

County of Napa, California

Comprehensive Annual Financial Report

For the Fiscal Year Ended
June 30, 2011



TRACY A. SCHULZE
Auditor-Controller

Mission Statement

The County of Napa is dedicated to preserving agriculture and the environment and to providing leadership and services to advance the health, safety and economic well-being of current and future generations.

*Adopted by the
Napa County Board of Supervisors – April 6, 2009*

Core Values

Integrity - Demonstrate the highest ideals of honesty and fairness.

Accountability - Seek always to uphold the law, be fiscally prudent and open to the public.

Service - Value public service as a calling and strive for excellence in all that we do.

*Adopted by the
Napa County Board of Supervisors – April 10, 2007*

County of Napa, California
Comprehensive Annual Financial Report
For the Fiscal Year Ended
June 30, 2011



TRACY A. SCHULZE
Auditor-Controller



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Photography by Ken Stanton

**“Ice Patterns”
Oat Hill Mine Trail**

Managed by the Napa County Regional Park and Open Space District
(8.3 mile long Oat Hill Mine Trail follows the original route between Calistoga
and the western end of Aetna Springs Road in Pope Valley)

Located in Napa County



Introductory Section



Photography by Jobina Toh

Napa Memorial Stadium

Located between Menlo Street and Pueblo Avenue, City of Napa



**A Tradition of Stewardship
A Commitment to Service**

County Executive Office

Nancy Watt
County Executive Officer

Auditor-Controller

Tracy A. Schulze
Auditor-Controller

December 16, 2011

To the Honorable Board of Supervisors and Citizens of the County of Napa:

California law requires that every local government publish a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended June 30, 2011.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that management has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Gallina LLP, Certified Public Accountants, have issued an unqualified ("clean") opinion on the County of Napa's financial statements for the year ended June 30, 2011. The independent auditor's report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

Profile of the Government

The first California State Constitution, adopted in 1849, the year before California became a state, directed the Legislature to provide for a system of county government and for the election of a County Board of Supervisors. On February 18, 1850, the County of Napa was created as one of California's original twenty-seven counties.

The County is a general law county divided into five supervisorial districts on the basis of registered voters and populations. The five members of the County Board of Supervisors are elected to four-year terms in staggered years. Also elected are the Auditor-Controller, Assessor-Recorder-County Clerk, District Attorney, Sheriff-Coroner and the Treasurer-Tax Collector. A County Executive Officer appointed by the Board manages the day-to-day business affairs of the County.

County government provides a wide range of services, including public protection, judicial support, environmental management and health services, senior citizen assistance, a variety of public assistance programs, library services, airport services, road maintenance, and fire protection.

The Board of Supervisors is required to adopt a final budget no later than October 2. This annual budget serves as the foundation for the County of Napa's financial planning and control. The budget is prepared by fund, function (e.g., public safety), and department (e.g., Sheriff). With certain limitations, department heads may transfer resources within a department as they see fit. Transfers between departments, however, need special approval from the Board of Supervisors.

Local Economy

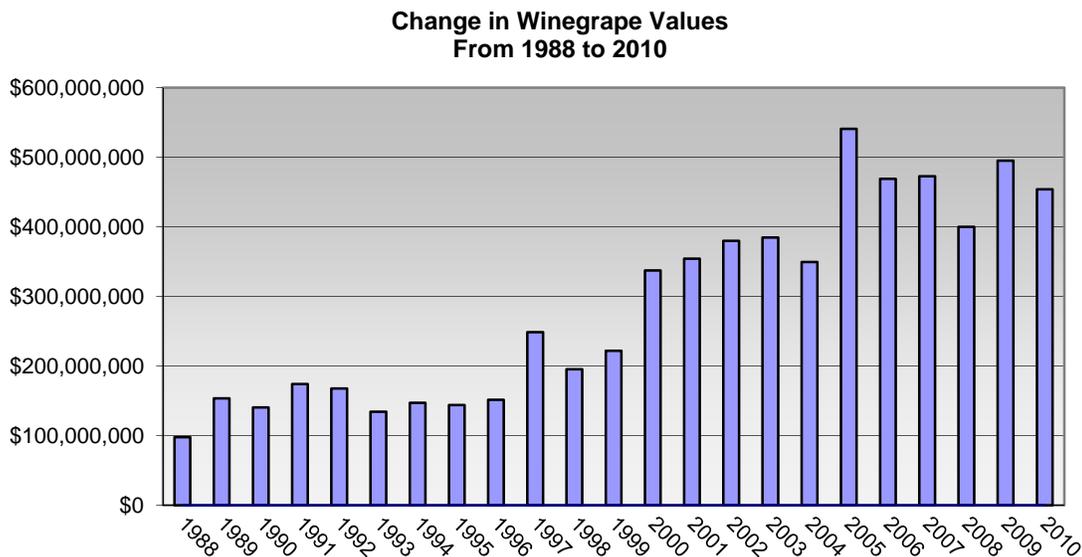
In the heart of the wine country, the County of Napa includes one of California's most beautiful valleys. The temperate year round climate provides ideal weather for the growth of world-class wine grapes. The valley's unique microclimates also allow residents and visitors the opportunity to take full advantage of numerous recreational pursuits available in the immediate area. Golfing, fishing, cycling, hiking, boating and horseback riding are readily available. Of course, Napa Valley is also synonymous with world-class restaurants, destination resorts, and some of the world's most famous wineries.

The population of 137,639 resides primarily in the five municipalities of American Canyon, Calistoga, Napa, St. Helena and the Town of Yountville. The vast majority of County land is unincorporated and devoted to vineyards, farms, ranches and forest land, providing the area with high levels of open space. The County's economy has always had a strong agricultural base, and has a substantial presence in the wine industry.

The most recent study (2008) prepared by Stonebridge Research Group LLC for the Napa Valley Vintners shows a \$10.9 billion impact to the Napa County economy from the local wine industry. In addition, the Napa Valley's wine and vineyard sector directly, and indirectly through services and products, provides nearly 40,000 jobs in the County and generates nearly \$4.4 billion in taxes, across federal, state, and local levels.

According to the Napa County Agricultural Commissioner's Annual Crop Report for 2010, wine grapes represent 98.4% of the value of all agricultural production in the County. Without factoring inflation, the annual value of wine grape production decreased 8.3% when compared to 2009. Each year the value of wine grapes produced is exponentially magnified in the local economy through the production and marketing of wine, local wine industry employment, and associated economic activity.

The following graph demonstrates the trend of increasing winegrape values since 1988 through the end of fiscal year 2010.



Major industries located within the County's boundaries, or in close proximity, include grape growers and wine producers and manufacturers of wine industry related products. The State of California also has a significant economic presence due to a major mental health facility that provides employment to more than 2,300 healthcare professionals and staff. Public instruction in the County is provided by two elementary school districts and three unified school districts. Higher education is available in the

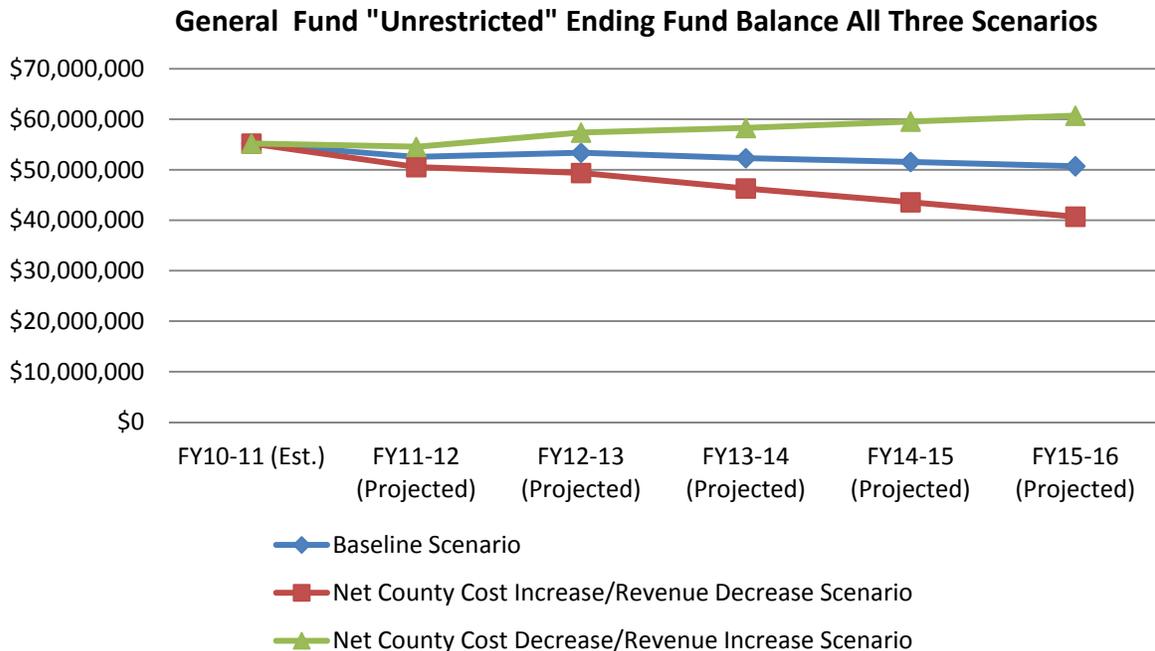
County via the Napa Valley College and the Pacific Union College. The transportation network includes publicly operated systems as well as private enterprise systems within the county and the cities. A privately-owned airporter service operates from St. Helena, Napa and Vallejo to San Francisco International Airport and Oakland International airport. There is also a County-owned and operated airport that serves privately-owned aircraft.

Napa County's unemployment rate has consistently been well below the State average, although it does follow the State trend generally. As of June 30, 2011, according to the California Employment Development Department data, during the past ten years, the unemployment rate in Napa County increased from 4.3 percent (2002) to a decade high of 9.3% (2010) before falling to 9.2 percent (2011), following recent state and national trends. As a comparison Statewide, Napa County has the fourth lowest unemployment rate, with the statewide average rate of 12.1 percent as of June 30, 2011.

Long-term Financial Planning

Napa County has a history of prudent fiscal and debt management. The recent history of the General Fund shows sizable reserves, including designations. In fiscal year 2009-10 the General Fund reserves, including designations, was \$33.5 million or 18.2 percent of total General Fund expenditures; in fiscal year 2010-11 (using comparable fund balance categories of committed and assigned) is \$35.1 million or 17.5 percent. These include funds designated for specific capital projects as well as for fiscal requirements known or anticipated in future years. The County utilizes an interdisciplinary Debt Advisory Committee and periodic Debt Capacity Analyses to project future capital needs and funding.

In 2011, the County prepared a formal General Fund five-year revenue and expenditure forecast for consideration by the Board of Supervisors (see following graph). The five year forecast projected the unrestricted General Fund ending balance (which includes committed, assigned and unassigned fund balance categories) under three different scenarios: A baseline scenario that essentially assumed a continuation of the status quo in terms of state laws, funding levels and general economic conditions; a revenue reduction/expenditure increase scenario that assumed a \$2 million increase in Net County Cost starting fiscal year 2010-11; and a revenue increase/expenditure decrease scenario, that assumed a \$2 million decrease in Net County Cost starting in fiscal year 2010-11.



The baseline scenario projected a fiscal year 2015-16 General Fund unrestricted ending balance of approximately \$51 million, a decrease of approximately \$7.2 million from the fiscal year 2010-11 unrestricted beginning balance. The revenue reduction/expenditure increase scenario resulted in an estimated fiscal year 2015-16 unrestricted ending balance of approximately \$41 million. The revenue increase/expenditure decrease scenario resulted in a fiscal year 2015-16 unrestricted fund balance projection of approximately \$61 million.

A projected fiscal year 2015-16 unrestricted ending fund balance that ranges from \$41 to \$61 million illustrates the sensitivity of such projections to the assumptions used in making them. At this point, staff is able to conclude that absent a significant change in economic conditions, policies, or programs: (1) the County's General Fund will likely not be in structural balance over the next five years, though the structural imbalance may not be great – averaging approximately 0.9% of Net County Cost; and (2) given the relatively robust nature of the General Fund's fund balance, even under the worst case scenario the County would likely have time to address the problem in a careful and thoughtful way by implementing the Board's approved Fiscal Contingency Plan. And, in fact, the Board has already approved implementing all of the short-term actions in the Fiscal Contingency Plan and seven of the 13 longer-term actions. The County plans to continue to use the tools provided for in the Fiscal Contingency Plan to carefully calibrate our budget actions to address the General Fund structural imbalance, while avoiding unnecessarily disruptive expenditure reductions.

One of the major factors that will impact the fiscal condition of the General Fund is the amount of returned property tax the County will receive in the form of excess Education Revenue Augmentation Fund (ERAF) contributions. Excess ERAF is a relatively new and uncertain revenue source for Napa. Fiscal year 2008-09 was the first year the County received excess ERAF in the amount of \$6.6 million. That amount grew to \$13 million in fiscal year 2009-10 and in fiscal year 2010-11 was reduced to \$11 million. The increase in funding from this source is related in large part to reductions in State funding for schools, which were recently approved by the Legislature. The Five Year Forecast projections assume that the General Fund will receive \$5 million each year in excess ERAF. Although the revenues received have been higher in the past, this funding is very volatile. The projections are consistent with Board policy which states that the County should not rely on the General Fund receiving more than \$5 million a year in excess ERAF revenue to fund on-going operations. That policy further states that any excess ERAF revenue received in each year above the \$5 million level be transferred to the Accumulated Capital Outlay Fund or used for other one-time-only needs.

The County is currently in the process of developing a Facilities Master Plan for our Health and Human Services and Downtown Napa Campuses, and staff has prepared for Board consideration a Five-Year Capital Improvement Plan (CIP). The Board of Supervisors has approved an Adult Correctional System Master Plan which, among other things, calls for implementing evidence-based practices designed to reduce offender recidivism and for increasing the number of jail beds by approximately 32 percent by 2025. Recognizing that, over the next 20 years, the County will likely face the need to renovate and construct new office space and other facilities. As part of the fiscal year 2006-07 budget, the Board of Supervisors established an Accumulated Capital Outlay Fund that is being used to set aside available resources now to fund future capital needs. The Board has adopted a budget policy that called for placing any remaining discretionary resources (after all current year operating, capital, reserve and contingency requirements were met) and, as noted above, any excess ERAF revenue above \$5 million a year in capital reserves. At the end of fiscal year 2010-11, the Accumulated Capital Outlay Fund balance stood at approximately \$33.5 million, and the fiscal year 2011-12 budget includes the transfer of an additional \$2.9 million from the General Fund to the ACO Fund.

The County of Napa contracts with CalPERS to provide retirement benefits and Other Post Employment Benefits (OPEB) for approximately 1,260 County employees. CalPERS is the largest pension system in the Country providing benefits to 1.6 million public employees and retirees and has total assets of approximately \$200 billion as of June 30, 2010 in its pension portfolio. The annual cost of retirement benefits is the result of a number of factors including the actuarial cost of future benefits, the value of current plan assets, and projected investment earnings. The County's fiscal

year 2011-2012 adopted budget includes approximately \$18.8 for the County's share of pension costs, which makes up approximately 5.1% of the overall County budget. The General Fund portion of this cost is approximately \$16.4 million, which represents approximately 7.2% of the total General Fund budget. In addition to the County's contribution, non-safety employees contribute approximately 20% of their overall cost of retirement benefits, while safety employees currently contribute approximately 26.5% of their overall cost of retirement benefits. The County began prepaying its pension obligation for miscellaneous members in fiscal year 2010-2011 and will continue this practice in the foreseeable future to take advantage of the approximate \$450,000 discount.

Finally, in fiscal year 2006-07, the Board of Supervisors made the decision to fully fund the County's \$34 million Other Post Employment Benefits (OPEB) unfunded liability. Currently, the County is funding this liability over a 20 year period. Funding for this purpose beginning in fiscal year 2007-08, is included annually in County budgets.

Relevant Financial Policies

Budget policies have been formally adopted by the Board of Supervisors. These include direction on staffing decisions, pursuit of new revenues, use of discretionary revenues and operational efficiencies, to name a few. Through these policies, the Board of Supervisors has established the following reserve and contingency guidelines:

- Maintain the balance of General Reserves equivalent to 20 percent of General Fund appropriations. Reserves are typically used for two purposes: to provide funds that can be used in future years to balance the budget (reserves cannot be spent in the current fiscal year) and to aid in cash flow, so that short-term borrowing against anticipated revenues is not needed.
- Maintain the balance of the Designation for Fiscal Uncertainty equivalent to 20 percent of General Fund appropriations. The contingency would be utilized to cover the impact of unanticipated cost increases or revenue decreases during the fiscal year.
- Once the General Reserves and Designation for Fiscal Uncertainty equal 20 percent of General Fund appropriations, all remaining un-appropriated discretionary resources will be transferred to the Accumulated Capital Outlay fund for future County capital needs.

Major Initiatives

In 1998, the voters of Napa County approved a half-cent sales tax to fund the local share of a countywide flood management plan. Construction of the portion of the Napa River/Napa Creek Flood protection Project (Project) in the City of Napa has been underway for nine years with many accomplishments thus far. The Project has restored over 650 acres of high-value seasonal and tidal wetlands along the Napa River. Four major bridge projects have been completed and the cleanup of thirteen acres of contaminated riverbank was accomplished. Progress continues to be made on the long-sought protection for 2,700 homes, 350 businesses, and over 50 public properties. Protection from 100-year flood levels means a savings of more than \$26 million annually in flood damage costs. The end result is to be a "Living River" that will help protect residents from damage caused by regular flooding, sustain migrating fish and wildlife, provide recreational opportunities, and enhance economic activity all along the River's course.

The most recent calculations estimate the total cost of the City of Napa Project at \$444.3 million with the Federal government responsible for 50 to 75 percent of the total costs and the local sponsor responsible for 25 to 50 percent of the total costs. Monies for the Project are derived from Napa County Measure A, which generates a half-cent local sales tax; California's Subvention Fund for flood projects; and federal funding appropriated to the U.S. Army Corps of Engineers. Additional monies have been obtained through grants from the Federal Emergency Management Agency, the Federal Highway Administration, the California Department of Transportation, the California Department of Water Resources, and the Coastal Conservancy.

On December 7, 2010, the Board of Supervisors authorized the allocation of \$500,000 of the County's Affordable Housing Trust Fund to initiate a pilot Worker Proximity Housing Assistance program. The program was launched in Spring 2011. As of November 2011, the pilot program has received 25 applications, over 100 inquiries, and has successfully provided 4 loans to eligible households who desire to live in Napa County. Currently, there are 11 applicants approved for the program who are in the process of working with realtors to purchase homes in the County. Of the \$500,000 initially set aside for the pilot program, there is approximately \$58,621 remaining in uncommitted funds. Approximately \$441,379 in committed funds has been reserved for 15 approved and/or closed loans. The average amount of the approved/closed loan is approximately \$27,600 per loan. In comparison to affordable housing projects recently funded by the Affordable Housing Trust Fund in the past two fiscal years, the County authorized the reservation of funds for three housing projects. The total per unit cost to construct/rehabilitate the units in these projects range from \$43,000 to \$79,000. Unlike the Proximity Housing Assistance program, the units in these projects will be rental units geared towards families with incomes lower than 60% of the Area Median Income (AMI).

In July of 2010, the Board of Supervisors established the Napa Valley Tourism Improvement District (NVTID). The purpose of the NVTID is to promote tourism throughout Napa County, and its activities are funded by a 2% assessment on gross short term (less than 30 days) room rentals on lodging businesses. The NVTID encompasses lodging businesses who pay Transient Occupancy Taxes in the unincorporated area, as well as the cities of St. Helena, Napa, Calistoga, American Canyon, and the Town of Yountville. The NVTID also approves the Management District Plan (Plan) and the levy of assessments. In fiscal year 2010-11, the assessment brought in approximately \$2.7 million for marketing throughout the valley.

Awards and Acknowledgements

The County's Child Support Services Department received California State Association of Counties' Merit Award for restructuring its business process to manage caseloads by type and complexity. This has led to increased collections and improvements in federal performance measures. The Napa County Probation Department also received a Merit Award for its *Evening Reporting Center* for youth. More than 75 percent of the youth who entered the program have successfully graduated and gained the skills and knowledge to become productive members of society. Additionally, the County has been able to reduce out-of-county placements, saving approximately \$60,000 annually.

Napa County's Auditor-Controller's Office received its eleventh straight "Award for Achieving Excellence in Financial Reporting" from the California State Controller's Office. This award is given to California counties that meet the criteria and timeliness for State financial transactions reporting.

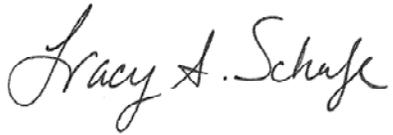
Napa County's Information Technology Services Department received national recognition as the result of a survey conducted by the Center for Digital Government. Napa County ranked second in the nation for counties with a population of 150,000 or less. This is an award recognizing innovation and achievement in technology implemented by county governments.

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Napa County for its comprehensive annual financial report for the fiscal year ended June 30, 2010. This was the sixth consecutive year that the County has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report would not have been possible without the efficient and dedicated service of the entire staff of the Auditor-Controller's and County Executive Offices. We wish to express our appreciation to all those who assisted and contributed to the preparation of this report. Credit must also be given to the Board of Supervisors for their unfailing support for maintaining the highest standards of professionalism in the management of Napa County's finances.

Respectfully submitted,



Tracy A. Schulze
Auditor-Controller



Nancy Watt
County Executive Officer

Certificate of Achievement for Excellence in Financial Reporting

Presented to

County of Napa
California

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2010

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

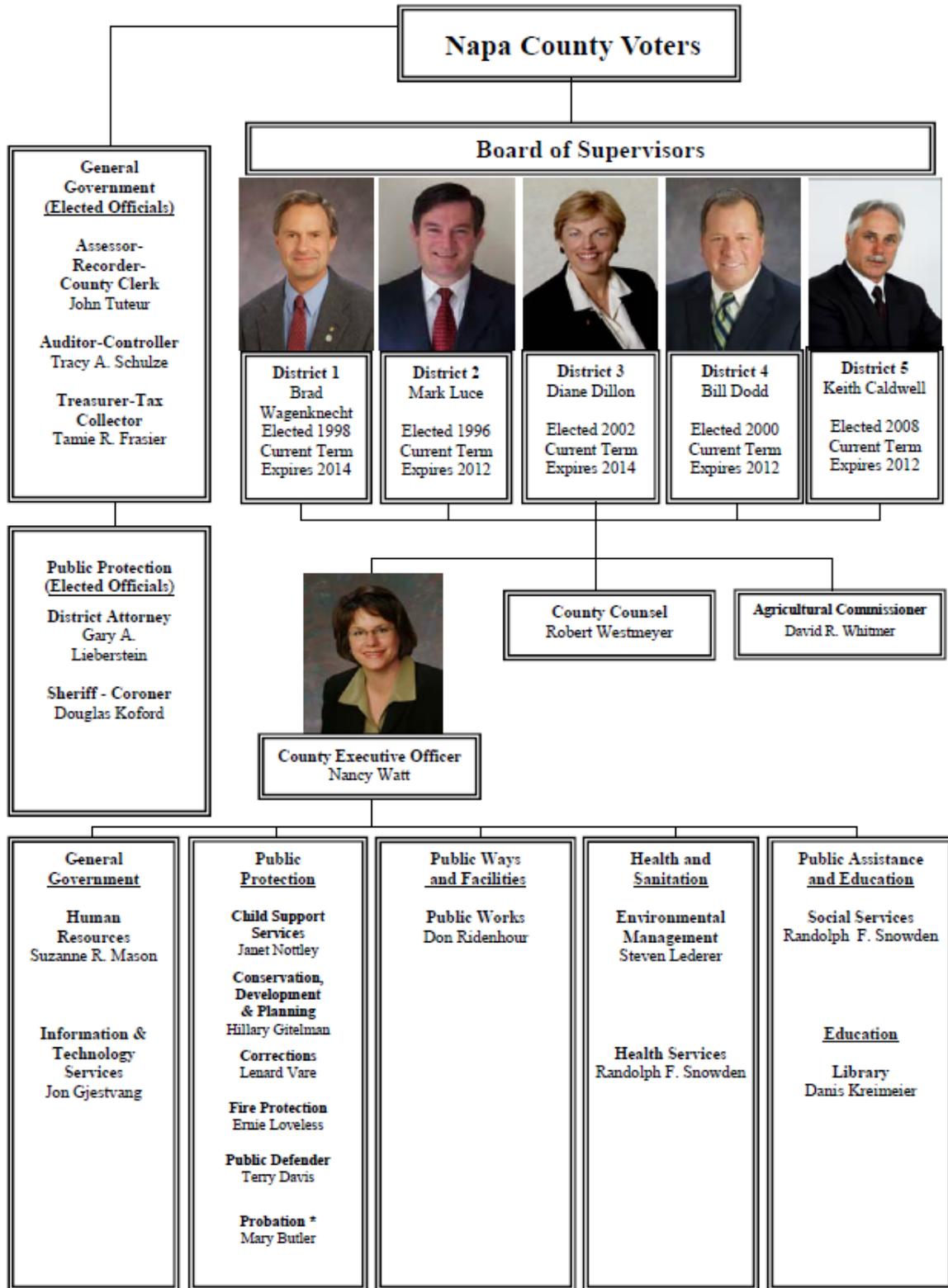


Linda C. Danson

President

Jeffrey R. Egan

Executive Director



* Appointed by the Napa County Superior Court

ELECTED OFFICIALS**June 30, 2011**

Supervisor, District 1	Brad Wagenknecht
Supervisor, District 2	Mark Luce
Supervisor, District 3	Diane Dillon
Supervisor, District 4	Bill Dodd
Supervisor, District 5	Keith Caldwell
Assessor-Recorder-County Clerk	John Tuteur
Auditor-Controller	Tracy A. Schulze
District Attorney	Gary A. Lieberstein
Sheriff-Coroner	Douglas E. Koford
Treasurer-Tax Collector	Tamie R. Frasier

APPOINTED OFFICIALS

Agricultural Commissioner	David R. Whitmer
Child Support Services Director	Janet Nottley
Clerk of the Board	Gladys Coil
Conservation Development and Planning Director	Hillary Gitelman
Corrections Director	Lenard Vare
County Counsel	Robert Westmeyer
County Executive Officer	Nancy Watt
Environment Management Director	Steve Lederer
Fire Protection	Tim Streblov
Health & Human Services Director	Randolph F. Snowden
Human Resources Director	Suzanne R. Mason
Information Technology Systems Director	Jon Gjestvang
Library Director	Danis Kreimeier
Chief Probation Officer	Mary Butler
Public Defender	Terry Davis
Public Works Director	Don Ridenhour



Financial Section



Photography by Jobina Toh

Third Street Bridge
An arched reinforced concrete box girder over the Napa River

Located in the City of Napa



INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County of Napa, California, (the County), as of and for the year ended June 30, 2011, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we express no such opinion. An also audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements, 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 opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County as of June 30, 2011, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued under separate cover, our report dated December 15, 2011, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

To the Board of Supervisors and Grand Jury
County of Napa

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the other required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

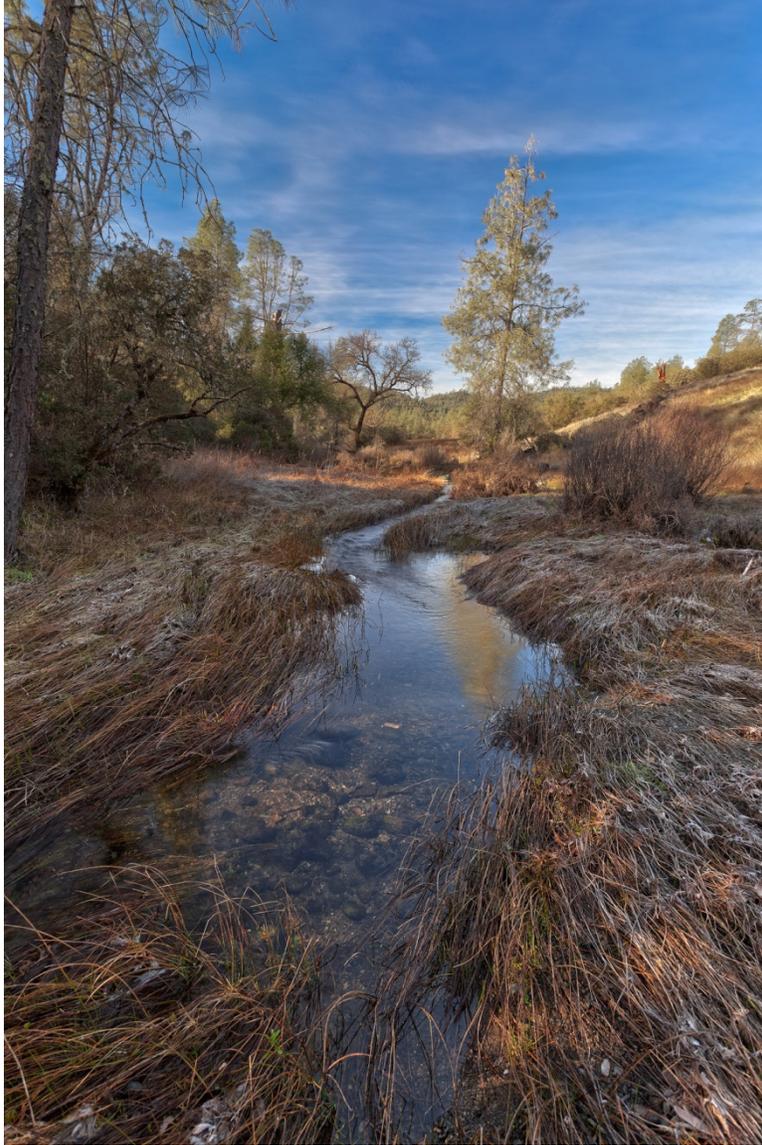
Our audit was made for the purpose of forming opinions on the financial statements that collectively comprise the County of Napa's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole. The introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or provide any assurance on it.

Gallina LLP

Roseville, California
December 15, 2011



MANAGEMENT'S DISCUSSION AND ANALYSIS



Photography by Jeff Tangen, <http://www.jefftangenphoto.com>

“Spanish Valley”
Land donation by Trinchero Family
to the Napa County Regional Park and Open Space District

Located near Lake Berryessa, northeast of Pope Valley, Napa County

Management's Discussion and Analysis

This section of the County of Napa's (County) annual financial report presents our discussion and analysis of the County's financial performance during the year ended June 30, 2011. Please read it in conjunction with the County's basic financial statements following this section.

FINANCIAL HIGHLIGHTS

- The assets of the County exceeded liabilities at the close of the 2010-2011 fiscal year by \$352,666,770 (*net assets*). Of this amount, \$125,411,056 (*unrestricted net assets*) may be used to meet ongoing obligations to citizens and creditors, \$93,656,838 is restricted for debt service, capital projects, grants and special taxes, \$133,598,876 is invested in capital assets, net of related debt.
- As of June 30, 2011, spendable fund balance for the general fund was \$86,857,208, or 43.4%, of total general fund expenditures. These funds will be considered in subsequent fiscal years' budgets.
- As of June 30, 2011, the total County governmental funds reported combined fund balances of \$231,067,977. Approximately 99.1% of the combined fund balances, \$228,907,534, is available to meet the County's current and future needs (spendable fund balance).
- The County's total long-term debt, consisting of certificates of participation, bonds and loans, decreased by \$6,605,037 in comparison with the prior year. The decrease was the result of making scheduled debt payments with no new debt issuances during the fiscal year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements comprise three components 1) **Government-wide** financial statements; 2) **Fund** financial statements and, 3) **Notes** to the basic financial statements. Required Supplementary Information is included in addition to the basic financial statements.

Government-wide Financial Statements are designed to provide readers with a broad overview of County finances, in a manner similar to a private-sector business.

The statement of net assets presents information on all County assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The statement of activities presents information showing how the County's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of these government-wide financial statements distinguish functions of the County principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions intended to recover all or a portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the County include general government, public protection, public ways and facilities, health and sanitation, public assistance, education and recreation and cultural services. The business-type activities of the County include Napa County Airport, Lake Berryessa Resort Improvement District, Fifth Street Parking Garage, Napa Berryessa Resort Improvement District, Napa County Housing Authority, and Napa County Animal Shelter.

Component units are included in the County's basic financial statements and consist of legally separate entities for which the County is financially accountable and that have substantially the same board as the County or provide services entirely to the County. An example is the Napa County Flood Protection and Watershed Improvement Authority (Flood Authority).

The government-wide financial statements can be found on pages 23-25 of this report.

Fund Financial Statements are groupings of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate finance-related legal compliance. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental funds financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a county's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The County currently maintains 83 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures and changes in fund balances for General Fund, Napa County Flood Protection and Watershed Improvement Authority Fund, Accumulated Capital Outlay Fund and Roads Fund. Data from the other governmental funds are combined into a single, aggregated presentation. Fund data for these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

The governmental funds financial statements can be found on pages 29-32 of this report.

Proprietary funds are maintained two ways. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The County uses enterprise funds to account for the Napa County Airport, Lake Berryessa Resort Improvement District, Fifth Street Parking Garage, Napa Berryessa Resort Improvement District, Napa County Housing Authority, and Napa County Animal Shelter operations. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses internal service funds to account for its fleet maintenance and replacement, information technology services, workers' compensation insurance and long-term disability, personal injury and property damage, and employee/retiree benefits. Because these services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The Napa County Airport, Lake Berryessa Resort Improvement District, and the Fifth Street Parking Garage are considered to be major enterprise funds of the County. The non-major enterprise funds are Napa Berryessa Resort Improvement District, Napa County Housing Authority and Napa County Animal Shelter. The County's five internal service funds are combined into a single, aggregated presentation in the proprietary funds financial statements. Individual fund data for both the nonmajor enterprise and the internal service funds is provided in the supplementary information section of this report.

The proprietary funds financial statements can be found on pages 33-36 of this report.

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The fiduciary fund financial statements can be found on pages 37-38 of this report.

Notes to the Basic Financial Statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

The notes can be found on pages 40-73 of this report.

Required Supplementary Information is presented concerning actuarial information related to the County's retirement and retiree healthcare plans as well as certain budgetary information. Budgetary comparison schedules have been provided for all major governmental funds to demonstrate compliance with the County's adopted annual appropriated budget for each fund.

The required supplementary information can be found on pages 77-90 of this report.

Combining and individual fund statements and schedules referred to earlier provide information for non-major governmental funds, enterprise, internal service and fiduciary funds and are presented immediately following the required supplementary information.

The required combining and individual fund statements and schedules can be found on pages 94-154 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the County, assets exceeded liabilities by \$352,666,770 at the close of the most recent fiscal year. Further detail is provided in Table 1.

Table 1 - County's Net Assets
(in thousands)

	Governmental		Business-type		Total		Dollar	Percent
	Activities		Activities				Change	Change
	2011	2010	2011	2010	2011	2010		
Current and other assets	278,022	265,914	6,629	6,723	284,651	272,637	12,014	4.4%
Capital assets	121,310	125,441	46,305	46,844	167,615	172,285	(4,670)	-2.7%
Total assets	399,332	391,355	52,934	53,567	452,266	444,922	7,344	1.7%
Current and other liabilities	27,024	34,114	1,222	1,460	28,246	35,574	(7,328)	-20.6%
Long-term liabilities	66,391	73,484	4,961	5,112	71,352	78,596	(7,244)	-9.2%
Total liabilities	93,415	107,598	6,183	6,572	99,598	114,170	(14,572)	-12.8%
Net assets:								
Invested in capital assets, net of related debt	89,334	90,855	44,265	45,096	133,599	135,951	(2,352)	-1.7%
Restricted net assets	93,329	51,323	328	293	93,657	51,616	42,041	81.4%
Unrestricted net assets	123,254	141,579	2,157	1,606	125,411	143,185	(17,774)	-12.4%
Total net assets	305,917	283,757	46,750	46,995	352,667	330,752	21,915	6.6%

The composition of the County's net assets can be summarized as follows:

- The largest portion of the County's net assets (37.9%) reflects its investment of \$133.6 million in capital assets (e.g. land and easements, structures and improvements, infrastructure, and equipment), less any related debt used to acquire those assets still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the County's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.
- An additional portion of the County's net assets, (\$93.7 million or 26.5%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net assets* (35.6% or \$125.4 million) may be used to meet the County's ongoing obligations to citizens and creditors.
- The County's net assets have increased by \$21.9 million during the current fiscal year. This increase is the result of the County implementing conservative spending to minimize the impact of the current recession, and increases in the County's tax revenues and fees, fines and charges for services. The increase in property tax revenue is due to the County recouping prior year tax proceeds in the form of excess Educational Revenue Augmentation Fund contributions.

The significant changes in the County's net assets are summarized as follows:

- The County's total assets as of June 30, 2011 amount to \$452.3 million, an increase of \$7.3 million, or 1.7%, from the prior year. The increase in total assets is a result of an increase in cash and investments of \$13.2 million, partially offset by a decrease in capital

assets due to depreciation of \$4.7 million. The increase in cash and investments is the result of conservative spending policies adopted by the Board of Supervisors to minimize the impact of the current recession combined with the one-time increase in property tax revenue due to the County recouping prior year tax proceeds in the form of excess Educational Revenue Augmentation Fund contributions.

- The County's total liabilities as of June 30, 2011, are \$ 99.6 million, a decrease of \$14.6 million, or 12.8%, from the prior year. This decrease was mainly the result of a decrease in unearned (deferred) revenues of \$4.9 million and the payment of annual debt service of \$6.6 million.

Table 2 - County's Change in Net Assets
(in thousands)

	Governmental		Business-type		Total		Total	
	Activities		Activities		Total		Dollar	Percent
	2011	2010	2011	2010	2011	2010	Change	Change
Revenues:								
Program revenues:								
Fees, fines and charges for services	\$ 46,060	\$ 42,451	\$ 4,905	\$ 4,473	\$ 50,965	\$ 46,924	\$ 4,041	8.6%
Operating grants and contributions	96,232	87,069	154	246	96,386	87,315	9,071	10.4%
Capital grants and contributions	1,237	1,911	1,611	1,066	2,848	2,977	(129)	-4.3%
General revenues:								
Property taxes	99,140	91,575	125	117	99,265	91,692	7,573	8.3%
Sales and use taxes	18,010	16,795	-	-	18,010	16,795	1,215	7.2%
Other taxes	9,533	8,301	-	-	9,533	8,301	1,232	14.8%
Unrestricted interest and investment earnings	1,849	2,534	59	76	1,908	2,610	(702)	-26.9%
Gain on sale of assets	26	-	-	-	26	-	26	n/a
Miscellaneous	1,288	424	2	12	1,290	436	854	195.9%
Total revenues	<u>273,375</u>	<u>251,060</u>	<u>6,856</u>	<u>5,990</u>	<u>280,231</u>	<u>257,050</u>	<u>23,181</u>	<u>9.0%</u>
Expenses:								
General government	37,039	32,201	-	-	37,039	32,201	4,838	15.0%
Public protection	100,258	92,848	-	-	100,258	92,848	7,410	8.0%
Public ways and facilities	23,826	23,543	-	-	23,826	23,543	283	1.2%
Health and sanitation	40,839	39,642	-	-	40,839	39,642	1,197	3.0%
Public assistance	37,019	34,553	-	-	37,019	34,553	2,466	7.1%
Education	7,541	7,208	-	-	7,541	7,208	333	4.6%
Recreation and cultural studies	1,265	1,222	-	-	1,265	1,222	43	3.5%
Interest on long-term debt	2,916	3,141	-	-	2,916	3,141	(225)	-7.2%
Administration and issuance costs	16	37	-	-	16	37	(21)	-56.8%
Napa County Airport	-	-	2,678	2,800	2,678	2,800	(122)	-4.4%
Lake Berryessa Improvement District	-	-	1,178	1,132	1,178	1,132	46	4.1%
Napa County Housing Authority	-	-	1,249	1,164	1,249	1,164	85	7.3%
Napa Berryessa Improvement District	-	-	950	766	950	766	184	24.0%
Napa County Animal Shelter	-	-	1,088	965	1,088	965	123	12.7%
Fifth Street Parking Garage	-	-	455	437	455	437	18	4.1%
Total expenses	<u>250,719</u>	<u>234,395</u>	<u>7,598</u>	<u>7,264</u>	<u>258,317</u>	<u>241,659</u>	<u>16,658</u>	<u>6.9%</u>
Excess (deficiency) before transfers	22,656	16,665	(742)	(1,274)	21,914	15,391	6,523	
Transfers	(497)	(5,347)	497	5,347	-	-	-	0.0%
Change in net assets	22,159	11,318	(245)	4,073	21,914	15,391	6,523	42.4%
Net assets - July 1, 2010	283,757	272,439	46,995	42,922	330,752	315,361	15,391	4.9%
Net assets - June 30, 2011	<u>\$ 305,916</u>	<u>\$ 283,757</u>	<u>\$ 46,750</u>	<u>\$ 46,995</u>	<u>\$ 352,666</u>	<u>\$ 330,752</u>	<u>\$ 21,914</u>	<u>6.6%</u>

Governmental activities. Governmental activities increased the County's net assets by \$22.2 million, thereby accounting for 101.1% of the total growth in the net assets of the County. This increase is attributable to increases in general tax revenues and operating grants and contributions, along with conservative spending policies adopted by the Board of Supervisors.

Key elements of the increase/decrease in revenues for governmental activities are as follows:

- Fines, fees and charges for services increased by \$3.6 million, or 8.5%, from the prior year. This increase was due in part to the addition of a 2% countywide tourism improvement assessment charged on transient lodgers within the county.
- Operating grants and contributions increased by \$9.2 million, or 10.5%, from the prior year. Significant components of this increase were a \$5.3 million increase in Mental Health Services Act funding within the General Fund and a \$2.4 million increase in Proposition 1B funding within Roads.
- Property taxes increased by \$7.6 million, or 8.3%, from the prior year due to the return of prior year excess Educational Revenue Augmentation Fund contributions.
- Other taxes increased by \$1.2 million, or 14.8%, from the prior year due to an increase of transient occupancy tax revenue received.

Key elements of the increase/decrease in expenses for governmental activities are as follows:

- General Government expenses increased by \$4.8 million, or 15.0%, from the prior year. A majority of this increase, \$2.7 million, was attributable to tourism marketing expenses resulting from the new tourism improvement assessment.
- Public protection expenses increased by \$7.4 million, or 8.0%, from the prior year. A significant portion of this increase was due to the County pre-paying \$5.0 million of pension obligations to establish a new retirement tier for public safety employees.
- Public assistance expenses increased by \$2.5 million, or 7.1%, from the prior year. This increase was due to higher participation in welfare assistance programs for families and people in need, funded by the 2009 Federal ARRA grants.
- Transfers decreased from the prior year due to the transfer of the Napa County Animal Shelter (\$4.8 million) from governmental to business-type activities in the prior year.

Business-type activities. Business-type activities decreased the County's net assets by \$0.2 million, thereby accounting for -1.1% of the total growth in the net assets of the County. This decrease was a combination of minor increases in operational costs, including depreciation, within the various funds.

Key elements of the increase/decrease in revenues for business-type activities are as follows:

- Capital grants and contributions increased by \$545,000, or 51.1%, from the prior year. This increase was due to Lake Berryessa Resort Improvement District's receipt of additional 2009 Federal ARRA funding used to construct a new water treatment plant to increase the efficiency of the district's operations, combined with the receipt of a land donation.

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

As noted earlier, the County uses **fund accounting** to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The general government functions are contained in the General, Special Revenue, Debt Service, and Capital Project Funds. Included in these funds are the special districts governed by the Board of Supervisors. The focus of the County's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the County's financing requirements. In particular, total fund balance less the nonspendable portion is a useful measure of a government's resources available for spending at the end of the fiscal year.

At June 30, 2011 the County's governmental funds reported combined fund balances of \$231,067,977, an increase of \$20,299,227 in comparison with last year. Approximately 99.1%, or \$228.9 million, of the total fund balance is available to meet the County's current and future needs. With approval of the Board of Supervisors, a portion of fund balance can be earmarked to a particular function, project or activity, within both the current and future fiscal years. With the exception of the nonspendable portion, fund balances are available for appropriation at any time. The components of total fund balance are as follows (for more information, see Note 9 – Fund Balance):

- *Nonspendable fund balance*, \$2.2 million. Represents amounts that are not in spendable form, or are legally or contractually required to remain intact. The nonspendable portion of fund balance is comprised of (1) long term loans receivable and advances of \$2.0 million, (2) prepaid items and an endowment totaling \$0.2 million.
- *Restricted fund balance*, \$135.6 million. Represents amounts with constraints put on their use by external imposed creditors, grantors, contributors, laws, regulations or enabling legislation. Examples of restrictions of funds are those imposed by (1) enabling legislation and purpose of the fund, \$131.8 million which includes \$52.6 million restricted within the Napa County Flood Protection and Watershed Improvement Authority, and \$24.3 million restricted for Affordable Housing (Other Governmental Funds), (2) creditors, \$1.3 million restricted for the Debt Service (Other Governmental Funds), and (3) \$2.5 million restricted within Capital Projects funds (Other Governmental Funds).
- *Committed fund balance*, \$1.0 million. Represents amounts for specific purposes determined by the Board of Supervisors. This balance is committed to the purchase of Skyline Park.
- *Assigned fund balance*, \$69.4 million. Represents amounts set aside including strategic reserves of \$18.7 million, Tobacco Master Settlement funds of \$10.8 million to fund future health care programs, and \$33.5 million in the Accumulated Capital Outlay fund to fund future major facilities repairs or construction.
- *Unassigned fund balance*, \$22.9 million. Represents the residual classification for the County's General Fund of \$23.1 million, as well as governmental funds where expenditures exceed other available fund balance, including Child Support Services (\$204,329) and In-Home Support Services Authority (\$60,460).

General Fund: The General Fund is the chief operating fund of the County. The General Fund's total fund balance increased \$3.1 million, or 3.7%, as compared to the restated prior year (see Note 9). At June 30, 2011, the total fund balance of the General Fund was \$88.4

million. Property taxes increased by \$7.6 million, or 8.3%, from the prior year, due to the return of prior year excess Educational Revenue Augmentation Fund contributions which helped offset decreases in other funding sources during the year.

As a measure of the General Fund's liquidity, it may be useful to compare spendable fund balance to total fund expenditures. Spendable fund balance represents 43.4% of the total fund expenditures. Of the General Fund's spendable fund balance, \$28.6 million, or 33.0%, is restricted while \$1.0 million, or 1.2%, is committed.

Napa County Flood Protection and Watershed Improvement Authority: The Napa County Flood Protection and Watershed Improvement Authority is used to account for all revenues and expenditures relating to Measure A, a 1998 voter approved ½ cent sales tax for countywide flood projects to be completed over approximately 20 years. At June 30, 2011, the total fund balance of the Flood Authority was \$52.6 million, all of which is restricted. This is an increase of \$1.6 million, or 3.1%, from the prior year due to higher sales tax revenue received in relation to the jurisdictional draws for approved flood projects.

Accumulated Capital Outlay: The Accumulated Capital Outlay fund is used to provide Board of Supervisor designated reserves for future capital needs. At June 30, 2011, the total fund balance was \$33.5 million, all of which is assigned. Total fund balance increased by \$14.3 million, or 74.5%, from the prior year due to contributions from the General Fund for phased redevelopment of Napa County Health & Human Services campuses and other County owned properties.

Roads: The Roads fund is used to protect, preserve, enhance and improve the existing County road system. This fund pays for the construction and maintenance of the roads in the unincorporated area. At June 30, 2011, the total fund balance was \$4.5 million, of which \$3.4 million is restricted and \$1.1 million is assigned. Total fund balance of the Roads fund increased by \$1.7 million, or 60.2%, from the prior year due to a federal reimbursement for disaster relief, State Proposition 1B, and 2009 Federal ARRA funding for road projects.

Other governmental funds: As compared with the restated prior year (see Note 9), the total fund balances of the remaining governmental funds remained relatively stable, decreasing 0.8%, or \$380,000.

Table 3 provides a comparison of revenues by source for governmental funds for the current and prior years. Further details are depicted in Figures 1 and 2.

Table 3 - Revenues Classified by Source - Governmental Funds
(in thousands)

Revenues by Source	FY 2011		FY 2010		Increase/(Decrease)	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of change
Taxes	\$ 126,682	46.3%	\$ 116,671	46.6%	\$ 10,011	8.6%
Licenses and permits	4,400	1.6%	4,566	1.8%	(166)	-3.6%
Fines, forfeitures and penalties	3,777	1.4%	3,665	1.5%	112	3.1%
Revenue from use of money and property	1,961	0.7%	2,471	1.0%	(510)	-20.6%
Aid from other governments	99,079	36.2%	89,189	35.6%	9,890	11.1%
Charges for services	35,961	13.1%	32,597	13.0%	3,364	10.3%
Contributions and donations	716	0.2%	896	0.3%	(180)	-20.1%
Other	1,293	0.5%	420	0.2%	873	207.9%
Total	\$ 273,869	100.0%	\$ 250,475	100.0%	\$ 23,394	9.3%

Figure 1 - Two year comparison of Governmental Fund Revenues

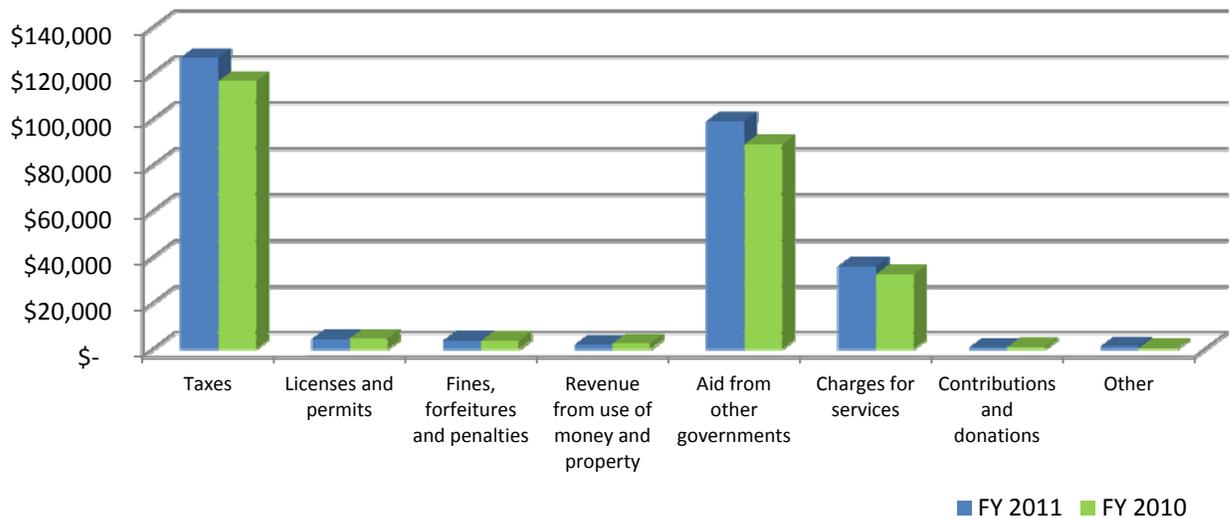
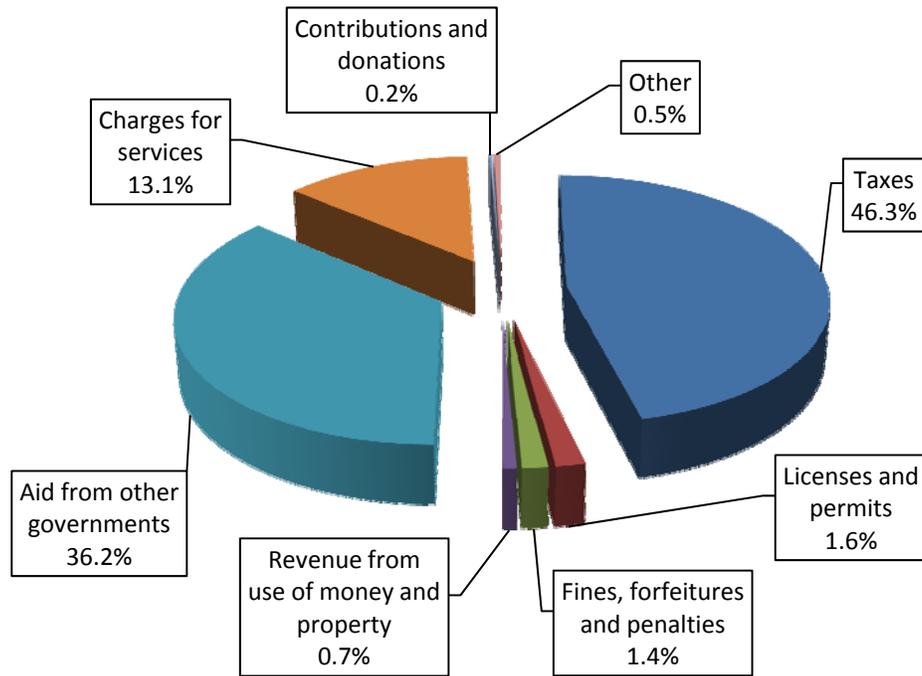


Figure 2 - Revenues Classified by Sources - Governmental Funds



Significant changes in the governmental funds revenue sources are summarized as follows:

- Taxes increased by \$10.0 million, or 8.6%, from the prior year. A significant portion of the increase is due to the County receiving \$7.6 million prior year excess Educational Revenue Augmentation Fund contributions.
- Aid from other governments increased by \$9.9 million, or 11.1% from prior year. Significant components of this increase were a \$5.3 million increase in Mental Health Services Act funding within the General Fund and a \$2.4 million increase in Proposition 1B funding within Roads.
- Charges for Services increased by \$3.4 million, or 10.3%. This was mostly attributable to the establishment of two Napa Valley Tourism Improvement Districts which generated a combined \$2.7 million in assessment collections. Effective July 1, 2010 County of Napa approved a 2% tourism improvement assessment to be charged on gross short term room rental revenue on lodging businesses.

Table 4 provides a comparison of expenditures by function for governmental funds for the current and prior years. Further detail is depicted in Figure 3.

Table 4 - Expenditures by Function - Governmental Funds
(in thousands)

Expenditures by Function	FY 2011		FY 2010		Increase/(Decrease)	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of change
General government	\$ 35,950	14.2%	\$ 30,613	13.0%	\$ 5,337	17.4%
Public protection	100,060	39.5%	92,170	39.2%	7,890	8.6%
Public ways and facilities	21,132	8.4%	20,483	8.7%	649	3.2%
Health and sanitation	40,939	16.2%	39,647	16.9%	1,292	3.3%
Public assistance	36,811	14.5%	34,273	14.6%	2,538	7.4%
Education	7,510	3.0%	7,240	3.1%	270	3.7%
Recreation and cultural services	1,265	0.4%	1,223	0.5%	42	3.4%
Debt service-principal retirement	6,455	2.6%	6,234	2.7%	221	3.5%
Debt-interest charges	2,935	1.2%	3,162	1.3%	(227)	-7.2%
Debt-administration, issuance and arbitrage fees	16	0.0%	37	0.0%	(21)	-56.8%
Total	\$ 253,073	100.0%	\$ 235,082	100.0%	\$ 17,991	7.7%

Significant changes in the governmental funds expenditures are summarized as follows:

- General government expenditures increased by \$5.3 million, or 17.4%, from the prior year. A majority of this increase, \$2.7 million, was attributable to tourism marketing expenditures funded by the new tourism improvement assessment.
- Public protection expenditures increased by \$7.9 million, or 8.6%, from the prior year. A significant portion of this increase was due to the County pre-paying \$5.0 million of pension obligations to establish a new retirement tier for public safety employees.
- Public assistance expenditures increased by \$2.5 million, or 7.4%, from the prior year. This increase was due to higher participation in welfare assistance programs for families and people in need, funded significantly by the 2009 Federal ARRA grants.

Figure 3 - Expenditures by Function - Governmental Funds

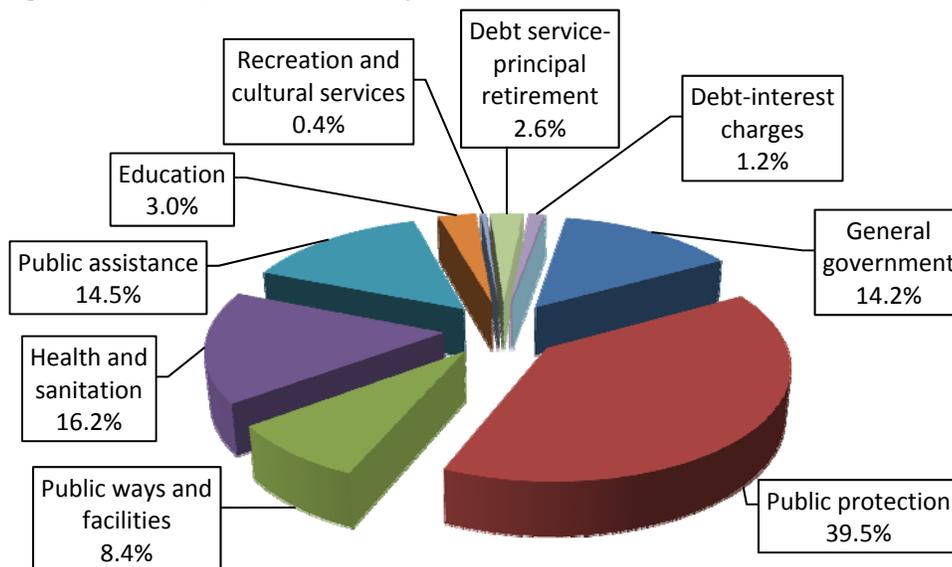


Table 5 details the changes in fund balance for each governmental fund as of June 30, 2011.

Table 5 - Changes in Fund Balances - Governmental Funds
(in thousands)

	Major Funds				Non-Major Funds			Total
	General Fund	Flood Authority	Accumulated	Roads	Special	Capital	Debt	
			Capital Outlay	Fund	Revenue Funds	Projects Funds	Service Fund	
Revenues	\$ 223,184	\$ 13,296	\$ 182	\$ 8,025	\$ 28,597	\$ 585	\$ -	\$ 273,869
Expenditures	200,358	11,708	-	8,378	28,699	22	3,908	253,073
Other financing sources (uses), net	(19,700)	-	14,110	2,026	(310)	(269)	3,646	(497)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	3,126	1,588	14,292	1,673	(412)	294	(262)	20,299
Fund balances - July 1, 2010 *	85,322	51,006	19,187	2,779	47,842	2,321	2,312	210,769
Fund balances - June 30, 2011	\$ 88,448	\$ 52,594	\$ 33,479	\$ 4,452	\$ 47,430	\$ 2,615	\$ 2,050	\$ 231,068

* 2010 as Restated

Significant changes in the fund balances of governmental funds are summarized as follows:

- The fund balance of the County's General Fund increased by \$3.1 million during the fiscal year. This increase is due to the County receiving prior year excess Educational Revenue Augmentation Fund contributions and increased aid from other governments including Mental Health Service Act. The increase in total revenues was sufficient to cover increases in General Government and Public Protection expenditures and also allow the transfer of \$14.3 million to the Accumulated Capital Outlay fund.
- The fund balance of the Accumulated Outlay Fund increased \$14.3 million during the fiscal year. This increase was attributable to contributions from the General Fund to the Accumulated Capital Outlay Fund. Future projects include phased redevelopment of Napa County Health & Human Services campuses and improvements to County owned properties in downtown Napa to support the long term space requirements for Law & Justice and Administrative functions.
- The fund balance of the Roads Fund increased by \$1.7 million during the fiscal year. This increase was due mainly to fewer road projects as compared to the previous year and receiving additional funding from the Federal 2009 ARRA grants.

Proprietary funds. The County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Table 6 details the changes in fund balances for each proprietary fund as of June 30, 2011.

Napa County Airport: The Napa County Airport is used to fund general Airport operations and the maintenance of Airport facilities. At June 30, 2011, unrestricted net assets of the airport are \$3.1 million while total net assets reached \$18.5 million. As a measure of the airport's liquidity, it may be useful to compare unrestricted net assets to total operating expenditures. Unrestricted net assets represent 115.7% of the total operating expenditures. Total net assets of the airport decreased by \$594,925. A significant portion of the decrease was due to a reduction in reimbursements received from federal agencies for capital improvement projects.

Lake Berryessa Resort Improvement District: Lake Berryessa Resort Improvement District is used to provide water and wastewater services within district boundaries. At June 30, 2011,

unrestricted net assets of the Districts are negative \$773,906 while total net assets reached \$2.6 million. Unrestricted net assets are negative due to operating expenses exceeding operating revenues over the past several years.

Fifth Street Parking Garage: Fifth Street Parking Garage was established to provide parking in the downtown area for local businesses, shoppers and County employees. This project was completed in the first half of fiscal year 2008-2009. At June 30, 2011, unrestricted net assets of the Garage are \$143,544 while total net assets reached \$16,142,818. Total net assets decreased by \$324,771 due to annual depreciation expense.

Table 6 - Changes in Net Assets - Proprietary Funds
(in thousands)

	Napa County Airport	Lake Berryessa Resort Improvement	Fifth Street Parking Garage	Other Enterprise Funds	Total
Operating revenues	\$ 2,060	\$ 508	\$ 129	\$ 2,208	\$ 4,905
Operating expenses	2,662	895	455	3,280	\$ 7,292
Operating income (loss)	(602)	(387)	(326)	(1,072)	(2,387)
Non-operating revenues (expenses), net	14	(210)	1	229	34
Net income (loss) before contributions and Transfers	(588)	(597)	(325)	(843)	(2,353)
Capital contributions	26	1,586	-	-	1,612
Transfers in (out)	(32)	-	-	529	497
Change in Net Assets	(594)	989	(325)	(314)	(244)
Net assets - July 1, 2010	19,104	1,589	16,468	9,834	46,995
Net assets - June 30, 2011	\$ 18,510	\$ 2,578	\$ 16,143	\$ 9,520	\$ 46,751

GENERAL FUND BUDGETARY HIGHLIGHTS

During the year there was a \$14.8 million increase in appropriations between the original budget and the final amended budget. Following are the main components of the increase:

- \$5.0 million increase for pre-paying pension obligations for Safety employees
- \$3.5 million increase for expenditures in health and sanitation and public assistance functions, particularly in the mental health and social services areas. There was an increased demand for in-home supportive services, Cal Works and foster care services due to a downturn in the economy.
- \$2.6 million increase for additional road and flood protection projects approved during the year
- \$2.1 million increase for a transfer to Accumulated Capital Outlay for future County facilities expansion plan
- \$1.7 million increase for expenditures in public protection functions mainly due to increased inmate medical costs.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital assets

The County's investment in capital assets for its governmental and business-type activities as of June 30, 2011, amounted to \$167.6 million (net of accumulated depreciation) a decrease of \$4.7 million, or 2.7%, from the prior year. The decrease was the result of annual depreciation expense exceeding capital asset additions. This investment in capital assets includes

infrastructure, land and easements, structures and improvements, equipment, and construction in progress. For more detailed capital assets information, see notes to the basic financial statements, specifically pages 56-57.

Table 7 provides a comparison of the County's capital assets for the governmental and business-type activities for the current and prior years. Figures are presented net of depreciation.

Table 7 - County's Capital Assets
(in thousands)

	Governmental		Business-type		Total		Percent Change	
	Activities		Activity					
	2011	2010	2011	2010	2011	2010		
Land and easements	\$ 4,752	\$ 4,752	\$ 5,172	\$ 4,972	\$ 9,924	\$ 9,724	\$ 200	2.1%
Construction in progress	2,782	1,972	2,506	1,732	5,288	3,704	1,584	42.8%
Infrastructure	29,796	32,412	-	-	29,796	32,412	(2,616)	-8.1%
Structures and improvements	74,335	76,413	38,406	40,009	112,741	116,422	(3,681)	-3.2%
Equipment	9,645	9,892	221	131	9,866	10,023	(157)	-1.6%
Total	<u>\$ 121,310</u>	<u>\$ 125,441</u>	<u>\$ 46,305</u>	<u>\$ 46,844</u>	<u>\$ 167,615</u>	<u>\$ 172,285</u>	<u>\$ (4,670)</u>	-2.7%

Major capital asset events during the current fiscal year included the following:

- Construction in progress, the value of projects incomplete at the end of the fiscal year, increased by \$1.6 million, or 42.8%, from the prior year. The increase of \$0.8 million in governmental activities was due to road construction, telecommunications tower and facilities projects; the increase of \$0.8 million in the business-type activities was due to continued work on Lake Berryessa District's new water treatment plant.
- Infrastructure decreased by \$2.6 million, or- 8.1%, from the prior year, due to net effect of complete road projects of \$1.5 million and the annual depreciation of \$4.1 million.
- Structures and improvements decreased by \$3.7 million, or -3.2%, from the prior year due to annual depreciation.

Long-term debt

At June 30, 2011, the County Governmental Activities total long-term debt outstanding was \$79.6 million as compared to \$86.4 million in the prior year. This amount was comprised of the following:

- \$23,785,000 of Napa County Flood 2005 Series Partial Refunding of 1999 Series A bonds,
- \$8,215,000 of Napa County Flood 2005 Series A bonds,
- \$147,276 of unamortized premiums for outstanding bond issues,
- \$30,590,000 of Certificates of Participation,
- \$130,073 of unamortized premiums for outstanding Certificates of Participation,
- \$1,255,465 for loans payable,
- \$6,994,969 for compensated absences, and
- \$8,518,000 in liability for unpaid insurance claims.

During the year, retirement of Bonds amounted to \$3,865,000 and retirements of Certificates of Participation amounted to \$2,545,000. For more detailed long-term debt information, see notes to the basic financial statements, specifically pages 58-62.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The following known factors were considered in preparing the County's budget for fiscal year 2011-2012:

- The continuing impact of the national, state and local economic downturns on the County's revenues and programs. Given these economic conditions and the State's fiscal problems, and consistent with the County Board of Supervisor's budget policies, the fiscal year 2011-2012 budget generally maintains General Fund programs at their current or reduced staffing levels and, after adjusting for transfers to reserves and certain one-time capital expenditures, holds the fiscal year 2011-2012 Net County Cost close to the fiscal year 2010-2011 Adopted Budget level.
- A \$5.2 million (4.5%) increase in discretionary and semi-discretionary (Realignment and Proposition 172) revenue, approximately \$600,000 in ARRA funds for various projects and programs, offset by a reduction of approximately \$3.5 million from the ARRA funding received in the prior year.
- Consistent with the Board's adopted budget policies, the budget reflects payments necessary to fully fund the County's Other Post-Employment Benefit (OPEB) unfunded liability over a 20-year period.
- Compared to the fiscal year 2010-2011 final budget, the budget reflects the impact of a 6.4% increase in the County's share of employee retirement costs for Miscellaneous (non-Safety) employees and a 1.8% decrease in the County's share of retirement cost for Safety employees (Sheriff's Deputies and District Attorney Investigators).
- The recommended budget reflects the impact of a \$1.6 million, or 10%, increase in the County's share of employee health insurance costs.

It should be noted that this recommended budget does not reflect the full impact on the County of certain funding reductions included in the Governor's proposed State Budget. The Legislature and Governor have approved a number of budget bills that will reduce State funding to counties, particularly in the Health & Human Services area. However, at this point, the State has not provided information on how those reductions will be apportioned among the counties and this Budget does not reflect the loss of those funds. The Recommended Budget also does not reflect the impact of the likely elimination of approximately \$1.8 million in Local Public Safety Account funding from the State, nor does it reflect the impact of a potential "all cuts" State Budget.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the County's and component unit finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Auditor-Controller, 1195 Third Street, Suite B-10, Napa, CA 94559. This entire report is also available online at www.countyofnapa.org.



**BASIC FINANCIAL STATEMENTS –
GOVERNMENT-WIDE FINANCIAL STATEMENTS**



Photography by Ken Stanton

**“Tree Pair”
Lake Hennessy**

Located in the City of Napa

COUNTY OF NAPA

Statement of Net Assets
June 30, 2011

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and investments	\$ 208,613,564	\$ 6,642,234	\$ 215,255,798
Restricted Assets:			
Cash with fiscal agent	1,816,106	328,155	2,144,261
Imprest cash	266,312	275	266,587
Receivables, net			
Taxes	22,022,175	32,758	22,054,933
Special assessments	47,444	147,235	194,679
Accounts	803,995	307,047	1,111,042
Due from other government agencies	28,510,636	951,867	29,462,503
Inventory	--	--	--
Prepaid items	148,022	24,069	172,091
Deposits	51,007	--	51,007
Deferred charges	525,418	255,489	780,907
Internal balances	2,553,200	(2,553,200)	--
Assets held for resale	990,202	--	990,202
Loans receivable, net	11,674,042	493,199	12,167,241
Capital Assets:			
Nondepreciable	7,533,146	7,677,408	15,210,554
Depreciable, net	113,776,424	38,627,307	152,403,731
Total Assets	\$ 399,331,693	\$ 52,933,843	\$ 452,265,536
LIABILITIES			
Accounts payable	\$ 5,276,612	\$ 360,675	\$ 5,637,287
Accrued salaries and benefits	5,667,300	48,687	5,715,987
Due to other government agencies	1,829,384	--	1,829,384
Interest payable	254,159	61,179	315,338
Customer deposits	--	72,457	72,457
Unearned revenue	752,128	493,199	1,245,327
Long-Term Liabilities:			
Portion due or payable within one year:			
Loan payable	71,461	35,156	106,617
Bonds payable	4,000,000	80,000	4,080,000
Certificates of participation	2,635,000	--	2,635,000
Liability for unpaid stipulated judgement	--	40,000	40,000
Compensated absences	3,875,281	30,624	3,905,905
Liability for unpaid insurance claims	2,662,944	--	2,662,944
Portion due or payable after one year:			
Loan payable	1,184,004	233,437	1,417,441
Bonds payable	28,147,276	4,415,000	32,562,276
Certificates of participation	28,085,073	--	28,085,073
Liability for unpaid stipulated judgement	--	280,000	280,000
Compensated absences	3,119,688	32,986	3,152,674
Liability for unpaid insurance claims	5,855,056	--	5,855,056
Total Liabilities	93,415,366	6,183,400	99,598,766
NET ASSETS			
Invested in capital assets, net of related debt	89,334,032	44,264,844	133,598,876
Restricted for:			
Debt service	1,327,532	328,155	1,655,687
Capital projects	2,524,402	--	2,524,402
Grants and special taxes	89,476,749	--	89,476,749
Unrestricted	123,253,612	2,157,444	125,411,056
Total Net Assets	305,916,327	46,750,443	352,666,770
Total Liabilities and Net Assets	\$ 399,331,693	\$ 52,933,843	\$ 452,265,536

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

COUNTY OF NAPA

Statement of Activities
For the Year Ended June 30, 2011

Functions/Programs	Expenses	Program Revenues	
		Fees, Fines and Charges for Services	Operating Grants and Contributions
Primary Government:			
Governmental Activities:			
General government	\$ 37,039,022	\$ 10,993,039	\$ 7,153,179
Public protection	100,258,399	20,750,613	20,712,762
Public ways and facilities	23,825,672	5,050,873	6,365,354
Health and sanitation	40,838,624	8,214,286	29,005,211
Public assistance	37,018,759	919,385	32,568,632
Education	7,541,241	131,587	426,745
Recreation and cultural services	1,264,678	--	--
Debt Service:			
Interest and fiscal charges	2,916,514	--	--
Administration and arbitrage fees	15,745	--	--
Total Governmental Activities	<u>250,718,654</u>	<u>46,059,783</u>	<u>96,231,883</u>
Business-Type Activities:			
Napa County Airport	2,678,008	2,059,834	--
Lake Berryessa Resort Improvement	1,177,938	508,481	186
Napa County Housing Authority	1,249,285	558,671	130,000
Napa Berryessa Resort Improvement	949,895	671,659	284
Napa County Animal Shelter	1,088,049	977,607	23,432
Fifth Street Parking Garage	454,693	128,774	--
Total Business-Type Activities:	<u>7,597,868</u>	<u>4,905,026</u>	<u>153,902</u>
Total Primary Government	<u>\$ 258,316,522</u>	<u>\$ 50,964,809</u>	<u>\$ 96,385,785</u>

General Revenues:

- Taxes:
 - Property taxes
 - Sales and use taxes
 - Transient occupancy taxes
 - Property transfer taxes
- Unrestricted interest and investment earnings
- Gain on sale of assets
- Miscellaneous
- Transfers

Total General Revenues and Transfers

Change in Net Assets

Net assets - July 1, 2010

Net assets - June 30, 2011

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

Net (Expense) Revenue and Changes in Net Assets			
Capital Grants and Contributions	Primary Government		
	Governmental Activities	Business-Type Activities	Total
\$ 43,937	\$ (18,848,867)	\$ --	\$ (18,848,867)
--	(58,795,024)	--	(58,795,024)
107,515	(12,301,930)	--	(12,301,930)
1,085,727	(2,533,400)	--	(2,533,400)
--	(3,530,742)	--	(3,530,742)
--	(6,982,909)	--	(6,982,909)
--	(1,264,678)	--	(1,264,678)
--	(2,916,514)	--	(2,916,514)
--	(15,745)	--	(15,745)
<u>1,237,179</u>	<u>(107,189,809)</u>	<u>--</u>	<u>(107,189,809)</u>
25,535	--	(592,639)	(592,639)
1,585,634	--	916,363	916,363
--	--	(560,614)	(560,614)
--	--	(277,952)	(277,952)
--	--	(87,010)	(87,010)
--	--	(325,919)	(325,919)
<u>1,611,169</u>	<u>--</u>	<u>(927,771)</u>	<u>(927,771)</u>
<u>\$ 2,848,348</u>	<u>(107,189,809)</u>	<u>(927,771)</u>	<u>(108,117,580)</u>
	99,139,621	124,640	99,264,261
	18,009,925	--	18,009,925
	8,299,325	--	8,299,325
	1,233,273	--	1,233,273
	1,849,337	59,244	1,908,581
	25,808	--	25,808
	1,288,271	2,229	1,290,500
	(496,646)	496,646	--
	<u>129,348,914</u>	<u>682,759</u>	<u>130,031,673</u>
	22,159,105	(245,012)	21,914,093
	<u>283,757,222</u>	<u>46,995,455</u>	<u>330,752,677</u>
	<u>\$ 305,916,327</u>	<u>\$ 46,750,443</u>	<u>\$ 352,666,770</u>

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



Sculpture by James Haire (Fort Collins, CO)
Image Courtesy Arts Council Napa Valley

“Freewheelin’”
Bronze, Stainless Steel, 1991
Napa ARTwalk 2011-13

Located in the City of Napa



**BASIC FINANCIAL STATEMENTS –
FUND FINANCIAL STATEMENTS**



Sculpture by Terrence Martin
Photography by Jobina Toh

Fish “On”
Napa ARTwalk 2010-11
People’s Choice Winner

Located in the City of Napa

COUNTY OF NAPA
Balance Sheet
Governmental Funds
June 30, 2011

	General	Napa County Flood Protection and Watershed Improvement Authority	Accumulated Capital Outlay Fund	Roads	Other Governmental Funds	Total
ASSETS						
Cash and investments	\$ 64,518,258	\$ 49,979,482	\$ 33,479,109	\$3,757,335	\$ 37,323,688	\$ 189,057,872
Restricted assets:						
Cash with fiscal agent	--	488,574	--	--	1,327,532	1,816,106
Imprest cash	111,421	--	--	--	77,818	189,239
Receivable, net:						
Taxes	18,482,965	2,515,815	--	--	1,023,395	22,022,175
Special assessments	4,880	--	--	--	42,564	47,444
Accounts	732,101	--	--	--	62,179	794,280
Due from other government agencies	26,231,544	--	--	1,457,454	821,638	28,510,636
Due from other funds	764,318	--	--	--	--	764,318
Prepaid items	145,443	--	--	--	1,380	146,823
Assets held for resale	--	--	--	--	990,202	990,202
Loans receivable, net	--	--	--	--	11,674,042	11,674,042
Advances to other funds	1,445,000	--	--	--	548,700	1,993,700
Total Assets	<u>\$ 112,435,930</u>	<u>\$ 52,983,871</u>	<u>\$ 33,479,109</u>	<u>\$5,214,789</u>	<u>\$ 53,893,138</u>	<u>\$ 258,006,837</u>
LIABILITIES						
Accounts payable	\$ 3,935,902	\$ 4,125	\$ --	\$ 93,839	\$ 851,277	\$ 4,885,143
Accrued salaries and benefits	4,938,237	--	--	96,515	355,096	5,389,848
Due to other funds	--	--	--	--	204,818	204,818
Due to other government agencies	1,241,390	385,570	--	--	202,425	1,829,385
Deferred revenue	13,120,622	--	--	571,871	185,045	13,877,538
Unearned revenue	752,128	--	--	--	--	752,128
Total Liabilities	<u>23,988,279</u>	<u>389,695</u>	<u>--</u>	<u>762,225</u>	<u>1,798,661</u>	<u>26,938,860</u>
FUND BALANCES						
Nonspendable	1,590,443	--	--	--	570,000	2,160,443
Restricted	28,631,344	52,594,176	--	3,393,276	51,023,106	135,641,902
Committed	1,008,938	--	--	--	--	1,008,938
Assigned	34,080,878	--	33,479,109	1,059,288	766,160	69,385,435
Unassigned	23,136,048	--	--	--	(264,789)	22,871,259
Total Fund Balances	<u>88,447,651</u>	<u>52,594,176</u>	<u>33,479,109</u>	<u>4,452,564</u>	<u>52,094,477</u>	<u>231,067,977</u>
Total Liabilities and Fund Balances	<u>\$ 112,435,930</u>	<u>\$ 52,983,871</u>	<u>\$ 33,479,109</u>	<u>\$5,214,789</u>	<u>\$ 53,893,138</u>	<u>\$ 258,006,837</u>

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

COUNTY OF NAPA

Reconciliation of the Governmental Funds Balance Sheet
to the Government-Wide Statement of Net Assets - Governmental Activities
June 30, 2011

Fund Balance - total governmental funds (page 29)		\$ 231,067,977
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities (excluding Internal Service Funds) are not financial resources therefore, are not reported in the governmental funds.		114,859,126
Long-term liabilities, including bonds payable, are not due and payable in the current period, and therefore are not reported in the governmental funds.		
Certificates of participation	\$ (30,590,001)	
Unamortized premiums	(130,072)	
Bonds payable	(31,978,962)	
Unamortized premiums	(1,284,460)	
Deferred refunding charges	1,116,146	
Loan payable	(1,255,465)	
Accrued interest on debt	(254,159)	
Compensated absences	(6,646,853)	
Total long-term liabilities	(71,023,826)	
Some of the County's intergovernmental revenue will be collected after year-end, but are not available soon enough to pay for the current period's expenditures, and therefore are reported as deferred revenue in the governmental funds.		13,877,539
Cost of issuance on 2003 certificates of participation are not recognized as current year expenditures and are deferred (amount shown is net of amortized costs).		525,418
Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the Internal service funds are included with governmental activities in the statement of net assets.		16,610,093
Net assets of governmental activities (page 23)		\$ 305,916,327

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

COUNTY OF NAPA

**Statement of Revenues, Expenditures and
Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2011**

	General	Napa County Flood Protection and Watershed Improvement Authority	Accumulated Capital Outlay Fund	Roads	Other Governmental Funds	Total
Revenues:						
Taxes	\$ 98,871,108	\$ 12,867,668	\$ --	\$ --	\$ 14,943,368	\$ 126,682,144
Licenses and permits	2,414,070	--	--	29,170	1,956,632	4,399,872
Fines, forfeitures and penalties	3,199,386	--	--	--	577,874	3,777,260
Revenue from use of money and property	974,283	428,980	181,694	35,050	341,185	1,961,192
Aid from other governments	85,575,530	--	--	7,854,186	5,648,860	99,078,576
Charges for services	30,800,452	--	--	85,897	5,074,080	35,960,429
Contributions and donations	552,530	--	--	15,569	148,298	716,397
Other revenue	796,398	--	--	5,419	491,454	1,293,271
Total Revenues	223,183,757	13,296,648	181,694	8,025,291	29,181,751	273,869,141
Expenditures:						
Current:						
General government	33,242,632	--	--	--	2,707,467	35,950,099
Public protection	83,102,612	--	--	--	16,956,987	100,059,599
Public ways and facilities	6,308,778	6,260,739	--	8,377,595	184,845	21,131,957
Health and sanitation	40,727,979	--	--	--	211,438	40,939,417
Public assistance	35,255,490	--	--	--	1,555,347	36,810,837
Education	404,552	--	--	--	7,105,264	7,509,816
Recreation and cultural services	1,264,842	--	--	--	--	1,264,842
Debt Service:						
Principal	45,371	3,865,000	--	--	2,545,000	6,455,371
Interest and fiscal charges	5,513	1,574,435	--	--	1,355,637	2,935,585
Administration, issuance and arbitrage fees	--	8,200	--	--	7,545	15,745
Total Expenditures	200,357,769	11,708,374	--	8,377,595	32,629,530	253,073,268
Excess (Deficiency) of Revenues Over (Under) Expenditures	22,825,988	1,588,274	181,694	(352,304)	(3,447,779)	20,795,873
Other Financing Sources (Uses):						
Transfers in	130,697	--	14,262,767	2,025,708	4,267,831	20,687,003
Transfers out	(19,830,791)	--	(152,465)	--	(1,200,393)	(21,183,649)
Total Other Financing Sources (Uses)	(19,700,094)	--	14,110,302	2,025,708	3,067,438	(496,646)
Net change in fund balances	3,125,894	1,588,274	14,291,996	1,673,404	(380,341)	20,299,227
Fund Balance - Beginning of Year, as restated	85,321,757	51,005,902	19,187,113	2,779,160	52,474,818	210,768,750
Fund Balance - End of Year	\$ 88,447,651	\$ 52,594,176	\$ 33,479,109	\$ 4,452,564	\$ 52,094,477	\$ 231,067,977

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

COUNTY OF NAPA

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Government-Wide Statement of Activities - Governmental Activities For the Year Ended June 30, 2011

Net change in fund balances - total governmental funds (page 31)		\$ 20,299,227
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>		
<p>Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.</p>		
Expenditures for general capital assets, infrastructure, and other related capital assets adjustments	\$ 3,415,087	
Less: current year depreciation	<u>(7,538,778)</u>	(4,123,691)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(1,163,236)
<p>Long-term debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.</p>		
Principal payments	<u>6,455,371</u>	6,455,371
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.</p>		
Accrued interest on debt	21,387	
Amortization of debt premium, refunding and issuance costs	(2,316)	
Change in compensated absences	<u>(46,397)</u>	(27,326)
Internal service funds are used by management to charge the costs of certain activities to individual funds. The net expense of certain activities of the internal service funds is reported within governmental activities.		<u>718,760</u>
Change in net assets of governmental activities (pages 24-25)		<u><u>\$ 22,159,105</u></u>

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

COUNTY OF NAPA

Statement of Fund Net Assets
Proprietary Funds
June 30, 2011

	Business-Type Activities - Enterprise Funds					Governmental
	Napa County Airport	Lake Berryessa Resort Improvement	Fifth Street Parking Garage	Other Enterprise Funds	Total	Internal Service Funds
ASSETS						
Current Assets:						
Cash and investments	\$ 3,629,816	\$ 2,171,111	\$ 131,278	\$ 710,029	\$ 6,642,234	\$ 19,555,692
Restricted assets:						
Cash with fiscal agent	--	328,155	--	--	328,155	--
Imprest cash	100	--	--	175	275	77,073
Taxes receivable	--	13,045	--	19,713	32,758	--
Accounts receivable	84,791	53,976	16,182	152,098	307,047	9,715
Assessments receivable	--	127,675	--	19,560	147,235	--
Due from other government agencies	24,098	851,991	--	75,778	951,867	--
Prepaid items	--	10,536	--	13,533	24,069	1,199
Deposits	--	--	--	--	--	51,007
Total Current Assets	<u>3,738,805</u>	<u>3,556,489</u>	<u>147,460</u>	<u>990,886</u>	<u>8,433,640</u>	<u>19,694,686</u>
Noncurrent Assets:						
Long-term note receivable	493,199	--	--	--	493,199	--
Deferred charges	--	255,489	--	--	255,489	--
Capital Assets:						
Nondepreciable:						
Land	1,886,002	205,050	--	3,080,824	5,171,876	--
Construction in progress	54,184	2,378,016	--	73,332	2,505,532	--
Intangible assets	--	--	--	--	--	282,976
Depreciable:						
Structures and improvements	32,748,449	3,581,894	16,841,341	8,952,081	62,123,765	--
Equipment	154,247	407,420	--	126,090	687,757	12,240,413
Accumulated depreciation	(19,144,428)	(1,777,175)	(842,067)	(2,420,545)	(24,184,215)	(6,072,945)
Total Noncurrent Assets	<u>16,191,653</u>	<u>5,050,694</u>	<u>15,999,274</u>	<u>9,811,782</u>	<u>47,053,403</u>	<u>6,450,444</u>
Total Assets	<u>\$ 19,930,458</u>	<u>\$ 8,607,183</u>	<u>\$ 16,146,734</u>	<u>\$ 10,802,668</u>	<u>\$ 55,487,043</u>	<u>\$ 26,145,130</u>
LIABILITIES						
Current Liabilities:						
Accounts payable	\$ 41,333	\$ 195,187	\$ 3,916	\$ 120,239	\$ 360,675	\$ 391,469
Accrued salaries and benefits	29,997	--	--	18,690	48,687	277,452
Customer deposits	--	27,141	--	45,316	72,457	--
Interest payable	--	61,179	--	--	61,179	--
Due to other funds	--	85,500	--	474,000	559,500	--
Loan payable	35,156	--	--	--	35,156	--
Bonds payable	--	80,000	--	--	80,000	--
Liability for unpaid stipulated judgement	--	40,000	--	--	40,000	--
Liability for unpaid claims	--	--	--	--	--	2,662,944
Liability for compensated absences	17,776	--	--	12,848	30,624	150,857
Total Current Liabilities	<u>124,262</u>	<u>489,007</u>	<u>3,916</u>	<u>671,093</u>	<u>1,288,278</u>	<u>3,482,722</u>
Noncurrent Liabilities:						
Advances from other funds	548,700	845,000	--	600,000	1,993,700	--
Deferred revenue	493,199	--	--	--	493,199	--
Loan payable	233,437	--	--	--	233,437	--
Bonds Payable	--	4,415,000	--	--	4,415,000	--
Liability for unpaid stipulated judgment	--	280,000	--	--	280,000	--
Liability for unpaid claims	--	--	--	--	--	5,855,056
Liability for compensated absences	21,044	--	--	11,942	32,986	197,259
Total Noncurrent Liabilities	<u>1,296,380</u>	<u>5,540,000</u>	<u>--</u>	<u>611,942</u>	<u>7,448,322</u>	<u>6,052,315</u>
Total Liabilities	<u>1,420,642</u>	<u>6,029,007</u>	<u>3,916</u>	<u>1,283,035</u>	<u>8,736,600</u>	<u>9,535,037</u>
NET ASSETS						
Invested in capital assets, net of related debt	15,429,861	3,023,927	15,999,274	9,811,782	44,264,844	6,450,444
Restricted for debt service reserve	--	328,155	--	--	328,155	--
Unrestricted	3,079,955	(773,906)	143,544	(292,149)	2,157,444	10,159,649
Total Net Assets	<u>18,509,816</u>	<u>2,578,176</u>	<u>16,142,818</u>	<u>9,519,633</u>	<u>46,750,443</u>	<u>16,610,093</u>
Total Liabilities and Net Assets	<u>\$ 19,930,458</u>	<u>\$ 8,607,183</u>	<u>\$ 16,146,734</u>	<u>\$ 10,802,668</u>	<u>\$ 55,487,043</u>	<u>\$ 26,145,130</u>

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

COUNTY OF NAPA

Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended June 30, 2011

	Business-Type Activities - Enterprise Funds				Governmental	
	Napa County Airport	Lake Berryessa Resort Improvement	Fifth Street Parking Garage	Other Enterprise Funds	Total	Internal Service Funds
Operating Revenues:						
Charges for services	\$ 2,045,154	\$ 502,723	\$ 104,611	\$ 2,207,937	\$ 4,860,425	\$ 16,690,117
Maintenance Charges:						
Equipment	--	--	--	--	--	599,464
Vehicle	--	--	--	--	--	1,248,500
Replacement charges	--	--	--	--	--	857,833
Other revenue	14,680	5,758	24,163	--	44,601	42,670
Total Operating Revenues	2,059,834	508,481	128,774	2,207,937	4,905,026	19,438,584
Operating Expenses:						
Salaries and employee benefits	687,623	--	--	481,248	1,168,871	10,328,658
Services and supplies	521,892	718,125	97,095	2,559,892	3,897,004	5,351,239
Insurance	13,156	13,893	20,771	22,041	69,861	--
Other charges	135,645	--	--	--	135,645	--
Claims expense	--	--	--	--	--	2,190,623
Depreciation and amortization	1,303,929	163,477	336,827	216,360	2,020,593	1,024,895
Total Operating Expenses	2,662,245	895,495	454,693	3,279,541	7,291,974	18,895,415
Operating Income (Loss)	(602,411)	(387,014)	(325,919)	(1,071,604)	(2,386,948)	543,169
Non-Operating Revenues (Expenses):						
Aid from other governments	--	186	--	30,284	30,470	--
Tax revenue	--	49,480	--	75,160	124,640	--
Non-operating revenues	--	--	--	125,661	125,661	--
Interest income	29,706	23,198	1,148	5,192	59,244	149,783
Interest expense	(15,763)	(266,391)	--	(7,688)	(289,842)	--
Bond administration expense	--	(16,052)	--	--	(16,052)	--
Gain on disposition of assets	--	--	--	--	--	25,808
Total Non-Operating Revenues (Expenses)	13,943	(209,579)	1,148	228,609	34,121	175,591
Net Income (Loss) Before Contributions and Transfers	(588,468)	(596,593)	(324,771)	(842,995)	(2,352,827)	718,760
Capital contributions, grants and assessments	25,535	1,585,634	--	--	1,611,169	--
Transfers in	--	--	--	528,638	528,638	--
Transfers out	(31,992)	--	--	--	(31,992)	--
Change in Net Assets	(594,925)	989,041	(324,771)	(314,357)	(245,012)	718,760
Net Assets - Beginning of Year	19,104,741	1,589,135	16,467,589	9,833,990	46,995,455	15,891,333
Net Assets - End of Year	\$ 18,509,816	\$ 2,578,176	\$ 16,142,818	\$ 9,519,633	\$ 46,750,443	\$ 16,610,093

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

COUNTY OF NAPA

Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2011

	Business-Type Activities - Enterprise Funds					Governmental Activities
	Napa County Airport	Lake Berryessa Resort Improvement	Fifth Street Parking Garage	Other Enterprise Funds	Total	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES:						
Cash receipts from customers	\$ 2,034,760	\$ 503,978	\$ 112,592	\$ 2,120,099	\$ 4,771,429	\$ --
Cash receipts from internal services provided	--	--	--	--	--	19,547,429
Cash paid to suppliers for goods and services	(584,896)	(761,609)	(117,138)	(2,571,511)	(4,035,154)	(7,891,581)
Cash paid to employees for services	(684,962)	--	--	(484,992)	(1,169,954)	(10,268,379)
Net Cash Provided (Used) by Operating Activities	764,902	(257,631)	(4,546)	(936,404)	(433,679)	1,387,469
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:						
Aid from other government agencies	--	186	--	30,284	30,470	--
Transfers in	--	--	--	528,638	528,638	--
Transfers out	(31,992)	--	--	--	(31,992)	--
Due to other funds	--	(4,750)	--	--	(4,750)	--
Advances from other funds	(261,950)	345,000	--	205,000	288,050	--
Non-operating revenues	--	--	--	125,661	125,661	--
Taxes	--	48,795	--	74,094	122,889	--
Stipulated judgment payments	--	(40,000)	--	--	(40,000)	--
Interest payments for non-capital activities	--	(5,372)	--	(7,688)	(13,060)	--
Net Cash Provided (Used) by Noncapital Financing Activities	(293,942)	343,859	--	955,989	1,005,906	--
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:						
Proceeds of sales of capital assets	--	--	--	--	--	37,784
Principal repayments related to capital purposes	(33,203)	(75,000)	--	--	(108,203)	--
Interest repayments related to capital purposes	(15,763)	(252,211)	--	--	(267,974)	--
Bond administration payments related to capital purposes	--	(16,052)	--	--	(16,052)	--
Capital grants and contributions	105,181	630,861	--	--	736,042	--
Special assessments	--	322,216	--	--	322,216	--
Payments related to the acquisition of capital assets	(51,418)	(1,232,778)	--	(73,332)	(1,357,528)	(1,028,836)
Net Cash Provided (Used) by Capital and Related Financing Activities	4,797	(622,964)	--	(73,332)	(691,499)	(991,052)
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest received	29,706	23,198	1,148	5,192	59,244	149,783
Net Cash Provided by Investing Activities	29,706	23,198	1,148	5,192	59,244	149,783
Net Increase (Decrease) in Cash and Cash Equivalents	505,463	(513,538)	(3,398)	(48,555)	(60,028)	546,200
Cash and Cash Equivalents, Beginning of Year (including imprest cash of \$275 and \$13,760 for enterprise funds and internal service funds , respectively, and cash with fiscal agent of \$293,479 for Lake Berryessa Resort Improvement)	3,124,453	3,012,804	134,676	758,759	7,030,692	19,086,565
Cash and Cash Equivalents, End of Year (including imprest cash of \$275 and \$77,073 for enterprise funds and internal service funds , respectively, and cash with fiscal agent of \$328,155 for Lake Berryessa Resort Improvement)	\$ 3,629,916	\$ 2,499,266	\$ 131,278	\$ 710,204	\$ 6,970,664	\$ 19,632,765

continued

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

COUNTY OF NAPA

Statement of Cash Flows (continued)
Proprietary Funds
For the Year Ended June 30, 2011

	Business-Type Activities - Enterprise Funds					Governmental
	Napa County Airport	Lake Berryessa Resort Improvement	Fifth Street Parking Garage	Other Enterprise Funds	Total	Internal Service Funds
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:						
Operating income (loss)	\$ (602,411)	\$ (387,014)	\$ (325,919)	\$(1,071,604)	\$(2,386,948)	\$ 543,169
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation and amortization	1,303,929	163,477	336,827	216,360	2,020,593	1,024,895
Abandonment of construction project	135,645	--	--	--	135,645	--
Changes in assets and liabilities:						
(Increase) decrease in:						
Accounts receivable	174,544	5,614	(16,182)	(80,837)	83,139	19,852
Assessments receivable	--	(12,517)	--	(3,120)	(15,637)	--
Deposits	--	--	--	--	--	88,993
Due from other government agencies	--	--	--	(7,245)	(7,245)	--
Prepaid items	--	(10,536)	--	(13,533)	(24,069)	15,581
Increase (decrease) in:						
Accounts payable	(49,848)	(19,055)	728	23,955	(44,220)	19,480
Deferred revenue	(199,618)	--	--	--	(199,618)	--
Customer deposits	--	2,400	--	3,364	5,764	--
Accrued salaries	210	--	--	(1,186)	(976)	10,766
Compensated absences	2,451	--	--	(2,558)	(107)	32,733
Claims liability	--	--	--	--	--	(368,000)
Net Cash Provided (Used) by Operating Activities	<u>\$ 764,902</u>	<u>\$ (257,631)</u>	<u>\$ (4,546)</u>	<u>\$ (936,404)</u>	<u>\$ (433,679)</u>	<u>\$ 1,387,469</u>
Schedule of Noncash Capital Activities:						
Capital contributions	<u>\$ --</u>	<u>\$ 259,233</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 259,233</u>	<u>\$ --</u>

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

COUNTY OF NAPA

Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2011

	<u>Investment Trust Funds</u>	<u>Private Purpose Trust Funds</u>	<u>Agency Funds</u>
ASSETS			
Current Assets:			
Cash and investments	\$ 255,988,823	\$ 2,081,669	\$ 38,059,094
Taxes receivable	--	--	12,960,450
Total Assets	<u>\$ 255,988,823</u>	<u>\$ 2,081,669</u>	<u>\$ 51,019,544</u>
 LIABILITIES			
Agency funds held for others	\$ --	\$ --	\$ 51,019,544
Total Liabilities	<u>--</u>	<u>--</u>	<u>51,019,544</u>
 NET ASSETS			
Net assets held in trust for (reserved for) endowment purpose	--	2,081,669	--
Net assets held in trust for investment pool participants	<u>255,988,823</u>	<u>--</u>	<u>--</u>
Total Net Assets	<u>255,988,823</u>	<u>2,081,669</u>	<u>--</u>
 Total Liabilities and Net Assets	<u>\$ 255,988,823</u>	<u>\$ 2,081,669</u>	<u>\$ 51,019,544</u>

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

COUNTY OF NAPA

Statement of Changes in Fiduciary Net Assets
For the Year Ended June 30, 2011

	<u>Investment Trust Funds</u>	<u>Private Purpose Trust Funds</u>
<u>ADDITIONS</u>		
Contribution:		
Contribution to investment pool	\$ 1,100,117,513	\$ 2,152,892
Total Contribution	<u>1,100,117,513</u>	<u>2,152,892</u>
Net Investment Income:		
Interest	1,904,913	13,191
Net Investment Income	<u>1,904,913</u>	<u>13,191</u>
Total Additions	<u>1,102,022,426</u>	<u>2,166,083</u>
<u>DEDUCTIONS</u>		
Distribution from investment pool	<u>1,088,248,626</u>	<u>1,929,842</u>
Total Deductions	<u>1,088,248,626</u>	<u>1,929,842</u>
Change in Net Assets	13,773,800	236,241
Net Assets, Beginning of Year	<u>242,215,023</u>	<u>1,845,428</u>
Net Assets, Ending of Year	<u>\$ 255,988,823</u>	<u>\$ 2,081,669</u>

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

COUNTY OF NAPA

NOTES TO THE BASIC 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.

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COUNTY OF NAPA

Notes to the Basic Financial Statements For the Year Ended June 30, 2011

1. Summary of Significant Accounting Policies

A. The Financial Reporting 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 is the governing body of the County. These financial statements present the government and its component units, entities for which the government is considered to be financially accountable under the criteria set by Governmental Auditing Standards Board (GASB) Statement No. 14 and amended by GASB Statement No. 39. The County provides various services on a countywide basis including law enforcement and legal justice, education, detention, social, health, fire protection, road construction, road maintenance, transportation, park and recreation facilities, elections and records, communications, planning, zoning, and tax collection.

The governmental reporting entity consists of the County (Primary Government) and its component units. Component units are legally separate organizations for which the Board is financially accountable or other organizations whose nature and significant relationship with the County are such that exclusion would cause the County's financial statements to be misleading or incomplete. Financial accountability is defined as the appointment of a voting majority of the component unit's board, and (i) either the County's ability to impose its will on the organization or (ii) there is potential for the organization to provide a financial benefit to or impose a financial burden on the County.

Reporting for component units on the County's financial statements can be blended or discretely presented. Blended component units, although legally separate entities, are in substance part of the government's operations. Blended component units are an extension of the County, so data from these units are combined with the data of the primary government. Discretely presented component units, on the other hand, are reported in a separate column in the combined financial statements to emphasize they are legally separate from the County. The County has no discretely presented component units. Each component unit has a June 30th year end.

For financial reporting purposes, the County's basic financial statements include all financial activities that are controlled by or are dependent upon actions taken by the County's Board.

The reporting entity includes the following blended component units: Napa County Flood Protection and Watershed Improvement Authority, County Service Area #3, County Service Area #4, In-Home Supportive Services Public Authority of Napa County (IHSS), Silverado Community Services, Silverado Maintenance Assessment, Monticello Public Cemetery and Endowment District, Lake Berryessa Resort Improvement, Napa Berryessa Resort Improvement, Napa County Housing Authority and Napa County Public Improvement Corporation. The blended component units' governing bodies are substantively the same as the governing body of the primary government.

The following blended component units have their own audits which may be obtained at the County of Napa administrative offices:

- Napa County Flood Protection and Watershed Improvement Authority
- In-Home Supportive Services Public Authority of Napa County
- Napa County Housing Authority

COUNTY OF NAPA

Notes to the Basic Financial Statements For the Year Ended June 30, 2011

1. **Summary of Significant Accounting Policies** (continued)

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

Excluded Joint Power Authorities

Joint Power Authorities (JPA) are legally separate from the County and have their own governing boards. Each JPA is a jointly govern organization for which the County does not have any ongoing financial interest or responsibility and therefore are not considered joint ventures.

- Napa County Flood Control and Water Conservation District: The District's goals and objectives are to provide protection from flood events to the life, property and public highways in the District by enhancing and constructing storm drainage systems and flood control and prevention projects.
- Napa-Vallejo Waste Management Authority: The Authority is responsible for providing economical coordination of solid waste management services and to efficiently and fairly assure against potential adverse effects of past solid waste management services within the communities represented.
- Upper Valley Waste Management Agency: 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 Service Zones 3 and 4, the northern portion of the county.
- Napa County Transportation Planning Agency: 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.

B. **Basis of Presentation**

Government-Wide Financial Statements

The statement of net assets and statement of activities display information about the primary government (the County) and its blended component units. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the *governmental* and *business-type activities* of the County. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees charged to external parties.

The statement of activities demonstrates the degree to which the program expenses of a given function are offset by program revenues. Program expenses include direct expenses, which are clearly identifiable with a specific function, and allocated indirect expenses. Program revenues include 1) charges paid by the recipients of goods or services offered by the programs and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented instead as general revenues.

COUNTY OF NAPA

Notes to the Basic Financial Statements For the Year Ended June 30, 2011

1. **Summary of Significant Accounting Policies** (continued)

B. **Basis of Presentation** (continued)

Government-Wide Financial Statements (continued)

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are services provided and used such as accounting and legal services provided to the districts.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

When both restricted and unrestricted net assets are available, restricted resources are used only after the unrestricted resources are depleted.

Fund Financial Statements

The fund financial statements provide information about the County's funds, including fiduciary funds and blended component units. Separate statements for each fund category – *governmental, proprietary and fiduciary* – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are separately aggregated and reported as nonmajor funds.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operation. The principal operating revenues of the County's enterprise fund and internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The County reports the following major governmental funds:

- The *General Fund* is used to account for all revenues and expenditures necessary to carry out basic governmental activities of the County that are not accounted for through other funds. For the County, the General Fund includes such activities as general government, public protection, public ways and facilities, health and sanitation, public assistance, education and recreation services.
- The *Napa County Flood Protection and Watershed Improvement Authority* is used to contract with the Board of Equalization for collection of sales tax and establish individual accounts for each jurisdiction, disburse revenues for projects which meet the voter approved Measure A requirements.
- The *Accumulated Capital Outlay Fund* is a capital fund used to build up resources for major County facility construction projects.
- The *Roads Fund* provides for the County Road Program to protect, preserve, enhance and improve the existing County road system. This fund pays for the construction and maintenance of the road system in the unincorporated area.

COUNTY OF NAPA

Notes to the Basic Financial Statements For the Year Ended June 30, 2011

1. Summary of Significant Accounting Policies (continued)

B. Basis of Presentation (continued)

Fund Financial Statements (continued)

The County reports the following major enterprise funds:

- The *Napa County Airport Fund* is used to fund general airport operations, office and administrative expenses and the maintenance of airport facilities, including the replacement of exterior lighting fixtures, runway, taxiway and ramp lighting, heating and air conditioning service. Major revenue sources include fuel flow fees, rents, land leases, airport royalties and interest earnings.
- The *Lake Berryessa Resort Improvement District* is used to provide water and waste water services within district boundaries. The District funds operations, maintenance and capital improvements for water delivery and treatment facilities. Major revenue sources include annual assessments, interest earnings and debt financing.
- The *Fifth Street Parking Garage* is used to provide parking for up to 485 vehicles in the downtown section of the City of Napa. The major sources of revenues come from contributions made by the City and County of Napa and three private participants to fund operations, maintenance and capital improvements to the parking structure.

The County reports the following additional fund types:

- *Internal Service Funds* are used to provide goods or services to County departments on a cost reimbursement basis. These funds include fleet management, information technology services, workers' compensation, general liability and employee/retiree benefits.
- The *Investment Trust Fund* accounts for the assets of legally separate entities that deposit cash with the County Treasurer. These entities include school and community college districts, special districts governed by local boards, regional boards and authorities. These funds represent the assets, primarily cash and investments, and the related liability of the County to disburse these monies on demand.
- The *Private Purpose Trust Funds* account for the assets held by the Public Guardian and Public Administrator.
- The *Agency Funds* account for assets held by the County in an agency capacity for individuals or other government units. Since they are custodial in nature they do not involve measurement of results of operations, nor do they have equity accounts since all assets are due to individuals or entities at some future time. These funds include pass through funds established for the distribution of tax collections for the State, cities and town.

C. Basis of Accounting

All of the government-wide, proprietary, and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, except agency funds which have no measurement focus.

COUNTY OF NAPA

Notes to the Basic Financial Statements For the Year Ended June 30, 2011

1. Summary of Significant Accounting Policies (continued)

C. Basis of Accounting (continued)

With accrual accounting, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, include property and sales taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenues from sales tax are recognized when the underlying transactions take place. Revenues from grants, entitlements and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Therefore, revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers property tax revenues to be available if they are collected within 60 days of the end of the current fiscal period. All other revenues are considered to be available if they are collected within 120 days of the end of the current fiscal period, with one exception: Proposition 57 and Chapter 211, California Statutes of 2004 (Senate Bill 1096) were passed by the voters and legislature, respectively, and are referred to as the Triple Flip. The Triple Flip authorizes revenue to be recognized throughout the fiscal year based on estimates with a true-up to actual revenues in January following the fiscal year end. Therefore, the County will consider any true-up revenues authorized in California Statutes to be available if they are collected within 365 days of the fiscal year end.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and capital leases are reported as other financial sources.

For its business-type activities and enterprise funds, the County has elected under GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting*, to apply all applicable GASB pronouncements as well as any applicable pronouncements of the Financial Accounting Standards Board, the Accounting Principles Board or any Accounting Research Bulletins issued on or before November 30, 1989 unless those pronouncements conflict with or contradict GASB pronouncements. The GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units.

COUNTY OF NAPA

Notes to the Basic Financial Statements For the Year Ended June 30, 2011

1. Summary of Significant Accounting Policies (continued)

D. Cash and Cash Equivalents

For purposes of the accompanying statement of cash flows, the enterprise and internal service funds consider all highly liquid investments with a maturity of three months or less when purchased, and their equity in the County Treasurer's investment pool, to be cash equivalents. The fair value of investments are obtained by using quotations obtained from independent published sources. Assets held in the investment pool are recorded at cost which approximates fair market value at June 30, 2011.

E. Restricted Assets

Certain resources set aside for the repayment of both governmental and business-type debts are classified as restricted assets on the balance sheet because they are maintained in separate bank accounts and their use is limited by applicable debt covenants.

F. Inventory and Prepaid Items

Inventory is historically stated at cost using the first-in first-out method for governmental activities within proprietary funds. Inventory recorded by proprietary funds includes materials and supplies for County vehicle and equipment maintenance. Inventories are recorded as expenditures at the time the inventory is consumed. The County had no material inventories at June 30, 2011. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

G. Property Tax Receivable and Revenue

The property taxes receivable balance is \$12,960,450 before an allowance for uncollectibles. A conservative percentage figure for uncollectibles is 3%.

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

Alternative Method of Distribution of Tax Levies

The County apportions property tax revenue according to the alternative tax treatment (Teeter Plan), whereby all current tax levied 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 or 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. For fiscal year 2010-2011, the County opted to use method (1) which required a tax loss reserve of at least 1 percent of total taxes and assessments levied on the secured roll. The balance in the tax loss reserve as of June 30, 2011 is \$7,477,722.

COUNTY OF NAPA

Notes to the Basic Financial Statements For the Year Ended June 30, 2011

1. **Summary of Significant Accounting Policies** (continued)

H. Capital Assets

Capital assets (including infrastructure) are recorded at historical cost or estimated historical cost if actual historical cost is not available. Contributed fixed assets are valued at their estimated fair market value on the date contributed. Capital assets include public domain (infrastructure) general fixed assets consisting of certain improvements including roads, bridges, water/sewer, lighting system, drainage systems, and flood control. The County defines capital assets as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Capital assets used in operations are depreciated using the straight-line method over their estimated useful lives in the government-wide statements and proprietary funds. Depreciation begins in the fiscal year the asset is placed in service and ends in the fiscal year that it is retired from service or is fully depreciated.

The County reports infrastructure assets on a network basis and has five networks; roads, water/sewer, lighting, drainage, and flood control. Accordingly, the amounts spent for the construction or acquisition of infrastructure assets are capitalized and reported in the government-wide financial statements regardless of their amount. In the case of the initial capitalization of general infrastructure assets (i.e., those reported by governmental activities) the County chose to include all such items regardless of their acquisition date or amount. When available, historical costs were used otherwise an appraisal was obtained.

Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

The estimated useful lives are as follows:

Infrastructure (except for the maintained pavement subsystem)	20 to 50 years
Structures and improvements	20 to 50 years
Equipment	3 to 15 years
Intangible assets	2 to 10 years

I. Asset Held for Resale

Asset held for resale represents 1.1 acres of land located within the City of Napa. The land is available for purchase and may be used for the development of affordable housing units. Land held for resale is valued at the lower of cost or market value.

J. Compensated Absences

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.

Non-Classified, Management and Public Service Employee-Supervisory Unit

Earned vacation may be accumulated up to a maximum of 536 hours by non-classified and management personnel. Supervisory employees may accumulate up to 416 hours vacation.

COUNTY OF NAPA

Notes to the Basic Financial Statements For the Year Ended June 30, 2011

1. **Summary of Significant Accounting Policies** (continued)

J. **Compensated Absences** (continued)

Public Service Employees

The chart below is to be used for unused vacation benefits accrual by all other non-law enforcement personnel.

<u>Continuous County Service</u>	<u>Max. Accrual of Vacation Benefits</u>
Years 1 through 3	240 maximum hours
Years 4 through 10	300 maximum hours
Years 11 or more	400 maximum hours

Law Enforcement Employees (hired before 10/9/2004)

The following chart is to be used for unused vacation benefits accrual by all law enforcement personnel hired before October 9, 2004.

<u>Continuous County Service</u>	<u>Max. Accrual of Vacation Benefits</u>
Years 1 through 3	360 maximum hours
Years 4 through 10	360 maximum hours
Years 11 or more	400 maximum hours

Law Enforcement Employees (hired after 10/9/2004)

The following chart is to be used for unused vacation benefits accrual by all law enforcement personnel hired after October 9, 2004.

<u>Continuous County Service</u>	<u>Max. Accrual of Vacation Benefits</u>
Years 1 through 3	240 maximum hours
Years 4 through 10	300 maximum hours
Years 11 or more	400 maximum hours

K. **Interfund Transactions**

Interfund transactions are reflected as either loans, services provided, reimbursements or transfers. Loans are reported as receivables and payables as appropriate, are subject to elimination upon consolidation and are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances".

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not available financial resources.

COUNTY OF NAPA

Notes to the Basic Financial Statements For the Year Ended June 30, 2011

1. **Summary of Significant Accounting Policies** (continued)

K. **Interfund Transactions** (continued)

Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide presentation.

L. **Estimates**

The preparation of basic financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

M. **New Accounting Pronouncements**

Governmental Accounting Standards Board Statement 54

For the fiscal year ended June 30, 2011, the County implemented Governmental Accounting Standards Board Statement No. 54 (GASB 54), *Fund Balance Reporting and Governmental Fund Type Definitions*. The requirements of this statement are effective for financial statement periods beginning after June 15, 2010.

GASB 54 establishes new accounting and financial reporting standards for all governments that report governmental funds. The statement enhances the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and it clarifies the existing governmental fund type definitions to improve the comparability of governmental fund statements. GASB 54 establishes fund balance classifications that are hierarchy based on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds.

N. **Fund Equity**

In the fund financial statements, governmental funds report fund balance as nonspendable, restricted, committed, assigned or unassigned based on the extent to which the County is bound to honor various constraints.

- Nonspendable fund balance – amounts that cannot be spent because they are either (1) not in spendable form or (b) legally or contractually required to be maintained intact.
- Restricted fund balance – amounts with constraints placed on the use of resources that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.
- Committed fund balance – amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision making authority (the Board of Supervisors) and which remain in place unless removed by taking the same type of action it employed to commit those amounts. The formal action that commits fund balance to a specific purpose should occur prior to the end of the reporting period.

COUNTY OF NAPA

Notes to the Basic Financial Statements For the Year Ended June 30, 2011

1. **Summary of Significant Accounting Policies** (continued)

N. **Fund Equity** (continued)

- Assigned fund balance – amounts that are constrained by the County's intent to be used for specific purposes. Intent should be expressed either by the governing body itself or a body (a budget or finance committee, for example) or official to which the governing body has delegated authority to assign amounts to be used for specific purposes. This is also the classification for residual funds in the County's special revenue funds.
- Unassigned fund balance – the residual classification for the General Fund that includes amounts not contained in the preceding classifications. In other governmental funds, the unassigned classification is used when expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes.

The Board of Supervisors establishes, modifies or rescinds fund balance commitments and assignments by passage of a resolution or an ordinance. This can be done through the adoption of the budget and subsequent budget amendments that occur throughout the year.

O. **Fund Balance Policy**

The County is committed to maintaining adequate reserves to protect against unanticipated events that would otherwise adversely affect the financial condition of the County and jeopardize the continuation of necessary public services. The purpose of the County's fund balance policy is to maintain sufficient levels of fund balance to:

- Provide cash flow for daily financial requirements.
- Provide reserves to guard against economic downturns.
- Provide reserves to protect against unforeseen expenditures related to emergencies.
- Provide reserves to maintain investment grade bond ratings.

In order to accomplish this goal, the County has adopted a policy to achieve and maintain a minimum unrestricted fund balance in the General Fund of 20% of budgeted operating expenditures on an annual basis, which is slightly higher than the recommended minimum level set forth by the Government Finance Officers Association of 17%.

Order of Spending

The fund balance policy also sets the County's order of spending when multiple funding sources are available. When both restricted and unrestricted resources are available for use, expenditures are to be made using restricted resources first, followed in order by committed, assigned and lastly unassigned resources.

COUNTY OF NAPA

Notes to the Basic Financial Statements For the Year Ended June 30, 2011

2. Cash and Investments

Cash and investments include the cash balances of substantially all funds, which are pooled and invested by the County Treasurer. The Napa County Treasury Pool (Pool) is not registered as an investment company with the Securities and Exchange Commission (SEC) nor is it an SEC Rule 2a7-like pool. Interest earned on pooled investments is apportioned quarterly to certain participating funds based upon each fund's average daily balance with all remaining interest deposited in the General Fund. The Statements of Net Assets and the Balance Sheet include investments that reside outside of the Pool and are held with fiscal agents.

The Pool includes both voluntary and involuntary participation from external entities. The State of California statutes require certain special districts and other governmental entities to maintain their cash surplus with the County Treasurer.

Investments made by the Treasurer are regulated by the California Government Code and by the County's investment policy. The objectives of State statutes and the County's investment policy is primarily to safeguard investment principal by mitigating exposure to risk factors, secondarily maintaining sufficient liquidity to meet cash flow needs, and lastly to attain a return on the funds. The County has established a treasury oversight committee to monitor and review the management of public funds maintained in the investment pool in accordance with Article 6 Section 27131 of the California Government Code. The oversight committee and the Board of Supervisors review and approve the investment policy annually. The County Treasurer prepares and submits a comprehensive investment report to the members of the oversight committee and the investment pool participants every month. The report covers the type of investments in the pool, maturity dates, par value, actual costs and fair value.

At June 30, 2011, total County cash and investments were as follows:

Cash:	
Cash on hand	\$ 4,895,344
Imprest cash	266,587
Certificates of deposit	100,000
Outstanding warrants and reconciliations	<u>(12,134,956)</u>
Total Cash	<u>(6,873,025)</u>
Investments:	
In Treasurer's pool	518,524,996
With fiscal agents external to the pool	<u>2,144,261</u>
Total Investments	<u>520,669,257</u>
Total Cash and Investments	<u>\$ 513,796,232</u>

COUNTY OF NAPA

Notes to the Basic Financial Statements For the Year Ended June 30, 2011

2. Cash and Investments (continued)

Total cash and investments at June 30, 2011 were presented in the County's financial statements as follows:

Total governmental activities	\$ 210,695,982
Total business-type activities	6,970,664
Private purpose trust funds	2,081,669
Investment trust funds	255,988,823
Agency funds	<u>38,059,094</u>
Total Cash and Investments	<u>\$ 513,796,232</u>

Custodial Credit Risk related to Deposits

Custodial credit risk for deposits is the risk that the County will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. This risk is mitigated in that the Pool's bank deposits are insured by the Federal Depository Insurance Corporation (FDIC). Effective December 31, 2010, the Dodd-Frank Wall Street Reform and Consumer Protection Act (Act) fully guarantees all funds in non-interest bearing transaction deposit accounts held at FDIC-insured depository institutions. As the Pool's deposits are fully insured under the Act, collateralization under Government Code Section 535652 is waived.

Investments

The table below identifies the investment types that are authorized for the Pool by the California Government Code or the County's investment policy, where more restrictive. The table also identifies certain provisions of the County's investment policy that address interest rate risk, credit risk, and concentration risk.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Local Agency Bonds	5 years	None	None
U.S. Treasury Obligations	5 years	None	None
U.S. Agency Obligations	5 years	None	None
State of California Obligations	5 years	None	None
Banker's Acceptances	180 days	40%	30%
Commercial Paper	270 days	40%	10%
Negotiable Certificates of Deposit	5 years	30%	None
Repurchase Agreements	1 year	5%	None
Reverse Repurchase Agreements	92 days	20% of base value	None
Medium-Term Notes	5 years	30%	None
Mutual Funds/Money Market Mutual Funds	N/A	20%	10%
Collateralized Bank Deposits	5 years	None	None
Mortgage Pass-Through Securities	5 years	20%	None
Time Deposits	5 years	None	None
County Pooled Investment Funds	N/A	None	None
JPA Pools (other investment pools)	N/A	None	None
Local Agency Investment Fund (LAIF)	N/A	\$50 million	None

COUNTY OF NAPA

Notes to the Basic Financial Statements For the Year Ended June 30, 2011

2. Cash and Investments (continued)

Investments (continued)

At June 30, 2011, the County had the following investments:

	Interest Rates	Maturities	Par	Cost	Fair Value	WAM (Years)
Investments in Investment Pool						
U.S. Agency Obligations - fixed	.25%-4.07%	10/28/11-06/30/16	\$ 191,564,286	\$ 191,609,196	\$ 192,310,020	3.33
U.S. Agency Obligations - discount	.09%-0.23%	07/05/11-02/17/12	194,000,000	193,806,551	193,852,349	0.32
U.S. Treasury Obligations	0.12%-0.20%	07/28/11-01/31/12	29,000,000	28,971,425	28,977,271	0.26
Corporate Bonds	2.125%-3.00%	12/09/11-12/26/12	23,250,000	23,314,062	23,656,965	0.94
Sweep	0.05%	7/1/11	26,260,096	26,260,096	26,260,096	0.00
Teeter notes	0.85%-1.91%	09/01/12-09/1/15	4,563,666	4,563,666	4,563,666	3.46
Local Agency Investment Fund (LAIF)	0.53%	on demand	50,000,000	50,000,000	50,000,000	0.00
Total Treasurer's Pooled Investments			518,638,048	518,524,996	519,620,367	1.15
Investments Controlled by Fiscal Agents						
U.S. Treasury Obligations			2,144,261	2,144,261	2,144,261	
Total Investments			\$ 520,782,309	\$ 520,669,257	\$ 521,764,628	

At June 30, 2011, the difference between the cost and fair value of cash and investments was not material (fair value was 100.2% of carrying value). Therefore, an adjustment to fair value was not made.

Interest Rate Risk

The County manages its exposure to declines in fair values by limiting the weighted average maturity (WAM) of its investment portfolio to five years or less in accordance with its investment policy.

Credit Risk

State law and the County's Investment Policy limit investments in commercial paper to the rating of A1 by Standards & Poor's or P-1 by Moody's Investors Service. State law and the County's Investment Policy also limit investments in corporate bonds to the rating of A by Standard & Poor's and Moody's Investment Service. The County does not have credit limits on government agency securities.

COUNTY OF NAPA

Notes to the Basic Financial Statements For the Year Ended June 30, 2011

2. Cash and Investments (continued)

Concentration of Credit Risk

The following is a summary of the credit quality distribution and concentration of credit risk by investment type as a percentage of the County Investment Pool's fair value at June 30, 2011.

	S & P	Moody's	% of Portfolio
U.S. Agency Obligations - fixed	AAA	Aaa	37.01%
U.S. Agency Obligations - discount	AAA	Aaa	37.31%
U.S. Treasury Obligations	AAA	Aaa	5.58%
Corporate Bonds	AAA	Aaa	4.55%
Sweep	Unrated	Unrated	5.05%
Teeter notes	Unrated	Unrated	0.88%
Local Agency Investment Fund (LAIF)	Unrated	Unrated	9.62%
Total			100.00%

At June 30, 2011, in accordance with State law and the County's Investment Policy, the County did not have 10% or more of its net investment in any one money market mutual fund. Investments in any one issuer (other than U.S. treasury securities, money market mutual funds and external investment pools) that represent 5% or more of the total Pool investments are as follows:

Federal Home Loan Bank	Government Sponsored	\$ 117,926,241	22.69%
Federal Farm Credit Bank	Government Sponsored	112,352,364	21.62%
Federal National Mortgage Association	Government Sponsored	84,938,739	16.35%
Federal Home Loan Mortgage Corporation	Government Sponsored	70,945,024	13.65%

Local Agency Investment Fund

The Pool's total investment in the Local Agency Investment Fund (LAIF), managed by the Treasurer for the State of California is \$50.0 million at June 30, 2011. The total amount invested by all public agencies in LAIF at June 30, 2011, was \$24.0 billion. LAIF is part of the State of California Pooled Money Investment Account (PMIA), whose balance at June 30, 2011 was \$66.4 billion. Of that amount, 5.01% was invested in medium and short term structured notes and asset-backed securities. PMIA is not registered with the Securities and Exchange Commission as an investment company, but is required to invest according to California State Code. The average maturity of PMIA investments was 237 days as of June 30, 2011. The Local Investment Advisory Board (Board) has oversight responsibility for LAIF. The Board consists of five members as designated by State Statute. The value of pool shares in LAIF, which may be withdrawn, is determined on an amortized cost basis, which is different than the fair value of the pooled treasury's portion in the pool.

COUNTY OF NAPA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2011

2. Cash and Investments (continued)

County Investment Pool Condensed Financial Statements

The following represents a condensed statement of net assets and changes in net assets for the Treasurer's investment pool as of June 30, 2011:

Statement of Net Assets

Net assets held for pool participants	<u>\$ 511,385,384</u>
Equity of internal pool participants	255,396,561
Equity of external pool participants	<u>255,988,823</u>
Total net assets	<u>\$ 511,385,384</u>

Statement of Changes in Net Assets

Net asset held for pool participants at July 1, 2010	\$ 479,880,436
Net change in investments by pool participants	<u>31,504,948</u>
Net assets held for pool participants at June 30, 2011	<u>\$ 511,385,384</u>

3. Interfund Transactions

Interfund Receivables/Payables

The composition of interfund balances as of June 30, 2011 are as follows:

Due to/from other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Other Governmental Fund	\$ 182,464	IHSS cash advance
	Other Governmental Fund	22,354	Child Support Services cash advance
	Lake Berryessa Resort Improv.	85,500	Revenue anticipation
	Other Enterprise Funds	<u>474,000</u>	Napa Berryessa revenue anticipation
		<u>\$ 764,318</u>	

The above balances reflect temporary cash advances.

COUNTY OF NAPA

Notes to the Basic Financial Statements For the Year Ended June 30, 2011

3. **Interfund Transactions** (continued)

Interfund Receivables/Payables (continued)

The amounts payable to the General Fund reflect loans made to Lake Berryessa and Napa Berryessa Resort Improvement Districts to help fund capital improvements and maintenance projects. None of the balance is scheduled to be collected in the subsequent year.

The Napa County Airport fund has received an advance from the County to construct certain projects at the Airport. The advance includes a repayment schedule with \$269,700 due in the following year.

Advance to/from other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Lake Berryessa Resort Improv.	\$ 845,000	Operating advance
	Other Enterprise Fund	600,000	NBRID operating & capital advance
Other Governmental Funds	Napa County Airport	548,700	Capital advance
		<u>\$ 1,993,700</u>	

Transfers

Transfers are indicative of funding for capital projects, lease payments or debt service, subsidies of various County operations and re-allocations of special revenues. The following schedule briefly summarizes the County's transfer activity:

<u>Transfer from</u>	<u>Transfer to</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Roads Fund	\$ 2,025,708	Road contribution
	Accumulated Capital Outlay	14,262,767	Capital projects
	Other Governmental Funds	3,181,108	Debt service
	Other Governmental Funds	175,762	Library contribution
	Other Governmental Funds	120,446	IHSS contribution
	Other Governmental Funds	65,000	Other contributions
Accumulated Capital Outlay	General Fund	130,697	Various projects
	Other Governmental Funds	21,768	Capital projects
Other Governmental Funds	Other Governmental Funds	433,100	Debt service
	Other Governmental Funds	225,655	Fire protection
	Other Governmental Funds	13,000	Various contributions
	Other Enterprise Funds	528,638	Farmworker centers
Napa County Airport	Other Governmental Funds	31,992	Debt service
		<u>\$ 21,215,641</u>	

COUNTY OF NAPA

Notes to the Basic Financial Statements For the Year Ended June 30, 2011

4. Capital Assets

Capital asset activity for the year ended June 30, 2011 was as follows:

	Balance July 1, 2010	Additions	Retirements	Transfers & Adjustments	Balance June 30, 2011
Governmental Activities					
Capital assets, not being depreciated:					
Land	\$ 4,751,515	\$ -	\$ -	\$ -	\$ 4,751,515
Construction in progress	1,972,441	1,299,543	-	(490,353)	2,781,631
Total capital assets, not being depreciated	<u>6,723,956</u>	<u>1,299,543</u>	<u>-</u>	<u>(490,353)</u>	<u>7,533,146</u>
Capital assets, being depreciated:					
Infrastructure	178,201,211	1,035,118	-	490,353	179,726,682
Structures and improvements	101,509,793	-	-	-	101,509,793
Equipment	28,198,146	2,275,151	(1,095,468)	-	29,377,829
Total capital assets, being depreciated	<u>307,909,150</u>	<u>3,310,269</u>	<u>(1,095,468)</u>	<u>490,353</u>	<u>310,614,304</u>
Less accumulated depreciation for:					
Infrastructure	(145,789,718)	(4,141,057)	-	-	(149,930,775)
Structures and improvements	(25,096,346)	(2,077,782)	-	-	(27,174,128)
Equipment	(18,305,747)	(2,344,834)	917,604	-	(19,732,977)
Total accumulated depreciation	<u>(189,191,811)</u>	<u>(8,563,673)</u>	<u>917,604</u>	<u>-</u>	<u>(196,837,880)</u>
Total capital assets, being depreciated, net	<u>118,717,339</u>	<u>(5,253,404)</u>	<u>(177,864)</u>	<u>490,353</u>	<u>113,776,424</u>
Government activities capital assets, net	<u>\$ 125,441,295</u>	<u>\$ (3,953,861)</u>	<u>\$ (177,864)</u>	<u>\$ -</u>	<u>\$ 121,309,570</u>
Business-type Activities					
Capital assets, not being depreciated:					
Land	\$ 4,971,876	\$ 200,000	\$ -	\$ -	\$ 5,171,876
Construction in progress	1,732,041	1,204,900	(135,645)	(295,764)	2,505,532
Total capital assets, not being depreciated	<u>6,703,917</u>	<u>1,404,900</u>	<u>(135,645)</u>	<u>(295,764)</u>	<u>7,677,408</u>
Capital assets, being depreciated:					
Structures and improvements	61,755,466	78,026	-	290,273	62,123,765
Equipment	554,980	133,835	(6,549)	5,491	687,757
Total capital assets, being depreciated	<u>62,310,446</u>	<u>211,861</u>	<u>(6,549)</u>	<u>295,764</u>	<u>62,811,522</u>
Less accumulated depreciation for:					
Structures and improvements	(21,746,463)	(1,970,935)	-	-	(23,717,398)
Equipment	(423,708)	(49,658)	6,549	-	(466,817)
Total accumulated depreciation	<u>(22,170,171)</u>	<u>(2,020,593)</u>	<u>6,549</u>	<u>-</u>	<u>(24,184,215)</u>
Total capital assets, being depreciated, net	<u>40,140,275</u>	<u>(1,808,732)</u>	<u>-</u>	<u>295,764</u>	<u>38,627,307</u>
Business-type activities capital assets, net	<u>\$ 46,844,192</u>	<u>\$ (403,832)</u>	<u>\$ (135,645)</u>	<u>\$ -</u>	<u>\$ 46,304,715</u>

COUNTY OF NAPA

Notes to the Basic Financial Statements For the Year Ended June 30, 2011

4. **Capital Assets** (continued)

Transfers and Adjustments

During fiscal year 2010-2011, construction was completed on two Roads projects. The completion of these projects resulted in \$490,353 being transferred from construction in progress to structures and improvements.

The Napa County Airport completed a runway improvement project resulting in \$295,764 being transferred from construction in progress to structures and improvements. Additionally, the Airport abandoned a project which had \$135,645 in costs classified as construction in progress as of June 30, 2010. These costs were included as other charges within the Napa County Airport's operating expenses.

Construction Commitments

The construction of a new water treatment plant for the Lake Berryessa Resort Improvement District is the only significant construction project active as of June 30, 2011. The water treatment plant project began in fiscal year 2008-2009 and was completed in the beginning of fiscal year 2011-2012. The project was funded by a combination of bond proceeds and a 100% forgivable 2009 Federal American Recovery and Reinvestment Act loan issued through the California Department of Public Health.

Depreciation

Depreciation expense was charged to governmental functions as follows:

General government	\$ 2,587,409
Public protection	1,408,086
Public ways and facilities	4,168,497
Health and sanitation	16,915
Public assistance	287,986
Education	94,780
Total Depreciation Expense - Governmental Functions	<u>\$ 8,563,673</u>

Depreciation expense was charged to business-type functions as follows:

Napa County Airport	\$ 1,303,929
Lake Berryessa Resort Improvement District	163,477
Fifth Street Parking Garage	336,827
Napa Berryessa Resort Improvement District	53,833
Napa County Housing Authority	62,260
Napa County Animal Shelter	100,267
Total Depreciation Expense - Business-Type Functions	<u>\$ 2,020,593</u>

COUNTY OF NAPA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2011

5. Long-Term Debt

The following is a summary of long-term liabilities transactions for the year ended June 30, 2011:

	Balance July 1, 2010	Additions	Reductions	Balance June 30, 2011	Amounts Due Within One Year
Governmental Activities:					
Bonds payable	\$ 35,865,000	\$ -	\$ (3,865,000)	\$ 32,000,000	\$ 4,000,000
Plus deferred amounts:					
For issuance premiums	1,284,460	-	(160,558)	1,123,902	-
For refunding	(1,116,146)	-	139,520	(976,626)	-
Certificates of participation	33,135,000	-	(2,545,000)	30,590,000	2,635,000
Plus deferred amounts:					
For issuance premiums	150,500	-	(20,427)	130,073	-
Loans payable	1,300,836	-	(45,371)	1,255,465	71,461
Compensated absences	6,915,839	5,749,002	(5,669,872)	6,994,969	3,875,281
Liability for unpaid claims	8,886,000	1,822,623	(2,190,623)	8,518,000	2,662,944
	<u>86,421,489</u>	<u>7,571,625</u>	<u>(14,357,331)</u>	<u>79,635,783</u>	<u>13,244,686</u>
Total Governmental Activities Long-term liabilities	<u>\$ 86,421,489</u>	<u>\$ 7,571,625</u>	<u>\$ (14,357,331)</u>	<u>\$ 79,635,783</u>	<u>\$ 13,244,686</u>
Business-type Activities					
Bonds payable	\$ 4,570,000	\$ -	\$ (75,000)	\$ 4,495,000	\$ 80,000
Loan payable	301,796	-	(33,203)	268,593	35,156
Stipulated judgment	360,000	-	(40,000)	320,000	40,000
Compensated absences	63,717	45,147	(45,254)	63,610	30,624
	<u>5,295,513</u>	<u>45,147</u>	<u>(193,457)</u>	<u>5,147,203</u>	<u>185,780</u>
Total Business-type Activities Long-term liabilities	<u>\$ 5,295,513</u>	<u>\$ 45,147</u>	<u>\$ (193,457)</u>	<u>\$ 5,147,203</u>	<u>\$ 185,780</u>

COUNTY OF NAPA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2011

5. Long-Term Debt (continued)

As of June 30, 2011, annual debt service requirements of governmental and business-type activities to maturity are as follows:

Year Ending June 30:	Governmental Activities					
	Bonds Payable		Certificates of Participation		Loan Payable	
	Principal	Interest	Principal	Interest	Principal	Interest
2012	\$ 4,000,000	\$ 1,433,885	\$ 2,635,000	\$ 1,262,863	\$ 71,461	\$ 8,721
2013	4,175,000	1,259,060	2,730,000	1,162,988	1,050,029	6,780
2014	4,375,000	1,061,160	2,835,000	1,059,488	52,024	4,784
2015	4,570,000	859,375	2,940,000	951,988	54,099	3,754
2016	4,745,000	688,500	3,060,000	840,487	27,852	551
2017-2021	10,135,000	727,100	11,575,000	2,571,743	-	-
2022-2023	-	-	4,815,000	336,701	-	-
	<u>\$ 32,000,000</u>	<u>\$ 6,029,080</u>	<u>\$ 30,590,000</u>	<u>\$ 8,186,258</u>	<u>\$ 1,255,465</u>	<u>\$ 24,590</u>

Year Ending June 30:	Business-type Activities			
	Special Assessment Bonds Payable		Loans Payable	
	Principal	Interest	Principal	Interest
2012	\$ 80,000	\$ 244,717	\$ 35,156	\$ 14,029
2013	85,000	240,386	37,109	12,192
2014	90,000	235,793	39,063	10,255
2015	90,000	231,068	41,016	8,214
2016	95,000	226,211	42,969	6,072
2017-2021	560,000	1,047,206	73,280	5,309
2022-2026	735,000	870,763	-	-
2027-2031	955,000	639,321	-	-
2032-2036	1,250,000	334,110	-	-
2037-2038	555,000	30,109	-	-
	<u>\$ 4,495,000</u>	<u>\$ 4,099,684</u>	<u>\$ 268,593</u>	<u>\$ 56,071</u>

COUNTY OF NAPA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2011

5. Long-Term Debt (continued)

Long-term liabilities at June 30, 2011 consisted of the following:

	<u>Date of Issue</u>	<u>Maturity</u>	<u>Interest Rates</u>	<u>Annual Principal Installments</u>	<u>Original Issue Amount</u>	<u>Outstanding at June 30, 2011</u>
Governmental Activities						
Bonds Payable						
2005 Series Refunding (to refund a portion of the Napa County Flood Protection and Watershed Improvement Authority's Limited Tax Bonds, 1999 Series A, and to pay the costs of issuance of the Series 2005 Bonds. The 1999 Series A Bonds were issued to finance or reimburse the Authority for certain costs of the Napa River/Napa Creek Flood Protection Project and other costs associated with the issuance.)						
Bonds Payable	7/1/2005	2018	3.25-5.00%	\$50,000-\$3,870,000	\$ 29,710,000	\$ 23,785,000
2005 Series A Bonds (to finance or reimburse the Napa County Flood Protection and Watershed Improvement Authority for certain costs of the City of St. Helena's flood protection and watershed improvement project, to pay the premium of a surety bond to be deposited in the Bond Reserve Fund established under the indenture, and to pay the costs of issuance of the 2005 Series A Bonds.)						
Bonds Payable	3/1/2005	2018	3.00-4.50%	\$830,000-\$1,315,000	<u>13,655,000</u>	<u>8,215,000</u>
Total Bonds Payable					<u>43,365,000</u>	<u>32,000,000</u>
Certificates of Participation						
2003 issue (to refund the County's 1993 COP issue and fund the acquisition and construction of a new Sheriff's facility and the construction and remodel of the County's Juvenile Justice Center. The 1993 COP issue was used to fund various improvements, including renovations to various County buildings, demolition and construction of a building for the County agricultural related departments, acquisition and construction of improvements to the Napa County Airport, construction of a County fire station, the acquisition of an automated justice information system and the acquisition of certain water entitlements).						
Certificates of Participation	3/1/2003	2023	2.00-4.625%	\$200,000-\$2,465,000	32,350,000	23,380,000
2005 issue (to refund the County's 1996 COP issue used to fund various improvements, including the construction of a new criminal court 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; to establish a reserve fund for the Certificates; and to pay certain costs incurred in connection with the execution and delivery of the Certificates, including the premium for Certificates' insurance).						
Certificates of Participation	2/1/2005	2017	3.00-3.60%	\$960,000-\$1,300,000	<u>13,275,000</u>	<u>7,210,000</u>
Total Certificates of Participation					<u>45,625,000</u>	<u>30,590,000</u>
Loans Payable						
2006 California Energy Commission Loan (to finance energy efficiency improvements for the County Administration Building and Hall of Justice)						
California Energy Commission Loan	11/17/2006	2016	3.95%	\$20,000 - \$27,853	448,372	255,465

COUNTY OF NAPA

**Notes to the Basic Financial Statements
For the Year Ended June 30, 2011**

5. Long-Term Debt (continued)

	<u>Date of Issue</u>	<u>Maturity</u>	<u>Interest Rates</u>	<u>Annual Principal Installments</u>	<u>Original Issue Amount</u>	<u>Outstanding at June 30, 2011</u>
Loans Payable (continued)						
2007 California Department of Housing & Community Development Loan (to finance construction of Homeless Shelter known as the South Napa Shelter. Repayment of the loan shall be deferred as long as the development is used as an emergency shelter. At the completion of the initial loan term, the loan may be forgiven if terms are met.)						
California Department of Housing & Community Development Loan	7/1/2004	2014	3.00%	Various	<u>1,000,000</u>	<u>1,000,000</u>
Total Loans Payable					<u>1,448,372</u>	<u>1,255,465</u>
Total Governmental Activities					<u>\$ 90,438,372</u>	<u>\$ 63,845,465</u>

Business-type Activities

Special Assessment Bonds Payable

2007 Series A Bonds (to finance or reimburse the Lake Berryessa Resort Improvement District for certain costs to acquire and construct sewer and water treatment improvements; to fund a reserve fund for the Bonds; to pay capitalized interest if necessary; and to pay the costs of issuance of the 2005 Series A Bonds. These bonds will be paid from amounts levied against property owners benefited by these improvements.)

Bonds Payable	9/2/2007	2037	5.25-5.55%	\$55,841-\$295,000	\$ 4,755,841	\$ 4,495,000
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Loan Payable

2002 loan agreement (for construction of hangers at the Napa County Airport.)

Napa County Airport loan	5/8/2002	2018	5.22%	\$20,000-\$44,922	<u>500,000</u>	<u>268,593</u>
Total Business-Type Activities					<u>\$ 5,255,841</u>	<u>\$ 4,763,593</u>

Certificates of participation retirements and related interest payments are paid from a debt service fund. Bond retirements and related interest payments are paid from the Napa County Flood Protection and Watershed Improvement Authority and the Lake Berryessa Resort Improvement District. Loans payable retirements and related interest payments are paid from the both the General Fund and the Airport Fund. Insurance claims and judgments are paid from the County's Worker's Compensation and General Liability Funds. Stipulated judgment payments are paid from the Lake Berryessa Resort Improvement District. Compensated absences liabilities will be paid by several of the County's funds, including the general fund, four special revenue funds, two internal service funds, and two enterprise funds. Historically, 99 percent of these costs have been paid from the County's governmental funds, with the remaining 1 percent paid from its proprietary funds.

COUNTY OF NAPA

Notes to the Basic Financial Statements For the Year Ended June 30, 2011

5. Long-Term Debt (continued)

Bond Discounts, Bond Premiums, and Issuance Costs

In the governmental funds, bond discounts, bond premiums and issuance costs are treated as period costs in the year of issue. In the proprietary funds (and for the governmental activities in the government-wide statements) bond discounts, bond premiums and issuance costs are deferred and amortized over the term of the debt using the straight-line method. Bond discounts and premiums are presented as a reduction and increase, respectively, of the outstanding balance of bonds payable, whereas issuance costs are recorded as deferred charges.

Arbitrage Earnings

The Tax Reform Act of 1986 instituted certain arbitrage restrictions with respect to the issuance of tax-exempt bonds after August 31, 1986. Arbitrage regulations deal with the investment of all tax-exempt bond proceeds at an interest yield greater than the interest yield paid to bondholders. Generally, all interest paid to bondholders can be retroactively rendered taxable if applicable rebates are not reported and paid to the Internal Revenue Service at least every five years. During the current year, the County reviewed investment earnings on all remaining bond proceeds and does not anticipate a significant arbitrage liability at June 30, 2011.

6. Operating Leases

The County is committed under various operating leases for facilities, vehicles and photocopy machines. The minimum future lease commitments on these leases are as follows:

Fiscal Year Ending June 30,	<u>Payments</u>
2012	\$ 1,242,885
2013	942,763
2014	415,400
2015	299,245
2016	264,897
2017-2021	1,362,065
Total	<u>\$ 4,527,255</u>

Rent expenditures were \$1,421,368 for the year ended June 30, 2011.

7. Unearned and Deferred Revenues

Under both the accrual and modified accrual basis of accounting, revenue may be recognized only when earned. Therefore, the government-wide statement of net assets as well as governmental and enterprise funds defer revenue recognition in connection with resources that have been received as of year-end, but not yet earned. Assets recognized in connection with a transaction before the earning process is complete are offset by a corresponding liability for unearned revenue.

COUNTY OF NAPA

Notes to the Basic Financial Statements For the Year Ended June 30, 2011

7. Unearned and Deferred Revenues (continued)

Under the modified accrual basis of accounting, it is not enough that the revenue has been earned if it is to be recognized in the current period. Revenue must also be available to finance expenditures of the current period. Governmental funds report deferred revenues in connection with receivables for revenues not considered available to liquidate, as liabilities of the current period.

As of June 30, 2011, the various components of deferred and unearned revenue reported were as follows:

	Unearned	Deferred (Unavailable)	Total
Governmental Activities:			
General Fund:			
SB 90 mandated costs	\$ --	\$ 8,477,903	\$ 8,477,903
State grants & reimbursements	752,128	4,352,256	5,104,384
Federal grants & reimbursements	--	151,183	151,183
Federal Stimulus grants	--	97,649	97,649
Other	--	41,631	41,631
Roads Fund:			
Federal disaster assistance	--	248,197	248,197
2009 Federal ARRA grants	--	323,674	323,674
Nonmajor Governmental Funds:			
State grants & reimbursements	--	56,260	56,260
Federal grants & reimbursements	--	128,785	128,785
Total unearned and deferred revenue	\$ 752,128	\$ 13,877,538	\$ 14,629,666
Business-type Activities:			
Napa County Airport:			
Long-term hangar lease agreement with State of California	\$ 493,199	\$ --	\$ 493,199
Total unearned and deferred revenue	\$ 493,199	\$ --	\$ 493,199

8. Net Assets

The government-wide and business-type activities fund financial statements utilize a net assets presentation. Net assets are categorized as invested capital assets (net of related debt), restricted and unrestricted.

- *Invested in Capital Assets, Net of Related Debt* – This category groups all capital assets, including infrastructure, into one component of net assets. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category.
- *Restricted Net Assets* – This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation. Included in total restricted net assets at June 30, 2011 are net assets restricted by enabling legislation of \$83,968,583.
- *Unrestricted Net Assets* – This category represents net assets of the County, not restricted for any project or other purpose.

COUNTY OF NAPA

Notes to the Basic Financial Statements For the Year Ended June 30, 2011

9. Fund Balances

Classification

In accordance with the provisions of GASB Statement No. 54, governmental funds report fund balance classifications based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

Fund balances for all major and nonmajor governmental funds as of June 30, 2011, were distributed as follows:

	General	Napa County Flood Protection and Watershed Improvement Authority	Accumulated Capital Outlay	Roads	Other Governmental Funds	Total
Nonspendable:						
Prepaid items	\$ 145,443	\$ -	\$ -	\$ -	\$ 1,380	\$ 146,823
Advances	1,445,000	-	-	-	548,700	1,993,700
Endowment	-	-	-	-	19,920	19,920
Subtotal	<u>1,590,443</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>570,000</u>	<u>2,160,443</u>
Restricted for:						
General government	10,998,949	-	-	-	33,810	11,032,759
Public protection	6,390,534	52,594,176	-	-	10,561,586	69,546,296
Public ways & facilities	2,560,794	-	-	3,393,276	298,273	6,252,343
Health & sanitation	8,133,397	-	-	-	1,351,067	9,484,464
Public assistance	547,670	-	-	-	24,475,145	25,022,815
Education	-	-	-	-	10,451,291	10,451,291
Capital projects	-	-	-	-	2,524,402	2,524,402
Debt service	-	-	-	-	1,327,532	1,327,532
Subtotal	<u>28,631,344</u>	<u>52,594,176</u>	<u>-</u>	<u>3,393,276</u>	<u>51,023,106</u>	<u>135,641,902</u>
Committed to:						
Recreation & culture	1,008,938	-	-	-	-	1,008,938
Subtotal	<u>1,008,938</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,008,938</u>
Assigned to:						
General government	19,256,100	-	-	-	-	19,256,100
Public protection	170,888	-	-	-	502,141	673,029
Public ways & facilities	22,752	-	-	1,059,288	-	1,082,040
Health & sanitation	12,059,841	-	-	-	-	12,059,841
Public assistance	2,417	-	-	-	-	2,417
Capital projects	1,218,880	-	33,479,109	-	89,991	34,787,980
Debt service	1,350,000	-	-	-	174,028	1,524,028
Subtotal	<u>34,080,878</u>	<u>-</u>	<u>33,479,109</u>	<u>1,059,288</u>	<u>766,160</u>	<u>69,385,435</u>
Unassigned	<u>23,136,048</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(264,789)</u>	<u>22,871,259</u>
Total	<u>\$ 88,447,651</u>	<u>\$ 52,594,176</u>	<u>\$33,479,109</u>	<u>\$4,452,564</u>	<u>\$ 52,094,477</u>	<u>\$ 231,067,977</u>

COUNTY OF NAPA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2011

9. Fund Balances (continued)

Encumbrances

The following is a summary of encumbrances included in fund balance as of June 30, 2011:

	<u>Restricted</u>	<u>Assigned</u>
General Fund		
Public protection	\$ -	\$ 170,888
Public ways and facilities	-	22,752
Health and sanitation	-	39,202
Public assistance	-	2,417
Total General Fund	<u>-</u>	<u>235,259</u>
Other Governmental Funds		
Public protection	502,776	-
Education	16,608	-
Total Other Governmental Funds	<u>519,384</u>	<u>-</u>
Total Governmental Fund Encumbrances	<u>\$ 519,384</u>	<u>\$ 235,259</u>

Restatement of Beginning Fund Balances

In addition to redefining the classifications included within fund balance, GASB Statement No. 54 clarified the governmental fund type definitions resulting in funds previously presented as special revenue funds being reported as part of the General Fund for fiscal year 2010-2011. Fiscal year 2010-2011 revenues and expenditures for the funds formerly classified as special revenue funds have been included in the General Fund's activity and the beginning fund balance amounts have been restated. The following table is a summary of the restatement and also illustrates the impact caused by the Accumulated Capital Outlay Fund achieving major fund status and the Affordable Housing Fund being classified as a nonmajor fund:

	<u>General Fund</u>	<u>Affordable Housing</u>	<u>Accumulated Capital Outlay</u>	<u>Other Governmental Funds</u>
As of June 30, 2010	\$ 61,374,091	\$ 24,776,197	\$ -	\$ 70,833,400
Affordable Housing	-	(24,776,197)	-	24,776,197
Accumulated Capital Outlay	-	-	19,187,113	(19,187,113)
Special Projects	1,205,807	-	-	(1,205,807)
General Government	11,147,857	-	-	(11,147,857)
Public Protection	5,826,773	-	-	(5,826,773)
Public Ways & Facilities	2,649,019	-	-	(2,649,019)
Health & Sanitation	2,607,172	-	-	(2,607,172)
Public Assistance	511,038	-	-	(511,038)
Restated as of July 1, 2010	<u>\$ 85,321,757</u>	<u>\$ -</u>	<u>\$ 19,187,113</u>	<u>\$ 52,474,818</u>

COUNTY OF NAPA

Notes to the Basic Financial Statements For the Year Ended June 30, 2011

9. **Fund Balances** (continued)

Fiduciary Net Assets

- *Net assets held in trust for endowment purpose funds* represents cash held in private purpose trust funds.
- *Net assets held in trust for investment pool participants* represents investment funds held for external pool participants and does not represent available spending resources.

Deficit Fund Balance/Net Assets

- In Home Support Services special revenue fund had a deficit fund balance of \$60,460 as of June 30, 2011. The deficit is expected to be eliminated in future years through the collection and recognition of revenues deferred in the current year, increase of future revenues and/or transfers from other funds.
- Child Support Services special revenue fund had a deficit fund balance of \$202,949 as of June 30, 2011. The deficit is expected to be eliminated in future years through the collection and recognition of revenues deferred in the current year, increase of future revenues and/or transfers from other funds.
- Napa Berryessa Resort Improvement District enterprise fund had deficit net assets of \$292,739 as of June 30, 2011. The deficit is expected to be eliminated in future years through service rate increases and/or operational efficiency savings.

10. **County Employees Retirement Plan (Defined Benefit Pension Plan)**

A. **Plan Description**

The County's defined benefit pension provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and their beneficiaries. The County's Safety and Miscellaneous Plans are part of the California Public Employees Retirement System (PERS), an agent multiple-employer public employee retirement system which acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and other requirements are established by State statute within the Public Employees' Retirement Law. The selects optional benefit provisions by contract with CalPERS and adopts those benefits through County ordinance. CalPERS issues a separate comprehensive annual financial report; however, a separate report for the County's Safety and Miscellaneous Plans are not available. Copies of CalPERS annual financial reports which include required supplementary information (RSI) for each plan may be obtained from CalPERS Executive Office— 400 P Street, Sacramento, CA 95811.

During fiscal year 2010-2011, the County and the local safety bargaining unit agreed to implement an additional 3% at age 55 retirement tier for new public safety employees. As part of the agreement, the County fully funded the Safety plan side funds, which required an additional \$4,965,259 contribution on March 30, 2011.

COUNTY OF NAPA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2011

10. County Employees Retirement Plan (Defined Benefit Pension Plan) (continued)

B. Funding Policy and Status

Active plan members in the Miscellaneous and Safety Plans are required to contribute 8% and 9%, respectively of their annual covered salary. The County is required to contribute the actuarially determined remaining amounts necessary to fund the benefits for its members. The contribution requirements of the plan members are established by State statute and the employer contribution rate is established by CalPERS. Both the Safety and Miscellaneous Plans include cost sharing agreements which determine whether a portion of the members' contribution is paid by the County or whether a portion of the Employer's contribution is paid by the member. Results of the cost sharing agreements are as follows:

<u>Plan</u>	<u>Member Share</u>		<u>County Share</u>		<u>Total Member</u>	<u>Total County</u>
	<u>Member</u>	<u>County</u>	<u>Member</u>	<u>County</u>		
Miscellaneous	4.28%	3.72%	0.00%	13.46%	4.28%	17.18%
<i>As of July 1, 2010</i>						
Safety Management	3.10%	5.90%	0.00%	29.12%	3.10%	35.02%
Safety Non Management	9.00%	0.00%	1.11%	32.47%	9.00%	32.47%
<i>As of March 30, 2011</i>						
Safety Management	3.10%	5.90%	0.00%	21.25%	3.10%	27.15%
Safety Non Management	5.70%	3.30%	0.00%	21.25%	5.70%	24.55%

Employee contributions cannot be withdrawn until separation from employment.

Annual Pension Cost

For fiscal year 2010-11, the County's annual pension cost was \$19,358,636, including the \$4,965,259 Safety Plan side fund payoff, which the County contributed in full. The County has traditionally contributed the annual required contribution and not needed to report a net pension obligation.

COUNTY OF NAPA

Notes to the Basic Financial Statements For the Year Ended June 30, 2011

10. County Employees Retirement Plan (Defined Benefit Pension Plan) (continued)

B. Funding Policy and Status (continued)

The actuarial methods and assumptions used to determine the contributions are as follows:

	Miscellaneous Plan	Safety Plan
ACTUARIAL VALUATION:		
Actuarial valuation date	6/30/2010	6/30/2010
Basis for fiscal year 2010-2011 contribution	6/30/2008	6/30/2008
Actuarial cost method	Entry age normal	Entry age normal
AMORTIZATION:		
Amortization Method	Level % of pay	Level % of pay
New period policy		
Gains/Losses	30 years rolling	30 years rolling
Plan amendments	20 years	20 years
Actuarial assumptions	20 years	20 years
Remaining amortization period	21 years	19 years
ASSET VALUATION METHOD:		
	15 year	15 year
	smoothed market	smoothed market
ACTUARIAL ASSUMPTIONS:		
Investment rate of return ⁽¹⁾	7.75%	7.75%
Projected salary increases	3.55% to 14.45%	3.55% to 14.45%
Inflation	3.00%	3.00%
Payroll growth	3.25%	3.25%

(1) Assumed investment rate of return is net of administrative costs.

Three-Year Trend Information for the County's Defined Benefit Plans (in thousands)

Fiscal Year Ended	Annual Pension Cost Miscellaneous	Annual Pension Cost Safety	Total Annual Pension Cost	Percentage of Annual Pension Cost Contributed	Net Pension Obligation
6/30/2009	\$ 10,937	\$ 2,840	\$ 13,777	100%	\$ -
6/30/2010	10,840	2,886	13,726	100%	-
6/30/2011	11,509	7,850	19,359	100%	-

COUNTY OF NAPA

Notes to the Basic Financial Statements For the Year Ended June 30, 2011

10. County Employees Retirement Plan (Defined Benefit Pension Plan) (continued)

B. **Funding Policy and Status** (continued)

The funded status of the County's Miscellaneous Plan (in thousands) as of June 30, 2010, the date of the latest actuarial valuation, is as follows:

Actuarial accrued liability (AAL)	\$	499,989
Actuarial value of plan assets		415,851
		<hr/>
Unfunded actuarial accrued liability (UAAL)	\$	84,138
		<hr/>
Funded ratio (actuarial value of plan assets/AAL)		83%
Covered payroll (active Plan members)	\$	89,211
Unfunded actuarial accrued liability as a percentage of covered payroll		94%

Because the County's Safety Plan had less than 100 members in at least one valuation since June 30, 2003, information related to the actuarial value of assets and the funded status of the Plan is no longer available outside of the Risk Pool. A Schedule of Funding for the Risk Pool's actuarial value of assets, accrued liability, their relationship, and the relationship of the UAAL to payroll for the risk pool to which this plan belongs can be obtained from CalPERS, P.O. Box 942709, Sacramento, CA 94229-2709.

The schedules of funding progress, presented as required supplementary information following the notes to the financial statements, present multiyear trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

C. **Additional Information**

During fiscal year 2011-2012, the County and the miscellaneous bargaining unit agreed to implement a 2% at age 60 retirement tier for new miscellaneous employees. This new tier is effective for qualifying miscellaneous employees hired after October 28, 2011.

11. Other Post Employment Benefits

In addition to the pension benefits described in Note 10, the County provides an agent multiple-employer postretirement healthcare benefits under the *Retiree Healthcare Plan*. In accordance with Government Code, all employees electing a PERS retirement date within 120 days of retiring from the County are eligible to receive healthcare benefits. The County provides health and/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 by the County. For management and law enforcement employees, they are eligible for one month of two-party insurance benefits, paid for by the County for each 16 hours of sick leave.

COUNTY OF NAPA

Notes to the Basic Financial Statements For the Year Ended June 30, 2011

11. Other Post Employment Benefits (continued)

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

The County provides retiree medical benefits through the California Public Employees' Retirement System (CalPERS) Healthcare program. The County contributes the Public Employees Medical and Healthcare Act (PEMHCA) minimum required employer contribution (\$48.60 per month for calendar year 2011) towards the retiree monthly premium for eligible retirees participating in PEMHCA.

Funding Policy. The contribution requirements for plan members and the County are established and may be amended by the County. The County prefunds the plan through the California Employers' Retiree Benefit Trust (CERBT) by contributing at least 100% of the annual required contribution. The County began funding its liability under the Retiree Healthcare Plan in 2007-2008.

The annual required contribution (ARC) is an amount actuarially determined in accordance with the parameters of GASB Statement 45. The County ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize the unfunded actuarial accrued liability (UAAL). The plan's UAAL is being amortized as a level percentage of projected payroll on a closed basis. The plan originally set the amortization period of the UAAL at 14 years. For plan years beginning after June 30, 2009, the County revised the plan by electing a closed 20 year fresh start amortization period. The remaining amortization period as of June 30, 2011 was 18 years.

For fiscal year 2010-2011, the County's ARC was \$4,731,736 which was fully funded for GASB 45 purposes. The County paid \$1,948,105 to retirees during the year, and \$2,783,631 to the CERBT.

CERBT is a tax-qualified irrevocable trust organized under Internal Revenue Code Section 115 and established to pre-fund retiree healthcare benefits. CERBT issues a publicly available financial report including GASB 43 disclosure information in aggregate with the other CERBT participating employers. That report may be obtained by contacting CalPERS.

Actuarial Assumptions. In the County's June 30, 2010 actuarial valuation, the entry age normal actuarial cost method was used. The actuarial assumptions included a 7.75% investment rate of return (net of investment expenses) and annual healthcare cost trend rates for HMO and PPO coverage. The Non-Medicare and Medicare cost trend rates start at 9.5% and 10%, respectively, and decline to 5% over nine years.

COUNTY OF NAPA

Notes to the Basic Financial Statements For the Year Ended June 30, 2011

11. Other Post Employment Benefits (continued)

Annual Other Post Employment Benefits (OPEB) Cost and Net OPEB Obligation.

The County's Annual OPEB Cost, the percentage of Annual OPEB Cost contributed to the Plan (as described in the funding policy above), and the Net OPEB Obligation for the past three fiscal years are as follows (dollar amounts in thousands):

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2009	\$ 6,048	100%	\$ -
6/30/2010	4,583	100%	-
6/30/2011	4,731	100%	-

Funded Status and Funding Progress. The funded status of the plan as of June 30, 2010, the plan's most recent actuarial valuation date, was as follows (dollar amounts in thousands):

Actuarial accrued liability (AAL)	\$ 48,008
Actuarial value of plan assets	12,519
Unfunded actuarial accrued liability (UAAL)	\$ 35,489
Funded ratio (actuarial value of plan assets/AAL)	26.1%
Covered payroll (active Plan members)	\$ 86,300
Unfunded actuarial accrued liability as a percentage of covered payroll	41.1%

The schedules of funding progress, presented as required supplementary information following the notes to the financial statements, present multiyear trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

12. Deferred Compensation Plan

Napa County offers to its employees an optional deferred compensation plan created in accordance with Internal Revenue Code Section 457 (Deferred Compensation Plans with Respect to Service for State and Local Governments). The plan is available to a vast majority of employees and permits participants to defer a portion of their salary until future years. The deferred compensation is not available for withdrawal by employees until termination, retirement, death, or unforeseen non-reimbursed emergency.

The County's Section 457 plan is administered through a contract plan administrator. The County is not responsible for the investing function and has no fiduciary accountability for the plan. Therefore, the assets and associated participants' liability of the plan have been excluded from the County's financial statements.

COUNTY OF NAPA

Notes to the Basic Financial Statements For the Year Ended June 30, 2011

13. 401(a) Retirement Savings Plan

The County established a profit sharing plan called the 401(a) Retirement Savings Plan for the purpose of providing retirement benefits for eligible employees. Eligible employees are defined as the County's management, confidential and non-classified officers, and elected officials. Once eligible, employees must elect to enter into a one-time irrevocable salary reduction within 30 days. This plan is adopted under the provisions of the Internal Revenue Code Section 401(a). The plan year is the period beginning January 1 and ending on December 31.

The 401(a) Retirement savings plan contains provisions which provide for an employer matching contribution to the accounts of each eligible employee who participates in, and has deferred an equivalent amount into the County's 457 deferred compensation plan. The maximum match per eligible employee is required to be established annually on or before January 1st by a duly adopted resolution. The County's policy of contributing up to \$1,000 in matching funds (per employee) was reinstated effective calendar year 2005.

Each participant may allocate the balances of his/her account under both the 457 and 401(a) plans among the investment options provided under each plan. The plan administrator shall maintain an account for each participant to hold any employee pre-tax contributions, employer contributions, and rollover contributions, as well as any gains or losses of such funds. The County is not responsible for the investing function and has no fiduciary accountability for the plan. Therefore, the assets and associated participants' liability of the plan have been excluded from the County's financial statements.

The County reserves the right to amend the Plan at any time, and continuance of this plan is not assumed as a contractual obligation.

The County's actual contributions for the past three fiscal years are as follows:

<u>Fiscal Year</u> <u>Ended</u>	<u>Contributions</u>
6/30/2009	\$ 170,222
6/30/2010	155,194
6/30/2011	156,691

14. 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 \$350,000 for each workers' compensation claim and the general liability fund provides coverage up to \$300,000 for each general liability claim.

The County participates in pooled insurance programs with other governmental agencies through CSAC Excess Insurance Authority (EIA) for claims in excess of coverage provided by the Internal Service Funds noted in the preceding paragraph. The County has not submitted claims to the EIA in any of the past three years as claims settled during that period have not exceeded the County's self-insured retention (SIR). In addition, the County participates in the EIA for its medical malpractice coverage and a comprehensive property program. Commercial insurance is obtained for all other areas of risk.

COUNTY OF NAPA

Notes to the Basic Financial Statements For the Year Ended June 30, 2011

14. Risk Management (continued)

The unpaid claims liabilities are based on the results of actuarial studies and include amounts for claims incurred but not reported. Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends, including frequency and amount of payouts, and other economic and social factors. It is the County's practice to obtain full actuarial studies every two years. Contribution to both the workers' compensation and general liability Internal Service Fund (ISF) are generated from billings to departments based on potential exposure and loss history, in accordance with State Controller's *Handbook of Cost Plan*. The claims liability for the funds reported at June 30, 2011 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 financial statements indicates that it is probable that a liability has been incurred at the date of the 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:

	Beginning Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claims Payments	Balance at Fiscal Year End
General Liability:				
2008 - 2009	3,320,000	1,519,837	(1,519,837)	3,320,000
2009 - 2010	3,320,000	1,071,973	(1,474,973)	2,917,000
2010 - 2011	2,917,000	1,322,283	(1,322,283)	2,917,000
Workers' Compensation:				
2008 - 2009	6,197,000	1,397,397	(1,397,397)	6,197,000
2009 - 2010	6,197,000	1,260,306	(1,488,306)	5,969,000
2010 - 2011	5,969,000	868,340	(1,236,340)	5,601,000

15. 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. County Counsel has indicated that the potential uninsured claims against the County resulting from such litigation would not materially affect the 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 government agency. As of June 30, 2011, significant amounts of grant expenditures and records relating to reimbursements have not been audited by the granting agency, but the County believes that disallowed expenditures and 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.



Photography by Ken Stanton

Devil's Well, Bell Canyon

Located in St. Helena



REQUIRED SUPPLEMENTARY INFORMATION



Photography by Ken Stanton

“Snow”

In Angwin, Napa County

COUNTY OF NAPA

Required Supplementary Information For the Year Ended June 30, 2011

County Employees Retirement Plan (Defined Benefit Pension Plan)

Schedule of Funding Progress

The table below shows a three-year analysis of the actuarial value of assets as a percentage of the actuarial accrued liability and the unfunded actuarial accrued liability (UAAL) as a percentage of the annual covered payroll as of June 30:

Funded Status of Miscellaneous Plan (Dollar Amounts in Thousands)						
<u>Valuation Date</u>	<u>Entry Age Normal Accrued Liability</u>	<u>Actuarial Value of Assets</u>	<u>Unfunded/ (Overfunded) Liability</u>	<u>Funded Ratio</u>	<u>Annual Covered Payroll</u>	<u>UAAL as a % of Payroll</u>
6/30/08	\$ 428,461	\$ 372,779	\$ 55,682	87.0%	\$ 85,723	65.0%
6/30/09	477,564	393,847	83,717	82.5%	87,977	95.2%
6/30/10	499,989	415,851	84,138	83.2%	89,211	94.3%

Funded status information is no longer available for the Safety Plan on a stand-alone basis. The following information presented relates to the cost-sharing plan as a whole, of which the County is a participating employer.

Funded Status of the Risk Pool which includes the Safety Plan (Dollar Amounts in Thousands)						
<u>Valuation Date</u>	<u>Entry Age Normal Accrued Liability</u>	<u>Actuarial Value of Assets</u>	<u>Unfunded/ (Overfunded) Liability</u>	<u>Funded Ratio</u>	<u>Annual Covered Payroll</u>	<u>UAAL as a % of Payroll</u>
6/30/08	\$ 8,700,468	\$ 7,464,928	\$ 1,235,540	85.8%	\$ 914,841	135.1%
6/30/09	9,721,675	8,027,159	1,694,516	82.6%	973,814	174.0%
6/30/10	10,165,475	8,470,235	1,695,240	83.3%	955,981	177.3%

The total annual covered payroll of the cost-sharing risk pool for the plan year ended June 30, 2010, the most recent plan year reported, was \$955,980,815 of which \$11,803,653 was attributable to the County.

COUNTY OF NAPA

Required Supplementary Information For the Year Ended June 30, 2011

Other Post Employment Benefits Plan

Schedule of Funding Progress

The table below shows an analysis of the actuarial value of assets as a percentage of the actuarial accrued liability and the unfunded actuarial accrued liability (UAAL) as a percentage of the annual covered payroll as of the most recent actuarial report:

Funded Status of Retiree Healthcare Plan (Dollar Amounts in Thousands)						
<u>Valuation Date</u>	<u>Entry Age Normal Accrued Liability</u>	<u>Actuarial Value of Assets</u>	<u>Unfunded/ (Overfunded) Liability</u>	<u>Funded Ratio</u>	<u>Annual Covered Payroll</u>	<u>UAAL as a % of Payroll</u>
1/01/06	\$ 34,217	\$ -	\$ 34,217	0.0%	\$ 88,322	38.7%
6/30/08	36,040	4,363	31,677	12.1%	86,030	36.8%
6/30/10	48,008	12,519	35,489	26.1%	86,300	41.1%



Photography by Jeff Tangen, <http://www.jefftangenphoto.com>

Linda Falls on Conn Creek
Preserve is managed by the Land Trust of Napa County
Located near the community of Angwin in Napa County

COUNTY OF NAPA

Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		Positive (Negative)
Budgetary fund balances, July 1 as restated	<u>\$ 85,321,757</u>	<u>\$ 85,321,757</u>	<u>\$ 85,321,757</u>	<u>\$ --</u>
Resources (inflows):				
Taxes	86,596,633	91,446,633	98,871,108	7,424,475
Licenses and permits	2,191,615	2,191,615	2,413,207	221,592
Fines, forfeitures and penalties	1,517,150	1,517,150	2,001,007	483,857
Revenue from use of money and property	786,869	786,869	696,962	(89,907)
Aid from other governments	77,213,540	80,783,549	72,199,502	(8,584,047)
Charges for services	27,641,847	27,901,847	31,486,587	3,584,740
Contributions and donations	1,115,896	1,396,721	533,183	(863,538)
Other revenue	3,350,694	3,351,121	751,918	(2,599,203)
Other financing sources	10,744,957	12,467,423	130,697	(12,336,726)
Amounts available for appropriation	<u>211,159,201</u>	<u>221,842,928</u>	<u>209,084,171</u>	<u>(12,758,757)</u>
Charges to appropriatons (outflows):				
<i>General Government:</i>				
Board of Supervisors				
Salaries and benefits	614,415	614,415	618,170	(3,755)
Services and supplies	88,031	88,031	68,259	19,772
Subtotal	<u>702,446</u>	<u>702,446</u>	<u>686,429</u>	<u>16,017</u>
County Executive Officer				
Salaries and benefits	2,537,295	2,537,295	2,313,537	223,758
Services and supplies	258,933	258,933	236,176	22,757
Subtotal	<u>2,796,228</u>	<u>2,796,228</u>	<u>2,549,713</u>	<u>246,515</u>
Community & Intergovernmental Affairs				
Salaries and benefits	610,477	610,477	603,675	6,802
Services and supplies	541,230	541,230	96,661	444,569
Subtotal	<u>1,151,707</u>	<u>1,151,707</u>	<u>700,336</u>	<u>451,371</u>
Training & Organizational Development				
Salaries and benefits	125,132	127,283	127,282	1
Services and supplies	80,233	78,082	41,919	36,163
Subtotal	<u>205,365</u>	<u>205,365</u>	<u>169,201</u>	<u>36,164</u>
Auditor-Controller				
Salaries and benefits	2,347,133	2,332,133	2,303,419	28,714
Services and supplies	254,215	269,215	238,960	30,255
Subtotal	<u>2,601,348</u>	<u>2,601,348</u>	<u>2,542,379</u>	<u>58,969</u>
Treasurer-Tax Collector				
Salaries and benefits	1,295,277	1,273,277	1,162,363	110,914
Services and supplies	430,915	452,915	411,328	41,587
Other charges	250	250	--	250
Subtotal	<u>1,726,442</u>	<u>1,726,442</u>	<u>1,573,691</u>	<u>152,751</u>

continued

COUNTY OF NAPA

Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		Positive (Negative)
Assessor				
Salaries and benefits	\$ 2,270,637	\$ 2,283,895	\$ 2,283,894	\$ 1
Services and supplies	472,126	480,868	473,716	7,152
Subtotal	<u>2,742,763</u>	<u>2,764,763</u>	<u>2,757,610</u>	<u>7,153</u>
County Counsel				
Salaries and benefits	2,965,420	3,065,420	3,043,082	22,338
Services and supplies	385,023	520,023	438,559	81,464
Subtotal	<u>3,350,443</u>	<u>3,585,443</u>	<u>3,481,641</u>	<u>103,802</u>
Human Resources				
Salaries and benefits	1,528,021	1,498,021	1,491,134	6,887
Services and supplies	295,872	325,872	314,005	11,867
Subtotal	<u>1,823,893</u>	<u>1,823,893</u>	<u>1,805,139</u>	<u>18,754</u>
Primary-General Election				
Salaries and benefits	470,903	470,903	442,014	28,889
Services and supplies	645,073	645,073	488,554	156,519
Subtotal	<u>1,115,976</u>	<u>1,115,976</u>	<u>930,568</u>	<u>185,408</u>
Communications				
Salaries and benefits	641,303	624,303	570,442	53,861
Services and supplies	518,049	448,299	400,416	47,883
Capital expenditures	--	191,385	188,735	2,650
Transfers out	33,000	--	--	--
Subtotal	<u>1,192,352</u>	<u>1,263,987</u>	<u>1,159,593</u>	<u>104,394</u>
Records Mgmt/Courier				
Salaries and benefits	219,484	221,784	221,568	216
Services and supplies	434,558	432,258	378,372	53,886
Subtotal	<u>654,042</u>	<u>654,042</u>	<u>599,940</u>	<u>54,102</u>
Property Management				
Salaries and benefits	2,509,707	2,529,707	2,503,863	25,844
Services and supplies	2,728,032	2,708,032	2,381,130	326,902
Debt Service	56,809	56,809	50,884	5,925
Subtotal	<u>5,294,548</u>	<u>5,294,548</u>	<u>4,935,877</u>	<u>358,671</u>
Capital Improvement Program				
Services and supplies	9,595,829	11,286,445	5,544,977	5,741,468
Capital expenditures	2,893,703	4,046,703	690,839	3,355,864
Subtotal	<u>12,489,532</u>	<u>15,333,148</u>	<u>6,235,816</u>	<u>9,097,332</u>
Central Services				
Services and supplies	1,467,990	1,814,990	1,442,089	372,901
Other charges	577,535	342,535	316,426	26,109
Contingencies	372,350	260,350	212,465	47,885
Subtotal	<u>2,417,875</u>	<u>2,417,875</u>	<u>1,970,980</u>	<u>446,895</u>

continued

COUNTY OF NAPA

Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		Positive (Negative)
Insurance				
Services and supplies	\$ 447,522	\$ 447,522	\$ 421,776	\$ 25,746
Subtotal	447,522	447,522	421,776	25,746
General Expenditures				
Services and supplies	450,205	450,205	402,473	47,732
Other charges	570,250	1,120,250	888,842	231,408
Transfers out	19,100,912	21,213,822	20,239,842	973,980
Subtotal	20,121,367	22,784,277	21,531,157	1,253,120
Employee/Retiree Benefits				
Salaries and benefits	678,000	562,741	382,523	180,218
Services and supplies	546,726	546,726	502,027	44,699
Subtotal	1,224,726	1,109,467	884,550	224,917
Contingencies				
Contingencies	6,000,000	4,624,000	--	4,624,000
Subtotal	6,000,000	4,624,000	--	4,624,000
<i>Total General Government</i>	<i>68,058,575</i>	<i>72,402,477</i>	<i>54,936,396</i>	<i>17,466,081</i>
<i>Public Protection:</i>				
Grand Jury				
Services and supplies	60,041	60,041	58,862	1,179
Subtotal	60,041	60,041	58,862	1,179
District Attorney - Grants				
Salaries and benefits	1,166,808	1,243,225	1,129,076	114,149
Services and supplies	340,260	343,676	196,994	146,682
Subtotal	1,507,068	1,586,901	1,326,070	260,831
District Attorney - Consumer Fraud				
Salaries and benefits	241,331	245,801	245,799	2
Services and supplies	113,668	103,089	50,500	52,589
Transfers out	--	6,109	6,108	1
Subtotal	354,999	354,999	302,407	52,592
District Attorney				
Salaries and benefits	5,538,794	5,577,936	5,574,413	3,523
Services and supplies	1,077,817	1,093,936	1,010,421	83,515
Subtotal	6,616,611	6,671,872	6,584,834	87,038
Public Defender Services				
Salaries and benefits	3,165,266	3,165,266	3,089,004	76,262
Services and supplies	449,005	452,736	418,018	34,718
Subtotal	3,614,271	3,618,002	3,507,022	110,980

continued

COUNTY OF NAPA

Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Conflict Public Defender				
Services and supplies	\$ 1,017,963	\$ 1,017,963	\$ 921,133	\$ 96,830
Subtotal	<u>1,017,963</u>	<u>1,017,963</u>	<u>921,133</u>	<u>96,830</u>
Sheriff				
Salaries and benefits	17,822,408	23,119,710	22,999,777	119,933
Services and supplies	5,514,116	5,266,211	5,148,807	117,404
Capital assets	--	165,504	--	165,504
Subtotal	<u>23,336,524</u>	<u>28,551,425</u>	<u>28,148,584</u>	<u>402,841</u>
Special Investigation Unit				
Salaries and benefits	600,260	600,260	586,658	13,602
Services and supplies	249,155	249,155	198,780	50,375
Subtotal	<u>849,415</u>	<u>849,415</u>	<u>785,438</u>	<u>63,977</u>
Community Corrections Service Center				
Services and supplies	1,205,581	1,205,581	904,685	300,896
Subtotal	<u>1,205,581</u>	<u>1,205,581</u>	<u>904,685</u>	<u>300,896</u>
Department of Corrections				
Salaries and benefits	8,220,474	8,220,474	8,065,665	154,809
Services and supplies	1,616,028	1,585,771	1,544,554	41,217
Capital assets	--	30,257	30,141	116
Subtotal	<u>9,836,502</u>	<u>9,836,502</u>	<u>9,640,360</u>	<u>196,142</u>
Detention Medical Services				
Services and supplies	2,219,245	2,634,245	2,502,635	131,610
Subtotal	<u>2,219,245</u>	<u>2,634,245</u>	<u>2,502,635</u>	<u>131,610</u>
Probation Department				
Salaries and benefits	7,323,902	7,323,902	7,216,633	107,269
Services and supplies	1,875,197	1,959,552	1,567,560	391,992
Subtotal	<u>9,199,099</u>	<u>9,283,454</u>	<u>8,784,193</u>	<u>499,261</u>
Juvenile Hall				
Salaries and benefits	4,114,614	4,114,614	3,956,797	157,817
Services and supplies	690,131	690,131	542,257	147,874
Subtotal	<u>4,804,745</u>	<u>4,804,745</u>	<u>4,499,054</u>	<u>305,691</u>
Ag Comm/Sealer				
Salaries and benefits	3,128,573	3,128,573	2,858,870	269,703
Services and supplies	1,047,312	1,047,312	991,398	55,914
Subtotal	<u>4,175,885</u>	<u>4,175,885</u>	<u>3,850,268</u>	<u>325,617</u>

continued

COUNTY OF NAPA

Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Clerk Recorder				
Salaries and benefits	\$ 639,012	\$ 646,061	\$ 646,060	\$ 1
Services and supplies	252,768	452,519	411,064	41,455
Transfers out	2,200	253,100	253,081	19
Subtotal	<u>893,980</u>	<u>1,351,680</u>	<u>1,310,205</u>	<u>41,475</u>
Coroner				
Salaries and benefits	348,636	349,136	353,589	(4,453)
Services and supplies	228,287	237,214	205,753	31,461
Subtotal	<u>576,923</u>	<u>586,350</u>	<u>559,342</u>	<u>27,008</u>
Public Admin-Guardian				
Salaries and benefits	211,094	207,273	190,461	16,812
Services and supplies	50,919	50,919	38,147	12,772
Subtotal	<u>262,013</u>	<u>258,192</u>	<u>228,608</u>	<u>29,584</u>
Conservation, Development, & Planning				
Salaries and benefits	3,280,879	3,280,879	3,035,341	245,538
Services and supplies	1,462,713	1,628,538	1,265,805	362,733
Subtotal	<u>4,743,592</u>	<u>4,909,417</u>	<u>4,301,146</u>	<u>608,271</u>
General Plan				
Services and supplies	250,605	250,605	215,629	34,976
Subtotal	<u>250,605</u>	<u>250,605</u>	<u>215,629</u>	<u>34,976</u>
Emergency Services				
Salaries and benefits	66,299	31,799	4,118	27,681
Services and supplies	82,040	116,540	85,117	31,423
Subtotal	<u>148,339</u>	<u>148,339</u>	<u>89,235</u>	<u>59,104</u>
Watershed Information Center & Conservancy				
Services and supplies	130,000	130,000	73,375	56,625
Subtotal	<u>130,000</u>	<u>130,000</u>	<u>73,375</u>	<u>56,625</u>
Animal Services				
Salaries and benefits	691,324	691,324	693,081	(1,757)
Services and supplies	662,528	672,528	639,672	32,856
Subtotal	<u>1,353,852</u>	<u>1,363,852</u>	<u>1,332,753</u>	<u>31,099</u>
Environmental Management				
Salaries and benefits	2,936,488	2,936,488	2,839,836	96,652
Services and supplies	530,848	530,848	443,135	87,713
Subtotal	<u>3,467,336</u>	<u>3,467,336</u>	<u>3,282,971</u>	<u>184,365</u>
<i>Total Public Protection</i>	<u>80,624,589</u>	<u>87,116,801</u>	<u>83,208,809</u>	<u>3,907,992</u>
<i>Public Ways and Facilities:</i>				
Public Works/Engineering				
Salaries and benefits	5,515,025	5,515,025	5,299,623	215,402
Services and supplies	887,803	887,803	784,517	103,286
Subtotal	<u>6,402,828</u>	<u>6,402,828</u>	<u>6,084,140</u>	<u>318,688</u>

continued

COUNTY OF NAPA

Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Road Department				
Services and supplies	\$ 591,244	\$ 591,244	\$ 224,638	\$ 366,606
Subtotal	591,244	591,244	224,638	366,606
<i>Total Public Ways and Facilities</i>	6,994,072	6,994,072	6,308,778	685,294
<i>Health and Sanitation:</i>				
Public Health Department				
Salaries and benefits	5,947,104	5,987,104	5,844,384	142,720
Services and supplies	2,164,117	2,535,719	2,431,187	104,532
Other charges	3,205,734	3,205,734	3,205,734	--
Subtotal	11,316,955	11,728,557	11,481,305	247,252
Local Enforcement Program				
Salaries and benefits	246,045	254,045	250,807	3,238
Services and supplies	47,660	49,660	43,661	5,999
Capital expenditures	1,500	1,500	--	1,500
Subtotal	295,205	305,205	294,468	10,737
Mental Health				
Salaries and benefits	9,298,446	8,925,410	8,925,410	--
Services and supplies	5,331,467	5,011,498	4,512,935	498,563
Other charges	6,779,000	6,679,000	6,413,898	265,102
Subtotal	21,408,913	20,615,908	19,852,243	763,665
Alcohol and Drug Services				
Salaries and benefits	2,408,689	2,409,442	2,264,457	144,985
Services and supplies	1,883,801	2,090,798	1,895,893	194,905
Subtotal	4,292,490	4,500,240	4,160,350	339,890
Health and Human Services Admin				
Salaries and benefits	3,432,022	3,257,096	3,257,082	14
Services and supplies	1,861,637	1,683,032	1,682,531	501
Transfers out	466,317	466,317	464,760	1,557
Subtotal	5,759,976	5,406,445	5,404,373	2,072
<i>Total Health and Sanitation</i>	43,073,539	42,556,355	41,192,739	1,363,616
<i>Public Assistance:</i>				
Social Services				
Salaries and benefits	14,116,675	14,721,438	14,297,641	423,797
Services and supplies	6,275,104	6,133,641	5,493,760	639,881
Other charges	12,544,570	14,767,570	14,765,528	2,042
Transfers out	--	4,721	--	4,721
Subtotal	32,936,349	35,627,370	34,556,929	1,070,441
Workforce Investment Board				
Services and supplies	15,221	15,221	4,376	10,845
Subtotal	15,221	15,221	4,376	10,845

continued

COUNTY OF NAPA

Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
In Home Supportive Services				
Salaries and benefits	\$ 304,122	\$ 314,122	\$ 312,880	\$ 1,242
Services and supplies	2,359	2,359	2,133	226
Subtotal	<u>306,481</u>	<u>316,481</u>	<u>315,013</u>	<u>1,468</u>
Care of Juvenile Court Wards				
Services and supplies	13,442	16,942	11,212	5,730
Other charges	603,600	600,100	333,216	266,884
Subtotal	<u>617,042</u>	<u>617,042</u>	<u>344,428</u>	<u>272,614</u>
<i>Total Public Assistance</i>	<u>33,875,093</u>	<u>36,576,114</u>	<u>35,220,746</u>	<u>1,355,368</u>
<i>Education:</i>				
U. C. Cooperative Extension				
Salaries and benefits	243,619	246,619	242,360	4,259
Services and supplies	169,370	176,370	162,192	14,178
Subtotal	<u>412,989</u>	<u>422,989</u>	<u>404,552</u>	<u>18,437</u>
<i>Total Education</i>	<u>412,989</u>	<u>422,989</u>	<u>404,552</u>	<u>18,437</u>
<i>Recreation and Cultural Services:</i>				
Parks				
Services and supplies	63,954	63,954	63,954	--
Subtotal	<u>63,954</u>	<u>63,954</u>	<u>63,954</u>	<u>--</u>
<i>Total Recreation and Cultural Services</i>	<u>63,954</u>	<u>63,954</u>	<u>63,954</u>	<u>--</u>
Total Charges to Appropriations	<u>233,102,811</u>	<u>246,132,762</u>	<u>221,335,974</u>	<u>24,796,788</u>
Budgetary fund balances, June 30	<u>\$ 63,378,147</u>	<u>\$ 61,031,923</u>	<u>\$ 73,069,954</u>	<u>\$ 12,038,031</u>

continued

COUNTY OF NAPA

Budgetary Comparison Schedule General Fund For the Year Ended June 30, 2011

Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/inflows of resources

Actual amounts (budgetary basis) "available for appropriation" from the Budgetary Comparison Statement	\$ 209,084,171
Receipts from funds	--
Differences - budget to GAAP:	
Reimbursements from other funds are inflows of budgetary resources but not revenues for financial reporting purposes	(1,413,469)
Revenues for funds no longer meeting the special revenue fund requirement which are presented with the General Fund for financial reporting purposes	15,643,752
Transfers from other funds are inflows of budgetary resources but not revenues for financial reporting purposes	<u>(130,697)</u>
Total revenues as reported on the Statement of Revenue, Expenditures and Changes in Fund Balances - Governmental Funds	<u>\$ 223,183,757</u>

Uses/outflows of resources

Actual amounts (budgetary basis) "total charges to appropriations" from the Budgetary Comparison Statement	\$ 221,335,974
Differences - budget to GAAP:	
Costs reimbursed by other funds are outflows of budgetary resources but not expenditures for financial reporting purposes	(1,413,469)
Expenditures by funds no longer meeting the special revenue fund requirement which are presented with the General Fund for financial reporting purposes	1,399,055
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes	<u>(20,963,791)</u>
Total expenditures as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	<u>\$ 200,357,769</u>

COUNTY OF NAPA

Budgetary Comparison Schedule
 Napa County Flood Protection and Watershed Improvement Authority
 For the Year Ended June 30, 2011

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balances, Beginning	\$ 51,005,902	\$ 51,005,902	\$ 51,005,902	\$ --
Resources (inflows):				
Taxes	12,450,435	12,450,435	12,867,668	417,233
Revenue from use of money and property	1,235,000	1,235,000	428,980	(806,020)
Transfers in	--	--	--	--
Amounts available for appropriation	<u>13,685,435</u>	<u>13,685,435</u>	<u>13,296,648</u>	<u>(388,787)</u>
Charges to appropriations (outflows):				
Public way and facilities	21,624,424	21,624,424	6,260,739	15,363,685
Debt service	<u>5,452,435</u>	<u>5,452,435</u>	<u>5,447,635</u>	<u>4,800</u>
Total charges to appropriations	<u>27,076,859</u>	<u>27,076,859</u>	<u>11,708,374</u>	<u>15,368,485</u>
Budgetary fund balances, Ending	<u>\$ 37,614,478</u>	<u>\$ 37,614,478</u>	<u>\$ 52,594,176</u>	<u>\$ 14,979,698</u>

COUNTY OF NAPA

Budgetary Comparison Schedule
Roads
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balances, Beginning	\$ 2,779,160	\$ 2,779,160	\$ 2,779,160	\$ --
Resources (inflows):				
Licenses and permits	34,000	34,000	29,170	(4,830)
Revenue from use of money and property	16,000	16,000	35,050	19,050
Aid from other governments	13,834,038	13,501,709	7,854,186	(5,647,523)
Charges for services	60,000	60,000	85,897	25,897
Contributions and donations	--	--	15,569	15,569
Other	17,200	40,059	5,419	(34,640)
Transfers in	2,882,000	2,923,401	2,025,708	(897,693)
Amounts available for appropriation	<u>16,843,238</u>	<u>16,575,169</u>	<u>10,050,999</u>	<u>(6,524,170)</u>
Charges to appropriations (outflows):				
Salaries and employee benefits	2,786,200	2,786,100	2,587,916	198,184
Services and supplies	5,650,008	5,650,008	4,377,696	1,272,312
Capital expenditures	8,450,764	6,934,152	1,411,983	5,522,169
Total charges to appropriations	<u>16,886,972</u>	<u>15,370,260</u>	<u>8,377,595</u>	<u>6,992,665</u>
Budgetary fund balances, Ending	<u>\$ 2,735,426</u>	<u>\$ 3,984,069</u>	<u>\$ 4,452,564</u>	<u>\$ 468,495</u>

Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures:

Sources/inflows of resources

Actual amounts (budgetary basis) "available for appropriation" from Budgetary Comparison Statement \$ 10,050,999

Differences - budget to GAAP:

Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes. (2,025,708)

Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds \$ 8,025,291

COUNTY OF NAPA

Note to Required Supplementary Information For the Year Ended June 30, 2011

BUDGETARY BASIS OF ACCOUNTING

In accordance with the provisions of Sections 29000 through 29144 and 30200 of the California Government Code and other statutory provisions, commonly known as the County Budget Act, the County adopts a budget for each fiscal year on or before October 2. Budgeted expenditures are enacted into law through the passage of an Appropriation Resolution. This resolution mandates the maximum authorized expenditures for the fiscal year and cannot be exceeded except by subsequent amendments to the budget by the County's Board of Supervisors.

An operating budget is adopted each fiscal year for all Governmental Funds. Expenditures are controlled at the object level within budget units for the County. The object level within a budget unit is the level at which expenditures may not legally exceed appropriations. Any amendments or transfers of appropriations between object levels within the same budget unit or between departments or funds are authorized by the County Executive office and must be approved by the Board of Supervisors. Supplementary appropriations normally financed by unanticipated revenues during the year must be approved by the Board of Supervisors. Pursuant to Board Resolution No. 01-83 adopted as of June 19, 2001 and revised as per Resolution no. 02-122, effective June 18, 2002, transfers of appropriations between line items and sub-objects within the same budget unit are allowed with County Executive Officer approval required for transfers in excess of \$10,000. Budgeted amounts in the budgetary financial schedules are reported as originally adopted and amended during the fiscal year by resolutions approved by the Board of Supervisors.

The County uses an encumbrance system as an extension of normal budgetary accounting for the general, special revenue, and debt service funds and to assist in controlling expenditures of the capital projects funds. Under this system, purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of applicable appropriations. Encumbrances outstanding at year-end are recorded as reservations of fund balance since they do not constitute expenditures or liabilities. Encumbrances are combined with expenditures for budgetary comparison purposes. Unencumbered appropriations lapse at year-end. Encumbered appropriations are carried forward in the ensuing year's budget.

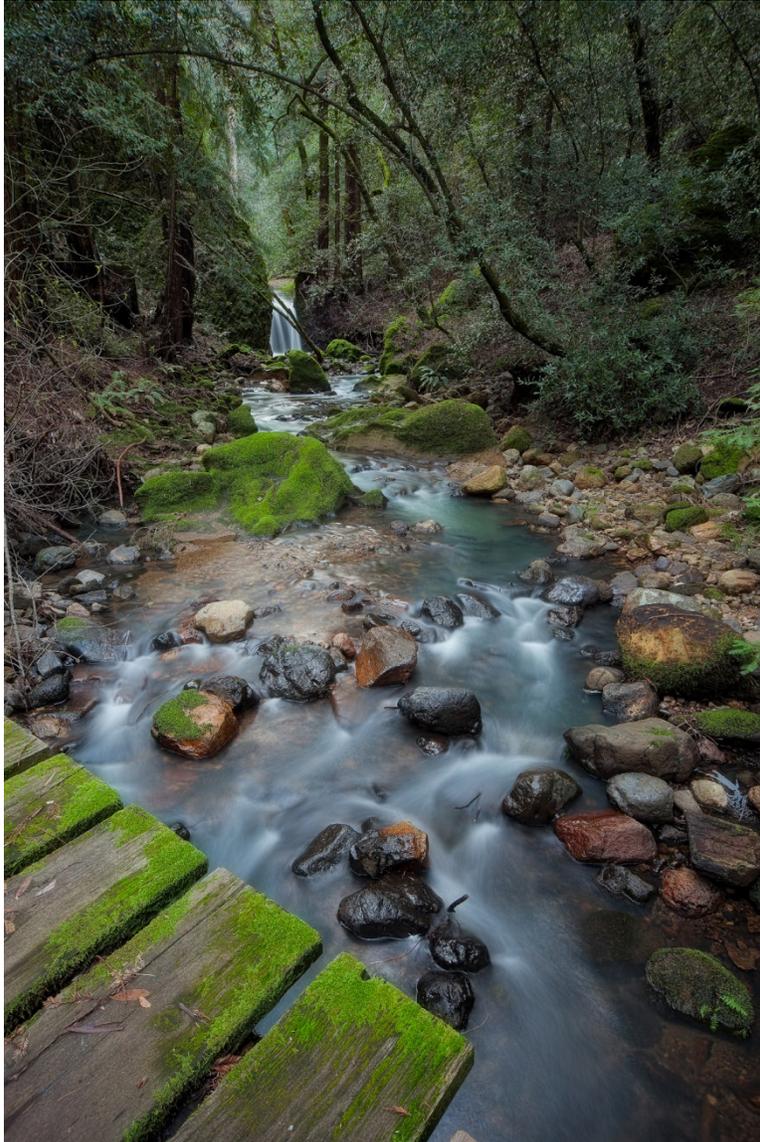
The budget approved by the Board of Supervisors for the general fund includes budgeted expenditures and reimbursements for amounts disbursed on behalf of other Governmental Funds. Actual reimbursements for these items have been eliminated in the accompanying budgetary financial schedules. Accordingly, the related budgets for these items have also been eliminated in order to provide a meaningful comparison of actual and budgeted results of operations.

The budgets for the governmental funds may include an object level known as "intrafund transfers" in the charges for appropriations. This object level is an accounting mechanism used by the County to show reimbursements between operations within the same fund (an example would be the General Fund).



SUPPLEMENTARY INFORMATION

**COMBINING AND INDIVIDUAL
FUND STATEMENTS AND SCHEDULES**



Photography by Jeff Tangen, <http://www.jefftangenphoto.com>

Redwood Creek at Archer Taylor Preserve
Preserve is managed by the Land Trust of Napa County

Located on the west side of Napa Valley



NONMAJOR GOVERNMENTAL FUNDS

COUNTY OF NAPA

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2011

	Special Revenue	Capital Projects	Debt Service	Total
<u>ASSETS</u>				
Cash and investments	\$34,522,119	\$ 2,627,541	\$ 174,028	\$37,323,688
Restricted assets:				
Cash with fiscal agent	--	--	1,327,532	1,327,532
Imprest cash	77,818	--	--	77,818
Receivable (Net):				
Taxes	1,023,395	--	--	1,023,395
Special assessments	42,564	--	--	42,564
Accounts receivable	62,179	--	--	62,179
Due from other government agencies	821,638	--	--	821,638
Prepaid items	1,380	--	--	1,380
Assets held for resale	990,202	--	--	990,202
Loans receivable, net	11,674,042	--	--	11,674,042
Advances to other funds	--	--	548,700	548,700
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$49,215,337</u>	<u>\$ 2,627,541</u>	<u>\$ 2,050,260</u>	<u>\$53,893,138</u>
<u>LIABILITIES</u>				
Accounts payable	\$ 838,129	\$ 13,148	\$ --	\$ 851,277
Accrued payroll	355,096	--	--	355,096
Due to other funds	204,818	--	--	204,818
Due to other government agencies	202,425	--	--	202,425
Deferred revenue	185,045	--	--	185,045
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u>1,785,513</u>	<u>13,148</u>	<u>--</u>	<u>1,798,661</u>
<u>FUND BALANCES</u>				
Nonspendable	21,300	--	548,700	570,000
Restricted	47,171,172	2,524,402	1,327,532	51,023,106
Committed	--	--	--	--
Assigned	502,141	89,991	174,028	766,160
Unassigned	(264,789)	--	--	(264,789)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Fund Balances	<u>47,429,824</u>	<u>2,614,393</u>	<u>2,050,260</u>	<u>52,094,477</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities and Fund Balances	<u>\$49,215,337</u>	<u>\$ 2,627,541</u>	<u>\$ 2,050,260</u>	<u>\$53,893,138</u>

COUNTY OF NAPA

Combining Statement of Revenues, Expenditures and Changes in Fund Balances Nonmajor Governmental Funds For the Year Ended June 30, 2011

	Special Revenue	Capital Projects	Debt Service	Total
Revenues:				
Taxes	\$ 14,943,368	\$ --	\$ --	\$ 14,943,368
Licenses and permits	1,956,632	--	--	1,956,632
Fines, forfeitures and penalties	14,530	563,344	--	577,874
Revenue from use of money and property	319,660	21,493	32	341,185
Aid from other governments	5,648,860	--	--	5,648,860
Charges for services	5,074,080	--	--	5,074,080
Contributions and donations	148,298	--	--	148,298
Other revenue	491,454	--	--	491,454
Total Revenues	<u>28,596,882</u>	<u>584,837</u>	<u>32</u>	<u>29,181,751</u>
Expenditures:				
Current:				
General government	2,685,350	22,117	--	2,707,467
Public protection	16,956,987	--	--	16,956,987
Public ways and facilities	184,845	--	--	184,845
Health and sanitation	211,438	--	--	211,438
Public assistance	1,555,347	--	--	1,555,347
Education	7,105,264	--	--	7,105,264
Debt Service:				
Principal	--	--	2,545,000	2,545,000
Interest and fiscal charges	--	--	1,355,637	1,355,637
Administration, issuance and arbitrage fees	--	--	7,545	7,545
Total Expenditures	<u>28,699,231</u>	<u>22,117</u>	<u>3,908,182</u>	<u>32,629,530</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(102,349)</u>	<u>562,720</u>	<u>(3,908,150)</u>	<u>(3,447,779)</u>
Other Financing Sources (Uses):				
Transfers in	599,863	21,768	3,646,200	4,267,831
Transfers out	(909,522)	(290,871)	--	(1,200,393)
Total Other Financing Sources (Uses)	<u>(309,659)</u>	<u>(269,103)</u>	<u>3,646,200</u>	<u>3,067,438</u>
Net change in fund balances	(412,008)	293,617	(261,950)	(380,341)
Fund Balance - Beginning of Year, as restated	<u>47,841,832</u>	<u>2,320,776</u>	<u>2,312,210</u>	<u>52,474,818</u>
Fund Balance - End of Year	<u>\$ 47,429,824</u>	<u>\$ 2,614,393</u>	<u>\$ 2,050,260</u>	<u>\$ 52,094,477</u>

NONMAJOR GOVERNMENTAL FUNDS

NONMAJOR 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.

Fire Protection

This fund provides appropriations for fire protection services in the unincorporated areas of the County. The Napa County Fire Department contracts with the California Department of Forestry and Fire Protection (Cal Fire) for fire protection services under a County Fire Plan. The County contracts with the City of St. Helena, Napa State Hospital and Schell-Vista Fire Protection District for the provision of fire protection services to specified unincorporated areas adjoining these agencies. The Department provides dispatching for the American Canyon Fire Protection District and Napa State Hospital Fire Department. The County contracts with the California Veterans Home and the Town of Yountville to provide fire services to those jurisdictions.

Affordable Housing

The Affordable Housing Fund is used to provide resources to be used for the development of affordable housing units in appropriate locations within the County of Napa. This fund is supported through the collection of various building fees on residential and commercial construction.

Wildlife Conservation Commission

This fund is completely supported by fines from Fish and Game Code violations. It provides for expenditures related to the propagation and conservation of local fish and game and their habitats. The County Wildlife Conservation Commission, which is appointed by the Board of Supervisors, recommends the program expenditures for the year to the Board of Supervisors.

Building and Code Enforcement

The Building Inspection function was moved from the General Fund to the Building Code Enforcement Fund that was established by the Board of Supervisors in fiscal year 2005-2006. This action is consistent with the Boards' goals of making the Building Inspection function self-sufficient by ensuring that any revenues in excess of expenditures received in a given year are retained in fund balance and can be used to help cover Building Inspection costs in future years.

In-Home Supportive Services (IHSS)

In-Home Supportive Services (IHSS) provides in-home care to those eligible aged, blind and disabled individuals (including children) who are unable to remain safely in their own homes without assistance. IHSS is an alternative to out-of-home care and is a state-mandated program funded through a combination of federal, state and local funds.

NONMAJOR SPECIAL REVENUE FUNDS (continued):

Zone 1 Garbage

Zone 1 Garbage receives and accounts for franchise and rate surcharge fees collected as a result of the Zone 1 unincorporated garbage franchise agreement. Money received in this fund is utilized to enhance recycling programs in the unincorporated area of Zone 1 and is distributed to various County operating departments to help defray the cost of administering the franchise agreement.

Child Support Services

Child Support Services is a non-general fund department with state and federal dollars constituting its revenues. Its mission is to serve the community and enhance the lives of children through establishing paternity, establishing child support orders and collecting support.

Library

The Napa City-County Library's mission is to enrich people's lives with books and information. It serves Napa County by providing free and equal access to public library facilities, resources, and services which enable the County's diverse population to acquire information, pursue life-long learning, explore ideas, experience recreational and cultural enrichment and enjoy the pleasure of reading. The Library endorses the tenets of the American Library Association Library Bill of Rights and Freedom to Read Statement. The Library's service area is all of Napa County, excluding the City of St. Helena. The Library's main branch is in the City of Napa, with additional branches in the Cities of American Canyon and Calistoga and the Town of Yountville.

Napa Valley Tourism Improvement – Unincorporated

During fiscal year 2010-2011, the transient occupancy tax collecting municipalities (County, cities and town), in conjunction with the county's hoteliers, agreed to form the Napa Valley Tourism Improvement District (NVTID). The NVTID is charged with increasing tourism throughout the Napa Valley through marketing efforts funded by a 2% assessment on all transient lodgers. The NVTID agreement calls for the County to receive 25% of the assessments collected within the unincorporated areas of the county to be used to increase tourism specifically within the unincorporated areas of the county.

Public, Educational, and Governmental

The fund receives a fee of 1% imposed upon the gross revenues of cable companies operating in the unincorporated area of Napa County. Under the terms authorized by Public Utilities Code Section 5800 et seq, Public, the fees collected are to be used for capital expenditures to support Public, Educational, and Governmental access channels.

VARIOUS SPECIAL DISTRICTS UNDER BOARD:

County Service Area No. 3

County Service Area No. 3 was formed in 1979 to provide street sweeping, street and highway lighting, street-side landscaping, and fire protection services to the unincorporated area surrounding the Napa County Airport. These services are funded from annual assessments on parcels located within County Service Area No. 3.

VARIOUS SPECIAL DISTRICTS UNDER BOARD (continued)

County Service Area No. 4

County Service Area No. 4 was created in 2002 to provide funding for farmworker housing in Napa County. Revenues for this fund are derived from an annual assessment on vineyard acreage located within the service area and are used to support publicly operated farmworker housing programs in Napa County.

Silverado Community Services

The Silverado Community Services District was established in 1967. Its service area encompasses the present Silverado Country Club development area. The district provides landscape maintenance, street sweeping, street lighting, and weed abatement services for parcels located within the district. These services are funded from annual assessments on parcels located within the district.

Monticello Public Cemetery

This fund was established for the purpose of providing maintenance and administrative services to the Monticello Public Cemetery District. Revenue for this fund comes from collected Property Tax assessments on parcels located within the district.

Monticello Endowment

This fund was established by legislation and the principal may not be appropriated for any expenditures. However, interest earned on the principal may be used for the upkeep of the Monticello Public Cemetery.

Napa Valley Tourism Improvement District– Countywide

During fiscal year 2010-2011, the transient occupancy tax collecting municipalities (County, cities and town), in conjunction with the county's hoteliers, agreed to form the Napa Valley Tourism Improvement District (NVTID). The NVTID is charged with increasing tourism throughout the Napa Valley through marketing efforts funded by a 2% assessment on all transient lodgers. The NVTID agreement states that the district is to receive 74% of the assessments collected county-wide to improve tourism throughout the Napa Valley and 1% of collections is to be remitted to the tax collectors of each jurisdiction to cover collection costs.

COUNTY OF NAPA

Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2011

	<u>Fire Protection</u>	<u>Affordable Housing</u>	<u>Wildlife Conservation Commission</u>	<u>Building and Code Enforcement</u>
<u>ASSETS</u>				
Cash and investments	\$ 10,002,421	\$ 11,714,379	\$ 159,781	\$ 566,619
Imprest cash	--		--	--
Receivable (Net):				
Taxes	175,366	--	--	--
Special assessments	17,162	--	--	--
Accounts receivable	5,349	--	--	--
Due from other government agencies	444,682	--	--	--
Prepaid items	--	--	--	--
Assets held for resale	--	990,202	--	--
Loans receivable, net	--	11,674,042	--	--
	<hr/>	<hr/>	<hr/>	<hr/>
Total Assets	<u>\$ 10,644,980</u>	<u>\$ 24,378,623</u>	<u>\$ 159,781</u>	<u>\$ 566,619</u>
<u>LIABILITIES</u>				
Accounts payable	\$ 227,764	\$ 123,828	\$ --	\$ 1,297
Accrued payroll	--	--	--	63,181
Due to other funds	--	--	--	--
Due to other government agencies	185,755	--	14,806	--
Deferred revenue	--	--	--	--
	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities	<u>413,519</u>	<u>123,828</u>	<u>14,806</u>	<u>64,478</u>
<u>FUND BALANCES</u>				
Nonspendable	--	--	--	--
Restricted	10,231,461	24,254,795	144,975	--
Committed	--	--	--	--
Assigned	--	--	--	502,141
Unassigned	--	--	--	--
	<hr/>	<hr/>	<hr/>	<hr/>
Total Fund Balances	<u>10,231,461</u>	<u>24,254,795</u>	<u>144,975</u>	<u>502,141</u>
	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities and Fund Balances	<u>\$ 10,644,980</u>	<u>\$ 24,378,623</u>	<u>\$ 159,781</u>	<u>\$ 566,619</u>

continued

COUNTY OF NAPA

Combining Balance Sheet (continued)
 Nonmajor Special Revenue Funds
 June 30, 2011

	<u>IHSS</u>	<u>Zone 1 Garbage</u>	<u>Child Support Services</u>	<u>Library</u>
<u>ASSETS</u>				
Cash and investments	\$ --	\$ 1,294,943	\$ --	\$ 9,855,475
Imprest cash	--	--	300	77,518
Receivable (Net):				
Taxes	--	--	--	837,296
Special assessments	--	--	--	--
Accounts receivable	--	56,830	--	--
Due from other government agencies	225,840	--	150,040	1,076
Prepaid items	--	--	1,380	--
Assets held for resale	--	--	--	--
Loans receivable, net	--	--	--	--
	<hr/>	<hr/>	<hr/>	<hr/>
Total Assets	<u>\$ 225,840</u>	<u>\$ 1,351,773</u>	<u>\$ 151,720</u>	<u>\$10,771,365</u>
<u>LIABILITIES</u>				
Accounts payable	\$ 54,352	\$ 275	\$ 68,523	\$ 154,957
Accrued payroll	--	--	128,217	163,698
Due to other funds	182,464	--	22,354	--
Due to other government agencies	--	431	14	1,419
Deferred revenue	49,484	--	135,561	--
	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities	<u>286,300</u>	<u>706</u>	<u>354,669</u>	<u>320,074</u>
<u>FUND BALANCES</u>				
Nonspendable	--	--	1,380	--
Restricted	--	1,351,067	--	10,451,291
Committed	--	--	--	--
Assigned	--	--	--	--
Unassigned	(60,460)	--	(204,329)	--
	<hr/>	<hr/>	<hr/>	<hr/>
Total Fund Balances	<u>(60,460)</u>	<u>1,351,067</u>	<u>(202,949)</u>	<u>10,451,291</u>
	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities and Fund Balances	<u>\$ 225,840</u>	<u>\$ 1,351,773</u>	<u>\$ 151,720</u>	<u>\$10,771,365</u>

continued

COUNTY OF NAPA

Combining Balance Sheet (continued)
 Nonmajor Special Revenue Funds
 June 30, 2011

	Napa Valley Tourism Improvement - <u>Unincorporated</u>	Public, Education, Governmental <u>Access Channel</u>	Various Special Districts <u>Under Board</u>	<u>Total</u>
<u>ASSETS</u>				
Cash and investments	\$ 184	\$ 33,406	\$ 894,911	\$ 34,522,119
Imprest cash	--	--	--	77,818
Receivable (Net):				
Taxes	--	--	10,733	1,023,395
Special assessments	--	--	25,402	42,564
Accounts receivable	--	--	--	62,179
Due from other government agencies	--	--	--	821,638
Prepaid items	--	--	--	1,380
Assets held for resale	--	--	--	990,202
Loans receivable, net	--	--	--	11,674,042
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 184</u>	<u>\$ 33,406</u>	<u>\$ 931,046</u>	<u>\$ 49,215,337</u>
<u>LIABILITIES</u>				
Accounts payable	\$ 24	\$ --	\$ 207,109	\$ 838,129
Accrued payroll	--	--	--	355,096
Due to other funds	--	--	--	204,818
Due to other government agencies	--	--	--	202,425
Deferred revenue	--	--	--	185,045
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u>24</u>	<u>--</u>	<u>207,109</u>	<u>1,785,513</u>
<u>FUND BALANCES</u>				
Nonspendable	--	--	19,920	21,300
Restricted	160	33,406	704,017	47,171,172
Committed	--	--	--	--
Assigned	--	--	--	502,141
Unassigned	--	--	--	(264,789)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Fund Balances	<u>160</u>	<u>33,406</u>	<u>723,937</u>	<u>47,429,824</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities and Fund Balances	<u>\$ 184</u>	<u>\$ 33,406</u>	<u>\$ 931,046</u>	<u>\$ 49,215,337</u>

COUNTY OF NAPA

Combining Statement of Revenues, Expenditures and
Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2011

	<u>Fire Protection</u>	<u>Affordable Housing</u>	<u>Wildlife Conservation Commission</u>	<u>Building and Code Enforcement</u>
Revenues:				
Taxes	\$ 8,173,479	\$ --	\$ --	\$ --
Licenses and permits	266,797	227,050	--	1,066,646
Fines, forfeitures and penalties	--	--	11,545	--
Revenue from use of money and property	97,578	102,680	1,893	6,033
Aid from other governments	615,192	--	--	--
Charges for services	510,540	--	--	774,436
Contributions and donations	23,000	--	--	--
Other revenue	491,189	--	--	--
Total Revenues	<u>10,177,775</u>	<u>329,730</u>	<u>13,438</u>	<u>1,847,115</u>
Expenditures:				
Current:				
General government	--	--	--	--
Public protection	10,512,058	--	100,203	2,086,595
Public ways and facilities	--	--	--	--
Health and sanitation	--	--	--	--
Public assistance	--	733,409	--	--
Education	--	--	--	--
Total Expenditures	<u>10,512,058</u>	<u>733,409</u>	<u>100,203</u>	<u>2,086,595</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(334,283)</u>	<u>(403,679)</u>	<u>(86,765)</u>	<u>(239,480)</u>
Other Financing Sources (Uses):				
Transfers in	225,655	--	--	--
Transfers out	--	(117,723)	--	--
Total Other Financing Sources (Uses)	<u>225,655</u>	<u>(117,723)</u>	<u>--</u>	<u>--</u>
Net change in fund balances	(108,628)	(521,402)	(86,765)	(239,480)
Fund Balance - Beginning of Year, as restated	<u>10,340,089</u>	<u>24,776,197</u>	<u>231,740</u>	<u>741,621</u>
Fund Balance - End of Year	<u>\$ 10,231,461</u>	<u>\$ 24,254,795</u>	<u>\$ 144,975</u>	<u>\$ 502,141</u>

continued

COUNTY OF NAPA

Combining Statement of Revenues, Expenditures and
Changes in Fund Balances (continued)
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2011

	<u>IHSS</u>	<u>Zone 1 Garbage</u>	<u>Child Support Services</u>	<u>Library</u>
Revenues:				
Taxes	\$ --	\$ --	\$ --	\$ 6,731,367
Licenses and permits	--	362,733	--	--
Fines, forfeitures and penalties	--	--	--	--
Revenue from use of money and property	--	10,856	2,109	89,641
Aid from other governments	681,220	--	4,050,869	301,447
Charges for services	--	--	--	127,872
Contributions and donations	--	--	--	125,298
Other revenue	--	--	--	265
Total Revenues	<u>681,220</u>	<u>373,589</u>	<u>4,052,978</u>	<u>7,375,890</u>
Expenditures:				
Current:				
General government	--	--	--	--
Public protection	--	--	4,207,863	--
Public ways and facilities	--	--	--	--
Health and sanitation	--	211,438	--	--
Public assistance	805,559	--	--	--
Education	--	--	--	7,105,264
Total Expenditures	<u>805,559</u>	<u>211,438</u>	<u>4,207,863</u>	<u>7,105,264</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(124,339)</u>	<u>162,151</u>	<u>(154,885)</u>	<u>270,626</u>
Other Financing Sources (Uses):				
Transfers in	120,446	--	65,000	175,762
Transfers out	--	--	--	(56,892)
Total Other Financing Sources (Uses)	<u>120,446</u>	<u>--</u>	<u>65,000</u>	<u>118,870</u>
Net change in fund balances	(3,893)	162,151	(89,885)	389,496
Fund Balance - Beginning of Year, as restated	<u>(56,567)</u>	<u>1,188,916</u>	<u>(113,064)</u>	<u>10,061,795</u>
Fund Balance - End of Year	<u>\$ (60,460)</u>	<u>\$ 1,351,067</u>	<u>\$ (202,949)</u>	<u>\$ 10,451,291</u>

continued

COUNTY OF NAPA

Combining Statement of Revenues, Expenditures and
Changes in Fund Balances (continued)
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2011

	Napa Valley Tourism Improvement - Unincorporated	Public, Educational, Governmental Access Channel	Various Special Districts Under Board	Total
Revenues:				
Taxes	\$ --	\$ --	\$ 38,522	\$ 14,943,368
Licenses and permits	--	33,406	--	1,956,632
Fines, forfeitures and penalties	--	--	2,985	14,530
Revenue from use of money and property	619	--	8,251	319,660
Aid from other governments	--	--	132	5,648,860
Charges for services	246,823	--	3,414,409	5,074,080
Contributions and donations	--	--	--	148,298
Other revenue	--	--	--	491,454
Total Revenues	<u>247,442</u>	<u>33,406</u>	<u>3,464,299</u>	<u>28,596,882</u>
Expenditures:				
Current:				
General government	247,282	--	2,438,068	2,685,350
Public protection	--	--	50,268	16,956,987
Public ways and facilities	--	--	184,845	184,845
Health and sanitation	--	--	--	211,438
Public assistance	--	--	16,379	1,555,347
Education	--	--	--	7,105,264
Total Expenditures	<u>247,282</u>	<u>--</u>	<u>2,689,560</u>	<u>28,699,231</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>160</u>	<u>33,406</u>	<u>774,739</u>	<u>(102,349)</u>
Other Financing Sources (Uses):				
Transfers in	--	--	13,000	599,863
Transfers out	--	--	(734,907)	(909,522)
Total Other Financing Sources (Uses)	<u>--</u>	<u>--</u>	<u>(721,907)</u>	<u>(309,659)</u>
Net change in fund balances	160	33,406	52,832	(412,008)
Fund Balance - Beginning of Year, as restated	<u>--</u>	<u>--</u>	<u>671,105</u>	<u>47,841,832</u>
Fund Balance - End of Year	<u>\$ 160</u>	<u>\$ 33,406</u>	<u>\$ 723,937</u>	<u>\$ 47,429,824</u>

COUNTY OF NAPA

Combining Balance Sheet
Nonmajor Special Districts Under the Board of Supervisors
June 30, 2011

	<u>County Service Area No. 3</u>	<u>County Service Area No. 4</u>	<u>Silverado Community Services</u>
<u>ASSETS</u>			
Cash and investments	\$ 214,231	\$ 213,056	\$ 99,905
Receivable (Net):			
Taxes	--	--	--
Special assessments	<u>14,507</u>	<u>8,694</u>	<u>2,201</u>
Total Assets	<u>\$ 228,738</u>	<u>\$ 221,750</u>	<u>\$ 102,106</u>
<u>LIABILITIES</u>			
Accounts payable	<u>\$ 2,522</u>	<u>\$ 1,400</u>	<u>\$ 30,049</u>
Total Liabilities	<u>2,522</u>	<u>1,400</u>	<u>30,049</u>
<u>FUND BALANCES</u>			
Nonspendable	--	--	--
Restricted	<u>226,216</u>	<u>220,350</u>	<u>72,057</u>
Total Fund Balances	<u>226,216</u>	<u>220,350</u>	<u>72,057</u>
Total Liabilities and Fund Balances	<u>\$ 228,738</u>	<u>\$ 221,750</u>	<u>\$ 102,106</u>

continued

COUNTY OF NAPA

Combining Balance Sheet (continued)
 Nonmajor Special Districts Under the Board of Supervisors
 June 30, 2011

	<u>Monticello Public Cemetery</u>	<u>Monticello Endowment</u>	<u>Napa Valley Tourism Improvement - Countywide</u>	<u>Total</u>
<u>ASSETS</u>				
Cash and investments	\$ 74,894	\$ 120,699	\$ 172,126	\$ 894,911
Receivable (Net):				
Taxes	10,733	--	--	10,733
Special assessments	--	--	--	25,402
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 85,627</u>	<u>\$ 120,699</u>	<u>\$ 172,126</u>	<u>\$ 931,046</u>
<u>LIABILITIES</u>				
Accounts payable	\$ 1,256	\$ --	\$ 171,882	\$ 207,109
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u>1,256</u>	<u>--</u>	<u>171,882</u>	<u>207,109</u>
<u>FUND BALANCES</u>				
Nonspendable	--	19,920	--	19,920
Restricted	84,371	100,779	244	704,017
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Fund Balances	<u>84,371</u>	<u>120,699</u>	<u>244</u>	<u>723,937</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities and Fund Balances	<u>\$ 85,627</u>	<u>\$ 120,699</u>	<u>\$ 172,126</u>	<u>\$ 931,046</u>

COUNTY OF NAPA

Combining Statement of Revenues, Expenditures and
Changes in Fund Balances
Nonmajor Special Districts Under the Board of Supervisors
For the Year Ended June 30, 2011

	<u>County Service Area No. 3</u>	<u>County Service Area No. 4</u>	<u>Silverado Community Services</u>
Revenues:			
Taxes	\$ --	\$ --	\$ --
Fines, forfeitures and penalties	152	2,307	526
Revenue from use of money and property	2,733	1,978	662
Aid from other governments	--	--	--
Charges for services	<u>391,857</u>	<u>453,327</u>	<u>125,009</u>
Total Revenues	<u>394,742</u>	<u>457,612</u>	<u>126,197</u>
Expenditures:			
Current:			
General government	--	--	--
Public protection	--	--	--
Public ways and facilities	57,546	--	127,299
Public assistance	--	16,379	--
Total Expenditures	<u>57,546</u>	<u>16,379</u>	<u>127,299</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>337,196</u>	<u>441,233</u>	<u>(1,102)</u>
Other Financing Sources (Uses):			
Transfers in	--	--	--
Transfers out	<u>(310,993)</u>	<u>(410,914)</u>	<u>--</u>
Total Other Financing Sources (Uses)	<u>(310,993)</u>	<u>(410,914)</u>	<u>--</u>
Net change in fund balance	26,203	30,319	(1,102)
Fund Balance - Beginning of Year	<u>200,013</u>	<u>190,031</u>	<u>73,159</u>
Fund Balance - End of Year	<u>\$ 226,216</u>	<u>\$ 220,350</u>	<u>\$ 72,057</u>

continued

COUNTY OF NAPA

Combining Statement of Revenues, Expenditures and
Changes in Fund Balances (continued)
Nonmajor Special Districts Under the Board of Supervisors
For the Year Ended June 30, 2011

	Monticello Public Cemetery	Monticello Endowment	Napa Valley Tourism Improvement - Countywide	Total
Revenues:				
Taxes	\$ 38,522	\$ --	\$ --	\$ 38,522
Fines, forfeitures and penalties	--	--	--	2,985
Revenue from use of money and property	604	1,126	1,148	8,251
Aid from other governments	132	--	--	132
Charges for services	6,535	517	2,437,164	3,414,409
Total Revenues	<u>45,793</u>	<u>1,643</u>	<u>2,438,312</u>	<u>3,464,299</u>
Expenditures:				
Current:				
General government	--	--	2,438,068	2,438,068
Public protection	50,268	--	--	50,268
Public ways and facilities	--	--	--	184,845
Public assistance	--	--	--	16,379
Total Expenditures	<u>50,268</u>	<u>--</u>	<u>2,438,068</u>	<u>2,689,560</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(4,475)</u>	<u>1,643</u>	<u>244</u>	<u>774,739</u>
Other Financing Sources (Uses):				
Transfers in	13,000	--	--	13,000
Transfers out	--	(13,000)	--	(734,907)
Total Other Financing Sources (Uses)	<u>13,000</u>	<u>(13,000)</u>	<u>--</u>	<u>(721,907)</u>
Net change in fund balance	8,525	(11,357)	244	52,832
Fund Balance - Beginning of Year	<u>75,846</u>	<u>132,056</u>	<u>--</u>	<u>671,105</u>
Fund Balance - End of Year	<u>\$ 84,371</u>	<u>\$ 120,699</u>	<u>\$ 244</u>	<u>\$ 723,937</u>

COUNTY OF NAPA

Budgetary Comparison Schedule
Fire Protection
For the Year Ended June 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
Budgetary fund balances, Beginning	<u>\$ 10,340,089</u>	<u>\$ 10,340,089</u>	<u>\$ 10,340,089</u>	<u>\$ --</u>
Resources (inflows):				
Taxes	7,061,417	7,061,417	8,173,479	1,112,062
Licenses and permits	25,000	25,000	266,797	241,797
Revenue from use of money and property	340,300	340,300	97,578	(242,722)
Aid from other governments	798,700	798,700	615,192	(183,508)
Charges for services	513,000	522,400	510,540	(11,860)
Contributions and donations	--	--	23,000	23,000
Other revenue	511,500	511,500	491,189	(20,311)
Transfers in	<u>150,000</u>	<u>150,000</u>	<u>225,655</u>	<u>75,655</u>
Amounts available for appropriation	<u>9,399,917</u>	<u>9,409,317</u>	<u>10,403,430</u>	<u>994,113</u>
Charges to appropriations (outflows):				
Salaries and employee benefits	110,854	121,854	119,417	2,437
Services and supplies	10,876,123	10,880,547	9,141,226	1,739,321
Capital expenditures	<u>1,302,500</u>	<u>2,038,626</u>	<u>1,251,415</u>	<u>787,211</u>
Total charges to appropriations	<u>12,289,477</u>	<u>13,041,027</u>	<u>10,512,058</u>	<u>2,528,969</u>
Budgetary fund balances, Ending	<u>\$ 7,450,529</u>	<u>\$ 6,708,379</u>	<u>\$ 10,231,461</u>	<u>\$ 3,523,082</u>
Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures:				
<u>Sources/inflows of resources</u>				
Actual amounts (budgetary basis) "available for appropriation" from Budgetary Comparison Statement				\$ 10,403,430
Differences - budget to GAAP:				
Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes.				<u>(225,655)</u>
Total revenues as reported on the Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds				<u>\$ 10,177,775</u>

COUNTY OF NAPA

Budgetary Comparison Schedule
Affordable Housing
For the Year Ended June 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
Budgetary fund balances, Beginning	<u>\$ 24,776,197</u>	<u>\$ 24,776,197</u>	<u>\$ 24,776,197</u>	<u>\$ --</u>
Resources (inflows):				
Licenses and permits	479,000	479,000	227,050	(251,950)
Revenue from use of money and property	<u>200,000</u>	<u>200,000</u>	<u>102,680</u>	<u>(97,320)</u>
Amounts available for appropriation	<u>679,000</u>	<u>679,000</u>	<u>329,730</u>	<u>(349,270)</u>
Charges to appropriations (outflows):				
Services and supplies	2,231,245	2,231,245	733,409	1,497,836
Transfers out	<u>121,411</u>	<u>121,411</u>	<u>117,723</u>	<u>3,688</u>
Total charges to appropriations	<u>2,352,656</u>	<u>2,352,656</u>	<u>851,132</u>	<u>1,501,524</u>
Budgetary fund balances, Ending	<u>\$ 23,102,541</u>	<u>\$ 23,102,541</u>	<u>\$ 24,254,795</u>	<u>\$ 1,152,254</u>

Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures:

Uses/outflows of resources

Actual amounts (budgetary basis) "total charges to appropriations" from the Budgetary Comparison Statement \$ 851,132

Differences - budget to GAAP:

Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes. (117,723)

Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds \$ 733,409

COUNTY OF NAPA

Budgetary Comparison Schedule
Wildlife Conservation Commission
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balances, Beginning	\$ 231,740	\$ 231,740	\$ 231,740	\$ --
Resources (inflows):				
Fines, forfeitures and penalties	15,000	15,000	11,545	(3,455)
Revenue from use of money and property	2,000	2,000	1,893	(107)
Amounts available for appropriation	<u>17,000</u>	<u>17,000</u>	<u>13,438</u>	<u>(3,562)</u>
Charges to appropriations (outflows):				
Services and supplies	50,000	103,372	100,203	3,169
Total charges to appropriations	<u>50,000</u>	<u>103,372</u>	<u>100,203</u>	<u>3,169</u>
Budgetary fund balances, Ending	<u>\$ 198,740</u>	<u>\$ 145,368</u>	<u>\$ 144,975</u>	<u>\$ (393)</u>

COUNTY OF NAPA

Budgetary Comparison Schedule
 Building and Code Enforcement
 For the Year Ended June 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
Budgetary fund balances, Beginning	<u>\$ 741,621</u>	<u>\$ 741,621</u>	<u>\$ 741,621</u>	<u>\$ --</u>
Resources (inflows):				
Licenses and permits	1,000,000	1,000,000	1,066,646	66,646
Revenue from use of money and property	12,000	12,000	6,033	(5,967)
Charges for services	<u>890,940</u>	<u>890,940</u>	<u>774,436</u>	<u>(116,504)</u>
Amounts available for appropriation	<u>1,902,940</u>	<u>1,902,940</u>	<u>1,847,115</u>	<u>(55,825)</u>
Charges to appropriations (outflows):				
Salaries and employee benefits	1,527,281	1,527,281	1,507,191	20,090
Services and supplies	<u>798,566</u>	<u>798,566</u>	<u>579,404</u>	<u>219,162</u>
Total charges to appropriations	<u>2,325,847</u>	<u>2,325,847</u>	<u>2,086,595</u>	<u>239,252</u>
 Budgetary fund balances, Ending	 <u>\$ 318,714</u>	 <u>\$ 318,714</u>	 <u>\$ 502,141</u>	 <u>\$ 183,427</u>

COUNTY OF NAPA

Budgetary Comparison Schedule
IHSS
For the Year Ended June 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
Budgetary fund balances, Beginning	\$ (56,567)	\$ (56,567)	\$ (56,567)	\$ --
Resources (inflows):				
Aid from other governments	700,911	700,911	681,220	(19,691)
Transfers in	<u>163,746</u>	<u>163,746</u>	<u>120,446</u>	<u>(43,300)</u>
Amounts available for appropriation	<u>864,657</u>	<u>864,657</u>	<u>801,666</u>	<u>(62,991)</u>
Charges to appropriations (outflows):				
Services and supplies	<u>864,657</u>	<u>864,657</u>	<u>805,559</u>	<u>59,098</u>
Total charges to appropriations	<u>864,657</u>	<u>864,657</u>	<u>805,559</u>	<u>59,098</u>
Budgetary fund balances, Ending	<u>\$ (56,567)</u>	<u>\$ (56,567)</u>	<u>\$ (60,460)</u>	<u>\$ (3,893)</u>

Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures:

Sources/inflows of resources

Actual amounts (budgetary basis) "available for appropriation" from Budgetary Comparison Statement	\$ 801,666
Differences - budget to GAAP:	
Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes.	<u>(120,446)</u>
Total revenues as reported on the Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds	<u>\$ 681,220</u>

COUNTY OF NAPA

Budgetary Comparison Schedule
Zone 1 - Garbage
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balances, Beginning	<u>\$ 1,188,916</u>	<u>\$ 1,188,916</u>	<u>\$ 1,188,916</u>	<u>\$ --</u>
Resources (inflows):				
Licenses and permits	360,000	360,000	362,733	2,733
Revenue from use of money and property	5,000	5,000	10,856	5,856
Amounts available for appropriation	<u>365,000</u>	<u>365,000</u>	<u>373,589</u>	<u>8,589</u>
Charges to appropriations (outflows):				
Services and supplies	284,509	284,509	211,438	73,071
Total charges to appropriations	<u>284,509</u>	<u>284,509</u>	<u>211,438</u>	<u>73,071</u>
Budgetary fund balances, Ending	<u>\$ 1,269,407</u>	<u>\$ 1,269,407</u>	<u>\$ 1,351,067</u>	<u>\$ 81,660</u>

COUNTY OF NAPA

Budgetary Comparison Schedule
Child Support Services
For the Year Ended June 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
Budgetary fund balances, Beginning	\$ (113,064)	\$ (113,064)	\$ (113,064)	\$ --
Resources (inflows):				
Revenue from use of money and property	3,600	3,600	2,109	(1,491)
Aid from other governments	4,112,591	4,112,591	4,050,869	(61,722)
Transfers in	65,000	65,000	65,000	--
Amounts available for appropriation	<u>4,181,191</u>	<u>4,181,191</u>	<u>4,117,978</u>	<u>(63,213)</u>
Charges to appropriations (outflows):				
Salaries and employee benefits	3,396,469	3,391,301	3,391,299	2
Services and supplies	784,722	818,244	816,564	1,680
Total charges to appropriations	<u>4,181,191</u>	<u>4,209,545</u>	<u>4,207,863</u>	<u>1,682</u>
Budgetary fund balances, Ending	<u>\$ (113,064)</u>	<u>\$ (141,418)</u>	<u>\$ (202,949)</u>	<u>\$ (61,531)</u>
Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures:				
<u>Sources/inflows of resources</u>				
Actual amounts (budgetary basis) "available for appropriation" from Budgetary Comparison Statement				\$ 4,117,978
Differences - budget to GAAP:				
Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes.				<u>(65,000)</u>
Total revenues as reported on the Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds				<u>\$ 4,052,978</u>

COUNTY OF NAPA

Budgetary Comparison Schedule
Library
For the Year Ended June 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	Final Budget
				Positive
				(Negative)
Budgetary fund balances, Beginning	<u>\$ 10,061,795</u>	<u>\$ 10,061,795</u>	<u>\$ 10,061,795</u>	<u>\$ --</u>
Resources (inflows):				
Taxes	5,948,225	5,948,225	6,731,367	783,142
Revenue from use of money and property	132,000	132,000	89,641	(42,359)
Aid from other governments	279,109	279,109	301,447	22,338
Charges for services	130,710	130,710	127,872	(2,838)
Contributions and donations	26,600	62,450	125,298	62,848
Other revenue	3,000	3,000	265	(2,735)
Transfers in	<u>175,762</u>	<u>175,762</u>	<u>175,762</u>	<u>--</u>
Amounts available for appropriation	<u>6,695,406</u>	<u>6,731,256</u>	<u>7,551,652</u>	<u>820,396</u>
Charges to appropriations (outflows):				
Salaries and employee benefits	3,836,949	3,819,671	3,817,669	2,002
Services and supplies	2,923,604	3,362,920	3,233,311	129,609
Capital expenditures	153,000	483,000	54,284	428,716
Contingencies and reserves	50,000	--	--	--
Transfers out	<u>56,982</u>	<u>56,982</u>	<u>56,892</u>	<u>90</u>
Total charges to appropriations	<u>7,020,535</u>	<u>7,722,573</u>	<u>7,162,156</u>	<u>560,417</u>
Budgetary fund balances, Ending	<u>\$ 9,736,666</u>	<u>\$ 9,070,478</u>	<u>\$ 10,451,291</u>	<u>\$ 1,380,813</u>

Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures:

Sources/inflows of resources

Actual amounts (budgetary basis) "available for appropriation" from Budgetary Comparison Statement \$ 7,551,652

Differences - budget to GAAP:

 Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes. (175,762)

Total revenues as reported on the Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds \$ 7,375,890

Uses/outflows of resources

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison statement \$ 7,162,156

Differences - budget to GAAP:

 Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes. (56,892)

Total expenditures as reported on the Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds \$ 7,105,264

COUNTY OF NAPA

Budgetary Comparison Schedule
 Unincorporated Napa Valley Tourism Improvement
 For the Year Ended June 30, 2011

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balances, Beginning	\$ --	\$ --	\$ --	\$ --
Resources (inflows):				
Revenue from use of money and property	--	--	619	619
Charges for services	--	358,000	246,823	(111,177)
Amounts available for appropriation	--	358,000	247,442	(110,558)
Charges to appropriations (outflows):				
Services and supplies	--	358,000	247,282	110,718
Total charges to appropriations	--	358,000	247,282	110,718
Budgetary fund balances, Ending	\$ --	\$ --	\$ 160	\$ 160

COUNTY OF NAPA

Budgetary Comparison Schedule
Public, Educational, Governmental Access Channel
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balances, Beginning	\$ --	\$ --	\$ --	\$ --
Resources (inflows):				
Licenses and permits	--	--	33,406	33,406
Amounts available for appropriation	--	--	33,406	33,406
Charges to appropriations (outflows):				
Services and supplies	--	--	--	--
Total charges to appropriations	--	--	--	--
Budgetary fund balances, Ending	\$ --	\$ --	\$ 33,406	\$ 33,406

COUNTY OF NAPA

Budgetary Comparison Schedule
 County Service Area No. 3
 For the Year Ended June 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Final Budget</u>
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	<u>Positive</u>
				<u>(Negative)</u>
Budgetary fund balances, Beginning	\$ 200,013	\$ 200,013	\$ 200,013	\$ --
Resources (inflows):				
Fines, forfeitures and penalties	--	--	152	152
Revenue from use of money and property	2,665	2,665	2,733	68
Charges for services	<u>391,857</u>	<u>391,857</u>	<u>391,857</u>	<u>--</u>
Amounts available for appropriation	<u>394,522</u>	<u>394,522</u>	<u>394,742</u>	<u>220</u>
Charges to appropriations (outflows):				
Services and supplies	77,944	77,944	57,546	20,398
Transfers out	<u>316,578</u>	<u>316,578</u>	<u>310,993</u>	<u>5,585</u>
Total charges to appropriations	<u>394,522</u>	<u>394,522</u>	<u>368,539</u>	<u>25,983</u>
Budgetary fund balances, Ending	<u>\$ 200,013</u>	<u>\$ 200,013</u>	<u>\$ 226,216</u>	<u>\$ 26,203</u>

Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures:

Uses/outflows of resources

Actual amounts (budgetary basis) "total charges to appropriations" from the Budgetary Comparison Statement	\$ 368,539
Differences - budget to GAAP:	
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes.	<u>(310,993)</u>
Total expenditures as reported on the Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Districts Under the Board of Supervisors	<u>\$ 57,546</u>

COUNTY OF NAPA

Budgetary Comparison Schedule
 County Service Area No. 4
 For the Year Ended June 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget Positive (Negative)
Budgetary fund balances, Beginning	\$ 190,031	\$ 190,031	\$ 190,031	\$ --
Resources (inflows):				
Fines, forfeitures and penalties	--	--	2,307	2,307
Revenue from use of money and property	--	--	1,978	1,978
Charges for services	442,670	442,670	453,327	10,657
Amounts available for appropriation	<u>442,670</u>	<u>442,670</u>	<u>457,612</u>	<u>14,942</u>
Charges to appropriations (outflows):				
Services and supplies	12,719	17,119	16,379	740
Transfers out	438,750	434,350	410,914	23,436
Total charges to appropriations	<u>451,469</u>	<u>451,469</u>	<u>427,293</u>	<u>24,176</u>
Budgetary fund balances, Ending	<u>\$ 181,232</u>	<u>\$ 181,232</u>	<u>\$ 220,350</u>	<u>\$ 39,118</u>
Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures:				
<u>Uses/outflows of resources</u>				
Actual amounts (budgetary basis) "total charges to appropriations" from the Budgetary Comparison Statement				\$ 427,293
Differences - budget to GAAP:				
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes.				<u>(410,914)</u>
Total expenditures as reported on the Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Districts Under the Board of Supervisors				<u>\$ 16,379</u>

COUNTY OF NAPA

Budgetary Comparison Schedule
Silverado Community Services
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balances, Beginning	\$ 73,159	\$ 73,159	\$ 73,159	\$ --
Resources (inflows):				
Fines, forfeitures and penalties	--	--	526	526
Revenue from use of money and property	1,000	1,000	662	(338)
Charges for services	125,009	125,009	125,009	--
Amounts available for appropriation	<u>126,009</u>	<u>126,009</u>	<u>126,197</u>	<u>188</u>
Charges to appropriations (outflows):				
Services and supplies	117,097	117,097	105,531	11,566
Capital expenditures	67,100	67,100	21,768	45,332
Total charges to appropriations	<u>184,197</u>	<u>184,197</u>	<u>127,299</u>	<u>56,898</u>
Budgetary fund balances, Ending	<u>\$ 14,971</u>	<u>\$ 14,971</u>	<u>\$ 72,057</u>	<u>\$ 57,086</u>

COUNTY OF NAPA

Budgetary Comparison Schedule
 Monticello Public Cemetery
 For the Year Ended June 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget Positive (Negative)
Budgetary fund balances, Beginning	\$ 75,846	\$ 75,846	\$ 75,846	\$ --
Resources (inflows):				
Taxes	25,500	25,500	38,522	13,022
Revenue from use of money and property	1,000	1,000	604	(396)
Aid from other governments	150	150	132	(18)
Charges for services	14,175	14,175	6,535	(7,640)
Other revenue	10,000	10,000	--	(10,000)
Transfers in	13,000	13,000	13,000	--
Amounts available for appropriation	63,825	63,825	58,793	(5,032)
Charges to appropriations (outflows):				
Services and supplies	50,730	50,730	50,268	462
Total charges to appropriations	50,730	50,730	50,268	462
Budgetary fund balances, Ending	\$ 88,941	\$ 88,941	\$ 84,371	\$ (4,570)

Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures:

Sources/inflows of resources

Actual amounts (budgetary basis) "available for appropriation" from the Budgetary Comparison Statement \$ 58,793

Differences - budget to GAAP:

 Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes. (13,000)

Total revenues as reported on the Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Districts Under the Board of Supervisors \$ 45,793

COUNTY OF NAPA

Budgetary Comparison Schedule
 Monticello Endowment
 For the Year Ended June 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
Budgetary fund balances, Beginning	\$ 132,056	\$ 132,056	\$ 132,056	\$ --
Resources (inflows):				
Revenue from use of money and property	1,570	1,570	1,126	(444)
Charges for services	1,500	1,500	517	(983)
Amounts available for appropriation	<u>3,070</u>	<u>3,070</u>	<u>1,643</u>	<u>(1,427)</u>
Charges to appropriations (outflows):				
Transfers out	13,000	13,000	13,000	--
Total charges to appropriations	<u>13,000</u>	<u>13,000</u>	<u>13,000</u>	<u>--</u>
Budgetary fund balances, Ending	<u>\$ 122,126</u>	<u>\$ 122,126</u>	<u>\$ 120,699</u>	<u>\$ (1,427)</u>
Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures:				
<u>Uses/outflows of resources</u>				
Actual amounts (budgetary basis) "total charges to appropriations" from the Budgetary Comparison Statement				\$ 13,000
Differences - budget to GAAP:				
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes.				<u>(13,000)</u>
Total expenditures as reported on the Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Districts Under the Board of Supervisors				<u>\$ --</u>

COUNTY OF NAPA

Budgetary Comparison Schedule
 Countywide Napa Valley Tourism Improvement District
 For the Year Ended June 30, 2011

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balances, Beginning	\$ --	\$ --	\$ --	\$ --
Resources (inflows):				
Revenue from use of money and property	--	500	1,148	648
Charges for services	--	2,960,000	2,437,164	(522,836)
Amounts available for appropriation	--	2,960,500	2,438,312	(522,188)
Charges to appropriations (outflows):				
Services and supplies	--	2,960,500	2,438,068	522,432
Total charges to appropriations	--	2,960,500	2,438,068	522,432
Budgetary fund balances, Ending	\$ --	\$ --	\$ 244	\$ 244

MAJOR and NONMAJOR GOVERNMENTAL 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).

MAJOR

Accumulated Capital Outlay Fund

This fund provides Board of Supervisors assigned reserves for future capital needs.

NONMAJOR

Criminal Justice Facility Construction

This fund provides for the expenditure of certain fine and forfeiture revenue, restricted by Government Code Section 76101 for support of construction, reconstruction, expansion, improvement, operation or maintenance of County criminal justice and Court facilities, and for improvement of criminal justice automated information systems.

Courthouse Fund

This fund provides for the appropriation of Court Construction Funds, restricted by law to be used for the development or enhancement of Court facilities.

Major Capital Project Fund

This fund is used primarily to finance or reimburse the financing of various improvements including the renovation, acquisition and construction of capital projects.

COUNTY OF NAPA

Combining Balance Sheet
Nonmajor Capital Projects Funds
June 30, 2011

	<u>Criminal Justice Facility Construction</u>	<u>Courthouse Fund</u>	<u>Major Capital Projects Fund</u>	<u>Total</u>
<u>ASSETS</u>				
Cash and investments	\$ 947,942	\$ 1,576,460	\$ 103,139	\$ 2,627,541
Total Assets	<u>\$ 947,942</u>	<u>\$ 1,576,460</u>	<u>\$ 103,139</u>	<u>\$ 2,627,541</u>
<u>LIABILITIES</u>				
Accounts payable	\$ --	\$ --	\$ 13,148	\$ 13,148
Total Liabilities	<u>--</u>	<u>--</u>	<u>13,148</u>	<u>13,148</u>
<u>FUND BALANCES</u>				
Restricted	947,942	1,576,460	--	2,524,402
Assigned	<u>--</u>	<u>--</u>	<u>89,991</u>	<u>89,991</u>
Total Fund Balances	<u>947,942</u>	<u>1,576,460</u>	<u>89,991</u>	<u>2,614,393</u>
Total Liabilities and Fund Balances	<u>\$ 947,942</u>	<u>\$ 1,576,460</u>	<u>\$ 103,139</u>	<u>\$ 2,627,541</u>

COUNTY OF NAPA

Combining Statement of Revenues, Expenditures and
Changes in Fund Balance
Nonmajor Capital Projects Funds
For the Year Ended June 30, 2011

	Criminal Justice Facility Construction	Courthouse Fund	Major Capital Projects Fund	Total
Revenues:				
Fines, forfeitures and penalties	\$ 123,725	\$ 439,619	\$ --	\$ 563,344
Revenue from use of money and property	7,840	12,892	761	21,493
Total Revenues	<u>131,565</u>	<u>452,511</u>	<u>761</u>	<u>584,837</u>
Expenditures:				
Current:				
General government	349	--	21,768	22,117
Total Expenditures	<u>349</u>	<u>--</u>	<u>21,768</u>	<u>22,117</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>131,216</u>	<u>452,511</u>	<u>(21,007)</u>	<u>562,720</u>
Other Financing Sources (Uses):				
Transfers in	--	--	21,768	21,768
Transfers out	(56,892)	(233,979)	--	(290,871)
Total Other Financing Sources (Uses)	<u>(56,892)</u>	<u>(233,979)</u>	<u>21,768</u>	<u>(269,103)</u>
Net change in fund balance	74,324	218,532	761	293,617
Fund Balance - Beginning of Year	<u>873,618</u>	<u>1,357,928</u>	<u>89,230</u>	<u>2,320,776</u>
Fund Balance - End of Year	<u>\$ 947,942</u>	<u>\$ 1,576,460</u>	<u>\$ 89,991</u>	<u>\$ 2,614,393</u>

COUNTY OF NAPA

Budgetary Comparison Schedule
Accumulated Capital Outlay Fund
For the Year Ended June 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
Budgetary fund balances, Beginning	\$ 19,187,113	\$ 19,187,113	\$ 19,187,113	\$ --
Resources (inflows):				
Revenue from use of money and property	587,534	587,534	181,694	(405,840)
Transfers in	12,149,857	14,262,767	14,262,767	--
Amounts available for appropriation	12,737,391	14,850,301	14,444,461	(405,840)
Charges to appropriations (outflows):				
Transfers out	130,697	530,697	152,465	378,232
Total charges to appropriations	130,697	530,697	152,465	378,232
Budgetary fund balances, Ending	\$ 31,793,807	\$ 33,506,717	\$ 33,479,109	\$ (27,608)

Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures:

Sources/inflows of resources

Actual amounts (budgetary basis) "available for appropriation" from Budgetary Comparison Statement \$ 14,444,461

Differences - budget to GAAP:

Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes. (14,262,767)

Total revenues as reported on the Statement of Revenue, Expenditures and Changes in Fund Balances - Governmental Funds \$ 181,694

Uses/outflows of resources

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison statement \$ 152,465

Differences - budget to GAAP:

Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes. (152,465)

Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - Roads Fund \$ --

COUNTY OF NAPA

Budgetary Comparison Schedule
Criminal Justice Facility Construction
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive
				(Negative)
Budgetary fund balances, Beginning	\$ 873,618	\$ 873,618	\$ 873,618	\$ --
Resources (inflows):				
Fines, forfeitures, and penalties	98,000	98,000	123,725	25,725
Revenue from use of money and property	12,000	12,000	7,840	(4,160)
Amounts available for appropriation	<u>110,000</u>	<u>110,000</u>	<u>131,565</u>	<u>21,565</u>
Charges to appropriations (outflows):				
Services and supplies	349	349	349	--
Transfers out	56,982	56,982	56,892	90
Total charges to appropriations	<u>57,331</u>	<u>57,331</u>	<u>57,241</u>	<u>90</u>
Budgetary fund balances, Ending	<u>\$ 926,287</u>	<u>\$ 926,287</u>	<u>\$ 947,942</u>	<u>\$ 21,655</u>
Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures:				
<u>Uses/outflows of resources</u>				
Actual amounts (budgetary basis) "total charges to appropriations" from the Budgetary Comparison Statement				\$ 57,241
Differences - budget to GAAP:				
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes.				<u>(56,892)</u>
Total expenditures as reported on the Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Capital Projects Funds				<u>\$ 349</u>

COUNTY OF NAPA

Budgetary Comparison Schedule
 Courthouse Fund
 For the Year Ended June 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
Budgetary fund balances, Beginning	<u>\$ 1,357,928</u>	<u>\$ 1,357,928</u>	<u>\$ 1,357,928</u>	<u>\$ --</u>
Resources (inflows):				
Fines, forfeitures, and penalties	392,000	392,000	439,619	47,619
Revenue from use of money and property	<u>20,000</u>	<u>20,000</u>	<u>12,892</u>	<u>(7,108)</u>
Amounts available for appropriation	<u>412,000</u>	<u>412,000</u>	<u>452,511</u>	<u>40,511</u>
Charges to appropriations (outflows):				
Capital assets	177,171	177,171	--	177,171
Transfers out	<u>234,829</u>	<u>234,829</u>	<u>233,979</u>	<u>850</u>
Total charges to appropriations	<u>412,000</u>	<u>412,000</u>	<u>233,979</u>	<u>178,021</u>
Budgetary fund balances, Ending	<u>\$ 1,357,928</u>	<u>\$ 1,357,928</u>	<u>\$ 1,576,460</u>	<u>\$ 218,532</u>
Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures:				
<u>Uses/outflows of resources</u>				
Actual amounts (budgetary basis) "total charges to appropriations" from the Budgetary Comparison Statement				\$ 233,979
Differences - budget to GAAP:				
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes.				<u>(233,979)</u>
Total expenditures as reported on the Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Capital Projects Funds				<u>\$ --</u>

COUNTY OF NAPA

Budgetary Comparison Schedule
Major Capital Projects Fund
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balances, Beginning	\$ 89,230	\$ 89,230	\$ 89,230	\$ --
Resources (inflows):				
Revenue from use of money and property	--	--	761	761
Transfers in	--	400,000	21,768	(378,232)
Amounts available for appropriation	--	400,000	22,529	(377,471)
Charges to appropriations (outflows):				
Services and supplies	--	400,000	21,768	378,232
Total charges to appropriations	--	400,000	21,768	378,232
Budgetary fund balances, Ending	\$ 89,230	\$ 89,230	\$ 89,991	\$ 761

Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures:

Sources/inflows of resources

Actual amounts (budgetary basis) "available for appropriation" from budgetary comparison statement \$ 22,529

Differences - budget to GAAP:

Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes. (21,768)

Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - Nonmajor Capital Projects Fund \$ 761

NONMAJOR GOVERNMENTAL FUNDS

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.

COUNTY OF NAPA

Budgetary Comparison Schedule
Debt Service Fund
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balances, Beginning	<u>\$ 2,312,210</u>	<u>\$ 2,312,210</u>	<u>\$ 2,312,210</u>	<u>\$ --</u>
Resources (inflows):				
Revenue from use of money and property	--	--	32	32
Transfers in	<u>3,920,638</u>	<u>3,920,638</u>	<u>3,646,200</u>	<u>(274,438)</u>
Amounts available for appropriation	<u>3,920,638</u>	<u>3,920,638</u>	<u>3,646,232</u>	<u>(274,406)</u>
Charges to appropriations (outflows):				
Debt service	<u>3,920,638</u>	<u>3,920,638</u>	<u>3,908,182</u>	<u>12,456</u>
Total charges to appropriations	<u>3,920,638</u>	<u>3,920,638</u>	<u>3,908,182</u>	<u>12,456</u>
Budgetary fund balances, Ending	<u>\$ 2,312,210</u>	<u>\$ 2,312,210</u>	<u>\$ 2,050,260</u>	<u>\$ (261,950)</u>
Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures:				
<u>Sources/inflows of resources</u>				
Actual amounts (budgetary basis) "available for appropriation" from budgetary comparison statement				\$ 3,646,232
Differences - budget to GAAP:				
Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes.				<u>(3,646,200)</u>
Total revenues as reported on the Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds				<u>\$ 32</u>



Photography by Jeff Tangen, <http://www.jefftangphoto.com>

“Vineyard”
Oakville area

Located in Napa Valley

NONMAJOR ENTERPRISE FUNDS

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 of providing goods or services to the general public on a continuing basis be financed primarily through user charges; or where the County 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.

Napa Berryessa Resort Improvement District

The Napa Berryessa Resort Improvement District is used to provide water and waste water services within district boundaries. Major revenue sources include water and sewer availability charges, user fees, and property taxes.

The Napa County Housing Authority

The Napa County Housing Authority is used to provide safe and sanitary dwelling conditions for low income people. The Authority funds operations, maintenance and capital improvements for Napa County's farm worker housing system which currently includes three (3) centers – one in the Yountville area, one near St. Helena and one near Calistoga – with a collective capacity of 180 beds. The purpose of these centers is to house and feed farm workers that are not permanent local residents. The Authority is partially funded through a special, self imposed, assessment on producing vineyard land. Additional funding is received through the collection of fees from the lodgers at each of the centers.

Napa County Animal Shelter

The Napa County Animal Shelter is used to protect the health of domestic animals and the public through various programs which have their basis in State or local legislation. Its responsibilities include receiving, housing, and caring for stray and unwanted animals; conducting/encouraging adoption and spay and neuter programs; and issuing dog licenses and kennel permits. Major revenue sources include municipal contributions and charges for the services provided.

COUNTY OF NAPA

Combining Statement of Fund Net Assets
Nonmajor Enterprise Funds
June 30, 2011

	Napa Berryessa Resort Improvement	Napa County Housing Authority	Napa County Animal Shelter	Total
ASSETS				
Current Assets:				
Cash and investments	\$ 163,670	\$ 516,958	\$ 29,401	\$ 710,029
Imprest cash	--	--	175	175
Taxes receivable	19,713	--	--	19,713
Accounts receivable	120,517	27,750	3,831	152,098
Assessments receivable	19,560	--	--	19,560
Due from other government agencies	91	--	75,687	75,778
Prepaid items	13,533	--	--	13,533
Total Current Assets	<u>337,084</u>	<u>544,708</u>	<u>109,094</u>	<u>990,886</u>
Noncurrent Assets:				
Capital Assets:				
Nondepreciable:				
Land	44,402	2,700,000	336,422	3,080,824
Construction in progress	73,332	--	--	73,332
Depreciable:				
Structures and improvements	1,718,376	2,220,369	5,013,336	8,952,081
Equipment	126,090	--	--	126,090
Accumulated depreciation	(1,455,708)	(186,773)	(778,064)	(2,420,545)
Total Noncurrent Assets	<u>506,492</u>	<u>4,733,596</u>	<u>4,571,694</u>	<u>9,811,782</u>
Total Assets	<u>\$ 843,576</u>	<u>\$ 5,278,304</u>	<u>\$ 4,680,788</u>	<u>\$ 10,802,668</u>
LIABILITIES				
Current Liabilities:				
Accounts payable	\$ 20,027	\$ 75,978	\$ 24,234	\$ 120,239
Accrued salaries and benefits	--	--	18,690	18,690
Customer deposits	42,288	3,028	--	45,316
Due to other funds	474,000	--	--	474,000
Liability for compensated absences	--	--	12,848	12,848
Total Current Liabilities	<u>536,315</u>	<u>79,006</u>	<u>55,772</u>	<u>671,093</u>
Noncurrent Liabilities:				
Advances from other funds	600,000	--	--	600,000
Liability for compensated absences	--	--	11,942	11,942
Total Noncurrent Liabilities	<u>600,000</u>	<u>--</u>	<u>11,942</u>	<u>611,942</u>
Total Liabilities	<u>1,136,315</u>	<u>79,006</u>	<u>67,714</u>	<u>1,283,035</u>
NET ASSETS				
Invested in capital assets, net of related debt	506,492	4,733,596	4,571,694	9,811,782
Unrestricted	(799,231)	465,702	41,380	(292,149)
Total Net Assets	<u>(292,739)</u>	<u>5,199,298</u>	<u>4,613,074</u>	<u>9,519,633</u>
Total Liabilities and Net Assets	<u>\$ 843,576</u>	<u>\$ 5,278,304</u>	<u>\$ 4,680,788</u>	<u>\$ 10,802,668</u>

COUNTY OF NAPA

Combining Statement of Revenues, Expenses and Changes in Fund Net Assets Nonmajor Enterprise Funds For the Year Ended June 30, 2011

	Napa Berryessa Resort Improvement	Napa County Housing Authority	Napa County Animal Shelter	Total
Operating Revenues:				
Charges for services	\$ 671,659	\$ 558,671	\$ 977,607	\$2,207,937
 Total Operating Revenues	671,659	558,671	977,607	2,207,937
Operating Expenses:				
Salaries and employee benefits	--	--	481,248	481,248
Services and supplies	872,886	1,187,025	499,981	2,559,892
Insurance	15,536	--	6,505	22,041
Depreciation and amortization	53,833	62,260	100,267	216,360
 Total Operating Expenses	942,255	1,249,285	1,088,001	3,279,541
Operating Loss	(270,596)	(690,614)	(110,394)	(1,071,604)
Non-Operating Revenues (Expenses):				
Aid from other governmental units	284	30,000	--	30,284
Tax revenue	75,160	--	--	75,160
Non-operating revenues	2,229	100,000	23,432	125,661
Interest income	1,795	3,397	--	5,192
Interest expense	(7,640)	--	(48)	(7,688)
 Total Non-Operating Revenues (Expenses)	71,828	133,397	23,384	228,609
Net Loss Before Transfers	(198,768)	(557,217)	(87,010)	(842,995)
Transfers in	--	528,638	--	528,638
Change in Net Assets	(198,768)	(28,579)	(87,010)	(314,357)
Net Assets - Beginning of Year	(93,971)	5,227,877	4,700,084	9,833,990
Net Assets - End of Year	\$ (292,739)	\$ 5,199,298	\$ 4,613,074	\$9,519,633

COUNTY OF NAPA

Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended June 30, 2011

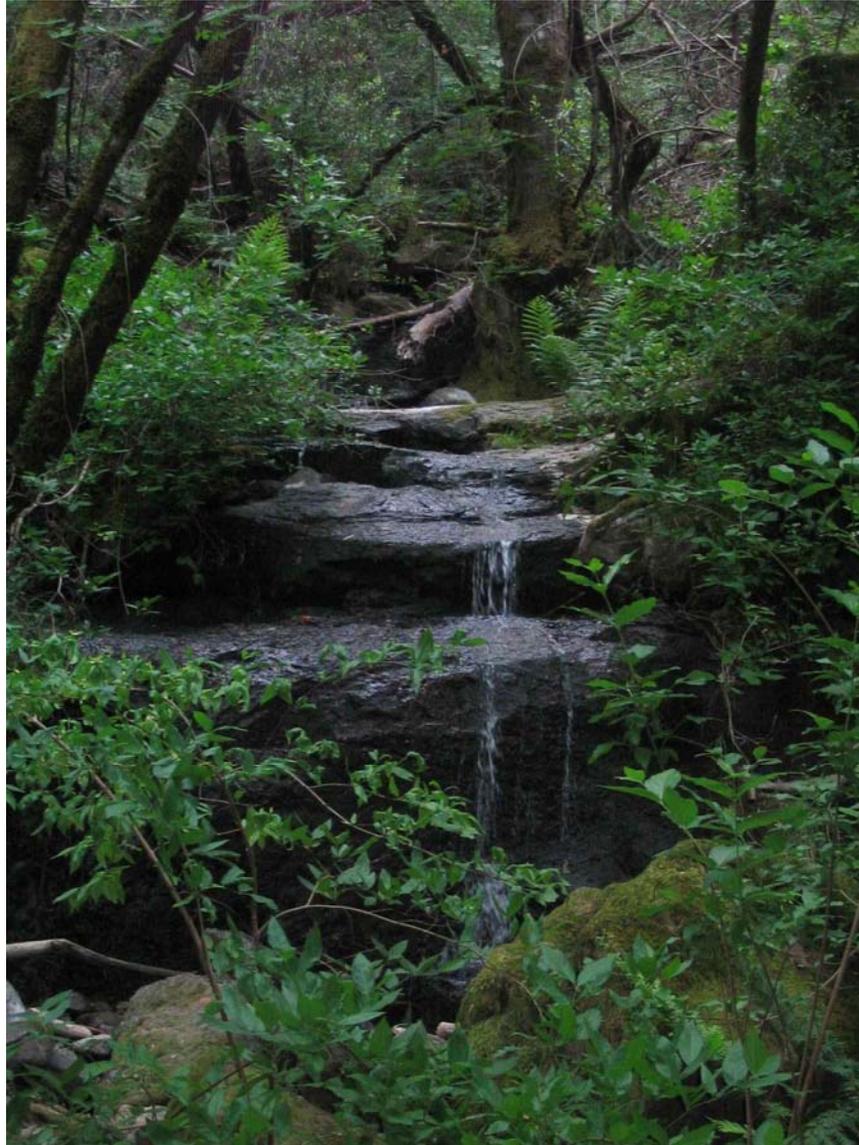
	<u>Napa Berryessa Resort Improvement</u>	<u>Napa County Housing Authority</u>	<u>Napa County Animal Shelter</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash receipts from customers	\$ 605,000	\$ 548,477	\$ 966,622	\$ 2,120,099
Cash paid to suppliers for goods and services	(916,899)	(1,156,644)	(497,968)	(2,571,511)
Cash paid to employees for services	--	--	(484,992)	(484,992)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net Cash Used by Operating Activities	<u>(311,899)</u>	<u>(608,167)</u>	<u>(16,338)</u>	<u>(936,404)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Aid from other governmental units	284	30,000	--	30,284
Transfers in	--	528,638	--	528,638
Advances from other funds	205,000	--	--	205,000
Non-operating revenues	2,229	100,000	23,432	125,661
Tax revenue	74,094	--	--	74,094
Interest payments for non-capital activities	(7,640)	--	(48)	(7,688)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net Cash Provided by Noncapital Financing Activities	<u>273,967</u>	<u>658,638</u>	<u>23,384</u>	<u>955,989</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Payments related to the acquisition of capital assets	(73,332)	--	--	(73,332)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net Cash Used by Capital and Related Financing Activities	<u>(73,332)</u>	<u> </u>	<u> </u>	<u>(73,332)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received	1,795	3,397	--	5,192
Net Cash Provided by Investing Activities	<u>1,795</u>	<u>3,397</u>	<u> </u>	<u>5,192</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(109,469)	53,868	7,046	(48,555)
Cash and Cash Equivalents, Beginning of Year	<u>273,139</u>	<u>463,090</u>	<u>22,530</u>	<u>758,759</u>
Cash and Cash Equivalents, End of Year	<u>\$ 163,670</u>	<u>\$ 516,958</u>	<u>\$ 29,576</u>	<u>\$ 710,204</u>

continued

COUNTY OF NAPA

Statement of Cash Flows (continued)
 Nonmajor Enterprise Funds
 For the Year Ended June 30, 2011

	<u>Napa Berryessa Resort Improvement</u>	<u>Napa County Housing Authority</u>	<u>Napa County Animal Shelter</u>	<u>Total</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Operating income (loss)	\$ (270,596)	\$ (690,614)	\$ (110,394)	\$ (1,071,604)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation and amortization	53,833	62,260	100,267	216,360
Changes in assets and liabilities:				
(Increase) decrease in:				
Accounts receivable	(67,293)	(9,713)	(3,831)	(80,837)
Assessments receivable	(3,120)	--	--	(3,120)
Due from other government agencies	(91)	--	(7,154)	(7,245)
Prepaid items	(13,533)	--	--	(13,533)
Increase (decrease) in:				
Accounts payable	(14,944)	30,381	8,518	23,955
Customer deposits	3,845	(481)	--	3,364
Accrued salaries	--	--	(1,186)	(1,186)
Compensated absences	--	--	(2,558)	(2,558)
Net Cash Provided (Used) by Operating Activities	<u>\$ (311,899)</u>	<u>\$ (608,167)</u>	<u>\$ (16,338)</u>	<u>\$ (936,404)</u>



Photography by Ken Stanton

Bell Creek

Creek begins at the eastern ridgeline roughly six miles northwest of Angwin in an area known as the Three Peaks and flanked by Rattlesnake Ridge to the west and Howell Mountain to the east

Located in Napa County

INTERNAL SERVICE FUNDS

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 on a cost-reimbursement basis. Internal Service Funds used at the County are listed below:

Equipment Pool Service Fund

This is a working capital fund for the acquisition, operation and maintenance of the County-owned vehicle fleet and road maintenance equipment. Vehicles purchased are assigned to the operating departments. The departments are then charged mileage for the use of the vehicles. The revenue offsets the cost of the program.

Information Technology Services

Information Technology Services is responsible for the development, operation and maintenance of all County information technology systems (computer network and voice communications). Appropriations are offset by revenue derived from charges for services to all departments and outside agencies that use the County's information technology systems.

Workers' Compensation

A self-insured Workers' Compensation Program was established in 1978 to partially self-insure against work-related losses. The current self-insured level is \$350,000 per claim occurrence. Coverage in excess of this limit, up to the statutory limit, is provided through participation in the California State Association of Counties Excess Insurance Authority (CSAC EIA). Annual charges for services for each department are based on a formula calculated from past claims experience and an assigned risk exposure for each employee/job classification within the department.

General Liability

The self-insured Liability program provides liability coverage for an initial portion of all losses resulting from tort or inverse condemnation. The current self-insured level is \$300,000 per claim occurrence. Excess liability coverage is provided through participation in the California State Association of Counties Excess Insurance Authority (CSAC EIA). Annual charges for services for each department are based on a formula calculated from past claims experience and an assigned risk exposure for each department.

Employee/Retiree Benefits

Employee/Retiree Benefits Fund tracks annual other post employment benefits cost required for postretirement healthcare benefits under the Retiree Healthcare Plan. The County provides retiree medical benefits through the California Public Employees' Retirement System (CalPERS) Healthcare program.

COUNTY OF NAPA

Combining Statement of Fund Net Assets Internal Service Funds June 30, 2011

	Equipment Pool Service Fund	Information Technology Services	Workers' Compensation
ASSETS			
Current Assets:			
Cash and investments	\$ 5,304,963	\$ 3,134,171	\$ 5,606,168
Imprest cash	--	--	--
Accounts receivable	7,308	--	--
Prepaid items	--	1,199	--
Deposits	--	--	51,007
Total Current Assets	5,312,271	3,135,370	5,657,175
Noncurrent Assets:			
Depreciable:			
Equipment	10,873,167	1,367,246	--
Intangible assets	--	282,976	--
Accumulated depreciation	(5,024,661)	(1,048,284)	--
Total Noncurrent Assets	5,848,506	601,938	--
Total Assets	\$ 11,160,777	\$ 3,737,308	\$ 5,657,175
LIABILITIES			
Current Liabilities:			
Accounts payable	\$ 199,964	\$ 122,301	\$ 737
Accrued salaries and benefits	12,639	234,158	--
Liability for unpaid insurance claims	--	--	1,564,168
Liability for compensated absences	6,921	143,936	--
Total Current Liabilities	219,524	500,395	1,564,905
Noncurrent Liabilities:			
Liability for unpaid insurance claims	--	--	4,036,832
Liability for compensated absences	21,992	175,267	--
Total Noncurrent Liabilities	21,992	175,267	4,036,832
Total Liabilities	241,516	675,662	5,601,737
NET ASSETS			
Invested in capital assets	5,848,506	601,938	--
Unrestricted	5,070,755	2,459,708	55,438
Total Net Assets	10,919,261	3,061,646	55,438
Total Liabilities and Net Assets	\$ 11,160,777	\$ 3,737,308	\$ 5,657,175

continued

COUNTY OF NAPA

Combining Statement of Fund Net Assets (continued)
Internal Service Funds
June 30, 2011

	General Liability	Employee/ Retiree Benefits	Total
ASSETS			
Current Assets:			
Cash and Investments	\$ 5,433,108	\$ 77,282	\$ 19,555,692
Imprest cash	77,073	--	77,073
Accounts receivable	--	2,407	9,715
Prepaid items	--	--	1,199
Deposits	--	--	51,007
Total Current Assets	<u>5,510,181</u>	<u>79,689</u>	<u>19,694,686</u>
Noncurrent Assets:			
Depreciable:			
Equipment	--	--	12,240,413
Intangible assets	--	--	282,976
Accumulated depreciation	--	--	(6,072,945)
Total Noncurrent Assets	<u>--</u>	<u>--</u>	<u>6,450,444</u>
 Total Assets	 <u><u>\$ 5,510,181</u></u>	 <u><u>\$ 79,689</u></u>	 <u><u>\$ 26,145,130</u></u>
LIABILITIES			
Current Liabilities:			
Accounts payable	\$ 41,510	\$ 26,957	\$ 391,469
Accrued salaries and benefits	--	30,655	277,452
Liability for unpaid insurance claims	1,098,776	--	2,662,944
Liability for compensated absences	--	--	150,857
Total Current Liabilities	<u>1,140,286</u>	<u>57,612</u>	<u>3,482,722</u>
Long-Term Liabilities:			
Liability for unpaid insurance claims	1,818,224	--	5,855,056
Liability for compensated absences	--	--	197,259
Total Noncurrent Liabilities	<u>1,818,224</u>	<u>--</u>	<u>6,052,315</u>
Total Liabilities	<u>2,958,510</u>	<u>57,612</u>	<u>9,535,037</u>
 NET ASSETS			
Invested in capital assets	--	--	6,450,444
Unrestricted	2,551,671	22,077	10,159,649
Total Net Assets	<u>2,551,671</u>	<u>22,077</u>	<u>16,610,093</u>
 Total Liabilities and Net Assets	 <u><u>\$ 5,510,181</u></u>	 <u><u>\$ 79,689</u></u>	 <u><u>\$ 26,145,130</u></u>

COUNTY OF NAPA

Combining Statement of Revenues, Expenses and Changes in Fund Net Assets Internal Service Funds For the Year Ended June 30, 2011

	Equipment Pool Service Fund	Information Technology Services	Workers' Compensation
Operating Revenues:			
Charges for services	\$ 32,041	\$ 8,821,019	1,185,318
Maintenance Charges:			
Equipment	599,464	--	--
Vehicle	1,248,500	--	--
Replacement charges	857,833	--	--
Other revenue	2,585	243	3,941
Total Operating Revenues	2,740,423	8,821,262	1,189,259
Operating Expenses:			
Salaries and employee benefits	321,792	5,275,131	--
Services and supplies	1,271,733	2,766,177	808,253
Claims expense	--	--	868,340
Depreciation and amortization	825,386	199,509	--
Total Operating Expenses	2,418,911	8,240,817	1,676,593
Operating Income (Loss)	321,512	580,445	(487,334)
Non-Operating Revenues (Expenses):			
Interest income	39,727	18,437	50,081
Gain on disposition of capital assets	25,808	--	--
Total Non-Operating Revenues (Expenses)	65,535	18,437	50,081
Change in Net Assets	387,047	598,882	(437,253)
Net Assets - Beginning of Year	10,532,214	2,462,764	492,691
Net Assets - End of Year	\$ 10,919,261	\$ 3,061,646	55,438

continued

COUNTY OF NAPA

Combining Statement of Revenues, Expenses and Changes in Fund Net Assets (continued) Internal Service Funds For the Year Ended June 30, 2011

	General Liability	Employee/ Retiree Benefits	Total
Operating Revenues:			
Charges for services	1,920,004	4,731,735	\$ 16,690,117
Maintenance Charges:			
Equipment	--	--	599,464
Vehicle	--	--	1,248,500
Replacement charges	--	--	857,833
Other revenue	35,901	--	42,670
	<u>1,955,905</u>	<u>4,731,735</u>	<u>19,438,584</u>
Operating Expenses:			
Salaries and employee benefits	--	4,731,735	10,328,658
Services and supplies	505,076	--	5,351,239
Claims expense	1,322,283	--	2,190,623
Depreciation and amortization	--	--	1,024,895
	<u>1,827,359</u>	<u>4,731,735</u>	<u>18,895,415</u>
Operating Income (Loss)	<u>128,546</u>	<u>--</u>	<u>543,169</u>
Non-Operating Revenues (Expenses):			
Interest income	41,538	--	149,783
Gain on disposition of capital assets	--	--	25,808
	<u>41,538</u>	<u>--</u>	<u>175,591</u>
Change in Net Assets	170,084	--	718,760
Net Assets - Beginning of Year	<u>2,381,587</u>	<u>22,077</u>	<u>15,891,333</u>
Net Assets - End of Year	<u><u>2,551,671</u></u>	<u><u>22,077</u></u>	<u><u>\$ 16,610,093</u></u>

COUNTY OF NAPA

Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2011

	<u>Equipment Pool Service Fund</u>	<u>Information Technology Services</u>	<u>Workers' Compensation</u>
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash receipts from internal services provided	\$ 2,733,277	\$ 8,821,787	\$ 1,305,537
Cash paid to suppliers for goods and services	(1,152,756)	(2,834,790)	(2,141,284)
Cash paid to employees for services	<u>(316,058)</u>	<u>(5,237,366)</u>	<u>--</u>
 Net Cash Provided (Used) by Operating Activities	 <u>1,264,463</u>	 <u>749,631</u>	 <u>(835,747)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Proceeds of sales of capital assets	37,784	--	--
Payments related to the acquisition of capital assets	<u>(525,253)</u>	<u>(503,583)</u>	<u>--</u>
 Net Cash Provided (Used) by Capital and Related Financing Activities	 <u>(487,469)</u>	 <u>(503,583)</u>	 <u>--</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received (paid)	<u>39,727</u>	<u>18,437</u>	<u>50,081</u>
Net Cash Provided by Investing Activities	<u>39,727</u>	<u>18,437</u>	<u>50,081</u>
 Net Increase (Decrease) in Cash and Cash Equivalents	 816,721	 264,485	 (785,666)
 Cash and Cash Equivalents, Beginning of Year	 <u>4,488,242</u>	 <u>2,869,686</u>	 <u>6,391,834</u>
 Cash and Cash Equivalents, End of Year	 <u>\$ 5,304,963</u>	 <u>\$ 3,134,171</u>	 <u>\$ 5,606,168</u>

continued

COUNTY OF NAPA

Combining Statement of Cash Flows (continued)
Internal Service Funds
For the Year Ended June 30, 2011

	<u>General Liability</u>	<u>Employee/ Retiree Benefits</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash receipts from internal services provided	\$ 1,955,905	\$ 4,730,923	\$19,547,429
Cash paid to suppliers for goods and services	(1,789,708)	26,957	(7,891,581)
Cash paid to employees for services	--	(4,714,955)	(10,268,379)
	<u>166,197</u>	<u>42,925</u>	<u>1,387,469</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Proceeds of sales of capital assets	--	--	37,784
Payments related to the acquisition of capital assets	--	--	(1,028,836)
	<u>--</u>	<u>--</u>	<u>(991,052)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received (paid)	41,538	--	149,783
Net Cash Provided by Investing Activities	<u>41,538</u>	<u>--</u>	<u>149,783</u>
Net Increase (Decrease) in Cash and Cash Equivalents	207,735	42,925	546,200
Cash and Cash Equivalents, Beginning of Year	<u>5,302,446</u>	<u>34,357</u>	<u>19,086,565</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 5,510,181</u></u>	<u><u>\$ 77,282</u></u>	<u><u>\$19,632,765</u></u>

continued

COUNTY OF NAPA

Combining Statement of Cash Flows (continued)
Internal Service Funds
For the Year Ended June 30, 2011

	<u>Equipment Pool Service Fund</u>	<u>Information Technology Services</u>	<u>Workers' Compensation</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating income (loss)	\$ 321,512	\$ 580,445	\$ (487,334)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	825,386	199,509	--
Changes in assets and liabilities:			
(Increase) decrease in:			
Accounts receivable	(7,146)	525	27,285
Prepaid items	--	(1,199)	--
Deposits	--	--	88,993
Increase (decrease) in:			
Accounts payable	118,977	(67,414)	(96,691)
Accrued salaries	786	9,980	--
Compensated absences	4,948	27,785	--
Claims liability	--	--	(368,000)
Net Cash Provided (Used) by Operating Activities	<u>\$ 1,264,463</u>	<u>\$ 749,631</u>	<u>\$ (835,747)</u>

continued

COUNTY OF NAPA

Combining Statement of Cash Flows (continued)
Internal Service Funds
For the Year Ended June 30, 2011

	<u>General Liability</u>	<u>Employee/ Retiree Benefits</u>	<u>Total</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating income (loss)	\$ 128,546	\$ --	\$ 543,169
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	--	--	1,024,895
Changes in assets and liabilities:			
(Increase) decrease in:			
Accounts receivable	--	(812)	19,852
Prepaid items	--	16,780	15,581
Deposits	--	--	88,993
Increase (decrease) in:			
Accounts payable	37,651	26,957	19,480
Accrued salaries	--	--	10,766
Compensated absences	--	--	32,733
Claims liability	--	--	(368,000)
	<u> </u>	<u> </u>	<u> </u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 166,197</u>	<u>\$ 42,925</u>	<u>\$ 1,387,469</u>



Photography by Jobina Toh

Oxbow Public Market

Perfectly situated along the Napa River and Napa River Trail, adjacent to the Oxbow Preserve and Oxbow By-Pass Commons

Located on First Street, City of Napa

FIDUCIARY FUNDS

INVESTMENT TRUST FUNDS

These funds are used by the County to account for the assets of legally separate entities who deposit cash with the County Treasurer. These include school and community college districts, other special districts governed by local boards, regional boards and authorities, courts and pass through funds for tax collections for cities. These funds represent the assets, primarily cash and investments, and the related liability of the County to disburse these monies on demand.

School Districts

School districts are legally separate primary governmental units. The financial reporting for these governmental entities, which are independent of the County of Napa, 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 the school districts are administered by boards which are separately elected and which are independent of the County Board of Supervisors and have been excluded from the County's basic financial statements.

Special Districts

Special districts are legally separate primary governmental units. The financial reporting for these governmental entities, which are independent of the County of Napa, 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 the local board governed districts are administered by boards which are separately elected and which are independent of the County Board of Supervisors and have been excluded from the County's basic financial statements.

AGENCY FUNDS

Agency funds are custodial in nature and do not involve the measurement of results of operations. Such funds have no equity accounts since all assets are due to local governments and individuals at some future time.

COUNTY OF NAPA

Combining Statement of Fiduciary Net Assets
Investment Trust Funds
June 30, 2011

ASSETS	<u>School Districts</u>	<u>Special Districts</u>	<u>Total</u>
Current Assets:			
Cash and investments	<u>\$ 177,728,795</u>	<u>\$ 78,260,028</u>	<u>\$ 255,988,823</u>
Total Current Assets	<u>\$ 177,728,795</u>	<u>\$ 78,260,028</u>	<u>\$ 255,988,823</u>
 NET ASSETS			
Net assets held in trust for investment pool participants	<u>\$ 177,728,795</u>	<u>\$ 78,260,028</u>	<u>\$ 255,988,823</u>
Total Net Assets	<u>\$ 177,728,795</u>	<u>\$ 78,260,028</u>	<u>\$ 255,988,823</u>

COUNTY OF NAPA

Combining Statement of Changes in Fiduciary Net Assets
Investment Trust Funds
For the Year Ended June 30, 2011

	<u>School Districts</u>	<u>Special Districts</u>	<u>Total</u>
<u>ADDITIONS</u>			
Contributions:			
Contributions to investment pool	\$ 794,362,841	\$ 305,754,672	\$ 1,100,117,513
Total Contributions	<u>794,362,841</u>	<u>305,754,672</u>	<u>1,100,117,513</u>
Net Investment Income:			
Interest	1,360,508	544,405	1,904,913
Net Investment Income	<u>1,360,508</u>	<u>544,405</u>	<u>1,904,913</u>
Total Additions	<u>795,723,349</u>	<u>306,299,077</u>	<u>1,102,022,426</u>
<u>DEDUCTIONS</u>			
Distributions from investment pool	796,288,824	291,959,802	1,088,248,626
Total Deductions	<u>796,288,824</u>	<u>291,959,802</u>	<u>1,088,248,626</u>
Change in Net Assets	(565,475)	14,339,275	13,773,800
Net Assets, Beginning	<u>178,294,270</u>	<u>63,920,753</u>	<u>242,215,023</u>
Net Assets, Ending of Year	<u>\$ 177,728,795</u>	<u>\$ 78,260,028</u>	<u>\$ 255,988,823</u>

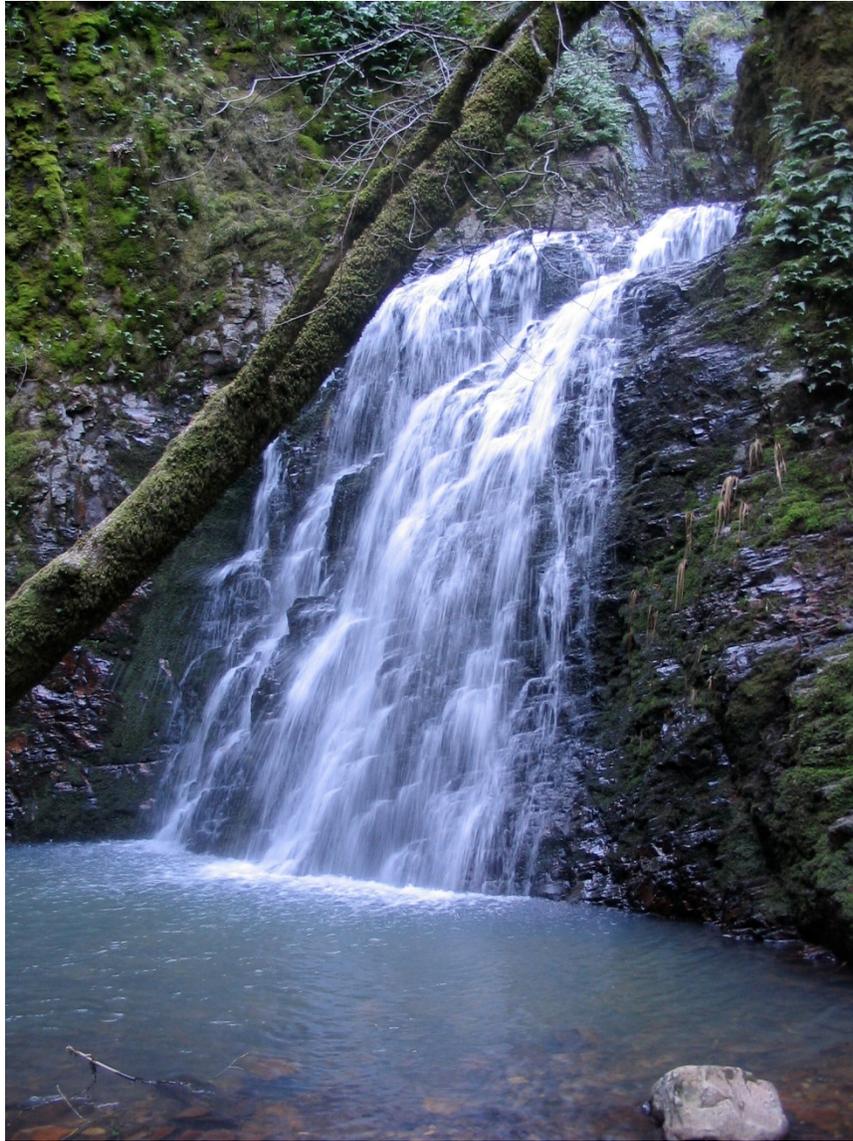
COUNTY OF NAPA

Combining Statement of Changes in Assets and Liabilities
 Agency Funds
 For the Fiscal Year Ended June 30, 2011

ASSETS	<u>June 30, 2010</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2011</u>
Current Assets:				
Cash and investments	\$ 33,782,018	\$ 747,188,347	\$ 742,911,271	\$ 38,059,094
Taxes receivable	15,387,130	--	2,426,680	\$ 12,960,450
Total Current Assets	<u>\$ 49,169,148</u>	<u>\$ 747,188,347</u>	<u>\$ 745,337,951</u>	<u>\$ 51,019,544</u>
LIABILITIES				
Agency funds held for others	\$ 49,169,148	\$ 747,188,347	\$ 745,337,951	\$ 51,019,544
Total Liabilities	<u>\$ 49,169,148</u>	<u>\$ 747,188,347</u>	<u>\$ 745,337,951</u>	<u>\$ 51,019,544</u>



Statistical Section



Photography by Ken Stanton

Waterfall at Archer Taylor Preserve
Preserve is managed by the Land Trust of Napa County

Located on the west side of Napa Valley

COUNTY OF NAPA

Statistical Section

This part of the County of Napa’s comprehensive annual financial report presents detailed information as a context for understanding this year’s financial statements, note disclosures, and required supplementary information.

	<u>Page</u>
Financial Trends Information	
These schedules contain trend information that may assist the reader in assessing the County’s current financial performance by placing it in historical perspective	158
Revenue Capacity Information	
These schedules contain information that may assist the reader in assessing the viability of the County’s two most significant local revenue sources; property taxes and sales taxes	164
Debt Capacity Information	
These schedules present information that may assist the reader in analyzing the affordability of the County’s current levels of outstanding debt and the County’s ability to issue additional debt in the future	169
Demographic & Economic Information	
These schedules offer economic and demographic indicators that are commonly used for financial analysis and that can enhance a reader’s understanding of the County’s present and ongoing financial status.....	174
Operating Information	
These schedules contain service and infrastructure indicators about how the information in the County’s financial statements relates to the services the County provides and the activities it performs	176

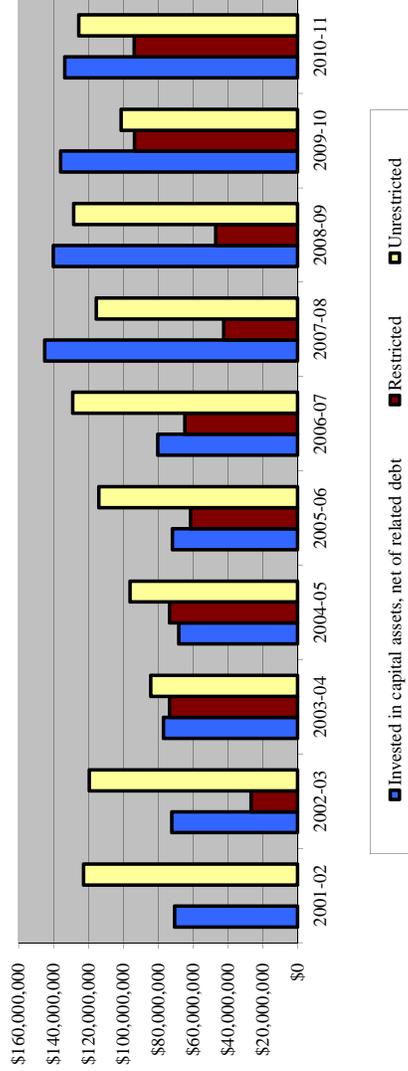
Notes: The County implemented GASB Statement No. 34 in 2001-2002; schedules presenting government-wide information include information beginning in that year.

COUNTY OF NAPA

Government-wide Net Assets by Component,
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
Governmental activities										
Invested in capital assets, net of related debt ¹	\$ 58,975,246	\$ 60,088,718	\$ 66,892,363	\$ 55,998,181	\$ 57,639,390	\$ 61,332,361	\$ 116,608,083	\$ 99,084,559	\$ 90,854,959	\$ 89,334,032
Restricted	-	26,658,643	73,467,180	73,543,466	61,499,414	64,749,020	41,875,741	46,450,508	93,346,896	93,328,683
Unrestricted	124,753,532	119,685,666	81,546,729	92,878,429	110,659,585	127,517,769	114,441,572	126,903,650	99,555,367	123,253,612
Total governmental activities net assets	\$ 183,728,778	\$ 206,433,027	\$ 221,906,272	\$ 222,420,076	\$ 229,798,389	\$ 253,599,150	\$ 272,925,396	\$ 272,438,717	\$ 283,757,222	\$ 305,916,327
Business-type activities										
Invested in capital assets, net of related debt	\$ 11,486,607	\$ 12,061,886	\$ 9,972,402	\$ 12,139,129	\$ 14,259,931	\$ 18,962,458	\$ 28,470,449	\$ 40,970,781	\$ 45,096,401	\$ 44,264,844
Restricted	-	-	-	-	-	-	480,549	479,333	293,479	328,155
Unrestricted	(1,976,428)	(186,815)	2,756,267	3,254,322	3,403,166	1,374,931	1,051,188	1,472,144	1,605,575	2,157,444
Total business-type activities net assets	\$ 9,510,179	\$ 11,875,071	\$ 12,728,669	\$ 15,393,451	\$ 17,663,097	\$ 20,337,389	\$ 30,002,186	\$ 42,922,258	\$ 46,995,455	\$ 46,750,443
Primary government										
Invested in capital assets, net of related debt	\$ 70,461,853	\$ 72,150,604	\$ 76,864,765	\$ 68,137,310	\$ 71,899,321	\$ 80,294,819	\$ 145,078,532	\$ 140,055,340	\$ 135,951,360	\$ 133,598,876
Restricted	-	26,658,643	73,467,180	73,543,466	61,499,414	64,749,020	42,356,290	46,929,841	93,640,375	93,656,838
Unrestricted	122,777,104	119,498,851	84,302,996	96,132,751	114,062,751	128,892,700	115,492,760	128,375,794	101,160,942	125,411,056
Total primary government net assets²	\$ 193,238,957	\$ 218,308,098	\$ 234,634,941	\$ 237,813,527	\$ 247,461,486	\$ 273,936,539	\$ 302,927,582	\$ 315,360,975	\$ 330,752,677	\$ 352,666,770
Percent of increase (decrease) in primary government net assets	N/A	12.97%	7.48%	1.35%	4.06%	10.70%	10.58%	4.10%	4.88%	6.63%

Components of County Net Assets



Notes:

¹ Capital assets include land, easements, infrastructure, construction in progress, structures and improvements, and equipment.

² Accounting standards require that net assets be reported in three components in the financial statements: invested in capital assets, net of related debt; restricted; and unrestricted. Net assets are considered restricted only when an external party, such as the state or federal government, places a restriction on how the resources may be used, or through enabling legislation enacted by the County.

Source: Basic Financial Statements and Comprehensive Annual Financial Reports - County of Napa, California

COUNTY OF NAPA

Changes in Net Assets, Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
Expenses										
Governmental activities:										
General government	\$ 32,049,841	\$ 35,498,520	\$ 33,547,309	\$ 24,611,200	\$ 28,808,510	\$ 30,344,422	\$ 36,965,695	\$ 33,245,999	\$ 32,201,273	\$ 37,039,022
Public protection	54,093,413	59,155,040	62,467,022	70,316,699	77,954,632	82,810,854	85,291,842	92,994,974	92,847,859	100,258,399
Public ways and facilities	21,127,537	16,877,819	23,224,824	28,269,848	40,796,290	27,263,089	23,234,238	24,440,620	23,542,661	23,825,672
Health and sanitation	27,125,790	29,123,849	27,777,318	29,561,078	32,373,467	35,941,958	38,670,267	40,845,070	39,642,405	40,838,624
Public assistance	28,898,408	26,085,613	27,454,506	31,683,117	29,420,309	28,526,647	30,468,421	32,383,758	34,553,156	37,018,759
Education	4,382,122	4,869,614	4,829,289	5,194,812	5,628,848	5,716,827	6,025,556	6,646,817	7,207,944	7,541,241
Recreational and cultural services	-	44,978	300,142	1,021,586	120,152	206,468	876,547	1,164,588	1,222,282	1,264,678
Debt service:										
Interest and fiscal charges	3,640,446	3,549,288	4,474,723	3,882,913	4,180,859	3,799,558	3,624,153	3,371,954	3,141,097	2,916,514
Administration and arbitrage fees	-	171,193	11,209	1,507,883	459,566	14,770	6,315	17,570	36,684	15,745
Total governmental activities expenses	171,317,557	175,375,914	184,086,342	196,049,136	219,742,633	214,624,593	225,163,034	235,111,350	234,395,361	250,718,654
Business-type activities:										
Airport	1,251,864	1,435,205	1,715,493	1,676,592	1,935,407	2,152,164	2,527,682	2,608,377	2,800,254	2,678,008
Lake Berryessa Resort Improvement	480,768	574,405	709,545	710,296	886,976	642,997	845,030	959,387	1,132,055	1,177,938
Napa County Housing Authority	-	-	-	-	-	242,779	1,033,262	1,206,167	1,164,243	1,249,285
Napa Berryessa Public Improvement	489,437	584,255	567,119	634,032	709,907	657,015	1,238,425	737,780	765,839	949,895
Napa County Animal Shelter	-	-	-	-	-	-	-	-	965,424	1,088,049
Fifth Street Parking Garage	-	-	-	-	-	-	-	221,177	436,478	454,693
Total business-type activities expenses	2,222,069	2,593,865	2,992,157	3,020,920	3,532,290	3,694,955	5,644,399	5,732,888	7,264,293	7,597,868
Total primary government expenses	\$ 173,539,626	\$ 177,969,779	\$ 187,078,499	\$ 199,070,056	\$ 223,274,923	\$ 218,319,548	\$ 230,807,433	\$ 240,844,238	\$ 241,659,654	\$ 258,316,522
Program Revenues										
Governmental activities:										
Fees, fines & charges for services	\$ 5,706,775	\$ 4,976,957	\$ 3,368,205	\$ 3,305,175	\$ 3,689,381	\$ 6,487,957	\$ 8,195,676	\$ 11,941,868	\$ 7,740,846	\$ 10,993,039
General government	9,023,197	9,203,552	11,616,975	15,100,425	15,670,287	19,003,569	15,414,106	19,439,874	20,256,916	20,750,613
Public protection	6,000,804	10,147,260	11,226,993	9,947,969	11,345,970	14,895,429	10,701,991	11,395,384	14,453,216	14,316,131
Other activities	78,530,500	77,087,961	81,430,737	73,472,534	75,847,921	78,904,254	77,170,135	76,692,630	87,069,423	96,231,883
Operating grants and contributions	-	-	40,000	-	5,298,042	1,016,938	4,498,647	2,652,478	1,911,433	1,237,179
Capital grants and contributions	99,261,276	101,415,730	107,682,910	101,826,103	111,851,601	120,308,147	115,980,555	122,122,234	131,431,834	143,528,845
Total governmental activities program revenues	1,492,907	1,554,468	1,540,253	1,571,022	1,590,342	1,645,614	1,773,937	1,788,110	1,913,565	2,059,834
Business-type activities:										
Fees, fines & charges for services	505,227	514,730	583,130	557,551	658,117	543,516	446,722	519,297	566,054	508,481
Airport	-	-	-	-	-	-	-	-	-	-
Lake Berryessa Resort Improvement	550,526	521,361	633,931	576,164	676,043	389,059	627,018	619,520	519,467	671,659
Napa County Housing Authority	-	-	-	-	-	-	-	-	878,181	977,607
Napa Berryessa Public Improvement	-	-	-	-	-	-	-	-	111,205	128,774
Napa County Animal Shelter	1,367,540	1,187,475	945,373	2,975,901	2,730,512	84,114	210,446	169,041	246,408	153,902
Fifth Street Parking Garage	-	-	-	-	-	3,241,463	1,183,867	1,065,762	1,065,762	1,611,169
Operating grants and contributions	3,916,200	3,778,034	3,702,687	5,680,638	5,655,014	5,903,766	4,922,348	5,785,546	5,785,546	6,670,097
Capital grants and contributions	\$ 103,177,476	\$ 105,193,764	\$ 111,385,597	\$ 107,506,741	\$ 117,506,615	\$ 126,211,913	\$ 130,138,054	\$ 127,044,582	\$ 137,217,380	\$ 150,198,942

(Continued)

Source: Basic Financial Statements and Comprehensive Annual Financial Reports - County of Napa, California

COUNTY OF NAPA

Changes in Net Assets, Last Ten Fiscal Years - continued
(accrual basis of accounting)

	Fiscal Year									
	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
Net (Expense)/Revenue ¹										
Governmental activities	\$ (72,056,281)	\$ (73,960,184)	\$ (76,403,432)	\$ (94,223,033)	\$ (107,891,032)	\$ (94,316,446)	\$ (109,182,479)	\$ (112,989,116)	\$ (102,963,527)	\$ (107,189,809)
Business-type activities	1,694,131	1,184,169	710,530	2,659,718	2,122,724	2,208,811	8,513,100	(810,540)	(1,478,747)	(927,771)
Total primary government net expense	\$ (70,362,150)	\$ (72,776,015)	\$ (75,692,902)	\$ (91,563,315)	\$ (105,768,308)	\$ (92,107,635)	\$ (100,669,379)	\$ (113,799,656)	\$ (104,442,274)	\$ (108,117,580)
General Revenues and Other Changes in Net Assets										
Governmental activities:										
Taxes										
Property taxes	\$ 35,350,355	\$ 39,213,921	\$ 42,424,261	\$ 44,667,099	\$ 63,266,398	\$ 69,224,026	\$ 75,712,896	\$ 85,733,529	\$ 91,575,314	\$ 99,139,621
Sales and use taxes	24,359,026	25,858,407	27,920,438	27,065,296	29,109,022	30,597,528	31,188,494	28,460,170	16,794,850	18,009,925
Transient occupancy taxes	4,293,481	4,774,394	4,718,763	5,743,951	7,045,286	8,076,701	9,681,766	8,452,117	7,557,503	8,299,325
Property transfer taxes	1,054,546	1,140,502	1,440,722	1,790,692	2,253,151	1,576,809	1,128,851	919,282	743,267	1,233,273
Other	1,543	1,366	1,898	400	3,165	352	-	-	40	-
Motor vehicle in lieu taxes ²	-	-	-	9,417,773	-	-	-	-	-	-
Unrestricted interest and investment earnings	5,172,876	4,012,538	2,968,228	3,713,125	5,258,985	6,968,520	8,413,728	5,584,576	2,534,248	1,849,337
Miscellaneous	8,562,503	6,653,267	7,166,948	2,535,050	8,265,641	336,089	1,999,522	778,508	423,790	1,314,079
Special items ³	-	-	1,801,309	-	-	-	-	-	-	-
Transfers	276,009	(667,395)	77,476	85,840	67,697	(131,796)	(651,193)	(17,425,745)	(5,346,980)	(496,646)
Total governmental activities	79,070,339	80,987,000	88,520,043	95,019,826	115,269,345	116,648,829	127,474,064	112,502,437	114,282,032	129,348,914
Business-type activities:										
Taxes	55,257	52,721	59,710	13,362	28,267	96,377	110,558	123,196	116,564	124,640
Investment earnings	19,453	62,215	36,415	69,232	117,305	115,832	303,146	185,110	76,093	59,244
Miscellaneous	100,303	398,392	124,419	106,447	69,047	121,476	86,800	-	12,307	2,229
Change in estimation- capital assets ⁴	-	-	-	-	-	-	-	(3,603,439)	-	-
Special items ⁵	-	-	-	-	-	-	-	(400,000)	-	-
Transfers	(276,009)	667,395	(77,476)	(85,840)	(67,697)	131,796	651,193	17,425,745	5,346,980	496,646
Total business-type activities	(100,996)	1,180,723	143,068	103,201	146,922	465,481	1,151,697	13,730,612	5,551,944	682,759
Total primary government	\$ 78,969,343	\$ 82,167,723	\$ 88,663,111	\$ 95,123,027	\$ 115,416,267	\$ 117,114,310	\$ 128,625,761	\$ 126,233,049	\$ 119,833,976	\$ 130,031,673
Change in Net Assets										
Governmental activities	\$ 7,014,058	\$ 7,026,816	\$ 12,116,611	\$ 796,793	\$ 7,378,313	\$ 22,332,383	\$ 18,291,585	\$ (486,679)	\$ 11,318,505	\$ 22,159,105
Business-type activities	1,593,135	2,364,892	853,598	2,762,919	2,269,646	2,674,292	9,664,797	12,920,072	4,073,197	(245,012)
Total primary government	\$ 8,607,193	\$ 9,391,708	\$ 12,970,209	\$ 3,559,712	\$ 9,647,959	\$ 25,006,675	\$ 27,956,382	\$ 12,433,393	\$ 15,391,702	\$ 21,914,093

Notes:

¹ Net (expense)/revenue is the difference between the expenses and program revenues of a function or program. It indicates the degree to which a function or program supports itself with its own fees and grants versus its reliance upon funding from taxes and other general revenues. Numbers in parentheses are net expenses, indicating that expenses were greater than program revenues and therefore general revenues were needed to finance that function or program. Numbers without parentheses are net revenues, indicating program revenues were greater than expenses.

² Beginning in 2006, motor vehicle in-lieu fee revenue is reported under property tax due to the Triple-Flip legislation.

³ Special item of \$1.8m was contributed by the Napa County Flood Control and Water Conservation District to relocate and rebuild the Napa County Animal Shelter.

⁴ Change in estimation - capital assets of \$3.6m change in farmworker housing centers valuation for the Napa County Housing Authority.

⁵ Special item of \$0.4m stipulated judgement against Lake Berryessa Resort Improvement.

Source: Basic Financial Statements and Comprehensive Annual Financial Reports - County of Napa, California

COUNTY OF NAPA

**Governmental Activities Tax Revenues By Source
Last Ten Fiscal Years
(modified accrual basis of accounting)**

Fiscal Year ending June 30	Property Tax ¹	Sales & Use Tax ²	Transient Occupancy Tax ³	Property Transfer Tax ⁴	Other Taxes ⁵	Total
2002	\$ 35,350,355	\$ 24,359,026	\$ 4,293,481	\$ 1,054,546	\$ 1,543	\$ 65,058,951
2003	39,213,921	25,858,407	4,774,394	1,140,502	1,365	70,988,589
2004	42,424,261	27,920,438	4,718,763	1,440,722	1,898	76,506,082
2005	44,667,099	27,065,296	5,743,951	1,790,692	400	79,267,438
2006	63,266,398	29,109,022	7,045,286	2,253,151	3,165	101,677,022
2007	69,224,026	30,597,528	8,076,701	1,576,809	352	109,475,416
2008	75,712,794	31,188,494	9,681,766	1,128,851	102	117,712,007
2009	85,733,402	28,460,170	8,452,117	919,282	127	123,565,098
2010	91,575,314	16,794,850	7,557,503	743,267	40	116,670,974
2011	99,139,621	18,009,925	8,299,325	1,233,273	-	126,682,144
Change 2002-2011	180.4%	-26.1%	93.3%	16.9%	n/a	94.7%

Notes:

¹ Property tax revenues increased 180.4% in the last 10 fiscal years due to additional assessments by the Assessor's Office based on reappraisals of real property due to changes in ownership or completion of new construction. Beginning in 2006, motor vehicle in-lieu fee revenue is reported under property tax due to the Triple-Flip legislation.

² Sales and use tax revenues decreased 26.1% in the last ten years due to a combination of (i) rate increases (an additional 1% sales tax effective April 1, 2009), (ii) a decline in taxable sales, and (iii) Proposition 172 Sales Tax Augmentation Revenues previously recorded as Sales & Use Tax is now recorded as Operating Grants and Contributions. For fiscal year 2010-2011, a total of \$11.1 million Proposition 172 Sales Tax Augmentation revenues were recorded as Operating Grants and Contributions.

³ Transient Occupancy Tax (12% as of January 1, 2005) increased 93.3% in the last ten years due to an increase in tourism.

⁴ Property transfer tax revenues increased 16.9% in the last 10 years due to an increase in value and sales activity.

⁵ Other Taxes have been included with Property Taxes effective with fiscal year 2010-2011.

Source: Auditor-Controller's Office - County of Napa, California

COUNTY OF NAPA

Fund Balances, Governmental Funds, Last Ten Fiscal Years (modified accrual basis of accounting) (in thousands)

	Fiscal year									
	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11 ¹
General Fund										
Reserved	\$26,413	\$21,971	\$ 8,225	\$ 7,394	\$ 11,136	\$ 11,696	\$ 9,662	\$ 10,397	\$ 10,511	\$ -
Unreserved	42,563	44,317	56,471	57,574	62,817	63,431	40,309	40,570	50,863	-
Nonspendable	-	-	-	-	-	-	-	-	-	1,590
Restricted	-	-	-	-	-	-	-	-	-	28,631
Committed	-	-	-	-	-	-	-	-	-	1,009
Assigned	-	-	-	-	-	-	-	-	-	34,081
Unassigned	-	-	-	-	-	-	-	-	-	23,137
Total general fund	<u>\$68,976</u>	<u>\$66,288</u>	<u>\$64,696</u>	<u>\$ 64,968</u>	<u>\$ 73,953</u>	<u>\$ 75,127</u>	<u>\$ 49,971</u>	<u>\$ 50,967</u>	<u>\$ 61,374</u>	<u>\$ 88,448</u>
All Other Governmental Funds										
Reserved	\$33,416	\$68,644	\$20,545	\$ 17,551	\$ 17,497	\$ 18,872	\$ 17,723	\$ 16,741	\$ 16,735	\$ -
Unreserved, reported in:										
Special revenue funds	6,927	22,579	53,835	61,985	53,213	60,407	95,038	107,942	110,556	-
Capital projects funds	991	534	12,710	7,124	15,945	22,711	21,294	18,748	20,602	-
Debt service funds	7,800	5,365	2,616	1,490	1,541	3,407	1,550	1,501	1,502	-
Nonspendable	-	-	-	-	-	-	-	-	-	570
Restricted	-	-	-	-	-	-	-	-	-	107,011
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	35,304
Unassigned	-	-	-	-	-	-	-	-	-	(265)
Total all other governmental funds	<u>\$49,134</u>	<u>\$97,122</u>	<u>\$89,706</u>	<u>\$ 88,150</u>	<u>\$ 88,196</u>	<u>\$ 105,397</u>	<u>\$ 135,605</u>	<u>\$ 144,932</u>	<u>\$ 149,395</u>	<u>\$ 142,620</u>

¹ Starting in FY 2010 - 2011, fund balances are presented in accordance with the General Accounting Standards Board Statement Number 54, Fund Balance Reporting and Governmental Fund Type Definitions. As a result, certain funds previously shown as special revenue funds are reported under the General Fund.

Source: Basic Financial Statements and Comprehensive Annual Financial Reports - County of Napa, California

COUNTY OF NAPA

Changes in Fund Balance, Governmental Funds

Last Ten Fiscal Years
(modified accrual basis of accounting)
(in thousands)

	Fiscal year									
	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11 ¹
Revenues:										
Taxes	\$ 65,059	\$ 70,989	\$ 76,506	\$ 88,685	\$ 101,677	\$ 109,475	\$ 117,712	\$ 123,565	\$ 116,671	\$ 126,682
Licenses, fees and permits	4,325	2,936	3,590	3,981	4,293	5,286	5,023	4,426	4,566	4,400
Fines, forfeits and penalties	1,769	1,927	2,263	1,385	2,941	2,617	1,946	2,748	3,665	3,777
Use of money and property	4,522	3,551	2,700	3,312	4,727	6,278	7,657	5,089	2,471	1,961
Aid from other governments	78,530	77,088	77,462	73,473	82,455	80,589	74,639	77,127	89,189	99,079
Charges for services	14,496	19,140	19,620	22,988	23,472	32,460	26,089	31,944	32,596	35,960
Contributions and donations	-	-	-	-	-	250	3,797	1,255	896	717
Other	8,560	6,970	7,186	4,101	8,360	1,249	1,713	1,065	420	1,293
Total Revenues	177,261	182,601	189,327	197,925	227,925	238,204	238,576	247,219	250,474	273,869
Expenditures:										
Current:										
General government	27,344	36,207	29,906	24,887	27,565	30,797	34,968	30,181	30,613	35,950
Public protection	53,186	58,057	61,103	69,203	76,328	83,403	84,436	92,552	92,170	100,060
Public ways and facilities	14,814	10,527	16,859	22,298	34,410	22,037	18,394	20,340	20,483	21,132
Health and sanitation	26,976	28,963	27,663	29,404	32,076	35,863	38,411	40,692	39,647	40,939
Public assistance	28,746	25,924	27,260	31,566	29,211	28,478	30,159	32,111	34,273	36,811
Education	4,297	4,783	4,735	5,075	5,506	5,611	5,963	6,547	7,240	7,510
Recreational and cultural services	-	45	300	1,022	120	207	877	1,165	1,222	1,265
Capital Outlay	7,132	7,710	21,505	20,048	4,162	5,518	11,046	3,921	-	-
Debt Service:										
Principal	3,110	9,870	3,880	4,365	5,495	5,627	5,790	6,007	6,234	6,455
Interest	3,641	3,421	4,472	3,941	3,977	3,796	3,622	3,393	3,162	2,936
Administration and arbitrage fees	-	1,091	11	1,508	581	15	27	18	37	15
Total Expenditures	169,246	186,598	197,694	213,317	219,431	221,352	233,693	236,927	235,081	253,073
Excess of revenue over (under) expenditures	8,015	(3,997)	(8,367)	(15,392)	8,494	16,852	4,883	10,292	15,393	20,796
Other Financing Sources (Uses)										
Proceeds from borrowing	-	32,417	-	14,002	450	1,000	-	-	-	-
Transfers in	4,871	16,052	4,738	5,857	10,490	21,851	38,588	16,535	19,719	20,687
Transfers out	(4,366)	(15,048)	(5,378)	(5,468)	(10,403)	(21,329)	(38,419)	(16,503)	(20,244)	(21,184)
Total other financing sources (uses)	505	33,421	(640)	14,391	537	1,522	169	32	(525)	(497)
Net change in fund balances	\$ 8,520	\$ 29,424	\$ (9,007)	\$ (1,001)	\$ 9,031	\$ 18,374	\$ 5,052	\$ 10,324	\$ 14,868	\$ 20,299
Debt service as a percentage of non-capital expenditures	4.16%	7.43%	4.74%	4.30%	4.40%	4.37%	4.23%	4.03%	4.00%	3.71%

¹ Beginning in FY 2010-2011, certain funds previously shown as special revenue funds are reported under the General Fund in accordance with the General Accounting Standards Board Statement Number 54.

Source: Basic Financial Statements and Comprehensive Annual Financial Reports - County of Napa, California

COUNTY OF NAPA

**Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years
(in thousands of dollars)**

Fiscal Years ended June 30	Real Property	Personal Property	Less: Tax Exempt Property	Total Taxable Assessed Value ¹	Total Direct Tax Rate	Net Increase	
						Amount	Percentage
2002	\$ 14,086,106	\$ 691,127	\$ 588,735	\$ 14,188,498	1.0%	\$ 1,605,679	12.76%
2003	15,617,221	713,924	674,258	15,656,887	1.0%	1,468,389	10.35%
2004	17,193,975	757,097	712,053	17,239,019	1.0%	1,582,132	10.11%
2005	18,805,536	794,875	736,767	18,863,644	1.0%	1,624,625	9.42%
2006	20,927,596	843,571	792,749	20,978,418	1.0%	2,114,774	11.21%
2007	23,145,479	907,930	802,511	23,250,898	1.0%	2,272,480	10.83%
2008	25,277,127	1,035,647	857,734	25,455,040	1.0%	2,204,142	9.48%
2009	26,664,701	1,232,835	917,154	26,980,382	1.0%	1,525,342	5.99%
2010	26,820,705	1,297,812	914,739	27,203,778	1.0%	223,396	0.83%
2011	26,905,706	1,266,041	956,256	27,215,491	1.0%	11,713	0.04%

Notes:

¹ Article XIII A, added to California Constitution by Proposition 13 in 1978, fixed the base for valuation of property subject to taxes at the full cash value which appeared on the Assessor's 1975-76 assessment roll. Thereafter, full cash value can be increased:

- a. To reflect annual inflation up to two percent,
- b. To reflect current market value at time of ownership change, and
- c. To reflect market value for new construction

Source: Assessor's Office - County of Napa

COUNTY OF NAPA

Direct and Overlapping Property Tax Rates ¹ Last Ten Fiscal Years (rate per \$100 of assessed value)

<u>Fiscal Year</u>	<u>County Direct Rate</u>	<u>Overlapping Rates ²</u>			<u>Total Direct and Overlapping ²</u>
		<u>Local Special Districts</u>	<u>Schools</u>	<u>Cities</u>	
2002	1.00	0.28	0.07	0.04	1.39
2003	1.00	0.28	0.13	0.04	1.45
2004	1.00	0.28	0.17	0.03	1.48
2005	1.00	0.28	0.16	0.03	1.47
2006	1.00	0.28	0.15	0.03	1.46
2007	1.00	0.28	0.16	0.03	1.47
2008	1.00	0.28	0.18	0.03	1.49
2009	1.00	0.28	0.17	0.02	1.47
2010	1.00	0.28	0.21	0.02	1.51
2011	1.00	0.28	0.19	0.02	1.49

Notes:

¹ California voters, on June 6, 1978, approved a constitutional amendment to Article XIII A of the California Constitution, commonly known as Proposition 13, which limits the taxing power of California public agencies. Legislation enacted by the California Legislature to implement Article XIII A (Statutes of 1978, Chapter 292, as amended) provides that notwithstanding any other law, local agencies may not levy property tax except to pay debt service on indebtedness approved by voters prior to July 1, 1978, and that each County will levy the maximum tax permitted by Article XIII A of \$1 per \$100 of full cash value. Assessed value is equal to full cash value, pursuant to Senate Bill 1656, Statutes of 1978. The rates shown above are percentages of assessed valuation.

² These rates represent the maximum rate charged to taxpayers if all rates applied to them. In reality, the rates applicable to tax rate areas will vary at amounts lower than these totals.

Source: Auditor-Controller's Office - County of Napa, California.

COUNTY OF NAPA

**Principal Property Tax Payers
Current Year and Nine Years Ago**

<u>Taxpayer</u>	2010/2011			2001/2002		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	Percentage of Total County	<u>Taxable Assessed Value</u>	<u>Rank</u>	Percentage of Total County
			Taxable Assessed Value			Taxable Assessed Value
Diageo North America Inc	\$ 269,726,169	1	0.99%	-	-	-
Constellation Brands Inc	201,175,414	2	0.74%	-	-	-
Fosters Wine Estates Americas Company	199,039,424	3	0.73%	\$ 136,409,224	1	0.96%
Kaiser Foundation Hospitals	176,563,001	4	0.65%	-	-	-
Pacific Gas & Electric Company	164,928,915	5	0.61%	78,119,072	4	0.55%
Sutter Home Winery	149,196,460	6	0.55%	48,677,512	6	0.34%
Dey Laboratories LP	88,756,697	7	0.33%	89,359,017	3	0.63%
Duckhorn Wine Co	74,153,710	8	0.27%	-	-	-
AMCAN Beverages Inc	67,245,611	9	0.25%	-	-	-
SPP Napa Vineyards LLC	64,998,296	10	0.24%	-	-	-
IDV North America Inc	-	-	-	89,477,880	2	0.63%
Pacific Bell	-	-	-	63,197,811	5	0.45%
Silverado County Club & Resort Inc	-	-	-	45,738,186	7	0.32%
Sterling Vineyards Inc	-	-	-	34,856,512	8	0.25%
Codormiu Napa Ubc	-	-	-	34,338,278	9	0.24%
Domaine Chandon Inc	-	-	-	32,455,838	10	0.23%
Oregon Steel Mills Inc	-	-	-	31,617,383	11	0.22%
Chelsea Financing Partnership LP	-	-	-	27,438,483	12	0.19%
Total	\$ 1,455,783,697		5.36%	\$ 711,685,196		5.01%
Total Assessed Value	\$ 27,215,490,600			\$ 14,188,498,799		

Source: Auditor-Controller's Office - County of Napa, California.

COUNTY OF NAPA

**Property Tax Levies and Collections
Last Ten Fiscal Years**

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date		Total Cumulative	
	Fiscal Year	Amount	Percentage of Levy		Amount	Percentage of Levy	Amount	Percentage of Levy
2002	\$ 154,095,824	\$ 151,698,269	98.44%	\$ 2,392,722	\$ 154,090,991	100.00%	\$ 4,833	0.00%
2003	170,449,903	167,419,783	98.22%	3,021,764	170,441,547	100.00%	8,356	0.00%
2004	194,623,245	191,764,130	98.53%	2,846,278	194,610,408	99.99%	12,837	0.01%
2005	211,298,951	207,475,991	98.19%	3,796,819	211,272,810	99.99%	26,141	0.01%
2006	236,138,313	232,228,016	98.34%	3,820,857	236,048,873	99.96%	89,440	0.04%
2007	259,125,199	253,101,850	97.68%	5,787,753	258,889,603	99.91%	235,596	0.09%
2008	290,678,342	281,002,717	96.67%	8,910,454	289,913,171	99.74%	765,171	0.26%
2009	306,896,476	295,928,750	96.43%	9,589,735	305,518,485	99.55%	1,377,991	0.45%
2010	309,340,138	300,629,948	97.18%	6,508,518	307,138,466	99.29%	2,201,672	0.71%
2011	306,060,374	299,497,734	97.86%	n/a	299,497,734	97.86%	6,562,640	2.14%

Source: Auditor-Controller's Office - County of Napa, California

COUNTY OF NAPA

Direct and Overlapping Sales Tax Rates Last Ten Fiscal Years

Fiscal Year	State			Direct Government			Overlapping Government	
	General Fund ¹	Local Revenue Fund	Local Public Safety Fund	Fiscal Recovery Fund ²	County Operations ²	County Transportation	Flood Authority	Total
2002	5.00%	0.50%	0.50%	0.00%	1.00%	0.25%	0.50%	7.75%
2003	5.00%	0.50%	0.50%	0.00%	1.00%	0.25%	0.50%	7.75%
2004	5.00%	0.50%	0.50%	0.00%	1.00%	0.25%	0.50%	7.75%
2005	5.00%	0.50%	0.50%	0.25%	0.75%	0.25%	0.50%	7.75%
2006	5.00%	0.50%	0.50%	0.25%	0.75%	0.25%	0.50%	7.75%
2007	5.00%	0.50%	0.50%	0.25%	0.75%	0.25%	0.50%	7.75%
2008	5.00%	0.50%	0.50%	0.25%	0.75%	0.25%	0.50%	7.75%
2009	6.00%	0.50%	0.50%	0.25%	0.75%	0.25%	0.50%	8.75%
2010	6.00%	0.50%	0.50%	0.25%	0.75%	0.25%	0.50%	8.75%
2011	6.00%	0.50%	0.50%	0.25%	0.75%	0.25%	0.50%	8.75%

Notes:

¹ The sales tax rate for the State General Fund's portion had remained at 5% for 2000 - 2008 except in 2001 when it was temporarily reduced by 0.25% to 4.75%. In March of 2009 it increased by 1% from 5% to 6%.

² Proposition 57, on the March 2, 2004 ballot, authorized the State of California to issue \$15 billion in economic recovery bonds to be repaid via a dedicated revenue source. Therefore, 0.25% of the County Operations share of sales and use taxes were shifted to the new State Fiscal Recovery Fund.

Source: California State Board of Equalization

County of Napa

Ratios of Total Debt Outstanding by Type Last Ten Fiscal Years (dollars in thousands, except per capita)

Fiscal Year	Governmental Activities			Business-Type Activities			Total Primary Government	Percentage of Personal Income ¹	Per Capita ¹
	Sales Tax Revenue Bonds	Participation of Certificates	Term Loan Payable	Total	Improvement Bonds	Term Loan Payable			
2002	\$ 43,650	\$ 26,270	\$ -	\$ 69,920	\$ -	\$ 500	\$ 70,420	1.44%	\$ 551
2003	43,650	48,750	-	92,400	-	480	92,880	1.84%	714
2004	41,555	46,965	-	88,520	-	460	88,980	1.65%	675
2005	53,025	44,925	-	97,950	-	439	98,389	1.70%	743
2006	49,845	42,665	-	92,510	-	415	92,925	1.49%	697
2007	46,565	40,340	1,407	88,312	-	390	88,702	1.32%	660
2008	43,150	38,005	1,386	82,541	4,711	362	87,614	1.25%	644
2009	39,585	35,605	1,323	76,513	4,655	333	81,501	1.20%	592
2010	35,865	33,135	1,278	70,278	4,570	302	75,150	1.10%	541
2011	32,000	30,590	1,255	63,845	4,495	269	68,609	unavailable	498

Notes:

¹ See the Demographic and Economic Statistics Schedule for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

Details regarding the County's outstanding debt can be found in the notes to the financial statements.

Source: Auditor-Controller's Office - County of Napa

COUNTY OF NAPA

**Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years**

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value of Property	Per Capita
2002	n/a	n/a	\$ -	n/a	n/a
2003	n/a	n/a	-	n/a	n/a
2004	n/a	n/a	-	n/a	n/a
2005	n/a	n/a	-	n/a	n/a
2006	n/a	n/a	-	n/a	n/a
2007	n/a	n/a	-	n/a	n/a
2008	n/a	n/a	-	n/a	n/a
2009	n/a	n/a	-	n/a	n/a
2010	n/a	n/a	-	n/a	n/a
2011	n/a	n/a	-	n/a	n/a

Notes: The County of Napa does not have any general obligation bonds.

COUNTY OF NAPA

**Direct and Overlapping Debt
As of June 30, 2011**

Assessed Valuation (including unitary utility valuation)	\$ 27,378,713,972
Less: Redevelopment incremental valuation	<u>574,328,470</u>
Adjusted assessed valuation	<u><u>\$ 26,804,385,502</u></u>

DIRECT AND OVERLAPPING GENERAL FUND OBLIGATION DEBT:	Total Debt 6/30/2011	Percentage Applicable¹	County's Share of 6/30/11 Debt
Direct General Fund Obligation Debt			
Napa County Certificates of Participation	\$ 30,590,000	100.000%	\$ 30,590,000
Overlapping General Fund Obligation Debt			
<i>School Districts</i>			
Napa County Board of Education Certificates of Participation	3,475,000	100.000%	3,475,000
Calistoga Joint Unified School District Certificates of Participation	880,000	87.006%	765,653
<i>Cities</i>			
City of American Canyon General Fund Obligations	2,660,000	100.000%	2,660,000
Town of Yountville General Fund Obligations	<u>10,535,000</u>	100.000%	<u>10,535,000</u>
Total Overlapping General Fund Obligation Debt	<u>17,550,000</u>		<u>17,435,653</u>
Total Direct and Overlapping General Fund Obligation Debt	<u><u>48,140,000</u></u>		<u><u>48,025,653</u></u>

OVERLAPPING TAX AND ASSESSMENT DEBT:

<i>School Districts</i>			
Napa Valley Community College District	117,154,985	99.079%	116,075,988
Calistoga Joint Unified School District	9,638,300	87.006%	8,385,899
Fairfield-Suisun Joint Unified School District	85,490,000	1.314%	1,123,339
Napa Valley Unified School District	278,355,000	100.000%	278,355,000
St. Helena Unified School District	36,375,421	100.000%	36,375,421
Howell Mountain School District	2,658,490	100.000%	2,658,490
<i>Cities</i>			
City of St. Helena	935,000	100.000%	935,000
City of American Canyon 1915 Act Bonds	23,080,000	100.000%	23,080,000
City of Napa 1915 Act Bonds	560,000	100.000%	560,000
Lake Berryessa Resort Improvement Assessment District No. 2006-1	4,495,000	100.000%	4,495,000
California Statewide Community Development Authority Assessment Districts	<u>2,475,750</u>	100.000%	<u>2,475,750</u>
Total Overlapping Tax and Assessment Debt	<u>561,217,946</u>		<u>474,519,887</u>
COMBINED TOTAL DEBT	<u><u>\$ 609,357,946</u></u>		<u><u>\$ 522,545,540</u></u>

Ratio to 2010-11 Assessed Valuation:
Total Overlapping Tax and Assessment Debt.....1.73%

Ratios to Adjusted Assessed Valuation:
Combined Direct Debt (\$35,605,000).....0.11%
Combined Total Debt1.95%

STATE SCHOOL BUILDING AID REPAYABLE AS OF 6/30/11: \$0

Notes:

¹ Percentage of overlapping agency's assessed valuation located within boundaries of the county.

² Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and tax allocation bonds and non-bonded capital lease obligations.

Source: California Municipal Statistics, Inc.

COUNTY OF NAPA

Legal Debt Margin Information As of June 30, 2011 (dollars in thousands)

	Fiscal Year 2011	
	1.25%	3.75%
Debt limit	\$ 340,194	\$ 1,020,581
Total net debt applicable to limit	29,262	60,773
Legal debt margin	\$ 310,932	\$ 959,808
 Total net debt applicable to the limit as a percentage of debt limit	 8.60%	 5.95%

Legal Debt Margin Calculation:

Assessed value	\$ 28,171,747	\$ 28,171,747
Less: Exempt real property	(956,256)	(956,256)
Total assessed value	\$ 27,215,491	\$ 27,215,491

CERTIFICATES OF PARTICIPATION

Debt limit (1.25% and 3.75% of total assessed value) ¹	\$ 340,194	\$ 1,020,581
Debt applicable to limit:		
Certificates of Participation	30,590	30,590
Less: Amount set aside for repayment of outstanding debt	(1,328)	(1,328)
Total net debt applicable to limit	29,262	
Legal debt margin	\$ 310,932	

SALES TAX REVENUE BONDS

Debt applicable to limit:		
Sales Tax Revenue Bonds		32,000
Less: Amount set aside for repayment of outstanding debt		(489)
Total net debt applicable to limit		60,773
Legal debt margin		\$ 959,808

Notes:

- ¹ Using the California Attorney General's Opinion regarding Revenue and Taxation Code section 135 and applying that opinion to the California Government Code Section 29909, the County of Napa's outstanding bonded debt should not exceed 1.25% of total assessed property value. However, for flood control purposes, Napa County's outstanding bonded debt may exceed 1.25% but shall not exceed 3.75% of the total assessed property value. By law, the bonded debt subject to these limitations may be offset by amounts set aside for repaying bonded debt.

Details regarding the County's outstanding debt can be found in the notes to the financial statements.

Source: Auditor-Controller's Office - County of Napa, California

COUNTY OF NAPA

Pledged Revenue Bond Coverage Last Ten Fiscal Years (dollars in thousands)

Fiscal Year	Revenue Bonds - Measure A					Improvement Bonds ¹				
	Sales Tax Revenue	Administrative Cost	Net Available Revenue	Debt Service		Property Tax Collection and Special Assessments ²	Debt Service		Coverage	
				Principal	Interest		Principal	Interest		
2002	\$ 10,918	\$ 143	\$ 10,775	\$ -	\$ 2,071	\$ -	\$ 60	\$ 2	-	
2003	10,619	151	10,468	-	2,071	-	-	-	-	
2004	11,993	164	11,829	2,277	2,063	-	-	-	-	
2005	11,593	146	11,447	1,974	2,326	-	-	-	-	
2006	13,125	123	13,002	3,305	1,646	-	-	-	-	
2007	14,167	131	14,036	3,280	2,151	-	-	-	-	
2008	14,404	151	14,253	3,415	2,026	345	45	215	1.33	
2009	12,929	154	12,775	3,565	1,879	372	56	256	1.19	
2010	12,416	153	12,263	3,720	1,739	333	85	252	0.99	
2011	13,015	147	12,868	3,865	1,574	329	75	248	1.02	

Notes:

¹ Napa Berryessa Resort and Lake Berryessa Resort Improvement Bonds have been combined as Improvement Bonds.

² Property tax collections are adjusted annually to cover debt requirements. This is accomplished through the establishment of a tax rate applied to the secured and unsecured tax rolls. There are fund balances and reserves that ensure payment of the improvement bonds. The reserve accounts are liquidated in the final year of payment.

Special Assessments are levied on real property located within the Lake Berryessa Resort Improvement District Assessment District 2006-1. Upon receipt, these annual assessment installations are to be paid into the Redemption Fund to be held by the Fiscal Agent and used to pay debt service on the Bonds as it becomes due.

Details regarding the County's debt can be found in the notes to the financial statements. Administrative cost is equal to the California State Board of Equalization's administrative charge for collecting the 1/2 % sales tax for flood improvements.

Source: Auditor-Controller's Office - County of Napa, California

COUNTY OF NAPA

Demographic & Economic Statistics Last Ten Fiscal years

<u>Fiscal Year</u>	<u>Population</u> ¹	<u>Personal Income</u> ²	<u>Per Capita Personal Income</u> ²	<u>School Enrollment</u> ³	<u>Unemployment Rate</u> ⁴
2002	130,015	\$ 4,898,598,000	\$ 37,677	19,461	4.3%
2003	131,799	5,054,752,000	38,352	19,673	4.8%
2004	132,394	5,405,000,000	40,835	19,765	4.6%
2005	133,294	5,787,000,000	43,669	19,654	4.3%
2006	134,326	6,242,000,000	47,971	19,908	3.7%
2007	135,969	6,737,000,000	50,817	20,087	3.8%
2008	136,704	6,994,000,000	52,418	20,108	4.6%
2009	137,723	6,809,000,000	50,569	20,370	8.8%
2010	138,917	6,817,000,000	49,808	20,515	9.3%
2011	137,639	unavailable	unavailable	20,584	9.2%

Sources:

¹ California State Department of Finance - www.dof.ca.gov/research/demographic

² US Department of Commerce, Bureau of Economic Analysis - www.bea.gov

³ California Department of Education, Educational Demographics Office - www.ed-data.k12.ca.us

⁴ Employment Development Department, Labor Market Information - www.labormarketinfo.edd.ca.gov.

COUNTY OF NAPA

Principal Employers Current Fiscal Year and Nine Years Ago

	2011		2002		
	Employees	Percentage of Total County Employment ¹	Employer	Employees	Percentage of Total County Employment ¹
Napa State Hospital	2,321	3.41%	Napa State Hospital	1,973	1.69%
Queen of the Valley Hospital	1,527	2.24%	Napa Valley Unified School District	1,500	1.28%
County of Napa	1,307	1.92%	County of Napa	1,206	1.03%
St. Helena Hospital	1,261	1.85%	Queen of the Valley Hospital	1,200	1.03%
Napa Valley Unified School District	1,024	1.50%	St. Helena Hospital	960	0.82%
Veterans' Home of California	821	1.21%	Veterans Home of California	950	0.81%
Trinchero Family Estates	730	1.07%	Robert Mondavi Winery	900	0.77%
Treasury Wine Estates	662	0.97%	Beringer Vineyards	740	0.63%
Silverado Resort	550	0.81%	Dey Laboratories, Inc.	650	0.56%
Dey Labs	550	0.81%	Silverado Country Club	630	0.54%
Total	<u>10,753</u>	<u>15.79%</u>	Total	<u>10,709</u>	<u>9.15%</u>

Notes:

¹ Total Napa County Employment 2010-2011: 68,100

Sources: Napa Chamber of Commerce

State of California Employment Development Department <http://www.calmis.ca.gov/file/iframe/1106rcou.pdf>

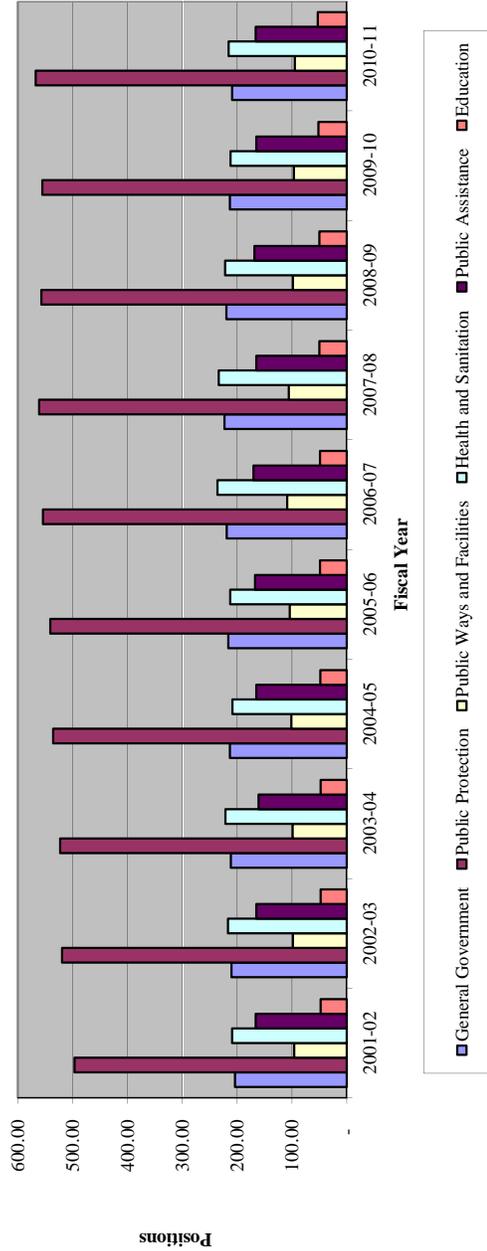
Direct phone survey Napa County Auditor-Controller's Office

COUNTY OF NAPA

Full-time Equivalent County Government Employees by Function Last Ten Fiscal Years

Function/program	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
General Government	204.2	210.2	211.6	213.2	216.0	219.2	223.2	219.9	213.1	209.1
Public Protection	497.0	519.5	523.1	535.7	540.9	554.4	561.1	557.4	555.4	569.6
Public Ways and Facilities	96.1	98.0	99.0	101.0	104.0	109.0	106.0	98.0	96.8	94.8
Health and Sanitation	209.4	216.5	221.4	208.5	212.5	235.7	233.4	222.0	212.0	215.6
Public Assistance	166.3	165.3	161.3	165.3	167.3	170.3	165.3	168.8	165.3	166.5
Education	47.9	47.9	47.9	48.4	48.9	48.9	50.1	50.1	52.1	52.1
Total full-time equivalent employees	1,220.8	1,257.3	1,264.2	1,272.0	1,289.4	1,337.3	1,339.0	1,316.1	1,294.5	1,307.7

FTE By Function



Source: Auditor-Controller's Office - County of Napa, California.

COUNTY OF NAPA

**Operating Indicators by Function
Last Six Fiscal Years**

Function	Fiscal Year					
	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
Airport						
Annual Arrivals and Departures	118,354	126,712	126,444	109,121	87,412	50,283
Avigation Easements issued	13	10	2	5	3	2
Hangar leases	172	172	172	171	171	163
Culture and recreation						
Athletic field permits issued	n/a	n/a	n/a	n/a	n/a	n/a
Community center admissions	n/a	n/a	n/a	n/a	n/a	n/a
Education						
Library branches located in the county	4	4	4	4	4	4
Items checked out	728,390	741,130	813,824	910,000	988,549	1,022,969
Library cards issued	53,521	51,964	47,147	47,715	49,609	50,992
Number of computers provided for public use	58	58	58	58	71	85
Fire						
Number of calls answered	3,486	3,041	3,072	3,049	3,444	3,091
Inspections	1,100	1,100	3,252	2,563	2,272	2,156
Health & Human Services						
Public Guardian total clients (conservatees + additional referrals)	55	67	65	68	67	80
Veterans Service Officer number of benefit claims filed	40	231	319	455	616	512
Public Health						
Women, Infants, and Children (WIC) visits	25,194	26,257	26,543	26,567	25,898	24,052
Public Health home visiting program visits	3,180	3,552	3,752	3,816	4,238	3,317
Immunizations ¹	7,521	6,961	8,021	8,584	17,821	15,083
Mental Health						
Emergency Response clients	820	928	998	1,135	841	792
Adult Medication Clinic clients	659	649	540	509	469	467
Children's Medication Support clients	206	233	173	198	236	235
Total Mental Health clients served	2,173	2,504	2,120	2,653	2,411	2,590
Alcohol and Drug Services - Division Restructured 9/2007						
Adult Outpatient Treatment and Recovery Services Program clients	735	676	867	616	573	375
Prevention (school-based youth) groups	157	176	272	580	534	814
PC 1210 STOP (formerly Proposition 36) clients	412	167	120	217	154	359
Total Alcohol and Drug Services clients served	3,710	1,075	1,259	1,413	1,261	1,548
Social Services						
Adult Protective Services total clients served	627	320	314	364	389	381
CalWORKs average caseload	550	546	554	635	791	902
Child Welfare Services total child abuse referrals received	1,323	1,140	1,061	993	1,028	1,065
Child Welfare Services percent timely investigations:						
% Timely immediate investigations	94	99	100	99	100	100
% Timely ten day investigations	82	90	97	100	100	100
County Medical Services Program average number of continuing cases/eligibles						
Food Stamps average caseload	1,190	1,203	1,305	1,710	2,009	3,081
Foster care average number of cases	149	133	110	109	124	143
In Home Supportive Services total clients served	696	668	722	841	838	852
Medi-Cal average number of eligibles	10,788	12,565	12,698	13,420	14,445	15,766
Workforce Investment Act total number enrolled	124	182	176	270	307	237

¹ Immunizations in FY 2009-10 included H1N1 immunization campaign

Notes:

Indicators are not available for the general government function

The County began tracking these statistics in fiscal year 2005-2006 with the implementation of GASB 44, therefore prior year information is not available.

(Continued)

Source: Various Napa County departments

COUNTY OF NAPA

**Operating Indicators by Function
Last Six Fiscal Years (continued)**

Function	Fiscal Year					
	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
Highways and streets						
Street resurfacing (miles)	6	4	8	8	6	35
Potholes repaired	1,000	1,200	1214	1278	1470	1,900
Sheriff						
Physical arrests	1,903	2,004	1849	1,475	1,570	1,431
Parking violations	2,054	1,410	1450	1,447	1,478	1,405
Traffic violations	3,206	3,141	3600	2,809	2,585	3,127
Water						
New connections	21	5	2	-	-	-
Water mains breaks	4	5	2	-	-	1
Average daily consumption (thousands of gallons)	160	286	234	231	151	139
Wastewater						
Average daily sewage treatment (thousands of gallons)	131	109	118	95	57	72

Notes:

Indicators are not available for the general government function

The County began tracking these statistics in fiscal year 2005-2006 with the implementation of GASB 44, therefore prior year information is not available.

Source: Various Napa County departments

COUNTY OF NAPA

**Capital Asset Statistics by Function
Last Six Fiscal Years**

Function	Fiscal Year					
	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
Public Safety						
Sheriff:						
Stations (Headquarters and 4 substations)	5	5	5	5	5	5
Patrol units	21	29	29	29	29	29
Fire stations:						
Stations	13	13	13	13	13	13
Fire Engines	28	31	30	31	31	31
Fire Trucks	2	2	2	2	2	2
Culture and recreation						
Parks acreage	1	1	61	61	61	61
Parks	1	1	2	2	2	2
Education						
Library branches	4	4	4	4	4	4
Library books and materials ¹	198,602	198,527	205,063	204,460	200,260	168,617
Health & Sanitation						
Public Health						
10" Kaultronics Dish System (satellite dish)	1	1	1	1	1	1
Lab refrigerator	1	1	1	1	1	1
7x4' trailers	2	4	4	4	4	4
Cisco Analog Phone Gateway	1	1	1	1	1	1
Digital Logging Recorder	1	1	1	1	1	1
Mental Health						
Power Edge Servers	-	-	4	4	4	4
Substance Abuse						
Wolf range	1	1	1	1	1	1
Stero dishwasher	1	1	1	1	1	1
Victory freezer	1	1	1	1	1	1
Victory refrigerator	1	1	1	1	1	1
Health & Human Services Administration						
Cisco VG248 Analog Phone	2	2	2	2	2	2
Social Services (TEC)						
Micro Vax Server	1	1	1	1	1	1
Public Ways & Facilities						
Airport						
Runway miles	2.6	2.6	2.6	2.6	2.6	2.6
Taxiway miles	3.6	3.6	3.6	3.6	3.6	3.6
Highways and streets						
Streets (miles) ²	466	466	466	446	446	446
Traffic signals	32	32	32	32	32	32
Water						
Water mains (miles)	13	13	13	13	13	13
Fire hydrants	109	109	109	109	109	109
Maximum daily capacity (thousands of gallons)	536	536	536	536	536	536
Wastewater						
Sanitary sewers (miles)	14	14	14	14	14	14
Storm sewers (miles)	n/a	n/a	n/a	n/a	n/a	n/a
Maximum daily treatment capacity (thousands of gallons)	210	210	210	210	210	210

Notes:

¹ Restated to include all books and materials.

² In fiscal year 2008-2009, certain roadways were assumed by various cities.

Indicators are not available for the general government function.

The County began tracking these statistics in fiscal year 2005-2006 with the implementation of GASB 44, therefore prior year information is not available.

Source: Various Napa County departments