

County of Napa, California

Comprehensive Annual Financial Report

For the Fiscal Year Ended
June 30, 2013



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*

Napa Valley Open Studios is a collaborative effort by artists and fine craftspeople committed to bringing you local art. In this Comprehensive Annual Financial Report we have included art contributed by local artists as a tribute to all artists who participated in the 26th Annual Napa Valley Open Studios.

Cover photo by: Jeff Tangen Photography

County of Napa, California

Comprehensive Annual Financial Report

*For the Fiscal Year Ended
June 30, 2013*



TRACY A. SCHULZE
Auditor-Controller



Painting Courtesy of Nancy Tesch, nJoizart owner/artist, www.njoizart.com

Napa Riverfront

City of Napa

COUNTY OF NAPA

Notes to the Basic Financial Statements For the Year Ended June 30, 2013

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Painting Courtesy of Christine Olivo, artist, www.olivoarts.com

Barns at Lincoln Ranch



Introductory Section



Painting Courtesy of Lin Weber, www.linweber.com

Napa Valley Dawn

A rendering of the Trinchero vineyard off Highway 29 in St Helena



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

**Tracy A. Schulze
Auditor-Controller**

**Nancy Watt
County Executive Officer**

December 13, 2013

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, 2013.

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, 2013. 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 population. 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, environmental management, 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 protection), and division (e.g., Sheriff). With certain limitations, department heads may transfer resources within a division as they see fit. Transfers between divisions, however, need special approval from the Board of Supervisors.

Local Economy

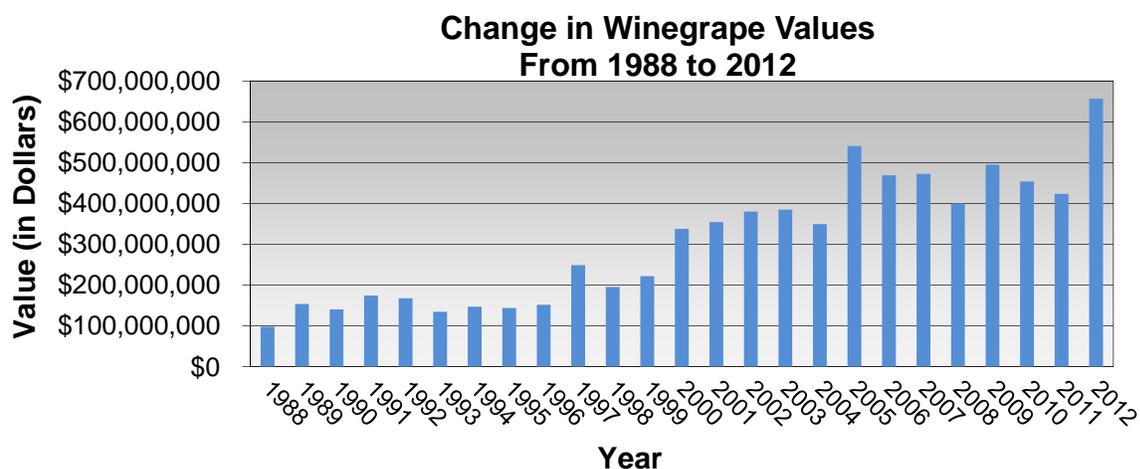
In the heart of the wine country, the County of Napa includes one of California's most beautiful valleys. The temperate year round climate provides ideal weather for the growth of world-class wine grapes. The valley's unique microclimates also allow residents and visitors the opportunity to take full 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 138,383 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 (2012) prepared by Stonebridge Research Group LLC for the Napa Valley Vintners shows a total economic impact of more than \$13.3 billion on the Napa County economy from the local wine industry in 2011. In addition, the Napa Valley's wine and vineyard sector directly, and indirectly through services and products, provides nearly 46,000 jobs in the County and generates nearly \$5.2 billion in taxes, across federal, state, and local levels.

According to the Napa County Agricultural Commissioner's Annual Crop Report for 2012, wine grapes represent 98.6% of the value of all agricultural production in the County. 2012 was a record year for wine grape production. Without factoring inflation, the annual value per ton of wine grape production increased 5% when compared to 2011. 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 winegrape values from 1988 through the end of fiscal year 2012.



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, 2013, according to the California Employment Development Department data, during the past ten years, the unemployment rate in Napa County increased from 4.6% (June, 2004) to 9.2% (June, 2010) before falling to 5.8% (June, 2013), following recent state and national trends. As a comparison Statewide, Napa County has the third lowest unemployment rate, with the statewide average rate of 8.9 % as of June 30, 2013.

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 assignments. In fiscal year 2011-12 the General Fund reserves, including commitments and assignments, was \$58.8 million or 29.4% of total General Fund expenditures; in fiscal year 2012-13 it was \$51.3 million or 41% of total General Fund expenditures. These include funds assigned for specific fiscal requirements known or anticipated in future years. The variance between the two years was mainly due to the separation of Health and Human Services into its own Special Revenue Fund and out of the General Fund beginning in fiscal year 2012-13.

In fiscal year 2012-13, General Fund debt service represented 1.3% of General Fund expenditures and over the last five fiscal years, General Fund debt service has ranged between 1.24% and 1.46% of General Fund expenditures. The County has an historical practice of not issuing new General Fund supported debt until existing debt is paid in full. The County utilizes an interdisciplinary Debt Advisory Committee and periodic Debt Capacity Analyses to project future capital needs and funding. In 2013, the County entered into a 15 year capital lease obligation with Bank of America for \$3.4 million to finance the installation of photovoltaic equipment (solar panels) and related improvements on certain County facilities.

In January 2013, the Board approved a revised General Fund Five Year Forecast that looks at operating discretionary revenues and Net County Cost. While more optimistic than earlier forecasts, it still projects that the General fund will be finely balanced, particularly in the early years of the Forecast. The Forecast includes the phase-in of additional General Fund contributions to the Roads Fund and the elimination of funding for the redevelopment of the Downtown Napa Campus. The Board concurred with staff's recommendation due to resources necessary to finance a new jail or other corrections-related capital needs, as well as the new Health & Human Services Agency campus.

The Forecast projected the unrestricted General Fund ending balance (which includes committed, assigned and unassigned fund balance categories) under three different scenarios: (1) a baseline scenario assumed a continuation of the status quo in terms of State laws, funding levels and general economic conditions, with adjustments made only for known or reasonably likely changes in revenues/expenditures; (2) a revenue reduction/Net County Cost increase scenario designed to provide a measure of what the impact on the General Fund operating budget might be of a reduction in discretionary revenues and assumed a \$2 million (or 2%) increase in Net County Cost beginning in FY 2012-13 and; (3) a revenue increase/expenditure decrease scenario that assumed a \$2 million decrease in Net County Cost again beginning in FY 2012-13.

In all cases, the average annual difference between actual operating discretionary revenue and actual operating Net County cost is estimated to range from a \$900,000 deficit (1% of Net County Cost) to a \$3.1 million surplus (3% of Net County Cost), with a central tendency of a \$1.1 million surplus. Four primary areas were identified as problematic over the Forecast period: the future of Excess ERAF is particularly uncertain; Public Safety Realignment revenue allocations may change; significant capital

needs for the construction of a new jail and the purchase of the Mylan property for the new Health & Human Services Agency campus; and general economic conditions remain unsettled.

The baseline scenario projects that the General Fund will run operating deficits in the area of \$5-8 million. Under the Net County Cost Revenue Decrease scenario available beginning fund balance would decline from approximately \$9.8 million to approximately \$3 million in FY 2017-18. Under the Net County Cost Decrease/Revenue Increase scenario, available fund balance would grow to approximately \$23 million in FY 2017-18.

The County plans to continue to use the tools provided for in the Fiscal Contingency Strategy to carefully calibrate 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. As mentioned above, Excess ERAF is a relatively uncertain revenue source for Napa. Fiscal year 2008-09 was the first year the County General Fund received excess ERAF in the amount of \$6.6 million. That amount has grown to \$13.8 million in fiscal year 2012-13. The increase in funding from this source is related in large part to reductions in State funding for schools. 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 Division of the Capital Improvement Fund or used for other one time only needs. At the end of FY 2012-13, the Accumulated Capital Outlay balance stood at approximately \$37 million.

In October 2013, the Board adopted a Five-Year Financing and Phasing Plan for the following major capital projects: the purchase, repairs and upgrades to the Mylan Property, the purchase of site for the new jail, the construction of a Staff Secure Facility, the planning and construction of a 366-bed jail facility, the construction of two satellite fire stations in the Berryessa area, and the final phase of the Devlin Road extension. The Board approved financing \$16 million for a term of 10 years which will amount to average debt service payments of approximately \$2.3 million which will be funded using revenue generated from potential leases of buildings on the Mylan property and from HHS and General Fund budgets.

The County of Napa contracts with CalPERS to provide retirement benefits and Other Post Employment Benefits (OPEB) for approximately 1,330 County employees. CalPERS is the largest pension system in the Country providing benefits to 1.7 million public employees and retirees and has total assets of approximately \$260 billion as of June 30, 2013 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 2012-2013 actual share of pension costs was \$19,674,725, which makes up approximately 5.1% of the overall County budget. The General Fund portion of this cost is approximately \$12.7 million, which represents approximately 7% of the total General Fund budget. In addition to the County's contribution, non-safety employees contribute approximately 23.6% of their overall cost of retirement benefits, while safety employees currently contribute approximately 21.3% 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 began in fiscal year 2007-08 and is included annually in County budgets.

Relevant Financial Policies

As previously mentioned, the Board approved moving the Health & Human Services Agency budget to a separate fund from the General Fund in FY 2012-13 because over 85% of the Agency's budget is funded by state, federal and other revenue with the remaining 15% from the General Fund. In addition, making the Agency a special revenue fund allows the carryover of unspent funds into future fiscal years as fund balance, thus allowing it to better manage within its Board-approved fixed Net County Cost.

The Agency ended FY 2012-13 with a fund balance of \$6.5 million. Of this \$6.5 million, \$2.2 million is set aside for specific purposes including reserves for revolving funds and imprest cash, a set aside to repay potential future cost report disallowances and a set aside for projects/programs related to specific funding sources received but not yet expended. The remaining \$4.3 million is due in large part to one time revenues received during the year.

The current Strategic Financial Plan adopted in January of 2013, lays out various principles and policies (including a Resource Allocation Strategy and Fiscal Contingency Strategy) designed to ensure the County's fiscal sustainability over the five year period ending in fiscal year 2017-18.

Budget policies are also adopted annually 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. The Board has also approved phase-in over five years of an additional \$2.8 million General Fund contribution to the Roads Fund. Through the Fiscal Contingency Plan and these policies, the Board of Supervisors has established the following reserve and contingency guidelines:

- Maintain the balance of General Reserve equivalent to 10% of General Fund and Health & Human Services Fund appropriations, excluding the appropriation for Contingency and General Fund transfer to the Accumulated Capital Outlay division of the Capital Improvement Fund and the General Fund Contribution to the Health & Human Services Fund. General Reserves are typically used for two purposes: to provide funds that can be used in future years to balance the budget during a fiscal emergency (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 10% of General Fund and Health & Human Services Fund appropriations, with the same exclusions as for the General Reserve. This Designation would be used, if necessary, to help balance the General Fund in times of fiscal distress.
- Place a minimum of 3% of General Fund appropriations into a Contingency appropriation. The contingency would be utilized to cover the impact of unanticipated cost increases or revenue decreases during the fiscal year.
- Once the General Reserve and Designation for Fiscal Uncertainty equal 20% all remaining un-appropriated discretionary resources will be transferred to the Accumulated Capital Outlay division of the Capital Improvement Fund for future County capital improvement needs.

Major Initiatives

In 1998, the voters of Napa County approved Measure A which authorized 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 fifteen 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 \$555.3 million with the Federal government responsible for 50-75% of the total costs and the local sponsor responsible for 25-50% of the total costs. Monies for the Project are derived from Napa County Measure A; 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 California 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. The Board has subsequently allocated an additional \$886,830 for this program, bringing the total to \$1,386,830. The program provides housing assistance loans of up to 10% of the purchase price of a home in Napa County for eligible homebuyers in the program.

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 within the cities of St. Helena, Napa, Calistoga, American Canyon, and the Town of Yountville. The NVTID also approves the Management District Plan and the levy of assessments. In fiscal year 2012-13, the assessment brought in approximately \$5.2 million for marketing throughout the valley.

Awards and Acknowledgements

Napa County’s Auditor-Controller’s Office received its thirteenth 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.

In 2013, 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 sixth in the nation for counties with a population of 150,000 or less. In addition, the County received an “Award of Excellence for Security Leadership in Local Government” recognized by the California State Cyber Security Symposium for their outstanding work in the area of cyber security.

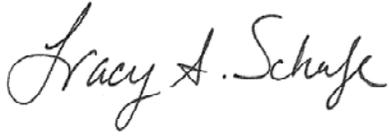
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Napa County for its comprehensive annual financial report for the fiscal year ended June 30, 2012. This was the eighth consecutive year that 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 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,

Handwritten signature of Tracy A. Schulze in black ink.

Tracy A. Schulze
Auditor-Controller

Handwritten signature of Nancy Watt in black ink.

Nancy Watt
County Executive Officer



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

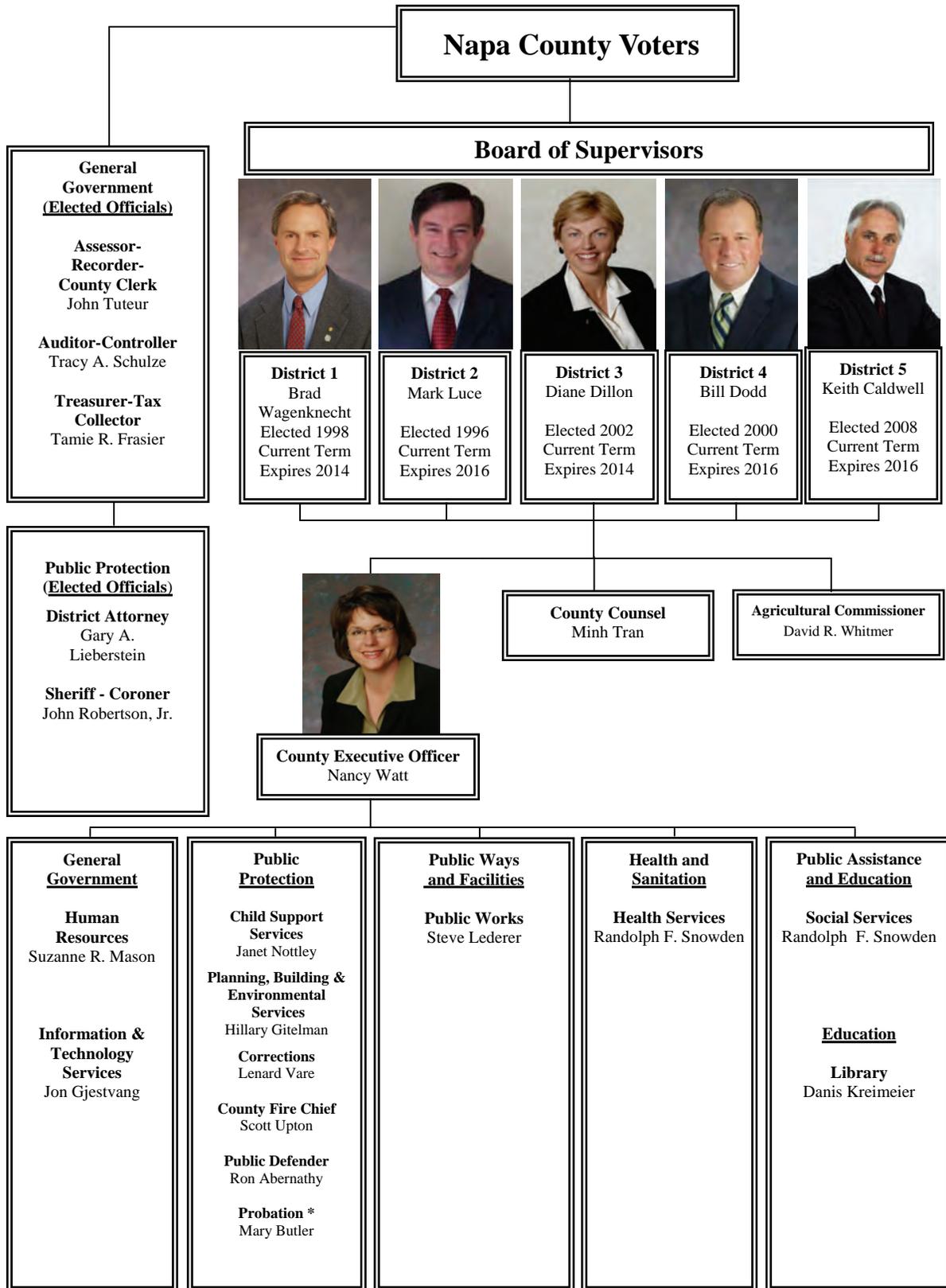
Presented to

**County of Napa
California**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2012

Executive Director/CEO



* Appointed by the Napa County Superior Court

ELECTED OFFICIALS**June 30, 2013**

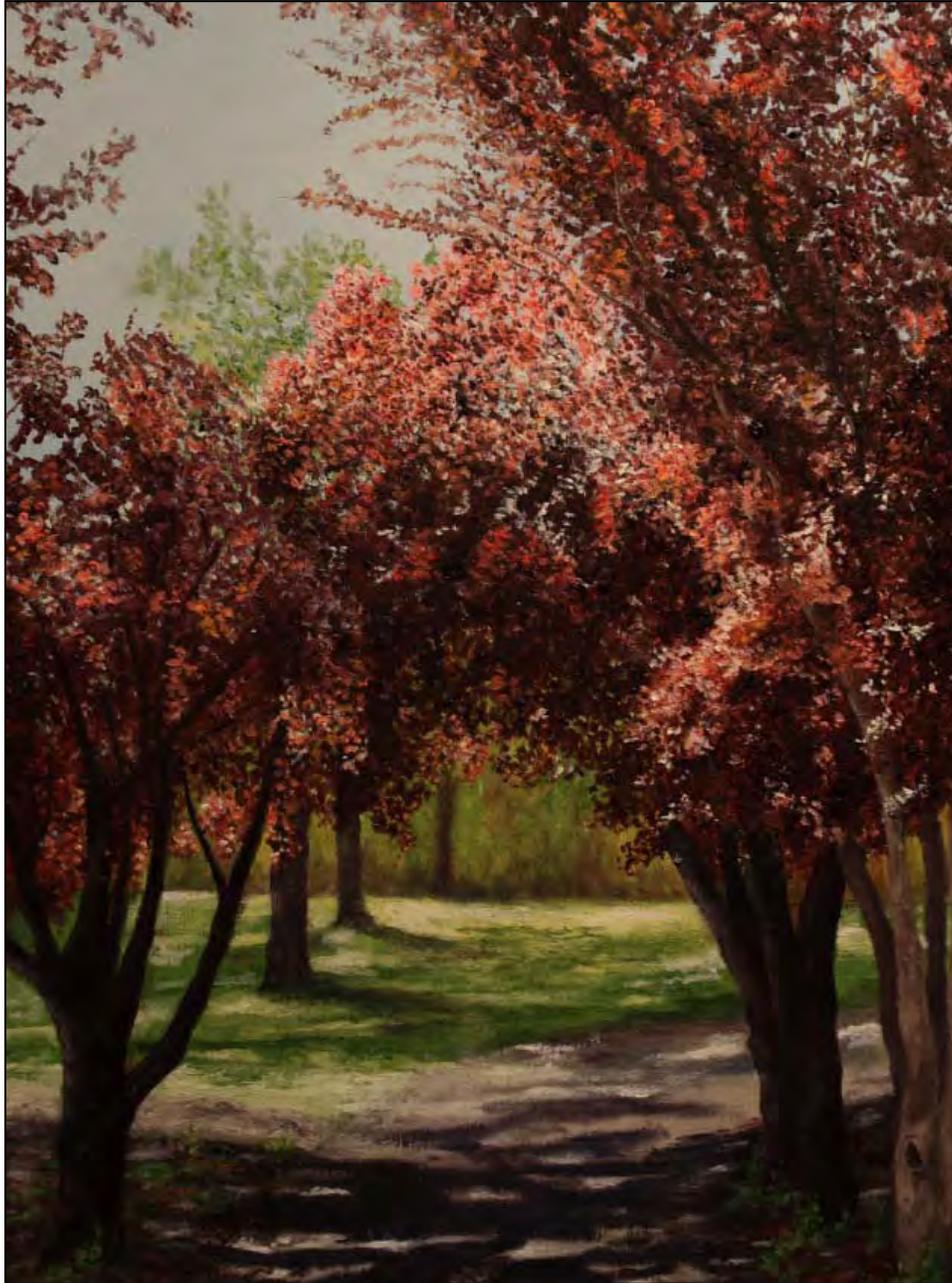
Supervisor, District 1	Brad Wagenknecht
Supervisor, District 2	Mark Luce
Supervisor, District 3	Diane Dillon
Supervisor, District 4	Bill Dodd
Supervisor, District 5	Keith Caldwell
Assessor-Recorder-County Clerk	John Tuteur
Auditor-Controller	Tracy A. Schulze
District Attorney	Gary A. Lieberstein
Sheriff-Coroner	John Robertson, Jr.
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
Planning, Building and Environmental Services Director	Hillary Gitelman
Corrections Director	Lenard Vare
County Counsel	Minh Tran
County Executive Officer	Nancy Watt
Public Works Director	Steve Lederer
County Fire Chief	Scott Upton
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	Ron Abernathy



Financial Section



Painting Courtesy of Greg De Lucca Fine Art, www.gregdelucca.com

Plum Tree Archway

St. Helena park



INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

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, 2013, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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, 2013, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

To the Board of Supervisors and Grand Jury
County of Napa

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion, schedule of funding progress, and analysis and budgetary comparison 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.

Other Information

Our audit was conducted 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 basic financial statements. Such 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 basic financial statements or to the basic 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 have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 13, 2013 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering County's internal control over financial reporting and compliance.


Roseville, California
December 13, 2013



MANAGEMENT'S DISCUSSION AND ANALYSIS



Photograph Courtesy of Ann Nunziata Fine Art and Photography, www.FlyingPigDesign.com

Napa Valley Balloons

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, 2013. Please read it in conjunction with the County's basic financial statements following this section.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of the County exceeded liabilities and deferred inflows at the close of the 2012-2013 fiscal year by \$394,585,899 (*net position*). Of this amount, \$113,603,410 (*unrestricted net position*) may be used to meet ongoing obligations to citizens and creditors, \$142,245,692 is restricted for debt service, capital projects, grants and special taxes, and \$138,736,797 represents the net investment in capital assets.
- As of June 30, 2013, spendable fund balance for the general fund was \$87,689,345, or 70.1%, of total general fund expenditures. These funds will be considered in subsequent fiscal years' budgets.
- As of June 30, 2013, the total County governmental funds reported combined fund balances of \$258,641,214. Approximately 97.9% of the combined fund balances, \$253,328,211, 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, capital lease obligations and loans, decreased by \$142,548 in comparison with the prior year. The net decrease was primarily due to the County making scheduled debt service payments of \$6,901,149, the forgiveness of a \$1,000,000 loan issued by the California Department of Housing & Community Development, offset by the issuance of Napa Berryessa Resort Improvement District bonds in the amount of \$4,708,058 and capital lease obligations of \$3,359,618 entered into during the 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 Position presents information on all County assets and deferred outflows and liabilities and deferred inflows, with the difference between the two reported as *net position*. Over time, increases or decreases in net position 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 position changed during the most recent fiscal year. All changes in net position 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, Napa Berryessa Resort Improvement District, Fifth Street Parking Garage, 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 25-27 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 29 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, Health and Human Services, Napa County Flood Protection and Watershed Improvement Authority Fund, Capital Improvement Fund and the 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* in the supplementary information section of this report.

The governmental funds financial statements can be found on pages 31-34 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, Napa Berryessa Resort Improvement District, Fifth Street Parking Garage, 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, liability insurance, 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.

The County's four 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 35-38 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 39-40 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 41-79 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 83-98 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 102-168 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the County, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$394,585,899 at the close of the most recent fiscal year. Further detail is provided in Table 1.

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

	Governmental		Business-type		Total		Dollar Change	Percent Change
	Activities		Activities		2013	2012		
	2013	2012	2013	2012	2013	2012		
Current and other assets	\$ 313,197	\$ 290,460	\$ 8,349	\$ 5,514	\$ 321,546	\$ 295,974	\$ 25,572	8.6%
Capital assets	120,822	118,772	50,170	47,367	170,992	166,139	4,853	2.9%
Total assets	434,019	409,232	58,519	52,881	492,538	462,113	30,425	6.6%
Current and other liabilities	29,332	28,405	2,530	896	31,862	29,301	2,561	8.7%
Long-term liabilities	55,793	60,973	10,297	4,788	66,090	65,761	329	0.5%
Total liabilities	85,125	89,378	12,827	5,684	97,952	95,062	2,890	3.0%
Net position:								
Net investment in capital assets	93,822	87,909	44,915	45,008	138,737	132,917	5,820	4.4%
Restricted net position	142,245	99,747	-	326	142,245	100,073	42,172	42.1%
Unrestricted net position	112,827	132,198	777	1,863	113,604	134,061	(20,457)	-15.3%
Total net position	\$ 348,894	\$ 319,854	\$45,692	\$ 47,197	\$ 394,586	\$ 367,051	\$ 27,535	7.5%

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

- The largest portion of the County's net position (35.2%) reflects its investment of \$138.7 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 position, (\$142.2 million or 36.0%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* (\$113.6 million or 28.8%) may be used to meet the County's ongoing obligations to citizens and creditors.

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

- The County's net position has increased by \$27.5 million during the current fiscal year. This increase is the result of the County continuing its conservative spending approach, and increases in most revenue categories (\$18.6 million). Tax revenues increased by \$7.3 million (5.9%) due to the continued recovery from the most recent recession. Operating grants and contributions increased \$7.9 million (8.0%) due primarily to significant changes in State and Federal sources. State Realignment 2011 provided \$4.3 million in additional revenues comprised of \$1.3 million for public protection and \$3.0 million for health and human services.
- The County's total assets as of June 30, 2013 amount to \$492.5 million, an increase of \$30.4 million, or 6.6%, from the prior year. The increase in total assets is due to positive operational results reflected in an increase in cash and investments and restricted cash of \$14.8 million and an increase in current receivables of \$10.1 million. These increases were the result of conservative spending policies adopted by the Board of Supervisors and increases in all major revenue categories.
- The County's total liabilities as of June 30, 2013, are \$98.0 million, an increase of \$2.9 million, or 3.0%, from the prior year. This increase was mainly the result of a \$4.7 million of bonds issued by Napa Berryessa Resort Improvement District and \$3.4 million of capital lease obligations entered into during the fiscal year. The County's accounts payable increased by \$3.1 million with \$2.0 million of the increase related to Napa Berryessa Resort Improvement District's bond funded capital improvement project. The noted increases were offset by \$6.9 million of annual debt service payments.

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

	Governmental Activities		Business-type Activities		Total		Total	
	2013	2012	2013	2012	2013	2012	Dollar Change	Percent Change
Revenues:								
Program revenues:								
Fees, fines and charges for services	\$ 49,889	\$ 47,596	\$ 4,806	\$ 4,454	\$ 54,695	\$ 52,050	\$ 2,645	5.1%
Operating grants and contributions	105,551	97,658	150	178	105,701	97,836	7,865	8.0%
Capital grants and contributions	5,438	1,181	1,185	2,681	6,623	3,862	2,761	71.5%
General revenues:								
Property taxes	98,364	92,483	361	99	98,725	92,582	6,143	6.6%
Sales and use taxes	20,916	20,016	-	-	20,916	20,016	900	4.5%
Other taxes	10,887	10,656	-	-	10,887	10,656	231	2.2%
Unrestricted interest and investment earnings (losses)	(308)	1,622	(23)	47	(331)	1,669	(2,000)	-119.8%
Gain (loss) on sale of assets	21	41	-	-	21	41	(20)	n/a
Miscellaneous	355	309	-	2	355	311	44	14.1%
Total revenues	<u>291,113</u>	<u>271,562</u>	<u>6,479</u>	<u>7,461</u>	<u>297,592</u>	<u>279,023</u>	<u>18,569</u>	<u>6.7%</u>
Expenses:								
General government	34,113	40,650	-	-	34,113	40,650	(6,537)	-16.1%
Public protection	99,505	99,880	-	-	99,505	99,880	(375)	-0.4%
Public ways and facilities	30,773	25,605	-	-	30,773	25,605	5,168	20.2%
Health and sanitation	42,910	38,684	-	-	42,910	38,684	4,226	10.9%
Public assistance	43,306	40,218	-	-	43,306	40,218	3,088	7.7%
Education	7,452	7,198	-	-	7,452	7,198	254	3.5%
Recreation and cultural studies	1,291	615	-	-	1,291	615	676	109.9%
Interest on long-term debt	2,101	3,165	-	-	2,101	3,165	(1,064)	-33.6%
Administration and issuance costs	95	560	-	-	95	560	(465)	-83.0%
Napa County Airport	-	-	2,728	3,053	2,728	3,053	(325)	-10.6%
Lake Berryessa Improvement District	-	-	1,612	1,221	1,612	1,221	391	32.0%
Napa Berryessa Improvement District	-	-	1,029	889	1,029	889	140	15.7%
Fifth Street Parking Garage	-	-	464	476	464	476	(12)	-2.5%
Napa County Housing Authority	-	-	1,230	1,258	1,230	1,258	(28)	-2.2%
Napa County Animal Shelter	-	-	1,202	1,166	1,202	1,166	36	3.1%
Total expenses	<u>261,546</u>	<u>256,575</u>	<u>8,265</u>	<u>8,063</u>	<u>269,811</u>	<u>264,638</u>	<u>5,173</u>	<u>2.0%</u>
Excess (deficiency) before transfers	29,567	14,987	(1,786)	(602)	27,781	14,385	13,396	
Transfers	(527)	(1,049)	527	1,049	-	-	-	0.0%
Change in net position	29,040	13,938	(1,259)	447	27,781	14,385	13,396	93.1%
Net position - beginning	319,854	305,916	47,197	46,750	367,051	352,666	14,385	4.1%
Cummulative effect of change in accounting principle	-	-	(246)	-	(246)	-	(246)	n/a
Net position - beginning, as restated	<u>319,854</u>	<u>305,916</u>	<u>46,951</u>	<u>46,750</u>	<u>366,805</u>	<u>352,666</u>	<u>14,139</u>	<u>4.0%</u>
Net position - ending	<u>\$ 348,894</u>	<u>\$ 319,854</u>	<u>\$ 45,692</u>	<u>\$ 47,197</u>	<u>\$ 394,586</u>	<u>\$ 367,051</u>	<u>\$ 27,535</u>	<u>7.5%</u>

Governmental activities. Governmental activities increased the County's net position by \$29.0 million, thereby accounting for 104.3% of the total growth in the net position of the County. This increase is attributable to conservative spending policies adopted by the Board of Supervisors and the growth of every major revenue category.

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

- Property taxes increased by \$5.9 million, or 6.4%, from the prior year. The increase was due to assessed valuation growth and improved activity within the real estate market related to the continued recovery from the most recent recession.

- Operating grants and contributions increased by \$7.9 million, or 8.1%, from the prior year. A significant portion of this increase was related to realigned services with the State. State Realignment 2011 provided \$4.3 million in additional revenues comprised of \$1.3 million for public protection and \$3.0 million for health and human services over the prior fiscal year while Sales Tax Realignment increased social services funding by \$4.0 million. In addition, \$1.1 million in Federal health enhancement funding was identified and received during the current fiscal year. These increased revenue streams offset the reduction of American Recovery and Reinvestment Act funding which ended during the year.
- Capital grants and contributions increased by \$4.3 million, or 360.5%, from the prior year. A significant portion of this increase was related \$2.7 million of additional capital funding in the Roads Fund.

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

- General government expenses decreased by \$6.5 million, or 16.1%, from the prior year. This decrease was due to the shifting of major building maintenance projects from general government programs to public ways and facilities.
- Public ways and facilities expenses increased by \$5.2 million, or 20.2%, from the prior year. This increase was due to major building maintenance projects shifting from general government to public ways and facilities.
- Health and sanitation expenses increased \$4.2 million, or 10.9%, from the prior year. This change was due to an increase in costs for services being realigned from the State to the County as part of Realignment 2011 and enhanced Medicaid program costs.
- Public assistance expenses increased by \$3.1 million, or 7.7%, from the prior year. This increase was partially due to an increase in Workforce Investment Act program expenditures designed to help workers impacted by the closure or downsizing of certain high employment businesses throughout the county.
- Interest on long term debt and debt administration and issuance costs decreased by a combined \$1.5 million, or 41.0%, from the prior year. The decrease was due to reduced interest resulting from the 2012 Refunding Certificates of Participation and the costs incurred during the refunding in fiscal year 2011-2012.

Business-type activities. Business-type activities decreased the County's net position by \$1.5 million, or 3.2%. The decrease was caused by losses incurred by three of the four major business-type funds (\$1.8 million) and a cumulative change in accounting principle decrease of \$245,700.

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

- Fees, fines and charges for services increased by \$352,000, or 7.9%, from the prior year. A significant portion of the increase was the result of rate increases for Napa Berryessa Resort Improvement District customers.

- Capital grants and contributions decreased by \$1.5 million, or 55.8%, from the prior year. The variance was due to a \$2.2 million decrease in Federal aviation grants for the Napa County Airport partially offset by a net \$669,000 increase in capital assessments received by Lake and Napa Berryessa Resort Improvement Districts.

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, 2013 the County's governmental funds reported combined fund balances of \$258,641,214, an increase of \$19,310,455 in comparison with last year. Approximately 97.9%, or \$253.3 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:

- *Nonspendable fund balance*, \$5.3 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 General Fund of \$4.9 million and prepaid items, deposits and an endowment totaling \$448,000.
- *Restricted fund balance*, \$161.5 million. Represents amounts with constraints put on their use by external imposed creditors, grantors, contributors, laws, regulations or enabling legislation. Examples of restrictions on funds are those imposed by (1) enabling legislation and purpose of the fund, \$135.5 million, of which \$56.9 million is restricted within the Napa County Flood Protection and Watershed Improvement Authority, and \$23.7 million is restricted for Affordable Housing (Other Governmental Funds), (2) laws, the General Fund's general reserve of \$23.1 million, and (3) creditors, \$2.3 million restricted within Debt Service fund (Other Governmental Funds).
- *Committed fund balance*, \$3.8 million. Consists of amounts for specific purposes determined by the Board of Supervisors, such as the future purchase of Skyline Park of \$1.0 million, audit exceptions of \$1.0 million, building and safety permitting of \$1.6 million and \$0.2 million for art and cultural programs.
- *Assigned fund balance*, \$77.7 million. Represents amounts set aside including strategic reserves of \$23.1 million, Tobacco Master Settlement funds of \$11.8 million for future health care programs, accumulated capital outlay funds of \$40.8 million for future major facilities repairs or construction and \$2.0 covering various other programs.

- *Unassigned fund balance*, \$10.3 million. Represents the residual classification for the County's General Fund of \$13.2 million, as well as governmental funds where expenditures exceed other available fund balance, including Community Facilities District (\$2.7 million), Child Support Services (\$69,275), and In-Home Support Services Authority (\$143,302).

General Fund: The General Fund is the chief operating fund of the County. At June 30, 2013, the total fund balance of the General Fund was \$92.7 million. The General Fund's total fund balance decreased \$3.1 million, or 3.2%, as compared to the prior year. The decrease in fund balance is the result of a \$9.0 million transfer to the Capital Improvement fund and a \$7.9 million transfer of restricted funds to the Health and Human Services fund which offset revenue increases.

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 70.1% of the total fund expenditures. Of the General Fund's spendable fund balance, \$36.4 million, or 39.3%, is restricted while \$1.2 million, or 1.3%, is committed.

Health and Human Services: Created in fiscal year 2012-2013, the Health and Human Services Agency balances and activities have historically been reported within the General Fund. At June 30, 2013, the total fund balance of the Health and Human Services fund was \$14.2 million, all coming from current year activities. A majority of ending fund balance was due to the transfer of \$7.9 million from the General Fund of funds restricted for Health and Human Services program purposes.

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, 2013, the total fund balance of the Flood Authority was \$56.9 million, all of which is restricted. This is an increase of \$3.2 million, or 6.0%, from the prior year due to higher sales tax revenue received in relation to the jurisdictional draws for approved flood projects.

Capital Improvement: The Capital Improvement fund is used to account for major capital improvement projects and provide Board of Supervisor designated reserves for future capital needs. For fiscal year 2012-2013, the fund includes all of the County's capital activities. At June 30, 2013, the total fund balance was \$44.2 million, of which \$40.8 million is assigned. Total fund balance increased by \$6.3 million, or 16.5%, from the prior year primarily due to a \$9.0 million contribution from the General Fund offset by capital project expenditures.

Roads: The Roads fund is used to protect, preserve, enhance and improve the existing County road network. This fund pays for the construction and maintenance of the roads in the unincorporated area. At June 30, 2013, the total fund balance was \$2.2 million, all of which is restricted. Total fund balance of the Roads fund decreased by \$542,000, or 19.9%, due to the increased road maintenance and resurfacing expenditures.

Other governmental funds: The total fund balances of the remaining governmental funds remained relatively constant, decreasing just 1.5% to \$48.4 million.

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 2013		FY 2012		Increase/(Decrease)	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of change
Taxes	\$ 130,166	45.0%	\$ 123,155	46.0%	\$ 7,011	5.7%
Licenses and permits	8,215	2.8%	6,625	2.5%	1,590	24.0%
Fines, forfeitures and penalties	5,253	1.8%	3,923	1.5%	1,330	33.9%
Revenue from use of money and property	(126)	0.0%	1,631	0.6%	(1,757)	-107.7%
Aid from other governments	105,815	36.6%	96,937	36.2%	8,878	9.2%
Charges for services	38,908	13.4%	34,135	12.8%	4,773	14.0%
Contributions and donations	875	0.3%	769	0.3%	106	13.8%
Other	346	0.1%	344	0.1%	2	0.6%
Total	\$ 289,452	100.0%	\$ 267,519	100.0%	\$ 21,933	8.2%

Figure 1 - Revenues Comparison by Source – Governmental Funds

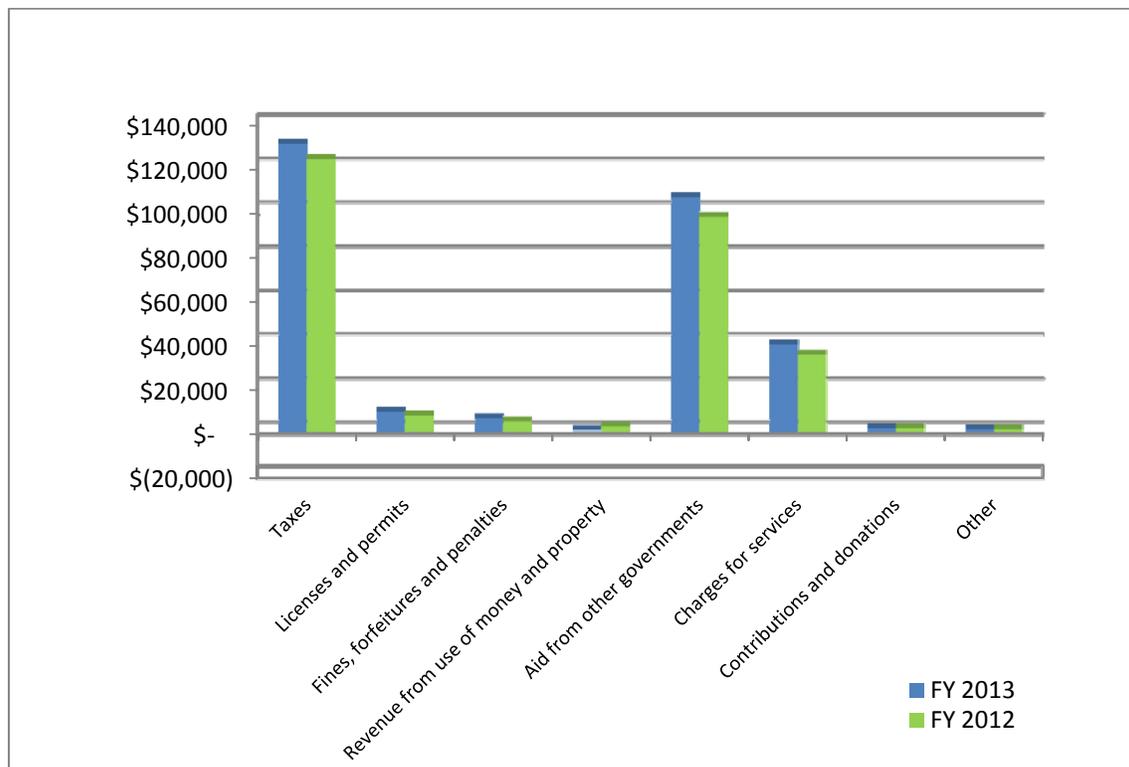
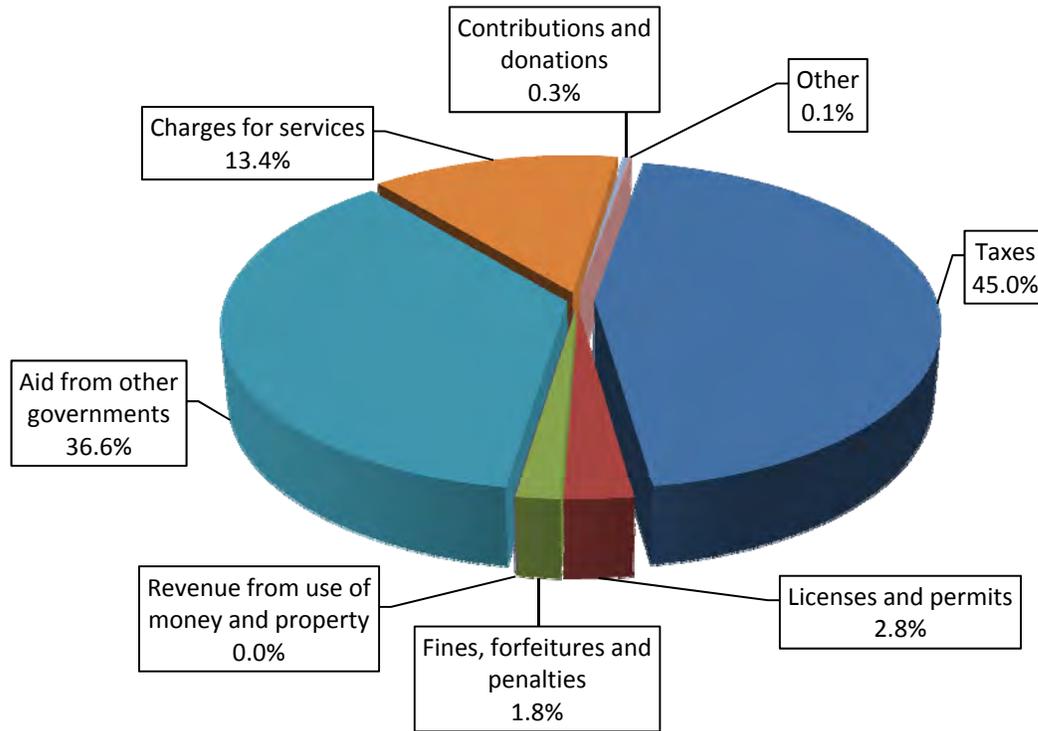


Figure 2 - Revenues Classified by Sources - Governmental



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

- Taxes increased by \$7.0 million, or 5.7%, from the prior year. Property taxes increased by \$5.9 million due to assessed valuation growth and improved activity within the steadily improving real estate market.
- Licenses and permits increased by \$1.6 million, or 24.0%, from the prior year. A majority of the increase came from increased building permit revenues included in the Building and Code Enforcement and Affordable Housing funds included in Other Governmental Funds.
- Revenue from use of money and property decreased by \$1.8 million, or 107.7%, from the prior year. The decrease was mostly attributable to a year-end write down of the County's investment pool to market value which resulted in a \$1.4 million reduction in governmental fund earnings.
- Aid from other governments increased by \$8.9 million, or 9.2%, from the prior year. A significant portion of this increase was related to realigned services with the State. State Realignment 2011 provided \$4.3 million in additional revenues comprised of \$1.3 million for public protection and \$3.0 million for health and human services over the prior fiscal year while Sales Tax Realignment increased social services funding by \$4.0 million. In addition, \$1.1 million in Federal health enhancement funding was identified and received during the current fiscal year. These increased revenue streams offset the reduction of American Recovery and Reinvestment Act funding which ended during the year.

- Charges for services increased by \$4.8 million, or 14.0%, from the prior year. A significant component of the increase was the assessments collected by the Napa Valley Tourism Improvement District covering countywide activities. Assessment revenues increased by \$1.3 million in the current year.

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 2013		FY 2012		Increase/(Decrease)	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of change
General government	\$ 35,686	13.1%	\$ 39,088	15.1%	\$ (3,402)	-8.7%
Public protection	99,713	36.6%	98,528	38.1%	1,185	1.2%
Public ways and facilities	31,391	11.5%	23,322	9.0%	8,069	34.6%
Health and sanitation	43,279	15.9%	38,666	15.0%	4,613	11.9%
Public assistance	43,720	16.1%	39,775	15.4%	3,945	9.9%
Education	7,567	2.8%	8,410	3.3%	(843)	-10.0%
Recreation and cultural services	1,291	0.5%	615	0.2%	676	109.9%
Debt service-principal retirement	6,749	2.5%	6,682	2.6%	67	1.0%
Debt-interest charges	2,412	0.9%	2,747	1.1%	(335)	-12.2%
Debt-administration, issuance and arbitrage	95	0.0%	560	0.2%	(465)	-83.0%
Total	<u>\$ 271,903</u>	<u>100.0%</u>	<u>\$ 258,393</u>	<u>100.0%</u>	<u>\$ 13,510</u>	<u>5.2%</u>

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

- General government expenses decreased by \$3.4 million, or 8.7%, from the prior year. This decrease was due to the shifting of new major building maintenance projects from general government programs to public ways and facilities.
- Public ways and facilities expenditures increased by \$8.1 million, or 34.6%, over the prior year. This increase was due to major building maintenance projects shifting from general government to public ways and facilities and the increase of \$2.3 million in Road projects.
- Health and sanitation expenditures increased by \$4.6 million, or 11.9%, over the prior year. This change was partially due to an increase in costs for services being realigned from the State to the County as part of Realignment 2011 as well as enhanced Medicaid services program funded by Federal grants.
- Public assistance expenditures increased by \$3.9 million, or 9.9%, from the prior year. This increase was partially due to an increase in Workforce Investment Act programs designed to help workers impacted by the closure or downsizing of certain high employment businesses throughout the county.

Figure 3 - Expenditures by Function - Governmental

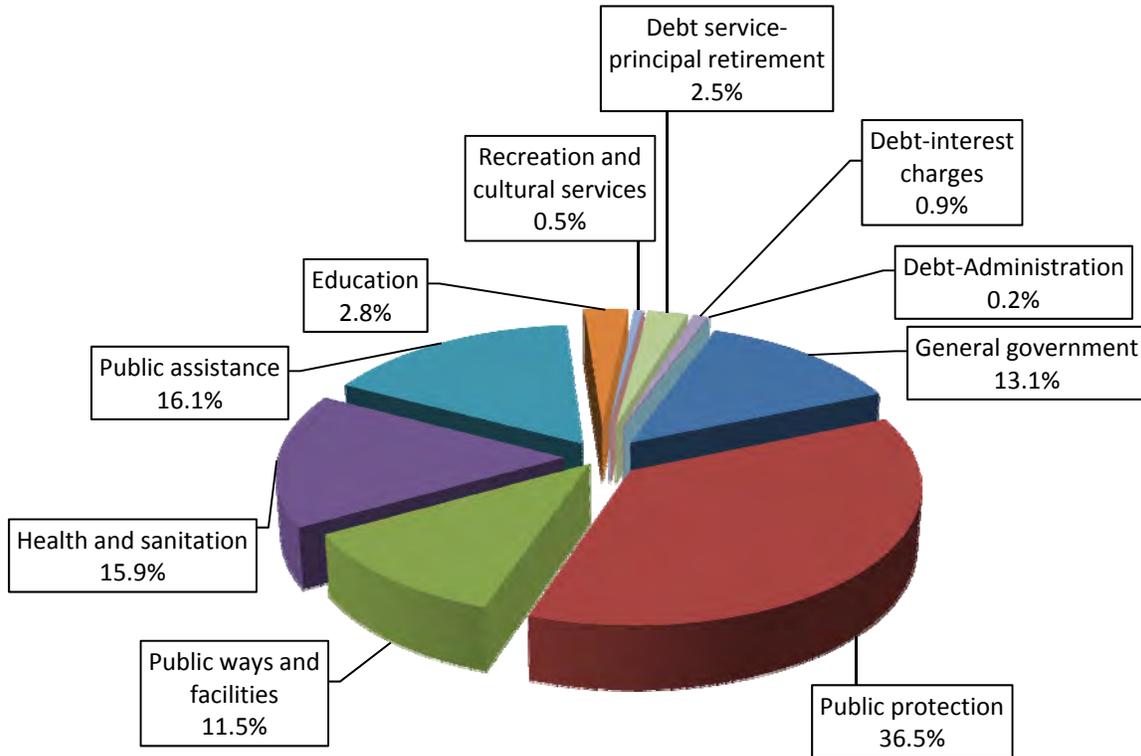


Table 5 details the changes in fund balance for each governmental fund as of June 30, 2013.

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

	Major Funds					Non-Major Funds		Total
	General Fund	Health & Human Services	Flood Protection Authority	Capital Improvement	Roads Fund	Special Revenue Funds	Debt Service Fund	
Revenues	\$ 176,844	\$ 58,939	\$ 15,055	\$ 470	\$ 4,920	\$ 33,223	\$ 1	\$ 289,452
Expenditures	125,027	83,706	11,848	6,344	10,744	30,474	3,759	271,902
Other financing sources (uses), net	(54,928)	38,997	-	12,132	5,283	(3,006)	3,283	1,761
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(3,111)	14,230	3,207	6,258	(541)	(257)	(475)	19,311
Fund balances - July 1, 2012	95,790	-	53,666	37,977	2,726	46,352	2,819	239,330
Fund balances - June 30, 2013	\$ 92,679	\$ 14,230	\$ 56,873	\$ 44,235	\$ 2,185	\$ 46,095	\$ 2,344	\$ 258,641

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

- The fund balance of the County's General Fund decreased by \$3.1 million during the current fiscal year. The decrease in fund balance is the result of a \$9.0 million transfer to the Capital Improvement fund and a \$7.9 million transfer of funds restricted for use in the Health and Human Services fund. The fund's revenues, expenditures and other financing sources all decreased in the current year due to the creation of a new Health and Human Services fund which was formerly part of the General Fund.
- The fund balance of the County's new Health and Human Services fund increased by \$14.2 million during the current fiscal year. A significant component of the increase in fund balance was the transfer of \$7.9 million from the General Fund of funds restricted for Health and Human Services program purposes.
- The fund balance for the Napa County Flood Protection and Watershed Improvement Authority increased by \$3.2 million in the current fiscal year. The increased fund balance was due to an increase in sales tax revenues combined with a decrease in project draws.
- The fund balance of the Capital Improvement fund increased by \$6.3 million during the current fiscal year. The increase was primarily due to a \$9.0 million contribution from the General Fund offset by increased capital project expenditures.

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, 2013.

Napa County Airport: The Napa County Airport is used to fund general Airport operations and the maintenance of Airport facilities. At June 30, 2013, the unrestricted net position of the airport was \$3.6 million while total was to \$18.6 million. As a measure of the airport's liquidity, it may be useful to compare unrestricted net position to total operating expenditures. Unrestricted net position represents 131.6% of the total operating expenditures. Total net position of the airport decreased by \$848,000 during the current fiscal year. A significant portion of the decrease was due to a decrease in Federally funded 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, 2013, the unrestricted net position of the District was a negative \$1.3 million while total net position decreased to \$1.6 million. Unrestricted net position was negative due to operating expenses continuing to exceed operating revenues over the past several years. The District has raised rates to try and offset previous losses, but the current recession coupled with a building moratorium has limited the impact of these rate increases.

Napa Berryessa Resort Improvement District: Napa Berryessa Resort Improvement District is used to provide water and wastewater services within district boundaries. At June 30, 2013, the unrestricted net position of the District was negative \$2.1 million while total net position increased to \$317,000. Unrestricted net position was negative due to operating expenses exceeding operating revenues over the past several years. The District has raised rates significantly and increased assessments reversing several years of negative results.

Fifth Street Parking Garage: Fifth Street Parking Garage was established to provide parking in the downtown area for local businesses, shoppers and County employees. At June 30, 2013, unrestricted net position of the Garage was \$165,000 while total net position decreased to \$15.5 million. Total net position decreased by \$304,000 primarily due to annual depreciation.

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

	<u>Napa County Airport</u>	<u>Lake Berryessa Resort Improvement</u>	<u>Napa Berryessa Resort Improvement</u>	<u>Fifth Street Parking Garage</u>	<u>Other Enterprise Funds</u>	<u>Total</u>
Operating revenues	\$ 1,829	\$ 343	\$ 825	\$ 160	\$ 1,649	\$ 4,806
Operating expenses	2,700	1,359	977	464	2,426	7,926
Operating income (loss)	(871)	(1,016)	(152)	(304)	(777)	(3,120)
Non-operating revenues (expenses), net	(34)	43	(1)	-	141	149
Net income (loss) before contributions and transfers	(905)	(973)	(153)	(304)	(636)	(2,971)
Capital contributions	75	343	767	-	-	1,185
Transfers in (out)	(18)	-	-	-	545	527
Change in net position	(848)	(630)	614	(304)	(91)	(1,259)
Net position - July 1, 2012, restated	19,486	2,200	(297)	15,795	9,767	46,951
Net position - June 30, 2013	<u>\$ 18,638</u>	<u>\$ 1,570</u>	<u>\$ 317</u>	<u>\$ 15,491</u>	<u>\$ 9,676</u>	<u>\$ 45,692</u>

GENERAL FUND BUDGETARY HIGHLIGHTS

During the year there was a \$16.0 million increase in appropriations between the original budget and the final amended budget. Following are the main components of the increase:

- \$9.0 million increase for the transfer to the Accumulated Capital Outlay division of the Capital Improvement Fund.
- \$1.6 million increase to record additional pension expense due to unamortized Miscellaneous Plan prepayment.
- \$2.1 million increase for additional flood protection projects funded by Measure A.
- \$1.1 million increase for major maintenance projects required to the County jail facilities.

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, 2013, amounted to \$171.0 million (net of accumulated depreciation) an increase of \$4.9 million, or 2.9%, from the prior year. The increase was the result of business-type construction in progress increases of \$4.7 million and \$193,000 of land acquired for the Napa Berryessa Resort Improvement District water and wastewater improvement project. In addition, the County exercised an option under the terms of a lease to purchase the property that houses its corporate yard for \$3.1 million. This investment in capital assets includes infrastructure, land and easements, structures and improvements, equipment, intangible assets, and construction in progress. For more detailed capital assets information, see notes to the basic financial statements, specifically pages 59-61.

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		Increase/(Decrease)	
	Activities		Activity				Amount	Percent
	2013	2012	2013	2012	2013	2012		Change
Land and easements	\$ 7,804	\$ 4,752	\$ 5,365	\$ 5,172	\$ 13,169	\$ 9,924	\$ 3,245	32.7%
Intangible assets	1,122	916	-	-	1,122	916	206	22.5%
Construction in progress	3,336	5,694	5,510	1,028	8,846	6,722	2,124	31.6%
Infrastructure	27,198	26,734	-	-	27,198	26,734	464	1.7%
Structures and improvements	73,450	72,258	39,188	41,010	112,638	113,268	(630)	-0.6%
Equipment	7,912	8,418	107	157	8,019	8,575	(556)	-6.5%
Total	\$ 120,822	\$ 118,772	\$ 50,170	\$ 47,367	\$ 170,992	\$ 166,139	\$ 4,853	2.9%

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

- Land increased by \$3.2 million, or 32.7%, from the prior year. A majority of the increase is attributable to the County's decision to exercise an option under the terms of a lease to purchase its corporate yard for \$3.1 million.
- Construction in progress (the value of projects incomplete at the end of the fiscal year) increased by \$2.1 million, or 31.6%, from the prior year. The increase was the result of business-type construction in progress increases of \$4.7 million for the Napa Berryessa Resort Improvement District water and wastewater improvement project. This increase was partially offset by the completion of existing projects during the fiscal year.

Long-term debt

At June 30, 2013, the County Governmental Activities total long-term debt outstanding was \$69.5 million as compared to \$75.1 million in the prior year. This amount was comprised of the following:

- \$17,735,000 of Napa County Flood 2005 Series Partial Refunding of 1999 Series A bonds,
- \$6,090,000 of Napa County Flood 2005 Series A bonds,
- \$105,198 of unamortized premiums for outstanding bond issues,
- \$23,805,000 of Certificates of Participation,
- \$3,036,098 of unamortized premiums for outstanding Certificates of Participation,
- \$2,313,225 of capital lease obligations,
- \$159,244 for loans payable,
- \$7,207,441 for compensated absences, and
- \$9,079,700 in liability for unpaid insurance claims.

Standard & Poor's, in its April 24, 2012 credit report, assigned a AA/Stable rating to all of the County's appropriation debt.

Rationale behind the rating reflects the rating agency's view of:

- The long-term credit worthiness of the County,
- The County's strong wine and tourism based economy,
- The County's very strong financial performance and reserves,
- Extremely strong wealth and income indicators within the county, and
- The County's low to moderate debt levels.

Partially offsetting the above factors are the County's limited revenue-raising capability combined with mandated costs and State funding cuts, including recent State action to realign certain services at the local level that will require permanent funding sources in the future.

For more detailed long-term debt information, see notes to the basic financial statements, specifically pages 62-66.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The following known factors were considered in preparing the County's budget for fiscal year 2013-2014:

- The fiscal year 2013-2014 budget contains a \$3.8 million increase in General Fund revenues over prior year actuals. The increase is due to the expected increases in intergovernmental revenues offset by reduced tax revenues. The County budget reflects a \$5.4 million decrease in property tax revenues due to uncertainty surrounding the impacts the State's new Local Control Funding Formula for K-12 school funding will have on the statutorily required return of excess Educational Revenue Augmentation Funds.
- 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 General Fund's fiscal year 2012-2013 actuals, the budget reflects increases in employee and benefit costs for existing employees of \$4.8 million. The increase reflects cost of living adjustments of 1.5% for all employees and significant retirement rate increases during fiscal year 2013-2014.
- The State of California adopted the 2013-2014 budget on time. The State's budget includes a continuing source of funds from the Governor sponsored Proposition 30 tax initiative. The improving condition of State finances has eliminated a significant uncertainty under which past County budgets were adopted.

It should be noted the State budget was prepared before the Governor issued the May Revision to his Proposed Fiscal Year 2013-2014 State Budget. The County will make adjustments to its adopted budget as a result of significant changes in State funding.

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.



Photo-Graphic by Brenton Beck. Contact: brent@fifthstreet.com

Fall Vineyard

Napa



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



Painting Courtesy of Nancy Tesch, nJoizart owner/artist, www.njoizart.com

Great Blue Heron on Lake Hennessey

COUNTY OF NAPA

Statement of Net Position
June 30, 2013

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and investments	\$ 229,344,546	\$ 5,127,239	\$ 234,471,785
Restricted Assets:			
Cash with fiscal agent	5,099,759	1,289,496	6,389,255
Cash held for debt service reserve	--	1,100,000	1,100,000
Cash held for capital projects	--	2,348,138	2,348,138
Imprest cash	121,153	275	121,428
Receivables, net			
Taxes	18,180,816	31,741	18,212,557
Special assessments	1,146,542	311,726	1,458,268
Accounts	744,219	462,550	1,206,769
Due from other government agencies	37,140,142	289,096	37,429,238
Prepaid items	229,066	--	229,066
Bond installments receivable	--	1,868,031	1,868,031
Deposits	345,649	7,500	353,149
Internal balances	4,559,795	(4,559,795)	--
Assets held for resale	990,202	--	990,202
Loans receivable, net	15,295,152	73,118	15,368,270
Capital Assets:			
Nondepreciable	11,661,046	10,874,684	22,535,730
Depreciable, net	109,161,045	39,295,501	148,456,546
Total Assets	434,019,132	58,519,300	492,538,432
Deferred Outflows of Resources			
Deferred outflows of resources	-	-	--
Liabilities			
Accounts payable	7,127,406	1,989,092	9,116,498
Accrued salaries and benefits	6,378,893	61,051	6,439,944
Due to other government agencies	1,731,832	--	1,731,832
Interest payable	220,006	79,766	299,772
Other accrued liabilities	5,000	--	5,000
Customer deposits	--	69,288	69,288
Unearned revenue	131,036	73,118	204,154
Long-Term Liabilities:			
Portion due or payable within one year:			
Loan payable	77,292	39,063	116,355
Capital lease obligations	119,916	54,244	174,160
Bonds payable	4,375,000	90,000	4,465,000
Certificates of participation	2,630,000	--	2,630,000
Liability for unpaid stipulated judgement	--	40,000	40,000
Compensated absences	3,966,892	35,047	4,001,939
Liability for unpaid insurance claims	2,568,600	--	2,568,600
Portion due or payable after one year:			
Loan payable	81,952	157,265	239,217
Capital lease obligations	2,193,309	992,149	3,185,458
Bonds payable	19,555,198	8,908,058	28,463,256
Certificates of participation	24,211,098	--	24,211,098
Liability for unpaid stipulated judgement	--	200,000	200,000
Compensated absences	3,240,549	39,313	3,279,862
Liability for unpaid insurance claims	6,511,100	--	6,511,100
Total Liabilities	85,125,079	12,827,454	97,952,533
Deferred Inflows of Resources			
Deferred Inflows of Resources	--	--	--
Net Position			
Net investment in capital assets	93,821,749	44,915,048	138,736,797
Restricted for:			
Debt service	2,344,035	--	2,344,035
Capital projects	3,157,050	--	3,157,050
Grants and special taxes	136,744,607	--	136,744,607
Unrestricted	112,826,612	776,798	113,603,410
Total Net Position	\$ 348,894,053	\$ 45,691,846	\$ 394,585,899

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

COUNTY OF NAPA

Statement of Activities
For the Year Ended June 30, 2013

Functions/Programs	Expenses	Program Revenues	
		Fees, Fines and Charges for Services	Operating Grants and Contributions
Primary Government:			
Governmental Activities:			
General government	\$ 34,111,801	\$ 14,000,963	\$ 9,208,785
Public protection	99,504,956	21,032,037	25,664,614
Public ways and facilities	30,772,914	5,019,801	3,200,665
Health and sanitation	42,910,252	7,965,445	26,116,503
Public assistance	43,305,879	1,729,072	40,915,281
Education	7,452,168	141,336	444,574
Recreation and cultural services	1,291,241	--	--
Debt Service:			
Interest and fiscal charges	2,100,643	--	--
Administration	94,904	--	--
Total Governmental Activities	<u>261,544,758</u>	<u>49,888,654</u>	<u>105,550,422</u>
Business-Type Activities:			
Napa County Airport	2,727,509	1,829,210	--
Lake Berryessa Resort Improvement	1,611,862	342,638	148
Napa Berryessa Resort Improvement	1,029,072	824,798	250
Fifth Street Parking Garage	464,416	160,190	--
Napa County Housing Authority	1,229,762	633,530	125,051
Napa County Animal Shelter	1,201,934	1,015,767	24,379
Total Business-Type Activities:	<u>8,264,555</u>	<u>4,806,133</u>	<u>149,828</u>
Total Primary Government	<u>\$ 269,809,313</u>	<u>\$ 54,694,787</u>	<u>\$ 105,700,250</u>

General Revenues:

Taxes:

- Property taxes
- Sales and use taxes
- Transient occupancy taxes
- Property transfer taxes
- Investment losses
- Gain (Loss) on sale of assets
- Miscellaneous

Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position - Beginning

 Cumulative effect of change in accounting principle

Net Position - Beginning, as restated

Net Position - Ending

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
\$ 177,693	\$ (10,724,360)	\$ --	\$ (10,724,360)
548,411	(52,259,894)	--	(52,259,894)
3,711,434	(18,841,014)	--	(18,841,014)
--	(8,828,304)	--	(8,828,304)
1,000,000	338,474	--	338,474
--	(6,866,258)	--	(6,866,258)
--	(1,291,241)	--	(1,291,241)
--	(2,100,643)	--	(2,100,643)
--	(94,904)	--	(94,904)
<u>5,437,538</u>	<u>(100,668,144)</u>	<u>--</u>	<u>(100,668,144)</u>
74,762	--	(823,537)	(823,537)
343,271	--	(925,805)	(925,805)
767,156	--	563,132	563,132
--	--	(304,226)	(304,226)
--	--	(471,181)	(471,181)
--	--	(161,788)	(161,788)
<u>1,185,189</u>	<u>--</u>	<u>(2,123,405)</u>	<u>(2,123,405)</u>
<u>\$ 6,622,727</u>	<u>(100,668,144)</u>	<u>(2,123,405)</u>	<u>(102,791,549)</u>
	98,363,416	360,700	98,724,116
	20,915,704	--	20,915,704
	9,673,355	--	9,673,355
	1,213,949	--	1,213,949
	(307,935)	(23,248)	(331,183)
	21,012		21,012
	355,420	--	355,420
	<u>(526,858)</u>	<u>526,858</u>	<u>--</u>
	<u>129,708,063</u>	<u>864,310</u>	<u>130,572,373</u>
	29,039,919	(1,259,095)	27,780,824
	319,854,134	47,196,603	367,050,737
	--	(245,662)	(245,662)
	<u>319,854,134</u>	<u>46,950,941</u>	<u>366,805,075</u>
	<u>\$ 348,894,053</u>	<u>\$ 45,691,846</u>	<u>\$ 394,585,899</u>

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



Painting Courtesy of Betty Jo March, Plein Air Watercolors, www.bettyjomarch.com

Calistoga Ranch



**BASIC FINANCIAL STATEMENTS –
FUND FINANCIAL STATEMENTS**



Painting Courtesy of Christine Olivo, artist, www.olivoarts.com

Ranch near Lake Hennessey

St. Helena

COUNTY OF NAPA
Balance Sheet
Governmental Funds
June 30, 2013

	General	Health and Human Services	Napa County Flood Protection and Watershed Improvement Authority	Capital Improvement Fund	Roads	Other Governmental Funds	Total
Assets & Deferred Outflows of Resources							
Assets:							
Cash and investments	\$ 67,927,254	\$ 10,362,484	\$ 54,051,297	\$ 40,344,746	\$1,847,131	\$ 32,345,503	\$ 206,878,415
Restricted Assets:							
Cash with fiscal agent	--	--	488,764	1,845,100	69,339	2,696,556	5,099,759
Imprest cash	52,020	21,534	--	--	--	850	74,404
Receivable, net:							
Taxes	14,344,230	--	2,919,632	--	--	916,954	18,180,816
Special assessments	--	--	--	--	--	1,146,542	1,146,542
Accounts	492,814	139,881	--	--	--	94,966	727,661
Due from other government agencies	22,034,903	10,641,496	--	--	3,774,036	689,707	37,140,142
Due from other funds	690,447	1,622,210	--	--	--	--	2,312,657
Prepaid items	114,460	1,385	--	--	--	12,038	127,883
Deposits	10,000	1,250	--	285,200	1,250	2,500	300,200
Assets held for resale	--	--	--	--	--	990,202	990,202
Loans receivable, net	--	--	--	--	--	15,295,152	15,295,152
Advances to other funds	4,865,000	--	--	2,045,000	--	--	6,910,000
Total Assets	<u>110,531,128</u>	<u>22,790,240</u>	<u>57,459,693</u>	<u>44,520,046</u>	<u>5,691,756</u>	<u>54,190,970</u>	<u>295,183,833</u>
Deferred outflows of resources	--	--	--	--	--	--	--
Total Assets and Deferred Outflows of Resources	<u>\$ 110,531,128</u>	<u>\$ 22,790,240</u>	<u>\$ 57,459,693</u>	<u>\$ 44,520,046</u>	<u>\$ 5,691,756</u>	<u>\$ 54,190,970</u>	<u>\$ 295,183,833</u>
Liabilities, Deferred Inflows of Resources & Fund Balances							
Liabilities:							
Accounts payable	\$ 1,673,076	\$ 2,461,070	\$ 2,025	\$ 279,436	\$ 332,871	\$ 1,898,112	\$ 6,646,590
Accrued salaries and benefits	3,931,512	1,668,897	--	--	109,411	397,787	6,107,607
Other accrued liabilities	5,000	--	--	--	--	--	5,000
Due to other funds	1,622,210	--	--	--	--	320,652	1,942,862
Due to other government agencies	357,949	517,323	584,254	5,588	12,436	239,132	1,716,682
Unearned revenue	36,764	--	--	--	--	94,272	131,036
Advances from other funds	--	--	--	--	--	2,720,000	2,720,000
Total Liabilities	<u>7,626,511</u>	<u>4,647,290</u>	<u>586,279</u>	<u>285,024</u>	<u>454,718</u>	<u>5,669,955</u>	<u>19,269,777</u>
Deferred Inflows of Resources:							
Unavailable revenue	<u>10,225,812</u>	<u>3,912,300</u>	<u>--</u>	<u>--</u>	<u>3,052,232</u>	<u>82,498</u>	<u>17,272,842</u>
Fund Balances:							
Nonspendable	4,989,460	2,635	--	285,200	1,250	34,458	5,313,003
Restricted	36,378,273	13,205,202	56,873,414	3,157,050	2,183,556	49,704,913	161,502,408
Committed	1,161,705	1,022,813	--	--	--	1,631,723	3,816,241
Assigned	36,900,914	--	--	40,792,772	--	-	77,693,686
Unassigned	13,248,453	--	--	--	--	(2,932,577)	10,315,876
Total Fund Balances	<u>92,678,805</u>	<u>14,230,650</u>	<u>56,873,414</u>	<u>44,235,022</u>	<u>2,184,806</u>	<u>48,438,517</u>	<u>258,641,214</u>
Total Liabilities, Deferred Inflows of Resources & Fund Balances	<u>\$ 110,531,128</u>	<u>\$ 22,790,240</u>	<u>\$ 57,459,693</u>	<u>\$ 44,520,046</u>	<u>\$ 5,691,756</u>	<u>\$ 54,190,970</u>	<u>\$ 295,183,833</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 Position - Governmental Activities June 30, 2013

Fund Balance - total governmental funds (page 31)		\$ 258,641,214
Amounts reported for governmental activities in the statement of net position 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.		113,911,921
Long-term liabilities, including bonds payable, are not due and payable in the current period, and therefore are not reported in the governmental funds.		
Loan payable	\$ (159,244)	
Capital lease obligations	(2,313,225)	
Certificates of participation	(23,805,000)	
Unamortized premiums	(3,036,098)	
Bonds payable	(23,825,000)	
Unamortized premiums	(802,787)	
Deferred refunding charges	697,589	
Accrued interest on debt	(220,007)	
Compensated absences	(6,812,492)	
Total long-term liabilities		(60,276,264)
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 unavailable revenue in the governmental funds.		17,272,842
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 position.		<u>19,344,340</u>
Net position of governmental activities (page 25)		<u>\$ 348,894,053</u>

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, 2013**

	General	Health and Human Services	Napa County Flood Protection and Watershed Improvement Authority	Capital Improvement Fund	Roads	Other Governmental Funds	Total
Revenues:							
Taxes	\$ 99,625,862	\$ --	\$ 15,173,638	\$ --	\$ --	\$ 15,366,924	\$ 130,166,424
Licenses and permits	4,697,862	161,863	--	--	38,001	3,317,051	8,214,777
Fines, forfeitures and penalties	4,030,755	646,653	--	516,547	11,408	47,897	5,253,260
Revenue from use of money and property	60,553	(6,929)	(118,105)	(46,843)	(8,107)	(6,427)	(125,858)
Aid from other governments	45,104,283	51,224,503	--	--	4,747,510	4,738,250	105,814,546
Charges for services	22,537,281	6,864,152	--	--	130,306	9,376,250	38,907,989
Contributions and donations	454,982	45,461	--	--	--	374,531	874,974
Other revenue	332,353	3,504	--	--	716	9,499	346,072
Total Revenues	176,843,931	58,939,207	15,055,533	469,704	4,919,834	33,223,975	289,452,184
Expenditures:							
Current:							
General government	25,520,498	--	--	4,414,471	--	5,749,758	35,684,727
Public protection	83,341,762	--	--	600,321	--	15,770,901	99,712,984
Public ways and facilities	14,089,611	--	6,407,362	--	10,744,112	149,895	31,390,980
Health and sanitation	295,783	41,860,538	--	826,552	--	296,058	43,278,931
Public assistance	--	41,845,266	--	503,013	--	1,371,877	43,720,156
Education	431,708	--	--	--	--	7,135,812	7,567,520
Recreation and cultural services	1,291,241	--	--	--	--	--	1,291,241
Debt Service:							
Principal	49,040	--	4,175,000	--	--	2,525,000	6,749,040
Interest and fiscal charges	7,769	--	1,259,060	--	--	1,145,784	2,412,613
Administration, issuance and arbitrage fees	--	--	7,200	--	--	87,704	94,904
Total Expenditures	125,027,412	83,705,804	11,848,622	6,344,357	10,744,112	34,232,789	271,903,096
Excess (Deficiency) of Revenues Over (Under) Expenditures	51,816,519	(24,766,597)	3,206,911	(5,874,653)	(5,824,278)	(1,008,814)	17,549,088
Other Financing Sources (Uses):							
Issuance of capital leases	--	--	--	--	--	2,313,225	2,313,225
Transfers in	945,735	40,954,240	--	13,517,031	5,283,605	4,209,858	64,910,469
Transfers out	(55,873,211)	(1,956,993)	--	(1,384,713)	(860)	(6,246,550)	(65,462,327)
Total Other Financing Sources (Uses)	(54,927,476)	38,997,247	--	12,132,318	5,282,745	276,533	1,761,367
Net change in fund balances	(3,110,957)	14,230,650	3,206,911	6,257,665	(541,533)	(732,281)	19,310,455
Fund Balances - Beginning	95,789,762	--	53,666,503	37,977,357	2,726,339	49,170,798	239,330,759
Fund Balances - Ending	\$ 92,678,805	\$ 14,230,650	\$ 56,873,414	\$ 44,235,022	\$ 2,184,806	\$ 48,438,517	\$ 258,641,214

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, 2013

Net change in fund balances - total governmental funds (page 33)		\$ 19,310,455
Amounts reported for governmental activities in the statement of activities are different because:		
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.		
Expenditures for general capital assets, infrastructure, and other related capital assets adjustments	\$ 8,681,071	
Less: current year depreciation	<u>(6,888,984)</u>	1,792,087
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		81,338
Long-term debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		
Proceeds from the issuance of long-term debt	(2,313,225)	
Principal payments	<u>7,749,040</u>	5,435,815
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.		
Accrued interest on debt	2,895	
Amortization of debt premiums	309,075	
Change in compensated absences	<u>59,455</u>	371,425
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>2,048,799</u>
Change in net position of governmental activities (pages 26-27)		<u><u>\$ 29,039,919</u></u>

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

COUNTY OF NAPA

Statement of Fund Net Position
Proprietary Funds
June 30, 2013

	Business-Type Activities - Enterprise Funds					Total	Governmental
	Napa County Airport	Lake Berryessa Resort Improvement	Napa Berryessa Resort Improvement	Fifth Street Parking Garage	Other Enterprise Funds		Internal Service Funds
Assets							
Current Assets:							
Cash and investments	\$ 3,335,706	\$ 347,163	\$ 601,745	\$ 168,139	\$ 674,486	\$ 5,127,239	\$ 22,466,131
Restricted Assets:							
Cash with fiscal agent	756,147	264,029	--	--	269,320	1,289,496	--
Cash held for debt service reserve	--	--	1,100,000	--	--	1,100,000	--
Cash held for capital projects	--	1,807,189	540,949	--	--	2,348,138	--
Imprest cash	100	--	--	--	175	275	46,749
Taxes receivable	--	16,322	15,419	--	--	31,741	--
Accounts receivable	213,440	62,454	155,924	--	30,732	462,550	16,558
Assessments receivable	--	262,984	48,742	--	--	311,726	--
Due from other government agencies	108,086	--	--	--	181,010	289,096	--
Prepaid items	--	--	--	--	--	--	101,183
Bond installments receivable	--	--	1,868,031	--	--	1,868,031	--
Deposits	5,000	--	--	--	2,500	7,500	45,449
Note receivable	73,118	--	--	--	--	73,118	--
Total Current Assets	4,491,597	2,760,141	4,330,810	168,139	1,158,223	12,908,910	22,676,070
Noncurrent Assets:							
Capital Assets:							
Nondepreciable:							
Land	1,886,002	205,050	237,567	--	3,036,422	5,365,041	--
Construction in progress	17,925	583,710	4,668,792	--	239,216	5,509,643	--
Intangible assets	--	--	--	--	--	--	521,290
Depreciable:							
Structures and improvements	35,085,836	5,930,938	1,718,376	16,841,341	7,233,705	66,810,196	--
Equipment	154,247	407,420	126,090	--	--	687,757	12,968,198
Intangible assets	--	--	--	--	--	--	667,632
Accumulated depreciation	(21,862,868)	(2,008,129)	(1,525,849)	(1,515,721)	(1,289,885)	(28,202,452)	(7,246,950)
Total Noncurrent Assets	15,281,142	5,118,989	5,224,976	15,325,620	9,219,458	50,170,185	6,910,170
Total Assets	19,772,739	7,879,130	9,555,786	15,493,759	10,377,681	63,079,095	29,586,240
Deferred Outflows of Resources:							
Deferred outflows of resources	--	--	--	--	--	--	--
Liabilities							
Current Liabilities:							
Accounts payable	16,404	24,641	1,874,559	3,225	70,263	1,989,092	480,816
Accrued salaries and benefits	37,058	--	--	--	23,993	61,051	271,286
Due to other government agencies	--	--	--	--	--	--	15,150
Customer deposits	--	23,205	41,620	--	4,463	69,288	--
Interest payable	--	58,985	20,781	--	--	79,766	--
Due to other funds	--	76,000	--	--	293,795	369,795	--
Loan payable	39,063	--	--	--	--	39,063	--
Capital lease obligations	39,998	--	--	--	14,246	54,244	--
Bonds payable	--	90,000	--	--	--	90,000	--
Unearned revenue	73,118	--	--	--	--	73,118	--
Liability for unpaid stipulated judgment	--	40,000	--	--	--	40,000	--
Liability for unpaid claims	--	--	--	--	--	--	2,568,600
Liability for compensated absences	18,458	--	--	--	16,589	35,047	198,464
Total Current Liabilities	224,099	312,831	1,936,960	3,225	423,349	2,900,464	3,534,316
Noncurrent Liabilities:							
Advances from other funds	--	1,596,000	2,594,000	--	--	4,190,000	--
Loan payable	157,265	--	--	--	--	157,265	--
Capital lease obligations	731,579	--	--	--	260,570	992,149	--
Bonds Payable	--	4,200,000	4,708,058	--	--	8,908,058	--
Liability for unpaid stipulated judgment	--	200,000	--	--	--	200,000	--
Liability for unpaid claims	--	--	--	--	--	--	6,511,100
Liability for compensated absences	21,809	--	--	--	17,504	39,313	196,484
Total Noncurrent Liabilities	910,653	5,996,000	7,302,058	--	278,074	14,486,785	6,707,584
Total Liabilities	1,134,752	6,308,831	9,239,018	3,225	701,423	17,387,249	10,241,900
Deferred Inflows of Resources:							
Deferred inflows of resources	--	--	--	--	--	--	--
Net Position							
Net investment in capital assets	15,084,814	2,900,207	2,384,949	15,325,620	9,219,458	44,915,048	6,910,170
Unrestricted	3,553,173	(1,329,908)	(2,068,181)	164,914	456,800	776,798	12,434,170
Total Net Position	\$ 18,637,987	\$ 1,570,299	\$ 316,768	\$15,490,534	\$ 9,676,258	\$ 45,691,846	\$ 19,344,340

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

COUNTY OF NAPA

Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2013

	Business-Type Activities - Enterprise Funds					Total	Governmental
	Napa County Airport	Lake Berryessa Resort Improvement	Napa Berryessa Resort Improvement	Fifth Street Parking Garage	Other Enterprise Funds		Internal Service Funds
Operating Revenues:							
Charges for services	\$ 1,822,153	\$ 341,504	\$ 817,140	\$ 155,222	\$ 1,649,297	\$ 4,785,316	\$ 24,949,317
Maintenance Charges:							
Equipment	--	--	--	--	--	--	564,991
Vehicle	--	--	--	--	--	--	1,228,332
Replacement charges	--	--	--	--	--	--	746,607
Other revenue	7,057	1,134	7,658	4,968	--	20,817	9,339
Total Operating Revenues	1,829,210	342,638	824,798	160,190	1,649,297	4,806,133	27,498,586
Operating Expenses:							
Salaries and employee benefits	732,689	--	--	--	615,436	1,348,125	16,465,230
Services and supplies	609,718	1,060,551	832,296	106,589	1,645,784	4,254,938	5,370,825
Insurance	12,248	10,204	14,278	21,000	2,439	60,169	--
Other charges	15,812	--	95,000	--	--	110,812	--
Claims expense	--	--	--	--	--	--	2,618,299
Depreciation and amortization	1,329,418	288,727	35,071	336,827	162,524	2,152,567	979,525
Total Operating Expenses	2,699,885	1,359,482	976,645	464,416	2,426,183	7,926,611	25,433,879
Operating Income (Loss)	(870,675)	(1,016,844)	(151,847)	(304,226)	(776,886)	(3,120,478)	2,064,707
Non-Operating Revenues (Expenses):							
Aid from other governments	--	148	250	--	--	398	--
Tax revenue	--	298,703	61,997	--	--	360,700	--
Other revenues	--	--	--	--	149,430	149,430	--
Investment income (loss)	(6,564)	(3,163)	(10,785)	(388)	(2,348)	(23,248)	(61,920)
Interest expense	(12,193)	(245,042)	(32,424)	--	(17)	(289,676)	--
Debt administration expense	(15,431)	(15,675)	(20,003)	--	(5,496)	(56,605)	--
Gain (loss) on disposition of assets	--	8,337	--	--	--	8,337	21,012
Total Non-Operating Revenues (Expenses)	(34,188)	43,308	(965)	(388)	141,569	149,336	(40,908)
Net Income (Loss) Before Contributions and Transfers	(904,863)	(973,536)	(152,812)	(304,614)	(635,317)	(2,971,142)	2,023,799
Capital contributions, grants and assessments	74,762	343,271	767,156	--	--	1,185,189	--
Transfers in	--	--	--	--	548,224	548,224	25,000
Transfers out	(18,028)	--	--	--	(3,338)	(21,366)	--
Change in Net Position	(848,129)	(630,265)	614,344	(304,614)	(90,431)	(1,259,095)	2,048,799
Net Position - Beginning	19,486,116	2,446,226	(297,576)	15,795,148	9,766,689	47,196,603	17,295,541
Cumulative effect of change in accounting principle	--	(245,662)	--	--	--	(245,662)	--
Net Position - Beginning, as restated	19,486,116	2,200,564	(297,576)	15,795,148	9,766,689	46,950,941	17,295,541
Net Position - End of Year	\$ 18,637,987	\$ 1,570,299	\$ 316,768	\$ 15,490,534	\$ 9,676,258	\$ 45,691,846	\$ 19,344,340

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, 2013

	Business-Type Activities - Enterprise Funds						Governmental
	Napa County Airport	Lake Berryessa Resort Improvement	Napa Berryessa Resort Improvement	Fifth Street Parking Garage	Other Enterprise Funds	Total	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES:							
Cash receipts from customers	\$ 1,748,812	\$ 320,807	\$ 799,869	\$ 165,366	\$ 1,600,059	\$ 4,634,913	\$ --
Cash receipts from internal services provided	--	--	--	--	--	--	27,483,351
Cash paid to suppliers for goods and services	(496,924)	(1,079,414)	(970,743)	(127,864)	(1,701,927)	(4,376,872)	(7,934,982)
Cash paid to employees for services	(725,331)	--	--	--	(607,086)	(1,332,417)	(15,630,435)
Other receipts	--	--	--	--	149,430	149,430	--
Net Cash Provided (Used) by Operating Activities	526,557	(758,607)	(170,874)	37,502	(559,524)	(924,946)	3,917,934
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:							
Aid from other government agencies	--	148	250	--	--	398	--
Transfers in	--	--	--	--	548,224	548,224	25,000
Transfers out	(18,028)	--	--	--	(3,338)	(21,366)	--
Due to other funds	--	(4,750)	(474,000)	--	293,795	(184,955)	(675,207)
Advances from other funds	(279,000)	--	1,669,000	--	--	1,390,000	--
Taxes	--	299,067	61,596	--	--	360,663	--
Stipulated judgment payments	--	(40,000)	--	--	--	(40,000)	--
Interest payments for non-capital activities	--	(7,571)	(6,642)	--	(17)	(14,230)	--
Net Cash Provided (Used) by Noncapital Financing Activities	(297,028)	246,894	1,250,204	--	838,664	2,038,734	(650,207)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:							
Proceeds of sales of capital assets	--	8,337	--	--	--	8,337	106,102
Proceeds from bond issuances	--	--	2,840,027	--	--	2,840,027	--
Proceeds from issuance of capital lease	771,577	--	--	--	274,816	1,046,393	--
Principal repayments related to capital purposes	(37,109)	(115,000)	--	--	--	(152,109)	--
Interest payments related to capital purposes	(12,193)	(239,002)	(5,001)	--	--	(256,196)	--
Debt administration payments related to capital purposes	(15,431)	(15,675)	(20,003)	--	(5,496)	(56,605)	--
Capital grants and contributions	94,576	2,797	--	--	--	97,373	--
Special assessments	--	255,569	718,414	--	--	973,983	--
Payments related to the acquisition of capital assets	(125,676)	--	(2,914,066)	--	(204,247)	(3,243,989)	(1,323,057)
Net Cash Provided (Used) by Capital and Related Financing Activities	675,744	(102,974)	619,371	--	65,073	1,257,214	(1,216,955)
CASH FLOWS FROM INVESTING ACTIVITIES							
Investment loss	(6,564)	(3,163)	(10,785)	(388)	(2,348)	(23,248)	(61,920)
Net Cash Used by Investing Activities	(6,564)	(3,163)	(10,785)	(388)	(2,348)	(23,248)	(61,920)
Net Increase (Decrease) in Cash and Cash Equivalents	898,709	(617,850)	1,687,916	37,114	341,865	2,347,754	1,988,852
Cash and Cash Equivalents, Beginning of Year (including imprest cash of \$275 and \$30,021 for enterprise and internal service funds, respectively, and restricted cash totaling \$2,279,199 held for enterprise funds)	3,193,244	3,036,231	554,778	131,025	602,116	7,517,394	20,524,028
Cash and Cash Equivalents, End of Year (including imprest cash of \$275 and \$46,749 for enterprise and internal service funds, respectively, and restricted cash totaling \$4,737,6349 held for enterprise funds)	\$ 4,091,953	\$ 2,418,381	\$ 2,242,694	\$ 168,139	\$ 943,981	\$ 9,865,148	\$ 22,512,880

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, 2013

	Business-Type Activities - Enterprise Funds					Governmental	
	Napa County Airport	Lake Berryessa Resort Improvement	Napa 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)	\$ (870,675)	\$ (1,016,844)	\$ (151,847)	\$ (304,226)	\$ (776,886)	\$ (3,120,478)	\$ 2,064,707
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:							
Depreciation and amortization	1,329,418	288,727	35,071	336,827	162,524	2,152,567	979,525
Abandonment of construction project	162,979	--	--	--	--	162,979	--
Other non-operating income	--	--	--	--	149,430	149,430	--
Changes in assets and liabilities:							
(Increase) decrease in:							
Accounts receivable	118,304	(10,715)	(12,161)	5,176	11,233	111,837	(15,235)
Assessments receivable	--	--	--	--	--	--	--
Deposits	(5,000)	--	--	--	(2,500)	(7,500)	20,207
Due from other government agencies	--	--	--	--	(60,678)	(60,678)	--
Prepaid items	--	--	--	--	--	--	668,506
Increase (decrease) in:							
Accounts payable	(17,125)	(8,659)	(29,169)	(275)	(51,204)	(106,432)	40,762
Accrued salaries	6,671	--	--	--	1,537	8,208	(61,076)
Due to other governments	--	--	--	--	--	--	15,150
Deferred revenue	(198,702)	--	(12,768)	--	--	(211,470)	--
Customer deposits	--	(11,116)	--	--	207	(10,909)	--
Compensated absences	687	--	--	--	6,813	7,500	15,688
Claims liability	--	--	--	--	--	--	189,700
Net Cash Provided (Used) by Operating Activities	<u>\$ 526,557</u>	<u>\$ (758,607)</u>	<u>\$ (170,874)</u>	<u>\$ 37,502</u>	<u>\$ (559,524)</u>	<u>\$ (924,946)</u>	<u>\$ 3,917,934</u>

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

COUNTY OF NAPA

Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2013

	Investment Trust Funds	Private Purpose Trust Funds	Agency Funds
Assets			
Current Assets:			
Cash and investments	\$ 279,735,958	\$ 2,416,220	\$ 28,395,527
Taxes receivable	<u> --</u>	<u> --</u>	<u>12,244,697</u>
Total Assets	<u>279,735,958</u>	<u>2,416,220</u>	<u>\$ 40,640,224</u>
 Deferred Outflows of Resources			
Deferred outflows of resources	<u> --</u>	<u> --</u>	
 Liabilities			
Agency funds held for others	<u> --</u>	<u> --</u>	\$ 40,640,224
Total Liabilities	<u> --</u>	<u> --</u>	<u>\$ 40,640,224</u>
 Deferred Inflows of Resources			
Deferred inflows of resources	<u> --</u>	<u> --</u>	
 Net Position			
Net position held in trust	<u>279,735,958</u>	<u>2,416,220</u>	
Total Net Position	<u>\$ 279,735,958</u>	<u>\$ 2,416,220</u>	

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

COUNTY OF NAPA

Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2013

	<u>Investment Trust Funds</u>	<u>Private Purpose Trust Funds</u>
<u>ADDITIONS</u>		
Contribution:		
Contribution to investment pool	\$ 1,217,569,380	\$ 2,942,253
Total Contribution	<u>1,217,569,380</u>	<u>2,942,253</u>
Net Investment Income:		
Interest	<u>(186,839)</u>	<u>(6,506)</u>
Net Investment Income	<u>(186,839)</u>	<u>(6,506)</u>
Total Additions	<u>1,217,382,541</u>	<u>2,935,747</u>
<u>DEDUCTIONS</u>		
Distribution from investment pool	<u>1,158,558,705</u>	<u>2,380,273</u>
Total Deductions	<u>1,158,558,705</u>	<u>2,380,273</u>
Change in Net Position	58,823,836	555,474
Net Position - Beginning	<u>220,912,122</u>	<u>1,860,746</u>
Net Position - Ending	<u>\$ 279,735,958</u>	<u>\$ 2,416,220</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, 2013

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 Statements No. 39 and 61. 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, Monticello Public Cemetery and Endowment District, Lake Berryessa Resort Improvement District, Napa Berryessa Resort Improvement District, Napa County Housing Authority, Napa Valley Tourism Improvement District, Community Facilities District - Devlin Road and Napa County Public Improvement Corporation. The blended component units' governing bodies are substantively the same as the governing body of the primary government.

COUNTY OF NAPA

Notes to the Basic Financial Statements For the Year Ended June 30, 2013

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

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

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

Excluded Joint Power Authorities

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

- 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 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 position 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

COUNTY OF NAPA

Notes to the Basic Financial Statements For the Year Ended June 30, 2013

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

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

Government-Wide Financial Statements (continued)

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 as general revenues.

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 position are available, unrestricted resources are used only after the restricted 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.

COUNTY OF NAPA

Notes to the Basic Financial Statements For the Year Ended June 30, 2013

1. Summary of Significant Accounting Policies (continued)

B. Basis of Presentation (continued)

Fund Financial Statements (continued)

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, education and recreation services.
- *Health and Human Services Agency* is used to account for a variety of preventative health programs, outpatient services, mandated community health services, and a variety of public assistance and social services programs. A majority of its funding comes from State and Federal grants, charges for services and contributions from the General Fund.
- 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, and disburse revenues for projects which meet the voter approved Measure A requirements.
- The *Capital Improvement Fund* is a capital fund used to build up resources and account for major County facility construction projects. A majority of its funding comes from contributions made by the General Fund.
- The *Roads Fund* provides for the County Road Program to protect, preserve, enhance and improve the existing County road network. This fund pays for the construction and maintenance of the road system in the unincorporated area with a majority of its revenues coming from State, Federal and General Fund resources.

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, runways, taxiway and ramp lighting, and heating and air conditioning service. Major revenue sources include fuel flow fees, rents, land leases, and airport.
- *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 charges for services, annual assessments, property taxes and debt financing.
- *The Napa 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 revenues sources include charges for services, annual assessments, property taxes and debt financing.

COUNTY OF NAPA

Notes to the Basic Financial Statements For the Year Ended June 30, 2013

1. Summary of Significant Accounting Policies (continued)

B. Basis of Presentation (continued)

Fund Financial Statements (continued)

- *Fifth Street Parking Garage* is used to provide parking for up to 485 vehicles in downtown 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 services, information technology services, employee/retiree benefits and liability insurance.
- The *Investment Trust Fund* accounts for assets of legally separate entities that deposit cash with the County Treasury. 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 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.

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.

COUNTY OF NAPA

Notes to the Basic Financial Statements For the Year Ended June 30, 2013

1. Summary of Significant Accounting Policies (continued)

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

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 90 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.

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. In accordance with GASB Statement No. 31, "Accounting and Financial Reporting for Certain Investments and External Investment Pools," investments held by the County Treasurer are stated at fair value. The fair value of investments are based on current market prices received from the security custodian.

E. **Restricted Assets**

Certain resources set aside for the repayment of both governmental and business-type debts and to fund business-type capital projects are classified as restricted assets on the balance sheet because their use is limited by applicable debt covenants.

COUNTY OF NAPA

Notes to the Basic Financial Statements For the Year Ended June 30, 2013

1. Summary of Significant Accounting Policies (continued)

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 maintaining County vehicles and equipment. Inventories are recorded as expenditures at the time the inventory is consumed. The County had no material inventories at June 30, 2013. 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. Prepayments are recognized as expenditures in the period benefited using the consumption method.

G. Property Tax Receivable and Revenue

The property taxes receivable balance is \$12,244,697 before an allowance for uncollectibles for those items not covered under the Teeter Plan. 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 2012-2013, the County opted to use method (2) which required a tax loss reserve of at least 25 percent of total delinquent taxes levied on the secured roll. The balance in the tax loss reserve as of June 30, 2013 is \$7,443,272.

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.

COUNTY OF NAPA

Notes to the Basic Financial Statements For the Year Ended June 30, 2013

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

H. **Capital Assets** (continued)

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. **Assets Held for Resale**

Assets 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.

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

COUNTY OF NAPA

Notes to the Basic Financial Statements For the Year Ended June 30, 2013

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

J. **Compensated Absences** (continued)

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".

As required by Governmental Accounting Standards Board Statement No. 54, advances from the General Fund, as reported in the fund financial statements, are offset by a corresponding nonspendable portion of fund balance to indicate they are not available for appropriation and are not available financial resources. Advances made from other governmental funds are offset by a corresponding restricted, committed or assigned portion of fund balance dependent upon the constraints placed on the liquidated proceeds.

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.

COUNTY OF NAPA

Notes to the Basic Financial Statements For the Year Ended June 30, 2013

1. Summary of Significant Accounting Policies (continued)

L. Deferred Outflows and Inflows of Resources

Pursuant to GASB Statement Number 63 and GASB Statement Number 65, the County recognizes deferred outflows and inflows of resources. A deferred outflow of resources is defined as a consumption of net position by the government that is applicable to a future reporting period. A deferred inflow of resources is defined as an acquisition of net position by the government that is applicable to a future reporting period.

M. 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.

N. Future Accounting Pronouncements

Governmental Accounting Standards Board (GASB) Statements Numbers 67-70 listed below will be implemented in future financial statements:

Statement No. 67	<i>Financial Reporting for Pension Plans – an amendment of GASB Statement No. 25</i>	The provisions of this Statement are effective for financial statement periods beginning after December 15, 2013.
Statement No. 68	<i>Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27</i>	The provisions of this Statement are effective for financial statement periods beginning after December 15, 2014.
Statement No. 69	<i>Government Combinations and Disposals of Government Operations.</i>	The provisions of this statement are effective for financial statements for fiscal years beginning after December 15, 2013.
Statement No. 70	<i>Accounting and Financial Reporting for Nonexchange Financial Guarantees</i>	The provisions of this statement are effective for financial statements for fiscal years beginning after June 15, 2013.

O. 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.

COUNTY OF NAPA

Notes to the Basic Financial Statements For the Year Ended June 30, 2013

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

O. **Fund Equity** (continued)

- 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.
- Assigned fund balance – amounts that are constrained by the County's intent to be used for specific purposes. Intent is expressed by the Board of Supervisors 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 exceed 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. This can be done through the adoption of the budget and subsequent budget amendments that occur throughout the year.

P. **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, and
- 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 General Fund and Health and Human Services 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, 2013

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 Position and the Balance Sheet include investments that reside outside of the Pool and are held with fiscal agents.

The Pool includes both statutory and voluntary 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, 2013, total County cash and investments were as follows:

Cash:	
Cash on hand	\$ 8,692,930
Imprest cash	121,428
Certificates of deposit	100,000
Outstanding warrants and reconciliations	<u>(9,245,375)</u>
Total Cash	<u>(331,017)</u>
Investments:	
In Treasurer's pool	548,920,073
With fiscal agents external to the pool	<u>6,389,255</u>
Total Investments	<u>555,309,328</u>
Total Cash and Investments	<u><u>\$ 554,978,311</u></u>

COUNTY OF NAPA

Notes to the Basic Financial Statements For the Year Ended June 30, 2013

2. Cash and Investments (continued)

Total cash and investments at June 30, 2013 were presented in the County's financial statements as follows:

Total governmental activities	\$ 234,565,458
Total business-type activities	9,865,148
Investment trust funds	279,735,958
Private purpose trust funds	2,416,220
Agency funds	28,395,527
Total Cash and Investments	\$ 554,978,311

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 of the County's total bank balances, \$261,266 is insured by the Federal Depository Insurance Corporation. The remaining \$8,281,171 on deposit is collateralized with securities held by the pledging financial institution's agent. Per Government Code Section 53652, the depository is required to maintain a market value of at least 110% of the pledged collateral.

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	None	None
Medium-Term Notes	5 years	30%	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, 2013

2. Cash and Investments (continued)

Investments (continued)

At June 30, 2013, the County had the following investments:

	Interest Rates	Maturities	Par	Cost	Fair Value	WAM (Years)
Investments in Investment Pool						
U.S. Agency Obligations - fixed	.280%-2.35%	7/26/13-6/28/18	\$ 289,795,000	\$ 289,772,540	\$ 286,056,004	3.35
U.S. Agency Obligations - discount	.06%-.145%	7/5/13-1/31/14	182,575,000	182,463,384	182,515,138	0.25
U.S. Treasury Obligations	.085%-.130%	7/25/13-1/9/14	31,000,000	30,976,943	30,986,410	0.31
Teeter notes	.57%-1.09%	9/1/14-9/1/17	3,962,521	3,962,521	3,962,521	2.98
Local Agency Investment Fund (LAIF)	0.35%	on demand	45,400,000	45,400,000	45,400,000	0.00
Total Treasurer's Pooled Investments			552,732,521	552,575,388	548,920,073	1.85
Investments Controlled by Fiscal Agents						
U.S. Treasury Obligations			6,389,255	6,389,255	6,389,255	
Total Investments			\$ 559,121,776	\$ 558,964,643	\$ 555,309,328	

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Pool manages its exposure to declines in fair values by limiting its long-term investments to only funds that are not needed for current cash flow purposes and holding these securities to maturity. The investment policy also limits the final maturity date of any individual security to a maximum of five years.

Interest Rate Risk

The fair values of the County's fixed-maturity investments fluctuate in response to changes in market interest rates. Increases in prevailing interest rates generally translate into decreases in the fair values of those instruments; conversely, decreases in prevailing interest rates generally translate into increases in the fair values of those instruments. The Treasurer-Tax Collector believes the investment portfolio's planned liquidity is sufficient to meet cash flow needs for the next six months and will preclude the Treasurer-Tax Collector from having to sell investments below cost.

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, 2013

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, 2013.

	S & P	Moody's	% of Portfolio
U.S. Agency Obligations - fixed	AA+	Aaa	52.11%
U.S. Agency Obligations - discount	AA+	Aaa	33.25%
U.S. Treasury Obligations	AA+	Aaa	5.65%
Teeter notes	Unrated	Unrated	0.72%
Local Agency Investment Fund (LAIF)	Unrated	Unrated	8.27%
Total			100.00%

At June 30, 2013, 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	\$	136,008,803	24.78%
Federal Farm Credit Bank	Government Sponsored		144,243,394	26.28%
Federal National Mortgage Association	Government Sponsored		97,925,160	17.84%
Federal Home Loan Mortgage Corporation	Government Sponsored		90,393,785	16.46%

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 \$45.4 million at June 30, 2013. The total amount invested by all public agencies in LAIF at June 30, 2013, was \$20.3 billion. LAIF is part of the State of California Pooled Money Investment Account (PMIA), whose balance at June 30, 2013 was \$61.1 billion. Of that amount, 1.96% 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 278 days as of June 30, 2013. 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, 2013

2. Cash and Investments (continued)

County Investment Pool Condensed Financial Statements

The following represents a condensed statement of net position and changes in net position for the Treasurer's investment pool as of June 30, 2013:

Statement of Net Position

Net position held for pool participants	\$ 548,467,628
Equity of internal pool participants	237,919,923
Equity of external pool participants	<u>310,547,705</u>
Total net position	<u>\$ 548,467,628</u>

Statement of Changes in Net Position

Net position held for pool participants at July 1, 2012	\$ 482,845,932
Net change in investments by pool participants	<u>65,621,696</u>
Net position held for pool participants at June 30, 2013	<u>\$ 548,467,628</u>

3. Interfund Transactions

Interfund Receivables/Payables

The composition of interfund balances as of June 30, 2013 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	\$ 320,652	IHSS cash advance
	Lake Berryessa Resort Improv.	76,000	Revenue anticipation advance
	Other Enterprise Funds	293,795	Animal Shelter cash advance
Health and Human Services Agency	General Fund	<u>1,622,210</u>	Program related cash advance
		<u>\$ 2,312,657</u>	

The above balances reflect temporary cash advances

The amounts payable to the General Fund and the Capital Improvement Projects Fund reflect loans made to Lake Berryessa, Napa Berryessa Resort Improvement Districts and the Community Facilities District-Devlin Road to help fund capital improvements and maintenance projects. None of the balances outstanding are scheduled to be repaid in the subsequent year.

COUNTY OF NAPA

Notes to the Basic Financial Statements For the Year Ended June 30, 2013

3. Interfund Transactions (continued)

Advance to/from other funds:

Receivable Fund	Payable Fund	Amount	Purpose
General Fund	Lake Berryessa Resort Improv.	\$ 1,096,000	Operating advance
	Napa Berryessa Resort Improv.	2,549,000	Operating & capital advance
	Other Governmental Fund	1,220,000	Capital advance
Capital Improvement Fund	Lake Berryessa Resort Improv.	500,000	Capital advance
	Napa Berryessa Resort Improv.	45,000	Capital advance
	Other Governmental Fund	1,500,000	Capital advance
		<u>\$ 6,910,000</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:

Transfer from	Transfer to	Amount	Purpose	
General Fund	Roads Fund	\$ 1,319,333	Road contribution	
	Health & Human Services	32,798,944	HHSA program contribution	
	Health & Human Services	7,942,000	HHSA restricted funds transfer	
	Capital Improvement Fund	11,124,545	Capital projects	
	Other Governmental Funds	2,318,389	Debt service	
	Other Governmental Funds	185,486	Library contribution	
	Other Governmental Funds	159,514	IHSS contribution	
	Internal Service Funds	25,000	ADA project contribution	
Health & Human Services	General Fund	945,735	Program contribution	
	Capital Improvement Fund	547,387	Capital projects	
	Other Governmental Funds	463,871	Debt service	
Capital Improvement Fund	Roads	1,000,000	Road construction & maintenance	
	Health & Human Services	96,296	Construction planning	
	Other Governmental Funds	288,417	Debt service	
Roads Fund	Other Governmental Funds	860	Debt service	
Other Governmental Funds	Roads	2,894,933	Road construction	
	Health & Human Services	117,000	Public assistance contribution	
	Capital Improvement Fund	1,845,099	Photovoltaic project contribution	
	Roads	69,339	Photovoltaic project contribution	
	Other Governmental Funds	352,522	Photovoltaic project contribution	
	Other Governmental Funds	275,876	Fire protection	
	Other Governmental Funds	143,557	Debt service	
	Other Enterprise Funds	548,224	Farmworker centers	
	Napa County Airport	Other Governmental Funds	18,028	Debt service
	Other Enterprise Fund	Other Governmental Funds	3,338	Debt service
		<u>\$ 65,483,693</u>		

COUNTY OF NAPA

Notes to the Basic Financial Statements For the Year Ended June 30, 2013

4. Capital Assets

Capital asset activity for the year ended June 30, 2013 was as follows:

	Balance July 1, 2012	Additions	Retirements	Transfers & Adjustments	Balance June 30, 2013
Governmental Activities					
Capital assets, not being depreciated:					
Land	\$ 4,751,515	\$ 3,052,746	\$ -	\$ -	\$ 7,804,261
Intangible assets	1,014,299	174,623	-	(667,632)	521,290
Construction in progress	5,595,537	1,353,978	-	(3,614,020)	3,335,495
Total capital assets, not being depreciated	<u>11,361,351</u>	<u>4,581,347</u>	<u>-</u>	<u>(4,281,652)</u>	<u>11,661,046</u>
Capital assets, being depreciated:					
Infrastructure	180,533,194	3,268,937	-	896,739	184,698,870
Structures and improvements	101,509,793	585,554	-	2,717,281	104,812,628
Equipment	29,715,572	1,568,289	(928,377)	-	30,355,484
Intangible assets	-	-	-	667,632	667,632
Total capital assets, being depreciated	<u>311,758,559</u>	<u>5,422,780</u>	<u>(928,377)</u>	<u>4,281,652</u>	<u>320,534,614</u>
Less accumulated depreciation for:					
Infrastructure	(153,798,860)	(3,701,664)	-	-	(157,500,524)
Structures and improvements	(29,251,910)	(2,110,810)	-	-	(31,362,720)
Equipment	(21,297,578)	(1,989,272)	843,288	-	(22,443,562)
Intangible assets	-	(66,763)	-	-	(66,763)
Total accumulated depreciation	<u>(204,348,348)</u>	<u>(7,868,509)</u>	<u>843,288</u>	<u>-</u>	<u>(211,373,569)</u>
Total capital assets, being depreciated, net	<u>107,410,211</u>	<u>(2,445,729)</u>	<u>(85,089)</u>	<u>4,281,652</u>	<u>109,161,045</u>
Government activities capital assets, net	<u>\$ 118,771,562</u>	<u>\$ 2,135,618</u>	<u>\$ (85,089)</u>	<u>\$ -</u>	<u>\$ 120,822,091</u>
Business-type Activities					
Capital assets, not being depreciated:					
Land	\$ 5,171,876	\$ 193,165	\$ -	\$ -	\$ 5,365,041
Construction in progress	1,027,911	4,925,383	(162,979)	(280,672)	5,509,643
Total capital assets, not being depreciated	<u>6,199,787</u>	<u>5,118,548</u>	<u>(162,979)</u>	<u>(280,672)</u>	<u>10,874,684</u>
Capital assets, being depreciated:					
Structures and improvements	66,529,524	-	-	280,672	66,810,196
Equipment	687,757	-	-	-	687,757
Total capital assets, being depreciated	<u>67,217,281</u>	<u>-</u>	<u>-</u>	<u>280,672</u>	<u>67,497,953</u>
Less accumulated depreciation for:					
Structures and improvements	(25,519,477)	(2,101,816)	-	-	(27,621,293)
Equipment	(530,408)	(50,751)	-	-	(581,159)
Total accumulated depreciation	<u>(26,049,885)</u>	<u>(2,152,567)</u>	<u>-</u>	<u>-</u>	<u>(28,202,452)</u>
Total capital assets, being depreciated, net	<u>41,167,396</u>	<u>(2,152,567)</u>	<u>-</u>	<u>280,672</u>	<u>39,295,501</u>
Business-type activities capital assets, net	<u>\$ 47,367,183</u>	<u>\$ 2,965,981</u>	<u>\$ (162,979)</u>	<u>\$ -</u>	<u>\$ 50,170,185</u>

COUNTY OF NAPA

Notes to the Basic Financial Statements For the Year Ended June 30, 2013

4. Capital Assets (continued)

Transfers and Adjustments

During fiscal year 2012-2013 the following projects were completed and transferred from non depreciable capital assets:

- The General Fund completed construction on the Atlas Peak radio tower resulting in \$1,403,680 being transferred to structures and improvements.
- The Library Fund completed construction on the American Canyon Library project resulting in \$1,313,601 being transferred to structures and improvements.
- The Roads Fund completed construction on countywide overlay projects resulting in \$896,739 being transferred to infrastructure.
- The Information Technology Services Fund completed the design and implementation of a new budget software solution resulting in \$667,632 being transferred to depreciable intangible assets.
- The Lake Berryessa Resort Improvement District completed construction on a water treatment plant improvement resulting in an additional \$280,672 being transferred to structures and improvements. The main plant became operational in fiscal year 2011-2012 when \$1,727,151 was transferred to structures and improvements.

The Napa County Airport, Animal Shelter and the Napa Berryessa Resort Improvement District all completed improvement projects that failed to reach the County's capitalization threshold. As a result, a total of \$162,979 included as construction in progress at June 30, 2012 was expensed in the current year.

Construction Commitments

As of June 30, 2013, major outstanding construction commitments (in excess of \$1.0 million) were as follows:

<u>Project Description</u>	<u>Outstanding Commitment</u>
Napa Berryessa Resort Improvement District Water and wastewater disposal project	\$ 3,967,116
Community Facilities District - Devlin Road Devlin Road extension	1,429,229
Countywide Photovoltaic power conversion project	2,675,828
Total	<u>\$ 8,072,173</u>

COUNTY OF NAPA

Notes to the Basic Financial Statements For the Year Ended June 30, 2013

4. Capital Assets (continued)

Depreciation

Depreciation expense was charged to governmental functions as follows:

General government	\$ 1,616,066
Public protection	1,703,625
Public ways and facilities	3,996,108
Health and sanitation	394,865
Public assistance	32,977
Education	124,868
Total Depreciation Expense - Governmental Functions	<u>\$ 7,868,509</u>

Depreciation of capital assets held by the County's Internal Service Funds is charged to the various functions based on their usage of the assets being depreciated.

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

Napa County Airport	\$ 1,329,418
Lake Berryessa Resort Improvement District	288,727
Napa Berryessa Resort Improvement District	35,071
Fifth Street Parking Garage	336,827
Napa County Housing Authority	62,257
Napa County Animal Shelter	100,267
Total Depreciation Expense - Business-Type Functions	<u>\$ 2,152,567</u>

COUNTY OF NAPA

Notes to the Basic Financial Statements For the Year Ended June 30, 2013

5. Long-Term Liabilities

The following is a summary of long-term liabilities transactions for the year ended June 30, 2013:

	Balance July 1, 2012	Additions	Reductions	Adjustments	Balance June 30, 2013	Amounts Due Within One Year
Governmental Activities:						
Bonds payable	\$ 28,000,000	\$ -	\$ (4,175,000)	\$ -	\$ 23,825,000	\$ 4,375,000
Less unamortized premiums:						
For issuance premiums	963,344	-	(160,557)	-	802,787	
For refunding	(837,108)	-	139,519	-	(697,589)	
Cerificates of participation	26,330,000	-	(2,525,000)	-	23,805,000	2,630,000
Less unamortized amounts:						
For issuance premiums	3,324,135	-	(288,037)	-	3,036,098	
Capital lease obligations	-	2,313,225	-	-	2,313,225	119,916
Loans payable	1,208,284	-	(1,049,040)	-	159,244	77,292
Compensated absences	7,251,208	6,148,874	(6,192,641)	-	7,207,441	3,966,892
Liability for unpaid claims	8,890,000	2,807,999	(2,618,299)	-	9,079,700	2,568,600
Total Governmental Activities						
Long-term liabilities	<u>\$ 75,129,863</u>	<u>\$ 11,270,098</u>	<u>\$ (16,869,055)</u>	<u>\$ -</u>	<u>\$ 69,530,906</u>	<u>\$ 13,737,700</u>
Business-type Activities						
Bonds payable	\$ 4,405,000	\$ 4,708,058	\$ (115,000)	\$ -	\$ 8,998,058	\$ 90,000
Capital lease obligations	-	1,046,393	-	-	1,046,393	54,244
Loan payable	233,437	-	(37,109)	-	196,328	39,063
Stipulated judgment	280,000	-	(40,000)	-	240,000	40,000
Compensated absences	66,860	52,692	(45,192)	-	74,360	35,047
Total Business-type Activities						
Long-term liabilities	<u>\$ 4,985,297</u>	<u>\$ 5,807,143</u>	<u>\$ (237,301)</u>	<u>\$ -</u>	<u>\$ 10,555,139</u>	<u>\$ 258,354</u>

COUNTY OF NAPA

Notes to the Basic Financial Statements For the Year Ended June 30, 2013

5. Long-Term Liabilities (continued)

As of June 30, 2013, 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
2014	\$ 4,375,000	\$ 1,061,160	\$ 2,630,000	\$ 1,038,575	\$ 77,292	\$ 7,920
2015	4,570,000	859,375	2,715,000	953,775	54,099	2,709
2016	4,745,000	688,500	2,810,000	866,225	27,853	551
2017	4,950,000	481,000	2,930,000	744,700	-	-
2018	5,185,000	246,100	1,715,000	616,400	-	-
2019-2023	-	-	10,025,000	1,702,000	-	-
2024-2028	-	-	980,000	29,400	-	-
	<u>\$ 23,825,000</u>	<u>\$ 3,336,135</u>	<u>\$ 23,805,000</u>	<u>\$ 5,951,075</u>	<u>\$ 159,244</u>	<u>\$ 11,180</u>

Year Ending June 30:	Business-type Activities			
	Special Assessment Bonds Payable		Loans Payable	
	Principal	Interest	Principal	Interest
2014	\$ 90,000	\$ 233,578	\$ 39,063	\$ 10,255
2015	155,579	374,955	41,016	8,214
2016	162,462	368,020	42,969	6,072
2017	169,702	360,758	44,922	3,828
2018	177,211	353,159	28,358	1,481
2019-2023	1,021,262	1,634,069	-	-
2024-2028	1,268,231	1,370,452	-	-
2029-2033	1,586,668	1,039,531	-	-
2034-2038	1,967,379	607,339	-	-
2039-2043	739,529	318,584	-	-
2044-2048	864,734	193,486	-	-
2049-2052	795,301	50,678	-	-
	<u>\$ 8,998,058</u>	<u>\$ 6,904,609</u>	<u>\$ 196,328</u>	<u>\$ 29,850</u>

COUNTY OF NAPA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2013

5. Long-Term Liabilities (continued)

Long-term debt at June 30, 2013 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, 2013</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	\$ 17,735,000
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>6,090,000</u>
Total Bonds Payable					<u>43,365,000</u>	<u>23,825,000</u>
Certificates of Participation						
2012 issue (to refund the County's 2003 COP issue used to fund the construction of a new Sheriff's facility, the construction and renovation of the County's Juvenile Justice Center and refund the 1993 COP issue; to establish a reserve fund for the Certificates; and to pay certain costs incurred in connection with the execution of the Certificates).						
Certificates of Participation	5/15/2012	2024	2.00-5.00%	\$980,000-\$2,215,000	20,225,000	18,840,000
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 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>4,965,000</u>
Total Certificates of Participation					<u>33,500,000</u>	<u>23,805,000</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	<u>448,372</u>	<u>159,244</u>
Total Loans Payable					<u>448,372</u>	<u>159,244</u>
Total Governmental Activities					<u>\$ 77,313,372</u>	<u>\$ 47,789,244</u>

COUNTY OF NAPA

Notes to the Basic Financial Statements For the Year Ended June 30, 2013

5. Long-Term Liabilities (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, 2013</u>
<u>Business-type Activities</u>						
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 2007 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	\$ 4,290,000
2013 Series A Bonds (to reimburse the Napa Berryessa Resort Improvement District for certain costs to acquire and/or construct wastewater system improvements. The principal amount of the bond commitment is \$7,959,872 with \$3,920,403 issued and \$4,039,469 remaining to be issued as of June 30, 2013. These bonds will be paid from amounts levied against property owners benefited by these improvements.)						
Bonds Payable	12/5/2012	2052	3.125%	\$110,872-\$352,000	3,920,403	3,920,403
2013 Series B Bonds (to reimburse the Napa Berryessa Resort Improvement District for certain costs to acquire and/or construct water system improvements. The principal amount of the bond commitment is \$2,923,728 with \$787,655 issued and \$2,136,073 remaining to be issued as of June 30, 2013. These bonds will be paid from amounts levied against property owners benefited by these improvements.)						
Bonds Payable	5/8/2013	2052	3.125%	\$40,728-\$129,000	<u>787,655</u>	<u>787,655</u>
Total Bonds Payable					<u>9,463,899</u>	<u>8,998,058</u>
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>196,328</u>
Total Loans Payable					<u>500,000</u>	<u>196,328</u>
Total Business-Type Activities					<u>\$ 9,963,899</u>	<u>\$ 9,194,386</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, the Lake Berryessa Resort Improvement District and the Napa 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 Employee/Retiree Benefits and Insurance 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, 2013

5. Long-Term Liabilities (continued)

Bond Discounts and Bond Premiums

In the governmental funds, bond discounts and premiums 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 and premiums 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.

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, 2013.

6. Leases

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,	Payments
2014	\$ 984,849
2015	776,724
2016	580,913
2017	171,720
2018	89,611
2019-2023	124,110
2024-2028	124,110
2029-2033	124,110
2034-2038	124,110
2039-2043	124,110
2044-2045	49,644
Total	<u>\$ 3,274,011</u>

Rent expenditures were \$1,606,507 for the year ended June 30, 2013.

COUNTY OF NAPA

Notes to the Basic Financial Statements For the Year Ended June 30, 2013

6. Leases (continued)

Capital Leases

The County has entered into certain capital lease arrangements under which the related equipment will become the property of the County when all terms of the lease agreement are fulfilled. The following is a schedule of minimum capital lease payments, payable from the General Fund, certain special revenue funds and certain enterprise funds, as of June 30, 2013:

Fiscal Year Ending June 30,	Governmental Activities	Business-type Activities
2014	\$ 167,408	\$ 75,728
2015	167,408	75,728
2016	167,408	75,728
2017	167,408	75,728
2018	167,408	75,728
2019-2023	837,043	378,638
2024-2028	837,043	378,638
2029-2033	83,703	37,862
Total minimum lease payments	2,594,829	1,173,778
Less: Amount representing interest	281,604	127,385
Net present value of capital lease payments	\$ 2,313,225	\$1,046,393

At June 30, 2013, the County has incurred \$253,602 of lease funded construction in progress. Of the total recorded, \$61,632 is included for governmental activities while \$191,970 is included for business-type activities.

7. Unearned Revenues and Deferred Inflows of Resources

Under both the accrual and modified accrual basis of accounting, revenue may be recognized only when earned. Therefore, the government-wide statement of net position as well as governmental and enterprise funds delay 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.

Pursuant to GASB Statement No. 63, "*Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*" and GASB Statement No. 65, "*Items Previously Reported as Assets and Liabilities*," the County recognized deferred inflows of resources in the governmentwide and governmental fund statements. These items are an acquisition of net position by the County that is applicable to a future reporting period. Previous financial reporting standards do not include guidance for reporting those financial statement elements, which are distinct from assets and liabilities.

Under the modified accrual basis of accounting, it is not enough that 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 revenues in connection with receivables for revenues not considered available to liquidate as deferred inflows of resources in the current period.

COUNTY OF NAPA

Notes to the Basic Financial Statements For the Year Ended June 30, 2013

7. Unearned Revenues and Deferred Inflows of Resources (continued)

As of June 30, 2013, the various components of unearned revenue and unavailable revenues (deferred inflows of resources) are reported were as follows:

	Unearned	Unavailable	Total
Governmental Activities:			
General Fund:			
SB 90 mandated costs	\$ --	\$ 8,970,246	\$ 8,970,246
State grants & reimbursements	36,764	1,049,038	1,085,802
Federal grants & reimbursements	--	155,395	155,395
Other	--	51,133	51,133
Health and Human Services Agency:			
State grants & reimbursements	--	2,795,712	2,795,712
Federal grants & reimbursements	--	926,538	926,538
Other	--	190,050	190,050
Roads Fund:			
State disaster assistance	--	267,733	267,733
State grants & reimbursements	--	337,648	337,648
Federal disaster assistance	--	439,169	439,169
Federal grants & reimbursements	--	2,007,682	2,007,682
Nonmajor Governmental Funds:			
State grants & reimbursements	94,272	82,498	176,770
Federal grants & reimbursements	--	--	-
Other	--	--	-
Total unearned and deferred revenue	\$ 131,036	\$ 17,272,842	\$ 17,403,878
Business-type Activities:			
Napa County Airport:			
Long-term hangar lease agreement with State of California	\$ 73,118	\$ --	\$ 73,118
Total unearned and deferred revenue	\$ 73,118	\$ --	\$ 73,118

8. Net Position

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

- *Net Investment in Capital Assets* – This category groups all capital assets, including infrastructure, into one component of net position. 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 Position* – 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 position at June 30, 2013 is net position restricted by enabling legislation of \$62,138,464.
- *Unrestricted Net Position* – This category represents net position 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, 2013

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, 2013, were distributed as follows:

	General Fund	Health & Human Services	Flood Authority	Capital Improvement	Roads	Other Governmental Funds	Total
Nonspendable:							
Loans receivable and advances	\$ 4,865,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,865,000
Endowment	-	-	-	-	-	19,920	19,920
Prepaid items	114,460	1,385	-	-	-	12,038	127,883
Deposits	10,000	1,250	-	285,200	1,250	2,500	300,200
Subtotal	4,989,460	2,635	-	285,200	1,250	34,458	5,313,003
Restricted to:							
Purpose of Fund	-	5,876,068	43,102,776	-	2,183,556	47,360,878	98,523,278
General Reserve	23,145,889	-	-	-	-	-	23,145,889
Maintenance Requirement	-	-	13,281,874	-	-	-	13,281,874
Mental Health Services Act	-	4,205,839	-	-	-	-	4,205,839
2011 Realignment	3,144,488	-	-	-	-	-	3,144,488
Debt Service	-	-	488,764	-	-	2,344,035	2,832,799
Recorder Modernization	2,543,067	-	-	-	-	-	2,543,067
Courthouse Construction	-	-	-	1,931,135	-	-	1,931,135
Mental Health Managed Care	-	1,544,483	-	-	-	-	1,544,483
Civil Penalties	1,503,303	-	-	-	-	-	1,503,303
Airport Industrial Mitigation	1,143,144	-	-	-	-	-	1,143,144
Criminal Justice Facilities	-	-	-	1,072,933	-	-	1,072,933
Fingerprint Identification	639,883	-	-	-	-	-	639,883
Recorder Micrographics	609,469	-	-	-	-	-	609,469
Asset Forfeitures	524,108	-	-	-	-	-	524,108
Child Welfare Wraparound	-	518,364	-	-	-	-	518,364
Housing Rehabilitation Programs	437,142	-	-	-	-	-	437,142
Hazardous Waste Enforcement	53,506	367,759	-	-	-	-	421,265
Vehicle Registration Assessment	334,135	-	-	-	-	-	334,135
Property Tax Administration	318,760	-	-	-	-	-	318,760
Debtor Assessment Fees	311,803	-	-	-	-	-	311,803
Municipal Court Auto Warrant	282,141	-	-	-	-	-	282,141
Consumer Fraud	248,572	-	-	-	-	-	248,572
Medical Services	-	231,860	-	-	-	-	231,860
Sheriff Civil Equipment	199,674	-	-	-	-	-	199,674
Inmate Welfare	167,550	-	-	-	-	-	167,550
Allocated for Capital Outlay	-	-	-	152,982	-	-	152,982
Vital Records	123,774	28,141	-	-	-	-	151,915
Alcohol Abuse Education	-	138,613	-	-	-	-	138,613
Electronic Document Recording	119,259	-	-	-	-	-	119,259
Telecommunications Program	110,061	-	-	-	-	-	110,061
American Canyon Mitigation	96,652	-	-	-	-	-	96,652
Health Resources and Services	-	89,851	-	-	-	-	89,851
CLEEP Law Enforcement	87,646	-	-	-	-	-	87,646
Auction Napa Valley Grants	-	59,077	-	-	-	-	59,077
Imprest Cash	52,020	-	-	-	-	-	52,020
ADS Drug Fees	-	45,775	-	-	-	-	45,775
Weights and Measures	45,222	-	-	-	-	-	45,222
Local Bioterrorism	-	44,543	-	-	-	-	44,543
Indigent Burial	39,649	-	-	-	-	-	39,649
Community Correction Performan	36,654	-	-	-	-	-	36,654
AIDS Education	-	25,990	-	-	-	-	25,990
Seismic Data Utilization	23,030	-	-	-	-	-	23,030
Recorder Redaction	17,457	-	-	-	-	-	17,457
Rabies Eradication and Control	13,741	-	-	-	-	-	13,741
Medical Reserve Corps	-	8,747	-	-	-	-	8,747
Chamberlain High School	6,474	-	-	-	-	-	6,474
EMS Medical Cache Trailers	-	5,600	-	-	-	-	5,600
County Children	-	4,844	-	-	-	-	4,844
Domestic Violence	-	4,006	-	-	-	-	4,006
Dahl Trust	-	3,843	-	-	-	-	3,843
CDC Emergency Response	-	977	-	-	-	-	977
H1N1 Hospital Preparedness	-	822	-	-	-	-	822
Subtotal	36,378,273	13,205,202	56,873,414	3,157,050	2,183,556	49,704,913	161,502,408

COUNTY OF NAPA

**Notes to the Basic Financial Statements
For the Year Ended June 30, 2013**

9. Fund Balances (continued)

Classification (continued)

	General Fund	Health & Human Services	Flood Authority	Capital Improvement	Roads	Other Governmental Funds	Total
Committed to:							
Building and Safety Permitting	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,631,723	\$ 1,631,723
Future park expansion	1,025,937	-	-	-	-	-	1,025,937
Audit Exceptions	-	1,022,813	-	-	-	-	1,022,813
Arts & Culture	135,768	-	-	-	-	-	135,768
Subtotal	<u>1,161,705</u>	<u>1,022,813</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,631,723</u>	<u>3,816,241</u>
Assigned to:							
Capital Outlay	-	-	-	40,792,772	-	-	40,792,772
Fiscal Uncertainty	23,145,834	-	-	-	-	-	23,145,834
Health Programs	11,811,133	-	-	-	-	-	11,811,133
Agriculture Commission projects	1,361,313	-	-	-	-	-	1,361,313
Planning/Development Contracts	582,634	-	-	-	-	-	582,634
Subtotal	<u>36,900,914</u>	<u>-</u>	<u>-</u>	<u>40,792,772</u>	<u>-</u>	<u>-</u>	<u>77,693,686</u>
Unassigned							
General Fund	13,248,453	-	-	-	-	-	13,248,453
Child Support Services	-	-	-	-	-	(69,275)	(69,275)
IHSS	-	-	-	-	-	(143,302)	(143,302)
Community Facilities District	-	-	-	-	-	(2,720,000)	(2,720,000)
Subtotal	<u>13,248,453</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,932,577)</u>	<u>10,315,876</u>
Total	<u>\$ 92,678,805</u>	<u>\$ 14,230,650</u>	<u>\$ 56,873,414</u>	<u>\$ 44,235,022</u>	<u>\$ 2,184,806</u>	<u>\$ 48,438,517</u>	<u>\$ 258,641,214</u>

Encumbrances

The following is a summary of encumbrances included in fund balance as of June 30, 2013:

	Restricted	Assigned
General Fund		
General government	\$ -	\$ 58,616
Public protection	-	25,382
Public ways and facilities	-	52,036
Total General Fund	<u>-</u>	<u>136,034</u>
Health and Human Services		
Health and Sanitation	9,199	-
Public assistance	59,843	-
Total Health and Human Services	<u>69,042</u>	<u>-</u>
Other Governmental Funds		
Public protection	91,138	-
Education	17,321	-
Total Other Governmental Funds	<u>108,459</u>	<u>-</u>
Total Governmental Fund Encumbrances	<u>\$ 177,501</u>	<u>\$ 136,034</u>

COUNTY OF NAPA

Notes to the Basic Financial Statements For the Year Ended June 30, 2013

9. **Fund Balances** (continued)

Fiduciary Net Position

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

Deficit Fund Balance

- In Home Support Services special revenue fund had a deficit fund balance of \$143,302 as of June 30, 2013. The deficit is expected to be eliminated in future years through the collection and recognition of revenues unavailable 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 \$57,237 as of June 30, 2013. The deficit is expected to be eliminated in future years through the collection and recognition of revenues unavailable in the current year.
- Community Facilities District – Devlin Road had a deficit fund balance of \$2,720,000 as of June 30, 2013. The deficit is expected to be eliminated in future years through assessment collections received from parcel owners included in the newly formed district.

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 County 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 Offices, Lincoln Plaza North, 400 Q Street, Sacramento, CA 95811.

Effective January 1, 2013, the County added retirement tiers for both the Safety and Miscellaneous Plans for new employees as required under the Public Employee Pension Reform Act (PEPRA). New employees hired on or after January 1, 2013 will be subject to new, lower pension formulas, caps on pensionable income levels and new definitions of pensionable income. In addition, new employees will be required to contribute half of the total normal cost of the pension benefit unless impaired by an existing Memorandum of Understanding.

COUNTY OF NAPA

Notes to the Basic Financial Statements For the Year Ended June 30, 2013

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

B. Funding Policy and Status

For active plan members in tiers preceding PEPRA, Miscellaneous Plan members pay 7% or 8% of their annual covered salary while Safety Plan members pay 9% 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. The cost sharing component of current Memorandums of Understanding impair portions of PEPRA resulting in cost sharing for all but management members of the Miscellaneous Plan. Results of the cost sharing agreements are as follows:

Plan	Member Share		County Share		Total Member	Total County
	Member	County	Member	County		
Miscellaneous						
Tier 1	5.33%	2.67%	0.00%	15.55%	5.33%	18.22%
Tier 2	5.33%	1.67%	0.00%	15.55%	5.33%	17.22%
Tier 3 - PEPRA	5.33%	0.92%	0.00%	6.25%	5.33%	7.17%
Tier 3 - PEPRA Mgmt	6.25%	0.00%	0.00%	6.25%	6.25%	6.25%
Safety Management						
Tiers 1 and 2	7.20%	1.80%	0.00%	24.77%	7.20%	26.57%
Tier 3	7.20%	1.80%	0.00%	21.00%	7.20%	22.80%
Tier 4 - PEPRA	7.20%	4.30%	0.00%	11.50%	7.20%	15.80%
Safety Non Management						
Tiers 1 and 2	5.33%	3.67%	0.00%	24.77%	5.33%	28.44%
Tier 3	7.20%	1.80%	0.00%	21.00%	7.20%	22.80%
Tier 4 - PEPRA	11.50%	0.00%	0.00%	11.50%	11.50%	11.50%

Employee contributions cannot be withdrawn until separation from employment.

COUNTY OF NAPA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2013

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:

	<u>Miscellaneous Plan</u>	<u>Safety Plan</u>
Actuarial Valuation:		
Actuarial valuation date	6/30/2012	6/30/2012
Basis for fiscal year 2012-2013 contribution	6/30/2010	6/30/2010
Actuarial cost method	Entry age normal	Entry age normal
Amortization:		
Amortization Method	Level % of payroll	Level % of payroll
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	17-19 years
Asset Valuation Method:		
	15 year	15 year
	smoothed market	smoothed market
Actuarial Assumptions:		
Investment rate of return ⁽¹⁾	7.50%	7.50%
Projected salary increases	3.30% to 14.20%	3.30% to 14.20%
Inflation	2.75%	2.75%
Payroll growth	3.00%	3.00%

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

Three Year Trend Information

The County's actual contributions, annual pension cost (in thousands), and the percentage of annual pension cost contributed, for the current year and two preceding years, are as follows:

Fiscal Year Ended	Annual Pension Cost Miscellaneous	Annual Pension Cost Safety	Total Annual Pension Cost	County Contribution	Percentage of Annual Pension Cost Contributed	Net Pension Obligation
6/30/2011	\$11,509	\$7,850	\$19,359	\$19,359	100%	\$ -
6/30/2012	12,762	2,780	15,542	15,542	100%	-
6/30/2013	14,649	2,846	17,495	17,495	100%	-

COUNTY OF NAPA

Notes to the Basic Financial Statements For the Year Ended June 30, 2013

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

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

The funded status of the County's Plans (in thousands) as of June 30, 2012, the date of the latest actuarial valuation, is as follows:

	<u>Miscellaneous</u>	<u>Safety 3% at 50</u>	<u>Safety 3% at 55</u>
Actuarial accrued liability (AAL)	\$ 557,578	\$ 61,168	\$ 103
Actuarial value of plan assets	<u>467,171</u>	<u>45,107</u>	<u>78</u>
Unfunded actuarial accrued liability (UAAL)	<u>\$ 90,407</u>	<u>\$ 16,061</u>	<u>\$ 25</u>
Funded ratio (actuarial value of plan assets/AAL)	83.8%	73.7%	75.7%
Covered payroll (active Plan members)	\$ 85,581	\$ 10,786	\$ 484
Unfunded actuarial accrued liability as a percentage of covered payroll	106%	149%	5%

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 are contained within a multi-employer 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.

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.
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.

COUNTY OF NAPA

Notes to the Basic Financial Statements For the Year Ended June 30, 2013

11. Other Post Employment Benefits (continued)

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 (\$63.25 per month for calendar year 2013) 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, 2013 was 16 years.

For fiscal year 2012-2013, the County's ARC was \$6,384,000 which was fully funded for GASB 45 purposes. The County paid \$2,140,900 to retirees during the year, and \$4,243,100 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. Projections of benefits for financial reporting purposes are based on the substantive plan and include the types of benefits provided at the time of each valuation as well as the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the County's June 30, 2011 actuarial valuation, the entry age normal actuarial cost method was used. The actuarial assumptions included a 7.25% investment rate of return (net of investment expenses) which included a 3.0% inflation factor and annual healthcare cost trend rates for HMO and PPO coverage. The Non-Medicare and Medicare cost trend rates start at 8.5% and 8.9%, respectively, and decline to 5% over eight years.

COUNTY OF NAPA

Notes to the Basic Financial Statements For the Year Ended June 30, 2013

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
6/30/2011	\$ 4,731	100%	\$ -
6/30/2012	6,184	100%	-
6/30/2013	6,384	100%	-

Funded Status and Funding Progress. The funded status of the plan as of June 30, 2011, the plan's most recent actuarial valuation date, was as follows (dollar amounts in thousands):

Actuarial accrued liability (AAL)	\$ 51,697
Actuarial value of plan assets	16,613
Unfunded actuarial accrued liability (UAAL)	\$ 35,084
Funded ratio (actuarial value of plan assets/AAL)	32.1%
Covered payroll (active Plan members)	\$ 89,105
Unfunded actuarial accrued liability as a percentage of covered payroll	39.4%

Actuarial valuations of an ongoing OPEB Plan involve estimate of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Assumptions include assumptions about future employment, mortality and the healthcare cost trend. Amounts determined regarding the funded status of the OPEB Plan and the ARC of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. 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.

COUNTY OF NAPA

Notes to the Basic Financial Statements For the Year Ended June 30, 2013

12. Deferred Compensation Plan (continued)

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.

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 Ended</u>	<u>Contributions</u>
6/30/2011	\$ 156,691
6/30/2012	172,094
6/30/2013	167,782

14. Risk Management

The County has two risk management programs (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.

COUNTY OF NAPA

Notes to the Basic Financial Statements For the Year Ended June 30, 2013

14. Risk Management (continued)

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. 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.

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 programs included in the Employee/Retiree Benefits and Liability Insurance Internal Service Funds, respectively, 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, 2013 are 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. The County's General Liability and Workers' Compensation claims liabilities are set using confidence levels of 90% and 50%, respectively.

Changes in the funds' claims liability for the last three fiscal years were:

	Beginning Fiscal Year Liability	Claims and Changes in Estimates	Claims Payments	Balance at Fiscal Year End
General Liability:				
2010 - 2011	\$ 2,917,000	\$ 1,322,283	\$ (1,322,283)	\$ 2,917,000
2011 - 2012	2,917,000	860,879	(1,324,879)	2,453,000
2012 - 2013	2,453,000	1,204,803	(916,803)	2,741,000
Workers' Compensation:				
2010 - 2011	5,969,000	868,340	(1,236,340)	5,601,000
2011 - 2012	5,601,000	2,225,712	(1,389,712)	6,437,000
2012 - 2013	6,437,000	1,611,205	(1,709,505)	6,338,700

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.

COUNTY OF NAPA

Notes to the Basic Financial Statements For the Year Ended June 30, 2013

15. Contingencies (continued)

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, 2013, 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.

16. Change in Accounting Principle

Pursuant to GASB Statement Number 65, "*Items Previously Reported as Assets and Liabilities*," the County no longer amortizes the cost of debt issuance. In accordance with the new GASB statement, costs of debt issuances should be expensed in the year in which they are incurred. The County made adjustments for these items as a cumulative effect of change in accounting principle in the current year. The change resulted in Net Position for Lake Berryessa Resort Improvement District to be reduced by \$245,662.

17. Subsequent Event

On December 3, 2013, the County Board of Supervisors agreed to forgive \$1,672,000 of loans made to the Lake Berryessa Resort Improvement District as allowed under California Government Code Section 25214.4. The Board determined the repayment of the loans would result in an economic or fiscal hardship to the property owners or residents in the District. This action will result in forgiveness of loans in both the General Fund and Capital Improvement Fund totaling \$1,172,000 and \$500,000, respectively. Included in the action, the Board reserved the right to reinstate up to \$500,000 of loan balances should certain District expenditures for capital improvement be reimbursed under a pending grant agreement.



Photograph Courtesy of Ann Nunziata Fine Art and Photography, www.FlyingPigDesign.com

Newton Vineyard View



REQUIRED SUPPLEMENTARY INFORMATION



Painting Courtesy of Greg De Lucca Fine Art, www.gregdelucca.com

Blue Sky Breaking Through the Morning Fog

Lake Hennessey

COUNTY OF NAPA

Required Supplementary Information
For the Year Ended June 30, 2013

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)						
Valuation Date	Entry Age Normal Accrued Liability	Actuarial Value of Assets	Unfunded/ (Overfunded) Liability	Funded Ratio	Annual Covered Payroll	UAAL as a % of Payroll
6/30/2010	\$ 499,989	\$ 415,851	\$ 84,138	83.2%	\$ 89,211	94.3%
6/30/2011	535,067	442,220	92,847	82.6%	90,158	103.0%
6/30/2012	557,578	467,171	90,407	83.8%	85,581	105.6%

Funded status information is only available for the Safety Plans on a plan specific basis for the past two plan years. The following information presents plan specific information for Safety 3% at 50 for years ended June 30, 2011 and 2012. Information related to the cost sharing pool as a whole is presented shaded for the year ended June 30, 2010.

Funded Status of the Risk Pool which includes the Safety Plan – 3.0% at 50 (Dollar Amounts in Thousands)						
Valuation Date	Entry Age Normal Accrued Liability	Actuarial Value of Assets	Unfunded/ (Overfunded) Liability	Funded Ratio	Annual Covered Payroll	UAAL as a % of Payroll
6/30/2010	\$ 10,165,475	\$ 8,470,235	\$ 1,695,240	83.3%	\$ 955,981	177.3%
6/30/2011	54,736	43,196	11,540	78.9%	11,039	104.5%
6/30/2012	61,168	45,107	16,061	73.7%	10,786	191.2%

COUNTY OF NAPA

Required Supplementary Information For the Year Ended June 30, 2013

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

Schedule of Funding Progress (continued)

The following information presents plan specific information for Safety 3% at 55 which is part of a larger cost sharing pool. The two years presented below represent the total life of the plan.

Plan Specific Funded Status of the Risk Pool which includes the Safety Plan – 3.0% at 55

<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>
6/30/2011	\$ 7,365	\$ 5,912	\$ 1,453	80.3%	\$ 92,724	1.6%
6/30/2012	103,179	78,206	24,973	75.8%	483,592	5.2%

Other Post Employment Benefits 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 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>
6/30/2008	\$ 36,040	\$ 4,363	\$ 31,677	12.1%	\$ 86,030	36.8%
6/30/2010	48,008	12,519	35,489	26.1%	86,300	41.1%
6/30/2011	50,678	16,613	34,065	32.8%	89,105	38.2%



Photo-Graphic by Brenton Beck. Contact: brent@fifthstreet.com

Cloud Study
Along Highway 29 in American Canyon

COUNTY OF NAPA

Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balances, July 1	\$ 95,789,762	\$ 95,789,762	\$ 95,789,762	\$ --
Resources (inflows):				
Taxes	91,625,948	91,625,948	99,625,862	7,999,914
Licenses and permits	4,247,569	4,247,569	4,275,145	27,576
Fines, forfeitures and penalties	2,505,228	2,505,228	3,088,431	583,203
Revenue from use of money and property	564,386	564,386	8,000	(556,386)
Aid from other governments	29,418,715	32,711,689	27,947,375	(4,764,314)
Charges for services	24,685,535	24,685,535	24,379,069	(306,466)
Contributions and donations	--	--	445,444	445,444
Other revenue	414,150	414,150	340,391	(73,759)
Other financing sources	10,112,355	11,794,528	7,385,105	(4,409,423)
Intrafund transfers	1,190,414	1,190,414	1,248,398	57,984
Amounts available for appropriation	<u>164,764,300</u>	<u>169,739,447</u>	<u>168,743,220</u>	<u>(996,227)</u>
Charges to appropriatons (outflows):				
<i>General Government:</i>				
Board of Supervisors				
Salaries and benefits	632,078	637,078	634,734	2,344
Services and supplies	72,413	67,413	62,219	5,194
Subtotal	<u>704,491</u>	<u>704,491</u>	<u>696,953</u>	<u>7,538</u>
County Executive Officer				
Salaries and benefits	2,663,680	2,642,680	2,401,476	241,204
Services and supplies	264,306	285,306	254,290	31,016
Subtotal	<u>2,927,986</u>	<u>2,927,986</u>	<u>2,655,766</u>	<u>272,220</u>
Housing and Intergovernmental Affairs				
Salaries and benefits	647,827	649,077	649,057	20
Services and supplies	243,356	242,106	137,638	104,468
Subtotal	<u>891,183</u>	<u>891,183</u>	<u>786,695</u>	<u>104,488</u>
Human Resources				
Salaries and benefits	1,689,806	1,669,806	1,521,956	147,850
Services and supplies	405,140	425,140	358,550	66,590
Subtotal	<u>2,094,946</u>	<u>2,094,946</u>	<u>1,880,506</u>	<u>214,440</u>
Training and Organizational Development				
Salaries and benefits	138,957	139,056	133,068	5,988
Services and supplies	110,638	110,538	108,268	2,270
Subtotal	<u>249,595</u>	<u>249,594</u>	<u>241,336</u>	<u>8,258</u>
Records Management				
Salaries and benefits	233,598	236,298	236,279	19
Services and supplies	544,135	541,435	475,482	65,953
Subtotal	<u>777,733</u>	<u>777,733</u>	<u>711,761</u>	<u>65,972</u>

continued

COUNTY OF NAPA

Budgetary Comparison Schedule (continued)
 General Fund
 For the Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Communications				
Salaries and benefits	\$ 673,748	\$ 680,748	\$ 663,948	\$ 16,800
Services and supplies	609,668	524,003	512,160	11,843
Capital expenditures	35,000	207,285	207,273	12
Subtotal	<u>1,318,416</u>	<u>1,412,036</u>	<u>1,383,381</u>	<u>28,655</u>
General Expenditures				
Salaries and benefits	--	2,236,610	3,427,883	(1,191,273)
Services and supplies	491,554	491,554	861,697	(370,143)
Other charges	2,718,256	2,752,256	943,064	1,809,192
Transfers out	25,281,700	34,281,700	31,821,464	2,460,236
Intrafund transfer	1,088,637	1,088,637	1,088,637	--
Subtotal	<u>29,580,147</u>	<u>40,850,757</u>	<u>38,142,745</u>	<u>2,708,012</u>
Central Services				
Services and supplies	1,513,782	1,548,756	1,306,963	241,793
Other charges	430,784	430,784	132,809	297,975
Other financing uses	148,560	148,560	128,132	20,428
Intrafund transfer	--	20,000	18,970	1,030
Transfers out	--	20,026	20,026	--
Subtotal	<u>2,093,126</u>	<u>2,168,126</u>	<u>1,606,900</u>	<u>561,226</u>
Tobacco Settlement				
Transfers out	1,350,000	1,350,000	1,218,472	131,528
Subtotal	<u>1,350,000</u>	<u>1,350,000</u>	<u>1,218,472</u>	<u>131,528</u>
Appropriation for Contingencies				
Appropriation for Contingencies	6,000,000	5,682,000	--	5,682,000
Subtotal	<u>6,000,000</u>	<u>5,682,000</u>	<u>--</u>	<u>5,682,000</u>
Auditor-Controller				
Salaries and benefits	2,563,671	2,563,671	2,450,674	112,997
Services and supplies	275,493	275,493	240,977	34,516
Subtotal	<u>2,839,164</u>	<u>2,839,164</u>	<u>2,691,651</u>	<u>147,513</u>
Treasurer-Tax Collector				
Salaries and benefits	1,383,490	1,352,581	1,310,062	42,519
Services and supplies	471,204	519,613	402,108	117,505
Subtotal	<u>1,854,694</u>	<u>1,872,194</u>	<u>1,712,170</u>	<u>160,024</u>
Assessor				
Salaries and benefits	2,409,989	2,409,989	2,314,992	94,997
Services and supplies	464,709	464,709	445,053	19,656
Subtotal	<u>2,874,698</u>	<u>2,874,698</u>	<u>2,760,045</u>	<u>114,653</u>

continued

COUNTY OF NAPA

Budgetary Comparison Schedule (continued)
 General Fund
 For the Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Elections				
Salaries and benefits	\$ 469,522	\$ 469,522	\$ 464,782	\$ 4,740
Services and supplies	666,634	663,404	609,194	54,210
Intrafund transfer	3,176	6,406	6,403	3
Subtotal	<u>1,139,332</u>	<u>1,139,332</u>	<u>1,080,379</u>	<u>58,953</u>
County Counsel				
Salaries and benefits	3,257,558	3,257,558	2,995,398	262,160
Services and supplies	562,383	562,383	454,264	108,119
Subtotal	<u>3,819,941</u>	<u>3,819,941</u>	<u>3,449,662</u>	<u>370,279</u>
Public Works-Purchasing				
Salaries and benefits	--	280,175	274,471	5,704
Services and supplies	--	22,832	21,103	1,729
Subtotal	<u>--</u>	<u>303,007</u>	<u>295,574</u>	<u>7,433</u>
Property Management				
Salaries and benefits	2,817,457	2,817,457	2,622,061	195,396
Services and supplies	2,307,117	2,421,866	2,136,662	285,204
Debt Service	56,809	56,809	56,809	--
Other charges	150,300	20,300	19,580	720
Capital expenditures	--	15,251	15,146	105
Subtotal	<u>5,331,683</u>	<u>5,331,683</u>	<u>4,850,258</u>	<u>481,425</u>
Property Management Maintenance Projects				
Services and supplies	53,000	58,385	9,247	49,138
Subtotal	<u>53,000</u>	<u>58,385</u>	<u>9,247</u>	<u>49,138</u>
<i>Total General Government</i>	<u>65,900,135</u>	<u>68,347,256</u>	<u>66,173,502</u>	<u>2,173,754</u>
<i>Public Protection:</i>				
Emergency Services				
Salaries and benefits	60,539	60,539	60,188	351
Services and supplies	256,925	256,925	164,403	92,522
Subtotal	<u>317,464</u>	<u>317,464</u>	<u>224,591</u>	<u>92,873</u>
Recorder-County Clerk				
Salaries and benefits	677,649	677,649	673,476	4,173
Services and supplies	308,841	308,841	208,006	100,835
Transfers out	2,200	2,200	--	2,200
Subtotal	<u>988,690</u>	<u>988,690</u>	<u>881,482</u>	<u>107,208</u>
Grand Jury				
Services and supplies	59,051	59,051	48,053	10,998
Subtotal	<u>59,051</u>	<u>59,051</u>	<u>48,053</u>	<u>10,998</u>
District Attorney				
Salaries and benefits	7,221,667	7,383,467	7,114,668	268,799
Services and supplies	1,261,277	1,261,052	1,147,963	113,089
Intrafund transfer	105,099	140,099	134,388	5,711
Subtotal	<u>8,588,043</u>	<u>8,784,618</u>	<u>8,397,019</u>	<u>387,599</u>

continued

COUNTY OF NAPA

Budgetary Comparison Schedule (continued)
 General Fund
 For the Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
District Attorney - Consumer Fraud				
Salaries and benefits	\$ 388,744	\$ 418,744	\$ 390,626	\$ 28,118
Services and supplies	123,551	103,551	62,548	41,003
Subtotal	<u>512,295</u>	<u>522,295</u>	<u>453,174</u>	<u>69,121</u>
Public Defender Services				
Salaries and benefits	3,473,354	3,342,994	3,222,417	120,577
Services and supplies	464,541	600,066	479,944	120,122
Subtotal	<u>3,937,895</u>	<u>3,943,060</u>	<u>3,702,361</u>	<u>240,699</u>
Conflict Public Defender				
Services and supplies	997,731	997,731	865,391	132,340
Subtotal	<u>997,731</u>	<u>997,731</u>	<u>865,391</u>	<u>132,340</u>
Sheriff				
Salaries and benefits	19,656,894	19,960,894	19,891,558	69,336
Services and supplies	5,604,266	5,532,969	5,471,572	61,397
Capital expenditures	--	77,029	77,024	5
Subtotal	<u>25,261,160</u>	<u>25,570,892</u>	<u>25,440,154</u>	<u>130,738</u>
Coroner				
Salaries and benefits	321,090	309,890	308,770	1,120
Services and supplies	220,587	231,787	231,620	167
Subtotal	<u>541,677</u>	<u>541,677</u>	<u>540,390</u>	<u>1,287</u>
Animal Services				
Salaries and benefits	739,055	748,055	740,369	7,686
Services and supplies	144,583	145,583	144,884	699
Subtotal	<u>883,638</u>	<u>893,638</u>	<u>885,254</u>	<u>8,384</u>
Special Investigations				
Salaries and benefits	452,973	462,973	454,393	8,580
Services and supplies	223,186	223,186	213,741	9,445
	<u>676,159</u>	<u>686,159</u>	<u>668,134</u>	<u>18,025</u>
Corrections				
Salaries and benefits	9,543,288	9,690,896	9,322,143	368,753
Services and supplies	3,653,313	3,692,078	3,454,189	237,889
Other charges	227,013	227,013	223,162	3,851
Capital assets	--	5,500	--	5,500
Subtotal	<u>13,423,614</u>	<u>13,615,487</u>	<u>12,999,493</u>	<u>615,994</u>
Probation				
Salaries and benefits	8,277,478	8,288,678	8,236,678	52,000
Services and supplies	2,180,551	2,209,466	1,873,814	335,652
Subtotal	<u>10,458,029</u>	<u>10,498,144</u>	<u>10,110,492</u>	<u>387,652</u>
Juvenile Hall				
Salaries and benefits	4,343,284	4,343,284	4,059,993	283,291
Services and supplies	918,003	922,517	818,151	104,366
Subtotal	<u>5,261,287</u>	<u>5,265,801</u>	<u>4,878,144</u>	<u>387,657</u>

continued

COUNTY OF NAPA

Budgetary Comparison Schedule (continued)
 General Fund
 For the Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Probation-Care of Juvenile Court Wards				
Services and supplies	\$ 312,412	\$ 312,412	\$ 195,078	\$ 117,334
Subtotal	<u>312,412</u>	<u>312,412</u>	<u>195,078</u>	<u>117,334</u>
Community Corrections Service Center				
Services and supplies	1,205,445	1,205,445	1,164,709	40,736
Subtotal	<u>1,205,445</u>	<u>1,205,445</u>	<u>1,164,709</u>	<u>40,736</u>
Ag Commissioner-Sealer				
Salaries and benefits	3,686,624	3,586,624	3,319,414	267,210
Services and supplies	1,167,255	1,302,255	1,245,167	57,088
Capital assets	5,000	5,000	--	5,000
Subtotal	<u>4,858,879</u>	<u>4,893,879</u>	<u>4,564,582</u>	<u>329,297</u>
PBES-Conservation, Development, & Planning				
Salaries and benefits	3,443,900	3,539,473	3,332,869	206,604
Services and supplies	1,301,274	1,445,167	1,577,307	(132,140)
Subtotal	<u>4,745,174</u>	<u>4,984,640</u>	<u>4,910,176</u>	<u>74,464</u>
PBES-Environmental Health				
Salaries and benefits	3,169,959	2,359,085	2,022,540	336,545
Services and supplies	627,503	363,472	339,742	23,730
Subtotal	<u>3,797,462</u>	<u>2,722,557</u>	<u>2,362,282</u>	<u>360,275</u>
<i>Total Public Protection</i>	<u>86,826,105</u>	<u>86,803,640</u>	<u>83,290,959</u>	<u>3,512,681</u>
<i>Public Ways and Facilities:</i>				
Public Works				
Salaries and benefits	6,047,310	6,387,438	6,006,955	380,483
Services and supplies	690,856	963,162	829,393	133,769
Subtotal	<u>6,738,166</u>	<u>7,350,600</u>	<u>6,836,348</u>	<u>514,252</u>
Public Works Projects				
Services and supplies	11,661,798	15,888,216	7,230,517	8,657,699
Subtotal	<u>11,661,798</u>	<u>15,888,216</u>	<u>7,230,517</u>	<u>8,657,699</u>
Road Department				
Services and supplies	30,000	30,000	5,334	24,666
Subtotal	<u>30,000</u>	<u>30,000</u>	<u>5,334</u>	<u>24,666</u>
<i>Total Public Ways and Facilities</i>	<u>18,429,964</u>	<u>23,268,816</u>	<u>14,072,199</u>	<u>9,196,617</u>
<i>Health and Sanitation:</i>				
PBES-Local Enforcement Program				
Salaries and benefits	262,649	272,648	265,087	7,561
Services and supplies	41,201	41,201	30,696	10,505
Subtotal	<u>303,850</u>	<u>313,849</u>	<u>295,783</u>	<u>18,066</u>
<i>Total Health and Sanitation</i>	<u>303,850</u>	<u>313,849</u>	<u>295,783</u>	<u>18,066</u>

continued

COUNTY OF NAPA

Budgetary Comparison Schedule (continued)
 General Fund
 For the Year Ended June 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<i>Education:</i>				
U. C. Cooperative Extension				
Salaries and benefits	\$ 259,050	\$ 269,200	\$ 259,250	\$ 9,950
Services and supplies	<u>182,939</u>	<u>182,789</u>	<u>172,458</u>	<u>10,331</u>
Subtotal	<u>441,989</u>	<u>451,989</u>	<u>431,708</u>	<u>20,281</u>
<i>Total Education</i>	<u>441,989</u>	<u>451,989</u>	<u>431,708</u>	<u>20,281</u>
<i>Recreation and Cultural Services:</i>				
Special Projects				
Services and supplies	--	1,920	960	960
Other charges	1,152,832	1,300,912	1,290,026	10,886
Other financing uses	<u>255</u>	<u>255</u>	<u>255</u>	<u>--</u>
Subtotal	<u>1,153,087</u>	<u>1,303,087</u>	<u>1,291,241</u>	<u>11,846</u>
<i>Total Recreation and Cultural Services</i>	<u>1,153,087</u>	<u>1,303,087</u>	<u>1,291,241</u>	<u>11,846</u>
Total Charges to Appropriations	<u>173,055,130</u>	<u>189,488,637</u>	<u>165,555,391</u>	<u>23,933,246</u>
Budgetary fund balances, June 30	<u>\$ 87,498,932</u>	<u>\$ 76,040,572</u>	<u>\$ 98,977,591</u>	<u>\$ 22,937,019</u>

continued

COUNTY OF NAPA

Budgetary Comparison Schedule (continued) General Fund For the Year Ended June 30, 2013

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 Schedule	\$ 168,743,220
Differences - budget to GAAP:	
Reimbursements from other funds are inflows of budgetary resources but not revenues for financial reporting purposes	(6,422,223)
Revenues for funds no longer meeting the special revenue fund requirement which are presented with the General Fund for financial reporting purposes	23,156,437
Transfers from other funds are inflows of budgetary resources but not revenues for financial reporting purposes	(7,385,105)
Transfers within the fund are inflows of budgetary resources but are not revenues for financial reporting purposes.	<u>(1,248,398)</u>
Total revenues as reported on the Statement of Revenue, Expenditures and Changes in Fund Balances - Governmental Funds	<u>\$ 176,843,931</u>

Uses/outflows of resources

Actual amounts (budgetary basis) "total charges to appropriations" from the Budgetary Comparison Schedule	\$ 165,555,391
Differences - budget to GAAP:	
Costs reimbursed by other funds are outflows of budgetary resources but not expenditures for financial reporting purposes	(6,422,223)
Expenditures by funds no longer meeting the special revenue fund requirement which are presented with the General Fund for financial reporting purposes	202,604
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes	(33,059,962)
Transfers within the fund are outflows of budgetary resources but are not expenditures for financial reporting purposes.	<u>(1,248,398)</u>
Total expenditures as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	<u>\$ 125,027,412</u>

COUNTY OF NAPA

Budgetary Comparison Schedule
Health and Human Services Fund
For the Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balances, July 1	\$ --	\$ --	\$ --	\$ --
Resources (inflows):				
Licenses and permits	157,500	157,500	161,863	4,363
Fines, forfeitures and penalties	6,000	6,000	4,633	(1,367)
Revenue from use of money and property	9,953	9,953	(54,403)	(64,356)
Aid from other governments	42,006,862	41,047,026	42,416,105	1,369,079
Charges for services	6,952,129	6,873,629	6,807,544	(66,085)
Contributions and donations	3,001	3,001	33,661	30,660
Other revenue	3,979	3,979	3,505	(474)
Transfers In	36,754,167	40,988,663	41,366,991	378,328
Amounts available for appropriation	85,893,591	89,089,751	90,739,899	1,650,148
Charges to appropriations (outflows):				
<i>Health and Sanitation:</i>				
Public Health				
Salaries and benefits	5,881,692	5,881,692	5,710,679	171,013
Services and supplies	2,269,158	2,269,158	2,262,351	6,807
Other Charges	3,813,154	3,813,154	3,813,154	--
Subtotal	11,964,004	11,964,004	11,786,184	177,820
Mental Health				
Salaries and benefits	8,957,779	8,657,779	8,460,711	197,068
Services and supplies	11,519,581	13,154,581	12,221,190	933,391
Other Charges	861,430	861,430	861,430	--
Subtotal	21,338,790	22,673,790	21,543,331	1,130,459
Alcohol and Drug Services				
Salaries and benefits	2,340,716	2,403,716	2,364,576	39,140
Services and supplies	1,818,636	1,765,636	1,666,197	99,439
Other Charges	375,596	375,596	375,596	--
Subtotal	4,534,948	4,544,948	4,406,369	138,578
Agency Administration				
Salaries and benefits	589,968	749,468	737,141	12,327
Services and supplies	199,473	219,973	219,255	718
Other Charges	29,917	29,917	29,917	--
Transfers Out	464,280	464,280	461,308	2,972
Subtotal	1,283,638	1,463,638	1,447,621	16,017
Fiscal				
Salaries and benefits	2,814,194	2,814,194	2,696,552	117,642
Services and supplies	253,472	253,472	217,408	36,064
Other Charges	224,380	224,380	224,380	--
Subtotal	3,292,046	3,292,046	3,138,340	153,706
<i>Total Health and Sanitation</i>	42,413,426	43,938,426	42,321,846	1,616,580

continued

COUNTY OF NAPA

Budgetary Comparison Schedule (continued)
 Health and Human Services Fund
 For the Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<i>Public Assistance:</i>				
Child Welfare Services				
Salaries and benefits	\$ 5,156,425	\$ 5,471,425	\$ 5,103,364	\$ 368,062
Services and supplies	8,843,137	8,320,137	7,582,522	737,615
Other Charges	604,525	604,525	604,525	--
Transfers Out	--	16,000	26,132	(10,132)
Subtotal	<u>14,604,087</u>	<u>14,412,087</u>	<u>13,316,543</u>	<u>1,095,545</u>
Comprehensive Services for Older Adults				
Salaries and benefits	3,154,279	3,339,279	3,287,998	51,281
Services and supplies	3,580,463	4,063,463	3,985,320	78,143
Other Charges	520,769	520,769	520,769	--
Subtotal	<u>7,255,511</u>	<u>7,923,511</u>	<u>7,794,087</u>	<u>129,424</u>
Self Sufficiency Services				
Salaries and benefits	7,472,645	7,520,010	7,520,007	3
Services and supplies	7,379,070	7,331,705	6,765,258	566,447
Other Charges	1,125,774	1,125,774	1,125,774	--
Transfers Out	--	16,000	15,939	61
Subtotal	<u>15,977,489</u>	<u>15,993,489</u>	<u>15,426,978</u>	<u>566,511</u>
Operations				
Salaries and benefits	1,215,224	1,298,224	1,294,938	3,286
Services and supplies	2,091,958	2,109,395	2,106,073	3,322
Other Charges	189,752	134,752	95,115	39,637
Capital Expenditures	21,000	21,000	--	21,000
Transfers Out	--	2,563	28,499	(25,936)
Subtotal	<u>3,517,934</u>	<u>3,565,934</u>	<u>3,524,624</u>	<u>41,310</u>
Organizational Resource and Development				
Salaries and benefits	888,584	748,893	575,031	173,862
Services and supplies	94,519	102,210	101,339	871
Other Charges	75,793	75,793	75,389	405
Subtotal	<u>1,058,896</u>	<u>926,896</u>	<u>751,759</u>	<u>175,137</u>
Quality Management				
Salaries and benefits	877,204	922,854	917,047	5,807
Services and supplies	129,209	115,559	108,427	7,132
Other Charges	59,835	59,835	59,835	--
Subtotal	<u>1,066,248</u>	<u>1,098,248</u>	<u>1,085,309</u>	<u>12,939</u>
<i>Total Public Assistance</i>	<u>43,480,166</u>	<u>43,920,166</u>	<u>41,899,300</u>	<u>2,020,866</u>
Total Charges to Appropriations	<u>85,893,591</u>	<u>87,858,591</u>	<u>84,221,146</u>	<u>3,637,445</u>
Budgetary fund balances, June 30	<u>\$ (0)</u>	<u>\$ 1,231,160</u>	<u>\$ 6,518,753</u>	<u>\$ 5,287,593</u>

continued

COUNTY OF NAPA

Budgetary Comparison Schedule (continued)
Health and Human Service Fund
For the Year Ended June 30, 2013

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 Schedule \$ 90,739,899

Differences - budget to GAAP:

Revenues for funds no longer meeting the special revenue fund requirement which are presented with Health and Human Services for financial reporting purposes 9,566,299

Transfers from other funds are inflows of budgetary resources but not revenues for financial reporting purposes (41,366,991)

Total revenues as reported on the Statement of Revenue, Expenditures and Changes in Fund Balances - Governmental Funds \$ 58,939,207

Uses/outflows of resources

Actual amounts (budgetary basis) "total charges to appropriations" from the Budgetary Comparison Schedule \$ 84,221,146

Differences - budget to GAAP:

Expenditures by funds no longer meeting the special revenue fund requirement which are presented with Health and Human Services for financial reporting purposes 16,537

Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes (531,879)

Total expenditures as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds \$ 83,705,804

COUNTY OF NAPA

Budgetary Comparison Schedule
 Napa County Flood Protection and Watershed Improvement Authority
 For the Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balances, Beginning	<u>\$ 53,666,503</u>	<u>\$ 53,666,503</u>	<u>\$ 53,666,503</u>	<u>\$ --</u>
Resources (inflows):				
Taxes	13,472,060	13,472,060	15,173,638	1,701,578
Revenue from use of money and property	<u>258,000</u>	<u>258,000</u>	<u>(118,105)</u>	<u>(376,105)</u>
Amounts available for appropriation	<u>13,730,060</u>	<u>13,730,060</u>	<u>15,055,533</u>	<u>1,325,473</u>
Charges to appropriations (outflows):				
Public way and facilities	14,552,500	16,922,500	6,407,362	10,515,138
Debt service	<u>5,444,060</u>	<u>5,444,060</u>	<u>5,441,260</u>	<u>2,800</u>
Total charges to appropriations	<u>19,996,560</u>	<u>22,366,560</u>	<u>11,848,622</u>	<u>10,517,938</u>
Budgetary fund balances, Ending	<u>\$ 47,400,003</u>	<u>\$ 45,030,003</u>	<u>\$ 56,873,414</u>	<u>\$ 11,843,411</u>

COUNTY OF NAPA

Budgetary Comparison Schedule
Roads
For the Year Ended June 30, 2013

	<u>Budgeted Amounts</u>		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Budgetary fund balances, Beginning	<u>\$ 2,726,339</u>	<u>\$ 2,726,339</u>	<u>\$ 2,726,339</u>	<u>\$ --</u>
Resources (inflows):				
Licenses and permits	40,000	40,000	38,001	(1,999)
Fines, forfeitures and penalties	--	--	11,408	11,408
Revenue from use of money and property	24,000	24,000	(8,107)	(32,107)
Aid from other governments	11,692,362	12,385,214	4,747,510	(7,637,704)
Charges for services	1,990,571	2,325,610	130,306	(2,195,304)
Other	--	--	716	716
Transfers in	<u>6,322,848</u>	<u>6,652,931</u>	<u>5,283,605</u>	<u>(1,369,326)</u>
Amounts available for appropriation	<u>20,069,781</u>	<u>21,427,755</u>	<u>10,203,439</u>	<u>(11,224,316)</u>
Charges to appropriations (outflows):				
Salaries and employee benefits	2,989,553	2,989,553	2,664,259	325,294
Services and supplies	16,063,269	17,386,957	8,053,970	9,332,987
Other charges	100	32,037	24,383	7,654
Capital expenditures	--	41,500	1,500	40,000
Transfers out	<u>--</u>	<u>--</u>	<u>860</u>	<u>(860)</u>
Total charges to appropriations	<u>19,052,922</u>	<u>20,450,047</u>	<u>10,744,972</u>	<u>9,705,075</u>
Budgetary fund balances, Ending	<u>\$ 3,743,198</u>	<u>\$ 3,704,047</u>	<u>\$ 2,184,806</u>	<u>\$ (1,519,241)</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 Schedule \$ 10,203,439

Differences - budget to GAAP:

Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes. (5,283,605)

Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds \$ 4,919,834

Uses/outflows of resources

Actual amounts (budgetary basis) "total charges to appropriations" from the Budgetary Comparison Schedule \$ 10,744,972

Differences - budget to GAAP:

Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes. (860)

Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds \$ 10,744,112

COUNTY OF NAPA

Note to Required Supplementary Information For the Year Ended June 30, 2013

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 division level within budget units for the County. The division level within a budget unit is the level at which expenditures may not legally exceed appropriations. Any amendments or transfers of appropriations between division levels within the same budget unit or between divisions 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 subdivisions 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 improvement fund. 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**



Photo-Graphic by Brenton Beck. Contact: brent@fifthstreet.com

Fall Vineyard with Man
Soscol and Highway 29, Napa



NONMAJOR GOVERNMENTAL FUNDS

COUNTY OF NAPA

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2013

	Special Revenue	Debt Service	Total
	<u> </u>	<u> </u>	<u> </u>
Assets & Deferred Outflows of Resources			
Assets:			
Cash and investments	\$ 32,345,503	\$ --	\$ 32,345,503
Restricted Assets:			
Cash with fiscal agent	352,521	2,344,035	2,696,556
Imprest cash	850	--	850
Receivable (Net):			
Taxes	916,954	--	916,954
Special assessments	1,146,542	--	1,146,542
Accounts receivable	94,966	--	94,966
Due from other government agencies	689,707	--	689,707
Prepaid items	12,038	--	12,038
Deposits	2,500	--	2,500
Assets held for resale	990,202	--	990,202
Loans receivable, net	15,295,152	--	15,295,152
Total Assets	<u>51,846,935</u>	<u>2,344,035</u>	<u>54,190,970</u>
Deferred outflows of resources	<u>--</u>	<u>--</u>	<u>--</u>
Total Assets and Deferred Outflows of Resources	<u><u>\$ 51,846,935</u></u>	<u><u>\$ 2,344,035</u></u>	<u><u>\$ 54,190,970</u></u>
Liabilities, Deferred Inflows of Resources & Fund Balances			
Liabilities:			
Accounts payable	\$ 1,898,112	\$ --	\$ 1,898,112
Accrued payroll	397,787	--	397,787
Due to other funds	320,652	--	320,652
Due to other government agencies	239,132	--	239,132
Unearned revenue	94,272	--	94,272
Advances from other funds	2,720,000	--	2,720,000
Total Liabilities	<u>5,669,955</u>	<u>--</u>	<u>5,669,955</u>
Deferred Inflows of Resources:			
Unavailable revenue	<u>82,498</u>	<u>--</u>	<u>82,498</u>
Fund Balances:			
Nonspendable	34,458	--	34,458
Restricted	47,360,878	2,344,035	49,704,913
Committed	1,631,723	--	1,631,723
Unassigned	<u>(2,932,577)</u>	<u>--</u>	<u>(2,932,577)</u>
Total Fund Balances	<u>46,094,482</u>	<u>2,344,035</u>	<u>48,438,517</u>
Total Liabilities, Deferred Inflows of Resources & Fund Balances	<u><u>\$ 51,846,935</u></u>	<u><u>\$ 2,344,035</u></u>	<u><u>\$ 54,190,970</u></u>

COUNTY OF NAPA

Combining Statement of Revenues, Expenditures and Changes in Fund Balances Nonmajor Governmental Funds For the Year Ended June 30, 2013

	Special Revenue	Debt Service	Total
Revenues:			
Taxes	\$ 15,366,924	\$ --	\$ 15,366,924
Licenses and permits	3,317,051	--	3,317,051
Fines, forfeitures and penalties	47,897	--	47,897
Revenue from use of money and property	(7,228)	801	(6,427)
Aid from other governments	4,738,250	--	4,738,250
Charges for services	9,376,250	--	9,376,250
Contributions and donations	374,531	--	374,531
Other revenue	9,499	--	9,499
Total Revenues	33,223,174	801	33,223,975
Expenditures:			
Current:			
General government	5,749,758	--	5,749,758
Public protection	15,770,901	--	15,770,901
Public ways and facilities	149,895	--	149,895
Health and sanitation	296,058	--	296,058
Public assistance	1,371,877	--	1,371,877
Education	7,135,812	--	7,135,812
Debt Service:			
Principal	--	2,525,000	2,525,000
Interest and fiscal charges	--	1,145,784	1,145,784
Administration, issuance and arbitrage fees	--	87,704	87,704
Total Expenditures	30,474,301	3,758,488	34,232,789
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,748,873	(3,757,687)	(1,008,814)
Other Financing Sources (Uses):			
Issuance of capital leases	--	2,313,225	2,313,225
Transfers in	973,398	3,236,460	4,209,858
Transfers out	(3,979,590)	(2,266,960)	(6,246,550)
Total Other Financing Sources (Uses)	(3,006,192)	3,282,725	276,533
Net change in fund balances	(257,319)	(474,962)	(732,281)
Fund Balance - Beginning	46,351,801	2,818,997	49,170,798
Fund Balance - Ending	\$ 46,094,482	\$ 2,344,035	\$ 48,438,517



Painting Courtesy of Lin Weber, www.linweber.com

Uphill Work

Vineyard workers on a sloping vineyard in eastern Napa near Vichy

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, reimburse the County's Road Fund for damages caused by collection vehicles, and reimburse various County operating departments to help defray the cost of administering the franchise agreement.

Child Support Services

Child Support Services is a County 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 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

The Napa Valley Tourism Improvement – Unincorporated (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 Access Channel

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, 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.

Napa Valley Tourism Improvement District– Countywide

The Napa Valley Tourism Improvement District-Countywide (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 and the remaining 25% goes to each jurisdiction within NVTID.

Community Facilities District – Devlin Road

The Community Facilities District-Devlin Road (CFD) was established during fiscal year 2012-2013. This is an assessment district which levies and collects assessments on parcel owners within the CFD to fund the construction of the Devlin Road extension to allow access to district parcels.

COUNTY OF NAPA

Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2013

	<u>Fire Protection</u>	<u>Affordable Housing</u>	<u>Wildlife Conservation Commission</u>	<u>Building and Code Enforcement</u>
Assets & Deferred Outflows of Resources				
Assets:				
Cash and investments	\$ 11,073,720	\$ 7,472,254	\$ 97,948	\$ 1,712,425
Restricted Assets:				
Cash with fiscal agent	93,926	--	--	--
Imprest cash	--	--	--	50
Receivable (Net):				
Taxes	146,454	--	--	--
Special assessments	33,136	--	--	--
Accounts receivable	37,388	--	--	1,399
Due from other government agencies	364,570	--	--	--
Prepaid items	--	--	--	--
Deposits	1,250	--	--	--
Assets held for resale	--	990,202	--	--
Loans receivable, net	--	15,295,152	--	--
Total Assets	<u>11,750,444</u>	<u>23,757,608</u>	<u>97,948</u>	<u>1,713,874</u>
Deferred outflows of resources	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Total Assets & Deferred Outflows of Resources	<u><u>\$ 11,750,444</u></u>	<u><u>\$ 23,757,608</u></u>	<u><u>\$ 97,948</u></u>	<u><u>\$ 1,713,874</u></u>
 Liabilities, Deferred Inflows of Resources & Fund Balances				
Liabilities:				
Accounts payable	\$ 251,461	\$ 11,064	\$ 12,764	\$ 3,157
Accrued payroll	--	--	--	78,994
Due to other funds	--	--	--	--
Due to other government agencies	239,118	--	--	--
Unearned revenue	--	--	--	--
Advances from other funds	--	--	--	--
Total Liabilities	<u>490,579</u>	<u>11,064</u>	<u>12,764</u>	<u>82,151</u>
Deferred Inflows of Resources:				
Unavailable revenue	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Fund Balances:				
Nonspendable	1,250	--	--	--
Restricted	11,258,615	23,746,544	85,184	--
Committed	--	--	--	1,631,723
Unassigned	--	--	--	--
Total Fund Balances	<u>11,259,865</u>	<u>23,746,544</u>	<u>85,184</u>	<u>1,631,723</u>
Total Liabilities, Deferred Inflows of Resources & Fund Balances	<u><u>\$ 11,750,444</u></u>	<u><u>\$ 23,757,608</u></u>	<u><u>\$ 97,948</u></u>	<u><u>\$ 1,713,874</u></u>

continued

COUNTY OF NAPA

Combining Balance Sheet (continued)
 Nonmajor Special Revenue Funds
 June 30, 2013

	<u>IHSS</u>	<u>Zone 1 Garbage</u>	<u>Child Support Services</u>	<u>Library</u>
Assets & Deferred Outflows of Resources				
Assets:				
Cash and investments	\$ --	\$ 1,068,380	\$ 134,858	\$ 9,543,475
Restricted Assets:				
Cash with fiscal agent	--	--	--	258,595
Imprest cash	--	--	300	500
Receivable (Net):				
Taxes	--	--	--	761,662
Special assessments	--	--	--	--
Accounts receivable	--	53,142	--	3,037
Due from other government agencies	325,033	--	104	--
Prepaid items	--	--	12,038	--
Deposits	--	--	--	1,250
Assets held for resale	--	--	--	--
Loans receivable, net	--	--	--	--
Total Assets	<u>325,033</u>	<u>1,121,522</u>	<u>147,300</u>	<u>10,568,519</u>
Deferred outflows of resources	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Total Assets & Deferred Outflows of Resources	<u><u>\$ 325,033</u></u>	<u><u>\$ 1,121,522</u></u>	<u><u>\$ 147,300</u></u>	<u><u>\$ 10,568,519</u></u>
 Liabilities, Deferred Inflows of Resources & Fund Balances				
Liabilities:				
Accounts payable	\$ 65,185	\$ 22,555	\$ 30,547	\$ 133,700
Accrued payroll	--	--	129,704	189,089
Due to other funds	320,652	--	--	--
Due to other government agencies	--	--	14	--
Unearned revenue	--	--	44,272	50,000
Advances from other funds	--	--	--	--
Total Liabilities	<u>385,837</u>	<u>22,555</u>	<u>204,537</u>	<u>372,789</u>
Deferred Inflows of Resources:				
Unavailable revenue	<u>82,498</u>	<u>--</u>	<u>--</u>	<u>--</u>
Fund Balances:				
Nonspendable	--	--	12,038	1,250
Restricted	--	1,098,967	--	10,194,480
Committed	--	--	--	--
Unassigned	<u>(143,302)</u>	<u>--</u>	<u>(69,275)</u>	<u>--</u>
Total Fund Balances	<u>(143,302)</u>	<u>1,098,967</u>	<u>(57,237)</u>	<u>10,195,730</u>
Total Liabilities, Deferred Inflows of Resources & Fund Balances	<u><u>\$ 325,033</u></u>	<u><u>\$ 1,121,522</u></u>	<u><u>\$ 147,300</u></u>	<u><u>\$ 10,568,519</u></u>

continued

COUNTY OF NAPA

Combining Balance Sheet (continued)
 Nonmajor Special Revenue Funds
 June 30, 2013

	Napa Valley Tourism Improvement - <u>Unincorporated</u>	Public, Education, Governmental <u>Access Channel</u>	Various Special Districts <u>Under Board</u>	<u>Total</u>
Assets & Deferred Outflows of Resources				
Assets:				
Cash and investments	\$ 31	\$ 99,468	\$ 1,142,944	\$ 32,345,503
Restricted Assets:				
Cash with fiscal agent	--	--	--	352,521
Imprest cash	--	--	--	850
Receivable (Net):				
Taxes	--	--	8,838	916,954
Special assessments	114,265	--	999,141	1,146,542
Accounts receivable	--	--	--	94,966
Due from other government agencies	--	--	--	689,707
Prepaid items	--	--	--	12,038
Deposits	--	--	--	2,500
Assets held for resale	--	--	--	990,202
Loans receivable, net	--	--	--	15,295,152
Total Assets	<u>114,296</u>	<u>99,468</u>	<u>2,150,923</u>	<u>51,846,935</u>
Deferred outflows of resources	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Total Assets & Deferred Outflows of Resources	<u><u>\$ 114,296</u></u>	<u><u>\$ 99,468</u></u>	<u><u>\$ 2,150,923</u></u>	<u><u>\$ 51,846,935</u></u>
 Liabilities, Deferred Inflows of Resources & Fund Balances				
Liabilities:				
Accounts payable	\$ 114,296	\$ --	\$ 1,253,383	\$ 1,898,112
Accrued payroll	--	--	--	397,787
Due to other funds	--	--	--	320,652
Due to other government agencies	--	--	--	239,132
Unearned revenue	--	--	--	94,272
Advances from other funds	--	--	2,720,000	2,720,000
Total Liabilities	<u>114,296</u>	<u>--</u>	<u>3,973,383</u>	<u>5,669,955</u>
Deferred Inflows of Resources:				
Unavailable revenue	<u>--</u>	<u>--</u>	<u>--</u>	<u>82,498</u>
Fund Balances:				
Nonspendable	--	--	19,920	34,458
Restricted	--	99,468	877,620	47,360,878
Committed	--	--	--	1,631,723
Unassigned	--	--	(2,720,000)	(2,932,577)
Total Fund Balances	<u>--</u>	<u>99,468</u>	<u>(1,822,460)</u>	<u>46,094,482</u>
Total Liabilities, Deferred Inflows of Resources & Fund Balances	<u><u>\$ 114,296</u></u>	<u><u>\$ 99,468</u></u>	<u><u>\$ 2,150,923</u></u>	<u><u>\$ 51,846,935</u></u>

COUNTY OF NAPA

Combining Statement of Revenues, Expenditures and
Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2013

	<u>Fire Protection</u>	<u>Affordable Housing</u>	<u>Wildlife Conservation Commission</u>	<u>Building and Code Enforcement</u>
Revenues:				
Taxes	\$ 8,627,916	\$ --	\$ --	\$ --
Licenses and permits	445,173	648,961	--	1,859,554
Fines, forfeitures and penalties	645	--	8,450	33,194
Revenue from use of money and property	(17,949)	38,497	(117)	(5,507)
Aid from other governments	48,174	--	--	--
Charges for services	1,385,159	--	--	1,089,114
Contributions and donations	--	--	--	--
Other revenue	8,332	--	--	--
Total Revenues	<u>10,497,450</u>	<u>687,458</u>	<u>8,333</u>	<u>2,976,355</u>
Expenditures:				
Current:				
General government	--	--	--	--
Public protection	9,659,900	--	43,279	2,164,804
Public ways and facilities	--	--	--	--
Health and sanitation	--	--	--	--
Public assistance	--	413,328	--	--
Education	--	--	--	--
Total Expenditures	<u>9,659,900</u>	<u>413,328</u>	<u>43,279</u>	<u>2,164,804</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>837,550</u>	<u>274,130</u>	<u>(34,946)</u>	<u>811,551</u>
Other Financing Sources (Uses):				
Transfers in	369,803	--	--	--
Transfers out	<u>(1,164)</u>	<u>(307,000)</u>	<u>--</u>	<u>--</u>
Total Other Financing Sources (Uses)	<u>368,639</u>	<u>(307,000)</u>	<u>--</u>	<u>--</u>
Net change in fund balances	1,206,189	(32,870)	(34,946)	811,551
Fund Balance - Beginning	<u>10,053,676</u>	<u>23,779,414</u>	<u>120,130</u>	<u>820,172</u>
Fund Balance - Ending	<u>\$ 11,259,865</u>	<u>\$ 23,746,544</u>	<u>\$ 85,184</u>	<u>\$ 1,631,723</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, 2013

	<u>IHSS</u>	<u>Zone 1 Garbage</u>	<u>Child Support Services</u>	<u>Library</u>
Revenues:				
Taxes	\$ --	\$ --	\$ --	\$ 6,707,450
Licenses and permits	--	328,987	--	--
Fines, forfeitures and penalties	--	--	--	--
Revenue from use of money and property	--	(1,698)	64	(18,049)
Aid from other governments	752,754	--	3,862,172	75,032
Charges for services	--	--	--	138,381
Contributions and donations	--	--	--	374,531
Other revenue	--	--	198	969
Total Revenues	<u>752,754</u>	<u>327,289</u>	<u>3,862,434</u>	<u>7,278,314</u>
Expenditures:				
Current:				
General government	--	--	--	--
Public protection	--	--	3,863,471	--
Public ways and facilities	--	--	--	--
Health and sanitation	--	296,058	--	--
Public assistance	943,043	--	--	--
Education	--	--	--	7,135,812
Total Expenditures	<u>943,043</u>	<u>296,058</u>	<u>3,863,471</u>	<u>7,135,812</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(190,289)</u>	<u>31,231</u>	<u>(1,037)</u>	<u>142,502</u>
Other Financing Sources (Uses):				
Transfers in	159,514	--	--	444,081
Transfers out	--	(174,933)	--	(58,881)
Total Other Financing Sources (Uses)	<u>159,514</u>	<u>(174,933)</u>	<u>--</u>	<u>385,200</u>
Net change in fund balances	(30,775)	(143,702)	(1,037)	527,702
Fund Balance - Beginning	<u>(112,527)</u>	<u>1,242,669</u>	<u>(56,200)</u>	<u>9,668,028</u>
Fund Balance - Ending	<u>\$ (143,302)</u>	<u>\$ 1,098,967</u>	<u>\$ (57,237)</u>	<u>\$ 10,195,730</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, 2013

	Napa Valley Tourism Improvement - Unincorporated	Public, Educational, Governmental Access Channel	Various Special Districts Under Board	Total
Revenues:				
Taxes	\$ --	\$ --	\$ 31,558	\$ 15,366,924
Licenses and permits	--	34,376	--	3,317,051
Fines, forfeitures and penalties	--	--	5,608	47,897
Revenue from use of money and property	170	(299)	(2,340)	(7,228)
Aid from other governments	--	--	118	4,738,250
Charges for services	510,353	--	6,253,243	9,376,250
Contributions and donations	--	--	--	374,531
Other revenue	--	--	--	9,499
Total Revenues	<u>510,523</u>	<u>34,077</u>	<u>6,288,187</u>	<u>33,223,174</u>
Expenditures:				
Current:				
General government	510,547	--	5,239,211	5,749,758
Public protection	--	--	39,447	15,770,901
Public ways and facilities	--	--	149,895	149,895
Health and sanitation	--	--	--	296,058
Public assistance	--	--	15,506	1,371,877
Education	--	--	--	7,135,812
Total Expenditures	<u>510,547</u>	<u>--</u>	<u>5,444,059</u>	<u>30,474,301</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(24)</u>	<u>34,077</u>	<u>844,128</u>	<u>2,748,873</u>
Other Financing Sources (Uses):				
Transfers in	--	--	--	973,398
Transfers out	--	--	(3,437,612)	(3,979,590)
Total Other Financing Sources (Uses)	<u>--</u>	<u>--</u>	<u>(3,437,612)</u>	<u>(3,006,192)</u>
Net change in fund balances	(24)	34,077	(2,593,484)	(257,319)
Fund Balance - Beginning	<u>24</u>	<u>65,391</u>	<u>771,024</u>	<u>46,351,801</u>
Fund Balance - Ending	<u>\$ --</u>	<u>\$ 99,468</u>	<u>\$ (1,822,460)</u>	<u>\$ 46,094,482</u>

COUNTY OF NAPA

Combining Balance Sheet
 Nonmajor Special Districts Under the Board of Supervisors
 June 30, 2013

	<u>County Service Area No. 3</u>	<u>County Service Area No. 4</u>	<u>Silverado Community Services</u>
Assets & Deferred Outflows of Resources			
Assets:			
Cash and investments	\$ 287,673	\$ 305,728	\$ 91,968
Receivable (Net):			
Taxes	--	--	--
Special assessments	<u>7,837</u>	<u>9,101</u>	<u>1,290</u>
Total Assets	<u>295,510</u>	<u>314,829</u>	<u>93,258</u>
Deferred outflows of resources	<u>--</u>	<u>--</u>	<u>--</u>
Total Assets and Deferred Outflows of Resources	<u><u>\$ 295,510</u></u>	<u><u>\$ 314,829</u></u>	<u><u>\$ 93,258</u></u>
Liabilities, Deferred Inflows of Resources & Fund Balances			
Liabilities:			
Accounts payable	\$ 2,667	\$ --	\$ 3,597
Advances from other funds	<u>--</u>	<u>--</u>	<u>--</u>
Total Liabilities	<u>2,667</u>	<u>--</u>	<u>3,597</u>
Deferred inflows of resources	<u>--</u>	<u>--</u>	<u>--</u>
Fund Balances:			
Nonspendable	--	--	--
Restricted	292,843	314,829	89,661
Unassigned	<u>--</u>	<u>--</u>	<u>--</u>
Total Fund Balances	<u>292,843</u>	<u>314,829</u>	<u>89,661</u>
Total Liabilities, Deferred Inflows of Resources & Fund Balances	<u><u>\$ 295,510</u></u>	<u><u>\$ 314,829</u></u>	<u><u>\$ 93,258</u></u>

continued

COUNTY OF NAPA

Combining Balance Sheet (continued)
 Nonmajor Special Districts Under the Board of Supervisors
 June 30, 2013

	<u>Monticello Public Cemetery</u>	<u>Countywide Napa Valley Tourism Improvement District</u>	<u>Community Facilities District - Devlin Road</u>	<u>Total</u>
Assets & Deferred Outflows of Resources				
Assets:				
Cash and investments	\$ 191,826	\$ 265,749	\$ --	\$ 1,142,944
Receivable (Net):				
Taxes	8,838	--	--	8,838
Special assessments		980,913	--	999,141
Total Assets	<u>200,664</u>	<u>1,246,662</u>	<u>--</u>	<u>2,150,923</u>
Deferred outflows of resources	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Total Assets and Deferred Outflows of Resources	<u><u>\$ 200,664</u></u>	<u><u>\$ 1,246,662</u></u>	<u><u>\$ --</u></u>	<u><u>\$ 2,150,923</u></u>
Liabilities, Deferred Inflows of Resources & Fund Balances				
Liabilities:				
Accounts payable	\$ 457	\$ 1,246,662	\$ -	\$ 1,253,383
Advances from other funds	<u>--</u>	<u>--</u>	<u>2,720,000</u>	<u>2,720,000</u>
Total Liabilities	<u>457</u>	<u>1,246,662</u>	<u>2,720,000</u>	<u>3,973,383</u>
Deferred inflows of resources	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Fund Balances:				
Nonspendable	19,920	--	--	19,920
Restricted	180,287	--	--	877,620
Unassigned	<u>--</u>	<u>--</u>	<u>(2,720,000)</u>	<u>(2,720,000)</u>
Total Fund Balances	<u>200,207</u>	<u>--</u>	<u>(2,720,000)</u>	<u>(1,822,460)</u>
Total Liabilities, Deferred Inflows of Resources & Fund Balances	<u><u>\$ 200,664</u></u>	<u><u>\$ 1,246,662</u></u>	<u><u>\$ --</u></u>	<u><u>\$ 2,150,923</u></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, 2013

	<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	4,394	861	353
Revenue from use of money and property	(363)	(670)	(298)
Aid from other governments	--	--	--
Charges for services	436,691	447,815	125,009
Total Revenues	<u>440,722</u>	<u>448,006</u>	<u>125,064</u>
Expenditures:			
Current:			
General government	--	--	--
Public protection	--	--	--
Public ways and facilities	42,453	--	107,442
Public assistance	--	15,506	--
Total Expenditures	<u>42,453</u>	<u>15,506</u>	<u>107,442</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>398,269</u>	<u>432,500</u>	<u>17,622</u>
Other Financing Sources (Uses):			
Transfers out	<u>(359,389)</u>	<u>(358,223)</u>	<u>--</u>
Total Other Financing Sources (Uses)	<u>(359,389)</u>	<u>(358,223)</u>	<u>--</u>
Net change in fund balance	38,880	74,277	17,622
Fund Balance - Beginning of Year	<u>253,963</u>	<u>240,552</u>	<u>72,039</u>
Fund Balance - End of Year	<u>\$ 292,843</u>	<u>\$ 314,829</u>	<u>\$ 89,661</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, 2013

	Monticello Public Cemetery	Countywide Napa Valley Tourism Improvement District	Community Facilities District - Devlin Road	Total
Revenues:				
Taxes	\$ 31,558	\$ --	\$ --	\$ 31,558
Fines, forfeitures and penalties	--	--	--	5,608
Revenue from use of money and property	(370)	(639)	--	(2,340)
Aid from other governments	118	--	--	118
Charges for services	4,080	5,239,648	--	6,253,243
Total Revenues	<u>35,386</u>	<u>5,239,009</u>	<u>--</u>	<u>6,288,187</u>
Expenditures:				
Current:				
General government	--	5,239,211	--	5,239,211
Public protection	39,447	--	--	39,447
Public ways and facilities	--	--	--	149,895
Public assistance	--	--	--	15,506
Total Expenditures	<u>39,447</u>	<u>5,239,211</u>	<u>--</u>	<u>5,444,059</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(4,061)</u>	<u>(202)</u>	<u>--</u>	<u>844,128</u>
Other Financing Sources (Uses):				
Transfers out	--	--	(2,720,000)	(3,437,612)
Total Other Financing Sources (Uses)	<u>--</u>	<u>--</u>	<u>(2,720,000)</u>	<u>(3,437,612)</u>
Net change in fund balance	(4,061)	(202)	(2,720,000)	(2,593,484)
Fund Balance - Beginning of Year	<u>204,268</u>	<u>202</u>	<u>--</u>	<u>771,024</u>
Fund Balance - End of Year	<u>\$ 200,207</u>	<u>\$ --</u>	<u>\$ (2,720,000)</u>	<u>\$ (1,822,460)</u>

COUNTY OF NAPA

Budgetary Comparison Schedule
Fire Protection
For the Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		Positive (Negative)
Budgetary fund balances, Beginning	<u>\$ 10,053,676</u>	<u>\$ 10,053,676</u>	<u>\$ 10,053,676</u>	<u>\$ --</u>
Resources (inflows):				
Taxes	8,345,300	8,345,300	8,627,916	282,616
Licenses and permits	250,000	250,000	445,173	195,173
Fines, forfeitures and penalties	--	--	645	645
Revenue from use of money and property	100,000	100,000	(17,949)	(117,949)
Aid from other governments	760,000	760,000	48,174	(711,826)
Charges for services	470,000	470,000	1,385,159	915,159
Other revenue	5,000	5,000	8,332	3,332
Transfers in	275,000	368,926	369,803	877
Amounts available for appropriation	<u>10,205,300</u>	<u>10,299,226</u>	<u>10,867,253</u>	<u>568,027</u>
Charges to appropriations (outflows):				
Salaries and employee benefits	227,523	227,523	219,014	8,509
Services and supplies	10,756,903	10,860,790	9,117,693	1,743,097
Capital expenditures	1,060,750	1,082,195	86,417	995,778
Other charges	236,777	236,777	236,776	1
Transfers out	--	1,165	1,164	1
Total charges to appropriations	<u>12,281,953</u>	<u>12,408,450</u>	<u>9,661,064</u>	<u>2,747,386</u>
Budgetary fund balances, Ending	<u>\$ 7,977,023</u>	<u>\$ 7,944,452</u>	<u>\$ 11,259,865</u>	<u>\$ 3,315,413</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 Schedule \$ 10,867,253

Differences - budget to GAAP:

 Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes. (369,803)

Total revenues as reported on the Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds \$ 10,497,450

Uses/outflows of resources

Actual amounts (budgetary basis) "total charges to appropriations" from the Budgetary Comparison Schedule \$ 9,661,064

Differences - budget to GAAP:

 Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes. (1,164)

Total expenditures as reported on the Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Special Revenue Funds \$ 9,659,900

COUNTY OF NAPA

Budgetary Comparison Schedule
Affordable Housing
For the Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balances, Beginning	<u>\$ 23,779,414</u>	<u>\$ 23,779,414</u>	<u>\$ 23,779,414</u>	<u>\$ --</u>
Resources (inflows):				
Licenses and permits	418,239	418,239	648,961	230,722
Revenue from use of money and property	<u>75,000</u>	<u>75,000</u>	<u>38,497</u>	<u>(36,503)</u>
Amounts available for appropriation	<u>493,239</u>	<u>493,239</u>	<u>687,458</u>	<u>194,219</u>
Charges to appropriations (outflows):				
Services and supplies	196,900	403,850	413,328	(9,478)
Other Charges	6,809	7,509	--	7,509
Long Term Loan	6,713,688	6,506,038	--	6,506,038
Transfers out	<u>444,525</u>	<u>444,525</u>	<u>307,000</u>	<u>137,525</u>
Total charges to appropriations	<u>7,361,922</u>	<u>7,361,922</u>	<u>720,328</u>	<u>6,641,594</u>
Budgetary fund balances, Ending	<u>\$ 16,910,732</u>	<u>\$ 16,910,732</u>	<u>\$ 23,746,544</u>	<u>\$ 6,835,813</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 Schedule \$ 720,328

Differences - budget to GAAP:

Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes. (307,000)

Total expenditures as reported on the Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Special Revenue Funds \$ 413,328

COUNTY OF NAPA

Budgetary Comparison Schedule
Wildlife Conservation Commission
For the Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		Positive (Negative)
Budgetary fund balances, Beginning	\$ 120,130	\$ 120,130	\$ 120,130	\$ --
Resources (inflows):				
Fines, forfeitures and penalties	6,000	6,000	8,450	2,450
Revenue from use of money and property	1,200	1,200	(117)	(1,317)
Amounts available for appropriation	<u>7,200</u>	<u>7,200</u>	<u>8,333</u>	<u>1,133</u>
Charges to appropriations (outflows):				
Other charges	50,000	24,940	43,279	(18,339)
Total charges to appropriations	<u>50,000</u>	<u>24,940</u>	<u>43,279</u>	<u>(18,339)</u>
Budgetary fund balances, Ending	<u>\$ 77,330</u>	<u>\$ 102,390</u>	<u>\$ 85,184</u>	<u>\$ (17,206)</u>

COUNTY OF NAPA

Budgetary Comparison Schedule
 Building and Code Enforcement
 For the Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balances, Beginning	\$ 820,172	\$ 820,172	\$ 820,172	\$ --
Resources (inflows):				
Licenses and permits	1,300,000	1,300,000	1,859,554	559,554
Fines, forfeitures and penalties	--	--	33,194	33,194
Revenue from use of money and property	5,000	5,000	(5,507)	(10,507)
Charges for services	840,000	840,000	1,089,114	249,114
Amounts available for appropriation	<u>2,145,000</u>	<u>2,145,000</u>	<u>2,976,355</u>	<u>831,355</u>
Charges to appropriations (outflows):				
Salaries and employee benefits	1,809,118	1,759,118	1,480,392	278,726
Services and supplies	436,085	486,085	684,412	(198,327)
Transfers out	20,000	20,000	--	20,000
Total charges to appropriations	<u>2,265,203</u>	<u>2,265,203</u>	<u>2,164,804</u>	<u>100,399</u>
 Budgetary fund balances, Ending	 <u>\$ 699,969</u>	 <u>\$ 699,969</u>	 <u>\$ 1,631,723</u>	 <u>\$ 931,754</u>

COUNTY OF NAPA

Budgetary Comparison Schedule
IHSS
For the Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balances, Beginning	<u>\$ (112,527)</u>	<u>\$ (112,527)</u>	<u>\$ (112,527)</u>	<u>\$ --</u>
Resources (inflows):				
Aid from other governments	740,620	783,620	752,754	(30,866)
Transfers in	<u>319,010</u>	<u>319,010</u>	<u>159,514</u>	<u>(159,496)</u>
Amounts available for appropriation	<u>1,059,630</u>	<u>1,102,630</u>	<u>912,268</u>	<u>(190,362)</u>
Charges to appropriations (outflows):				
Services and supplies	<u>1,051,525</u>	<u>1,094,525</u>	<u>943,043</u>	<u>151,482</u>
Total charges to appropriations	<u>1,051,525</u>	<u>1,094,525</u>	<u>943,043</u>	<u>151,482</u>
Budgetary fund balances, Ending	<u><u>\$ (104,422)</u></u>	<u><u>\$ (104,422)</u></u>	<u><u>\$ (143,302)</u></u>	<u><u>\$ (38,880)</u></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 Schedule				\$ 912,268
Differences - budget to GAAP:				
Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes.				<u>(159,514)</u>
Total revenues as reported on the Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds				<u><u>\$ 752,754</u></u>

COUNTY OF NAPA

Budgetary Comparison Schedule
 Zone 1 - Garbage
 For the Year Ended June 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary fund balances, Beginning	<u>\$ 1,242,669</u>	<u>\$ 1,242,669</u>	<u>\$ 1,242,669</u>	<u>\$ --</u>
Resources (inflows):				
Licenses and permits	326,400	326,400	328,987	2,587
Revenue from use of money and property	10,000	10,000	(1,698)	(11,698)
Contributions and donations	60,000	60,000	--	(60,000)
Amounts available for appropriation	<u>396,400</u>	<u>396,400</u>	<u>327,289</u>	<u>(69,111)</u>
Charges to appropriations (outflows):				
Services and supplies	150,000	376,500	296,058	80,442
Transfers out	175,000	175,000	174,933	67
Intrafund transfers	226,500	--	--	--
Total charges to appropriations	<u>325,000</u>	<u>551,500</u>	<u>470,991</u>	<u>80,509</u>
Budgetary fund balances, Ending	<u>\$ 1,314,069</u>	<u>\$ 1,087,569</u>	<u>\$ 1,098,967</u>	<u>\$ 11,398</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 Schedule \$ 470,991

Differences - budget to GAAP:

 Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes. (174,933)

Total expenditures as reported on the Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds \$ 296,058

COUNTY OF NAPA

Budgetary Comparison Schedule
 Child Support Services
 For the Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balances, Beginning	\$ (56,200)	\$ (56,200)	\$ (56,200)	\$ --
Resources (inflows):				
Revenue from use of money and property	2,500	2,500	64	(2,436)
Aid from other governments	4,122,542	4,122,542	3,862,172	(260,370)
Other revenue	--	--	198	198
Amounts available for appropriation	<u>4,125,042</u>	<u>4,125,042</u>	<u>3,862,434</u>	<u>(262,608)</u>
Charges to appropriations (outflows):				
Salaries and employee benefits	3,419,025	3,380,558	3,313,220	67,338
Services and supplies	<u>706,017</u>	<u>963,123</u>	<u>550,251</u>	<u>412,872</u>
Total charges to appropriations	<u>4,125,042</u>	<u>4,343,681</u>	<u>3,863,471</u>	<u>480,210</u>
Budgetary fund balances, Ending	<u>\$ (56,200)</u>	<u>\$ (274,839)</u>	<u>\$ (57,237)</u>	<u>\$ 217,602</u>

COUNTY OF NAPA

Budgetary Comparison Schedule
Library
For the Year Ended June 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary fund balances, Beginning	<u>\$ 9,668,028</u>	<u>\$ 9,668,028</u>	<u>\$ 9,668,028</u>	<u>\$ --</u>
Resources (inflows):				
Taxes	6,201,499	6,201,499	6,707,450	505,951
Revenue from use of money and property	84,000	84,000	(18,049)	(102,049)
Aid from other governments	33,213	70,697	75,032	4,335
Charges for services	124,500	124,500	138,381	13,881
Contributions and donations	123,716	128,760	374,531	245,771
Other revenue	3,000	15,000	969	(14,031)
Transfers in	1,035,460	1,294,056	444,081	(849,975)
Intrafund transfer	--	--	180,918	180,918
Amounts available for appropriation	<u>7,605,388</u>	<u>7,918,512</u>	<u>7,903,313</u>	<u>(15,199)</u>
Charges to appropriations (outflows):				
Salaries and employee benefits	4,608,087	4,523,568	4,315,827	207,741
Services and supplies	3,460,762	3,890,243	2,785,990	1,104,253
Capital expenditures	21,200	48,234	33,995	14,239
Contingencies and reserves	242,000	242,000	--	242,000
Other charges	56,541	56,541	--	56,541
Transfers out	849,974	801,291	58,881	742,410
Intrafund transfer	--	180,921	180,918	3
Total charges to appropriations	<u>9,238,564</u>	<u>9,742,798</u>	<u>7,375,611</u>	<u>2,367,187</u>
Budgetary fund balances, Ending	<u>\$ 8,034,852</u>	<u>\$ 7,843,742</u>	<u>\$ 10,195,730</u>	<u>\$ 2,351,988</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 Schedule \$ 7,903,313

Differences - budget to GAAP:

Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes. (444,081)

Transfers within the fund are inflows of budgetary resources but are not revenues for financial reporting purposes. (180,918)

Total revenues as reported on the Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds \$ 7,278,314

Uses/outflows of resources

Actual amounts (budgetary basis) "total charges to appropriations" from the Budgetary Comparison Schedule \$ 7,375,611

Differences - budget to GAAP:

Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes. (58,881)

Transfers within the fund are outflows of budgetary resources but are not expenditures for financial reporting purposes. (180,918)

Total expenditures as reported on the Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds \$ 7,135,812

COUNTY OF NAPA

Budgetary Comparison Schedule
 Napa Valley Tourism Improvement - Unincorporated
 For the Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balances, Beginning	\$ 24	\$ 24	\$ 24	\$ --
Resources (inflows):				
Revenue from use of money and property	--	--	170	170
Charges for services	425,000	545,000	510,353	(34,647)
Amounts available for appropriation	425,000	545,000	510,523	(34,477)
Charges to appropriations (outflows):				
Services and supplies	425,000	545,000	510,547	34,453
Total charges to appropriations	425,000	545,000	510,547	34,453
Budgetary fund balances, Ending	\$ 24	\$ 24	\$ --	\$ (24)

COUNTY OF NAPA

Budgetary Comparison Schedule
Public, Educational, Governmental Access Channel
For the Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balances, Beginning	\$ 65,391	\$ 65,391	\$ 65,391	\$ --
Resources (inflows):				
Licenses and permits	31,324	31,324	34,376	3,052
Revenue from use of money and property	300	300	(299)	(599)
Amounts available for appropriation	<u>31,624</u>	<u>31,624</u>	<u>34,077</u>	<u>2,453</u>
Charges to appropriations (outflows):				
Services and supplies	10,000	10,000	--	10,000
Total charges to appropriations	<u>10,000</u>	<u>10,000</u>	<u>--</u>	<u>10,000</u>
 Budgetary fund balances, Ending	 <u>\$ 87,015</u>	 <u>\$ 87,015</u>	 <u>\$ 99,468</u>	 <u>\$ 12,453</u>

COUNTY OF NAPA

Budgetary Comparison Schedule
 County Service Area No. 3
 For the Year Ended June 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary fund balances, Beginning	<u>\$ 253,963</u>	<u>\$ 253,963</u>	<u>\$ 253,963</u>	<u>\$ --</u>
Resources (inflows):				
Fines, forfeitures and penalties	2,494	2,494	4,394	1,900
Revenue from use of money and property	1,841	1,841	(363)	(2,204)
Charges for services	<u>432,072</u>	<u>432,072</u>	<u>436,691</u>	<u>4,619</u>
Amounts available for appropriation	<u>436,407</u>	<u>436,407</u>	<u>440,722</u>	<u>4,315</u>
Charges to appropriations (outflows):				
Services and supplies	76,350	76,350	42,453	33,897
Transfers out	<u>360,057</u>	<u>360,057</u>	<u>359,389</u>	<u>668</u>
Total charges to appropriations	<u>436,407</u>	<u>436,407</u>	<u>401,842</u>	<u>34,565</u>
Budgetary fund balances, Ending	<u>\$ 253,963</u>	<u>\$ 253,963</u>	<u>\$ 292,843</u>	<u>\$ 38,880</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 Schedule				\$ 401,842
Differences - budget to GAAP:				
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes.				<u>(359,389)</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>\$ 42,453</u>

COUNTY OF NAPA

Budgetary Comparison Schedule
 County Service Area No. 4
 For the Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget Positive (Negative)
Budgetary fund balances, Beginning	\$ 240,552	\$ 240,552	\$ 240,552	\$ --
Resources (inflows):				
Fines, forfeitures and penalties	--	--	861	861
Revenue from use of money and property	2,000	--	(670)	(670)
Charges for services	450,000	450,000	447,815	(2,185)
Amounts available for appropriation	452,000	450,000	448,006	(1,994)
Charges to appropriations (outflows):				
Services and supplies	14,200	18,200	15,506	2,694
Transfers out	440,000	436,000	358,223	77,777
Total charges to appropriations	454,200	454,200	373,729	80,471
Budgetary fund balances, Ending	\$ 238,352	\$ 236,352	\$ 314,829	\$ 78,477
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 Schedule				\$ 373,729
Differences - budget to GAAP:				
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes.				(358,223)
Total expenditures as reported on the Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Districts Under the Board of Supervisors				\$ 15,506

COUNTY OF NAPA

Budgetary Comparison Schedule
Silverado Community Services
For the Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balances, Beginning	\$ 72,039	\$ 72,039	\$ 72,039	\$ --
Resources (inflows):				
Fines, forfeitures and penalties	630	630	353	(277)
Revenue from use of money and property	730	730	(298)	(1,028)
Charges for services	125,009	125,009	125,009	--
Amounts available for appropriation	<u>126,369</u>	<u>126,369</u>	<u>125,064</u>	<u>(1,305)</u>
Charges to appropriations (outflows):				
Services and supplies	112,039	112,039	86,567	25,472
Capital expenditures	67,305	67,305	20,875	46,430
Total charges to appropriations	<u>179,344</u>	<u>179,344</u>	<u>107,442</u>	<u>71,902</u>
Budgetary fund balances, Ending	<u>\$ 19,064</u>	<u>\$ 19,064</u>	<u>\$ 89,661</u>	<u>\$ 70,597</u>

COUNTY OF NAPA

Budgetary Comparison Schedule
 Monticello Public Cemetery
 For the Year Ended June 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		Positive (Negative)
Budgetary fund balances, Beginning	<u>\$ 204,268</u>	<u>\$ 204,268</u>	<u>\$ 204,268</u>	<u>\$ --</u>
Resources (inflows):				
Taxes	30,175	30,175	31,558	1,383
Revenue from use of money and property	1,850	1,850	(370)	(2,220)
Aid from other governments	130	130	118	(12)
Charges for services	6,650	6,650	4,080	(2,570)
Contributions and donations	6,114	6,114	--	(6,114)
Intrafund transfer	<u>25,330</u>	<u>25,330</u>	<u>10,330</u>	<u>(15,000)</u>
Amounts available for appropriation	<u>70,249</u>	<u>70,249</u>	<u>45,716</u>	<u>(24,533)</u>
Charges to appropriations (outflows):				
Services and supplies	68,875	68,875	39,447	29,428
Intrafund transfer	<u>25,330</u>	<u>25,330</u>	<u>10,330</u>	<u>15,000</u>
Total charges to appropriations	<u>94,205</u>	<u>94,205</u>	<u>49,777</u>	<u>44,428</u>
Budgetary fund balances, Ending	<u>\$ 180,312</u>	<u>\$ 180,312</u>	<u>\$ 200,207</u>	<u>\$ 19,895</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 the Budgetary Comparison Schedule \$ 45,716

Differences - budget to GAAP:

 Transfers within the fund are inflows of budgetary resources but are not revenues for financial reporting purposes. (10,330)

Total revenues as reported on the Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Districts Under the Board of Supervisors \$ 35,386

Uses/outflows of resources

Actual amounts (budgetary basis) "total charges to appropriations" from the Budgetary Comparison Schedule \$ 49,777

Differences - budget to GAAP:

 Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes. (10,330)

Total expenditures as reported on the Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Districts Under the Board of Supervisors \$ 39,447

COUNTY OF NAPA

Budgetary Comparison Schedule
 Community Facility District - Devlin Road
 For the Year Ended June 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary fund balances, Beginning	\$ --	\$ --	\$ --	\$ --
Resources (inflows):				
Long Term Debt Proceeds	<u>2,720,000</u>	<u>2,720,000</u>	<u>--</u>	<u>(2,720,000)</u>
Amounts available for appropriation	<u>2,720,000</u>	<u>2,720,000</u>	<u>--</u>	<u>(2,720,000)</u>
Charges to appropriations (outflows):				
Transfers out	<u>--</u>	<u>2,720,000</u>	<u>2,720,000</u>	<u>--</u>
Total charges to appropriations	<u>--</u>	<u>2,720,000</u>	<u>2,720,000</u>	<u>--</u>
 Budgetary fund balances, Ending	 <u>\$ 2,720,000</u>	 <u>\$ --</u>	 <u>\$ (2,720,000)</u>	 <u>\$ (2,720,000)</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 Schedule \$ 2,720,000

Differences - budget to GAAP:

 Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes. (2,720,000)

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

COUNTY OF NAPA

Budgetary Comparison Schedule
 Napa Valley Tourism Improvement District - Countywide
 For the Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balances, Beginning	\$ 202	\$ 202	\$ 202	\$ --
Resources (inflows):				
Revenue from use of money and property	2,000	--	(639)	(639)
Charges for services	4,000,000	5,248,400	5,239,648	(8,752)
Amounts available for appropriation	<u>4,002,000</u>	<u>5,248,400</u>	<u>5,239,009</u>	<u>(9,391)</u>
Charges to appropriations (outflows):				
Services and supplies	4,002,000	5,250,400	5,239,211	11,189
Total charges to appropriations	<u>4,002,000</u>	<u>5,250,400</u>	<u>5,239,211</u>	<u>11,189</u>
Budgetary fund balances, Ending	<u>\$ 202</u>	<u>\$ (1,798)</u>	<u>\$ --</u>	<u>\$ 1,798</u>

COUNTY OF NAPA

Budgetary Comparison Schedule
 Non-Operating Special Revenue Fund - Inmate Welfare
 For the Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balances, Beginning	\$ 168,760	\$ 168,760	\$ 168,760	\$ --
Resources (inflows):				
Revenue from use of money and property	--	--	768	768
Charges for services	185,700	187,900	189,278	1,378
Amounts available for appropriation	185,700	187,900	190,046	2,146
Charges to appropriations (outflows):				
Inmate Welfare Fund				
Services and supplies	176,985	189,485	185,191	4,294
Transfers out	7,326	7,326	6,146	1,180
Total charges to appropriations	184,311	196,811	191,337	5,474
Budgetary fund balances, Ending	\$ 170,149	\$ 159,849	\$ 167,469	\$ (3,328)
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 Schedule				\$ 191,337
Differences - budget to GAAP:				
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes.				(6,146)
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - General Fund				\$ 185,191

COUNTY OF NAPA

Budgetary Comparison Schedule
 Non-Operating Special Revenue Fund - General Government
 For the Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balances, Beginning	<u>\$ 733,577</u>	<u>\$ 733,577</u>	<u>\$ 733,577</u>	<u>\$ --</u>
Resources (inflows):				
Revenue from use of money and property	<u>10,200</u>	<u>10,200</u>	<u>4,525</u>	<u>(5,675)</u>
Amounts available for appropriation	<u>10,200</u>	<u>10,200</u>	<u>4,525</u>	<u>(5,675)</u>
Charges to appropriations (outflows):				
St-Cnty Prop Tax Admin-AB818				
Transfers out	<u>--</u>	<u>17,500</u>	<u>--</u>	<u>17,500</u>
Total charges to appropriations	<u>--</u>	<u>17,500</u>	<u>--</u>	<u>17,500</u>
Budgetary fund balances, Ending	<u><u>\$ 743,777</u></u>	<u><u>\$ 726,277</u></u>	<u><u>\$ 738,102</u></u>	<u><u>\$ 11,825</u></u>

COUNTY OF NAPA

Budgetary Comparison Schedule
 Non-Operating Special Revenue Fund - Public Protection
 For the Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balances, Beginning	\$ 7,381,054	\$ 7,381,054	\$ 7,381,054	\$ --
Resources (inflows):				
Licenses and permits	1,200	1,200	631	(569)
Fines, forfeitures and penalties	579,000	591,900	942,325	350,425
Revenue from use of money and property	74,805	74,805	35,460	(39,345)
Aid from other governments	250,000	345,000	226,236	(118,764)
Charges for services	423,000	423,000	512,400	89,400
Contributions and donations	3,600	3,600	1,500	(2,100)
Amounts available for appropriation	<u>1,331,605</u>	<u>1,439,505</u>	<u>1,718,552</u>	<u>279,047</u>
Charges to appropriations (outflows):				
District Attorney-Asset Forfeitures				
Transfers out	45,000	45,000	32,732	12,268
Subtotal	<u>45,000</u>	<u>45,000</u>	<u>32,732</u>	<u>12,268</u>
District Attorney-Prop 64 Civil Penalties				
Transfers out	512,295	522,295	453,152	69,143
Subtotal	<u>512,295</u>	<u>522,295</u>	<u>453,152</u>	<u>69,143</u>
District Attorney-Hazardous Waste Enforce				
Transfers out	20,000	20,000	20,000	--
Subtotal	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>	<u>--</u>
District Attorney-\$1 Vehicle Reg Assessmnt				
Transfers out	100,000	102,900	102,858	42
Subtotal	<u>100,000</u>	<u>102,900</u>	<u>102,858</u>	<u>42</u>
District Attorney-Consumer Fraud				
Transfers out	20,000	20,000	20,000	--
Subtotal	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>	<u>--</u>
Sheriff-Fingerprint ID				
Transfers out	44,000	44,000	44,000	--
Subtotal	<u>44,000</u>	<u>44,000</u>	<u>44,000</u>	<u>--</u>
Sheriff-D.A.R.E.				
Transfers out	3,000	3,000	2,248	752
Subtotal	<u>3,000</u>	<u>3,000</u>	<u>2,248</u>	<u>752</u>
Sheriff-Debtor Assessment Fees				
Transfers out	9,792	9,792	9,792	--
Subtotal	<u>9,792</u>	<u>9,792</u>	<u>9,792</u>	<u>--</u>

continued

COUNTY OF NAPA

Budgetary Comparison Schedule (continued)
 Non-Operating Special Revenue Fund - Public Protection
 For the Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Sheriff-Indigent Burial				
Transfers out	\$ -	\$ 1,654	\$ 1,654	\$ -
Subtotal	--	1,654	1,654	--
Sheriff-Drug Enforcement Agency				
Transfers out	50,000	110,000	109,630	370
Subtotal	50,000	110,000	109,630	370
Probation-Asset Forfeitures				
Transfers out	6,000	6,000	2,830	3,170
Subtotal	6,000	6,000	2,830	3,170
Prob - Judge Blankenburg Youth				
Transfers out	1,000	2,000	1,910	90
Subtotal	1,000	2,000	1,910	90
Probation-Chamberlain High				
Transfers out	3,500	3,500	1,916	1,584
Subtotal	3,500	3,500	1,916	1,584
Probation-Community Correction Performance Incentive				
Transfers out	339,744	419,744	384,527	35,217
Subtotal	339,744	419,744	384,527	35,217
Agricultural Commissioner-Weights and Measures				
Transfers out	10,000	10,000	--	10,000
Subtotal	10,000	10,000	--	10,000
Assessor-Micrographics				
Transfers out	19,200	19,200	--	19,200
Subtotal	19,200	19,200	--	19,200
Assessor-Modernization				
Transfers out	34,165	34,165	3,165	31,000
Subtotal	34,165	34,165	3,165	31,000
Assessor-Vital-Health Statistics Clerk				
Transfers out	40,400	40,400	--	40,400
Subtotal	40,400	40,400	--	40,400
Assessor-SS Truncation Fees				
Transfers out	38,000	38,000	35,728	2,272
Subtotal	38,000	38,000	35,728	2,272

continued

COUNTY OF NAPA

Budgetary Comparison Schedule (continued)
 Non-Operating Special Revenue Fund - Public Protection
 For the Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		(Negative)
Assessor-Electronic Doc Recording				
Transfers out	\$ 30,000	\$ 30,000	\$ 834	\$ 29,166
Subtotal	<u>30,000</u>	<u>30,000</u>	<u>834</u>	<u>29,166</u>
 Total charges to appropriations	 <u>1,326,096</u>	 <u>1,481,650</u>	 <u>1,226,976</u>	 <u>254,674</u>
 Budgetary fund balances, Ending	 <u>\$ 7,386,563</u>	 <u>\$ 7,338,909</u>	 <u>\$ 7,872,630</u>	 <u>\$ 533,721</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 Schedule \$ 1,226,976

Differences - budget to GAAP:

Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes. (1,226,976)

Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - General Fund \$ --

COUNTY OF NAPA

Budgetary Comparison Schedule
 Non-Operating Special Revenue Fund - Public Ways and Facilities
 For the Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balances, Beginning	\$ 2,430,656	\$ 2,430,656	\$ 2,430,656	\$ --
Resources (inflows):				
Revenue from use of money and property	21,000	21,000	11,799	(9,201)
License, permits, and franchises	2	2	422,085	422,083
Loan proceeds	1,500,000	1,500,000	--	(1,500,000)
Amounts available for appropriation	<u>1,521,002</u>	<u>1,521,002</u>	<u>433,884</u>	<u>(1,087,118)</u>
Charges to appropriations (outflows):				
Mitigation-Airport Industrial				
Services and supplies	--	20,000	17,412	2,588
Transfers out	<u>3,967,693</u>	<u>3,947,693</u>	<u>387,333</u>	<u>3,560,360</u>
Subtotal	<u>3,967,693</u>	<u>3,967,693</u>	<u>404,745</u>	<u>3,562,948</u>
Budgetary fund balances, Ending	<u>\$ (16,035)</u>	<u>\$ (16,035)</u>	<u>\$ 2,459,795</u>	<u>\$ 2,475,830</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 Schedule \$ 404,745

Differences - budget to GAAP:

Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes. (387,333)

Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - General Fund \$ 17,412

COUNTY OF NAPA

Budgetary Comparison Schedule
 Non-Operating Special Revenue Fund - Health & Sanitation
 For the Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balances, Beginning	\$ 7,383,535	\$ 7,383,535	\$ 7,383,535	\$ --
Resources (inflows):				
Fines, forfeitures and penalties	536,500	536,500	617,275	80,775
Revenue from use of money and property	66,400	66,400	43,396	(23,004)
Aid from other governments	5,128,032	6,094,272	7,457,685	1,363,413
Charges for services	14,000	14,000	12,670	(1,330)
Miscellaneous	15,000	15,000	24,745	9,745
Amounts available for appropriation	<u>5,759,932</u>	<u>6,726,172</u>	<u>8,155,771</u>	<u>1,429,599</u>
Charges to appropriations (outflows):				
PBES-Hazardous Waste Enforcement				
Transfers out	<u>30,000</u>	<u>30,000</u>	<u>--</u>	<u>30,000</u>
Subtotal	<u>30,000</u>	<u>30,000</u>	<u>--</u>	<u>30,000</u>
PH-AIDS Education-HS11350				
Transfers out	<u>30,000</u>	<u>30,000</u>	<u>23,831</u>	<u>6,169</u>
Subtotal	<u>30,000</u>	<u>30,000</u>	<u>23,831</u>	<u>6,169</u>
PH-Local Bioterrorism				
Transfers out	<u>241,365</u>	<u>241,365</u>	<u>164,424</u>	<u>76,941</u>
Subtotal	<u>241,365</u>	<u>241,365</u>	<u>164,424</u>	<u>76,941</u>
PH-Emergency Medical Svcs				
Transfers out	<u>512,510</u>	<u>557,510</u>	<u>555,620</u>	<u>1,890</u>
Subtotal	<u>512,510</u>	<u>557,510</u>	<u>555,620</u>	<u>1,890</u>
PH-Vital and Health Statistics				
Transfers out	<u>40,353</u>	<u>40,353</u>	<u>29,523</u>	<u>10,830</u>
Subtotal	<u>40,353</u>	<u>40,353</u>	<u>29,523</u>	<u>10,830</u>
PH-Health Resources And Services				
Transfers out	<u>204,187</u>	<u>204,187</u>	<u>188,183</u>	<u>16,004</u>
Subtotal	<u>204,187</u>	<u>204,187</u>	<u>188,183</u>	<u>16,004</u>
MH-Managed Care				
Transfers out	<u>568,760</u>	<u>1,535,000</u>	<u>1,535,000</u>	<u>--</u>
Subtotal	<u>568,760</u>	<u>1,535,000</u>	<u>1,535,000</u>	<u>--</u>
MH-MHSA Planning Expenses				
Transfers out	<u>5,615,499</u>	<u>6,033,698</u>	<u>5,707,793</u>	<u>325,905</u>
Subtotal	<u>5,615,499</u>	<u>6,033,698</u>	<u>5,707,793</u>	<u>325,905</u>

continued

COUNTY OF NAPA

Budgetary Comparison Schedule (continued)
 Non-Operating Special Revenue Fund - Health & Sanitation
 For the Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
ADS-Alcohol Abuse Education Prevention				
Transfers out	\$ 50,000	\$ 50,000	\$ -	\$ 50,000
Subtotal	<u>50,000</u>	<u>50,000</u>	<u>--</u>	<u>50,000</u>
ADS-Drug Fees-HS11372.7				
Transfers out	27,000	27,000	--	27,000
Subtotal	<u>27,000</u>	<u>27,000</u>	<u>--</u>	<u>27,000</u>
ADS-Tobacco Control				
Transfers out	150,000	150,250	150,250	--
Subtotal	<u>150,000</u>	<u>150,250</u>	<u>150,250</u>	<u>--</u>
Total charges to appropriations	<u>7,469,674</u>	<u>8,899,363</u>	<u>8,354,624</u>	<u>544,739</u>
Budgetary fund balances, Ending	<u>\$ 5,673,793</u>	<u>\$ 5,210,344</u>	<u>\$ 7,184,682</u>	<u>\$ 1,974,338</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 Schedule \$ 8,354,624

Differences - budget to GAAP:

Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes. (8,354,624)

Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Health and Human Services Fund \$ --

COUNTY OF NAPA

Budgetary Comparison Schedule
 Non-Operating Special Revenue Fund - Public Assistance
 For the Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balances, Beginning	\$ 558,464	\$ 558,464	\$ 558,464	\$ --
Resources (inflows):				
Revenue from use of money and property	1,775	1,775	4,078	2,303
Aid from other governments	1,553,264	1,553,264	1,350,712	(202,552)
Charges for services	58,000	58,000	43,938	(14,062)
Contributions and donations	18,000	18,000	11,800	(6,200)
Transfers in	50,851	50,851	61,044	10,193
Amounts available for appropriation	<u>1,681,890</u>	<u>1,681,890</u>	<u>1,471,572</u>	<u>(210,318)</u>
Charges to appropriations (outflows):				
Probation-Title IV E				
Transfers out	700,851	804,851	804,065	786
Subtotal	<u>700,851</u>	<u>804,851</u>	<u>804,065</u>	<u>786</u>
CWS-County Children Fund				
Transfers out	40,000	40,000	46,333	(6,333)
Subtotal	<u>40,000</u>	<u>40,000</u>	<u>46,333</u>	<u>(6,333)</u>
CWS-SB163 Wraparound				
Transfers out	893,972	893,972	635,887	258,085
Subtotal	<u>893,972</u>	<u>893,972</u>	<u>635,887</u>	<u>258,085</u>
SS-Clerk Domestic Violence				
Services and supplies	34,000	34,000	16,537	17,463
Subtotal	<u>34,000</u>	<u>34,000</u>	<u>16,537</u>	<u>17,463</u>
Total charges to appropriations	<u>1,668,823</u>	<u>1,772,823</u>	<u>1,502,822</u>	<u>270,001</u>
Budgetary fund balances, Ending	<u>\$ 571,531</u>	<u>\$ 467,531</u>	<u>\$ 527,214</u>	<u>\$ 59,683</u>

continued

COUNTY OF NAPA

Budgetary Comparison Schedule
Non-Operating Special Revenue Fund - Public Assistance (continued)
For the Year Ended June 30, 2013

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 Schedule \$ 1,471,572

Differences - budget to GAAP:

Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes. (61,044)

Total revenues as reported on the Statement of Revenue, Expenditures and Changes in Fund Balances - Health and Human Services Fund \$ 1,410,528

Uses/outflows of resources

Actual amounts (budgetary basis) "total charges to appropriations" from the Budgetary Comparison Schedule \$ 1,502,822

Differences - budget to GAAP:

Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes. (1,486,285)

Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Health and Human Services Fund \$ 16,537

COUNTY OF NAPA

Budgetary Comparison Schedule
 Non-Operating Special Revenue Fund - 2011 Realignment Revenues
 For the Year Ended June 30, 2013

	<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	\$ 2,025,222	\$ 2,025,222	\$ 2,025,222	\$ --
Resources (inflows):				
Aid from other governments	15,692,701	18,829,887	20,804,332	1,974,445
Transfers in	1,617,467	1,617,467	--	(1,617,467)
Amounts available for appropriation	<u>17,310,168</u>	<u>20,447,354</u>	<u>20,804,332</u>	<u>356,978</u>
Charges to appropriations (outflows):				
Transfers out	16,055,624	21,152,893	19,685,067	1,467,826
Subtotal	<u>16,055,624</u>	<u>21,152,893</u>	<u>19,685,067</u>	<u>1,467,826</u>
Budgetary fund balances, Ending	<u>\$ 3,279,766</u>	<u>\$ 1,319,683</u>	<u>\$ 3,144,487</u>	<u>\$ 1,824,804</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 Schedule \$ 19,685,067

Differences - budget to GAAP:

 Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes. (19,685,067)

Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - General Fund

\$ --

MAJOR 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

Capital Improvement Fund

This Capital Improvement Fund accounts for the following capital programs:

- Accounts for the financing of various improvements including the renovation, acquisition and construction of major capital projects.
- Provides for the appropriation of State authorized surcharges on fines for non-parking and other criminal cases, which are statutorily designated for renovation and/or construction of courtroom facilities.
- Provides for the appropriation of certain fine and forfeiture revenues, restricted by Government Code Section 76101 for the 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.
- Provides for the accumulation of assigned reserves, by the Board of Supervisors, for future capital needs.

COUNTY OF NAPA

Budgetary Comparison Schedule
Capital Improvement Fund
For the Year Ended June 30, 2013

	<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>\$ 37,977,357</u>	<u>\$ 37,977,357</u>	<u>\$ 37,977,357</u>	<u>\$ --</u>
Resources (inflows):				
Fines, forfeitures and penalties	478,000	478,000	516,547	38,547
Revenue from use of money and property	271,600	271,600	(46,843)	(318,443)
Transfers in	<u>31,573,478</u>	<u>46,640,589</u>	<u>13,517,031</u>	<u>(33,123,558)</u>
Amounts available for appropriation	<u>32,323,078</u>	<u>47,390,189</u>	<u>13,986,735</u>	<u>(33,403,454)</u>
Charges to appropriations (outflows):				
Accumulated Capital Outlay				
Transfers out	<u>30,346,386</u>	<u>33,446,386</u>	<u>1,096,297</u>	<u>32,350,089</u>
Subtotal	<u>30,346,386</u>	<u>33,446,386</u>	<u>1,096,297</u>	<u>32,350,089</u>
Capital Improvement Projects				
Capital expenditures	<u>31,573,478</u>	<u>37,634,668</u>	<u>6,344,357</u>	<u>31,290,311</u>
Subtotal	<u>31,573,478</u>	<u>37,634,668</u>	<u>6,344,357</u>	<u>31,290,311</u>
Criminal Justice Facility Construction				
Transfers out	<u>56,293</u>	<u>56,293</u>	<u>55,675</u>	<u>618</u>
Subtotal	<u>56,293</u>	<u>56,293</u>	<u>55,675</u>	<u>618</u>
Courthouse Construction				
Transfers out	<u>234,091</u>	<u>234,091</u>	<u>232,741</u>	<u>1,350</u>
Subtotal	<u>234,091</u>	<u>234,091</u>	<u>232,741</u>	<u>1,350</u>
Total charges to appropriations	<u>62,210,248</u>	<u>71,371,438</u>	<u>7,729,070</u>	<u>63,642,368</u>
Budgetary fund balances, Ending	<u>\$ 8,090,187</u>	<u>\$ 13,996,108</u>	<u>\$ 44,235,022</u>	<u>\$ 30,238,914</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 Schedule \$ 13,986,735

Differences - budget to GAAP:

 Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes. (13,517,031)

Total revenues as reported on the Statement of Revenue, Expenditures and Changes in Fund Balances - Governmental Funds \$ 469,704

Uses/outflows of resources

Actual amounts (budgetary basis) "total charges to appropriations" from the Budgetary Comparison Schedule \$ 7,729,070

Differences - budget to GAAP:

 Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes. (1,384,713)

Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds \$ 6,344,357



Painting Courtesy of Betty Jo March, Plein Air Watercolors, www.bettyjomarch.com

Lone Oak

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, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> (Budgetary Basis)	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Budgetary fund balances, Beginning	<u>\$ 2,818,997</u>	<u>\$ 2,818,997</u>	<u>\$ 2,818,997</u>	<u>\$ --</u>
Resources (inflows):				
Revenue from use of money and property	--	--	801	801
Other financing sources	--	3,359,618	2,313,225	(1,046,393)
Transfers in	<u>3,912,989</u>	<u>3,953,301</u>	<u>3,236,460</u>	<u>(716,841)</u>
Amounts available for appropriation	<u>3,912,989</u>	<u>7,312,919</u>	<u>5,550,486</u>	<u>(1,762,433)</u>
Charges to appropriations (outflows):				
Debt service	3,912,989	3,839,493	3,758,488	81,005
Transfers out	<u>--</u>	<u>3,292,426</u>	<u>2,266,960</u>	<u>1,025,466</u>
Total charges to appropriations	<u>3,912,989</u>	<u>7,131,919</u>	<u>6,025,448</u>	<u>81,005</u>
Budgetary fund balances, Ending	<u>\$ 2,818,997</u>	<u>\$ 2,999,997</u>	<u>\$ 2,344,035</u>	<u>\$ (1,681,428)</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 Schedule \$ 5,550,486

Differences - budget to GAAP:

 Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes. (3,236,460)

 Proceeds from debt issuances are inflows of budgetary resources but are not revenues for financial reporting purposes. (2,313,225)

Total revenues as reported on the Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds \$ 801

Uses/outflows of resources

Actual amounts (budgetary basis) "total charges to appropriations" from the Budgetary Comparison Schedule \$ 6,025,448

Differences - budget to GAAP:

 Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes. (2,266,960)

Total expenditures as reported on the Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Fund \$ 3,758,488



Painting Courtesy of Greg De Lucca Fine Art, www.gregdelucca.com

Sunrise in the Valley with Sterling Vineyards in the background

Calistoga

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 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 near Yountville, 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 Position
Nonmajor Enterprise Funds
June 30, 2013

	Napa County Housing Authority	Napa County Animal Shelter	Total
Assets			
Current Assets:			
Cash and investments	\$ 674,486	\$ --	\$ 674,486
Restricted Assets:			
Cash with fiscal agent	--	269,320	269,320
Imprest cash	--	175	175
Accounts receivable	30,223	509	30,732
Due from other government agencies	--	181,010	181,010
Deposits	--	2,500	2,500
Total Current Assets	<u>704,709</u>	<u>453,514</u>	<u>1,158,223</u>
Noncurrent Assets:			
Capital Assets:			
Nondepreciable:			
Land	2,700,000	336,422	3,036,422
Construction in progress	--	239,216	239,216
Depreciable:			
Structures and improvements	2,220,369	5,013,336	7,233,705
Accumulated depreciation	<u>(311,287)</u>	<u>(978,598)</u>	<u>(1,289,885)</u>
Total Noncurrent Assets	<u>4,609,082</u>	<u>4,610,376</u>	<u>9,219,458</u>
Total Assets	<u>5,313,791</u>	<u>5,063,890</u>	<u>10,377,681</u>
Deferred Outflows of Resources			
Deferred outflows of resources	<u>--</u>	<u>--</u>	<u>--</u>
Liabilities			
Current Liabilities:			
Accounts payable	59,352	10,911	70,263
Accrued salaries and benefits	--	23,993	23,993
Customer deposits	4,463	--	4,463
Due to other funds	--	293,795	293,795
Capital lease obligations	--	14,246	14,246
Liability for compensated absences	--	16,589	16,589
Total Current Liabilities	<u>63,815</u>	<u>359,534</u>	<u>423,349</u>
Noncurrent Liabilities:			
Capital lease obligations	--	260,570	260,570
Liability for compensated absences	--	17,504	17,504
Total Noncurrent Liabilities	<u>--</u>	<u>278,074</u>	<u>278,074</u>
Total Liabilities	<u>63,815</u>	<u>637,608</u>	<u>701,423</u>
Deferred Inflows of Resources:			
Deferred inflows of resources	<u>--</u>	<u>--</u>	<u>--</u>
Net Position			
Net investment in capital assets	4,609,082	4,610,376	9,219,458
Unrestricted	<u>640,894</u>	<u>(184,094)</u>	<u>456,800</u>
Total Net Position	<u>\$ 5,249,976</u>	<u>\$ 4,426,282</u>	<u>\$ 9,676,258</u>

COUNTY OF NAPA

Combining Statement of Revenues, Expenses and Changes in Fund Net Position Nonmajor Enterprise Funds For the Year Ended June 30, 2013

	<u>Napa County Housing Authority</u>	<u>Napa County Animal Shelter</u>	<u>Total</u>
Operating Revenues:			
Charges for services	\$ 633,530	\$ 1,015,767	\$ 1,649,297
 Total Operating Revenues	 <u>633,530</u>	 <u>1,015,767</u>	 <u>1,649,297</u>
Operating Expenses:			
Salaries and employee benefits	--	615,436	615,436
Services and supplies	1,167,505	478,279	1,645,784
Insurance	--	2,439	2,439
Depreciation and amortization	62,257	100,267	162,524
 Total Operating Expenses	 <u>1,229,762</u>	 <u>1,196,421</u>	 <u>2,426,183</u>
Operating Loss	<u>(596,232)</u>	<u>(180,654)</u>	<u>(776,886)</u>
Non-Operating Revenues (Expenses):			
Other revenues	125,051	24,379	149,430
Investment income (loss)	(2,348)	--	(2,348)
Interest expense	--	(17)	(17)
Debt administration expense	--	(5,496)	(5,496)
 Total Non-Operating Revenues (Expenses)	 <u>122,703</u>	 <u>18,866</u>	 <u>141,569</u>
Net Income (Loss) Before Transfers	<u>(473,529)</u>	<u>(161,788)</u>	<u>(635,317)</u>
Transfers in	548,224	--	548,224
Transfers out	--	(3,338)	(3,338)
 Change in Net Position	 <u>74,695</u>	 <u>(165,126)</u>	 <u>(90,431)</u>
Net Position - Beginning	<u>5,175,281</u>	<u>4,591,408</u>	<u>9,766,689</u>
 Net Position - Ending	 <u>\$ 5,249,976</u>	 <u>\$ 4,426,282</u>	 <u>\$ 9,676,258</u>

COUNTY OF NAPA

Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended June 30, 2013

	<u>Napa County Housing Authority</u>	<u>Napa County Animal Shelter</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash receipts from customers	\$ 645,479	\$ 954,580	\$ 1,600,059
Cash paid to suppliers for goods and services	(1,156,715)	(545,212)	(1,701,927)
Cash paid to employees for services	--	(607,086)	(607,086)
Other receipts	<u>125,051</u>	<u>24,379</u>	<u>149,430</u>
Net Cash Used by Operating Activities	<u>(386,185)</u>	<u>(173,339)</u>	<u>(559,524)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Transfers in	548,224	--	548,224
Transfers out	--	(3,338)	(3,338)
Due to other funds	--	293,795	293,795
Interest payments for non-capital activities	<u>--</u>	<u>(17)</u>	<u>(17)</u>
Net Cash Provided by Noncapital Financing Activities	<u>548,224</u>	<u>290,440</u>	<u>838,664</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Payments related to the acquisition of capital assets	--	(204,247)	(204,247)
Proceeds from issuance of capital lease	--	274,816	274,816
Debt administration expense	<u>--</u>	<u>(5,496)</u>	<u>(5,496)</u>
Net Cash Used by Capital and Related Financing Activities	<u>--</u>	<u>65,073</u>	<u>65,073</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment loss	<u>(2,348)</u>	<u>--</u>	<u>(2,348)</u>
Net Cash Used by Investing Activities	<u>(2,348)</u>	<u>--</u>	<u>(2,348)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	159,691	182,174	341,865
Cash and Cash Equivalents, Beginning of Year	<u>514,795</u>	<u>87,321</u>	<u>602,116</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 674,486</u></u>	<u><u>\$ 269,495</u></u>	<u><u>\$ 943,981</u></u>

continued

COUNTY OF NAPA

Statement of Cash Flows (continued)
 Nonmajor Enterprise Funds
 For the Year Ended June 30, 2013

	<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)	\$ (596,232)	\$ (180,654)	\$ (776,886)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation and amortization	62,257	100,267	162,524
Other non-operating income	125,051	24,379	149,430
Changes in assets and liabilities:			
(Increase) decrease in:			
Accounts receivable	11,742	(509)	11,233
Due from other government agencies	--	(60,678)	(60,678)
Deposits	--	(2,500)	(2,500)
Increase (decrease) in:			
Accounts payable	10,790	(61,994)	(51,204)
Customer deposits	207	--	207
Accrued salaries	--	1,537	1,537
Compensated absences	--	6,813	6,813
Net Cash Provided (Used) by Operating Activities	<u>\$ (386,185)</u>	<u>\$ (173,339)</u>	<u>\$ (559,524)</u>



Photo-Graphic by Brenton Beck. Contact: brent@fifthstreet.com

American Canyon Parrish Sunset
American Canyon at Green Island Road

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:

Fleet Management

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.

Employee/Retiree Benefits

Employee/Retiree Benefits Fund tracks annual other postemployment benefit costs 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. Additionally, 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.

Liability Insurance

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.

COUNTY OF NAPA

Combining Statement of Fund Net Position
Internal Service Funds
June 30, 2013

	Fleet Management	Information Technology Services	Employee/ Retiree Benefits	Liability Insurance	Total
Assets					
Current Assets:					
Cash and investments	\$ 5,912,405	\$ 3,507,752	\$ 7,976,238	\$ 5,069,736	\$ 22,466,131
Imprest cash	--	--	--	46,749	46,749
Accounts receivable	175	--	11,083	5,300	16,558
Prepaid items	--	67,690	22,048	11,445	101,183
Deposits	--	--	45,449	--	45,449
Total Current Assets	<u>5,912,580</u>	<u>3,575,442</u>	<u>8,054,818</u>	<u>5,133,230</u>	<u>22,676,070</u>
Noncurrent Assets:					
Capital Assets					
Nondepreciable:					
Intangible assets	--	521,290	--	--	521,290
Depreciable:					
Equipment	11,304,811	1,663,387	--	--	12,968,198
Intangible assets	--	667,632	--	--	667,632
Accumulated depreciation	<u>(5,749,734)</u>	<u>(1,497,216)</u>	--	--	<u>(7,246,950)</u>
Total Noncurrent Assets	<u>5,555,077</u>	<u>1,355,093</u>	--	--	<u>6,910,170</u>
Total Assets	<u>11,467,657</u>	<u>4,930,535</u>	<u>8,054,818</u>	<u>5,133,230</u>	<u>29,586,240</u>
Deferred Outflows of Resources					
Deferred outflows of resources	--	--	--	--	--
Liabilities					
Current Liabilities:					
Accounts payable	59,507	108,315	287,753	25,241	480,816
Accrued salaries and benefits	13,900	257,386	--	--	271,286
Due to other government agencies	--	15,150	--	--	15,150
Liability for unpaid insurance claims	--	--	1,580,900	987,700	2,568,600
Liability for compensated absences	8,617	189,847	--	--	198,464
Total Current Liabilities	<u>82,024</u>	<u>570,698</u>	<u>1,868,653</u>	<u>1,012,941</u>	<u>3,534,316</u>
Noncurrent Liabilities:					
Liability for unpaid insurance claims	--	--	4,757,800	1,753,300	6,511,100
Liability for compensated absences	19,728	176,756	--	--	196,484
Total Noncurrent Liabilities	<u>19,728</u>	<u>176,756</u>	<u>4,757,800</u>	<u>1,753,300</u>	<u>6,707,584</u>
Total Liabilities	<u>101,752</u>	<u>747,454</u>	<u>6,626,453</u>	<u>2,766,241</u>	<u>10,241,900</u>
Deferred Inflows of Resources:					
Deferred inflows of resources	--	--	--	--	--
Net Position					
Net investment in capital assets	5,555,077	1,355,093	--	--	6,910,170
Unrestricted	<u>5,810,828</u>	<u>2,827,988</u>	<u>1,428,365</u>	<u>2,366,989</u>	<u>12,434,170</u>
Total Net Position	<u>\$ 11,365,905</u>	<u>\$ 4,183,081</u>	<u>\$ 1,428,365</u>	<u>\$ 2,366,989</u>	<u>\$ 19,344,340</u>

COUNTY OF NAPA

Combining Statement of Revenues, Expenses and Changes in Fund Net Position Internal Service Funds For the Year Ended June 30, 2013

	Fleet Management	Information Technology Services	Employee/ Retiree Benefits	Liability Insurance	Total
Operating Revenues:					
Charges for services	\$ 41,581	\$ 9,816,197	\$ 13,399,302	\$ 1,692,237	\$ 24,949,317
Maintenance Charges:					
Equipment	564,991	--	--	--	564,991
Vehicle	1,228,332	--	--	--	1,228,332
Replacement charges	746,607	--	--	--	746,607
Other revenue	7,948	--	--	1,391	9,339
Total Operating Revenues	<u>2,589,459</u>	<u>9,816,197</u>	<u>13,399,302</u>	<u>1,693,628</u>	<u>27,498,586</u>
Operating Expenses:					
Salaries and employee benefits	342,219	5,566,807	10,556,204	--	16,465,230
Services and supplies	1,380,169	3,450,926	--	539,730	5,370,825
Claims expense	--	--	958,645	1,659,654	2,618,299
Depreciation and amortization	746,588	232,937	--	--	979,525
Total Operating Expenses	<u>2,468,976</u>	<u>9,250,670</u>	<u>11,514,849</u>	<u>2,199,384</u>	<u>25,433,879</u>
Operating Income (Loss)	<u>120,483</u>	<u>565,527</u>	<u>1,884,453</u>	<u>(505,756)</u>	<u>2,064,707</u>
Non-Operating Revenues (Expenses):					
Investment income (loss)	(13,169)	(9,990)	(6,644)	(32,117)	(61,920)
Gain on disposition of capital assets	21,012	--	--	--	21,012
Total Non-Operating Revenues (Expenses)	<u>7,843</u>	<u>(9,990)</u>	<u>(6,644)</u>	<u>(32,117)</u>	<u>(40,908)</u>
Net Income Before Transfers	128,326	555,537	1,877,809	(537,873)	2,023,799
Transfers in	--	--	--	25,000	25,000
Change in Net Position	128,326	555,537	1,877,809	(512,873)	2,048,799
Net Position - Beginning	11,237,579	3,627,544	(449,444)	2,879,862	17,295,541
Net Position - Ending	<u>\$11,365,905</u>	<u>\$ 4,183,081</u>	<u>\$ 1,428,365</u>	<u>\$ 2,366,989</u>	<u>\$ 19,344,340</u>

COUNTY OF NAPA

Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2013

	<u>Fleet Management</u>	<u>Information Technology Services</u>	<u>Employee/ Retiree Benefits</u>
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash receipts from internal services provided	\$ 2,589,284	\$ 9,816,197	\$ 13,389,067
Cash paid to suppliers for goods and services	(1,383,512)	(3,690,618)	(958,645)
Cash paid to employees for services	<u>(342,711)</u>	<u>(5,539,810)</u>	<u>(9,747,914)</u>
Net Cash Provided (Used) by Operating Activities	<u>863,061</u>	<u>585,769</u>	<u>2,682,508</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Due to other funds	--	--	(675,207)
Transfers in	<u>--</u>	<u>--</u>	<u>--</u>
Net Cash Provided (Used) by Noncapital Financing Activities	<u>--</u>	<u>--</u>	<u>(675,207)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Proceeds of sales of capital assets	106,102	--	--
Payments related to the acquisition of capital assets	<u>(1,004,147)</u>	<u>(318,910)</u>	<u>--</u>
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(898,045)</u>	<u>(318,910)</u>	<u>--</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment loss	<u>(13,169)</u>	<u>(9,990)</u>	<u>(6,644)</u>
Net Cash Used by Investing Activities	<u>(13,169)</u>	<u>(9,990)</u>	<u>(6,644)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(48,153)	256,869	2,000,657
Cash and Cash Equivalents, Beginning of Year	<u>5,960,558</u>	<u>3,250,883</u>	<u>5,975,581</u>
Cash and Cash Equivalents, End of Year	<u>\$ 5,912,405</u>	<u>\$ 3,507,752</u>	<u>\$ 7,976,238</u>

continued

COUNTY OF NAPA

Combining Statement of Cash Flows (continued)
Internal Service Funds
For the Year Ended June 30, 2013

	<u>Liability Insurance</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash receipts from internal services provided	\$ 1,688,803	\$ 27,483,351
Cash paid to suppliers for goods and services	(1,902,207)	(7,934,982)
Cash paid to employees for services	--	(15,630,435)
	<u>(213,404)</u>	<u>3,917,934</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Advances from other funds	--	(675,207)
Transfers in	25,000	25,000
	<u>25,000</u>	<u>(650,207)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Proceeds of sales of capital assets	--	106,102
Payments related to the acquisition of capital assets	--	(1,323,057)
	<u>--</u>	<u>(1,216,955)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment loss	(32,117)	(61,920)
Net Cash Used by Investing Activities	<u>(32,117)</u>	<u>(61,920)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(220,521)	1,988,852
Cash and Cash Equivalents, Beginning of Year	<u>5,337,006</u>	<u>20,524,028</u>
Cash and Cash Equivalents, End of Year	<u>\$ 5,116,485</u>	<u>\$ 22,512,880</u>

continued

COUNTY OF NAPA

Combining Statement of Cash Flows (continued)
Internal Service Funds
For the Year Ended June 30, 2013

	<u>Fleet Management</u>	<u>Information Technology Services</u>	<u>Employee/ Retiree Benefits</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating income (loss)	\$ 120,483	\$ 565,527	\$ 1,884,453
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	746,588	232,937	--
Changes in assets and liabilities:			
(Increase) decrease in:			
Accounts receivable	(175)	--	(10,235)
Deposits	--	--	20,207
Prepaid items	--	(66,340)	746,291
Increase (decrease) in:			
Accounts payable	(3,343)	(188,502)	211,985
Accrued salaries	(2,241)	13,058	(71,893)
Due to other governments	--	15,150	--
Compensated absences	1,749	13,939	--
Claims liability	--	--	(98,300)
Net Cash Provided (Used) by Operating Activities	<u>\$ 863,061</u>	<u>\$ 585,769</u>	<u>\$ 2,682,508</u>

continued

COUNTY OF NAPA

Combining Statement of Cash Flows (continued)
Internal Service Funds
For the Year Ended June 30, 2013

	Liability Insurance	Total
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Operating income (loss)	\$ (505,756)	\$ 2,064,707
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation	--	979,525
Changes in assets and liabilities:		
(Increase) decrease in:		
Accounts receivable	(4,825)	(15,235)
Deposits	--	20,207
Prepaid items	(11,445)	668,506
Increase (decrease) in:		
Accounts payable	20,622	40,762
Accrued salaries	--	(61,076)
Due to other governments	--	15,150
Compensated absences	--	15,688
Claims liability	288,000	189,700
	<u>288,000</u>	<u>189,700</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (213,404)</u>	<u>\$ 3,917,934</u>



Painting Courtesy of Betty Jo March, Plein Air Watercolors, www.bettyjomarch.com

Fulton Lane Water Tower
St. Helena

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.

Independent Special Districts

Special districts are legally separate primary governmental units. The financial reporting for these governmental entities 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 independent of the County Board of Supervisors and therefore, 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 Position
Investment Trust Funds
June 30, 2013

Assets	<u>School Districts</u>	<u>Independent Special Districts</u>	<u>Total</u>
Current Assets:			
Cash and investments	<u>\$ 177,798,969</u>	<u>\$ 101,936,989</u>	<u>\$ 279,735,958</u>
Total Current Assets	<u>177,798,969</u>	<u>101,936,989</u>	<u>279,735,958</u>
Net Position			
Net position held in trust	<u>177,798,969</u>	<u>101,936,989</u>	<u>279,735,958</u>
Total Net Position	<u><u>\$ 177,798,969</u></u>	<u><u>\$ 101,936,989</u></u>	<u><u>\$ 279,735,958</u></u>

COUNTY OF NAPA

Combining Statement of Changes in Fiduciary Net Position Investment Trust Funds For the Year Ended June 30, 2013

	<u>School Districts</u>	<u>Independent Special Districts</u>	<u>Total</u>
<u>ADDITIONS</u>			
Contributions:			
Contributions to investment pool	\$ 898,265,048	\$ 319,304,332	\$ 1,217,569,380
Total Contributions	<u>898,265,048</u>	<u>319,304,332</u>	<u>1,217,569,380</u>
Net Investment Income:			
Interest	(53,339)	(133,500)	(186,839)
Net Investment Income	<u>(53,339)</u>	<u>(133,500)</u>	<u>(186,839)</u>
 Total Additions	 <u>898,211,709</u>	 <u>319,170,832</u>	 <u>1,217,382,541</u>
<u>DEDUCTIONS</u>			
Distributions from investment pool	875,696,465	282,862,240	1,158,558,705
Total Deductions	<u>875,696,465</u>	<u>282,862,240</u>	<u>1,158,558,705</u>
 Change in Net Position	 22,515,244	 36,308,592	 58,823,836
 Net Position - Beginning	 <u>155,283,725</u>	 <u>65,628,397</u>	 <u>220,912,122</u>
 Net Position - Ending	 <u>\$ 177,798,969</u>	 <u>\$ 101,936,989</u>	 <u>\$ 279,735,958</u>

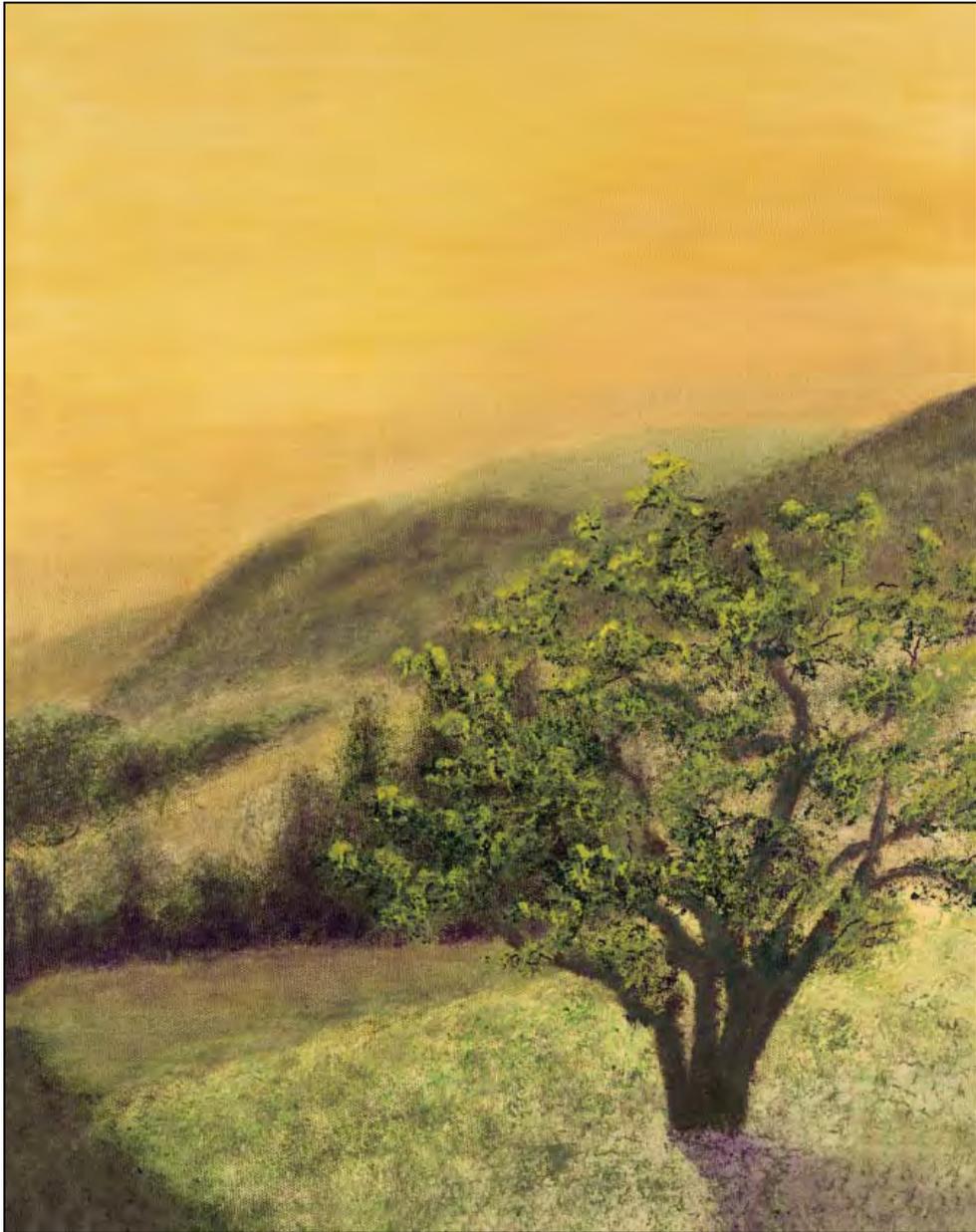
COUNTY OF NAPA

Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended June 30, 2013

ASSETS	<u>June 30, 2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2013</u>
Current Assets:				
Cash and investments	\$ 33,867,900	\$ 499,667,815	\$ 505,140,188	\$ 28,395,527
Taxes receivable	14,474,364	--	2,229,667	12,244,697
Total Current Assets	<u>\$ 48,342,264</u>	<u>\$ 499,667,815</u>	<u>\$ 507,369,855</u>	<u>\$ 40,640,224</u>
LIABILITIES				
Agency funds held for others	\$ 48,342,264	\$ 499,667,815	\$ 507,369,855	\$ 40,640,224
Total Liabilities	<u>\$ 48,342,264</u>	<u>\$ 499,667,815</u>	<u>\$ 507,369,855</u>	<u>\$ 40,640,224</u>



Statistical Section



Painting Courtesy of Nancy Tesch, nJoizart owner/artist, www.njoisart.com

Late Afternoon Idyll

Napa

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	173
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	179
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	184
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.....	189
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	192



Painting Courtesy of Nancy Tesch, nJoizart owner/artist, www.njoizart.com

Common Grebe on Lake Hennessey

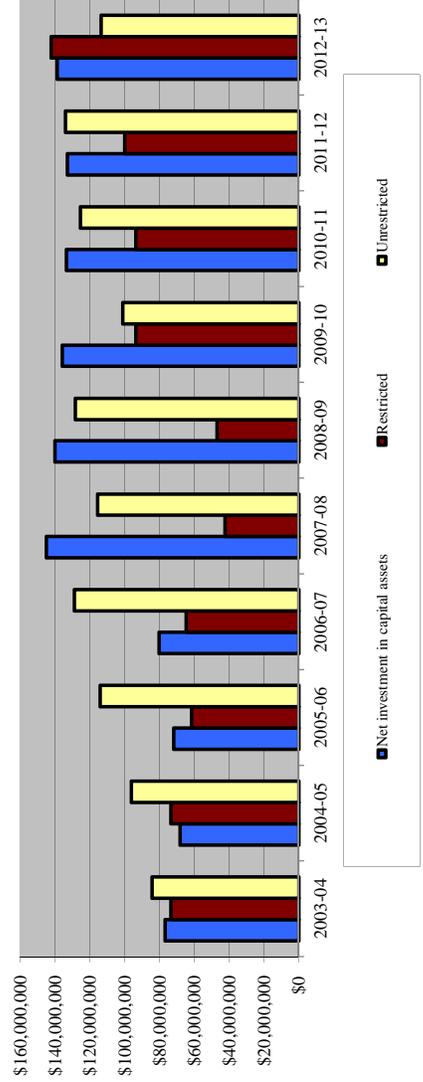
Napa County

COUNTY OF NAPA

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

	Fiscal Year									
	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
Governmental activities										
Net investment in capital assets	\$ 66,892,363	\$ 55,998,181	\$ 57,639,390	\$ 61,332,361	\$ 116,608,083	\$ 99,084,559	\$ 90,854,959	\$ 89,334,032	\$ 87,909,143	\$ 93,821,749
Restricted	73,467,180	73,543,466	61,499,414	64,749,020	41,875,741	46,450,508	93,346,896	93,328,683	99,747,182	142,245,692
Unrestricted	81,546,729	92,878,429	110,659,585	127,517,769	114,441,572	126,903,650	99,555,367	123,253,612	132,197,809	112,826,612
Total governmental activities net position	\$ 221,906,272	\$ 222,420,076	\$ 229,798,389	\$ 253,599,150	\$ 272,925,396	\$ 272,438,717	\$ 283,757,222	\$ 305,916,327	\$ 319,854,134	\$ 348,894,053
Business-type activities										
Net investment in capital assets	\$ 9,972,402	\$ 12,139,129	\$ 14,259,931	\$ 18,962,458	\$ 28,470,449	\$ 40,970,781	\$ 45,096,401	\$ 44,264,844	\$ 45,007,945	\$ 44,915,048
Restricted	-	-	-	-	480,549	479,333	293,479	328,155	325,929	-
Unrestricted	2,756,267	3,254,322	3,403,166	1,374,931	1,051,188	1,472,144	1,605,575	2,157,444	1,862,729	776,798
Total business-type activities net position	\$ 12,728,669	\$ 15,393,451	\$ 17,663,097	\$ 20,337,389	\$ 30,002,186	\$ 42,922,258	\$ 46,995,455	\$ 46,750,443	\$ 47,196,603	\$ 45,691,846
Primary government										
Net investment in capital assets	\$ 76,864,765	\$ 68,137,310	\$ 71,899,321	\$ 80,294,819	\$ 145,078,532	\$ 140,055,340	\$ 135,951,360	\$ 133,598,876	\$ 132,917,088	\$ 138,736,797
Restricted	73,467,180	73,543,466	61,499,414	64,749,020	42,356,290	46,929,841	93,640,375	93,656,838	100,073,111	142,245,692
Unrestricted	84,302,996	96,132,751	114,062,751	128,892,700	115,492,760	128,375,794	101,160,942	125,411,056	134,060,538	113,603,410
Total primary government net position ¹	\$ 234,634,941	\$ 237,813,527	\$ 247,461,486	\$ 273,936,539	\$ 302,927,582	\$ 315,360,975	\$ 330,752,677	\$ 352,666,770	\$ 367,050,737	\$ 394,585,899
Percent of increase (decrease) in primary government net position	7.48%	1.35%	4.06%	10.70%	10.58%	4.10%	4.88%	6.63%	4.08%	7.50%

Components of County Net Position



Notes:
¹ Accounting standards require that net assets be reported in three components in the financial statements: net investment in capital assets; restricted; and unrestricted. Net position is 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.

Capital assets include land, easements, infrastructure, construction in progress, structures and improvements, and equipment.
 Source: Basic Financial Statements and Comprehensive Annual Financial Reports - County of Napa, California

COUNTY OF NAPA

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

	Fiscal Year									
	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
Expenses										
Governmental activities:										
General government	\$ 33,547,309	\$ 24,611,200	\$ 28,808,510	\$ 30,344,422	\$ 36,965,695	\$ 33,245,999	\$ 32,201,273	\$ 37,039,022	\$ 40,649,466	\$ 34,111,801
Public protection	62,467,022	70,316,699	77,954,632	82,810,854	85,291,842	92,994,974	92,847,859	100,258,399	99,879,755	\$ 99,504,956
Public ways and facilities	23,224,824	28,269,848	40,796,290	27,263,089	23,234,238	24,440,620	23,542,661	23,825,672	25,605,034	\$ 30,772,914
Health and sanitation	27,777,318	29,561,078	32,373,467	35,941,958	38,670,267	40,845,070	39,642,405	40,838,624	38,684,095	\$ 42,910,252
Public assistance	27,454,506	31,683,117	29,420,309	28,526,647	30,468,421	32,383,758	34,553,156	37,018,759	40,218,330	\$ 43,305,879
Education	4,829,289	5,194,812	5,628,848	5,716,827	6,025,556	6,646,817	7,207,944	7,541,241	7,198,100	\$ 7,452,168
Recreational and cultural services	300,142	1,021,586	120,152	206,468	876,547	1,164,588	1,222,282	1,264,678	615,265	\$ 1,291,241
Debt service:										
Interest and fiscal charges	4,474,723	3,882,913	4,180,859	3,799,558	3,624,153	3,371,954	3,141,097	2,916,514	3,164,637	\$ 2,100,643
Administration and arbitrage fees	11,209	1,507,883	459,566	14,770	6,315	17,570	36,684	15,745	560,067	\$ 94,904
Total governmental activities expenses	184,086,342	196,049,136	219,742,633	214,624,593	225,113,034	235,111,350	234,395,361	250,718,654	256,574,749	\$ 261,544,758
Business-type activities:										
Airport	1,715,493	1,676,592	1,935,407	2,152,164	2,527,682	2,608,377	2,800,254	2,678,008	3,052,810	2,727,509
Lake Berryessa Resort Improvement	709,545	710,296	886,976	642,997	845,030	959,387	1,132,055	1,177,938	1,175,728	1,611,862
Napa Berryessa Public Improvement	567,119	634,032	709,907	657,015	1,238,425	737,780	765,839	949,895	889,276	1,029,072
Fifth Street Parking Garage	-	-	-	-	-	221,177	436,478	454,693	475,932	464,416
Napa County Housing Authority	-	-	-	242,779	1,033,262	1,206,167	1,164,243	1,249,285	1,258,235	1,229,762
Napa County Animal Shelter	-	-	-	-	-	-	965,424	1,088,049	1,166,207	1,201,934
Total business-type activities expenses	2,992,157	3,020,920	3,532,290	3,694,955	5,644,399	5,732,888	7,264,293	7,597,868	8,018,188	8,264,555
Total primary government expenses	\$ 187,078,499	\$ 199,070,056	\$ 223,274,923	\$ 218,319,548	\$ 230,807,433	\$ 240,844,238	\$ 241,659,654	\$ 258,316,522	\$ 264,592,937	\$ 269,809,313
Program Revenues										
Governmental activities:										
Fees, fines & charges for services										
General government	\$ 3,368,205	\$ 3,305,175	\$ 3,689,381	\$ 6,487,957	\$ 8,195,676	\$ 11,941,868	\$ 7,740,846	\$ 10,993,039	\$ 11,519,193	\$ 14,000,963
Public protection	11,616,975	15,100,425	15,670,287	19,003,569	15,414,106	19,439,874	20,256,916	20,750,613	21,754,326	\$ 21,032,037
Other activities	11,226,993	9,947,969	11,345,970	14,895,429	10,701,991	11,395,384	14,453,216	14,316,131	14,322,003	\$ 14,855,654
Operating grants and contributions	81,430,737	73,472,534	75,847,921	78,904,254	77,170,135	76,692,630	87,069,423	96,231,883	97,658,233	\$ 105,550,422
Capital grants and contributions	40,000	-	5,298,042	1,016,938	4,498,647	2,652,478	1,911,433	1,237,179	1,180,867	\$ 5,437,538
Total governmental activities program revenues	107,682,910	101,826,103	111,851,601	120,308,147	115,980,555	122,122,234	131,431,834	143,528,845	146,434,622	\$ 160,876,614
Business-type activities:										
Fees, fines & charges for services										
Airport	1,540,253	1,571,022	1,590,342	1,645,614	1,773,937	1,788,110	1,913,565	2,059,834	1,789,025	1,829,210
Lake Berryessa Resort Improvement	583,130	557,551	658,117	543,516	446,722	517,297	566,054	508,481	591,915	342,638
Napa Berryessa Public Improvement	633,931	576,164	676,043	389,059	627,018	619,520	519,467	671,659	819,750	824,798
Fifth Street Parking Garage	-	-	-	-	-	162,287	111,205	128,774	82,245	160,190
Napa County Housing Authority	-	-	-	-	480,869	482,226	484,904	558,671	539,460	633,530
Napa County Animal Shelter	945,373	2,975,901	2,730,512	84,114	210,446	169,041	878,181	977,607	631,633	1,015,767
Operating grants and contributions	-	-	-	3,241,463	10,618,507	1,183,867	246,408	153,902	177,780	149,828
Capital grants and contributions	3,702,687	5,680,638	5,655,014	5,903,766	14,157,499	4,922,348	5,785,546	6,670,097	7,313,016	1,185,189
Total business-type activities program revenues	\$ 111,385,597	\$ 107,506,741	\$ 117,506,615	\$ 126,211,913	\$ 130,138,054	\$ 127,044,582	\$ 137,217,380	\$ 150,198,942	\$ 153,747,638	\$ 167,017,764

(Continued)

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

COUNTY OF NAPA

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

	Fiscal Year									
	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
Net (Expense)/Revenue ¹										
Governmental activities	\$ (76,403,432)	\$ (94,223,033)	\$ (107,891,032)	\$ (94,316,446)	\$ (109,182,479)	\$ (112,989,116)	\$ (102,963,527)	\$ (107,189,809)	\$ (110,140,127)	\$ (100,668,144)
Business-type activities	710,530	2,659,718	2,122,724	2,208,811	8,513,100	(810,540)	(1,478,747)	(927,771)	(705,172)	(2,123,405)
Total primary government net expense	<u>\$ (75,692,902)</u>	<u>\$ (91,563,315)</u>	<u>\$ (105,768,308)</u>	<u>\$ (92,107,635)</u>	<u>\$ (100,669,379)</u>	<u>\$ (113,799,656)</u>	<u>\$ (104,442,274)</u>	<u>\$ (108,117,580)</u>	<u>\$ (110,845,299)</u>	<u>\$ (102,791,549)</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes	\$ 42,424,261	\$ 44,667,099	\$ 63,266,398	\$ 69,224,026	\$ 75,712,896	\$ 85,733,529	\$ 91,575,314	\$ 99,139,621	\$ 92,482,789	\$ 98,363,416
Sales and use taxes	27,920,438	27,065,296	29,109,022	30,597,528	31,188,494	28,460,170	16,794,850	18,009,925	20,015,566	20,915,704
Transient occupancy taxes	4,718,763	5,743,951	7,045,286	8,076,701	9,681,766	8,452,117	7,557,503	8,299,325	9,226,611	9,673,355
Property transfer taxes	1,440,722	1,790,692	2,253,151	1,576,809	1,128,851	919,282	743,267	1,233,273	1,429,927	1,213,949
Other	1,898	400	3,165	352	-	-	40	-	-	-
Motor vehicle in lieu taxes ²	-	9,417,773	-	-	-	-	-	-	-	-
Unrestricted interest and investment earnings	2,968,228	3,713,125	5,258,985	6,968,520	8,413,728	5,584,576	2,534,248	1,849,337	1,621,798	(307,935)
Miscellaneous	7,166,948	2,535,650	8,265,641	336,689	1,999,522	778,508	423,790	1,314,079	350,270	376,432
Special items ³	1,801,309	-	-	-	-	-	-	-	-	-
Transfers	77,476	85,840	67,697	(131,796)	(651,193)	(17,425,745)	(5,346,980)	(496,646)	(1,049,027)	(526,858)
Total governmental activities	<u>88,520,043</u>	<u>95,019,826</u>	<u>115,269,345</u>	<u>116,648,829</u>	<u>127,474,064</u>	<u>112,502,437</u>	<u>114,282,032</u>	<u>129,348,914</u>	<u>124,077,934</u>	<u>129,708,063</u>
Business-type activities:										
Taxes	59,710	13,362	28,267	96,377	110,558	123,196	116,564	124,640	98,999	360,700
Investment earnings	36,415	69,232	117,305	115,832	303,146	185,110	76,093	59,244	46,920	(23,248)
Miscellaneous	124,419	106,447	69,047	121,476	86,800	-	12,307	2,229	(43,614)	-
Change in estimation- capital assets ⁴	-	-	-	-	-	(3,603,439)	-	-	-	-
Special items ⁵	(77,476)	(85,840)	(67,697)	131,796	651,193	(400,000)	-	-	-	-
Transfers	143,068	103,201	146,922	465,481	1,151,697	13,730,612	5,551,944	682,759	1,151,332	864,310
Total business-type activities	<u>\$ 88,663,111</u>	<u>\$ 95,123,027</u>	<u>\$ 115,416,267</u>	<u>\$ 117,114,310</u>	<u>\$ 128,625,761</u>	<u>\$ 126,233,049</u>	<u>\$ 119,833,976</u>	<u>\$ 130,031,673</u>	<u>\$ 125,229,266</u>	<u>\$ 130,572,373</u>
Change in Net Position										
Governmental activities	\$ 12,116,611	\$ 796,793	\$ 7,378,313	\$ 22,332,383	\$ 18,291,585	\$ (486,679)	\$ 11,318,505	\$ 22,159,105	\$ 13,937,807	\$ 29,039,919
Business-type activities	853,598	2,762,919	2,269,646	2,674,292	9,664,797	12,920,072	4,073,197	(245,012)	446,160	(1,259,095)
Total primary government	<u>\$ 12,970,209</u>	<u>\$ 3,559,712</u>	<u>\$ 9,647,959</u>	<u>\$ 25,006,675</u>	<u>\$ 27,956,382</u>	<u>\$ 12,433,393</u>	<u>\$ 15,391,702</u>	<u>\$ 21,914,093</u>	<u>\$ 14,383,967</u>	<u>\$ 27,780,824</u>

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
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
2012	92,482,789	20,015,566	9,226,611	1,429,927	-	123,154,893
2013	98,363,416	20,915,704	9,673,355	1,213,949	-	130,166,424
Change 2004-2013	131.9%	-25.1%	105.0%	-15.7%	-100.0%	70.1%

Notes:

- ¹ Property tax revenues increased 131.9% in the last 10 fiscal years due to additional assessed values added 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 25.1% in the last ten years due to Proposition 172 Sales Tax Augmentation Revenues previously recorded as Sales & Use Tax is now recorded as Operating Grants and Contributions. For fiscal year 2011-2012, a total of \$12.1 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 105.0% in the last ten years due to an increase in tourism.
- ⁴ Property transfer tax revenues decreased 15.7% in the last 10 years due to a decrease in sales activity.
- ⁵ Other Taxes (timber and racehorse 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									
	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11 ¹	2011-12	2012-13
General Fund										
Reserved	\$ 8,225	\$ 7,394	\$ 11,136	\$ 11,696	\$ 9,662	\$ 10,397	\$ 10,511	\$ -	\$ -	\$ -
Unreserved	56,471	57,574	62,817	63,431	40,309	40,570	50,863	-	-	-
Nonspendable	-	-	-	-	-	-	-	1,590	2,210	4,989
Restricted	-	-	-	-	-	-	-	28,631	42,509	36,378
Committed	-	-	-	-	-	-	-	1,009	1,357	1,162
Assigned	-	-	-	-	-	-	-	34,081	35,946	36,901
Unassigned	-	-	-	-	-	-	-	23,137	13,767	13,249
Total general fund	<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>	<u>\$ 95,789</u>	<u>\$ 92,679</u>
All Other Governmental Funds										
Reserved	\$20,545	\$17,551	\$17,497	\$ 18,872	\$ 17,723	\$ 16,741	\$ 16,735	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds	53,835	61,985	53,213	60,407	95,038	107,942	110,556	-	-	-
Capital projects funds	12,710	7,124	15,945	22,711	21,294	18,748	20,602	-	-	-
Debt service funds	2,616	1,490	1,541	3,407	1,550	1,501	1,502	-	-	-
Nonspendable	-	-	-	-	-	-	-	570	866	324
Restricted	-	-	-	-	-	-	-	107,011	107,180	125,124
Committed	-	-	-	-	-	-	-	-	-	2,654
Assigned	-	-	-	-	-	-	-	35,304	35,671	40,793
Unassigned	-	-	-	-	-	-	-	(265)	(176)	(2,933)
Total all other governmental funds	<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>	<u>\$143,541</u>	<u>\$ 165,962</u>

Notes:

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									
	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11 ¹	2011-12	2012-13
Revenues:										
Taxes	\$ 76,506	\$ 88,685	\$ 101,677	\$ 109,475	\$ 117,712	\$ 123,565	\$ 116,671	\$ 126,682	\$ 123,155	\$ 130,166
Licenses, fees and permits	3,590	3,981	4,293	5,286	5,023	4,426	4,566	4,400	6,626	8,215
Fines, forfeits and penalties	2,263	1,385	2,941	2,617	1,946	2,748	3,665	3,777	3,923	5,253
Use of money and property	2,700	3,312	4,727	6,278	7,657	5,089	2,471	1,961	1,630	(126)
Aid from other governments	77,462	73,473	82,455	80,589	74,639	77,127	89,189	99,079	96,937	105,815
Charges for services	19,620	22,988	23,472	32,460	26,089	31,944	32,596	35,960	34,135	38,908
Contributions and donations	-	-	-	250	3,797	1,255	896	717	769	875
Other	7,186	4,101	8,360	1,249	1,713	1,065	420	1,293	344	346
Total Revenues	189,327	197,925	227,925	238,204	238,576	247,219	250,474	273,869	267,519	289,452
Expenditures:										
Current:										
General government	29,906	24,887	27,565	30,797	34,968	30,181	30,282	35,071	38,337	32,411
Public protection	61,103	69,203	76,328	83,403	84,436	92,552	91,329	98,958	97,817	99,186
Public ways and facilities	16,859	22,298	34,410	22,037	18,394	20,340	18,380	19,780	21,530	27,367
Health and sanitation	27,663	29,404	32,076	35,863	38,411	40,692	39,647	40,911	38,651	42,764
Public assistance	27,260	31,566	29,211	28,478	30,159	32,111	34,273	36,811	39,775	43,528
Education	4,735	5,075	5,506	5,611	5,963	6,547	7,148	7,456	7,051	7,418
Recreational and cultural services	300	1,022	120	207	877	1,165	1,222	1,265	615	1,291
Capital Outlay	21,505	20,048	4,162	5,518	11,046	3,921	3,367	3,415	4,629	8,681
Debt Service:										
Principal	3,880	4,365	5,495	5,627	5,790	6,007	6,234	6,455	6,682	6,749
Interest	4,472	3,941	3,977	3,796	3,622	3,393	3,162	2,936	2,747	2,413
Administration and arbitrage fees	11	1,508	581	15	27	18	37	15	560	95
Total Expenditures	197,694	213,317	219,431	221,352	233,693	236,927	235,081	253,073	258,394	271,903
Excess of revenue over (under) expenditures	(8,367)	(15,392)	8,494	16,852	4,883	10,292	15,393	20,796	9,125	17,549
Other Financing Sources (Uses)										
Proceeds from borrowing, net	-	14,002	450	1,000	-	-	-	-	1,624	2,313
Transfers in	4,738	5,857	10,490	21,851	38,588	16,535	19,719	20,687	9,878	64,910
Transfers out	(5,378)	(5,468)	(10,403)	(21,329)	(38,419)	(16,503)	(20,244)	(21,184)	(12,364)	(65,462)
Total other financing sources (uses)	(640)	14,391	537	1,522	169	32	(525)	(497)	(862)	1,761
Net change in fund balances	\$ (9,007)	\$ (1,001)	\$ 9,031	\$ 18,374	\$ 5,052	\$ 10,324	\$ 14,868	\$ 20,299	\$ 8,263	\$ 19,310
Debt service as a percentage of non-capital expenditures	4.74%	4.30%	4.40%	4.37%	4.23%	4.03%	4.05%	3.76%	3.72%	3.48%

Notes:

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
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%
2012	27,239,488	1,220,297	946,505	27,513,280	1.0%	297,789	1.09%
2013	27,797,953	1,286,858	994,259	28,090,552	1.0%	577,272	2.10%

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
Megabyte Report: ASR70-4885-100

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>	
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
2012	1.00	0.28	0.24	0.03	1.55
2013	1.00	0.28	0.23	0.03	1.54

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

	2012/2013			2003/2004		
	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value
<u>Taxpayer</u>						
Realty Income Properties 2 LLC (Diageo/IDV)	\$ 361,003,957	1	1.29%	\$ 199,640,164	1	1.16%
Treasury Wine Estates (Beringer)	199,490,812	2	0.71%	167,781,471	2	0.97%
Robert Mondavi Properties Inc (Constellation)	199,220,040	3	0.71%			0.00%
Kaiser Foundation Hospitals	183,241,953	4	0.65%	90,521,516	4	0.53%
Pacific Gas & Electric Company	183,102,655	5	0.65%	50,173,497	6	0.29%
Sutter Home Winery Inc	160,547,923	6	0.57%	91,092,225	3	0.53%
Dey Laboratories LP	91,424,407	7	0.33%			
First American Title company of Napa	89,051,462	8	0.32%			
SPP Napa Vineyards LLC	81,977,265	9	0.29%			
Inland American Lodging Napa Solano LLP	78,649,800	10	0.28%			
Pacific Bell				50,333,662	5	0.29%
Domaine Chandon Inc				36,688,156	7	0.21%
Codorniu Napa Inc				36,397,978	8	0.21%
Silverado County Club				35,584,830	9	0.21%
Domaine Mumm Inc Etal				34,457,204	10	0.20%
Sunstone OP Properties				33,195,290	11	0.19%
Yahome Vineyards				32,749,377	12	0.19%
Oregon Steel Mills Inc.				32,130,260	13	0.19%
Total	\$ 1,627,710,274		5.80%	\$ 890,745,630		5.17%
Total Assessed Value	\$ 28,090,552,290			\$ 17,239,018,823		

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

Megabyte report - AUD70-3570-170 9/12/12, AUD70-2360-030 7/26/12

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
2004	\$ 194,623,245	\$ 191,764,130	98.53%	\$ 2,801,168	\$ 194,565,298	99.97%	\$ 57,947	0.03%
2005	211,298,951	207,475,991	98.19%	3,760,830	211,236,821	99.97%	62,130	0.03%
2006	236,138,313	232,228,016	98.34%	3,820,927	236,048,943	99.96%	89,370	0.04%
2007	259,125,199	253,101,850	97.68%	5,857,842	258,959,692	99.94%	165,507	0.06%
2008	290,678,342	281,002,717	96.67%	9,404,267	290,406,984	99.91%	271,358	0.09%
2009	306,896,476	295,928,750	96.43%	10,492,221	306,420,971	99.85%	475,505	0.15%
2010	309,340,138	300,629,948	97.18%	7,955,182	308,585,130	99.76%	755,008	0.24%
2011	306,060,374	299,497,734	97.86%	5,541,585	305,039,319	99.67%	1,021,055	0.33%
2012	315,303,162	307,903,969	97.65%	5,904,130	313,808,099	99.53%	1,495,063	0.47%
2013	321,539,894	316,329,916	98.38%	-	316,329,916	98.38%	5,209,978	1.62%

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

COUNTY OF NAPA

Direct and Overlapping Sales Tax Rates Last Ten Fiscal Years

Fiscal Year	General			Local Revenue			State			Education			Fiscal Recovery			Direct Government			Overlapping Government	
	Fund	Rate	%	Fund	Rate	%	Fund	Rate	%	Fund	Rate	%	Fund	Rate	%	Operations	County	Transportation	Authority	Flood
2004	5.00%	0.50%	0.50%	0.50%	0.00%	0.00%	0.50%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.00%	0.75%	0.25%	0.50%	0.50%	7.75%
2005	5.00%	0.50%	0.50%	0.50%	0.00%	0.00%	0.50%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.75%	0.75%	0.25%	0.50%	0.50%	7.75%
2006	5.00%	0.50%	0.50%	0.50%	0.00%	0.00%	0.50%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.75%	0.75%	0.25%	0.50%	0.50%	7.75%
2007	5.00%	0.50%	0.50%	0.50%	0.00%	0.00%	0.50%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.75%	0.75%	0.25%	0.50%	0.50%	7.75%
2008	5.00%	0.50%	0.50%	0.50%	0.00%	0.00%	0.50%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.75%	0.75%	0.25%	0.50%	0.50%	7.75%
2009	6.00%	0.50%	0.50%	0.50%	0.00%	0.00%	0.50%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.75%	0.75%	0.25%	0.50%	0.50%	8.75%
2010	6.00%	0.50%	0.50%	0.50%	0.00%	0.00%	0.50%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.75%	0.75%	0.25%	0.50%	0.50%	8.75%
2011	6.00%	0.50%	0.50%	0.50%	0.00%	0.00%	0.50%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.75%	0.75%	0.25%	0.50%	0.50%	8.75%
2012	3.94%	1.56%	1.56%	0.50%	0.00%	0.00%	0.50%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.75%	0.75%	0.25%	0.50%	0.50%	7.75%
2013	3.94%	1.56%	1.56%	0.50%	0.25%	0.25%	0.50%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.75%	0.75%	0.25%	0.50%	0.50%	8.00%

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	Certificates of Participation	Capital Leases	Term Loan Payable	Total	Improvement Bonds	Capital Leases	Term Loan Payable	Total				
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	0.97%	498	
2012	28,000	26,330	-	1,208	55,538	4,405	-	233	-	60,176	0.81%	435	
2013	23,825	23,805	2,313	159	50,102	8,998	1,047	196	-	60,343	unavailable	436	

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
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
2012	n/a	n/a	-	n/a	n/a
2013	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, 2013**

Assessed Valuation (including unitary utility valuation)	<u>\$ 28,249,078,088</u>
	<u>\$ 28,249,078,088</u>

DIRECT AND OVERLAPPING GENERAL FUND OBLIGATION DEBT:	Total Debt 6/30/2013	Percentage Applicable¹	County's Share of 6/30/13 Debt
Direct General Fund Obligation Debt			
Napa County Certificates of Participation	\$ 23,805,000	100.000%	\$ 23,805,000
Total Direct Obligation Debt	<u>23,805,000</u>		<u>23,805,000</u>
Overlapping General Fund Obligation Debt			
<i>School Districts</i>			
Napa County Board of Education Certificates of Participation	3,060,000	100.000%	3,060,000
Calistoga Joint Unified School District Certificates of Participation	760,000	87.471%	664,780
Fairfield-Suisun Unified School District Certificates of Participation	1,571,821	0.871%	13,691
<i>Cities</i>			
City of American Canyon General Fund Obligations	2,265,000	100.000%	2,265,000
City of Calistoga General Fund Obligations	4,318,810	100.000%	4,318,810
Town of Yountville General Fund Obligations	<u>14,325,000</u>	100.000%	<u>14,325,000</u>
Total Overlapping General Fund Obligation Debt	<u>26,300,631</u>		<u>24,647,280</u>
Total Direct and Overlapping Obligation Debt	<u>50,105,631</u>		<u>48,452,280</u>

OVERLAPPING TAX AND ASSESSMENT DEBT:

<i>School Districts</i>			
Napa Valley Community College District	109,143,005	99.114%	108,175,998
Calistoga Joint Unified School District	17,645,316	87.471%	15,434,534
Fairfield-Suisun Joint Unified School District	82,395,000	0.871%	717,660
Napa Valley Unified School District	271,235,000	100.000%	271,235,000
St. Helena Unified School District	65,816,232	100.000%	65,816,232
Howell Mountain School District	2,478,033	100.000%	2,478,033
<i>Cities</i>			
City of St. Helena	655,000	100.000%	655,000
City of American Canyon 1915 Act Bonds	21,950,000	100.000%	21,950,000
Lake Berryessa Resort Improvement Assessment District No. 2006-1	4,320,000	100.000%	4,320,000
Napa Berryessa Resort Improvement Assessment District No. 2012-1	8,003,210	100.000%	8,003,210
California Statewide Community Development Authority Assessment Districts	2,341,990	100.000%	2,341,990
Total Overlapping Tax and Assessment Debt	<u>585,982,786</u>		<u>501,127,658</u>

OVERLAPPING TAX INCREMENT DEBT:	<u>15,490,000</u>	100.000%	<u>15,490,000</u>
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COMBINED TOTAL DEBT	<u>\$ 636,088,417</u>		<u>\$ 565,069,938</u> ²
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Ratio to 2012-13 Assessed Valuation:

Total Overlapping Tax and Assessment Debt.....	1.77%
Total Direct Debt (\$23,805,000).....	0.08%
Combined Total Debt.....	2.00%

Ratios to Redevelopment Incremental Valuation (\$613,352,987):

Total Overlapping Tax Increment Debt.....	2.53%
---	-------

Notes:

¹ The percentage of overlapping debt applicable to the city is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the city divided by the district's total taxable assessed value.

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

Source: California Municipal Statistics, Inc.

COUNTY OF NAPA

Legal Debt Margin Information As of June 30, 2013 (dollars in thousands)

	Fiscal Year 2013	
	1.25%	3.75%
Debt limit	\$ 375,988	\$ 1,127,965
Total net debt applicable to limit	21,466	44,802
Legal debt margin	\$ 354,522	\$ 1,083,163
 Total net debt applicable to the limit as a percentage of debt limit	 5.71%	 3.97%

Legal Debt Margin Calculation:

Assessed value	\$ 29,084,811	\$ 29,084,811
Less: Exempt real property	994,259	994,259
Total assessed value	\$ 30,079,070	\$ 30,079,070

CERTIFICATES OF PARTICIPATION

Debt limit (1.25% and 3.75% of total assessed value) ¹	\$ 375,988	\$ 1,127,965
Debt applicable to limit:		
Certificates of Participation	23,805	23,805
Less: Amount set aside for repayment of outstanding debt	(2,339)	(2,339)
Total net debt applicable to limit	21,466	44,802
Legal debt margin	\$ 354,522	

SALES TAX REVENUE BONDS

Debt applicable to limit:		
Sales Tax Revenue Bonds		23,825
Less: Amount set aside for repayment of outstanding debt		(489)
Total net debt applicable to limit		44,802
Legal debt margin		\$ 1,083,163

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				
	Sales Tax Revenue	Administrative Cost	Net Available Revenue	Debt Service		Property Tax Collection and Special Assessments ¹	Debt Service		Coverage	
				Principal	Interest		Principal	Interest		
2004	\$ 11,993	\$ 164	\$ 11,829	\$ 2,277	\$ 2,063	2.73	\$ -	\$ -	-	
2005	11,593	146	11,447	1,974	2,326	2.66	-	-	-	
2006	13,125	123	13,002	3,305	1,646	2.63	-	-	-	
2007	14,167	131	14,036	3,280	2,151	2.58	-	-	-	
2008	14,404	151	14,253	3,415	2,026	2.62	345	45	215	
2009	12,929	154	12,775	3,565	1,879	2.35	372	56	256	
2010	12,416	153	12,263	3,720	1,739	2.25	333	85	252	
2011	13,015	147	12,868	3,865	1,574	2.37	329	75	248	
2012	14,516	135	14,381	4,000	1,434	2.65	365	85	244	
2013	15,330	156	15,174	4,175	1,259	2.79	299	90	237	

Notes:

¹ 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

Fiscal Year	Population ¹	Personal Income ²	Per Capita Personal Income ²	School Enrollment ³	Unemployment Rate ⁴
2004	132,394	\$ 5,405,000,000	\$ 40,835	19,765	4.6%
2005	133,294	5,787,000,000	43,669	19,654	4.2%
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	4.7%
2009	137,723	6,809,000,000	50,569	20,370	8.5%
2010	138,917	6,817,000,000	49,808	20,515	9.2%
2011	137,639	7,077,381,000	51,420	20,584	9.0%
2012	138,255	7,431,250,000	53,750	20,593	7.7%
2013	138,383	unavailable	unavailable	20,725	5.8%

Sources:

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

² 2004-2011: US Department of Commerce, Bureau of Economic Analysis - www.bea.gov

2012: Estimate is 5% growth from 2011 based on CA Dept of Finance Personal Income:
[www.dof.ca.gov/html/fs_data/lastestcondata/FS_Income.htm](http://www.dof.ca.gov/html/fs_data/lastestconddata/FS_Income.htm) -- and -- Napa County Economic Forecast:
http://www.dot.ca.gov/hq/tpp/offices/eab/socio_economic_files/2012/Napa.pdf

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 Prior**

	2013		2004		
	<u>Employees</u>	<u>Percentage of Total County Employment ¹</u>	<u>Employer</u>	<u>Employees</u>	<u>Percentage of Total County Employment</u>
Napa State Hospital	2,338	3.09%	Napa State Hospital	3,000	4.45%
Queen of the Valley Hospital	1,526	2.02%	Napa Valley Unified School District	1,650	2.45%
County of Napa	1,330	1.76%	Napa County	1,375	2.04%
St. Helena Hospital	1,285	1.70%	Queen of the Valley Hospital	1,300	1.93%
Napa Valley Unified School District	1,153	1.53%	Veterans' Home of California	1,100	1.63%
Veterans' Home of California	915	1.21%	St. Helena Hospital	991	1.47%
Trinchero Family Estates	783	1.04%	Cultured Stone	800	1.19%
Treasury Wine Estates	720	0.95%	Napa Valley Community College	800	1.19%
Silverado Resort	560	0.74%	Dey Laboratories, Inc.	670	0.99%
Comcast	500	0.66%	Silverado Country Club	600	0.89%
Total	11,110	14.70%	Total	12,286	18.22%

Notes:

¹ Total Napa County Employment 2012-2013: 75,600

Sources: Napa Chamber of Commerce

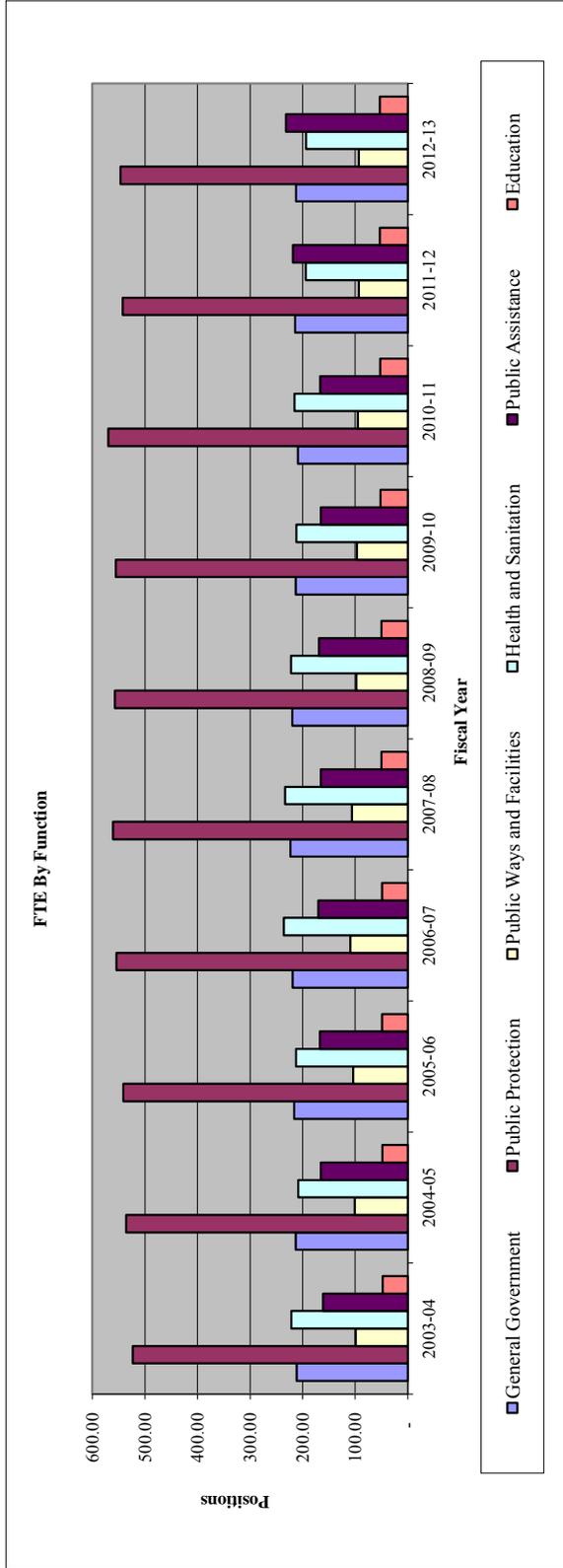
State of California Employment Development Department: <http://www.calmis.ca.gov/htmlfile/county/napa.htm>

Direct phone survey Napa County Auditor-Controller's Office

COUNTY OF NAPA

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

	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
Function/program										
General Government	211.6	213.2	216.0	219.2	223.2	219.9	213.1	209.1	214.4	212.8
Public Protection	523.1	535.7	540.9	554.4	561.1	557.4	555.4	569.6	542.1	546.6
Public Ways and Facilities	99.0	101.0	104.0	109.0	106.0	98.0	96.8	94.8	92.8	92.8
Health and Sanitation	221.4	208.5	212.5	235.7	233.4	222.0	212.0	215.6	193.9	193.4
Public Assistance	161.3	165.3	167.3	170.3	165.3	168.8	165.3	166.5	218.5	231.5
Education	47.9	48.4	48.9	48.9	50.1	50.1	52.1	52.1	53.1	53.1
Total full-time equivalent employees	1,264.2	1,272.0	1,289.4	1,337.3	1,339.0	1,316.1	1,294.5	1,307.7	1,314.8	1,330.2



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

COUNTY OF NAPA

Operating Indicators by Function
Last Seven Fiscal Years

Function	Fiscal Year						
	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
Airport							
Annual Arrivals and Departures	126,712	126,444	109,121	87,412	50,283	56,281	43,045
Avigation Easements issued	10	2	5	3	2	-	
Hangar leases	172	172	171	171	163	153	149
Culture and recreation							
Athletic field permits issued	n/a	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	n/a
Education							
Library branches located in the county	4	4	4	4	4	4	4
Items checked out	741,130	813,824	910,000	988,549	1,022,969	1,092,028	1,058,318
Library cards issued	51,964	47,147	47,715	49,609	50,992	48,616	47,041
Number of computers provided for public use	58	58	58	71	85	85	84
Fire							
Number of calls answered	3,041	3,072	3,049	3,444	3,091	3,471	3,844
Inspections	1,100	3,252	2,563	2,272	2,156	2,216	1,740
Health & Human Services							
Public Guardian total clients (conservatees + additional referrals)	67	65	68	67	80	90	88
Veterans Service Officer number of benefit claims filed	231	319	455	616	512	432	338
Public Health							
Women, Infants, and Children (WIC) visits	26,257	26,543	26,567	25,898	24,052	23,876	22,117
Public Health home visiting program visits	3,552	3,752	3,816	4,238	3,317	3,115	2,812
Immunizations ¹	6,961	8,021	8,584	17,821	15,083	8,884	7,149
Mental Health							
Emergency Response clients	928	998	1,135	841	792	944	869
Adult Medication Clinic clients	649	540	509	469	467	467	489
Children's Medication Support clients	233	173	198	236	235	194	157
Total Mental Health clients served	2,504	2,120	2,653	2,411	2,590	2,615	2,827
Alcohol and Drug Services - Division Restructured 9/2007							
Adult Outpatient Treatment and Recovery Services Program clients	676	867	616	573	375	319	344
Prevention (school-based youth) groups	176	272	580	534	814	802	1,773
PC 1210 STOP (formerly Proposition 36) clients	167	120	217	154	359	95	79
Total Alcohol and Drug Services clients served	1,075	1,259	1,413	1,261	1,548	1,216	1,299
Social Services							
Adult Protective Services total clients served	320	314	364	389	381	437	387
CalWORKs average caseload	546	554	635	791	902	801	654
Child Welfare Services total child abuse referrals received	1,140	1,061	993	1,028	1,065	1,235	1,279
Child Welfare Services percent timely investigations:							
% Timely immediate investigations	99	100	99	100	100	99	98
% Timely ten day investigations	90	97	100	100	100	99	99
County Medical Services Program average number of continuing cases/eligibles	762	779	849	1,082	1,209	1,109	1,101
Food Stamps average caseload	1,203	1,305	1,710	2,009	3,081	3,429	3,476
Foster care average number of cases	133	110	109	124	143	120	107
In Home Supportive Services total clients served	668	722	841	838	852	917	990
Medi-Cal average number of eligibles	12,565	12,698	13,420	14,445	15,766	17,055	13,537
Workforce Investment Act total number enrolled	182	176	270	307	237	163	246
Highways and streets							
Street resurfacing (miles)	4	8	8	6	35	6	25
Potholes repaired	1,200	1,214	1,278	1,470	1,900	2,300	2,475
Sheriff							
Physical arrests	2,004	1,849	1,475	1,570	1,431	1,531	1,729
Parking violations	1,410	1,450	1,447	1,478	1,405	1,238	1,179
Traffic violations	3,141	3,600	2,809	2,585	3,127	3,139	2,310
Water							
New connections	5	2	-	-	-	-	-
Water mains breaks	5	2	-	-	1	3	2
Average daily consumption (thousands of gallons)	286	234	231	151	139	121	146
Wastewater							
Average daily sewage treatment (thousands of gallons)	109	118	95	57	72	62	66

Notes:

¹ Immunizations in FY2009-10 included H1N1 immunization campaign.

COUNTY OF NAPA

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

Function	Fiscal Year						
	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
Public Safety							
Sheriff:							
Stations (Headquarters and 4 substations)	5	5	5	5	5	5	5
Patrol units	29	29	29	29	29	29	29
Fire stations:							
Stations	13	13	13	13	13	13	13
Fire Engines	31	30	31	31	31	31	31
Fire Trucks	2	2	2	2	2	2	2
Culture and recreation							
Parks acreage	1	61	61	61	61	61	61
Parks	1	2	2	2	2	2	2
Education							
Library branches	4	4	4	4	4	4	4
Library books and materials	198,527	205,063	204,460	200,260	168,617	240,869	175,189
Health & Sanitation							
Public Health							
10" Kaultronics Dish System (satellite dish)	1	1	1	1	1	1	1
Lab refrigerator	1	1	1	1	1	1	1
7x4' trailers	4	4	4	4	4	4	4
Cysco Analog Phone Gateway	1	1	1	1	1	1	1
Digital Logging Recorder	1	1	1	1	1	1	1
2011 Ford Felix SE	-	-	-	-	-	-	-
Video Conferencing System	-	-	-	-	-	-	-
Mental Health							
Power Edge Servers	-	4	4	4	4	4	4
Substance Abuse							
Wolf range	1	1	1	1	1	1	1
Stero dishwasher	1	1	1	1	1	1	1
Victory freezer	1	1	1	1	1	1	1
Victory refrigerator	1	1	1	1	1	1	1
Health & Human Services Administration							
Cisco VG248 Analog Phone	2	2	2	2	2	2	2
Social Services (TEC)							
Micro Vax Server	1	1	1	1	1	1	1

(Continued)

Source: County Departments

COUNTY OF NAPA

**Capital Asset Statistics by Function (continued)
Last Seven Fiscal Years**

Function	Fiscal Year						
	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
Public Ways & Facilities							
Airport							
Runway miles	2.6	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	3.6
Highways and streets							
Streets (miles) ¹	466	466	446	446	446	446	446
Street lights (approximate number)	70	70	70	0	0	6	6
Traffic signals	32	32	32	32	32	32	32
Water							
Water mains (miles)	13	13	13	13	13	13	13
Fire hydrants	109	109	109	109	109	109	109
Maximum daily capacity (thousands of gallons)	536	536	536	536	536	536	536
Wastewater							
Sanitary sewers (miles)	14	14	14	14	14	14	14
Storm sewers (miles)	n/a	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	210

Notes:

¹ In FY 2008-2009, certain roadways were assumed by various cities

Source: County Departments