TECHNICAL REPORT
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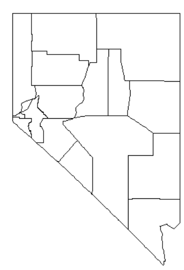
HUMBOLDT COUNTY:

FINANCIAL TRENDS AND INDICATORS



UNIVERSITY OF NEVADA, RENO

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FINANCIAL TRENDS AND INDICATORS

Prepared By:

Peter Janson
Ted E. Oleson, Jr
and
Thomas R. Harris

Nevada Cooperative Extension
Center For Economic Development
University of Nevada, Reno

Peter Janson is a Research Associate with the University Center for Economic Development, Department of Applied Economics and Statistics at the University of Nevada, Reno

Ted E. Oleson, Jr. is an Instructor in the Department of Economics at the University of Nevada, Reno.

Thomas R. Harris is Director of the University Center for Economic Development and a Professor in the Department of Applied Economics and Statistics at the University of Nevada, Reno.

May 1998

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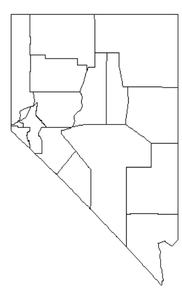
Thomas R. Harris, Director
University Center for Economic Development
University of Nevada, Reno
Department of Applied Economics and Statistics
Mail Stop 204
Reno, Nevada 89557-0105



UCED
University of Nevada, Reno
Nevada Cooperative Extension
Department of Applied Economics and Statistics

September 1998

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Executive Summary

Introduction:

Local Governments must understand their current fiscal position for planning their future needs and resources. The Financial Trends Monitoring System was developed by the International City Management Association as a standard approach to evaluate local fiscal conditions. The goal of this report is to present an overview of the county's economic, demographic, tax base, revenue, and spending trends. The trends in the indicators presented for these areas allow the county to assess its current condition and identify any emerging needs or problems. Within each group of indicators, the following aspects are presented:

- **Indicator Description and Relevance:** Each indicator is defined in the context of its importance in evaluating the fiscal condition.

- **A Comparison of Current and Past Conditions:** A ten year history of the indicator in tabular and graphic form allows the county to evaluate whether its current condition has improved or deteriorated.

- **Changes and Trends:** The changes in the indicator are examined to determine what has happened and whether it is an aberration or part of a trend.

- **Multiple Measures:** Each group of fiscal indicators presents several different measures which each show a particular aspect of the broader area. For example, demographics are measured by total population, growth rates, percent over age 64 and school enrollments.

Economic and Demographic Conditions:

The economic and demographic condition indicators are used to evaluate the community's needs and resources. The economy (measured by employment and other labor related measures) is an indicator of both the health of the community and its needs for public services. The demographic indicators (population and housing) show who is living in the community and what types of services are likely to be needed. Certain measures such as poverty rates or mobile home residents may indicate particular needs.

Analysis: The following indicators were used to evaluate the economic and demographic conditions in the county:

- **Population:** The county experienced strong and steady population growth throughout the period. The total population increased by 64.0% during the study period. The proportion of the age group over 64 grew from 7.3% in 1986 to 8.4% in 1996. The proportion of residents under age 20 remained constant.

- **Housing:** The county's housing is dominated by single family and mobile homes. The total number of housing units increased by 12.1% during the study period. Single family housing units increased by 8.0%. Mobile home units increased by 21.3% during the study period.

Similar to some other rural counties in Nevada, mobile homes are gaining in popularity. It appears that the county has a good mix of housing types.

- **Income:** Real income per capita grew at an average annual rate of 10.6% from 1987 through 1989. From 1989 through 1996 the growth rate was nearly flat, growing by a rate of 0.1% during the period. Therefore, real income per capita has slowed in recent years.

- **Poverty:** Food stamp recipients per 1000 population peaked in 1992 and then steadily dropped. In 1997 the decline in poverty leveled off. Poverty indicators in Humboldt County should be monitored in light of the decreased mining activity since the fall of 1997.

- **Labor:** The labor market indicators show some positive trends during the period from 1986 to 1996. However, the labor picture has benefited from a healthy mining sector during most of the study period. If the recent reduction in gold prices drastically affects mining activity, the increasing employment trend of the period may reverse itself. The unemployment rate has been steadily dropping during the period and as of 1996 was below the statewide average. However, the drop in gold prices is certain to increase unemployment as the mining industry lays of workers.

- **Business Activity:** Business activity is monitored by building activity as a major source of small business in the county. Building activity of all types was fairly strong during the entire study period. Nonresidential activity was particularly strong and helps to account for the favorable employment situation that existed during the period.

In general, the economic and demographic indicators show that the county has had relatively high economic growth and population growth. This stems from a strong mining sector in the region. As a result of the growth, income increased and poverty decreased. There was also significant construction and small business activity as a result of the demand for housing.

Tax Bases:

The local economy provides resources for local government through a variety of revenue sources. These revenues are derived from taxes or charges levied upon particular tax bases. In Nevada, the major tax bases for local government is sales, property and mining. While increasing tax bases are positive, the true indicator for evaluating the local government's ability to provide services is the inflation-adjusted amount of the tax base per person (or per capita). If the per capita tax base is increasing, the local government will generate more revenue per resident. A decreasing per capita tax base is a negative indicator since it means that the county has fewer resources per resident.

Analysis: The following indicators were used to evaluate the county's tax bases:

- **Assessed Value of Property:** Assessed value of property has grown consistently since 1988. Net proceeds of mines adds considerably to total assessed value of property. It also adds to the volatility of this tax base when mine profits slump. Population increases and the subsequent housing growth have added to the consistent increase in the assessed value of property.

- **<u>Taxable Sales:</u>** Real taxable sales generally grew throughout the study period. Sales tax revenues were flat from 1991 through 1994. This period was probably affected by the recession and a downturn in construction as mining activity leveled off. In 1995 and 1996 real taxable sales grew at a significant rate.

- **<u>Net Proceeds of Mines:</u>** Net proceeds of mines increased drastically from 1986 to 1989 as significant mining operations came on line. As mining activity leveled off net proceeds gradually decreased. In 1995 and 1996 mine development costs (an expense write-off) significantly reduced mine profits and therefore net proceeds of mines. The gold price plunge in late 1997 is expected to further reduce net proceeds of mines.

The property tax and sales tax bases have been relatively stable, while the net proceeds of mines tax base has varied considerably during the period from 1986 to 1996. Property taxes now account for less resources per capita while sales and mining account for more. The tax bases are inextricably linked to mining activity. Net proceeds of mines add to total assessed value while gross proceeds (mining activity) adds to the value of real taxable sales. Mining sector employment also leads to housing construction, which is a source of property tax and sales tax revenue.

Revenues:

Local governments receive revenues from various sources. Some sources are relatively stable while the business cycle and growth of the community affect others. The community needs to have sufficient revenues to provide the necessary services while having a mix of revenue sources that will not be too sensitive to any downturn in the local economy. The elastic revenue sources are that sensitive to the business cycle. If the share of revenues coming from elastic sources is rising, this may forebode problems in the event of an economic downturn. A community's tax rates are an indicator of whether the tax base is keeping pace with growth or whether higher rates are needed to finance necessary services for growth. Tax rates are limited by Nevada Statutes and by voters.

<u>Analysis:</u> Corresponding to the issues described above, a number of revenue indicators were analyzed:

- **<u>Real Revenues:</u>** In general both nominal and real revenue grew for Humboldt County during the past decade. However, there were significant fluctuations. This was due to the fluctuations in mining activity during the study period.

- **<u>Revenue Sources:</u>** Property tax revenues have been inconsistent and are subject to variability in net proceeds of mines. Sales tax revenues have also been inconsistent and are subject to variability in gross proceeds of mines. “Other” revenue sources have generally trended downward.

- **<u>Composition of Revenues:</u>** The composition of revenues has varied over the years. Again this is attributed to the cycle of mining activity. Other revenue sources are a significantly smaller portion of total revenues.

- **<u>Restricted Revenues:</u>** The county utilizes a small amount of restricted revenues compared to the statewide average of other Nevada counties.

- **<u>Intergovernmental Revenues:</u>** Intergovernmental revenues are lower than the statewide average. If sales taxes become more important as a revenue source the ratio will increase.

- **<u>Elastic Revenues:</u>** Elastic revenues generally decreased from 1986 to 1994. From 1994 to 1997 they increased. However, with the drop in gold prices and the subsequent effect on the local economy and sales tax revenues, there is a good possibility elastic revenues will also drop.

- **<u>All Funds:</u>** The general fund constitutes about half of the spending in Humboldt County in 1997 at 52.9%. As a percentage of total funds, the Humboldt County ratio is significantly higher in comparison with other counties. This should be monitored.

- **<u>Property Tax Rate:</u>** The property tax rate in Mineral County has been steadily increasing. This is similar to other counties in Nevada. This indicator should be monitored to avoid dependence on property tax revenues and to maintain fiscal options.

- **<u>Actual Minus Budgeted Revenues:</u>** For most of the years prior to 1996, the county seemed to have somewhat conservative revenue forecasts. That is, the actual revenues tended to be somewhat higher than budgeted. This is a positive indicator. The county appears to budget revenues properly.

Expenditures:

Local expenditures should be providing the necessary services to the local population. Factors determining expenditures include budget priorities, demands for services and uncontrollable factors such as federal mandates, and inflation. Expenditures per capita should not rise excessively (unless reflecting voter desire for more services) nor decrease excessively (unless due to efficiency savings). If the composition of spending changes, it may indicate changes in budget priorities or forced reductions due to lack of revenues.

<u>Analysis:</u> A number of indicators of government expenditures were analyzed including:

- **<u>Real Expenditures:</u>** Real expenditures have risen fairly steadily in Humboldt County during the past decade. In general, expenditures have risen faster than inflation.

- **<u>Expenditures per capita:</u>** Overall, spending per capita grew by 18.0% during the period from 1986 to 1997. This may represent new or additional services provided. The county should monitor whether these additional costs are due to increased services or decreased productivity or efficiency.

- **<u>Composition of spending:</u>** The composition of spending functions has not changed significantly during the study period. However, if mining activity decreases, the economy and population will face a transition period. Social or other services may require increased spending during this period; or, spending may have to be reduced due to decreased revenues.

- **<u>Number of Employees per 1000 resident population:</u>** Public employees per 1000 population is trending downward during the study period. It appears that the county may be serving more people with fewer personnel. This should be monitored to be certain that level of service does not reach unacceptable levels.

- **<u>Salaries and Benefits:</u>** Benefits in Humboldt County have risen from 23.6% of total compensation to 34.5%. While other Nevada counties have seen similar increases, this is a warning indicator and should be monitored closely.

Operating Position:

Local governments are not allowed to operate in a deficit position. Some local governments facing higher expenditures than revenues had an operating deficit made up by depleting the previous years ending balance. This is acceptable for short-term or unforeseen circumstances but a trend of operating deficits is negative.

<u>Analysis:</u> The following indicators are used to evaluate operating position for the county:

- **<u>Net Surplus (Deficit):</u>** The general fund has usually maintained a net surplus during the study period. There have not been two consecutive years with net deficits. This is a positive indicator.

- **<u>Ending Balance:</u>** Humboldt County's ending balance as a percent of total expenditures has averaged an incredibly high 51.8% during the period from 1986 to 1997. Although this shows prudent fiscal management, the county may consider investment options to increase revenues.

Capital:

Expenditures for operating equipment—such as trucks and computers—drawn from the operating budget are usually referred to as capital outlay. Capital outlay items normally include equipment that will last longer than one year and that has an initial cost above a significant minimum cost. The ratio of capital outlay to net operating expenditures is a rough indicator of whether the stock of equipment is being adequately replaced. If this ratio declines it may mean that the local government's needs are temporarily satisfied or that they are being deferred due to other budget priorities.

Analysis: The following indicators are used to evaluate capital outlay for the county:

- **Capital Outlay:** Capital outlay has fluctuated during the period. The fluctuation is apparent in the measure of actual spending and the ratio of capital outlay as a percent of the total general fund spending.

- **Capital Outlay to Total Spending:** The ratio of capital outlay to total spending is relatively high for Humboldt County. The statewide average for the period from 1986 to 1997 is 2.3%. In Humboldt County the average for this period is 8.0%.

I Economic and Demographic Characteristics

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By and large, the economic and demographic characteristics are beyond the control of local government, which can usually only react to them. In the long run, a community needs a local economic base that is protected from sudden downturns in the business cycle but can take advantage of upturns.

- **Population:** The county experienced strong and steady population growth throughout the period. The total population increased by 64.0% during the study period. The proportion of the age group over 64 grew from 7.3% in 1986 to 8.4% in 1996. The proportion of residents under age 20 remained constant.

- **Housing:** The county's housing is dominated by single family and mobile homes. The total number of housing units increased by 12.1% during the study period. Single family housing units increased by 8.0%. Mobile home units increased by 21.3% during the study period. Similar to some other rural counties in Nevada, mobile homes are gaining in popularity. It appears that the county has a good mix of housing types.

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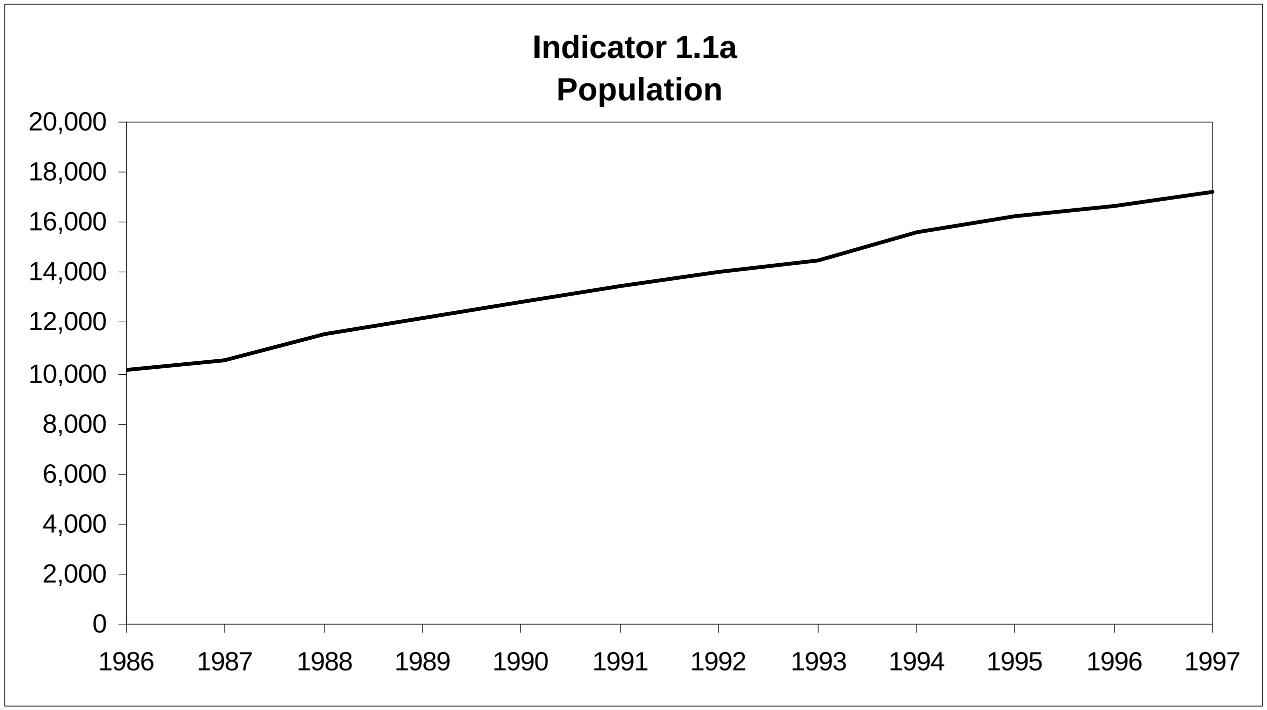
In general, the economic and demographic indicators show that the county has had relatively high economic growth and population growth. This stems from a strong mining sector in the region. As a result of the growth, income increased and poverty decreased. There was also significant construction and small business activity as a result of the demand for housing.



Indicator 1.1a	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997
Population	10,155	10,523	11,564	12,187	12,844	13,500	14,000	14,510	15,640	16,270	16,656	17,217
Percent Growth		3.6%	9.9%	5.4%	5.4%	5.1%	3.7%	3.6%	7.8%	4.0%	2.4%	3.4%

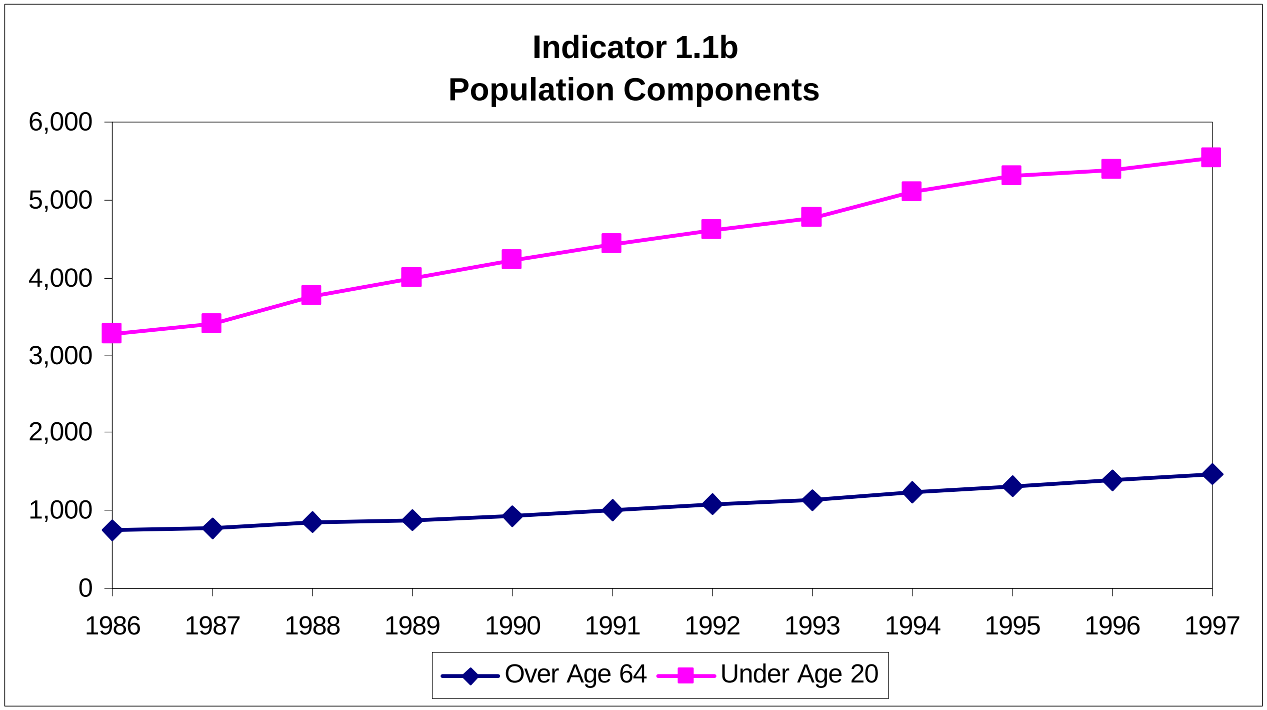
Source: Nevada State Demographer

Indicator 1.1 a
Population

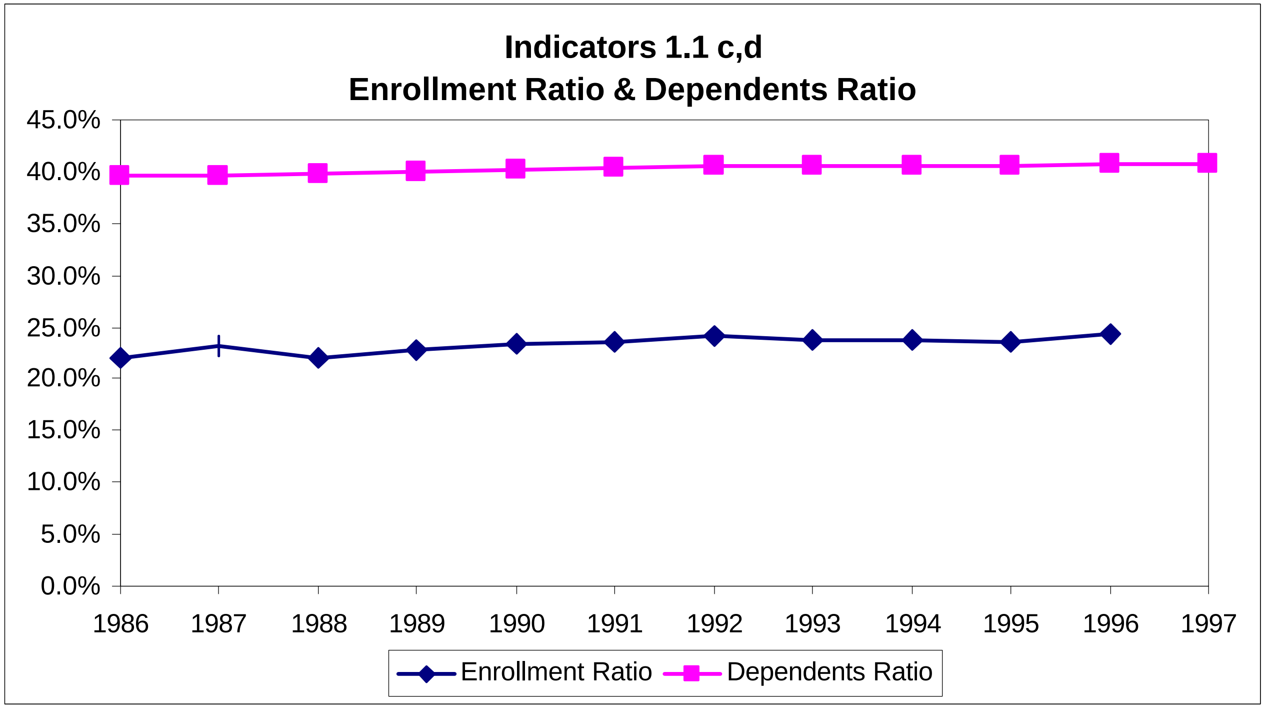
Description: Population is a fundamental indicator of the size of the community. It thus reflects the most basic measure of the demand for public services and the local tax base. Significant population changes can have budgetary implications. If population grows too rapidly this may create need for increased capital and public services. If population declines or grows too slowly, the community may not enjoy economies of scale from local infrastructure (such as sewer and roads) and costs per resident may actually increase. Population decline may also require reduced spending.

Analysis: The county experienced strong and steady population growth throughout the period. Over the period the county grew by 64.0% compared with a similar state total growth of 69.9%. The state annual average growth rate was 5.2%, the rural county* growth rate was 4.0% and the Humboldt County growth rate was 4.9%. Therefore, Humboldt County grew almost as fast as the statewide growth rate, which is dominated by Clark County, yet faster than the other rural counties.

*Includes all Nevada counties except Clark and Washoe.



Indicator 1.1b	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997
Over Age 64	739	767	845	887	939	1,008	1,075	1,133	1,241	1,316	1,399	1,476
Percent Over 64	7.3%	7.3%	7.3%	7.3%	7.3%	7.5%	7.7%	7.8%	7.9%	8.1%	8.4%	8.6%
Under Age 20	3,274	3,403	3,758	3,982	4,216	4,438	4,611	4,756	5,107	5,293	5,383	5,532
Percent Under 20	32.2%	32.3%	32.5%	32.7%	32.8%	32.9%	32.9%	32.8%	32.7%	32.5%	32.3%	32.1%



Indicator 1.1c	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997
School Enrollment	2,228	2,433	2,551	2,785	2,999	3,184	3,368	3,453	3,702	3,845	4,046	
Enrollment Ratio	21.9%	23.1%	22.1%	22.9%	23.3%	23.6%	24.1%	23.8%	23.7%	23.6%	24.3%	
Dependents Ratio	39.5%	39.6%	39.8%	40.0%	40.1%	40.3%	40.6%	40.6%	40.6%	40.6%	40.7%	40.7%

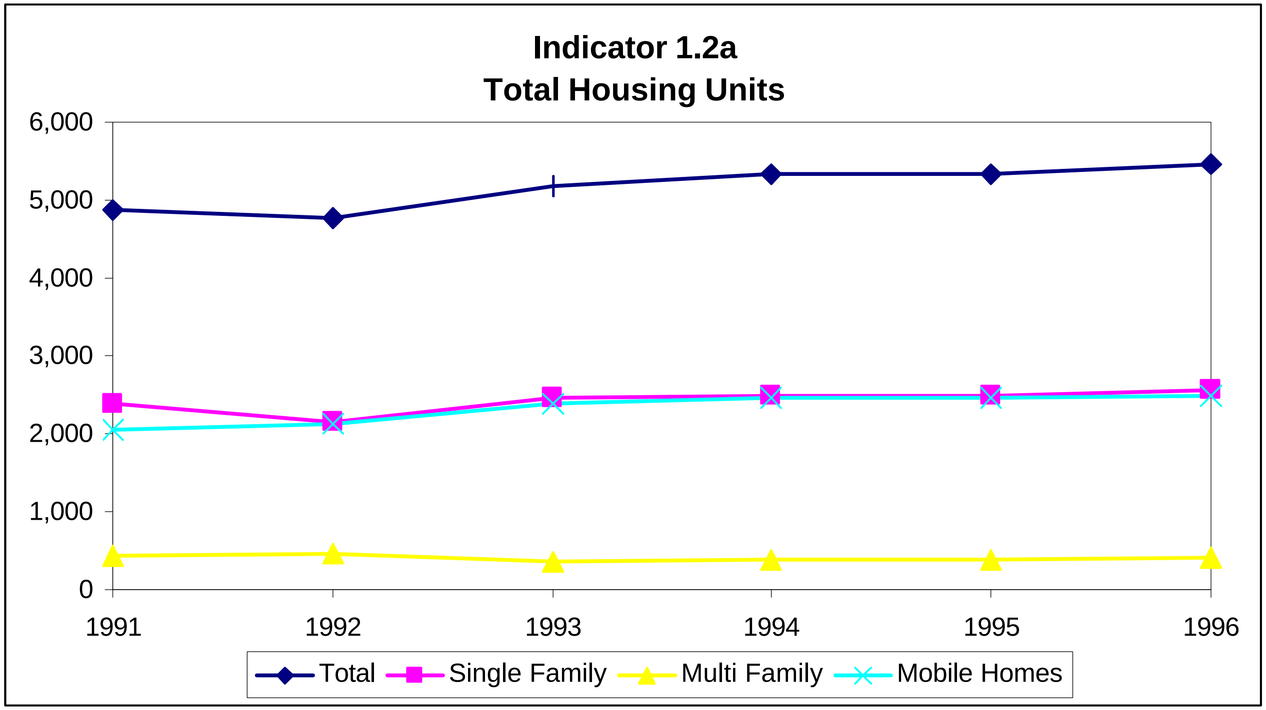
Source: Nevada State Demographer

1.1 b
Population Components

1.1 c
Dependents Ratio & Enrollment Ratio

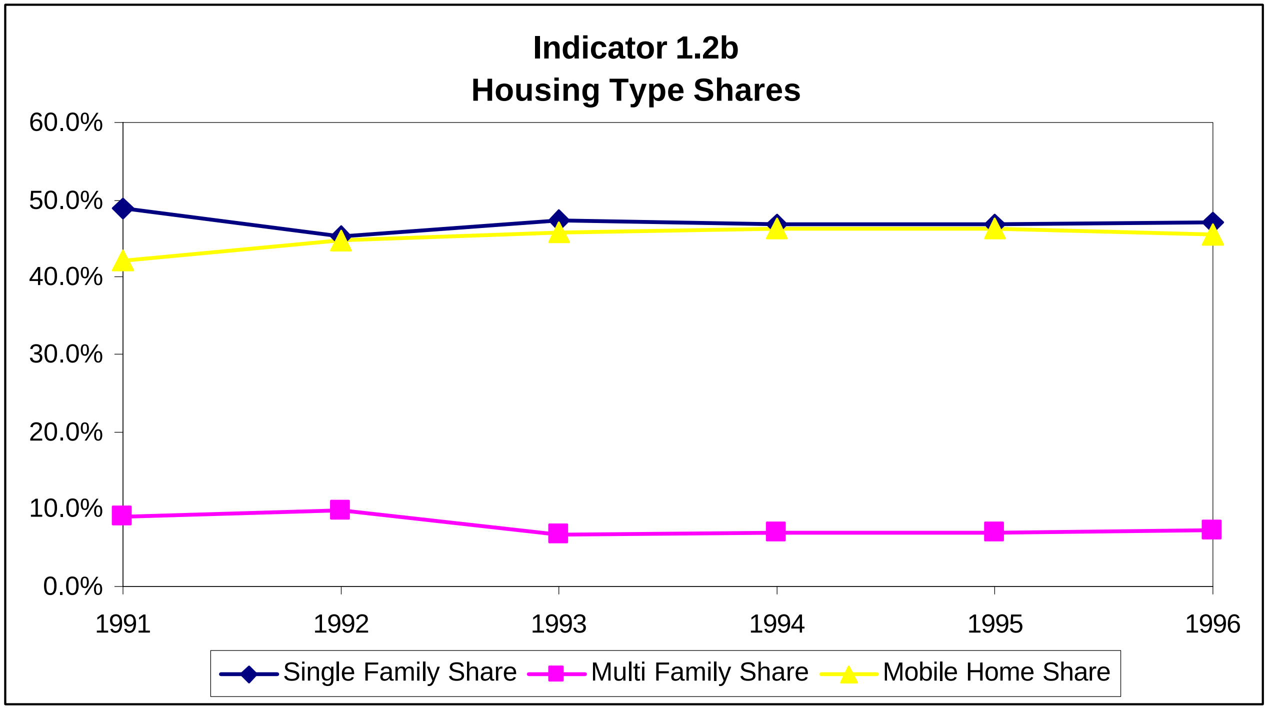
Description: The components of the population represent different age groups within the county. The importance of this indicator is that school enrollment represents demand for school services and other child services while the population over age 64 typically has different demands for public services. Older population groups typically require higher levels of services such as medical care, long-term care, and other social services. The percent of dependents in the population consists of persons under age 20 (children and school age) and persons over age 64 (presumably retired). If the number of dependents in an area rises too high it may mean that a higher tax burden will be imposed on the rest of the population.

Analysis: The number and proportion of dependents in the county have increased during the period. While the total population increased by 64.0% during the period, the age group over 64 grew by 89.3%. The proportion of the age group over 64 grew from 7.3% in 1986 to 8.4% in 1996. The proportion of residents under age 20 remained constant. In general, the increased number of persons over 64 may require shifts in budget priorities. The dependents ratio increased somewhat due to the increase in elderly population. The enrollment ratio increased from 21.9% to 24.3%. Reasons for this increase are beyond the scope of this report.



Indicator 1.2a	1991	1992	1993	1994	1995	1996
Total Housing	4,874	4,771	5,180	5,327	5,327	5,465
Single Family	2,381	2,164	2,455	2,489	2,489	2,572
Multi Family	437	473	351	372	372	400
Mobile Homes	2,056	2,134	2,374	2,466	2,466	2,493

Source: Nevada State Demographer, County Assessor



Indicator 1.2b	1991	1992	1993	1994	1995	1996
Single Family Share	48.9%	45.4%	47.4%	46.7%	46.7%	47.1%
Multi Family Share	9.0%	9.9%	6.8%	7.0%	7.0%	7.3%
Mobile Home Share	42.2%	44.7%	45.8%	46.3%	46.3%	45.6%

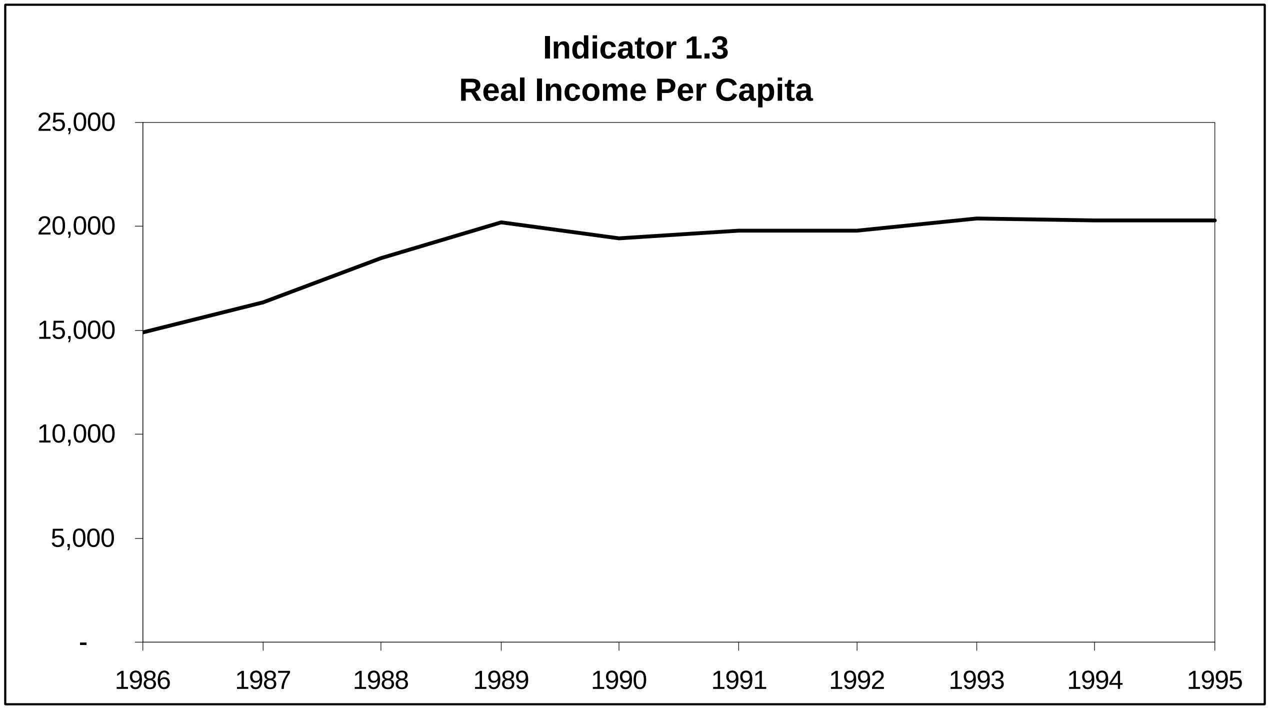
Source: Nevada State Demographer, County Assessor

Indicator 1.2 a
Total Housing Units

Indicator 1.2 b
Types of Housing

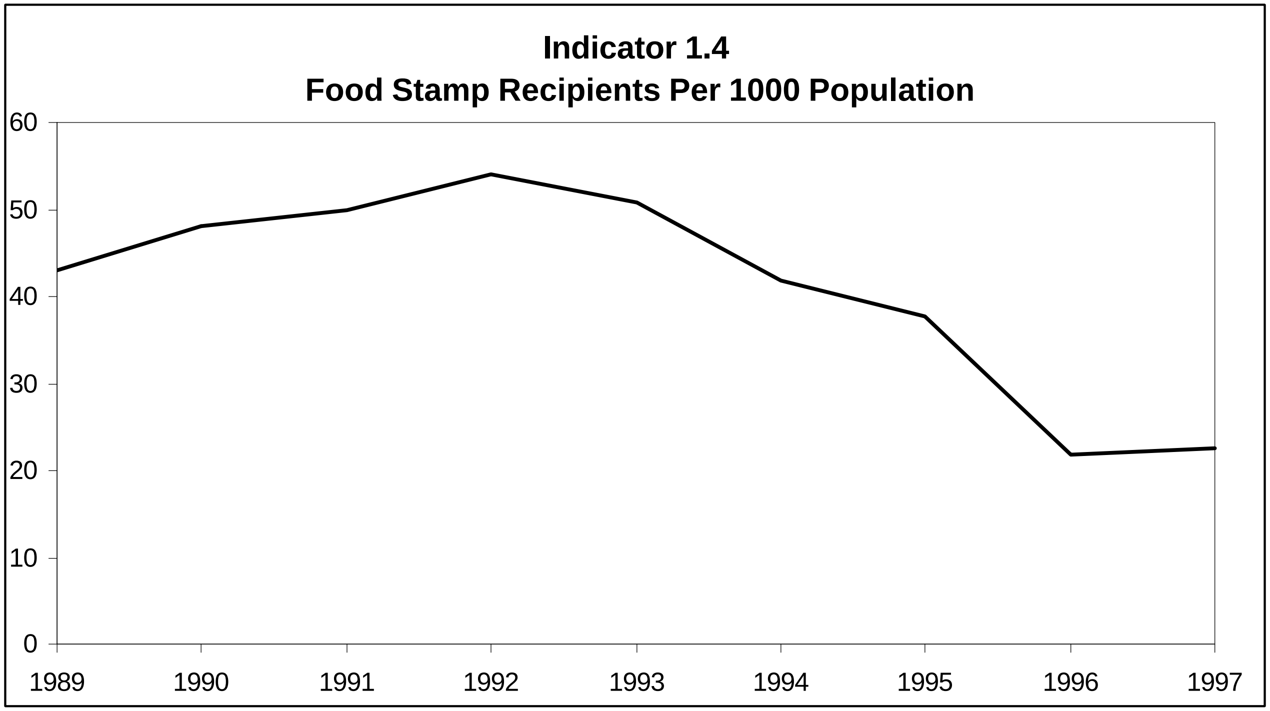
Description: The number and type of housing are indicators of the need for housing related services and indirect indicators of the property tax base. Like population, if housing grows too fast, the community's infrastructure may be stretched. If housing grows too slow or declines this may cause declining housing prices and declining property tax base. The type of housing is important as different housing has different values and different impacts on infrastructure and public services. For example, mobile homes typically have lower values than single family and depreciate faster. Single family houses typically have higher number of persons per house. Multifamily (apartments or condominiums) often serves as entry level or temporary housing. A community should have a mix of housing types.

Analysis: The total number of housing units increased by 12.1% during the study period. Single family housing units increased by 8.0%, while multi family housing units decreased by 8.5%. Mobile home units changed by the greatest amount, increasing by 21.3% during the period. Similar to some other rural counties in Nevada, mobile homes are gaining in popularity. It appears that the county has a good mix of housing types.



Indicator 1.3	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995
Income Per Capita	12,346	13,887	16,122	18,199	18,308	19,300	19,763	20,877	21,133	21,854
Real Income Per Capita	14,930	16,309	18,448	20,174	19,464	19,805	19,763	20,402	20,252	20,276

Sources: Bureau of Economic Analysis REIS.



Indicator 1.4	1989	1990	1991	1992	1993	1994	1995	1996	1997
AFDC Recipients	140	166	154	214	188	253	228	137	128
Food Stamp Recipients	525	617	674	757	738	653	614	365	387
F/S Recipients Per 1000	43	48	50	54	51	42	38	22	22

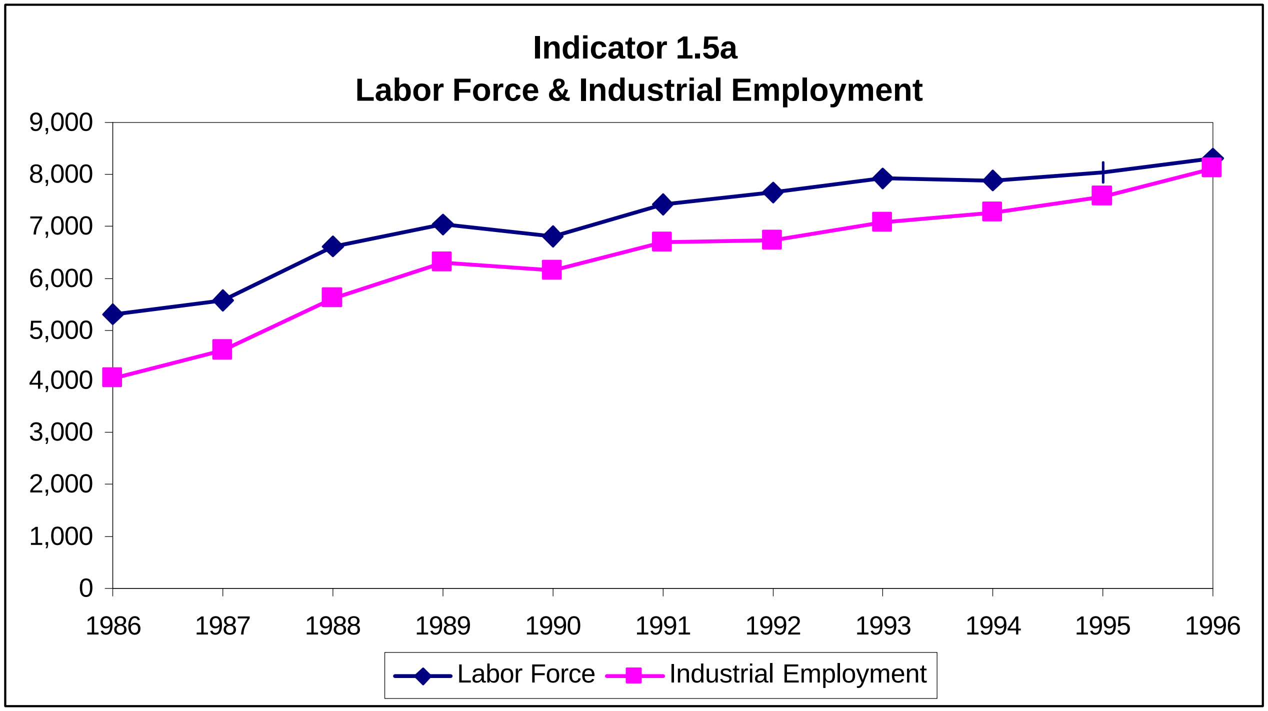
Sources: State of Nevada, Human Resources Department, Welfare Division
Note: Welfare data are estimates only, not official caseload. Estimates are taken in March of the following year.

Indicator 1.3
Real Income Per Capita

Indicator 1.4
Food Stamp Recipients Per 1000 Population

Description: The two measures of income represent the level and distribution of income within the county. Real per capita income shows the average amount of income earned by residents within the county. A rising level of per capita income indicates a more prosperous economy. Food stamp and AFDC recipients represent the number of people in poverty. A rising number of Food Stamp or AFDC recipients may indicate increasing demands for social services and problems with the local economy. To adjust for population changes, the number of Food Stamp recipients is also reported per 1000 population.

Analysis: Real per capita income for Humboldt County exhibits two distinctive trends. Real income per capita grew at an average annual rate of 10.6% from 1987 through 1989. This is uncommon and unsustainable. From 1989 through 1996 the growth rate was nearly flat, growing by a rate of 0.1% during the period. Food stamp recipients per 1000 population peaked in 1992 at 52 and then steadily dropped. The figure now stands at 22, which is almost a 50% drop from the 1990 level of 41. In general these indicators are positive. Income in the county is growing faster than population and inflation, and poverty is being reduced.



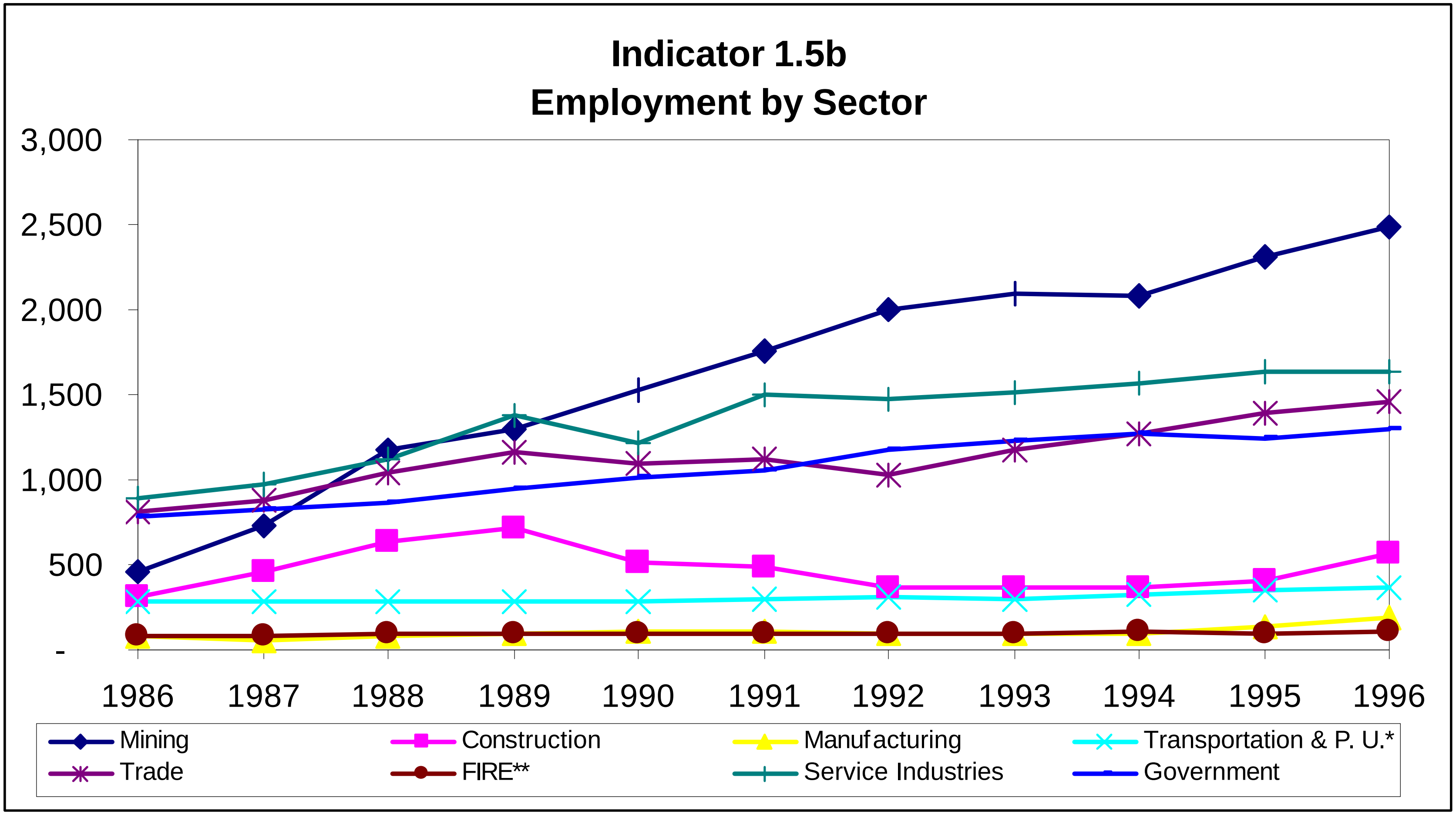
Indicator 1.5a	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996
Labor Force	5,280	5,570	6,610	7,040	6,780	7,420	7,650	7,900	7,870	8,050	8,300
Industrial Employment	4,054	4,615	5,599	6,283	6,123	6,671	6,717	7,059	7,253	7,570	8,100

Sources: State of Nevada, Employment, Training and Rehabilitation Department.

Indicator 1.5 a
Labor Force and Industrial Employment

<u>Description:</u> Indicator 1.5a shows the labor market conditions in the county. Labor availability, measured by labor force, indicates the number of people who are either actually working or actively seeking a job. Industrial employment is an indicator of job availability through employers located within the county.

<u>Analysis:</u> The labor market indicators show some positive trends during the period from 1986 to 1996. Employment based within the county as well as employment opportunities located outside the county, yet available for Humboldt County residents, have been rising. Labor force has always been higher than industrial employment indicating that many Humboldt County workers were employed outside the county. Recently, labor force and industrial employment have converged, indicating that incommuters are roughly equal in number to outcommuters. The labor picture has benefited from a healthy mining sector during most of the study period. If the recent reduction in gold prices drastically affects mining activity, the increasing employment trend of the period may reverse itself.



*Transportation and Public Utilities
**Finance, Insurance & Real Estate

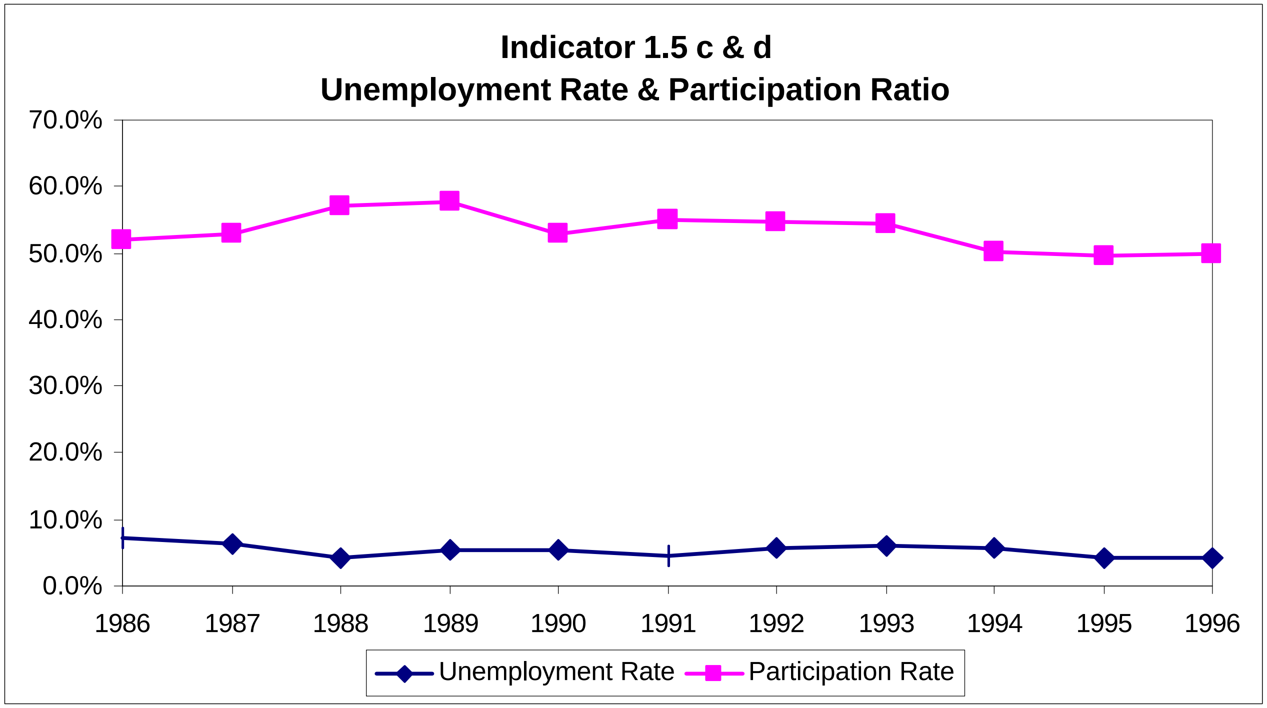
Indicator 1.5d	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996
Total Employment	3,700	4,290	5,280	5,980	5,850	6,420	6,540	6,880	7,090	7,560	8,120
Mining	460	730	1,170	1,300	1,530	1,760	2,000	2,090	2,080	2,310	2,490
Construction	310	460	630	720	520	490	360	370	370	410	570
Manufacturing	80	60	80	100	110	110	100	100	100	130	190
Transportation & P. U.*	290	290	280	290	290	300	310	300	320	350	370
Trade	810	880	1,040	1,160	1,090	1,120	1,030	1,170	1,270	1,390	1,460
FIRE**	80	80	90	90	90	90	90	100	110	100	110
Service Industries	890	970	1,120	1,380	1,210	1,500	1,470	1,520	1,570	1,630	1,630
Government	780	820	870	940	1,010	1,050	1,180	1,230	1,270	1,240	1,300

*Transportation and Public Utilities
**Finance, Insurance & Real Estate
Note: Reflects employment by place of work. Figures are yearly average. This data does not necessarily coincide with other labor data.

Indicator 1.5 b
Employment by Sector

Description: Employment by Sector depicts the industrial makeup of the county or region's economy. The local economy may have a predominance of service or manufacturing or other industries. In the State of Nevada it is typical that a local economic base is dominated by a single industry, such as gaming or mining. Therefore, the health of a single industry can be a significant factor affecting the fiscal condition of the county and employment opportunities for local residents.

Analysis: In general, mining and related support industries have been growing sectors of total employment. For 1996, the mining industry accounted for 30.7% of workers in Humboldt County. Of course this creates a dominant position in the local economy. Therefore, this industry will have a "ripple" effect on the rest of the local economy and employment. However, during the spring of 1998 there have been significant layoffs of mine workers due to the drop in the price of gold. There is no consensus opinion of the future price of gold. It is only known that mining activity is declining as of the spring of 1998. In recent years there has been a significant amount of mine development activity. This can lead to a more substantial mining industry presence in the future.



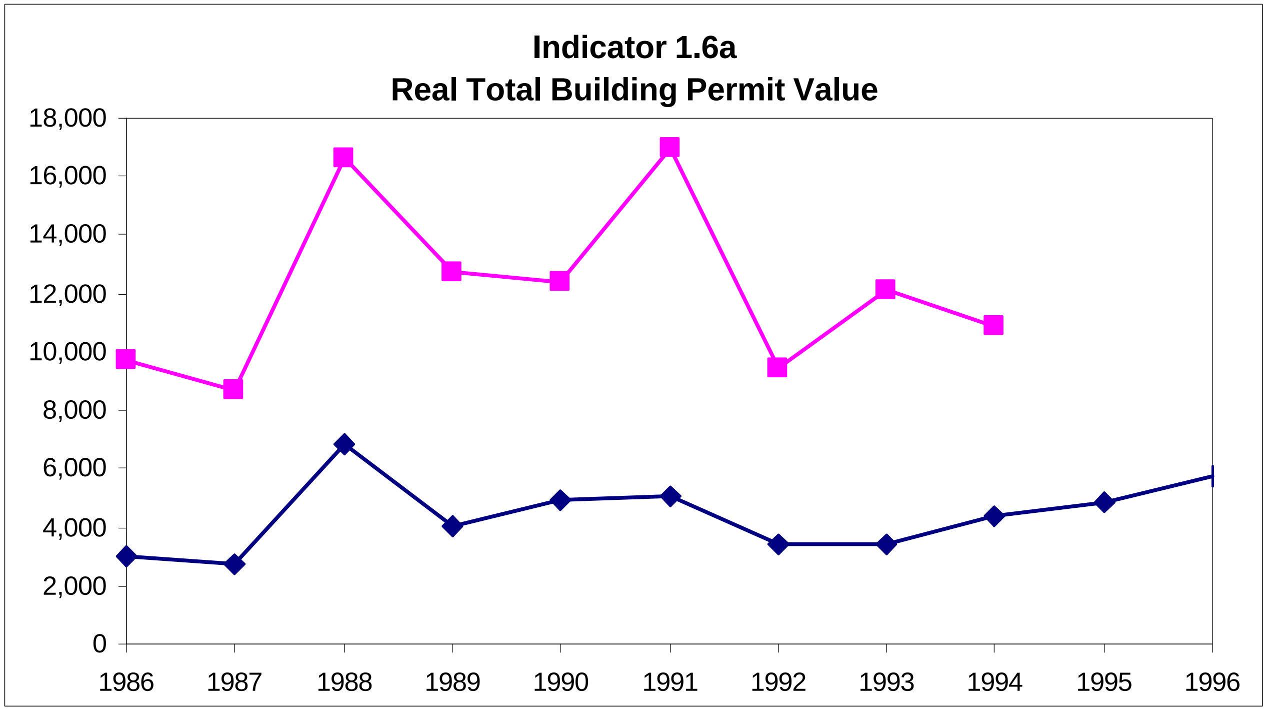
Indicator 1.5 c & d	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996
Unemployment Rate	7.3%	6.3%	4.3%	5.3%	5.5%	4.5%	5.6%	6.1%	5.8%	4.3%	4.1%
Participation Rate	52.0%	52.9%	57.2%	57.8%	52.8%	55.0%	54.6%	54.4%	50.3%	49.5%	49.8%

Sources: State of Nevada, Employment, Training and Rehabilitation Department.

Indicator 1.5 b & c
Unemployment Rate & Participation Ratio

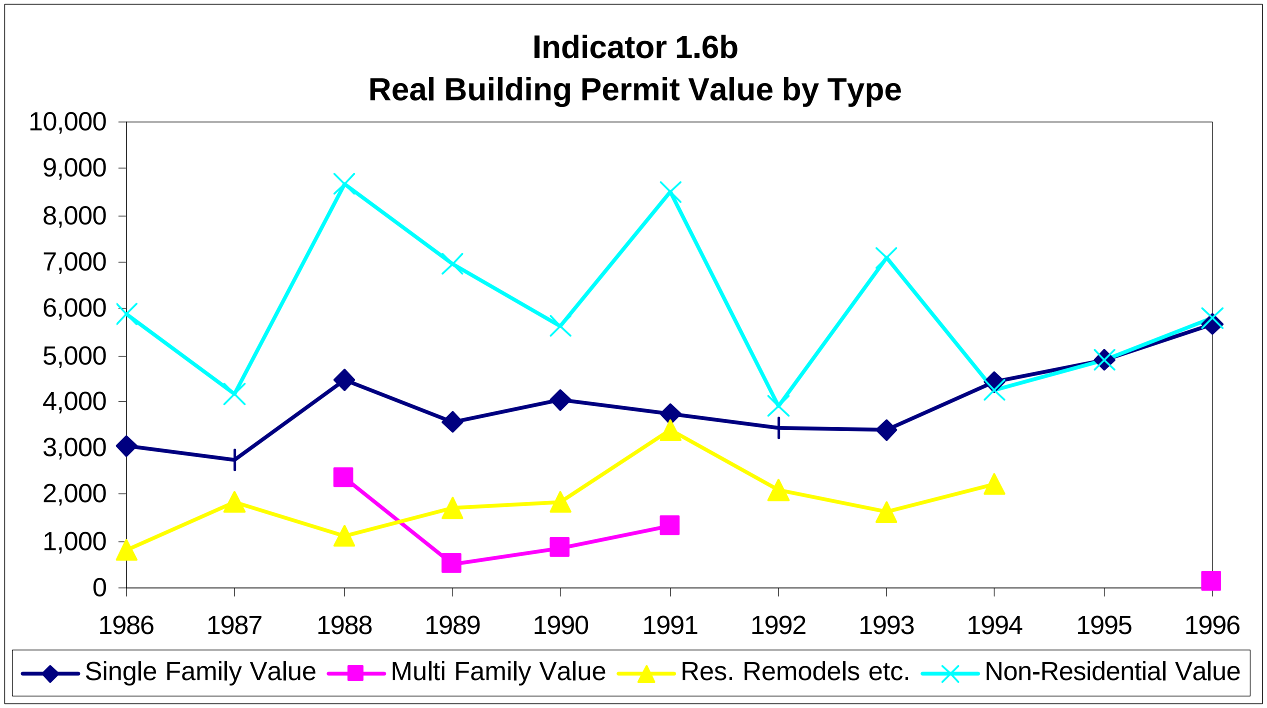
Description: The participation ratio indicates the proportion of people in the labor force relative to the total population. An increasing participation rate indicates that more of the population is able to work. The unemployment rate measures the percent of the labor force that is unable to find employment. A decreasing unemployment rate is an indicator of a better local economy. However, long-term unemployment often causes people to either stop looking for work or move out of the area; either of these choices causes the unemployment rate to appear to decline.

Analysis: The unemployment rate has been steadily dropping during the period and as of 1996 was below the statewide average. However, the drop in gold prices is certain to increase unemployment as the mining industry lays of workers.



Indicator 1.6a	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996
Residential Value	3,031	2,734	6,824	4,041	4,894	5,094	3,448	3,391	4,409	4,871	5,776
Total Permit Value	9,725	8,725	16,612	12,716	12,355	16,969	9,469	12,086	10,895		

In Thousands of Dollars



Indicator 1.6b	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996
Single Family Value	3,031	2,734	4,456	3,544	4,037	3,753	3,448	3,391	4,409	4,871	5,667
Multi Family Value			2,368	496	858	1,340					109
Res. Remodels etc.	802	1,824	1,119	1,712	1,830	3,390	2,095	1,622	2,218		
Non-Residential Value	5,892	4,167	8,669	6,963	5,631	8,486	3,926	7,073	4,268	4,871	5,776

In Thousands of Dollars

Indicator 1.6a
Total Building Permit Value

Indicator 1.6b
Building Permit Value by Type

Description: The value and type of building permits are indicators of economic activity. Building permits activity is subject to the economy and interest rates. The construction sector is a significant share of the overall economy and building permit data can act as a leading indicator. Construction activity is dominated by small businesses that are typically located within the county. Therefore local small business activity can be monitored with building permit data. Building permit type is important because multi family and non-residential permits typically indicate future business activity while single family permits indicate more immediate business activity. Non-residential building activity may also be public sector or single event construction activity, which may not have a long-term effect on the local economy. The type of activity can also indicate change in the structure of the real property stock.

Analysis: Building activity of all types was fairly strong during the entire period. Nonresidential activity was particularly strong and helps to account for the favorable employment situation that existed during the period. From 1988 to 1994 the county averaged more than 17 industrial building permits annually. Single family construction and residential remodeling was also quite prevalent throughout the period. From 1992 till 1996 multifamily construction in the county was nonexistent. This may indicate a pent up demand for entry level housing.

II Tax Bases

Description:

Local tax bases are directly related to the level of economic activity in the county. Through the various tax formulas, the tax bases generate revenues for local government. The largest tax bases for county governments in Nevada are property, sales, mining and gaming. Unfortunately, gaming data is not available for most rural Nevada counties.

To provide necessary services, a local government requires a stable or increasing tax base. To measure tax bases requires adjusting for two factors: inflation and population. A tax base must keep pace with both these factors. The most important measure of a tax base is therefore its "real per capita" level. The term "real" refers to inflation adjusted while "per capita" refers to dividing by the population. If the real per capita tax base is increasing, then a constant tax rate will provide increased tax revenues per resident. If the per capita base is decreasing, then tax rates must be increased just to maintain the current tax revenues. Often when local governments ask whether growth pays for itself, they are asking whether the local tax base per capita is rising or falling.

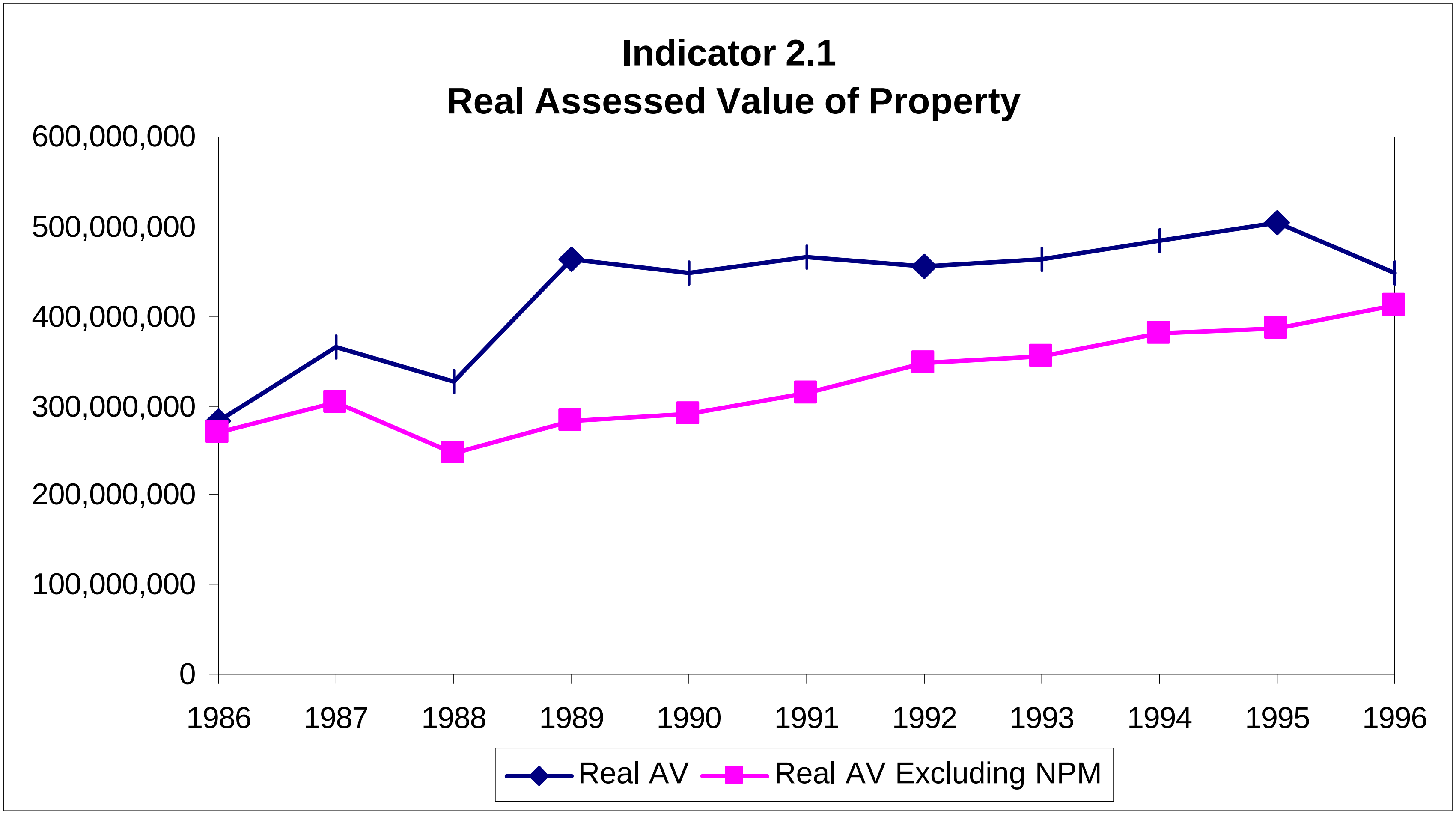
Analysis:

- **Assessed Value of Property:** Assessed value of property has grown consistently since 1988. Net proceeds of mines adds considerably to total assessed value of property. It also adds to the volatility of this tax base when mine profits slump. Population increases and the subsequent housing growth have added to the consistent increase in the assessed value of property.

- **Taxable Sales:** Real taxable sales generally grew throughout the study period. Sales tax revenues were flat from 1991 through 1994. This period was probably affected by the recession and a downturn in construction as mining activity leveled off. In 1995 and 1996 real taxable sales grew at a significant rate.

- **Net Proceeds of Mines:** Net proceeds of mines increased drastically from 1986 to 1989 as significant mining operations came on line. As mining activity leveled off net proceeds of mines gradually decreased. In 1995 and 1996 mine development costs significantly reduced mine profits and therefore net proceeds of mines. The gold price plunge in late 1997 is expected to further reduce net proceeds of mines.

The property tax and sales tax bases have been relatively stable, while the net proceeds of mines tax base has varied considerably during the period from 1986 to 1996. Property taxes now account for less resources per capita while sales and mining account for more. The tax bases are inextricably linked to mining activity. Changes in net proceeds of mines affects total assessed value while changes in gross proceeds of mines generally are reflected in taxable sales.



Indicator 2.1
Real Assessed Value of Property
600,000,000
500,000,000
400,000,000
300,000,000
200,000,000
100,000,000
0
1986
1987
1988
1989
1990
1991
1992
1993
1994
1995
1996
Real AV
Real AV Excluding NPM

Indicator 2.1	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996
Assessed Value*	234	312	286	418	422	454	455	474	505	544	497
AV [1] Excluding NPM[2]	223	258	215	255	273	307	347	363	397	417	457
NPM	11	54	71	163	148	147	108	111	109	128	40
Real AV	283	366	327	464	448	466	455	464	484	505	449
Real AV Excluding NPM	270	303	246	283	290	315	347	355	380	387	413
Real Total AV Per Capita	27,860	34,778	28,297	38,052	34,901	34,489	32,478	31,948	30,964	31,040	26,977
Real AV-NPM Per Capita	26,540	28,767	21,289	23,184	22,611	23,327	24,776	24,466	24,313	23,767	24,803

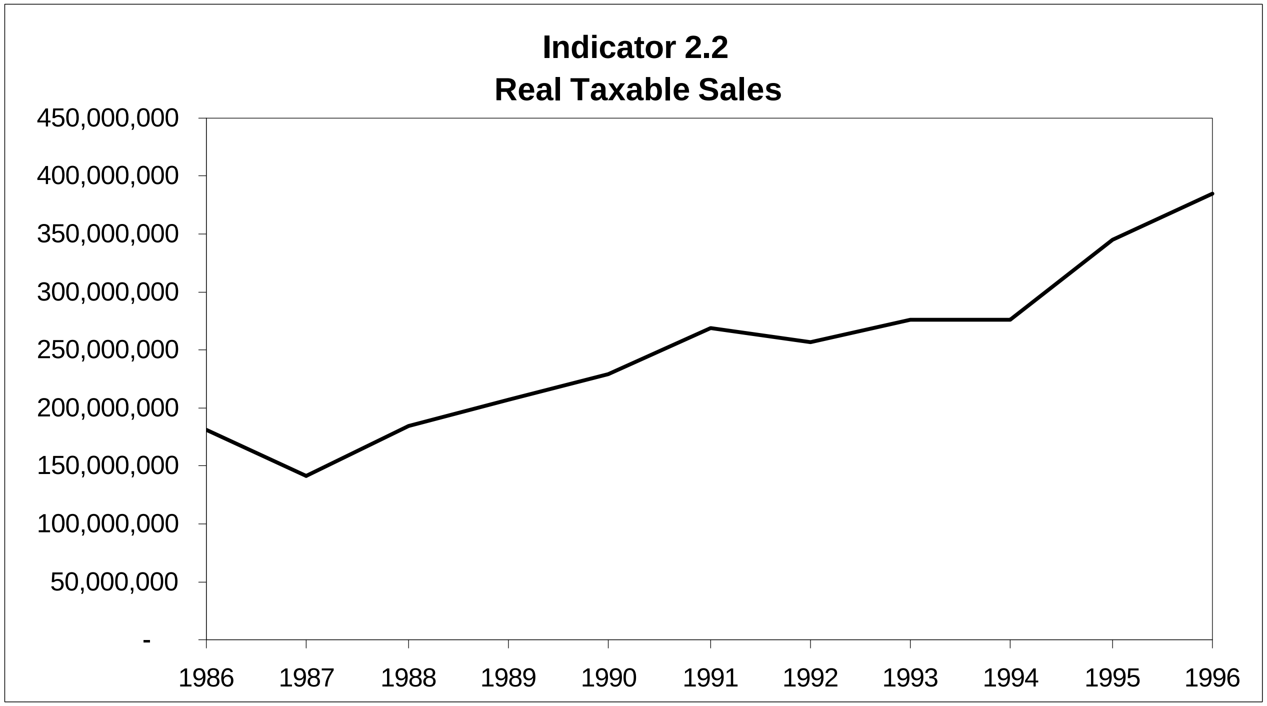
[1] AV-Assessed Value
[2] NPM-Net Proceeds of Mines
*In Millions of Dollars

Source: Nevada Department of Taxation

Indicator 2.1
Real Assessed Value of Property

Description: Assessed value is the taxable value of real and personal property. It includes centrally assessed property (such as utilities) and net proceeds of mines. Assessed value is normally the most stable tax base in a county. Wide fluctuations, especially downward, are indicative of a decrease in local tax base. Real Assessed value adjusts the reported values for the effects of inflation. Real assessed value per capita adjusts for population. This indicator should be stable or increasing.

Analysis: Real assessed value of property decreased in 1988 followed by a sharp increase in 1989. The graph above illustrates the effect of increased mining activity on assessed value. The assessed value of mining activity increased sharply in 1989. A corresponding higher than normal increase in assessed value of other property occurred in the same year. Real assessed value of property and real assessed value excluding net proceeds of mines are higher in 1996 than they were in 1986. However, on a per capita basis, 1996 total assessed values were 6.5% lower than in 1986. This means that each county resident has a lower property tax base than in 1986. This is due to the significant population growth during the period.



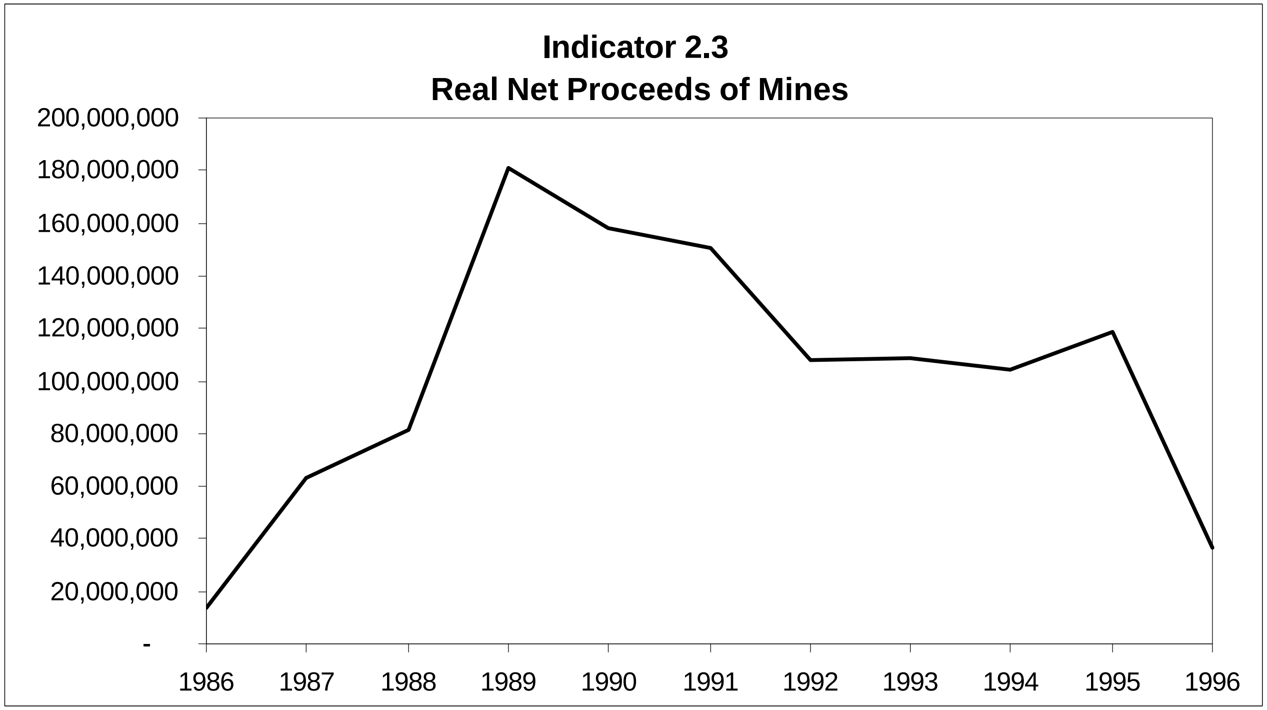
Indicator 2.2	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996
Taxable Sales*	150	121	161	186	215	262	256	283	288	371	426
Real Taxable Sales*	181	142	184	207	229	269	256	276	276	344	385
Sales Per Capita	17,837	13,495	15,897	16,963	17,799	19,924	18,292	19,053	17,648	21,172	23,090

*In Millions of Dollars
Source: Nevada Department of Taxation

Indicator 2.2
Real Taxable Sales

Description: Taxable sales represent the second largest tax base in most counties (after property). Local governments do not collect sales tax directly. The state government collects all sales and use taxes and redistributes them to local government depending on various formulas. The most significant sales taxes for county government are BCCRT (Basic City County Relief Tax), a 0.5% tax, and SCCRT (Supplemental City County Relief Tax), a 1.75% tax. Both these taxes are shared with cities and special districts on the basis of population and relative assessed value. Taxable sales are sensitive to business cycles and local economic activity. Because of a small retail sales base many local counties in Nevada are considered guaranteed counties for SCCRT purposes. Guarantee status means that sales taxes will be less subject to fluctuation than the underlying taxable sales base.

Analysis: Real taxable sales generally grew during the entire study period. There was a decrease in 1992; and, the recessionary years from 1991 to 1994 show flat real taxable sales. Real taxable sales grew by 112.3% from 1986 to 1996. This is comparable to the statewide growth rate of 107.8%. The per capita increase during the period was 29.4%, which is significantly higher than the statewide rate of 24.4%. This indicates a general increase in this tax base.



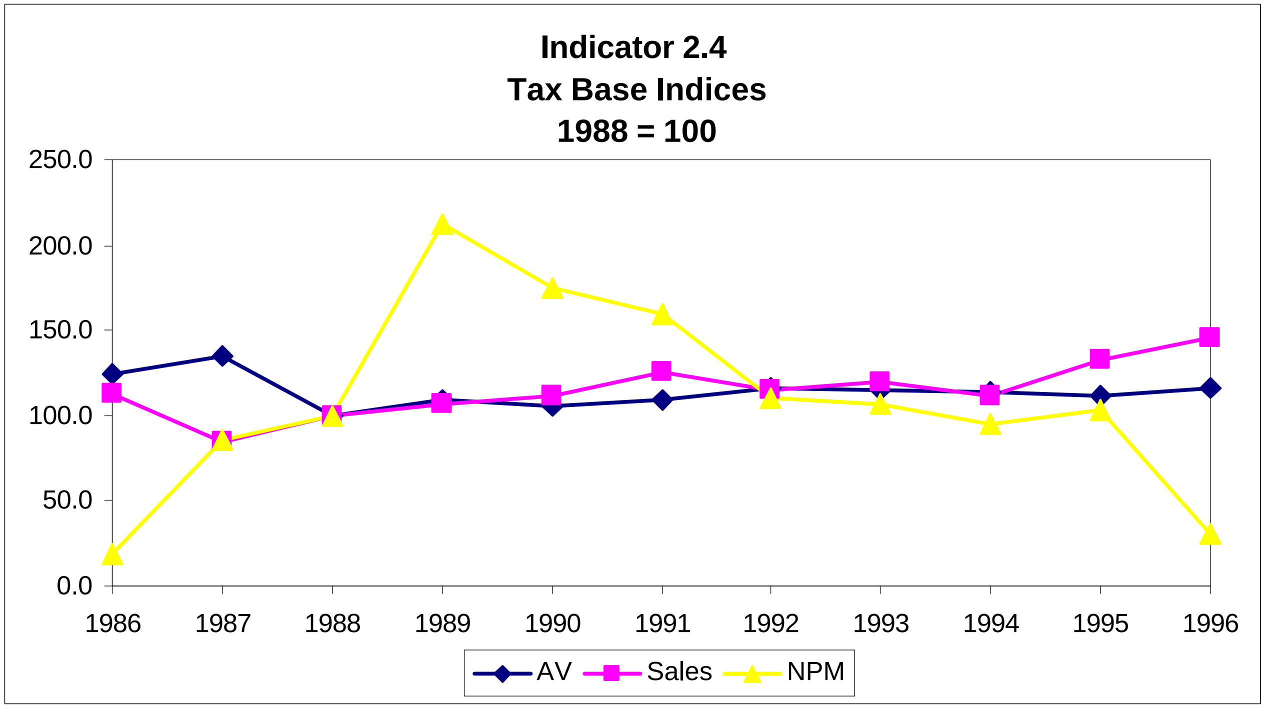
Indicator 2.3	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996
Net Proceeds of Mines*	11	54	71	163	148	147	108	111	109	128	40
Real NPM*	13	63	81	181	158	151	108	109	104	118	36
Real NPM Per Cap	1,320	6,012	7,008	14,868	12,290	11,162	7,701	7,483	6,651	7,273	2,173

*In Millions of Dollars
Source: Nevada Department of Taxation

Indicator 2.3
Net Proceeds of Mines

Description: Net Proceeds of Mines is the primary tax base for determining the property taxes of mines. It is calculated similar to net profit and allows mines to subtract their operating costs from their gross output.

Analysis: In 1989 net proceeds of mines was more than eleven times larger than in 1986. Then by 1996 this revenue source decreased to less than one sixth the level it was in 1989. In spite of the sharp rise and fall, real per capita net proceeds grew overall by 64.7% from 1986 to 1996. Therefore this represents a significant revenue source increase over the period. From 1994 to 1996 net proceeds of mines decreased significantly. This was primarily due to mine development costs at the larger mining operations. The development costs are write-offs in the current period. Therefore the decreasing trend in net proceeds will reverse itself eventually as mine development leads to increased production. However, in 1997 gold prices plummeted. This is another variable affecting gold production. Marginally profitable mines may scale down or cease production as a drop in the gold price leads to a revenue decrease. The outlook for net proceeds of mines as a revenue source for Humboldt County in the near future is uncertain.



Tax Indices	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996
Assessed Value*	124.7	135.1	100.0	108.9	106.2	109.6	116.4	114.9	114.2	111.6	116.5
Real Taxable Sales	112.2	84.9	100.0	106.7	112.0	125.3	115.1	119.9	111.0	133.2	145.2
Net Proceeds of Mines	18.8	85.8	100.0	212.2	175.4	159.3	109.9	106.8	94.9	103.8	31.0

* Excluding value of Net Proceeds of Mines

Indicator 2.4
Tax Base Indices
1988 = 100

Description: The tax index is created to adjust for two factors, inflation and population. This measures the relative amount of tax base per resident. An increase in the index indicates more tax base. The amount of tax base per capita in 1988 is used as the base. An increasing tax base index indicates that the tax base is increasing faster than the local population or inflation. An increasing tax base index potentially means that the same tax rate would generate an increased amount of revenue. Conversely, a decreasing index means that either the tax base is decreasing or is growing slower than the population or inflation. A decreasing index may mean that an increased tax rate is required to generate the former level of revenues.

Analysis: The property tax and sales tax bases have been relatively stable, while the net proceeds of mines tax base has varied considerably during the period from 1986 to 1996. The assessed value of property tax base actually shrank during the period with an overall decrease of 6.5%. The drop in the property tax base was compensated for by an increase in the sales tax base of 29.4% and an increase in the net proceeds of mines tax base of 64.7%. This indicator shows that property taxes now account for less resources per capita while sales and mining account for more.

III Revenues

Description: Revenues determine the capacity of a local government to fund and provide services. Important issues to consider in revenue analysis are:

⇒ *Growth:* Revenues should grow at a pace sufficient to meet demands for services from increased population, housing or employment. Per capita revenues should be stable or increasing.

⇒ *Sources:* No one economic sector or population group should bear the entire tax burden. The county should have diverse sources of revenue, which are appropriate to the economic base. Relying too heavily on one particular source (such as property) may cause excessive tax rates.

⇒ *Dependability:* Revenues should be balanced between those that fluctuate with the economic base (such as sales) and those that are stable (such as property). If revenues are too "elastic" they may increase quickly during economic growth but decline too quickly during a recession.

⇒ *Flexibility:* Revenue sources should not be too restricted as to their use (such as grants) and should be available to fund different spending priorities as the priority change.

⇒ *Administration:* Revenues should not be too difficult to collect and administer. Forecasts of revenue for budgeting purposes should be relatively accurate.

Analysis: Corresponding to the issues described above, a number of revenue indicators were analyzed.

- **Real Revenues:** In general both nominal and real revenue grew for Humboldt County during the past decade. However, there were significant fluctuations. This was due to the fluctuations in mining activity during the study period.

- **Revenue Sources:** Property tax revenues have been inconsistent and are subject to variability in net proceeds of mines. Sales tax revenues have also been inconsistent and are subject to variability in gross proceeds of mines. "Other" revenue sources have generally trended downward.

- **Composition of Revenues:** The composition of revenues has varied over the years. Again this is attributed to the cycle of mining activity. Other revenue sources are a significantly smaller portion of total revenues.

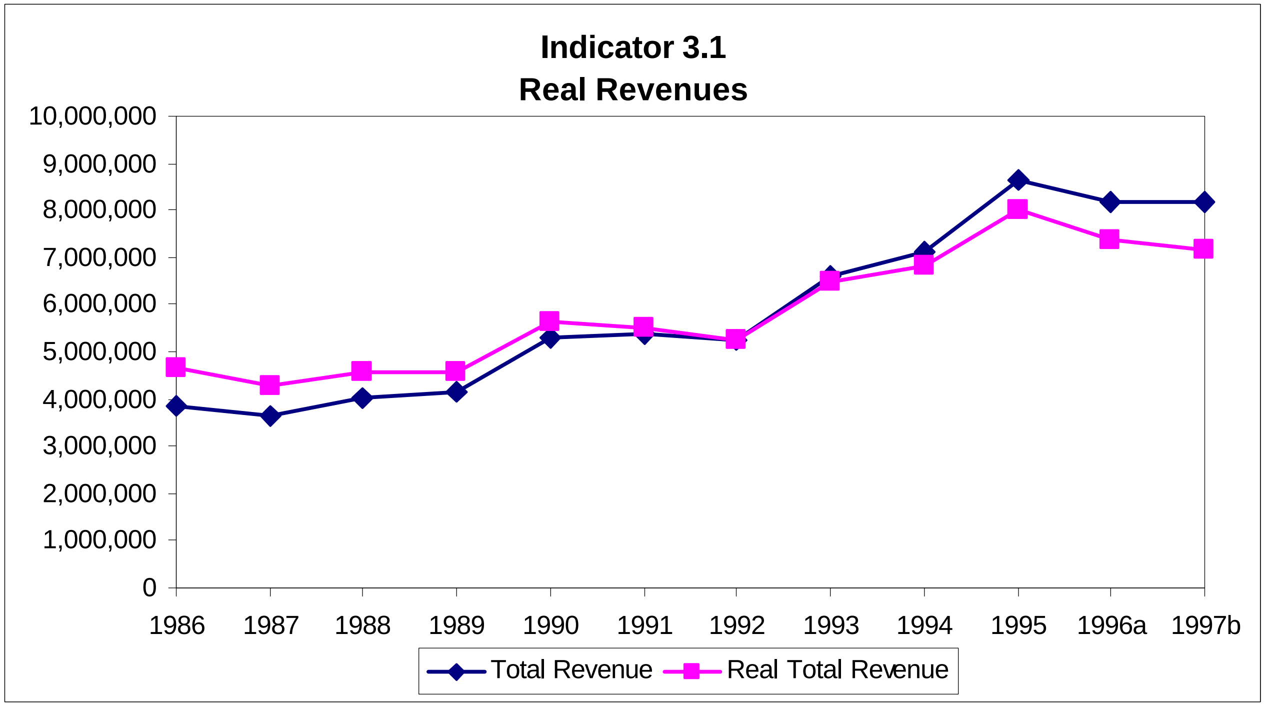
- **Restricted Revenues:** The county utilizes a small amount of restricted revenues compared to the statewide average of other Nevada counties.
- **Intergovernmental Revenues:** Intergovernmental revenues are lower than the statewide average. If sales taxes become more important as a revenue source the ratio will increase.

- **Elastic Revenues:** Elastic revenues generally decreased from 1986 to 1994. From 1994 to 1997 they increased. However, with the drop in gold prices and the subsequent effect on the local economy and sales tax revenues, there is a good possibility elastic revenues will also drop.

- **All Funds:** The general fund constitutes about half of the spending in Humboldt County in 1997 at 52.9%. As a percentage of total funds, the Humboldt County ratio is significantly higher in comparison with other counties. This should be monitored.

- **Property Tax Rate:** The property tax rate in Mineral County has been steadily increasing. This is similar to other counties in Nevada. This indicator should be monitored to avoid dependence on property tax revenues and to maintain fiscal options.

- **Actual Minus Budgeted Revenues:** For most of the years prior to 1996, the county seemed to have somewhat conservative revenue forecasts. That is, the actual revenues tended to be somewhat higher than budgeted. This is a positive indicator. The county appears to budget revenues properly.



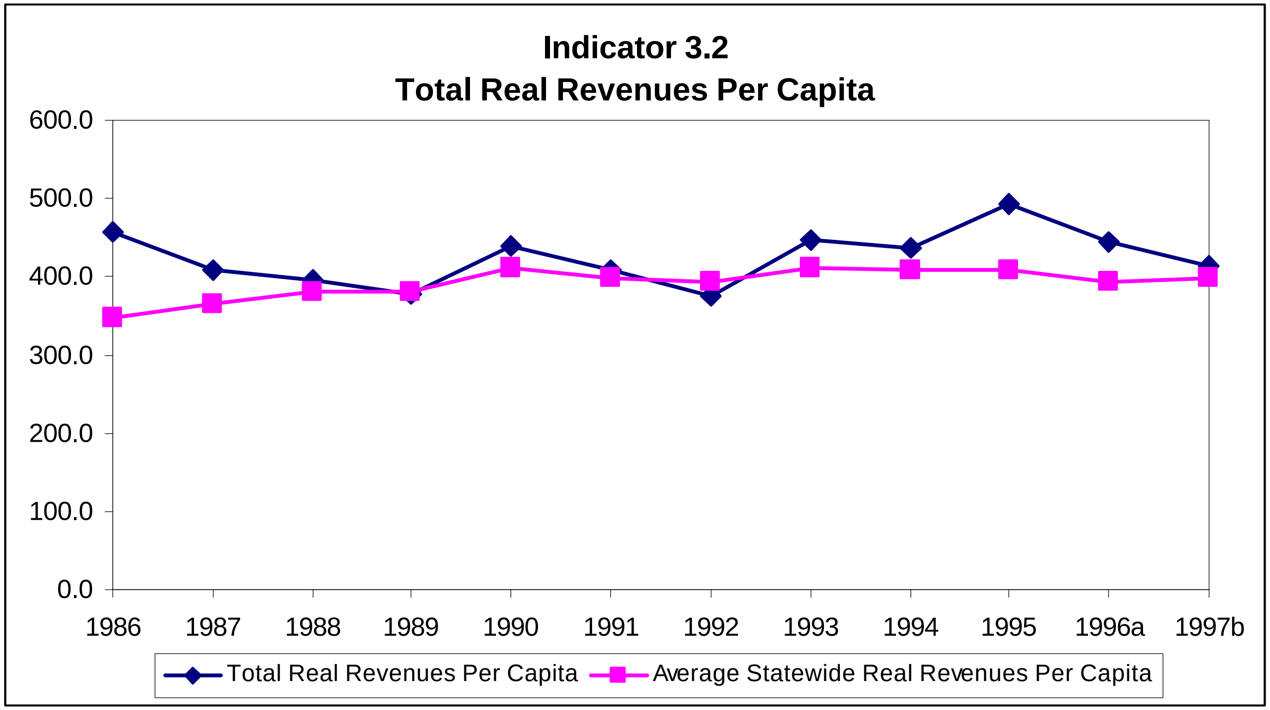
Indicator 3.1	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996a	1997b
Total Revenue	3,841	3,650	4,007	4,142	5,295	5,388	5,243	6,625	7,105	8,653	8,169	8,174
Real Total Revenue	4,645	4,286	4,586	4,591	5,630	5,529	5,243	6,474	6,809	8,029	7,380	7,141

*In Thousands of Dollars
Source: County Budget, LCB

Indicator 3.1
Real Total Revenue

Description: Total revenue includes General Fund revenues from all sources. Nominal revenue presents the total in current or actual amounts. Real Total Revenue presents the revenue adjusted for inflation or in constant purchasing power. Nominal revenue may be increasing but if inflation is increasing faster, real revenue may actually decrease. Real revenue is a better indicator since it adjusts revenues for the effects of inflation and thus allows comparison between different years. Ideally, real revenue should be increasing at a rate parallel to population (see Indicator 3.2). If real revenue is declining the county will be unable to purchase as much as it could previously.

Analysis: In general both nominal and real revenue grew for Humboldt County during the past decade. However, there were significant fluctuations. Real revenues were flat from 1986 to 1989 and then increased by 18.5% in 1990. What are known today as the Twin Creek and Lone Tree mines started up in 1990. This accounts for the revenues that were generated in this year. From 1990 to 1992 real revenues decreased slightly. From 1992 to 1995 they again increased considerably. Since 1995 real revenues have been decreasing. This decrease can be partially traced to the county's mining industry sector. The Twin Creek and Lone Tree mines incurred significant mine development costs starting in 1994 which reduced net proceeds of mines. Newmont Mining Corp., the operator on these mines expected increased net proceeds by 1997. However, with the decline in gold prices it is uncertain when this revenue source will increase. Any decline in real revenue should be monitored since it reduces the county's ability to pay for services.



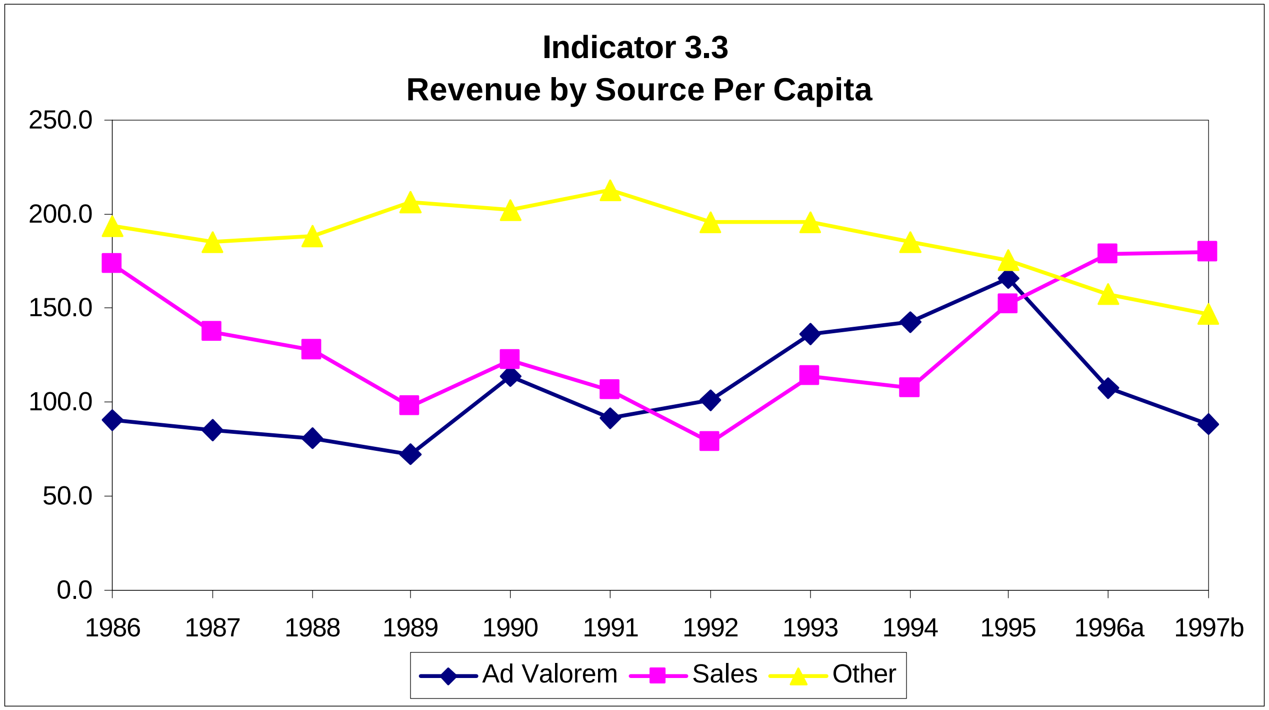
Indicator 3.2	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996a	1997b
Total Real Revenues Per Capita	457.4	407.3	396.5	376.7	438.3	409.6	374.5	446.2	435.3	493.5	443.1	414.8
Average Statewide Real Revenues Per Capita	347.3	366.3	379.5	381.5	410.5	398.6	393.5	411.9	409.4	408.4	392.7	398.7

Source: Local Budget, LCB

Indicator 3.2
Real Revenues Per Capita

Description: Real revenues per capita are the total revenues divided by the county population. Since this adjusts for the effects of both inflation and population growth, it is a good indicator of the county's revenues and hence its ability to fund services. To provide a constant level of services, real revenues per capita should also be constant. Decreasing revenues per capita is a negative factor.

Analysis: Real revenues per capita changed frequently during the study period. This is because of the uneven growth in revenues while population grew steadily. Real revenues per capita have fluctuated between $374.50 and $493.50. This has not been a detriment, as the reserve position of the county has allowed it to maintain an adequate level of service. The graph for Indicator 3.2 illustrates the reliance of Humboldt County on the mining industry by comparing county revenues to the more diversified statewide average revenues. It also shows that the county has mitigated the volatility of revenues dependent on mining. In spite of the volatility the county has managed to maintain adequate levels compared to the rest of the state. This is a positive indicator.

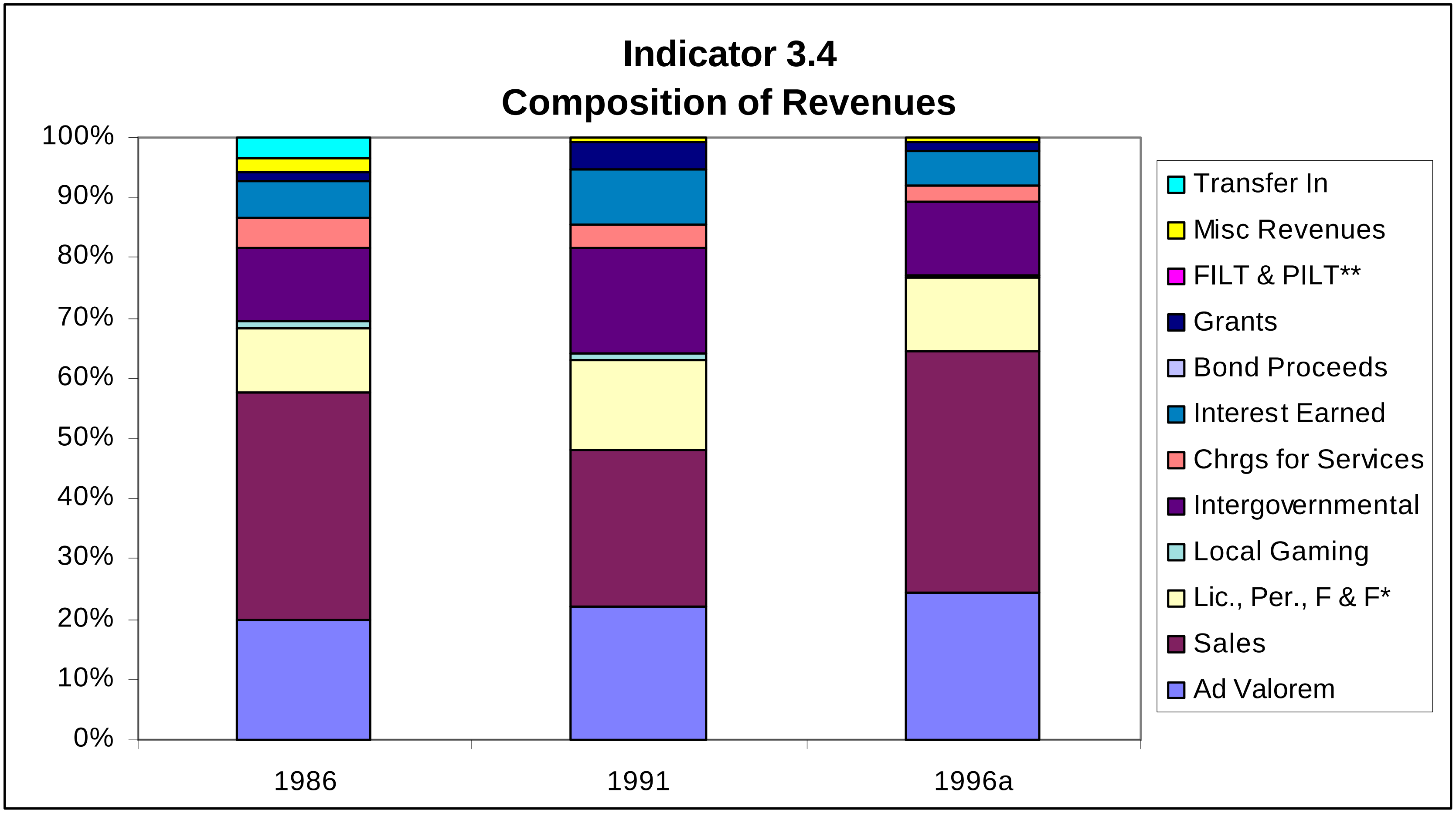


Indicator 3.3	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996a	1997b
Ad Valorem	90.2	85.3	80.8	72.4	113.3	91.1	100.6	136.4	142.9	165.7	107.6	87.9
Sales	173.7	136.7	127.8	98.2	122.5	106.2	78.7	113.8	107.3	152.2	178.3	180.2
Other	193.4	185.3	188.0	206.2	202.5	212.3	195.2	196.1	185.1	175.5	157.1	146.7

Indicator 3.3
Revenues by Source Per Capita

<u>Description:</u> Indicator 3.3 presents a disaggregated view of the information in the previous indicators. It presents real revenues per capita from selected individual revenue sources. This information is useful since it shows how different revenue sources are affected differently by the business cycle. Traditionally, sales taxes are the most sensitive to economic changes while property taxes are much more stable. The two major sales taxes are Supplemental City County Relief Tax (a 1.75% tax with certain minimum amounts guaranteed to certain rural counties) and Basic City County Relief Tax (a 0.5% sales tax based on actual county sales). Since BCCRT is not guaranteed, it will experience wider swings with the business cycle. The category "Other" includes all other revenue categories (see Indicator 3.4 for more information).

<u>Analysis:</u> From 1986 to 1989 both ad valorem tax revenues and sales tax revenues decreased, while other revenue sources were fairly constant. From 1989 to 1995 both ad valorem tax and sales tax revenues generally increased. The increasing trend has continued for sales tax revenues. However, in 1996 and 1997 ad valorem tax revenues decreased sharply. Again, this is due to a decrease in net proceeds of mines. In spite of the volatility ad valorem tax and sales tax revenues are roughly at the same levels in 1997 as they were in 1986. However, "other" revenue sources have <u>decreased</u> by 24.2%. In general this indicator again reveals the ripple affect of the mining industry throughout the local economy. As mining industry income and expenses fluctuate, so do general fund revenues from property and sales taxes.



*Licenses, Permits and Fines & Forfietures
**Federal In Lieu of Taxes & Payment In Lieu of Taxes

Indicator 3.4	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996a	1997b
Ad Valorem	19.7%	21.0%	20.4%	19.2%	25.9%	22.2%	26.9%	30.6%	32.8%	33.6%	24.3%	21.2%
Sales	38.0%	33.6%	32.2%	26.1%	27.9%	25.9%	21.0%	25.5%	24.7%	30.8%	40.2%	43.4%
Other	42.3%	45.5%	47.4%	54.7%	46.2%	51.8%	52.1%	43.9%	42.5%	35.6%	35.5%	35.4%
L, P, F & F*	10.5%	11.3%	11.3%	14.9%	14.8%	15.0%	17.4%	14.9%	15.2%	11.6%	12.1%	13.3%
Local Gaming	1.2%	1.3%	1.2%	1.2%	1.0%	0.9%	1.0%	0.8%	0.7%	0.6%	0.6%	0.7%
Intergovernmental	12.3%	13.8%	16.1%	18.0%	13.7%	17.7%	20.1%	16.7%	16.9%	13.2%	12.1%	11.7%
Charges for Services	4.8%	8.6%	9.0%	7.5%	4.4%	3.5%	3.6%	2.7%	2.6%	2.7%	2.7%	3.1%
Interest Earned	6.1%	6.1%	7.3%	8.4%	8.8%	9.3%	6.7%	4.4%	3.9%	5.4%	5.4%	4.3%
Bond Proceeds	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Grants	1.5%	0.5%	1.5%	4.4%	2.9%	4.8%	2.6%	3.9%	2.3%	1.4%	1.8%	1.9%
FILT & PILT**	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Misc. Revenues	2.4%	0.7%	1.0%	0.2%	0.3%	0.5%	0.7%	0.6%	0.7%	0.6%	0.6%	0.4%
Transfer In	3.5%	3.2%	0.0%	0.0%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%

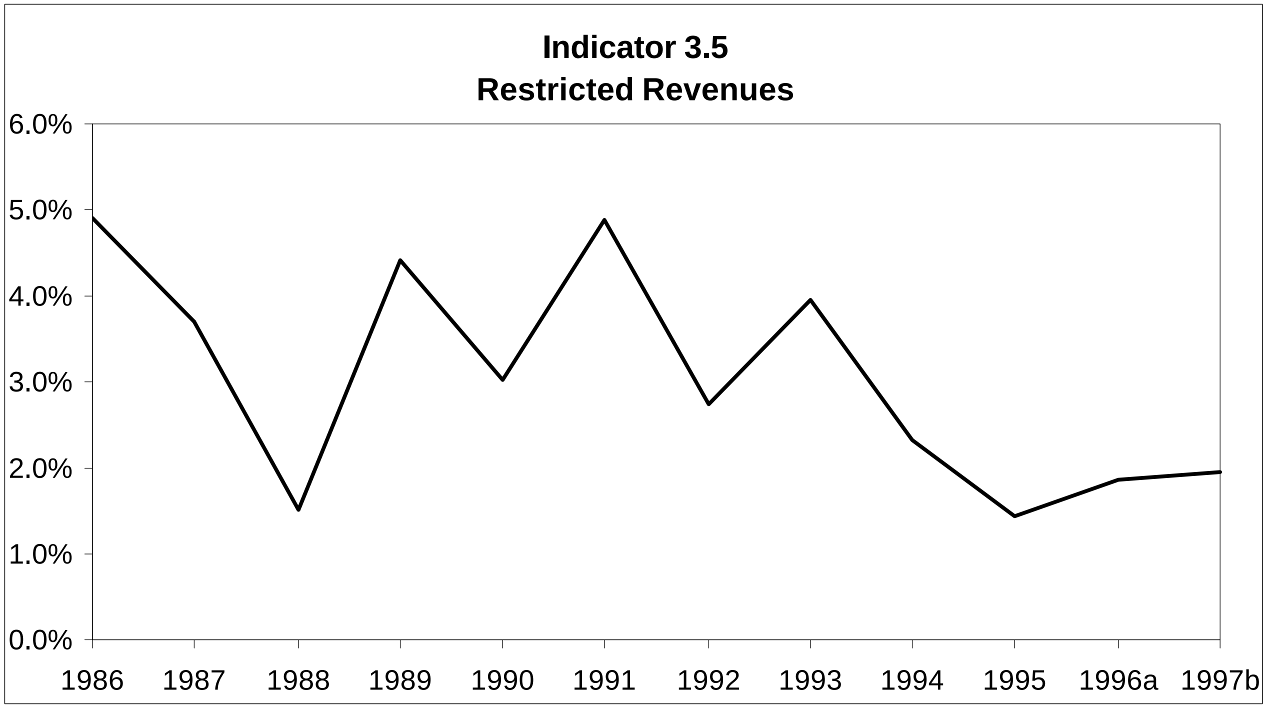
*L, P, F & F is Licenses, Permits Fines & Forfeits

**PILT is Payment In Lieu of Taxes and FILT is Federal In Lieu of Taxes

Indicator 3.4
Composition of Revenues

<u>Description:</u> Indicator 3.4 presents a detailed breakdown of the revenues for the county general fund. For each year, the revenue is shown as a percent of the total. In general, a county should have a diverse mix of revenues some of which are relatively stable and some of which are sensitive to the business cycle.

<u>Analysis:</u> As noted in the discussion about indicator 3.3, property and sales related revenue sources have generally fluctuated with mining activity. The table and graph above show this same trend with regard to sales taxes. This graph is basically a "snap shot" of three individual years. Because Humboldt County revenues are volatile, the changing pattern of the graph is dramatic. In 1986 Transfers and Miscellaneous revenues were more significant than in recent years. In 1991 FILT & PILT payments as well as Grants were more significant than in other years. In general the share of revenues not accounted for by ad valorem and sales taxes is shrinking.



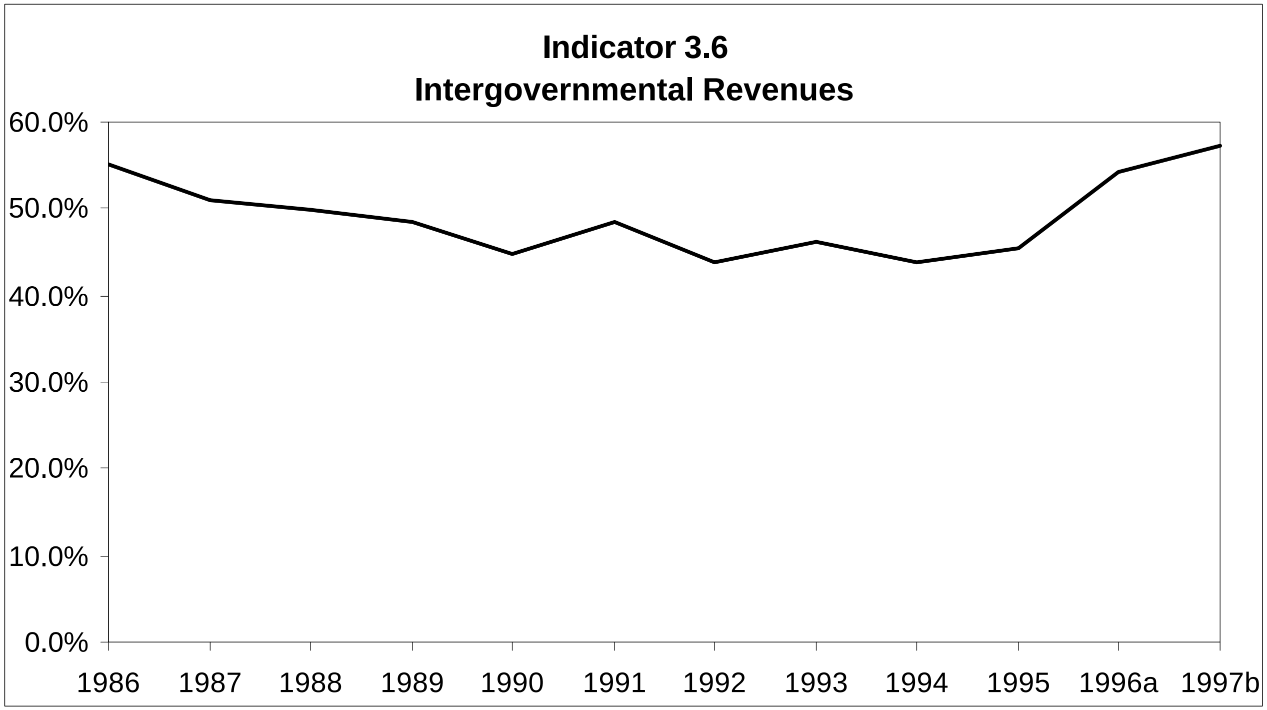
Indicator 3.5	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996a	1997b
Restricted/Net Revenues	4.9%	3.7%	1.5%	4.4%	3.0%	4.9%	2.7%	4.0%	2.3%	1.4%	1.9%	2.0%

Indicator 3.5

Restricted Revenues

<u>Description:</u> Restricted revenues are revenues that are earmarked or otherwise limited in what they can be spent on. For example, grants must be spent on certain limited areas. For this analysis, it was assumed that grants and transfers were the primary earmarked revenue sources in the general fund. As the percentage of restricted revenues increases, a local government loses its ability to respond to changing conditions and to citizen's needs and demands. Increases in restricted revenues may also indicate overdependence on external revenues and signal future inability to maintain service levels.

<u>Analysis:</u> The share of Humboldt County's budget contributed by restricted revenues has fluctuated from 1.4% to 4.9%. The average during the entire study period is 3.1%. Statewide, restricted revenue average 15.6% during the same study period. This may indicate that the county is eligible for more grant funds. On the other hand it shows that the county is fiscally prudent and is not over reliant on uncertain funding sources.

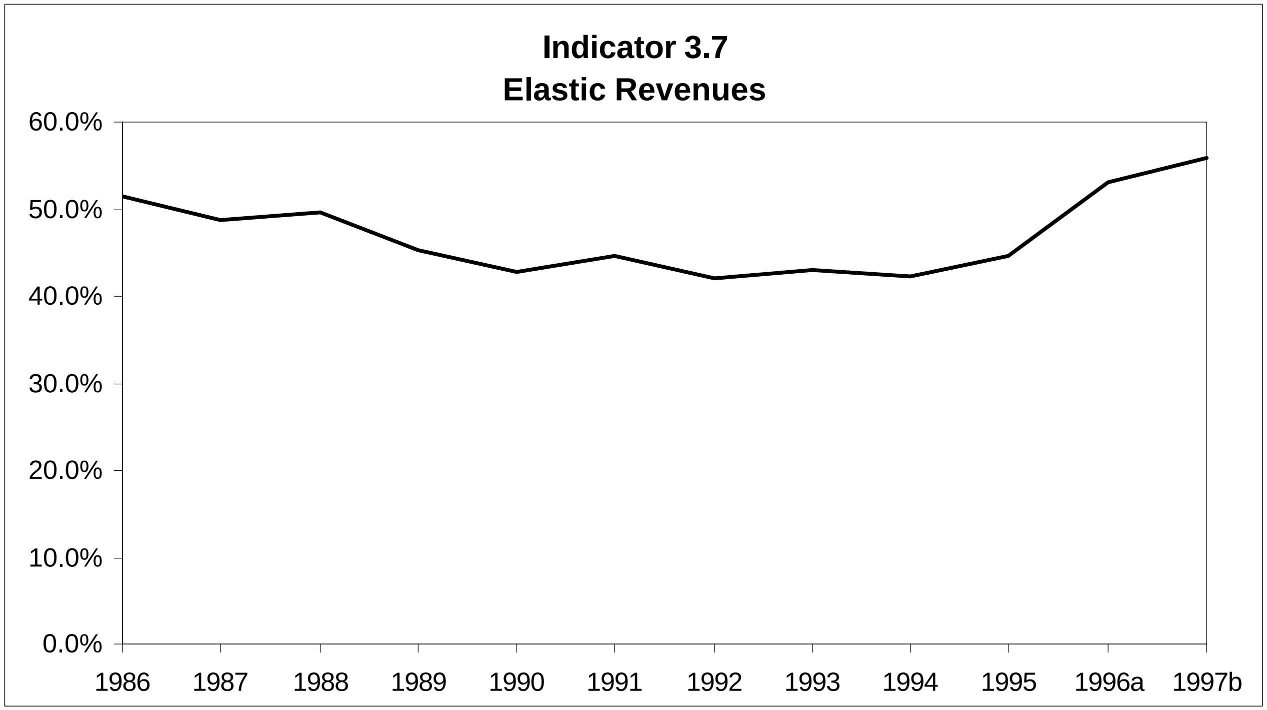


Indicator 3.6	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996a	1997b
Intergovernmental/Net Revenues	55.2%	51.1%	49.8%	48.5%	44.7%	48.5%	43.8%	46.1%	43.9%	45.5%	54.2%	57.1%

Indicator 3.6
Intergovernmental Revenues

<u>Description:</u> Intergovernmental revenues are revenues that are received from another governmental entity. This includes revenues that are collected centrally and redistributed using a formula (such as sales taxes). Intergovernmental revenues are important because an overdependence on such revenues can be harmful. Federal and state governments may withdraw or reduce payments to local government as one of their cutback measures. Thus, intergovernmental revenues are often beyond the control of local government. A recent study of Nevada state and local government finances by the Urban Institute stated that Nevada had one of the most centralized fiscal systems in the country.

<u>Analysis:</u> Intergovernmental revenues have averaged 49.0% compared to 75.5% statewide. The trend of intergovernmental revenues had been decreasing from 1986 to 1994. As net proceeds of mines decreased sharply after 1995, intergovernmental revenues increased. If sales taxes continue to increase in importance, intergovernmental revenues will also increase.

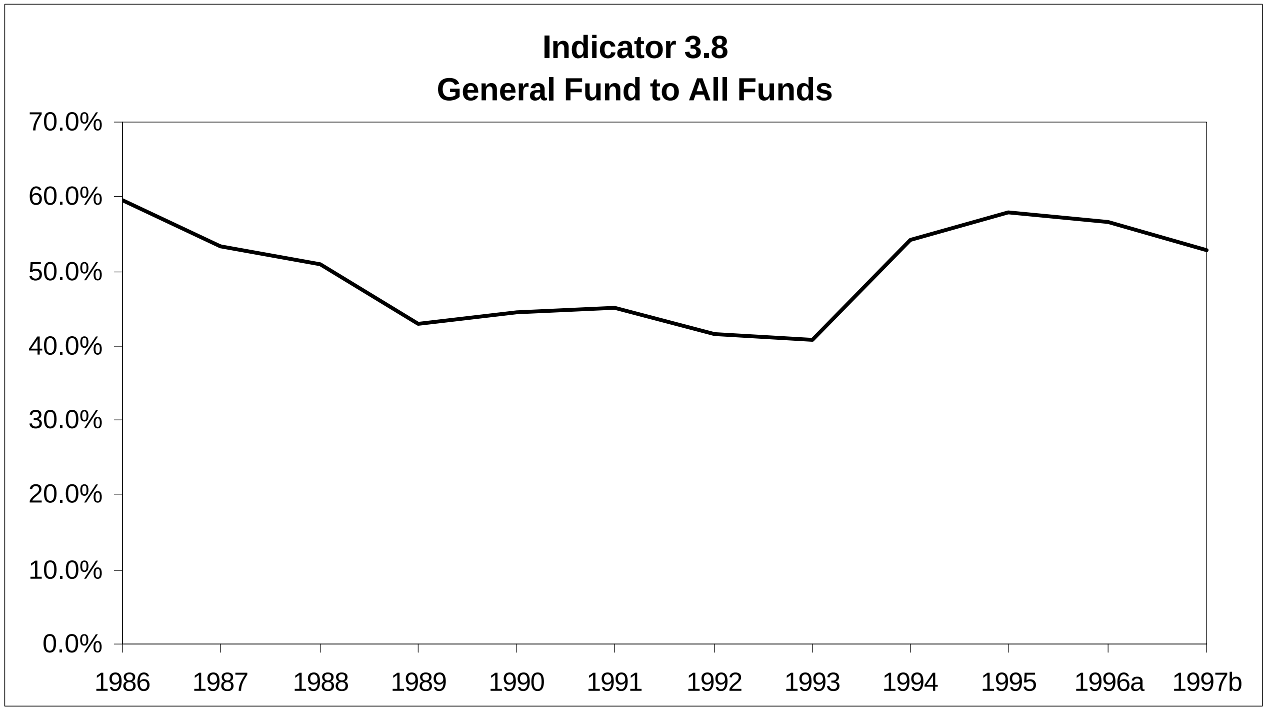


Indicator 3.7	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996a	1997b
Elastic/Net Revenues	51.5%	48.7%	49.6%	45.3%	42.7%	44.5%	42.0%	42.9%	42.3%	44.7%	53.0%	55.9%

Indicator 3.7
Elastic Revenue Sources

Description: Elastic revenues are highly responsive to changes in the economic base and inflation. As the economic base expands or contracts, elastic revenues expand or contract in roughly proportional or greater amounts. Sales taxes are the largest elastic revenue source. Other elastic revenues include intergovernmental and gaming revenues. While net proceeds of mines tend to fluctuate, they do not necessarily parallel the overall economy and so are not generally considered an elastic revenue source. A balance between elastic and inelastic revenue sources is desirable to benefit from economic growth while mitigating the effects of economic downturns.

Analysis: The tax formula for net proceeds of mines (taxed as property tax) sometimes distorts the typical category of elastic revenue. For Nevada counties like Humboldt, which are dominated by the mining industry, revenues tend to be correlated with mining activity more than the national economy. Generally this is reflected in net proceeds of mines. Although net proceeds of mines (truly an elastic revenue source) decreased sharply in 1996 and 1997, gross proceeds of mines did not decrease but were generally flat for the major mining operations: Twin Creek and Lone Tree mines. This was the result of excessive mine development costs that are deducted from gross profit. Mining activity itself, including purchases from local suppliers of goods, remained generally constant. Therefore, sales taxes (an elastic revenue source) did not drop in 1996 and 1997. Do to other economic activity in the county, sales tax revenues actually rose. However, the drop in gold prices that began in October 1997 will affect gross profit of mines. The mines may scale down operations, which will affect local sales tax revenues. This will have a negative impact on elastic revenues.

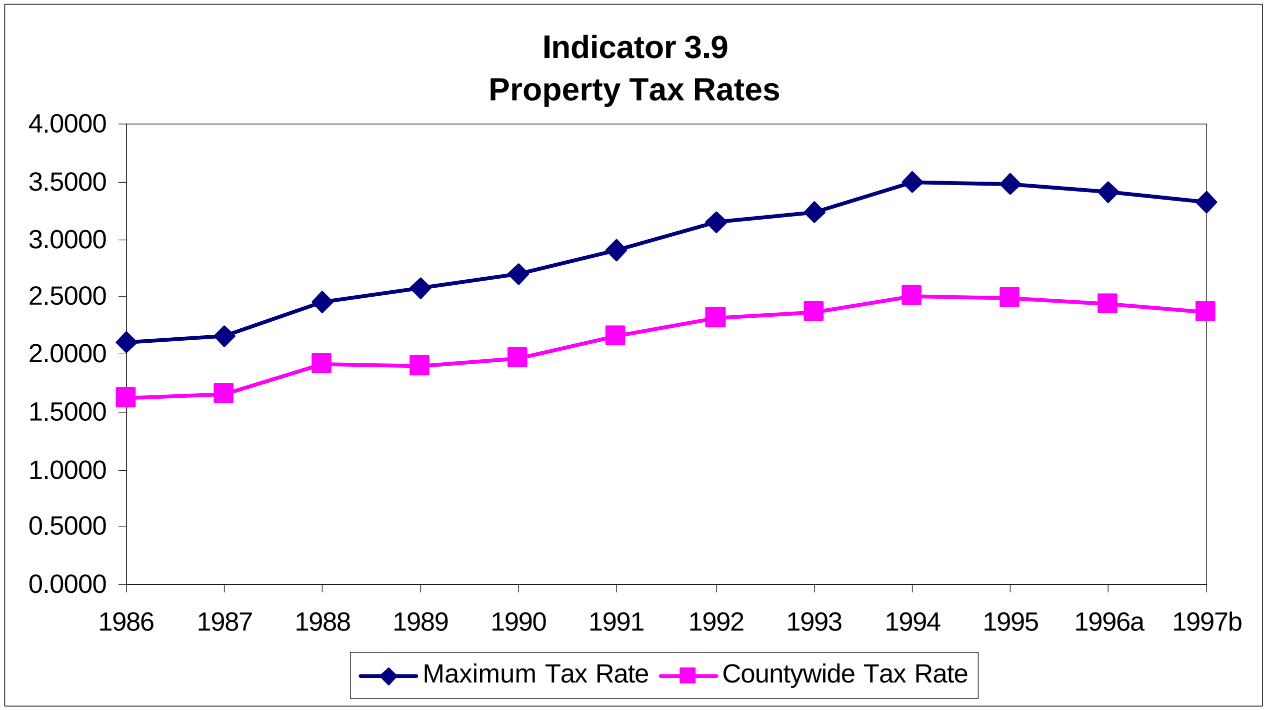


Indicator 3.8	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996a	1997b
General Fund/All Funds	59.4%	53.4%	50.9%	42.8%	44.4%	45.2%	41.5%	40.8%	54.1%	57.8%	56.5%	52.9%

Indicator 3.8
Ratio of General Funds to All Funds

Description: The general fund is only one of many funds administered by the county government. Other funds may include special enterprise districts (such as sewer) or specific functions (such as parks or roads). The general fund is normally used to fund the most widely used government functions that are financed out of broad-based taxes. Often other funds will have earmarked revenues or will be operated like a private business. If the general fund becomes too small as a percentage of all funds, it may be a warning indicator. Similarly if the general fund is too large, it may indicate that certain functions are not covering their own costs.

Analysis: The general fund constitutes about half of the spending in Humboldt County in 1997 at 52.9%. While fluctuating between 40.8% and 59.4% of total funds, the overall trend has shown a slight decrease. As a percentage of total funds, the Humboldt County ratio is significantly higher in comparison with other counties. The statewide county average is 35.9% over the period from 1986 to 1997 while the Humboldt County average for the same period is 50.0%.

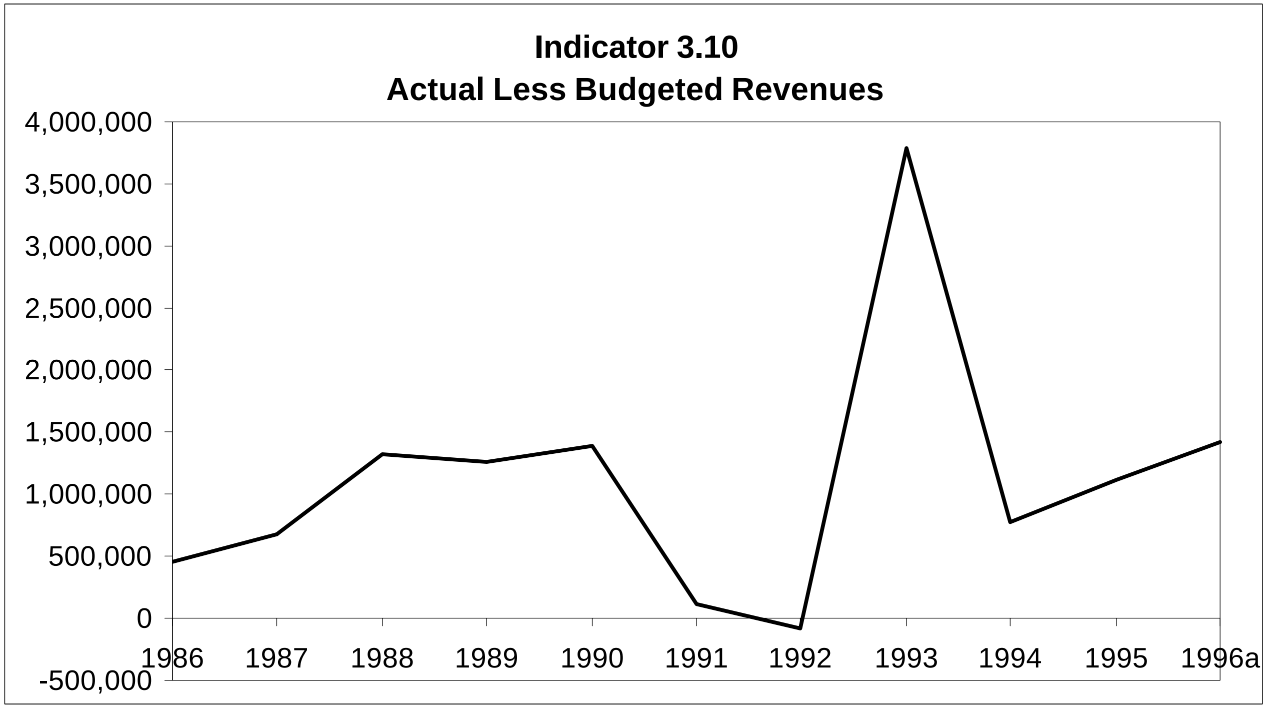


Indicator 3.9	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996a	1997b
Maximum Tax Rate	2.0977	2.1594	2.4568	2.5769	2.7021	2.9063	3.1437	3.2312	3.5030	3.4739	3.4093	3.3138
Countywide Tax Rate	1.6091	1.6518	1.9201	1.8975	1.9650	2.1572	2.3148	2.3592	2.4958	2.4948	2.4386	2.3638

Indicator 3.9
County Property Tax Rate

Description: The property tax rate is composed of overlapping tax rates depending upon specific location. For example, a city resident will pay city taxes plus county taxes plus state and school district taxes. A resident of an unincorporated area of the county will not pay city taxes but may pay taxes to a particular special district (such as a fire district). The maximum tax rate is the highest overlapping tax rate found anywhere in the county. The county tax rate is the combined rate for the entire county (including county, state, school district, debt and countywide special levies). Under Nevada state law, the maximum tax rate is limited to 3.64. A rapidly increasing property tax rate is a warning indicator.

Analysis: The property tax rate in Mineral County has been steadily increasing. This is similar to other counties in Nevada. The countywide rate appears to be significantly below the statutory maximum of 3.64, but the maximum rate is close to the limit for some taxing districts. Although other counties have increased tax rates, this indicator should be monitored to avoid dependence on property tax revenues and maintain fiscal options.



Indicator 3.10	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996a
Actual Less Budgeted	456	675	1,325	1,262	1,383	116	-74	3,787	777	1,111	1,426

In Thousands of Dollars

Indicator 3.10

Actual - Budgeted Revenues

Description: When preparing a budget, forecasts revenues and expenditures are used. These forecasts can be wrong and the budget will not reflect the actual revenues or spending. The revenue shortfall equals the difference between the actual and budgeted (forecast) revenues. A positive value indicates that the actual was higher than forecast. Ideally, there should be minimal difference between actual and budgeted revenues. Too large a difference either positive or negative is indicative of poor revenue forecasts that make county budget preparations difficult.

Analysis: For most of the years prior to 1996, the county seemed to have somewhat conservative revenue forecasts. That is, the actual revenues tended to be somewhat higher than budgeted. This is a positive indicator. In 1992, the county had a slight revenue shortfall, which is the only year that actual revenues did not exceed budgeted revenues. The county appears to budget revenues properly.

IV Expenditures

<u>Description:</u> The function of local government is to provide services to its resident and transient population (such as employees or tourists). Government provides many services and several issues should be considered in evaluating the level and mix of services:

⇒ *Growth:* Expenditures should grow at a pace sufficient to provide constant levels of services to population, housing or employment. Per capita spending should be stable or increasing.

⇒ *Types and Functions:* No one area of government spending should dominate. Government provides a mix of services that change over time as public needs and desires change.

⇒ *Employees:* Local government is primarily a service provider and so should have sufficient employees to provide the desired services. Government employment should grow at a rate sufficient to maintain service levels without creating excess bureaucracy.

⇒ *Compensation:* Total salaries and benefits should be attractive to good employees without becoming excessive. Benefit levels are often rising faster than other forms of compensation and may be a source of concern.

<u>Analysis:</u> A number of indicators of government expenditures were analyzed including:

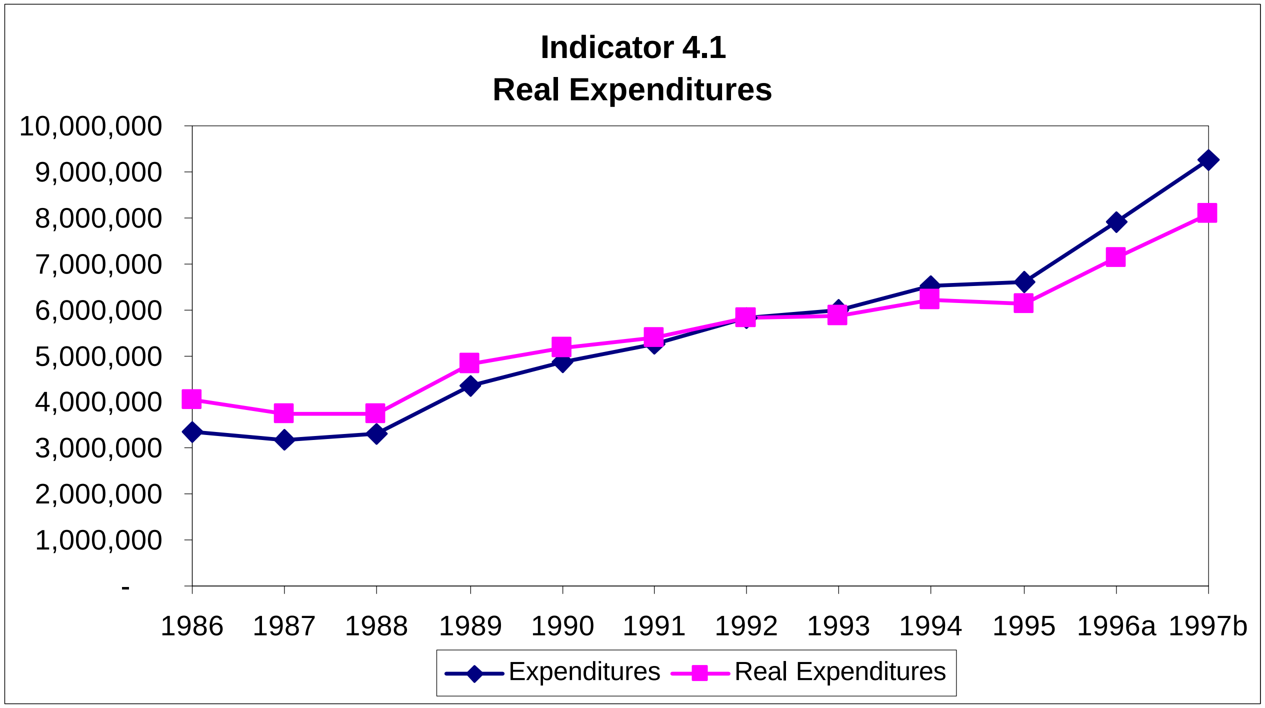
- **<u>Real Expenditures:</u>** Real expenditures have risen fairly steadily in Humboldt County during the past decade. In general, expenditures have risen faster than inflation.

- **<u>Expenditures per capita:</u>** Overall, spending per capita grew by 18.0% during the period from 1986 to 1997. This may represent new or additional services provided. The county should monitor whether these additional costs are due to increased services or decreased productivity or efficiency.

- **<u>Composition of spending:</u>** The composition of spending functions has not changed significantly during the study period. However, if mining activity decreases, the economy and population will face a transition period. Social or other services may require increased spending during this period, or spending may have to be reduced due to decreased revenues.

- **<u>Number of Employees per 1000 resident population:</u>** Public employees per 1000 population is trending downward during the study period. It appears that the county may be serving more people with fewer personnel. This should be monitored to be certain that level of service does not reach unacceptable levels.

- **<u>Salaries and Benefits:</u>** Benefits in Humboldt County have risen from 23.6% of total compensation to 34.5%. While other Nevada counties have seen similar increases, this is a warning indicator and should be monitored closely.



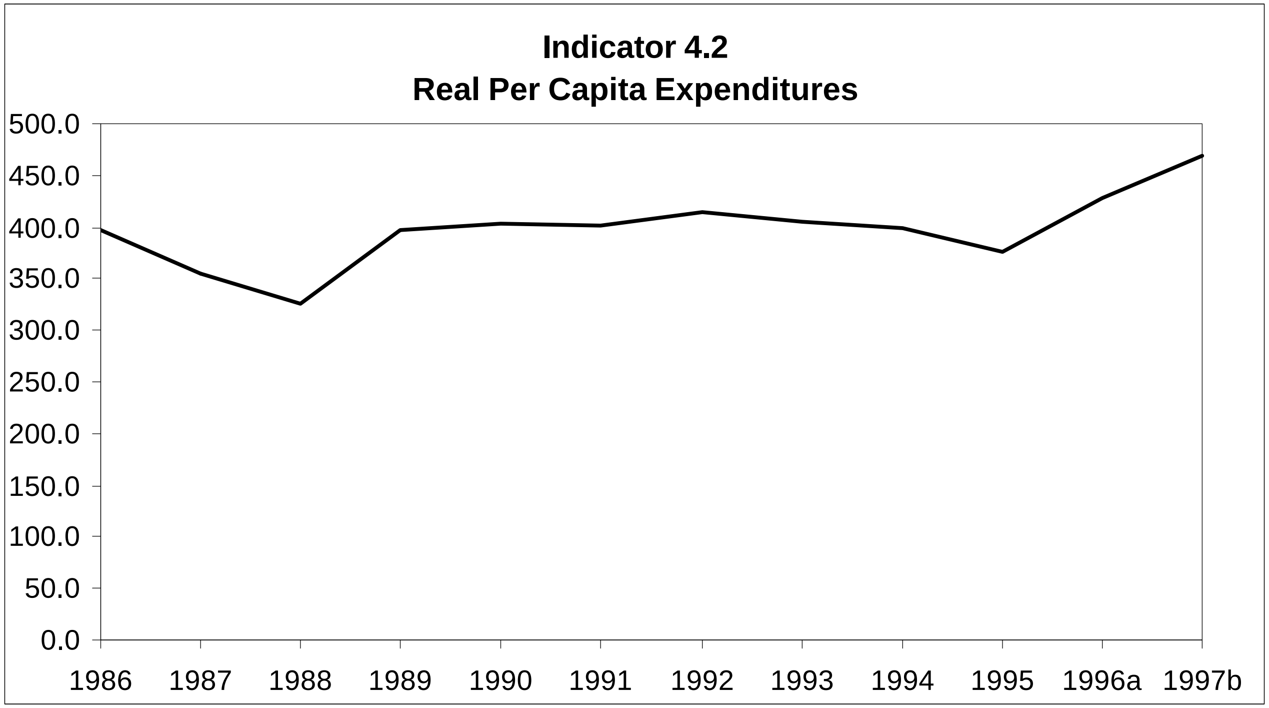
Indicator 4.1	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996a	1997b
Expenditures	3,338	3,172	3,285	4,369	4,875	5,270	5,811	6,009	6,510	6,598	7,901	9,244
Real Expenditures	4,037	3,726	3,759	4,843	5,183	5,408	5,811	5,872	6,239	6,122	7,138	8,077

In Thousands of Dollars

Indicator 4.1
Real General Fund Expenditures

Description: Total Expenditures represent general fund spending on all items. Real expenditures are total expenditures adjusted for inflation. Real expenditures are more useful for making comparisons between different years since they adjust for changes in purchasing power due to inflation. Normally, expenditures should rise at a rate corresponding to inflation and population growth to provide a constant level of services. If expenditures are growing slower than population and inflation it may indicate an inability to provide services or need to cut spending.

Analysis: Real expenditures have risen fairly steadily in Humboldt County during the past decade. The major exceptions to spending growth were a decrease in 1987 and the rather sharp increases in 1996 and 1997. The increase in 1996 and 1997 is not attributable to any specific departments. Most major functions of spending were increased. This indicator shows that expenditures have risen faster than inflation.

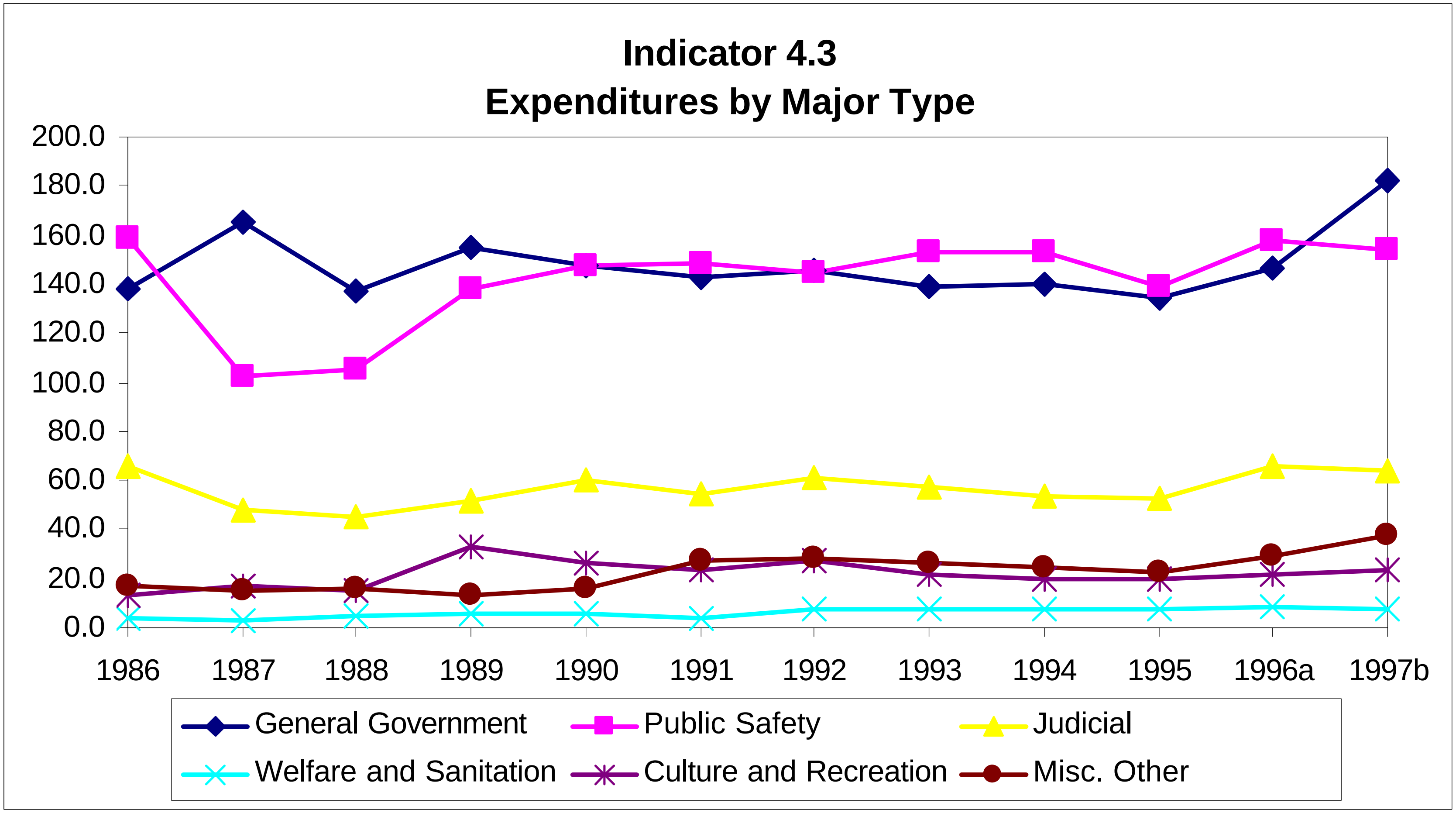


Indicator 4.2	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996a	1997b
Per Capita Expenditures	397.6	354.1	325.1	397.4	403.5	400.6	415.0	404.7	398.9	376.2	428.5	469.1

Indicator 4.2
Expenditures Per Capita

Description: Real Expenditures per capita adjusts total spending for the growth of population by dividing real expenditures by the county population. To provide a constant level of services (assuming no changes in efficiency) it is necessary to have constant per capita spending. Decreases in per capita spending may indicate budget cuts that may affect service delivery. Increases in per capita spending may be due to increases in type, level or composition of government services (such as additional police). Expenditures per capita are a good indicator of the cost to provide services to county residents.

Analysis: Per capita spending has averaged $397.60 during the period from 1986 to 1997. Therefore the average has not changed since 1986. The decreasing periods of per capita spending are the result of increasing population while spending was held constant. With the increased spending per capita in 1996 and 1997 there is a slight increasing trend. Overall, spending per capita grew by 18.0% during the period from 1986 to 1997. This may represent new or additional services provided. The county should monitor whether these additional costs are due to increased services or decreased productivity or efficiency.



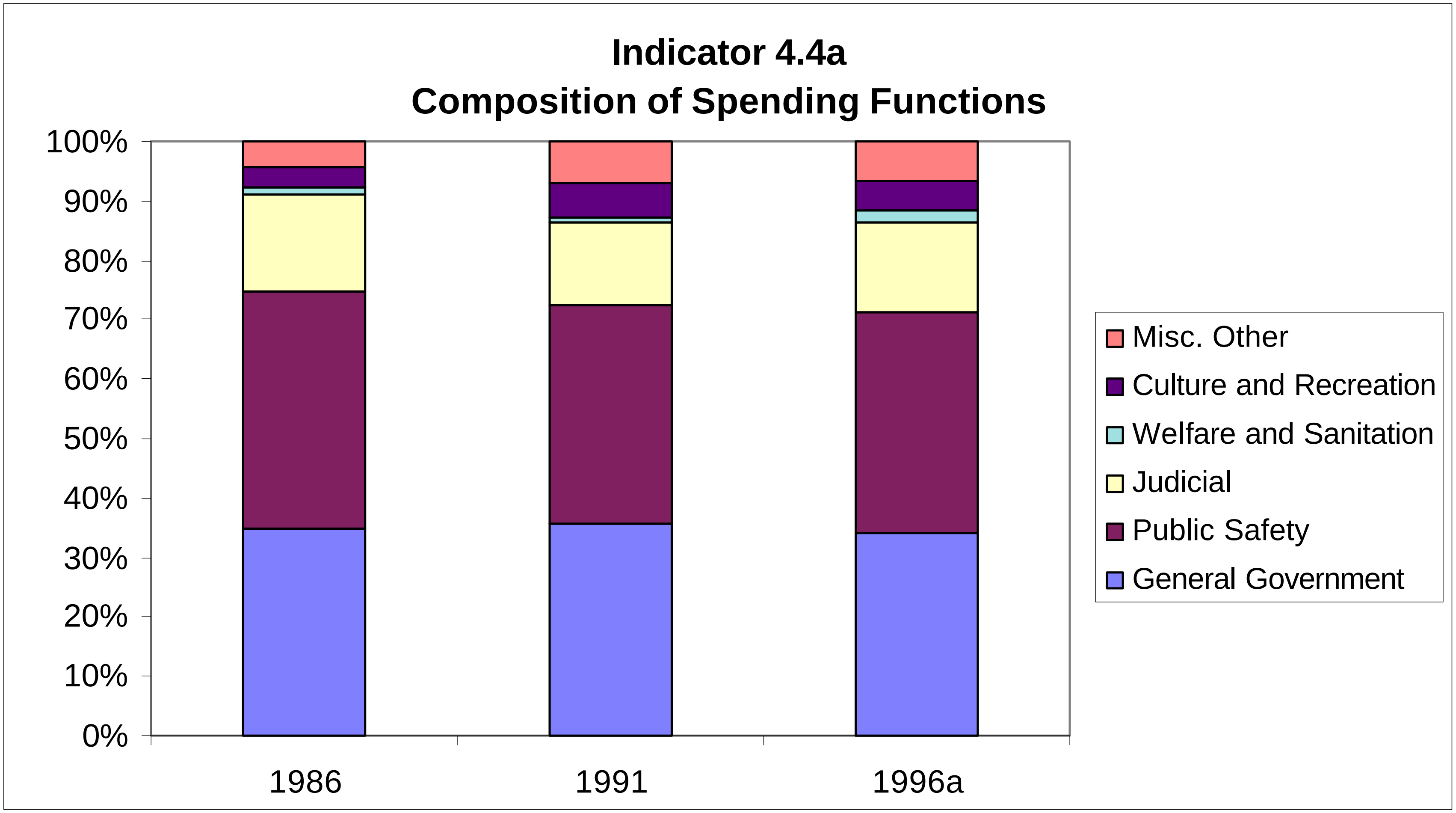
Indicator 4.3
Expenditures by Major Type
200.0
180.0
160.0
140.0
120.0
100.0
80.0
60.0
40.0
20.0
0.0
1986
1987
1988
1989
1990
1991
1992
1993
1994
1995
1996a
1997b
General Government
Public Safety
Judicial
Welfare and Sanitation
Culture and Recreation
Misc. Other

Indicator 4.3	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996a	1997b
General Government	137.9	165.5	137.4	154.6	147.3	142.3	145.2	139.2	139.5	134.2	146.3	182.4
Public Safety	158.4	102.4	105.4	138.4	147.5	148.3	145.1	153.3	153.2	138.9	158.2	153.8
Judicial	65.6	48.2	45.4	51.6	60.4	54.7	60.6	57.0	53.7	52.4	65.4	63.6
Other	35.8	36.8	36.8	52.8	48.2	55.3	62.7	55.2	52.5	49.8	58.6	69.4
Streets and Highways	1.1	1.1	1.0	0.9	0.7	0.6	0.5	0.5	0.5	0.5	0.5	0.8
Welfare and Sanitation	4.1	3.3	4.8	6.0	5.3	4.0	7.0	7.1	8.0	7.4	8.2	7.7
Culture and Recreation	13.4	17.3	14.7	32.5	26.4	23.4	27.3	21.7	19.5	19.3	21.2	23.8
Misc. Other	17.2	15.1	16.3	13.3	15.8	27.2	27.8	25.9	24.5	22.6	28.7	37.1

Indicator 4.3
Expenditures by Major Type

Description: Indicator 4.3 presents information similar to the previous indicator about per capita expenditures except that it is disaggregated into particular types of government services. The mix of government services may change as a government is mandated to take on additional services, or as the public demands different levels or types of services. Viewing the changes in spending by type of service can show how government spending has changed or what is causing spending growth. Excessive growth in certain types of services may crowd out other types of spending.

Analysis: General government and public safety spending were somewhat volatile from 1986 to 1989 while other types of spending were fairly constant. From 1989 till 1995 all types of spending were fairly constant. In 1996 public safety and judicial spending increased. In 1997 General government increased considerably while the other types of spending were generally constant. It appears that the overall mix of services has remained fairly consistent over the past decade. There has been a recent growth in welfare spending in other Nevada counties, which are taking on increased responsibility for social services. This trend is likely to accelerate as federal devolution cuts spending at the federal level and mandates spending at the state or local level. Other Nevada counties are also experiencing spending growth in public safety and judicial. Humboldt County should monitor growth in the public safety and judicial categories as well as welfare. Excessive increases in these spending categories may crowd out other spending.

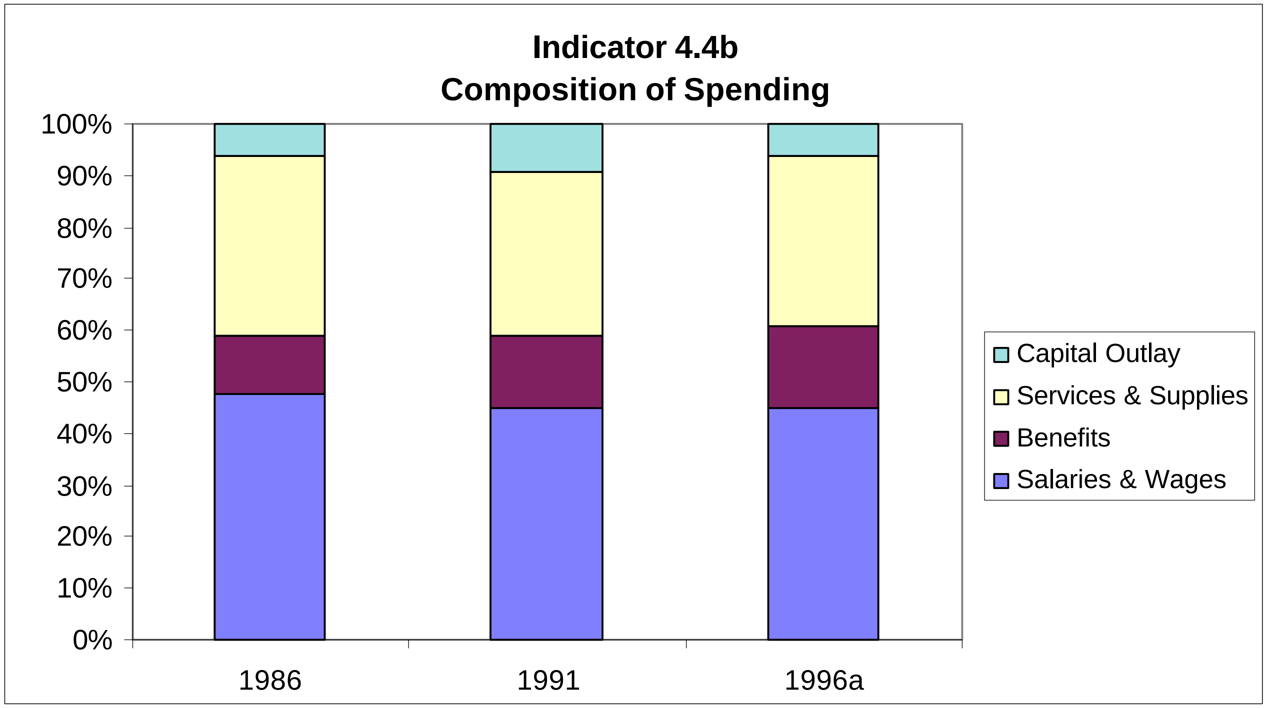

Indicator 4.4a
Composition of Spending Functions
100%
90%
80%
70%
60%
50%
40%
30%
20%
10%
0%
1986
1991
1996a
Misc. Other
Culture and Recreation
Welfare and Sanitation
Judicial
Public Safety
General Government

Indicator 4.4a	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996a	1997b
General Government	34.7%	46.9%	42.3%	38.9%	36.5%	35.5%	35.1%	34.4%	35.0%	35.8%	34.1%	38.9%
Public Safety	39.8%	29.0%	32.4%	34.8%	36.6%	37.0%	35.1%	37.9%	38.4%	37.0%	36.9%	32.8%
Judicial	16.5%	13.7%	14.0%	13.0%	15.0%	13.6%	14.6%	14.1%	13.5%	14.0%	15.3%	13.6%
Other	9.0%	10.4%	11.3%	13.3%	11.9%	13.8%	15.2%	13.6%	13.2%	13.3%	13.7%	14.8%
Streets and Highways	0.3%	0.3%	0.3%	0.2%	0.2%	0.2%	0.1%	0.1%	0.1%	0.1%	0.1%	0.2%
Welfare and Sanitation	1.0%	0.9%	1.5%	1.5%	1.3%	1.0%	1.7%	1.8%	2.0%	2.0%	1.9%	1.6%
Culture and Recreation	3.4%	4.9%	4.5%	8.2%	6.6%	5.8%	6.6%	5.4%	4.9%	5.1%	4.9%	5.1%
Misc. Other	4.3%	4.3%	5.0%	3.4%	3.9%	6.8%	6.7%	6.4%	6.2%	6.0%	6.7%	7.9%

Indicator 4.4a
Composition of Spending Functions

Description: Indicator 4.4a shows the composition of spending as a percent of the total budget. In contrast to Indicator 4.3, which showed levels of spending per capita, this indicator shows how budget priorities have changed. County governments are required to spend on numerous types of services, if one type begins to increase too rapidly, it may be crowding out other services.

Analysis: The composition of spending functions has not changed significantly during the study period. The only noticeable change appears to be a slight increase in miscellaneous spending. As the county grows in population, spending priorities can change. As mentioned in Indicator 4.3, public safety, judicial and welfare functions are increasing in importance in other Nevada counties and throughout the country. Humboldt County should be conscious of these trends. The gold price decline may have specific significance toward Humboldt County. If mining activity decreases, the economy and population will face a transition period. Social or other services may require increased spending during this period, or spending may have to be reduced due to decreased revenues.

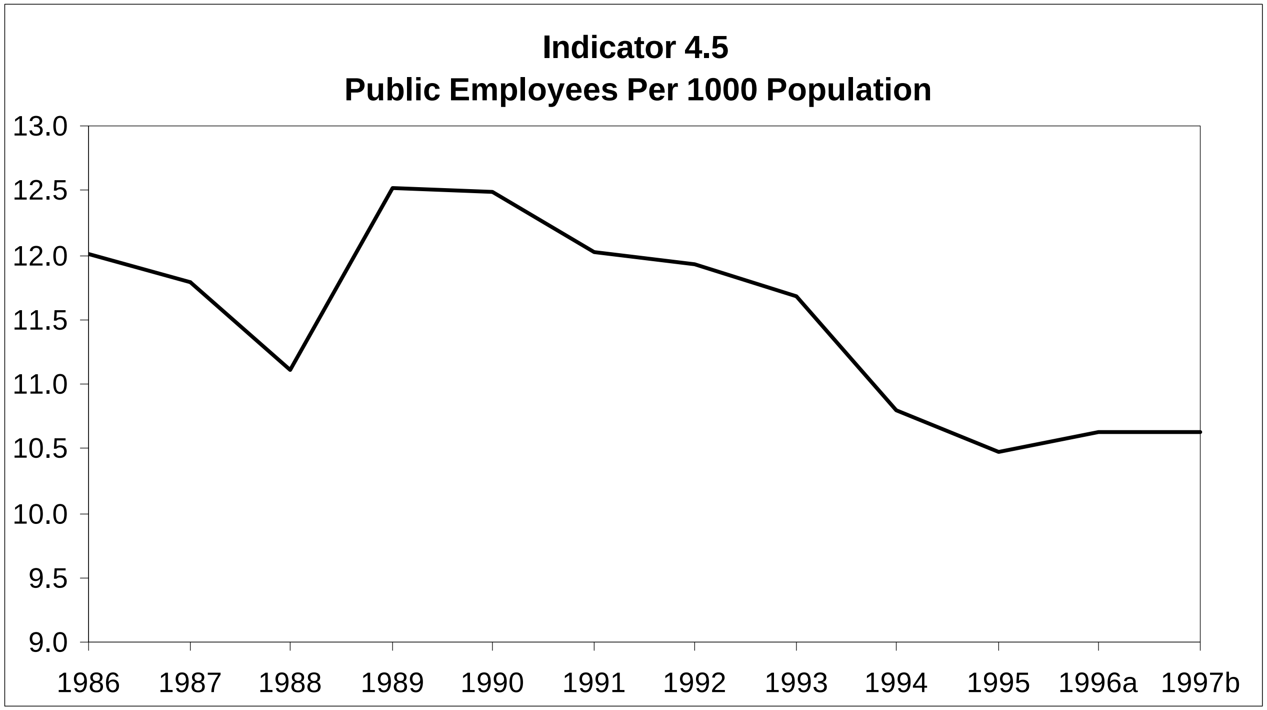


Indicator 4.4b	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996a	1997b
Salaries & Wages	47.8%	42.5%	44.9%	40.7%	43.4%	45.0%	45.3%	48.0%	46.4%	46.8%	44.9%	42.7%
Benefits	11.3%	10.7%	12.5%	13.4%	14.0%	13.9%	15.3%	17.9%	16.7%	16.0%	15.9%	14.7%
Services & Supplies	34.7%	35.6%	34.4%	31.9%	32.6%	31.8%	33.0%	30.0%	31.2%	33.0%	33.1%	32.3%
Capital Outlay	6.3%	11.1%	8.2%	13.9%	9.9%	9.3%	6.5%	4.1%	5.7%	4.2%	6.0%	10.2%

Indicator 4.4 b
Composition of Spending

<u>Description:</u> Indicator 4.4b shows the breakdown of spending by salaries, benefits, services and capital. Local governments are service providers and therefore usually have high proportions of their budgets spent on salaries and benefits. If these areas grow too rapidly, they may reduce the ability of the government to purchase needed supplies or replacement or new capital. Some share of the budget must be devoted to capital outlay, if this declines too low, it may indicate a local government's failure to replace worn out equipment or buy infrastructure to support local population growth.

<u>Analysis:</u> Salaries and wages have changed significantly during the study period, <u>decreasing</u> from 47.8% to 42.7%. This decrease was offset somewhat by an increase in benefits, going from 11.3% to 14.7%. The benefits issue will be discussed further in Indicator 4.7. The share of the budget spent on services and supplies has decreased from 34.7% to 32.3%. At the same time the share of the budget spent on capital outlay increased from 6.3% to 10.2%. Compared to other counties in Nevada, Humboldt County has a relatively stable composition of spending. Statewide, spending averages for the study period are: 52.5% for salaries and wages, 15.5% for benefits, 29.1% for services and supplies and 2.3% for capital outlay. Therefore, compared to the statewide average, Humboldt County spends less on salaries and wages than other counties and more on capital outlay.



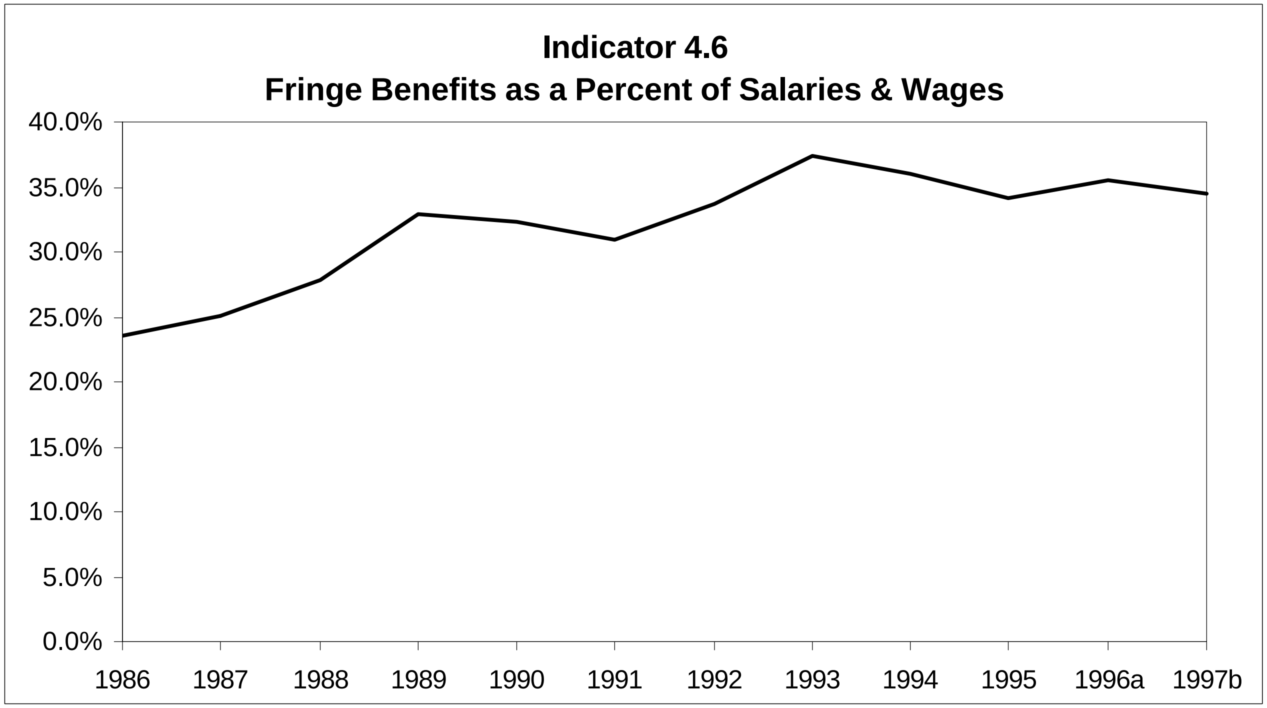
Indicator 4.5	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996a	1997b
Public Employees Per 1000 Pop	12.0	11.8	11.1	12.5	12.5	12.0	11.9	11.7	10.8	10.5	10.6	10.6

Source: Local Government Budgets schedule S-2 (includes employees from all governmental funds except proprietary funds)

Indicator 4.5
Public Employees Per 1000 Population

Description: The number of employees in local government is an indicator of the level of services provided. By dividing the number by the resident population, this is an indicator of how growth is affecting the level of services. The number of employees is reported as "Full Time Equivalents" (FTE). An increasing number of employees per 1000 people may indicate that the local government is hiring too many employees and is not as efficient as it could be. A decreasing number of employees may indicate problems maintaining levels of services or it may indicate increasing efficiency.

Analysis: Public employees per 1000 population is trending downward during the study period. This is similar to the trend of spending changes on personnel displayed in Indicator 4.4b, which showed a decrease in spending on salaries and wages from the general fund. There is significant volatility over the study period. However, this is understandable as the economy fluctuated with mining activity and the population increased. Demands for county government services were probably irregular. It appears that the county may be serving more people with fewer personnel. This should be monitored to be certain that level of service does not reach unacceptable levels.



Indicator 4.6	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996a	1997b
Fringe Benefits/Salaries & Wages	23.6%	25.1%	27.9%	32.9%	32.4%	30.9%	33.7%	37.4%	36.0%	34.1%	35.5%	34.5%

Indicator 4.6
Fringe Benefits
Percent of Salaries & Wages

Description: Fringe benefits include pension plans, health and life insurance, vacation, sick and holiday leave, deferred compensation, disability insurance and educational and incentive pay. Benefits represent a significant share of personnel costs and in Nevada average over 30% of employee compensation. The cost of providing benefits, especially insurance, has risen at dramatic rates and requires careful monitoring. Prudent risk management may mitigate excessive growth in benefits.

Analysis: Benefits in Humboldt County have risen from 23.6% of total compensation to 34.5%. While other Nevada counties have seen similar increases, this is a warning indicator and should be monitored closely.

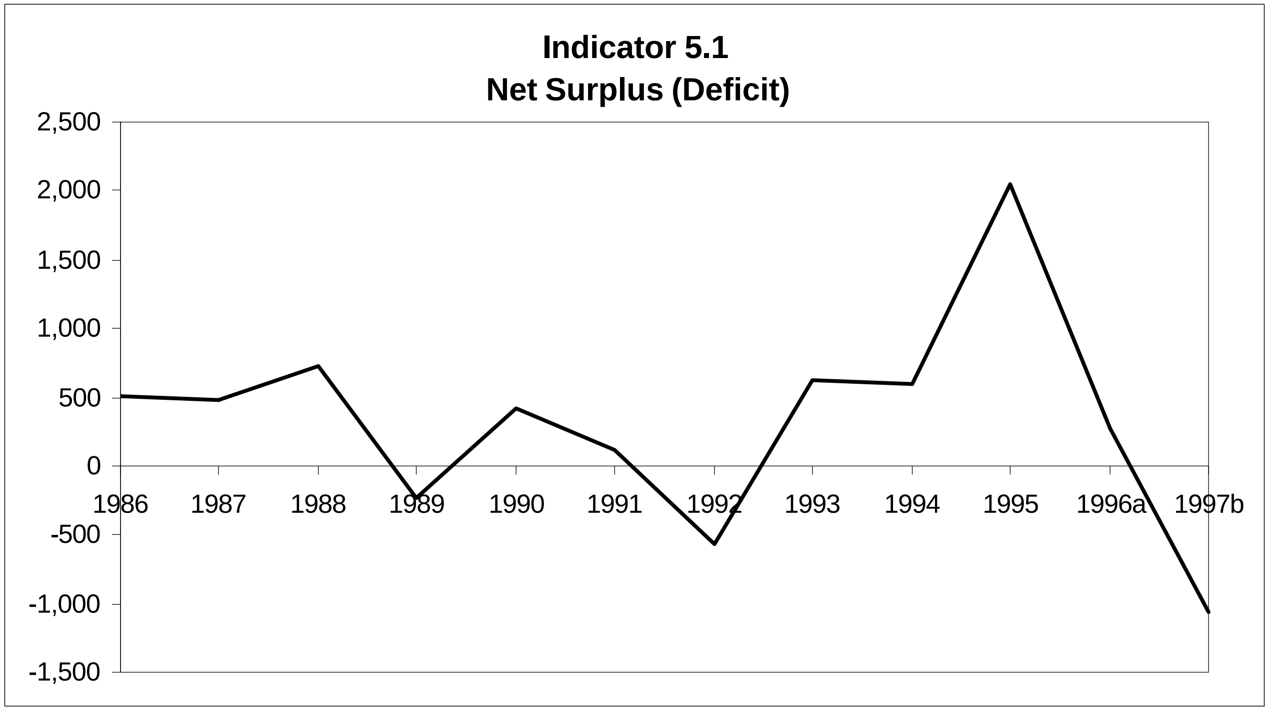
V Operating Position

<u>Description:</u> The operating position group contains two indicators: net surplus/deficit and ending fund balance. The net surplus/deficit reflects how current revenues compare with current spending. A net deficit occurs when revenues are less than spending. Typically, to fund a net deficit requires using some of the General Funds previous year's ending balance. Thus the ending balance is a measure of how much reserves the county has to fund emergencies or capital spending. If the ending balance becomes too low, the county may be forced to raise revenues or cut spending.

<u>Analysis:</u>

- **<u>Net Surplus (Deficit):</u>** The general fund has usually maintained a net surplus during the study period. There have not been two consecutive years with net deficits. This is a positive indicator.

- **<u>Ending Balance:</u>** Humboldt County's ending balance as a percent of total expenditures has averaged an incredibly high 51.8% during the period from 1986 to 1997. Although this shows prudent fiscal management, the county may consider investment options to increase revenues.



Indicator 5.1	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996a	1997b
Net Surplus(deficit)	503	477	723	-227	420	118	-567	616	595	2,055	268	-1,071

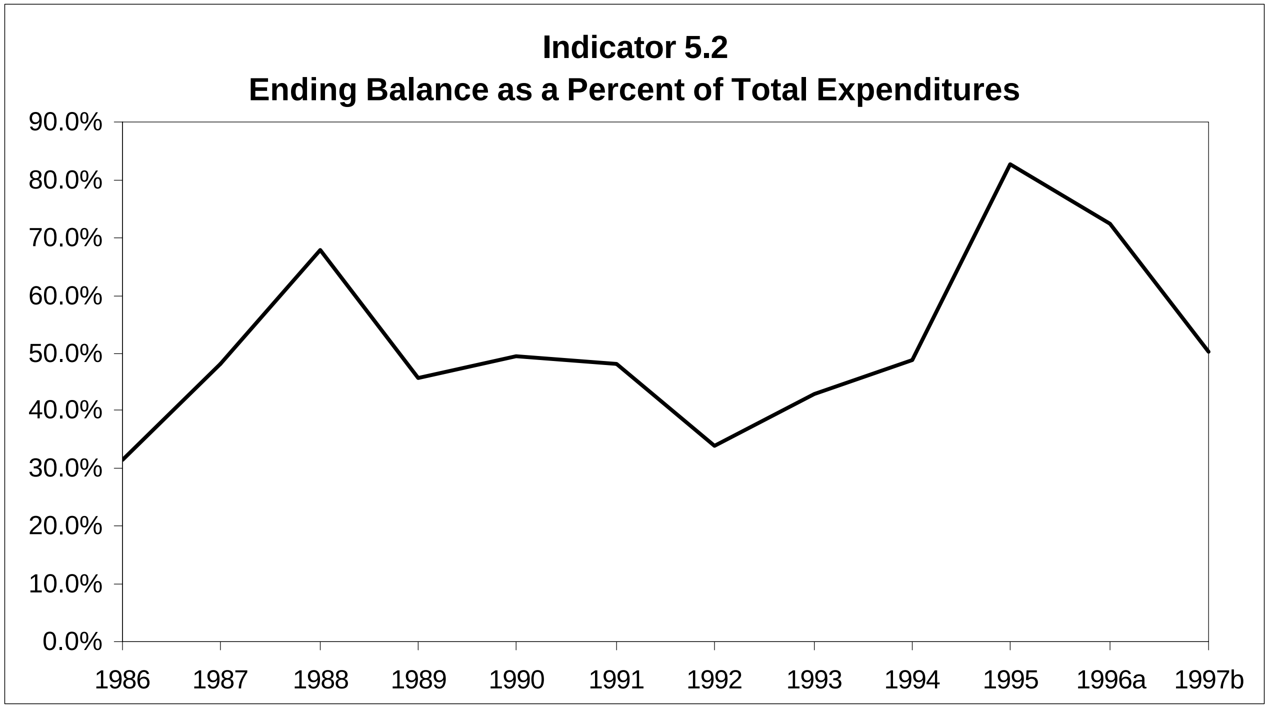
In Thousands of Dollars

Source: Legislative Counsel Bureau County Budget

Indicator 5.1
Net Surplus (Deficit)

Description: The net surplus is the difference between the current revenues and current expenditures of the General Fund. A deficit occurs when current expenditures exceed current revenues. This does not necessarily mean that the budget is not balanced since reserves or fund balances can be used to cover the difference. Continuing deficits cannot be maintained however and will require increased revenues or decreased spending.

Analysis: The general fund has usually maintained a net surplus during the study period. However, the deficit years are increasingly more pronounced. The county may require increasing its reserve position.



Indicator 5.2	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996a	1997b
End Balance/Total Expenditures	31.3%	48.0%	67.7%	45.7%	49.6%	48.1%	33.9%	43.0%	48.8%	82.7%	72.4%	50.3%

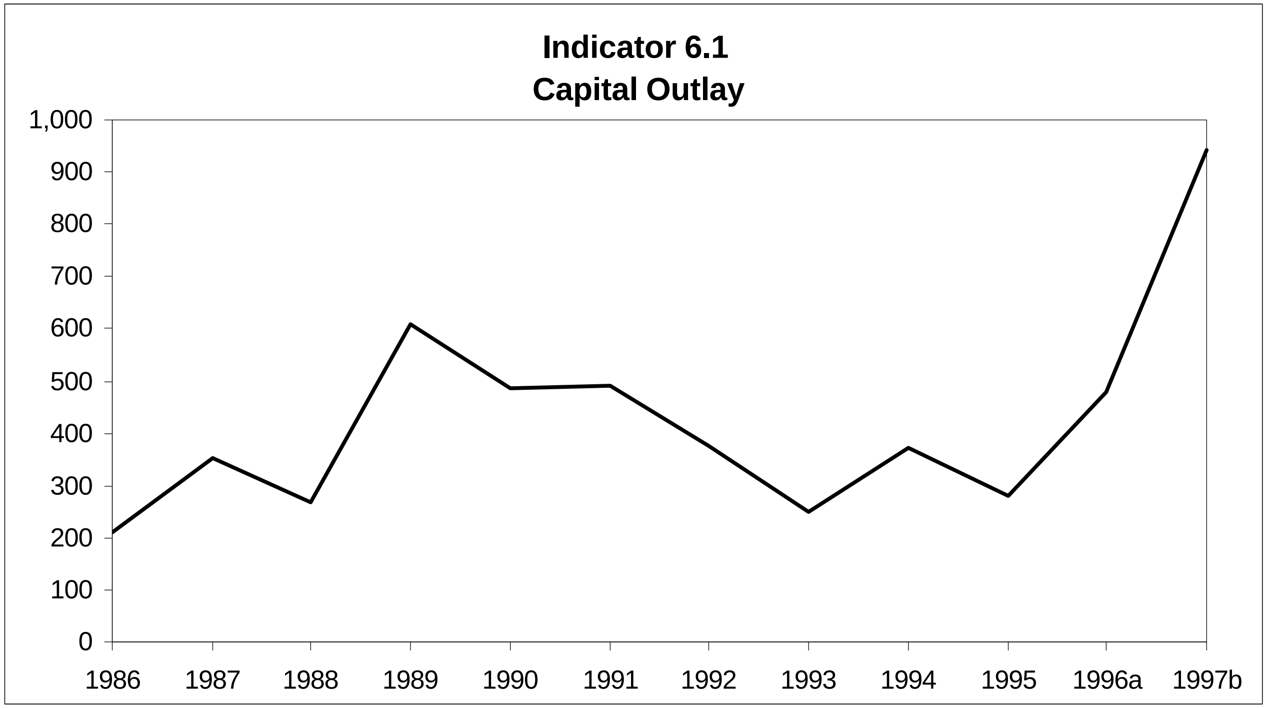
Source: Legislative Counsel Bureau County Budget

Indicator 5.2
Ending Balance
As Percent of Total Expenditures

Description: The ending balance is the difference between the year's revenues and spending plus the previous year's ending balance. The ending balance should be sufficient to cover a portion of operating expenses. The size of a local government's fund balance can affect its ability to withstand financial emergencies. It can also affect its ability to accumulate funds for capital purchases without having to borrow. Many local governments like to keep a certain percent of expenditures in reserve. Statewide local governments average 8% to 20% in reserves.

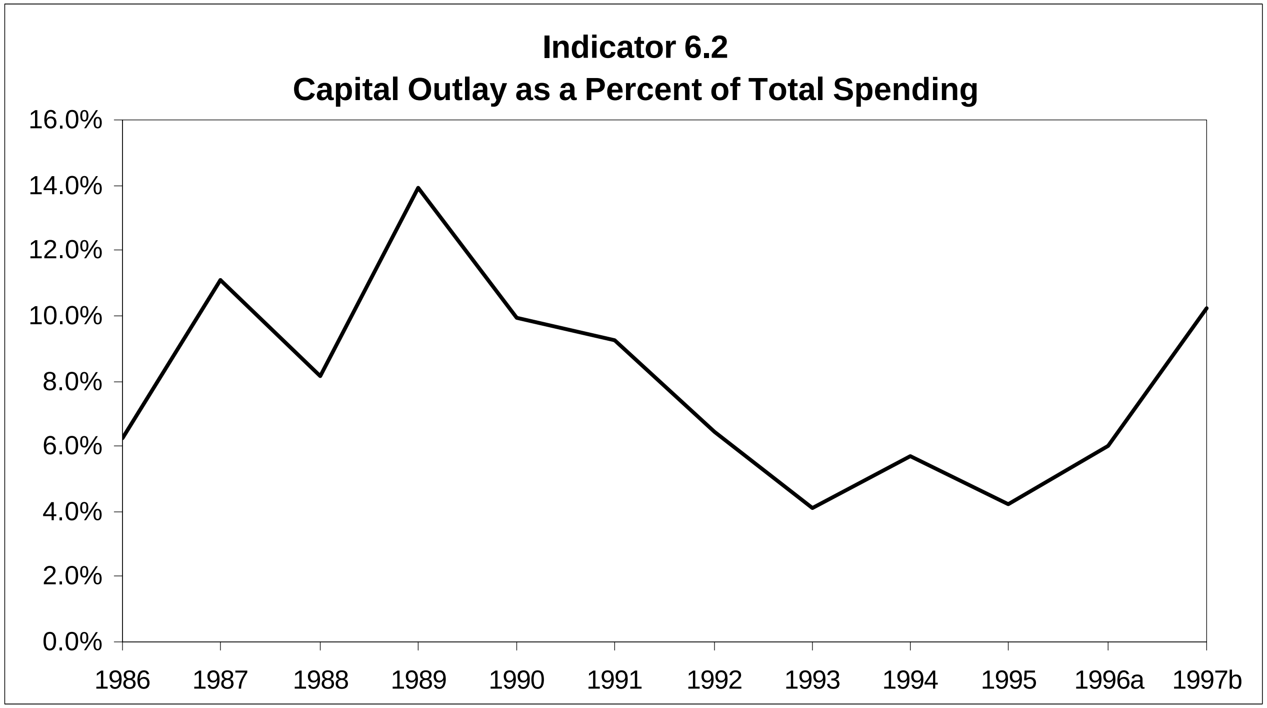
Analysis: Humboldt County's ending balance as a percent of total expenditures has averaged an incredibly high 51.8% during the period from 1986 to 1997. Although this shows prudent fiscal management, the county may consider other investment options to increase revenues.

VI Capital Outlay



Indicator 6.1	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996a	1997b
Capital Outlay*	210	352	269	608	485	489	375	248	371	279	477	944

*In Thousands of Dollars



Indicator 6.2	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996a	1997b
Capital Outlay to Total Spending	6.3%	11.1%	8.2%	13.9%	9.9%	9.3%	6.5%	4.1%	5.7%	4.2%	6.0%	10.2%

Sources: Legislative Counsel Bureau, County Budget

Indicator 6.1
Capital Outlay

Indicator 6.2
Capital Outlay to Total Spending

Description: Expenditures for operating equipment, such as trucks and computers, drawn from the operating budget are usually referred to as capital outlay. Capital outlay items normally include equipment that will last longer than one year and that has an initial cost above a significant minimum cost. The ratio of capital outlay to net operating expenditures is a rough indicator of whether the stock of equipment is being adequately replaced. If this ratio declines it may mean that the local government's needs are temporarily satisfied or that they are being deferred due to other budget priorities.

Analysis: Capital outlay has fluctuated during the period. The fluctuation is apparent in both measures of actual spending and capital outlay as a percent of the total general fund spending. The ratio of capital outlay to total spending is relatively high for Humboldt County. The statewide average for the period from 1986 to 1997 is 2.3%. In Humboldt County the average for this period is 8.0%.

Appendix

Group 1 Economic and Demographic

Indicator 1.1a	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997
Population	10,155	10,523	11,564	12,187	12,844	13,500	14,000	14,510	15,640	16,270	16,656	17,217
Percent Growth		3.6%	9.9%	5.4%	5.4%	5.1%	3.7%	3.6%	7.8%	4.0%	2.4%	3.4%

	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997
IPD Govt (2)	0.8269	0.8515	0.8739	0.9021	0.9406	0.9745	1	1.0233	1.0435	1.0778	1.1069	1.1445

Indicator 1.1b	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997
Over Age 64	739	767	845	887	939	1,008	1,075	1,133	1,241	1,316	1,399	1,476
Percent Over 64	7.3%	7.3%	7.3%	7.3%	7.3%	7.5%	7.7%	7.8%	7.9%	8.1%	8.4%	8.6%
Under Age 20	3,274	3,403	3,758	3,982	4,216	4,438	4,611	4,756	5,107	5,293	5,383	5,532
Percent Under 20	32.2%	32.3%	32.5%	32.7%	32.8%	32.9%	32.9%	32.8%	32.7%	32.5%	32.3%	32.1%

Indicator 1.1c	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997
School Enrollment	2,228	2,433	2,551	2,785	2,999	3,184	3,368	3,453	3,702	3,845	4,046	
Enrollment Ratio	21.9%	23.1%	22.1%	22.9%	23.3%	23.6%	24.1%	23.8%	23.7%	23.6%	24.3%	
Dependents Ratio	39.5%	39.6%	39.8%	40.0%	40.1%	40.3%	40.6%	40.6%	40.6%	40.6%	40.7%	40.7%

Indicator 1.2a	1991	1992	1993	1994	1995	1996	
Total	4,874	4,771	5,180	5,327	5,327	5,465	12.1%
Single Family	2,381	2,164	2,455	2,489	2,489	2,572	8.0%
Multi Family	437	473	351	372	372	400	-8.5%
Mobile Homes	2,056	2,134	2,374	2,466	2,466	2,493	21.3%

Indicator 1.2b	1991	1992	1993	1994	1995	1996
Single Family Share	48.9%	45.4%	47.4%	46.7%	46.7%	47.1%
Multi Family Share	9.0%	9.9%	6.8%	7.0%	7.0%	7.3%
Mobile Home Share	42.2%	44.7%	45.8%	46.3%	46.3%	45.6%

Indicator 1.3	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995
Income Per Capita	12,346	13,887	16,122	18,199	18,308	19,300	19,763	20,877	21,133	21,854
Real Income Per Capita	14,930	16,309	18,448	20,174	19,464	19,805	19,763	20,402	20,252	20,276

Group 1 Economic and Demographic Continued

Indicator 1.4	1990	1991	1992	1993	1994	1995	1996	1997
AFDC Recipients	140	166	154	214	188	253	228	137
Food Stamp Recipients	525	617	674	757	738	653	614	365
F/S Recipients Per 1000	41	46	48	52	47	40	37	21

Note: Estimates only, not official caseload

Indicator 1.5a	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996
Labor Force	5,280	5,570	6,610	7,040	6,780	7,420	7,650	7,900	7,870	8,050	8,300
Industrial Employment	4,054	4,615	5,599	6,283	6,123	6,671	6,717	7,059	7,253	7,570	8,100

Indicator 1.5b	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996
Unemployment Rate	7.3%	6.3%	4.3%	5.3%	5.5%	4.5%	5.6%	6.1%	5.8%	4.3%	4.1%
Participation Rate	52.0%	52.9%	57.2%	57.8%	52.8%	55.0%	54.6%	54.4%	50.3%	49.5%	49.8%

Indicator 1.6a	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996
Residential Value	3,031	2,734	6,824	4,041	4,894	5,094	3,448	3,391	4,409	4,871	5,776
Total Permit Value	9,725	8,725	16,612	12,716	12,355	16,969	9,469	12,086	10,895		

In Thousands of Real 1992 Dollars

Indicator 1.6b	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996
Single Family Value	3,031	2,734	4,456	3,544	4,037	3,753	3,448	3,391	4,409	4,871	5,667
Multi Family Value			2,368	496	858	1,340					109
Res. Remodels etc.	802	1,824	1,119	1,712	1,830	3,390	2,095	1,622	2,218		
Non-Residential Value	5,892	4,167	8,669	6,963	5,631	8,486	3,926	7,073	4,268	4,871	5,776

In Thousands of Real 1992 Dollars

Group 2 Tax Bases

Indicator 2.1	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996
Assessed Value	233,942,475	311,626,894	285,958,987	418,338,600	421,639,863	453,726,323	454,685,729	474,370,671	505,350,168	544,309,011	497,353,588
AV Excluding NPM	222,860,338	257,761,159	215,140,039	254,882,749	273,160,401	306,886,156	346,864,734	363,269,720	396,801,614	416,770,157	457,282,554
NPM	11,082,137	53,865,735	70,818,948	163,455,851	148,479,462	146,840,167	107,820,995	111,100,951	108,548,554	127,538,854	40,071,034
Real AV	282,915,074	365,974,039	327,221,635	463,738,610	448,266,918	465,599,100	454,685,729	463,569,502	484,283,822	505,018,567	449,321,156
Real AV Excluding NPM	269,513,046	302,714,221	246,183,819	282,543,786	290,410,803	314,916,527	346,864,734	354,998,261	380,260,291	386,685,987	413,120,023
Real Total AV Per Capita	27,860	34,778	28,297	38,052	34,901	34,489	32,478	31,948	30,964	31,040	26,977
Real AV-NPM Per Capita	26,540	28,767	21,289	23,184	22,611	23,327	24,776	24,466	24,313	23,767	24,803

Indicator 2.2	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996
Taxable Sales	149,782,879	120,915,826	160,651,116	186,486,406	215,025,539	262,121,022	256,092,012	282,901,407	288,018,555	371,276,337	425,698,255
Real Taxable Sales	181,137,839	142,003,319	183,832,379	206,724,760	228,604,656	268,980,012	256,092,012	276,459,892	276,012,032	344,476,097	384,586,010
Sales Per Capita	17,837	13,495	15,897	16,963	17,799	19,924	18,292	19,053	17,648	21,172	23,090

Indicator 2.3	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996
Net Proceeds of Mines	11,082,137	53,865,735	70,818,948	163,455,851	148,479,462	146,840,167	107,820,995	111,100,951	108,548,554	127,538,854	40,071,034
Real NPM	13,402,028	63,259,818	81,037,817	181,194,824	157,856,115	150,682,573	107,820,995	108,571,241	104,023,530	118,332,579	36,201,133
Real NPM Per Cap	1,320	6,012	7,008	14,868	12,290	11,162	7,701	7,483	6,651	7,273	2,173

Tax Indices	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996
AV	124.7	135.1	100.0	108.9	106.2	109.6	116.4	114.9	114.2	111.6	116.5
Sales	112.2	84.9	100.0	106.7	112.0	125.3	115.1	119.9	111.0	133.2	145.2
NPM	18.8	85.8	100.0	212.2	175.4	159.3	109.9	106.8	94.9	103.8	31.0

Group 3 Revenues

Indicator 3.1	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996a	1997b
Total Revenue	3,841,078	3,649,765	4,007,442	4,141,658	5,295,456	5,388,321	5,243,387	6,625,272	7,105,058	8,653,144	8,168,819	8,173,544
Real Total Revenue	4,645,154	4,286,277	4,585,699	4,591,130	5,629,870	5,529,319	5,243,387	6,474,418	6,808,872	8,028,525	7,379,907	7,141,369

Indicator 3.2	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996a	1997b
Total Real Revenues Per Capita	457.4	407.3	396.5	376.7	438.3	409.6	374.5	446.2	435.3	493.5	443.1	414.8
Average Statewide Real Revenues Per Capita	347.3	366.3	379.5	381.5	410.5	398.6	393.5	411.9	409.4	408.4	392.7	398.7

Indicator 3.3	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996a	1997b
Ad Valorem	90.2	85.3	80.8	72.4	113.3	91.1	100.6	136.4	142.9	165.7	107.6	87.9
Sales	173.7	136.7	127.8	98.2	122.5	106.2	78.7	113.8	107.3	152.2	178.3	180.2
SCCRT	118.1	96.5	80.8	53.4	74.0	51.3	26.3	62.5	58.3	102.9	127.8	127.5
BCCRT	55.7	40.2	47.1	44.8	48.5	54.8	52.4	51.3	49.0	49.3	50.5	52.7
Other	193.4	185.3	188.0	206.2	202.5	212.3	195.2	196.1	185.1	175.5	157.1	146.7
Licenses, Permits	48.0	46.1	44.8	56.0	65.1	61.5	65.1	66.3	66.3	57.3	53.6	55.0
Local Gaming	5.7	5.1	4.9	4.6	4.4	3.8	3.6	3.5	3.2	3.1	2.9	2.8
Intergovernmental	56.3	56.4	63.8	67.9	60.2	72.5	75.1	74.3	73.6	65.0	53.7	48.6
Charges for Services	21.9	34.9	35.6	28.4	19.5	14.5	13.6	11.8	11.5	13.3	12.2	12.8
Interest Earned	27.9	24.7	29.1	31.8	38.7	38.0	24.9	19.7	17.2	26.5	24.1	17.8
Bond Proceeds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Grants	6.7	2.0	6.0	16.7	12.8	19.7	9.9	17.3	9.8	6.8	8.0	7.9
FILT & PILT	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Misc. Revenues	11.1	3.0	3.8	0.9	1.3	2.1	2.6	2.7	3.2	3.2	2.5	1.6
Transfer In	15.8	13.1	0.0	0.0	0.4	0.4	0.4	0.3	0.3	0.3	0.3	0.3

Indicator 3.4	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996a	1997b
Ad Valorem	19.7%	21.0%	20.4%	19.2%	25.9%	22.2%	26.9%	30.6%	32.8%	33.6%	24.3%	21.2%
Sales	38.0%	33.6%	32.2%	26.1%	27.9%	25.9%	21.0%	25.5%	24.7%	30.8%	40.2%	43.4%
SCCRT	25.8%	23.7%	20.4%	14.2%	16.9%	12.5%	7.0%	14.0%	13.4%	20.8%	28.8%	30.7%
BCCRT	12.2%	9.9%	11.9%	11.9%	11.1%	13.4%	14.0%	11.5%	11.3%	10.0%	11.4%	12.7%
Other	42.3%	45.5%	47.4%	54.7%	46.2%	51.8%	52.1%	43.9%	42.5%	35.6%	35.5%	35.4%
Lic., Per., F & F	10.5%	11.3%	11.3%	14.9%	14.8%	15.0%	17.4%	14.9%	15.2%	11.6%	12.1%	13.3%
Local Gaming	1.2%	1.3%	1.2%	1.2%	1.0%	0.9%	1.0%	0.8%	0.7%	0.6%	0.6%	0.7%
Intergovernmental	12.3%	13.8%	16.1%	18.0%	13.7%	17.7%	20.1%	16.7%	16.9%	13.2%	12.1%	11.7%
Charges for Services	4.8%	8.6%	9.0%	7.5%	4.4%	3.5%	3.6%	2.7%	2.6%	2.7%	2.7%	3.1%
Interest Earned	6.1%	6.1%	7.3%	8.4%	8.8%	9.3%	6.7%	4.4%	3.9%	5.4%	5.4%	4.3%
Bond Proceeds	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Grants	1.5%	0.5%	1.5%	4.4%	2.9%	4.8%	2.6%	3.9%	2.3%	1.4%	1.8%	1.9%
FILT & PILT	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Misc. Revenues	2.4%	0.7%	1.0%	0.2%	0.3%	0.5%	0.7%	0.6%	0.7%	0.6%	0.6%	0.4%
Transfer In	3.5%	3.2%	0.0%	0.0%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%

Group 3 Revenues-Continued

Indicator 3.5	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996a	1997b
Restricted/Net Revenues	4.9%	3.7%	1.5%	4.4%	3.0%	4.9%	2.7%	4.0%	2.3%	1.4%	1.9%	2.0%

Indicator 3.6	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996a	1997b
Intergovernmental/Net Revenues	55.2%	51.1%	49.8%	48.5%	44.7%	48.5%	43.8%	46.1%	43.9%	45.5%	54.2%	57.1%

Indicator 3.7	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996a	1997b
Elastic/Net Revenues	51.5%	48.7%	49.6%	45.3%	42.7%	44.5%	42.0%	42.9%	42.3%	44.7%	53.0%	55.9%

Indicator 3.8	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996a	1997b
General Fund/All Funds	59.4%	53.4%	50.9%	42.8%	44.4%	45.2%	41.5%	40.8%	54.1%	57.8%	56.5%	52.9%

Indicator 3.9	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996a	1997b
Maximum Tax Rate	2.0977	2.1594	2.4568	2.5769	2.7021	2.9063	3.1437	3.2312	3.5030	3.4739	3.4093	3.3138
Countywide Tax Rate	1.6091	1.6518	1.9201	1.8975	1.9650	2.1572	2.3148	2.3592	2.4958	2.4948	2.4386	2.3638

Indicator 3.10	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996a
Actual Less Budgeted	455,927	674,561	1,325,025	1,262,447	1,382,831	116,406	-73,650	3,787,161	776,915	1,110,707	1,426,038

Indicator 3.10	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996a
Actual Less Budgeted In Thousands of Dollars	456	675	1,325	1,262	1,383	116	-74	3,787	777	1,111	1,426

Group 4 Expenditures

Indicator 4.1	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996a	1997b
Expenditures	3,338,374	3,172,467	3,284,935	4,369,048	4,875,153	5,270,276	5,810,618	6,008,843	6,510,219	6,597,786	7,900,803	9,244,389
Real Expenditures	4,037,216	3,725,739	3,758,937	4,843,197	5,183,025	5,408,185	5,810,618	5,872,025	6,238,830	6,121,531	7,137,775	8,076,985

Indicator 4.2	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996a	1997b
Per Capita Expenditures	397.6	354.1	325.1	397.4	403.5	400.6	415.0	404.7	398.9	376.2	428.5	469.1

Indicator 4.3	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996a	1997b
General Government	137.9	165.5	137.4	154.6	147.3	142.3	145.2	139.2	139.5	134.2	146.3	182.4
Public Safety	158.4	102.4	105.4	138.4	147.5	148.3	145.1	153.3	153.2	138.9	158.2	153.8
Judicial	65.6	48.2	45.4	51.6	60.4	54.7	60.6	57.0	53.7	52.4	65.4	63.6
Other	35.8	36.8	36.8	52.8	48.2	55.3	62.7	55.2	52.5	49.8	58.6	69.4
Streets and Highways	1.1	1.1	1.0	0.9	0.7	0.6	0.5	0.5	0.5	0.5	0.5	0.8
Welfare and Sanitation	4.1	3.3	4.8	6.0	5.3	4.0	7.0	7.1	8.0	7.4	8.2	7.7
Culture and Recreation	13.4	17.3	14.7	32.5	26.4	23.4	27.3	21.7	19.5	19.3	21.2	23.8
Misc. Other	17.2	15.1	16.3	13.3	15.8	27.2	27.8	25.9	24.5	22.6	28.7	37.1

Indicator 4.4a	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996a	1997b
General Government	34.7%	46.9%	42.3%	38.9%	36.5%	35.5%	35.1%	34.4%	35.0%	35.8%	34.1%	38.9%
Public Safety	39.8%	29.0%	32.4%	34.8%	36.6%	37.0%	35.1%	37.9%	38.4%	37.0%	36.9%	32.8%
Judicial	16.5%	13.7%	14.0%	13.0%	15.0%	13.6%	14.6%	14.1%	13.5%	14.0%	15.3%	13.6%
Other	9.0%	10.4%	11.3%	13.3%	11.9%	13.8%	15.2%	13.6%	13.2%	13.3%	13.7%	14.8%
Streets and Highways	0.3%	0.3%	0.3%	0.2%	0.2%	0.2%	0.1%	0.1%	0.1%	0.1%	0.1%	0.2%
Welfare and Sanitation	1.0%	0.9%	1.5%	1.5%	1.3%	1.0%	1.7%	1.8%	2.0%	2.0%	1.9%	1.6%
Culture and Recreation	3.4%	4.9%	4.5%	8.2%	6.6%	5.8%	6.6%	5.4%	4.9%	5.1%	4.9%	5.1%
Misc. Other	4.3%	4.3%	5.0%	3.4%	3.9%	6.8%	6.7%	6.4%	6.2%	6.0%	6.7%	7.9%

Indicator 4.4b	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996a	1997b
Salaries & Wages	47.8%	42.5%	44.9%	40.7%	43.4%	45.0%	45.3%	48.0%	46.4%	46.8%	44.9%	42.7%
Benefits	11.3%	10.7%	12.5%	13.4%	14.0%	13.9%	15.3%	17.9%	16.7%	16.0%	15.9%	14.7%
Services & Supplies	34.7%	35.6%	34.4%	31.9%	32.6%	31.8%	33.0%	30.0%	31.2%	33.0%	33.1%	32.3%
Capital Outlay	6.3%	11.1%	8.2%	13.9%	9.9%	9.3%	6.5%	4.1%	5.7%	4.2%	6.0%	10.2%

Indicator 4.5	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996a	1997b
Public Employees Per 1000 Population	12.0	11.8	11.1	12.5	12.5	12.0	11.9	11.7	10.8	10.5	10.6	10.6

Indicator 4.6	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996a	1997b
Fringe Benefits/Salaries & Wages	23.6%	25.1%	27.9%	32.9%	32.4%	30.9%	33.7%	37.4%	36.0%	34.1%	35.5%	34.5%

Group 5 Operating Position

Indicator 5.1	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996a	1997b
Net Surplus (deficit)	502,704	477,298	722,507	-227,390	420,303	118,045	-567,231	616,429	594,839	2,055,358	268,016	-1,070,845

Indicator 5.2	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996a	1997b
End Balance/Total Expenditures	31.3%	48.0%	67.7%	45.7%	49.6%	48.1%	33.9%	43.0%	48.8%	82.7%	72.4%	50.3%

Group 6 Capital

Indicator 6.1	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996a	1997b
Capital Outlay	209,541	352,490	268,707	608,476	484,819	488,555	375,003	248,281	371,033	278,745	477,030	943,756

Indicator 6.2	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996a	1997b
Capital Outlay to Total Spending	6.3%	11.1%	8.2%	13.9%	9.9%	9.3%	6.5%	4.1%	5.7%	4.2%	6.0%	10.2%

Indicator 6.1	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996a	1997b
Capital Outlay In Thousands of Dollars	210	352	269	608	485	489	375	248	371	279	477	944