

County of Napa, California
Comprehensive Annual Financial Report
For the Fiscal Year Ended
June 30, 2008



PAMELA A. KINDIG
Auditor-Controller

COUNTY OF NAPA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2008

Table of Contents

	<u>Page</u>
INTRODUCTORY SECTION	
Letter of Transmittal.....	i
Elected and Appointed Public Officials	ix
FINANCIAL SECTION	
Independent Auditor’s Report	1
Management’s Discussion and Analysis	3
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Assets.....	15
Statement of Activities	16
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet.....	19
Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Assets – Governmental Activities.....	20
Statement of Revenues, Expenditures, and Changes in Fund Balances	21
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Government-Wide Statement of Activities – Governmental Activities	22
Proprietary Funds:	
Statement of Fund Net Assets.....	23
Statement of Revenues, Expenses, and Changes in Fund Net Assets.....	24
Statement of Cash Flows	25
Fiduciary Funds:	
Statement of Fiduciary Net Assets.....	27
Statement of Changes in Fiduciary Net Assets.....	28
Notes to the Basic Financial Statements.....	29
Required Supplementary Information:	
Schedule of Funding Progress County Employee’s Retirement Plan (Defined Benefit Pension Plan) and Other Post Employment Benefits Plan	69
Budgetary Comparison Schedules:	
General Fund	70
Napa County Flood Protection and Watershed Improvement Authority	78
Affordable Housing	79
Roads	80
Note to Required Supplementary Information:	
Budgetary Basis of Accounting.....	81

COUNTY OF NAPA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2008

Table of Contents

	<u>Page</u>
Supplementary Information:	
Combining and Individual Fund Statements and Schedules:	
Nonmajor Governmental Funds:	
Combining Balance Sheet.....	83
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	84
Nonmajor Special Revenue Funds:	
Description.....	85
Combining Balance Sheet.....	95
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	99
Combining Balance Sheet – Nonmajor Special Districts Under the Board of Supervisors	103
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Special Districts Under the Board of Supervisors	105
Budgetary Comparison Schedules:	
Fire Protection.....	107
Fire Protection Assessment.....	108
Wildlife Conservation Commission.....	109
Building and Code Enforcement.....	110
IHSS.....	111
Zone 1 – Garbage.....	112
Child Support Services	113
Library	114
Special Projects Fund.....	115
Districts Governed by the Board of Supervisors:	
County Service Area No. 3	116
County Service Area No. 4	117
Silverado Community Services.....	118
Monticello Public Cemetery	119
Monticello Endowment.....	120
Nonmajor Capital Projects Funds:	
Description.....	121
Combining Balance Sheet.....	122
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	124
Budgetary Comparison Schedules:	
Construction Fund.....	126
Criminal Justice Facility Construction Fund	127
Courthouse Fund.....	128
Accumulated Capital Outlay Fund.....	129
County Center Improvement Fund	130

COUNTY OF NAPA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2008

Table of Contents

	<u>Page</u>
Supplementary Information (continued):	
Combining and Individual Fund Statements and Schedules (continued):	
Nonmajor Debt Service Fund:	
Description.....	131
Budgetary Comparison Schedule.....	132
Internal Service Funds:	
Description.....	133
Combining Statement of Fund Net Assets.....	134
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets.....	136
Combining Statement of Cash Flows	138
Fiduciary Funds:	
Description.....	143
Combining Statement of Fiduciary Net Assets – Investment Trust Funds.....	144
Combining Statement of Changes in Fiduciary Net Assets – Investment Trust Funds	145
Combining Statement of Changes in Assets and Liabilities – Agency Funds	146

STATISTICAL SECTION

Government-wide Net Assets by Component – Last Seven Fiscal Years.....	148
Changes in Net Assets – Last Seven Fiscal Years.....	149
Governmental Activities Tax Revenues by Source – Last Ten Fiscal Years	151
Fund Balances, Governmental Funds – Last Ten Fiscal Years	152
Changes in Fund Balances, Governmental Funds – Last Ten Fiscal Years	153
Assessed Value and Estimated Actual Value of Taxable Property – Last Ten Fiscal Years	154
Direct and Overlapping Property Tax Rates – Last Ten Fiscal Years.....	155
Principal Property Tax Payers – Current Year and Nine Years Ago	156
Property Tax Levies and Collections – Last Ten Fiscal Years.....	157
Direct and Overlapping Sales Tax Rates – Last Ten Fiscal Years	158
Ratios of Total Debt Outstanding by Type – Last Ten Fiscal Years.....	159
Ratios of General Bonded Debt Outstanding – Last Ten Fiscal Years	160
Direct and Overlapping Debt.....	161
Legal Debt Margin Information	162
Pledged Revenue Bond Coverage – Last Ten Fiscal Years	163
Demographic and Economic Statistics – Last Ten Fiscal Years	164
Principal Employers – Current Year and Nine Years Ago.....	165
Full-time Equivalent County Government Employees by Function – Last Ten Fiscal Years.....	166
Operating Indicators by Function – Last Three Fiscal Years	167
Capital Asset Statistics by Function – Last Three Fiscal Years	169





Introductory Section

Board of Supervisors
December 22, 2008



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

County Executive Office

Nancy Watt
County Executive Officer

Auditor-Controller

Pamela A. Kindig
Auditor-Controller

December 22, 2008

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, 2008.

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.

Bartig, Basler & Ray, LLP, Certified Public Accountants, a GALLINA LLP Company, have issued an unqualified ("clean") opinion on the County of Napa's financial statements for the year ended June 30, 2008. The independent auditor's report is located at the front of the financial section of this report.

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

Profile of the Government

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

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

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

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

Local economy

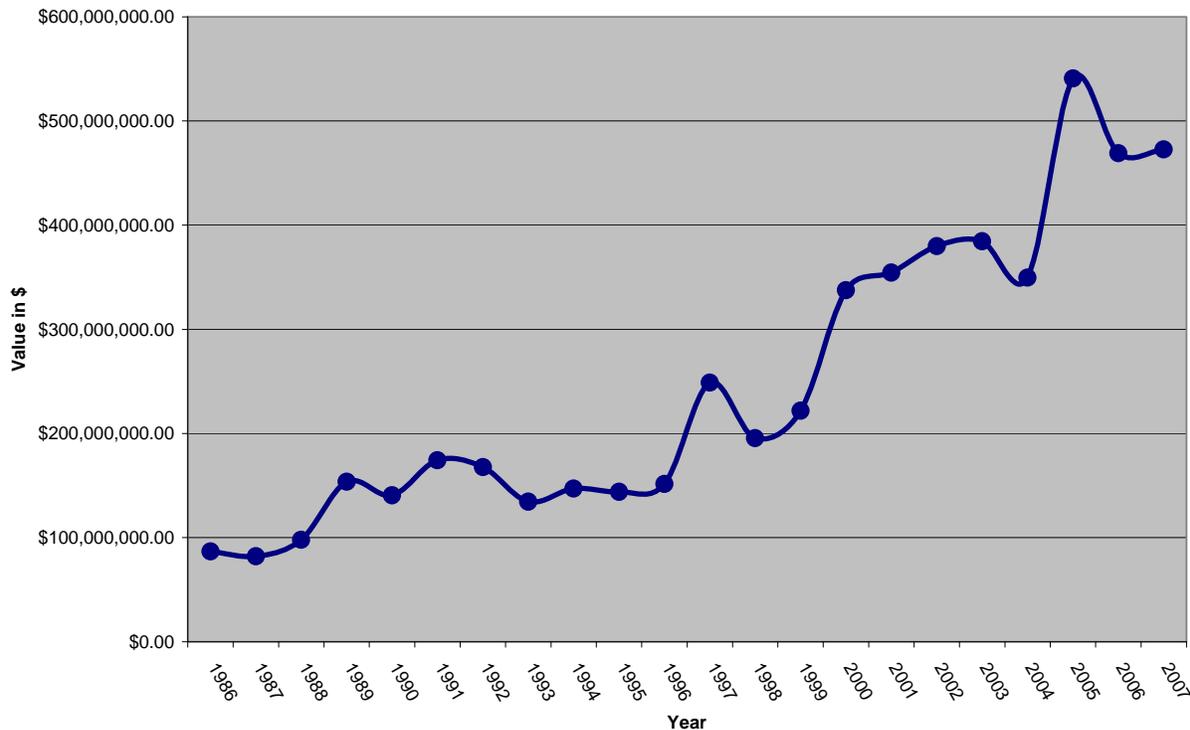
In the heart of the wine country, the County of Napa includes one of California's most beautiful valleys. The temperate year round climate provides ideal weather for the growth of world-class wine grapes. The valley's unique microclimates also allow residents and visitors the opportunity to take full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

The population of 136,704 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.

According to the Napa County Agricultural Commissioner's Annual Crop Report for 2007, wine grapes represent 97.5% of the value of all agricultural production in the County. Without factoring inflation, the annual value of wine grape production has risen 382.5% in the twenty years between 1988 and 2007, with almost \$5.3 billion in total wine grape production during this same time period. 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 most recent study prepared by Stonebridge Research Group LLC for the Napa Valley Vintners shows a \$10.9 billion impact to the Napa County economy from the local wine industry. In addition, the Napa Valley's wine and vineyard sector directly, and indirectly through services and products, provides nearly 40,000 jobs in the County and generates nearly \$4.4 billion in taxes, across state, local and federal levels.

Change in Winegrape Value 1986 to 2007



Major industries located within the County's boundaries, or in close proximity, include grape growers and wine producers and manufacturers of wine industry related products. The State of California also has a significant economic presence due to a major mental health facility that provides employment to more than 2,300 healthcare professionals and staff. Public instruction in the County is provided by two elementary school districts and three unified school districts. Higher education is available in the County via the Napa Valley College and the Pacific Union College. The transportation network includes publicly operated systems as well as private enterprise systems within the county and the cities. A privately-owned airporter service operates from St. Helena, Napa and Vallejo to San Francisco International Airport and Oakland International airport. There is also a County-owned and operated airport that serves privately-owned aircraft and provides facilities for a large pilot training program for Japan Airlines.

Napa County's unemployment rate has consistently been well below the State average, although it does follow the State trend generally. As of June 30, 2008, according to the California Employment Development Department data, during the past ten years, the unemployment rate in Napa County increased from 3.0 percent (1999) to the decade high of 4.9 percent (2008), following recent state and national trends. The current unemployment rate is on the rise and stands at 5.2 percent for September 2008.

Long-term financial planning

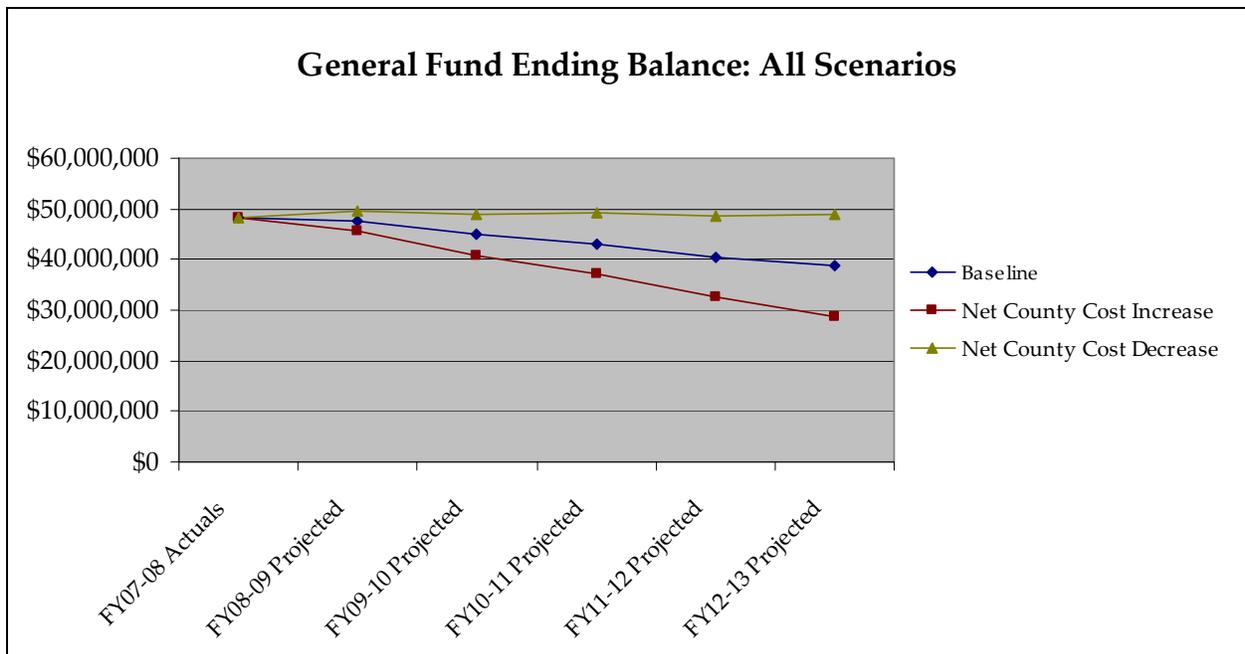
Napa County has a history of prudent fiscal and debt management. The recent history of the General Fund shows sizable reserves, including designations. In 2006-2007 the General Fund reserve/designations was 20.7 percent of total General Fund expenditures and in 2007-2008 reserves/designations were 17.0 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 2008, the County prepared a formal General Fund Five-Year Revenue/Expenditure Forecast for consideration by the Board of Supervisors (see following graph). The Five Year Forecast projected the General Fund ending balance under three different scenarios: A baseline scenario that essentially assumed a continuation of the status quo in terms of state laws, funding levels and general economic conditions; a Revenue Reduction/Expenditure Increase Scenario that assumed a \$2 million increase in Net County Cost starting Fiscal Year 2008-2009; and a Revenue Increase/Expenditure Decrease Scenario, that assumed a \$2 million decrease in Net County Cost starting in Fiscal Year 2008-2009.

The Baseline Scenario projected a Fiscal Year 2012-2013 General Fund ending balance of approximately \$38.8 million, a decrease of approximately \$11.1 million from the Fiscal Year 2007-2008 ending balance. The Revenue Reduction/Expenditure Increase Scenario resulted in an estimated Fiscal Year 2012-2013 ending balance of approximately \$28.8 million. The Revenue Increase/Expenditure Decrease Scenarios resulted in a Fiscal Year 2012-2013 fund balance projection of approximately \$48.8 million.

A projected Fiscal Year 2012-2013 ending fund balance that ranges from \$28.8 million to \$48.8 million illustrates the sensitivity of such projections to the assumptions used in making them. At this point, staff is able to conclude that absent a significant change in economic conditions, policies, or programs: (1) the County's General Fund budget will likely not be in structural balance over the next five years, due primarily to deteriorating economic conditions; and (2) given the relatively robust nature of the General Fund's fund balance, even under the worse case scenario the County would likely have time to come up with a plan to address any structural imbalance before significant expenditure reductions are required. To insure that the General Fund remains in long-term structural balance, the County Board of Supervisors has approved a Fiscal Contingency Plan to guide the County's near-term response to fiscal

difficulties, and directed staff to proceed with the development of a Strategic Financial Plan, which will set the course for long-term fiscal stability.



The County is currently in the process of developing a Strategic Space Management Plan, and a long-term Capital Improvement Plan (CIP). The Board of Supervisors recently approved the key components of an Adult Correctional System Master Plan which, among other things, calls for implementing evidence-based practices designed to reduce offender recidivism and for increasing the number of jail beds by approximately 32% by 2025. Recognizing that, over the next 20 years, the County will likely face the need to renovate and construct new office space and other facilities, as part of the Fiscal Year 2006-2007 budget the Board of Supervisors established an Accumulated Capital Outlay (ACO) Fund that will be used to set aside available resources now to fund future capital needs. In Fiscal Year 2006-2007 the County transferred \$9.9 million from the General Fund to the ACO Fund, consistent with a Board Budget Policy that called for placing any remaining discretionary resources (after all current year operating, capital, reserve and contingency requirements were met) in capital reserves. In Fiscal Year 2007-2008, the County transferred an additional \$6.2 million from the General Fund to the ACO Fund. Finally, in Fiscal Year 2006-2007, the Board of Supervisors made the decision to fully fund the County's \$34 million Other Post Employment Benefits (OPEB) unfunded liability on a 14 year amortization schedule. Funding for this purpose was included in the Fiscal Year 2007-2008 and Fiscal Year 2008-2009 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 3 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 5 percent of General Fund appropriations. In the past, the Reserve goal had been set at 3 percent. Reserves are typically used for two purposes: to provide funds that can be used in future years to balance the budget (reserves cannot be spent in the current fiscal year) and to aid in cash flow, so that short-term borrowing against anticipated revenues is not needed.

Major initiatives

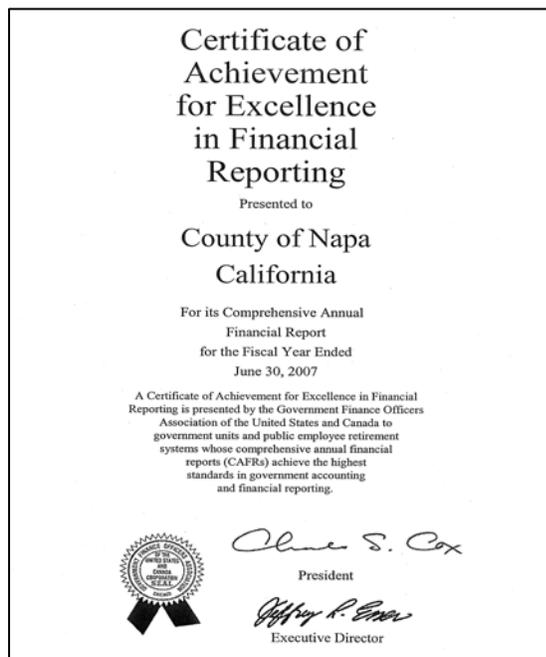
In 1998, the voters of Napa County approved a half-cent sales tax to fund the local share of a countywide flood management plan. Construction of the portion of the Napa River/Napa Creek Flood protection Project (Project) in the City of Napa has been underway for nine years with many accomplishments thus 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 Project at \$369.4 million with the Federal government responsible for 50 percent to 75 percent of the total costs and the local sponsor responsible for 25 percent 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 dollars, and involved updating all sections of the County's General Plan except for the Housing Element, which will be updated separately in 2008-2009. The General Plan, which had not been comprehensively updated since 1983, is a requirement of State law. In California, every General Plan is required to have seven mandated elements: Land Use, Circulation, Housing, Conservation, Open Space, Noise and Safety. Napa County's updated plan includes an Economic Development element in addition to the required elements, and addresses several additional topics such as agricultural preservation, recreation and community character. The updated General Plan is expected to guide land use decision making in the County for years to come.

Awards and acknowledgements

Napa County's Auditor-Controller's Department received its eighth 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 eighth in the nation for counties with a population of 150,000 or less. In addition, the County's Information Technology Department was an award winner for Operational Effectiveness given by the California County Information Services Directors Association. This award recognizes the department for enhanced internal operational effectiveness for its improved service level using dashboard technology.



Certificate of Achievement: The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the County for its comprehensive annual financial report for the fiscal year ended June 30, 2007. This was the third year that the County has achieved this prestigious award. In order to be awarded a Certificate of Achievement, the government had to 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

Board of Supervisors
December 22, 2008

comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

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

Respectfully submitted,

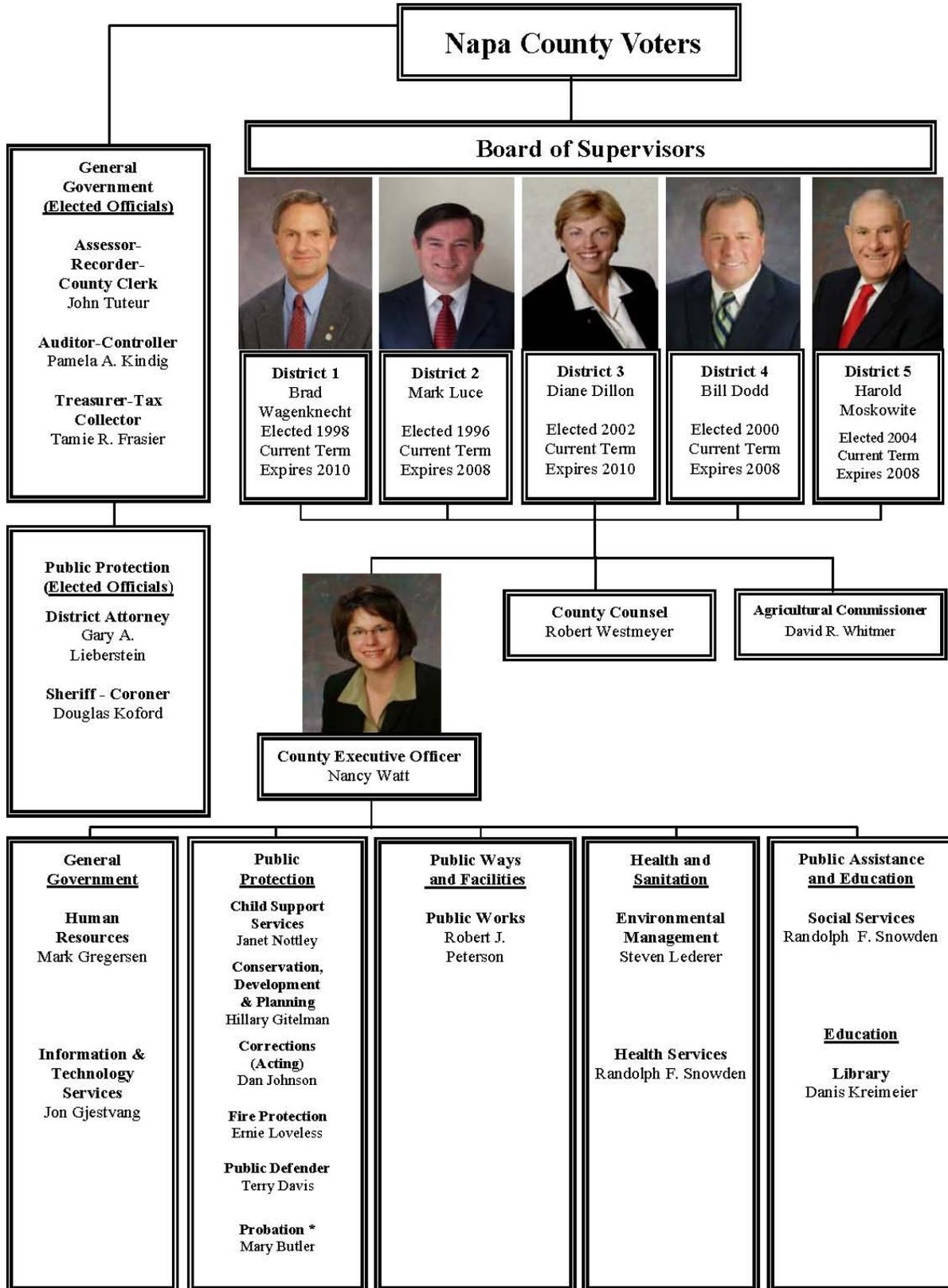


Pamela A. Kindig
Auditor-Controller



Nancy Watt
County Executive Officer

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



* Appointed by the Napa County Superior Court

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

ELECTED OFFICIALS

June 30, 2008

Supervisor, District 1	Brad Wagenknecht
Supervisor, District 2	Mark Luce
Supervisor, District 3	Diane Dillon
Supervisor, District 4	Bill Dodd
Supervisor, District 5	Harold Moskowitz
Assessor-Recorder-County Clerk	John Tuteur
Auditor-Controller	Pamela A. Kindig
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
Acting Corrections Director	Dan Johnson
County Counsel	Robert Westmeyer
County Executive Officer	Nancy Watt
Environmental Management Director	Steve Lederer
Fire Protection	Ernie Loveless
Health & Human Services Director	Randolph F. Snowden
Human Resources Director	Mark Gregersen
Information Technology Systems Director	Jon Gjestvang
Library Director	Danis Kreimeier
Chief Probation Officer	Mary Butler
Public Defender	Terry Davis
Public Works Director	Robert J. Peterson



Financial Section



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, 2008, 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, 2008, 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 22, 2008, 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.

BARTIG, BASLER & RAY, LLP
A Gallina LLP Company

A handwritten signature in black ink that reads "Bartig Basler & Ray, LLP". The signature is written in a cursive, flowing style.

Roseville, California
December 22, 2008

MANAGEMENT'S DISCUSSION AND ANALYSIS



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, 2008. 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 2007-2008 fiscal year by \$302,927,582 (*net assets*). Of this amount, \$115,492,760 (*unrestricted net assets*) may be used to meet ongoing obligations to citizens and creditors, \$42,356,290 is restricted for debt service, capital projects, grants and other purposes, and \$145,078,532 is invested in capital assets, net of related debt.
- As of June 30, 2008, the County governmental funds reported combined fund balances of \$185,575,614. Approximately 85.2% of the combined fund balances, \$158,190,598, is available to meet the County's current and future needs (*unreserved fund balance*).
- At the end of the fiscal year, unreserved fund balance for the general fund was \$40,308,898, or 22.6%, of total general fund expenditures. All of the remaining unreserved fund balance will be budgeted in the subsequent fiscal year.
- The County's total long-term debt increased by \$663,262 in comparison with the prior year. The increase was due to a combination of issuance of new debt in the amount of \$4.8 million offset by making scheduled debt payments for prior debt.

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, Napa Berryessa Resort Improvement District, Lake Berryessa Resort Improvement District, and Napa County Housing Authority.

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

The government-wide financial statements can be found on pages 15-17 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 88 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. Individual fund data for each of 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 19-22 of this report.

Proprietary funds are maintained two ways. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The County uses enterprise funds to account for the Napa County Airport, Lake Berryessa Resort Improvement District, Napa County Housing Authority and Napa Berryessa Resort Improvement District 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, employee benefits, personal injury and property damage. 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 Napa County Housing Authority are considered to be major funds of the County. Since there is only one non-major enterprise fund, the County opted to present Napa Berryessa Resort Improvement District with the major funds. The County's six 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 23-26 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 27-28 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 29-68 of this report.

Required Supplementary Information is presented concerning the County General Fund budgetary schedule. The County adopts an annual appropriated budget for its General Fund. A budgetary comparison schedule has been provided for the General Fund to demonstrate compliance with this budget.

The required supplementary information can be found on pages 69-81 of this report.

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

The required combining and individual fund statements and schedules can be found on pages 83-141 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 \$302,927,582 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		Total	
	Activities		Activities		Total		Dollar	Percent
	2008	2007	2008	2007	2008	2007	Change	Change
Current and other assets	\$ 232,152	\$ 215,776	\$ 6,885	\$ 2,942	\$ 239,037	\$ 218,718	\$ 20,319	9.3%
Capital assets	156,191	150,087	29,795	19,352	185,986	169,439	16,547	9.8%
Total assets	388,343	365,863	36,680	22,294	425,023	388,157	36,866	9.5%
Current and other liabilities	16,424	9,238	1,568	1,544	17,992	10,782	7,210	66.9%
Long-term liabilities	98,993	103,026	5,110	413	104,103	103,439	664	0.6%
Total liabilities	115,417	112,264	6,678	1,957	122,095	114,221	7,874	6.9%
Net assets:								
Invested in capital assets, net of related debt	116,608	61,332	28,470	18,962	145,078	80,294	64,784	80.7%
Restricted net assets	41,875	64,749	481	0	42,356	64,749	-22,393	-34.6%
Unrestricted net assets	114,442	127,518	1,051	1,375	115,493	128,893	-13,400	-10.4%
Total net assets	\$ 272,925	\$ 253,599	\$ 30,002	\$ 20,337	\$ 302,927	\$ 273,936	\$ 28,991	10.6%

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

- The County's total assets as of June 30, 2008, amount to \$425.0 million, an increase of \$36.8 million (or 9.5%) from the prior year. The majority of the increase in total assets is attributable to an increase in cash and investments, property taxes, due from other government agencies and capital assets.
- The County's total liabilities as of June 30, 2008, are \$122.1 million, an increase of \$7.9 million (or 6.9%) from the prior year. This increase is mainly due to increased accrued payables because goods and services were not received as of June 30, 2008. Due to the impact of the State budget not being passed, major revenues were deferred because these revenues were not collected within 120 days of the end of the current fiscal period.

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

- The largest portion of the County's net assets (47.9%) reflects its investment of \$145.1 million in capital assets (e.g. land and easements, structures and improvements, infrastructure, and equipment), less any related debt used to acquire those assets that are still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.
- Another significant portion of the County's net assets (38.1%) represents *unrestricted net assets* of \$115.5 million, which may be used to meet the County's ongoing obligations to citizens and creditors.

- The remaining portion of the County's net assets (14.0%) represents restricted net assets of \$42.4 million.

The County's net assets have increased by \$29.0 million during the current fiscal year and this is attributable to an increase in cash and investments and capital asset additions. Assets include a County owned parking structure which is near completion, the transfer of farm workers' housing properties from the Napa Valley Housing Authority under the City of Napa and the restatement to include donated assets of the Calistoga Fairgrounds. This growth also reflects the net effect of increases in total revenues and decreases in total expenses. The County's total revenues as of June 30, 2008, amount to \$258.8 million, an increase of \$15.4 million (or 6.3%) from the prior year. The majority of the increase in total revenues was due to increases in property taxes, capital grants and contributions, capital contribution of the farm workers' housing from the City of Napa and Calistoga Fairground, and various other general revenues. The County's total expenses as of June 30, 2008, amount to \$230.8 million, an increase of \$12.5 million (or 5.7%) from the prior year. The majority of the increase in total expenses was due to the first year payment of the Annual Required Contribution for the Other Post Employment Benefit plan (Other than Pensions) pursuant to Governmental Accounting Standards Board Statement No. 45, and a general cost increase in salaries and related employee benefits.

Governmental activities. Governmental activities increased the County's net assets by \$18.3 million, thereby accounting for 65.4% of the total growth in the net assets of the County.

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

	Governmental		Business-type		Total		Total	
	Activities		Activities		Total		Dollar	Percent
	2008	2007	2008	2007	2008	2007	Change	Change
Revenues:								
Program revenues:								
Fees, fines and charges for services	\$ 34,312	\$ 40,387	\$ 3,329	\$ 2,578	\$ 37,641	\$ 42,965	\$ -5,324	-12.4%
Operating grants and contributions	77,170	78,904	210	84	77,380	78,988	-1,608	-2.0%
Capital grants and contributions	4,499	1,017	10,618	3,241	15,117	4,258	10,859	255.0%
General revenues:								
Property taxes	75,713	69,224	111	96	75,824	69,320	6,504	9.4%
Sales and use taxes	31,188	30,598	0	0	31,188	30,598	590	1.9%
Other taxes	10,810	9,654	0	0	10,810	9,654	1,156	12.0%
Unrestricted interest and investment earnings	8,414	6,969	303	116	8,717	7,085	1,632	23.0%
Miscellaneous	1,999	337	87	122	2,086	459	1,627	354.5%
Total revenues	<u>244,105</u>	<u>237,090</u>	<u>14,658</u>	<u>6,237</u>	<u>258,763</u>	<u>243,327</u>	<u>15,436</u>	<u>6.3%</u>
Expenses:								
General government	36,966	30,344	0	0	36,966	30,344	6,622	21.8%
Public protection	85,292	82,811	0	0	85,292	82,811	2,481	3.0%
Public ways and facilities	23,234	27,263	0	0	23,234	27,263	-4,029	-14.8%
Health and sanitation	38,670	35,942	0	0	38,670	35,942	2,728	7.6%
Public assistance	30,468	28,527	0	0	30,468	28,527	1,941	6.8%
Education	6,026	5,717	0	0	6,026	5,717	309	5.4%
Recreation and cultural studies	877	206	0	0	877	206	671	325.7%
Interest on long-term debt	3,624	3,800	0	0	3,624	3,800	-176	-4.6%
Administration and issuance costs	6	15	0	0	6	15	-9	-60.0%
Airport	0	0	2,528	2,152	2,528	2,152	376	17.5%
Lake Berryessa Resort Improvement	0	0	845	643	845	643	202	n/a
Napa County Housing Authority	0	0	1,033	243	1,033	243	790	n/a
Napa Berryessa Public Improvement	0	0	1,238	657	1,238	657	581	n/a
Total expenses	<u>225,163</u>	<u>214,625</u>	<u>5,644</u>	<u>3,695</u>	<u>230,807</u>	<u>218,320</u>	<u>12,487</u>	<u>5.7%</u>
Excess (deficiency) before transfers	18,942	22,465	9,014	2,542	27,956	25,007	2,949	11.8%
Transfers	-651	-132	651	132	0	0	0	0.0%
Change in net assets	18,291	22,333	9,665	2,674	27,956	25,007	2,949	11.8%
Net assets - Beginning *	254,634	231,266	20,337	17,663	274,971	248,929	26,042	10.5%
Net assets - Ending	<u>\$ 272,925</u>	<u>\$ 253,599</u>	<u>\$ 30,002</u>	<u>\$ 20,337</u>	<u>\$ 302,927</u>	<u>\$ 273,936</u>	<u>\$ 28,991</u>	<u>10.6%</u>

* July 1, 2007 - Restated

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

- Fees, fines and charges for services decreased by \$6.1 million (or -15.0%) from the prior year. This decrease was due to reclassifying revenues as deferred revenue because these revenues were not collected within 120 days of the end of the fiscal period and therefore they were not available.
- Property taxes increased by \$6.5 million (or 9.4%) due to home sales.
- Miscellaneous revenues increased by \$1.7 million (or 493.2%). This increase was primarily due to excess claim reimbursements from California State Association of Counties (CSAC) Excess Insurance Authority and an insurance settlement received covering part of the costs related to the 2005-2006 flooding event.

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

- General Government expenses increased by \$6.6 million (or 21.8%) from the prior year. This increase was due to the first year payment of the Annual Required Contribution for the Other Post Employment Benefit plan (Other than Pensions) pursuant to Governmental Accounting Standards Board Statement No. 45, and a general cost increase in salaries and related employee benefits.
- Public protection expenses increased by \$2.5 million (or 3.0%) from the prior year. The majority of this increase was due to an increase in the cost of salaries and benefits.
- Public ways and facilities expenses decreased by \$4.0 million (or -14.8%) from the prior year. The majority of this decrease was due to decreased flood project costs during the year compared to prior year.

Business-type activities. Business-type activities increased the County's net assets by \$9.7 million, thereby accounting for 34.6% of the total growth in the net assets of the County. This increase is mainly due to the transfer of ownership of farm workers' housing properties from the Napa Valley Housing Authority under the City of Napa to the Napa County Housing Authority. The County assumed operation of the Farm Workers' Housing program as of July 1, 2007.

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, 2008 the County's governmental funds reported combined fund balances of \$185,575,614, an increase of \$5,051,547 in comparison with last year. Approximately 85.2% of this total amount or \$158,190,598 constitutes *unreserved fund balance*, which is available to meet the County's current and future needs. The remainder of fund balance, \$27,385,016, is *reserved* to indicate that it is not available for new spending because it has been committed (1) to liquidate contractual commitments (\$1,100,449), (2) to reflect general reserves (\$11,900,000), (3) imprest cash reserve (\$150,814), and (4) loans receivable and advances due from other funds that are long term in nature and thus do not represent available spendable resources (\$14,233,753).

The general fund is the chief operating fund of the County. At June 30, 2008, unreserved fund balance of the general fund was \$40,308,898 while total fund balance reached \$49,971,307. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 22.6% of the total fund expenditures, while total fund balance represents 28.1% of that same amount. Total fund balance of the County's General Fund decreased by \$25,155,989 from the prior year. A major reason for this decrease is the transfer of approximately \$20 million from General Fund to Special Revenue funds, most of which is to account for the governmental trust funds. The other reason is that deferred revenue increased by approximately \$4 million and is unavailable.

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 for the next 20 years. At June 30, 2008, total fund balance of the flood authority was \$44,648,767 all of which was unreserved and designated. As a measure of the flood authority’s liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Total fund balance represents 452.2% of the total fund expenditures. Total fund balance of the flood authority increased by \$6,266,322 from the prior year due to increased sales tax revenue and decreased project costs during the year.

The Affordable Housing Fund is used to provide funds for the development of affordable housing units in appropriate locations within the County. At June 30, 2008, unreserved fund balance of the affordable housing fund was \$9,235,448 while total fund balance reached \$22,164,101. Total fund balance of the affordable housing fund increased by \$2,282,326 from the prior year due to housing mitigation and impact fees collected but not yet spent.

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 road system in the unincorporated area. At June 30, 2008, total fund balance of the Roads fund was \$2,256,961 all of which is unreserved. Total fund balance of the Roads fund increased by \$59,067 from the prior year in part due to decreased expenditures.

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

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

Revenues by Source	FY 2008		FY 2007		Increase/(Decrease)	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of change
Taxes	\$ 117,712	49.4%	\$ 109,475	46.0%	\$ 8,237	7.5%
Licenses and permits	5,023	2.1%	5,286	2.2%	-263	-5.0%
Fines, forfeitures and penalties	1,946	0.8%	2,617	1.1%	-671	-25.6%
Revenue from use of money and property	7,657	3.1%	6,278	2.5%	1,379	22.0%
Aid from other governments	74,639	31.3%	80,589	33.8%	-5,950	-7.4%
Charges for services	26,089	11.0%	32,460	13.6%	-6,371	-19.6%
Contributions and donations	3,797	1.6%	250	0.1%	3,547	1418.8%
Other revenue	1,713	0.7%	1,249	0.5%	464	37.1%
Total	<u>\$ 238,576</u>	<u>100.0%</u>	<u>\$ 238,204</u>	<u>100.0%</u>	<u>\$ 372</u>	<u>0.2%</u>

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

- Taxes increased by \$8.2 million (or 7.5%) from the prior year. This increase is mainly 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. There was also an increase in sales and use tax and in collection of transient lodging tax.
- Aid from Other Governments decreased by \$6.0 million (or -7.4%) from the prior year. Due to the impact of the State budget not being passed, major revenues were deferred.
- Charges for services decreased by \$6.4 million (or -19.6%) from the prior year. Due to the impact of the State budget not being passed, major charges for services to the State were deferred.
- Other revenue increased by \$0.5 million (or 37.1%) from the prior year. This increase is primarily due to insurance settlements.

Figure 1 - Two year comparison of Governmental Fund Revenues

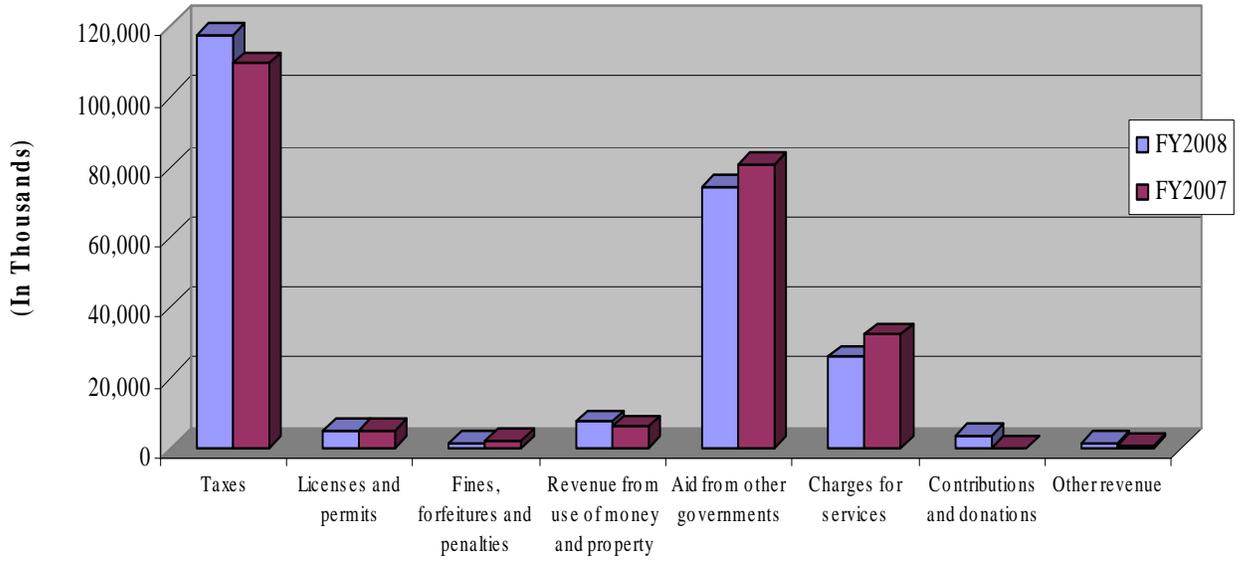


Figure 2 - Revenues Classified by Source - Governmental Funds

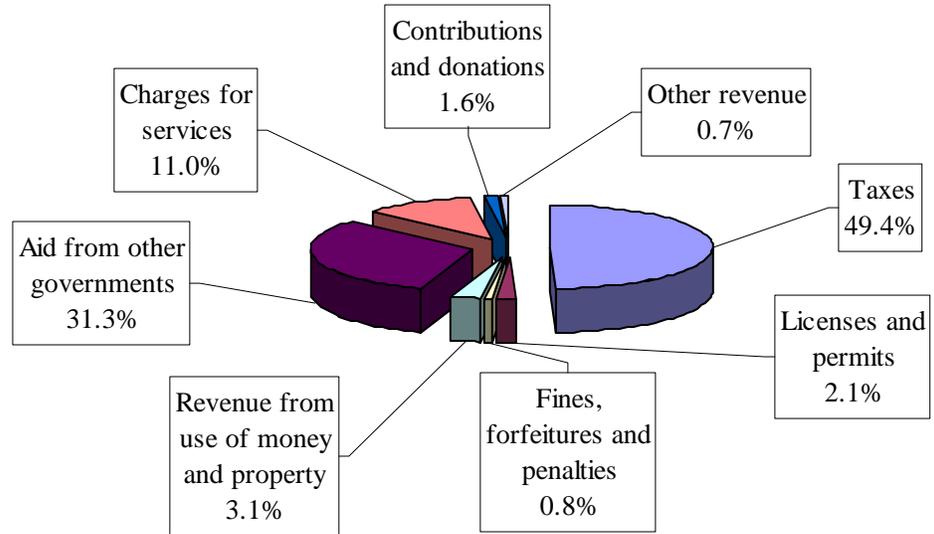


Table 4 provides a comparison of expenditures by function for governmental funds for the current and prior years. Further detail is depicted in Figure 3.

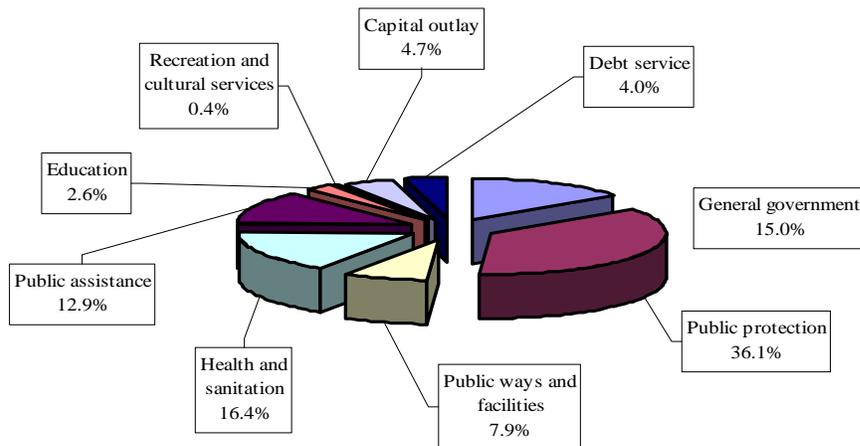
Table 4 - Expenditures by Function - Governmental Funds (in thousands)

Expenditures by Function	FY 2008		FY 2007		Increase/(Decrease)	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of change
General government	\$ 34,968	15.0%	\$ 30,797	13.9%	\$ 4,171	13.5%
Public protection	84,436	36.1%	83,403	37.7%	1,033	1.2%
Public ways and facilities	18,394	7.9%	22,037	10.0%	-3,643	-16.5%
Health and sanitation	38,411	16.4%	35,863	16.2%	2,548	7.1%
Public assistance	30,159	12.9%	28,478	12.9%	1,681	5.9%
Education	5,963	2.6%	5,611	2.5%	352	6.3%
Recreation and cultural services	877	0.4%	207	0.1%	670	323.7%
Capital outlay	11,046	4.7%	5,518	2.5%	5,528	100.2%
Debt service-principal retirement	5,790	2.5%	5,627	2.5%	163	2.9%
Debt-interest charges	3,622	1.5%	3,796	1.7%	-174	-4.6%
Debt-administration, issuance and arbitrage fees	27	0.0%	15	0.0%	12	80.0%
Total	\$ 233,693	100.0%	\$ 221,352	100.0%	\$ 12,341	5.6%

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

- General government expenditures increased by \$4.2 million (or 13.5%) from the prior year. This increase was due to increase in salaries, retirement benefits and general operating expenses.
- Public ways and facilities expenditures decreased by \$3.6 million (or -16.5%) from the prior year. This decrease was mainly due to a reduction of construction projects undertaken in the current year compared to prior year.
- Health and sanitation increased by \$2.6 million (or 7.1%) from the prior year. This increase was mainly due to an increase in professional support services.
- Recreation and cultural services increased by \$0.7 million (or 323.7%) from the prior year. This increase was due to contributions and grants made to numerous agencies, e.g. the Napa County Regional Parks and Open Space District, the Napa County Historical Society, Napa Valley Conference and Visitors Bureau, Arts Council of the Napa Valley and Napa Valley Mustard Festival.
- Capital outlay increased by \$5.5 million (100.2%) from the prior year. This increase was due to the construction of the County parking structure.

Figure 3 - Expenditures by Function - Governmental Funds



Differences between the General Fund's original budget and the final amended budget resulted in a \$6,609,912 increase in appropriations and significant changes are summarized as follows:

- Purchase Order encumbrances amounted to \$1.1 million. Major items include consulting and other contractual services, and capital purchases.
- Transfers-out for general operations amounted to \$0.8 million.
- Other budget adjustments amounted to \$4.0 million. Major items include capital improvement projects, purchase of finger printing equipment, and increased contractual services in public and mental health programs.
- The General Fund Budgetary Schedule on pages 70-77 included actual transfer out expenditures to create special revenue funds that were previously grouped with the General Fund during the County's implementation of GASB 34. This transition occurred in fiscal year 2007-2008 and the County will begin budgeting for these new funds during fiscal year 2008-2009.

Table 5 provides a comparison of the County's other financing sources/(uses) for the current and prior years.

Table 5 - County's Other Financing Sources/ (Uses) - Governmental Funds (in thousands)

Other Financing Sources (Uses)	Amount		Total	
	2008	2007	Dollar	Percent
			Change	Change
Proceeds from issuance of new debt	\$ 0	\$ 1,000	\$ -1,000	-100.0%
Transfers in	38,588	21,851	16,737	76.6%
Transfers out	-38,419	-21,329	-17,090	80.1%
Net financing sources (uses)	\$ 169	\$ 1,522	\$ -1,353	-88.9%

Table 6 details the changes in fund balance for each governmental fund as of June 30, 2008.

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

	Major Funds				Non-Major Funds			Total
	General Fund	Flood Authority	Affordable Housing	Roads	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	
Revenues	\$ 174,321	\$ 16,139	\$ 2,392	\$ 6,802	\$ 34,202	\$ 4,655	\$ 65	\$ 238,576
Expenditures	177,980	9,873	78	7,466	23,312	11,050	3,934	233,693
Other financing sources (uses), net	-21,497	0	-32	723	13,279	5,922	1,773	168
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	-25,156	6,266	2,282	59	24,169	-473	-2,096	5,051
Fund balances - Beginning of Year	75,127	38,383	19,882	2,198	18,216	21,767	4,951	180,524
Fund balances - End of Year	\$ 49,971	\$ 44,649	\$ 22,164	\$ 2,257	\$ 42,385	\$ 21,294	\$ 2,855	\$ 185,575

- The fund balance of the County's General Fund decreased by \$25.2 million during the fiscal year. A major reason for this decrease is the transfer of approximately \$20 million from General Fund to Special Revenue funds, most of which is to account for the governmental trust funds. In addition, approximately \$4 million of revenue anticipated for fiscal year 2007-2008 was deemed unavailable and recorded as deferred revenue.
- The fund balance of the Flood Authority increased by \$6.3 million during the fiscal year. This increase was due to higher sales tax revenue and interest earnings and a reduction of spending on the flood projects from the prior year.
- The fund balance of the Affordable Housing Fund increased by \$2.3 million during the fiscal year. This increase was due to housing mitigation and impact fees collected but not yet spent.
- The fund balance of the Roads Fund increased by \$0.6 million during the fiscal year. This increase was due mainly to a reduction of spending from the prior year.

- The fund balance of the Special Revenue Fund increased \$24.2 million during the fiscal year. The major reason for this increase was mainly due to the transfer of \$20 million from the General Fund to account for the governmental trust funds.
- The fund balance of the Capital Projects Fund decreased \$0.5 million during the fiscal year. This decrease was due to transfers to the Special Projects fund.
- The fund balance of the Debt Service Fund decreased \$2.1 million during the fiscal year. This decrease was due to resources made available in the fiscal year 2006-2007 for a portion of the current year's debt service payments.

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 7 details the changes in fund balances for each proprietary fund as of June 30, 2008.

The Napa County Airport is used to fund general Airport operations and the maintenance of Airport facilities. At June 30, 2008, unrestricted net assets of the Airport are \$1,548,600 while total net assets reached \$19,671,056. As a measure of the Airport's liquidity, it may be useful to compare both unrestricted net assets and total net assets to total operating expenditures. Unrestricted net assets represent 61.8% of the total operating expenditures, while total net assets represent 784.5% of that same amount. Total net assets of the airport increased by \$1,244,332 and most of it is due from federal and state agencies as capital contribution for capital improvement projects at the airport.

Lake Berryessa Resort Improvement District is used to provide water and waste water services within district boundaries. At June 30, 2008, unrestricted net assets of the District are (\$329,481) while total net assets reached \$1,422,510. Unrestricted net assets is negative due to a requirement of \$480,549 restriction for debt service. As a measure of the District's liquidity, it may be useful to compare total net assets to total operating expenditures. Total net assets represent 214.7% of the total operating expenditures. Total net assets of the district increased by \$174,308 and it is due to interest earned on cash and investment.

Napa County Housing Authority is used to provide safe and sanitary dwelling conditions for low income people in Napa County. At June 30, 2008, unrestricted net assets of the Authority are \$260,000 while total net assets reached \$8,783,807. As a measure of the Authority's liquidity, it may be useful to compare both unrestricted net assets and total net assets to total operating expenditures. Unrestricted net assets represent 25.2% of the total operating expenditures, while total net assets represent 852.5% of that same amount. Total net assets of the Authority increased by \$8,785,492 and this increase is attributed to capital contributions of three farmworker centers from the Napa Valley Housing Authority under the City of Napa.

Table 7 - Changes in Fund Balances - Proprietary Funds (in thousands)

	Major Funds				Total
	Napa County Airport	Lake Berryessa Resort Improvement	Napa County Housing Authority	Napa Berryessa Resort Improvement	
Operating revenues	\$ 1,848	\$ 447	\$ 481	\$ 627	\$ 3,403
Operating expenses	2,507	663	1,030	1,233	5,433
Operating income (loss)	-659	-216	-549	-606	-2,030
Non-operating revenues (expenses)	191	45	123	67	426
Net income (loss) before	-468	-171	-426	-539	-1,604
Capital contributions	1,760	345	8,513	0	10,618
Transfer in (out)	-48	0	699	0	651
Change in Net Assets	1,244	174	8,786	-539	9,665
Net assets - Beginning of Year	18,427	1,248	-2	664	20,337
Net assets - End of Year	\$ 19,671	\$ 1,422	\$ 8,784	\$ 125	\$ 30,002

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, 2008, amounted to \$186.0 million (net of accumulated depreciation) an increase of \$15.5 million (or 9.1%) 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 50-52.

Table 8 provides a comparison of the County’s capital assets for the governmental and business-type activities for the current and prior years before restatement.

Table 8 - County's Capital Assets (in thousands)

	Governmental		Business-type		Total		Total	
	Activities		Activities		Total		Dollar	Percent
	2008	2007	2008	2007	2008	2007	Change	Change
Land and easements	\$ 4,752	\$ 4,780	\$ 3,053	\$ 1,936	\$ 7,805	\$ 6,716	\$ 1,089	16.2%
Construction in progress	13,489	3,281	4,789	2,819	18,278	6,100	12,178	199.6%
Infrastructure	40,351	44,309	0	0	40,351	44,309	-3,958	-8.9%
Structures and improvements	87,176	88,138	21,825	14,510	109,001	102,648	6,353	6.2%
Equipment	10,423	9,579	128	87	10,551	9,666	885	9.2%
Total	<u>\$ 156,191</u>	<u>\$ 150,087</u>	<u>\$ 29,795</u>	<u>\$ 19,352</u>	<u>\$ 185,986</u>	<u>\$ 169,439</u>	<u>\$ 16,547</u>	<u>9.8%</u>

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

- The overall increase of \$16.5 million (or 9.8%) was mainly due to the construction of a county owned parking structure and transfer of ownership of farm workers’ housing properties from the Napa Valley Housing Authority under the City of Napa to the Napa County Housing Authority. The County assumed operation of the Napa County Farm Workers’ Housing program as of July 1, 2007. At July 1, 2007, the County made a restatement to capital assets to include certain Napa County Fair assets determined to be property of the County.
- Construction in progress increased by \$12.1 million (or 199.6%) from the prior year. This increase was due to the construction of a parking structure.
- The County’s infrastructure assets are recorded at historical cost in the government-wide financial statements as required by GASB Statement No. 34.
- Structures and improvements increased by \$6.3 million (or 6.2%). This increase was mainly due to the addition of the farm workers’ housing properties.
- For government-wide financial statement presentation, all depreciable capital assets including infrastructure placed in service during the current fiscal year were depreciated using the half year convention. Fund financial statements record capital asset purchases as expenditures.

Long-term debt

At June 30, 2008, the County Governmental Activities total long-term debt outstanding was \$98,993,228 as compared to \$103,026,349 in the prior year. This amount was comprised of the following:

- \$2,590,000 of Napa County Flood 1999 Series A bonds,
- \$29,475,000 of Napa County Flood 2005 Series Partial Refunding of 1999 Series A bonds,
- \$11,085,000 of Napa County Flood 2005 Series A bonds,
- \$210,392 of unamortized premiums for outstanding bond issues,
- \$38,196,356 of Certificates of Participations (which included unamortized premiums of \$191,356),
- \$1,386,382 for loans payable,
- \$6,533,098 for compensated absences, and
- \$9,517,000 in liability for unpaid insurance claims.

There were no notes payable. During the year, retirement of Bonds amounted to \$3,436,040 (including a reduction of premium amortization of \$21,040) and retirements of Certificates of Participations amounted to \$2,355,428 (including a reduction of premium amortization of \$20,428). For more detailed long-term debt information, see the notes to the basic financial statements, specifically pages 53-57.

At June 30, 2008, the County Business-type Activities total long-term debt outstanding was \$5,109,626 as compared to \$413,242 in the prior year. This amount was comprised of the following:

- \$362,343 for Airport loans payable,
- \$36,442 for Airport compensated absences, and
- \$4,710,841 of Lake Berryessa Resort Improvement District Limited Obligation Improvement Bonds.

Economic Factors and Next Year’s Budget and Rates

- The County enjoys stable and manageable growth. The County’s per capita personal income is above the State and National standards. The unemployment rate is at 4.9% as of June 2008. This is below the statewide unemployment rate of 7.0%.
- The property tax revenue is projected to increase approximately 5.4% from fiscal year 2007-2008 to fiscal year 2008-2009.

These factors were considered in preparing the County’s budget for fiscal year 2008-2009.

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.





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



COUNTY OF NAPA

Statement of Net Assets

June 30, 2008

<u>ASSETS</u>	Primary Government		
	Governmental Activities	Business-Type Activities	Totals
Cash and investments	\$ 176,672,689	\$ 5,911,342	\$ 182,584,031
Restricted Assets:			
Cash with fiscal agent	1,851,538	480,549	2,332,087
Imprest cash	241,990	100	242,090
Receivables, net			
Taxes	9,124,634	--	9,124,634
Special assessments	17,567	17,788	35,355
Accounts	2,145,442	77,571	2,223,013
Due from other government agencies	26,643,971	802,674	27,446,645
Inventory	11,353	--	11,353
Prepaid expenses	20,935	--	20,935
Deposits	71,418	--	71,418
Deferred charges	656,770	284,969	941,739
Internal balances	1,765,100	(1,765,100)	--
Loans receivable	12,928,653	1,075,056	14,003,709
Capital Assets:			
Nondepreciable	18,240,928	7,842,537	26,083,465
Depreciable, net	137,949,893	21,952,472	159,902,365
Total Assets	\$ 388,342,881	\$ 36,679,958	\$ 425,022,839
<u>LIABILITIES</u>			
Accounts payable	\$ 7,179,640	\$ 324,962	\$ 7,504,602
Accrued salaries and benefits	4,483,975	26,455	4,510,430
Due to other government agencies	1,719,113	4,934	1,724,047
Interest payable	329,622	70,008	399,630
Customer deposits	--	66,731	66,731
Unearned revenue	2,711,907	1,075,056	3,786,963
Long-Term Liabilities:			
Portion due or payable within one year:			
Loan payable	63,535	29,297	92,832
Bonds payable	3,565,000	55,841	3,620,841
Certificates of participation	2,400,000	--	2,400,000
Compensated absences	3,499,290	16,209	3,515,499
Liability for unpaid insurance claims	3,930,892	--	3,930,892
Portion due or payable after one year:			
Loan payable	1,322,847	333,046	1,655,893
Bonds payable	39,795,392	4,655,000	44,450,392
Certificates of participation	35,796,356	--	35,796,356
Compensated absences	3,033,808	20,233	3,054,041
Liability for unpaid insurance claims	5,586,108	--	5,586,108
Total Liabilities	115,417,485	6,677,772	122,095,257
<u>NET ASSETS</u>			
Invested in capital assets, net of related debt	116,608,083	28,470,449	145,078,532
Restricted for:			
Debt service	2,855,196	480,549	3,335,745
Capital projects	337,622	--	337,622
Grants and Special Taxes	38,682,923	--	38,682,923
Unrestricted	114,441,572	1,051,188	115,492,760
Total Net Assets	272,925,396	30,002,186	302,927,582
Total Liabilities and Net Assets	\$ 388,342,881	\$ 36,679,958	\$ 425,022,839

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

COUNTY OF NAPA

Statement of Activities
For the Year Ended June 30, 2008

Functions/Programs	Expenses	Program Revenues		
		Fees, Fines and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental Activities:				
General government	\$ 36,965,695	\$ 8,195,676	\$ 3,300,031	\$ --
Public protection	85,291,842	5,755,632	11,116,151	412,735
Public ways and facilities	23,234,238	15,414,106	5,661,774	4,085,912
Health and sanitation	38,670,267	4,417,710	25,649,139	--
Public assistance	30,468,421	101,898	30,698,195	--
Education	6,025,556	426,751	490,304	--
Recreation and cultural services	876,547	--	254,541	--
Debt Service:				
Interest and fiscal charges	3,624,153	--	--	--
Administration and arbitrage fees	6,315	--	--	--
Total Governmental Activities	<u>225,163,034</u>	<u>34,311,773</u>	<u>77,170,135</u>	<u>4,498,647</u>
Business-Type Activities:				
Airport	2,527,682	1,773,937	91,370	1,760,301
Lake Berryessa Resort Improvement	845,030	446,722	2,547	344,767
Napa County Housing Authority	1,033,262	480,869	116,137	8,513,439
Napa Berryessa Resort Improvement	1,238,425	627,018	392	--
Total Business-Type Activities:	<u>5,644,399</u>	<u>3,328,546</u>	<u>210,446</u>	<u>10,618,507</u>
Total Primary Government	<u>\$ 230,807,433</u>	<u>\$ 37,640,319</u>	<u>\$ 77,380,581</u>	<u>\$ 15,117,154</u>

General Revenues:

Taxes:

Property taxes

Sales and use taxes

Transient occupancy taxes

Property transfer taxes

Unrestricted interest and investment earnings

Miscellaneous

Transfers

Total General Revenues and Transfers

Change in Net Assets

Net assets - July 1, 2007

Prior period adjustment

Net assets - June 30, 2008

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

Net (Expense) Revenue and
Changes in Net Assets

Primary Government		
Governmental Activities	Business-Type Activities	Total
\$ (25,469,988)		\$ (25,469,988)
(68,007,324)		(68,007,324)
1,927,554		1,927,554
(8,603,418)		(8,603,418)
331,672		331,672
(5,108,501)		(5,108,501)
(622,006)		(622,006)
(3,624,153)		(3,624,153)
(6,315)		(6,315)
<u>(109,182,479)</u>		<u>(109,182,479)</u>
--	\$ 1,097,926	1,097,926
--	(50,994)	(50,994)
--	8,077,183	8,077,183
--	(611,015)	(611,015)
<u>--</u>	<u>8,513,100</u>	<u>8,513,100</u>
<u>\$ (109,182,479)</u>	<u>\$ 8,513,100</u>	<u>\$ (100,669,379)</u>
75,712,896	110,558	75,823,454
31,188,494	--	31,188,494
9,681,766	--	9,681,766
1,128,851	--	1,128,851
8,413,728	303,146	8,716,874
1,999,522	86,800	2,086,322
(651,193)	651,193	--
<u>127,474,064</u>	<u>1,151,697</u>	<u>128,625,761</u>
18,291,585	9,664,797	27,956,382
253,599,150	20,337,389	273,936,539
<u>1,034,661</u>	<u>--</u>	<u>1,034,661</u>
<u>\$ 272,925,396</u>	<u>\$ 30,002,186</u>	<u>\$ 302,927,582</u>

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



**BASIC FINANCIAL STATEMENTS –
FUND FINANCIAL STATEMENTS**



COUNTY OF NAPA

Balance Sheet
Governmental Funds
June 30, 2008

	<u>General</u>	Napa County Flood Protection and Watershed Improvement Authority	Affordable Housing	Roads	Other Governmental Funds	<u>Total</u>
<u>ASSETS</u>						
Cash and investments	\$ 43,349,528	\$ 41,678,139	\$ 9,237,008	\$ 644,586	\$ 63,990,505	\$ 158,899,766
Restricted assets:						
Cash with fiscal agent	--	502,935	--	--	1,348,603	1,851,538
Imprest cash	141,197	--	--	--	9,617	150,814
Receivable (Net):						
Taxes	5,986,813	2,686,616	--	--	451,205	9,124,634
Special assessments	--	--	--	--	17,567	17,567
Accounts receivable	759,257	--	--	2,669	1,120,650	1,882,576
Due from other government agencies	20,574,929	--	--	5,128,344	940,698	26,643,971
Due from other funds	637,390	--	--	--	--	637,390
Prepaid expenses	20,935	--	--	--	--	20,935
Loans receivable	--	--	12,928,653	--	--	12,928,653
Advances to other funds	--	--	--	--	1,305,100	1,305,100
Total Assets	<u>\$ 71,470,049</u>	<u>\$ 44,867,690</u>	<u>\$ 22,165,661</u>	<u>\$ 5,775,599</u>	<u>\$ 69,183,945</u>	<u>\$ 213,462,944</u>
<u>LIABILITIES</u>						
Accounts payable	\$ 4,125,524	\$ --	\$ 1,560	\$ 435,169	\$ 2,128,052	\$ 6,690,305
Accrued payroll	3,900,446	--	--	100,640	300,686	4,301,772
Other accrued liabilities	7,652	--	--	--	--	7,652
Due to other funds	--	--	--	--	177,390	177,390
Due to other government agencies	1,499,560	218,923	--	630	--	1,719,113
Deferred revenue	11,235,852	--	--	1,000,000	43,339	12,279,191
Unearned revenue	729,708	--	--	1,982,199	--	2,711,907
Total Liabilities	<u>21,498,742</u>	<u>218,923</u>	<u>1,560</u>	<u>3,518,638</u>	<u>2,649,467</u>	<u>27,887,330</u>
<u>FUND BALANCES</u>						
Reserved for:						
Encumbrances	265,974	--	--	--	834,475	1,100,449
General	9,255,238	--	--	--	2,644,762	11,900,000
Imprest cash	141,197	--	--	--	9,617	150,814
Loans receivable and advances	--	--	12,928,653	--	1,305,100	14,233,753
Unreserved:						
Designated, reported in:						
General fund	20,617,238	--	--	--	--	20,617,238
Special revenue funds	--	44,648,767	5,637,833	--	11,625,878	61,912,478
Capital projects funds	--	--	--	--	16,139,880	16,139,880
Undesignated:						
General fund	19,691,660	--	--	--	--	19,691,660
Special revenue funds	--	--	3,597,615	2,256,961	27,270,501	33,125,077
Capital projects funds	--	--	--	--	5,154,169	5,154,169
Debt service funds	--	--	--	--	1,550,096	1,550,096
Total Fund Balances	<u>49,971,307</u>	<u>44,648,767</u>	<u>22,164,101</u>	<u>2,256,961</u>	<u>66,534,478</u>	<u>185,575,614</u>
Total Liabilities and Fund Balances	<u>\$ 71,470,049</u>	<u>\$ 44,867,690</u>	<u>\$ 22,165,661</u>	<u>\$ 5,775,599</u>	<u>\$ 69,183,945</u>	<u>\$ 213,462,944</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, 2008

Fund Balance - total governmental funds (page 19)		\$ 185,575,614																											
<p>Amounts reported for governmental activities in the statement of net assets are different because:</p>																													
<p>Capital assets used in governmental activities (excluding Internal Service Funds) are not financial resources therefore, are not reported in the governmental funds.</p>		149,805,234																											
<p>Long-term liabilities, including bonds payable, are not due and payable in the current period, and therefore are not reported in the governmental funds.</p>																													
<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">Certificates of participation</td> <td style="width: 10%; text-align: right;">\$ (38,005,000)</td> <td style="width: 10%;"></td> </tr> <tr> <td> Unamortized premiums</td> <td style="text-align: right;">(191,356)</td> <td></td> </tr> <tr> <td>Bonds payable</td> <td style="text-align: right;">(43,150,000)</td> <td></td> </tr> <tr> <td> Unamortized premiums</td> <td style="text-align: right;">(1,605,576)</td> <td></td> </tr> <tr> <td> Deferred refunding charges</td> <td style="text-align: right;">1,395,184</td> <td></td> </tr> <tr> <td>Loan payable</td> <td style="text-align: right;">(1,386,382)</td> <td></td> </tr> <tr> <td>Accrued interest on debt</td> <td style="text-align: right;">(321,970)</td> <td></td> </tr> <tr> <td>Compensated absences</td> <td style="text-align: right;">(6,308,179)</td> <td></td> </tr> <tr> <td> Total long-term liabilities</td> <td style="text-align: right; border-top: 1px solid black;">(89,573,279)</td> <td style="text-align: right; vertical-align: bottom;">(89,573,279)</td> </tr> </table>	Certificates of participation	\$ (38,005,000)		Unamortized premiums	(191,356)		Bonds payable	(43,150,000)		Unamortized premiums	(1,605,576)		Deferred refunding charges	1,395,184		Loan payable	(1,386,382)		Accrued interest on debt	(321,970)		Compensated absences	(6,308,179)		Total long-term liabilities	(89,573,279)	(89,573,279)		
Certificates of participation	\$ (38,005,000)																												
Unamortized premiums	(191,356)																												
Bonds payable	(43,150,000)																												
Unamortized premiums	(1,605,576)																												
Deferred refunding charges	1,395,184																												
Loan payable	(1,386,382)																												
Accrued interest on debt	(321,970)																												
Compensated absences	(6,308,179)																												
Total long-term liabilities	(89,573,279)	(89,573,279)																											
<p>Some of the County's intergovernmental revenue will be collected after year-end, but are not available soon enough to pay for the current period's expenditures, and therefore are reported as deferred revenue in the governmental funds.</p>		12,279,191																											
<p>Cost of issuance on 2003 certificates of participation are not recognized as current year expenditures and are deferred (amount shown is net of amortized costs).</p>		656,770																											
<p>Internal service funds are used by the County to charge the cost of unemployment insurance, dental insurance, fleet services and telephone services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets. Internal service fund net assets are:</p>		14,181,866																											
Net assets of governmental activities (page 15)		\$ 272,925,396																											

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, 2008

	General	Napa County Flood Protection and Watershed Improvement Authority	Affordable Housing	Roads	Other Governmental Funds	Total
Revenues:						
Taxes	\$ 89,664,388	\$ 14,253,785	\$ --	\$ --	\$ 13,793,834	\$ 117,712,007
Licenses and permits	2,056,431	--	--	59,656	2,907,029	5,023,116
Fines, forfeits and penalties	138,137	--	--	419,554	1,388,447	1,946,138
Revenue from use of money and property	2,397,304	1,835,305	418,293	11,678	2,994,594	7,657,174
Aid from other governments	57,886,318	50,000	--	6,172,582	10,529,521	74,638,421
Charges for services	20,124,685	--	1,973,555	106,259	3,884,404	26,088,903
Contributions and donations	624,496	--	--	--	3,172,240	3,796,736
Other revenue	1,429,167	--	--	32,164	251,742	1,713,073
Total Revenues	<u>174,320,926</u>	<u>16,139,090</u>	<u>2,391,848</u>	<u>6,801,893</u>	<u>38,921,811</u>	<u>238,575,568</u>
Expenditures:						
Current:						
General government	34,963,980	--	--	--	3,698	34,967,678
Public protection	68,151,140	--	--	--	16,284,764	84,435,904
Public ways and facilities	6,496,698	4,432,030	--	7,465,517	--	18,394,245
Health and sanitation	38,271,914	--	--	--	138,851	38,410,765
Public assistance	29,452,633	--	77,685	--	628,416	30,158,734
Education	367,895	--	--	--	5,594,994	5,962,889
Recreation and cultural services	211,686	--	--	--	665,021	876,707
Capital outlay	--	--	--	--	11,046,291	11,046,291
Debt Service:						
Principal	40,349	3,415,000	--	--	2,335,000	5,790,349
Interest and fiscal charges	24,112	2,018,788	--	--	1,578,937	3,621,837
Administration, issuance and arbitrage fees	--	6,950	--	--	20,464	27,414
Total Expenditures	<u>177,980,407</u>	<u>9,872,768</u>	<u>77,685</u>	<u>7,465,517</u>	<u>38,296,436</u>	<u>233,692,813</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(3,659,481)</u>	<u>6,266,322</u>	<u>2,314,163</u>	<u>(663,624)</u>	<u>625,375</u>	<u>4,882,755</u>
Other Financing Sources (Uses):						
Transfers in	8,320,256	--	--	722,691	29,545,072	38,588,019
Transfers out	(29,816,764)	--	(31,837)	--	(8,570,626)	(38,419,227)
Total Other Financing Sources (Uses)	<u>(21,496,508)</u>	<u>--</u>	<u>(31,837)</u>	<u>722,691</u>	<u>20,974,446</u>	<u>168,792</u>
Net change in fund balances	(25,155,989)	6,266,322	2,282,326	59,067	21,599,821	5,051,547
Fund Balance - Beginning of Year	<u>75,127,296</u>	<u>38,382,445</u>	<u>19,881,775</u>	<u>2,197,894</u>	<u>44,934,657</u>	<u>180,524,067</u>
Fund Balance - End of Year	<u>\$ 49,971,307</u>	<u>\$ 44,648,767</u>	<u>\$ 22,164,101</u>	<u>\$ 2,256,961</u>	<u>\$ 66,534,478</u>	<u>\$ 185,575,614</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, 2008

Net change in fund balances - total governmental funds (page 21)		\$ 5,051,547
Amounts reported for governmental activities in the statement of activities are different because:		
<p>Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.</p>		
Expenditures for general capital assets, infrastructure, and other related capital assets adjustments	\$ 13,303,208	
Less: current year depreciation	<u>(9,164,709)</u>	4,138,499
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.		4,409,998
<p>Long-term debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.</p>		
Principal payments	<u>5,770,349</u>	5,770,349
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.</p>		
Accrued interest on debt	21,099	
Amortization of debt premium, refunding and issuance costs	(2,316)	
Change in compensated absences	<u>(408,352)</u>	(389,569)
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>(689,239)</u>
Change in net assets of governmental activities (pages 16-17)		<u>\$ 18,291,585</u>

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

COUNTY OF NAPA

Statement of Fund Net Assets
Proprietary Funds
June 30, 2008

	Business-Type Activities - Enterprise Funds					Governmental
	Napa County Airport	Lake Berryessa Resort Improvement	Napa County Housing Authority	Nonmajor Fund		Internal Service Funds
				Napa Berryessa Resort Improvement	Total	
ASSETS						
Current Assets:						
Cash and Investments	\$ 2,192,209	\$ 3,350,451	\$ 295,897	\$ 72,785	\$ 5,911,342	\$ 17,772,923
Restricted assets:						
Cash with fiscal agents	--	480,549	--	--	480,549	--
Imprest cash	100	--	--	--	100	91,176
Inventories	--	--	--	--	--	11,353
Accounts receivable	12,677	22,330	14,545	28,019	77,571	262,866
Assessments receivable	--	13,468	--	4,320	17,788	--
Due from other government agencies	802,674	--	--	--	802,674	--
Due from other funds	--	--	--	--	--	450,000
Deposits	--	--	--	--	--	71,418
Total Current Assets	<u>3,007,660</u>	<u>3,866,798</u>	<u>310,442</u>	<u>105,124</u>	<u>7,290,024</u>	<u>18,659,736</u>
Noncurrent Assets:						
Long-term note receivable	1,075,056	--	--	--	1,075,056	--
Deferred charges	--	284,969	--	--	284,969	--
Capital Assets:						
Nondepreciable:						
Land	1,886,002	5,050	1,117,558	44,402	3,053,012	--
Construction in progress	4,310,222	479,303	--	--	4,789,525	--
Depreciable:						
Structures and improvements	27,706,224	2,844,638	7,406,249	1,703,271	39,660,382	--
Equipment	160,796	224,601	--	99,560	484,957	13,085,840
Accumulated depreciation	(15,578,445)	(1,319,933)	--	(1,294,489)	(18,192,867)	(6,700,253)
Total Noncurrent Assets	<u>19,559,855</u>	<u>2,518,628</u>	<u>8,523,807</u>	<u>552,744</u>	<u>31,155,034</u>	<u>6,385,587</u>
Total Assets	<u>\$ 22,567,515</u>	<u>\$ 6,385,426</u>	<u>\$ 8,834,249</u>	<u>\$ 657,868</u>	<u>\$ 38,445,058</u>	<u>\$ 25,045,323</u>
LIABILITIES						
Current Liabilities:						
Accounts payable	\$ 90,517	\$ 161,970	\$ 47,582	\$ 24,893	\$ 324,962	\$ 489,335
Accrued salaries and benefits	26,455	--	--	--	26,455	182,203
Due to other governments	546	15	722	3,651	4,934	--
Customer deposits	--	25,541	2,138	39,052	66,731	--
Interest payable	--	64,549	--	5,459	70,008	--
Due to other funds	--	--	--	460,000	460,000	450,000
Loan payable	29,297	--	--	--	29,297	--
Bonds payable	--	55,841	--	--	55,841	--
Liability for unpaid claims	--	--	--	--	--	3,930,892
Liability for compensated absences,	16,209	--	--	--	16,209	122,465
Total Current Liabilities	<u>163,024</u>	<u>307,916</u>	<u>50,442</u>	<u>533,055</u>	<u>1,054,437</u>	<u>5,174,895</u>
Noncurrent Liabilities:						
Advances from other funds	1,305,100	--	--	--	1,305,100	--
Deferred revenue	1,075,056	--	--	--	1,075,056	--
Loan payable	333,046	--	--	--	333,046	--
Bonds Payable	--	4,655,000	--	--	4,655,000	--
Liability for unpaid claims	--	--	--	--	--	5,586,108
Liability for compensated absences	20,233	--	--	--	20,233	102,454
Total Noncurrent Liabilities	<u>2,733,435</u>	<u>4,655,000</u>	<u>--</u>	<u>--</u>	<u>7,388,435</u>	<u>5,688,562</u>
Total Liabilities	<u>2,896,459</u>	<u>4,962,916</u>	<u>50,442</u>	<u>533,055</u>	<u>8,442,872</u>	<u>10,863,457</u>
NET ASSETS						
Invested in capital assets, net of related debt	18,122,456	1,271,442	8,523,807	552,744	28,470,449	6,385,587
Restricted for debt service reserve	--	480,549	--	--	480,549	--
Unrestricted	1,548,600	(329,481)	260,000	(427,931)	1,051,188	7,796,279
Total Net Assets	<u>19,671,056</u>	<u>1,422,510</u>	<u>8,783,807</u>	<u>124,813</u>	<u>30,002,186</u>	<u>14,181,866</u>
Total Liabilities and Net Assets	<u>\$ 22,567,515</u>	<u>\$ 6,385,426</u>	<u>\$ 8,834,249</u>	<u>\$ 657,868</u>	<u>\$ 38,445,058</u>	<u>\$ 25,045,323</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, 2008

	Business-Type Activities - Enterprise Funds				Total	Governmental
	Napa County Airport	Lake Berryessa Resort Improvement	Napa County Housing Authority	<i>Nonmajor Fund</i> Napa Berryessa Resort Improvement		Internal Service Funds
Operating Revenues:						
Charges for services	\$ 1,773,937	\$ 446,722	\$ 480,869	\$ 627,018	\$ 3,328,546	\$ 10,681,138
Maintenance Charges:						
Equipment	--	--	--	--	--	592,590
Vehicle	--	--	--	--	--	638,102
Replacement charges	--	--	--	--	--	748,522
Other revenue	73,719	--	--	--	73,719	617,468
Total Operating Revenues	1,847,656	446,722	480,869	627,018	3,402,265	13,277,820
Operating Expenses:						
Salaries and employee benefits	679,648	--	--	--	679,648	4,908,003
Services and supplies	736,061	505,916	1,015,371	1,179,840	3,437,188	4,481,437
Insurance	23,374	--	--	--	23,374	--
Other charges	--	34,772	15,040	--	49,812	--
Claims expense	--	--	--	--	--	3,635,377
Depreciation and amortization	1,068,245	121,767	--	53,126	1,243,138	947,142
Total Operating Expenses	2,507,328	662,455	1,030,411	1,232,966	5,433,160	13,971,959
Operating Loss	(659,672)	(215,733)	(549,542)	(605,948)	(2,030,895)	(694,139)
Non-Operating Revenues (Expenses):						
Aid from other governments	91,370	2,547	116,137	392	210,446	--
Tax revenue	--	44,997	--	65,561	110,558	--
Non-operating revenues	--	2,365	9,568	1,148	13,081	--
Interest income	120,235	177,940	--	4,971	303,146	756,554
Interest expense	(20,354)	(182,575)	(2,851)	(5,459)	(211,239)	--
Gain on disposition of assets	--	--	--	--	--	33,331
Total Non-Operating Revenues (Expenses)	191,251	45,274	122,854	66,613	425,992	789,885
Net Income (Loss) Before Contributions and Transfers	(468,421)	(170,459)	(426,688)	(539,335)	(1,604,903)	95,746
Capital contributions - grants and special assessments	1,760,301	344,767	8,513,439	--	10,618,507	35,000
Transfers in	--	--	698,741	--	698,741	10,000
Transfers out	(47,548)	--	--	--	(47,548)	(829,985)
Change in Net Assets	1,244,332	174,308	8,785,492	(539,335)	9,664,797	(689,239)
Net Assets - Beginning of Year	18,426,724	1,248,202	(1,685)	664,148	20,337,389	14,871,105
Net Assets - End of Year	\$ 19,671,056	\$ 1,422,510	\$ 8,783,807	\$ 124,813	\$ 30,002,186	\$ 14,181,866

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, 2008

	Business-Type Activities - Enterprise Funds					Governmental
	<i>Nonmajor Fund</i>				Total	Activities
	Napa County Airport	Lake Berryessa Resort Improvement	Napa County Housing Authority	Napa Berryessa Resort Improvement		Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES:						
Cash receipts from customers	\$ 1,900,852	\$ 457,592	\$ 468,462	\$ 614,474	\$ 3,441,380	\$ --
Cash receipts from internal fund services provided	--	--	--	--	--	13,176,566
Cash paid to suppliers for goods and services	(761,164)	(452,735)	(983,795)	(1,180,895)	(3,378,589)	(6,568,805)
Cash paid to employees for services	(659,887)	--	--	--	(659,887)	(4,912,641)
Net Cash Provided (Used) by Operating Activities	479,801	4,857	(515,333)	(566,421)	(597,096)	1,695,120
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:						
Aid from other governmental units	91,370	2,547	116,137	392	210,446	--
Transfers in	--	--	698,741	--	698,741	10,000
Transfers out	(47,548)	--	--	--	(47,548)	(829,985)
Advances from other funds	(238,700)	--	--	460,000	221,300	--
Non-operating revenues	--	2,365	9,568	1,148	13,081	--
Taxes	--	44,997	--	65,561	110,558	--
Interest payments for non-capital activities	--	--	(2,851)	--	(2,851)	--
Net Cash Provided (Used) by Noncapital Financing Activities	(194,878)	49,909	821,595	527,101	1,203,727	(819,985)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:						
Proceeds of sales of capital assets	--	--	--	--	--	35,789
Proceeds of bond issuance	--	4,461,046	--	--	4,461,046	--
Principal repayments related to capital purposes	(27,344)	(45,000)	--	--	(72,344)	--
Interest repayments related to capital purposes	(20,354)	(150,523)	--	--	(170,877)	--
Capital grants and contributions	1,124,482	--	--	--	1,124,482	--
Special assessments	--	344,398	--	1,145	345,543	--
Payments related to the acquisition of capital assets	(1,500,981)	(1,592,417)	(10,368)	(26,474)	(3,130,240)	(1,669,152)
Net Cash Provided (Used) by Capital and Related Financing Activities	(424,197)	3,017,504	(10,368)	(25,329)	2,557,610	(1,633,363)
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest received	120,235	177,940	--	4,971	303,146	756,554
Net Cash Provided by Investing Activities	120,235	177,940	--	4,971	303,146	756,554
Net Increase (Decrease) in Cash and Cash Equivalents	(19,039)	3,250,210	295,894	(59,678)	3,467,387	(1,674)
Cash and Cash Equivalents, Beginning of Year (including imprest cash of \$100 and \$70,432 for the Airport and internal service funds, respectively)	2,211,348	580,790	3	132,463	2,924,604	17,865,773
Cash and Cash Equivalents, End of Year (including imprest cash of \$100 and \$91,176 for the Airport and internal service funds, respectively, and cash with fiscal agent of \$480,549 for Lake Berryessa Resort Improvement)	\$ 2,192,309	\$ 3,831,000	\$ 295,897	\$ 72,785	\$ 6,391,991	\$ 17,864,099

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, 2008

	Business-Type Activities - Enterprise Funds					Governmental
	Napa County Airport	Lake Berryessa Resort Improvement	Napa County Housing Authority	Nonmajor Fund		Internal Service Funds
				Napa Berryessa Resort Improvement	Total	
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:						
Operating loss	\$ (659,672)	\$ (215,733)	\$ (549,542)	\$ (605,948)	\$ (2,030,895)	\$ (694,139)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:						
Depreciation and amortization	1,068,245	121,767	--	53,126	1,243,138	947,142
Changes in assets and liabilities:						
(Increase) decrease in:						
Accounts receivable	236,894	11,670	(14,545)	(11,019)	223,000	(237,443)
Deposits	--	--	--	--	--	136,189
Inventory	--	--	--	--	--	76
Increase (decrease) in:						
Accounts payable	44,796	87,938	45,894	(4,706)	173,922	161,933
Due to other governments	(46,525)	15	722	3,651	(42,137)	--
Deferred revenue	(183,698)	--	--	--	(183,698)	--
Customer deposits	--	(800)	2,138	(1,525)	(187)	--
Accrued salaries	6,874	--	--	--	6,874	11,019
Compensated absences	12,887	--	--	--	12,887	(15,657)
Claims liability	--	--	--	--	--	1,386,000
Net Cash Provided (Used) by Operating Activities	<u>\$ 479,801</u>	<u>\$ 4,857</u>	<u>\$ (515,333)</u>	<u>\$ (566,421)</u>	<u>\$ (597,096)</u>	<u>\$ 1,695,120</u>
Schedule of Noncash Capital Activities:						
Capital contributions	\$ --	\$ --	\$ 8,513,439	\$ --	\$ 8,513,439	\$ 35,000
Total Noncash Capital Activities	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 8,513,439</u>	<u>\$ --</u>	<u>\$ 8,513,439</u>	<u>\$ 35,000</u>

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

COUNTY OF NAPA

Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2008

ASSETS	<u>Investment Trust Funds</u>	<u>Private Purpose Trust Funds</u>	<u>Agency Funds</u>
Current Assets:			
Cash and investments	\$ 223,574,213	\$ 2,487,867	\$ 32,587,851
Noncurrent Assets:			
Taxes receivable	--	--	15,494,066
Total Assets	<u>\$ 223,574,213</u>	<u>\$ 2,487,867</u>	<u>\$ 48,081,917</u>
 LIABILITIES			
Agency funds held for others	\$ --	\$ --	\$ 48,081,917
Total Liabilities	<u>--</u>	<u>--</u>	<u>48,081,917</u>
 NET ASSETS			
Net assets held in trust for (reserved for) endowment purpose	--	2,487,867	--
Net assets held in trust for investment pool participants	<u>223,574,213</u>	<u>--</u>	<u>--</u>
Total Net Assets	<u>223,574,213</u>	<u>2,487,867</u>	<u>--</u>
 Total Liabilities and Net Assets	<u>\$ 223,574,213</u>	<u>\$ 2,487,867</u>	<u>\$ 48,081,917</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, 2008

	<u>Investment Trust Funds</u>	<u>Private Purpose Trust Funds</u>
<u>ADDITIONS</u>		
Contribution:		
Contribution to investment pool	\$ 1,107,532,237	\$ 3,110,190
Total Contribution	<u>1,107,532,237</u>	<u>3,110,190</u>
Net Investment Income:		
Interest	10,826,512	88,379
Net Investment Income	<u>10,826,512</u>	<u>88,379</u>
Total Additions	<u>1,118,358,749</u>	<u>3,198,569</u>
<u>DEDUCTIONS</u>		
Distribution from investment pool	1,127,719,109	2,383,454
Total Deductions	<u>1,127,719,109</u>	<u>2,383,454</u>
Change in Net Assets	(9,360,360)	815,115
Net Assets, Beginning of Year	<u>232,934,573</u>	<u>1,672,752</u>
Net Assets, Ending of Year	<u>\$ 223,574,213</u>	<u>\$ 2,487,867</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.

Note 1: Summary of Significant Accounting Policies	
A. The Financial Reporting Entity	30
B. Basis of Presentation	33
C. Basis of Accounting	37
D. Cash and Cash Equivalents.....	38
E. Restricted Assets	38
F. Inventories	38
G. Property Tax Receivable and Revenue.....	39
H. Capital Assets	39
I. Compensated Absences	40
J. Interfund Transactions.....	41
K. Estimates.....	42
L. New Accounting Pronouncements	42
Note 2: Restatement of Net Assets	43
Note 3: Cash and Investments	44
Note 4: Interfund Transactions	48
Note 5: Capital Assets	50
Note 6: Advances Receivable/Advances Payable	52
Note 7: Long-Term Debt	53
Note 8: Operating Leases	57
Note 9: Deferred and Unearned Revenues	58
Note 10: Net Assets/Fund Balances	59
Note 11: County Employees Retirement Plan (Defined Benefit Pension Plan)	61
Note 12: Retiree Healthcare Plan	63
Note 13: Deferred Compensation	65
Note 14: 401(a) Retirement Savings Plan	66
Note 15: Risk Management	66
Note 16: Contingencies	
A. Litigation	68
B. Grants	68

COUNTY OF NAPA

Notes to the Basic Financial Statements For the Year Ended June 30, 2008

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 and 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, 2008

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:

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

Excluded from the Reporting Entity

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

Water Districts

American Canyon

Circle Oaks

Congress Valley

Spanish Flat

Napa River Reclamation

COUNTY OF NAPA

Notes to the Basic Financial Statements For the Year Ended June 30, 2008

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

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

Excluded from the Reporting Entity (continued)

Other Special Districts

Napa County Mosquito Abatement

Napa Sanitation

Napa County Resource Conservation

Napa County Regional Park and Open Space District

Bay Area Air Quality Management District

School Districts

Other

Courts

Napa County Fair

Green Island Road Assessment

Tower Road Assessment

Excluded – Joint Power Authorities (JPA)

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

- 1) Napa County Flood Control and Water Conservation District: The District's goals and objectives are to provide protection from flood events to the public highways, life and property in the District by enhancing and constructing storm drainage systems as well as flood control and prevention projects.
- 2) Napa-Vallejo Waste Management Authority: The Authority is responsible for providing economical coordination of solid waste management services and to efficiently and fairly assure against potential adverse effects of past solid waste management services within the communities they represent.
- 3) Upper Valley Waste Management Agency: The Agency is responsible for providing coordination of economical, regional waste management services, including, but not limited to, uniform rate review and rate recommendations to the County and the cities within Service Zones 3 and 4, the northern portion of the County.

COUNTY OF NAPA

Notes to the Basic Financial Statements For the Year Ended June 30, 2008

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

A. The Financial Reporting Entity (continued)

Excluded – Joint Power Authorities (JPA) (continued)

- 4) Napa County Transportation Planning Agency: The Agency is responsible for developing and adopting a Congestion Management Program meeting the requirements of Chapter 2.6 of Division 1 of Title 7 in the California Government Code. In June of 1998, the County amended the JPA to change the Congestion Management Agency to the Napa County Transportation Planning Agency.

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

Excluded – Other

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

B. Basis of Presentation

Government-Wide Financial Statements

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

COUNTY OF NAPA

Notes to the Basic Financial Statements For the Year Ended June 30, 2008

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, 2008

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

The County reports the following major governmental funds:

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

The County reports the following major enterprise 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, 2008

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

The County reports the following additional fund types:

- *Internal Service Funds* account for the County's fleet maintenance, communication, technology, and self-insurance programs – worker's compensation and general liability – provided to other departments and other governments, 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 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.
- The *Private Purpose Trust Funds* account for the assets held by the Public Guardian and Public Administrator.

COUNTY OF NAPA

Notes to the Basic Financial Statements For the Year Ended June 30, 2008

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

B. Basis of Presentation (continued)

Fund Financial Statements (continued)

- The *Agency Funds* account for assets held by the County as an agent for various local governments and individuals participating in various County programs.

C. Basis of Accounting

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

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

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

Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers property tax revenues to be available if they are collected within 60 days of the end of the current fiscal period. All other revenues are considered to be available if they are collected within 120 days of the end of the current fiscal period, with one exception. Proposition 57 and Chapter 211, California Statutes of 2004 (Senate Bill 1096) were passed by the voters and legislature, respectively, and are referred to as the Triple Flip. The Triple Flip authorizes revenue to be recognized throughout the fiscal year based on estimates with a true-up to actual revenues in January following the fiscal year end. Therefore, the County will consider any true-up revenues authorized in California Statutes to be available if they are collected within 365 days of the fiscal year end. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and capital leases are reported as other financial sources.

COUNTY OF NAPA

Notes to the Basic Financial Statements For the Year Ended June 30, 2008

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

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

Property taxes, franchise fees, 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.

E. **Restricted Assets**

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

F. **Inventories**

Inventories are stated at cost (first-in, first-out basis) 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.

COUNTY OF NAPA

Notes to the Basic Financial Statements For the Year Ended June 30, 2008

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

G. Property Tax Receivable and Revenue

The property taxes receivable balance is \$15,494,066 before an allowance for uncollectibles. A conservative percentage figure for uncollectibles is 3%.

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

Alternative Method of Distribution of Tax Levies

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

The County is required to create a tax loss reserve fund (an agency fund) under one of 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 (2) to establish its tax loss reserve.

H. Capital Assets

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

COUNTY OF NAPA

Notes to the Basic Financial Statements For the Year Ended June 30, 2008

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

H. **Capital Assets (continued)**

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

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

The estimated useful lives are as follows:

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

I. **Compensated Absences**

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

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

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

Public Service Employees

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

<u>Continuous County Service</u>	<u>Max. Accrual of Vacation Benefits</u>
Years 1 through 3	240 maximum hours
Years 4 through 10	300 maximum hours
Years 11 through 20	400 maximum hours
Years 21 or more	400 maximum hours

COUNTY OF NAPA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2008

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

I. Compensated Absences (continued)

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

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

<u>Continuous County Service</u>	<u>Max. Accrual of Vacation Benefits</u>
Years 1 through 3	360 maximum hours
Years 4 through 10	360 maximum hours
Years 11 through 20	400 maximum hours
Years 21 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 through 20	400 maximum hours
Years 21 or more	400 maximum hours

J. Interfund Transactions

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

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

COUNTY OF NAPA

Notes to the Basic Financial Statements For the Year Ended June 30, 2008

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

J. Interfund Transactions (continued)

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

K. Estimates

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

L. New Accounting Pronouncements

Governmental Accounting Standards Board Statement No. 45

For the fiscal year ended June 30, 2008, the County implemented Governmental Accounting Standards Board (GASB) Statement No. 45, “*Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pension.*” This statement is effective for fiscal years beginning after December 15, 2006 for the County.

This Statement requires that governments account for, and report, the annual cost of other postemployment benefits (OPEB) and the outstanding obligations and commitments related to OPEB in the same manner as they currently do for pensions. The Statement does not require that government’s fund their OPEB plans, only that they account for them and report them. OPEB generally consists of health insurance and dental, vision, prescription, or other healthcare benefits provided to eligible retirees, including their beneficiaries in some cases. The County’s OPEB plan is administered through the CalPERS Healthcare program and consists of a postretirement medical program for retired members.

Implementation of GASB Statement 45 primarily impacted the County’s government-wide and governmental funds financial statements for the year ended June 30, 2008. In addition, implementation required additional note disclosure (see Note 12) and required supplemental information (see Required Supplemental Information – Schedule of Funding Progress – Other Post Employment Benefits Plan).

COUNTY OF NAPA

Notes to the Basic Financial Statements For the Year Ended June 30, 2008

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

L. New Accounting Pronouncements (continued)

Governmental Accounting Standards Board Statement No. 50

For the year ended June 30, 2008, the County implemented GASB Statement No. 50 “*Pension Disclosure-an amendment of GASB Statements No. 25 and No. 27.*” This statement is effective for the County for fiscal periods beginning after June 15, 2007.

GASB Statement No. 50 amends GASB Statement No. 27 to require employers participating in a sole or agent multiple-employer Defined benefit pension plan to disclose the funded status of the plan as of the most recent actuarial valuation date and to include a reference linking the funded status disclosure in the notes to the financial statements to the required schedule of funding progress in required supplementary information (see Required Supplementary Information – County Employees Retirement Plan (Defined Benefit Pension Plan)). Statement 50 more closely aligns the financial reporting requirements for pensions with those for other postemployment benefits.

Implementation of GASB Statement No. 50 primarily impacted the County’s note disclosure for employee’s retirement plans (see Note 11).

Note 2: **Restatements of Net Assets**

Adjustments resulting from errors or a change to comply with provisions of the accounting standards are treated as adjustments to prior periods. Accordingly, the County reports these changes as restatements of beginning net assets or fund balances in the government-wide and fund statements.

The County adjusted the beginning net assets balance of the governmental activities by \$1,034,661 to reflect unrecorded capital asset additions from prior years and correct accumulated depreciation amounts. The assets included in the restatement were additions to equipment and structures and improvements of the Napa County Fair which were deemed County property. The restated beginning capital asset balances are reflected in Note 5 of these financial statements.

COUNTY OF NAPA

Notes to the Basic Financial Statements For the Year Ended June 30, 2008

Note 3: **Cash and Investments**

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

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

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, 2008, total County cash and investments were as follows:

Cash:	
Cash on hand	\$ 8,596,661
Imprest cash	242,090
Certificates of deposit	100,000
Outstanding warrants and reconciliations	<u>(20,358,075)</u>
Total Cash Overdrafts	(11,419,324)
Investments:	
In Treasurer's pool	452,895,376
With fiscal agents external to the pool	<u>2,332,087</u>
Total Investments	<u>455,227,463</u>
Total Cash and Investments	<u>\$ 443,808,139</u>

COUNTY OF NAPA

Notes to the Basic Financial Statements For the Year Ended June 30, 2008

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

Total cash and investments at June 30, 2008 were presented in the County's financial statements as follows:

Primary government	\$ 185,158,208
Private purpose trust funds	2,487,867
Investment trust fund	223,574,213
Agency funds	<u>32,587,851</u>
Total Cash and Investments	<u>\$ 443,808,139</u>

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, when more restrictive. The table also identifies certain provisions of the County's investment policy that address interest rate risk, credit risk, and concentration risk.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Local Agency Bonds	5 years	None	None
U.S. Treasury Obligations	5 years	None	None
U.S. Agency Obligations	5 years	None	None
State of California Obligations	5 years	None	None
Banker's Acceptances	180 days	40%	30%
Commerical Paper - Select Agencies	180 days	25%	10%
Commercial Paper - Other Agencies	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	None	None

COUNTY OF NAPA

Notes to the Basic Financial Statements For the Year Ended June 30, 2008

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

Investments (continued)

At June 30, 2008, the County had the following investments:

	Interest Rates	Maturities	Par	Cost	Fair Value	WAM (Years)
Investments in Investment Pool						
U.S. government agencies - fixed	2.20%-5.75%	07/3/08-02/19/13	\$ 247,690,000	\$ 247,695,439	\$ 248,135,684	3.00
U.S. government agencies - discount	1.69%-2.46%	07/1/08-11/21/08	162,000,000	160,984,123	160,980,569	0.14
Commercial paper - discount	1.28%	7/1/2008	1,625,037	1,625,037	1,625,037	0.00
Teeter notes	4.66%-4.76%	09/11/11-09/1/12	3,090,777	3,090,777	3,090,777	3.87
Local Agency Investment Fund (LAIF)	Variable	On Demand	39,500,000	39,500,000	39,500,000	0.00
Total Treasurer's Pooled Investments			<u>453,905,814</u>	<u>452,895,376</u>	<u>453,332,067</u>	1.72
Investments Controlled by Fiscal Agents						
U.S. government securities			<u>2,332,087</u>	<u>2,332,087</u>	<u>2,332,087</u>	
Total Investments			<u>\$ 456,237,901</u>	<u>\$ 455,227,463</u>	<u>\$ 455,664,154</u>	

At June 30, 2008, the difference between the cost and fair value of cash and investments was not material (fair value was 100.1% of carrying value). Therefore, an adjustment to fair value was not required.

Interest Rate Risk

The County manages its exposure to declines in fair values by limiting the weighted average maturity 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

At June 30, 2008, in accordance with State law and the County's Investment Policy, the County did not have 5% or more of its net investment in commercial paper, corporate bonds or medium term notes of a single organization, nor did it have 10% or more of its net investment in any one money market mutual fund. Investments in obligations of the U.S. government, U.S. government agencies, or government-sponsored enterprises are exempt from these limitations.

COUNTY OF NAPA

Notes to the Basic Financial Statements For the Year Ended June 30, 2008

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

Concentration of Credit Risk (continued)

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, 2008.

	<u>S & P</u>	<u>Moody's</u>	<u>Portfolio</u>
U.S. government agencies - fixed	AAA	Aaa	54.72%
U.S. government agencies - discount	AAA	Aaa	35.50%
Teeter notes	Unrated	Unrated	0.68%
Local Agency Investment Fund (LAIF)	Unrated	Unrated	8.71%
Commercial Paper			<u>0.38%</u>
Total			100.00%

Custodial Credit Risk

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

Local Agency Investment Fund

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

At June 30, 2008, the County's investment position in the State of California Local Agency Investment Fund (LAIF) was \$39,500,000, which approximates fair value and is the same value as the pool shares. The total amount invested by all public agencies in LAIF on that day was \$70,154,701,610. Of that amount, 85.3% was invested in non-derivative financial products and 14.7% in structured notes and asset-backed securities.

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

COUNTY OF NAPA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2008

Note 3: **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, 2008:

Statement of Net Assets

Net assets held for pool participants	\$ 441,233,962
Equity of internal pool participants	217,659,749
Equity of external pool participants	<u>223,574,213</u>
Total net assets	<u>\$ 441,233,962</u>

Statement of Changes in Net Assets

Net assets held for pool participants at July 1, 2007	\$ 443,061,770
Net change in investments by pool participants	<u>(1,827,808)</u>
Net assets held for pool participants at June 30, 2008	<u>\$ 441,233,962</u>

Note 4: **Interfund Transactions**

Interfund Receivables/Payables

The composition of interfund balances as of June 30, 2008 are as follows:

Due to/from other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Other Governmental Funds	\$ 177,390
	Other Enterprise Funds	460,000
Internal Service Funds	Internal Service Funds	<u>450,000</u>
		<u>\$ 1,087,390</u>

The above balance reflects temporary cash advances.

COUNTY OF NAPA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2008

Note 4: **Interfund Transactions** (continued)

Advances to/from other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Other Governmental Funds	Napa County Airport	<u>\$ 1,305,100</u>

The Napa County Airport fund has received an advance from the County to construct certain projects at the Airport (See Note 6). The advance is not expected to be repaid in the short-term.

Transfers:

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

<u>Transfer from</u>	<u>Transfer to</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Road Fund	\$ 722,691	Forgiveness of interfund payable
	Other Governmental Funds	193,163	Various contributions
	Other Governmental Funds	1,307,470	Debt service
	Other Governmental Funds	6,201,527	Capital projects
	Other Governmental Funds	999,705	Special projects
	Other Governmental Funds	339,279	Library contributions
	Other Governmental Funds	19,871,471	Establish special revenue funds
		Housing Authority	181,458
Affordable Housing Fund	General Fund	31,837	Personnel costs
Other Governmental Funds	General Fund	211,045	IHSS admin
	General Fund	7,247,389	Special revenue transfers
	Other Governmental Funds	417,908	Debt service
	Other Governmental Funds	167,001	Fire protection
	Housing Authority	517,283	Farmworker centers
	Internal Service Funds	10,000	General liability

COUNTY OF NAPA

Notes to the Basic Financial Statements For the Year Ended June 30, 2008

Note 4: **Interfund Transactions** (continued)

Transfers (continued):

Transfer from	Transfer to	Amount	Purpose
Internal Service Funds	General Fund	\$ 219,031	Rent payments
	General Fund	330,919	Workers compensation
	General Fund	280,035	General liability
Airport Fund	Other Governmental Funds	<u>47,548</u>	Debt service
		<u>\$ 39,296,760</u>	

Note 5: **Capital Assets**

Capital asset activity for the year ended June 30, 2008 was as follows:

	Restated Balance July 1, 2007	Additions	Retirements	Transfers & Adjustments	Balance June 30, 2008
Governmental Activities					
Capital assets, not being depreciated:					
Land	\$ 4,780,015	\$ -	\$ (28,500)	\$ -	\$ 4,751,515
Construction in progress	3,281,053	11,231,281	-	(1,022,921)	13,489,413
Total capital assets, not being depreciated	<u>8,061,068</u>	<u>11,231,281</u>	<u>(28,500)</u>	<u>(1,022,921)</u>	<u>18,240,928</u>
Capital assets, being depreciated:					
Infrastructure	173,564,247	750,863	-	831,317	175,146,427
Structures and improvements	109,082,912	114,454	-	191,604	109,388,970
Equipment	25,234,707	3,136,443	(777,530)	-	27,593,620
Total capital assets, being depreciated	<u>307,881,866</u>	<u>4,001,760</u>	<u>(777,530)</u>	<u>1,022,921</u>	<u>312,129,017</u>
Less accumulated depreciation for:					
Infrastructure	(129,241,698)	(5,554,037)	-	-	(134,795,735)
Structures and improvements	(19,964,820)	(2,248,241)	-	-	(22,213,061)
Equipment	(15,614,447)	(2,309,571)	753,690	-	(17,170,328)
Total accumulated depreciation	<u>(164,820,965)</u>	<u>(10,111,849)</u>	<u>753,690</u>	<u>-</u>	<u>(174,179,124)</u>
Total capital assets, being depreciated, net	<u>143,060,901</u>	<u>(6,110,089)</u>	<u>(23,840)</u>	<u>1,022,921</u>	<u>137,949,893</u>
Governmental activities capital assets, net	<u>\$ 151,121,969</u>	<u>\$ 5,121,192</u>	<u>\$ (52,340)</u>	<u>\$ -</u>	<u>\$ 156,190,821</u>

COUNTY OF NAPA

Notes to the Basic Financial Statements For the Year Ended June 30, 2008

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

	Restated Balance July 1, 2007	Additions	Retirements	Transfers & Adjustments	Balance June 30, 2008
Business-type Activities					
Capital assets, not being depreciated:					
Land	\$ 1,935,454	\$ 1,117,558	\$ -	\$ -	\$ 3,053,012
Construction in progress	2,819,335	1,970,190	-	-	4,789,525
Total capital assets, not being depreciated	4,754,789	3,087,748	-	-	7,842,537
Capital assets, being depreciated:					
Structures and improvements	31,147,621	8,512,761	-	-	39,660,382
Equipment	409,291	75,665	-	-	484,956
Total capital assets, being depreciated	31,556,912	8,588,426	-	-	40,145,338
Less accumulated depreciation for:					
Structures and improvements	(16,637,818)	(1,197,860)	-	-	(17,835,678)
Equipment	(321,738)	(35,450)	-	-	(357,188)
Total accumulated depreciation	(16,959,556)	(1,233,310)	-	-	(18,192,866)
Total capital assets, being depreciated, net	14,597,356	7,355,116	-	-	21,952,472
Business-type activities capital assets, net	\$ 19,352,145	\$ 10,442,864	\$ -	\$ -	\$ 29,795,009

Restatement of Beginning Balances

At July 1, 2007, the County made the following restatement to capital assets. The restatement includes certain additions to equipment and structures and improvements of the Napa County Fair which were deemed County property and a correction to accumulated depreciation amounts:

Governmental Activities:	
Capital assets - June 30, 2007	\$ 150,087,308
Unrecorded additions from prior years (Note 2)	1,034,661
Capital assets, restated - July 1, 2007	\$ 151,121,969

Construction Commitments

The Fifth Street parking structure, which is due to open in December 2008, is the County's only significant construction project active as of June 30, 2008. The project began in fiscal year 2004-2005 and has incurred costs of \$12,919,840 through June 30, 2008. The parking structure has been financed using capital contributions from private participants, the City of Napa and the transfer of resources from the General Fund. The County has budgeted \$6.9 million of appropriations for fiscal year 2008-2009 for the project's completion.

COUNTY OF NAPA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2008

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

Depreciation

Depreciation expense was charged to governmental functions as follows:

General government	\$ 2,602,455
Public protection	1,500,831
Public ways and facilities	5,590,474
Health and sanitation	158,311
Public assistance	155,511
Education	<u>104,267</u>
 Total Depreciation Expense – Governmental Functions	 <u><u>\$ 10,111,849</u></u>

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

Airport	\$ 1,068,245
Lake Berryessa Resort Improvement District	111,939
Napa Berryessa Resort Improvement District	<u>53,126</u>
 Total Depreciation Expense – Business-Type Activities	 <u><u>\$ 1,233,310</u></u>

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

The Airport Enterprise Fund has received an advance from the County to construct certain projects at the Airport. These projects include constructing hangars, CHP facilities, and Bridgeford facilities. The revenue earned from these projects will be used to repay the advance from the County. The Airport Enterprise Fund will repay the advance with interest at the same rates as the 2003 Certificates of Participation which funded this advance. The outstanding advance at June 30, 2008 was \$1,305,100.

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

<u>Year Ending</u> <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$ 244,900	\$ 47,852	\$ 292,752
2010	249,550	40,505	290,055
2011	261,950	31,771	293,721
2012	269,700	21,948	291,648
2013	<u>279,000</u>	<u>11,160</u>	<u>290,160</u>
Total	<u><u>\$ 1,305,100</u></u>	<u><u>\$ 153,236</u></u>	<u><u>\$ 1,458,336</u></u>

COUNTY OF NAPA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2008

Note 7: **Long-Term Debt**

The following is a summary of long-term liabilities transactions for the year ended June 30, 2008:

	Balance July 1, 2007	Additions	Reductions	Balance June 30, 2008	Amounts Due Within One Year
Governmental Activities:					
Bonds payable	\$ 46,565,000	\$ -	\$ (3,415,000)	\$ 43,150,000	\$ 3,565,000
Less deferred amounts:					
For issuance premiums	1,766,134	-	(160,558)	1,605,576	-
For refunding	(1,534,702)	-	139,518	(1,395,184)	-
Certificates of participation	40,340,000	-	(2,335,000)	38,005,000	2,400,000
Less deferred amounts:					
For issuance premiums	211,784	-	(20,428)	191,356	-
Loans payable	1,406,731	-	(20,349)	1,386,382	63,535
Compensated absences	6,140,402	5,864,657	(5,471,961)	6,533,098	3,499,290
Liability for unpaid ins. claims	8,131,000	4,971,377	(3,585,377)	9,517,000	3,930,892
	<u>\$ 103,026,349</u>	<u>\$ 10,836,034</u>	<u>\$ (14,869,155)</u>	<u>\$ 98,993,228</u>	<u>\$ 13,458,717</u>
Total Governmental Activities Long-term liabilities					
	<u>\$ 103,026,349</u>	<u>\$ 10,836,034</u>	<u>\$ (14,869,155)</u>	<u>\$ 98,993,228</u>	<u>\$ 13,458,717</u>
Business-type Activities:					
Special Assessment Debt with Governmental Commitment	\$ -	\$ 4,755,841	\$ (45,000)	\$ 4,710,841	\$ 55,841
Loan payable	389,687	-	(27,344)	362,343	29,297
Compensated absences	23,555	36,551	(23,664)	36,442	16,209
	<u>23,555</u>	<u>36,551</u>	<u>(23,664)</u>	<u>36,442</u>	<u>16,209</u>
Total Business-type Activities Long-term liabilities					
	<u>\$ 413,242</u>	<u>\$ 4,792,392</u>	<u>\$ (96,008)</u>	<u>\$ 5,109,626</u>	<u>\$ 101,347</u>

COUNTY OF NAPA

Notes to the Basic Financial Statements For the Year Ended June 30, 2008

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

As of June 30, 2008, annual debt service requirements of governmental 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
2009	\$ 3,565,000	\$ 1,870,225	\$ 2,400,000	\$ 1,508,887	\$ 63,535	\$ 18,677
2010	3,720,000	1,712,497	2,470,000	1,436,887	44,490	12,318
2011	3,865,000	1,574,435	2,545,000	1,355,637	46,265	10,543
2012	4,000,000	1,433,885	2,635,000	1,262,863	48,088	8,721
2013	4,175,000	1,259,060	2,730,000	1,162,988	1,050,028	6,780
2014-2018	23,825,000	3,336,135	13,970,000	4,169,813	133,976	8,044
2019-2023	-	-	11,255,000	1,590,594	-	-
	<u>\$ 43,150,000</u>	<u>\$ 11,186,237</u>	<u>\$ 38,005,000</u>	<u>\$ 12,487,669</u>	<u>\$ 1,386,382</u>	<u>\$ 65,083</u>

Year Ending June 30,	Business-type Activities			
	Special Assessment Debt with Governmental Commitment		Loans Payable	
	Principal	Interest	Principal	Interest
2009	\$ 55,841	\$ 256,728	\$ 29,297	\$ 18,926
2010	70,000	253,425	31,250	17,396
2011	75,000	249,619	33,203	15,763
2012	80,000	245,550	35,156	14,029
2013	85,000	241,219	37,109	12,192
2014-2018	480,000	1,134,038	196,328	29,850
2019-2023	625,000	986,849	-	-
2024-2028	815,000	789,675	-	-
2029-2033	1,070,000	531,412	-	-
2034-2038	1,355,000	191,337	-	-
	<u>\$ 4,710,841</u>	<u>\$ 4,879,852</u>	<u>\$ 362,343</u>	<u>\$ 108,156</u>

COUNTY OF NAPA

Notes to the Basic Financial Statements For the Year Ended June 30, 2008

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

Long-term liabilities at June 30, 2008 consisted of the following:

	Date of Issue	Maturity	Interest Rates	Annual Principal Installments	Original Issue Amount	Outstanding at June 30, 2008
<u>Governmental Activities</u>						
Bonds Payable						
1999 Series A (to finance or reimburse the Napa County Flood Protection and Watershed Improvement Authority for certain costs of the Napa River/Napa Creek Flood Protection Project, to pay the premium of a surety bond to be deposited in the Bond Reserve Fund established under the indenture, to pay capitalized interest if necessary, and to pay the costs of issuance of the 1999 Series A Bonds.)						
Bonds Payable	7/1/1999	2018	4.25-5.00%	\$2,275,000-\$2,590,000	\$ 43,650,000	\$ 2,590,000
2005 Series Refunding (to refund a portion of the Authority's Limited Tax Bonds, 1999 Series A, and to pay the costs of issuance of the Series 2005 Bonds.)						
Bonds Payable	7/1/2005	2018	3.25-5.00%	\$50,000-\$3,870,000	29,710,000	29,475,000
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>11,085,000</u>
Total Bonds Payable					<u>87,015,000</u>	<u>43,150,000</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.)						
Certificates of Participation	3/1/2003	2023	2.00-4.625%	\$200,000-\$2,465,000	32,350,000	27,675,000
2005 issue (to refund the County's 1996 COP issue used to fund various improvements, including the construction of a new criminal court building, reclading the exterior of the existing County Administrative Building, modernization of the County's Health and Human Services Agency complex, and various capital improvements to the County's Hall of Justice and Hall of Records; to establish a reserve fund for the Certificates; and to pay certain costs incurred in connection with the execution and delivery of the Certificates, including the premium for Certificates' insurance).						
Certificates of Participation	2/1/2005	2017	3.00-3.60%	\$960,000-\$1,300,000	<u>13,275,000</u>	<u>10,330,000</u>
Total Certificates of Participation					<u>45,625,000</u>	<u>38,005,000</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	11/17/06	2016	3.95%	\$20,000 - \$27,853	448,372	386,382

COUNTY OF NAPA

Notes to the Basic Financial Statements For the Year Ended June 30, 2008

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

	Date of Issue	Maturity	Interest Rates	Annual Principal Installments	Original Issue Amount	Outstanding at June 30, 2008
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	7/1/04	2014	3.00%	Various	1,000,000	1,000,000
Total Loans Payable					1,448,372	1,386,382
Total Governmental Activities					\$ 134,088,372	\$ 82,541,382

Business-type Activities

Special Assessment Debt with Governmental Commitment

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.)

Bonds Payable	9/2/07	2037	5.25-5.55%	\$55,841-\$295,000	\$ 4,755,841	\$ 4,710,841
---------------	--------	------	------------	--------------------	--------------	--------------

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	500,000	362,343
Total Business-Type Activities					\$ 5,255,841	\$ 5,073,184

Certificates of participation and bond retirements and related interest payments are paid from a debt service fund. Loans payable retirements and related interest payments are paid from the Airport Fund. Special assessment debt with governmental commitment retirements and related interest payments are paid from the Lake Berryessa Resort Improvement District. Fund. Claims and judgments will be paid from the County's Worker's Compensation and General Liability Funds. Compensated absences liabilities will be paid by several of the County's funds, including the general fund, four special revenue funds, two internal service funds, and an enterprise fund. Historically, 99 percent of these costs have been paid from the County's governmental funds, with the remaining 1 percent paid from its proprietary funds.

COUNTY OF NAPA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2008

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

Bond Discounts, Bond Premiums, and Issuance Costs

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

Arbitrage

The Tax Reform Act of 1986 instituted certain arbitrage restrictions with respect to the issuance of tax-exempt bonds after August 31, 1986. Arbitrage regulations deal with the investment of all tax-exempt bond proceeds at an interest yield greater than the interest yield paid to bondholders. Generally, all interest paid to bondholders can be retroactively rendered taxable if applicable rebates are not reported and paid to the Internal Revenue Service at least every five years.

Note 8: **Operating Leases**

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

Fiscal Year Ending June 30,	<u>Payments</u>
2009	\$ 472,827
2010	361,919
2011	240,599
2012	144,999
2013	53,034
Total	<u>\$ 1,273,378</u>

Rent expenditures were \$512,451 for the year ended June 30, 2008.

COUNTY OF NAPA

Notes to the Basic Financial Statements For the Year Ended June 30, 2008

Note 9: **Deferred and Unearned 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, 2008, the various components of deferred and unearned revenue reported were as follows:

	Deferred (Unavailable)	Unearned	Total
Governmental Activities:			
General Fund:			
SB 90 mandated costs	\$ 6,861,619	\$ --	\$ 6,861,619
State reimbursements grant	4,374,233	729,708	5,103,941
Roads Fund:			
Federal disaster assistance	1,000,000	--	1,000,000
State Proposition 1B funding	--	1,982,199	1,982,199
Nonmajor Governmental Funds:			
State reimbursements grants	17,251	--	17,251
Federal reimbursements grants	26,088	--	26,088
Total unearned and deferred revenue	\$ 12,279,191	\$ 2,711,907	\$ 14,991,098
Business-type Activities:			
Napa County Airport:			
Long-term hangar lease agreement with State of California	\$ --	\$ 1,075,056	\$ 1,075,056
Total unearned and deferred revenue	\$ --	\$ 1,075,056	\$ 1,075,056

COUNTY OF NAPA

Notes to the Basic Financial Statements For the Year Ended June 30, 2008

Note 10: **Net Assets/Fund Balances**

Net Assets

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

- *Invested in Capital Assets, Net of Related Debt* – This category groups all capital assets, including infrastructure, into one component of net assets. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category.
- *Restricted Net Assets* – This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation. Included in total restricted net assets at June 30, 2008 are net assets restricted by enabling legislation of \$23,265,267.
- *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, 2008

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

Fund Balances (continued)

The County has “reserved” fund balances as follows:

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

Unreserved designated fund balances at June 30, 2008 are as follows:

General Fund

Designated for:

Capital projects	\$ 4,279,808
Economic uncertainties	12,686,059
Health and human services	2,807,927
Various	<u>843,444</u>
	<u>20,617,238</u>

Napa County Flood Protection and Watershed
Improvement Authority

Designated for:

Flood projects	<u>44,648,767</u>
----------------	-------------------

Affordable Housing

Designated for:

Housing projects	<u>5,637,833</u>
------------------	------------------

COUNTY OF NAPA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2008

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

Fund Balances (continued)

Other Governmental Funds

Designated for:

Fire Protection	6,299,001
Zone 1 Garbage	569,272
Child Support Services	107,332
Library	3,787,691
Capital Projects	16,139,880
Various	<u>862,582</u>
	<u>27,765,758</u>

Total Unreserved Designated Fund Balances \$ 98,669,596

Fiduciary Net Assets

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

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

A. Plan Description

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

B. Funding Policy

Per the Memorandum of Understanding, the County contributes a portion of the employee share of retirement contributions for local miscellaneous members. Effective July 1, 2004 through December 17, 2004 the employee rate was 7%. Of the 7% employee rate, the County contributed 4.2%. Effective December 18, 2004, the County implemented a “2.5% @ 55” formula which resulted in a new employee rate of 8%. Of the 8% employee rate, the County contributed 5.2%. For fiscal years 2005-2006 through 2007-2008, the County contributed 3.52%, 3.81%, and 3.64% of the employee rate of 8%, respectively.

COUNTY OF NAPA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2008

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

B. Funding Policy (continued)

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

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

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

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

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

Annual Pension Cost

For fiscal year 2007-2008, the County of Napa's annual pension cost was \$12,927,874 and the County actually contributed \$12,927,874. The required contribution for the period July 1, 2007 to June 30, 2008 has been determined by an actuarial valuation of the plan as of June 30, 2004 using the entry age normal actuarial cost method with the contributions determined as a percent of pay. The actuarial assumptions included (a) 7.75% investment rate of return (net of administrative expenses); (b) projected salary increases that vary by duration of 3.25% to 14.45% merit increases that vary based on age, service and type of employment; (c) no benefit increases after retirement; and (d) an inflation assumption of 3.0%

The actuarial value of the County's assets was determined using a technique that smoothes the effect of short-term volatility in the market value of investments over a two to five year period depending on the size of the investment gains and/or losses. The County's excess assets are being amortized as a level percentage of projected payroll on a closed basis. There are averages of 22 years and 16 years remaining in the amortization period at June 30, 2007 (the valuation date) under the miscellaneous and safety plan, respectively.

COUNTY OF NAPA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2008

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

B. Funding Policy (continued)

Three-Year Trend Information (in thousands)

Fiscal Year Ended	Annual Pension Cost Miscellaneous	Annual Pension Cost Safety	Total Annual Pension Cost	Percentage of Annual Pension Cost Contributed	Net Pension Obligation
06/30/2006	\$ 9,811	\$1,365	\$11,176	100%	--
06/30/2007	10,547	1,604	12,151	100%	--
06/30/2008	11,362	1,566	12,928	100%	--

Note 12: **Retiree Healthcare Plan**

In addition to the pension benefits described in Note 11, the County provides postretirement healthcare benefits under the *Retiree Healthcare Plan*. In accordance with Government Code, all employees electing a PERS retirement date within 120 days of retiring from the County are eligible to receive healthcare benefits. The County provides health or dental benefits on a pay-as-you-go basis to retirees in three basic categories.

1. Generally, retirees who at the time of retirement have over 120 hours of accumulated unused sick leave receive, for each 8 hours of sick leave, one month of single party insurance benefits paid by the County. For management and law enforcement employees, they are eligible for one month of two-party insurance benefits, paid for by the County for each 16 hours of sick leave.
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 (\$97.00 per month in 2008) 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.

COUNTY OF NAPA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2008

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

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 liability over a period of 14 years. The fiscal year 2007-2008 ARC was \$5,858,000.

For fiscal year 2007-2008, the County contributed \$5,858,000 to the Plan which fully funded the ARC for GASB 45 purposes. The County paid \$1,537,382 to retirees during the year, and \$4,320,628 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.

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

For fiscal year 2007-2008, the County’s annual OPEB cost (expense) of \$5,858,000 was equal to the annual required contribution.

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 fiscal year 2007-2008 is as follows (dollar amounts in thousands):

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/08	\$5,858	100%	\$0

Funded Status and Funding Progress. The funded status of the plan as of June 30, 2007, the plan’s most recent actuarial valuation date, was as follows (dollar amounts in thousands):

Actuarial accrued liability (AAL)	\$38,818
Actuarial value of plan assets	<u>0</u>
Unfunded actuarial accrued liability (UAAL)	\$38,818
Funded ratio (actuarial value of plan assets/AAL)	0.0%
Covered payroll (active Plan members)	\$83,322
UAAL as a percentage of covered payroll	46.6%

COUNTY OF NAPA

Notes to the Basic Financial Statements For the Year Ended June 30, 2008

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

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress is presented as required supplementary information following the notes to the financial statements.

Actuarial Methods and Assumptions. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the January 1, 2006 actuarial valuation, the entry age normal actuarial cost method was used. The actuarial assumptions included a 7.75% investment rate of return (net of administrative expenses), which is the expected long-term investment return on CERBT investments and a 3% inflation assumption. The actuarial value of assets is equal to the market value. The unfunded actuarial accrued liability (UAAL) is being amortized as a level percentage of projected payroll over 14 years on a closed basis. The remaining amortization period at January 1, 2006 was 14 years.

Note 13: **Deferred Compensation Plan**

Employees of the County of Napa may participate in a deferred compensation plan adopted under the provisions of Internal Revenue Code Section 457 (Deferred Compensation Plans with Respect to Service for State and Local Governments).

The deferred compensation plan is available to all employees of the County. Under the plan, employees may elect to defer a portion of their salaries and defer paying taxes on the deferred portion until the withdrawal date. The deferred compensation is not available for withdrawal by employees until termination, retirement, death, or unforeseeable emergency.

COUNTY OF NAPA

Notes to the Basic Financial Statements For the Year Ended June 30, 2008

Note 13: **Deferred Compensation Plan** (continued)

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

Note 14: **401(a) Retirement Savings Plan**

The County established a profit sharing plan called the 401(a) Retirement Savings Plan for the purpose of providing retirement benefits for its Eligible Employees. Eligible employees who become participants in this plan are defined as the County's management, confidential and non-classified employees, and elected officials. 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 County has sole discretion in determining the employer contribution amount. This amount must be established annually on or before January 1st by a duly adopted resolution. The County's policy of contributing up to \$1,000 in matching funds (per employee) was reinstated effective calendar year 2005.

Each participant may allocate the balances of his/her account under the Plan among the investment options provided under the 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. Under specific circumstances, participants may elect to enter into a one-time employee irrevocable salary reduction in accordance with the plan provisions.

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

Note 15: **Risk Management**

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

COUNTY OF NAPA

Notes to the Basic Financial Statements For the Year Ended June 30, 2008

Note 15: **Risk Management** (continued)

The County participates in pooled insurance programs with other governmental agencies through CSAC Excess Insurance Authority (EIA) for claims in excess of coverage provided by these funds. While settled workers' compensation claims have not exceeded the pooled coverage in any of the past three years, one general liability claim has 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, 2008 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:

	<u>Beginning Fiscal Year Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claims Payments</u>	<u>Balance at Fiscal Year End</u>
General Liability:				
2005 – 2006	<u>\$ 3,280,000</u>	<u>\$ 1,947,190</u>	<u>\$ (2,187,190)</u>	<u>\$ 3,040,000</u>
2006 – 2007	<u>\$ 3,040,000</u>	<u>\$ 1,044,019</u>	<u>\$ (1,044,019)</u>	<u>\$ 3,040,000</u>
2007 – 2008	<u>\$ 3,040,000</u>	<u>\$ 1,420,260</u>	<u>\$ (1,140,260)</u>	<u>\$ 3,320,000</u>
Workers' Compensation:				
2005 – 2006	<u>\$ 5,230,000</u>	<u>\$ 768,406</u>	<u>\$ (907,406)</u>	<u>\$ 5,091,000</u>
2006 – 2007	<u>\$ 5,091,000</u>	<u>\$ 981,725</u>	<u>\$ (981,725)</u>	<u>\$ 5,091,000</u>
2007 – 2008	<u>\$ 5,091,000</u>	<u>\$ 2,215,117</u>	<u>\$ (1,109,117)</u>	<u>\$ 6,197,000</u>

COUNTY OF NAPA

Notes to the Basic Financial Statements For the Year Ended June 30, 2008

Note 16: **Contingencies**

A. **Litigation**

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

B. **Grants**

The County participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental entities. The County participates in other federal and state programs where County costs are recovered on a reimbursable basis. Grant expenditures and reimbursements are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with the relevant regulations, the County may be required to reimburse the appropriate governmental agency. As of June 30, 2008, 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 or reimbursements, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the County.

REQUIRED SUPPLEMENTARY INFORMATION



COUNTY OF NAPA

Required Supplementary Information
For the Year Ended June 30, 2008

Schedule of Funding Progress

County Employees Retirement Plan (Defined Benefit Pension Plan)

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

Funded Status of Miscellaneous Plan (Dollar Amounts in Thousands)						
Valuation Date	Entry Age Normal Accrued Liability	Actuarial Value of Assets	Unfunded/ (Overfunded) Liability	Funded Ratio	Annual Covered Payroll	UAAL as a % of Payroll
6/30/05	\$ 331,371	\$ 282,633	\$ 48,738	85.3%	\$ 72,296	67.4%
6/30/06	364,922	312,403	52,519	85.6%	77,548	67.7%
6/30/07	395,088	343,977	51,111	87.1%	81,830	62.5%

Funded Status of Safety Plan

This information is no longer available for the Safety Plan. Information is available on a pooled-basis only and can be obtained from CalPERS, P.O. Box 942709, Sacramento, CA 94229-2709.

Other Post Employment Benefits Plan

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 dated January 1, 2006. The report calculated the actuarial obligations as of January 1, 2006 and a roll-forward analysis as of June 30, 2007 which was used to determine the 2007-2008 annual required contribution:

(Dollar Amounts in Thousands)						
Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
01/01/06	\$0	\$34,217	\$34,217	0%	\$80,700	42.4%
06/30/07	0	38,818	38,818	0%	83,322	46.6%

COUNTY OF NAPA

Budgetary Comparison Schedule General Fund For the Year Ended June 30, 2008

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balances, July 1	\$ 75,127,296	\$ 75,127,296	\$ 75,127,296	\$ --
Resources (inflows):				
Taxes	85,807,206	85,807,181	89,664,388	3,857,207
Licenses and permits	2,075,178	2,075,178	2,056,431	(18,747)
Fines, forfeits and penalties	409,571	409,571	138,137	(271,434)
Revenue from use of money and property	1,805,363	1,805,363	2,397,304	591,941
Aid from other governments	63,795,158	66,383,783	57,886,318	(8,497,465)
Charges for services	23,520,626	23,582,009	21,005,550	(2,576,459)
Contributions and donations	7,001	1,166,001	624,496	(541,505)
Other revenue	5,116,714	5,284,641	1,429,167	(3,855,474)
Other financing sources	2,258,375	2,591,906	8,320,256	5,728,350
Amounts available for appropriation	<u>184,795,192</u>	<u>189,105,633</u>	<u>183,522,047</u>	<u>(5,583,586)</u>
Charges to appropriations (outflows):				
<i>General Government:</i>				
Board of Supervisors				
Salaries and benefits	\$ 609,114	\$ 621,114	\$ 617,214	\$ 3,900
Services and supplies	54,068	42,068	40,626	1,442
Subtotal	<u>663,182</u>	<u>663,182</u>	<u>657,840</u>	<u>5,342</u>
County Executive Officer				
Salaries and benefits	2,218,518	2,218,518	2,189,723	28,795
Services and supplies	264,302	277,143	158,940	118,203
Subtotal	<u>2,482,820</u>	<u>2,495,661</u>	<u>2,348,663</u>	<u>146,998</u>
Community & Intergovernmental Affairs				
Salaries and benefits	625,785	550,785	426,239	124,546
Services and supplies	112,290	187,290	184,668	2,622
Subtotal	<u>738,075</u>	<u>738,075</u>	<u>610,907</u>	<u>127,168</u>
Auditor-Controller				
Salaries and benefits	2,337,565	2,278,565	2,136,152	142,413
Services and supplies	222,897	281,897	250,384	31,513
Subtotal	<u>2,560,462</u>	<u>2,560,462</u>	<u>2,386,536</u>	<u>173,926</u>
Treasurer-Tax Collector				
Salaries and benefits	1,246,444	1,242,244	1,131,575	110,669
Services and supplies	379,411	383,611	383,359	252
Subtotal	<u>1,625,855</u>	<u>1,625,855</u>	<u>1,514,934</u>	<u>110,921</u>
Assessor				
Salaries and benefits	2,282,834	2,238,972	2,152,834	86,138
Services and supplies	444,364	450,714	442,069	8,645
Transfers out	15,329	15,329	--	15,329
Subtotal	<u>2,742,527</u>	<u>2,705,015</u>	<u>2,594,903</u>	<u>110,112</u>

COUNTY OF NAPA

Budgetary Comparison Schedule General Fund For the Year Ended June 30, 2008

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
County Counsel				
Salaries and benefits	\$ 2,813,072	\$ 2,788,072	\$ 2,735,967	\$ 52,105
Services and supplies	482,419	511,337	406,275	105,062
Subtotal	<u>3,295,491</u>	<u>3,299,409</u>	<u>3,142,242</u>	<u>157,167</u>
Human Resources				
Salaries and benefits	1,511,225	1,516,925	1,516,880	45
Services and supplies	667,159	682,331	449,951	232,380
Subtotal	<u>2,178,384</u>	<u>2,199,256</u>	<u>1,966,831</u>	<u>232,425</u>
Primary-General Election				
Salaries and benefits	442,239	497,239	463,522	33,717
Services and supplies	761,103	786,103	769,837	16,266
Subtotal	<u>1,203,342</u>	<u>1,283,342</u>	<u>1,233,359</u>	<u>49,983</u>
Communications				
Salaries and benefits	539,014	539,014	528,753	10,261
Services and supplies	527,014	572,124	570,276	1,848
Capital assets	11,000	22,739	22,116	623
Subtotal	<u>1,077,028</u>	<u>1,133,877</u>	<u>1,121,145</u>	<u>12,732</u>
Records Mgmt/Courier				
Salaries and benefits	277,024	277,024	189,054	87,970
Services and supplies	362,215	362,215	287,614	74,601
Subtotal	<u>639,239</u>	<u>639,239</u>	<u>476,668</u>	<u>162,571</u>
Property Management				
Salaries and benefits	2,690,339	2,690,339	2,532,693	157,646
Services and supplies	2,818,161	2,813,061	2,561,294	251,767
Debt Service	56,810	64,462	64,461	1
Subtotal	<u>5,565,310</u>	<u>5,567,862</u>	<u>5,158,448</u>	<u>409,414</u>
Capital Improvement Program				
Services and supplies	5,126,860	5,339,996	1,282,239	4,057,757
Capital assets	1,130,000	1,130,000	175,089	954,911
Subtotal	<u>6,256,860</u>	<u>6,469,996</u>	<u>1,457,328</u>	<u>5,012,668</u>
Central Services				
Services and supplies	1,591,657	1,650,309	1,466,879	183,430
Other charges	403,793	444,931	251,930	193,001
Contingencies	119,171	160,190	160,190	--
Subtotal	<u>2,114,621</u>	<u>2,255,430</u>	<u>1,878,999</u>	<u>376,431</u>
Insurance				
Services and supplies	396,250	396,668	341,343	55,325
Subtotal	<u>396,250</u>	<u>396,668</u>	<u>341,343</u>	<u>55,325</u>

COUNTY OF NAPA

Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
General Expenditures				
Services and supplies	\$ 1,216,865	\$ 1,225,615	\$ 1,244,690	\$ (19,075)
Transfers out	10,584,826	11,172,542	29,311,041	(18,138,499)
Subtotal	<u>11,801,691</u>	<u>12,398,157</u>	<u>30,555,731</u>	<u>(18,157,574)</u>
Employee/Retiree Benefits				
Salaries and benefits	2,485,000	3,326,804	3,254,030	72,774
Services and supplies	4,447,423	4,581,191	3,950,466	630,725
Subtotal	<u>6,932,423</u>	<u>7,907,995</u>	<u>7,204,496</u>	<u>703,499</u>
General Plan				
Services and supplies	1,000,000	1,032,714	569,974	462,740
Subtotal	<u>1,000,000</u>	<u>1,032,714</u>	<u>569,974</u>	<u>462,740</u>
Contingencies				
Contingencies	5,600,000	3,537,252	--	3,537,252
Subtotal	<u>5,600,000</u>	<u>3,537,252</u>	<u>--</u>	<u>3,537,252</u>
<i>Total General Government</i>	<u>58,873,560</u>	<u>58,909,447</u>	<u>65,220,347</u>	<u>(6,310,900)</u>
<i>Public Protection:</i>				
Grand Jury				
Services and supplies	27,863	45,863	40,461	5,402
Subtotal	<u>27,863</u>	<u>45,863</u>	<u>40,461</u>	<u>5,402</u>
District Attorney				
Salaries and benefits	5,698,638	5,680,938	5,625,473	55,465
Services and supplies	1,380,110	1,412,014	1,402,195	9,819
Subtotal	<u>7,078,748</u>	<u>7,092,952</u>	<u>7,027,668</u>	<u>65,284</u>
Public Defender Services				
Salaries and benefits	2,992,163	2,992,163	2,836,849	155,314
Services and supplies	361,244	368,761	324,789	43,972
Transfers out	8,601	1,630	--	1,630
Subtotal	<u>3,362,008</u>	<u>3,362,554</u>	<u>3,161,638</u>	<u>200,916</u>
Conflict Public Defender				
Services and supplies	855,464	1,086,964	1,083,939	3,025
Subtotal	<u>855,464</u>	<u>1,086,964</u>	<u>1,083,939</u>	<u>3,025</u>
Sheriff				
Salaries and benefits	15,408,730	15,643,517	15,642,620	897
Services and supplies	4,503,318	4,648,819	4,383,092	265,727
Capital assets	240,000	409,207	390,463	18,744
Transfers out	--	31,753	--	31,753
Subtotal	<u>20,152,048</u>	<u>20,733,296</u>	<u>20,416,175</u>	<u>317,121</u>

COUNTY OF NAPA

Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Special Investigation Unit				
Salaries and benefits	\$ 534,164	\$ 536,364	\$ 536,360	\$ 4
Services and supplies	420,279	608,029	410,036	197,993
Capital assets	--	22,280	22,271	9
Subtotal	<u>954,443</u>	<u>1,166,673</u>	<u>968,667</u>	<u>198,006</u>
Department of Corrections				
Salaries and benefits	7,474,917	7,474,917	7,392,601	82,316
Services and supplies	1,701,086	1,740,150	1,636,327	103,823
Transfers out	29,000	29,000	--	29,000
Subtotal	<u>9,205,003</u>	<u>9,244,067</u>	<u>9,028,928</u>	<u>215,139</u>
Detention Medical Services				
Services and supplies	1,896,732	1,896,732	1,817,463	79,269
Subtotal	<u>1,896,732</u>	<u>1,896,732</u>	<u>1,817,463</u>	<u>79,269</u>
Probation Department				
Salaries and benefits	5,824,022	5,750,482	5,610,909	139,573
Services and supplies	1,398,166	1,486,162	1,437,930	48,232
Transfers out	--	99,000	--	99,000
Subtotal	<u>7,222,188</u>	<u>7,335,644</u>	<u>7,048,839</u>	<u>286,805</u>
Juvenile Hall				
Salaries and benefits	3,619,863	3,619,863	3,459,264	160,599
Services and supplies	635,033	635,321	552,931	82,390
Subtotal	<u>4,254,896</u>	<u>4,255,184</u>	<u>4,012,195</u>	<u>242,989</u>
Ag Comm/Sealer				
Salaries and benefits	2,481,017	2,481,017	2,400,670	80,347
Services and supplies	753,679	758,016	728,867	29,149
Transfers out	28,800	40,298	--	40,298
Subtotal	<u>3,263,496</u>	<u>3,279,331</u>	<u>3,129,537</u>	<u>149,794</u>
Animal Shelter				
Salaries and benefits	518,839	518,839	499,638	19,201
Services and supplies	174,294	184,814	166,017	18,797
Subtotal	<u>693,133</u>	<u>703,653</u>	<u>665,655</u>	<u>37,998</u>
Clerk Recorder				
Salaries and benefits	799,067	799,067	714,965	84,102
Services and supplies	170,747	174,208	156,469	17,739
Transfers out	2,200	2,200	--	2,200
Subtotal	<u>972,014</u>	<u>975,475</u>	<u>871,434</u>	<u>104,041</u>
Coroner				
Salaries and benefits	305,462	313,462	312,460	1,002
Services and supplies	235,887	227,887	198,530	29,357
Subtotal	<u>541,349</u>	<u>541,349</u>	<u>510,990</u>	<u>30,359</u>

COUNTY OF NAPA

Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Public Admin-Guardian				
Salaries and benefits	\$ 186,936	\$ 186,936	\$ 185,368	\$ 1,568
Services and supplies	42,518	42,518	33,981	8,537
Subtotal	<u>229,454</u>	<u>229,454</u>	<u>219,349</u>	<u>10,105</u>
Conservation, Development, Planning				
Salaries and benefits	3,196,105	3,176,105	2,924,011	252,094
Services and supplies	1,299,575	1,601,820	1,601,518	302
Transfers out	--	60,000	60,000	--
Subtotal	<u>4,495,680</u>	<u>4,837,925</u>	<u>4,585,529</u>	<u>252,396</u>
Emergency Services				
Salaries and benefits	128,134	128,434	128,417	17
Services and supplies	188,252	185,514	109,499	76,015
Transfers out	--	12,177	--	12,177
Subtotal	<u>316,386</u>	<u>326,125</u>	<u>237,916</u>	<u>88,209</u>
Watershed Information Center & Conservancy				
Services and supplies	100,000	494,000	51,119	442,881
Subtotal	<u>100,000</u>	<u>494,000</u>	<u>51,119</u>	<u>442,881</u>
Animal Control				
Salaries and benefits	629,148	636,148	636,126	22
Services and supplies	122,446	115,446	108,779	6,667
Subtotal	<u>751,594</u>	<u>751,594</u>	<u>744,905</u>	<u>6,689</u>
Environmental Management				
Salaries and benefits	2,515,677	2,531,177	2,094,127	437,050
Services and supplies	534,446	537,912	494,606	43,306
Transfers out	--	16,534	--	16,534
Subtotal	<u>3,050,123</u>	<u>3,085,623</u>	<u>2,588,733</u>	<u>496,890</u>
<i>Total Public Protection</i>	<u>69,422,622</u>	<u>71,444,458</u>	<u>68,211,140</u>	<u>3,233,318</u>
<i>Public Ways and Facilities:</i>				
Public Works/Engineering				
Salaries and benefits	6,031,643	5,954,141	5,591,134	363,007
Services and supplies	498,549	573,549	513,274	60,275
Other charges	5,000	5,000	--	5,000
Transfers out	15,550	18,052	--	18,052
Subtotal	<u>6,550,742</u>	<u>6,550,742</u>	<u>6,104,408</u>	<u>446,334</u>
Road Department				
Services and supplies	30,000	1,200,670	392,290	808,380
Subtotal	<u>30,000</u>	<u>1,200,670</u>	<u>392,290</u>	<u>808,380</u>
<i>Total Public Ways and Facilities</i>	<u>6,580,742</u>	<u>7,751,412</u>	<u>6,496,698</u>	<u>1,254,714</u>

COUNTY OF NAPA

Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<i>Health and Sanitation:</i>				
Public Health Department				
Salaries and benefits	\$ 5,449,543	\$ 5,337,543	\$ 4,834,693	\$ 502,850
Services and supplies	2,302,651	2,644,377	2,249,352	395,025
Other charges	3,206,401	3,206,401	3,062,967	143,434
Subtotal	<u>10,958,595</u>	<u>11,188,321</u>	<u>10,147,012</u>	<u>1,041,309</u>
Local Enforcement Program				
Salaries and benefits	211,309	222,269	221,336	933
Services and supplies	77,435	74,435	54,685	19,750
Subtotal	<u>288,744</u>	<u>296,704</u>	<u>276,021</u>	<u>20,683</u>
Mental Health				
Salaries and benefits	8,719,668	7,779,668	7,592,524	187,144
Services and supplies	3,634,471	4,652,113	4,466,124	185,989
Other charges	5,683,000	7,017,577	6,936,590	80,987
Other financing uses	--	3,612	3,612	--
Subtotal	<u>18,037,139</u>	<u>19,452,970</u>	<u>18,998,850</u>	<u>454,120</u>
Alcoholism and Drug Abuse				
Salaries and benefits	2,424,980	2,415,322	2,324,810	90,512
Services and supplies	2,039,862	2,470,001	2,182,775	287,226
Subtotal	<u>4,464,842</u>	<u>4,885,323</u>	<u>4,507,585</u>	<u>377,738</u>
Health and Human Services Admin				
Salaries and benefits	3,045,266	3,054,924	2,901,017	153,907
Services and supplies	1,515,753	1,562,637	1,441,429	121,208
Transfers out	685,862	685,862	445,723	240,139
Subtotal	<u>5,246,881</u>	<u>5,303,423</u>	<u>4,788,169</u>	<u>515,254</u>
<i>Total Health and Sanitation</i>	<u>38,996,201</u>	<u>41,126,741</u>	<u>38,717,637</u>	<u>2,409,104</u>
<i>Public Assistance:</i>				
Social Services				
Salaries and benefits	12,527,086	12,123,909	12,123,554	355
Services and supplies	5,044,924	5,688,540	5,199,903	488,637
Other charges	10,442,500	11,270,220	11,263,224	6,996
Subtotal	<u>28,014,510</u>	<u>29,082,669</u>	<u>28,586,681</u>	<u>495,988</u>
Employment Training Office				
Services and supplies	--	22,883	7	22,876
Subtotal	<u>--</u>	<u>22,883</u>	<u>7</u>	<u>22,876</u>
Workforce Investment Act				
Services and supplies	15,288	25,288	12,525	12,763
Subtotal	<u>15,288</u>	<u>25,288</u>	<u>12,525</u>	<u>12,763</u>

COUNTY OF NAPA

Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
In Home Supportive Services				
Salaries and benefits	\$ 204,986	\$ 219,986	\$ 210,916	\$ 9,070
Services and supplies	129	129	129	--
Subtotal	<u>205,115</u>	<u>220,115</u>	<u>211,045</u>	<u>9,070</u>
Care of Juvenile Ward				
Services and supplies	13,091	13,091	11,427	1,664
Other charges	508,199	633,136	630,948	2,188
Subtotal	<u>521,290</u>	<u>646,227</u>	<u>642,375</u>	<u>3,852</u>
<i>Total Public Assistance</i>	<u>28,756,203</u>	<u>29,997,182</u>	<u>29,452,633</u>	<u>544,549</u>
<i>Education:</i>				
U. C. Cooperative Extension				
Salaries and benefits	218,941	218,941	210,508	8,433
Services and supplies	170,629	180,629	157,387	23,242
Subtotal	<u>389,570</u>	<u>399,570</u>	<u>367,895</u>	<u>31,675</u>
<i>Total Education</i>	<u>389,570</u>	<u>399,570</u>	<u>367,895</u>	<u>31,675</u>
<i>Recreation and Cultural Services:</i>				
Parks				
Services and supplies	1,096,705	1,096,705	211,686	885,019
Subtotal	<u>1,096,705</u>	<u>1,096,705</u>	<u>211,686</u>	<u>885,019</u>
<i>Total Recreation and Cultural Services</i>	<u>1,096,705</u>	<u>1,096,705</u>	<u>211,686</u>	<u>885,019</u>
Total Charges to Appropriations	<u>204,115,603</u>	<u>210,725,515</u>	<u>208,678,036</u>	<u>2,047,479</u>
Budgetary fund balances, June 30	<u>\$ 55,806,885</u>	<u>\$ 53,507,414</u>	<u>\$ 49,971,307</u>	<u>\$ (3,536,107)</u>

COUNTY OF NAPA

Budgetary Comparison Schedule General Fund For the Year Ended June 30, 2008

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	\$ 183,522,047
Differences - budget to GAAP:	
Reimbursements from other funds are inflows of budgetary resources but not revenues for GAAP purposes	(880,865)
Transfers from other funds are inflows of budgetary resources but not revenues for GAAP purposes	<u>(8,320,256)</u>
Total revenues as reported on the combining statement of revenue, expenditures, and changes in fund balances - governmental funds	<u><u>\$ 174,320,926</u></u>

Uses/outflows of resources

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison statement	\$ 208,678,036
Differences - budget to GAAP:	
Costs reimbursed by other funds are outflows of budgetary resources but not expenditures for GAAP purposes	(880,865)
Transfers to other funds are outflows of budgetary resources but are not expenditures for GAAP purposes	<u>(29,816,764)</u>
Total expenditures as reported on the combining statement of revenues, expenditures, and changes in fund balances - governmental funds	<u><u>\$ 177,980,407</u></u>

COUNTY OF NAPA

Budgetary Comparison Schedule
 Napa County Flood Protection and Watershed Improvement Authority
 For the Year Ended June 30, 2008

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		Positive (Negative)
Budgetary fund balances, Beginning	\$ 38,382,445	\$ 38,382,445	\$ 38,382,445	\$ --
Resources (inflows):				
Taxes	8,722,000	13,500,000	14,253,785	753,785
Revenue from use of money and property	2,369,788	351,000	1,835,305	1,484,305
Aid from other governments	--	50,000	50,000	--
Transfers in	5,000	2,093,710	--	(2,093,710)
Amounts available for appropriation	<u>11,096,788</u>	<u>15,994,710</u>	<u>16,139,090</u>	<u>144,380</u>
Charges to appropriations (outflows):				
Public way and facilities	--	--	4,432,030	(4,432,030)
Debt service	5,438,788	5,440,763	5,440,738	25
Other financing uses	15,000,000	15,000,000	--	15,000,000
Total charges to appropriations	<u>20,438,788</u>	<u>20,440,763</u>	<u>9,872,768</u>	<u>10,567,995</u>
Budgetary fund balances, Ending	<u>\$ 29,040,445</u>	<u>\$ 33,936,392</u>	<u>\$ 44,648,767</u>	<u>\$ 10,712,375</u>

COUNTY OF NAPA

Budgetary Comparison Schedule
Affordable Housing
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		Positive (Negative)
Budgetary fund balances, Beginning	\$ 19,881,775	\$ 19,881,775	\$ 19,881,775	\$ --
Resources (inflows):				
Revenue from use of money and property	200,000	200,000	418,293	218,293
Charges for services	<u>1,787,000</u>	<u>1,787,000</u>	<u>1,973,555</u>	<u>186,555</u>
Amounts available for appropriation	<u>1,987,000</u>	<u>1,987,000</u>	<u>2,391,848</u>	<u>404,848</u>
Charges to appropriations (outflows):				
Services and supplies	3,012,344	3,012,344	77,685	2,934,659
Transfers out	--	--	31,837	(31,837)
Total charges to appropriations	<u>3,012,344</u>	<u>3,012,344</u>	<u>109,522</u>	<u>2,902,822</u>
Budgetary fund balances, Ending	<u>\$ 18,856,431</u>	<u>\$ 18,856,431</u>	<u>\$ 22,164,101</u>	<u>\$ 3,307,670</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 \$ 109,522

Differences - budget to GAAP:

Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes. (31,837)

Total expenditures as reported on the statement of revenues, expenditures, and and changes in fund balances - governmental funds \$ 77,685

COUNTY OF NAPA

Budgetary Comparison Schedule
Roads
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balances, Beginning	\$ 2,197,894	\$ 2,197,894	\$ 2,197,894	\$ --
Resources (inflows):				
Licenses and permits	65,000	65,000	59,656	(5,344)
Fines, forfeitures and penalties	460,000	460,000	419,554	(40,446)
Revenue from use of money and property	40,000	40,000	11,678	(28,322)
Aid from other governments	12,073,224	12,118,224	6,172,582	(5,945,642)
Charges for services	72,000	72,000	106,259	34,259
Other	35,000	35,000	32,164	(2,836)
Transfers in	--	--	722,691	722,691
Amounts available for appropriation	<u>12,745,224</u>	<u>12,790,224</u>	<u>7,524,584</u>	<u>(5,265,640)</u>
Charges to appropriations (outflows):				
Salaries and employee benefits	2,779,645	6,779,645	2,602,478	4,177,167
Services and supplies	8,182,469	8,282,913	3,901,052	4,381,861
Other charges	471,650	471,650	--	471,650
Contingencies and reserves	200,000	200,000	--	200,000
Capital assets	1,207,992	1,252,116	961,987	290,129
Transfers out	348,808	348,808	--	348,808
Total charges to appropriations	<u>13,190,564</u>	<u>17,335,132</u>	<u>7,465,517</u>	<u>9,869,615</u>
Budgetary fund balances, Ending	<u>\$ 1,752,554</u>	<u>\$ (2,347,014)</u>	<u>\$ 2,256,961</u>	<u>\$ 4,603,975</u>

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

Sources/inflows of resources

Actual amounts (budgetary basis) "available for appropriation" from budgetary comparison statement \$ 7,524,584

Differences - budget to GAAP:

Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes. (722,691)

Total revenues as reported on the statement of revenues, expenditures, and and changes in fund balances - governmental funds \$ 6,801,893

COUNTY OF NAPA

Note to Required Supplementary Information For the Year Ended June 30, 2008

BUDGETARY BASIS OF ACCOUNTING

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

An operating budget is adopted each fiscal year for all Governmental Funds. Expenditures are controlled at the object level within budget units for the County. The object level within a budget unit is the level at which expenditures may not legally exceed appropriations. Any amendments or transfers of appropriations between object levels within the same budget unit or between departments or funds are authorized by the County Executive office and must be approved by the Board of Supervisors. Supplementary appropriations normally financed by unanticipated revenues during the year must be approved by the Board of Supervisors. Pursuant to Board Resolution No. 01-83 adopted as of June 19, 2001 and revised as per Resolution no. 02-122, effective June 18, 2002, the County Executive Officer is authorized to approve transfers and revision of appropriations in excess of \$10,000 within a single budget unit as deemed necessary and appropriate. Budgeted amounts in the budgetary financial schedules are reported as originally adopted and amended during the fiscal year by resolutions approved by the Board of Supervisors. The General Fund Budgetary Schedule on pages 70-77 include actual transfer out expenditures to create special revenue funds that were previously grouped with the General Fund during the County's implementation of GASB 34. This transition occurred in fiscal year 2007-2008 and the County will begin budgeting for these new funds during fiscal year 2008-2009.

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

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

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



SUPPLEMENTARY INFORMATION

**COMBINING AND INDIVIDUAL
FUND STATEMENTS AND SCHEDULES**



NONMAJOR GOVERNMENTAL FUNDS



COUNTY OF NAPA

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2008

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Debt Service</u>	<u>Total</u>
<u>ASSETS</u>				
Cash and investments	\$ 42,630,954	\$ 21,158,058	\$ 201,493	\$ 63,990,505
Restricted assets:				
Cash with fiscal agent	--	--	1,348,603	1,348,603
Imprest cash	9,617	--	--	9,617
Receivable (Net):				
Taxes	451,205	--	--	451,205
Special assessments	17,567	--	--	17,567
Accounts receivable	92,041	1,028,609	--	1,120,650
Due from other government agencies	940,698	--	--	940,698
Advances to other funds	--	--	1,305,100	1,305,100
	<hr/>	<hr/>	<hr/>	<hr/>
Total Assets	<u>\$ 44,142,082</u>	<u>\$ 22,186,667</u>	<u>\$ 2,855,196</u>	<u>\$ 69,183,945</u>
<u>LIABILITIES</u>				
Accounts payable	\$ 1,235,434	\$ 892,618	\$ --	\$ 2,128,052
Accrued payroll	300,686	--	--	300,686
Due to other funds	177,390	--	--	177,390
Deferred revenue	43,339	--	--	43,339
	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities	<u>1,756,849</u>	<u>892,618</u>	<u>--</u>	<u>2,649,467</u>
<u>FUND BALANCES</u>				
Reserved for:				
Encumbrances	834,475	--	--	834,475
General	2,644,762	--	--	2,644,762
Imprest cash	9,617	--	--	9,617
Loans receivable and advances	--	--	1,305,100	1,305,100
Unreserved:				
Designated	11,625,878	16,139,880	--	27,765,758
Undesignated:				
Special revenue funds	27,270,501	--	--	27,270,501
Capital projects funds	--	5,154,169	--	5,154,169
Debt service funds	--	--	1,550,096	1,550,096
	<hr/>	<hr/>	<hr/>	<hr/>
Total Fund Balances	<u>42,385,233</u>	<u>21,294,049</u>	<u>2,855,196</u>	<u>66,534,478</u>
	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities and Fund Balances	<u>\$ 44,142,082</u>	<u>\$ 22,186,667</u>	<u>\$ 2,855,196</u>	<u>\$ 69,183,945</u>

COUNTY OF NAPA

Combining Statement of Revenues, Expenditures and
Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2008

	Special Revenue	Capital Projects	Debt Service	Total
Revenues:				
Taxes	\$ 13,793,834	\$ --	\$ --	\$ 13,793,834
Licenses and permits	2,907,029	--	--	2,907,029
Fines, forfeits and penalties	840,962	547,485	--	1,388,447
Revenue from use of money and property	1,952,900	976,150	65,544	2,994,594
Aid from other governments	10,529,521	--	--	10,529,521
Charges for services	3,884,404	--	--	3,884,404
Contributions and donations	41,058	3,131,182	--	3,172,240
Other revenue	251,724	18	--	251,742
Total Revenues	<u>34,201,432</u>	<u>4,654,835</u>	<u>65,544</u>	<u>38,921,811</u>
Expenditures:				
Current:				
General government	--	3,698	--	3,698
Public protection	16,284,764	--	--	16,284,764
Public assistance	628,416	--	--	628,416
Health and sanitation	138,851	--	--	138,851
Education	5,594,994	--	--	5,594,994
Recreation and cultural services	665,021	--	--	665,021
Capital outlay	--	11,046,291	--	11,046,291
Debt Service:				
Principal	--	--	2,335,000	2,335,000
Interest and fiscal charges	--	--	1,578,937	1,578,937
Administration, issuance and arbitrage fees	--	--	20,464	20,464
Total Expenditures	<u>23,312,046</u>	<u>11,049,989</u>	<u>3,934,401</u>	<u>38,296,436</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>10,889,386</u>	<u>(6,395,154)</u>	<u>(3,868,857)</u>	<u>625,375</u>
Other Financing Sources (Uses):				
Transfers in	21,570,619	6,201,527	1,772,926	29,545,072
Transfers out	<u>(8,291,225)</u>	<u>(279,401)</u>	--	<u>(8,570,626)</u>
Total Other Financing Sources (Uses)	<u>13,279,394</u>	<u>5,922,126</u>	<u>1,772,926</u>	<u>20,974,446</u>
Net change in fund balances	24,168,780	(473,028)	(2,095,931)	21,599,821
Fund Balance - Beginning of Year	<u>18,216,453</u>	<u>21,767,077</u>	<u>4,951,127</u>	<u>44,934,657</u>
Fund Balance - End of Year	<u>\$ 42,385,233</u>	<u>\$ 21,294,049</u>	<u>\$ 2,855,196</u>	<u>\$ 66,534,478</u>

NONMAJOR GOVERNMENTAL FUNDS

NONMAJOR SPECIAL REVENUE FUNDS:

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

Fire Protection

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

Fire Protection Assessment

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

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 expenditure programs for the year to the Board of Supervisors.

Building and Code Enforcement

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

NONMAJOR SPECIAL REVENUE FUNDS (continued):

In-Home Supportive Services (IHSS)

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

Zone 1 Garbage

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

Child Support Services

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

Library

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

Special Projects Fund

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

General Government Special Revenue Funds

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

NONMAJOR SPECIAL REVENUE FUNDS (continued):

General Government Special Revenue Funds (continued)

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

Public Protection Special Revenue Funds

- Inmate Welfare – Holds revenues from canteen sales and payphone commissions pursuant to Penal Code 4025, to be used for the benefit, education and welfare of the inmates confined within the jail.
- Section 1463.14 Lab Analysis Fees - The California Penal Code provides for fine collected in relation to specified driving offenses to pay for the cost of performing blood-alcohol/drug testing.
- Asset Forfeiture, District Attorney - In accordance with Health & Safety Code section 11489, when the Department participates in an arrest in which property is seized and forfeited to a local governmental entity, the money forfeited or the proceeds of sale, and any interest accrued thereon, shall be distributed by the state or local governmental entity according to the rules of the Code. The proceeds can be utilized to supplement and not supplant the Department's expenses.
- Proposition 64 Civil Penalties – Business & Professions Code 17206(c) penalties received by the District Attorney to be used for the enforcement of consumer protection laws.
- Hazardous Waste Enforcement - State law requires fines to be 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 Sections 26720 to 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, an additional fee can be collected in the amount of one dollar (\$1) 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 undertake enforcement actions, maintenance work, and/or facility removals 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 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, to be used to develop or expand domestic violence centers to target under-served areas and populations.
- 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 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.

COUNTY OF NAPA

Combining Balance Sheet Nonmajor Special Revenue Funds June 30, 2008

	Fire Protection	Fire Protection Assessment	Wildlife Conservation Commission	Building and Code Enforcement
<u>ASSETS</u>				
Cash and investments	\$ 9,547,666	\$ 2,581	\$ 175,510	\$ 1,722,091
Imprest cash	200	--	--	--
Receivable (Net):				
Taxes	307,509	--	--	--
Special assessments	--	204	--	--
Accounts receivable	2,200	--	--	2,865
Due from other government agencies	413,672	--	--	--
	<u>\$ 10,271,247</u>	<u>\$ 2,785</u>	<u>\$ 175,510</u>	<u>\$ 1,724,956</u>
<u>LIABILITIES</u>				
Accounts payable	\$ 865,498	\$ --	\$ --	\$ 7,462
Accrued payroll	--	--	--	60,719
Due to other funds	--	--	--	--
Deferred revenue	--	--	--	--
	<u>865,498</u>	<u>--</u>	<u>--</u>	<u>68,181</u>
<u>FUND BALANCES</u>				
Reserved for:				
Encumbrances	821,030	--	--	--
General	137,043	--	26,960	--
Imprest cash	200	--	--	--
Unreserved:				
Designated for:				
Equipment purchases	6,299,001	--	--	--
Library expansion	--	--	--	--
Future program costs	--	--	8,357	690,697
Capital maintenance and repairs	--	--	--	--
Undesignated:				
Special revenue funds	2,148,475	2,785	140,193	966,078
	<u>9,405,749</u>	<u>2,785</u>	<u>175,510</u>	<u>1,656,775</u>
Total Liabilities and Fund Balances	<u>\$ 10,271,247</u>	<u>\$ 2,785</u>	<u>\$ 175,510</u>	<u>\$ 1,724,956</u>

continued

COUNTY OF NAPA

Combining Balance Sheet (continued)
Nonmajor Special Revenue Funds
June 30, 2008

	<u>IHSS</u>	<u>Zone 1 Garbage</u>	<u>Child Support Services</u>	<u>Library</u>
<u>ASSETS</u>				
Cash and investments	\$ --	\$ 1,229,646	\$ 62,880	\$ 8,243,655
Imprest cash	--	--	300	9,117
Receivable (Net):				
Taxes	--	--	--	143,031
Special assessments	--	--	--	--
Accounts receivable	--	37,293	44,465	5,218
Due from other government agencies	<u>210,904</u>	<u>--</u>	<u>316,122</u>	<u>--</u>
 Total Assets	 <u>\$ 210,904</u>	 <u>\$ 1,266,939</u>	 <u>\$ 423,767</u>	 <u>\$ 8,401,021</u>
<u>LIABILITIES</u>				
Accounts payable	\$ 44,507	\$ --	\$ 204,244	\$ 30,666
Accrued payroll	--	--	111,891	128,076
Due to other funds	177,390	--	--	--
Deferred revenue	<u>43,339</u>	<u>--</u>	<u>--</u>	<u>--</u>
 Total Liabilities	 <u>265,236</u>	 <u>--</u>	 <u>316,135</u>	 <u>158,742</u>
<u>FUND BALANCES</u>				
Reserved for:				
Encumbrances	--	--	--	13,445
General	--	--	--	2,388,690
Imprest cash	--	--	300	9,117
Unreserved:				
Designated for:				
Equipment purchases	--	--	--	--
Library expansion	--	--	--	3,787,691
Future program costs	--	569,272	107,332	--
Capital maintenance and repairs	--	--	--	--
Undesignated:				
Special revenue funds	<u>(54,332)</u>	<u>697,667</u>	<u>--</u>	<u>2,043,336</u>
 Total Fund Balances	 <u>(54,332)</u>	 <u>1,266,939</u>	 <u>107,632</u>	 <u>8,242,279</u>
 Total Liabilities and Fund Balances	 <u>\$ 210,904</u>	 <u>\$ 1,266,939</u>	 <u>\$ 423,767</u>	 <u>\$ 8,401,021</u>

continued

COUNTY OF NAPA

Combining Balance Sheet (continued)
 Nonmajor Special Revenue Funds
 June 30, 2008

	<u>Special Projects</u>	<u>General Government</u>	<u>Public Protection</u>	<u>Public Ways & Facilities</u>
<u>ASSETS</u>				
Cash and investments	\$ 1,351,060	\$ 9,901,064	\$ 5,613,530	\$ 2,356,186
Imprest cash	--	--	--	--
Receivable (Net):				
Taxes	--	--	--	--
Special assessments	--	--	--	--
Accounts receivable	--	--	--	--
Due from other government agencies	--	--	--	--
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 1,351,060</u>	<u>\$ 9,901,064</u>	<u>\$ 5,613,530</u>	<u>\$ 2,356,186</u>
<u>LIABILITIES</u>				
Accounts payable	\$ 69,712	\$ --	\$ --	\$ --
Accrued payroll	--	--	--	--
Due to other funds	--	--	--	--
Deferred revenue	--	--	--	--
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u>69,712</u>	<u> </u>	<u> </u>	<u> </u>
<u>FUND BALANCES</u>				
Reserved for:				
Encumbrances	--	--	--	--
General	--	--	--	--
Imprest cash	--	--	--	--
Unreserved:				
Designated for:				
Equipment purchases	--	--	--	--
Library expansion	--	--	--	--
Future program costs	--	--	--	--
Capital maintenance and repairs	--	--	--	--
Undesignated:				
Special revenue funds	<u>1,281,348</u>	<u>9,901,064</u>	<u>5,613,530</u>	<u>2,356,186</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Fund Balances	<u>1,281,348</u>	<u>9,901,064</u>	<u>5,613,530</u>	<u>2,356,186</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities and Fund Balances	<u>\$ 1,351,060</u>	<u>\$ 9,901,064</u>	<u>\$ 5,613,530</u>	<u>\$ 2,356,186</u>

continued

COUNTY OF NAPA

Combining Balance Sheet (continued)
 Nonmajor Special Revenue Funds
 June 30, 2008

	<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	\$ 1,707,015	\$ 288,772	\$ 429,298	\$ 42,630,954
Imprest cash	--	--	--	9,617
Receivable (Net):	--	--	--	--
Taxes	--	--	665	451,205
Special assessments	--	--	17,363	17,567
Accounts receivable	--	--	--	92,041
Due from other government agencies	--	--	--	940,698
	<hr/>	<hr/>	<hr/>	<hr/>
Total Assets	<u>\$ 1,707,015</u>	<u>\$ 288,772</u>	<u>\$ 447,326</u>	<u>\$ 44,142,082</u>
<u>LIABILITIES</u>				
Accounts payable	\$ --	--	\$ 13,345	\$ 1,235,434
Accrued payroll	--	--	--	300,686
Due to other funds	--	--	--	177,390
Deferred revenue	--	--	--	43,339
	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities	<hr/>	<hr/>	<hr/>	<hr/>
<u>FUND BALANCES</u>				
Reserved for:				
Encumbrances	--	--	--	834,475
General	--	--	92,069	2,644,762
Imprest cash	--	--	--	9,617
Unreserved:				
Designated for:				
Equipment purchases	--	--	--	6,299,001
Library expansion	--	--	--	3,787,691
Future program costs	--	--	--	1,375,658
Capital maintenance and repairs	--	--	163,528	163,528
Undesignated:				
Special revenue funds	<hr/>	<hr/>	<hr/>	<hr/>
	1,707,015	288,772	178,384	27,270,501
	<hr/>	<hr/>	<hr/>	<hr/>
Total Fund Balances	<u>1,707,015</u>	<u>288,772</u>	<u>433,981</u>	<u>42,385,233</u>
	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities and Fund Balances	<u>\$ 1,707,015</u>	<u>\$ 288,772</u>	<u>\$ 447,326</u>	<u>\$ 44,142,082</u>

COUNTY OF NAPA

Combining Statement of Revenues, Expenditures and
Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2008

	<u>Fire Protection</u>	<u>Fire Protection Assessment</u>	<u>Wildlife Conservation Commission</u>	<u>Building and Code Enforcement</u>
Revenues:				
Taxes	\$ 8,225,161	\$ --	\$ --	\$ --
Licenses and permits	502,357	--	--	1,913,567
Fines, forfeits and penalties	--	--	19,682	--
Revenue from use of money and property	464,603	1,235	7,832	71,257
Aid from other governments	839,419	--	--	--
Charges for services	448,610	--	--	1,005,171
Contributions and donations	--	--	--	--
Other revenue	14,508	--	--	3,851
Total Revenues	<u>10,494,658</u>	<u>1,235</u>	<u>27,514</u>	<u>2,993,846</u>
Expenditures:				
Current:				
Public protection	9,138,010	--	15,957	2,537,439
Public assistance	--	--	--	--
Health and sanitation	--	--	--	--
Education	--	--	--	--
Recreation and cultural services	--	--	--	--
Total Expenditures	<u>9,138,010</u>	<u>--</u>	<u>15,957</u>	<u>2,537,439</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,356,648</u>	<u>1,235</u>	<u>11,557</u>	<u>456,407</u>
Other Financing Sources (Uses):				
Transfers in	167,001	--	--	60,000
Transfers out	<u>(10,000)</u>	<u>--</u>	<u>--</u>	<u>--</u>
Total Other Financing Sources (Uses)	<u>157,001</u>	<u>--</u>	<u>--</u>	<u>60,000</u>
Net change in fund balances	1,513,649	1,235	11,557	516,407
Fund Balance - Beginning of Year	<u>7,892,100</u>	<u>1,550</u>	<u>163,953</u>	<u>1,140,368</u>
Fund Balance - End of Year	<u>\$ 9,405,749</u>	<u>\$ 2,785</u>	<u>\$ 175,510</u>	<u>\$ 1,656,775</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, 2008

	<u>IHSS</u>	<u>Zone 1 Garbage</u>	<u>Child Support Services</u>	<u>Library</u>
Revenues:				
Taxes	\$ --	\$ --	\$ --	\$ 5,535,711
Licenses and permits	--	487,011	--	--
Fines, forfeits and penalties	--	--	--	--
Revenue from use of money and property	(10,063)	43,642	12,099	350,932
Aid from other governments	620,884	--	4,205,484	490,304
Charges for services	--	--	--	426,751
Contributions and donations	--	--	--	28,158
Other revenue	--	--	36,908	32,310
Total Revenues	<u>610,821</u>	<u>530,653</u>	<u>4,254,491</u>	<u>6,864,166</u>
Expenditures:				
Current:				
Public protection	--	--	4,276,329	--
Public assistance	596,198	--	--	--
Health and sanitation	--	19,476	--	--
Education	--	--	--	5,594,994
Recreation and cultural services	--	--	--	--
Total Expenditures	<u>596,198</u>	<u>19,476</u>	<u>4,276,329</u>	<u>5,594,994</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>14,623</u>	<u>511,177</u>	<u>(21,838)</u>	<u>1,269,172</u>
Other Financing Sources (Uses):				
Transfers in	133,163	--	--	339,279
Transfers out	<u>(211,045)</u>	<u>--</u>	<u>--</u>	<u>(55,403)</u>
Total Other Financing Sources (Uses)	<u>(77,882)</u>	<u>--</u>	<u>--</u>	<u>283,876</u>
Net change in fund balances	(63,259)	511,177	(21,838)	1,553,048
Fund Balance - Beginning of Year	<u>8,927</u>	<u>755,762</u>	<u>129,470</u>	<u>6,689,231</u>
Fund Balance - End of Year	<u>\$ (54,332)</u>	<u>\$ 1,266,939</u>	<u>\$ 107,632</u>	<u>\$ 8,242,279</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, 2008

	Special Projects	General Government	Public Protection	Public Ways & Facilities
Revenues:				
Taxes	\$ --	\$ --	\$ --	\$ --
Licenses and permits	--	--	--	--
Fines, forfeits and penalties	--	--	395,987	--
Revenue from use of money and property	--	411,948	258,737	92,549
Aid from other governments	--	1,405,985	130,670	--
Charges for services	--	--	531,128	513,418
Contributions and donations	--	--	100	--
Other revenue	--	1,300	145,511	--
Total Revenues	<u>--</u>	<u>1,819,233</u>	<u>1,462,133</u>	<u>605,967</u>
Expenditures:				
Current:				
Public protection	--	--	210,459	--
Public assistance	--	--	--	--
Health and sanitation	--	--	--	--
Education	--	--	--	--
Recreation and cultural services	665,021	--	--	--
Total Expenditures	<u>665,021</u>	<u>--</u>	<u>210,459</u>	<u>--</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(665,021)</u>	<u>1,819,233</u>	<u>1,251,674</u>	<u>605,967</u>
Other Financing Sources (Uses):				
Transfers in	999,705	9,085,521	5,306,852	1,762,474
Transfers out	--	(1,003,690)	(944,996)	(12,255)
Total Other Financing Sources (Uses)	<u>999,705</u>	<u>8,081,831</u>	<u>4,361,856</u>	<u>1,750,219</u>
Net change in fund balances	334,684	9,901,064	5,613,530	2,356,186
Fund Balance - Beginning of Year	<u>946,664</u>	<u>--</u>	<u>--</u>	<u>--</u>
Fund Balance - End of Year	<u>\$ 1,281,348</u>	<u>\$ 9,901,064</u>	<u>\$ 5,613,530</u>	<u>\$ 2,356,186</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, 2008

	<u>Health and Sanitation</u>	<u>Public Assistance</u>	<u>Various Special Districts Under Board</u>	<u>Total</u>
Revenues:				
Taxes	\$ --	\$ --	\$ 32,962	\$ 13,793,834
Licenses and permits	4,094	--	--	2,907,029
Fines, forfeits and penalties	425,293	--	--	840,962
Revenue from use of money and property	205,981	14,603	27,545	1,952,900
Aid from other governments	1,494,666	1,341,951	158	10,529,521
Charges for services	13,348	68,757	877,221	3,884,404
Contributions and donations	--	12,800	--	41,058
Other revenue	12,168	4,168	1,000	251,724
Total Revenues	<u>2,155,550</u>	<u>1,442,279</u>	<u>938,886</u>	<u>34,201,432</u>
Expenditures:				
Current:				
Public protection	--	--	106,570	16,284,764
Public assistance	--	32,218	--	628,416
Health and sanitation	--	--	119,375	138,851
Education	--	--	--	5,594,994
Recreation and cultural services	--	--	--	665,021
Total Expenditures	<u>--</u>	<u>32,218</u>	<u>225,945</u>	<u>23,312,046</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>2,155,550</u>	<u>1,410,061</u>	<u>712,941</u>	<u>10,889,386</u>
Other Financing Sources (Uses):				
Transfers in	3,577,950	138,674	--	21,570,619
Transfers out	(4,026,485)	(1,259,963)	(767,388)	(8,291,225)
Total Other Financing Sources (Uses)	<u>(448,535)</u>	<u>(1,121,289)</u>	<u>(767,388)</u>	<u>13,279,394</u>
Net change in fund balances	1,707,015	288,772	(54,447)	24,168,780
Fund Balance - Beginning of Year	<u>--</u>	<u>--</u>	<u>488,428</u>	<u>18,216,453</u>
Fund Balance - End of Year	<u>\$ 1,707,015</u>	<u>\$ 288,772</u>	<u>\$ 433,981</u>	<u>\$ 42,385,233</u>

COUNTY OF NAPA

Combining Balance Sheet
 Nonmajor Special Districts Under the Board of Supervisors
 June 30, 2008

	<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	\$ 136,564	\$ 69,008	\$ 53,732
Receivable (Net):			
Taxes	--	--	--
Special assessments	<u>15,754</u>	<u>1,544</u>	<u>65</u>
Total Assets	<u><u>\$ 152,318</u></u>	<u><u>\$ 70,552</u></u>	<u><u>\$ 53,797</u></u>
<u>LIABILITIES</u>			
Accounts payable	<u>\$ 9,286</u>	<u>\$ --</u>	<u>\$ 2,308</u>
Total Liabilities	<u>9,286</u>	<u>--</u>	<u>2,308</u>
<u>FUND BALANCES</u>			
Reserved for:			
General	72,623	--	870
Unreserved:			
Designated for capital maintenance and repairs	70,409	70,552	4,418
Undesignated:			
Special revenue funds	<u>--</u>	<u>--</u>	<u>46,201</u>
Total Fund Balances	<u>143,032</u>	<u>70,552</u>	<u>51,489</u>
Total Liabilities and Fund Balances	<u><u>\$ 152,318</u></u>	<u><u>\$ 70,552</u></u>	<u><u>\$ 53,797</u></u>

continued

COUNTY OF NAPA

Combining Balance Sheet (continued)
 Nonmajor Special Districts Under the Board of Supervisors
 June 30, 2008

	<u>Monticello Public Cemetery</u>	<u>Monticello Endowment</u>	<u>Total</u>
<u>ASSETS</u>			
Cash and investments	\$ 40,524	\$ 129,470	\$ 429,298
Receivable (Net):			
Taxes	665	--	665
Special assessments	<u>--</u>	<u>--</u>	<u>17,363</u>
Total Assets	<u><u>\$ 41,189</u></u>	<u><u>\$ 129,470</u></u>	<u><u>\$ 447,326</u></u>
<u>LIABILITIES</u>			
Accounts payable	<u>\$ 1,751</u>	<u>\$ --</u>	<u>\$ 13,345</u>
Total Liabilities	<u>1,751</u>	<u>--</u>	<u>13,345</u>
<u>FUND BALANCES</u>			
Reserved for:			
General	18,576	--	92,069
Unreserved:			
Designated for capital maintenance and repairs	18,149	--	163,528
Undesignated:			
Special revenue funds	<u>2,713</u>	<u>129,470</u>	<u>178,384</u>
Total Fund Balances	<u>39,438</u>	<u>129,470</u>	<u>433,981</u>
Total Liabilities and Fund Balances	<u><u>\$ 41,189</u></u>	<u><u>\$ 129,470</u></u>	<u><u>\$ 447,326</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, 2008

	<u>County Service Area No. 3</u>	<u>County Service Area No. 4</u>	<u>Silverado Community Services</u>
Revenues:			
Taxes	\$ --	\$ --	\$ --
Revenue from use of money and property	8,819	8,723	2,443
Aid from other governments	--	--	--
Charges for services	338,144	432,650	103,168
Other revenue	--	--	--
Total Revenues	<u>346,963</u>	<u>441,373</u>	<u>105,611</u>
Expenditures:			
Current:			
Public protection	66,702	1,669	--
Health and sanitation	--	--	119,375
Total Expenditures	<u>66,702</u>	<u>1,669</u>	<u>119,375</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>280,261</u>	<u>439,704</u>	<u>(13,764)</u>
Other Financing Sources (Uses):			
Transfers out	<u>(250,105)</u>	<u>(517,283)</u>	--
Total Other Financing Sources (Uses)	<u>(250,105)</u>	<u>(517,283)</u>	--
Net change in fund balance	30,156	(77,579)	(13,764)
Fund Balance - Beginning of Year	<u>112,876</u>	<u>148,131</u>	<u>65,253</u>
Fund Balance - End of Year	<u>\$ 143,032</u>	<u>\$ 70,552</u>	<u>\$ 51,489</u>

continued

COUNTY OF NAPA

Combining Statement of Revenues, Expenditures and
Changes in Fund Balances (continued)
Nonmajor Special Districts Under the Board of Supervisors
For the Year Ended June 30, 2008

	<u>Monticello Public Cemetery</u>	<u>Monticello Endowment</u>	<u>Total</u>
Revenues:			
Taxes	\$ 32,962	\$ --	\$ 32,962
Revenue from use of money and property	1,770	5,790	27,545
Aid from other governments	158	--	158
Charges for services	3,259	--	877,221
Other revenue	1,000	--	1,000
Total Revenues	<u>39,149</u>	<u>5,790</u>	<u>938,886</u>
Expenditures:			
Current:			
Public protection	38,199	--	106,570
Health and sanitation	--	--	119,375
Total Expenditures	<u>38,199</u>	<u>--</u>	<u>225,945</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>950</u>	<u>5,790</u>	<u>712,941</u>
Other Financing Sources (Uses):			
Transfers out	--	--	(767,388)
Total Other Financing Sources (Uses)	<u>--</u>	<u>--</u>	<u>(767,388)</u>
Net change in fund balance	950	5,790	(54,447)
Fund Balance - Beginning of Year	<u>38,488</u>	<u>123,680</u>	<u>488,428</u>
Fund Balance - End of Year	<u>\$ 39,438</u>	<u>\$ 129,470</u>	<u>\$ 433,981</u>

COUNTY OF NAPA

Budgetary Comparison Schedule
Fire Protection
For the Year Ended June 30, 2008

	<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	\$ 7,892,100	\$ 7,892,100	\$ 7,892,100	\$ --
Resources (inflows):				
Taxes	7,526,035	7,526,035	8,225,161	699,126
Licenses and permits	450,000	450,000	502,357	52,357
Revenue from use of money and property	191,474	191,174	464,603	273,429
Aid from other governments	580,563	580,563	839,419	258,856
Charges for services	437,862	392,656	448,610	55,954
Other revenue	10,000	10,000	14,508	4,508
Transfers in	150,000	150,000	167,001	17,001
Amounts available for appropriation	<u>9,345,934</u>	<u>9,300,428</u>	<u>10,661,659</u>	<u>1,361,231</u>
Charges to appropriations (outflows):				
Salaries and employee benefits	122,387	122,387	122,387	--
Services and supplies	9,829,966	10,023,459	8,201,137	1,822,322
Capital assets	1,559,314	2,068,504	814,486	1,254,018
Contingencies and reserves	300,000	290,000	--	290,000
Transfers out	16,000	26,000	10,000	16,000
Total charges to appropriations	<u>11,827,667</u>	<u>12,530,350</u>	<u>9,148,010</u>	<u>3,382,340</u>
Budgetary fund balances, Ending	<u>\$ 5,410,367</u>	<u>\$ 4,662,178</u>	<u>\$ 9,405,749</u>	<u>\$ 4,743,571</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 \$ 10,661,659

Differences - budget to GAAP:

 Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes. (167,001)

Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - Nonmajor Special Revenue Funds \$ 10,494,658

Uses/outflows of resources

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison statement \$ 9,148,010

Differences - budget to GAAP:

 Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes. (10,000)

Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - Nonmajor Special Revenue Funds \$ 9,138,010

COUNTY OF NAPA

Budgetary Comparison Schedule
 Fire Protection Assessment
 For the Year Ended June 30, 2008

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balances, Beginning	\$ 1,550	\$ 1,550	\$ 1,550	\$ --
Resources (inflows):				
Revenue from use of money and property	--	--	1,235	1,235
Amounts available for appropriation	--	--	1,235	1,235
Budgetary fund balances, Ending	<u>\$ 1,550</u>	<u>\$ 1,550</u>	<u>\$ 2,785</u>	<u>\$ 1,235</u>

COUNTY OF NAPA

Budgetary Comparison Schedule
Wildlife Conservation Commission
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balances, Beginning	\$ 163,953	\$ 163,953	\$ 163,953	\$ --
Resources (inflows):				
Fines, forfeits and penalties	6,900	6,900	19,682	12,782
Revenue from use of money and property	2,000	2,000	7,832	5,832
Amounts available for appropriation	<u>8,900</u>	<u>8,900</u>	<u>27,514</u>	<u>18,614</u>
Charges to appropriations (outflows):				
Services and supplies	8,922	15,922	15,957	(35)
Contingencies and reserves	--	85,241	--	85,241
Capital assets	--	36,373	--	36,373
Total charges to appropriations	<u>8,922</u>	<u>137,536</u>	<u>15,957</u>	<u>121,579</u>
Budgetary fund balances, Ending	<u>\$ 163,931</u>	<u>\$ 35,317</u>	<u>\$ 175,510</u>	<u>\$ 140,193</u>

COUNTY OF NAPA

Budgetary Comparison Schedule
 Building and Code Enforcement
 For the Year Ended June 30, 2008

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive
				(Negative)
Budgetary fund balances, Beginning	\$ 1,140,368	\$ 1,140,368	\$ 1,140,368	\$ --
Resources (inflows):				
Licenses and permits	1,600,000	1,600,000	1,913,567	313,567
Revenue from use of money and property	22,000	22,000	71,257	49,257
Charges for services	958,500	958,500	1,005,171	46,671
Aid from other governments	2,000	2,000	--	(2,000)
Other revenue	5,000	5,000	3,851	(1,149)
Transfers in	--	60,000	60,000	--
Amounts available for appropriation	2,587,500	2,647,500	3,053,846	406,346
Charges to appropriations (outflows):				
Salaries and employee benefits	1,680,471	1,707,471	1,675,127	32,344
Services and supplies	1,039,566	1,997,178	862,312	1,134,866
Contingencies and reserves	--	228,474	--	228,474
Transfers out	15,200	15,200	--	15,200
Total charges to appropriations	2,735,237	3,948,323	2,537,439	1,410,884
 Budgetary fund balances, Ending	\$ 992,631	\$ (160,455)	\$ 1,656,775	\$ 1,817,230
 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				\$ 3,053,846
Differences - budget to GAAP:				
Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes.				(60,000)
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - Nonmajor Special Revenue Funds				\$ 2,993,846

COUNTY OF NAPA

Budgetary Comparison Schedule
IHSS
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balances, Beginning	\$ 8,927	\$ 8,927	\$ 8,927	\$ --
Resources (inflows):				
Revenues from use of money and property	--	--	(10,063)	(10,063)
Aid from other governments	621,169	633,319	620,884	(12,435)
Transfers in	146,789	149,639	133,163	(16,476)
Amounts available for appropriation	<u>767,958</u>	<u>782,958</u>	<u>743,984</u>	<u>(38,974)</u>
Charges to appropriations (outflows):				
Services and supplies	562,843	599,843	596,198	3,645
Transfers out	205,115	220,115	211,045	9,070
Total charges to appropriations	<u>767,958</u>	<u>819,958</u>	<u>807,243</u>	<u>12,715</u>
Budgetary fund balances, Ending	<u>\$ 8,927</u>	<u>\$ (28,073)</u>	<u>\$ (54,332)</u>	<u>\$ (26,259)</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 \$ 743,984

Differences - budget to GAAP:

Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes. (133,163)

Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - Nonmajor Special Revenue Funds \$ 610,821

Uses/outflows of resources

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison statement \$ 807,243

Differences - budget to GAAP:

Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes. (211,045)

Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - Nonmajor Special Revenue Funds \$ 596,198

COUNTY OF NAPA

Budgetary Comparison Schedule
 Zone 1 - Garbage
 For the Year Ended June 30, 2008

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balances, Beginning	\$ 755,762	\$ 755,762	\$ 755,762	\$ --
Resources (inflows):				
Licenses and permits	250,000	250,000	487,011	237,011
Revenue from use of money and property	--	--	43,642	43,642
Amounts available for appropriation	<u>250,000</u>	<u>250,000</u>	<u>530,653</u>	<u>280,653</u>
Charges to appropriations (outflows):				
Services and supplies	<u>250,000</u>	<u>250,000</u>	<u>19,476</u>	<u>230,524</u>
Total charges to appropriations	<u>250,000</u>	<u>250,000</u>	<u>19,476</u>	<u>230,524</u>
Budgetary fund balances, Ending	<u>\$ 755,762</u>	<u>\$ 755,762</u>	<u>\$ 1,266,939</u>	<u>\$ 511,177</u>

COUNTY OF NAPA

Budgetary Comparison Schedule
 Child Support Services
 For the Year Ended June 30, 2008

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balances, Beginning	\$ 129,470	\$ 129,470	\$ 129,470	\$ --
Resources (inflows):				
Revenue from use of money and property	3,000	3,000	12,099	9,099
Aid from other governments	4,089,896	4,114,896	4,205,484	90,588
Other revenue	199,418	199,418	36,908	(162,510)
Transfers in	2,000	2,000	--	(2,000)
Amounts available for appropriation	<u>4,294,314</u>	<u>4,319,314</u>	<u>4,254,491</u>	<u>(64,823)</u>
Charges to appropriations (outflows):				
Salaries and employee benefits	3,603,997	3,361,997	3,336,899	25,098
Services and supplies	690,317	960,808	939,430	21,378
Total charges to appropriations	<u>4,294,314</u>	<u>4,322,805</u>	<u>4,276,329</u>	<u>46,476</u>
Budgetary fund balances, Ending	<u>\$ 129,470</u>	<u>\$ 125,979</u>	<u>\$ 107,632</u>	<u>\$ (18,347)</u>

COUNTY OF NAPA

Budgetary Comparison Schedule Library For the Year Ended June 30, 2008

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget Positive (Negative)
Budgetary fund balances, Beginning	\$ 6,689,231	\$ 6,689,231	\$ 6,689,231	\$ --
Resources (inflows):				
Taxes	5,507,464	5,507,464	5,535,711	28,247
Revenue from use of money and property	236,131	236,131	350,932	114,801
Aid from other governments	580,415	635,847	490,304	(145,543)
Charges for services	404,152	404,152	426,751	22,599
Contributions and donations	56,800	56,800	28,158	(28,642)
Other revenue	31,357	31,357	32,310	953
Transfers in	118,222	154,222	339,279	185,057
Amounts available for appropriation	6,934,541	7,025,973	7,203,445	177,472
Charges to appropriations (outflows):				
Salaries and employee benefits	3,651,577	3,670,228	3,322,664	347,564
Services and supplies	2,558,023	2,690,360	2,251,560	438,800
Capital assets	--	26,383	20,770	5,613
Contingencies and reserves	200,000	164,000	--	164,000
Transfers out	175,202	211,202	55,403	155,799
Total charges to appropriations	6,584,802	6,762,173	5,650,397	1,111,776
Budgetary fund balances, Ending	\$ 7,038,970	\$ 6,953,031	\$ 8,242,279	\$ 1,289,248

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

Sources/inflows of resources

Actual amounts (budgetary basis) "available for appropriation" from budgetary comparison statement \$ 7,203,445

Differences - budget to GAAP:

 Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes. (339,279)

Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - Nonmajor Special Revenue Funds \$ 6,864,166

Uses/outflows of resources

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison statement \$ 5,650,397

Differences - budget to GAAP:

 Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes. (55,403)

Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - Nonmajor Special Revenue Funds \$ 5,594,994

COUNTY OF NAPA

Budgetary Comparison Schedule
 Special Projects Fund
 For the Year Ended June 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
Budgetary fund balances, Beginning	<u>\$ 946,664</u>	<u>\$ 946,664</u>	<u>\$ 946,664</u>	<u>\$ --</u>
Resources (inflows):				
Transfers in	<u>999,705</u>	<u>999,705</u>	<u>999,705</u>	<u>--</u>
Amounts available for appropriation	<u>999,705</u>	<u>999,705</u>	<u>999,705</u>	<u>--</u>
Charges to appropriations (outflows):				
Services and supplies	<u>1,858,632</u>	<u>1,858,632</u>	<u>665,021</u>	<u>1,193,611</u>
Total charges to appropriations	<u>1,858,632</u>	<u>1,858,632</u>	<u>665,021</u>	<u>1,193,611</u>
Budgetary fund balances, Ending	<u>\$ 87,737</u>	<u>\$ 87,737</u>	<u>\$ 1,281,348</u>	<u>\$ 1,193,611</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				\$ 999,705
Differences - budget to GAAP:				
Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes.				<u>(999,705)</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - Nonmajor Special Revenue Funds				<u>\$ --</u>

COUNTY OF NAPA

Budgetary Comparison Schedule Districts Governed by the Board of Supervisors - County Service Area No. 3 For the Year Ended June 30, 2008

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balances, Beginning	\$ 112,876	\$ 112,876	\$ 112,876	\$ --
Resources (inflows):				
Revenue from use of money and property	--	--	8,819	8,819
Charges for services	333,970	333,970	338,144	4,174
Amounts available for appropriation	333,970	333,970	346,963	12,993
Charges to appropriations (outflows):				
Services and supplies	79,890	87,220	66,702	20,518
Transfers out	339,080	339,080	250,105	88,975
Total charges to appropriations	418,970	426,300	316,807	109,493
Budgetary fund balances, Ending	\$ 27,876	\$ 20,546	\$ 143,032	\$ 122,486
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				\$ 316,807
Differences - budget to GAAP:				
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes.				(250,105)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - Nonmajor Special Revenue Funds				\$ 66,702

COUNTY OF NAPA

Budgetary Comparison Schedule Districts Governed by the Board of Supervisors - County Service Area No. 4 For the Year Ended June 30, 2008

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balances, Beginning	\$ 148,131	\$ 148,131	\$ 148,131	\$ --
Resources (inflows):				
Revenue from use of money and property	--	--	8,723	8,723
Charges for services	440,000	440,000	432,650	(7,350)
Amounts available for appropriation	440,000	440,000	441,373	1,373
Charges to appropriations (outflows):				
Services and supplies	1,814	1,814	1,669	145
Transfers out	438,186	518,186	517,283	903
Total charges to appropriations	440,000	520,000	518,952	1,048
Budgetary fund balances, Ending	\$ 148,131	\$ 68,131	\$ 70,552	\$ 2,421
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				\$ 518,952
Differences - budget to GAAP:				
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes.				(517,283)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - Nonmajor Special Revenue Funds				\$ 1,669

COUNTY OF NAPA

Budgetary Comparison Schedule
 Districts Governed by the Board of Supervisors - Silverado Community Services
 For the Year Ended June 30, 2008

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balances, Beginning	\$ 65,253	\$ 65,253	\$ 65,253	\$ --
Resources (inflows):				
Revenue from use of money and property	2,000	2,000	2,443	443
Charges for services	104,152	104,152	103,168	(984)
Amounts available for appropriation	<u>106,152</u>	<u>106,152</u>	<u>105,611</u>	<u>(541)</u>
Charges to appropriations (outflows):				
Services and supplies	116,920	116,920	110,072	6,848
Capital assets	49,198	49,198	9,303	39,895
Total charges to appropriations	<u>166,118</u>	<u>166,118</u>	<u>119,375</u>	<u>46,743</u>
Budgetary fund balances, Ending	<u>\$ 5,287</u>	<u>\$ 5,287</u>	<u>\$ 51,489</u>	<u>\$ 46,202</u>

COUNTY OF NAPA

Budgetary Comparison Schedule
 Districts Governed by the Board of Supervisors - Monticello Public Cemetery
 For the Year Ended June 30, 2008

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balances, Beginning	\$ 38,488	\$ 38,488	\$ 38,488	\$ --
Resources (inflows):				
Taxes	23,950	23,950	32,962	9,012
Revenue from use of money and property	750	750	1,770	1,020
Aid from other governments	130	130	158	28
Charges for services	5,000	5,000	3,259	(1,741)
Other revenue	5,000	5,000	1,000	(4,000)
Transfers in	20,000	20,000	--	(20,000)
Amounts available for appropriation	<u>54,830</u>	<u>54,830</u>	<u>39,149</u>	<u>(15,681)</u>
Charges to appropriations (outflows):				
Services and supplies	<u>50,419</u>	<u>50,419</u>	<u>38,199</u>	<u>12,220</u>
Total charges to appropriations	<u>50,419</u>	<u>50,419</u>	<u>38,199</u>	<u>12,220</u>
Budgetary fund balances, Ending	<u>\$ 42,899</u>	<u>\$ 42,899</u>	<u>\$ 39,438</u>	<u>\$ (3,461)</u>

COUNTY OF NAPA

Budgetary Comparison Schedule
 Districts Governed by the Board of Supervisors - Monticello Endowment
 For the Year Ended June 30, 2008

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balances, Beginning	\$ 123,680	\$ 123,680	\$ 123,680	\$ --
Resources (inflows):				
Revenue from use of money and property	--	--	5,790	5,790
Amounts available for appropriation	--	--	5,790	5,790
Budgetary fund balances, Ending	<u>\$ 123,680</u>	<u>\$ 123,680</u>	<u>\$ 129,470</u>	<u>\$ 5,790</u>

NONMAJOR GOVERNMENTAL FUNDS

NONMAJOR CAPITAL PROJECTS FUNDS:

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

Construction Fund

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

Criminal Justice Facility Construction

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

Courthouse Fund

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

Accumulated Capital Outlay

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, 2008

	<u>Construction Fund</u>	<u>Criminal Justice Facility Construction</u>	<u>Courthouse Fund</u>
<u>ASSETS</u>			
Cash and investments	\$ 337,622	\$ 709,287	\$ 909,862
Accounts receivable	--	--	--
 Total Assets	<u>\$ 337,622</u>	<u>\$ 709,287</u>	<u>\$ 909,862</u>
<u>LIABILITIES</u>			
Accounts payable	\$ --	\$ --	\$ --
 Total Liabilities	<u>--</u>	<u>--</u>	<u>--</u>
<u>FUND BALANCES</u>			
Unreserved:			
Designated	--	115,733	--
Undesignated:			
Capital projects funds	<u>337,622</u>	<u>593,554</u>	<u>909,862</u>
 Total Fund Balances	<u>337,622</u>	<u>709,287</u>	<u>909,862</u>
 Total Liabilities and Fund Balances	<u>\$ 337,622</u>	<u>\$ 709,287</u>	<u>\$ 909,862</u>

continued

COUNTY OF NAPA

Combining Balance Sheet (continued)
 Nonmajor Capital Projects Funds
 June 30, 2008

	Accumulated Capital Outlay Fund	County Center Improvement Fund	Total
	<u> </u>	<u> </u>	<u> </u>
<u>ASSETS</u>			
Cash and investments	\$ 15,930,944	\$ 3,270,343	\$ 21,158,058
Accounts receivable	--	1,028,609	1,028,609
	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 15,930,944</u>	<u>\$ 4,298,952</u>	<u>\$ 22,186,667</u>
<u>LIABILITIES</u>			
Accounts payable	\$ --	\$ 892,618	\$ 892,618
	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u> </u>	<u>892,618</u>	<u>892,618</u>
<u>FUND BALANCES</u>			
Unreserved:			
Designated	15,930,944	93,203	16,139,880
Undesignated:			
Capital projects funds	--	3,313,131	5,154,169
	<u> </u>	<u> </u>	<u> </u>
Total Fund Balances	<u>15,930,944</u>	<u>3,406,334</u>	<u>21,294,049</u>
Total Liabilities and Fund Balances	<u>\$ 15,930,944</u>	<u>\$ 4,298,952</u>	<u>\$ 22,186,667</u>

COUNTY OF NAPA

Combining Statement of Revenues, Expenditures and
Changes in Fund Balance
Nonmajor Capital Projects Fund
For the Year Ended June 30, 2008

	<u>Construction Fund</u>	<u>Criminal Justice Facility Construction</u>	<u>Courthouse Fund</u>
Revenues:			
Fines, forfeits and penalties	\$ --	\$ 103,206	\$ 444,279
Revenue from use of money and property	--	24,703	35,706
Contributions and donations	--	--	--
Other revenue	--	--	--
Total Revenues	<u>--</u>	<u>127,909</u>	<u>479,985</u>
Expenditures:			
Current:			
General government	--	--	374
Capital outlay	--	--	2,616
Total Expenditures	<u>--</u>	<u>--</u>	<u>2,990</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>--</u>	<u>127,909</u>	<u>476,995</u>
Other Financing Sources (Uses):			
Transfers in	--	--	--
Transfers out	(153)	(55,403)	(223,845)
Total Other Financing Sources (Uses)	<u>(153)</u>	<u>(55,403)</u>	<u>(223,845)</u>
Net change in fund balance	(153)	72,506	253,150
Fund Balance - Beginning of Year	<u>337,775</u>	<u>636,781</u>	<u>656,712</u>
Fund Balance - End of Year	<u>\$ 337,622</u>	<u>\$ 709,287</u>	<u>\$ 909,862</u>

continued

COUNTY OF NAPA

Combining Statement of Revenues, Expenditures and
Changes in Fund Balance (continued)
Nonmajor Capital Projects Fund
For the Year Ended June 30, 2008

	<u>Accumulated Capital Outlay Fund</u>	<u>County Center Improvement Fund</u>	<u>Total</u>
Revenues:			
Fines, forfeits and penalties	\$ --	\$ --	\$ 547,485
Revenue from use of money and property	522,062	393,679	976,150
Contributions and donations	--	3,131,182	3,131,182
Other revenue	--	18	18
Total Revenues	<u>522,062</u>	<u>3,524,879</u>	<u>4,654,835</u>
Expenditures:			
Current:			
General government	160	3,164	3,698
Capital outlay	--	11,043,675	11,046,291
Total Expenditures	<u>160</u>	<u>11,046,839</u>	<u>11,049,989</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>521,902</u>	<u>(7,521,960)</u>	<u>(6,395,154)</u>
Other Financing Sources (Uses):			
Transfers in	6,201,527	--	6,201,527
Transfers out	--	--	(279,401)
Total Other Financing Sources (Uses)	<u>6,201,527</u>	<u>--</u>	<u>5,922,126</u>
Net change in fund balance	6,723,429	(7,521,960)	(473,028)
Fund Balance - Beginning of Year	<u>9,207,515</u>	<u>10,928,294</u>	<u>21,767,077</u>
Fund Balance - End of Year	<u>\$ 15,930,944</u>	<u>\$ 3,406,334</u>	<u>\$ 21,294,049</u>

COUNTY OF NAPA

Budgetary Comparison Schedule
Construction Fund
For the Year Ended June 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	Positive (Negative)
Budgetary fund balances, Beginning	\$ 337,775	\$ 337,775	\$ 337,775	\$ --
Charges to appropriations (outflows):				
Transfers out	--	153	153	--
Total charges to appropriations	<u>--</u>	<u>153</u>	<u>153</u>	<u>--</u>
Budgetary fund balances, Ending	<u>\$ 337,775</u>	<u>\$ 337,622</u>	<u>\$ 337,622</u>	<u>\$ --</u>
Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures:				
<u>Uses/outflows of resources</u>				
Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison statement				\$ 153
Differences - budget to GAAP:				
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes.				<u>(153)</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - Nonmajor Capital Projects Fund				<u>\$ --</u>

COUNTY OF NAPA

Budgetary Comparison Schedule
Criminal Justice Facility Construction Fund
For the Year Ended June 30, 2008

	<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	\$ 636,781	\$ 636,781	\$ 636,781	\$ --
Resources (inflows):				
Fines, forfeitures, and penalties	98,000	98,000	103,206	5,206
Revenue from use of money and property	16,000	16,000	24,703	8,703
Amounts available for appropriation	<u>114,000</u>	<u>114,000</u>	<u>127,909</u>	<u>13,909</u>
Charges to appropriations (outflows):				
Services and supplies	71	71	--	71
Transfers out	56,980	56,980	55,403	1,577
Total charges to appropriations	<u>57,051</u>	<u>57,051</u>	<u>55,403</u>	<u>1,648</u>
Budgetary fund balances, Ending	<u>\$ 693,730</u>	<u>\$ 693,730</u>	<u>\$ 709,287</u>	<u>\$ 15,557</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				\$ 55,403
Differences - budget to GAAP:				
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes.				<u>(55,403)</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - Nonmajor Capital Projects Fund				<u>\$ --</u>

COUNTY OF NAPA

Budgetary Comparison Schedule
 Courthouse Fund
 For the Year Ended June 30, 2008

	<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	\$ 656,712	\$ 656,712	\$ 656,712	\$ --
Resources (inflows):				
Fines, forfeitures, and penalties	389,000	389,000	444,279	55,279
Revenue from use of money and property	20,000	20,000	35,706	15,706
Amounts available for appropriation	<u>409,000</u>	<u>409,000</u>	<u>479,985</u>	<u>70,985</u>
Charges to appropriations (outflows):				
Services and supplies	374	374	374	--
Capital assets	172,286	174,826	2,616	172,210
Transfers out	236,340	236,340	223,845	12,495
Total charges to appropriations	<u>409,000</u>	<u>411,540</u>	<u>226,835</u>	<u>184,705</u>
Budgetary fund balances, Ending	<u>\$ 656,712</u>	<u>\$ 654,172</u>	<u>\$ 909,862</u>	<u>\$ 255,690</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				\$ 226,835
Differences - budget to GAAP:				
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes.				<u>(223,845)</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - Nonmajor Capital Projects Fund				<u>\$ 2,990</u>

COUNTY OF NAPA

Budgetary Comparison Schedule
Accumulated Capital Outlay Fund
For the Year Ended June 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
Budgetary fund balances, Beginning	<u>\$ 9,207,515</u>	<u>\$ 9,207,515</u>	<u>\$ 9,207,515</u>	<u>\$ --</u>
Resources (inflows):				
Revenue from use of money and property	30,000	30,000	522,062	492,062
Transfers in	<u>6,201,527</u>	<u>6,201,527</u>	<u>6,201,527</u>	<u>--</u>
Amounts available for appropriation	<u>6,231,527</u>	<u>6,231,527</u>	<u>6,723,589</u>	<u>492,062</u>
Charges to appropriations (outflows):				
Services and supplies	<u>160</u>	<u>160</u>	<u>160</u>	<u>--</u>
Total charges to appropriations	<u>160</u>	<u>160</u>	<u>160</u>	<u>--</u>
Budgetary fund balances, Ending	<u>\$ 15,438,882</u>	<u>\$ 15,438,882</u>	<u>\$ 15,930,944</u>	<u>\$ 492,062</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				\$ 6,723,589
Differences - budget to GAAP:				
Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes.				<u>(6,201,527)</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - Nonmajor Capital Projects Fund				<u>\$ 522,062</u>

COUNTY OF NAPA

Budgetary Comparison Schedule
 County Center Improvement Fund
 For the Year Ended June 30, 2008

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		Positive (Negative)
Budgetary fund balances, Beginning	\$ 10,928,294	\$ 10,928,294	\$ 10,928,294	\$ --
Resources (inflows):				
Revenue from use of money and property	200,000	200,000	393,679	193,679
Contributions and donations	--	3,900,000	3,131,182	(768,818)
Other revenue	3,900,000	--	18	18
Amounts available for appropriation	<u>4,100,000</u>	<u>4,100,000</u>	<u>3,524,879</u>	<u>(575,121)</u>
Charges to appropriations (outflows):				
Services and supplies	3,164	3,164	3,164	--
Capital assets	14,600,000	14,600,000	11,043,675	3,556,325
Total charges to appropriations	<u>14,603,164</u>	<u>14,603,164</u>	<u>11,046,839</u>	<u>3,556,325</u>
Budgetary fund balances, Ending	<u>\$ 425,130</u>	<u>\$ 425,130</u>	<u>\$ 3,406,334</u>	<u>\$ 2,981,204</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, 2008

	<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, as restated	\$ 4,951,127	\$ 4,951,127	\$ 4,951,127	\$ --
Resources (inflows):				
Revenue from use of money and property	--	--	65,544	65,544
Transfers in	<u>3,933,938</u>	<u>3,933,938</u>	<u>1,772,926</u>	<u>(2,161,012)</u>
Amounts available for appropriation	<u>3,933,938</u>	<u>3,933,938</u>	<u>1,838,470</u>	<u>(2,095,468)</u>
Charges to appropriations (outflows):				
Debt service	<u>3,933,938</u>	<u>3,934,403</u>	<u>3,934,401</u>	<u>2</u>
Total charges to appropriations	<u>3,933,938</u>	<u>3,934,403</u>	<u>3,934,401</u>	<u>2</u>
Budgetary fund balances, Ending	<u>\$ 4,951,127</u>	<u>\$ 4,950,662</u>	<u>\$ 2,855,196</u>	<u>\$ (2,095,466)</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				\$ 1,838,470
Differences - budget to GAAP:				
Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes.				<u>(1,772,926)</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - Nonmajor Governmental Funds				<u>\$ 65,544</u>

INTERNAL SERVICE FUNDS

INTERNAL SERVICE FUNDS:

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

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

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

Information Technology Services

ITS is responsible for the development, operation and maintenance of all County information technology systems (computer network and voice communications.) ITS is organized as an Internal Service Fund within County government, where appropriations are offset by revenue derived from charges for services to all departments and agencies that use the County's information technology systems.

Workers' Compensation

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

General Liability

The self-insured Liability program provides liability coverage for an initial portion of all losses resulting from tort or inverse condemnation. The current self-insured level is \$300,000 per claim occurrence. Excess liability coverage is provided through participation in the California State Association of Counties Excess Insurance Authority (CSAC EIA).

Annual charges for services for each department are based on a formula calculated from past claims experience and an assigned risk exposure for each department.

COUNTY OF NAPA

Combining Statement of Fund Net Assets Internal Service Funds June 30, 2008

	Equipment Pool Service Fund	Equipment Replacement	Vehicle Replacement	Information Technology Services
ASSETS				
Current Assets:				
Cash and Investments	\$ 23,547	\$ 2,285,156	\$ 1,339,713	\$ 1,965,781
Imprest cash	--	--	--	--
Inventories	11,353	--	--	--
Accounts receivable	1,236	1,848	19,535	12,613
Due from other funds	--	450,000	--	--
Deposits	--	--	--	--
Total Current Assets	36,136	2,737,004	1,359,248	1,978,394
Noncurrent Assets:				
Depreciable:				
Equipment	156,854	5,937,693	4,885,984	2,105,309
Accumulated depreciation	(128,854)	(2,824,706)	(2,053,198)	(1,693,495)
Total Noncurrent Assets	28,000	3,112,987	2,832,786	411,814
Total Assets	\$ 64,136	\$ 5,849,991	\$ 4,192,034	\$ 2,390,208
LIABILITIES				
Current Liabilities:				
Accounts payable	\$ 77,400	\$ 197,183	\$ --	\$ 117,583
Accrued salaries and benefits	10,494	--	--	171,709
Due to other funds	450,000	--	--	--
Liability for unpaid insurance claims	--	--	--	--
Liability for compensated absences	7,657	--	--	114,808
Total Current Liabilities	545,551	197,183	--	404,100
Long-Term Liabilities:				
Liability for unpaid insurance claims	--	--	--	--
Liability for compensated absences	7,052	--	--	95,402
Total Liabilities	552,603	197,183	--	499,502
NET ASSETS				
Invested in capital assets	28,000	3,112,987	2,832,786	411,814
Unrestricted	(516,467)	2,539,821	1,359,248	1,478,892
Total Net Assets	(488,467)	5,652,808	4,192,034	1,890,706
Total Liabilities and Net Assets	\$ 64,136	\$ 5,849,991	\$ 4,192,034	\$ 2,390,208

continued

COUNTY OF NAPA

Combining Statement of Fund Net Assets (continued)
Internal Service Funds
June 30, 2008

ASSETS	<u>Workers'</u> <u>Compensation</u>	<u>General</u> <u>Liability</u>	<u>Total</u>
Current Assets:			
Cash and Investments	\$ 7,910,471	\$ 4,248,255	\$ 17,772,923
Imprest cash	--	91,176	91,176
Inventories	--	--	11,353
Accounts receivable	--	227,634	262,866
Due from other funds	--	--	450,000
Deposits	71,418	--	71,418
Total Current Assets	<u>7,981,889</u>	<u>4,567,065</u>	<u>18,659,736</u>
Noncurrent Assets:			
Depreciable:			
Equipment	--	--	13,085,840
Accumulated depreciation	--	--	(6,700,253)
Total Noncurrent Assets	<u>--</u>	<u>--</u>	<u>6,385,587</u>
 Total Assets	 <u><u>\$ 7,981,889</u></u>	 <u><u>\$ 4,567,065</u></u>	 <u><u>\$ 25,045,323</u></u>
 LIABILITIES			
Current Liabilities:			
Accounts payable	\$ 87,946	\$ 9,223	\$ 489,335
Accrued salaries and benefits	--	--	182,203
Due to other funds	--	--	450,000
Liability for unpaid insurance claims	3,178,858	752,034	3,930,892
Liability for compensated absences	--	--	122,465
Total Current Liabilities	<u>3,266,804</u>	<u>761,257</u>	<u>5,174,895</u>
Long-Term Liabilities:			
Liability for unpaid insurance claims	3,018,142	2,567,966	5,586,108
Liability for compensated absences	--	--	102,454
Total Liabilities	<u>6,284,946</u>	<u>3,329,223</u>	<u>10,863,457</u>
 NET ASSETS			
Invested in capital assets	--	--	6,385,587
Unrestricted	1,696,943	1,237,842	7,796,279
Total Net Assets	<u>1,696,943</u>	<u>1,237,842</u>	<u>14,181,866</u>
 Total Liabilities and Net Assets	 <u><u>\$ 7,981,889</u></u>	 <u><u>\$ 4,567,065</u></u>	 <u><u>\$ 25,045,323</u></u>

COUNTY OF NAPA

Combining Statement of Revenues, Expenses and Changes in Fund Net Assets
Internal Service Funds
For the Year Ended June 30, 2008

	<u>Equipment Pool Service Fund</u>	<u>Equipment Replacement</u>	<u>Vehicle Replacement</u>	<u>Information Technology Services</u>
Operating Revenues:				
Charges for services	\$ 115,255	\$ --	\$ 133,195	\$ 7,291,154
Maintenance Charges:				
Equipment	592,590	--	--	--
Vehicle	638,102	--	--	--
Replacement charges	--	250,317	498,205	--
Other revenue	883	--	--	91,748
	<u>1,346,830</u>	<u>250,317</u>	<u>631,400</u>	<u>7,382,902</u>
Operating Expenses:				
Salaries and employee benefits	294,066	--	--	4,613,937
Services and supplies	1,331,068	15,441	--	2,529,589
Claims expense	--	--	--	--
Depreciation and amortization	7,000	250,317	498,205	191,620
	<u>1,632,134</u>	<u>265,758</u>	<u>498,205</u>	<u>7,335,146</u>
Operating Income (Loss)	<u>(285,304)</u>	<u>(15,441)</u>	<u>133,195</u>	<u>47,756</u>
Non-Operating Revenues (Expenses):				
Interest income	(630)	124,014	61,889	62,537
Gain (loss) on disposition of capital assets	--	(2,639)	35,970	--
	<u>(630)</u>	<u>121,375</u>	<u>97,859</u>	<u>62,537</u>
Net Income Before Contributions and Transfers	<u>(285,934)</u>	<u>105,934</u>	<u>231,054</u>	<u>110,293</u>
Capital Contribution	35,000	--	--	--
Transfers in	--	--	--	--
Transfers out	--	(219,031)	--	--
	<u>35,000</u>	<u>(219,031)</u>	<u>--</u>	<u>--</u>
Change in Net Assets	<u>(250,934)</u>	<u>(113,097)</u>	<u>231,054</u>	<u>110,293</u>
Net Assets - Beginning of Year	<u>(237,533)</u>	<u>5,765,905</u>	<u>3,960,980</u>	<u>1,780,413</u>
Net Assets - End of Year	<u><u>\$ (488,467)</u></u>	<u><u>\$ 5,652,808</u></u>	<u><u>\$ 4,192,034</u></u>	<u><u>\$ 1,890,706</u></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, 2008

	Workers' Compensation	General Liability	Total
Operating Revenues:			
Charges for services	\$ 1,509,581	\$ 1,631,953	\$ 10,681,138
Maintenance Charges:			
Equipment	--	--	592,590
Vehicle	--	--	638,102
Replacement charges	--	--	748,522
Other revenue	253,137	271,700	617,468
 Total Operating Revenues	 1,762,718	 1,903,653	 13,277,820
Operating Expenses:			
Salaries and employee benefits	--	--	4,908,003
Services and supplies	503,590	101,749	4,481,437
Claims expense	2,215,117	1,420,260	3,635,377
Depreciation and amortization	--	--	947,142
 Total Operating Expenses	 2,718,707	 1,522,009	 13,971,959
Operating Income (Loss)	(955,989)	381,644	(694,139)
Non-Operating Revenues (Expenses):			
Interest income	340,331	168,413	756,554
Gain (loss) on disposition of capital assets	--	--	33,331
 Total Non-Operating Revenues (Expenses)	 340,331	 168,413	 789,885
Net Income Before Contributions and Transfers	(615,658)	550,057	95,746
Capital Contribution	--	--	35,000
Transfers in	--	10,000	10,000
Transfers out	(330,919)	(280,035)	(829,985)
Change in Net Assets	(946,577)	280,022	(689,239)
Net Assets - Beginning of Year	2,643,520	957,820	14,871,105
Net Assets - End of Year	\$ 1,696,943	\$ 1,237,842	\$ 14,181,866

COUNTY OF NAPA

Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2008

	<u>Equipment Pool Service Fund</u>	<u>Equipment Replacement</u>	<u>Vehicle Replacement</u>	<u>Information Technology Services</u>
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash receipts from internal services provided	\$ 1,347,776	\$ 250,317	\$ 631,400	\$ 7,372,147
Cash paid to suppliers for goods and services	(1,265,596)	(15,441)	--	(2,435,081)
Cash paid to employees for services	(289,891)	--	--	(4,622,750)
Net Cash Provided (Used) by Operating Activities	<u>(207,711)</u>	<u>234,876</u>	<u>631,400</u>	<u>314,316</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Transfers in	--	--	--	--
Transfers out	--	(219,031)	--	--
Advances (to)/from other funds	<u>100,000</u>	<u>(100,000)</u>	<u>--</u>	<u>--</u>
Net Cash Provided (Used) by Noncapital Financing Activities	<u>100,000</u>	<u>(319,031)</u>	<u>--</u>	<u>--</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Proceeds of sales of capital assets	--	868	34,921	--
Payments related to the acquisition of capital assets	<u>--</u>	<u>(652,929)</u>	<u>(904,302)</u>	<u>(111,921)</u>
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>--</u>	<u>(652,061)</u>	<u>(869,381)</u>	<u>(111,921)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received (paid)	<u>(630)</u>	<u>124,014</u>	<u>61,889</u>	<u>62,537</u>
Net Cash Provided by Investing Activities	<u>(630)</u>	<u>124,014</u>	<u>61,889</u>	<u>62,537</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(108,341)	(612,202)	(176,092)	264,932
Cash and Cash Equivalents, Beginning of Year	<u>131,888</u>	<u>2,897,358</u>	<u>1,515,805</u>	<u>1,700,849</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 23,547</u></u>	<u><u>\$ 2,285,156</u></u>	<u><u>\$ 1,339,713</u></u>	<u><u>\$ 1,965,781</u></u>

continued

COUNTY OF NAPA

Combining Statement of Cash Flows (continued)

Internal Service Funds

For the Year Ended June 30, 2008

	Workers' Compensation	General Liability	Total
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash receipts from internal services provided	\$ 1,848,907	\$ 1,726,019	\$ 13,176,566
Cash paid to suppliers for goods and services	(1,619,901)	(1,232,786)	(6,568,805)
Cash paid to employees for services	--	--	(4,912,641)
	<u>229,006</u>	<u>493,233</u>	<u>1,695,120</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Transfers in	--	10,000	10,000
Transfers out	(330,919)	(280,035)	(829,985)
Advances (to)/from other funds	--	--	--
	<u>(330,919)</u>	<u>(270,035)</u>	<u>(819,985)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Proceeds of sales of capital assets	--	--	35,789
Payments related to the acquisition of capital assets	--	--	(1,669,152)
	<u>--</u>	<u>--</u>	<u>(1,633,363)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received (paid)	340,331	168,413	756,554
Net Cash Provided by Investing Activities	<u>340,331</u>	<u>168,413</u>	<u>756,554</u>
Net Increase (Decrease) in Cash and Cash Equivalents	238,418	391,611	(1,674)
Cash and Cash Equivalents, Beginning of Year	<u>7,672,053</u>	<u>3,947,820</u>	<u>17,865,773</u>
Cash and Cash Equivalents, End of Year	<u>\$ 7,910,471</u>	<u>\$ 4,339,431</u>	<u>\$ 17,864,099</u>

continued

COUNTY OF NAPA

Combining Statement of Cash Flows (continued)
Internal Service Funds
For the Year Ended June 30, 2008

	<u>Equipment Pool Service Fund</u>	<u>Equipment Replacement</u>	<u>Vehicle Replacement</u>	<u>Information Technology Services</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by				
Operating Activities:				
Operating income (loss)	\$ (285,304)	\$ (15,441)	\$ 133,195	\$ 47,756
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	7,000	250,317	498,205	191,620
Changes in assets and liabilities:				
(Increase) decrease in:				
Accounts receivable	946	--	--	(10,755)
Inventory	76	--	--	--
Deposits	--	--	--	--
Increase (decrease) in:				
Accounts payable	65,396	--	--	94,508
Accrued salaries	1,422	--	--	9,597
Compensated absences	2,753	--	--	(18,410)
Claims liability	--	--	--	--
Net Cash Provided (Used) by Operating Activities	<u>\$ (207,711)</u>	<u>\$ 234,876</u>	<u>\$ 631,400</u>	<u>\$ 314,316</u>
Schedule of Noncash Capital Activities:				
Capital contributions	<u>\$ 35,000</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>
Total Noncash Capital Activities	<u>\$ 35,000</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>

continued

COUNTY OF NAPA

Combining Statement of Cash Flows (continued)
Internal Service Funds
For the Year Ended June 30, 2008

	<u>Workers'</u> <u>Compensation</u>	<u>General</u> <u>Liability</u>	<u>Total</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by			
Operating Activities:			
Operating income (loss)	\$ (955,989)	\$ 381,644	\$ (694,139)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	--	--	947,142
Changes in assets and liabilities:			
(Increase) decrease in:			
Accounts receivable	--	(227,634)	(237,443)
Inventory	--	--	76
Deposits	86,189	50,000	136,189
Increase (decrease) in:			
Accounts payable	(7,194)	9,223	161,933
Accrued salaries	--	--	11,019
Compensated absences	--	--	(15,657)
Claims liability	1,106,000	280,000	1,386,000
	<u>1,106,000</u>	<u>280,000</u>	<u>1,386,000</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 229,006</u>	<u>\$ 493,233</u>	<u>\$ 1,695,120</u>
 Schedule of Noncash Capital Activities:			
Capital contributions	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 35,000</u>
 Total Noncash Capital Activities	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 35,000</u>



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, 2008

ASSETS	<u>Schools Districts</u>	<u>Special Districts</u>	<u>Total</u>
Current Assets:			
Cash and investments	<u>\$ 160,896,875</u>	<u>\$ 62,677,338</u>	<u>\$ 223,574,213</u>
Total Current Assets	<u><u>\$ 160,896,875</u></u>	<u><u>\$ 62,677,338</u></u>	<u><u>\$ 223,574,213</u></u>
 NET ASSETS			
Net assets held in trust for investment pool participants	<u>\$ 160,896,875</u>	<u>\$ 62,677,338</u>	<u>\$ 223,574,213</u>
Total Net Assets	<u><u>\$ 160,896,875</u></u>	<u><u>\$ 62,677,338</u></u>	<u><u>\$ 223,574,213</u></u>

COUNTY OF NAPA

Combining Statement of Changes in Fiduciary Net Assets
Investment Trust Funds
For the Year Ended June 30, 2008

	<u>Schools Districts</u>	<u>Special Districts</u>	<u>Total</u>
<u>ADDITIONS</u>			
Contributions:			
Contributions to investment pool	\$ 1,020,423,445	\$ 87,108,792	\$ 1,107,532,237
Total Contribution	<u>1,020,423,445</u>	<u>87,108,792</u>	<u>1,107,532,237</u>
Net Investment Income:			
Interest	<u>8,106,637</u>	<u>2,719,875</u>	<u>10,826,512</u>
Net Investment Income	<u>8,106,637</u>	<u>2,719,875</u>	<u>10,826,512</u>
 Total Additions	 <u>1,028,530,082</u>	 <u>89,828,667</u>	 <u>1,118,358,749</u>
<u>DEDUCTIONS</u>			
Distributions from investment pool	<u>1,041,582,553</u>	<u>86,136,556</u>	<u>1,127,719,109</u>
Total Deductions	<u>1,041,582,553</u>	<u>86,136,556</u>	<u>1,127,719,109</u>
Change in Net Assets	(13,052,471)	3,692,111	(9,360,360)
Net Assets, Beginning	<u>173,949,346</u>	<u>58,985,227</u>	<u>232,934,573</u>
Net Assets, Ending of Year	<u><u>\$ 160,896,875</u></u>	<u><u>\$ 62,677,338</u></u>	<u><u>\$ 223,574,213</u></u>

COUNTY OF NAPA

Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Fiscal Year Ended June 30, 2008

ASSETS	<u>July 1, 2007</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2008</u>
Current Assets:				
Cash and investments	\$ 39,244,362	\$ 514,783,447	\$ 521,439,958	\$ 32,587,851
Taxes receivable	<u>11,638,516</u>	<u>3,855,550</u>	<u>--</u>	<u>15,494,066</u>
Total Current Assets	<u>\$ 50,882,878</u>	<u>\$ 518,638,997</u>	<u>\$ 521,439,958</u>	<u>\$ 48,081,917</u>
 LIABILITIES				
Agency funds held for others	<u>\$ 50,882,878</u>	<u>\$ 518,638,997</u>	<u>\$ 521,439,958</u>	<u>\$ 48,081,917</u>
Total Liabilities	<u>\$ 50,882,878</u>	<u>\$ 518,638,997</u>	<u>\$ 521,439,958</u>	<u>\$ 48,081,917</u>



Statistical Section

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.

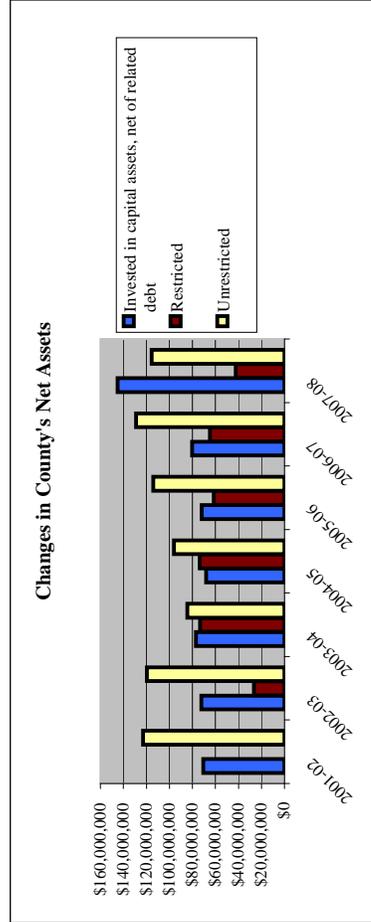
	<u>Page</u>
Financial Trends Information	
These schedules contain trend information that may assist the reader in assessing the County’s current financial performance by placing it in historical perspective	148
Revenue Capacity Information	
These schedules contain information that may assist the reader in assessing the viability of the County’s two most significant local revenue sources; property taxes and sales taxes.....	154
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	159
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.....	164
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	167

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 Seven Fiscal Years (accrual basis of accounting)

	Fiscal Year						
	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
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
Restricted	-	26,658,643	73,467,180	73,543,466	61,499,414	64,749,020	41,875,741
Unrestricted	124,753,532	119,685,666	81,546,729	92,878,429	110,659,585	127,517,769	114,441,572
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
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
Restricted	-	-	-	-	-	-	480,549
Unrestricted	(1,976,428)	(186,815)	2,756,267	3,254,322	3,403,166	1,374,931	1,051,188
Total business-type activities net assets	\$ 9,510,179	\$ 11,875,071	\$ 12,728,669	\$ 15,393,451	\$ 17,663,097	\$ 20,337,389	\$ 30,002,186
Primary government							
Invested in capital assets, net of related debt	\$ 70,461,853	\$ 72,150,604	\$ 76,864,765	\$ 68,137,310	\$ 71,899,321	\$ 80,294,819	\$ 145,078,532
Restricted	-	26,658,643	73,467,180	73,543,466	61,499,414	64,749,020	42,356,290
Unrestricted	122,777,104	119,498,851	84,302,996	96,132,751	114,062,751	128,892,700	115,492,760
Total primary government net assets²	\$ 193,238,957	\$ 218,308,098	\$ 234,634,941	\$ 237,813,527	\$ 247,461,486	\$ 273,936,539	\$ 302,927,582
Percent of increase (decrease) in primary government net assets	N/A	12.97%	7.48%	1.35%	4.06%	10.70%	10.58%



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.

COUNTY OF NAPA

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

	Fiscal Year						
	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
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
Public protection	54,093,413	59,155,040	62,467,022	70,316,699	77,954,632	82,810,854	85,291,842
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
Health and sanitation	27,125,790	29,123,849	27,777,318	29,561,078	32,373,467	35,941,958	38,670,267
Public assistance	28,898,408	26,085,613	27,454,506	31,683,117	29,420,309	28,526,647	30,468,421
Education	4,382,122	4,869,614	4,829,289	5,194,812	5,628,848	5,716,827	6,025,556
Recreational and cultural services	-	44,978	300,142	1,021,586	120,152	206,468	876,547
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
Administration and arbitrage fees	-	171,193	11,209	1,507,883	459,566	14,770	6,315
Administrative activities expenses	171,317,557	175,375,914	184,086,342	196,049,136	219,742,633	214,624,593	225,163,034
Total governmental activities:	320,498,164	335,111,164	327,111,164	266,111,164	307,111,164	314,111,164	331,111,164
Business-type activities:							
Airport	1,251,864	1,435,205	1,715,493	1,676,592	1,935,407	2,152,164	2,527,682
Lake Berryessa Resort Improvement	480,768	574,405	709,545	710,296	886,976	642,997	845,030
Napa County Housing Authority	-	-	-	-	-	242,779	1,033,262
Napa Berryessa Public Improvement	489,437	584,255	567,119	634,032	709,907	657,015	1,238,425
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
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
Program Revenues							
Governmental activities:							
Charges for services							
General government	\$ 5,706,775	\$ 4,976,957	\$ 3,368,205	\$ 3,305,175	\$ 3,689,381	\$ 6,487,957	\$ 8,195,676
Public protection	9,023,197	9,203,552	11,616,975	15,100,425	15,670,287	19,003,569	5,755,632
Other activities	6,000,804	10,147,260	11,226,993	9,947,969	11,345,970	14,895,429	20,360,465
Operating grants and contributions	78,530,500	77,087,961	81,430,737	73,472,534	75,847,921	78,904,254	77,170,135
Capital grants and contributions	-	-	40,000	-	5,298,042	1,016,938	4,498,647
Total governmental activities program revenues	99,261,276	101,415,730	107,682,910	101,826,103	111,851,601	120,308,147	115,980,555
Business-type activities:							
Charges for services							
Airport	1,492,907	1,554,468	1,540,253	1,571,022	1,590,342	1,645,614	1,773,937
Lake Berryessa Resort Improvement	505,227	514,730	583,130	557,551	658,117	543,516	446,722
Napa County Housing Authority	-	-	-	-	-	-	480,869
Napa Berryessa Public Improvement	550,526	521,361	633,931	576,164	676,043	389,059	627,018
Operating grants and contributions	1,367,540	1,187,475	945,373	2,975,901	2,730,512	84,114	210,446
Capital grants and contributions	-	-	-	-	-	3,241,463	10,618,507
Total business-type activities program revenues	3,916,200	3,778,034	3,702,687	5,680,638	5,655,014	5,903,766	14,157,499
Total primary government program revenues	\$ 103,177,476	\$ 105,193,764	\$ 111,385,597	\$ 107,506,741	\$ 117,506,615	\$ 126,211,913	\$ 130,138,054

(Continued)

Notes:

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

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

COUNTY OF NAPA

Changes in Net Assets, Last Seven Fiscal Years (continued)

(accrual basis of accounting)

	Fiscal Year						
	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
Net (Expense)/Revenue ¹							
Governmental activities	\$ (72,056,281)	\$ (73,960,184)	\$ (76,403,432)	\$ (94,223,033)	\$ (107,891,032)	\$ (94,316,446)	\$ (109,182,479)
Business-type activities	1,694,131	1,184,169	710,530	2,659,718	2,122,724	2,208,811	8,513,100
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)
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
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
Transient occupancy taxes	4,293,481	4,774,394	4,718,763	5,743,951	7,045,286	8,076,701	9,681,766
Property transfer taxes	1,054,546	1,140,502	1,440,722	1,790,692	2,253,151	1,576,809	1,128,851
Other	1,543	1,366	1,898	400	3,165	352	-
Motor vehicle in lieu taxes ²				9,417,773	-	-	-
Unrestricted interest and investment earnings	5,172,876	4,012,538	2,968,228	3,713,125	5,258,985	6,968,520	8,413,728
Miscellaneous	8,562,503	6,653,267	7,166,948	2,535,650	8,265,641	336,689	1,999,522
Special items ³			1,801,309	-	-	-	-
Transfers	276,009	(667,395)	77,476	85,840	67,697	(131,796)	(651,193)
Total governmental activities	79,070,339	80,987,000	88,520,043	95,019,826	115,269,345	116,648,829	127,474,064
Business-type activities:							
Taxes	55,257	52,721	59,710	13,362	28,267	96,377	110,558
Investment earnings	19,453	62,215	36,415	69,232	117,305	115,832	303,146
Miscellaneous	100,303	398,392	124,419	106,447	69,047	121,476	86,800
Transfers	(276,009)	667,395	(77,476)	(85,840)	(67,697)	131,796	651,193
Total business-type activities	(100,996)	1,180,723	143,068	103,201	146,922	465,481	1,151,697
Total primary government	\$ 78,969,343	\$ 82,167,723	\$ 88,663,111	\$ 95,123,027	\$ 115,416,267	\$ 117,114,310	\$ 128,625,761
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
Business-type activities	1,593,135	2,364,892	853,598	2,762,919	2,269,646	2,674,292	9,664,797
Total primary government	\$ 8,607,193	\$ 9,391,708	\$ 12,970,209	\$ 3,559,712	\$ 9,647,959	\$ 25,006,675	\$ 27,956,382

Notes:

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

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

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

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

COUNTY OF NAPA

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	Total
1999	\$ 25,573,812	\$ 18,878,339	\$ 4,865,146	\$ 866,531	\$ 1,887	\$ 50,185,715
2000	27,653,695	22,863,411	5,029,392	1,103,203	2,975	56,652,676
2001	31,858,409	25,402,154	5,743,126	1,127,920	3,452	64,135,061
2002	35,350,355	24,359,026	4,293,481	1,054,546	1,543	65,058,951
2003	39,213,921	25,858,407	4,774,394	1,140,502	1,365	70,988,589
2004	42,424,261	27,920,438	4,718,763	1,440,722	1,898	76,506,082
2005	44,667,099	27,065,296	5,743,951	1,790,692	400	79,267,438
2006	63,266,398	29,109,022	7,045,286	2,253,151	3,165	101,677,022
2007	69,224,026	30,597,528	8,076,701	1,576,809	352	109,475,416
2008	75,712,896	31,188,494	9,681,766	1,128,851	-	117,712,007
Change 1999-2008	196.1%	65.2%	99.0%	30.3%	-100.0%	134.6%

Notes:

¹ Property tax revenues increased 196.1% in the last 10 fiscal years due to additional assessments by the Assessor's Office based on reappraisals of real property due to changes in ownership or completion of new construction. Beginning in 2006, motor vehicle in-lieu fee revenue is reported under property tax due to the Triple-Flip legislation.

² Sales and use tax revenues increased 65.2% in the last ten years due to a combination of rate increases (an additional 1/2 cent sales tax for flood improvements began in July of 1998) and general growth in taxable sales.

³ Transient Occupancy Tax (12% as of January 1, 2005) increased 99.0% in the last ten years due to an increase in tourism.

⁴ Property transfer tax revenues increased 30.3% in the last 10 years due to an increase in the number of changes in ownerships.

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)

	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
General Fund										
Reserved	\$ 9,205	\$ 3,338	\$ 11,798	\$ 26,413	\$ 21,971	\$ 8,225	\$ 7,394	\$ 11,136	\$ 11,696	\$ 9,662
Unreserved	10,032	22,395	27,693	42,563	44,317	56,471	57,574	62,817	63,431	40,309
Total general fund	<u>\$ 19,237</u>	<u>\$ 25,733</u>	<u>\$ 39,491</u>	<u>\$ 68,976</u>	<u>\$ 66,288</u>	<u>\$ 64,696</u>	<u>\$ 64,968</u>	<u>\$ 73,953</u>	<u>\$ 75,127</u>	<u>\$ 49,971</u>
All Other Governmental Funds										
Reserved	\$ 14,746	\$ 47,783	\$ 17,091	\$ 33,416	\$ 68,644	\$ 20,545	\$ 17,551	\$ 17,497	\$ 18,872	\$ 17,723
Unreserved, reported in:										
Special revenue funds	10,926	22,607	31,081	6,927	22,579	53,835	61,985	53,213	60,407	95,038
Capital projects funds	714	-	-	991	534	12,710	7,124	15,945	22,711	21,294
Debt service funds	-	-	-	7,800	5,365	2,616	1,490	1,541	3,407	1,550
Total all other governmental funds	<u>\$ 26,386</u>	<u>\$ 70,390</u>	<u>\$ 48,172</u>	<u>\$ 49,134</u>	<u>\$ 97,122</u>	<u>\$ 89,706</u>	<u>\$ 88,150</u>	<u>\$ 88,196</u>	<u>\$ 105,397</u>	<u>\$ 135,605</u>

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)

	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>
Revenues:										
Taxes	\$ 49,791	\$ 46,398	\$ 62,874	\$ 65,059	\$ 70,989	\$ 76,506	\$ 88,685	\$ 101,677	\$ 109,475	\$ 117,712
Licenses, fees and permits	2,518	1,888	2,605	4,325	2,936	3,590	3,981	4,293	5,286	5,023
Fines, forfeits and penalties	57,997	70,874	68,339	1,769	1,927	2,263	1,385	2,941	2,617	1,946
Use of money and property	2,794	2,398	1,761	4,522	3,551	2,700	3,312	4,727	6,278	7,657
Aid from other governments	2,203	4,583	5,966	78,530	77,088	77,462	73,473	82,455	80,589	74,639
Charges for services	13,199	11,296	13,190	14,496	19,140	19,620	22,988	23,472	32,460	26,089
Contributions and donations	-	-	-	-	-	-	-	-	250	3,797
Other	4,129	5,316	4,501	8,560	6,970	7,186	4,101	8,360	1,249	1,713
Total Revenues	132,631	142,753	159,236	177,261	182,601	189,327	197,925	227,925	238,204	238,576
Expenditures:										
Current:										
General government	25,443	24,769	28,944	27,344	36,207	29,906	24,887	27,565	30,797	34,968
Public protection	39,202	38,162	35,413	53,186	58,057	61,103	69,203	76,328	83,403	84,436
Public ways and facilities	10,148	17,502	44,963	14,814	10,527	16,859	22,298	34,410	22,037	18,394
Health and sanitation	19,458	20,577	24,453	26,976	28,963	27,663	29,404	32,076	35,863	38,411
Public assistance	23,514	22,916	19,748	28,746	25,924	27,260	31,566	29,211	28,478	30,159
Education	2,941	3,007	3,167	4,297	4,783	4,735	5,075	5,506	5,611	5,963
Recreational and cultural services	-	-	-	-	45	300	1,022	120	207	877
Capital Outlay	5,615	1,171	3,909	7,132	7,710	21,505	20,048	4,162	5,518	11,046
Debt Service:										
Principal	2,640	2,790	2,950	3,110	9,870	3,880	4,365	5,495	5,627	5,790
Interest	2,044	3,920	3,808	3,641	3,421	4,472	3,941	3,977	3,796	3,622
Administration and arbitrage fees	-	-	-	-	1,091	11	1,508	581	15	27
Total Expenditures	131,005	134,814	167,355	169,246	186,598	197,694	213,317	219,431	221,352	233,693
Excess of revenue over (under) expenditures	1,626	7,939	(8,119)	8,015	(3,997)	(8,367)	(15,392)	8,494	16,852	4,883
Other Financing Sources (Uses)										
Proceeds from borrowing	611	43,620	-	-	32,417	-	14,002	450	1,000	-
Transfers in	8,279	5,300	4,567	4,871	16,052	4,738	5,857	10,490	21,851	38,588
Transfers out	(5,729)	(4,550)	(4,887)	(4,366)	(15,048)	(5,378)	(5,468)	(10,403)	(21,329)	(38,419)
Total other financing sources (uses)	3,161	44,370	(320)	505	33,421	(640)	14,391	537	1,522	169
Net change in fund balances	\$ 4,787	\$ 52,309	\$ (8,439)	\$ 8,520	\$ 29,424	\$ (9,007)	\$ (1,001)	\$ 9,031	\$ 18,374	\$ 5,052
Debt service as a percentage of noncapital expenditures	3.74%	5.02%	4.13%	4.16%	7.43%	4.74%	4.30%	4.41%	4.42%	4.27%

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

COUNTY OF NAPA

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

Fiscal Year Ended June 30,	Real Property		Personal Property		Less: Tax Exempt Property		Total Taxable Assessed Value ¹		Total Direct Tax Rate		Net Increase	
	Property	Property	Property	Property	Property	Property	Value ¹	Value ¹	Tax Rate	Tax Rate	Amount	Percentage
1999	\$ 10,379,531	\$ 628,954	\$ 518,199	\$ 10,490,286	1.0%	\$ 602,733	6.10%					
2000	11,347,969	626,689	539,918	11,434,740	1.0%	944,454	9.00%					
2001	12,509,849	623,099	550,129	12,582,819	1.0%	1,148,079	10.04%					
2002	14,086,106	691,127	588,735	14,188,498	1.0%	1,605,679	12.76%					
2003	15,617,221	713,924	674,258	15,656,887	1.0%	1,468,389	10.35%					
2004	17,193,975	757,097	712,053	17,239,019	1.0%	1,582,132	10.11%					
2005	18,805,536	794,875	736,767	18,863,644	1.0%	1,624,625	9.42%					
2006	20,927,596	843,571	792,749	20,978,418	1.0%	2,114,774	11.21%					
2007	23,145,479	907,930	802,511	23,250,898	1.0%	2,272,480	10.83%					
2008	25,277,127	1,035,647	857,734	25,455,040	1.0%	2,204,142	9.48%					

Notes:

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

Source: Assessor's Office - County of Napa

COUNTY OF NAPA

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

Fiscal Year	County Direct Rate	Overlapping Rates²			Total Direct and Overlapping²
		Local Special Districts	Schools	Cities	
1999	1.00	0.67	0.16	0.05	1.88
2000	1.00	0.52	0.09	0.05	1.66
2001	1.00	0.42	0.08	0.04	1.54
2002	1.00	0.28	0.07	0.04	1.39
2003	1.00	0.28	0.13	0.04	1.45
2004	1.00	0.28	0.17	0.03	1.48
2005	1.00	0.28	0.16	0.03	1.47
2006	1.00	0.28	0.15	0.03	1.46
2007	1.00	0.28	0.16	0.03	1.47
2008	1.00	0.28	0.18	0.03	1.49

Notes:

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

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

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

COUNTY OF NAPA

Principal Property Tax Payers Current Year and Nine Years Ago

	2008			1999		
	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value
Fosters Wine Estates America	\$ 163,619,065	1	0.64%			0.00%
Pacific Gas and Electric Company	129,087,089	2	0.51%	\$ 106,463,163	1	1.01%
IDV North America Inc.	105,794,485	3	0.42%	79,001,527	3	
Sterling Vineyards (Diageo No America)	105,138,885	4	0.41%	53,516,737	8	0.51%
Robert Mondavi Winery/Properties	104,017,465	5	0.41%			
Dey Laboratories LP	88,728,716	6	0.35%	60,533,852	6	
Napa Hospitality Partners LLC	56,598,488	7	0.22%			
Sutter Home Winery	50,587,926	8	0.20%	76,765,733	4	
5500 Eucalyptus Drive Apts	49,318,000	9	0.19%			
First Napa Acquisition LLC	46,267,917	10	0.18%			
Beringer Wine Estates				87,562,371	2	
Pacific Bell				73,690,046	5	0.70%
Silverado Country Club				58,883,256	7	0.56%
Cordorniu Napa				32,593,271	9	0.31%
Domaine Chandon				32,056,537	10	0.31%
Total	\$ 899,158,036		3.53%	\$ 661,066,493		3.41%
Total Assessed Value	\$ 25,455,039,914			\$ 10,490,286,412		

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

COUNTY OF NAPA

Property Tax Levies and Collections Last Ten Fiscal Years

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year		Collected within the Fiscal Year of the Levy		Collections in Subsequent Years		Total Collections to Date		Total Cumulative Uncollected Taxes	
	Amount	Percentage of Levy	Amount	Percentage of Levy	Amount	Years	Amount	Percentage of Levy	Amount	Percentage of Levy
1999	\$ 118,072,074	97.92%	\$ 115,611,143	97.92%	\$ 2,459,633	2	\$ 118,070,776	100.00%	\$ 1,298	0.00%
2000	126,413,149	98.44%	124,436,238	98.44%	1,975,653	1	126,411,891	100.00%	1,258	0.00%
2001	138,346,760	98.32%	136,022,226	98.32%	2,323,300	2	138,345,526	100.00%	1,234	0.00%
2002	154,095,824	98.44%	151,698,269	98.44%	2,383,363	2	154,081,632	99.99%	14,192	0.01%
2003	170,449,903	98.22%	167,419,783	98.22%	2,997,810	2	170,417,593	99.98%	32,310	0.02%
2004	194,623,245	98.53%	191,764,130	98.53%	2,812,744	2	194,576,874	99.98%	46,371	0.02%
2005	211,298,951	98.19%	207,475,991	98.19%	3,634,581	3	211,110,572	99.91%	188,379	0.09%
2006	236,138,313	98.34%	232,228,016	98.34%	3,453,348	3	235,681,364	99.81%	456,949	0.19%
2007	259,125,199	97.68%	253,101,850	97.68%	4,188,125	4	257,289,975	99.29%	1,835,224	0.71%
2008	290,678,342	96.67%	281,002,717	96.67%	n/a	n/a	281,002,717	96.67%	9,675,625	3.33%

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	
	Local Revenue Fund	Local Public Safety Fund	Fiscal Recovery Fund ³	County Operations ³	County Transportation	Flood Authority ¹	Total	
	1999	5.00%	0.50%	0.00%	1.00%	0.25%	0.50%	7.75%
2000	5.00%	0.50%	0.00%	1.00%	0.25%	0.50%	7.75%	
2001	4.75%	0.50%	0.00%	1.00%	0.25%	0.50%	7.50%	
2002	5.00%	0.50%	0.00%	1.00%	0.25%	0.50%	7.75%	
2003	5.00%	0.50%	0.00%	1.00%	0.25%	0.50%	7.75%	
2004	5.00%	0.50%	0.00%	1.00%	0.25%	0.50%	7.75%	
2005	5.00%	0.50%	0.25%	0.75%	0.25%	0.50%	7.75%	
2006	5.00%	0.50%	0.25%	0.75%	0.25%	0.50%	7.75%	
2007	5.00%	0.50%	0.25%	0.75%	0.25%	0.50%	7.75%	
2008	5.00%	0.50%	0.25%	0.75%	0.25%	0.50%	7.75%	

Notes:

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

² The sales tax rate for the State General Fund's portion has remained at 5.00% for the past ten years except in 2001 when it was temporarily reduced by 0.25% to 4.75%.

³ 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				
1999	-	35,120	-	35,120	275	-	35,395	0.83%	291		
2000	43,650	32,330	-	75,980	170	-	76,150	1.62%	619		
2001	43,650	29,380	-	73,030	60	-	73,090	1.52%	586		
2002	43,650	26,270	-	69,920	-	500	70,420	1.44%	551		
2003	43,650	48,750	-	92,400	-	480	92,880	1.84%	714		
2004	41,555	46,965	-	88,520	-	460	88,980	1.65%	675		
2005	53,025	44,925	-	97,950	-	439	98,389	1.70%	743		
2006	49,845	42,665	-	92,510	-	415	92,925	1.49%	697		
2007	46,565	40,340	1,407	88,312	-	390	88,702	1.32%	660		
2008	43,150	38,005	1,386	82,541	-	362	82,903	unavailable	606		

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
1999	n/a		-		
2000	n/a		-		
2001	n/a		-		
2002	n/a		-		
2003	n/a		-		
2004	n/a		-		
2005	n/a		-		
2006	n/a		-		
2007	n/a		-		
2008	n/a		-		

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

COUNTY OF NAPA

**Direct and Overlapping Debt
As of June 30, 2008**

Assessed Valuation (including unitary utility valuation)	\$ 25,619,068,786
Less: Redevelopment incremental valuation ¹	<u>374,272,574</u>
Adjusted assessed valuation	<u><u>\$ 25,244,796,212</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	\$ 38,005,000	100.000%	\$ 38,005,000
Overlapping General Fund Obligation Debt			
<i>School Districts</i>			
Napa County Board of Education Certificates of Participation	3,665,000	100.000%	3,665,000
Calistoga Joint Unified School District Certificates of Participation	1,045,000	87.100%	910,195
<i>Cities</i>			
City of American Canyon General Fund Obligations	3,205,000	100.000%	3,205,000
City of Calistoga Certificates of Participation	<u>970,000</u>	100.000%	<u>970,000</u>
Total Overlapping General Fund Obligation Debt	<u>8,885,000</u>		<u>8,750,195</u>
Total Direct and Overlapping General Fund Obligation Debt	<u><u>46,890,000</u></u>		<u><u>46,755,195</u></u>

OVERLAPPING TAX AND ASSESSMENT DEBT:

<i>School Districts</i>			
Napa Valley Community College District	127,419,288	99.126%	126,305,643
Calistoga Joint Unified School District	1,985,000	87.100%	1,728,935
Fairfield-Suisun Joint Unified School District	90,460,000	0.898%	812,331
Napa Valley Unified School District	194,130,000	100.000%	194,130,000
St. Helena Unified School District	15,360,000	100.000%	15,360,000
Howell Mountain School District	2,854,351	100.000%	2,854,351
<i>Cities</i>			
City of St. Helena	1,300,000	100.000%	1,300,000
City of American Canyon 1915 Act Bonds	24,640,000	100.000%	24,640,000
City of Napa 1915 Act Bonds	2,105,000	100.000%	2,105,000
Lake Berryessa Resort Improvement Assessment District No. 2006-1	4,755,841	100.000%	4,755,841
California Statewide Community Development Authority Assessment District No. 05-01	<u>2,140,699</u>	100.000%	<u>2,140,699</u>
Total Overlapping Tax and Assessment Debt	<u>467,150,179</u>		<u>376,132,800</u>
COMBINED TOTAL DEBT	<u><u>\$ 514,040,179</u></u>		<u><u>\$ 422,887,995</u></u> ²

Ratio to 2007-08 Assessed Valuation:
Total Overlapping Tax and Assessment Debt.....1.47%

Ratios to Adjusted Assessed Valuation:
Combined Direct Debt (\$40,340,000).....0.15%
Combined Total Debt1.68%

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.

COUNTY OF NAPA

Legal Debt Margin Information As of June 30, 2008 (dollars in thousands)

	Fiscal Year 2008	
	1.25%	3.75%
Debt limit	\$ 318,188	\$ 954,564
Total net debt applicable to limit	36,656	79,304
Legal debt margin	\$ 281,532	\$ 875,260
Total net debt applicable to the limit as a percentage of debt limit	11.52%	8.31%

Legal Debt Margin Calculation for Fiscal Year 2008

Assessed value	\$ 26,312,774	\$ 26,312,774
Less: Exempt real property	(857,734)	(857,734)
Total assessed value	\$ 25,455,040	\$ 25,455,040

CERTIFICATES OF PARTICIPATION

Debt limit (1.25% and 3.75% of total assessed value) ¹	\$ 318,188	\$ 954,564
Debt applicable to limit:		
Certificates of Participation	38,005	38,005
Less: Amount set aside for repayment of outstanding debt	(1,349)	(1,349)
Total net debt applicable to limit	36,656	79,304
Legal debt margin	\$ 281,532	\$ 875,260

SALES TAX REVENUE BONDS

Debt applicable to limit:		
Sales Tax Revenue Bonds		43,150
Less: Amount set aside for repayment of outstanding debt		(502)
Total net debt applicable to limit		79,304
Legal debt margin		\$ 875,260

Notes:

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

COUNTY OF NAPA

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

Fiscal Year	Revenue Bonds - Measure A						Improvement Bonds ¹			
	Sales Tax Revenue	Less: Administrative Cost	Net Available Revenue	Debt Service		Coverage	Property Tax Collection ^{2/}	Debt Service		Coverage
				Principal	Interest			Principal	Interest	
1999	\$ 7,826	\$ 121	\$ 7,705	\$ -	\$ -	-	109 ²	\$ 105	\$ 21	0.87
2000	9,990	122	9,868	-	-	-	152 ²	105	14	1.28
2001	10,445	128	10,317	-	2,071	4.98	45 ²	110	8	0.38
2002	10,918	143	10,775	-	2,071	5.20	-	60	2	-
2003	10,619	151	10,468	-	2,071	5.05	-	-	-	-
2004	11,993	164	11,829	2,277	2,063	2.73	-	-	-	-
2005	11,593	146	11,447	1,974	2,326	2.66	-	-	-	-
2006	13,125	123	13,002	3,305	1,646	2.63	-	-	-	-
2007	14,167	131	14,036	3,280	2,151	2.58	-	-	-	-
2008	14,254	106	14,148	3,415	2,019	2.60	44,997 ³	45,000	215,072	0.17

Notes:

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

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

³ Special Assessments are levied on real property located within the Lake Berryessa Resort Improvement District Assessment District 2006-1. Upon receipt, these annual assessment installations are to be paid into the Redemption Fund to be held by the Fiscal Agent and used to pay debt service on the Bonds as it becomes due.

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

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

COUNTY OF NAPA

Demographic & Economic Statistics Last Ten Fiscal years

Fiscal Year Ended June 30,	Population ¹	Personal Income ¹	Per Capita Personal Income ²	School Enrollment ³	Unemployment Rate ⁴
1999	123,026	\$ 4,278,668,000	\$ 34,779	19,303	3.0%
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	unavailable	unavailable	20,108	4.9%

Sources:

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

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

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

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

COUNTY OF NAPA

Principal Employers Current Year and Nine Years Ago

	2008		1999		
	Employees	Percentage of Total County Employment	Employer	Employees	Percentage of Total County Employment
Napa State Hospital	2,300	1.76%	Napa State Hospital	1,973	1.69%
Napa Valley Unified School District	1,603	1.23%	Napa Valley Unified School District	1,500	1.28%
County of Napa	1,339	1.02%	County of Napa	1,206	1.03%
Owens Corning Cultured Stone	1,200	0.92%	Queen of the Valley Hospital	1,200	1.03%
Queen of the Valley Hospital	1,106	0.85%	St. Helena Hospital	960	0.82%
Veterans' Home of California	975	0.75%	Veterans Home of California	950	0.81%
St. Helena Hospital	705	0.54%	Robert Mondavi Winery	900	0.77%
Trinchero Family Estates	669	0.51%	Beringer Vineyards	740	0.63%
Foster's Wine Estates	650	0.50%	Dey Laboratories, Inc.	650	0.56%
Pacific Union College	582	0.45%	Silverado Country Club	630	0.54%
Total	<u>11,129</u>	<u>8.52%</u>	Total	<u>10,709</u>	<u>9.15%</u>

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

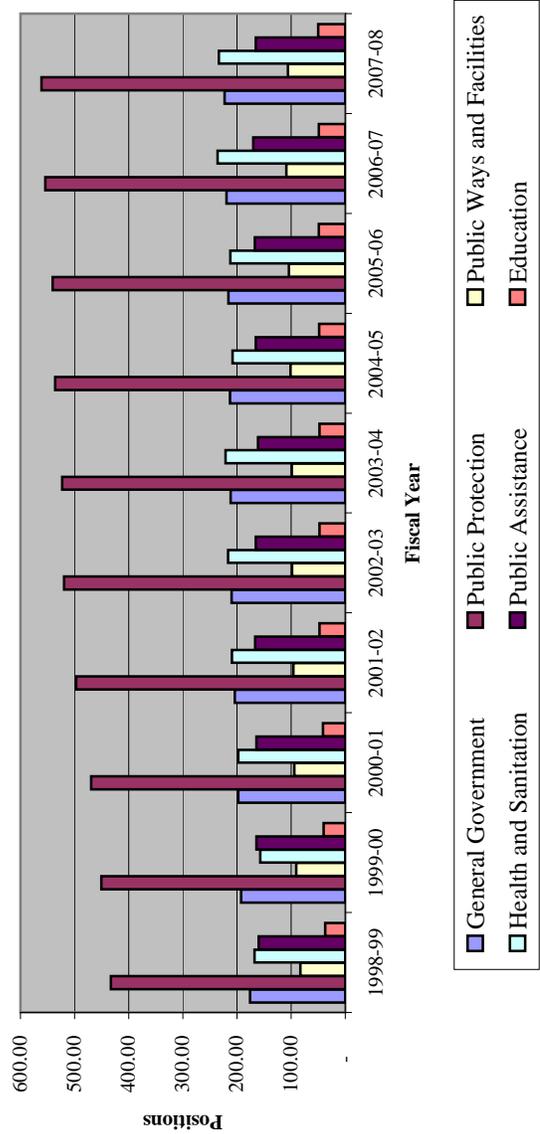
Note: Percentage of Total County Employment = Population x (100% - unemployment rate)

COUNTY OF NAPA

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

<u>Function/program</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>
General Government	175.85	192.50	197.90	204.15	210.15	211.60	213.20	215.95	219.20	223.20
Public Protection	433.00	450.75	469.25	497.00	519.50	523.10	535.68	540.88	554.38	561.13
Public Ways and Facilities	83.00	90.50	94.10	96.10	98.00	99.00	101.00	104.00	109.00	106.00
Health and Sanitation	167.40	156.90	197.53	209.40	216.50	221.40	208.50	212.50	235.65	233.35
Public Assistance	159.98	164.23	164.35	166.25	165.25	161.25	165.25	167.25	170.25	165.25
Education	37.35	39.85	41.35	47.85	47.85	47.85	48.35	48.85	48.85	50.05
Total full-time equivalent employees	1,056.58	1,094.73	1,164.48	1,220.75	1,257.25	1,264.20	1,271.98	1,289.43	1,337.33	1,338.98

FTE By Function



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

COUNTY OF NAPA

Operating Indicators by Function
Last Three Fiscal Years

Function	Fiscal Year		
	2005-06	2006-07	2007-08
Airport			
Annual Operations	118,354	126,712	126,444
Avigation Easements issued	13	10	2
Hangar leases	172	172	172
Culture and recreation			
Athletic field permits issued	n/a	n/a	n/a
Community center admissions	n/a	n/a	n/a
Education			
Library branches located in the county	4	4	4
Items checked out	728,390	741,130	813,824
Library cards issued	53,521	51,964	47,147
Number of computers provided for public use	58	58	58
Fire			
Number of calls answered	3,486	3,041	3,072
Inspections	1,100	1,100	3,252
Health & Human Services			
Public Guardian total clients (conservatees + additional referrals)	55	67	65
Public Administrator Total Clients	n/a	54	44
Public Health			
Women, Infants, and Children visits	42,376	45,557	74,515
Public Health home visiting programs visits	3,180	3,552	3,752
Immunizations	7,521	6,961	8,021
Clinics visits	2,742	2,528	3,848
Car Seat Program installations	221	265	247
Mental Health			
Emergency Response	820	928	998
Adult Medication Clinic	659	649	540
Children's Medication Support	206	233	173
Total Mental Health clients served	2,173	2,504	2,437
Alcohol and Drug - Division Restructured 9/2007			
Adult Recovery Program clients	416	464	-
Women's Recovery Program/Perinatal Outreach clients	309	212	-
Adult Outpatient Treatment and Recovery Program	-	-	867
Prevention (school-based groups) youths	157	176	272
Propostiion 36/START clients	412	167	120
Total Alcohol and Drug clients served	3,710	1,075	2,534
Social Services			
Adult Protective Services total clients served	627	627	52
CalWORKS average caseload	550	546	554
Child Welfare Services total number clients served	2,022	2,263	2,440
County Medical Services Program average number of continuing cases/eligibles	703	748	779
Food Stamps average caseload	1,190	1,194	2,116
Foster care average number of cases	149	136	110
In Home Supportive Services total clients served	696	668	722
Medi-Cal average number of eligibles	10,788	12,565	12,698
Workforce Investment Act total number enrolled	124	182	176

(Continued)

Note: Indicators are not available for the general government function

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

Source: Various Napa County departments

COUNTY OF NAPA

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

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

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

Source: Various Napa County departments

COUNTY OF NAPA

Capital Asset Statistics by Function Last Three Fiscal Years

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

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

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

Source: Various Napa County departments