

County of Napa, California

Comprehensive Annual Financial Report

For the Fiscal Year Ended
June 30, 2015



TRACY A. SCHULZE
Auditor-Controller



A Tradition of Stewardship
A Commitment to Service

BOARD OF SUPERVISORS VISION

“The legendary wine destination of Napa Valley will be recognized as a thriving and sustainable community within an agricultural treasure.”

MISSION

“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.”

VALUES

“We work together in pursuit of excellence”

Integrity

Accountability

Respect

Dedication

Innovation

In this Comprehensive Annual Financial Report we have included pictures of the 6.0 South Napa Earthquake event which happened on August 24, 2014. These pictures were contributed by Napa Register.

Cover photo by: Jeff Tangen Photography

County of Napa, California

Comprehensive Annual Financial Report

*For the Fiscal Year Ended
June 30, 2015*



TRACY A. SCHULZE
Auditor-Controller



Photo Credit Napa Valley Register

COUNTY OF NAPA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2015

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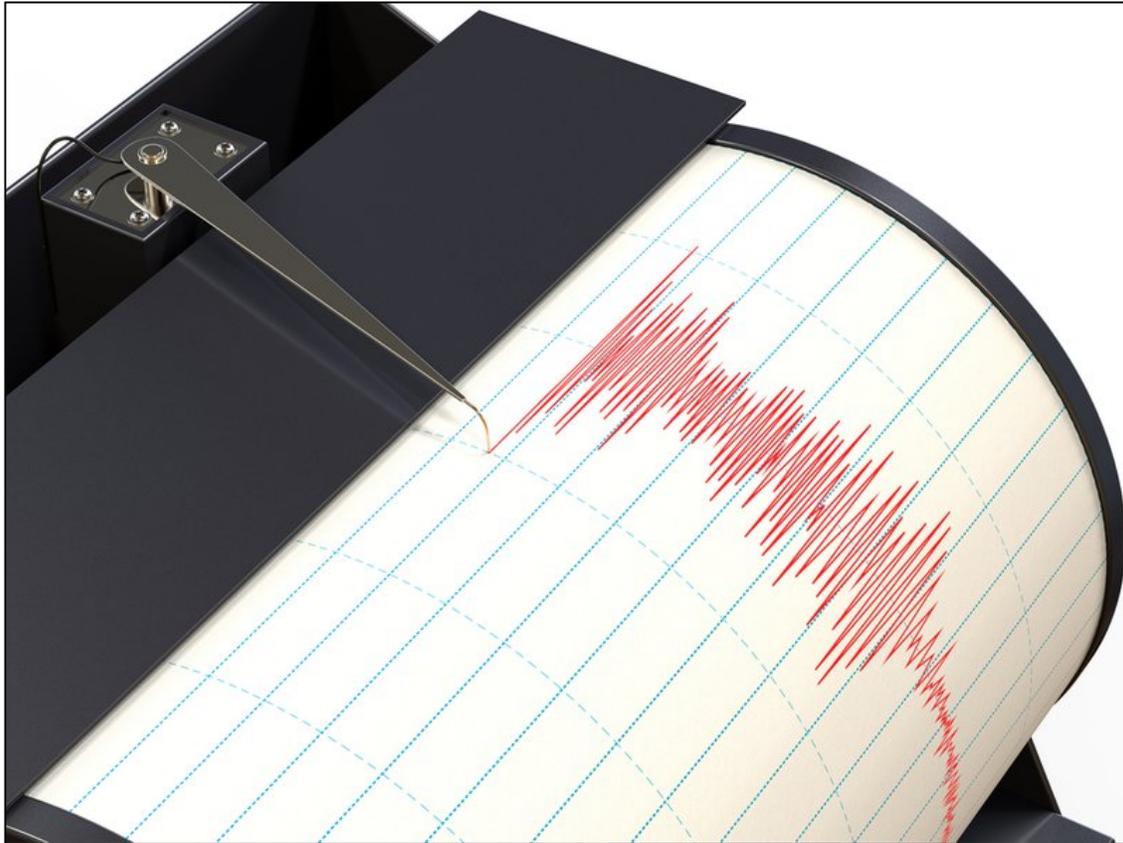
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Introductory Section



The Bay Area was shaken— hard— early Sunday morning, when a 6.0 magnitude earthquake rolled through the region.

According to the U.S. Geological Survey, the quake hit at 3:20 a.m. and was centered:

- 6km (4mi) NW of **American Canyon, California**
- 9km (6mi) SSW of **Napa, California**
- 13km (8mi) NNW of **Vallejo, California**
- 14km (9mi) SE of **Sonoma, California**
- 82km (51mi) WSW of **Sacramento, California**



A Tradition of Stewardship
A Commitment to Service

Tracy A. Schulze
Auditor-Controller

Nancy Watt
County Executive Officer

December 18, 2015

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

California law requires that all general-purpose local governments publish, within six months of the close of each fiscal year, a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America (GAAP) and audited by a firm of licensed certified public accountants in accordance with auditing standards generally accepted in the United States of America. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the County of Napa (County) for the fiscal year ended June 30, 2015.

This report consists of management's representations concerning the finances of the County. Consequently, management assumes full responsibility for the completeness and reliability of the information contained in this report. To provide a reasonable basis for making these representations, management of the County has established a comprehensive internal control framework that is designed both to protect the County's assets from loss, theft or misuse and to compile sufficient reliable information for the preparation of the County's financial statements in conformity with GAAP. 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. As management, we assert that, to the best of our knowledge and belief, the information contained herein is complete and reliable in all material respects.

The County's financial statements have been audited by Gallina LLP, a firm of certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements for the fiscal year ended June 30, 2015 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and the significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor, based on the audit, have issued an unqualified ("clean") opinion on the County of Napa's financial statements for the year ended June 30, 2015. The independent auditor's report is located at the front of the financial section of this report.

The independent audit of the financial statements of the County is part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance involving the administration of federal awards. These reports are available in the County's separately issued Single Audit Report and are also available on the Auditor-Controller's webpage at www.countyofnapa.org.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A) which immediately follows the independent auditor's report. 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.

County government functions as a local government body to serve the needs of its residents. As geographical and political subdivisions of the state, counties serve a dual role, providing municipal services in the unincorporated areas and acting as administrative agents for state and federal government programs and services.

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.

The County provides a wide range of services, including public protection, environmental management, health services, senior citizen assistance, multiple public assistance programs, the construction and maintenance of roads and infrastructure, library services, airport services, fire protection and a variety of other general governmental services. Every resident of the County, directly or indirectly, benefits from these services. Most services performed by the County are provided for all residents, regardless of whether those residents live in the cities/town or the unincorporated areas within the county.

In accordance with the provisions of California Government Code Sections 29000 through 29144 and Section 30200, commonly known as the County Budget Act, the Board of Supervisors is required to adopt a final budget no later than October 2 of each year. 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

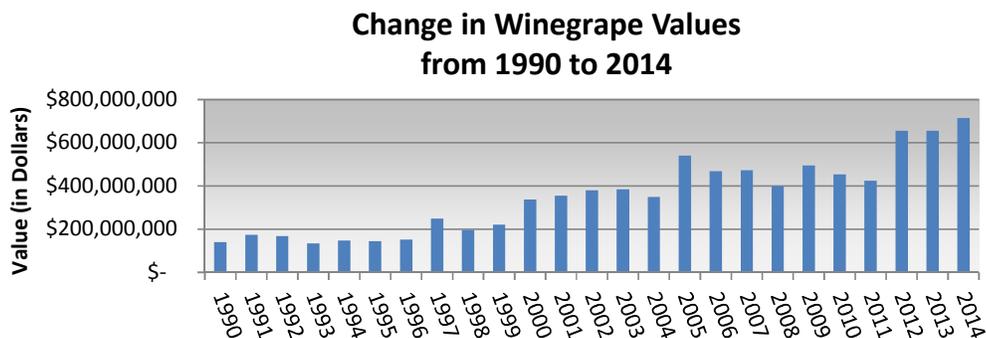
In the heart of the wine country, the County of Napa includes one of California's most beautiful valleys. The temperate year round climate provides ideal weather for the growth of world-class wine grapes. The valley's unique microclimates also allow residents and visitors the opportunity to take full 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 140,984 resides primarily in the five municipalities: the cities of American Canyon, Calistoga, Napa, and St. Helena, and the Town of Yountville. The vast majority of land within the county 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 approximately 46,000 jobs in the County and generates nearly \$5.2 billion in taxes, across federal, state, and local levels. Napa Valley's wine and vineyard sector is also responsible for approximately \$84 million in charitable contributions.

According to the Napa County Agricultural Commissioner's Annual Crop Report for 2014, wine grapes represent 99.2% of the value of all agricultural production in the County and broke the \$700 million threshold for the first time. Without factoring inflation, the annual value per ton of wine grape production increased 8.4% when compared to 2013. The increased average value per ton combined with a 760 ton increase in total tonnage propelled the harvest value to \$714.8 million. 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 1990 through the end of fiscal year 2014.



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 2,337 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 Napa Valley College and 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 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, 2015, according to the California Employment Development Department data, during the past ten years, the unemployment rate in Napa County increased from 3.7% (June, 2006) to 9.3% (June, 2010) before falling to 4.1% (June, 2015), following recent state and national trends. Compared with the statewide average rate of 6.3%, Napa County has the fifth lowest unemployment rate in the State as of June 30, 2015.

Long-term Financial Planning

Napa County has a history of prudent fiscal and debt management. In the prior four years, the County's General Fund Unrestricted Fund Balance, including commitments and assignments has remained fiscally stable at an average of \$53.5 million, or approximately 42% of total General Fund expenditures. This year, the unrestricted fund balance increased to \$60 million due to the commitments in place to fund the earthquake recovery. The balance also includes reserves assigned for specific fiscal requirements known or anticipated in future years, as well as contingencies for unanticipated events. By Board policy, the General Fund maintains a General Reserve, which is classified as restricted fund balance and can only be used for declared emergencies during any fiscal year. Following the 2014 South Napa Earthquake, the Board of Supervisors authorized the use of \$13.9 million of funds restricted as General Reserves leaving the June 30, 2015 balance of \$13.3 million restricted for future emergencies. Established Board policies and reimbursement for response and recovery costs from federal, state, and insurance are anticipated to restore the General Reserve to its level set in policy over the next few years.

In fiscal year 2014-2015, General Fund debt service, including transfers to the debt service fund, represented 2.6% of General Fund expenditures as compared to a 4.4% in fiscal year 2013-2014. The decrease is due to the County's decision to retire the remaining 2005 Certificates of Participation during fiscal year 2013-2014. Over the last five fiscal years, General Fund debt service has ranged between 1.6% and 4.4% 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 conjunction with the County's most recent significant debt offering, the 2014 Certificates of Participation, the County's credit rating was revised from AA to AA+ by Standard and Poor's. In addition, the general obligation credit rating for Napa County was revised from AA+ to AAA. In 2014-2015, the County utilized a low interest loan from the State Water Resources Control Board to fund the County's Milliken-Sarco-Tulocay recycled water pipeline project. Repayment of the loan will be made through assessments charged to benefitting parcel owners.

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, the forecast predicted 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 to fund a new jail or other corrections-related capital needs, as well as renovations to the new South County 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 \$2.0 million (or 2%) increase in Net County Cost beginning in fiscal year 2012-2013 and; (3) a revenue increase/expenditure decrease scenario that assumed a \$2.0 million decrease in Net County Cost again beginning in fiscal year 2012-2013.

The baseline scenario projects that the General Fund will likely be in structural balance over the forecast period with budgeted available beginning fund balance increasing from \$9.8 million in fiscal year 2012-2013 to approximately \$13.0 million in fiscal year 2017-2018. Actual available beginning fund balance for fiscal years 2012-2013 through 2015-2016 was consistent with the baseline projection. A new fiscal forecast and updated financial strategic plan are scheduled to be presented to the Board of Supervisors in early 2016, and the County plans to continue to use the tools provided for in the Fiscal Contingency Plan (a

plan approved by the Board in fiscal year 2008-2009 designed to minimize the impacts of future economic downturns) to carefully calibrate budget actions to address any future General Fund structural imbalance, while avoiding unnecessarily disruptive expenditure reductions.

Three primary areas were identified as problematic over the forecast period: significant capital needs for the construction of a new jail and the repurposing of the South County Campus, the future of excess Education Revenue Augmentation Fund (ERAF) contributions is relatively uncertain, and Public Safety Realignment revenue allocations may change.

Capital Needs

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 South County Campus (formerly "Mylan property"), the purchase of a site for the new jail, the construction of a Staff Secure Facility for low risk inmate housing, 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 County finalized the purchase of the South County Campus property in January 2014, at a total purchase price of \$25.3 million. The acquisition was made using cash held in the Accumulated Capital Outlay Division of the Capital Improvement Fund. To address necessary improvements for the campus to make it suitable for County Operations, the Board approved issuance of 2014 Certificates of Participation totaling \$16 million for a term of 10 years, which amounts to average annual debt service payments of approximately \$2.3 million. In addition, \$6.6 million of the \$16 million was used to purchase land for a new jail. Repayment of the debt will be funded using revenue generated from potential leases of buildings on the South County Campus property and from the budgets of both the Health and Human Services Agency and the General Fund.

Excess ERAF

One of the major factors that will impact the fiscal condition of the General Fund is the amount of returned property tax the County will receive in the form of excess Education Revenue Augmentation Fund (ERAF) contributions. Excess ERAF is a relatively 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 had grown to \$13.8 million in fiscal year 2012-2013 before pulling back to \$9.9 million in fiscal year 2014-2015. Although the revenues received have been higher in the past, this funding is very volatile. Revenue projections assume significant reductions in this revenue beginning in fiscal year 2015-2016. As a result, the Board directed an elimination of the use of excess ERAF for ongoing General Fund operations. Adopted Board policy states that any excess ERAF revenue received in each year be transferred to the Accumulated Capital Outlay Division of the Capital Improvement Fund or used for other one time capital needs. At the end of fiscal year 2014-2015, the Accumulated Capital Outlay balance stood at approximately \$23.1 million.

Public Safety Realignment

State legislation provided revenue to counties for local public safety programs. In 2011, Assembly Bill 109 - Public Safety Realignment Act was enacted which mandated the shift of several State responsibilities to counties, including individuals sentenced to non-serious, non-violent or non-sex offenses will serve their sentences in county jails instead of state prison. To offset the cost of various services, the bill dedicated a portion of State sales tax and Vehicle License Fees as funding sources. The total impact of these changes, as well as the volatility of the funding sources, put the County in a challenging position for forecasting future financing needs.

Another factor that is not as uncertain, but is determined by actuarial estimations, is the County's long term financial plan on providing retirement benefits to its employees. The County has a contract with CalPERS to provide retirement benefits (pension) for qualifying 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 \$301 billion in its pension portfolio as of June 30, 2015. 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 2014-2015 actual share of pension costs was \$19.2 million, which makes up approximately 3.7% of the overall County budget. The General Fund portion of this cost is approximately \$11.7 million, which represents approximately 5.8% of the total General Fund budget. In addition to the County's contribution, non-safety employees contribute approximately 23.8% of the overall cost of retirement benefits, while safety employees currently contribute approximately 24.7% of the 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 \$560,000 discount annually.

In addition to pension, the County also provides Other Post-Employment Benefits (OPEB). OPEB benefits principally involve health care, but may also include life insurance and disability. In fiscal year 2006-2007, the Board of Supervisors made the decision to fund the County's OPEB unfunded liability to ensure financial stability as retirements occur. Currently, the County is funding this liability over a 20 year period. As of the date of the Plan's last actuarial valuation, June 30, 2013, the County's Actuarial Accrued Liability was \$71.4 million with Actuarial Value of Plan Assets of \$28.0 million leaving an Unfunded Actuarial

Accrued Liability of \$43.4 million. Funding for this purpose began in fiscal year 2007-2008 and is included annually in County budgets.

Relevant Financial Policies

Health and Human Services Agency (Agency) - The Board approved moving the Agency's budget to a separate fund from the General Fund in fiscal year 2012-2013 because a vast majority of the Agency's budget is funded by state, federal and other revenue with the remainder from a General Fund contribution. 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 fiscal year 2014-2015 with a fund balance of \$20.3 million. Of this \$20.3 million, \$7.6 million is set aside for specific programs, \$1.0 million set aside to repay potential future cost report disallowances and \$0.4 million set aside for enhanced health care programs. The remaining \$11.3 million is restricted to Agency programs.

Strategic Financial Plan - 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 2017-2018.

Budget Policies - Budget policies are also adopted annually by the Board of Supervisors. These include direction on staffing decisions, pursuit of new revenues, and 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 Agency 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 Agency. 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 Agency 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. The Designation for Fiscal Uncertainty does not meet the GASB 54 requirement for assignment, so it is included as fund balance available within the General Fund.
- 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. Measure A is scheduled to sunset on June 30, 2018.

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 \$1,486,830 for this program, bringing the total to \$1,986,830. 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 2014-2015, the assessment brought in approximately \$6.9 million in total revenue for marketing throughout the valley. Of the total assessment, \$1.7 million was targeted for distinct marketing for each municipality while \$5.2 million was used to market the county as a whole.

In November of 2012, the voters of Napa County approved Measure T which authorizes a half-cent sales tax to fund maintenance, reconstruction and rehabilitation of public streets, roads and infrastructure within the public right of way. The 25-year tax is scheduled to commence on the later of July 1, 2018, or the expiration of the Measure A tax, should Measure A be extended.

Awards and Acknowledgements

Napa County's Auditor-Controller's Office received its fifteenth 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.

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, 2014. This was the tenth 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 unflinching support for maintaining the highest standards of professionalism in the management of Napa County's finances.

Respectfully submitted,



Tracy A. Schulze
Auditor-Controller

Nancy Watt
County Executive Officer



Government Finance Officers Association

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

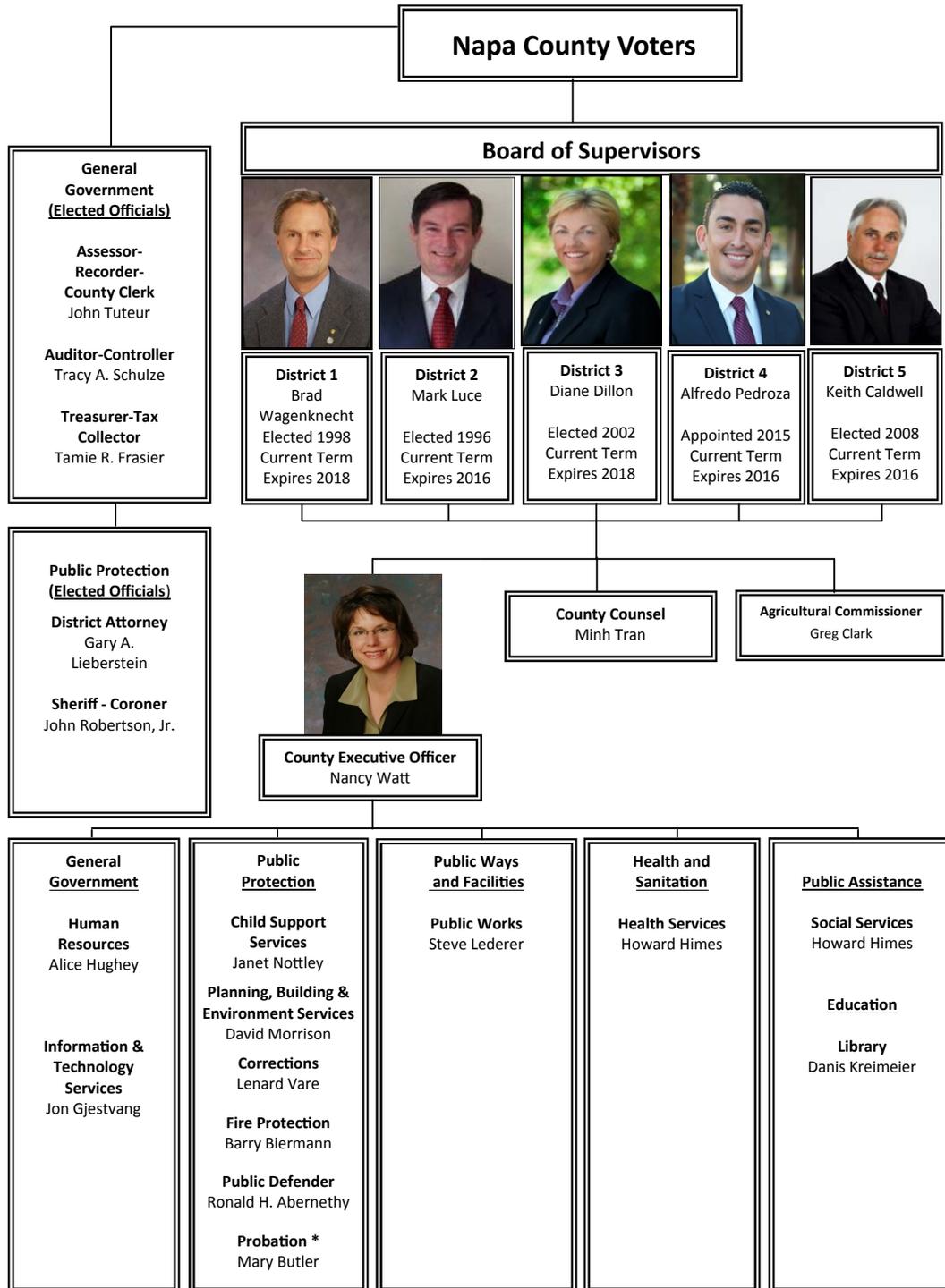
Presented to

**County of Napa
California**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2014

Executive Director/CEO



* Appointed by the Napa County Superior Court

ELECTED OFFICIALS**June 30, 2015**

Supervisor, District 1	Brad Wagenknecht
Supervisor, District 2	Mark Luce
Supervisor, District 3	Diane Dillon
Supervisor, District 4	Alfredo Pedroza
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	Greg Clark
Child Support Services Director	Janet Nottley
Clerk of the Board	Gladys Coil
Planning, Building and Environmental Services Director	David Morrison
Corrections Director	Lenard Vare
County Counsel	Minh Tran
County Executive Officer	Nancy Watt
Fire Protection	Barry Biermann
Health & Human Services Director	Howard Himes
Human Resources Director	Alice Hughey
Information Technology Systems Director	Jon Gjestvang
Library Director	Danis Kreimeier
Chief Probation Officer	Mary Butler
Public Defender	Ronald H. Abernethy
Public Works Director	Steve Lederer

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Financial Section



Photo Credit Napa Valley Register

Skateboarders use the buckled pavement of Meadowood Court as ramps for performing stunts.



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, 2015, 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, 2015, 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.

Emphasis of Matter

Implementation of New Accounting Standards

As disclosed in the Notes to the Financial Statements, effective as of July 1, 2014, the County adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for*

Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Schedule of Changes in Net Pension Liability and Related Ratios, The County's Proportionate Share of Net Pension Liability, the Schedule of County's Pension Contributions, the schedule of funding progress for the County's Other Post Employment Benefit (OPEB) plan, 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

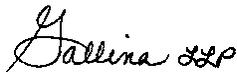
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County of Napa's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section are presented 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 18, 2015 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 of Napa's internal control over financial reporting and compliance.



Roseville, California
December 18, 2015



Management's Discussion and Analysis



Photo Credit Napa Valley Register

Carneros resident cranes his head down into a deep fissure in front of his house on Old Sonoma Road on the day of the South Napa earthquake.

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, 2015. Please read it in conjunction with the County's basic financial statements following this section.

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 30 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 41-80 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 83-95 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 101-168 of this report.

FINANCIAL HIGHLIGHTS

New Accounting Standards

The Governmental Accounting Standards Board (GASB) issued two pension related statements that were implemented by the County in fiscal year 2014-2015. Statement No. 68, "Accounting and Financial Reporting for Pensions-an amendment of GASB Statement No. 27," and Statement No. 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date-an amendment of GASB Statement No. 68," have a significant impact on the results and presentation of the County's 2014-2015 operating results.

Statement No. 68 establishes standards of accounting and financial reporting for the County's defined benefit pension plans. The significant impact to the County of implementing Statement No. 68 is the reporting of the County's unfunded pension liability on the County's government-wide and proprietary fund financial statements. The statement significantly modifies footnote disclosure requirements as well as supplementary schedules requirements.

The measurement date for the net pension liability is as of June 30, 2014. The measurement date represents a one year lag and was used so that these financial statements could be issued in an expedient manner. Contributions made by the County during fiscal year 2014-2015 are reported as deferred outflows of resources in accordance with Statement No. 71.

In order to implement the Statements, a prior period adjustment was made to the County's July 1, 2014 net position. The adjustment decreased the County's net position by \$182.4 million from \$394.6 million to \$212.2 million. Please refer to Note 10 for further information regarding the County's pensions.

The adoption of Statement No. 68 and Statement No. 71 have no impact on the County's governmental fund financial statements which continue to report expenditures equal to the amount of the County's actuarially determined contribution. The calculation of pension contributions is also unaffected by these new statements.

2014 South Napa Earthquake

On August 24, 2014, the County was shaken by the largest earthquake in the San Francisco Bay Area since the 1989 Loma Prieta Earthquake. Measuring 6.0 on the Richter Scale, the earthquake occurred on the West Napa Fault, the epicenter was between the cities of American Canyon and Napa. Both President Obama and Governor Brown responded with emergency declarations.

The earthquake resulted in significant damage throughout the county with total damage estimates reaching \$362.0 million. Damage to homes, buildings and roads, combined with six major fires required significant resources as the County and the cities responded to the emergency.

The County suffered damage to a number of buildings, the most severely damaged buildings are covered by both earthquake and property insurance. The County has been working with the State of California's Office of Emergency Services and the Federal Emergency Management Agency to help mitigate the damages caused by the earthquake.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The assets and deferred outflows of resources of the County exceeded its liabilities and deferred inflows of resources by \$280.0 million:

- \$152.2 million represents the County's investment in capital assets, less accumulated depreciation, related outstanding debt used to acquire those assets, net of unspent debt proceeds. 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.
- \$157.1 million represents resources that are subject to external restrictions on how they may be used.
- \$(29.3) million represents unrestricted net position which may be used to meet the County's ongoing obligations to citizens and creditors. The County's negative unrestricted net position is due to unfunded pension obligations.

The County's net position has decreased by \$145.7 million during the current fiscal year.

- \$1.8 million decrease in net position invested in capital assets, net of related debt, represents the change in capital expenditures less depreciation, the retirement of related long-term debt, net of unspent debt proceeds.
- \$11.4 million decrease in restricted net position represents the change in resources that are subject to external restriction on their use.
- \$132.5 million decrease in unrestricted net position is the change in resources available to fund County programs to citizens and debt obligations to creditors. The decrease is due to the prior period adjustment required by the implementation of GASB Statement No. 68.

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

	Governmental Activities		Business-type Activities		Total		Dollar Change	Percent Change
	2015	2014	2015	2014	2015	2014		
Current and other assets	\$ 362,524	\$ 322,727	\$ 9,079	\$ 8,613	\$ 371,603	\$ 331,340	\$ 40,263	12.2 %
Capital assets	153,522	151,964	56,565	54,905	210,087	206,869	3,218	1.6 %
Total Assets	516,046	474,691	65,644	63,518	581,690	538,209	43,481	8.1 %
Deferred outflows	18,490	558	151	-	18,641	558	18,083	3,240.7 %
Current and other liabilities	45,767	33,241	1,525	1,552	47,292	34,793	12,499	35.9 %
Long-term liabilities	214,262	62,689	17,071	15,636	231,333	78,325	153,008	195.4 %
Total Liabilities	260,029	95,930	18,596	17,188	278,625	113,118	165,507	146.3 %
Deferred inflows	41,393	-	360	-	41,753	-	41,753	n/a
Net Position								
Net investment in capital assets	107,541	112,855	44,649	41,158	152,190	154,013	(1,823)	-1.2 %
Restricted net position	157,099	168,454	-	-	157,099	168,454	(11,355)	-6.7 %
Unrestricted net position	(31,526)	98,010	2,190	5,172	(29,336)	103,182	(132,518)	-128.4 %
Total net position	\$ 233,114	\$ 379,319	\$ 46,839	\$ 46,330	\$ 279,953	\$ 425,649	\$ (145,696)	-34.2 %

Analysis of Net Position

The County's net position has decreased by \$145.7 million, or 34.2% during the current fiscal year. A majority of the decrease occurred in unrestricted net position. The significant decrease was due to the County's unfunded pension obligations which is being reported on the Statement of Net Position for the first time with the implementation of GASB Statement No. 68 .

Net investment in capital assets

The largest portion of the County's net position is invested in capital assets (e.g., land, structures, roads, equipment and intangible assets), less accumulated depreciation and outstanding debt used to acquire those assets. 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.

Investment in Capital Assets (net of accumulated depreciation)	\$ 210,087,699
Less:	
Related Debt (net of unspent proceeds)	<u>(57,897,781)</u>
Net Investment in Capital Assets	<u>\$ 152,189,918</u>

The \$1.8 million, or 1.2% decrease, in net position from the net investment in capital assets represents capital acquisitions and deletions, less current year depreciation, and the addition and/or retirement of related long-term debt.

Restricted net position

Restricted net position of \$157.1 million represents resources that are subject to external restrictions on how they may be used or by enabling legislation. Due to the unique nature of funding sources, the County has significantly more restricted net position dollars than unrestricted net position dollars. Significant portions of restricted net position are comprised of the following:

- \$70.2 million represents restricted sales tax dedicated to flood control.
- \$23.8 million represents primarily federal and state allocations restricted for the deliverance of health and human services.
- \$25.4 million represents fees and grants restricted for the construction of affordable housing within Napa County.
- \$11.6 million represents property taxes dedicated to fire protection services.
- \$11.0 million represents property taxes, grants and fees dedicated to deliverance of library services throughout the County's library network.
- \$10.2 million represent State allocations dedicated for public protection services.

Unrestricted net position

Unrestricted net position in the amount of negative \$29.3 million, a decrease of (128.4)% from the prior fiscal year, is the change in resources available to fund County programs to citizens and debt obligations to creditors. The majority of positive unrestricted net position resides in the County's General Fund (\$39.7 million) and the Capital Improvement Fund (\$39.9 million) while the negative unrestricted net position is primarily the result of the County's unfunded pension liability (\$155.0 million) that is being reported in accordance with GASB Statement No. 68 for the first time.

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

	Governmental Activities		Business-type Activities		Total		Total	
	2015	2014	2015	2014	2015	2014	Dollar Change	Percent Change
Revenues:								
Program revenues:								
Fees, fines and charges for services	\$ 55,321	\$ 52,374	\$ 4,718	\$ 5,048	\$ 60,039	\$ 57,422	\$ 2,617	4.6 %
Operating grants and contributions	106,342	109,302	61	178	106,403	109,480	(3,077)	-2.8 %
Capital grants and contributions	2,829	937	4,696	1,896	7,525	2,833	4,692	165.6 %
General revenues:								
Property taxes	101,851	99,063	355	341	102,206	99,404	2,802	2.8 %
Sales and use taxes	24,319	23,307	-	-	24,319	23,307	1,012	4.3 %
Other taxes	13,795	12,110	-	-	13,795	12,110	1,685	13.9 %
Unrestricted interest and investment earnings (losses)	2,299	2,347	51	80	2,350	2,427	(77)	-3.2 %
Gain (loss) on sale of assets	118	45	-	-	118	45	73	162.2 %
Miscellaneous	1,981	296	9	12	1,990	308	1,682	546.1 %
Total revenues	308,855	299,781	9,890	7,555	318,745	307,336	11,409	3.7 %
Expenses:								
General government	32,077	30,890	-	-	32,077	30,890	1,187	3.8 %
Public protection	104,861	106,241	-	-	104,861	106,241	(1,380)	-1.3 %
Public ways and facilities	32,567	32,533	-	-	32,567	32,533	34	0.1 %
Health and Sanitation	41,169	41,016	-	-	41,169	41,016	153	0.4 %
Public assistance	46,761	45,703	-	-	46,761	45,703	1,058	2.3 %
Education	7,665	7,856	-	-	7,665	7,856	(191)	-2.4 %
Recreation and cultural services	1,391	1,155	-	-	1,391	1,155	236	20.4 %
Interest on long-term debt	1,893	1,817	-	-	1,893	1,817	76	4.2 %
Debt administration and issuance costs	10	427	-	-	10	427	(417)	-97.7 %
Napa County Airport	-	-	3,002	3,152	3,002	3,152	(150)	-4.8 %
Lake Berryessa Improvement District	-	-	1,098	1,260	1,098	1,260	(162)	-12.9 %
Napa Berryessa Improvement District	-	-	1,349	1,215	1,349	1,215	134	11.0 %
Fifth Street Parking Garage	-	-	470	467	470	467	3	0.6 %
Napa County Housing Authority	-	-	1,378	1,415	1,378	1,415	(37)	-2.6 %
Napa County Animal Shelter	-	-	1,149	1,125	1,149	1,125	24	2.1 %
Total Expenses	268,394	267,638	8,446	8,634	276,840	276,272	568	0.2 %
Excess (deficiency) before transfers	40,461	32,143	1,444	(1,079)	41,905	31,064	10,841	
Extraordinary item - South Napa Earthquake								
Earthquake	(5,201)	-	-	-	(5,201)	-	(5,201)	- %
Transfers								
Transfers	(698)	(1,716)	698	1,716	-	-	-	- %
Change in net position	34,562	30,427	2,142	637	36,704	31,064	5,640	18.2 %
Net position - beginning	379,319	348,892	46,329	45,692	425,648	394,584	31,064	7.9 %
Cumulative effect of change in accounting principle	(180,765)	-	(1,632)	-	(182,397)	-	(182,397)	- %
Net position - beginning, as restated	198,554	348,892	44,697	45,692	243,251	394,584	(151,333)	-38.4 %
Net position - ending	\$ 233,116	\$ 379,319	\$ 46,839	\$ 46,329	\$ 279,955	\$ 425,648	\$ (145,693)	-34.2 %

Governmental Activities. Governmental activities decreased the County's net position by \$146.2 million, thereby accounting for 100.3% of the total decline in the net position of the County. Governmental activities operating revenues exceeded operating expenses by \$40.5 million. A prior period adjustment of \$180.8 million is the result of the County's unfunded pension obligations as required by the County's implementation of GASB Statement No. 68.

Revenues

Total revenues for the County's Governmental activities had an overall increase from the prior year of \$9.1 million, or 3.0%, to \$308.9 million. Significant variances in revenues are as follows:

Program Revenues

- Fees, fines and charges for services increased by \$2.9 million, or 5.6%, over the prior year. This increase was due to a increased distribution of settled court fines and a significant increase in Proposition 64 asset forfeitures received by the District Attorney's Office.
- Operating grants and contributions decreased by \$3.0 million, or 2.7%, from the prior year. A significant portion of this decrease was related to the County's decreased activity in federal and state funded maintenance projects throughout the County as well as a decrease in Roads funding.
- Capital grants and contributions increased by \$1.9 million, or 201.9%, from the prior year. A significant portion of this increase was capital funding for Public Ways and Facilities projects.

General Revenues

- Property taxes increased by \$2.8 million, or 2.8%, 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.
- Other taxes increased by \$1.7 million, or 14.0%, from the prior year. The increase was due to the increase of tourism activities resulting in the continued increase in transient occupancy tax.
- Miscellaneous revenue increased by \$1.7 million, or 574.3%, from the prior year. The increase was directly related to a \$1.3 million insurance settlement received for unscheduled maintenance costs related to the County's Sheriff Office.

Expenses

Total expenses for the County's Governmental activities had an overall increase from the prior year of \$0.8 million, or 0.3%, to \$268.4. Significant variances in expenses are as follows:

- General government expenses increased by \$1.2 million, or 3.8%, from the prior year. This increase was due to salary and benefit increases of approximately \$0.7 million spread across multiple general government departments and expenditures in both the Unincorporated and Countywide Napa Valley Tourism Improvement funds increasing by a total of \$0.6 million due to increased lodging assessments.
- Public assistance expenses increased by \$1.1 million, or 2.3%, from the prior year. This change was due to an increase in services provided in the Child Welfare Services, Comprehensive Services for Older Adults and Self Sufficiency programs.

- Recreation and cultural services expenses increased by \$0.2 million, or 20.4%, from the prior year. The variance was due to an increase in community grants issued for art and cultural activities.
- Debt administration and issuance costs decreased by \$0.4 million, or 97.7%, from the prior year. This change was due the issuance of the 2014 Certificates of Participation in the prior year combined with no significant debt transactions occurring in fiscal year 2014-2015.

Extraordinary Item

The County is reporting an extraordinary loss of \$5.2 million related to the 2014 South Napa Earthquake. The total actual cost of emergency response and repairs are estimated to be approximately \$34.1 million with \$28.9 million estimated in reimbursements from insurance, Federal Emergency Management Agency, and California Office of Emergency Services.

Business-type activities. Business-type activities increased the County's net position by \$0.5 million. Business-type activities operating revenues exceeded operating expenses by \$1.4 million. A prior period adjustment of \$1.6 million is the result of the County's unfunded pension obligations as required by the County's implementation of GASB Statement No. 68.

Revenues

Total revenues for the County's Business-type activities had an overall increase of \$2.3 million, or 30.4%. Key elements of the increase in revenues for business-type activities are as follows:

- Capital grants and contributions increased by \$2.8 million, or 147.7%, from the prior year. The variance was due to an increase in grant revenues received by the Lake Berryessa Resort Improvement District from the State Water Resources Control Board.

Expenses

Total expenses for the County's Business-type activities had an overall increase of \$0.2 million. Key elements of the increase/decrease in expenses for business-type activities are as follows:

- Napa County Airport expenses decreased by \$0.2 million, or 4.8%, from the prior year. The decrease was due to a reduction in general operating costs.
- Lake Berryessa Resort Improvement expenses decreased by \$0.2 million, or 12.9%, from the prior year. The variance was due to a reduction in direct service costs related to operations.
- Napa Berryessa Resort Improvement District expenses increased by \$0.1 million, or 11.0%, from the prior year. The variance was due to an increase in operation costs incurred during the current fiscal year.

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.

The County's governmental funds reported combined fund balances of \$299.5 million, an increase of \$34.4 in comparison with last year. Total fund balance less the nonspendable portion is a useful measurement of a government's resources available for spending at the end of the fiscal year. Approximately 98.7%, or \$295.7 million, of the total fund balance is spendable and 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*, \$3.8 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 advances of \$3.6 million and prepaid items, deposits and an endowment totaling \$183,631.
- *Restricted fund balance*, \$198.5 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, \$152.6 million, of which \$70.2 million is restricted within the Napa County Flood Protection and Watershed Improvement Authority, and \$25.4 million is restricted for Affordable Housing (Other Governmental Funds), (2) laws, the General Fund's general reserve of \$13.3 million, and (3) creditors, \$1.6 million restricted within Debt Service fund (Other Governmental Funds).
- *Committed fund balance*, \$23.9 million. Consists of amounts for specific purposes determined by the Board of Supervisors, such as potential costs related to capital projects of \$11.3 million, the 2014 South Napa Earthquake of \$8.0 million, potential Health and Human Services agency audit exceptions of \$1.0 million, building and safety permitting of \$3.3 million, and \$0.3 million for other programs.
- *Assigned fund balance*, \$35.3 million. Represents amounts set aside including Tobacco Master Settlement funds of \$8.1 million for future health care programs, accumulated capital outlay funds of \$23.1 million for future major facilities repairs or construction, and \$4.1 million covering various other programs.
- *Unassigned fund balance*, \$38.0 million. Represents the residual classification for the County's General Fund of \$39.7 million, reduced by governmental funds where expenditures exceed other available fund balance, including Community Facilities District - Devlin Road \$1.6 million, Child Support Services \$76,348, and In-Home Support Services Authority \$37,925.

General Fund: The General Fund is the chief operating fund of the County. The total fund balance of the General Fund was \$95.5 million. The General Fund's total fund balance decreased \$0.9 million, or 0.9%, as compared to the prior year. The decrease in fund balance is due to \$12.6 million of expenditures related to the 2014 South Napa Earthquake partially offset by \$6.7 million of insurance, federal and state reimbursements.

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 63.2% of the total fund expenditures. Of the General Fund's spendable fund balance, \$31.6 million, or 33.1%, is restricted, \$8.3 million, or 8.7%, is committed and \$12.2, or 12.8%, is assigned.

Health and Human Services: Separated from the General Fund in fiscal year 2012-2013, the total fund balance of Health and Human Services Agency was \$20.3 million, of which \$19.3 million is non-spendable or restricted. Total fund balance increased \$3.1 million, or 18.1%, over the prior year. This increase was due to Assembly Bill (AB) 85, the redirection of 1991 state health realignment, to fund social services

programs. The Governor signed AB85 in June 2013 to capture health realignment and potential savings from Medi-Cal expansion and Covered California, California's Affordable Care Act health coverage program.

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, 2015, the total fund balance of the Flood Authority was \$70.2 million, all of which is restricted. This is an increase of \$8.9 million, or 14.5%, 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. The total fund balance was \$52.9 million, of which \$23.1 million is assigned. Total fund balance increased by \$17.9 million, or 51.2%, from the prior year primarily due to transfers from the General Fund, based on Board policy.

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, 2015, the total fund balance was \$6.1 million, all of which is restricted. Total fund balance of the Roads fund increased by \$3.2 million, or 113.3%, due to reimbursements received from federal and state disaster assistance related to the 2005 flood and a \$1.7 million increase in transfer in revenues.

Other governmental funds: The total fund balances of the remaining governmental funds increased \$2.2, or 4.2% to \$54.6 million. Major components of the increase were a \$0.8 million increase in the Affordable Housing Fund, a \$0.9 million increase in the Library Fund, and a \$0.6 million increase in the MST Community Facilities District.

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	FY2015		FY2014		Increase/(Decrease)	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Change
Taxes	\$ 139,965	44.5 %	\$ 134,480	44.9 %	\$ 5,485	4.1 %
Licenses and permits	9,816	3.1 %	9,712	3.2 %	104	1.1 %
Fines, forfeitures and penalties	6,843	2.2 %	5,716	1.9 %	1,127	19.7 %
Revenue from use of money and property	2,636	0.8 %	2,371	0.8 %	265	11.2 %
Aid from other governments	115,157	36.6 %	109,952	36.7 %	5,205	4.7 %
Charges for services	39,461	12.5 %	36,794	12.3 %	2,667	7.2 %
Contributions and donations	254	0.1 %	314	0.1 %	(60)	-19.1 %
Other	682	0.2 %	252	0.1 %	430	170.6 %
Total	<u>\$ 314,814</u>	<u>100.0 %</u>	<u>\$ 299,591</u>	<u>100.0 %</u>	<u>\$ 15,223</u>	<u>5.1 %</u>

Figure 1 - Revenues Comparison by Source - Governmental Funds

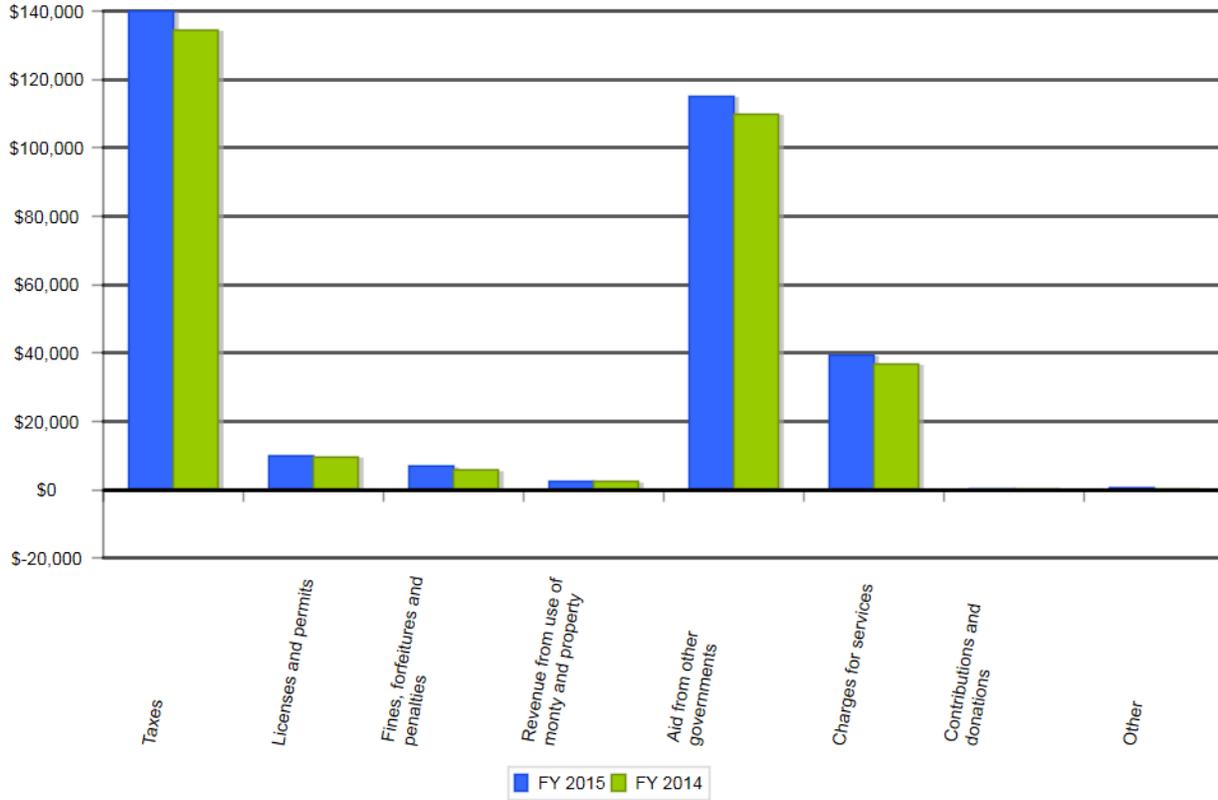
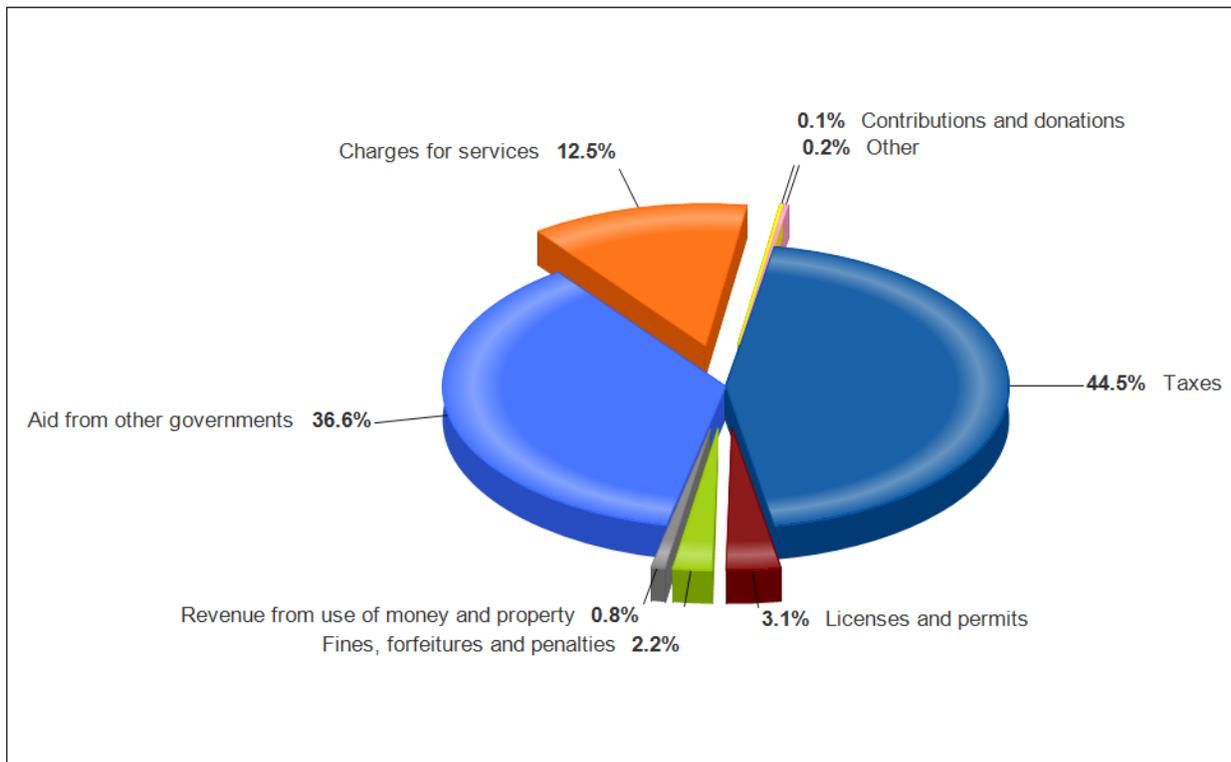


Figure 2 - Revenues Classified by Sources - Governmental



Revenues

Total governmental fund revenues increased \$15.2 million, or 5.1%, to \$314.8 million. Significant variances in governmental fund revenues are as follows:

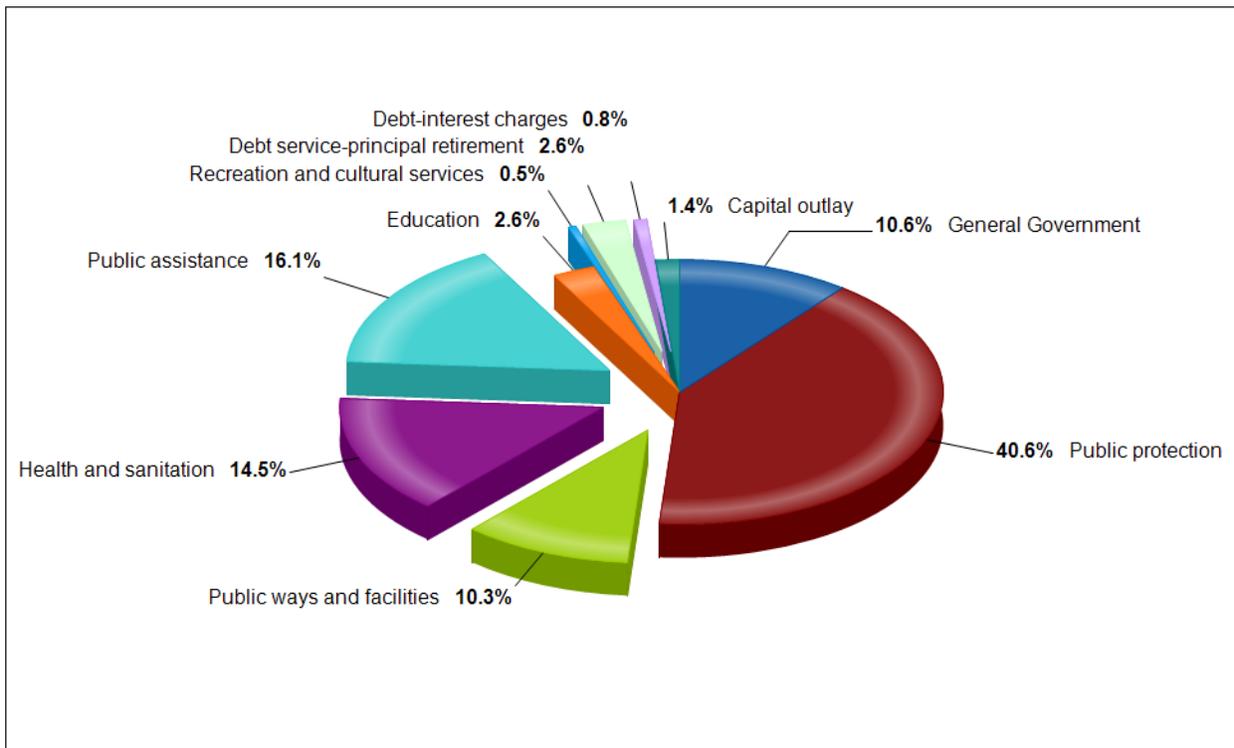
- Taxes increased by \$5.5 million, or 4.1%, from the prior year. Property taxes increased by \$2.8 million due to assessed valuation growth and improved activity within the steadily improving real estate market while transient occupancy tax increased \$1.4 million due to increased tourism improvement efforts.
- Fines, forfeitures and penalties increased by \$1.1 million, or 19.7%, from the prior year. A majority of the increase was due to increased court fine distributions.
- Revenue from use of money and property increased by \$0.3 million, or 11.2%, from the prior year. The increase was due to slightly higher interest earned on investments during the year and a reduction in the year end market write-down of United States agency securities.
- Aid from other governments increased by \$5.2 million, or 4.7%, from the prior year. A significant portion of this increase was due to the receipt of \$4.8 million in state mandated program (SB90) reimbursements for costs incurred in 2004 and prior.
- Charges for services increased by \$2.7 million, or 7.2%, from the prior year. A significant component of the increase was related to services performed by the County's Agricultural Commissioner's Office (\$0.8 million), services in the Airport Industrial area (\$0.6 million), increased services in the Health and Human Services Agency (\$0.5 million), and an increase in Countywide Napa Valley Tourism Improvement District services (\$0.4 million).

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 2015		FY 2014		Increase/(Decrease)	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Change
General Government	\$ 30,848	10.6 %	\$ 54,426	17.7 %	\$ (23,578)	-43.3 %
Public protection	118,640	40.6 %	112,687	36.6 %	5,953	5.3 %
Public ways and facilities	30,244	10.3 %	32,092	10.4 %	(1,848)	-5.8 %
Health and sanitation	42,479	14.5 %	40,592	13.2 %	1,887	4.6 %
Public assistance	47,240	16.1 %	45,601	14.8 %	1,639	3.6 %
Education	7,706	2.6 %	8,153	2.6 %	(447)	-5.5 %
Recreation and cultural services	1,391	0.5 %	1,155	0.4 %	236	20.4 %
Debt service-principal retirement	7,602	2.6 %	10,651	3.5 %	(3,049)	-28.6 %
Debt-interest charges	2,343	0.8 %	2,215	0.7 %	128	5.8 %
Debt-administration, issuance and arbitrage	10	- %	427	0.1 %	(417)	-97.7 %
Capital outlay	4,222	1.4 %	-	- %	4,222	n/a
Total	<u>\$ 292,725</u>	<u>100.0 %</u>	<u>\$ 307,999</u>	<u>100.0 %</u>	<u>\$ (15,274)</u>	<u>-5.0 %</u>

Figure 3 - Expenditures by Function - Governmental



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

- General government expenditures decreased by \$23.6 million, or 43.3%, from the prior year. This decrease was due to the shifting of significant capital programs to Capital Outlay. In the prior year, the County acquired the South Napa Campus for \$25.5 million which was included in general government expenditures.
- Public protection expenditures increased by \$6.0 million, or 5.3%, from the prior year. The increase was due to \$12.6 million of expenditures incurred in response to the 2014 South Napa Earthquake. This increase was partially offset by a prior year \$6.6 million purchase of property, the future site of the County's Staff Secure Re-Entry Facility.
- Public ways and facilities expenditures decreased by \$1.8 million, or 5.8%, over the prior year. This decrease was due to the decrease of \$2.8 million in Road projects partially offset by costs redirected to Public Works activities.
- Health and sanitation expenditures increased by \$1.9 million, or 4.6%, over the prior year. This increase was mainly due to a \$1.0 million increase in health care enhancement programs.
- Public assistance expenditures increased by \$1.6 million, or 3.6%, from the prior year. This increase was mainly 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.
- Debt service - principal retirement decreased by \$3.0 million, or 28.6%, from the prior year. This decrease was due to the County's early retirement of the 2005 Certificates of Participation which resulted in an additional principal payment of \$3.8 million during fiscal year 2013-2014.

- Capital outlay expenditures increased by \$4.2 million from the prior year. The increase was due to construction costs of \$2.6 million related to the South Napa Campus and \$0.8 million of jail facilities development costs. Capital outlay expenditures were presented within the related functional expenditure lines in prior years.

Table 5 details the changes in fund balance for governmental funds.

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

	Major Funds					Non-Major Funds		
	General Fund	Health and Human Services	Flood Protection & Watershed Improvement Authority	Capital Improvement Fund	Roads	Special Revenue Funds	Debt Service Fund	Total
Revenues	\$193,228	\$ 59,457	\$ 17,764	\$ 781	\$ 7,567	\$ 35,929	\$ 89	\$314,815
Expenditures	145,214	88,437	8,893	4,222	8,144	33,324	4,490	292,724
Other financing sources (uses), net	(48,878)	32,098	-	21,352	3,797	(319)	4,293	12,343
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financial uses	(864)	3,118	8,871	17,911	3,220	2,286	(108)	34,434
Fund balances - July 1, 2014	96,323	17,191	61,378	34,950	2,842	50,639	1,757	265,080
Fund balance - June 30, 2015	\$ 95,459	\$ 20,309	\$ 70,249	\$ 52,861	\$ 6,062	\$ 52,925	\$ 1,649	\$299,514

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.

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

	Napa County	Lake Berryessa	Napa Berryessa	5th Street	Nonmajor	Total
	Airport	Resort Improvement	Resort Improvement	Parking Garage	Enterprise Funds	
Operating revenues	\$ 1,588	\$ 549	\$ 828	\$ 176	\$ 1,576	\$ 4,717
Operating expenses	2,983	859	992	470	2,523	7,827
Operating income (loss)	(1,395)	(310)	(164)	(294)	(947)	(3,110)
Non-operating revenues (expenses), net	3	3,772	(278)	1	61	3,559
Net income (loss) before contributions and transfers	(1,392)	3,462	(442)	(293)	(886)	449
Capital contributions	89	336	569	-	-	994
Transfers in (out)	18	-	1	-	679	698
Change in net position	(1,285)	3,798	128	(293)	(207)	2,141
Net position - July 1, 2014, Beginning	17,240	3,522	570	15,178	9,819	46,329
Cummulative effect of change in accounting principle	(941)	-	-	-	(690)	(1,631)
Net position - July 1, 2014, restated	16,299	3,522	570	15,178	9,129	44,698
Net position - June 30, 2015	\$ 15,014	\$ 7,320	\$ 698	\$ 14,885	\$ 8,922	\$ 46,839

Napa County Airport: The Napa County Airport is used to fund general Airport operations and the maintenance of Airport facilities. The unrestricted net position of the airport was \$2.7 million while total net position was \$15.0 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 90.4% of the total operating expenditures. Total net position of the airport decreased by \$2.2 million during the current fiscal year. A significant portion of the decrease (\$1.4 million) was due to annual depreciation while (\$0.9 million) was the prior period adjustment needed to record the Airport's beginning net pension liability as required by the County's implementation of GASB Statement No. 68.

Lake Berryessa Resort Improvement District: Lake Berryessa Resort Improvement District is used to provide water and wastewater services within district boundaries. The unrestricted net position of the District was \$747,323 while total net position was \$7.3 million. The increase in net position was primarily due to capital grants the District received from the State Water Resources Control Board.

Napa Berryessa Resort Improvement District: Napa Berryessa Resort Improvement District is used to provide water and wastewater services within district boundaries. The unrestricted net position of the District was negative \$1.7 million while total net position was \$697,954. Unrestricted net position increased by \$127,748 due to increased rates and assessments.

Fifth Street Parking Garage: Fifth Street Parking Garage was established to provide parking in the downtown area for local businesses, shoppers and County employees. Unrestricted net position of the Garage was \$233,541 while total net position was \$14.9 million. Total net position decreased by \$292,145 primarily due to annual depreciation.

GENERAL FUND BUDGETARY HIGHLIGHTS

During the year there was a \$34.8 million increase in appropriations between the original budget and the final amended budget. Following are the main components of the increase:

- \$8.5 million increase for the transfer to the Accumulated Capital Outlay division of the Capital Improvement Fund in order to increase the County's reserves for future capital projects.
- \$20.0 million increase for 2014 South Napa Earthquake expenditures.
- \$1.3 million increase for the Oakville-Oak Knoll sediment reduction project.
- \$1.3 million increase for other subsequently approved maintenance projects.
- \$1.3 million increase to fully fund the County's contingency budget.

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, 2015 amounted to \$210.1 million (net of accumulated depreciation) an increase of \$3.2 million, or 1.5%, from the prior year. The increase was partly the result of the County purchase of equipment, particularly three fire engines, totaling \$1.5 million. Business-type construction in progress increased of \$1.7 million, were due to Lake Berryessa Improvement District's wastewater storage and expansion project. For more detailed capital assets information, see notes to the basic financial statements, specifically pages 58-60.

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 Activities		Business-type Activities		Total		Increase/(Decrease)	
	2015	2014	2015	2014	2015	2014	Amount Change	Percent Change
Land and easements	\$ 13,968	\$ 7,804	\$ 5,365	\$ 5,365	\$ 19,333	\$ 13,169	\$ 6,164	46.8 %
Intangible assets	1,134	1,084	-	-	1,134	1,084	50	4.6 %
Construction in progress	16,967	36,321	4,073	11,049	21,040	47,370	(26,330)	-55.6 %
Infrastructure	22,932	25,970	-	-	22,932	25,970	(3,038)	-11.7 %
Structures and improvements	88,361	71,325	46,574	37,745	134,935	109,070	25,865	23.7 %
Equipment	10,160	9,460	553	746	10,713	10,206	507	5.0 %
Total	<u>\$ 153,522</u>	<u>\$ 151,964</u>	<u>\$ 56,565</u>	<u>\$ 54,905</u>	<u>\$ 210,087</u>	<u>\$ 206,869</u>	<u>\$ 3,218</u>	1.6 %

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

- Land increased by \$6.2 million, or 46.8%, from the prior year. A majority of the increase was attributable to the County's purchase of the South Campus.
- Infrastructure decreased by \$3.0 million, or 11.7%, from the prior year, due to depreciation.
- Structures and improvements increased by \$25.9 million, or 23.7%, from the prior year. A majority of the increase was attributable to the transfer of structures and improvements related to the South Campus project from construction in progress.
- Construction in progress (the value of projects incomplete at the end of the fiscal year) decreased by \$26.3 million, or 55.6%, from the prior year. The majority of the decrease, \$19.3 million, was in governmental activities due to the transfer of the South Campus Building to structures and improvements. In business-type activities, construction in progress decreased by \$7.0 million due to the completion of two Lake Berryessa Resort Improvement District projects; 1) sewer lift stations and 2) alternate water intake; and three Napa Berryessa Resort Improvement District projects; 1) new water/wastewater treatment plant; 2) treated wastewater storage pond expansion; 3) and the replacement of the wastewater influent headworks.

Long-term debt

At June 30, 2015, the County Governmental Activities total long-term debt outstanding was \$57.6 million as compared to \$59.9 million in the prior year. This amount was comprised of the following:

- \$11,090,000 of Napa County Flood 2005 Series Partial Refunding of 1999 Series A bonds;
- \$3,830,000 of Napa County Flood 2013 Series A Refunding bonds;
- \$481,672 of unamortized premiums for outstanding bond issues;
- \$15,895,000 of 2012 Certificates of Participation;
- \$14,340,000 of 2014 Certificates of Participation;
- \$3,774,780 of unamortized premiums for outstanding Certificates of Participation;
- \$2,296,231 of capital lease obligations; and
- \$5,846,072 for loans payable,

Standard & Poor's, in its March 14, 2014 credit report, assigned an upgraded AA+/Stable rating to all of the County's appropriation debt with an implied Issuer Credit Rating of AAA.

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

- Strong economy, which is centered on wine and tourism;
- Very strong budgetary flexibility, with fiscal 2012-2013 audited reserves at over 50% of general fund expenditures;
- Strong budgetary performance;
- Very strong liquidity providing very strong cash levels to cover both debt service and expenditures;
- Very strong management conditions with strong financial policies but a consistent ability to maintain balanced budgets; and
- Very strong debt and contingent liabilities position.

For more detailed long-term debt information, see notes to the basic financial statements, specifically pages 60-64.

DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES

Deferred outflows of resources were formerly classified as assets but are now set apart because these items do not meet the technical definition of being County assets on the date of these financial statements. When all recognition criteria are met, the deferred outflow of resources will become expense or a decrease in net position. The most significant deferred outflow of resources reported are related to the implementation of GASB Statements No. 68 and No. 71. GASB Statement No. 71 requires that contributions made during the fiscal year to the County's retirement plans be reported as deferred outflows of resources. Consequently, the majority of the deferred outflows of resources reported are comprised of current year contributions to the County's retirement plans. However, there may be some deferred outflows of resources attributable to the various components that impact pension changes, and can include investment changes, amortization, changes due to actuarial assumptions, and the difference between expected and actual experience.

In addition to deferred outflows of resources related to the County's pension plans, the County also reports deferred outflows related to bond refundings. These deferred outflows of resources are amortized over the life of the refunding debt.

Deferred inflows of resources are not technically liabilities of the County as of the date of the financial statements. When all recognition criteria are met, the deferred inflows of resources will become revenue or an increase in net position. The County reports only deferred inflows of resources related to pensions in these financial statements. Deferred inflows related to pensions represents a net amount attributable to the various components that impact pension changes, and can include the amortization of the effect of investment changes, changes due to actuarial assumptions, and differences between expected and actual experience.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The following known factors were considered in preparing the County's budget for fiscal year 2015-2016:

- A \$1.3 million decrease in General Fund revenues over prior year actuals. The decrease is due to the budget containing lower tax revenue related to the return of excess Educational Revenue Augmentation Fund funds. The 2015-2016 budget includes returns of \$2.0 million while 2014-2015 actuals totaled \$9.9 million.

- \$5.0 million in both revenues and expenditures related to continued repairs related to damage incurred during the 2014 South Napa Earthquake. The County has significant insurance coverage on three damaged building and is working with the Federal Emergency Management Agency to maximize the amount of federal assistance for which the County will qualify. Both the revenue and expenditure budgets are subject to increase during the fiscal year as the recovery continues.
- \$8.3 million in Other Post-Employment Benefit (OPEB) contributions. Consistent with the Board's adopted budget policies, the budget reflects payments necessary to fully fund the County's OPEB unfunded liability over a 20-year period.
- Increases in employee and benefit costs for existing employees of \$7.2 million. The increase reflects cost of living adjustments of 2.8% for all employees and significant retirement rate increases during the fiscal year.
- The State of California adopted the 2015-2016 budget on time. The improving condition of State finances has eliminated a significant uncertainty under which past County budgets were adopted.

It should be noted the County budget was prepared before the Governor issued the May Revision to his Proposed Fiscal Year 2015-2016 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.



Basic Financial Statements
Government-Wide Financial Statements



Photo Credit Napa Valley Register

Pieces of the historic Goodman Library (built in 1901) lay scattered shortly after the 6.0 earthquake.

COUNTY OF NAPA
Statement of Net Position
June 30, 2015

	Primary Government		
	Governmental	Business-Type	Total
	Activities	Activities	
Assets			
Cash and investments	\$ 275,432,113	\$ 6,253,845	\$ 281,685,958
Cash with fiscal agent, restricted	11,571,869	173,029	11,744,898
Cash held for capital projects, restricted	-	3,783,482	3,783,482
Imprest Cash	153,399	275	153,674
Taxes receivable	10,934,775	21,885	10,956,660
Special assessments receivable	71,701	581,938	653,639
Accounts receivable	4,603,928	114,830	4,718,758
Due from other governments	36,180,551	783,451	36,964,002
Prepaid items	1,289,898	25,500	1,315,398
Bond installments receivable	-	433,250	433,250
Deposits	18,595	1,250	19,845
Internal balances	3,094,000	(3,094,000)	-
Assets held for resale	990,202	-	990,202
Loans receivable, net	18,181,915	-	18,181,915
Capital Assets:			
Nondepreciable	31,734,958	9,438,477	41,173,435
Depreciable, net	121,787,449	47,126,815	168,914,264
Total Assets	<u>516,045,353</u>	<u>65,644,027</u>	<u>581,689,380</u>
Deferred Outflows of Resources			
Deferred expense on refunding bonds	418,558	-	418,558
Deferred pension	18,071,140	151,123	18,222,263
Total Outflows of Resources	<u>18,489,698</u>	<u>151,123</u>	<u>18,640,821</u>
Liabilities			
Accounts Payable	11,984,888	702,934	12,687,822
Accrued salaries and benefits	8,603,832	75,963	8,679,795
Due to other government agencies	5,904,184	50,505	5,954,689
Interest payable	145,786	149,077	294,863
Other accrued liabilities	45,206	-	45,206
Deposits	5,000	108,189	113,189
Unearned revenue	3,947,453	6,023	3,953,476
Long-term liabilities:			
Portion due or payable within one year:			
Loan payable	55,170	42,969	98,139
Capital lease obligations	235,363	62,260	297,623
Bonds payable	4,790,000	245,000	5,035,000
Certificates of participation	2,930,000	-	2,930,000
Liability for unpaid stipulated judgment	-	40,000	40,000
Compensated absences	4,239,932	42,264	4,282,196
Liability for unpaid insurance claims	2,879,717	-	2,879,717
Portion due or payable after one year:			
Loan payable	5,790,902	73,280	5,864,182
Capital lease obligations	2,060,868	867,629	2,928,497
Bonds Payable	10,611,672	14,581,266	25,192,938
Certificates of Participation	31,079,780	-	31,079,780
Liability for unpaid stipulated judgment	-	120,000	120,000
Compensated absences	3,473,569	36,932	3,510,501
Liability for unpaid insurance claims	7,650,707	-	7,650,707
Net pension liability	153,594,771	1,391,651	154,986,422
Total Liabilities	<u>260,028,800</u>	<u>18,595,942</u>	<u>278,624,742</u>
Deferred Inflows of Resources			
Deferred pension	41,392,605	360,216	41,752,821
Net Position			
Net investment in capital assets	107,540,521	44,649,397	152,189,918
Restricted for:			
General government	870,220	-	870,220
Public protection	29,875,089	-	29,875,089
Public protection - nonexpendable	19,920	-	19,920
Public ways and facilities	65,529,139	-	65,529,139
Health and sanitation	15,840,984	-	15,840,984
Public assistance	34,094,047	-	34,094,047
Education	10,869,380	-	10,869,380
Unrestricted	(31,525,654)	2,189,595	(29,336,059)
Total Net Position	<u>\$ 233,113,646</u>	<u>\$ 46,838,992</u>	<u>\$ 279,952,638</u>

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

COUNTY OF NAPA

Statement of Activities
For the Year Ended June 30, 2015

Functions/Programs	Expenses	Program Revenues	
		Fees, Fines and Charges for Services	Operating Grants and Contributions
Primary Government:			
Governmental Activities:			
General government	\$ 32,077,488	\$ 14,513,957	\$ 5,932,531
Public protection	104,861,383	23,204,267	29,951,061
Public ways and facilities	32,567,428	5,879,924	5,240,723
Health and sanitation	41,169,416	8,952,942	25,491,483
Public assistance	46,761,473	2,564,723	39,472,950
Education	7,665,300	205,650	253,648
Recreation and cultural services	1,391,310	-	-
Debt Service:			
Interest and fiscal charges	1,892,762	-	-
Administration	9,675	-	-
Total Governmental Activities	<u>268,396,235</u>	<u>55,321,463</u>	<u>106,342,396</u>
Business-Type Activities:			
Napa County Airport	3,001,833	1,588,052	399
Lake Berryessa Resort Improvement	1,098,381	549,257	119
Napa Berryessa Resort Improvement	1,349,282	828,443	216
Fifth Street Parking Garage	469,745	176,115	-
Napa County Housing Authority	1,377,947	721,462	15,000
Napa County Animal Shelter	1,148,914	854,473	45,358
Total Business-Type Activities	<u>8,446,102</u>	<u>4,717,802</u>	<u>61,092</u>
 Total Primary Government	 <u>\$ 276,842,337</u>	 <u>\$ 60,039,265</u>	 <u>\$ 106,403,488</u>

General Revenues:

Taxes:

Property taxes
Sales and use taxes
Transient occupancy taxes
Property transfer taxes

Investment Earnings
Gain (Loss) on Sale of Assets
Miscellaneous

Extraordinary item - 2014 South Napa Earthquake
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

Net (Expense) Revenue and Changes in Net Assets			
Capital Grants and Contributions	Primary Government		
	Governmental Activities	Business-type Activities	Total
\$ 100,000	\$ (11,531,000)	\$ -	\$ (11,531,000)
-	(51,706,055)	-	(51,706,055)
2,728,771	(18,718,010)	-	(18,718,010)
-	(6,724,991)	-	(6,724,991)
-	(4,723,800)	-	(4,723,800)
-	(7,206,002)	-	(7,206,002)
-	(1,391,310)	-	(1,391,310)
-	(1,892,762)	-	(1,892,762)
-	(9,675)	-	(9,675)
<u>2,828,771</u>	<u>(103,903,605)</u>	<u>-</u>	<u>(103,903,605)</u>
89,241	-	(1,324,141)	(1,324,141)
4,037,558	-	3,488,553	3,488,553
569,399	-	48,776	48,776
-	-	(293,630)	(293,630)
-	-	(641,485)	(641,485)
-	-	(249,083)	(249,083)
<u>4,696,198</u>	<u>-</u>	<u>1,028,990</u>	<u>1,028,990</u>
<u>\$ 7,524,969</u>	<u>\$ (103,903,605)</u>	<u>\$ 1,028,990</u>	<u>\$ (102,874,615)</u>
	101,850,875	354,984	102,205,859
	24,318,593	-	24,318,593
	11,988,512	-	11,988,512
	1,806,598	-	1,806,598
	2,299,352	51,051	2,350,403
	118,144	-	118,144
	1,980,517	8,621	1,989,138
	(5,201,279)	-	(5,201,279)
	<u>(698,059)</u>	<u>698,059</u>	<u>-</u>
	<u>138,463,253</u>	<u>1,112,715</u>	<u>139,575,968</u>
	<u>34,559,648</u>	<u>2,141,705</u>	<u>36,701,353</u>
	379,319,246	46,329,377	425,648,623
	<u>(180,765,248)</u>	<u>(1,632,090)</u>	<u>(182,397,338)</u>
	<u>198,553,998</u>	<u>44,697,287</u>	<u>243,251,285</u>
	<u>\$ 233,113,646</u>	<u>\$ 46,838,992</u>	<u>\$ 279,952,638</u>

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



Photo Credit Napa Valley Register

The glass from downtown shop windows covered sidewalks.



Basic Financial Statements
Fund Financial Statements



Damage inside the Napa County Historic Courthouse.

COUNTY OF NAPA

Balance Sheet
Governmental Funds
June 30, 2015

	General Fund	Health and Human Services	Flood Protection & Watershed Improvement Authority	Capital Improvement Fund	Roads	Other Governmental Funds	Total
Assets & Deferred							
Outflows of Resources							
Assets:							
Cash and investments	\$ 84,263,088	\$ 19,184,480	\$ 68,450,488	\$ 40,272,633	\$ 9,569,268	\$ 35,372,626	\$ 257,112,583
Restricted Assets:							
Cash with fiscal agent	-	-	484,071	9,438,445	-	1,649,353	11,571,869
Imprest cash	59,193	24,089	-	-	-	1,660	84,942
Receivable, net:							
Taxes	10,283,762	-	-	-	-	651,012	10,934,774
Special assessments	-	-	-	-	-	71,701	71,701
Accounts	4,166,681	309,634	-	-	-	1,501	4,477,816
Due from other							
government agencies	17,876,025	10,710,169	3,289,770	-	1,755,579	2,419,900	36,051,443
Due from other funds	39,453	865,424	-	-	-	-	904,877
Prepaid items	122,019	14,140	-	-	-	26,302	162,461
Deposits	-	-	-	-	-	1,250	1,250
Assets held for resale	-	-	-	-	-	990,202	990,202
Loans receivable, net	-	-	-	-	-	18,181,915	18,181,915
Advances to other funds	3,612,000	-	-	4,542,230	-	150,000	8,304,230
Total Assets	<u>120,422,221</u>	<u>31,107,936</u>	<u>72,224,329</u>	<u>54,253,308</u>	<u>11,324,847</u>	<u>59,517,422</u>	<u>348,850,063</u>
Total Assets and Deferred							
Outflows of Resources	<u>\$ 120,422,221</u>	<u>\$ 31,107,936</u>	<u>\$ 72,224,329</u>	<u>\$ 54,253,308</u>	<u>\$ 11,324,847</u>	<u>\$ 59,517,422</u>	<u>\$ 348,850,063</u>
Liabilities, Deferred							
Inflows of Resources & Fund Balances							
Liabilities:							
Accounts payable	\$ 2,828,461	\$ 3,569,515	\$ 6,458	\$ 1,391,197	\$ 809,066	\$ 2,049,199	\$ 10,653,896
Accrued salaries and benefits	5,144,749	2,398,592	-	-	158,743	538,990	8,241,074
Other accrued liabilities	46,968	-	-	-	-	-	46,968
Due to other funds	865,424	2,269	-	-	-	37,184	904,877
Due to other government agencies							
agencies	4,099,699	174,095	1,968,532	1,203	5,149	131,786	6,380,464
Unearned revenue	3,786,312	-	-	-	-	105,806	3,892,118
Advances from other funds	-	150,000	-	-	3,500,000	1,560,230	5,210,230
Total Liabilities	<u>16,771,613</u>	<u>6,294,471</u>	<u>1,974,990</u>	<u>1,392,400</u>	<u>4,472,958</u>	<u>4,423,195</u>	<u>35,329,627</u>
Deferred Inflows of Resources:							
Unavailable revenue	8,191,872	4,504,703	-	-	789,755	519,655	14,005,985
Fund Balances:							
Nonspendable	3,734,019	14,140	-	-	-	47,472	3,795,631
Restricted	31,570,646	19,271,809	70,249,339	18,445,082	6,062,134	52,862,092	198,461,102
Committed	8,274,785	1,022,813	-	11,316,992	-	3,333,326	23,947,916
Assigned	12,226,085	-	-	23,098,834	-	-	35,324,919
Unrestricted	39,653,201	-	-	-	-	(1,668,318)	37,984,883
Total Fund Balances	<u>95,458,736</u>	<u>20,308,762</u>	<u>70,249,339</u>	<u>52,860,908</u>	<u>6,062,134</u>	<u>54,574,572</u>	<u>299,514,451</u>
Total Liabilities, Deferred							
Inflows of Resources & Fund Balances	<u>\$ 120,422,221</u>	<u>\$ 31,107,936</u>	<u>\$ 72,224,329</u>	<u>\$ 54,253,308</u>	<u>\$ 11,324,847</u>	<u>\$ 59,517,422</u>	<u>\$ 348,850,063</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 Position - Governmental Activities
June 30, 2015

Fund Balance - total governmental funds (page 31)		\$ 299,514,451
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.		145,758,980
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	\$ (5,846,072)	
Capital lease obligations	(2,125,822)	
Certificates of participation	(34,009,780)	
Bonds payable	(15,401,672)	
Compensated absences	(7,346,518)	
Net pension liability	<u>(147,340,520)</u>	
Total long-term liabilities		(212,070,384)
Deferred outflow of resources		17,797,768
Accrued interest on debt		(145,786)
Deferred inflow of resources		(39,773,755)
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.		14,005,985
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>8,026,388</u>
Net position of governmental activities (page 25)		<u>\$ 233,113,647</u>

COUNTY OF NAPA

Statement of Revenues, Expenditures and
Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2015

	General Fund	Health and Human Services	Flood Protection & Watershed Improvement Authority	Capital Improvement Fund	Roads	Other Governmental Funds	Total
Revenues:							
Taxes	\$ 105,084,702	\$ -	\$ 17,348,129	\$ -	\$ -	\$ 17,531,746	\$ 139,964,577
Licenses and permits	5,549,126	311,620	-	-	50,291	3,905,167	9,816,204
Fines, forfeitures and penalties	5,457,788	550,449	-	475,202	174,684	184,862	6,842,985
Revenue from the use of money and property	1,491,508	153,606	416,082	205,424	27,930	341,941	2,636,491
Aid from other governments	52,836,693	50,338,938	-	-	6,767,124	5,214,694	115,157,449
Charges for services	22,500,384	8,015,450	-	100,000	207,595	8,637,312	39,460,741
Contributions and donations	36,152	34,409	-	-	5,760	177,544	253,865
Other revenue	271,250	52,066	-	-	333,752	24,879	681,947
Total Revenues	193,227,603	59,456,538	17,764,211	780,626	7,567,136	36,018,145	314,814,259
Expenditures							
Current:							
General government	25,130,631	-	-	-	-	5,717,864	30,848,495
Public protection	99,453,829	-	-	-	-	19,186,055	118,639,884
Public ways and facilities	18,379,587	-	3,511,662	-	8,144,226	208,283	30,243,758
Health and sanitation	313,632	41,907,847	-	-	-	257,087	42,478,566
Public assistance	-	46,529,548	-	-	-	710,902	47,240,450
Education	462,085	-	-	-	-	7,243,420	7,705,505
Recreation and cultural services	1,391,310	-	-	-	-	-	1,391,310
Debt Service:							
Principal	79,432	-	4,640,000	-	-	2,882,636	7,602,068
Interest expense	3,755	-	733,866	-	-	1,605,135	2,342,756
Administration, issuance and arbitrage fees	-	-	7,675	-	-	2,000	9,675
Capital outlay	-	-	-	4,221,649	-	-	4,221,649
Total Expenditures	145,214,261	88,437,395	8,893,203	4,221,649	8,144,226	37,813,382	292,724,116
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>48,013,342</u>	<u>(28,980,857)</u>	<u>8,871,008</u>	<u>(3,441,023)</u>	<u>(577,090)</u>	<u>(1,795,237)</u>	<u>22,090,143</u>
Other Financing Sources (Uses)							
Proceeds from long term debt	3,197,417	-	-	-	-	-	3,197,417
Proceeds from insurance	5,996,548	-	-	1,309,959	-	-	7,306,507
Transfers in	1,694,865	33,128,404	-	20,182,669	3,802,198	5,384,597	64,192,733
Transfers out	(59,766,760)	(1,030,049)	-	(140,723)	(5,161)	(1,410,215)	(62,352,908)
Total Other Financing Sources (Uses)	(48,877,930)	32,098,355	-	21,351,905	3,797,037	3,974,382	12,343,749
Net change in fund balances	(864,588)	3,117,498	8,871,008	17,910,882	3,219,947	2,179,145	34,433,892
Fund Balances - Beginning	96,323,324	17,191,264	61,378,331	34,950,026	2,842,187	52,395,427	265,080,559
Fund Balances - Ending	\$ 95,458,736	\$ 20,308,762	\$ 70,249,339	\$ 52,860,908	\$ 6,062,134	\$ 54,574,572	\$ 299,514,451

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, 2015

Net change in fund balances - total governmental funds (page 33) \$ 34,433,892

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	\$ 7,383,365	
Less: current year depreciation	<u>(6,683,337)</u>	700,028

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds		(3,287,437)
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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

Issuance of capital leases	(96,525)	
Loan proceeds	(5,599,844)	
Principal payments	<u>7,602,068</u>	1,905,699

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	26,145	
Amortization of debt premiums	440,463	
Change in compensated absences	(412,700)	
Difference between pension expense and funding	<u>3,695,375</u>	3,749,283

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>(2,941,817)</u>
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Change in net position of governmental activities (pages 26-27) \$ 34,559,648

COUNTY OF NAPA

Statement of Fund Net Position
Proprietary Funds
June 30, 2015

	Business-Type Activities - Enterprise Funds					Governmental	
	Napa County	Lake Berryessa	Napa Berryessa	5th Street	Other Enterprise	Internal Service	
	Airport	Improvement	Improvement	Parking Garage	Funds	Funds	
Assets							
Current Assets:							
Cash and investments	\$ 3,755,915	\$ 600,908	\$ 770,780	\$ 236,955	\$ 889,287	\$ 6,253,845	\$ 18,319,530
Restricted Assets:							
Cash with fiscal agent	-	173,029	-	-	-	173,029	-
Cash held for capital projects	-	1,734,219	2,049,263	-	-	3,783,482	-
Imprest cash	100	-	-	-	175	275	68,457
Receivables, Net:							
Taxes	-	12,148	9,737	-	-	21,885	-
Accounts	1,777	92,059	-	140	20,854	114,830	125,870
Special assessments	-	429,222	152,716	-	-	581,938	-
Due from other government agencies	52,370	541,051	433,250	-	190,030	1,216,701	129,347
Prepaid items	-	10,500	15,000	-	-	25,500	1,127,437
Deposits	1,250	-	-	-	-	1,250	17,345
Total Current Assets	3,811,412	3,593,136	3,430,746	237,095	1,100,346	12,172,735	19,787,986
Noncurrent Assets:							
Capital Assets:							
Nondepreciable:							
Land	1,886,002	205,050	237,567	-	3,036,422	5,365,041	-
Construction in progress	-	4,073,436	-	-	-	4,073,436	-
Intangible assets	-	-	-	-	-	-	800,356
Depreciable:							
Structures and improvements	35,085,836	6,681,841	12,601,168	16,841,341	7,513,192	78,723,378	-
Equipment	883,879	407,420	126,090	-	-	1,417,389	14,057,707
Intangible assets	-	-	-	-	-	-	667,632
Accumulated depreciation	(24,736,293)	(2,592,121)	(1,865,236)	(2,189,374)	(1,630,928)	(33,013,952)	(7,762,267)
Total Noncurrent Assets	13,119,424	8,775,626	11,099,589	14,651,967	8,918,686	56,565,292	7,763,428
Total Assets	16,930,836	12,368,762	14,530,335	14,889,062	10,019,032	68,738,027	27,551,414
Deferred Outflows of Resources:							
Deferred pension	86,964	-	-	-	64,159	151,123	691,930
Liabilities							
Current Liabilities:							
Accounts payable	43,110	187,912	365,821	3,556	102,535	702,934	757,657
Accrued salaries and benefits	42,743	-	-	-	33,220	75,963	463,048
Due to other government agencies	50,349	-	-	-	156	50,505	-
Deposits	10,319	34,030	63,840	-	-	108,189	-
Interest payable	-	56,623	92,454	-	-	149,077	-
Loans payable	42,969	-	-	-	-	42,969	-
Capital lease obligations	45,682	-	-	-	16,578	62,260	73,727
Bonds payable	-	95,000	150,000	-	-	245,000	-
Unearned revenue	-	-	-	-	6,023	6,023	55,335
Stipulated judgment	-	40,000	-	-	-	40,000	-
Unpaid insurance claims	-	-	-	-	-	-	2,879,717
Compensated absences	26,842	-	-	-	15,422	42,264	189,976
Total Current Liabilities	262,014	413,565	672,115	3,556	173,934	1,525,184	4,419,460
Noncurrent Liabilities:							
Advances from other funds	-	500,000	2,594,000	-	-	3,094,000	-
Loans payable	73,280	-	-	-	-	73,280	-
Capital lease obligations	639,989	-	-	-	227,640	867,629	96,682
Bonds payable	-	4,015,000	10,566,266	-	-	14,581,266	-
Stipulated judgment	-	120,000	-	-	-	120,000	-
Unpaid insurance claims	-	-	-	-	-	-	7,650,707
Compensated absences	18,471	-	-	-	18,461	36,932	177,006
Net pension liability	802,679	-	-	-	588,972	1,391,651	6,254,251
Total Noncurrent Liabilities	1,534,419	4,635,000	13,160,266	-	835,073	20,164,758	14,178,646
Total Liabilities	1,796,433	5,048,565	13,832,381	3,556	1,009,007	21,689,942	18,598,106
Deferred Inflows of Resources:							
Deferred pension	207,766	-	-	-	152,450	360,216	1,618,850
Net Position							
Net investment in capital assets	12,317,504	6,572,874	2,432,586	14,651,965	8,674,468	44,649,397	7,547,045
Unrestricted	2,696,097	747,323	(1,734,632)	233,541	247,266	2,189,595	479,343
Total Net Position	\$ 15,013,601	\$ 7,320,197	\$ 697,954	\$ 14,885,506	\$ 8,921,734	\$ 46,838,992	\$ 8,026,388

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, 2015

	Business-Type Activities - Enterprise Funds					Governmental	
		Lake	Napa	5th Street	Other	Internal	
	Napa County Airport	Berryessa Resort Improvement	Berryessa Resort Improvement	Parking Garage	Enterprise Funds	Service Funds	
					Total		
Operating Revenues:							
Charges for services	\$ 1,579,142	\$ 545,028	\$ 828,443	\$ 172,477	\$ 1,561,466	\$ 4,686,556	\$ 24,572,956
Maintenance Charges:							
Equipment	-	-	-	-	-	-	647,594
Vehicle	-	-	-	-	-	-	1,095,104
Replacement charges	-	-	-	-	-	-	5,450
Other revenue	8,910	4,229	-	3,638	14,470	31,247	21,894
Total Operating Revenues	1,588,052	549,257	828,443	176,115	1,575,936	4,717,803	26,342,998
Operating Expenses:							
Salaries and employee benefits	755,566	-	-	-	637,950	1,393,516	17,077,706
Services and supplies	724,352	549,692	669,879	104,296	1,710,757	3,758,976	4,733,749
Insurance	12,483	10,500	15,000	28,622	928	67,533	-
Other charges	18,268	-	1,818	-	-	20,086	36,608
Claims expense	-	-	-	-	-	-	3,848,941
Depreciation and amortization	1,472,580	299,595	305,626	336,827	173,292	2,587,920	1,258,296
Total Operating Expenses	2,983,249	859,787	992,323	469,745	2,522,927	7,828,031	26,955,300
Operating Income (Loss)	(1,395,197)	(310,530)	(163,880)	(293,630)	(946,991)	(3,110,228)	(612,302)
Non-Operating Revenues (Expenses):							
Aid from other governments	399	3,701,258	216	-	15,000	3,716,873	6,375
Taxes	-	301,680	53,304	-	-	354,984	-
Other revenue - non operating	-	2,155	6,465	-	45,358	53,978	-
Investment income (loss)	21,079	5,820	17,937	1,485	4,730	51,051	143,136
Other expense	-	-	-	-	(240)	(240)	(31,816)
Interest expense	(18,584)	(230,152)	(336,959)	-	(3,694)	(589,389)	(16,614)
Administration, issuance and arbitrage fees	-	(8,442)	(20,000)	-	-	(28,442)	-
Gain (Loss) on disposition of capital assets	-	-	-	-	-	-	107,288
Total Non-Operating Revenues (Expenses)	2,894	3,772,319	(279,037)	1,485	61,154	3,558,815	208,369
Net Income (Loss) Before Contributions and Transfers	(1,392,303)	3,461,789	(442,917)	(292,145)	(885,837)	448,587	(403,933)
Capital contributions, grants and assessments	89,241	336,419	569,399	-	-	995,059	-
Transfers in	17,855	-	1,266	-	678,938	698,059	302,008
Transfers out	-	-	-	-	-	-	(2,839,892)
Change in Net Position	(1,285,207)	3,798,208	127,748	(292,145)	(206,899)	2,141,705	(2,941,817)
Net Position - Beginning	17,240,168	3,521,989	570,206	15,177,651	9,819,363	46,329,377	18,303,012
Cumulative effect of change in accounting principle	(941,360)	-	-	-	(690,730)	(1,632,090)	(7,334,807)
Net Position - Beginning, as restated	16,298,808	3,521,989	570,206	15,177,651	9,128,633	44,697,287	10,968,205
Net Position - End of Year	\$ 15,013,601	\$ 7,320,197	\$ 697,954	\$ 14,885,506	\$ 8,921,734	\$ 46,838,992	\$ 8,026,388

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, 2015

	Business-Type Activities - Enterprise Funds					Governmental	
	Lake		Napa		Total	Internal Service Funds	
	Napa County Airport	Berryessa Resort Improvement	Berryessa Resort Improvement	5th Street Parking Garage			Other Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES:							
Receipts from customers	\$ 1,807,359	\$ 572,875	\$ 946,518	\$ 179,171	\$ 1,766,319	\$ 5,272,242	\$ -
Receipts from interfund services provided	-	-	-	-	-	-	26,207,829
Payments to suppliers for goods and services	(725,492)	(584,825)	(821,708)	(132,812)	(1,675,609)	(3,940,446)	(4,849,891)
Payments for self insurance claims	-	-	-	-	-	-	(3,384,507)
Payments to employees for services	(766,190)	-	-	-	(643,385)	(1,409,575)	(17,196,446)
Net Cash Provided (Used) by Operating Activities	<u>315,677</u>	<u>(11,950)</u>	<u>124,810</u>	<u>46,359</u>	<u>(552,675)</u>	<u>(77,779)</u>	<u>776,985</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:							
Aid from other government agencies	399	4,000,311	(433,034)	-	15,000	3,582,676	6,375
Transfers in	17,855	-	1,266	-	678,938	698,059	302,008
Transfers out	-	-	-	-	-	-	(2,839,892)
Due to other funds	-	-	-	-	(62,827)	(62,827)	-
Taxes	-	303,268	55,672	-	-	358,940	-
Other revenues	-	2,155	6,465	-	45,358	53,978	-
Other payments	-	-	-	-	(240)	(240)	(31,814)
Stipulated judgment payments	-	(40,000)	-	-	-	(40,000)	-
Net Cash Provided (Used) by Noncapital Financing Activities	<u>18,254</u>	<u>4,265,734</u>	<u>(369,631)</u>	<u>-</u>	<u>676,229</u>	<u>4,590,586</u>	<u>(2,563,323)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:							
Proceeds from the sale of capital assets	-	-	-	-	-	-	112,341
Proceeds from bond issuances	-	-	457,777	-	-	457,777	-
Payments for capital leases	(45,908)	-	-	-	(16,351)	(62,259)	-
Principal repayments related to capital purposes	(41,016)	(90,000)	-	-	-	(131,016)	(62,948)
Interest payments related to capital purposes	(18,584)	(231,333)	(322,142)	-	(3,694)	(575,753)	(16,614)
Debt administration payments related to capital purposes	-	(8,442)	(20,000)	-	-	(28,442)	-
Capital grants and contributions	177,197	-	-	-	-	177,197	-
Special assessments	-	239,993	535,191	-	-	775,184	-
Payments related to the acquisition of capital assets	-	(3,798,822)	(448,925)	-	-	(4,247,747)	(1,888,191)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>71,689</u>	<u>(3,888,604)</u>	<u>201,901</u>	<u>-</u>	<u>(20,045)</u>	<u>(3,635,059)</u>	<u>(1,855,412)</u>
CASH FLOWS FROM INVESTING ACTIVITIES							
Investment earnings	21,079	5,820	17,937	1,485	4,730	51,051	143,136
Net Cash Used by Investing Activities	<u>21,079</u>	<u>5,820</u>	<u>17,937</u>	<u>1,485</u>	<u>4,730</u>	<u>51,051</u>	<u>143,136</u>
Net Increase (Decrease) in Cash and Cash Equivalents	426,699	371,000	(24,983)	47,844	108,239	928,799	(3,498,614)
Cash and Cash Equivalents, Beginning	<u>3,329,316</u>	<u>2,137,156</u>	<u>2,845,026</u>	<u>189,111</u>	<u>781,223</u>	<u>9,281,832</u>	<u>21,886,601</u>
Cash and Cash Equivalents, Ending (includes restricted and imprest cash)	<u>\$ 3,756,015</u>	<u>\$ 2,508,156</u>	<u>\$ 2,820,043</u>	<u>\$ 236,955</u>	<u>\$ 889,462</u>	<u>\$10,210,631</u>	<u>\$ 18,387,987</u>

continued

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, 2015

	Business-Type Activities - Enterprise Funds					Governmental Activities	
	Napa	Lake	Napa	5th Street	Other	Total	Internal Service Funds
	County	Berryessa	Berryessa	Parking	Enterprise		
	Airport	Resort	Resort	Garage	Funds		
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used) by Operating Activities:							
Operating income (loss)	\$(1,395,197)	\$ (310,530)	\$ (163,880)	\$ (293,630)	\$ (946,991)	\$(3,110,228)	\$ (612,302)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:							
Depreciation and amortization	1,472,580	299,595	305,626	336,827	173,292	2,587,920	1,258,296
Changes in assets and liabilities:							
(Increase) decrease in:							
Accounts receivable	209,307	16,393	106,855	3,056	(2,045)	333,566	(61,157)
Deposits	1,250	-	-	-	-	1,250	51,964
Due from other government agencies	-	-	-	-	190,959	190,959	(129,347)
Prepaid items	-	-	-	-	-	-	(136,184)
Increase (decrease) in:							
Accounts payable	27,330	(24,633)	(121,136)	191	35,920	(82,328)	4,686
Salaries and benefits	(10,624)	-	-	-	(5,435)	(16,059)	(118,740)
Due to other governments	1,031	-	(13,875)	(85)	156	(12,773)	-
Unearned revenue	-	-	-	-	1,469	1,469	55,335
Customer deposits	10,000	7,225	11,220	-	-	28,445	-
Claims liability	-	-	-	-	-	-	464,434
Net Cash Provided (Used) by Operating Activities	\$ 315,677	\$ (11,950)	\$ 124,810	\$ 46,359	\$ (552,675)	\$ (77,779)	\$ 776,985
Noncash investing, capital, and financing activities:							
Assessments	\$ -	\$ 429,222	\$ 152,716	\$ -	\$ -	\$ 581,938	\$ -
Borrowing under capital lease	-	-	-	-	-	-	233,357

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

COUNTY OF NAPA

Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2015

Assets	<u>Investment Trust Funds</u>	<u>Private Purpose Trust Funds</u>	<u>Agency Funds</u>
Current Assets:			
Cash and investments	\$225,733,136	\$ 3,172,857	\$ 30,569,634
Taxes receivable	-	-	11,652,299
Total Assets	<u>225,733,136</u>	<u>3,172,857</u>	<u>\$ 42,221,933</u>
Liabilities			
Agency funds held for other	-	-	42,221,933
Total Liabilities	<u>-</u>	<u>-</u>	<u>\$ 42,221,933</u>
Net Position			
Net assets held in trust	<u>225,733,136</u>	<u>3,172,857</u>	
Total Net Position	<u>\$225,733,136</u>	<u>\$ 3,172,857</u>	

COUNTY OF NAPA

Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2015

	<u>Investment Trust Funds</u>	<u>Private Purpose Trust Funds</u>
<u>ADDITIONS</u>		
Contribution:		
Contribution to investment pool	\$ 805,075,188	\$ 2,441,623
Total Contribution	<u>805,075,188</u>	<u>2,441,623</u>
Net Investment Income:		
Investment income (loss)	<u>1,225,705</u>	<u>20,730</u>
Net Investment Income	<u>1,225,705</u>	<u>20,730</u>
Total Additions	<u>806,300,893</u>	<u>2,462,353</u>
<u>DEDUCTIONS</u>		
Distributions from investment pool	<u>832,342,812</u>	<u>3,122,280</u>
Total Deductions	<u>832,342,812</u>	<u>3,122,280</u>
Change in Net Position	(26,041,919)	(659,927)
Net Position - Beginning	<u>251,775,055</u>	<u>3,832,784</u>
Net Position - Ending	<u>\$ 225,733,136</u>	<u>\$ 3,172,857</u>

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, 2015

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, Community Facilities District - MST, and Napa County Public Improvement Corporation. The blended component units' governing bodies are substantively the same as the governing body of the primary government.

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

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

COUNTY OF NAPA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2015

1. Summary of Significant Accounting Policies (continued)

A. The Financial Reporting Entity (continued)

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 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.

COUNTY OF NAPA

Notes to the Basic Financial Statements For the Year Ended June 30, 2015

1. Summary of Significant Accounting Policies (continued)

B. Basis of Presentation (continued)

Government-Wide Financial Statements (continued)

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 and internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The County reports the following major governmental funds:

- The *General Fund* is used to account for all revenues and expenditures necessary to carry out basic governmental activities of the County that are not accounted for through other funds. For the County, the General Fund includes such activities as general government, public protection, public ways and facilities, health and sanitation, 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 used to build up resources and account for major County capital 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.

COUNTY OF NAPA

Notes to the Basic Financial Statements For the Year Ended June 30, 2015

1. Summary of Significant Accounting Policies (continued)

B. Basis of Presentation (continued)

Fund Financial Statements (continued)

The County reports the following major enterprise funds:

- The *Napa County Airport Fund* is used to fund general airport operations, office and administrative expenses, and the maintenance of airport facilities, including the replacement of exterior lighting fixtures, runways, taxiway and ramp lighting, and heating and air conditioning service. Major revenue sources include fuel flow fees, rents, land leases, landing fees as well as State, Federal and General Fund resources.
- 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, State resources 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.
- *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.

COUNTY OF NAPA

Notes to the Basic Financial Statements For the Year Ended June 30, 2015

1. Summary of Significant Accounting Policies (continued)

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.

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, 2015

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, 2015. 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 \$11.7 million 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 2014-2015, 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, 2015 is \$8.5 million.

H. Capital Assets

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

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

COUNTY OF NAPA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2015

1. Summary of Significant Accounting Policies (continued)

H. Capital Assets (continued)

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

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 10	360 maximum hours
Years 11 or more	400 maximum hours

COUNTY OF NAPA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2015

1. Summary of Significant Accounting Policies (continued)

J. Compensated Absences (continued)

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.

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 72, 73, 74, 75 and 76 listed below will be implemented in future financial statements:

COUNTY OF NAPA

Notes to the Basic Financial Statements For the Year Ended June 30, 2015

1. Summary of Significant Accounting Policies (continued)

N. Future Accounting Pronouncements (continued)

Statement No. 72	<i>Fair Value Measurement and Application</i>	The provisions of this statement are effective for financial statement periods beginning after June 15, 2015.
Statement No. 73	<i>Accounting and Financial Reporting for Pension and Related Assets That Are Not within the Scope of GASB Statement No. 68, and Amendments to Certain Provisions of GASB Statements No. 67 and No. 68</i>	The provisions of this statement are effective for financial statement periods beginning after June 15, 2015 - except those provisions that address employers and governmental nonemployer contributing entities for pensions that are not within the scope of GASB Statement No. 68, which are effective for financial statement periods beginning after June 15, 2016.
Statement No. 74	<i>Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans</i>	The provisions of this statement are effective for financial statement periods beginning after June 15, 2016.
Statement No. 75	<i>Accounting and Financial Reporting for Postemployment Benefits Other Than Pension Plans</i>	The provisions for this statement are effective for financial statement periods beginning after June 15, 2017.
Statement No. 76	<i>The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments</i>	The provisions for this statement are effective for financial statement periods beginning after June 15, 2015.

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

COUNTY OF NAPA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2015

1. Summary of Significant Accounting Policies (continued)

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.

Q. Pensions

In government-wide financial statements and proprietary fund financial statements, retirement plans are required to be recognized and disclosed using the accrual basis of accounting, regardless of the amount recognized as pension expenditures on the governmental fund statements, which use the modified accrual basis of accounting.

In general, the County recognizes a net pension liability, which represents the County's proportionate share of the excess of the total pension liability over the fiduciary net position of the pension reflected in the actuarial report provided by the California Public Employees' Retirement System (CalPERS). The net pension liability is measured as of the County's prior fiscal year-end. Changes in the net pension liability are recorded, in the period incurred, as pension expense or as deferred inflows of resources or deferred outflows of resources depending on the nature of the change. The changes in net pension liability that are recorded as deferred inflows of resources or deferred outflows of resources (that arise from changes in actuarial assumptions or other inputs and differences between expected or actual experience) are amortized over the weighted average remaining service life of all participants in the respective pension plan and are recorded as a component of pension expense beginning with the period in which they are incurred.

For purposes of measuring the net pension liability and deferred outflows/inflows of resources relating to pensions and pension expense, information about the fiduciary net position of the County's pension plan with CalPERS and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Projected earnings on pension investments are recognized as a component of pension expense. Differences between projected and actual investment earnings are reported as deferred inflows of resources or deferred outflows of resources and amortized as a component of pension expense on a closed basis over a five-year period beginning with the period in which the difference occurred. Each subsequent year will incorporate an

COUNTY OF NAPA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2015

1. Summary of Significant Accounting Policies (continued)

Q. Pensions (continued)

additional closed basis five-year period recognition.

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, 2015, total County cash and investments were as follows:

Cash:	
Cash on hand	\$ 23,667,728
Imprest cash	153,674
Outstanding warrants and reconciliations	(10,729,610)
Total Cash	<u>13,091,792</u>
Investments:	
In Treasurer's pool	532,006,949
With fiscal agents external to the pool	11,744,898
Total Investments	<u>543,751,847</u>
Total Cash and Investments	<u>\$ 556,843,639</u>

COUNTY OF NAPA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2015

2. Cash and Investments (continued)

Total cash and investments at June 30, 2015 were presented in the County's financial statements as follows:

Total governmental activities	\$ 287,157,381
Total business-type activities	10,210,631
Investment trust funds	225,733,136
Private purpose trust funds	3,172,857
Agency funds	30,569,634
Total Cash and Investments	<u>\$ 556,843,639</u>

Custodial Credit Risk related to Deposits

Custodial credit risk for deposits is the risk that the County will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. This risk is mitigated in that of the County's total bank balances, \$270,432 is insured by the Federal Depository Insurance Corporation. The remaining \$23,314,201 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.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
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, 2015

2. Cash and Investments (continued)

Investments (continued)

At June 30, 2015 the County had the following investments:

	<u>Interest Rates</u>	<u>Maturities</u>	<u>Par</u>	<u>Cost</u>	<u>Fair Value</u>	<u>WAM (Years)</u>
Investments in Investment Pool						
U.S. Agency Obligations - fixed	0.450%-2.10%	8/17/15-10/15/19	\$ 287,125,000	\$ 287,099,340	\$ 286,829,004	2.17
U.S. Agency Obligations - discount	0.07%-0.150%	7/3/14-1/31/15	192,500,000	192,380,667	192,450,090	0.26
Teeter notes	0.88%-2.19%	9/1/16-9/1/19	2,526,942	2,526,942	2,526,942	2.86
Local Agency Investment Fund (LAIF)	0.24%	on demand	50,000,000	50,000,000	50,000,000	0.00
Total Treasurer's Pooled Investments			532,151,942	532,006,949	531,806,036	1.28
Investments Controlled by Fiscal Agents						
U.S. Treasury Obligations			11,744,898	11,744,898	11,744,898	
Total Investments			<u>\$ 543,896,840</u>	<u>\$ 543,751,847</u>	<u>\$ 543,550,934</u>	

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.

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. At June 30, 2015, the investment pool cost exceeded fair value by \$200,913, or 0.037%. 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 and thus avoid the realization of investment losses.

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.

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, 2015.

	<u>S & P</u>	<u>Moody's</u>	<u>% of Portfolio</u>
U.S. Agency Obligations - fixed	AA+	Aaa	53.93 %
U.S. Agency Obligations - discount	AA+	Aaa	36.19 %
Teeter notes	Unrated	Unrated	0.48 %
Local Agency Investment Fund (LAIF)	Unrated	Unrated	9.40 %
Total			<u>100.00 %</u>

COUNTY OF NAPA

Notes to the Basic Financial Statements For the Year Ended June 30, 2015

2. Cash and Investments (continued)

Concentration of Credit Risk (continued)

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	\$ 110,353,744	20.75 %
Federal Farm Credit Bank	Government Sponsored	142,584,160	26.81 %
Federal National Mortgage Association	Government Sponsored	116,930,800	21.99 %
Federal Home Loan Mortgage Corporation	Government Sponsored	109,410,390	20.57 %

Local Agency Investment Fund

The Pool's total investment in the Local Agency Investment Fund (LAIF), managed by the Treasurer for the State of California is \$50.0 million at June 30, 2015. The total amount invested by all public agencies in LAIF at June 30, 2015 was \$21.5 billion. LAIF is part of the State of California Pooled Money Investment Account (PMIA), whose balance at June 30, 2015 was \$71.6 billion. The PMIA portfolio includes 0.97% invested in medium and short term structured notes and asset-backed securities and 1.11% invested in short term asset-backed commercial paper. 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 239 days as of June 30, 2015. 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 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, 2015:

Statement of Net Position

Net Position held for pool participants	<u>\$ 532,006,949</u>
Equity of internal pool participants	309,646,853
Equity of external pool participants	<u>222,360,096</u>
Total Net Position	<u>\$ 532,006,949</u>

Statement of Changes in Net Position

Net position held for pool participants at July 1, 2014	\$ 529,882,211
Net change in investments by pool participants	<u>2,124,738</u>
Net position held for pool participants at June 30, 2015	<u>\$ 532,006,949</u>

COUNTY OF NAPA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2015

3. Interfund Transactions

Interfund Receivables/Payables

The composition of interfund balances as of June 30, 2015 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	\$ 37,184	IHSS cash advance
	Health and Human Services Agency	2,269	Program related cash advance
Health and Human Services Agency	General Fund	865,424	Program related cash advance
		<u>\$ 904,877</u>	

The above balances reflect temporary cash advances.

Advance to/from other funds:

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

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Lake Berryessa Resort Improv.	\$ 500,000	Capital advance
	Napa Berryessa Resort Improv.	2,549,000	Operating & capital advance
	Other Governmental Fund	563,000	Capital advance
Capital Improvement Fund	Napa Berryessa Resort Improv.	45,000	Capital advance
	Roads Fund	3,500,000	Capital advance
	Other Governmental Fund	997,230	Capital advance
Other Governmental Fund	Health & Human Services Agency	150,000	Operating advance
		<u>\$ 8,304,230</u>	

COUNTY OF NAPA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2015

3. Interfund Transactions (continued)

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	\$ 2,110,122	Road contribution
	Health & Human Services Agency	32,857,003	HHSA program contribution
	Capital Improvement Fund	20,152,895	Capital projects
	Other Governmental Funds	3,721,170	Debt service
	Other Governmental Funds	466,103	Library contribution
	Other Governmental Funds	159,467	IHSS contribution
	Internal Service Funds	300,000	Unemployment insurance subsidy
Health & Human Services Agency	General Fund	507,854	Program contribution
	Other Governmental Funds	22,195	Medical assistance programs
	Other Governmental Funds	500,000	Debt service
Capital Improvement Fund	Health & Human Services Agency	70,319	Project management
	Other Governmental Funds	70,404	Debt service
Roads Fund	Other Governmental Funds	5,161	Debt service
Other Governmental Funds	General Fund	23,803	Emergency services
	Roads	198,000	Road Maintenance
	Health & Human Services Agency	84,000	Public assistance contribution
	Capital Improvement Fund	29,774	Project contribution
	Other Governmental Funds	371,013	Fire protection
	Other Governmental Funds	26,238	Debt service
	Other Enterprise Funds	677,387	Farmworker centers
	General Fund	1,163,208	Return of excess reserves
	Health & Human Services Agency	117,082	Return of excess reserves
	Roads Fund	1,494,076	Return of excess reserves
Internal Service Funds	Other Governmental Funds	42,846	Return of excess reserves
	Napa County Airport	17,855	Return of excess reserves
	Napa Berryessa Resort Improv.	1,266	Return of excess reserves
	Other Enterprise Funds	1,551	Return of excess reserves
	Internal Service Funds	2,008	Return of excess reserves
		<u>\$ 65,192,800</u>	

COUNTY OF NAPA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2015

4. Capital Assets

Capital asset activity for the year ended June 30, 2015 was as follows:

	Balance July 1, 2014	Additions	Retirements	Transfers & Adjustments	Balance June 30, 2015
Governmental Activities					
Capital Assets, not being depreciated:					
Land	\$ 7,804,261	\$ 190,520	\$ -	\$ 5,972,967	\$ 13,967,748
Intangible assets	617,285	183,070	-	-	800,355
Construction in progress	36,321,401	5,989,065	-	(25,343,611)	16,966,855
Total capital assets, not being depreciated	<u>44,742,947</u>	<u>6,362,655</u>	<u>-</u>	<u>(19,370,644)</u>	<u>31,734,958</u>
Capital assets, being depreciated:					
Infrastructure	186,729,960	-	-	-	186,729,960
Structures and improvements	104,812,628	-	-	19,370,644	124,183,272
Equipment	33,029,911	3,142,254	(878,306)	-	35,293,859
Intangible assets	667,632	-	-	-	667,632
Total capital assets being depreciated	<u>325,240,131</u>	<u>3,142,254</u>	<u>(878,306)</u>	<u>19,370,644</u>	<u>346,874,723</u>
Less accumulated depreciation for:					
Infrastructure	(160,760,824)	(3,036,692)	-	-	(163,797,516)
Structures and improvements	(33,487,366)	(2,334,583)	-	-	(35,821,949)
Equipment	(23,570,414)	(2,436,833)	873,253	-	(25,133,994)
Intangible assets	(200,289)	(133,526)	-	-	(333,815)
Total accumulated depreciation	<u>(218,018,893)</u>	<u>(7,941,634)</u>	<u>873,253</u>	<u>-</u>	<u>(225,087,274)</u>
Total capital assets, being depreciated, net	<u>107,221,238</u>	<u>(4,799,380)</u>	<u>(5,053)</u>	<u>19,370,644</u>	<u>121,787,449</u>
Governmental activities capital assets, net	<u>\$ 151,964,185</u>	<u>\$ 1,563,275</u>	<u>\$ (5,053)</u>	<u>\$ -</u>	<u>\$ 153,522,407</u>
Business-type Activities					
Capital assets, not being depreciated:					
Land	\$ 5,365,041	\$ -	\$ -	\$ -	\$ 5,365,041
Construction in progress	11,049,233	4,247,746	-	(11,223,543)	4,073,436
Total capital assets, not being depreciated	<u>16,414,274</u>	<u>4,247,746</u>	<u>-</u>	<u>(11,223,543)</u>	<u>9,438,477</u>
Capital assets, being depreciated:					
Structures and improvements	67,499,835	-	-	11,223,543	78,723,378
Equipment	1,417,389	-	-	-	1,417,389
Total capital assets, being depreciated	<u>68,917,224</u>	<u>-</u>	<u>-</u>	<u>11,223,543</u>	<u>80,140,767</u>
Less accumulated depreciation for:					
Structures and improvements	(29,727,332)	(2,395,581)	-	-	(32,122,913)
Equipment	(698,700)	(192,339)	-	-	(891,039)
Total accumulated depreciation	<u>(30,426,032)</u>	<u>(2,587,920)</u>	<u>-</u>	<u>-</u>	<u>(33,013,952)</u>
Total capital assets, being depreciated, net	<u>38,491,192</u>	<u>(2,587,920)</u>	<u>-</u>	<u>11,223,543</u>	<u>47,126,815</u>
Business-type activities capital assets, net	<u>\$ 54,905,466</u>	<u>\$ 1,659,826</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 56,565,292</u>

COUNTY OF NAPA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2015

4. Capital Assets (continued)

Transfers and Adjustments

During fiscal year 2014-2015 the following projects (construction in progress) were completed and transferred from non depreciable capital assets:

- The South County Campus was put into service during the fiscal year 2014-2015, resulting in \$25,343,611 being transferred to structures and improvements.
- The Lake Berryessa Resort Improvement District completed the Sewer Lift Station and the Alternate Intake projects resulting in \$340,751 being transferred to structures and improvements.
- The Napa Berryessa Resort Improvement District completed the Sewer Improvement and Water Treatment Plant projects resulting in a total of \$10,882,792 being transferred to structures and improvements.

Construction Commitments

Major outstanding construction commitments (in excess of \$1.0 million) were as follows:

<u>Project Description</u>	<u>Outstanding Commitment</u>
Countywide	
Jail Replacement Project	\$ 7,159,746
HHS Campus Redevelopment	2,604,207
Oakville Crossroads Project	1,091,253
Lake Berryessa Resort Improvement District	
Wastewater storage and disposal expansion project	3,461,153
Total	<u>\$ 14,316,359</u>

Depreciation

Depreciation expense was charged to governmental functions as follows:

General government	\$ 1,825,684
Public protection	1,882,701
Public ways and facilities	3,416,816
Health and sanitation	492,952
Public assistance	130,164
Education	193,317
Total Depreciation Expense - Governmental Functions	<u>\$ 7,941,634</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.

COUNTY OF NAPA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2015

4. Capital Assets (continued)

Depreciation (continued)

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

Napa County Airport	\$ 1,472,580
Lake Berryessa Resort Improvement District	299,595
Napa Berryessa Resort Improvement District	305,626
Fifth Street Parking Garage	336,827
Napa County Housing Authority	70,368
Napa County Animal Shelter	102,924
Total Depreciation Expense - Business-Type Functions	<u>\$ 2,587,920</u>

5. Long-Term Liabilities

The following is a summary of long-term liabilities:

	Balance July 1, 2014	Additions	Reductions	Adjustments	Balance June 30, 2015	Amount Due within One Year
Governmental Activities:						
Bonds payable	\$ 19,560,000	\$ -	\$ (4,640,000)	\$ -	\$ 14,920,000	\$ 4,790,000
Less unamortized premiums:						
For issuance premiums	642,230	-	(160,558)	-	481,672	
Certificates of participation	32,980,000	-	(2,745,000)	-	30,235,000	2,930,000
Less unamortized amounts:						
For issuance premiums	4,194,202	-	(419,422)	-	3,774,780	
Capital lease obligations	2,193,309	337,589	(234,667)	-	2,296,231	235,363
Loans payable	299,282	5,599,844	(53,054)	-	5,846,072	55,171
Compensated absences	7,323,884	6,982,225	(6,592,608)	-	7,713,501	4,239,932
Liability for unpaid claims	10,065,990	2,539,977	(2,075,543)	-	10,530,424	2,879,717
Total Governmental Activities						
Long-term liabilities	<u>\$ 77,258,897</u>	<u>\$ 15,459,635</u>	<u>\$ (16,920,852)</u>	<u>\$ -</u>	<u>\$ 75,797,680</u>	<u>\$ 15,130,183</u>
Business-type Activities						
Bonds payable	\$ 14,631,001	\$ 436,865	\$ (241,600)	\$ -	\$ 14,826,266	\$ 245,000
Capital lease obligations	992,149	-	(62,260)	-	929,889	62,260
Loan payable	157,265	-	(41,016)	-	116,249	42,969
Stipulated judgments	200,000	-	(40,000)	-	160,000	40,000
Compensated absences	71,783	67,183	(59,770)	-	79,196	42,264
Total Business-type Activities						
Long-term liabilities	<u>\$ 16,052,198</u>	<u>\$ 504,048</u>	<u>\$ (444,646)</u>	<u>\$ -</u>	<u>\$ 16,111,600</u>	<u>\$ 432,493</u>

COUNTY OF NAPA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2015

5. Long-Term Liabilities (continued)

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
2016	\$ 4,790,000	\$ 589,754	\$ 2,930,000	\$ 1,304,150	\$ 55,170	\$ 1,636
2017	4,965,000	413,466	3,055,000	1,185,350	275,654	44,516
2018	5,165,000	211,371	3,180,000	1,061,100	265,017	55,152
2019	-	-	3,330,000	916,750	267,667	52,502
2020	-	-	3,485,000	765,500	270,344	49,826
2021-2025	-	-	14,255,000	1,515,450	1,392,817	208,032
2026-2030	-	-	-	-	1,463,865	136,984
2031-2035	-	-	-	-	1,538,538	62,313
2036-2040	-	-	-	-	317,000	3,170
	<u>\$ 14,920,000</u>	<u>\$ 1,214,591</u>	<u>\$ 30,235,000</u>	<u>\$ 6,748,300</u>	<u>\$ 5,846,072</u>	<u>\$ 614,131</u>

Year Ending June 30:	Business-type Activities			
	Special Assessment Bonds Payable		Loans Payable	
	Principal	Interest	Principal	Interest
2016	\$ 245,000	\$ 592,048	\$ 42,969	\$ 6,072
2017	255,000	581,534	44,922	3,828
2018	266,000	570,548	28,358	1,481
2019	275,000	559,023	-	-
2020	291,000	546,745	-	-
2021-2025	1,643,000	2,372,873	-	-
2026-2030	2,004,000	1,992,604	-	-
2031-2035	2,494,000	1,517,850	-	-
2036-2040	2,395,000	951,550	-	-
2041-2045	1,851,000	621,048	-	-
2046-2050	2,190,000	302,355	-	-
2051-2053	917,266	207,033	-	-
	<u>\$ 14,826,266</u>	<u>\$ 10,815,211</u>	<u>\$ 116,249</u>	<u>\$ 11,381</u>

COUNTY OF NAPA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2015

5. Long-Term Liabilities (continued)

Long-term debt at June 30, 2015 consisted of the following:

	Date of Issue	Maturity	Interest Rates	Annual Principal Installments	Original Issue Amount	Outstanding at June 30, 2015
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	\$ 11,090,000
2013 Series A Bonds (to refund the Napa County Flood Protection and Watershed Improvement Authority's 2005 Series A Bonds and pay cost of issuance of the refunding. The Series A Bonds were used to finance or reimburse certain costs of the City of St. Helena's flood protection and watershed improvement project, pay the premium of a surety bond to be deposited in the Bond Reserve Fund established under the indenture, and pay the costs of issuance.)						
Bonds Payable	10/1/2013	2018	3.00-4.50%	\$820,000-\$1,295,000	5,890,000	3,830,000
Total Bonds Payable					<u>35,600,000</u>	<u>14,920,000</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	15,895,000
2014 issue (to finance or reimburse the County for certain costs to construct improvements on the South Napa Campus, acquire land on which to house inmate detention facilities, fund a reserve and to pay certain costs of issuance.)						
Certificates of Participation	4/1/2014	2024	3.00-4.00%	\$1,250,000-\$1,840,000	15,590,000	14,340,000
Total Certificates of Participation					<u>35,815,000</u>	<u>30,235,000</u>
Loans Payable						
2006 California Energy Commission Loan (to finance energy efficiency improvements for the County Administration Building and Hall of Justice)						
California Energy Commission Loan	11/17/2006	2016	3.95%	\$20,000-\$27,853	448,372	55,171
2014 State Water Resources Control Board (to finance construction of a recycled water pipeline to the Milliden-Sarco-Tulocay basin. The principal amount of the bond commitment is \$9,859,434 with \$191,057 issued and \$9,668,377 remaining to be issued as of June 30, 2014. This loan will be paid from amounts levied against property owners benefited by these improvements.)						
State Water Resources Control Board	6/27/2014	2035	1.00%	\$451,211-\$539,715	5,790,901	5,790,901
Total Loans Payable					<u>6,239,273</u>	<u>5,846,072</u>
Total Governmental Activities					<u>\$ 77,654,273</u>	<u>\$ 51,001,072</u>

COUNTY OF NAPA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2015

5. Long-Term Liabilities (continued)

	Date of Issue	Maturity	Interest Rates	Annual Principal Installments	Original Issue Amount	Outstanding at June 30, 2015
<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	\$ 4,110,000
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 \$8,003,210 with \$7,656,998 issued and \$346,271 remaining to be issued as of June 30, 2014. These bonds will be paid from amounts levied against property owners benefited by these improvements.)						
Bonds Payable	12/5/2012	2052	3.125%	\$40,728-\$129,000	7,944,137	7,833,266
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 \$2,774,062 issued and \$149,666 remaining to be issued as of June 30, 2014. 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>2,923,728</u>	<u>2,883,000</u>
Total Bonds Payable					<u>15,623,706</u>	<u>14,826,266</u>
Loan Payable						
2002 loan agreement (for construction of hangars at the Napa County Airport.)						
Napa County Airport Loan	5/8/2002	2018	5.22%	\$20,000-\$44,922	<u>500,000</u>	<u>116,249</u>
Total Loans Payable					<u>500,000</u>	<u>116,249</u>
Total Business-Type Activities					<u>\$ 16,123,706</u>	<u>\$ 14,942,515</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.

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.

COUNTY OF NAPA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2015

5. Long-Term Liabilities (continued)

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.

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:

<u>June 30,</u>	<u>Payments</u>
2016	\$ 928,033
2017	237,095
2018	138,678
2019	94,751
2020	75,512
2021-2025	135,679
2026-2030	135,679
2031-2035	135,679
2036-2040	135,679
2041-2045	135,679
Total	<u>\$ 2,152,464</u>

Rent expenditures were \$1,860,221 for the year.

COUNTY OF NAPA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2015

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, 2015:

Fiscal Year Ending June 30,	Governmental Activities	Business-type Activities
2016	\$ 273,348	\$ 75,728
2017	273,348	75,728
2018	213,676	75,728
2019	167,408	75,728
2020	167,408	75,728
2021-2025	837,041	376,637
2026-2030	<u>585,929</u>	<u>265,046</u>
Total minimum lease payments	2,518,158	1,020,323
Less: Amount representing interest	<u>(221,927)</u>	<u>(90,434)</u>
Net present value of capital lease payments	<u>\$ 2,296,231</u>	<u>\$ 929,889</u>

The following is a schedule of capital assets acquired through capital leases as of June 30, 2015:

	Governmental Activities	Business-type Activities	Total
Equipment	<u>\$ 2,666,027</u>	<u>\$ 979,858</u>	<u>\$ 3,645,885</u>
Total capital assets, gross	\$ 2,666,027	\$ 979,858	\$ 3,645,885
Less: accumulated depreciation	<u>\$ (857,776)</u>	<u>\$ (223,403)</u>	<u>\$ (1,081,179)</u>
Total capital assets, net, under capital leases	<u>\$ 1,808,251</u>	<u>\$ 756,455</u>	<u>\$ 2,564,706</u>

Depreciation expense related to capital assets under capital leases was \$639,547 and \$148,138 for governmental and business-type activities, respectively.

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.

COUNTY OF NAPA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2015

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

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.

The various components of unearned revenue and unavailable revenues (deferred inflows of resources) are reported as follows:

	<u>Unearned</u>	<u>Unavailable</u>	<u>Total</u>
Governmental Activities:			
General Fund:			
SB 90 mandated costs	\$ -	\$ 4,403,405	\$ 4,403,405
State grants & reimbursements	30,499	3,401,142	3,431,641
Federal grants & reimbursements	47,666	204,292	251,958
Other	3,708,147	183,033	3,891,180
Health and Human Services Agency:			
State grants & reimbursements	-	120,388	120,388
Federal grants & reimbursements	-	1,393,133	1,393,133
Charges for services	-	2,991,182	2,991,182
Roads Fund:			
Federal grants & reimbursements	-	789,755	789,755
Nonmajor Governmental Funds:			
State grants & reimbursements	17,954	385,768	403,722
Federal grants & reimbursements	34,852	-	34,852
Other	53,000	133,887	186,887
Internal Service Funds:			
Federal grants & reimbursements	55,335	-	55,335
Total unearned and deferred revenue	<u>\$ 3,947,453</u>	<u>\$ 14,005,985</u>	<u>\$ 17,953,438</u>
Business-type Activities:			
Napa County Housing Authority:			
Total Unearned and deferred revenue	<u>\$ 6,023</u>	<u>\$ -</u>	<u>\$ 6,023</u>

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, 2015 is net position restricted by enabling legislation of \$81,429,858.
- *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, 2015

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, 2015 were distributed as follows:

	General Fund	Health and Human Services	Flood Protection & Watershed Improvement Authority	Capital Improvement Fund	Roads	Other Governmental Funds	Total
Nonspendable:							
Loans receivable and advances	\$ 3,612,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,612,000
Endowment	-	-	-	-	-	19,920	19,920
Prepaid items	122,019	14,140	-	-	-	26,302	162,461
Deposits	-	-	-	-	-	1,250	1,250
Subtotal	<u>3,734,019</u>	<u>14,140</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>47,472</u>	<u>3,795,631</u>
Restricted to:							
Purpose of Fund	-	11,223,441	55,657,756	-	6,062,134	50,951,270	123,894,601
General Reserve	13,257,801	-	-	-	-	-	13,257,801
Maintenance Requirement	-	-	14,107,513	-	-	-	14,107,513
Debt Service	-	-	484,070	-	-	1,649,353	2,133,423
Inmate Welfare	183,842	-	-	-	-	-	183,842
2011 Realignment	4,987,305	-	-	-	-	-	4,987,305
Housing Rehabilitation							
Repayment	281,912	-	-	-	-	-	281,912
Property Tax Admin-AB818	258,609	-	-	-	-	-	258,609
Recorder Micrographics	681,322	-	-	-	-	-	681,322
Recorder Modernization	2,774,426	-	-	-	-	-	2,774,426
Vital-Health Stats Clerk	127,136	-	-	-	-	-	127,136
Social Security Truncation Fees	66,584	-	-	-	-	-	66,584
Electronic Document Recording	182,555	-	-	-	-	-	182,555
DA-Asset Forfeitures	92,223	-	-	-	-	-	92,223
DA-Prop 64 Civil Penalties	2,970,272	-	-	-	-	-	2,970,272
DA-Hazardous Waste							
Enforcement	92,251	-	-	-	-	-	92,251
DA-\$1 Vehicle Registration							
Assess	355,521	-	-	-	-	-	355,521
DA-Consumer Fraud	195,729	-	-	-	-	-	195,729
Sheriff-Civil Equipment	178,716	-	-	-	-	-	178,716
Sheriff-Fingerprint Identification	666,080	-	-	-	-	-	666,080
Sheriff-Asset Forfeitures	386,529	-	-	-	-	-	386,529
Sheriff-Debtor Assessment Fees	389,565	-	-	-	-	-	389,565
Sheriff-CLEEP Law Enforcement	88,445	-	-	-	-	-	88,445
Sheriff-Municipal Court Auto							
Warrant	286,291	-	-	-	-	-	286,291
Sheriff-Community Services	37,547	-	-	-	-	-	37,547
Sheriff-Indigent Burial	42,075	-	-	-	-	-	42,075
Sheriff-Rabies Eradication &							
Control	13,866	-	-	-	-	-	13,866
Probation-Asset Forfeitures	13,924	-	-	-	-	-	13,924
Probation-Community Correction							
Performance Incentives	37,885	-	-	-	-	-	37,885
Ag-Weights and Measures	50,222	-	-	-	-	-	50,222
Health Care Enhancement	-	376,356	-	-	-	-	376,356
PBES-Seismic Data Utilization	26,541	-	-	-	-	-	26,541
PBES-Telecommunications	111,065	-	-	-	-	-	111,065
PBES-Department of Public							
Health	367,313	-	-	-	-	-	367,313
Mitigation-Airport Industrial Area	2,256,943	-	-	-	-	-	2,256,943

COUNTY OF NAPA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2015

9. Fund Balances (continued)

Classification (continued)

	General Fund	Health and Human Services	Flood Protection & Watershed Improvement Authority	Capital Improvement Fund	Roads	Other Governmental Funds	Total
Mitigation-American Canyon	\$ 97,533	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 97,533
PBES-Hazardous Waste							
Enforcement	-	430,753	-	-	-	-	430,753
PH-AIDS Education	-	15,257	-	-	-	-	15,257
PH-Local Public Health							
Bioterrorism	-	62,362	-	-	-	-	62,362
PH-Emergency Medical Services	-	231,888	-	-	-	-	231,888
South Campus Renovations	-	-	-	14,876,082	-	-	14,876,082
PH-Health Resources & Services	-	77,741	-	-	-	-	77,741
Juvenile Justice Construction	-	-	-	1,299,674	-	-	1,299,674
Courthouse Construction	-	-	-	2,269,326	-	-	2,269,326
MH-Managed Care	-	1,558,562	-	-	-	-	1,558,562
MH-MHSA Planning Expenses	-	4,462,260	-	-	-	-	4,462,260
ADS-Alcohol Abuse							
Education/Prevention	-	258,474	-	-	-	-	258,474
ADS-Drug Fees-HS11372.7	-	61,847	-	-	-	-	61,847
ADS-Tobacco Control	-	20,727	-	-	-	-	20,727
CWS-County Children Fund	-	32,964	-	-	-	-	32,964
CWS-Child Welfare Wraparound	-	399,708	-	-	-	-	399,708
HHS- Family Support	-	30,456	-	-	-	-	30,456
Other less than \$10,000	12,618	26,215	-	-	-	-	38,833
Encumbrances	-	2,798	-	-	-	261,469	264,267
Subtotal	<u>31,570,646</u>	<u>19,271,809</u>	<u>70,249,339</u>	<u>18,445,082</u>	<u>6,062,134</u>	<u>52,862,092</u>	<u>198,461,102</u>
Committed to:							
Building and Safety Permitting	-	-	-	-	-	3,333,326	3,333,326
Earthquake Costs	8,048,449	-	-	-	-	-	8,048,449
Arts & Culture	226,336	-	-	-	-	-	226,336
Audit Exceptions	-	1,022,813	-	-	-	-	1,022,813
Allocated for Capital Outlay	-	-	-	11,316,992	-	-	11,316,992
Subtotal	<u>8,274,785</u>	<u>1,022,813</u>	<u>-</u>	<u>11,316,992</u>	<u>-</u>	<u>3,333,326</u>	<u>23,947,916</u>
Assigned to:							
Capital Outlay	-	-	-	23,098,834	-	-	23,098,834
Facilities Refurbishment	582,634	-	-	-	-	-	582,634
Health Programs	8,147,042	-	-	-	-	-	8,147,042
Agriculture Commission projects	1,361,313	-	-	-	-	-	1,361,313
Affordable Care Act	1,500,000	-	-	-	-	-	1,500,000
Encumbrances	635,096	-	-	-	-	-	635,096
Subtotal	<u>12,226,085</u>	<u>-</u>	<u>-</u>	<u>23,098,834</u>	<u>-</u>	<u>-</u>	<u>35,324,919</u>
Unassigned							
General Fund	39,653,201	-	-	-	-	-	39,653,201
Child Support Services	-	-	-	-	-	(76,348)	(76,348)
IHSS	-	-	-	-	-	(37,925)	(37,925)
Community Facilities District-							
Devlin Road	-	-	-	-	-	(1,554,045)	(1,554,045)
Subtotal	<u>39,653,201</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,668,318)</u>	<u>37,984,883</u>
Total	<u>\$ 95,458,736</u>	<u>\$ 20,308,762</u>	<u>\$ 70,249,339</u>	<u>\$ 52,860,908</u>	<u>\$ 6,062,134</u>	<u>\$ 54,574,572</u>	<u>\$ 299,514,451</u>

COUNTY OF NAPA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2015

9. Fund Balances (continued)

Encumbrances

The following is a summary of encumbrances included in fund balance as of June 30, 2015:

	<u>Restricted</u>	<u>Assigned</u>
General Fund		
General government	\$ -	\$ 199,838
Public protection	-	412,938
Public ways and facilities	-	22,320
Total General Fund	<u>-</u>	<u>635,096</u>
Other Governmental Funds		
Public protection	261,469	-
Health and sanitation	2,798	-
Total Other Governmental Funds	<u>264,267</u>	<u>-</u>
Total Governmental Fund Encumbrances	<u>\$ 264,267</u>	<u>\$ 635,096</u>

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 unassigned fund balance of \$37,925. The deficit is expected to be eliminated in the next fiscal year through the collection and recognition of revenues unavailable in the current year.
- Child Support Services special revenue fund had a deficit unassigned fund balance of \$76,348. The deficit is expected to be eliminated in future years through the collection and recognition of revenues unavailable in the current year and increases in future revenues.
- Community Facilities District – Devlin Road had a deficit unassigned fund balance of \$1,554,044. The deficit is expected to be eliminated within the next three years through assessment collections received from parcel owners included in the newly formed district.

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

A. General Information about the Pension Plans

Plan Description

All qualified permanent and probationary employees are eligible to participate in the County's Safety (sheriff and certain district attorney members) or Miscellaneous (all others) Plans. The County's Safety Plan is a cost-sharing multiple-employer defined benefit plan while the Miscellaneous Plan is an agent multiple-employer defined benefit pension plan. The County's Safety and Miscellaneous Plans are part of the California Public Employees Retirement System (PERS), a 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 and County resolution. The County's defined

COUNTY OF NAPA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2015

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

A. General Information about the Pension Plans (continued)

Plan Description (continued)

benefit pension plans provide retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and their beneficiaries. 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.

Benefits Provided

All pension plans provide benefits, upon retirement, disability or death of members. Retirement benefits are based on years of service, final average compensation, and retirement age. Employees terminating before accruing five years of retirement service credit forfeit the right to receive retirement benefits unless they establish reciprocity with another public agency within a prescribed time period. Non-vested employees who terminate service are entitled to withdraw their accumulated contributions plus accrued interest. Employees who terminate service after earning five years of retirement service credit may leave their contributions on deposit and elect to take a deferred retirement. Differences between expected and actual experience for vested and non-vested benefits may result in an increase or decrease to pension expense and net pension liability.

Service related disability benefits are provided to safety members and are based on final compensation. Non-service related disability benefits are provided to both safety and miscellaneous members. The benefit is based on final compensation, multiplied by *service*, which is determined as follows:

- *service* is CalPERS credited service, for members with less than 10 years of service or greater than 18.518 years of service; of
- *service* is CalPERS credited service plus the additional number of years that the member would have worked until age 60, for members with at least 10 years but not more than 18.518 years of service.

Death benefits are based upon a variety of factors including whether the participant was retired or not.

Annual cost-of-living adjustments (COLAs) after retirement are provided in all plans. COLAs are granted to retired members each May based upon the Bureau of Labor Statistics Average Consumer Price Index for All Urban Consumers for the previous calendar year and is subject to a maximum of 2% per annum.

The Plans' provisions and benefits in effect at June 30, 2015 are summarized as follows:

Hire Date	Miscellaneous		
	Prior to Sept. 1, 1992	On or after Sept. 1, 1992	On or after Jan. 1, 2013
Benefit formula	2.5% @55	2%@60	2%@62
Benefit vesting schedule	5 years of service	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	50-55	50-63	52-67
Monthly benefits, as % of eligible compensation	2.00%-2.50%	1.09%-2.42%	1.0%-2.5%
Required employee contribution rates	8%	7%	6.25%
Required employer contribution rates	16.37%	16.37%	16.37%
Status	Closed	Open	Open

COUNTY OF NAPA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2015

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

A. General Information about the Pension Plans (continued)

Benefits Provided (continued)

	<u>Safety</u>			
	Prior to Mar. 24, 1984	On or after Mar. 24, 1984	On or after May 14, 2011	On or after Jan. 1, 2013
Hire Date	1984	24, 1984	14, 2011	1, 2013
Benefit formula	3%@50	3%@50	3%@55	2.7%@57
Benefit vesting schedule	5 years of service	5 years of service	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life	monthly for life	monthly for life
Retirement age	50	50	55	52-67
Monthly benefits, as % of eligible compensation	3.00%	3.00%	3.00	1.0%-2.5%
Required employee contribution rates	9.00%	9.00%	9.00%	11.50%
Required employer contribution rates	29.56%	27.85%	22.25%	11.5%
Status	Closed	Closed	Open	Open

Employees Covered

At June 30, 2015, the following employees were covered by the benefit terms for the Miscellaneous Plan. The corresponding data is not available for employees included in the Safety Plan as the plan is a cost-sharing multiple employer plan:

	<u>Miscellaneous</u>
Inactive employees or beneficiaries currently receiving benefits	1,221
Inactive employees entitled to but not yet receiving benefits	874
Active employees	<u>1,247</u>
Total	<u><u>3,342</u></u>

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for both Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The County is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

B. Net Pension Liability

The County's net pension liability for each Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of each of the Plans is measured as of June 30, 2014, using an annual actuarial valuation as of June 30, 2013 rolled forward to June 30, 2014 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

COUNTY OF NAPA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2015

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

B. Net Pension Liability (continued)

Actuarial Assumptions

The total pension liabilities in the June 30, 2015 actuarial valuations were determined using the following actuarial assumptions:

	<u>Miscellaneous</u>	<u>Safety</u>
Valuation Date	June 30, 2013	June 30, 2013
Measurement Date	June 30, 2014	June 30, 2014
Actuarial Cost Method	Entry-Age Normal	
Actuarial Assumptions:		
Discount Rate	7.50%	7.50%
Inflation	2.75%	2.75%
Payroll Growth	3.00%	3.00%
Projected Salary Increase	Varies by Entry Age and Service	
Investment Rate of Return	7.50% ⁽¹⁾	7.50% ⁽¹⁾
Mortality	Derived using CalPERS' Membership Data for All Funds	

⁽¹⁾Net of Pension plan investment expenses, including inflation.

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2013 valuation were based on the results of a January 2014 actuarial experience study for the period 1997 to 2011. Further details of the Experience Study can be found on the CalPERS website.

Discount Rate

The discount rate used to measure the total pension liability was 7.50% for each Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.50% discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.50% will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

According to Paragraph 30 of Statement 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. The 7.50% investment return assumption used in this accounting valuation is net of administrative expenses. Administrative expenses are assumed to be 15 basis points. An investment return excluding administrative expenses would have been 7.65%. Using this lower discount rate has resulted in a slightly higher Total Pension Liability and Net Pension Liability. CalPERS checked the materiality threshold for the difference in calculation and did not find it to be a material difference.

CalPERS is scheduled to review all actuarial assumptions as part of its regular Asset Liability Management (ALM) review cycle that is scheduled to be completed in February 2018. Any changes to the discount rate will require Board action and proper stakeholder outreach. For these reasons, CalPERS expects to continue using a discount rate net of administrative expenses for GASB 67 and 68 calculations through at least the 2017-2018 fiscal year. CalPERS will continue to check the materiality of the difference in calculation until there is a change in methodology.

The long-term expected rate of return on pension plan investments was determined using a building-block

COUNTY OF NAPA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2015

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

B. Net Pension Liability (continued)

Discount Rate (continued)

method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension investment expense and inflation) are developed for each major asset class.

The long-term expected rate of return includes both short-term and long-term market return expectations as well as the expected pension fund cash flows. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These geometric rates of return are net of administrative expenses.

Asset Class	Strategic Allocation %	Real Return Years 1-10 ⁽¹⁾ %	Real Return Years 11-60 ⁽²⁾ %
Global Equity	47.0	5.25	5.71
Global Fixed Income	19.0	0.99	2.43
Inflation Sensitive	6.0	0.45	3.36
Private Equity	12.0	6.83	6.95
Real Estate	11.0	4.50	5.13
Infrastructure and Forestland	3.0	4.50	5.09
Liquidity	2.0	(0.55)	(1.05)

⁽¹⁾An expected inflation rate of 2.5% used for this period

⁽²⁾An expected inflation rate of 3.0% used for this period

C. Changes in the Net Pension Liability

The changes in the Net Pension Liability for the County's Miscellaneous Plan Follows:

	Total Pension Liability	Increase (Decrease) Total Fiduciary Net Pension	Net Pension Liability/(Asset)
Balance at June 30, 2013	\$ 588,249,044	\$ 418,192,908	\$ 170,056,136
Changes in the year:			
Service cost	14,945,980	-	14,945,980
Interest on total pension liability	43,681,854	-	43,681,854
Changes in benefit terms	-	-	-
Differences between expected and actual experience	-	-	-
Changes in assumptions	-	-	-
Contributions from the employer	-	15,473,043	(15,473,043)
Contributions from employees	-	7,708,712	(7,708,712)

COUNTY OF NAPA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2015

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

C. Changes in the Net Pension Liability (continued)

	<u>Total Pension Liability</u>	<u>Increase (Decrease) Total Fiduciary Net Pension</u>	<u>Net Pension Liability/(Asset)</u>
Net investment income	-	73,692,163	(73,692,163)
Benefit payments, including refunds of employee contributions	<u>(26,594,622)</u>	<u>(26,594,622)</u>	<u>-</u>
Net changes	<u>32,033,212</u>	<u>70,279,296</u>	<u>(38,246,084)</u>
Balance at June 30, 2014	<u>\$ 620,282,256</u>	<u>\$ 488,472,204</u>	<u>\$ 131,810,052</u>

The County's net pension liability for the Safety Plan was based on a projection of the County's long-term share of contributions to the pension plan relative to the projected contributions of all plan participants, actuarially determined. The County's net pension liability and related Plan proportion for the Safety Plan is as follows:

	<u>Plan's Proportion to Total Pool @ June 30, 2013</u>	<u>Plan's Proportion to Total Pool @ June 30, 2014</u>	<u>Plan's Proportion Share of Net Pension Liability</u>
Safety			
Tier I	0.24182 %	0.14041 %	\$ 8,737,104
Tier II	0.39813 %	0.23117 %	14,384,767
Tier III	0.00151 %	0.00088 %	54,499
Total			<u>\$ 23,176,370</u>

Sensitivity of the Net Pension Liability to Change in the Discount Rate

The following presents the net pension liability of the County for each Plan, calculated using the discount rate for each Plan, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1-percentage points lower or 1-percentage point higher than the current rate:

	<u>Miscellaneous</u>	<u>Safety</u>
1% Decrease	6.50 %	6.50 %
Net Pension Liability	\$ 212,357,775	\$ 39,883,530
Current Discount Rate	7.50 %	7.50 %
Net Pension Liability	\$ 131,810,052	\$ 23,176,370
1% Increase	8.50 %	8.50 %
Net Pension Liability	\$ 64,808,713	\$ 9,410,389

Pension Plan Fiduciary Net Position

Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

COUNTY OF NAPA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2015

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

D. Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

For the year ended June 30, 2015, the County recognized pension expense was \$13,864,939. Pension expense represents the change in the net pension liability during the measurement period, adjusted for actual contributions and the deferred recognition of changes in investment gain/loss, actuarial gain/loss, actuarial assumptions or method, and plan benefits. At June 30, 2015, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net differences between projected and actual earnings on pension plan investments	\$ -	\$ 41,115,427
Changes in proportion and differences between County contributions and proportionate share of contributions	476,967	637,394
County contributions subsequent to the measurement date	17,745,296	-
Total	\$ 18,222,263	\$ 41,752,821

The \$17,745,296 reported as deferred outflows of resources related to pensions results from County pension contributions made subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending June 30,	Deferred Outflows/(Inflows) of resources
2016	\$ (10,336,162)
2017	(10,336,162)
2018	(10,324,704)
2019	(10,278,826)
2020	-
Thereafter	-
Total	\$ (41,275,854)

11. Other Postemployment 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, 2015

11. Other Postemployment 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 (\$79.30 per month for calendar year 2015) 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, 2015 was 15 years.

For fiscal year 2014-2015, the County's ARC was \$6,683,000 which was fully funded for GASB 45 purposes. The County paid \$2,377,502 to retirees during the year, and \$4,305,498 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, 2013 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 7.5% and 7.8%, respectively, and decline to 5% over six years.

COUNTY OF NAPA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2015

11. Other Postemployment 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):

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
6/30/2013	\$ 6,384	100%	-
6/30/2014	6,473	100%	-
6/30/2015	6,683	100%	-

Funded Status and Funding Progress. The funded status of the plan as of June 30, 2013, the plan's most recent actuarial valuation date, was as follows (dollar amounts in thousands):

Actuarial accrued liability (AAL)	\$ 71,369
Actuarial value of plan assets	<u>28,016</u>
Unfunded actuarial accrued liability (UAAL)	<u>\$ 43,353</u>
Funded ratio (actual value of plan assets/AAL)	39.3 %
Covered payroll (active Plan members)	\$ 94,003
Unfunded actuarial accrued liability as a percentage of covered payroll	46.1 %

Healthcare premiums charged by CalPERS are set blending experience for active employees with Medicare retirees and charges both groups the same medical premium. On average, active employees have lower expected claims than their premiums effectively subsidizing retirees who have higher expected claims than their premiums. The implied subsidy is the difference between average retiree claims and premiums charged. The Actuarial Standards Board issued a revised Actuarial Standard of Practice (ASOP #6) which specifies that in almost all circumstances, the actuary must include the value of this implied subsidy for retirees in the OPEB obligation, beginning March 31, 2015. The County has early adopted the revised standard as part of the June 30, 2013 valuation. This early adoption increased the Actuarial Accrued Liability by \$17.5 million.

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.

COUNTY OF NAPA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2015

12. Deferred Compensation Plan

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

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

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>
6/30/2013	\$ 167,782
6/30/2014	158,477
6/30/2015	154,765

14. Risk Management

The County has two risk management programs (Internal Service Funds) to account for and finance its self-insured 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, 2015

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. 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.

Settled claims have not exceeded insurance coverage in any of the past three fiscal years.

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, 2015 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 70%, respectively.

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

	<u>Beginning Fiscal</u>		<u>Claims and</u>		<u>Balance at Fiscal</u>
	<u>Year Liability</u>		<u>Changes in</u>	<u>Claims Payments</u>	<u>Year End</u>
			<u>Estimates</u>		
General Liability:					
2012-2013	\$ 2,453,000	\$	1,204,803	\$ (916,803)	\$ 2,741,000
2013-2014	2,741,000		492,105	(473,475)	2,759,630
2014-2015	2,759,630		660,679	(556,309)	2,864,000
Workers' Compensation:					
2012-2013	6,437,000		1,611,205	(1,709,505)	6,338,700
2013-2014	6,338,700		2,917,352	(1,949,692)	7,306,360
2014-2015	7,306,360		1,939,349	(1,579,285)	7,666,424

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, 2015

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, 2015, 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. Prior Period Adjustment

A prior period adjustment of \$182,397,338 was made to decrease both governmental and business-type activities' beginning net position. The adjustment was made to reflect the prior period costs related to the implementation of the net pension liability.

The restatement of beginning net position is summarized as follows:

	Governmental Activities	Business-type Activities	Total
Net position at July 1, 2014, as previously stated	\$ 379,319,246	\$ 46,329,377	\$ 425,648,623
Net pension liability adjustment	(180,765,248)	(1,632,090)	(182,397,338)
Net position at July 1, 2014, as restated	<u>\$ 198,553,998</u>	<u>\$ 44,697,287</u>	<u>\$ 243,251,285</u>



Required Supplementary Information



Damaged Board of Supervisors meeting room.

COUNTY OF NAPA

Required Supplementary Information
For the Year Ended June 30, 2015

Schedule of Changes in Net Pension Liability and Related Ratios

Last 10 Fiscal Years*

Miscellaneous Plan - Agent Multiple-Employer Defined Benefit Pension Plan

FY 2014

Total Pension Liability	
Service cost	\$ 14,945,980
Interest on total pension liability	43,681,854
Differences between expected and actual experience	-
Change in assumption	-
Change in benefits	-
Benefit payments, including refunds of employee contributions	<u>(26,594,622)</u>
Net Change in total pension liability	32,033,212
Total pension liability - beginning	<u>588,249,044</u>
Total pension liability - ending (a)	<u>620,282,256</u>
Plan Fiduciary Net Position	
Contributions - employer	15,473,088
Contributions - employee	7,708,869
Net investment income	73,692,163
Benefit payments, including refunds of employee contributions	<u>(26,594,622)</u>
Net change in plan fiduciary net position	70,279,498
Plan fiduciary net position - beginning	<u>418,192,706</u>
Plan fiduciary net position - ending (b)	<u>488,472,204</u>
Net pension liability - ending (a) - (b)	<u>\$ 131,810,052</u>
Plan fiduciary net position as a percentage of total pension liability	78.75 %
County's covered-employee payroll	88,343,655
Net pension liability as a percentage of covered-employee payroll	149.20 %

*Amounts presented above were determined as of June 30. Additional years will be presented as they become available.

COUNTY OF NAPA

Required Supplementary Information
For the Year Ended June 30, 2015

County's Proportionate Share of Net Pension Liability Cost Sharing Plans

Last 10 Fiscal Years*

Safety Tier I - Cost-Sharing Multiple Employer Defined Benefit Pension Plan

	<u>2014</u>
County's proportion of the net pension liability (asset)	0.14041 %
County's proportionate share of the net pension liability (asset)	\$ 8,737,104
County's covered-employee payroll	\$ 173,612
County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	5,032.55 %
Plan fiduciary net position as a percentage of total pension liability	81.42 %

Safety Tier II - Cost-Sharing Multiple Employer Defined Benefit Pension Plan

	<u>2014</u>
County's proportion of the net pension liability (asset)	0.23117 %
County's proportionate share of the net pension liability (asset)	\$ 14,384,767
County's covered-employee payroll	\$ 11,133,310
County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	129.20 %
Plan fiduciary net position as a percentage of total pension liability	81.42 %

Safety Tier III - Cost-Sharing Multiple Employer Defined Benefit Pension Plan

	<u>2014</u>
County's proportion of the net pension liability (asset)	0.00088 %
County's proportionate share of the net pension liability (asset)	\$ 54,499
County's covered-employee payroll	\$ 644,204
County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	8.46 %
Plan fiduciary net position as a percentage of total pension liability	81.42 %

*Amounts presented above were determined as of June 30. Additional years will be presented as they become available.

COUNTY OF NAPA

Required Supplementary Information
For the Year Ended June 30, 2015

Schedule of County's Pension Contribution

Last 10 Fiscal Years*

Miscellaneous Plan - Agent Multiple-Employer Defined Benefit Pension Plan

	2014
Actuarially determined contribution	\$ 15,473,088
Contributions in relation to the actuarially determined contributions	15,473,088
Contributions deficiency (excess)	<u>\$ -</u>
Covered-employee payroll	\$ 88,343,655 17.51 %

Safety Plan - Cost Sharing Multiple-Employer Defined Benefit Pension Plan

	2014
Actuarially determined contribution	\$ 3,203,083
Contributions in relation to the actuarially determined contributions	3,203,083
Contributions deficiency (excess)	<u>\$ -</u>
Covered-employee payroll	\$ 11,951,126 26.80 %

*Amounts presented above were determined as of June 30. Additional years will be presented as they become available.

Other Post Employment Benefits

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>Actual 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>
6/30/2010	\$ 48,008	\$ 12,519	\$ 35,489	26.1 %	\$ 86,300	41.1 %
6/30/2012	51,697	16,613	35,084	32.1 %	89,105	39.4 %
6/30/2013	71,369	28,016	43,353	39.3 %	94,003	46.1 %



Photo Credit Napa Valley Register

Damage is visible to the facade of the Napa post office on Second Street on Sunday morning following the quake.

COUNTY OF NAPA

Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Resources (Inflows)				
Taxes	\$ 103,187,531	\$ 103,187,531	\$ 105,084,702	\$ 1,897,171
Licenses and permits	4,554,295	4,554,295	4,803,609	249,314
Fines, forfeitures and penalties	3,092,096	3,092,096	3,547,161	455,065
Revenue from the use of money and property	529,470	529,470	1,416,393	886,923
Aid from other governments	40,121,611	47,736,178	32,033,137	(15,703,041)
Charges for services	26,396,059	27,016,159	24,847,348	(2,168,811)
Contributions and donations	10,000	10,000	34,652	24,652
Other revenue	218,450	218,450	271,250	52,800
Intrafund transfers in	1,465,609	1,818,819	1,729,867	(88,952)
Proceeds from insurance	-	6,000,000	5,996,548	(3,452)
Other financing sources	385,000	590,000	3,197,417	2,607,417
Transfers in	8,790,606	10,835,880	9,662,851	(1,173,029)
Revenues available for appropriation	188,750,727	205,588,878	192,624,935	(12,963,943)
Charges to appropriations (Outflows):				
<i>General Government:</i>				
Board of Supervisors	728,770	728,770	706,830	21,940
County Executive Office	2,654,497	2,678,097	2,657,035	21,062
Housing and Intergovernmental Affairs	879,280	1,351,280	1,259,381	91,899
Human Resources	2,429,002	2,450,549	2,368,335	82,214
Training and Organizational Development	298,433	298,433	277,311	21,122
Records Management	778,857	779,107	684,085	95,022
Communications	1,287,165	1,348,353	1,234,486	113,867
General Expenditures	3,602,715	3,827,715	3,378,217	449,498
Central Services	1,622,050	1,630,050	1,433,603	196,447
Auditor-Controller	2,998,415	3,000,415	2,884,731	115,684
Treasurer-Tax Collector	2,011,053	2,011,053	1,778,448	232,605
Assessor	3,026,597	3,046,597	2,971,848	74,749
Elections	1,093,227	1,093,227	1,003,226	90,001
County Counsel	3,859,007	3,859,007	3,475,803	383,204
Purchasing	340,840	341,340	339,809	1,531
Property Management	5,990,063	6,205,063	5,878,368	326,695
Contingencies	4,250,000	5,599,357	-	5,599,357
<i>Total General Government</i>	37,849,971	40,248,413	32,331,516	7,916,897
<i>Public Protection:</i>				
Emergency Services	330,753	330,753	280,178	50,575
Local Agency Formation Commission	-	232,600	220,728	11,872
2014 South Napa Earthquake	-	20,000,000	12,575,509	7,424,491
Recorder, County Clerk	964,079	964,079	949,499	14,580
Grand Jury	59,024	59,024	49,549	9,475
District Attorney	9,174,101	9,175,901	8,596,073	579,828
District Attorney - Consumer Fraud	597,747	597,747	498,878	98,869
Public Defender	4,083,076	4,083,076	3,877,157	205,919
Conflict Public Defender	1,017,000	1,112,000	1,095,494	16,506
Sheriff	26,896,345	27,406,981	26,497,506	909,475
Coroner	579,126	584,142	573,204	10,938

continued

COUNTY OF NAPA

Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive
	Original	Final		(Negative)
Animal Services	930,860	931,360	912,802	18,558
Napa Special Investigation Bureau	\$ 926,788	\$ 926,788	\$ 877,963	\$ 48,825
Corrections	15,379,939	15,529,939	14,099,582	1,430,357
Probation	11,303,648	11,312,648	10,856,300	456,348
Probation - Community Services	1,302,500	1,302,500	997,396	305,104
Probation - Juvenile Hall	5,323,077	5,323,077	5,090,787	232,290
Probation - Care of Juvenile Court Wards	312,400	312,400	158,813	153,587
Agricultural Commissioner	5,056,474	5,056,584	4,500,640	555,944
Planning and Resource Management	5,434,781	5,439,781	4,977,674	462,107
Environmental Management	2,611,173	2,611,173	2,415,138	196,035
<i>Total Public Protection</i>	<u>92,282,891</u>	<u>113,292,553</u>	<u>100,100,870</u>	<u>13,191,683</u>
<i>Public Ways and Facilities:</i>				
Public Works	7,783,213	7,913,256	7,211,592	701,664
Public Works Projects	21,404,602	24,005,908	11,126,546	12,879,362
Roads	30,000	30,000	29,112	888
<i>Total Public Ways and Facilities</i>	<u>29,217,815</u>	<u>31,949,164</u>	<u>18,367,250</u>	<u>13,581,914</u>
<i>Health and Sanitation:</i>				
Local Enforcement Agency	319,863	319,863	313,632	6,231
<i>Education:</i>				
Agricultural Extension	480,823	493,513	462,085	31,428
<i>Recreation and Cultural Services:</i>				
Special Projects	1,307,851	1,391,851	1,391,310	541
<i>Debt Service:</i>				
Debt Service	57,791	84,169	83,186	983
<i>Transfers:</i>				
Transfers out	39,328,464	47,819,387	44,582,293	3,237,094
Total charges to appropriations	<u>200,845,469</u>	<u>235,598,913</u>	<u>197,632,142</u>	<u>37,966,771</u>
Net Change in Fund Balance, Budgetary Basis	(12,094,742)	(30,010,035)	(5,007,207)	25,002,828
Budgetary Fund Balance - Beginning	<u>81,590,601</u>	<u>81,590,601</u>	<u>81,590,601</u>	<u>-</u>
Budgetary Fund Balance - Ending	<u>\$ 69,495,859</u>	<u>\$ 51,580,566</u>	<u>\$ 76,583,394</u>	<u>\$ 25,002,828</u>

continued

COUNTY OF NAPA

Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2015

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	\$ 192,624,935
Differences - budget to GAAP:	
Reimbursements from other funds are inflows of budgetary resources but not revenues for financial reporting purposes	(6,203,475)
Revenues for funds no longer meeting the special revenue fund requirement which are presented with the General Fund for financial reporting purposes	27,392,826
Transfers from other funds are inflows of budgetary resources but not revenues for financial reporting purposes	(9,662,851)
Transfers within the fund are inflows of budgetary resources but are not revenues for financial reporting purposes	(1,729,867)
Proceeds from long term debt are inflows of budgetary resources but are not revenues for financial reporting purposes	(3,197,417)
Proceeds from insurance are inflows of budgetary resources but are not revenues for financial reporting purposes	<u>(5,996,548)</u>
Total revenues as reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 193,227,603</u>

Uses/outflows of resources

Actual amounts (budgetary basis) "total charges to appropriations" from the Budgetary Comparison Schedule	\$ 197,632,142
Difference - budget to GAAP:	
Costs reimbursed by other funds are outflows of budgetary resources but not expenditures for financial reporting purposes	(6,203,475)
Expenditures by funds no longer meeting the special revenue fund requirement which are presented with the General Fund for financial reporting purposes	97,754
Transfers to other funds are outflows of budgetary resources but not expenditures for financial reporting purposes	(44,582,293)
Transfers within the fund are outflows of budgetary resources but are not expenditures for financial reporting purposes	<u>(1,729,867)</u>
Total expenditures as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	<u>\$ 145,214,261</u>

COUNTY OF NAPA

Budgetary Comparison Schedule
Health and Human Services
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Resources (inflows):				
Licenses and permits	\$ 183,000	\$ 183,000	\$ 311,620	\$ 128,620
Fines, forfeitures and penalties	5,500	5,500	5,077	(423)
Revenue from the use of money and property	31,400	31,400	103,731	72,331
Aid from other governments	43,487,741	44,392,016	41,522,874	(2,869,142)
Charges for services	8,132,537	8,383,447	7,934,312	(449,135)
Contributions and donations	33,739	33,739	14,154	(19,585)
Other revenue	2,500	2,500	26,882	24,382
Transfers in	41,213,584	41,776,857	41,007,300	(769,557)
Intrafund transfers in	-	53,000	53,000	-
Revenues available for appropriation	93,090,001	94,861,459	90,978,950	(3,882,509)
Charges to appropriations (outflows):				
<i>Health and Sanitation:</i>				
HHSA Public Health	8,867,543	10,424,441	9,878,116	546,325
HHSA Mental Health	23,307,533	27,035,626	25,034,111	2,001,515
HHSA Alcohol and Drug Treatment Services	4,744,850	5,589,067	5,237,673	351,394
Health Care Enhancements	1,165,487	1,688,368	1,572,679	115,689
HHSA Agency Administration	1,258,083	281,250	-	281,250
HHSA Fiscal	3,554,824	360,460	238,268	122,192
<i>Total Health and Sanitation</i>	42,898,320	45,379,212	41,960,847	3,418,365
<i>Public Assistance:</i>				
Child Welfare Services	15,879,408	16,687,506	16,180,477	507,029
Comprehensive Services for Older Adults	8,154,084	10,063,685	9,583,895	479,790
HHSA Self Sufficiency Services	18,771,029	20,974,818	19,301,287	1,673,531
HHSA Operations	4,408,118	1,813,508	1,402,567	410,941
HHSA Organizational Resources & Development	1,031,845	92,354	81	92,273
HHSA - Quality Management	1,235,828	168,923	19,258	149,665
<i>Total Public Assistance</i>	49,480,312	49,800,794	46,487,565	3,313,229
<i>Transfers:</i>				
Transfers out	711,369	714,369	500,000	214,369
Total charges to appropriations	93,090,001	95,894,375	88,948,412	6,945,963
Net Change in Fund Balance, Budgetary Basis	-	(1,032,916)	2,030,538	3,063,454
Budgetary Fund Balance - Beginning	10,625,200	10,625,200	10,625,200	-
Budgetary Fund Balances - Ending	\$ 10,625,200	\$ 9,592,284	\$ 12,655,738	\$ 3,063,454

continued

COUNTY OF NAPA

Budgetary Comparison Schedule
 Health and Human Services
 For the Year Ended June 30, 2015

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	\$ 90,978,950
Difference - 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	9,537,888
Transfers from other funds are inflows of budgetary resources but not revenues for financial reporting purposes	(41,007,300)
Transfers within the fund are inflows of budgetary resources but are not revenues for financial reporting purposes	<u>(53,000)</u>
Total revenues as reported on the Statement of Revenue, Expenditures and Changes in Fund Balances - Governmental Funds	<u>\$ 59,456,538</u>

Uses/outflows of resources

Actual amounts (budgetary basis) "total charges to appropriations" from the Budgetary Comparison Schedule	\$ 88,948,412
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	41,983
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes	(500,000)
Transfers within the fund are outflows of budgetary resources but are not expenditures for financial reporting purposes	<u>(53,000)</u>
Total expenditures as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	<u>\$ 88,437,395</u>

COUNTY OF NAPA

Budgetary Comparison Schedule
 Flood Protection & Watershed Improvement Authority
 For the Year Ended June 30, 2015

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		Positive (Negative)
Resources (inflows):				
Taxes	\$ 16,958,966	\$ 16,958,966	\$ 17,348,130	\$ 389,164
Revenue from the use of money and property	245,000	245,000	416,081	171,081
Revenues available for appropriation	<u>17,203,966</u>	<u>17,203,966</u>	<u>17,764,211</u>	<u>560,245</u>
Charges to appropriations (outflows):				
Operations	19,878,600	21,616,102	3,511,662	18,104,440
Debt service	5,383,866	5,383,866	5,381,541	2,325
Total charges to appropriations	<u>25,262,466</u>	<u>26,999,968</u>	<u>8,893,203</u>	<u>18,106,765</u>
Net Change in Fund Balance, Budgetary Basis	(8,058,500)	(9,796,002)	8,871,008	18,667,010
Budgetary Fund Balance - Beginning	<u>61,378,331</u>	<u>61,378,331</u>	<u>61,378,331</u>	<u>-</u>
Budgetary Fund Balances - Ending	<u>\$ 53,319,831</u>	<u>\$ 51,582,329</u>	<u>\$ 70,249,339</u>	<u>\$ 18,667,010</u>

COUNTY OF NAPA
 Budgetary Comparison Schedule
 Roads
 For the Year Ended June 30, 2015

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive
	Original	Final		(Negative)
Resources (inflows):				
Licenses and permits	\$ 40,000	\$ 40,000	\$ 50,291	\$ 10,291
Fines, forfeitures and penalties	16,000	16,000	174,684	158,684
Revenue from the use of money and property	7,000	7,000	27,930	20,930
Aid from other governments	10,662,640	11,581,640	6,767,124	(4,814,516)
Charges for services	150,000	200,000	207,595	7,595
Donations and contributions	-	-	5,760	5,760
Other revenues	800	3,523,994	333,752	(3,190,242)
Transfers in	4,102,999	5,597,076	3,802,198	(1,794,878)
Intrafund transfers in	534,521	1,661,521	915,039	(746,482)
Revenues available for appropriation	<u>15,513,960</u>	<u>22,627,231</u>	<u>12,284,373</u>	<u>(10,342,858)</u>
Charges to appropriations (outflows):				
Operations	7,533,574	9,021,574	6,955,405	2,066,169
Capital programs	8,465,499	10,512,499	2,103,860	8,408,639
Transfers out	5,226	7,995	5,161	2,834
Total charges to appropriations	<u>16,004,299</u>	<u>19,542,068</u>	<u>9,064,426</u>	<u>10,477,642</u>
Net Change in Fund Balance, Budgetary Basis	(490,339)	3,085,163	3,219,947	134,784
Budgetary Fund Balance - Beginning	<u>2,842,187</u>	<u>2,842,187</u>	<u>2,842,187</u>	<u>-</u>
Budgetary Fund Balances - Ending	<u>\$ 2,351,848</u>	<u>\$ 5,927,350</u>	<u>\$ 6,062,134</u>	<u>\$ 134,784</u>

continued

COUNTY OF NAPA

Budgetary Comparison Schedule
Roads
For the Year Ended June 30, 2015

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 \$12,284,373

Difference - budget to GAAP:

Transfers from other funds are inflows of budgetary resources but are not revenues for
financial reporting purposes. (3,802,198)

Transfers within the fund are inflows of budgetary resources but are not revenues for
financial reporting purposes (915,039)

Total revenues as reported on the Statement of Revenues, Expenditures and Changes in
Fund Balances - Governmental Funds \$ 7,567,136

Uses/outflows of resources

Actual amounts (budgetary basis) "total charges to appropriations" from the Budgetary
Comparison Schedule \$ 9,064,426

Difference - budget to GAAP:

Transfers to other funds are outflows of budgetary resources but are not expenditures
for financial reporting purposes (5,161)

Transfers within the fund are outflows of budgetary resources but are not expenditures
for financial reporting purposes (915,039)

Total expenditures as reported on the Statement of Revenues, Expenditures and
Changes in Fund Balances - Governmental Funds \$ 8,144,226

COUNTY OF NAPA

Note to Required Supplementary Information For the Year Ended June 30, 2015

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).



Residential damages caused by the quake.



Supplementary Information
Combining and Individual
Fund Statements and Schedules



Napa earthquake tosses wine barrels and bottles into piles.



Nonmajor Governmental Funds

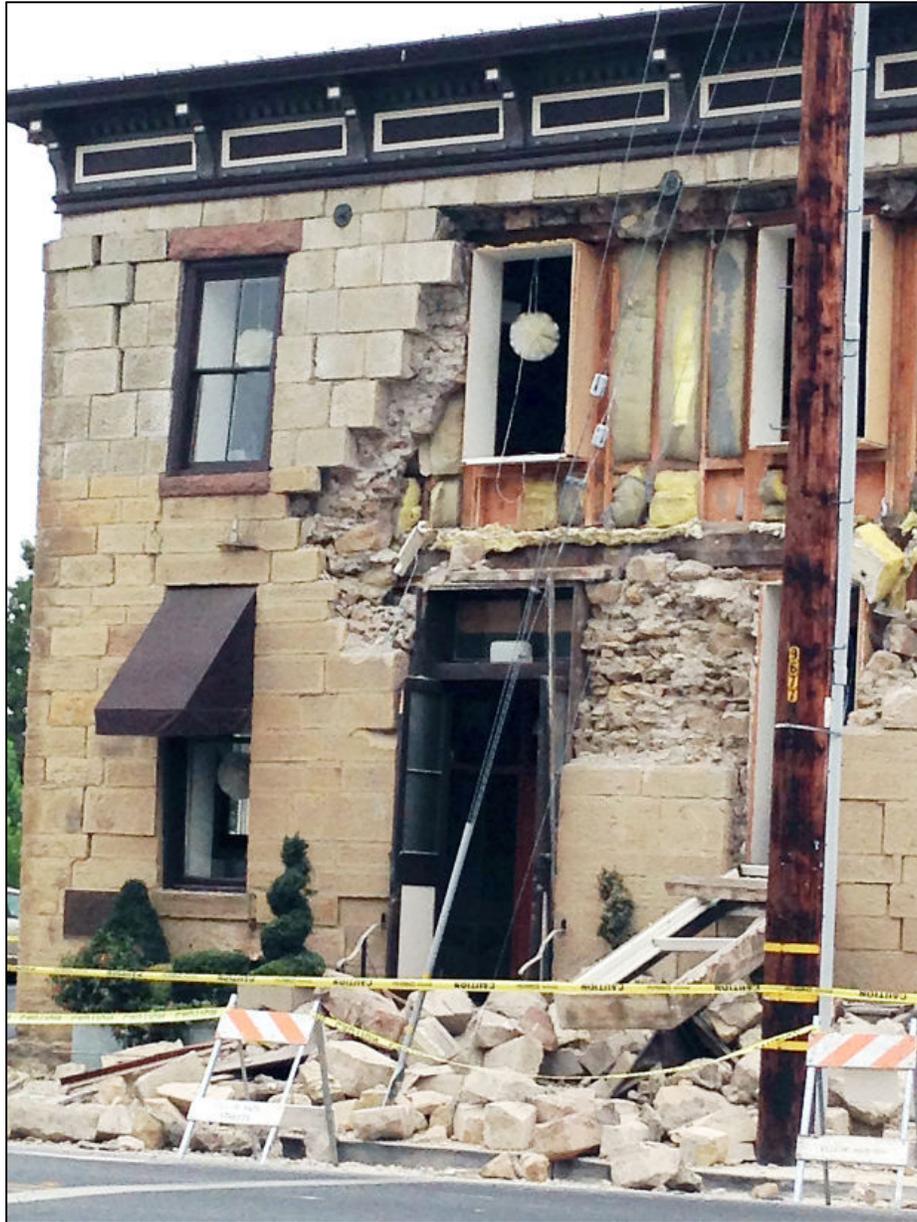


Photo Credit Napa Valley Register

The Sam Kee Laundry building, which currently houses The Vintner's Collective, shows damage from the quake.

COUNTY OF NAPA
Combining Balance Sheet
Governmental Funds
June 30, 2015

	Nonmajor Special Revenue Funds	Debt Service Fund	Total
	<u> </u>	<u> </u>	<u> </u>
Assets & Deferred Outflows of Resources			
Assets:			
Cash and investments	\$ 35,372,626	\$ -	\$ 35,372,626
Restricted Assets:			
Cash with fiscal agent	-	1,649,353	1,649,353
Imprest cash	1,660	-	1,660
Receivable (Net):			
Taxes	651,012	-	651,012
Special assessments	71,701	-	71,701
Accounts	1,501	-	1,501
Due from other government agencies	2,419,900	-	2,419,900
Prepaid items	26,302	-	26,302
Deposits	1,250	-	1,250
Assets held for resale	990,202	-	990,202
Loans receivable, net	18,181,915	-	18,181,915
Advances to other funds	150,000	-	150,000
Total Assets	<u>57,868,069</u>	<u>1,649,353</u>	<u>59,517,422</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 57,868,069</u>	<u>\$ 1,649,353</u>	<u>\$ 59,517,422</u>
Liabilities, Deferred Inflows of Resources & Fund Balances			
Liabilities:			
Accounts payable	\$ 2,049,199	\$ -	\$ 2,049,199
Accrued salaries and benefits	538,990	-	538,990
Due to other funds	37,184	-	37,184
Due to other government agencies	131,786	-	131,786
Unearned revenue	105,806	-	105,806
Advances from other funds	1,560,230	-	1,560,230
Total Liabilities	<u>4,423,195</u>	<u>-</u>	<u>4,423,195</u>
Deferred Inflows of Resources:			
Unavailable revenue	<u>519,655</u>	<u>-</u>	<u>519,655</u>
Fund Balances			
Nonspendable	47,472	-	47,472
Restricted	51,212,739	1,649,353	52,862,092
Committed	3,333,326	-	3,333,326
Unrestricted	<u>(1,668,318)</u>	<u>-</u>	<u>(1,668,318)</u>
Total Fund Balances	<u>52,925,219</u>	<u>1,649,353</u>	<u>54,574,572</u>
Total Liabilities, Deferred Inflows of Resources & Fund Balances	<u>\$ 57,868,069</u>	<u>\$ 1,649,353</u>	<u>\$ 59,517,422</u>

COUNTY OF NAPA

Combining Statement of Revenues, Expenditures and
Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2015

	Nonmajor Special Revenue Funds	Debt Service Fund	Total
Revenues:			
Taxes	\$ 17,531,746	\$ -	\$ 17,531,746
Licenses and permits	3,905,167	-	3,905,167
Fines, forfeitures and penalties	184,862	-	184,862
Revenue from the use of money and property	340,812	1,129	341,941
Aid from other governments	5,126,542	88,152	5,214,694
Charges for services	8,637,312	-	8,637,312
Contributions and donations	177,544	-	177,544
Other revenue	24,879	-	24,879
Total Revenues	<u>35,928,864</u>	<u>89,281</u>	<u>36,018,145</u>
Expenditures:			
Current:			
General government	5,717,864	-	5,717,864
Public protection	19,186,055	-	19,186,055
Public ways and facilities	208,283	-	208,283
Health and sanitation	257,087	-	257,087
Public assistance	710,902	-	710,902
Education	7,243,420	-	7,243,420
Debt Service:			
Principal	-	2,882,636	2,882,636
Interest expense	-	1,605,135	1,605,135
Administration, issuance and arbitrage fees	-	2,000	2,000
Total Expenditures	<u>33,323,611</u>	<u>4,489,771</u>	<u>37,813,382</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>2,605,253</u>	<u>(4,400,490)</u>	<u>(1,795,237)</u>
Other Financing Sources (Uses):			
Transfers in	1,061,624	4,322,973	5,384,597
Transfers out	<u>(1,380,441)</u>	<u>(29,774)</u>	<u>(1,410,215)</u>
Total Other Financing Sources (Uses)	<u>(318,817)</u>	<u>4,293,199</u>	<u>3,974,382</u>
Net change in fund balances	2,286,436	(107,291)	2,179,145
Fund Balance - Beginning	<u>50,638,783</u>	<u>1,756,644</u>	<u>52,395,427</u>
Fund Balance - Ending	<u>\$ 52,925,219</u>	<u>\$ 1,649,353</u>	<u>\$ 54,574,572</u>

NONMAJOR GOVERNMENTAL FUNDS

NONMAJOR SPECIAL REVENUE FUNDS:

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

Fire Protection

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

Affordable Housing

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

Wildlife Conservation Commission

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

Building and Code Enforcement

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

In-Home Supportive Services (IHSS)

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

NONMAJOR SPECIAL REVENUE FUNDS (continued):

Zone 1 Garbage

Zone 1 Garbage receives and accounts for franchise and rate surcharge fees collected as a result of the Zone 1 unincorporated garbage franchise agreement. Money received in this fund is utilized to enhance recycling programs in the unincorporated area of Zone 1, reimburse the County's Road Fund for damages caused by collection vehicles, and reimburse 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.

County 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 recreation 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 agreements 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.

Countywide Napa Valley Tourism Improvement District

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.

Community Facilities District - MST

The Community Facilities District - MST (CFD) was established during fiscal year 2012-2013 and commenced operations during fiscal year 2013-2014. The CFD is an assessment district which levies and collects assessments on parcel owners within the CFD to fund the construction, and related debt, of a recycled water pipeline from the Napa Sanitation District to the Milliken-Sarco-Tulocay basin.

COUNTY OF NAPA
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2015

	<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	\$ 11,062,275	\$ 6,153,957	\$ 86,580	\$ 3,478,377
Restricted Assets:				
Imprest cash	-	-	-	50
Receivable (Net):				
Taxes	98,949	-	-	-
Special assessments	43,563	-	-	-
Accounts	-	-	-	146
Due from other government agencies	852,923	-	-	-
Prepaid items	496	-	-	1,150
Deposits	-	-	-	-
Assets held for resale	-	990,202	-	-
Loans receivable, net	-	18,181,915	-	-
Advances to other funds	-	150,000	-	-
	<u>12,058,206</u>	<u>25,476,074</u>	<u>86,580</u>	<u>3,479,723</u>
Total Assets				
Total Assets & Deferred Outflows of Resources	<u>\$ 12,058,206</u>	<u>\$ 25,476,074</u>	<u>\$ 86,580</u>	<u>\$ 3,479,723</u>
Liabilities, Deferred Inflows of Resources & Fund Balances				
Liabilities:				
Accounts payable	\$ 377,594	\$ 27,078	\$ 4,454	\$ 28,192
Accrued salaries and benefits	-	-	-	117,055
Due to other funds	-	-	-	-
Due to other government agencies	123,921	-	-	-
Unearned revenue	-	-	-	-
Advances from other funds	-	-	-	-
	<u>501,515</u>	<u>27,078</u>	<u>4,454</u>	<u>145,247</u>
Total Liabilities				
Deferred Inflows of Resources:				
Unavailable revenue	<u>405,014</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:				
Nonspendable	496	-	-	1,150
Restricted	11,151,181	25,448,996	82,126	-
Committed	-	-	-	3,333,326
Unrestricted	-	-	-	-
	<u>11,151,677</u>	<u>25,448,996</u>	<u>82,126</u>	<u>3,334,476</u>
Total Fund Balances				
Total Liabilities, Deferred Inflows of Resources & Fund Balances	<u>\$ 12,058,206</u>	<u>\$ 25,476,074</u>	<u>\$ 86,580</u>	<u>\$ 3,479,723</u>

continued

COUNTY OF NAPA

Combining Balance Sheet (continued)
Nonmajor Special Revenue Funds
June 30, 2015

	<u>IHSS</u>	<u>Zone-1 Garbage</u>	<u>Child Support Services</u>	<u>County Library</u>
Assets & Deferred Outflows of Resources				
Assets:				
Cash and investments	\$ -	\$ 977,815	\$ 154,062	\$ 10,853,726
Restricted Assets:				
Imprest cash	-	-	300	1,310
Receivable (Net):				
Taxes	-	-	-	546,373
Special assessments	-	-	-	-
Accounts	-	-	157	1,198
Due from other government agencies	114,641	-	-	-
Prepaid items	3,055	-	14,491	7,110
Deposits	-	-	-	1,250
Assets held for resale	-	-	-	-
Loans receivable, net	-	-	-	-
Advances to other funds	-	-	-	-
	<u>117,696</u>	<u>977,815</u>	<u>169,010</u>	<u>11,410,967</u>
Total Assets				
Total Assets & Deferred Outflows of Resources	<u>\$ 117,696</u>	<u>\$ 977,815</u>	<u>\$ 169,010</u>	<u>\$ 11,410,967</u>
Liabilities, Deferred Inflows of Resources & Fund Balances				
Liabilities:				
Accounts payable	\$ 741	\$ 6,432	\$ 11,942	\$ 89,258
Accrued salaries and benefits	-	-	166,119	255,816
Due to other funds	37,184	-	-	-
Due to other government agencies	-	1,184	-	6,681
Unearned revenue	-	-	52,806	53,000
Advances from other funds	-	-	-	-
	<u>37,925</u>	<u>7,616</u>	<u>230,867</u>	<u>404,755</u>
Total Liabilities				
Deferred Inflows of Resources:				
Unavailable revenue	<u>114,641</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:				
Nonspendable	3,055	-	14,491	8,360
Restricted	-	970,199	-	10,997,852
Committed	-	-	-	-
Unrestricted	<u>(37,925)</u>	<u>-</u>	<u>(76,348)</u>	<u>-</u>
Total Fund Balances	<u>(34,870)</u>	<u>970,199</u>	<u>(61,857)</u>	<u>11,006,212</u>
Total Liabilities, Deferred Inflows of Resources & Fund Balances	<u>\$ 117,696</u>	<u>\$ 977,815</u>	<u>\$ 169,010</u>	<u>\$ 11,410,967</u>

continued

COUNTY OF NAPA

Combining Balance Sheet (continued)
Nonmajor Special Revenue Funds
June 30, 2015

	<u>Napa Valley Tourism Improvement- Unincorporated</u>	<u>Public, Educational Government Access Channel</u>	<u>Special Districts Under the Board of Supervisors</u>	<u>Total</u>
Assets & Deferred Outflows of Resources				
Assets:				
Cash and investments	\$ 13,278	\$ 176,933	\$ 2,415,623	\$ 35,372,626
Restricted Assets:				
Imprest cash	-	-	-	1,660
Receivable (Net):				
Taxes	-	-	5,690	651,012
Special assessments	-	-	28,138	71,701
Accounts	-	-	-	1,501
Due from other government agencies	137,868	-	1,314,468	2,419,900
Prepaid items	-	-	-	26,302
Deposits	-	-	-	1,250
Assets held for resale	-	-	-	990,202
Loans receivable, net	-	-	-	18,181,915
Advances to other funds	-	-	-	150,000
	<u>151,146</u>	<u>176,933</u>	<u>3,763,919</u>	<u>57,868,069</u>
Total Assets	<u>151,146</u>	<u>176,933</u>	<u>3,763,919</u>	<u>57,868,069</u>
Total Assets & Deferred Outflows of Resources	<u>\$ 151,146</u>	<u>\$ 176,933</u>	<u>\$ 3,763,919</u>	<u>\$ 57,868,069</u>
Liabilities, Deferred Inflows of Resources & Fund Balances				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ 1,503,508	\$ 2,049,199
Accrued salaries and benefits	-	-	-	538,990
Due to other funds	-	-	-	37,184
Due to other government agencies	-	-	-	131,786
Unearned revenue	-	-	-	105,806
Advances from other funds	-	-	1,560,230	1,560,230
	<u>-</u>	<u>-</u>	<u>3,063,738</u>	<u>4,423,195</u>
Total Liabilities	<u>-</u>	<u>-</u>	<u>3,063,738</u>	<u>4,423,195</u>
Deferred Inflows of Resources:				
Unavailable revenue	-	-	-	519,655
	<u>-</u>	<u>-</u>	<u>-</u>	<u>519,655</u>
Fund Balances:				
Nonspendable	-	-	19,920	47,472
Restricted	151,146	176,933	2,234,306	51,212,739
Committed	-	-	-	3,333,326
Unrestricted	-	-	(1,554,045)	(1,668,318)
	<u>151,146</u>	<u>176,933</u>	<u>700,181</u>	<u>52,925,219</u>
Total Fund Balances	<u>151,146</u>	<u>176,933</u>	<u>700,181</u>	<u>52,925,219</u>
Total Liabilities, Deferred Inflows of Resources & Fund Balances	<u>\$ 151,146</u>	<u>\$ 176,933</u>	<u>\$ 3,763,919</u>	<u>\$ 57,868,069</u>

COUNTY OF NAPA

Combining Statement of Revenues, Expenditures and
Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2015

	<u>Fire Protection</u>	<u>Affordable Housing</u>	<u>Wildlife Conservation Commission</u>	<u>Building and Code Enforcement</u>
Revenues:				
Taxes	\$ 9,497,904	\$ -	\$ -	\$ -
Licenses and permits	465,838	1,337,361	-	1,680,060
Fines, forfeitures and penalties	75	-	44,939	135,766
Revenue from the use of money and property	85,311	130,992	553	21,501
Aid from other governments	685,587	-	-	25,000
Charges for services	517,597	-	-	1,167,173
Contributions and donations	-	-	-	-
Other revenue	2,923	-	-	62
Total Revenues	<u>11,255,235</u>	<u>1,468,353</u>	<u>45,492</u>	<u>3,029,562</u>
Expenditures:				
Current:				
General government	-	-	-	-
Public protection	12,262,143	-	34,717	2,840,105
Public ways and facilities	-	-	-	-
Health and sanitation	-	-	-	-
Public assistance	-	352,089	-	-
Education	-	-	-	-
Total Expenditures	<u>12,262,143</u>	<u>352,089</u>	<u>34,717</u>	<u>2,840,105</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,006,908)</u>	<u>1,116,264</u>	<u>10,775</u>	<u>189,457</u>
Other Financing Sources (Uses):				
Transfers in	393,208	-	-	42,303
Transfers out	<u>(30,795)</u>	<u>(274,000)</u>	-	-
Total Other Financing Sources (Uses)	<u>362,413</u>	<u>(274,000)</u>	-	<u>42,303</u>
Net Change in Fund Balances	(644,495)	842,264	10,775	231,760
Fund Balance - Beginning	<u>11,796,172</u>	<u>24,606,732</u>	<u>71,351</u>	<u>3,102,716</u>
Fund Balance - Ending	<u>\$ 11,151,677</u>	<u>\$ 25,448,996</u>	<u>\$ 82,126</u>	<u>\$ 3,334,476</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, 2015

	In-Home Support Services Authority	Zone-1 Garbage	Child Support Services	County Library
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ 7,165,483
Licenses and permits	-	381,845	-	1,250
Fines, forfeitures and penalties	-	-	-	-
Revenue from the use of money and property	-	6,383	365	80,749
Aid from other governments	315,115	-	4,024,633	76,104
Charges for services	-	-	-	197,925
Contributions and donations	-	-	-	177,544
Other revenue	-	-	21,285	609
Total Revenues	<u>315,115</u>	<u>388,228</u>	<u>4,046,283</u>	<u>7,699,664</u>
Expenditures:				
Current:				
General government	-	-	-	-
Public protection	-	-	4,020,039	-
Public ways and facilities	-	-	-	-
Health and sanitation	-	257,087	-	-
Public assistance	349,026	-	-	-
Education	-	-	-	7,243,420
Total Expenditures	<u>349,026</u>	<u>257,087</u>	<u>4,020,039</u>	<u>7,243,420</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(33,911)</u>	<u>131,141</u>	<u>26,244</u>	<u>456,244</u>
Other Financing Sources (Uses):				
Transfers in	159,467	-	542	466,104
Transfers out	-	(198,000)	-	(19,246)
Total Other Financing Sources (Uses)	<u>159,467</u>	<u>(198,000)</u>	<u>542</u>	<u>446,858</u>
Net Change in Fund Balances	125,556	(66,859)	26,786	903,102
Fund Balance - Beginning	<u>(160,426)</u>	<u>1,037,058</u>	<u>(88,643)</u>	<u>10,103,110</u>
Fund Balance - Ending	<u>\$ (34,870)</u>	<u>\$ 970,199</u>	<u>\$ (61,857)</u>	<u>\$ 11,006,212</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, 2015

	Napa Valley Tourism Improvement- Unincorporated	Public, Educational Government Access Channel	Special Districts Under the Board of Supervisors	Total
Revenues:				
Taxes	\$ -	\$ -	\$ 868,359	\$ 17,531,746
Licenses and permits	-	38,813	-	3,905,167
Fines, forfeitures and penalties	-	-	4,082	184,862
Revenue from the use of money and property	1,254	994	12,710	340,812
Aid from other governments	-	-	103	5,126,542
Charges for services	499,433	-	6,255,184	8,637,312
Contributions and donations	-	-	-	177,544
Other revenue	-	-	-	24,879
Total Revenues	<u>500,687</u>	<u>39,807</u>	<u>7,140,438</u>	<u>35,928,864</u>
Expenditures:				
Current:				
General government	511,499	-	5,206,365	5,717,864
Public protection	-	-	29,051	19,186,055
Public ways and facilities	-	-	208,283	208,283
Health and sanitation	-	-	-	257,087
Public assistance	-	-	9,787	710,902
Education	-	-	-	7,243,420
Total Expenditures	<u>511,499</u>	<u>-</u>	<u>5,453,486</u>	<u>33,323,611</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(10,812)</u>	<u>39,807</u>	<u>1,686,952</u>	<u>2,605,253</u>
Other Financing Sources (Uses):				
Transfers in	-	-	-	1,061,624
Transfers out	-	-	(858,400)	(1,380,441)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(858,400)</u>	<u>(318,817)</u>
Net Change in Fund Balances	(10,812)	39,807	828,552	2,286,436
Fund Balance - Beginning	<u>161,958</u>	<u>137,126</u>	<u>(128,371)</u>	<u>50,638,783</u>
Fund Balance - Ending	<u>\$ 151,146</u>	<u>\$ 176,933</u>	<u>\$ 700,181</u>	<u>\$ 52,925,219</u>

COUNTY OF NAPA
Combining Balance Sheet
Special Districts Under the Board of Supervisors
June 30, 2015

	<u>County Service Area No 3</u>	<u>County Service Area No 4</u>	<u>Silverado Community Services</u>	<u>Monticello Public Cemetery</u>
Assets & Deferred Outflows of Resources				
Assets:				
Cash and investments	\$ 422,708	\$ 356,261	\$ 84,312	\$ 191,849
Receivable (Net):				
Taxes	-	-	-	5,690
Special assessments	598	4,270	703	-
Due from other government agencies	-	-	-	-
Total Assets	<u>423,306</u>	<u>360,531</u>	<u>85,015</u>	<u>197,539</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 423,306</u>	<u>\$ 360,531</u>	<u>\$ 85,015</u>	<u>\$ 197,539</u>
Liabilities, Deferred Inflows of Resources & Fund Balances				
Liabilities:				
Accounts payable	\$ 3,176	\$ -	\$ 15,266	\$ 158
Advances from other funds	-	-	-	-
Total Liabilities	<u>3,176</u>	<u>-</u>	<u>15,266</u>	<u>158</u>
Fund Balances:				
Nonspendable	-	-	-	19,920
Restricted	420,130	360,531	69,749	177,461
Unrestricted	-	-	-	-
Total Fund Balances	<u>420,130</u>	<u>360,531</u>	<u>69,749</u>	<u>197,381</u>
Total Liabilities, Deferred Inflows of Resources & Fund Balances	<u>\$ 423,306</u>	<u>\$ 360,531</u>	<u>\$ 85,015</u>	<u>\$ 197,539</u>

COUNTY OF NAPA

Combining Balance Sheet (continued)
Special Districts Under the Board of Supervisors
June 30, 2015

	Countywide Napa Valley Tourism Improvement District	Community Facility District- Devlin Road	Community Facility District-MST	Total
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Assets & Deferred Outflows of Resources				
Assets:				
Cash and investments	\$ 149,495	\$ 6,185	\$ 1,204,813	\$ 2,415,623
Receivable (Net):				
Taxes	-	-	-	5,690
Special assessments	22,567	-	-	28,138
Due from other government agencies	1,314,468	-	-	1,314,468
Total Assets	<u>1,486,530</u>	<u>6,185</u>	<u>1,204,813</u>	<u>3,763,919</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 1,486,530</u>	<u>\$ 6,185</u>	<u>\$ 1,204,813</u>	<u>\$ 3,763,919</u>
 Liabilities, Deferred Inflows of Resources & Fund Balances				
Liabilities:				
Accounts payable	\$ 1,484,908	\$ -	\$ -	\$ 1,503,508
Advances from other funds	-	1,560,230	-	1,560,230
Total Liabilities	<u>1,484,908</u>	<u>1,560,230</u>	<u>-</u>	<u>3,063,738</u>
 Fund Balances:				
Nonspendable	-	-	-	19,920
Restricted	1,622	-	1,204,813	2,234,306
Unrestricted	-	(1,554,045)	-	(1,554,045)
Total Fund Balances	<u>1,622</u>	<u>(1,554,045)</u>	<u>1,204,813</u>	<u>700,181</u>
Total Liabilities, Deferred Inflows of Resources & Fund Balances	<u>\$ 1,486,530</u>	<u>\$ 6,185</u>	<u>\$ 1,204,813</u>	<u>\$ 3,763,919</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, 2015

	County Service Area No 3	County Service Area No 4	Silverado Community Services	Monticello Public Cemetery
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ 28,425
Fines, forfeitures and penalties	999	2,849	234	-
Revenue from the use of money and property	2,628	2,911	498	1,239
Aid from other governments	-	-	-	103
Charges for services	468,923	447,372	125,009	7,048
Total Revenues	<u>472,550</u>	<u>453,132</u>	<u>125,741</u>	<u>36,815</u>
Expenditures:				
Current:				
General government	-	-	-	-
Public protection	122	-	-	28,929
Public ways and facilities	44,610	-	130,252	-
Public assistance	-	9,787	-	-
Total Expenditures	<u>44,732</u>	<u>9,787</u>	<u>130,252</u>	<u>28,929</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>427,818</u>	<u>443,345</u>	<u>(4,511)</u>	<u>7,886</u>
Other Financing Sources (Uses):				
Transfers out	<u>(371,013)</u>	<u>(487,387)</u>	-	-
Total Other Financing Sources (Uses)	<u>(371,013)</u>	<u>(487,387)</u>	-	-
Net change in fund balance	56,805	(44,042)	(4,511)	7,886
Fund Balance - Beginning	<u>363,325</u>	<u>404,573</u>	<u>74,260</u>	<u>189,495</u>
Fund Balance - Ending	<u>\$ 420,130</u>	<u>\$ 360,531</u>	<u>\$ 69,749</u>	<u>\$ 197,381</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, 2015

	Countywide Napa Valley Tourism Improvement District	Community Facility District- Devlin Road	Community Facility District-MST	Total
Revenues:				
Taxes	\$ -	\$ 232,228	\$ 607,706	\$ 868,359
Fines, forfeitures and penalties	-	-	-	4,082
Revenue from the use of money and property	1,555	521	3,358	12,710
Aid from other governments	-	-	-	103
Charges for services	5,206,831	-	1	6,255,184
Total Revenues	<u>5,208,386</u>	<u>232,749</u>	<u>611,065</u>	<u>7,140,438</u>
Expenditures:				
Current:				
General government	5,206,365	-	-	5,206,365
Public protection	-	-	-	29,051
Public ways and facilities	-	27,704	5,717	208,283
Public assistance	-	-	-	9,787
Total Expenditures	<u>5,206,365</u>	<u>27,704</u>	<u>5,717</u>	<u>5,453,486</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>2,021</u>	<u>205,045</u>	<u>605,348</u>	<u>1,686,952</u>
Other Financing Sources (Uses):				
Transfers out	-	-	-	(858,400)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(858,400)</u>
Net change in fund balance	2,021	205,045	605,348	828,552
Fund Balance - Beginning	<u>(399)</u>	<u>(1,759,090)</u>	<u>599,465</u>	<u>(128,371)</u>
Fund Balance - Ending	<u>\$ 1,622</u>	<u>\$ (1,554,045)</u>	<u>\$ 1,204,813</u>	<u>\$ 700,181</u>

COUNTY OF NAPA

Budgetary Comparison Schedule
Fire Protection
For the Year Ended June 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Resources (inflows):				
Taxes	\$ 8,755,752	\$ 8,755,752	\$ 9,497,904	\$ 742,152
Licenses and permits	325,000	325,000	465,838	140,838
Fines, forfeitures and penalties	-	-	75	75
Revenue from the use of money and property	50,000	50,000	85,311	35,311
Aid from other governments	798,682	798,682	685,587	(113,095)
Charges for services	519,182	519,182	517,597	(1,585)
Other revenue	5,000	5,000	2,923	(2,077)
Transfers in	371,135	371,135	393,208	22,073
Intrafund transfers in	1,268,200	1,268,200	1,268,200	-
Revenues available for appropriation	<u>12,092,951</u>	<u>12,092,951</u>	<u>12,916,643</u>	<u>823,692</u>
Charges to appropriations (outflows):				
Operations	16,633,389	16,726,232	13,285,718	3,440,514
Facilities and improvements	65,200	255,741	244,625	11,116
Napa Interagency Hazardous Incident	16,000	16,000	-	16,000
Transfers out	70,943	76,365	30,795	45,570
Total charges to appropriations	<u>16,785,532</u>	<u>17,074,338</u>	<u>13,561,138</u>	<u>3,513,200</u>
Net Change in Fund Balance, Budgetary Basis	(4,692,581)	(4,981,387)	(644,495)	4,336,892
Budgetary Fund Balance - Beginning	<u>11,796,172</u>	<u>11,796,172</u>	<u>11,796,172</u>	<u>-</u>
Budgetary Fund Balances - Ending	<u>\$ 7,103,591</u>	<u>\$ 6,814,785</u>	<u>\$ 11,151,677</u>	<u>\$ 4,336,892</u>

continued

COUNTY OF NAPA

Budgetary Comparison Schedule
Fire Protection
For the Year Ended June 30, 2015

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 \$12,916,643

Difference - budget to GAAP:

Transfers from other funds are inflows of budgetary resources but are not revenues for
financial reporting purposes (393,208)

Transfers within the fund are inflows of budgetary resources but are not revenues for
financial reporting purposes (1,268,200)

Total revenues as reported on the Combining Statement of Revenues, Expenditures and
Changes in Fund Balances - Nonmajor Special Revenue Funds \$11,255,235

Uses/outflows of resources

Actual amounts (budgetary basis) "total charges to appropriations" from the Budgetary
Comparison Schedule \$13,561,138

Difference - budget to GAAP:

Transfers to other funds are outflows of budgetary resources but are not expenditures
for financial reporting purposes (30,795)

Transfers within the fund are outflows of budgetary resources but are not expenditures
for financial reporting purposes (1,268,200)

Total expenditures as reported on the Combining Statement of Revenues, Expenditures
and Changes in Fund Balances - Nonmajor Special Revenue Funds \$12,262,143

COUNTY OF NAPA

Budgetary Comparison Schedule
Affordable Housing
For the Year Ended June 30, 2015

	<u>Budgeted Amounts</u>		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Resources (inflows):				
Licenses and permits	\$ 2,029,000	\$ 2,029,000	\$ 1,337,361	\$ (691,639)
Revenue from the use of money and property	25,000	25,000	130,992	105,992
Other revenue	<u>3,303,862</u>	<u>3,303,862</u>	-	<u>(3,303,862)</u>
Revenues available for appropriation	<u>5,357,862</u>	<u>5,357,862</u>	<u>1,468,353</u>	<u>(3,889,509)</u>
Charges to appropriations (outflows):				
Public assistance	3,742,949	3,742,949	352,089	3,390,860
Transfers out	<u>274,000</u>	<u>274,000</u>	<u>274,000</u>	<u>-</u>
Total charges to appropriations	<u>4,016,949</u>	<u>4,016,949</u>	<u>626,089</u>	<u>3,390,860</u>
Net Change in Fund Balance, Budgetary Basis	1,340,913	1,340,913	842,264	(498,649)
Budgetary Fund Balance - Beginning	<u>24,606,732</u>	<u>24,606,732</u>	<u>24,606,732</u>	<u>-</u>
Budgetary Fund Balances - Ending	<u>\$ 25,947,645</u>	<u>\$ 25,947,645</u>	<u>\$ 25,448,996</u>	<u>\$ (498,649)</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 \$ 626,089

Difference - budget to GAAP:

Transfers to other funds are outflows of budgetary resources but are not expenditures
for financial reporting purposes (274,000)

Total expenditures as reported on the Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances - Nonmajor Special Revenue Funds \$ 352,089

COUNTY OF NAPA

Budgetary Comparison Schedule
Wildlife Conservation Commission
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Resources (inflows):				
Fines, forfeitures and penalties	\$ 12,000	\$ 12,000	\$ 44,939	\$ 32,939
Revenue from the use of money and property	400	400	553	153
Revenues available for appropriation	<u>12,400</u>	<u>12,400</u>	<u>45,492</u>	<u>33,092</u>
Charges to appropriations (outflows):				
Public protection	50,000	50,000	34,717	15,283
Total charges to appropriations	<u>50,000</u>	<u>50,000</u>	<u>34,717</u>	<u>15,283</u>
Net Change in Fund Balance, Budgetary Basis	(37,600)	(37,600)	10,775	48,375
Budgetary Fund Balance - Beginning	<u>71,351</u>	<u>71,351</u>	<u>71,351</u>	<u>-</u>
Budgetary Fund Balances - Ending	<u>\$ 33,751</u>	<u>\$ 33,751</u>	<u>\$ 82,126</u>	<u>\$ 48,375</u>

COUNTY OF NAPA

Budgetary Comparison Schedule
Building and Code Enforcement
For the Year Ended June 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Resources (inflows):				
Licenses and permits	\$ 2,035,000	\$ 2,035,000	\$ 1,680,060	\$ (354,940)
Fines, forfeitures and penalties	58,000	58,000	135,766	77,766
Revenue from the use of money and property	7,000	7,000	21,501	14,501
Aid from other governments	-	-	25,000	25,000
Charges for services	1,330,000	1,338,000	1,167,173	(170,827)
Other revenue	-	-	62	62
Transfers in	-	42,304	42,303	(1)
Revenues available for appropriation	<u>3,430,000</u>	<u>3,480,304</u>	<u>3,071,865</u>	<u>(408,439)</u>
Charges to appropriations (outflows):				
Public protection	<u>2,878,370</u>	<u>2,986,370</u>	<u>2,840,105</u>	<u>146,265</u>
Total charges to appropriations	<u>2,878,370</u>	<u>2,986,370</u>	<u>2,840,105</u>	<u>146,265</u>
Net Change in Fund Balance, Budgetary Basis	551,630	493,934	231,760	(262,174)
Budgetary Fund Balance - Beginning	<u>3,102,716</u>	<u>3,102,716</u>	<u>3,102,716</u>	<u>-</u>
Budgetary Fund Balances - Ending	<u>\$ 3,654,346</u>	<u>\$ 3,596,650</u>	<u>\$ 3,334,476</u>	<u>\$ (262,174)</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 \$ 3,071,865

Difference - budget to GAAP:

Transfers from other funds are inflows of budgetary resources but are not revenues for
financial reporting purposes (42,303)

Total revenues as reported on the Statement of Revenues, Expenditures, and Changes
in Fund Balances - Nonmajor Special Revenue Funds \$ 3,029,562

COUNTY OF NAPA

Budgetary Comparison Schedule
In-Home Support Services Authority
For the Year Ended June 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Resources (inflows):				
Aid from other governments	\$ 829,258	\$ 829,258	\$ 315,115	\$ (514,143)
Transfers in	<u>159,467</u>	<u>159,467</u>	<u>159,467</u>	<u>-</u>
Revenues available for appropriation	<u>988,725</u>	<u>988,725</u>	<u>474,582</u>	<u>(514,143)</u>
Charges to appropriations (outflows):				
Public assistance	<u>987,725</u>	<u>1,022,725</u>	<u>349,026</u>	<u>673,699</u>
Total charges to appropriations	<u>987,725</u>	<u>1,022,725</u>	<u>349,026</u>	<u>673,699</u>
Net Change in Fund Balance, Budgetary Basis	1,000	(34,000)	125,556	159,556
Budgetary Fund Balance - Beginning	<u>(160,426)</u>	<u>(160,426)</u>	<u>(160,426)</u>	<u>-</u>
Budgetary Fund Balances - Ending	<u>\$ (159,426)</u>	<u>\$ (194,426)</u>	<u>\$ (34,870)</u>	<u>\$ 159,556</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	\$ 474,582
Difference - budget to GAAP:	
Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes	<u>(159,467)</u>
Total revenues as reported on the Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Special Revenue Funds	<u>\$ 315,115</u>

COUNTY OF NAPA

Budgetary Comparison Schedule
Zone-1 Garbage
For the Year Ended June 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Resources (inflows):				
Licenses and permits	\$ 300,000	\$ 300,000	\$ 381,845	\$ 81,845
Revenue from the use of money and property	2,000	2,000	6,383	4,383
Revenues available for appropriation	<u>302,000</u>	<u>302,000</u>	<u>388,228</u>	<u>86,228</u>
Charges to appropriations (outflows):				
Health and sanitation	601,000	601,000	257,087	343,913
Transfers out	198,000	198,000	198,000	-
Total charges to appropriations	<u>799,000</u>	<u>799,000</u>	<u>455,087</u>	<u>343,913</u>
Net Change in Fund Balance, Budgetary Basis	(497,000)	(497,000)	(66,859)	(257,685)
Budgetary Fund Balance - Beginning	<u>1,037,058</u>	<u>1,037,058</u>	<u>1,037,058</u>	<u>-</u>
Budgetary Fund Balances - Ending	<u>\$ 540,058</u>	<u>\$ 540,058</u>	<u>\$ 970,199</u>	<u>\$ (257,685)</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	\$ 455,087
Difference - budget to GAAP:	
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes	<u>(198,000)</u>
Total expenditures as reported on the Combining Statement of Revenues, Expenditures, and Changes in fund balances - Nonmajor Special Revenue Funds	<u>\$ 257,087</u>

COUNTY OF NAPA

Budgetary Comparison Schedule
 Child Support Services
 For the Year Ended June 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>with Final</u>
			<u>(Budgetary</u>	<u>Budget</u>
			<u>Basis)</u>	<u>Positive</u>
				<u>(Negative)</u>
Resources (inflows):				
Revenue from the use of money and property	\$ 1,000	\$ 1,000	\$ 365	\$ (635)
Aid from other governments	4,140,694	4,141,494	4,024,633	(116,861)
Other revenue	21,267	21,267	21,285	18
Transfer in	-	-	542	542
Revenues available for appropriation	<u>4,162,961</u>	<u>4,163,761</u>	<u>4,046,825</u>	<u>(116,936)</u>
Charges to appropriations (outflows):				
Public Protection	<u>4,162,961</u>	<u>4,163,761</u>	<u>4,020,039</u>	<u>143,722</u>
Total charges to appropriations	<u>4,162,961</u>	<u>4,163,761</u>	<u>4,020,039</u>	<u>143,722</u>
Net Change in Fund Balance, Budgetary Basis	-	-	26,786	26,786
Budgetary Fund Balance - Beginning	<u>(88,643)</u>	<u>(88,643)</u>	<u>(88,643)</u>	<u>-</u>
Budgetary Fund Balances - Ending	<u><u>\$ (88,643)</u></u>	<u><u>\$ (88,643)</u></u>	<u><u>\$ (61,857)</u></u>	<u><u>\$ 26,786</u></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

\$ 4,046,825

Difference - budget to GAAP:

Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes

(542)

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

\$ 4,046,283

COUNTY OF NAPA

Budgetary Comparison Schedule
County Library
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Resources (inflows):				
Taxes	\$ 6,859,602	\$ 6,859,602	\$ 7,165,483	\$ 305,881
Revenue from the use of money and property	41,000	41,000	80,749	39,749
Aid from other governments	56,194	56,194	76,104	19,910
Charges for services	168,100	171,600	199,175	27,575
Contributions and donations	143,300	143,300	177,544	34,244
Other revenue	1,020	1,020	609	(411)
Transfers in	482,777	482,777	466,104	(16,673)
Intrafund transfers in	794,000	794,000	95,247	(698,753)
Revenues available for appropriation	<u>8,545,993</u>	<u>8,549,493</u>	<u>8,261,015</u>	<u>(288,478)</u>
Charges to appropriations (outflows):				
Library operations	8,686,411	8,710,683	7,243,420	1,467,263
Facilities maintenance and improvements	794,000	794,000	95,247	698,753
Transfers out	19,489	30,182	19,246	10,936
Total charges to appropriations	<u>9,499,900</u>	<u>9,534,865</u>	<u>7,357,913</u>	<u>2,176,952</u>
Net Change in Fund Balance, Budgetary Basis	(953,907)	(985,372)	903,102	1,888,474
Budgetary Fund Balance - Beginning	<u>10,103,110</u>	<u>10,103,110</u>	<u>10,103,110</u>	<u>-</u>
Budgetary Fund Balances - Ending	<u>\$ 9,149,203</u>	<u>\$ 9,117,738</u>	<u>\$ 11,006,212</u>	<u>\$ 1,888,474</u>

continued

COUNTY OF NAPA

Budgetary Comparison Schedule
County Library
For the Year Ended June 30, 2015

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 \$ 8,261,015

Difference - budget to GAAP:

Transfers from other funds are inflows of budgetary resources but are not revenues for
financial reporting purposes (466,104)

Transfers within the fund are inflows of budgetary resources but are not revenues for
financial reporting purposes (95,247)

Total revenues as reported on the Combining Statement of Revenues, Expenditures and
Changes in Fund Balances - Nonmajor Special Revenue Funds \$ 7,699,664

Uses/outflows of resources

Actual amounts (budgetary basis) "total charges to appropriations" from the Budgetary
Comparison Schedule \$ 7,357,913

Difference - budget to GAAP:

Transfers to other funds are outflows of budgetary resources but are not expenditures
for financial reporting purposes (19,246)

Transfers within the fund are outflows of budgetary resources but are not expenditures
for financial reporting purposes (95,247)

Total expenditures as reported on the Combining Statement of Revenues, Expenditures,
and Changes in fund balances - Nonmajor Special Revenue Funds \$ 7,243,420

COUNTY OF NAPA

Budgetary Comparison Schedule
 Napa Valley Tourism Improvement-Unincorporated
 For the Year Ended June 30, 2015

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Resources (inflows):				
Revenue from the use of money and property	\$ 200	\$ 200	\$ 1,254	\$ 1,054
Charges for services	479,800	479,800	499,433	19,633
Revenues available for appropriation	<u>480,000</u>	<u>480,000</u>	<u>500,687</u>	<u>20,687</u>
Charges to appropriations (outflows):				
General government	429,000	512,000	511,499	501
Total charges to appropriations	<u>429,000</u>	<u>512,000</u>	<u>511,499</u>	<u>501</u>
Net Change in Fund Balance, Budgetary Basis	51,000	(32,000)	(10,812)	20,186
Budgetary Fund Balance - Beginning	<u>161,958</u>	<u>161,958</u>	<u>161,958</u>	<u>-</u>
Budgetary Fund Balances - Ending	<u>\$ 212,958</u>	<u>\$ 129,958</u>	<u>\$ 151,146</u>	<u>\$ 20,186</u>

COUNTY OF NAPA

Budgetary Comparison Schedule
Public, Educational Government Access Channel
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Resources (inflows):				
Licenses and permits	\$ 34,000	\$ 34,000	\$ 38,813	\$ 4,813
Revenue from the use of money and property	400	400	994	594
Revenues available for appropriation	<u>34,400</u>	<u>34,400</u>	<u>39,807</u>	<u>5,407</u>
Charges to appropriations (outflows):				
General government	10,000	10,000	-	10,000
Total charges to appropriations	<u>10,000</u>	<u>10,000</u>	<u>-</u>	<u>10,000</u>
Net Change in Fund Balance, Budgetary Basis	24,400	24,400	39,807	15,407
Budgetary Fund Balance - Beginning	<u>137,126</u>	<u>137,126</u>	<u>137,126</u>	<u>-</u>
Budgetary Fund Balances - Ending	<u>\$ 161,526</u>	<u>\$ 161,526</u>	<u>\$ 176,933</u>	<u>\$ 15,407</u>

COUNTY OF NAPA

Budgetary Comparison Schedule
County Service Area No 3
For the Year Ended June 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Resources (inflows):				
Fines, forfeitures and penalties	\$ 1,638	\$ 1,638	\$ 999	\$ (639)
Revenue from use of money and property	1,267	1,267	2,628	1,361
Charges for services	<u>444,680</u>	<u>444,680</u>	<u>468,923</u>	<u>24,243</u>
Revenues available for appropriation	<u>447,585</u>	<u>447,585</u>	<u>472,550</u>	<u>24,965</u>
Charges to appropriations (outflows):				
Public ways and facilities	76,450	76,450	44,610	31,840
Public protection	-	-	122	(122)
Transfers out	<u>371,135</u>	<u>371,135</u>	<u>371,013</u>	<u>122</u>
Total charges to appropriations	<u>447,585</u>	<u>447,585</u>	<u>415,745</u>	<u>31,840</u>
Net Change in Fund Balance, Budgetary Basis	-	-	56,805	56,805
Budgetary Fund Balance - Beginning	<u>363,325</u>	<u>363,325</u>	<u>363,325</u>	-
Budgetary Fund Balances - Ending	<u>\$ 363,325</u>	<u>\$ 363,325</u>	<u>\$ 420,130</u>	<u>\$ 56,805</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 \$ 415,745

Difference - budget to GAAP:

Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes (371,013)

Total expenditures as reported on the Combining Statement of Revenues, Expenditures, and Changes in fund balances - Nonmajor Special Districts Under the Board of Supervisors \$ 44,732

COUNTY OF NAPA

Budgetary Comparison Schedule
County Service Area No 4
For the Year Ended June 30, 2015

	<u>Budgeted Amounts</u>		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Resources (inflows):				
Fines, forfeitures and penalties	\$ -	\$ -	\$ 2,849	\$ 2,849
Revenue from use of money and property	2,000	2,000	2,911	911
Charges for services	<u>448,000</u>	<u>448,000</u>	<u>447,372</u>	<u>(628)</u>
Revenues available for appropriation	<u>450,000</u>	<u>450,000</u>	<u>453,132</u>	<u>3,132</u>
Charges to appropriations (outflows):				
Public assistance	18,500	18,500	9,787	8,713
Transfers out	<u>455,641</u>	<u>575,641</u>	<u>487,387</u>	<u>88,254</u>
Total charges to appropriations	<u>474,141</u>	<u>594,141</u>	<u>497,174</u>	<u>96,967</u>
Net change in Fund Balance, Budgetary Basis	(24,141)	(144,141)	(44,042)	100,099
Budgetary Fund Balance - Beginning	<u>404,573</u>	<u>404,573</u>	<u>404,573</u>	<u>-</u>
Budgetary fund balances, Ending	<u>\$ 380,432</u>	<u>\$ 260,432</u>	<u>\$ 360,531</u>	<u>\$ 100,099</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 \$ 497,174

Difference - budget to GAAP:

Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes (487,387)

Total expenditures as reported on the Combining Statement of Revenues, Expenditures, and Changes in fund balances - Nonmajor Special Under the Board of Supervisors \$ 9,787

COUNTY OF NAPA

Budgetary Comparison Schedule
Silverado Community Services
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Resources (inflows):				
Fines, forfeitures and penalties	\$ 500	\$ 500	\$ 234	\$ (266)
Revenue from the use of money and property	394	394	498	104
Charges for services	<u>125,009</u>	<u>125,009</u>	<u>125,009</u>	<u>-</u>
Revenues available for appropriation	<u>125,903</u>	<u>125,903</u>	<u>125,741</u>	<u>(162)</u>
Charges to appropriations (outflows):				
Public ways and facilities	<u>190,511</u>	<u>190,511</u>	<u>130,252</u>	<u>60,259</u>
Total charges to appropriations	<u>190,511</u>	<u>190,511</u>	<u>130,252</u>	<u>60,259</u>
Net Change in Fund Balance, Budgetary Basis	(64,608)	(64,608)	(4,511)	60,097
Budgetary Fund Balance - Beginning	<u>74,260</u>	<u>74,260</u>	<u>74,260</u>	<u>-</u>
Budgetary Fund Balances - Ending	<u>\$ 9,652</u>	<u>\$ 9,652</u>	<u>\$ 69,749</u>	<u>\$ 60,097</u>

COUNTY OF NAPA

Budgetary Comparison Schedule
 Monticello Public Cemetery
 For the Year Ended June 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Vairance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Resources (inflows):				
Taxes	\$ 31,900	\$ 31,900	\$ 28,425	\$ (3,475)
Revenue from the use of money and property	900	900	1,239	339
Aid from other governments	124	124	103	(21)
Charges for services	5,960	5,960	7,048	1,088
Intrafund transfers in	<u>35,000</u>	<u>35,000</u>	<u>-</u>	<u>(35,000)</u>
Revenues available for appropriation	<u>73,884</u>	<u>73,884</u>	<u>36,815</u>	<u>(37,069)</u>
Charges to appropriations (outflows):				
Public protection	<u>114,303</u>	<u>114,303</u>	<u>28,929</u>	<u>85,374</u>
Total charges to appropriations	<u>114,303</u>	<u>114,303</u>	<u>28,929</u>	<u>85,374</u>
Net Change in Fund Balance, Budgetary Basis	(40,419)	(40,419)	7,886	48,305
Budgetary Fund Balance - Beginning	<u>189,495</u>	<u>189,495</u>	<u>189,495</u>	<u>-</u>
Budgetary Fund Balances - Ending	<u>\$ 149,076</u>	<u>\$ 149,076</u>	<u>\$ 197,381</u>	<u>\$ 48,305</u>

COUNTY OF NAPA

Budgetary Comparison Schedule
 Countywide Napa Valley Tourism Improvement District
 For the Year Ended June 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Resources (inflows):				
Revenue from the use of money and property	\$ -	\$ -	\$ 1,555	\$ 1,555
Charges for services	<u>5,400,000</u>	<u>5,400,000</u>	<u>5,206,831</u>	<u>(193,169)</u>
Revenues available for appropriation	<u>5,400,000</u>	<u>5,400,000</u>	<u>5,208,386</u>	<u>(191,614)</u>
Charges to appropriations (outflows):				
General government	<u>5,400,000</u>	<u>5,400,000</u>	<u>5,206,365</u>	<u>193,635</u>
Total charges to appropriations	<u>5,400,000</u>	<u>5,400,000</u>	<u>5,206,365</u>	<u>193,635</u>
Net Change in Fund Balance, Budgetary Basis	-	-	2,021	2,021
Budgetary Fund Balance - Beginning	<u>(399)</u>	<u>(399)</u>	<u>(399)</u>	<u>-</u>
Budgetary Fund Balances - Ending	<u><u>\$ (399)</u></u>	<u><u>\$ (399)</u></u>	<u><u>\$ 1,622</u></u>	<u><u>\$ 2,021</u></u>

COUNTY OF NAPA

Budgetary Comparison Schedule
 Community Facility District-Devlin Road
 For the Year Ended June 30, 2015

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Resources (inflows):				
Taxes	\$ 600,000	\$ 600,000	\$ 232,228	\$ (367,772)
Revenue from the use of money and property	-	-	521	521
Other financing sources	-	-	-	-
Revenues available for appropriation	<u>600,000</u>	<u>600,000</u>	<u>232,749</u>	<u>(367,251)</u>
Charges to appropriations (outflows):				
Public ways & facilities	600,000	600,000	27,704	572,296
Total charges to appropriations	<u>600,000</u>	<u>600,000</u>	<u>27,704</u>	<u>572,296</u>
Net Change in Fund Balance, Budgetary Basis	-	-	205,045	205,045
Budgetary Fund Balance - Beginning	<u>(1,759,090)</u>	<u>(1,759,090)</u>	<u>(1,759,090)</u>	<u>-</u>
Budgetary Fund Balances - Ending	<u><u>\$(1,759,090)</u></u>	<u><u>\$(1,759,090)</u></u>	<u><u>\$(1,554,045)</u></u>	<u><u>\$ 205,045</u></u>

COUNTY OF NAPA

Budgetary Comparison Schedule

Community Facility District-MST

For the Year Ended June 30, 2015

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Resources (inflows):				
Taxes	\$ 601,465	\$ 601,465	\$ 607,706	\$ 6,241
Revenue from the use of money and property	-	-	3,358	3,358
Charges for services	-	-	1	1
Revenues available for appropriation	<u>601,465</u>	<u>601,465</u>	<u>611,065</u>	<u>9,600</u>
Charges to appropriations (outflows):				
Public ways and facilities	12,500	12,500	5,717	6,783
Debt service	75,000	75,000	-	75,000
Total charges to appropriations	<u>87,500</u>	<u>87,500</u>	<u>5,717</u>	<u>81,783</u>
Net Change in Fund Balance, Budgetary Basis	513,965	513,965	605,348	91,383
Budgetary Fund Balance - Beginning	<u>599,465</u>	<u>599,465</u>	<u>599,465</u>	<u>-</u>
Budgetary Fund Balances - Ending	<u>\$ 1,113,430</u>	<u>\$ 1,113,430</u>	<u>\$ 1,204,813</u>	<u>\$ 91,383</u>

COUNTY OF NAPA

Budgetary Comparison Schedule
 Non-Operating Special Revenue Fund - Inmate Welfare
 For the Year Ended June 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>with Final</u>
			<u>(Budgetary</u>	<u>Budget</u>
			<u>Basis)</u>	<u>Positive</u>
				<u>(Negative)</u>
Resources (inflows):				
Revenue from the use of money and property	\$ 500	\$ 500	\$ 712	\$ 212
Charges for services	185,000	185,000	135,391	(49,609)
Transfers in	30,000	30,000	-	(30,000)
Revenues available for appropriation	<u>215,500</u>	<u>215,500</u>	<u>136,103</u>	<u>(79,397)</u>
Charges to appropriations (outflows):				
Public protection	212,450	212,450	77,416	135,034
Transfers out	46,000	46,000	8,981	37,019
Total charges to appropriations	<u>258,450</u>	<u>258,450</u>	<u>86,397</u>	<u>172,053</u>
Net Change in Fund Balance, Budgetary Basis	(42,950)	(42,950)	49,706	92,656
Budgetary Fund Balance - Beginning	<u>134,136</u>	<u>134,136</u>	<u>134,136</u>	<u>-</u>
Budgetary Fund Balances - Ending	<u>\$ 91,186</u>	<u>\$ 91,186</u>	<u>\$ 183,842</u>	<u>\$ 92,656</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 \$ 86,397

Difference - budget to GAAP:

Transfers to other funds are outflows of budgetary resources but are not expenditures
 for financial reporting purposes (8,981)

Total expenditures as reported on the Statement of Revenues, Expenditures, and
 Changes in fund balances - General Fund \$ 77,416

COUNTY OF NAPA

Budgetary Comparison Schedule
 Non-Operating Special Revenue Fund - General Government
 For the Year Ended June 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>with Final</u>
			<u>(Budgetary</u>	<u>Budget</u>
			<u>Basis)</u>	<u>Positive</u>
				<u>(Negative)</u>
Resources (inflows):				
Revenue from the use of money and property	\$ 3,300	\$ 3,300	\$ 3,583	\$ 283
Other revenue	440,000	440,000	-	(440,000)
Revenues available for appropriation	<u>443,300</u>	<u>443,300</u>	<u>3,583</u>	<u>(439,717)</u>
Charges to appropriations (outflows):				
Housing Rehabilitation Repayment				
Long term loan	440,000	240,000	-	240,000
Transfers out	-	200,000	159,840	40,160
Subtotal	<u>440,000</u>	<u>440,000</u>	<u>159,840</u>	<u>280,160</u>
St-Cnty Prop Tax Admin-AB818				
Transfers out	45,000	45,000	45,000	-
Subtotal	<u>45,000</u>	<u>45,000</u>	<u>45,000</u>	<u>-</u>
Total charges to appropriations	<u>485,000</u>	<u>485,000</u>	<u>204,840</u>	<u>(280,160)</u>
Net Change in Fund Balance, Budgetary Basis	(41,700)	(41,700)	(201,257)	(159,557)
Budgetary Fund Balance - Beginning	<u>741,777</u>	<u>741,777</u>	<u>741,777</u>	<u>-</u>
Budgetary Fund Balances - Ending	<u>\$ 700,077</u>	<u>\$ 700,077</u>	<u>\$ 540,520</u>	<u>\$ (159,557)</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	\$ 204,840
Difference - budget to GAAP:	
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes	<u>(204,840)</u>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in fund balances - General Fund	<u>\$ -</u>

COUNTY OF NAPA

Budgetary Comparison Schedule
 Non-Operating Special Revenue Fund - Public Protection
 For the Year Ended June 30, 2015

	<u>Budgeted Amounts</u>		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Resources (inflows):				
Licenses and permits	\$ 1,400	\$ 1,400	\$ 1,227	\$ (173)
Fines, forfeitures and penalties	610,675	610,675	1,910,627	1,299,952
Revenue from the use of money and property	39,125	39,125	51,956	12,831
Aid from other governments	398,000	696,032	977,492	281,460
Charges for services	332,250	332,250	460,112	127,862
Contributions and donations	3,500	3,500	1,500	(2,000)
Revenue available for appropriation	<u>1,384,950</u>	<u>1,682,982</u>	<u>3,402,914</u>	<u>1,719,932</u>
Charges to appropriations (outflows):				
District Attorney-Asset Forfeitures				
Transfers out	<u>30,000</u>	<u>30,000</u>	<u>22,248</u>	<u>7,752</u>
Subtotal	<u>30,000</u>	<u>30,000</u>	<u>22,248</u>	<u>7,752</u>
District Attorney-Prop 64 Civil Penalties				
Transfers out	<u>552,747</u>	<u>552,747</u>	<u>478,266</u>	<u>74,481</u>
Subtotal	<u>552,747</u>	<u>552,747</u>	<u>478,266</u>	<u>74,481</u>
District Attorney-Hazardous Waste Enforce				
Transfers out	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>	<u>-</u>
Subtotal	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>	<u>-</u>
District Attorney-\$1 Vehicle Reg Assessment				
Transfers out	<u>80,000</u>	<u>140,000</u>	<u>140,000</u>	<u>-</u>
Subtotal	<u>80,000</u>	<u>140,000</u>	<u>140,000</u>	<u>-</u>
District Attorney-Consumer Fraud				
Transfers out	<u>50,000</u>	<u>50,000</u>	<u>40,000</u>	<u>10,000</u>
Subtotal	<u>50,000</u>	<u>50,000</u>	<u>40,000</u>	<u>10,000</u>
Sheriff-Fingerprint ID				
Transfers out	<u>44,000</u>	<u>56,000</u>	<u>56,000</u>	<u>-</u>
Subtotal	<u>44,000</u>	<u>56,000</u>	<u>56,000</u>	<u>-</u>
Sheriff - Asset Forfeiture				
Transfers out	<u>-</u>	<u>159,948</u>	<u>159,948</u>	<u>-</u>
Subtotal	<u>-</u>	<u>159,948</u>	<u>159,948</u>	<u>-</u>
Sheriff-Debtor Assessment Fees				
Transfers out	<u>9,792</u>	<u>9,792</u>	<u>9,792</u>	<u>-</u>
Subtotal	<u>9,792</u>	<u>9,792</u>	<u>9,792</u>	<u>-</u>

COUNTY OF NAPA

Budgetary Comparison Schedule
 Non-Operating Special Revenue Fund - Public Protection
 For the Year Ended June 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Sheriff-Community Services				
Services and supplies	8,000	8,000	8,000	-
Subtotal	8,000	8,000	8,000	-
Sheriff - Civil Equipment				
Transfers out	\$ -	\$ 81,250	\$ 81,250	\$ -
Subtotal	-	81,250	81,250	-
Sheriff-Indigent Burial				
Transfers out	1,654	6,670	4,150	2,520
Subtotal	1,654	6,670	4,150	2,520
Sheriff-Drug Enforcement Agency				
Transfers out	65,000	65,000	48,226	16,774
Subtotal	65,000	65,000	48,226	16,774
Probation-Asset Forfeitures				
Transfers out	6,000	6,000	6,000	-
Subtotal	6,000	6,000	6,000	-
Probation-Chamberlain High				
Transfers out	3,500	3,500	423	3,077
Subtotal	3,500	3,500	423	3,077
Probation-Community Correction Performance Incentive				
Transfers out	200,000	498,032	460,533	37,499
Subtotal	200,000	498,032	460,533	37,499
Probation-Community Services				
Transfers out	6,000	6,000	1,000	5,000
Subtotal	6,000	6,000	1,000	5,000
Recorder-Modernization				
Transfers out	3,500	73,500	73,500	-
Subtotal	3,500	73,500	73,500	-
Recorder-Vital-Health Statistics Clerk				
Transfers out	37,000	37,000	37,000	-
Subtotal	37,000	37,000	37,000	-
Recorder-SS Truncation Fees				
Transfers out	13,000	13,000	13,000	-
Subtotal	13,000	13,000	13,000	-

continued

COUNTY OF NAPA

Budgetary Comparison Schedule
 Non-Operating Special Revenue Fund - Public Protection
 For the Year Ended June 30, 2015

	<u>Budgeted Amounts</u>		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Recorder-Electronic Doc Recording				
Transfers out	16,500	16,500	-	16,500
Subtotal	<u>16,500</u>	<u>16,500</u>	-	<u>16,500</u>
Total charges to appropriations	<u>1,146,693</u>	<u>1,832,939</u>	<u>1,659,336</u>	<u>173,603</u>
Net Change in Fund Balance, Budgetary Basis	238,257	(149,957)	1,743,578	1,893,535
Budgetary Fund Balance - Beginning	<u>8,503,123</u>	<u>8,503,123</u>	<u>8,503,123</u>	-
Budgetary Fund Balance - Ending	<u>\$ 8,741,380</u>	<u>\$ 8,353,166</u>	<u>\$ 10,246,701</u>	<u>\$ 1,893,535</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 \$ 1,659,336

Difference - budget to GAAP:

Transfers to other funds are outflows of budgetary resources but not expenditures for financial reporting purposes (1,651,336)

Total expenditures as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - General Fund \$ 8,000

COUNTY OF NAPA

Budgetary Comparison Schedule
 Non-Operating Special Revenue Fund - Public Ways & Facilities
 For the Year Ended June 30, 2015

	<u>Budgeted Amounts</u>		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Resources (inflows):				
Revenue from the use of money and property	\$ 6,500	\$ 6,500	\$ 18,864	\$ 12,364
Charges for services	<u>500,000</u>	<u>500,000</u>	<u>744,290</u>	<u>244,290</u>
Revenues available for appropriation	<u>506,500</u>	<u>506,500</u>	<u>763,154</u>	<u>256,654</u>
Charges to appropriations (outflows):				
Mitigation-Airport Industrial				
Public ways and facilities	20,000	20,000	12,337	7,663
Transfers out	<u>1,852,999</u>	<u>1,852,999</u>	<u>58,122</u>	<u>1,794,877</u>
Total charges to appropriations	<u>1,872,999</u>	<u>1,872,999</u>	<u>70,459</u>	<u>1,802,540</u>
Net Change in Fund Balance, Budgetary Basis	(1,366,499)	(1,366,499)	692,695	2,059,194
Budgetary Fund Balance - Beginning	<u>2,224,781</u>	<u>2,224,781</u>	<u>2,224,781</u>	<u>-</u>
Budgetary Fund Balances - Ending	<u>\$ 858,282</u>	<u>\$ 858,282</u>	<u>\$ 2,917,476</u>	<u>\$ 2,059,194</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 \$ 70,459

Difference - budget to GAAP:

Transfers to other funds are outflows of budgetary resources but are not expenditures
 for financial reporting purposes. (58,122)

Total expenditures as reported on the Statement of Revenues, Expenditures, and
 Changes in fund balances - General Fund \$ 12,337

COUNTY OF NAPA

Budgetary Comparison Schedule
 Non-Operating Special Revenue Fund - Health & Sanitation
 For the Year Ended June 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>with Final</u>
			<u>(Budgetary</u>	<u>Budget</u>
			<u>Basis)</u>	<u>Positive</u>
				<u>(Negative)</u>
Resources (inflows):				
Fines, forfeitures and penalties	\$ 578,500	\$ 578,500	\$ 545,372	\$ (33,128)
Revenue from the use of money and property	63,810	63,810	43,940	(19,870)
Aid from other governments	3,917,072	3,917,072	6,859,208	2,942,136
Charges for services	14,000	14,000	16,557	2,557
Other revenue	20,000	20,000	25,184	5,184
Revenues available for appropriation	<u>4,593,382</u>	<u>4,593,382</u>	<u>7,490,261</u>	<u>2,896,879</u>
Charges to appropriations (outflows):				
PH-AIDS Education-HS11350				
Transfers out	5,500	5,500	-	5,500
Subtotal	<u>5,500</u>	<u>5,500</u>	<u>-</u>	<u>5,500</u>
PH-Local Bioterrorism				
Transfers out	168,900	168,900	76,225	92,675
Subtotal	<u>168,900</u>	<u>168,900</u>	<u>76,225</u>	<u>92,675</u>
PH-Emergency Medical Svcs				
Transfers out	509,500	616,300	503,497	112,803
Subtotal	<u>509,500</u>	<u>616,300</u>	<u>503,497</u>	<u>112,803</u>
PH-Vital and Health Statistics				
Transfers out	20,000	20,000	20,000	-
Subtotal	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>	<u>-</u>
PH-Health Resources and Services				
Transfers out	155,255	155,255	97,186	58,069
Subtotal	<u>155,255</u>	<u>155,255</u>	<u>97,186</u>	<u>58,069</u>
MH-MHSA Planning Expenses				
Transfers out	5,837,892	5,837,892	5,250,586	587,306
Subtotal	<u>5,837,892</u>	<u>5,837,892</u>	<u>5,250,586</u>	<u>587,306</u>
ADS-Alcohol Abuse Education Prevention				
Transfers out	67,000	67,000	-	67,000
Subtotal	<u>67,000</u>	<u>67,000</u>	<u>-</u>	<u>67,000</u>
ADS-Drug Fees-HS11372.7				
Transfers out	10,000	10,000	-	10,000
Subtotal	<u>10,000</u>	<u>10,000</u>	<u>-</u>	<u>10,000</u>
ADS-Tobacco Control				
Transfers out	150,250	150,250	135,562	14,688
Subtotal	<u>150,250</u>	<u>150,250</u>	<u>135,562</u>	<u>14,688</u>
Total charges to appropriations	<u>6,924,297</u>	<u>7,031,097</u>	<u>6,083,056</u>	<u>948,041</u>
Net Change in Fund Balance, Budgetary Basis	(2,330,915)	(2,437,715)	1,407,205	3,844,920
Budgetary Fund Balance - Beginning	<u>5,782,578</u>	<u>5,782,578</u>	<u>5,782,578</u>	<u>-</u>
Budgetary Fund Balance - Ending	<u>\$ 3,451,663</u>	<u>\$ 3,344,863</u>	<u>\$ 7,189,783</u>	<u>\$ 3,844,920</u>

continued

COUNTY OF NAPA

Budgetary Comparison Schedule
Non-Operating Special Revenue Fund - Health & Sanitation
For the Year Ended June 30, 2015

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 \$ 6,083,056

Difference - budget to GAAP:

Transfers to other funds are outflows of budgetary resources but not expenditures for
financial reporting purposes (6,083,056)

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, 2015

	<u>Budgeted Amounts</u>		Actual	Variance
	<u>Original</u>	<u>Final</u>	Amounts (Budgetary Basis)	with Final Budget Positive (Negative)
Resources (inflows):				
Revenue from the use of money and property	\$ 2,575	\$ 2,590	\$ 5,936	\$ 3,346
Aid from other governments	1,553,000	2,728,000	1,956,856	(771,144)
Charges for services	54,000	64,830	64,581	(249)
Contributions and donations	20,000	20,000	20,255	255
Transfers in	-	-	50,851	50,851
Revenues available for appropriation	<u>1,629,575</u>	<u>2,815,420</u>	<u>2,098,479</u>	<u>(716,941)</u>
Charges to appropriations (outflows):				
Probation- Title IV E				
Transfers out	650,000	650,000	379,636	270,364
Subtotal	<u>650,000</u>	<u>650,000</u>	<u>379,636</u>	<u>270,364</u>
CWS-County Children Fund				
Transfers out	46,000	46,000	26,619	19,381
Subtotal	<u>46,000</u>	<u>46,000</u>	<u>26,619</u>	<u>19,381</u>
CWS-SB163 Wraparound				
Transfers out	984,813	1,119,813	1,118,242	1,571
Subtotal	<u>984,813</u>	<u>1,119,813</u>	<u>1,118,242</u>	<u>1,571</u>
SS-Clerk Domestic Violence				
Operations	-	44,870	41,984	2,886
Subtotal	<u>-</u>	<u>44,870</u>	<u>41,984</u>	<u>2,886</u>
Family Support				
Transfer out	-	1,175,000	852,243	2,027,243
Subtotal	<u>-</u>	<u>1,175,000</u>	<u>852,243</u>	<u>2,027,243</u>
Total charges to appropriations	<u>1,680,813</u>	<u>3,035,683</u>	<u>2,418,724</u>	<u>(1,410,284)</u>
Net Change in Fund Balance, Budgetary Basis	(51,238)	(220,263)	(320,245)	(2,127,225)
Budgetary Fund Balance - Beginning	<u>783,487</u>	<u>783,487</u>	<u>783,487</u>	<u>-</u>
Budgetary Fund Balance - Ending	<u>\$ 732,249</u>	<u>\$ 563,224</u>	<u>\$ 463,242</u>	<u>\$ (2,127,225)</u>

COUNTY OF NAPA

Budgetary Comparison Schedule
Non-Operating Special Revenue Fund - Public Assistance
For the Year Ended June 30, 2015

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 \$ 2,098,479

Difference - budget to GAAP:

Transfers from other funds are inflows of budgetary resources but not revenues for
financial reporting purposes (50,851)

Total revenues as reported on the Statement of Revenue, Expenditures, and Changes in
Fund Balances - Health and Human Services Fund \$ 2,047,628

Uses/outflows of resources

Actual amounts (budgetary basis) "total charges to appropriations" from the Budgetary
Comparison Schedule \$ 2,418,724

Difference - budget to GAAP:

Transfers to other funds are outflows of budgetary resources but not expenditures for
financial reporting purposes (2,376,740)

Total expenditures as reported on the Statement of Revenues, Expenditures and
Changes in Fund Balances - Health and Human Services Fund \$ 41,984

COUNTY OF NAPA

Budgetary Comparison Schedule
 Non-Operating Special Revenue Fund - 2011 Realignment Revenues
 For the Year Ended June 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>with Final</u>
			<u>(Budgetary</u>	<u>Budget</u>
			<u>Basis)</u>	<u>Positive</u>
				<u>(Negative)</u>
Resources (inflows):				
Aid from other governments	\$ 22,363,037	\$ 22,417,842	\$ 23,087,073	\$ 669,231
Transfers in	-	-	(250)	(250)
Revenues available for appropriation	<u>22,363,037</u>	<u>22,417,842</u>	<u>23,086,823</u>	<u>668,981</u>
Charges to appropriations (outflows):				
Transfers out	<u>21,849,986</u>	<u>22,142,988</u>	<u>21,228,924</u>	<u>914,064</u>
Subtotal	<u>21,849,986</u>	<u>22,142,988</u>	<u>21,228,924</u>	<u>914,064</u>
Total charges to appropriations	<u>21,849,986</u>	<u>22,142,988</u>	<u>21,228,924</u>	<u>914,064</u>
Net Change in Fund Balance, Budgetary Basis	513,051	274,854	1,857,899	1,583,045
Budgetary Fund Balance - Beginning	<u>3,128,906</u>	<u>3,128,906</u>	<u>3,128,906</u>	<u>-</u>
Budgetary Fund Balances - Ending	<u>\$ 3,641,957</u>	<u>\$ 3,403,760</u>	<u>\$ 4,986,805</u>	<u>\$ 1,583,045</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 \$ 23,086,823

Difference - budget to GAAP:

Transfers from other funds are inflows of budgetary resources but are not revenues for
 financial reporting purposes 250

Total revenues as reported on the Statement of Revenues, Expenditures and Changes in
 Fund Balances - General Fund \$ 23,087,073

Uses/outflows of resources

Actual amounts (budgetary basis) "total charges to appropriations" from the Budgetary
 Comparison Schedule \$ 21,228,924

Difference - budget to GAAP:

Transfers to other funds are outflows of budgetary resources but are not expenditures
 for financial reporting purposes (21,228,924)

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, 2015

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Resources (inflows):				
Fines, forfeitures and penalties	\$ 444,500	\$ 444,500	\$ 475,202	\$ 30,702
Revenue from the use of money and property	35,000	35,000	205,424	170,424
Aid from other governments	13,474,000	13,474,000	-	(13,474,000)
Charges for services	100,000	100,000	100,000	-
Proceeds from insurance	-	1,309,959	1,309,959	-
Other financing sources	9,443,060	9,443,060	-	(9,443,060)
Transfers in	14,178,066	22,693,763	20,182,669	(2,511,094)
Intrafund transfers in	4,514,024	6,004,444	6,004,444	-
Revenues available for appropriation	42,188,650	53,504,726	28,277,698	(25,227,028)
Charges to appropriations (Outflows):				
Accumulated Capital Outlay				
Other charges	-	3,545,000	-	3,545,000
Transfers out	-	173,406	140,723	32,683
Intrafund transfers out	4,514,024	6,004,444	6,004,444	-
Subtotal	4,514,024	9,722,850	6,145,167	3,577,683
Capital Improvement Projects				
Capital expenditures	38,718,213	41,272,030	4,214,290	37,057,740
Subtotal	38,718,213	41,272,030	4,214,290	37,057,740
Courthouse Construction				
Services and supplies	25,000	25,000	7,359	17,641
Subtotal	25,000	25,000	7,359	17,641
Total Charges to Appropriations	43,257,237	51,019,880	10,366,816	40,653,064
Net Change in Fund Balance, Budgetary Basis	(1,068,587)	2,484,846	17,910,882	15,426,036
Budgetary Fund Balance - Beginning	34,950,026	34,950,026	34,950,026	-
Budgetary Fund Balance, Ending	\$ 33,881,439	\$ 37,434,872	\$ 52,860,908	\$ 15,426,036

continued

COUNTY OF NAPA

Budgetary Comparison Schedule
Capital Improvement Fund
For the Year Ended June 30, 2015

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 \$ 28,277,698

Difference - budget to GAAP:

Transfers from other funds are inflows of budgetary resources but are not revenues for
financial reporting purposes (20,182,669)

Proceeds from insurance are inflows of budgetary resources but are not revenues for
financial reporting purposes (1,309,959)

Transfers within the fund are inflows of budgetary resources but are not revenues for
financial reporting purposes (6,004,444)

Total revenues as reported on the Statement of Revenue, Expenditures and Changes in
Fund Balance - Governmental Funds \$ 780,626

Uses/outflows of resources

Actual amounts (budgetary basis) "total charges to appropriations" from the Budgetary
Comparison Schedule \$ 10,366,816

Difference - budget to GAAP:

Transfers to other funds are outflows of budgetary resources but are not expenditures
for financial reporting purposes. (140,723)

Transfers within the fund are outflows of budgetary resources but are not expenditures
for financial reporting purposes. (6,004,444)

Total expenditures as reported on the Statement of Revenues, Expenditures and
Changes in Fund Balances - Governmental Funds \$ 4,221,649



Photo Credit Napa Valley Register

This building, located at Second and Brown streets, sustained major damage in Napa's 6.0 earthquake.

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, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u> <u>(Budgetary</u> <u>Basis)</u>	<u>Variance</u> <u>with Final</u> <u>Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Resources (inflows):				
Revenue from the use of money and property	\$ -	\$ -	\$ 1,129	\$ 1,129
Aid from other governments	95,042	95,042	88,152	(6,890)
Transfers in	<u>4,494,054</u>	<u>4,633,244</u>	<u>4,322,973</u>	<u>(310,271)</u>
Amounts available for appropriation	<u>4,589,096</u>	<u>4,728,286</u>	<u>4,412,254</u>	<u>(316,032)</u>
Charges to appropriations (outflows):				
Debt service	4,589,096	4,589,096	4,489,771	99,325
Transfers out	<u>-</u>	<u>29,774</u>	<u>29,774</u>	<u>-</u>
Total charges to appropriations	<u>4,589,096</u>	<u>4,618,870</u>	<u>4,519,545</u>	<u>99,325</u>
Net Change in Fund Balance, Budgetary Basis	-	109,416	(107,291)	(216,707)
Budgetary Fund Balance - Beginning	<u>1,756,644</u>	<u>1,756,644</u>	<u>1,756,644</u>	<u>-</u>
Budgetary Fund Balances - Ending	<u>\$ 1,756,644</u>	<u>\$ 1,866,060</u>	<u>\$ 1,649,353</u>	<u>\$ (216,707)</u>

Explanation of Difference 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	\$ 4,412,254
Difference - budget to GAAP:	
Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes	<u>(4,322,973)</u>
Total revenues as reported on the Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds	<u>\$ 89,281</u>

Uses/outflows of resources

Actual amounts (budgetary basis) "total charges to appropriations" from the Budgetary Comparison Schedule	\$ 4,519,545
Difference - budget to GAAP:	
Transfers to other Funds are outflows of budgetary resources but are not expenditures for financial reporting purposes	<u>(29,774)</u>
Total expenditures as reported on the Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Fund	<u>\$ 4,489,771</u>



Photo Credit Napa Valley Register

The Historic Courthouse was red-tagged after a section of building fell off during the earthquake.

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 pay 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, 2015

	Napa County Housing Authority	Napa County Animal Shelter	Total
Assets			
Current Assets:			
Cash and investments	\$ 863,906	\$ 25,381	\$ 889,287
Restricted Assets:			
Imprest cash	-	175	175
Accounts	20,854	-	20,854
Due from other government agencies	-	190,030	190,030
Total Current Assets	<u>884,760</u>	<u>215,586</u>	<u>1,100,346</u>
Noncurrent Assets:			
Capital Assets:			
Nondepreciable:			
Land	2,700,000	336,422	3,036,422
Depreciable:			
Structures and improvements	2,247,404	5,265,788	7,513,192
Accumulated depreciation	(446,616)	(1,184,312)	(1,630,928)
Total Noncurrent Assets	<u>4,500,788</u>	<u>4,417,898</u>	<u>8,918,686</u>
Total Assets	<u>5,385,548</u>	<u>4,633,484</u>	<u>10,019,032</u>
Deferred Outflows of Resources			
Deferred pension	-	64,159	64,159
Liabilities			
Current Liabilities:			
Accounts payable	82,676	19,859	102,535
Accrued salaries and benefits	-	33,220	33,220
Due to other government agencies	-	156	156
Unearned revenue	6,023	-	6,023
Capital lease obligations	-	16,578	16,578
Compensated absences	-	15,422	15,422
Total Current Liabilities	<u>88,699</u>	<u>85,235</u>	<u>173,934</u>
Noncurrent Liabilities:			
Capital lease obligations	-	227,640	227,640
Compensated absences	-	18,461	18,461
Net pension liability	-	588,972	588,972
Total Noncurrent Liabilities	<u>-</u>	<u>835,073</u>	<u>835,073</u>
Total Liabilities	<u>88,699</u>	<u>920,308</u>	<u>1,009,007</u>
Deferred Inflows of Resources:			
Deferred pension	-	152,450	152,450
Net Position			
Net investment in capital assets	4,500,788	4,173,680	8,674,468
Unrestricted	<u>796,061</u>	<u>(548,795)</u>	<u>247,266</u>
Total Net Position	<u>\$ 5,296,849</u>	<u>\$ 3,624,885</u>	<u>\$ 8,921,734</u>

COUNTY OF NAPA

Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Nonmajor Enterprise Funds
For the Year Ended June 30, 2015

	Napa County Housing Authority	Napa County Animal Shelter	Total
Operating Revenues:			
Charges for services	\$ 721,463	\$ 840,003	\$ 1,561,466
Other revenue	-	14,470	14,470
	<u>721,463</u>	<u>854,473</u>	<u>1,575,936</u>
Operating Expenses:			
Salaries and employee benefits	-	637,950	637,950
Services and supplies	1,307,579	403,178	1,710,757
Insurance	-	928	928
Depreciation and amortization	70,368	102,924	173,292
	<u>1,377,947</u>	<u>1,144,980</u>	<u>2,522,927</u>
Operating Loss	<u>(656,484)</u>	<u>(290,507)</u>	<u>(946,991)</u>
Non-operating Revenues (Expenses):			
Aid from other governments	15,000	-	15,000
Other revenue - non operating	-	45,358	45,358
Investment income (loss)	4,487	243	4,730
Other expense	-	(240)	(240)
Interest expense	-	(3,694)	(3,694)
Total Nonoperating Revenues (Expenses)	<u>19,487</u>	<u>41,667</u>	<u>61,154</u>
Net Income (Loss) Before Transfers	(636,997)	(248,840)	(885,837)
Transfers in	<u>677,387</u>	<u>1,551</u>	<u>678,938</u>
Change in Net Position	<u>40,390</u>	<u>(247,289)</u>	<u>(206,899)</u>
Net Position - Beginning	5,256,459	4,562,904	9,819,363
Cumulative effect of change in accounting principle	-	(690,730)	(690,730)
Net Position - Beginning, as restated	<u>5,256,459</u>	<u>3,872,174</u>	<u>9,128,633</u>
Net Position - Ending	<u>\$ 5,296,849</u>	<u>\$ 3,624,885</u>	<u>\$ 8,921,734</u>

COUNTY OF NAPA

Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended June 30, 2015

	<u>Napa County Housing Authority</u>	<u>Napa County Animal Shelter</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash receipts from customers	\$ 720,887	\$ 1,045,432	\$ 1,766,319
Cash paid to suppliers for goods and services	(1,274,925)	(400,684)	(1,675,609)
Cash paid to employees for services	<u>-</u>	<u>(643,385)</u>	<u>(643,385)</u>
Net Cash Used by Operating Activities	<u>(554,038)</u>	<u>1,363</u>	<u>(552,675)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Aid from other governmental agencies	15,000	-	15,000
Other receipts	-	45,358	45,358
Other payments	-	(240)	(240)
Due to other funds	-	(62,827)	(62,827)
Transfers in	<u>677,387</u>	<u>1,551</u>	<u>678,938</u>
Net Cash Provided by Noncapital Financing Activities	<u>692,387</u>	<u>(16,158)</u>	<u>676,229</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Principal repayments on capital leases	-	(16,351)	(16,351)
Interest payments related to capital activities	<u>-</u>	<u>(3,694)</u>	<u>(3,694)</u>
Net Cash Used by Capital and Related Financing Activities	<u>-</u>	<u>(20,045)</u>	<u>(20,045)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment earnings	<u>4,487</u>	<u>243</u>	<u>4,730</u>
Net Cash Used by Investing Activities	<u>4,487</u>	<u>243</u>	<u>4,730</u>
Net Increase (Decrease) in Cash and Cash Equivalents	142,836	(34,597)	108,239
Cash and Cash Equivalents, Beginning	<u>721,070</u>	<u>60,153</u>	<u>781,223</u>
Cash and Cash Equivalents, Ending (includes imprest cash)	<u>\$ 863,906</u>	<u>\$ 25,556</u>	<u>\$ 889,462</u>

COUNTY OF NAPA

Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended June 30, 2015

	<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)	\$ (656,484)	\$ (290,507)	\$ (946,991)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation and amortization	70,368	102,924	173,292
Changes in assets and liabilities:			
(Increase) decrease in			
Accounts receivable	(2,045)	-	(2,045)
Due from other government agencies	-	190,959	190,959
Increase (decrease) in:			
Accounts payable	32,654	3,266	35,920
Due to other government agencies	-	156	156
Unearned revenue	1,469	-	1,469
Salaries and benefits	-	(5,435)	(5,435)
	<u> </u>	<u> </u>	<u> </u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (554,038)</u>	<u>\$ 1,363</u>	<u>\$ (552,675)</u>



Photo Credit Napa Valley Register

The sidewalk buckled where a crack went across Twin Oaks Drive and through a home in the City of Napa, knocking the two story home 5 inches off its foundation.

INTERNAL SERVICE FUNDS

INTERNAL SERVICE FUNDS

Internal service funds are used to account for the financing of goods or services provided by one department of 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, 2015

	Fleet Management	Information Technology Service	Employee- Retiree Benefits	Liability Insurance	Total
Assets					
Current Assets:					
Cash and investments	\$ 2,172,508	\$ 5,129,187	\$ 8,705,585	\$ 2,312,250	\$ 18,319,530
Imprest cash	-	-	-	68,457	68,457
Accounts	63,829	18,383	41,008	2,650	125,870
Due from other government agencies	5,927	123,420	-	-	129,347
Prepaid items	-	78,796	1,048,641	-	1,127,437
Deposits	-	-	17,345	-	17,345
Total Current Assets	<u>2,242,264</u>	<u>5,349,786</u>	<u>9,812,579</u>	<u>2,383,357</u>	<u>19,787,986</u>
Noncurrent Assets:					
Capital Assets					
Nondepreciable:					
Intangible assets	-	800,356	-	-	800,356
Depreciable:					
Equipment	11,712,579	2,345,128	-	-	14,057,707
Intangible assets	-	667,632	-	-	667,632
Accumulated depreciation	(5,503,549)	(2,258,718)	-	-	(7,762,267)
Total Noncurrent Assets	<u>6,209,030</u>	<u>1,554,398</u>	<u>-</u>	<u>-</u>	<u>7,763,428</u>
Total Assets	<u>8,451,294</u>	<u>6,904,184</u>	<u>9,812,579</u>	<u>2,383,357</u>	<u>27,551,414</u>
Deferred Outflows of Resources					
Deferred pension	<u>37,413</u>	<u>654,517</u>	<u>-</u>	<u>-</u>	<u>691,930</u>
Liabilities					
Current Liabilities:					
Accounts payable	88,965	439,598	217,562	11,532	757,657
Accrued salaries and benefits	18,401	322,994	121,653	-	463,048
Unearned revenue	-	55,335	-	-	55,335
Capital lease obligations	-	73,727	-	-	73,727
Unpaid insurance claims	-	-	1,802,683	1,077,034	2,879,717
Compensated absences	9,392	180,584	-	-	189,976
Total Current Liabilities	<u>116,758</u>	<u>1,072,238</u>	<u>2,141,898</u>	<u>1,088,566</u>	<u>4,419,460</u>
Noncurrent Liabilities					
Capital lease obligations	-	96,682	-	-	96,682
Unpaid insurance claims	-	-	5,863,741	1,786,966	7,650,707
Compensated absences	17,866	159,140	-	-	177,006
Net pension liability	363,899	5,890,352	-	-	6,254,251
Total Noncurrent Liabilities	<u>381,765</u>	<u>6,146,174</u>	<u>5,863,741</u>	<u>1,786,966</u>	<u>14,178,646</u>
Total Liabilities	<u>498,523</u>	<u>7,218,412</u>	<u>8,005,639</u>	<u>2,875,532</u>	<u>18,598,106</u>
Deferred Inflows of Resources:					
Deferred pension	<u>94,191</u>	<u>1,524,659</u>	<u>-</u>	<u>-</u>	<u>1,618,850</u>
Net Position					
Net investment in capital assets	6,209,030	1,338,015	-	-	7,547,045
Unrestricted	<u>1,686,964</u>	<u>(2,522,384)</u>	<u>1,806,938</u>	<u>(492,175)</u>	<u>479,343</u>
Total Net Position	<u>\$ 7,895,994</u>	<u>\$ (1,184,369)</u>	<u>\$ 1,806,938</u>	<u>\$ (492,175)</u>	<u>\$ 8,026,388</u>

COUNTY OF NAPA

Combining Statement of Revenues, Expenses
and Changes in Fund Net Position
Internal Service Funds
For the Year Ended June 30, 2015

	Fleet Management	Information Technology Service	Employee- Retiree Benefits	Liability Insurance	Total
Operating Revenues					
Charges for services	\$ -	\$ 10,647,320	\$ 12,881,208	\$ 1,044,428	\$ 24,572,956
Maintenance Charges:					
Equipment	647,594	-	-	-	647,594
Vehicle	1,095,104	-	-	-	1,095,104
Replacement charges	5,450	-	-	-	5,450
Other revenue	291	-	-	21,603	21,894
Total Operating Revenues	1,748,439	10,647,320	12,881,208	1,066,031	26,342,998
Operating Expenses:					
Salaries and employee benefits	355,875	5,744,671	10,977,160	-	17,077,706
Services and supplies	1,137,461	3,193,933	-	402,355	4,733,749
Other charges	36,608	-	-	-	36,608
Claims expense	-	-	1,939,350	1,909,591	3,848,941
Depreciation and amortization	787,307	470,989	-	-	1,258,296
Total Operating Expenses	2,317,251	9,409,593	12,916,510	2,311,946	26,955,300
Operating Income (Loss)	(568,812)	1,237,727	(35,302)	(1,245,915)	(612,302)
Non-Operating Revenues (Expenses):					
Aid from other governments	-	6,375	-	-	6,375
Investment income (loss)	40,257	33,809	51,541	17,529	143,136
Interest expense	-	(16,614)	-	-	(16,614)
Gain (Loss) on disposition of capital assets	107,288	-	-	-	107,288
Other expense	(31,816)	-	-	-	(31,816)
Total Non-Operating Revenues (Expenses)	115,729	23,570	51,541	17,529	208,369
Net Income Before Transfers	(453,083)	1,261,297	16,239	(1,228,386)	(403,933)
Transfers in	-	2,008	300,000	-	302,008
Transfers out	(2,839,892)	-	-	-	(2,839,892)
Change in Net Position	(3,292,975)	1,263,305	316,239	(1,228,386)	(2,941,817)
Net Position - Beginning	11,615,739	4,460,363	1,490,699	736,211	18,303,012
Net effect of change in accounting principle	(426,770)	(6,908,037)	-	-	(7,334,807)
Net Position - Beginning, as restated	11,188,969	(2,447,674)	1,490,699	736,211	10,968,205
Net Position - Ending	\$ 7,895,994	\$ (1,184,369)	\$ 1,806,938	\$ (492,175)	\$ 8,026,388

COUNTY OF NAPA

Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2015

	<u>Fleet Management</u>	<u>Information Technology Service</u>	<u>Employee- Retiree Benefits</u>	<u>Liability Insurance</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES:					
Receipts from services provided	\$ 1,685,969	\$ 10,601,723	\$ 12,856,756	\$ 1,063,381	\$ 26,207,829
Payments to suppliers for goods and services	(1,151,649)	(3,287,029)	(10,913)	(400,300)	(4,849,891)
Payments for self insurance claims	-	-	(1,579,286)	(1,805,221)	(3,384,507)
Payments to employees for services	<u>(361,083)</u>	<u>(5,891,255)</u>	<u>(10,944,108)</u>	<u>-</u>	<u>(17,196,446)</u>
Net Cash Provided (Used) by Operating Activities	<u>173,237</u>	<u>1,423,439</u>	<u>322,449</u>	<u>(1,142,140)</u>	<u>776,985</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
Aid from other government agencies	-	6,375	-	-	6,375
Transfers from other funds	-	2,008	300,000	-	302,008
Transfers to other funds	(2,839,892)	-	-	-	(2,839,892)
Other expense	<u>(31,814)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(31,814)</u>
Net Cash Provided (Used) by Noncapital Financing Activities	<u>(2,871,706)</u>	<u>8,383</u>	<u>300,000</u>	<u>-</u>	<u>(2,563,323)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Proceeds from sale of capital assets	112,341	-	-	-	112,341
Principal repayments on capital leases	-	(62,948)	-	-	(62,948)
Interest payments related to capital purposes	-	(16,614)	-	-	(16,614)
Payments related to the acquisition of capital assets	<u>(1,385,766)</u>	<u>(502,425)</u>	<u>-</u>	<u>-</u>	<u>(1,888,191)</u>
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(1,273,425)</u>	<u>(581,987)</u>	<u>-</u>	<u>-</u>	<u>(1,855,412)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Investment earnings	<u>40,257</u>	<u>33,809</u>	<u>51,541</u>	<u>17,529</u>	<u>143,136</u>
Net Cash Used by Investing Activities	<u>40,257</u>	<u>33,809</u>	<u>51,541</u>	<u>17,529</u>	<u>143,136</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(3,931,637)	883,644	673,990	(1,124,611)	(3,498,614)
Cash and Cash Equivalents, Beginning	<u>6,104,145</u>	<u>4,245,543</u>	<u>8,031,595</u>	<u>3,505,318</u>	<u>21,886,601</u>
Cash and Cash Equivalents, Ending (includes imprest cash)	<u>\$ 2,172,508</u>	<u>\$ 5,129,187</u>	<u>\$ 8,705,585</u>	<u>\$ 2,380,707</u>	<u>\$ 18,387,987</u>

continued

COUNTY OF NAPA

Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2015

	<u>Fleet</u>	<u>Information</u>	<u>Employee-</u>	<u>Liability</u>	<u>Total</u>
	<u>Management</u>	<u>Technology</u>	<u>Retiree</u>	<u>Insurance</u>	
		<u>Service</u>	<u>Benefits</u>		
Reconciliation of Operating Income (Loss)					
to Net Cash Provided (Used) by					
Operating Activities:					
Operating income (loss)	\$ (568,812)	\$ 1,237,727	\$ (35,302)	\$ (1,245,915)	\$ (612,302)
Adjustments to reconcile operating income					
(loss) to net cash provided (used) by					
operating activities:					
Depreciation	787,307	470,989	-	-	1,258,296
Changes in assets and liabilities:					
(Increase) decrease in:					
Accounts receivable	(56,543)	22,488	(24,452)	(2,650)	(61,157)
Due from other government agencies	(5,927)	(123,420)	-	-	(129,347)
Deposits	-	-	51,964	-	51,964
Prepaid items	-	(72,751)	(69,155)	5,722	(136,184)
Increase (decrease) in:					
Accounts payable	22,420	(20,345)	6,278	(3,667)	4,686
Salaries and benefits	(5,208)	(146,584)	33,052	-	(118,740)
Unearned revenue	-	55,335	-	-	55,335
Due to other governments	-	-	-	-	-
Claims liability	-	-	360,064	104,370	464,434
	<u>-</u>	<u>-</u>	<u>360,064</u>	<u>104,370</u>	<u>464,434</u>
Net Cash Provided (Used) by					
Operating Activities	<u>\$ 173,237</u>	<u>\$ 1,423,439</u>	<u>\$ 322,449</u>	<u>\$ (1,142,140)</u>	<u>\$ 776,985</u>
Noncash investing, capital and financing					
activities:					
Borrowings under capital lease	\$ -	\$ 233,357	\$ -	\$ -	\$ 233,357



Carport in Browns Valley area has vehicles under it.

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, 2015

Assets	<u>School Districts</u>	<u>Independent Special Districts</u>	<u>Total</u>
Current Assets:			
Cash and investments	<u>\$ 155,488,010</u>	<u>\$ 70,245,126</u>	<u>\$ 225,733,136</u>
Total Assets	<u>155,488,010</u>	<u>70,245,126</u>	<u>225,733,136</u>
Net Position			
Net assets held in trust for investment pool participants	<u>155,488,010</u>	<u>70,245,126</u>	<u>225,733,136</u>
Total Net Position	<u>\$ 155,488,010</u>	<u>\$ 70,245,126</u>	<u>\$ 225,733,136</u>

COUNTY OF NAPA

Combining Statement of Changes in Fiduciary Net Position
Investment Trust Funds
For the Year Ended June 30, 2015

	<u>School Districts</u>	<u>Independent Special Districts</u>	<u>Total</u>
<u>ADDITIONS</u>			
Contributions:			
Contribution to investment pool	\$ 691,737,847	\$ 113,337,341	\$ 805,075,188
Total Contributions	<u>691,737,847</u>	<u>113,337,341</u>	<u>805,075,188</u>
Net Investment Income:			
Investment income (loss)	<u>777,125</u>	<u>448,580</u>	<u>1,225,705</u>
Net Investment Income	<u>777,125</u>	<u>448,580</u>	<u>1,225,705</u>
 Total Additions	 <u>692,514,972</u>	 <u>113,785,921</u>	 <u>806,300,893</u>
<u>DEDUCTIONS</u>			
Distributions from investment pool	<u>699,722,934</u>	<u>132,619,878</u>	<u>832,342,812</u>
Total Deductions	<u>699,722,934</u>	<u>132,619,878</u>	<u>832,342,812</u>
 Change in Net Position	 (7,207,962)	 (18,833,957)	 (26,041,919)
Net Position - Beginning	<u>162,695,972</u>	<u>89,079,083</u>	<u>251,775,055</u>
Net Position - Ending	<u>\$ 155,488,010</u>	<u>\$ 70,245,126</u>	<u>\$ 225,733,136</u>

COUNTY OF NAPA

Combining Statement of Changes in Fiduciary Assets and Liabilities
Agency Funds
For the Year Ended June 30, 2015

Assets	<u>June 30, 2014</u>	<u>Additions</u>	<u>Deductions</u>	<u>June 30, 2015</u>
Current Assets:				
Cash and investments	\$ 33,452,402	\$ 889,865,008	\$ 892,747,776	\$ 30,569,634
Taxes receivable	12,069,328	-	417,029	11,652,299
Total Current Assets	<u>\$ 45,521,730</u>	<u>\$ 889,865,008</u>	<u>\$ 893,164,805</u>	<u>\$ 42,221,933</u>
Liabilities				
Agency funds held for others	\$ 45,521,730	\$ 889,865,008	\$ 893,164,805	\$ 42,221,933
Total Liabilities	<u>\$ 45,521,730</u>	<u>\$ 889,865,008</u>	<u>\$ 893,164,805</u>	<u>\$ 42,221,933</u>



Statistical Section

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COUNTY OF NAPA

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.

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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.....	171
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.....	177
Debt Capacity Information	
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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.....	187
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.....	190

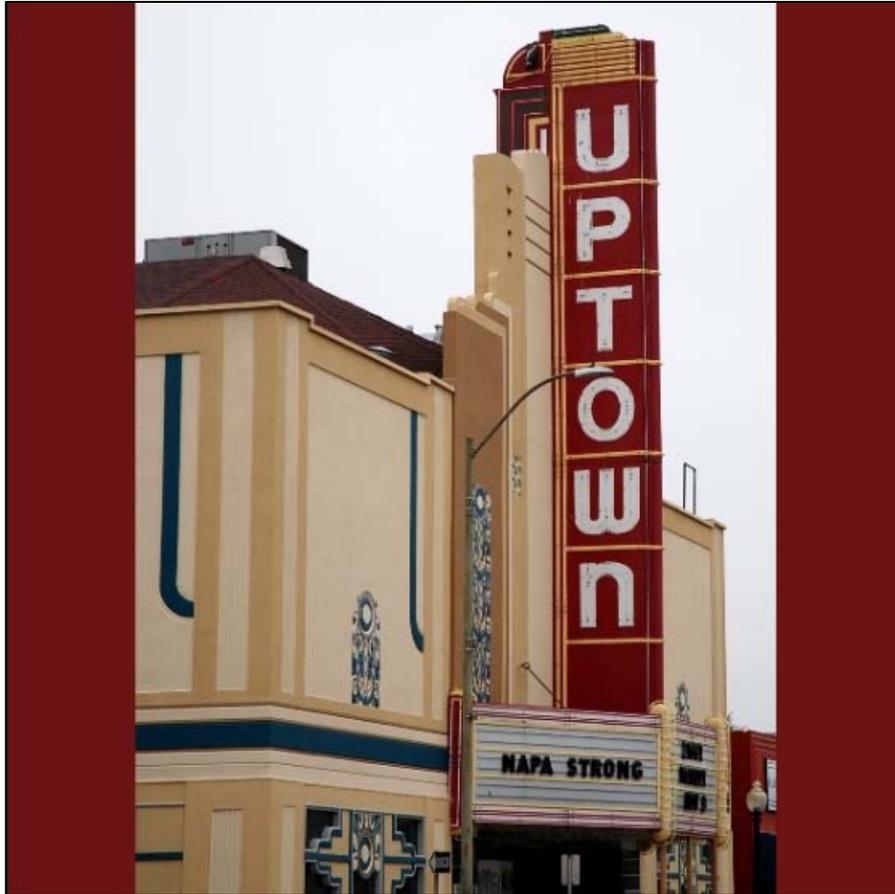


Photo Credit Napa Valley Register

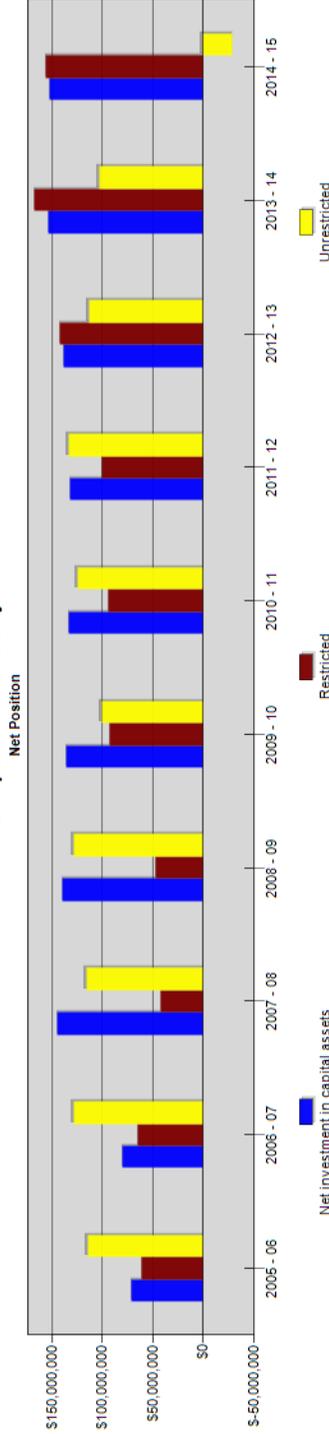
Napa Strong at the Uptown Theater. The “Napa Strong 6.0/365” event was billed as a celebration, preparation and commemoration that focuses on the progress in recovery and preparation for future emergencies.

COUNTY OF NAPA

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

	Fiscal Year									
	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Governmental activities										
Net investment in capital assets	\$ 57,639,390	\$ 61,332,361	\$ 116,608,083	\$ 99,084,559	\$ 90,854,959	\$ 89,334,032	\$ 87,909,143	\$ 93,821,749	\$ 112,855,468	\$ 107,540,521
Restricted	61,499,414	64,749,020	41,875,741	46,450,508	93,346,896	93,328,683	99,747,182	142,245,692	168,453,737	157,098,779
Unrestricted	110,659,585	127,517,769	114,444,157	126,903,650	99,555,367	123,253,612	132,197,809	112,826,612	98,010,041	(31,525,654)
Total governmental activities net position	\$ 229,798,389	\$ 253,599,150	\$ 272,925,396	\$ 272,438,717	\$ 283,757,222	\$ 305,916,327	\$ 319,854,134	\$ 348,894,053	\$ 379,319,246	\$ 233,113,646
Business-type activities										
Net investment in capital assets	\$ 14,259,931	\$ 18,962,458	\$ 28,470,449	\$ 40,970,781	\$ 45,096,401	\$ 44,264,844	\$ 45,007,945	\$ 44,915,048	\$ 41,157,817	\$ 44,649,397
Restricted	-	-	480,549	479,333	293,479	328,155	325,929	-	-	-
Unrestricted	3,403,166	1,374,931	1,051,188	1,472,144	1,605,575	2,157,444	1,862,729	776,798	5,171,560	2,189,595
Total business-type activities net position	\$ 17,663,097	\$ 20,337,389	\$ 30,002,186	\$ 42,922,258	\$ 46,995,455	\$ 46,750,443	\$ 47,196,603	\$ 45,691,846	\$ 46,329,377	\$ 46,838,992
Primary government										
Net investment in capital assets	\$ 71,899,321	\$ 80,294,819	\$ 145,078,532	\$ 140,055,340	\$ 135,951,360	\$ 133,598,876	\$ 132,917,088	\$ 138,736,797	\$ 154,013,285	\$ 152,189,918
Restricted	61,499,414	64,749,020	42,356,290	46,929,841	93,640,375	93,656,838	100,073,111	142,245,692	168,453,737	157,098,779
Unrestricted	114,062,751	128,892,700	115,492,760	128,375,794	101,160,942	125,411,056	134,060,538	113,603,410	103,181,601	(29,336,059)
Total primary government net position ¹	\$ 247,461,486	\$ 273,936,539	\$ 302,927,582	\$ 315,360,975	\$ 330,752,677	\$ 352,666,770	\$ 367,050,737	\$ 394,585,899	\$ 425,648,623	\$ 279,952,638
Percent of increase (decrease) in primary government net position	4.06%	10.70%	10.58%	4.10%	4.88%	6.63%	4.08%	7.50%	7.87%	(34.23)%

Components of County



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, 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									
	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Expenses										
Governmental activities:										
General government	\$ 28,808,510	\$ 30,344,422	\$ 36,965,695	\$ 33,245,999	\$ 32,201,273	\$ 37,039,022	\$ 40,649,466	\$ 34,111,801	\$ 30,890,442	\$ 32,077,488
Public protection	77,954,632	82,810,854	85,291,842	92,994,974	92,847,859	100,258,399	99,879,755	99,504,956	106,241,422	104,861,383
Public ways and facilities	40,796,290	27,263,089	23,234,238	24,440,620	23,542,661	23,825,672	25,605,034	30,772,914	32,533,108	32,567,428
Health and sanitation	32,373,467	35,941,958	38,670,267	40,845,070	39,642,405	40,838,624	38,684,095	42,910,252	41,016,116	41,169,416
Public assistance	29,420,309	28,526,647	30,468,421	32,383,758	34,553,156	37,018,759	40,218,330	43,305,879	45,703,486	46,761,473
Education	5,628,848	5,716,827	6,025,556	6,646,817	7,207,944	7,541,241	7,198,100	7,452,168	7,856,347	7,665,300
Recreational and cultural services	120,152	206,468	876,547	1,164,588	1,222,282	1,264,678	615,265	1,291,241	1,154,578	1,391,310
Debt service:										
Interest and fiscal charges	4,180,859	3,799,558	3,624,153	3,371,954	3,141,097	2,916,514	3,164,637	2,100,643	1,817,300	1,892,762
Administration and arbitrage fees	459,566	14,770	6,315	17,570	36,684	15,745	560,067	94,904	426,561	9,675
Total governmental activities expenses	219,742,633	214,624,593	225,163,034	235,111,350	234,395,361	250,718,654	256,574,749	261,544,758	267,639,360	268,396,235
Business-type activities:										
Airport	1,935,407	2,152,164	2,527,682	2,608,377	2,800,254	2,678,008	3,052,810	2,727,509	3,151,600	3,001,833
Lake Berryessa Resort Improvement	886,976	642,997	845,030	959,387	1,132,055	1,177,938	1,175,728	1,611,862	1,259,463	1,098,381
Napa Berryessa Public Improvement	709,907	657,015	1,238,425	737,780	765,839	949,895	889,276	1,029,072	1,215,339	1,349,282
Fifth Street Parking Garage	-	-	-	221,177	436,478	454,693	475,932	464,416	467,120	469,745
Napa County Housing Authority	-	242,779	1,033,262	1,206,167	1,164,243	1,249,285	1,258,235	1,229,762	1,415,271	1,377,947
Napa County Animal Shelter	-	-	-	-	965,424	1,088,049	1,166,207	1,201,934	1,125,164	1,148,914
Total business-type activities	3,532,290	3,694,955	5,644,399	5,732,888	7,264,293	7,597,868	8,018,188	8,264,555	8,633,957	8,446,102
Total primary government expenses	\$ 223,274,923	\$ 218,319,548	\$ 230,807,433	\$ 240,844,238	\$ 241,659,654	\$ 258,316,522	\$ 264,592,937	\$ 269,809,313	\$ 276,273,317	\$ 276,842,337
Program Revenues										
Governmental activities:										
Fees, fines & charges for services										
General government	\$ 3,689,381	\$ 6,487,957	\$ 8,195,676	\$ 11,941,868	\$ 7,740,846	\$ 10,993,039	\$ 11,519,193	\$ 14,000,963	\$ 14,453,084	\$ 14,513,957
Public protection	15,670,287	19,003,569	15,414,106	19,439,874	20,256,916	20,750,613	21,754,326	21,032,037	21,453,559	23,204,267
Other activities	11,345,970	14,895,429	10,701,991	11,395,384	14,453,216	14,316,131	14,322,003	14,855,654	16,467,249	17,603,239
Operating grants and contributions	75,847,921	78,904,254	77,170,135	76,692,630	87,069,423	96,231,883	97,658,233	105,550,422	109,302,149	106,342,396
Capital grants and contributions	5,298,042	1,016,938	4,498,647	2,652,478	1,911,433	1,237,179	1,180,867	5,437,538	936,533	2,828,771
Total governmental activities program revenues	111,851,601	120,308,147	115,980,555	122,122,234	131,431,834	143,528,845	146,434,622	160,876,614	162,612,574	164,492,630
Business-type activities:										
Fees, fines & charges for services										
Airport	1,590,342	1,645,614	1,773,937	1,788,110	1,913,565	2,059,834	1,789,025	1,829,210	1,570,261	1,588,052
Lake Berryessa Resort Improvement	658,117	543,516	446,722	517,297	566,054	508,481	591,915	342,638	562,641	549,257
Napa Berryessa Public Improvement	676,043	389,059	627,018	619,520	519,467	671,659	819,750	824,798	814,147	828,443
Fifth Street Parking Garage	-	-	-	162,287	111,205	128,774	82,245	160,190	152,469	176,115
Napa County Housing Authority	-	-	480,869	482,226	484,904	558,671	539,460	633,530	711,336	721,462
Napa County Animal Shelter	-	-	-	-	878,181	977,607	631,633	1,015,767	1,237,763	854,473
Operating grants and contributions	2,730,512	84,114	210,446	169,041	246,408	153,902	177,780	149,828	177,725	61,092
Capital grants and contributions	-	3,241,463	10,618,507	1,183,867	1,065,762	1,611,169	2,681,208	1,185,189	1,896,142	4,696,198
Total business-type activities program revenues	5,655,014	5,903,766	14,157,499	4,922,348	5,785,546	6,670,097	7,313,016	6,141,150	7,122,484	9,475,092

continued

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

COUNTY OF NAPA

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

	Fiscal Year									
	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Total primary government program revenues	\$ 117,506,615	\$ 126,211,913	\$ 130,138,054	\$ 127,044,582	\$ 137,217,380	\$ 150,198,942	\$ 153,747,638	\$ 167,017,764	\$ 169,735,058	\$ 173,967,722
Net (Expense)/Revenue ¹	\$ (107,891,032)	\$ (94,316,446)	\$ (109,182,479)	\$ (112,989,116)	\$ (102,963,527)	\$ (107,189,809)	\$ (110,140,127)	\$ (100,668,144)	\$ (105,026,786)	\$ (103,903,605)
Governmental activities	2,122,724	2,208,811	8,513,100	(810,540)	(1,478,747)	(927,771)	(705,172)	(2,123,405)	(1,511,473)	1,028,990
Business-type activities	\$ (105,768,308)	\$ (92,107,635)	\$ (100,669,379)	\$ (113,799,656)	\$ (104,442,274)	\$ (108,117,580)	\$ (110,845,299)	\$ (102,791,549)	\$ (106,538,259)	\$ (102,874,615)
Total primary government net expense										
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes:										
Property Taxes	\$ 63,269,563	\$ 69,224,378	\$ 75,712,896	\$ 85,733,529	\$ 91,575,354	\$ 99,139,621	\$ 92,482,789	\$ 98,363,416	\$ 99,062,736	\$ 101,850,875
Sales and use taxes	29,109,022	30,597,528	31,188,494	28,460,170	16,794,850	18,009,925	20,015,566	20,915,704	23,306,821	24,318,593
Transient occupancy taxes	7,045,286	8,076,701	9,681,766	8,452,117	7,557,503	8,299,325	9,226,611	9,673,355	10,543,464	11,988,512
Property transfer taxes	2,253,151	1,576,809	1,128,851	919,282	743,267	1,233,273	1,429,927	1,213,949	1,566,961	1,806,598
Unrestricted interest and investment earnings	5,258,985	6,968,520	8,413,728	5,584,576	2,534,248	1,849,337	1,621,798	(307,935)	2,391,888	2,299,352
Miscellaneous	8,265,641	336,689	1,999,522	778,508	423,790	1,314,079	350,270	376,432	295,999	2,098,661
Extraordinary item - 2014 South Napa Earthquake ³	-	-	-	-	-	-	-	-	-	(5,201,279)
Transfers	67,697	(131,796)	(651,193)	(17,425,745)	(5,346,980)	(496,646)	(1,049,027)	(526,858)	(1,715,890)	(698,059)
Total governmental activities	115,269,345	116,648,829	127,474,064	112,502,437	114,282,032	129,348,914	124,077,934	129,708,063	135,451,979	138,463,253
Business-type activities:										
Taxes	28,267	96,377	110,558	123,196	116,564	124,640	98,999	360,700	341,015	354,984
Investment earnings	117,305	115,832	303,146	185,110	76,093	59,244	46,920	(23,248)	80,183	51,051
Miscellaneous	69,047	121,476	86,800	-	12,307	2,229	(43,614)	-	11,916	8,621
Changes in estimation- capital assets ²	-	-	-	(3,603,439)	-	-	-	-	-	-
Special items ³	-	-	-	(400,000)	-	-	-	-	-	-
Transfers	(67,697)	131,796	651,193	17,425,745	5,346,980	496,646	1,049,027	526,858	1,715,890	698,059
Total business-type activities	146,922	465,481	1,151,697	13,730,612	5,551,944	682,759	1,151,332	864,310	2,149,004	1,112,715
Total Primary Government	\$ 115,416,267	\$ 117,114,310	\$ 128,625,761	\$ 126,233,049	\$ 119,833,976	\$ 130,031,673	\$ 125,229,266	\$ 130,572,373	\$ 137,600,983	\$ 139,575,968
Change in Net Position										
Governmental activities	\$ 7,378,313	\$ 22,332,383	\$ 18,291,585	\$ (486,679)	\$ 11,318,505	\$ 22,159,105	\$ 13,937,807	\$ 29,039,919	\$ 30,425,193	\$ 34,559,648
Business-type activities	2,269,646	2,674,292	9,664,797	12,920,072	4,073,197	(245,012)	446,160	(1,259,095)	637,531	2,141,705
Total primary government	\$ 9,647,959	\$ 25,006,675	\$ 27,956,382	\$ 12,433,393	\$ 15,391,702	\$ 21,914,093	\$ 14,383,967	\$ 27,780,824	\$ 31,062,724	\$ 36,701,353

Notes:

¹ Net (expense)/revenue is the difference between the expenses and program revenues of the 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 Change in estimation - capital assets of \$3.6m change in farmworker housing centers Valuation for the Napa County Housing Authority.

³Special 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 Revenue by Source
Last Ten Fiscal Years
(modified accrual basis of accounting)

<u>Fiscal Year ending June 30</u>	<u>Property Tax¹</u>	<u>Sales & Use Tax²</u>	<u>Transient Occupancy Tax³</u>	<u>Property Transfer Tax⁴</u>	<u>Total</u>
2006	\$ 63,269,563	\$ 29,109,022	\$ 7,045,286	\$ 2,253,151	\$101,677,022
2007	69,224,378	30,597,528	8,076,701	1,576,809	109,475,416
2008	75,712,896	31,188,494	9,681,766	1,128,851	117,712,007
2009	85,733,529	28,460,170	8,452,117	919,282	123,565,098
2010	91,575,354	16,794,850	7,557,503	743,267	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
2014	99,062,735	23,306,821	10,543,464	1,566,961	134,479,981
2015	101,850,875	24,318,593	11,988,512	1,806,598	139,964,578
Change 2006-2015	61.0%	-16.5%	70.2%	-19.8%	37.7%

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.

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									
	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11 ¹	2011-12	2012-13	2013-14	2014-15
General Fund										
Reserved	\$ 11,136	\$ 11,696	\$ 9,662	\$ 10,397	\$ 10,511	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	62,817	63,431	40,309	40,570	50,863	-	-	-	-	-
Nonspendable	-	-	-	-	-	1,590	2,210	4,989	3,713	3,734
Restricted	-	-	-	-	-	28,631	42,509	36,378	38,554	31,571
Committed	-	-	-	-	-	1,009	1,357	1,162	1,170	8,275
Assigned	-	-	-	-	-	34,081	35,946	36,901	14,876	12,226
Unassigned	-	-	-	-	-	23,137	13,767	13,249	38,010	39,653
Total General Fund	\$ 73,953	\$ 75,127	\$ 49,971	\$ 50,967	\$ 61,374	\$ 88,448	\$ 95,789	\$ 92,679	\$ 96,323	\$ 95,459
All Other Governmental Funds										
Reserved	\$ 17,497	\$ 18,872	\$ 17,723	\$ 16,741	\$ 16,735	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds	53,213	60,407	95,038	107,942	110,556	-	-	-	-	-
Capital projects funds	15,945	22,711	21,294	18,748	20,602	-	-	-	-	-
Debt service funds	1,541	3,407	1,550	1,501	1,502	-	-	-	-	-
Nonspendable	-	-	-	-	-	570	866	324	44	62
Restricted	-	-	-	-	-	107,011	107,180	125,124	145,790	166,890
Committed	-	-	-	-	-	-	-	2,654	4,126	15,673
Assigned	-	-	-	-	-	35,304	35,671	40,793	20,821	23,099
Unassigned	-	-	-	-	-	(265)	(176)	(2,933)	(2,024)	(1,668)
Total all other governmental funds	\$ 88,196	\$ 105,397	\$ 135,605	\$ 144,932	\$ 149,395	\$ 142,620	\$ 143,541	\$ 165,962	\$ 168,757	\$ 204,056

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 a 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

(accrual basis of accounting)

(in thousands)

	Fiscal year									
	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11 ¹	2011-12	2012-13	2013-14	2014-15
Revenues:										
Taxes	\$ 101,677	\$ 109,475	\$ 117,712	\$ 123,565	\$ 116,671	\$ 126,682	\$ 123,155	\$ 130,166	\$ 134,480	\$ 139,965
Licenses, fees and permits	4,293	5,286	5,023	4,426	4,566	4,400	6,626	8,215	9,712	9,816
Fines, forfeits and penalties	2,941	2,617	1,946	2,748	3,665	3,777	3,923	5,253	5,716	6,843
Use of money and property	4,727	6,278	7,657	5,089	2,471	1,961	1,630	(126)	2,371	2,636
Aid from other governments	82,455	80,589	74,639	77,127	89,189	99,079	96,937	105,815	109,952	115,157
Charges for services	23,472	32,460	26,089	31,944	32,596	35,960	34,135	38,908	36,795	39,461
Contributions and donations	-	250	3,797	1,255	896	717	769	875	314	254
Other	8,360	1,249	1,713	1,065	420	1,293	344	346	252	682
Total Revenues	227,925	238,204	238,576	247,219	250,474	273,869	267,519	289,452	299,592	314,814
Expenditures:										
Current:										
General government	27,565	30,797	34,968	30,181	30,282	35,071	38,337	33,411	28,960	30,848
Public protection	76,328	83,403	84,436	92,552	91,329	98,958	97,817	99,186	103,716	118,640
Public ways and facilities	34,410	22,037	18,394	20,340	18,380	19,780	21,530	27,367	29,184	30,244
Health and sanitation	32,076	35,863	38,411	40,692	39,647	40,911	38,651	42,764	40,592	42,479
Public assistance	29,211	28,478	30,159	32,111	34,273	36,811	39,775	43,528	45,601	47,240
Education	5,506	5,611	5,963	6,547	7,148	7,456	7,051	7,418	7,692	7,705
Recreational and cultural services	120	207	877	1,165	1,222	1,265	615	1,291	1,155	1,391
Capital Outlay	4,162	5,518	11,046	3,921	3,367	3,415	4,629	8,681	37,806	4,222
Debt Service:										
Principal	5,495	5,627	5,790	6,007	6,234	6,455	6,682	6,749	10,651	7,602
Interest	3,977	3,796	3,622	3,393	3,162	2,936	2,747	2,413	2,215	2,343
Administration and arbitrage fees	581	15	27	18	37	15	560	95	427	10
Total Expenditures	219,431	221,352	233,693	236,927	235,081	253,073	258,394	272,903	307,999	292,724
Excess of revenue over (under) expenditures	8,494	16,852	4,883	10,292	15,393	20,796	9,125	16,549	(8,407)	22,090
Other Financing Sources (Uses)										
Proceeds from borrowing	450	1,000	-	-	-	-	1,624	2,313	16,876	3,197
Proceeds from insurance	-	-	-	-	-	-	-	-	-	7,307
Transfers in	10,490	21,851	38,588	16,535	19,719	20,687	9,878	64,910	53,258	64,193
Transfers out	(10,403)	(21,329)	(38,419)	(16,503)	(20,244)	(21,184)	(12,364)	(65,462)	(55,289)	(62,353)
Total other financing sources (uses)	537	1,522	169	32	(525)	(497)	(862)	1,761	14,845	12,344
Net change in fund balances	\$ 9,031	\$ 18,374	\$ 5,052	\$ 10,324	\$ 14,868	\$ 20,299	\$ 8,263	\$ 18,310	\$ 6,438	\$ 34,434
Debt service as a percentage of non-capital expenditures	4.40 %	4.37 %	4.23 %	4.03 %	4.05 %	3.76 %	3.72 %	3.48 %	4.76 %	3.45 %

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.

COUNTY OF NAPA

Assessed Value and 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
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 %
2014	29,358,164	1,311,038	1,079,312	29,589,890	1.0%	1,499,338	5.34 %
2015	30,715,291	1,301,212	1,134,967	30,881,536	1.0%	1,291,646	4.37 %

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 Rates¹
 Last Ten Fiscal Years
 (rate per \$100 of assessed value)

Fiscal Year	County Direct Rate	Overlapping Rates²			Total Direct and Overlapping²
		Local Special Districts	Schools	Cities	
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
2014	1.00	0.28	0.26	0.03	1.57
2015	1.00	0.28	0.26	0.02	1.56

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

Taxpayer	2014/2015			2005/2006		
	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value
Realty Income Properties 2 LLC (Diageo/IDV)	\$ 429,000,658	1	1.39%	\$ 178,735,390	1	0.85%
Kaiser Foundation Hospitals	262,894,250	2	0.85%			
Robert Mondavi Properties Inc (Constellation)	217,515,446	3	0.70%	94,839,859	4	0.45%
Pacific Gas & Electric Company	201,189,444	4	0.65%	110,736,279	2	0.53%
Treasury Wine Estates (Beringer)	200,997,049	5	0.65%			
Sutter Home Winery Inc	163,195,281	6	0.53%	49,363,968	7	0.24%
Jackson Family Investments	103,138,087	7	0.33%			
Laird Kenneth E & Gail S TR	101,877,625	8	0.33%			
SPP Napa Vineyards LLC	93,493,377	9	0.30%			
Meritage Resort LLC	90,590,551	10	0.29%			
IDV North America Inc				95,668,072	3	0.46%
Sterling Vineyards Inc				93,446,113	5	0.45%
Dey Laboratories LP				90,128,215	6	0.43%
Pokka USA Inc				42,897,423	8	0.20%
Domaine Chandon Inc				38,200,155	9	0.18%
Pacific Bell				37,656,877	10	0.18%
Total	\$ 1,863,891,768		6.02%	\$ 831,672,351		3.97%
Total Assessed Value			\$ 30,881,536,153			\$ 20,978,418,305

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 Taxes Levied and Collections
Last Ten Fiscal Years

Fiscal Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date		Total Cumulative Uncollected Taxes	
	Amount	Amount	Percentage of Levy		Amount	Percentage of Levy	Amount	Percentage of Levy
2006	\$ 243,824,070	\$ 239,976,480	98.42%	\$ 3,719,925	\$ 243,696,405	99.95%	\$ 127,665	0.05%
2007	267,685,364	261,718,230	97.77%	5,802,451	267,520,681	99.94%	164,683	0.06%
2008	300,429,889	290,670,671	96.75%	9,545,554	300,216,225	99.93%	213,664	0.07%
2009	318,954,517	308,467,460	96.71%	10,142,921	318,610,381	99.89%	344,136	0.11%
2010	321,484,624	312,972,756	97.35%	7,997,386	320,970,142	99.84%	514,482	0.16%
2011	317,195,661	310,620,179	97.93%	5,900,486	316,520,665	99.79%	674,996	0.21%
2012	327,160,447	319,454,138	97.64%	6,855,682	326,309,820	99.74%	850,627	0.26%
2013	335,020,627	329,194,485	98.26%	4,762,345	333,956,830	99.68%	1,063,797	0.32%
2014	354,360,824	348,756,143	98.42%	4,298,612	353,054,755	99.63%	1,306,069	0.37%
2015	371,570,942	366,650,201	98.68%	-	366,650,201	98.68%	4,920,741	1.32%

COUNTY OF NAPA

Direct and Overlapping Sales Tax Rates
Last Ten Fiscal Years

Fiscal Year	State			Direct Government			Overlapping Government		
	General Fund	Local Revenue Fund	Local Public Safety Fund	Education Protection Account	Fiscal Recovery Fund	County Operations	County Transportation	Flood Authority	Total
2006	5.00%	0.50%	0.50%	-	0.25%	0.75%	0.25%	0.50%	7.75%
2007	5.00%	0.50%	0.50%	-	0.25%	0.75%	0.25%	0.50%	7.75%
2008	5.00%	0.50%	0.50%	-	0.25%	0.75%	0.25%	0.50%	7.75%
2009	6.00%	0.50%	0.50%	-	0.25%	0.75%	0.25%	0.50%	8.75%
2010	6.00%	0.50%	0.50%	-	0.25%	0.75%	0.25%	0.50%	8.75%
2011	6.00%	0.50%	0.50%	-	0.25%	0.75%	0.25%	0.50%	8.75%
2012	3.94%	1.56%	0.50%	-	0.25%	0.75%	0.25%	0.50%	7.75%
2013	3.94%	1.56%	0.50%	0.25%	0.25%	0.75%	0.25%	0.50%	8.00%
2014	3.94%	1.56%	0.50%	0.25%	0.25%	0.75%	0.25%	0.50%	8.00%
2015	3.94%	1.56%	0.50%	0.25%	0.25%	0.75%	0.25%	0.50%	8.00%

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				
2006	\$ 49,845	\$ 42,665	\$ -	\$ -	\$ -	\$ 92,510	\$ -	\$ -	\$ -	\$ 415	\$ 92,925	1.21%	\$ 704	
2007	46,565	40,340	-	-	1,407	88,312	-	-	-	390	88,702	1.14%	666	
2008	43,150	38,005	-	-	1,386	82,541	4,711	-	-	362	87,614	1.14%	650	
2009	39,585	35,605	-	-	1,323	76,513	4,655	-	-	333	81,501	1.10%	601	
2010	35,865	33,135	-	-	1,278	70,278	4,570	-	-	302	75,150	1.02%	549	
2011	32,000	30,590	-	-	1,255	63,845	4,495	-	-	269	68,609	0.90%	498	
2012	28,000	26,330	-	-	1,208	55,538	4,405	-	-	233	60,176	0.75%	436	
2013	23,825	23,805	2,313	-	159	50,102	8,998	1,047	-	196	60,343	0.74%	434	
2014	19,560	32,980	2,193	-	108	54,841	14,631	992	-	157	70,621	0.83%	503	
2015	15,402	34,010	2,296	-	5,846	57,554	14,826	930	-	5,907	79,217	0.71%	448	

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

<u>Fiscal Year</u>	<u>General Obligations Bonds</u>	<u>Less: Amounts available in Debt Service Fund</u>	<u>Total</u>	<u>Percentage of Estimated Actual Taxable Value of Property</u>	<u>Per Capita</u>
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
2014	n/a	n/a	-	n/a	n/a
2015	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, 2015

Assessed Valuation (including unitary utility valuation)	\$ 31,036,004,999		
	<u>\$ 31,036,004,999</u>		
	Total Debt	Percentage	
DIRECT AND OVERLAPPING GENERAL FUND OBLIGATION DEBT:	<u>6/30/2015</u>	<u>Applicable¹</u>	<u>¹2015 Debt</u>
Direct General Fund Obligation Debt			
Napa County Certificates of Participation	\$ 34,009,780	100.000 %	\$ 34,009,780
	<u>34,009,780</u>	100.000 %	<u>34,009,780</u>
Total Direct Obligation Debt			
Overlapping General Fund Debt			
School Districts			
Napa County Board of Education Certificates of Participation	2,830,000	100.000 %	2,830,000
Calistoga Joint Unified School District Certificates of Participation	6,185,000	87.361 %	5,403,278
Fairfield -Suisun Unified School District Certificates of Participation	1,385,612	0.799 %	11,071
Cities			
City of American Canyon General Fund Obligations	1,559,000	100.000 %	1,559,000
City of Calistoga General Fund Obligations	4,051,359	100.000 %	4,051,359
Town of Yountville General Fund Obligations	<u>13,395,000</u>	100.000 %	<u>13,395,000</u>
Total Overlapping General Fund Obligation Debt	<u>29,405,971</u>		<u>27,249,708</u>
Total Direct and Overlapping Obligation Debt	<u>63,415,751</u>		<u>61,259,488</u>
OVERLAPPING TAX AND ASSESSMENT DEBT:			
School Districts			
Napa Valley Community College District	124,133,911	99.109 %	123,027,878
Calistoga Joint Unified School District	17,133,496	87.361 %	14,967,993
Fairfield-Suisun Joint Unified School District	74,915,000	0.799 %	598,571
Napa Valley Unified School District	263,110,000	100.000 %	263,110,000
St. Helena Unified School District	61,861,232	100.000 %	61,861,232
Howell Mountain School District	2,266,344	100.000 %	2,266,344
Cities			
City of St. Helena	345,000	100.000 %	345,000
City of American Canyon 1915 Act Bonds	18,750,000	100.000 %	18,750,000
Lake Berryessa Resort Improvement Assessment District No. 2006-1	4,110,000	100.000 %	4,110,000
Napa Berryessa Resort Improvement Assessment District No. 2012-1	10,716,266	100.000 %	10,716,266
California Statewide Community Development Authority Assessment Districts	<u>2,229,739</u>	100.000 %	<u>2,229,739</u>
Total Overlapping Tax and Assessment Debt	<u>579,570,988</u>		<u>501,983,023</u>
OVERLAPPING TAX INCREMENT DEBT:	<u>11,400,000</u>	100.000 %	<u>11,400,000</u>
COMBINED TOTAL DEBT	<u>\$ 642,986,739</u>		<u>\$ 574,642,511</u> ²

Ratio to 2014-15 Assessed Valuation:

Total Overlapping Tax and Assessment Debt.....	1.61%
Total Direct Debt (\$34,009,780).....	0.10%
Combined Total Debt.....	1.83%

Ratios to Redevelopment Incremental Valuation (\$699,970,944):

Total Overlapping tax Increment Debt.....	1.63%
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Notes:

- 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.
- 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, 2015
(dollars in thousands)

	<u>Fiscal Year 2015</u>	
	<u>1.25%</u>	<u>3.75%</u>
Debt limit	\$ 386,019	\$ 1,158,058
Less: Total net debt applicable to limit	<u>29,224</u>	<u>43,660</u>
Legal debt margin	<u>\$ 356,795</u>	<u>\$ 1,114,398</u>
Total net debt applicable to the limit as a percentage of debt limit	7.57 %	3.77 %
Legal Debt Margin Calculation:		
Assessed value	\$ 32,016,503	\$ 32,016,503
Less: Exempt real property	<u>1,134,967</u>	<u>1,134,967</u>
Total assessed value	<u>\$ 30,881,536</u>	<u>\$ 30,881,536</u>
CERTIFICATES OF PARTICIPATION		
Debt limit (1.25% and 3.75% of total assess value) ¹	\$ 386,019	\$ 1,158,058
Debt applicable to limit		
Certificates of participation	30,235	30,235
Less: Amount set aside for repayment of outstanding debt	<u>(1,011)</u>	<u>(1,011)</u>
Total net debt applicable to limit	<u>29,224</u>	
Legal debt margin	<u>\$ 356,795</u>	
SALES TAX REVENUE BONDS		
Debt applicable to limit:		
Sales Tax Revenue Bonds		14,920
Less: Amount set aside for repayment of outstanding debt		<u>(484)</u>
Total net debt applicable to limit		<u>43,660</u>
Legal debt margin		<u>\$ 1,114,398</u>

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.

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	Less: Administrative Cost	Net Available Revenue	Debt Service		Coverage	Property Tax Collection and Special Assessments ¹	Debt Service		Coverage				
				Principal	Interest			Principal	Interest					
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	1.33	1.19	1.33	1.19	
2009	12,929	154	12,775	3,565	1,879	2.35	372	56	256	0.99	1.02	0.99	1.02	
2010	12,416	153	12,263	3,720	1,739	2.25	333	75	248	1.11	1.11	1.11	1.11	
2011	13,015	147	12,868	3,865	1,574	2.37	329	85	244	0.91	0.91	0.91	0.91	
2012	14,516	135	14,381	4,000	1,434	2.65	365	90	237	0.90	0.90	0.90	0.90	
2013	15,330	156	15,174	4,175	1,259	2.79	299	90	232	0.95	0.95	0.95	0.95	
2014	16,769	187	16,582	4,065	975	3.29	289	95	237	0.95	0.95	0.95	0.95	
2015	17,554	206	17,348	4,640	734	3.23	314	95	237	0.95	0.95	0.95	0.95	

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 and Economic Statistics
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Population¹</u>	<u>Personal Income²</u>	<u>Per Capita Personal Income³</u>	<u>School Enrollment⁴</u>	<u>Unemployment Rate⁵</u>
2006	131,920	\$ 7,493,847,520	\$ 56,806	19,908	3.7%
2007	133,155	7,595,427,510	57,042	20,087	3.8%
2008	134,786	7,519,171,796	55,786	20,108	4.7%
2009	135,664	7,171,334,704	52,861	20,370	8.5%
2010	136,798	7,201,867,508	52,646	20,515	9.3%
2011	137,631	7,428,908,487	53,977	20,584	9.0%
2012	138,032	7,787,765,440	56,420	20,593	7.7%
2013	139,099	8,201,833,436	58,964	20,725	6.1%
2014	139,983	8,441,394,849	60,303	20,868	4.7%
2015	140,984	8,947,408,576	63,464	21,002	4.1%

Sources:

¹⁻³ California State Department of Transportation - http://www.dot.ca.gov/hq/tpp/offices/eab/socio_economic_files/2015/Final%20Forecasts/Napa.pdf

⁴ EdData Partnership - <http://www.ed-data.org/county/Napa>

⁵ Employment Development Department, Labor Market Information - www.labormarketinfo.edd.ca.gov.

COUNTY OF NAPA

Principal Employers
(Current Fiscal Year and Nine Years Prior)

	2015		2005		Percentage of Total County Employment
	Employer	Employees	Employer	Employees	
Napa State Hospital	2,337	3.25%	Napa State Hospital	2,006	2.98%
County of Napa	1,434	1.99%	Napa Valley Unified School District	2,000	2.97%
St. Helena Hospital	1,259	1.75%	Cultured Stone	1,500	2.23%
Napa Valley Unified School District	1,221	1.70%	Queen of the Vally Hospital	1,400	2.08%
Queen of the Valley Hospital	1,107	1.54%	County of Napa	1,289	1.91%
Veterans' Home of California	987	1.37%	Veterans' Home of California	1,000	1.48%
Trinchero Family Estates	900	1.25%	St. Helena Hospital	1,000	1.48%
Treasury Wine Estate	819	1.14%	Silverado Country Club	575	0.85%
Wal-Mart	628	0.87%	Dey Laboratories, Inc.	547	0.81%
Owens Corning	380	0.53%	Napa Valley Community College	525	0.78%
Total	11,072	15.39%	Total	11,842	17.57%

Notes:

¹Total Napa County Employment 2014-2015: 71,900

Sources: Napa Chamber of Commerce

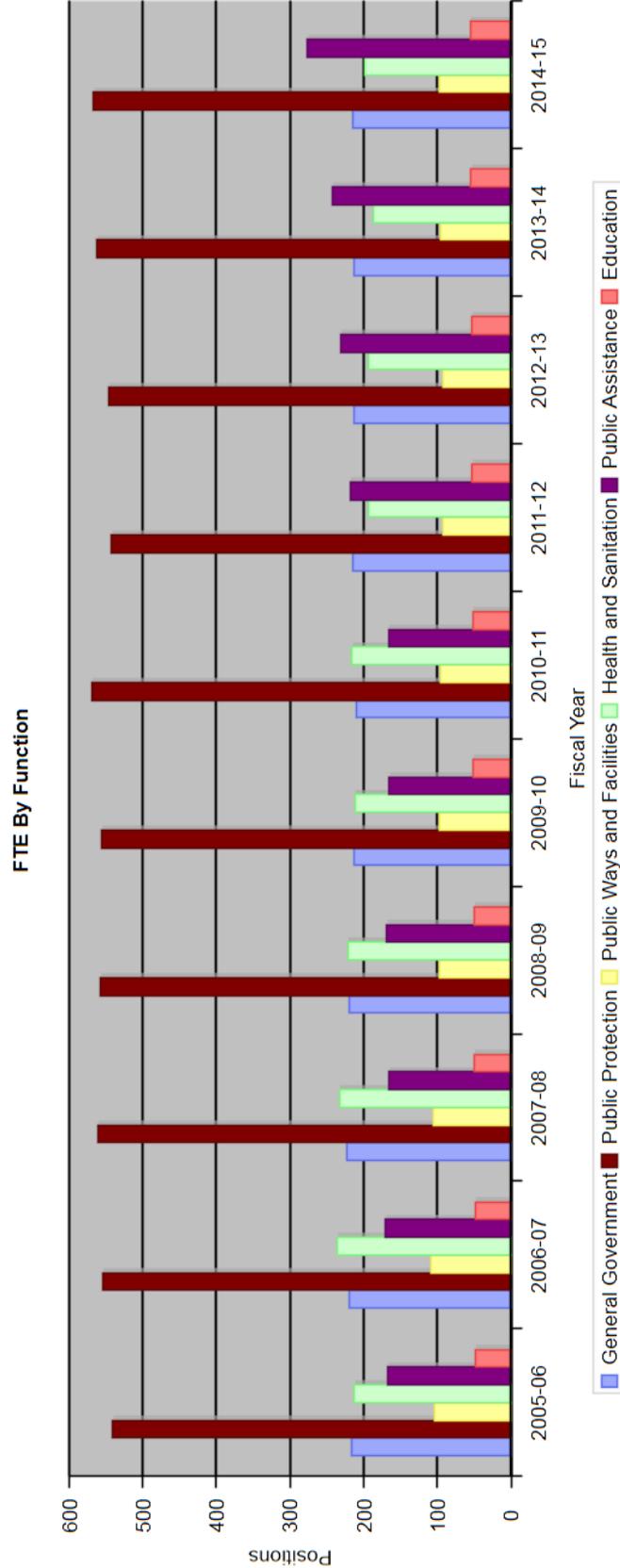
State of California Employment Development Department: <http://www.calmis.ca.gov/htmlfile/county/napa.htm>

Direct phone survey Napa County Auditor-Controller's Office

COUNTY OF NAPA

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

Function/Program	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
General Government	216.0	219.2	223.2	219.9	213.1	209.1	214.4	212.8	213.8	214.8
Public Protection	540.9	554.4	561.1	557.4	555.4	569.6	542.1	546.6	562.0	566.7
Public Ways and Facilities	104.0	109.0	106.0	98.0	96.8	94.8	92.8	92.8	95.8	97.8
Health and Sanitation	212.5	235.7	233.4	222.0	212.0	215.6	193.9	193.4	187.4	199.0
Public Assistance	167.3	170.3	165.3	168.8	165.3	166.5	218.5	231.5	243.0	276.5
Education	48.9	48.9	50.1	50.1	52.1	52.1	53.1	53.1	54.1	55.3
Total full-time equivalent employees	1,289.6	1,337.5	1,339.1	1,316.2	1,294.7	1,307.7	1,314.8	1,330.2	1,356.1	1,410.1



COUNTY OF NAPA

Operating Indicators by Function Last Seven Fiscal Years

Function	Fiscal Year						
	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Airport							
Annual Arrivals and Departures	109,121	87,412	50,283	56,281	43,045	44,667	46,547
Aviation Easements issued	5	3	2	-	-	1	4
Hanger leases	171	171	163	153	149	151	158
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	910,000	988,549	1,022,969	1,092,028	1,058,318	1,006,019	939,057
Library cards issued	47,715	49,609	50,992	48,616	47,041	51,541	49,253
Number of computer provided for public use	58	71	85	85	84	90	90
Fire							
Number of calls answered	3,049	3,444	3,091	3,471	3,844	3,530	5,438
Inspections	2,563	2,272	2,156	2,216	1,740	1,325	1,791
Health & Human Services							
Public Guardian total clients (conservatees + additional referrals)	68	67	80	90	88	90	96
Veterans Service Officer number of benefit claims filed	455	616	512	432	338	417	413
Public Health							
Women, Infants, and Children (WIC) visits	26,567	25,898	24,052	23,876	22,117	21,678	19,262
Public Health home visiting program visits	3,816	4,238	3,317	3,115	2,812	2,622	3,063
Immunizations ¹	8,584	17,821	15,083	8,884	7,149	7,778	5,640
Mental Health							
Emergency response clients	1,135	841	792	944	869	877	905
Adult Medication Clinic clients	509	469	467	467	489	476	467
Children's Medication Support clients	198	236	235	194	157	160	160
Total mental health clients served	2,653	2,411	2,590	2,615	2,827	2,915	2,931
Alcohol and Drug Services - Division Restructured 9/2007							
Adult Outpatient Treatment and Recovery Services Program clients	616	573	375	319	344	414	409
Prevention (school-based youth) groups	580	534	814	802	1,773	998	2,083
PC 1210 STOP (formerly Proposition 36) clients	217	154	359	95	79	111	95
Total Alcohol and Drug Services clients served	1,413	1,261	1,548	1,216	1,299	1,322	2,587
Social Services							
Adult protective Services total clients served	364	389	381	437	387	481	484
CalWORKs average caseload	635	791	902	801	654	593	592
Child Welfare Services total child abuse referrals received	993	1,028	1,065	1,235	1,279	1,407	1,323
Child Welfare Services percent timely investigations:							
% Timely immediate investigations	99	100	100	99	98	99	99
% Timely ten day investigations	100	100	100	99	99	98	99
County Medical Services Program average number of continuing cases/eligibles							
Food Stamps average caseload	1,710	2,009	3,081	3,429	3,476	3,425	3,622
Foster care average number of cases	109	124	143	120	107	124	146
In Home Supportive Services total clients served	841	838	852	917	990	1,053	1,094
Medi-Cal average number of eligibles	13,420	14,445	15,766	17,055	13,537	14,967	22,310
Workforce Investment Act total number enrolled	270	307	237	163	246	292	292
Highways and streets							
Street resurfacing (miles)	8	6	35	6	25	-	8
Potholes repaired	1,278	1,470	1,900	2,300	2,475	1,975	2,015
Sheriff							
Physical arrests	1,475	1,570	1,431	1,531	1,729	1,844	1,737
Parking violations	1,447	1,478	1,405	1,238	1,179	1,361	2,106
Traffic violations	2,809	2,585	3,127	3,139	2,310	1,795	1,521
Water							
New connections	-	-	-	-	-	-	-
Water mains breaks	-	-	1	3	2	2	1
Average daily consumption (thousands of gallons)	231	151	139	121	146	136	110
Wastewater							
Average daily sewage treatment (thousands of gallons)	95	57	72	62	66	62	65

Notes:

¹ Immunizations in FY2009-10 include H1N1 immunization campaign.

Source: County Departments

COUNTY OF NAPA

Capital Asset Statistics by Function
Last Seven Fiscal Years

Function	Fiscal Year						
	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
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	31	31	31	31	31	34
Fire Trucks	2	2	2	2	2	2	2
Culture and recreation							
Parks acreage	61	61	61	61	61	61	61
Parks	2	2	2	2	2	2	2
Education							
Library branches	4	4	4	4	4	4	4
Library books and materials	204,460	200,260	168,617	240,869	175,189	170,811	161,102
Health & Sanitation							
Public Health							
10th 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	-	-	-	1	1	1	1
Video Conferencing System	-	-	-	1	1	1	1
Mental Health							
Power Edge Servers	4	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

Source: County Departments

continued

COUNTY OF NAPA

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

Function	Fiscal Year						
	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
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	446	446	446	446	446	446	446
Street lights (approximate number)	70	70	32	32	32	32	142
Traffic signals	-	-	-	6	6	6	4
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	638	638
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 (thousand of gallons)	210	210	210	210	210	310	310

Notes:

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

Source: County Departments