

**COUNTY OF NAPA**

**Annual Financial Report**

**For the Fiscal Year Ended June 30, 1999**

**COUNTY OF NAPA  
ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 1999**

Table of Contents

	<u>Page</u>
Independent Auditor's Report.....	1-2
 <u>General Purpose Financial Statements</u>	
Combined Balance Sheet – Assets and Other Debits – All Fund Types and Account Groups.....	3
Combined Balance Sheet – Liabilities, Equity and Other Credits – All Fund Types and Account Groups.....	4
Combined Statement of Revenues, Expenditures and Changes in Fund Balances – All Governmental Fund Types and Expendable Trust Funds.....	5
Combined Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – All Governmental Fund Types.....	6-7
Combined Statement of Revenues, Expenses and Changes in Retained Earnings – All Proprietary Fund Types.....	8
Combined Statement of Cash Flows – All Proprietary Fund Types.....	9
Notes to General Purpose Financial Statements.....	10-38
 <u>Supplemental Information</u>	
Special Revenue Funds:	
Definition.....	39
Combining Balance Sheet.....	40-42
Combining Statement of Revenues, Expenditures and Changes in Fund Balances.....	43-45
Combining Balance Sheet – Special Districts Under the Board of Supervisors.....	46-48
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Special Districts Under the Board of Supervisors.....	49-51
 Capital Projects Funds:	
Definition.....	52
Combining Balance Sheet.....	53
Statement of Revenues, Expenditures and Changes in Fund Balances.....	54

**COUNTY OF NAPA  
ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 1999**

Table of Contents

	<u>Page</u>
Enterprise Funds:	
Definition.....	55
Combining Balance Sheet .....	56
Combining Statement of Revenues, Expenses and Changes in Retained Earnings .....	57
Combining Statement of Cash Flows.....	58
Internal Service Funds:	
Definition.....	59
Combining Balance Sheet .....	60-61
Combining Statement of Revenues, Expenses and Changes in Retained Earnings .....	62-63
Combining Statement of Cash Flows.....	64-65
Trust and Agency Funds:	
Definition.....	66
Combining Balance Sheet .....	67
Combining Balance Sheet – Expendable Trust Funds .....	68
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Expendable Trust Funds .....	69
 <u>Other Reports</u>	
Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....	70-71
Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133 .....	72-73
Schedule of Expenditures of Federal Awards.....	74-77
Notes to Schedule of Expenditures of Federal Awards .....	78-80
Schedule of Findings and Questioned Costs.....	81-83
Summary Schedule of Prior Audit Findings.....	84

---

# Bartig, Basler & Ray

A Professional Corporation

---

Certified Public Accountants and Management Consultants

---

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

---

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, 1999, 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, 1999, 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, 1999 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 29, 1999 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 29, 1999

Combined Balance Sheet - Assets and Other Debts  
All Fund Types and Account Groups  
June 30, 1999

Assets and Other Debts	Governmental Fund Types					Proprietary Fund Types	Fiduciary Fund Types	Account Groups		Totals	
	General	Special Revenue	Debt Service	Capital Projects	Enterprise			Internal Service	Trust and Agency	General Fixed Assets	General Long-Term Debt
Cash and investments	\$ 12,571,700	\$ 9,731,611	\$ 466	\$ 667,485	\$ 1,529,031	\$ 13,621,626	\$ 144,225,902	\$ --	\$ --	\$ 182,347,821	\$ 149,122,728
Restricted Assets	--	--	--	--	--	--	--	--	--	7,537,568	31,419,727
Cash with fiscal agent	8,500	1,050	4,751,886	2,785,482	25	300	--	--	--	9,875	9,875
Imprest cash	--	473,904	--	--	95,943	4,799	--	--	--	906,060	1,755,073
Accounts receivable	3,080,925	1,356,073	--	331,414	13,438	--	6,823,178	--	--	11,273,614	9,744,648
Taxes receivable	--	65,447	--	--	190,194	--	--	--	--	255,641	276,788
Assessments receivable	4,732,224	168,820	--	--	--	--	--	--	--	4,901,044	4,358,938
Due from other governmental agencies	--	--	--	--	--	--	--	--	--	28,523	37,233
Inventory	4,500	--	--	--	--	28,523	--	--	--	114,500	114,500
Deposits	--	--	--	--	--	110,000	--	--	--	2,948,749	2,948,749
Other receivables - long-term	--	--	--	--	2,948,749	--	--	--	--	6,345,646	8,995,212
Advances receivable	--	--	6,345,646	--	--	--	--	--	--	60,637	16,806
Due from other funds	60,637	--	--	--	--	--	--	--	--	100,946,645	89,846,051
Property, plant and equipment	--	--	--	--	10,498,772	3,973,275	--	86,474,598	--	11,097,998	11,057,872
Amount available for retirement of long-term debt	--	--	--	--	--	--	--	--	11,097,998	27,396,788	32,045,200
Long-term debt	--	--	--	--	--	--	--	--	27,396,788	27,396,788	--
Amount to be provided for retirement of long-term debt	--	--	--	--	--	--	--	--	--	--	--
<b>Total Assets and Other Debts</b>	<b>\$ 20,458,486</b>	<b>\$ 11,796,905</b>	<b>\$ 11,097,998</b>	<b>\$ 3,784,381</b>	<b>\$ 15,276,152</b>	<b>\$ 17,738,523</b>	<b>\$ 151,049,080</b>	<b>\$ 86,474,598</b>	<b>\$ 38,494,786</b>	<b>\$ 356,170,909</b>	<b>\$ 341,749,400</b>

The accompanying notes are an integral part of the general purpose financial statements.

Combined Balance Sheet – Liabilities, Equity and Other Credits  
All Fund Types and Account Groups  
June 30, 1999

	Governmental Fund Types				Enterprise	Proprietary Fund Types	Fiduciary Fund Types	Account Groups		Totals	
	General	Special Revenue	Debt Service	Capital Projects				Internal Service	Trust and Agency	General Fixed Assets	General Long-Term Debt
<b>Liabilities, Fund Equity and Other Credits</b>											
<b>Liabilities:</b>											
Accounts payable	\$ 1,216,882	\$ 227,615	\$ --	\$ 4,909	\$ 8,944	\$ 302,144	\$ --	\$ --	\$ 1,760,494	\$ 5,226,305	
Deposits with others	4,970	--	--	--	50,569	--	--	--	55,539	40,899	
Bonds payable, current portion	--	--	--	--	105,000	--	--	--	105,000	105,000	
Deferred compensation payable	--	--	--	--	--	--	--	--	--	19,065,426	
Due to other funds	--	60,637	--	--	--	--	--	--	--	16,806	
Advances payable	--	--	--	--	6,345,646	--	--	--	6,345,646	8,995,212	
Liability for unpaid claims	--	--	--	--	--	6,490,000	--	--	6,490,000	6,490,000	
Compensated absences	--	--	--	--	14,053	118,881	--	3,374,786	3,507,720	5,521,042	
Deferred revenue	--	--	--	--	2,948,749	--	--	--	2,948,749	2,948,749	
Agency obligations	--	--	--	--	--	148,116,874	--	--	148,116,874	117,279,111	
Bonds and certificates of participation payable, long-term portion	--	--	--	--	170,000	--	--	35,120,000	35,290,000	38,035,000	
<b>Total Liabilities</b>	<b>1,221,852</b>	<b>288,252</b>	<b>--</b>	<b>4,909</b>	<b>9,642,961</b>	<b>6,911,025</b>	<b>148,116,874</b>	<b>38,494,786</b>	<b>204,680,659</b>	<b>203,723,550</b>	
<b>Fund Equity and Other Credits:</b>											
Investment in general fixed assets	--	--	--	--	903,218	4,000	--	86,474,598	86,474,598	76,091,762	
Contributed capital	--	--	--	--	--	--	--	--	907,218	1,036,615	
Retained Earnings:											
Reserved	--	--	--	--	139,412	313,925	--	--	455,337	535,411	
Unreserved	--	--	--	--	4,590,561	10,507,573	--	--	15,098,134	15,235,852	
Fund Balances:											
Reserved:											
Imprest cash	8,500	1,050	--	--	--	--	--	--	9,550	9,550	
Encumbrances	2,028,795	165,289	--	--	--	--	--	--	2,194,084	2,723,334	
General	7,167,411	415,938	--	--	--	--	--	--	7,583,349	3,336,065	
Debt service	--	--	11,097,998	--	--	--	--	--	11,097,998	11,057,872	
Capital projects	--	--	--	3,065,689	--	--	--	--	3,065,689	8,137,364	
Endowment funds	--	--	--	--	--	--	--	--	--	3,546,175	
Unreserved:											
Designated for contingencies	--	--	--	--	--	--	--	--	--	2,236,493	
Designated for subsequent years' expenditures	10,031,928	856,662	--	--	--	--	2,932,206	--	856,662	1,928,605	
Undesignated	--	10,069,714	--	--	--	--	--	--	23,747,631	12,150,752	
<b>Total Fund Equity and Other Credits</b>	<b>19,236,634</b>	<b>11,508,653</b>	<b>11,097,998</b>	<b>3,779,472</b>	<b>5,633,191</b>	<b>10,827,498</b>	<b>2,932,206</b>	<b>86,474,598</b>	<b>151,490,250</b>	<b>138,025,850</b>	
<b>Total Liabilities, Fund Equity and Other Credits</b>	<b>\$ 20,458,486</b>	<b>\$ 11,796,905</b>	<b>\$ 11,097,998</b>	<b>\$ 3,784,381</b>	<b>\$ 15,276,152</b>	<b>\$ 17,738,523</b>	<b>\$ 151,049,080</b>	<b>\$ 86,474,598</b>	<b>\$ 38,494,786</b>	<b>\$ 356,170,909</b>	
										<b>\$ 341,749,400</b>	

The accompanying notes are an integral part of the general purpose financial statements.

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, 1999

	Governmental Fund Types				Fiduciary Fund Types		Totals (Memorandum Only)	
	General	Special Revenue	Debt Service	Capital Projects	Expendable Trust Funds	1999		1998
						1999	1998	
<b>Revenues:</b>								
Taxes	\$ 36,542,488	\$ 13,248,215	\$ --	\$ --	\$ --	\$ 49,790,703	\$ 38,696,039	
Licenses and permits	2,392,611	125,918	--	--	--	2,518,529	5,636,717	
Intergovernmental revenues	50,721,940	7,275,157	--	--	--	57,997,097	57,136,679	
Fines and forfeitures	1,704,895	697,368	--	391,530	--	2,793,793	1,380,361	
Use of money and property	1,006,484	401,711	264,831	333,614	--	2,203,121	2,655,383	
Changes for current services	11,985,374	1,213,349	--	--	196,481	13,198,723	11,871,272	
Other revenues	1,339,485	114,384	--	--	2,675,158	4,129,027	6,779,777	
Total Revenues	105,693,277	23,076,102	264,831	725,144	2,871,659	132,630,993	124,156,228	
<b>Expenditures:</b>								
General government	25,108,880	333,749	--	--	--	25,442,629	19,266,098	
Public protection	31,927,961	3,788,767	--	--	3,485,608	39,202,336	48,776,700	
Public ways and facilities	28,742	10,119,174	--	--	--	10,147,916	5,234,622	
Health and sanitation	19,387,116	71,087	--	--	--	19,458,203	18,399,824	
Public assistance	23,513,533	--	--	--	--	23,513,533	25,237,043	
Education	240,088	2,701,266	--	--	--	2,941,354	2,780,478	
Capital outlay	--	--	--	5,614,795	--	5,614,795	10,098,681	
Debt Service	--	--	2,640,000	--	--	2,640,000	2,050,000	
Principal	--	--	2,044,368	--	--	2,044,368	2,159,632	
Interest	100,206,320	17,014,043	4,684,368	5,614,795	3,485,608	131,005,134	132,003,078	
Total Expenditures	100,206,320	17,014,043	4,684,368	5,614,795	3,485,608	131,005,134	132,003,078	
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>5,486,957</b>	<b>6,062,059</b>	<b>(4,419,537)</b>	<b>(4,889,651)</b>	<b>(613,969)</b>	<b>1,625,859</b>	<b>(7,846,850)</b>	
<b>Other Financing Sources (Uses):</b>								
Bond proceeds	--	30,000	--	--	--	30,000	--	
Loan proceeds	--	580,776	--	--	--	580,776	--	
Operating transfers in	3,446,857	--	4,645,908	186,245	--	8,279,010	8,121,536	
Operating transfers out	(4,639,046)	(681,050)	(186,245)	(222,055)	--	(5,728,396)	(7,532,493)	
Total Other Financing Sources (Uses)	(1,192,189)	(70,274)	4,459,663	(35,810)	--	3,161,390	589,043	
<b>Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses</b>	<b>4,294,768</b>	<b>5,991,785</b>	<b>40,126</b>	<b>(4,925,461)</b>	<b>(613,969)</b>	<b>4,787,249</b>	<b>(7,257,807)</b>	
<b>Fund Balances, Beginning of Fiscal Year</b>	<b>14,941,866</b>	<b>6,875,364</b>	<b>11,057,872</b>	<b>8,704,933</b>	<b>3,546,175</b>	<b>45,126,210</b>	<b>52,362,457</b>	
Residual Equity Transfers In (Out)	--	(1,341,151)	--	--	--	(1,341,151)	--	
Prior Period Adjustments	--	(17,345)	--	--	--	(17,345)	21,560	
Fund Balances, End of Fiscal Year	\$ 19,236,634	\$ 11,508,653	\$ 11,097,998	\$ 3,779,472	\$ 2,932,206	\$ 48,554,963	\$ 45,126,210	

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

Combined Statement of Revenues, Expenditures and Changes  
in Fund Balances - Budget and Actual - All Governmental Fund Types  
For the Fiscal Year Ended June 30, 1999

	General			Special Revenue Funds			Debt Service		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues:</b>									
Taxes	\$ 33,089,531	\$ 36,542,488	\$ 3,452,957	\$ 6,235,348	\$ 13,248,215	\$ 7,012,867	\$ --	\$ --	\$ --
Licenses and permits	1,852,717	2,392,611	539,894	110,000	125,918	15,918	--	--	--
Intergovernmental revenues	53,927,979	50,721,940	(3,206,039)	9,892,765	7,275,157	(2,617,608)	--	--	--
Fines and forfeitures	1,796,797	1,704,895	(91,902)	87,400	697,368	609,968	--	--	--
Use of money and property	964,572	1,006,484	41,912	261,188	401,711	140,523	--	264,831	264,831
Charges for current services	12,670,399	11,985,374	(685,025)	1,203,596	1,213,349	9,753	--	--	--
Other revenues	4,805,322	1,339,485	(3,465,842)	104,613	114,384	9,771	--	--	--
Total Revenues	109,107,322	105,693,277	(3,414,045)	17,894,910	23,076,102	5,181,192	--	264,831	264,831
<b>Expenditures:</b>									
General government	\$ 32,826,544	\$ 25,108,880	\$ 7,717,664	--	\$ 333,749	\$ (333,749)	--	--	--
Public protection	34,901,284	31,927,961	2,973,323	6,319,962	3,788,767	2,531,195	--	--	--
Health and sanitation	21,537,690	28,742	1,238	10,909,607	10,119,174	790,433	--	--	--
Public assistance	29,005,337	19,387,116	2,150,574	--	71,087	(71,087)	--	--	--
Education	247,237	23,513,533	5,491,804	--	--	--	--	--	--
Capital outlay	--	240,088	7,149	3,045,615	2,701,266	344,349	--	--	--
Debt Service:									
Principal retirement	--	--	--	--	--	--	2,640,000	2,640,000	--
Interest	--	--	--	--	--	--	2,076,343	2,044,368	31,975
Contingencies	733,801	--	733,801	--	--	--	--	--	--
Total Expenditures	119,281,893	100,206,320	19,075,573	20,275,184	17,014,043	3,261,141	4,716,343	4,684,368	31,975
Excess (Deficiency) of Revenues Over (Under) Expenditures	(10,174,571)	5,486,957	15,661,528	(2,380,274)	6,062,059	8,442,333	(4,716,343)	(4,419,537)	296,806
<b>Other Financing Sources (Uses):</b>									
Proceeds from debt	--	--	--	--	--	--	--	--	--
Bond proceeds	--	--	--	--	30,000	30,000	--	--	--
Loan proceeds	--	--	--	--	580,776	580,776	--	--	--
Operating transfers in	--	3,446,857	3,446,857	--	--	--	4,716,343	4,645,908	(70,435)
Operating transfers out	--	(4,639,046)	(4,639,046)	--	(681,050)	(681,050)	--	(186,245)	(186,245)
Total Other Financing Sources (Uses)	--	(1,192,189)	(1,192,189)	--	(70,274)	(70,274)	4,716,343	4,459,663	(256,680)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(10,174,571)	4,294,768	14,469,339	(2,380,274)	5,991,785	8,372,059	--	40,126	40,126
<b>Fund Balances, Beginning of Fiscal Year</b>									
Residual equity transfers in (out)	14,941,866	14,941,866	--	6,875,364	6,875,364	(1,341,151)	11,057,872	11,057,872	--
Prior Period Adjustments	--	--	--	--	(1,341,151)	(1,341,151)	--	--	--
Fund Balances, June 30, 1999	\$ 4,767,295	\$ 19,236,634	\$ 14,469,339	\$ 4,495,090	\$ 11,508,653	\$ 7,013,563	\$ 11,057,872	\$ 11,097,998	\$ 40,126

The accompanying notes are an integral part of the general purpose financial statements.

**COUNTY OF NAPA**

Combined Statement of Revenues, Expenditures and Changes  
in Fund Balances – Budget and Actual – All Government Fund Types (continued)  
For the Fiscal Year Ended June 30, 1999

	Capital Projects		Variance Favorable (Unfavorable)
	Budget	Actual	
Revenues:			
Taxes	\$ --	\$ --	\$ --
Licenses and permits	--	--	--
Intergovernmental revenues	--	--	--
Fines and forfeitures	415,000	391,530	(23,470)
Use of money and property	80,000	333,614	253,614
Charges for current services	--	--	--
Other revenues	--	--	--
Total Revenues	495,000	725,144	230,144
Expenditures:			
General government	--	--	--
Public protection	--	--	--
Public ways and facilities	--	--	--
Health and sanitation	--	--	--
Public assistance	--	--	--
Education	--	--	--
Capital outlay	6,463,473	5,614,795	848,678
Debt Service:			
Principal	--	--	--
Interest	--	--	--
Contingencies	--	--	--
Total Expenditures	6,463,473	5,614,795	848,678
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,968,473)	(4,889,651)	1,078,822
Other Financing Sources (Uses):			
Proceeds from debt	5,821,067	--	(5,821,067)
Bond proceeds	--	--	--
Loan proceeds	--	--	--
Operating transfers in	--	186,245	186,245
Operating transfers out	--	(222,055)	(222,055)
Total Other Financing Sources (Uses)	5,821,067	(35,810)	(5,856,877)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(147,406)	(4,925,461)	(4,778,055)
Fund Balances, Beginning of Fiscal Year	8,704,933	8,704,933	--
Residual Equity Transfers In (Out)	--	--	--
Prior Period Adjustments	--	--	--
Fund Balances, June 30, 1999	\$ 8,557,527	\$ 3,779,472	\$ (4,778,055)

The accompanying notes are an integral part of the general purpose 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, 1999

	Enterprise	Internal Service	Total (Memorandum Only)
Operating Revenues:			
Charges for services	\$ 992,381	\$ 6,602,978	\$ 7,595,359
Maintenance Charges:			
Equipment	--	442,408	442,408
Vehicle	--	433,731	433,731
Replacement charges	--	526,557	526,557
Sewer charges	242,248	--	242,248
Water use	245,251	--	245,251
Hookups	4,600	--	4,600
Other revenue	--	58,330	58,330
Total Operating Revenues	<u>1,484,480</u>	<u>8,064,004</u>	<u>9,548,484</u>
Operating Expenses:			
Salaries and benefits	272,863	2,899,636	3,172,499
Services and supplies	238,004	3,025,739	3,263,743
Depreciation	579,481	673,521	1,253,002
Maintenance	294,127	--	294,127
Utilities	--	46,276	46,276
Insurance	21,618	--	21,618
Claims expense	--	851,977	851,977
Other	154,148	--	154,148
Total Operating Expenses	<u>1,560,241</u>	<u>7,497,149</u>	<u>9,057,390</u>
Operating Income (Loss)	<u>(75,761)</u>	<u>566,855</u>	<u>491,094</u>
Non-Operating Revenues (Expenses):			
Intergovernmental revenue	541,860	69,618	611,478
Tax revenue	149,829	--	149,829
Other revenue	310,743	--	310,743
Gain (loss) on disposition of fixed assets	(89,956)	(95,473)	(185,429)
Interest revenue	90,398	757,868	848,266
Interest expense	(22,557)	--	(22,557)
Total Non-Operating Revenues (Expenses)	<u>980,317</u>	<u>732,013</u>	<u>1,712,330</u>
Income (Loss) Before Operating Transfers	<u>904,556</u>	<u>1,298,868</u>	<u>2,203,424</u>
Other Financing Sources (Uses):			
Operating transfers in	--	2,535,175	2,535,175
Operating transfers out	(639,081)	(4,446,707)	(5,085,788)
Net Income (Loss)	<u>265,475</u>	<u>(612,664)</u>	<u>(347,189)</u>
Add back depreciation expense applied as a reduction to contributed capital	129,397	--	129,397
Retained Earnings, Beginning of Fiscal Year	<u>4,335,101</u>	<u>11,436,162</u>	<u>15,771,263</u>
Retained Earnings, End of Fiscal Year	<u>\$ 4,729,973</u>	<u>\$ 10,823,498</u>	<u>\$ 15,553,471</u>

The accompanying notes are an integral part of the general purpose financial statements.

**COUNTY OF NAPA**

Combined Statement of Cash Flows  
All Proprietary Fund Types  
For the Fiscal Year Ended June 30, 1999

	Enterprise	Internal Service	Totals (Memorandum Only)
Cash Flows from Operating Activities:			
Operating income (loss)	\$ (75,761)	\$ 566,855	\$ 491,094
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation	579,481	673,521	1,253,002
Changes in operating assets and liabilities:			
Accounts receivable	(58,292)	84,517	26,225
Inventory	--	8,710	8,710
Taxes receivable	2,896	--	2,896
Assessments receivable	12,419	--	12,419
Due from other governments	15,000	--	15,000
Deposits with others	14,640	--	14,640
Accounts payable	(399,260)	(65,450)	(464,710)
Liability for compensated absences	7,282	(52,318)	(45,036)
Total Adjustments to Net Income	174,166	648,980	823,146
Net Cash Provided by Operating Activities	98,405	1,215,835	1,314,240
Cash Flows from Capital and Related Financing Activities:			
Purchase of property, plant and equipment	(1,053,980)	(1,104,798)	(2,158,778)
Principal payment on long-term debt	(55,000)	--	(55,000)
Proceeds from the sale of fixed assets	--	28,420	28,420
Interest paid	(72,557)	--	(72,557)
Net Cash Flows (Used for) Capital and Related Financing Activities	(1,181,537)	(1,076,378)	(2,257,915)
Cash Flows from Noncapital Financing Activities:			
Operating transfers	(639,081)	(1,937,363)	(2,576,444)
Advances to other funds	--	219,799	219,799
Advances from other funds	(19,500)	--	(19,500)
Intergovernmental revenue	541,860	69,618	611,478
Other revenue	460,572	--	460,572
Net Cash Used by Noncapital Financing Activities	343,851	(1,647,946)	(1,304,095)
Cash Flows from Investing Activities:			
Interest income	90,398	757,868	848,266
Net Increase (Decrease) in Cash and Cash Equivalents	(648,883)	(750,621)	(1,399,504)
Cash and Cash Equivalents, Beginning of Fiscal Year	2,177,914	14,372,247	16,550,161
Cash and Cash Equivalents, End of Fiscal Year	\$ 1,529,031	\$ 13,621,626	\$ 15,150,657

The accompanying notes are an integral part of the general purpose 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, 1999

### 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, 1999 year end.

The reporting entity includes the following blended component units: Napa Flood and Water, Water Supply Contract, Flood Control Authority, Napa Valley Business Park Unit No. 1, 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 Flood and Water, Water Supply Contract and Flood Control Authority audited information for this fiscal year is found in separate "Napa County Flood Control and Water Conservation District" and "Napa County Flood Protection and Watershed Improvement Authority" Audit Reports for fiscal year ending June 30, 1999 and 1998.

As per Resolutions #99-63 and #99-64 by the Board of Supervisors of the County of Napa, NVBP Unit #1 Maintenance was dissolved and its assets and property are consolidated in County Service Area #3.

#### 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, 1999

### 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 County Flood Protection and Watershed Improvement Authority: The Authority is responsible for contracting with the Board of Equalization for collection of sales tax and establishing individual amounts for each member in its jurisdiction. The Authority is responsible for the disbursement of revenues through project contracts which meet Measure A compliance and the acquisition of debt financing for the Napa Project. 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, 1999

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

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

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

- c) South Napa 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.
- d) 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.
- e) 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.
- f) 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.

#### 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

Notes to General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 1999

Note 1: Summary of Significant Accounting Policies (continued)

B. **Fund Accounting** (continued)

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.

**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 provided

# COUNTY OF NAPA

## Notes to General Purpose Financial Statements For the Fiscal Year Ended June 30, 1999

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

#### B. **Fund Accounting** (continued)

##### **Fiduciary Fund Types** (continued)

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, 1999

### 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 resolution 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, 1999

### 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, 1999

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 or capital lease agreements. For governmental fund types, assets under capital leases and the related lease obligations are reported in the General Fixed Assets and General Long-Term Debt Account Group, respectively. For proprietary fund types, the assets and related lease obligations are recorded in the appropriate Enterprise or Internal Service Funds. Both capital and operating lease payments made from governmental fund types are charged to expenditures when payable. Capital lease payments made from proprietary fund types are recorded as a reduction of the liability, and operating lease payments 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, 1999

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 \$6,823,178 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, 1999

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	\$ 182,347,821
Outstanding warrants	11,143,201
Adjustments	<u>5,439,471</u>
Total Cash and Investments in Treasury	<u>\$ 198,930,493</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, 1999

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

Cash with fiscal agent of \$4,751,886 in the Debt Service Fund consists of debt service reserves. Cash with fiscal agent of \$2,785,482 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 \$30,000,000.

The County's investments are categorized below to give an indication of the custodial credit risk assumed by the County at June 30, 1999. 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, 1999, 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, 1999

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

	<u>Category</u> <u>1</u>	<u>Carrying</u> <u>Amount</u>	<u>Fair</u> <u>Value</u>
Federal agency obligations	\$ 147,591,845	\$ 147,591,845	\$ 146,840,877
Bankers' acceptances	--	--	--
Commercial paper	8,308,647	8,308,647	8,306,913
Repurchase agreements (sweep)	<u>5,022,082</u>	<u>5,022,082</u>	<u>5,022,082</u>
Totals	<u>\$ 160,922,574</u>	160,922,574	160,169,872
Local Agency Investment (Teeter Note)		2,844,138	2,844,138
Local Certificates of Deposit		300,000	300,000
Investment in State Treasurer's investment pool (LAIF)		30,000,000	29,960,930
Cash in bank		4,815,874	4,815,874
Cash on hand		<u>47,907</u>	<u>47,907</u>
Total Cash and Investments		<u>\$ 198,930,493</u>	<u>\$ 198,138,721</u>

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

Activity in the general fixed assets account group for the fiscal year ended June 30, 1999 was as follows:

	<u>Balance</u> <u>July 1, 1998</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 1999</u>
Land	\$ 2,390,865	\$ --	\$ --	\$ 2,390,865
Buildings and improvements	46,496,172	5,121,822	--	51,617,994
Machinery and equipment	13,769,544	493,704	(798,937)	13,464,311
Construction in progress	<u>13,435,181</u>	<u>5,566,247</u>	--	<u>19,001,428</u>
Totals	<u>\$ 76,091,762</u>	<u>\$ 11,181,773</u>	<u>\$ (798,937)</u>	<u>\$ 86,474,598</u>

**COUNTY OF NAPA**

Notes to General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 1999

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

The following is a summary of proprietary fund type fixed assets at June 30, 1999:

	<u>Enterprise Funds</u>	<u>Internal Service Funds</u>
Land	\$ 747,154	\$ --
Construction in progress	535,991	--
Buildings and improvements	19,610,215	--
Machinery and equipment	<u>139,867</u>	<u>10,950,075</u>
Subtotal	21,033,227	10,950,075
Less: Accumulated depreciation	<u>(10,534,455)</u>	<u>(6,976,800)</u>
Total Fixed Assets	<u>\$ 10,498,772</u>	<u>\$ 3,973,275</u>

Note 4: **Advance to Other Fund/Advance from Other Fund**

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, 1999 was \$6,345,646.

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>
2000	\$ 1,702,137	\$ 879,537	\$ 2,581,674
2001	403,861	251,604	655,465
2002	425,086	227,757	652,843
2003	451,241	202,039	653,280
2004	477,809	174,757	652,566
Thereafter	<u>2,885,512</u>	<u>738,468</u>	<u>3,623,980</u>
Total	<u>\$ 6,345,646</u>	<u>\$ 2,474,162</u>	<u>\$ 8,819,808</u>

**COUNTY OF NAPA**

Notes to General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 1999

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:

	Balance July 1, 1998	Additions	Deletions	Balance June 30, 1999
Certificates of participation	\$ 37,760,000	\$ --	\$ 2,640,000	\$ 35,120,000
Compensated absences	5,343,072	--	1,968,286	3,374,786
Totals	<u>\$ 43,103,072</u>	<u>\$ --</u>	<u>\$ 4,608,286</u>	<u>\$ 38,494,786</u>

**B. Certificates of Participation**

**Summary of Certificates of Participation**

Aggregate maturities of all Certificates of Participation as of June 30, 1999, are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2000	\$ 2,790,000	\$ 1,876,649	\$ 4,666,649
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
Thereafter	<u>21,635,000</u>	<u>7,239,560</u>	<u>28,874,560</u>
Totals	<u>\$ 35,120,000</u>	<u>\$ 14,934,955</u>	<u>\$ 50,054,955</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 and 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.

**COUNTY OF NAPA**

Notes to General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 1999

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

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

1996 Certificates of Participation (continued)

The principal balance outstanding at June 30, 1999, was \$17,375,000.

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.

Future maturities of the 1996 Certificates of Participation as of June 30, 1999, are as follows:

<u>Year Ending</u> <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2000	\$ 635,000	\$ 860,304	\$ 1,495,304
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
Thereafter	<u>13,920,000</u>	<u>5,307,573</u>	<u>19,227,573</u>
Totals	<u>\$ 17,375,000</u>	<u>\$ 9,317,096</u>	<u>\$ 26,692,096</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 and 5.25 percent on August 1, 1993. The principal balance outstanding at June 30, 1999, was \$10,980,000. 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

**COUNTY OF NAPA**

Notes to General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 1999

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

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

1993 Certificates of Participation (continued)

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.

Future maturities of the 1993 Certificate of Participation as of June 30, 1999 are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2000	\$ 830,000	\$ 549,869	\$ 1,379,869
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
Thereafter	<u>6,820,000</u>	<u>1,900,662</u>	<u>8,720,662</u>
Totals	<u>\$ 10,980,000</u>	<u>\$ 4,247,388</u>	<u>\$ 15,227,388</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, 1999 was \$4,570,000. 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.

**COUNTY OF NAPA**

Notes to General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 1999

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

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

1990 Certificates of Participation (continued)

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.

Future maturities of the 1990 Certificates of Participation as of June 30, 1999 are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2000	\$ 640,000	\$ 295,170	\$ 935,170
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
Thereafter	<u>895,000</u>	<u>31,325</u>	<u>926,325</u>
Totals	<u>\$ 4,570,000</u>	<u>\$ 1,018,985</u>	<u>\$ 5,588,985</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, 1999 was \$2,195,000. 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.

**COUNTY OF NAPA**

Notes to General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 1999

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

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

1987 Certificates of Participation (continued)

Future maturities of the 1987 Certificates of Participation as of June 30, 1999 are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2000	\$ 685,000	\$ 171,305	\$ 856,305
2001	730,000	118,560	848,560
2002	<u>780,000</u>	<u>61,620</u>	<u>841,620</u>
Totals	<u>\$ 2,195,000</u>	<u>\$ 351,485</u>	<u>\$ 2,546,485</u>

**C. 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, 1999 was \$3,374,786. 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, 1999.

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, 1999, was \$100,000.

**COUNTY OF NAPA**

Notes to General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 1999

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

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

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2000	\$ 50,000	\$ 4,125	\$ 54,125
2001	<u>50,000</u>	<u>1,375</u>	<u>51,375</u>
Totals	100,000	<u>\$ 5,500</u>	<u>\$ 105,500</u>
Less Current Portion	<u>50,000</u>		
Total Long-Term Portion	<u>\$ 50,000</u>		

**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, 1999 was \$175,000.

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2000	\$ 55,000	\$ 10,325	\$ 65,325
2001	60,000	6,300	66,300
2002	<u>60,000</u>	<u>2,100</u>	<u>62,100</u>
Totals	175,000	<u>\$ 18,725</u>	<u>\$ 193,725</u>
Less Current Portion	<u>55,000</u>		
Total Long-Term Portion	<u>\$ 120,000</u>		

**COUNTY OF NAPA**

Notes to General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 1999

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

**C. Summary of Improvement District Bonds**

Future debt service requirements for all enterprise fund debt, as of June 30, 1999, are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2000	\$ 105,000	\$ 14,450	\$ 119,450
2001	110,000	7,675	117,675
2002	<u>60,000</u>	<u>2,100</u>	<u>62,100</u>
Totals	<u>275,000</u>	<u>\$ 24,225</u>	<u>\$ 299,225</u>
Less Current Portion	<u>105,000</u>		
Total Long-Term Portion	<u>\$ 170,000</u>		

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	\$ 1,032,615
Less: Depreciation of fixed assets purchased with contributed capital	<u>(129,397)</u>
Ending balance, contributed capital	<u>\$ 903,218</u>

During fiscal year ending June 30, 1999, there were no changes in contributed capital accounts of the internal service funds.

# COUNTY OF NAPA

## Notes to General Purpose Financial Statements For the Fiscal Year Ended June 30, 1999

### 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.

As part of its fiduciary role, the County has an obligation of due care in selecting the third party administrator. In the opinion of the County's legal counsel, the County has acted in a prudent manner and is not liable for losses that may arise from the administration of the plan.

The deferred compensation plan is administered by an unrelated financial institution. Under the terms of an IRC Section 457 deferred compensation plan, all deferred compensation and income attributable to the investment of the deferred compensation amounts held by the financial institution, until paid or made available to the employees or other beneficiaries, are the property of the County, subject only to the claims of the County's general creditors. In addition, the participants in the plan have rights equal to those of the general creditors of the County, and each participant's rights are equal to his or her share of the fair market value of the plan assets. The County believes that it is unlikely that plan assets will be needed to satisfy claims of general creditors that might arise.

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, 1999

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, 1999 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:				
1996 – 1997	\$ 1,962,104	\$ 545,686	\$ 545,686	\$ 1,962,104
1997 – 1998	\$ 1,962,104	\$ 2,279,573	\$ 831,677	\$ 3,410,000
1998 – 1999	\$ 3,410,000	\$ 509,934	\$ 509,934	\$ 3,410,000
Workers' Compensation:				
1996 – 1997	\$ 2,335,610	\$ 46,325	\$ 46,325	\$ 2,335,610
1997 – 1998	\$ 2,335,610	\$ 911,651	\$ 167,261	\$ 3,080,000
1998 – 1999	\$ 3,080,000	\$ 342,043	\$ 342,043	\$ 3,080,000

**COUNTY OF NAPA**

Notes to General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 1999

Note 10: **Interfund Transactions**

**Operating Transfers**

Operating transfers in and operating transfers out for the fiscal year ended June 30, 1999, were as follows:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General	\$ 3,446,857	\$ 4,639,047
Debt Service	4,645,908	186,245
Capital Projects	186,245	222,055
Special Revenue	--	681,050
Internal Service	2,535,175	4,446,707
Enterprise	--	639,081
Totals	<u>\$ 10,814,185</u>	<u>\$ 10,814,185</u>

The operating transfers out from the General Fund to the Special Revenue Funds represent a construction subsidy and an operating subsidy. The operating transfers out from the General Fund, Special Revenue Funds, Capital Projects Funds, Enterprise Fund, and Internal Service Fund to the Debt Service Fund represent transfers for debt servicing requirements.

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, 1999

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, 1999:

	<u>Lake Berryessa Resort Improvement</u>	<u>Napa Berryessa Resort Improvement</u>	<u>Airport</u>	<u>Total</u>
Operating revenues	\$ 163,183	\$ 328,916	\$ 992,381	\$ 1,484,480
Depreciation	41,344	34,831	503,306	579,481
Operating grants, entitlements and shared revenues	16,450	1,513	523,897	541,860
Operating transfers out	--	--	(639,081)	(639,081)
Operating income (loss)	(39,902)	(20,855)	(15,004)	(75,761)
Tax revenues	70,476	79,353	--	149,829
Fixed asset additions	26,385	37,784	989,809	1,053,978
Net working capital	243,693	1,453,309	2,007,197	3,704,199
Total assets	626,402	14,021,742	15,276,152	29,924,296
Long-term liabilities	120,000	9,294,395	9,464,395	18,878,790
Total equity	515,414	423,220	4,694,557	5,633,191

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, 1999

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 1998/99, the County of Napa's annual pension cost was \$4,033,629 and the County actually contributed \$4,033,629. The required contribution for fiscal year 1998/99 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>
6/30/97	\$ 3,986	100%	\$ --
6/30/98	4,139	100	--
6/30/99	4,034	100	--

**COUNTY OF NAPA**

Notes to General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 1999

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

B. **Funding Policy** (continued)

Annual Pension Cost (continued)

Valuation Date	Entry Age Normal Accrual Liability	Actuarial Value of Assets	Required Supplementary Information Funded Status of Plan (in thousands)			
			Unfunded/ (Overfunded) Liability	Funded Ratio	Annual Covered Payroll	UAAL as a % of Payroll
6/30/96	\$ 162,130	\$ 162,034	\$ 96	99.94%	\$ 36,429	.26%
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)

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 1998, 1997, and 1996, the County contributions to the system, all made in accordance with actuarially determined requirements, were 9.67 percent, 10.29 percent, and 11.36 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, 125 employees were in the plan at a cost of \$463,727.

# COUNTY OF NAPA

## Notes to General Purpose Financial Statements For the Fiscal Year Ended June 30, 1999

### 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, 1999, 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.

#### C. **Status of County Year 2000 Compliance**

The year 2000 issue is the result of shortcomings in many electronic data processing systems and other electronic equipment that may adversely affect the County's operations as early as fiscal year 1999.

The County has implemented a plan to resolve the potential impact of the year 2000 on the ability of the County's computerized information systems to accurately process information that may be date sensitive. The County believes that the cost of addressing this issue has been adequately budgeted and will not have a material impact on the County's financial position. Each date sensitive program is currently in an assessment, remediation, validation or implementation stage.

Because of the unprecedented nature of the year 2000 issue, its effects and the success of related remediation efforts will not be fully determinable until the year 2000 and thereafter. Management cannot assure that the County of Napa is or will be year 2000 ready, that the County's remediation efforts will be successful in whole or in part, or that parties with whom the County does business with will be year 2000 ready.

**COUNTY OF NAPA**

Notes to General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 1999

Note 15: **Reserved Retained Earnings**

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

<u>Enterprise Funds</u>	
Lake Berryessa Resort Improvement, reserved for debt service	\$ 47,294
Napa Berryessa Public Improvement, reserved for debt service	92,093
Airport, reserved for imprest cash	25
Total	\$ 139,412
 <u>Internal Service Funds</u>	
General Liability	\$ 189,059
Vehicle Replacement	11,688
Management Information Services	115,178
Total	\$ 315,925

Note 16: **Prior Period Adjustments**

The prior period adjustment to the Special Transportation Fund of (\$17,345) is to correct for an overstatement of revenue in the prior year.

Note 17: **Special District Reporting**

The following additions and deletions to the Special Districts reported under the County of Napa's financial statements were made during the fiscal year ended June 30, 1999. Please refer to Note 1A for a complete listing of the blended component units included in the County of Napa financial statements.

	Beginning Fund Balance	Residual Equity Transfer In (Out)
Napa Flood and Water	\$ 10,515	\$ (10,515)
Water Supply Contract	684,555	(684,555)
Napa Valley Business Park Unit #1	564,451	(564,451)
Napa Flood Control Authority	--	(219,484)
Monticello Endowment	--	32,994
Monticello Public Cemetery	--	94,345

Balance sheet totals and revenue and expenditure totals for 1998 include amounts for Napa Flood and Water, Water Supply Contract and Napa Valley Business Park Unit #1, but do not contain any information regarding the Napa Flood Control Authority, the Monticello Endowment, nor the Monticello Public Cemetery.

**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, 1999

	Fire Protection	Fire Protection Assessment	Road	Special Transportation	Fish & Game
<u>Assets</u>					
Cash and investments	\$ 1,347,144	\$ 114,344	\$ 1,935,369	\$ --	\$ 30,929
Imprest cash	250	--	300	--	--
Accounts receivable	--	--	414,134	29,770	--
Taxes receivable	53,472	--	--	--	--
Assessments receivable	36,250	4,734	--	--	--
Due from other governments	66,001	--	--	102,819	--
Total Assets	<u>\$ 1,503,117</u>	<u>\$ 119,078</u>	<u>\$ 2,349,803</u>	<u>\$ 132,589</u>	<u>\$ 30,929</u>
 <u>Liabilities and Fund Equity</u>					
Liabilities:					
Accounts payable	\$ 35,802	\$ --	\$ 90,035	\$ 71,952	\$ --
Due to other funds	--	--	--	60,637	--
Total Liabilities	35,802	--	90,035	132,589	--
Fund Equity:					
Reserved for:					
Imprest cash	250	--	300	--	--
Encumbrances	31,299	--	8,875	5,602	--
General	--	--	--	--	11,392
Unreserved					
Designated for subsequent years' expenditures	--	--	--	--	--
Undesignated	1,435,766	119,078	2,250,593	(5,602)	19,537
Total Fund Equity	1,467,315	119,078	2,259,768	--	30,929
Total Liabilities and Fund Equity	<u>\$ 1,503,117</u>	<u>\$ 119,078</u>	<u>\$ 2,349,803</u>	<u>\$ 132,589</u>	<u>\$ 30,929</u>

**COUNTY OF NAPA**

Combining Balance Sheet (continued)  
Special Revenue Funds  
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	\$ 31,357	\$ 1,827,334	\$ 119,325	\$ 58,709
Imprest cash	--	500	--	--
Accounts receivable	--	--	--	--
Taxes receivable	--	40,210	--	--
Assessments receivable	--	--	--	--
Due from other governments	--	--	--	--
	<hr/>	<hr/>	<hr/>	<hr/>
Total Assets	<u>\$ 31,357</u>	<u>\$ 1,868,044</u>	<u>\$ 119,325</u>	<u>\$ 58,709</u>
 <u>Liabilities and Fund Equity</u>				
Liabilities:				
Accounts payable	\$ --	\$ 14,451	\$ --	\$ --
Due to other funds	--	--	--	--
	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities	--	14,451	--	--
 Fund Equity:				
Reserved for:				
Imprest cash	--	500	--	--
Encumbrances	--	61,028	2,414	5,472
General	--	350,579	18,740	29,275
Unreserved				
Designated for subsequent years' expenditures	--	788,413	--	--
Undesignated	31,357	653,073	98,171	23,962
	<hr/>	<hr/>	<hr/>	<hr/>
Total Fund Equity	31,357	1,853,593	119,325	58,709
	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities and Fund Equity	<u>\$ 31,357</u>	<u>\$ 1,868,044</u>	<u>\$ 119,325</u>	<u>\$ 58,709</u>

**COUNTY OF NAPA**

Combining Balance Sheet (continued)  
Special Revenue Funds  
June 30, 1999

	Children and Family First	Various Special Districts Under Board	Totals	
			1999	1998
<u>Assets</u>				
Cash and investments	\$ 50,442	\$ 4,216,658	\$ 9,731,611	\$ 5,768,499
Imprest cash	--	--	1,050	1,050
Accounts receivable	--	30,000	473,904	2,800
Taxes receivable	--	1,262,391	1,356,073	273,657
Assessments receivable	--	24,463	65,447	74,175
Due from other governments	--	--	168,820	1,720,374
Total Assets	\$ 50,442	\$ 5,533,512	\$ 11,796,905	\$ 7,840,555
 <u>Liabilities and Fund Equity</u>				
Liabilities:				
Accounts payable	\$ --	\$ 15,375	\$ 227,615	\$ 965,191
Due to other funds	--	--	60,637	--
Total Liabilities	--	15,375	288,252	965,191
Fund Equity:				
Reserved for:				
Imprest cash	--	--	1,050	1,050
Encumbrances	--	50,599	165,289	1,208,410
General	--	5,952	415,938	806,997
Unreserved				
Designated for subsequent years' expenditures	--	68,249	856,662	1,928,605
Undesignated	50,442	5,393,337	10,069,714	2,930,302
Total Fund Equity	50,442	5,518,137	11,508,653	6,875,364
Total Liabilities and Fund Equity	\$ 50,442	\$ 5,533,512	\$ 11,796,905	\$ 7,840,555

**COUNTY OF NAPA**

Combining Statement of Revenues, Expenditures and  
Changes in Fund Balance  
Special Revenue Funds  
For the Fiscal Year Ended June 30, 1999

	<u>Fire Protection</u>	<u>Fire Protection Assessment</u>	<u>Road</u>	<u>Special Transportation</u>	<u>Fish &amp; Game</u>
Revenues:					
Taxes	\$ 3,193,823	\$ 4,232	\$ --	\$ 522,075	\$ --
Licenses and permits	102,132	--	23,786	--	--
Intergovernmental revenues	314,747	--	5,895,834	456,853	--
Fines and forfeitures	--	--	572,608	--	2,448
Use of money and property	112,396	--	59,895	9,892	1,781
Charges for services	150,686	--	538,985	76,693	--
Other revenues	<u>3,926</u>	<u>--</u>	<u>3,553</u>	<u>--</u>	<u>--</u>
Total Revenues	<u>3,877,710</u>	<u>4,232</u>	<u>7,094,661</u>	<u>1,065,513</u>	<u>4,229</u>
Expenditures:					
General government	--	--	--	--	--
Public protection	3,724,386	--	--	--	2,620
Public ways and facilities	--	--	5,863,991	1,675,850	--
Education	--	--	--	--	--
Health and sanitation	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Total Expenditures	<u>3,724,386</u>	<u>--</u>	<u>5,863,991</u>	<u>1,675,850</u>	<u>2,620</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>153,324</u>	<u>4,232</u>	<u>1,230,670</u>	<u>(610,337)</u>	<u>1,609</u>
Other Financing Sources (Uses):					
Bond proceeds	--	--	--	--	--
Loan proceeds	--	--	--	--	--
Operating transfers in	--	--	--	--	--
Operating transfers out	<u>(510,004)</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Total Other Financing Sources (Uses)	<u>(510,004)</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Excess (Deficit) of Revenues and Other Financing Sources Over Expenditures and Other Uses	(356,680)	4,232	1,230,670	(610,337)	1,609
Fund Balances, Beginning of Fiscal Year	1,823,995	114,846	1,029,098	627,682	29,320
Residual equity transfers in (out)	--	--	--	--	--
Prior Period Adjustment	--	--	--	(17,345)	--
Fund Balances, End of Fiscal Year	<u>\$ 1,467,315</u>	<u>\$ 119,078</u>	<u>\$ 2,259,768</u>	<u>\$ --</u>	<u>\$ 30,929</u>

COUNTY OF NAPA

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

	Aviation	Library	Criminal Justice Facility Construction	Construction Fund Capital Improvements
Revenues:				
Taxes	\$ --	\$ 2,193,341	\$ --	\$ --
Licenses and permits	--	--	--	--
Intergovernmental revenues	--	557,548	--	--
Fines and forfeitures	--	--	116,821	--
Use of money and property	1,725	89,818	2,449	9,422
Charges for services	--	128,529	--	89,816
Other revenues	--	106,905	--	--
Total Revenues	<u>1,725</u>	<u>3,076,141</u>	<u>119,270</u>	<u>99,238</u>
Expenditures:				
General government	--	--	--	333,749
Public protection	--	--	--	--
Public ways and facilities	--	--	--	--
Education	--	2,701,266	--	--
Health and sanitation	--	--	--	--
Total Expenditures	<u>--</u>	<u>2,701,266</u>	<u>--</u>	<u>333,749</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,725</u>	<u>374,875</u>	<u>119,270</u>	<u>(234,511)</u>
Other Financing Sources (Uses):				
Bonds proceeds	--	--	--	--
Loan proceeds	--	--	--	--
Operating transfers in	--	--	--	--
Operating transfers out	--	(70,749)	--	--
Total Other Financing Sources (Uses)	<u>--</u>	<u>(70,749)</u>	<u>--</u>	<u>--</u>
Excess (Deficit) of Revenues and Other Financing Sources Over Expenditures and Other Uses	1,725	304,126	119,270	(234,511)
Fund Balances, Beginning of Fiscal Year	29,632	1,549,467	55	293,220
Residual Equity Transfers In (Out)	--	--	--	--
Prior period adjustments	--	--	--	--
Fund Balances, End of Fiscal Year	<u>\$ 31,357</u>	<u>\$ 1,853,593</u>	<u>\$ 119,325</u>	<u>\$ 58,709</u>

**COUNTY OF NAPA**

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

	Children and Family First	Various Special Districts Under Board	Totals	
			1999	1998
Revenues:				
Taxes	\$ --	\$ 7,334,744	\$ 13,248,215	\$ 5,954,147
Licenses and permits	--	--	125,918	3,643,008
Intergovernmental revenues	50,000	175	7,275,157	7,967,594
Fines and forfeitures	--	5,491	697,368	409,413
Use of money and property	442	113,891	401,711	335,288
Charges for services	--	228,640	1,213,349	1,503,826
Other revenues	--	--	114,384	349,659
Total Revenues	<u>50,442</u>	<u>7,682,941</u>	<u>23,076,102</u>	<u>20,162,935</u>
Expenditures:				
General government	--	--	333,749	122,057
Public protection	--	61,761	3,788,767	15,542,091
Public ways and facilities	--	2,579,333	10,119,174	5,216,007
Education	--	--	2,701,266	2,540,617
Health and sanitation	--	71,087	71,087	69,183
Total Expenditures	<u>--</u>	<u>2,712,181</u>	<u>17,014,043</u>	<u>23,489,955</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>50,442</u>	<u>4,970,760</u>	<u>6,062,059</u>	<u>(3,327,020)</u>
Other Financing Sources (Uses):				
Bond proceeds	--	30,000	30,000	--
Loan proceeds	--	580,776	580,776	--
Operating transfers in	--	--	--	4,640,654
Operating transfers out	--	(100,297)	(681,050)	(352,983)
Total Other Financing Sources (Uses)	<u>--</u>	<u>510,479</u>	<u>(70,274)</u>	<u>4,287,671</u>
Excess (Deficit) of Revenues and Other Financing Sources Over Expenditures and Other Uses	<u>50,442</u>	<u>5,481,239</u>	<u>5,991,785</u>	<u>960,651</u>
Fund Balances, Beginning of Fiscal Year	--	1,378,049	6,875,364	5,914,713
Residual Equity Transfers In (Out)	--	(1,341,151)	(1,341,151)	--
Prior Period Adjustment	--	--	(17,345)	--
Fund Balances, End of Fiscal Year	<u>\$ 50,442</u>	<u>\$ 5,518,137</u>	<u>\$ 11,508,653</u>	<u>\$ 6,875,364</u>

**COUNTY OF NAPA**

Combining Balance Sheet  
Special Districts Under the Board of Supervisors  
June 30, 1999

	<u>Napa Flood and Water</u>	<u>Water Supply Contract</u>	<u>County Service Area No. 3</u>	<u>Flood Control Authority</u>
<u>Assets</u>				
Cash	\$ --	\$ --	\$ 56,230	\$ 3,929,813
Accounts receivable	--	--	--	30,000
Taxes receivable	--	--	--	1,262,206
Assessments receivable	--	--	23,245	--
Total Assets	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 79,475</u>	<u>\$ 5,222,019</u>
 <u>Liabilities and Fund Equity</u>				
Liabilities:				
Accounts payable	\$ --	\$ --	\$ 6,139	\$ 2,308
Total Liabilities	--	--	6,139	2,308
Fund Equity:				
Fund Balances:				
Reserved:				
Encumbrances	--	--	45,726	--
General	--	--	--	--
Unreserved:				
Designated	--	--	--	68,249
Undesignated	--	--	27,610	5,151,462
Total Fund Equity	--	--	73,336	5,219,711
Total Liabilities and Fund Equity	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 79,475</u>	<u>\$ 5,222,019</u>

COUNTY OF NAPA

Combining Balance Sheet (continued)  
 Special Districts Under the Board of Supervisors  
 June 30, 1999

	<u>NVBP Unit #1 Maintenance</u>	<u>Silverado Community Services</u>	<u>Silverado Maintenance Assessment</u>
<u>Assets</u>			
Cash	\$ --	\$ 98,361	\$ 1,541
Accounts receivable	--	--	--
Taxes receivable	--	--	--
Assessments receivable	--	--	1,218
	<hr/>	<hr/>	<hr/>
Total Assets	<u>\$ --</u>	<u>\$ 98,361</u>	<u>\$ 2,759</u>
 <u>Liabilities and Fund Equity</u>			
Liabilities:			
Accounts payable	\$ --	\$ --	\$ --
	<hr/>	<hr/>	<hr/>
Total Liabilities	--	--	--
 Fund Equity:			
Fund Balances:			
Reserved:			
Encumbrances	--	3,200	--
General	--	5,952	--
Unreserved:			
Designated	--	--	--
Undesignated	--	89,209	2,759
	<hr/>	<hr/>	<hr/>
Total Fund Equity	--	98,361	2,759
	<hr/>	<hr/>	<hr/>
Total Liabilities and Fund Equity	<u>\$ --</u>	<u>\$ 98,361</u>	<u>\$ 2,759</u>

**COUNTY OF NAPA**

Combining Balance Sheet (continued)  
Special Districts Under the Board of Supervisors  
June 30, 1999

	Monticello Endowment	Monticello Public Cemetery	<u>Totals</u>	
			<u>1999</u>	<u>1998</u>
<u>Assets</u>				
Cash	\$ 30,877	\$ 99,836	\$ 4,216,658	\$ 1,183,439
Accounts receivable	--	--	30,000	--
Taxes receivable	185	--	1,262,391	215,047
Assessments receivable	--	--	24,463	28,463
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Assets	<u>\$ 31,062</u>	<u>\$ 99,836</u>	<u>\$ 5,533,512</u>	<u>\$ 1,426,949</u>
 <u>Liabilities and Fund Equity</u>				
Liabilities:				
Accounts payable	\$ 6,928	\$ --	\$ 15,375	\$ 48,900
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Liabilities	<u>6,928</u>	<u>--</u>	<u>15,375</u>	<u>48,900</u>
 Fund Equity:				
Fund Balances:				
Reserved:				
Encumbrances	1,673	--	50,599	70,378
General	--	--	5,952	388,652
Unreserved:				
Designated	--	--	68,249	26,127
Undesignated	22,461	99,836	5,393,337	892,892
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Fund Equity	<u>24,134</u>	<u>99,836</u>	<u>5,518,137</u>	<u>1,378,049</u>
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Liabilities and Fund Equity	<u>\$ 31,062</u>	<u>\$ 99,836</u>	<u>\$ 5,533,512</u>	<u>\$ 1,426,949</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, 1999

	<u>Napa Flood and Water</u>	<u>Water Supply Contract</u>	<u>County Service Area No. 3</u>	<u>Flood Control Authority</u>
Revenues:				
Taxes	\$ --	\$ --	\$ 16,139	\$ 7,303,433
Licenses and permits	--	--	--	--
Intergovernmental revenues	--	--	17	--
Fines and forfeitures	--	--	--	--
Use of money and property	--	--	3,578	104,319
Charges for services	--	--	147,259	--
Other revenue	--	--	--	--
	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenues	--	--	166,993	7,407,752
Expenditures:				
Public protection	--	--	37,371	--
Public ways and facilities	--	--	--	2,579,333
Health and sanitation	--	--	--	--
	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenditures	--	--	37,371	2,579,333
Excess (Deficit) of Revenues Over Expenditures	<hr/>	<hr/>	<hr/>	<hr/>
	--	--	129,622	4,828,419
Other Financing Sources (Uses)				
Bonds proceeds	--	--	--	30,000
Loan proceeds	--	--	--	580,776
Operating transfers in	--	--	--	--
Operating transfers out	--	--	(100,297)	--
	<hr/>	<hr/>	<hr/>	<hr/>
Total Other Financing Sources (Uses)	--	--	(100,297)	610,776
Excess (Deficit) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<hr/>	<hr/>	<hr/>	<hr/>
	--	--	29,325	5,439,195
Fund Balances, Beginning of Fiscal Year	564,451	684,555	33,496	--
Residual Equity Transfer In (Out)	<u>(564,451)</u>	<u>(684,555)</u>	<u>10,515</u>	<u>(219,484)</u>
Fund Balances, End of Fiscal Year	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 73,336</u>	<u>\$ 5,219,711</u>

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, 1999

	NVBP Unit #1 <u>Maintenance</u>	Silverado Community <u>Services</u>	Silverado Maintenance <u>Assessment</u>
Revenues:			
Taxes	\$ --	\$ --	\$ 1,535
Licenses and permits	--	--	--
Intergovernmental revenues	--	--	--
Fines and forfeitures	--	--	--
Use of money and property	--	4,259	--
Charges for services	--	81,381	--
Other revenue	--	--	--
	<u>          </u>	<u>          </u>	<u>          </u>
Total Revenues	--	85,640	1,535
Expenditures:			
Public protection	--	--	--
Public ways and facilities	--	--	--
Health and sanitation	--	71,087	--
	<u>          </u>	<u>          </u>	<u>          </u>
Total Expenditures	--	71,087	--
Excess (Deficit) of Revenues Over Expenditures	<u>          </u>	<u>14,553</u>	<u>1,535</u>
Other Financing Sources (Uses)			
Bond proceeds	--	--	--
Loan proceeds	--	--	--
Operating transfers in	--	--	--
Operating transfers out	--	--	--
	<u>          </u>	<u>          </u>	<u>          </u>
Total Other Financing Sources (Uses)	--	--	--
Excess (Deficit) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	--	14,553	1,535
Fund Balances, Beginning of Fiscal Year	10,515	83,808	1,224
Residual Equity Transfer In (Out)	<u>(10,515)</u>	<u>          </u>	<u>          </u>
Fund Balances, End of Fiscal Year	<u>\$ --</u>	<u>\$ 98,361</u>	<u>\$ 2,759</u>

**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, 1999

	Monticello	Monticello	Totals	
	<u>Endowment</u>	<u>Public Cemetery</u>	<u>1999</u>	<u>1998</u>
Revenues:				
Taxes	\$ 13,637	\$ --	\$ 7,334,744	\$ 11,662
Licenses and permits	--	--	--	3,499,055
Intergovernmental revenues	158	--	175	454,681
Fines and forfeitures	--	5,491	5,491	--
Use of money and property	1,735	--	113,891	53,260
Charges for services	--	--	228,640	848,325
Other revenue	--	--	--	72,792
	<u>15,530</u>	<u>5,491</u>	<u>7,682,941</u>	<u>4,939,775</u>
Total Revenues				
Expenditures:				
Public protection	24,390	--	61,761	4,401,501
Public ways and facilities	--	--	2,579,333	--
Health and sanitation	--	--	71,087	69,183
	<u>24,390</u>	<u>--</u>	<u>2,712,181</u>	<u>4,470,684</u>
Total Expenditures				
Excess (Deficit) of Revenues				
Over Expenditures	(8,860)	5,491	4,970,760	469,091
Other Financing Sources (Uses)				
Bond proceeds	--	--	30,000	--
Loan proceeds	--	--	580,776	--
Operating transfers in	--	--	--	15,527
Operating transfers out	--	--	(100,297)	(92,591)
	<u>--</u>	<u>--</u>	<u>510,479</u>	<u>(77,064)</u>
Total Other Financing Sources (Uses)				
Excess (Deficit) of Revenues and Other				
Sources Over (Under) Expenditures and				
Other Uses	(8,860)	5,491	5,481,239	392,027
Fund Balances, Beginning of Fiscal Year	--	--	1,378,049	986,022
Residual Equity Transfer In (Out)	32,994	94,345	(1,341,151)	--
Fund Balances, End of Fiscal Year	<u>\$ 24,134</u>	<u>\$ 99,836</u>	<u>\$ 5,518,137</u>	<u>\$ 1,378,049</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, 1999

	<u>Construction</u>	<u>Courthouse</u>	<u>Totals</u>	
	Fund	Fund	1999	1998
<u>Assets</u>				
Cash and investments	\$ (27,613)	\$ 695,098	\$ 667,485	\$ 1,297,890
Cash with fiscal agent	2,785,482	--	2,785,482	7,642,531
Accounts receivable	331,414	--	331,414	822,296
Due from other funds	--	--	--	16,806
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Assets	<u>\$ 3,089,283</u>	<u>\$ 695,098</u>	<u>\$ 3,784,381</u>	<u>\$ 9,779,523</u>
 <u>Liabilities and Fund Balance</u>				
Liabilities:				
Accounts payable	\$ 4,909	\$ --	\$ 4,909	\$ 1,057,784
Due to other funds	--	--	--	16,806
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Liabilities	<u>4,909</u>	<u>--</u>	<u>4,909</u>	<u>1,074,590</u>
 Fund Balances:				
Reserved, capital projects	2,785,482	280,207	3,065,689	8,137,364
Unreserved, undesignated	298,892	414,891	713,783	567,569
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Fund Balances	<u>3,084,374</u>	<u>695,098</u>	<u>3,779,472</u>	<u>8,704,933</u>
Total Liabilities and Fund Balances	<u>\$ 3,089,283</u>	<u>\$ 695,098</u>	<u>\$ 3,784,381</u>	<u>\$ 9,779,523</u>

**COUNTY OF NAPA**

Combining Statement of Revenues, Expenditures and  
Changes in Fund Balances  
Capital Projects Funds  
For the Fiscal Year Ended June 30, 1999

	Construction Fund	Courthouse Fund	<u>Totals</u>	
			<u>1999</u>	<u>1998</u>
Revenues:				
Use of money and property	\$ 294,033	\$ 39,581	\$ 333,614	\$ 908,260
Fines and forfeitures	--	391,530	391,530	443,333
Total Revenues	<u>294,033</u>	<u>431,111</u>	<u>725,144</u>	<u>1,351,593</u>
Expenditures:				
Capital outlay	<u>5,337,899</u>	<u>276,896</u>	<u>5,614,795</u>	<u>10,098,681</u>
Total Expenditures	<u>5,337,899</u>	<u>276,896</u>	<u>5,614,795</u>	<u>10,098,681</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(5,043,866)</u>	<u>154,215</u>	<u>(4,889,651)</u>	<u>(8,747,088)</u>
Other Financing Sources (Uses):				
Operating transfers in	186,245	--	186,245	--
Operating transfers out	<u>--</u>	<u>(222,055)</u>	<u>(222,055)</u>	<u>(108,336)</u>
Total Other Financing Sources (Uses)	<u>186,245</u>	<u>(222,055)</u>	<u>(35,810)</u>	<u>(108,336)</u>
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>(4,857,621)</u>	<u>(67,840)</u>	<u>(4,925,461)</u>	<u>(8,855,424)</u>
Fund Balances, Beginning of Fiscal Year	<u>7,941,995</u>	<u>762,938</u>	<u>8,704,933</u>	<u>17,560,357</u>
Fund Balances, End of Fiscal Year	<u>\$ 3,084,374</u>	<u>\$ 695,098</u>	<u>\$ 3,779,472</u>	<u>\$ 8,704,933</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, 1999

	<u>Lake Berryessa Resort Improvement</u>	<u>Napa Berryessa Public Improvement</u>	<u>Airport</u>	<u>Totals</u>	
				1999	1998
<u>Assets</u>					
Current Assets:					
Cash and investments	\$ 79,878	\$ 111,433	\$ 1,337,720	\$ 1,529,031	\$ 2,177,914
Imprest cash	--	--	25	25	25
Accounts receivable	13,169	--	82,774	95,943	37,651
Taxes receivable	--	13,438	--	13,438	16,334
Assessments receivable	154,554	35,640	--	190,194	202,613
Due from other governments	--	--	--	--	15,000
	<u>247,601</u>	<u>160,511</u>	<u>1,420,519</u>	<u>1,828,631</u>	<u>2,449,537</u>
Total Current Assets					
Property, plant and equipment, net	380,407	465,891	9,652,474	10,498,772	10,114,229
Long-term note receivable	--	--	2,948,749	2,948,749	2,948,749
	<u>380,407</u>	<u>465,891</u>	<u>12,601,223</u>	<u>13,447,521</u>	<u>13,063,000</u>
Total Assets	<u>\$ 628,008</u>	<u>\$ 626,402</u>	<u>\$ 14,021,742</u>	<u>\$ 15,276,152</u>	<u>\$ 15,512,515</u>
<u>Liabilities and Fund Equity</u>					
Current Liabilities:					
Accounts payable	\$ --	\$ 7,368	\$ 1,576	\$ 8,944	\$ 408,204
Deposits with others	12,594	20,814	17,161	50,569	35,929
Bonds payable, current portion	50,000	55,000	--	105,000	105,000
Liability for compensated absences	--	--	14,053	14,053	6,771
	<u>62,594</u>	<u>83,182</u>	<u>15,690</u>	<u>178,566</u>	<u>555,904</u>
Total Current Liabilities					
Long-Term Liabilities:					
Advances from other funds	--	--	6,345,646	6,345,646	6,365,146
Deferred revenue	--	--	2,948,749	2,948,749	2,948,749
Bonds payable, long-term portion	50,000	120,000	--	170,000	275,000
	<u>50,000</u>	<u>120,000</u>	<u>6,345,646</u>	<u>9,464,395</u>	<u>9,613,146</u>
Total Liabilities	<u>112,594</u>	<u>203,182</u>	<u>9,327,185</u>	<u>9,642,961</u>	<u>10,144,799</u>
Fund Equity:					
Contributed capital	--	--	903,218	903,218	1,032,615
Retained Earnings:					
Reserved	47,294	92,093	25	139,412	131,739
Unreserved	468,120	331,127	3,791,314	4,590,561	4,203,362
	<u>515,414</u>	<u>423,220</u>	<u>4,694,557</u>	<u>5,633,191</u>	<u>5,367,716</u>
Total Fund Equity					
Total Liabilities and Fund Equity	<u>\$ 628,008</u>	<u>\$ 626,402</u>	<u>\$ 14,021,742</u>	<u>\$ 15,276,152</u>	<u>\$ 15,512,515</u>

**COUNTY OF NAPA**

Combining Statement of Revenues, Expenditures and  
Changes in Retained Earnings  
Enterprise Funds  
For the Fiscal Year Ended June 30, 1999

	Lake Berryessa Resort Improvement	Napa Berryessa Public Improvement	Airport	Totals	
				1999	1998
Operating Revenues:					
Charges for services	\$ --	\$ --	\$ 992,381	\$ 992,381	\$ 1,251,421
Sewer charges	106,313	135,935	--	242,248	281,169
Water use	56,870	188,381	--	245,251	191,301
Hookups	--	4,600	--	4,600	4,469
<b>Total Operating Revenues</b>	<b>163,183</b>	<b>328,916</b>	<b>992,381</b>	<b>1,484,480</b>	<b>1,728,360</b>
Operating Expenses:					
Salaries and benefits	--	29,902	242,961	272,863	223,139
Services and supplies	161,741	24,649	51,614	238,004	96,163
Depreciation	41,344	34,831	503,306	579,481	627,520
Maintenance	--	243,164	50,963	294,127	345,269
Insurance	--	3,789	17,829	21,618	29,424
Other	--	13,436	140,712	154,148	121,460
<b>Total Operating Expenses</b>	<b>203,085</b>	<b>349,771</b>	<b>1,007,385</b>	<b>1,560,241</b>	<b>1,442,975</b>
Operating income (loss)	(39,902)	(20,855)	(15,004)	(75,761)	285,385
Non-Operating Revenues (Expenses):					
Intergovernmental revenue	16,450	1,513	523,897	541,860	20,202
Tax revenue	70,476	79,353	--	149,829	139,107
Other revenue	113	819	309,811	310,743	(141)
Gain (loss) on the disposition of property	--	--	(89,956)	(89,956)	--
Interest revenue	2,963	4,481	82,954	90,398	145,164
Interest expense	(7,588)	(14,969)	--	(22,557)	(28,697)
<b>Total Non-Operating Revenues (Expenses)</b>	<b>82,414</b>	<b>71,197</b>	<b>826,706</b>	<b>980,317</b>	<b>275,635</b>
Income (loss) before operating transfers	42,512	50,342	811,702	904,556	561,020
Operating Transfers:					
Proceeds from debt	--	--	(639,081)	(639,081)	(635,546)
<b>Total Other Financing Sources (Uses)</b>	<b>--</b>	<b>--</b>	<b>(639,081)</b>	<b>(639,081)</b>	<b>(635,546)</b>
Net income (loss)	42,512	50,342	172,621	265,475	(74,526)
Retained earnings, beginning of year	472,902	372,878	3,489,321	4,335,101	3,413,728
Prior period adjustment	--	--	--	--	861,370
Depreciation on property acquired with federal and state grants	--	--	129,397	129,397	134,529
<b>Retained earnings, end of year</b>	<b>\$ 515,414</b>	<b>\$ 423,220</b>	<b>\$ 3,791,339</b>	<b>\$ 4,729,973</b>	<b>\$ 4,335,101</b>

COUNTY OF NAPA

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

	Lake Berryessa Resort Improvement	Napa Berryessa Public Improvement	Airport	Total
Cash Flows from Operating Activities:				
Operating income (loss)	\$ (39,902)	\$ (20,855)	\$ (15,004)	\$ (75,761)
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation	41,344	34,831	503,306	579,481
Changes in assets and liabilities:				
Accounts receivable	14,011	--	(72,303)	(58,292)
Inventory	--	--	--	--
Taxes receivable	3,119	(223)	--	2,896
Cash with fiscal agent	--	--	--	--
Assessment receivable	11,951	468	--	12,419
Due from other governments	15,000	--	--	15,000
Deposits with others	688	3,727	10,225	14,640
Accounts payable	(6,146)	(6,929)	(386,185)	(399,260)
Liability for compensated absences	--	--	7,282	7,282
Total Adjustments to Net Income	<u>79,967</u>	<u>31,874</u>	<u>62,325</u>	<u>174,166</u>
Net Cash Provided by Operating Activities	<u>40,065</u>	<u>11,019</u>	<u>47,321</u>	<u>98,405</u>
Cash Flows from Capital and Related Financing Activities:				
Purchase of property, plant and equipment	(26,386)	(37,785)	(989,809)	(1,053,980)
Principal payment on long-term debt	--	(55,000)	--	(55,000)
Interest paid	(57,588)	(14,969)	--	(72,557)
Net Cash Flows (Used for) Capital and Related Financing Activities	<u>(83,974)</u>	<u>(107,754)</u>	<u>(989,809)</u>	<u>(1,181,537)</u>
Cash Flows from Noncapital Financing Activities:				
Operating transfers out	--	--	(639,081)	(639,081)
Advances from other funds	(19,500)	--	--	(19,500)
Intergovernmental revenue	16,450	1,513	523,897	541,860
Other revenue	70,589	80,172	309,811	460,572
Net Cash Used for Noncapital Financing Activities	<u>67,539</u>	<u>81,685</u>	<u>194,627</u>	<u>343,851</u>
Cash Flows from Investing Activities:				
Interest income	2,963	4,481	82,954	90,398
Net Increase (Decrease) in Cash and Cash Equivalents	26,593	(10,569)	(664,907)	(648,883)
Cash and Cash Equivalents, Beginning of Year	<u>53,285</u>	<u>122,002</u>	<u>2,002,627</u>	<u>2,177,914</u>
Cash and Cash Equivalents, End of Year	<u>\$ 79,878</u>	<u>\$ 111,433</u>	<u>\$ 1,337,720</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, 1999

	Equipment Pool Service Fund	Equipment Replacement	Vehicle Replacement	Management Information Services
<u>Assets</u>				
Cash and investments	\$ 65,156	\$ 1,964,023	\$ 1,037,013	\$ 86,735
Imprest cash	--	--	--	300
Accounts receivable	4,799	--	--	--
Inventory	28,523	--	--	--
Deposits	--	--	--	--
Total Current Assets	<u>98,478</u>	<u>1,964,023</u>	<u>1,037,013</u>	<u>87,035</u>
Advances to other funds	--	--	--	--
Property, plant and equipment, net	<u>39,065</u>	<u>2,146,987</u>	<u>1,304,292</u>	<u>482,931</u>
Total Assets	<u>\$ 137,543</u>	<u>\$ 4,111,010</u>	<u>\$ 2,341,305</u>	<u>\$ 569,966</u>
<u>Liabilities and Fund Equity</u>				
Current Liabilities:				
Accounts payable	\$ 30,001	\$ 22,007	\$ 19,433	\$ 95,436
Accrued salaries and benefits	--	--	--	--
Capital lease obligation, current portion	--	--	--	--
Total Current Liabilities	<u>30,001</u>	<u>22,007</u>	<u>19,433</u>	<u>95,436</u>
Noncurrent Liabilities:				
Liability for self-insurance	--	--	--	--
Liability for compensated absences	20,900	--	--	97,981
Advances from other funds	--	--	--	--
Total Liabilities	<u>50,901</u>	<u>22,007</u>	<u>19,433</u>	<u>193,417</u>
Fund Equity:				
Contributed capital	--	--	4,000	--
Retained Earnings:				
Reserved	--	--	11,688	115,178
Unreserved	<u>86,642</u>	<u>4,089,003</u>	<u>2,306,184</u>	<u>261,371</u>
Total Fund Equity	<u>86,642</u>	<u>4,089,003</u>	<u>2,321,872</u>	<u>376,549</u>
Total Liabilities and Fund Equity	<u>\$ 137,543</u>	<u>\$ 4,111,010</u>	<u>\$ 2,341,305</u>	<u>\$ 569,966</u>

continued

**COUNTY OF NAPA**

Combining Balance Sheet (continued)  
Internal Service Funds  
June 30, 1999

	<u>Workers'</u> <u>Compensation</u>	<u>General</u> <u>Liability</u>	<u>Totals</u>	
			<u>1999</u>	<u>1998</u>
<u>Assets</u>				
Cash and investments	\$ 4,840,739	\$ 5,627,960	\$ 13,621,626	\$ 14,372,247
Imprest cash	--	--	300	300
Accounts receivable	--	--	4,799	89,316
Inventory	--	--	28,523	37,233
Deposits	<u>60,000</u>	<u>50,000</u>	<u>110,000</u>	<u>110,000</u>
Total Current Assets	<u>4,900,739</u>	<u>5,677,960</u>	<u>13,765,248</u>	<u>14,609,096</u>
Advances to other funds	--	--	--	2,630,066
Property, plant and equipment, net	<u>--</u>	<u>--</u>	<u>3,973,275</u>	<u>3,640,060</u>
Total Assets	<u>\$ 4,900,739</u>	<u>\$ 5,677,960</u>	<u>\$ 17,738,523</u>	<u>\$ 20,879,222</u>
<u>Liabilities and Fund Equity</u>				
Current Liabilities:				
Accounts payable	\$ 78,635	\$ 56,632	\$ 302,144	\$ 367,594
Accrued salaries and benefits	--	--	--	--
Capital lease obligation, current portion	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Total Current Liabilities	78,635	56,632	302,144	367,594
Noncurrent Liabilities:				
Liability for self-insurance	3,080,000	3,410,000	6,490,000	6,490,000
Liability for compensated absences	--	--	118,881	171,199
Advances from other funds	<u>--</u>	<u>--</u>	<u>--</u>	<u>2,410,267</u>
Total Liabilities	<u>3,158,635</u>	<u>3,466,632</u>	<u>6,911,025</u>	<u>9,439,060</u>
Fund Equity:				
Contributed capital	--	--	4,000	4,000
Retained Earnings:				
Reserved	--	189,059	315,925	403,672
Unreserved	<u>1,742,104</u>	<u>2,022,269</u>	<u>10,507,573</u>	<u>11,032,490</u>
Total Fund Equity	<u>1,742,104</u>	<u>2,211,328</u>	<u>10,827,498</u>	<u>11,440,162</u>
Total Liabilities and Fund Equity	<u>\$ 4,900,739</u>	<u>\$ 5,677,960</u>	<u>\$ 17,738,523</u>	<u>\$ 20,879,222</u>

**COUNTY OF NAPA**

Combining Statement of Revenues, Expenses and  
Changes in Retained Earnings  
Internal Service Funds  
For the Fiscal Year Ended June 30, 1999

	Equipment Pool Service Fund	Equipment Replacement	Vehicle Replacement	Management Information Services
Operating Revenues:				
Charges for services	\$ 101,948	\$ --	\$ --	\$ 4,029,615
Maintenance Charges:				
Equipment	442,408	--	--	--
Vehicle	433,731	--	--	--
Replacement charges	--	223,834	302,723	--
Other revenue	2,086	--	--	21,466
Total Operating Revenues	980,173	223,834	302,723	4,051,081
Operating Expenses:				
Salaries and benefits	167,063	--	--	2,209,131
Services and supplies	751,391	--	20,946	1,794,662
Depreciation	17,802	223,834	302,723	129,162
Utilities	19,582	--	--	26,694
Claims expense	--	--	--	--
Total Operating Expenses	955,838	223,834	323,669	4,159,649
Operating income (loss)	24,335	--	(20,946)	(108,568)
Non-Operating Revenues (Expenses):				
Intergovernmental revenues	--	21,904	22,164	25,550
Other revenue	--	--	--	--
Gain on sale of assets	34,349	(39,022)	(23,733)	(67,067)
Interest revenue	5,285	88,744	59,268	(5,124)
Total Non-Operating Revenues (Expenses)	39,634	71,626	57,699	(46,641)
Income (loss) before operating transfers	63,969	71,626	36,753	(155,209)
Other Financing Sources (Uses):				
Operating transfers in	--	--	88,468	2,446,707
Operating transfers (out)	(36,440)	--	--	--
Total Other Financing Sources (Uses)	(36,440)	--	88,468	2,446,707
Net income (loss)	27,529	71,626	125,221	2,291,498
Retained earnings, beginning of fiscal year	59,113	4,017,377	2,192,651	(1,914,949)
Prior Period Adjustment	--	--	--	--
Retained earnings, end of fiscal year	\$ 86,642	\$ 4,089,003	\$ 2,317,872	\$ 376,549

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, 1999

	Workers' Compensation	General Liability	Totals	
			1999	1998
Operating Revenues:				
Charges for services	\$ 1,342,246	\$ 1,129,169	\$ 6,602,978	\$ 6,049,353
Maintenance Charges:				
Equipment	--	--	442,408	456,599
Vehicle	--	--	433,731	465,610
Replacement charges	--	--	526,557	539,155
Other revenue	18,212	16,566	58,330	15,698
Total Operating Revenues	1,360,458	1,145,735	8,064,004	7,526,415
Operating Expenses:				
Salaries and benefits	523,442	--	2,899,636	2,052,346
Services and supplies	283,019	175,721	3,025,739	3,234,582
Depreciation	--	--	673,521	1,239,911
Utilities	--	--	46,276	44,033
Claims expense	342,043	509,934	851,977	3,181,937
Total Operating Expenses	1,148,504	685,655	7,497,149	9,752,809
Operating income (loss)	211,954	460,080	566,855	(2,226,394)
Non-Operating Revenues (Expenses):				
Intergovernmental revenues	--	--	69,618	145,375
Other revenue	--	--	--	(99,937)
Gain (loss) on disposition of assets	--	--	(95,473)	76,820
Interest revenue	325,871	283,824	757,868	852,287
Total Non-Operating Revenues (Expenses)	325,871	283,824	732,013	974,545
Income (loss) before operating transfers	537,825	743,904	1,298,868	(1,251,849)
Other Financing Sources (Uses):				
Operating transfers in	--	--	2,535,175	175,000
Operating transfers (out)	(4,410,267)	--	(4,446,707)	(528,497)
Total Other Financing Sources (Uses)	(4,410,267)	--	(1,911,532)	(353,497)
Net income (loss)	(3,872,442)	743,904	(612,664)	(1,605,346)
Retained earnings, beginning of fiscal year	5,614,546	1,467,424	11,436,162	13,021,085
Prior Period Adjustment	--	--	--	20,423
Retained earnings, end of fiscal year	\$ 1,742,104	\$ 2,211,328	\$ 10,823,498	\$ 11,436,162

**COUNTY OF NAPA**

Combining Statement of Cash Flows  
Internal Service Funds  
For the Fiscal Year Ended June 30, 1999

	Equipment Pool Service Equipment Fund	Equipment Replacement	Vehicle Replacement	Management Information Services
Cash Flows from Operating Activities:				
Operating income (loss)	\$ 24,335	\$ --	\$ (20,946)	\$ (108,568)
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation	17,802	223,834	302,723	129,162
Prior period adjustment	--	--	--	--
Changes in assets and liabilities:				
Accounts receivable	(4,128)	49,370	39,172	--
Inventory	8,710	--	--	--
Accounts payable	1,522	22,007	308	(207,212)
Liability for compensated absences	(58,562)	--	--	19,524
Total Adjustments to Net Income	<u>(34,656)</u>	<u>295,211</u>	<u>342,203</u>	<u>(58,526)</u>
Net Cash Provided by Operating Activities	<u>(10,321)</u>	<u>295,211</u>	<u>321,257</u>	<u>(167,094)</u>
Cash Flows from Capital and Related Financing Activities:				
Purchase of property, plant and equipment	2,091	(511,951)	(484,731)	(110,207)
Proceeds from sale of fixed assets	<u>60,180</u>	<u>10,348</u>	<u>25,176</u>	<u>(67,284)</u>
Net Cash Flows (Used for) Capital and Related Financing Activities	<u>62,271</u>	<u>(501,603)</u>	<u>(459,555)</u>	<u>(177,491)</u>
Cash Flows from Noncapital Financing Activities:				
Operating transfers in	--	--	88,468	2,446,707
Operating transfers out	(62,271)	--	--	--
Advances to other funds	--	219,799	--	(2,410,267)
Intergovernmental revenue	<u>--</u>	<u>21,904</u>	<u>22,164</u>	<u>25,550</u>
Net Cash Used by Noncapital Financial Activities	<u>(62,271)</u>	<u>241,703</u>	<u>110,632</u>	<u>61,990</u>
Cash Flows from Investing Activities:				
Interest income	<u>5,285</u>	<u>88,744</u>	<u>59,268</u>	<u>(5,124)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(5,036)	124,055	31,602	(287,719)
Cash and Cash Equivalents, Beginning of Fiscal Year	<u>70,192</u>	<u>1,839,968</u>	<u>1,005,411</u>	<u>374,454</u>
Cash and Cash Equivalents, End of Fiscal Year	<u>\$ 65,156</u>	<u>\$ 1,964,023</u>	<u>\$ 1,037,013</u>	<u>\$ 86,735</u>

continued

**COUNTY OF NAPA**

Combining Statement of Cash Flows (continued)  
Internal Service Funds  
For the Fiscal Year Ended June 30, 1999

	Workers' Compensation	General Liability	Total
Cash Flows from Operating Activities:			
Operating income (loss)	\$ 211,954	\$ 460,080	\$ 566,855
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation	--	--	673,521
Prior period adjustment	--	--	--
Changes in assets and liabilities:			
Accounts receivable	--	103	84,517
Inventory	--	--	8,710
Accounts payable	75,162	42,763	(65,450)
Liability for compensated absences	(13,280)	--	(52,318)
Total Adjustments to Net Income	61,882	42,866	648,980
Net Cash Provided by Operating Activities	273,836	502,946	1,215,835
Cash Flows from Capital and Related Financing Activities:			
Purchase of property, plant and equipment	--	--	(1,104,798)
Proceeds from sale of fixed assets	--	--	28,420
Net Cash Flows (Used for) Capital and Related Financing Activities	--	--	(1,076,378)
Cash Flows from Noncapital Financing Activities:			
Operating transfers in	--	--	2,535,175
Operating transfers out	(4,410,267)	--	(4,472,538)
Advances to other funds	2,410,267	--	219,799
Intergovernmental revenue	--	--	69,618
Net Cash Used by Noncapital Financial Activities	(2,000,000)	--	(1,647,946)
Cash Flows from Investing Activities:			
Interest income	325,871	283,824	757,868
Net Increase (Decrease) in Cash and Cash Equivalents	(1,400,293)	786,770	(750,621)
Cash and Cash Equivalents, Beginning of Fiscal Year	6,241,032	4,841,190	14,372,247
Cash and Cash Equivalents, End of Fiscal Year	\$ 4,840,739	\$ 5,627,960	\$ 13,621,626

## **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, 1999

	<u>Expendable Trust</u>	<u>Agency</u>	<u>Total</u>
<u>Assets</u>			
Cash	\$ 2,932,206	\$ 141,293,696	\$ 144,225,902
Taxes receivable	<u>          --</u>	<u>      6,823,178</u>	<u>      6,823,178</u>
Total Assets	<u>\$ 2,932,206</u>	<u>\$ 148,116,874</u>	<u>\$ 151,049,080</u>
 <u>Liabilities and Fund Equity</u>			
Liabilities:			
Agency obligations	<u>\$          --</u>	<u>\$ 148,116,874</u>	<u>\$ 148,116,874</u>
Total Liabilities	<u>          --</u>	<u>   148,116,874</u>	<u>   148,116,874</u>
Fund Equity:			
Fund Balances:			
Reserved for endowment funds	<u>      2,932,206</u>	<u>                  --</u>	<u>      2,932,206</u>
Total Fund Equity	<u>      2,932,206</u>	<u>                  --</u>	<u>      2,932,206</u>
Total Liabilities and Fund Balances	<u>\$ 2,932,206</u>	<u>\$ 148,116,874</u>	<u>\$ 151,049,080</u>

**COUNTY OF NAPA**

Combining Balance Sheet  
Expendable Trust Funds  
For the Fiscal Year Ended June 30, 1999

	Public Administrator's Trust	Public Guardian's Trust	Total
<u>Assets</u>			
Cash and investments	\$ 1,247,494	\$ 1,684,712	\$ 2,932,206
Total Assets	\$ 1,247,494	\$ 1,684,712	\$ 2,932,206
 <u>Liabilities and Fund Balances</u>			
Fund Balances:			
Unreserved, undesignated	\$ 1,247,494	\$ 1,684,712	\$ 2,932,206
Total Fund Balances	1,247,494	1,684,712	2,932,206
Total Liabilities and Fund Balances	\$ 1,247,494	\$ 1,684,712	\$ 2,932,206

**COUNTY OF NAPA**

Combining Statement of Revenues, Expenditures and  
Changes in Fund Balances – Expendable Trust Funds  
For the Fiscal Year Ended June 30, 1999

	<u>Public Administrator's Trust</u>	<u>Public Guardian's Trust</u>	<u>Total</u>
Revenues:			
Use of money and property	\$ 120,193	\$ 76,288	\$ 196,481
Other revenues	<u>1,155,992</u>	<u>1,519,166</u>	<u>2,675,158</u>
Total Revenues	1,276,185	1,595,454	2,871,639
Expenditures:			
Public protection	<u>2,368,882</u>	<u>1,116,726</u>	<u>3,485,608</u>
Excess (deficiency) of revenues over (under) expenditures	(1,092,697)	478,728	(613,969)
Fund balances, July 1, 1998	<u>2,340,191</u>	<u>1,205,984</u>	<u>3,546,175</u>
Fund balances, June 30, 1999	<u><u>\$ 1,247,494</u></u>	<u><u>\$ 1,684,712</u></u>	<u><u>\$ 2,932,206</u></u>

## **OTHER REPORTS**

---

# Bartig, Basler & Ray

A Professional Corporation

---

Certified Public Accountants and Management Consultants

---

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

---

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, 1999, and have issued our report thereon dated October 29, 1999. 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. However, we noted certain matters involving the internal control over financial reporting 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 financial reporting that, in our judgment, could adversely affect County of Napa's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying Schedule of Findings and Questioned Costs as item 99-1.

Board of Supervisors  
County of Napa

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 relative 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. Our consideration of the internal control over financial reporting 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. 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 29, 1999

---

# Bartig, Basler & Ray

A Professional Corporation

---

Certified Public Accountants and Management Consultants

---

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

---

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 year ended June 30, 1999. 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 year ended June 30, 1999.

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 99-1.

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. 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 29, 1999

COUNTY OF NAPA

Schedule of Expenditures of Federal Awards  
For the Fiscal Year Ended June 30, 1999

<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	--	\$ 30,726	\$ 30,726
Passed through State Department of Social Services				
Food Stamps	10.551*	--	2,360,520	2,360,520
State Administrative Matching Grants for Food Stamp Program	10.561*	--	635,403	600,925
Passed through State Department of Education				
School Breakfast Program	10.553	--	10,271	10,271
National School Lunch Program	10.555	--	15,449	15,449
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	--	324	324
Natural Resources and Conservation Services	10.901	--	113,755	113,755
Total U.S. Department of Agriculture			<u>\$ 3,542,856</u>	<u>\$ 3,508,378</u>
<u>U.S. Department of Justice</u>				
Direct Program				
Local Law Enforcement Center	16.592	98LBX3990	19,430	19,430
State Criminal Alien Assistance Program	16.606	--	423,211	226,316
Passed through State Office of Criminal Justice Planning				
Domestic Violence Prosecution	16.588	VV97010280	91,441	121,031
Total U.S. Department of Justice			<u>\$ 534,082</u>	<u>\$ 366,777</u>
<u>U.S. Department of Labor</u>				
Direct Program				
Wagner Peyser Act	17.207*	--	459,425	459,425
Employment Service/One Stop	17.207*	--	16,524	16,524

\* Major Program

**COUNTY OF NAPA**

Schedule of Expenditures of Federal Awards  
For the Fiscal Year Ended June 30, 1999

<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 (continued)</u>				
<u>Passed through Employment Development Department</u>				
Employment and Training Assistance – Dislocated Workers – Rapid Response	17.246*	--	\$ 1,150,760	\$ 1,169,260
Job Training and Partnership Act	17.250*	--	1,071,815	1,071,815
HIA 8% Department of Education	17.250*	--	<u>29,105</u>	<u>29,105</u>
Total U.S. Department of Labor			<u>\$ 2,727,629</u>	<u>\$ 2,746,129</u>
<u>U.S. Department of Transportation</u>				
<u>Passed through State Department of Transportation</u>				
Airport Improvement Program	20.106	--	523,897	503,252
Highway Planning and Construction	20.205*	ER2847001	54,446	54,446
Highway Planning and Construction	20.205*	ER3024005	213,091	213,091
Highway Planning and Construction	20.205*	STPLZ5921001	2,429,381	2,429,381
Highway Planning and Construction	20.205*	STPLZ5921009	593,747	593,747
Highway Planning and Construction	20.205*	STPLZ5921012	156,024	156,024
<u>Passed through Metropolitan Transportation Commission</u>				
Highway Planning and Construction	20.205*	--	<u>165,128</u>	<u>241,589</u>
Total U.S. Department of Transportation			<u>\$ 4,135,714</u>	<u>\$ 4,191,530</u>
<u>National Foundation on the Arts and the Humanities</u>				
<u>Passed through the State Department of Education</u>				
Library Services and Technology Act				
Literacy Library Materials	45.310	--	1,000	1,000
Library Services and Technology Act				
Literacy Convocation	45.310	--	117,700	117,700
Library Services and Technology Act				
Public Library Staff Education	45.310	--	<u>2,283</u>	<u>2,283</u>
Total National Foundation on the Arts and the Humanities			<u>\$ 120,983</u>	<u>\$ 120,983</u>
<u>Environmental Protection Agency</u>				
<u>Passed through the State Water Resources Control Board</u>				
State Underground Storage Tanks Program	66.804	--	<u>57,769</u>	<u>57,769</u>
Total Environmental Protection Agency			<u>\$ 57,769</u>	<u>\$ 57,769</u>

\* Major Program

**COUNTY OF NAPA**

Schedule of Expenditures of Federal Awards  
For the Fiscal Year Ended June 30, 1999

<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>Federal Emergency Management Agency</u>				
Passed through the State Department of Emergency Services				
Disaster Assistance	83.544	1044	\$ 4,065	\$ 4,065
Disaster Assistance	83.544	1046	67,000	67,000
Disaster Assistance	83.544	1155	865	865
Disaster Assistance	83.544	1203	82,406	82,406
Disaster Housing Program	83.545	--	115,000	37,500
Total Federal Emergency Management Agency			<u>\$ 269,336</u>	<u>\$ 191,836</u>
<u>U.S. Department of Education</u>				
Passed through State Department of Education				
Library Literacy	84.002A		4,024	4,024
Passed through State Department of Alcohol and Drug Abuse Programs				
Drug-Free Schools	84.186	--	23,350	23,350
Total U.S. Department of Education			<u>\$ 27,374</u>	<u>\$ 27,374</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	--	44,236	10,857
Temporary Assistance for Needy Families	93.558*	--	5,608,099	6,246,626
Child Support Enforcement	93.563	--	1,400,695	1,400,695
Child Welfare Services – State Grants	93.645	--	56,746	56,746
Foster Care – Title IV-E	93.658*	--	1,119,398	1,809,287
Adoption Assistance Program	93.659	--	159,516	159,912
Independent Living	93.674	--	31,655	31,655
Subtotal			<u>8,420,345</u>	<u>9,715,778</u>
Passed through State Department of Health Services				
Maternal and Child Health Services	93.118	--	160,575	160,575
Medical Assistance Program	93.778	--	2,079,105	1,996,999
AIDS (HIV Care)	93.917	--	34,362	34,362
Health 314D	93.991	--	6,963	6,963
Subtotal			<u>2,281,005</u>	<u>2,198,899</u>

\* Major Program

**COUNTY OF NAPA**

Schedule of Expenditures of Federal Awards  
For the Fiscal Year Ended June 30, 1999

<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	--	\$ 402,703	\$ 402,703
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>514,832</u>	<u>514,832</u>
Passed through State Department of Alcohol and Drug Abuse Programs				
Block Grants for Prevention and Treatment of Substance Abuse (SAPT)	93.959	--	<u>612,005</u>	<u>612,005</u>
Total Department of Health and Human Services			<u>\$ 11,828,187</u>	<u>\$ 13,041,514</u>
Total Federal Financial Assistance			<u>\$ 23,243,930</u>	<u>\$ 24,252,290</u>

\* Major Program

**COUNTY OF NAPA**

Notes to Schedule of Expenditures of Federal Awards  
For the Fiscal Year Ended June 30, 1999

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 presented using the cash basis of accounting, while the general purpose financial statements were presented using the modified accrual basis of accounting.

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, 1999.

A. Grant No.: VV97010280

	<u>Budget</u>	<u>Actual</u>	<u>Balance</u>
Personal Services	\$ 319,950	\$ 188,936	\$ 131,014
Operating Expenses	58,613	5,150	53,463
Equipment	<u>13,794</u>	<u>4,573</u>	<u>9,221</u>
Totals	<u>\$ 392,357</u>	<u>\$ 198,659</u>	<u>\$ 193,698</u>

**COUNTY OF NAPA**

Notes to Schedule of Expenditures of Federal Awards  
For the Fiscal Year Ended June 30, 1999

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 #6 for the period end August 31, 1999:

	<u>Expenditures</u>
Amount per Schedule of Expenditures of Federal Awards	\$ 121,031
Add 25% Federal Match	49,665
Add amounts for the two months ended June 30, 2000	<u>27,963</u>
Amount per the August 31, 1999 OCJP 201 #6	<u><u>\$ 198,659</u></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, 1999.

A. Grant No. SR97020280

	<u>Budget</u>	<u>Actual</u>	<u>Balance</u>
Personal Services	\$ 184,340	\$ 112,273	\$ 72,067
Operating Expenses	8,572	4,296	4,276
Equipment	<u>7,088</u>	<u>--</u>	<u>7,088</u>
Totals	<u><u>\$ 200,000</u></u>	\$ 116,569	<u><u>\$ 83,431</u></u>
Less: Reported Prior Period		<u>(36,759)</u>	
Reported This Period		<u><u>\$ 79,810</u></u>	

**COUNTY OF NAPA**

Notes to Schedule of Expenditures of Federal Awards  
For the Fiscal Year Ended June 30, 1999

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, 1999.

B. Grant No. VW97180280

	<u>Budget</u>	<u>Actual</u>	<u>Balance</u>
Personal Services	\$ 216,546	\$ 216,546	\$ --
Operating Expenses	54,318	54,318	--
Equipment	<u>--</u>	<u>--</u>	<u>--</u>
Totals	<u>\$ 270,864</u>	<u>\$ 270,864</u>	<u>\$ --</u>
Less: Reported Prior Period		<u>(114,004)</u>	
Reported This Period		<u>\$ 156,860</u>	

**COUNTY OF NAPA**

Schedule of Findings and Questioned Costs  
For the Fiscal Year Ended June 30, 1999

**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
17.207	Employment Service/One Stop
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

**COUNTY OF NAPA**

Schedule of Findings and Questioned Costs  
For the Fiscal Year Ended June 30, 1999

**Section 1 (continued)**

Summary of Auditor's Results

<u>CFDA Number</u>	<u>Name of Federal Program</u>
93.558	Temporary Assistance for Needy Families
93.658	Foster Care – Title IV-E
5. Dollar threshold used to distinguish between Type A and Type B programs:	\$727,569
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 99-1

COUNTY OF NAPA

Schedule of Findings and Questioned Costs  
For the Fiscal Year Ended June 30, 1999

**Program**

**Findings/Noncompliance**

---

Finding 99-1

**Applicable to Compliance Requirement  
Allowable/Unallowable Costs (Internal Controls)**

TANF  
93.558

Condition

We audited a sample of 25 TANF cases. During our testing, we noted one instance in which the recipient's monthly gross income was not input into SAWS as a result of the Monthly Status/Eligibility Report being turned in late. However, the department failed to issue an overpayment to account for the income eventually reported.

Criteria

A recipient's monthly income aids in determining the amount of benefits to be paid by the County.

Effect of Condition

As a result of not inputting the recipient's monthly income information into SAWS, the County is susceptible to awarding recipients more benefits than they are entitled to receive.

Recommendation

We recommend that the department establish procedures to ensure that all income not timely reported by the recipient be accounted for. We further recommend that an overpayment be issued to the recipient in question to account for the income eventually reported.

Corrective Action Plan

The County has put in place the procedures necessary to take corrective action. However, the County will issue a reminder to staff regarding the need to calculate overpayments and establish claims for collection.

Name of Contact Person: Teresa Zimny, Eligibility Program  
Manager

Date: December 3, 1999

COUNTY OF NAPA

Summary Schedule of Prior Audit Findings  
For the Fiscal Year Ended June 30, 1999

Audit Reference  
Number

N/A

Status of Prior Year Audit Findings

Recommendations for all prior year findings have been implemented.