

**COUNTY OF NAPA**

**Annual Financial Report**

**For the Fiscal Year Ended June 30, 2001**

**COUNTY OF NAPA  
ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

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# Bartig, Basler & Ray

A Professional Corporation

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Certified Public Accountants and Management Consultants

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Frank V. Trythall  
Kenneth E. Pope  
Brad W. Constantine  
Theril H. Lund  
Bruce W. Stephenson

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Curtis A. Orgill

## INDEPENDENT AUDITOR'S REPORT

To the Honorable Members of the  
Board of Supervisors and the Grand  
Jury of the County of Napa  
Napa, California

We have audited the accompanying general purpose financial statements of the County of Napa, as of and for the year ended June 30, 2001, as listed in the table of contents. These general purpose financial statements are the responsibility of the County of Napa's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

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

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the County of Napa as of June 30, 2001, and the results of its operations and the cash flows of its proprietary fund types for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 1, 2001 on our consideration of the County of Napa's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Board of Supervisors and Grand Jury  
County of Napa

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the County of Napa. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

BARTIG, BASLER & RAY, CPAs, INC.

*Bartig, Basler & Ray, CPAs, Inc.*

November 1, 2001  
Roseville, CA

**COUNTY OF NAPA**

Combined Balance Sheet - Assets and Other Debits  
 All Fund Types and Account Groups  
 June 30, 2001  
 (With Comparative Figures for June 30, 2000)

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
<u>Assets and Other Debits</u>				
Cash and investments	\$ 32,292,061	\$ 30,875,268	\$ 466	\$ 894,731
Restricted Assets:				
Cash with fiscal agent	-	10,134,904	4,812,729	1,612,022
Imprest cash	8,400	1,050	-	-
Accounts receivable	1,312,243	93,069	-	23,599
Taxes receivable	4,036,885	1,740,318	-	-
Loans receivable	-	-	-	-
Assessments receivable	-	7,096	-	-
Due from other governmental agencies	4,485,168	2,177,011	-	-
Inventories	-	-	-	-
Deposits	-	-	-	-
Other receivables - long-term	-	-	-	-
Advances receivable	-	-	4,103,375	-
Due from other funds	-	-	-	-
Property, plant and equipment	-	-	-	-
Amount available for retirement of long-term debt	-	-	-	-
Amount to be provided for retirement of long-term debt	-	-	-	-
Total Assets and Other Debits	<u>\$ 42,134,757</u>	<u>\$ 45,028,716</u>	<u>\$ 8,916,570</u>	<u>\$ 2,530,352</u>

Proprietary Fund Types		Fiduciary Fund Types	Account Groups		Totals	
Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long-Term Debt	(Memorandum Only)	
					2001	2000
\$ 1,252,894	\$16,053,796	\$205,170,829	\$ -	\$ -	\$286,540,045	\$216,474,974
-	-	-	-	-	16,559,655	49,458,385
25	100	-	-	-	9,575	9,975
80,139	-	-	-	-	1,509,050	5,417,931
290	-	6,168,526	-	-	11,946,019	8,185,662
-	-	5,123,377	-	-	5,123,377	1,882,346
77,553	-	-	-	-	84,649	251,925
394,055	-	-	-	-	7,056,234	3,062,966
-	28,893	-	-	-	28,893	28,180
-	110,000	-	-	-	110,000	110,000
2,569,014	-	-	-	-	2,569,014	2,948,749
-	-	-	-	-	4,103,375	4,586,142
-	-	-	-	-	-	5,000
10,372,416	4,081,959	-	93,783,397	-	108,237,772	102,576,622
-	-	-	-	8,916,570	8,916,570	9,309,971
-	-	-	-	68,034,559	68,034,559	70,252,369
<u>\$14,746,386</u>	<u>\$20,274,748</u>	<u>\$216,462,732</u>	<u>\$ 93,783,397</u>	<u>\$76,951,129</u>	<u>\$520,828,787</u>	<u>\$474,561,197</u>

The accompanying notes are an integral part of these financial statements.

Combined Balance Sheet - Liabilities, Equity and Other Credits  
All Fund Types and Account Groups  
June 30, 2001  
(With Comparative Figures for June 30, 2000)

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
<u>Liabilities, Fund Equity and Other Credits</u>				
Liabilities:				
Accounts payable	\$ 1,599,059	\$ 8,109,165	\$ -	\$ 33,530
Accrued salaries and benefits	1,045,175	57,842	-	-
Deposits with others	-	-	-	-
Bonds payable, current portion	-	-	-	-
Due to other funds	-	-	-	-
Advances payable	-	-	-	-
Liability for unpaid claims	-	-	-	-
Liability for compensated absences	-	-	-	-
Deferred revenue	-	102,773	-	-
Agency obligations	-	-	-	-
Bonds and certificates of participation payable, long-term portion	-	-	-	-
Total Liabilities	<u>2,644,234</u>	<u>8,269,780</u>	<u>-</u>	<u>33,530</u>
Fund Equity and Other Credits:				
Investment in general fixed assets	-	-	-	-
Contributed capital	-	-	-	-
Retained Earnings:				
Reserved	-	-	-	-
Unreserved	-	-	-	-
Fund Balance:				
Reserved:				
Imprest cash	8,400	1,050	-	-
Encumbrances	2,544,879	514,162	-	-
General	3,946,399	5,067,313	-	-
Equipment	-	95,485	-	-
Reserve designation	5,298,067	-	-	-
Debt service	-	-	8,916,570	-
Capital projects	-	-	-	2,496,822
External investment pool participants	-	-	-	-
Endowment	-	-	-	-
Unreserved:				
Designated for subsequent years' expenditures	-	23,094,330	-	-
Undesignated	27,692,778	7,986,596	-	-
Total Fund Equity and Other Credits	<u>39,490,523</u>	<u>36,758,936</u>	<u>8,916,570</u>	<u>2,496,822</u>
Total Liabilities, Fund Equity and Other Credits	<u>\$ 42,134,757</u>	<u>\$ 45,028,716</u>	<u>\$ 8,916,570</u>	<u>\$ 2,530,352</u>

Proprietary Fund Types		Fiduciary Fund Types	Account Groups		Totals	
Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long-Term Debt	(Memorandum Only)	
					2001	2000
\$ 27,683	\$ 315,910	\$ -	\$ -	\$ -	\$ 10,085,347	\$ 2,679,556
5,497	21,408	-	-	-	1,129,922	1,071,152
47,407	-	-	-	-	47,407	43,550
60,000	-	-	-	-	60,000	110,000
-	-	-	-	-	-	5,000
4,103,375	-	-	-	-	4,103,375	4,586,142
-	1,404,244	-	-	-	1,404,244	5,120,000
16,366	162,738	-	-	3,921,129	4,100,233	3,742,707
2,569,014	-	-	-	-	2,671,787	2,975,393
-	-	61,311,555	-	-	61,311,555	169,896,110
-	-	-	-	73,030,000	73,030,000	76,040,000
<u>6,829,342</u>	<u>1,904,300</u>	<u>61,311,555</u>	<u>-</u>	<u>76,951,129</u>	<u>157,943,870</u>	<u>266,269,610</u>
-	-	-	93,783,397	-	93,783,397	88,646,502
644,424	4,000	-	-	-	648,424	777,821
92,018	1,612,571	-	-	-	1,704,589	312,886
7,180,602	16,753,877	-	-	-	23,934,479	19,452,175
-	-	-	-	-	9,450	9,650
-	-	-	-	-	3,059,041	4,455,892
-	-	-	-	-	9,013,712	37,817,804
-	-	-	-	-	95,485	-
-	-	-	-	-	5,298,067	4,243,856
-	-	-	-	-	8,916,570	9,309,971
-	-	-	-	-	2,496,822	3,035,007
-	-	149,279,595	-	-	149,279,595	-
-	-	5,871,582	-	-	5,871,582	2,979,165
-	-	-	-	-	23,094,330	13,460,976
-	-	-	-	-	35,679,374	23,789,882
<u>7,917,044</u>	<u>18,370,448</u>	<u>155,151,177</u>	<u>93,783,397</u>	<u>-</u>	<u>362,884,917</u>	<u>208,291,587</u>
<u>\$14,746,386</u>	<u>\$20,274,748</u>	<u>\$216,462,732</u>	<u>\$ 93,783,397</u>	<u>\$76,951,129</u>	<u>\$520,828,787</u>	<u>\$474,561,197</u>

The accompanying notes are an integral part of these financial statements.

## COUNTY OF NAPA

Combined Statement of Revenues, Expenditures and  
Changes in Fund Balances  
All Governmental Fund Types and Expendable Trust Funds  
For the Fiscal Year Ended June 30, 2001  
(With Comparative Figures for the Year Ended June 30, 2000)

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
<b>Revenues:</b>				
Taxes	\$ 45,946,479	\$ 16,927,925	\$ -	\$ -
Licenses and permits	2,434,600	170,117	-	-
Intergovernmental revenues	59,446,803	8,892,369	-	-
Fines and forfeitures	735,013	586,222	-	439,953
Use of money and property	2,129,979	3,394,789	139,941	301,293
Charges for current services	12,281,943	907,793	-	-
Other revenues	4,001,713	494,083	-	4,954
Total Revenues	<u>126,976,530</u>	<u>31,373,298</u>	<u>139,941</u>	<u>746,200</u>
<b>Expenditures:</b>				
General government	28,844,748	99,678	-	-
Public protection	30,172,991	5,239,640	-	-
Public ways and facilities	3,180,763	41,781,822	-	-
Health and sanitation	24,272,488	180,090	-	-
Public assistance	19,748,275	-	-	-
Education	-	3,167,075	-	-
Capital outlay	2,865,893	-	-	1,043,055
Debt Service:				
Principal	-	-	2,950,000	-
Interest	-	2,071,077	1,737,293	-
Total Expenditures	<u>109,085,158</u>	<u>52,539,382</u>	<u>4,687,293</u>	<u>1,043,055</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>17,891,372</u>	<u>(21,166,084)</u>	<u>(4,547,352)</u>	<u>(296,855)</u>
<b>Other Financing Sources (Uses):</b>				
Bond proceeds	-	-	-	-
Operating transfers in	-	189,542	4,275,965	101,166
Operating transfers out	(4,133,702)	(309,729)	(101,166)	(342,496)
Total Other Financing Sources (Uses)	<u>(4,133,702)</u>	<u>(120,187)</u>	<u>4,174,799</u>	<u>(241,330)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses	13,757,670	(21,286,271)	(372,553)	(538,185)
Fund Balance, Beginning of Fiscal Year	25,732,853	58,045,207	9,309,971	3,035,007
Residual Equity Transfer In (Out)	-	-	-	-
Prior Period Adjustments	-	-	(20,848)	-
Fund Balance, End of Fiscal Year	<u>\$ 39,490,523</u>	<u>\$ 36,758,936</u>	<u>\$ 8,916,570</u>	<u>\$ 2,496,822</u>

Fiduciary Fund Types Expendable Trust Funds	Totals (Memorandum Only)	
	2001	2000
\$ -	\$ 62,874,404	\$ 46,397,845
-	2,604,717	1,887,719
-	68,339,172	70,874,042
-	1,761,188	2,398,411
239,284	6,205,286	4,744,482
-	13,189,736	11,295,690
5,703,189	10,203,939	7,502,921
<u>5,942,473</u>	<u>165,178,442</u>	<u>145,101,110</u>
-	28,944,426	24,769,250
3,050,056	38,462,687	40,463,625
-	44,962,585	17,502,284
-	24,452,578	20,576,718
-	19,748,275	22,916,047
-	3,167,075	3,006,816
-	3,908,948	1,171,086
-	2,950,000	2,790,000
-	3,808,370	3,919,756
<u>3,050,056</u>	<u>170,404,944</u>	<u>137,115,582</u>
<u>2,892,417</u>	<u>(5,226,502)</u>	<u>7,985,528</u>
-	-	43,620,000
-	4,566,673	5,299,835
-	(4,887,093)	(4,549,836)
-	(320,420)	44,369,999
2,892,417	(5,546,922)	52,355,527
2,979,165	99,102,203	48,554,963
-	-	(50,442)
-	(20,848)	(1,757,845)
<u>\$ 5,871,582</u>	<u>\$ 93,534,433</u>	<u>\$ 99,102,203</u>

The accompanying notes are an integral part of these financial statements.

## COUNTY OF NAPA

### Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - All Governmental Fund Types For the Fiscal Year Ended June 30, 2001

	General		Variance Favorable (Unfavorable)
	Budget	Actual	
<b>Revenues:</b>			
Taxes	\$ 41,174,000	\$ 45,946,479	\$ 4,772,479
Licenses and permits	2,066,370	2,434,600	368,230
Intergovernmental revenues	60,407,246	59,446,803	(960,443)
Fines and forfeitures	624,575	735,013	110,438
Use of money and property	1,070,232	2,129,979	1,059,747
Charges for current services	12,408,907	12,281,943	(126,964)
Other revenues	3,024,810	4,001,713	976,903
Total Revenues	<u>120,776,140</u>	<u>126,976,530</u>	<u>6,200,390</u>
<b>Expenditures:</b>			
General government	35,309,729	28,844,748	6,464,981
Public protection	34,418,234	30,172,991	4,245,243
Public ways and facilities	3,302,802	3,180,763	122,039
Health and sanitation	26,047,197	24,272,488	1,774,709
Public assistance	24,686,401	19,748,275	4,938,126
Education	-	-	-
Capital outlay	9,587,308	2,865,893	6,721,415
Debt Service:			
Principal	-	-	-
Interest	-	-	-
Total Expenditures	<u>133,351,671</u>	<u>109,085,158</u>	<u>24,266,513</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(12,575,531)</u>	<u>17,891,372</u>	<u>30,466,903</u>
<b>Other Financing Sources (Uses):</b>			
Bond proceeds	-	-	-
Operating transfers in	458,424	-	(458,424)
Operating transfers out	(5,036,904)	(4,133,702)	903,202
Total Other Financing Sources (Uses)	<u>(4,578,480)</u>	<u>(4,133,702)</u>	<u>444,778</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>(17,154,011)</u>	<u>13,757,670</u>	<u>30,911,681</u>
Fund Balance, Beginning of Fiscal Year	25,732,853	25,732,853	-
Residual equity transfer in (out)	-	-	-
Prior Period Adjustments	-	-	-
Fund Balance, End of Fiscal Year	<u>\$ 8,578,842</u>	<u>\$ 39,490,523</u>	<u>\$ 30,911,681</u>

Special Revenue Funds			Debt Service		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$ 17,155,562	\$ 16,927,925	\$ (227,637)	\$ -	\$ -	\$ -
120,000	170,117	50,117	-	-	-
9,372,627	8,892,369	(480,258)	-	-	-
583,000	586,222	3,222	-	-	-
663,460	3,394,789	2,731,329	-	139,941	139,941
733,137	907,793	174,656	-	-	-
967,003	494,083	(472,920)	-	-	-
<u>29,594,789</u>	<u>31,373,298</u>	<u>1,778,509</u>	-	<u>139,941</u>	<u>139,941</u>
3,764,300	99,678	3,664,622	-	-	-
6,686,201	5,239,640	1,446,561	-	-	-
22,773,970	41,781,822	(19,007,852)	-	-	-
271,225	180,090	91,135	-	-	-
-	-	-	-	-	-
4,021,603	3,167,075	854,528	-	-	-
-	-	-	-	-	-
-	-	-	2,950,000	2,950,000	-
-	2,071,077	(2,071,077)	1,754,280	1,737,293	16,987
<u>37,517,299</u>	<u>52,539,382</u>	<u>(15,022,083)</u>	<u>4,704,280</u>	<u>4,687,293</u>	<u>16,987</u>
<u>(7,922,510)</u>	<u>(21,166,084)</u>	<u>(13,243,574)</u>	<u>(4,704,280)</u>	<u>(4,547,352)</u>	<u>156,928</u>
-	-	-	-	-	-
25,258,348	189,542	(25,068,806)	4,704,280	4,275,965	(428,315)
<u>(22,689,947)</u>	<u>(309,729)</u>	<u>22,380,218</u>	-	<u>(101,166)</u>	<u>(101,166)</u>
<u>2,568,401</u>	<u>(120,187)</u>	<u>(2,688,588)</u>	<u>4,704,280</u>	<u>4,174,799</u>	<u>(529,481)</u>
(5,354,109)	(21,286,271)	(15,932,162)	-	(372,553)	(372,553)
58,045,207	58,045,207	-	9,309,971	9,309,971	-
-	-	-	-	-	-
-	-	-	-	(20,848)	(20,848)
<u>\$ 52,691,098</u>	<u>\$ 36,758,936</u>	<u>\$ (15,932,162)</u>	<u>\$ 9,309,971</u>	<u>\$ 8,916,570</u>	<u>\$ (393,401)</u>

continued

The accompanying notes are an integral part of these financial statements.

**COUNTY OF NAPA**

Combined Statement of Revenues, Expenditures and Changes  
in Fund Balances - Budget and Actual - All Governmental Fund Types  
For the Fiscal Year Ended June 30, 2001

	Capital Projects		Variance Favorable (Unfavorable)
	Budget	Actual	
Revenues:			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Intergovernmental revenues	-	-	-
Fines and forfeitures	314,000	439,953	125,953
Use of money and property	30,000	301,293	271,293
Charges for current services	-	-	-
Other revenues	2,602,843	4,954	(2,597,889)
Total Revenues	<u>2,946,843</u>	<u>746,200</u>	<u>(2,200,643)</u>
Expenditures:			
General government	-	-	-
Public protection	-	-	-
Public ways and facilities	-	-	-
Health and sanitation	-	-	-
Public assistance	-	-	-
Education	-	-	-
Capital outlay	3,417,226	1,043,055	2,374,171
Debt Service:			
Principal	-	-	-
Interest	-	-	-
Total Expenditures	<u>3,417,226</u>	<u>1,043,055</u>	<u>2,374,171</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(470,383)</u>	<u>(296,855)</u>	<u>173,528</u>
Other Financing Sources (Uses):			
Bond proceeds	-	-	-
Operating transfers in	-	101,166	101,166
Operating transfers out	(277,254)	(342,496)	(65,242)
Total Other Financing Sources (Uses)	<u>(277,254)</u>	<u>(241,330)</u>	<u>35,924</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>(747,637)</u>	<u>(538,185)</u>	<u>209,452</u>
Fund Balance, Beginning of Fiscal Year	3,035,007	3,035,007	-
Residual equity transfer in (out)	-	-	-
Prior Period Adjustments	-	-	-
Fund Balance, End of Fiscal Year	<u>\$ 2,287,370</u>	<u>\$ 2,496,822</u>	<u>\$ 209,452</u>

The accompanying notes are an integral part of these financial statements.

**COUNTY OF NAPA**

Combined Statement of Revenues, Expenses and  
Changes in Retained Earnings  
All Proprietary Fund Types  
For the Fiscal Year Ended June 30, 2001  
(With Comparative Figures for the Year Ended June 30, 2000)

	Enterprise	Internal Service	Totals (Memorandum Only)	
			2001	2000
Operating Revenues:				
Charges for services	\$ 2,368,833	\$ 6,698,138	\$ 9,066,971	\$ 7,323,922
Maintenance Charges:				
Equipment	-	516,183	516,183	487,465
Vehicle	-	489,798	489,798	465,728
Replacement charges	-	495,796	495,796	530,093
Sewer charges	-	-	-	202,601
Water use	-	-	-	202,891
Hookups	-	-	-	6,850
Other revenue	-	79,602	79,602	24,886
Total Operating Revenues	<u>2,368,833</u>	<u>8,279,517</u>	<u>10,648,350</u>	<u>9,244,436</u>
Operating Expenses:				
Salaries and benefits	302,692	2,801,885	3,104,577	2,899,151
Services and supplies	1,218,467	3,231,178	4,449,645	3,301,339
Depreciation	653,862	673,119	1,326,981	1,303,762
Maintenance	36,306	-	36,306	68,947
Utilities	-	43,895	43,895	39,937
Insurance	14,600	-	14,600	15,350
Claims expense	-	(1,684,905)	(1,684,905)	(40,706)
Other	193,336	-	193,336	42,918
Total Operating Expenses	<u>2,419,263</u>	<u>5,065,172</u>	<u>7,484,435</u>	<u>7,630,698</u>
Operating Income (Loss)	<u>(50,430)</u>	<u>3,214,345</u>	<u>3,163,915</u>	<u>1,613,738</u>
Non-Operating Revenues (Expenses):				
Intergovernmental revenue	780,592	3,358	783,950	261,280
Tax revenue	30,598	-	30,598	197,782
Other revenue	389,021	-	389,021	291,101
Gain (loss) on disposition of fixed assets	(2,981)	(63,004)	(65,985)	(32,595)
Interest revenue	83,692	885,776	969,468	758,627
Interest expense	(8,197)	-	(8,197)	(17,245)
Total Nonoperating Revenues (Expenses)	<u>1,272,725</u>	<u>826,130</u>	<u>2,098,855</u>	<u>1,458,950</u>
Income (Loss) Before Operating Transfers	<u>1,222,295</u>	<u>4,040,475</u>	<u>5,262,770</u>	<u>3,072,688</u>
Other Financing Sources (Uses):				
Operating transfers in	100,000	591,053	691,053	615,519
Operating transfers out	(246,858)	(123,775)	(370,633)	(1,365,518)
Net Income (Loss)	<u>1,075,437</u>	<u>4,507,753</u>	<u>5,583,190</u>	<u>2,322,689</u>
Retained Earnings, Beginning of Fiscal Year	6,008,444	13,756,617	19,765,061	15,553,471
Depreciation on property acquired with federal and state grants	129,397	-	129,397	129,397
Prior period adjustment	59,342	102,078	161,420	1,759,504
Retained Earnings, End of Fiscal Year	<u>\$ 7,272,620</u>	<u>\$ 18,366,448</u>	<u>\$ 25,639,068</u>	<u>\$ 19,765,061</u>

The accompanying notes are an integral part of these financial statements.

**COUNTY OF NAPA**

Combined Statement of Cash Flows  
 All Proprietary Fund Types  
 For the Fiscal Year Ended June 30, 2001  
 (With Comparative Figures for the Year Ended June 30, 2000)

	Enterprise	Internal Service	Totals (Memorandum Only)	
			2001	2000
<b>Cash Flows from Operating Activities:</b>				
Operating income (loss)	<u>\$ (50,430)</u>	<u>\$ 3,214,345</u>	<u>\$ 3,163,915</u>	<u>\$ 1,613,738</u>
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation	653,862	673,119	1,326,981	1,303,762
<b>Changes in Operating Assets and Liabilities:</b>				
Accounts receivable	54,148	27,673	81,821	(61,219)
Inventory	-	(713)	(713)	343
Taxes receivable	(290)	-	(290)	13,438
Assessments receivable	147,189	-	147,189	(34,548)
Due from other governments	(394,055)	-	(394,055)	-
Deposits with others	3,857	-	3,857	(7,019)
Accounts payable	(43,662)	41,698	(1,964)	15,384
Accrued salaries and benefits	970	(24,660)	(23,690)	50,595
Liability for compensated absences	(796)	19,533	18,737	27,433
Liability for self-insurance	-	(3,715,756)	(3,715,756)	(1,370,000)
Total Adjustments to Net Income	<u>421,223</u>	<u>(2,979,106)</u>	<u>(2,557,883)</u>	<u>(61,831)</u>
Net Cash Provided by Operating Activities	<u>370,793</u>	<u>235,239</u>	<u>606,032</u>	<u>1,551,907</u>
<b>Cash Flows from Capital and Related Financing Activities:</b>				
Purchase of property, plant and equipment	(940,140)	(849,437)	(1,789,577)	(797,230)
Proceeds from sale of equipment	-	32,011	32,011	2,801
Principal payment on long term debt	(110,000)	-	(110,000)	(105,000)
Interest paid	(8,197)	-	(8,197)	(17,245)
Net Cash Flows (Used for) Capital and Related Financing Activities	<u>(1,058,337)</u>	<u>(817,426)</u>	<u>(1,875,763)</u>	<u>(916,674)</u>
<b>Cash Flows from Noncapital Financing Activities:</b>				
Intergovernmental revenue	780,592	3,358	783,950	261,280
Due to (from) other funds	(466,919)	-	(466,919)	5,000
Other revenue	419,621	-	419,621	488,883
Operating transfers in	100,000	591,053	691,053	615,519
Operating transfers out	(246,858)	(123,775)	(370,633)	(1,365,518)
Net Cash Flows Provided (Used for) Noncapital Financing Activities	<u>586,436</u>	<u>470,636</u>	<u>1,057,072</u>	<u>5,164</u>
<b>Cash Flows from Investing Activities:</b>				
Interest income	<u>83,692</u>	<u>885,776</u>	<u>969,468</u>	<u>758,627</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(17,416)	774,225	756,809	1,399,024
Cash and Cash Equivalents, Beginning of Fiscal Year	1,270,335	15,279,671	16,550,006	15,150,657
Restatement of imprest cash as cash and cash equivalents				325
Cash and Cash Equivalents, End of Fiscal Year	<u>\$1,252,919</u>	<u>\$16,053,896</u>	<u>\$17,306,815</u>	<u>\$16,550,006</u>

The accompanying notes are an integral part of these financial statements.

## **NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS**

The notes provided in the Financial Section of this report are considered an integral and essential part of adequate disclosure and fair presentation of this report. The notes include a Summary of Significant Accounting Policies for the County, and other necessary disclosure of pertinent matters relating to the financial position of the County. The notes express significant insight to the financial statements and are conjunctive to understanding the rationale for presentation of the financial statements and information contained in this document.

# COUNTY OF NAPA

## Notes to General Purpose Financial Statements For the Fiscal Year Ended June 30, 2001

### Note 1: Summary of Significant Accounting Policies

#### A. **Financial Report Entity**

The County of Napa (County), which was established by an act of the State Legislature on February 18, 1850, is a legal subdivision of the State of California charged with governmental powers. The County's powers are exercised through a Board of Supervisors (Board) which, as the governing body of the County, is responsible for the legislative and executive control of the County. These general purpose financial statements present the County and its component units. The component units are included in the County's reporting entity because of the significance of their operations or the County is considered to be financially accountable.

Blended component units, although legally separate entities, are, in substance, part of the County's operations and so data from these component units are combined with data of the primary government. Each blended component unit has a June 30, 2001 year end.

The reporting entity includes the following blended component units: Napa County Flood Protection and Watershed Improvement Authority, County Service Area #3, Silverado Community Services, Silverado Maintenance Assessment, Monticello Public Cemetery and Endowment District, Lake Berryessa Resort Improvement, Napa Berryessa Resort Improvement, Napa County Public Improvement Corporation, and Silverado Weed Liens.

Napa County Flood Protection and Watershed Improvement Authority audited information for this fiscal year is found in a separate "Napa County Flood Protection and Watershed Improvement Authority" Audit Report.

#### 1. Excluded from the Reporting Entity

Local Board Governed Districts and School Districts: These potential component units have been excluded from the County's reporting entity. They are legally separate primary governmental units. The financial reporting for these governmental entities, which are independent of the County, is limited to the total amount of cash and investments and the related fiduciary responsibilities of the County for disbursement of these assets. Activities of school districts and local board governed districts are administered by boards which are separately elected and which are independent of the County Board of Supervisors. The following local board governed districts and school districts have been excluded from the County's general purpose financial statements:

# COUNTY OF NAPA

## Notes to General Purpose Financial Statements For the Fiscal Year Ended June 30, 2001

### Note 1: Summary of Significant Accounting Policies (continued)

#### A. Financial Reporting Entity (continued)

##### 1. Excluded from the Reporting Entity (continued)

###### Water District

American Canyon

Circle Oaks

Congress Valley

Spanish Flat

Napa River Reclamation

###### Other Special Districts

Napa County Mosquito Abatement

Napa Sanitation

Napa County Resource Conservation

Bay Area Air Quality Management District

School Districts

###### Other

Napa County Fair

Green Island Road Assessment

Tower Road Assessment

##### 2. Excluded – Joint Power Authorities (JPA)

- a) Napa County Flood Control and Water Conservation District: The District's goals and objectives are to provide protection from flood events to the public highways, life and property in the District by enhancing and constructing storm drainage systems and flood control and prevention projects. The District is a jointly governed organization for which the County does not have any ongoing financial interest or responsibility and, therefore, is not a joint venture.
- b) Napa-Vallejo Waste Management Authority: The Authority is responsible for providing economical coordination of solid waste management services and to efficiently and fairly assure against potential adverse effects of past solid waste management services within the communities they represent. The Authority is a jointly governed organization for which the County does not have any ongoing financial interest or responsibility and therefore is not a joint venture.

# COUNTY OF NAPA

## Notes to General Purpose Financial Statements For the Fiscal Year Ended June 30, 2001

### Note 1: Summary of Significant Accounting Policies (continued)

#### A. Financial Reporting Entity (continued)

##### 2. Excluded – Joint Power Authorities (JPA)

- c) **Napa Valley Housing Authority:** The Authority is responsible for providing safe and sanitary dwelling conditions for low income people. The Authority is a jointly governed organization for which the County does not have any ongoing financial interest or responsibility and therefore is not a joint venture. However, the County approves low interest loans for rehabilitation projects and therefore records a long-term receivable for these loans in the trust and agency fund group.
- d) **Upper Valley Waste Management Agency:** The Agency is legally separate from the County and has its own governing board. The Agency is responsible for providing coordination of economical, regional waste management services, including but not limited to, uniform rate review and rate recommendations to the County and the cities within the County. The Authority is a jointly governed organization for which the County does not have any ongoing financial interest or responsibility and therefore is not a joint venture.
- e) **Napa County Transportation Planning Agency:** The Agency is legally separate from the County and has its own governing board. The Agency is responsible for developing and adopting a Congestion Management Program meeting the requirements of Chapter 2.6 of Division 1 of Title 7 in the California Government Code. In June of 1998, the County amended the JPA to change the Congestion Management Agency to the Napa County Transportation Planning Agency.

Complete financial statements can be obtained for each of the individual joint power authorities at the entity's respective administrative offices.

##### 3. Excluded – Other

**Napa County Children and Families Commission:** The Commission is legally separate from the County and has its own governing board. The Commission is responsible for the creation and implementation of a comprehensive, collaborative, and integrated system of information and services to enhance early childhood development.

Complete financial statements can be obtained at the Commission's administrative office.

# COUNTY OF NAPA

## Notes to General Purpose Financial Statements For the Fiscal Year Ended June 30, 2001

### Note 1: Summary of Significant Accounting Policies (continued)

#### B. **Fund Accounting**

The accounts of the County are organized on the basis of funds and account groups, each of which is considered a separate entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that consist of its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. Account groups are a reporting device to account for certain assets and liabilities of the governmental funds not recorded directly in those funds. The County maintains the following fund types and account groups:

#### **Governmental Fund Type**

General Fund – The General Fund is the general operating fund of the County. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds – Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or for major capital projects) that are legally restricted to expenditures for specified purposes.

Debt Service Fund – The Debt Service Fund is used to account for the accumulation of resources for and the payment of general long-term debt principal, interest, and related costs.

Capital Projects Funds – Capital Projects Funds are used to account for financial resources to be used for the acquisition of major capital facilities (other than those financed by proprietary funds).

#### **Proprietary Fund Types**

Enterprise Funds – Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

Internal Service Funds – Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the County on a cost-reimbursement basis.

# COUNTY OF NAPA

## Notes to General Purpose Financial Statements For the Fiscal Year Ended June 30, 2001

### Note 1: Summary of Significant Accounting Policies (continued)

#### B. Fund Accounting (continued)

##### **Fiduciary Fund Types**

Trust and Agency Funds – Trust and Agency Funds are used to account for assets held by the County in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. Expendable Trust Funds are designed to provide stewardship over expendable assets held in trust by the government, and function much like a governmental fund. Expendable Trust Funds account for assets where both the principal and interest may be spent. Agency funds are used to account for assets held solely in a custodial capacity. Since all of the assets of an agency fund are associated with outside parties, these funds report assets and liabilities, but no equity.

##### **Account Groups**

General Fixed Assets – The General Fixed Assets Account Group is used to maintain control and cost information on capital assets owned by the County, other than the capital assets in the proprietary funds. No depreciation has been provided on general fixed assets.

General Long-Term Debt – The General Long-Term Debt Account Group is used to account for unmatured general long-term indebtedness of the County, other than the long-term debt in the proprietary funds.

#### C. Basis of Accounting

Governmental funds and expendable trust funds use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become measurable and available, and expenditures are recognized in the accounting period in which the fund liability is incurred, except for interest on long-term obligations, which is recognized when the payment is due. Significant revenue sources that have been treated as “susceptible to accrual” under the modified accrual basis include property taxes, sales tax, interest, rentals, and intergovernmental revenues. The County considers all revenues available if they are collected within sixty days after year end. State and Federal reimbursements may not be received within sixty days after year-end, but are still considered revenues.

Proprietary funds are accounted for on the flow of economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recognized when they are earned and expenses are recorded at the time liabilities are incurred.

# COUNTY OF NAPA

## Notes to General Purpose Financial Statements For the Fiscal Year Ended June 30, 2001

### Note 1: Summary of Significant Accounting Policies (continued)

#### C. **Basis of Accounting** (continued)

Agency funds are custodial in nature and do not present results of operations or have a measurement focus. Agency funds are accounted for using the modified accrual basis of accounting.

Pursuant to Governmental Accounting Standards Board (GASB) Statement No. 20, Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting, all Financial Accounting Standards Board (FASB) statements and authoritative pronouncements issued before November 30, 1989 are applied to proprietary operations unless they conflict with GASB pronouncements. The County has elected not to apply FASB statements subsequent to November 30, 1989.

#### D. **Budgets and Budgetary Accounting**

By state law, the County Board of Supervisors must approve a tentative budget no later than June 30 of each year, and adopt a final budget no later than August 30. A public hearing must be conducted to receive comments prior to adoption. The County Board of Supervisors satisfied these requirements.

From the effective date of the budget, which is adopted and controlled at the departmental level, the amounts stated therein as proposed expenditures become appropriations to the various County departments. However, the legal level of control is the fund level. The Board of Supervisors may amend the budget by 4/5 vote during the fiscal year.

As per County Resolution No. 01-83 adopted as of June 19, 2001, appropriation transfers between sub-objects will be allowed under the following conditions:

- a. All transfers of appropriations in excess of \$10,000 require the approval of the County Administrator.
- b. Unless otherwise controlled by (a) above, transfers of appropriations within an individual budget are optional.
- c. Regardless of the amount, County Administrator recommendation and Board of Supervisors approval is required for adjustment to appropriations between departments and funds.

Budgets are adopted for the general fund, special revenue funds, capital projects funds, debt service funds, enterprise funds and internal service funds. Appropriations lapse at the end of the fiscal year. Budgets have been prepared on a basis consistent with accounting principles generally accepted in the United States of America.

# COUNTY OF NAPA

## Notes to General Purpose Financial Statements For the Fiscal Year Ended June 30, 2001

### Note 1: Summary of Significant Accounting Policies (continued)

#### E. **Cash and Cash Equivalents**

For purposes of the statement of cash flows, the proprietary funds consider all pooled investments held in the treasury and imprest cash to be cash and cash equivalents. Cash and cash equivalents have maturities of less than 90 days.

#### F. **Inventory**

Inventories for the proprietary funds are valued at the lower of cost (first-in, first-out) or market.

#### G. **Interfund Transactions**

Following is a description of the basic types of interfund transactions made during the year and the related accounting policies:

1. Quasi-external (charges for current services) – Transactions for services rendered or facilities provided. These transactions are recorded as revenues in the receiving fund and expenditures/expenses in the disbursing fund.
2. Residual equity transfers – Nonroutine, nonrecurring transfers of equity contributions between funds. The receiving fund records such transactions as an addition to fund balance, if it is a governmental fund, or as a capital contribution, if it is a proprietary fund. The disbursing fund records the transfer as a reduction of fund balance or retained earnings.
3. Operating transfers – All other inter-fund transfers which allocate resources from one fund to another and are not contingent on the payment of specific expenditures/expenses in the receiving fund. These transactions are recorded as operating transfers in and out.
4. Advances between funds – Transactions to loan resources from one fund to another. The interfund advances will be paid back when permanent financing is obtained or when revenues become available to the borrowing fund. These transactions are recorded as “advances from other funds” in the receiving fund and “advances to other funds” in the disbursing fund and are generally long-term in nature.

#### H. **Reporting Treatment of Assets and Long-Term Liabilities**

##### Property, Plant and Equipment

General fixed assets have been acquired for general governmental purposes. Assets

COUNTY OF NAPA

Notes to General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2001

Note 1: Summary of Significant Accounting Policies (continued)

H. Reporting Treatment of Assets and Long-Term Liabilities (continued)

purchased are recorded as expenditures in the governmental funds and capitalized at cost in the General Fixed Assets Account Group. Contributed fixed assets are recorded at their estimated fair market value at the date of receipt.

Infrastructure expenditures for roads, bridges, curbs, gutters, streets, sidewalks, drainage systems, and lighting systems, have not been capitalized. Such assets normally are immovable and of value only to the County. Therefore, the purpose of stewardship for capital expenditures is satisfied without recording these assets.

No depreciation has been provided on general fixed assets. Interest accrued during construction of fixed assets is not capitalized as part of the asset cost.

Property, Plant and Equipment (continued)

Property, plant and equipment owned by proprietary funds of the County are stated at cost or estimated fair market value. Depreciation has been provided over the estimated useful lives using the straight-line depreciation method. The estimated useful lives are as follows:

Vehicles	3 – 5 years
Office and computer equipment	3 – 7 years
Structures	10 – 40 years

The County leases property and equipment from others under operating agreements. Operating lease payments made from governmental fund types are charged to expenditures when payable. Operating lease payments from proprietary fund types are recorded as an expense when due.

Other Assets and Long-Term Liabilities

Long-term liabilities expected to be financed from governmental funds are accounted for in the General Long-Term Debt Account Group, not in the governmental funds.

Because of their spending measurement focus, expenditure recognition for governmental fund types does not include amounts represented by non-current liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities. They are instead reported as liabilities in the General Long-Term Debt Account Group.

# COUNTY OF NAPA

## Notes to General Purpose Financial Statements For the Fiscal Year Ended June 30, 2001

### Note 1: Summary of Significant Accounting Policies (continued)

#### I. **Fund Equity**

Reservations of fund balances of governmental funds are created to either (1) satisfy legal covenants that require that a portion of the fund balance be segregated or (2) identify the portion of the fund balance that is not available for future expenditures. Specific reservations of the fund balance accounts are summarized below:

Reserve for Imprest Cash was created to represent the portion of the fund balance that is not available for expenditure because the County maintains various levels of revolving funds for daily operations.

Reserve for Encumbrances was created to represent encumbrances outstanding at the end of the year based on purchase orders and contracts signed by the County but not yet completed as of the close of the year.

Reserve for General is established during the budget process primarily to provide dry period financing.

Reserve for Debt Service was created to represent the portion of the fund balance available solely for retiring the County's long-term debt.

Reserve for Capital Projects was created to represent the portion of the fund balance earmarked for future County construction projects.

Reserve for Endowment funds represents cash held in expendable trust funds.

Reserve for Equipment represents funds to be used for equipment purchases.

Reserve for Designation represents tentative plans for future utilization of financial resources.

Reserve for External Investment Pool Participants represents investment funds held for external pool participants and do not represent available spending resources.

Designations of Unreserved Fund Balances are created to indicate tentative plans for financial resource utilization in a future period, such as for general contingencies or debt service. Such plans or intent are subject to change and may never be legally authorized or result in expenditures.

# COUNTY OF NAPA

## Notes to General Purpose Financial Statements For the Fiscal Year Ended June 30, 2001

### Note 1: Summary of Significant Accounting Policies (continued)

#### J. **Encumbrances**

Encumbrance accounting is employed as an extension of the budgetary process. This method records purchase orders, contracts and other commitments for the expenditure of funds in order to reserve that portion of the applicable appropriation. Encumbrances carry over at year end as reserved fund balances.

#### K. **Property Tax Receivable and Revenue**

The taxes receivable balance in the Trust and Agency Fund is \$6,168,526 before an allowance for uncollectibles. A conservative percentage figure for uncollectibles is 3%.

Secured taxes are levied as of July 1 and payable in two equal installments due November 1 and February 1. They become delinquent with penalties on December 10 and April 10, respectively. Property taxes attach as an enforceable lien on January 1. All general property taxes are allocated by the County Auditor-Controller's office to the various taxing entities per the legislation implementing Proposition 13. The method of allocation used by the County is subject to review by the State of California. Unsecured property taxes are due on January 1 (lien date) and become delinquent with penalties on August 31.

#### Alternative Method of Distribution of Tax Levies

The County apportions property tax revenue according to the alternative tax treatment (Teeter Plan), whereby all of the current tax levy is distributed to all participating entities. The County then receives delinquent penalties and fees on the entire participating tax roll.

The County is required to create a tax loss reserve fund (an agency fund) under one of two alternative methods: (1) 1 percent of the total amount of taxes and assessments levied on the secured roll for the year or (2) 25 percent of the total delinquent secured taxes for participating entities in the County as calculated at the end of the fiscal year. The County is using option (2) to establish its tax loss reserve.

#### L. **Total Columns on Combined Statements**

Total columns on the combined statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or cash flows in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

# COUNTY OF NAPA

## Notes to General Purpose Financial Statements For the Fiscal Year Ended June 30, 2001

### Note 2: Cash and Investments

Total cash and investments held in the Treasury are commingled for investment purposes. Cash with fiscal agent is held outside the Treasury and is not commingled with other cash and investments.

Total County deposits and investments for combined financial statements are as follows:

Cash and investments in treasury per financial statements	\$ 286,540,045
Add: outstanding warrants	20,392,990
Reconciling items	<u>851,928</u>
Total Per Treasurer	<u>\$ 307,784,963</u>

The County maintains a Cash and Investment Pool (Pool) that is available for use by all County funds. Certain agencies outside of the County reporting entity participate in the Pool.

The fair value of investments in the Pool is determined monthly based upon quoted market prices. The Pool is subject to regulatory oversight by the Treasury Oversight Committee, as required by the California Government Code Section 27143. The County has not provided nor obtained any legally binding guarantees during the fiscal year ended June 30, 2001 to support the values of shares in the Pool. However, management believes that the investments in the Pool are of high quality and that the risk of participation in the Pool is negligible. At June 30, 2001, the difference between the cost and fair values of cash and investments was not material. Therefore, an adjustment to fair value was not required for GASB 31 compliance.

The Pool generally allows participant shares to be withdrawn based on the cost balances invested regardless of changes in market values. Specifically, the Pool distributes income to participants quarterly based on their relative participation during the quarter which is calculated based on (1) realized investment gains and losses computed on a cost basis, (2) interest income based on stated rates, (3) amortization of discounts and premiums on a straight-line basis, and (4) investment and administrative expenses. Investment income related to investments reported in certain funds is assigned to other funds based upon legal or contractual provisions.

### Deposits

All deposits are entirely insured or collateralized. The California Government Code requires California banks and savings and loan associations to secure a County's deposits by pledging governmental securities as collateral. The market value of pledged securities must equal at least 110% of a County's deposits. California law also allows financial institutions to secure a County's deposit by pledging first trust deed mortgage notes having a value of 150% of a County's total deposits. The County may waive collateral requirements for deposits, which are fully insured up to \$100,000 by the Federal Deposit Insurance Corporation (FDIC).

# COUNTY OF NAPA

## Notes to General Purpose Financial Statements For the Fiscal Year Ended June 30, 2001

### Note 2: Cash and Investments (continued)

#### Deposits (continued)

At year-end, the carrying amount of the County's cash deposits (including amounts in checking and non-negotiable certificates of deposit) was \$3,471,262 and the bank balance was \$1,779,972. The difference between the carrying amount of the County's deposits and the bank balance is a result of transactions in transit. Of the bank balances, \$303,036 was covered by federal depository insurance and \$1,476,936 was collateralized (i.e., collateralized with securities held by pledging financial institutions at 110% of the investments, but not in the County's name).

#### Investments

The California Government Code authorizes the County to invest in obligations of the U.S. Treasury, its agencies and instrumentalities, commercial paper rated A-1 by Standard & Poor's Corporation or P-1 by Moody's Commercial Paper Recorder's, non-negotiable certificates of deposit, bankers' acceptances, repurchase agreements, negotiable certificates of deposit, obligations of the State of California, obligations of local agencies within California, corporate notes, mutual funds, financial futures, financial option contracts and the State Treasurer's Local Agency Investment Fund. The County is also authorized to enter into reverse repurchase agreements; however, the County did not enter into such agreements during the year ended June 30, 2001.

The County's pro-rata share of investment in the State Treasurer's Local Agency Investment Fund (LAIF) at June 30, 2001 is \$29,000,000. The total amount invested by all public agencies in LAIF is \$54.4 billion. The Local Investment Advisory Board (Board) has oversight responsibility for LAIF. The Board consists of five members as designated by state statute. The value of the pool shares in LAIF, which may be withdrawn, is determined on an amortized cost basis, which is different than the fair value of the County's portion in the pool.

#### Credit Risk, Carrying Amount, and Fair Values of Investments

Investments of the County are summarized below. The investments that are represented by specific identifiable investment securities are classified as to custodial credit risk by three categories as follows:

**Category 1** – includes investments that are insured or registered, or for which securities are held by the County or its agent in the County's name;

**Category 2** – includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the County's name;

**Category 3** – includes uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent but not in the County's name.

**COUNTY OF NAPA**

Notes to General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2001

Note 2: **Cash and Investments** (continued)

**Credit Risk, Carrying Amount, and Fair Values of Investments** (continued)

	<u>Maturity Date</u>	<u>Stated Interest Rates</u>	<u>Carrying Amount</u>	<u>Fair Values</u>	<u>Par Values</u>
<b>Category 1 Investments:</b>					
Bankers Acceptances	7/16/01 – 8/20/01	4.60 – 4.94	\$ 6,633,630	\$ 6,639,012	\$ 6,750,000
Commercial Paper	7/2/01	4.00	2,649,117	2,649,411	2,650,000
Federal Agencies	7/2/01 – 6/12/06	3.50 – 7.15	261,456,811	262,653,516	263,950,000
Repurchase Agreements (Sweep Accounts)	7/2/01	2.2	<u>2,165,488</u>	<u>2,165,488</u>	<u>2,165,488</u>
			<u>272,905,046</u>	<u>274,107,427</u>	<u>275,515,488</u>
<b>Non-Categorized Cash and Investments:</b>					
Local Agency Investment Fund (LAIF)			\$ 29,000,000	\$ 29,064,888	\$ 29,000,000
Local Certificates of Deposit			200,000	200,000	200,000
Local Agency Loan (Teeter Note)			2,280,563	2,280,563	2,280,563
Cash in Bank			3,356,874	3,356,874	3,356,874
Cash on Hand			<u>42,480</u>	<u>42,480</u>	<u>42,480</u>
<b>Total Treasury</b>			<b><u>\$ 307,784,963</u></b>	<b><u>\$ 309,052,232</u></b>	<b><u>\$ 310,395,405</u></b>

Note 3: **Property, Plant and Equipment**

Activity in the general fixed assets account group for the fiscal year ended June 30, 2001 was as follows:

	<u>Balance July 1, 2000</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2001</u>
Land	\$ 2,390,865	\$ --	\$ (170,393)	\$ 2,220,472
Buildings and improvements	54,245,458	3,865,041	(30,889)	58,079,610
Machinery and equipment	11,577,073	966,188	(1,381,876)	11,161,385
Construction in progress	<u>20,433,106</u>	<u>1,888,824</u>	<u>--</u>	<u>22,321,930</u>
<b>Totals</b>	<b><u>\$ 88,646,502</u></b>	<b><u>\$ 6,720,053</u></b>	<b><u>\$ (1,583,158)</u></b>	<b><u>\$ 93,783,397</u></b>

**COUNTY OF NAPA**

Notes to General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2001

Note 3: **Property, Plant and Equipment** (continued)

The following is a summary of proprietary fund type fixed assets at June 30, 2001:

	<u>Enterprise Funds</u>	<u>Internal Service Funds</u>
Land	\$ 747,154	\$ --
Construction in progress	729,325	--
Buildings and improvements	20,576,112	--
Machinery and equipment	<u>140,530</u>	<u>8,362,889</u>
Subtotal	22,193,121	8,362,889
Less: Accumulated depreciation	<u>(11,820,705)</u>	<u>(4,280,930)</u>
Total Fixed Assets	<u>\$ 10,372,416</u>	<u>\$ 4,081,959</u>

Note 4: **Advances Receivable/Advances Payable**

The Airport Enterprise Fund has received advances from the County to construct certain projects at the Airport. These projects include constructing hangars, a fuel island, CHP facility, Bridgeford Facility, and taxiways. The revenue earned from these projects will be used to repay the advance from the County. The Airport Enterprise Fund will repay the advance with interest at the same rates as the 1990 and 1993 Certificates of Participation which funded these advances. The outstanding advance at June 30, 2001 was \$4,103,375.

The principal maturities and interest payments for the next five years are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2002	\$ 423,691	\$ 227,092	\$ 650,783
2003	449,756	201,463	651,219
2004	476,234	174,275	650,509
2005	503,799	144,824	648,623
2006	244,863	123,660	368,523
Thereafter	<u>2,005,032</u>	<u>468,102</u>	<u>2,473,134</u>
Total	<u>\$ 4,103,375</u>	<u>\$ 1,339,416</u>	<u>\$ 5,442,791</u>

**COUNTY OF NAPA**

Notes to General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2001

Note 5: **General Long-Term Debt Account Group**

**A. Summary of Changes in General Long-Term Debt Account Group**

The following represents the changes in general long-term debt account group during the year:

	<u>Balance</u> <u>July 1, 2000</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2001</u>
Bonds payable	\$ 43,650,000	\$ --	\$ --	\$ 43,650,000
Certificates of participation	32,330,000	--	2,950,000	29,380,000
Compensated absences	<u>3,582,340</u>	<u>338,789</u>	<u>--</u>	<u>3,921,129</u>
Totals	<u>\$ 79,562,340</u>	<u>\$ 338,789</u>	<u>\$ 2,950,000</u>	<u>\$ 76,951,129</u>

**B. Bonds Payable**

On July 1, 1999, the Napa County Flood Protection and Watershed Improvement Authority issued Series A Limited Tax Bonds for \$43,650,000 with interest rates ranging from 4.25 to 5.00 percent. Interest on the 1999 Series A bonds is payable on December 15 and June 15 of each year. Principal on the 1999 Series A bonds is payable on June 15, 2004 and thereafter on June 15 of each year.

The proceeds of the bonds were used to finance or reimburse the Napa County Flood Protection and Watershed Improvement Authority for certain costs of the Napa River/Napa Creek Flood Protection Project, to pay the premium of a surety bond deposited in the Bond Reserve Fund established under the indenture and to pay the costs of issuance of the 1999 Series A bonds.

The principal balance outstanding at June 30, 2001 was \$43,650,000. Future maturities of the 1999 Series A bonds as of June 30, 2001 are as follows:

<u>Year Ending</u> <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2002	\$ --	\$ 2,071,078	\$ 2,071,078
2003	--	2,071,077	2,071,077
2004	2,095,000	2,071,078	4,166,078
2005	2,185,000	1,982,040	4,167,040
2006	2,275,000	1,889,177	4,164,177
Thereafter	<u>37,095,000</u>	<u>12,897,205</u>	<u>49,992,205</u>
Totals	<u>\$ 43,650,000</u>	<u>\$ 22,981,655</u>	<u>\$ 66,631,655</u>

**COUNTY OF NAPA**

Notes to General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2001

Note 5: **General Long-Term Debt Account Group** (continued)

**C. Certificates of Participation**

Summary of Certificates of Participation

Aggregate maturities of all Certificates of Participation as of June 30, 2001, are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2002	\$ 3,110,000	\$ 1,539,326	\$ 4,649,326
2003	2,460,000	1,350,076	3,810,076
2004	2,175,000	1,214,564	3,389,564
2005	2,295,000	1,088,816	3,383,816
2006	1,460,000	988,613	2,448,613
Thereafter	<u>17,880,000</u>	<u>5,162,130</u>	<u>23,042,130</u>
Totals	<u>\$ 29,380,000</u>	<u>\$ 11,343,525</u>	<u>\$ 40,723,525</u>

1996 Certificates of Participation

The County issued a 1996 Capital Improvements Project Certificate of Participation for \$17,985,000 with interest rates ranging from 3.9 to 5.375 percent on August 15, 1996.

The proceeds of the sale of the certificates were used primarily to finance, or reimburse the financing of various improvements including the construction of a new criminal courts building, reclading the exterior of the existing County Administrative Building, modernization of the County's Health and Human Services Agency complex and various capital improvements to the County's Hall of Justice and Hall of Records.

The principal balance outstanding at June 30, 2001, was \$16,080,000.

The certificates represent undivided fractional interests in lease payments payable by the County pursuant to the lease agreement for use and occupancy of the site and leased facilities. The certificates also required a reserve fund of the lesser of 1) ten percent of the proceeds of the certificate; or 2) 125 percent of average annual debt service; or 3) maximum annual debt service.

The certificates were delivered pursuant to a Trust Agreement dated August 15, 1996, among the County, the Napa County Public Improvement Corporation, and First Trust National Association (U.S. Bank), Seattle, Washington, as the Trustee. The certificates required a reserve fund of \$1,059,962.50 to be funded out of the proceeds.

COUNTY OF NAPA

Notes to General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2001

Note 5: General Long-Term Debt Account Group (continued)

C. Certificates of Participation (continued)

1996 Certificates of Participation (continued)

Future maturities of the 1996 Certificates of Participation as of June 30, 2001, are as follows:

<u>Year Ending</u> <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2002	\$ 690,000	\$ 804,056	\$ 1,494,056
2003	720,000	772,676	1,492,676
2004	750,000	739,226	1,489,226
2005	785,000	703,529	1,488,529
2006	820,000	665,401	1,485,401
Thereafter	<u>12,315,000</u>	<u>3,938,642</u>	<u>16,253,642</u>
Totals	<u>\$ 16,080,000</u>	<u>\$ 7,623,530</u>	<u>\$ 23,703,530</u>

1993 Certificates of Participation

The County issued a 1993 Capital Improvements Project Certificates of Participation for \$14,340,000 with interest rates ranging from 3.5 to 5.25 percent on August 1, 1993. The principal balance outstanding at June 30, 2001, was \$9,275,000. The proceeds of the certificates were used to finance the renovation of the County Hall of Records Building, Napa City-County Library, County Jail, and Juvenile Hall, demolition and construction of a building for the County agricultural-related departments, acquisition of an automated justice information system, acquisition and construction of improvements to the Napa County Airport, construction of a County fire station, and the acquisition of certain water entitlements. The Certificates represent undivided fractional interests in lease payments to be made by the County for the use and occupancy of leased real property located in the County. The Certificates also required a reserve fund of \$990,000 to be funded out of the proceeds.

The Certificates were delivered pursuant to a Trust Agreement, dated August 1, 1993, among the County, the Napa County Public Improvement Corporation and Seattle-First National Bank (U.S. Bank), as trustee.

**COUNTY OF NAPA**

Notes to General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2001

Note 5: **General Long-Term Debt Account Group** (continued)

C. **Certificates of Participation** (continued)

1993 Certificates of Participation (continued)

Future maturities of the 1993 Certificate of Participation as of June 30, 2001 are as follows:

<u>Year Ending</u> <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2002	\$ 910,000	\$ 472,050	\$ 1,382,050
2003	955,000	428,825	1,383,825
2004	590,000	383,463	973,463
2005	615,000	353,962	968,962
2006	640,000	323,212	963,212
Thereafter	<u>5,565,000</u>	<u>1,223,488</u>	<u>6,788,488</u>
Totals	<u>\$ 9,275,000</u>	<u>\$ 3,185,000</u>	<u>\$ 12,460,000</u>

1990 Certificates of Participation

The County entered into a lease agreement during the year ended June 30, 1990 concerning the sale and delivery of Certificates of Participation in the aggregate principal amount of \$9,230,000 at interest rates varying from 5.80 to 7.00 percent. The principal balance of the bonds outstanding at June 30, 2001 was \$3,245,000. The proceeds of the sale of the Certificates were used by the County to finance the renovation of the Napa County Hall of Justice, the acquisition and renovation of an approximately 50,000 square-foot building in Napa, California for the purpose of housing County court-related departments, the acquisition and installation of a new computer system for the County. The Certificates represent undivided fractional interests in lease payments to be made by the County for the use and occupancy of leased real property located in the County. The Certificates also require a reserve fund of \$923,000 to be funded out of the proceeds.

The Certificates were delivered pursuant to a Trust Agreement, dated January 1, 1990, among the County, the Napa County Public Improvement Corporation and Seattle-First National Bank (U.S. Bank), as trustee.

**COUNTY OF NAPA**

Notes to General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2001

Note 5: **General Long-Term Debt Account Group** (continued)

C. **Certificates of Participation** (continued)

1990 Certificates of Participation (continued)

Future maturities of the 1990 Certificates of Participation as of June 30, 2001 are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2002	\$ 730,000	\$ 201,600	\$ 931,600
2003	785,000	148,575	933,575
2004	835,000	91,875	926,875
2005	<u>895,000</u>	<u>31,325</u>	<u>926,325</u>
Totals	<u>\$ 3,245,000</u>	<u>\$ 473,375</u>	<u>\$ 3,718,375</u>

1987 Certificates of Participation

The County entered into a lease agreement during the year ended June 30, 1987, concerning the sale and delivery of Certificates of Participation in the aggregate principal amount of \$7,280,000 at interest rates varying from 5.20 to 7.90 percent. The principal balance of the bonds outstanding at June 30, 2001 was \$780,000. The proceeds of the Certificates were used to build certain additions and improvements to the Hall of Justice. The Certificates represent undivided fractional interests in lease payments to be made by the County for the use and occupancy of leased real property located in the County. The Certificates also require a reserve fund of \$728,000 to be funded out of the proceeds.

The Certificates were delivered pursuant to a Trust Agreement, dated June 1, 1987 among the County, the Napa County Public Improvement Corporation and Seattle-First National Bank (U.S. Bank), as trustee.

Future maturities of the 1987 Certificates of Participation as of June 30, 2001 are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2002	\$ 780,000	\$ 61,620	\$ 841,620
Totals	<u>\$ 780,000</u>	<u>\$ 61,620</u>	<u>\$ 841,620</u>

**COUNTY OF NAPA**

Notes to General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2001

Note 5: **General Long-Term Debt Account Group** (continued)

**D. Compensated Absences**

Earned vacation may be accumulated up to a maximum of 480 hours by management personnel, 416 hours by supervisory personnel, and 240 hours by all other personnel.

The County has adopted Governmental Accounting Standards Board Statement No. 16, Accounting for Compensated Absences. The earned vacation is payable upon termination and is reported at the current balance of the liability. Employees retiring from County service may, at the time of retirement, elect to receive fully-paid single party health one month coverage for each eight hours of sick leave, up to the total amount of their current sick leave accrual. Excluded from this benefit are employees who terminate employment prior to retirement or have a sick leave balance of less than 120 hours.

The total estimated liability of governmental fund employees for vacation and sick leave at June 30, 2001 was \$3,921,129. This gross liability is presented in the General Long-Term Debt Account Group. The proprietary funds recorded the estimated liability for vacation and sick leave in the individual funds at June 30, 2001.

Note 6: **Long-Term Debt – Proprietary Funds**

**A. Lake Berryessa Resort Improvement District Sewer and Water Bonds**

On September 15, 1965, the district issued 1965 Improvement Bonds in the amount of \$875,000 at 5.5 percent maturing September 15, 2000. These bonds were fully repaid in the year ended June 30, 2001.

**B. Napa Berryessa Resort Improvement District Sewer and Water Bonds**

On January 1, 1967, the District issued 1967 Improvement Bonds in the amount of \$900,000 at 7.0 percent maturing July 1, 2001. The principal balance outstanding on the bonds at June 30, 2001 was \$60,000. Future maturities of the 1967 Improvement Bonds as of June 30, 2001 are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2002	\$ - 60,000	\$ 2,100	\$ 62,100
Totals	\$ 60,000	\$ 2,100	\$ 62,100

**COUNTY OF NAPA**

Notes to General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2001

Note 6: **Long-Term Debt – Proprietary Funds** (continued)

**C. Summary of Improvement District Bonds**

Future debt service requirements for all enterprise fund debt, as of June 30, 2001, are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2002	\$ 60,000	\$ 2,100	\$ 62,100
Totals	<u>\$ 60,000</u>	<u>\$ 2,100</u>	<u>\$ 62,100</u>

Note 7: **Contributed Capital**

The changes in the County's contributed capital accounts were as follows:

	<u>Airport</u>	<u>Vehicle Replacement</u>
Beginning balance, contributed capital	\$ 773,821	\$ 4,000
Less: Depreciation of fixed assets purchased with contributed capital	<u>(129,397)</u>	<u>--</u>
Ending balance, contributed capital	<u>\$ 644,424</u>	<u>\$ 4,000</u>

Note 8: **Deferred Compensation Plan**

Employees of the County of Napa may participate in a deferred compensation plan adopted under the provisions of Internal Revenue Code Section 457 (Deferred Compensation Plans with Respect to Service for State and Local Governments).

The deferred compensation plan is available to all employees of the County. Under the plan, employees may elect to defer a portion of their salaries and defer paying taxes on the deferred portion until the withdrawal date. The deferred compensation is not available for withdrawal by employees until termination, retirement, death, or unforeseeable emergency.

# COUNTY OF NAPA

## Notes to General Purpose Financial Statements For the Fiscal Year Ended June 30, 2001

### Note 8: **Deferred Compensation Plan** (continued)

Changes in the laws governing IRC Section 457 Plans and GASB Statement No. 32, required a change in the reporting of the County employees' deferred compensation plan. Previously, employee amounts deferred by the plan participants were required to be reported as assets of the employer. The new law prevents the employer's use of these funds and requires the funds to be held exclusively for the benefit of the participants. Accordingly, the County's deferred compensation plan was amended in December 1998 to conform with the law. Therefore, the assets and associated participants' liability of the plan were removed from the County's financial statements and only the current deductions which have not been forwarded to the contract plan administrator are reported.

### Note 9: **Risk Management**

The County has two risk management funds (Internal Service Funds) to account for and finance its uninsured risks of loss. The County is exposed to various risks of loss related to general liability and workers' compensation. Under this program, the workers' compensation fund provides coverage up to \$250,000 for each workers' compensation claim and \$300,000 for each general liability claim.

The County participates in pooled insurance programs with other governmental agencies through CSAC Excess Insurance Authority (EIA) for claims in excess of coverage provided by these funds. Settled workers' compensation and general liability claims have not exceeded the pooled coverage in any of the past three years. In addition, the County participates in the EIA for its medical malpractice coverage. Commercial insurance is obtained for all other areas of risk.

All funds which have employees, contribute to the workers' compensation Internal Service Fund (ISF) based on a percentage of the regular salaries paid. The Board of Supervisors, upon recommendation of management, establishes the percentage rates. Contribution to the general liability ISF are generated from billings to specific funds based on potential exposure. The claims liability for the funds reported at June 30, 2001 is based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the general purpose financial statements indicates that it is probable that a liability has been incurred at the date of the general purpose financial statements and the amount of the loss can be reasonably estimated. Changes in the funds' claims liability for the last three fiscal years were:

**COUNTY OF NAPA**

Notes to General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2001

Note 9: **Risk Management** (continued)

	<u>Beginning Fiscal Year Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claims Payments</u>	<u>Balance at Fiscal Year End</u>
<b>General Liability:</b>				
1998 – 1999	\$ 3,410,000	\$ 509,934	\$ 509,934	\$ 3,410,000
1999 - 2000	\$ 3,410,000	\$ (515,963)	\$ 594,037	\$ 2,300,000
2000 – 2001	\$ 2,300,000	\$ (811,187)	\$ 982,831	\$ 505,982
<b>Workers' Compensation:</b>				
1998 – 1999	\$ 3,080,000	\$ 536,722	\$ 536,722	\$ 3,080,000
1999 – 2000	\$ 3,080,000	\$ 390,976	\$ 650,976	\$ 2,820,000
2000 – 2001	\$ 2,820,000	\$ (1,128,804)	\$ 792,934	\$ 898,262

Note 10: **Interfund Transactions**

**Operating Transfers**

Operating transfers in and operating transfers out for the fiscal year ended June 30, 2001, were as follows:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General	\$ --	\$ 4,133,702
Special Revenue	189,542	309,729
Debt Service	4,275,965	101,166
Capital Projects	101,166	342,496
Enterprise	100,000	246,858
Internal Service	591,053	123,775
Totals	<u>\$ 5,257,726</u>	<u>\$ 5,257,726</u>

**COUNTY OF NAPA**

Notes to General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2001

**Note 11: Enterprise Fund Segment Information**

The following enterprise funds have been created to provide various services to the general public:

Lake Berryessa Resort Improvement – Established to account for the operation of the Improvement District;

Napa Berryessa Resort Improvement – Established to account for the operation of the Improvement District;

Airport – Established to account for the operation of the airport.

Segment information for these enterprise funds is summarized below as of and for the year ended June 30, 2001:

	<u>Lake Berryessa Resort Improvement</u>	<u>Napa Berryessa Resort Improvement</u>	<u>Airport</u>	<u>Total</u>
Operating revenues	\$ 403,328	\$ 505,485	\$ 1,460,020	\$ 2,368,833
Depreciation	35,460	39,409	578,993	653,862
Operating grants, entitlements and shared revenues	197,243	1,547	581,802	780,592
Operating transfers in	--	--	100,000	100,000
Operating transfers out			(246,858)	(246,858)
Operating income (loss)	(178,199)	106,473	21,296	(50,430)
Tax revenues	6,002	24,596	--	30,598
Fixed asset additions	72,382	--	897,459	969,841
Net working capital	239,063	285,238	1,140,068	1,664,369
Total assets	735,716	802,908	13,207,762	14,746,386
Long-term liabilities	--	--	6,688,755	6,688,755
Total equity	705,772	711,905	6,499,367	7,917,044

**Note 12: County Employees Retirement Plan (Defined Benefit Pension Plan)**

**A. Plan Description**

The County of Napa contributes to the California Public Employees Retirement System (PERS), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for participating public entities within the State of California. Copies of PERS annual financial report may be obtained from their Executive Office – 400 P Street, Sacramento, CA 95814.

COUNTY OF NAPA

Notes to General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2001

Note 12: County Employees Retirement Plan (Defined Benefit Pension Plan) (continued)

B. **Funding Policy**

Per the Memoranda of Understanding, the County makes the contributions required of all County employees who are enrolled as local miscellaneous members (7%) as well as local safety members who are also management employees (9%). Local safety members, who are not management employees, pay the employee share (9%). The rates are set by statute and therefore generally remain unchanged from year to year. The present actuarially determined rates of annual covered payroll are as follows:

<u>Category</u>	<u>Member Rates as a Percentage of Wages</u>
Local miscellaneous members	7%
Local safety members	9%

The contribution requirements of the plan members are established by State statutes and the employer contribution rate is established and may be amended by Cal PERS.

Annual Pension Cost

For fiscal year 2000/01, the County of Napa's annual pension cost was \$145,812 and the County actually contributed \$145,812. The required contribution for fiscal year 2000/01 was determined as part of the June 30, 1999 actuarial valuation using the entry age normal actuarial cost method with the contributions determined as a percent of pay. The actuarial assumptions included (a) 8.5% investment rate of return (net of administrative expenses); (b) projected salary increases that vary by duration of 4.5% merit increases that vary based on length of service; and (c) no benefit increases after retirement.

The actuarial value of the County's assets was determined using a technique that smoothes the effect of short-term volatility in the market value of investments over a two to five year period depending on the size of the investment gains and/or losses. The County's excess assets are being amortized as a level percentage of projected payroll on a closed basis.

**COUNTY OF NAPA**

Notes to General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2001

Note 12: **County Employees Retirement Plan (Defined Benefit Pension Plan)** (continued)

**B. Funding Policy** (continued)

Annual Pension Cost (continued)

Three-Year Trend Information (in thousands)

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/99	\$ 4,034	100%	\$ --
6/30/00	914	100	--
6/30/01	146	100	--

Required Supplementary Information  
Funded Status of Plan  
(in thousands)

Valuation Date	Entry Age Normal Accrual Liability	Actuarial Value of Assets	Unfunded/ (Overfunded) Liability	Funded Ratio	Annual Covered Payroll	UAAL as a % of Payroll
6/30/98	\$ 181,442	\$ 225,153	(43,711)	124.10%	\$ 41,715	(104.78)%
6/30/99	193,834	256,556	(62,722)	132.36	46,638	(134.49)
6/30/00	217,177	285,637	(68,460)	131.52	50,511	(135.53)

Presenting the assets in excess of or unfunded pension benefit obligation as a percentage of annual covered payroll approximately adjusts for the effects of inflation for analysis purposes. In addition, for the years ended 2000, 1999, and 1998, the County contributions to the system, all made in accordance with actuarially determined requirements, were 1.8 percent, 8.64 percent, and 9.92 percent, respectively, of annual covered payroll.

Note 13: **Post-Retirement Health Benefits**

The County provides health or dental benefits on a pay-as-you-go basis to retirees in three basic categories.

- Generally, retirees who at the time of retirement have over 120 hours of accumulated unused sick leave receive, for each 8 hours of sick leave, one month of single party insurance benefits paid for by the County.

# COUNTY OF NAPA

## Notes to General Purpose Financial Statements For the Fiscal Year Ended June 30, 2001

### Note 13: Post-Retirement Health Benefits (continued)

2. Retirees with 20 or more years of continuous service at the time of retirement receive single party insurance benefits paid for by the County until age 65, regardless of the balance of accumulated sick leave at the time of retirement.
3. Non-classified (elected officials and department heads) employees with 8 or more years of service (5 or more for Judges) shall receive health and dental benefits for themselves and their dependent families for the life of such employees.

During the year, 125 retirees were in the plan at a cost of \$378,754.

### Note 14: Contingencies

#### A. **Litigation**

There are many lawsuits pending in which the County is involved. Some of the lawsuits have been filed solely against the County, while in others, the County is one of a group of defendants. The County Counsel has indicated that the potential uninsured claims against the County resulting from such litigation would not materially affect the general purpose financial statements of the County.

#### B. **Grants**

The County participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental entities. The County participates in other federal and state programs where County costs are recovered on a reimbursable basis. Grant expenditures and reimbursements are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with the relevant regulations, the County may be required to reimburse the appropriate governmental agency. As of June 30, 2001, significant amounts of grant expenditures and records relating to reimbursements have not been audited, but the County believes that disallowed expenditures or reimbursements, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the County.

**COUNTY OF NAPA**

Notes to General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2001

**Note 15: Reserved Retained Earnings**

The County has established reserves in the funds listed below per indenture agreements or Board of Supervisors' resolution.

<u>Enterprise Funds</u>	
Napa Berryessa Public Improvement, reserved for debt service	\$ 91,993
Airport, reserved for imprest cash	<u>25</u>
Total	<u>\$ 92,018</u>
 <u>Internal Service Funds</u>	
Equipment Pool	\$ 337
Equipment Replacement	200,752
Vehicle Replacement	4,875
Management Information Services	23,563
Workers' Compensation	877,061
General Liability	<u>505,983</u>
Total	<u>\$ 1,612,571</u>

**Note 16: Prior Period Adjustments**

Debt Service Fund

A prior period adjustment of \$(20,848) was made to reflect an adjustment to a long-term receivable from the Airport Fund.

Airport Fund

Prior period adjustments of \$7,294 were made to adjust for activity in the prior year as follows:

Adjustment in long-term payable to Debt Service	\$ 20,848
Adjustment in fixed assets	<u>49,491</u>
Total Prior Period Adjustment	<u>\$ 70,339</u>

Lake Berryessa

A prior period adjustment of (\$8,827) was made to reflect adjustments in fixed assets.

Napa Berryessa

A prior period adjustment of (\$2,170) was made to reflect adjustments in fixed assets.

COUNTY OF NAPA

Notes to General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2001

Note 16: Prior Period Adjustments (continued)

Equipment Replacement

A prior period adjustment of \$33,316 was made to reflect adjustments in fixed assets.

Vehicle Replacement

A prior period adjustment of \$16,433 was made to reflect adjustments in fixed assets.

Management Information Services

A prior period adjustment of \$52,329 was made to reflect adjustments in fixed assets.

## **SUPPLEMENTAL INFORMATION**

### **SPECIAL REVENUE FUNDS**

Special revenue funds are used to account for the proceeds of specific revenue sources (other than expendable trusts, or major capital projects) that are legally restricted to expenditures for specified purposes.

**COUNTY OF NAPA**

Combining Balance Sheet  
 Special Revenue Funds  
 June 30, 2001  
 (With Comparative Figures for June 30, 2000)

	<u>Fire Protection</u>	<u>Fire Protection Assessment</u>	<u>Roads</u>	<u>Special Transportation</u>	<u>Fish &amp; Game</u>
<u>Assets</u>					
Cash and investments	\$ 1,715,881	\$ 126,606	\$ 3,547,192	\$ 2	\$ 47,344
Restricted Assets:					
Cash with fiscal agent	-	-	-	-	-
Imprest cash	250	-	300	-	-
Accounts receivable	-	-	93,069	-	-
Taxes receivable	58,139	-	-	-	-
Assessments receivable	-	1,946	-	-	-
Due from other governments	369,048	-	1,705,190	102,773	-
Total Assets	<u>\$ 2,143,318</u>	<u>\$ 128,552</u>	<u>\$ 5,345,751</u>	<u>\$ 102,775</u>	<u>\$ 47,344</u>
<u>Liabilities and Fund Equity</u>					
Liabilities:					
Accounts payable	\$ 166,850	\$ -	\$ 592,432	\$ -	\$ -
Accrued salaries and benefits	-	-	28,382	-	-
Deferred revenues	-	-	-	102,773	-
Total Liabilities	<u>166,850</u>	<u>-</u>	<u>620,814</u>	<u>102,773</u>	<u>-</u>
Fund Equity:					
Reserved for:					
Imprest cash	250	-	300	-	-
Encumbrances	455,250	-	-	-	-
Equipment	-	-	-	-	-
General	-	-	958,612	-	11,392
Unreserved:					
Designated for subsequent years' expenditures	-	-	-	-	-
Undesignated	1,520,968	128,552	3,766,025	2	35,952
Total Fund Equity	<u>1,976,468</u>	<u>128,552</u>	<u>4,724,937</u>	<u>2</u>	<u>47,344</u>
Total Liabilities and Fund Equity	<u>\$ 2,143,318</u>	<u>\$ 128,552</u>	<u>\$ 5,345,751</u>	<u>\$ 102,775</u>	<u>\$ 47,344</u>

continued

**COUNTY OF NAPA**

Combining Balance Sheet (continued)  
 Special Revenue Funds  
 June 30, 2001  
 (With Comparative Figures for June 30, 2000)

	<u>Aviation</u>	<u>Library</u>	<u>Criminal Justice Facility Construction</u>	<u>Construction Fund Capital Improvements</u>
<u>Assets</u>				
Cash and investments	\$ 34,986	\$ 2,866,996	\$ 207,770	\$ 1,348,413
Restricted Assets:				
Cash with fiscal agent	-	-	-	-
Imprest cash	-	500	-	-
Accounts receivable	-	-	-	-
Taxes receivable	-	40,098	-	-
Assessments receivable	-	-	-	-
Due from other governments	-	-	-	-
Total Assets	<u>\$ 34,986</u>	<u>\$ 2,907,594</u>	<u>\$ 207,770</u>	<u>\$ 1,348,413</u>
<u>Liabilities and Fund Equity</u>				
Liabilities:				
Accounts payable	\$ -	\$ 59,440	\$ -	\$ 3,975
Accrued salaries and benefits	-	29,460	-	-
Deferred revenues	-	-	-	-
Total Liabilities	<u>-</u>	<u>88,900</u>	<u>-</u>	<u>3,975</u>
Fund Equity:				
Reserved for:				
Imprest cash	-	500	-	-
Encumbrances	-	30,768	-	7,719
Equipment	-	76,745	18,740	-
General	-	884,225	171,624	185,111
Unreserved:				
Designated for subsequent years' expenditures	-	775,613	-	-
Undesignated	34,986	1,050,843	17,406	1,151,608
Total Fund Equity	<u>34,986</u>	<u>2,818,694</u>	<u>207,770</u>	<u>1,344,438</u>
Total Liabilities and Fund Equity	<u>\$ 34,986</u>	<u>\$ 2,907,594</u>	<u>\$ 207,770</u>	<u>\$ 1,348,413</u>

continued

**COUNTY OF NAPA**

Combining Balance Sheet (continued)  
 Special Revenue Funds  
 June 30, 2001  
 (With Comparative Figures for June 30, 2000)

	Various Special Districts Under Board	Totals	
		2001	2000
<u>Assets</u>			
Cash and investments	\$ 20,980,078	\$ 30,875,268	\$ 13,165,942
Restricted Assets:			
Cash with fiscal agent	10,134,904	10,134,904	42,742,408
Imprest cash	-	1,050	1,050
Accounts receivable	-	93,069	598,894
Taxes receivable	1,642,081	1,740,318	1,827,272
Assessments receivable	5,150	7,096	27,183
Due from other governments	-	2,177,011	66,001
Total Assets	<u>\$ 32,762,213</u>	<u>\$ 45,028,716</u>	<u>\$ 58,428,750</u>
<u>Liabilities and Fund Equity</u>			
Liabilities:			
Accounts payable	\$ 7,286,468	\$ 8,109,165	\$ 303,052
Accrued salaries and benefits	-	57,842	53,847
Deferred revenues	-	102,773	26,644
Total Liabilities	<u>7,286,468</u>	<u>8,269,780</u>	<u>383,543</u>
Fund Equity:			
Reserved for:			
Imprest cash	-	1,050	1,050
Encumbrances	20,425	514,162	1,126,531
Equipment	-	95,485	-
General	2,856,349	5,067,313	34,310,803
Unreserved:			
Designated for subsequent years' expenditures	22,318,717	23,094,330	13,460,976
Undesignated	280,254	7,986,596	9,145,847
Total Fund Equity	<u>25,475,745</u>	<u>36,758,936</u>	<u>58,045,207</u>
Total Liabilities and Fund Equity	<u>\$ 32,762,213</u>	<u>\$ 45,028,716</u>	<u>\$ 58,428,750</u>

**COUNTY OF NAPA**

Combining Statement of Revenues, Expenditures and  
Changes in Fund Balance  
Special Revenue Funds

For the Fiscal Year Ended June 30, 2001

(With Comparative Figures for the Year Ended June 30, 2000)

	<u>Fire Protection</u>	<u>Fire Protection Assessment</u>	<u>Roads</u>	<u>Special Transportation</u>
Revenues:				
Taxes	\$ 3,912,414	\$ -	\$ -	\$ -
Licenses and permits	142,425	-	27,692	-
Intergovernmental revenues	407,850	-	6,518,086	1,262,323
Fines and forfeitures	-	-	441,871	-
Use of money and property	173,551	7,167	260,010	2,209
Charges for services	242,558	464	41,453	-
Other revenues	13,091	-	70,129	1,673
Total Revenues	<u>4,891,889</u>	<u>7,631</u>	<u>7,359,241</u>	<u>1,266,205</u>
Expenditures:				
General government	-	-	-	-
Public protection	4,953,262	-	-	-
Public ways and facilities	-	-	6,936,613	1,266,203
Health and sanitation	-	-	-	-
Education	-	-	-	-
Debt Service:				
Interest	-	-	-	-
Total Expenditures	<u>4,953,262</u>	<u>-</u>	<u>6,936,613</u>	<u>1,266,203</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(61,373)</u>	<u>7,631</u>	<u>422,628</u>	<u>2</u>
Other Financing Sources (Uses):				
Bond proceeds	-	-	-	-
Operating transfers in	-	-	166,000	-
Operating transfers out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>166,000</u>	<u>-</u>
Excess (Deficit) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses	<u>(61,373)</u>	<u>7,631</u>	<u>588,628</u>	<u>2</u>
Fund Balance, Beginning of Fiscal Year	2,037,841	120,921	4,136,309	-
Residual Equity Transfer	-	-	-	-
Prior period adjustment	-	-	-	-
Fund Balance, End of Fiscal Year	<u>\$ 1,976,468</u>	<u>\$ 128,552</u>	<u>\$ 4,724,937</u>	<u>\$ 2</u>

continued

**COUNTY OF NAPA**

Combining Statement of Revenues, Expenditures and  
Changes in Fund Balance (continued)  
Special Revenue Funds  
For the Fiscal Year Ended June 30, 2001  
(With Comparative Figures for the Year Ended June 30, 2000)

	<u>Fish &amp; Game</u>	<u>Aviation</u>	<u>Library</u>	<u>Criminal Justice Facility Construction</u>	<u>Construction Fund Capital Improvements</u>
<b>Revenues:</b>					
Taxes	\$ -	\$ -	\$ 2,699,215	\$ -	\$ -
Licenses and permits	-	-	-	-	-
Intergovernmental revenues	-	-	703,961	-	-
Fines and forfeitures	18,260	-	-	126,091	-
Use of money and property	2,005	1,994	176,798	11,748	77,117
Charges for services	-	-	182,803	-	-
Other revenues	22	-	144,683	1,090	76,888
<b>Total Revenues</b>	<u>20,287</u>	<u>1,994</u>	<u>3,907,460</u>	<u>138,929</u>	<u>154,005</u>
<b>Expenditures:</b>					
General government	-	-	-	-	99,678
Public protection	-	-	-	-	-
Public ways and facilities	-	-	-	-	-
Health and sanitation	-	-	-	-	-
Education	-	-	3,167,075	-	-
Debt Service:					
Interest	-	-	-	-	-
<b>Total Expenditures</b>	<u>-</u>	<u>-</u>	<u>3,167,075</u>	<u>-</u>	<u>99,678</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>20,287</u>	<u>1,994</u>	<u>740,385</u>	<u>138,929</u>	<u>54,327</u>
<b>Other Financing Sources (Uses):</b>					
Bond proceeds	-	-	-	-	-
Operating transfers in	-	-	23,542	-	-
Operating transfers out	-	-	(100,994)	(83,494)	-
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>(77,452)</u>	<u>(83,494)</u>	<u>-</u>
<b>Excess (Deficit) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses</b>	<u>20,287</u>	<u>1,994</u>	<u>662,933</u>	<u>55,435</u>	<u>54,327</u>
Fund Balance, Beginning of Fiscal Year	27,057	32,992	2,155,761	152,335	1,290,111
Residual Equity Transfer	-	-	-	-	-
Prior period adjustment	-	-	-	-	-
<b>Fund Balance, End of Fiscal Year</b>	<u>\$ 47,344</u>	<u>\$ 34,986</u>	<u>\$ 2,818,694</u>	<u>\$ 207,770</u>	<u>\$ 1,344,438</u>

continued

**COUNTY OF NAPA**

Combining Statement of Revenues, Expenditures and  
 Changes in Fund Balance (continued)  
 Special Revenue Funds  
 For the Fiscal Year Ended June 30, 2001  
 (With Comparative Figures for the Year Ended June 30, 2000)

	Various Districts Under Board	Totals	
		2001	2000
<b>Revenues:</b>			
Taxes	\$ 10,316,296	\$ 16,927,925	\$ 5,840,579
Licenses and permits	-	170,117	116,524
Intergovernmental revenues	149	8,892,369	17,886,004
Fines and forfeitures	-	586,222	616,652
Use of money and property	2,682,190	3,394,789	2,961,796
Charges for services	440,515	907,793	668,546
Other revenues	186,507	494,083	1,380,214
<b>Total Revenues</b>	<b>13,625,657</b>	<b>31,373,298</b>	<b>29,470,315</b>
<b>Expenditures:</b>			
General government	-	99,678	13,602
Public protection	286,378	5,239,640	3,803,938
Public ways and facilities	33,579,006	41,781,822	17,476,813
Health and sanitation	180,090	180,090	83,370
Education	-	3,167,075	2,781,024
Debt Service:			
Interest	2,071,077	2,071,077	1,979,030
<b>Total Expenditures</b>	<b>36,116,551</b>	<b>52,539,382</b>	<b>26,137,777</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(22,490,894)	(21,166,084)	3,332,538
<b>Other Financing Sources (Uses):</b>			
Bond proceeds	-	-	43,620,000
Operating transfers in	-	189,542	14,871
Operating transfers out	(125,241)	(309,729)	(382,072)
<b>Total Other Financing Sources (Uses)</b>	<b>(125,241)</b>	<b>(120,187)</b>	<b>43,252,799</b>
Excess (Deficit) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses	(22,616,135)	(21,286,271)	46,585,337
Fund Balance, Beginning of Fiscal Year	48,091,880	58,045,207	11,508,653
Residual Equity Transfer	-	-	(50,442)
Prior period adjustment	-	-	1,659
<b>Fund Balance, End of Fiscal Year</b>	<b>\$ 25,475,745</b>	<b>\$ 36,758,936</b>	<b>\$ 58,045,207</b>

**COUNTY OF NAPA**

Combining Balance Sheet  
 Special Districts Under the Board of Supervisors  
 June 30, 2001  
 (With Comparative Figures for June 30, 2000)

	County Service Area No. 3	Napa County Flood Protection and Watershed Improvement Authority	Silverado Community Services	Silverado Maintenance Assessment
<u>Assets</u>				
Cash	\$ 114,014	\$ 20,574,177	\$ 157,118	\$ -
Restricted Assets:				
Cash with fiscal agent	-	10,134,904	-	-
Taxes receivable	-	1,641,900	-	-
Assessments receivable	3,814	-	-	1,336
Total Assets	<u>\$ 117,828</u>	<u>\$ 32,350,981</u>	<u>\$ 157,118</u>	<u>\$ 1,336</u>
<u>Liabilities and Fund Equity</u>				
Liabilities:				
Accounts payable	\$ 1,715	\$ 7,282,201	\$ 2,396	\$ -
Total Liabilities	<u>1,715</u>	<u>7,282,201</u>	<u>2,396</u>	<u>-</u>
Fund Equity:				
Fund Balances:				
Reserved:				
Encumbrances	-	-	20,425	-
General	48,319	2,776,190	6,646	-
Unreserved:				
Designated	26,127	22,292,590	-	-
Undesignated	41,667	-	127,651	1,336
Total Fund Equity	<u>116,113</u>	<u>25,068,780</u>	<u>154,722</u>	<u>1,336</u>
Total Liabilities and Fund Equity	<u>\$ 117,828</u>	<u>\$ 32,350,981</u>	<u>\$ 157,118</u>	<u>\$ 1,336</u>

continued

**COUNTY OF NAPA**

Combining Balance Sheet (continued)  
 Special Districts Under the Board of Supervisors  
 June 30, 2001  
 (With Comparative Figures for June 30, 2000)

	Monticello Endowment	Monticello Public Cemetery	Totals	
			2001	2000
<u>Assets</u>				
Cash	\$ 23,378	\$ 111,391	\$ 20,980,078	\$ 3,584,961
Restricted Assets:				
Cash with fiscal agent	-	-	10,134,904	42,742,408
Taxes receivable	181	-	1,642,081	1,751,685
Assessments receivable	-	-	5,150	24,496
Total Assets	<u>\$ 23,559</u>	<u>\$ 111,391</u>	<u>\$ 32,762,213</u>	<u>\$ 48,103,550</u>
<u>Liabilities and Fund Equity</u>				
Liabilities:				
Accounts payable	\$ 156	\$ -	\$ 7,286,468	\$ 11,670
Total Liabilities	<u>156</u>	<u>-</u>	<u>7,286,468</u>	<u>11,670</u>
Fund Equity:				
Fund Balances:				
Reserved:				
Encumbrances	-	-	20,425	18,118
General	25,194	-	2,856,349	34,299,411
Unreserved:				
Designated	-	-	22,318,717	13,460,976
Undesignated	(1,791)	111,391	280,254	313,375
Total Fund Equity	<u>23,403</u>	<u>111,391</u>	<u>25,475,745</u>	<u>48,091,880</u>
Total Liabilities and Fund Equity	<u>\$ 23,559</u>	<u>\$ 111,391</u>	<u>\$ 32,762,213</u>	<u>\$ 48,103,550</u>

**COUNTY OF NAPA**

Combining Statement of Revenues, Expenditures and  
Changes in Fund Balance  
Special Districts Under the Board of Supervisors  
For the Fiscal Year Ended June 30, 2001  
(With Comparative Figures for the Year Ended June 30, 2000)

	County Service Area No. 3	Napa County Flood Protection and Watershed Improvement Authority	Silverado Community Services	Silverado Maintenance Assessment
<b>Revenues:</b>				
Taxes	\$ 1,666	\$ 10,299,475	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental revenues	-	-	-	-
Fines and forfeitures	-	-	-	-
Use of money and property	7,862	2,659,001	6,847	573
Charges for services	283,418	-	46,808	110,189
Other revenue	121,181	-	65,224	-
<b>Total Revenues</b>	<u>414,127</u>	<u>12,958,476</u>	<u>118,879</u>	<u>110,762</u>
<b>Expenditures:</b>				
Public protection	272,068	-	-	-
Public ways and facilities	-	33,579,006	-	-
Health and sanitation	-	-	68,057	112,033
Debt Service:				
Interest	-	2,071,077	-	-
<b>Total Expenditures</b>	<u>272,068</u>	<u>35,650,083</u>	<u>68,057</u>	<u>112,033</u>
<b>Excess (Deficit) of Revenues Over (Under) Expenditures</b>	<u>142,059</u>	<u>(22,691,607)</u>	<u>50,822</u>	<u>(1,271)</u>
<b>Other Financing Sources (Uses):</b>				
Bonds proceeds	-	-	-	-
Operating transfers in	-	-	-	-
Operating transfers out	(125,241)	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>(125,241)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Excess (Deficit) of Revenues and Other Sources Over (Under) Expenditures and Other Uses</b>	16,818	(22,691,607)	50,822	(1,271)
<b>Fund Balance, Beginning of Fiscal Year</b>	99,295	47,760,387	103,900	2,607
<b>Fund Balance, End of Fiscal Year</b>	<u>\$ 116,113</u>	<u>\$ 25,068,780</u>	<u>\$ 154,722</u>	<u>\$ 1,336</u>

continued

**COUNTY OF NAPA**

Combining Statement of Revenues, Expenditures and  
Changes in Fund Balance (continued)  
Special Districts Under the Board of Supervisors  
For the Fiscal Year Ended June 30, 2001  
(With Comparative Figures for the Year Ended June 30, 2000)

	Monticello Endowment	Monticello Public Cemetery	Totals	
			2001	2000
<b>Revenues:</b>				
Taxes	\$ 15,155	\$ -	\$ 10,316,296	\$ 15,546
Licenses and permits	-	-	-	-
Intergovernmental revenues	149	-	149	10,050,268
Fines and forfeitures	-	-	-	-
Use of money and property	1,558	6,349	2,682,190	2,542,236
Charges for services	100	-	440,515	246,435
Other revenue	102	-	186,507	26,097
<b>Total Revenues</b>	<u>17,064</u>	<u>6,349</u>	<u>13,625,657</u>	<u>12,880,582</u>
<b>Expenditures:</b>				
Public protection	14,310	-	286,378	50,376
Public ways and facilities	-	-	33,579,006	11,703,965
Health and sanitation	-	-	180,090	83,370
Debt Service:				
Interest	-	-	2,071,077	1,979,030
<b>Total Expenditures</b>	<u>14,310</u>	<u>-</u>	<u>36,116,551</u>	<u>13,816,741</u>
<b>Excess (Deficit) of Revenues Over (Under) Expenditures</b>	<u>2,754</u>	<u>6,349</u>	<u>(22,490,894)</u>	<u>(936,159)</u>
<b>Other Financing Sources (Uses):</b>				
Bonds proceeds	-	-	-	43,620,000
Operating transfers in	-	-	-	14,528
Operating transfers out	-	-	(125,241)	(124,626)
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>(125,241)</u>	<u>43,509,902</u>
<b>Excess (Deficit) of Revenues and Other Sources Over (Under) Expenditures and Other Uses</b>	<u>2,754</u>	<u>6,349</u>	<u>(22,616,135)</u>	<u>42,573,743</u>
<b>Fund Balance, Beginning of Fiscal Year</b>	<u>20,649</u>	<u>105,042</u>	<u>48,091,880</u>	<u>5,518,137</u>
<b>Fund Balance, End of Fiscal Year</b>	<u>\$ 23,403</u>	<u>\$ 111,391</u>	<u>\$ 25,475,745</u>	<u>\$ 48,091,880</u>

## **CAPITAL PROJECTS FUNDS**

Capital Projects Funds are used to account for financial resources to be used for the acquisition of major capital facilities (other than those financed by proprietary funds).

**COUNTY OF NAPA**

Combining Balance Sheet

Capital Projects Funds

June 30, 2001

(With Comparative Figures for June 30, 2000)

	Construction Fund	Courthouse Fund	Totals	
			2001	2000
<u>Assets</u>				
Restricted Assets:				
Cash	\$ 315,292	\$ 579,439	\$ 894,731	\$ 876,570
Cash with fiscal agent	1,612,022	-	1,612,022	1,992,614
Accounts receivable	23,599	-	23,599	165,823
Total Assets	<u>\$ 1,950,913</u>	<u>\$ 579,439</u>	<u>\$ 2,530,352</u>	<u>\$ 3,035,007</u>
<u>Liabilities and Fund Balance</u>				
Liabilities:				
Accounts payable	\$ -	\$ 33,530	\$ 33,530	\$ -
Total Liabilities	<u>-</u>	<u>33,530</u>	<u>33,530</u>	<u>-</u>
Fund Balances:				
Reserved, capital projects	<u>1,950,913</u>	<u>545,909</u>	<u>2,496,822</u>	<u>3,035,007</u>
Total Fund Balances	<u>1,950,913</u>	<u>545,909</u>	<u>2,496,822</u>	<u>3,035,007</u>
Total Liabilities and Fund Balances	<u>\$ 1,950,913</u>	<u>\$ 579,439</u>	<u>\$ 2,530,352</u>	<u>\$ 3,035,007</u>

**COUNTY OF NAPA**

**Combining Statement of Revenues, Expenditures and  
Changes in Fund Balance  
Capital Projects Funds**

For the Fiscal Year Ended June 30, 2001

(With Comparative Figures for the Year Ended June 30, 2000)

	Construction Fund	Courthouse Fund	Totals	
			2001	2000
<b>Revenues:</b>				
Fines and forfeitures	\$ -	\$ 439,953	\$ 439,953	\$ 362,248
Use of money and property	257,163	44,130	301,293	299,742
Other Revenue	-	4,954	4,954	-
<b>Total Revenues</b>	<u>257,163</u>	<u>489,037</u>	<u>746,200</u>	<u>661,990</u>
<b>Expenditures:</b>				
Capital outlay	671,761	371,294	1,043,055	1,171,086
<b>Total Expenditures</b>	<u>671,761</u>	<u>371,294</u>	<u>1,043,055</u>	<u>1,171,086</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(414,598)</u>	<u>117,743</u>	<u>(296,855)</u>	<u>(509,096)</u>
<b>Other Financing Sources (Uses):</b>				
Operating transfers in	101,166	-	101,166	40,000
Operating transfers out	(67,161)	(275,335)	(342,496)	(275,369)
<b>Total Other Financing Sources (Uses)</b>	<u>34,005</u>	<u>(275,335)</u>	<u>(241,330)</u>	<u>(235,369)</u>
<b>Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses</b>	<u>(380,593)</u>	<u>(157,592)</u>	<u>(538,185)</u>	<u>(744,465)</u>
<b>Fund Balance, Beginning of Fiscal Year</b>	<u>2,331,506</u>	<u>703,501</u>	<u>3,035,007</u>	<u>3,779,472</u>
<b>Fund Balance, End of Fiscal Year</b>	<u>\$ 1,950,913</u>	<u>\$ 545,909</u>	<u>\$ 2,496,822</u>	<u>\$ 3,035,007</u>

## **ENTERPRISE FUNDS**

Enterprise funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control accountability, or other purposes.

# COUNTY OF NAPA

## Combining Balance Sheet Enterprise Funds June 30, 2001 (With Comparative Figures for June 30, 2000)

	Lake Berryessa	Napa Berryessa	Airport	Totals	
	Resort Improvement	Public Improvement		2001	2000
<u>Assets</u>					
<b>Current Assets:</b>					
Cash and investments	\$ 218,349	\$ 299,944	\$ 734,601	\$ 1,252,894	\$ 1,270,310
Imprest cash	-	-	25	25	25
Accounts receivable	10,472	38,640	31,027	80,139	134,287
Taxes receivable	290	-	-	290	-
Assessments receivable	39,896	37,657	-	77,553	224,742
Due from Other Governments	-	-	394,055	394,055	-
<b>Total Current Assets</b>	<b>269,007</b>	<b>376,241</b>	<b>1,159,708</b>	<b>1,804,956</b>	<b>1,629,364</b>
Long-term note receivable	-	-	2,569,014	2,569,014	2,948,749
Property and equipment, net of accumulated depreciation	466,709	426,667	9,479,040	10,372,416	10,050,627
<b>Total Assets</b>	<b>\$ 735,716</b>	<b>\$ 802,908</b>	<b>\$13,207,762</b>	<b>\$ 14,746,386</b>	<b>\$ 14,628,740</b>
<u>Liabilities and Fund Equity</u>					
<b>Current Liabilities:</b>					
Accounts payable	\$ 13,298	\$ 7,498	\$ 6,887	\$ 27,683	\$ 71,345
Accrued salaries and benefits	-	-	5,497	5,497	4,527
Deposits with others	16,646	23,505	7,256	47,407	43,550
Bonds payable, current portion	-	60,000	-	60,000	110,000
<b>Total Current Liabilities</b>	<b>29,944</b>	<b>91,003</b>	<b>19,640</b>	<b>140,587</b>	<b>229,422</b>
<b>Long-Term Liabilities:</b>					
Due to other funds	-	-	-	-	5,000
Advances payable	-	-	4,103,375	4,103,375	4,586,142
Liability for compensated absences	-	-	16,366	16,366	17,162
Deferred revenue	-	-	2,569,014	2,569,014	2,948,749
Bonds payable, long-term portion	-	-	-	-	60,000
<b>Total Liabilities</b>	<b>29,944</b>	<b>91,003</b>	<b>6,708,395</b>	<b>6,829,342</b>	<b>7,846,475</b>
<b>Fund Equity:</b>					
Contributed capital	-	-	644,424	644,424	773,821
<b>Retained Earnings:</b>					
Reserved	-	91,993	25	92,018	200,033
Unreserved	705,772	619,912	5,854,918	7,180,602	5,808,411
<b>Total Fund Equity</b>	<b>705,772</b>	<b>711,905</b>	<b>6,499,367</b>	<b>7,917,044</b>	<b>6,782,265</b>
<b>Total Liabilities and Fund Equity</b>	<b>\$ 735,716</b>	<b>\$ 802,908</b>	<b>\$13,207,762</b>	<b>\$ 14,746,386</b>	<b>\$ 14,628,740</b>

# COUNTY OF NAPA

## Combining Statement of Revenues, Expenses and Changes in Retained Earnings Enterprise Funds For the Fiscal Year Ended June 30, 2001 (With Comparative Figures for the Year Ended June 30, 2000)

	Lake Berryessa Resort	Napa Berryessa Public	Airport	Totals	
	Improvement	Improvement		2001	2000
<b>Operating Revenues:</b>					
Charges for services	\$ 403,328	\$ 505,485	\$ 1,460,020	\$ 2,368,833	\$ 1,299,546
Sewer charges	-	-	-	-	202,601
Water use	-	-	-	-	202,891
Hookups	-	-	-	-	6,850
<b>Total Operating Revenues</b>	<u>403,328</u>	<u>505,485</u>	<u>1,460,020</u>	<u>2,368,833</u>	<u>1,711,888</u>
<b>Operating Expenses:</b>					
Salaries and wages	-	-	302,692	302,692	258,754
Services and supplies	358,394	356,440	503,633	1,218,467	592,567
Depreciation	35,460	39,409	578,993	653,862	611,046
Maintenance	-	-	36,306	36,306	68,947
Insurance	-	-	14,600	14,600	15,350
Other	187,673	3,163	2,500	193,336	34,634
<b>Total Operating Expenses</b>	<u>581,527</u>	<u>399,012</u>	<u>1,438,724</u>	<u>2,419,263</u>	<u>1,581,298</u>
<b>Operating Income (Loss)</b>	<u>(178,199)</u>	<u>106,473</u>	<u>21,296</u>	<u>(50,430)</u>	<u>130,590</u>
<b>Non-Operating Revenue (Expenses):</b>					
Intergovernmental revenue	197,243	1,547	581,802	780,592	85,080
Tax revenue	6,002	24,596	-	30,598	197,782
Other revenue	-	-	389,021	389,021	291,101
Gain (loss) on the disposition of property	-	-	(2,981)	(2,981)	4,983
Interest revenue	14,133	13,357	56,202	83,692	60,530
Interest expense	(1,625)	(6,572)	-	(8,197)	(14,978)
<b>Total Non-Operating Revenue (Expenses)</b>	<u>215,753</u>	<u>32,928</u>	<u>1,024,044</u>	<u>1,272,725</u>	<u>624,498</u>
<b>Net Income (Loss) Before Operating Transfers</b>	<u>37,554</u>	<u>139,401</u>	<u>1,045,340</u>	<u>1,222,295</u>	<u>755,088</u>
<b>Other Financing Sources (Uses):</b>					
Operating transfers in	-	-	100,000	100,000	-
Operating transfers (out)	-	-	(246,858)	(246,858)	(1,365,518)
<b>Net Income (Loss)</b>	<u>37,554</u>	<u>139,401</u>	<u>898,482</u>	<u>1,075,437</u>	<u>(610,430)</u>
<b>Retained Earnings, Beginning of Fiscal Year</b>	<u>677,045</u>	<u>574,674</u>	<u>4,756,725</u>	<u>6,008,444</u>	<u>4,729,973</u>
Depreciation on property acquired with federal and state grants	-	-	129,397	129,397	129,397
Prior period adjustment	(8,827)	(2,170)	70,339	59,342	1,759,504
<b>Retained Earnings, End of Fiscal Year</b>	<u>\$ 705,772</u>	<u>\$ 711,905</u>	<u>\$ 5,854,943</u>	<u>\$ 7,272,620</u>	<u>\$ 6,008,444</u>

**COUNTY OF NAPA**

**Combining Statement of Cash Flows  
Enterprise Funds  
For the Fiscal Year Ended June 30, 2001  
(With Comparative Figures for the Year Ended June 30, 2000)**

	Lake Berryessa	Napa Berryessa	Airport	Totals	
	Resort Improvement	Public Improvement		2001	2000
<b>Cash Flows from Operating Activities:</b>					
Operating income (loss)	\$ (178,199)	\$ 106,473	\$ 21,296	\$ (50,430)	\$ 130,590
Adjustments to reconcile operating income to net cash provided by operating activities:					
Depreciation	35,460	39,409	578,993	653,862	611,046
Changes in assets and liabilities:					
Accounts receivable	48,443	(31,362)	37,067	54,148	(38,345)
Taxes receivable	(290)	-	-	(290)	13,438
Assessments receivable	140,763	6,426	-	147,189	(34,548)
Due from other governments	-	-	(394,055)	(394,055)	-
Deposits with others	1,766	2,091	-	3,857	(7,019)
Accounts payable	9,766	(8,271)	(45,157)	(43,662)	62,401
Accrued salaries and benefits	-	-	970	970	4,527
Liability for compensated absences	-	-	(796)	(796)	3,109
Net Cash Provided (Used) by Operating Activities	<u>57,709</u>	<u>114,766</u>	<u>198,318</u>	<u>370,793</u>	<u>745,199</u>
<b>Cash Flows from Capital and Related Financing Activities:</b>					
Proceeds from sale of equipment	-	-	-	-	2,801
Purchase of property, plant and equipment	(72,382)	-	(867,758)	(940,140)	(160,718)
Principal payment on long term debt	(50,000)	(60,000)	-	(110,000)	(105,000)
Interest paid	(1,625)	(6,572)	-	(8,197)	(14,978)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(124,007)</u>	<u>(66,572)</u>	<u>(867,758)</u>	<u>(1,058,337)</u>	<u>(277,895)</u>
<b>Cash Flows from Noncapital Financing Activities:</b>					
Intergovernmental revenue	197,243	1,547	581,802	780,592	85,080
Due to other funds	-	-	-	-	5,000
Advances from other funds	(5,000)	-	(461,919)	(466,919)	-
Other revenue	6,002	24,598	389,021	419,621	488,883
Operating transfers in	-	-	100,000	100,000	-
Operating transfers out	-	-	(246,858)	(246,858)	(1,365,518)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>198,245</u>	<u>26,145</u>	<u>362,046</u>	<u>586,436</u>	<u>(786,555)</u>
<b>Cash Flows from Investing Activities:</b>					
Interest received	14,133	13,357	56,202	83,692	60,530
Net Cash Provided (Used) by Investing Activities	<u>14,133</u>	<u>13,357</u>	<u>56,202</u>	<u>83,692</u>	<u>60,530</u>
Net Increase (Decrease) in Cash and Cash Equivalents	146,080	87,696	(251,192)	(17,416)	(258,721)
Cash and Cash Equivalents, Beginning of Fiscal Year	72,269	212,248	985,818	1,270,335	1,529,031
Restatement of Imprest Cash as Cash and Cash Equivalents					25
Cash and Cash Equivalents, End of Fiscal Year	<u>\$ 218,349</u>	<u>\$ 299,944</u>	<u>\$ 734,626</u>	<u>\$ 1,252,919</u>	<u>\$ 1,270,335</u>

## **INTERNAL SERVICE FUNDS**

Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the County, or other governments, on a cost-reimbursement basis.

**COUNTY OF NAPA**

Combining Balance Sheet  
Internal Service Funds  
June 30, 2001

(With Comparative Figures for June 30, 2000)

	<u>Equipment Pool Service Fund</u>	<u>Equipment Replacement</u>	<u>Vehicle Replacement</u>	<u>Management Information Services</u>
<u>Assets</u>				
Current Assets:				
Cash and investments	\$ 209,236	\$ 2,361,643	\$ 1,500,647	\$ 105,944
Imprest cash	-	-	-	100
Accounts receivable	-	-	-	-
Inventory	28,893	-	-	-
Deposits	-	-	-	-
Total Current Assets	<u>238,129</u>	<u>2,361,643</u>	<u>1,500,647</u>	<u>106,044</u>
Property and equipment, net	<u>11,583</u>	<u>2,194,637</u>	<u>1,297,944</u>	<u>577,795</u>
Total Assets	<u>\$ 249,712</u>	<u>\$ 4,556,280</u>	<u>\$ 2,798,591</u>	<u>\$ 683,839</u>
<u>Liabilities and Fund Equity</u>				
Current Liabilities:				
Accounts payable	\$ 40,192	\$ -	\$ 19,085	\$ 28,121
Accrued salaries and benefits	3,217	-	-	49,465
Total Current Liabilities	<u>43,409</u>	<u>-</u>	<u>19,085</u>	<u>77,586</u>
Noncurrent Liabilities:				
Liability for unpaid claims	-	-	-	-
Liability for compensated absences	23,046	-	-	139,692
Total Liabilities	<u>66,455</u>	<u>-</u>	<u>19,085</u>	<u>217,278</u>
Fund Equity:				
Contributed capital	-	-	4,000	-
Retained Earnings:				
Reserved	337	200,752	4,875	23,563
Unreserved	182,920	4,355,528	2,770,631	442,998
Total Fund Equity	<u>183,257</u>	<u>4,556,280</u>	<u>2,779,506</u>	<u>466,561</u>
Total Liabilities and Fund Equity	<u>\$ 249,712</u>	<u>\$ 4,556,280</u>	<u>\$ 2,798,591</u>	<u>\$ 683,839</u>

continued

**COUNTY OF NAPA**

Combining Balance Sheet (continued)  
Internal Service Funds  
June 30, 2001  
(With Comparative Figures for June 30, 2000)

	Workers' Compensation	General Liability	Totals	
			2001	2000
<u>Assets</u>				
Current Assets:				
Cash and investments	\$ 6,140,944	\$ 5,735,382	\$ 16,053,796	\$ 15,279,371
Imprest cash	-	-	100	300
Accounts receivable	-	-	-	27,673
Inventory	-	-	28,893	28,180
Deposits	60,000	50,000	110,000	110,000
Total Current Assets	<u>6,200,944</u>	<u>5,785,382</u>	<u>16,192,789</u>	<u>15,445,524</u>
Property and equipment, net	-	-	4,081,959	3,879,493
Total Assets	<u>\$ 6,200,944</u>	<u>\$ 5,785,382</u>	<u>\$ 20,274,748</u>	<u>\$ 19,325,017</u>
<u>Liabilities and Fund Equity</u>				
Current Liabilities:				
Accounts payable	\$ 53,957	\$ 174,555	\$ 315,910	\$ 255,127
Accrued salaries and benefits	(31,274)	-	21,408	46,068
Total Current Liabilities	<u>22,683</u>	<u>174,555</u>	<u>337,318</u>	<u>301,195</u>
Noncurrent Liabilities:				
Liability for unpaid claims	898,262	505,982	1,404,244	5,120,000
Liability for compensated absences	-	-	162,738	143,205
Total Liabilities	<u>920,945</u>	<u>680,537</u>	<u>1,904,300</u>	<u>5,564,400</u>
Fund Equity:				
Contributed capital	-	-	4,000	4,000
Retained Earnings:				
Reserved	877,061	505,983	1,612,571	112,853
Unreserved	4,402,938	4,598,862	16,753,877	13,643,764
Total Fund Equity	<u>5,279,999</u>	<u>5,104,845</u>	<u>18,370,448</u>	<u>13,760,617</u>
Total Liabilities and Fund Equity	<u>\$ 6,200,944</u>	<u>\$ 5,785,382</u>	<u>\$ 20,274,748</u>	<u>\$ 19,325,017</u>

**COUNTY OF NAPA**

Combining Statement of Revenues, Expenses and  
Changes in Retained Earnings  
Internal Service Funds  
For the Fiscal Year Ended June 30, 2001  
(With Comparative Figures for the Year Ended June 30, 2000)

	Equipment Pool Service Fund	Equipment Replacement	Vehicle Replacement	Management Information Services
Operating Revenues:				
Charges for services	\$ 43,375	\$ -	\$ -	\$ 4,101,368
Maintenance Charges:				
Equipment	516,183	-	-	-
Vehicle	489,798	-	-	-
Replacement charges	-	215,403	280,393	-
Other revenue	1,680	15,635	25,745	1,156
Total Operating Revenues	<u>1,051,036</u>	<u>231,038</u>	<u>306,138</u>	<u>4,102,524</u>
Operating Expenses:				
Salaries and wages	185,100	-	-	2,616,785
Services and supplies	757,097	-	-	1,439,627
Depreciation	11,583	214,666	261,079	185,791
Utilities	18,488	-	-	25,407
Claims expense	-	-	-	-
Other	-	-	-	-
Total Operating Expenses	<u>972,268</u>	<u>214,666</u>	<u>261,079</u>	<u>4,267,610</u>
Operating Income (Loss)	<u>78,768</u>	<u>16,372</u>	<u>45,059</u>	<u>(165,086)</u>
Non-Operating Revenue (Expenses):				
Intergovernmental revenue	-	-	-	3,358
Gain (loss) on the disposition of property	(1,420)	(12,830)	(15,928)	(32,826)
Interest revenue	9,447	123,938	76,792	-
Interest expense	-	-	-	-
Total Non-Operating Revenue (Expenses)	<u>8,027</u>	<u>111,108</u>	<u>60,864</u>	<u>(29,468)</u>
Net Income (Loss) Before Operating Transfers	86,795	127,480	105,923	(194,554)
Other Financing Sources (Uses):				
Operating transfers in	-	101,000	250,853	239,200
Operating transfers (out)	(101,000)	-	-	(22,775)
Net Income (Loss)	<u>(14,205)</u>	<u>228,480</u>	<u>356,776</u>	<u>21,871</u>
Retained Earnings, Beginning of Fiscal Year	197,462	4,294,484	2,402,297	392,361
Prior period adjustment	-	33,316	16,433	52,329
Retained Earnings, End of Fiscal Year	<u>\$ 183,257</u>	<u>\$ 4,556,280</u>	<u>\$ 2,775,506</u>	<u>\$ 466,561</u>

continued

**COUNTY OF NAPA**

Combining Statement of Revenues, Expenses and  
Changes in Retained Earnings (continued)  
Internal Service Funds  
For the Fiscal Year Ended June 30, 2001  
(With Comparative Figures for the Year Ended June 30, 2000)

	Workers' Compensation	General Liability	Totals	
			2001	2000
Operating Revenues:				
Charges for services	\$ 1,634,885	\$ 918,510	\$ 6,698,138	\$ 6,024,376
Maintenance Charges:				
Equipment	-	-	516,183	487,465
Vehicle	-	-	489,798	465,728
Replacement charges	-	-	495,796	530,093
Other revenue	35,386	-	79,602	24,886
Total Operating Revenues	<u>1,670,271</u>	<u>918,510</u>	<u>8,279,517</u>	<u>7,532,548</u>
Operating Expenses:				
Salaries and wages	-	-	2,801,885	2,640,397
Services and supplies	393,607	640,847	3,231,178	2,708,772
Depreciation	-	-	673,119	692,716
Utilities	-	-	43,895	39,937
Claims expense	(1,048,273)	(636,632)	(1,684,905)	(40,706)
Other	-	-	-	8,284
Total Operating Expenses	<u>(654,666)</u>	<u>4,215</u>	<u>5,065,172</u>	<u>6,049,400</u>
Operating Income (Loss)	<u>2,324,937</u>	<u>914,295</u>	<u>3,214,345</u>	<u>1,483,148</u>
Non-Operating Revenue (Expenses):				
Intergovernmental revenue	-	-	3,358	176,200
Gain (loss) on the disposition of property	-	-	(63,004)	(37,578)
Interest revenue	335,238	340,361	885,776	698,097
Interest expense	-	-	-	(2,267)
Total Non-Operating Revenue (Expenses)	<u>335,238</u>	<u>340,361</u>	<u>826,130</u>	<u>834,452</u>
Net Income (Loss) Before Operating Transfers	<u>2,660,175</u>	<u>1,254,656</u>	<u>4,040,475</u>	<u>2,317,600</u>
Other Financing Sources (Uses):				
Operating transfers in	-	-	591,053	615,519
Operating transfers (out)	-	-	(123,775)	-
Net Income (Loss)	<u>2,660,175</u>	<u>1,254,656</u>	<u>4,507,753</u>	<u>2,933,119</u>
Retained Earnings, Beginning of Fiscal Year	2,619,824	3,850,189	13,756,617	10,823,498
Prior period adjustment	-	-	102,078	-
Retained Earnings, End of Fiscal Year	<u>\$ 5,279,999</u>	<u>\$5,104,845</u>	<u>\$ 18,366,448</u>	<u>\$ 13,756,617</u>

**COUNTY OF NAPA**

Combining Statement of Cash Flows  
Internal Service Funds  
For the Fiscal Year Ended June 30, 2001  
(With Comparative Figures for the Year Ended June 30, 2000)

	<u>Equipment Pool Service Fund</u>	<u>Equipment Replacement</u>	<u>Vehicle Replacement</u>	<u>Management Information Services</u>
<b>Cash Flows from Operating Activities:</b>				
Operating income (loss)	\$ 78,768	\$ 16,372	\$ 45,059	\$ (165,086)
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	11,583	214,666	261,079	185,791
Changes in assets and liabilities:				
Accounts receivable	27,673	-	-	-
Inventory	(713)	-	-	-
Accounts payable	4,935	(83,035)	-	(12,523)
Accrued salaries and benefits	153	-	-	6,461
Liability for compensated absences	2,091	-	-	17,442
Liability for self-insurance	-	-	-	-
Net Cash Provided (Used) by Operating Activities	<u>124,490</u>	<u>148,003</u>	<u>306,138</u>	<u>32,085</u>
<b>Cash Flows from Capital and Related Financing Activities:</b>				
Purchase of property, plant and equipment	-	(257,782)	(402,501)	(189,154)
Proceeds from sale of equipment	-	8,296	23,715	-
Interest paid	-	-	-	-
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>-</u>	<u>(249,486)</u>	<u>(378,786)</u>	<u>(189,154)</u>
<b>Cash Flows from Noncapital Financing Activities:</b>				
Intergovernmental revenue	-	-	-	3,358
Operating transfers in	-	101,000	250,853	239,200
Operating transfers out	(101,000)	-	-	(22,775)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>(101,000)</u>	<u>101,000</u>	<u>250,853</u>	<u>219,783</u>
<b>Cash Flows from Investing Activities:</b>				
Interest income	9,447	123,938	76,792	-
Net Cash Provided (Used) by Investing Activities	<u>9,447</u>	<u>123,938</u>	<u>76,792</u>	<u>-</u>
Net Increase (Decrease) in Cash and Cash Equivalents	32,937	123,455	254,997	62,714
Cash and Cash Equivalents, Beginning of Year	176,299	2,238,188	1,245,650	43,330
Restatement of Imprest Cash as Cash and Cash Equivalents				
Cash and Cash Equivalents, End of Year	<u>\$ 209,236</u>	<u>\$ 2,361,643</u>	<u>\$ 1,500,647</u>	<u>\$ 106,044</u>

continued

**COUNTY OF NAPA**

Combining Statement of Cash Flows (continued)  
 Internal Service Funds  
 For the Fiscal Year Ended June 30, 2001  
 (With Comparative Figures for the Year Ended June 30, 2000)

	Workers' Compensation	General Liability	Totals	
			2001	2000
Cash Flows from Operating Activities:				
Operating income (loss)	\$ 2,324,937	\$ 914,295	\$ 3,214,345	1,483,148
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	-	-	673,119	692,716
Changes in assets and liabilities:				
Accounts receivable	-	-	27,673	(22,874)
Inventory	-	-	(713)	343
Accounts payable	7,340	124,981	41,698	(47,017)
Accrued salaries and benefits	(31,274)	-	(24,660)	46,068
Liability for compensated absences	-	-	19,533	24,324
Liability for self-insurance	(1,921,738)	(1,794,018)	(3,715,756)	(1,370,000)
Net Cash Provided (Used) by Operating Activities	<u>379,265</u>	<u>(754,742)</u>	<u>235,239</u>	<u>806,708</u>
Cash Flows from Capital and Related Financing Activities:				
Purchase of property, plant and equipment	-	-	(849,437)	(636,512)
Proceeds from sale of equipment	-	-	32,011	-
Interest paid	-	-	-	(2,267)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>-</u>	<u>-</u>	<u>(817,426)</u>	<u>(638,779)</u>
Cash Flows from Noncapital Financing Activities:				
Intergovernmental revenue	-	-	3,358	176,200
Operating transfers in	-	-	591,053	615,519
Operating transfers out	-	-	(123,775)	-
Net Cash Provided (Used) by Noncapital Financing Activities	<u>-</u>	<u>-</u>	<u>470,636</u>	<u>791,719</u>
Cash Flows from Investing Activities:				
Interest income	<u>335,238</u>	<u>340,361</u>	<u>885,776</u>	<u>698,097</u>
Net Cash Provided (Used) by Investing Activities	<u>335,238</u>	<u>340,361</u>	<u>885,776</u>	<u>698,097</u>
Net Increase (Decrease) in Cash and Cash Equivalents	714,503	(414,381)	774,225	1,657,745
Cash and Cash Equivalents, Beginning of Year	5,426,441	6,149,763	15,279,671	13,621,626
Restatement of Imprest Cash as Cash and Cash Equivalents				300
Cash and Cash Equivalents, End of Year	<u>\$ 6,140,944</u>	<u>\$5,735,382</u>	<u>\$ 16,053,896</u>	<u>\$15,279,671</u>

## **TRUST AND AGENCY FUNDS**

Trust funds are used to account for assets held by the County in a trustee capacity. Agency funds are used to account for assets held by the County as an agent for individuals, private organizations, other governments and/or other funds.

The County maintains trust accounts for political subdivisions of the County for which the County collects property taxes. Some of these entities choose to leave excess funds with the County for the County to invest.

None of the Trust and Agency Funds are subject to budgeting of revenues and expenditures by the County.

Expendable Trust Funds are designed to provide stewardship over expendable assets held in trust by the government, and function much like a governmental fund. Expendable Trust Funds account for assets where both the principal and interest may be spent.

**COUNTY OF NAPA**

Combining Balance Sheet  
Trust and Agency Funds  
June 30, 2001

(With Comparative Figures for June 30, 2000)

	Expendable Trust	Agency	Investment Trust	Totals	
				2001	2000
<u>Assets</u>					
Cash and investments	\$ 5,871,582	\$ 50,019,652	\$ 149,279,595	\$205,170,829	\$ 164,634,539
Taxes receivable	-	6,168,526	-	6,168,526	6,358,390
Loans receivable	-	5,123,377	-	5,123,377	1,882,346
<b>Total Assets</b>	<u>\$ 5,871,582</u>	<u>\$ 61,311,555</u>	<u>\$ 149,279,595</u>	<u>\$216,462,732</u>	<u>\$ 172,875,275</u>
<u>Liabilities and Fund Equity</u>					
<b>Liabilities:</b>					
Agency obligations	\$ -	\$ 61,311,555	\$ -	\$ 61,311,555	\$ 169,896,110
<b>Total Liabilities</b>	<u>-</u>	<u>61,311,555</u>	<u>-</u>	<u>61,311,555</u>	<u>169,896,110</u>
<b>Fund Equity:</b>					
<b>Fund Balances:</b>					
Reserved for external pool participants			149,279,595	149,279,595	-
Reserved for endowment funds	5,871,582	-	-	5,871,582	2,979,165
<b>Total Fund Equity</b>	<u>5,871,582</u>	<u>-</u>	<u>149,279,595</u>	<u>155,151,177</u>	<u>2,979,165</u>
<b>Total Liabilities and Fund Equity</b>	<u>\$ 5,871,582</u>	<u>\$ 61,311,555</u>	<u>\$ 149,279,595</u>	<u>\$216,462,732</u>	<u>\$ 172,875,275</u>

**COUNTY OF NAPA**

Combining Balance Sheet

Expendable Trust Funds

June 30, 2001

(With Comparative Figures for June 30, 2000)

	Public Administrator's Trust	Public Guardian's Trust	Totals	
			<u>2001</u>	<u>2000</u>
<u>Assets</u>				
Cash and investments	\$ 3,453,777	\$ 2,417,805	\$ 5,871,582	\$ 2,979,165
Total Assets	<u>\$ 3,453,777</u>	<u>\$ 2,417,805</u>	<u>\$ 5,871,582</u>	<u>\$ 2,979,165</u>
<u>Liabilities and Fund Equity</u>				
Fund Equity:				
Fund Balances:				
Reserved for endowment	\$ 3,453,777	\$ 2,417,805	\$ 5,871,582	\$ 2,979,165
Total Fund Equity	<u>3,453,777</u>	<u>2,417,805</u>	<u>5,871,582</u>	<u>2,979,165</u>
Total Liabilities and Fund Equity	<u>\$ 3,453,777</u>	<u>\$ 2,417,805</u>	<u>\$ 5,871,582</u>	<u>\$ 2,979,165</u>

**COUNTY OF NAPA**

**Combining Statement of Revenues, Expenditures and  
Changes in Fund Balance - Expendable Trust Funds  
For the Fiscal Year Ended June 30, 2001  
(With Comparative Figures for the Year Ended June 30, 2000)**

	Public	Public	Totals	
	Administrator's Trust	Guardian's Trust	2001	2000
<b>Revenues:</b>				
Use of money and property	\$ 99,134	\$ 140,150	\$ 239,284	\$ 161,567
Other revenues	3,861,933	1,841,256	5,703,189	2,186,691
<b>Total Revenues</b>	<u>3,961,067</u>	<u>1,981,406</u>	<u>5,942,473</u>	<u>2,348,258</u>
<b>Expenditures:</b>				
Public protection	1,036,321	2,013,735	3,050,056	2,301,299
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	2,924,746	(32,329)	2,892,417	46,959
<b>Fund Balances, Beginning of Fiscal Year</b>	<u>529,031</u>	<u>2,450,134</u>	<u>2,979,165</u>	<u>2,932,206</u>
<b>Fund Balances, End of Fiscal Year</b>	<u>\$ 3,453,777</u>	<u>\$ 2,417,805</u>	<u>\$ 5,871,582</u>	<u>\$ 2,979,165</u>