

County of Napa, California

Comprehensive Annual Financial Report

For the Fiscal Year Ended
June 30, 2016



TRACY A. SCHULZE
Auditor-Controller



A Tradition of Stewardship
A Commitment to Service

BOARD OF SUPERVISORS VISION

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

MISSION

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

VALUES

“We work together in pursuit of excellence”

Integrity

Accountability

Respect

Dedication

Innovation

In this Comprehensive Annual Financial Report we have included historical photographs and postcards of Napa Valley, contributed by the Napa County Historical Society.

Cover photo by: Nadine Willoughby

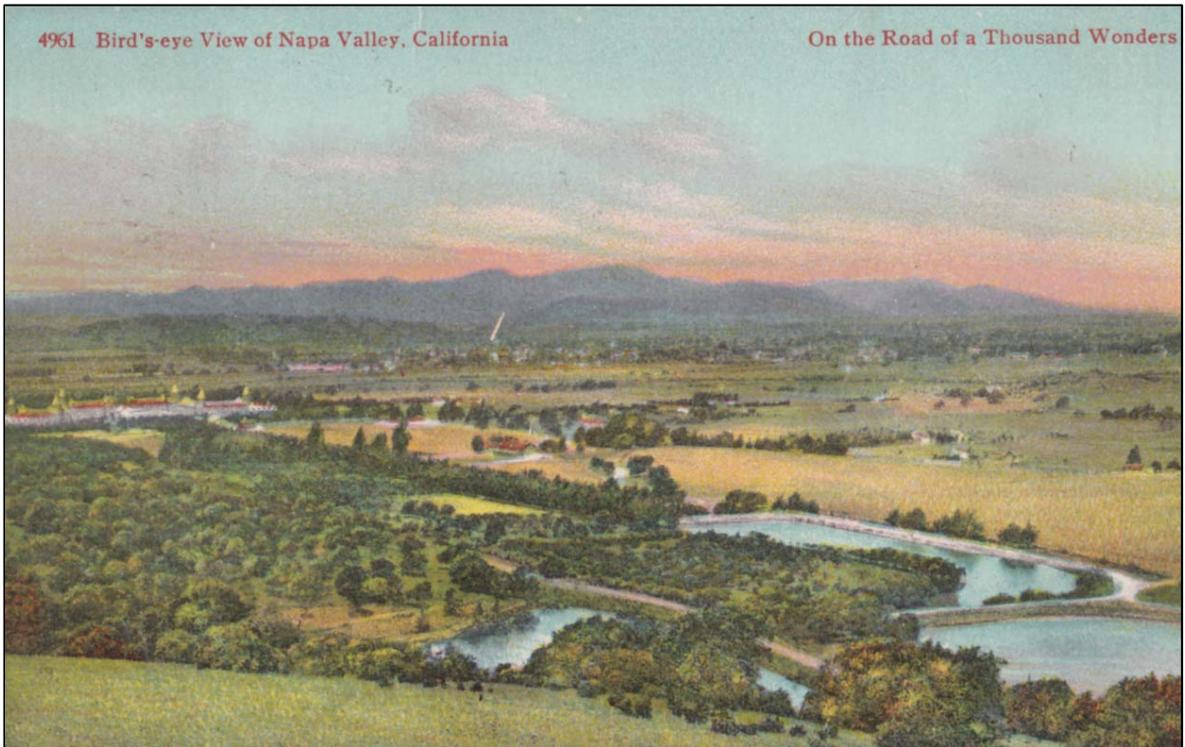
County of Napa, California

Comprehensive Annual Financial Report

*For the Fiscal Year Ended
June 30, 2016*



TRACY A. SCHULZE
Auditor-Controller



Courtesy of Napa County Historical Society

Postcard of the Napa Valley (1912)

COUNTY OF NAPA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2016

Table of Contents

	<u>Page</u>
INTRODUCTORY SECTION	
Letter of Transmittal.....	i
Certificate of Achievement.....	viii
Organizational Chart.....	xi
Elected and Appointed Public Officials.....	xii
FINANCIAL SECTION	
Independent Auditor's Report.....	1
Management's Discussion and Analysis.....	6
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position.....	25
Statement of Activities.....	26
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet.....	31
Reconciliation of the Governmental Funds Balance Sheet to the Government-wide Statement of Net Position - Governmental Activities.....	32
Statement of Revenues, Expenditures and Changes in Fund Balances.....	33
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Government-Wide Statement of Activities - Governmental Activities.....	34
Proprietary Funds:	
Statement of Fund Net Position.....	35
Statement of Revenues, Expenses and Changes in Fund Net Position.....	36
Statement of Cash Flows.....	37
Fiduciary Funds:	
Statement of Fiduciary Net Position.....	39
Statement of Changes in Fiduciary Net Position.....	40
Notes to the Basic Financial Statements.....	41
Required Supplementary Information:	
Schedule of Changes in Net Pension Liability and Related Ratios	
Miscellaneous Plan - Agent Multiple-Employer Defined Benefit Pension Plan.....	85
Schedule of the County's Proportionate Share of Net Pension Liability	
Safety Plan - Cost Sharing Multiple-Employer Defined Benefit Pension Plan.....	86
Schedule of County's Pension Contribution	
Miscellaneous Plan - Agent Multiple-Employer Defined Benefit Pension Plan.....	87
Safety Plan - Cost Sharing Multiple-Employer Defined Benefit Pension Plan.....	87
Other Postemployment Benefits - Schedule of Funding Progress.....	87
Budgetary Comparison Schedules:	
General Fund.....	88
Health and Human Services.....	91
Flood Protection & Watershed Improvement Authority.....	93
Roads.....	94
Note to Required Supplementary Information:	
Budgetary Basis of Accounting.....	96

COUNTY OF NAPA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2016

Table of Contents

Page

Supplementary Information:

Combining and Individual Fund Statements and Schedules:

Nonmajor Governmental Funds:

Combining Balance Sheet.....	101
Combining Statement of Revenues, Expenditures and Changes in Fund Balances.....	102

Nonmajor Special Revenue Funds:

Description.....	104
Combining Balance Sheet.....	107
Combining Statement of Revenues, Expenditures and Changes in Fund Balances.....	110
Combining Balance Sheet - Nonmajor Special Districts Under the Board of Supervisors.....	113
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Districts Under the Board of Supervisors.....	115
Budgetary Comparison Schedules:	
Fire Protection.....	117
Affordable Housing.....	119
Wildlife Conservation Commission.....	120
Building and Code Enforcement.....	121
IHSS.....	122
Zone 1 Garbage.....	123
Child Support Services.....	124
County Library.....	125
Napa Valley Tourism Improvement - Unincorporated.....	127
Public, Educational, and Governmental Access Channel.....	128

Districts Governed by the Board of Supervisors:

County Service Area No. 3.....	129
County Service Area No. 4.....	130
Silverado Community Services.....	131
Monticello Public Cemetery.....	132
Countywide Napa Valley Tourism Improvement District.....	133
Community Facilities District - Devlin Road.....	134
Community Facilities District - MST.....	135

Non-Operating Special Revenue Funds:

Inmate Welfare.....	136
General Government.....	137
Public Protection.....	138
Public Ways and Facilities.....	141
Health and Sanitation.....	142
Public Assistance.....	144
2011 Realignment.....	146

Capital Improvement Fund:

Description.....	147
Budgetary Comparison Schedule:	
Capital Improvement Fund.....	148

Nonmajor Debt Service Fund:

Description.....	151
Budgetary Comparison Schedule.....	152

COUNTY OF NAPA

Notes to the Basic Financial Statements For the Year Ended June 30, 2016

Table of Contents

	<u>Page</u>
Nonmajor Enterprise Funds:	
Description.....	154
Combining Statement of Fund Net Position.....	155
Combining Statement of Revenues, Expenses and Changes in Fund Net Position.....	156
Combining Statement of Cash Flows.....	157
Internal Service Funds:	
Description.....	160
Combining Statement of Fund Net Position.....	161
Combining Statement of Revenues, Expenses and Changes in Fund Net Position.....	162
Combining Statement of Cash Flows.....	163
Fiduciary Funds:	
Description.....	166
Combining Statement of Fiduciary Net Position - Investment Trust Funds.....	167
Combining Statement of Changes in Fiduciary Net Position - Investment Trust Funds.....	168
Combining Statement of Changes in Fiduciary Assets and Liabilities - Agency Funds.....	169

STATISTICAL SECTION

Government-wide Net Position by Component - Last Ten Fiscal Years.....	175
Changes in Net Position - Last Ten Fiscal Years.....	176
Governmental Activities Tax Revenue by Source - Last Ten Fiscal Years.....	178
Fund Balances, Governmental Funds - Last Ten Fiscal Years.....	179
Changes in Fund Balance, Governmental Funds - Last Ten Fiscal Years.....	180
Assessed Value and Actual Value of Taxable Property - Last Ten Fiscal Years.....	181
Direct and Overlapping Property Tax Rates - Last Ten Fiscal Years.....	182
Principal Property Tax Payers - Current Year and Nine Years Ago.....	183
Property Taxes Levies and Collections - Last Ten Fiscal Years.....	184
Direct and Overlapping Sales Tax Rates - Last Ten Fiscal Years.....	185
Ratios of Total Debt Outstanding by Type - Last Ten Fiscal Years.....	186
Ratios of General Bonded Debt Outstanding - Last Ten Fiscal Years.....	187
Direct and Overlapping Debt.....	188
Legal Debt Margin Information.....	189
Pledged Revenue Bond Coverage - Last Ten Fiscal Years.....	190
Demographic and Economic Statistics - Last Ten Fiscal Years.....	191
Principal Employers - Current Fiscal Year and Ten Years Ago.....	192
Full-time Equivalent County Government Employees by Function - Last Ten Fiscal Years.....	193
Operating Indicators by Function - Last Ten Fiscal Years.....	194
Capital Asset Statistics by Function - Last Ten Fiscal Years.....	196



Courtesy of Napa County Historical Society

Brown Street side of the Napa County Courthouse (approx. 1930)



Introductory Section



A Tradition of Stewardship
A Commitment to Service

Tracy A. Schulze
Auditor-Controller

Leanne Link
County Executive Officer

December 19, 2016

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

California law requires that all general-purpose local governments publish, within six months of the close of each fiscal year, a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America (GAAP) and audited by a firm of licensed certified public accountants in accordance with auditing standards generally accepted in the United States of America. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the County of Napa (County) for the fiscal year ended June 30, 2016.

This report consists of management's representations concerning the finances of the County. Consequently, management assumes full responsibility for the completeness and reliability of the information contained in this report. To provide a reasonable basis for making these representations, management of the County has established a comprehensive internal control framework that is designed both to protect the County's assets from loss, theft or misuse and to compile sufficient reliable information for the preparation of the County's financial statements in conformity with GAAP. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. As management, we assert that, to the best of our knowledge and belief, the information contained herein is complete and reliable in all material respects.

The County's financial statements have been audited by Brown Armstrong, a firm of Certified Public Accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements for the fiscal year ended June 30, 2016 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and the significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor, based on the audit, has issued an unqualified ("clean") opinion on the County of Napa's financial statements for the year ended June 30, 2016. The independent auditor's report is located at the front of the financial section of this report.

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

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A), which immediately follows the independent auditor's report. The MD&A complements this letter of transmittal and should be read in conjunction with it.

Profile of the Government

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

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

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

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

In accordance with the provisions of California Government Code Sections 29000 through 29144 and Section 30200, commonly known as the County Budget Act, the Board of Supervisors is required to adopt a final budget no later than October 2 of each year. This annual budget serves as the foundation for the County's financial planning and control. The budget is prepared by fund, function (e.g., public protection), and division (e.g., Sheriff). With certain limitations, department heads may transfer resources within a division as they see fit. Transfers between divisions, however, need special approval from the Board of Supervisors.

Local Economy

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

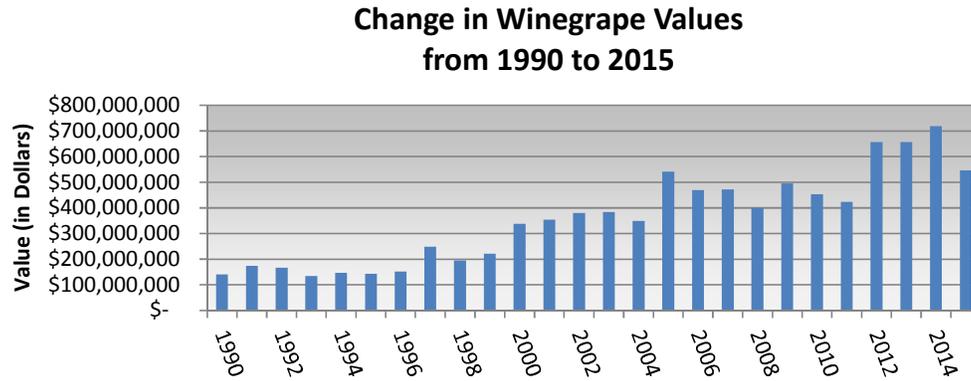
The population of 141,633 resides primarily in the five municipalities: the cities of American Canyon, Calistoga, Napa, and St. Helena, and the Town of Yountville. The vast majority of land within the County is unincorporated and devoted to vineyards, farms, ranches and forest land, providing the area with high levels of open space. The County's economy has always had a strong agricultural base and has a substantial presence in the wine industry.

The most recent study (2012) prepared by Stonebridge Research Group LLC for the Napa Valley Vintners shows a total economic impact of more than \$13.3 billion on the Napa County economy from the local wine industry in 2011. In addition, the Napa County's wine and vineyard sector directly, and indirectly through services and products, provides approximately 46,000 jobs in the County and generates nearly \$5.2 billion in taxes across federal, state, and local levels.

According to the Napa County Agricultural Commissioner's Annual Crop Report for 2015, wine grapes represent 98.8% of the value of all agricultural production in the County, a slight decrease from the prior three years due to reduced yields. Total tonnage dropped nearly 29% compared to the record yields of the previous years, due to a cool and windy weather pattern prior to harvest. The total harvest value of

winegrapes for 2015 was \$546.9 million, with average value of \$4,405 per ton compared to the state average value of \$670 per ton. Each year the value of wine grapes produced is exponentially magnified in the local economy through the production and marketing of wine, local wine industry employment, and associated economic activity.

The following graph demonstrates the trend of winegrape values from 1990 through the end of fiscal year 2015.



Major industries located within the County’s boundaries, or in close proximity, include grape growers and wine producers and manufacturers of wine industry related products. The State of California also has a significant economic presence due to a major mental health facility that provides employment to 2,303 healthcare professionals and staff. Public instruction in the County is provided by two elementary school districts and three unified school districts. Higher education is available in the County via Napa Valley College and Pacific Union College. The transportation network includes publicly operated systems as well as private enterprise systems within the County and the cities. A privately-owned airporter service operates from Napa and Vallejo to San Francisco International Airport and Oakland International Airport. There is also a County-owned and operated airport that serves privately-owned aircraft.

Napa County’s unemployment rate has consistently been well below the State average, although it generally follows the State trend. According to California Employment Development Department data, during the past ten years the unemployment rate in Napa County increased from 3.8% (June 2007) to 9.3% (June 2010) before falling to 4.1% (June 2015). As of June 30, 2016, Napa’s unemployment rate of 4.3% is well below the statewide average of 5.4%.

Long-term Financial Planning

Napa County has a history of prudent fiscal and debt management. Over the past four years, the County’s General Fund Unrestricted Fund Balance, including commitments and assignments, has remained fiscally stable at an average of \$56.7 million, or approximately 42% of total General Fund expenditures. This year, the unrestricted fund balance increased to \$61.3 million due to commitments in place to fund the 2014 South Napa Earthquake recovery. The balance also includes reserves assigned for specific fiscal requirements known or anticipated in future years, as well as contingencies for unanticipated events. By Board policy, the General Fund maintains a General Reserve, which is classified as restricted fund balance and can only be used for declared emergencies during any fiscal year. Following the South Napa Earthquake that occurred on August 20, 2014, the Board of Supervisors authorized the use of \$13.9 million of funds restricted as General Reserves. Established Board policies and reimbursement for response and recovery costs from federal, state, and insurance are anticipated to restore the General Reserve to its level set in policy over the next year.

In fiscal year 2015-2016, General Fund debt service, including transfers to the debt service fund, represented 2.76% of General Fund expenditures as compared to a 2.6% in fiscal year 2014-2015. Over

the last five fiscal years, General Fund debt service has ranged between 1.6% and 4.4% of General Fund expenditures. The County has an historical practice of not issuing new General Fund supported debt until existing debt is paid in full. The County utilizes an interdisciplinary Debt Advisory Committee and periodic debt capacity analyses to project future capital needs and funding. In conjunction with the County's most recent significant debt offering, the 2014 Certificates of Participation, the County's credit rating was revised from AA to AA+ by Standard and Poor's. In addition, the general obligation credit rating for Napa County was revised from AA+ to AAA. In 2014-2015, the County utilized a low interest loan from the State Water Resources Control Board to fund the County's Milliken-Sarco-Tulocay recycled water pipeline project. Repayment of the loan will be made through assessments charged to benefitting parcel owners.

In January 2016, the Board approved a revised General Fund five-year strategic plan through fiscal year 2019-2020. The plan recognized future fiscal challenges including:

- continuing and enhanced demand for services and a growing backlog of unmet needs in some areas, particularly infrastructure and capital needs;
- the impact of certain state programs realigned to counties without sufficient dedicated revenue to fully cover the cost of those programs;
- limited growth in discretionary, semi-discretionary and certain other revenues and the possibility of reduced state revenues for services the County provides on behalf of the State; and
- increased costs of doing business, including potentially enhanced inflationary pressure.

The forecast projected the unrestricted General Fund ending balance (which includes committed, assigned and unassigned fund balance categories) under six different scenarios: (1) a baseline scenario assumed that revenues and expenditures continue at stable growth rates; (2) a revenue reduction scenario assumed that departmental and discretionary revenues are reduced by 5% and expenditures continue to grow at a stable rate; (3) an expenditure increase scenario assumed that revenues continue to grow at a stable rate and expenditures increase by 5% above the baseline projection; (4) a revenue decrease/expenditure increase scenario assumed that revenues decrease by 5% and expenditures increase by 5%; (5) a revenue increase scenario assumed that revenues increase by 5% and expenditures continue at a rate consistent with the baseline scenario; and (6) a "jail operating cost" scenario would set aside additional funds within fund balance to provide funding for future jail operation costs if the County has to operate a larger facility, operate a split facility, or contract with another county to provide housing for Napa County inmates. This scenario adds \$1.5 million cumulatively to the baseline assumption operating costs each year beginning in fiscal year 2016-2017, bringing the total annual increase to \$6 million by fiscal year 2019-2020.

The five-year plan forecasts structural balance, reprioritizes short-term solutions in the Fiscal Contingency Strategy, and makes a minor adjustment to longer-term solutions in the Fiscal Contingency Strategy. An updated fiscal forecast and financial strategic plan will be presented to the Board of Supervisors in the first half of 2017, and the County plans to continue to use the tools provided for in the Fiscal Contingency Plan (a plan approved by the Board in fiscal year 2008-2009 designed to minimize the impacts of future economic downturns) to carefully calibrate budget actions to address any future General Fund structural imbalance, while avoiding unnecessarily disruptive expenditure reductions.

Capital Needs

In October 2013, the Board adopted a Five-Year Financing and Phasing Plan for the following major capital projects: the purchase, repairs and upgrades to the South County Campus (formerly "Mylan property"), the purchase of a site for the new jail, the construction of a Staff Secure Facility for low risk inmate housing, the planning and construction of a 366-bed jail facility, the construction of two satellite fire stations in the Berryessa area, and the final phase of the Devlin Road extension. The County finalized the purchase of the South County Campus property in January 2014, at a total purchase price of \$25.3 million. The acquisition was made using cash held in the Accumulated Capital Outlay Division of the Capital Improvement Fund. To address necessary improvements for the campus to make it suitable for County Operations, the Board approved issuance of 2014 Certificates of Participation totaling \$16 million for a term of 10 years, which amounts to average annual debt service payments of approximately \$2.3 million. In addition, \$6.6 million of the \$16 million was used to purchase land for a new jail. Repayment of the debt will be funded using revenue generated from potential leases of buildings on the South County Campus property and from the budgets of both the Health and Human Services Agency and the General

Fund. In addition, there are a number of costly renovations that need to be made on the County's remaining buildings.

Roads

The County has identified the needs for approximately \$9.1 million per year in repairs and maintenance in order to maintain a 70% Pavement Condition Indicator (PCI) on its 416.8 miles of roadway. The Board is committed to fund this over the next three years. In fiscal year 2017-18, sales tax revenues will be directed for future road funding (see Measure T in major initiatives below).

Employee Pension and Other Postemployment Benefit (OPEB) Costs

Another factor that is not as uncertain, but is determined by actuarial estimations, is the County's long-term financial plan for providing retirement benefits to its employees. The County has a contract with CalPERS to provide retirement benefits (pension) for qualifying County employees. CalPERS is the largest pension system in the country, providing benefits to 1.8 million public employees and retirees and holding total assets of approximately \$295.1 billion in its pension portfolio as of June 30, 2016. The annual cost of retirement benefits is the result of a number of factors including the actuarial cost of future benefits, the value of current plan assets, and projected investment earnings. The County's fiscal year 2015-2016 actual share of pension costs was \$20.6 million, which makes up approximately 3.9% of the overall County adopted budget. The General Fund portion of this cost is approximately \$12.4 million, which represents approximately 12.5% of total salaries and benefits. In addition to the County's contribution, non-safety employees contribute approximately 24.9% of the overall cost of retirement benefits, while safety employees currently contribute approximately 26.4% of the overall cost of retirement benefits. The County began prepaying its pension obligation for miscellaneous members in fiscal year 2010-2011 and will continue this practice in the foreseeable future to take advantage of the approximate \$670,000 discount annually.

In addition to pension, the County also provides Other Postemployment Benefits (OPEB). OPEB benefits principally involve health care, but may also include life insurance and disability. In fiscal year 2006-2007, the Board of Supervisors made the decision to fund the County's OPEB unfunded liability to ensure financial stability as retirements occur. Currently, the County is funding this liability over a 20-year period. As of the date of the Plan's last actuarial valuation, June 30, 2015, the County's Actuarial Accrued Liability was \$74.8 million with Actuarial Value of Plan Assets of \$42.2 million representing a 56.5% funded percentage while leaving an Unfunded Actuarial Accrued Liability of \$32.5 million. The updated fair market value of plan assets as of June 30, 2016 is \$49.4 million. Funding for this purpose began in fiscal year 2007-2008 and is included annually in County budgets.

Relevant Financial Policies

Health and Human Services Agency (Agency) - The Board approved moving the Agency's budget to a separate fund from the General Fund in fiscal year 2012-2013 because a vast majority of the Agency's budget is funded by state, federal and other revenue with the remainder from a General Fund contribution. In addition, making the Agency a special revenue fund allows the carryover of unspent funds into future fiscal years as fund balance, thus allowing it to better manage within its Board-approved fixed Net County Cost.

The Agency ended fiscal year 2015-2016 with a fund balance of \$23.5 million. Of this, \$6.9 million is set aside for specific programs and \$1.0 million is set aside to repay potential future cost report disallowances. The remaining \$15.6 million is restricted to Agency programs.

Strategic Financial Plan - The current Strategic Financial Plan adopted in January 2016 lays out various principles and policies (including a Resource Allocation Strategy and Fiscal Contingency Strategy) designed to ensure the County's fiscal sustainability over the five-year period ending in fiscal year 2019-2020.

Budget Policies - Budget policies are also adopted annually by the Board of Supervisors. These policies include direction on staffing decisions, pursuit of new revenues, and use of discretionary revenues and operational efficiencies, among others. The Board has also approved the phase-in over five years of an additional \$2.8 million General Fund contribution to the Roads Fund. Through the Fiscal Contingency

Plan and these policies, the Board of Supervisors has established the following reserve and contingency guidelines:

- Maintain the balance of General Reserve equivalent to 10% of General Fund and Health & Human Services Agency appropriations, excluding the appropriation for Contingency, any General Fund transfer to the Accumulated Capital Outlay division of the Capital Improvement Fund, and the General Fund Contribution to the Health & Human Services Agency. General Reserves are typically used for two purposes: to provide funds that can be used in future years to balance the budget during a fiscal emergency (reserves cannot be spent in the current fiscal year) and to aid in cash flow, so that short-term borrowing against anticipated revenues is not needed.
- Maintain the balance of the Designation for Fiscal Uncertainty equivalent to 10% of General Fund and 10% of Health & Human Services Agency appropriations, with the same exclusions as for the General Reserve. This Designation would be used, if necessary, to help balance the General Fund in times of fiscal distress. These Designations for Fiscal Uncertainty do not meet the GASB 54 requirement for assignment, so they are included as fund balance available within the General Fund and the Health and Human Services Agency, respectively.
- Place a minimum of 3% of General Fund appropriations into a Contingency appropriation. The contingency would be utilized to cover the impact of unanticipated cost increases or revenue decreases during the fiscal year.
- Once the General Reserve and Designation for Fiscal Uncertainty equal 20% all remaining unappropriated discretionary resources will be transferred to the Accumulated Capital Outlay division of the Capital Improvement Fund for future County capital improvement needs.

Major Initiatives

In 1998, the voters of Napa County approved Measure A, which authorized a half-cent sales tax to fund the local share of a countywide flood management plan. Construction of the portion of the Napa River/Napa Creek Flood Protection Project (Project) in the City of Napa has been under way for eighteen years with many accomplishments thus far. The Project has restored over 650 acres of high-value seasonal and tidal wetlands along the Napa River. Four major bridge projects have been completed and the cleanup of thirteen acres of contaminated riverbank was accomplished. Progress continues to be made on the long-sought protection for 2,700 homes, 350 businesses, and over 50 public properties. Protection from 100-year flood levels means a savings of more than \$26 million annually in flood damage costs. The end result is to be a "Living River" that will help protect residents from damage caused by regular flooding, sustain migrating fish and wildlife, provide recreational opportunities, and enhance economic activity all along the river's course.

The most recent calculations estimate the total cost of the City of Napa Project at \$555.3 million with the federal government responsible for 50-75% of the total costs and the local sponsor responsible for 25-50% of the total costs. Monies for the Project are derived from Napa County Measure A, California's Subvention Fund for flood projects, and federal funding appropriated to the U.S. Army Corps of Engineers. Additional monies have been obtained through grants from the Federal Emergency Management Agency, the Federal Highway Administration, the California Department of Transportation, the California Department of Water Resources, and the California Coastal Conservancy. Measure A is scheduled to sunset on June 30, 2018.

On December 7, 2010, the Board of Supervisors authorized the allocation of \$500,000 of the County's Affordable Housing Trust Fund to initiate a pilot Worker Proximity Housing Assistance program. The program was launched in Spring 2011. The Board has subsequently allocated an additional \$2,886,830 for this program, bringing the total to \$3,386,830. The program provides housing assistance loans of up to 10% of the purchase price of a home in Napa County for eligible homebuyers in the program. Since the program began through June 30, 2016, a total of 85 loans have been issued.

In July 2010, the Board of Supervisors established the Napa Valley Tourism Improvement District (NVTID). The purpose of the NVTID is to promote tourism throughout Napa County, and its activities are funded by a 2% assessment on gross short-term (less than 30 days) room rentals on lodging businesses. The NVTID encompasses lodging businesses that pay Transient Occupancy Taxes in the unincorporated area, as well as within the cities of St. Helena, Napa, Calistoga, American Canyon, and the Town of Yountville. The NVTID also approves the Management District Plan and the levy of assessments. In fiscal year 2015-2016, the assessment brought in approximately \$7.66 million in total revenue for marketing throughout the valley. Of the total assessment, approximately \$2 million was targeted for distinct marketing for each municipality while \$5.66 million was used to market the county as a whole.

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

Awards and Acknowledgements

Napa County's Auditor-Controller's Office received its sixteenth straight "Award for Achieving Excellence in Financial Reporting" from the California State Controller's Office. This award is given to California counties that meet the criteria and timeliness for State financial transactions reporting.

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Napa County for its comprehensive annual financial report for the fiscal year ended June 30, 2015. This was the eleventh consecutive year that the County has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

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

Respectfully submitted,



Tracy A. Schulze
Auditor-Controller



Leanne Link
County Executive Officer



Government Finance Officers Association

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

Presented to

**County of Napa
California**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2015

Executive Director/CEO



Courtesy of Napa County Historical Society

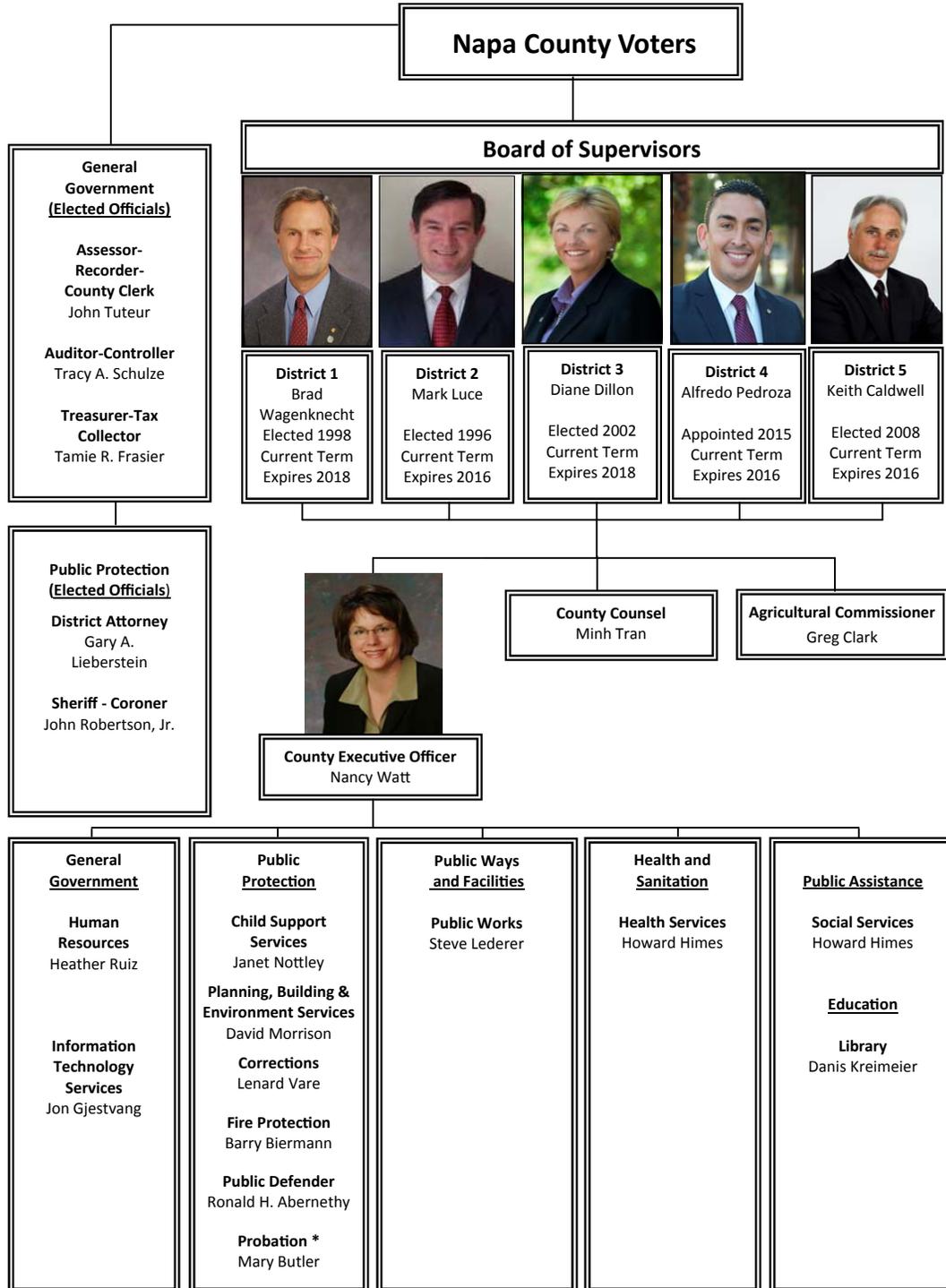
Coombs Street, looking north (1960)



Courtesy of Napa County Historical Society

Coombs Street, looking south from Clay Street

County of Napa



* Appointed by the Napa County Superior Court

COUNTY OF NAPA

ELECTED OFFICIALS

June 30, 2016

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

APPOINTED OFFICIALS

Agricultural Commissioner	Greg Clark
Child Support Services Director	Janet Nottley
Clerk of the Board	Gladys Coil
Planning, Building & Environmental Services Director	David Morrison
Corrections Director	Lenard Vare
County Counsel	Minh Tran
County Executive Officer	Nancy Watt
Fire Protection	Barry Biermann
Health & Human Services Director	Howard Himes
Human Resources Director	Heather Ruiz
Information Technology Services Director	Jon Gjestvang
Library Director	Danis Kreimeier
Chief Probation Officer	Mary Butler
Public Defender	Ronald H. Abernethy
Public Works Director	Steve Lederer



Courtesy of Napa County Historical Society

Postcard of sailboats on the Napa River south of Division Street, with Sawyer Tannery in the background



Financial Section



Courtesy of Napa County Historical Society

Napa County Bookmobile (approx. 1939)

**BROWN
ARMSTRONG**
—
CERTIFIED
PUBLIC
ACCOUNTANTS

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REGISTERED with the Public Company
Accounting Oversight Board and
MEMBER of the American Institute of
Certified Public Accountants

BROWN ARMSTRONG

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County of Napa, California, (the County) as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County as of June 30, 2016, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Implementation of New Accounting Standards

As disclosed in the Note 1 to the financial statements, the County implemented Governmental Accounting Standards Board (GASB) Statement No. 72, *Fair Value Measurement and Application*; GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets that are not Within the Scope of GASB Statement No. 68, and Amendments to Certain Provisions of GASB Statements No. 67 and No. 68*; GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*; GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*; and GASB Statement No. 82, *Pension Issues – an amendment of GASB Statements No. 67, No. 68, and No. 73*, during fiscal year 2016. Our opinion is not modified with respect to the matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Schedule of Changes in Net Pension Liability and Related Ratios, the County's Proportionate Share of Net Pension Liability, the Schedule of the County's Pension Contributions, the Schedule of Funding Progress for the County's Other Post Employment Benefit (OPEB) Plan, and budgetary comparison information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the GASB, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2016, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

Brown Armstrong
Accountancy Corporation

Bakersfield, California
December 19, 2016



Courtesy of Napa County Historical Society

French Laundry on Washington Street, Yountville (1977)



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, 2016. Please read it in conjunction with the County's basic financial statements following this section.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

Both of these government-wide financial statements distinguish functions of the County principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions intended to recover all or a portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the County include general government, public protection, public ways and facilities, health and sanitation, public assistance, education, and recreation and cultural services. The business-type activities of the County include Napa County Airport, Lake Berryessa Resort Improvement District, Napa Berryessa Resort Improvement District, 5th Street Parking Garage, Napa County Housing Authority, and Napa County Animal Shelter.

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

The government-wide financial statements can be found on pages 25-27 of this report.

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

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

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

The County currently maintains 30 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures and changes in fund balances for General Fund, Health and Human Services, Napa County Flood Protection and Watershed Improvement Authority Fund, Capital Improvement Fund and the Roads Fund. Data from the other governmental funds are combined into a single, aggregated presentation. Fund data for these nonmajor governmental funds is provided in the form of *combining statements* in the supplementary information section of this report.

The governmental funds financial statements can be found on pages 31-34 of this report.

Proprietary funds are maintained two ways. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. Information is presented separately for the Napa County Airport, Lake Berryessa Resort Improvement District, and Napa Berryessa Resort Improvement District. Data from the other Enterprise funds are combined into a single, aggregate presentation. *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 Management, Information Technology Services, Employee/Retiree Benefits, and Liability Insurance. Because these services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

The County's four internal service funds are combined into a single, aggregated presentation in the proprietary funds financial statements. Individual fund data for both the nonmajor enterprise and the internal service funds is provided in the supplementary information section of this report.

The proprietary funds financial statements can be found on pages 35-38 of this report.

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

The fiduciary fund financial statements can be found on pages 39-40 of this report.

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

The notes can be found on pages 41-82 of this report.

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

The required supplementary information can be found on pages 85-96 of this report.

Combining and individual fund statements and schedules referred to earlier provide information for non-major governmental funds, enterprise, internal service and fiduciary funds and are presented

immediately following the required supplementary information.

The required combining and individual fund statements and schedules can be found on pages 101-169 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The assets and deferred outflows of resources of the County exceeded its liabilities and deferred inflows of resources by \$316.1 million:

- \$170.3 million represents the County's investment in capital assets, less accumulated depreciation, related outstanding debt used to acquire those assets. The County uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the County's investment in 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.
- \$166.5 million represents resources that are subject to external restrictions on how they may be used.
- \$(20.7) million represents a deficit in unrestricted net position which may be used to meet the County's ongoing obligations to citizens and creditors. The majority of the negative unrestricted net position is the result of the County's estimated unfunded pension obligations.

Analysis of Net Position

The County's net position has increased by \$36.2 million, or 12.9% during the current fiscal year.

- \$18.1 million increase in net position invested in capital assets, net of related debt, represents the change in capital expenditures less depreciation and the net retirement of related long-term debt.
- \$9.5 million increase in restricted net position represents the change in resources that are subject to external restriction on their use.
- \$8.6 million increase in unrestricted net position is the change in resources available to fund County programs to citizens and debt obligations to creditors.

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

	Governmental Activities		Business-type Activities		Total		Dollar Change	Percent Change
	2016	2015	2016	2015	2016	2015		
Current and other assets	\$ 373,484	\$ 362,524	\$ 8,339	\$ 9,079	\$ 381,823	\$ 371,603	\$ 10,220	2.8 %
Capital assets	168,675	153,522	54,249	56,565	222,924	210,087	12,837	6.1 %
Total assets	542,159	516,046	62,588	65,644	604,747	581,690	23,057	4.0 %
Deferred outflows of resources	41,241	18,490	372	151	41,613	18,641	22,972	123.2 %
Current and other liabilities	52,970	45,767	1,131	1,525	54,101	47,292	6,809	14.4 %
Long-term liabilities	219,942	214,262	15,321	17,071	235,263	231,333	3,930	1.7 %
Total liabilities	272,912	260,029	16,452	18,596	289,364	278,625	10,739	3.9 %
Deferred inflows of resources	40,469	41,393	392	360	40,861	41,753	(892)	n/a
Net Position								
Net investment in capital assets	130,058	107,541	40,219	44,649	170,277	152,190	18,087	11.9 %
Restricted net position	166,554	157,099	-	-	166,554	157,099	9,455	6.0 %
Unrestricted net position	(26,593)	(31,526)	5,897	2,190	(20,696)	(29,336)	8,640	29.5 %
Total net position	<u>\$ 270,019</u>	<u>\$ 233,114</u>	<u>\$ 46,116</u>	<u>\$ 46,839</u>	<u>\$ 316,135</u>	<u>\$ 279,953</u>	<u>\$ 36,182</u>	12.9 %

The \$18.1 million, or 11.9% increase, in net position from the net investment in capital assets represents capital acquisitions and deletions, less current year depreciation, and the addition and/or retirement of related long-term debt. Major Capital Asset additions were as follows:

Oakville Crossroad Bridge Repairs	\$ 4,095,229
South Napa Campus Renovations	<u>13,184,049</u>
Net Investment in Capital Assets	<u>\$ 17,279,278</u>

Net investment in capital assets

As previously stated \$170.3 million represents the County's net investment in capital assets, which represents the largest portion of the County's net position. The breakdown is as follows:

Investment in Capital Assets	\$ 492,925,737
Less:	
Depreciation	(270,002,245)
Related Debt (net of unspent proceeds)	<u>(52,646,618)</u>
Net Investment in Capital Assets	<u>\$ 170,276,874</u>

Restricted net position

Restricted net position of \$166.5 million represents resources that are subject to external restrictions on how they may be used or by enabling legislation. Due to the unique nature of funding sources, the County has significantly more restricted net position dollars than unrestricted net position dollars. Significant portions of restricted net position are comprised of the following:

- \$72.1 million represents restricted voter approved sales tax dedicated to flood control projects.
- \$25.9 million represents primarily Federal and State allocations restricted for providing health and human services.
- \$26.4 million represents fees and grants restricted for the construction of affordable housing within the County.
- \$11.9 million represents property taxes dedicated to fire protection services.
- \$10.6 million represents property taxes, grants and fees dedicated to providing library services at the four library branches within the County library system.
- \$10.1 million represent State allocations dedicated for public protection services.

Unrestricted net position

Unrestricted net position in the amount of negative \$20.7 million, an increase of 29.5% from the prior fiscal year, is the change in resources available to fund County programs to citizens and debt obligations to creditors. The majority of positive unrestricted net position resides in the County's General Fund (\$61.4 million) and the Capital Improvement Fund (\$43.8 million) while the negative unrestricted net position is primarily the result of the County's unfunded pension liability (\$170.5 million) that is being reported in accordance with GASB Statement No. 68.

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

	Governmental Activities		Business-type Activities		Total		Dollar Change	Percent Change
	2016	2015	2016	2015	2016	2015		
Revenues:								
Program revenues:								
Fees, fines and charges for services	\$ 58,548	\$ 55,321	\$ 5,683	\$ 4,718	\$ 64,231	\$ 60,039	\$ 4,192	7.0 %
Operating grants and contributions	107,465	106,342	130	61	107,595	106,403	1,192	1.1 %
Capital grants and contributions	8,069	2,829	1,354	4,696	9,423	7,525	1,898	25.2 %
General revenues:								
Property taxes	107,830	101,851	369	355	108,199	102,206	5,993	5.9 %
Sales and use taxes	27,029	24,319	-	-	27,029	24,319	2,710	11.1 %
Other taxes	14,622	13,795	-	-	14,622	13,795	827	6.0 %
Unrestricted interest and investment earnings	1,923	2,299	48	51	1,971	2,350	(379)	(16.1)%
Gain on sale of assets	143	118	-	-	143	118	25	21.2 %
Miscellaneous	429	1,981	7	9	436	1,990	(1,554)	(78.1)%
Total revenues	<u>326,058</u>	<u>308,855</u>	<u>7,591</u>	<u>9,890</u>	<u>333,649</u>	<u>318,745</u>	<u>14,904</u>	<u>4.7 %</u>
Expenses:								
General government	34,986	32,077	-	-	34,986	32,077	2,909	9.1 %
Public protection	108,885	104,861	-	-	108,885	104,861	4,024	3.8 %
Public ways and facilities	39,777	32,567	-	-	39,777	32,567	7,210	22.1 %
Health and sanitation	42,891	41,169	-	-	42,891	41,169	1,722	4.2 %
Public assistance	48,057	46,761	-	-	48,057	46,761	1,296	2.8 %
Education	8,131	7,665	-	-	8,131	7,665	466	6.1 %
Recreation and cultural services	1,342	1,391	-	-	1,342	1,391	(49)	(3.5)%
Interest on long-term debt	1,608	1,893	-	-	1,608	1,893	(285)	(15.1)%
Debt administration and issuance costs	7	10	-	-	7	10	(3)	(30.0)%
Napa County Airport	-	-	2,887	3,002	2,887	3,002	(115)	(3.8)%
Lake Berryessa Resort Improvement District	-	-	1,219	1,098	1,219	1,098	121	11.0 %
Napa Berryessa Resort Improvement District	-	-	1,671	1,349	1,671	1,349	322	23.9 %
5th Street Parking Garage	-	-	486	470	486	470	16	3.4 %
Napa County Housing Authority	-	-	1,396	1,378	1,396	1,378	18	1.3 %
Napa County Animal Shelter	-	-	1,246	1,149	1,246	1,149	97	8.4 %
Total expenses	<u>285,684</u>	<u>268,394</u>	<u>8,905</u>	<u>8,446</u>	<u>294,589</u>	<u>276,840</u>	<u>17,749</u>	<u>6.4 %</u>
Excess (deficiency) before transfers	40,374	40,461	(1,314)	1,444	39,060	41,905	(2,845)	
Extraordinary item - South Napa Earthquake								
	(2,878)	(5,201)	-	-	(2,878)	(5,201)	2,323	(45)%
Transfers	(591)	(698)	591	698	-	-	-	- %
Change in net position	36,905	34,562	(723)	2,142	36,182	36,704	(522)	(1.4)%
Net position - Beginning	233,114	198,554	46,839	44,697	279,953	243,251	36,702	15.1 %
Net position - Ending	<u>\$ 270,019</u>	<u>\$ 233,116</u>	<u>\$ 46,116</u>	<u>\$ 46,839</u>	<u>\$ 316,135</u>	<u>\$ 279,955</u>	<u>\$ 36,180</u>	<u>12.9 %</u>

Governmental Activities. Governmental activities increased the County's net position by \$36.9 million, thereby accounting for 102.0% of the total growth in the net position of the County. Governmental activities operating revenues exceeded operating expenses by \$40.4 million.

Revenues

Total revenues for the County's Governmental activities had an overall increase from the prior year of \$17.2 million, or 5.6%, to \$326.1 million. Significant variances in revenues are as follows:

Program Revenues

- Fees, fines and charges for services increased by \$3.2 million, or 5.8%, over the prior year. This increase was due to a higher than anticipated collection of housing mitigation fees and revenues received for planning, building, and environmental services as the economy gradually improved and construction/improvements resumed. The County also saw an increase in Napa Valley Tourism Improvement District assessment collections.
- Capital grants and contributions increased by \$5.2 million, or 185.2%, from the prior year. A significant portion of this increase was State grant funding for the Milliken-Sarco-Tulocay (MST) recycled water pipeline project and Federal funding received for the repairs to the Oakville crossroad bridge.

General Revenues

- Property taxes increased by \$6.0 million, or 5.9%, from the prior year. The increase was due to assessed valuation growth and improved activity within the real estate market related to the continued recovery from the most recent recession.
- Sales and use taxes increased by \$2.7 million, or 11.1% from the prior year due to the improving economy and the impact of terminating the Triple Flip, which shifted a portion of County sales tax to the State.
- Miscellaneous revenue decreased by \$1.6 million, or 80.8%, from the prior year. The decrease was directly related to a \$1.3 million insurance settlement received in the prior year for unscheduled maintenance costs related to the County's Sheriff Office.

Expenses

Total expenses for the County's Governmental activities had an overall increase from the prior year of \$17.3 million, or 6.4%, to \$285.7 million. Significant variances in expenses are as follows:

- General government expenses increased by \$2.9 million, or 9.1%, from the prior year. This increase was due primarily to costs associated to the Valley Fire event, higher property management costs and printing and software expenses related to the Primary Election. Other factors include an increase to salary and benefits spread across multiple general government departments of approximately \$0.6 million and increased distributions of \$0.5 million in both the Unincorporated and Countywide Napa Valley Tourism Improvement funds due to increased lodging assessments received.

- Public ways and facilities expenses increased by \$7.2 million, or 22.1% due primarily to distributions for Napa County Flood Protection and Watershed Improvement Authority Measure A projects completed during the year.

Extraordinary Item. The County is reporting an extraordinary loss of \$2.9 million related to the 2014 South Napa Earthquake. Costs for the entire event over the past two years are estimated to be approximately \$34.1 million with \$28.9 million estimated in reimbursements from insurance, Federal Emergency Management Agency (FEMA), and California Office of Emergency Services (CalOES). For the current fiscal year, actual costs were \$9.0 million offset by \$6.1 million of reimbursements.

Business-type activities. Business-type activities decreased the County's net position by \$0.7 million. Business-type activities operating expenses exceeded operating revenues by \$1.3 million. The decrease was a combination of the return of unused assessments collected by the Lake Berryessa Resort Improvement District and an increase in Napa Berryessa Resort Improvement District capital asset depreciation expense.

Revenues

Total revenues for the County's Business-type activities had an overall decrease of \$2.3 million, or 23.3%. Key elements of the decrease in revenues for business-type activities are as follows:

- Capital grants and contributions decreased by \$3.3 million, or 71.2%, from the prior year. The variance was due to a decrease in grant revenues received by the Lake Berryessa Resort Improvement District from the State Water Resources Control Board as capital projects were nearing completion.

Expenses

Total expenses for the County's Business-type activities had an overall increase of \$0.5 million. Key elements of the increase in expenses for business-type activities are as follows:

- The return of unspent assessments in the amount of \$0.2 million collected from the Lake Berryessa Assessment District residents.
- An increase in depreciation expense by \$0.3 million on new assets completed at Napa Berryessa Resort Improvement District.

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

As noted earlier, the County uses **fund accounting** to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The general government functions are contained in the General, Special Revenue, Debt Service, and Capital Project Funds. Included in these funds are the special districts governed by the Board of Supervisors. The focus of the County's *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, total fund balance less the nonspendable portion is a useful measure of a government's resources available for spending at the end of the fiscal year.

The County's governmental funds reported combined fund balances of \$306.5 million, an increase of \$7.0 million in comparison with last year. Approximately 99.1%, or \$303.7 million, of the total fund balance is spendable and available to meet the County's current and future needs. With approval of the Board of Supervisors, a portion of fund balance can be earmarked to a particular function, project or activity, within both the current and future fiscal years. With the exception of the nonspendable portion, fund balances are available for appropriation at any time. The components of total fund balance are as follows:

- *Nonspendable fund balance*, \$2.8 million. Represents amounts that are not in spendable form, or are legally or contractually required to remain intact. The nonspendable portion of fund balance is comprised of General Fund advances of \$2.7 million, loans totaling \$158,281, and prepaid items of \$125,846.

- *Restricted fund balance*, \$195.7 million. Represents amounts with constraints imposed on their use by external creditors, grantors, contributors, laws, regulations or enabling legislation. Examples of restrictions on funds are those imposed by (1) enabling legislation and purpose of the fund, \$152.6 million, of which \$72.1 million is restricted within the Napa County Flood Protection and Watershed Improvement Authority, and \$26.4 million is restricted for Affordable Housing (Other Governmental Funds), (2) laws, the General Fund's general reserve of \$17.7 million, and (3) creditors, \$1.6 million restricted within Debt Service fund (Other Governmental Funds).
- *Committed fund balance*, \$8.1 million. Consists of amounts for specific purposes determined by the Board of Supervisors, such as potential Health and Human Services agency audit exceptions of \$1.0 million, building and safety permitting of \$3.4 million, and special projects totaling \$3.7 million.
- *Assigned fund balance*, \$67.1 million. Represents amounts set aside including Tobacco Master Settlement funds of \$8.1 million for future health care programs, accumulated capital outlay funds of \$40.4 million for future major facilities repairs or construction, \$11.1 million for FY 2016-17 appropriations and \$7.5 million covering various other programs including earthquake costs and agriculture commission programs.
- *Unassigned fund balance*, \$32.9 million. Represents the residual classification for the County's General Fund of \$34.4 million, reduced by governmental funds where expenditures exceed other available fund balance, including \$1.4 million for the Community Facilities District - Devlin Road, \$178,287 for the In-Home Support Services Authority, and \$925 for Child Support Services.

General Fund: The General Fund is the chief operating fund of the County. The total fund balance of the General Fund was \$98.5 million. The General Fund's total fund balance increased \$3.0 million, or 3.1%, compared to the prior year. Although expenses rose with normal inflation, this was offset by an increase in tax revenues of \$7.6 million compared to the prior year.

As a measure of the General Fund's liquidity, it may be useful to compare spendable fund balance to total fund expenditures. Spendable fund balance represents 64.6% of the total fund expenditures. Of the General Fund's spendable fund balance, \$34.3 million, or 35.8%, is restricted, \$0.2 million, or 0.3%, is committed and \$26.7 million, or 27.9%, is assigned.

Health and Human Services: The total fund balance of Health and Human Services Agency was \$23.6 million, of which \$22.5 million is restricted. Total fund balance increased \$3.2 million, or 16.0%, over the prior year. A significant portion of this change was due to an increase in salary savings. Health and Human Services also received increased realignment revenues from the State.

Napa County Flood Protection and Watershed Improvement Authority: The Napa County Flood Protection and Watershed Improvement Authority is used to account for all revenues and expenditures relating to Measure A, a 1998 voter approved ½ cent sales tax for countywide flood projects to be completed over approximately 20 years. At June 30, 2016, the total fund balance of the Flood Authority was \$72.1 million, all of which is restricted. This is an increase of \$1.8 million, or 2.6%, from the prior year due to higher sales tax revenue received in relation to the jurisdictional draws for approved flood projects.

Capital Improvement: The Capital Improvement fund is used to account for major capital improvement projects and provide Board of Supervisor designated reserves for future capital needs. The total fund balance was \$49.5 million, of which \$40.4 million is assigned for specific capital projects including \$18.8 million for a future jail facility, \$8.5 million for projects related to the existing jail, \$2.1 million for transitional housing for inmates, and \$9.3 million for future projects. Total fund balance decreased by \$3.4 million, or 6.3%, from the prior year primarily due to decreased transfers from the General Fund.

Roads: The Roads Fund is used to protect, preserve, enhance and improve the existing County road network. This fund pays for the construction and maintenance of the roads in the unincorporated area. The total fund balance was \$6.2 million, all of which is restricted. Total fund balance of the Roads Fund increased by \$0.1 million, or 2.0%, due to funding from the Public Ways and Facilities Special Revenue Fund for the Devlin Road project.

Other governmental funds: The total fund balances of the remaining governmental funds increased \$2.2 million, or 4.0% to \$56.8 million. Major components of the increase were mainly a result of increased revenues received in the following

areas: \$1.0 million increase in the Affordable Housing Fund due to new construction, and \$0.7 million increase in the MST Community Facilities District from assessment collections for the repayment of State debt incurred for the recycled water pipeline construction.

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

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

Revenues by source	FY2016		FY2015		Increase/(Decrease)	
	Amount	Percent of Total	Amount	Percent of Total	Dollar Change	Percent Change
Taxes	\$ 149,481	44.9 %	\$ 139,965	44.5 %	\$ 9,516	6.8 %
Licenses and permits	10,591	3.2 %	9,816	3.1 %	775	7.9 %
Fines, forfeitures and penalties	4,563	1.4 %	6,843	2.2 %	(2,280)	(33.3)%
Revenue from use of money and property	2,139	0.6 %	2,636	0.8 %	(497)	(18.9)%
Aid from other governments	121,331	36.4 %	115,157	36.6 %	6,174	5.4 %
Charges for services	44,346	13.3 %	39,461	12.5 %	4,885	12.4 %
Contributions and donations	245	0.1 %	254	0.1 %	(9)	(3.5)%
Other	479	0.1 %	682	0.2 %	(203)	(29.8)%
Total	\$ 333,175	100.0 %	\$ 314,814	100.0 %	\$ 18,361	5.8 %

Figure 1 - Revenues Comparison by Source - Governmental Funds

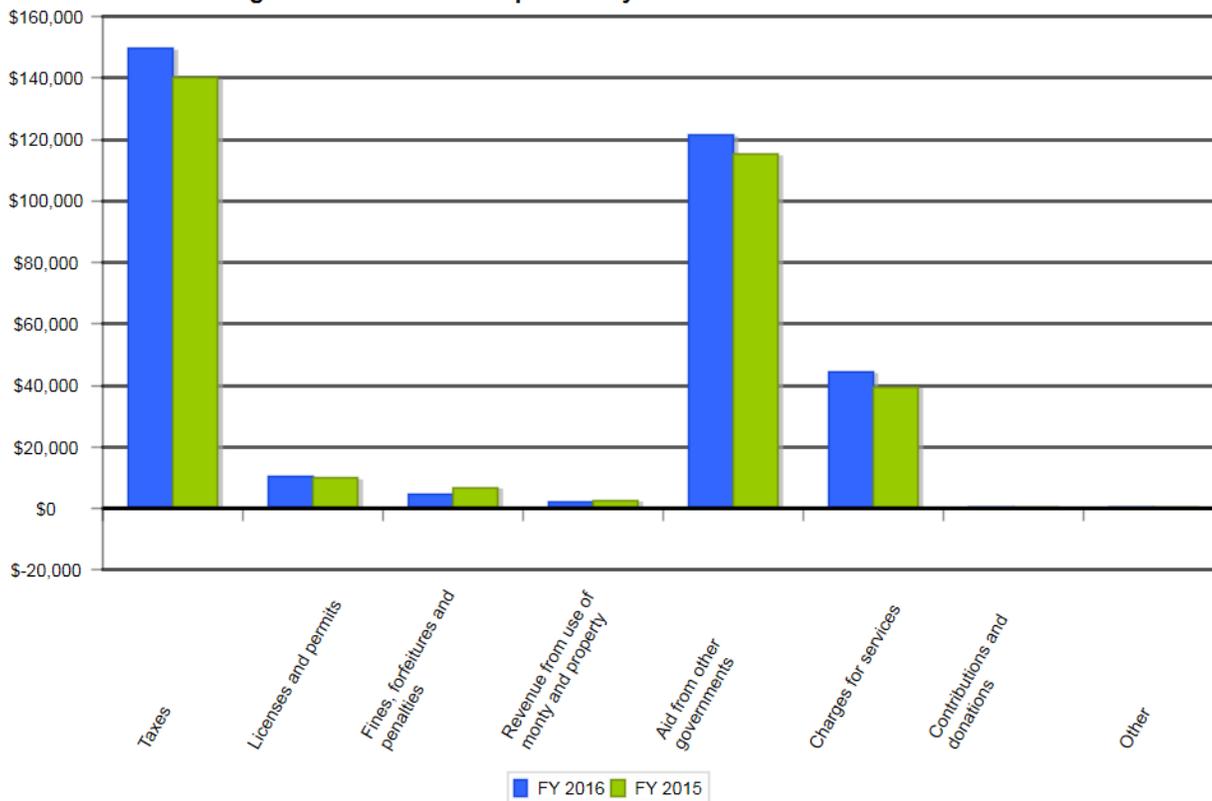
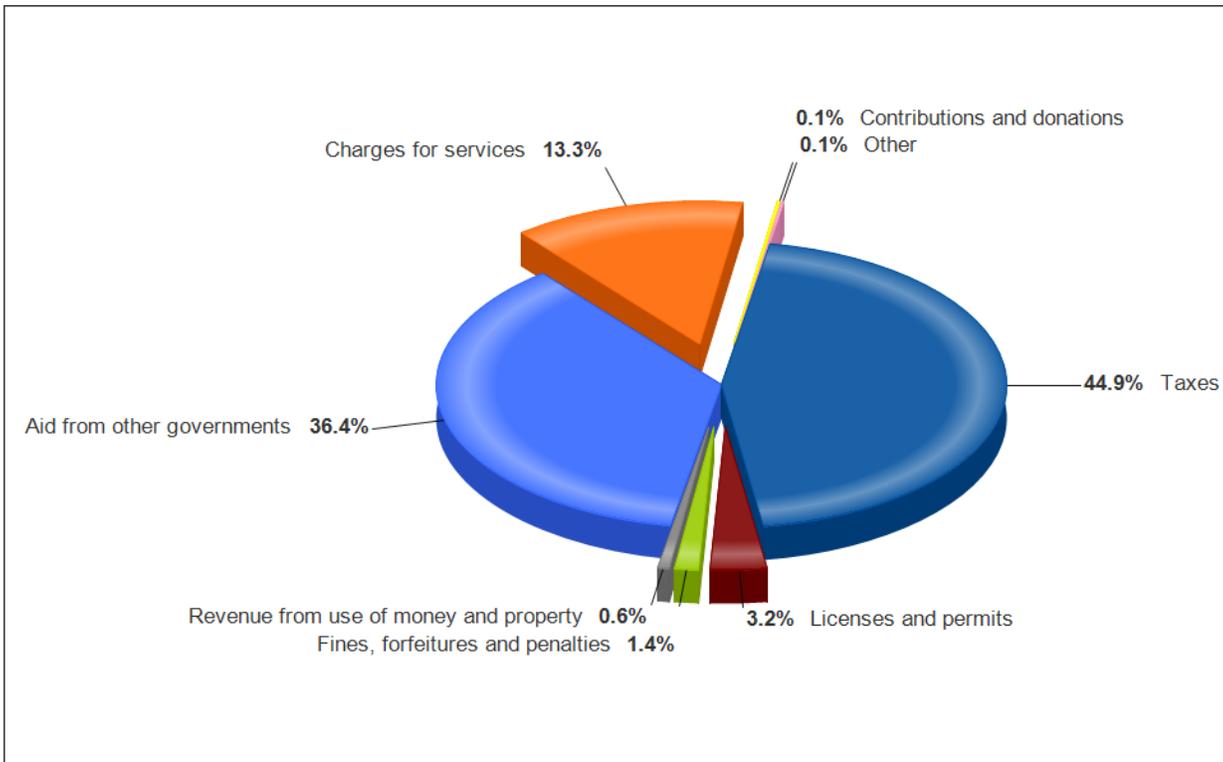


Figure 2 - Revenues Classified by Source - Governmental Funds



Revenues

Total governmental fund revenues increased \$18.4 million, or 5.8%, to \$333.2 million. Significant variances in governmental fund revenues are as follows:

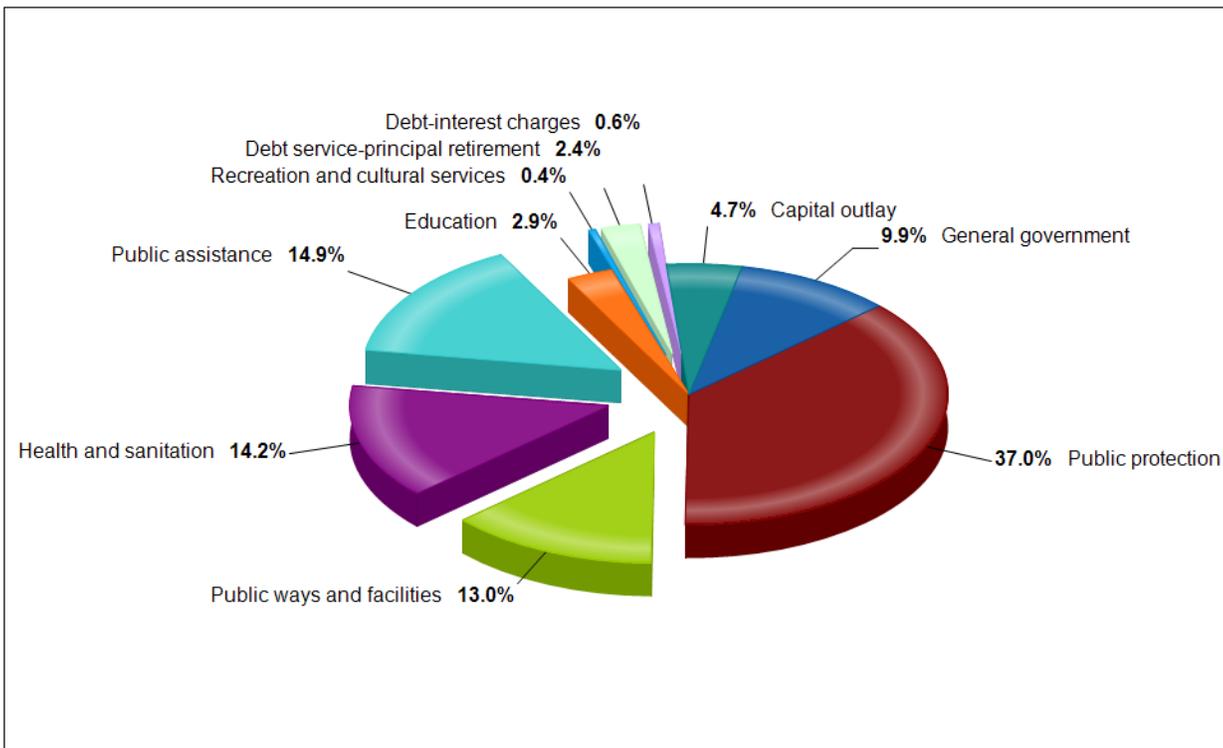
- Taxes increased by \$9.5 million, or 6.8%, from the prior year. Property taxes increased by approximately \$6.0 million due to assessed valuation growth and improved activity within the steadily improving real estate market while transient occupancy tax increased \$0.6 million due to increased tourism. In addition, sales tax revenue increased by \$2.7 million.
- Fines, forfeitures and penalties decreased by \$2.3 million, or 33.3%, from the prior year. A majority of the decrease was due to a large settlement of \$1.7 million District Attorney Prop 64 civil penalties received in the prior year.
- Overall aid from other governments increased by \$6.2 million, or 5.4%, from the prior year. This is a combination of increased revenues for Health Care Enhancement program funding received from the Federal Government of \$1.9 million, increased State sales tax realignment funding of \$4.6 million, and increased State 2011 realignment revenues of \$1.7 million, offset by a decrease in State motor vehicle in-lieu realignment revenues of \$3.5 million.
- Charges for services increased by \$4.9 million, or 12.4%, from the prior year. As the economy improved, the County saw an increase in charges for services, particularly in public ways and facilities services and public safety programs totaling \$2.9 million. There was also an increase of \$0.5 million in assessments for the Unincorporated and Countywide Napa Valley Tourism Improvement Districts due to increased tourism activities. The County experienced an increase of \$1.3 million in charges for Health and Human Services provided with a significant portion of this coming from increased Federal and State funding.

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	FY2016		FY2015		Increase/(Decrease)	
	Amount	Percent of Total	Amount	Percent of Total	Dollar Change	Percent Change
General government	\$ 32,239	9.9 %	\$ 30,848	10.5 %	\$ 1,391	4.5 %
Public protection	122,490	37.0 %	118,640	40.6 %	3,850	3.2 %
Public ways and facilities	42,979	13.0 %	30,244	10.3 %	12,735	42.1 %
Health and sanitation	46,903	14.2 %	42,479	14.5 %	4,424	10.4 %
Public assistance	49,393	14.9 %	47,240	16.2 %	2,153	4.6 %
Education	9,590	2.9 %	7,706	2.6 %	1,884	24.4 %
Recreation and cultural services	1,342	0.4 %	1,391	0.5 %	(49)	(3.5)%
Debt service-principal retirement	7,937	2.4 %	7,602	2.6 %	335	4.4 %
Debt-interest charges	2,010	0.6 %	2,343	0.8 %	(333)	(14.2)%
Debt-administration, issuance and arbitrage	7	- %	10	- %	(3)	(30.0)%
Capital outlay	15,696	4.7 %	4,222	1.4 %	11,474	271.8 %
Total	\$ 330,586	100.0 %	\$292,725	100.0 %	\$ 37,861	12.9 %

Figure 3 - Expenditures by Function - Governmental



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

- Public ways and facilities expenditures increased by \$12.7 million, or 42.1%, over the prior year. This increase was due to flood project expenditures (\$7.5 million), and road projects (Oakville Crossroad Bridge repairs \$4.1

million and a contribution to the Suscol Headwaters Priority Conservation Area project \$1.1 million).

- Health and sanitation expenditures increased by \$4.4 million, or 10.4%, over the prior year. This increase was mainly due to an increase in the health and human services salaries and benefits of \$3.0 million and increased Health Care Enhancement expenditures of \$1.3 million.
- Education expenditures increased by \$1.9 million or 24.4%. This increase was due to remodeling costs of the Napa and Calistoga libraries.
- Capital outlay expenditures increased by \$11.5 million from the prior year. A majority of this increase was attributed to the South Napa Campus renovations.

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

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

	Major Funds					Nonmajor Funds		Total
	General Fund	Health and Human Services	Flood Protection & Watershed Improvement Authority	Capital Improvement Fund	Roads	Special Revenue Funds	Debt Service Fund	
Revenues	\$ 202,308	\$ 64,758	\$ 18,255	\$ 1,099	\$ 7,499	\$ 39,171	\$ 86	\$ 333,176
Expenditures	148,068	95,025	16,445	15,696	14,426	36,436	4,490	330,586
Other financing sources (uses), net	(51,239)	33,510	-	11,247	7,048	(479)	4,330	4,417
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	3,001	3,243	1,810	(3,350)	121	2,256	(74)	7,007
Fund balances - Beginning	95,459	20,309	70,249	52,861	6,062	52,925	1,649	299,514
Fund balances - Ending	<u>\$ 98,460</u>	<u>\$ 23,552</u>	<u>\$ 72,059</u>	<u>\$ 49,511</u>	<u>\$ 6,183</u>	<u>\$ 55,181</u>	<u>\$ 1,575</u>	<u>\$ 306,521</u>

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

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

	Napa County	Lake Berryessa Resort	Napa Berryessa Resort	Nonmajor Enterprise	Total
	Airport	Improvement	Improvement	Funds	
Operating revenues	\$ 2,204	\$ 592	\$ 821	\$ 2,066	\$ 5,683
Operating expenses	2,870	834	1,295	3,124	8,123
Operating income (loss)	(666)	(242)	(474)	(1,058)	(2,440)
Non-operating revenues (expenses), net	5	(66)	(306)	139	(228)
Net income (loss) before contributions and transfers	(661)	(308)	(780)	(919)	(2,668)
Capital contributions	62	715	577	-	1,354
Transfers in (out)	-	-	-	591	591
Change in net position	(599)	407	(203)	(328)	(723)
Net position - Beginning	15,014	7,320	698	23,807	46,839
Net position - Ending	<u>\$ 14,415</u>	<u>\$ 7,727</u>	<u>\$ 495</u>	<u>\$ 23,479</u>	<u>\$ 46,116</u>

Napa County Airport: The Napa County Airport (Airport) is used to fund general operations and the maintenance of Airport facilities. Total net position of the Airport decreased by \$0.6 million during the current fiscal year. A significant portion of the decrease was due to the annual depreciation. The unrestricted net position of the Airport was \$3.5 million while total net position was \$14.4 million. As a measure of the Airport's liquidity, it may be useful to compare unrestricted net position to total operating expenditures. Unrestricted net position represents 121.2% of the total operating expenditures.

Lake Berryessa Resort Improvement District: Lake Berryessa Resort Improvement District is used to provide water and wastewater services within district boundaries. The unrestricted net position of the District was \$1.3 million while total net position was \$7.7 million. The increase in net position was primarily due to capital grants the District received from the State Water Resources Control Board.

Napa Berryessa Resort Improvement District: Napa Berryessa Resort Improvement District is used to provide water and wastewater services within district boundaries. The unrestricted net position of the District was \$0.5 million, a \$0.2 million decrease due to increased depreciation of the water treatment plant assets.

GENERAL FUND BUDGETARY HIGHLIGHTS

During the year there was a \$24.4 million increase in appropriations between the original budget and the final amended budget. Following are the main components of the increase:

- \$7.4 million increase for the transfer to the Accumulated Capital Outlay division of the Capital Improvement Fund to increase the County's reserves for future capital projects.
- \$10.0 million increase for 2014 South Napa Earthquake expenditures for continued repairs on roads and buildings affected.
- \$1.0 million transfer to Roads Fund.
- \$3.1 million increase for the Oakville-Oak Knoll sediment reduction project.
- \$1.5 million increase for other subsequently approved maintenance projects.
- \$0.5 million increase for emergency expenditures due to the response of the 2015 Valley Fire that affected Lake County and Napa County.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital assets

The County's investment in capital assets for its governmental and business-type activities amounted to \$222.9 million (net of accumulated depreciation) an increase of \$12.8 million, or 6.1%, from the prior year. The increase was primarily due to the addition of \$13.1 million in construction in progress for the ongoing renovation of the South Napa Campus for Health and Human Services. This increase is offset by Fleet Management asset deletions of \$1.1 million and depreciation. For more detailed capital assets information, see Notes to the Basic Financial Statements, specifically pages 59-61.

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

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

	Governmental Activities		Business-type Activities		Total		Increase/(Decrease)	
	2016	2015	2016	2015	2016	2015	Dollar Change	Percent Change
Land and easements	\$ 13,968	\$ 13,968	\$ 5,365	\$ 5,365	\$ 19,333	\$ 19,333	\$ -	- %
Intangible assets	1,306	1,134	-	-	1,306	1,134	172	15.2 %
Construction in progress	28,812	16,967	4,566	4,073	33,378	21,040	12,338	58.6 %
Infrastructure	27,527	22,932	-	-	27,527	22,932	4,595	20.0 %
Structures and improvements	89,238	88,361	43,899	46,601	133,137	134,962	(1,825)	(1.4)%
Equipment	7,824	10,160	419	526	8,243	10,686	(2,443)	(22.9)%
Total	\$ 168,675	\$ 153,522	\$ 54,249	\$ 56,565	\$ 222,924	\$ 210,087	\$ 12,837	6.1 %

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

- Construction in progress (the value of projects incomplete at the end of the fiscal year) increased by \$12.3 million, or 58.6%, from the prior year. Total additions for the year totaled \$22.6 million. The majority of the increase, \$17.1 million was in governmental activities due to the renovation of the South Campus Building of \$13.1 million, and final major construction work on the Oakville Crossroad Bridge for \$4 million. This increase is offset by the reclassification of the completed Oakville Crossroad Bridge to an asset of \$6.8 million, the Calistoga Library renovation of \$1 million and the Napa River/Sulphur Creek culvert replacement for \$2.1 million.
- Infrastructure increased by \$4.6 million, or 20.0%, from the prior year, due to the transfer of the completed Oakville Bridge of \$6.8 million. This increase is offset by the increase in depreciation.
- Equipment decreased by \$2.4 million or 22.9% due to depreciation and asset retirements in the Fleet Management Fund. The method changed from *usage* calculation to *straight line* depreciation resulting in a \$3 million expense.

Long-term debt

The County Governmental Activities total long-term debt outstanding, not including compensated absences and unpaid claims, was \$49.1 million as compared to \$57.6 million in the prior year. This amount was comprised of the following:

- \$7,560,000 of Napa County Flood Limited Tax Refunding Bonds, Series 2005;
- \$2,570,000 of Napa County Flood Limited Tax Subordinate Refunding Bonds, 2013 Series A;
- \$321,114 of unamortized premiums for outstanding bond issues;
- \$14,350,000 of 2012 Certificates of Participation;
- \$12,955,000 of 2014 Certificates of Participation;
- \$3,355,360 of unamortized premiums for outstanding Certificates of Participation;
- \$2,136,592 of capital lease obligations; and
- \$5,820,049 for loans payable.

At June 30, 2016, the County Business-type Activities total long-term debt outstanding, not including compensated absences and stipulated judgments, was \$14.0 million as compared to \$19 million in the prior year. This amount was comprised of the following:

- \$2,530,000 of Lake Berryessa Resort Improvement District 2007 Series A bonds;
- \$7,718,569 of Napa Berryessa Resort Improvement District 2013 Series A bonds;
- \$2,841,000 of Napa Berryessa Resort Improvement District 2013 Series B Bonds;
- \$866,768 of capital lease obligations; and
- \$73,280 of Napa County Airport loans payable.

On September 2, 2015, the Lake Berryessa Resort Improvement District redeemed \$1,485,000 of bonds prior to their scheduled repayment date. The redemption was funded by excess project funds as the District successfully obtained multiple grant funding sources to complete major components of the listed projects. In addition to the early redemption, the District returned \$176,421 to parcel owners who had prepaid their assessments and \$29,700 for early redemption fees.

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

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

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

For more detailed long-term debt information, see the notes to the basic financial statements, specifically pages 61.

DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES

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

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

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The following known factors were considered in preparing the County's budget for fiscal year 2016-2017:

- The General Fund budget reflects increases in employee and benefit costs for existing employees of \$5.0 million.
- The Budget reflects payments necessary to fully fund the County's Other Postemployment Benefit (OPEB) unfunded liability on a 20-year amortization schedule, which includes contributions of \$8.6 million or approximately 7.0% of salaries and wages toward paying down this liability over approximately the next 13 years.
- In January 2015, the Board approved use of up to \$13.9 million from the General Reserve to support the cost of response and recovery efforts for the 2014 earthquake event until reimbursements are received from insurance and FEMA/CalOES. For fiscal year 2016-17, an additional \$21 million in appropriations is included in the General Fund budget. Revenue of \$19 million is anticipated to be recognized during the budget year, leaving a deficit of \$2 million which will come from the County's General Reserves restricted for emergencies.
- Capital Improvement Fund includes a reduction of \$37.1 million in appropriations. The appropriation represents the total estimated remaining cost of approved capital projects.

On May 13, 2016, the Governor released his revised State budget. Revenue estimates were reduced by \$1.9 billion, over a three-year period through fiscal year 2016-17. The revised budget also increases the estimate of funding going to education through the Proposition 98 of \$626.0 million through the same three-year time period. The budget includes \$24.5 million for rehabilitation programs for state prison inmates. Impacts to local governments are unknown at this time.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the County's and component unit finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Auditor-Controller, 1195 Third Street, Suite B-10, Napa, CA 94559. This entire report is also available online at www.countyofnapa.org.



Courtesy of Napa County Historical Society

Postcard of the Goodman Mansion on Oak Street (1908)



Basic Financial Statements
Government-Wide Financial Statements



Courtesy of Napa County Historical Society

Downtown Calistoga (1977)

COUNTY OF NAPA

Statement of Net Position
June 30, 2016

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and investments	\$ 299,007,910	\$ 7,182,519	\$ 306,190,429
Restricted assets:			
Cash with fiscal agent, restricted	2,059,055	178,030	2,237,085
Cash held for debt service reserve	545,362	1,663,148	2,208,510
Cash held for endowment	25,148	-	25,148
Cash held for capital projects, restricted	-	112,033	112,033
Imprest cash	117,280	275	117,555
Receivables, net			
Taxes receivable	13,521,165	15,903	13,537,068
Special assessments receivable	4,669,989	632,977	5,302,966
Accounts receivable	6,271,046	696,431	6,967,477
Due from other governments	24,046,485	-	24,046,485
Prepaid items	331,581	10,315	341,896
Deposits	18,595	1,250	19,845
Internal balances	2,154,000	(2,154,000)	-
Assets held for resale	990,202	-	990,202
Loans receivable, net	18,940,286	-	18,940,286
Net other postemployment benefits asset	786,000	-	786,000
Capital assets:			
Nondepreciable	43,884,968	9,930,687	53,815,655
Depreciable, net	124,789,543	44,318,294	169,107,837
Total assets	542,158,615	62,587,862	604,746,477
Deferred Outflows of Resources			
Deferred expense on refunding bonds	279,040	-	279,040
Deferred pension	40,962,393	372,271	41,334,664
Total deferred outflows of resources	41,241,433	372,271	41,613,704
Liabilities			
Accounts payable	20,892,603	333,803	21,226,406
Accrued salaries and benefits	10,103,111	90,581	10,193,692
Interest payable	175,618	156,700	332,318
Other accrued liabilities	177,239	-	177,239
Deposits	5,000	123,839	128,839
Unearned revenue	5,648,406	8,506	5,656,912
Long-term liabilities:			
Portion due or payable within one year:			
Loan payable	268,716	44,922	313,638
Capital lease obligations	296,636	63,995	360,631
Bonds payable	4,965,000	221,000	5,186,000
Certificates of participation	3,055,000	-	3,055,000
Liability for unpaid stipulated judgment	-	40,000	40,000
Compensated absences	4,890,998	47,781	4,938,779
Liability for unpaid insurance claims	2,491,819	-	2,491,819
Portion due or payable after one year:			
Loan payable	5,551,333	28,358	5,579,691
Capital lease obligations	1,839,956	802,773	2,642,729
Bonds payable	5,486,114	12,868,569	18,354,683
Certificates of participation	27,605,360	-	27,605,360
Liability for unpaid stipulated judgment	-	80,000	80,000
Compensated absences	3,149,983	31,401	3,181,384
Liability for unpaid insurance claims	7,348,494	-	7,348,494
Net pension liability	168,960,630	1,509,579	170,470,209
Total liabilities	272,912,016	16,451,807	289,363,823
Deferred Inflows of Resources			
Deferred pension	40,469,251	391,672	40,860,923
Net Position			
Net investment in capital assets	130,057,510	40,219,364	170,276,874
Restricted for:			
General government	945,793	-	945,793
Public protection	30,791,183	-	30,791,183
Public ways and facilities	70,856,147	-	70,856,147
Health and sanitation	15,638,622	-	15,638,622
Public assistance	37,782,863	-	37,782,863
Education	10,539,170	-	10,539,170
Unrestricted	(26,592,507)	5,897,290	(20,695,217)
Total net position	\$ 270,018,781	\$ 46,116,654	\$ 316,135,435

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

COUNTY OF NAPA

Statement of Activities
For the Year Ended June 30, 2016

Functions/Programs	Expenses	Program Revenues	
		Fees, Fines and Charges for Services	Operating Grants and Contributions
Primary government			
Governmental activities:			
General government	\$ 34,985,879	\$ 15,803,972	\$ 6,639,770
Public protection	108,885,288	23,258,711	28,369,017
Public ways and facilities	39,776,960	6,763,407	2,758,163
Health and sanitation	42,890,611	9,762,339	24,548,827
Public assistance	48,056,607	2,796,232	44,892,428
Education	8,130,615	163,017	256,894
Recreation and cultural services	1,342,312	-	-
Debt Service:			
Interest and fiscal charges	1,607,420	-	-
Administration	7,197	-	-
Total governmental activities	<u>285,682,889</u>	<u>58,547,678</u>	<u>107,465,099</u>
Business-Type Activities:			
Napa County Airport	2,887,075	2,204,256	-
Lake Berryessa Resort Improvement	1,218,687	591,816	115
Napa Berryessa Resort Improvement	1,671,176	820,774	203
5th Street Parking Garage	486,299	172,618	-
Napa County Housing Authority	1,395,994	720,756	97,772
Napa County Animal Shelter	1,245,884	1,172,286	32,339
Total business-type activities	<u>8,905,115</u>	<u>5,682,506</u>	<u>130,429</u>
 Total primary government	<u>\$ 294,588,004</u>	<u>\$ 64,230,184</u>	<u>\$ 107,595,528</u>

General Revenues:

Taxes:
 Property taxes
 Sales and use taxes
 Transient occupancy taxes
 Property transfer taxes
 Investment earnings
 Gain on sale of assets
 Miscellaneous
 Extraordinary item - 2014 South Napa Earthquake
 Transfers

Total general revenues and transfers

Change in net position

Net position - Beginning

Net position - Ending

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

Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets		
	Primary Government		
	Governmental Activities	Business-type Activities	Total
\$ 50,000	\$ (12,492,137)	\$ -	\$ (12,492,137)
-	(57,257,560)	-	(57,257,560)
8,018,616	(22,236,774)	-	(22,236,774)
-	(8,579,445)	-	(8,579,445)
-	(367,947)	-	(367,947)
-	(7,710,704)	-	(7,710,704)
-	(1,342,312)	-	(1,342,312)
-	(1,607,420)	-	(1,607,420)
-	(7,197)	-	(7,197)
<u>8,068,616</u>	<u>(111,601,496)</u>	<u>-</u>	<u>(111,601,496)</u>
61,960	-	(620,859)	(620,859)
714,823	-	88,067	88,067
577,142	-	(273,057)	(273,057)
-	-	(313,681)	(313,681)
-	-	(577,466)	(577,466)
-	-	(41,259)	(41,259)
<u>1,353,925</u>	<u>-</u>	<u>(1,738,255)</u>	<u>(1,738,255)</u>
<u>\$ 9,422,541</u>	<u>(111,601,496)</u>	<u>(1,738,255)</u>	<u>(113,339,751)</u>
	107,830,077	369,284	108,199,361
	27,028,928	-	27,028,928
	12,617,489	-	12,617,489
	2,004,493	-	2,004,493
	1,922,900	48,032	1,970,932
	143,172	-	143,172
	429,137	7,439	436,576
	(2,878,403)	-	(2,878,403)
	<u>(591,162)</u>	<u>591,162</u>	<u>-</u>
	<u>148,506,631</u>	<u>1,015,917</u>	<u>149,522,548</u>
	36,905,135	(722,338)	36,182,797
	<u>233,113,646</u>	<u>46,838,992</u>	<u>279,952,638</u>
	<u>\$ 270,018,781</u>	<u>\$ 46,116,654</u>	<u>\$ 316,135,435</u>

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



Courtesy of Napa County Historical Society

Carmelite Monastery in Oakville



Basic Financial Statements
Fund Financial Statements



Courtesy of Napa County Historical Society

Avenue of the Elms in St Helena (1885)

COUNTY OF NAPA

Balance Sheet
Governmental Funds
June 30, 2016

	General Fund	Health and Human Services	Flood Protection & Watershed Improvement Authority	Capital Improvement Fund	Roads	Other Governmental Funds	Total
Assets & Deferred Outflows of Resources							
Assets:							
Cash and investments	\$ 91,020,129	\$19,901,076	\$73,725,220	\$ 47,670,359	\$ 8,837,437	\$ 39,573,460	\$280,727,681
Restricted Assets:							
Cash with fiscal agent	-	-	483,999	12	-	1,575,044	2,059,055
Cash held for debt service	-	-	-	-	-	545,362	545,362
Cash held for endowment	-	-	-	-	-	25,148	25,148
Imprest cash	58,892	24,089	-	-	-	1,660	84,641
Receivable, net:							
Taxes	13,017,778	-	3,380,362	-	-	503,387	16,901,527
Special assessments	-	-	-	-	-	1,439,829	1,439,829
Accounts	205,053	57,105	-	-	-	7,747	269,905
Due from other governments	13,953,143	12,624,639	-	-	1,199,141	843,564	28,620,487
Due from other funds	177,608	1,324,259	-	-	-	-	1,501,867
Prepaid items	101,281	4,217	-	-	-	20,348	125,846
Deposits	-	-	-	-	-	1,250	1,250
Assets held for resale	-	-	-	-	-	990,202	990,202
Loans receivable, net	57,000	-	-	-	-	18,883,286	18,940,286
Advances to other funds	2,672,000	-	-	3,347,201	-	100,185	6,119,386
Total Assets	121,262,884	33,935,385	77,589,581	51,017,572	10,036,578	64,510,472	358,352,472
Total Assets and Deferred Outflows of Resources	<u>\$ 121,262,884</u>	<u>\$33,935,385</u>	<u>\$77,589,581</u>	<u>\$ 51,017,572</u>	<u>\$10,036,578</u>	<u>\$ 64,510,472</u>	<u>\$358,352,472</u>
Liabilities, Deferred Inflows of Resources & Fund Balances							
Liabilities:							
Accounts payable	\$ 4,341,894	\$ 4,013,002	\$ 5,529,849	\$ 1,506,784	\$ 322,443	\$ 5,199,593	\$ 20,913,565
Accrued salaries and benefits	5,924,298	2,940,354	-	-	170,453	624,758	9,659,863
Other accrued liabilities	177,068	-	-	-	-	-	177,068
Due to other funds	1,324,259	-	-	-	-	177,608	1,501,867
Unearned revenue	5,560,166	8,420	-	-	-	50,000	5,618,586
Advances from other funds	-	100,185	-	-	2,500,000	1,365,201	3,965,386
Total Liabilities	17,327,685	7,061,961	5,529,849	1,506,784	2,992,896	7,417,160	41,836,335
Deferred Inflows of Resources:							
Unavailable revenue	5,475,030	3,321,488	-	-	861,337	336,866	9,994,721
Fund Balances:							
Nonspendable	2,830,281	-	-	-	-	-	2,830,281
Restricted	34,276,694	22,529,123	72,059,732	5,698,329	6,182,345	54,911,860	195,658,083
Committed	240,192	1,022,813	-	3,461,039	-	3,380,286	8,104,330
Assigned	26,710,266	-	-	40,351,420	-	-	67,061,686
Unassigned	34,402,736	-	-	-	-	(1,535,700)	32,867,036
Total Fund Balances	98,460,169	23,551,936	72,059,732	49,510,788	6,182,345	56,756,446	306,521,416
Total Liabilities, Deferred Inflows of Resources & Fund Balances	<u>\$ 121,262,884</u>	<u>\$33,935,385</u>	<u>\$77,589,581</u>	<u>\$ 51,017,572</u>	<u>\$10,036,578</u>	<u>\$ 64,510,472</u>	<u>\$358,352,472</u>

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

COUNTY OF NAPA

Reconciliation of the Governmental Funds Balance Sheet
to the Government-Wide Statement of Net Position - Governmental Activities
June 30, 2016

Fund Balance - total governmental funds (page 31)	\$ 306,521,416
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities (excluding Internal Service Funds) are not financial resources therefore, are not reported in the governmental funds.	163,084,271
Long-term liabilities, including bonds payable, are not due and payable in the current period, and therefore are not reported in the governmental funds.	
Loan payable	\$ (5,820,049)
Capital lease obligations	(1,964,104)
Certificates of participation	(30,660,360)
Bonds payable	(10,451,114)
Compensated absences	(7,629,478)
Net pension liability	<u>(162,178,621)</u>
Total long-term liabilities	(218,703,726)
Deferred outflows of resources	39,547,905
Accrued interest on debt	(175,618)
Deferred inflows of resources	(38,707,800)
Some of the County's intergovernmental revenue will be collected after year-end, but are not available soon enough to pay for the current period's expenditures, and therefore are reported as unavailable revenue in the governmental funds.	9,994,721
Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service funds are included with governmental activities in the Statement of Net Position.	<u>8,457,612</u>
Net position of governmental activities (page 25)	<u>\$ 270,018,781</u>

COUNTY OF NAPA

**Statement of Revenues, Expenditures and
Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2016**

	General Fund	Health and Human Services	Flood Protection & Watershed Improvement Authority	Capital Improvement Fund	Roads	Other Governmental Funds	Total
Revenues							
Taxes	\$112,658,473	\$ -	\$ 17,863,548	\$ -	\$ -	\$ 18,958,968	\$ 149,480,989
Licenses and permits	6,008,045	326,839	-	-	65,065	4,191,418	10,591,367
Fines, forfeitures and penalties	3,502,399	441,014	-	408,544	100,591	110,882	4,563,430
Revenue from the use of money and property	967,450	121,734	391,495	240,146	39,708	378,680	2,139,213
Aid from other governments	54,531,827	54,527,274	-	-	7,177,340	5,094,847	121,331,288
Charges for services	24,380,711	9,277,584	-	450,000	116,220	10,120,970	44,345,485
Contributions and donations	27,174	47,667	-	-	-	170,176	245,017
Other revenue	232,129	15,564	-	-	57	231,371	479,121
Total revenues	202,308,208	64,757,676	18,255,043	1,098,690	7,498,981	39,257,312	333,175,910
Expenditures							
Current:							
General government	26,133,000	-	-	-	-	6,106,063	32,239,063
Public protection	102,413,214	-	-	-	-	20,077,219	122,490,433
Public ways and facilities	17,286,587	-	11,059,719	-	14,426,368	206,571	42,979,245
Health and sanitation	330,759	46,346,126	-	-	-	225,743	46,902,628
Public assistance	-	48,678,430	-	-	-	714,377	49,392,807
Education	482,986	-	-	-	-	9,106,539	9,589,525
Recreation and cultural services	1,342,312	-	-	-	-	-	1,342,312
Debt Service:							
Principal	77,349	-	4,790,000	-	-	3,069,540	7,936,889
Interest expense	1,638	-	589,754	-	-	1,419,014	2,010,406
Administration, issuance and arbitrage fees	-	-	5,177	-	-	2,021	7,198
Capital outlay	-	-	-	15,695,563	-	-	15,695,563
Total expenditures	148,067,845	95,024,556	16,444,650	15,695,563	14,426,368	40,927,087	330,586,069
Excess (Deficiency) of Revenues Over (Under) Expenditures	54,240,363	(30,266,880)	1,810,393	(14,596,873)	(6,927,387)	(1,669,775)	2,589,841
Other Financing Sources (Uses)							
Issuance of debt	29,148	-	-	-	-	-	29,148
Proceeds from insurance	5,276,578	-	-	-	-	-	5,276,578
Transfers in	608,194	34,388,559	-	11,346,755	7,052,856	5,296,298	58,692,662
Transfers out	(57,152,850)	(878,505)	-	(100,002)	(5,258)	(1,444,649)	(59,581,264)
Total other financing sources (uses)	(51,238,930)	33,510,054	-	11,246,753	7,047,598	3,851,649	4,417,124
Net change in fund balances	3,001,433	3,243,174	1,810,393	(3,350,120)	120,211	2,181,874	7,006,965
Fund balances - Beginning	95,458,736	20,308,762	70,249,339	52,860,908	6,062,134	54,574,572	299,514,451
Fund balances - Ending	\$ 98,460,169	\$ 23,551,936	\$ 72,059,732	\$ 49,510,788	\$ 6,182,345	\$ 56,756,446	\$ 306,521,416

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, 2016

Net change in fund balances - total governmental funds (page 33)		\$ 7,006,965
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlay as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Expenditures for general capital assets, infrastructure, and other related capital assets adjustments	\$ 23,461,611	
Less: current year depreciation	(5,919,603)	
Net effect of various miscellaneous transactions involving capital assets	<u>(216,719)</u>	
		17,325,289
Revenues in the Statement of Activities recognized in the prior fiscal year which are reported as current year revenues in the governmental funds		(4,011,263)
Long-term debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position		
Loan proceeds	(29,148)	
Principal payments	<u>7,936,889</u>	
		7,907,741
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Accrued interest on debt	(29,832)	
Amortization of debt premiums	440,460	
Change in compensated absences	(282,958)	
Difference between pension expense and funding	<u>8,117,509</u>	
		8,245,179
Internal service funds are used by management to charge the costs of certain activities to individual funds. The net expense of certain activities of the internal service funds is reported within governmental activities.		<u>431,224</u>
Change in net position of governmental activities (pages 26-27)		<u>\$ 36,905,135</u>

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

COUNTY OF NAPA

Statement of Fund Net Position
Proprietary Funds
June 30, 2016

	Business-Type Activities - Enterprise Funds				Governmental	
		Lake	Napa		Activities	
	Napa County Airport	Berryessa Resort Improvement	Berryessa Resort Improvement	Other Enterprise Funds	Internal Service Funds	
				Total		
Assets						
Current Assets:						
Cash and investments	\$ 4,455,402	\$ 648,422	\$ 880,412	\$ 1,198,283	\$ 7,182,519	\$ 18,280,229
Restricted Assets:						
Cash with fiscal agent	-	178,030	-	-	178,030	-
Cash held for debt service	-	-	1,663,148	-	1,663,148	-
Cash held for capital projects	-	-	112,033	-	112,033	-
Imprest cash	100	-	-	175	275	32,639
Receivables, Net:						
Taxes	-	9,100	6,803	-	15,903	-
Accounts	33,411	312,111	99,919	250,990	696,431	1,276,939
Special assessments	-	461,825	171,152	-	632,977	-
Prepaid items	-	10,315	-	-	10,315	1,069,760
Deposits	1,250	-	-	-	1,250	17,345
Total current assets	<u>4,490,163</u>	<u>1,619,803</u>	<u>2,933,467</u>	<u>1,449,448</u>	<u>10,492,881</u>	<u>20,676,912</u>
Noncurrent Assets:						
Net other postemployment benefits asset	-	-	-	-	-	786,000
Capital Assets:						
Nondepreciable:						
Land	1,886,002	205,050	237,567	3,036,422	5,365,041	-
Construction in progress	-	4,565,646	-	-	4,565,646	-
Intangible assets	-	-	-	-	-	1,105,582
Depreciable:						
Structures and improvements	35,085,836	6,681,841	12,601,168	24,327,497	78,696,342	-
Equipment	883,878	407,420	142,830	46,778	1,480,906	14,731,158
Intangible assets	-	-	-	-	-	667,632
Accumulated depreciation	(26,208,405)	(2,877,723)	(2,440,742)	(4,332,084)	(35,858,954)	(10,914,131)
Total noncurrent assets	<u>11,647,311</u>	<u>8,982,234</u>	<u>10,540,823</u>	<u>23,078,613</u>	<u>54,248,981</u>	<u>6,376,241</u>
Total assets	<u>16,137,474</u>	<u>10,602,037</u>	<u>13,474,290</u>	<u>24,528,061</u>	<u>64,741,862</u>	<u>27,053,153</u>
Deferred Outflows of Resources:						
Deferred pension	222,576	-	-	149,695	372,271	1,693,528
Liabilities						
Current Liabilities:						
Accounts payable	20,995	141,212	78,798	92,798	333,803	713,799
Accrued salaries and benefits	53,506	-	-	37,075	90,581	577,685
Deposits	10,319	37,030	76,490	-	123,839	-
Interest payable	-	46,533	110,167	-	156,700	-
Loans payable	44,922	-	-	-	44,922	-
Capital lease obligations	45,682	-	-	18,313	63,995	131,749
Bonds payable	-	60,000	161,000	-	221,000	-
Unearned revenue	-	-	-	8,506	8,506	29,820
Stipulated judgment	-	40,000	-	-	40,000	-
Unpaid insurance claims	-	-	-	-	-	2,491,819
Compensated absences	27,870	-	-	19,911	47,781	214,746
Total current liabilities	<u>203,294</u>	<u>324,775</u>	<u>426,455</u>	<u>176,603</u>	<u>1,131,127</u>	<u>4,159,618</u>
Noncurrent Liabilities:						
Advances from other funds	-	-	2,154,000	-	2,154,000	-
Loans payable	28,358	-	-	-	28,358	-
Capital lease obligations	593,445	-	-	209,328	802,773	40,739
Bonds payable	-	2,470,000	10,398,569	-	12,868,569	-
Stipulated judgment	-	80,000	-	-	80,000	-
Unpaid insurance claims	-	-	-	-	-	7,348,494
Compensated absences	16,141	-	-	15,260	31,401	196,758
Net pension liability	877,215	-	-	632,364	1,509,579	6,782,009
Total Noncurrent Liabilities	<u>1,515,159</u>	<u>2,550,000</u>	<u>12,552,569</u>	<u>856,952</u>	<u>17,474,680</u>	<u>14,368,000</u>
Total Liabilities	<u>1,718,453</u>	<u>2,874,775</u>	<u>12,979,024</u>	<u>1,033,555</u>	<u>18,605,807</u>	<u>18,527,618</u>
Deferred Inflows of Resources:						
Deferred pension	226,648	-	-	165,024	391,672	1,761,451
Net Position						
Net investment in capital assets	10,934,905	6,452,234	(18,746)	22,850,972	40,219,365	5,417,752
Unrestricted	3,480,044	1,275,028	514,012	628,205	5,897,289	3,039,860
Total Net Position	<u>\$ 14,414,949</u>	<u>\$ 7,727,262</u>	<u>\$ 495,266</u>	<u>\$ 23,479,177</u>	<u>\$ 46,116,654</u>	<u>\$ 8,457,612</u>

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

COUNTY OF NAPA

Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2016

	Business-Type Activities - Enterprise Funds				Governmental	
	Napa	Lake	Napa	Other	Internal	
	County	Berryessa	Berryessa	Enterprise		
Airport	Resort	Resort	Funds	Total	Service Funds	
Operating Revenues:						
Charges for services	\$ 2,195,179	\$ 591,816	\$ 820,774	\$ 2,049,798	\$ 5,657,567	\$ 27,986,588
Maintenance charges:						
Equipment	-	-	-	-	-	595,400
Vehicle	-	-	-	-	-	1,114,891
Replacement charges	-	-	-	-	-	1,200,513
Other revenue	9,077	-	-	15,864	24,941	11,571
Total Operating Revenues	<u>2,204,256</u>	<u>591,816</u>	<u>820,774</u>	<u>2,065,662</u>	<u>5,682,508</u>	<u>30,908,963</u>
Operating Expenses:						
Salaries and employee benefits	779,817	-	-	612,752	1,392,569	19,090,261
Services and supplies	581,928	537,078	704,497	1,959,859	3,783,362	4,703,992
Insurance	26,402	10,500	15,000	39,718	91,620	-
Other charges	9,997	459	77	-	10,533	452
Claims expense	-	-	-	-	-	2,981,355
Depreciation and amortization	1,472,112	285,602	575,506	511,782	2,845,002	4,264,452
Total Operating Expenses	<u>2,870,256</u>	<u>833,639</u>	<u>1,295,080</u>	<u>3,124,111</u>	<u>8,123,086</u>	<u>31,040,512</u>
Operating Loss	<u>(666,000)</u>	<u>(241,823)</u>	<u>(474,306)</u>	<u>(1,058,449)</u>	<u>(2,440,578)</u>	<u>(131,549)</u>
Non-Operating Revenues (Expenses):						
Aid from other governments	-	115	203	5,000	5,318	25,515
Taxes	-	314,880	54,404	-	369,284	-
Other revenue - non operating	-	-	-	132,549	132,549	-
Investment income (loss)	22,207	4,118	15,966	5,741	48,032	104,288
Other expense	-	-	-	(240)	(240)	-
Interest expense	(16,819)	(172,954)	(356,746)	(3,826)	(550,345)	(7,642)
Other financing uses	-	(206,121)	-	-	(206,121)	-
Administration, issuance and arbitrage fees	-	(5,973)	(19,351)	-	(25,324)	-
Gain on disposition of capital assets	-	-	-	-	-	143,172
Total Non-Operating Revenues (Expenses)	<u>5,388</u>	<u>(65,935)</u>	<u>(305,524)</u>	<u>139,224</u>	<u>(226,847)</u>	<u>265,333</u>
Net Income (Loss) Before Contributions and Transfers	<u>(660,612)</u>	<u>(307,758)</u>	<u>(779,830)</u>	<u>(919,225)</u>	<u>(2,667,425)</u>	<u>133,784</u>
Capital contributions, grants and assessments	61,960	714,823	577,142	-	1,353,925	-
Transfers in	-	-	-	591,162	591,162	300,000
Transfers out	-	-	-	-	-	(2,560)
Change in Net Position	<u>(598,652)</u>	<u>407,065</u>	<u>(202,688)</u>	<u>(328,063)</u>	<u>(722,338)</u>	<u>431,224</u>
Net Position - Beginning	<u>15,013,601</u>	<u>7,320,197</u>	<u>697,954</u>	<u>23,807,240</u>	<u>46,838,992</u>	<u>8,026,388</u>
Net Position - Ending	<u>\$14,414,949</u>	<u>\$ 7,727,262</u>	<u>\$ 495,266</u>	<u>\$23,479,177</u>	<u>\$46,116,654</u>	<u>\$ 8,457,612</u>

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

COUNTY OF NAPA
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2016

	Business-Type Activities - Enterprise Funds					Governmental
	Napa County Airport	Lake Berryessa Resort Improvement	Napa Berryessa Resort Improvement	Other Enterprise Funds	Total	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES:						
Receipts from customers	\$ 2,172,621	\$ 374,764	\$ 733,505	\$ 2,028,179	\$ 5,309,069	\$ -
Receipts from interfund services provided	-	-	-	-	-	29,861,727
Payments to suppliers for goods and services	(690,789)	(594,552)	(991,598)	(2,013,026)	(4,289,965)	(5,719,092)
Payments for self insurance claims	-	-	-	-	-	(3,671,466)
Payments to employees for services	(812,550)	-	-	(637,178)	(1,449,728)	(19,019,875)
Other receipts	-	-	-	132,549	132,549	-
Other payments	-	-	-	(240)	(240)	-
Net Cash Provided (Used) by Operating Activities	<u>669,282</u>	<u>(219,788)</u>	<u>(258,093)</u>	<u>(489,716)</u>	<u>(298,315)</u>	<u>1,451,294</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:						
Aid from other government agencies	-	541,166	433,453	5,000	979,619	25,515
Transfers from other funds	-	-	-	591,162	591,162	300,000
Transfers to other funds	-	-	-	-	-	(2,560)
Repayment of advances from other funds	-	(500,000)	(440,000)	-	(940,000)	-
Taxes	-	317,928	57,338	-	375,266	-
Stipulated judgment payments	-	(40,000)	-	-	(40,000)	-
Net Cash Provided (Used) by Noncapital Financing Activities	<u>-</u>	<u>319,094</u>	<u>50,791</u>	<u>596,162</u>	<u>966,047</u>	<u>322,955</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:						
Proceeds from the sale of capital assets	-	-	-	-	-	187,412
Proceeds from bond issuances	-	-	15,734	-	15,734	-
Principal payments on capital leases	(46,544)	-	-	(16,578)	(63,122)	(95,059)
Principal repayments on bonds and loans payable	(42,969)	(1,580,000)	(172,430)	-	(1,795,399)	-
Interest payments	(16,819)	(183,044)	(339,033)	(3,826)	(542,722)	(7,642)
Debt administration payments	-	(5,973)	(19,351)	-	(25,324)	-
Capital grants and contributions	114,330	-	-	-	114,330	-
Special assessments	-	682,220	558,706	-	1,240,926	-
Return of unused project assessments	-	(206,121)	-	-	(206,121)	-
Payments related to the acquisition of capital assets	-	(492,210)	(16,740)	(19,742)	(528,692)	(2,038,367)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>7,998</u>	<u>(1,785,128)</u>	<u>26,886</u>	<u>(40,146)</u>	<u>(1,790,390)</u>	<u>(1,953,656)</u>
CASH FLOWS FROM INVESTING ACTIVITIES						
Investment earnings	22,207	4,118	15,966	5,741	48,032	104,288
Net Cash Used by Investing Activities	<u>22,207</u>	<u>4,118</u>	<u>15,966</u>	<u>5,741</u>	<u>48,032</u>	<u>104,288</u>
Net Increase (Decrease) in Cash and Cash Equivalents	699,487	(1,681,704)	(164,450)	72,041	(1,074,626)	(75,119)
Cash and Cash Equivalents, Beginning	<u>3,756,015</u>	<u>2,508,156</u>	<u>2,820,043</u>	<u>1,126,417</u>	<u>10,210,631</u>	<u>18,387,987</u>
Cash and Cash Equivalents, Ending (includes restricted and imprest cash)	<u>\$ 4,455,502</u>	<u>\$ 826,452</u>	<u>\$ 2,655,593</u>	<u>\$ 1,198,458</u>	<u>\$ 9,136,005</u>	<u>\$ 18,312,868</u>

continued

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

COUNTY OF NAPA
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2016

	Business-Type Activities - Enterprise Funds				Governmental Activities	
	Napa County Airport	Lake Berryessa Resort Improvement	Napa Berryessa Resort Improvement	Other Enterprise Funds	Total	Internal Service Funds
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used) by Operating Activities:						
Operating income (loss)	\$ (666,000)	\$ (241,823)	\$ (474,306)	\$ (1,058,449)	\$ (2,440,578)	\$ (131,549)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Other non-operating receipts	-	-	-	132,549	132,549	-
Other non-operating payments	-	-	-	(240)	(240)	-
Depreciation and amortization	1,472,112	285,602	575,506	511,782	2,845,002	4,264,452
Changes in assets, deferred outflows of resources, liabilities and deferred inflows of resources:						
(Increase) decrease in:						
Accounts receivable	(31,635)	(220,052)	(99,919)	(229,996)	(581,602)	(1,151,068)
Due from other government agencies	-	-	-	190,030	190,030	129,347
Prepaid items	-	185	15,000	-	15,185	57,983
Other postemployment benefits asset	-	-	-	-	-	(786,000)
Increase (decrease) in:						
Accounts payable	(72,462)	(46,700)	(287,024)	(13,449)	(419,635)	(43,857)
Salaries and benefits	(32,733)	-	-	(24,426)	(57,159)	(172,388)
Unearned revenue	-	-	-	2,483	2,483	(25,515)
Customer deposits	-	3,000	12,650	-	15,650	-
Claims liability	-	-	-	-	-	(690,111)
Net Cash Provided (Used) by Operating Activities	\$ 669,282	\$ (219,788)	\$ (258,093)	\$ (489,716)	\$ (298,315)	\$ 1,451,294
Noncash Investing, Capital, and Financing Activities:						
Borrowing under capital lease	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 97,138

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

COUNTY OF NAPA

Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2016

	Investment <u>Trust Funds</u>	Private Purpose <u>Trust Funds</u>	<u>Agency Funds</u>
Assets			
Cash and investments	\$ 176,089,067	\$ 3,009,133	\$ 40,340,457
Restricted Cash:			
Cash held for tax loss reserve	-	-	1,089,486
Imprest cash/Revolving fund	-	-	43,975
Taxes receivable	-	-	13,738,261
Total Assets	<u>176,089,067</u>	<u>3,009,133</u>	<u>\$ 55,212,179</u>
 Liabilities			
Agency funds held for other	-	-	55,212,179
Total Liabilities	<u>-</u>	<u>-</u>	<u>\$ 55,212,179</u>
 Net Position			
Net assets held in trust	<u>176,089,067</u>	<u>3,009,133</u>	
Total Net Position	<u>\$ 176,089,067</u>	<u>\$ 3,009,133</u>	

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

COUNTY OF NAPA

Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2016

	<u>Investment Trust Funds</u>	<u>Private Purpose Trust Funds</u>
<u>ADDITIONS</u>		
Contribution:		
Contribution to investment pool	\$ 546,973,934	\$ 2,593,910
Total Contribution	<u>546,973,934</u>	<u>2,593,910</u>
Net Investment Income:		
Investment income	<u>1,399,861</u>	<u>16,464</u>
Net Investment Income	<u>1,399,861</u>	<u>16,464</u>
 Total Additions	 <u>548,373,795</u>	 <u>2,610,374</u>
<u>DEDUCTIONS</u>		
Distributions from investment pool	<u>598,017,864</u>	<u>2,774,098</u>
Total Deductions	<u>598,017,864</u>	<u>2,774,098</u>
 Change in Net Position	 (49,644,069)	 (163,724)
Net Position - Beginning	<u>225,733,136</u>	<u>3,172,857</u>
Net Position - Ending	<u>\$ 176,089,067</u>	<u>\$ 3,009,133</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 basic financial statements and are conjunctive to understanding the rationale for the presentation of the financial statements and information contained in this document.

	<u>Page</u>
Note 1: Summary of Significant Accounting Policies	
A. The Financial Reporting Entity.....	42
B. Basis of Presentation.....	43
C. Basis of Accounting.....	46
D. Cash and Cash Equivalents.....	46
E. Restricted Assets.....	46
F. Inventory and Prepaid Items.....	47
G. Property Tax Receivable and Revenue.....	47
H. Capital Assets.....	47
I. Assets Held for Resale.....	48
J. Compensated Absences.....	48
K. Interfund Transactions.....	49
L. Deferred Outflows and Inflows of Resources.....	49
M. Estimates.....	49
N. Accounting Pronouncements Adopted.....	50
O. Future Accounting Pronouncements.....	50
P. Fund Equity.....	51
Q. Fund Balance Policy.....	51
R. Pensions.....	52
Note 2: Cash and Investments.....	52
Note 3: Interfund Transactions.....	57
Note 4: Capital Assets.....	59
Note 5: Long-Term Liabilities.....	61
Note 6: Leases.....	65
Note 7: Deferred Inflows of Resources.....	66
Note 8: Restricted Component of Net Position.....	68
Note 9: Fund Balances.....	69
Note 10: County Employees Retirement Plan (Defined Benefit Pension Plan).....	71
Note 11: Other Postemployment Benefits.....	77
Note 12: Deferred Compensation Plan.....	80
Note 13: 401(a) Retirement Savings Plan.....	80
Note 14: Risk Management.....	80
Note 15: Contingencies.....	81
A. Litigation.....	81
B. Grants.....	82
Note 16: Subsequent Event.....	82

COUNTY OF NAPA

Notes to the Basic Financial Statements For the Year Ended June 30, 2016

1. Summary of Significant Accounting Policies

A. The Financial Reporting Entity

The County of Napa (County), which was established by an act of the State Legislature on February 18, 1850, is a legal subdivision of the State of California charged with governmental powers. The County's powers are exercised through a Board of Supervisors (Board), which is the governing body of the County. These financial statements present the government and its component units, entities for which the government is considered to be financially accountable under the criteria set by Governmental Auditing Standards Board (GASB) Statement No. 14 and amended by GASB Statements No. 39 and No. 61. The County provides various services on a countywide basis including law enforcement and legal justice, library, detention, social services, public health, mental health, fire protection, road construction, road maintenance, park and recreation, elections and records, communications, planning, zoning, and tax collection.

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

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

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

The reporting entity includes the following blended component units: Napa County Flood Protection and Watershed Improvement Authority, County Service Area #3, County Service Area #4, In-Home Supportive Services Public Authority of Napa County (IHSS), Silverado Community Services, Monticello Public Cemetery and Endowment District, Lake Berryessa Resort Improvement District, Napa Berryessa Resort Improvement District, Napa County Housing Authority, Napa Valley Tourism Improvement District, Community Facilities District - Devlin Road, Community Facilities District - MST, and Napa County Public Improvement Corporation. The blended component units' governing bodies are substantively the same as the governing body of the primary government and County Management has operating responsibility and is financially responsible for these entities.

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

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

COUNTY OF NAPA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2016

1. Summary of Significant Accounting Policies (continued)

A. The Financial Reporting Entity (continued)

Excluded Joint Power Authorities

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

The following JPAs have their own audits which may be obtained at the County administrative offices:

- Napa County Flood Control and Water Conservation District: The District's goals and objectives are to provide protection from flood events to the life, property and public highways in the District by enhancing and constructing storm drainage systems and flood control and prevention projects.
- Napa-Vallejo Waste Management Authority: The Authority is responsible for providing coordination of economical regional solid waste management services to the County, the Cities of Napa, American Canyon, and Vallejo.
- Upper Valley Waste Management Agency: The Agency is responsible for providing coordination of economical regional solid waste management services including, but not limited to, uniform rate review and rate recommendations to the County and the cities within Service Zones 3 and 4, the northern portion of the county.
- Napa Valley Transportation Authority: The Authority 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.

B. Basis of Presentation

Government-Wide Financial Statements

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

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

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

COUNTY OF NAPA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2016

1. Summary of Significant Accounting Policies (continued)

B. Basis of Presentation (continued)

Government-Wide Financial Statements (continued)

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

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

Fund Financial Statements

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

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

The County reports the following major governmental funds:

- The *General Fund* is used to account for all revenues and expenditures necessary to carry out basic governmental activities of the County that are not accounted for through other funds. For the County, the General Fund includes such activities as general government, public protection, public ways and facilities, health and sanitation, education and recreation and cultural services.
- *Health and Human Services Agency* is used to account for a variety of preventative health programs, outpatient services, mandated community health services, and a variety of public assistance and social services programs. A majority of its funding comes from State and Federal grants, charges for services and contributions from the General Fund.
- The *Napa County Flood Protection and Watershed Improvement Authority* is used to contract with the Board of Equalization for collection of sales tax and establish individual accounts for each jurisdiction, and disburse revenues for projects which meet the voter approved Measure A requirements.
- The *Capital Improvement Fund* is used to build up resources and account for major County capital projects. A majority of its funding comes from contributions made by the General Fund.
- The *Roads Fund* provides for the County Road Program to protect, preserve, enhance and improve the existing County road network. This fund pays for the construction and maintenance of the road system in the unincorporated area with a majority of its revenues coming from State, Federal and General Fund resources.

COUNTY OF NAPA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2016

1. Summary of Significant Accounting Policies (continued)

B. Basis of Presentation (continued)

Fund Financial Statements (continued)

The County reports the following major enterprise funds:

- The *Napa County Airport Fund* is used to fund general airport operations, office and administrative expenses, and the maintenance of airport facilities, including the replacement of exterior lighting fixtures, runways, taxiway and ramp lighting, and heating and air conditioning service. Major revenue sources include fuel flow fees, rents, land leases, landing fees as well as State and Federal resources.
- The *Lake Berryessa Resort Improvement District* is used to provide water and waste water services within District boundaries. The District funds operations, maintenance and capital improvements for water delivery and treatment facilities. Major revenue sources include charges for services, annual assessments, property taxes, State resources and debt financing.
- The *Napa Berryessa Resort Improvement District* is used to provide water and waste water services within District boundaries. The District funds operations, maintenance and capital improvements for water delivery and treatment facilities. Major revenues sources include charges for services, annual assessments, property taxes and debt financing.

The County reports the following additional fund types:

- *Internal Service Funds* are used to provide goods or services to County departments on a cost reimbursement basis. These funds include fleet management services, information technology services, employee/retiree benefits and liability insurance.
- The *Investment Trust Fund* accounts for assets of legally separate entities that deposit cash with the County Treasury. These entities include school and community college districts, special districts governed by local boards, regional boards and authorities. These funds represent the assets (primarily cash and investments) and the related liability of the County to disburse these monies on demand.
- The *Private Purpose Trust Funds* account for assets held by the Public Guardian and Public Administrator.
- The *Agency Funds* account for assets held by the County in an agency capacity for individuals or other government units. Since they are custodial in nature they do not involve measurement of results of operations, nor do they have equity accounts since all assets are due to individuals or entities at some future time. These funds include pass through funds established for the distribution of tax collections for the State, cities and town.

COUNTY OF NAPA

Notes to the Basic Financial Statements For the Year Ended June 30, 2016

1. Summary of Significant Accounting Policies (continued)

C. Basis of Accounting

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Therefore, revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers property tax revenues to be available if they are collected within 60 days of the end of the current fiscal period. All other revenues are considered to be available if they are collected within 90 days of the end of the current fiscal period.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

Expenditures generally are recorded when a liability is incurred, as under accrual basis of accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and capital leases are reported as other financial sources.

D. Cash and Cash Equivalents

For purposes of the accompanying statement of cash flows, the enterprise and internal service funds consider all highly liquid investments with a maturity of three months or less when purchased, and their equity in the County Treasurer's investment pool, to be cash equivalents. In accordance with GASB Statement No. 31, "*Accounting and Financial Reporting for Certain Investments and External Investment Pools*," investments held by the County Treasurer are stated at fair value.

The investment pool is not registered as an investment company with the Security Exchange Commission (SEC) nor is it an SEC Rule 2a7-like pool. California Government Code statutes and the County Treasury Oversight Committee set forth the various investment policies that the County Treasurer must follow.

E. Restricted Assets

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

COUNTY OF NAPA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2016

1. Summary of Significant Accounting Policies (continued)

F. Inventory and Prepaid Items

Inventory is historically stated at cost using the first-in first-out method for governmental activities within proprietary funds. Inventory recorded by proprietary funds includes materials and supplies for maintaining County vehicles and equipment. Inventories are recorded as expenditures at the time the inventory is consumed. The County had no material inventories at June 30, 2016.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. Prepayments are recognized as expenditures in the period benefited using the consumption method.

G. Property Tax Receivable and Revenue

The property taxes receivable balance is \$13.7 million. Secured taxes are levied as of July 1 and payable in two equal installments due November 1 and February 1. They become delinquent with penalties on December 10 and April 10, respectively. Property taxes attach as an enforceable lien on January 1. All general property taxes are allocated by the County Auditor-Controller's Office to the various taxing entities per the legislation implementing Proposition 13. The method of allocation used by the County is subject to review by the State of California. Unsecured property taxes are due on January 1 (lien date) and become delinquent with penalties on August 31.

Alternative Method of Distribution of Tax Levies

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

The County is required to create a tax loss reserve fund (an agency fund) under one or two alternative methods: (1) 1 percent of the total amount of taxes and assessments levied on the secured roll for the year or (2) 25 percent of the total delinquent secured taxes for participating entities in the County as calculated at the end of the fiscal year. For fiscal year 2015-2016, the County opted to use method (2) which required a tax loss reserve of at least 25 percent of total delinquent taxes levied on the secured roll. The balance in the tax loss reserve is \$9.0 million as of June 30, 2016.

H. Capital Assets

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

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

COUNTY OF NAPA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2016

1. Summary of Significant Accounting Policies (continued)

H. Capital Assets (continued)

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

The estimated useful lives are as follows:

Infrastructure (except for the maintained pavement subsystem)	20 to 50 years
Structures and improvements	20 to 50 years
Equipment	3 to 15 years
Intangible assets	2 to 10 years

I. Assets Held for Resale

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

J. Compensated Absences

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

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

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

Public Service Employees

The chart below is utilized for unused vacation benefits accrual by all other non-law enforcement personnel.

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

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

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

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

COUNTY OF NAPA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2016

1. Summary of Significant Accounting Policies (continued)

J. Compensated Absences (continued)

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

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

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

K. Interfund Transactions

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

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

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

L. Deferred Outflows and Inflows of Resources

Pursuant to GASB Statement No. 63 and GASB Statement No. 65, the County recognizes deferred outflows and inflows of resources. A deferred outflow of resources is defined as a consumption of net position by the government that is applicable to a future reporting period. A deferred inflow of resources is defined as an acquisition of net position by the government that is applicable to a future reporting period.

M. Estimates

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

COUNTY OF NAPA

**Notes to the Basic Financial Statements
For the Year Ended June 30, 2016**

1. Summary of Significant Accounting Policies (continued)

N. Accounting Pronouncements Adopted

The following Governmental Accounting Standard Board (GASB) Statements have been implemented in the current financial statements:

Statement No. 72	Fair Value Measurement and Application	The requirements of this Statement are effective for reporting periods beginning after June 30, 2015.
Statement No. 73	Accounting and Financial Reporting for Pension and Related Assets that are not within the Scope of GASB Statement No. 68, and Amendments to Certain Provisions of GASB Statements No. 67 and No. 68	The requirements of this Statement are effective for reporting periods beginning after June 15, 2015, except those requirements that address accounting and financial reporting by employers and governmental nonemployer contributing entities for pensions that are not within the scope of Statement 68 which are effective for reporting periods beginning after June 30, 2016.
Statement No. 76	The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments	The requirements of this Statement are effective for reporting periods beginning after June 30, 2015.
Statement No. 79	Certain External Investment Pools and Pool Participant	The requirements of this Statement are effective for reporting periods beginning after June 15, 2015, except for certain provisions on portfolio quality, custodial credit risk, and shadow pricing. Those provisions are effective for reporting periods beginning after December 15, 2015
Statement No. 82	Pension Issues – an amendment of GASB Statements No. 67, No. 68, and No. 73	The requirements of this Statement are effective for reporting periods beginning after June 15, 2016, except for the requirements of this Statement for the selection of assumptions in a circumstance in which an employer's pension liability is measured as of a date other than the employer's most recent fiscal year-end. In that circumstance, the requirements for the selection of assumptions are effective for that employer in the first reporting period in which the measurement date of the pension liability is on or after June 15, 2017. The County early implemented this standard.

O. Future Accounting Pronouncements

Governmental Accounting Standards Board (GASB) Statements Numbers 74, 75, 77, 78, 80, 81 and 83 listed below will be implemented in future financial statements:

Statement No. 74	Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans	The provisions of this statement are effective for financial statement periods beginning after June 15, 2016.
Statement No. 75	Accounting and Financial Reporting for Postemployment Benefits Other Than Pension Plans	The provisions for this statement are effective for financial statement periods beginning after June 15, 2017.
Statement No. 77	Tax Abatement Disclosures	The requirements of this Statement are effective for reporting periods beginning after December 15, 2015.
Statement No. 78	Pensions Provided through Certain Multiple-Employer Defined Benefit Plans	The reporting requirements of this Statement are effective for reporting periods beginning after December 15, 2015.
Statement No. 80	Blending Requirements for Certain Component Units - an amendment of GASB Statement No. 14	The requirements of this Statement are effective for reporting periods beginning after June 15, 2016.
Statement No. 81	Irrevocable Split-Interest Agreements	The requirements of this Statement are effective for reporting periods beginning after December 15, 2016.
Statement No. 83	Certain Asset Retirement Obligations	The requirements of this statement are effective for reporting periods beginning after June 15, 2018

COUNTY OF NAPA

Notes to the Basic Financial Statements For the Year Ended June 30, 2016

1. Summary of Significant Accounting Policies (continued)

P. Fund Equity

In the fund financial statements, governmental funds report fund balance as nonspendable, restricted, committed, assigned or unassigned based on the extent to which the County is bound to honor various constraints.

- Nonspendable fund balance – amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.
- Restricted fund balance – amounts with constraints placed on the use of resources that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.
- Committed fund balance – amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision making authority (the Board of Supervisors) and which remain in place unless removed by taking the same type of action it employed to commit those amounts. The formal action that commits fund balance to a specific purpose should occur prior to the end of the reporting period.
- Assigned fund balance – amounts that are constrained by the County's intent to be used for specific purposes. Intent is expressed by the Board of Supervisors itself or a body (a budget or finance committee, for example) or official to which the governing body has delegated authority to assign amounts to be used for specific purposes. This is also the classification for residual funds in the County's special revenue funds.
- Unassigned fund balance – the residual classification for the General Fund that includes amounts not contained in the preceding classifications. In other governmental funds, the unassigned classification is used when expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes.

The Board of Supervisors establishes, modifies or rescinds fund balance commitments and assignments by passage of a resolution. This can be done through the adoption of the budget and subsequent budget amendments that occur throughout the year.

Q. Fund Balance Policy

The County is committed to maintaining adequate reserves to protect against unanticipated events that would otherwise adversely affect the financial condition of the County and jeopardize the continuation of necessary public services. The purpose of the County's fund balance policy is to maintain sufficient levels of fund balance to:

- provide cash flow for daily financial requirements,
- provide reserves to guard against economic downturns,
- provide reserves to protect against unforeseen expenditures related to emergencies, and
- provide reserves to maintain investment grade bond ratings.

In order to accomplish this goal, the County has adopted a policy to achieve and maintain a minimum unrestricted fund balance in the General Fund of 20% of budgeted General Fund and Health and Human Services operating expenditures on an annual basis, which is slightly higher than the recommended minimum level set forth by the Government Finance Officers Association of 17%.

COUNTY OF NAPA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2016

1. Summary of Significant Accounting Policies (continued)

Q. Fund Balance Policy (continued)

Order of Spending

The fund balance policy also sets the County's order of spending when multiple funding sources are available. When both restricted and unrestricted resources are available for use, expenditures are to be made using restricted resources first, followed in order by committed, assigned and lastly unassigned resources.

R. Pensions

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

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

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

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

2. Cash and Investments

Cash and investments include the cash balances of substantially all funds, which are pooled and invested by the County Treasurer. The Napa County Treasury Pool (Pool) is not registered as an investment company with the Securities and Exchange Commission (SEC) nor is it an SEC Rule 2a7-like pool. Interest earned on pooled investments is apportioned quarterly to certain participating funds based upon each fund's average daily balance with all remaining interest deposited in the General Fund. The Statements of Net Position and the Balance Sheet include investments that reside outside of the Pool and are held with fiscal agents.

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

COUNTY OF NAPA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2016

2. Cash and Investments (continued)

Investments made by the Treasurer are regulated by the California Government Code and by the County's investment policy. The objectives of State statutes and the County's investment policy are primarily to safeguard investment principal by mitigating exposure to risk factors, secondarily maintaining sufficient liquidity to meet cash flow needs, and lastly to attain a return on the funds. The County has established the 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 Treasury 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 Treasury 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, 2016, total County cash and investments were as follows:

Cash:	
Cash on hand	\$ 108,938
Imprest cash	161,530
Cash in banks	10,672,085
Outstanding warrants, deposits and reconciling items	<u>(15,692,174)</u>
Total Cash	<u>(4,749,621)</u>
Investments:	
In Treasurer's pool	533,975,414
With fiscal agents external to the pool	<u>2,237,085</u>
Total Investments	<u>536,212,499</u>
Total Cash and Investments	<u>\$ 531,462,878</u>

Total cash and investments at June 30, 2016 were presented in the County's financial statements as follows:

Total governmental activities	\$ 301,754,755
Total business-type activities	9,136,005
Investment trust funds	176,089,067
Private purpose trust funds	3,009,133
Agency funds	<u>41,473,918</u>
Total Cash and Investments	<u>\$ 531,462,878</u>

Custodial Credit Risk related to Deposits

Custodial credit risk for deposits is the risk that the County will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. This risk is mitigated in that of the County's total bank balances, \$252,225 is insured by the Federal Depository Insurance Corporation. The remaining \$10,419,860 on deposit is collateralized with securities held by the pledging financial institution's agent. Per Government Code Section 53652, the depository is required to maintain a market value of at least 110% of the pledged collateral.

Investments

The following table identifies the investment types that are authorized for the Pool by the California Government Code or the County's investment policy, where more restrictive. The table also identifies certain provisions of the County's investment policy that address interest rate risk, credit risk, and concentration risk.

COUNTY OF NAPA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2016

2. Cash and Investments (continued)

Investments (continued)

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Portfolio</u>	<u>Maximum Investment % in One Issuer</u>
U.S. Treasury Obligations	5 years	None	None
U.S. Agency Obligations	5 years	None	None
State of California Obligations	5 years	None	None
Banker's Acceptances	180 days	40%	30%
California Local Agency Obligations	5 years	None	None
Commercial Paper	270 days	40%	10%
Negotiable Certificates of Deposit	5 years	30%	None
Repurchase Agreements	1 year	None	None
Medium-Term Notes	5 years	30%	None
Local Agency Investment Fund (LAIF)	N/A	\$50 million	None

At June 30, 2016, the County had the following investments:

	<u>Interest Rates</u>	<u>Maturities</u>	<u>Par</u>	<u>Cost</u>	<u>Fair Value</u>	<u>WAM (Years)</u>
Investments in Investment Pool						
U.S. Agency Obligations - fixed	0.45%-1.57%	9/26/16-10/19/20	\$ 259,785,000	\$ 259,770,003	\$ 260,073,986	2.04
U.S. Agency Obligations - discount	0.28%-0.56%	7/1/16-1/31/17	223,000,000	222,404,916	222,787,410	0.26
Teeter notes	1.05%-2.19%	9/1/17-9/1/20	1,800,495	1,800,495	1,800,495	3.30
LAIF	0.58%	On demand	50,000,000	50,000,000	50,000,000	0.00
Total Treasurer's Pooled Investments			534,585,495	533,975,414	534,661,891	1.11
Investments Controlled by Fiscal Agents						
U.S. Treasury Obligations			2,237,085	2,237,085	2,237,085	
Total Investments			<u>\$ 536,822,580</u>	<u>\$ 536,212,499</u>	<u>\$ 536,898,976</u>	

Interest Rate Risk

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

The fair values of the County's fixed-maturity investments fluctuate in response to changes in market interest rates. Increases in prevailing interest rates generally translate into decreases in the fair values of those instruments; conversely, decreases in prevailing interest rates generally translate into increases in the fair values of those instruments. At June 30, 2016, the investment pool fair value exceeded cost by \$686,477, or 0.13%. The cost and fair value of cash and investments was substantially the same at year-end, as such no fair value adjustment was required.

Credit Risk

State law and the County's Investment Policy limit investments in commercial paper to the rating of A1 by Standards & Poor's, P-1 by Moody's or F-1 by Fitch. State law and the County's Investment Policy also limit investments in corporate notes to the rating of A by Standard & Poor's and Moody's Investment Service. The County's investment policy limits State of California and California Local Agency Obligations to the rating of A or better by Standard & Poor's, Moody's or Fitch, but does not have credit limits on U.S. Agency obligations.

COUNTY OF NAPA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2016

2. Cash and Investments (continued)

Concentration of Credit Risk

The following is a summary of the credit quality distribution and concentration of credit risk by investment type as a percentage of the County Investment Pool's fair value at June 30, 2016.

	<u>S & P</u>	<u>Moody's</u>	<u>% of Portfolio</u>
U.S. Agency Obligations - fixed	AA+	Aaa	48.64 %
U.S. Agency Obligations - discount	AA+	Aaa	41.67 %
Teeter notes	Unrated	Unrated	0.34 %
Local Agency Investment Fund (LAIF)	Unrated	Unrated	<u>9.35 %</u>
Total			<u>100.00 %</u>

In accordance with State law and the County's Investment Policy, the County did not have 10% or more of its net investment in any one money market mutual fund. Investments in any one issuer (other than U.S. treasury securities, money market mutual funds and external investment pools) that represent 5% or more of the total Pool investments are as follows:

Federal Home Loan Bank	Government Sponsored	\$ 98,444,406	18.41 %
Federal Farm Credit Bank	Government Sponsored	134,153,940	25.09 %
Federal National Mortgage Association	Government Sponsored	106,988,900	20.01 %
Federal Home Loan Mortgage Corporation	Government Sponsored	143,274,151	26.80 %

Local Agency Investment Fund

The Pool's total investment in the LAIF, managed by the Treasurer for the State of California is \$50.0 million at June 30, 2016. The total amount invested by all public agencies in LAIF at June 30, 2016 was \$22.7 billion. LAIF is available for investment of funds administered by California local governments and special districts and is not registered with the SEC as an investment company. The Local Investment Advisory Board has oversight responsibility for LAIF. The Local Investment Advisory Board consists of five members as designated by State Statute. The value of pool shares in LAIF, which may be withdrawn, is determined on an amortized cost basis, which is different than the fair value of the pooled treasury's portion in the pool. LAIF is part of the State of California Pooled Money Investment Account (PMIA), whose balance at June 30, 2016 was \$75.4 billion. The PMIA portfolio includes 0.97% invested in medium and short term structured notes and asset-backed securities and 1.11% invested in short term asset-backed commercial paper. PMIA is not registered with the Securities and Exchange Commission as an investment company, but is required to invest according to California State Code. The average maturity of PMIA investments was 167 days as of June 30, 2016.

LAIF operates and reports to participants on an amortized cost basis. The income, gains, and losses, net of administration fees, are allocated based upon the participants average daily balance. Deposits in LAIF are not insured or otherwise guaranteed by the State of California and participants share proportionately in any realized gains or losses on investments. The fair value of LAIF is approximately equal to the value of pool shares. Withdrawals from LAIF are processed for a minimum of \$5,000, in increments of a thousand dollars. Withdrawals in excess of \$10.0 million require 24 hours advance notification.

COUNTY OF NAPA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2016

2. Cash and Investments (continued)

County Investment Pool Condensed Financial Statements

The following represents a condensed statement of net position and changes in net position for the Treasurer's investment pool as of June 30, 2016:

Statement of Net Position

Net Position held for pool participants	\$ 533,975,414
Equity of internal pool participants	308,937,881
Equity of external pool participants (both voluntary and involuntary)	<u>225,037,533</u>
Total Net Position	<u>\$ 533,975,414</u>

Statement of Changes in Net Position

Net position held for pool participants at July 1, 2015	\$ 532,006,949
Net change in investments by pool participants	<u>1,968,465</u>
Net position held for pool participants at June 30, 2016	<u>\$ 533,975,414</u>

The Pool holds investments that are measured at fair value on a recurring basis. Investments are categorized within a fair value hierarchy established by generally accepted accounting principles. These principles recognize a three-tiered fair value hierarchy, as follow:

- Level 1: Investments reflect prices quoted for identical assets in active markets;
- Level 2: Investments reflect prices based upon identical or similar assets that are observable either directly or indirectly; and,
- Level 3: Investments reflect prices based upon unobservable sources.

The Pool has the following recurring fair value measurements as of June 30, 2016:

	Fair Value Measurements Using		
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<u>Investments by fair value level</u>			
Debt Securities			
Government agency bonds	\$260,073,986	\$ 260,073,986	\$ -
Government agency discount notes	222,787,410	222,787,410	-
Teeter notes	1,800,495	-	1,800,495
Total investments measured at fair value	<u>\$484,661,891</u>	<u>\$ 482,861,396</u>	<u>\$ 1,800,495</u>
Investments measured at amortized cost			
LAIF	50,000,000		
Total pooled and directed investments	<u>\$534,661,891</u>		

COUNTY OF NAPA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2016

3. Interfund Transactions

Interfund Receivables/Payables

The composition of interfund balances as of June 30, 2016 are as follows:

Due to/from other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Other Governmental Fund	\$ 177,608	IHSS cash advance
Health and Human Services Agency	General Fund	1,324,259	Program cash advance
		<u>\$ 1,501,867</u>	

The above balances reflect temporary cash advances.

Advance to/from other funds:

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

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Napa Berryessa Resort Improv.	\$ 2,109,000	Operating & capital advances
	Other Governmental Fund	563,000	Capital advance
Capital Improvement Fund	Napa Berryessa Resort Improv.	45,000	Capital advance
	Roads Fund	2,500,000	Capital advance
	Other Governmental Fund	802,201	Capital advance
Other Governmental Fund	Health & Human Services Agency	100,185	Program advance
		<u>\$ 6,119,386</u>	

COUNTY OF NAPA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2016

3. Interfund Transactions (continued)

Transfers

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

<u>Transfer from</u>	<u>Transfer to</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Roads Fund	\$ 6,853,114	Road contribution
	Health & Human Services Agency	34,304,559	HHSA program contribution
	Capital Improvement Fund	11,346,755	Current & future capital projects
	Other Governmental Funds	3,782,346	Debt service
	Other Governmental Funds	524,352	Library contribution
	Other Governmental Funds	41,724	IHSS contribution
	Internal Service Funds	300,000	Unemployment insurance subsidy
Health & Human Services Agency	General Fund	362,644	Program contribution
	Other Governmental Funds	515,861	Debt service
Capital Improvement Fund	General Fund	100,002	Return of excess project funds
Roads Fund	Other Governmental Funds	5,258	Debt service
Other Governmental Funds	General Fund	52,988	Emergency services
	General Fund	90,000	Project contribution
	Roads	199,742	Road Maintenance
	Health & Human Services Agency	84,000	Homeless prevention
	Other Governmental Funds	400,059	Fire protection
	Other Governmental Funds	26,698	Debt service
	Other Enterprise Funds	591,162	Farmworker centers
Internal Service Funds	General Fund	2,560	Project contribution
		<u>\$ 59,583,824</u>	

COUNTY OF NAPA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2016

4. Capital Assets

Capital asset activity for the year ended June 30, 2016, was as follows:

	<u>Balance July 1, 2015</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers & Adjustments</u>	<u>Balance June 30, 2016</u>
Governmental Activities					
Capital Assets, not being depreciated:					
Land	\$ 13,967,748	\$ -	\$ -	\$ -	\$ 13,967,748
Intangible assets	800,355	305,226	-	-	1,105,581
Construction in progress	16,966,855	22,679,655	(216,701)	(10,618,170)	28,811,639
Total capital assets, not being depreciated	<u>31,734,958</u>	<u>22,984,881</u>	<u>(216,701)</u>	<u>(10,618,170)</u>	<u>43,884,968</u>
Capital assets, being depreciated:					
Infrastructure	186,729,960	-	-	6,845,604	193,575,564
Structures and improvements	124,183,272	-	-	3,274,176	127,457,448
Equipment	35,293,859	2,612,236	(1,172,295)	498,390	37,232,190
Intangible assets	667,632	-	-	-	667,632
Total capital assets being depreciated	<u>346,874,723</u>	<u>2,612,236</u>	<u>(1,172,295)</u>	<u>10,618,170</u>	<u>358,932,834</u>
Less accumulated depreciation for:					
Infrastructure	(163,797,516)	(2,250,752)	-	-	(166,048,268)
Structures and improvements	(35,821,949)	(2,397,135)	-	-	(38,219,084)
Equipment	(25,133,994)	(5,402,642)	1,128,038	-	(29,408,598)
Intangible assets	(333,815)	(133,526)	-	-	(467,341)
Total accumulated depreciation	<u>(225,087,274)</u>	<u>(10,184,055)</u>	<u>1,128,038</u>	<u>-</u>	<u>(234,143,291)</u>
Total capital assets, being depreciated, net	<u>121,787,449</u>	<u>(7,571,819)</u>	<u>(44,257)</u>	<u>10,618,170</u>	<u>124,789,543</u>
Governmental activities capital assets, net	<u>\$ 153,522,407</u>	<u>\$ 15,413,062</u>	<u>\$ (260,958)</u>	<u>\$ -</u>	<u>\$ 168,674,511</u>
Business-type Activities					
Capital assets, not being depreciated:					
Land	\$ 5,365,041	\$ -	\$ -	\$ -	\$ 5,365,041
Construction in progress	4,073,436	492,210	-	-	4,565,646
Total capital assets, not being depreciated	<u>9,438,477</u>	<u>492,210</u>	<u>-</u>	<u>-</u>	<u>9,930,687</u>
Capital assets, being depreciated:					
Structures and improvements	78,723,378	-	-	(27,036)	78,696,342
Equipment	1,417,389	36,481	-	27,036	1,480,906
Total capital assets, being depreciated	<u>80,140,767</u>	<u>36,481</u>	<u>-</u>	<u>-</u>	<u>80,177,248</u>
Less accumulated depreciation for:					
Structures and improvements	(32,122,913)	(2,674,209)	-	-	(34,797,122)
Equipment	(891,039)	(170,793)	-	-	(1,061,832)
Total accumulated depreciation	<u>(33,013,952)</u>	<u>(2,845,002)</u>	<u>-</u>	<u>-</u>	<u>(35,858,954)</u>
Total capital assets, being depreciated, net	<u>47,126,815</u>	<u>(2,808,521)</u>	<u>-</u>	<u>-</u>	<u>44,318,294</u>
Business-type activities capital assets, net	<u>\$ 56,565,292</u>	<u>\$ (2,316,311)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 54,248,981</u>

COUNTY OF NAPA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2016

4. Capital Assets (continued)

Transfers and Adjustments

During fiscal year 2015-2016 the following projects (construction in progress) were completed and transferred from non depreciable capital assets:

- The General Fund completed and transferred work on Sulphur Creek funded by Measure A to Land Improvements in the amount of \$2,184,828.
- The Library completed renovations to the Calistoga branch resulting in \$1,089,348 being transferred to Buildings and Improvements.
- Roads completed the Oakville Crossroad Bridge project and transferred \$6,845,604 to Infrastructures in the Roads Operating Fund.
- Fire Protection completed construction and placed in service a new fire engine. The total cost of the fire engine project was \$498,390 which was transferred to equipment.

Construction Commitments

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

Project Description	Outstanding Commitment
Jail Security System	\$ 1,765,720

Depreciation

Depreciation expense was charged to governmental functions as follows:

General government	\$ 2,216,935
Public protection	3,358,785
Public ways and facilities	3,772,673
Health and sanitation	560,342
Public assistance	69,201
Education	206,119
Total Depreciation Expense - Governmental Functions	\$ 10,184,055

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

COUNTY OF NAPA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2016

4. Capital Assets (continued)

Depreciation (continued)

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

Napa County Airport	\$ 1,472,112
Lake Berryessa Resort Improvement District	285,602
Napa Berryessa Resort Improvement District	575,506
5th Street Parking Garage	336,827
Napa County Housing Authority	69,639
Napa County Animal Shelter	105,316
Total Depreciation Expense - Business-Type Functions	<u>\$ 2,845,002</u>

5. Long-Term Liabilities

The following is a summary of long-term liabilities:

	Balance July 1, 2015	Additions	Reductions	Balance June 30, 2016	Amount Due within One Year
Governmental Activities:					
Bonds payable	\$ 14,920,000	\$ -	\$ (4,790,000)	\$ 10,130,000	\$ 4,965,000
Less unamortized premiums:					
For issuance premiums	481,672	-	(160,558)	321,114	
Certificates of participation	30,235,000	-	(2,930,000)	27,305,000	3,055,000
Less unamortized amounts:					
For issuance premiums	3,774,780	-	(419,420)	3,355,360	
Capital lease obligations	2,296,231	97,138	(256,777)	2,136,592	296,636
Loans payable	5,846,072	29,148	(55,171)	5,820,049	268,716
Compensated absences	7,713,501	8,137,868	(7,810,388)	8,040,981	4,890,998
Liability for unpaid claims	10,530,424	2,247,911	(2,938,022)	9,840,313	2,491,819
Total Governmental Activities					
Long-term liabilities	<u>\$ 75,797,680</u>	<u>\$ 10,512,065</u>	<u>\$ (19,360,336)</u>	<u>\$ 66,949,409</u>	<u>\$ 15,968,169</u>
Business-type Activities					
Bonds payable	\$ 14,826,266	\$ 15,734	\$ (1,752,431)	\$ 13,089,569	\$ 221,000
Capital lease obligations	929,889	-	(63,121)	866,768	63,995
Loan payable	116,249	-	(42,969)	73,280	44,922
Stipulated judgments	160,000	-	(40,000)	120,000	40,000
Compensated absences	79,196	82,245	(82,259)	79,182	47,781
Total Business-type Activities					
Long-term liabilities	<u>\$ 16,111,600</u>	<u>\$ 97,979</u>	<u>\$ (1,980,780)</u>	<u>\$ 14,228,799</u>	<u>\$ 417,698</u>

COUNTY OF NAPA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2016

5. Long-Term Liabilities (continued)

Annual debt service requirements of governmental and business-type activities to maturity are as follows:

Year Ending June 30:	Governmental Activities					
	Bonds Payable		Certificates of Participation		Loan Payable	
	Principal	Interest	Principal	Interest	Principal	Interest
2017	\$ 4,965,000	\$ 413,466	\$ 3,055,000	\$ 1,185,350	\$ 268,716	\$ 53,547
2018	5,165,000	211,371	3,180,000	1,061,100	266,751	55,513
2019	-	-	3,330,000	916,750	269,419	52,846
2020	-	-	3,485,000	765,500	272,113	50,152
2021	-	-	3,650,000	670,500	274,834	47,430
2022-2026	-	-	10,605,000	844,951	1,415,949	195,374
2027-2031	-	-	-	-	1,488,177	123,146
2032-2036	-	-	-	-	1,564,090	47,234
	<u>\$ 10,130,000</u>	<u>\$ 624,837</u>	<u>\$ 27,305,000</u>	<u>\$ 5,444,151</u>	<u>\$ 5,820,049</u>	<u>\$ 625,242</u>

Year Ending June 30:	Business-type Activities			
	Special Assessment Bonds Payable		Loans Payable	
	Principal	Interest	Principal	Interest
2017	\$ 221,000	\$ 466,007	\$ 44,922	\$ 3,828
2018	232,000	457,601	28,358	1,481
2019	242,000	448,673	-	-
2020	253,000	439,216	-	-
2021	258,000	429,451	-	-
2022-2026	1,456,000	1,986,925	-	-
2027-2031	1,760,000	1,675,092	-	-
2032-2036	2,155,000	1,287,516	-	-
2037-2041	1,976,000	860,844	-	-
2042-2046	1,877,000	568,453	-	-
2047-2051	2,195,000	250,953	-	-
2052-2054	464,569	7,515	-	-
	<u>\$ 13,089,569</u>	<u>\$ 8,878,246</u>	<u>\$ 73,280</u>	<u>\$ 5,309</u>

COUNTY OF NAPA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2016

5. Long-Term Liabilities (continued)

Long-term debt at June 30, 2016 consisted of the following:

	<u>Date of Issue</u>	<u>Maturity</u>	<u>Interest Rates</u>	<u>Annual Principal Installments</u>	<u>Original Issue Amount</u>	<u>Outstanding at June 30, 2016</u>
<u>Governmental Activities:</u>						
Bonds Payable						
2005 Series Refunding (to refund a portion of the Napa County Flood Protection and Watershed Improvement Authority's Limited Tax Bonds, 1999 Series A, and to pay the costs of issuance of the Series 2005 Bonds. The 1999 Series A Bonds were issued to finance or reimburse the Authority for certain costs of the Napa River/Napa Creek Flood Protection Project and other costs associated with the issuance.)						
Bonds Payable	7/1/2005	2018	3.25 -5.00%	\$50,000 - \$3,870,000	\$ 29,710,000	\$ 7,560,000
2013 Series A Bonds (to refund the Napa County Flood Protection and Watershed Improvement Authority's 2005 Series A Bonds and pay cost of issuance of the refunding. The Series A Bonds were used to finance or reimburse certain costs of the City of St. Helena's flood protection and watershed improvement project, pay the premium of a surety bond to be deposited in the Bond Reserve Fund established under the indenture, and pay the costs of issuance.)						
Bonds Payable	10/1/2013	2018	1.38%	\$820,000 - \$1,295,000	<u>5,890,000</u>	<u>2,570,000</u>
Total Bonds Payable					<u>35,600,000</u>	<u>10,130,000</u>
Certificates of Participation (COP)						
2012 issue (to refund the County's 2003 COP issue used to fund the construction of a new Sheriff's facility, the construction and renovation of the County's Juvenile Justice Center and refund the 1993 COP issue; to establish a reserve fund for the Certificates; and to pay certain costs incurred in connection with the execution of the Certificates.)						
Certificates of Participation	5/15/2012	2024	2.00 -5.00%	\$980,000 - \$2,215,000	20,225,000	14,350,000
2014 issue (to finance or reimburse the County for certain costs to construct improvements on the South Napa Campus, acquire land on which to house inmate detention facilities, fund a reserve and to pay certain costs of issuance.)						
Certificates of Participation	4/1/2014	2024	3.00 -4.00%	\$1,250,000 - \$1,840,000	<u>15,590,000</u>	<u>12,955,000</u>
Total Certificates of Participation					<u>35,815,000</u>	<u>27,305,000</u>
Loans Payable						
2014 State Water Resources Control Board (to finance construction of a recycled water pipeline to the Milliken-Sarco-Tulocay basin. The principal amount of the bond commitment is \$6,905,641 with \$5,820,049 issued and \$1,085,592 remaining to be issued as of June 30, 2016. This loan will be paid from amounts levied against property owners benefited by these improvements.)						
State Water Resources Control Board	6/27/2014	2035	1.00%	\$451,211 - \$539,715	<u>5,820,049</u>	<u>5,820,049</u>
Total Loans Payable					<u>5,820,049</u>	<u>5,820,049</u>
Total Governmental Activities					<u>\$ 77,235,049</u>	<u>\$ 43,255,049</u>

COUNTY OF NAPA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2016

5. Long-Term Liabilities (continued)

	<u>Date of Issue</u>	<u>Maturity</u>	<u>Interest Rates</u>	<u>Annual Principal Installments</u>	<u>Original Issue Amount</u>	<u>Outstanding at June 30, 2016</u>
<u>Business-type Activities</u>						
Special Assessment Bonds Payable						
2007 Series A Bonds (to finance or reimburse the Lake Berryessa Resort Improvement District for certain costs to acquire and construct sewer and water treatment improvements, to fund a reserve fund for the Bonds, to pay capitalized interest if necessary, and to pay the costs of issuance of the 2007 Series A Bonds. These bonds will be paid from amounts levied against property owners benefited by these improvements.)						
Bonds Payable	9/2/2007	2037	5.25 -5.55%	\$55,841 -\$295,000	\$ 4,755,841	\$ 2,530,000
2013 Series A Bonds (to reimburse the Napa Berryessa Resort Improvement District for certain costs to acquire and/or construct wastewater system improvements. These bonds will be paid from amounts levied against property owners benefited by these improvements.)						
Bonds Payable	12/5/2012	2052	3.125%	\$100,872 -\$335,569	8,003,210	7,718,569
2013 Series B Bonds (to reimburse the Napa Berryessa Resort Improvement District for certain costs to acquire and/or construct water system improvements. These bonds will be paid from amounts levied against property owners benefited by these improvements.)						
Bonds Payable	5/8/2013	2052	3.125%	\$40,728 -\$129,000	<u>2,923,728</u>	<u>2,841,000</u>
Total Bonds Payable					<u>15,682,779</u>	<u>13,089,569</u>
Loan Payable						
2002 loan agreement (for construction of hangars at the Napa County Airport)						
Napa County Airport Loan	5/8/2002	2018	5.22%	\$20,000 -\$44,922	<u>500,000</u>	<u>73,280</u>
Total Loans Payable					<u>500,000</u>	<u>73,280</u>
Total Business-Type Activities					<u>\$ 16,182,779</u>	<u>\$ 13,162,849</u>

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

Bond Discounts and Bond Premiums

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

COUNTY OF NAPA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2016

5. Long-Term Liabilities (continued)

Arbitrage Earnings

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

6. Leases

Operating Leases

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

<u>June 30,</u>	<u>Payments</u>
2017	\$ 788,005
2018	702,438
2019	560,917
2020	90,412
2021	36,895
2022-2026	139,342
2027-2031	139,342
2032-2036	139,342
2037-2041	139,342
2042-2046	111,474
Total	<u>\$ 2,847,509</u>

Rent expenditures were \$1,885,001 for the year ending June 30, 2016.

COUNTY OF NAPA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2016

6. Leases (continued)

Capital Leases

The County has entered into certain capital lease arrangements under which the related equipment will become the property of the County when all terms of the lease agreement are fulfilled. The following is a schedule of minimum capital lease payments, payable from the General Fund, certain special revenue funds and certain enterprise funds, as of June 30, 2016:

Fiscal Year Ending June 30,	Governmental Activities	Business-type Activities
2017	\$ 331,010	\$ 75,728
2018	234,940	75,728
2019	167,408	75,728
2020	167,408	75,728
2021	167,408	75,728
2022-2026	837,041	378,636
2027-2031	<u>418,522</u>	<u>189,319</u>
Total minimum lease payments	2,323,737	946,595
Less: Amount representing interest	<u>(187,145)</u>	<u>(79,827)</u>
Net present value of capital lease payments	<u>\$ 2,136,592</u>	<u>\$ 866,768</u>

The following is a schedule of capital assets acquired through capital leases as of June 30, 2016:

	Governmental Activities	Business-type Activities	Total
Equipment	\$ 2,763,165	\$ 979,858	\$ 3,743,023
Total capital assets, gross	2,763,165	979,858	3,743,023
Less: accumulated depreciation	<u>(1,400,695)</u>	<u>(373,933)</u>	<u>(1,774,628)</u>
Total capital assets, net, under capital leases	<u>\$ 1,362,470</u>	<u>\$ 605,925</u>	<u>\$ 1,968,395</u>

Depreciation expense related to capital assets under capital leases was \$542,919 and \$150,530 for governmental and business-type activities, respectively.

7. Deferred Inflows of Resources

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

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

COUNTY OF NAPA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2016

7. Deferred Inflows of Resources (continued)

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

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

	<u>Unearned</u>	<u>Unavailable</u>	<u>Total</u>
Governmental Activities:			
General Fund:			
SB 90 mandated costs	\$ -	\$ 4,493,140	\$ 4,493,140
State grants & reimbursements	40,803	815,741	856,544
Federal grants & reimbursements	-	53,225	53,225
Other	5,519,363	112,924	5,632,287
Health and Human Services Agency:			
State grants & reimbursements	-	243,094	243,094
Federal grants & reimbursements	8,420	1,202,377	1,210,797
Charges for services	-	1,876,017	1,876,017
Roads Fund:			
Federal grants & reimbursements	-	861,337	861,337
Nonmajor Governmental Funds:			
State grants & reimbursements	-	141,716	141,716
Federal grants & reimbursements	-	109,767	109,767
Other	50,000	85,383	135,383
Internal Service Funds:			
Federal grants & reimbursements	29,820	-	29,820
Total unearned and deferred revenue	<u>\$ 5,648,406</u>	<u>\$ 9,994,721</u>	<u>\$ 15,643,127</u>
Business-type Activities:			
Napa County Housing Authority	8,506	-	8,506
Total Unearned and deferred revenue	<u>\$ 8,506</u>	<u>\$ -</u>	<u>\$ 8,506</u>

COUNTY OF NAPA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2016

8. Restricted Component of Net Position

The restricted component of net position are assets that are subject to constraints either (1) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments or (2) imposed by law through constitutional provisions or enabling legislations.

The restricted component of net position at June 30, 2016 for governmental activities is as follows:

Restricted for General Government:			
Non-operating special revenue funds in General Fund authorized by statutory provisions to finance particular general government activities	\$	487,797	
Napa Valley Tourism Improvement District-Unincorporated		237,921	
Public TV Educational and Government		<u>220,075</u>	
	\$		\$ 945,793
Restricted for Public Protection:			
Inmate Welfare		257,188	
Non-operating special revenue funds in General Fund authorized by statutory provisions to finance particular public protection activities		14,483,103	
Capital Improvement Fund		3,997,856	
Other Governmental Funds		<u>12,053,036</u>	
			30,791,183
Restricted for Public Ways:			
Non-operating special revenue funds in General Fund authorized by statutory provisions to finance particular public ways and facilities activities		4,159	
Napa County Flood & Watershed Protection Authority		61,638,450	
Roads Fund		6,843,827	
Other Governmental Funds		<u>2,369,711</u>	
			70,856,147
Restricted for Health and Sanitation:			
Non-operating special revenue funds in General Fund authorized by statutory provisions to finance particular health and sanitation activities		107,931	
Health & Human Services Fund		8,037,271	
Non-operating special revenue funds in Health and Human Services Fund authorized by statutory provisions to finance particular health and sanitation activities		6,548,651	
Other Governmental Funds		<u>944,769</u>	
			15,638,622
Restricted for Public Assistance:			
Non-operating special revenue funds in Health and Human Services Fund authorized by statutory provisions to finance particular public assistance activities		1,225,512	
Health & Human Services Fund		9,485,642	
Other Governmental Funds		<u>27,071,709</u>	
			37,782,863
Restricted for Education:			
County Library		<u>10,539,170</u>	
			<u>10,539,170</u>
Total restricted component of net position - governmental activities			<u><u>\$ 166,553,778</u></u>

COUNTY OF NAPA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2016

9. Fund Balances

Classification

In accordance with the provisions of GASB Statement No. 54, governmental funds report fund balance classifications based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Fund balances for all major and nonmajor governmental funds as of June 30, 2016 were distributed as follows:

	<u>General Fund</u>	<u>Health and Human Services</u>	<u>Flood Protection & Watershed Improvement Authority</u>	<u>Capital Improvement Fund</u>	<u>Roads</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Nonspendable:							
Advances to Other Funds	\$ 2,672,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,672,000
Prepaid items	101,281	-	-	-	-	-	101,281
Loans Receivable	57,000	-	-	-	-	-	57,000
Subtotal	<u>2,830,281</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,830,281</u>
Restricted to:							
Purpose of Fund	-	15,665,194	57,039,656	-	5,832,339	52,913,948	131,451,137
General Reserve	17,711,006	-	-	-	-	-	17,711,006
Maintenance Requirement	-	-	14,536,077	-	-	-	14,536,077
Debt Service	-	-	483,999	-	-	1,575,045	2,059,044
Inmate Welfare	257,188	-	-	-	-	-	257,188
2011 Realignment	5,695,764	-	-	-	-	-	5,695,764
Housing Rehabilitation							
Repayment	288,494	-	-	-	-	-	288,494
Property Tax Admin-AB818	199,302	-	-	-	-	-	199,302
Recorder Micrographics	715,811	-	-	-	-	-	715,811
Recorder Modernization	2,904,826	-	-	-	-	-	2,904,826
Vital-Health Stats Clerk	142,918	-	-	-	-	-	142,918
Social Security Truncation Fees	88,012	-	-	-	-	-	88,012
Electronic Document Recording	202,503	-	-	-	-	-	202,503
DA-Asset Forfeitures	85,448	-	-	-	-	-	85,448
DA-Prop 64 Civil Penalties	2,433,224	-	-	-	-	-	2,433,224
DA-Hazardous Waste							
Enforcement	83,435	-	-	-	-	-	83,435
DA-\$1 Vehicle Registration							
Assess	427,534	-	-	-	-	-	427,534
DA-Consumer Fraud	155,187	-	-	-	-	-	155,187
Sheriff-Civil Equipment	197,078	-	-	-	-	-	197,078
Sheriff-Fingerprint Identification	761,366	-	-	-	-	-	761,366
Sheriff-Asset Forfeitures	425,045	-	-	-	-	-	425,045
Sheriff-Debtor Assessment Fees	422,717	-	-	-	-	-	422,717
Sheriff-Drug Enforcement Agency	52,301	-	-	-	-	-	52,301
Sheriff-CLEEP Law Enforcement	29,969	-	-	-	-	-	29,969
Sheriff-Municipal Court Auto							
Warrant	188,521	-	-	-	-	-	188,521
Sheriff-Community Services	29,752	-	-	-	-	-	29,752
Sheriff-Indigent Burial	38,618	-	-	-	-	-	38,618
Sheriff-Rabies Eradication & Control	13,950	-	-	-	-	-	13,950
Probation-Asset Forfeitures	12,133	-	-	-	-	-	12,133
Probation-Community Correction							
Performance Incentives	148,605	-	-	-	-	-	148,605
Ag-Weights and Measures	50,496	-	-	-	-	-	50,496
Health Care Enhancement	-	255,742	-	-	-	-	255,742
PBES-Seismic Data Utilization	27,392	-	-	-	-	-	27,392
PBES-Telecommunications	111,672	-	-	-	-	-	111,672
PBES-Department of Public Health	365,500	-	-	-	-	-	365,500

COUNTY OF NAPA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2016

9. Fund Balances (continued)

Classification (continued)

	General Fund	Health and Human Services	Flood Protection & Watershed Improvement Authority	Capital Improvement Fund	Roads	Other Governmental Funds	Total
PBES-Hazardous Waste Enforcement	-	433,109	-	-	-	-	433,109
PH-AIDS Education	-	17,989	-	-	-	-	17,989
PH-Emergency Medical Services	-	254,724	-	-	-	-	254,724
South Campus Renovations	-	-	-	1,700,472	-	-	1,700,472
Juvenile Justice Construction	-	-	-	1,398,891	-	-	1,398,891
Courthouse Construction	-	-	-	2,598,966	-	-	2,598,966
MH-Managed Care	-	1,567,086	-	-	-	-	1,567,086
MH-MHSA Planning Expenses	-	3,917,508	-	-	-	-	3,917,508
ADS-Alcohol Abuse Education/Prevention	-	253,069	-	-	-	-	253,069
ADS-Drug Fees-HS11372.7	-	59,855	-	-	-	-	59,855
ADS-Tobacco Control	-	37,373	-	-	-	-	37,373
CWS-County Children Fund	-	35,776	-	-	-	-	35,776
CWS-Child Welfare Wraparound	-	16,676	-	-	-	-	16,676
Other less than \$10,000	10,927	15,022	-	-	-	-	25,949
Encumbrances	-	-	-	-	350,006	422,867	772,873
Subtotal	<u>34,276,694</u>	<u>22,529,123</u>	<u>72,059,732</u>	<u>5,698,329</u>	<u>6,182,345</u>	<u>54,911,860</u>	<u>195,658,083</u>
Committed to:							
Building and Safety Permitting	-	-	-	-	-	3,380,286	3,380,286
Audit Exceptions	-	1,022,813	-	-	-	-	1,022,813
Special Projects	240,192	-	-	-	-	-	240,192
Encumbrances	-	-	-	3,461,039	-	-	3,461,039
Subtotal	<u>240,192</u>	<u>1,022,813</u>	<u>-</u>	<u>3,461,039</u>	<u>-</u>	<u>3,380,286</u>	<u>8,104,330</u>
Assigned to:							
Capital Outlay	-	-	-	11,623,395	-	-	11,623,395
Capital Improvement Projects	-	-	-	9,941,216	-	-	9,941,216
New County Jail Facility	-	-	-	18,786,809	-	-	18,786,809
Facilities Refurbishment	582,634	-	-	-	-	-	582,634
Earthquake Costs	1,636,982	-	-	-	-	-	1,636,982
Health Programs	8,147,042	-	-	-	-	-	8,147,042
Agriculture Commission projects	1,361,313	-	-	-	-	-	1,361,313
Affordable Care Act	1,500,000	-	-	-	-	-	1,500,000
FY 2016/17 budgetary resource	11,122,419	-	-	-	-	-	11,122,419
Encumbrances	<u>2,359,876</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,359,876</u>
Subtotal	<u>26,710,266</u>	<u>-</u>	<u>-</u>	<u>40,351,420</u>	<u>-</u>	<u>-</u>	<u>67,061,686</u>
Unassigned							
General Fund	34,402,736	-	-	-	-	-	34,402,736
Child Support Services	-	-	-	-	-	(925)	(925)
IHSS	-	-	-	-	-	(178,287)	(178,287)
Community Facilities District- Devlin Road	-	-	-	-	-	(1,356,488)	(1,356,488)
Subtotal	<u>34,402,736</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,535,700)</u>	<u>32,867,036</u>
Total	<u>\$ 98,460,169</u>	<u>\$ 23,551,936</u>	<u>\$ 72,059,732</u>	<u>\$ 49,510,788</u>	<u>\$ 6,182,345</u>	<u>\$ 56,756,446</u>	<u>\$ 306,521,416</u>

COUNTY OF NAPA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2016

9. Fund Balances (continued)

Encumbrances

The following is a summary of encumbrances included in fund balance as of June 30, 2016:

	<u>Restricted</u>	<u>Assigned</u>	<u>Committed</u>
General Fund			
General government	\$ -	\$ 2,350,013	\$ -
Public protection	-	9,863	-
Total General Fund	<u>-</u>	<u>2,359,876</u>	<u>-</u>
Other Governmental Funds			
Capital outlay	-	-	3,461,039
Public protection	396,876	-	-
Public Ways and Facilities	350,006	-	-
Education	25,991	-	-
Total Other Governmental Funds	<u>772,873</u>	<u>-</u>	<u>-</u>
Total Governmental Fund Encumbrances	<u>\$ 772,873</u>	<u>\$ 2,359,876</u>	<u>\$ 3,461,039</u>

Fiduciary Net Position

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

Deficit Fund Balance

- In Home Support Services special revenue fund had a deficit unassigned fund balance of \$178,287. The deficit is expected to be eliminated in the next fiscal year through the collection and recognition of revenues unavailable in the current year.
- Child Support Services special revenue fund had a deficit unassigned fund balance of \$925. The deficit is expected to be eliminated in future years through the collection and recognition of revenues unavailable in the current year and increases in future revenues.
- Community Facilities District – Devlin Road had a deficit unassigned fund balance of \$1,356,488. The deficit is expected to be eliminated within the next two years through assessment collections received from parcel owners included in the newly formed district.

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

A. General Information about the Pension Plans

Plan Description

All qualified permanent and probationary employees are eligible to participate in the County's Safety (sheriff and certain district attorney members) or Miscellaneous (all others) Plans. The County's Safety Plan is a cost-sharing multiple-employer defined benefit plan while the Miscellaneous Plan is an agent multiple-employer defined benefit pension plan. The County's Safety and Miscellaneous Plans are part of the California Public Employees Retirement System (PERS), a public employee retirement system which acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and other requirements are established by State statute and County resolution. The County's defined benefit pension plans provide retirement and disability benefits, annual cost-of-living adjustments and death

COUNTY OF NAPA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2016

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

A. General Information about the Pension Plans (continued)

Plan Description (continued)

benefits to plan members and their beneficiaries. The County selects optional benefit provisions by contract with CalPERS and adopts those benefits through County ordinance. CalPERS issues a separate comprehensive annual financial report; however, a separate report for the County's Safety and Miscellaneous Plans are not available. Copies of CalPERS annual financial reports which include required supplementary information (RSI) for each plan may be obtained from CalPERS Executive Offices, Lincoln Plaza North, 400 Q Street, Sacramento, CA 95811.

Benefits Provided

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

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

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

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

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

The Plans' provisions and benefits in effect at June 30, 2016 are summarized as follows:

Hire Date	Miscellaneous		
	Prior to Sept. 1, 1992	On or after Sept. 1, 1992	On or after Jan. 1, 2013
Benefit formula	2.5% @55	2%@60	2%@62
Benefit vesting schedule	5 years of service	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	50-55	50-63	52-67
Monthly benefits, as % of eligible compensation	2.00%-2.50%	1.09%-2.42%	1.0%-2.5%
Required employee contribution rates	8%	7%	6.25%
Required employer contribution rates	17.698%	17.698%	17.698%
Status	Closed	Open	Open

COUNTY OF NAPA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2016

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

A. General Information about the Pension Plans (continued)

Benefits Provided (continued)

	Safety			
	Prior to Mar. 24, 1984	On or after Mar. 24, 1984	On or after May 14, 2011	On or after Jan. 1, 2013
Hire Date	3%@50	3%@50	3%@55	2.7%@57
Benefit formula	5 years of service	5 years of service	5 years of service	5 years of service
Benefit vesting schedule	monthly for life	monthly for life	monthly for life	monthly for life
Benefit payments	50	50	55	52-67
Retirement age	3.00%	3.00%	3.00	1.0%-2.5%
Monthly benefits, as % if eligible compensation	9.00%	9.00%	9.00%	11.50%
Required employee contribution rates	\$484,589	\$630,205	\$0	\$0
Required employer lump sum contribution	20.230%	18.524%	16.523%	11.5%
Required employer contribution rates	Closed	Closed	Open	Open
Status				

Employees Covered

At June 30, 2016 the following number of employees were covered by the benefit terms for the Miscellaneous Plan. The County's Miscellaneous Plan includes Court and Fair employees for which separate data is not available. Data related to employee coverage is not available for employees included in the Safety Plan as the plan is a cost-sharing multiple employer plan:

	Miscellaneous (Number of Employees)
Inactive employees or beneficiaries currently receiving benefits	1,246
Inactive employees entitled to but not yet receiving benefits	898
Active employees	1,265
Total	3,409

Contributions

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

B. Net Pension Liability

The County's net pension liability for each Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of each of the Plans is measured as of June 30, 2015, using an annual actuarial valuation as of June 30, 2014 rolled forward to June 30, 2015 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown on the following table.

COUNTY OF NAPA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2016

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

B. Net Pension Liability (continued)

Actuarial Assumptions

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

	<u>Miscellaneous</u>	<u>Safety</u>
Valuation Date	June 30, 2014	June 30, 2014
Measurement Date	June 30, 2015	June 30, 2015
Actuarial Cost Method	Entry-Age Normal	
Actuarial Assumptions:		
Discount Rate	7.65%	7.65%
Inflation	2.75%	2.75%
Payroll Growth	3.00%	3.00%
Projected Salary Increase	Varies by Entry Age and Service	
Investment Rate of Return	7.50%	7.50%
Mortality	Derived using CalPERS' Membership Data for All Funds	

The mortality table used was developed on CalPERS's specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. Further details on this table, please refer to the 2014 experience study report that can be found on the CalPERS website.

Discount Rate

The discount rate used to measure the total pension liability was 7.65% for each Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.65% discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.65% will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension investment expense and inflation) are developed for each major asset class.

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

COUNTY OF NAPA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2016

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

B. Net Pension Liability (continued)

Discount Rate (continued)

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

Asset Class	Strategic Allocation %	Real Return Years 1-10 ⁽¹⁾ %	Real Return Years 11-60 ⁽²⁾ %
Global Equity	51.00	5.25	5.71
Global Fixed Income	19.70	0.99	2.43
Inflation Sensitive	6.00	0.45	3.36
Private Equity	10.00	6.83	6.95
Real Estate	10.00	4.50	5.13
Infrastructure and Forestland	2.00	4.50	5.09
Liquidity	2.00	(0.55)	(1.05)

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

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

C. Changes in the Net Pension Liability

The changes in the Net Pension Liability for the County's Miscellaneous Plan, excluding Court and Fair employees is as follows:

	Total Pension Liability	Total Fiduciary Net Pension Increase (Decrease)	Net Pension Liability/(Asset)
Balance at June 30, 2014	\$ 620,282,256	\$ 488,472,204	\$ 131,810,052
Changes in the year:			
Service cost	14,544,348	-	14,544,348
Interest on total pension liability	45,724,099	-	45,724,099
Changes in benefit terms	(11,114,712)	-	(11,114,712)
Differences between expected and actual experience	(4,960,970)	-	(4,960,970)
Plan to plan resource movement	-	12,936	(12,936)
Change in proportion	703,688	525,581	178,107
Contributions from the employer	-	14,710,306	(14,710,306)
Contributions from employees	-	7,123,794	(7,123,794)
Net investment income	-	10,994,169	(10,994,169)
Administrative expense	-	(553,419)	553,419
Benefit payments, including refunds of employee contributions	(27,948,033)	(27,948,033)	-
Net changes	16,948,420	4,865,334	12,083,086
Balance at June 30, 2015	\$ 637,230,676	\$ 493,337,538	\$ 143,893,138

COUNTY OF NAPA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2016

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

C. Changes in the Net Pension Liability (continued)

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

	<u>Plan's Proportion to Total Pool @ June 30, 2014</u>	<u>Plan's Proportion to Total Pool @ June 30, 2015</u>	<u>Plan's Proportion Share of Net Pension Liability</u>
Safety			
Tier I	0.14041 %	0.15431 %	\$ 10,591,696
Tier II	0.23117 %	0.23270 %	15,972,000
Tier III	0.00088 %	0.00020 %	13,483
PEPRA	0.00000 %	0.00000 %	<u>(108)</u>
Total			<u>\$ 26,577,071</u>

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

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

	<u>Miscellaneous</u>	<u>Safety</u>
1% Decrease	6.65 %	6.65 %
Net Pension Liability	\$ 228,717,234	\$ 44,435,720
Current Discount Rate	7.65 %	7.65 %
Net Pension Liability	\$ 143,893,138	\$ 26,577,071
1% Increase	8.65 %	8.65 %
Net Pension Liability	\$ 73,634,558	\$ 11,933,234

Pension Plan Fiduciary Net Position

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

COUNTY OF NAPA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2016

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

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

For the year ended June 30, 2016, the County recognized pension expense was \$10,845,394. Pension expense represents the change in the net pension liability during the measurement period, adjusted for actual contributions and the deferred recognition of changes in investment gain/loss, actuarial gain/loss, actuarial assumptions or method, and plan benefits. At June 30, 2016, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 4,010,752
Changes in assumptions	-	9,995,034
Net differences between projected and actual earnings on pension plan investments	20,777,026	26,613,120
Change in employer's proportion	1,191,440	103,132
Changes in proportion and differences between County contributions and proportionate share of contributions	-	138,885
County contributions subsequent to the measurement date	<u>19,366,198</u>	<u>-</u>
Total	<u>\$ 41,334,664</u>	<u>\$ 40,860,923</u>

The \$19,366,198 reported as deferred outflows of resources related to pensions results from County pension contributions made subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the measurement period ending June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending June 30,	<u>Deferred Outflows/(Inflows) of Resources</u>
2016	\$ (9,087,265)
2017	(9,075,807)
2018	(7,147,848)
2019	6,418,463
2020	-
Thereafter	-
Total	<u>\$ (18,892,457)</u>

11. Other Postemployment Benefits

In addition to the pension benefits described in Note 10, the County provides an agent multiple-employer postretirement healthcare benefits under the *Retiree Healthcare Plan*. In accordance with Government Code, all employees electing a PERS retirement date within 120 days of retiring from the County are eligible to receive healthcare benefits. The County provides health and/or dental benefits on a pay-as-you-go basis to retirees in three basic categories.

1. Generally, retirees who at the time of retirement have over 120 hours of accumulated unused sick leave receive, for each 8 hours of unused 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 unused sick leave.
2. Retirees with 20 or more years of continuous service at the time of retirement receive single party insurance benefits paid for by the County until age 65, regardless of the balance of accumulated sick leave at the time of retirement.

COUNTY OF NAPA

Notes to the Basic Financial Statements For the Year Ended June 30, 2016

11. Other Postemployment Benefits (continued)

3. Non-classified (elected officials and department heads) employees, elected or appointed before January 1, 2013, with 8 or more years of service shall receive health and dental benefits as follows:
 - a. Date of election or appointment before July 1, 2007 - coverage for retiree and their dependent family
 - b. Date of election or appointment on or after July 1, 2007 and before January 1, 2013 - coverage for retiree and spouse

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 (\$87.50 per month for calendar year 2016) towards the retiree monthly premium for eligible retirees participating in PEMHCA.

Funding Policy. The contribution requirements for plan members and the County are established and may be amended by the County. The County prefunds the plan through the California Employers' Retiree Benefit Trust (CERBT) by contributing at least 100% of the annual required contribution. The County began funding its liability under the Retiree Healthcare Plan in 2007-2008.

The annual required contribution (ARC) is an amount actuarially determined in accordance with the parameters of GASB Statement 45. The County ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize the unfunded actuarial accrued liability (UAAL). The plan's UAAL is being amortized as a level percentage of projected payroll on a closed basis. The plan originally set the amortization period of the UAAL at 14 years. For plan years beginning after June 30, 2009, the County revised the plan by electing a closed 20 year fresh start amortization period. The remaining amortization period as of June 30, 2016, was 13 years.

For fiscal year 2015-2016, the County's ARC was \$8,323,000 which was funded in excess for GASB Statement No. 45 purposes. The County paid \$3,042,884 (cash and implied subsidy) to retirees during the year, and \$6,066,116 to the CERBT resulting in a net OPEB asset of \$786,000.

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 Statement No. 43 disclosure information in aggregate with the other CERBT participating employers. That report may be obtained by contacting CalPERS.

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

In the County's June 30, 2015 actuarial valuation, the entry age normal actuarial cost method was used. The actuarial assumptions included a 7.25% investment rate of return (net of investment expenses) which included a 3.0% inflation factor and annual healthcare cost trend rates for HMO and PPO coverage. The Non-Medicare and Medicare cost trend rates start at 7.0% and 7.2%, respectively, and decline to 5% over five years.

COUNTY OF NAPA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2016

11. Other Postemployment Benefits (continued)

Annual Other Postemployment Benefits (OPEB) Cost and Net OPEB Obligation.

The County's Annual OPEB Cost, the percentage of Annual OPEB Cost contributed to the Plan (as described in the funding policy above), and the Net OPEB Obligation for the past three fiscal years are as follows (dollar amounts in thousands):

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Asset
6/30/2014	\$ 6,473	100%	-
6/30/2015	6,683	100%	-
6/30/2016	8,323	109%	786

Funded Status and Funding Progress. The funded status of the plan as of June 30, 2015, the plan's most recent actuarial valuation date, was as follows (dollar amounts in thousands):

Actuarial accrued liability (AAL)	\$ 74,812
Actuarial value of plan assets	<u>42,266</u>
Unfunded actuarial accrued liability (UAAL)	<u>\$ 32,546</u>
Funded ratio (actual value of plan assets/AAL)	56.5 %
Covered payroll (active Plan members)	\$ 106,827
Unfunded actuarial accrued liability as a percentage of covered payroll	30.5 %

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

Actuarial valuations of an ongoing OPEB Plan involve estimate of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Assumptions include assumptions about future employment, mortality and the healthcare cost trend. Amounts determined regarding the funded status of the OPEB Plan and the ARC of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedules of funding progress, presented as required supplementary information following the notes to the financial statements, present multiyear trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

COUNTY OF NAPA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2016

12. Deferred Compensation Plan

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

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

13. 401(a) Retirement Savings Plan

The County established a profit sharing plan called the 401(a) Retirement Savings Plan for the purpose of providing retirement benefits for eligible employees. Eligible employees are defined as the County's management, confidential and non-classified officers, and elected officials. Once eligible, employees must elect to enter into a one-time irrevocable salary reduction within 30 days. This plan is adopted under the provisions of the Internal Revenue Code Section 401(a). The plan year is the period beginning January 1 and ending on December 31.

The 401(a) Retirement Savings Plan contains provisions which provide for an employer matching contribution to the accounts of each eligible employee who participates in, and has deferred an equivalent amount into the County's 457 deferred compensation plan. The maximum match per eligible employee is required to be established annually on or before January 1st by a duly adopted resolution. The County's policy of contributing up to \$1,000 in matching funds (per employee) was reinstated effective calendar year 2005.

Each participant may allocate the balances of his/her account under both the 457 and 401(a) plans among the investment options provided under each plan. The plan administrator shall maintain an account for each participant to hold any employee pre-tax contributions, employer contributions, and rollover contributions, as well as any gains or losses of such funds. The County is not responsible for the investing function and has no fiduciary accountability for the plan. Therefore, the assets and associated participants' liability of the plan have been excluded from the County's financial statements.

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

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

<u>Fiscal Year</u> <u>Ended</u>	<u>Contributions</u>
6/30/2014	\$ 158,477
6/30/2015	154,765
6/30/2016	197,441

14. Risk Management

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

COUNTY OF NAPA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2016

14. Risk Management (continued)

The County participates in pooled insurance programs with other governmental agencies through CSAC Excess Insurance Authority (EIA) for claims in excess of coverage provided by the Internal Service Funds noted in the preceding paragraph. In addition, the County participates in the EIA for its medical malpractice coverage and a comprehensive property program. Commercial insurance is obtained for all other areas of risk.

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

The unpaid claims liabilities are based on the results of actuarial studies and include amounts for claims incurred but not reported. Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends, including frequency and amount of payouts, and other economic and social factors. It is the County's practice to obtain full actuarial studies every two years. Contribution to both the workers' compensation and general liability programs included in the Employee/Retiree Benefits and Liability Insurance Internal Service Funds, respectively, are generated from billings to departments based on potential exposure and loss history, in accordance with State Controller's *Handbook of Cost Plan*. The claims liability for the funds reported at June 30, 2016 are based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. The County's General Liability and Workers' Compensation claims liabilities are set using confidence levels of 90% and 70%, respectively.

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

	<u>Beginning Fiscal</u> <u>Year Liability</u>	<u>Claims and</u> <u>Changes in</u> <u>Estimates</u>	<u>Claims Payments</u>	<u>Balance at Fiscal</u> <u>Year End</u>
General Liability:				
2013-2014	\$ 2,741,000	\$ 492,105	\$ (473,475)	\$ 2,759,630
2014-2015	2,759,630	660,679	(556,309)	2,864,000
2015-2016	2,864,000	(48,907)	(663,108)	2,151,985
Workers' Compensation:				
2013-2014	6,338,700	2,917,352	(1,949,692)	7,306,360
2014-2015	7,306,360	1,939,349	(1,579,285)	7,666,424
2015-2016	7,666,424	2,296,818	(2,274,914)	7,688,328

15. Contingencies

A. Litigation

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

COUNTY OF NAPA

Notes to the Basic Financial Statements For the Year Ended June 30, 2016

15. Contingencies (continued)

B. Grants

The County participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental entities. The County participates in other federal and state programs where County costs are recovered on a reimbursable basis. Grant expenditures and reimbursements are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with the relevant regulations, the County may be required to reimburse the appropriate government agency. As of June 30, 2016, significant amounts of grant expenditures and records relating to reimbursements have not been audited by the granting agency, but the County believes that disallowed expenditures and reimbursements, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the County.

16. Subsequent Event

The County evaluated subsequent events from July 1, 2016 through the date the financial statements were available to be issued. There was no subsequent event noted.



Required Supplementary Information



Courtesy of Napa County Historical Society

Bellevue at Napa Soda Springs

COUNTY OF NAPA

Required Supplementary Information
For the Year Ended June 30, 2016

Schedule of Changes in Net Pension Liability and Related Ratios

Last 10 Fiscal Years*

Miscellaneous Plan - Agent Multiple-Employer Defined Benefit Pension Plan

	<u>Measurement Period</u>	
	<u>FY 2015</u>	<u>FY 2014</u>
Total Pension Liability		
Service cost	\$ 14,544,348	\$ 14,945,980
Interest on total pension liability	45,724,099	43,681,854
Differences between expected and actual experience	(4,960,970)	-
Change in assumption	(11,114,712)	-
Change in proportions	703,688	-
Benefit payments, including refunds of employee contributions	<u>(27,948,033)</u>	<u>(26,594,622)</u>
Net change in total pension liability	16,948,420	32,033,212
Total pension liability - beginning	<u>620,282,256</u>	<u>588,249,044</u>
Total pension liability - ending (a)	<u>637,230,676</u>	<u>620,282,256</u>
 Plan Fiduciary Net Position		
Contributions - employer	14,710,306	15,473,088
Contributions - employee	7,123,794	7,708,869
Net investment income	10,994,169	73,692,163
Change in proportion	525,581	-
Plan to plan resource movement	12,936	-
Administrative expenses	(553,419)	-
Benefit payments, including refunds of employee contributions	<u>(27,948,033)</u>	<u>(26,594,622)</u>
Net change in plan fiduciary net position	4,865,334	70,279,498
Plan fiduciary net position - beginning	<u>488,472,204</u>	<u>418,192,706</u>
Plan fiduciary net position - ending (b)	<u>493,337,538</u>	<u>488,472,204</u>
Net pension liability - ending (a) - (b)	<u>\$ 143,893,138</u>	<u>\$ 131,810,052</u>
 Plan fiduciary net position as a percentage of total pension liability	77.42 %	78.75 %
County's covered-employee payroll	\$ 90,449,921	\$ 88,343,655
Net pension liability as a percentage of covered-employee payroll	159.09 %	149.20 %

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

COUNTY OF NAPA

Required Supplementary Information
For the Year Ended June 30, 2016

Schedule of the County's Proportionate Share of Net Pension Liability

Last 10 Fiscal Years*

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

	Measurement Period	
	FY 2015	FY 2014
County's proportion of the net pension liability (asset)	0.38720 %	0.37246 %
County's proportionate share of the net pension liability (asset)	\$ 26,577,071	\$ 23,176,370
County's covered-employee payroll	\$ 11,951,126	\$ 11,951,126
County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	222.38 %	193.93 %
Plan fiduciary net position as a percentage of total pension liability	78.40 %	79.42 %

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

COUNTY OF NAPA

Required Supplementary Information
For the Year Ended June 30, 2016

Schedule of County's Pension Contribution

Last 10 Fiscal Years*

Miscellaneous Plan - Agent Multiple-Employer Defined Benefit Pension Plan

	Fiscal Year		
	2016	2015	2014
Actuarially determined contribution	\$ 16,015,384	\$ 14,710,306	\$ 15,473,088
Contributions in relation to the actuarially determined contributions	16,015,384	14,710,306	15,473,088
Contributions deficiency (excess)	\$ -	\$ -	\$ -
Covered-employee payroll	\$ 94,951,888 16.87 %	\$ 90,449,921 16.26 %	\$ 88,343,655 17.51 %

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

	Fiscal Year		
	2016	2015	2014
Actuarially determined contribution	\$ 3,350,814	\$ 3,338,676	\$ 3,203,083
Contributions in relation to the actuarially determined contributions	3,350,814	3,338,676	3,203,083
Contributions deficiency (excess)	\$ -	\$ -	\$ -
Covered-employee payroll	\$ 13,038,303 25.70 %	\$ 11,951,126 27.94 %	\$ 11,951,126 26.80 %

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

Other Postemployment Benefits

Schedule of Funding Progress

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

Funded Status of Retiree Healthcare Plan (Dollar Amounts in Thousands)						
Valuation Date	Entry Age Normal Accrued Liability	Actuarial Value of Assets	Unfunded/ (Overfunded) Liability	Funded Ratio	Annual Covered Payroll	UAAL as a % of Payroll
6/30/2012	\$ 51,697	\$ 16,613	\$ 35,084	32.1 %	\$ 89,105	39.4 %
6/30/2013	71,369	28,016	43,353	39.3 %	94,003	46.1 %
6/30/2015	74,812	42,266	32,546	56.5 %	106,827	30.5 %

COUNTY OF NAPA

Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		Positive (Negative)
Resources (inflows)				
Taxes	\$ 99,680,090	\$ 107,496,349	\$ 112,658,473	\$ 5,162,124
Licenses and permits	4,640,477	4,780,477	5,133,610	353,133
Fines, forfeitures and penalties	3,431,400	3,431,400	3,316,255	(115,145)
Revenue from the use of money and property	797,020	877,788	880,165	2,377
Aid from other governments	36,863,240	39,240,884	31,760,811	(7,480,073)
Charges for services	27,891,853	28,853,654	27,802,890	(1,050,764)
Contributions and donations	11,000	163,000	25,674	(137,326)
Other revenue	214,350	214,350	232,129	17,779
Intrafund transfers in	1,976,782	3,469,076	3,064,080	(404,996)
Proceeds from insurance	5,000,000	15,000,000	5,276,578	(9,723,422)
Other financing sources	1,379,000	1,879,000	29,148	(1,849,852)
Transfers in	9,288,523	9,919,817	8,389,529	(1,530,288)
Revenues available for appropriation	<u>191,173,735</u>	<u>215,325,795</u>	<u>198,569,342</u>	<u>(16,756,453)</u>
Charges to appropriations (outflows):				
General Government:				
Board of Supervisors	755,439	755,439	746,823	8,616
County Executive Office	2,849,527	2,849,527	2,690,595	158,932
Housing and Intergovernmental Affairs	2,584,733	2,852,624	1,114,442	1,738,182
Human Resources	2,557,345	2,561,885	2,413,366	148,519
Training and Organizational Development	307,494	307,494	285,779	21,715
Records Management	782,688	782,688	691,501	91,187
Communications	1,490,915	1,611,625	1,452,376	159,249
General Expenditures	4,246,622	4,852,959	3,981,695	871,264
Central Services	1,563,255	1,563,255	1,311,560	251,695
Auditor-Controller	3,183,988	3,183,988	2,866,841	317,147
Treasurer-Tax Collector	2,040,313	2,044,943	1,881,179	163,764
Assessor	3,290,088	3,290,088	3,090,884	199,204
Elections	1,055,354	1,239,064	1,225,999	13,065
County Counsel	4,026,244	4,026,244	3,816,032	210,212
Purchasing	360,600	360,600	353,020	7,580
Property Management	6,541,504	6,611,494	6,431,880	179,614
Contingencies	5,710,000	4,769,000	-	4,769,000
Total General Government	<u>43,346,109</u>	<u>43,662,917</u>	<u>34,353,972</u>	<u>9,308,945</u>
Public Protection:				
Emergency Services	350,089	403,158	338,538	64,620
Local Agency Formation Commission	-	270,151	207,293	62,858
2014 South Napa Earthquake	5,000,000	15,321,930	9,055,929	6,266,001
Valley Fire	-	500,000	266,543	233,457
Recorder, County Clerk	1,086,488	1,086,488	968,962	117,526
Grand Jury	57,502	60,602	60,549	53
District Attorney	9,458,529	9,458,529	9,104,301	354,228
District Attorney - Consumer Fraud	830,964	830,964	612,004	218,960
Public Defender	4,291,108	4,291,108	4,044,149	246,959
Conflict Public Defender	1,278,694	1,278,694	1,164,454	114,240
Sheriff	28,526,188	28,583,930	28,154,850	429,080
Coroner	587,936	617,228	606,278	10,950
Animal Services	1,024,445	1,024,445	999,768	24,677
Napa Special Investigation Bureau	954,948	958,742	833,357	125,385
Corrections	15,153,731	15,158,281	14,628,750	529,531
Probation	11,871,738	11,874,248	11,318,825	555,423

continued

COUNTY OF NAPA

Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		Positive (Negative)
Probation - Community Services	1,302,500	1,302,500	1,287,325	15,175
Probation - Juvenile Hall	5,535,359	5,535,359	5,302,420	232,939
Probation - Care of Juvenile Court Wards	257,000	257,000	107,529	149,471
Agricultural Commissioner	5,010,298	5,010,298	4,738,455	271,843
Planning and Resource Management	5,875,715	6,265,715	5,933,139	332,576
Environmental Management	2,862,195	2,862,195	2,780,529	81,666
Total Public Protection	101,315,427	112,951,565	102,513,945	10,437,620
Public Ways and Facilities:				
Public Works	8,631,905	10,124,199	9,349,632	774,567
Public Works Projects	15,313,275	17,664,423	9,399,206	8,265,217
Roads	30,000	30,000	29,970	30
Total Public Ways and Facilities	23,975,180	27,818,622	18,778,808	9,039,814
Health and Sanitation:				
Local Enforcement Agency	343,286	346,286	330,759	15,527
Education:				
Agricultural Extension	499,245	499,245	482,986	16,259
Recreation and Cultural Services:				
Special Projects	1,343,335	1,378,335	1,342,312	36,023
Debt Service:				
Debt Service	56,810	78,988	78,987	1
Transfers:				
Transfers out	27,733,668	36,283,453	35,938,983	344,470
Total charges to appropriations	198,613,060	223,019,411	193,820,754	29,198,657
Net Change in Fund Balance, Budgetary Basis	(7,439,325)	(7,693,616)	4,748,588	12,442,204
Budgetary Fund Balance - Beginning	76,583,394	76,583,394	76,583,394	-
Budgetary Fund Balance - Ending	\$ 69,144,069	\$ 68,889,778	\$ 81,331,982	\$ 12,442,204

COUNTY OF NAPA

Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2016

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

Sources/inflows of resources

Actual amounts (budgetary basis) "available for appropriation" from the Budgetary Comparison Schedule	\$ 198,569,342
Differences - budget to GAAP:	
Reimbursements from other funds are inflows of budgetary resources but not revenues for financial reporting purposes	(6,822,925)
Revenues for funds no longer meeting the special revenue fund requirement which are presented with the General Fund for financial reporting purposes	27,321,126
Transfers from other funds are inflows of budgetary resources but not revenues for financial reporting purposes	(8,389,529)
Transfers within the fund are inflows of budgetary resources but are not revenues for financial reporting purposes	(3,064,080)
Proceeds from long term debt are inflows of budgetary resources but are not revenues for financial reporting purposes	(29,148)
Proceeds from insurance are inflows of budgetary resources but are not revenues for financial reporting purposes	<u>(5,276,578)</u>
Total revenues as reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 202,308,208</u>

Uses/outflows of resources

Actual amounts (budgetary basis) "total charges to appropriations" from the Budgetary Comparison Schedule	\$ 193,820,754
Difference - budget to GAAP:	
Costs reimbursed by other funds are outflows of budgetary resources but not expenditures for financial reporting purposes	(6,822,925)
Expenditures by funds no longer meeting the special revenue fund requirement which are presented with the General Fund for financial reporting purposes	73,079
Transfers to other funds are outflows of budgetary resources but not expenditures for financial reporting purposes	(35,938,983)
Transfers within the fund are outflows of budgetary resources but are not expenditures for financial reporting purposes	<u>(3,064,080)</u>
Total expenditures as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	<u>\$ 148,067,845</u>

COUNTY OF NAPA

Budgetary Comparison Schedule
Health and Human Services
For the Year Ended June 30, 2016

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with
	<u>Original</u>	<u>Final</u>	(Budgetary Basis)	Final Budget
				Positive
				(Negative)
Resources (inflows):				
Licenses and permits	\$ 231,000	\$ 231,000	\$ 326,839	\$ 95,839
Fines, forfeitures and penalties	5,500	5,500	2,692	(2,808)
Revenue from the use of money and property	100,400	100,400	67,451	(32,949)
Aid from other governments	49,326,666	49,710,918	47,474,770	(2,236,148)
Charges for services	8,086,150	8,971,150	9,200,814	229,664
Contributions and donations	1,701	21,701	30,805	9,104
Other revenue	12,600	12,600	2,059	(10,541)
Transfers in	42,585,871	43,479,928	42,763,466	(716,462)
Intrafund transfers in	144,280	144,280	47,784	(96,496)
Revenues available for appropriation	<u>100,494,168</u>	<u>102,677,477</u>	<u>99,916,680</u>	<u>(2,760,797)</u>
Charges to appropriations (outflows):				
Health and Sanitation:				
HHSA Public Health	9,849,757	9,872,557	8,836,890	1,035,667
HHSA Mental Health	24,632,664	26,892,664	25,914,964	977,700
HHSA Alcohol and Drug Treatment Services	4,757,464	4,757,464	4,534,216	223,248
Health Care Enhancements	3,762,657	3,762,657	2,828,240	934,417
HHSA Agency Administration	1,168,581	1,168,581	1,021,715	146,866
HHSA Fiscal	3,458,707	3,358,707	3,257,886	100,821
Total Health and Sanitation	<u>47,629,830</u>	<u>49,812,630</u>	<u>46,393,911</u>	<u>3,418,719</u>
Public Assistance:				
Child Welfare Services	16,528,779	15,678,779	15,143,966	534,813
Comprehensive Services for Older Adults	9,084,025	9,084,025	8,900,074	183,951
HHSA Self Sufficiency Services	19,487,198	18,855,475	17,622,406	1,233,069
HHSA Operations	4,866,452	5,591,452	5,127,152	464,300
HHSA Organizational Resources & Development	1,018,876	1,018,876	748,278	270,598
HHSA - Quality Management	1,362,768	1,262,768	1,136,553	126,215
Total Public Assistance	<u>52,348,098</u>	<u>51,491,375</u>	<u>48,678,429</u>	<u>2,812,946</u>
Transfers:				
Transfers out	<u>516,240</u>	<u>516,240</u>	<u>515,862</u>	<u>378</u>
Total charges to appropriations	<u>100,494,168</u>	<u>101,820,245</u>	<u>95,588,202</u>	<u>6,232,043</u>
Net Change in Fund Balances, Budgetary Basis	-	857,232	4,328,478	3,471,246
Budgetary Fund Balances - Beginning	<u>12,655,738</u>	<u>12,655,738</u>	<u>12,655,738</u>	<u>-</u>
Budgetary Fund Balances - Ending	<u>\$ 12,655,738</u>	<u>\$ 13,512,970</u>	<u>\$ 16,984,216</u>	<u>\$ 3,471,246</u>

COUNTY OF NAPA

Budgetary Comparison Schedule
Health and Human Services
For the Year Ended June 30, 2016

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

Sources/inflows of resources

Actual amounts (budgetary basis) "available for appropriation" from the Budgetary Comparison Schedule	\$ 99,916,680
Difference - budget to GAAP:	
Revenues for funds no longer meeting the special revenue fund requirement which are presented with Health and Human Services for financial reporting purposes	7,652,246
Transfers from other funds are inflows of budgetary resources but not revenues for financial reporting purposes	(42,763,466)
Transfers within the fund are inflows of budgetary resources but are not revenues for financial reporting purposes	<u>(47,784)</u>
Total revenues as reported on the Statement of Revenue, Expenditures and Changes in Fund Balances - Governmental Funds	<u>\$ 64,757,676</u>

Uses/outflows of resources

Actual amounts (budgetary basis) "total charges to appropriations" from the Budgetary Comparison Schedule	\$ 95,588,202
Differences - budget to GAAP:	
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes	(515,862)
Transfers within the fund are outflows of budgetary resources but are not expenditures for financial reporting purposes	<u>(47,784)</u>
Total expenditures as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	<u>\$ 95,024,556</u>

COUNTY OF NAPA

Budgetary Comparison Schedule
Flood Protection & Watershed Improvement Authority
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		Positive (Negative)
Resources (inflows):				
Taxes	\$ 17,394,910	\$ 17,394,910	\$ 17,863,548	\$ 468,638
Revenue from the use of money and property	235,000	235,000	391,495	156,495
Revenues available for appropriation	<u>17,629,910</u>	<u>17,629,910</u>	<u>18,255,043</u>	<u>625,133</u>
Charges to appropriations (outflows):				
Operations	12,408,500	12,855,500	11,059,719	1,795,781
Debt service	5,389,760	5,389,760	5,384,931	4,829
Total charges to appropriations	<u>17,798,260</u>	<u>18,245,260</u>	<u>16,444,650</u>	<u>1,800,610</u>
Net Change in Fund Balances, Budgetary Basis	(168,350)	(615,350)	1,810,393	2,425,743
Budgetary Fund Balances - Beginning	<u>53,319,831</u>	<u>51,582,329</u>	<u>70,249,339</u>	-
Budgetary Fund Balances - Ending	<u>\$ 53,151,481</u>	<u>\$ 50,966,979</u>	<u>\$ 72,059,732</u>	<u>\$ 2,425,743</u>

COUNTY OF NAPA

Budgetary Comparison Schedule
Roads
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		Positive (Negative)
Resources (inflows):				
Licenses and permits	\$ 40,000	\$ 40,000	\$ 65,065	\$ 25,065
Fines, forfeitures and penalties	19,000	19,000	100,591	81,591
Revenue from the use of money and property	19,000	19,000	39,708	20,708
Aid from other governments	16,682,271	17,666,610	7,177,340	(10,489,270)
Charges for services	118,000	118,000	116,220	(1,780)
Other revenues	300	300	57	(243)
Transfers in	5,374,742	7,207,840	7,052,856	(154,984)
Intrafund transfers in	6,540,844	6,096,177	3,218,705	(2,877,472)
Revenues available for appropriation	<u>28,794,157</u>	<u>31,166,927</u>	<u>17,770,542</u>	<u>(13,396,385)</u>
Charges to appropriations (outflows):				
Operations	14,212,742	15,345,075	11,834,967	3,510,108
Capital programs	21,960,325	22,226,095	5,810,106	16,415,989
Transfers out	7,104	1,007,104	5,258	1,001,846
Total charges to appropriations	<u>36,180,171</u>	<u>38,578,274</u>	<u>17,650,331</u>	<u>20,927,943</u>
Net Change in Fund Balances, Budgetary Basis	(7,386,014)	(7,411,347)	120,211	7,531,558
Budgetary Fund Balances - Beginning	<u>2,842,187</u>	<u>5,927,350</u>	<u>6,062,134</u>	<u>-</u>
Budgetary Fund Balances - Ending	<u>\$ (4,543,827)</u>	<u>\$ (1,483,997)</u>	<u>\$ 6,182,345</u>	<u>\$ 7,666,342</u>

COUNTY OF NAPA

Budgetary Comparison Schedule
Roads
For the Year Ended June 30, 2016

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

Sources/inflows of resources

Actual amounts (budgetary basis) "available for appropriation" from Budgetary Comparison Schedule \$ 17,770,542

Difference - budget to GAAP:

Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes (7,052,856)

Transfers within the fund are inflows of budgetary resources but are not revenues for financial reporting purposes (3,218,705)

Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds \$ 7,498,981

Uses/outflows of resources

Actual amounts (budgetary basis) "total charges to appropriations" from the Budgetary Comparison Schedule \$ 17,650,331

Difference - budget to GAAP:

Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes (5,258)

Transfers within the fund are outflows of budgetary resources but are not expenditures for financial reporting purposes (3,218,705)

Total expenditures as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds \$ 14,426,368

COUNTY OF NAPA

Note to Required Supplementary Information For the Year Ended June 30, 2016

BUDGETARY BASIS OF ACCOUNTING

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

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

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

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

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



Supplementary Information
Combining and Individual
Fund Statements and Schedules



Courtesy of Napa County Historical Society

Chateau Montelena in Calistoga (1977)



Nonmajor Governmental Funds



Courtesy of Napa County Historical Society

Postcard of a field of wildflowers in Napa County (1908)

COUNTY OF NAPA
Combining Balance Sheet
Governmental Funds
June 30, 2016

	<u>Nonmajor Special Revenue Funds</u>	<u>Debt Service Fund</u>	<u>Total</u>
Assets & Deferred Outflows of Resources			
Assets:			
Cash and investments	\$ 39,573,460	\$ -	\$ 39,573,460
Restricted Assets:			
Cash with fiscal agent	-	1,575,044	1,575,044
Cash held for debt service	545,362	-	545,362
Cash held for endowment	25,148	-	25,148
Imprest cash	1,660	-	1,660
Receivable (Net):			
Taxes	503,387	-	503,387
Special assessments	1,439,829	-	1,439,829
Accounts	7,747	-	7,747
Due from other governments	843,564	-	843,564
Prepaid items	20,348	-	20,348
Deposits	1,250	-	1,250
Assets held for resale	990,202	-	990,202
Loans receivable, net	18,883,286	-	18,883,286
Advances to other funds	100,185	-	100,185
Total Assets	<u>62,935,428</u>	<u>1,575,044</u>	<u>64,510,472</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 62,935,428</u>	<u>\$ 1,575,044</u>	<u>\$ 64,510,472</u>
Liabilities, Deferred Inflows of Resources & Fund Balances			
Liabilities:			
Accounts payable	\$ 5,199,593	\$ -	\$ 5,199,593
Accrued salaries and benefits	624,758	-	624,758
Due to other funds	177,608	-	177,608
Unearned revenue	50,000	-	50,000
Advances from other funds	1,365,201	-	1,365,201
Total Liabilities	<u>7,417,160</u>	<u>-</u>	<u>7,417,160</u>
Deferred Inflows of Resources:			
Unavailable revenue	<u>336,866</u>	<u>-</u>	<u>336,866</u>
Fund Balances			
Restricted	53,336,816	1,575,044	54,911,860
Committed	3,380,286	-	3,380,286
Unassigned	(1,535,700)	-	(1,535,700)
Total Fund Balances	<u>55,181,402</u>	<u>1,575,044</u>	<u>56,756,446</u>
Total Liabilities, Deferred Inflows of Resources & Fund Balances	<u>\$ 62,935,428</u>	<u>\$ 1,575,044</u>	<u>\$ 64,510,472</u>

COUNTY OF NAPA

Combining Statement of Revenues, Expenditures and
Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2016

	Nonmajor Special Revenue Funds	Debt Service Fund	Total
Revenues:			
Taxes	\$ 18,958,968	\$ -	\$ 18,958,968
Licenses and permits	4,191,418	-	4,191,418
Fines, forfeitures and penalties	110,882	-	110,882
Revenue from the use of money and property	375,490	3,190	378,680
Aid from other governments	5,011,934	82,913	5,094,847
Charges for services	10,120,970	-	10,120,970
Contributions and donations	170,176	-	170,176
Other revenue	231,371	-	231,371
Total Revenues	<u>39,171,209</u>	<u>86,103</u>	<u>39,257,312</u>
Expenditures:			
Current:			
General government	6,106,063	-	6,106,063
Public protection	20,077,219	-	20,077,219
Public ways and facilities	206,571	-	206,571
Health and sanitation	225,743	-	225,743
Public assistance	714,377	-	714,377
Education	9,106,539	-	9,106,539
Debt Service:			
Principal	-	3,069,540	3,069,540
Interest expense	-	1,419,014	1,419,014
Administration, issuance and arbitrage fees	-	2,021	2,021
Total Expenditures	<u>36,436,512</u>	<u>4,490,575</u>	<u>40,927,087</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>2,734,697</u>	<u>(4,404,472)</u>	<u>(1,669,775)</u>
Other Financing Sources (Uses):			
Transfers in	966,135	4,330,163	5,296,298
Transfers out	(1,444,649)	-	(1,444,649)
Total Other Financing Sources (Uses)	<u>(478,514)</u>	<u>4,330,163</u>	<u>3,851,649</u>
Net Change in Fund Balances	2,256,183	(74,309)	2,181,874
Fund Balances - Beginning	<u>52,925,219</u>	<u>1,649,353</u>	<u>54,574,572</u>
Fund Balances - Ending	<u>\$ 55,181,402</u>	<u>\$ 1,575,044</u>	<u>\$ 56,756,446</u>



Courtesy of Napa County Historical Society

St. John Baptist Catholic Church (1960)

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 Napa County Fire Department provides dispatching for the American Canyon Fire Protection District and Napa State Hospital Fire Department. The County contracts with the California Veterans Home and the Town of Yountville to provide fire services to those jurisdictions.

Affordable Housing

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

Wildlife Conservation Commission

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

Building and Code Enforcement

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

In-Home Supportive Services (IHSS)

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

NONMAJOR SPECIAL REVENUE FUNDS (continued):

Zone 1 Garbage

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

Child Support Services

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

County Library

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

Napa Valley Tourism Improvement - Unincorporated

The Napa Valley Tourism Improvement - Unincorporated (NVTID) is charged with increasing tourism throughout the Napa Valley through marketing efforts funded by a 2% assessment on all transient lodgers. The NVTID agreements calls for the County to receive 25% of the assessments collected within the unincorporated areas of the county to be used to increase tourism specifically within the unincorporated areas of the county.

Public, Educational, and Governmental Access Channel

The fund receives a fee of 1% imposed upon the gross revenues of cable companies operating in the unincorporated area of Napa County. Under the terms authorized by Public Utilities Code Section 5800 et seq, the fees collected are to be used for capital expenditures to support Public, Educational, and Governmental access channels.

VARIOUS SPECIAL DISTRICTS UNDER THE BOARD:

County Service Area No. 3

County Service Area No. 3 was formed in 1979 to provide street sweeping, street and highway lighting, street-side landscaping, and fire protection services to the unincorporated area surrounding the Napa County Airport. These services are funded from annual assessments on parcels located within County Service Area No. 3.

VARIOUS SPECIAL DISTRICTS UNDER BOARD (continued):

County Service Area No. 4

County Service Area No. 4 was created in 2002 to provide funding for farmworker housing in Napa County. Revenues for this fund are derived from an annual assessment on vineyard acreage located within the service area and are used to support publicly operated farmworker housing programs in Napa County.

Silverado Community Services

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

Monticello Public Cemetery

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

Countywide Napa Valley Tourism Improvement District

The Napa Valley Tourism Improvement District-Countywide (NVTID) is charged with increasing tourism throughout the Napa Valley through marketing efforts funded by a 2% assessment on all transient lodgers. The NVTID agreement states that the District is to receive 74% of the assessments collected county-wide to improve tourism throughout the Napa Valley and 1% of collections is to be remitted to the tax collectors of each jurisdiction to cover collection costs and the remaining 25% goes to each jurisdiction within NVTID.

Community Facilities District - Devlin Road

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

Community Facilities District - MST

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

COUNTY OF NAPA

Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2016

	<u>Fire Protection</u>	<u>Affordable Housing</u>	<u>Wildlife Conservation Commission</u>	<u>Building and Code Enforcement</u>
Assets & Deferred Outflows of Resources				
Assets:				
Cash and investments	\$ 14,142,190	\$ 6,484,813	\$ 91,394	\$ 3,562,901
Restricted Assets:				
Cash held for debt service	-	-	-	-
Cash held for endowment	-	-	-	-
Imprest cash	-	-	-	50
Receivable (Net):				
Taxes	88,443	-	-	-
Special assessments	39,166	-	-	-
Accounts	7,747	-	-	-
Due from other governments	607,607	-	-	-
Prepaid items	-	-	-	-
Deposits	-	-	-	-
Assets held for resale	-	990,202	-	-
Loans receivable, net	-	18,883,286	-	-
Advances to other funds	-	100,185	-	-
Total Assets	<u>14,885,153</u>	<u>26,458,486</u>	<u>91,394</u>	<u>3,562,951</u>
 Total Assets & Deferred Outflows of Resources	 <u>\$ 14,885,153</u>	 <u>\$ 26,458,486</u>	 <u>\$ 91,394</u>	 <u>\$ 3,562,951</u>
Liabilities, Deferred Inflows of Resources & Fund Balances				
Liabilities:				
Accounts payable	\$ 3,017,022	\$ 19,766	\$ 16,441	\$ 38,024
Accrued salaries and benefits	-	-	-	144,641
Due to other funds	-	-	-	-
Unearned revenue	-	-	-	-
Advances from other funds	-	-	-	-
Total Liabilities	<u>3,017,022</u>	<u>19,766</u>	<u>16,441</u>	<u>182,665</u>
 Deferred Inflows of Resources:				
Unavailable revenue	<u>100,909</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Fund Balances:				
Restricted	11,767,222	26,438,720	74,953	-
Committed	-	-	-	3,380,286
Unassigned	-	-	-	-
Total Fund Balances	<u>11,767,222</u>	<u>26,438,720</u>	<u>74,953</u>	<u>3,380,286</u>
 Total Liabilities, Deferred Inflows of Resources & Fund Balances	 <u>\$ 14,885,153</u>	 <u>\$ 26,458,486</u>	 <u>\$ 91,394</u>	 <u>\$ 3,562,951</u>

continued

COUNTY OF NAPA

Combining Balance Sheet (continued)
Nonmajor Special Revenue Funds
June 30, 2016

	<u>In-Home Support Services Authority</u>	<u>Zone 1 Garbage</u>	<u>Child Support Services</u>	<u>County Library</u>
Assets & Deferred Outflows of Resources				
Assets:				
Cash and investments	\$ -	\$ 952,913	\$ 182,512	\$ 10,794,205
Restricted Assets:				
Cash held for debt service	-	-	-	-
Cash held for endowment	-	-	-	-
Imprest cash	-	-	300	1,310
Receivable (Net):				
Taxes	-	-	-	410,903
Special assessments	-	-	-	-
Accounts	-	-	-	-
Due from other governments	235,957	-	-	-
Prepaid items	-	-	15,777	3,606
Deposits	-	-	-	1,250
Assets held for resale	-	-	-	-
Loans receivable, net	-	-	-	-
Advances to other funds	-	-	-	-
Total Assets	<u>235,957</u>	<u>952,913</u>	<u>198,589</u>	<u>11,211,274</u>
 Total Assets & Deferred Outflows of Resources	<u>\$ 235,957</u>	<u>\$ 952,913</u>	<u>\$ 198,589</u>	<u>\$ 11,211,274</u>
 Liabilities, Deferred Inflows of Resources & Fund Balances				
Liabilities:				
Accounts payable	\$ 679	\$ 8,144	\$ 15,487	\$ 276,649
Accrued salaries and benefits	-	-	184,027	296,090
Due to other funds	177,608	-	-	-
Unearned revenue	-	-	-	50,000
Advances from other funds	-	-	-	-
Total Liabilities	<u>178,287</u>	<u>8,144</u>	<u>199,514</u>	<u>622,739</u>
 Deferred Inflows of Resources:				
Unavailable revenue	<u>235,957</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Fund Balances:				
Restricted	-	944,769	-	10,588,535
Committed	-	-	-	-
Unassigned	(178,287)	-	(925)	-
Total Fund Balances	<u>(178,287)</u>	<u>944,769</u>	<u>(925)</u>	<u>10,588,535</u>
 Total Liabilities, Deferred Inflows of Resources & Fund Balances	<u>\$ 235,957</u>	<u>\$ 952,913</u>	<u>\$ 198,589</u>	<u>\$ 11,211,274</u>

continued

COUNTY OF NAPA

Combining Balance Sheet (continued)
 Nonmajor Special Revenue Funds
 June 30, 2016

	<u>Napa Valley Tourism Improvement- Unincorporated</u>	<u>Public, Educational Government Access Channel</u>	<u>Special Districts Under the Board of Supervisors</u>	<u>Total</u>
Assets & Deferred Outflows of Resources				
Assets:				
Cash and investments	\$ 282,045	\$ 220,075	\$ 2,860,412	\$ 39,573,460
Restricted Assets:				
Cash held for debt service	-	-	545,362	545,362
Cash held for endowment	-	-	25,148	25,148
Imprest cash	-	-	-	1,660
Receivable (Net):				
Taxes	-	-	4,041	503,387
Special assessments	150,201	-	1,250,462	1,439,829
Accounts	-	-	-	7,747
Due from other governments	-	-	-	843,564
Prepaid items	-	-	965	20,348
Deposits	-	-	-	1,250
Assets held for resale	-	-	-	990,202
Loans receivable, net	-	-	-	18,883,286
Advances to other funds	-	-	-	100,185
Total Assets	<u>432,246</u>	<u>220,075</u>	<u>4,686,390</u>	<u>62,935,428</u>
 Total Assets & Deferred Outflows of Resources	 <u>\$ 432,246</u>	 <u>\$ 220,075</u>	 <u>\$ 4,686,390</u>	 <u>\$ 62,935,428</u>
 Liabilities, Deferred Inflows of Resources & Fund Balances				
Liabilities:				
Accounts payable	\$ 194,325	\$ -	\$ 1,613,056	\$ 5,199,593
Accrued salaries and benefits	-	-	-	624,758
Due to other funds	-	-	-	177,608
Unearned revenue	-	-	-	50,000
Advances from other funds	-	-	1,365,201	1,365,201
Total Liabilities	<u>194,325</u>	<u>-</u>	<u>2,978,257</u>	<u>7,417,160</u>
 Deferred Inflows of Resources:				
Unavailable revenue	-	-	-	<u>336,866</u>
 Fund Balances:				
Restricted	237,921	220,075	3,064,621	53,336,816
Committed	-	-	-	3,380,286
Unassigned	-	-	(1,356,488)	(1,535,700)
Total Fund Balances	<u>237,921</u>	<u>220,075</u>	<u>1,708,133</u>	<u>55,181,402</u>
 Total Liabilities, Deferred Inflows of Resources & Fund Balances	 <u>\$ 432,246</u>	 <u>\$ 220,075</u>	 <u>\$ 4,686,390</u>	 <u>\$ 62,935,428</u>

COUNTY OF NAPA

Combining Statement of Revenues, Expenditures and
Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2016

	<u>Fire Protection</u>	<u>Affordable Housing</u>	<u>Wildlife Conservation Commission</u>	<u>Building and Code Enforcement</u>
Revenues:				
Taxes	\$ 10,207,494	\$ -	\$ -	\$ -
Licenses and permits	474,404	1,443,830	-	1,835,209
Fines, forfeitures and penalties	1,350	-	33,191	75,849
Revenue from the use of money and property	71,182	189,324	455	18,540
Aid from other governments	694,332	7,500	-	25,000
Charges for services	1,300,773	-	-	1,416,693
Contributions and donations	-	-	-	-
Other revenue	205,001	-	-	26
Total Revenues	<u>12,954,536</u>	<u>1,640,654</u>	<u>33,646</u>	<u>3,371,317</u>
Expenditures:				
Current:				
General government	-	-	-	-
Public protection	12,678,950	-	40,819	3,325,507
Public ways and facilities	-	-	-	-
Health and sanitation	-	-	-	-
Public assistance	-	376,930	-	-
Education	-	-	-	-
Total Expenditures	<u>12,678,950</u>	<u>376,930</u>	<u>40,819</u>	<u>3,325,507</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>275,586</u>	<u>1,263,724</u>	<u>(7,173)</u>	<u>45,810</u>
Other Financing Sources (Uses):				
Transfers in	400,059	-	-	-
Transfers out	<u>(60,100)</u>	<u>(274,000)</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>339,959</u>	<u>(274,000)</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	615,545	989,724	(7,173)	45,810
Fund Balances - Beginning	<u>11,151,677</u>	<u>25,448,996</u>	<u>82,126</u>	<u>3,334,476</u>
Fund Balances - Ending	<u>\$ 11,767,222</u>	<u>\$ 26,438,720</u>	<u>\$ 74,953</u>	<u>\$ 3,380,286</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, 2016

	<u>In-Home Support Services Authority</u>	<u>Zone 1 Garbage</u>	<u>Child Support Services</u>	<u>County Library</u>
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ 7,673,087
Licenses and permits	-	395,164	-	750
Fines, forfeitures and penalties	-	-	-	-
Revenue from the use of money and property	-	4,891	541	70,894
Aid from other governments	137,228	-	4,060,140	86,718
Charges for services	-	-	-	156,142
Contributions and donations	-	-	-	170,176
Other revenue	15	-	-	26,329
Total Revenues	<u>137,243</u>	<u>400,055</u>	<u>4,060,681</u>	<u>8,184,096</u>
Expenditures:				
Current:				
General government	-	-	-	-
Public protection	-	-	3,999,749	-
Public ways and facilities	-	-	-	-
Health and sanitation	-	225,743	-	-
Public assistance	322,384	-	-	-
Education	-	-	-	9,106,539
Total Expenditures	<u>322,384</u>	<u>225,743</u>	<u>3,999,749</u>	<u>9,106,539</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(185,141)</u>	<u>174,312</u>	<u>60,932</u>	<u>(922,443)</u>
Other Financing Sources (Uses):				
Transfers in	41,724	-	-	524,352
Transfers out	-	(199,742)	-	(19,586)
Total Other Financing Sources (Uses)	<u>41,724</u>	<u>(199,742)</u>	<u>-</u>	<u>504,766</u>
Net Change in Fund Balances	(143,417)	(25,430)	60,932	(417,677)
Fund Balances - Beginning	<u>(34,870)</u>	<u>970,199</u>	<u>(61,857)</u>	<u>11,006,212</u>
Fund Balances - Ending	<u>\$ (178,287)</u>	<u>\$ 944,769</u>	<u>\$ (925)</u>	<u>\$ 10,588,535</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, 2016

	<u>Napa Valley Tourism Improvement- Unincorporated</u>	<u>Public, Educational Government Access Channel</u>	<u>Special Districts Under the Board of Supervisors</u>	<u>Total</u>
Revenues:				
Taxes	\$ -	\$ -	\$ 1,078,387	\$ 18,958,968
Licenses and permits	-	42,061	-	4,191,418
Fines, forfeitures and penalties	-	-	492	110,882
Revenue from the use of money and property	1,622	1,081	16,960	375,490
Aid from other governments	-	-	1,016	5,011,934
Charges for services	525,967	-	6,721,395	10,120,970
Contributions and donations	-	-	-	170,176
Other revenue	-	-	-	231,371
Total Revenues	<u>527,589</u>	<u>43,142</u>	<u>7,818,250</u>	<u>39,171,209</u>
Expenditures:				
Current:				
General government	440,814	-	5,665,249	6,106,063
Public protection	-	-	32,194	20,077,219
Public ways and facilities	-	-	206,571	206,571
Health and sanitation	-	-	-	225,743
Public assistance	-	-	15,063	714,377
Education	-	-	-	9,106,539
Total Expenditures	<u>440,814</u>	<u>-</u>	<u>5,919,077</u>	<u>36,436,512</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>86,775</u>	<u>43,142</u>	<u>1,899,173</u>	<u>2,734,697</u>
Other Financing Sources (Uses):				
Transfers in	-	-	-	966,135
Transfers out	-	-	(891,221)	(1,444,649)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(891,221)</u>	<u>(478,514)</u>
Net Change in Fund Balances	86,775	43,142	1,007,952	2,256,183
Fund Balances - Beginning	<u>151,146</u>	<u>176,933</u>	<u>700,181</u>	<u>52,925,219</u>
Fund Balances - Ending	<u>\$ 237,921</u>	<u>\$ 220,075</u>	<u>\$ 1,708,133</u>	<u>\$ 55,181,402</u>

COUNTY OF NAPA
Combining Balance Sheet
Special Districts Under the Board of Supervisors
June 30, 2016

	<u>County Service Area No 3</u>	<u>County Service Area No 4</u>	<u>Silverado Community Services</u>	<u>Monticello Public Cemetery</u>
Assets & Deferred Outflows of Resources				
Assets:				
Cash and investments	\$ 451,418	\$ 391,981	\$ 75,578	\$ 172,143
Restricted Assets:				
Cash held for debt service	-	-	-	-
Cash held for endowment	-	-	-	25,148
Receivable (Net):				
Taxes	-	-	-	4,041
Special assessments	1,470	5,051	743	-
Prepaid items	-	-	965	-
Total Assets	<u>452,888</u>	<u>397,032</u>	<u>77,286</u>	<u>201,332</u>
 Total Assets and Deferred Outflows of Resources	 <u>452,888</u>	 <u>397,032</u>	 <u>77,286</u>	 <u>201,332</u>
Liabilities, Deferred Inflows of Resources & Fund Balances				
Liabilities:				
Accounts payable	552	-	5,270	2,406
Advances from other funds	-	-	-	-
Total Liabilities	<u>552</u>	<u>-</u>	<u>5,270</u>	<u>2,406</u>
 Fund Balances:				
Restricted	452,336	397,032	72,016	198,926
Unassigned	-	-	-	-
Total Fund Balances	<u>452,336</u>	<u>397,032</u>	<u>72,016</u>	<u>198,926</u>
 Total Liabilities, Deferred Inflows of Resources & Fund Balances	 <u>\$ 452,888</u>	 <u>\$ 397,032</u>	 <u>\$ 77,286</u>	 <u>\$ 201,332</u>

COUNTY OF NAPA

Combining Balance Sheet (continued)
Special Districts Under the Board of Supervisors
June 30, 2016

	<u>Countywide Napa Valley Tourism Improvement District</u>	<u>Community Facilities District- Devlin Road</u>	<u>Community Facilities District-MST</u>	<u>Total</u>
Assets & Deferred Outflows of Resources				
Assets:				
Cash and investments	\$ 361,630	\$ 8,713	\$ 1,398,949	\$ 2,860,412
Restricted Assets:				
Cash held for debt service	-	-	545,362	545,362
Cash held for endowment	-	-	-	25,148
Receivable (Net):				
Taxes	-	-	-	4,041
Special assessments	1,243,198	-	-	1,250,462
Prepaid items	-	-	-	965
Total Assets	<u>1,604,828</u>	<u>8,713</u>	<u>1,944,311</u>	<u>4,686,390</u>
Total Assets and Deferred Outflows of Resources	<u>1,604,828</u>	<u>8,713</u>	<u>1,944,311</u>	<u>4,686,390</u>
Liabilities, Deferred Inflows of Resources & Fund Balances				
Liabilities:				
Accounts payable	1,604,828	-	-	1,613,056
Advances from other funds	-	1,365,201	-	1,365,201
Total Liabilities	<u>1,604,828</u>	<u>1,365,201</u>	<u>-</u>	<u>2,978,257</u>
Fund Balances:				
Restricted	-	-	1,944,311	3,064,621
Unassigned	-	(1,356,488)	-	(1,356,488)
Total Fund Balances	<u>-</u>	<u>(1,356,488)</u>	<u>1,944,311</u>	<u>1,708,133</u>
Total Liabilities, Deferred Inflows of Resources & Fund Balances	<u>\$ 1,604,828</u>	<u>\$ 8,713</u>	<u>\$ 1,944,311</u>	<u>\$ 4,686,390</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, 2016

	<u>County Service Area No 3</u>	<u>County Service Area No 4</u>	<u>Silverado Community Services</u>	<u>Monticello Public Cemetery</u>
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ 29,228
Fines, forfeitures and penalties	46	329	117	-
Revenue from the use of money and property	2,525	2,228	401	1,069
Aid from other governments	-	-	-	1,016
Charges for services	<u>482,553</u>	<u>450,169</u>	<u>125,007</u>	<u>1,951</u>
Total Revenues	<u>485,124</u>	<u>452,726</u>	<u>125,525</u>	<u>33,264</u>
Expenditures:				
Current:				
General government	-	-	-	-
Public protection	475	-	-	31,719
Public ways and facilities	52,384	-	123,258	-
Public assistance	-	15,063	-	-
Total Expenditures	<u>52,859</u>	<u>15,063</u>	<u>123,258</u>	<u>31,719</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>432,265</u>	<u>437,663</u>	<u>2,267</u>	<u>1,545</u>
Other Financing Sources (Uses):				
Transfers out	<u>(400,059)</u>	<u>(401,162)</u>	-	-
Total Other Financing Sources (Uses)	<u>(400,059)</u>	<u>(401,162)</u>	-	-
Net Change in Fund Balances	32,206	36,501	2,267	1,545
Fund Balances - Beginning	<u>420,130</u>	<u>360,531</u>	<u>69,749</u>	<u>197,381</u>
Fund Balances - Ending	<u>\$ 452,336</u>	<u>\$ 397,032</u>	<u>\$ 72,016</u>	<u>\$ 198,926</u>

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, 2016

	Countywide Napa Valley Tourism Improvement District	Community Facilities District- Devlin Road	Community Facilities District- MST	Total
Revenues:				
Taxes	\$ -	\$ 221,751	\$ 827,408	\$ 1,078,387
Fines, forfeitures and penalties	-	-	-	492
Revenue from the use of money and property	1,912	527	8,298	16,960
Aid from other governments	-	-	-	1,016
Charges for services	5,661,715	-	-	6,721,395
Total Revenues	<u>5,663,627</u>	<u>222,278</u>	<u>835,706</u>	<u>7,818,250</u>
Expenditures:				
Current:				
General government	5,665,249	-	-	5,665,249
Public protection	-	-	-	32,194
Public ways and facilities	-	24,721	6,208	206,571
Public assistance	-	-	-	15,063
Total Expenditures	<u>5,665,249</u>	<u>24,721</u>	<u>6,208</u>	<u>5,919,077</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,622)</u>	<u>197,557</u>	<u>829,498</u>	<u>1,899,173</u>
Other Financing Sources (Uses):				
Transfers out	-	-	(90,000)	(891,221)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(90,000)</u>	<u>(891,221)</u>
Net Change in Fund Balances	(1,622)	197,557	739,498	1,007,952
Fund Balances - Beginning	<u>1,622</u>	<u>(1,554,045)</u>	<u>1,204,813</u>	<u>700,181</u>
Fund Balances - Ending	<u>\$ -</u>	<u>\$ (1,356,488)</u>	<u>\$ 1,944,311</u>	<u>\$ 1,708,133</u>

COUNTY OF NAPA

Budgetary Comparison Schedule
Fire Protection
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		Positive (Negative)
Resources (inflows):				
Taxes	\$ 8,780,752	\$ 8,780,752	\$ 10,207,494	\$ 1,426,742
Licenses and permits	375,000	375,000	474,404	99,404
Fines, forfeitures and penalties	-	-	1,350	1,350
Revenue from the use of money and property	50,000	50,000	71,182	21,182
Aid from other governments	230,000	230,000	694,332	464,332
Charges for services	1,070,500	1,070,500	1,300,773	230,273
Other revenue	5,000	302,500	205,001	(97,499)
Transfers in	371,135	371,135	400,059	28,924
Intrafund transfers in	70,500	90,500	90,500	-
Revenues available for appropriation	<u>10,952,887</u>	<u>11,270,387</u>	<u>13,445,095</u>	<u>2,174,708</u>
Charges to appropriations (outflows):				
Operations	14,365,236	14,792,556	12,460,778	2,331,778
Facilities and improvements	1,483,910	1,292,622	308,672	983,950
Transfers out	76,622	76,622	60,100	16,522
Total charges to appropriations	<u>15,925,768</u>	<u>16,161,800</u>	<u>12,829,550</u>	<u>3,332,250</u>
Net Change in Fund Balances, Budgetary Basis	(4,972,881)	(4,891,413)	615,545	5,506,958
Budgetary Fund Balances - Beginning	<u>11,151,677</u>	<u>11,151,677</u>	<u>11,151,677</u>	-
Budgetary Fund Balances - Ending	<u>\$ 6,178,796</u>	<u>\$ 6,260,264</u>	<u>\$ 11,767,222</u>	<u>\$ 5,506,958</u>

COUNTY OF NAPA

Budgetary Comparison Schedule
Fire Protection
For the Year Ended June 30, 2016

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

Sources/inflows of resources

Actual amounts (budgetary basis) "available for appropriation" from Budgetary Comparison Schedule	\$ 13,445,095
Difference - budget to GAAP:	
Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes	(400,059)
Transfers within the fund are inflows of budgetary resources but are not revenues for financial reporting purposes	<u>(90,500)</u>
Total revenues as reported on the Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds	<u>\$ 12,954,536</u>

Uses/outflows of resources

Actual amounts (budgetary basis) "total charges to appropriations" from the Budgetary Comparison Schedule	\$ 12,829,550
Difference - budget to GAAP:	
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes	(60,100)
Transfers within the fund are outflows of budgetary resources but are not expenditures for financial reporting purposes	<u>(90,500)</u>
Total expenditures as reported on the Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds	<u>\$ 12,678,950</u>

COUNTY OF NAPA

Budgetary Comparison Schedule
Affordable Housing
For the Year Ended June 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Resources (inflows):				
Licenses and permits	\$ 1,000,000	\$ 1,000,000	\$ 1,443,830	\$ 443,830
Revenue from the use of money and property	40,000	40,000	189,324	149,324
Aid from other governments	-	-	7,500	7,500
Other revenue	<u>2,557,092</u>	<u>2,557,092</u>	<u>-</u>	<u>(2,557,092)</u>
Revenues available for appropriation	<u>3,597,092</u>	<u>3,597,092</u>	<u>1,640,654</u>	<u>(1,956,438)</u>
Charges to appropriations (outflows):				
Public assistance	2,867,930	3,033,316	376,930	2,656,386
Transfers out	<u>273,000</u>	<u>273,000</u>	<u>274,000</u>	<u>(1,000)</u>
Total charges to appropriations	<u>3,140,930</u>	<u>3,306,316</u>	<u>650,930</u>	<u>2,655,386</u>
Net Change in Fund Balances, Budgetary Basis	456,162	290,776	989,724	698,948
Budgetary Fund Balances - Beginning	<u>25,448,996</u>	<u>25,448,996</u>	<u>25,448,996</u>	<u>-</u>
Budgetary Fund Balances - Ending	<u>\$ 25,905,158</u>	<u>\$ 25,739,772</u>	<u>\$ 26,438,720</u>	<u>\$ 698,948</u>

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

Uses/outflows of resources

Actual amounts (budgetary basis) "total charges to appropriations" from the Budgetary Comparison Schedule \$ 650,930

Difference - budget to GAAP:

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

Total expenditures as reported on the Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Special Revenue Funds \$ 376,930

COUNTY OF NAPA

Budgetary Comparison Schedule
Wildlife Conservation Commission
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Resources (inflows):				
Fines, forfeitures and penalties	\$ 10,000	\$ 10,000	\$ 33,191	\$ 23,191
Revenue from the use of money and property	400	400	455	55
Revenues available for appropriation	<u>10,400</u>	<u>10,400</u>	<u>33,646</u>	<u>23,246</u>
Charges to appropriations (outflows):				
Public protection	<u>50,000</u>	<u>50,000</u>	<u>40,819</u>	<u>9,181</u>
Total charges to appropriations	<u>50,000</u>	<u>50,000</u>	<u>40,819</u>	<u>9,181</u>
Net Change in Fund Balances, Budgetary Basis	(39,600)	(39,600)	(7,173)	32,427
Budgetary Fund Balances - Beginning	<u>82,126</u>	<u>82,126</u>	<u>82,126</u>	-
Budgetary Fund Balances - Ending	<u>\$ 42,526</u>	<u>\$ 42,526</u>	<u>\$ 74,953</u>	<u>\$ 32,427</u>

COUNTY OF NAPA

Budgetary Comparison Schedule
 Building and Code Enforcement
 For the Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		Positive (Negative)
Resources (inflows):				
Licenses and permits	\$ 2,000,000	\$ 2,000,000	\$ 1,835,209	\$ (164,791)
Fines, forfeitures and penalties	31,000	31,000	75,849	44,849
Revenue from the use of money and property	16,000	16,000	18,540	2,540
Aid from other governments	-	-	25,000	25,000
Charges for services	1,170,000	1,180,000	1,416,693	236,693
Other revenue	-	-	26	26
Revenues available for appropriation	<u>3,217,000</u>	<u>3,227,000</u>	<u>3,371,317</u>	<u>144,317</u>
Charges to appropriations (outflows):				
Public protection	<u>3,251,083</u>	<u>3,451,083</u>	<u>3,325,507</u>	<u>125,576</u>
Total charges to appropriations	<u>3,251,083</u>	<u>3,451,083</u>	<u>3,325,507</u>	<u>125,576</u>
Net Change in Fund Balances, Budgetary Basis	(34,083)	(224,083)	45,810	269,893
Budgetary Fund Balances - Beginning	<u>3,334,476</u>	<u>3,334,476</u>	<u>3,334,476</u>	<u>-</u>
Budgetary Fund Balances - Ending	<u>\$ 3,300,393</u>	<u>\$ 3,110,393</u>	<u>\$ 3,380,286</u>	<u>\$ 269,893</u>

COUNTY OF NAPA

Budgetary Comparison Schedule
In-Home Support Services
For the Year Ended June 30, 2016

	<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>
Resources (inflows):				
Aid from other governments	\$ 196,701	\$ 196,701	\$ 137,228	\$ (59,473)
Other revenue	-	-	15	15
Transfers in	<u>41,724</u>	<u>41,724</u>	<u>41,724</u>	<u>-</u>
Revenues available for appropriation	<u>238,425</u>	<u>238,425</u>	<u>178,967</u>	<u>(59,458)</u>
Charges to appropriations (outflows):				
Public assistance	<u>238,425</u>	<u>363,425</u>	<u>322,384</u>	<u>41,041</u>
Total charges to appropriations	<u>238,425</u>	<u>363,425</u>	<u>322,384</u>	<u>41,041</u>
Net Change in Fund Balances, Budgetary Basis	-	(125,000)	(143,417)	(18,417)
Budgetary Fund Balances - Beginning	<u>(34,870)</u>	<u>(34,870)</u>	<u>(34,870)</u>	<u>-</u>
Budgetary Fund Balances - Ending	<u>\$ (34,870)</u>	<u>\$ (159,870)</u>	<u>\$ (178,287)</u>	<u>\$ (18,417)</u>

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

Sources/inflows of resources

Actual amounts (budgetary basis) "available for appropriation" from Budgetary Comparison Schedule	\$ 178,967
Difference - budget to GAAP: Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes	<u>(41,724)</u>
Total revenues as reported on the Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Special Revenue Funds	<u>\$ 137,243</u>

COUNTY OF NAPA

Budgetary Comparison Schedule
Zone 1 Garbage
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		Positive (Negative)
Resources (inflows):				
Licenses and permits	\$ 350,000	\$ 350,000	\$ 395,164	\$ 45,164
Revenue from the use of money and property	4,000	4,000	4,891	891
Revenues available for appropriation	<u>354,000</u>	<u>354,000</u>	<u>400,055</u>	<u>46,055</u>
Charges to appropriations (outflows):				
Health and sanitation	561,217	561,217	225,743	335,474
Transfers out	199,742	199,742	199,742	-
Total charges to appropriations	<u>760,959</u>	<u>760,959</u>	<u>425,485</u>	<u>335,474</u>
Net Change in Fund Balances, Budgetary Basis	(406,959)	(406,959)	(25,430)	381,529
Budgetary Fund Balances - Beginning	<u>970,199</u>	<u>970,199</u>	<u>970,199</u>	<u>-</u>
Budgetary Fund Balances - Ending	<u>\$ 563,240</u>	<u>\$ 563,240</u>	<u>\$ 944,769</u>	<u>\$ 381,529</u>

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

Uses/outflows of resources

Actual amounts (budgetary basis) "total charges to appropriations" from the Budgetary Comparison Schedule	\$ 425,485
Difference - budget to GAAP: Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes	<u>(199,742)</u>
Total expenditures as reported on the Combining Statement of Revenues, Expenditures, and Changes in fund balances - Nonmajor Special Revenue Funds	<u>\$ 225,743</u>

COUNTY OF NAPA

Budgetary Comparison Schedule
 Child Support Services
 For the Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Resources (inflows):				
Revenue from the use of money and property	\$ 1,000	\$ 1,000	\$ 541	\$ (459)
Aid from other governments	4,156,666	4,156,666	4,060,140	(96,526)
Revenues available for appropriation	<u>4,157,666</u>	<u>4,157,666</u>	<u>4,060,681</u>	<u>(96,985)</u>
Charges to appropriations (outflows):				
Public Protection	4,157,666	4,157,666	3,999,749	157,917
Total charges to appropriations	<u>4,157,666</u>	<u>4,157,666</u>	<u>3,999,749</u>	<u>157,917</u>
Net Change in Fund Balances, Budgetary Basis	-	-	60,932	60,932
Budgetary Fund Balances - Beginning	<u>(61,857)</u>	<u>(61,857)</u>	<u>(61,857)</u>	-
Budgetary Fund Balances - Ending	<u><u>\$ (61,857)</u></u>	<u><u>\$ (61,857)</u></u>	<u><u>\$ (925)</u></u>	<u><u>\$ 60,932</u></u>

COUNTY OF NAPA

Budgetary Comparison Schedule
County Library
For the Year Ended June 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		<u>Positive (Negative)</u>
Resources (inflows):				
Taxes	\$ 6,865,496	\$ 6,865,496	\$ 7,673,087	\$ 807,591
Revenue from the use of money and property	43,000	43,000	70,894	27,894
Aid from other governments	58,000	58,000	86,718	28,718
Charges for services	174,148	174,148	156,892	(17,256)
Contributions and donations	162,412	162,412	170,176	7,764
Other revenue	30	30	26,329	26,299
Transfers in	493,872	524,352	524,352	-
Intrafund transfers in	778,000	1,549,709	1,549,909	200
Revenues available for appropriation	<u>8,574,958</u>	<u>9,377,147</u>	<u>10,258,357</u>	<u>881,210</u>
Charges to appropriations (outflows):				
Library operations	8,288,833	8,288,330	7,781,884	506,446
Facilities maintenance and improvements	778,000	1,548,753	1,324,655	224,098
Transfers out	20,040	20,040	19,586	454
Intrafund transfers out	778,000	1,628,937	1,549,909	79,028
Total charges to appropriations	<u>9,864,873</u>	<u>11,486,060</u>	<u>10,676,034</u>	<u>810,026</u>
Net Change in Fund Balances, Budgetary Basis	(1,289,915)	(2,108,913)	(417,677)	1,691,236
Budgetary Fund Balances - Beginning	<u>11,006,212</u>	<u>11,006,212</u>	<u>11,006,212</u>	<u>-</u>
Budgetary Fund Balances - Ending	<u>\$ 9,716,297</u>	<u>\$ 8,897,299</u>	<u>\$ 10,588,535</u>	<u>\$ 1,691,236</u>

COUNTY OF NAPA

Budgetary Comparison Schedule
County Library
For the Year Ended June 30, 2016

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

Sources/inflows of resources

Actual amounts (budgetary basis) "available for appropriation" from Budgetary Comparison Schedule	\$ 10,258,357
Difference - budget to GAAP:	
Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes	(524,352)
Transfers within the fund are inflows of budgetary resources but are not revenues for financial reporting purposes	<u>(1,549,909)</u>
Total revenues as reported on the Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds	<u>\$ 8,184,096</u>

Uses/outflows of resources

Actual amounts (budgetary basis) "total charges to appropriations" from the Budgetary Comparison Schedule	\$ 10,676,034
Difference - budget to GAAP:	
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes	(19,586)
Transfers within the fund are outflows of budgetary resources but are not expenditures for financial reporting purposes	<u>(1,549,909)</u>
Total expenditures as reported on the Combining Statement of Revenues, Expenditures, and Changes in fund balances - Nonmajor Special Revenue Funds	<u>\$ 9,106,539</u>

COUNTY OF NAPA

Budgetary Comparison Schedule
 Napa Valley Tourism Improvement-Unincorporated
 For the Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Resources (inflows):				
Revenue from the use of money and property	\$ 500	\$ 500	\$ 1,622	\$ 1,122
Charges for services	<u>484,000</u>	<u>484,000</u>	<u>525,967</u>	<u>41,967</u>
Revenues available for appropriation	<u>484,500</u>	<u>484,500</u>	<u>527,589</u>	<u>43,089</u>
Charges to appropriations (outflows):				
General government	<u>444,500</u>	<u>444,500</u>	<u>440,814</u>	<u>3,686</u>
Total charges to appropriations	<u>444,500</u>	<u>444,500</u>	<u>440,814</u>	<u>3,686</u>
Net Change in Fund Balances, Budgetary Basis	40,000	40,000	86,775	46,775
Budgetary Fund Balances - Beginning	<u>151,146</u>	<u>151,146</u>	<u>151,146</u>	<u>-</u>
Budgetary Fund Balances - Ending	<u>\$ 191,146</u>	<u>\$ 191,146</u>	<u>\$ 237,921</u>	<u>\$ 46,775</u>

COUNTY OF NAPA

Budgetary Comparison Schedule
Public, Educational Government Access Channel
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		Positive (Negative)
Resources (inflows):				
Licenses and permits	\$ 36,000	\$ 36,000	\$ 42,061	\$ 6,061
Revenue from the use of money and property	500	500	1,081	581
Revenues available for appropriation	<u>36,500</u>	<u>36,500</u>	<u>43,142</u>	<u>6,642</u>
Charges to appropriations (outflows):				
General government	-	-	-	-
Total charges to appropriations	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances, Budgetary Basis	36,500	36,500	43,142	6,642
Budgetary Fund Balances - Beginning	<u>176,933</u>	<u>176,933</u>	<u>176,933</u>	<u>-</u>
Budgetary Fund Balances - Ending	<u>\$ 213,433</u>	<u>\$ 213,433</u>	<u>\$ 220,075</u>	<u>\$ 6,642</u>

COUNTY OF NAPA

Budgetary Comparison Schedule
County Service Area No 3
For the Year Ended June 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Resources (inflows):				
Fines, forfeitures and penalties	\$ -	\$ -	\$ 46	\$ 46
Revenue from use of money and property	1,639	1,639	2,525	886
Charges for services	<u>490,880</u>	<u>490,880</u>	<u>482,553</u>	<u>(8,327)</u>
Revenues available for appropriation	<u>492,519</u>	<u>492,519</u>	<u>485,124</u>	<u>(7,395)</u>
Charges to appropriations (outflows):				
Public protection	122	122	475	(353)
Public ways and facilities	75,542	75,542	52,384	23,158
Transfers out	<u>416,855</u>	<u>416,855</u>	<u>400,059</u>	<u>16,796</u>
Total charges to appropriations	<u>492,519</u>	<u>492,519</u>	<u>452,918</u>	<u>39,601</u>
Net Change in Fund Balances, Budgetary Basis	-	-	32,206	32,206
Budgetary Fund Balances - Beginning	<u>420,130</u>	<u>420,130</u>	<u>420,130</u>	-
Budgetary Fund Balances - Ending	<u>\$ 420,130</u>	<u>\$ 420,130</u>	<u>\$ 452,336</u>	<u>\$ 32,206</u>

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

Uses/outflows of resources

Actual amounts (budgetary basis) "total charges to appropriations" from the Budgetary Comparison Schedule	\$ 452,918
Difference - budget to GAAP: Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes	<u>(400,059)</u>
Total expenditures as reported on the Combining Statement of Revenues, Expenditures, and Changes in fund balances - Nonmajor Special Districts Under the Board of Supervisors	<u>\$ 52,859</u>

COUNTY OF NAPA

Budgetary Comparison Schedule
County Service Area No 4
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Resources (inflows):				
Fines, forfeitures and penalties	\$ -	\$ -	\$ 329	\$ 329
Revenue from use of money and property	-	-	2,228	2,228
Charges for services	<u>450,000</u>	<u>450,000</u>	<u>450,169</u>	<u>169</u>
Revenues available for appropriation	<u>450,000</u>	<u>450,000</u>	<u>452,726</u>	<u>2,726</u>
Charges to appropriations (outflows):				
Public assistance	18,500	18,500	15,063	3,437
Transfers out	<u>542,283</u>	<u>542,283</u>	<u>401,162</u>	<u>141,121</u>
Total charges to appropriations	<u>560,783</u>	<u>560,783</u>	<u>416,225</u>	<u>144,558</u>
Net change in Fund Balances, Budgetary Basis	(110,783)	(110,783)	36,501	147,284
Budgetary Fund Balances - Beginning	<u>360,531</u>	<u>360,531</u>	<u>360,531</u>	<u>-</u>
Budgetary Fund Balances, Ending	<u>\$ 249,748</u>	<u>\$ 249,748</u>	<u>\$ 397,032</u>	<u>\$ 147,284</u>

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

Uses/outflows of resources

Actual amounts (budgetary basis) "total charges to appropriations" from the Budgetary Comparison Schedule	\$ 416,225
Difference - budget to GAAP: Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes	<u>(401,162)</u>
Total expenditures as reported on the Combining Statement of Revenues, Expenditures, and Changes in fund balances - Nonmajor Special Under the Board of Supervisors	<u>\$ 15,063</u>

COUNTY OF NAPA

Budgetary Comparison Schedule
Silverado Community Services
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		Positive (Negative)
Resources (inflows):				
Fines, forfeitures and penalties	\$ 400	\$ 400	\$ 117	\$ (283)
Revenue from the use of money and property	450	450	401	(49)
Charges for services	<u>125,009</u>	<u>125,009</u>	<u>125,007</u>	<u>(2)</u>
Revenues available for appropriation	<u>125,859</u>	<u>125,859</u>	<u>125,525</u>	<u>(334)</u>
Charges to appropriations (outflows):				
Public ways and facilities	<u>185,613</u>	<u>185,613</u>	<u>123,258</u>	<u>62,355</u>
Total charges to appropriations	<u>185,613</u>	<u>185,613</u>	<u>123,258</u>	<u>62,355</u>
Net Change in Fund Balances, Budgetary Basis	(59,754)	(59,754)	2,267	62,021
Budgetary Fund Balances - Beginning	<u>69,749</u>	<u>69,749</u>	<u>69,749</u>	<u>-</u>
Budgetary Fund Balances - Ending	<u>\$ 9,995</u>	<u>\$ 9,995</u>	<u>\$ 72,016</u>	<u>\$ 62,021</u>

COUNTY OF NAPA

Budgetary Comparison Schedule
 Monticello Public Cemetery
 For the Year Ended June 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		<u>Positive (Negative)</u>
Resources (inflows):				
Taxes	\$ 30,950	\$ 30,950	\$ 29,228	\$ (1,722)
Revenue from the use of money and property	920	920	1,069	149
Aid from other governments	120	120	1,016	896
Charges for services	6,100	6,100	1,951	(4,149)
Intrafund transfers in	35,000	35,000	-	(35,000)
Revenues available for appropriation	<u>73,090</u>	<u>73,090</u>	<u>33,264</u>	<u>(39,826)</u>
Charges to appropriations (outflows):				
Public protection	<u>108,686</u>	<u>108,686</u>	<u>31,719</u>	<u>76,967</u>
Total charges to appropriations	<u>108,686</u>	<u>108,686</u>	<u>31,719</u>	<u>76,967</u>
Net Change in Fund Balances, Budgetary Basis	(35,596)	(35,596)	1,545	37,141
Budgetary Fund Balances - Beginning	<u>197,381</u>	<u>197,381</u>	<u>197,381</u>	<u>-</u>
Budgetary Fund Balances - Ending	<u>\$ 161,785</u>	<u>\$ 161,785</u>	<u>\$ 198,926</u>	<u>\$ 37,141</u>

COUNTY OF NAPA

Budgetary Comparison Schedule
 Countywide Napa Valley Tourism Improvement District
 For the Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Resources (inflows):				
Revenue from the use of money and property	\$ -	\$ -	\$ 1,912	\$ 1,912
Charges for services	<u>5,600,000</u>	<u>5,663,627</u>	<u>5,661,715</u>	<u>(1,912)</u>
Revenues available for appropriation	<u>5,600,000</u>	<u>5,663,627</u>	<u>5,663,627</u>	<u>-</u>
Charges to appropriations (outflows):				
General government	<u>5,600,000</u>	<u>5,665,300</u>	<u>5,665,249</u>	<u>51</u>
Total charges to appropriations	<u>5,600,000</u>	<u>5,665,300</u>	<u>5,665,249</u>	<u>51</u>
Net Change in Fund Balances, Budgetary Basis	-	(1,673)	(1,622)	51
Budgetary Fund Balances - Beginning	<u>1,622</u>	<u>1,622</u>	<u>1,622</u>	<u>-</u>
Budgetary Fund Balances - Ending	<u>\$ 1,622</u>	<u>\$ (51)</u>	<u>\$ -</u>	<u>\$ 51</u>

COUNTY OF NAPA

Budgetary Comparison Schedule
Community Facilities District-Devlin Road
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		Positive (Negative)
Resources (inflows):				
Taxes	\$ 217,550	\$ 217,550	\$ 221,751	\$ 4,201
Revenue from the use of money and property	-	-	527	527
Other financing sources	-	-	-	-
Revenues available for appropriation	<u>217,550</u>	<u>217,550</u>	<u>222,278</u>	<u>4,728</u>
Charges to appropriations (outflows):				
Public ways & facilities	<u>217,550</u>	<u>217,550</u>	<u>24,721</u>	<u>192,829</u>
Total charges to appropriations	<u>217,550</u>	<u>217,550</u>	<u>24,721</u>	<u>192,829</u>
Net Change in Fund Balance, Budgetary Basis	-	-	197,557	197,557
Budgetary Fund Balance - Beginning	<u>(1,554,045)</u>	<u>(1,554,045)</u>	<u>(1,554,045)</u>	-
Budgetary Fund Balances - Ending	<u>\$ (1,554,045)</u>	<u>\$ (1,554,045)</u>	<u>\$ (1,356,488)</u>	<u>\$ 197,557</u>

COUNTY OF NAPA

Budgetary Comparison Schedule
Community Facilities District-MST
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		Positive (Negative)
Resources (inflows):				
Taxes	\$ 601,465	\$ 601,465	\$ 827,408	\$ 225,943
Revenue from the use of money and property	-	-	8,298	8,298
Revenues available for appropriation	<u>601,465</u>	<u>601,465</u>	<u>835,706</u>	<u>234,241</u>
Charges to appropriations (outflows):				
Public ways and facilities	12,500	12,500	6,208	6,292
Debt service	75,000	75,000	-	75,000
Transfers out	-	90,000	90,000	-
Total charges to appropriations	<u>87,500</u>	<u>177,500</u>	<u>96,208</u>	<u>81,292</u>
Net Change in Fund Balance, Budgetary Basis	513,965	423,965	739,498	315,533
Budgetary Fund Balance - Beginning	<u>1,204,813</u>	<u>1,204,813</u>	<u>1,204,813</u>	<u>-</u>
Budgetary Fund Balances - Ending	<u>\$ 1,718,778</u>	<u>\$ 1,628,778</u>	<u>\$ 1,944,311</u>	<u>\$ 315,533</u>

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

Uses/outflows of resources

Actual amounts (budgetary basis) "total charges to appropriations" from the Budgetary Comparison Schedule	\$ 96,208
Difference - budget to GAAP: Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes.	<u>(90,000)</u>
Total expenditures as reported on the Combining Statement of Revenues, Expenditures, and Changes in fund balances - Nonmajor Special Revenue Funds	<u>\$ 6,208</u>

COUNTY OF NAPA

Budgetary Comparison Schedule
 Non-Operating Special Revenue Fund - Inmate Welfare
 For the Year Ended June 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		<u>Positive (Negative)</u>
Resources (inflows):				
Revenue from the use of money and property	\$ 500	\$ 500	\$ 1,080	\$ 580
Charges for services	126,500	126,500	113,731	(12,769)
Transfers in	<u>35,000</u>	<u>35,000</u>	<u>35,000</u>	<u>-</u>
Revenues available for appropriation	<u>162,000</u>	<u>162,000</u>	<u>149,811</u>	<u>(12,189)</u>
Charges to appropriations (outflows):				
Public protection	142,600	142,600	73,079	69,521
Transfers out	<u>16,000</u>	<u>16,000</u>	<u>3,386</u>	<u>12,614</u>
Total charges to appropriations	<u>158,600</u>	<u>158,600</u>	<u>76,465</u>	<u>82,135</u>
Net Change in Fund Balances, Budgetary Basis	3,400	3,400	73,346	69,946
Budgetary Fund Balances - Beginning	<u>183,842</u>	<u>183,842</u>	<u>183,842</u>	<u>-</u>
Budgetary Fund Balances - Ending	<u>\$ 187,242</u>	<u>\$ 187,242</u>	<u>\$ 257,188</u>	<u>\$ 69,946</u>

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

Sources/inflows of resources

Actual amounts (budgetary basis) "available for appropriation" from Budgetary Comparison Schedule	\$ 149,811
Difference - budget to GAAP: Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes.	<u>(35,000)</u>

Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - General Fund	<u>\$ 114,811</u>
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Uses/outflows of resources

Actual amounts (budgetary basis) "total charges to appropriations" from the Budgetary Comparison Schedule	\$ 76,465
Difference - budget to GAAP: Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes	<u>(3,386)</u>

Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - General Fund	<u>\$ 73,079</u>
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Note: These activities are included in the presentation of the General Fund Statement of Revenues, Expenditures, and Changes in Fund Balances

COUNTY OF NAPA

Budgetary Comparison Schedule
 Non-Operating Special Revenue Fund - General Government
 For the Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		Positive (Negative)
Resources (inflows):				
Revenue from the use of money and property	\$ 1,550	\$ 1,550	\$ 7,996	\$ 6,446
Revenues available for appropriation	1,550	1,550	7,996	6,446
Charges to appropriations (outflows):				
Housing Rehabilitation Repayment				
Long term loan	-	-	-	-
Transfers out	200,000	200,000	-	200,000
Subtotal	200,000	200,000	-	200,000
St-Cnty Prop Tax Admin-AB818				
Transfers out	167,000	167,000	60,720	106,280
Subtotal	167,000	167,000	60,720	106,280
Total charges to appropriations	367,000	367,000	60,720	306,280
Net Change in Fund Balances, Budgetary Basis	(365,450)	(365,450)	(52,724)	312,726
Budgetary Fund Balances - Beginning	540,520	540,520	540,520	-
Budgetary Fund Balances - Ending	\$ 175,070	\$ 175,070	\$ 487,796	\$ 312,726

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

Uses/outflows of resources

Actual amounts (budgetary basis) "total charges to appropriations" from the Budgetary Comparison Schedule	\$ 60,720
Difference - budget to GAAP: Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes	(60,720)
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - General Fund	\$ -

Note: These activities are included in the presentation of the General Fund Statement of Revenues, Expenditures, and Changes in Fund Balances.

COUNTY OF NAPA

Budgetary Comparison Schedule
 Non-Operating Special Revenue Fund - Public Protection
 For the Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		Positive (Negative)
Resources (inflows):				
Licenses and permits	\$ 2,000	\$ 2,000	\$ 704	\$ (1,296)
Fines, forfeitures and penalties	574,000	574,000	186,144	(387,856)
Revenue from the use of money and property	41,699	41,699	55,574	13,875
Aid from other governments	398,000	765,979	768,696	2,717
Charges for services	425,750	425,750	462,237	36,487
Contributions and donations	3,500	3,500	1,500	(2,000)
Transfers in	-	-	10,000	10,000
Revenue available for appropriation	<u>1,444,949</u>	<u>1,812,928</u>	<u>1,484,855</u>	<u>(328,073)</u>
Charges to appropriations (outflows):				
District Attorney-Asset Forfeitures				
Transfers out	25,000	25,000	19,774	5,226
Subtotal	<u>25,000</u>	<u>25,000</u>	<u>19,774</u>	<u>5,226</u>
District Attorney-Prop 64 Civil Penalties				
Transfers out	810,964	810,964	641,772	169,192
Subtotal	<u>810,964</u>	<u>810,964</u>	<u>641,772</u>	<u>169,192</u>
District Attorney-Hazardous Waste Enforce				
Transfers out	20,000	20,000	10,148	9,852
Subtotal	<u>20,000</u>	<u>20,000</u>	<u>10,148</u>	<u>9,852</u>
District Attorney-\$1 Vehicle Reg Assessment				
Transfers out	160,000	160,000	69,662	90,338
Subtotal	<u>160,000</u>	<u>160,000</u>	<u>69,662</u>	<u>90,338</u>
District Attorney-Consumer Fraud				
Transfers out	50,000	50,000	45,426	4,574
Subtotal	<u>50,000</u>	<u>50,000</u>	<u>45,426</u>	<u>4,574</u>
Sheriff-Fingerprint ID				
Transfers out	62,200	62,200	45,977	16,223
Subtotal	<u>62,200</u>	<u>62,200</u>	<u>45,977</u>	<u>16,223</u>
Sheriff-Debtor Assessment Fees				
Transfers out	10,000	10,000	10,000	-
Subtotal	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>-</u>
Sheriff-Muni Court Auto Warrant				
Transfers out	100,000	100,000	100,000	-
Subtotal	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>-</u>
Sheriff-CLEEP Law Enforcement Program				
Transfers out	58,959	58,959	58,959	-
Subtotal	<u>58,959</u>	<u>58,959</u>	<u>58,959</u>	<u>-</u>
Sheriff-Community Services				
Transfers out	8,000	8,000	8,000	-
Subtotal	<u>8,000</u>	<u>8,000</u>	<u>8,000</u>	<u>-</u>
Sheriff - Civil Equipment				
Transfers out	17,200	17,200	3,059	14,141
Subtotal	<u>17,200</u>	<u>17,200</u>	<u>3,059</u>	<u>14,141</u>

continued

COUNTY OF NAPA

Budgetary Comparison Schedule
 Non-Operating Special Revenue Fund - Public Protection
 For the Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		Positive (Negative)
Sheriff-Indigent Burial				
Transfers out	3,308	7,600	7,538	62
Subtotal	<u>3,308</u>	<u>7,600</u>	<u>7,538</u>	<u>62</u>
Sheriff-Drug Enforcement Agency				
Transfers out	65,000	65,000	47,666	17,334
Subtotal	<u>65,000</u>	<u>65,000</u>	<u>47,666</u>	<u>17,334</u>
Probation-Asset Forfeitures				
Transfers out	6,000	6,467	6,467	-
Subtotal	<u>6,000</u>	<u>6,467</u>	<u>6,467</u>	<u>-</u>
Probation-Chamberlain High				
Transfers out	3,500	3,500	1,920	1,580
Subtotal	<u>3,500</u>	<u>3,500</u>	<u>1,920</u>	<u>1,580</u>
Probation-Community Correction Performance Incentive				
Transfers out	200,000	537,402	457,765	79,637
Subtotal	<u>200,000</u>	<u>537,402</u>	<u>457,765</u>	<u>79,637</u>
Probation-Community Services				
Transfers out	6,000	6,000	5,492	508
Subtotal	<u>6,000</u>	<u>6,000</u>	<u>5,492</u>	<u>508</u>
Recorder-Micrographics				
PP Micrographics Trans Out	5,000	5,000	3,390	1,610
Subtotal	<u>5,000</u>	<u>5,000</u>	<u>3,390</u>	<u>1,610</u>
Recorder-Modernization				
Transfers out	145,000	145,000	36,142	108,858
Subtotal	<u>145,000</u>	<u>145,000</u>	<u>36,142</u>	<u>108,858</u>
Recorder-Vital-Health Statistics Clerk				
Transfers out	4,000	4,000	3,505	495
Subtotal	<u>4,000</u>	<u>4,000</u>	<u>3,505</u>	<u>495</u>
Recorder-SS Truncation Fees				
Transfers out	13,000	13,000	13,000	-
Subtotal	<u>13,000</u>	<u>13,000</u>	<u>13,000</u>	<u>-</u>
Recorder-Electronic Doc Recording				
Transfers out	50,000	50,000	13,300	36,700
Subtotal	<u>50,000</u>	<u>50,000</u>	<u>13,300</u>	<u>36,700</u>
PBES - Dept of Public Health				
Transfers out	10,000	10,000	-	10,000
Subtotal	<u>10,000</u>	<u>10,000</u>	<u>-</u>	<u>10,000</u>

COUNTY OF NAPA

Budgetary Comparison Schedule
 Non-Operating Special Revenue Fund - Public Protection
 For the Year Ended June 30, 2016

	<u>Budgeted Amounts</u>		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
PBES - Dept of Public Health				
Transfers out	50,000	50,000	1,813	48,187
Subtotal	<u>50,000</u>	<u>50,000</u>	<u>1,813</u>	<u>48,187</u>
 Total charges to appropriations	 <u>1,883,131</u>	 <u>2,225,292</u>	 <u>1,608,962</u>	 <u>614,517</u>
Net Change in Fund Balances, Budgetary Basis	(438,182)	(412,364)	(124,107)	286,444
Budgetary Fund Balances - Beginning	<u>10,246,701</u>	<u>10,246,701</u>	<u>10,246,701</u>	<u>-</u>
Budgetary Fund Balances - Ending	<u>\$ 9,808,519</u>	<u>\$ 9,834,337</u>	<u>\$ 10,122,594</u>	<u>\$ 286,444</u>

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

Sources/inflows of resources

Actual amounts (budgetary basis) "available for appropriation" from the Budgetary Comparison Schedule \$ 1,484,855

Difference - budget to GAAP:

 Transfers from other funds are inflows of budgetary resources but not revenues for financial reporting purposes (10,000)

Total revenues as reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances - General Fund \$ 1,474,855

Uses/outflows of resources

Actual amounts (budgetary basis) "total charges to appropriations" from the Budgetary Comparison Schedule \$ 1,608,962

Difference - budget to GAAP:

 Transfers to other funds are outflows of budgetary resources but not expenditures for financial reporting purposes (1,608,962)

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

Note: These activities are included in the presentation of the General Fund Statement of Revenues, Expenditures, and Changes in Fund Balances.

COUNTY OF NAPA

Budgetary Comparison Schedule
 Non-Operating Special Revenue Fund - Public Ways & Facilities
 For the Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Resources (inflows):				
Revenue from the use of money and property	\$ 7,000	\$ 7,000	\$ 22,635	\$ 15,635
Charges for services	500,000	1,235,010	871,433	(363,577)
Revenues available for appropriation	<u>507,000</u>	<u>1,242,010</u>	<u>894,068</u>	<u>(347,942)</u>
Charges to appropriations (outflows):				
Mitigation - Airport Industrial				
Public ways and facilities	20,000	20,000	-	20,000
Transfers out	2,456,629	2,456,629	2,411,287	45,342
Subtotal	<u>2,476,629</u>	<u>2,476,629</u>	<u>2,411,287</u>	<u>65,342</u>
Mitigation - American Canyon				
Transfers out	-	833,098	833,098	-
Subtotal	<u>-</u>	<u>833,098</u>	<u>833,098</u>	<u>-</u>
Total charges to appropriations	<u>2,476,629</u>	<u>3,309,727</u>	<u>3,244,385</u>	<u>65,342</u>
Net Change in Fund Balances, Budgetary Basis	(1,969,629)	(2,067,717)	(2,350,317)	(282,600)
Budgetary Fund Balances - Beginning	<u>2,917,476</u>	<u>2,917,476</u>	<u>2,917,476</u>	<u>-</u>
Budgetary Fund Balances - Ending	<u>\$ 947,847</u>	<u>\$ 849,759</u>	<u>\$ 567,159</u>	<u>\$ (282,600)</u>

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

Uses/outflows of resources

Actual amounts (budgetary basis) "total charges to appropriations" from the Budgetary Comparison Schedule \$ 3,244,385

Difference - budget to GAAP:

Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes. (3,244,385)

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

Note: These activities are included in the presentation of the General Fund Statement of Revenues, Expenditures, and Changes in Fund Balances.

COUNTY OF NAPA

Budgetary Comparison Schedule
 Non-Operating Special Revenue Fund - Health & Sanitation
 For the Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		Positive (Negative)
Resources (inflows):				
Fines, forfeitures and penalties	\$ 533,000	\$ 533,000	\$ 438,322	\$ (94,678)
Revenue from the use of money and property	32,340	32,340	48,968	16,628
Aid from other governments	5,265,000	5,269,000	5,327,842	58,842
Charges for services	14,000	14,000	16,306	2,306
Other revenue	5,000	5,000	13,505	8,505
Revenues available for appropriation	<u>5,849,340</u>	<u>5,853,340</u>	<u>5,844,943</u>	<u>(8,397)</u>
Charges to appropriations (outflows):				
PH-Local Bioterrorism				
Transfers out	170,320	240,820	240,707	113
Subtotal	<u>170,320</u>	<u>240,820</u>	<u>240,707</u>	<u>113</u>
PH-Emergency Medical Svcs				
Transfers out	531,250	531,250	360,273	170,977
Subtotal	<u>531,250</u>	<u>531,250</u>	<u>360,273</u>	<u>170,977</u>
PH-Vital and Health Statistics				
Transfers out	20,000	20,000	20,000	-
Subtotal	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>	<u>-</u>
PH-Health Resources and Services				
Transfers out	145,100	212,100	211,608	492
Subtotal	<u>145,100</u>	<u>212,100</u>	<u>211,608</u>	<u>492</u>
MH-MHSA Planning Expenses				
Transfers out	5,428,132	5,553,132	5,442,676	110,456
Subtotal	<u>5,428,132</u>	<u>5,553,132</u>	<u>5,442,676</u>	<u>110,456</u>
ADS-Alcohol Abuse Education Prevention				
Transfers out	67,000	67,000	67,000	-
Subtotal	<u>67,000</u>	<u>67,000</u>	<u>67,000</u>	<u>-</u>
ADS-Drug Fees-HS11372.7				
Transfers out	10,000	10,000	10,000	-
Subtotal	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>-</u>
ADS-Tobacco Control				
Transfers out	150,250	150,250	133,810	16,440
Subtotal	<u>150,250</u>	<u>150,250</u>	<u>133,810</u>	<u>16,440</u>
Total charges to appropriations	<u>6,522,052</u>	<u>6,784,552</u>	<u>6,486,074</u>	<u>298,478</u>
Net Change in Fund Balance, Budgetary Basis	(672,712)	(931,212)	(641,131)	290,081
Budgetary Fund Balance - Beginning	<u>7,189,783</u>	<u>7,189,783</u>	<u>7,189,783</u>	<u>-</u>
Budgetary Fund Balance - Ending	<u>\$ 6,517,071</u>	<u>\$ 6,258,571</u>	<u>\$ 6,548,652</u>	<u>\$ 290,081</u>

COUNTY OF NAPA

Budgetary Comparison Schedule
Non-Operating Special Revenue Fund - Health & Sanitation
For the Year Ended June 30, 2016

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

Uses/outflows of resources

Actual amounts (budgetary basis) "total charges to appropriations" from the Budgetary Comparison Schedule \$ 6,486,074

Difference - budget to GAAP:

Transfers to other funds are outflows of budgetary resources but not expenditures for financial reporting purposes (6,486,074)

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

Note: These activities are included in the presentation of the Health and Human Services Fund Statement of Revenues, Expenditures, and Changes in Fund Balances.

COUNTY OF NAPA

Budgetary Comparison Schedule
 Non-Operating Special Revenue Fund - Public Assistance
 For the Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		Positive (Negative)
Resources (inflows):				
Revenue from the use of money and property	\$ 3,075	\$ 3,075	\$ 5,316	\$ 2,241
Aid from other governments	1,978,000	2,100,000	1,724,662	(375,338)
Charges for services	54,000	54,000	60,463	6,463
Contributions and donations	20,000	20,000	16,862	(3,138)
Transfers in	-	63,000	61,271	(1,729)
Revenues available for appropriation	<u>2,055,075</u>	<u>2,240,075</u>	<u>1,868,574</u>	<u>(371,501)</u>
Charges to appropriations (outflows):				
Probation- Title IV E				
Transfers out	200,000	265,000	262,534	2,466
Subtotal	<u>200,000</u>	<u>265,000</u>	<u>262,534</u>	<u>2,466</u>
CWS-County Children Fund				
Transfers out	46,000	46,000	39,999	6,001
Subtotal	<u>46,000</u>	<u>46,000</u>	<u>39,999</u>	<u>6,001</u>
CWS-SB163 Wraparound				
Transfers out	994,230	994,230	859,241	134,989
Subtotal	<u>994,230</u>	<u>994,230</u>	<u>859,241</u>	<u>134,989</u>
SS-Clerk Domestic Violence				
Operations	34,025	-	-	-
Transfers out	-	34,025	30,972	3,053
Subtotal	<u>34,025</u>	<u>34,025</u>	<u>30,972</u>	<u>3,053</u>
Family Support				
Transfer out	1,000,000	1,120,000	1,119,999	1
Subtotal	<u>1,000,000</u>	<u>1,120,000</u>	<u>1,119,999</u>	<u>1</u>
Total charges to appropriations	<u>2,274,255</u>	<u>2,459,255</u>	<u>2,312,745</u>	<u>146,510</u>
Net Change in Fund Balances, Budgetary Basis	(219,180)	(219,180)	(444,171)	(224,991)
Budgetary Fund Balances - Beginning	463,242	463,242	463,242	-
Budgetary Fund Balances - Ending	<u>\$ 244,062</u>	<u>\$ 244,062</u>	<u>\$ 19,071</u>	<u>\$ (224,991)</u>

COUNTY OF NAPA

Budgetary Comparison Schedule
Non-Operating Special Revenue Fund - Public Assistance
For the Year Ended June 30, 2016

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

Sources/inflows of resources

Actual amounts (budgetary basis) "available for appropriation" from the Budgetary Comparison Schedule \$ 1,868,574

Difference - budget to GAAP:

Transfers from other funds are inflows of budgetary resources but not revenues for financial reporting purposes (61,271)

Total revenues as reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances - Health and Human Services Fund \$ 1,807,303

Uses/outflows of resources

Actual amounts (budgetary basis) "total charges to appropriations" from the Budgetary Comparison Schedule \$ 2,312,745

Difference - budget to GAAP:

Transfers to other funds are outflows of budgetary resources but not expenditures for financial reporting purposes (2,312,745)

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

Note: These activities are included in the presentation of the Health and Human Services Statement of Revenues, Expenditures, and Changes in Fund Balances.

COUNTY OF NAPA

Budgetary Comparison Schedule
 Non-Operating Special Revenue Fund - 2011 Realignment Revenues
 For the Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Resources (inflows):				
Aid from other governments	\$ 23,489,054	\$ 23,924,224	\$ 24,829,396	\$ 905,172
Transfers in	-	72,550	73,050	500
Revenues available for appropriation	<u>23,489,054</u>	<u>23,996,774</u>	<u>24,902,446</u>	<u>905,672</u>
Charges to appropriations (outflows):				
Transfers out	22,427,489	24,839,152	24,193,986	645,166
Subtotal	<u>22,427,489</u>	<u>24,839,152</u>	<u>24,193,986</u>	<u>645,166</u>
Total charges to appropriations	<u>22,427,489</u>	<u>24,839,152</u>	<u>24,193,986</u>	<u>645,166</u>
Net Change in Fund Balances, Budgetary Basis	1,061,565	(842,378)	708,460	1,550,838
Budgetary Fund Balances - Beginning	<u>4,986,805</u>	<u>4,986,805</u>	<u>4,986,805</u>	<u>-</u>
Budgetary Fund Balances - Ending	<u>\$ 6,048,370</u>	<u>\$ 4,144,427</u>	<u>\$ 5,695,265</u>	<u>\$ 1,550,838</u>

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

Sources/inflows of resources

Actual amounts (budgetary basis) "available for appropriation" from Budgetary Comparison Schedule \$ 24,902,446

Difference - budget to GAAP:

Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes (73,050)

Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - General Fund \$ 24,829,396

Uses/outflows of resources

Actual amounts (budgetary basis) "total charges to appropriations" from the Budgetary Comparison Schedule \$ 24,193,986

Difference - budget to GAAP:

Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes (24,193,986)

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

Note: These activities are included in the presentation of the General Fund Statement of Revenues, Expenditures, and Changes in Fund Balances.

MAJOR GOVERNMENTAL FUNDS

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

Capital Improvement Fund

This Capital Improvement Fund accounts for the following capital programs:

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

COUNTY OF NAPA

Budgetary Comparison Schedule
Capital Improvement Fund
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		Positive (Negative)
Resources (inflows):				
Fines, forfeitures and penalties	\$ 443,500	\$ 443,500	\$ 408,544	\$ (34,956)
Revenue from the use of money and property	93,000	93,000	240,146	147,146
Aid from other governments	13,474,000	13,724,000	-	(13,724,000)
Charges for services	-	450,000	450,000	-
Other financing sources	9,398,060	-	-	-
Transfers in	2,000,000	12,346,755	11,346,755	(1,000,000)
Intrafund transfers in	600,000	2,849,131	2,849,131	-
Revenues available for appropriation	<u>26,008,560</u>	<u>29,906,386</u>	<u>15,294,576</u>	<u>(14,611,810)</u>
Charges to appropriations (Outflows):				
Accumulated Capital Outlay				
Transfers out	-	100,002	100,002	-
Intrafund transfers out	731,060	2,727,191	2,596,131	131,060
Subtotal	<u>731,060</u>	<u>2,827,193</u>	<u>2,696,133</u>	<u>131,060</u>
Capital Improvement Projects				
Capital expenditures	38,738,213	44,266,251	15,695,563	28,570,688
Intrafund transfers out	-	253,000	253,000	-
Subtotal	<u>38,738,213</u>	<u>44,519,251</u>	<u>15,948,563</u>	<u>28,570,688</u>
Courthouse Construction				
Services and supplies	25,000	25,000	-	25,000
Subtotal	<u>25,000</u>	<u>25,000</u>	<u>-</u>	<u>25,000</u>
Total Charges to Appropriations	<u>39,494,273</u>	<u>47,371,444</u>	<u>18,644,696</u>	<u>28,726,748</u>
Net Change in Fund Balances, Budgetary Basis	(13,485,713)	(17,465,058)	(3,350,120)	14,114,938
Budgetary Fund Balances - Beginning	<u>52,860,908</u>	<u>52,860,908</u>	<u>52,860,908</u>	<u>-</u>
Budgetary Fund Balances - Ending	<u>\$ 39,375,195</u>	<u>\$ 35,395,850</u>	<u>\$ 49,510,788</u>	<u>\$ 14,114,938</u>

COUNTY OF NAPA

Budgetary Comparison Schedule
Capital Improvement Fund
For the Year Ended June 30, 2016

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

Sources/inflows of resources

Actual amounts (budgetary basis) "available for appropriation" from the Budgetary Comparison Schedule \$ 15,294,576

Difference - budget to GAAP:

Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes (11,346,755)

Transfers within the fund are inflows of budgetary resources but are not revenues for financial reporting purposes (2,849,131)

Total revenues as reported on the Statement of Revenue, Expenditures and Changes in Fund Balance - Governmental Funds \$ 1,098,690

Uses/outflows of resources

Actual amounts (budgetary basis) "total charges to appropriations" from the Budgetary Comparison Schedule \$ 18,644,696

Difference - budget to GAAP:

Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes. (100,002)

Transfers within the fund are outflows of budgetary resources but are not expenditures for financial reporting purposes. (2,849,131)

Total expenditures as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds \$ 15,695,563



Courtesy of Napa County Historical Society

Merrill Building on First Street (1977)

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, 2016

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Resources (inflows):				
Revenue from the use of money and property	\$ -	\$ -	\$ 3,190	\$ 3,190
Aid from other governments	81,850	81,850	82,913	1,063
Transfers in	<u>4,509,430</u>	<u>4,509,430</u>	<u>4,330,163</u>	<u>(179,267)</u>
Amounts available for appropriation	<u>4,591,280</u>	<u>4,591,280</u>	<u>4,416,266</u>	<u>(175,014)</u>
Charges to appropriations (outflows):				
Debt service	<u>4,591,281</u>	<u>4,591,281</u>	<u>4,490,575</u>	<u>100,706</u>
Total charges to appropriations	<u>4,591,281</u>	<u>4,591,281</u>	<u>4,490,575</u>	<u>100,706</u>
Net Change in Fund Balances, Budgetary Basis	(1)	(1)	(74,309)	(74,308)
Budgetary Fund Balances - Beginning	<u>1,649,353</u>	<u>1,649,353</u>	<u>1,649,353</u>	-
Budgetary Fund Balances - Ending	<u>\$ 1,649,352</u>	<u>\$ 1,649,352</u>	<u>\$ 1,575,044</u>	<u>\$ (74,308)</u>

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

Sources/inflows of resources

Actual amounts (budgetary basis) "available for appropriation" from Budgetary Comparison Schedule \$ 4,416,266

Difference - budget to GAAP:

Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes (4,330,163)

Total revenues as reported on the Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds \$ 86,103



Courtesy of Napa County Historical Society

Old Napa Register Building on First Street (1977)

NONMAJOR ENTERPRISE FUNDS

ENTERPRISE FUNDS

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

Napa County Housing Authority

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

Napa County Animal Shelter

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

5th Street Parking Garage

5th Street Parking Garage is used to provide parking for up to 485 vehicles in downtown City of Napa. The major sources of revenues come from contributions made by the City and County of Napa and three private participants to fund operations, maintenance and capital improvements to the parking structure.

COUNTY OF NAPA

Combining Statement of Fund Net Position
Nonmajor Enterprise Funds
June 30, 2016

	5th Street Parking Garage	Napa County Housing Authority	Napa County Animal Shelter	Total
Assets				
Current Assets:				
Cash and investments	\$ 261,740	\$ 922,912	\$ 13,631	\$ 1,198,283
Imprest cash	-	-	175	175
Accounts receivable	-	13,779	237,211	250,990
Total Current Assets	<u>261,740</u>	<u>936,691</u>	<u>251,017</u>	<u>1,449,448</u>
Noncurrent Assets:				
Capital Assets:				
Nondepreciable:				
Land	-	2,700,000	336,422	3,036,422
Depreciable:				
Structures and improvements	16,841,341	2,220,368	5,265,788	24,327,497
Equipment	-	46,778	-	46,778
Accumulated depreciation	(2,526,201)	(516,255)	(1,289,628)	(4,332,084)
Total Noncurrent Assets	<u>14,315,140</u>	<u>4,450,891</u>	<u>4,312,582</u>	<u>23,078,613</u>
Total Assets	<u>14,576,880</u>	<u>5,387,582</u>	<u>4,563,599</u>	<u>24,528,061</u>
Deferred Outflows of Resources				
Deferred pension	-	-	149,695	149,695
Liabilities				
Current Liabilities:				
Accounts payable	3,532	64,079	25,187	92,798
Accrued salaries and benefits	-	-	37,075	37,075
Unearned revenue	-	8,506	-	8,506
Capital lease obligations	-	-	18,313	18,313
Compensated absences	-	-	19,911	19,911
Total Current Liabilities	<u>3,532</u>	<u>72,585</u>	<u>100,486</u>	<u>176,603</u>
Noncurrent Liabilities:				
Capital lease obligations	-	-	209,328	209,328
Compensated absences	-	-	15,260	15,260
Net pension liability	-	-	632,364	632,364
Total Noncurrent Liabilities	<u>-</u>	<u>-</u>	<u>856,952</u>	<u>856,952</u>
Total Liabilities	<u>3,532</u>	<u>72,585</u>	<u>957,438</u>	<u>1,033,555</u>
Deferred Inflows of Resources:				
Deferred pension	-	-	165,024	165,024
Net Position				
Net investment in capital assets	14,315,140	4,450,891	4,084,941	22,850,972
Unrestricted	258,208	864,106	(494,109)	628,205
Total Net Position	<u>\$ 14,573,348</u>	<u>\$ 5,314,997</u>	<u>\$ 3,590,832</u>	<u>\$ 23,479,177</u>

COUNTY OF NAPA

Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Nonmajor Enterprise Funds
For the Year Ended June 30, 2016

	<u>5th Street Parking Garage</u>	<u>Napa County Housing Authority</u>	<u>Napa County Animal Shelter</u>	<u>Total</u>
Operating Revenues:				
Charges for services	\$ 165,650	\$ 720,756	\$ 1,163,392	\$ 2,049,798
Other revenue	6,970	-	8,894	15,864
Total Operating Revenues	<u>172,620</u>	<u>720,756</u>	<u>1,172,286</u>	<u>2,065,662</u>
Operating Expenses:				
Salaries and employee benefits	-	-	612,752	612,752
Services and supplies	112,415	1,326,355	521,089	1,959,859
Insurance	37,057	-	2,661	39,718
Depreciation and amortization	336,827	69,639	105,316	511,782
Total Operating Expenses	<u>486,299</u>	<u>1,395,994</u>	<u>1,241,818</u>	<u>3,124,111</u>
Operating Loss	<u>(313,679)</u>	<u>(675,238)</u>	<u>(69,532)</u>	<u>(1,058,449)</u>
Non-operating Revenues (Expenses):				
Aid from other governments	-	5,000	-	5,000
Other revenue - non operating	-	92,772	39,777	132,549
Investment income (loss)	1,521	4,452	(232)	5,741
Other expense	-	-	(240)	(240)
Interest expense	-	-	(3,826)	(3,826)
Total Nonoperating Revenues (Expenses)	<u>1,521</u>	<u>102,224</u>	<u>35,479</u>	<u>139,224</u>
Net Income (Loss) Before Transfers	(312,158)	(573,014)	(34,053)	(919,225)
Transfers in	<u>-</u>	<u>591,162</u>	<u>-</u>	<u>591,162</u>
Change in Net Position	(312,158)	18,148	(34,053)	(328,063)
Net Position - Beginning	<u>14,885,506</u>	<u>5,296,849</u>	<u>3,624,885</u>	<u>23,807,240</u>
Net Position - Ending	<u>\$ 14,573,348</u>	<u>\$ 5,314,997</u>	<u>\$ 3,590,832</u>	<u>\$ 23,479,177</u>

COUNTY OF NAPA

Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended June 30, 2016

	<u>5th Street Parking Garage</u>	<u>Napa County Housing Authority</u>	<u>Napa County Animal Shelter</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from customers	\$ 172,760	\$ 730,314	\$ 1,125,105	\$ 2,028,179
Payments to suppliers for goods and services	(149,496)	(1,344,952)	(518,578)	(2,013,026)
Payments to employees for services	-	-	(637,178)	(637,178)
Other receipts	-	92,772	39,777	132,549
Other payments	-	-	(240)	(240)
Net Cash Provided (Used) by Operating Activities	<u>23,264</u>	<u>(521,866)</u>	<u>8,886</u>	<u>(489,716)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Aid from other governmental agencies	-	5,000	-	5,000
Transfers in	-	591,162	-	591,162
Net Cash Provided by Noncapital Financing Activities	<u>-</u>	<u>596,162</u>	<u>-</u>	<u>596,162</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Payments related to the acquisition of capital assets	-	(19,742)	-	(19,742)
Principal repayments on capital leases	-	-	(16,578)	(16,578)
Interest payments related to capital activities	-	-	(3,826)	(3,826)
Net Cash Used by Capital and Related Financing Activities	<u>-</u>	<u>(19,742)</u>	<u>(20,404)</u>	<u>(40,146)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Investment earnings	<u>1,521</u>	<u>4,452</u>	<u>(232)</u>	<u>5,741</u>
Net Cash Provided (Used) by Investing Activities	<u>1,521</u>	<u>4,452</u>	<u>(232)</u>	<u>5,741</u>
Net Increase (Decrease) in Cash and Cash Equivalents	24,785	59,006	(11,750)	72,041
Cash and Cash Equivalents, Beginning	<u>236,955</u>	<u>863,906</u>	<u>25,556</u>	<u>1,126,417</u>
Cash and Cash Equivalents, Ending (includes imprest cash)	<u>\$ 261,740</u>	<u>\$ 922,912</u>	<u>\$ 13,806</u>	<u>\$ 1,198,458</u>

COUNTY OF NAPA

Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended June 30, 2016

	<u>5th Street Parking Garage</u>	<u>Napa County Housing Authority</u>	<u>Napa County Animal Shelter</u>	<u>Total</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Operating income (loss)	\$ (313,679)	\$ (675,238)	\$ (69,532)	\$ (1,058,449)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Other non-operating receipts	-	92,772	39,777	132,549
Other non-operating payments	-	-	(240)	(240)
Depreciation and amortization	336,827	69,639	105,316	511,782
Changes in assets, deferred outflows of resources, liabilities and deferred inflows of resources:				
(Increase) decrease in				
Accounts receivable	140	7,075	(237,211)	(229,996)
Due from other government agencies	-	-	190,030	190,030
Increase (decrease) in:				
Accounts payable	(24)	(18,597)	5,172	(13,449)
Salaries and benefits	-	-	(24,426)	(24,426)
Unearned revenue	-	2,483	-	2,483
Net Cash Provided (Used) by Operating Activities	<u>\$ 23,264</u>	<u>\$ (521,866)</u>	<u>\$ 8,886</u>	<u>\$ (489,716)</u>



Napa River, by moonlight Napa Cal

Courtesy of Napa County Historical Society

Postcard of the Napa River at night

INTERNAL SERVICE FUNDS

INTERNAL SERVICE FUNDS

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

Fleet Management

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

Information Technology Services

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

Employee/Retiree Benefits

Employee/Retiree Benefits Fund tracks annual other postemployment benefit costs required for postretirement healthcare benefits under the Retiree Healthcare Plan. The County provides retiree medical benefits through the California Public Employees' Retirement System (CalPERS) Healthcare program. Additionally, a self-insured Workers' Compensation Program was established in 1978 to partially self-insure against work-related losses. The current self-insured level is \$350,000 per claim occurrence. Coverage in excess of this limit, up to the statutory limit, is provided through participation in the California State Association of Counties Excess Insurance Authority (CSAC EIA). Annual charges for services for each department are based on a formula calculated from past claims experience and an assigned risk exposure for each employee/job classification within the department.

Liability Insurance

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

COUNTY OF NAPA

Combining Statement of Fund Net Position
Internal Service Funds
June 30, 2016

	Fleet Management	Information Technology Service	Employee- Retiree Benefits	Liability Insurance	Total
Assets					
Current Assets:					
Cash and investments	\$ 2,182,286	\$ 6,414,731	\$ 6,933,169	\$ 2,750,043	\$ 18,280,229
Imprest cash	-	-	-	32,639	32,639
Accounts receivable	87,691	-	1,186,598	2,650	1,276,939
Prepaid items	-	205,721	864,039	-	1,069,760
Deposits	-	-	17,345	-	17,345
Total Current Assets	<u>2,269,977</u>	<u>6,620,452</u>	<u>9,001,151</u>	<u>2,785,332</u>	<u>20,676,912</u>
Noncurrent Assets:					
Net other postemployment benefits asset	-	-	786,000	-	786,000
Capital Assets					
Nondepreciable:					
Intangible assets	-	1,105,582	-	-	1,105,582
Depreciable:					
Equipment	12,214,431	2,516,727	-	-	14,731,158
Intangible assets	-	667,632	-	-	667,632
Accumulated depreciation	<u>(8,300,040)</u>	<u>(2,614,091)</u>	<u>-</u>	<u>-</u>	<u>(10,914,131)</u>
Total Noncurrent Assets	<u>3,914,391</u>	<u>1,675,850</u>	<u>786,000</u>	<u>-</u>	<u>6,376,241</u>
Total Assets	<u>6,184,368</u>	<u>8,296,302</u>	<u>9,787,151</u>	<u>2,785,332</u>	<u>27,053,153</u>
Deferred Outflows of Resources					
Deferred pension	<u>97,080</u>	<u>1,596,448</u>	<u>-</u>	<u>-</u>	<u>1,693,528</u>
Liabilities					
Current Liabilities:					
Accounts payable	118,056	280,299	275,430	40,014	713,799
Accrued salaries and benefits	21,270	361,710	194,705	-	577,685
Unearned revenue	-	29,820	-	-	29,820
Capital lease obligations	-	131,749	-	-	131,749
Unpaid insurance claims	-	-	1,710,514	781,305	2,491,819
Compensated absences	11,582	203,164	-	-	214,746
Total Current Liabilities	<u>150,908</u>	<u>1,006,742</u>	<u>2,180,649</u>	<u>821,319</u>	<u>4,159,618</u>
Noncurrent Liabilities					
Capital lease obligations	-	40,739	-	-	40,739
Unpaid insurance claims	-	-	5,977,814	1,370,680	7,348,494
Compensated absences	21,022	175,736	-	-	196,758
Net pension liability	397,133	6,384,876	-	-	6,782,009
Total Noncurrent Liabilities	<u>418,155</u>	<u>6,601,351</u>	<u>5,977,814</u>	<u>1,370,680</u>	<u>14,368,000</u>
Total Liabilities	<u>569,063</u>	<u>7,608,093</u>	<u>8,158,463</u>	<u>2,191,999</u>	<u>18,527,618</u>
Deferred Inflows of Resources:					
Deferred pension	<u>102,451</u>	<u>1,659,000</u>	<u>-</u>	<u>-</u>	<u>1,761,451</u>
Net Position					
Net investment in capital assets	3,914,391	1,503,361	-	-	5,417,752
Unrestricted	<u>1,695,543</u>	<u>(877,704)</u>	<u>1,628,688</u>	<u>593,333</u>	<u>3,039,860</u>
Total Net Position	<u>\$ 5,609,934</u>	<u>\$ 625,657</u>	<u>\$ 1,628,688</u>	<u>\$ 593,333</u>	<u>\$ 8,457,612</u>

COUNTY OF NAPA

Combining Statement of Revenues, Expenses
and Changes in Fund Net Position
Internal Service Funds
For the Year Ended June 30, 2016

	Fleet Management	Information Technology Service	Employee- Retiree Benefits	Liability Insurance	Total
Operating Revenues					
Charges for services	\$ -	\$ 11,134,542	\$ 14,176,323	\$ 2,675,723	\$ 27,986,588
Maintenance charges:					
Equipment	595,400	-	-	-	595,400
Vehicle	1,114,891	-	-	-	1,114,891
Replacement charges	1,200,513	-	-	-	1,200,513
Other revenue	11,571	-	-	-	11,571
Total Operating Revenues	<u>2,922,375</u>	<u>11,134,542</u>	<u>14,176,323</u>	<u>2,675,723</u>	<u>30,908,963</u>
Operating Expenses:					
Salaries and employee benefits	362,083	5,699,651	13,028,527	-	19,090,261
Services and supplies	1,091,507	3,323,740	2,250	286,495	4,703,992
Other charges	452	-	-	-	452
Claims expense	-	-	1,668,117	1,313,238	2,981,355
Depreciation and amortization	3,909,079	355,373	-	-	4,264,452
Total Operating Expenses	<u>5,363,121</u>	<u>9,378,764</u>	<u>14,698,894</u>	<u>1,599,733</u>	<u>31,040,512</u>
Operating Income (Loss)	<u>(2,440,746)</u>	<u>1,755,778</u>	<u>(522,571)</u>	<u>1,075,990</u>	<u>(131,549)</u>
Non-Operating Revenues (Expenses):					
Aid from other governments	-	25,515	-	-	25,515
Investment income (loss)	11,514	36,375	44,321	12,078	104,288
Interest expense	-	(7,642)	-	-	(7,642)
Gain (Loss) on disposition of capital assets	143,172	-	-	-	143,172
Total Non-Operating Revenues (Expenses)	<u>154,686</u>	<u>54,248</u>	<u>44,321</u>	<u>12,078</u>	<u>265,333</u>
Net Income (Loss) Before Transfers	(2,286,060)	1,810,026	(478,250)	1,088,068	133,784
Transfers in	-	-	300,000	-	300,000
Transfers out	-	-	-	(2,560)	(2,560)
Change in Net Position	(2,286,060)	1,810,026	(178,250)	1,085,508	431,224
Net Position - Beginning	<u>7,895,994</u>	<u>(1,184,369)</u>	<u>1,806,938</u>	<u>(492,175)</u>	<u>8,026,388</u>
Net Position - Ending	<u>\$ 5,609,934</u>	<u>\$ 625,657</u>	<u>\$ 1,628,688</u>	<u>\$ 593,333</u>	<u>\$ 8,457,612</u>

COUNTY OF NAPA
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2016

	Fleet Management	Information Technology Service	Employee- Retiree Benefits	Liability Insurance	Total
CASH FLOWS FROM OPERATING ACTIVITIES:					
Receipts from services provided	\$ 2,904,440	\$ 11,250,830	\$ 13,030,734	\$ 2,675,723	\$ 29,861,727
Payments to suppliers for goods and services	(1,062,866)	(3,609,963)	(788,250)	(258,013)	(5,719,092)
Payments for self insurance claims	-	-	(1,646,213)	(2,025,253)	(3,671,466)
Payments to employees for services	(372,042)	(5,934,825)	(12,713,008)	-	(19,019,875)
Net Cash Provided (Used) by Operating Activities	1,469,532	1,706,042	(2,116,737)	392,457	1,451,294
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
Aid from other government agencies	-	25,515	-	-	25,515
Transfers from other funds	-	-	300,000	-	300,000
Transfers to other funds	-	-	-	(2,560)	(2,560)
Net Cash Provided (Used) by Noncapital Financing Activities	-	25,515	300,000	(2,560)	322,955
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Proceeds from sale of capital assets	187,412	-	-	-	187,412
Principal repayments on capital leases	-	(95,059)	-	-	(95,059)
Interest payments related to capital purposes	-	(7,642)	-	-	(7,642)
Payments related to the acquisition of capital assets	(1,658,680)	(379,687)	-	-	(2,038,367)
Net Cash Provided (Used) by Capital and Related Financing Activities	(1,471,268)	(482,388)	-	-	(1,953,656)
CASH FLOWS FROM INVESTING ACTIVITIES					
Investment earnings	11,514	36,375	44,321	12,078	104,288
Net Cash Provided by Investing Activities	11,514	36,375	44,321	12,078	104,288
Net Increase (Decrease) in Cash and Cash Equivalents	9,778	1,285,544	(1,772,416)	401,975	(75,119)
Cash and Cash Equivalents, Beginning	2,172,508	5,129,187	8,705,585	2,380,707	18,387,987
Cash and Cash Equivalents, Ending (includes imprest cash)	\$ 2,182,286	\$ 6,414,731	\$ 6,933,169	\$ 2,782,682	\$ 18,312,868

COUNTY OF NAPA
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2016

	Fleet Management	Information Technology Service	Employee- Retiree Benefits	Liability Insurance	Total
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by					
Operating Activities:					
Operating income (loss)	\$ (2,440,746)	\$ 1,755,778	\$ (522,571)	\$ 1,075,990	\$ (131,549)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation	3,909,079	355,373	-	-	4,264,452
Changes in assets, deferred outflows of resources, liabilities and deferred inflows of resources:					
(Increase) decrease in:					
Accounts receivable	(23,862)	18,383	(1,145,589)	-	(1,151,068)
Due from other government agencies	5,927	123,420	-	-	129,347
Deposits	-	-	-	-	-
Prepaid items	-	(126,925)	184,908	-	57,983
Net other postemployment benefits asset	-	-	(786,000)	-	(786,000)
Increase (decrease) in:					
Accounts payable	29,093	(159,298)	57,866	28,482	(43,857)
Salaries and benefits	(9,959)	(235,174)	72,745	-	(172,388)
Unearned revenue	-	(25,515)	-	-	(25,515)
Claims liability	-	-	21,904	(712,015)	(690,111)
Net Cash Provided (Used) by Operating Activities	<u>\$ 1,469,532</u>	<u>\$ 1,706,042</u>	<u>\$ (2,116,737)</u>	<u>\$ 392,457</u>	<u>\$ 1,451,294</u>
Noncash investing, capital and financing activities:					
Borrowings under capital lease	\$ -	\$ 97,138	\$ -	\$ -	\$ 97,138



Courtesy of Napa County Historical Society

Winship and Semroile Buildings (1977)

FIDUCIARY FUNDS

INVESTMENT TRUST FUNDS

These funds are used by the County to account for the assets of legally separate entities who deposit cash with the County Treasurer. These include school and community college districts, other special districts governed by local boards, regional boards and authorities, courts and pass through funds for tax collections for cities. These funds represent the assets, primarily cash and investments, and the related liability of the County to disburse these monies on demand.

School Districts

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

Independent Special Districts

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

AGENCY FUNDS

Agency funds are custodial in nature and do not involve the measurement of results of operations. Such funds have no equity accounts since all assets are due to local governments and individuals at some future time.

COUNTY OF NAPA

Combining Statement of Fiduciary Net Position
Investment Trust Funds
June 30, 2016

	<u>School Districts</u>	<u>Independent Special Districts</u>	<u>Total</u>
Assets			
Cash and investments	<u>\$ 108,225,745</u>	<u>\$ 67,863,322</u>	<u>\$ 176,089,067</u>
Total Assets	<u>108,225,745</u>	<u>67,863,322</u>	<u>176,089,067</u>
Net Position			
Net assets held in trust for investment pool participants	<u>108,225,745</u>	<u>67,863,322</u>	<u>176,089,067</u>
Total Net Position	<u>\$ 108,225,745</u>	<u>\$ 67,863,322</u>	<u>\$ 176,089,067</u>

COUNTY OF NAPA

Combining Statement of Changes in Fiduciary Net Position
Investment Trust Funds
For the Year Ended June 30, 2016

	<u>School Districts</u>	<u>Independent Special Districts</u>	<u>Total</u>
<u>ADDITIONS</u>			
Contributions:			
Contribution to investment pool	\$ 419,795,635	\$ 127,178,299	\$ 546,973,934
Total Contributions	<u>419,795,635</u>	<u>127,178,299</u>	<u>546,973,934</u>
Net Investment Income:			
Investment income (loss)	<u>693,591</u>	<u>706,270</u>	<u>1,399,861</u>
Net Investment Income	<u>693,591</u>	<u>706,270</u>	<u>1,399,861</u>
Total Additions	<u>420,489,226</u>	<u>127,884,569</u>	<u>548,373,795</u>
<u>DEDUCTIONS</u>			
Distributions from investment pool	<u>467,751,491</u>	<u>130,266,373</u>	<u>598,017,864</u>
Total Deductions	<u>467,751,491</u>	<u>130,266,373</u>	<u>598,017,864</u>
Change in Net Position	(47,262,265)	(2,381,804)	(49,644,069)
Net Position - Beginning	<u>155,488,010</u>	<u>70,245,126</u>	<u>225,733,136</u>
Net Position - Ending	<u>\$ 108,225,745</u>	<u>\$ 67,863,322</u>	<u>\$ 176,089,067</u>

COUNTY OF NAPA

Combining Statement of Changes in Fiduciary Assets and Liabilities
Agency Funds
For the Year Ended June 30, 2016

	<u>June 30, 2015</u>	<u>Additions</u>	<u>Deductions</u>	<u>June 30, 2016</u>
Assets				
Cash and investments	\$ 29,264,054	\$ 467,629,105	\$ 456,552,702	\$ 40,340,457
Restricted Cash:				
Cash held for tax loss reserve	1,258,055	-	168,569	1,089,486
Imprest cash/Revolving fund	47,525	-	3,550	43,975
Taxes Receivable	<u>11,652,299</u>	<u>2,085,962</u>	<u>-</u>	<u>13,738,261</u>
Total Current Assets	<u>\$ 42,221,933</u>	<u>\$ 469,715,067</u>	<u>\$ 456,724,821</u>	<u>\$ 55,212,179</u>
Liabilities				
Agency funds held for others	<u>\$ 42,221,933</u>	<u>\$ 469,715,067</u>	<u>\$ 456,724,821</u>	<u>\$ 55,212,179</u>
Total Liabilities	<u>\$ 42,221,933</u>	<u>\$ 469,715,067</u>	<u>\$ 456,724,821</u>	<u>\$ 55,212,179</u>



Courtesy of Napa County Historical Society

Albert Hatt Building - Napa Mill (1977)



Statistical Section



Courtesy of Napa County Historical Society

Napa State Hospital, Fourth of July Parade

COUNTY OF NAPA

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

	<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.....	175
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.....	181
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.....	186
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.....	191
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.....	194



Courtesy of Napa County Historical Society

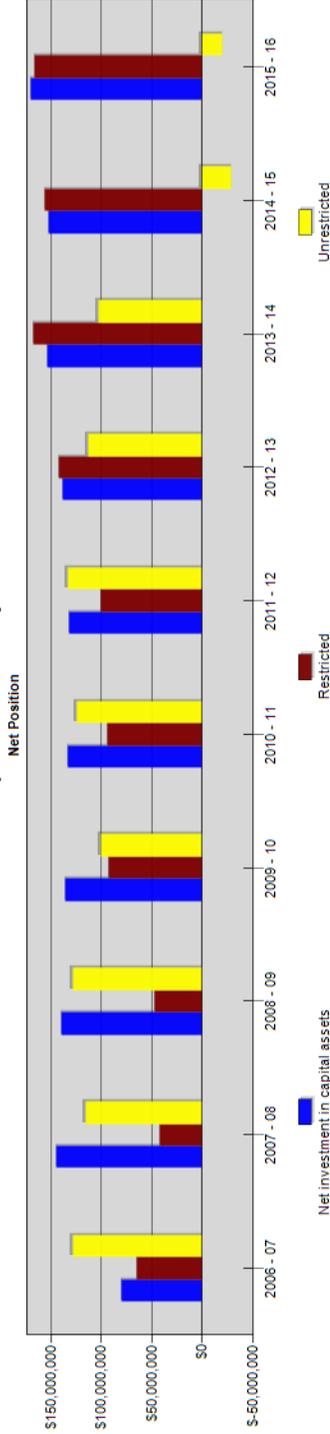
Franklin Station Post Office (1978)

COUNTY OF NAPA

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

	Fiscal Year									
	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Governmental activities										
Net investment in capital assets	\$ 61,332,361	\$ 116,608,083	\$ 99,084,559	\$ 90,854,959	\$ 89,334,032	\$ 87,909,143	\$ 93,821,749	\$ 112,855,468	\$ 107,540,521	\$ 130,057,510
Restricted	64,749,020	41,875,741	46,450,508	93,346,896	93,328,683	99,747,182	142,245,692	168,453,737	157,098,779	166,553,778
Unrestricted	127,517,769	114,441,572	126,903,650	99,555,367	123,253,612	132,197,809	112,826,612	98,010,041	(31,525,654)	(26,592,507)
Total governmental activities net position	\$ 253,599,150	\$ 272,925,396	\$ 272,438,717	\$ 283,757,222	\$ 305,916,327	\$ 319,854,134	\$ 348,894,053	\$ 379,319,246	\$ 233,113,646	\$ 270,018,781
Business-type activities										
Net investment in capital assets	\$ 18,962,458	\$ 28,470,449	\$ 40,970,781	\$ 45,096,401	\$ 44,264,844	\$ 45,007,945	\$ 44,915,048	\$ 41,157,817	\$ 44,649,397	\$ 40,219,364
Restricted	-	480,549	479,333	293,479	328,155	325,929	-	-	-	-
Unrestricted	1,374,931	1,051,188	1,472,144	1,605,575	2,157,444	1,862,729	776,798	5,171,560	2,189,595	5,897,290
Total business-type activities net position	\$ 20,337,389	\$ 30,002,186	\$ 42,922,258	\$ 46,995,455	\$ 46,750,443	\$ 47,196,603	\$ 45,691,846	\$ 46,329,377	\$ 46,838,992	\$ 46,116,654
Primary government										
Net investment in capital assets	\$ 80,294,819	\$ 145,078,532	\$ 140,055,340	\$ 135,951,360	\$ 133,598,876	\$ 132,917,088	\$ 138,736,797	\$ 154,013,285	\$ 152,189,918	\$ 170,276,874
Restricted	64,749,020	42,356,290	46,929,841	93,640,375	93,656,838	100,073,111	142,245,692	168,453,737	157,098,779	166,553,778
Unrestricted	128,892,700	115,492,760	128,375,794	101,160,942	125,411,056	134,060,538	113,603,410	103,181,601	(29,336,059)	(20,695,217)
Total primary government net position ¹	\$ 273,936,539	\$ 302,927,582	\$ 315,360,975	\$ 330,752,677	\$ 352,666,770	\$ 367,050,737	\$ 394,585,899	\$ 425,648,623	\$ 279,952,638	\$ 316,135,435
Percent of increase (decrease) in primary government net position	10.70%	10.58%	4.10%	4.88%	6.63%	4.08%	7.50%	7.87%	(34.23)%	12.92%

Components of County Net Position



Notes:

¹ Accounting standards require that net position be reported in three components in the financial statements: net investment in capital assets; restricted; and unrestricted. Net position is considered restricted only when an external party, such as the state or federal government, places a restriction on how the resources may be used, or through enabling legislation enacted by the County.

Capital assets include land, easements, construction in progress, structures and improvements and equipment.

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

COUNTY OF NAPA

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

	Fiscal Year									
	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Expenses										
Governmental activities:										
General government	\$ 30,344,422	\$ 36,965,695	\$ 33,245,999	\$ 32,201,273	\$ 37,039,022	\$ 40,649,466	\$ 34,111,801	\$ 30,890,442	\$ 32,077,488	\$ 34,985,879
Public protection	82,810,854	85,291,842	92,994,974	92,847,859	100,258,399	99,879,755	99,504,956	106,241,422	104,861,383	108,885,288
Public ways and facilities	27,263,089	23,234,238	24,440,620	23,542,661	23,825,672	25,605,034	30,772,914	32,533,108	32,567,428	39,776,960
Health and sanitation	35,941,958	38,670,267	40,845,070	39,642,405	40,838,624	38,684,095	42,910,252	41,016,116	41,169,416	42,890,611
Public assistance	28,526,647	30,468,421	32,383,758	34,553,156	37,018,759	40,218,330	43,305,879	45,703,486	46,761,473	48,056,607
Education	5,716,827	6,025,556	6,646,817	7,207,944	7,541,241	7,198,100	7,452,168	7,856,347	7,665,300	8,130,615
Recreational and cultural services	206,468	876,547	1,164,588	1,222,282	1,264,678	615,265	1,291,241	1,154,578	1,391,310	1,342,312
Debt service:										
Interest and fiscal charges	3,799,558	3,624,153	3,371,954	3,141,097	2,916,514	3,164,637	2,100,643	1,817,300	1,892,762	1,607,420
Administration and arbitrage fees	14,770	6,315	17,570	36,684	15,745	560,067	94,904	426,561	9,675	7,197
Total governmental activities expenses	214,624,593	225,163,034	235,111,350	234,395,361	250,718,654	256,574,749	261,544,758	267,639,360	268,396,235	285,682,889
Business-type activities:										
Airport	2,152,164	2,527,682	2,608,377	2,800,254	2,678,008	3,052,810	2,727,509	3,151,600	3,001,833	2,887,075
Lake Berryessa Resort Improvement	642,997	845,030	959,387	1,132,055	1,177,938	1,175,728	1,611,862	1,259,463	1,098,381	1,218,687
Napa Berryessa Public Improvement	657,015	1,238,425	737,780	765,839	949,895	889,276	1,029,072	1,215,339	1,349,282	1,671,176
5th Street Parking Garage	-	-	221,177	436,478	454,693	475,932	464,416	467,120	469,745	486,299
Napa County Housing Authority	242,779	1,033,262	1,206,167	1,164,243	1,249,285	1,258,235	1,229,762	1,415,271	1,377,947	1,395,994
Napa County Animal Shelter	-	-	-	965,424	1,088,049	1,166,207	1,201,934	1,125,164	1,148,914	1,245,884
Total business-type activities	3,694,955	5,644,399	5,732,888	7,264,293	7,597,868	8,018,188	8,264,555	8,633,957	8,446,102	8,905,115
Total primary government expenses	\$ 218,319,548	\$ 230,807,433	\$ 240,844,238	\$ 241,659,654	\$ 258,316,522	\$ 264,592,937	\$ 269,809,313	\$ 276,273,317	\$ 276,842,337	\$ 294,588,004
Program Revenues										
Governmental activities:										
Fees, fines & charges for services										
General government	\$ 6,487,957	\$ 8,195,676	\$ 11,941,868	\$ 7,740,846	\$ 10,993,039	\$ 11,519,193	\$ 14,000,963	\$ 14,453,084	\$ 14,513,957	\$ 15,803,972
Public protection	19,003,569	15,414,106	19,439,874	20,256,916	20,750,613	21,754,326	21,032,037	21,453,559	23,204,267	23,258,711
Other activities	14,895,429	10,701,991	11,395,384	14,453,216	14,316,131	14,322,003	14,855,654	16,467,249	17,603,239	19,484,995
Operating grants and contributions	78,904,254	77,170,135	76,692,630	87,069,423	96,231,883	97,658,233	105,550,422	109,302,149	106,342,396	107,465,099
Capital grants and contributions	1,016,938	4,498,647	2,652,478	1,911,433	1,237,179	1,180,867	5,437,538	936,533	2,828,771	8,068,616
Total governmental activities program revenues	120,308,147	115,980,555	122,122,234	131,431,834	143,528,845	146,434,622	160,876,614	162,612,574	164,492,630	174,081,393
Business-type activities:										
Fees, fines & charges for services										
Airport	1,645,614	1,773,937	1,788,110	1,913,565	2,059,834	1,789,025	1,829,210	1,570,261	1,588,052	2,204,256
Lake Berryessa Resort Improvement	543,516	446,722	517,297	566,054	508,481	591,915	342,638	562,641	549,257	591,816
Napa Berryessa Public Improvement	389,059	627,018	619,520	519,467	671,659	819,750	824,798	814,147	828,443	820,774
5th Street Parking Garage	-	-	162,287	111,205	128,774	82,245	160,190	152,469	176,115	172,618
Napa County Housing Authority	-	480,869	482,226	484,904	558,671	539,460	633,530	711,336	721,462	720,756
Napa County Animal Shelter	-	-	-	878,181	977,607	631,633	1,015,767	1,237,763	854,473	1,172,286
Operating grants and contributions	84,114	210,446	169,041	246,408	153,902	177,780	149,828	177,725	61,092	130,429
Capital grants and contributions	3,241,463	10,618,507	1,183,867	1,065,762	1,611,169	2,681,208	1,185,189	1,896,142	4,696,198	1,353,925
Total business-type activities program revenues	5,903,766	14,157,499	4,922,348	5,785,546	6,670,097	7,313,016	6,141,150	7,122,484	9,475,092	7,166,860
Total primary government program revenues	\$ 126,211,913	\$ 130,138,054	\$ 127,044,582	\$ 137,217,380	\$ 150,198,942	\$ 153,747,638	\$ 167,017,764	\$ 169,735,058	\$ 173,967,722	\$ 181,248,253

continued

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

COUNTY OF NAPA

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

	Fiscal Year									
	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Net (Expense)/Revenue ¹										
Governmental activities	\$ (94,316,446)	\$ (109,182,479)	\$ (112,989,116)	\$ (102,963,527)	\$ (107,189,809)	\$ (110,140,127)	\$ (100,668,144)	\$ (105,026,786)	\$ (103,903,605)	\$ (111,601,496)
Business-type activities	2,208,811	8,513,100	(810,540)	(1,478,747)	(927,771)	(705,172)	(2,123,405)	(1,511,473)	1,028,990	(1,738,255)
Total primary government net expense	\$ (92,107,635)	\$ (100,669,379)	\$ (113,799,656)	\$ (104,442,274)	\$ (108,117,580)	\$ (110,845,299)	\$ (102,791,549)	\$ (106,538,259)	\$ (102,874,615)	\$ (113,339,751)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes:										
Property Taxes	\$ 69,224,378	\$ 75,712,896	\$ 85,733,529	\$ 91,575,354	\$ 99,139,621	\$ 92,482,789	\$ 98,363,416	\$ 99,062,736	\$ 101,850,875	\$ 107,830,077
Sales and use taxes	30,597,528	31,188,494	28,460,170	16,794,850	18,009,925	20,015,566	20,915,704	23,306,821	24,318,593	27,028,928
Transient occupancy taxes	8,076,701	9,681,766	8,452,117	7,557,503	8,299,325	9,226,611	9,673,355	10,543,464	11,988,512	12,617,489
Property transfer taxes	1,576,809	1,128,851	919,282	743,267	1,233,273	1,429,927	1,213,949	1,566,961	1,806,598	2,004,493
Unrestricted interest and investment earnings	6,968,520	8,413,728	5,584,576	2,534,248	1,849,337	1,621,798	(307,935)	2,391,888	2,299,352	1,922,900
Miscellaneous	336,689	1,999,522	778,508	423,790	1,314,079	350,270	376,432	295,999	2,098,661	572,309
Extraordinary item - 2014 South Napa Earthquake ³	-	-	-	-	-	-	-	-	(5,201,279)	(2,878,403)
Transfers	(131,796)	(651,193)	(17,425,745)	(5,346,980)	(496,646)	(1,049,027)	(526,858)	(1,715,890)	(698,059)	(591,162)
Total governmental activities	116,648,829	127,474,064	112,502,437	114,282,032	129,348,914	124,077,934	129,708,063	135,451,979	138,463,253	148,506,631
Business-type activities:										
Taxes	96,377	110,558	123,196	116,564	124,640	98,999	360,700	341,015	354,984	369,284
Investment earnings	115,832	303,146	185,110	76,093	59,244	46,920	(23,248)	80,183	51,051	48,032
Miscellaneous	121,476	86,800	-	12,307	2,229	(43,614)	-	11,916	8,621	7,439
Changes in estimation- capital assets ²	-	-	(3,603,439)	-	-	-	-	-	-	-
Special item ³	-	-	(400,000)	-	-	-	-	-	-	-
Transfers	131,796	651,193	17,425,745	5,346,980	496,646	1,049,027	526,858	1,715,890	698,059	591,162
Total business-type activities	465,481	1,151,697	13,730,612	5,551,944	682,759	1,151,332	864,310	2,149,004	1,112,715	1,015,917
Total primary government	\$ 117,114,310	\$ 128,625,761	\$ 126,233,049	\$ 119,833,976	\$ 130,031,673	\$ 125,229,266	\$ 130,572,373	\$ 137,600,983	\$ 139,575,968	\$ 149,522,548
Change in Net Position										
Governmental activities	\$ 22,332,383	\$ 18,291,585	\$ (486,679)	\$ 11,318,505	\$ 22,159,105	\$ 13,937,807	\$ 29,039,919	\$ 30,425,193	\$ 34,559,648	\$ 36,905,135
Business-type activities	2,674,292	9,664,797	12,920,072	4,073,197	(245,012)	446,160	(1,259,095)	637,531	2,141,705	(722,338)
Total primary government	\$ 25,006,675	\$ 27,956,382	\$ 12,433,393	\$ 15,391,702	\$ 21,914,093	\$ 14,383,967	\$ 27,780,824	\$ 31,062,724	\$ 36,701,353	\$ 36,182,797

Notes:

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

² Change in estimation - capital assets of \$3.6 million change in farmworker housing centers valuation for the Napa County Housing Authority.

³Special Item of \$0.4 million stipulated judgement against Lake Berryessa Resort Improvement District.

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

COUNTY OF NAPA

Governmental Activities Tax Revenue by Source
Last Ten Fiscal Years
(modified accrual basis of accounting)

<u>Fiscal Year ending June 30,</u>	<u>Property Tax¹</u>	<u>Sales & Use Tax²</u>	<u>Transient Occupancy Tax³</u>	<u>Property Transfer Tax⁴</u>	<u>Total</u>
2007	\$ 69,224,378	\$ 30,597,528	\$ 8,076,701	\$ 1,576,809	\$ 109,475,416
2008	75,712,896	31,188,494	9,681,766	1,128,851	117,712,007
2009	85,733,529	28,460,170	8,452,117	919,282	123,565,098
2010	91,575,354	16,794,850	7,557,503	743,267	116,670,974
2011	99,139,621	18,009,925	8,299,325	1,233,273	126,682,144
2012	92,482,789	20,015,566	9,226,611	1,429,927	123,154,893
2013	98,363,416	20,915,704	9,673,355	1,213,949	130,166,424
2014	99,062,735	23,306,821	10,543,464	1,566,961	134,479,981
2015	101,850,875	24,318,593	11,988,512	1,806,598	139,964,578
2016	107,830,077	27,028,928	12,617,489	2,004,493	149,480,987
Change 2007-2016	55.8%	-11.7%	56.2%	27.1%	36.5%

Notes:

- ¹ Property tax revenues increased 55.8% in the last 10 fiscal years due to additional assessed values added by the Assessor's Office based on reappraisals of real property due to changes in ownership or completion of new construction.
- ² Sales and use tax revenues decreased 11.7% in the last ten years due to Proposition 172 Sales Tax Augmentation Revenues previously recorded as Sales & Use Tax is now recorded as Operating Grants and Contributions. For fiscal year 2011-2012 a total of \$12.1 million Proposition 172 Sales Tax Augmentation revenues were recorded as Operating Grants and Contributions.
- ³ Transient Occupancy Tax increased 56.2% in the last ten years due to an increase in tourism.
- ⁴ Property transfer tax revenues increased 27.1% in the last 10 years due to a decrease in sales activity.

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

COUNTY OF NAPA

Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(in thousands)

	Fiscal year									
	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
General Fund	\$ 11,696	\$ 9,662	\$ 10,397	\$ 10,511	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Reserved	63,431	40,309	40,570	50,863	-	-	-	-	-	-
Unreserved	-	-	-	-	1,590	2,210	4,989	3,713	3,734	2,830
Nonspendable	-	-	-	-	28,631	42,509	36,378	38,554	31,571	34,277
Restricted	-	-	-	-	1,009	1,357	1,162	1,170	8,275	240
Committed	-	-	-	-	34,081	35,946	36,901	14,876	12,226	26,710
Assigned	-	-	-	-	23,137	13,767	13,249	38,010	39,653	34,403
Unassigned	-	-	-	-	88,448	95,789	92,679	96,323	95,459	98,460
Total General Fund	\$ 75,127	\$ 49,971	\$ 50,967	\$ 61,374	\$ 88,448	\$ 95,789	\$ 92,679	\$ 96,323	\$ 95,459	\$ 98,460
All Other Governmental Funds	\$ 18,872	\$ 17,723	\$ 16,741	\$ 16,735	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Reserved	60,407	95,038	107,942	110,556	-	-	-	-	-	-
Unreserved, reported in:	22,711	21,294	18,748	20,602	-	-	-	-	-	-
Special revenue funds	3,407	1,550	1,501	1,502	-	-	-	-	-	-
Capital projects funds	-	-	-	-	570	866	324	44	62	-
Debt service funds	-	-	-	-	107,011	107,180	125,124	145,790	166,890	161,381
Nonspendable	-	-	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	35,304	35,671	40,793	20,821	23,099	40,351
Unassigned	-	-	-	-	(265)	(176)	(2,933)	(2,024)	(1,668)	(1,536)
Total all other governmental funds	\$ 105,397	\$ 135,605	\$ 144,932	\$ 149,395	\$ 142,620	\$ 143,541	\$ 165,962	\$ 168,757	\$ 204,056	\$ 208,060

Notes:

¹ Starting in FY 2010 - 2011, fund balances are presented in accordance with the Governmental Accounting Standards Board Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions. As a result, certain funds previously shown as a special revenue funds are reported under the General Fund.

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

COUNTY OF NAPA

Changes in Fund Balance, Governmental Funds
 Last Ten Fiscal Years
 (accrual basis of accounting)
 (in thousands)

	Fiscal year									
	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Revenues:										
Taxes	\$ 109,475	\$ 117,712	\$ 123,565	\$ 116,671	\$ 126,682	\$ 123,155	\$ 130,166	\$ 134,480	\$ 139,965	\$ 149,481
Licenses, fees and permits	5,286	5,023	4,426	4,566	4,400	6,626	8,215	9,712	9,816	10,591
Fines, forfeitures and penalties	2,617	1,946	2,748	3,665	3,777	3,923	5,253	5,716	6,843	4,563
Use of money and property	6,278	7,657	5,089	2,471	1,961	1,630	(126)	2,371	2,636	2,139
Aid from other governments	80,589	74,639	77,127	89,189	99,079	96,937	105,815	109,952	115,157	121,331
Charges for services	32,460	26,089	31,944	32,596	35,960	34,135	38,908	36,795	39,461	44,345
Contributions and donations	250	3,797	1,255	896	717	769	875	314	254	245
Other	1,249	1,713	1,065	420	1,293	344	346	252	682	479
Total Revenues	238,204	238,576	247,219	250,474	273,869	267,519	289,452	299,592	314,814	333,174
Expenditures:										
Current:										
General government	30,797	34,968	30,181	30,282	35,071	38,337	33,411	28,960	30,848	32,239
Public protection	83,403	84,436	92,552	91,329	98,958	97,817	99,186	103,716	118,640	122,490
Public ways and facilities	22,037	18,394	20,340	18,380	19,780	21,530	27,367	29,184	30,244	42,979
Health and sanitation	35,863	38,411	40,692	39,647	40,911	38,651	42,764	40,592	42,479	46,903
Public assistance	28,478	30,159	32,111	34,273	36,811	39,775	43,528	45,601	47,240	49,393
Education	5,611	5,963	6,547	7,148	7,456	7,051	7,418	7,692	7,705	9,590
Recreational and cultural services	207	877	1,165	1,222	1,265	615	1,291	1,155	1,391	1,342
Capital Outlay	5,518	11,046	3,921	3,367	3,415	4,629	8,681	37,806	4,222	15,696
Debt Service:										
Principal	5,627	5,790	6,007	6,234	6,455	6,682	6,749	10,651	7,602	7,937
Interest expense	3,796	3,622	3,393	3,162	2,936	2,747	2,413	2,215	2,343	2,010
Administration and arbitrage fees	15	27	18	37	15	560	95	427	10	7
Total Expenditures	221,352	233,693	236,927	235,081	253,073	258,394	272,903	307,999	292,724	330,586
Excess (Deficiency) of revenues over (under) expenditures	16,852	4,883	10,292	15,393	20,796	9,125	16,549	(8,407)	22,090	2,588
Other Financing Sources (Uses)	1,000	-	-	-	-	1,624	2,313	16,876	3,197	29
Proceeds from long-term debt	-	-	-	-	-	-	-	-	7,307	5,277
Proceeds from insurance	-	-	-	-	-	-	-	-	-	-
Transfers in	21,851	38,588	16,535	19,719	20,687	9,878	64,910	53,258	64,193	58,693
Transfers out	(21,329)	(38,419)	(16,503)	(20,244)	(21,184)	(12,364)	(65,462)	(55,289)	(62,353)	(59,581)
Total other financing sources (uses)	1,522	169	32	(525)	(497)	(862)	1,761	14,845	12,344	4,418
Net change in fund balances	\$ 18,374	\$ 5,052	\$ 10,324	\$ 14,888	\$ 20,299	\$ 8,263	\$ 18,310	\$ 6,438	\$ 34,434	\$ 7,006
Debt service as a percentage of non-capital expenditures	4.37 %	4.23 %	4.03 %	4.05 %	3.76 %	3.72 %	3.48 %	4.76 %	3.45 %	3.16 %

Notes:

¹ Beginning in FY 2010-2011, certain funds previously shown as special revenue funds are reported under the General Fund in accordance with the General Accounting Standards Board Statement Number 54.

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

COUNTY OF NAPA

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

Fiscal Year ending June 30,	Real Property	Personal Property	Less: Tax- Exempt Property	Total Taxable Assessed Value ¹	Total Direct Tax Rate	Net Increase	
						Amount	Percentage
2007	\$ 23,145,479	\$ 907,930	\$ 802,511	\$ 23,250,898	1.0%	2,272,480	10.83 %
2008	25,277,127	1,035,647	857,734	25,455,040	1.0%	2,204,142	9.48 %
2009	26,664,701	1,232,835	917,154	26,980,382	1.0%	1,525,342	5.99 %
2010	26,820,705	1,297,812	914,739	27,203,778	1.0%	223,396	0.83 %
2011	26,905,706	1,266,041	956,256	27,215,491	1.0%	11,713	0.04 %
2012	27,239,488	1,220,297	946,505	27,513,280	1.0%	297,789	1.09 %
2013	27,797,953	1,286,858	994,259	28,090,552	1.0%	577,272	2.10 %
2014	29,358,164	1,311,038	1,079,312	29,589,890	1.0%	1,499,338	5.34 %
2015	30,715,291	1,301,212	1,134,967	30,881,536	1.0%	1,291,646	4.37 %
2016	32,688,488	1,336,776	1,155,668	32,869,596	1.0%	1,988,060	6.44 %

Notes:

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

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

Source: Assessor's Office - County of Napa

Megabyte Report: ASR70-4885-100

COUNTY OF NAPA

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

<u>Fiscal Year ending June 30,</u>	<u>County Direct Rate</u>	<u>Overlapping Rates²</u>			<u>Total Direct and Overlapping²</u>
		<u>Local Special Districts</u>	<u>Schools</u>	<u>Cities</u>	
2007	1.00	0.28	0.16	0.03	1.47
2008	1.00	0.28	0.18	0.03	1.46
2009	1.00	0.28	0.17	0.02	1.47
2010	1.00	0.28	0.21	0.02	1.49
2011	1.00	0.28	0.19	0.02	1.47
2012	1.00	0.28	0.24	0.03	1.51
2013	1.00	0.28	0.23	0.03	1.49
2014	1.00	0.28	0.26	0.03	1.55
2015	1.00	0.28	0.26	0.02	1.54
2016	1.00	0.28	0.23	0.02	1.53

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

	2015/2016			2006/2007		
	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value
Taxpayer						
Realty Income Properties 2 LLC (Diageo/IDV)	\$ 441,496,335	1	1.34%	\$ 106,151,338	3	0.46%
Kaiser Foundation Hospitals	270,490,811	2	0.82%			
Robert Mondavi Properties Inc (Constellation)	249,540,157	3	0.76%	94,694,645	5	0.41%
Pacific Gas & Electric Company	222,213,932	4	0.68%	119,928,946	2	0.52%
Treasury Wine Estates (Beringer)	204,047,004	5	0.62%	179,540,835	1	0.77%
Sutter Home Winery Inc	164,345,168	6	0.50%	49,751,569	7	0.21%
FN Land LLC	129,897,960	7	0.40%			
Laird Kenneth E & Gail S TR	126,415,038	8	0.38%			
Jackson Family Investments	114,617,616	9	0.35%			
SPP Napa Vineyards LLC	97,020,149	10	0.30%			
Sterling Vineyards Inc				102,236,169	4	0.44%
Dey Laboratories LP				91,193,452	6	0.39%
First Napa Acquisitions LLC				45,401,390	8	0.20%
Pokka USA Inc				41,939,488	9	0.18%
Domaine Chandon Inc				41,090,166	10	0.18%
Total	\$ 2,020,084,170		6.15%	\$ 871,927,998		3.76%
Total Assessed Value			\$ 32,869,595,905			\$ 23,232,546,965

Source: Auditor-Controller's Office - County of Napa, California.
Megabyte reports - AUD70-3570-170 and AUD70-2360-030

COUNTY OF NAPA

Property Taxes Levies and Collections
Last Ten Fiscal Years

Fiscal Year Ending June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date		Total Cumulative Uncollected Taxes	
		Amount	Percentage of Levy		Amount	Percentage of Levy	Amount	Percentage of Levy
2007	\$67,685,364	\$61,718,230	97.77%	\$ 5,817,063	\$67,535,293	99.94%	\$ 150,071	0.06%
2008	00,429,889	90,670,671	96.75%	9,577,844	00,248,515	99.94%	181,374	0.06%
2009	18,954,517	08,467,460	96.71%	10,224,841	18,692,301	99.92%	262,216	0.08%
2010	21,484,624	12,972,756	97.35%	8,170,560	21,143,316	99.89%	341,308	0.11%
2011	17,195,661	10,620,179	97.93%	6,071,286	16,691,465	99.84%	504,196	0.16%
2012	27,160,447	19,454,138	97.64%	7,094,642	26,548,780	99.81%	611,667	0.19%
2013	35,020,627	29,194,485	98.26%	5,143,764	34,338,249	99.80%	682,378	0.20%
2014	54,360,824	48,756,143	98.42%	4,768,962	53,525,105	99.76%	835,719	0.24%
2015	71,570,942	66,650,201	98.68%	3,624,585	70,274,786	99.65%	1,296,156	0.35%
2016	394,238,287	387,859,802	98.38%	-	387,859,802	98.38%	6,378,485	1.62%

COUNTY OF NAPA

Direct and Overlapping Sales Tax Rates
Last Ten Fiscal Years

Fiscal Year ending June 30,	State				Direct Government			Overlapping Government
	General Fund	Local Revenue Fund	Local Public Safety Fund	Education Protection Account	Fiscal Recovery Fund	County Operations	County Transportation	Flood Authority
2007	5.00%	0.50%	0.50%	-	0.25%	0.75%	0.25%	0.50%
2008	5.00%	0.50%	0.50%	-	0.25%	0.75%	0.25%	0.50%
2009	6.00%	0.50%	0.50%	-	0.25%	0.75%	0.25%	0.50%
2010	6.00%	0.50%	0.50%	-	0.25%	0.75%	0.25%	0.50%
2011	6.00%	0.50%	0.50%	-	0.25%	0.75%	0.25%	0.50%
2012	3.94%	1.56%	0.50%	-	0.25%	0.75%	0.25%	0.50%
2013	3.94%	1.56%	0.50%	0.25%	0.25%	0.75%	0.25%	0.50%
2014	3.94%	1.56%	0.50%	0.25%	0.25%	0.75%	0.25%	0.50%
2015	3.94%	1.56%	0.50%	0.25%	0.25%	0.75%	0.25%	0.50%
2016	3.94%	1.56%	0.50%	0.25%	0.25%	0.75%	0.25%	0.50%

COUNTY OF NAPA

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

Fiscal Year ending June 30,	Governmental Activities					Business-Type Activities					Total Primary Government	Percentage of Personal Income ¹	Per Capita ¹
	Sales Tax Revenue	Certificates of Participation	Capital Leases	Term Loan Payable	Total	Improvement Bonds	Capital Leases	Term Loan Payable	Total				
2007	\$ 46,565	\$ 40,340	\$ -	\$ 1,407	\$ 88,312	\$ -	\$ -	\$ 390	\$ 88,702	1.14%	\$ 666		
2008	43,150	38,005	-	1,386	82,541	4,711	-	362	87,614	1.14%	650		
2009	39,585	35,605	-	1,323	76,513	4,655	-	333	81,501	1.10%	601		
2010	35,865	33,135	-	1,278	70,278	4,570	-	302	75,150	1.02%	549		
2011	32,000	30,590	-	1,255	63,845	4,495	-	269	68,609	0.90%	498		
2012	28,000	26,330	-	1,208	55,538	4,405	-	233	60,176	0.75%	436		
2013	23,825	23,805	2,313	159	50,102	8,998	1,047	196	60,343	0.74%	434		
2014	19,560	32,980	2,193	108	54,841	14,631	992	157	70,621	0.83%	503		
2015	15,402	34,010	2,296	5,846	57,554	14,826	930	116	73,426	0.71%	448		
2016	10,451	30,660	2,137	5,820	49,068	13,090	867	73	63,098	0.68%	446		

Notes:

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

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

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

COUNTY OF NAPA

Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

<u>Fiscal Year ending June 30,</u>	<u>General Obligations Bonds</u>	<u>Less: Amounts available in Debt Service Fund</u>	<u>Total</u>	<u>Percentage of Estimated Actual Taxable Value of Property</u>	<u>Per Capita</u>
2007	n/a	n/a	\$ -	n/a	n/a
2008	n/a	n/a	-	n/a	n/a
2009	n/a	n/a	-	n/a	n/a
2010	n/a	n/a	-	n/a	n/a
2011	n/a	n/a	-	n/a	n/a
2012	n/a	n/a	-	n/a	n/a
2013	n/a	n/a	-	n/a	n/a
2014	n/a	n/a	-	n/a	n/a
2015	n/a	n/a	-	n/a	n/a
2016	n/a	n/a	-	n/a	n/a

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

COUNTY OF NAPA

Direct and Overlapping Debt
As of June 30, 2016

Assessed Valuation (including unitary utility valuation)	\$ 33,023,459,588		
	<u>\$ 33,023,459,588</u>		
 DIRECT AND OVERLAPPING GENERAL FUND OBLIGATION DEBT:	Total Debt	Percentage	'2016 Debt
	6/30/2016	Applicable¹	
Direct General Fund Obligation Debt			
Napa County Certificates of Participation	\$ 27,305,000	100.000 %	\$ 27,305,000
Total Direct Obligation Debt	<u>27,305,000</u>	100.000 %	<u>27,305,000</u>
Overlapping General Fund Debt			
School Districts			
Napa County Board of Education Certificates of Participation	2,710,000	100.000 %	2,710,000
Calistoga Joint Unified School District Certificates of Participation	5,985,000	87.533 %	5,238,850
Fairfield -Suisun Unified School District Certificates of Participation	1,286,033	0.778 %	10,005
Cities			
City of American Canyon General Fund Obligations	1,318,000	100.000 %	1,318,000
City of Calistoga General Fund Obligations	3,822,801	100.000 %	3,822,801
Town of Yountville General Fund Obligations	12,910,000	100.000 %	12,910,000
Total Overlapping General Fund Obligation Debt	<u>28,031,834</u>		<u>26,009,656</u>
Total Direct and Overlapping Obligation Debt	<u>55,336,834</u>		<u>53,314,656</u>
 OVERLAPPING TAX AND ASSESSMENT DEBT:			
School Districts			
Napa Valley Community College District	118,406,073	99.095 %	117,334,498
Calistoga Joint Unified School District	16,824,805	87.533 %	14,727,257
Fairfield-Suisun Joint Unified School District	71,430,000	0.778 %	555,725
Napa Valley Unified School District	273,172,270	100.000 %	273,172,270
St. Helena Unified School District	59,431,232	100.000 %	59,431,232
Howell Mountain School District	2,150,235	100.000 %	2,150,235
Cities			
City of St. Helena	175,000	100.000 %	175,000
City of American Canyon 1915 Act Bonds	18,392,000	100.000 %	18,392,000
Lake Berryessa Resort Improvement Assessment District No. 2006-1	4,015,000	100.000 %	4,015,000
Napa Berryessa Resort Improvement Assessment District No. 2012-1	10,576,000	100.000 %	10,576,000
California Statewide Community Development Authority Assessment Districts	2,197,401	100.000 %	2,197,401
Total Overlapping Tax and Assessment Debt	<u>576,770,016</u>		<u>502,726,618</u>
OVERLAPPING TAX INCREMENT DEBT:	<u>9,100,000</u>	100.000 %	<u>9,100,000</u>
 COMBINED TOTAL DEBT	<u>\$ 632,106,850</u>		<u>\$ 565,141,274</u> ²

Ratio to 2015-16 Assessed Valuation:

Total Overlapping Tax and Assessment Debt.....	1.52%
Total Direct Debt (\$27,305,000).....	0.08%
Combined Total Debt.....	1.17%

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

Total Overlapping tax Increment Debt.....	1.18%
---	-------

Notes:

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

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

Source: California Municipal Statistics. Inc.

COUNTY OF NAPA

Legal Debt Margin Information
As of June 30, 2016
(dollars in thousands)

	Fiscal Year 2016	
	1.25%	3.75%
Debt limit	\$ 410,870	\$ 1,232,610
Less: Total net debt applicable to limit	29,649	39,616
Legal debt margin	<u>\$ 381,221</u>	<u>\$ 1,192,994</u>
Total net debt applicable to the limit as a percentage of debt limit	7.22 %	3.21 %
 Legal Debt Margin Calculation:		
Assessed value	\$ 34,025,264	\$ 34,025,264
Less: Exempt real property	1,155,668	1,155,668
Total assessed value	<u>\$ 32,869,596</u>	<u>\$ 32,869,596</u>
 CERTIFICATES OF PARTICIPATION		
Debt limit (1.25% and 3.75% of total assessed value) ¹	\$ 410,870	\$ 1,232,610
Debt applicable to limit		
Certificates of participation	30,660	30,660
Less: Amount set aside for repayment of outstanding debt	(1,011)	(1,011)
Total net debt applicable to limit	<u>29,649</u>	
Legal debt margin	<u>\$ 381,221</u>	
 SALES TAX REVENUE BONDS		
Debt applicable to limit:		
Sales Tax Revenue Bonds		10,451
Less: Amount set aside for repayment of outstanding debt		(484)
Total net debt applicable to limit		<u>39,616</u>
Legal debt margin		<u>\$ 1,192,994</u>

Notes:

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

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

COUNTY OF NAPA

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

Fiscal Year ending June 30,	Revenue Bonds - Measure A						Improvement Bonds				
	Sales Tax Revenue	Less: Administrative Cost	Net Available Revenue	Debt Service		Coverage	Property Tax Collection and Special Assessments ¹		Debt Service		Coverage
				Principal	Interest		Principal	Interest	Principal	Interest	
2007	\$ 14,167	\$ 131	\$ 14,036	\$ 3,280	\$ 2,151	2.58	\$ 386	\$ -	\$ -	-	-
2008	14,404	151	14,253	3,415	2,026	2.62	345	45	149	1.78	1.78
2009	12,929	154	12,775	3,565	1,879	2.35	372	56	257	1.19	1.19
2010	12,416	153	12,263	3,720	1,739	2.25	333	85	253	0.99	0.99
2011	13,015	147	12,868	3,865	1,574	2.37	326	75	249	1.01	1.01
2012	14,516	135	14,381	4,000	1,434	2.65	364	80	245	1.12	1.12
2013	15,330	156	15,174	4,175	1,259	2.79	894	85	240	2.75	2.75
2014	16,769	187	16,582	4,065	975	3.29	876	90	236	2.69	2.69
2015	17,554	206	17,348	4,640	734	3.23	885	90	231	2.76	2.76
2016	18,084	221	17,863	4,790	590	3.32	762	95	226	2.37	2.37

Notes:

¹ Property tax collections are adjusted annually to cover debt requirements. This is accomplished through the establishment of a tax rate applied to the secured and unsecured tax rolls. There are fund balances and reserves that ensure payment of the improvement bonds. The reserve accounts are liquidated in the final year of payment.

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

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

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

COUNTY OF NAPA

Demographic and Economic Statistics Last Ten Fiscal Years

<u>Fiscal Year ending June 30,</u>	<u>Population¹</u>	<u>Personal Income²</u>	<u>Per Capita Personal Income³</u>	<u>School Enrollment⁴</u>	<u>Unemployment Rate⁵</u>
2007	133,155	\$ 7,595,427,510	\$ 57,042	19,908	3.8%
2008	134,786	7,519,171,796	55,786	20,087	4.7%
2009	135,664	7,171,334,704	52,861	20,108	8.5%
2010	136,798	7,201,867,508	52,646	20,370	9.3%
2011	137,631	7,428,908,487	53,977	20,515	9.0%
2012	138,032	7,787,765,440	56,420	20,584	7.7%
2013	139,099	8,201,833,436	58,964	20,593	6.1%
2014	139,983	8,441,394,849	60,303	20,725	4.7%
2015	140,984	8,947,408,576	63,464	20,868	4.1%
2016	141,633	9,223,990,758	65,126	20,289	4.3%

Sources:

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

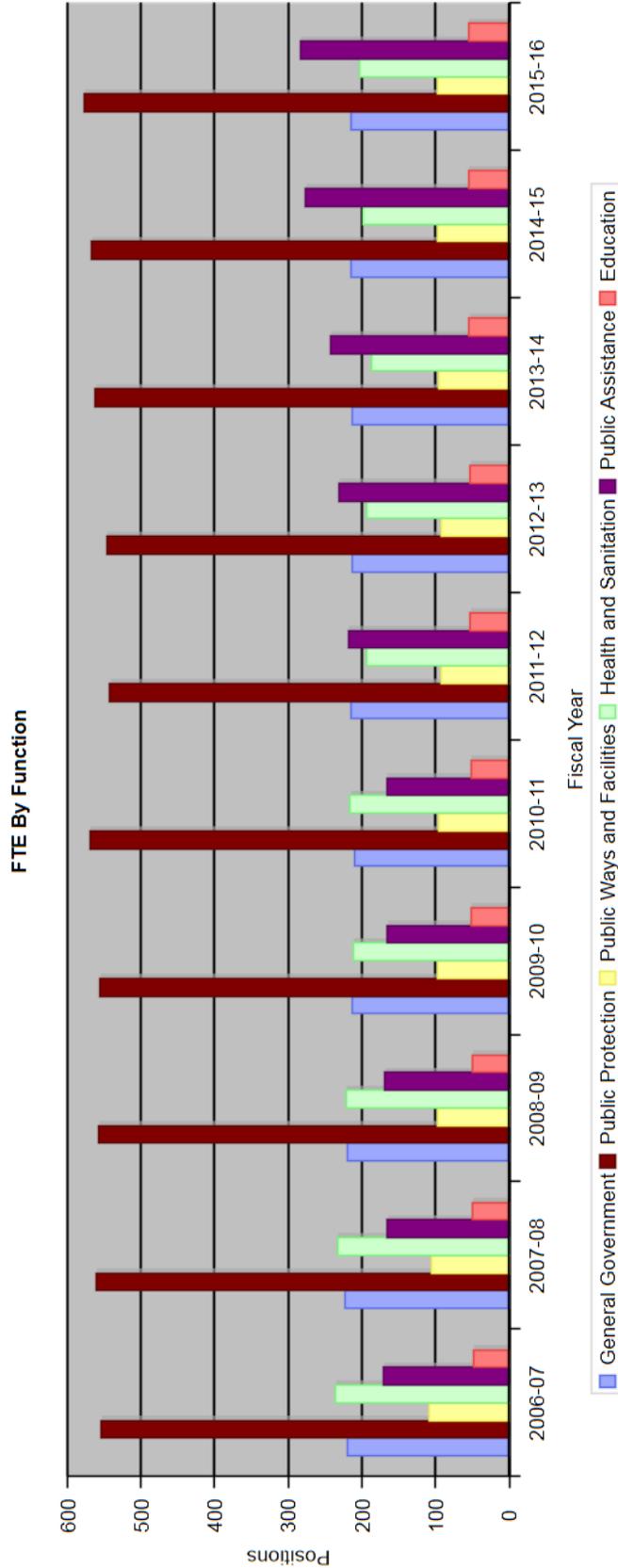
⁴ EdData Partnership - <http://www.ed-data.org/county/Napa>

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

COUNTY OF NAPA

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

Function/Program	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
General Government	219.2	223.2	219.9	213.1	209.1	214.4	212.8	213.8	214.8	214.8
Public Protection	554.4	561.1	557.4	555.4	569.6	542.1	546.6	562.0	566.7	577.7
Public Ways and Facilities	109.0	106.0	98.0	96.8	94.8	92.8	92.8	95.8	97.8	97.8
Health and Sanitation	235.7	233.4	222.0	212.0	215.6	193.9	193.4	187.4	199.0	203.8
Public Assistance	170.3	165.3	168.8	165.3	166.5	218.5	231.5	243.0	276.5	284.0
Education	48.9	50.1	50.1	52.1	52.1	53.1	53.1	54.1	55.3	55.3
Total full-time equivalent employees	1,337.5	1,339.1	1,316.2	1,294.7	1,307.7	1,314.8	1,330.2	1,356.1	1,410.1	1,433.4



COUNTY OF NAPA

Operating Indicators by Function
Last Ten Fiscal Years

Function	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Airport										
Annual Arrivals and Departures	126,712	126,444	109,121	87,412	50,283	56,281	43,045	44,667	46,547	47,533
Aviation Easements issued	10	2	5	3	2	-	-	1	4	2
Hanger leases	172	172	171	171	163	153	149	151	158	151
Culture and recreation										
Education										
Library branches located in the county	4	4	4	4	4	4	4	4	4	4
Items checked out	741,130	813,824	910,000	988,549	1,022,969	1,092,028	1,058,318	1,006,019	939,057	891,031
Library cards issued	51,964	47,147	47,715	49,609	50,992	48,616	47,041	51,541	49,253	52,038
Number of computer provided for public use	58	58	58	71	85	85	84	90	90	90
Fire										
Number of calls answered	3,041	3,072	3,049	3,444	3,091	3,471	3,844	3,530	5,438	4,552
Inspections	1,100	3,252	2,563	2,272	2,156	2,216	1,740	1,325	1,791	1,750
Health & Human Services										
Public Guardian total clients (conservatees + additional referrals)	67	65	68	67	80	90	88	90	96	98
Veterans Service Officer number of benefit claims filed	231	319	455	616	512	432	338	417	413	440
Public Health										
Women, Infants, and Children (WIC) visits	26,257	26,543	26,567	25,898	24,052	23,876	22,117	21,678	19,262	17,664
Public Health home visiting program visits	3,552	3,752	3,816	4,238	3,317	3,115	2,812	2,622	3,063	2,220
Immunizations ¹	6,961	8,021	8,584	17,821	15,083	8,884	7,149	7,778	5,640	5,095
Mental Health										
Emergency response clients	928	998	1,135	841	792	944	869	877	905	908
Adult Medication Clinic clients	649	540	509	469	467	467	489	476	467	630
Children's Medication Support clients	223	173	198	236	235	194	157	160	160	176
Total mental health clients served	2,504	2,120	2,653	2,411	2,590	2,615	2,827	2,915	2,931	2,955
Alcohol and Drug Services - Division Restructured 9/2007										
Adult Outpatient Treatment and Recovery Services Program clients	676	867	616	573	375	319	344	414	409	415
Prevention (school-based youth) groups	176	272	580	534	814	802	1,773	998	2,083	1,873
PC 1210 STOP (formerly Proposition 36) clients	167	120	217	154	359	95	79	111	95	52
Total Alcohol and Drug Services clients served	1,075	1,259	1,413	1,261	1,548	1,216	1,299	1,322	2,587	2,340
Social Services										
Adult protective Services total clients served	320	314	364	389	381	437	387	481	484	483
CalWORKs average caseload	546	554	635	791	902	801	654	593	592	546
Child Welfare Services total child abuse referrals received	1,140	1,061	993	1,028	1,065	1,235	1,279	1,407	1,323	1,377
Child Welfare Services percent timely investigations:										
% Timely immediate investigations	99	100	99	100	100	99	98	99	99	96
% Timely ten day investigations	90	97	100	100	100	99	99	98	99	96
County Medical Services Program average number of continuing cases/eligibles	762	779	849	1,082	1,209	1,109	1,101	705	18	3
Food Stamps average caseload	1,203	1,305	1,710	2,009	3,081	3,429	3,476	3,425	3,622	3,696
Foster care average number of cases	133	110	109	124	143	120	107	124	146	119
In Home Supportive Services total clients served	688	722	841	838	852	917	990	1,053	1,094	1,131
Medi-Cal average number of eligibles	12,565	12,698	13,420	14,445	15,766	17,055	13,537	14,967	22,310	26,269
Workforce Investment Act total number enrolled	182	176	270	307	237	163	246	292	292	279
Highways and streets										
Street resurfacing (miles)	4	8	8	6	35	6	25	-	8	18
Potholes repaired	1,200	1,214	1,278	1,470	1,900	2,300	2,475	1,975	2,015	2,200

COUNTY OF NAPA

Operating Indicators by Function
Last Ten Fiscal Years

Function	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Sheriff										
Physical arrests	2,004	1,849	1,475	1,570	1,431	1,531	1,729	1,844	1,737	1,842
Parking violations	1,410	1,450	1,447	1,478	1,405	1,238	1,179	1,361	2,106	2,232
Traffic violations	3,141	3,600	2,809	2,585	3,127	3,139	2,310	1,795	1,521	1,200
Water										
New connections	5	2	-	-	-	-	-	-	-	1
Water mains breaks	5	2	-	-	1	3	2	2	1	2
Average daily consumption (thousands of gallons)	286	234	231	151	139	121	146	136	110	99
Wastewater										
Average daily sewage treatment (thousands of gallons)	109	118	95	57	72	62	66	62	65	58

Notes:
 1 Immunizations in FY2009-10 include H1N1 immunization campaign.
 Source: County Departments

COUNTY OF NAPA

Capital Asset Statistics by Function
Last Ten Fiscal Years

Function	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Public Safety										
Sheriff:										
Stations (Headquarters and 4 substations)	5	5	5	5	5	5	5	5	5	5
Patrol units	29	29	29	29	29	29	29	29	29	30
Fire stations:										
Stations	13	13	13	13	13	13	13	13	13	13
Fire Engines	31	30	31	31	31	31	31	31	34	35
Fire Trucks	2	2	2	2	2	2	2	2	2	2
Culture and recreation										
Parks acreage ¹	1	61	61	61	61	61	61	61	61	61
Parks	1	2	2	2	2	2	2	2	2	2
Education										
Library branches	4	4	4	4	4	4	4	4	4	4
Library books and materials	178,370	181,511	204,460	200,260	168,617	240,869	175,189	170,811	161,102	192,017
Public Ways & Facilities										
Airport										
Runway Miles	3	3	3	3	3	3	3	3	3	3
Taxiway miles	4	4	4	4	4	4	4	4	4	4
Highways and streets										
Streets (miles) ²	466	466	446	446	446	446	446	446	446	446
Street lights (approximate number)	70	70	70	70	32	32	32	32	142	142
Traffic signals	32	32	-	-	-	6	6	6	4	4
Water										
Water mains (miles)	13	13	13	13	13	13	13	13	13	13
Fire hydrants	109	109	109	109	109	109	109	109	109	109
Maximum daily capacity (thousands of gallons)	536	536	536	536	536	536	536	638	638	638
Wastewater										
Sanitary sewers (miles)	14	14	14	14	14	14	14	14	14	14
Maximum daily treatment capacity (thousand of gallons)	210	210	210	210	210	210	210	310	310	310

Notes:
¹ In FY 2007-08, the County acquired 60 acres of Oat Hill Mine.
² In FY 2008-09, certain roadways were assumed by various cities
 Source: County Departments