

County of Napa, California
Comprehensive Annual Financial Report
For the Fiscal Year Ended
June 30, 2009



TRACY A. SCHULZE
Auditor-Controller

Mission Statement

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

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

Core Values

Integrity - Demonstrate the highest ideals of honesty and fairness.

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

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

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

COUNTY OF NAPA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2009

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Napa County Airport



Introductory Section



Hot Air Balloon over Yountville



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

County Executive Office

Nancy Watt
County Executive Officer

Auditor-Controller

Tracy A. Schulze
Auditor-Controller

December 22, 2009

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

California law requires that every local government publish a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended June 30, 2009.

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

GALLINA LLP, Certified Public Accountants, have issued an unqualified (“clean”) opinion on the County of Napa’s financial statements for the year ended June 30, 2009. The independent auditor’s report is located at the front of the financial section of this report.

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

Profile of the Government

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

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

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

The Board of Supervisors is required to adopt a final budget no later than August 30 of the fiscal year if the state's budget is passed on time, otherwise, a final budget is required 60 days after the state passes its budget or October 2, whichever is later. This annual budget serves as the foundation for the County of Napa's financial planning and control. The budget is prepared by fund, function (e.g., public safety), and department (e.g., Sheriff). With certain limitations, department heads may transfer resources within a department as they see fit. Transfers between departments, however, need special approval from the Board of Supervisors.

Local Economy

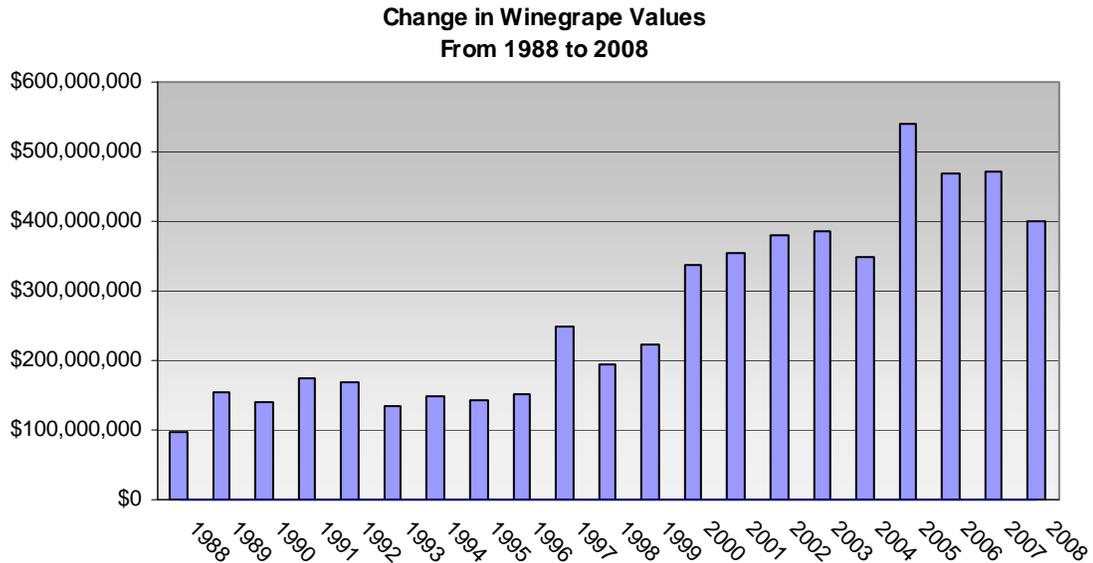
In the heart of the wine country, the County of Napa includes one of California's most beautiful valleys. The temperate year round climate provides ideal weather for the growth of world-class wine grapes. The valley's unique microclimates also allow residents and visitors the opportunity to take full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

The population of 137,571 resides primarily in the five municipalities of American Canyon, Calistoga, Napa, St. Helena and the Town of Yountville. The vast majority of County land is unincorporated and devoted to vineyards, farms, ranches and forest land, providing the area with high levels of open space. The County's economy has always had a strong agricultural base, and has a substantial presence in the wine industry.

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

According to the Napa County Agricultural Commissioner's Annual Crop Report for 2008, wine grapes represent 97.7% of the value of all agricultural production in the County. Without factoring inflation, the annual value of wine grape production decreased 15.4% when compared to 2007. Each year the value of wine grapes produced is exponentially magnified in the local economy through the production and marketing of wine, local wine industry employment, and associated economic activity.

The following graph demonstrates the trend of increasing winegrape values since 1988 through the end of 2008.



Major industries located within the County’s boundaries, or in close proximity, include grape growers and wine producers and manufacturers of wine industry related products. The State of California also has a significant economic presence due to a major mental health facility that provides employment to more than 2,500 healthcare professionals and staff. Public instruction in the County is provided by two elementary school districts and three unified school districts. Higher education is available in the County via the Napa Valley College and the Pacific Union College. The transportation network includes publicly operated systems as well as private enterprise systems within the county and the cities. A privately-owned airporter service operates from St. Helena, Napa and Vallejo to San Francisco International Airport and Oakland International airport. There is also a County-owned and operated airport that serves privately-owned aircraft and provides facilities for a large pilot training program for Japan Airlines.

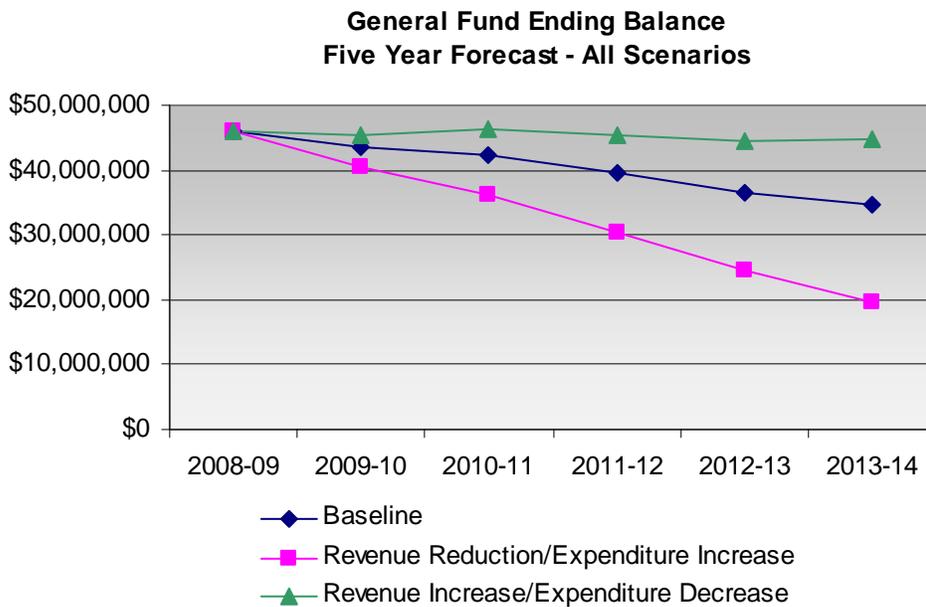
Napa County’s unemployment rate has consistently been well below the State average, although it does follow the State trend generally. As of June 30, 2009, according to the California Employment Development Department data, during the past ten years, the unemployment rate in Napa County increased from 3.5 percent (2000) to the decade high of 8.8 percent (2009), following recent state and national trends. As a comparison Statewide, Napa County has the third lowest unemployment rate, with the statewide average rate of 11.6% as of June 30, 2009.

Long-term Financial Planning

Napa County has a history of prudent fiscal and debt management. The recent history of the General Fund shows sizable reserves, including designations. In fiscal year 2008-2009 the General Fund reserves, including designations, was 14.6 percent of total budgeted General Fund expenditures and in fiscal year 2009-2010 reserves, including designations, is 13.6

percent. These reserves include funds designated for specific capital projects as well as for fiscal requirements known or anticipated in future years. The County utilizes an interdisciplinary Debt Advisory Committee and periodic Debt Capacity Analyses to project future capital needs and funding.

In 2009, the County prepared a formal General Fund five-year revenue and expenditure forecast for consideration by the Board of Supervisors (see following graph). The five year forecast projected the General Fund ending balance under three different scenarios: A baseline scenario that essentially assumed a continuation of the status quo in terms of state laws, funding levels and general economic conditions; a revenue reduction/expenditure increase scenario that assumed a \$3 million increase in Net County Cost starting fiscal year 2009-2010; and a revenue increase/expenditure decrease scenario, that assumed a \$2 million decrease in Net County Cost starting in Fiscal Year 2009-2010.



The baseline scenario projected a fiscal year 2013-2014 General Fund unrestricted ending balance of approximately \$34.7 million, a decrease of approximately \$12.9 million from the Fiscal Year 2008-2009 unrestricted beginning balance. The revenue reduction/expenditure increase scenario resulted in an estimated fiscal year 2013-2014 unrestricted ending balance of approximately \$19.7 million. The revenue increase/expenditure decrease scenario resulted in a fiscal year 2013-2014 unrestricted fund balance projection of approximately \$44.7 million.

A projected fiscal year 2013-2014 unrestricted ending fund balance that ranges from \$19.7 million to \$44.7 million illustrates the sensitivity of such projections to the assumptions used in making them. At this point, staff is able to conclude that absent a significant change in economic conditions, policies, or programs: (1) the County’s General Fund budget will likely not be in structural balance over the next five years, due primarily to deteriorating economic conditions, but the structural imbalance appears to be relatively limited and should be

manageable without severe budget reductions; and (2) given the relatively robust nature of the General Fund's fund balance, even under the worse case scenario, the County would likely have time to come up with a plan to address any structural imbalance before significant expenditure reductions are required. To ensure that the General Fund remains in long-term structural balance, the County Board of Supervisors has approved a Fiscal Contingency Plan to guide the County's near-term response to fiscal difficulties, and directed staff to proceed with the development of a Strategic Financial Plan, which will set the course for long-term fiscal stability.

The County is currently in the process of developing a Strategic Facilities Management Plan, and a long-term Capital Improvement Plan (CIP). The Board of Supervisors recently approved the key components of an Adult Correctional System Master Plan which, among other things, calls for implementing evidence-based practices designed to reduce offender recidivism and for increasing the number of jail beds by approximately 32% by 2025. Recognizing that, over the next 20 years, the County will likely face the need to renovate and construct new office space and other facilities, as part of the Fiscal Year 2006-2007 budget the Board of Supervisors established an Accumulated Capital Outlay (ACO) Fund that will be used to set aside available resources now to fund future capital needs. In Fiscal Year 2006-2007 the County transferred \$9.9 million from the General Fund to the ACO Fund, consistent with a Board Budget Policy that called for placing any remaining discretionary resources (after all current year operating, capital, reserve and contingency requirements were met) in capital reserves. In Fiscal Year 2007-2008, the County transferred an additional \$6.2 million from the General Fund to the ACO Fund. The ACO Fund balance currently stands at about \$16.5 million.

Finally, in Fiscal Year 2006-2007, the Board of Supervisors made the decision to fully fund the County's \$34 million Other Post Employment Benefits (OPEB) unfunded liability. Currently, the County is funding this liability over a 20 year period. Funding for this purpose beginning in Fiscal Year 2007-2008, is included annually in County budgets.

Relevant Financial Policies

Budget policies have been formally adopted by the Board of Supervisors. These include direction on staffing decisions, pursuit of new revenues, use of discretionary revenues and operational efficiencies, to name a few. Through these policies, the Board of Supervisors has established reserve and contingency guidelines. At least three percent of the General Fund appropriation is to be held in Contingency. The Contingency would be utilized to cover the impact of unanticipated cost increases or revenue decreases during the fiscal year.

In addition, the Board of Supervisors adopted a goal of building General Reserves equivalent to approximately five percent of General Fund appropriations. In the past, the Reserve goal had been set at three percent. Reserves are typically used for two purposes: to provide funds that can be used in future years to balance the budget (reserves cannot be spent in the current fiscal year) and to aid in cash flow, so that short-term borrowing against anticipated revenues is not needed.

Major Initiatives

In 1998, the voters of Napa County approved a half-cent sales tax to fund the local share of a countywide flood management plan. Construction of the Napa River/Napa Creek Flood Protection Project (Project) in the City of Napa has been underway for ten years with many accomplishments thus far including the restoration of over 650 acres of high-value seasonal and tidal wetlands along the Napa River; completion of four major bridge projects; completion and cleanup of thirteen acres of contaminated riverbank; completion of the downtown promenade and floodwall for flood protection; and creation of marsh plain and flood plain terraces on the east bank from Kennedy Park to Third Street. 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 goals of the Project are to 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 \$402.8 million. Monies for the Project are derived from Napa County Measure A, which generates a half-cent local sales tax, and California's Subvention Fund for flood projects. These monies are used to purchase necessary properties and for the relocation of utilities and other public facilities as they are the responsibilities of the District as the local sponsor of the Federal Flood Control Project. Construction of the flood control components including floodwalls/levees, channel modifications, and pump stations, is funded through Federal appropriations to the U.S. Army Corps of Engineers. Additional monies have been obtained through grants from the Federal Emergency Management Agency, the Federal Highway Administration, the California Department of Transportation, the California Department of Water Resources, and the Coastal Conservancy.

On June 3, 2008, the Board of Supervisors concluded a multi-year planning effort aimed at comprehensively updating the County's General Plan. This planning effort took approximately three years, cost approximately \$2.0 million dollars, and involved updating all sections of the County's General Plan except for the Housing Element, which was updated separately in 2008-2009. The General Plan, which had not been comprehensively updated since 1983, is a requirement of State law. In California, every General Plan is required to have seven mandated elements: Land Use, Circulation, Housing, Conservation, Open Space, Noise and Safety. Napa County's updated plan includes an Economic Development element in addition to the required elements, and addresses several additional topics such as agricultural preservation, recreation and community character. The updated General Plan is expected to guide land use decision making in the County for years to come.

Awards and Acknowledgements

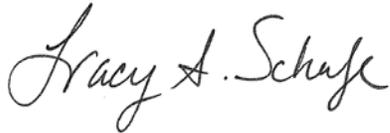
Napa County's Auditor-Controller's Department received its ninth straight "Award for Achieving Excellence in Financial Reporting" from the California State Controller's Office. Napa County's Information Technology Department received national recognition as the result of a survey conducted by the Center for Digital Government. Napa County ranked seventh in the nation for counties with a population of 150,000 or less.

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, 2008. This was the fourth consecutive year that the County has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

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

Respectfully submitted,



Tracy A. Schulze
Auditor-Controller



Nancy Watt
County Executive Officer

Certificate of Achievement for Excellence in Financial Reporting

Presented to

County of Napa
California

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2008

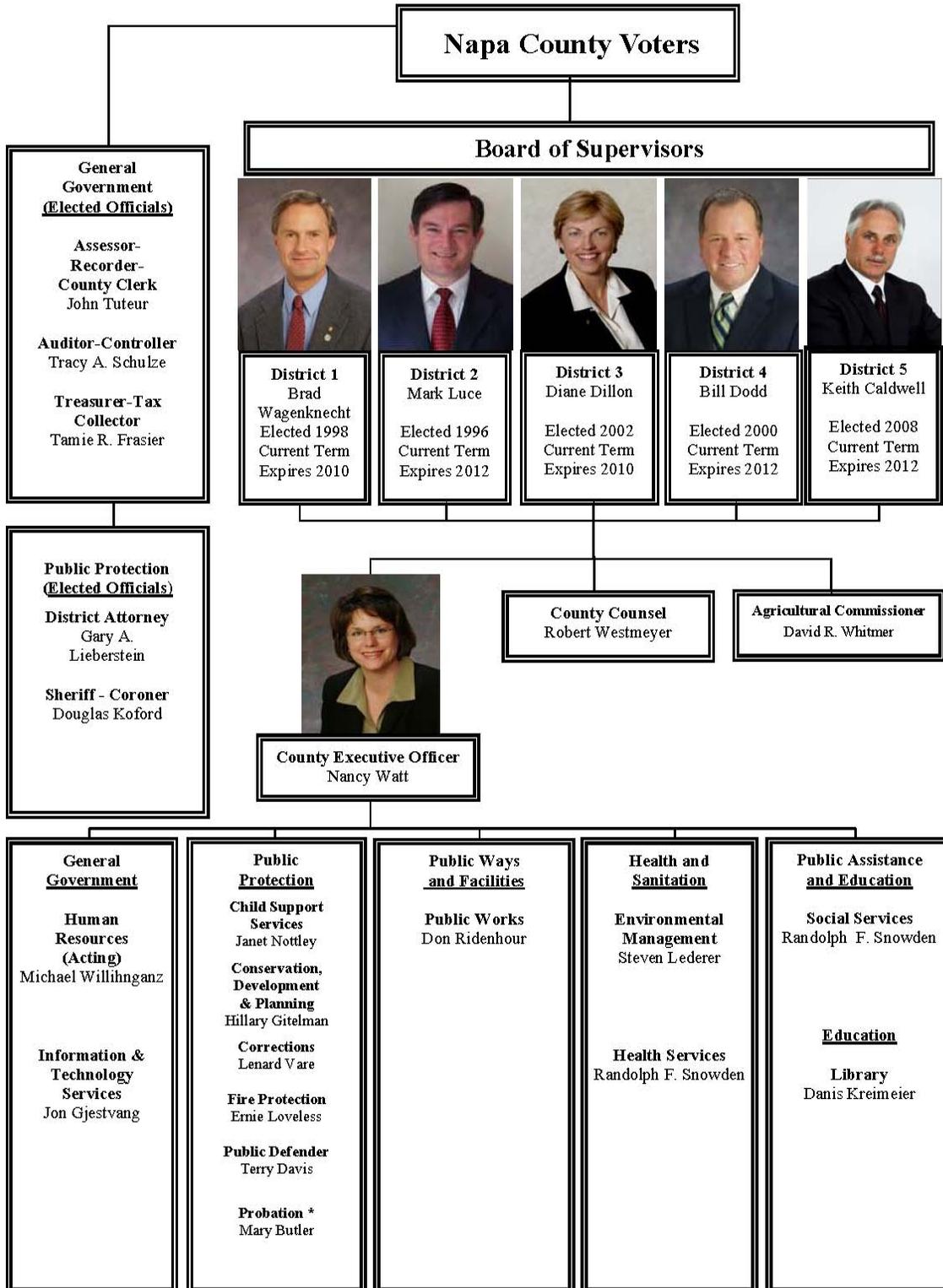
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards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



President

Executive Director

COUNTY OF NAPA
ELECTED AND APPOINTED PUBLIC OFFICIALS



* Appointed by the Napa County Superior Court

COUNTY OF NAPA
ELECTED AND APPOINTED PUBLIC OFFICIALS

ELECTED OFFICIALS

June 30, 2009

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

APPOINTED OFFICIALS

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

Financial Section





Photography by Brent A. Miller

The Grape Crusher Statue - The City of Napa



INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County of Napa, California, (the County), as of and for the year ended June 30, 2009, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County as of June 30, 2009, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued under separate cover, our report dated December 21, 2009, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

To the Board of Supervisors and Grand Jury
County of Napa

The Management's Discussion and Analysis and the required supplementary information, as listed in the table of contents, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was made for the purpose of forming opinions on the financial statements that collectively comprise the County of Napa's basic financial statements. The introductory section, budgetary comparison schedules, combining and individual 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 budgetary comparison schedules and the combining and individual nonmajor fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical sections have not been subject to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

A handwritten signature in cursive script that reads "Gallina LLP".

Roseville, California
December 21, 2009

MANAGEMENT'S DISCUSSION AND ANALYSIS



Third Street Bridge, Napa

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, 2009. Please read it in conjunction with the County's basic financial statements following this section.

FINANCIAL HIGHLIGHTS

- The assets of the County exceeded liabilities at the close of the 2008-2009 fiscal year by \$315,360,975 (*net assets*). Of this amount, \$120,702,179 (*unrestricted net assets*) may be used to meet ongoing obligations to citizens and creditors, \$54,603,456 is restricted for debt service, capital projects, grants and special taxes, \$140,055,340 is invested in capital assets, net of related debt.
- As of June 30, 2009, the County governmental funds reported combined fund balances of \$195,900,115. Approximately 86.1% of the combined fund balances, \$168,761,615, is available to meet the County's current and future needs (*unreserved fund balance*).
- At the end of the fiscal year, unreserved fund balance for the general fund was \$40,569,825, or 22.2%, of total general fund expenditures. All of the remaining unreserved fund balance will be considered in subsequent fiscal years' budgets.
- The County's total long-term debt decreased by \$5,547,124 in comparison with the prior year. The decrease was the result of making scheduled debt payments during the fiscal year, including the final payment on the 1999 Series A Bonds for the Napa County Flood Protection and Watershed Improvement Authority.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

Both of these government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the County include general government, public

protection, public ways and facilities, health and sanitation, public assistance, education and recreation and cultural services. The business-type activities of the County include Napa County Airport, Lake Berryessa Resort Improvement District, Fifth Street Parking Garage, Napa Berryessa Resort Improvement District, and Napa County Housing Authority.

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 21-23 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 94 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures and changes in fund balances for General Fund, Napa County Flood Protection and Watershed Improvement Authority Fund, Affordable Housing Fund and Roads Fund. Data from the other governmental funds are combined into a single, aggregated presentation. Fund data for these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

The governmental funds financial statements can be found on pages 27-30 of this report.

Proprietary funds are maintained two ways. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The County uses enterprise funds to account for the Napa County Airport, Lake Berryessa Resort Improvement District, Fifth Street Parking Garage, Napa Berryessa Resort Improvement District, and Napa County Housing Authority 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 functions, workers' compensation insurance, long-term disability, personal injury, property damage, and employee/retiree benefits. Because these services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

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

The proprietary funds financial statements can be found on pages 31-34 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 35-36 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 38-78 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 81-95 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 101-176 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the County, assets exceeded liabilities by \$315,360,975 at the close of the most recent fiscal year. Further detail is provided in Table 1.

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

	Governmental		Business-type		Total		Dollar	Percent
	Activities		Activities				Change	Change
	2009	2008	2009	2008	2009	2008		
Current and other assets	242,172	232,152	6,657	6,885	248,829	239,037	9,792	4.1%
Capital assets	136,205	156,191	42,854	29,795	179,059	185,986	(6,927)	-3.7%
Total assets	378,377	388,343	49,511	36,680	427,888	425,023	2,865	0.7%
Current and other liabilities	12,805	16,424	1,166	1,568	13,971	17,992	(4,021)	-22.3%
Long-term liabilities	93,133	98,993	5,423	5,110	98,556	104,103	(5,547)	-5.3%
Total liabilities	105,938	115,417	6,589	6,678	112,527	122,095	(9,568)	-7.8%
Net assets:								
Invested in capital assets, net of related debt	99,085	116,608	40,971	28,470	140,056	145,078	(5,022)	-3.5%
Restricted net assets	54,124	41,875	479	481	54,603	42,356	12,247	28.9%
Unrestricted net assets	119,230	114,442	1,472	1,051	120,702	115,493	5,209	4.5%
Total net assets	272,439	272,925	42,922	30,002	315,361	302,927	12,434	4.1%

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

- The largest portion of the County's net assets (44.4%) reflects its investment of \$140.1 million in capital assets (e.g. land and easements, structures and improvements, infrastructure, and equipment), less any related debt used to acquire those assets that are still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.
- An additional portion of the County's net asset, (17.3%, or \$54.6 million) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net assets* (38.3% or \$120.7 million) may be used to meet the County's ongoing obligations to citizens and creditors.
- The County's net assets have increased by \$12.4 million during the current fiscal year. This increase is the result of the County implementing conservative spending plans due to the uncertainty of current economic conditions and increases in the County's property tax revenues and fees, fines and charges for services.

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

- The County's total assets as of June 30, 2009, amount to \$427.9 million, an increase of \$2.9 million (or 0.7%) from the prior year. The majority of the increase in total assets is reflected by an increase in cash and investments, especially in the Napa County Flood Protection and Watershed Improvement Authority and Affordable Housing funds, and increases in receivables and due from other governmental agencies particularly the delay in reimbursements from the State. These increases are offset by a decrease in capital assets, caused by depreciation being in excess of capital additions, and a \$3.6 million decrease in the recorded value of the Napa County Housing Authority's farmworker housing centers.

- The County's total liabilities as of June 30, 2009, are \$112.5 million, a decrease of \$9.6 million (or 7.8%) from the prior year. This decrease was mainly the result of making scheduled debt payments during the fiscal year, including the final payment on the 1999 Series A Bonds for the Napa County Flood Protection and Watershed Improvement Authority.

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

	Governmental		Business-type		Total		Total	
	Activities		Activities		Total		Dollar	Percent
	2009	2008	2009	2008	2009	2008	Change	Change
Revenues:								
Program revenues:								
Fees, fines and charges for services	\$ 42,777	\$ 34,312	\$ 3,569	\$ 3,329	\$ 46,346	\$ 37,641	\$ 8,705	23.1%
Operating grants and contributions	76,693	77,170	169	210	76,862	77,380	(518)	-0.7%
Capital grants and contributions	2,652	4,499	1,184	10,618	3,836	15,117	(11,281)	-74.6%
General revenues:								
Property taxes	85,734	75,713	123	111	85,857	75,824	10,033	13.2%
Sales and use taxes	28,460	31,188	-	-	28,460	31,188	(2,728)	-8.7%
Other taxes	9,371	10,810	-	-	9,371	10,810	(1,439)	-13.3%
Unrestricted interest and investment earnings	5,585	8,414	185	303	5,770	8,717	(2,947)	-33.8%
Miscellaneous	779	1,999	-	87	779	2,086	(1,307)	-62.7%
Total revenues	<u>252,051</u>	<u>244,105</u>	<u>5,230</u>	<u>14,658</u>	<u>257,281</u>	<u>258,763</u>	<u>(1,482)</u>	<u>-0.6%</u>
Expenses:								
General government	33,246	36,966	-	-	33,246	36,966	(3,720)	-10.1%
Public protection	92,995	85,292	-	-	92,995	85,292	7,703	9.0%
Public ways and facilities	24,441	23,234	-	-	24,441	23,234	1,207	5.2%
Health and sanitation	40,845	38,670	-	-	40,845	38,670	2,175	5.6%
Public assistance	32,384	30,468	-	-	32,384	30,468	1,916	6.3%
Education	6,647	6,026	-	-	6,647	6,026	621	10.3%
Recreation and cultural studies	1,164	877	-	-	1,164	877	287	32.7%
Interest on long-term debt	3,372	3,624	-	-	3,372	3,624	(252)	-7.0%
Administration and issuance costs	18	6	-	-	18	6	12	200.0%
Airports	-	-	2,608	2,528	2,608	2,528	80	3.2%
Lake Berryessa Improvement Districts	-	-	959	845	959	845	114	13.5%
Napa County Housing Authority	-	-	1,206	1,033	1,206	1,033	173	16.7%
Napa Berryessa Improvement Districts	-	-	738	1,238	738	1,238	(500)	-40.4%
Fifth Street Parking Garage	-	-	221	-	221	-	221	n/a
Total expenses	<u>235,112</u>	<u>225,163</u>	<u>5,732</u>	<u>5,644</u>	<u>240,844</u>	<u>230,807</u>	<u>10,037</u>	<u>4.3%</u>
Excess (deficiency) before transfers and special item	16,939	18,942	(502)	9,014	16,437	27,956	(11,519)	-41.2%
Change in estimation - capital assets	-	-	(3,603)	-	(3,603)	-	(3,603)	n/a
Special item	-	-	(400)	-	(400)	-	(400)	n/a
Transfers	(17,426)	(651)	17,426	651	-	-	-	0.0%
Change in net assets	(487)	18,291	12,921	9,665	12,434	27,956	(15,522)	-55.5%
Net assets - July 1, 2008	272,925	254,634	30,002	20,337	302,927	274,971	27,956	10.2%
Net assets - June 30, 2009	<u>\$ 272,438</u>	<u>\$ 272,925</u>	<u>\$42,923</u>	<u>\$30,002</u>	<u>\$ 315,361</u>	<u>\$ 302,927</u>	<u>\$ 12,434</u>	<u>4.1%</u>

Governmental activities. Governmental activities decreased the County's net assets by \$0.5 million, thereby accounting for -3.9% of the total growth in the net assets of the County. This decrease is the combination of increased revenues received and conservative spending, less the \$16.8 million transfer of the Fifth Street Parking Garage from governmental activities to business-type activities.

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

- Fees, fines and charges for services increased by \$8.7 million (or 23.1%) from the prior year. This increase was due to increased levels of services performed in public protection activities and increased general government charges for commercial mitigation fees received in the Affordable Housing Fund.
- Capital grants and contributions decreased by \$11.3 million (or 74.6%) from the prior year. A majority of this decreased was a result of the one time capital contribution of three farmworker housing centers, valued initially at \$8.8 million, received by the Napa County Housing Authority during fiscal year 2007-2008. Additionally, contributions for the construction of the Fifth Street Parking Garage decreased as the garage was completed in the first half of fiscal year 2008-2009.
- Property taxes increased by \$10.0 million (or 13.2%) due to increases in assessed values within the county and the return of excess educational revenue augmentation fund contributions.
- Unrestricted interest and investment earnings decreased by \$2.9 million (or 33.8%) from the prior year due to downturns in the financial markets.
- Change in estimation – capital assets relates to three farmworker housing centers contributed to the Napa County Housing Authority in fiscal year 2007-08. The assets were originally recorded at the estimated net book value of the contributing entity pending an appraisal. During fiscal year 2008-2009 an appraisal was obtained which decreased the value of the assets from \$8.8 million to \$5.2 resulting in a \$3.6 million reduction.
- Special item of \$400,000 was attributable to a stipulated judgment against Lake Berryessa Resort Improvement.

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

- General Government expenses decreased by \$3.7 million (or 10.1%) from the prior year. This decrease was due to the County implementing a soft hiring freeze and conservative spending plan for fiscal uncertainty.
- Public Protection expenses increased by \$7.7 million (or 9.0%) from the prior year. This increase was due to an increase in the cost of salaries and benefits and an increase in the cost for fire protection services.
- Educational expenses increased by \$621,261 (or 10.3%) from the prior year. The majority of this increase was due to personnel costs and upgrading library HVAC and workstations for employees.
- Transfers increased due to the completion and transfer of the Fifth Street Parking Garage which was constructed under a governmental activities fund and transferred to business-type activities fund upon completion.

Business-type activities. Business-type activities increased the County's net assets by \$12.9 million, thereby accounting for 103.9% of the total growth in the net assets of the County. This increase was due to the transfer of the Fifth Street Parking Garage from a governmental activities fund, while partially offset by the decrease of the estimated value of the farmworker housing centers.

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, *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At June 30, 2009 the County's governmental funds reported combined fund balances of \$195,900,115, an increase of \$10,324,501 in comparison with last year. Approximately 86.1% of this total amount or \$168,761,615 constitutes *unreserved fund balance*, which is available to meet the County's current and future needs. The remainder of fund balance, \$27,138,500, is *reserved* to indicate that it is not available for new spending because it has been committed (1) to liquidate contractual commitments (\$869,586), (2) to reflect general reserves (\$12,013,883), (3) imprest cash reserve (\$164,725), and (4) loans receivable and advances due from other funds that are long term in nature and thus do not represent available spendable resources (\$14,090,306).

The general fund is the chief operating fund of the County. At June 30, 2009, unreserved fund balance of the general fund was \$40,569,825 while total fund balance reached \$50,967,297. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 22.2% of the total fund expenditures, while total fund balance represents 27.9% of that same amount. Total fund balance of the County's General Fund increased by \$995,990 from the prior year. This is generally due to the County receiving more property tax revenues than anticipated due to the return of excess educational revenue augmentation fund receipts, which is a mechanism imposed by the State to fund schools.

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, 2009, total fund balance of the flood authority was \$50,936,560 all of which was unreserved and designated. Total fund balance of the flood authority increased by \$6,287,793 from the prior year due to sales tax revenue received exceeding the combination of project costs and debt service payments made during the year.

The Affordable Housing Fund is used to provide funds for the development of affordable housing units in appropriate locations within the County. At June 30, 2009, unreserved fund balance of the affordable housing fund was \$12,369,031 while total fund balance reached \$24,865,681. Total fund balance of the affordable housing fund increased by \$2,701,580 from the prior year due to an increase in commercial mitigation and impact fees collected but not yet spent on affordable housing projects.

The Roads Fund is used to protect, preserve, enhance and improve the existing County road system. This fund pays for the construction and maintenance of the roads in the unincorporated area. At June 30, 2009,

total fund balance of the Roads fund was \$1,085,065 all of which is unreserved. Total fund balance of the Roads fund decreased by \$1,171,896 from the prior year due to increased expenditures in this fiscal year.

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

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

Revenues by Source	FY 2009		FY 2008		Increase/(Decrease)	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of change
Taxes	\$ 123,565	50.0%	\$ 117,712	49.3%	\$ 5,853	5.0%
Licenses and permits	4,419	1.8%	5,023	2.1%	(604)	-12.0%
Fines, forfeitures and penalties	4,017	1.6%	1,946	0.8%	2,071	106.4%
Revenue from use of money and property	5,089	2.1%	7,657	3.3%	(2,568)	-33.5%
Aid from other governments	74,245	30.0%	74,639	31.3%	(394)	-0.5%
Charges for services	33,845	13.7%	26,089	10.9%	7,756	29.7%
Contributions and donations	1,258	0.5%	3,797	1.6%	(2,539)	-66.9%
Other	781	0.3%	1,713	0.7%	(932)	-54.4%
Total	<u>\$ 247,219</u>	<u>100.0%</u>	<u>\$ 238,576</u>	<u>100.0%</u>	<u>\$ 8,643</u>	<u>3.6%</u>

Figure 1 - Two year comparison of Governmental Fund Revenues

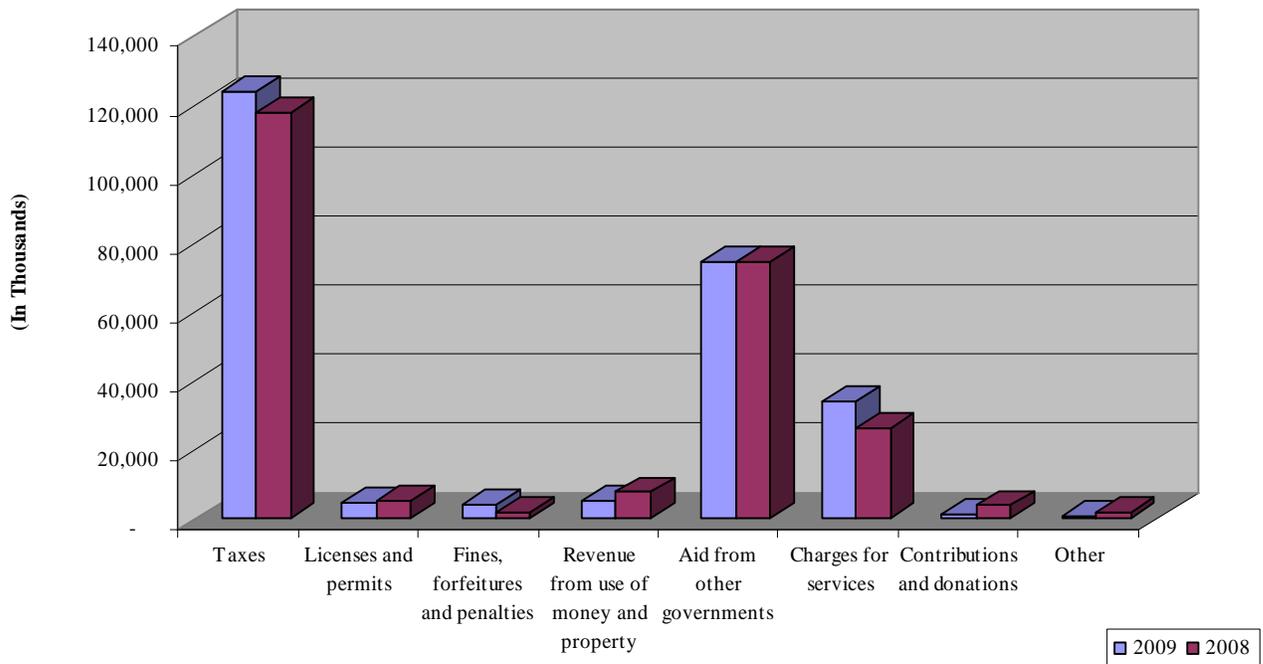
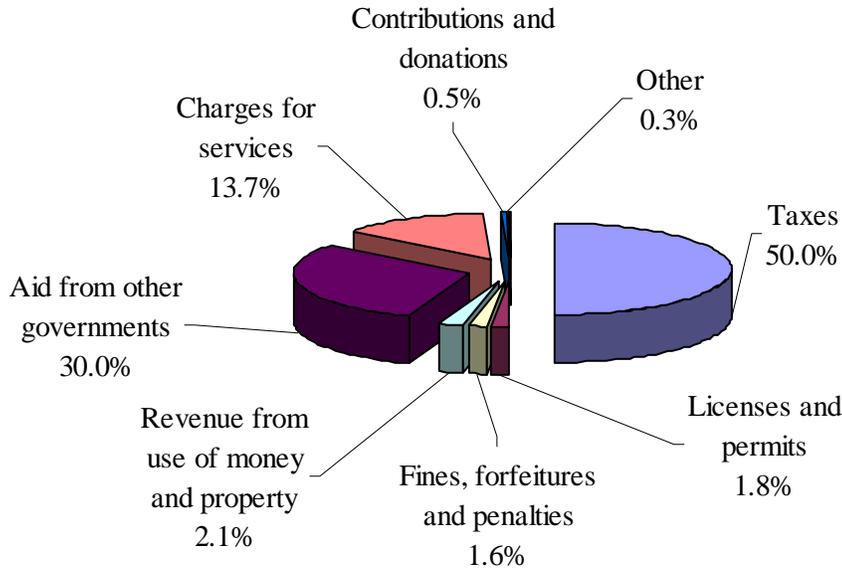


Figure 2 - Revenues Classified by Source - Governmental Funds



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

- Licenses and permits decreased by \$603,843 (or 12.0%) from the prior year. There was a decline in the number of licenses and permits issued in this fiscal year due to a decrease in residential construction activity.
- Fines, forfeitures and penalties increased by \$2.1 million (or 106.4%) from the prior year. This increase is due to the tobacco settlement received in 2009 as well as a reclassification of certain property tax penalties from other revenue.
- Revenue from use of money and property decreased by \$2.6 million (or 33.5%) due to downturns in the financial markets.
- Charges for services increased by \$7.8 million (or 29.7%) from the prior year. This was a result of increased levels of services performed in public protection activities.
- Contributions and donations decreased by \$2.5 million (or 66.9%) from the prior year. Private participation contributions were received in prior year for the construction of the Fifth Street Parking Garage which was completed in the first half of fiscal year 2008-2009.
- Other revenue decreased by \$932,565 (or 54.4%) from the prior year. This decrease is primarily due to the reclassification of certain property tax penalties to fines, forfeitures and penalties.

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 2009		FY 2008		Increase/(Decrease)	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of change
General government	\$ 30,181	12.7%	\$ 34,968	15.0%	\$ (4,787)	-13.7%
Public protection	92,552	39.1%	84,436	36.1%	8,116	9.6%
Public ways and facilities	20,341	8.6%	18,394	7.9%	1,947	10.6%
Health and sanitation	40,692	17.2%	38,411	16.4%	2,281	5.9%
Public assistance	32,111	13.6%	30,159	12.9%	1,952	6.5%
Education	6,547	2.8%	5,963	2.6%	584	9.8%
Recreation and cultural services	1,165	0.4%	877	0.4%	288	32.8%
Capital outlay	3,921	1.7%	11,046	4.7%	(7,125)	-64.5%
Debt service-principal retirement	6,007	2.5%	5,790	2.5%	217	3.7%
Debt-interest charges	3,393	1.4%	3,622	1.5%	(229)	-6.3%
Debt-administration, issuance and arbitrage fees	17	0.0%	27	0.0%	(10)	-37.0%
Total	<u>\$ 236,927</u>	<u>100.0%</u>	<u>\$ 233,693</u>	<u>100.0%</u>	<u>\$ 3,234</u>	<u>1.4%</u>

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

- General government expenditures decreased by \$4.8 million (or 13.7%) from the prior year. This decrease was due to the County implementing a conservative spending plan.
- Public Protection expenses increased by \$8.1 million (or 9.6%) from the prior year. This was a result of an increase in the cost of salaries and benefits and an increase in the cost for fire protection services.
- Public ways and facilities expenditures increased by \$1.9 million (or 10.6%) from the prior year. This increase was mainly due to an increase number of projects undertaken this fiscal year.
- Recreation and cultural services expenditures increased by \$288,126 (or 32.8%) from the prior year. This increase was due to a contribution to the Napa County Parks and Open Space District for the purchase of Moore Creek Watershed.
- Capital outlay expenditures decreased by \$7.1 million (or 64.5%) from the prior year. This decrease is due to the completion of the Fifth Street Parking Garage which is currently in full operation.

Figure 3 - Expenditures by Function - Governmental Funds

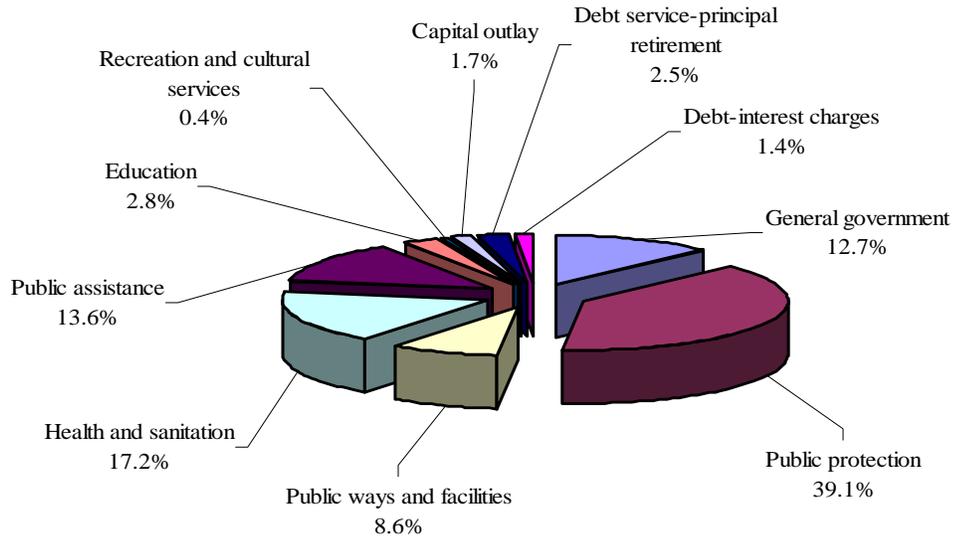


Table 5 details the changes in fund balance for each governmental fund as of June 30, 2009.

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

	Major Funds				Non-Major Funds			Total
	General Fund	Flood Authority	Affordable Housing	Roads Fund	Special Revenue Funds	Capital Projects Funds	Debt Service Fund	
Revenues	\$ 183,011	\$ 14,122	\$ 3,363	\$ 7,636	\$ 37,041	\$ 2,026	\$ 20	\$ 247,219
Expenditures	182,458	7,834	561	11,662	26,427	4,067	3,917	236,926
Other financing sources (uses), net	443	-	(100)	2,855	(6,264)	(505)	3,603	32
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	996	6,288	2,702	(1,171)	4,350	(2,546)	(294)	10,325
Fund balances - July 1, 2008	49,971	44,649	22,164	2,257	42,385	21,294	2,855	185,575
Fund balances - June 30, 2009	\$ 50,967	\$ 50,937	\$ 24,866	\$ 1,086	\$ 46,735	\$ 18,748	\$ 2,561	\$ 195,900

- The fund balance of the County’s General Fund increased by \$995,990 during the fiscal year. This increase is due to the County receiving more property tax than anticipated due to the return of excess educational revenue augmentation fund contributions.
- The fund balance of the Flood Authority increased by \$6.3 million during the fiscal year. This increase was due to sales tax revenues received but not yet spent.
- The fund balance of the Affordable Housing Fund increased by \$2.7 million during the fiscal year. This increase was due to commercial mitigation and impact fees collected but not yet spent.
- The fund balance of the Roads Fund decreased by \$1.2 million during the fiscal year. This decrease was due mainly to an increase in road projects undertaken this year.

- The fund balance of the Capital Projects Fund decreased \$2.5 million during the fiscal year. This decrease was due to as the completion of the Fifth Street Parking Garage during the first half of fiscal year 2008-2009.

Proprietary funds. The County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Table 6 details the changes in fund balances for each proprietary fund as of June 30, 2009.

The Napa County Airport is used to fund general Airport operations and the maintenance of Airport facilities. At June 30, 2009, unrestricted net assets of the airport are \$1,959,507 while total net assets reached \$19,704,759. As a measure of the airport's liquidity, it may be useful to compare unrestricted net assets to total operating expenditures. Unrestricted net assets represent 75.7% of the total operating expenditures. Total net assets of the airport increased by \$33,703. The majority of the increase is from federal and state agencies as contributions for capital improvement projects at the airport.

Lake Berryessa Resort Improvement District is used to provide water and wastewater services within district boundaries. At June 30, 2009, unrestricted net assets of the Districts are negative \$567,196 while total net assets reached \$1,092,608. Unrestricted net assets is negative due to operating expenses exceeding operating revenues and a stipulated judgment covering prior spills of treated wastewater which requires the District to pay a fine of \$400,000 over a ten year period.

The Fifth Street Parking Garage was established to provide much needed parking in the downtown area for local businesses, shoppers and county employees. This project was completed in the first half of fiscal year 2008-2009 and is now in operation. At June 30, 2009, unrestricted net assets of the Garage are \$109,523 while total net assets reached \$16,782,451.

Table 6 - Changes in Fund Balances - Proprietary Funds
(in thousands)

	Napa County Airport	Lake Berryessa Resort Improvement	Fifth Street Parking Garage	Total
Operating revenues	\$ 1,788	\$ 517	\$ 162	\$ 2,467
Operating expenses	2,589	693	221	3,503
Operating income (loss)	(801)	(176)	(59)	(1,036)
Non-operating revenues (expenses), net	67	(126)	-	(59)
Net income (loss) before contributions, Special Items and Transfers	(734)	(302)	(59)	(1,095)
Capital contributions	812	372	16,841	18,025
Special item - stipulated judgment	-	(400)	-	(400)
Transfer in (out)	(44)	-	-	(44)
Change in Net Assets	34	(330)	16,782	16,486
Net assets - July 1, 2008	19,671	1,423	-	21,094
Net assets - June 30, 2009	<u>\$ 19,705</u>	<u>\$ 1,093</u>	<u>\$ 16,782</u>	<u>\$ 37,580</u>

GENERAL FUND BUDGETARY HIGHLIGHTS

During the year there was a \$4.4 million increase in appropriations between the original budget and the final amended budget. Following are the main components of the increase:

- \$0.3 million supplemental for encumbrances from the prior year,
- \$1.9 million supplemental appropriation for additional flood protection projects approved during the year,
- \$0.3 million supplemental in additional services provided by Social Services programs,
- \$0.4 million supplemental for start up and first year operations of the new Community Corrections Service center,
- \$1.1 million supplemental appropriation for increased public protection expenditures, and
- \$0.3 million supplemental appropriation for the costs of a special election.

All supplemental expenditures were offset by increased revenues, use of Measure A funds for the flood projects, and use of contingency funding in accordance with the County's policies.

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, 2009, amounted to \$179.1 million (net of accumulated depreciation) an decrease of \$6.9 million (or 3.7%) from the prior year. This investment in capital assets includes infrastructure, land and easements, structures and improvements, equipment, and construction in progress. For more detailed capital assets information, see notes to the basic financial statements, specifically pages 59-61.

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

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

	Governmental		Business-type		Total		Total	
	Activities		Activities		Total		Dollar	Percent
	2009	2008	2009	2008	2009	2008	Change	Change
Land and easements	\$ 5,088	\$ 4,752	\$ 4,636	\$ 3,053	\$ 9,724	\$ 7,805	\$ 1,919	24.6%
Construction in progress	822	13,489	5,600	4,789	6,422	18,278	-11,856	-64.9%
Infrastructure	36,687	40,351	0	0	36,687	40,351	-3,664	-9.1%
Structures and improvements	82,937	87,176	32,525	21,825	115,462	109,001	6,461	5.9%
Equipment	10,671	10,423	93	128	10,764	10,551	213	2.0%
Total	\$ 136,205	\$ 156,191	\$ 42,854	\$ 29,795	\$ 179,059	\$ 185,986	\$ -6,927	-3.7%

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

- Land increased due to an increase in valuation of the property on which the Napa County Housing Authority's farmworker housing centers are located.

- Construction in progress decreased by \$11.8 million (or 64.9%) from the prior year. This decrease was mainly due to the completion and transfer of the Fifth Street Parking Garage to structures and improvements.
- Infrastructure decreased due to annual depreciation.
- Structures and improvements increased by \$6.5 million (or 5.9%). This increase was due to a combination of events including the completion and transfer of the Fifth Street Parking Garage from construction in progress, the reduction in valuation of the Napa County Housing Authority's farmworker housing centers, and annual depreciation.

Long-term debt

At June 30, 2009, the County Governmental Activities total long-term debt outstanding was \$93,132,666 as compared to \$98,993,228 in the prior year. This amount was comprised of the following:

- \$29,420,000 of Napa County Flood 2005 Series Partial Refunding of 1999 Series A bonds,
- \$10,165,000 of Napa County Flood 2005 Series A bonds,
- \$189,352 of unamortized premiums for outstanding bond issues,
- \$35,775,928 of Certificates of Participations (which included unamortized premiums of \$170,928),
- \$1,344,466 for loans payable,
- \$6,720,920 for compensated absences, and
- \$9,517,000 in liability for unpaid insurance claims.

During the year, retirement of Bonds amounted to \$3,586,040 (including a reduction of premium amortization of \$21,040) and retirements of Certificates of Participations amounted to \$2,420,428 (including a reduction of premium amortization of \$20,428). For more detailed long-term debt information, see notes to the basic financial statements, specifically pages 62-66.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The following known factors were considered in preparing the County's budget for fiscal year 2009-2010:

- The County has enjoyed stable and manageable growth over the past decade which has allowed the accumulation of fund balance, both reserved and unreserved, to serve as a buffer against uncertain economic times in the future.
- The fiscal year 2009-2010 budget contains a slight increase in General Fund revenues (1%) as compared to fiscal year 2008-2009 actual revenues. The increase in budgeted General Fund revenue is due almost entirely to the anticipated receipt of additional departmental revenue from a variety of sources, including federal, state and fee revenue. Total discretionary revenue is projected to remain essentially flat, though some discretionary revenue sources like sales and transient occupancy taxes are projected to decrease due to the downturns in the economy.

- The fiscal year 2009-2010 budget contains a decrease in General Fund expenditures (5.7%) as compared to fiscal year 2008-2009 total expenditures. The primary reasons for the decrease are as follows:
 - Reduction of \$1.9 million in contributions to the Roads Fund. In fiscal year 2008-2009 the Board of Supervisors approved a one-time additional contribution to the Roads Fund which was funded by the cancellation of a designation the Board had previously established for this purpose.
 - The net elimination of 17 positions in eight General Fund departments.
 - Reduction of over \$1.0 million in Other Post Employment Benefits (OPEB) costs, due to the Board of Supervisor's decision to amortize the unfunded liability over 20 years rather than 14 years in prior years.
 - A reduction of \$0.9 million in appropriations in the General Fund's Parks Department. Fiscal year 2008-2009 included \$0.9 million in Proposition 40 funds which was contributed to the Napa County Parks and Open Space District to be used towards the purchase of the Moore Creek property. With this contribution, all Proposition 40 funds available to the County have been spent.

- The County's per capita personal income is above the State and National standards. The unemployment rate increased to 8.8% as of June 2009 (4.9% as of June 30, 2008). This is below the statewide unemployment rate of 11.6% (7.0% as of June 30, 2008).

The following additional factors were considered in preparing the County's budget for fiscal year 2009-2010, however the specific dollar amounts were unknown at the time of budget adoption.

- Significant cuts in funding by the State of California were not included in the County's budget at time of adoption. The State budget has been adopted as of the date of this report and the State enacted significant borrowings, take-aways and program cuts that will impact the County in fiscal year 2009-2010.

- Increases in funding by the Federal Government were not included in the County's budget at the time of adoption. The American Recovery and Re-Investment Act has provided funding mechanisms to be used by the County for specific construction projects and program enhancements.

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.



Courtesy of Bureau of Reclamation

Monticello Dam, Lake Berryessa

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



Napa County Sheriff Facilities

COUNTY OF NAPA

Statement of Net Assets June 30, 2009

<u>ASSETS</u>	Primary Government		
	Governmental Activities	Business-Type Activities	Totals
Cash and investments	\$ 180,322,640	\$ 5,852,904	\$ 186,175,544
Restricted Assets:			
Cash with fiscal agent	1,834,137	479,333	2,313,470
Imprest cash	215,644	100	215,744
Receivables, net			
Taxes	13,073,752	21,114	13,094,866
Special assessments	18,245	118,877	137,122
Accounts	356,908	206,758	563,666
Due from other government agencies	30,188,029	451,833	30,639,862
Prepaid expenses	1,382,708	--	1,382,708
Deposits	76,341	--	76,341
Deferred charges	612,986	275,142	888,128
Internal balances	1,635,200	(1,635,200)	--
Loans receivable, net	12,455,106	886,452	13,341,558
Capital Assets:			
Nondepreciable	5,909,754	10,235,281	16,145,035
Depreciable, net	130,295,199	32,618,582	162,913,781
Total Assets	\$ 378,376,649	\$ 49,511,176	\$ 427,887,825
 <u>LIABILITIES</u>			
Accounts payable	\$ 5,549,020	\$ 114,089	\$ 5,663,109
Accrued salaries and benefits	5,141,900	27,910	5,169,810
Due to other government agencies	681,612	--	681,612
Interest payable	298,472	72,193	370,665
Customer deposits	--	65,210	65,210
Unearned revenue	1,134,262	886,452	2,020,714
Long-Term Liabilities:			
Portion due or payable within one year:			
Loan payable	66,110	31,250	97,360
Bonds payable	3,720,000	70,000	3,790,000
Certificates of participation	2,470,000	--	2,470,000
Liability for unpaid stipulated judgement	--	40,000	40,000
Compensated absences	3,731,416	28,967	3,760,383
Liability for unpaid insurance claims	3,453,392	--	3,453,392
Portion due or payable after one year:			
Loan payable	1,278,356	301,796	1,580,152
Bonds payable	36,054,352	4,585,000	40,639,352
Certificates of participation	33,305,928	--	33,305,928
Liability for unpaid stipulated judgement	--	360,000	360,000
Compensated absences	2,989,504	6,051	2,995,555
Liability for unpaid insurance claims	6,063,608	--	6,063,608
Total Liabilities	105,937,932	6,588,918	112,526,850
 <u>NET ASSETS</u>			
Invested in capital assets, net of related debt	99,084,559	40,970,781	140,055,340
Restricted for:			
Debt service	2,561,419	479,333	3,040,752
Capital projects	337,622	--	337,622
Grants and Special Taxes	51,225,082	--	51,225,082
Unrestricted	119,230,035	1,472,144	120,702,179
Total Net Assets	272,438,717	42,922,258	315,360,975
Total Liabilities and Net Assets	\$ 378,376,649	\$ 49,511,176	\$ 427,887,825

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

COUNTY OF NAPA

Statement of Activities
For the Year Ended June 30, 2009

Functions/Programs	Expenses	Program Revenues	
		Fees, Fines and Charges for Services	Operating Grants and Contributions
Primary Government:			
Governmental Activities:			
General government	\$ 33,245,999	\$ 11,941,868	\$ 5,139,489
Public protection	92,994,974	19,439,874	10,489,526
Public ways and facilities	24,440,620	4,858,010	7,001,828
Health and sanitation	40,845,070	5,976,829	24,719,901
Public assistance	32,383,758	102,167	28,210,429
Education	6,646,817	458,378	337,789
Recreation and cultural services	1,164,588	--	793,668
Debt Service:			
Interest and fiscal charges	3,371,954	--	--
Administration and arbitrage fees	17,570	--	--
Total Governmental Activities	235,111,350	42,777,126	76,692,630
Business-Type Activities:			
Airport	2,608,377	1,788,110	--
Lake Berryessa Resort Improvement	959,387	517,297	259
Napa County Housing Authority	1,206,167	482,226	168,411
Napa Berryessa Resort Improvement	737,780	619,520	371
Fifth Street Parking Garage	221,177	162,287	--
Total Business-Type Activities:	5,732,888	3,569,440	169,041
Total Primary Government	\$ 240,844,238	\$ 46,346,566	\$ 76,861,671

General Revenues:

Taxes:

Property taxes

Sales and use taxes

Transient occupancy taxes

Property transfer taxes

Other taxes

Unrestricted interest and investment earnings

Miscellaneous

Change in estimation - capital assets

Special items

Transfers

Total General Revenues, Transfers,

Change in Estimations and Special Items

Change in Net Assets

Net assets - July 1, 2008

Net assets - June 30, 2009

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

Net (Expense) Revenue and
Changes in Net Assets

Capital Grants and Contributions	Primary Government		
	Governmental Activities	Business-Type Activities	Total
\$ 919,068	\$ (15,245,574)	\$ --	\$ (15,245,574)
449,359	(62,616,215)	--	(62,616,215)
1,284,051	(11,296,731)	--	(11,296,731)
--	(10,148,340)	--	(10,148,340)
--	(4,071,162)	--	(4,071,162)
--	(5,850,650)	--	(5,850,650)
--	(370,920)	--	(370,920)
--	(3,371,954)	--	(3,371,954)
--	(17,570)	--	(17,570)
<u>2,652,478</u>	<u>(112,989,116)</u>	<u>--</u>	<u>(112,989,116)</u>
812,299	--	(7,968)	(7,968)
371,568	--	(70,263)	(70,263)
--	--	(555,530)	(555,530)
--	--	(117,889)	(117,889)
--	--	(58,890)	(58,890)
<u>1,183,867</u>	<u>--</u>	<u>(810,540)</u>	<u>(810,540)</u>
<u>\$ 3,836,345</u>	<u>(112,989,116)</u>	<u>(810,540)</u>	<u>(113,799,656)</u>
	85,733,402	123,196	85,856,598
	28,460,170	--	28,460,170
	8,452,117	--	8,452,117
	919,282	--	919,282
	127	--	127
	5,584,576	185,110	5,769,686
	778,508	--	778,508
	--	(3,603,439)	(3,603,439)
	--	(400,000)	(400,000)
	<u>(17,425,745)</u>	<u>17,425,745</u>	<u>--</u>
	<u>112,502,437</u>	<u>13,730,612</u>	<u>126,233,049</u>
	(486,679)	12,920,072	12,433,393
	<u>272,925,396</u>	<u>30,002,186</u>	<u>302,927,582</u>
	<u>\$ 272,438,717</u>	<u>\$ 42,922,258</u>	<u>\$ 315,360,975</u>

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



South Napa Shelter

**BASIC FINANCIAL STATEMENTS –
FUND FINANCIAL STATEMENTS**



Photography by L L Philpott

Pope Street Bridge, St. Helena

COUNTY OF NAPA

Balance Sheet
Governmental Funds
June 30, 2009

	General	Napa County Flood Protection and Watershed Improvement Authority	Affordable Housing	Roads	Other Governmental Funds	Total
<u>ASSETS</u>						
Cash and investments	\$ 35,530,282	\$ 48,500,029	\$ 12,412,986	\$ 435,310	\$ 64,951,204	\$ 161,829,811
Restricted assets:						
Cash with fiscal agent	--	503,183	--	--	1,330,954	1,834,137
Imprest cash	87,636	--	--	--	77,089	164,725
Receivable, net:						
Taxes	12,207,467	--	--	--	866,285	13,073,752
Special assessments	--	--	--	--	18,245	18,245
Accounts	325,291	--	--	--	29,752	355,043
Due from other government agencies	21,769,733	2,059,007	--	2,712,798	3,646,491	30,188,029
Due from other funds	971,002	--	--	--	--	971,002
Prepaid expenses	1,371,875	--	--	--	10,833	1,382,708
Loans receivable, net	--	--	12,455,106	--	--	12,455,106
Advances to other funds	--	--	--	--	1,060,200	1,060,200
Total Assets	<u>\$ 72,263,286</u>	<u>\$ 51,062,219</u>	<u>\$ 24,868,092</u>	<u>\$ 3,148,108</u>	<u>\$ 71,991,053</u>	<u>\$ 223,332,758</u>
<u>LIABILITIES</u>						
Accounts payable	\$ 4,311,499	\$ 125,659	\$ 2,411	\$ 56,446	\$ 585,824	\$ 5,081,839
Accrued salaries and benefits	4,490,719	--	--	110,738	335,768	4,937,225
Due to other funds	--	--	--	--	396,002	396,002
Due to other government agencies	271,543	--	--	6,760	403,309	681,612
Deferred revenue	11,415,366	--	--	1,611,699	2,174,638	15,201,703
Unearned revenue	806,862	--	--	277,400	50,000	1,134,262
Total Liabilities	<u>21,295,989</u>	<u>125,659</u>	<u>2,411</u>	<u>2,063,043</u>	<u>3,945,541</u>	<u>27,432,643</u>
<u>FUND BALANCES</u>						
Reserved for:						
Encumbrances	289,598	--	41,544	--	538,444	869,586
General	9,445,238	--	--	--	2,568,645	12,013,883
Imprest cash	87,636	--	--	--	77,089	164,725
Loans receivable and advances	575,000	--	12,455,106	--	1,060,200	14,090,306
Unreserved:						
Designated, reported in:						
General fund	25,016,686	--	--	--	--	25,016,686
Special revenue funds	--	50,936,560	9,084,855	534,823	14,238,996	74,795,234
Capital projects funds	--	--	--	--	17,146,406	17,146,406
Undesignated:						
General fund	15,553,139	--	--	--	--	15,553,139
Special revenue funds	--	--	3,284,176	550,242	29,312,471	33,146,889
Capital projects funds	--	--	--	--	1,602,042	1,602,042
Debt service funds	--	--	--	--	1,501,219	1,501,219
Total Fund Balances	<u>50,967,297</u>	<u>50,936,560</u>	<u>24,865,681</u>	<u>1,085,065</u>	<u>68,045,512</u>	<u>195,900,115</u>
Total Liabilities and Fund Balances	<u>\$ 72,263,286</u>	<u>\$ 51,062,219</u>	<u>\$ 24,868,092</u>	<u>\$ 3,148,108</u>	<u>\$ 71,991,053</u>	<u>\$ 223,332,758</u>

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

COUNTY OF NAPA

Reconciliation of the Governmental Funds Balance Sheet
to the Government-Wide Statement of Net Assets - Governmental Activities
June 30, 2009

Fund Balance - total governmental funds (page 27)		\$ 195,900,115
<p>Amounts reported for governmental activities in the statement of net assets are different because:</p>		
<p>Capital assets used in governmental activities (excluding Internal Service Funds) are not financial resources therefore, are not reported in the governmental funds.</p>		129,371,881
<p>Long-term liabilities, including bonds payable, are not due and payable in the current period, and therefore are not reported in the governmental funds.</p>		
Certificates of participation	\$ (35,605,000)	
Unamortized premiums	(170,928)	
Bonds payable	(39,584,999)	
Unamortized premiums	(1,445,018)	
Deferred refunding charges	1,255,665	
Loan payable	(1,344,466)	
Accrued interest on debt	(298,470)	
Compensated absences	(6,454,406)	
Total long-term liabilities	(83,647,622)	
<p>Some of the County's intergovernmental revenue will be collected after year-end, but are not available soon enough to pay for the current period's expenditures, and therefore are reported as deferred revenue in the governmental funds.</p>		15,201,703
<p>Cost of issuance on 2003 certificates of participation are not recognized as current year expenditures and are deferred (amount shown is net of amortized costs).</p>		612,986
<p>Internal service funds are used by the County to charge the cost of unemployment insurance, dental insurance, fleet services and telephone services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets. Internal service fund net assets are:</p>		14,999,656
Net assets of governmental activities (page 21)		\$ 272,438,719

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

COUNTY OF NAPA

**Statement of Revenues, Expenditures and
Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2009**

	General	Napa County Flood Protection and Watershed Improvement Authority	Affordable Housing	Roads	Other Governmental Funds	Total
Revenues:						
Taxes	\$ 96,107,507	\$ 12,774,412	\$ --	\$ --	\$ 14,683,179	\$ 123,565,098
Licenses and permits	2,104,113	--	--	39,325	2,275,835	4,419,273
Fines, forfeitures and penalties	2,027,326	--	--	--	1,990,065	4,017,391
Revenue from use of money and property	1,317,356	1,347,460	303,099	16,919	2,104,644	5,089,478
Aid from other governments	54,208,541	--	--	7,490,303	12,545,980	74,244,824
Charges for services	26,303,871	--	3,059,571	29,096	4,451,976	33,844,514
Contributions and donations	237,807	--	--	46,536	973,560	1,257,903
Other revenue	705,132	--	--	13,597	61,779	780,508
Total Revenues	183,011,653	14,121,872	3,362,670	7,635,776	39,087,018	247,218,989
Expenditures:						
Current:						
General government	30,035,450	--	--	--	145,426	30,180,876
Public protection	74,989,468	--	--	--	17,562,515	92,551,983
Public ways and facilities	6,288,702	2,389,629	--	11,662,253	--	20,340,584
Health and sanitation	39,776,790	--	--	--	914,921	40,691,711
Public assistance	30,873,686	--	561,090	--	675,900	32,110,676
Education	386,940	--	--	--	6,159,823	6,546,763
Recreation and cultural services	51,393	--	--	--	1,113,440	1,164,833
Capital outlay	--	--	--	--	3,921,501	3,921,501
Debt Service:						
Principal	41,916	3,565,000	--	--	2,400,000	6,006,916
Interest and fiscal charges	14,025	1,870,225	--	--	1,508,888	3,393,138
Administration, issuance and arbitrage fees	--	9,225	--	--	8,345	17,570
Total Expenditures	182,458,370	7,834,079	561,090	11,662,253	34,410,759	236,926,551
Excess (Deficiency) of Revenues Over (Under) Expenditures	553,283	6,287,793	2,801,580	(4,026,477)	4,676,259	10,292,438
Other Financing Sources (Uses):						
Transfers in	8,232,826	--	--	2,854,581	5,447,435	16,534,842
Transfers out	(7,790,119)	--	(100,000)	--	(8,612,660)	(16,502,779)
Total Other Financing Sources (Uses)	442,707	--	(100,000)	2,854,581	(3,165,225)	32,063
Net change in fund balances	995,990	6,287,793	2,701,580	(1,171,896)	1,511,034	10,324,501
Fund Balance - Beginning of Year	49,971,307	44,648,767	22,164,101	2,256,961	66,534,478	185,575,614
Fund Balance - End of Year	\$ 50,967,297	\$ 50,936,560	\$ 24,865,681	\$ 1,085,065	\$ 68,045,512	\$ 195,900,115

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, 2009

Net change in fund balances - total governmental funds (page 29)		\$ 10,324,501
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>		
<p>Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.</p>		
Expenditures for general capital assets, infrastructure, and other related capital assets adjustments	5,636,239	
Transfer of assets from a governmental fund to a proprietary fund	(16,841,341)	
Less: current year depreciation	<u>(9,228,252)</u>	
		(20,433,354)
<p>Governmental fund revenues deferred at year end due to unavailability and therefore, deferred under the modified accrual method of accounting, were recognized as revenue on the full accrual method of accounting.</p>		
		2,922,512
<p>Long-term debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.</p>		
Principal payments	<u>6,006,916</u>	
		6,006,916
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.</p>		
Accrued interest on debt	23,498	
Amortization of debt premium, refunding and issuance costs	(2,315)	
Change in compensated absences	<u>(146,227)</u>	
		(125,044)
<p>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 with governmental activities.</p>		
		<u>817,790</u>
Change in net assets of governmental activities (pages 22-23)		<u><u>\$ (486,679)</u></u>

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

COUNTY OF NAPA

Statement of Fund Net Assets
Proprietary Funds
June 30, 2009

	Business-Type Activities - Enterprise Funds					Governmental Activities
	Napa County Airport	Lake Berryessa Resort Improvement	Fifth Street Parking Garage	Other Enterprise Funds	Total	Internal Service Funds
ASSETS						
Current Assets:						
Cash and Investments	\$ 2,658,013	\$ 2,706,367	\$ 52,862	\$ 435,662	\$ 5,852,904	\$ 18,492,829
Restricted assets:						
Cash with fiscal agent	--	479,333	--	--	479,333	--
Imprest cash	100	--	--	--	100	50,919
Taxes receivable	--	8,695	--	12,419	21,114	--
Accounts receivable	34,106	28,433	59,888	84,331	206,758	1,865
Assessments receivable	--	104,117	--	14,760	118,877	--
Due from other government agencies	451,833	--	--	--	451,833	--
Due from other funds	--	--	--	--	--	380,000
Deposits	--	--	--	--	--	76,341
Total Current Assets	<u>3,144,052</u>	<u>3,326,945</u>	<u>112,750</u>	<u>547,172</u>	<u>7,130,919</u>	<u>19,001,954</u>
Noncurrent Assets:						
Long-term note receivable	886,452	--	--	--	886,452	--
Deferred charges	--	275,142	--	--	275,142	--
Capital Assets:						
Nondepreciable:						
Land	1,886,002	5,050	--	2,744,402	4,635,454	--
Construction in progress	4,970,532	629,295	--	--	5,599,827	--
Depreciable:						
Structures and improvements	27,706,225	3,342,347	16,841,341	3,938,744	51,828,657	--
Equipment	160,796	224,601	--	99,560	484,957	13,159,544
Accumulated depreciation	(16,645,257)	(1,470,786)	(168,413)	(1,410,576)	(19,695,032)	(6,326,472)
Total Noncurrent Assets	<u>18,964,750</u>	<u>3,005,649</u>	<u>16,672,928</u>	<u>5,372,130</u>	<u>44,015,457</u>	<u>6,833,072</u>
Total Assets	<u>\$ 22,108,802</u>	<u>\$ 6,332,594</u>	<u>\$ 16,785,678</u>	<u>\$ 5,919,302</u>	<u>\$ 51,146,376</u>	<u>\$ 25,835,026</u>
LIABILITIES						
Current Liabilities:						
Accounts payable	\$ 61,417	\$ 1,629	\$ 3,227	\$ 47,816	\$ 114,089	\$ 467,181
Accrued salaries and benefits	27,910	--	--	--	27,910	204,675
Customer deposits	--	24,541	--	40,669	65,210	--
Interest payable	--	63,816	--	8,377	72,193	--
Due to other funds	--	95,000	--	480,000	575,000	380,000
Loan payable	31,250	--	--	--	31,250	--
Bonds payable	--	70,000	--	--	70,000	--
Liability for unpaid stipulated judgement	--	40,000	--	--	40,000	--
Liability for unpaid claims	--	--	--	--	--	3,453,392
Liability for compensated absences	28,967	--	--	--	28,967	123,793
Total Current Liabilities	<u>149,544</u>	<u>294,986</u>	<u>3,227</u>	<u>576,862</u>	<u>1,024,619</u>	<u>4,629,041</u>
Noncurrent Liabilities:						
Advances from other funds	1,060,200	--	--	--	1,060,200	--
Deferred revenue	886,452	--	--	--	886,452	--
Loan payable	301,796	--	--	--	301,796	--
Bonds Payable	--	4,585,000	--	--	4,585,000	--
Liability for unpaid stipulated judgment	--	360,000	--	--	360,000	--
Liability for unpaid claims	--	--	--	--	--	6,063,608
Liability for compensated absences	6,051	--	--	--	6,051	142,721
Total Noncurrent Liabilities	<u>2,254,499</u>	<u>4,945,000</u>	<u>--</u>	<u>--</u>	<u>7,199,499</u>	<u>6,206,329</u>
Total Liabilities	<u>2,404,043</u>	<u>5,239,986</u>	<u>3,227</u>	<u>576,862</u>	<u>8,224,118</u>	<u>10,835,370</u>
NET ASSETS						
Invested in capital assets, net of related debt	17,745,252	1,180,471	16,672,928	5,372,130	40,970,781	6,833,072
Restricted for debt service reserve	--	479,333	--	--	479,333	--
Unrestricted	1,959,507	(567,196)	109,523	(29,690)	1,472,144	8,166,584
Total Net Assets	<u>19,704,759</u>	<u>1,092,608</u>	<u>16,782,451</u>	<u>5,342,440</u>	<u>42,922,258</u>	<u>14,999,656</u>
Total Liabilities and Net Assets	<u>\$ 22,108,802</u>	<u>\$ 6,332,594</u>	<u>\$ 16,785,678</u>	<u>\$ 5,919,302</u>	<u>\$ 51,146,376</u>	<u>\$ 25,835,026</u>

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

COUNTY OF NAPA

Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended June 30, 2009

	Business-Type Activities - Enterprise Funds					Governmental Activities
	Napa County Airport	Lake Berryessa Resort Improvement	Fifth Street Parking Garage	Other Enterprise Funds	Total	Internal Service Funds
Operating Revenues:						
Charges for services	\$ 1,763,178	\$ 517,297	\$ 160,644	\$ 1,101,746	\$ 3,542,865	\$ 17,292,864
Maintenance Charges:						
Equipment	--	--	--	--	--	719,035
Vehicle	--	--	--	--	--	1,107,329
Replacement charges	--	--	--	--	--	756,345
Other revenue	24,932	--	1,643	--	26,575	152,071
Total Operating Revenues	<u>1,788,110</u>	<u>517,297</u>	<u>162,287</u>	<u>1,101,746</u>	<u>3,569,440</u>	<u>20,027,644</u>
Operating Expenses:						
Salaries and employee benefits	747,434	--	--	--	747,434	11,282,371
Services and supplies	754,124	531,910	52,764	1,780,180	3,118,978	4,485,678
Insurance	21,081	--	--	6,905	27,986	--
Other charges	--	--	--	28,089	28,089	--
Claims expense	--	--	--	--	--	2,876,976
Depreciation and amortization	1,066,812	160,679	168,413	116,087	1,511,991	919,659
Total Operating Expenses	<u>2,589,451</u>	<u>692,589</u>	<u>221,177</u>	<u>1,931,261</u>	<u>5,434,478</u>	<u>19,564,684</u>
Operating Income (Loss)	<u>(801,341)</u>	<u>(175,292)</u>	<u>(58,890)</u>	<u>(829,515)</u>	<u>(1,865,038)</u>	<u>462,960</u>
Non-Operating Revenues (Expenses):						
Aid from other governments	--	259	--	58,099	58,358	483,451
Tax revenue	--	50,609	--	72,587	123,196	--
Non-operating revenues	--	--	--	110,683	110,683	--
Interest income	85,798	89,752	--	9,560	185,110	495,099
Interest expense	(18,926)	(255,995)	--	(12,686)	(287,607)	--
Bond administration expense	--	(10,803)	--	--	(10,803)	--
Change in estimation - capital asset	--	--	--	(3,603,439)	(3,603,439)	--
Gain on disposition of assets	--	--	--	--	--	(7,253)
Total Non-Operating Revenues (Expenses)	<u>66,872</u>	<u>(126,178)</u>	<u>--</u>	<u>(3,365,196)</u>	<u>(3,424,502)</u>	<u>971,297</u>
Net Income (Loss) Before Contributions, Transfers and Special Items	<u>(734,469)</u>	<u>(301,470)</u>	<u>(58,890)</u>	<u>(4,194,711)</u>	<u>(5,289,540)</u>	<u>1,434,257</u>
Capital contributions, grants and assessments	812,299	371,568	16,841,341	--	18,025,208	--
Transfers in	--	--	--	628,531	628,531	83,457
Transfers out	(44,127)	--	--	--	(44,127)	(699,924)
Special item	--	(400,000)	--	--	(400,000)	--
Change in Net Assets	<u>33,703</u>	<u>(329,902)</u>	<u>16,782,451</u>	<u>(3,566,180)</u>	<u>12,920,072</u>	<u>817,790</u>
Net Assets - Beginning of Year	<u>19,671,056</u>	<u>1,422,510</u>	<u>--</u>	<u>8,908,620</u>	<u>30,002,186</u>	<u>14,181,866</u>
Net Assets - End of Year	<u>\$ 19,704,759</u>	<u>\$ 1,092,608</u>	<u>\$ 16,782,451</u>	<u>\$ 5,342,440</u>	<u>\$ 42,922,258</u>	<u>\$ 14,999,656</u>

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, 2009

	Business-Type Activities - Enterprise Funds					Governmental
	Napa County Airport	Lake Berryessa Resort Improvement	Fifth Street Parking Garage	Other Enterprise Funds	Total	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES:						
Cash receipts from customers	\$ 1,766,681	\$ 410,850	\$ 102,399	\$ 1,036,599	\$ 3,316,529	\$ --
Cash receipts from internal services provided	--	--	--	--	--	20,283,723
Cash paid to suppliers for goods and services	(804,851)	(692,266)	(49,537)	(1,844,206)	(3,390,860)	(7,373,455)
Cash paid to employees for services	(747,403)	--	--	--	(747,403)	(11,218,303)
Net Cash Provided (Used) by Operating Activities	214,427	(281,416)	52,862	(807,607)	(821,734)	1,691,965
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:						
Aid from other governmental units	--	259	--	58,099	58,358	483,451
Transfers in	--	--	--	628,531	628,531	83,457
Transfers out	(44,127)	--	--	--	(44,127)	(699,924)
Advances from other funds	(244,900)	95,000	--	20,000	(129,900)	--
Non-operating revenues	--	--	--	110,683	110,683	--
Taxes	--	50,609	--	72,587	123,196	--
Interest payments for non-capital activities	--	--	--	(9,768)	(9,768)	--
Net Cash Provided (Used) by Noncapital Financing Activities	(289,027)	145,868	--	880,132	736,973	(133,016)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:						
Proceeds of sales of capital assets	--	--	--	--	--	140,501
Principal repayments related to capital purposes	(29,297)	(55,841)	--	--	(85,138)	--
Interest repayments related to capital purposes	(18,926)	(256,727)	--	--	(275,653)	--
Bond administration payments related to capital purposes	--	(10,803)	--	--	(10,803)	--
Capital grants and contributions	1,163,140	--	--	--	1,163,140	--
Special assessments	--	371,568	--	--	371,568	--
Payments related to the acquisition of capital assets	(660,311)	(647,701)	--	(15,105)	(1,323,117)	(1,514,900)
Net Cash Provided (Used) by Capital and Related Financing Activities	454,606	(599,504)	--	(15,105)	(160,003)	(1,374,399)
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest received	85,798	89,752	--	9,560	185,110	495,099
Net Cash Provided by Investing Activities	85,798	89,752	--	9,560	185,110	495,099
Net Increase (Decrease) in Cash and Cash Equivalents	465,804	(645,300)	52,862	66,980	(59,654)	679,649
Cash and Cash Equivalents, Beginning of Year (including imprest cash of \$100 and \$91,176 for the Airport and internal service funds , respectively, and cash with fiscal agent of \$480,549 for Lake Berryessa Resort Improvement)	2,192,309	3,831,000	--	368,682	6,391,991	17,864,099
Cash and Cash Equivalents, End of Year (including imprest cash of \$100 and \$50,919 for the Airport and internal service funds , respectively, and cash with fiscal agent of \$479,333 for Lake Berryessa Resort Improvement)	<u>\$ 2,658,113</u>	<u>\$ 3,185,700</u>	<u>\$ 52,862</u>	<u>\$ 435,662</u>	<u>\$ 6,332,337</u>	<u>\$ 18,543,748</u>

continued

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

COUNTY OF NAPA

Statement of Cash Flows (continued)
Proprietary Funds
For the Year Ended June 30, 2009

	Business-Type Activities - Enterprise Funds					Governmental
	Napa County Airport	Lake Berryessa Resort Improvement	Fifth Street Parking Garage	Other Enterprise Funds	Total	Internal Service Funds
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:						
Operating income (loss)	\$ (801,341)	\$ (175,292)	\$ (58,890)	\$ (829,515)	\$ (1,865,038)	\$ 462,960
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation and amortization	1,066,812	160,679	168,413	116,087	1,511,991	919,659
Changes in assets and liabilities:						
(Increase) decrease in:						
Accounts receivable	167,175	(105,447)	(59,888)	(64,626)	(62,786)	261,002
Deposits	--	--	--	--	--	(4,923)
Inventory	--	--	--	--	--	11,353
Increase (decrease) in:						
Accounts payable	(29,100)	(160,341)	3,227	(24,659)	(210,873)	(22,154)
Due to other governments	(546)	(15)	--	(4,373)	(4,934)	--
Deferred revenue	(188,604)	--	--	--	(188,604)	--
Customer deposits	--	(1,000)	--	(521)	(1,521)	--
Accrued salaries	1,455	--	--	--	1,455	22,472
Compensated absences	(1,424)	--	--	--	(1,424)	41,596
Net Cash Provided (Used) by Operating Activities	<u>\$ 214,427</u>	<u>\$ (281,416)</u>	<u>\$ 52,862</u>	<u>\$ (807,607)</u>	<u>\$ (821,734)</u>	<u>\$ 1,691,965</u>
Schedule of Noncash Capital Activities:						
Capital contributions	\$ --	\$ --	\$ 16,841,341	\$ --	\$ 16,841,341	\$ --
Total Noncash Capital Activities	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 16,841,341</u>	<u>\$ --</u>	<u>\$ 16,841,341</u>	<u>\$ --</u>

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

COUNTY OF NAPA

Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2009

ASSETS	<u>Investment Trust Funds</u>	<u>Private Purpose Trust Funds</u>	<u>Agency Funds</u>
Current Assets:			
Cash and investments	\$ 202,828,011	\$ 3,374,706	\$ 33,955,228
Noncurrent Assets:			
Taxes receivable	--	--	15,817,780
Total Assets	<u>\$ 202,828,011</u>	<u>\$ 3,374,706</u>	<u>\$ 49,773,008</u>
 LIABILITIES			
Agency funds held for others	\$ --	\$ --	\$ 49,773,008
Total Liabilities	<u>--</u>	<u>--</u>	<u>49,773,008</u>
 NET ASSETS			
Net assets held in trust for (reserved for) endowment purpose	--	3,374,706	--
Net assets held in trust for investment pool participants	<u>202,828,011</u>	<u>--</u>	<u>--</u>
Total Net Assets	<u>202,828,011</u>	<u>3,374,706</u>	<u>--</u>
 Total Liabilities and Net Assets	<u>\$ 202,828,011</u>	<u>\$ 3,374,706</u>	<u>\$ 49,773,008</u>

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

COUNTY OF NAPA

Statement of Changes in Fiduciary Net Assets
For the Year Ended June 30, 2009

	<u>Investment Trust Funds</u>	<u>Private Purpose Trust Funds</u>
<u>ADDITIONS</u>		
Contribution:		
Contribution to investment pool	\$ 925,915,342	\$ 3,785,600
Total Contribution	<u>925,915,342</u>	<u>3,785,600</u>
Net Investment Income:		
Interest	5,573,446	64,754
Net Investment Income	<u>5,573,446</u>	<u>64,754</u>
Total Additions	<u>931,488,788</u>	<u>3,850,354</u>
<u>DEDUCTIONS</u>		
Distribution from investment pool	952,234,990	2,963,515
Total Deductions	<u>952,234,990</u>	<u>2,963,515</u>
Change in Net Assets	(20,746,202)	886,839
Net Assets, Beginning of Year	<u>223,574,213</u>	<u>2,487,867</u>
Net Assets, Ending of Year	<u>\$ 202,828,011</u>	<u>\$ 3,374,706</u>

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

COUNTY OF NAPA

NOTES TO THE BASIC FINANCIAL STATEMENTS

The notes provided in the Financial Section of this report are considered an integral and essential part of adequate disclosure and fair presentation of this report. The notes include a Summary of Significant Accounting Policies for the County, and other necessary disclosure of pertinent matters relating to the financial position of the County. The notes express significant insight to the financial statements and are conjunctive to understanding the rationale for presentation of the financial statements and information contained in this document.

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COUNTY OF NAPA

Notes to the Basic Financial Statements For the Year Ended June 30, 2009

Note 1: **Summary of Significant Accounting Policies**

A. **The Financial Reporting Entity**

The County of Napa (County), which was established by an act of the State Legislature on February 18, 1850, is a legal subdivision of the State of California charged with governmental powers. The County's powers are exercised through a Board of Supervisors (Board), which is the governing body of the County. These financial statements present the government and its component units, entities for which the government is considered to be financially accountable under the criteria set by Governmental Auditing Standards Board (GASB) Statement No. 14 and amended by GASB Statement No. 39. The County provides various services on a countywide basis including law enforcement and legal justice, education, detention, social, health, fire protection, road construction, road maintenance, transportation, park and recreation facilities, elections and records, communications, planning, zoning, and tax collection.

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

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

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

COUNTY OF NAPA

Notes to the Basic Financial Statements For the Year Ended June 30, 2009

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

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

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

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

Napa County Flood Protection and Watershed Improvement Authority

In-Home Supportive Services Public Authority of Napa County

Napa County Housing Authority

Excluded from the Reporting Entity

Local Board Governed Districts and School Districts: These potential component units have been excluded from the County's reporting entity. They are legally separate primary governmental units. The financial reporting for these governmental entities, which are independent of the County, is limited to the total amount of cash and investments and the related fiduciary responsibilities of the County for disbursement of these assets. Activities of school districts and local board governed districts are administered by boards which are separately elected and which are independent of the County Board of Supervisors. The following local board governed districts and school districts have been excluded from the County's basic financial statements:

Water District

American Canyon

Circle Oaks

Congress Valley

Spanish Flat

Napa River Reclamation

Los Carneros Water District

COUNTY OF NAPA

Notes to the Basic Financial Statements For the Year Ended June 30, 2009

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

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

Excluded from the Reporting Entity (continued)

Other Special Districts

Napa County Mosquito Abatement

Napa Sanitation

Napa County Resource Conservation

Napa County Regional Park and Open Space District

Bay Area Air Quality Management District

School Districts

Other

Courts

Napa County Fair

Green Island Road Assessment

Tower Road Assessment

Excluded – Joint Power Authorities (JPA)

Joint Power Authorities 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 are not considered joint ventures.

- 1) Napa County Flood Control and Water Conservation District: The District's goals and objectives are to provide protection from flood events to the public highways, life and property in the District by enhancing and constructing storm drainage systems and flood control and prevention projects.
- 2) Napa-Vallejo Waste Management Authority: The Authority is responsible for providing economical coordination of solid waste management services and to efficiently and fairly assure against potential adverse effects of past solid waste management services within the communities they represent.
- 3) 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.

COUNTY OF NAPA

Notes to the Basic Financial Statements For the Year Ended June 30, 2009

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

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

Excluded – Joint Power Authorities (JPA) (continued)

- 4) 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.

Complete financial statements can be obtained for each of the individual joint power authorities at the entity's respective administrative offices.

Excluded – Other

Local Agency Formation Commission of Napa County: The Commission is legally separate from the County and has its own governing board. The Commission's role is to ensure the orderly formation of local government agencies to preserve agricultural and open space lands and to discourage urban sprawl. Complete financial statements can be obtained at the Commission's administrative office.

B. **Basis of Presentation**

Government-Wide Financial Statements

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

COUNTY OF NAPA

Notes to the Basic Financial Statements For the Year Ended June 30, 2009

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

B. Basis of Presentation (continued)

Government-Wide Financial Statements

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

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

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

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

Fund Financial Statements

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

COUNTY OF NAPA

Notes to the Basic Financial Statements For the Year Ended June 30, 2009

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

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

Fund Financial Statements (continued)

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

The County reports the following major governmental funds:

- The *General Fund* is used to account for all revenues and expenditures necessary to carry out basic governmental activities of the County that are not accounted for through other funds. For the County, the General Fund includes such activities as general government, public protection, public ways and facilities, health and sanitation, public assistance, education and recreation services.
- The *Napa County Flood Protection and Watershed Improvement Authority* is used to contract with the Board of Equalization for collection of sales tax and establish individual accounts for each jurisdiction; disburse revenues through project contracts which meet Measure A compliance; obtain the necessary debt financing for the Napa Project; and perform annual audits.
- The *Affordable Housing Fund* is used to provide funds for the development of affordable housing units in appropriate locations within the County.
- The *Roads Fund* provides for the County Road Program, which protects, preserves, enhances and improves the existing County road system. This fund pays for the construction and maintenance of the road system in the unincorporated area.

The County reports the following major enterprise fund:

- The *Napa County Airport Fund* is used to fund general Airport operations, office and administrative expenses and the maintenance of Airport facilities, including the replacement of exterior lighting fixtures, runway, taxiway and ramp lighting, heating and air conditioning service. Major revenue sources include fuel flow fees, rents, land leases, Airport royalties and interest earnings.

COUNTY OF NAPA

Notes to the Basic Financial Statements For the Year Ended June 30, 2009

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

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

Fund Financial Statements (continued)

- *The Lake Berryessa Resort Improvement District* is used to provide water and waste water services within district boundaries. The district funds operations, maintenance and capital improvements for water delivery and treatment facilities. Major revenue sources include annual assessments, interest earnings and debt financing.
- *Fifth Street Parking Garage* is used to provide parking for up to 485 vehicles in the downtown section of the City of Napa. The major sources of revenues come from contributions made by the City and County of Napa and three private participants to fund operations, maintenance and capital improvements to the parking structure.

The County reports the following additional fund types:

- *Internal Service Funds* account for the County's fleet maintenance, communication, technology, and other services provided to other departments or other governments, self-insurance programs (workers' compensation and general liability), and post employment benefits on a cost-reimbursement basis.
- The *Investment Trust Fund* accounts for the assets of legally separate entities that deposit cash with the County Treasurer. These entities include school and community college districts, other special districts governed by local boards, regional boards and authorities, and pass through funds established for the distribution of tax collections to the cities and town. These funds represent the assets, primarily cash and investments, and the related liability of the County to disburse these monies on demand.
- The *Private Purpose Trust Funds* account for the assets held by the Public Guardian and Public Administrator.
- The *Agency Funds* account for assets held by the County as an agent for various local governments.

COUNTY OF NAPA

Notes to the Basic Financial Statements For the Year Ended June 30, 2009

Note 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 have no measurement focus.

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 eligible requirements have been satisfied.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting.

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

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.

COUNTY OF NAPA

Notes to the Basic Financial Statements For the Year Ended June 30, 2009

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

C. Basis of Accounting (continued)

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

D. Cash and Cash Equivalents

For purposes of the accompanying statement of cash flows, the enterprise and internal service funds consider all highly liquid investments with a maturity of three months or less when purchased, and their equity in the County Treasurer's investment pool, to be cash equivalents. The fair value of investments are obtained by using quotations obtained from independent published sources. Assets held in the investment pool are recorded at cost which approximates fair market value at June 30, 2009.

E. Restricted Assets

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

F. Inventory and Prepaid Items

Inventory is historically stated at cost using the first-in first-out method for governmental activities within proprietary funds. Inventory recorded by proprietary funds includes materials and supplies for County vehicle and equipment maintenance. Inventories are recorded as expenditures at the time the inventory is consumed. The County had no material inventories at June 30, 2009. 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.

COUNTY OF NAPA

Notes to the Basic Financial Statements For the Year Ended June 30, 2009

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

G. **Property Tax Receivable and Revenue**

The property taxes receivable balance is \$15,817,780 before an allowance for uncollectibles. A conservative percentage figure for uncollectibles is 3%.

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

Alternative Method of Distribution of Tax Levies

The County apportions property tax revenue according to the alternative tax treatment (Teeter Plan), whereby all of the current tax levy is distributed to all participating entities. The County then receives delinquent penalties and fees on the entire participating tax roll.

The County is required to create a tax loss reserve fund (an agency fund) under one 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. The County is using option (1) for fiscal year 2008-2009 to establish its tax loss reserve.

H. **Capital Assets**

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

COUNTY OF NAPA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2009

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

H. Capital Assets (continued)

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

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

The estimated useful lives are as follows:

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

I. Compensated Absences

The County has adopted Governmental Accounting Standards Board Statement No. 16, *Accounting for Compensated Absences*. The earned vacation is payable upon termination and is reported at the current balance of the liability.

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

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

COUNTY OF NAPA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2009

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

I. Compensated Absences (continued)

Public Service Employees

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

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

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

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

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

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

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

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

COUNTY OF NAPA

Notes to the Basic Financial Statements For the Year Ended June 30, 2009

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

J. Interfund Transactions

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

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

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.

K. 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.

L. New Accounting Pronouncements

Governmental Accounting Standards Board Statement 54

The Governmental Accounting Standards Board (GASB) recently released accounting and financial reporting standard, GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

COUNTY OF NAPA

Notes to the Basic Financial Statements For the Year Ended June 30, 2009

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

L. **New Accounting Pronouncements** (continued)

Governmental Accounting Standards Board Statement 54 (continued)

GASB Statement No. 54 establishes new accounting and financial reporting standards for all governments that report governmental funds. The statement provides more clearly defined categories within fund balance to make the nature and extent of the constraints placed on the fund balance more transparent. GASB Statement No. 54 also clarifies the existing governmental fund type definitions to improve the comparability of governmental fund statements. The requirements of this statement will be effective for the fiscal year ending June 30, 2011.

Note 2: **Special Item**

Special items are significant transactions or other events within the control of management that are either unusual in nature or infrequent in occurrence, and they are reported in a separate category in the Government-Wide Statement of Activities and the Fund Financial Statement of Revenues, Expenses and Changes in Fund Net Assets for Proprietary Funds. The County reports the following special items for the fiscal year ended June 30, 2009:

Lake Berryessa Resort Improvement District

During fiscal year 2008-2009, Lake Berryessa Resort Improvement District finalized the terms of a stipulated judgment requiring the District to pay \$400,000 in penalties to the State Water Resource Control Board for past spills of treated wastewater. According to the terms of the judgment, the penalty is to be paid on a monthly basis over a ten year period beginning in 2009-2010 with no interest accruing during the repayment period.

Note 3: **Cash and Investments**

The County sponsors an investment pool that is managed by the County Treasurer for the purpose of increasing interest earnings through investment activities. Cash and investments for most County activities are included in the investment pool. Interest earned on the investment pool is distributed to the participating funds using a formula based on the average daily cash balance of each fund.

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

COUNTY OF NAPA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2009

Note 3: **Cash and Investments** (continued)

The County investment pool is not registered with the Securities and Exchange Commission as an investment company. Investments made by the Treasurer are regulated by the California Government Code and by the County's investment policy. The objectives of the policy are, in order of priority, safety, liquidity, yield, and public trust. 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, 2009, total County cash and investments were as follows:

Cash:	
Cash on hand	\$ 9,421,821
Imprest cash	215,744
Certificates of deposit	100,000
Outstanding warrants and reconciliations	<u>(14,183,576)</u>
Total Cash Overdrafts	(4,446,011)
Investments:	
In Treasurer's pool	430,995,244
With fiscal agents external to the pool	<u>2,313,470</u>
Total Investments	<u>433,308,714</u>
Total Cash and Investments	<u>\$ 428,862,703</u>

Total cash and investments at June 30, 2009 were presented in the County's financial statements as follows:

Primary government	\$ 188,704,758
Private purpose trust funds	3,374,706
Investment trust fund	202,828,011
Agency funds	<u>33,955,228</u>
Total Cash and Investments	<u>\$ 428,862,703</u>

COUNTY OF NAPA

Notes to the Basic Financial Statements For the Year Ended June 30, 2009

Note 3: **Cash and Investments** (continued)

Custodial Credit Risk Related to Deposits

The custodial credit risk for deposits is the risk that the County will not be able to recover deposits or will not be able to recover collateral securities that are in possession of an outside party. This risk is mitigated in that the County's bank deposits are insured by Federal depository insurance (FDIC). Effective November 2008, and as a result of the FDIC sponsored Temporary Liquidity Guarantee Program (TLGP), all funds in non-interest bearing transaction deposit accounts held in domestic offices of FDIC insured financial institutions will be fully guaranteed provided the financial institution holding the deposits did not opt out of the TLGP. The County's depository did not opt out of the TLGP. Because the County's deposits are fully collateralized under the TLGP, collateralization under Government Code Section 53652 is waived. When the TLGP program ends December 31, 2009, the County's depository will revert to collateralizing the balance under Government Code Section 53652.

Investments

The table below identifies the investment types that are authorized for the County 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>
Local Agency Bonds	5 years	None	None
U.S. Treasury Obligations	5 years	None	None
U.S. Agency Obligations	5 years	None	None
State of California Obligations	1 year	None	None
Banker's Acceptances	180 days	40%	30%
Commercial Paper	180 days	25%	10%
Negotiable Certificates of Deposit	5 years	30%	None
Repurchase Agreements	30 days	5%	None
Reverse Repurchase Agreements	92 days	20% of base value	None
Medium Term Notes	5 years	30%	None
Mutual Funds/Money Market Mutual Funds	N/A	20%	10%
Collateralized Bank Deposits	5 years	None	None
Mortgage Pass-Through Securities	5 years	20%	None
Time Deposits	5 years	None	None
County Pooled Investment Funds	N/A	None	None
JPA Pools (other investment pools)	N/A	None	None
Local Agency Investment Fund (LAIF)	N/A	\$40 million	None

COUNTY OF NAPA

Notes to the Basic Financial Statements For the Year Ended June 30, 2009

Note 3: **Cash and Investments** (continued)

Investments (continued)

At June 30, 2009, the County had the following investments:

	Interest Rates	Maturities	Par	Cost	Fair Value	WAM (Years)
Investments in Investment Pool						
U.S. Agency Obligations - fixed	1.10%-5.45%	11/20/09-5/28/14	\$ 158,640,000	\$ 158,630,911	\$ 159,823,538	2.68
U.S. Agency Obligations - discount	0.16%-2.35%	07/01/09-11/13/09	175,000,000	174,675,800	174,740,375	0.17
U.S. Treasury Obligations	0.19%-0.30%	08/20/09-09/10/09	6,000,000	5,993,758	5,994,658	0.17
Corporate Bonds	2.125%-3.00%	12/09/11-12/26/12	23,250,000	23,314,061	23,413,193	2.94
Sweep	0.10%	On Demand	24,045,671	24,045,671	24,045,671	0.00
Teeter notes	3.50%-4.76%	09/11/11-09/1/13	4,335,043	4,335,043	4,335,043	3.69
Local Agency Investment Fund (LAIF)	1.38%	On Demand	40,000,000	40,000,000	40,000,000	0.00
Total Treasurer's Pooled Investments			431,270,714	430,995,244	432,352,478	1.26
Investments Controlled by Fiscal Agents						
U.S. Treasury Obligations			2,313,470	2,313,470	2,313,470	
Total Investments			<u>\$ 433,584,184</u>	<u>\$ 433,308,714</u>	<u>\$ 434,665,948</u>	

At June 30, 2009, the difference between the cost and fair value of cash and investments was not material (fair value was 100.3% of carrying value). Therefore, an adjustment to fair value was not required.

Interest Rate Risk

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

Credit Risk

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

COUNTY OF NAPA

Notes to the Basic Financial Statements For the Year Ended June 30, 2009

Note 3: **Cash and Investments** (continued)

Concentration of Credit Risk

The following is a summary of the credit quality distribution and concentration of credit risk by investment type as a percentage of the County Investment Pool's fair value at June 30, 2009.

	S & P	Moody's	% of Portfolio
U.S. Agency Obligations - fixed	AAA	Aaa	36.97%
U.S. Agency Obligations - discount	AAA	Aaa	40.42%
U.S. Treasury Obligations	AAA	Aaa	1.39%
Corporate Bonds	AAA	Aaa	5.41%
Sweep	Unrated	Unrated	5.56%
Teeter notes	Unrated	Unrated	1.00%
Local Agency Investment Fund (LAIF)	Unrated	Unrated	9.25%
Total			100.00%

At June 30, 2009, 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 County investments are as follows:

Federal Home Loan Bank	Government Sponsored	\$	160,412,956	36.31%
Federal Farm Credit Bank	Government Sponsored		124,186,324	28.11%
Federal Home Loan Mortgage Corporation	Government Sponsored		26,985,976	6.11%
Federal National Mortgage Association	Government Sponsored		22,978,657	5.20%

Custodial Credit Risk

For investments and deposits held with fiscal agents, custodial credit risk is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or deposits that are in the possession of an outside party. At year end, the County's investment pool and cash with fiscal agents had no securities exposed to custodial credit risk.

COUNTY OF NAPA

Notes to the Basic Financial Statements For the Year Ended June 30, 2009

Note 3: **Cash and Investments** (continued)

Local Agency Investment Fund

The County Treasurer's Pool maintains an investment in the State of California Local Agency Investment Fund (LAIF), managed by the State Treasurer. This fund is not registered with the Securities and Exchange Commission as an investment company, but is required to invest according to California State Code. Participants in the pool include voluntary and involuntary participants, such as special districts and school districts for which there are legal provisions regarding their investments. The Local Investment Advisor Board (Board) has oversight responsibility for LAIF. The Board consists of five members as designated by State Statute.

At June 30, 2009, the County's investment position in the State of California Local Agency Investment Fund (LAIF) was \$40,000,000, which approximates fair value and is the same as value of the pool shares. The total amount invested by all public agencies in LAIF on that day was \$50.7 billion. Of that amount, 85.3% was invested in non-derivative financial products and 14.7% in structured notes and asset-backed securities.

Fair value is based on information provided by the State for the Local Agency Investment Fund.

County Investment Pool Condensed Financial Statements

The following represents a condensed statement of net assets and changes in net assets for the Treasurer's investment pool as of June 30, 2009:

Statement of Net Assets

Net assets held for pool participants	<u>\$ 426,333,459</u>
Equity of internal pool participants	223,505,448
Equity of external pool participants	<u>202,828,011</u>
Total net assets	<u>\$ 426,333,459</u>

Statement of Changes in Net Assets

Net asset held for pool participants at July 1, 2008	\$ 441,233,962
Net change in investments by pool participants	<u>(14,900,503)</u>
Net assets held for pool participants at June 30, 2009	<u>\$ 426,333,459</u>

COUNTY OF NAPA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2009

Note 4: **Interfund Transactions**

Interfund Receivables/Payables

The composition of interfund balances as of June 30, 2009 are as follows:

Due to/from other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Other Governmental Fund	\$ 396,002
	Other Enterprise Funds	575,000
Internal Service Fund	Internal Service Fund	380,000
		<u>\$ 1,351,002</u>

The above balances reflect temporary cash advances.

Advance to/from other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Other Governmental Funds	Napa County Airport	<u>\$ 1,060,200</u>

The Napa County Airport fund has received advances from the County to construct certain projects at the Airport (See Note 7). The advances are not expected to be repaid in the short-term.

COUNTY OF NAPA

Notes to the Basic Financial Statements For the Year Ended June 30, 2009

Note 4: **Interfund Transactions**

Transfers:

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

<u>Transfer from</u>	<u>Transfer to</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Roads Fund	\$ 2,839,321	Road contribution
	Other Governmental Funds	3,133,671	Debt service
	Other Governmental Funds	355,314	Library contribution
	Other Governmental Funds	1,124,000	Special projects
	Other Governmental Funds	158,669	IHSS contribution
	Other Enterprise Funds	179,144	Farmworker centers
Affordable Housing	Other Enterprise Funds	100,000	Farmworker centers
Other Governmental Funds	General Fund	7,139,910	Special revenue transfers
	General Fund	257,539	IHSS administration
	General Fund	218,910	Various contributions
	Roads Fund	15,260	Special revenue transfers
	Other Governmental Funds	201,733	Fire protection
	Other Governmental Funds	425,384	Debt service
	Other Governmental Funds	4,537	Various contribution
	Other Enterprise Funds	349,387	Farmworker centers
Internal Service Funds	General Fund	283,078	General liability
	General Fund	106,547	Workers' compensation
	General Fund	226,842	Rent payments
	Internal Service Funds	83,457	Various contributions
Napa County Airport	Other Governmental Funds	44,127	Debt service
		<u>\$ 17,246,830</u>	

COUNTY OF NAPA

Notes to the Basic Financial Statements For the Year Ended June 30, 2009

Note 5: Capital Assets

Capital asset activity for the year ended June 30, 2009 was as follows:

	Balance July 1, 2008	Additions	Retirements	Transfers & Adjustments	Balance June 30, 2009
Governmental Activities					
Capital assets, not being depreciated:					
Land	\$ 4,751,515	\$ 336,422	\$ -	\$ -	\$ 5,087,937
Construction in progress	13,489,413	4,187,553	-	(16,855,149)	821,817
Total capital assets, not being depreciated	<u>18,240,928</u>	<u>4,523,975</u>	<u>-</u>	<u>(16,855,149)</u>	<u>5,909,754</u>
Capital assets, being depreciated:					
Infrastructure	175,146,427	1,186,390	-	811,408	177,144,225
Structures and improvements	109,388,970	-	(2,068,240)	(797,601)	106,523,129
Equipment	27,593,620	2,747,718	(1,546,306)	-	28,795,032
Total capital assets, being depreciated	<u>312,129,017</u>	<u>3,934,108</u>	<u>(3,614,546)</u>	<u>13,807</u>	<u>312,462,386</u>
Less accumulated depreciation for:					
Infrastructure	(134,795,735)	(5,597,159)	-	(63,808)	(140,456,702)
Structures and improvements	(22,213,061)	(2,198,108)	761,296	63,808	(23,586,065)
Equipment	(17,170,328)	(2,352,644)	1,398,552	-	(18,124,420)
Total accumulated depreciation	<u>(174,179,124)</u>	<u>(10,147,911)</u>	<u>2,159,848</u>	<u>-</u>	<u>(182,167,187)</u>
Total capital assets, being depreciated, net	<u>137,949,893</u>	<u>(6,213,803)</u>	<u>(1,454,698)</u>	<u>13,807</u>	<u>130,295,199</u>
Government activities capital assets, net	<u>\$ 156,190,821</u>	<u>\$ (1,689,828)</u>	<u>\$ (1,454,698)</u>	<u>\$ (16,841,342)</u>	<u>\$ 136,204,953</u>
Business-type Activities					
Capital assets, not being depreciated:					
Land	\$ 3,053,012	\$ -	\$ -	\$ 1,582,442	\$ 4,635,454
Construction in progress	4,789,525	1,111,231	-	(300,929)	5,599,827
Total capital assets, not being depreciated	<u>7,842,537</u>	<u>1,111,231</u>	<u>-</u>	<u>1,281,513</u>	<u>10,235,281</u>
Capital assets, being depreciated:					
Structures and improvements	39,660,382	211,885	-	11,956,390	51,828,657
Equipment	484,957	-	-	-	484,957
Total capital assets, being depreciated	<u>40,145,339</u>	<u>211,885</u>	<u>-</u>	<u>11,956,390</u>	<u>52,313,614</u>
Less accumulated depreciation for:					
Structures and improvements	(17,835,679)	(1,467,806)	-	-	(19,303,485)
Equipment	(357,188)	(34,359)	-	-	(391,547)
Total accumulated depreciation	<u>(18,192,867)</u>	<u>(1,502,165)</u>	<u>-</u>	<u>-</u>	<u>(19,695,032)</u>
Total capital assets, being depreciated, net	<u>21,952,472</u>	<u>(1,290,280)</u>	<u>-</u>	<u>11,956,390</u>	<u>32,618,582</u>
Business-type activities capital assets, net	<u>\$ 29,795,009</u>	<u>\$ (179,049)</u>	<u>\$ -</u>	<u>\$ 13,237,903</u>	<u>\$ 42,853,863</u>

COUNTY OF NAPA

Notes to the Basic Financial Statements For the Year Ended June 30, 2009

Note 5: **Capital Assets** (continued)

Transfers and Adjustments

Napa County Housing Authority

During fiscal year 2007-2008, the Napa County Housing Authority, a business-type activity, received a capital contribution from the Napa Valley Housing Authority. The contribution was in the form of three farmworker centers - one located in the Yountville area, one near St. Helena and one near Calistoga. At the time of the contribution, the assets contributed were recorded at the approximate net book value as maintained by the Napa Valley Housing Authority, \$8,513,439, pending an appraisal. During fiscal year 2008-2009, an appraisal was performed resulting in a reduction in the estimated value of contributed assets to \$4,910,000 and a non-operating loss of \$3,603,439.

	Reported Value June 30, 2008	Appraised Value	Included in Transfers and Adjustments
Capital Assets, not being depreciated:			
Land	\$ 1,117,558	\$ 2,700,000	\$ 1,582,442
Capital Assets, being depreciated:			
Structures and improvements	7,395,881	2,210,000	(5,185,881)
Total Contributed Assets	\$ 8,513,439	\$ 4,910,000	\$ (3,603,439)

Fifth Street Parking Structure

During fiscal year 2008-2009, the Fifth Street parking structure was completed and transferred from a governmental fund to an enterprise fund. The value of the asset, \$16,841,341, was included as a capital contribution in the Statement of Revenues, Expenditures and Changes in Fund Net Assets for proprietary funds and is included in the Government-wide Statement of Activities as both a transfer in, for business-type activities, and a transfer out, for governmental activities.

Construction Commitments

With the completion of the Fifth Street parking structure, the County has no material construction commitments as of June 30, 2009.

COUNTY OF NAPA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2009

Note 5: **Capital Assets** (continued)

Depreciation

Depreciation expense was charged to governmental functions as follows:

General government	\$ 2,510,871
Public protection	1,598,778
Public ways and facilities	5,640,563
Health and sanitation	25,835
Public assistance	287,986
Education	<u>83,878</u>
 Total Depreciation Expense – Governmental Functions	 <u><u>\$ 10,147,911</u></u>

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

Airport	\$ 1,066,812
Lake Berryessa Resort Improvement District	150,853
Fifth Street Parking Garage	168,413
Napa County Housing Authority	62,257
Napa Berryessa Resort Improvement District	<u>53,830</u>
 Total Depreciation Expense – Business-Type Functions	 <u><u>\$ 1,502,165</u></u>

Note 6: **Advances Receivable/Advances Payable**

The Airport Enterprise Fund has received advances from the County to construct certain projects at the Airport. These projects include constructing hangars, CHP facilities, and the Bridgeford facilities. The revenue earned from these projects will be used to repay the advance from the County. The Airport Enterprise Fund will repay the advance with interest at the same rates as the 2003 Certificates of Participation which funded these advances. The outstanding advance at June 30, 2009 was \$1,060,200.

COUNTY OF NAPA

Notes to the Basic Financial Statements For the Year Ended June 30, 2009

Note 6: **Advances Receivable/Advances Payable** (continued)

The principal maturities and interest payments for the next four years are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$ 249,550	\$ 40,505	\$ 290,055
2011	261,950	31,771	293,721
2012	269,700	21,948	291,648
2013	<u>279,000</u>	<u>11,160</u>	<u>290,160</u>
Total	<u>\$ 1,060,200</u>	<u>\$ 105,384</u>	<u>\$ 1,165,584</u>

Note 7: **Long-Term Debt**

The following is a summary of long-term liabilities transactions for the year ended June 30, 2009:

	<u>Balance July 1, 2008</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2009</u>	<u>Amounts Due Within One Year</u>
Governmental Activities:					
Bonds payable	\$ 43,150,000	\$ -	\$ (3,565,000)	\$ 39,585,000	\$ 3,720,000
Plus deferred amounts:					
For issuance premiums	1,605,576	-	(160,558)	1,445,018	-
For refunding	(1,395,184)	-	139,518	(1,255,666)	-
Certificates of participation	38,005,000	-	(2,400,000)	35,605,000	2,470,000
Plus deferred amounts:					
For issuance premiums	191,356	-	(20,428)	170,928	-
Loans payable	1,386,382	-	(41,916)	1,344,466	66,110
Compensated absences	6,533,098	5,788,480	(5,600,658)	6,720,920	3,731,416
Liability for unpaid claims	<u>9,517,000</u>	<u>2,917,234</u>	<u>(2,917,234)</u>	<u>9,517,000</u>	<u>3,453,392</u>
Total Governmental Activities					
Long-term liabilities	<u>\$ 98,993,228</u>	<u>\$ 8,705,714</u>	<u>\$ (14,566,276)</u>	<u>\$ 93,132,666</u>	<u>\$ 13,440,918</u>
Business-type Activities					
Bonds payable	\$ 4,710,841	\$ -	\$ (55,841)	\$ 4,655,000	\$ 70,000
Loan payable	362,343	-	(29,297)	333,046	31,250
Stipulated judgment	-	400,000	-	400,000	40,000
Compensated absences	<u>36,442</u>	<u>35,055</u>	<u>(36,479)</u>	<u>35,018</u>	<u>28,967</u>
Total Business-type Activities					
Long-term liabilities	<u>\$ 5,109,626</u>	<u>\$ 435,055</u>	<u>\$ (121,617)</u>	<u>\$ 5,423,064</u>	<u>\$ 170,217</u>

COUNTY OF NAPA

Notes to the Basic Financial Statements For the Year Ended June 30, 2009

Note 7: **Long-Term Debt** (continued)

As of June 30, 2009, 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
2010	3,720,000	1,712,497	2,470,000	1,436,887	66,110	16,102
2011	3,865,000	1,574,435	2,545,000	1,355,637	46,265	10,543
2012	4,000,000	1,433,885	2,635,000	1,262,863	48,088	8,721
2013	4,175,000	1,259,060	2,730,000	1,162,988	1,050,028	6,780
2014	4,375,000	1,061,160	2,835,000	1,059,488	52,024	4,784
2015-2019	19,450,000	2,274,975	13,185,000	3,620,256	81,951	3,259
2020-2023	-	-	9,205,000	1,080,663	-	-
	\$ 39,585,000	\$ 9,316,012	\$ 35,605,000	\$ 10,978,782	\$ 1,344,466	\$ 50,189

Year Ending June 30:	Business-type Activities			
	Special Assessment Bonds Payable		Loans Payable	
	Principal	Interest	Principal	Interest
2010	70,000	253,425	31,250	17,396
2011	75,000	249,619	33,203	15,763
2012	80,000	245,550	35,156	14,029
2013	85,000	241,219	37,109	12,192
2014	90,000	236,625	39,063	10,255
2015-2019	500,000	1,108,175	157,265	19,595
2020-2024	660,000	951,512	-	-
2025-2029	860,000	743,565	-	-
2030-2034	1,130,000	470,362	-	-
2035-2038	1,105,000	123,072	-	-
	\$ 4,655,000	\$ 4,623,124	\$ 333,046	\$ 89,230

COUNTY OF NAPA

Notes to the Basic Financial Statements For the Year Ended June 30, 2009

Note 7: **Long-Term Debt** (continued)

Long-term liabilities at June 30, 2009 consisted of the following:

	Date of Issue	Maturity	Interest Rates	Annual Principal Installments	Original Issue Amount	Outstanding at June 30, 2009
<u>Governmental Activities</u>						
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	\$ 29,420,000
2005 Series A Bonds (to finance or reimburse the Napa County Flood Protection and Watershed Improvement Authority for certain costs of the City of St. Helena's flood protection and watershed improvement project, to pay the premium of a surety bond to be deposited in the Bond Reserve Fund established under the indenture, and to pay the costs of issuance of the 2005 Series A Bonds.)						
Bonds Payable	03/01/2005	2018	3.00-4.50%	\$830,000-\$1,315,000	<u>13,655,000</u>	<u>10,165,000</u>
Total Bonds Payable					<u>43,365,000</u>	<u>39,585,000</u>
Certificates of Participation						
2003 issue (to refund the County's 1993 COP issue and fund the acquisition and construction of a new Sheriff's facility and the construction and remodel of the County's Juvenile Justice Center. The 1993 COP issue was used to fund various improvements, including renovations to various County buildings, demolition and construction of a building for the County agricultural related departments, acquisition and construction of improvements to the Napa County Airport, construction of a County fire station, the acquisition of an automated justice information system and the acquisition of certain water entitlements).						
Certificates of Participation	3/1/2003	2023	2.00-4.625%	\$200,000-\$2,465,000	32,350,000	26,290,000
2005 issue (to refund the County's 1996 COP issue used to fund various improvements, including the construction of a new criminal court building, recladding the exterior of the existing County Administrative Building, modernization of the County's Health and Human Services Agency complex, and various capital improvements to the County's Hall of Justice and Hall of Records; to establish a reserve fund for the Certificates; and to pay certain costs incurred in connection with the execution and delivery of the Certificates, including the premium for Certificates' insurance).						
Certificates of Participation	2/1/2005	2017	3.00-3.60%	\$960,000-\$1,300,000	<u>13,275,000</u>	<u>9,315,000</u>
Total Certificates of Participation					<u>45,625,000</u>	<u>35,605,000</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	344,466

COUNTY OF NAPA

Notes to the Basic Financial Statements For the Year Ended June 30, 2009

Note 7: **Long-Term Debt** (continued)

	<u>Date of Issue</u>	<u>Maturity</u>	<u>Interest Rates</u>	<u>Annual Principal Installments</u>	<u>Original Issue Amount</u>	<u>Outstanding at June 30, 2009</u>
Loans Payable (continued)						
2007 California Department of Housing & Community Development Loan (to finance construction of Homeless Shelter known as the South Napa Shelter. Repayment of the loan shall be deferred as long as the development is used as an emergency shelter. At the completion of the initial loan term, the loan may be forgiven if terms are met.)						
California Department of Housing & Community Development Loan	7/1/2004	2014	3.00%	Various	<u>1,000,000</u>	<u>1,000,000</u>
Total Loans Payable					<u>1,448,372</u>	<u>1,344,466</u>
Total Governmental Activities					<u>\$ 90,438,372</u>	<u>\$ 76,576,382</u>

Business-type Activities

Special Assessment Bonds Payable

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

Bonds Payable	9/2/2007	2037	5.25-5.55%	\$55,841-\$295,000	\$ 4,755,841	\$ 4,655,000
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Loan Payable

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

Napa County Airport loan	5/8/2002	2018	5.22%	\$20,000-\$44,922	<u>500,000</u>	<u>333,046</u>
Total Business-Type Activities					<u>\$ 5,255,841</u>	<u>\$ 4,988,046</u>

Certificates of participation and bond retirements and related interest payments are paid from a debt service fund. Loans payable retirements and related interest payments are paid from the Airport Fund. Claims and judgments will be paid from the County's Worker's Compensation and General Liability Funds. 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 an enterprise fund. Historically, 99 percent of these costs have been paid from the County's governmental funds, with the remaining 1 percent paid from its proprietary funds.

COUNTY OF NAPA

Notes to the Basic Financial Statements For the Year Ended June 30, 2009

Note 7: **Long-Term Debt** (continued)

Bond Discounts, Bond Premiums, and Issuance Costs

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

Arbitrage

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.

Note 8: **Operating Leases**

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

Fiscal Year Ending <u>June 30,</u>	<u>Payments</u>
2010	\$ 410,306
2011	274,151
2012	201,399
2013	97,488
2014	<u>34,978</u>
Total	<u>\$ 1,018,322</u>

Rent expenditures were \$501,167 for the year ended June 30, 2009.

COUNTY OF NAPA

Notes to the Basic Financial Statements For the Year Ended June 30, 2009

Note 9: **Unearned and Deferred Revenues**

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

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

As of June 30, 2009, the various components of deferred and unearned revenue reported were as follows:

	Unearned	Deferred (Unavailable)	Total
Governmental Activities:			
General Fund:			
SB 90 mandated costs	\$ --	\$ 7,884,280	\$ 7,884,280
State reimbursements grant	461,182	3,370,855	3,832,037
Federal reimbursements grants	228,180	67,772	295,952
Other	117,500	92,459	209,959
Roads Fund:			
Federal disaster assistance	--	1,611,699	1,611,699
State Proposition 1B funding	277,400	--	277,400
Nonmajor Governmental Funds:			
State reimbursements grants	50,000	2,114,835	2,164,835
Federal reimbursements grants	--	41,610	41,610
Other	--	18,193	18,193
Total unearned and deferred revenue	\$ 1,134,262	\$ 15,201,703	\$ 16,335,965
Business-type Activities:			
Napa County Airport:			
Long-term hangar lease agreement with State of California	\$ 886,452	\$ --	\$ 886,452
Total unearned and deferred revenue	\$ 886,452	\$ --	\$ 886,452

COUNTY OF NAPA

Notes to the Basic Financial Statements For the Year Ended June 30, 2009

Note 10: Net Assets/Fund Balances

Net Assets

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

- *Invested in Capital Assets, Net of Related Debt* – This category groups all capital assets, including infrastructure, into one component of net assets. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category.
- *Restricted Net Assets* – This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation. Included in total restricted net assets at June 30, 2009 are net assets restricted by enabling legislation of \$51,225,082.
- *Unrestricted Net Assets* – This category represents net assets of the County, not restricted for any project or other purpose.

Fund Balances

In the fund financial statements, reserves and designations segregate portions of fund balance that are either not available or have been earmarked for specific purposes. The various reserves and designations are established by actions of the Board and can be increased, reduced or eliminated by similar actions.

The term “reserved” is used to indicate that a portion of reported fund balance is (1) legally restricted to a specific use or (2) not available for appropriation or expenditure. The County’s management will sometimes designate portions of unreserved (available) fund balance based on tentative future spending plans. Designated portions of fund balance represent financial resources legally available for uses other than those tentatively planned.

COUNTY OF NAPA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2009

Note 10: **Net Assets/Fund Balances** (continued)

Fund Balances (continued)

The County has “reserved” fund balances as follows:

- *Reserve for Encumbrances* was created to represent encumbrances outstanding at the end of the year based on purchase orders and contracts signed by the County but not yet completed as of the close of the year. Encumbrance accounting is employed as an extension of the budgetary process. This method records purchase orders, contracts and other commitments for the expenditure of funds in order to reserve that portion of the applicable appropriation. Encumbrances carryover at year end as reserved fund balances.
- *General Reserve* is established during the annual budget adoption process, pursuant to California Government Code section 29086, to be used in cases of legally declared emergencies.
- *Reserve for Imprest Cash* was created to represent the portion of the fund balance that is not available for expenditure because the County maintains various levels of revolving funds for daily operations.
- *Reserve for Loans Receivable and Advances* represents loans and advances that are long-term in nature.

Unreserved designated fund balances at June 30, 2009 are as follows:

General Fund

Designated for:

Capital projects	\$ 1,050,000
Public safety	180,000
Economic uncertainties	20,762,196
Health and human services	1,357,373
Various	<u>1,667,117</u>
	<u>25,016,686</u>

Napa County Flood Protection and Watershed

Improvement Authority

Designated for:

Flood projects	<u>50,936,560</u>
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Affordable Housing

Designated for:

Housing projects	<u>9,084,855</u>
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COUNTY OF NAPA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2009

Note 10: **Net Assets/Fund Balances** (continued)

Fund Balances (continued)

Roads	
Designated for:	
Road projects	<u>534,823</u>
Other Governmental Funds	
Designated for:	
Fire protection	5,354,954
Building and code enforcement	1,101,586
Library	5,461,067
Capital projects	17,146,406
Various	<u>2,321,389</u>
	<u>31,385,402</u>
Total Unreserved Designated Fund Balances	<u>\$ 116,958,326</u>

Fiduciary Net Assets

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

Note 11: **County Employees Retirement Plan (Defined Benefit Pension Plan)**

A. Plan Description

The County of Napa contributes to the California Public Employees Retirement System (PERS), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for participating public entities within the State of California. PERS provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. Benefit provisions and other requirements are established by statute. Copies of PERS annual financial reports which include required supplementary information (RSI) for each plan may be obtained from their Executive Office– 400 P Street, Sacramento, CA 95814.

COUNTY OF NAPA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2009

Note 11: **County Employees Retirement Plan (Defined Benefit Pension Plan)** (continued)

B. Funding Policy and Status

Per the Memorandum of Understanding, the County contributes a portion of the employee share of retirement contributions for local miscellaneous members. Effective July 1, 2004 through December 17, 2004 the employee rate was 7%. Of the 7% employee rate, the County contributed 4.2%. Effective December 18, 2004, the County implemented a “2.5% @ 55” formula which resulted in a new employee rate of 8%. Of the 8% employee rate, the County contributed 5.2%. For fiscal years 2006-2007, 2007-2008 and 2008-2009, the County contributed 3.81%, 3.63%, and 3.62% of the employee rate of 8%, respectively.

The employee rate for local safety members is 9%. The County contributes the full 9% for all law enforcement management employees. Local safety members who are not management employees pay the 9%.

The rates are set by statute and unless changed as a result of a contract amendment, they generally remain unchanged from year to year.

The present actuarially determined rates of annual covered payroll are as follows:

<u>Category</u>	<u>Member Rates as a Percentage of Wages</u>
Local miscellaneous members	8%
Local safety members	9%

The contribution requirements of the plan members are established by State statutes and the employer contribution rate is established and may be amended by Cal PERS.

Annual Pension Cost

For fiscal year 2008-2009, the County of Napa’s annual pension cost was \$13,776,664 which the County contributed in full. The County has traditionally contributed the annual required contribution and thus has never needed to report a net pension obligation.

COUNTY OF NAPA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2009

Note 11: **County Employees Retirement Plan (Defined Benefit Pension Plan)** (continued)

B. Funding Policy and Status (continued)

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

	<u>Miscellaneous Plan</u>	<u>Safety Plan</u>
ACTUARIAL VALUATION:		
Actuarial valuation date	6/30/2008	6/30/2008
Basis for fiscal year 2008-2009 contribution	6/30/2006	6/30/2006
Actuarial cost method	Entry age normal	Entry age normal
AMORTIZATION:		
Amortization Method	Level % of pay	Level % of pay
New period policy		
Gains/Losses	30 years rolling	30 years rolling
Plan amendments	20 years	20 years
Actuarial assumptions	20 years	20 years
Remaining amortization period	21 years	16 years
ASSET VALUATION METHOD:		
	15 year smoothed market	15 year smoothed market
ACTUARIAL ASSUMPTIONS:		
Investment rate of return ⁽¹⁾	7.75%	7.75%
Projected salary increases	3.25% to 14.45%	3.25% to 14.45%
Inflation	3.00%	3.00%
Payroll growth	3.25%	3.25%

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

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

Fiscal Year Ended	Annual Pension		Total Annual Pension Cost	Percentage of	
	Cost Miscellaneous	Annual Pension Cost Safety		Annual Pension Cost	Net Pension Obligation
6/30/2007	\$10,547	\$1,604	\$12,151	100%	--
6/30/2008	11,362	1,566	12,928	100%	--
6/30/2009	10,937	2,840	13,777	100%	--

COUNTY OF NAPA

Notes to the Basic Financial Statements For the Year Ended June 30, 2009

Note 11: **County Employees Retirement Plan (Defined Benefit Pension Plan)** (continued)

B. Funding Policy and Status (continued)

The funded status of the County's Miscellaneous Plan (in thousands) as of June 30, 2008, the date of the latest actuarial valuation, is as follows:

Actuarial accrued liability (AAL)	\$ 428,461
Actuarial value of plan assets	<u>372,779</u>
Unfunded actuarial accrued liability (UAAL)	<u>\$ 55,682</u>
Funded ratio (actuarial value of plan assets/AAL)	87 %
Covered payroll (active Plan members)	\$ 85,723
Unfunded actuarial accrued liability as a percentage of covered payroll	65 %

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

Note 12: **Retiree Healthcare Plan**

In addition to the pension benefits described in Note 11, the County provides 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 or dental benefits on a pay-as-you-go basis to retirees in three basic categories.

1. Generally, retirees who at the time of retirement have over 120 hours of accumulated unused sick leave receive, for each 8 hours of sick leave, one month of single party insurance benefits paid by the County. For management and law enforcement employees, they are eligible for one month of two-party insurance benefits, paid for by the County for each 16 hours of sick leave.

COUNTY OF NAPA

Notes to the Basic Financial Statements For the Year Ended June 30, 2009

Note 12: **Retiree Healthcare Plan** (continued)

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

The County provides retiree medical benefits through the California Public Employees' Retirement System (CalPERS) Healthcare program. The County contributes the Public Employees Medical and Healthcare Act (PEMHCA) minimum required employer contribution (\$101 per month for calendar year 2009) towards the retiree monthly premium for eligible retirees participating in PEMHCA.

Funding Policy. The contribution requirements of the 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 fiscal year 2008-2009 ARC was \$6,048,000 based on a closed 14 year amortization period. For plan years beginning July 1, 2009, the County has revised the plan by electing a closed 20 year amortization period. The County's ARC for subsequent fiscal years will represent a level funding that, if paid on an on-going basis, is projected to cover the normal cost each year and amortize the UAAL over a period of 20 years.

For fiscal year 2008-2009, the County contributed \$6,048,000 to the Plan which fully funded the ARC for GASB 45 purposes. The County paid \$1,695,748 to retirees during the year, and \$4,352,252 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.

COUNTY OF NAPA

Notes to the Basic Financial Statements For the Year Ended June 30, 2009

Note 12: **Retiree Healthcare Plan** (continued)

Actuarial Assumptions. In the County's June 30, 2008 actuarial valuation, the entry age normal actuarial cost method was used. The actuarial assumptions included a 7.75% investment rate of return (net of investment expenses) and annual healthcare cost trend rates for HMO and PPO coverage. The HMO and PPO cost trend rate start at 9% and 10%, respectively, and decline to 5% over nine years.

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 two fiscal years are as follows (dollar amounts in thousands):

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2008	\$5,858	100%	\$0
6/30/2009	\$6,048	100%	\$0

Funded Status and Funding Progress. The funded status of the plan as of June 30, 2008, the plan's most recent actuarial valuation date, was as follows (dollar amounts in thousands):

Actuarial accrued liability (AAL)	\$ 36,040
Actuarial value of plan assets	4,363
Unfunded actuarial accrued liability (UAAL)	\$ 31,677
Funded ratio (actuarial value of plan assets/AAL)	12.1%
Covered payroll (active Plan members)	\$ 86,030
Unfunded actuarial accrued liability as a percentage of covered payroll	36.8%

COUNTY OF NAPA

Notes to the Basic Financial Statements For the Year Ended June 30, 2009

Note 13: **Deferred Compensation Plan**

Napa County offers its employees a 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 permits employees 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.

Changes in the laws governing IRC Section 457 Plans and GASB Statement No. 32, required a change in the reporting of the County employees' deferred compensation plan. Previously, employee amounts deferred by the plan participants were required to be reported as assets of the employer. The new law prevents the employer's use of these funds and requires the funds to be held exclusively for the benefit of the participants. Accordingly, the County's deferred compensation plan was amended in December 1998 to conform with the law. Therefore, the assets and associated participants' liability of the plan were removed from the County's financial statements and only the current deductions which have not been forwarded to the contract plan administrator are reported.

Note 14: **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 reinstalled 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 reserves the right to amend the Plan at any time, and continuance of this plan is not assumed as a contractual obligation.

COUNTY OF NAPA

Notes to the Basic Financial Statements For the Year Ended June 30, 2009

Note 15: **Risk Management**

The County has two risk management funds (Internal Service Funds) to account for and finance its uninsured risks of loss. The County is exposed to various risks of loss related to general liability and workers' compensation. Under this program, the workers' compensation fund provides coverage up to \$350,000 for each workers' compensation claim and \$300,000 for each general liability claim.

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

The unpaid claims liabilities are based on the results of actuarial studies and include amounts for claims incurred but not reported. Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends, including frequency and amount of payouts, and other economic and social factors. It is the County's practice to obtain full actuarial studies every two years. Contribution to both the workers' compensation and general liability Internal Service Fund (ISF) are generated from billings to departments based on potential exposure and loss history, in accordance with State Controller's *Handbook of Cost Plan*. The claims liability for the funds reported at June 30, 2009 is based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Changes in the funds' claims liability for the last three fiscal years were:

	Beginning Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claims Payments	Balance at Fiscal Year End
General Liability:				
2006 - 2007	\$ 3,040,000	\$ 1,044,019	\$ (1,044,019)	\$ 3,040,000
2007 - 2008	3,040,000	1,420,260	(1,140,260)	3,320,000
2008 - 2009	3,320,000	1,519,837	(1,519,837)	3,320,000
Workers' Compensation:				
2006 - 2007	\$ 5,091,000	\$ 981,725	\$ (981,725)	\$ 5,091,000
2007 - 2008	5,091,000	2,215,117	(1,109,117)	6,197,000
2008 - 2009	6,197,000	1,397,397	(1,397,397)	6,197,000

COUNTY OF NAPA

Notes to the Basic Financial Statements For the Year Ended June 30, 2009

Note 16: **Contingencies**

A. Litigation

There are many lawsuits pending in which the County is involved. Some of the lawsuits have been filed solely against the County, while in others, the County is one of a group of defendants. The County Counsel has indicated that the potential uninsured claims against the County resulting from such litigation would not materially affect the financial statements of the County.

B. Grants

The County participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental entities. The County participates in other federal and state programs where County costs are recovered on a reimbursable basis. Grant expenditures and reimbursements are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with the relevant regulations, the County may be required to reimburse the appropriate government agency. As of June 30, 2009, 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.

REQUIRED SUPPLEMENTARY INFORMATION



Skyline Park, Napa

COUNTY OF NAPA

Required Supplementary Information
For the Year Ended June 30, 2009

County Employees Retirement Plan (Defined Benefit Pension Plan)

Schedule of Funding Progress

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

Funded Status of Miscellaneous Plan
(Dollar Amounts in Thousands)

<u>Valuation Date</u>	<u>Entry Age Normal Accrued Liability</u>	<u>Actuarial Value of Assets</u>	<u>Unfunded/ (Overfunded) Liability</u>	<u>Funded Ratio</u>	<u>Annual Covered Payroll</u>	<u>UAAL as a % of Payroll</u>
6/30/06	\$ 364,922	\$ 312,403	\$ 52,519	85.6%	\$ 77,548	67.7%
6/30/07	395,088	343,977	51,111	87.1%	81,830	62.5%
6/30/08	428,461	372,779	55,682	87.0%	85,723	65.0%

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

Funded Status of the Risk Pool which includes the Safety Plan
(Dollar Amounts in Thousands)

<u>Valuation Date</u>	<u>Entry Age Normal Accrued Liability</u>	<u>Actuarial Value of Assets</u>	<u>Unfunded/ (Overfunded) Liability</u>	<u>Funded Ratio</u>	<u>Annual Covered Payroll</u>	<u>UAAL as a % of Payroll</u>
6/30/06	\$7,278,050	\$6,102,616	\$1,175,434	83.9%	\$ 77,548	155.7%
6/30/07	7,986,055	6,826,599	1,159,456	85.5%	81,830	139.4%
6/30/08	8,700,468	7,464,928	1,235,540	85.8%	85,723	135.1%

The total annual covered payroll of the cost-sharing risk pool for the plan year ended June 30, 2008, the most recent plan year reported, was \$914,840,596 of which \$9,926,132 was attributable to the County.

COUNTY OF NAPA

Required Supplementary Information
For the Year Ended June 30, 2009

Other Post Employment Benefits Plan

Schedule of Funding Progress

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

Funded Status of Retiree Healthcare Plan (Dollar Amounts in Thousands)						
<u>Valuation Date</u>	<u>Entry Age Normal Accrued Liability</u>	<u>Actuarial Value of Assets</u>	<u>Unfunded/ (Overfunded) Liability</u>	<u>Funded Ratio</u>	<u>Annual Covered Payroll</u>	<u>UAAL as a % of Payroll</u>
1/01/06	\$ 34,217	\$ -	\$ 34,217	0.0%	\$ 88,322	7.0%
6/30/08	36,040	4,363	31,611	12.1%	86,030	36.8%



Fifth Street Parking Garage, Napa

COUNTY OF NAPA

Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		Positive (Negative)
Budgetary fund balances, July 1	\$ 49,971,307	\$ 49,971,307	\$ 49,971,307	\$ --
Resources (inflows):				
Taxes	89,197,064	89,197,064	96,107,507	6,910,443
Licenses and permits	1,957,653	1,957,653	2,104,113	146,460
Fines, forfeitures and penalties	903,376	1,107,984	2,027,326	919,342
Revenue from use of money and property	1,506,491	1,516,491	1,317,356	(199,135)
Aid from other governments	67,479,667	64,168,972	54,208,541	(9,960,431)
Charges for services	25,995,715	26,625,504	27,329,453	703,949
Contributions and donations	891,001	917,701	237,807	(679,894)
Other revenue	1,788,938	2,236,016	705,132	(1,530,884)
Other financing sources	2,886,430	9,745,305	8,232,826	(1,512,479)
Amounts available for appropriation	<u>192,606,335</u>	<u>197,472,690</u>	<u>192,270,061</u>	<u>(5,202,629)</u>
Charges to appropriations (outflows):				
<i>General Government:</i>				
Board of Supervisors				
Salaries and benefits	662,360	662,360	632,835	29,525
Services and supplies	55,854	55,854	54,695	1,159
Subtotal	<u>718,214</u>	<u>718,214</u>	<u>687,530</u>	<u>30,684</u>
County Executive Officer				
Salaries and benefits	2,526,900	2,526,900	2,391,762	135,138
Services and supplies	255,850	255,850	208,469	47,381
Subtotal	<u>2,782,750</u>	<u>2,782,750</u>	<u>2,600,231</u>	<u>182,519</u>
Community & Intergovernmental Affairs				
Salaries and benefits	654,911	654,911	532,595	122,316
Services and supplies	116,075	256,075	202,372	53,703
Subtotal	<u>770,986</u>	<u>910,986</u>	<u>734,967</u>	<u>176,019</u>
Training & Organizational Development				
Salaries and benefits	--	75,277	42,829	32,448
Services and supplies	--	117,017	112,586	4,431
Subtotal	<u>--</u>	<u>192,294</u>	<u>155,415</u>	<u>36,879</u>
Auditor-Controller				
Salaries and benefits	2,518,596	2,444,096	2,252,659	191,437
Services and supplies	247,106	321,606	288,694	32,912
Subtotal	<u>2,765,702</u>	<u>2,765,702</u>	<u>2,541,353</u>	<u>224,349</u>
Treasurer-Tax Collector				
Salaries and benefits	1,376,536	1,376,536	1,243,871	132,665
Services and supplies	409,681	409,681	375,324	34,357
Subtotal	<u>1,786,217</u>	<u>1,786,217</u>	<u>1,619,195</u>	<u>167,022</u>

continued

COUNTY OF NAPA

Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Assessor				
Salaries and benefits	\$ 2,358,667	\$ 2,358,667	\$ 2,232,805	\$ 125,862
Services and supplies	512,138	512,138	443,491	68,647
Subtotal	<u>2,870,805</u>	<u>2,870,805</u>	<u>2,676,296</u>	<u>194,509</u>
County Counsel				
Salaries and benefits	3,031,874	3,031,874	2,892,781	139,093
Services and supplies	478,151	478,151	406,420	71,731
Subtotal	<u>3,510,025</u>	<u>3,510,025</u>	<u>3,299,201</u>	<u>210,824</u>
Human Resources				
Salaries and benefits	1,740,953	1,615,731	1,615,692	39
Services and supplies	503,341	441,269	309,980	131,289
Subtotal	<u>2,244,294</u>	<u>2,057,000</u>	<u>1,925,672</u>	<u>131,328</u>
Primary-General Election				
Salaries and benefits	543,267	543,267	507,689	35,578
Services and supplies	654,608	939,608	722,024	217,584
Transfers out	8,400	8,400	--	8,400
Subtotal	<u>1,206,275</u>	<u>1,491,275</u>	<u>1,229,713</u>	<u>261,562</u>
Communications				
Salaries and benefits	576,842	584,651	543,203	41,448
Services and supplies	522,062	666,923	438,372	228,551
Capital assets	370,000	290,139	45,013	245,126
Subtotal	<u>1,468,904</u>	<u>1,541,713</u>	<u>1,026,588</u>	<u>515,125</u>
Records Mgmt/Courier				
Salaries and benefits	302,144	302,144	214,196	87,948
Services and supplies	361,882	361,882	355,664	6,218
Subtotal	<u>664,026</u>	<u>664,026</u>	<u>569,860</u>	<u>94,166</u>
Property Management				
Salaries and benefits	2,567,214	2,612,214	2,566,628	45,586
Services and supplies	2,558,793	2,413,793	2,291,328	122,465
Debt Service	56,809	56,809	55,941	868
Subtotal	<u>5,182,816</u>	<u>5,082,816</u>	<u>4,913,897</u>	<u>168,919</u>
Capital Improvement Program				
Services and supplies	5,322,340	7,360,317	2,445,569	4,914,748
Capital assets	1,015,000	917,023	228,002	689,021
Subtotal	<u>6,337,340</u>	<u>8,277,340</u>	<u>2,673,571</u>	<u>5,603,769</u>
Central Services				
Services and supplies	1,783,812	1,857,412	1,403,542	453,870
Other charges	501,930	485,660	309,259	176,401
Contingencies	160,190	307,468	307,468	--
Subtotal	<u>2,445,932</u>	<u>2,650,540</u>	<u>2,020,269</u>	<u>630,271</u>

continued

COUNTY OF NAPA

Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Insurance				
Services and supplies	\$ 359,191	\$ 359,191	\$ 280,960	\$ 78,231
Subtotal	<u>359,191</u>	<u>359,191</u>	<u>280,960</u>	<u>78,231</u>
General Expenditures				
Services and supplies	1,449,716	1,449,716	1,012,792	436,924
Other charges	--	575,000	--	575,000
Transfers out	7,396,138	7,456,027	7,333,945	122,082
Subtotal	<u>8,845,854</u>	<u>9,480,743</u>	<u>8,346,737</u>	<u>1,134,006</u>
Employee/Retiree Benefits				
Salaries and benefits	685,000	625,000	479,983	145,017
Services and supplies	348,552	408,552	371,056	37,496
Subtotal	<u>1,033,552</u>	<u>1,033,552</u>	<u>851,039</u>	<u>182,513</u>
General Plan				
Services and supplies	501,467	511,467	298,424	213,043
Subtotal	<u>501,467</u>	<u>511,467</u>	<u>298,424</u>	<u>213,043</u>
Contingencies				
Contingencies	6,000,000	4,018,847	--	4,018,847
Subtotal	<u>6,000,000</u>	<u>4,018,847</u>	<u>--</u>	<u>4,018,847</u>
<i>Total General Government</i>	<u>51,494,350</u>	<u>52,705,503</u>	<u>38,450,918</u>	<u>14,254,585</u>
<i>Public Protection:</i>				
Grand Jury				
Services and supplies	27,877	62,877	50,009	12,868
Subtotal	<u>27,877</u>	<u>62,877</u>	<u>50,009</u>	<u>12,868</u>
District Attorney - Grants				
Salaries and benefits	932,611	932,611	876,300	56,311
Services and supplies	228,718	228,718	209,683	19,035
Subtotal	<u>1,161,329</u>	<u>1,161,329</u>	<u>1,085,983</u>	<u>75,346</u>
District Attorney - Consumer Fraud				
Salaries and benefits	189,709	189,709	176,617	13,092
Services and supplies	101,197	158,197	145,218	12,979
Subtotal	<u>290,906</u>	<u>347,906</u>	<u>321,835</u>	<u>26,071</u>
District Attorney				
Salaries and benefits	5,175,246	5,295,852	5,295,851	1
Services and supplies	1,095,817	1,063,977	1,018,232	45,745
Subtotal	<u>6,271,063</u>	<u>6,359,829</u>	<u>6,314,083</u>	<u>45,746</u>
Public Defender Services				
Salaries and benefits	3,123,681	3,123,681	3,066,586	57,095
Services and supplies	384,568	417,791	350,092	67,699
Subtotal	<u>3,508,249</u>	<u>3,541,472</u>	<u>3,416,678</u>	<u>124,794</u>

continued

COUNTY OF NAPA

Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Conflict Public Defender				
Services and supplies	\$ 1,017,889	\$ 1,017,889	\$ 939,732	\$ 78,157
Subtotal	<u>1,017,889</u>	<u>1,017,889</u>	<u>939,732</u>	<u>78,157</u>
Sheriff				
Salaries and benefits	16,541,717	17,413,717	17,412,655	1,062
Services and supplies	4,848,419	5,259,592	5,225,596	33,996
Capital assets	150,000	182,465	113,028	69,437
Subtotal	<u>21,540,136</u>	<u>22,855,774</u>	<u>22,751,279</u>	<u>104,495</u>
Special Investigation Unit				
Salaries and benefits	585,744	585,744	570,177	15,567
Services and supplies	444,009	490,009	246,938	243,071
Subtotal	<u>1,029,753</u>	<u>1,075,753</u>	<u>817,115</u>	<u>258,638</u>
Community Corrections Service Center				
Services and supplies	--	464,388	300,853	163,535
Subtotal	<u>--</u>	<u>464,388</u>	<u>300,853</u>	<u>163,535</u>
Department of Corrections				
Salaries and benefits	8,072,371	8,140,371	8,089,872	50,499
Services and supplies	1,435,680	1,565,231	1,546,752	18,479
Other charges	--	56,465	56,463	2
Subtotal	<u>9,508,051</u>	<u>9,762,067</u>	<u>9,693,087</u>	<u>68,980</u>
Detention Medical Services				
Services and supplies	2,004,836	2,163,836	2,159,222	4,614
Subtotal	<u>2,004,836</u>	<u>2,163,836</u>	<u>2,159,222</u>	<u>4,614</u>
Probation Department				
Salaries and benefits	6,688,253	6,768,253	6,752,962	15,291
Services and supplies	1,875,798	1,797,910	1,457,193	340,717
Subtotal	<u>8,564,051</u>	<u>8,566,163</u>	<u>8,210,155</u>	<u>356,008</u>
Juvenile Hall				
Salaries and benefits	3,949,514	3,959,514	3,896,487	63,027
Services and supplies	708,590	714,472	681,217	33,255
Subtotal	<u>4,658,104</u>	<u>4,673,986</u>	<u>4,577,704</u>	<u>96,282</u>
Ag Comm/Sealer				
Salaries and benefits	2,753,457	2,753,457	2,657,505	95,952
Services and supplies	789,438	789,438	778,320	11,118
Subtotal	<u>3,542,895</u>	<u>3,542,895</u>	<u>3,435,825</u>	<u>107,070</u>
Animal Shelter				
Salaries and benefits	535,978	515,978	502,685	13,293
Services and supplies	166,921	196,921	182,979	13,942
Subtotal	<u>702,899</u>	<u>712,899</u>	<u>685,664</u>	<u>27,235</u>

continued

COUNTY OF NAPA

Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Clerk Recorder				
Salaries and benefits	\$ 832,135	\$ 832,135	\$ 770,573	\$ 61,562
Services and supplies	178,659	202,131	186,034	16,097
Transfers out	2,200	2,200	--	2,200
Subtotal	<u>1,012,994</u>	<u>1,036,466</u>	<u>956,607</u>	<u>79,859</u>
Coroner				
Salaries and benefits	340,371	340,371	328,985	11,386
Services and supplies	238,401	238,401	192,429	45,972
Subtotal	<u>578,772</u>	<u>578,772</u>	<u>521,414</u>	<u>57,358</u>
Public Admin-Guardian				
Salaries and benefits	208,552	213,552	209,895	3,657
Services and supplies	48,935	54,143	29,971	24,172
Subtotal	<u>257,487</u>	<u>267,695</u>	<u>239,866</u>	<u>27,829</u>
Conservation, Development, & Planning				
Salaries and benefits	3,470,649	3,470,649	3,321,710	148,939
Services and supplies	1,421,258	1,371,258	1,106,695	264,563
Subtotal	<u>4,891,907</u>	<u>4,841,907</u>	<u>4,428,405</u>	<u>413,502</u>
Emergency Services				
Salaries and benefits	136,290	136,290	21,112	115,178
Services and supplies	153,668	153,668	55,878	97,790
Subtotal	<u>289,958</u>	<u>289,958</u>	<u>76,990</u>	<u>212,968</u>
Watershed Information Center & Conservancy				
Services and supplies	300,000	350,000	202,598	147,402
Subtotal	<u>300,000</u>	<u>350,000</u>	<u>202,598</u>	<u>147,402</u>
Animal Services				
Salaries and benefits	655,933	680,863	680,862	1
Services and supplies	123,527	128,564	128,564	--
Subtotal	<u>779,460</u>	<u>809,427</u>	<u>809,426</u>	<u>1</u>
Environmental Management				
Salaries and benefits	2,645,110	2,645,110	2,514,226	130,884
Services and supplies	509,783	509,783	480,712	29,071
Subtotal	<u>3,154,893</u>	<u>3,154,893</u>	<u>2,994,938</u>	<u>159,955</u>
<i>Total Public Protection</i>	<u>75,093,509</u>	<u>77,638,181</u>	<u>74,989,468</u>	<u>2,648,713</u>
<i>Public Ways and Facilities:</i>				
Public Works/Engineering				
Salaries and benefits	5,601,274	5,517,774	5,291,148	226,626
Services and supplies	782,607	866,107	834,337	31,770
Subtotal	<u>6,383,881</u>	<u>6,383,881</u>	<u>6,125,485</u>	<u>258,396</u>

continued

COUNTY OF NAPA

Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Road Department				
Services and supplies	\$ 915,000	\$ 915,000	\$ 163,217	\$ 751,783
Subtotal	915,000	915,000	163,217	751,783
<i>Total Public Ways and Facilities</i>	<u>7,298,881</u>	<u>7,298,881</u>	<u>6,288,702</u>	<u>1,010,179</u>
<i>Health and Sanitation:</i>				
Public Health Department				
Salaries and benefits	5,908,320	6,060,570	5,954,747	105,823
Services and supplies	2,467,590	2,447,447	2,140,324	307,123
Other charges	3,190,217	3,062,967	3,062,967	--
Subtotal	<u>11,566,127</u>	<u>11,570,984</u>	<u>11,158,038</u>	<u>412,946</u>
Local Enforcement Program				
Salaries and benefits	238,032	248,032	240,748	7,284
Services and supplies	47,160	47,160	44,080	3,080
Capital assets	3,000	3,000	--	3,000
Subtotal	<u>288,192</u>	<u>298,192</u>	<u>284,828</u>	<u>13,364</u>
Mental Health				
Salaries and benefits	9,428,629	9,151,818	8,788,061	363,757
Services and supplies	4,108,155	3,975,146	3,975,190	(44)
Other charges	6,248,000	6,936,981	6,658,168	278,813
Subtotal	<u>19,784,784</u>	<u>20,063,945</u>	<u>19,421,419</u>	<u>642,526</u>
Substance Abuse Services				
Salaries and benefits	2,660,548	2,660,548	2,489,270	171,278
Services and supplies	1,971,879	2,031,879	1,899,636	132,243
Subtotal	<u>4,632,427</u>	<u>4,692,427</u>	<u>4,388,906</u>	<u>303,521</u>
Health and Human Services Admin				
Salaries and benefits	3,266,808	3,055,316	3,055,316	--
Services and supplies	1,618,006	1,521,537	1,468,283	53,254
Transfers out	655,245	655,245	456,174	199,071
Subtotal	<u>5,540,059</u>	<u>5,232,098</u>	<u>4,979,773</u>	<u>252,325</u>
<i>Total Health and Sanitation</i>	<u>41,811,589</u>	<u>41,857,646</u>	<u>40,232,964</u>	<u>1,624,682</u>
<i>Public Assistance:</i>				
Social Services				
Salaries and benefits	13,688,955	13,434,011	13,400,160	33,851
Services and supplies	5,167,515	5,009,169	4,750,147	259,022
Other charges	10,987,850	11,953,814	11,884,866	68,948
Subtotal	<u>29,844,320</u>	<u>30,396,994</u>	<u>30,035,173</u>	<u>361,821</u>
Workforce Investment Act				
Services and supplies	15,309	15,309	6,247	9,062
Subtotal	<u>15,309</u>	<u>15,309</u>	<u>6,247</u>	<u>9,062</u>

continued

COUNTY OF NAPA

Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
In Home Supportive Services				
Salaries and benefits	\$ 236,563	\$ 267,563	\$ 259,370	\$ 8,193
Services and supplies	14,512	14,512	13,337	1,175
Subtotal	<u>251,075</u>	<u>282,075</u>	<u>272,707</u>	<u>9,368</u>
Care of Juvenile Court Wards				
Services and supplies	13,306	23,306	20,059	3,247
Other charges	693,888	683,888	539,500	144,388
Subtotal	<u>707,194</u>	<u>707,194</u>	<u>559,559</u>	<u>147,635</u>
<i>Total Public Assistance</i>	<u>30,817,898</u>	<u>31,401,572</u>	<u>30,873,686</u>	<u>527,886</u>
<i>Education:</i>				
U. C. Cooperative Extension				
Salaries and benefits	246,196	246,196	239,177	7,019
Services and supplies	166,805	166,805	147,763	19,042
Subtotal	<u>413,001</u>	<u>413,001</u>	<u>386,940</u>	<u>26,061</u>
<i>Total Education</i>	<u>413,001</u>	<u>413,001</u>	<u>386,940</u>	<u>26,061</u>
<i>Recreation and Cultural Services:</i>				
Parks				
Services and supplies	868,165	918,165	51,393	866,772
Subtotal	<u>868,165</u>	<u>918,165</u>	<u>51,393</u>	<u>866,772</u>
<i>Total Recreation and Cultural Services</i>	<u>868,165</u>	<u>918,165</u>	<u>51,393</u>	<u>866,772</u>
Total Charges to Appropriations	<u>207,797,393</u>	<u>212,232,949</u>	<u>191,274,071</u>	<u>20,958,878</u>
Budgetary fund balances, June 30	<u>\$ 34,780,249</u>	<u>\$ 35,211,048</u>	<u>\$ 50,967,297</u>	<u>\$ 15,756,249</u>

continued

COUNTY OF NAPA

Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2009

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

Sources/inflows of resources

Actual amounts (budgetary basis) "available for appropriation" from the Budgetary Comparison Statement	\$ 192,270,061
Differences - budget to GAAP:	
Reimbursements from other funds are inflows of budgetary resources but not revenues for financial reporting purposes	(1,025,582)
Transfers from other funds are inflows of budgetary resources but not revenues for financial reporting purposes	<u>(8,232,826)</u>
Total revenues as reported on the Statement of Revenue, Expenditures and Changes in Fund Balances - Governmental Funds	<u>\$ 183,011,653</u>

Uses/outflows of resources

Actual amounts (budgetary basis) "total charges to appropriations" from the Budgetary Comparison Statement	\$ 191,274,071
Differences - budget to GAAP:	
Costs reimbursed by other funds are outflows of budgetary resources but not expenditures for financial reporting purposes	(1,025,582)
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes	<u>(7,790,119)</u>
Total expenditures as reported on the Statement of Revenue, Expenditures and Changes in Fund Balances - Governmental Funds	<u>\$ 182,458,370</u>

COUNTY OF NAPA

Budgetary Comparison Schedule
 Napa County Flood Protection and Watershed Improvement Authority
 For the Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balances, Beginning	\$ 44,648,767	\$ 44,648,767	\$ 44,648,767	\$ --
Resources (inflows):				
Taxes	14,300,000	14,300,000	12,774,412	(1,525,588)
Revenue from use of money and property	618,000	618,000	1,347,460	729,460
Transfers in	5,150	5,150	--	(5,150)
Amounts available for appropriation	<u>14,923,150</u>	<u>14,923,150</u>	<u>14,121,872</u>	<u>(801,278)</u>
Charges to appropriations (outflows):				
Public way and facilities	17,260,102	19,200,102	2,389,629	16,810,473
Debt service	5,440,375	5,444,475	5,444,450	25
Total charges to appropriations	<u>22,700,477</u>	<u>24,644,577</u>	<u>7,834,079</u>	<u>16,810,498</u>
Budgetary fund balances, Ending	<u>\$ 36,871,440</u>	<u>\$ 34,927,340</u>	<u>\$ 50,936,560</u>	<u>\$ 16,009,220</u>

COUNTY OF NAPA

Budgetary Comparison Schedule
Affordable Housing
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive
				(Negative)
Budgetary fund balances, Beginning	\$ 22,164,101	\$ 22,164,101	\$ 22,164,101	\$ --
Resources (inflows):				
Revenue from use of money and property	200,000	200,000	303,099	103,099
Charges for services	2,500,000	2,500,000	3,059,571	559,571
Amounts available for appropriation	<u>2,700,000</u>	<u>2,700,000</u>	<u>3,362,670</u>	<u>662,670</u>
Charges to appropriations (outflows):				
Services and supplies	2,267,148	2,167,148	561,090	1,606,058
Transfers out	75,000	175,000	100,000	75,000
Total charges to appropriations	<u>2,342,148</u>	<u>2,342,148</u>	<u>661,090</u>	<u>1,681,058</u>
Budgetary fund balances, Ending	<u>\$ 22,521,953</u>	<u>\$ 22,521,953</u>	<u>\$ 24,865,681</u>	<u>\$ 2,343,728</u>

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

Uses/outflows of resources

Actual amounts (budgetary basis) "total charges to appropriations" from the Budgetary Comparison Statement \$ 661,090

Differences - budget to GAAP:

Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes. (100,000)

Total expenditures as reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances - Governmental Funds \$ 561,090

COUNTY OF NAPA

Budgetary Comparison Schedule
Roads
For the Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
Budgetary fund balances, Beginning	\$ 2,256,961	\$ 2,256,961	\$ 2,256,961	\$ --
Resources (inflows):				
Licenses and permits	60,000	60,000	39,325	(20,675)
Revenue from use of money and property	40,000	40,000	16,919	(23,081)
Aid from other governments	12,713,648	12,713,648	7,490,303	(5,223,345)
Charges for services	100,000	100,000	29,096	(70,904)
Contributions and donations	--	--	46,536	46,536
Other	52,200	52,200	13,597	(38,603)
Transfers in	<u>2,839,321</u>	<u>2,842,438</u>	<u>2,854,581</u>	<u>12,143</u>
Amounts available for appropriation	<u>15,805,169</u>	<u>15,808,286</u>	<u>10,490,357</u>	<u>(5,317,929)</u>
Charges to appropriations (outflows):				
Salaries and employee benefits	2,935,494	2,935,494	2,895,153	40,341
Services and supplies	11,821,714	11,791,008	7,483,049	4,307,959
Capital assets	3,702,560	3,922,560	1,284,051	2,638,509
Transfers out	<u>166,000</u>	<u>166,000</u>	<u>--</u>	<u>166,000</u>
Total charges to appropriations	<u>18,625,768</u>	<u>18,815,062</u>	<u>11,662,253</u>	<u>7,152,809</u>
Budgetary fund balances, Ending	<u>\$ (563,638)</u>	<u>\$ (749,815)</u>	<u>\$ 1,085,065</u>	<u>\$ 1,834,880</u>

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

Sources/inflows of resources

Actual amounts (budgetary basis) "available for appropriation" from Budgetary Comparison Statement \$ 10,490,357

Differences - budget to GAAP:

Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes. (2,854,581)

Total revenues as reported on the Statement of Revenue, Expenditures and Changes in Fund Balances - Governmental Funds \$ 7,635,776

COUNTY OF NAPA

Note to Required Supplementary Information
For the Year Ended June 30, 2009

BUDGETARY BASIS OF ACCOUNTING

In accordance with the provisions of Sections 29000 and 29143, inclusive, of the California Government Code and other statutory provisions, commonly known as the County Budget Act, the County prepares a budget for each fiscal year on or before August 30. Budgeted expenditures are enacted into law through the passage of an Appropriation Resolution. This resolution mandates the maximum authorized expenditures for the fiscal year and cannot be exceeded except by subsequent amendments to the budget by the County's Board of Supervisors.

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

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

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

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



Photography by Barry S. Christian

The Jack and Bernice Newell Open Space Preserve, American Canyon

SUPPLEMENTARY INFORMATION

**COMBINING AND INDIVIDUAL
FUND STATEMENTS AND SCHEDULES**



River Ranch Farmworkers Center, St. Helena

NONMAJOR GOVERNMENTAL FUNDS



Napa Valley Wine Train

COUNTY OF NAPA

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2009

	Special Revenue	Capital Projects	Debt Service	Total
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u>ASSETS</u>				
Cash and investments	\$ 45,896,544	\$ 18,884,395	\$ 170,265	\$ 64,951,204
Restricted assets:				
Cash with fiscal agent	--	--	1,330,954	1,330,954
Imprest cash	77,089	--	--	77,089
Receivable (Net):				
Taxes	866,285	--	--	866,285
Special assessments	18,245	--	--	18,245
Accounts receivable	29,752	--	--	29,752
Due from other government agencies	3,646,491	--	--	3,646,491
Prepaid expenses	10,833	--	--	10,833
Advances to other funds	--	--	1,060,200	1,060,200
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 50,545,239</u>	<u>\$ 18,884,395</u>	<u>\$ 2,561,419</u>	<u>\$ 71,991,053</u>
<u>LIABILITIES</u>				
Accounts payable	\$ 585,819	\$ 5	\$ --	\$ 585,824
Accrued payroll	335,768	--	--	335,768
Due to other funds	396,002	--	--	396,002
Due to other government agencies	267,367	135,942	--	403,309
Deferred revenue	2,174,638	--	--	2,174,638
Unearned revenue	50,000	--	--	50,000
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u>3,809,594</u>	<u>135,947</u>	<u>--</u>	<u>3,945,541</u>
<u>FUND BALANCES</u>				
Reserved for:				
Encumbrances	538,444	--	--	538,444
General	2,568,645	--	--	2,568,645
Imprest cash	77,089	--	--	77,089
Loans receivable and advances	--	--	1,060,200	1,060,200
Unreserved:				
Designated	14,238,996	17,146,406	--	31,385,402
Undesignated:				
Special revenue funds	29,312,471	--	--	29,312,471
Capital projects funds	--	1,602,042	--	1,602,042
Debt service funds	--	--	1,501,219	1,501,219
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Fund Balances	<u>46,735,645</u>	<u>18,748,448</u>	<u>2,561,419</u>	<u>68,045,512</u>
Total Liabilities and Fund Balances	<u>\$ 50,545,239</u>	<u>\$ 18,884,395</u>	<u>\$ 2,561,419</u>	<u>\$ 71,991,053</u>

COUNTY OF NAPA

Combining Statement of Revenues, Expenditures and
Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2009

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Debt Service</u>	<u>Total</u>
Revenues:				
Taxes	\$ 14,683,179	\$ --	\$ --	\$ 14,683,179
Licenses and permits	2,275,835	--	--	2,275,835
Fines, forfeitures and penalties	1,458,193	531,872	--	1,990,065
Revenue from use of money and property	1,509,542	574,828	20,274	2,104,644
Aid from other governments	12,545,980	--	--	12,545,980
Charges for services	4,451,976	--	--	4,451,976
Contributions and donations	54,492	919,068	--	973,560
Other revenue	61,779	--	--	61,779
Total Revenues	<u>37,040,976</u>	<u>2,025,768</u>	<u>20,274</u>	<u>39,087,018</u>
Expenditures:				
Current:				
General government	--	145,426	--	145,426
Public protection	17,562,515	--	--	17,562,515
Public assistance	675,900	--	--	675,900
Health and sanitation	914,921	--	--	914,921
Education	6,159,823	--	--	6,159,823
Recreation and cultural services	1,113,440	--	--	1,113,440
Capital outlay	--	3,921,501	--	3,921,501
Debt Service:				
Principal	--	--	2,400,000	2,400,000
Interest and fiscal charges	--	--	1,508,888	1,508,888
Administration, issuance and arbitrage fees	--	--	8,345	8,345
Total Expenditures	<u>26,426,599</u>	<u>4,066,927</u>	<u>3,917,233</u>	<u>34,410,759</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>10,614,377</u>	<u>(2,041,159)</u>	<u>(3,896,959)</u>	<u>4,676,259</u>
Other Financing Sources (Uses):				
Transfers in	1,844,253	--	3,603,182	5,447,435
Transfers out	(8,108,218)	(504,442)	--	(8,612,660)
Total Other Financing Sources (Uses)	<u>(6,263,965)</u>	<u>(504,442)</u>	<u>3,603,182</u>	<u>(3,165,225)</u>
Net change in fund balances	4,350,412	(2,545,601)	(293,777)	1,511,034
Fund Balance - Beginning of Year	<u>42,385,233</u>	<u>21,294,049</u>	<u>2,855,196</u>	<u>66,534,478</u>
Fund Balance - End of Year	<u>\$ 46,735,645</u>	<u>\$ 18,748,448</u>	<u>\$ 2,561,419</u>	<u>\$ 68,045,512</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.

Fire Protection Assessment

This fund collects the delinquent amounts of direct assessments for fire protection services for all unincorporated parcels. This direct assessment was discontinued after the 1999-2000 fiscal year. This fund was closed out in FY2008-2009.

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. In previous years, the Board approved fee increases designed to ensure that Building Inspection revenues covered service delivery costs. This action will ensure 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.

NONMAJOR SPECIAL REVENUE FUNDS (continued):

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. IHSS is a state-mandated program funded through a combination of federal, state and local funds.

Zone 1 Garbage

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

Child Support Services

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

Library

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

Special Projects Fund

This fund was established so that the Board of Supervisors can allocate monies from the General Fund for specific parks, open space and/or visitor management projects the Board deems appropriate.

General Government Special Revenue Funds

- **Small Business Loans** - This fund originated from the proceeds of a \$300,000 loan agreement funded by a Community Development Block Grant. In accordance with the Re-use Plan, the proceeds from the loan plus interest have been used to establish and administer a Revolving Loan Fund. The funds are loaned to businesses located in the unincorporated area of the County. Businesses must demonstrate financial need and must demonstrate at least 60% benefit to the targeted income group.

NONMAJOR SPECIAL REVENUE FUNDS (continued):

General Government Special Revenue Funds (continued)

- Housing Rehabilitation Repayment - Program revenue from a CDBG grant for low-income housing rehabilitation loans, which are administered and maintained by Napa Valley Community Housing Authority in accordance with Professional Services Agreement No. 2946.
- Tobacco Settlement Fund - Pursuant to California Health and Safety Code Section 104555 through 104557 and Senate Bill Number 822, the State of California has collected funds from tobacco manufacturers and apportioned a percentage to the County of Napa.
- State/County Property Tax Administration – AB818 - Proceeds from Grant Agreement 3770 for the State-County Property Tax Administration Program.
- Social Security Truncation Fees – Pursuant to Assembly Bill 1168, additional recording fees are charged and collected to implement a social security number truncation program.

Public Protection Special Revenue Funds

- Inmate Welfare – Holds revenues from canteen sales and payphone commissions pursuant to Penal Code 4025, to be used for the benefit, education and welfare of the inmates confined within the jail.
- Section 1463.14 Lab Analysis Fees - The California Penal Code provides for the fine collected in relation to specified driving offenses to pay for the cost of performing blood-alcohol/drug testing.
- Asset Forfeiture, District Attorney - In accordance with Health & Safety Code section 11489, when the Department participates in an arrest in which property is seized and forfeited to a local governmental entity, the money forfeited or the proceeds of sale, and any interest accrued thereon, shall be distributed by the state or local governmental entity according to the rules of the Code. The proceeds can be utilized to supplement and not supplant the Department's expenses.
- Proposition 64 Civil Penalties – Business & Professions Code 17206 penalties received by the District Attorney to be used for the enforcement of consumer protection laws.
- Hazardous Waste Enforcement - State law requires fines collected to be used in the Hazardous Waste Program pursuant to California Health and Safety Code Section 25192. Twenty-five percent of all civil and criminal penalties collected pursuant to this chapter or Chapter 6.6 (commencing with Section 25249.5) shall be paid directly to the office of the District Attorney who brought the case to be used for activities directly related to the investigation and prosecution of environmental cases.

NONMAJOR SPECIAL REVENUE FUNDS (continued):

Public Protection Special Revenue Funds (continued)

- Vehicle Registration Assessment - Section 9250.14 of the California Vehicle Code provides, upon the adoption of a resolution by the County Board of Supervisors, for a one dollar fee to be paid on registration and renewal of registration of vehicles. The money collected is used to fund programs that enhance the capacity of local police and prosecutors to deter, investigate, and prosecute vehicle theft crimes. The Board of Supervisors authorized the collection of the fee at its meeting on May 1, 2001, Resolution 01-57.
- Consumer Affairs - This fund was established by court order using California Business and Professions Code section 17203. Under section 17203 any person who engages, has engaged, or proposes to engage in unfair competition may be enjoined in any court of competent jurisdiction to make a payment to the local consumer affairs agency to offset future costs associated with preventing future consumer affairs violations.
- Civil Equipment Trust - Pursuant to Government Code Section 26731, this Fund was established to accumulate a portion of the fees collected for serving, executing and processing legal documents. Ninety-Five percent (95%) of the \$5 fee collected by the Civil Division shall be used to supplement the implementation, maintenance and purchase of auxiliary equipment and furnishings for automated systems or other non-automated operational equipment and furnishings deemed necessary for the Department's civil division. Five percent (5%) of the \$5 fee shall be used to supplement the expenses of the Department's civil division.
- Fingerprint ID – Proceeds from vehicle licensing fees to be used for fingerprinting equipment and processes.
- DARE – Donation proceeds specifically used for (Drug Abuse Resistance Education) DARE supplies and programs.
- Asset Forfeiture, Sheriff - In accordance with Health & Safety Code section 11489, when the Department participates in an arrest in which property is seized and forfeited to a local governmental entity, the money forfeited or the proceeds of sale, and any interest accrued thereon, shall be distributed by the state or local governmental entity according to the rules of the Code. The proceeds can be utilized to supplement and not supplant the Department's expenses.
- Debtor Assessment Fee - This fund is compliant with Government Code Section 26746 that authorizes a fee for debtor collection services in connection with a judgment for a writ of attachment, execution, possession, or sale from the local child support agency. Moneys in the fund shall be expended to supplement the County's cost as follows: seventy percent is for vehicle fleet replacement and equipment for the sheriff, thirty percent is for vehicle and equipment maintenance for the sheriff as well as for the county's expenses in administering the funds.

NONMAJOR SPECIAL REVENUE FUNDS (continued):

Public Protection Special Revenue Funds (continued)

- CLEEP Law Enforcement Equipment – State funds to be used for the purchase of high-technology equipment.
- Rabies Eradication & Control – A tax levied for every dog license to be used for the purpose eradication of rabies pursuant to Health & Safety Code section 121635.
- NSIB - Community Services – A percentage of Asset Forfeitures specifically allocated to combat drug abuse and divert gang activity.
- Asset Forfeiture, NSIB - In accordance with Health & Safety Code section 11489, when the Department participates in an arrest in which property is seized and forfeited to a local governmental entity, the money forfeited or the proceeds of sale, and any interest accrued thereon, shall be distributed by the state or local governmental entity according to the rules of the Code. The proceeds can be utilized to supplement and not supplant the Department's expenses.
- Bureau of Narcotic Enforcement – State funds to be used to offset investigative expenses for narcotic cases.
- Drug Enforcement Agency – Federal funds to be used for marijuana eradication.
- Indigent Burial – Portion of burial permits to be used to reimburse the Coroner for the cost of burying indigents.
- COPS Juvenile Justice (odd & even years) – AB1913 (2000) created the Crime Prevention Act of 2000 which has been re-titled the Juvenile Justice Crime Prevention Act (JJCPA). The JJCPA supports community-based programs that are effective in reducing crime and delinquency among at-risk youth and young offenders.
- Judge Blanckenburg Youth Fund - This fund was established to receive and disburse donations to enhance the rehabilitation of youthful offenders and prevent juvenile delinquency in the Napa community. Also, those children about to be or are declared dependent children of the court may receive benefits from the fund.
- Asset Forfeiture, Probation - In accordance with Health & Safety Code section 11489, when the Department participates in an arrest in which property is seized and forfeited to a local governmental entity, the money forfeited or the proceeds of sale, and any interest accrued thereon, shall be distributed by the state or local governmental entity according to the rules of the Code. The proceeds can be utilized to supplement and not supplant the Department's expenses.

NONMAJOR SPECIAL REVENUE FUNDS (continued):

Public Protection Special Revenue Funds (continued)

- Chamberlain High School – Donations received to be used for Chamberlain High School student activities.
- Mary Arnold Trust Fund - The will of the late Mary Arnold in 1919 left \$2,072.81 along with interest earned on the funds endowed and other effects to the County of Napa for the sole use and benefit of the Napa County Juvenile Hall. The Chairman of the Board of Supervisors and the Judge of the Probation Court (Juvenile Court) shall authorize disbursements from the fund upon the recommendation of the Napa County Chief Probation Officer.
- Weights and Measures – Fines and penalties of criminal and civil violations of Weights and Measures rules and regulations, to be used for equipment purchases, training and supplies related to enforcement of these rules and requirements.
- Municipal Court Automated Warrant - The courts are authorized to impose a \$15 assessment upon every person who violated their written promise to appear in court in accordance with Penal Code Section 853.7a, Vehicle Code 40508.5 and Resolution 87-2 adopted on January 6, 1987. The funds are to be used first for developing and operating an automated county warrant system. If sufficient funds are available then a county may use the balance to fund a warrant task force service for purposes of serving all bench warrants within the county.
- Micrographics Fund – This fund was established in accordance with California Government Code Section 27361.4, to collect one dollar (\$1) for filing every instrument, paper, or notice for record, in order to defray the cost of converting the Recorder-County Clerk Division's document storage system to micrographics. Upon completion of this conversion and payment of the costs therefore, this additional fee shall no longer be imposed.
- Modernization Fund - In addition to the collection of fees for recording and indexing every instrument, paper, or notice required by or permitted by law to be recorded pursuant to California Government Code section 27361(c), an additional fee can be collected in the amount of three dollars (\$3) for recording the first page and one dollar (\$1) for each additional page. This additional fee is deposited into this fund and shall be available solely to support, maintain, improve, and provide for full operation for modernized creation, retention, and retrieval of information in the County's system of recorded documents.
- Vital and Health Statistic Fund - California Health and Safety Code Section 103640 mandates a surcharge on certified copies of birth, fetal death, death, and marriage records purchased by any applicant. The moneys in the fund shall be available to the public official charged with the collection of fees to defray the administrative costs of collecting and reporting with respect to those fees and for other costs associated with the modernization and improvement of vital record operations, analysis of health-related birth and death certificate information, and other community health data.

NONMAJOR SPECIAL REVENUE FUNDS (continued):

Public Protection Special Revenue Funds (continued)

- Seismic Education and Data Utilization Fund - Established in accordance with Public Resources Code Section 2705 and Resolution 91-43 that authorizes counties to retain up to 5 percent of the fees collected at the issuance of a building permit for data utilization and seismic education within the county.
- Telecommunications Fund - Established pursuant to County Code Section 18.119.015(C), monies deposited into this fund may be used by the County or its agents to ensure security compliance with respect to any telecommunications facility in the County.

Public Ways and Facilities Special Revenue Funds

- Airport Mitigation Fees – Fees from all new development and reconstruction within the Airport Industrial Area to provide funding for road improvements necessitated by development within the area, as established by Resolution 90-152.
- American Canyon Traffic Mitigation Fees – Fees from all new development and reconstruction within the Airport Industrial Area to provide funding for improvements to and/or extend Devlin Road from Tower Road to Airpark Road, including the construction of a two lane bridge with pedestrian and bike lanes across Fagan Creek.

Health and Sanitation Special Revenue Funds

- AIDS Education - California Penal Code Section 1463.23 states that fifty dollars (\$50) of each fine imposed pursuant to various code sections shall be used exclusively to pay for the reasonable costs of establishing and providing for the county, or any city within the county, an AIDS (acquired immune deficiency syndrome) education program.
- Bio-terrorism – Sections 101315 to 101320 of the Health and Safety Code establishes certain funding for local bio-terrorism preparedness and emergency response.
- Emergency Medical Services – Proceeds from penalty assessments to be utilized to reimburse physicians, surgeons and hospitals for patients who do not make payment for emergency medical services and for other emergency medical services purposes as determined by each county.

NONMAJOR SPECIAL REVENUE FUNDS (continued):

Health and Sanitation Special Revenue Funds (continued):

- Vital and Health Statistics - California Health and Safety Code Section 103640 mandates a surcharge on certified copies of birth, fetal death, death, and marriage records purchased by any applicant. The moneys in the fund shall be available to the public official charged with the collection of fees to defray the administrative costs of collecting and reporting with respect to those fees. The moneys shall also be available for other costs associated with the modernization and improvement of vital record operations, analysis of health-related birth and death certificate information, and other community health data.
- Pandemic Flu - State and Federal allocations for activities to prevent and address outbreaks of pandemic flu.
- Health Resources and Services – As an agent of the US Health and Human Services Department, the County receives Federal funds to prepare hospitals, clinics and other healthcare providers for public health emergencies.
- Managed Care – State funds allocated to be used in line with the Welfare and Institutions Code Sections 5775 to 5781.
- MHSA - The passage of Proposition 63 (now known as the Mental Health Services Act or MHSA) in November 2004, provided increased funding to support county mental health programs. The Act addressed a broad continuum of prevention, early intervention and community service needs and the necessary infrastructure, facility, technology and training elements that will effectively support expanded mental health services.
- Alcohol Abuse Education/Prevention - Established by California Penal Code Section 1463.25 for the money collected from alcohol abuse education and prevention penalty assessments, based on California Vehicle Code Section 23196 to be used for the county alcohol abuse and prevention program.
- Drug Program Fees - In accordance with California Health and Safety Code Section 11372.7, revenue from court fines for criminal violations related to drug use, possession and distribution, to be used for drug abuse programs in schools and the community.
- Proposition 36 Crime Prevention Act 2000 – Allocations from the State Department of Alcohol and Drug Programs to provide drug treatment rather than incarceration on first or second time non-violent adult drug offenders who use, possess, or transport illegal drugs for personal use.
- Tobacco Control - Revenue from the California Tobacco Control Program is utilized to reduce smoking, to provide health care services to indigents, to support tobacco-related research and to fund resource programs for the environment.

NONMAJOR SPECIAL REVENUE FUNDS (continued):

Health and Sanitation Special Revenue Funds (continued):

- Hazardous Waste Enforcement - Established pursuant to California Health and Safety Code Section 25192. Twenty-five (25) percent of all civil and criminal penalties collected pursuant to this chapter or Chapter 6.6 (commencing with Section 25249.5) are deposited in the fund and used to enforce the Hazardous Waste Control Act.

Public Assistance Special Revenue Funds

- County Children's Fund - Fees for birth certificates, collected pursuant to section 103625 of the Health and Safety code, grants, gifts, bequests from private sources or any funds appropriated to the county to be used for child abuse, neglect and intervention programs.
- Clerk's Domestic Violence Fund – Fees collected at the issuance of a marriage license pursuant to section 26840 of the Government Code, are in full for all services of the Clerk and Recorder in connection with the issuance of a marriage license and the filing of a certificate of registry of marriage.
- Senate Bill 163 Wraparound – State and Federal funds appropriated under Sections 18250-18257 of the Welfare and Institutions Code provide for the provision of service alternatives to group home care through the development of expanded family-based service programs.
- Care of Court Wards IVA-IVE – Title IV-E monies are appropriated based on the activities of the Juvenile Probation Officers and are passed through to the Probation Department from Social Services. These funds are used to offset expenses related to the care and welfare of minors.

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.

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.

NONMAJOR SPECIAL REVENUE FUNDS (continued):

VARIOUS SPECIAL DISTRICTS UNDER BOARD (continued):

Silverado Community Services

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

Monticello Public Cemetery

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

Monticello Endowment

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



Napa County Historical Courthouse

COUNTY OF NAPA

Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2009

	<u>Fire Protection</u>	<u>Fire Protection Assessment</u>	<u>Wildlife Conservation Commission</u>	<u>Building and Code Enforcement</u>
<u>ASSETS</u>				
Cash and investments	\$ 10,040,480	\$ --	\$ 192,411	\$ 1,221,376
Imprest cash	--	--	--	--
Receivable (Net):				
Taxes	345,516	--	--	--
Special assessments	170	--	--	--
Accounts receivable	11,597	--	873	--
Due from other government agencies	783,529	--	--	--
Prepaid expenses	--	--	--	--
	<hr/>	<hr/>	<hr/>	<hr/>
Total Assets	<u>\$ 11,181,292</u>	<u>\$ --</u>	<u>\$ 193,284</u>	<u>\$ 1,221,376</u>
<u>LIABILITIES</u>				
Accounts payable	\$ 336,329	\$ --	\$ 8,000	\$ 28,085
Accrued payroll	--	--	--	67,877
Due to other funds	--	--	--	--
Due to other government agencies	267,367	--	--	--
Deferred revenue	18,193	--	--	--
Unearned revenue	--	--	--	--
	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities	<u>621,889</u>	<u>--</u>	<u>8,000</u>	<u>95,962</u>
<u>FUND BALANCES</u>				
Reserved for:				
Encumbrances	379,824	--	--	--
General	137,043	--	26,960	--
Imprest cash	--	--	--	--
Unreserved:				
Designated for:				
Equipment purchases	5,354,954	--	--	--
Library expansion	--	--	--	--
Future program costs	--	--	140,495	1,101,586
Capital maintenance and repairs	--	--	--	--
Undesignated:				
Special revenue funds	4,687,582	--	17,829	23,828
	<hr/>	<hr/>	<hr/>	<hr/>
Total Fund Balances	<u>10,559,403</u>	<u>--</u>	<u>185,284</u>	<u>1,125,414</u>
	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities and Fund Balances	<u>\$ 11,181,292</u>	<u>\$ --</u>	<u>\$ 193,284</u>	<u>\$ 1,221,376</u>

continued

COUNTY OF NAPA

Combining Balance Sheet (continued)
 Nonmajor Special Revenue Funds
 June 30, 2009

	<u>IHSS</u>	<u>Zone 1 Garbage</u>	<u>Child Support Services</u>	<u>Library</u>
<u>ASSETS</u>				
Cash and investments	\$ --	\$ 967,458	\$ 5,831	\$ 9,118,670
Imprest cash	--	--	300	76,789
Receivable (Net):				
Taxes	--	--	--	514,539
Special assessments	--	--	--	--
Accounts receivable	--	--	--	504
Due from other government agencies	437,191	--	251,096	--
Prepaid expenses	--	--	10,833	--
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 437,191</u>	<u>\$ 967,458</u>	<u>\$ 268,060</u>	<u>\$ 9,710,502</u>
<u>LIABILITIES</u>				
Accounts payable	\$ 49,151	\$ 2,312	\$ 91,729	\$ 44,559
Accrued payroll	--	--	121,528	146,363
Due to other funds	396,002	--	--	--
Due to other government agencies	--	--	--	--
Deferred revenue	--	--	63,047	--
Unearned revenue	--	--	--	--
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u>445,153</u>	<u>2,312</u>	<u>276,304</u>	<u>190,922</u>
<u>FUND BALANCES</u>				
Reserved for:				
Encumbrances	--	--	--	158,620
General	--	--	--	2,388,690
Imprest cash	--	--	300	76,789
Unreserved:				
Designated for:				
Equipment purchases	--	--	--	--
Library expansion	--	--	--	5,461,067
Future program costs	--	965,146	--	--
Capital maintenance and repairs	--	--	--	--
Undesignated:				
Special revenue funds	(7,962)	--	(8,544)	1,434,414
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Fund Balances	<u>(7,962)</u>	<u>965,146</u>	<u>(8,244)</u>	<u>9,519,580</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities and Fund Balances	<u>\$ 437,191</u>	<u>\$ 967,458</u>	<u>\$ 268,060</u>	<u>\$ 9,710,502</u>

continued

COUNTY OF NAPA

Combining Balance Sheet (continued)
 Nonmajor Special Revenue Funds
 June 30, 2009

	<u>Special Projects</u>	<u>General Government</u>	<u>Public Protection</u>	<u>Public Ways & Facilities</u>
<u>ASSETS</u>				
Cash and investments	\$ 1,249,453	\$ 10,884,037	\$ 6,155,382	\$ 2,646,041
Imprest cash	--	--	--	--
Receivable (Net):				
Taxes	--	--	--	--
Special assessments	--	--	--	--
Accounts receivable	--	--	16,778	--
Due from other government agencies	--	--	--	--
Prepaid expenses	--	--	--	--
	<hr/>	<hr/>	<hr/>	<hr/>
Total Assets	<u>\$ 1,249,453</u>	<u>\$ 10,884,037</u>	<u>\$ 6,172,160</u>	<u>\$ 2,646,041</u>
<u>LIABILITIES</u>				
Accounts payable	\$ 7,545	\$ --	\$ 12,615	\$ --
Accrued payroll	--	--	--	--
Due to other funds	--	--	--	--
Due to other government agencies	--	--	--	--
Deferred revenue	--	--	--	--
Unearned revenue	--	--	50,000	--
	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities	<u>7,545</u>	<u>--</u>	<u>62,615</u>	<u>--</u>
<u>FUND BALANCES</u>				
Reserved for:				
Encumbrances	--	--	--	--
General	--	--	--	--
Imprest cash	--	--	--	--
Unreserved:				
Designated for:				
Equipment purchases	--	--	--	--
Library expansion	--	--	--	--
Future program costs	996,789	--	--	--
Capital maintenance and repairs	--	--	--	--
Undesignated:				
Special revenue funds	245,119	10,884,037	6,109,545	2,646,041
	<hr/>	<hr/>	<hr/>	<hr/>
Total Fund Balances	<u>1,241,908</u>	<u>10,884,037</u>	<u>6,109,545</u>	<u>2,646,041</u>
	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities and Fund Balances	<u>\$ 1,249,453</u>	<u>\$ 10,884,037</u>	<u>\$ 6,172,160</u>	<u>\$ 2,646,041</u>

continued

COUNTY OF NAPA

Combining Balance Sheet (continued)
 Nonmajor Special Revenue Funds
 June 30, 2009

	<u>Health and Sanitation</u>	<u>Public Assistance</u>	<u>Various Special Districts Under Board</u>	<u>Total</u>
<u>ASSETS</u>				
Cash and investments	\$ 2,483,173	\$ 376,925	\$ 555,307	\$ 45,896,544
Imprest cash	--	--	--	77,089
Receivable (Net):				
Taxes	--	--	6,230	866,285
Special assessments	--	--	18,075	18,245
Accounts receivable	--	--	--	29,752
Due from other government agencies	2,101,396	73,279	--	3,646,491
Prepaid expenses	--	--	--	10,833
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 4,584,569</u>	<u>\$ 450,204</u>	<u>\$ 579,612</u>	<u>\$ 50,545,239</u>
<u>LIABILITIES</u>				
Accounts payable	\$ --	\$ --	\$ 5,494	\$ 585,819
Accrued payroll	--	--	--	335,768
Due to other funds	--	--	--	396,002
Due to other government agencies	--	--	--	267,367
Deferred revenue	2,093,398	--	--	2,174,638
Unearned revenue	--	--	--	50,000
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u>2,093,398</u>	<u>--</u>	<u>5,494</u>	<u>3,809,594</u>
<u>FUND BALANCES</u>				
Reserved for:				
Encumbrances	--	--	--	538,444
General	--	--	15,952	2,568,645
Imprest cash	--	--	--	77,089
Unreserved:				
Designated for:				
Equipment purchases	--	--	--	5,354,954
Library expansion	--	--	--	5,461,067
Future program costs	--	--	--	3,204,016
Capital maintenance and repairs	--	--	218,959	218,959
Undesignated:				
Special revenue funds	2,491,171	450,204	339,207	29,312,471
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Fund Balances	<u>2,491,171</u>	<u>450,204</u>	<u>574,118</u>	<u>46,735,645</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities and Fund Balances	<u>\$ 4,584,569</u>	<u>\$ 450,204</u>	<u>\$ 579,612</u>	<u>\$ 50,545,239</u>

COUNTY OF NAPA

Combining Statement of Revenues, Expenditures and
Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2009

	Fire Protection	Fire Protection Assessment	Wildlife Conservation Commission	Building and Code Enforcement
Revenues:				
Taxes	\$ 8,581,163	\$ --	\$ --	\$ --
Licenses and permits	491,876	--	--	1,310,769
Fines, forfeitures and penalties	--	--	54,096	--
Revenue from use of money and property	332,615	--	5,112	51,737
Aid from other governments	540,300	--	--	--
Charges for services	1,348,742	--	--	718,090
Contributions and donations	20,000	--	--	--
Other revenue	10,202	--	3,750	--
Total Revenues	11,324,898	--	62,958	2,080,596
Expenditures:				
Current:				
Public protection	10,372,977	--	53,184	2,611,957
Public assistance	--	--	--	--
Health and sanitation	--	--	--	--
Education	--	--	--	--
Recreation and cultural services	--	--	--	--
Total Expenditures	10,372,977	--	53,184	2,611,957
Excess (Deficiency) of Revenues Over (Under) Expenditures	951,921	--	9,774	(531,361)
Other Financing Sources (Uses):				
Transfers in	201,733	--	--	--
Transfers out	--	(2,785)	--	--
Total Other Financing Sources (Uses)	201,733	(2,785)	--	--
Net change in fund balances	1,153,654	(2,785)	9,774	(531,361)
Fund Balance - Beginning of Year	9,405,749	2,785	175,510	1,656,775
Fund Balance - End of Year	\$ 10,559,403	\$ --	\$ 185,284	\$ 1,125,414

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, 2009

	<u>IHSS</u>	<u>Zone 1 Garbage</u>	<u>Child Support Services</u>	<u>Library</u>
Revenues:				
Taxes	\$ --	\$ --	\$ --	\$ 6,068,502
Licenses and permits	--	467,935	--	--
Fines, forfeitures and penalties	--	--	--	--
Revenue from use of money and property	(6,570)	33,423	122,008	255,345
Aid from other governments	793,513	--	3,970,724	330,150
Charges for services	--	--	--	458,378
Contributions and donations	--	--	--	7,639
Other revenue	--	--	--	17,737
Total Revenues	<u>786,943</u>	<u>501,358</u>	<u>4,092,732</u>	<u>7,137,751</u>
Expenditures:				
Current:				
Public protection	--	--	4,208,608	--
Public assistance	641,703	--	--	--
Health and sanitation	--	803,151	--	--
Education	--	--	--	6,159,823
Recreation and cultural services	--	--	--	--
Total Expenditures	<u>641,703</u>	<u>803,151</u>	<u>4,208,608</u>	<u>6,159,823</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>145,240</u>	<u>(301,793)</u>	<u>(115,876)</u>	<u>977,928</u>
Other Financing Sources (Uses):				
Transfers in	158,669	--	--	355,314
Transfers out	(257,539)	--	--	(55,941)
Total Other Financing Sources (Uses)	<u>(98,870)</u>	<u>--</u>	<u>--</u>	<u>299,373</u>
Net change in fund balances	46,370	(301,793)	(115,876)	1,277,301
Fund Balance - Beginning of Year	<u>(54,332)</u>	<u>1,266,939</u>	<u>107,632</u>	<u>8,242,279</u>
Fund Balance - End of Year	<u><u>\$ (7,962)</u></u>	<u><u>\$ 965,146</u></u>	<u><u>\$ (8,244)</u></u>	<u><u>\$ 9,519,580</u></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, 2009

	<u>Special Projects</u>	<u>General Government</u>	<u>Public Protection</u>	<u>Public Ways & Facilities</u>
Revenues:				
Taxes	\$ --	\$ --	\$ --	\$ --
Licenses and permits	--	--	5,255	--
Fines, forfeitures and penalties	--	--	741,775	--
Revenue from use of money and property	--	297,035	192,335	76,468
Aid from other governments	--	1,528,674	381,007	--
Charges for services	--	--	693,904	236,503
Contributions and donations	--	--	14,898	--
Other revenue	--	1,200	--	--
Total Revenues	<u>--</u>	<u>1,826,909</u>	<u>2,029,174</u>	<u>312,971</u>
Expenditures:				
Current:				
Public protection	--	--	218,433	--
Public assistance	--	--	--	--
Health and sanitation	--	--	--	--
Education	--	--	--	--
Recreation and cultural services	1,113,440	--	--	--
Total Expenditures	<u>1,113,440</u>	<u>--</u>	<u>218,433</u>	<u>--</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,113,440)</u>	<u>1,826,909</u>	<u>1,810,741</u>	<u>312,971</u>
Other Financing Sources (Uses):				
Transfers in	1,124,000	--	--	--
Transfers out	<u>(50,000)</u>	<u>(843,936)</u>	<u>(1,314,726)</u>	<u>(23,116)</u>
Total Other Financing Sources (Uses)	<u>1,074,000</u>	<u>(843,936)</u>	<u>(1,314,726)</u>	<u>(23,116)</u>
Net change in fund balances	(39,440)	982,973	496,015	289,855
Fund Balance - Beginning of Year	<u>1,281,348</u>	<u>9,901,064</u>	<u>5,613,530</u>	<u>2,356,186</u>
Fund Balance - End of Year	<u>\$ 1,241,908</u>	<u>\$ 10,884,037</u>	<u>\$ 6,109,545</u>	<u>\$ 2,646,041</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, 2009

	Health and Sanitation	Public Assistance	Various Special Districts Under Board	Total
Revenues:				
Taxes	\$ --	\$ --	\$ 33,514	\$ 14,683,179
Licenses and permits	--	--	--	2,275,835
Fines, forfeitures and penalties	662,322	--	--	1,458,193
Revenue from use of money and property	117,325	16,886	15,823	1,509,542
Aid from other governments	3,511,966	1,489,491	155	12,545,980
Charges for services	--	70,782	925,577	4,451,976
Contributions and donations	--	11,955	--	54,492
Other revenue	22,451	--	6,439	61,779
Total Revenues	<u>4,314,064</u>	<u>1,589,114</u>	<u>981,508</u>	<u>37,040,976</u>
Expenditures:				
Current:				
Public protection	--	--	97,356	17,562,515
Public assistance	--	34,197	--	675,900
Health and sanitation	--	--	111,770	914,921
Education	--	--	--	6,159,823
Recreation and cultural services	--	--	--	1,113,440
Total Expenditures	<u>--</u>	<u>34,197</u>	<u>209,126</u>	<u>26,426,599</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>4,314,064</u>	<u>1,554,917</u>	<u>772,382</u>	<u>10,614,377</u>
Other Financing Sources (Uses):				
Transfers in	--	--	4,537	1,844,253
Transfers out	(3,529,908)	(1,393,485)	(636,782)	(8,108,218)
Total Other Financing Sources (Uses)	<u>(3,529,908)</u>	<u>(1,393,485)</u>	<u>(632,245)</u>	<u>(6,263,965)</u>
Net change in fund balances	784,156	161,432	140,137	4,350,412
Fund Balance - Beginning of Year	<u>1,707,015</u>	<u>288,772</u>	<u>433,981</u>	<u>42,385,233</u>
Fund Balance - End of Year	<u>\$ 2,491,171</u>	<u>\$ 450,204</u>	<u>\$ 574,118</u>	<u>\$ 46,735,645</u>

COUNTY OF NAPA

Combining Balance Sheet
Nonmajor Special Districts Under the Board of Supervisors
June 30, 2009

	<u>County Service Area No. 3</u>	<u>County Service Area No. 4</u>	<u>Silverado Community Services</u>
<u>ASSETS</u>			
Cash and investments	\$ 149,764	\$ 151,430	\$ 69,630
Receivable (Net):			
Taxes	--	--	--
Special assessments	<u>8,145</u>	<u>7,675</u>	<u>2,255</u>
Total Assets	<u>\$ 157,909</u>	<u>\$ 159,105</u>	<u>\$ 71,885</u>
<u>LIABILITIES</u>			
Accounts payable	<u>\$ 1,666</u>	<u>\$ --</u>	<u>\$ 3,671</u>
Total Liabilities	<u>1,666</u>	<u>--</u>	<u>3,671</u>
<u>FUND BALANCES</u>			
Reserved for:			
General	--	--	870
Unreserved:			
Designated for capital maintenance and repairs	120,746	70,552	9,512
Undesignated:			
Special revenue funds	<u>35,497</u>	<u>88,553</u>	<u>57,832</u>
Total Fund Balances	<u>156,243</u>	<u>159,105</u>	<u>68,214</u>
Total Liabilities and Fund Balances	<u>\$ 157,909</u>	<u>\$ 159,105</u>	<u>\$ 71,885</u>

continued

COUNTY OF NAPA

Combining Balance Sheet (continued)
 Nonmajor Special Districts Under the Board of Supervisors
 June 30, 2009

	<u>Monticello Public Cemetery</u>	<u>Monticello Endowment</u>	<u>Total</u>
<u>ASSETS</u>			
Cash and investments	\$ 54,354	\$ 130,129	\$ 555,307
Receivable (Net):			
Taxes	6,230	--	6,230
Special assessments	<u>--</u>	<u>--</u>	<u>18,075</u>
Total Assets	<u><u>\$ 60,584</u></u>	<u><u>\$ 130,129</u></u>	<u><u>\$ 579,612</u></u>
<u>LIABILITIES</u>			
Accounts payable	<u>\$ 157</u>	<u>\$ --</u>	<u>\$ 5,494</u>
Total Liabilities	<u>157</u>	<u>--</u>	<u>5,494</u>
<u>FUND BALANCES</u>			
Reserved for:			
General	15,082	--	15,952
Unreserved:			
Designated for capital maintenance and repairs	18,149	--	218,959
Undesignated:			
Special revenue funds	<u>27,196</u>	<u>130,129</u>	<u>339,207</u>
Total Fund Balances	<u>60,427</u>	<u>130,129</u>	<u>574,118</u>
Total Liabilities and Fund Balances	<u><u>\$ 60,584</u></u>	<u><u>\$ 130,129</u></u>	<u><u>\$ 579,612</u></u>

COUNTY OF NAPA

Combining Statement of Revenues, Expenditures and
Changes in Fund Balances
Nonmajor Special Districts Under the Board of Supervisors
For the Year Ended June 30, 2009

	<u>County Service Area No. 3</u>	<u>County Service Area No. 4</u>	<u>Silverado Community Services</u>
Revenues:			
Taxes	\$ --	\$ --	\$ --
Revenue from use of money and property	6,212	2,877	1,502
Aid from other governments	--	--	--
Charges for services	354,179	440,233	126,993
Other revenue	--	--	--
Total Revenues	<u>360,391</u>	<u>443,110</u>	<u>128,495</u>
Expenditures:			
Current:			
Public protection	64,321	5,171	--
Health and sanitation	--	--	111,770
Total Expenditures	<u>64,321</u>	<u>5,171</u>	<u>111,770</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>296,070</u>	<u>437,939</u>	<u>16,725</u>
Other Financing Sources (Uses):			
Transfers in			
Transfers out	<u>(282,859)</u>	<u>(349,386)</u>	--
Total Other Financing Sources (Uses)	<u>(282,859)</u>	<u>(349,386)</u>	--
Net change in fund balance	13,211	88,553	16,725
Fund Balance - Beginning of Year	<u>143,032</u>	<u>70,552</u>	<u>51,489</u>
Fund Balance - End of Year	<u>\$ 156,243</u>	<u>\$ 159,105</u>	<u>\$ 68,214</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, 2009

	<u>Monticello Public Cemetery</u>	<u>Monticello Endowment</u>	<u>Total</u>
Revenues:			
Taxes	\$ 33,514	\$ --	\$ 33,514
Revenue from use of money and property	1,348	3,884	15,823
Aid from other governments	155	--	155
Charges for services	2,860	1,312	925,577
Other revenue	6,439	--	6,439
Total Revenues	<u>44,316</u>	<u>5,196</u>	<u>981,508</u>
Expenditures:			
Current:			
Public protection	27,864	--	97,356
Health and sanitation	--	--	111,770
Total Expenditures	<u>27,864</u>	<u>--</u>	<u>209,126</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>16,452</u>	<u>5,196</u>	<u>772,382</u>
Other Financing Sources (Uses):			
Transfers in	4,537	--	4,537
Transfers out	--	(4,537)	(636,782)
Total Other Financing Sources (Uses)	<u>4,537</u>	<u>(4,537)</u>	<u>(632,245)</u>
Net change in fund balance	20,989	659	140,137
Fund Balance - Beginning of Year	<u>39,438</u>	<u>129,470</u>	<u>433,981</u>
Fund Balance - End of Year	<u>\$ 60,427</u>	<u>\$ 130,129</u>	<u>\$ 574,118</u>

COUNTY OF NAPA

Budgetary Comparison Schedule
 Nonmajor Special Revenue Funds
 Fire Protection
 For the Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive
				(Negative)
Budgetary fund balances, Beginning	\$ 9,405,749	\$ 9,405,749	\$ 9,405,749	\$ --
Resources (inflows):				
Taxes	7,733,825	7,733,825	8,581,163	847,338
Licenses and permits	450,000	450,000	491,876	41,876
Revenue from use of money and property	191,474	191,474	332,615	141,141
Aid from other governments	610,563	610,563	540,300	(70,263)
Charges for services	592,087	592,087	1,348,742	756,655
Contributions and donations	--	--	20,000	20,000
Other revenue	10,000	10,000	10,202	202
Transfers in	150,000	150,000	201,733	51,733
Amounts available for appropriation	<u>9,737,949</u>	<u>9,737,949</u>	<u>11,526,631</u>	<u>1,788,682</u>
Charges to appropriations (outflows):				
Salaries and employee benefits	92,740	92,740	92,740	--
Services and supplies	10,043,521	10,043,521	9,241,058	802,463
Capital assets	1,312,858	2,133,888	1,039,179	1,094,709
Contingencies and reserves	300,000	300,000	--	300,000
Total charges to appropriations	<u>11,749,119</u>	<u>12,570,149</u>	<u>10,372,977</u>	<u>2,197,172</u>
Budgetary fund balances, Ending	<u>\$ 7,394,579</u>	<u>\$ 6,573,549</u>	<u>\$ 10,559,403</u>	<u>\$ 3,985,854</u>
Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures:				
<u>Sources/inflows of resources</u>				
Actual amounts (budgetary basis) "available for appropriation" from Budgetary Comparison Statement				\$ 11,526,631
Differences - budget to GAAP:				
Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes.				<u>(201,733)</u>
Total revenues as reported on the Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds				<u>\$ 11,324,898</u>

COUNTY OF NAPA

Budgetary Comparison Schedule
 Nonmajor Special Revenue Funds
 Fire Protection Assessment
 For the Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balances, Beginning	\$ 2,785	\$ 2,785	\$ 2,785	\$ --
Charges to appropriations (outflows):				
Transfers out	--	2,786	2,785	1
Total charges to appropriations	--	2,786	2,785	1
Budgetary fund balances, Ending	\$ 2,785	\$ (1)	\$ --	\$ 1
Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures:				
<u>Uses/outflows of resources</u>				
Actual amounts (budgetary basis) "total charges to appropriations" from the Budgetary Comparison Statement				\$ 2,785
Differences - budget to GAAP:				
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes.				(2,785)
Total expenditures as reported on the Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds				\$ --

COUNTY OF NAPA

Budgetary Comparison Schedule
 Nonmajor Special Revenue Funds
 Wildlife Conservation Commission
 For the Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balances, Beginning	\$ 175,510	\$ 175,510	\$ 175,510	\$ --
Resources (inflows):				
Fines, forfeitures and penalties	9,000	9,000	54,096	45,096
Revenue from use of money and property	4,000	4,000	5,112	1,112
Other revenue	--	--	3,750	3,750
Amounts available for appropriation	<u>13,000</u>	<u>13,000</u>	<u>62,958</u>	<u>49,958</u>
Charges to appropriations (outflows):				
Services and supplies	<u>12,076</u>	<u>62,949</u>	<u>53,184</u>	<u>9,765</u>
Total charges to appropriations	<u>12,076</u>	<u>62,949</u>	<u>53,184</u>	<u>9,765</u>
Budgetary fund balances, Ending	<u>\$ 176,434</u>	<u>\$ 125,561</u>	<u>\$ 185,284</u>	<u>\$ 59,723</u>

COUNTY OF NAPA

Budgetary Comparison Schedule
 Nonmajor Special Revenue Funds
 Building and Code Enforcement
 For the Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		Positive (Negative)
Budgetary fund balances, Beginning	\$ 1,656,775	\$ 1,656,775	\$ 1,656,775	\$ --
Resources (inflows):				
Licenses and permits	1,700,000	1,700,000	1,310,769	(389,231)
Revenue from use of money and property	44,000	44,000	51,737	7,737
Charges for services	963,500	963,500	718,090	(245,410)
Amounts available for appropriation	<u>2,707,500</u>	<u>2,707,500</u>	<u>2,080,596</u>	<u>(626,904)</u>
Charges to appropriations (outflows):				
Salaries and employee benefits	1,855,377	1,855,377	1,770,684	84,693
Services and supplies	1,089,094	1,119,094	841,273	277,821
Contingencies and reserves	--	228,474	--	228,474
Transfers out	30,000	--	--	--
Total charges to appropriations	<u>2,974,471</u>	<u>3,202,945</u>	<u>2,611,957</u>	<u>590,988</u>
Budgetary fund balances, Ending	<u>\$ 1,389,804</u>	<u>\$ 1,161,330</u>	<u>\$ 1,125,414</u>	<u>\$ (35,916)</u>

COUNTY OF NAPA

Budgetary Comparison Schedule
 Nonmajor Special Revenue Funds
 IHSS
 For the Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	Final Budget
				Positive
				(Negative)
Budgetary fund balances, Beginning	\$ (54,332)	\$ (54,332)	\$ (54,332)	\$ --
Resources (inflows):				
Revenues from use of money and property	--	--	(6,570)	(6,570)
Aid from other governments	708,787	741,787	793,513	51,726
Transfers in	155,588	155,588	158,669	3,081
Amounts available for appropriation	<u>864,375</u>	<u>897,375</u>	<u>945,612</u>	<u>48,237</u>
Charges to appropriations (outflows):				
Services and supplies	613,300	641,704	641,703	1
Transfers out	251,075	257,575	257,539	36
Total charges to appropriations	<u>864,375</u>	<u>899,279</u>	<u>899,242</u>	<u>37</u>
Budgetary fund balances, Ending	<u>\$ (54,332)</u>	<u>\$ (56,236)</u>	<u>\$ (7,962)</u>	<u>\$ 48,274</u>

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

Sources/inflows of resources

Actual amounts (budgetary basis) "available for appropriation" from Budgetary Comparison Statement \$ 945,612

Differences - budget to GAAP:

 Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes. (158,669)

Total revenues as reported on the Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds \$ 786,943

Uses/outflows of resources

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison statement \$ 899,242

Differences - budget to GAAP:

 Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes. (257,539)

Total expenditures as reported on the Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds \$ 641,703

COUNTY OF NAPA

Budgetary Comparison Schedule
 Nonmajor Special Revenue Funds
 Zone 1 - Garbage
 For the Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive
				(Negative)
Budgetary fund balances, Beginning	<u>\$ 1,266,939</u>	<u>\$ 1,266,939</u>	<u>\$ 1,266,939</u>	<u>\$ --</u>
Resources (inflows):				
Licenses and permits	375,000	375,000	467,935	92,935
Revenue from use of money and property	10,000	10,000	33,423	23,423
Amounts available for appropriation	<u>385,000</u>	<u>385,000</u>	<u>501,358</u>	<u>116,358</u>
Charges to appropriations (outflows):				
Services and supplies	<u>250,421</u>	<u>917,596</u>	<u>803,151</u>	<u>114,445</u>
Total charges to appropriations	<u>250,421</u>	<u>917,596</u>	<u>803,151</u>	<u>114,445</u>
Budgetary fund balances, Ending	<u><u>\$ 1,401,518</u></u>	<u><u>\$ 734,343</u></u>	<u><u>\$ 965,146</u></u>	<u><u>\$ 230,803</u></u>

COUNTY OF NAPA

Budgetary Comparison Schedule
 Nonmajor Special Revenue Funds
 Child Support Services
 For the Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		Positive (Negative)
Budgetary fund balances, Beginning	\$ 107,632	\$ 107,632	\$ 107,632	\$ --
Resources (inflows):				
Revenue from use of money and property	3,000	3,000	122,008	119,008
Aid from other governments	4,004,452	4,126,452	3,970,724	(155,728)
Other revenue	116,054	116,054	--	(116,054)
Transfers in	2,000	2,000	--	(2,000)
Amounts available for appropriation	<u>4,125,506</u>	<u>4,247,506</u>	<u>4,092,732</u>	<u>(154,774)</u>
Charges to appropriations (outflows):				
Salaries and employee benefits	3,331,319	3,353,019	3,352,996	23
Services and supplies	794,187	894,487	855,612	38,875
Total charges to appropriations	<u>4,125,506</u>	<u>4,247,506</u>	<u>4,208,608</u>	<u>38,898</u>
Budgetary fund balances, Ending	<u>\$ 107,632</u>	<u>\$ 107,632</u>	<u>\$ (8,244)</u>	<u>\$ (115,876)</u>

COUNTY OF NAPA

Budgetary Comparison Schedule
 Nonmajor Special Revenue Funds
 Library
 For the Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
Budgetary fund balances, Beginning	\$ 8,242,279	\$ 8,242,279	\$ 8,242,279	\$ --
Resources (inflows):				
Taxes	5,568,523	5,568,523	6,068,502	499,979
Revenue from use of money and property	240,759	240,759	255,345	14,586
Aid from other governments	268,852	268,852	330,150	61,298
Charges for services	462,506	462,506	458,378	(4,128)
Contributions and donations	56,800	56,800	7,639	(49,161)
Other revenue	14,500	14,500	17,737	3,237
Transfers in	465,707	465,707	355,314	(110,393)
Amounts available for appropriation	<u>7,077,647</u>	<u>7,077,647</u>	<u>7,493,065</u>	<u>415,418</u>
Charges to appropriations (outflows):				
Salaries and employee benefits	4,058,670	3,781,754	3,724,568	57,186
Services and supplies	2,442,679	2,703,178	2,435,255	267,923
Capital assets	--	87,612	--	87,612
Contingencies and reserves	200,000	142,250	--	142,250
Transfers out	167,187	167,187	55,941	111,246
Total charges to appropriations	<u>6,868,536</u>	<u>6,881,981</u>	<u>6,215,764</u>	<u>666,217</u>
Budgetary fund balances, Ending	<u>\$ 8,451,390</u>	<u>\$ 8,437,945</u>	<u>\$ 9,519,580</u>	<u>\$ 1,081,635</u>
Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures:				
<u>Sources/inflows of resources</u>				
Actual amounts (budgetary basis) "available for appropriation" from Budgetary Comparison Statement				\$ 7,493,065
Differences - budget to GAAP:				
Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes.				<u>(355,314)</u>
Total revenues as reported on the Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds				<u>\$ 7,137,751</u>
<u>Uses/outflows of resources</u>				
Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison statement				\$ 6,215,764
Differences - budget to GAAP:				
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes.				<u>(55,941)</u>
Total expenditures as reported on the Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds				<u>\$ 6,159,823</u>

COUNTY OF NAPA

Budgetary Comparison Schedule
 Nonmajor Special Revenue Funds
 Special Projects Fund
 For the Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	Final Budget
				Positive
				(Negative)
Budgetary fund balances, Beginning	\$ 1,281,348	\$ 1,281,348	\$ 1,281,348	\$ --
Resources (inflows):				
Transfers in	1,124,000	1,124,000	1,124,000	--
Amounts available for appropriation	<u>1,124,000</u>	<u>1,124,000</u>	<u>1,124,000</u>	<u>--</u>
Charges to appropriations (outflows):				
Services and supplies	1,284,012	1,567,324	1,113,440	453,884
Transfers out	--	50,000	50,000	--
Total charges to appropriations	<u>1,284,012</u>	<u>1,617,324</u>	<u>1,163,440</u>	<u>453,884</u>
Budgetary fund balances, Ending	<u>\$ 1,121,336</u>	<u>\$ 788,024</u>	<u>\$ 1,241,908</u>	<u>\$ 453,884</u>

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

Sources/inflows of resources

Actual amounts (budgetary basis) "available for appropriation" from Budgetary Comparison Statement \$ 1,124,000

Differences - budget to GAAP:

 Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes. (1,124,000)

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

Uses/outflows of resources

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison statement \$ 1,163,440

Differences - budget to GAAP:

 Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes. (50,000)

Total expenditures as reported on the Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds \$ 1,113,440

COUNTY OF NAPA

Budgetary Comparison Schedule
 Nonmajor Special Revenue Funds
 General Government Non Operating
 For the Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		Positive (Negative)
Budgetary fund balances, Beginning	\$ 9,901,064	\$ 9,901,064	\$ 9,901,064	\$ --
Resources (inflows):				
Revenue from use of money and property	--	330,000	297,035	32,965
Aid from other governments	--	1,319,000	1,528,674	(209,674)
Other revenue	--	--	1,200	(1,200)
Amounts available for appropriation	--	1,649,000	1,826,909	(177,909)
Charges to appropriations (outflows):				
Transfers out	--	885,150	843,936	41,214
Total charges to appropriations	--	885,150	843,936	41,214
Budgetary fund balances, Ending	\$ 9,901,064	\$ 10,664,914	\$ 10,884,037	\$ 219,123
Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures:				
<u>Uses/outflows of resources</u>				
Actual amounts (budgetary basis) "total charges to appropriations" from the Budgetary Comparison Statement				\$ 843,936
Differences - budget to GAAP:				
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes.				(843,936)
Total expenditures as reported on the Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds				\$ --

COUNTY OF NAPA

Budgetary Comparison Schedule
 Nonmajor Special Revenue Funds
 Public Protection Non Operating
 For the Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		Positive (Negative)
Budgetary fund balances, Beginning	\$ 5,613,530	\$ 5,613,530	\$ 5,613,530	\$ --
Resources (inflows):				
Licenses and permits	--	13,000	5,255	(7,745)
Fines, forfeitures and penalties	--	708,500	741,775	33,275
Revenue from use of money and property	--	147,450	192,335	44,885
Aid from other governments	--	453,801	381,007	(72,794)
Charges for services	--	699,650	693,904	(5,746)
Contributions and donations	--	2,600	14,898	12,298
Amounts available for appropriation	--	2,025,001	2,029,174	4,173
Charges to appropriations (outflows):				
Services and supplies	--	230,000	218,433	11,567
Transfers out	--	1,886,720	1,314,726	571,994
Total charges to appropriations	--	2,116,720	1,533,159	583,561
Budgetary fund balances, Ending	\$ 5,613,530	\$ 5,521,811	\$ 6,109,545	\$ 587,734
Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures:				
<u>Uses/outflows of resources</u>				
Actual amounts (budgetary basis) "total charges to appropriations" from the Budgetary Comparison Statement				\$ 1,533,159
Differences - budget to GAAP:				
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes.				(1,314,726)
Total expenditures as reported on the Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds				\$ 218,433

COUNTY OF NAPA

Budgetary Comparison Schedule
 Nonmajor Special Revenue Funds
 Public Ways & Facilities Non Operating
 For the Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		Positive (Negative)
Budgetary fund balances, Beginning	\$ 2,356,186	\$ 2,356,186	\$ 2,356,186	\$ --
Resources (inflows):				
Revenue from use of money and property	--	--	76,468	76,468
Charges for services	--	600,000	236,503	(363,497)
Amounts available for appropriation	--	600,000	312,971	(287,029)
Charges to appropriations (outflows):				
Transfers out	--	23,117	23,116	1
Total charges to appropriations	--	23,117	23,116	1
Budgetary fund balances, Ending	\$ 2,356,186	\$ 2,933,069	\$ 2,646,041	\$ (287,028)
Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures:				
<u>Uses/outflows of resources</u>				
Actual amounts (budgetary basis) "total charges to appropriations" from the Budgetary Comparison Statement				\$ 23,116
Differences - budget to GAAP:				
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes.				(23,116)
Total expenditures as reported on the Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds				\$ --

COUNTY OF NAPA

Budgetary Comparison Schedule
 Nonmajor Special Revenue Funds
 Health & Sanitation Non Operating
 For the Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		Positive (Negative)
Budgetary fund balances, Beginning	\$ 1,707,015	\$ 1,707,015	\$ 1,707,015	\$ --
Resources (inflows):				
Fines, forfeitures and penalties	--	554,073	662,322	108,249
Revenue from use of money and property	--	188,500	117,325	(71,175)
Aid from other governments	--	5,598,023	3,511,966	(2,086,057)
Charges for services	--	13,000	--	(13,000)
Other revenue	--	9,000	22,451	13,451
Amounts available for appropriation	--	6,362,596	4,314,064	(2,048,532)
Charges to appropriations (outflows):				
Transfers out	--	5,225,544	3,529,908	1,695,636
Total charges to appropriations	--	5,225,544	3,529,908	1,695,636
Budgetary fund balances, Ending	\$ 1,707,015	\$ 2,844,067	\$ 2,491,171	\$ (352,896)

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

Uses/outflows of resources

Actual amounts (budgetary basis) "total charges to appropriations" from the Budgetary Comparison Statement \$ 3,529,908

Differences - budget to GAAP:

 Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes. (3,529,908)

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

COUNTY OF NAPA

Budgetary Comparison Schedule
 Nonmajor Special Revenue Funds
 Public Assistance Non Operating
 For the Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		Positive (Negative)
Budgetary fund balances, Beginning	\$ 288,772	\$ 288,772	\$ 288,772	\$ --
Resources (inflows):				
Revenue from use of money and property	--	13,525	16,886	3,361
Aid from other governments	--	1,459,929	1,489,491	29,562
Charges for services	--	70,000	70,782	782
Contributions and donations	--	15,000	11,955	(3,045)
Amounts available for appropriation	--	1,558,454	1,589,114	30,660
Charges to appropriations (outflows):				
Services and supplies	--	37,031	34,197	2,834
Transfers out	--	1,436,832	1,393,485	43,347
Total charges to appropriations	--	1,473,863	1,427,682	46,181
Budgetary fund balances, Ending	\$ 288,772	\$ 373,363	\$ 450,204	\$ 76,841

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

Uses/outflows of resources

Actual amounts (budgetary basis) "total charges to appropriations" from the Budgetary Comparison Statement \$ 1,427,682

Differences - budget to GAAP:

 Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes. (1,393,485)

Total expenditures as reported on the Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds \$ 34,197

COUNTY OF NAPA

Budgetary Comparison Schedule
 Nonmajor Special Districts Under the Board of Supervisors
 County Service Area No. 3
 For the Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balances, Beginning	\$ 143,032	\$ 143,032	\$ 143,032	\$ --
Resources (inflows):				
Revenue from use of money and property	6,211	6,211	6,212	1
Charges for services	369,861	369,861	354,179	(15,682)
Amounts available for appropriation	<u>376,072</u>	<u>376,072</u>	<u>360,391</u>	<u>(15,681)</u>
Charges to appropriations (outflows):				
Services and supplies	74,750	74,750	64,321	10,429
Transfers out	301,322	301,322	282,859	18,463
Total charges to appropriations	<u>376,072</u>	<u>376,072</u>	<u>347,180</u>	<u>28,892</u>
Budgetary fund balances, Ending	<u>\$ 143,032</u>	<u>\$ 143,032</u>	<u>\$ 156,243</u>	<u>\$ 13,211</u>
Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures:				
<u>Uses/outflows of resources</u>				
Actual amounts (budgetary basis) "total charges to appropriations" from the Budgetary Comparison Statement				\$ 347,180
Differences - budget to GAAP:				
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes.				<u>(282,859)</u>
Total expenditures as reported on the Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Districts Under the Board of Supervisors				<u>\$ 64,321</u>

COUNTY OF NAPA

Budgetary Comparison Schedule
 Nonmajor Special Districts Under the Board of Supervisors
 County Service Area No. 4
 For the Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balances, Beginning	\$ 70,552	\$ 70,552	\$ 70,552	\$ --
Resources (inflows):				
Revenue from use of money and property	--	--	2,877	2,877
Charges for services	442,073	442,073	440,233	(1,840)
Amounts available for appropriation	442,073	442,073	443,110	1,037
Charges to appropriations (outflows):				
Services and supplies	2,527	6,027	5,171	856
Transfers out	439,546	436,046	349,386	86,660
Total charges to appropriations	442,073	442,073	354,557	87,516
Budgetary fund balances, Ending	\$ 70,552	\$ 70,552	\$ 159,105	\$ 88,553
Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures:				
<u>Uses/outflows of resources</u>				
Actual amounts (budgetary basis) "total charges to appropriations" from the Budgetary Comparison Statement				\$ 354,557
Differences - budget to GAAP:				
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes.				(349,386)
Total expenditures as reported on the Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Districts Under the Board of Supervisors				\$ 5,171

COUNTY OF NAPA

Budgetary Comparison Schedule
 Nonmajor Special Districts Under the Board of Supervisors
 Silverado Community Services
 For the Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balances, Beginning	\$ 51,489	\$ 51,489	\$ 51,489	\$ --
Resources (inflows):				
Revenue from use of money and property	2,400	2,400	1,502	(898)
Charges for services	125,009	125,009	126,993	1,984
Amounts available for appropriation	<u>127,409</u>	<u>127,409</u>	<u>128,495</u>	<u>1,086</u>
Charges to appropriations (outflows):				
Services and supplies	119,678	119,678	111,770	7,908
Capital assets	49,370	49,370	--	49,370
Total charges to appropriations	<u>169,048</u>	<u>169,048</u>	<u>111,770</u>	<u>57,278</u>
Budgetary fund balances, Ending	<u>\$ 9,850</u>	<u>\$ 9,850</u>	<u>\$ 68,214</u>	<u>\$ 58,364</u>

COUNTY OF NAPA

Budgetary Comparison Schedule
 Nonmajor Special Districts Under the Board of Supervisors
 Monticello Public Cemetery
 For the Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balances, Beginning	\$ 39,438	\$ 39,438	\$ 39,438	\$ --
Resources (inflows):				
Taxes	23,725	23,725	33,514	9,789
Revenue from use of money and property	1,075	1,075	1,348	273
Aid from other governments	155	155	155	--
Charges for services	5,000	5,000	2,860	(2,140)
Other revenue	15,000	15,000	6,439	(8,561)
Transfers in	12,500	12,500	4,537	(7,963)
Amounts available for appropriation	<u>57,455</u>	<u>57,455</u>	<u>48,853</u>	<u>(8,602)</u>
Charges to appropriations (outflows):				
Services and supplies	63,344	63,344	27,864	35,480
Total charges to appropriations	<u>63,344</u>	<u>63,344</u>	<u>27,864</u>	<u>35,480</u>
Budgetary fund balances, Ending	<u>\$ 33,549</u>	<u>\$ 33,549</u>	<u>\$ 60,427</u>	<u>\$ 26,878</u>
Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures:				
<u>Sources/inflows of resources</u>				
Actual amounts (budgetary basis) "available for appropriation" from the Budgetary Comparison Statement				\$ 48,853
Differences - budget to GAAP:				
Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes.				<u>(4,537)</u>
Total revenues as reported on the Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Districts Under the Board of Supervisors				<u>\$ 44,316</u>

COUNTY OF NAPA

Budgetary Comparison Schedule
 Nonmajor Special Districts Under the Board of Supervisors
 Monticello Endowment
 For the Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
Budgetary fund balances, Beginning	\$ 129,470	\$ 129,470	\$ 129,470	\$ --
Resources (inflows):				
Revenue from use of money and property	--	3,404	3,884	480
Charges for services	--	--	1,312	1,312
Amounts available for appropriation	--	3,404	5,196	1,792
Charges to appropriations (outflows):				
Transfers out	--	4,538	4,537	1
Total charges to appropriations	--	4,538	4,537	1
Budgetary fund balances, Ending	<u>\$ 129,470</u>	<u>\$ 128,336</u>	<u>\$ 130,129</u>	<u>\$ 1,793</u>
Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures:				
<u>Uses/outflows of resources</u>				
Actual amounts (budgetary basis) "total charges to appropriations" from the Budgetary Comparison Statement				\$ 4,537
Differences - budget to GAAP:				
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes.				<u>(4,537)</u>
Total expenditures as reported on the Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Districts Under the Board of Supervisors				<u>\$ --</u>

NONMAJOR GOVERNMENTAL FUNDS

NONMAJOR CAPITAL PROJECTS FUNDS

Capital projects funds are used to account for financial resources to be used for the acquisition of major capital facilities (other than those financed by proprietary funds).

Construction Fund

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

Criminal Justice Facility Construction

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

Courthouse Fund

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

Accumulated Capital Outlay Fund

This fund provides Board designated reserves for future capital needs.

County Center Improvement Fund

This fund was established to provide for the expenditure of funds generated from the sale of County real property. Use of these funds is limited to the acquisition, development or enhancement of capital facilities or property.

COUNTY OF NAPA

Combining Balance Sheet
 Nonmajor Capital Projects Funds
 June 30, 2009

	<u>Construction Fund</u>	<u>Criminal Justice Facility Construction</u>	<u>Courthouse Fund</u>
<u>ASSETS</u>			
Cash and investments	\$ 337,622	\$ 784,792	\$ 1,132,727
Total Assets	<u>\$ 337,622</u>	<u>\$ 784,792</u>	<u>\$ 1,132,727</u>
<u>LIABILITIES</u>			
Accounts payable	\$ --	\$ --	\$ --
Due to other government agencies	<u>--</u>	<u>--</u>	<u>--</u>
Total Liabilities	<u>--</u>	<u>--</u>	<u>--</u>
<u>FUND BALANCES</u>			
Unreserved:			
Designated	--	154,280	523,052
Undesignated:			
Capital projects funds	<u>337,622</u>	<u>630,512</u>	<u>609,675</u>
Total Fund Balances	<u>337,622</u>	<u>784,792</u>	<u>1,132,727</u>
Total Liabilities and Fund Balances	<u>\$ 337,622</u>	<u>\$ 784,792</u>	<u>\$ 1,132,727</u>

continued

COUNTY OF NAPA

Combining Balance Sheet (continued)
 Nonmajor Capital Projects Funds
 June 30, 2009

	Accumulated Capital Outlay Fund	County Center Improvement Fund	Total
	<u> </u>	<u> </u>	<u> </u>
<u>ASSETS</u>			
Cash and investments	\$ 16,405,369	\$ 223,885	\$ 18,884,395
	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 16,405,369</u>	<u>\$ 223,885</u>	<u>\$ 18,884,395</u>
<u>LIABILITIES</u>			
Accounts payable	\$ --	\$ 5	\$ 5
Due to other government agencies	--	135,942	135,942
	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u> </u>	<u>135,947</u>	<u>135,947</u>
<u>FUND BALANCES</u>			
Unreserved:			
Designated	16,381,136	87,938	17,146,406
Undesignated:			
Capital projects funds	24,233	--	1,602,042
	<u> </u>	<u> </u>	<u> </u>
Total Fund Balances	<u>16,405,369</u>	<u>87,938</u>	<u>18,748,448</u>
	<u> </u>	<u> </u>	<u> </u>
Total Liabilities and Fund Balances	<u>\$ 16,405,369</u>	<u>\$ 223,885</u>	<u>\$ 18,884,395</u>

COUNTY OF NAPA

Combining Statement of Revenues, Expenditures and
Changes in Fund Balance
Nonmajor Capital Projects Funds
For the Year Ended June 30, 2009

	<u>Construction Fund</u>	<u>Criminal Justice Facility Construction</u>	<u>Courthouse Fund</u>
Revenues:			
Fines, forfeitures and penalties	\$ --	\$ 109,498	\$ 422,374
Revenue from use of money and property	--	22,207	30,569
Contributions and donations	--	--	--
Total Revenues	<u>--</u>	<u>131,705</u>	<u>452,943</u>
Expenditures:			
Current:			
General government	--	259	487
Capital outlay	--	--	--
Total Expenditures	<u>--</u>	<u>259</u>	<u>487</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>--</u>	<u>131,446</u>	<u>452,456</u>
Other Financing Sources (Uses):			
Transfers out	--	(55,941)	(229,591)
Total Other Financing Sources (Uses)	<u>--</u>	<u>(55,941)</u>	<u>(229,591)</u>
Net change in fund balance	--	75,505	222,865
Fund Balance - Beginning of Year	<u>337,622</u>	<u>709,287</u>	<u>909,862</u>
Fund Balance - End of Year	<u><u>\$ 337,622</u></u>	<u><u>\$ 784,792</u></u>	<u><u>\$ 1,132,727</u></u>

continued

COUNTY OF NAPA

Combining Statement of Revenues, Expenditures and
Changes in Fund Balance (continued)
Nonmajor Capital Projects Funds
For the Year Ended June 30, 2009

	<u>Accumulated Capital Outlay Fund</u>	<u>County Center Improvement Fund</u>	<u>Total</u>
Revenues:			
Fines, forfeitures and penalties	\$ --	\$ --	\$ 531,872
Revenue from use of money and property	477,871	44,181	574,828
Contributions and donations	--	919,068	919,068
Total Revenues	<u>477,871</u>	<u>963,249</u>	<u>2,025,768</u>
Expenditures:			
Current:			
General government	3,446	141,234	145,426
Capital outlay	--	3,921,501	3,921,501
Total Expenditures	<u>3,446</u>	<u>4,062,735</u>	<u>4,066,927</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>474,425</u>	<u>(3,099,486)</u>	<u>(2,041,159)</u>
Other Financing Sources (Uses):			
Transfers out	--	(218,910)	(504,442)
Total Other Financing Sources (Uses)	<u>--</u>	<u>(218,910)</u>	<u>(504,442)</u>
Net change in fund balance	474,425	(3,318,396)	(2,545,601)
Fund Balance - Beginning of Year	<u>15,930,944</u>	<u>3,406,334</u>	<u>21,294,049</u>
Fund Balance - End of Year	<u>\$ 16,405,369</u>	<u>\$ 87,938</u>	<u>\$ 18,748,448</u>

COUNTY OF NAPA

Budgetary Comparison Schedule
Criminal Justice Facility Construction
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balances, Beginning	<u>\$ 709,287</u>	<u>\$ 709,287</u>	<u>\$ 709,287</u>	<u>\$ --</u>
Resources (inflows):				
Fines, forfeitures, and penalties	98,000	98,000	109,498	11,498
Revenue from use of money and property	<u>16,000</u>	<u>16,000</u>	<u>22,207</u>	<u>6,207</u>
Amounts available for appropriation	<u>114,000</u>	<u>114,000</u>	<u>131,705</u>	<u>17,705</u>
Charges to appropriations (outflows):				
Services and supplies	268	268	259	9
Transfers out	<u>56,794</u>	<u>56,794</u>	<u>55,941</u>	<u>853</u>
Total charges to appropriations	<u>57,062</u>	<u>57,062</u>	<u>56,200</u>	<u>862</u>
Budgetary fund balances, Ending	<u><u>\$ 766,225</u></u>	<u><u>\$ 766,225</u></u>	<u><u>\$ 784,792</u></u>	<u><u>\$ 18,567</u></u>
Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures:				
<u>Uses/outflows of resources</u>				
Actual amounts (budgetary basis) "total charges to appropriations" from the Budgetary Comparison Statement				\$ 56,200
Differences - budget to GAAP:				
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes.				<u>(55,941)</u>
Total expenditures as reported on the Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Capital Projects Funds				<u><u>\$ 259</u></u>

COUNTY OF NAPA

Budgetary Comparison Schedule
 Courthouse Fund
 For the Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		Positive (Negative)
Budgetary fund balances, Beginning	\$ 909,862	\$ 909,862	\$ 909,862	\$ --
Resources (inflows):				
Fines, forfeitures, and penalties	425,000	425,000	422,374	(2,626)
Revenue from use of money and property	36,000	36,000	30,569	(5,431)
Amounts available for appropriation	<u>461,000</u>	<u>461,000</u>	<u>452,943</u>	<u>(8,057)</u>
Charges to appropriations (outflows):				
Services and supplies	532	532	487	45
Capital assets	224,232	224,232	--	224,232
Transfers out	236,236	236,236	229,591	6,645
Total charges to appropriations	<u>461,000</u>	<u>461,000</u>	<u>230,078</u>	<u>230,922</u>
Budgetary fund balances, Ending	<u>\$ 909,862</u>	<u>\$ 909,862</u>	<u>\$ 1,132,727</u>	<u>\$ 222,865</u>

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

Uses/outflows of resources

Actual amounts (budgetary basis) "total charges to appropriations" from the Budgetary Comparison Statement	\$ 230,078
Differences - budget to GAAP:	
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes.	<u>(229,591)</u>
Total expenditures as reported on the Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Capital Projects Funds	<u>\$ 487</u>

COUNTY OF NAPA

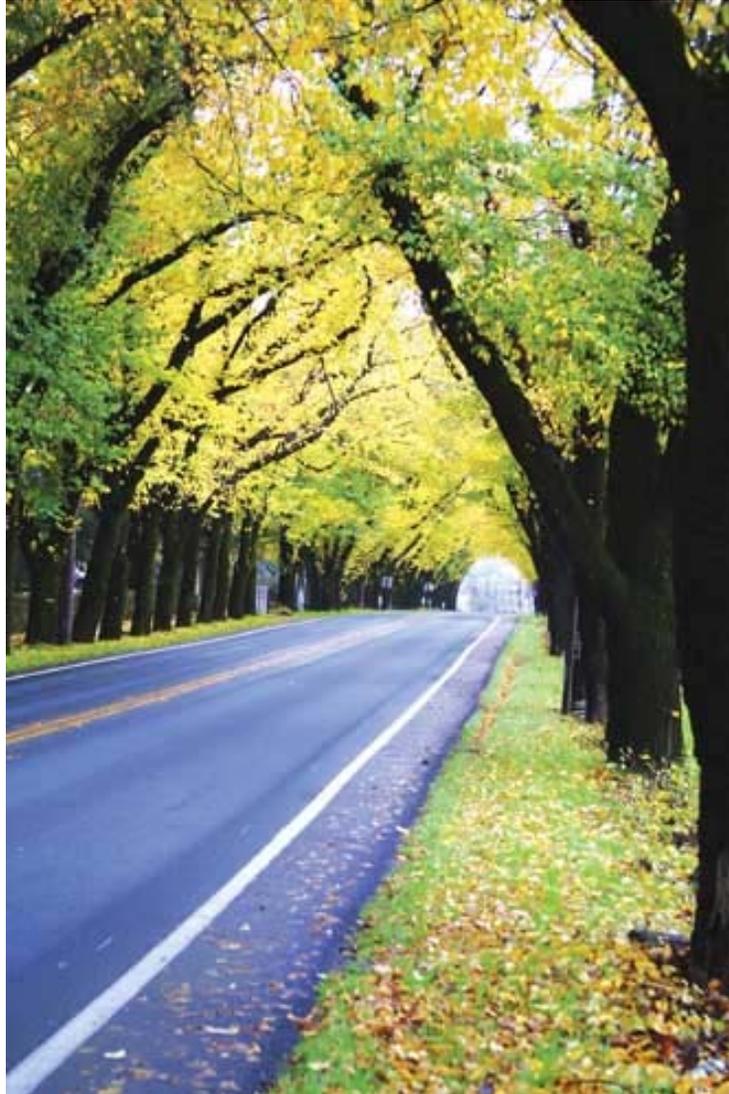
Budgetary Comparison Schedule
Accumulated Capital Outlay Fund
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		Positive (Negative)
Budgetary fund balances, Beginning	\$ 15,930,944	\$ 15,930,944	\$ 15,930,944	\$ --
Resources (inflows):				
Revenue from use of money and property	488,000	480,000	477,871	(2,129)
Amounts available for appropriation	488,000	480,000	477,871	(2,129)
Charges to appropriations (outflows):				
Services and supplies	3,746	3,746	3,446	300
Total charges to appropriations	3,746	3,746	3,446	300
Budgetary fund balances, Ending	\$ 16,415,198	\$ 16,407,198	\$ 16,405,369	\$ (1,829)

COUNTY OF NAPA

Budgetary Comparison Schedule
 County Center Improvement Fund
 For the Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balances, Beginning	\$ 3,406,334	\$ 3,406,334	\$ 3,406,334	\$ --
Resources (inflows):				
Revenue from use of money and property	40,000	40,000	44,181	4,181
Contributions and donations	--	--	919,068	919,068
Amounts available for appropriation	<u>40,000</u>	<u>40,000</u>	<u>963,249</u>	<u>923,249</u>
Charges to appropriations (outflows):				
Services and supplies	5,465	5,292	5,292	--
Other charges	--	135,942	135,942	--
Capital assets	6,927,899	6,927,899	3,921,501	3,006,398
Transfers out	--	218,910	218,910	--
Total charges to appropriations	<u>6,933,364</u>	<u>7,288,043</u>	<u>4,281,645</u>	<u>3,006,398</u>
Budgetary fund balances, Ending	<u>\$ (3,487,030)</u>	<u>\$ (3,841,709)</u>	<u>\$ 87,938</u>	<u>\$ 3,929,647</u>
Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures:				
<u>Uses/outflows of resources</u>				
Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison statement				\$ 4,281,645
Differences - budget to GAAP:				
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes.				<u>(218,910)</u>
Total expenditures as reported on the Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Capital Projects Funds				<u>\$ 4,062,735</u>



Photography by Brent A. Miller

A Scenic Drive Through The Napa Valley

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, 2009

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balances, Beginning	\$ 2,855,196	\$ 2,855,196	\$ 2,855,196	\$ --
Resources (inflows):				
Revenue from use of money and property	--	--	20,274	20,274
Transfers in	3,928,888	3,928,888	3,603,182	(325,706)
Amounts available for appropriation	<u>3,928,888</u>	<u>3,928,888</u>	<u>3,623,456</u>	<u>(305,432)</u>
Charges to appropriations (outflows):				
Debt service	3,928,888	3,928,888	3,917,233	11,655
Total charges to appropriations	<u>3,928,888</u>	<u>3,928,888</u>	<u>3,917,233</u>	<u>11,655</u>
Budgetary fund balances, Ending	<u>\$ 2,855,196</u>	<u>\$ 2,855,196</u>	<u>\$ 2,561,419</u>	<u>\$ (293,777)</u>
Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures:				
<u>Sources/inflows of resources</u>				
Actual amounts (budgetary basis) "available for appropriation" from budgetary comparison statement				\$ 3,623,456
Differences - budget to GAAP:				
Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes.				<u>(3,603,182)</u>
Total revenues as reported on the Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds				<u>\$ 20,274</u>

NONMAJOR ENTERPRISE FUNDS

ENTERPRISE FUNDS

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis be financed primarily through user charges; or where the County has decided that periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Napa Berryessa Resort Improvement District

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

The Napa County Housing Authority

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

COUNTY OF NAPA

Combining Statement of Fund Net Assets
 Nonmajor Enterprise Funds
 June 30, 2009

	Napa Berryessa Resort Improvement	Napa County Housing Authority	Total
ASSETS			
Current Assets:			
Cash and Investments	\$ 19,660	\$ 416,002	\$ 435,662
Taxes receivable	12,419	--	12,419
Accounts receivable	50,049	34,282	84,331
Assessments receivable	14,760	--	14,760
Total Current Assets	<u>96,888</u>	<u>450,284</u>	<u>547,172</u>
Noncurrent Assets:			
Capital Assets:			
Nondepreciable:			
Land	44,402	2,700,000	2,744,402
Depreciable:			
Structures and improvements	1,718,376	2,220,368	3,938,744
Equipment	99,560	--	99,560
Accumulated depreciation	(1,348,319)	(62,257)	(1,410,576)
Total Noncurrent Assets	<u>514,019</u>	<u>4,858,111</u>	<u>5,372,130</u>
Total Assets	<u>\$ 610,907</u>	<u>\$ 5,308,395</u>	<u>\$ 5,919,302</u>
LIABILITIES			
Current Liabilities:			
Accounts payable	\$ 2,393	\$ 45,423	\$ 47,816
Customer deposits	38,727	1,942	40,669
Interest payable	8,377	--	8,377
Due to other funds	480,000	--	480,000
Total Liabilities	<u>529,497</u>	<u>47,365</u>	<u>576,862</u>
NET ASSETS			
Invested in capital assets, net of related debt	514,019	4,858,111	5,372,130
Unrestricted	(432,609)	402,919	(29,690)
Total Net Assets	<u>81,410</u>	<u>5,261,030</u>	<u>5,342,440</u>
Total Liabilities and Net Assets	<u>\$ 610,907</u>	<u>\$ 5,308,395</u>	<u>\$ 5,919,302</u>

COUNTY OF NAPA

Combining Statement of Revenues, Expenses and Changes in Fund Net Assets
 Nonmajor Enterprise Funds
 For the Year Ended June 30, 2009

	Napa Berryessa Resort Improvement	Napa County Housing Authority	Total
Operating Revenues:			
Charges for services	\$ 619,520	\$ 482,226	\$ 1,101,746
 Total Operating Revenues	 619,520	 482,226	 1,101,746
Operating Expenses:			
Services and supplies	664,359	1,115,821	1,780,180
Insurance	6,905	--	6,905
Other charges	--	28,089	28,089
Depreciation and amortization	53,830	62,257	116,087
 Total Operating Expenses	 725,094	 1,206,167	 1,931,261
Operating Income (Loss)	(105,574)	(723,941)	(829,515)
Non-Operating Revenues (Expenses):			
Aid from other governmental units	371	57,728	58,099
Tax revenue	72,587	--	72,587
Non-operating revenues	--	110,683	110,683
Interest income	1,899	7,661	9,560
Interest expense	(12,686)	--	(12,686)
Change in estimation - capital asset	--	(3,603,439)	(3,603,439)
 Total Non-Operating Revenues (Expenses)	 62,171	 (3,427,367)	 (3,365,196)
Net Income (Loss) Before Contributions, Transfers and Special Items	(43,403)	(4,151,308)	(4,194,711)
Transfers in	--	628,531	628,531
 Change in Net Assets	 (43,403)	 (3,522,777)	 (3,566,180)
Net Assets - Beginning of Year	124,813	8,783,807	8,908,620
 Net Assets - End of Year	 \$ 81,410	 \$ 5,261,030	 \$ 5,342,440

COUNTY OF NAPA

Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended June 30, 2009

	<u>Napa Berryessa Resort Improvement</u>	<u>Napa County Housing Authority</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash receipts from customers	\$ 574,306	\$ 462,293	\$ 1,036,599
Cash paid to suppliers for goods and services	<u>(697,415)</u>	<u>(1,146,791)</u>	<u>(1,844,206)</u>
Net Cash Provided (Used) by Operating Activities	<u>(123,109)</u>	<u>(684,498)</u>	<u>(807,607)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Aid from other governmental units	371	57,728	58,099
Transfers in	--	628,531	628,531
Advances from other funds	20,000	--	20,000
Non-operating revenues	--	110,683	110,683
Tax revenue	72,587	--	72,587
Interest payments for non-capital activities	<u>(9,768)</u>	<u>--</u>	<u>(9,768)</u>
Net Cash Provided (Used) by Noncapital Financing Activities	<u>83,190</u>	<u>796,942</u>	<u>880,132</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Payments related to the acquisition of capital assets	<u>(15,105)</u>	<u>--</u>	<u>(15,105)</u>
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(15,105)</u>	<u>--</u>	<u>(15,105)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	<u>1,899</u>	<u>7,661</u>	<u>9,560</u>
Net Cash Provided by Investing Activities	<u>1,899</u>	<u>7,661</u>	<u>9,560</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(53,125)	120,105	66,980
Cash and Cash Equivalents, Beginning of Year	<u>72,785</u>	<u>295,897</u>	<u>368,682</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 19,660</u></u>	<u><u>\$ 416,002</u></u>	<u><u>\$ 435,662</u></u>

continued

COUNTY OF NAPA

Statement of Cash Flows (continued)
 Nonmajor Enterprise Funds
 For the Year Ended June 30, 2009

	<u>Napa Berryessa Resort Improvement</u>	<u>Napa County Housing Authority</u>	<u>Total</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating income (loss)	\$ (105,574)	\$ (723,941)	\$ (829,515)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation and amortization	53,830	62,257	116,087
Changes in assets and liabilities:			
(Increase) decrease in:			
Accounts receivable	(44,889)	(19,737)	(64,626)
Increase (decrease) in:			
Accounts payable	(22,500)	(2,159)	(24,659)
Due to other governments	(3,651)	(722)	(4,373)
Customer deposits	(325)	(196)	(521)
	<u> </u>	<u> </u>	<u> </u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (123,109)</u>	<u>\$ (684,498)</u>	<u>\$ (807,607)</u>

INTERNAL SERVICE FUNDS

INTERNAL SERVICE FUNDS

Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments on a cost-reimbursement basis. Internal Service Funds used at the County are listed below:

Equipment Pool Service Fund, Equipment Replacement Fund and Vehicle Replacement Fund

These are working capital funds 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

ITS 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 agencies that use the County's information technology systems.

Workers' Compensation

A self-insured Workers' Compensation Program was established in 1978 to partially self-insure against work-related losses. The current self-insured level is \$250,000 per claim occurrence. Coverage in excess of this limit, up to the statutory limit, is provided through participation in the California State Association of Counties Excess Insurance Authority (CSAC EIA). Annual charges for services for each department are based on a formula calculated from past claims experience and an assigned risk exposure for each employee/job classification within the department.

General Liability

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

INTERNAL SERVICE FUNDS

INTERNAL SERVICE FUNDS (continued)

Employee/Retiree Benefits

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

COUNTY OF NAPA

Combining Statement of Fund Net Assets Internal Service Funds June 30, 2009

	Equipment Pool Service Fund	Equipment Replacement	Vehicle Replacement	Information Technology Services
ASSETS				
Current Assets:				
Cash and Investments	\$ 368,633	\$ 1,954,012	\$ 1,543,979	\$ 2,025,526
Imprest cash	--	--	--	--
Accounts receivable	--	--	955	910
Due from other funds	--	380,000	--	--
Deposits	--	--	--	--
Total Current Assets	368,633	2,334,012	1,544,934	2,026,436
Noncurrent Assets:				
Depreciable:				
Equipment	156,854	5,926,702	4,788,796	2,287,192
Accumulated depreciation	(135,854)	(2,389,545)	(1,951,263)	(1,849,810)
Total Noncurrent Assets	21,000	3,537,157	2,837,533	437,382
Total Assets	\$ 389,633	\$ 5,871,169	\$ 4,382,467	\$ 2,463,818
LIABILITIES				
Current Liabilities:				
Accounts payable	\$ 50,434	\$ --	\$ --	\$ 149,146
Accrued salaries and benefits	11,823	--	--	192,852
Due to other funds	380,000	--	--	--
Liability for unpaid insurance claims	--	--	--	--
Liability for compensated absences	8,122	--	--	115,671
Total Current Liabilities	450,379	--	--	457,669
Long-Term Liabilities:				
Liability for unpaid insurance claims	--	--	--	--
Liability for compensated absences	9,063	--	--	133,658
Total Liabilities	459,442	--	--	591,327
NET ASSETS				
Invested in capital assets	21,000	3,537,157	2,837,533	437,382
Unrestricted	(90,809)	2,334,012	1,544,934	1,435,109
Total Net Assets	(69,809)	5,871,169	4,382,467	1,872,491
Total Liabilities and Net Assets	\$ 389,633	\$ 5,871,169	\$ 4,382,467	\$ 2,463,818

continued

COUNTY OF NAPA

Combining Statement of Fund Net Assets (continued)
Internal Service Funds
June 30, 2009

ASSETS	<u>Workers'</u> <u>Compensation</u>	<u>General</u> <u>Liability</u>	<u>Employee/</u> <u>Retiree Benefits</u>	<u>Total</u>
Current Assets:				
Cash and Investments	\$ 7,631,634	\$ 4,947,335	\$ 21,710	\$ 18,492,829
Imprest cash	--	50,919	--	50,919
Accounts receivable	--	--	--	1,865
Due from other funds	--	--	--	380,000
Deposits	76,341	--	--	76,341
Total Current Assets	<u>7,707,975</u>	<u>4,998,254</u>	<u>21,710</u>	<u>19,001,954</u>
Noncurrent Assets:				
Depreciable:				
Equipment	--	--	--	13,159,544
Accumulated depreciation	--	--	--	(6,326,472)
Total Noncurrent Assets	<u>--</u>	<u>--</u>	<u>--</u>	<u>6,833,072</u>
 Total Assets	 <u><u>\$ 7,707,975</u></u>	 <u><u>\$ 4,998,254</u></u>	 <u><u>\$ 21,710</u></u>	 <u><u>\$ 25,835,026</u></u>
 LIABILITIES				
Current Liabilities:				
Accounts payable	\$ 267,315	\$ 286	\$ --	\$ 467,181
Accrued salaries and benefits	--	--	--	204,675
Due to other funds	--	--	--	380,000
Liability for unpaid insurance claims	2,960,384	493,008	--	3,453,392
Liability for compensated absences	--	--	--	123,793
Total Current Liabilities	<u>3,227,699</u>	<u>493,294</u>	<u>--</u>	<u>4,629,041</u>
Long-Term Liabilities:				
Liability for unpaid insurance claims	3,236,616	2,826,992	--	6,063,608
Liability for compensated absences	--	--	--	142,721
Total Liabilities	<u>6,464,315</u>	<u>3,320,286</u>	<u>--</u>	<u>10,835,370</u>
 NET ASSETS				
Invested in capital assets	--	--	--	6,833,072
Unrestricted	1,243,660	1,677,968	21,710	8,166,584
Total Net Assets	<u>1,243,660</u>	<u>1,677,968</u>	<u>21,710</u>	<u>14,999,656</u>
 Total Liabilities and Net Assets	 <u><u>\$ 7,707,975</u></u>	 <u><u>\$ 4,998,254</u></u>	 <u><u>\$ 21,710</u></u>	 <u><u>\$ 25,835,026</u></u>

COUNTY OF NAPA

Combining Statement of Revenues, Expenses and Changes in Fund Net Assets Internal Service Funds For the Year Ended June 30, 2009

	Equipment Pool Service Fund	Equipment Replacement	Vehicle Replacement	Information Technology Services
Operating Revenues:				
Charges for services	\$ 24,994	\$ 113,617	\$ 58,331	\$ 7,646,360
Maintenance Charges:				
Equipment	719,035	--	--	--
Vehicle	1,107,329	--	--	--
Replacement charges	--	250,708	505,637	--
Other revenue	199	--	--	3,748
Total Operating Revenues	<u>1,851,557</u>	<u>364,325</u>	<u>563,968</u>	<u>7,650,108</u>
Operating Expenses:				
Salaries and employee benefits	320,411	--	--	4,913,960
Services and supplies	1,198,591	1,847	19,535	2,641,100
Claims expense	--	--	--	--
Depreciation and amortization	7,000	250,708	505,637	156,314
Total Operating Expenses	<u>1,526,002</u>	<u>252,555</u>	<u>525,172</u>	<u>7,711,374</u>
Operating Income (Loss)	<u>325,555</u>	<u>111,770</u>	<u>38,796</u>	<u>(61,266)</u>
Non-Operating Revenues (Expenses):				
Aid from other governments	91,566	365,885	26,000	--
Interest income	1,537	59,088	41,350	43,051
Gain (loss) on disposition of capital assets	--	(8,083)	830	--
Total Non-Operating Revenues (Expenses)	<u>93,103</u>	<u>416,890</u>	<u>68,180</u>	<u>43,051</u>
Net Income Before Contributions and Transfers	418,658	528,660	106,976	(18,215)
Transfers in	--	--	83,457	--
Transfers out	--	(310,299)	--	--
Change in Net Assets	418,658	218,361	190,433	(18,215)
Net Assets - Beginning of Year	(488,467)	5,652,808	4,192,034	1,890,706
Net Assets - End of Year	<u>\$ (69,809)</u>	<u>\$ 5,871,169</u>	<u>\$ 4,382,467</u>	<u>\$ 1,872,491</u>

continued

COUNTY OF NAPA

Combining Statement of Revenues, Expenses and Changes in Fund Net Assets (continued) Internal Service Funds For the Year Ended June 30, 2009

	<u>Workers' Compensation</u>	<u>General Liability</u>	<u>Employee/ Retiree Benefits</u>	<u>Total</u>
Operating Revenues:				
Charges for services	\$ 1,224,436	\$ 2,176,738	\$ 6,048,388	\$ 17,292,864
Maintenance Charges:				
Equipment	--	--	--	719,035
Vehicle	--	--	--	1,107,329
Replacement charges	--	--	--	756,345
Other revenue	43,727	86,627	17,770	152,071
Total Operating Revenues	<u>1,268,163</u>	<u>2,263,365</u>	<u>6,066,158</u>	<u>20,027,644</u>
Operating Expenses:				
Salaries and employee benefits	--	--	6,048,000	11,282,371
Services and supplies	440,520	184,085	--	4,485,678
Claims expense	1,397,397	1,479,579	--	2,876,976
Depreciation and amortization	--	--	--	919,659
Total Operating Expenses	<u>1,837,917</u>	<u>1,663,664</u>	<u>6,048,000</u>	<u>19,564,684</u>
Operating Income (Loss)	<u>(569,754)</u>	<u>599,701</u>	<u>18,158</u>	<u>462,960</u>
Non-Operating Revenues (Expenses):				
Aid from other governments	--	--	--	483,451
Interest income	223,018	123,503	3,552	495,099
Gain (loss) on disposition of capital assets	--	--	--	(7,253)
Total Non-Operating Revenues (Expenses)	<u>223,018</u>	<u>123,503</u>	<u>3,552</u>	<u>971,297</u>
Net Income Before Contributions and Transfers	<u>(346,736)</u>	<u>723,204</u>	<u>21,710</u>	<u>1,434,257</u>
Transfers in	--	--	--	83,457
Transfers out	(106,547)	(283,078)	--	(699,924)
Change in Net Assets	<u>(453,283)</u>	<u>440,126</u>	<u>21,710</u>	<u>817,790</u>
Net Assets - Beginning of Year	<u>1,696,943</u>	<u>1,237,842</u>	<u>--</u>	<u>14,181,866</u>
Net Assets - End of Year	<u>\$ 1,243,660</u>	<u>\$ 1,677,968</u>	<u>\$ 21,710</u>	<u>\$ 14,999,656</u>

COUNTY OF NAPA

Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2009

	<u>Equipment Pool Service Fund</u>	<u>Equipment Replacement</u>	<u>Vehicle Replacement</u>	<u>Information Technology Services</u>
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash receipts from internal services provided	\$ 1,852,793	\$ 366,174	\$ 582,548	\$ 7,661,811
Cash paid to suppliers for goods and services	(1,214,204)	(199,030)	(19,535)	(2,609,537)
Cash paid to employees for services	<u>(316,606)</u>	<u>--</u>	<u>--</u>	<u>(4,853,697)</u>
Net Cash Provided (Used) by Operating Activities	<u>321,983</u>	<u>167,144</u>	<u>563,013</u>	<u>198,577</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Aid from other governmental units	91,566	365,885	26,000	--
Transfers in	--	--	83,457	--
Transfers out	--	(310,299)	--	--
Advances (to)/from other funds	<u>(70,000)</u>	<u>70,000</u>	<u>--</u>	<u>--</u>
Net Cash Provided (Used) by Noncapital Financing Activities	<u>21,566</u>	<u>125,586</u>	<u>109,457</u>	<u>--</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Proceeds of sales of capital assets	--	35,807	104,694	--
Payments related to the acquisition of capital assets	<u>--</u>	<u>(718,769)</u>	<u>(614,248)</u>	<u>(181,883)</u>
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>--</u>	<u>(682,962)</u>	<u>(509,554)</u>	<u>(181,883)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received (paid)	<u>1,537</u>	<u>59,088</u>	<u>41,350</u>	<u>43,051</u>
Net Cash Provided by Investing Activities	<u>1,537</u>	<u>59,088</u>	<u>41,350</u>	<u>43,051</u>
Net Increase (Decrease) in Cash and Cash Equivalents	345,086	(331,144)	204,266	59,745
Cash and Cash Equivalents, Beginning of Year	<u>23,547</u>	<u>2,285,156</u>	<u>1,339,713</u>	<u>1,965,781</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 368,633</u></u>	<u><u>\$ 1,954,012</u></u>	<u><u>\$ 1,543,979</u></u>	<u><u>\$ 2,025,526</u></u>

continued

COUNTY OF NAPA

Combining Statement of Cash Flows (continued)
Internal Service Funds
For the Year Ended June 30, 2009

	<u>Workers'</u> <u>Compensation</u>	<u>General</u> <u>Liability</u>	<u>Employee/</u> <u>Retiree Benefits</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash receipts from internal services provided	\$ 1,263,240	\$ 2,490,999	\$ 6,066,158	\$ 20,283,723
Cash paid to suppliers for goods and services	(1,658,548)	(1,672,601)	--	(7,373,455)
Cash paid to employees for services	--	--	(6,048,000)	(11,218,303)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net Cash Provided (Used) by Operating Activities	<u>(395,308)</u>	<u>818,398</u>	<u>18,158</u>	<u>1,691,965</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Aid from other governmental units	--	--	--	483,451
Transfers in	--	--	--	83,457
Transfers out	(106,547)	(283,078)	--	(699,924)
Advances (to)/from other funds	--	--	--	--
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net Cash Provided (Used) by Noncapital Financing Activities	<u>(106,547)</u>	<u>(283,078)</u>	<u>--</u>	<u>(133,016)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Proceeds of sales of capital assets	--	--	--	140,501
Payments related to the acquisition of capital assets	--	--	--	(1,514,900)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>--</u>	<u>--</u>	<u>--</u>	<u>(1,374,399)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received (paid)	223,018	123,503	3,552	495,099
Net Cash Provided by Investing Activities	<u>223,018</u>	<u>123,503</u>	<u>3,552</u>	<u>495,099</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>(278,837)</u>	<u>658,823</u>	<u>21,710</u>	<u>679,649</u>
Cash and Cash Equivalents, Beginning of Year	<u>7,910,471</u>	<u>4,339,431</u>	<u>--</u>	<u>17,864,099</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 7,631,634</u></u>	<u><u>\$ 4,998,254</u></u>	<u><u>\$ 21,710</u></u>	<u><u>\$ 18,543,748</u></u>

continued

COUNTY OF NAPA

Combining Statement of Cash Flows (continued)
 Internal Service Funds
 For the Year Ended June 30, 2009

	<u>Equipment Pool Service Fund</u>	<u>Equipment Replacement</u>	<u>Vehicle Replacement</u>	<u>Information Technology Services</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Operating income (loss)	\$ 325,555	\$ 111,770	\$ 38,796	\$ (61,266)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	7,000	250,708	505,637	156,314
Changes in assets and liabilities:				
(Increase) decrease in:				
Accounts receivable	1,236	1,849	18,580	11,703
Inventory	11,353	--	--	--
Deposits	--	--	--	--
Increase (decrease) in:				
Accounts payable	(26,966)	(197,183)	--	31,563
Accrued salaries	1,329	--	--	21,143
Compensated absences	2,476	--	--	39,120
Net Cash Provided (Used) by Operating Activities	<u><u>\$ 321,983</u></u>	<u><u>\$ 167,144</u></u>	<u><u>\$ 563,013</u></u>	<u><u>\$ 198,577</u></u>

continued

COUNTY OF NAPA

Combining Statement of Cash Flows (continued)
Internal Service Funds
For the Year Ended June 30, 2009

	<u>Workers'</u> <u>Compensation</u>	<u>General</u> <u>Liability</u>	<u>Employee/</u> <u>Retiree Benefits</u>	<u>Total</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Operating income (loss)	\$ (569,754)	\$ 599,701	\$ 18,158	\$ 462,960
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	--	--	--	919,659
Changes in assets and liabilities:				
(Increase) decrease in:				
Accounts receivable	--	227,634	--	261,002
Inventory	--	--	--	11,353
Deposits	(4,923)	--	--	(4,923)
Increase (decrease) in:				
Accounts payable	179,369	(8,937)	--	(22,154)
Accrued salaries	--	--	--	22,472
Compensated absences	--	--	--	41,596
Net Cash Provided (Used) by Operating Activities	<u>\$ (395,308)</u>	<u>\$ 818,398</u>	<u>\$ 18,158</u>	<u>\$ 1,691,965</u>



Photography by Craig Philpott

Brazos Railroad Drawbridge, Napa River

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

The school districts are legally separate primary governmental units. The financial reporting for these governmental entities, which are independent of the County of Napa, is limited to the total amount of cash and investments and the related fiduciary responsibilities of the County for disbursement of these assets. Activities of the school districts are administered by boards which are separately elected and which are independent of the County Board of Supervisors and have been excluded from the County's basic financial statements.

Special Districts

The special districts are legally separate primary governmental units. The financial reporting for these governmental entities, which are independent of the County of Napa, is limited to the total amount of cash and investments and the related fiduciary responsibilities of the County for disbursement of these assets. Activities of the local board governed districts are administered by boards which are separately elected and which are independent of the County Board of Supervisors and have been excluded from the County's basic financial statements.

AGENCY FUNDS

Agency funds account for assets held by the County as an agent for various local governments and individuals.

COUNTY OF NAPA

Combining Statement of Fiduciary Net Assets
Investment Trust Funds
June 30, 2009

ASSETS	<u>Schools Districts</u>	<u>Special Districts</u>	<u>Total</u>
Current Assets:			
Cash and investments	\$ 144,102,747	\$ 58,725,264	\$ 202,828,011
Total Current Assets	<u>\$ 144,102,747</u>	<u>\$ 58,725,264</u>	<u>\$ 202,828,011</u>
 NET ASSETS			
Net assets held in trust for investment pool participants	\$ 144,102,747	\$ 58,725,264	\$ 202,828,011
Total Net Assets	<u>\$ 144,102,747</u>	<u>\$ 58,725,264</u>	<u>\$ 202,828,011</u>

COUNTY OF NAPA

Combining Statement of Changes in Fiduciary Net Assets
Investment Trust Funds
For the Year Ended June 30, 2009

	<u>Schools Districts</u>	<u>Special Districts</u>	<u>Total</u>
<u>ADDITIONS</u>			
Contributions:			
Contributions to investment pool	\$ 202,629,531	\$ 723,285,811	\$ 925,915,342
Total Contribution	<u>202,629,531</u>	<u>723,285,811</u>	<u>925,915,342</u>
Net Investment Income:			
Interest	<u>3,729,702</u>	<u>1,843,744</u>	<u>5,573,446</u>
Net Investment Income	<u>3,729,702</u>	<u>1,843,744</u>	<u>5,573,446</u>
 Total Additions	 <u>206,359,233</u>	 <u>725,129,555</u>	 <u>931,488,788</u>
<u>DEDUCTIONS</u>			
Distributions from investment pool	<u>223,153,361</u>	<u>729,081,629</u>	<u>952,234,990</u>
Total Deductions	<u>223,153,361</u>	<u>729,081,629</u>	<u>952,234,990</u>
Change in Net Assets	(16,794,128)	(3,952,074)	(20,746,202)
Net Assets, Beginning	<u>160,896,875</u>	<u>62,677,338</u>	<u>223,574,213</u>
Net Assets, Ending of Year	<u>\$ 144,102,747</u>	<u>\$ 58,725,264</u>	<u>\$ 202,828,011</u>

COUNTY OF NAPA

Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Fiscal Year Ended June 30, 2009

ASSETS	<u>July 1, 2008</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2009</u>
Current Assets:				
Cash and investments	\$ 32,587,851	\$ 528,189,448	\$ 526,822,071	\$ 33,955,228
Taxes receivable	15,494,066	323,714	--	15,817,780
Total Current Assets	<u>\$ 48,081,917</u>	<u>\$ 528,513,162</u>	<u>\$ 526,822,071</u>	<u>\$ 49,773,008</u>
LIABILITIES				
Agency funds held for others	<u>\$ 48,081,917</u>	<u>\$ 528,513,162</u>	<u>\$ 526,822,071</u>	<u>\$ 49,773,008</u>
Total Liabilities	<u>\$ 48,081,917</u>	<u>\$ 528,513,162</u>	<u>\$ 526,822,071</u>	<u>\$ 49,773,008</u>

Statistical Section





@ 2004, California State Parks

Bale Grist Mill State Historic Park

COUNTY OF NAPA

Statistical Section

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

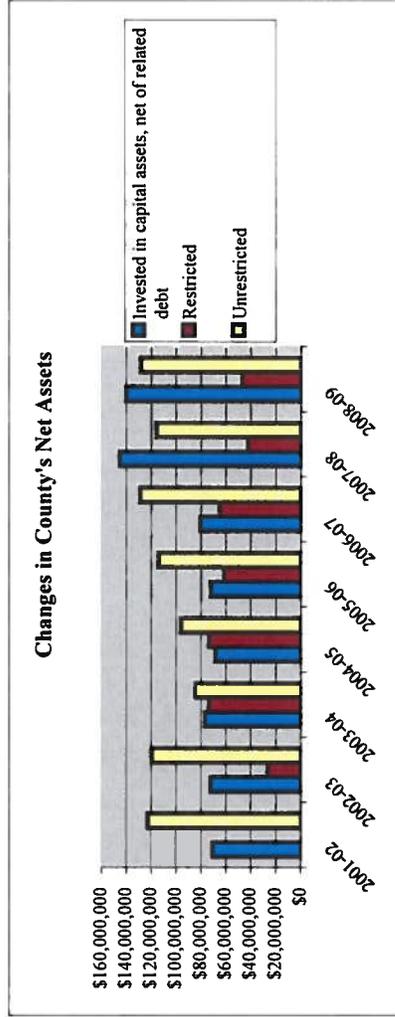
	<u>Page</u>
Financial Trends Information	
These schedules contain trend information that may assist the reader in assessing the County’s current financial performance by placing it in historical perspective	180
Revenue Capacity Information	
These schedules contain information that may assist the reader in assessing the viability of the County’s two most significant local revenue sources; property taxes and sales taxes.....	186
Debt Capacity Information	
These schedules present information that may assist the reader in analyzing the affordability of the County’s current levels of outstanding debt and the County’s ability to issue additional debt in the future	191
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.....	196
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	199

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

COUNTY OF NAPA

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

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



Notes:

- ¹ Capital assets include land, easements, infrastructure, construction in progress, structures and improvements, and equipment.
- ² Accounting standards require that net assets be reported in three components in the financial statements: invested in capital assets, net of related debt, restricted, and unrestricted. Net assets are considered restricted only when an external party, such as the state or federal government, places a restriction on how the resources may be used, or through enabling legislation enacted by the County.

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

COUNTY OF NAPA

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

	Fiscal Year							
	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09
Expenses								
Governmental activities:								
General government	\$ 32,049,841	\$ 35,498,520	\$ 33,547,309	\$ 24,611,200	\$ 28,808,510	\$ 30,344,422	\$ 36,965,695	\$ 33,245,999
Public protection	54,093,413	59,155,040	62,467,022	70,316,699	77,954,652	82,810,854	85,291,842	92,994,974
Public ways and facilities	21,127,537	16,877,819	23,224,824	28,269,848	40,796,290	27,263,089	23,234,238	24,440,620
Health and sanitation	27,125,790	29,123,849	27,777,318	29,561,078	32,373,467	35,941,958	38,670,267	40,845,070
Public assistance	28,898,408	26,085,613	27,454,506	31,683,117	29,420,309	28,526,647	30,468,421	32,383,758
Education	4,382,122	4,869,614	4,829,289	5,194,812	5,628,848	5,716,827	6,025,556	6,646,817
Recreational and cultural services	-	44,978	300,142	1,021,586	120,152	206,468	876,547	1,164,588
Debt service:								
Interest and fiscal charges	3,640,446	3,549,288	4,474,723	3,882,913	4,180,859	3,799,558	3,624,153	3,371,954
Administration and arbitrage fees	-	171,193	11,209	1,507,883	459,566	14,770	6,315	17,570
Total governmental activities expenses	171,317,557	175,375,914	184,086,342	196,049,136	219,742,633	214,624,593	225,163,034	235,111,350
Business-type activities:								
Airport	1,251,864	1,435,205	1,715,493	1,676,592	1,935,407	2,152,164	2,527,682	2,608,377
Lake Berryessa Resort Improvement	480,768	574,405	709,545	710,296	886,976	642,997	845,030	959,387
Napa County Housing Authority	-	-	-	-	-	242,779	1,033,262	1,206,167
Napa Berryessa Public Improvement	489,437	584,255	567,119	634,032	709,907	657,015	1,238,425	737,780
Fifth Street Parking Garage	-	-	-	-	-	-	-	221,177
Total business-type activities expenses	2,222,069	2,593,865	2,992,157	3,020,920	3,532,290	3,694,955	5,644,399	5,732,888
Total primary government expenses	\$ 173,539,626	\$ 177,969,779	\$ 187,078,499	\$ 199,070,056	\$ 223,274,923	\$ 218,319,548	\$ 230,807,433	\$ 240,844,238
Program Revenues								
Governmental activities:								
Charges for services	\$ 5,706,775	\$ 4,976,957	\$ 3,368,205	\$ 3,305,175	\$ 3,689,381	\$ 6,487,957	\$ 8,195,676	\$ 11,941,868
General government	9,023,197	9,203,552	11,616,975	15,100,425	15,670,287	19,003,569	15,414,106	19,439,874
Public protection	6,000,804	10,147,260	11,226,993	9,947,969	11,345,970	14,895,429	10,701,991	11,395,384
Other activities	78,530,500	77,087,961	81,430,737	73,472,534	75,847,921	78,904,254	77,170,135	76,692,630
Operating grants and contributions	-	-	40,000	-	5,298,042	1,016,938	4,498,647	2,652,478
Capital grants and contributions	99,261,276	101,415,730	107,682,910	101,826,103	111,851,601	120,308,147	115,980,555	122,122,234
Total governmental activities program revenues	1,492,907	1,554,468	1,540,253	1,571,022	1,590,342	1,645,614	1,773,937	1,788,110
Charges for services	505,227	514,730	583,130	557,551	658,117	543,516	446,722	517,297
Lake Berryessa Resort Improvement	-	-	-	-	-	-	480,869	482,226
Napa County Housing Authority	-	-	-	-	-	-	-	162,287
Fifth Street Parking Garage	550,526	521,361	633,931	576,164	676,043	389,059	627,018	619,320
Napa Berryessa Public Improvement	1,367,540	1,187,475	945,373	2,975,901	2,730,512	84,114	210,446	169,041
Operating grants and contributions	-	-	-	-	-	3,241,463	10,618,507	1,183,867
Capital grants and contributions	3,916,200	3,778,034	3,702,687	5,680,638	5,655,014	5,903,766	14,157,499	4,922,348
Total business-type activities program revenues	\$ 103,177,476	\$ 105,193,764	\$ 111,385,597	\$ 107,506,741	\$ 117,506,615	\$ 126,211,913	\$ 130,138,054	\$ 127,044,582

(Continued)

- Notes:
- 1 Net (expense)/revenue is the difference between the expenses and program revenues of a function or program. It indicates the degree to which a function or program supports itself with its own fees and grants versus its reliance upon funding from taxes and other general revenues. Numbers in parentheses are net expenses, indicating that expenses were greater than program revenues and therefore general revenues were needed to finance that function or program. Numbers without parentheses are net revenues, indicating program revenues were greater than expenses.
 - 2 Beginning in 2006, motor vehicle in-lieu fee revenue is reported under property tax due to the Triple-Flip legislation.
 - 3 Special item of \$1.8m was contributed by the Napa County Flood Control and Water Conservation District to relocate and rebuild the Napa County Animal Shelter.

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

COUNTY OF NAPA

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

	Fiscal Year							
	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09
Net (Expense)/Revenue ¹								
Governmental activities	\$ (72,056,281)	\$ (73,960,184)	\$ (76,403,432)	\$ (94,223,033)	\$ (107,891,032)	\$ (94,316,446)	\$ (109,182,479)	\$ (112,989,116)
Business-type activities	1,694,131	1,184,169	710,530	2,659,718	2,122,724	2,208,811	8,513,100	(810,540)
Total primary government net expense	\$ (70,362,150)	\$ (72,776,015)	\$ (75,692,902)	\$ (91,563,315)	\$ (105,768,308)	\$ (92,107,635)	\$ (100,669,379)	\$ (113,799,656)
General Revenues and Other Changes in Net Assets								
Governmental activities:								
Taxes								
Property taxes	\$ 35,350,355	\$ 39,213,921	\$ 42,424,261	\$ 44,667,099	\$ 63,266,398	\$ 69,224,026	\$ 75,712,896	\$ 86,269,692
Sales and use taxes	24,359,026	25,858,407	27,920,438	27,065,296	29,109,022	30,597,528	31,188,494	27,924,007
Transient occupancy taxes	4,293,481	4,774,394	4,718,763	5,743,951	7,045,286	8,076,701	9,681,766	8,452,117
Property transfer taxes	1,054,546	1,140,502	1,440,722	1,790,692	2,253,151	1,576,809	1,128,851	919,282
Other	1,543	1,366	1,898	400	3,165	352	-	-
Motor vehicle in lieu taxes ²	-	-	-	9,417,773	-	-	-	-
Unrestricted interest and investment earnings	5,172,876	4,012,538	2,968,228	3,713,125	5,258,985	6,968,520	8,413,728	5,584,576
Miscellaneous	8,562,503	6,653,267	7,166,948	2,535,650	8,265,641	336,689	1,999,522	778,508
Special items ³	-	-	1,801,309	-	-	-	-	-
Transfers	276,009	(667,395)	77,476	85,840	67,697	(131,796)	(651,193)	(17,425,745)
Total governmental activities	79,070,339	80,987,000	88,520,043	95,019,826	115,269,345	116,648,829	127,474,064	112,502,437
Business-type activities:								
Taxes	55,257	52,721	59,710	13,362	28,267	96,377	110,558	123,196
Investment earnings	19,453	62,215	36,415	69,232	117,305	115,832	303,146	185,110
Miscellaneous	100,303	398,392	124,419	106,447	69,047	121,476	86,800	-
Special items ⁴	-	-	-	-	-	-	-	(4,003,439)
Transfers	(276,009)	667,395	(77,476)	(85,840)	(67,697)	131,796	651,193	17,425,745
Total business-type activities	(100,996)	1,180,723	143,068	103,201	146,922	465,481	1,151,697	13,730,612
Total primary government	\$ 78,969,343	\$ 82,167,723	\$ 88,663,111	\$ 95,123,027	\$ 115,416,267	\$ 117,114,310	\$ 128,625,761	\$ 126,233,049
Change in Net Assets								
Governmental activities	\$ 7,014,058	\$ 7,026,816	\$ 12,116,611	\$ 796,793	\$ 7,378,313	\$ 22,332,383	\$ 18,291,585	\$ (486,679)
Business-type activities	1,593,135	2,364,892	853,598	2,762,919	2,269,646	2,674,292	9,664,797	12,920,072
Total primary government	\$ 8,607,193	\$ 9,391,708	\$ 12,970,209	\$ 3,559,712	\$ 9,647,959	\$ 25,006,675	\$ 27,956,382	\$ 12,433,393

Notes:

- 1 Net (expense)/revenue is the difference between the expenses and program revenues of a function or program. It indicates the degree to which a function or program supports itself with its own fees and grants versus its reliance upon funding from taxes and other general revenues. Numbers in parentheses are net expenses, indicating that expenses were greater than program revenues and therefore general revenues were needed to finance that function or program. Numbers without parentheses are net revenues, indicating program revenues were greater than expenses.
- 2 Beginning in 2006, motor vehicle in-lieu fee revenue is reported under property tax due to the Triple-Flip legislation.
- 3 Special item of \$1.8m was contributed by the Napa County Flood Control and Water Conservation District to relocate and rebuild the Napa County Animal Shelter.
- 4 Special items of \$3.6m change in farmworker housing centers valuation for the Napa County Housing Authority and \$0.4m stipulated judgement against Lake Berryessa Resort Improvement

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

COUNTY OF NAPA

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

Fiscal Year	Property Tax ¹	Sales & Use Tax ²	Transient Occupancy Tax ³	Property Transfer Tax ⁴	Other Taxes ⁵	Total
2000	27,653,695	22,863,411	5,029,392	1,103,203	2,975	56,652,676
2001	31,858,409	25,402,154	5,743,126	1,127,920	3,452	64,135,061
2002	35,350,355	24,359,026	4,293,481	1,054,546	1,543	65,058,951
2003	39,213,921	25,858,407	4,774,394	1,140,502	1,365	70,988,589
2004	42,424,261	27,920,438	4,718,763	1,440,722	1,898	76,506,082
2005	44,667,099	27,065,296	5,743,951	1,790,692	400	79,267,438
2006	63,266,398	29,109,022	7,045,286	2,253,151	3,165	101,677,022
2007	69,224,026	30,597,528	8,076,701	1,576,809	352	109,475,416
2008	75,712,794	31,188,494	9,681,766	1,128,851	102	117,712,007
2009	85,733,402	28,460,170	8,452,117	919,282	127	123,565,098
Change 2000-2009	210.0%	24.5%	68.1%	-16.7%	-93.3%	118.1%

Notes:

¹ Property tax revenues increased 212.0% in the last 10 fiscal years due to additional assessments by the Assessor's Office based on reappraisals of real property due to changes in ownership or completion of new construction. Beginning in 2006, motor vehicle in-lieu fee revenue is reported under property tax due to the Triple-Flip legislation.

² Sales and use tax revenues increased 22.1% in the last ten years due to a combination of rate increases (an additional 1 cent sales tax began in March of 2009) and general growth in taxable sales.

³ Transient Occupancy Tax (12% as of January 1, 2005) increased 68.1% in the last ten years due to an increase in tourism.

⁴ Property transfer tax revenues decreased 16.7% in the last 10 years due to a decrease in value and sales activity.

⁵ Other Taxes include Timber Tax and Racehorse Tax.

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									
	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09
General Fund										
Reserved	\$ 3,338	\$ 11,798	\$ 26,413	\$ 21,971	\$ 8,225	\$ 7,394	\$ 11,136	\$ 11,696	\$ 9,662	\$ 10,397
Unreserved	22,395	27,693	42,563	44,317	56,471	57,574	62,817	63,431	40,309	40,570
Total general fund	<u>\$ 25,733</u>	<u>\$ 39,491</u>	<u>\$ 68,976</u>	<u>\$ 66,288</u>	<u>\$ 64,696</u>	<u>\$ 64,968</u>	<u>\$ 73,953</u>	<u>\$ 75,127</u>	<u>\$ 49,971</u>	<u>\$ 50,967</u>
All Other Governmental Funds										
Reserved	\$ 47,783	\$ 17,091	\$ 33,416	\$ 68,644	\$ 20,545	\$ 17,551	\$ 17,497	\$ 18,872	\$ 17,723	\$ 16,741
Unreserved, reported in:										
Special revenue funds	22,607	31,081	6,927	22,579	53,835	61,985	53,213	60,407	95,038	107,942
Capital projects funds	-	-	991	534	12,710	7,124	15,945	22,711	21,294	18,748
Debt service funds	-	-	7,800	5,365	2,616	1,490	1,541	3,407	1,550	1,501
Total all other governmental funds	<u>\$ 70,390</u>	<u>\$ 48,172</u>	<u>\$ 49,134</u>	<u>\$ 97,122</u>	<u>\$ 89,706</u>	<u>\$ 88,150</u>	<u>\$ 88,196</u>	<u>\$ 105,397</u>	<u>\$ 135,605</u>	<u>\$ 144,932</u>

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

COUNTY OF NAPA

Changes in Fund Balance, Governmental Funds

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

	Fiscal Year									
	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09
Revenues:										
Taxes	\$ 46,398	\$ 62,874	\$ 65,059	\$ 70,989	\$ 76,506	\$ 88,685	\$ 101,677	\$ 109,475	\$ 117,712	\$ 123,565
Licenses, fees and permits	1,888	2,605	4,325	2,936	3,590	3,981	4,293	5,286	5,023	4,426
Fines, forfeits and penalties	70,874	68,339	1,769	1,927	2,263	1,385	2,941	2,617	1,946	2,748
Use of money and property	2,398	1,761	4,522	3,551	2,700	3,312	4,727	6,278	7,657	5,089
Aid from other governments	4,583	5,966	78,530	77,088	77,462	73,473	82,455	80,589	74,639	77,127
Charges for services	11,296	13,190	14,496	19,140	19,620	22,988	23,472	32,460	26,089	31,944
Contributions and donations	-	-	-	-	-	-	-	250	3,797	1,255
Other	5,316	4,501	8,560	6,970	7,186	4,101	8,360	1,249	1,713	1,065
Total Revenues	142,753	159,236	177,261	182,601	189,327	197,925	227,925	238,204	238,576	247,219
Expenditures:										
Current:										
General government	24,769	28,944	27,344	36,207	29,906	24,887	27,565	30,797	34,968	30,181
Public protection	38,162	35,413	53,186	58,057	61,103	69,203	76,328	83,403	84,436	92,552
Public ways and facilities	17,502	44,963	14,814	10,527	16,859	22,298	34,410	22,037	18,394	20,340
Health and sanitation	20,577	24,453	26,976	28,963	27,663	29,404	32,076	35,863	38,411	40,692
Public assistance	22,916	19,748	28,746	25,924	27,260	31,566	29,211	28,478	30,159	32,111
Education	3,007	3,167	4,297	4,783	4,735	5,075	5,906	5,611	5,963	6,547
Recreational and cultural services	-	-	-	45	300	1,022	120	207	877	1,165
Capital Outlay	1,171	3,909	7,132	7,710	21,505	20,048	4,162	5,518	11,046	3,921
Debt Service										
Principal	2,790	2,950	3,110	9,870	3,880	4,365	5,495	5,627	5,790	6,007
Interest	3,920	3,808	3,641	3,421	4,472	3,941	3,977	3,796	3,622	3,393
Administration and arbitrage fees	-	-	-	1,091	11	1,508	581	15	27	18
Total Expenditures	134,814	167,355	169,246	186,598	197,694	213,317	219,431	221,352	233,693	236,927
Excess of revenue over (under) expenditures	7,939	(8,119)	8,015	(3,997)	(8,367)	(15,392)	8,494	16,852	4,883	10,292
Other Financing Sources (Uses)										
Proceeds from borrowing	43,620	-	-	32,417	-	14,002	450	1,000	-	-
Transfers in	5,300	4,567	4,871	16,052	4,738	5,857	10,490	21,851	38,588	16,535
Transfers out	(4,550)	(4,887)	(4,366)	(15,048)	(5,378)	(5,468)	(10,403)	(21,329)	(38,419)	(16,503)
Total other financing sources (uses)	44,370	(320)	505	33,421	(640)	14,391	537	1,522	169	32
Net change in fund balances	\$ 52,309	\$ (8,439)	\$ 8,520	\$ 29,424	\$ (9,007)	\$ (1,001)	\$ 9,031	\$ 18,374	\$ 5,052	\$ 10,324
Debt service as a percentage of noncapital expenditures ¹	5.02%	4.13%	4.16%	7.43%	4.74%	4.30%	4.40%	4.37%	4.23%	4.03%

¹ 2006 started using Capital Expenses inclusive of adjustments. In 2009 reverted back to using Debt Serv/Total Exp-Capital Outlay formula retro to 2006

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

COUNTY OF NAPA

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

Fiscal Year Ended June 30,	Real	Personal	Less:	Total Taxable	Total	Net Increase
	Property	Property	Tax Exempt Property	Assessed Value ¹	Direct Tax Rate	Amount Percentage
2000	\$ 11,347,969	\$ 626,689	\$ 539,918	\$ 11,434,740	1.0%	\$ 944,454 9.00%
2001	12,509,849	623,099	550,129	12,582,819	1.0%	1,148,079 10.04%
2002	14,086,106	691,127	588,735	14,188,498	1.0%	1,605,679 12.76%
2003	15,617,221	713,924	674,258	15,656,887	1.0%	1,468,389 10.35%
2004	17,193,975	757,097	712,053	17,239,019	1.0%	1,582,132 10.11%
2005	18,805,536	794,875	736,767	18,863,644	1.0%	1,624,625 9.42%
2006	20,927,596	843,571	792,749	20,978,418	1.0%	2,114,774 11.21%
2007	23,145,479	907,930	802,511	23,250,898	1.0%	2,272,480 10.83%
2008	25,277,127	1,035,647	857,734	25,455,040	1.0%	2,204,142 9.48%
2009	26,664,701	1,232,835	917,154	26,980,382	1.0%	1,525,342 5.99%

Notes:

- ¹ Article XIII A, added to California Constitution by Proposition 13 in 1978, fixed the base for valuation of property subject to taxes at the full cash value which appeared on the Assessor's 1975-76 assessment roll. Thereafter, full cash value can be increased:
- a. To reflect annual inflation up to two percent;
 - b. To reflect current market value at time of ownership change and
 - c. To reflect market value for new construction

Source: Assessor's Office - County of Napa

COUNTY OF NAPA

Direct and Overlapping Property Tax Rates¹ Last Ten Fiscal Years (rate per \$100 of assessed value)

Fiscal Year	County Direct Rate	Overlapping Rates ²			Total Direct and Overlapping ²
		Local Special Districts	Schools	Cities	
2000	1.00	0.52	0.09	0.05	1.66
2001	1.00	0.42	0.08	0.04	1.54
2002	1.00	0.28	0.07	0.04	1.39
2003	1.00	0.28	0.13	0.04	1.45
2004	1.00	0.28	0.17	0.03	1.48
2005	1.00	0.28	0.16	0.03	1.47
2006	1.00	0.28	0.15	0.03	1.46
2007	1.00	0.28	0.16	0.03	1.47
2008	1.00	0.28	0.18	0.03	1.49
2009	1.00	0.28	0.17	0.02	1.47

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	2009			2000		
	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value
Pacific Gas and Electric Co	\$ 139,100,305	1	0.52%	\$ 107,807,183	1	0.94%
IDV North America Inc	103,174,265	2	0.38%	81,114,252	4	0.71%
Fosters Wine Estates America	94,150,006	3	0.35%			
Dey laboratories LP	90,063,807	4	0.33%	77,403,281	5	0.68%
Sunstone Napa LLC	62,119,300	5	0.23%			
AmCan Beverages Inc	60,500,733	6	0.22%			
Kaiser Foundation Hospital	58,839,200	7	0.22%			
Sterling Vineyards Inc	56,147,517	8	0.21%	56,356,166	8	0.49%
Calistoga Ranch Club	54,451,201	9	0.20%			
Sutter Home Winery Inc	52,284,595	10	0.19%	94,020,605	2	0.82%
Beringer Wine Estates				85,090,056	3	0.74%
Pacific Bell				71,140,415	6	0.62%
Silverado Country Club				59,922,004	7	0.52%
Cordorniu Napa				35,589,510	9	0.31%
Domaine Chandon				33,395,833	10	0.29%
Total	\$ 770,830,929		2.85%	\$ 701,839,305		6.14%
Total Assessed Value	\$ 26,980,382,857			\$ 11,434,740,138		

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

COUNTY OF NAPA

Property Tax Levies and Collections Last Ten Fiscal Years

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year		Collected within the Fiscal Year of the Levy		Collections in Subsequent Years		Total Collections to Date		Total Cumulative Uncollected Taxes	
	Amount	Percentage of Levy	Amount	Percentage of Levy	Amount	Percentage of Levy	Amount	Percentage of Levy	Amount	Percentage of Levy
2000	\$ 126,413,149		\$ 124,436,238	98.44%	\$ 1,975,653		\$ 126,411,891	100.00%	\$ 1,258	0.00%
2001	138,346,760		136,022,226	98.32%	2,323,300		138,345,526	100.00%	1,234	0.00%
2002	154,095,824		151,698,269	98.44%	2,383,363		154,081,632	99.99%	14,192	0.01%
2003	170,449,903		167,419,783	98.22%	2,997,810		170,417,593	99.98%	32,310	0.02%
2004	194,623,245		191,764,130	98.53%	2,812,744		194,576,874	99.98%	46,371	0.02%
2005	211,298,951		207,475,991	98.19%	3,634,581		211,110,572	99.91%	188,379	0.09%
2006	236,138,313		232,228,016	98.34%	3,453,348		235,681,364	99.81%	456,949	0.19%
2007	259,125,199		253,101,850	97.68%	4,188,125		257,289,975	99.29%	1,835,224	0.71%
2008	290,678,342		281,002,717	96.67%	7,022,019		288,024,736	99.09%	2,653,606	0.91%
2009	306,896,476		295,928,750	96.43%	n/a		295,928,750	96.43%	10,967,726	3.57%

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

COUNTY OF NAPA

Direct and Overlapping Sales Tax Rates Last Ten Fiscal Years

Fiscal Year	State			Direct Government			Overlapping Government	
	General Fund ¹	Local		County Operations ²	County Transportation	Flood Authority ³	Total	
		Revenue Fund	Public Safety Fund					Fiscal Recovery Fund ²
2000	5.00%	0.50%	0.50%	0.00%	1.00%	0.25%	0.50%	7.75%
2001	4.75%	0.50%	0.50%	0.00%	1.00%	0.25%	0.50%	7.50%
2002	5.00%	0.50%	0.50%	0.00%	1.00%	0.25%	0.50%	7.75%
2003	5.00%	0.50%	0.50%	0.00%	1.00%	0.25%	0.50%	7.75%
2004	5.00%	0.50%	0.50%	0.00%	1.00%	0.25%	0.50%	7.75%
2005	5.00%	0.50%	0.50%	0.25%	0.75%	0.25%	0.50%	7.75%
2006	5.00%	0.50%	0.50%	0.25%	0.75%	0.25%	0.50%	7.75%
2007	5.00%	0.50%	0.50%	0.25%	0.75%	0.25%	0.50%	7.75%
2008	5.00%	0.50%	0.50%	0.25%	0.75%	0.25%	0.50%	7.75%
2009	6.00%	0.50%	0.50%	0.25%	0.75%	0.25%	0.50%	8.75%

Notes:

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

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

³ In March of 1998, the County of Napa citizens approved an additional 1/2 cent sales tax increase for flood improvements, effective July 1, 1998.

Source: California State Board of Equalization

COUNTY OF NAPA

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

Fiscal Year	Governmental Activities				Business-Type Activities				Total Primary Government	Percentage of Personal Income ¹	Per Capita ¹
	Sales Tax Revenue Bonds	Certificates of Participation	Term Loan Payable	Total	Improvement Bonds	Term Loan Payable	Total				
2000	\$ 43,650	\$ 32,330	\$ -	\$ 75,980	\$ 170	\$ -	\$ 76,150	1.62%	619		
2001	43,650	29,380	-	73,030	60	-	73,090	1.52%	586		
2002	43,650	26,270	-	69,920	-	500	70,420	1.44%	551		
2003	43,650	48,750	-	92,400	-	480	92,880	1.84%	714		
2004	41,555	46,965	-	88,520	-	460	88,980	1.65%	675		
2005	53,025	44,925	-	97,950	-	439	98,389	1.70%	743		
2006	49,845	42,665	-	92,510	-	415	92,925	1.49%	697		
2007	46,565	40,340	1,407	88,312	-	390	88,702	1.32%	660		
2008	43,150	38,005	1,386	82,541	4,711	362	87,614	1.25%	644		
2009	39,585	35,605	1,323	76,513	4,655	333	81,501	unavailable	592		

Notes:

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

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

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

COUNTY OF NAPA

Ratios of General Bonded Debt Outstanding Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value of Property	Per Capita
2000	n/a		-		
2001	n/a		-		
2002	n/a		-		
2003	n/a		-		
2004	n/a		-		
2005	n/a		-		
2006	n/a		-		
2007	n/a		-		
2008	n/a		-		
2009	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, 2009**

Assessed Valuation (including unitary utility valuation)	\$ 27,143,028,829
Less: Redevelopment incremental valuation ¹	<u>461,148,381</u>
Adjusted assessed valuation	<u><u>\$ 26,681,880,448</u></u>

DIRECT AND OVERLAPPING GENERAL FUND OBLIGATION DEBT:	Debt Outstanding	Percentage Applicable	County's Share of Overlapping Debt
Direct General Fund Obligation Debt			
Napa County Certificates of Participation	\$ 35,605,000	100.000%	\$ 35,605,000
Overlapping General Fund Obligation Debt			
<i>School Districts</i>			
Napa County Board of Education Certificates of Participation	3,615,000	100.000%	3,615,000
Calistoga Joint Unified School District Certificates of Participation	990,000	87.530%	866,547
<i>Cities</i>			
City of American Canyon General Fund Obligations	3,030,000	100.000%	3,030,000
Town of Yountville General Fund Obligations	<u>10,710,000</u>	100.000%	<u>10,710,000</u>
Total Overlapping General Fund Obligation Debt	<u>18,345,000</u>		<u>18,221,547</u>
Total Direct and Overlapping General Fund Obligation Debt	<u><u>53,950,000</u></u>		<u><u>53,826,547</u></u>

OVERLAPPING TAX AND ASSESSMENT DEBT:

School Districts

Napa Valley Community College District	124,220,965	99.126%	123,135,274
Calistoga Joint Unified School District	1,875,000	87.530%	1,641,188
Fairfield-Suisun Joint Unified School District	88,990,000	1.034%	920,157
Napa Valley Unified School District	191,915,000	100.000%	191,915,000
St. Helena Unified School District	14,670,000	100.000%	14,670,000
Howell Mountain School District	2,804,351	100.000%	2,804,351

Cities

City of St. Helena	1,185,000	100.000%	1,185,000
City of American Canyon 1915 Act Bonds	24,135,000	100.000%	24,135,000
City of Napa 1915 Act Bonds	1,425,000	100.000%	1,425,000
Lake Berryessa Resort Improvement Assessment District No. 2006-1	4,700,000	100.000%	4,700,000
California Statewide Community Development Authority Assessment District No. 05-01	<u>955,585</u>	100.000%	<u>955,585</u>

Total Overlapping Tax and Assessment Debt

<u>456,875,901</u>		<u>367,486,555</u>
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COMBINED TOTAL DEBT

<u><u>\$ 510,825,901</u></u>		<u><u>\$ 421,313,102</u></u> ²
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Ratio to 2008-09 Assessed Valuation:

Total Overlapping Tax and Assessment Debt.....1.35%

Ratios to Adjusted Assessed Valuation:

Combined Direct Debt (\$35,605,000).....0.13%

Combined Total Debt1.58%

Notes:

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

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

Source: California Municipal Statistics, Inc.

Legal Debt Margin Information
As of June 30, 2009
(dollars in thousands)

	Fiscal Year 2009	
	1.25%	3.75%
Debt limit	\$ 337,255	\$ 1,011,764
Total net debt applicable to limit	36,936	77,024
Legal debt margin	\$ 300,319	\$ 934,740
 Total net debt applicable to the limit as a percentage of debt limit	 10.95%	 7.61%

Legal Debt Margin Calculation for Fiscal Year 2008

Assessed value	\$ 27,897,536	\$ 27,897,536
Less: Exempt real property	(917,154)	(917,154)
Total assessed value	\$ 26,980,382	\$ 26,980,382

CERTIFICATES OF PARTICIPATION

Debt limit (1.25% and 3.75% of total assessed value) ¹	\$ 337,255	\$ 1,011,764
Debt applicable to limit:		
Certificates of Participation	35,605	35,605
Less: Amount set aside for repayment of outstanding debt	1,331	1,331
Total net debt applicable to limit	36,936	
Legal debt margin	\$ 300,319	

SALES TAX REVENUE BONDS

Debt applicable to limit:		
Sales Tax Revenue Bonds		39,585
Less: Amount set aside for repayment of outstanding debt		503
Total net debt applicable to limit		77,024
Legal debt margin		\$ 934,740

Notes:

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

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

COUNTY OF NAPA

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

Fiscal Year	Revenue Bonds - Measure A						Improvement Bonds ¹								
	Sales			Less:			Net Available Revenue			Property Tax Collection ^{2/}			Debt Service		
	Revenue	Administrative Cost	Cost	Revenue	Principal	Interest	Revenue	Principal	Interest	Special Assessments ³	Principal	Interest	Principal	Interest	Coverage
2000	\$ 9,990	\$ 122	\$ 9,868	\$ -	\$ -	\$ -	-	-	-	152 ²	\$ 105	\$ 14	14	1.28	
2001	10,445	128	10,317	-	2,071	4.98	45 ²	110	8	0.38					
2002	10,918	143	10,775	-	2,071	5.20	-	60	2	-					
2003	10,619	151	10,468	-	2,071	5.05	-	-	-	-					
2004	11,993	164	11,829	2,277	2,063	2.73	-	-	-	-					
2005	11,593	146	11,447	1,974	2,326	2.66	-	-	-	-					
2006	13,125	123	13,002	3,305	1,646	2.63	-	-	-	-					
2007	14,167	131	14,036	3,280	2,151	2.58	-	-	-	-					
2008	14,254	106	14,148	3,415	2,026	2.60	45 ³	45	215	0.17					
2009	12,774	64	12,710	3,565	1,879	2.33	51	56	256	0.16					

Notes:

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

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

³ 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 outstanding 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 cent sales tax for flood improvements.

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

COUNTY OF NAPA

Demographic & Economic Statistics Last Ten Fiscal years

Fiscal Year Ended June 30,	Population ¹	Personal Income ¹	Per Capita Personal Income ²	School Enrollment ³	Unemployment Rate ⁴
2000	124,636	\$ 4,713,537,000	\$ 37,818	19,381	3.5%
2001	127,741	4,805,753,000	37,621	19,341	3.3%
2002	130,015	4,898,598,000	37,677	19,461	4.3%
2003	131,799	5,054,752,000	38,352	19,673	4.8%
2004	132,394	5,405,000,000	40,835	19,765	4.6%
2005	133,294	5,787,000,000	43,669	19,654	4.3%
2006	134,326	6,242,000,000	47,971	19,908	3.7%
2007	135,969	6,737,000,000	50,817	20,087	3.8%
2008	136,704	6,994,000,000	52,418	20,108	4.6%
2009	137,571	unavailable	unavailable	20,370	8.8%

Sources:

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

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

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

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

COUNTY OF NAPA

Principal Employers Current Year and Nine Years Ago

	2009		1999 ¹			
	Employer	Employees	Percentage of Total County Employment	Employer	Employees	Percentage of Total County Employment
	Napa State Hospital	2,526	1.93%	Napa State Hospital	1,973	1.69%
	Queen of the Valley Hospital	1,562	1.20%	Napa Valley Unified School District	1,500	1.28%
	Napa Valley Unified School District	1,500	1.15%	County of Napa	1,206	1.03%
	County of Napa	1,316	1.01%	Queen of the Valley Hospital	1,200	1.03%
	St. Helena Hospital	989	0.76%	St. Helena Hospital	960	0.82%
	Veterans' Home of California	907	0.69%	Veterans Home of California	950	0.81%
	Napa Valley College	721	0.55%	Robert Mondavi Winery	900	0.77%
	Trinchero Family Estates	670	0.51%	Beringer Vineyards	740	0.63%
	Pacific Union College	568	0.43%	Dey Laboratories, Inc.	650	0.56%
	Silverado Resort	544	0.42%	Silverado Country Club	630	0.54%
	Total	11,303	8.65%	Total	10,709	9.15%

Sources: Napa Valley Economic Development Corporation
 Napa Chamber of Commerce
 State of California Employment Development Department
 County Executive Office - County of Napa, California

¹ 1999 employee counts are reflected because employee counts are unavailable for 2000

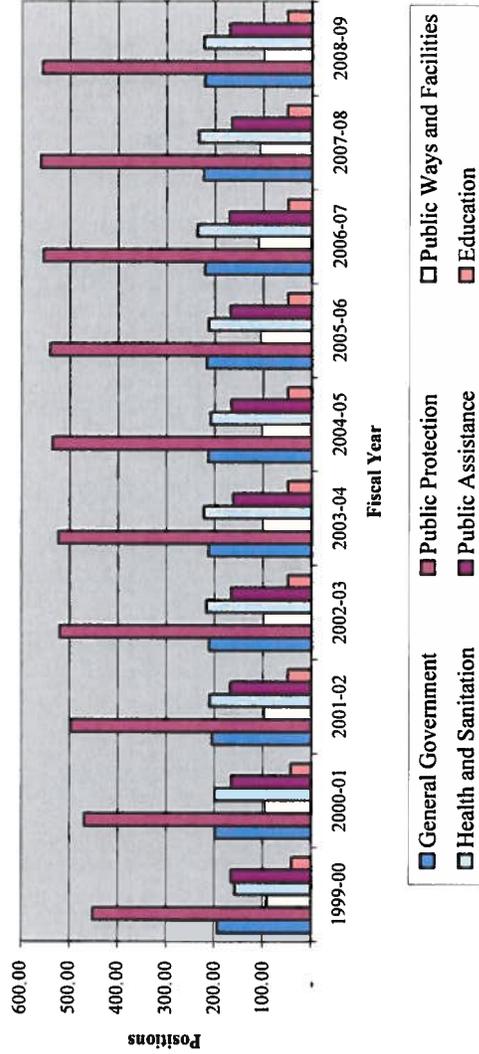
Note: Percentage of Total County Employment = Population x (100% - unemployment rate)

COUNTY OF NAPA

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

Function/program	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09
General Government	192.50	197.90	204.15	210.15	211.60	213.20	215.95	219.20	223.20	219.90
Public Protection	450.75	469.25	497.00	519.50	523.10	535.68	540.88	554.38	561.13	557.38
Public Ways and Facilities	90.50	94.10	96.10	98.00	99.00	101.00	104.00	109.00	106.00	98.00
Health and Sanitation	156.90	197.53	209.40	216.50	221.40	208.50	212.50	235.65	233.35	222.00
Public Assistance	164.23	164.35	166.25	165.25	161.25	165.25	167.25	170.25	165.25	168.75
Education	39.85	41.35	47.85	47.85	47.85	48.35	48.85	48.85	50.05	50.05
Total full-time equivalent employees	1,094.73	1,164.48	1,220.75	1,257.25	1,264.20	1,271.98	1,289.43	1,337.33	1,338.98	1,316.08

FTE By Function



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

COUNTY OF NAPA
Operating Indicators by Function
Last Four Fiscal Years

Function	Fiscal Year			
	2005-06	2006-07	2007-08	2008-09
Airport				
Annual Arrivals and Departures	118,354	126,712	126,444	109,121
Avigation Easements issued	13	10	2	5
Hangar leases	172	172	172	171
Culture and recreation				
Athletic field permits issued	n/a	n/a	n/a	n/a
Community center admissions	n/a	n/a	n/a	n/a
Education				
Library branches located in the county	4	4	4	4
Items checked out	728,390	741,130	813,824	910,000
Library cards issued	53,521	51,964	47,147	47,715
Number of computers provided for public use	58	58	58	58
Fire				
Number of calls answered	3,486	3,041	3,072	3,049
Inspections	1,100	1,100	3,252	2,563
Health & Human Services				
Public Guardian total clients (conservatees + additional referrals)	55	67	65	68
Veterans Service Officer number of benefit claims filed	40	231	319	455
Public Health				
Women, Infants, and Children (WIC) visits	25,194	26,257	26,543	26,567
Public Health home visiting program visits	3,180	3,552	3,752	3,816
Immunizations	7,521	6,961	8,021	8,584
Mental Health				
Emergency Response clients	820	928	998	1,135
Adult Medication Clinic clients	659	649	540	509
Children's Medication Support clients	206	233	173	198
Total Mental Health clients served	2,173	2,504	2,120	2,653
Alcohol and Drug Services - Division Restructured 9/2007				
Adult Outpatient Treatment and Recovery Services Program clients	735	676	867	616
Prevention (school-based youth) groups	157	176	272	580
PC 1210 STOP (formerly Proposition 36) clients	412	167	120	217
Total Alcohol and Drug Services clients served	3,710	1,075	1,259	1,413
Social Services				
Adult Protective Services total clients served	627	320	314	364
CalWORKs average caseload	550	546	554	635
Child Welfare Services total child abuse referrals received	1,323	1,140	1,061	993
Child Welfare Services percent timely investigations:				
% Timely immediate investigations	94	99	100	99
% Timely ten day investigations	82	90	97	100
County Medical Services Program average number of continuing cases/eligibles	703	762	779	849
Food Stamps average caseload	1,190	1,203	1,305	1,710
Foster care average number of cases	149	133	110	109
In Home Supportive Services total clients served	696	668	722	841
Medi-Cal average number of eligibles	10,788	12,565	12,698	13,420
Workforce Investment Act total number enrolled	124	182	176	270

(Continued)

Note: Indicators are not available for the general government function
The County began tracking these statistics in fiscal year 2005-2006 with the implementation of GASB 44, therefore prior year information is not available.
Source: Various Napa County departments

COUNTY OF NAPA

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

Function	Fiscal Year			
	2005-06	2006-07	2007-08	2008-09
Highways and streets				
Street resurfacing (miles)	6	4	8	8
Potholes repaired	1,000	1,200	1214	1278
Sheriff				
Physical arrests	1,903	2,004	1849	1,475
Parking violations	2,054	1,410	1450	1,447
Traffic violations	3,206	3,141	3600	2,809
Water				
New connections	21	5	2	0
Water mains breaks	4	5	2	0
Average daily consumption (thousands of gallons)	160	286	234	231
Wastewater				
Average daily sewage treatment (thousands of gallons)	131	109	118	95

Notes: Indicators are not available for the general government function
The County began tracking these statistics in fiscal year 2005-2006 with the implementation of GASB 44, therefore prior year information is not available.
FY08/09 Health and Human Services revised the department indicators to be more appropriate for their current operations.

Source: Various Napa County departments

COUNTY OF NAPA

Capital Asset Statistics by Function Last Four Fiscal Years

Function	Fiscal Year			
	2005-06	2006-07	2007-08	2008-09
Public Safety				
Sheriff:				
Stations (Headquarters and 4 substations)	5	5	5	5
Patrol units	21	29	29	29
Fire stations:				
Stations	13	13	13	13
Fire Engines	28	31	30	31
Fire Trucks	2	2	2	2
Culture and recreation				
Parks acreage	1	1	61	61
Parks	1	1	2	2
Education				
Library branches	4	4	4	4
Library books	64,974	178,370	181,511	204,460
Health & Sanitation				
Public Health				
10" Kaultronics Dish System (satellite dish)	1	1	1	1
Lab refrigerator	1	1	1	1
7x4' trailers	2	4	4	4
Cisco Analog Phone Gateway	1	1	1	1
Digital Logging Recorder	1	1	1	1
Mental Health				
Power Edge Servers	-	-	4	4
Substance Abuse				
Wolf range	1	1	1	1
Stero dishwasher	1	1	1	1
Victory freezer	1	1	1	1
Victory refrigerator	1	1	1	1
Health & Human Services Administration				
Cisco VG248 Analog Phone	2	2	2	2
Social Services (TEC)				
Micro Vax/Micro Vax Server	1	1	1	1
Public Ways & Facilities				
Airport				
Runway miles	2.6	2.6	2.6	2.6
Taxiway miles	3.6	3.6	3.6	3.6
Highways and streets				
Streets (miles)	466	466	466	446
Street lights (approximate number)	70	70	70	0 ¹
Traffic signals	32	32	32	32
Water				
Water mains (miles)	13	13	13	13
Fire hydrants	109	109	109	109
Maximum daily capacity (thousands of gallons)	536	536	536	536
Wastewater				
Sanitary sewers (miles)	14	14	14	14
Storm sewers (miles)	n/a	n/a	n/a	n/a
Maximum daily treatment capacity (thousands of gallons)	210	210	210	210

Notes: Indicators are not available for the general government function.

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

¹ Effective FY08/09 all street lights are rented and maintained by PG&E

Source: Various Napa County departments