,269	0.00%	N/A	N/A

*Prospective implementation as of June 30, 2009

**PEBP closed to nonstaff public employees who retired after November 29, 2008.

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

HUMBOLDT COUNTY
Notes to Required Supplementary Information
June 30, 2011

Note 1 - Explanation of Differences Between General Fund (Budgetary Basis) and General Fund GAAP Basis

The accompanying Reconciliation of the General Fund (Budgetary Basis) to the General Fund (GAAP Basis) presents balances combined for external financial reporting purposes.

With the implementation of GASB Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the budgetary basis of accounting for the General Fund differs from generally accepted accounting principles (GAAP).

Guidance in GASB Statement 54 changed the definition of Special Revenue Funds for financial reporting purposes. Pursuant to statute, budget comparisons are required using the budget adopted. Two internally reported special revenue funds of the County (Unemployment Compensation Fund and Compensated Absences Fund) are combined with the General Fund for external reporting purposes to conform to generally accepted accounting principles.

HUMBOLDT COUNTY
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2011

	<u>Special Revenue Funds</u>	<u>Capital Projects Fund</u>	<u>Total</u>
Assets			
Cash and cash equivalents	\$ 8,057,559	\$ 488,313	\$ 8,545,872
Taxes receivable	11,040	667	11,707
Interest receivable	-	50	50
Accounts receivable	229	-	229
Due from other governments	168,824	3,909	172,733
Due from other funds	660	-	660
Total assets	<u>\$ 8,238,312</u>	<u>\$ 492,939</u>	<u>\$ 8,731,251</u>
Liabilities			
Accounts payable	\$ 35,214	\$ -	\$ 35,214
Accrued salaries and benefits	36,523	-	36,523
Due to other governments	95,818	8,707	104,525
Due to other funds	2,809	-	2,809
Deferred revenues	11,040	667	11,707
Total liabilities	<u>181,404</u>	<u>9,374</u>	<u>190,778</u>
Fund Balances			
Restricted	1,701,965	483,565	2,185,530
Committed	6,354,943	-	6,354,943
Total fund balances	<u>8,056,908</u>	<u>483,565</u>	<u>8,540,473</u>
Total Liabilities and Fund Balances	<u>\$ 8,238,312</u>	<u>\$ 492,939</u>	<u>\$ 8,731,251</u>

HUMBOLDT COUNTY
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2011

	<u>Special Revenue Funds</u>	<u>Capital Projects Fund</u>	<u>Total</u>
REVENUES			
Taxes	\$ 1,851,585	\$ 105,399	\$ 1,956,984
Intergovernmental revenues	2,316,782	-	2,316,782
Charges for services	28,598	-	28,598
Fines and forfeits	42,279	-	42,279
Miscellaneous	25,896	718	26,614
	<u>4,265,140</u>	<u>106,117</u>	<u>4,371,257</u>
Total revenues			
EXPENDITURES			
Current:			
General Government	186,445	-	186,445
Judicial	216,135	-	216,135
Welfare	478,588	-	478,588
Culture and Recreation	964,440	-	964,440
Community Support	186,411	72,663	259,074
Intergovernmental	154,219	25,694	179,913
	<u>2,186,238</u>	<u>98,357</u>	<u>2,284,595</u>
Total Expenditures			
Excess (deficiency) of revenues over (under) expenditures	<u>2,078,902</u>	<u>7,760</u>	<u>2,086,662</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	25,000	-	25,000
Transfers out	(1,103,084)	-	(1,103,084)
	<u>(1,078,084)</u>	<u>-</u>	<u>(1,078,084)</u>
Total other financing sources (uses)			
Net Change in Fund Balances	1,000,818	7,760	1,008,578
Fund balances - beginning	<u>7,056,090</u>	<u>475,805</u>	<u>7,531,895</u>
Fund balances - ending	<u>\$ 8,056,908</u>	<u>\$ 483,565</u>	<u>\$ 8,540,473</u>

HUMBOLDT COUNTY
Reconciliation of the General Fund (Budgetary Basis) to the General Fund (GAAP Basis)
Balance Sheet
June 30, 2011

	<u>General Fund</u>	<u>Internally Reported Funds</u>	<u>General Fund Total</u>
Assets			
Cash and cash equivalents	\$ 11,708,642	\$ 853,561	\$ 12,562,203
Taxes receivable	18,766	-	18,766
Accounts receivable	180,596	246	180,842
Interest receivable	1,255	75	1,330
Notes receivable	6,383	-	6,383
Due from other governments	1,773,381	-	1,773,381
Due from other funds	64,879	-	64,879
	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 13,753,902</u>	<u>\$ 853,882</u>	<u>\$ 14,607,784</u>
Liabilities			
Accounts payable	\$ 177,180	\$ 467	\$ 177,647
Accrued salaries/benefits	366,254	762	367,016
Due to other governments	297,532	1,143	298,675
Due to other funds	82,835	-	82,835
Deferred revenue	30,168	-	30,168
	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>953,969</u>	<u>2,372</u>	<u>956,341</u>
Fund Balances			
Nonspendable	6,383	-	6,383
Restricted	43,162	-	43,162
Committed	-	851,510	851,510
Assigned	6,694,815	-	6,694,815
Unassigned	6,055,573	-	6,055,573
	<u> </u>	<u> </u>	<u> </u>
Total fund balances	<u>12,799,933</u>	<u>851,510</u>	<u>13,651,443</u>
	<u> </u>	<u> </u>	<u> </u>
Total Liabilities and Fund Balances	<u>\$ 13,753,902</u>	<u>\$ 853,882</u>	<u>\$ 14,607,784</u>

HUMBOLDT COUNTY
General Fund (Budgetary Basis)
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2011
(With comparative actual amounts for the fiscal year ended June 30, 2010)

	2011			Variance to Final Budget	2010
	Original Budget	Final Budget	Actual		Actual
REVENUES					
Taxes:					
Property taxes	\$ 2,365,237	\$ 2,365,237	\$ 3,899,402	\$ 1,534,165	\$ 3,529,765
Tax penalties	72,000	72,000	124,033	52,033	127,619
Total Taxes	<u>2,437,237</u>	<u>2,437,237</u>	<u>4,023,435</u>	<u>1,586,198</u>	<u>3,657,384</u>
Licenses and Permits:					
Business:					
Business licenses	35,000	35,000	55,459	20,459	50,829
Liquor licenses	6,000	6,000	6,419	419	6,620
Local gaming licenses	50,000	50,000	45,803	(4,197)	50,482
Franchise fees	450,000	450,000	683,082	233,082	704,003
Nonbusiness:					
Building permits	160,000	160,000	208,203	48,203	172,496
Dog licenses	10,000	10,000	12,815	2,815	13,697
CCW permits	-	-	9,202	9,202	6,468
Marriage licenses	-	-	2,340	2,340	2,000
Other permits	-	-	85	85	53
Total Licenses and Permits	<u>711,000</u>	<u>711,000</u>	<u>1,023,408</u>	<u>312,408</u>	<u>1,006,648</u>
Intergovernmental Revenues:					
Federal grants:					
Child support enforcement	200,000	200,000	184,497	(15,503)	215,903
Consolidated task force	40,000	40,000	52,410	12,410	124,427
Ots/joining forces	-	-	3,432	3,432	38,021
Senior transportation grant	-	154,368	154,368	-	134,298
SCAAP grant	-	-	9,714	9,714	14,709
Violence against women grant	-	-	-	-	20,068
BLM rural fire grant	-	127,800	127,800	-	-
Sheriff's stimulus funds	-	-	2,114	2,114	27,331
COPS/Meth grant	-	-	38,923	38,923	20,000
CDBG Strategic Planning Grant	-	10,000	10,000	-	-
Other Intergovernmental Revenues:					
Taylor grazing fees	40,000	40,000	32,585	(7,415)	32,645
City-county sharing agreement	400,000	400,000	397,136	(2,864)	364,925
Humboldt contribution	20,000	20,000	-	(20,000)	2,805
Humboldt river basin authority	45,000	45,000	34,250	(10,750)	30,636
Combined tax	5,845,045	5,845,045	7,993,568	2,148,523	6,404,018

(continued)

HUMBOLDT COUNTY
General Fund (Budgetary Basis)
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2011
(With comparative actual amounts for the fiscal year ended June 30, 2010)

	2011			2010	
	Original Budget	Final Budget	Actual	Variance to Final Budget	Actual
State gaming license fees	\$ 155,000	\$ 155,000	\$ 144,522	\$ (10,478)	\$ 147,017
Lease of federal lands	-	-	55,582	55,582	-
Total Intergovernmental Revenues	<u>6,745,045</u>	<u>7,037,213</u>	<u>9,240,901</u>	<u>2,203,688</u>	<u>7,576,803</u>
Charges for Services:					
General Government:					
Clerk fees	17,500	17,500	23,992	6,492	20,478
Candidate fees	-	-	-	-	2,150
Recorder fees	150,000	150,000	152,019	2,019	140,163
Recorder technology fees	-	-	16,887	16,887	16,365
Planning fees	9,000	9,000	9,575	575	12,245
Map fees	35,500	35,500	32,265	(3,235)	29,946
Subtotal General Government	<u>212,000</u>	<u>212,000</u>	<u>234,738</u>	<u>22,738</u>	<u>221,347</u>
Judicial:					
Legal assistance fees	5,200	5,200	6,605	1,405	5,645
Law library fees	4,000	4,000	4,875	875	4,140
Bail bond fees	6,000	6,000	6,180	180	5,100
Civil action fees	30,000	30,000	40,547	10,547	37,850
Public administrator/guardian fees	-	-	9,194	9,194	1,525
District court filing fees	-	-	15,511	15,511	13,187
Public defender fees	-	-	8,316	8,316	5,177
Subtotal Judicial	<u>45,200</u>	<u>45,200</u>	<u>91,228</u>	<u>46,028</u>	<u>72,624</u>
Public Safety:					
Sheriff fees	20,000	20,000	37,397	17,397	33,806
Detention fees	30,000	30,000	62,095	32,095	68,073
Detention meal preparation	20,000	20,000	21,976	1,976	26,884
Subtotal Public Safety	<u>70,000</u>	<u>70,000</u>	<u>121,468</u>	<u>51,468</u>	<u>128,763</u>
Other Charges for Services	-	-	6,956	6,956	5,967
Total Charges for Services	<u>327,200</u>	<u>327,200</u>	<u>454,390</u>	<u>127,190</u>	<u>428,700</u>
Fines and Forfeits	<u>650,000</u>	<u>650,000</u>	<u>626,947</u>	<u>(23,053)</u>	<u>676,077</u>
Miscellaneous Revenues:					
Interest earnings	400,000	400,000	203,013	(196,987)	425,592
Miscellaneous	-	-	155,314	155,314	295,806
Election reimbursement	-	-	6,414	6,414	-
NRA foundation grant	-	-	-	-	26,722

(continued)

HUMBOLDT COUNTY
General Fund (Budgetary Basis)
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2011
(With comparative actual amounts for the fiscal year ended June 30, 2010)

	2011			2010	
	Original Budget	Final Budget	Actual	Variance to Final Budget	Actual
Forensic services	\$ 7,000	\$ 7,000	\$ 10,446	\$ 3,446	\$ 7,919
Total Miscellaneous Revenues	407,000	407,000	375,187	(31,813)	756,039
Total Revenues	11,277,482	11,569,650	15,744,268	4,174,618	14,101,651
EXPENDITURES BY FUNCTION AND ACTIVITY					
General Government Function:					
Legislative:					
Commissioners					
Salaries and wages	152,014	152,014	151,139	875	139,620
Employee benefits	67,620	67,620	66,977	643	64,919
Services and supplies	38,750	38,750	29,966	8,784	30,051
Subtotal Legislative	258,384	258,384	248,082	10,302	234,590
Executive:					
County Administrator					
Salaries and wages	204,354	218,202	214,974	3,228	209,663
Employee benefits	70,946	70,946	72,543	(1,597)	70,002
Services and supplies	1,000	1,000	245	755	656
Subtotal Executive	276,300	290,148	287,762	2,386	280,321
Elections:					
Services and supplies	65,000	57,505	44,953	12,552	25,652
Finance:					
Comptroller:					
Salaries and wages	135,405	121,557	119,106	2,451	135,117
Employee benefits	54,512	54,512	44,291	10,221	46,471
Services and supplies	91,050	91,050	90,492	558	92,446
	280,967	267,119	253,889	13,230	274,034
Assessor:					
Salaries and wages	422,804	422,804	417,715	5,089	416,684
Employee benefits	161,601	161,601	152,818	8,783	148,047
Services and supplies	52,410	52,410	38,006	14,404	38,221
Capital outlay	20,000	20,000	19,350	650	-
	656,815	656,815	627,889	28,926	602,952

(continued)

HUMBOLDT COUNTY
General Fund (Budgetary Basis)
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2011
(With comparative actual amounts for the fiscal year ended June 30, 2010)

	2011			2010	
	Original Budget	Final Budget	Actual	Variance to Final Budget	Actual
Treasurer:					
Salaries and wages	\$ 163,993	\$ 163,993	\$ 156,572	\$ 7,421	\$ 162,440
Employee benefits	66,488	66,488	61,692	4,796	63,406
Services and supplies	24,100	24,100	20,728	3,372	20,176
	<u>254,581</u>	<u>254,581</u>	<u>238,992</u>	<u>15,589</u>	<u>246,022</u>
Subtotal Finance	<u>1,192,363</u>	<u>1,178,515</u>	<u>1,120,770</u>	<u>57,745</u>	<u>1,123,008</u>
Other:					
Clerk:					
Salaries and wages	250,155	257,650	256,638	1,012	249,693
Employee benefits	98,791	98,791	98,191	600	94,530
Services and supplies	17,100	17,100	14,467	2,633	14,415
	<u>366,046</u>	<u>373,541</u>	<u>369,296</u>	<u>4,245</u>	<u>358,638</u>
Recorder:					
Salaries and wages	167,186	171,011	170,224	787	163,215
Employee benefits	61,821	61,821	61,514	307	57,413
Services and supplies	85,075	81,250	53,191	28,059	107,012
	<u>314,082</u>	<u>314,082</u>	<u>284,929</u>	<u>29,153</u>	<u>327,640</u>
Computer systems:					
Salaries and wages	103,160	103,160	99,277	3,883	94,957
Employee benefits	40,360	40,360	35,083	5,277	35,100
Services and supplies	135,604	135,604	105,490	30,114	127,970
	<u>279,124</u>	<u>279,124</u>	<u>239,850</u>	<u>39,274</u>	<u>258,027</u>
Planning:					
Salaries and wages	75,749	78,667	78,467	200	77,067
Employee benefits	33,750	33,750	33,814	(64)	32,639
Services and supplies	12,150	9,232	6,527	2,705	6,720
	<u>121,649</u>	<u>121,649</u>	<u>118,808</u>	<u>2,841</u>	<u>116,426</u>
Buildings and grounds:					
Salaries and wages	389,490	404,779	403,011	1,768	395,224
Employee benefits	163,640	163,640	163,454	186	156,815
Services and supplies	507,390	492,101	441,242	50,859	494,010
Capital outlay	5,700	5,700	-	5,700	-
	<u>1,066,220</u>	<u>1,066,220</u>	<u>1,007,707</u>	<u>58,513</u>	<u>1,046,049</u>

(continued)

HUMBOLDT COUNTY
General Fund (Budgetary Basis)
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2011
(With comparative actual amounts for the fiscal year ended June 30, 2010)

	2011			2010	
	Original Budget	Final Budget	Actual	Variance to Final Budget	Actual
Communications:					
Salaries and wages	\$ 112,780	\$ 115,992	\$ 114,814	\$ 1,178	\$ 110,931
Employee benefits	41,400	41,400	41,551	(151)	39,194
Services and supplies	57,000	53,788	40,404	13,384	46,424
Capital outlay	22,000	22,000	9,851	12,149	-
	<u>233,180</u>	<u>233,180</u>	<u>206,620</u>	<u>26,560</u>	<u>196,549</u>
Personnel:					
Services and supplies	<u>26,500</u>	<u>26,500</u>	<u>17,447</u>	<u>9,053</u>	<u>28,141</u>
Miscellaneous:					
Insurance	442,000	442,000	448,350	(6,350)	407,030
Insurance reserve	12,000	12,000	1,872	10,128	17,378
Humboldt river basin authority	45,000	45,000	38,000	7,000	34,136
Miscellaneous	777,000	528,573	107,625	420,948	125,137
	<u>1,276,000</u>	<u>1,027,573</u>	<u>595,847</u>	<u>431,726</u>	<u>583,681</u>
Subtotal Other	<u>3,682,801</u>	<u>3,441,869</u>	<u>2,840,504</u>	<u>601,365</u>	<u>2,915,151</u>
Total General Government Function	<u>5,474,848</u>	<u>5,226,421</u>	<u>4,542,071</u>	<u>684,350</u>	<u>4,578,722</u>
Judicial Function:					
Justice Court:					
Salaries and wages	437,170	437,170	441,903	(4,733)	442,935
Employee benefits	163,960	163,960	159,173	4,787	158,622
Services and supplies	95,500	87,238	50,665	36,573	116,623
	<u>696,630</u>	<u>688,368</u>	<u>651,741</u>	<u>36,627</u>	<u>718,180</u>
District Attorney:					
Salaries and wages	607,225	576,595	576,751	(156)	622,118
Employee benefits	231,533	231,533	201,487	30,046	219,446
Services and supplies	80,025	80,025	71,298	8,727	87,655
	<u>918,783</u>	<u>888,153</u>	<u>849,536</u>	<u>38,617</u>	<u>929,219</u>
Child Support:					
Salaries and wages	216,525	186,525	158,764	27,761	187,683
Employee benefits	95,240	95,240	70,266	24,974	80,309
Services and supplies	43,736	73,736	53,318	20,418	67,353
	<u>355,501</u>	<u>355,501</u>	<u>282,348</u>	<u>73,153</u>	<u>335,345</u>

(continued)

HUMBOLDT COUNTY
General Fund (Budgetary Basis)
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2011
(With comparative actual amounts for the fiscal year ended June 30, 2010)

	2011			2010	
	Original Budget	Final Budget	Actual	Variance to Final Budget	Actual
Public Defender:					
Salaries and wages	\$ 128,420	\$ 136,682	\$ 135,218	\$ 1,464	\$ 130,370
Employee benefits	46,170	46,170	46,624	(454)	44,958
Services and supplies	12,000	12,000	10,862	1,138	6,762
	<u>186,590</u>	<u>194,852</u>	<u>192,704</u>	<u>2,148</u>	<u>182,090</u>
 Total Judicial Function	 <u>2,157,504</u>	 <u>2,126,874</u>	 <u>1,976,329</u>	 <u>150,545</u>	 <u>2,164,834</u>
Public Safety Function:					
Sheriff:					
Salaries and wages	1,608,388	1,797,148	1,721,175	75,973	1,630,213
Employee benefits	738,688	738,688	817,114	(78,426)	780,366
Services and supplies	322,289	398,326	432,723	(34,397)	396,507
Capital outlay	150,000	134,000	128,639	5,361	243,817
	<u>2,819,365</u>	<u>3,068,162</u>	<u>3,099,651</u>	<u>(31,489)</u>	<u>3,050,903</u>
Detention:					
Salaries and wages	885,540	1,011,156	954,278	56,878	877,007
Employee benefits	441,300	441,300	470,330	(29,030)	453,709
Services and supplies	183,194	177,408	154,619	22,789	129,005
	<u>1,510,034</u>	<u>1,629,864</u>	<u>1,579,227</u>	<u>50,637</u>	<u>1,459,721</u>
Dispatch:					
Salaries and wages	531,450	449,750	458,649	(8,899)	517,319
Employee benefits	178,829	137,829	125,613	12,216	129,296
Services and supplies	72,700	72,700	49,760	22,940	84,409
Capital outlay	78,084	78,084	73,487	4,597	-
	<u>861,063</u>	<u>738,363</u>	<u>707,509</u>	<u>30,854</u>	<u>731,024</u>
Building Official:					
Salaries and wages	163,840	178,470	175,535	2,935	166,950
Employee benefits	62,630	62,630	64,101	(1,471)	60,813
Services and supplies	22,350	22,350	19,724	2,626	24,724
Capital outlay	-	-	-	-	23,070
	<u>248,820</u>	<u>263,450</u>	<u>259,360</u>	<u>4,090</u>	<u>275,557</u>

(continued)

HUMBOLDT COUNTY
General Fund (Budgetary Basis)
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2011
(With comparative actual amounts for the fiscal year ended June 30, 2010)

	2011				2010
	Original Budget	Final Budget	Actual	Variance to Final Budget	Actual
Task Force:					
Salaries and wages	\$ 68,994	\$ 79,713	\$ 77,413	\$ 2,300	\$ 90,580
Employee benefits	38,410	38,410	36,518	1,892	39,348
Services and supplies	21,000	28,781	29,887	(1,106)	47,530
Capital outlay	-	-	-	-	76,137
	<u>128,404</u>	<u>146,904</u>	<u>143,818</u>	<u>3,086</u>	<u>253,595</u>
LEPC:					
Services and supplies	-	-	-	-	1
Total Public Safety Function	<u>5,567,686</u>	<u>5,846,743</u>	<u>5,789,565</u>	<u>57,178</u>	<u>5,770,801</u>
Public Works Function:					
Services and supplies	<u>22,000</u>	<u>22,000</u>	<u>19,791</u>	<u>2,209</u>	<u>19,110</u>
Health Function:					
Health:					
Services and supplies	<u>128,600</u>	<u>128,600</u>	<u>113,345</u>	<u>15,255</u>	<u>113,725</u>
Mosquito control:					
Services and supplies	<u>148,430</u>	<u>148,430</u>	<u>143,408</u>	<u>5,022</u>	<u>106,989</u>
Total Health Function	<u>277,030</u>	<u>277,030</u>	<u>256,753</u>	<u>20,277</u>	<u>220,714</u>
Culture and Recreation Function:					
Virgin valley campground:					
Services and supplies	<u>2,500</u>	<u>2,500</u>	<u>2,500</u>	<u>-</u>	<u>5,000</u>
Community Support Function:					
Services and supplies:					
Senior citizens	247,500	247,500	310,238	(62,738)	306,808
Museum	123,750	123,750	155,115	(31,365)	153,418
Senior transportation grant	-	154,368	154,368	-	120,723
Humboldt development authority	-	-	-	-	20,000
Chamber of commerce	6,500	6,500	6,500	-	6,500
Range improvement districts	50,000	50,000	32,585	17,415	32,644
BLM rural fire grant	-	127,800	127,800	-	-
CDBG strategic planning grant	-	10,000	10,000	-	-
Vitality center	7,500	7,500	7,500	-	7,500
Total Community Support Function	<u>435,250</u>	<u>727,418</u>	<u>804,106</u>	<u>(76,688)</u>	<u>647,593</u>

(continued)

HUMBOLDT COUNTY
General Fund (Budgetary Basis)
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2011
(With comparative actual amounts for the fiscal year ended June 30, 2010)

	2011			2010	
	Original Budget	Final Budget	Actual	Variance to Final Budget	Actual
Intergovernmental Expenditure Function:					
Services and supplies:					
City of Winnemucca gaming licenses	\$ 100,000	\$ 100,000	\$ 100,000	\$ -	\$ 100,000
Airport	50,000	50,000	16,246	33,754	21,369
Cemetery	35,000	35,000	26,275	8,725	27,150
Parks and recreation	375,000	375,000	308,230	66,770	316,100
Legal assistance	6,000	6,000	6,605	(605)	5,564
Total Intergovernmental Expenditure Function	<u>566,000</u>	<u>566,000</u>	<u>457,356</u>	<u>108,644</u>	<u>470,183</u>
 Total Expenditures	 <u>14,502,818</u>	 <u>14,794,986</u>	 <u>13,848,471</u>	 <u>946,515</u>	 <u>13,876,957</u>
 Excess (deficiency) of revenues over expenditures	 <u>(3,225,336)</u>	 <u>(3,225,336)</u>	 <u>1,895,797</u>	 <u>5,121,133</u>	 <u>224,694</u>
 OTHER FINANCING SOURCES (USES)					
Transfers in	83,084	83,084	83,084	-	5,000
Contingency	(350,000)	(350,000)	-	350,000	-
Total other financing sources (uses)	<u>(266,916)</u>	<u>(266,916)</u>	<u>83,084</u>	<u>350,000</u>	<u>5,000</u>
 Net change in fund balances	 (3,492,252)	 (3,492,252)	 1,978,881	 5,471,133	 229,694
 Fund balance - beginning	 <u>6,931,440</u>	 <u>6,931,440</u>	 <u>10,821,052</u>	 <u>3,889,612</u>	 <u>10,591,358</u>
 Fund balance - ending	 <u>\$ 3,439,188</u>	 <u>\$ 3,439,188</u>	 <u>\$ 12,799,933</u>	 <u>\$ 9,360,745</u>	 <u>\$ 10,821,052</u>

HUMBOLDT COUNTY
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2011

	<u>Indigent Fund</u>	<u>Cooperative Extension Fund</u>	<u>Library Fund</u>	<u>6th Judicial District Drug Court Fund</u>	<u>In-Lieu-of- Tax Fund</u>
Assets					
Cash and cash equivalents	\$ 540,878	\$ 459,101	\$ 1,856,423	\$ 140,695	\$3,374,662
Taxes receivable	3,600	1,101	6,339	-	-
Accounts receivable	140	-	-	-	-
Due from other governments	19,738	19,417	112,727	-	-
Due from other funds	289	189	-	182	-
Total assets	<u>\$ 564,645</u>	<u>\$ 479,808</u>	<u>\$ 1,975,489</u>	<u>\$ 140,877</u>	<u>\$ 3,374,662</u>
Liabilities					
Accounts payable	\$ 5,722	\$ 9,615	\$ 12,136	\$ 6,875	\$ -
Accrued salaries/benefits	2,555	4,343	28,416	1,209	-
Due to other governments	90,709	4,493	616	-	-
Due to other funds	41	453	2,301	14	-
Deferred revenue	3,600	1,101	6,339	-	-
Total liabilities	<u>102,627</u>	<u>20,005</u>	<u>49,808</u>	<u>8,098</u>	<u>-</u>
Fund Balances					
Restricted	-	-	-	-	-
Committed	462,018	459,803	1,925,681	132,779	3,374,662
Total fund balances	<u>462,018</u>	<u>459,803</u>	<u>1,925,681</u>	<u>132,779</u>	<u>3,374,662</u>
Total Liabilities and Fund Balances	<u>\$ 564,645</u>	<u>\$ 479,808</u>	<u>\$ 1,975,489</u>	<u>\$ 140,877</u>	<u>\$ 3,374,662</u>

Administrative Assessment Fund	Stabilization Fund	Check Restitution Fund	Assessor's Technology Fund	Total Nonmajor Special Revenue Funds
\$ 123,576	\$ 1,050,842	\$ 12,285	\$ 499,097	\$ 8,057,559
-	-	-	-	11,040
-	-	89	-	229
-	-	-	16,942	168,824
-	-	-	-	660
<u>\$ 123,576</u>	<u>\$ 1,050,842</u>	<u>\$ 12,374</u>	<u>\$ 516,039</u>	<u>\$ 8,238,312</u>
\$ 176	\$ -	\$ 690	\$ -	\$ 35,214
-	-	-	-	36,523
-	-	-	-	95,818
-	-	-	-	2,809
-	-	-	-	11,040
<u>176</u>	<u>-</u>	<u>690</u>	<u>-</u>	<u>181,404</u>
123,400	1,050,842	11,684	516,039	1,701,965
-	-	-	-	6,354,943
<u>123,400</u>	<u>1,050,842</u>	<u>11,684</u>	<u>516,039</u>	<u>8,056,908</u>
<u>\$ 123,576</u>	<u>\$ 1,050,842</u>	<u>\$ 12,374</u>	<u>\$ 516,039</u>	<u>\$ 8,238,312</u>

HUMBOLDT COUNTY
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2011

	<u>Indigent Fund</u>	<u>Cooperative Extension Fund</u>	<u>Library Fund</u>	<u>6th Judicial Drug Court Fund</u>	<u>In-Lieu-of Tax Fund</u>
REVENUES					
Taxes	\$ 403,151	\$ 176,086	\$ 1,013,811	\$ -	\$ -
Intergovernmental revenue	62,696	98,653	424,452	89,689	1,641,292
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	5,209	-	-
Miscellaneous revenues	5,990	388	18,618	-	-
Total Revenues	<u>471,837</u>	<u>275,127</u>	<u>1,462,090</u>	<u>89,689</u>	<u>1,641,292</u>
EXPENDITURES					
Current:					
General government	-	-	-	-	-
Judicial	-	-	-	141,587	-
Welfare	478,588	-	-	-	-
Culture and recreation	-	-	964,440	-	-
Community support	-	186,411	-	-	-
Intergovernmental	154,219	-	-	-	-
Total Expenditures	<u>632,807</u>	<u>186,411</u>	<u>964,440</u>	<u>141,587</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(160,970)</u>	<u>88,716</u>	<u>497,650</u>	<u>(51,898)</u>	<u>1,641,292</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	25,000	-	-	-
Transfers out	-	-	-	-	(1,103,084)
Total Other Financing Sources (Uses)	<u>-</u>	<u>25,000</u>	<u>-</u>	<u>-</u>	<u>(1,103,084)</u>
Net Change in Fund Balances	<u>(160,970)</u>	<u>113,716</u>	<u>497,650</u>	<u>(51,898)</u>	<u>538,208</u>
Fund Balances - beginning	<u>622,988</u>	<u>346,087</u>	<u>1,428,031</u>	<u>184,677</u>	<u>2,836,454</u>
Fund Balances - ending	<u>\$ 462,018</u>	<u>\$ 459,803</u>	<u>\$ 1,925,681</u>	<u>\$ 132,779</u>	<u>\$ 3,374,662</u>

Administrative Assessment Fund	Stabilization Fund	Check Restitution Fund	Genetic Marker Testing Fund	Assessor's Technology Fund	Total Nonmajor Special Revenue Funds
\$ -	\$ -	\$ -	\$ -	\$ 258,537	\$ 1,851,585
-	-	-	-	-	2,316,782
-	-	25,019	3,579	-	28,598
37,070	-	-	-	-	42,279
-	-	-	-	900	25,896
<u>37,070</u>	<u>-</u>	<u>25,019</u>	<u>3,579</u>	<u>259,437</u>	<u>4,265,140</u>
-	-	-	-	186,445	186,445
50,653	-	20,316	3,579	-	216,135
-	-	-	-	-	478,588
-	-	-	-	-	964,440
-	-	-	-	-	186,411
-	-	-	-	-	154,219
<u>50,653</u>	<u>-</u>	<u>20,316</u>	<u>3,579</u>	<u>186,445</u>	<u>2,186,238</u>
<u>(13,583)</u>	<u>-</u>	<u>4,703</u>	<u>-</u>	<u>72,992</u>	<u>2,078,902</u>
-	-	-	-	-	25,000
-	-	-	-	-	(1,103,084)
-	-	-	-	-	(1,078,084)
(13,583)	-	4,703	-	72,992	1,000,818
<u>136,983</u>	<u>1,050,842</u>	<u>6,981</u>	<u>-</u>	<u>443,047</u>	<u>7,056,090</u>
<u>\$ 123,400</u>	<u>\$ 1,050,842</u>	<u>\$ 11,684</u>	<u>\$ -</u>	<u>\$ 516,039</u>	<u>\$ 8,056,908</u>

HUMBOLDT COUNTY
Indigent Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2011
(With comparative actual amounts for the fiscal year ended June 30, 2010)

	<u>2011</u>			<u>Variance to Final Budget</u>	<u>2010</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>		<u>Actual</u>
REVENUES					
Taxes:					
Property taxes	\$ 300,944	\$ 300,944	\$ 403,151	\$ 102,207	\$ 373,203
Intergovernmental Revenue:					
Federal grants	-	62,696	62,696	-	86,019
Miscellaneous	1,000	1,000	5,990	4,990	4,322
Total Revenues	<u>301,944</u>	<u>364,640</u>	<u>471,837</u>	<u>107,197</u>	<u>463,544</u>
EXPENDITURES					
Welfare Function:					
Institutional care	351,929	351,929	310,177	41,752	289,538
Old age assistance	13,890	13,890	17,186	(3,296)	13,886
General assistance:					
Salaries and wages	45,550	47,493	47,394	99	47,277
Employee benefits	18,800	18,800	18,609	191	18,173
Services and supplies	46,300	107,053	85,222	21,831	118,425
Total Welfare Function	<u>476,469</u>	<u>539,165</u>	<u>478,588</u>	<u>60,577</u>	<u>487,299</u>
Intergovernmental Expenditure Function:					
Services and supplies	86,133	86,133	154,219	(68,086)	146,006
Total Expenditures	<u>562,602</u>	<u>625,298</u>	<u>632,807</u>	<u>(7,509)</u>	<u>633,305</u>
Excess (deficiency) of revenues over (under) expenditures	(260,658)	(260,658)	(160,970)	99,688	(169,761)
Fund balance - beginning	467,559	467,559	622,988	155,429	792,749
Fund balance - ending	<u>\$ 206,901</u>	<u>\$ 206,901</u>	<u>\$ 462,018</u>	<u>\$ 255,117</u>	<u>\$ 622,988</u>

HUMBOLDT COUNTY
Cooperative Extension Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2011
(With comparative actual amounts for the fiscal year ended June 30, 2010)

	<u>2011</u>			<u>Variance to Final Budget</u>	<u>2010</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>		<u>Actual</u>
REVENUES					
Taxes	\$ 131,712	\$ 131,712	\$ 176,086	\$ 44,374	\$ 161,613
Intergovernmental Revenue:					
Combined tax	50,768	50,768	69,429	18,661	55,623
Grants	-	29,224	29,224	-	55,758
Total Intergovernmental Revenues	<u>50,768</u>	<u>79,992</u>	<u>98,653</u>	<u>18,661</u>	<u>111,381</u>
Miscellaneous	-	-	388	388	250
Total Revenues	<u>182,480</u>	<u>211,704</u>	<u>275,127</u>	<u>63,423</u>	<u>273,244</u>
EXPENDITURES					
Community Support Function:					
Salaries and wages	77,900	77,900	80,402	(2,502)	79,034
Employee benefits	34,410	34,410	34,279	131	33,106
Services and supplies	<u>52,526</u>	<u>81,750</u>	<u>71,730</u>	<u>10,020</u>	<u>57,153</u>
Total Expenditures	<u>164,836</u>	<u>194,060</u>	<u>186,411</u>	<u>7,649</u>	<u>169,293</u>
Excess (deficiency) of revenues over (under) expenditures	<u>17,644</u>	<u>17,644</u>	<u>88,716</u>	<u>71,072</u>	<u>103,951</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>	<u>-</u>	<u>25,000</u>
Net change in fund balance	42,644	42,644	113,716	71,072	128,951
Fund balance - beginning	<u>218,135</u>	<u>218,135</u>	<u>346,087</u>	<u>127,952</u>	<u>217,136</u>
Fund balance - ending	<u>\$ 260,779</u>	<u>\$ 260,779</u>	<u>\$ 459,803</u>	<u>\$ 199,024</u>	<u>\$ 346,087</u>

HUMBOLDT COUNTY
Library Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2011
(With comparative actual amounts for the fiscal year ended June 30, 2010)

	<u>2011</u>			<u>Variance to Final Budget</u>	<u>2010</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>		<u>Actual</u>
REVENUES					
Taxes	\$ 758,350	\$ 758,350	\$ 1,013,811	\$ 255,461	\$ 930,477
Intergovernmental Revenue:					
Federal grants	-	-	24,771	24,771	26,454
State grants	-	-	6,251	6,251	11,686
Combined tax	287,683	287,683	393,430	105,747	315,195
Total Intergovernmental Revenues	287,683	287,683	424,452	136,769	353,335
Fines and forfeits:					
Library fines	2,500	2,500	5,209	2,709	3,199
Miscellaneous	-	-	18,618	18,618	5,548
Total Revenues	1,048,533	1,048,533	1,462,090	413,557	1,292,559
EXPENDITURES					
Culture and Recreation Function:					
Salaries and wages	530,029	530,029	526,660	3,369	521,509
Employee benefits	237,150	237,150	207,382	29,768	200,190
Services and supplies	253,593	253,593	230,398	23,195	233,628
Capital outlay	-	-	-	-	99,945
Total Expenditures	1,020,772	1,020,772	964,440	56,332	1,055,272
Excess (deficiency) of revenues over (under) expenditures	27,761	27,761	497,650	469,889	237,287
Fund balance - beginning	1,076,397	1,076,397	1,428,031	351,634	1,190,744
Fund balance - ending	<u>\$ 1,104,158</u>	<u>\$ 1,104,158</u>	<u>\$ 1,925,681</u>	<u>\$ 821,523</u>	<u>\$ 1,428,031</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, 2011
(With comparative actual amounts for the fiscal year ended June 30, 2010)

	<u>2011</u>			<u>Variance to Final Budget</u>	<u>2010</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>		<u>Actual</u>
REVENUES					
Intergovernmental Revenue:					
A/A specialty court fund	\$ 52,914	\$ 85,564	\$ 89,689	\$ 4,125	\$ 121,435
EXPENDITURES					
Judicial Function:					
Drug Court:					
Salaries and wages	24,600	24,600	23,927	673	25,186
Employee benefits	9,490	9,490	9,470	20	9,524
Services and supplies	80,000	112,650	108,190	4,460	90,463
Total Expenditures	<u>114,090</u>	<u>146,740</u>	<u>141,587</u>	<u>5,153</u>	<u>125,173</u>
Excess (deficiency) of revenues over (under) expenditures	(61,176)	(61,176)	(51,898)	9,278	(3,738)
Fund balance - beginning	<u>170,955</u>	<u>170,955</u>	<u>184,677</u>	<u>13,722</u>	<u>188,415</u>
Fund balance - ending	<u>\$ 109,779</u>	<u>\$ 109,779</u>	<u>\$ 132,779</u>	<u>\$ 23,000</u>	<u>\$ 184,677</u>

HUMBOLDT COUNTY
In-Lieu-of Tax Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2011
(With comparative actual amounts for the fiscal year ended June 30, 2010)

	<u>2011</u>			Variance to Final Budget	<u>2010</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>		<u>Actual</u>
REVENUES					
Intergovernmental Revenue:					
In-lieu-of tax payments	<u>\$ 1,400,000</u>	<u>\$ 1,400,000</u>	<u>\$ 1,641,292</u>	<u>\$241,292</u>	<u>\$ 1,641,405</u>
OTHER FINANCING SOURCES (USES)					
Transfers out	<u>(1,103,084)</u>	<u>(1,103,084)</u>	<u>(1,103,084)</u>	<u>-</u>	<u>(1,025,000)</u>
Net change in fund balance	296,916	296,916	538,208	241,292	616,405
Fund balance - beginning	<u>2,595,049</u>	<u>2,595,049</u>	<u>2,836,454</u>	<u>241,405</u>	<u>2,220,049</u>
Fund balance - ending	<u><u>\$ 2,891,965</u></u>	<u><u>\$ 2,891,965</u></u>	<u><u>\$ 3,374,662</u></u>	<u><u>\$482,697</u></u>	<u><u>\$ 2,836,454</u></u>

HUMBOLDT COUNTY
Administrative Assessment Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2011
(With comparative actual amounts for the fiscal year ended June 30, 2010)

	2011			Variance to Final Budget	2010
	Original Budget	Final Budget	Actual		Actual
REVENUES					
Fines and Forfeits:					
Court administrative assessment	\$ 40,000	\$ 40,000	\$ 37,070	\$ (2,930)	\$ 43,182
EXPENDITURES					
Judicial Function:					
Justice Court:					
Services and supplies	100,000	100,000	50,653	49,347	46,654
Excess (deficiency) of revenues over (under) expenditures	(60,000)	(60,000)	(13,583)	46,417	(3,472)
Fund balance - beginning	80,455	80,455	136,983	56,528	140,455
Fund balance - ending	<u>\$ 20,455</u>	<u>\$ 20,455</u>	<u>\$ 123,400</u>	<u>\$ 102,945</u>	<u>\$ 136,983</u>

HUMBOLDT COUNTY
Stabilization Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2011
(With comparative actual amounts for the fiscal year ended June 30, 2010)

	2011			Variance to Final Budget	2010
	Original Budget	Final Budget	Actual		Actual
REVENUES					
Taxes:					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ 26
EXPENDITURES					
General Government Function:					
Services and supplies	-	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-	26
Fund balance - beginning	1,050,816	1,050,816	1,050,842	26	1,050,816
Fund balance - ending	<u>\$ 1,050,816</u>	<u>\$ 1,050,816</u>	<u>\$ 1,050,842</u>	<u>\$ 26</u>	<u>\$ 1,050,842</u>

HUMBOLDT COUNTY
Check Restitution Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2011
(With comparative actual amounts for the fiscal year ended June 30, 2010)

	<u>2011</u>			<u>Variance to Final Budget</u>	<u>2010</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>		<u>Actual</u>
REVENUES					
Charges for Services:					
Check restitution	\$ 30,000	\$ 30,000	\$ 25,019	\$ (4,981)	\$ 33,516
EXPENDITURES					
Judicial Function:					
Services and supplies	30,000	30,000	20,316	9,684	32,846
Excess (deficiency) of revenues over (under) expenditures	-	-	4,703	4,703	670
Fund balance - beginning	6,311	6,311	6,981	670	6,311
Fund balance - ending	<u>\$ 6,311</u>	<u>\$ 6,311</u>	<u>\$ 11,684</u>	<u>\$ 5,373</u>	<u>\$ 6,981</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, 2011
(With comparative actual amounts for the fiscal year ended June 30, 2010)

	2011			Variance to Final Budget	2010
	Original Budget	Final Budget	Actual		Actual
REVENUES					
Charges for Services:					
Fees	\$ -	\$ -	\$ 3,579	\$ 3,579	\$ 3,454
EXPENDITURES					
Judicial Function:					
Services and supplies	-	-	3,579	(3,579)	3,454
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-	-
Fund balance - beginning	-	-	-	-	-
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

HUMBOLDT COUNTY
Assessor's Technology Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2011
(With comparative actual amounts for the fiscal year ended June 30, 2010)

	<u>2011</u>			<u>Variance to</u>	<u>2010</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	\$ 100,000	\$ 100,000	\$ 258,537	\$ 158,537	227,458
Miscellaneous	-	-	900	900	-
Total Revenues	<u>100,000</u>	<u>100,000</u>	<u>259,437</u>	<u>159,437</u>	<u>227,458</u>
EXPENDITURES					
General Government Function:					
Services and supplies	<u>300,000</u>	<u>300,000</u>	<u>186,445</u>	<u>113,555</u>	<u>107,984</u>
Excess (deficiency) of revenues over (under) expenditures	(200,000)	(200,000)	72,992	272,992	119,474
Fund balance - beginning	<u>265,573</u>	<u>265,573</u>	<u>443,047</u>	<u>177,474</u>	<u>323,573</u>
Fund balance - ending	<u>\$ 65,573</u>	<u>\$ 65,573</u>	<u>\$ 516,039</u>	<u>\$ 450,466</u>	<u>\$ 443,047</u>

HUMBOLDT COUNTY
Internally Reported (Budgetary Basis) Funds Reported
As Part of the General Fund for External Reporting Purposes
Combining Balance Sheet
June 30, 2011

	<u>Unemployment Insurance Fund</u>	<u>Compensated Absences Fund</u>	<u>Total</u>
Assets:			
Cash and cash equivalents	\$ 125,103	\$ 728,458	\$ 853,561
Accounts receivable	-	246	246
Interest receivable	-	75	75
	<hr/>	<hr/>	<hr/>
Total assets	<u>\$ 125,103</u>	<u>\$ 728,779</u>	<u>\$ 853,882</u>
Liabilities			
Accounts payable	\$ -	\$ 467	\$ 467
Accrued salaries/benefits	-	762	762
Due to other governments	1,143	-	1,143
	<hr/>	<hr/>	<hr/>
Total liabilities	<u>1,143</u>	<u>1,229</u>	<u>2,372</u>
Fund Balances			
Committed	<u>123,960</u>	<u>727,550</u>	<u>851,510</u>
	<hr/>	<hr/>	<hr/>
Total Liabilities and Fund Balances	<u>\$ 125,103</u>	<u>\$ 728,779</u>	<u>\$ 853,882</u>

HUMBOLDT COUNTY
Internally Reported (Budgetary Basis) Funds Reported
As Part of the General Fund for External Reporting Purposes
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2011

	<u>Unemployment Insurance Fund</u>	<u>Compensated Absences Fund</u>	<u>Total</u>
REVENUES			
Miscellaneous	\$ -	\$ 1,156	\$ 1,156
EXPENDITURES			
General Government Function	9,735	194,636	204,371
Excess (deficiency) of revenues over (under) expenditures	(9,735)	(193,480)	(203,215)
Fund balance - beginning	133,695	921,030	1,054,725
Fund balance - ending	<u>\$ 123,960</u>	<u>\$ 727,550</u>	<u>\$ 851,510</u>

HUMBOLDT COUNTY
Unemployment Insurance Fund (Budgetary Basis)
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2011
(With comparative actual amounts for the fiscal year ended June 30, 2010)

	2011			Variance to Final Budget	2010
	Original Budget	Final Budget	Actual		Actual
REVENUES					
Charges for Services:					
Fund assessments	\$ 40,000	\$ 40,000	\$ -	\$ (40,000)	\$ -
EXPENDITURES					
General Government Function:					
Services and supplies	30,000	30,000	9,735	20,265	15,327
Excess (deficiency) of revenues over (under) expenditures	10,000	10,000	(9,735)	(19,735)	(15,327)
Fund balance - beginning	119,022	119,022	133,695	14,673	149,022
Fund balance - ending	<u>\$ 129,022</u>	<u>\$ 129,022</u>	<u>\$ 123,960</u>	<u>\$ (5,062)</u>	<u>\$ 133,695</u>

HUMBOLDT COUNTY
Compensated Absence Fund (Budgetary Basis)
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2011
(With comparative actual amounts for the fiscal year ended June 30, 2010)

	<u>2011</u>			<u>Variance to</u>	<u>2010</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					
Miscellaneous:					
Fund assessments	\$ 105,000	\$ 105,000	\$ -	\$ (105,000)	\$ -
Interest	-	-	1,156	1,156	2,275
Total Revenues	<u>105,000</u>	<u>105,000</u>	<u>1,156</u>	<u>(103,844)</u>	<u>2,275</u>
EXPENDITURES					
General Government Function:					
Services and supplies	<u>150,000</u>	<u>195,000</u>	<u>194,636</u>	<u>364</u>	<u>70,526</u>
Excess (deficiency) of revenues over (under) expenditures	(45,000)	(90,000)	(193,480)	(103,480)	(68,251)
Fund balance - beginning	<u>839,281</u>	<u>884,281</u>	<u>921,030</u>	<u>36,749</u>	<u>989,281</u>
Fund balance - ending	<u><u>\$ 794,281</u></u>	<u><u>\$ 794,281</u></u>	<u><u>\$ 727,550</u></u>	<u><u>\$ (66,731)</u></u>	<u><u>\$ 921,030</u></u>

HUMBOLDT COUNTY
Building Reserve Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2011
(With comparative actual amounts for the fiscal year ended June 30, 2010)

	<u>2011</u>			<u>Variance to Final Budget</u>	<u>2010</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>		<u>Actual</u>
REVENUES					
Taxes:					
Property taxes	\$ 79,825	\$ 79,825	\$ 106,710	\$ 26,885	\$ 97,952
Intergovernmental Revenue:					
CDBG grant	-	-	-	-	180,000
NDOW grant	-	-	59,762	59,762	-
WCVA grant	-	-	-	-	22,303
Total Intergovernmental Revenues	-	-	59,762	59,762	202,303
Charges for Services:					
Rents	10,000	10,000	17,153	7,153	15,542
Miscellaneous	-	-	157,315	157,315	41,418
Total Revenues	89,825	89,825	340,940	251,115	357,215
EXPENDITURES					
Community Support Function:					
Capital outlay	1,100,000	1,100,000	422,522	677,478	232,354
Excess (deficiency) of revenues over (under) expenditures	(1,010,175)	(1,010,175)	(81,582)	928,593	124,861
Fund balance - beginning	2,374,031	2,374,031	3,477,419	1,103,388	3,352,558
Fund balance - ending	<u>\$ 1,363,856</u>	<u>\$ 1,363,856</u>	<u>\$ 3,395,837</u>	<u>\$ 2,031,981</u>	<u>\$ 3,477,419</u>

HUMBOLDT COUNTY
Nonmajor Capital Projects Fund
June 30, 2011

ASSETS

Cash and cash equivalents	\$ 488,313
Taxes receivable	667
Interest receivable	50
Due from other governments	<u>3,909</u>

Total Assets \$ 492,939

LIABILITIES AND FUND BALANCES

Liabilities:

Due to other governments	8,707
Deferred revenues	<u>667</u>

Total Liabilities 9,374

Fund Balances:

Restricted	<u>483,565</u>
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Total Liabilities and Fund Balances \$ 492,939

HUMBOLDT COUNTY
Capital Projects Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2011
(With comparative actual amounts for the fiscal year ended June 30, 2010)

	<u>2011</u>			<u>Variance to Final Budget</u>	<u>2010</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>		<u>Actual</u>
REVENUES					
Taxes:					
Property taxes	\$ 79,825	\$ 79,825	\$ 105,399	\$ 25,574	\$ 97,943
Miscellaneous	1,000	1,000	718	(282)	1,142
Total Revenues	<u>80,825</u>	<u>80,825</u>	<u>106,117</u>	<u>25,292</u>	<u>99,085</u>
EXPENDITURES					
Community Support Function:					
Services and supplies	5,000	5,000	9,763	(4,763)	-
Capital outlay	192,000	192,000	62,900	129,100	47,482
Total Community Support	<u>197,000</u>	<u>197,000</u>	<u>72,663</u>	<u>124,337</u>	<u>47,482</u>
Intergovernmental expenditure function:					
Services and supplies	25,000	25,000	25,694	(694)	25,094
Total Expenditures	<u>222,000</u>	<u>222,000</u>	<u>98,357</u>	<u>123,643</u>	<u>72,576</u>
Excess (deficiency) of revenues over (under) expenditures	(141,175)	(141,175)	7,760	148,935	26,509
Fund balance - beginning	<u>297,769</u>	<u>297,769</u>	<u>475,805</u>	<u>178,036</u>	<u>449,296</u>
Fund balance - ending	<u>\$ 156,594</u>	<u>\$ 156,594</u>	<u>\$ 483,565</u>	<u>\$ 326,971</u>	<u>\$ 475,805</u>

HUMBOLDT COUNTY
Humboldt Television Fund
Schedule of Revenues, Expenses, and
Changes in Net Assets - Budget and Actual
For the Year Ended June 30, 2011
(With comparative actual amounts for the fiscal year ended June 30, 2010)

	2011			2010	
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance to Final Budget</u>	<u>Actual</u>
OPERATING REVENUES					
Charges for Services:					
User fees	\$ 200,000	\$ 200,000	\$ 214,587	\$ 14,587	\$ 217,920
PBS grant	-	-	2,320	2,320	2,319
Private grant	-	-	-	-	34,083
Miscellaneous revenue	<u>10,000</u>	<u>10,000</u>	<u>19,440</u>	<u>9,440</u>	<u>20,514</u>
Total Operating Revenues	<u>210,000</u>	<u>210,000</u>	<u>236,347</u>	<u>26,347</u>	<u>274,836</u>
OPERATING EXPENSES					
Salaries and wages	81,440	86,930	85,540	1,390	87,904
Employee benefits	25,860	25,860	29,035	(3,175)	30,256
Services and supplies	76,440	70,950	51,875	19,075	52,524
Depreciation	<u>90,000</u>	<u>90,000</u>	<u>52,957</u>	<u>37,043</u>	<u>57,397</u>
Total Operating Expenses	<u>273,740</u>	<u>273,740</u>	<u>219,407</u>	<u>54,334</u>	<u>228,081</u>
Change in Net Assets	<u>\$ (63,740)</u>	<u>\$ (63,740)</u>	16,940	<u>\$ 80,680</u>	46,755
Net assets, July 1			<u>1,027,736</u>		<u>980,981</u>
Net assets, June 30			<u>\$ 1,044,676</u>		<u>\$ 1,027,736</u>

HUMBOLDT COUNTY
Humboldt Television Fund
Schedule of Cash Flows
For the Year Ended June 30, 2011
(With comparative actual amounts for the fiscal year ended June 30, 2010)

	2011	2010
	Actual	Actual
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from customers	\$ 236,946	\$ 276,724
Cash payments for personnel costs	(111,386)	(107,935)
Cash payments for services and supplies	(47,872)	(53,986)
Net Cash Provided (Used) by Operating Activities	77,688	114,803
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Purchases of capital assets	(7,377)	(73,841)
Net Increase (Decrease) in Cash and Cash Equivalents	70,311	40,962
CASH AND CASH EQUIVALENTS, JULY 1	734,673	693,711
CASH AND CASH EQUIVALENTS, JUNE 30	\$ 804,984	\$ 734,673
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating Income (Loss)	\$ 16,940	\$ 46,755
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Depreciation	52,957	57,397
Change in assets and liabilities:		
(Increase) decrease in:		
Accounts receivable	599	1,888
Inventory	3,416	1,585
Increase (decrease) in:		
Accounts payable	587	(3,047)
Accrued salaries and benefits	3,189	10,225
Total Adjustments	60,748	68,048
Net Cash Provided (Used) by Operating Activities	\$ 77,688	\$ 114,803

HUMBOLDT COUNTY
Solid Waste Management Fund
Schedule of Revenues, Expenses, and
Changes in Net Assets - Budget and Actual
For the Year Ended June 30, 2011

(With comparative actual amounts for the fiscal year ended June 30, 2010)

	2011			Variance to Final Budget	2010
	Original Budget	Final Budget	Actual		Actual
OPERATING REVENUES					
Charges for Services:					
User fees	\$ 930,000	\$ 930,000	\$ 1,035,180	\$ 105,180	\$ 1,075,713
OPERATING EXPENSES					
Salaries and wages	42,731	42,731	31,929	10,802	42,868
Employee benefits	14,249	14,249	11,825	2,424	12,680
Services and supplies	789,700	789,700	782,996	6,704	814,015
Depreciation	8,000	8,000	3,504	4,496	5,158
Total Operating Expenses	<u>854,680</u>	<u>854,680</u>	<u>830,254</u>	<u>24,426</u>	<u>874,721</u>
Operating Income (Loss)	<u>75,320</u>	<u>75,320</u>	<u>204,926</u>	<u>129,606</u>	<u>200,992</u>
NONOPERATING REVENUES (EXPENSES)					
Interest earnings	<u>10,000</u>	<u>10,000</u>	<u>2,308</u>	<u>(7,692)</u>	<u>3,343</u>
Change in Net Assets	<u>\$ 85,320</u>	<u>\$ 85,320</u>	207,234	<u>\$ 121,914</u>	204,335
Net assets, July 1			<u>1,441,387</u>		<u>1,237,052</u>
Net assets, June 30			<u>\$ 1,648,621</u>		<u>\$ 1,441,387</u>

HUMBOLDT COUNTY
Solid Waste Management Fund
Schedule of Cash Flows
For the Year Ended June 30, 2011
(With comparative actual amounts for the fiscal year ended June 30, 2010)

	2011	2010
	Actual	Actual
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from customers	\$ 1,041,576	\$ 1,071,305
Cash payments for personnel costs	(42,627)	(56,488)
Cash payments for services and supplies	(734,300)	(916,320)
Net Cash Provided (Used) by Operating Activities	264,649	98,497
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest received	2,352	3,488
Net Increase (Decrease) in Cash and Cash Equivalents	267,001	101,985
CASH AND CASH EQUIVALENTS, JULY 1	1,397,914	1,295,929
CASH AND CASH EQUIVALENTS, JUNE 30	\$ 1,664,915	\$ 1,397,914
RECONCILIATION OF OPERATING INCOME (LOSS)		
TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating Income (Loss)	\$ 204,926	\$ 200,992
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operations:		
Depreciation	3,504	5,158
Change in assets and liabilities:		
(Increase) decrease in:		
Accounts receivable	6,396	(4,409)
Increase (decrease) in:		
Accounts payable	48,696	(102,304)
Accrued salaries and benefits	1,127	(940)
Total Adjustments	59,723	(102,495)
Net Cash Provided (Used) by Operating Activities	\$ 264,649	\$ 98,497

HUMBOLDT COUNTY
Agency Funds
Combining Statement of Changes in Assets and Liabilities
For the Year Ended June 30, 2011

	<u>Balance July 1, 2010</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2011</u>
City of Winnemucca:				
Assets:				
Cash and cash equivalents	\$ 38,216	\$ 1,623,546	\$ 1,633,736	\$ 28,026
Liabilities:				
Due to other governments	\$ 38,216	\$ 1,623,546	\$ 1,633,736	\$ 28,026
Court Ordered Restitution:				
Assets:				
Cash and cash equivalents	\$ 12,868	\$ 40,472	\$ 40,132	\$ 13,208
Liabilities:				
Funds held in trust for others	\$ 12,868	\$ 40,472	\$ 40,132	\$ 13,208
Denio Television District:				
Assets:				
Cash and cash equivalents	\$ 22,086	\$ 1,840	\$ 439	\$ 23,487
Liabilities:				
Due to other governments	\$ 22,086	\$ 1,840	\$ 439	\$ 23,487
District Court Bail:				
Assets:				
Cash and cash equivalents	\$ 140,326	\$ 1,811	\$ -	\$ 142,137
Liabilities:				
Funds held in trust for others	\$ 140,326	\$ 1,811	\$ -	\$ 142,137
General Trust Fund:				
Assets:				
Cash and cash equivalents	\$ 15,834	\$ -	\$ -	\$ 15,834
Liabilities:				
Due to other governments	\$ 15,834	\$ -	\$ -	\$ 15,834
Golconda Water District:				
Assets:				
Cash and cash equivalents	\$ 166,978	\$ 45,765	\$ 59,008	\$ 153,735
Liabilities:				
Due to other governments	\$ 166,978	\$ 45,765	\$ 59,008	\$ 153,735
Humboldt County Fire Protection District:				
Assets:				
Cash and cash equivalents	\$ 323,414	\$ 51,620	\$ -	\$ 375,034
Liabilities:				
Due to other governments	\$ 323,414	\$ 51,620	\$ -	\$ 375,034

(continued)

HUMBOLDT COUNTY
Agency Funds
Combining Statement of Changes in Assets and Liabilities
For the Year Ended June 30, 2011

	<u>Balance July 1, 2010</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2011</u>
Humboldt County General Hospital:				
Assets:				
Cash and cash equivalents	\$ 1,701,674	\$ 5,014,450	\$ 5,052,948	\$ 1,663,176
Liabilities:				
Due to other governments	\$ 1,701,674	\$ 5,014,450	\$ 5,052,948	\$ 1,663,176
Humboldt County School District:				
Assets:				
Cash and cash equivalents	\$ 20,181	\$ 7,910,802	\$ 5,335,432	\$ 2,595,551
Liabilities:				
Due to other governments	\$ 20,181	\$ 7,910,802	\$ 5,335,432	\$ 2,595,551
Humboldt Development Authority:				
Assets:				
Cash and cash equivalents	\$ 245,068	\$ 90,040	\$ 82,730	\$ 252,378
Liabilities:				
Due to other governments	\$ 245,068	\$ 90,040	\$ 82,730	\$ 252,378
Justice Court Bail:				
Assets:				
Cash and cash equivalents	\$ 61,189	\$ -	\$ 24,181	\$ 37,008
Liabilities:				
Funds held in trust for others	\$ 61,189	\$ -	\$ 24,181	\$ 37,008
Kings River GID:				
Assets:				
Cash and cash equivalents	\$ 9,353	\$ 9,054	\$ 2,833	\$ 15,574
Liabilities:				
Due to other governments	\$ 9,353	\$ 9,054	\$ 2,833	\$ 15,574
Library Memorial:				
Assets:				
Cash and cash equivalents	\$ 80,568	\$ 20,774	\$ 20,734	\$ 80,608
Liabilities:				
Due to other governments	\$ 80,568	\$ 20,774	\$ 20,734	\$ 80,608

(continued)

HUMBOLDT COUNTY
Agency Funds
Combining Statement of Changes in Assets and Liabilities
For the Year Ended June 30, 2011

	<u>Balance July 1, 2010</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2011</u>
McDermitt Fire Protection District:				
Assets:				
Cash and cash equivalents	\$ 13,325	\$ 39,811	\$ 33,743	\$ 19,393
Liabilities:				
Due to other governments	\$ 13,325	\$ 39,811	\$ 33,743	\$ 19,393
McDermitt Sewer District:				
Assets:				
Cash and cash equivalents	\$ 87,039	\$ 85,823	\$ 85,894	\$ 86,968
Liabilities:				
Due to other governments	\$ 87,039	\$ 85,823	\$ 85,894	\$ 86,968
McDermitt Water District:				
Assets:				
Cash and cash equivalents	\$ 71,380	\$ 162,532	\$ 164,003	\$ 69,909
Liabilities:				
Due to other governments	\$ 71,380	\$ 162,532	\$ 164,003	\$ 69,909
Orovada Community Services District:				
Assets:				
Cash and cash equivalents	\$ 118,652	\$ 54,945	\$ 26,450	\$ 147,147
Liabilities:				
Due to other governments	\$ 118,652	\$ 54,945	\$ 26,450	\$ 147,147
Orovada Fire Protection District:				
Assets:				
Cash and cash equivalents	\$ 529,522	\$ 98,055	\$ 40,248	\$ 587,329
Liabilities:				
Due to other governments	\$ 529,522	\$ 98,055	\$ 40,248	\$ 587,329
Orovada General Improvement District:				
Assets:				
Cash and cash equivalents	\$ 66,979	\$ 41,797	\$ 32,410	\$ 76,366
Liabilities:				
Due to other governments	\$ 66,979	\$ 41,797	\$ 32,410	\$ 76,366
Orovada Rodent Control District:				
Assets:				
Cash and cash equivalents	\$ 34,659	\$ 17,900	\$ 22,626	\$ 29,933
Liabilities:				
Due to other governments	\$ 34,659	\$ 17,900	\$ 22,626	\$ 29,933

(continued)

HUMBOLDT COUNTY
Agency Funds
Combining Statement of Changes in Assets and Liabilities
For the Year Ended June 30, 2011

	<u>Balance July 1, 2010</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2011</u>
Paradise Sewer District:				
Assets:				
Cash and cash equivalents	\$ 7,002	\$ 13,710	\$ 14,010	\$ 6,702
Liabilities:				
Due to other governments	\$ 7,002	\$ 13,710	\$ 14,010	\$ 6,702
Paradise Weed Control District:				
Assets:				
Cash and cash equivalents	\$ 52,939	\$ 162,128	\$ 122,187	\$ 92,880
Liabilities:				
Due to other governments	\$ 52,939	\$ 162,128	\$ 122,187	\$ 92,880
Pueblo Fire Protection District:				
Assets:				
Cash and cash equivalents	\$ 71,936	\$ 30,702	\$ 11,945	\$ 90,693
Liabilities:				
Due to other governments	\$ 71,936	\$ 30,702	\$ 11,945	\$ 90,693
Quinn River Television District:				
Assets:				
Cash and cash equivalents	\$ 121,668	\$ 14,582	\$ 3,276	\$ 132,974
Liabilities:				
Due to other governments	\$ 121,668	\$ 14,582	\$ 3,276	\$ 132,974
Range Improvement:				
Assets:				
Cash and cash equivalents	\$ 9,460	\$ 55,440	\$ 60,289	\$ 4,611
Liabilities:				
Due to other governments	\$ 9,460	\$ 55,440	\$ 60,289	\$ 4,611
State Department of Wildlife:				
Assets:				
Cash and cash equivalents	\$ 248	\$ 4,409	\$ 2,696	\$ 1,961
Liabilities:				
Due to other governments	\$ 248	\$ 4,409	\$ 2,696	\$ 1,961

(continued)

HUMBOLDT COUNTY
Agency Funds
Combining Statement of Changes in Assets and Liabilities
For the Year Ended June 30, 2011

	<u>Balance July 1, 2010</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2011</u>
State of Nevada Trust:				
Assets:				
Cash and cash equivalents	\$ 134,140	\$ 4,098,683	\$ 2,460,550	\$ 1,772,273
Liabilities:				
Due to other governments	\$ 134,140	\$ 4,098,683	\$ 2,460,550	\$ 1,772,273
Sheriff's Commissary:				
Assets:				
Cash and cash equivalents	\$ 21,694	\$ 11,010	\$ -	\$ 32,704
Liabilities:				
Funds held in trust for others	\$ 21,694	\$ 11,010	\$ -	\$ 32,704
Winnemucca Convention and Visitors Authority:				
Assets:				
Cash and cash equivalents	\$ 64,458	\$ 420,940	\$ 423,241	\$ 62,157
Liabilities:				
Due to other governments	\$ 64,458	\$ 420,940	\$ 423,241	\$ 62,157
Winnemucca Rural Fire Protection District:				
Assets:				
Cash and cash equivalents	\$ 474,248	\$ 276,056	\$ 197,410	\$ 552,894
Liabilities:				
Due to other governments	\$ 474,248	\$ 276,056	\$ 197,410	\$ 552,894
Other collections:				
Assets:				
Cash and cash equivalents	\$ 82,476	\$ -	\$ 41,531	\$ 40,945
Liabilities:				
Due to other governments	\$ 82,476	\$ -	\$ 41,531	\$ 40,945
Totals, All Agency Funds:				
Assets:				
Cash and cash equivalents	\$ 4,799,580	\$ 20,398,697	\$ 15,994,682	\$ 9,203,595
Liabilities:				
Due to other governments	4,563,503	20,345,404	15,930,369	8,978,538
Funds held in trust for others	236,077	53,293	64,313	225,057
Total Liabilities	\$ 4,799,580	\$ 20,398,697	\$ 15,994,682	\$ 9,203,595



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

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

To the Honorable Board of Commissioners
of Humboldt County, Nevada

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Humboldt County, Nevada, (the County) as of and for the year ended June 30, 2011, which collectively comprise the County's basic financial statements and have issued our report thereon dated November 28, 2011. 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 as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies in internal control over financial reporting (2011-1 and 2011-2). A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

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

The County's response to the findings identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. We did not audit the County's response and, accordingly, we express no opinion on it.

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 28, 2011



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

**Independent Auditor's Report on Compliance with Requirements
That Could Have a Direct and Material Effect on each Major Program and on Internal
Control Over Compliance in Accordance with OMB Circular A-133**

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

Compliance

We have audited Humboldt County, Nevada's (the County) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended June 30, 2011. 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 compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011.

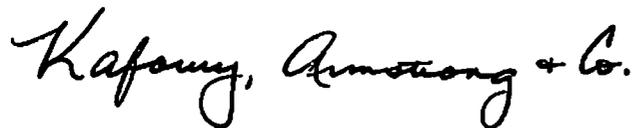
Internal Control Over Compliance

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 the requirements that could have a direct and material effect on a major federal program to determine the 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, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be *material weaknesses*, as defined above.

This report is intended solely for the information and use of management, the Honorable Board of Commissioners of Humboldt County, others within the entity, 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.

A handwritten signature in black ink that reads "Kafoury, Armstrong & Co." in a cursive script.

Winnemucca, Nevada
November 28, 2011

**HUMBOLDT COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2011**

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH GRANTOR'S NUMBER	FEDERAL EXPENDITURES
<u>US Department of Agriculture:</u>			
Passed through State of Nevada Department of Public Safety, Office of Criminal Justice Assistance:			
Emergency Food Assistance Program Cluster			
Emergency Food Assistance Program, Food Commodities (non-cash)	10.569	N/A	\$ 55,716
ARRA - Emergency Food Assistance Program, Food Commodities (non-cash)	10.569A	N/A	354
ARRA - Emergency Food Assistance Program, Administrative Costs	10.568	N/A	<u>1,625</u>
Total Emergency Food Assistance Program Cluster			<u>57,695</u>
Passed through State of Nevada Department of the Controller:			
Schools and Roads Cluster			
Schools and Roads - Grants to States	10.665	N/A	<u>247,504</u>
Direct Programs:			
Soil and Water Conservation - Grazing Lands Conservation Initiative	10.902	68-9327-6-11	<u>11,998</u>
Total US Department of Agriculture			<u>317,197</u>
<u>US Department of Housing and Urban Development:</u>			
CDBG - State-Administered Small Cities Program Cluster			
Passed through State of Nevada Commission on Economic Development:			
ARRA - Community Development Block Grant	14.255	CDBG/08R/PF/123	20,000
CDBG Strategic Planning	14.228	CDBG/10/PCB/014	<u>10,000</u>
Total CDBG - State-Administered Small Cities Program Cluster			<u>30,000</u>
Passed through State of Nevada Department of Business and Industry			
Emergency Shelter Grant	14.231	N/A	<u>5,000</u>
Total US Department of Housing and Urban Development			<u>35,000</u>
<u>US Department of Justice:</u>			
Direct Programs:			
State Criminal Alien Assistance Program	16.606	2010-AP-BX-0387	<u>9,714</u>
JAG Program Cluster			
Direct Programs:			
ARRA - Edward Byrne Memorial Justice Assistance Grant Program/Grants to Units of Local Government Critical Incident Negotiation Equipment Project	16.804	2009-SB-B9-2308	<u>2,114</u>
Passed through State of Nevada Department of Public Safety, Office of Criminal Justice Assistance:			
Edward Byrne Memorial Justice Assistance Grant Program:			
Tri-County Drug Enforcement Team	16.738	09-JAG-13	7,900
Tri-County Drug Enforcement Team	16.738	10-JAG-14	<u>44,509</u>
Total Edward Byrne Memorial Justice Assistance Grant Program			<u>52,409</u>
Total JAG Program Cluster			<u>54,523</u>

HUMBOLDT COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2011

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH GRANTOR'S NUMBER	FEDERAL EXPENDITURES
Passed through State of Nevada Department of Health and Human Services:			
Juvenile Justice and Delinquency Prevention:			
Basic	16.540	N/A	\$ 2,625
Title V - Youth Outreach	16.548	2010-JP-FX-004	7,364
Total Juvenile Justice and Delinquency Prevention			<u>9,989</u>
Passed through State of Nevada Department of Public Safety, Office of Criminal Justice Assistance:			
ARRA - Public Safety Partnership and Community Policing Grants - Tactical Consequences/Safely Reducing Meth. Labs and Transportation			
	16.710	08-METH-06	<u>31,977</u>
Total US Department of Justice			<u>106,203</u>
<u>US Department of Transportation:</u>			
Passed through State of Nevada Department of Transportation:			
Transit Services Programs Cluster			
FTA for Elderly and Disabled Persons	20.513	PR281-08-802	37,571
FTA for Elderly and Disabled Persons	20.513	PR156-10-802	<u>116,797</u>
Total Transit Services Programs Cluster			<u>154,368</u>
Highway Safety Cluster			
Passed through State of Nevada Department of Public Safety:			
Joining Forces	20.600	21-JF-1.08	<u>3,432</u>
Total US Department of Transportation			<u>157,800</u>
<u>US Department of Health and Human Services:</u>			
Passed through State of Nevada Department of Health and Human Services - Welfare Division:			
Substance Abuse and Mental Health Services			
Grant - Summer School Program	93.243	N/A	3,600
Child Support Enforcement	93.563	N/A	<u>184,497</u>
Total US Department of Health and Human Services			<u>188,097</u>
<u>US Department of the Interior:</u>			
Direct Programs:			
Partners for Fish and Wildlife	15.631	843208J509	13,726
National Fire Plan - Rural Fire Assistance	15.242	L10AC20222	127,800
Fish and Wildlife Cluster			
Passed through State of Nevada Department of Wildlife:			
Hunter Education Program	15.611	W-51-HS-36	<u>59,762</u>
Total US Department of the Interior			<u>201,288</u>
Total Expenditures of Federal Grant Awards			<u>\$ 1,005,585</u>

HUMBOLDT COUNTY
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2011

(1) Reporting Entity

The accompanying Schedule of Expenditures of Federal Awards presents the expenditure activity of all federal awards programs of Humboldt County (the County) for the year ended June 30, 2011. The County's reporting entity is defined in Note 1 to its basic financial statements. All expenditures of federal awards received directly from federal agencies as well as federal awards passed through other government agencies are included in the schedule.

(2) Basis of Accounting

The accompanying schedule of expenditures of federal awards is prepared on the modified accrual basis of accounting. The amounts shown as expenditures of the Food Assistance Program, Food Commodities represent the fair value of commodity food expended by the County.

(3) Subrecipients

Of the federal expenditures presented in the schedule, the County provided federal awards to subrecipients as follows:

<u>Program Name</u>	<u>CFDA Number</u>	<u>Amount Provided to</u>
ARRA - Community Development Block Grant	14.255	\$20,000
Community Development Block Grant	14.228	10,000
FTA for Elderly and Disabled Persons	20.513	<u>154,368</u>
Total		\$184,368

**HUMBOLDT COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2011**

Summary of Audit Results:

- Kafoury, Armstrong & Co. issued an unqualified opinion on the financial statements of Humboldt County for the year ended June 30, 2011.
- Two significant deficiencies disclosed during the audit of the financial statements are reported in the Report on Internal Controls Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*. None of the deficiencies are reported as material weaknesses.
- The audit disclosed no instances of noncompliance, which were material to the financial statements of Humboldt County.
- No significant deficiencies relating to the audit of the major federal award programs are reported in the Independent Auditor's Report on Compliance with Requirements That Could Have a Direct and Material Effect on each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133.
- Kafoury, Armstrong & Co. issued an unqualified opinion on compliance for major programs of Humboldt County.
- The audit disclosed no audit findings that the auditor is required to report under Section 510(a) of Circular A-133.
- The programs tested as major programs for the year ended June 30, 2011 included:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
	CDBG - State-Administered Small Cities Program Cluster:
14.255	ARRA - Community Development Block Grant
14.228	CDBG Strategic Planning
10.665	Schools and Roads Cluster

- The dollar threshold used for distinguishing between Type A and Type B programs for the year ended June 30, 2011, was \$300,000.
- Humboldt County qualified as a low risk auditee for the year ended June 30, 2011.

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

SIGNIFICANT DEFICIENCIES

2011-1 Financial Statement Reporting

Condition: Personnel at the County do not have sufficient expertise in selecting and applying accounting principles to prepare financial statements in accordance with generally accepted accounting principles.

**HUMBOLDT COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2011**

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

Criteria: Internal controls should be in place providing reasonable assurance that the County can prepare its financial statements in accordance with generally accepted account principles.

Effect: The County cannot complete its financial reporting in accordance with generally accepted accounting principles.

Auditor's Recommendation: Personnel responsible for the accounting and reporting function should obtain the skills and knowledge to apply generally accepted accounting principles in recording the entity's financial transactions and preparing its financial statements.

Management's Response: Management believes the cost of correcting the significant deficiency identified above would exceed the benefits derived from doing so.

2011-2 Controls Over Capturing and Recording Transactional Information

Condition and Criteria: There is a lack of communication and understanding of the entity on the part of the financial management at the County. Adequate communication and comprehension of all accounts' and funds' purposes and functions should be in place to ensure entries posted are correct, timely, complete, and supported by underlying transactions.

Effect: Some incorrect adjusting entries were posted and some necessary adjustments were overlooked.

Auditor's Recommendation: Personnel responsible for capturing and recording transactional information should obtain a full understanding of the County's operations, transactions, and funds to ensure that accurate and complete data is captured and recorded in the County's accounting records and financial statements. Communications, diligence, and subsequent review should be enhanced to facilitate accurate and complete understanding.

Management's Response: Management will improve communications and follow-through in order to enhance understanding, thereby ensuring the accuracy and completeness of the County's accounting records and financial statements.

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, 2011**

No prior year findings relative to federal awards were reported at June 30, 2010

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, 2011

Flat Fixed Fees:

Business license revenue for the year ended June 30, 1991 (base year) adjusted through June 30, 2010	\$ 69,150
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Adjustment to Base:

Base year adjusted		
Percentage increase in population of the local government	-1.80%	
Percentage increase in the Consumer Price Index for the year ending December 31 next preceding the year for which the limit is being calculated		
	<u>1.68%</u>	<u>-0.12%</u>
		<u>(83)</u>

Adjusted base at June 30, 2011	69,067
Actual revenue	<u>55,459</u>
Amount under allowable amount	<u><u>\$ 13,608</u></u>

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

Efforts were made during the current fiscal year to monitor expenditures to avoid noncompliance with the provisions of NRS 354.626.

PRIOR YEAR RECOMMENDATIONS

Management implemented prior year recommendations related to financial statement reporting.

CURRENT YEAR RECOMMENDATIONS

Current year audit recommendations are included in the Schedule of Findings and Questioned Costs.

NEVADA REVISED STATUTES 354.6113 AND 354.6115

There were no funds created by Humboldt County, Nevada under the authority of NRS 354.6113 and NRS 354.6115 for the year ended June 30, 2011.



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 restricted fund balances/ net assets in the funds were reasonable and necessary to carry out the purposes of the funds at June 30, 2011 (based on the interpretation of reasonable and necessary provided by the Legislative Counsel Bureau),
- The sources of revenues, including transfers, available for the funds are as noted in the financial statements,
- The funds conformed to significant statutory and regulatory constraints on its financial administration during the year ended June 30, 2011,
- The fund balance and net assets of the funds are as noted in the financial statements.

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

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

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

Kafoury, Armstrong & Co.

Winnemucca, Nevada
November 28, 2011