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## SUMMARY OF FINANCING SOURCES

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This section looks at the sources of revenue used to finance public services, primarily by the County. When available, information for the incorporated cities has also been included.

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### NEVADA COUNTY REVENUE SOURCES

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Nevada County figures for 2003-04 revenue, show an overall increase of 14% over actual revenue from 2002-2003, despite a slight decline in 2003-2004, revenues for 2005-06 rose another this figure rose 9.1%. Overall, revenues grew from FY03 to FY06 by nearly 24% (**Table 46**).

Revenue from taxes showed a major increase in 2005-06, jumping 38% and reflecting the increased property values of the previous year. Revenues from Other Financing Sources rose by an even more impressive 98.2% over the three-year period. *Aid from Government Agencies* (Includes State Funds) declined 6.4% from FY03 to FY06. Increases in Other Financing Sources are due primarily to (1) Full implementation of GASB 34 (State funding re-allocations) by budgeting new special revenue funds, and (2) Increased reliance on special revenue fund reserves, particularly in the Health and Human Services Agency.

**Table 46**  
**Nevada County Revenue Summary by Source**  
**(In millions)**

Summary by Source	Actual FY 02/03	Actual FY 03/04	Actual FY 04/05	Actual FY 05/06	1 Year % Change	3 year % Change
Taxes	21.46	22.20	25.05	34.58	38%	61.1%
Licenses, Permits & Franchises	2.32	2.64	2.87	3.02	5.2%	30.2%
Fines, Forfeitures & Penalties	3.58	2.58	2.30	2.41	4.8%	-32.7%
Revenue for Use of Money	1.13	.78	.87	1.17	34.5%	3.5%
Aid from Government Agencies	59.94	58.95	62.11	56.13	-9.6%	-6.4%
Charges for Current Services	11.18	13.00	10.56	10.29	-2.6%	-8%
Other Financing Sources	17.58	33.48	29.01	34.85	20%	98.2%
<b>TOTAL</b>	<b>117.15</b>	<b>133.64</b>	<b>132.80</b>	<b>144.91</b>	<b>9.1%</b>	<b>23.7%</b>

Source: Nevada County Administration Office

## DISCRETIONARY REVENUES

Discretionary Revenues are spent on local funding matches, maintenance-of-efforts requirements, and various programs and services as determined by the Board of Supervisors.

**Table 47** shows discretionary revenues for Nevada County. Local taxes, primarily sales and property taxes, were estimated to increase 6.0% from 2002/2003 to 2003/2004; the actual tax increase was 9.4%. Tax revenues almost doubled from Fiscal Year 2001-2002 to Fiscal Year 2005-2006.

Total revenues substantially increased by \$8 million in 2004-05 and another \$3 million in 2005-06. This was driven by an \$8 million increase in *Other Discretionary Income* in 2004-05, and by a major increase of \$8.4 million tax revenues in 2005-06. The State of California substituted property tax revenues for MVLF and those revenues are no longer reported in the MVLF category; they are accounted for in *Other Discretionary Funds*.

**Table 47**  
**Nevada County General Fund**  
**Discretionary Revenues**  
**(In millions)**

	FY 99/00	FY 00/01	FY 01/02	FY 02/03	FY 03/04	FY 04/05	FY 05/06 (Estimated)
Taxes	16.2	17.5	18.3	20.0	21.4	23.4	32.8
Franchise Fees	0.4	0.4	0.8	0.8	0.8	0.8	0.8
Interest	0.8	1.3	0.9	0.6	0.2	0.4	0.4
Motor Vehicle In - Lieu Fee (VLF)	1.2	1.5	1.6	1.7	0.1	0.0	0.0
Other Discretionary	3.7	4.2	3.0	2.8	2.9	9.2	2.9
<b>TOTAL</b>	<b>22.2</b>	<b>24.9</b>	<b>24.6</b>	<b>25.9</b>	<b>25.6</b>	<b>33.9</b>	<b>36.9</b>

Source: Nevada County Administration Office, 2006

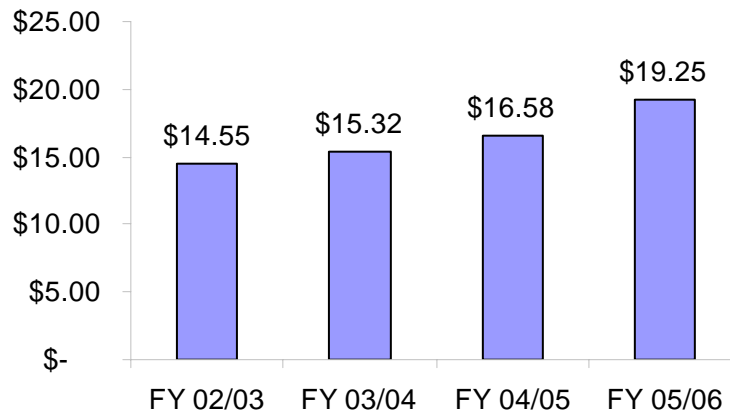
## PROPERTY TAX

Income from property tax continued to rise, following the upward trend from 2000 onward. In 2005-06, property tax revenues jumped 13.8% and have risen 21.5% in the last two years. (**Table 48**)

**Table 48**  
**Nevada County Property Tax Revenue**

	<b>FY 02/03</b>	<b>FY 03/04</b>	<b>FY 04/05</b>	<b>FY 05/06 Estimated</b>
Property Tax (In Million \$)	14.55	15.32	16.58	19.25
Increase from Prior Year	10.5%	5%	7.7%	13.8%

**Chart 12**  
**Property Tax**  
**(In millions)**



*Source: Nevada County Administration Office, 2006*

## TRANSIENT OCCUPANCY TAX

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As shown in **Table 48**, overall County Transient Occupancy Tax revenues (TOT, sometimes referred to as “bed tax”) funds increased a total of 11.3% from 2002 to 2005. Truckee continued to be the major area for the County’s TOT collection, generating 51.1% of the TOT revenues within the County. Grass Valley, however, has shown exponential growth from 2002 through 2005, increasing by a multiple of 3.3 over that time period. This can partially be explained by the fact that the City has annexed additional areas from the unincorporated areas in the County. Correspondingly, the unincorporated area showed a 34% drop from 2004 revenues to 2005 revenues.

**Table 49**  
**Nevada County Transient Occupancy Tax – All Jurisdictions**  
**FY2002 to FY2005**  
**(In thousands)**

NEVADA COUNTY	FY 2002	FY 2003	FY 2004	FY 2005
Grass Valley	131.4	196.4	238.9	425.4
Nevada City	358.8	428.5	331.7	353.4
Truckee	1,030.0	1,002.9	927.7	1,010.4
Unincorporated	264.6	266.5	277.9	188.9
<b>TOTAL</b>	<b>1,7484.8</b>	<b>1,894.3</b>	<b>1,776.2</b>	<b>1,978.1</b>

*Source: Dean Runyon and Associates, County Administrative Offices, 2006*

## GENERAL FUND RESERVES

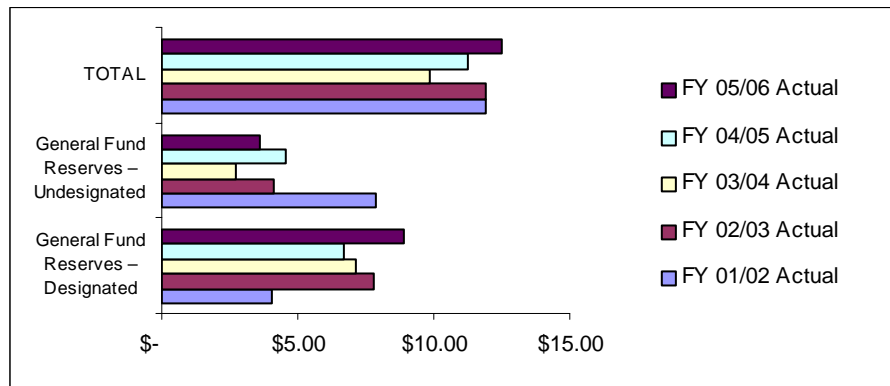
Actual Fiscal Year General Fund Reserves continued at levels less than those for 2001-02 with 2005-06 at 92.7% of 2001-02 levels. Undesignated General Fund Reserves for 2005-06 are only 27.2% of 2001-02 levels, but this is compensated for by a doubling of Designated General Fund Reserves in 2005-06, as compared to 2001-02 levels.

**Table 50**  
**General Fund Reserves and Balances**  
**(In millions)**

	FY 01/02 Actual	FY 02/03 Actual	FY 03/04 Actual	FY 04/05 Actual	FY 05/06 Actual
General Fund Reserves – Designated	4.06	7.78	7.12	6.72	8.90
General Fund Reserves – Undesignated	7.90	4.12	2.74	4.54	2.15
<b>TOTAL</b>	<b>11.93</b>	<b>11.91</b>	<b>9.87</b>	<b>11.27</b>	<b>11.06</b>

*Source: Nevada County Administration Office, 2007*

**Chart 13**  
**General Fund Reserves & Contingencies**

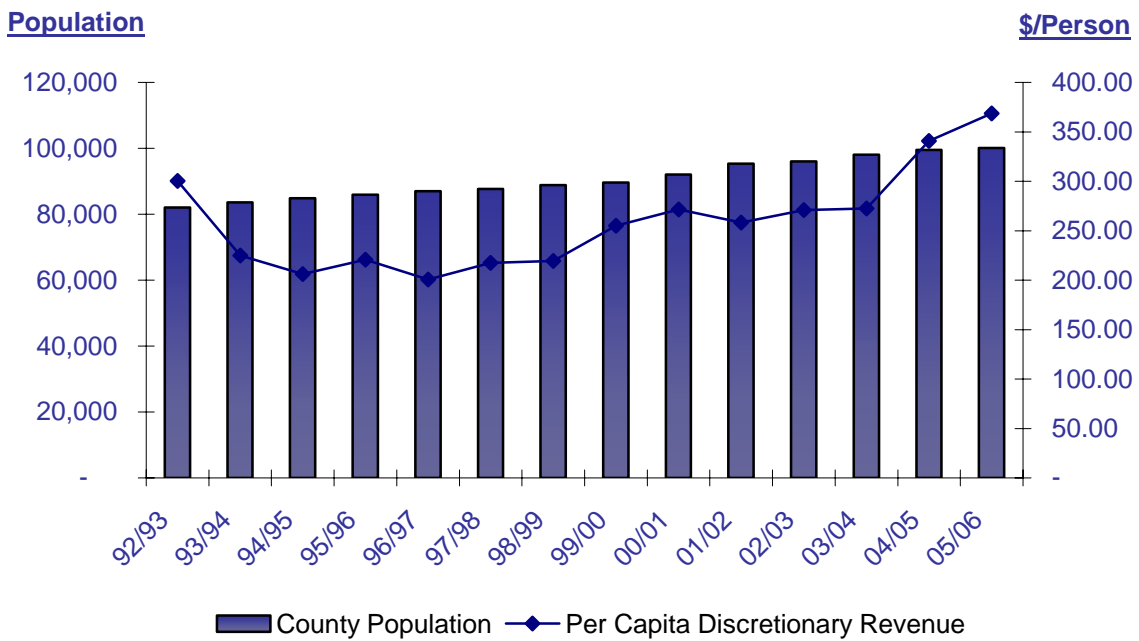


*Source: Nevada County Administration Office, 2007*

## COUNTY PER CAPITA DISCRETIONARY SPENDING

County discretionary revenue reached an all-time high in 2005-06. **Chart 14** illustrates that the County has managed to recover from the drop in available funding in 96/97 of \$200 per citizen to a projected \$369 per citizen in 05-06.

**Chart 14**  
**Per Capita Discretionary Spending**



*Source: Nevada County Administration Office, 2007*

## CITY OF GRASS VALLEY REVENUE SOURCES

The City of Grass Valley Revenues exhibit a continuing increase of more than 14.5% over the past four years (**Table 51**). Fiscal Year 2005-2006 General Fund Revenues showed an almost \$300,000 increase over 04-05 and were \$1.55 million greater than 02-03, an increase of about 22%. The City reported no revenues from Development Impact Fees for nearly all of 05-06. Enterprise Fund revenues continued to grow and reached a 5-year high in 2006.

**Table 51**  
**City of Grass Valley Revenue Summary by Source**

REVENUES	FY 02/03	FY 03/04	FY 04/05	FY 05- 06 Budgeted
	YTD	YTD	YTD	YTD as of 5/31/06
<b>General Fund</b>				
Taxes	\$5,872,044	\$6,065,126	\$6,942,270	\$7,423,750
Intergovernmental	\$763,292	\$600,139	\$1,089,438	\$864,506
Current Services Charges	\$389,400	\$420,103	\$581,233	\$424,312
Interest	\$214,522	\$140,042	\$147,938	\$175,000
Misc.	150,039	\$164,228	\$99,115	\$272,673
Enterprise Fund Reimburse	\$256,000	\$250,500	\$258,000	\$309,620
<b>Total General Fund</b>	<b>\$7,645,297</b>	<b>\$7,640,138</b>	<b>\$9,117,994</b>	<b>\$9,469,861</b>
<b>Operating Transfers In:</b>				
Gas Tax	\$3,000	\$3,000	\$3,000	\$3,000
Development Impact Fees	\$151,300	\$151,300	\$151,300	0
Traffic Safety	\$25,000	- \$0	\$10,567	\$0
Other	\$517,233	\$132,990	\$165,555	\$187,883
<b>Total Transfers In</b>	<b>\$696,533</b>	<b>\$287,290</b>	<b>\$330,422</b>	<b>\$190,883</b>
<b>Enterprise Funds</b>				
Utility User Fees	\$1,047,394	\$1,099,017	\$1,058,144	\$1,141,000
Connection/Annexation Fees	\$46,903	\$18,212	\$24,979	\$20,000
Other Revenue	\$59,912	\$69,703	\$70,501	\$57,000
<b>Total Enterprise Funds</b>	<b>\$1,154,209</b>	<b>\$1,008,617</b>	<b>\$1,153,624</b>	<b>\$1,218,000</b>
<b>TOTAL REVENUES</b>	<b>\$9,496,039</b>	<b>\$8,935,726</b>	<b>\$10,602,040</b>	<b>\$10,878,744</b>

Source: Grass Valley Administration Office, 2006

## CITY OF NEVADA CITY REVENUE SOURCES

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*General Fund Revenues* for the City of Nevada City increased by \$633,685 (19.6%) from FY04 through FY 05 (**Table 52**). Nevada City operates two enterprise funds called "Business-type activities" in the City's audit reports. These are the Water Department and the Sewer Department. Revenues for the Sewer Department exceed expenditures by \$197,000, while the Water Department operates on a margin of about \$20,000. In November 2006, 81% of the citizens of Nevada City voted to increase retail sales and use tax one-half cent per one dollar for transportation improvements.

**Table 52**  
**City of Nevada City Revenue Summary by Source**

REVENUE	FY 03/04 Actual	FY 04/05 Actual
General Fund Revenue	\$3,238,780	\$3,872,465
<b>Enterprise Fund Revenue</b>		
Water Department	\$470,672	\$433,529
Sewer Department	\$870,907	\$1,001,514
<b>Total REVENUES</b>	<b>\$4,580,359</b>	<b>\$5,307,508</b>

*Source: Nevada City Administration Office, 2006*

## TOWN OF TRUCKEE REVENUE SOURCES

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The Town of Truckee's 2006-07 Budget projected *General Fund* revenues to increase 7.3% over FY 05-06 Estimated Actual revenues. The *Redevelopment Agency* revenues were nearly double those of the previous year. They are 43.4% higher than budgeted, and a budgeted \$46,000 transfer from the General Fund was not necessary in 2005-06 (**Table 53**). After a dramatic decline in 2004-05, anticipated revenues from *Transit Funds* were expected to be restored to 2003-04 levels. *Building and Safety Revenues* showed a slight increase from 03-04 to 05-06, but were budgeted to jump by over 24% in 2006-07.

**Table 53**  
**Town of Truckee Revenue Summary by Source**

	FY 04/05 Annual Budget	FY 05/06 Estimated Actual	FY 06/07 Proposed Budget
<b>General Fund</b>			
Taxes	\$10,727,846	\$11,145,079	\$12,680,000
Intergovernmental	\$1,252,973	\$901,400	\$860,400
Other	\$2,290,469	\$1,765,300	\$1,832,300
Planning Fees	\$180,567	\$182,300	\$186,000
Gas Taxes	\$1,333,919	\$1,458,000	\$1,358,000
Transfers	\$240,267	\$345,000	\$370,000
State Fund contingency Reserve	\$300,000	\$300,000	\$300,000
<b>Total General Fund</b>	<b>\$16,026,040</b>	<b>\$16,835,000</b>	<b>\$17,286,700</b>

	FY 04/05 Annual Budget	FY 05/06 Estimated Actual	FY 06/07 Proposed Budget
<b>Redevelopment Agency</b>			
Capital Fund	\$638,845	\$1,146,000	\$1,224,000
Other RDA Funds	\$48,164	\$132,374	\$145,000
<b>Total RDA Funds</b>	<b>\$687,012</b>	<b>\$1,278,374</b>	<b>\$1,369,000</b>

<b>Transit Funds</b>			
State Transportation	\$365,601	\$365,601	\$366,183
State Reserve Funds	\$79,319	\$27,469	\$10,985
Federal Funds	\$25,000	\$25,000	\$103,815
Grants	\$36,000	\$0	\$36,000
Charge for Services	\$207,250	\$177,750	\$202,750
Sale of Assets	\$0	\$0	\$16,000
General Fund Support	\$100,000	\$0	\$100,000
<b>Total Transit Funds</b>	<b>\$813,170</b>	<b>\$595,820</b>	<b>\$835,733</b>

<b>Building &amp; Safety Fund</b>			
Revenues	\$1,233,600	\$1,275,960	\$1,628,702
<b>Total Building &amp; Safety</b>	<b>\$1,233,600</b>	<b>\$1,275,960</b>	<b>\$1,628,702</b>

Source: Town of Truckee Administration Office 2006