

**COUNTY OF NAPA**

**Annual Financial Report**

**For the Fiscal Year Ended June 30, 2000**

**COUNTY OF NAPA  
ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

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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. Tryhall  
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, 2000, 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 generally accepted auditing standards 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, California as of June 30, 2000, and the results of its operations and the cash flows of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles. Also, in our opinion, the combining and individual fund and account group financial statements referred to above present fairly, in all material respects, the financial position of each of the individual funds and account groups of the County of Napa, California, as of June 30, 2000 and the results of operations of such funds and the cash flows of individual proprietary funds for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 20, 2000 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.

Board of Supervisors and Grand Jury  
County of Napa

Our audit was performed for the purpose of forming an opinion on the general purpose financial statements of County of Napa, taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the general purpose financial statements. 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.  
Roseville, California

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

October 20, 2000

**COUNTY OF NAPA**

Combined Balance Sheet - Assets and Other Debits  
All Fund Types and Account Groups  
June 30, 2000  
(With Comparative Figures for June 30, 1999)

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
<u>Assets and Other Debits</u>				
Cash and investments	\$ 21,245,176	\$ 13,165,942	\$ 3,066	\$ 876,570
Restricted Assets:				
Cash with fiscal agent	-	42,742,408	4,723,363	1,992,614
Imprest cash	8,600	1,050	-	-
Accounts receivable	4,491,254	598,894	-	165,823
Taxes receivable	-	1,827,272	-	-
Loans receivable	-	-	-	-
Assessments receivable	-	27,183	-	-
Due from other governmental agencies	2,996,965	66,001	-	-
Inventories	-	-	-	-
Deposits	-	-	-	-
Other receivables - long-term	-	-	-	-
Advances receivable	-	-	4,586,142	-
Due from other funds	5,000	-	-	-
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>\$ 28,746,995</u>	<u>\$ 58,428,750</u>	<u>\$ 9,312,571</u>	<u>\$ 3,035,007</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)	
					2000	1999
\$ 1,270,310	\$15,279,371	\$164,634,539	\$ -	\$ -	\$ 216,474,974	\$182,347,821
-	-	-	-	-	49,458,385	7,537,368
25	300	-	-	-	9,975	9,875
134,287	27,673	-	-	-	5,417,931	906,060
-	-	6,358,390	-	-	8,185,662	11,273,614
-	-	1,882,346	-	-	1,882,346	-
224,742	-	-	-	-	251,925	255,641
-	-	-	-	-	3,062,966	4,901,044
-	28,180	-	-	-	28,180	28,523
-	110,000	-	-	-	110,000	114,500
2,948,749	-	-	-	-	2,948,749	2,948,749
-	-	-	-	-	4,586,142	6,345,646
-	-	-	-	-	5,000	60,637
10,050,627	3,879,493	-	88,646,502	-	102,576,622	100,946,645
-	-	-	-	9,309,971	9,309,971	11,097,998
-	-	-	-	70,252,369	70,252,369	27,396,788
<u>\$14,628,740</u>	<u>\$19,325,017</u>	<u>\$172,875,275</u>	<u>\$ 88,646,502</u>	<u>\$ 79,562,340</u>	<u>\$ 474,561,197</u>	<u>\$356,170,909</u>

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

**COUNTY OF NAPA**

Combined Balance Sheet - Liabilities, Equity and Other Credits  
 All Fund Types and Account Groups  
 June 30, 2000  
 (With Comparative Figures for June 30, 1999)

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
<u>Liabilities, Fund Equity and Other Credits</u>				
<b>Liabilities:</b>				
Accounts payable	\$ 2,047,432	\$ 303,052	\$ 2,600	\$ -
Accrued salaries and benefits	966,710	53,847	-	-
Deposits with others	-	-	-	-
Bonds payable, current portion	-	-	-	-
Due to other funds	-	-	-	-
Advances payable	-	-	-	-
Liability for unpaid claims	-	-	-	-
Liability for compensated absences	-	-	-	-
Deferred revenue	-	26,644	-	-
Agency obligations	-	-	-	-
Bonds and certificates of participation payable, long-term portion	-	-	-	-
<b>Total Liabilities</b>	<u>3,014,142</u>	<u>383,543</u>	<u>2,600</u>	<u>-</u>
<b>Fund Equity and Other Credits:</b>				
Investment in general fixed assets	-	-	-	-
Contributed capital	-	-	-	-
<b>Retained Earnings:</b>				
Reserved	-	-	-	-
Unreserved	-	-	-	-
<b>Fund Balance:</b>				
<b>Reserved:</b>				
Imprest cash	8,600	1,050	-	-
Encumbrances	3,329,361	1,126,531	-	-
General	3,507,001	34,310,803	-	-
Reserve designation	4,243,856	-	-	-
Debt service	-	-	9,309,971	-
Capital projects	-	-	-	3,035,007
Endowment	-	-	-	-
<b>Unreserved:</b>				
Designated for subsequent years' expenditures	-	13,460,976	-	-
Undesignated	14,644,035	9,145,847	-	-
<b>Total Fund Equity and Other Credits</b>	<u>25,732,853</u>	<u>58,045,207</u>	<u>9,309,971</u>	<u>3,035,007</u>
<b>Total Liabilities, Fund Equity and Other Credits</b>	<u>\$ 28,746,995</u>	<u>\$ 58,428,750</u>	<u>\$ 9,312,571</u>	<u>\$ 3,035,007</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)	
					2000	1999
\$ 71,345	\$ 255,127	\$ -	\$ -	\$ -	\$ 2,679,556	\$ 1,760,494
4,527	46,068	-	-	-	1,071,152	-
43,550	-	-	-	-	43,550	55,539
110,000	-	-	-	-	110,000	105,000
5,000	-	-	-	-	5,000	60,637
4,586,142	-	-	-	-	4,586,142	6,345,646
-	5,120,000	-	-	-	5,120,000	6,490,000
17,162	143,205	-	-	3,582,340	3,742,707	3,507,720
2,948,749	-	-	-	-	2,975,393	2,948,749
-	-	169,896,110	-	-	169,896,110	148,116,874
60,000	-	-	-	75,980,000	76,040,000	35,290,000
<u>7,846,475</u>	<u>5,564,400</u>	<u>169,896,110</u>	<u>-</u>	<u>79,562,340</u>	<u>266,269,610</u>	<u>204,680,659</u>
-	-	-	88,646,502	-	88,646,502	86,474,598
773,821	4,000	-	-	-	777,821	907,218
200,033	112,853	-	-	-	312,886	455,337
5,808,411	13,643,764	-	-	-	19,452,175	15,098,134
-	-	-	-	-	9,650	9,550
-	-	-	-	-	4,455,892	2,194,084
-	-	-	-	-	37,817,804	7,583,349
-	-	-	-	-	4,243,856	-
-	-	-	-	-	9,309,971	11,097,998
-	-	-	-	-	3,035,007	3,065,689
-	-	2,979,165	-	-	2,979,165	2,932,206
-	-	-	-	-	13,460,976	856,662
-	-	-	-	-	23,789,882	20,815,425
<u>6,782,265</u>	<u>13,760,617</u>	<u>2,979,165</u>	<u>88,646,502</u>	<u>-</u>	<u>208,291,587</u>	<u>151,490,250</u>
<u>\$14,628,740</u>	<u>\$19,325,017</u>	<u>\$172,875,275</u>	<u>\$ 88,646,502</u>	<u>\$ 79,562,340</u>	<u>\$ 474,561,197</u>	<u>\$356,170,909</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, 2000 (With Comparative Figures for the Year Ended June 30, 1999)

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
<b>Revenues:</b>				
Taxes	\$ 40,557,266	\$ 5,840,579	\$ -	\$ -
Licenses and permits	1,771,195	116,524	-	-
Intergovernmental revenues	52,988,038	17,886,004	-	-
Fines and forfeitures	1,419,511	616,652	-	362,248
Use of money and property	1,187,243	2,961,796	134,134	299,742
Charges for current services	10,627,144	668,546	-	-
Other revenues	3,936,016	1,380,214	-	-
Total Revenues	<u>112,486,413</u>	<u>29,470,315</u>	<u>134,134</u>	<u>661,990</u>
<b>Expenditures:</b>				
General government	24,755,648	13,602	-	-
Public protection	34,358,388	3,803,938	-	-
Public ways and facilities	25,471	17,476,813	-	-
Health and sanitation	20,493,348	83,370	-	-
Public assistance	22,916,047	-	-	-
Education	225,792	2,781,024	-	-
Capital outlay	-	-	-	1,171,086
Debt Service:				
Principal	-	-	2,790,000	-
Interest	-	1,979,030	1,940,726	-
Total Expenditures	<u>102,774,694</u>	<u>26,137,777</u>	<u>4,730,726</u>	<u>1,171,086</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>9,711,719</u>	<u>3,332,538</u>	<u>(4,596,592)</u>	<u>(509,096)</u>
<b>Other Financing Sources (Uses):</b>				
Bond proceeds	-	43,620,000	-	-
Loan proceeds	-	-	-	-
Operating transfers in	676,895	14,871	4,568,069	40,000
Operating transfers out	(3,892,395)	(382,072)	-	(275,369)
Total Other Financing Sources (Uses)	<u>(3,215,500)</u>	<u>43,252,799</u>	<u>4,568,069</u>	<u>(235,369)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses	6,496,219	46,585,337	(28,523)	(744,465)
Fund Balance, Beginning of Fiscal Year	19,236,634	11,508,653	11,097,998	3,779,472
Residual Equity Transfer In (Out)	-	(50,442)	-	-
Prior Period Adjustments	-	1,659	(1,759,504)	-
Fund Balance, End of Fiscal Year	<u>\$ 25,732,853</u>	<u>\$ 58,045,207</u>	<u>\$ 9,309,971</u>	<u>\$ 3,035,007</u>

Fiduciary Fund Types Expendable Trust Funds	Totals (Memorandum Only)	
	2000	1999
\$ -	\$ 46,397,845	\$ 49,790,703
-	1,887,719	2,518,529
-	70,874,042	57,997,097
-	2,398,411	2,793,793
161,567	4,744,482	2,203,121
-	11,295,690	13,198,723
2,186,691	7,502,921	4,129,027
<u>2,348,258</u>	<u>145,101,110</u>	<u>132,630,993</u>
-	24,769,250	25,442,629
2,301,299	40,463,625	39,202,336
-	17,502,284	10,147,916
-	20,576,718	19,458,203
-	22,916,047	23,513,533
-	3,006,816	2,941,354
-	1,171,086	5,614,795
-	2,790,000	2,640,000
-	3,919,756	2,044,368
<u>2,301,299</u>	<u>137,115,582</u>	<u>131,005,134</u>
<u>46,959</u>	<u>7,985,528</u>	<u>1,625,859</u>
-	43,620,000	30,000
-	-	580,776
-	5,299,835	8,279,010
-	(4,549,836)	(5,728,396)
<u>-</u>	<u>44,369,999</u>	<u>3,161,390</u>
46,959	52,355,527	4,787,249
2,932,206	48,554,963	45,126,210
-	(50,442)	(1,341,151)
-	(1,757,845)	(17,345)
<u>\$ 2,979,165</u>	<u>\$ 99,102,203</u>	<u>\$ 48,554,963</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, 2000

	General		Variance Favorable (Unfavorable)
	Budget	Actual	
Revenues:			
Taxes	\$ 37,283,831	\$ 40,557,266	\$ 3,273,435
Licenses and permits	1,595,157	1,771,195	176,038
Intergovernmental revenues	56,110,087	52,988,038	(3,122,049)
Fines and forfeitures	1,039,575	1,419,511	379,936
Use of money and property	1,163,502	1,187,243	23,741
Charges for current services	11,228,844	10,627,144	(601,700)
Other revenues	5,893,887	3,936,016	(1,957,871)
Total Revenues	<u>114,314,883</u>	<u>112,486,413</u>	<u>(1,828,470)</u>
Expenditures:			
General government	36,797,255	24,755,648	12,041,607
Public protection	38,246,649	34,358,388	3,888,261
Public ways and facilities	130,000	25,471	104,529
Health and sanitation	23,017,278	20,493,348	2,523,930
Public assistance	26,884,898	22,916,047	3,968,851
Education	278,322	225,792	52,530
Capital outlay	-	-	-
Debt Service:			
Principal	-	-	-
Interest	-	-	-
Total Expenditures	<u>125,354,402</u>	<u>102,774,694</u>	<u>22,579,708</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(11,039,519)</u>	<u>9,711,719</u>	<u>20,751,238</u>
Other Financing Sources (Uses):			
Bond proceeds	-	-	-
Operating transfers in	-	676,895	676,895
Operating transfers out	-	(3,892,395)	(3,892,395)
Total Other Financing Sources (Uses)	<u>-</u>	<u>(3,215,500)</u>	<u>(3,215,500)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>(11,039,519)</u>	<u>6,496,219</u>	<u>17,535,738</u>
Fund Balance, Beginning of Fiscal Year	19,236,634	19,236,634	-
Residual equity transfer in (out)	-	-	-
Prior Period Adjustments	-	-	-
Fund Balance, End of Fiscal Year	<u>\$ 8,197,115</u>	<u>\$ 25,732,853</u>	<u>\$ 17,535,738</u>

Special Revenue Funds			Debt Service		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$ 13,873,926	\$ 5,840,579	\$ (8,033,347)	\$ -	\$ -	\$ -
120,000	116,524	(3,476)	-	-	-
7,483,667	17,886,004	10,402,337	-	-	-
580,900	616,652	35,752	-	-	-
308,610	2,961,796	2,653,186	-	134,134	134,134
624,290	668,546	44,256	-	-	-
17,503,892	1,380,214	(16,123,678)	-	-	-
<u>40,495,285</u>	<u>29,470,315</u>	<u>(11,024,970)</u>	<u>-</u>	<u>134,134</u>	<u>134,134</u>
678,084	13,602	664,482	-	-	-
12,842,355	3,803,938	9,038,417	-	-	-
10,328,468	17,476,813	(7,148,345)	-	-	-
171,972	83,370	88,602	-	-	-
-	-	-	-	-	-
3,209,026	2,781,024	428,002	-	-	-
-	-	-	-	-	-
-	-	-	2,829,500	2,790,000	39,500
-	1,979,030	(1,979,030)	1,876,648	1,940,726	(64,078)
<u>27,229,905</u>	<u>26,137,777</u>	<u>1,092,128</u>	<u>4,706,148</u>	<u>4,730,726</u>	<u>(24,578)</u>
<u>13,265,380</u>	<u>3,332,538</u>	<u>(9,932,842)</u>	<u>(4,706,148)</u>	<u>(4,596,592)</u>	<u>109,556</u>
-	43,620,000	43,620,000	-	-	-
-	14,871	14,871	4,706,148	4,568,069	(138,079)
-	(382,072)	(382,072)	-	-	-
<u>-</u>	<u>43,252,799</u>	<u>43,252,799</u>	<u>4,706,148</u>	<u>4,568,069</u>	<u>(138,079)</u>
13,265,380	46,585,337	33,319,957	-	(28,523)	(28,523)
11,508,653	11,508,653	-	11,097,998	11,097,998	-
-	(50,442)	(50,442)	-	-	-
-	1,659	1,659	-	(1,759,504)	(1,759,504)
<u>\$ 24,774,033</u>	<u>\$ 58,045,207</u>	<u>\$ 33,271,174</u>	<u>\$ 11,097,998</u>	<u>\$ 9,309,971</u>	<u>\$ (1,788,027)</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, 2000

	Capital Projects		Variance Favorable (Unfavorable)
	Budget	Actual	
Revenues:			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Intergovernmental revenues	-	-	-
Fines and forfeitures	344,500	362,248	17,748
Use of money and property	31,500	299,742	268,242
Charges for current services	-	-	-
Other revenues	2,057,417	-	(2,057,417)
Total Revenues	<u>2,433,417</u>	<u>661,990</u>	<u>(1,771,427)</u>
Expenditures:			
General government	-	-	-
Public protection	-	-	-
Public ways and facilities	-	-	-
Health and sanitation	-	-	-
Public assistance	-	-	-
Education	-	-	-
Capital outlay	3,084,306	1,171,086	1,913,220
Debt Service:			
Principal	-	-	-
Interest	-	-	-
Total Expenditures	<u>3,084,306</u>	<u>1,171,086</u>	<u>1,913,220</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(650,889)</u>	<u>(509,096)</u>	<u>141,793</u>
Other Financing Sources (Uses):			
Bond proceeds	-	-	-
Operating transfers in	-	40,000	40,000
Operating transfers out	-	(275,369)	(275,369)
Total Other Financing Sources (Uses)	<u>-</u>	<u>(235,369)</u>	<u>(235,369)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(650,889)	(744,465)	(93,576)
Fund Balance, Beginning of Fiscal Year	3,779,472	3,779,472	-
Residual equity transfer in (out)	-	-	-
Prior Period Adjustments	-	-	-
Fund Balance, End of Fiscal Year	<u>\$ 3,128,583</u>	<u>\$ 3,035,007</u>	<u>\$ (93,576)</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, 2000  
(With Comparative Figures for the Year Ended June 30, 1999)

	<u>Enterprise</u>	<u>Internal Service</u>	<u>Totals (Memorandum Only)</u>	
			2000	1999
Operating Revenues:				
Charges for services	\$ 1,299,546	\$ 6,024,376	\$ 7,323,922	\$ 7,595,359
Maintenance Charges:				
Equipment	-	487,465	487,465	442,408
Vehicle	-	465,728	465,728	433,731
Replacement charges	-	530,093	530,093	526,557
Sewer charges	202,601	-	202,601	242,248
Water use	202,891	-	202,891	245,251
Hookups	6,850	-	6,850	4,600
Other revenue	-	24,886	24,886	58,330
Total Operating Revenues	<u>1,711,888</u>	<u>7,532,548</u>	<u>9,244,436</u>	<u>9,548,484</u>
Operating Expenses:				
Salaries and benefits	258,754	2,640,397	2,899,151	3,172,499
Services and supplies	592,567	2,708,772	3,301,339	3,263,743
Depreciation	611,046	692,716	1,303,762	1,253,002
Maintenance	68,947	-	68,947	294,127
Utilities	-	39,937	39,937	46,276
Insurance	15,350	-	15,350	21,618
Claims expense	-	(40,706)	(40,706)	851,977
Other	34,634	8,284	42,918	154,148
Total Operating Expenses	<u>1,581,298</u>	<u>6,049,400</u>	<u>7,630,698</u>	<u>9,057,390</u>
Operating Income (Loss)	<u>130,590</u>	<u>1,483,148</u>	<u>1,613,738</u>	<u>491,094</u>
Non-Operating Revenues (Expenses):				
Intergovernmental revenue	85,080	176,200	261,280	611,478
Tax revenue	197,782	-	197,782	149,829
Other revenue	291,101	-	291,101	310,743
Gain (loss) on disposition of fixed assets	4,983	(37,578)	(32,595)	(185,429)
Interest revenue	60,530	698,097	758,627	848,266
Interest expense	(14,978)	(2,267)	(17,245)	(22,557)
Total Nonoperating Revenues (Expenses)	<u>624,498</u>	<u>834,452</u>	<u>1,458,950</u>	<u>1,712,330</u>
Income (Loss) Before Operating Transfers	755,088	2,317,600	3,072,688	2,203,424
Other Financing Sources (Uses):				
Operating transfers in	-	615,519	615,519	2,535,175
Operating transfers out	(1,365,518)	-	(1,365,518)	(5,085,788)
Net Income (Loss)	<u>(610,430)</u>	<u>2,933,119</u>	<u>2,322,689</u>	<u>(347,189)</u>
Add back depreciation expense applied as a reduction to contributed capital	129,397	-	129,397	129,397
Retained Earnings, Beginning of Fiscal Year	4,729,973	10,823,498	15,553,471	15,771,263
Prior period adjustment	1,759,504	-	1,759,504	-
Retained Earnings, End of Fiscal Year	<u>\$ 6,008,444</u>	<u>\$ 13,756,617</u>	<u>\$ 19,765,061</u>	<u>\$ 15,553,471</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, 2000

	Enterprise	Internal Service	Totals (Memorandum Only)	
			2000	1999
Cash Flows from Operating Activities:				
Operating income (loss)	\$ 130,590	\$ 1,483,148	\$ 1,613,738	491,094
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation	611,046	692,716	1,303,762	1,253,002
Changes in Operating Assets and Liabilities:				
Accounts receivable	(38,345)	(22,874)	(61,219)	26,225
Inventory	-	343	343	8,710
Taxes receivable	13,438	-	13,438	2,896
Assessments receivable	(34,548)	-	(34,548)	12,419
Due from other governments				15,000
Deposits with others	(7,019)	-	(7,019)	14,640
Accounts payable	62,401	(47,017)	15,384	(464,710)
Accrued salaries and benefits	4,527	46,068	50,595	-
Liability for compensated absences	3,109	24,324	27,433	(45,036)
Liability for self-insurance	-	(1,370,000)	(1,370,000)	-
Total Adjustments to Net Income	614,609	(676,440)	(61,831)	823,146
Net Cash Provided by Operating Activities	745,199	806,708	1,551,907	1,314,240
Cash Flows from Capital and Related Financing Activities:				
Purchase of property, plant and equipment	(160,718)	(636,512)	(797,230)	(2,158,778)
Proceeds from sale of equipment	2,801	-	2,801	28,420
Principal payment on long term debt	(105,000)	-	(105,000)	(55,000)
Interest paid	(14,978)	(2,267)	(17,245)	(72,557)
Net Cash Flows (Used for) Capital and Related Financing Activities	(277,895)	(638,779)	(916,674)	(2,257,915)
Cash Flows from Noncapital Financing Activities:				
Intergovernmental revenue	85,080	176,200	261,280	611,478
Advances to other funds				219,799
Advances from other funds				(19,500)
Due to (from) other funds	5,000	-	5,000	-
Other revenue	488,883	-	488,883	460,572
Operating transfers in	-	615,519	615,519	-
Operating transfers out	(1,365,518)	-	(1,365,518)	(2,576,444)
Net Cash Flows Provided (Used for) Noncapital Financing Activities	(786,555)	791,719	5,164	(1,304,095)
Cash Flows from Investing Activities:				
Interest income	60,530	698,097	758,627	848,266
Net Increase (Decrease) in Cash and Cash Equivalents	(258,721)	1,657,745	1,399,024	(1,399,504)
Cash and Cash Equivalents, Beginning of Fiscal Year	1,529,031	13,621,626	15,150,657	16,550,161
Cash and Cash Equivalents, End of Fiscal Year	\$ 1,270,310	\$ 15,279,371	\$ 16,549,681	\$ 15,150,657

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

## **NOTES TO 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, 2000

### 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, 2000 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, 2000

### 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, 2000

### 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

- a) 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, 2000

### 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, 2000

### 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.

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.

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.

# COUNTY OF NAPA

## Notes to General Purpose Financial Statements For the Fiscal Year Ended June 30, 2000

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

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

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. Department heads may, upon approval from the County Administrator, make transfers from one object or purpose to another within the same budget unit. All other budget amendments must be approved by the board. It is this final revised budget that is presented in the general purpose financial statements.

Budgets are adopted for the general fund, special revenue funds, capital projects funds, debt service funds, enterprise funds and internal service funds.

#### 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.

# COUNTY OF NAPA

## Notes to General Purpose Financial Statements For the Fiscal Year Ended June 30, 2000

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

#### 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 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.

COUNTY OF NAPA

Notes to General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2000

Note 1: Summary of Significant Accounting Policies (continued)

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

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.

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:

# COUNTY OF NAPA

## Notes to General Purpose Financial Statements For the Fiscal Year Ended June 30, 2000

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

#### I. **Fund Equity** (continued)

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 represents funds to be used for various County future expenditures.

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.

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.

#### 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 \$6,358,390 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

# COUNTY OF NAPA

## Notes to General Purpose Financial Statements For the Fiscal Year Ended June 30, 2000

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

#### K. **Property Tax Receivable and Revenue** (continued)

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.

### Note 2: Cash and Investments

Total cash and investments are commingled for investment purposes and consist of:

Cash and investments per financial statements	\$ 216,474,974
Outstanding warrants	8,601,506
Adjustments	<u>5,495,970</u>
Total Cash and Investments in Treasury	<u>\$ 230,572,450</u>

Deposits – The California Government Code requires California banks and savings and loan associations to secure a local governmental agency's deposits by pledging government securities as collateral. The market value of pledged securities must equal at least 110 percent of an agency's deposits. California law also allows financial institutions to secure an agency's deposits by pledging first trust deeds mortgage notes having a value of 150 percent of an agency's total deposits.

# COUNTY OF NAPA

## Notes to General Purpose Financial Statements For the Fiscal Year Ended June 30, 2000

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

Cash with fiscal agent of \$4,723,363 in the Debt Service Fund consists of debt service reserves. Cash with fiscal agent of \$1,992,614 in the Capital Projects Funds consist of cash reserved for capital projects. The deposits are held by a third party custodian in accordance with the terms of debt agreements. The custodian for the Debt Service Fund and Capital Projects Funds has these funds invested in U.S. government securities, federal agency obligations, mutual funds and a repurchase agreement collateralized at 110 percent of the investment for the benefit of bondholders who originally financed the project.

Investments – Statutes authorize the County to invest in obligations of U.S. Government agencies and in U.S. Government securities, certificates of deposit, bankers' acceptances, mutual funds, repurchase agreements, commercial paper rates A-1 Standard & Poor's Corporation or P-1 by Moody's Commercial Paper Record, and Local Agency Investment Fund demand deposits. Investments are stated at cost, except for investments in the deferred compensation agency fund which are reported at market value. The County's investment in the Local Agency Investment Fund (LAIF) is \$29,350,000.

The County's investments are categorized below to give an indication of the custodial credit risk assumed by the County at June 30, 2000. Category 1 includes investments that are insured or registered which are held by the County or its agent in the County's name. Category 2 includes uninsured and unregistered investments held by the counterparty's trust department or its agent in the County's name. Category 3 includes uninsured and unregistered investments held by the counterparty's trust department or agent but not in the County's name.

Effective for the fiscal year ended June 30, 2000, governmental agencies are required to report cash and investments based on fair value rather than cost. The County has determined that cost to fair values are not materially different (fair value is 99.60% of cost) so that no adjustment has been reported on these financial statements.

**COUNTY OF NAPA**

Notes to General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2000

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

	<u>Maturity Dates</u>	<u>Stated Interest Rates</u>	<u>Category 1</u>	<u>Carrying Amount</u>	<u>Fair Value</u>	<u>Par Value</u>
Federal agency obligations	7/6/00-10/27/04	5.0 – 8.0%	\$ 174,765,230	\$ 174,765,230	\$ 173,291,729	\$ 176,976,996
Commercial paper	7/6/00-9/26/00	6.44 – 6.58%	21,539,023	21,539,023	21,532,832	21,750,000
Repurchase agreements	07/03/00	5.00%	816,353	816,353	816,353	816,353
Totals			<u>\$ 197,120,606</u>	197,120,606	195,640,914	199,543,349
Local Certificates of Deposit		5.0 – 5.35%		300,000	300,000	300,000
Investment in State Treasurer's investment pool (LAIF)		5.8%		29,350,000	29,350,000	29,350,000
Cash in bank		--		3,765,841	3,765,841	3,765,841
Cash on hand		--		36,003	36,003	36,003
Total Cash and Investments				<u>\$ 230,572,450</u>	<u>\$ 229,092,758</u>	<u>\$ 232,995,193</u>

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

Activity in the general fixed assets account group for the fiscal year ended June 30, 2000 was as follows:

	<u>Balance July 1, 1999</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2000</u>
Land	\$ 2,390,865	\$ --	\$ --	\$ 2,390,865
Buildings and improvements	51,617,994	2,638,802	(11,338)	54,245,458
Machinery and equipment	13,464,311	251,344	(2,138,582)	11,577,073
Construction in progress	19,001,428	1,432,152	(474)	20,433,106
Totals	<u>\$ 86,474,598</u>	<u>\$ 4,322,298</u>	<u>\$(2,150,394)</u>	<u>\$ 88,646,502</u>

**COUNTY OF NAPA**

Notes to General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2000

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

The following is a summary of proprietary fund type fixed assets at June 30, 2000:

	<u>Enterprise Funds</u>	<u>Internal Service Funds</u>
Land	\$ 747,154	\$ --
Construction in progress	32,162	--
Buildings and improvements	20,260,440	--
Machinery and equipment	<u>145,501</u>	<u>8,171,106</u>
Subtotal	21,185,257	8,171,106
Less: Accumulated depreciation	<u>(11,134,630)</u>	<u>(4,291,613)</u>
Total Fixed Assets	<u>\$ 10,050,627</u>	<u>\$ 3,879,493</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, 2000 was \$4,586,142.

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>
2001	\$ 395,873	\$ 248,675	\$ 644,548
2002	424,398	225,209	649,607
2003	445,928	199,535	645,463
2004	470,955	172,519	643,474
2005	498,988	143,321	642,309
Thereafter	<u>2,350,000</u>	<u>584,975</u>	<u>2,934,975</u>
Total	<u>\$ 4,586,142</u>	<u>\$ 1,574,234</u>	<u>\$ 6,160,376</u>

**COUNTY OF NAPA**

Notes to General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2000

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, 1999</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2000</u>
Bonds payable	\$ --	\$ 43,650,000	\$ --	\$ 43,650,000
Certificates of participation	35,120,000	--	2,790,000	32,330,000
Compensated absences	<u>3,374,786</u>	<u>207,554</u>	<u>--</u>	<u>3,582,340</u>
Totals	<u>\$ 38,494,786</u>	<u>\$ 43,857,554</u>	<u>\$ 2,790,000</u>	<u>\$ 79,562,340</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. 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, 2000 was \$43,650,000. Future maturities of the 1999 Series A bonds as of June 30, 2000 are as follows:

<u>Year Ending</u> <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2001	\$ --	\$ 2,071,077	\$ 2,071,077
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
Thereafter	<u>39,370,000</u>	<u>14,786,382</u>	<u>54,156,382</u>
Totals	<u>\$ 43,650,000</u>	<u>\$ 25,052,732</u>	<u>\$ 68,702,732</u>

**COUNTY OF NAPA**

Notes to General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2000

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, 2000, are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2001	\$ 2,950,000	\$ 1,714,780	\$ 4,664,780
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
Thereafter	<u>19,340,000</u>	<u>6,150,743</u>	<u>25,490,743</u>
Totals	<u>\$ 32,330,000</u>	<u>\$ 13,058,305</u>	<u>\$ 45,388,305</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, 2000, was \$16,740,000.

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, 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, 2000

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, 2000, are as follows:

<u>Year Ending</u> <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2001	\$ 660,000	\$ 833,261	\$ 1,493,261
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
Thereafter	<u>13,135,000</u>	<u>4,604,043</u>	<u>17,739,043</u>
Totals	<u>\$ 16,740,000</u>	<u>\$ 8,456,791</u>	<u>\$ 25,196,791</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, 2000, was \$10,150,000. 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, as trustee.

**COUNTY OF NAPA**

Notes to General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2000

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, 2000 are as follows:

<u>Year Ending</u> <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2001	\$ 875,000	\$ 512,519	\$ 1,387,519
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
Thereafter	<u>6,205,000</u>	<u>1,546,700</u>	<u>7,751,700</u>
Totals	<u>\$ 10,150,000</u>	<u>\$ 3,697,519</u>	<u>\$ 13,847,519</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, 2000 was \$3,930,000. 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, as trustee.

**COUNTY OF NAPA**

Notes to General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2000

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, 2000 are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2001	\$ 685,000	\$ 250,440	\$ 935,440
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>\$ 3,930,000</u>	<u>\$ 723,815</u>	<u>\$ 4,653,815</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, 2000 was \$1,510,000. 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, as trustee.

Future maturities of the 1987 Certificates of Participation as of June 30, 2000 are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2001	\$ 730,000	\$ 118,560	\$ 848,560
2002	<u>780,000</u>	<u>61,620</u>	<u>841,620</u>
Totals	<u>\$ 1,510,000</u>	<u>\$ 180,180</u>	<u>\$ 1,690,180</u>

**COUNTY OF NAPA**

Notes to General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2000

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. The County uses the termination method for estimating its sick leave liability.

The total estimated liability of governmental fund employees for vacation and sick leave at June 30, 2000 was \$3,582,340. 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, 2000.

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. The outstanding principal balance at June 30, 2000, was \$50,000.

<u>Year Ending</u> <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2001	\$ 50,000	\$ <u>1,375</u>	\$ <u>51,375</u>
Less Current Portion	<u>50,000</u>		
Total Long-Term Portion	<u>\$ --</u>		

**COUNTY OF NAPA**

Notes to General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2000

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

**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, 2000 was \$120,000

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2001	\$ 60,000	\$ 6,300	\$ 66,300
2002	<u>60,000</u>	<u>2,100</u>	<u>62,100</u>
Totals	120,000	<u>\$ 8,400</u>	<u>\$ 128,400</u>
Less Current Portion	<u>60,000</u>		
Total Long-Term Portion	<u>\$ 60,000</u>		

**C. Summary of Improvement District Bonds**

Future debt service requirements for all enterprise fund debt, as of June 30, 2000, are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2001	\$ 110,000	\$ 7,675	\$ 117,675
2002	<u>60,000</u>	<u>2,100</u>	<u>62,100</u>
Totals	170,000	<u>\$ 9,775</u>	<u>\$ 179,775</u>
Less Current Portion	<u>110,000</u>		
Total Long-Term Portion	<u>\$ 60,000</u>		

# COUNTY OF NAPA

## Notes to General Purpose Financial Statements For the Fiscal Year Ended June 30, 2000

### Note 7: Contributed Capital

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

	<u>Airport</u>
Beginning balance, contributed capital	\$ 903,218
Less: Depreciation of fixed assets purchased with contributed capital	<u>(129,397)</u>
Ending balance, contributed capital	<u>\$ 773,821</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.

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 our 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.

**COUNTY OF NAPA**

Notes to General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2000

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

The County participates in pooled insurance programs with other governmental agencies through CSAC Excess Insurance Authority 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. Commercial insurance is obtained for all other areas of risk.

All funds of the County participate in the program and make payments to the funds based on actuarial estimates of the amounts needed to pay prior and current year claims and to build a reserve for catastrophic losses which is established by management. The claims liability for the funds reported at June 30, 2000 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:

	<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>
General Liability:				
1997 – 1998	<u>\$ 1,962,104</u>	<u>\$ 2,279,573</u>	<u>\$ 831,677</u>	<u>\$ 3,410,000</u>
1998 – 1999	<u>\$ 3,410,000</u>	<u>\$ 509,934</u>	<u>\$ 509,934</u>	<u>\$ 3,410,000</u>
1999 – 2000	<u>\$ 3,410,000</u>	<u>\$ (515,963)</u>	<u>\$ 594,037</u>	<u>\$ 2,300,000</u>
Workers' Compensation:				
1997 – 1998	<u>\$ 2,335,610</u>	<u>\$ 911,651</u>	<u>\$ 167,261</u>	<u>\$ 3,080,000</u>
1998 – 1999	<u>\$ 3,080,000</u>	<u>\$ 342,043</u>	<u>\$ 342,043</u>	<u>\$ 3,080,000</u>
1999 – 2000	<u>\$ 3,080,000</u>	<u>\$ 475,257</u>	<u>\$ 735,257</u>	<u>\$ 2,820,000</u>

COUNTY OF NAPA

Notes to General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2000

Note 10: **Interfund Transactions**

Operating Transfers

Operating transfers in and operating transfers out for the fiscal year ended June 30, 2000, were as follows:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General	\$ 676,895	\$ 3,892,395
Special Revenue	14,871	382,072
Debt Service	4,568,069	--
Capital Projects	40,000	275,369
Enterprise	--	1,365,518
Internal Service	<u>615,519</u>	<u>--</u>
Totals	<u>\$ 5,915,354</u>	<u>\$ 5,915,354</u>

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.

**COUNTY OF NAPA**

Notes to General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2000

Note 11: **Enterprise Fund Segment Information** (continued)

Segment information for these enterprise funds is summarized below as of and for the year ended June 30, 2000:

	Lake Berryessa Resort <u>Improvement</u>	Napa Berryessa Resort <u>Improvement</u>	<u>Airport</u>	<u>Total</u>
Operating revenues	\$ 191,383	\$ 343,661	\$ 1,176,844	\$ 1,711,888
Depreciation	19,316	39,409	552,321	611,046
Operating grants, entitlements and shared revenues	57,209	1,676	26,195	85,080
Operating transfers out	--	--	(1,365,518)	(1,365,518)
Operating income (loss)	18,600	42,101	69,889	130,590
Tax revenues	86,576	111,206	--	197,782
Fixed asset additions	77,523	41,765	41,430	160,718
Net working capital	243,431	166,426	990,085	1,399,942
Total assets	750,457	731,857	13,146,426	14,628,740
Long-term liabilities	5,000	60,000	7,552,053	7,617,053
Total equity	677,045	574,674	5,530,546	6,782,265

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.

**B. Funding Policy**

The County makes the contributions required of County employees on their behalf and for their account. 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:

**COUNTY OF NAPA**

Notes to General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2000

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

**B. Funding Policy** (continued)

<u>Category</u>	<u>Member Rates as a Percentage of Wages</u>
Local miscellaneous members	7%
Local safety members with benefits under Article:	
21362	9%
21363	9%
21369	7%
21366	rate based on entry age

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 1999/00, the County of Napa's annual pension cost was \$913,798 and the County actually contributed \$913,798. The required contribution for fiscal year 1999/00 was determined as part of the June 30, 1997 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.

Three-Year Trend Information (in thousands)

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/98	\$ 4,139	100%	\$ --
6/30/99	4,034	100	--
6/30/00	914	100	--

## COUNTY OF NAPA

### Notes to General Purpose Financial Statements For the Fiscal Year Ended June 30, 2000

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

B. **Funding Policy** (continued)

Annual Pension Cost (continued)

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
6/30/97	\$ 165,839	\$ 187,711	\$ (21,872)	113.19%	\$ 38,723	(56.48)%
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)

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 1999, 1998, and 1997, the County contributions to the system, all made in accordance with actuarially determined requirements, were 9.07 percent, 9.67 percent, and 10.29 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.

1. 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.
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, 218 employees were in the plan at a cost of \$502,553.

COUNTY OF NAPA

Notes to General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2000

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, 2000, 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.

Note 15: Reserved Retained Earnings

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

Enterprise Funds

Lake Berryessa Resort Improvement, reserved for debt service	\$ 108,015
Napa Berryessa Public Improvement, reserved for debt service	91,993
Airport, reserved for imprest cash	<u>25</u>
Total	<u>\$ 200,033</u>

Internal Service Funds

Vehicle Replacement	\$ 16,391
Management Information Services	<u>96,462</u>
Total	<u>\$ 112,853</u>

**COUNTY OF NAPA**

Notes to General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2000

Note 16: **Prior Period Adjustments**

**Special Transportation Fund**

Prior period adjustments of \$1,659 were made to adjust for activity in the prior year as follows:

Expenditures incorrectly accrued to prior year	\$ 5,100
Prior year TDA expenditures not accrued to prior year	(3,580)
Revenues attributable to prior year	<u>139</u>
 Total Prior Period Adjustment	 <u><u>\$ 1,659</u></u>

**Debt Service Fund**

A prior period adjustment of (\$1,759,504) was made to reflect an adjustment to a long-term receivable from the Airport Fund.

**Airport Fund**

A prior period adjustment of \$1,759,504 was made to reflect an adjustment to a long-term payable to the Debt Service Fund.

Note 17: **Residual Equity Transfer**

The following change was made to the special revenue funds reported under the County of Napa's financial statements during the fiscal year ended June 30, 2000. Please refer to Note 1A for a description of the reporting entity.

	<u>Beginning Fund Balance</u>	<u>Residual Equity Transfer In/Out</u>
Napa County Children and Families Commission	\$ 50,442	\$ (50,442)

## **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, 2000

(With Comparative Figures for June 30, 1999)

	<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	\$ 1,957,365	\$ 118,234	\$ 3,738,457	\$ 111,130	\$ 26,423
Restricted Assets:					
Cash with fiscal agent	-	-	-	-	-
Imprest cash	250	-	300	-	-
Accounts receivable	-	-	562,592	27,373	634
Taxes receivable	44,900	-	-	-	-
Assessments receivable	-	2,687	-	-	-
Due from other governments	66,001	-	-	-	-
Total Assets	<u>\$ 2,068,516</u>	<u>\$ 120,921</u>	<u>\$ 4,301,349</u>	<u>\$ 138,503</u>	<u>\$ 27,057</u>
<u>Liabilities and Fund Equity</u>					
Liabilities:					
Accounts payable	\$ 30,675	\$ -	\$ 139,062	\$ 111,859	\$ -
Accrued salaries and benefits	-	-	25,978	-	-
Deferred revenues	-	-	-	26,644	-
Due to other funds	-	-	-	-	-
Total Liabilities	<u>30,675</u>	<u>-</u>	<u>165,040</u>	<u>138,503</u>	<u>-</u>
Fund Equity:					
Reserved for:					
Imprest cash	250	-	300	-	-
Encumbrances	839,936	-	237,515	-	10,000
General	-	-	-	-	11,392
Unreserved:					
Designated for subsequent years' expenditures	-	-	-	-	-
Undesignated	1,197,655	120,921	3,898,494	-	5,665
Total Fund Equity	<u>2,037,841</u>	<u>120,921</u>	<u>4,136,309</u>	<u>-</u>	<u>27,057</u>
Total Liabilities and Fund Equity	<u>\$ 2,068,516</u>	<u>\$ 120,921</u>	<u>\$ 4,301,349</u>	<u>\$ 138,503</u>	<u>\$ 27,057</u>

continued

**COUNTY OF NAPA**

Combining Balance Sheet (continued)  
 Special Revenue Funds  
 June 30, 2000  
 (With Comparative Figures for June 30, 1999)

	<u>Aviation</u>	<u>Library</u>	<u>Criminal Justice Facility Construction</u>	<u>Construction Fund Capital Improvements</u>
<u>Assets</u>				
Cash and investments	\$ 32,992	\$ 2,162,229	\$ 144,040	\$ 1,290,111
Restricted Assets:				
Cash with fiscal agent	-	-	-	-
Imprest cash	-	500	-	-
Accounts receivable	-	-	8,295	-
Taxes receivable	-	30,687	-	-
Assessments receivable	-	-	-	-
Due from other governments	-	-	-	-
Total Assets	<u>\$ 32,992</u>	<u>\$ 2,193,416</u>	<u>\$ 152,335</u>	<u>\$ 1,290,111</u>
<u>Liabilities and Fund Equity</u>				
Liabilities:				
Accounts payable	\$ -	\$ 9,786	\$ -	\$ -
Accrued salaries and benefits	-	27,869	-	-
Deferred revenues	-	-	-	-
Due to other funds	-	-	-	-
Total Liabilities	<u>-</u>	<u>37,655</u>	<u>-</u>	<u>-</u>
Fund Equity:				
Reserved for:				
Imprest cash	-	500	-	-
Encumbrances	-	20,962	-	-
General	-	-	-	-
Unreserved:				
Designated for subsequent years' expenditures	-	-	-	-
Undesignated	32,992	2,134,299	152,335	1,290,111
Total Fund Equity	<u>32,992</u>	<u>2,155,761</u>	<u>152,335</u>	<u>1,290,111</u>
Total Liabilities and Fund Equity	<u>\$ 32,992</u>	<u>\$ 2,193,416</u>	<u>\$ 152,335</u>	<u>\$ 1,290,111</u>

continued

**COUNTY OF NAPA**

Combining Balance Sheet (continued)  
 Special Revenue Funds  
 June 30, 2000  
 (With Comparative Figures for June 30, 1999)

	Children and Families Commission	Various Special Districts Under Board	Totals	
			2000	1999
<u>Assets</u>				
Cash and investments	\$ -	\$ 3,584,961	\$ 13,165,942	\$ 9,731,611
Restricted Assets:	-			
Cash with fiscal agent	-	42,742,408	42,742,408	-
Imprest cash	-	-	1,050	1,050
Accounts receivable	-	-	598,894	473,904
Taxes receivable	-	1,751,685	1,827,272	1,356,073
Assessments receivable	-	24,496	27,183	65,447
Due from other governments	-	-	66,001	168,820
Total Assets	\$ -	\$ 48,103,550	\$ 58,428,750	\$ 11,796,905
<u>Liabilities and Fund Equity</u>				
Liabilities:				
Accounts payable	\$ -	\$ 11,670	\$ 303,052	\$ 227,615
Accrued salaries and benefits	-	-	53,847	-
Deferred revenues	-	-	26,644	-
Due to other funds	-	-	-	60,637
Total Liabilities	-	11,670	383,543	288,252
Fund Equity:				
Reserved for:				
Imprest cash	-	-	1,050	1,050
Encumbrances	-	18,118	1,126,531	165,289
General	-	34,299,411	34,310,803	415,938
Unreserved:				
Designated for subsequent years' expenditures	-	13,460,976	13,460,976	856,662
Undesignated	-	313,375	9,145,847	10,069,714
Total Fund Equity	-	48,091,880	58,045,207	11,508,653
Total Liabilities and Fund Equity	\$ -	\$ 48,103,550	\$ 58,428,750	\$ 11,796,905

**COUNTY OF NAPA**

Combining Statement of Revenues, Expenditures and  
Changes in Fund Balance  
Special Revenue Funds  
For the Fiscal Year Ended June 30, 2000  
(With Comparative Figures for the Year Ended June 30, 1999)

	Fire Protection	Fire Protection Assessment	Roads	Special Transportation
Revenues:				
Taxes	\$ 3,441,415	\$ 1,843	\$ 26,225	\$ -
Licenses and permits	116,524	-	-	-
Intergovernmental revenues	539,043	-	5,979,779	836,042
Fines and forfeitures	-	-	500,255	-
Use of money and property	101,092	-	191,768	6,770
Charges for services	148,615	-	11,718	120,673
Other revenues	8,927	-	21,250	-
Total Revenues	<u>4,355,616</u>	<u>1,843</u>	<u>6,730,995</u>	<u>963,485</u>
Expenditures:				
General government	-	-	-	-
Public protection	3,740,562	-	-	-
Public ways and facilities	-	-	4,807,704	965,144
Education	-	-	-	-
Health and sanitation	-	-	-	-
Debt Service:				
Interest	-	-	-	-
Total Expenditures	<u>3,740,562</u>	<u>-</u>	<u>4,807,704</u>	<u>965,144</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>615,054</u>	<u>1,843</u>	<u>1,923,291</u>	<u>(1,659)</u>
Other Financing Sources (Uses):				
Bond proceeds	-	-	-	-
Loan proceeds	-	-	-	-
Operating transfers in	-	-	-	-
Operating transfers out	(44,528)	-	(46,750)	-
Total Other Financing Sources (Uses)	<u>(44,528)</u>	<u>-</u>	<u>(46,750)</u>	<u>-</u>
Excess (Deficit) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses	570,526	1,843	1,876,541	(1,659)
Fund Balance, Beginning of Fiscal Year	1,467,315	119,078	2,259,768	-
Residual Equity Transfer	-	-	-	-
Prior period adjustment	-	-	-	1,659
Fund Balance, End of Fiscal Year	<u>\$ 2,037,841</u>	<u>\$ 120,921</u>	<u>\$ 4,136,309</u>	<u>\$ -</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, 2000  
(With Comparative Figures for the Year Ended June 30, 1999)

	<u>Fish &amp; Game</u>	<u>Aviation</u>	<u>Library</u>	<u>Criminal Justice Facility Construction</u>	<u>Construction Fund Capital Improvements</u>
Revenues:					
Taxes	\$ -	\$ -	\$ 2,355,550	\$ -	\$ -
Licenses and permits	-	-	-	-	-
Intergovernmental revenues	-	-	480,872	-	-
Fines and forfeitures	7,476	-	-	108,921	-
Use of money and property	1,652	1,635	97,531	7,173	11,939
Charges for services	-	-	141,105	-	-
Other revenues	-	-	90,875	-	1,233,065
Total Revenues	<u>9,128</u>	<u>1,635</u>	<u>3,165,933</u>	<u>116,094</u>	<u>1,245,004</u>
Expenditures:					
General government	-	-	-	-	13,602
Public protection	13,000	-	-	-	-
Public ways and facilities	-	-	-	-	-
Education	-	-	2,781,024	-	-
Health and sanitation	-	-	-	-	-
Debt Service:					
Interest	-	-	-	-	-
Total Expenditures	<u>13,000</u>	<u>-</u>	<u>2,781,024</u>	<u>-</u>	<u>13,602</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(3,872)</u>	<u>1,635</u>	<u>384,909</u>	<u>116,094</u>	<u>1,231,402</u>
Other Financing Sources (Uses):					
Bond proceeds	-	-	-	-	-
Loan proceeds	-	-	-	-	-
Operating transfers in	-	-	343	-	-
Operating transfers out	-	-	(83,084)	(83,084)	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(82,741)</u>	<u>(83,084)</u>	<u>-</u>
Excess (Deficit) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses	<u>(3,872)</u>	<u>1,635</u>	<u>302,168</u>	<u>33,010</u>	<u>1,231,402</u>
Fund Balance, Beginning of Fiscal Year	30,929	31,357	1,853,593	119,325	58,709
Residual Equity Transfer	-	-	-	-	-
Prior period adjustment	-	-	-	-	-
Fund Balance, End of Fiscal Year	<u>\$ 27,057</u>	<u>\$ 32,992</u>	<u>\$ 2,155,761</u>	<u>\$ 152,335</u>	<u>\$ 1,290,111</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, 2000  
(With Comparative Figures for the Year Ended June 30, 1999)

	Children and Families Commission	Various Districts Under Board	Totals	
			2000	1999
Revenues:				
Taxes	\$ -	\$ 15,546	\$ 5,840,579	\$ 13,248,215
Licenses and permits	-	-	116,524	125,918
Intergovernmental revenues	-	10,050,268	17,886,004	7,275,157
Fines and forfeitures	-	-	616,652	697,368
Use of money and property	-	2,542,236	2,961,796	401,711
Charges for services	-	246,435	668,546	1,213,349
Other revenues	-	26,097	1,380,214	114,384
Total Revenues	-	12,880,582	29,470,315	23,076,102
Expenditures:				
General government	-	-	13,602	333,749
Public protection	-	50,376	3,803,938	3,788,767
Public ways and facilities	-	11,703,965	17,476,813	10,119,174
Education	-	-	2,781,024	2,701,266
Health and sanitation	-	83,370	83,370	71,087
Debt Service:				
Interest	-	1,979,030	1,979,030	-
Total Expenditures	-	13,816,741	26,137,777	17,014,043
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(936,159)	3,332,538	6,062,059
Other Financing Sources (Uses):				
Bond proceeds	-	43,620,000	43,620,000	30,000
Loan proceeds	-	-	-	580,776
Operating transfers in	-	14,528	14,871	-
Operating transfers out	-	(124,626)	(382,072)	(681,050)
Total Other Financing Sources (Uses)	-	43,509,902	43,252,799	(70,274)
Excess (Deficit) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses	-	42,573,743	46,585,337	5,991,785
Fund Balance, Beginning of Fiscal Year	50,442	5,518,137	11,508,653	6,875,364
Residual Equity Transfer	(50,442)	-	(50,442)	(1,341,151)
Prior period adjustment	-	-	1,659	(17,345)
Fund Balance, End of Fiscal Year	\$ -	\$ 48,091,880	\$ 58,045,207	\$ 11,508,653

**COUNTY OF NAPA**

Combining Balance Sheet  
 Special Districts Under the Board of Supervisors  
 June 30, 2000  
 (With Comparative Figures for June 30, 1999)

	County Service Area No. 3	Napa County Flood Protection and Watershed Improvement Authority	Silverado Community Services	Silverado Maintenance Assessment
<u>Assets</u>				
Cash	\$ 77,202	\$ 3,266,479	\$ 108,238	\$ 1,304
Restricted Assets:				
Cash with fiscal agent	-	42,742,408	-	-
Accounts receivable	-	-	-	-
Taxes receivable	-	1,751,500	-	-
Assessments receivable	23,193	-	-	1,303
Total Assets	<u>\$ 100,395</u>	<u>\$ 47,760,387</u>	<u>\$ 108,238</u>	<u>\$ 2,607</u>
 <u>Liabilities and Fund Equity</u>				
Liabilities:				
Accounts payable	\$ 1,100	\$ -	\$ 4,338	\$ -
Total Liabilities	<u>1,100</u>	<u>-</u>	<u>4,338</u>	<u>-</u>
 Fund Equity:				
Fund Balances:				
Reserved:				
Encumbrances	17,180	-	-	-
General	-	34,299,411	-	-
Unreserved:				
Designated	-	13,460,976	-	-
Undesignated	82,115	-	103,900	2,607
Total Fund Equity	<u>99,295</u>	<u>47,760,387</u>	<u>103,900</u>	<u>2,607</u>
 Total Liabilities and Fund Equity	 <u>\$ 100,395</u>	 <u>\$ 47,760,387</u>	 <u>\$ 108,238</u>	 <u>\$ 2,607</u>

continued

**COUNTY OF NAPA**

Combining Balance Sheet (continued)  
 Special Districts Under the Board of Supervisors  
 June 30, 2000  
 (With Comparative Figures for June 30, 1999)

	<u>Monticello Endowment</u>	<u>Monticello Public Cemetery</u>	<u>Totals</u>	
			2000	1999
<u>Assets</u>				
Cash	\$ 26,696	\$ 105,042	\$ 3,584,961	\$ 4,216,658
Restricted Assets:				
Cash with fiscal agent	-	-	42,742,408	-
Accounts receivable	-	-	-	30,000
Taxes receivable	185	-	1,751,685	1,262,391
Assessments receivable	-	-	24,496	24,463
Total Assets	<u>\$ 26,881</u>	<u>\$ 105,042</u>	<u>\$ 48,103,550</u>	<u>\$ 5,533,512</u>
 <u>Liabilities and Fund Equity</u>				
Liabilities:				
Accounts payable	\$ 6,232	\$ -	\$ 11,670	\$ 15,375
Total Liabilities	<u>6,232</u>	<u>-</u>	<u>11,670</u>	<u>15,375</u>
 Fund Equity:				
Fund Balances:				
Reserved:				
Encumbrances	938	-	18,118	50,599
General	-	-	34,299,411	5,952
Unreserved:				
Designated	-	-	13,460,976	68,249
Undesignated	19,711	105,042	313,375	5,393,337
Total Fund Equity	<u>20,649</u>	<u>105,042</u>	<u>48,091,880</u>	<u>5,518,137</u>
Total Liabilities and Fund Equity	<u>\$ 26,881</u>	<u>\$ 105,042</u>	<u>\$ 48,103,550</u>	<u>\$ 5,533,512</u>

**COUNTY OF NAPA**

Combining Statement of Revenues, Expenditures and  
Changes in Fund Balances  
Special Districts Under the Board of Supervisors  
For the Fiscal Year Ended June 30, 2000  
(With Comparative Figures for the Year Ended June 30, 1999)

	County Service Area No. 3	Napa County Flood Protection and Watershed Improvement Authority	Silverado Community Services	Silverado Maintenance Assessment
Revenues:				
Taxes	\$ 3,047	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental revenues	-	10,050,117	-	-
Fines and forfeitures	-	-	-	-
Use of money and property	3,711	2,527,967	4,080	-
Charges for services	162,061	-	84,374	-
Other revenue	207	25,587	303	-
Total Revenues	169,026	12,603,671	88,757	-
Expenditures:				
Public protection	32,969	-	-	-
Public ways and facilities	-	11,703,965	-	-
Health and sanitation	-	-	83,218	152
Debt Service:				
Interest	-	1,979,030	-	-
Total Expenditures	32,969	13,682,995	83,218	152
Excess (Deficit) of Revenues Over (Under) Expenditures	136,057	(1,079,324)	5,539	(152)
Other Financing Sources (Uses):				
Bonds proceeds	-	43,620,000	-	-
Loan proceeds	-	-	-	-
Operating transfers in	14,528	-	-	-
Operating transfers out	(124,626)	-	-	-
Total Other Financing Sources (Uses)	(110,098)	43,620,000	-	-
Excess (Deficit) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	25,959	42,540,676	5,539	(152)
Fund Balance, Beginning of Fiscal Year	73,336	5,219,711	98,361	2,759
Residual Equity Transfer In (Out)	-	-	-	-
Fund Balance, End of Fiscal Year	\$ 99,295	\$ 47,760,387	\$ 103,900	\$ 2,607

continued

**COUNTY OF NAPA**

Combining Statement of Revenues, Expenditures and  
Changes in Fund Balances (continued)  
Special Districts Under the Board of Supervisors  
For the Fiscal Year Ended June 30, 2000  
(With Comparative Figures for the Year Ended June 30, 1999)

	Monticello Endowment	Monticello Public Cemetery	Totals	
			2000	1999
<b>Revenues:</b>				
Taxes	\$ 12,499	\$ -	\$ 15,546	\$ 7,334,744
Licenses and permits	-	-	-	-
Intergovernmental revenues	151	-	10,050,268	175
Fines and forfeitures	-	-	-	5,491
Use of money and property	1,272	5,206	2,542,236	113,891
Charges for services	-	-	246,435	228,640
Other revenue	-	-	26,097	-
<b>Total Revenues</b>	<u>13,922</u>	<u>5,206</u>	<u>12,880,582</u>	<u>7,682,941</u>
<b>Expenditures:</b>				
Public protection	17,407	-	50,376	61,761
Public ways and facilities	-	-	11,703,965	2,579,333
Health and sanitation	-	-	83,370	71,087
Debt Service:				
Interest	-	-	1,979,030	-
<b>Total Expenditures</b>	<u>17,407</u>	<u>-</u>	<u>13,816,741</u>	<u>2,712,181</u>
<b>Excess (Deficit) of Revenues Over (Under) Expenditures</b>	<u>(3,485)</u>	<u>5,206</u>	<u>(936,159)</u>	<u>4,970,760</u>
<b>Other Financing Sources (Uses):</b>				
Bonds proceeds	-	-	43,620,000	30,000
Loan proceeds	-	-	-	580,776
Operating transfers in	-	-	14,528	-
Operating transfers out	-	-	(124,626)	(100,297)
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>43,509,902</u>	<u>510,479</u>
<b>Excess (Deficit) of Revenues and Other Sources Over (Under) Expenditures and Other Uses</b>	<u>(3,485)</u>	<u>5,206</u>	<u>42,573,743</u>	<u>5,481,239</u>
<b>Fund Balance, Beginning of Fiscal Year</b>	24,134	99,836	5,518,137	1,378,049
<b>Residual Equity Transfer In (Out)</b>	-	-	-	(1,341,151)
<b>Fund Balance, End of Fiscal Year</b>	<u>\$ 20,649</u>	<u>\$ 105,042</u>	<u>\$ 48,091,880</u>	<u>\$ 5,518,137</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, 2000

(With Comparative Figures for June 30, 1999)

	<u>Construction Fund</u>	<u>Courthouse Fund</u>	<u>Totals</u>	
			2000	1999
<u>Assets</u>				
Restricted Assets:				
Cash	\$ 203,733	\$ 672,837	\$ 876,570	\$ 667,485
Cash with fiscal agent	1,992,614	-	1,992,614	2,785,482
Accounts receivable	135,159	30,664	165,823	331,414
Total Assets	<u>\$ 2,331,506</u>	<u>\$ 703,501</u>	<u>\$ 3,035,007</u>	<u>\$ 3,784,381</u>
 <u>Liabilities and Fund Balance</u>				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ 4,909
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,909</u>
 Fund Balances:				
Reserved, capital projects	2,331,506	703,501	3,035,007	3,779,472
Total Fund Balances	<u>2,331,506</u>	<u>703,501</u>	<u>3,035,007</u>	<u>3,779,472</u>
 Total Liabilities and Fund Balances	 <u>\$ 2,331,506</u>	 <u>\$ 703,501</u>	 <u>\$ 3,035,007</u>	 <u>\$ 3,784,381</u>

**COUNTY OF NAPA**

Combining Statement of Revenues, Expenditures and  
Changes in Fund Balance  
Capital Projects Funds  
For the Fiscal Year Ended June 30, 2000  
(With Comparative Figures for the Year Ended June 30, 1999)

	Construction Fund	Courthouse Fund	Totals	
			2000	1999
Revenues:				
Fines and forfeitures	\$ -	\$ 362,248	\$ 362,248	\$ 391,530
Use of money and property	266,211	33,531	299,742	333,614
Total Revenues	<u>266,211</u>	<u>395,779</u>	<u>661,990</u>	<u>725,144</u>
Expenditures:				
Capital outlay	1,059,079	112,007	1,171,086	5,614,795
Total Expenditures	<u>1,059,079</u>	<u>112,007</u>	<u>1,171,086</u>	<u>5,614,795</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(792,868)</u>	<u>283,772</u>	<u>(509,096)</u>	<u>(4,889,651)</u>
Other Financing Sources (Uses):				
Operating transfers in	40,000	-	40,000	186,245
Operating transfers out	-	(275,369)	(275,369)	(222,055)
Total Other Financing Sources (Uses)	<u>40,000</u>	<u>(275,369)</u>	<u>(235,369)</u>	<u>(35,810)</u>
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>(752,868)</u>	<u>8,403</u>	<u>(744,465)</u>	<u>(4,925,461)</u>
Fund Balance, Beginning of Fiscal Year	<u>3,084,374</u>	<u>695,098</u>	<u>3,779,472</u>	<u>8,704,933</u>
Fund Balance, End of Fiscal Year	<u>\$ 2,331,506</u>	<u>\$ 703,501</u>	<u>\$ 3,035,007</u>	<u>\$ 3,779,472</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, 2000  
(With Comparative Figures for June 30, 1999)

	Lake Berryessa	Napa Berryessa	Airport	Totals	
	Resort Improvement	Public Improvement		2000	1999
<u>Assets</u>					
Current Assets:					
Cash and investments	\$ 72,269	\$ 212,248	\$ 985,793	\$ 1,270,310	\$ 1,529,031
Imprest cash	-	-	25	25	25
Accounts receivable	58,915	7,278	68,094	134,287	95,943
Taxes receivable	-	-	-	-	13,438
Assessments receivable	180,659	44,083	-	224,742	190,194
Total Current Assets	<u>311,843</u>	<u>263,609</u>	<u>1,053,912</u>	<u>1,629,364</u>	<u>1,828,631</u>
Long-term note receivable	-	-	2,948,749	2,948,749	2,948,749
Property and equipment, net of accumulated depreciation	438,614	468,248	9,143,765	10,050,627	10,498,772
Total Assets	<u>\$ 750,457</u>	<u>\$ 731,857</u>	<u>\$ 13,146,426</u>	<u>\$ 14,628,740</u>	<u>\$ 15,276,152</u>
<u>Liabilities and Fund Equity</u>					
Current Liabilities:					
Accounts payable	\$ 3,532	\$ 15,769	\$ 52,044	\$ 71,345	\$ 8,944
Accrued salaries and benefits	-	-	4,527	4,527	-
Deposits with others	14,880	21,414	7,256	43,550	50,569
Bonds payable, current portion	50,000	60,000	-	110,000	105,000
Total Current Liabilities	<u>68,412</u>	<u>97,183</u>	<u>63,827</u>	<u>229,422</u>	<u>164,513</u>
Long-Term Liabilities:					
Due to other funds	5,000	-	-	5,000	-
Advances payable	-	-	4,586,142	4,586,142	6,345,646
Deferred revenue	-	-	2,948,749	2,948,749	2,948,749
Liability for compensated absences	-	-	17,162	17,162	14,053
Bonds payable, long-term portion	-	60,000	-	60,000	170,000
Total Liabilities	<u>73,412</u>	<u>157,183</u>	<u>7,615,880</u>	<u>7,846,475</u>	<u>9,642,961</u>
Fund Equity:					
Contributed capital	-	-	773,821	773,821	903,218
Retained Earnings:					
Reserved	108,015	91,993	25	200,033	139,412
Unreserved	569,030	482,681	4,756,700	5,808,411	4,590,561
Total Fund Equity	<u>677,045</u>	<u>574,674</u>	<u>5,530,546</u>	<u>6,782,265</u>	<u>5,633,191</u>
Total Liabilities and Fund Equity	<u>\$ 750,457</u>	<u>\$ 731,857</u>	<u>\$ 13,146,426</u>	<u>\$ 14,628,740</u>	<u>\$ 15,276,152</u>

**COUNTY OF NAPA**

Combining Statement of Revenues, Expenses and  
Changes in Retained Earnings  
Enterprise Funds  
For the Fiscal Year Ended June 30, 2000  
(With Comparative Figures for the Year Ended June 30, 1999)

	Lake Berryessa	Napa Berryessa	Airport	Totals	
	Resort Improvement	Public Improvement		2000	1999
Operating Revenues:					
Charges for services	\$ 122,702	\$ -	\$ 1,176,844	\$ 1,299,546	\$ 992,381
Sewer charges	68,681	133,920	-	202,601	242,248
Water use	-	202,891	-	202,891	245,251
Hookups	-	6,850	-	6,850	4,600
Total Operating Revenues	<u>191,383</u>	<u>343,661</u>	<u>1,176,844</u>	<u>1,711,888</u>	<u>1,484,480</u>
Operating Expenses:					
Salaries and wages	-	-	258,754	258,754	272,863
Services and supplies	151,930	262,151	178,486	592,567	238,004
Depreciation	19,316	39,409	552,321	611,046	579,481
Maintenance	1,537	-	67,410	68,947	294,127
Insurance	-	-	15,350	15,350	21,618
Other	-	-	34,634	34,634	154,148
Total Operating Expenses	<u>172,783</u>	<u>301,560</u>	<u>1,106,955</u>	<u>1,581,298</u>	<u>1,560,241</u>
Operating Income (Loss)	<u>18,600</u>	<u>42,101</u>	<u>69,889</u>	<u>130,590</u>	<u>(75,761)</u>
Non-Operating Revenue (Expenses):					
Intergovernmental revenue	57,209	1,676	26,195	85,080	541,860
Tax revenue	86,576	111,206	-	197,782	149,829
Other revenue	774	1,271	289,056	291,101	310,743
Gain (loss) on the disposition of property	-	-	4,983	4,983	(89,956)
Interest revenue	2,875	5,775	51,880	60,530	90,398
Interest expense	(4,403)	(10,575)	-	(14,978)	(22,557)
Total Non-Operating Revenue (Expenses)	<u>143,031</u>	<u>109,353</u>	<u>372,114</u>	<u>624,498</u>	<u>980,317</u>
Net Income (Loss) Before Operating Transfers	<u>161,631</u>	<u>151,454</u>	<u>442,003</u>	<u>755,088</u>	<u>904,556</u>
Other Financing Sources (Uses):					
Operating transfers in	-	-	-	-	-
Operating transfers (out)	-	-	(1,365,518)	(1,365,518)	(639,081)
Net Income (Loss)	<u>161,631</u>	<u>151,454</u>	<u>(923,515)</u>	<u>(610,430)</u>	<u>265,475</u>
Retained Earnings, Beginning of Fiscal Year	515,414	423,220	3,791,339	4,729,973	4,335,101
Depreciation on property acquired with federal and state grants	-	-	129,397	129,397	129,397
Prior period adjustment	-	-	1,759,504	1,759,504	-
Retained Earnings, End of Fiscal Year	<u>\$ 677,045</u>	<u>\$ 574,674</u>	<u>\$ 4,756,725</u>	<u>\$ 6,008,444</u>	<u>\$ 4,729,973</u>

**COUNTY OF NAPA**

Combining Statement of Cash Flows  
Enterprise Funds  
For the Fiscal Year Ended June 30, 2000 and 1999

	Lake Berryessa	Napa Berryessa	Airport	Totals	
	Resort Improvement	Public Improvement		2000	1999
<b>Cash Flows from Operating Activities:</b>					
Operating income (loss)	\$ 18,600	\$ 42,101	\$ 69,889	\$ 130,590	\$ (75,761)
Adjustments to reconcile operating income to net cash provided by operating activities:					
Depreciation	19,316	39,409	552,321	611,046	579,481
Changes in assets and liabilities:					
Accounts receivable	(45,746)	(7,279)	14,680	(38,345)	(58,292)
Taxes receivable	-	13,438	-	13,438	2,896
Assessments receivable	(26,105)	(8,443)	-	(34,548)	12,419
Due from other governments					15,000
Deposits with others	2,286	600	(9,905)	(7,019)	14,640
Accounts payable	3,532	8,401	50,468	62,401	(399,260)
Accrued salaries and benefits	-	-	4,527	4,527	
Liability for compensated absences	-	-	3,109	3,109	7,282
Net Cash Provided (Used) by Operating Activities	<u>(28,117)</u>	<u>88,227</u>	<u>685,089</u>	<u>745,199</u>	<u>98,405</u>
<b>Cash Flows from Capital and Related Financing Activities:</b>					
Proceeds from sale of equipment	-	-	2,801	2,801	-
Purchase of property, plant and equipment	(77,523)	(41,765)	(41,430)	(160,718)	(1,053,980)
Principal payment on long term debt	(50,000)	(55,000)	-	(105,000)	(55,000)
Interest paid	(4,403)	(10,575)	-	(14,978)	(72,557)
Net Cash Provided (Used ) by Capital and Related Financing Activities	<u>(131,926)</u>	<u>(107,340)</u>	<u>(38,629)</u>	<u>(277,895)</u>	<u>(1,181,537)</u>
<b>Cash Flows from Noncapital Financing Activities:</b>					
Intergovernmental revenue	57,209	1,676	26,195	85,080	541,860
Due to other funds	5,000			5,000	
Advances from other funds					(19,500)
Other revenue	87,350	112,477	289,056	488,883	460,572
Operating transfers in	-	-	-	-	-
Operating transfers out	-	-	(1,365,518)	(1,365,518)	(639,081)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>149,559</u>	<u>114,153</u>	<u>(1,050,267)</u>	<u>(786,555)</u>	<u>343,851</u>
<b>Cash Flows from Investing Activities:</b>					
Interest income	2,875	5,775	51,880	60,530	90,398
Net Cash Provided (Used) by Investing Activities	<u>2,875</u>	<u>5,775</u>	<u>51,880</u>	<u>60,530</u>	<u>90,398</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>(7,609)</b>	<b>100,815</b>	<b>(351,927)</b>	<b>(258,721)</b>	<b>(648,883)</b>
Cash and Cash Equivalents, Beginning of Fiscal Year	79,878	111,433	1,337,720	1,529,031	2,177,914
Cash and Cash Equivalents, End of Fiscal Year	<u>\$ 72,269</u>	<u>\$ 212,248</u>	<u>\$ 985,793</u>	<u>\$ 1,270,310</u>	<u>\$ 1,529,031</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, 2000

(With Comparative Figures for June 30, 1999)

	<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	\$ 176,299	\$ 2,238,188	\$ 1,245,650	\$ 43,030
Imprest cash	-	-	-	300
Accounts receivable	27,673	-	-	-
Inventory	28,180	-	-	-
Deposits	-	-	-	-
Total Current Assets	<u>232,152</u>	<u>2,238,188</u>	<u>1,245,650</u>	<u>43,330</u>
Property and equipment, net	24,586	2,139,331	1,160,647	554,929
Total Assets	<u>\$ 256,738</u>	<u>\$ 4,377,519</u>	<u>\$ 2,406,297</u>	<u>\$ 598,259</u>
<u>Liabilities and Fund Equity</u>				
Current Liabilities:				
Accounts payable	\$ 35,257	\$ 83,035	\$ -	\$ 40,644
Accrued salaries and benefits	3,064	-	-	43,004
Total Current Liabilities	<u>38,321</u>	<u>83,035</u>	<u>-</u>	<u>83,648</u>
Noncurrent Liabilities:				
Liability for unpaid claims	-	-	-	-
Liability for compensated absences	20,955	-	-	122,250
Total Liabilities	<u>59,276</u>	<u>83,035</u>	<u>-</u>	<u>205,898</u>
Fund Equity:				
Contributed capital	-	-	4,000	-
Retained Earnings:				
Reserved	-	-	16,391	96,462
Unreserved	197,462	4,294,484	2,385,906	295,899
Total Fund Equity	<u>197,462</u>	<u>4,294,484</u>	<u>2,406,297</u>	<u>392,361</u>
Total Liabilities and Fund Equity	<u>\$ 256,738</u>	<u>\$ 4,377,519</u>	<u>\$ 2,406,297</u>	<u>\$ 598,259</u>

continued

**COUNTY OF NAPA**

Combining Balance Sheet (continued)

Internal Service Funds

June 30, 2000

(With Comparative Figures for June 30, 1999)

	<u>Workers'</u>	<u>General</u>	<u>Totals</u>	
	<u>Compensation</u>	<u>Liability</u>	<u>2000</u>	<u>1999</u>
<u>Assets</u>				
Current Assets:				
Cash and investments	\$ 5,426,441	\$ 6,149,763	\$ 15,279,371	\$ 13,621,626
Imprest cash	-	-	300	300
Accounts receivable	-	-	27,673	4,799
Inventory	-	-	28,180	28,523
Deposits	60,000	50,000	110,000	110,000
Total Current Assets	<u>5,486,441</u>	<u>6,199,763</u>	<u>15,445,524</u>	<u>13,765,248</u>
Property and equipment, net	-	-	3,879,493	3,973,275
Total Assets	<u><u>\$ 5,486,441</u></u>	<u><u>\$ 6,199,763</u></u>	<u><u>\$ 19,325,017</u></u>	<u><u>\$ 17,738,523</u></u>
<u>Liabilities and Fund Equity</u>				
Current Liabilities:				
Accounts payable	\$ 46,617	\$ 49,574	\$ 255,127	\$ 302,144
Accrued salaries and benefits	-	-	46,068	-
Total Current Liabilities	<u>46,617</u>	<u>49,574</u>	<u>301,195</u>	<u>302,144</u>
Noncurrent Liabilities:				
Liability for unpaid claims	2,820,000	2,300,000	5,120,000	6,490,000
Liability for compensated absences	-	-	143,205	118,881
Total Liabilities	<u>2,866,617</u>	<u>2,349,574</u>	<u>5,564,400</u>	<u>6,911,025</u>
Fund Equity:				
Contributed capital	-	-	4,000	4,000
Retained Earnings:				
Reserved	-	-	112,853	315,925
Unreserved	2,619,824	3,850,189	13,643,764	10,507,573
Total Fund Equity	<u>2,619,824</u>	<u>3,850,189</u>	<u>13,760,617</u>	<u>10,827,498</u>
Total Liabilities and Fund Equity	<u><u>\$ 5,486,441</u></u>	<u><u>\$ 6,199,763</u></u>	<u><u>\$ 19,325,017</u></u>	<u><u>\$ 17,738,523</u></u>

**COUNTY OF NAPA**

Combining Statement of Revenues, Expenses and  
Changes in Retained Earnings  
Internal Service Funds  
For the Fiscal Year Ended June 30, 2000  
(With Comparative Figures for the Year Ended June 30, 1999)

	Equipment Pool Service Fund	Equipment Replacement	Vehicle Replacement	Management Information Services
Operating Revenues:				
Charges for services	\$ 60,636	\$ -	\$ -	\$ 3,423,032
Maintenance Charges:				
Equipment	487,465	-	-	-
Vehicle	465,728	-	-	-
Replacement charges	-	243,698	286,395	-
Other revenue	582	-	13,882	393
Total Operating Revenues	<u>1,014,411</u>	<u>243,698</u>	<u>300,277</u>	<u>3,423,425</u>
Operating Expenses:				
Salaries and wages	173,810	-	-	2,466,587
Services and supplies	693,692	22,062	1,176	1,376,279
Depreciation	13,572	243,698	279,234	156,212
Utilities	19,343	-	-	20,594
Claims expense	-	-	-	-
Other	-	-	-	8,284
Total Operating Expenses	<u>900,417</u>	<u>265,760</u>	<u>280,410</u>	<u>4,027,956</u>
Operating Income (Loss)	<u>113,994</u>	<u>(22,062)</u>	<u>19,867</u>	<u>(604,531)</u>
Non-Operating Revenue (Expenses):				
Intergovernmental revenue	-	-	1,312	174,888
Gain (loss) on the disposition of property	(907)	-	-	(36,671)
Interest revenue	-	102,350	55,046	-
Interest expense	(2,267)	-	-	-
Total Non-Operating Revenue (Expenses)	<u>(3,174)</u>	<u>102,350</u>	<u>56,358</u>	<u>138,217</u>
Net Income (Loss) Before Operating Transfers	110,820	80,288	76,225	(466,314)
Other Financing Sources (Uses):				
Operating transfers in	-	125,193	8,200	482,126
Operating transfers (out)	-	-	-	-
Net Income (Loss)	<u>110,820</u>	<u>205,481</u>	<u>84,425</u>	<u>15,812</u>
Retained Earnings, Beginning of Fiscal Year	<u>86,642</u>	<u>4,089,003</u>	<u>2,317,872</u>	<u>376,549</u>
Retained Earnings, End of Fiscal Year	<u>\$ 197,462</u>	<u>\$ 4,294,484</u>	<u>\$ 2,402,297</u>	<u>\$ 392,361</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, 2000  
(With Comparative Figures for the Year Ended June 30, 1999)

	Workers' Compensation	General Liability	Totals	
			2000	1999
Operating Revenues:				
Charges for services	\$ 1,452,915	\$ 1,087,793	\$ 6,024,376	\$ 6,602,978
Maintenance Charges:				
Equipment	-	-	487,465	442,408
Vehicle	-	-	465,728	433,731
Replacement charges	-	-	530,093	526,557
Other revenue	7,181	2,848	24,886	58,330
Total Operating Revenues	<u>1,460,096</u>	<u>1,090,641</u>	<u>7,532,548</u>	<u>8,064,004</u>
Operating Expenses:				
Salaries and wages	-	-	2,640,397	2,899,636
Services and supplies	361,676	253,887	2,708,772	3,025,739
Depreciation	-	-	692,716	673,521
Utilities	-	-	39,937	46,276
Claims expense	475,257	(515,963)	(40,706)	851,977
Other	-	-	8,284	-
Total Operating Expenses	<u>836,933</u>	<u>(262,076)</u>	<u>6,049,400</u>	<u>7,497,149</u>
Operating Income (Loss)	<u>623,163</u>	<u>1,352,717</u>	<u>1,483,148</u>	<u>566,855</u>
Non-Operating Revenue (Expenses):				
Intergovernmental revenue	-	-	176,200	69,618
Gain (loss) on the disposition of property	-	-	(37,578)	(95,473)
Interest revenue	254,557	286,144	698,097	757,868
Interest expense	-	-	(2,267)	-
Total Non-Operating Revenue (Expenses)	<u>254,557</u>	<u>286,144</u>	<u>834,452</u>	<u>732,013</u>
Net Income (Loss) Before Operating Transfers	877,720	1,638,861	2,317,600	1,298,868
Other Financing Sources (Uses):				
Operating transfers in	-	-	615,519	2,535,175
Operating transfers (out)	-	-	-	(4,446,707)
Net Income (Loss)	<u>877,720</u>	<u>1,638,861</u>	<u>2,933,119</u>	<u>(612,664)</u>
Retained Earnings, Beginning of Fiscal Year	<u>1,742,104</u>	<u>2,211,328</u>	<u>10,823,498</u>	<u>11,436,162</u>
Retained Earnings, End of Fiscal Year	<u>\$ 2,619,824</u>	<u>\$ 3,850,189</u>	<u>\$ 13,756,617</u>	<u>\$ 10,823,498</u>

**COUNTY OF NAPA**

Combining Statement of Cash Flows  
Internal Service Funds  
For the Fiscal Year Ended June 30, 2000

	Equipment Pool Service Fund	Equipment Replacement	Vehicle Replacement	Management Information Services
<b>Cash Flows from Operating Activities:</b>				
Operating income (loss)	\$ 113,994	\$ (22,062)	\$ 19,867	\$ (604,531)
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	13,572	243,698	279,234	156,212
Changes in assets and liabilities:				
Accounts receivable	(22,874)	-	-	-
Inventory	343	-	-	-
Accounts payable	5,256	61,028	(19,433)	(54,792)
Accrued salaries and benefits	3,064	-	-	43,004
Liability for compensated absences	55	-	-	24,269
Liability for self-insurance	-	-	-	-
Net Cash Provided (Used) by Operating Activities	<u>113,410</u>	<u>282,664</u>	<u>279,668</u>	<u>(435,838)</u>
<b>Cash Flows from Capital and Related Financing Activities:</b>				
Purchase of property, plant and equipment	-	(236,042)	(135,589)	(264,881)
Proceeds from sale of equipment	-	-	-	-
Interest paid	(2,267)	-	-	-
Net Cash Provided (Used ) by Capital and Related Financing Activities	<u>(2,267)</u>	<u>(236,042)</u>	<u>(135,589)</u>	<u>(264,881)</u>
<b>Cash Flows from Noncapital Financing Activities:</b>				
Intergovernmental revenue	-	-	1,312	174,888
Advances to other funds	-	-	-	-
Operating transfers in	-	125,193	8,200	482,126
Operating transfers out	-	-	-	-
Net Cash Provided (Used) by Noncapital Financing Activities	<u>-</u>	<u>125,193</u>	<u>9,512</u>	<u>657,014</u>
<b>Cash Flows from Investing Activities:</b>				
Interest income	-	102,350	55,046	-
Net Cash Provided (Used) by Investing Activities	<u>-</u>	<u>102,350</u>	<u>55,046</u>	<u>-</u>
Net Increase (Decrease) in Cash and Cash Equivalents	111,143	274,165	208,637	(43,705)
Cash and Cash Equivalents, Beginning of Year	<u>65,156</u>	<u>1,964,023</u>	<u>1,037,013</u>	<u>86,735</u>
Cash and Cash Equivalents, End of Year	<u>\$ 176,299</u>	<u>\$ 2,238,188</u>	<u>\$ 1,245,650</u>	<u>\$ 43,030</u>

continued

**COUNTY OF NAPA**

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

	Workers' Compensation	General Liability	Totals	
			2000	1999
Cash Flows from Operating Activities:				
Operating income (loss)	\$ 623,163	\$1,352,717	\$ 1,483,148	566,855
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	-	-	692,716	673,521
Changes in assets and liabilities:				
Accounts receivable	-	-	(22,874)	84,517
Inventory	-	-	343	8,710
Accounts payable	(32,018)	(7,058)	(47,017)	(65,450)
Accrued salaries and benefits	-	-	46,068	(52,318)
Liability for compensated absences	-	-	24,324	-
Liability for self-insurance	(260,000)	(1,110,000)	(1,370,000)	-
Net Cash Provided (Used) by Operating Activities	<u>331,145</u>	<u>235,659</u>	<u>806,708</u>	<u>1,215,835</u>
Cash Flows from Capital and Related Financing Activities:				
Purchase of property, plant and equipment	-	-	(636,512)	(1,104,798)
Proceeds from sale of equipment	-	-	-	28,420
Interest paid	-	-	(2,267)	-
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>-</u>	<u>-</u>	<u>(638,779)</u>	<u>(1,076,378)</u>
Cash Flows from Noncapital Financing Activities:				
Intergovernmental revenue	-	-	176,200	69,618
Advances to other funds	-	-	-	219,799
Operating transfers in	-	-	615,519	2,535,175
Operating transfers out	-	-	-	(4,472,538)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>-</u>	<u>-</u>	<u>791,719</u>	<u>(1,647,946)</u>
Cash Flows from Investing Activities:				
Interest income	<u>254,557</u>	<u>286,144</u>	<u>698,097</u>	<u>757,868</u>
Net Cash Provided (Used) by Investing Activities	<u>254,557</u>	<u>286,144</u>	<u>698,097</u>	<u>757,868</u>
Net Increase (Decrease) in Cash and Cash Equivalents	585,702	521,803	1,657,745	(750,621)
Cash and Cash Equivalents, Beginning of Year	<u>4,840,739</u>	<u>5,627,960</u>	<u>13,621,626</u>	<u>14,372,247</u>
Cash and Cash Equivalents, End of Year	<u>\$ 5,426,441</u>	<u>\$6,149,763</u>	<u>\$15,279,371</u>	<u>\$ 13,621,626</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, 2000

(With Comparative Figures for June 30, 1999)

	Expendable Trust	Agency	Totals	
			2000	1999
<u>Assets</u>				
Cash and investments	\$ 2,979,165	\$ 161,655,374	\$ 164,634,539	\$ 144,225,902
Taxes receivable	-	6,358,390	6,358,390	6,823,178
Loans receivable		1,882,346	1,882,346	
Total Assets	<u>\$ 2,979,165</u>	<u>\$ 169,896,110</u>	<u>\$ 172,875,275</u>	<u>\$ 151,049,080</u>
 <u>Liabilities and Fund Equity</u>				
Liabilities:				
Agency obligations	\$ -	\$ 169,896,110	\$ 169,896,110	\$ 148,116,874
Total Liabilities	<u>-</u>	<u>169,896,110</u>	<u>169,896,110</u>	<u>148,116,874</u>
Fund Equity:				
Fund Balances:				
Reserved for endowment funds	2,979,165	-	2,979,165	2,932,206
Total Fund Equity	<u>2,979,165</u>	<u>-</u>	<u>2,979,165</u>	<u>2,932,206</u>
Total Liabilities and Fund Equity	<u>\$ 2,979,165</u>	<u>\$ 169,896,110</u>	<u>\$ 172,875,275</u>	<u>\$ 151,049,080</u>

**COUNTY OF NAPA**

Combining Balance Sheet  
Expendable Trust Funds  
June 30, 2000  
(With Comparative Figures for June 30, 1999)

	Public Administrator's Trust	Public Guardian's Trust	Totals	
			<u>2000</u>	<u>1999</u>
<u>Assets</u>				
Cash and investments	\$ 529,031	\$ 2,450,134	\$ 2,979,165	\$ 2,932,206
Total Assets	<u>\$ 529,031</u>	<u>\$ 2,450,134</u>	<u>\$ 2,979,165</u>	<u>\$ 2,932,206</u>
<u>Liabilities and Fund Equity</u>				
Fund Equity:				
Fund Balances:				
Reserved for endowment	\$ 529,031	\$ 2,450,134	\$ 2,979,165	\$ 2,932,206
Total Fund Equity	<u>529,031</u>	<u>2,450,134</u>	<u>2,979,165</u>	<u>2,932,206</u>
Total Liabilities and Fund Equity	<u>\$ 529,031</u>	<u>\$ 2,450,134</u>	<u>\$ 2,979,165</u>	<u>\$ 2,932,206</u>

## COUNTY OF NAPA

Combining Statement of Revenues, Expenditures and  
Changes in Fund Balances - Expendable Trust Funds  
For the Fiscal Year Ended June 30, 2000  
(With Comparative Figures for the Year Ended June 30, 1999)

	Public Administrator's Trust	Public Guardian's Trust	Totals	
			2000	1999
Revenues:				
Use of money and property	\$ 62,635	\$ 98,932	\$ 161,567	\$ 196,481
Other revenues	398,948	1,787,743	2,186,691	2,675,158
Total Revenues	461,583	1,886,675	2,348,258	2,871,639
Expenditures:				
Public protection	1,180,046	1,121,253	2,301,299	3,485,608
Excess (Deficiency) of Revenues Over (Under) Expenditures	(718,463)	765,422	46,959	(613,969)
Fund Balances, Beginning of Fiscal Year	1,247,494	1,684,712	2,932,206	3,546,175
Fund Balances, End of Fiscal Year	\$ 529,031	\$ 2,450,134	\$ 2,979,165	\$ 2,932,206

## **OTHER REPORTS**

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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

## **REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Board of Supervisors  
County of Napa  
Napa, California

We have audited the financial statements of County of Napa as of and for the year ended June 30, 2000, and have issued our report thereon dated October 20, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### Compliance

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

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered County of Napa's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting, which we have reported to the management of the County of Napa in a separate report dated October 20, 2000.

Board of Supervisors  
County of Napa

This report is intended for the information of the audit committee, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

BARTIG, BASLER & RAY, CPAs, INC.

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

October 20, 2000

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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

## REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Board of Supervisors  
County of Napa  
Napa, California

### Compliance

We have audited the compliance of County of Napa with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the fiscal year ended June 30, 2000. County of Napa's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of County of Napa's management. Our responsibility is to express an opinion on County of Napa's compliance based on our audit.

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

In our opinion, County of Napa complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the fiscal year ended June 30, 2000.

Internal Control Over Compliance

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

We noted certain matters involving the internal control over compliance and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in our judgment, could adversely affect the County of Napa's ability to administer a major federal program in accordance with applicable requirements of laws, regulations, contracts and grants. Reportable conditions are described in the accompanying Schedule of Findings and Questioned Costs as item 00-1.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe none of the reportable conditions described above is a material weakness.

This report is intended for the information of the audit committee, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

BARTIG, BASLER & RAY, CPAs, INC.

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

October 20, 2000

**COUNTY OF NAPA**

Schedule of Expenditures of Federal Awards  
For the Fiscal Year Ended June 30, 2000

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-through Grantor's Number</u>	<u>Revenues</u>	<u>Expenditures</u>
<u>U.S. Department of Agriculture</u>				
Direct Program				
Trapper Animal Drainage Control	10.028	--	\$ 41,553	\$ 84,393
Emergency Strike Force	10.000	--	102,759	102,759
Passed through State Department of Social Services				
Food Stamps	10.551*	--	1,950,057	1,950,057
State Administrative Matching Grants for Food Stamp Program	10.561*	--	108,032	364,156
Passed through State Department of Education				
School Breakfast Program	10.553	--	8,672	8,672
National School Lunch Program	10.555	--	15,861	15,861
Passed through State Department of Health Services				
Special Supplemental Food Program for Women, Infants, and Children	10.557	--	376,408	376,408
Passed through State Controller's Office				
Schools and Roads – Grants to Counties	10.666	--	<u>344</u>	<u>--</u>
Total U.S. Department of Agriculture			<u>2,603,686</u>	<u>2,902,306</u>
<u>U.S. Department of Justice</u>				
Direct Program				
Criminal Alien Assistance Program	16.606	--	321,714	240,000
Local Law Enforcement Center	16.592	--	45,073	45,073
Passed through State Office of Criminal Justice				
Planning				
Domestic Violence Prosecution	16.588	VV97010280	<u>115,171</u>	<u>151,951</u>
Total U.S. Department of Justice			<u>481,958</u>	<u>437,024</u>
<u>U.S. Department of Labor</u>				
Direct Program				
Wagner Peyser Act	17.207*	--	969,219	969,219

\* Major Program

**COUNTY OF NAPA**

Schedule of Expenditures of Federal Awards  
For the Fiscal Year Ended June 30, 2000

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-through Grantor's Number</u>	<u>Revenues</u>	<u>Expenditures</u>
<u>U.S. Department of Labor</u> (continued)				
Passed through Employment and Training Administration				
Employment and Training Assistance – Dislocated Workers – Rapid Response	17.246*	--	\$ 673,216	\$ 673,216
Job Training and Partnership Act	17.250*	--	762,329	762,329
IIA 8% Department of Education	17.250*	--	<u>37,264</u>	<u>37,264</u>
Total U.S. Department of Labor			<u>2,442,028</u>	<u>2,442,028</u>
<u>U.S. Department of Transportation</u>				
Passed through State Department of Transportation				
Airport Improvement Program	20.106	--	--	34,214
Highway Planning and Construction	20.205*	BRLO5921010	--	48,536
Highway Planning and Construction	20.205*	STPLHG5921016	248,164	211,306
Highway Planning and Construction	20.205*	STPLX5921017	113,048	143,109
Highway Planning and Construction	20.205*	STPL5921007	458,000	458,000
Highway Planning and Construction	20.205*	STPL5921009	113,954	113,954
Highway Planning and Construction	20.205*	STPLV5921001	572,305	572,305
Highway Planning and Construction	20.205*	STPLZ5921012	128,415	128,415
Passed through City of Napa				
Federal Transportation Administration	20.000	--	59,633	59,633
Passed through Metropolitan Transportation Commission				
Department of Transportation Discretionary	20.000	--	52,000	52,000
Highway Planning and Construction	20.205*	--	<u>140,000</u>	<u>140,000</u>
Total U.S. Department of Transportation			<u>1,885,519</u>	<u>1,961,472</u>
<u>National Foundation on the Arts and the Humanities</u>				
Passed through the State Department of Education				
Library Services and Technology Act				
Literacy Library Materials	45.310	--	<u>10,000</u>	<u>10,000</u>
Total National Foundation on the Arts and the Humanities			<u>10,000</u>	<u>10,000</u>

\* Major Program

**COUNTY OF NAPA**

Schedule of Expenditures of Federal Awards  
For the Fiscal Year Ended June 30, 2000

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-through Grantor's Number</u>	<u>Revenues</u>	<u>Expenditures</u>
<u>Environmental Protection Agency</u>				
Passed through the State Water Resources Control Board				
State Underground Storage Tanks Program	66.804	9-013-550-1	\$ <u>47,461</u>	\$ <u>47,461</u>
Total Environmental Protection Agency			<u>47,461</u>	<u>47,461</u>
<u>Federal Emergency Management Agency</u>				
Passed through the State Department of Emergency Services				
Disaster Assistance	83.544	979	33,979	33,979
Disaster Assistance	83.544	1155	26,231	26,231
Hazard Mitigation Grant	83.548	--	35,000	111,000
Emergency Management Performance Grant	83.552	--	<u>28,549</u>	<u>          --</u>
Total Federal Emergency Management Agency			<u>123,759</u>	<u>171,210</u>
<u>U.S. Department of Education</u>				
Passed through State Department of Alcohol and Drug Abuse Programs				
Drug-Free Schools	84.186	--	<u>87,350</u>	<u>87,350</u>
Total U.S. Department of Education			<u>87,350</u>	<u>87,350</u>
<u>U.S. Department of Health and Human Services</u>				
Passed through State Department of Social Services				
Family Preservation and Support Services	93.556	--	16,325	67,738
Temporary Assistance for Needy Families	93.558*	--	2,761,744	4,419,523
Child Support Enforcement	93.563	--	1,852,501	1,852,501
Child Welfare Services – State Grants	93.645	--	53,973	526,427
Foster Care – Title IV-E	93.658*	--	1,459,104	1,349,881
Adoption Assistance Program	93.659	--	176,548	176,742
Independent Living	93.674	--	<u>53,708</u>	<u>74,851</u>
Subtotal			<u>6,373,903</u>	<u>8,467,663</u>
Passed through State Department of Health Services				
Maternal and Child Health Services	93.118	--	159,425	159,425
Medical Assistance Program	93.778	--	1,932,458	1,967,426
AIDS (HIV Care)	93.917	--	53,321	53,321
Health 314D	93.991	--	<u>6,963</u>	<u>6,963</u>
Subtotal			<u>2,152,167</u>	<u>2,187,135</u>

\* Major Program

**COUNTY OF NAPA**

Schedule of Expenditures of Federal Awards  
For the Fiscal Year Ended June 30, 2000

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-through Grantor's Number</u>	<u>Revenues</u>	<u>Expenditures</u>
<u>U.S. Department of Health and Human Services</u> (continued)				
Passed through State Department of Mental Health				
System of Care	93.000	--	\$ 59,919	\$ 59,919
Projects for Assistance in Transition from Homelessness (PATH)	93.150	--	9,743	9,743
Substance Abuse and Mental Health Services Administration (SAMHSA)	93.958	--	<u>102,386</u>	<u>102,386</u>
Subtotal			<u>172,048</u>	<u>172,048</u>
Passed through State Department of Alcohol and Drug Abuse Programs				
Block Grants for Prevention and Treatment of Substance Abuse (SAPT)	93.959	--	<u>646,361</u>	<u>646,361</u>
Total Department of Health and Human Services			<u>9,344,479</u>	<u>11,473,207</u>
Total Federal Financial Assistance			<u>\$ 17,026,240</u>	<u>\$ 19,532,058</u>

\* Major Program

**COUNTY OF NAPA**

Notes to Schedule of Expenditures of Federal Awards  
For the Fiscal Year Ended June 30, 2000

Note 1: **General**

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal financial assistance programs of the County of Napa. The County of Napa reporting entity is defined in Note 1 to the County's general purpose financial statements. All federal financial assistance received directly from agencies as well as federal financial assistance passed through other government agencies are included in the schedule.

Note 2: **Basis of Accounting**

The accompanying Schedule of Expenditures of Federal Awards is prepared on a basis other than that used to record transactions in the accounting records and as reported in the general purpose financial statements. Sources of information for preparation of the Schedule of Expenditures of Federal Awards varies, depending on the accounting practices and reporting requirements of the department implementing the program.

Note 3: **Physical Count of Food Stamp Coupons**

As part of our audit, we conducted a physical count of the food stamp coupons maintained by the County of Napa and reconciled our count to the inventory stated on the FNS-250. However, the County is under contract with Sacramento Services, which maintains the majority of the County's food stamp inventory.

Note 4: **Office of Criminal Justice Planning Disclosures for Federal Grants**

The following represents expenditures for the Violence Against Women Vertical Prosecution Grant, CFDA No. 16.588, for the fiscal year ended June 30, 2000.

A. Grant No.: VV97010280

	<u>Budget</u>	<u>Actual</u>	<u>Balance</u>
Personal Services	\$ 331,907	\$ 331,907	\$ --
Operating Expenses	48,386	43,277	5,109
Equipment	<u>12,064</u>	<u>12,064</u>	<u>--</u>
Totals	<u>\$ 392,357</u>	<u>\$ 387,248</u>	<u>\$ 5,109</u>

**COUNTY OF NAPA**

Notes to Schedule of Expenditures of Federal Awards  
For the Fiscal Year Ended June 30, 2000

Note 4: **Office of Criminal Justice Planning Disclosures for Federal Grants** (continued)

The grantee reports expenditures to the Office of Criminal Justice Planning on a 36-month grant period that ends on February 28, 2001. The following is a schedule reconciling the expenditures per the accompanying Schedule of Expenditures of Federal Awards to the VV97010280 OCJP-201 #10 claim for the period ended August 31, 2000:

	<u>Expenditures</u>
Amount per Schedule of Expenditures of Federal Awards	\$ 151,951
Add 25% Federal Match	96,812
Add amount per SEFA for the year ended June 30, 1999	121,031
Add amounts for the two months ended June 30, 2001	<u>17,454</u>
Amount per the August 31, 1999 OCJP-201 #10 claim	<u>\$ 387,248</u>

Note 5: **Office of Criminal Justice Planning Disclosures for State Grants**

The following represents expenditures for the Statutory Rape Vertical Prosecution program for the year ended June 30, 2000.

A. Grant No. SR97020280

	<u>Budget</u>	<u>Actual</u>	<u>Balance</u>
Personal Services	\$ 284,340	\$ 228,181	\$ 56,159
Operating Expenses	8,572	8,572	--
Equipment	<u>7,088</u>	<u>--</u>	<u>7,088</u>
Totals	<u>\$ 300,000</u>	\$ 236,753	<u>\$ 63,247</u>
Less: Reported Prior Period		<u>(116,569)</u>	
Reported This Period		<u>\$ 120,184</u>	

COUNTY OF NAPA

Notes to Schedule of Expenditures of Federal Awards  
For the Fiscal Year Ended June 30, 2000

Note 5: **Office of Criminal Justice Planning Disclosures for State Grants** (continued)

The following represents expenditures for the Victim Witness Services program for the year ended June 30, 2000.

B. Grant No. VW97180280

	<u>Budget</u>	<u>Actual</u>	<u>Balance</u>
Personal Services	\$ 343,647	\$ 343,647	\$ --
Operating Expenses	80,149	80,149	--
Equipment	<u>--</u>	<u>--</u>	<u>--</u>
Totals	<u>\$ 423,796</u>	<u>\$ 423,796</u>	<u>\$ --</u>
Less: Reported Prior Period		<u>(270,864)</u>	
Reported This Period		<u>\$ 152,932</u>	

**COUNTY OF NAPA**

Schedule of Findings and Questioned Costs  
For the Fiscal Year Ended June 30, 2000

**Section 1**

Financial Statements

Summary of Auditor's Results

- |    |   |               |
|----|---|---------------|
| 1. | Type of auditor's report issued:  | Unqualified   |
| 2. | Internal control over major programs:   |               |
|    | a. Material weaknesses identified?  | No            |
|    | b. Reportable conditions identified not considered to be material weaknesses? | None Reported |
| 3. | Noncompliance material to financial statements noted?                         | No            |

Federal Awards

- |    |  |             |
|----|--|-------------|
| 1. | Internal controls over major program:  |             |
|    | a. Material weaknesses identified?   | No          |
|    | b. Reported conditions identified not considered to be material weaknesses?  | Yes         |
| 2. | Type of auditor's report issued on compliance for major programs:  | Unqualified |
| 3. | Any audit findings disclosed that are required to be reported in accordance with Circular OMB A-133, Section 510(a)? | Yes         |

4. Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program</u>
10.551	Food Stamps
10.561	State Administrative Matching Grants for Food Stamp Program
17.207	Wagner Peyser Act
17.246	Employment and Training Assistance – Dislocated Workers – Rapid Response
17.250	Job Training and Partnership Act
17.250	IIA 8% Department of Education
20.205	Highway Planning and Construction
93.558	Temporary Assistance for Needy Families
93.658	Foster Care – Title IV-E

**COUNTY OF NAPA**

Schedule of Findings and Questioned Costs  
For the Fiscal Year Ended June 30, 2000

**Section 1 (continued)**

Summary of Auditor's Results

- |    |  |           |
|----|--|-----------|
| 5. | Dollar threshold used to distinguish between Type A and Type B programs:       | \$585,962 |
| 6. | Auditee qualified as a low-risk auditee under OMB Circular A-133, Section 530? | Yes       |

**Section 2**

Financial Statement Findings

None Reported

**Section 3**

Federal Award Findings and Questioned Costs

93.558 – Temporary Assistance for Needy Families	Finding 00-1
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COUNTY OF NAPA

Schedule of Findings and Questioned Costs  
For the Fiscal Year Ended June 30, 2000

Program	Findings/Noncompliance
Finding 00-1	<b><u>Applicable to Compliance Requirement Allowable/Unallowable Costs (Internal Controls)</u></b>
TANF 93.558	<p data-bbox="605 427 732 459"><u>Condition</u></p> <p data-bbox="605 491 1458 566">We audited a sample of 50 TANF payments. During our testing, we noted the following:</p> <ul data-bbox="605 608 1466 1247" style="list-style-type: none"><li data-bbox="605 608 1466 789">• A payment of \$474 in March 2000 made to a recipient after the case was discontinued in February. A monthly income verification form (SAWS-7) was never turned in by the recipient for the March payment and an overpayment was never calculated (Ref. #73654).</li><li data-bbox="605 800 1466 981">• A payment of \$490 in March 2000 in which the entire amount of \$888 earned income reported by the recipient per the monthly income verification form (SAWS-7) was incorrectly input into SAWS as \$248. An overpayment was never calculated for the discrepancy (Ref. #65564).</li><li data-bbox="605 991 1466 1247">• An instance in which the recipient received a payment of \$479 in November 1999 (amount of prior month's benefits due to the 10 day rule in which a recipient's benefits may not be reduced unless given 10 days notice) instead of the authorized amount of \$310 as a result of the SAWS-7 being turned in after the deadline. However, an overpayment was never calculated for the discrepancy (Ref. #32198).</li></ul> <p data-bbox="605 1289 716 1321"><u>Criteria</u></p> <p data-bbox="605 1364 1466 1459">A recipient's monthly income affects the amount of benefits to be paid by the County. The amount of calculated overpayments affect the amount of funding to be received by the State.</p> <p data-bbox="605 1513 862 1544"><u>Effect of Condition</u></p> <p data-bbox="605 1587 1466 1840">As a result of not posting the recipient's monthly income information into SAWS, the County is susceptible to awarding recipients more benefits than they are entitled to receive. And by not calculating overpayments when anticipated, the State is susceptible to awarding the County more funding than it is entitled to receive since the amount of aid recovered from recipients is used to offset the amount of assistance claimed by the County.</p>

# COUNTY OF NAPA

## Schedule of Findings and Questioned Costs For the Fiscal Year Ended June 30, 2000

<u>Program</u>	<u>Findings/Noncompliance</u>
Finding 00-1	<u>Recommendation</u>
TANF 93.558 (continued)	<p>We recommend that the department establish procedures to ensure that all income not timely reported by the recipient be accounted for and that all anticipated overpayments are identified.</p> <p><u>Corrective Action Plan</u></p> <p>The audit reported three findings of the 50 cases reviewed. Staff of the County Health and Human Services Agency, CalWORKS division reviewed these findings.</p> <p>It has been determined through this review, that in two out of the three situations cited by the auditor (ref. #73654 and #65564), the errors were caused by worker oversight. The nature of the errors in these two instances does not warrant a corrective action plan. HHS supervisor and management will continued to reinforce with staff the need to review input to ensure benefits are determined correctly and that corrective calculations, claims, and/or payments are followed up on as appropriate.</p> <p>In one of the three findings (ref. #32198), however, the error was caused by lack of follow up to a known or anticipated overpayment. Correction Action is needed to prevent this type of error in the future. The County has implemented a process that we believe will address this type of error. As of July 1, 2000, the Special Investigation Unit, which has overpayment specialists, has assumed the responsibility of calculating and establishing the claim on overpayments caused by late income reports. SIU staff will review the Authorized vs. Issued report monthly to identify potential overpayments of this type.</p> <p>Name of Contact Person: Teresa Zimny, Eligibility Program Manager</p> <p>Date: October 18, 2000</p>

**COUNTY OF NAPA**

Summary Schedule of Prior Audit Findings  
For the Fiscal Year Ended June 30, 2000

Audit Reference  
Number

Status of Prior Year Audit Findings

99-1

In process of being implemented.