

County of Napa, California

Comprehensive Annual Financial Report

For the Fiscal Year Ended
June 30, 2010



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*

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

Shadow Play - Carneros District



Introductory Section



Sculpture by Terrence Martin
Photography by Jobina Toh

Fish "On"



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

County Executive Office

Nancy Watt
County Executive Officer

Auditor-Controller

Tracy A. Schulze
Auditor-Controller

December 17, 2010

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, 2010.

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, 2010. 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 October 2. This annual budget serves as the foundation for the County of Napa's financial planning and control. The budget is prepared by fund, function (e.g., public safety), and department (e.g., Sheriff). With certain limitations, department heads may transfer resources within a department as they see fit. Transfers between departments, however, need special approval from the Board of Supervisors.

Local Economy

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

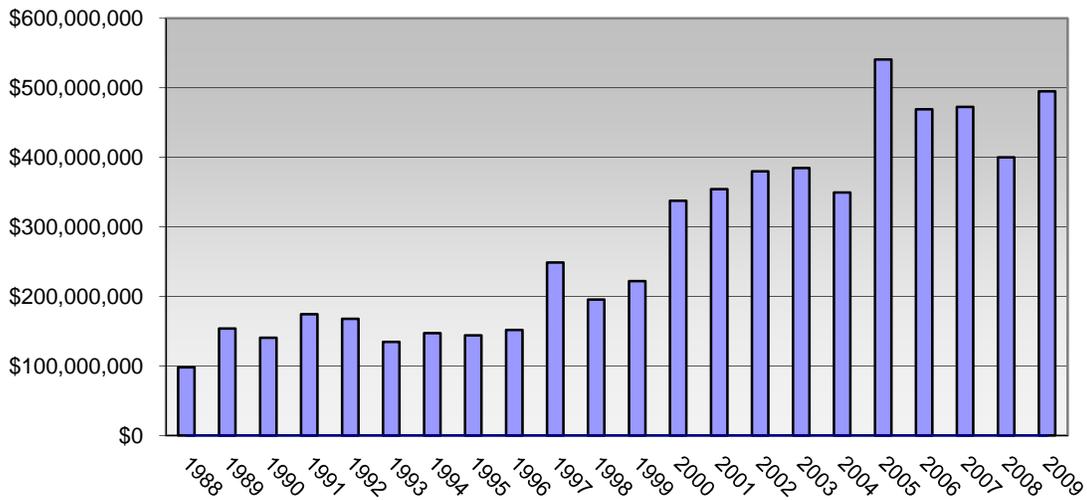
The population of 138,917 resides primarily in the five municipalities of American Canyon, Calistoga, Napa, St. Helena and the Town of Yountville. The vast majority of County land is unincorporated and devoted to vineyards, farms, ranches and forest land, providing the area with high levels of open space. The County's economy has always had a strong agricultural base, and has a substantial presence in the wine industry.

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

According to the Napa County Agricultural Commissioner's Annual Crop Report for 2009, wine grapes represent 98.6% of the value of all agricultural production in the County. Without factoring inflation, the annual value of wine grape production increased 23.8% when compared to 2008. Each year the value of wine grapes produced is exponentially magnified in the local economy through the production and marketing of wine, local wine industry employment, and associated economic activity.

The following graph demonstrates the trend of increasing winegrape values since 1988 through the end of fiscal year 2009.

**Change in Winegrape Values
From 1988 to 2009**



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 2,400 healthcare professionals and staff. Public instruction in the County is provided by two elementary school districts and three unified school districts. Higher education is available in the County via the Napa Valley College and the Pacific Union College. The transportation network includes publicly operated systems as well as private enterprise systems within the county and the cities. A privately-owned airporter service operates from St. Helena, Napa and Vallejo to San Francisco International Airport and Oakland International airport. There is also a County-owned and operated airport that serves privately-owned aircraft.

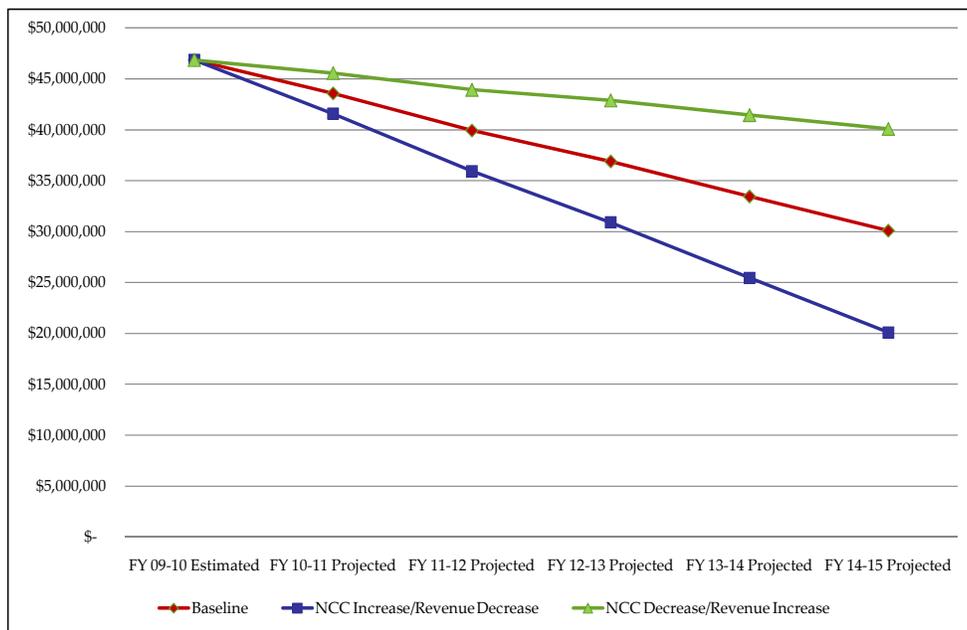
Napa County’s unemployment rate has consistently been well below the State average, although it does follow the State trend generally. As of June 30, 2010, according to the California Employment Development Department data, during the past ten years, the unemployment rate in Napa County increased from 3.5 percent (2000) to the decade high of 9.3 percent (2010), following recent state and national trends. As a comparison Statewide, Napa County has the fourth lowest unemployment rate, with the statewide average rate of 12.2 percent as of June 30, 2010.

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 2008-09 the General Fund reserves, including designations, was 19.4 percent of total General Fund expenditures and in fiscal year 2009-10 reserves, including designations is 18.2 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 2010, the County prepared a formal General Fund five-year revenue and expenditure forecast for consideration by the Board of Supervisors (see following graph). The five year forecast projected the unrestricted General Fund ending balance (which includes the undesignated/unreserved fund balance, General Reserves and designations that are not legally earmarked or restricted) under three different scenarios: A baseline scenario that essentially assumed a continuation of the status quo in terms of state laws, funding levels and general economic conditions; a revenue reduction/expenditure increase scenario that assumed a \$2 million increase in Net County Cost starting fiscal year 2010-11; and a revenue increase/expenditure decrease scenario, that assumed a \$2 million decrease in Net County Cost starting in fiscal year 2010-11.

General Fund Five Year Forecast "Unrestricted" Ending Fund Balance



The baseline scenario projected a fiscal year 2014-15 General Fund unrestricted ending balance of approximately \$30 million, a decrease of approximately \$17 million from the fiscal year 2009-10 unrestricted beginning balance. The revenue reduction/expenditure increase scenario resulted in an estimated fiscal year 2014-15 unrestricted ending balance of approximately \$20 million. The revenue increase/expenditure decrease scenario resulted in a fiscal year 2014-15 unrestricted fund balance projection of approximately \$40 million.

A projected fiscal year 2014-15 unrestricted ending fund balance that ranges from \$20 to \$40 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 year, though the structural imbalance is not huge –

averaging approximately 1.4% of Net County Cost; 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 address the problem in a careful and thoughtful way by implementing the Board's approved Fiscal Contingency Plan. And, in fact, the Board has already approved implementing all of the short-term actions in the Fiscal Contingency Plan and seven of the 13 longer-term actions. The County plans to continue to use the tools provided for in the Fiscal Contingency Plan to carefully calibrate our budget actions to address the General Fund structural imbalance, while avoiding unnecessarily disruptive expenditure reductions.

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

The County is currently in the process of developing a Facilities Master Plan for our Health and Human Services and Downtown Napa Campuses, and staff has prepared for Board consideration a Five-Year Capital Improvement Plan (CIP). The Board of Supervisors has approved an Adult Correctional System Master Plan which, among other things, calls for implementing evidence-based practices designed to reduce offender recidivism and for increasing the number of jail beds by approximately 32 percent by 2025. Recognizing that, over the next 20 years, the County will likely face the need to renovate and construct new office space and other facilities. As part of the fiscal year 2006-07 budget, the Board of Supervisors established an Accumulated Capital Outlay (ACO) Fund that is being used to set aside available resources now to fund future capital needs. The Board has adopted a budget policy that called for placing any remaining discretionary resources (after all current year operating, capital, reserve and contingency requirements were met) and, as noted above, any excess ERAF revenue above \$5 million a year in capital reserves. At the end of fiscal year 2009-10, the ACO Fund balance stood at approximately \$19.2 million, and the fiscal year 2010-11 budget includes the transfer of an additional \$14.8 million from the General Fund to the ACO Fund.

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

Relevant Financial Policies

Budget policies have been formally adopted by the Board of Supervisors. These include direction on staffing decisions, pursuit of new revenues, use of discretionary revenues and operational efficiencies, to name a few. Through these policies, the Board of Supervisors has established 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. 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 portion of the Napa River/Napa Creek Flood protection Project (Project) in the City of Napa has been underway for nine years with many accomplishments thus far. The Project has restored over 650 acres of high-value seasonal and tidal wetlands along the Napa River. Four major bridge projects have been completed and the cleanup of thirteen acres of contaminated riverbank was accomplished. Progress continues to be made on the long-sought protection for 2,700 homes, 350 businesses, and over 50 public properties. Protection from 100-year flood levels means a savings of more than \$26 million annually in flood damage costs. The end result is to be a “Living River” that will help protect residents from damage caused by regular flooding, sustain migrating fish and wildlife, provide recreational opportunities, and enhance economic activity all along the River’s course.

The most recent calculations estimate the total cost of the City of Napa Project at \$429.3 million with the Federal government responsible for 50 to 75 percent of the total costs and the local sponsor responsible for 25 to 50 percent of the total costs. Monies for the Project are derived from Napa County Measure A, which generates a half-cent local sales tax; California’s Subvention Fund for flood projects; and federal funding appropriated to the U.S. Army Corps of Engineers. Additional monies have been obtained through grants from the Federal Emergency Management Agency, the Federal Highway Administration, the California Department of Transportation, the California Department of Water Resources, and the Coastal Conservancy.

On 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, and involved updating all sections of the County’s General Plan except for the Housing Element, which was updated separately in 2008-09. 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

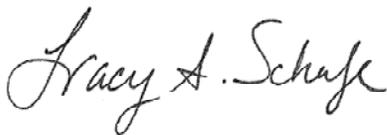
Napa County's Auditor-Controller's Office received its tenth straight "Award for Achieving Excellence in Financial Reporting" from the California State Controller's Office. Napa County's Information Technology Department received national recognition as the result of a survey conducted by the Center 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, 2009. This was the fifth consecutive year that the County has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

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

Respectfully submitted,



Tracy A. Schulze
Auditor-Controller



Nancy Watt
County Executive Officer

Certificate of Achievement for Excellence in Financial Reporting

Presented to

County of Napa California

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2009

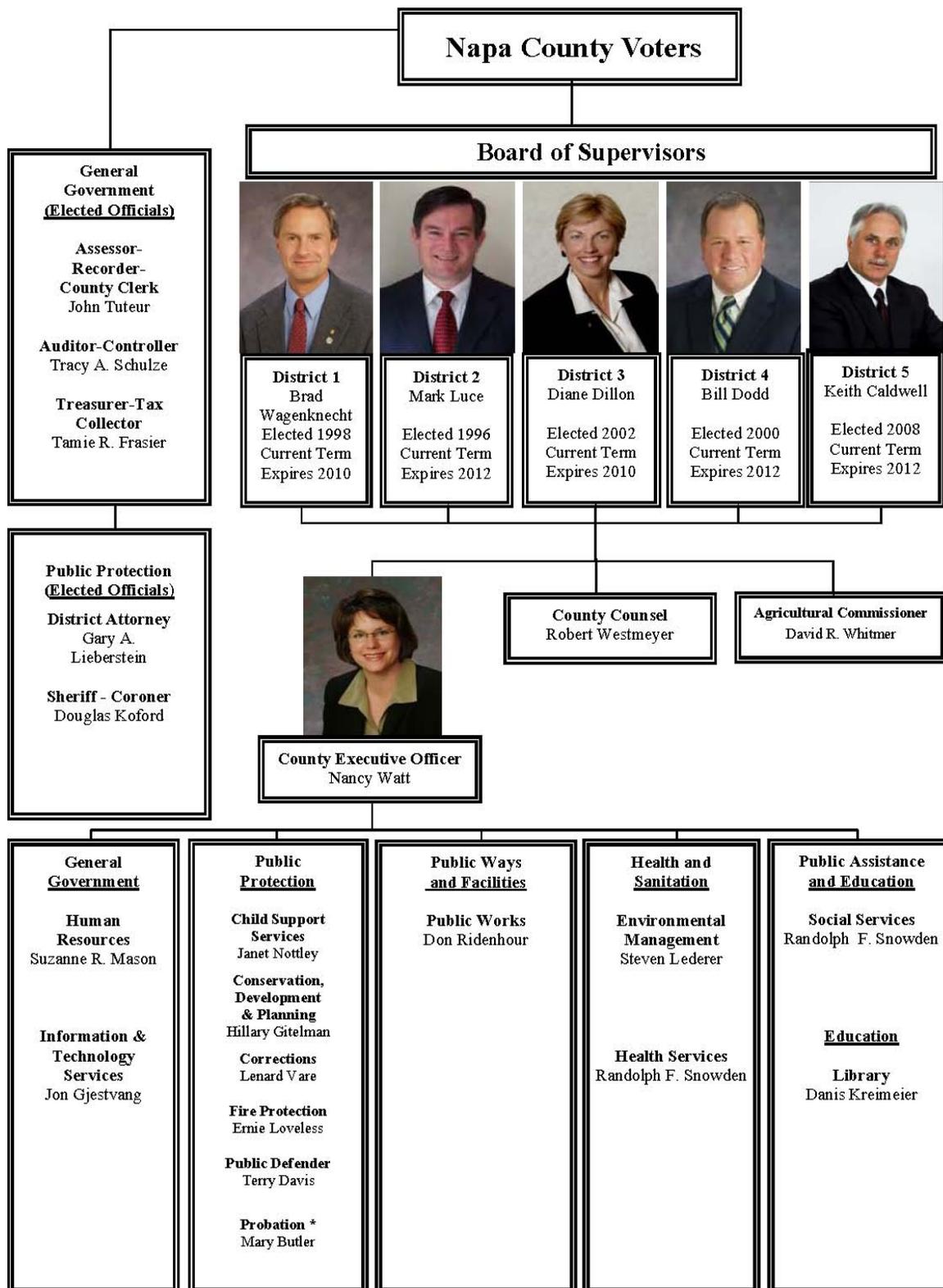
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards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



President

Executive Director

**COUNTY OF NAPA
ELECTED AND APPOINTED PUBLIC OFFICIALS**



* Appointed by the Napa County Superior Court

ELECTED OFFICIALS**June 30, 2010**

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	Suzanne R. Mason
Information Technology Systems Director	Jon Gjestvang
Library Director	Danis Kreimeier
Chief Probation Officer	Mary Butler
Public Defender	Terry Davis
Public Works Director	Don Ridenhour



Financial Section



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

Storm over Napa Valley



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, 2010, 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, 2010, 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 17, 2010, 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.

Gallina LLP

Roseville, California
December 17, 2010

MANAGEMENT'S DISCUSSION AND ANALYSIS



Fall in Napa Valley



Sculpture by Nicky Falkenhayn
Photography by Jobina Toh

The Throne

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, 2010. 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 2009-2010 fiscal year by \$330,752,677 (*net assets*). Of this amount, \$101,160,942 (*unrestricted net assets*) may be used to meet ongoing obligations to citizens and creditors, \$93,640,375 is restricted for debt service, capital projects, grants and special taxes, \$135,951,360 is invested in capital assets, net of related debt.
- As of June 30, 2010, the County governmental funds reported combined fund balances of \$210,768,750. Approximately 87.1% of the combined fund balances, \$183,521,647, 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 \$50,862,681, or 27.5%, of total general fund expenditures. The unreserved fund balance will be considered in subsequent fiscal years' budgets.
- The County's total long-term debt decreased by \$6,838,728 in comparison with the prior year. The decrease was the result of making scheduled debt payments during the fiscal year.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

Both of these government-wide financial statements distinguish functions of the County 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, Napa County Housing Authority, and Napa County Animal Shelter.

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

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

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

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

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

The County currently maintains 87 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 29-32 of this report.

Proprietary funds are maintained two ways. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The County uses enterprise funds to account for the Napa County Airport, Lake Berryessa Resort Improvement District, Fifth Street Parking Garage, Napa Berryessa Resort Improvement District, Napa County Housing Authority, and Napa County Animal Shelter operations. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses internal service funds to account for its fleet maintenance and replacement, information technology services 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, Napa County Housing Authority and Napa County Animal Shelter. The County's five internal service funds are combined into a single, aggregated presentation in the proprietary funds financial statements. Individual fund data for the internal service funds is provided in the supplementary information section of this report.

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

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

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

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

The notes can be found on pages 39-79 of this report.

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

The required supplementary information can be found on pages 83-97 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 103-178 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 \$330,752,677 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 Change	Percent Change
	Activities		Activities					
	2010	2009	2010	2009	2010	2009		
Current and other assets	\$ 265,914	\$ 242,172	\$ 6,723	\$ 6,657	\$ 272,637	\$ 248,829	\$ 23,808	9.6%
Capital assets	125,441	136,205	46,844	42,854	172,285	179,059	(6,774)	-3.8%
Total assets	391,355	378,377	53,567	49,511	444,922	427,888	17,034	4.0%
Current and other liabilities	21,176	12,805	1,276	1,166	22,452	13,971	8,481	60.7%
Long-term liabilities	86,422	93,133	5,296	5,423	91,718	98,556	(6,838)	-6.9%
Total liabilities	107,598	105,938	6,572	6,589	114,170	112,527	1,643	1.5%
Net assets:								
Invested in capital assets, net of related debt	90,855	99,085	45,096	40,971	135,951	140,056	(4,105)	-2.9%
Restricted net assets	93,347	54,124	293	479	93,640	54,603	39,037	71.5%
Unrestricted net assets	99,555	119,230	1,606	1,472	101,161	120,702	(19,541)	-16.2%
Total net assets	\$ 283,757	\$ 272,439	\$ 46,995	\$ 42,922	\$ 330,752	\$ 315,361	\$ 15,391	4.9%

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

- The largest portion of the County's net assets (41.1%) reflects its investment of \$136 million in capital assets (e.g. land and easements, structures and improvements, infrastructure, and equipment) less any related outstanding debt used to acquire those assets. The County uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the County's investment in 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 assets, (28.3%, or \$93.6 million) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net assets* (30.6% or \$101.1 million) may be used to meet the County's ongoing obligations to citizens and creditors.
- The County's net assets have increased by \$15.4 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 operating grants and contributions.

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

- The County's total assets as of June 30, 2010, amount to \$444.9 million, an increase of \$17 million (or 4.0%) 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, Affordable Housing, Roads Capital Projects funds, and a substantial increase in taxes receivable, i.e. return of excess Educational Revenue Augmentation Fund contributions. These increases are partially offset by a decrease in capital assets, caused by depreciation being in excess of capital additions, and a transfer of capital assets from the General Fund to the Napa County Animal Shelter.

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

	Governmental		Business-type		Total		Total	
	Activities		Activities		Total		Dollar	Percent
	2010	2009	2010	2009	2010	2009	Change	Change
Revenues:								
Program revenues:								
Fees, fines and charges for services	\$ 42,451	\$ 42,777	\$ 4,473	\$ 3,569	\$ 46,924	\$ 46,346	\$ 578	1.2%
Operating grants and contributions	87,069	76,693	246	169	87,315	76,862	10,453	13.6%
Capital grants and contributions	1,911	2,652	1,066	1,184	2,977	3,836	(859)	-22.4%
General revenues:								
Property taxes	91,575	85,734	117	123	91,692	85,857	5,835	6.8%
Sales and use taxes	16,795	28,460	-	-	16,795	28,460	(11,665)	-41.0%
Other taxes	8,301	9,371	-	-	8,301	9,371	(1,070)	-11.4%
Unrestricted interest and investment earnings	2,534	5,585	76	185	2,610	5,770	(3,160)	-54.8%
Miscellaneous	424	779	12	-	436	779	(343)	-44.0%
Total revenues	<u>251,060</u>	<u>252,051</u>	<u>5,990</u>	<u>5,230</u>	<u>257,050</u>	<u>257,281</u>	<u>(231)</u>	<u>-0.1%</u>
Expenses:								
General government	32,201	33,246	-	-	32,201	33,246	(1,045)	-3.1%
Public protection	92,848	92,995	-	-	92,848	92,995	(147)	-0.2%
Public ways and facilities	23,543	24,441	-	-	23,543	24,441	(898)	-3.7%
Health and sanitation	39,642	40,845	-	-	39,642	40,845	(1,203)	-2.9%
Public assistance	34,553	32,384	-	-	34,553	32,384	2,169	6.7%
Education	7,208	6,647	-	-	7,208	6,647	561	8.4%
Recreation and cultural services	1,222	1,163	-	-	1,222	1,163	59	5.1%
Interest on long-term debt	3,141	3,372	-	-	3,141	3,372	(231)	-6.9%
Administration and issuance costs	37	18	-	-	37	18	19	105.6%
Airports	-	-	2,800	2,608	2,800	2,608	192	7.4%
Lake Berryessa Improvement Districts	-	-	1,132	959	1,132	959	173	18.0%
Napa County Housing Authority	-	-	1,164	1,206	1,164	1,206	(42)	-3.5%
Napa Berryessa Improvement Districts	-	-	766	738	766	738	28	3.8%
Napa County Animal Shelter	-	-	965	-	965	-	965	n/a
Fifth Street Parking Garage	-	-	437	221	437	221	216	n/a
Total expenses	<u>234,395</u>	<u>235,111</u>	<u>7,264</u>	<u>5,732</u>	<u>241,659</u>	<u>240,843</u>	<u>816</u>	<u>0.3%</u>
Excess (deficiency) before transfers and special item	16,665	16,940	(1,274)	(502)	15,391	16,438	(1,047)	-6.4%
Change in estimation - capital assets	-	-	-	(3,603)	-	(3,603)	3,603	n/a
Special item	-	-	-	(400)	-	(400)	400	n/a
Transfers	(5,347)	(17,426)	5,347	17,426	-	-	-	0.0%
Change in net assets	11,318	(486)	4,073	12,921	15,391	12,435	2,956	23.8%
Net assets - beginning	272,439	272,925	42,923	30,002	315,362	302,927	12,435	4.1%
Net assets - ending	<u>\$ 283,757</u>	<u>\$ 272,439</u>	<u>\$ 46,996</u>	<u>\$ 42,923</u>	<u>\$ 330,753</u>	<u>\$ 315,362</u>	<u>\$ 15,391</u>	<u>4.9%</u>

Governmental activities. Governmental activities increased the County's net assets by \$11.3 million, thereby accounting for 73.5% of the total growth in the net assets of the County. This increase is the combination of continued conservative spending and increased operating grants and contributions.

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

- Operating grants and contributions increased by \$10.5 million (or 13.6%) from the prior year. Increases were due to the reclassification of \$10.5 million Proposition 172 public safety augmentation funds recorded as sales tax in previous years and new revenues received from the federal government's American Recovery and Reinvestment Act (ARRA) of 2009. These increases were partially offset by a reduction in state grant funding.
- Property taxes increased by \$5.8 million (or 6.8%) from the prior year due to the return of excess Educational Revenue Augmentation Fund contributions.

- Sales and use taxes decreased by \$11.7 million (or 41.0%) from the prior year mainly due to the reclassification of \$10.5 million Proposition 172 public safety augmentation funds to operating grants and contributions which had been previously classified as sales tax revenues. The remaining decrease was a direct result from the declining economy and lower consumer spending.
- Unrestricted interest and investment earnings decreased by \$3.1 million (or 54.8%) from the prior year due to low or non-existent investment returns caused by the downturn in the financial markets.

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

- Expenses decreased by approximately \$3.1 million (or 3.2%) from the prior year in the areas of general government, public ways and facilities, and health and sanitation due to the County implementing a soft hiring freeze and conservative spending plan for fiscal uncertainty.
- Public assistance expenses increased approximately \$2.2 million (or 6.7%) from the prior year due to an increase in welfare assistance programs to families and people in need as a result of the downturn in the economy.
- Educational expenses increased by approximately \$0.6 million (or 8.4%) from the prior year. The majority of this increase was due to a one-time fee of \$250,000 to the Town of Yountville for the design of the new Yountville Library. Additional expenditures were incurred for several maintenance projects at other library branches.
- Transfers decreased from the prior year. In the prior year, the completed Fifth Street Parking Garage was transferred to business-type activities in the amount of \$16.8 million. Whereas, in the current year, the Napa County Animal Shelter in the amount of \$4.7 million was transferred to business-type activities.

Business-type activities. Business-type activities increased the County's net assets by \$4.1 million, thereby accounting for 26.5% of the total growth in the net assets of the County. This increase was mostly due to the transfer of the Napa County Animal Shelter in the amount of \$4.7 million from a governmental activities fund to a business-type activities fund.

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, 2010 the County's governmental funds reported combined fund balances of \$210,768,750, an increase of \$14,868,635 in comparison with last year. Approximately 87.1% of this total amount or

\$183,521,647 constitutes *unreserved fund balance*, which is available to meet the County's current and future needs. The remainder of fund balance, \$27,247,103, is *reserved* to indicate that it is not available for new spending because it has been committed (1) to liquidate contractual commitments (\$820,272), (2) to reflect general reserves (\$12,893,062), (3) imprest cash reserve (\$173,013), and (4) loans receivable and advances due from other funds that are long term in nature and thus do not represent available spendable resources (\$13,360,756).

The general fund is the chief operating fund of the County. At June 30, 2010, unreserved fund balance of the general fund was \$50,862,681 while total fund balance reached \$61,374,091. 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 27.5% of the total fund expenditures, while total fund balance represents 33.2% of that same amount. Total fund balance of the County's General Fund increased by \$10,406,794 from the prior year. This is generally due to the County having received more property tax revenue due from a return of excess Educational Revenue Augmentation Fund contributions, funding from the American Recovery and Reinvestment Act (ARRA) of 2009, and federal reimbursement for disaster relief. The County also received Measure A reimbursement from the Napa County Flood Protection and Watershed Improvement Authority for construction projects completed in the unincorporated areas.

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, 2010, total fund balance of the Authority was \$51,005,902 all of which was unreserved and designated for flood projects. Total fund balance of the Authority increased by \$69,342 from the prior year due to the levels of revenue received exceeding the levels of draws on the funds for reimbursement of projects.

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, 2010, unreserved fund balance of the affordable housing fund was \$13,121,091 while total fund balance reached \$24,776,197. Total fund balance of the affordable housing fund decreased by \$89,484 from the prior year which was a direct result of lower revenues from decreased construction permits issued, while expenditures included a transfer in the amount of \$119,348 to the farm worker centers for capital improvement needs.

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, 2010, total fund balance of the Roads fund was \$2,779,160 all of which is unreserved. Total fund balance of the Roads fund increased by \$1,694,095 from the prior year mainly due to Board of Supervisor's action at the close of the fiscal year to transfer an additional \$932,000 General Fund dollars for future road repairs.

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

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

Revenues by Source	FY 2010		FY 2009		Increase/(Decrease)	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of change
Taxes	\$ 116,671	46.6%	\$ 123,565	50.0%	\$ (6,894)	-5.6%
Licenses and permits	4,566	1.8%	4,419	1.8%	147	3.3%
Fines, forfeitures and penalties	3,665	1.5%	4,017	1.6%	(352)	-8.8%
Revenue from use of money and property	2,471	1.0%	5,089	2.2%	(2,618)	-51.4%
Aid from other governments	89,189	35.6%	74,245	30.0%	14,944	20.1%
Charges for services	32,596	13.0%	33,845	13.7%	(1,249)	-3.7%
Contributions and donations	896	0.4%	1,258	0.5%	(362)	-28.8%
Other	420	0.2%	781	0.3%	(361)	-46.2%
Total	\$ 250,474	100.0%	\$ 247,219	100.0%	\$ 3,255	1.3%

Figure 1 - Two Year Comparison of Governmental Fund Revenues

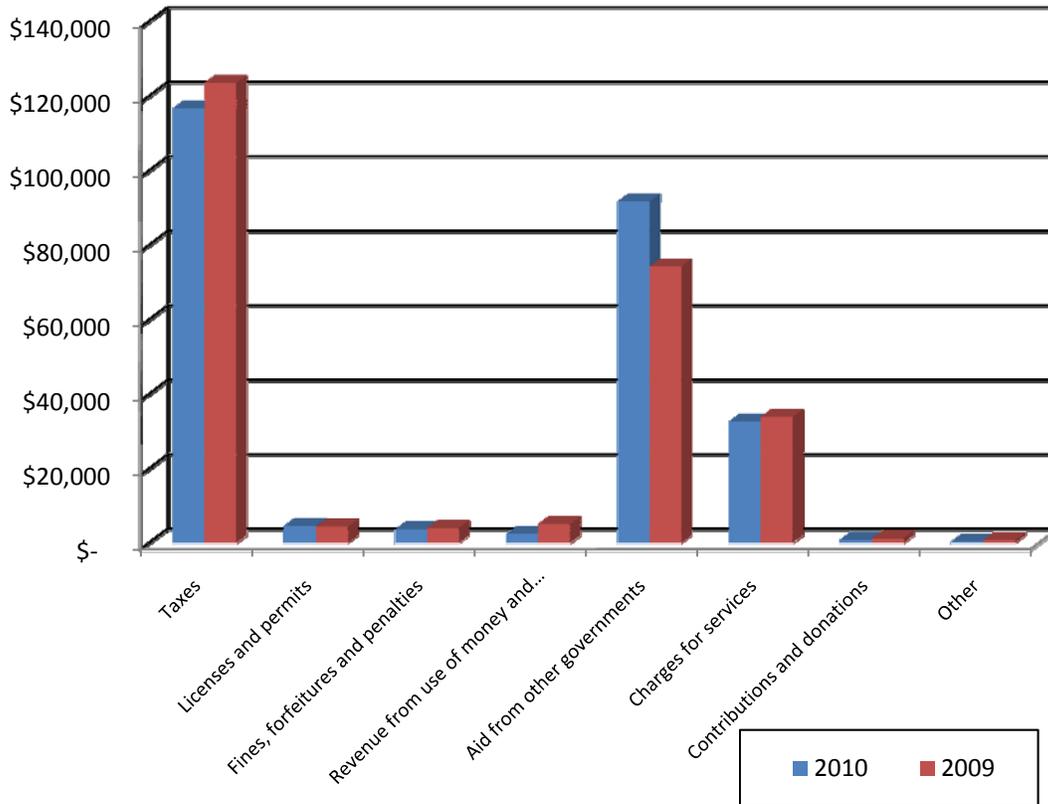
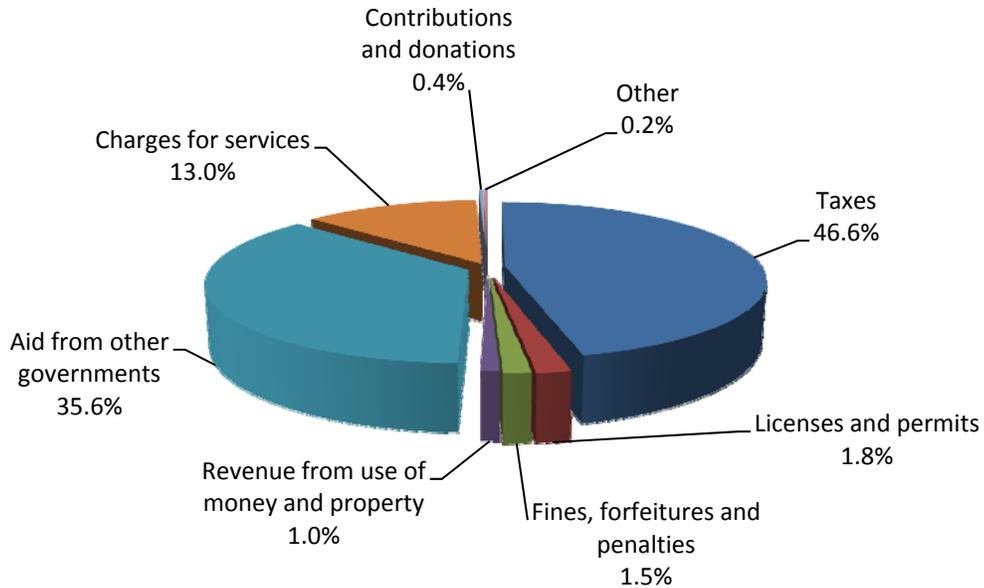


Figure 2 - Revenues Classified by Source - Governmental Funds



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

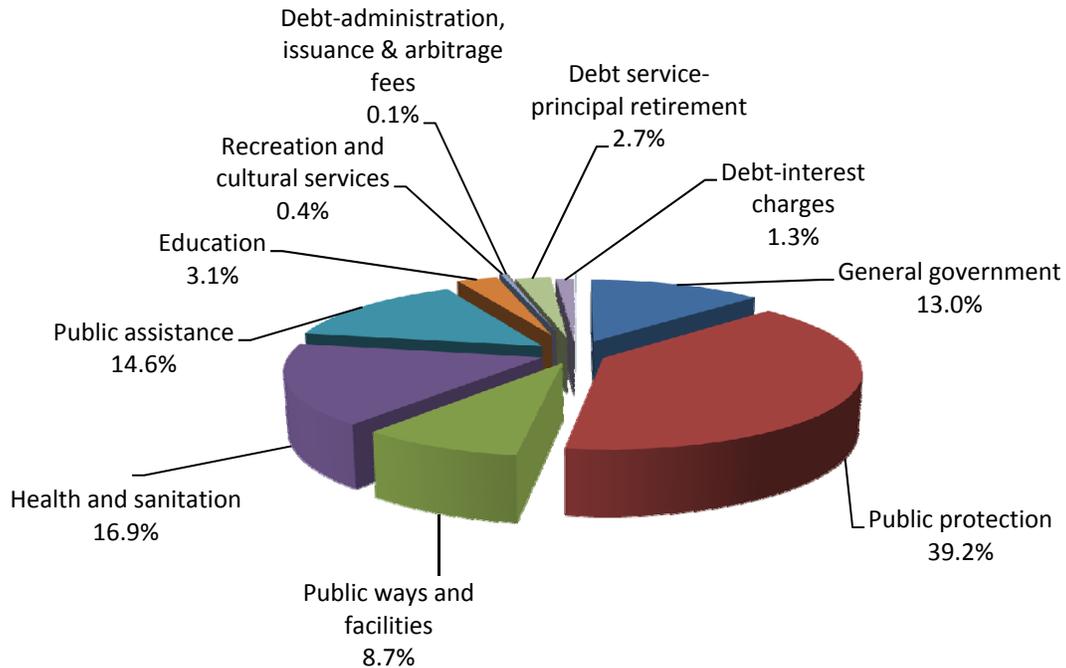
- Taxes decreased by \$6.9 million (or 5.6%) from the prior year. In general, there was an increase in property tax collected due to the return of excess Educational Revenue Augmentation Fund contributions, which was offset by \$10.5 million of Proposition 172 public safety augmentation funds reclassified from sales tax revenue to aid from other governments.
- Revenue from use of money and property decreased by \$2.6 million (or 51.4%) due to lower or non-existent investment returns caused by the downturn in the financial markets.
- Aid from other governments increased by \$14.9 million (or 20.1%) from prior year. This was attributable to amounts received from the federal government's American Recovery and Reinvestment Act (ARRA) as well as the reclassification of \$10.5 million Proposition 172 public safety augmentation funds reclassified from sales tax revenues to aid from other governments.

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 2010		FY 2009		Increase/(Decrease)	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of change
General government	\$ 30,613	13.0%	\$ 30,181	12.7%	\$ 432	1.4%
Public protection	92,170	39.2%	92,552	39.1%	(382)	-0.4%
Public ways and facilities	20,483	8.7%	20,341	8.6%	142	0.7%
Health and sanitation	39,647	16.9%	40,692	17.2%	(1,045)	-2.6%
Public assistance	34,273	14.6%	32,111	13.6%	2,162	6.7%
Education	7,240	3.1%	6,547	2.8%	693	10.6%
Recreation and cultural services	1,223	0.4%	1,165	0.4%	58	5.0%
Capital outlay	-	0.0%	3,921	1.7%	(3,921)	-100.0%
Debt service-principal retirement	6,234	2.7%	6,007	2.5%	227	3.8%
Debt-interest charges	3,162	1.3%	3,393	1.4%	(231)	-6.8%
Debt-administration, issuance and arbitrage fees	37	0.1%	17	0.0%	20	117.6%
Total	\$ 235,082	100.0%	\$ 236,927	100.0%	\$ (1,845)	-0.8%

Figure 3 - Expenditures by Function - Governmental Funds



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

- Public assistance expenditures increased by \$2,162,607 (or 6.7%) from the prior year. This was due to an increase in welfare assistance programs to families and people in need as a result of the downturn in the economy.
- Education expenditures increased by \$693,568 (or 10.6%) from the prior year. The majority of this increase was due to a one-time fee of \$250,000 to the Town of Yountville for the design of the new Yountville Library. Additional expenditures were incurred for several maintenance projects at other library branches.
- Recreation and cultural services expenditures increased by \$57,494 (or 5.0%) from the prior year. The increase in expenditures was due to Special Revenue Fund contributions to the Arts Council, Napa Valley Conference & Visitors Bureau and Napa County Parks & Open Space District.
- Capital outlay expenditures decreased by \$3,921,501 (or 100%) from the prior year. The County did not initiate any capital projects during the reporting year.
- Debt-interest charges decreased by \$231,433 (or 6.8%). This was due to interest expenditures declining as the debt principal balances decline each year through annual scheduled payments.

Table 5 details the changes in fund balance for each governmental fund as of June 30, 2010.

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	\$ 192,661	\$ 12,880	\$ 820	\$ 7,521	\$ 35,803	\$ 788	\$ -	\$ 250,473
Expenditures	184,687	12,811	791	6,812	26,063	1	3,917	235,082
Other financing sources (uses), net	2,433		(119)	984	(9,463)	1,973	3,668	(524)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	10,407	69	(90)	1,693	277	2,760	(249)	14,867
Fund balances - July 1, 2009	50,967	50,937	24,866	1,086	46,736	18,748	2,561	195,901
Fund balances - June 30, 2010	\$ 61,374	\$ 51,006	\$ 24,776	\$ 2,779	\$ 47,013	\$ 21,508	\$ 2,312	\$ 210,768

- The fund balance of the County's General Fund increased by \$10.4 million 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 and funding received from the American Recovery and Reinvestment Act (ARRA) of 2009.
- The fund balance of the Roads Fund increased by \$1.7 million during the fiscal year mainly due to Board of Supervisor's action at the close of the fiscal year to transfer an additional \$0.9 million General Fund dollars for future road repairs.
- The fund balance of the Capital Projects Fund increased \$2.8 million during the fiscal year. This increase was mainly attributable to contributions from the General Fund to the Accumulated Capital Outlay Fund for future capital projects and interest earned. Future plans include phased

redevelopment of the Napa County Health & Human Services campus as well as County owned properties in downtown Napa to support the long term space requirements for Law, Justice and Administrative functions.

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, 2010.

The Napa County Airport funds general airport operations and the maintenance of airport facilities. At June 30, 2010, unrestricted net assets of the airport were \$2,319,927 while total net assets reached \$19,104,741. 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 83.4% of the total operating expenditures. Total net assets of the airport decreased by \$600,018. The majority of the decrease was attributable to a reduction of reimbursements from federal agencies for capital improvement projects that were mostly completed in the prior year.

Lake Berryessa Resort Improvement District provides water and wastewater services within district boundaries. At June 30, 2010, unrestricted net assets of the Districts are negative \$725,020 while total net assets reached \$1,589,135. Unrestricted net assets are negative due to operating expenses exceeding operating revenues and a reduction in capital contributions, grants and assessments as compared to the prior year.

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, 2010, unrestricted net assets of the Garage are \$131,488 while total net assets reached \$16,467,589. Total net assets decreased by \$314,862 due to annual depreciation of capitalized assets.

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

	Napa County Airport	Lake Berryessa Resort Improvement	Fifth Street Parking Garage	Other Enterprise Funds	Total
Operating revenues	\$ 1,914	\$ 566	\$ 120	\$ 1,872	\$ 4,472
Operating expenses	2,783	859	436	2,888	\$ 6,966
Operating income (loss)	(869)	(293)	(316)	(1,016)	(2,494)
Non-operating revenues (expenses), net	18	(193)	1	202	28
Net income (loss) before contributions, Special Items and Transfers	(851)	(486)	(315)	(814)	(2,466)
Capital contributions	209	983	-	4,772	5,964
Special item - stipulated judgment	-	-	-	-	-
Transfer in (out)	42	-	-	534	576
Change in Net Assets	(600)	497	(315)	4,492	4,074
Net assets - July 1, 2009	19,705	1,093	16,782	5,342	42,922
Net assets - June 30, 2010	\$ 19,105	\$ 1,590	\$ 16,467	\$ 9,834	\$ 46,996

GENERAL FUND BUDGETARY HIGHLIGHTS

During the year there was a \$10.4 million increase in appropriations between the original budget and the final amended budget. Following are the major components of the increase:

- \$2.1 million increase for additional road and flood protection projects approved during the year.
- \$2.5 million increase for a transfer to Accumulated Capital Outlay for future County's facilities expansion plan
- \$1.0 million increase for expenditures in the public protection functions
- \$0.8 million increase for expenditures in the health & sanitation functions
- \$3.8 million increase for expenditures relating to projects funded by the American Recovery and Reinvestment Act (ARRA) of 2009

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, 2010, amounted to \$172.3 million (net of accumulated depreciation), a decrease of \$6.8 million (or 3.8%) 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 60-62.

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
	2010	2009	2010	2009	2010	2009	Change	Change
Land and easements	\$ 4,752	\$ 5,088	\$ 4,972	\$ 4,636	\$ 9,724	\$ 9,724	\$ 0	0.0%
Construction in progress	1,972	822	1,732	5,600	3,704	6,422	(2,718)	-42.3%
Infrastructure	32,411	36,687	0	0	32,411	36,687	(4,276)	-11.7%
Structures and improvements	76,414	82,937	40,009	32,525	116,423	115,462	961	0.8%
Equipment	9,892	10,671	131	93	10,023	10,764	(741)	-6.9%
Total	\$ 125,441	\$ 136,205	\$ 46,844	\$ 42,854	\$ 172,285	\$ 179,059	\$ (\$6,774)	-3.8%

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

- Construction in progress decreased by \$2.7 million (or 42.3%) from the prior year. The increase of \$1.2 million in governmental activities was mainly due to road construction projects. The decrease of \$3.9 million in the business-type activities was due to the completion of the airport runway project.
- Infrastructure decreased by \$4.3 million (or 11.7%) from the prior year, a result of annual depreciation.
- Structures and improvements increased by \$0.9 million (or 0.8%) from the prior year. Although there was no significant increase in total, governmental activities decreased and business-type activities increased due to the transfer in the amount of \$4.7 million for the Napa County Animal

Shelter facilities. Business activities also increased \$3.9 million due to the completion of the airport runway project.

- Equipment decreased by \$0.7 million (or 6.9%) from the prior year. The decrease mainly consisted of disposal of obsolete computer equipment.

Long-term debt

At June 30, 2010, the County Governmental Activities total long-term debt outstanding was \$86.4 million as compared to \$93.1 million in the prior year. This amount was comprised of the following:

- \$26,655,000 of Napa County Flood 2005 Series Partial Refunding of 1999 Series A bonds,
- \$9,210,000 of Napa County Flood 2005 Series A bonds,
- \$168,314 of unamortized premiums for outstanding bond issues,
- \$33,135,000 of Certificates of Participations
- \$150,500 of unamortized premiums for outstanding Certificates of Participations,
- \$1,300,836 for loans payable,
- \$6,915,839 for compensated absences, and
- \$8,886,000 in liability for unpaid insurance claims.

During the year, retirement of Bonds amounted to \$3,741,038 (including a reduction of premium amortization of \$21,038) and retirement of Certificates of Participations amounted to \$2,490,428 (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 63-67.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The following known factors were considered in preparing the County's budget for fiscal year 2010-2011:

- The continuing impact of the national, state and local economic downturns on the County's revenues and programs. Given these economic conditions, the State's fiscal problems, and consistent with the County board's Budget Policies, the fiscal year 2010-2011 budget generally maintains General Fund programs at their current or reduced staffing levels, and after adjusting for transfers to reserves and certain one-time capital expenditures, holds the fiscal year 2010-2011 net county cost close to the fiscal year 2009-2010 adopted budget level.
- A \$5.8 million (5.2%) net increase in discretionary and semi-discretionary revenue due to the anticipated receipt of approximately \$10 million in property taxes from returned Educational Revenue Augmentation Fund contributions offset by reductions of Realignment and Proposition 172 funds.
- The fiscal year 2010-2011 budget does not include funding for a cost of living adjustment (COLA) or equity increase for any managers or represented employees. Collective bargaining agreements with both of the unions representing County employees expire in 2010 and the County will be negotiating new agreements with those unions.
- Consistent with the Board's adopted Budget Policies, the fiscal year 2010-2011 budget reflects payments necessary to fully fund the County's Other Post Employment Benefit (OPEB) unfunded liability over a 20-year period.

- The board approved a proposal to pre-pay the County's PERS pension contributions. Due to budget timing issues, it was not possible to adjust the budget numbers, so the fiscal year 2010-2011 budget does not reflect the impact of pre-payment. Actual costs during the year will reflect that impact, however, resulting in an estimated savings of about \$325,000 (\$280,000 to the General Fund).
- The County's per capita personal income is above the State and National standards. The unemployment rate increased to 9.3% as of June 30, 2010 (8.8% as of June 30, 2009). This is below the statewide unemployment rate of 12.2% (11.6% as of June 30, 2009).

It should be noted that the recommended budget has been prepared before the Governor issued his May Revision to his fiscal year 2010-2011 proposed State Budget and before the Legislature has taken any significant actions to address the State's projected \$19 billion General Fund deficit. Many of the proposals included in the Governor's original proposed State Budget, if enacted, could significantly impact the County's budget situation, particularly in the Health & Human Services area.

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.



Created by Harry Price and Alan Shepp

Fountain Mosaic behind Napa Mill



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



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

Pasture Sunrise - Pope Valley

COUNTY OF NAPA

Statement of Net Assets June 30, 2010

ASSETS	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Cash and investments	\$ 195,339,514	\$ 6,736,938	\$ 202,076,452
Restricted Assets:			
Cash with fiscal agent	1,816,536	293,479	2,110,015
Imprest cash	186,773	275	187,048
Receivables, net			
Taxes	22,478,803	31,007	22,509,810
Special assessments	32,194	127,596	159,790
Accounts	353,357	190,571	543,928
Due from other government agencies	28,578,473	654,945	29,233,418
Prepaid items	1,503,815	--	1,503,815
Deposits	140,000	--	140,000
Deferred charges	569,202	265,315	834,517
Internal balances	2,269,900	(2,269,900)	--
Assets held for resale	990,202	--	990,202
Loans receivable, net	11,655,106	692,817	12,347,923
Capital Assets:			
Nondepreciable	6,723,956	6,703,917	13,427,873
Depreciable, net	118,717,339	40,140,275	158,857,614
Total Assets	\$ 391,355,170	\$ 53,567,235	\$ 444,922,405
 LIABILITIES			
Accounts payable	\$ 5,742,968	\$ 404,897	\$ 6,147,865
Accrued salaries and benefits	5,664,968	49,663	5,714,631
Due to other government agencies	3,993,305	--	3,993,305
Interest payable	275,546	62,197	337,743
Customer deposits	--	66,693	66,693
Unearned revenue	5,499,672	692,817	6,192,489
Long-Term Liabilities:			
Portion due or payable within one year:			
Loan payable	68,744	33,203	101,947
Bonds payable	3,865,000	75,000	3,940,000
Certificates of participation	2,545,000	--	2,545,000
Liability for unpaid stipulated judgement	--	40,000	40,000
Compensated absences	3,692,549	35,411	3,727,960
Liability for unpaid insurance claims	2,765,817	--	2,765,817
Portion due or payable after one year:			
Loan payable	1,232,092	268,593	1,500,685
Bonds payable	32,168,314	4,495,000	36,663,314
Certificates of participation	30,740,500	--	30,740,500
Liability for unpaid stipulated judgement	--	320,000	320,000
Compensated absences	3,223,290	28,306	3,251,596
Liability for unpaid insurance claims	6,120,183	--	6,120,183
Total Liabilities	107,597,948	6,571,780	114,169,728
 NET ASSETS			
Invested in capital assets, net of related debt	90,854,959	45,096,401	135,951,360
Restricted for:			
Debt service	2,312,210	293,479	2,605,689
Capital projects	2,231,546	--	2,231,546
Grants and Special Taxes	88,803,140	--	88,803,140
Unrestricted	99,555,367	1,605,575	101,160,942
Total Net Assets	283,757,222	46,995,455	330,752,677
Total Liabilities and Net Assets	\$ 391,355,170	\$ 53,567,235	\$ 444,922,405

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

COUNTY OF NAPA

Statement of Activities
For the Year Ended June 30, 2010

Functions/Programs	Expenses	Program Revenues	
		Fees, Fines and Charges for Services	Operating Grants and Contributions
Primary Government:			
Governmental Activities:			
General government	\$ 32,201,273	\$ 7,740,846	\$ 5,468,409
Public protection	92,847,859	20,256,916	20,517,790
Public ways and facilities	23,542,661	5,492,604	4,849,011
Health and sanitation	39,642,405	7,384,237	23,484,818
Public assistance	34,553,156	1,074,250	32,611,140
Education	7,207,944	502,125	138,255
Recreation and cultural services	1,222,282	--	--
Debt Service:			
Interest and fiscal charges	3,141,097	--	--
Administration and arbitrage fees	36,684	--	--
Total Governmental Activities	<u>234,395,361</u>	<u>42,450,978</u>	<u>87,069,423</u>
Business-Type Activities:			
Airport	2,800,254	1,913,565	125,872
Lake Berryessa Resort Improvement	1,132,055	566,054	211
Napa County Housing Authority	1,164,243	484,904	108,300
Napa Berryessa Resort Improvement	765,839	519,467	317
Napa County Animal Shelter	965,424	878,181	11,708
Fifth Street Parking Garage	436,478	111,205	--
Total Business-Type Activities:	<u>7,264,293</u>	<u>4,473,376</u>	<u>246,408</u>
Total Primary Government	<u>\$ 241,659,654</u>	<u>\$ 46,924,354</u>	<u>\$ 87,315,831</u>

General Revenues:

Taxes:

Property taxes

Sales and use taxes

Transient occupancy taxes

Property transfer taxes

Other taxes

Unrestricted interest and investment earnings

Miscellaneous

Transfers

Total General Revenues and Transfers

Change in Net Assets

Net assets - July 1, 2009

Net assets - June 30, 2010

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
\$ 7,800	\$ (18,984,218)	\$ --	\$ (18,984,218)
73,823	(51,999,330)	--	(51,999,330)
1,829,810	(11,371,236)	--	(11,371,236)
--	(8,773,350)	--	(8,773,350)
--	(867,766)	--	(867,766)
--	(6,567,564)	--	(6,567,564)
--	(1,222,282)	--	(1,222,282)
--	(3,141,097)	--	(3,141,097)
--	(36,684)	--	(36,684)
<u>1,911,433</u>	<u>(102,963,527)</u>	<u>--</u>	<u>(102,963,527)</u>
83,196	--	(677,621)	(677,621)
982,566	--	416,776	416,776
--	--	(571,039)	(571,039)
--	--	(246,055)	(246,055)
--	--	(75,535)	(75,535)
--	--	(325,273)	(325,273)
<u>1,065,762</u>	<u>--</u>	<u>(1,478,747)</u>	<u>(1,478,747)</u>
<u>\$ 2,977,195</u>	<u>(102,963,527)</u>	<u>(1,478,747)</u>	<u>(104,442,274)</u>
	91,575,314	116,564	91,691,878
	16,794,850	--	16,794,850
	7,557,503	--	7,557,503
	743,267	--	743,267
	40	--	40
	2,534,248	76,093	2,610,341
	423,790	12,307	436,097
	<u>(5,346,980)</u>	<u>5,346,980</u>	<u>--</u>
	<u>114,282,032</u>	<u>5,551,944</u>	<u>119,833,976</u>
	11,318,505	4,073,197	15,391,702
	<u>272,438,717</u>	<u>42,922,258</u>	<u>315,360,975</u>
	<u>\$ 283,757,222</u>	<u>\$ 46,995,455</u>	<u>\$ 330,752,677</u>

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



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

Redwood Creek



**BASIC FINANCIAL STATEMENTS –
FUND FINANCIAL STATEMENTS**



Tour of California 2010

COUNTY OF NAPA
Balance Sheet
Governmental Funds
June 30, 2010

	General	Napa County Flood Protection and Watershed Improvement Authority	Affordable Housing	Roads	Other Governmental Funds	Total
<u>ASSETS</u>						
Cash and investments	\$ 37,853,639	\$ 51,112,252	\$ 12,184,888	\$ 5,449,337	\$ 69,666,593	\$ 176,266,709
Restricted assets:						
Cash with fiscal agent	--	489,036	--	--	1,327,500	1,816,536
Imprest cash	93,048	--	--	--	79,965	173,013
Receivable, net:						
Taxes	19,080,540	2,369,948	--	--	1,028,315	22,478,803
Special assessments	--	--	--	--	32,194	32,194
Accounts	281,029	--	--	--	42,761	323,790
Due from other government agencies	24,815,976	--	--	1,750,269	2,012,228	28,578,473
Due from other funds	727,237	--	--	--	--	727,237
Prepaid items	1,476,979	--	--	--	10,056	1,487,035
Assets held for resale	--	--	990,202	--	--	990,202
Loans receivable, net	--	--	11,655,106	--	--	11,655,106
Advances to other funds	895,000	--	--	--	810,650	1,705,650
	<u>\$ 85,223,448</u>	<u>\$ 53,971,236</u>	<u>\$ 24,830,196</u>	<u>\$ 7,199,606</u>	<u>\$ 75,010,262</u>	<u>\$ 246,234,748</u>
<u>LIABILITIES</u>						
Accounts payable	\$ 4,414,845	\$ --	\$ 53,999	\$ 539,525	\$ 362,609	\$ 5,370,978
Accrued salaries and benefits	4,912,836	--	--	96,584	388,862	5,398,282
Due to other funds	--	--	--	--	162,987	162,987
Due to other government agencies	574,901	2,965,334	--	1,158	451,912	3,993,305
Deferred revenue	13,723,359	--	--	990,545	326,870	15,040,774
Unearned revenue	223,416	--	--	2,792,634	2,483,622	5,499,672
Total Liabilities	<u>23,849,357</u>	<u>2,965,334</u>	<u>53,999</u>	<u>4,420,446</u>	<u>4,176,862</u>	<u>35,465,998</u>
<u>FUND BALANCES</u>						
Reserved for:						
Encumbrances	78,124	--	--	--	742,148	820,272
General	9,445,238	--	--	--	3,447,824	12,893,062
Imprest cash	93,048	--	--	--	79,965	173,013
Loans receivable and advances	895,000	--	11,655,106	--	810,650	13,360,756
Unreserved:						
Designated, reported in:						
General fund	23,014,800	--	--	--	--	23,014,800
Special revenue funds	--	51,005,902	10,738,026	1,126,153	33,845,847	96,715,928
Capital projects funds	--	--	--	--	18,037,649	18,037,649
Undesignated:						
General fund	27,847,881	--	--	--	--	27,847,881
Special revenue funds	--	--	2,383,065	1,653,007	9,803,656	13,839,728
Capital projects funds	--	--	--	--	2,564,101	2,564,101
Debt service funds	--	--	--	--	1,501,560	1,501,560
Total Fund Balances	<u>61,374,091</u>	<u>51,005,902</u>	<u>24,776,197</u>	<u>2,779,160</u>	<u>70,833,400</u>	<u>210,768,750</u>
Total Liabilities and Fund Balances	<u>\$ 85,223,448</u>	<u>\$ 53,971,236</u>	<u>\$ 24,830,196</u>	<u>\$ 7,199,606</u>	<u>\$ 75,010,262</u>	<u>\$ 246,234,748</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, 2010

Fund Balance - total governmental funds (page 29)	\$ 210,768,750
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities (excluding Internal Service Funds) are not financial resources therefore, are not reported in the governmental funds.	118,982,815
Long-term liabilities, including bonds payable, are not due and payable in the current period, and therefore are not reported in the governmental funds.	
Certificates of participation	\$ (33,135,000)
Unamortized premiums	(150,500)
Bonds payable	(35,865,000)
Unamortized premiums	(1,284,460)
Deferred refunding charges	1,116,146
Loan payable	(1,300,836)
Accrued interest on debt	(275,546)
Compensated absences	(6,600,456)
Total long-term liabilities	<u>(77,495,652)</u>
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.	15,040,774
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).	569,202
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.	<u>15,891,333</u>
Net assets of governmental activities (page 23)	<u><u>\$ 283,757,222</u></u>

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

COUNTY OF NAPA

Statement of Revenues, Expenditures and Changes in Fund Balances Governmental Funds For the Year Ended June 30, 2010

	General	Napa County Flood Protection and Watershed Improvement Authority	Affordable Housing	Roads	Other Governmental Funds	Total
Revenues:						
Taxes	\$ 89,913,364	\$ 12,263,663	\$ --	\$ --	\$ 14,493,948	\$ 116,670,975
Licenses and permits	2,246,899	--	462,510	32,463	1,824,013	4,565,885
Fines, forfeitures and penalties	2,143,241	--	--	1,683	1,520,189	3,665,113
Revenue from use of money and property	846,766	616,586	167,780	12,866	826,994	2,470,992
Aid from other governments	67,420,973	--	--	7,299,974	14,468,039	89,188,986
Charges for services	29,107,255	--	--	173,560	3,315,662	32,596,477
Contributions and donations	786,072	--	--	--	110,252	896,324
Other revenue	196,808	--	190,202	250	32,605	419,865
Total Revenues	<u>192,661,378</u>	<u>12,880,249</u>	<u>820,492</u>	<u>7,520,796</u>	<u>36,591,702</u>	<u>250,474,617</u>
Expenditures:						
Current:						
General government	30,612,563	--	--	--	612	30,613,175
Public protection	75,327,775	--	--	--	16,842,524	92,170,299
Public ways and facilities	6,132,488	7,351,775	--	6,811,674	187,014	20,482,951
Health and sanitation	39,412,337	--	--	--	234,507	39,646,844
Public assistance	32,746,329	--	790,627	--	736,327	34,273,283
Education	398,228	--	--	--	6,842,103	7,240,331
Recreation and cultural services	1,476	--	--	--	1,220,851	1,222,327
Debt Service:						
Principal	43,630	3,720,000	--	--	2,470,000	6,233,630
Interest and fiscal charges	12,319	1,712,498	--	--	1,436,888	3,161,705
Administration, issuance and arbitrage fees	--	26,634	--	--	10,050	36,684
Total Expenditures	<u>184,687,145</u>	<u>12,810,907</u>	<u>790,627</u>	<u>6,811,674</u>	<u>29,980,876</u>	<u>235,081,229</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>7,974,233</u>	<u>69,342</u>	<u>29,865</u>	<u>709,122</u>	<u>6,610,826</u>	<u>15,393,388</u>
Other Financing Sources (Uses):						
Transfers in	10,608,000	--	--	984,973	8,125,640	19,718,613
Transfers out	(8,175,439)	--	(119,349)	--	(11,948,578)	(20,243,366)
Total Other Financing Sources (Uses)	<u>2,432,561</u>	<u>--</u>	<u>(119,349)</u>	<u>984,973</u>	<u>(3,822,938)</u>	<u>(524,753)</u>
Net change in fund balances	10,406,794	69,342	(89,484)	1,694,095	2,787,888	14,868,635
Fund Balance - Beginning of Year	<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>
Fund Balance - End of Year	<u>\$ 61,374,091</u>	<u>\$ 51,005,902</u>	<u>\$ 24,776,197</u>	<u>\$ 2,779,160</u>	<u>\$ 70,833,400</u>	<u>\$ 210,768,750</u>

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, 2010

Net change in fund balances - total governmental funds (page 31) \$ 14,868,635

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Expenditures for general capital assets, infrastructure, and other related capital assets adjustments	\$ 3,366,963	
Transfer of assets from a governmental fund to a proprietary fund	(4,772,227)	
Less: current year depreciation	<u>(8,983,802)</u>	
		(10,389,066)

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.		(160,929)
---	--	-----------

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.

Principal payments	<u>6,233,630</u>	6,233,630
--------------------	------------------	-----------

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Accrued interest on debt	22,926	
Amortization of debt premium, refunding and issuance costs	(2,318)	
Change in compensated absences	<u>(146,050)</u>	
		(125,442)

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.		<u>891,677</u>
--	--	----------------

Change in net assets of governmental activities (pages 24-25) \$ 11,318,505

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

COUNTY OF NAPA

Statement of Fund Net Assets
Proprietary Funds
June 30, 2010

	Business-Type Activities - Enterprise Funds					Governmental
	Napa County Airport	Lake Berryessa Resort Improvement	Fifth Street Parking Garage	Other Enterprise Funds	Total	Internal Service Funds
ASSETS						
Current Assets:						
Cash and Investments	\$ 3,124,353	\$ 2,719,325	\$ 134,676	\$ 758,584	\$ 6,736,938	\$ 19,072,805
Restricted assets:						
Cash with fiscal agent	--	293,479	--	--	293,479	--
Imprest cash	100	--	--	175	275	13,760
Taxes receivable	--	12,360	--	18,647	31,007	--
Accounts receivable	59,717	59,591	--	71,263	190,571	29,567
Assessments receivable	--	111,156	--	16,440	127,596	--
Due from other government agencies	103,744	482,668	--	68,533	654,945	--
Prepaid items	--	--	--	--	--	16,780
Deposits	--	--	--	--	--	140,000
Total Current Assets	<u>3,287,914</u>	<u>3,678,579</u>	<u>134,676</u>	<u>933,642</u>	<u>8,034,811</u>	<u>19,272,912</u>
Noncurrent Assets:						
Long-term note receivable	692,817	--	--	--	692,817	--
Deferred charges	--	265,315	--	--	265,315	--
Capital Assets:						
Nondepreciable:						
Land	1,886,002	5,050	--	3,080,824	4,971,876	--
Construction in progress	447,477	1,284,564	--	--	1,732,041	--
Depreciable:						
Structures and improvements	32,439,383	3,522,661	16,841,341	8,952,081	61,755,466	--
Equipment	160,796	268,094	--	126,090	554,980	11,839,394
Accumulated depreciation	(17,847,048)	(1,613,698)	(505,240)	(2,204,185)	(22,170,171)	(5,380,914)
Total Noncurrent Assets	<u>17,779,427</u>	<u>3,731,986</u>	<u>16,336,101</u>	<u>9,954,810</u>	<u>47,802,324</u>	<u>6,458,480</u>
Total Assets	<u>\$ 21,067,341</u>	<u>\$ 7,410,565</u>	<u>\$ 16,470,777</u>	<u>\$ 10,888,452</u>	<u>\$ 55,837,135</u>	<u>\$ 25,731,392</u>
LIABILITIES						
Current Liabilities:						
Accounts payable	\$ 91,181	\$ 214,242	\$ 3,188	\$ 96,286	\$ 404,897	\$ 371,990
Accrued salaries and benefits	29,787	--	--	19,876	49,663	266,686
Customer deposits	--	24,741	--	41,952	66,693	--
Interest payable	--	62,197	--	--	62,197	--
Due to other funds	--	90,250	--	474,000	564,250	--
Loan payable	33,203	--	--	--	33,203	--
Bonds payable	--	75,000	--	--	75,000	--
Liability for unpaid stipulated judgement	--	40,000	--	--	40,000	--
Liability for unpaid claims	--	--	--	--	--	2,765,817
Liability for compensated absences	16,369	--	--	19,042	35,411	147,341
Total Current Liabilities	<u>170,540</u>	<u>506,430</u>	<u>3,188</u>	<u>651,156</u>	<u>1,331,314</u>	<u>3,551,834</u>
Noncurrent Liabilities:						
Advances from other funds	810,650	500,000	--	395,000	1,705,650	--
Deferred revenue	692,817	--	--	--	692,817	--
Loan payable	268,593	--	--	--	268,593	--
Bonds Payable	--	4,495,000	--	--	4,495,000	--
Liability for unpaid stipulated judgment	--	320,000	--	--	320,000	--
Liability for unpaid claims	--	--	--	--	--	6,120,183
Liability for compensated absences	20,000	--	--	8,306	28,306	168,042
Total Noncurrent Liabilities	<u>1,792,060</u>	<u>5,315,000</u>	<u>--</u>	<u>403,306</u>	<u>7,510,366</u>	<u>6,288,225</u>
Total Liabilities	<u>1,962,600</u>	<u>5,821,430</u>	<u>3,188</u>	<u>1,054,462</u>	<u>8,841,680</u>	<u>9,840,059</u>
NET ASSETS						
Invested in capital assets, net of related debt	16,784,814	2,020,676	16,336,101	9,954,810	45,096,401	6,458,480
Restricted for debt service reserve	--	293,479	--	--	293,479	--
Unrestricted	2,319,927	(725,020)	131,488	(120,820)	1,605,575	9,432,853
Total Net Assets	<u>19,104,741</u>	<u>1,589,135</u>	<u>16,467,589</u>	<u>9,833,990</u>	<u>46,995,455</u>	<u>15,891,333</u>
Total Liabilities and Net Assets	<u>\$ 21,067,341</u>	<u>\$ 7,410,565</u>	<u>\$ 16,470,777</u>	<u>\$ 10,888,452</u>	<u>\$ 55,837,135</u>	<u>\$ 25,731,392</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, 2010

	Business-Type Activities - Enterprise Funds				Total	Governmental
	Napa County Airport	Lake Berryessa Resort Improvement	Fifth Street Parking Garage	Other Enterprise Funds		Internal Service Funds
Operating Revenues:						
Charges for services	\$ 1,913,565	\$ 566,054	\$ 109,182	\$ 1,872,130	\$ 4,460,931	\$ 16,419,848
Maintenance Charges:						
Equipment	--	--	--	--	--	631,903
Vehicle	--	--	--	--	--	1,089,423
Replacement charges	--	--	--	--	--	818,970
Other revenue	--	--	11,023	--	11,023	43,758
Total Operating Revenues	<u>1,913,565</u>	<u>566,054</u>	<u>120,205</u>	<u>1,872,130</u>	<u>4,471,954</u>	<u>19,003,902</u>
Operating Expenses:						
Salaries and employee benefits	711,715	--	--	517,595	1,229,310	10,063,729
Services and supplies	849,203	692,781	83,071	2,097,631	3,722,686	4,937,905
Insurance	20,148	13,756	16,580	17,297	67,781	--
Other charges	--	--	--	39,201	39,201	--
Claims expense	--	--	--	--	--	2,332,279
Depreciation and amortization	1,201,792	152,739	336,827	216,077	1,907,435	981,006
Total Operating Expenses	<u>2,782,858</u>	<u>859,276</u>	<u>436,478</u>	<u>2,887,801</u>	<u>6,966,413</u>	<u>18,314,919</u>
Operating Income (Loss)	<u>(869,293)</u>	<u>(293,222)</u>	<u>(316,273)</u>	<u>(1,015,671)</u>	<u>(2,494,459)</u>	<u>688,983</u>
Non-Operating Revenues (Expenses):						
Aid from other governments	--	211	--	10,317	10,528	--
Tax revenue	--	46,472	--	70,092	116,564	--
Non-operating revenues	--	--	--	123,737	123,737	--
Interest income	35,680	33,279	1,411	5,723	76,093	206,557
Interest expense	(17,396)	(255,762)	--	(7,705)	(280,863)	--
Bond administration expense	--	(17,017)	--	--	(17,017)	--
Gain on disposition of assets	--	--	--	--	--	46,137
Total Non-Operating Revenues (Expenses)	<u>18,284</u>	<u>(192,817)</u>	<u>1,411</u>	<u>202,164</u>	<u>29,042</u>	<u>252,694</u>
Net Income (Loss) Before Contributions, and Transfers	<u>(851,009)</u>	<u>(486,039)</u>	<u>(314,862)</u>	<u>(813,507)</u>	<u>(2,465,417)</u>	<u>941,677</u>
Capital contributions, grants and assessments	209,068	982,566	--	4,772,227	5,963,861	--
Transfers in	82,665	--	--	532,830	615,495	--
Transfers out	(40,742)	--	--	--	(40,742)	(50,000)
Change in Net Assets	<u>(600,018)</u>	<u>496,527</u>	<u>(314,862)</u>	<u>4,491,550</u>	<u>4,073,197</u>	<u>891,677</u>
Net Assets - Beginning 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>
Net Assets - End of Year	<u>\$ 19,104,741</u>	<u>\$ 1,589,135</u>	<u>\$ 16,467,589</u>	<u>\$ 9,833,990</u>	<u>\$ 46,995,455</u>	<u>\$ 15,891,333</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, 2010

	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	\$ 1,887,954	\$ 535,096	\$ 180,093	\$ 1,816,268	\$ 4,419,411	\$ --
Cash receipts from internal services provided	--	--	--	--	--	18,912,541
Cash paid to suppliers for goods and services	(839,587)	(493,924)	(99,690)	(2,105,659)	(3,538,860)	(7,996,375)
Cash paid to employees for services	(708,487)	--	--	(470,371)	(1,178,858)	(9,969,629)
Net Cash Provided (Used) by Operating Activities	339,880	41,172	80,403	(759,762)	(298,307)	946,537
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:						
Aid from other government agencies	--	211	--	10,317	10,528	--
Transfers in	82,665	--	--	532,830	615,495	--
Transfers out	(40,742)	--	--	--	(40,742)	(50,000)
Advances from other funds	(249,550)	495,250	--	389,000	634,700	--
Non-operating revenues	--	--	--	123,737	123,737	--
Taxes	--	42,807	--	63,864	106,671	--
Stipulated judgment payments	--	(40,000)	--	--	(40,000)	--
Interest payments for non-capital activities	--	(368)	--	(16,082)	(16,450)	--
Net Cash Provided (Used) by Noncapital Financing Activities	(207,627)	497,900	--	1,103,666	1,393,939	(50,000)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:						
Proceeds of sales of capital assets	--	--	--	--	--	87,022
Principal repayments related to capital purposes	(31,250)	(85,000)	--	--	(116,250)	--
Interest repayments related to capital purposes	(17,396)	(257,013)	--	--	(274,409)	--
Bond administration payments related to capital purposes	--	(17,017)	--	--	(17,017)	--
Capital grants and contributions	557,156	167,034	--	--	724,190	--
Special assessments	--	325,825	--	--	325,825	--
Payments related to the acquisition of capital assets	(210,103)	(879,076)	--	(26,530)	(1,115,709)	(647,299)
Net Cash Provided (Used) by Capital and Related Financing Activities	298,407	(745,247)	--	(26,530)	(473,370)	(560,277)
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest received	35,680	33,279	1,411	5,723	76,093	206,557
Net Cash Provided by Investing Activities	35,680	33,279	1,411	5,723	76,093	206,557
Net Increase (Decrease) in Cash and Cash Equivalents	466,340	(172,896)	81,814	323,097	698,355	542,817
Cash and Cash Equivalents, Beginning of Year (including imprest cash of \$100 and \$50,919 for enterprise funds and internal service funds , respectively, and cash with fiscal agent of \$479,333 for Lake Berryessa Resort Improvement)	2,658,113	3,185,700	52,862	435,662	6,332,337	18,543,748
Cash and Cash Equivalents, End of Year (including imprest cash of \$275 and \$13,760 for enterprise funds and internal service funds , respectively, and cash with fiscal agent of \$293,479 for Lake Berryessa Resort Improvement)	<u>\$ 3,124,453</u>	<u>\$ 3,012,804</u>	<u>\$ 134,676</u>	<u>\$ 758,759</u>	<u>\$ 7,030,692</u>	<u>\$ 19,086,565</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, 2010

	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)	\$ (869,293)	\$ (293,222)	\$ (316,273)	\$ (1,015,671)	\$ (2,494,459)	\$ 688,983
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation and amortization	1,201,792	152,739	336,827	216,077	1,907,435	981,006
Changes in assets and liabilities:						
(Increase) decrease in:						
Accounts receivable	168,024	(31,158)	59,888	13,068	209,822	(27,702)
Assessments receivable	--	--	--	(1,680)	(1,680)	--
Deposits	--	--	--	--	--	(63,659)
Due from other government agencies	--	--	--	(68,533)	(68,533)	--
Prepaid items	--	--	--	--	--	(16,780)
Increase (decrease) in:						
Accounts payable	29,764	212,613	(39)	48,470	290,808	(95,191)
Deferred revenue	(193,635)	--	--	--	(193,635)	--
Customer deposits	--	200	--	1,283	1,483	--
Accrued salaries	1,877	--	--	19,876	21,753	62,011
Compensated absences	1,351	--	--	27,348	28,699	48,869
Claims liability	--	--	--	--	--	(631,000)
Net Cash Provided (Used) by Operating Activities	<u>\$ 339,880</u>	<u>\$ 41,172</u>	<u>\$ 80,403</u>	<u>\$ (759,762)</u>	<u>\$ (298,307)</u>	<u>\$ 946,537</u>
Schedule of Noncash Capital Activities:						
Capital contributions	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 4,772,227</u>	<u>\$ 4,772,227</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, 2010

ASSETS	<u>Investment Trust Funds</u>	<u>Private Purpose Trust Funds</u>	<u>Agency Funds</u>
Current Assets:			
Cash and investments	\$ 242,215,023	\$ 1,845,428	\$ 33,782,018
Noncurrent Assets:			
Taxes receivable	--	--	15,387,130
Total Assets	<u>\$ 242,215,023</u>	<u>\$ 1,845,428</u>	<u>\$ 49,169,148</u>
 LIABILITIES			
Agency funds held for others	\$ --	\$ --	\$ 49,169,148
Total Liabilities	<u>--</u>	<u>--</u>	<u>49,169,148</u>
 NET ASSETS			
Net assets held in trust for (reserved for) endowment purpose	--	1,845,428	--
Net assets held in trust for investment pool participants	<u>242,215,023</u>	<u>--</u>	<u>--</u>
Total Net Assets	<u>242,215,023</u>	<u>1,845,428</u>	<u>--</u>
 Total Liabilities and Net Assets	<u>\$ 242,215,023</u>	<u>\$ 1,845,428</u>	<u>\$ 49,169,148</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, 2010

	<u>Investment Trust Funds</u>	<u>Private Purpose Trust Funds</u>
<u>ADDITIONS</u>		
Contribution:		
Contribution to investment pool	\$ 1,061,735,661	\$ 1,845,428
Total Contribution	<u>1,061,735,661</u>	<u>1,845,428</u>
Net Investment Income:		
Interest	2,506,317	37,345
Net Investment Income	<u>2,506,317</u>	<u>37,345</u>
Total Additions	<u>1,064,241,978</u>	<u>1,882,773</u>
<u>DEDUCTIONS</u>		
Distribution from investment pool	1,024,854,966	3,412,051
Total Deductions	<u>1,024,854,966</u>	<u>3,412,051</u>
Change in Net Assets	39,387,012	(1,529,278)
Net Assets, Beginning of Year	<u>202,828,011</u>	<u>3,374,706</u>
Net Assets, Ending of Year	<u>\$ 242,215,023</u>	<u>\$ 1,845,428</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, 2010

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, 2010

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

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, 2010

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, 2010

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 and St Helena Projects; 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 funds:

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

COUNTY OF NAPA

Notes to the Basic Financial Statements For the Year Ended June 30, 2010

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* provide for property and liability claims against the County, workers' compensation claims for disability, medical and rehabilitation expenses and related costs associated with on-the-job injuries, employee retirement healthcare, and vehicle and equipment purchases and maintenance services provided to County departments 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, 2010

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 which 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.

COUNTY OF NAPA

Notes to the Basic Financial Statements For the Year Ended June 30, 2010

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

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

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.

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, 2010.

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.

COUNTY OF NAPA

Notes to the Basic Financial Statements For the Year Ended June 30, 2010

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

F. **Inventory and Prepaid Items**

Inventory is historically stated at cost using the first-in first-out method for governmental activities within proprietary funds. Inventory recorded by proprietary funds includes materials and supplies for 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, 2010. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

G. **Property Tax Receivable and Revenue**

The property taxes receivable balance is \$15,387,130 before an allowance for uncollectibles. A conservative percentage figure for uncollectibles is 3%.

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

Alternative Method of Distribution of Tax Levies

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

The County is required to create a tax loss reserve fund (an agency fund) under one or two alternative methods: (1) 1 percent of the total amount of taxes and assessments levied on the secured roll for the year or (2) 25 percent of the total delinquent secured taxes for participating entities in the County as calculated at the end of the fiscal year. The County is using option (1) for fiscal year 2009-2010 to establish its tax loss reserve.

COUNTY OF NAPA

Notes to the Basic Financial Statements For the Year Ended June 30, 2010

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

H. Capital Assets

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

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

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

The estimated useful lives are as follows:

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

I. Land Held for Resale

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

COUNTY OF NAPA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2010

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

J. Compensated Absences

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

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

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

Public Service Employees

The chart below is to be used for unused vacation benefits accrual by all other 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, 2010

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

K. Interfund Transactions

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

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

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

L. Estimates

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

M. New Accounting Pronouncements

Governmental Accounting Standards Board Statement 51

For fiscal year ended June 30, 2010, the County implemented GASB Statement No. 51 (GASB 51), *Accounting and Financial Reporting for Intangible Assets*. GASB 51 requires all intangible assets that are not specifically excluded be classified as capital assets, and that existing guidance related to the accounting and financial reporting for capital assets should be applied to these intangible assets, as applicable. The County did not restate prior period balances as the implementation had no material impact on the County’s financial statements.

COUNTY OF NAPA

Notes to the Basic Financial Statements For the Year Ended June 30, 2010

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

M. New Accounting Pronouncements (continued)

Governmental Accounting Standards Board Statement 53

For fiscal year ended June 30, 2010, the County implemented GASB Statement No. 53 (GASB 53), *Accounting and Financial Reporting for Derivative Instruments*. GASB 53 addresses the recognition, measurement, and disclosure of information regarding derivative instruments entered into by state and local governments. Implementation of GASB 53 did not have an impact on the County's reporting disclosures.

Governmental Accounting Standards Board Statement 56

For fiscal year ended June 30, 2010, the County implemented GASB Statement No. 56 (GASB 56), *Codification of Accounting and Financial Reporting Guidance Contained in the AICPA Statements on Auditing Standards*. The objective of GASB 56 is to incorporate into the GASB authoritative literature certain accounting and financial reporting guidance presented in the American Institute of Certified Public Accountants' Statements on Auditing Standards. Implementation of GASB 56 did not have an impact on the County's reporting disclosures.

Governmental Accounting Standards Board Statement 57

For fiscal year ended June 30, 2010, the County implemented GASB Statement No. 57 (GASB 57), *OPEB Measurement by Agent Employers and Agent Multiple Employer Plans*. GASB 57 establishes standards for the measurement and financial reporting of actuarially determined information by agent employers with individual-employer OPEB plans that have fewer than 100 total plan members and by agent multiple-employer OPEB plans in which they participate. In addition, it clarifies requirements of Statements 43 and 45 related to coordination of the timing and frequency of OPEB measurements by agent employers and the agent multiple-employer OPEB plans in which they participate. The provisions of GASB 57 related to the use and reporting of the alternative measurement method are effective immediately. Implementation of these provisions of GASB 57 did not have an impact on the County's reporting disclosures.

COUNTY OF NAPA

Notes to the Basic Financial Statements For the Year Ended June 30, 2010

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

M. New Accounting Pronouncements (continued)

Governmental Accounting Standards Board Statement 58

For fiscal year ended June 30, 2010, the County implemented GASB Statement No. 58, *Accounting and Financial Reporting for Chapter 9 Bankruptcies*. GASB 58 establishes accounting and financial reporting guidance for governments that have petitioned for protection from creditors by filing for bankruptcy under Chapter 9 of the United States Bankruptcy Code. Implementation of GAS 58 did not have an impact on the County's reporting disclosures.

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*.

GASB 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 implemented by the County for the fiscal year ending June 30, 2011 and the impact has not yet been determined.

Governmental Accounting Standards Board Statement 59

The Governmental Accounting Standards Board (GASB) recently released accounting and financial reporting standard, GASB Statement 59 (GASB 59), *Financial Instruments Omnibus*.

GASB 59 updates and improves existing standards regarding financial reporting of certain financial instruments and external investment pools. The requirements of this statement will be implemented by the County for the fiscal year ended June 30, 2012 and the impact has not yet been determined.

COUNTY OF NAPA

Notes to the Basic Financial Statements For the Year Ended June 30, 2010

Note 2: 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.

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, 2010, total County cash and investments were as follows:

Cash:	
Cash on hand	\$ 48,712,626
Imprest cash	225,533
Certificates of deposit	100,000
Outstanding warrants and reconciliations	(18,104,921)
Total Cash	<u>30,933,238</u>
Investments:	
In Treasurer's pool	449,172,731
With fiscal agents external to the pool	2,110,015
Total Investments	<u>451,282,746</u>
Total Cash and Investments	<u>\$ 482,215,984</u>

COUNTY OF NAPA

Notes to the Basic Financial Statements For the Year Ended June 30, 2010

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

Total cash and investments at June 30, 2010 were presented in the County's financial statements as follows:

Total governmental activities	\$ 197,342,823
Total business-type activities	7,030,692
Private purpose trust funds	1,845,428
Investment trust funds	242,215,023
Agency funds	<u>33,782,018</u>
Total Cash and Investments	<u>\$ 482,215,984</u>

Custodial Credit Risk

Custodial credit risk for deposits is the risk that the County will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the County's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits and securities lending transactions: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by depository regulated under state law. The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. The County received certification from the Bank of New York Mellon Trust Corporation that the market value of securities held in the Wells Fargo Bank Local Agency collateral pool exceeded by at least 10% the total secured local agency deposits as reported by the depository on June 30, 2010.

COUNTY OF NAPA

Notes to the Basic Financial Statements For the Year Ended June 30, 2010

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

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.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Local Agency Bonds	5 years	None	None
U.S. Treasury Obligations	5 years	None	None
U.S. Agency Obligations	5 years	None	None
State of California Obligations	1 year	None	None
Banker's Acceptances	180 days	40%	30%
Commercial Paper	180 days	40%	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

At June 30, 2010, the County had the following investments:

	Interest Rates	Maturities	Par	Cost	Fair Value	WAM (Years)
Investments in Investment Pool						
U.S. Agency Obligations - fixed	.68%-4.07%	10/08/10-05/04/15	\$ 137,000,000	\$ 137,058,060	\$ 138,408,208	2.82
U.S. Agency Obligations - discount	.08%-.31%	07/02/10-01/31/11	213,065,000	212,807,394	212,840,340	0.27
U.S. Treasury Obligations	.14%-.23%	07/01/10-11/18/10	29,000,000	28,967,138	28,969,418	0.17
Corporate Bonds	2.125%-3.00%	12/09/11-12/26/12	23,250,000	23,314,061	23,892,600	1.94
Sweep	0.001	7/1/10	4,596,951	4,596,951	4,596,951	0.00
Teeter notes	1.27%-2.83%	09/11/11-09/1/14	5,429,127	5,429,127	5,429,127	3.50
Local Agency Investment Fund (LAIF)	0.56%	on demand	37,000,000	37,000,000	37,000,000	0.00
Total Treasurer's Pooled Investments			449,341,078	449,172,731	451,136,643	1.15
Investments Controlled by Fiscal Agents						
U.S. Treasury Obligations			2,110,015	2,110,015	2,110,015	
Total Investments			\$ 451,451,093	\$ 451,282,746	\$ 453,246,658	

COUNTY OF NAPA

Notes to the Basic Financial Statements For the Year Ended June 30, 2010

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

Investments (continued)

At June 30, 2010, the difference between the cost and fair value of cash and investments was not material (fair value was 100.4% of carrying value). Therefore, an adjustment to fair value was not made.

Interest Rate Risk

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

Credit Risk

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

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, 2010.

	<u>S & P</u>	<u>Moody's</u>	<u>% of Portfolio</u>
U.S. Agency Obligations - fixed	AAA	Aaa	30.68%
U.S. Agency Obligations - discount	AAA	Aaa	47.18%
U.S. Treasury Obligations	AAA	Aaa	6.42%
Corporate Bonds	AAA	Aaa	5.30%
Sweep	Unrated	Unrated	1.02%
Teeter notes	Unrated	Unrated	1.20%
Local Agency Investment Fund (LAIF)	Unrated	Unrated	8.20%
Total			<u>100.00%</u>

COUNTY OF NAPA

Notes to the Basic Financial Statements For the Year Ended June 30, 2010

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

Concentration of Credit Risk (continued)

At June 30, 2010, 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	\$ 156,461,395	34.67%
Federal National Mortgage Association	Government Sponsored	77,955,662	17.28%
Federal Farm Credit Bank	Government Sponsored	76,854,688	17.03%
Federal Home Loan Mortgage Corporation	Government Sponsored	39,976,803	8.86%

Local Agency Investment Fund

The County's total investment in the Local Agency Investment Fund (LAIF), managed by the Treasurer for the State of California is \$37.0 million at June 30, 2010. The total amount invested by all public agencies in LAIF at June 30, 2010, was \$23.0 billion. LAIF is part of the State of California Pooled Money Investment Account (PMIA), whose balance at June 30, 2010 was \$69.4 billion. Of that amount, 5.42% was invested in structured notes and asset-backed securities. PMIA is not registered with the Securities and Exchange Commission as an investment company, but is required to invest according to California State Code. The average maturity of PMIA investments was 203 days as of June 30, 2010. The Local Investment Advisor Board (Board) has oversight responsibility for LAIF. The Board consists of five members as designated by State Statute. The value of pool shares in LAIF, which may be withdrawn, is determined on an amortized cost basis, which is different than the fair value of the pooled treasury's portion in the pool.

COUNTY OF NAPA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2010

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

County Investment Pool Condensed Financial Statements

The following represents a condensed statement of net assets and changes in net assets for the Treasurer's investment pool as of June 30, 2010:

Statement of Net Assets

Net assets held for pool participants	<u>\$ 479,880,436</u>
Equity of internal pool participants	237,665,413
Equity of external pool participants	<u>242,215,023</u>
Total net assets	<u>\$ 479,880,436</u>

Statement of Changes in Net Assets

Net asset held for pool participants at July 1, 2009	\$ 426,333,459
Net change in investments by pool participants	<u>53,546,977</u>
Net assets held for pool participants at June 30, 2010	<u>\$ 479,880,436</u>

Note 3: **Interfund Transactions**

Interfund Receivables/Payables

The composition of interfund balances as of June 30, 2010 are as follows:

Due to/from other funds:

Receivable Fund	Payable Fund	Amount
General Fund	Other Governmental Fund	\$ 162,987
	Lake Berryessa Resort Improvement District	90,250
	Other Enterprise Funds	<u>474,000</u>
		<u>\$ 727,237</u>

The above balances reflect temporary cash advances.

COUNTY OF NAPA

Notes to the Basic Financial Statements For the Year Ended June 30, 2010

Note 3: **Interfund Transactions** (continued)

Interfund Receivables/Payables (continued)

Advance to/from other funds:

Receivable Fund	Payable Fund	Amount
General Fund	Lake Berryessa Resort Improvement District	\$ 500,000
	Other Enterprise Fund	395,000
Other Governmental Funds	Napa County Airport	810,650
		\$ 1,705,650

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

The Napa County Airport fund has received an advance from the County to construct certain projects at the Airport. The advance includes a repayment schedule with \$261,950 due in the following year.

Transfers:

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

Transfer from	Transfer to	Amount	Purpose
General Fund	Roads Fund	\$ 932,000	Road contribution
	Other Governmental Funds	3,081,028	Debt service
	Other Governmental Funds	343,742	Library contribution
	Other Governmental Funds	3,684,750	Special projects
	Other Governmental Funds	133,919	IHSS contribution
Affordable Housing	Other Enterprise Funds	119,349	Farmworker centers
Other Governmental Funds	General Fund	10,298,422	Special revenue transfers
	General Fund	183,690	IHSS administration
	General Fund	75,888	Various contributions
	Roads Fund	52,973	Special revenue transfers
	Napa County Airport	82,665	Unspent construction funds
	Other Governmental Funds	225,607	Fire protection
	Other Governmental Funds	545,618	Debt service
	Other Governmental Funds	70,234	Various contribution
	Other Enterprise Funds	413,481	Farmworker centers
	Internal Service Funds	General Fund	50,000
Napa County Airport	Other Governmental Funds	40,742	Debt service
		\$ 20,334,108	

COUNTY OF NAPA

Notes to the Basic Financial Statements For the Year Ended June 30, 2010

Note 4: **Capital Assets**

Capital asset activity for the year ended June 30, 2010 was as follows:

	Balance July 1, 2009	Additions	Retirements	Transfers & Adjustments	Balance June 30, 2010
Governmental Activities					
Capital assets, not being depreciated:					
Land	\$ 5,087,937	\$ -	\$ -	\$ (336,422)	\$ 4,751,515
Construction in progress	821,817	1,150,624	-	-	1,972,441
Total capital assets, not being depreciated	<u>5,909,754</u>	<u>1,150,624</u>	<u>-</u>	<u>(336,422)</u>	<u>6,723,956</u>
Capital assets, being depreciated:					
Infrastructure	177,144,225	1,056,986	-	-	178,201,211
Structures and improvements	106,523,129	-	-	(5,013,336)	101,509,793
Equipment	28,795,032	1,810,091	(2,406,977)	-	28,198,146
Total capital assets, being depreciated	<u>312,462,386</u>	<u>2,867,077</u>	<u>(2,406,977)</u>	<u>(5,013,336)</u>	<u>307,909,150</u>
Less accumulated depreciation for:					
Infrastructure	(140,456,702)	(5,333,016)	-	-	(145,789,718)
Structures and improvements	(23,586,065)	(2,087,812)	-	577,531	(25,096,346)
Equipment	(18,124,420)	(2,543,979)	2,362,652	-	(18,305,747)
Total accumulated depreciation	<u>(182,167,187)</u>	<u>(9,964,807)</u>	<u>2,362,652</u>	<u>577,531</u>	<u>(189,191,811)</u>
Total capital assets, being depreciated, net	<u>130,295,199</u>	<u>(7,097,730)</u>	<u>(44,325)</u>	<u>(4,435,805)</u>	<u>118,717,339</u>
Government activities capital assets, net	<u>\$ 136,204,953</u>	<u>\$ (5,947,106)</u>	<u>\$ (44,325)</u>	<u>\$ (4,772,227)</u>	<u>\$ 125,441,295</u>
Business-type Activities					
Capital assets, not being depreciated:					
Land	\$ 4,635,454	\$ -	\$ -	\$ 336,422	\$ 4,971,876
Construction in progress	5,599,827	830,246	-	(4,698,032)	1,732,041
Total capital assets, not being depreciated	<u>10,235,281</u>	<u>830,246</u>	<u>-</u>	<u>(4,361,610)</u>	<u>6,703,917</u>
Capital assets, being depreciated:					
Structures and improvements	51,828,657	215,441	-	9,711,368	61,755,466
Equipment	484,957	70,023	-	-	554,980
Total capital assets, being depreciated	<u>52,313,614</u>	<u>285,464</u>	<u>-</u>	<u>9,711,368</u>	<u>62,310,446</u>
Less accumulated depreciation for:					
Structures and improvements	(19,303,485)	(1,865,447)	-	(577,531)	(21,746,463)
Equipment	(391,547)	(32,161)	-	-	(423,708)
Total accumulated depreciation	<u>(19,695,032)</u>	<u>(1,897,608)</u>	<u>-</u>	<u>(577,531)</u>	<u>(22,170,171)</u>
Total capital assets, being depreciated, net	<u>32,618,582</u>	<u>(1,612,144)</u>	<u>-</u>	<u>9,133,837</u>	<u>40,140,275</u>
Business-type activities capital assets, net	<u>\$ 42,853,863</u>	<u>\$ (781,898)</u>	<u>\$ -</u>	<u>\$ 4,772,227</u>	<u>\$ 46,844,192</u>

COUNTY OF NAPA

Notes to the Basic Financial Statements For the Year Ended June 30, 2010

Note 4: **Capital Assets** (continued)

Transfers and Adjustments

Napa County Animal Shelter

During fiscal year 2009-2010, the Napa County Animal Shelter was transferred from a governmental fund to a newly created enterprise fund. As part of this transfer, land valued at \$336,422 and structures and improvements with a net book value of \$4,435,805 were transferred from governmental activities to business-type activities. The total net book value of the transfer, \$4,772,227, was included as a capital contribution in the Statement of Revenues, Expenses 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

The construction of a new water treatment plant for the Lake Berryessa Resort Improvement District is the only significant construction project active as of June 30, 2010. The water treatment plant project began in fiscal year 2008-2009 and is scheduled to be completed during fiscal year 2010-2011. The project is funded by a combination of bond proceeds and a forgivable American Recovery and Reinvestment Act loan issued through the California Department of Health. Lake Berryessa Resort Improvement District has budgeted \$ 1,242,452 of appropriations for fiscal year 2010-2011 for the project's completion.

COUNTY OF NAPA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2010

Note 4: **Capital Assets** (continued)

Depreciation

Depreciation expense was charged to governmental functions as follows:

General government	\$ 2,531,663
Public protection	1,674,189
Public ways and facilities	5,359,042
Health and sanitation	25,835
Public assistance	287,986
Education	86,092
	<hr/>
Total Depreciation Expense – Governmental Functions	<u>\$ 9,964,807</u>

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

Airport	\$ 1,201,792
Lake Berryessa Resort Improvement District	142,912
Fifth Street Parking Garage	336,827
Napa Berryessa Resort Improvement District	53,555
Napa County Housing Authority	62,256
Napa County Animal Shelter	100,266
	<hr/>
Total Depreciation Expense – Business-Type Functions	<u>\$ 1,897,608</u>

COUNTY OF NAPA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2010

Note 5: **Long-Term Debt**

The following is a summary of long-term liabilities transactions for the year ended June 30, 2010:

	Balance July 1, 2009	Additions	Reductions	Balance June 30, 2010	Amounts Due Within One Year
Governmental Activities:					
Bonds payable	\$ 39,585,000	\$ -	\$ (3,720,000)	\$ 35,865,000	\$ 3,865,000
Plus deferred amounts:					
For issuance premiums	1,445,018	-	(160,558)	1,284,460	-
For refunding	(1,255,666)	-	139,520	(1,116,146)	-
Certificates of participation	35,605,000	-	(2,470,000)	33,135,000	2,545,000
Plus deferred amounts:					
For issuance premiums	170,928	-	(20,428)	150,500	-
Loans payable	1,344,466	-	(43,630)	1,300,836	68,744
Compensated absences	6,720,920	5,691,312	(5,496,393)	6,915,839	3,692,549
Liability for unpaid claims	9,517,000	1,955,779	(2,586,779)	8,886,000	2,765,817
	<u>93,132,666</u>	<u>7,647,091</u>	<u>(14,358,268)</u>	<u>86,421,489</u>	<u>12,937,110</u>
Total Governmental Activities Long-term liabilities	<u>\$ 93,132,666</u>	<u>\$ 7,647,091</u>	<u>\$ (14,358,268)</u>	<u>\$ 86,421,489</u>	<u>\$ 12,937,110</u>
Business-type Activities					
Bonds payable	\$ 4,655,000	\$ -	\$ (85,000)	\$ 4,570,000	\$ 75,000
Loan payable	333,046	-	(31,250)	301,796	33,203
Stipulated judgment	400,000	-	(40,000)	360,000	40,000
Compensated absences	35,018	86,223	(57,524)	63,717	35,411
	<u>5,423,064</u>	<u>86,223</u>	<u>(213,774)</u>	<u>5,295,513</u>	<u>183,614</u>
Total Business-type Activities Long-term liabilities	<u>\$ 5,423,064</u>	<u>\$ 86,223</u>	<u>\$ (213,774)</u>	<u>\$ 5,295,513</u>	<u>\$ 183,614</u>

COUNTY OF NAPA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2010

Note 5: **Long-Term Debt** (continued)

As of June 30, 2010, 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
2011	3,865,000	1,574,435	2,545,000	1,355,637	68,745	16,468
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	4,570,000	859,375	2,940,000	951,988	54,099	3,754
2016-2020	14,880,000	1,415,600	12,390,000	3,088,511	27,852	3,259
2021-2023	-	-	7,060,000	660,420	-	-
	<u>\$ 35,865,000</u>	<u>\$ 7,603,515</u>	<u>\$ 33,135,000</u>	<u>\$ 9,541,895</u>	<u>\$ 1,300,836</u>	<u>\$ 43,766</u>

Year Ending June 30:	Business-type Activities			
	Special Assessment Bonds Payable		Loans Payable	
	Principal	Interest	Principal	Interest
2011	75,000	248,786	33,203	15,763
2012	80,000	244,717	35,156	14,029
2013	85,000	240,386	37,109	12,192
2014	90,000	235,793	39,063	10,255
2015	90,000	231,068	41,016	8,214
2016-2020	530,000	1,076,550	116,249	11,381
2021-2025	695,000	910,088	-	-
2026-2030	905,000	690,720	-	-
2031-2035	1,190,000	401,820	-	-
2036-2038	830,000	68,542	-	-
	<u>\$ 4,570,000</u>	<u>\$ 4,348,470</u>	<u>\$ 301,796</u>	<u>\$ 71,834</u>

COUNTY OF NAPA

Notes to the Basic Financial Statements For the Year Ended June 30, 2010

Note 5: **Long-Term Debt** (continued)

Long-term liabilities at June 30, 2010 consisted of the following:

	Date of Issue	Maturity	Interest Rates	Annual Principal Installments	Original Issue Amount	Outstanding at June 30, 2010
<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	\$ 26,655,000
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>9,210,000</u>
Total Bonds Payable					<u>43,365,000</u>	<u>35,865,000</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	24,860,000
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>8,275,000</u>
Total Certificates of Participation					<u>45,625,000</u>	<u>33,135,000</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	300,836

COUNTY OF NAPA

Notes to the Basic Financial Statements For the Year Ended June 30, 2010

Note 5: **Long-Term Debt** (continued)

	<u>Date of Issue</u>	<u>Maturity</u>	<u>Interest Rates</u>	<u>Annual Principal Installments</u>	<u>Original Issue Amount</u>	<u>Outstanding at June 30, 2010</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>1,300,836</u>
Total Governmental Activities					<u>\$ 90,438,372</u>	<u>\$ 70,300,836</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	\$ 4,570,000
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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>301,796</u>
Total Business-Type Activities					<u>\$ 5,255,841</u>	<u>\$ 4,871,796</u>

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

COUNTY OF NAPA

Notes to the Basic Financial Statements For the Year Ended June 30, 2010

Note 5: **Long-Term Debt** (continued)

Bond Discounts, Bond Premiums, and Issuance Costs

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

Arbitrage

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 6: **Operating Leases**

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

Fiscal Year Ending June 30,	Payments
2011	\$ 1,133,759
2012	1,002,386
2013	815,825
2014	351,564
2015	279,675
2016-2020	1,419,601
2021-2025	207,193
Total	<u>\$ 5,210,003</u>

Rent expenditures were \$1,456,121 for the year ended June 30, 2010.

COUNTY OF NAPA

Notes to the Basic Financial Statements For the Year Ended June 30, 2010

Note 7: **Unearned and Deferred Revenues**

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

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, 2010, the various components of deferred and unearned revenue reported were as follows:

	Unearned	Deferred (Unavailable)	Total
Governmental Activities:			
General Fund:			
SB 90 mandated costs	\$ --	\$ 8,871,798	\$ 8,871,798
State grants	223,416	4,761,233	4,984,649
Federal Stimulus grants	--	47,569	47,569
Other	--	42,759	42,759
Roads Fund:			
State grants	--	33,876	33,876
Federal disaster assistance	--	697,010	697,010
Federal Stimulus grants	--	259,659	259,659
State Proposition 1B funding	2,792,634	--	2,792,634
Nonmajor Governmental Funds:			
State grants	2,483,622	215,175	2,698,797
Federal grants	--	53,850	53,850
Other	--	57,845	57,845
Total unearned and deferred revenue	\$ 5,499,672	\$ 15,040,774	\$ 20,540,446
Business-type Activities:			
Napa County Airport:			
Long-term hangar lease agreement with State of California	\$ 692,817	\$ --	\$ 692,817
Total unearned and deferred revenue	\$ 692,817	\$ --	\$ 692,817

COUNTY OF NAPA

Notes to the Basic Financial Statements For the Year Ended June 30, 2010

Note 8: 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, 2010 are net assets restricted by enabling legislation of \$76,403,883.
- *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, 2010

Note 8: **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, 2010 are as follows:

General Fund

Designated for:

Capital projects	\$ 1,202,240
Economic uncertainties	18,655,666
Health and human services	1,337,580
Various	<u>1,819,314</u>
	<u>23,014,800</u>

Napa County Flood Protection and Watershed
Improvement Authority

Designated for:

Flood projects	<u>51,005,902</u>
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Affordable Housing

Designated for:

Housing projects	<u>10,738,026</u>
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COUNTY OF NAPA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2010

Note 8: **Net Assets/Fund Balances** (continued)

Fund Balances (continued)

Roads

Designated for:

Road projects 1,126,153

Other Governmental Funds

Designated for:

Fire protection 5,309,171

Building and code enforcement 895,625

Library 5,913,512

Capital projects 18,037,649

General Government 11,147,857

Public Protection 5,615,310

Public Ways & Facilities 2,007,640

Health & Sanitation 2,171,986

Various 784,746

51,883,496

Total Unreserved Designated Fund Balances \$ 137,768,377

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.

Deficit Fund Balance/Net Assets

- The In Home Support Services special revenue fund had a deficit fund balance of \$56,567 as of June 30, 2010. The deficit is expected to be eliminated in future years through future revenues and/or transfers from other funds.
- The Child Support Services special revenue fund had a deficit fund balance of \$113,064 as of June 30, 2010. The deficit is expected to be eliminated in future years through future revenues and/or transfers from other funds.
- The Napa Berryessa Resort Improvement District enterprise fund had deficit net assets of \$93,971 as of June 30, 2010. The deficit is expected to be eliminated in future years through service rate increases and/or operational efficiency savings.

COUNTY OF NAPA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2010

Note 9: **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.

B. Funding Policy and Status

Contributions are made based on rates recommended by an independent actuary and adopted by the County Board of Supervisors. For certain bargaining units, a portion of the members' contribution is paid by the County. Employee contributions cannot be withdrawn until separation from employment.

For fiscal year 2009-2010, the employee rate for local miscellaneous members is 8%, of which 3.79% is paid by the County.

The employee rate for local safety members is 9%. Local safety members who are not management employees pay the full 9% while law enforcement management employees are responsible for 3.1% with the County responsible for the remaining 5.9%.

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 2009-2010, the County of Napa's annual pension cost was \$13,726,458 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, 2010

Note 9: **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	6/30/2009	6/30/2009
Basis for fiscal year 2009-2010 contribution	6/30/2007	6/30/2007
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	22 years	18 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	3.55% to 14.45%	3.55% to 14.45%
Inflation	3.00%	3.00%
Payroll growth	3.25%	3.25%

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

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

<u>Fiscal</u> <u>Year</u> <u>Ended</u>	<u>Annual</u> <u>Pension Cost</u> <u>Miscellaneous</u>	<u>Annual</u> <u>Pension Cost</u> <u>Safety</u>	<u>Total</u> <u>Annual</u> <u>Pension Cost</u>	<u>Percentage of</u> <u>Annual</u> <u>Pension Cost</u> <u>Contributed</u>	<u>Net</u> <u>Pension</u> <u>Obligation</u>
6/30/2008	\$11,362	\$1,566	\$12,928	100%	--
6/30/2009	10,937	2,840	13,777	100%	--
6/30/2010	10,840	2,886	13,726	100%	--

COUNTY OF NAPA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2010

Note 9: **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, 2009, the date of the latest actuarial valuation, is as follows:

Actuarial accrued liability (AAL)	\$ 477,564
Actuarial value of plan assets	<u>393,847</u>
Unfunded actuarial accrued liability (UAAL)	<u>\$ 83,717</u>
Funded ratio (actuarial value of plan assets/AAL)	82 %
Covered payroll (active Plan members)	\$ 87,977
Unfunded actuarial accrued liability as a percentage of covered payroll	95 %

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

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

Note 10: **Retiree Healthcare Plan**

In addition to the pension benefits described in Note 9, the County provides an agent multiple-employer postretirement healthcare benefits under the *Retiree Healthcare Plan*. In accordance with Government Code, all employees electing a PERS retirement date within 120 days of retiring from the County are eligible to receive healthcare benefits. The County provides health and/or dental benefits on a pay-as-you-go basis to retirees in three basic categories.

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

COUNTY OF NAPA

Notes to the Basic Financial Statements For the Year Ended June 30, 2010

Note 10: **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 (\$42 per month for calendar year 2010) 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 plan originally set the amortization period of the UAAL at 14 years. For plan years beginning after June 30, 2009, the County has revised the plan by electing a closed 20 year fresh start amortization period. The County's ARC for fiscal year 2009-2010 was \$4,582,795.

For fiscal year 2009-2010, the County contributed \$4,582,795 to the plan which fully funded the ARC for GASB 45 purposes. The County paid \$1,724,721 to retirees during the year, and \$2,858,074 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, 2010

Note 10: **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 rates 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 three fiscal years are as follows (dollar amounts in thousands):

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
6/30/2008	\$5,858	100%	\$0
6/30/2009	\$6,048	100%	\$0
6/30/2010	\$4,583	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)	<u>\$ 31,677</u>
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%

Note 11: **Deferred Compensation Plan**

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

COUNTY OF NAPA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2010

Note 11: **Deferred Compensation Plan** (continued)

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

Note 12: **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 is not responsible for the investing function and has no fiduciary accountability for the plan. Therefore, the assets and associated participants' liability of the plan have been excluded from the County's financial statements.

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

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

<u>Fiscal Year</u> <u>Ended</u>	<u>Contributions</u>
6/30/2008	\$ 201,589
6/30/2009	170,222
6/30/2010	155,194

COUNTY OF NAPA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2010

Note 13: **Risk Management**

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

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

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, 2010 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:				
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
2009 - 2010	3,320,000	1,071,973	(1,474,973)	2,917,000
Workers' Compensation:				
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
2009 - 2010	6,197,000	1,260,306	(1,488,306)	5,969,000

COUNTY OF NAPA

Notes to the Basic Financial Statements For the Year Ended June 30, 2010

Note 14: **Contingencies**

A. Litigation

There are many lawsuits pending in which the County is involved. Some of the lawsuits have been filed solely against the County, while in others, the County is one of a group of defendants. The County Counsel has indicated that the potential uninsured claims against the County resulting from such litigation would not materially affect the 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, 2010, significant amounts of grant expenditures and records relating to reimbursements have not been audited by the granting agency, but the County believes that disallowed expenditures and reimbursements, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the County.



Photography by Jobina Toh

American Canyon High School
Opened August 18, 2010



REQUIRED SUPPLEMENTARY INFORMATION



Yountville Community Center

COUNTY OF NAPA

Required Supplementary Information
For the Year Ended June 30, 2010

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>
6/30/07	\$ 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%
6/30/09	477,564	393,847	83,716	82.5%	87,977	95.2%

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>
6/30/07	\$ 7,986,055	\$ 6,826,599	\$ 1,159,456	85.5%	\$ 831,608	139.4%
6/30/08	8,700,468	7,464,928	1,235,540	85.8%	914,841	135.1%
6/30/09	9,721,675	8,027,159	1,694,516	82.6%	973,814	174.0%

The total annual covered payroll of the cost-sharing risk pool for the plan year ended June 30, 2009, the most recent plan year reported, was \$973,814,168 of which \$10,879,426 was attributable to the County.

COUNTY OF NAPA

Required Supplementary Information
For the Year Ended June 30, 2010

Other Post Employment Benefits Plan

Schedule of Funding Progress

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

Funded Status of Retiree Healthcare Plan (Dollar Amounts in Thousands)						
<u>Valuation Date</u>	<u>Entry Age Normal Accrued Liability</u>	<u>Actuarial Value of Assets</u>	<u>Unfunded/ (Overfunded) Liability</u>	<u>Funded Ratio</u>	<u>Annual Covered Payroll</u>	<u>UAAL as a % of Payroll</u>
1/01/06	\$ 34,217	\$ -	\$ 34,217	0.0%	\$ 88,322	38.7%
6/30/08	36,040	4,363	31,611	12.1%	86,030	36.8%



Photography by Jobina Toh

The Goodman Building

COUNTY OF NAPA

Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		Positive (Negative)
Budgetary fund balances, July 1	\$ 50,967,297	\$ 50,967,297	\$ 50,967,297	\$ --
Resources (inflows):				
Taxes	89,436,596	89,436,596	89,913,364	476,768
Licenses and permits	1,943,187	1,943,187	2,246,899	303,712
Fines, forfeitures and penalties	208,089	208,089	2,143,241	1,935,152
Revenue from use of money and property	1,374,688	1,374,688	846,766	(527,922)
Aid from other governments	61,919,985	67,818,411	67,420,973	(397,438)
Charges for services	25,218,581	25,935,002	30,215,035	4,280,033
Contributions and donations	3,000	3,000	786,072	783,072
Other revenue	4,257,214	4,340,522	196,808	(4,143,714)
Other financing sources	11,019,553	12,187,433	10,608,000	(1,579,433)
Amounts available for appropriation	<u>195,380,893</u>	<u>203,246,928</u>	<u>204,377,158</u>	<u>1,130,230</u>
Charges to appropriations (outflows):				
<i>General Government:</i>				
Board of Supervisors				
Salaries and benefits	617,188	623,188	607,266	15,922
Services and supplies	57,395	61,395	51,355	10,040
Subtotal	<u>674,583</u>	<u>684,583</u>	<u>658,621</u>	<u>25,962</u>
County Executive Officer				
Salaries and benefits	2,522,173	2,527,973	2,466,056	61,917
Services and supplies	267,157	261,357	215,278	46,079
Subtotal	<u>2,789,330</u>	<u>2,789,330</u>	<u>2,681,334</u>	<u>107,996</u>
Community & Intergovernmental Affairs				
Salaries and benefits	501,482	510,592	510,582	10
Services and supplies	749,378	740,268	77,872	662,396
Subtotal	<u>1,250,860</u>	<u>1,250,860</u>	<u>588,454</u>	<u>662,406</u>
Training & Organizational Development				
Salaries and benefits	123,515	123,515	122,294	1,221
Services and supplies	81,850	81,850	24,860	56,990
Subtotal	<u>205,365</u>	<u>205,365</u>	<u>147,154</u>	<u>58,211</u>
Auditor-Controller				
Salaries and benefits	2,372,008	2,362,008	2,119,238	242,770
Services and supplies	260,797	270,797	247,813	22,984
Subtotal	<u>2,632,805</u>	<u>2,632,805</u>	<u>2,367,051</u>	<u>265,754</u>
Treasurer-Tax Collector				
Salaries and benefits	1,284,930	1,282,542	1,213,213	69,329
Services and supplies	439,310	441,198	441,103	95
Other charges	--	500	--	500
Subtotal	<u>1,724,240</u>	<u>1,724,240</u>	<u>1,654,316</u>	<u>69,924</u>

continued

COUNTY OF NAPA

Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Assessor				
Salaries and benefits	\$ 2,215,871	\$ 2,215,871	\$ 2,132,521	\$ 83,350
Services and supplies	481,332	481,332	473,731	7,601
Subtotal	<u>2,697,203</u>	<u>2,697,203</u>	<u>2,606,252</u>	<u>90,951</u>
County Counsel				
Salaries and benefits	3,034,203	2,943,750	2,742,809	200,941
Services and supplies	476,248	568,625	483,274	85,351
Subtotal	<u>3,510,451</u>	<u>3,512,375</u>	<u>3,226,083</u>	<u>286,292</u>
Human Resources				
Salaries and benefits	1,496,038	1,496,038	1,418,650	77,388
Services and supplies	347,384	348,490	278,347	70,143
Subtotal	<u>1,843,422</u>	<u>1,844,528</u>	<u>1,696,997</u>	<u>147,531</u>
Primary-General Election				
Salaries and benefits	528,563	528,563	433,123	95,440
Services and supplies	651,565	651,565	506,857	144,708
Subtotal	<u>1,180,128</u>	<u>1,180,128</u>	<u>939,980</u>	<u>240,148</u>
Communications				
Salaries and benefits	645,653	631,007	589,939	41,068
Services and supplies	533,249	555,405	540,742	14,663
Capital assets	16,600	255,876	212,055	43,821
Subtotal	<u>1,195,502</u>	<u>1,442,288</u>	<u>1,342,736</u>	<u>99,552</u>
Records Mgmt/Courier				
Salaries and benefits	212,889	232,889	228,918	3,971
Services and supplies	358,652	358,652	274,281	84,371
Transfers out	45,000	25,000	--	25,000
Subtotal	<u>616,541</u>	<u>616,541</u>	<u>503,199</u>	<u>113,342</u>
Property Management				
Salaries and benefits	2,562,577	2,551,577	2,430,649	120,928
Services and supplies	2,597,040	2,597,040	2,129,392	467,648
Debt Service	55,950	55,950	55,949	1
Subtotal	<u>5,215,567</u>	<u>5,204,567</u>	<u>4,615,990</u>	<u>588,577</u>
Capital Improvement Program				
Services and supplies	5,412,941	8,384,694	3,848,161	4,536,533
Capital assets	659,000	764,601	104,950	659,651
Subtotal	<u>6,071,941</u>	<u>9,149,295</u>	<u>3,953,111</u>	<u>5,196,184</u>
Central Services				
Services and supplies	1,469,893	1,505,393	1,250,478	254,915
Other charges	559,259	542,100	327,535	214,565
Contingencies	307,468	372,350	372,350	--
Subtotal	<u>2,336,620</u>	<u>2,419,843</u>	<u>1,950,363</u>	<u>469,480</u>

continued

COUNTY OF NAPA

Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Insurance				
Services and supplies	\$ 424,596	\$ 434,596	\$ 422,266	\$ 12,330
Subtotal	<u>424,596</u>	<u>434,596</u>	<u>422,266</u>	<u>12,330</u>
General Expenditures				
Services and supplies	455,611	510,611	482,263	28,348
Other charges	1,460,797	2,355,797	905,501	1,450,296
Transfers out	6,509,781	8,954,781	7,752,926	1,201,855
Subtotal	<u>8,426,189</u>	<u>11,821,189</u>	<u>9,140,690</u>	<u>2,680,499</u>
Employee/Retiree Benefits				
Salaries and benefits	685,000	620,000	468,781	151,219
Services and supplies	407,500	472,500	471,049	1,451
Subtotal	<u>1,092,500</u>	<u>1,092,500</u>	<u>939,830</u>	<u>152,670</u>
General Plan				
Services and supplies	250,912	250,912	94,791	156,121
Subtotal	<u>250,912</u>	<u>250,912</u>	<u>94,791</u>	<u>156,121</u>
Contingencies				
Contingencies	6,000,000	4,666,822	--	4,666,822
Subtotal	<u>6,000,000</u>	<u>4,666,822</u>	<u>--</u>	<u>4,666,822</u>
<i>Total General Government</i>	<u>50,138,755</u>	<u>55,619,970</u>	<u>39,529,218</u>	<u>16,090,752</u>
<i>Public Protection:</i>				
Grand Jury				
Services and supplies	60,000	60,000	57,419	2,581
Subtotal	<u>60,000</u>	<u>60,000</u>	<u>57,419</u>	<u>2,581</u>
District Attorney - Grants				
Salaries and benefits	770,697	935,272	859,954	75,318
Services and supplies	249,994	310,419	302,394	8,025
Subtotal	<u>1,020,691</u>	<u>1,245,691</u>	<u>1,162,348</u>	<u>83,343</u>
District Attorney - Consumer Fraud				
Salaries and benefits	249,860	249,860	225,945	23,915
Services and supplies	159,727	159,727	82,816	76,911
Subtotal	<u>409,587</u>	<u>409,587</u>	<u>308,761</u>	<u>100,826</u>
District Attorney				
Salaries and benefits	5,544,394	5,544,394	5,424,445	119,949
Services and supplies	992,759	1,024,759	968,456	56,303
Subtotal	<u>6,537,153</u>	<u>6,569,153</u>	<u>6,392,901</u>	<u>176,252</u>
Public Defender Services				
Salaries and benefits	3,124,633	3,124,633	3,021,600	103,033
Services and supplies	379,017	379,017	340,553	38,464
Subtotal	<u>3,503,650</u>	<u>3,503,650</u>	<u>3,362,153</u>	<u>141,497</u>

continued

COUNTY OF NAPA

Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Conflict Public Defender				
Services and supplies	\$ 1,093,464	\$ 1,093,464	\$ 1,010,734	\$ 82,730
Subtotal	<u>1,093,464</u>	<u>1,093,464</u>	<u>1,010,734</u>	<u>82,730</u>
Sheriff				
Salaries and benefits	17,168,078	17,704,478	17,704,423	55
Services and supplies	5,150,048	4,992,489	4,966,641	25,848
Capital assets	--	74,310	73,823	487
Subtotal	<u>22,318,126</u>	<u>22,771,277</u>	<u>22,744,887</u>	<u>26,390</u>
Special Investigation Unit				
Salaries and benefits	582,124	594,574	594,565	9
Services and supplies	248,661	236,211	222,473	13,738
Subtotal	<u>830,785</u>	<u>830,785</u>	<u>817,038</u>	<u>13,747</u>
Community Corrections Service Center				
Services and supplies	<u>1,205,000</u>	<u>1,215,271</u>	<u>871,771</u>	<u>343,500</u>
Subtotal	<u>1,205,000</u>	<u>1,215,271</u>	<u>871,771</u>	<u>343,500</u>
Department of Corrections				
Salaries and benefits	8,183,005	8,183,005	7,958,222	224,783
Services and supplies	<u>1,415,121</u>	<u>1,415,121</u>	<u>1,257,028</u>	<u>158,093</u>
Subtotal	<u>9,598,126</u>	<u>9,598,126</u>	<u>9,215,250</u>	<u>382,876</u>
Detention Medical Services				
Services and supplies	<u>2,062,199</u>	<u>2,362,199</u>	<u>2,153,217</u>	<u>208,982</u>
Subtotal	<u>2,062,199</u>	<u>2,362,199</u>	<u>2,153,217</u>	<u>208,982</u>
Probation Department				
Salaries and benefits	7,109,792	7,134,792	7,029,745	105,047
Services and supplies	<u>1,770,002</u>	<u>1,792,947</u>	<u>1,479,399</u>	<u>313,548</u>
Subtotal	<u>8,879,794</u>	<u>8,927,739</u>	<u>8,509,144</u>	<u>418,595</u>
Juvenile Hall				
Salaries and benefits	4,026,283	4,026,283	3,925,358	100,925
Services and supplies	<u>693,057</u>	<u>693,057</u>	<u>657,803</u>	<u>35,254</u>
Subtotal	<u>4,719,340</u>	<u>4,719,340</u>	<u>4,583,161</u>	<u>136,179</u>
Ag Comm/Sealer				
Salaries and benefits	2,724,970	2,775,970	2,727,587	48,383
Services and supplies	<u>851,420</u>	<u>875,420</u>	<u>854,022</u>	<u>21,398</u>
Subtotal	<u>3,576,390</u>	<u>3,651,390</u>	<u>3,581,609</u>	<u>69,781</u>

continued

COUNTY OF NAPA

Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		Positive (Negative)
Clerk Recorder				
Salaries and benefits	\$ 766,309	\$ 766,309	\$ 734,467	\$ 31,842
Services and supplies	538,468	811,499	370,824	440,675
Capital assets	--	13,676	13,674	2
Transfers out	2,200	2,200	--	2,200
Subtotal	1,306,977	1,593,684	1,118,965	474,719
Coroner				
Salaries and benefits	330,004	330,004	325,946	4,058
Services and supplies	233,456	233,456	216,352	17,104
Subtotal	563,460	563,460	542,298	21,162
Public Admin-Guardian				
Salaries and benefits	208,098	208,098	194,074	14,024
Services and supplies	50,647	50,647	30,428	20,219
Subtotal	258,745	258,745	224,502	34,243
Conservation, Development, & Planning				
Salaries and benefits	3,353,059	3,353,059	3,091,140	261,919
Services and supplies	1,281,451	1,281,451	1,063,562	217,889
Subtotal	4,634,510	4,634,510	4,154,702	479,808
Emergency Services				
Salaries and benefits	131,734	118,734	3,482	115,252
Services and supplies	80,494	93,494	76,845	16,649
Subtotal	212,228	212,228	80,327	131,901
Watershed Information Center & Conservancy				
Services and supplies	280,000	280,000	197,988	82,012
Subtotal	280,000	280,000	197,988	82,012
Animal Services				
Salaries and benefits	660,927	662,927	651,997	10,930
Services and supplies	118,532	148,532	129,384	19,148
Transfer out	472,976	472,976	473,151	(175)
Subtotal	1,252,435	1,284,435	1,254,532	29,903
Environmental Management				
Salaries and benefits	2,610,740	2,653,240	2,570,737	82,503
Services and supplies	497,867	497,867	413,331	84,536
Subtotal	3,108,607	3,151,107	2,984,068	167,039
<i>Total Public Protection</i>	<i>77,431,267</i>	<i>78,935,841</i>	<i>75,327,775</i>	<i>3,608,066</i>
<i>Public Ways and Facilities:</i>				
Public Works/Engineering				
Salaries and benefits	5,657,167	5,504,467	5,120,619	383,848
Services and supplies	823,208	944,408	762,591	181,817
Subtotal	6,480,375	6,448,875	5,883,210	565,665

continued

COUNTY OF NAPA

Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Road Department				
Services and supplies	\$ 530,000	\$ 530,000	\$ 249,278	\$ 280,722
Subtotal	530,000	530,000	249,278	280,722
 <i>Total Public Ways and Facilities</i>	 7,010,375	 6,978,875	 6,132,488	 846,387
 <i>Health and Sanitation:</i>				
Public Health Department				
Salaries and benefits	5,810,780	5,866,830	5,679,224	187,606
Services and supplies	2,333,039	2,642,446	2,241,645	400,801
Other charges	3,169,881	3,169,881	3,169,881	--
Subtotal	11,313,700	11,679,157	11,090,750	588,407
 Local Enforcement Program				
Salaries and benefits	239,913	244,913	242,776	2,137
Services and supplies	46,555	51,555	42,740	8,815
Capital assets	3,000	3,000	--	3,000
Subtotal	289,468	299,468	285,516	13,952
 Mental Health				
Salaries and benefits	9,198,341	9,198,341	9,017,537	180,804
Services and supplies	3,986,264	4,257,989	4,025,171	232,818
Other charges	6,706,000	6,865,696	6,314,857	550,839
Subtotal	19,890,605	20,322,026	19,357,565	964,461
 Alcohol and Drug Services				
Salaries and benefits	2,362,114	2,434,260	2,323,987	110,273
Services and supplies	1,920,716	1,958,969	1,839,170	119,799
Subtotal	4,282,830	4,393,229	4,163,157	230,072
 Health and Human Services Admin				
Salaries and benefits	3,220,796	3,220,796	2,991,646	229,150
Services and supplies	1,699,446	1,699,446	1,523,703	175,743
Transfers out	653,826	670,154	422,513	247,641
Subtotal	5,574,068	5,590,396	4,937,862	652,534
 <i>Total Health and Sanitation</i>	 41,350,671	 42,284,276	 39,834,850	 2,449,426
 <i>Public Assistance:</i>				
Social Services				
Salaries and benefits	14,028,330	13,968,335	13,935,798	32,537
Services and supplies	6,110,343	7,921,053	5,402,800	2,518,253
Other charges	11,922,379	12,642,119	12,637,532	4,587
Subtotal	32,061,052	34,531,507	31,976,130	2,555,377
 Workforce Investment Board				
Services and supplies	15,228	15,228	3,278	11,950
Subtotal	15,228	15,228	3,278	11,950

continued

COUNTY OF NAPA

Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
In Home Supportive Services				
Salaries and benefits	\$ 236,429	\$ 236,179	\$ 229,570	\$ 6,609
Services and supplies	19,787	20,037	19,825	212
Subtotal	<u>256,216</u>	<u>256,216</u>	<u>249,395</u>	<u>6,821</u>
Care of Juvenile Court Wards				
Services and supplies	13,445	23,945	22,382	1,563
Other charges	693,888	683,388	495,144	188,244
Subtotal	<u>707,333</u>	<u>707,333</u>	<u>517,526</u>	<u>189,807</u>
<i>Total Public Assistance</i>	<u>33,039,829</u>	<u>35,510,284</u>	<u>32,746,329</u>	<u>2,763,955</u>
<i>Education:</i>				
U. C. Cooperative Extension				
Salaries and benefits	241,085	241,085	234,829	6,256
Services and supplies	171,997	171,997	163,399	8,598
Subtotal	<u>413,082</u>	<u>413,082</u>	<u>398,228</u>	<u>14,854</u>
<i>Total Education</i>	<u>413,082</u>	<u>413,082</u>	<u>398,228</u>	<u>14,854</u>
<i>Recreation and Cultural Services:</i>				
Parks				
Services and supplies	1,476	1,476	1,476	--
Subtotal	<u>1,476</u>	<u>1,476</u>	<u>1,476</u>	<u>--</u>
<i>Total Recreation and Cultural Services</i>	<u>1,476</u>	<u>1,476</u>	<u>1,476</u>	<u>--</u>
Total Charges to Appropriations	<u>209,385,455</u>	<u>219,743,804</u>	<u>193,970,364</u>	<u>25,773,440</u>
Budgetary fund balances, June 30	<u>\$ 36,962,735</u>	<u>\$ 34,470,421</u>	<u>\$ 61,374,091</u>	<u>\$ 26,903,670</u>

continued

COUNTY OF NAPA

Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2010

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	\$ 204,377,158
Differences - budget to GAAP:	
Reimbursements from other funds are inflows of budgetary resources but not revenues for financial reporting purposes	(1,107,780)
Transfers from other funds are inflows of budgetary resources but not revenues for financial reporting purposes	<u>(10,608,000)</u>
Total revenues as reported on the Statement of Revenue, Expenditures and Changes in Fund Balances - Governmental Funds	<u>\$ 192,661,378</u>

Uses/outflows of resources

Actual amounts (budgetary basis) "total charges to appropriations" from the Budgetary Comparison Statement	\$ 193,970,364
Differences - budget to GAAP:	
Costs reimbursed by other funds are outflows of budgetary resources but not expenditures for financial reporting purposes	(1,107,780)
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes	<u>(8,175,439)</u>
Total expenditures as reported on the Statement of Revenue, Expenditures and Changes in Fund Balances - Governmental Funds	<u>\$ 184,687,145</u>

COUNTY OF NAPA

Budgetary Comparison Schedule
 Napa County Flood Protection and Watershed Improvement Authority
 For the Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balances, Beginning	\$ 50,936,560	\$ 50,936,560	\$ 50,936,560	\$ --
Resources (inflows):				
Taxes	14,287,498	14,287,498	12,263,663	(2,023,835)
Revenue from use of money and property	1,140,000	1,140,000	616,586	(523,414)
Transfers in	6,000	6,000	--	(6,000)
Amounts available for appropriation	<u>15,433,498</u>	<u>15,433,498</u>	<u>12,880,249</u>	<u>(2,553,249)</u>
Charges to appropriations (outflows):				
Public way and facilities	19,820,078	22,661,971	7,351,775	15,310,196
Debt service	5,438,498	5,460,298	5,459,132	1,166
Total charges to appropriations	<u>25,258,576</u>	<u>28,122,269</u>	<u>12,810,907</u>	<u>15,311,362</u>
Budgetary fund balances, Ending	<u>\$ 41,111,482</u>	<u>\$ 38,247,789</u>	<u>\$ 51,005,902</u>	<u>\$ 12,758,113</u>

COUNTY OF NAPA

Budgetary Comparison Schedule
Affordable Housing
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balances, Beginning	\$ 24,865,681	\$ 24,865,681	\$ 24,865,681	\$ --
Resources (inflows):				
Licenses and permits	650,000	650,000	462,510	(187,490)
Revenue from use of money and property	200,000	200,000	167,780	(32,220)
Other revenue	--	--	190,202	190,202
Amounts available for appropriation	<u>850,000</u>	<u>850,000</u>	<u>820,492</u>	<u>(29,508)</u>
Charges to appropriations (outflows):				
Services and supplies	2,237,649	2,217,650	790,627	1,427,023
Transfers out	100,000	20,000	119,349	(99,349)
Total charges to appropriations	<u>2,337,649</u>	<u>2,237,650</u>	<u>909,976</u>	<u>1,327,674</u>
Budgetary fund balances, Ending	<u>\$ 23,378,032</u>	<u>\$ 23,478,031</u>	<u>\$ 24,776,197</u>	<u>\$ 1,298,166</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 \$ 909,976

Differences - budget to GAAP:

Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes. (119,349)

Total expenditures as reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances - Governmental Funds \$ 790,627

COUNTY OF NAPA

Budgetary Comparison Schedule
Roads
For the Year Ended June 30, 2010

	<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	\$ 1,085,065	\$ 1,085,065	\$ 1,085,065	\$ --
Resources (inflows):				
Licenses and permits	50,000	50,000	32,463	(17,537)
Fines, forfeitures and penalties	--	--	1,683	1,683
Revenue from use of money and property	23,000	23,000	12,866	(10,134)
Aid from other governments	13,180,053	15,518,636	7,299,974	(8,218,662)
Charges for services	63,500	63,500	173,560	110,060
Other	17,200	17,200	250	(16,950)
Transfers in	<u>1,932,000</u>	<u>1,932,000</u>	<u>984,973</u>	<u>(947,027)</u>
Amounts available for appropriation	<u>15,265,753</u>	<u>17,604,336</u>	<u>8,505,769</u>	<u>(9,098,567)</u>
Charges to appropriations (outflows):				
Salaries and employee benefits	2,762,364	2,762,364	2,508,248	254,116
Services and supplies	5,835,418	5,130,036	2,465,017	2,665,019
Capital assets	6,828,871	9,912,836	1,838,409	8,074,427
Transfers out	<u>40,000</u>	<u>--</u>	<u>--</u>	<u>--</u>
Total charges to appropriations	<u>15,466,653</u>	<u>17,805,236</u>	<u>6,811,674</u>	<u>10,993,562</u>
Budgetary fund balances, Ending	<u>\$ 884,165</u>	<u>\$ 884,165</u>	<u>\$ 2,779,160</u>	<u>\$ 1,894,995</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 \$ 8,505,769

Differences - budget to GAAP:

Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes. (984,973)

Total revenues as reported on the Statement of Revenue, Expenditures and Changes in Fund Balances - Governmental Funds \$ 7,520,796

COUNTY OF NAPA

Note to Required Supplementary Information For the Year Ended June 30, 2010

BUDGETARY BASIS OF ACCOUNTING

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

An operating budget is adopted each fiscal year for all Governmental Funds. Expenditures are controlled at the object level within budget units for the County. The object level within a budget unit is the level at which expenditures may not legally exceed appropriations. Any amendments or transfers of appropriations between object levels within the same budget unit or between departments or funds are authorized by the County Executive office and must be approved by the Board of Supervisors. Supplementary appropriations normally financed by unanticipated revenues during the year must be approved by the Board of Supervisors. Pursuant to Board Resolution No. 01-83 adopted as of June 19, 2001 and revised as per Resolution no. 02-122, effective June 18, 2002, 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 Jobina Toh

McCarthy Library at the Napa Valley College



SUPPLEMENTARY INFORMATION

**COMBINING AND INDIVIDUAL
FUND STATEMENTS AND SCHEDULES**



Photography by Jobina Toh

Third Street Bridge from the Veterans Memorial Park



NONMAJOR GOVERNMENTAL FUNDS



Photography by Jobina Toh

Napa River Inn

COUNTY OF NAPA

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2010

	Special Revenue	Capital Projects	Debt Service	Total
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u>ASSETS</u>				
Cash and investments	\$ 47,984,644	\$ 21,507,889	\$ 174,060	\$ 69,666,593
Restricted assets:				
Cash with fiscal agent	--	--	1,327,500	1,327,500
Imprest cash	79,965	--	--	79,965
Receivable (Net):				
Taxes	1,028,315	--	--	1,028,315
Special assessments	32,194	--	--	32,194
Accounts receivable	42,761	--	--	42,761
Due from other government agencies	2,012,228	--	--	2,012,228
Prepaid expenses	10,056	--	--	10,056
Advances to other funds	--	--	810,650	810,650
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 51,190,163</u>	<u>\$ 21,507,889</u>	<u>\$ 2,312,210</u>	<u>\$ 75,010,262</u>
<u>LIABILITIES</u>				
Accounts payable	\$ 362,609	\$ --	\$ --	\$ 362,609
Accrued payroll	388,862	--	--	388,862
Due to other funds	162,987	--	--	162,987
Due to other government agencies	451,912	--	--	451,912
Deferred revenue	326,870	--	--	326,870
Unearned revenue	2,483,622	--	--	2,483,622
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u>4,176,862</u>	<u>--</u>	<u>--</u>	<u>4,176,862</u>
<u>FUND BALANCES</u>				
Reserved for:				
Encumbrances	742,148	--	--	742,148
General	2,541,685	906,139	--	3,447,824
Imprest cash	79,965	--	--	79,965
Loans receivable and advances	--	--	810,650	810,650
Unreserved:				
Designated	33,845,847	18,037,649	--	51,883,496
Undesignated:				
Special revenue funds	9,803,656	--	--	9,803,656
Capital projects funds	--	2,564,101	--	2,564,101
Debt service funds	--	--	1,501,560	1,501,560
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Fund Balances	<u>47,013,301</u>	<u>21,507,889</u>	<u>2,312,210</u>	<u>70,833,400</u>
Total Liabilities and Fund Balances	<u>\$ 51,190,163</u>	<u>\$ 21,507,889</u>	<u>\$ 2,312,210</u>	<u>\$ 75,010,262</u>

COUNTY OF NAPA

Combining Statement of Revenues, Expenditures and
Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2010

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Debt Service</u>	<u>Total</u>
Revenues:				
Taxes	\$ 14,493,948	\$ --	\$ --	\$ 14,493,948
Licenses and permits	1,824,013	--	--	1,824,013
Fines, forfeitures and penalties	970,499	549,690	--	1,520,189
Revenue from use of money and property	588,472	238,181	341	826,994
Aid from other governments	14,468,039	--	--	14,468,039
Charges for services	3,315,662	--	--	3,315,662
Contributions and donations	110,252	--	--	110,252
Other revenue	32,605	--	--	32,605
Total Revenues	<u>35,803,490</u>	<u>787,871</u>	<u>341</u>	<u>36,591,702</u>
Expenditures:				
Current:				
General government	--	612	--	612
Public protection	16,842,524	--	--	16,842,524
Public ways and facilities	187,014	--	--	187,014
Health and sanitation	234,507	--	--	234,507
Public assistance	736,327	--	--	736,327
Education	6,842,103	--	--	6,842,103
Recreation and cultural services	1,220,851	--	--	1,220,851
Debt Service:				
Principal	--	--	2,470,000	2,470,000
Interest and fiscal charges	--	--	1,436,888	1,436,888
Administration, issuance and arbitrage fees	--	--	10,050	10,050
Total Expenditures	<u>26,063,326</u>	<u>612</u>	<u>3,916,938</u>	<u>29,980,876</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>9,740,164</u>	<u>787,259</u>	<u>(3,916,597)</u>	<u>6,610,826</u>
Other Financing Sources (Uses):				
Transfers in	1,888,018	2,570,234	3,667,388	8,125,640
Transfers out	<u>(11,350,526)</u>	<u>(598,052)</u>	--	<u>(11,948,578)</u>
Total Other Financing Sources (Uses)	<u>(9,462,508)</u>	<u>1,972,182</u>	<u>3,667,388</u>	<u>(3,822,938)</u>
Net change in fund balances	277,656	2,759,441	(249,209)	2,787,888
Fund Balance - Beginning of Year	<u>46,735,645</u>	<u>18,748,448</u>	<u>2,561,419</u>	<u>68,045,512</u>
Fund Balance - End of Year	<u>\$ 47,013,301</u>	<u>\$ 21,507,889</u>	<u>\$ 2,312,210</u>	<u>\$ 70,833,400</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.

Wildlife Conservation Commission

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

Building and Code Enforcement

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

In-Home Supportive Services (IHSS)

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

NONMAJOR SPECIAL REVENUE FUNDS (continued):

Zone 1 Garbage

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. The Library's main branch is in the City of Napa, with additional branches in the Cities of American Canyon and Calistoga and the Town of Yountville.

Special Projects Fund

This fund was established so that the Board of Supervisors can allocate monies from the General Fund for programs or services related to parks and open space, visitor management, and arts and culture that 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.
- **Housing Rehabilitation Repayment** - Program revenue from a Community Development Block 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.

NONMAJOR SPECIAL REVENUE FUNDS (continued):

General Government Special Revenue Funds (continued)

- 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. Funds collected are used to increase educational efforts related to the health effects of tobacco usage.
- 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 fines 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. These fees are used to fund domestic violence prevention programs.
- 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.



Sculpture by Riis Burwell
Photography by Jobina Toh

Bird

COUNTY OF NAPA

Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2010

	<u>Fire Protection</u>	<u>Wildlife Conservation Commission</u>	<u>Building and Code Enforcement</u>
<u>ASSETS</u>			
Cash and investments	\$ 9,841,621	\$ 234,096	\$ 816,613
Imprest cash	--	--	--
Receivable (Net):			
Taxes	228,123	--	--
Special assessments	12,944	--	--
Accounts receivable	--	--	--
Due from other government agencies	734,124	--	--
Prepaid items	--	--	--
	<hr/>	<hr/>	<hr/>
Total Assets	<u>\$ 10,816,812</u>	<u>\$ 234,096</u>	<u>\$ 816,613</u>
<u>LIABILITIES</u>			
Accounts payable	\$ 151,971	\$ 2,356	\$ 14,307
Accrued payroll	--	--	60,685
Due to other funds	--	--	--
Due to other government agencies	266,907	--	--
Deferred revenue	57,845	--	--
Unearned revenue	--	--	--
	<hr/>	<hr/>	<hr/>
Total Liabilities	<u>476,723</u>	<u>2,356</u>	<u>74,992</u>
<u>FUND BALANCES</u>			
Reserved for:			
Encumbrances	742,148	--	--
General	137,043	--	--
Imprest cash	--	--	--
Unreserved:			
Designated for:			
Equipment purchases	5,309,171	--	--
Library expansion	--	--	--
Future program costs	--	--	895,625
Capital maintenance and repairs	--	--	--
Undesignated:			
Special revenue funds	4,151,727	231,740	(154,004)
	<hr/>	<hr/>	<hr/>
Total Fund Balances	<u>10,340,089</u>	<u>231,740</u>	<u>741,621</u>
	<hr/>	<hr/>	<hr/>
Total Liabilities and Fund Balances	<u>\$ 10,816,812</u>	<u>\$ 234,096</u>	<u>\$ 816,613</u>

continued

COUNTY OF NAPA

Combining Balance Sheet (continued)
 Nonmajor Special Revenue Funds
 June 30, 2010

	<u>IHSS</u>	<u>Zone 1 Garbage</u>	<u>Child Support Services</u>	<u>Library</u>
<u>ASSETS</u>				
Cash and investments	\$ --	\$ 1,171,661	\$ 42,889	\$ 9,418,212
Imprest cash	--	--	300	79,665
Receivable (Net):				
Taxes	--	--	--	790,122
Special assessments	--	--	--	--
Accounts receivable	--	22,116	--	--
Due from other government agencies	202,014	--	81,591	--
Prepaid expenses	--	--	10,056	--
	<hr/>	<hr/>	<hr/>	<hr/>
Total Assets	<u>\$ 202,014</u>	<u>\$ 1,193,777</u>	<u>\$ 134,836</u>	<u>\$ 10,287,999</u>
<u>LIABILITIES</u>				
Accounts payable	\$ 50,460	\$ 4,861	\$ --	\$ 63,608
Accrued payroll	--	--	166,309	161,868
Due to other funds	162,987	--	--	--
Due to other government agencies	--	--	--	728
Deferred revenue	45,134	--	81,591	--
Unearned revenue	--	--	--	--
	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities	<u>258,581</u>	<u>4,861</u>	<u>247,900</u>	<u>226,204</u>
<u>FUND BALANCES</u>				
Reserved for:				
Encumbrances	--	--	--	--
General	--	--	--	2,388,690
Imprest cash	--	--	300	79,665
Unreserved:				
Designated for:				
Equipment purchases	--	--	--	--
Library expansion	--	--	--	5,913,512
Future program costs	--	--	--	--
Capital maintenance and repairs	--	--	--	--
Undesignated:				
Special revenue funds	(56,567)	1,188,916	(113,364)	1,679,928
	<hr/>	<hr/>	<hr/>	<hr/>
Total Fund Balances	<u>(56,567)</u>	<u>1,188,916</u>	<u>(113,064)</u>	<u>10,061,795</u>
	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities and Fund Balances	<u>\$ 202,014</u>	<u>\$ 1,193,777</u>	<u>\$ 134,836</u>	<u>\$ 10,287,999</u>

continued

COUNTY OF NAPA

Combining Balance Sheet (continued)
 Nonmajor Special Revenue Funds
 June 30, 2010

	<u>Special Projects</u>	<u>General Government</u>	<u>Public Protection</u>	<u>Public Ways & Facilities</u>
<u>ASSETS</u>				
Cash and investments	\$ 1,247,407	\$ 11,147,857	\$ 5,727,077	\$ 2,649,019
Imprest cash	--	--	--	--
Receivable (Net):				
Taxes	--	--	--	--
Special assessments	--	--	--	--
Accounts receivable	--	--	20,645	--
Due from other government agencies	--	--	93,814	--
Prepaid expenses	--	--	--	--
	<hr/>	<hr/>	<hr/>	<hr/>
Total Assets	<u>\$ 1,247,407</u>	<u>\$ 11,147,857</u>	<u>\$ 5,841,536</u>	<u>\$ 2,649,019</u>
<u>LIABILITIES</u>				
Accounts payable	\$ 41,600	\$ --	\$ 14,763	\$ --
Accrued payroll	--	--	--	--
Due to other funds	--	--	--	--
Due to other government agencies	--	--	--	--
Deferred revenue	--	--	--	--
Unearned revenue	--	--	--	--
	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities	<u>41,600</u>	<u>--</u>	<u>14,763</u>	<u>--</u>
<u>FUND BALANCES</u>				
Reserved for:				
Encumbrances	--	--	--	--
General	--	--	--	--
Imprest cash	--	--	--	--
Unreserved:				
Designated for:				
Equipment purchases	--	--	--	--
Library expansion	--	--	--	--
Future program costs	--	11,147,857	5,615,310	--
Capital maintenance and repairs	--	--	--	2,007,640
Undesignated:				
Special revenue funds	1,205,807	--	211,463	641,379
	<hr/>	<hr/>	<hr/>	<hr/>
Total Fund Balances	<u>1,205,807</u>	<u>11,147,857</u>	<u>5,826,773</u>	<u>2,649,019</u>
	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities and Fund Balances	<u>\$ 1,247,407</u>	<u>\$ 11,147,857</u>	<u>\$ 5,841,536</u>	<u>\$ 2,649,019</u>

continued

COUNTY OF NAPA

Combining Balance Sheet (continued)
 Nonmajor Special Revenue Funds
 June 30, 2010

	<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	\$ 4,336,787	\$ 694,857	\$ 656,548	\$ 47,984,644
Imprest cash	--	--	--	79,965
Receivable (Net):				
Taxes	--	--	10,070	1,028,315
Special assessments	--	--	19,250	32,194
Accounts receivable	--	--	--	42,761
Due from other government agencies	896,307	4,378	--	2,012,228
Prepaid expenses	--	--	--	10,056
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 5,233,094</u>	<u>\$ 699,235</u>	<u>\$ 685,868</u>	<u>\$ 51,190,163</u>
<u>LIABILITIES</u>				
Accounts payable	\$ --	\$ 3,920	\$ 14,763	\$ 362,609
Accrued payroll	--	--	--	388,862
Due to other funds	--	--	--	162,987
Due to other government agencies	--	184,277	--	451,912
Deferred revenue	142,300	--	--	326,870
Unearned revenue	2,483,622	--	--	2,483,622
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u>2,625,922</u>	<u>188,197</u>	<u>14,763</u>	<u>4,176,862</u>
<u>FUND BALANCES</u>				
Reserved for:				
Encumbrances	--	--	--	742,148
General	--	--	15,952	2,541,685
Imprest cash	--	--	--	79,965
Unreserved:				
Designated for:				
Equipment purchases	--	--	--	5,309,171
Library expansion	--	--	--	5,913,512
Future program costs	2,171,986	391,231	--	20,222,009
Capital maintenance and repairs	--	--	393,515	2,401,155
Undesignated:				
Special revenue funds	435,186	119,807	261,638	9,803,656
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Fund Balances	<u>2,607,172</u>	<u>511,038</u>	<u>671,105</u>	<u>47,013,301</u>
	<u>\$ 5,233,094</u>	<u>\$ 699,235</u>	<u>\$ 685,868</u>	<u>\$ 51,190,163</u>

COUNTY OF NAPA

Combining Statement of Revenues, Expenditures and
Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2010

	Fire Protection	Wildlife Conservation Commission	Building and Code Enforcement
Revenues:			
Taxes	\$ 8,135,599	\$ --	\$ --
Licenses and permits	301,506	--	1,076,491
Fines, forfeitures and penalties	--	99,000	--
Revenue from use of money and property	137,228	2,651	12,355
Aid from other governments	886,542	--	--
Charges for services	494,210	--	724,365
Contributions and donations	20,000	--	--
Other revenue	4,350	--	--
Total Revenues	<u>9,979,435</u>	<u>101,651</u>	<u>1,813,211</u>
Expenditures:			
Current:			
Public protection	10,383,872	55,195	2,197,004
Public ways and facilities	--	--	--
Health and sanitation	--	--	--
Public assistance	--	--	--
Education	--	--	--
Recreation and cultural services	--	--	--
Total Expenditures	<u>10,383,872</u>	<u>55,195</u>	<u>2,197,004</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(404,437)</u>	<u>46,456</u>	<u>(383,793)</u>
Other Financing Sources (Uses):			
Transfers in	225,607	--	--
Transfers out	(40,484)	--	--
Total Other Financing Sources (Uses)	<u>185,123</u>	<u>--</u>	<u>--</u>
Net change in fund balances	(219,314)	46,456	(383,793)
Fund Balance - Beginning of Year	<u>10,559,403</u>	<u>185,284</u>	<u>1,125,414</u>
Fund Balance - End of Year	<u>\$ 10,340,089</u>	<u>\$ 231,740</u>	<u>\$ 741,621</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, 2010

	IHSS	Zone 1 Garbage	Child Support Services	Library
Revenues:				
Taxes	\$ --	\$ --	\$ --	\$ 6,323,472
Licenses and permits	--	445,469	--	--
Fines, forfeitures and penalties	--	--	--	--
Revenue from use of money and property	--	12,808	2,809	115,460
Aid from other governments	692,476	--	3,831,836	138,255
Charges for services	--	--	--	422,878
Contributions and donations	--	--	--	75,762
Other revenue	--	--	--	10,338
Total Revenues	<u>692,476</u>	<u>458,277</u>	<u>3,834,645</u>	<u>7,086,165</u>
Expenditures:				
Current:				
Public protection	--	--	3,939,465	--
Public ways and facilities	--	--	--	--
Health and sanitation	--	234,507	--	--
Public assistance	691,310	--	--	--
Education	--	--	--	6,842,103
Recreation and cultural services	--	--	--	--
Total Expenditures	<u>691,310</u>	<u>234,507</u>	<u>3,939,465</u>	<u>6,842,103</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,166</u>	<u>223,770</u>	<u>(104,820)</u>	<u>244,062</u>
Other Financing Sources (Uses):				
Transfers in	133,919	--	--	343,742
Transfers out	<u>(183,690)</u>	--	--	<u>(45,589)</u>
Total Other Financing Sources (Uses)	<u>(49,771)</u>	--	--	<u>298,153</u>
Net change in fund balances	(48,605)	223,770	(104,820)	542,215
Fund Balance - Beginning of Year	<u>(7,962)</u>	<u>965,146</u>	<u>(8,244)</u>	<u>9,519,580</u>
Fund Balance - End of Year	<u><u>\$ (56,567)</u></u>	<u><u>\$ 1,188,916</u></u>	<u><u>\$ (113,064)</u></u>	<u><u>\$ 10,061,795</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, 2010

	<u>Special Projects</u>	<u>General Government</u>	<u>Public Protection</u>	<u>Public Ways & Facilities</u>
Revenues:				
Taxes	\$ --	\$ --	\$ --	\$ --
Licenses and permits	--	--	547	--
Fines, forfeitures and penalties	--	--	283,013	--
Revenue from use of money and property	--	132,393	78,069	33,903
Aid from other governments	--	1,258,841	414,646	--
Charges for services	--	--	592,906	39,846
Contributions and donations	--	--	2,200	--
Other revenue	--	--	--	--
Total Revenues	<u>--</u>	<u>1,391,234</u>	<u>1,371,381</u>	<u>73,749</u>
Expenditures:				
Current:				
Public protection	--	--	243,364	--
Public ways and facilities	--	--	--	--
Health and sanitation	--	--	--	--
Public assistance	--	--	--	--
Education	--	--	--	--
Recreation and cultural services	1,220,851	--	--	--
Total Expenditures	<u>1,220,851</u>	<u>--</u>	<u>243,364</u>	<u>--</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,220,851)</u>	<u>1,391,234</u>	<u>1,128,017</u>	<u>73,749</u>
Other Financing Sources (Uses):				
Transfers in	1,184,750	--	--	--
Transfers out	--	(1,127,414)	(1,410,789)	(70,771)
Total Other Financing Sources (Uses)	<u>1,184,750</u>	<u>(1,127,414)</u>	<u>(1,410,789)</u>	<u>(70,771)</u>
Net change in fund balances	(36,101)	263,820	(282,772)	2,978
Fund Balance - Beginning of Year	<u>1,241,908</u>	<u>10,884,037</u>	<u>6,109,545</u>	<u>2,646,041</u>
Fund Balance - End of Year	<u>\$ 1,205,807</u>	<u>\$ 11,147,857</u>	<u>\$ 5,826,773</u>	<u>\$ 2,649,019</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, 2010

	Health and Sanitation	Public Assistance	Various Special Districts Under Board	Total
Revenues:				
Taxes	\$ --	\$ --	\$ 34,877	\$ 14,493,948
Licenses and permits	--	--	--	1,824,013
Fines, forfeitures and penalties	588,486	--	--	970,499
Revenue from use of money and property	45,010	7,672	8,114	588,472
Aid from other governments	5,633,079	1,612,222	142	14,468,039
Charges for services	14,591	59,075	967,791	3,315,662
Contributions and donations	--	12,290	--	110,252
Other revenue	17,917	--	--	32,605
Total Revenues	<u>6,299,083</u>	<u>1,691,259</u>	<u>1,010,924</u>	<u>35,803,490</u>
Expenditures:				
Current:				
Public protection	--	--	23,624	16,842,524
Public ways and facilities	--	--	187,014	187,014
Health and sanitation	--	--	--	234,507
Public assistance	--	41,087	3,930	736,327
Education	--	--	--	6,842,103
Recreation and cultural services	--	--	--	1,220,851
Total Expenditures	<u>--</u>	<u>41,087</u>	<u>214,568</u>	<u>26,063,326</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>6,299,083</u>	<u>1,650,172</u>	<u>796,356</u>	<u>9,740,164</u>
Other Financing Sources (Uses):				
Transfers in	--	--	--	1,888,018
Transfers out	<u>(6,183,082)</u>	<u>(1,589,338)</u>	<u>(699,369)</u>	<u>(11,350,526)</u>
Total Other Financing Sources (Uses)	<u>(6,183,082)</u>	<u>(1,589,338)</u>	<u>(699,369)</u>	<u>(9,462,508)</u>
Net change in fund balances	116,001	60,834	96,987	277,656
Fund Balance - Beginning of Year	<u>2,491,171</u>	<u>450,204</u>	<u>574,118</u>	<u>46,735,645</u>
Fund Balance - End of Year	<u>\$ 2,607,172</u>	<u>\$ 511,038</u>	<u>\$ 671,105</u>	<u>\$ 47,013,301</u>

COUNTY OF NAPA

Combining Balance Sheet
 Nonmajor Special Districts Under the Board of Supervisors
 June 30, 2010

	<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	\$ 200,299	\$ 181,326	\$ 76,934
Receivable (Net):			
Taxes	--	--	--
Special assessments	<u>7,729</u>	<u>8,705</u>	<u>2,816</u>
Total Assets	<u><u>\$ 208,028</u></u>	<u><u>\$ 190,031</u></u>	<u><u>\$ 79,750</u></u>
<u>LIABILITIES</u>			
Accounts payable	<u>\$ 8,015</u>	<u>\$ --</u>	<u>\$ 6,591</u>
Total Liabilities	<u>8,015</u>	<u>--</u>	<u>6,591</u>
<u>FUND BALANCES</u>			
Reserved for:			
General	--	--	870
Unreserved:			
Designated for capital maintenance and repairs	117,971	101,194	15,303
Undesignated:			
Special revenue funds	<u>82,042</u>	<u>88,837</u>	<u>56,986</u>
Total Fund Balances	<u>200,013</u>	<u>190,031</u>	<u>73,159</u>
Total Liabilities and Fund Balances	<u><u>\$ 208,028</u></u>	<u><u>\$ 190,031</u></u>	<u><u>\$ 79,750</u></u>

continued

COUNTY OF NAPA

Combining Balance Sheet (continued)
 Nonmajor Special Districts Under the Board of Supervisors
 June 30, 2010

	<u>Monticello Public Cemetery</u>	<u>Monticello Endowment</u>	<u>Total</u>
<u>ASSETS</u>			
Cash and investments	\$ 65,933	\$ 132,056	\$ 656,548
Receivable (Net):			
Taxes	10,070	--	10,070
Special assessments	<u>--</u>	<u>--</u>	<u>19,250</u>
Total Assets	<u><u>\$ 76,003</u></u>	<u><u>\$ 132,056</u></u>	<u><u>\$ 685,868</u></u>
<u>LIABILITIES</u>			
Accounts payable	<u>\$ 157</u>	<u>\$ --</u>	<u>\$ 14,763</u>
Total Liabilities	<u>157</u>	<u>--</u>	<u>14,763</u>
<u>FUND BALANCES</u>			
Reserved for:			
General	15,082	--	15,952
Unreserved:			
Designated for capital maintenance and repairs	36,174	122,873	393,515
Undesignated:			
Special revenue funds	<u>24,590</u>	<u>9,183</u>	<u>261,638</u>
Total Fund Balances	<u>75,846</u>	<u>132,056</u>	<u>671,105</u>
Total Liabilities and Fund Balances	<u><u>\$ 76,003</u></u>	<u><u>\$ 132,056</u></u>	<u><u>\$ 685,868</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, 2010

	County Service Area No. 3	County Service Area No. 4	Silverado Community Services
Revenues:			
Taxes	\$ --	\$ --	\$ --
Revenue from use of money and property	3,014	1,999	730
Aid from other governments	--	--	--
Charges for services	392,516	446,340	125,355
Total Revenues	395,530	448,339	126,085
Expenditures:			
Current:			
Public protection	--	--	--
Public ways and facilities	65,874	--	121,140
Public assistance	--	3,930	--
Total Expenditures	65,874	3,930	121,140
Excess (Deficiency) of Revenues Over (Under) Expenditures	329,656	444,409	4,945
Other Financing Sources (Uses):			
Transfers out	(285,886)	(413,483)	--
Total Other Financing Sources (Uses)	(285,886)	(413,483)	--
Net change in fund balance	43,770	30,926	4,945
Fund Balance - Beginning of Year	156,243	159,105	68,214
Fund Balance - End of Year	\$ 200,013	\$ 190,031	\$ 73,159

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, 2010

	<u>Monticello Public Cemetery</u>	<u>Monticello Endowment</u>	<u>Total</u>
Revenues:			
Taxes	\$ 34,877	--	\$ 34,877
Revenue from use of money and property	766	1,605	8,114
Aid from other governments	142	--	142
Charges for services	<u>3,258</u>	<u>322</u>	<u>967,791</u>
Total Revenues	<u>39,043</u>	<u>1,927</u>	<u>1,010,924</u>
Expenditures:			
Current:			
Public protection	23,624	--	23,624
Public ways and facilities	--	--	187,014
Public assistance	<u>--</u>	<u>--</u>	<u>3,930</u>
Total Expenditures	<u>23,624</u>	<u>--</u>	<u>214,568</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>15,419</u>	<u>1,927</u>	<u>796,356</u>
Other Financing Sources (Uses):			
Transfers out	<u>--</u>	<u>--</u>	<u>(699,369)</u>
Total Other Financing Sources (Uses)	<u>--</u>	<u>--</u>	<u>(699,369)</u>
Net change in fund balance	15,419	1,927	96,987
Fund Balance - Beginning of Year	<u>60,427</u>	<u>130,129</u>	<u>574,118</u>
Fund Balance - End of Year	<u>\$ 75,846</u>	<u>\$ 132,056</u>	<u>\$ 671,105</u>

COUNTY OF NAPA

Budgetary Comparison Schedule Nonmajor Special Revenue Funds Fire Protection For the Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balances, Beginning	\$ 10,559,403	\$ 10,559,403	\$ 10,559,403	\$ --
Resources (inflows):				
Taxes	7,134,233	7,134,233	8,135,599	1,001,366
Licenses and permits	86,500	86,500	301,506	215,006
Revenue from use of money and property	340,300	340,300	137,228	(203,072)
Aid from other governments	685,563	685,563	886,542	200,979
Charges for services	573,587	573,587	494,210	(79,377)
Contributions and donations	--	--	20,000	20,000
Other revenue	10,000	10,000	4,350	(5,650)
Transfers in	150,000	150,000	225,607	75,607
Amounts available for appropriation	<u>8,980,183</u>	<u>8,980,183</u>	<u>10,205,042</u>	<u>1,224,859</u>
Charges to appropriations (outflows):				
Salaries and employee benefits	75,994	75,994	75,994	--
Services and supplies	10,869,046	10,869,046	9,529,317	1,339,729
Capital assets	1,101,900	1,101,900	778,561	323,339
Contingencies and reserves	300,000	300,000	--	300,000
Transfers out	--	70,000	40,484	29,516
Total charges to appropriations	<u>12,346,940</u>	<u>12,416,940</u>	<u>10,424,356</u>	<u>1,992,584</u>
Budgetary fund balances, Ending	<u>\$ 7,192,646</u>	<u>\$ 7,122,646</u>	<u>\$ 10,340,089</u>	<u>\$ 3,217,443</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 \$ 10,205,042

Differences - budget to GAAP:

 Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes. (225,607)

Total revenues as reported on the Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds \$ 9,979,435

Uses/outflows of resources

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison statement \$ 10,424,356

Differences - budget to GAAP:

 Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes. (40,484)

Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - Nonmajor Special Revenue Funds \$ 10,383,872

COUNTY OF NAPA

Budgetary Comparison Schedule
 Nonmajor Special Revenue Funds
 Wildlife Conservation Commission
 For the Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balances, Beginning	\$ 185,284	\$ 185,284	\$ 185,284	\$ --
Resources (inflows):				
Fines, forfeitures and penalties	15,000	15,000	99,000	84,000
Revenue from use of money and property	5,000	5,000	2,651	(2,349)
Amounts available for appropriation	<u>20,000</u>	<u>20,000</u>	<u>101,651</u>	<u>81,651</u>
Charges to appropriations (outflows):				
Services and supplies	50,026	83,903	55,195	28,708
Total charges to appropriations	<u>50,026</u>	<u>83,903</u>	<u>55,195</u>	<u>28,708</u>
Budgetary fund balances, Ending	<u>\$ 155,258</u>	<u>\$ 121,381</u>	<u>\$ 231,740</u>	<u>\$ 110,359</u>

COUNTY OF NAPA

Budgetary Comparison Schedule
 Nonmajor Special Revenue Funds
 Building and Code Enforcement
 For the Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		Positive (Negative)
Budgetary fund balances, Beginning	\$ 1,125,414	\$ 1,125,414	\$ 1,125,414	\$ --
Resources (inflows):				
Licenses and permits	1,500,000	1,500,000	1,076,491	(423,509)
Revenue from use of money and property	54,000	54,000	12,355	(41,645)
Charges for services	830,500	830,500	724,365	(106,135)
Amounts available for appropriation	<u>2,384,500</u>	<u>2,384,500</u>	<u>1,813,211</u>	<u>(571,289)</u>
Charges to appropriations (outflows):				
Salaries and employee benefits	1,556,213	1,565,713	1,553,366	12,347
Services and supplies	1,058,151	1,048,651	643,638	405,013
Total charges to appropriations	<u>2,614,364</u>	<u>2,614,364</u>	<u>2,197,004</u>	<u>417,360</u>
Budgetary fund balances, Ending	<u>\$ 895,550</u>	<u>\$ 895,550</u>	<u>\$ 741,621</u>	<u>\$ (153,929)</u>

COUNTY OF NAPA

Budgetary Comparison Schedule
 Nonmajor Special Revenue Funds
 IHSS
 For the Year Ended June 30, 2010

	<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	\$ (7,962)	\$ (7,962)	\$ (7,962)	\$ --
Resources (inflows):				
Aid from other governments	771,034	771,034	692,476	(78,558)
Transfers in	165,482	165,482	133,919	(31,563)
Amounts available for appropriation	<u>936,516</u>	<u>936,516</u>	<u>826,395</u>	<u>(110,121)</u>
Charges to appropriations (outflows):				
Services and supplies	680,300	680,300	688,547	(8,247)
Interest expense	--	--	2,763	(2,763)
Transfers out	256,216	256,216	183,690	72,526
Total charges to appropriations	<u>936,516</u>	<u>936,516</u>	<u>875,000</u>	<u>61,516</u>
Budgetary fund balances, Ending	<u>\$ (7,962)</u>	<u>\$ (7,962)</u>	<u>\$ (56,567)</u>	<u>\$ (48,605)</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 \$ 826,395

Differences - budget to GAAP:

 Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes. (133,919)

Total revenues as reported on the Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds \$ 692,476

Uses/outflows of resources

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison statement \$ 875,000

Differences - budget to GAAP:

 Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes. (183,690)

Total expenditures as reported on the Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds \$ 691,310

COUNTY OF NAPA

Budgetary Comparison Schedule
 Nonmajor Special Revenue Funds
 Zone 1 - Garbage
 For the Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balances, Beginning	\$ 965,146	\$ 965,146	\$ 965,146	\$ --
Resources (inflows):				
Licenses and permits	360,000	370,000	445,469	75,469
Revenue from use of money and property	5,000	5,000	12,808	7,808
Amounts available for appropriation	<u>365,000</u>	<u>375,000</u>	<u>458,277</u>	<u>83,277</u>
Charges to appropriations (outflows):				
Services and supplies	262,106	272,106	234,507	37,599
Total charges to appropriations	<u>262,106</u>	<u>272,106</u>	<u>234,507</u>	<u>37,599</u>
Budgetary fund balances, Ending	<u>\$ 1,068,040</u>	<u>\$ 1,068,040</u>	<u>\$ 1,188,916</u>	<u>\$ 120,876</u>

COUNTY OF NAPA

Budgetary Comparison Schedule
 Nonmajor Special Revenue Funds
 Child Support Services
 For the Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		Positive (Negative)
Budgetary fund balances, Beginning	\$ (8,244)	\$ (8,244)	\$ (8,244)	\$ --
Resources (inflows):				
Revenue from use of money and property	10,000	10,000	2,809	(7,191)
Aid from other governments	4,278,111	4,278,111	3,831,836	(446,275)
Amounts available for appropriation	4,288,111	4,288,111	3,834,645	(453,466)
Charges to appropriations (outflows):				
Salaries and employee benefits	3,527,361	3,501,061	3,263,459	237,602
Services and supplies	760,750	787,050	676,006	111,044
Total charges to appropriations	4,288,111	4,288,111	3,939,465	348,646
Budgetary fund balances, Ending	\$ (8,244)	\$ (8,244)	\$ (113,064)	\$ (104,820)

COUNTY OF NAPA

Budgetary Comparison Schedule
 Nonmajor Special Revenue Funds
 Library
 For the Year Ended June 30, 2010

	<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	\$ 9,519,580	\$ 9,519,580	\$ 9,519,580	\$ --
Resources (inflows):				
Taxes	5,368,239	5,368,239	6,323,472	955,233
Revenue from use of money and property	244,738	244,738	115,460	(129,278)
Aid from other governments	268,000	268,000	138,255	(129,745)
Charges for services	449,659	449,659	422,878	(26,781)
Contributions and donations	10,500	10,500	75,762	65,262
Other revenue	32,357	32,357	10,338	(22,019)
Transfers in	343,742	343,742	343,742	--
Amounts available for appropriation	<u>6,717,235</u>	<u>6,717,235</u>	<u>7,429,907</u>	<u>712,672</u>
Charges to appropriations (outflows):				
Salaries and employee benefits	4,114,051	3,865,201	3,788,778	76,423
Services and supplies	2,410,979	3,056,294	2,960,787	95,507
Capital assets	--	94,169	92,538	1,631
Contingencies and reserves	135,000	135,000	--	135,000
Transfers out	56,272	61,676	45,589	16,087
Total charges to appropriations	<u>6,716,302</u>	<u>7,212,340</u>	<u>6,887,692</u>	<u>324,648</u>
Budgetary fund balances, Ending	<u>\$ 9,520,513</u>	<u>\$ 9,024,475</u>	<u>\$ 10,061,795</u>	<u>\$ 1,037,320</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				\$ 7,429,907
Differences - budget to GAAP:				
Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes.				<u>(343,742)</u>
Total revenues as reported on the Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds				<u>\$ 7,086,165</u>
<u>Uses/outflows of resources</u>				
Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison statement				\$ 6,887,692
Differences - budget to GAAP:				
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes.				<u>(45,589)</u>
Total expenditures as reported on the Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds				<u>\$ 6,842,103</u>

COUNTY OF NAPA

Budgetary Comparison Schedule
 Nonmajor Special Revenue Funds
 Special Projects Fund
 For the Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balances, Beginning	\$ 1,241,908	\$ 1,241,908	\$ 1,241,908	\$ --
Resources (inflows):				
Transfers in	1,184,750	1,184,750	1,184,750	--
Amounts available for appropriation	<u>1,184,750</u>	<u>1,184,750</u>	<u>1,184,750</u>	<u>--</u>
Charges to appropriations (outflows):				
Services and supplies	1,517,925	1,602,925	1,220,851	382,074
Transfers out	1,141,000	1,141,000	--	1,141,000
Total charges to appropriations	<u>2,658,925</u>	<u>2,743,925</u>	<u>1,220,851</u>	<u>1,523,074</u>
Budgetary fund balances, Ending	<u>\$ (232,267)</u>	<u>\$ (317,267)</u>	<u>\$ 1,205,807</u>	<u>\$ 1,523,074</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 \$ 1,184,750

Differences - budget to GAAP:

 Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes. (1,184,750)

Total revenues 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
 General Government Non Operating
 For the Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balances, Beginning	\$ 10,884,037	\$ 10,884,037	\$ 10,884,037	\$ --
Resources (inflows):				
Revenue from use of money and property	341,200	341,200	132,393	208,807
Aid from other governments	1,300,000	1,300,000	1,258,841	41,159
Amounts available for appropriation	<u>1,641,200</u>	<u>1,641,200</u>	<u>1,391,234</u>	<u>249,966</u>
Charges to appropriations (outflows):				
Transfers out	--	1,141,000	1,127,414	13,586
Total charges to appropriations	<u>--</u>	<u>1,141,000</u>	<u>1,127,414</u>	<u>13,586</u>
Budgetary fund balances, Ending	<u>\$ 12,525,237</u>	<u>\$ 11,384,237</u>	<u>\$ 11,147,857</u>	<u>\$ (236,380)</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				\$ 1,127,414
Differences - budget to GAAP:				
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes.				<u>(1,127,414)</u>
Total expenditures as reported on the Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds				<u>\$ --</u>

COUNTY OF NAPA

Budgetary Comparison Schedule
 Nonmajor Special Revenue Funds
 Public Protection Non Operating
 For the Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive
				(Negative)
Budgetary fund balances, Beginning	\$ 6,109,545	\$ 6,109,545	\$ 6,109,545	\$ --
Resources (inflows):				
Licenses and permits	13,000	13,000	547	(12,453)
Fines, forfeitures and penalties	658,500	711,466	283,013	(428,453)
Revenue from use of money and property	171,030	171,030	78,069	(92,961)
Aid from other governments	453,801	453,801	414,646	(39,155)
Charges for services	384,500	397,250	592,906	195,656
Contributions and donations	3,600	3,600	2,200	(1,400)
Amounts available for appropriation	<u>1,684,431</u>	<u>1,750,147</u>	<u>1,371,381</u>	<u>(378,766)</u>
Charges to appropriations (outflows):				
Services and supplies	--	197,000	243,364	(46,364)
Transfers out	1,714,608	2,088,281	1,410,789	677,492
Total charges to appropriations	<u>1,714,608</u>	<u>2,285,281</u>	<u>1,654,153</u>	<u>631,128</u>
Budgetary fund balances, Ending	\$ <u>6,079,368</u>	\$ <u>5,574,411</u>	\$ <u>5,826,773</u>	\$ <u>252,362</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				\$ 1,654,153
Differences - budget to GAAP:				
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes.				<u>(1,410,789)</u>
Total expenditures as reported on the Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds				<u>\$ 243,364</u>

COUNTY OF NAPA

Budgetary Comparison Schedule
 Nonmajor Special Revenue Funds
 Public Ways & Facilities Non Operating
 For the Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		Positive (Negative)
Budgetary fund balances, Beginning	\$ 2,646,041	\$ 2,646,041	\$ 2,646,041	\$ --
Resources (inflows):				
Revenue from use of money and property	--	--	33,903	33,903
Charges for services	700,000	700,000	39,846	(660,154)
Amounts available for appropriation	700,000	700,000	73,749	(626,251)
Charges to appropriations (outflows):				
Transfers out	1,320,000	1,320,000	70,771	1,249,229
Total charges to appropriations	1,320,000	1,320,000	70,771	1,249,229
Budgetary fund balances, Ending	\$ 2,026,041	\$ 2,026,041	\$ 2,649,019	\$ 622,978
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				\$ 70,771
Differences - budget to GAAP:				
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes.				(70,771)
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, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		Positive (Negative)
Budgetary fund balances, Beginning	\$ 2,491,171	\$ 2,491,171	\$ 2,491,171	\$ --
Resources (inflows):				
Fines, forfeitures and penalties	575,000	--	588,486	588,486
Revenue from use of money and property	177,500	177,500	45,010	(132,490)
Aid from other governments	--	6,697,811	5,633,079	(1,064,732)
Charges for services	--	14,000	14,591	591
Other revenue	--	12,000	17,917	5,917
Amounts available for appropriation	<u>752,500</u>	<u>6,901,311</u>	<u>6,299,083</u>	<u>(602,228)</u>
Charges to appropriations (outflows):				
Transfers out	--	7,587,752	6,183,082	1,404,670
Total charges to appropriations	<u>--</u>	<u>7,587,752</u>	<u>6,183,082</u>	<u>1,404,670</u>
Budgetary fund balances, Ending	<u>\$ 3,243,671</u>	<u>\$ 1,804,730</u>	<u>\$ 2,607,172</u>	<u>\$ 802,442</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 \$ 6,183,082

Differences - budget to GAAP:

 Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes. (6,183,082)

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, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		Positive (Negative)
Budgetary fund balances, Beginning	\$ 450,204	\$ 450,204	\$ 450,204	\$ --
Resources (inflows):				
Revenue from use of money and property	11,520	11,520	7,672	(3,848)
Aid from other governments	1,400,943	1,627,943	1,612,222	(15,721)
Charges for services	52,000	77,500	59,075	(18,425)
Contributions and donations	12,000	12,000	12,290	290
Amounts available for appropriation	<u>1,476,463</u>	<u>1,728,963</u>	<u>1,691,259</u>	<u>(37,704)</u>
Charges to appropriations (outflows):				
Services and supplies	24,120	49,120	41,087	8,033
Transfers out	1,584,871	1,821,871	1,589,338	232,533
Total charges to appropriations	<u>1,608,991</u>	<u>1,870,991</u>	<u>1,630,425</u>	<u>240,566</u>
Budgetary fund balances, Ending	<u>\$ 317,676</u>	<u>\$ 308,176</u>	<u>\$ 511,038</u>	<u>\$ 202,862</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				\$ 1,630,425
Differences - budget to GAAP:				
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes.				<u>(1,589,338)</u>
Total expenditures as reported on the Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds				<u>\$ 41,087</u>

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, 2010

	Budgeted Amounts		Actual Amounts	Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
Budgetary fund balances, Beginning	\$ 156,243	\$ 156,243	\$ 156,243	\$ --
Resources (inflows):				
Revenue from use of money and property	6,339	6,339	3,014	(3,325)
Charges for services	391,554	391,554	392,516	962
Amounts available for appropriation	<u>397,893</u>	<u>397,893</u>	<u>395,530</u>	<u>(2,363)</u>
Charges to appropriations (outflows):				
Services and supplies	74,957	74,957	65,874	9,083
Transfers out	322,936	322,936	285,886	37,050
Total charges to appropriations	<u>397,893</u>	<u>397,893</u>	<u>351,760</u>	<u>46,133</u>
Budgetary fund balances, Ending	<u>\$ 156,243</u>	<u>\$ 156,243</u>	<u>\$ 200,013</u>	<u>\$ 43,770</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				\$ 351,760
Differences - budget to GAAP:				
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes.				<u>(285,886)</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>\$ 65,874</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, 2010

	<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	\$ 159,105	\$ 159,105	\$ 159,105	\$ --
Resources (inflows):				
Revenue from use of money and property	--	--	1,999	1,999
Charges for services	442,670	442,670	446,340	3,670
Amounts available for appropriation	<u>442,670</u>	<u>442,670</u>	<u>448,339</u>	<u>5,669</u>
Charges to appropriations (outflows):				
Services and supplies	17,191	17,191	3,930	13,261
Transfers out	438,750	438,750	413,483	25,267
Total charges to appropriations	<u>455,941</u>	<u>455,941</u>	<u>417,413</u>	<u>38,528</u>
Budgetary fund balances, Ending	<u>\$ 145,834</u>	<u>\$ 145,834</u>	<u>\$ 190,031</u>	<u>\$ 44,197</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				\$ 417,413
Differences - budget to GAAP:				
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes.				<u>(413,483)</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>\$ 3,930</u>

COUNTY OF NAPA

Budgetary Comparison Schedule
 Nonmajor Special Districts Under the Board of Supervisors
 Silverado Community Services
 For the Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balances, Beginning	\$ 68,214	\$ 68,214	\$ 68,214	\$ --
Resources (inflows):				
Revenue from use of money and property	2,400	2,400	730	(1,670)
Charges for services	125,009	125,009	125,355	346
Amounts available for appropriation	<u>127,409</u>	<u>127,409</u>	<u>126,085</u>	<u>(1,324)</u>
Charges to appropriations (outflows):				
Services and supplies	119,315	119,315	121,140	(1,825)
Capital assets	61,000	61,000	--	61,000
Total charges to appropriations	<u>180,315</u>	<u>180,315</u>	<u>121,140</u>	<u>59,175</u>
Budgetary fund balances, Ending	<u>\$ 15,308</u>	<u>\$ 15,308</u>	<u>\$ 73,159</u>	<u>\$ 57,851</u>

COUNTY OF NAPA

Budgetary Comparison Schedule
 Nonmajor Special Districts Under the Board of Supervisors
 Monticello Public Cemetery
 For the Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balances, Beginning	\$ 60,427	\$ 60,427	\$ 60,427	\$ --
Resources (inflows):				
Taxes	23,725	23,725	34,877	11,152
Revenue from use of money and property	950	950	766	(184)
Aid from other governments	155	155	142	(13)
Charges for services	10,000	10,000	3,258	(6,742)
Other revenue	10,000	10,000	--	(10,000)
Transfers in	13,000	13,000	--	(13,000)
Amounts available for appropriation	<u>57,830</u>	<u>57,830</u>	<u>39,043</u>	<u>(18,787)</u>
Charges to appropriations (outflows):				
Services and supplies	<u>57,413</u>	<u>57,413</u>	<u>23,624</u>	<u>33,789</u>
Total charges to appropriations	<u>57,413</u>	<u>57,413</u>	<u>23,624</u>	<u>33,789</u>
Budgetary fund balances, Ending	<u>\$ 60,844</u>	<u>\$ 60,844</u>	<u>\$ 75,846</u>	<u>\$ 15,002</u>

COUNTY OF NAPA

Budgetary Comparison Schedule
 Nonmajor Special Districts Under the Board of Supervisors
 Monticello Endowment
 For the Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balances, Beginning	\$ 130,129	\$ 130,129	\$ 130,129	\$ --
Resources (inflows):				
Revenue from use of money and property	2,000	--	1,605	1,605
Charges for services	--	--	322	322
Amounts available for appropriation	<u>2,000</u>	<u>--</u>	<u>1,927</u>	<u>1,927</u>
Charges to appropriations (outflows):				
Transfers out	13,000	13,000	--	13,000
Total charges to appropriations	<u>13,000</u>	<u>13,000</u>	<u>--</u>	<u>13,000</u>
Budgetary fund balances, Ending	<u>\$ 119,129</u>	<u>\$ 117,129</u>	<u>\$ 132,056</u>	<u>\$ 14,927</u>



Photography by Jobina Toh

La' Strada Art Festival at New Technology High School
(Chalk painting on asphalt)

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, 2010

	<u>Construction Fund</u>	<u>Criminal Justice Facility Construction</u>	<u>Courthouse Fund</u>
<u>ASSETS</u>			
Cash and investments	\$ --	\$ 873,618	\$ 1,357,928
Total Assets	<u>\$ --</u>	<u>\$ 873,618</u>	<u>\$ 1,357,928</u>
<u>FUND BALANCES</u>			
Reserved for:			
General	--	563,648	342,491
Unreserved:			
Designated	--	259,854	675,386
Undesignated:			
Capital projects funds	<u>--</u>	<u>50,116</u>	<u>340,051</u>
Total Fund Balances	<u>--</u>	<u>873,618</u>	<u>1,357,928</u>
Total Liabilities and Fund Balances	<u>\$ --</u>	<u>\$ 873,618</u>	<u>\$ 1,357,928</u>

continued

COUNTY OF NAPA

Combining Balance Sheet (continued)
Nonmajor Capital Projects Funds
June 30, 2010

	Accumulated Capital Outlay Fund	County Center Improvement Fund	Total
<u>ASSETS</u>			
Cash and investments	\$ 19,187,113	\$ 89,230	\$ 21,507,889
Total Assets	<u>\$ 19,187,113</u>	<u>\$ 89,230</u>	<u>\$ 21,507,889</u>
<u>FUND BALANCES</u>			
Reserved for:			
General	--	--	906,139
Unreserved:			
Designated	17,102,409	--	18,037,649
Undesignated:			
Capital projects funds	<u>2,084,704</u>	<u>89,230</u>	<u>2,564,101</u>
Total Fund Balances	<u>19,187,113</u>	<u>89,230</u>	<u>21,507,889</u>
Total Liabilities and Fund Balances	<u>\$ 19,187,113</u>	<u>\$ 89,230</u>	<u>\$ 21,507,889</u>

COUNTY OF NAPA

Combining Statement of Revenues, Expenditures and
Changes in Fund Balance
Nonmajor Capital Projects Funds
For the Year Ended June 30, 2010

	<u>Construction Fund</u>	<u>Criminal Justice Facility Construction</u>	<u>Courthouse Fund</u>
Revenues:			
Fines, forfeitures and penalties	\$ --	\$ 119,568	\$ 430,122
Revenue from use of money and property	--	10,056	15,323
Total Revenues	<u>--</u>	<u>129,624</u>	<u>445,445</u>
Expenditures:			
Current:			
General government	--	612	--
Total Expenditures	<u>--</u>	<u>612</u>	<u>--</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>--</u>	<u>129,012</u>	<u>445,445</u>
Other Financing Sources (Uses):			
Transfers in	--	--	--
Transfers out	(337,622)	(40,186)	(220,244)
Total Other Financing Sources (Uses)	<u>(337,622)</u>	<u>(40,186)</u>	<u>(220,244)</u>
Net change in fund balance	(337,622)	88,826	225,201
Fund Balance - Beginning of Year	<u>337,622</u>	<u>784,792</u>	<u>1,132,727</u>
Fund Balance - End of Year	<u>\$ --</u>	<u>\$ 873,618</u>	<u>\$ 1,357,928</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, 2010

	<u>Accumulated Capital Outlay Fund</u>	<u>County Center Improvement Fund</u>	<u>Total</u>
Revenues:			
Fines, forfeitures and penalties	\$ --	\$ --	\$ 549,690
Revenue from use of money and property	211,510	1,292	238,181
Total Revenues	<u>211,510</u>	<u>1,292</u>	<u>787,871</u>
Expenditures:			
Current:			
General government	--	--	612
Total Expenditures	<u>--</u>	<u>--</u>	<u>612</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>211,510</u>	<u>1,292</u>	<u>787,259</u>
Other Financing Sources (Uses):			
Transfers in	2,570,234	--	2,570,234
Transfers out	--	--	(598,052)
Total Other Financing Sources (Uses)	<u>2,570,234</u>	<u>--</u>	<u>1,972,182</u>
Net change in fund balance	2,781,744	1,292	2,759,441
Fund Balance - Beginning of Year	<u>16,405,369</u>	<u>87,938</u>	<u>18,748,448</u>
Fund Balance - End of Year	<u>\$ 19,187,113</u>	<u>\$ 89,230</u>	<u>\$ 21,507,889</u>

COUNTY OF NAPA

Budgetary Comparison Schedule
 Construction Fund
 For the Year Ended June 30, 2010

	<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	\$ 337,622	\$ 337,622	\$ 337,622	\$ --
Charges to appropriations (outflows):				
Transfers out	--	337,626	337,622	4
Total charges to appropriations	--	337,626	337,622	4
Budgetary fund balances, Ending	<u>\$ 337,622</u>	<u>\$ (4)</u>	<u>\$ --</u>	<u>\$ 4</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 \$ 337,622

Differences - budget to GAAP:

 Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes. (337,622)

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

COUNTY OF NAPA

Budgetary Comparison Schedule
Criminal Justice Facility Construction
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		Positive (Negative)
Budgetary fund balances, Beginning	\$ 784,792	\$ 784,792	\$ 784,792	\$ --
Resources (inflows):				
Fines, forfeitures, and penalties	98,000	98,000	119,568	21,568
Revenue from use of money and property	16,000	16,000	10,056	(5,944)
Amounts available for appropriation	<u>114,000</u>	<u>114,000</u>	<u>129,624</u>	<u>15,624</u>
Charges to appropriations (outflows):				
Services and supplies	612	613	612	1
Transfers out	<u>56,272</u>	<u>56,271</u>	<u>40,186</u>	<u>16,085</u>
Total charges to appropriations	<u>56,884</u>	<u>56,884</u>	<u>40,798</u>	<u>16,086</u>
Budgetary fund balances, Ending	<u>\$ 841,908</u>	<u>\$ 841,908</u>	<u>\$ 873,618</u>	<u>\$ 31,710</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 \$ 40,798

Differences - budget to GAAP:

 Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes. (40,186)

Total expenditures as reported on the Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Capital Projects Funds \$ 612

COUNTY OF NAPA

Budgetary Comparison Schedule
 Courthouse Fund
 For the Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		Positive (Negative)
Budgetary fund balances, Beginning	\$ 1,132,727	\$ 1,132,727	\$ 1,132,727	\$ --
Resources (inflows):				
Fines, forfeitures, and penalties	421,000	421,000	430,122	9,122
Revenue from use of money and property	42,000	42,000	15,323	(26,677)
Amounts available for appropriation	<u>463,000</u>	<u>463,000</u>	<u>445,445</u>	<u>(17,555)</u>
Charges to appropriations (outflows):				
Services and supplies	363	363	--	363
Capital assets	227,599	227,599	--	227,599
Transfers out	<u>235,038</u>	<u>235,038</u>	<u>220,244</u>	<u>14,794</u>
Total charges to appropriations	<u>463,000</u>	<u>463,000</u>	<u>220,244</u>	<u>242,756</u>
Budgetary fund balances, Ending	<u>\$ 1,132,727</u>	<u>\$ 1,132,727</u>	<u>\$ 1,357,928</u>	<u>\$ 225,201</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 \$ 220,244

Differences - budget to GAAP:

 Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes. (220,244)

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

COUNTY OF NAPA

Budgetary Comparison Schedule
Accumulated Capital Outlay Fund
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final	(Budgetary Basis)	(Negative)
Budgetary fund balances, Beginning	\$ 16,405,369	\$ 16,405,369	\$ 16,405,369	\$ --
Resources (inflows):				
Revenue from use of money and property	587,534	587,534	211,510	(376,024)
Transfers in	--	2,570,234	2,570,234	--
Amounts available for appropriation	587,534	3,157,768	2,781,744	(376,024)
Budgetary fund balances, Ending	\$ 16,992,903	\$ 19,563,137	\$ 19,187,113	\$ (376,024)
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				\$ 2,781,744
Differences - budget to GAAP:				
Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes.				(2,570,234)
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - Nonmajor Capital Projects Funds				\$ 211,510

COUNTY OF NAPA

Budgetary Comparison Schedule
 County Center Improvement Fund
 For the Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		Positive (Negative)
Budgetary fund balances, Beginning	\$ 87,938	\$ 87,938	\$ 87,938	\$ --
Resources (inflows):				
Revenue from use of money and property	--	--	1,292	1,292
Amounts available for appropriation	--	--	1,292	1,292
Budgetary fund balances, Ending	<u>\$ 87,938</u>	<u>\$ 87,938</u>	<u>\$ 89,230</u>	<u>\$ 1,292</u>

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, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balances, Beginning	<u>\$ 2,561,419</u>	<u>\$ 2,561,419</u>	<u>\$ 2,561,419</u>	<u>\$ --</u>
Resources (inflows):				
Revenue from use of money and property	--	--	341	341
Transfers in	<u>3,926,888</u>	<u>4,194,281</u>	<u>3,667,388</u>	<u>(526,893)</u>
Amounts available for appropriation	<u>3,926,888</u>	<u>4,194,281</u>	<u>3,667,729</u>	<u>(526,552)</u>
Charges to appropriations (outflows):				
Debt service	<u>--</u>	<u>--</u>	<u>3,916,938</u>	<u>(3,916,938)</u>
Total charges to appropriations	<u>--</u>	<u>--</u>	<u>3,916,938</u>	<u>(3,916,938)</u>
Budgetary fund balances, Ending	<u>\$ 6,488,307</u>	<u>\$ 6,755,700</u>	<u>\$ 2,312,210</u>	<u>\$ (4,443,490)</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				\$ 3,667,729
Differences - budget to GAAP:				
Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes.				<u>(3,667,388)</u>
Total revenues as reported on the Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds				<u>\$ 341</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.

Napa County Animal Shelter

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

COUNTY OF NAPA

Combining Statement of Fund Net Assets
Nonmajor Enterprise Funds
June 30, 2010

	<u>Napa Berryessa Resort Improvement</u>	<u>Napa County Housing Authority</u>	<u>Napa County Animal Shelter</u>	<u>Total</u>
ASSETS				
Current Assets:				
Cash and Investments	\$ 273,139	\$ 463,090	\$ 22,355	\$ 758,584
Imprest cash	--	--	175	175
Taxes receivable	18,647	--	--	18,647
Accounts receivable	53,224	18,039	--	71,263
Assessments receivable	16,440	--	--	16,440
Due from other government agencies	--	--	68,533	68,533
Total Current Assets	<u>361,450</u>	<u>481,129</u>	<u>91,063</u>	<u>933,642</u>
Noncurrent Assets:				
Capital Assets:				
Nondepreciable:				
Land	44,402	2,700,000	336,422	3,080,824
Depreciable:				
Structures and improvements	1,718,376	2,220,369	5,013,336	8,952,081
Equipment	126,090	--	--	126,090
Accumulated depreciation	<u>(1,401,875)</u>	<u>(124,513)</u>	<u>(677,797)</u>	<u>(2,204,185)</u>
Total Noncurrent Assets	<u>486,993</u>	<u>4,795,856</u>	<u>4,671,961</u>	<u>9,954,810</u>
Total Assets	<u>\$ 848,443</u>	<u>\$ 5,276,985</u>	<u>\$ 4,763,024</u>	<u>\$ 10,888,452</u>
LIABILITIES				
Current Liabilities:				
Accounts payable	\$ 34,971	\$ 45,599	\$ 15,716	\$ 96,286
Accrued salaries and benefits	--	--	19,876	19,876
Customer deposits	38,443	3,509	--	41,952
Due to other funds	474,000	--	--	474,000
Liability for compensated absences	--	--	19,042	19,042
Total Current Liabilities	<u>547,414</u>	<u>49,108</u>	<u>54,634</u>	<u>651,156</u>
Long-Term Liabilities:				
Advances from other funds	395,000	--	--	395,000
Liability for compensated absences	--	--	8,306	8,306
Total Liabilities	<u>942,414</u>	<u>49,108</u>	<u>62,940</u>	<u>1,054,462</u>
NET ASSETS				
Invested in capital assets, net of related debt	486,993	4,795,856	4,671,961	9,954,810
Unrestricted	<u>(580,964)</u>	<u>432,021</u>	<u>28,123</u>	<u>(120,820)</u>
Total Net Assets	<u>(93,971)</u>	<u>5,227,877</u>	<u>4,700,084</u>	<u>9,833,990</u>
Total Liabilities and Net Assets	<u>\$ 848,443</u>	<u>\$ 5,276,985</u>	<u>\$ 4,763,024</u>	<u>\$ 10,888,452</u>

COUNTY OF NAPA

Combining Statement of Revenues, Expenses and Changes in Fund Net Assets
 Nonmajor Enterprise Funds
 For the Year Ended June 30, 2010

	Napa Berryessa Resort Improvement	Napa County Housing Authority	Napa County Animal Shelter	Total
Operating Revenues:				
Charges for services	\$ 519,467	\$ 477,382	\$ 875,281	\$ 1,872,130
 Total Operating Revenues	 <u>519,467</u>	 <u>477,382</u>	 <u>875,281</u>	 <u>1,872,130</u>
Operating Expenses:				
Salaries and employee benefits	--	--	517,595	517,595
Services and supplies	665,367	1,086,087	346,177	2,097,631
Insurance	15,911	--	1,386	17,297
Other charges	23,301	15,900	--	39,201
Depreciation and amortization	53,555	62,256	100,266	216,077
 Total Operating Expenses	 <u>758,134</u>	 <u>1,164,243</u>	 <u>965,424</u>	 <u>2,887,801</u>
Operating Income (Loss)	<u>(238,667)</u>	<u>(686,861)</u>	<u>(90,143)</u>	<u>(1,015,671)</u>
Non-Operating Revenues (Expenses):				
Aid from other governmental units	317	10,000	--	10,317
Tax revenue	70,092	--	--	70,092
Non-operating revenues	582	106,257	16,898	123,737
Interest income	--	4,621	1,102	5,723
Interest expense	(7,705)	--	--	(7,705)
 Total Non-Operating Revenues (Expenses)	 <u>63,286</u>	 <u>120,878</u>	 <u>18,000</u>	 <u>202,164</u>
Net Income (Loss) Before Contributions, Transfers and Special Items	<u>(175,381)</u>	<u>(565,983)</u>	<u>(72,143)</u>	<u>(813,507)</u>
Capital contributions, grants and assessments	--	--	4,772,227	4,772,227
Transfers in	--	532,830	--	532,830
Change in Net Assets	<u>(175,381)</u>	<u>(33,153)</u>	<u>4,700,084</u>	<u>4,491,550</u>
Net Assets - Beginning of Year	<u>81,410</u>	<u>5,261,030</u>	<u>--</u>	<u>5,342,440</u>
Net Assets - End of Year	<u><u>\$ (93,971)</u></u>	<u><u>\$ 5,227,877</u></u>	<u><u>\$ 4,700,084</u></u>	<u><u>\$ 9,833,990</u></u>

COUNTY OF NAPA

Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended June 30, 2010

	<u>Napa Berryessa Resort Improvement</u>	<u>Napa County Housing Authority</u>	<u>Napa County Animal Shelter</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash receipts from customers	\$ 514,329	\$ 495,191	\$ 806,748	\$ 1,816,268
Cash paid to suppliers for goods and services	(672,001)	(1,101,811)	(331,847)	(2,105,659)
Cash paid to employees for services	--	--	(470,371)	(470,371)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net Cash Provided (Used) by Operating Activities	<u>(157,672)</u>	<u>(606,620)</u>	<u>4,530</u>	<u>(759,762)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Aid from other governmental units	317	10,000	--	10,317
Transfers in	--	532,830	--	532,830
Advances from other funds	389,000	--	--	389,000
Non-operating revenues	582	106,257	16,898	123,737
Tax revenue	63,864	--	--	63,864
Interest payments for non-capital activities	(16,082)	--	--	(16,082)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net Cash Provided (Used) by Noncapital Financing Activities	<u>437,681</u>	<u>649,087</u>	<u>16,898</u>	<u>1,103,666</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Payments related to the acquisition of capital assets	(26,530)	--	--	(26,530)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(26,530)</u>	<u> </u>	<u> </u>	<u>(26,530)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received	--	4,621	1,102	5,723
Net Cash Provided by Investing Activities	<u> </u>	<u>4,621</u>	<u>1,102</u>	<u>5,723</u>
Net Increase (Decrease) in Cash and Cash Equivalents	253,479	47,088	22,530	323,097
Cash and Cash Equivalents, Beginning of Year	<u>19,660</u>	<u>416,002</u>	<u> </u>	<u>435,662</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 273,139</u></u>	<u><u>\$ 463,090</u></u>	<u><u>\$ 22,530</u></u>	<u><u>\$ 758,759</u></u>

continued

COUNTY OF NAPA

Statement of Cash Flows (continued)
 Nonmajor Enterprise Funds
 For the Year Ended June 30, 2010

	<u>Napa Berryessa Resort Improvement</u>	<u>Napa County Housing Authority</u>	<u>Napa County Animal Shelter</u>	<u>Total</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Operating income (loss)	\$ (238,667)	\$ (686,861)	\$ (90,143)	\$ (1,015,671)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation and amortization	53,555	62,256	100,266	216,077
Changes in assets and liabilities:				
(Increase) decrease in:				
Accounts receivable	(3,174)	16,242	--	13,068
Assessments receivable	(1,680)	--	--	(1,680)
Due from other government agencies	--	--	(68,533)	(68,533)
Increase (decrease) in:				
Accounts payable	32,578	176	15,716	48,470
Customer deposits	(284)	1,567	--	1,283
Accrued salaries	--	--	19,876	19,876
Compensated absences	--	--	27,348	27,348
Net Cash Provided (Used) by Operating Activities	<u>\$ (157,672)</u>	<u>\$ (606,620)</u>	<u>\$ 4,530</u>	<u>\$ (759,762)</u>
Schedule of Noncash Capital Activities:				
Capital contributions				
Total Noncash Capital Activities	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 4,772,227</u>	<u>\$ 4,772,227</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

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

Workers' Compensation

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

General Liability

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

INTERNAL SERVICE FUNDS

INTERNAL SERVICE FUNDS (continued)

Employee/Retiree Benefits

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

COUNTY OF NAPA

Combining Statement of Fund Net Assets Internal Service Funds June 30, 2010

	Equipment Pool Service Fund	Information Technology Services	Workers' Compensation
ASSETS			
Current Assets:			
Cash and Investments	\$ 4,488,242	\$ 2,869,686	\$ 6,391,834
Imprest cash	--	--	--
Accounts receivable	162	525	27,285
Prepaid items	--	--	--
Deposits	--	--	140,000
Total Current Assets	4,488,404	2,870,211	6,559,119
Noncurrent Assets:			
Depreciable:			
Equipment	10,692,755	1,146,639	--
Accumulated depreciation	(4,532,139)	(848,775)	--
Total Noncurrent Assets	6,160,616	297,864	--
Total Assets	\$ 10,649,020	\$ 3,168,075	\$ 6,559,119
LIABILITIES			
Current Liabilities:			
Accounts payable	\$ 80,988	\$ 189,715	\$ 97,428
Accrued salaries and benefits	11,853	224,178	--
Liability for unpaid insurance claims	--	--	1,667,041
Liability for compensated absences	6,554	140,787	--
Total Current Liabilities	99,395	554,680	1,764,469
Long-Term Liabilities:			
Liability for unpaid insurance claims	--	--	4,301,959
Liability for compensated absences	17,411	150,631	--
Total Liabilities	116,806	705,311	6,066,428
NET ASSETS			
Invested in capital assets	6,160,616	297,864	--
Unrestricted	4,371,598	2,164,900	492,691
Total Net Assets	10,532,214	2,462,764	492,691
Total Liabilities and Net Assets	\$ 10,649,020	\$ 3,168,075	\$ 6,559,119

continued

COUNTY OF NAPA

Combining Statement of Fund Net Assets (continued)
Internal Service Funds
June 30, 2010

ASSETS	General Liability	Employee/ Retiree Benefits	Total
Current Assets:			
Cash and Investments	\$ 5,288,686	\$ 34,357	\$ 19,072,805
Imprest cash	13,760	--	13,760
Accounts receivable	--	1,595	29,567
Prepaid items	--	16,780	16,780
Deposits	--	--	140,000
Total Current Assets	5,302,446	52,732	19,272,912
Noncurrent Assets:			
Depreciable:			
Equipment	--	--	11,839,394
Accumulated depreciation	--	--	(5,380,914)
Total Noncurrent Assets	--	--	6,458,480
Total Assets	\$ 5,302,446	\$ 52,732	\$ 25,731,392
 LIABILITIES			
Current Liabilities:			
Accounts payable	\$ 3,859	\$ --	\$ 371,990
Accrued salaries and benefits	--	30,655	266,686
Liability for unpaid insurance claims	1,098,776	--	2,765,817
Liability for compensated absences	--	--	147,341
Total Current Liabilities	1,102,635	30,655	3,551,834
Long-Term Liabilities:			
Liability for unpaid insurance claims	1,818,224	--	6,120,183
Liability for compensated absences	--	--	168,042
Total Liabilities	2,920,859	30,655	9,840,059
 NET ASSETS			
Invested in capital assets	--	--	6,458,480
Unrestricted	2,381,587	22,077	9,432,853
Total Net Assets	2,381,587	22,077	15,891,333
Total Liabilities and Net Assets	\$ 5,302,446	\$ 52,732	\$ 25,731,392

COUNTY OF NAPA

Combining Statement of Revenues, Expenses and Changes in Fund Net Assets
Internal Service Funds
For the Year Ended June 30, 2010

	Equipment Pool Service Fund	Information Technology Services	Workers' Compensation
	<u> </u>	<u> </u>	<u> </u>
Operating Revenues:			
Charges for services	\$ 47,126	\$ 8,719,608	970,316
Maintenance Charges:			
Equipment	631,903	--	--
Vehicle	1,089,423	--	--
Replacement charges	818,970	--	--
Other revenue	<u>2,635</u>	<u>--</u>	<u>41,123</u>
 Total Operating Revenues	 <u>2,590,057</u>	 <u>8,719,608</u>	 <u>1,011,439</u>
Operating Expenses:			
Salaries and employee benefits	318,968	5,162,333	--
Services and supplies	1,214,810	2,806,406	535,891
Claims expense	--	--	1,260,306
Rent expense	--	--	--
Depreciation and amortization	<u>800,805</u>	<u>180,201</u>	<u>--</u>
 Total Operating Expenses	 <u>2,334,583</u>	 <u>8,148,940</u>	 <u>1,796,197</u>
Operating Income (Loss)	 <u>255,474</u>	 <u>570,668</u>	 <u>(784,758)</u>
 Non-Operating Revenues (Expenses):			
Interest income	46,776	19,605	83,789
Gain (loss) on disposition of capital assets	<u>46,137</u>	<u>--</u>	<u>--</u>
 Total Non-Operating Revenues (Expenses)	 <u>92,913</u>	 <u>19,605</u>	 <u>83,789</u>
 Net Income Before Contributions and Transfers	 348,387	 590,273	 (700,969)
 Transfers out	 <u>--</u>	 <u>--</u>	 <u>(50,000)</u>
 Change in Net Assets	 348,387	 590,273	 (750,969)
 Net Assets - Beginning of Year	 <u>10,183,827</u>	 <u>1,872,491</u>	 <u>1,243,660</u>
 Net Assets - End of Year	 <u>\$ 10,532,214</u>	 <u>\$ 2,462,764</u>	 <u>492,691</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, 2010

	<u>General Liability</u>	<u>Employee/ Retiree Benefits</u>	<u>Total</u>
Operating Revenues:			
Charges for services	2,100,003	4,582,795	\$ 16,419,848
Maintenance Charges:			
Equipment	--	--	631,903
Vehicle	--	--	1,089,423
Replacement charges	--	--	818,970
Other revenue	--	--	43,758
	<hr/>	<hr/>	<hr/>
Total Operating Revenues	2,100,003	4,582,795	19,003,902
	<hr/>	<hr/>	<hr/>
Operating Expenses:			
Salaries and employee benefits	--	4,582,428	10,063,729
Services and supplies	380,798	--	4,937,905
Claims expense	1,071,973	--	2,332,279
Rent expense			
Depreciation and amortization	--	--	981,006
	<hr/>	<hr/>	<hr/>
Total Operating Expenses	1,452,771	4,582,428	18,314,919
	<hr/>	<hr/>	<hr/>
Operating Income (Loss)	647,232	367	688,983
	<hr/>	<hr/>	<hr/>
Non-Operating Revenues (Expenses):			
Interest income	56,387	--	206,557
Gain (loss) on disposition of capital assets	--	--	46,137
	<hr/>	<hr/>	<hr/>
Total Non-Operating Revenues (Expenses)	56,387	--	252,694
	<hr/>	<hr/>	<hr/>
Net Income Before Contributions and Transfers	703,619	367	941,677
	<hr/>	<hr/>	<hr/>
Transfers out	--	--	(50,000)
	<hr/>	<hr/>	<hr/>
Change in Net Assets	703,619	367	891,677
	<hr/>	<hr/>	<hr/>
Net Assets - Beginning of Year	1,677,968	21,710	14,999,656
	<hr/>	<hr/>	<hr/>
Net Assets - End of Year	<u>2,381,587</u>	<u>22,077</u>	<u>\$ 15,891,333</u>

COUNTY OF NAPA

Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2010

	<u>Equipment Pool Service Fund</u>	<u>Information Technology Services</u>	<u>Workers' Compensation</u>
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash receipts from internal services provided	\$ 2,590,850	\$ 8,719,993	\$ 920,495
Cash paid to suppliers for goods and services	(1,184,256)	(2,765,837)	(2,194,084)
Cash paid to employees for services	<u>(312,158)</u>	<u>(5,088,918)</u>	<u>--</u>
Net Cash Provided (Used) by Operating Activities	<u>1,094,436</u>	<u>865,238</u>	<u>(1,273,589)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Transfers out	<u>--</u>	<u>--</u>	<u>(50,000)</u>
Net Cash Provided (Used) by Noncapital Financing Activities	<u>--</u>	<u>--</u>	<u>(50,000)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Proceeds of sales of capital assets	87,022	--	--
Payments related to the acquisition of capital assets	<u>(606,616)</u>	<u>(40,683)</u>	<u>--</u>
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(519,594)</u>	<u>(40,683)</u>	<u>--</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received (paid)	<u>46,776</u>	<u>19,605</u>	<u>83,789</u>
Net Cash Provided by Investing Activities	<u>46,776</u>	<u>19,605</u>	<u>83,789</u>
Net Increase (Decrease) in Cash and Cash Equivalents	621,618	844,160	(1,239,800)
Cash and Cash Equivalents, Beginning of Year	<u>3,866,624</u>	<u>2,025,526</u>	<u>7,631,634</u>
Cash and Cash Equivalents, End of Year	<u>\$ 4,488,242</u>	<u>\$ 2,869,686</u>	<u>\$ 6,391,834</u>

continued

COUNTY OF NAPA

Combining Statement of Cash Flows (continued)
Internal Service Funds
For the Year Ended June 30, 2010

	<u>General Liability</u>	<u>Employee/ Retiree Benefits</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash receipts from internal services provided	\$ 2,100,003	\$ 4,581,200	\$ 18,912,541
Cash paid to suppliers for goods and services	(1,852,198)	--	(7,996,375)
Cash paid to employees for services	--	(4,568,553)	(9,969,629)
	<u>247,805</u>	<u>12,647</u>	<u>946,537</u>
Net Cash Provided (Used) by Operating Activities			
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Transfers out	--	--	(50,000)
	<u>--</u>	<u>--</u>	<u>(50,000)</u>
Net Cash Provided (Used) by Noncapital Financing Activities			
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Proceeds of sales of capital assets	--	--	87,022
Payments related to the acquisition of capital assets	--	--	(647,299)
	<u>--</u>	<u>--</u>	<u>(560,277)</u>
Net Cash Provided (Used) by Capital and Related Financing Activities			
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received (paid)	56,387	--	206,557
Net Cash Provided by Investing Activities	<u>56,387</u>	<u>--</u>	<u>206,557</u>
Net Increase (Decrease) in Cash and Cash Equivalents	304,192	12,647	542,817
Cash and Cash Equivalents, Beginning of Year	<u>4,998,254</u>	<u>21,710</u>	<u>18,543,748</u>
Cash and Cash Equivalents, End of Year	<u>\$ 5,302,446</u>	<u>\$ 34,357</u>	<u>\$ 19,086,565</u>

continued

COUNTY OF NAPA

Combining Statement of Cash Flows (continued)
 Internal Service Funds
 For the Year Ended June 30, 2010

	<u>Equipment Pool Service Fund</u>	<u>Information Technology Services</u>	<u>Workers' Compensation</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating income (loss)	\$ 255,474	\$ 570,668	\$ (784,758)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	800,805	180,201	--
Changes in assets and liabilities:			
(Increase) decrease in:			
Accounts receivable	793	385	(27,285)
Prepaid items	--	--	--
Deposits	--	--	(63,659)
Increase (decrease) in:			
Accounts payable	30,554	40,569	(169,887)
Accrued salaries	30	31,326	--
Compensated absences	6,780	42,089	--
Claims liability	--	--	(228,000)
	<u> </u>	<u> </u>	<u> </u>
Net Cash Provided (Used) by Operating Activities	<u><u>\$ 1,094,436</u></u>	<u><u>\$ 865,238</u></u>	<u><u>\$ (1,273,589)</u></u>

continued

COUNTY OF NAPA

Combining Statement of Cash Flows (continued)
 Internal Service Funds
 For the Year Ended June 30, 2010

	<u>General Liability</u>	<u>Employee/ Retiree Benefits</u>	<u>Total</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating income (loss)	\$ 647,232	\$ 367	\$ 688,983
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	--	--	981,006
Changes in assets and liabilities:			
(Increase) decrease in:			
Accounts receivable	--	(1,595)	(27,702)
Prepaid items	--	(16,780)	(16,780)
Deposits	--	--	(63,659)
Increase (decrease) in:			
Accounts payable	3,573	--	(95,191)
Accrued salaries	--	30,655	62,011
Compensated absences	--	--	48,869
Claims liability	(403,000)	--	(631,000)
	<u> </u>	<u> </u>	<u> </u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 247,805</u>	<u>\$ 12,647</u>	<u>\$ 946,537</u>



Photography by Brent Miller, WineCountry.com

The Culinary Institute of America at Greystone

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, 2010

ASSETS	<u>Schools Districts</u>	<u>Special Districts</u>	<u>Total</u>
Current Assets:			
Cash and investments	\$ 178,294,270	\$ 63,920,753	\$ 242,215,023
Total Current Assets	<u>\$ 178,294,270</u>	<u>\$ 63,920,753</u>	<u>\$ 242,215,023</u>
 NET ASSETS			
Net assets held in trust for investment pool participants	\$ 178,294,270	\$ 63,920,753	\$ 242,215,023
Total Net Assets	<u>\$ 178,294,270</u>	<u>\$ 63,920,753</u>	<u>\$ 242,215,023</u>

COUNTY OF NAPA

Combining Statement of Changes in Fiduciary Net Assets
Investment Trust Funds
For the Year Ended June 30, 2010

	<u>Schools Districts</u>	<u>Special Districts</u>	<u>Total</u>
<u>ADDITIONS</u>			
Contributions:			
Contributions to investment pool	\$ 256,315,161	\$ 805,420,500	\$ 1,061,735,661
Total Contributions	<u>256,315,161</u>	<u>805,420,500</u>	<u>1,061,735,661</u>
Net Investment Income:			
Interest	<u>1,719,429</u>	<u>786,888</u>	<u>2,506,317</u>
Net Investment Income	<u>1,719,429</u>	<u>786,888</u>	<u>2,506,317</u>
 Total Additions	 <u>258,034,590</u>	 <u>806,207,388</u>	 <u>1,064,241,978</u>
<u>DEDUCTIONS</u>			
Distributions from investment pool	<u>223,843,067</u>	<u>801,011,899</u>	<u>1,024,854,966</u>
Total Deductions	<u>223,843,067</u>	<u>801,011,899</u>	<u>1,024,854,966</u>
 Change in Net Assets	 34,191,523	 5,195,489	 39,387,012
 Net Assets, Beginning	 <u>144,102,747</u>	 <u>58,725,264</u>	 <u>202,828,011</u>
 Net Assets, Ending of Year	 <u>\$ 178,294,270</u>	 <u>\$ 63,920,753</u>	 <u>\$ 242,215,023</u>

COUNTY OF NAPA

Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Fiscal Year Ended June 30, 2010

ASSETS	<u>June 30, 2009</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2010</u>
Current Assets:				
Cash and investments	\$ 33,955,228	\$ 513,221,324	\$ 513,394,534	\$ 33,782,018
Taxes receivable	15,817,780	--	430,650	\$ 15,387,130
Total Current Assets	<u>\$ 49,773,008</u>	<u>\$ 513,221,324</u>	<u>\$ 513,825,184</u>	<u>\$ 49,169,148</u>
LIABILITIES				
Agency funds held for others	\$ 49,773,008	\$ 513,221,324	\$ 513,825,184	\$ 49,169,148
Total Liabilities	<u>\$ 49,773,008</u>	<u>\$ 513,221,324</u>	<u>\$ 513,825,184</u>	<u>\$ 49,169,148</u>



Statistical Section



Calistoga Veteran's Memorial

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.

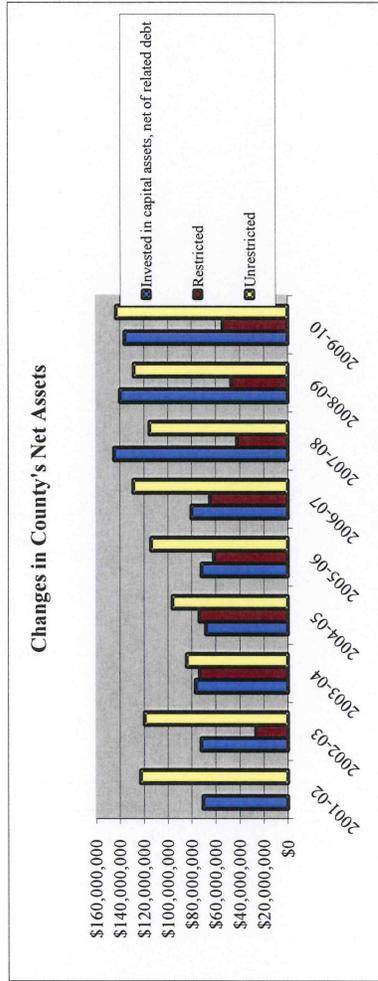
	<u>Page</u>
Financial Trends Information	
These schedules contain trend information that may assist the reader in assessing the County’s current financial performance by placing it in historical perspective.....	182
Revenue Capacity Information	
These schedules contain information that may assist the reader in assessing the viability of the County’s two most significant local revenue sources; property taxes and sales taxes	188
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.....	193
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	198
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.....	200

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 Nine Fiscal Years
(accrual basis of accounting)**

	Fiscal Year ending June 30th								
	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
Governmental activities									
Invested in capital assets, net of related debt ¹	\$ 58,975,246	\$ 60,088,718	\$ 66,892,363	\$ 55,998,181	\$ 57,639,390	\$ 61,332,361	\$ 116,608,083	\$ 99,084,559	\$ 90,854,959
Restricted	-	26,658,643	73,467,180	73,543,466	61,499,414	64,749,020	41,875,741	46,450,508	93,346,896
Unrestricted	124,753,532	119,685,666	81,546,729	92,878,429	110,659,585	127,517,769	114,441,572	126,903,650	99,555,367
Total governmental activities net assets	\$ 183,728,778	\$ 206,433,027	\$ 221,906,272	\$ 222,420,076	\$ 229,798,389	\$ 253,599,150	\$ 272,925,396	\$ 272,438,717	\$ 283,757,222
Business-type activities									
Invested in capital assets, net of related debt	\$ 11,486,607	\$ 12,061,886	\$ 9,972,402	\$ 12,139,129	\$ 14,259,931	\$ 18,962,458	\$ 28,470,449	\$ 40,970,781	\$ 45,096,401
Restricted	(1,976,428)	(186,815)	2,756,267	3,254,322	3,403,166	1,374,931	480,549	479,333	293,479
Unrestricted	9,510,179	11,875,071	12,728,669	15,393,451	17,663,097	20,337,389	30,002,186	42,922,258	46,995,455
Total business-type activities net assets	\$ 70,461,853	\$ 72,150,604	\$ 76,864,765	\$ 68,137,310	\$ 71,899,321	\$ 80,294,819	\$ 145,078,532	\$ 140,055,340	\$ 135,951,360
Primary government									
Invested in capital assets, net of related debt	-	26,658,643	73,467,180	73,543,466	61,499,414	64,749,020	42,356,290	46,929,841	93,640,375
Restricted	122,777,104	119,498,851	84,302,996	96,132,751	114,062,751	128,892,700	115,492,760	128,375,794	101,160,942
Unrestricted	193,238,957	218,308,098	234,634,941	237,813,527	247,461,486	273,936,539	302,922,582	315,360,975	330,752,677
Total primary government net assets²	\$ 316,016,061	\$ 404,464,592	\$ 492,435,077	\$ 407,489,744	\$ 423,023,251	\$ 467,578,289	\$ 460,771,372	\$ 490,666,510	\$ 525,554,352
Percent of increase (decrease) in primary government net assets	N/A	12.97%	7.48%	1.35%	4.06%	10.70%	10.58%	4.10%	4.88%



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 Nine Fiscal Years
(accrual basis of accounting)

	Fiscal Year ending June 30th								
	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
Expenses									
Governmental activities:									
General government	\$ 32,049,841	\$ 35,498,520	\$ 33,547,309	\$ 24,611,200	\$ 28,808,510	\$ 30,344,422	\$ 36,965,695	\$ 33,245,999	\$ 32,201,273
Public protection	54,093,413	59,155,040	62,467,022	70,316,699	77,954,632	82,810,854	85,291,842	92,994,974	92,847,859
Public ways and facilities	21,127,537	16,877,819	23,224,824	28,269,848	40,796,290	27,263,089	23,234,238	24,440,620	23,542,661
Health and sanitation	27,125,790	29,123,849	27,777,318	29,561,078	32,373,467	35,941,958	38,670,267	40,845,070	39,642,405
Public assistance	28,898,408	26,085,613	27,454,506	31,683,117	29,420,309	28,526,647	30,468,421	32,383,758	34,553,156
Education	4,382,122	4,869,614	4,829,289	5,194,812	5,628,848	5,716,827	6,025,556	6,646,817	7,207,944
Recreational and cultural services	-	44,978	300,142	1,021,586	120,152	206,468	876,547	1,164,588	1,222,282
Debt service:									
Interest and fiscal charges	3,640,446	3,549,288	4,474,723	3,882,913	4,180,859	3,799,558	3,624,153	3,371,954	3,141,097
Administration and arbitrage fees	-	171,193	11,209	1,507,883	459,566	14,770	6,315	17,570	36,684
Administration and arbitrage fees	171,317,557	175,375,914	184,086,342	196,049,136	219,742,633	214,624,593	225,163,034	235,111,350	234,395,361
Total governmental activities expenses	1,251,864	1,435,205	1,715,493	1,676,592	1,935,407	2,152,164	2,527,682	2,608,377	2,800,254
Business-type activities:									
Airport	480,768	574,405	709,545	710,296	886,976	642,997	845,030	959,387	1,132,055
Lake Berryessa Resort Improvement	-	-	-	-	-	242,779	1,033,262	1,206,167	1,164,243
Napa County Housing Authority	489,437	584,255	567,119	634,032	709,907	657,015	1,238,425	737,780	765,839
Napa Berryessa Public Improvement	-	-	-	-	-	-	-	-	965,424
Napa County Animal Shelter	-	-	-	-	-	-	-	221,177	436,478
Fifth Street Parking Garage	-	-	-	-	-	-	-	-	-
Total business-type activities expenses	2,222,069	2,593,865	2,992,157	3,020,920	3,532,290	3,694,955	5,644,399	5,732,888	7,264,293
Total primary government expenses	\$ 173,539,626	\$ 177,969,779	\$ 187,078,499	\$ 199,070,056	\$ 223,274,923	\$ 218,319,548	\$ 230,807,433	\$ 240,844,238	\$ 241,659,654
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	\$ 7,740,846
General government	9,023,197	9,203,552	11,616,975	15,100,425	15,670,287	19,003,569	15,414,106	19,439,874	20,256,916
Public protection	6,000,804	10,147,260	11,226,993	9,947,969	11,345,970	14,895,429	10,701,991	11,395,384	14,453,216
Other activities	78,530,500	77,087,961	81,430,737	73,472,534	75,847,921	78,904,254	77,170,135	76,692,630	87,069,423
Operating grants and contributions	-	-	40,000	-	5,298,042	1,016,938	4,498,647	2,652,478	1,911,433
Capital grants and contributions	99,261,276	101,415,730	107,682,910	101,826,103	111,851,601	120,308,147	115,980,555	122,122,234	131,431,834
Total governmental activities program revenues	1,492,907	1,554,468	1,540,253	1,571,022	1,590,342	1,645,614	1,773,937	1,788,110	1,913,565
Business-type activities:									
Charges for services	505,227	514,730	583,130	557,551	658,117	543,516	446,722	517,297	566,054
Airport	-	-	-	-	-	-	-	-	484,904
Lake Berryessa Resort Improvement	550,526	521,361	633,931	576,164	676,043	389,059	627,018	619,520	519,467
Napa County Housing Authority	-	-	-	-	-	-	-	-	878,181
Napa Berryessa Public Improvement	-	-	-	-	-	-	-	-	111,205
Napa County Animal Shelter	1,367,540	1,187,475	945,373	2,975,901	2,730,512	84,114	210,446	169,041	246,408
Fifth Street Parking Garage	-	-	-	-	-	-	-	-	1,065,762
Operating grants and contributions	3,916,200	3,778,034	3,702,687	5,680,638	5,655,014	5,903,766	4,922,348	4,922,348	5,785,546
Capital grants and contributions	103,177,476	105,193,764	111,385,597	107,506,741	117,506,615	126,211,913	130,138,054	127,044,582	137,217,380
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	\$ 137,217,380

(Continued)

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

COUNTY OF NAPA

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

	Fiscal Year ending June 30th								
	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
Net (Expense)/Revenue									
Governmental activities	\$ (72,056,281)	\$ (73,960,184)	\$ (76,403,432)	\$ (94,223,033)	\$ (107,891,032)	\$ (94,316,446)	\$ (109,182,479)	\$ (112,989,116)	\$ (102,963,527)
Business-type activities	1,694,131	1,184,169	710,530	2,659,718	2,122,724	2,208,811	8,513,100	(810,540)	(1,478,747)
Total primary government net expense	\$ (70,362,150)	\$ (72,776,015)	\$ (75,692,902)	\$ (91,563,315)	\$ (105,768,308)	\$ (92,107,635)	\$ (100,669,379)	\$ (113,799,656)	\$ (104,442,274)
General Revenues and Other Changes in Net Assets									
Governmental activities:									
Taxes									
Property taxes	\$ 35,350,355	\$ 39,213,921	\$ 42,424,261	\$ 44,667,099	\$ 63,266,398	\$ 69,224,026	\$ 75,712,896	\$ 85,733,529	\$ 91,575,314
Sales and use taxes	24,359,026	25,858,407	27,920,438	27,065,296	29,109,022	30,597,528	31,188,494	28,460,170	16,794,850
Transient occupancy taxes	4,293,481	4,774,394	4,718,763	5,743,951	7,045,286	8,076,701	9,681,766	8,452,117	7,557,503
Property transfer taxes	1,054,546	1,140,502	1,440,722	1,790,692	2,253,151	1,576,809	1,128,851	919,282	743,267
Other	1,543	1,366	1,898	400	3,165	352	-	-	40
Motor vehicle in lieu taxes ²	-	-	-	9,417,773	-	-	-	-	-
Unrestricted interest and investment earnings	5,172,876	4,012,538	2,968,228	3,713,125	5,258,985	6,968,520	8,413,728	5,584,576	2,534,248
Miscellaneous	8,562,503	6,653,267	7,166,948	2,555,650	8,265,641	336,689	1,999,522	778,508	423,790
Special items ³	-	-	1,801,309	-	-	-	-	-	-
Transfers	276,009	(667,395)	77,476	85,840	67,697	(131,796)	(651,193)	(17,425,745)	(5,346,980)
Total governmental activities	79,070,339	80,987,000	88,520,043	95,019,826	115,269,345	116,648,829	127,474,064	112,502,437	114,282,032
Business-type activities:									
Taxes	55,257	52,721	59,710	13,362	28,267	96,377	110,558	123,196	116,564
Investment earnings	19,453	62,215	36,415	69,232	117,305	115,832	303,146	185,110	76,093
Miscellaneous	100,303	398,392	124,419	106,447	69,047	121,476	86,800	-	12,307
Change in estimation- capital assets ⁴	-	-	-	-	-	-	-	(3,603,439)	-
Special items ⁵	-	-	-	-	-	-	-	(400,000)	-
Transfers	(276,009)	667,395	(77,476)	(85,840)	(67,697)	131,796	651,193	17,425,745	5,346,980
Total business-type activities	(100,996)	1,180,723	143,068	103,201	146,922	465,481	1,151,697	13,730,612	5,551,944
Total primary government	\$ 78,969,343	\$ 82,167,723	\$ 88,663,111	\$ 95,123,027	\$ 115,416,267	\$ 117,114,310	\$ 128,625,761	\$ 126,233,049	\$ 119,833,976
Change in Net Assets									
Governmental activities	\$ 7,014,058	\$ 7,026,816	\$ 12,116,611	\$ 796,793	\$ 7,378,313	\$ 22,332,383	\$ 18,291,585	\$ (486,679)	\$ 11,318,505
Business-type activities	1,593,135	2,364,892	853,598	2,762,919	2,269,646	2,674,292	9,664,797	12,920,072	4,073,197
Total primary government	\$ 8,607,193	\$ 9,391,708	\$ 12,970,209	\$ 3,559,712	\$ 9,647,959	\$ 25,006,675	\$ 27,956,382	\$ 12,433,393	\$ 15,391,702

Notes:

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

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

COUNTY OF NAPA

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

Fiscal Year	Property Tax ¹	Sales & Use Tax ²	Transient Occupancy Tax ³	Property Transfer Tax ⁴	Other Taxes ⁵	Total
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
2010	91,575,314	16,794,850	7,557,503	743,267	40	116,670,974
Change 2001-2010	187.4%	-33.9%	31.6%	-34.1%	-98.8%	81.9%

Notes:

¹ Property tax revenues increased 187.4% in the last 10 fiscal years due to additional assessments by the Assessor's Office based on reappraisals of real property due to changes in ownership or completion of new construction. Beginning in 2006, motor vehicle in-lieu fee revenue is reported under property tax due to the Triple-Flip legislation.

² Sales and use tax revenues decreased 33.9% in the last ten years due to a combination of (i) rate increases (an additional 1 cent sales tax began in March of 2009), (ii) general growth in taxable sales, and (iii) Proposition 172 Sales Tax Augmentation revenues previously recorded as Sales & Use Tax is now recorded as Operating Grants and Contributions. For fiscal year 2009-2010, a total of \$10.5 million Proposition 172 Sales Tax Augmentation revenues were recorded as Operating Grants and Contributions.

³ Transient Occupancy Tax (12% as of January 1, 2005) increased 31.6% in the last ten years due to an increase in tourism.

⁴ Property transfer tax revenues decreased 34.1% in the last 10 years due to a decrease in value and sales activity.

⁵ Other Taxes decreased 98.8% in the last 10 fiscal years. In fiscal year 2009-2010, the County did not receive any Timber Tax and only \$40 for 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 years ending June 30th									
	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
General Fund										
Reserved	\$ 11,798	\$ 26,413	\$ 21,971	\$ 8,225	\$ 7,394	\$ 11,136	\$ 11,696	\$ 9,662	\$ 10,397	\$ 10,511
Unreserved	27,693	42,563	44,317	56,471	57,574	62,817	63,431	40,309	40,570	50,863
Total general fund	<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>	<u>\$ 61,374</u>
All Other Governmental Funds										
Reserved	\$ 17,091	\$ 33,416	\$ 68,644	\$ 20,545	\$ 17,551	\$ 17,497	\$ 18,872	\$ 17,723	\$ 16,741	\$ 16,735
Unreserved, reported in:										
Special revenue funds	31,081	6,927	22,579	53,835	61,985	53,213	60,407	95,038	107,942	110,556
Capital projects funds	-	991	534	12,710	7,124	15,945	22,711	21,294	18,748	20,602
Debt service funds	-	7,800	5,365	2,616	1,490	1,541	3,407	1,550	1,501	1,502
Total all other governmental funds	<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>	<u>\$ 149,395</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)

	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
Revenues:										
Taxes	\$ 62,874	\$ 65,059	\$ 70,989	\$ 76,506	\$ 88,685	\$ 101,677	\$ 109,475	\$ 117,712	\$ 123,565	\$ 116,671
Licenses, fees and permits	2,605	4,325	2,936	3,590	3,981	4,293	5,286	5,023	4,426	4,566
Fines, forfeits and penalties	68,339	1,769	1,927	2,263	1,385	2,941	2,617	1,946	2,748	3,665
Use of money and property	1,761	4,522	3,551	2,700	3,312	4,727	6,278	7,657	5,089	2,471
Aid from other governments	5,966	78,530	77,088	77,462	73,473	82,455	80,589	74,639	77,127	89,189
Charges for services	13,190	14,496	19,140	19,620	22,988	23,472	32,460	26,089	31,944	32,596
Contributions and donations	-	-	-	-	-	-	250	3,797	1,255	896
Other	4,501	8,560	6,970	7,186	4,101	8,360	1,249	1,713	1,065	420
Total Revenues	159,236	177,261	182,601	189,327	197,925	227,925	238,204	238,576	247,219	250,474
Expenditures:										
Current:										
General government	28,944	27,344	36,207	29,906	24,887	27,565	30,797	34,968	30,181	30,613
Public protection	35,413	53,186	58,057	61,103	69,203	76,328	83,403	84,436	92,552	92,170
Public ways and facilities	44,963	14,814	10,527	16,859	22,298	34,410	22,037	18,394	20,340	20,483
Health and sanitation	24,453	26,976	28,963	27,663	29,404	32,076	35,863	38,411	40,692	39,647
Public assistance	19,748	28,746	25,924	27,260	31,566	29,211	28,478	30,159	32,111	34,273
Education	3,167	4,297	4,783	4,735	5,075	5,506	5,611	5,963	6,547	7,240
Recreational and cultural services	-	-	45	300	1,022	120	207	877	1,165	1,222
Capital Outlay	3,909	7,132	7,710	21,505	20,048	4,162	5,518	11,046	3,921	-
Debt Service:										
Principal	2,950	3,110	9,870	3,880	4,365	5,495	5,627	5,790	6,007	6,234
Interest	3,808	3,641	3,421	4,472	3,941	3,977	3,796	3,622	3,393	3,162
Administration and arbitrage fees	-	-	1,091	11	1,508	581	15	27	18	37
Total Expenditures	167,355	169,246	186,598	197,694	213,317	219,431	221,352	233,693	236,927	235,081
Excess of revenue over (under) expenditures	(8,119)	8,015	(3,997)	(8,367)	(15,392)	8,494	16,852	4,883	10,292	15,393
Other Financing Sources (Uses)										
Proceeds from borrowing	-	-	32,417	-	14,002	450	1,000	-	-	-
Transfers in	4,567	4,871	16,052	4,738	5,857	10,490	21,851	38,588	16,535	19,719
Transfers out	(4,887)	(4,366)	(15,048)	(5,378)	(5,468)	(10,403)	(21,329)	(38,419)	(16,503)	(20,244)
Total other financing sources (uses)	(320)	505	33,421	(640)	14,391	537	1,522	169	32	(525)
Net change in fund balances	\$ (8,439)	\$ 8,520	\$ 29,424	\$ (9,007)	\$ (1,001)	\$ 9,031	\$ 18,374	\$ 5,052	\$ 10,324	\$ 14,868
Debt service as a percentage of noncapital expenditures ¹	4.13%	4.16%	7.43%	4.74%	4.30%	4.40%	4.37%	4.23%	4.03%	4.00%

Note:

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	Real Property	Personal Property	Less: Tax Exempt Property	Total Taxable Assessed Value ¹	Total Direct Tax Rate	Net Increase Amount	Net Increase Percentage
	Property	Property	Property	Value ¹	Tax Rate	Amount	Percentage
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%
2010	26,820,705	1,297,812	914,739	27,203,778	1.0%	223,396	0.83%

Notes:

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

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

Source: Assessor's Office - County of Napa

COUNTY OF NAPA

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

Fiscal Year	County Direct Rate	Overlapping Rates ²			Total Direct and Overlapping ²
		Local Special Districts	Schools	Cities	
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
2010	1.00	0.28	0.21	0.02	1.51

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 Fiscal Year and Nine Years Ago

Taxpayer	2009-10			2000-01		
	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value
Diageo Chateau & Estate Wines Co.	\$ 210,194,677	1	0.77%			
Pacific Gas and Electric Co	165,489,103	2	0.61%	\$ 90,745,653	1	0.72%
Kaiser Foundation Hospital	154,803,681	3	0.57%			
Fosters Wine Estates America	101,039,271	4	0.37%			
Dey Laboratories LP	93,112,017	5	0.34%	86,349,105	2	0.69%
Robert Mondavi Winery	90,048,197	6	0.33%			
Lighthouse Privet Napa LLC	63,561,780	7	0.23%			
COPIA	63,341,290	8	0.23%			
AmCan Beverages Inc	61,102,590	9	0.22%			
Sutter Home Winery Inc	55,397,588	10	0.20%	47,641,551	6	0.38%
IDV North America Inc				77,240,630	3	0.61%
Beringer Wine Estates				75,553,651	4	0.60%
Pacific Bell				58,615,429	5	0.47%
Silverado Country Club				44,502,314	7	0.35%
Sterling Vineyards Inc				34,839,150	8	0.28%
Domaine Chandon Inc				34,703,125	9	0.28%
SHL Systemhouse Corp				32,668,350	10	0.26%
Total	\$ 1,058,090,194		3.87%	\$ 582,858,958		4.64%
Total Assessed Value	\$ 27,203,777,543			\$ 12,582,818,921		

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

COUNTY OF NAPA

Property Tax Levies and Collections Last Ten Fiscal Years

Fiscal Year	Taxes Levied for the Fiscal Year		Collected within the Fiscal Year of the Levy		Collections in Subsequent Years		Total Collections to Date		Total Cumulative Uncollected Taxes	
	Amount	Percentage of Levy	Amount	Percentage of Levy	Years	Amount	Percentage of Levy	Amount	Percentage of Levy	
2001	138,346,760	98.32%	136,022,226	98.32%	2,323,497	138,345,723	100.00%	1,037	0.00%	
2002	154,095,824	98.44%	151,698,269	98.44%	2,391,225	154,089,494	100.00%	6,330	0.00%	
2003	170,449,903	98.22%	167,419,783	98.22%	3,019,967	170,439,750	99.99%	10,153	0.01%	
2004	194,623,245	98.53%	191,764,130	98.53%	2,842,872	194,607,002	99.99%	16,243	0.01%	
2005	211,298,951	98.19%	207,475,991	98.19%	3,778,922	211,254,913	99.98%	44,038	0.02%	
2006	236,138,313	98.34%	232,228,016	98.34%	3,757,280	235,985,296	99.94%	153,017	0.06%	
2007	259,125,199	97.68%	253,101,850	97.68%	5,664,943	258,766,793	99.86%	358,406	0.14%	
2008	290,678,342	96.67%	281,002,717	96.67%	8,531,515	289,534,232	99.61%	1,144,110	0.39%	
2009	306,896,476	96.43%	295,928,750	96.43%	8,049,466	303,978,216	99.05%	2,918,260	0.95%	
2010	309,340,138	97.18%	300,629,948	97.18%	n/a	300,629,948	97.18%	8,710,190	2.82%	

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		Total
	General Fund ¹	Local		County Operations ²	County Transportation	Flood Authority	Flood Authority		
		Revenue Fund	Public Safety Fund					Fiscal Recovery Fund ²	
2001	4.75%	0.50%	0.50%	1.00%	0.25%	0.50%	0.50%	7.50%	
2002	5.00%	0.50%	0.50%	1.00%	0.25%	0.50%	0.50%	7.75%	
2003	5.00%	0.50%	0.50%	1.00%	0.25%	0.50%	0.50%	7.75%	
2004	5.00%	0.50%	0.50%	1.00%	0.25%	0.50%	0.50%	7.75%	
2005	5.00%	0.50%	0.50%	0.75%	0.25%	0.50%	0.50%	7.75%	
2006	5.00%	0.50%	0.50%	0.75%	0.25%	0.50%	0.50%	7.75%	
2007	5.00%	0.50%	0.50%	0.75%	0.25%	0.50%	0.50%	7.75%	
2008	5.00%	0.50%	0.50%	0.75%	0.25%	0.50%	0.50%	7.75%	
2009	6.00%	0.50%	0.50%	0.75%	0.25%	0.50%	0.50%	8.75%	
2010	6.00%	0.50%	0.50%	0.75%	0.25%	0.50%	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.

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				
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	1.20%	592		
2010	35,865	33,135	1,278	70,278	4,570	302	75,150	unavailable	541		

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
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		-		
2010	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, 2010**

Assessed Valuation (including unitary utility valuation)	\$ 27,365,691,315
Less: Redevelopment incremental valuation ¹	<u>560,656,283</u>
Adjusted assessed valuation	<u><u>\$ 26,805,035,032</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	\$ 33,135,000	100.000%	\$ 33,135,000
Overlapping General Fund Obligation Debt			
<i>School Districts</i>			
Napa County Board of Education Certificates of Participation	3,550,000	100.000%	3,550,000
Calistoga Joint Unified School District Certificates of Participation	935,000	87.084%	814,235
<i>Cities</i>			
City of American Canyon General Fund Obligations	2,850,000	100.000%	2,850,000
Town of Yountville General Fund Obligations	10,710,000	100.000%	10,710,000
Total Overlapping General Fund Obligation Debt	<u>18,045,000</u>		<u>17,924,235</u>
Total Direct and Overlapping General Fund Obligation Debt	<u>51,180,000</u>		<u>51,059,235</u>

OVERLAPPING TAX AND ASSESSMENT DEBT:

<i>School Districts</i>			
Napa Valley Community College District	120,818,349	99.085%	119,712,861
Calistoga Joint Unified School District	1,760,000	87.084%	1,532,678
Fairfield-Suisun Joint Unified School District	87,340,000	1.198%	1,046,333
Napa Valley Unified School District	278,365,000	100.000%	278,365,000
St. Helena Unified School District	13,900,000	100.000%	13,900,000
Howell Mountain School District	2,736,318	100.000%	2,736,318
<i>Cities</i>			
City of St. Helena	1,065,000	100.000%	1,065,000
City of American Canyon 1915 Act Bonds	23,620,000	100.000%	23,620,000
City of Napa 1915 Act Bonds	975,000	100.000%	975,000
Lake Berryessa Resort Improvement Assessment District No. 2006-1	4,630,000	100.000%	4,630,000
California Statewide Community Development Authority Assessment Districts	2,524,640	100.000%	2,524,640
Total Overlapping Tax and Assessment Debt	<u>537,734,307</u>		<u>450,107,830</u>
COMBINED TOTAL DEBT	<u><u>\$ 588,914,307</u></u>		<u><u>\$ 501,167,065</u></u> ²

Ratio to 2009-10 Assessed Valuation:
Total Overlapping Tax and Assessment Debt.....1.64%

Ratios to Adjusted Assessed Valuation:
Combined Direct Debt (\$35,605,000).....0.12%
Combined Total Debt1.87%

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, 2010
(dollars in thousands)

	Fiscal Year 2010	
	1.25%	3.75%
Debt limit	\$ 340,047	\$ 1,020,142
Total net debt applicable to limit	31,807	67,183
Legal debt margin	\$ 308,240	\$ 952,959
Total net debt applicable to the limit as a percentage of debt limit	9.35%	6.59%

Legal Debt Margin Calculation for Fiscal Year 2008

Assessed value	\$ 28,118,517	\$ 28,118,517
Less: Exempt real property	(914,739)	(914,739)
Total assessed value	\$ 27,203,778	\$ 27,203,778

CERTIFICATES OF PARTICIPATION

Debt limit (1.25% and 3.75% of total assessed value) ¹	\$ 340,047	\$ 1,020,142
Debt applicable to limit:		
Certificates of Participation	33,135	33,135
Less: Amount set aside for repayment of outstanding debt	(1,328)	(1,328)
Total net debt applicable to limit	31,807	
Legal debt margin	\$ 308,240	

SALES TAX REVENUE BONDS

Debt applicable to limit:		
Sales Tax Revenue Bonds		35,865
Less: Amount set aside for repayment of outstanding debt		(489)
Total net debt applicable to limit		67,183
Legal debt margin		\$ 952,959

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	Coverage	Property Tax Collection ²		Debt Service		Coverage	
	Tax Revenue	Administrative Cost	Administrative Cost	Debt Service			Special Assessments ³	Principal	Interest	Principal		Interest
2001	10,445	128	10,317	-	4.98	45	2,071	110	8	0.38		
2002	10,918	143	10,775	-	5.20	-	2,071	60	2	-		
2003	10,619	151	10,468	-	5.05	-	2,071	-	-	-		
2004	11,993	164	11,829	2,277	2.73	-	2,063	-	-	-		
2005	11,593	146	11,447	1,974	2.66	-	2,326	-	-	-		
2006	13,125	123	13,002	3,305	2.63	-	1,646	-	-	-		
2007	14,167	131	14,036	3,280	2.58	-	2,151	-	-	-		
2008	14,254	106	14,148	3,415	2.60	45	2,026	45	215	0.17		
2009	12,774	64	12,710	3,565	2.33	51	1,879	56	256	0.16		
2010	12,264	91	12,173	3,720	2.23	46	1,739	85	252	0.14		

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 debt can be found in the notes to the financial statements. Administrative costs 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	Population ¹	Personal Income ²	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	137,723	6,809,000,000	50,569	20,370	8.8%
2010	138,917	unavailable	unavailable	20,515	9.3%

Sources:

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

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

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

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

COUNTY OF NAPA

Principal Employers Current Fiscal Year and Ten Years Ago

<u>Employer</u>	2010		1999 ²	
	<u>Employees</u>	<u>Percentage of Total County Employment¹</u>	<u>Employees</u>	<u>Percentage of Total County Employment¹</u>
Napa State Hospital	2,388	1.90%	1,973	1.69%
Napa Valley Unified School District	1,773	1.41%	1,500	1.28%
Queen of the Valley Hospital	1,549	1.23%	1,206	1.03%
County of Napa	1,295	1.03%	1,200	1.03%
St. Helena Hospital	1,045	0.83%	960	0.82%
Veterans' Home of California	877	0.70%	950	0.81%
Trinchero Family Estates	695	0.55%	900	0.77%
Fosters Wine Estates	650	0.52%	740	0.63%
Silverado Resort	550	0.44%	650	0.56%
Comcast	500	0.40%	630	0.54%
Total	11,322	8.99%	10,709	9.15%

Notes:

¹ Percentage of Total County Employment = Population x (100% - unemployment rate)

² 1999 employee counts are reflected because employee counts are unavailable for 2001

Sources: Napa Valley Economic Development Corporation

Napa Chamber of Commerce

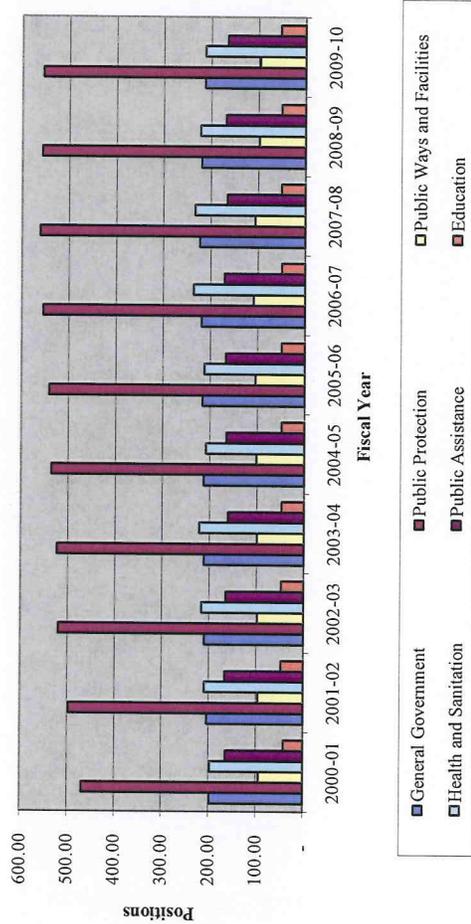
State of California Employment Development Department <http://www.labormarketinfo.edd.ca.gov/majorer/county/majorer.asp?CountyCode=000055>

COUNTY OF NAPA

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

Function/program	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
General Government	197.90	204.15	210.15	211.60	213.20	215.95	219.20	223.20	219.90	213.10
Public Protection	469.25	497.00	519.50	523.10	535.68	540.88	554.38	561.13	557.38	555.38
Public Ways and Facilities	94.10	96.10	98.00	99.00	101.00	104.00	109.00	106.00	98.00	96.80
Health and Sanitation	197.53	209.40	216.50	221.40	208.50	212.50	235.65	233.35	222.00	211.95
Public Assistance	164.35	166.25	165.25	161.25	165.25	167.25	170.25	165.25	168.75	165.25
Education	41.35	47.85	47.85	47.85	48.35	48.85	48.85	50.05	50.05	52.05
Total full-time equivalent employees	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	1,294.53

FTE By Function



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

COUNTY OF NAPA

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

Function	Fiscal Year				
	2005-06	2006-07	2007-08	2008-09	2009-10
Airport					
Annual Arrivals and Departures	118,354	126,712	126,444	109,121	87,412
Avigation Easements issued	13	10	2	5	3
Hangar leases	172	172	172	171	171
Culture and recreation					
Athletic field permits issued	n/a	n/a	n/a	n/a	n/a
Community center admissions	n/a	n/a	n/a	n/a	n/a
Education					
Library branches located in the county	4	4	4	4	4
Items checked out	728,390	741,130	813,824	910,000	988,549
Library cards issued	53,521	51,964	47,147	47,715	49,609
Number of computers provided for public use	58	58	58	58	71
Fire					
Number of calls answered	3,486	3,041	3,072	3,049	3,444
Inspections	1,100	1,100	3,252	2,563	2,272
Health & Human Services					
Public Guardian total clients (conservatees + additional referrals)	55	67	65	68	67
Veterans Service Officer number of benefit claims filed	40	231	319	455	616
Public Health					
Women, Infants, and Children (WIC) visits	25,194	26,257	26,543	26,567	25,898
Public Health home visiting program visits	3,180	3,552	3,752	3,816	4,238
Immunizations ¹	7,521	6,961	8,021	8,584	17,821
Mental Health					
Emergency Response clients	820	928	998	1,135	841
Adult Medication Clinic clients	659	649	540	509	469
Children's Medication Support clients	206	233	173	198	236
Total Mental Health clients served	2,173	2,504	2,120	2,653	2,411
Alcohol and Drug Services - Division Restructured 9/2007					
Adult Outpatient Treatment and Recovery Services Program clients	735	676	867	616	573
Prevention (school-based youth) groups	157	176	272	580	534
PC 1210 STOP (formerly Proposition 36) clients	412	167	120	217	154
Total Alcohol and Drug Services clients served	3,710	1,075	1,259	1,413	1,261
Social Services					
Adult Protective Services total clients served	627	320	314	364	389
CalWORKs average caseload	550	546	554	635	791
Child Welfare Services total child abuse referrals received	1,323	1,140	1,061	993	1,028
Child Welfare Services percent timely investigations:					
% Timely immediate investigations	94	99	100	99	100
% Timely ten day investigations	82	90	97	100	100
County Medical Services Program average number of continuing cases/eligibles	703	762	779	849	1,082
Food Stamps average caseload	1,190	1,203	1,305	1,710	2,009
Foster care average number of cases	149	133	110	109	124
In Home Supportive Services total clients served	696	668	722	841	838
Medi-Cal average number of eligibles	10,788	12,565	12,698	13,420	14,445
Workforce Investment Act total number enrolled	124	182	176	270	307

(Continued)

Notes:

¹ Immunizations in FY 2009-10 included H1N1 immunization campaign

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 Five Fiscal Years (continued)**

Function	Fiscal Year				
	2005-06	2006-07	2007-08	2008-09	2009-10
Highways and streets					
Street resurfacing (miles)	6	4	8	8	6
Potholes repaired	1,000	1,200	1214	1278	1470
Sheriff					
Physical arrests	1,903	2,004	1849	1,475	1,570
Parking violations	2,054	1,410	1450	1,447	1,478
Traffic violations	3,206	3,141	3600	2,809	2,585
Water					
New connections	21	5	2	0	0
Water mains breaks	4	5	2	0	0
Average daily consumption (thousands of gallons)	160	286	234	231	151
Wastewater					
Average daily sewage treatment (thousands of gallons)	131	109	118	95	57

Notes:

¹ Immunizations in FY 2009-10 included H1N1 immunization campaign

Indicators are not available for the general government function

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

Source: Various Napa County departments

COUNTY OF NAPA

Capital Asset Statistics by Function Last Five Fiscal Years

Function	Fiscal Year				
	2005-06	2006-07	2007-08	2008-09	2009-10
Public Safety					
Sheriff:					
Stations (Headquarters and 4 substations)	5	5	5	5	5
Patrol units	21	29	29	29	29
Fire stations:					
Stations	13	13	13	13	13
Fire Engines	28	31	30	31	31
Fire Trucks	2	2	2	2	2
Culture and recreation					
Parks acreage	1	1	61	61	61
Parks	1	1	2	2	2
Education					
Library branches	4	4	4	4	4
Library books and materials ²	198,602	198,527	205,063	204,460	200,260
Health & Sanitation					
Public Health					
10" Kaultronics Dish System (satellite dish)	1	1	1	1	1
Lab refrigerator	1	1	1	1	1
7x4' trailers	2	4	4	4	4
Cysco Analog Phone Gateway	1	1	1	1	1
Digital Logging Recorder	1	1	1	1	1
Mental Health					
Power Edge Servers	-	-	4	4	4
Substance Abuse					
Wolf range	1	1	1	1	1
Stero dishwasher	1	1	1	1	1
Victory freezer	1	1	1	1	1
Victory refrigerator	1	1	1	1	1
Health & Human Services Administration					
Cisco VG248 Analog Phone	2	2	2	2	2
Social Services (TEC)					
Micro Vax Micro Vax Server	1	1	1	1	1
Public Ways & Facilities					
Airport					
Runway miles	2.6	2.6	2.6	2.6	2.6
Taxiway miles	3.6	3.6	3.6	3.6	3.6
Highways and streets					
Streets (miles)	446	446	446	446	446
Street lights (approximate number) ¹	70	70	70	0	0
Traffic signals	32	32	32	32	32
Water					
Water mains (miles)	13	13	13	13	13
Fire hydrants	109	109	109	109	109
Maximum daily capacity (thousands of gallons)	536	536	536	536	536
Wastewater					
Sanitary sewers (miles)	14	14	14	14	14
Storm sewers (miles)	n/a	n/a	n/a	n/a	n/a
Maximum daily treatment capacity (thousands of gallons)	210	210	210	210	210

Notes:

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

² Restated to include all books and materials.

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