

County of Napa, California

Comprehensive Annual Financial Report

For the Fiscal Year Ended
June 30, 2017



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 photographs of artwork located in the City of Napa. Napa Art Walk provides a biannual, rotating exhibition of juried sculpture created by artists from the Western US and displayed in Downtown Napa, California.

Cover photo by: Sergio Celis Photography

County of Napa, California

Comprehensive Annual Financial Report

*For the Fiscal Year Ended
June 30, 2017*



TRACY A. SCHULZE
Auditor-Controller



Photo Credit George Parra

COUNTY OF NAPA

Notes to the Basic Financial Statements For the Year Ended June 30, 2017

Table of Contents

	<u>Page</u>
INTRODUCTORY SECTION	
Letter of Transmittal.....	i
Certificate of Achievement.....	ix
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.....	88
Schedule of the County's Proportionate Share of Net Pension Liability	
Safety Plan - Cost Sharing Multiple-Employer Defined Benefit Pension Plan.....	89
Schedule of County's Pension Contribution	
Miscellaneous Plan - Agent Multiple-Employer Defined Benefit Pension Plan.....	90
Other Postemployment Benefits - Schedule of Funding Progress.....	90
Budgetary Comparison Schedules:	
General Fund.....	91
Health and Human Services Agency.....	94
Flood Protection & Watershed Improvement Authority.....	96
Roads.....	98
Note to Required Supplementary Information:	
Budgetary Basis of Accounting.....	100

COUNTY OF NAPA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2017

Table of Contents

	<u>Page</u>
Supplementary Information:	
Combining and Individual Fund Statements and Schedules:	
Nonmajor Governmental Funds:	
Combining Balance Sheet.....	105
Combining Statement of Revenues, Expenditures and Changes in Fund Balances.....	106
Nonmajor Special Revenue Funds:	
Description.....	108
Combining Balance Sheet.....	111
Combining Statement of Revenues, Expenditures and Changes in Fund Balances.....	114
Combining Balance Sheet - Nonmajor Special Districts Under the Board of Supervisors.....	117
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Districts Under the Board of Supervisors.....	119
Budgetary Comparison Schedules:	
Fire Protection.....	121
Affordable Housing.....	123
Wildlife Conservation Commission.....	124
Building.....	125
IHSS.....	126
Zone 1 Garbage.....	127
Child Support Services.....	128
County Library.....	129
Napa Valley Tourism Improvement - Unincorporated.....	131
Public, Educational, and Governmental Access Channel.....	132
Districts Governed by the Board of Supervisors:	
County Service Area No. 3.....	133
County Service Area No. 4.....	134
Silverado Community Services.....	135
Monticello Public Cemetery.....	136
Countywide Napa Valley Tourism Improvement District.....	137
Community Facilities District - Devlin Road.....	138
Community Facilities District - MST.....	139
Non-Operating Special Revenue Funds:	
Inmate Welfare.....	140
General Government.....	141
Public Protection.....	142
Public Ways and Facilities.....	145
Health and Sanitation.....	146
Public Assistance.....	148
2011 Realignment Revenues.....	150
Capital Improvement Fund:	
Description.....	151
Budgetary Comparison Schedule:	
Capital Improvement Fund.....	152
Nonmajor Debt Service Fund:	
Description.....	155
Budgetary Comparison Schedule.....	156

COUNTY OF NAPA

Notes to the Basic Financial Statements For the Year Ended June 30, 2017

Table of Contents

	<u>Page</u>
Nonmajor Enterprise Funds:	
Description.....	158
Combining Statement of Fund Net Position.....	159
Combining Statement of Revenues, Expenses and Changes in Fund Net Position.....	160
Combining Statement of Cash Flows.....	161
Internal Service Funds:	
Description.....	164
Combining Statement of Fund Net Position.....	165
Combining Statement of Revenues, Expenses and Changes in Fund Net Position.....	166
Combining Statement of Cash Flows.....	167
Fiduciary Funds:	
Description.....	170
Combining Statement of Fiduciary Net Position - Investment Trust Funds.....	171
Combining Statement of Changes in Fiduciary Net Position - Investment Trust Funds.....	172
Combining Statement of Changes in Fiduciary Assets and Liabilities - Agency Funds.....	173
Supplementary Information Divider	
STATISTICAL SECTION	
Government-wide Net Position by Component - Last Ten Fiscal Years.....	179
Changes in Net Position - Last Ten Fiscal Years.....	180
Governmental Activities Tax Revenue by Source - Last Ten Fiscal Years.....	182
Fund Balances, Governmental Funds - Last Ten Fiscal Years.....	183
Changes in Fund Balance, Governmental Funds - Last Ten Fiscal Years.....	184
Assessed Value and Actual Value of Taxable Property - Last Ten Fiscal Years.....	185
Direct and Overlapping Property Tax Rates - Last Ten Fiscal Years.....	186
Principal Property Tax Payers - Current Year and Nine Years Ago.....	187
Property Taxes Levies and Collections - Last Ten Fiscal Years.....	188
Direct and Overlapping Sales Tax Rates - Last Ten Fiscal Years.....	189
Ratios of Total Debt Outstanding by Type - Last Ten Fiscal Years.....	190
Ratios of General Bonded Debt Outstanding - Last Ten Fiscal Years.....	191
Direct and Overlapping Debt.....	192
Legal Debt Margin Information - Last Ten Fiscal Years.....	193
Pledged Revenue Bond Coverage - Last Ten Fiscal Years.....	194
Demographic and Economic Statistics - Last Ten Fiscal Years.....	195
Principal Employers - Current Fiscal Year and Ten Years Ago.....	196
Full-time Equivalent County Government Employees by Function - Last Ten Fiscal Years.....	197
Operating Indicators by Function - Last Ten Fiscal Years.....	198
Capital Asset Statistics by Function - Last Ten Fiscal Years.....	200



Guerno en Inverno by James Burnes



Introductory Section



Cindunia! by Kenneth Hall



A Tradition of Stewardship
A Commitment to Service

Tracy A. Schulze
Auditor-Controller

Minh C Tran
County Executive Officer

December 21, 2017

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, 2017.

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, 2017 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 unmodified ("clean") opinion on the County of Napa's financial statements for the year ended June 30, 2017. 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. However, transfers between divisions need 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 142,235 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. 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 2016, the total value of wine grape production was a record setting \$729.5 million. Wine grapes represent 98.9% of the value of all agricultural production in the County, a slight increase from the prior year due to increased yields. Total tonnage increased nearly 23% compared to the prior year's yield, due a warm and early growing season. The total harvest value of winegrapes for 2016 was \$729.5 million, with average value of \$4,767 per ton compared to the statewide average value of \$750 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, wine related tourism and associated economic activity.

The following graph demonstrates the trend of winegrape values from 1992 through the end of fiscal year 2016.



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 2,370 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 airport 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 4.7% (June 2008) to 9.3% (June 2010) before gradually falling to 3.6% as of June 2017.

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 \$56.0 million, or approximately 40% of historical General Fund expenditures. This year, the unrestricted fund balance decreased to \$48.6 million due to expenditures exceeding revenues by \$2.3 million and the replenishment of the General Reserve (restricted) in the amount of \$9.0 million. 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. In fiscal year 2014-2015, the Board of Supervisors authorized the use of \$13.9 million of restricted General Reserve funds to respond to and recover from the 2014 South Napa Earthquake. During fiscal year 2016-17, the Board of Supervisors authorized the restriction of \$9.0 million of unassigned fund balance to bring the General Reserve back to policy level.

In fiscal year 2016-17, General Fund debt service, including transfers to the debt service fund, represented 2.6% of General Fund expenditures as compared to a 2.8% in fiscal year 2015-2016. Over the last five fiscal years, General Fund debt service has ranged between 1.8% 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 January 2016, the Board approved a revised General Fund five-year strategic plan through fiscal year 2019-20. 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 2016-17, bringing the total annual increase to \$6 million by fiscal year 2019-20.

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 fiscal year 2017-18, 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 2008-09 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 Napa Campus (formerly "Mylan property"), the purchase of a site for the new jail, the construction of a Re-entry Facility for low risk inmate housing, the planning and construction of a 366-bed jail facility (revised to 304 rated beds), 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 Napa 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 Napa Campus property and from the budgets of both the Health and Human Services Agency and the General Fund. During the fiscal year ended June 30, 2017, the County completed improvements on the South Napa Campus facility, construction on both Berryessa area fire stations and held the official groundbreaking for the Re-entry Facility. 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. In addition,

the 2017 Storm Disaster (declared at both the state and federal levels) caused an estimated \$15.4 million of road damage. As part of the County's 2017-2018 budget, the Board of Supervisors has committed \$11.7 million of General Fund resources to fund the early stages of repairs. The County is working with the Federal Emergency Management Agency and CalOES to help fund the necessary repairs.

Beginning July 1, 2018, sales tax revenues will be directed to future road funding (see Measure T in major initiatives below). Annual sales tax revenues are estimated to be \$7.7 million in the first fiscal year under this voter approved measure.

In April 2017, Governor Brown signed into law Senate Bill 1 which is designed to increase gas and diesel fuel tax and also increase vehicle registration fees on certain California vehicles. The funds raised through this program will be restricted to Roads and Roads related activities. The County anticipates receiving initial funding during fiscal year 2017-18. Once all provisions of the new law are in place, the County anticipates receiving \$4.7 million per year in additional Roads funding.

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 1.9 million public employees and retirees and holding total assets of approximately \$326.4 billion in its pension portfolio as of June 30, 2017. 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 2016-17 actual share of pension contributions was \$21.9 million, which makes up approximately 4.8% of the overall County adopted budget (excluding special district budgeted expenditures). The General Fund portion of this cost is approximately \$12.6 million, which represents approximately 12.8% of total General Fund salaries and benefits and 6.3% of budgeted General Fund expenditures. In addition to the County's contribution, non-safety employees contribute approximately 25.8% of the overall cost of retirement benefits, while safety employees currently contribute approximately 25.9% of the overall cost of retirement benefits. The County began prepaying its pension obligation for miscellaneous members in fiscal year 2010-11 and will continue this practice in the foreseeable future to take advantage of the approximate \$300,000 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, 2017 is \$61.1 million. Funding for this purpose began in fiscal year 2007-08 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 2016-17 with a fund balance of \$25.2 million. Of this, \$9.5 million is set aside for specific programs and \$1.0 million is set aside to repay potential future cost report disallowances. The remaining \$14.7 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 \$2,986,830 for this program, bringing the total to \$3,486,830. 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, 2017, a total of 115 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 2016-17, 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 17th "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. Napa County's Information and Technology Department received national recognition placing 5th for the 2017 Digital Counties Survey (Up to 150,000 population category). The survey identifies the best technology practices among U.S. counties, including initiatives that streamline delivery of government services, encourage collaboration and shared services, enhance cybersecurity and even reduce carbon emissions.

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, 2016. This was the 12th 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.

Napa County Probation was awarded the California State Association of Counties Merit Award for their innovative program, Dosage Probation. This program began as one of two national pilot sites through the National Institute of Corrections. Napa Probation was selected because of their use of evidence based practices to reduce recidivism. Dosage Probation focuses on the amount, or dosage hours of evidence based cognitive behavioral programs that an offender receives based on their risk level. High risk offenders require 300 hours of program hours to successfully complete probation. Once they complete one year on probation and their program hours they can be released early from probation. While this is still a new program operating only for 18 months, early indicators show this can assist in community safety.

Napa County Public Health received the Exemplary Health Equity Practice Award from the California Endowment and Public Health Institute for our collective efforts and commitment to the "Housing is Healthcare" work happening in our community. "Housing is Healthcare" is a practice to increase community engagement addressing two critical issues in Napa: a lack of housing that is affordable for our

low-income workforce and the root needs of our homeless residents, which are better met via permanent housing with wraparound supportive services than shelter operations. The ultimate goal of this practice is to improve health outcomes and healthcare cost-savings through policy, resource allocation and cultural norm changes focused on housing and other related social determinants of health.

The California Association of Counties recognized the County of Napa for their innovative work in initiating transformative change in the homeless services system that coordinates systems of care and brings innovative permanent housing solutions to vulnerable households. The County of Napa received a Challenge Merit award in the Health and Human Services category for this work. These awards recognize the innovative and creative spirit of California county governments as they find innovative, effective and cost-saving ways to provide programs and services to their citizen.

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



Minh C. Tran
County Executive Officer



Government Finance Officers Association

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

Presented to

**County of Napa
California**

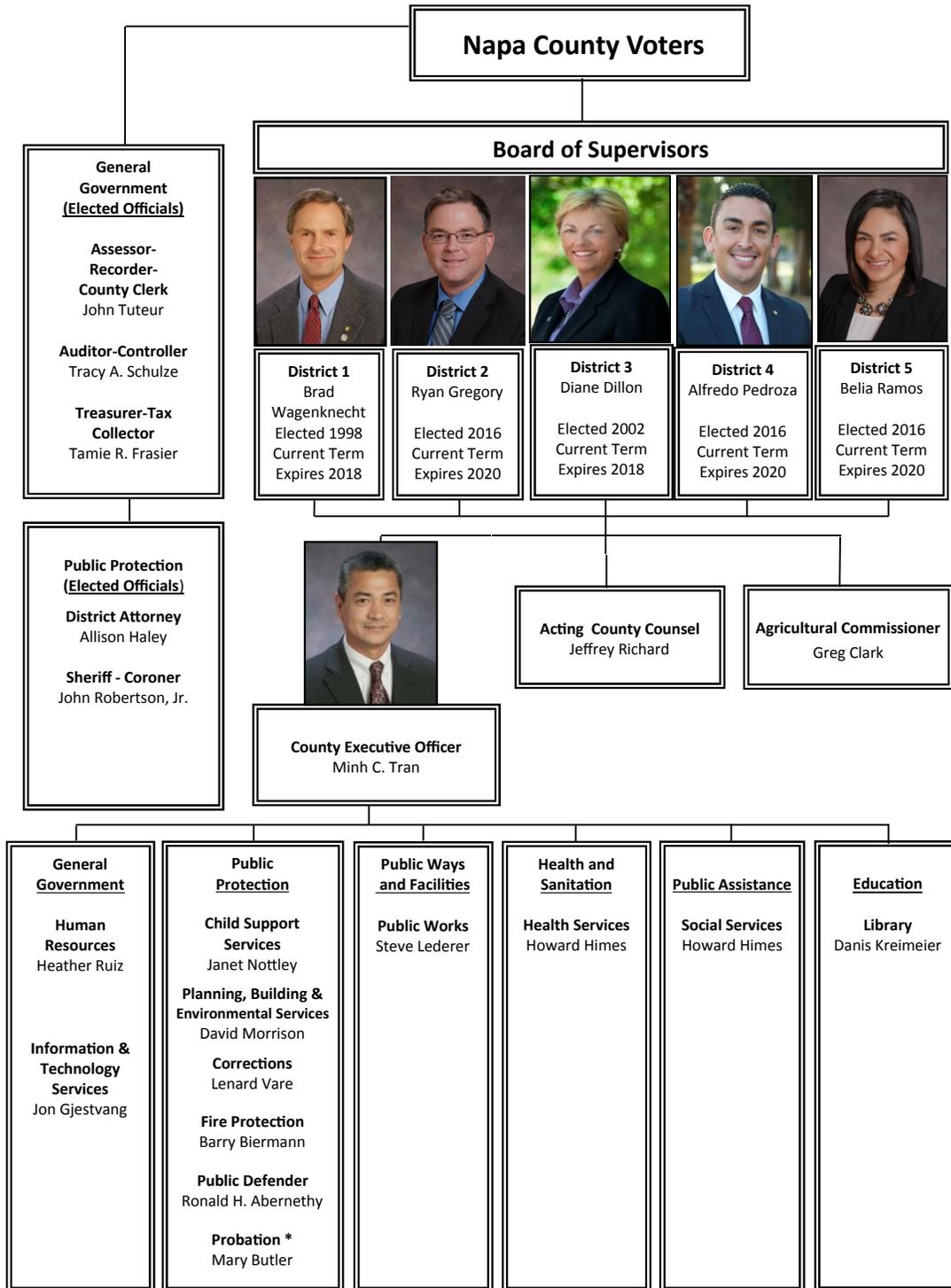
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2016

Executive Director/CEO



Rapture, Wrapped Sure, Rapped UR by Karsten Boysen



* Appointed by the Napa County Superior Court

COUNTY OF NAPA

ELECTED OFFICIALS

June 30, 2017

Supervisor, District 1	Brad Wagenknecht
Supervisor, District 2	Ryan Gregory
Supervisor, District 3	Diane Dillon
Supervisor, District 4	Alfredo Pedroza
Supervisor, District 5	Belia Ramos
Assessor-Recorder-County Clerk	John Tuteur
Auditor-Controller	Tracy A. Schulze
District Attorney	Allison Haley
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
Chief Probation Officer	Mary Butler
Corrections Director	Lenard Vare
County Counsel (Acting)	Jeffrey Richard
County Executive Officer	Minh C. Tran
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
Planning, Building & Environmental Services Director	David Morrison
Public Defender	Ronald H. Abernethy
Public Works Director	Steve Lederer



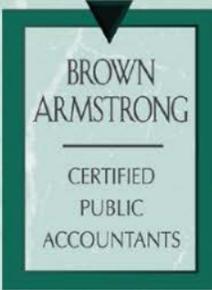
Vine Vessel by John Bonick



Financial Section



Wave Bench by Peter Hazel



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, the aggregate discretely presented component unit, 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, 2017, 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 County'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 County'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.

BAKERSFIELD OFFICE

(MAIN OFFICE)

4200 TRUXTUN AVENUE
SUITE 300
BAKERSFIELD, CA 93309
TEL 661.324.4971
FAX 661.324.4997
EMAIL info@bacpas.com

FRESNO OFFICE

10 RIVER PARK PLACE
EAST SUITE 208
FRESNO, CA 93720
TEL 559.476.3592

LAGUNA HILLS OFFICE

23272 MILL CREEK DRIVE
SUITE 255
LAGUNA HILLS, CA 92653
TEL 949.652.5422

STOCKTON OFFICE

5250 CLAREMONT
AVENUE
SUITE 150
STOCKTON, CA 95207
TEL 209.451.4833

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

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, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the County as of June 30, 2017, 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.

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 Governmental Accounting Standards Board (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 schedules, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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. 77, *Tax Abatement Disclosures*; GASB Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Plans*; GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*; GASB Statement No. 80, *Blending Requirements for Certain Component Units - an amendment of GASB Statement No. 14*; and GASB Statement No. 82, *Pension Issues - an amendment of GASB Statements No. 67, No. 68, and No. 73*, during fiscal year 2017. Our opinion is not modified with respect to the matter.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2017, 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.

Bakersfield, California
December 21, 2017

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

A handwritten signature in blue ink that reads "Brown Armstrong Accountancy Corporation". The signature is written in a cursive, flowing style.



One World by Lynne Streeter



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, 2017. 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, liabilities, and deferred inflows of resources, with the difference between them 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.

The government-wide financial statements include not only the County itself (known as the primary government), but also Napa County Children and Families Commission, which is the County's only discretely presented component unit. Blended 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 of the County's blended component unit 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 Agency, 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, Property Management, 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 five 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 funds 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 41-84 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 88-100 of this report.

Combining and individual fund statements and schedules referred to earlier provide information for nonmajor governmental, 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 105-173 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 \$358.5 million:

- \$182.1 million represents the County's investment in capital assets, less accumulated depreciation and 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.
- \$189.4 million represents resources that are subject to external restrictions on how they may be used.
- \$(13.0) 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 \$42.3 million, or 13.4% during the current fiscal year.

- \$11.8 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.
- \$22.8 million increase in restricted net position represents the change in resources that are subject to external restriction on their use.
- \$7.7 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
	2017	2016	2017	2016	2017	2016		
Current and other assets	\$ 390,485	\$ 373,484	\$ 10,105	\$ 8,339	\$ 400,590	\$ 381,823	\$ 18,767	4.9 %
Capital assets	179,454	168,675	51,954	54,249	231,408	222,924	8,484	3.8 %
Total assets	569,939	542,159	62,059	62,588	631,998	604,747	27,251	4.5 %
Deferred outflows of resources	70,515	41,241	586	372	71,101	41,613	29,488	70.9 %
Current and other liabilities	44,970	52,970	1,396	1,131	46,366	54,101	(7,735)	(14.3)%
Long-term liabilities	253,363	219,942	15,101	15,321	268,464	235,263	33,201	14.1 %
Total liabilities	298,333	272,912	16,497	16,452	314,830	289,364	25,466	8.8 %
Deferred inflows of resources	29,515	40,469	282	392	29,797	40,861	(11,064)	n/a
Net Position								
Net investment in capital assets	143,763	130,058	38,349	40,219	182,112	170,277	11,835	7.0 %
Restricted net position	189,112	166,554	271	-	189,383	166,554	22,829	13.7 %
Unrestricted net position	(20,269)	(26,593)	7,246	5,897	(13,023)	(20,696)	7,673	(37.1)%
Total net position	\$ 312,606	\$ 270,019	\$ 45,866	\$ 46,116	\$ 358,472	\$ 316,135	\$ 42,337	13.4 %

The \$11.8 million, or 7.0% 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:

Napa Main Library Remodel	\$ 3,394,717
Therapeutic Childcare Center	3,135,666
South Napa Campus Renovations	1,584,345
Crisis Stabilization Center	<u>1,951,228</u>
Net Investment in Capital Assets	<u>\$ 10,065,956</u>

Net investment in capital assets

As previously stated \$182.1 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	\$ 510,774,115
Less:	
Depreciation	(279,365,630)
Related Debt (net of unspent proceeds)	<u>(49,296,841)</u>
Net Investment in Capital Assets	<u>\$ 182,111,644</u>

Restricted net position

The County's restricted net position of \$189.4 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:

- \$80.3 million represents restricted voter approved sales tax dedicated to flood control projects.
- \$29.3 million represents primarily Federal and State allocations restricted for providing health and human services.
- \$27.6 million represents fees and grants restricted for the construction of affordable housing within the County.
- \$11.7 million represents property taxes dedicated to fire protection services.
- \$8.7 million represents property taxes, grants and fees dedicated to providing library services at the four library branches within the County library system.
- \$17.8 million represents State allocations dedicated for public protection services.
- \$9.1 million represents aid from other governments and general fund contributions for road maintenance/repair projects.

Unrestricted net position

Unrestricted net position in the amount of negative \$13.0 million, an increase of 37.1% 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 (\$48.6 million) and the Capital Improvement Fund (\$54.1 million) while the negative unrestricted net position is primarily the result of the County's unfunded pension liability (\$210.0 million) that is being reported in accordance with Governmental Accounting Standards Board (GASB) Statement No. 68.

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

	Governmental Activities		Business-type Activities		Total		Dollar Change	Percent Change
	2017	2016	2017	2016	2017	2016		
Revenues:								
Program revenues:								
Fees, fines and charges for services	\$ 56,844	\$ 58,548	\$ 6,004	\$ 5,683	\$ 62,848	\$ 64,231	\$ (1,383)	(2.2)%
Operating grants and contributions	126,940	107,465	283	130	127,223	107,595	19,628	18.2 %
Capital grants and contributions	7,108	8,069	1,542	1,354	8,650	9,423	(773)	(8.2)%
General revenues:								
Property taxes	106,491	107,830	373	369	106,864	108,199	(1,335)	(1.2)%
Sales and use taxes	29,099	27,029	-	-	29,099	27,029	2,070	7.7 %
Other taxes	16,144	14,622	-	-	16,144	14,622	1,522	10.4 %
Unrestricted interest and investment earnings	2,480	1,923	63	48	2,543	1,971	572	29.0 %
Gain on sale of assets	155	143	-	-	155	143	12	8.4 %
Miscellaneous	398	429	192	7	590	436	154	35.3 %
Total revenues	345,659	326,058	8,457	7,591	354,116	333,649	20,467	6.1 %
Expenses:								
General government	42,467	34,986	-	-	42,467	34,986	7,481	21.4 %
Public protection	121,881	108,885	-	-	121,881	108,885	12,996	11.9 %
Public ways and facilities	31,597	39,777	-	-	31,597	39,777	(8,180)	(20.6)%
Health and sanitation	54,807	42,891	-	-	54,807	42,891	11,916	27.8 %
Public assistance	43,818	48,057	-	-	43,818	48,057	(4,239)	(8.8)%
Education	7,943	8,131	-	-	7,943	8,131	(188)	(2.3)%
Recreation and cultural services	1,550	1,342	-	-	1,550	1,342	208	15.5 %
Interest on long-term debt	1,270	1,608	-	-	1,270	1,608	(338)	(21.0)%
Debt administration and issuance costs	6	7	-	-	6	7	(1)	(14.3)%
Napa County Airport	-	-	3,183	2,887	3,183	2,887	296	10.3 %
Lake Berryessa Resort Improvement District	-	-	1,204	1,219	1,204	1,219	(15)	(1.2)%
Napa Berryessa Resort Improvement District	-	-	1,698	1,671	1,698	1,671	27	1.6 %
5th Street Parking Garage	-	-	482	486	482	486	(4)	(0.8)%
Napa County Housing Authority	-	-	1,582	1,396	1,582	1,396	186	13.3 %
Napa County Animal Shelter	-	-	1,227	1,246	1,227	1,246	(19)	(1.5)%
Total expenses	305,339	285,684	9,376	8,905	314,715	294,589	20,126	6.8 %
Excess (deficiency) before transfers	40,320	40,374	(919)	(1,314)	39,401	39,060	341	
Extraordinary item - South Napa Earthquake	2,935	(2,878)	-	-	2,935	(2,878)	5,813	(202)%
Transfers	(668)	(591)	668	591	-	-	-	- %
Change in net position	42,587	36,905	(251)	(723)	42,336	36,182	6,154	17.0 %
Net position - Beginning	270,019	233,114	46,117	46,839	316,136	279,953	36,183	12.9 %
Net position - Ending	\$ 312,606	\$ 270,019	\$ 45,866	\$ 46,116	\$ 358,472	\$ 316,135	\$ 42,337	13.4 %

Governmental Activities. Governmental activities increased the County's net position by \$42.6 million, thereby accounting for 100.6% of the total growth in the net position of the County. Governmental activities operating revenues exceeded operating expenses by \$40.3 million.

Revenues

Total revenues for the County's Governmental activities had an overall increase from the prior year of \$19.6 million, or 6.0%, to \$345.7 million. Significant variances in revenues are as follows:

Program Revenues

- Operating grants and contributions increased \$19.5 million, or 18.1%, over the prior year. This increase is mainly due to increased funding in Public Safety from State 2011 Realignment & State Proposition 172 Public Safety funding; in Health and Sanitation from the County's new, Federally funded Whole Person Care Program and a reclassification of revenues for Agricultural Commissioner-Sealer.
- Capital grants and contributions decreased by \$1.0 million, or 11.9%, from the prior year. A significant portion of this decrease is due to State funding for the Milliken-Sarco-Tulocay (MST) project received in fiscal year 2015-16 that was reduced in the current fiscal year as a the initial recycled water project was completed.

General Revenues

- Property Tax revenues decreased by \$1.3 million, or 1.2%, over the prior year. This decrease was due to a large property tax exemption granted to a large taxpayer that included refunds for the previous four fiscal years.
- Sales and use taxes increased by \$2.1 million, or 7.8%, from the prior year. This variance was due to the improving economy.
- Other taxes increased \$1.5 million, or 10.4%, over the prior year, primarily due to an increase in the Transient Occupancy Tax as a result of the improving economy.
- Unrestricted interest and investment earnings increased \$0.6 million, or 29% over the prior year, due to the improving economy and money market.

Expenses

Total expenses for the County's Governmental activities had an overall increase from the prior year of \$19.7 million, or 6.9%, to \$305.3 million. Significant variances in expenses are as follows:

- General government expenses increased by \$7.5 million, or 21.4%, from the prior year. This increase was due primarily to costs associated with various construction projects to maintain or renovate existing County buildings and the increase in Community Grants. Other factors include an increase to salary and benefits spread across multiple general government departments and increased distributions in both the Unincorporated and Countywide Napa Valley Tourism Improvement funds due to increased lodging assessments received.
- Health and Sanitation expenses increased by \$11.9 million, or 27.8%, from the prior year due primarily to increased costs in client provider services during the year.

- Public Ways and Facilities expenses decreased by \$8.1 million, or 20.6%, from prior year due to decreased Flood Authority construction expenses of \$5.2 million and decreased Public Works construction services of \$3 million during the year.

Extraordinary Item. The County is reporting an extraordinary gain 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 \$0.3 million. Business-type activities operating expenses exceeded operating revenues by \$0.9 million. The decrease was due to a combination of an increase on the Napa County Airport runway rehabilitation projects and farmworker housing repairs.

Revenues

Total revenues for the County's Business-type activities had an overall increase of \$0.9 million, or 11.9%. Key elements of the increase in revenues for business-type activities are as follows:

- Fees, fines and charges for services increased by approximately \$0.4 million. The variance was mostly due to an overall increase in charges for services.
- Operating grants and contributions increased by \$0.2 million. The variance was mainly due to contributions toward the farmworker housing repairs and donations to the animal shelter.
- Capital grants and contributions increased by \$0.2 million. This variance was mostly due to State and Federal grants toward the airport runway rehabilitation projects offset by a reduction in capital grants and contributions in Lake and Napa Berryessa Resort Improvement Districts.

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:

- An increase of \$0.3 million for consulting fees in the Napa County Airport Fund was attributed to the Airport runway rehabilitation projects.
- An increase of \$0.2 million in maintenance costs was incurred in rehabilitating the farmworker centers in the Napa County Housing Authority Fund.

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

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

Governmental funds. The general government functions are contained in the General, Special Revenue, Debt Service, and Capital Project Funds. Included in these funds are the non-proprietary special districts governed by the Board of Supervisors. The focus of the County's *governmental funds* is to provide information on near-term inflow and 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 \$326.1 million, an increase of \$19.5 million in comparison with last year. Approximately 99.3%, or \$323.7 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*, \$2.4 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 \$2.1 million, loans totaling \$57,000, and prepaid items of \$126,418.
- *Restricted fund balance*, \$216.2 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 \$80.3 million is restricted within the Napa County Flood Protection and Watershed Improvement Authority, and \$27.6 million is restricted for Affordable Housing (Other Governmental Funds); (2) laws, the General Fund's general reserve of \$25.7 million; and (3) creditors, \$1.5 million restricted within the Debt Service Fund (Other Governmental Funds).
- *Committed fund balance*, \$26.0 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 \$4.1 million, and capital improvement fund projects totaling \$20.0 million.
- *Assigned fund balance*, \$50.1 million. Represents amounts set aside including Tobacco Master Settlement funds of \$8.1 million for future health care programs, capital improvement funds of \$34.3 million for future major facilities repairs and a new county jail facility, \$3.5 million for fiscal year 2017-18 appropriations and \$4.2 million covering various other programs including earthquake costs and agriculture commission programs.
- *Unassigned fund balance*, \$31.4 million. Represents the residual classification for the County's General Fund of \$31.8 million, reduced by governmental funds where expenditures exceed other available fund balance, including \$58,030 for the Community Facilities District - Devlin Road, \$124,499 for the In-Home Support Services Public Authority, and \$196,547 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 \$96.1 million. The General Fund's total fund balance decreased \$2.3 million, or 2.4%, compared to the prior year. Although expenditures rose with normal inflation, this was partially offset by an increase in aid from other governments of \$1.1 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 65.8% of the total fund expenditures. Of the General Fund's spendable fund balance, \$45.2 million, or 47.0%, is restricted; 1.1 million, or 1.1%, is committed; and \$15.8 million, or 16.4%, is assigned.

Health and Human Services Agency: The total fund balance of the Health and Human Services Agency was \$25.2 million, of which \$24.2 million is restricted. Total fund balance increased \$1.7 million, or 7.0%, over the prior year. A significant portion of this change was due to an increase in Whole Person Care and Mental Health 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, 2017, the total fund balance of the Flood Authority was \$80.3 million, all of which is restricted. This is an increase of \$8.3 million, or 11.5%, from the prior year due to higher sales tax revenue received in relation to the jurisdictional draws for approved flood projects.

Capital Improvement Fund: 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 \$57.8 million, of which \$34.3 million is assigned for specific capital projects including \$29.1 million for a future jail facility and \$3.6 million for future projects. In addition, \$19.8 million is assigned for the construction of the new Re-entry Facility. Total fund balance increased by \$8.3 million, or 16.7%, from the prior year primarily due to increased transfers from the General Fund.

Roads Fund: 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 \$9.1 million, all of which is restricted. Total fund balance of the Roads Fund increased by \$2.9 million, or 46.8%, due to transfers from General Fund and aid from other governments to repair roads and bridges.

Other Governmental Funds: The total fund balances of the remaining governmental funds increased \$0.8 million, or 1.5%, to \$57.6 million. Major components of the increase were mainly a result of increased revenues received in the following area: \$1.2 million increase in the Affordable Housing Fund due to new construction. This increase is offset by slight decreases in fund balance in the other governmental funds.

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	FY2017		FY2016		Increase/(Decrease)	
	Amount	Percent of Total	Amount	Percent of Total	Dollar Change	Percent Change
Taxes	\$ 151,734	44.2 %	\$ 149,481	44.9 %	\$ 2,253	1.5 %
Licenses and permits	10,938	3.2 %	10,591	3.2 %	347	3.3 %
Fines, forfeitures and penalties	4,436	1.3 %	4,563	1.4 %	(127)	(2.8)%
Revenue from use of money and property	2,417	0.7 %	2,139	0.6 %	278	13.0 %
Aid from other governments	129,215	37.7 %	121,331	36.4 %	7,884	6.5 %
Charges for services	42,306	12.3 %	44,346	13.3 %	(2,040)	(4.6)%
Contributions and donations	372	0.1 %	245	0.1 %	127	51.8 %
Other	1,632	0.5 %	479	0.1 %	1,153	240.7 %
Total	\$ 343,050	100.0 %	\$ 333,175	100.0 %	\$ 9,875	3.0 %

Figure 1 - Revenues Comparison by Source - Governmental Funds

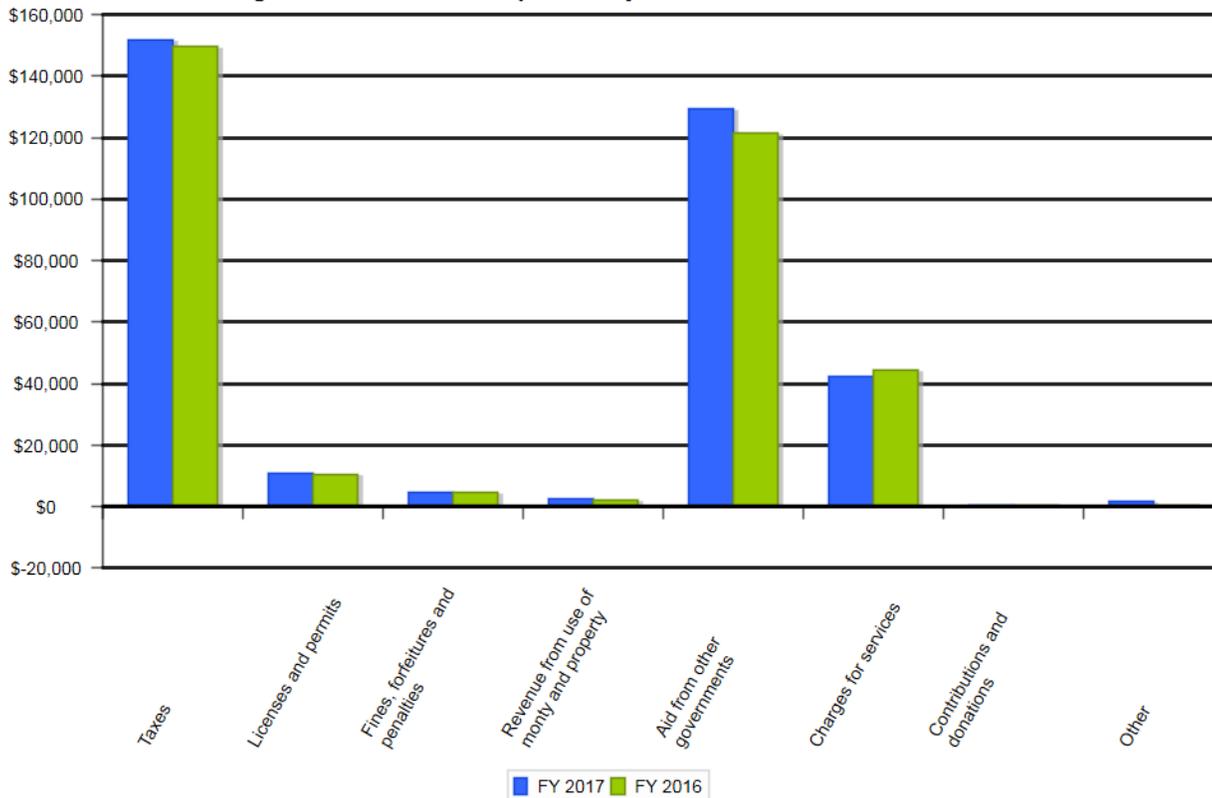
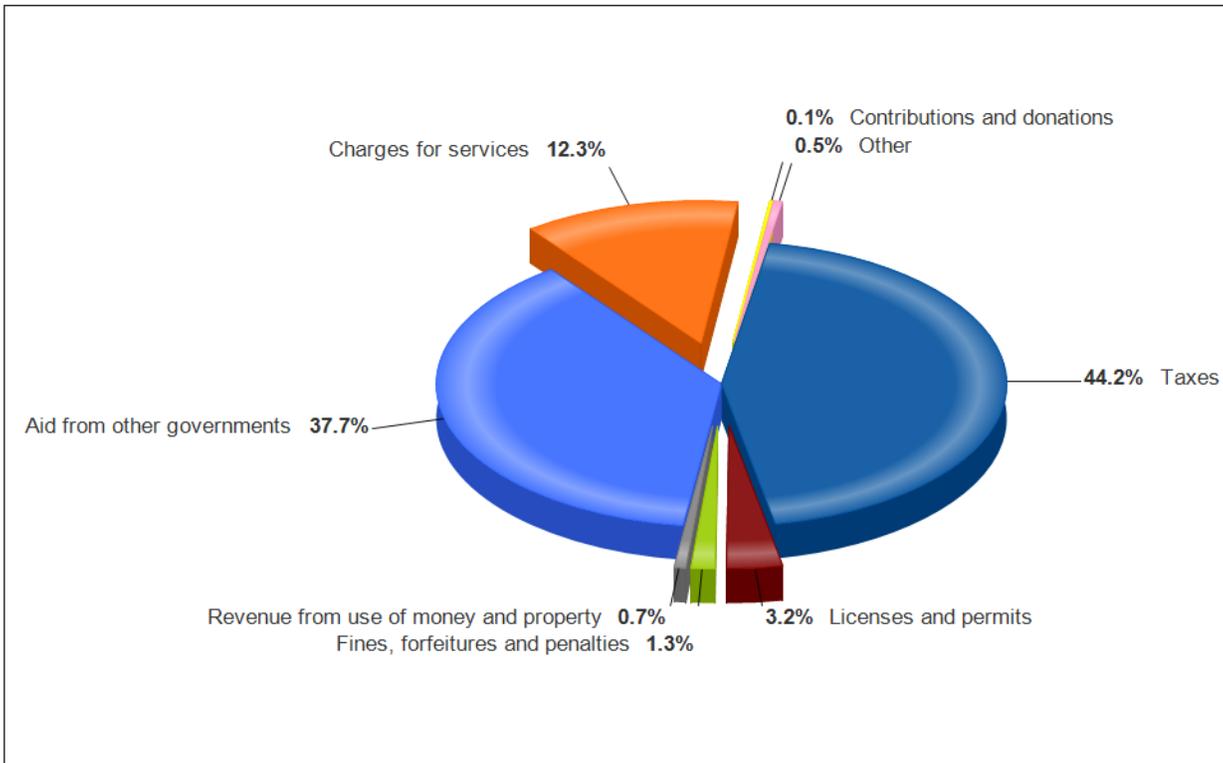


Figure 2 - Revenues Classified by Source - Governmental Funds



Revenues

Total governmental funds revenues increased \$9.9 million, or 3.0%, to \$343.1 million. Significant variances in governmental fund revenues are as follows:

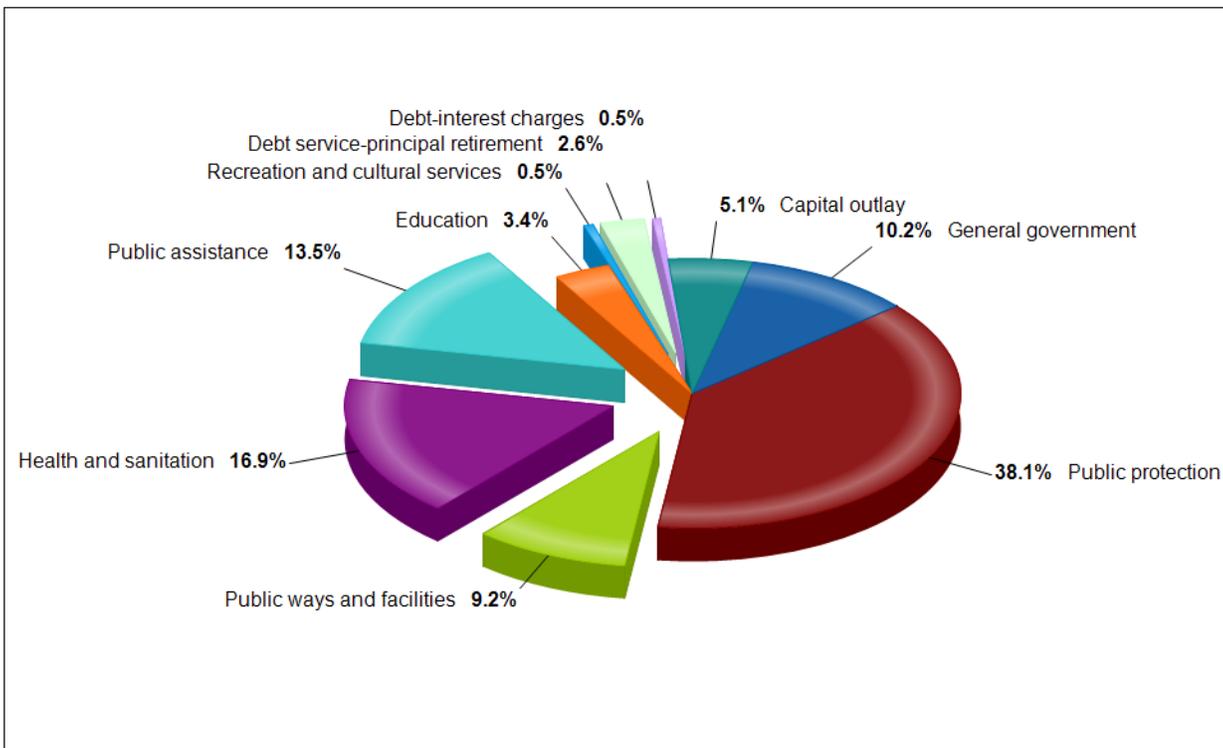
- Revenues from use of money and property increased by \$0.3 million, or 13.0% from the prior year. The increase was due to slightly higher interest earned on investments during the year.
- Overall aid from other governments increased by \$7.9 million, or 6.5%, from the prior year. This is a combination of increased federal funding of \$1.4 million for Roads Fund capital improvement projects (Oakville Bridge, Silverado-Zinfandel Phase H, and Silverado Dunaweal Larkmead) and \$2.3 million for the Health and Human Services Agency's Whole Person Care program. There is also increased State funding of \$1.6 million for the Health and Human Services Agency's Crisis Stabilization Center, \$1.2 million for Mental Health Services Act planning expenses, and \$1.1 million for Proposition 172 public safety services.
- Contributions and donations increased by \$0.1 million, or 51.8%, from the prior year. This increase was due to a home owners association's contribution for the Milliken Creek fish passage improvement and flood reduction project.
- Other revenues increased by \$1.2 million, or 240.7%, from the prior year. This increase is attributed to the tobacco settlement monies.

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	FY2017		FY2016		Increase/(Decrease)	
	Amount	Percent of Total	Amount	Percent of Total	Dollar Change	Percent Change
General government	\$ 33,252	10.2 %	\$ 32,239	9.8 %	\$ 1,013	3.1 %
Public protection	124,132	38.1 %	122,490	37.1 %	1,642	1.3 %
Public ways and facilities	30,143	9.2 %	42,979	13.0 %	(12,836)	(29.9)%
Health and sanitation	55,076	16.9 %	46,903	14.2 %	8,173	17.4 %
Public assistance	44,024	13.5 %	49,393	14.9 %	(5,369)	(10.9)%
Education	11,213	3.4 %	9,590	2.9 %	1,623	16.9 %
Recreation and cultural services	1,507	0.5 %	1,342	0.4 %	165	12.3 %
Debt service-principal retirement	8,516	2.6 %	7,937	2.4 %	579	7.3 %
Debt-interest charges	1,765	0.5 %	2,010	0.6 %	(245)	(12.2)%
Debt-administration, issuance and arbitrage	6	- %	7	- %	(1)	(14.3)%
Capital outlay	16,511	5.1 %	15,696	4.7 %	815	5.2 %
Total	\$ 326,145	100.0 %	\$ 330,586	100.0 %	\$ (4,441)	(1.3)%

Figure 3 - Expenditures by Function - Governmental



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

- Public ways and facilities expenditures decreased by \$12.8 million, or 29.9%, over the prior year. This decrease was mostly due to fewer flood projects undertaken (\$5.6 million), less construction costs incurred in Roads Fund (\$4.2 million) and in Public Works' MST Reclaim Water and Measure A-Sulphur Creek projects (\$3.0 million) than in the previous year.

- Health and sanitation expenditures increased by \$8.2 million, or 17.4%, over the prior year. This increase was primarily due employees transferring from Public Assistance functions (\$5.9 million). In addition, there is an increase in Client Provider Services related to a new Crisis Stabilization contract and an increase in Institutions for Mental Disease services.
- Public assistance expenditures decreased by \$5.4 million, or 10.9%, over the prior year. This decrease was mostly due to employees previously performing Health and Human Services Operations services having been transferred to the Agency Administration division.
- Education expenditures increased by \$1.6 million, or 16.9%. This increase was mostly due to completing the Napa Main library remodel.

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 Agency	Flood Protection & Watershed Improvement Authority	Capital Improvement Fund	Roads	Special Revenue Funds	Debt Service Fund	
Revenues	\$ 200,575	\$ 70,220	\$ 19,098	\$ 2,425	\$ 8,706	\$ 41,944	\$ 81	\$ 343,049
Expenditures	145,987	97,541	10,839	16,511	10,181	40,590	4,492	326,141
Other financing sources (uses), net	(56,934)	28,978	-	22,336	4,370	(449)	4,334	2,635
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(2,346)	1,657	8,259	8,250	2,895	905	(77)	19,543
Fund balances - Beginning	98,460	23,552	72,059	49,511	6,183	55,181	1,575	306,521
Fund balances - Ending	\$ 96,114	\$ 25,209	\$ 80,318	\$ 57,761	\$ 9,078	\$ 56,086	\$ 1,498	\$ 326,064

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 Airport	Lake Berryessa Resort Improvement District	Napa Berryessa Resort Improvement District	Nonmajor Enterprise Funds	Total
Operating revenues	\$ 2,442	\$ 605	\$ 923	\$ 2,034	\$ 6,004
Operating expenses	3,173	1,059	1,339	3,287	8,858
Operating income (loss)	(731)	(454)	(416)	(1,253)	(2,854)
Non-operating revenues (expenses), net	22	282	(290)	379	393
Net income (loss) before contributions and transfers	(709)	(172)	(706)	(874)	(2,461)
Capital contributions	398	572	572	-	1,542
Transfers in (out)	-	-	-	668	668
Change in net position	(311)	400	(134)	(206)	(251)
Net position - Beginning	14,415	7,727	495	23,479	46,116
Net position - Ending	\$ 14,104	\$ 8,127	\$ 361	\$ 23,273	\$ 45,865

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 \$0.3 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 \$4.6 million while total net position was \$14.1 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 143.5% 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 \$8.1 million. The increase in net position was primarily due to capital grants the District received from the State Water Resources Control Board. In addition, the district recognized income of \$120,000 due to the forgiveness of a stipulated judgment.

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 \$36.0 million increase in appropriations between the original budget and the final amended budget. Following are the main components of the increase:

- \$18.1 million increase for the transfer to the Accumulated Capital Outlay (ACO) division of the Capital Improvement Fund. Per Board of Supervisors Policy, excess General Fund resources of \$2.0 million was used to increase the available fund balance in the ACO. The balance of \$16.1 million, of which \$5.6 million was from the realization of additional revenues from excess Education Revenue Augmentation Fund, was utilized to increase the jail commitment within the ACO Fund.
- \$8.0 million increase for carryforward of approved existing construction projects.
- \$5.3 million intrafund transfer to close out 2014 earthquake repairs.
- \$2.6 million increase for repair expenditures due to the response of the 2014 South Napa earthquake.
- \$1.0 million increase for initial design and scoping work for the Roads repairs required following the January 2017 Storm.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital assets

The County's investment in capital assets for its governmental and business-type activities amounted to \$231.4 million (net of accumulated depreciation), an increase of \$8.5 million, or 3.8%, from the prior year. The increase was primarily due to the addition of \$14.8 million in construction in progress for the construction of the Therapeutic Child Care and Crisis Stabilization Centers and well as the renovation of the Napa Main Library. 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 60-62.

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

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

	Governmental Activities		Business-type Activities		Total		Increase/(Decrease)	
	2017	2016	2017	2016	2017	2016	Dollar Change	Percent Change
Land and easements	\$ 13,968	\$ 13,968	\$ 5,365	\$ 5,365	\$ 19,333	\$ 19,333	\$ -	- %
Intangible assets	1,458	1,306	-	-	1,458	1,306	152	11.6 %
Construction in progress	25,454	28,812	5,010	4,566	30,464	33,378	(2,914)	(8.7)%
Infrastructure	25,330	27,527	-	-	25,330	27,527	(2,197)	(8.0)%
Structures and improvements	104,042	89,238	41,251	43,899	145,293	133,137	12,156	9.1 %
Equipment	9,202	7,824	328	419	9,530	8,243	1,287	15.6 %
Total	<u>\$179,454</u>	<u>\$168,675</u>	<u>\$ 51,954</u>	<u>\$54,249</u>	<u>\$231,408</u>	<u>\$222,924</u>	<u>\$ 8,484</u>	3.8 %

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) decreased by \$2.9 million, or 8.7%, from the prior year. Total additions for the year totaled \$14.8 million. The majority of the increase, \$10.2 million was in governmental activities due to the construction of the Therapeutic Child Care and Crisis Stabilization Centers and the Napa Main Library of \$3.3 million. This increase is offset by the reclassification of the completed South Campus Building to an asset of \$17.3 million and of two completed fire engines in the amount of \$0.8 million
- Infrastructure decreased by \$2.2 million, or 8.0%, due to annual depreciation with no additions of assets.
- Equipment increased by \$1.3 million, or 15.6%, due to asset additions in the Fleet Management Fund.

Long-term debt

The County Governmental Activities total long-term debt outstanding, not including compensated absences and unpaid claims, was \$41.0 million as compared to \$57.6 million in the prior year. This amount was comprised of the following:

- \$3,870,000 of Napa County Flood Limited Tax Refunding Bonds, Series 2005;
- \$1,295,000 of Napa County Flood Limited Tax Subordinate Refunding Bonds, 2013 Series A;
- \$160,556 of unamortized premiums for outstanding bond issues;
- \$12,720,000 of 2012 Certificates of Participation;
- \$11,530,000 of 2014 Certificates of Participation;
- \$2,935,940 of unamortized premiums for outstanding Certificates of Participation;
- \$1,938,487 of capital lease obligations; and
- \$6,566,974 for loans payable.

At June 30, 2017, the County Business-type Activities total long-term debt outstanding, not including compensated absences, was \$13.7 million as compared to \$14.2 million in the prior year. This amount was comprised of the following:

- \$2,470,000 of Lake Berryessa Resort Improvement District 2007 Series A bonds;
- \$7,573,364 of Napa Berryessa Resort Improvement District 2013 Series A bonds;
- \$2,788,157 of Napa Berryessa Resort Improvement District 2013 Series B Bonds;
- \$802,773 of capital lease obligations; and
- \$73,280 of Napa County Airport loans payable.

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

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

- Strong economy, which is centered on wine and tourism;
- Very strong budgetary flexibility, with fiscal year 2012-13 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 page 62.

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 an expense or a decrease in net position. The most significant deferred outflows 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 represent 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

BUDGET POLICIES

At the budget study session on April 18, 2017, the County Board of Supervisors provided guidance on several budget issues that have a direct impact on the fiscal year 2017-18 budget, and appropriations have been included accordingly in the fiscal year 2017-18 Recommended Budget.

- Reduce the General Reserve by \$6.2 million to fund four critical road repairs resulting from the winter 2017 storms, to be replenished as reimbursements are received over the next two years.
- Develop a strategy for setting aside funding for future additional retirement costs.
- Appropriate \$2.5 million in the General Fund for the purchase of refunding bonds, originally issued by Assessment District No. 2006-01 of the Lake Berryessa Resort Improvement District (LBRID), as Assessment 2007 Series A Bonds.
- Begin the conversion of County documents to electronic records storage.
- Manage Conditional Voter Registration as a pilot county for all-vote-by-mail.

SIGNIFICANT BUDGET ISSUES

These factors were considered in preparing the County budget for fiscal year 2017-18:

- Capital Infrastructure Needs: The County continues to face challenges as a result of aging facilities. Construction of a new jail remains one of the Board of Supervisor's highest priorities.
- Roads Maintenance: Recently passed Senate Bill 1, which establishes the Road Maintenance and Rehabilitation Program to address deferred maintenance on the state highway and local street and road systems, will add some unbudgeted additional revenue starting in fiscal year 2017-18, with the majority of the increases starting in fiscal year 2018-19 (approximately \$3 million) and eventually rising to an estimated \$3.7 million in additional annual funding. In addition, Measure T (½-cent sales tax for road maintenance) takes effect in July 2018 (fiscal year 2018-19), and an estimated \$8 million in annual funding will begin to flow into the Roads Fund.
- Employee Pension and Other Post Employment Benefit Costs: The County continues to make concerted efforts to proactively pay for employee pension costs in a responsible manner. The impact on the County budget will be less than the impact on many of our neighboring cities and counties since the County shares rate increases and decreases with employees.

FUND BALANCE CHANGES

The fiscal year 2017-18 Recommended Budget proposes to decrease General Reserves by \$11.7 million for storm-related road repairs; cancel the ACA assignment, as the assignment has been fulfilled; increase the Assignment for Fiscal Uncertainty by \$2.5 million (exceeding the policy requirement by \$1.5 million to offset the temporary shortfall in the General Reserve); assign an additional \$1.0 million for remaining earthquake recovery costs from the original emergency designation of \$13.9 million; create a new assignment of \$1.5 million for possible additional In-Home Supportive Services Public Authority (IHSS) costs; and create a new assignment of \$1 million for future additional pension costs.

On May 11, 2017, the Governor released his revised proposed fiscal year 2017-18 State Budget. The Department of Finance's revised revenue expectations increased total estimates by \$2.5 billion over the three years 2015-16, 2016-17,

and (projected) 2017-18 combined, based largely on a strong showing by the stock market and personal income tax receipts. The May Revision proposes funding for previously approved programs, some of which were threatened with cuts in the January budget, and debt payments. Increases include partially mitigating the impact of In-Home Supportive Services Public Authority (IHSS) costs with appropriations to counties for the next four years (see below); increasing school funding through the Local Control Formula by \$1.4 billion; restoring the \$500 million child care package from 2016 that was “frozen” in the January budget proposal; and paying down \$6 billion in unfunded pension liability to CalPERS, relying on the Proposition 2 Rainy Day Account.

The May Revision includes \$1.1 billion in state general fund contributions over the next four years to mitigate the cost shift to counties in year one and future years. The May Revision also contains a commitment going forward to review the costs of the program within the structure of 1991 Realignment and the impact of the inflation factor built into the IHSS funding formula.

REQUEST FOR INFORMATION

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



Basic Financial Statements
Government-Wide Financial Statements



Timeless Joy by Lt. Mustardseed

COUNTY OF NAPA

Statement of Net Position
June 30, 2017

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Napa County Children and Families Commission
Assets				
Cash and investments	\$ 307,263,827	\$ 8,413,096	\$ 315,676,923	\$ 392,847
Restricted assets:				
Cash with fiscal agent	1,986,361	102,136	2,088,497	-
Cash held for debt service reserve	548,978	1,604,964	2,153,942	-
Cash held for capital replacement	-	270,579	270,579	-
Imprest cash	139,335	275	139,610	500
Receivables, net				
Taxes receivable	15,568,068	13,349	15,581,417	-
Special assessments receivable	1,535,611	717,274	2,252,885	-
Accounts receivable	7,296,240	1,025,269	8,321,509	-
Due from other governments	30,042,272	-	30,042,272	211,345
Prepaid items	281,342	-	281,342	3,900
Deposits	137,829	1,250	139,079	3,900
Internal balances	2,044,000	(2,044,000)	-	-
Assets held for resale	990,202	-	990,202	-
Loans receivable, net	21,014,631	-	21,014,631	-
Net other postemployment benefits asset	1,637,000	-	1,637,000	-
Capital assets:				
Nondepreciable	39,686,643	10,375,257	50,061,900	-
Depreciable, net	139,767,532	41,579,053	181,346,585	-
Total assets	<u>569,939,871</u>	<u>62,058,502</u>	<u>631,998,373</u>	<u>612,492</u>
Deferred outflows of resources				
Deferred expense on refunding bonds	139,522	-	139,522	-
Deferred pension	70,375,746	586,224	70,961,970	-
Total deferred outflows of resources	<u>70,515,268</u>	<u>586,224</u>	<u>71,101,492</u>	<u>-</u>
Liabilities				
Accounts payable	16,491,931	683,289	17,175,220	21,534
Accrued salaries and benefits	5,646,646	44,384	5,691,030	22,220
Interest payable	138,219	153,416	291,635	-
Other accrued liabilities	11,323	-	11,323	-
Deposits	184,264	79,121	263,385	-
Unearned revenue	4,721,470	6,283	4,727,753	-
Long-term liabilities:				
Portion due or payable within one year:				
Loan payable	315,555	73,280	388,835	-
Capital lease obligations	254,703	67,427	322,130	-
Bonds payable	5,325,556	232,000	5,557,556	-
Certificates of participation	3,180,000	-	3,180,000	-
Compensated absences	6,054,289	56,873	6,111,162	6,418
Liability for unpaid insurance claims	2,646,454	-	2,646,454	-
Portion due or payable after one year:				
Loan payable	6,251,419	-	6,251,419	-
Capital lease obligations	1,683,784	735,347	2,419,131	-
Bonds payable	-	12,599,521	12,599,521	-
Certificates of participation	24,005,940	-	24,005,940	-
Compensated absences	5,395,797	40,017	5,435,814	1,368
Liability for unpaid insurance claims	7,751,779	-	7,751,779	-
Net pension liability	208,274,728	1,725,994	210,000,722	-
Total liabilities	<u>298,333,857</u>	<u>16,496,952</u>	<u>314,830,809</u>	<u>51,540</u>
Deferred inflows of resources				
Deferred pension	29,515,481	281,934	29,797,415	-
Net position				
Net investment in capital assets	143,762,773	38,348,871	182,111,644	-
Restricted for:				
General government	940,666	-	940,666	-
Public protection	33,610,635	-	33,610,635	-
Public ways and facilities	88,205,574	-	88,205,574	-
Health and sanitation	24,113,373	-	24,113,373	-
Public assistance	33,685,786	-	33,685,786	-
Education	8,556,204	-	8,556,204	-
Restricted for capital replacement	-	270,579	270,579	-
Unrestricted	(20,269,210)	7,246,390	(13,022,820)	560,952
Total net position	<u>\$ 312,605,801</u>	<u>\$ 45,865,840</u>	<u>\$ 358,471,641</u>	<u>\$ 560,952</u>

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

COUNTY OF NAPA

Statement of Activities
For the Year Ended June 30, 2017

<u>Functions/Programs</u>	<u>Program Revenues</u>			
	<u>Expenses</u>	<u>Fees, Fines and Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Primary government				
Governmental activities:				
General government	\$ 42,467,475	\$ 14,993,343	\$ 7,629,477	\$ -
Public protection	121,881,217	20,586,040	37,066,494	-
Public ways and facilities	31,597,142	5,882,325	3,345,338	5,110,001
Health and sanitation	54,806,658	12,197,855	32,491,312	-
Public assistance	43,818,306	3,030,723	46,171,244	1,998,169
Education	7,942,957	153,651	235,703	-
Recreation and cultural services	1,550,142	-	-	-
Debt service:				
Interest and fiscal charges	1,269,932	-	-	-
Administration	6,032	-	-	-
Total governmental activities	<u>305,339,861</u>	<u>56,843,937</u>	<u>126,939,568</u>	<u>7,108,170</u>
Business-type activities:				
Napa County Airport	3,183,011	2,441,919	369	397,832
Lake Berryessa Resort Improvement District	1,203,541	604,726	111	571,622
Napa Berryessa Resort Improvement District	1,698,493	923,277	204	572,268
5th Street Parking Garage	482,310	181,485	-	-
Napa County Housing Authority	1,581,735	736,456	140,491	-
Napa County Animal Shelter	1,226,507	1,116,513	141,838	-
Total business-type activities	<u>9,375,597</u>	<u>6,004,376</u>	<u>283,013</u>	<u>1,541,722</u>
Total primary government	<u>\$ 314,715,458</u>	<u>\$ 62,848,313</u>	<u>\$ 127,222,581</u>	<u>\$ 8,649,892</u>
Component unit				
Napa County Children and Families Commission	\$ 1,277,948	\$ -	\$ 1,307,209	\$ -

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

 Prior period adjustment (Note 17)

Net position - beginning, as restated

Net position - ending

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

Net (Expense) Revenue and Changes in Net Assets

<u>Primary Government</u>			<u>Component Unit</u>
<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>	<u>Napa County Children and Families Commission</u>
\$ (19,844,655)	\$ -	\$ (19,844,655)	
(64,228,683)	-	(64,228,683)	
(17,259,478)	-	(17,259,478)	
(10,117,491)	-	(10,117,491)	
7,381,830	-	7,381,830	
(7,553,603)	-	(7,553,603)	
(1,550,142)	-	(1,550,142)	
(1,269,932)	-	(1,269,932)	
(6,032)	-	(6,032)	
<u>(114,448,186)</u>	<u>-</u>	<u>(114,448,186)</u>	
-	(342,891)	(342,891)	
-	(27,082)	(27,082)	
-	(202,744)	(202,744)	
-	(300,825)	(300,825)	
-	(704,788)	(704,788)	
-	31,844	31,844	
<u>-</u>	<u>(1,546,486)</u>	<u>(1,546,486)</u>	
<u>(114,448,186)</u>	<u>(1,546,486)</u>	<u>(115,994,672)</u>	
			<u>\$ 29,261</u>
106,491,427	373,106	106,864,533	-
29,098,837	-	29,098,837	-
13,703,499	-	13,703,499	-
2,440,702	-	2,440,702	-
2,479,774	62,945	2,542,719	2,281
154,922	-	154,922	-
398,433	192,019	590,452	773
2,935,214	-	2,935,214	-
<u>(667,602)</u>	<u>667,602</u>	<u>-</u>	<u>-</u>
<u>157,035,206</u>	<u>1,295,672</u>	<u>158,330,878</u>	<u>3,054</u>
42,587,020	(250,814)	42,336,206	32,315
270,018,781	46,116,654	316,135,435	-
-	-	-	528,637
<u>270,018,781</u>	<u>46,116,654</u>	<u>316,135,435</u>	<u>528,637</u>
<u>\$ 312,605,801</u>	<u>\$ 45,865,840</u>	<u>\$ 358,471,641</u>	<u>\$ 560,952</u>

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



Aurora III by Catherine Daley



Basic Financial Statements
Fund Financial Statements



Spring Bouquet by Patricia Vader & Joe Bologna

COUNTY OF NAPA

Balance Sheet
Governmental Funds
June 30, 2017

	General Fund	Health and Human Services Agency	Flood Protection & Watershed Improvement Authority	Capital Improvement Fund	Roads	Other Governmental Funds	Total
Assets & deferred outflows of resources							
Assets:							
Cash and investments	\$ 84,674,242	\$ 18,474,979	\$ 77,142,814	\$ 58,380,265	\$ 10,600,263	\$ 36,929,440	\$ 286,202,003
Restricted assets:							
Cash with fiscal agent	-	-	488,325	-	-	1,498,036	1,986,361
Cash held for debt service	-	-	-	-	-	548,978	548,978
Imprest cash	53,665	38,246	-	-	-	850	92,761
Receivable, net:							
Taxes	11,600,712	-	3,565,195	-	-	402,162	15,568,069
Special assessments	-	-	-	-	-	1,535,611	1,535,611
Accounts	5,414,282	914,687	-	-	-	480,522	6,809,491
Due from other governments	13,394,836	12,059,664	-	1,998,170	1,702,047	887,556	30,042,273
Due from other funds	237,819	4,004,334	-	-	-	-	4,242,153
Prepaid items	126,418	9,018	-	28,638	-	13,340	177,414
Deposits	-	-	-	-	-	1,250	1,250
Assets held for resale	-	-	-	-	-	990,202	990,202
Loans receivable, net	57,000	-	-	-	-	20,957,633	21,014,633
Advances to other funds	2,097,514	-	-	2,545,000	-	76,036	4,718,550
Total assets	<u>117,656,488</u>	<u>35,500,928</u>	<u>81,196,334</u>	<u>62,952,073</u>	<u>12,302,310</u>	<u>64,321,616</u>	<u>373,929,749</u>
Total assets and deferred outflows of resources	<u>\$ 117,656,488</u>	<u>\$ 35,500,928</u>	<u>\$ 81,196,334</u>	<u>\$ 62,952,073</u>	<u>\$ 12,302,310</u>	<u>\$ 64,321,616</u>	<u>\$ 373,929,749</u>
Liabilities, deferred inflows of resources & fund balances							
Liabilities:							
Accounts payable	\$ 2,959,658	\$ 3,459,365	\$ 878,423	\$ 2,838,609	\$ 493,957	\$ 4,924,470	\$ 15,554,482
Accrued salaries and benefits	3,114,642	1,572,787	-	-	92,209	349,250	5,128,888
Other accrued liabilities	11,323	-	-	-	-	-	11,323
Due to other funds	2,006,148	30,536	-	1,998,186	-	207,283	4,242,153
Deposits	179,264	-	-	-	-	5,000	184,264
Unearned revenue	4,667,204	-	-	-	-	50,006	4,717,210
Advances from other funds	-	76,036	-	-	2,500,000	98,514	2,674,550
Total liabilities	<u>12,938,239</u>	<u>5,138,724</u>	<u>878,423</u>	<u>4,836,795</u>	<u>3,086,166</u>	<u>5,634,523</u>	<u>32,512,870</u>
Deferred inflows of resources:							
Unavailable revenue	8,604,079	5,153,138	-	354,294	138,047	1,102,780	15,352,338
Fund balances:							
Nonspendable	2,280,932	9,018	-	28,638	-	38,718	2,357,306
Restricted	45,200,310	24,177,235	80,317,911	3,611,136	9,078,097	53,841,067	216,225,756
Committed	1,076,298	1,022,813	-	19,778,132	-	4,083,605	25,960,848
Assigned	15,788,912	-	-	34,343,078	-	-	50,131,990
Unassigned	31,767,718	-	-	-	-	(379,077)	31,388,641
Total fund balances	<u>96,114,170</u>	<u>25,209,066</u>	<u>80,317,911</u>	<u>57,760,984</u>	<u>9,078,097</u>	<u>57,584,313</u>	<u>326,064,541</u>
Total liabilities, deferred inflows of resources & fund balances	<u>\$ 117,656,488</u>	<u>\$ 35,500,928</u>	<u>\$ 81,196,334</u>	<u>\$ 62,952,073</u>	<u>\$ 12,302,310</u>	<u>\$ 64,321,616</u>	<u>\$ 373,929,749</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, 2017

Fund Balance - total governmental funds (page 31)	\$	326,064,541
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.		172,344,924
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	\$ (6,566,974)	
Capital lease obligations	(1,790,628)	
Certificates of participation	(27,185,940)	
Bonds payable	(5,325,556)	
Compensated absences	(10,601,706)	
Net pension liability	<u>(195,611,654)</u>	
Total long-term liabilities		(247,082,458)
Deferred outflows of resources		66,302,768
Accrued interest on debt		(138,219)
Deferred inflows of resources		(27,531,358)
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.		15,352,338
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>7,293,265</u>
Net position of governmental activities (page 25)	\$	<u><u>312,605,801</u></u>

COUNTY OF NAPA

Statement of Revenues, Expenditures and
Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2017

	General Fund	Health and Human Services Agency	Flood Protection & Watershed Improvement Authority	Capital Improvement Fund	Roads	Other Governmental Funds	Total
Revenues							
Taxes	\$112,528,818	\$ -	\$ 18,600,497	\$ -	\$ -	\$ 20,605,151	\$ 151,734,466
Licenses and permits	5,175,709	344,953	-	-	119,399	5,297,637	10,937,698
Fines, forfeitures and penalties	3,549,187	434,677	-	397,122	15,993	39,293	4,436,272
Use of money and property	844,318	209,802	497,106	384,324	62,955	418,492	2,416,997
Aid from other governments	55,662,510	58,493,663	-	1,643,876	8,411,926	5,002,592	129,214,567
Charges for services	21,265,769	10,655,733	-	-	95,945	10,287,977	42,305,424
Contributions and donations	153,037	68,314	-	-	-	151,051	372,402
Other revenue	1,395,640	12,572	-	-	75	223,527	1,631,814
Total revenues	<u>200,574,988</u>	<u>70,219,714</u>	<u>19,097,603</u>	<u>2,425,322</u>	<u>8,706,293</u>	<u>42,025,720</u>	<u>343,049,640</u>
Expenditures							
Current:							
General government	26,685,362	-	-	-	-	6,566,635	33,251,997
Public protection	103,120,859	-	-	-	-	21,011,109	124,131,968
Public ways and facilities	13,808,299	-	5,459,108	-	10,180,903	694,253	30,142,563
Health and sanitation	328,982	54,449,262	-	-	-	297,628	55,075,872
Public assistance	-	43,091,854	-	-	-	932,008	44,023,862
Education	504,790	-	-	-	-	10,707,986	11,212,776
Recreation and cultural services	1,506,779	-	-	-	-	-	1,506,779
Debt service:							
Principal	32,005	-	4,965,000	-	-	3,518,837	8,515,842
Interest expense	-	-	413,466	-	-	1,351,158	1,764,624
Administration, issuance and arbitrage fees	-	-	1,850	-	-	4,182	6,032
Capital outlay	-	-	-	16,511,253	-	-	16,511,253
Total expenditures	<u>145,987,076</u>	<u>97,541,116</u>	<u>10,839,424</u>	<u>16,511,253</u>	<u>10,180,903</u>	<u>45,083,796</u>	<u>326,143,568</u>
Excess (deficiency) of revenues over (under) expenditures	<u>54,587,912</u>	<u>(27,321,402)</u>	<u>8,258,179</u>	<u>(14,085,931)</u>	<u>(1,474,610)</u>	<u>(3,058,076)</u>	<u>16,906,072</u>
Other financing sources (uses)							
Issuance of debt	1,046,277	-	-	-	-	-	1,046,277
Proceeds from insurance	2,293,140	-	-	-	-	-	2,293,140
Transfers in	360,616	33,647,043	-	22,336,139	4,375,617	5,335,867	66,055,282
Transfers out	(60,633,944)	(4,668,511)	-	(12)	(5,255)	(1,449,924)	(66,757,646)
Total other financing sources (uses)	<u>(56,933,911)</u>	<u>28,978,532</u>	<u>-</u>	<u>22,336,127</u>	<u>4,370,362</u>	<u>3,885,943</u>	<u>2,637,053</u>
Net change in fund balances	(2,345,999)	1,657,130	8,258,179	8,250,196	2,895,752	827,867	19,543,125
Fund balances - beginning	<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>
Fund balances - ending	<u>\$ 96,114,170</u>	<u>\$ 25,209,066</u>	<u>\$ 80,317,911</u>	<u>\$ 57,760,984</u>	<u>\$ 9,078,097</u>	<u>\$ 57,584,313</u>	<u>\$ 326,064,541</u>

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

COUNTY OF NAPA

Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances of Governmental Funds to the
Government-Wide Statement of Activities - Governmental Activities
For the Year Ended June 30, 2017

Net change in fund balances - total governmental funds (page 33)		\$ 19,543,125
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	\$ 15,332,348	
Less: current year depreciation	(6,038,607)	
Net effect of various miscellaneous transactions involving capital assets	<u>(33,089)</u>	
		9,260,652
Revenues in the Statement of Activities recognized in the current fiscal year which are reported as deferred revenues revenues in the governmental funds		5,357,616
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	(1,046,277)	
Accrued interest transferred to principal	(23,013)	
Principal payments	<u>8,515,842</u>	
		7,446,552
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	37,399	
Amortization of debt premiums	440,460	
Change in compensated absences	(2,972,226)	
Difference between pension expense and funding	<u>4,637,789</u>	
		2,143,422
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>(1,164,347)</u>
Change in net position of governmental activities (pages 26-27)		\$ <u>42,587,020</u>

COUNTY OF NAPA

Statement of Fund Net Position
Proprietary Funds
June 30, 2017

	Business-Type Activities - Enterprise Funds				Governmental	
		Lake	Napa		Activities	
	Napa County	Berryessa	Berryessa	Other	Internal	
	Airport	Resort	Resort	Enterprise	Service	
		Improvement	Improvement	Funds	Funds	
		District	District			
				Total		
Assets						
Current assets:						
Cash and investments	\$ 5,260,817	\$ 787,503	\$ 811,636	\$ 1,553,140	\$ 8,413,096	\$ 21,061,824
Restricted assets:						
Cash with fiscal agent	-	102,136	-	-	102,136	-
Cash held for debt service	-	-	1,604,964	-	1,604,964	-
Cash held for capital replacement	-	45,770	224,809	-	270,579	-
Imprest cash	100	-	-	175	275	46,574
Receivables, net:						
Taxes	-	8,118	5,231	-	13,349	-
Accounts	189,082	491,405	117,524	227,258	1,025,269	486,749
Special assessments	-	526,117	191,157	-	717,274	-
Prepaid items	-	-	-	-	-	103,927
Deposits	1,250	-	-	-	1,250	136,579
Total current assets	<u>5,451,249</u>	<u>1,961,049</u>	<u>2,955,321</u>	<u>1,780,573</u>	<u>12,148,192</u>	<u>21,835,653</u>
Noncurrent assets:						
Net other postemployment benefits asset	-	-	-	-	-	1,637,000
Capital assets:						
Nondepreciable:						
Land	1,886,002	205,050	237,567	3,036,422	5,365,041	-
Construction in progress	-	5,010,216	-	-	5,010,216	-
Intangible assets	-	-	-	-	-	264,555
Depreciable:						
Structures and improvements	35,085,836	6,681,841	12,601,168	24,327,497	78,696,342	-
Equipment	902,238	414,423	163,798	80,799	1,561,258	16,323,983
Intangible assets	-	-	-	-	-	1,920,437
Accumulated depreciation	(27,657,218)	(3,150,868)	(3,021,219)	(4,849,242)	(38,678,547)	(11,399,724)
Total noncurrent assets	<u>10,216,858</u>	<u>9,160,662</u>	<u>9,981,314</u>	<u>22,595,476</u>	<u>51,954,310</u>	<u>8,746,251</u>
Total assets	<u>15,668,107</u>	<u>11,121,711</u>	<u>12,936,635</u>	<u>24,376,049</u>	<u>64,102,502</u>	<u>30,581,904</u>
Deferred outflows of resources:						
Deferred pension	331,912	-	-	254,312	586,224	4,212,500
Liabilities						
Current liabilities:						
Accounts payable	40,209	455,086	17,012	170,982	683,289	937,450
Accrued salaries and benefits	26,317	-	-	18,067	44,384	517,759
Deposits	10,319	24,160	44,642	-	79,121	-
Interest payable	-	45,483	107,933	-	153,416	-
Loans payable	73,280	-	-	-	73,280	-
Capital lease obligations	47,841	-	-	19,586	67,427	94,886
Bonds payable	-	65,000	167,000	-	232,000	-
Unearned revenue	-	-	-	6,283	6,283	4,260
Unpaid insurance claims	-	-	-	-	-	2,646,454
Compensated absences	28,739	-	-	28,134	56,873	388,585
Total current liabilities	<u>226,705</u>	<u>589,729</u>	<u>336,587</u>	<u>243,052</u>	<u>1,396,073</u>	<u>4,589,394</u>
Noncurrent liabilities:						
Advances from other funds	-	-	2,044,000	-	2,044,000	-
Capital lease obligations	544,099	-	-	191,248	735,347	52,973
Bonds payable	-	2,405,000	10,194,521	-	12,599,521	-
Unpaid insurance claims	-	-	-	-	-	7,751,779
Compensated absences	28,642	-	-	11,375	40,017	459,796
Net pension liability	944,985	-	-	781,009	1,725,994	12,663,074
Total noncurrent liabilities	<u>1,517,726</u>	<u>2,405,000</u>	<u>12,238,521</u>	<u>983,632</u>	<u>17,144,879</u>	<u>20,927,622</u>
Total liabilities	<u>1,744,431</u>	<u>2,994,729</u>	<u>12,575,108</u>	<u>1,226,684</u>	<u>18,540,952</u>	<u>25,517,016</u>
Deferred inflows of resources:						
Deferred pension	151,526	-	-	130,408	281,934	1,984,123
Net position						
Net investment in capital assets	9,551,638	6,792,798	(380,207)	22,384,642	38,348,871	6,961,392
Restricted	-	45,770	224,809	-	270,579	-
Unrestricted	4,552,424	1,288,414	516,925	888,627	7,246,390	331,873
Total net position	<u>\$ 14,104,062</u>	<u>\$ 8,126,982</u>	<u>\$ 361,527</u>	<u>\$ 23,273,269</u>	<u>\$ 45,865,840</u>	<u>\$ 7,293,265</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, 2017

	Business-Type Activities - Enterprise Funds				Governmental Activities	
	Napa County Airport	Lake Berryessa Resort Improvement District	Napa Berryessa Resort Improvement District	Other Enterprise Funds	Total	Internal Service Funds
Operating revenues:						
Charges for services	\$ 2,417,185	\$ 604,726	\$ 923,277	\$ 2,018,360	\$ 5,963,548	\$ 39,148,825
Maintenance charges:						
Equipment	-	-	-	-	-	566,459
Vehicle	-	-	-	-	-	1,133,610
Replacement charges	-	-	-	-	-	1,305,631
Other revenue	24,734	-	-	16,094	40,828	9
Total operating revenues	<u>2,441,919</u>	<u>604,726</u>	<u>923,277</u>	<u>2,034,454</u>	<u>6,004,376</u>	<u>42,154,534</u>
Operating expenses:						
Salaries and employee benefits	658,908	-	-	686,470	1,345,378	27,235,230
Services and supplies	1,039,846	775,247	745,241	2,043,240	4,603,574	10,358,313
Insurance	15,353	10,315	13,739	39,878	79,285	-
Other charges	10,070	-	-	-	10,070	100,893
Claims expense	-	-	-	-	-	4,456,239
Depreciation and amortization	1,448,813	273,145	580,477	517,158	2,819,593	1,554,759
Total operating expenses	<u>3,172,990</u>	<u>1,058,707</u>	<u>1,339,457</u>	<u>3,286,746</u>	<u>8,857,900</u>	<u>43,705,434</u>
Operating loss	(731,071)	(453,981)	(416,180)	(1,252,292)	(2,853,524)	(1,550,900)
Non-operating revenues (expenses):						
Aid from other governments	369	111	204	140,491	141,175	25,560
Taxes	-	322,231	50,875	-	373,106	-
Contributions and donations	-	-	-	141,838	141,838	-
Other revenue - non operating	-	100,000	-	92,019	192,019	-
Investment income (loss)	32,004	4,571	18,130	8,240	62,945	192,756
Other expense	-	-	-	(240)	(240)	-
Interest expense	(10,021)	(136,973)	(339,528)	(3,566)	(490,088)	(19,012)
Administration, issuance and arbitrage fees	-	(7,861)	(19,508)	-	(27,369)	-
Gain on disposition of capital assets	-	-	-	-	-	152,487
Total non-operating revenues (expenses)	<u>22,352</u>	<u>282,079</u>	<u>(289,827)</u>	<u>378,782</u>	<u>393,386</u>	<u>351,791</u>
Net income (loss) before contributions and transfers	<u>(708,719)</u>	<u>(171,902)</u>	<u>(706,007)</u>	<u>(873,510)</u>	<u>(2,460,138)</u>	<u>(1,199,109)</u>
Capital contributions, grants and assessments	397,832	571,622	572,268	-	1,541,722	-
Transfers in	-	-	-	667,602	667,602	299,762
Transfers out	-	-	-	-	-	(265,000)
Change in net position	<u>(310,887)</u>	<u>399,720</u>	<u>(133,739)</u>	<u>(205,908)</u>	<u>(250,814)</u>	<u>(1,164,347)</u>
Net Position - beginning	<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>
Net Position - ending	<u>\$14,104,062</u>	<u>\$ 8,126,982</u>	<u>\$ 361,527</u>	<u>\$23,273,269</u>	<u>\$45,865,840</u>	<u>\$ 7,293,265</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, 2017

	Business-Type Activities - Enterprise Funds					Governmental
	Napa County Airport	Lake Berryessa Resort Improvement District	Napa Berryessa Resort Improvement District	Other Enterprise Funds	Total	Internal
						Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES:						
Receipts from customers	\$ 2,286,249	\$ 412,562	\$ 873,824	\$ 2,055,963	\$ 5,628,598	\$ -
Receipts from interfund services provided	-	-	-	-	-	42,919,163
Other receipts	-	-	-	92,019	92,019	-
Payments to suppliers for goods and services	(1,046,056)	(461,372)	(820,767)	(2,004,935)	(4,333,130)	(11,135,812)
Payments for self insurance claims	-	-	-	-	-	(3,898,319)
Payments to employees for services	(789,415)	-	-	(691,728)	(1,481,143)	(22,377,654)
Other payments	-	-	-	(240)	(240)	-
Net cash provided (used) by operating activities	<u>450,778</u>	<u>(48,810)</u>	<u>53,057</u>	<u>(548,921)</u>	<u>(93,896)</u>	<u>5,507,378</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:						
Aid from other government agencies	369	111	204	140,491	141,175	25,560
Transfers from other funds	-	-	-	667,602	667,602	299,762
Transfers to other funds	-	-	-	-	-	(265,000)
Contributions and donations	-	-	-	141,838	141,838	-
Repayment of advances from other funds	-	-	(110,000)	-	(110,000)	-
Taxes	-	323,214	52,447	-	375,661	-
Stipulated judgment payments	-	(20,000)	-	-	(20,000)	-
Net cash provided (used) by noncapital financing activities	<u>369</u>	<u>303,325</u>	<u>(57,349)</u>	<u>949,931</u>	<u>1,196,276</u>	<u>60,322</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:						
Proceeds from the sale of capital assets	-	-	-	-	-	225,335
Proceeds from bond issuances	-	-	15,734	-	15,734	-
Principal payments on capital leases	(47,188)	-	-	(16,807)	(63,995)	(172,065)
Principal repayments on bonds and loans payable	-	(60,000)	(213,782)	-	(273,782)	-
Interest payments related to capital purchases	(10,021)	(138,023)	(341,761)	(3,566)	(493,371)	(19,012)
Debt administration payments	-	(7,861)	(19,508)	-	(27,369)	-
Capital grants and contributions	397,832	-	-	-	397,832	-
Special assessments	-	507,329	552,263	-	1,059,592	-
Payments related to the acquisition of capital assets	(18,359)	(451,574)	(20,968)	(34,020)	(524,921)	(2,999,183)
Net cash provided (used) by capital and related financing activities	<u>322,264</u>	<u>(150,129)</u>	<u>(28,022)</u>	<u>(54,393)</u>	<u>89,720</u>	<u>(2,964,925)</u>
CASH FLOWS FROM INVESTING ACTIVITIES						
Investment earnings	32,004	4,571	18,130	8,240	62,945	192,756
Net cash used by investing activities	<u>32,004</u>	<u>4,571</u>	<u>18,130</u>	<u>8,240</u>	<u>62,945</u>	<u>192,756</u>
Net increase (decrease) in cash and cash equivalents	805,415	108,957	(14,184)	354,857	1,255,045	2,795,531
Cash and cash equivalents, beginning	4,455,502	826,452	2,655,593	1,198,458	9,136,005	18,312,867
Cash and cash equivalents, ending (includes restricted and imprest cash)	<u>\$ 5,260,917</u>	<u>\$ 935,409</u>	<u>\$ 2,641,409</u>	<u>\$ 1,553,315</u>	<u>\$10,391,050</u>	<u>\$ 21,108,398</u>

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

continued

COUNTY OF NAPA
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2017

	Business-Type Activities - Enterprise Funds				Governmental Activities	
	Napa County Airport	Lake Berryessa Resort Improvement District	Napa Berryessa Resort Improvement District	Other Enterprise Funds	Total	Internal Service Funds
Reconciliation of operating income (loss) to net cash provided by (used) by Operating Activities:						
Operating income (loss)	\$ (731,071)	\$ (453,981)	\$ (416,180)	\$ (1,252,292)	\$ (2,853,524)	\$ (1,550,900)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Other non-operating receipts	-	-	-	92,019	92,019	-
Other non-operating payments	-	-	-	(240)	(240)	-
Depreciation and amortization	1,448,813	273,145	580,477	517,158	2,819,593	1,554,759
Changes in assets, deferred outflows of resources, liabilities and deferred inflows of resources:						
(Increase) decrease in:						
Accounts receivable	(155,670)	(179,294)	(17,605)	23,732	(328,837)	790,189
Deposits	-	-	-	-	-	(119,233)
Prepaid items	-	10,315	-	-	10,315	101,807
Other postemployment benefits asset	-	-	-	-	-	(851,000)
Increase (decrease) in:						
Accounts payable	19,213	313,875	(61,787)	78,183	349,484	223,653
Salaries and benefits	(130,507)	-	-	(5,258)	(135,765)	4,825,743
Unearned revenue	-	-	-	(2,223)	(2,223)	(25,560)
Customer deposits	-	(12,870)	(31,848)	-	(44,718)	-
Claims liability	-	-	-	-	-	557,920
Net cash provided (used) by operating activities	\$ 450,778	\$ (48,810)	\$ 53,057	\$ (548,921)	\$ (93,896)	\$ 5,507,378
Noncash investing, capital, and financing activities:						
Borrowing under capital lease	\$ -	\$ -	\$ -	\$ -	\$ -	147,436

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

COUNTY OF NAPA

Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2017

	Investment <u>Trust Funds</u>	Private Purpose <u>Trust Funds</u>	<u>Agency Funds</u>
Assets			
Cash and investments	\$ 341,647,407	\$ 4,431,877	\$ 35,486,475
Restricted cash:			
Cash held for tax loss reserve	-	-	3,814,477
Imprest cash/Revolving fund	-	-	66,963
Taxes receivable	-	-	16,074,289
Total assets	<u>341,647,407</u>	<u>4,431,877</u>	<u>\$ 55,442,204</u>
Liabilities			
Agency funds held for other	-	-	55,442,204
Total liabilities	<u>-</u>	<u>-</u>	<u>\$ 55,442,204</u>
Net position			
Net assets held in trust	<u>341,647,407</u>	<u>4,431,877</u>	
Total net position	<u>\$ 341,647,407</u>	<u>\$ 4,431,877</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, 2017

	<u>Investment Trust Funds</u>	<u>Private Purpose Trust Funds</u>
<u>ADDITIONS</u>		
Contribution:		
Contribution to investment pool	\$ 691,808,179	\$ 5,132,474
Total contribution	<u>691,808,179</u>	<u>5,132,474</u>
Net investment income:		
Investment income	<u>1,625,035</u>	<u>24,639</u>
Net investment income	<u>1,625,035</u>	<u>24,639</u>
Total additions	<u>693,433,214</u>	<u>5,157,113</u>
<u>DEDUCTIONS</u>		
Distributions from investment pool	<u>527,596,987</u>	<u>3,734,369</u>
Total deductions	<u>527,596,987</u>	<u>3,734,369</u>
Change in net position	165,836,227	1,422,744
Net position - beginning	176,089,067	3,009,133
Component unit - Napa County Children and Families Commission	<u>(277,887)</u>	<u>-</u>
Net position - beginning, as restated	<u>175,811,180</u>	<u>3,009,133</u>
Net position - ending	<u>\$ 341,647,407</u>	<u>\$ 4,431,877</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. Pensions.....	50
N. Estimates.....	50
O. Accounting Pronouncements Adopted.....	50
P. Future Accounting Pronouncements.....	51
Q. Fund Equity.....	52
R. Fund Balance Policy.....	52
Note 2: Cash and Investments.....	53
Note 3: Interfund Transactions.....	58
Note 4: Capital Assets.....	60
Note 5: Long-Term Liabilities.....	62
Note 6: Leases.....	66
Note 7: Deferred Inflows of Resources.....	67
Note 8: Restricted Component of Net Position.....	69
Note 9: Fund Balances.....	70
Note 10: County Employees Retirement Plan (Defined Benefit Pension Plans).....	72
Note 11: Other Postemployment Benefits.....	78
Note 12: Deferred Compensation Plan.....	81
Note 13: 401(a) Retirement Savings Plan.....	81
Note 14: Risk Management.....	82
Note 15: Tax Abatement Disclosures.....	83
Note 16: Contingencies.....	83
A. Litigation.....	83
B. Grants.....	83
Note 17: Prior Period Adjustment.....	83
Note 18: Subsequent Event.....	84

COUNTY OF NAPA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2017

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 Accounting 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, 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 one discretely presented component unit, Napa County Children and Families Commission. The Board appoints all commissioners and has the ability to remove and replace commissioners at any time. However, the commissioners are not substantially the same as the Board of Supervisors. Napa County Children and Families Commission funds programs that promote, support and improve the early development of children from prenatal through age five. 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 and discretely presented 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

COUNTY OF NAPA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2017

1. Summary of Significant Accounting Policies (continued)

A. The Financial Reporting Entity (continued)

- Napa County Housing Authority
- Napa County Children and Families Commission

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 and 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 and discretely presented 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

COUNTY OF NAPA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2017

1. Summary of Significant Accounting Policies (continued)

B. Basis of Presentation (continued)

Government-Wide Financial Statements (continued)

classified as program revenues, including all taxes, are presented as general revenues.

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. 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.

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 from 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

COUNTY OF NAPA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2017

1. Summary of Significant Accounting Policies (continued)

B. Basis of Presentation (continued)

Fund Financial Statements (continued)

system in the unincorporated area with a majority of its revenues coming from State, Federal and General Fund resources.

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, property management, 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 towns.

COUNTY OF NAPA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2017

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 of accounting, 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 the 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, 2017

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, 2017.

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 \$16.1 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 2016-17, 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 \$9.2 million as of June 30, 2017.

H. Capital Assets

Capital assets (including infrastructure) are recorded at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets, including works of art and historical treasures, are recorded at the estimated acquisition value at the date of donation. Capital assets include public domain (infrastructure) general capital 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, 2017

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 leave 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, 2017

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. In the governmental funds, the County reports revenue that was unavailable to meet current year obligations in this category. In the Statement of Net Position, deferred inflows related to pensions are discussed in more detail in the following section.

Deferred amounts on refunding debt issuances qualify for reporting in this category. A deferred amount on a refunding results from the difference in the carrying value of refunded debt and its reacquisition price. In addition, the County has recorded deferred outflows of resource related to pensions which is discussed in the next section.

COUNTY OF NAPA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2017

1. Summary of Significant Accounting Policies (continued)

M. 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.

N. 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.

O. Accounting Pronouncements Adopted

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

Statement No. 73	<i>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</i>	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 GASB Statement 68 which are effective for reporting periods starting with the fiscal year that ends June 30, 2017.
Statement No. 74	<i>Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans</i>	The provisions of this statement will take effect for financial statements starting with the fiscal year that ends June 30, 2017.
Statement No. 77	<i>Tax Abatement Disclosures</i>	The requirements of this statement are effective for reporting periods beginning after December 15, 2016.

COUNTY OF NAPA

**Notes to the Basic Financial Statements
For the Year Ended June 30, 2017**

1. Summary of Significant Accounting Policies (continued)

O. Accounting Pronouncements Adopted (continued)

Statement No. 78	<i>Pensions Provided through Certain Multiple-Employer Defined Benefit Plans</i>	The requirements of this statement will take effect for financial statements starting with the fiscal year that ends June 30, 2017.
Statement No. 79	<i>Certain External Investment Pools and Pool Participants</i>	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 will take effect for financial statements starting with the fiscal year that ends June 30, 2017.
Statement No. 80	<i>Blending Requirements for Certain Component Units - an amendment of GASB Statement No. 14</i>	The provisions of this statement will take effect for financial statements starting with the fiscal year that ends June 30, 2017.
Statement No. 82	<i>Pension Issues - an amendment of GASB Statements No. 67, No. 68, and No. 73</i>	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.

P. Future Accounting Pronouncements

Governmental Accounting Standards Board (GASB) Statements Numbers 75, 81, 83, 84, 85, 86 and 87 listed below will be implemented in future financial statements:

Statement No. 75	<i>Accounting and Financial Reporting for Postemployment Benefits Other Than Pension Plans</i>	The requirements for this statement will take effect for financial statements starting with the fiscal year that ends June 30, 2018.
Statement No. 81	<i>Irrevocable Split-Interest Agreements</i>	The requirements of this statement are effective for financial statement starting with the fiscal year that ends December 31, 2017.
Statement No. 83	<i>Certain Asset Retirement Obligations</i>	The requirements for this statement will take effect for financial statements starting with the fiscal year that ends June 30, 2019.
Statement No. 84	<i>Fiduciary Activities</i>	The requirements of this statement are effective for reporting periods beginning after December 15, 2018.
Statement No. 85	<i>Omnibus 2017</i>	The requirements of this statement will take effect for financial statements starting with the fiscal year that ends June 30, 2018.
Statement No. 86	<i>Certain Debt Extinguishment Issues</i>	The requirements for this statement will take effect for financial statements starting with the fiscal year that ends June 30, 2018.
Statement No. 87	<i>Leases</i>	The requirements of this statement are effective for reporting periods beginning after December 15, 2019.

COUNTY OF NAPA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2017

1. Summary of Significant Accounting Policies (continued)

Q. 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.

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

R. 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.

COUNTY OF NAPA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2017

1. Summary of Significant Accounting Policies (continued)

R. Fund Balance Policy (continued)

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

Order of Spending

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

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 Statement 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, 2017

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, 2017, total County cash and investments were as follows:

Cash:	
Cash on hand	\$ 66,949
Imprest cash	207,073
Cash in banks	15,854,229
Outstanding warrants, deposits and reconciling items	<u>(11,316,658)</u>
Total Cash	<u>4,811,593</u>
Investments:	
In Treasurer's pool	699,270,008
With fiscal agents external to the pool	<u>2,088,496</u>
Total Investments	<u>701,358,504</u>
Total Cash and Investments	<u>\$ 706,170,097</u>

Total cash and investments at June 30, 2017 were presented in the County's financial statements as follows:

Total governmental activities	\$ 309,938,501
Total business-type activities	10,391,050
Investment trust funds	341,647,407
Private purpose trust funds	4,431,877
Agency funds	39,367,915
Component Unit - Napa County Children and Families Commission	<u>393,347</u>
Total Cash and Investments	<u>\$ 706,170,097</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, \$509,350 is insured by the Federal Depository Insurance Corporation. The remaining \$15,344,879 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 OF NAPA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2017

2. Cash and Investments (continued)

Investments (continued)

County's investment policy that address interest rate risk, credit risk, and concentration risk.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum 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	\$65 million (per account)	None

At June 30, 2017, 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	0.86%-2.30%	7/1/17-4/20/21	\$ 241,890,000	\$ 241,889,240	\$ 240,624,278	1.97
U.S. Agency Obligations - discount	0.54%-1.15%	7/5/17-1/31/18	265,000,000	263,751,920	264,320,790	0.24
U.S. Treasury Obligations	0.890%-1.38%	8/15/17-6/15/19	62,000,000	61,717,209	61,779,210	0.00
Teeter notes	1.13%-1.68%	9/1/18-9/1/21	1,911,639	1,911,639	1,911,639	3.36
LAIF (2 accounts)	0.93%	On demand	130,000,000	130,000,000	130,000,000	0.00
Total Treasurer's Pooled Investments			700,801,639	699,270,008	698,635,917	0.78
Investments Controlled by Fiscal Agents						
U.S. Treasury Obligations			2,088,496	2,088,496	2,088,496	
Total Investments			<u>\$ 702,890,135</u>	<u>\$ 701,358,504</u>	<u>\$ 700,724,413</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, 2017, the investment pool fair value was below cost by \$634,091, or 0.09%. The Treasurer-Tax Collector believes the investment portfolio's planned liquidity is sufficient to meet cash flow needs for the next six months and will preclude the Treasurer-Tax Collector from having to sell investments below cost and thus avoid the realization of investment losses.

Credit Risk

State law and the County's Investment Policy limit investments in commercial paper to the rating of A1 by Standards & Poor's (S&P), P-1 by Moody's Investment Service (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

COUNTY OF NAPA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2017

2. Cash and Investments (continued)

Credit Risk (continued)

limits on U.S. Agency obligations.

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, 2017.

	<u>S & P</u>	<u>Moody's</u>	<u>% of Portfolio</u>
U.S. Agency Obligations - fixed	AA+	Aaa	34.44 %
U.S. Agency Obligations - discount	AA+	Aaa	37.84 %
U.S. Treasury Obligations	AA+	Aaa	8.84 %
Teeter notes	Unrated	Unrated	0.27 %
Local Agency Investment Fund (LAIF)	Unrated	Unrated	<u>18.61 %</u>
Total			<u><u>100.00 %</u></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	\$ 50,301,682	7.20 %
Federal Farm Credit Bank	Government Sponsored	131,091,732	18.76 %
Federal Home Loan Mortgage Corporation	Government Sponsored	39,309,864	5.63 %

Local Agency Investment Fund

The Pool's total investment in the LAIF, managed by the Treasurer for the State of California is \$130.0 million at June 30, 2017. The total amount invested by all public agencies in LAIF at June 30, 2017 was \$22.8 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, 2017 was \$77.6 billion. The PMIA portfolio includes 2.25% invested in medium and short term structured notes and asset-backed securities and 0.64% 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 194 days as of June 30, 2017.

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, 2017

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, 2017:

Statement of Net Position

Net Position held for pool participants	<u>\$ 699,270,008</u>
Equity of internal pool participants	315,684,899
Equity of external pool participants (both voluntary and involuntary)	<u>383,585,109</u>
Total Net Position	<u>\$ 699,270,008</u>

Statement of Changes in Net Position

Net position held for pool participants at July 1, 2016	\$ 533,975,414
Net change in investments by pool participants	<u>165,294,594</u>
Net position held for pool participants at June 30, 2017	<u>\$ 699,270,008</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, 2017:

	<u>Fair Value Measurements Using</u>		
	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
<u>Investments by fair value level</u>			
<u>Debt Securities</u>			
Government agency bonds	\$240,624,278	\$ 240,624,278	\$ -
Government agency discount notes	264,320,790	264,320,790	-
U.S. Treasury obligations	61,779,210	61,779,210	-
Teeter notes	<u>1,911,639</u>	-	<u>1,911,639</u>
Total investments measured at fair value	<u>\$568,635,917</u>	<u>\$ 566,724,278</u>	<u>\$ 1,911,639</u>
<u>Investments measured at amortized cost</u>			
LAIF	130,000,000		
Total pooled and directed investments	<u>\$698,635,917</u>		

COUNTY OF NAPA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2017

3. Interfund Transactions

Interfund Receivables/Payables

The composition of interfund balances as of June 30, 2017 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	\$ 122,636	IHSS cash advance
	Other Governmental Fund	84,647	Child Support Services cash advance
	Non-operating special revenue funds in Health and Human Services Fund	30,536	Probation-Title IV-E program costs
Health and Human Services Agency	General Fund-Non Operating SRF	2,006,148	2011 Realignment program costs
	Capital Improvement Fund	1,998,186	Crisis Stabilization Center construction costs
		<u>\$ 4,242,153</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 Resort Improvement Districts, 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.	\$ 1,999,000	Operating & capital advances
	Other Governmental Fund	98,514	Capital advance
Capital Improvement Fund	Napa Berryessa Resort Improv.	45,000	Capital advance
	Roads Fund	2,500,000	Capital advance
Other Governmental Fund	Health & Human Services Agency	76,036	Program advance
		<u>\$ 4,718,550</u>	

COUNTY OF NAPA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2017

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	Health & Human Services Agency	\$ 33,539,196	HHSA Program contribution
	Capital Improvement Fund	18,385,747	Current and future capital projects
	Roads Fund	4,172,000	Roads contribution
	Other Governmental Funds	3,786,729	Debt service
	Other Governmental Funds	41,724	IHSS contribution
	Other Governmental Funds	528,548	Library contribution
	Internal Service Funds	180,000	Unemployment insurance subsidy
Health & Human Services Agency	General Fund	347,516	Program contribution
	Capital Improvement Fund	3,685,392	Medical assistance programs
	Other Governmental Funds	515,841	Debt service
	Internal Service Funds	119,762	Insurance premiums
Capital Improvement Fund	Other Governmental Funds	12	Return of excess project funds
Roads Fund	Other Governmental Funds	5,255	Debt service
Other Governmental Funds	General Fund	13,100	Emergency services
	Health & Human Services Agency	107,847	Homeless prevention
	Roads	203,617	Road Maintenance
	Other Governmental Funds	431,110	Fire protection
	Other Governmental Funds	26,648	Debt service
	Other Enterprise Funds	667,602	Farmworker centers
	Capital Improvement Fund	265,000	Project contribution
Internal Service Funds		<u>\$ 67,022,646</u>	

COUNTY OF NAPA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2017

4. Capital Assets

Capital asset activity for the year ended June 30, 2017, was as follows:

	<u>Balance July 1, 2016</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers & Adjustments</u>	<u>Balance June 30, 2017</u>
Governmental Activities					
Capital Assets, not being depreciated:					
Land	\$ 13,967,747	\$ -	\$ -	\$ -	\$ 13,967,747
Intangible assets	1,105,581	411,783	-	(1,252,806)	264,558
Construction in progress	28,811,639	14,809,233	-	(18,166,534)	25,454,338
Total capital assets, not being depreciated	<u>43,884,967</u>	<u>15,221,016</u>	<u>-</u>	<u>(19,419,340)</u>	<u>39,686,643</u>
Capital assets, being depreciated:					
Infrastructure	193,575,565	-	-	-	193,575,565
Structures and improvements	127,457,448	-	-	17,372,602	144,830,050
Equipment	37,232,190	3,277,544	(1,175,104)	793,932	40,128,562
Intangible assets	667,632	-	-	1,252,806	1,920,438
Total capital assets being depreciated	<u>358,932,835</u>	<u>3,277,544</u>	<u>(1,175,104)</u>	<u>19,419,340</u>	<u>380,454,615</u>
Less accumulated depreciation for:					
Infrastructure	(166,048,268)	(2,197,188)	-	-	(168,245,456)
Structures and improvements	(38,219,084)	(2,569,418)	-	-	(40,788,502)
Equipment	(29,408,598)	(2,567,953)	1,049,574	-	(30,926,977)
Intangible assets	(467,341)	(258,807)	-	-	(726,148)
Total accumulated depreciation	<u>(234,143,291)</u>	<u>(7,593,366)</u>	<u>1,049,574</u>	<u>-</u>	<u>(240,687,083)</u>
Total capital assets, being depreciated, net	<u>124,789,544</u>	<u>(4,315,822)</u>	<u>(125,530)</u>	<u>19,419,340</u>	<u>139,767,532</u>
Governmental activities capital assets, net	<u>\$ 168,674,511</u>	<u>\$ 10,905,194</u>	<u>\$ (125,530)</u>	<u>\$ -</u>	<u>\$ 179,454,175</u>
Business-type Activities					
Capital assets, not being depreciated:					
Land	\$ 5,365,041	\$ -	\$ -	\$ -	\$ 5,365,041
Construction in progress	4,565,646	444,570	-	-	5,010,216
Total capital assets, not being depreciated	<u>9,930,687</u>	<u>444,570</u>	<u>-</u>	<u>-</u>	<u>10,375,257</u>
Capital assets, being depreciated:					
Structures and improvements	78,696,342	-	-	-	78,696,342
Equipment	1,480,906	80,352	-	-	1,561,258
Total capital assets, being depreciated	<u>80,177,248</u>	<u>80,352</u>	<u>-</u>	<u>-</u>	<u>80,257,600</u>
Less accumulated depreciation for:					
Structures and improvements	(34,797,122)	(2,648,177)	-	-	(37,445,299)
Equipment	(1,061,832)	(171,416)	-	-	(1,233,248)
Total accumulated depreciation	<u>(35,858,954)</u>	<u>(2,819,593)</u>	<u>-</u>	<u>-</u>	<u>(38,678,547)</u>
Total capital assets, being depreciated, net	<u>44,318,294</u>	<u>(2,739,241)</u>	<u>-</u>	<u>-</u>	<u>41,579,053</u>
Business-type activities capital assets, net	<u>\$ 54,248,981</u>	<u>\$ (2,294,671)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 51,954,310</u>

COUNTY OF NAPA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2017

4. Capital Assets (continued)

Transfers and Adjustments

During fiscal year 2016-17 the following projects (construction in progress) were completed and transferred from non-depreciable capital assets:

- The Capital Improvement Fund completed and transferred work on the HHSA Campus in the amount of \$17.4 million to Buildings and Improvements.
- Fire Protection completed construction and placed in service two fire engines. The total cost of the engines was \$0.8 million which was transferred to equipment.
- Information Technology Services Fund completed and placed into service the Corrections module of the in house CJNET software. The total cost of \$1.25 million was transferred to intangible assets.

Construction Commitments

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

Project Description	Outstanding Commitment
Napa County Re-entry Facility	\$ <u>15,848,425</u>

Depreciation

Depreciation expense was charged to governmental functions as follows:

General government	\$ 2,157,926
Public protection	2,052,047
Public ways and facilities	2,653,577
Health and sanitation	434,829
Public assistance	95,871
Education	199,116
Total Depreciation Expense - Governmental Functions	\$ 7,593,366

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, 2017

4. Capital Assets (continued)

Depreciation (continued)

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

Napa County Airport	\$ 1,448,813
Lake Berryessa Resort Improvement District	273,145
Napa Berryessa Resort Improvement District	580,477
5th Street Parking Garage	336,827
Napa County Housing Authority	75,015
Napa County Animal Shelter	105,316
Total Depreciation Expense - Business-Type Functions	<u>\$ 2,819,593</u>

5. Long-Term Liabilities

The following is a summary of long-term liabilities:

	Balance July 1, 2016	Additions	Reductions	Balance June 30, 2017	Amount Due within One Year
Governmental Activities:					
Bonds payable	\$ 10,130,000	\$ -	\$ (4,965,000)	\$ 5,165,000	\$ 5,165,000
Less unamortized premiums:					
For issuance premiums	321,114	-	(160,558)	160,556	160,556
Certificates of participation	27,305,000	-	(3,055,000)	24,250,000	3,180,000
Less unamortized amounts:					
For issuance premiums	3,355,360	-	(419,420)	2,935,940	
Capital lease obligations	2,136,592	147,436	(345,541)	1,938,487	254,703
Loans payable	5,820,049	1,069,290	(322,365)	6,566,974	315,555
Compensated absences	8,040,981	11,002,113	(7,593,008)	11,450,086	6,054,289
Liability for unpaid claims	9,840,313	3,020,701	(2,462,781)	10,398,233	2,646,454
Total Governmental Activities					
Long-term liabilities	<u>\$ 66,949,409</u>	<u>\$ 15,239,540</u>	<u>\$ (19,323,673)</u>	<u>\$ 62,865,276</u>	<u>\$ 17,776,557</u>
Business-type Activities					
Bonds payable	\$ 13,089,569	\$ -	\$ (258,048)	\$ 12,831,521	\$ 232,000
Capital lease obligations	866,768	-	(63,994)	802,774	67,427
Loan payable	73,280	-	-	73,280	73,280
Stipulated judgments	120,000	-	(120,000)	-	-
Compensated absences	79,182	94,284	(76,576)	96,890	56,873
Total Business-type Activities					
Long-term liabilities	<u>\$ 14,228,799</u>	<u>\$ 94,284</u>	<u>\$ (518,618)</u>	<u>\$ 13,804,465</u>	<u>\$ 429,580</u>
Component Unit Activities					
Compensated absences	17,077	1,643	(10,934)	7,786	6,418
Total Component Unit Activities	<u>\$ 17,077</u>	<u>\$ 1,643</u>	<u>\$ (10,934)</u>	<u>\$ 7,786</u>	<u>\$ 6,418</u>

COUNTY OF NAPA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2017

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
2018	\$ 5,165,000	\$ 211,371	\$ 3,180,000	\$ 1,061,100	\$ 315,555	\$ 65,670
2019	-	-	3,330,000	916,750	318,710	62,514
2020	-	-	3,485,000	765,500	321,897	59,327
2021	-	-	3,650,000	670,500	325,116	56,108
2022	-	-	3,805,000	457,600	328,367	52,857
2023-2027	-	-	6,800,000	387,350	1,691,754	214,368
2028-2032	-	-	-	-	1,778,050	128,072
2033-2037	-	-	-	-	1,487,525	37,373
	<u>\$ 5,165,000</u>	<u>\$ 211,371</u>	<u>\$ 24,250,000</u>	<u>\$ 4,258,800</u>	<u>\$ 6,566,974</u>	<u>\$ 676,289</u>

Year Ending June 30:	Business-type Activities			
	Special Assessment Bonds Payable		Loans Payable	
	Principal	Interest	Principal	Interest
2018	\$ 232,000	\$ 455,929	\$ 73,280	\$ 5,309
2019	242,000	447,001	-	-
2020	253,000	437,545	-	-
2021	258,000	427,779	-	-
2022	269,000	417,704	-	-
2023-2027	1,512,000	1,953,131	-	-
2028-2032	1,833,000	1,633,376	-	-
2033-2037	2,239,000	1,234,760	-	-
2038-2042	1,846,000	836,948	-	-
2043-2047	1,937,000	560,097	-	-
2048-2052	2,210,521	242,597	-	-
	<u>\$ 12,831,521</u>	<u>\$ 8,646,867</u>	<u>\$ 73,280</u>	<u>\$ 5,309</u>

COUNTY OF NAPA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2017

5. Long-Term Liabilities (continued)

Long-term debt at June 30, 2017 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, 2017</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	\$ 3,870,000
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>1,295,000</u>
Total Bonds Payable					<u>35,600,000</u>	<u>5,165,000</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	12,720,000
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>11,530,000</u>
Total Certificates of Participation					<u>35,815,000</u>	<u>24,250,000</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 loan commitment is \$6,889,339 with \$5,820,049 issued during FY15-16 and the remaining \$1,046,277 issued during FY16-17. In FY16-17, \$23,013 of accrued interest was transferred to principal. 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>6,889,339</u>	<u>6,566,974</u>
Total Loans Payable					<u>6,889,339</u>	<u>6,566,974</u>
Total Governmental Activities					<u>\$ 78,304,339</u>	<u>\$ 35,981,974</u>

COUNTY OF NAPA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2017

5. Long-Term Liabilities (continued)

	Date of Issue	Maturity	Interest Rates	Annual Principal Installments	Original Issue Amount	Outstanding at June 30, 2017
<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	\$ 2,470,000
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	7,573,364
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>2,788,157</u>
Total Bonds Payable					<u>15,682,779</u>	<u>12,831,521</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>\$ 12,904,801</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. 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, 2017

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>
2018	\$ 1,282,774
2019	1,049,728
2020	751,934
2021	707,296
2022	677,525
2023-2027	178,015
2028-2032	206,369
2033-2037	239,238
2038-2042	277,342
2043-2047	187,182
Total	<u>\$ 5,557,403</u>

Rent expenditures were \$1,931,258 for the year ending June 30, 2017.

COUNTY OF NAPA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2017

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, 2017:

Fiscal Year Ending June 30,	Governmental Activities	Business-type Activities
2018	\$ 292,858	\$ 77,372
2019	226,902	77,236
2020	170,439	77,099
2021	170,130	76,959
2022	169,816	76,817
2023-2027	844,220	381,885
2028-2029	<u>251,632</u>	<u>113,826</u>
Total minimum lease payments	2,125,997	881,194
Less: Amount representing interest	<u>(187,510)</u>	<u>(78,420)</u>
Net present value of capital lease payments	<u>\$ 1,938,487</u>	<u>\$ 802,774</u>

The following is a schedule of capital assets acquired through capital leases as of June 30, 2017:

	Governmental Activities	Business-type Activities	Total
Equipment	\$ <u>2,919,755</u>	\$ <u>979,858</u>	\$ <u>3,899,613</u>
Total capital assets, gross	2,919,755	979,858	3,899,613
Less: accumulated depreciation	<u>(1,968,988)</u>	<u>(674,993)</u>	<u>(2,643,981)</u>
Total capital assets, net, under capital leases	<u>\$ 950,767</u>	<u>\$ 304,865</u>	<u>\$ 1,255,632</u>

Depreciation expense related to capital assets under capital leases was \$568,292 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, 2017

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:

On the Statement of Net Position, deferred inflows are the result of pension activities. See Footnote 10 for more detailed information on pension-related inflows.

	<u>Unearned</u>	<u>Unavailable</u>	<u>Total</u>
Governmental Activities:			
General Fund:			
SB 90 mandated costs	\$ -	\$ 4,533,085	\$ 4,533,085
State grants & reimbursements	26,932	352,342	379,274
Federal grants & reimbursements	19,690	97,234	116,924
Insurance proceeds	4,620,582	3,621,268	8,241,850
Other	-	150	150
Health and Human Services Agency:			
State grants & reimbursements	-	1,081,488	1,081,488
Federal grants & reimbursements	-	3,782,237	3,782,237
Charges for services	-	289,413	289,413
Capital Improvement Fund:			
State grants & reimbursements	-	354,294	354,294
Roads Fund:			
Federal grants & reimbursements	-	138,047	138,047
Nonmajor Governmental Funds:			
State grants & reimbursements	-	914,192	914,192
Federal grants & reimbursements	-	188,588	188,588
Other	50,006	-	50,006
Internal Service Funds:			
Federal grants & reimbursements	4,260	-	4,260
Total unearned and unavailable revenue	<u>\$ 4,721,470</u>	<u>\$ 15,352,338</u>	<u>\$ 20,073,808</u>
Business-type Activities:			
Napa County Housing Authority	6,283	-	6,283
Total unearned and unavailable revenue	<u>\$ 6,283</u>	<u>\$ -</u>	<u>\$ 6,283</u>

COUNTY OF NAPA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2017

8. Restricted Component of Net Position

The restricted component of net position includes 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, 2017 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	\$ 331,210	
Other Governmental Funds	<u>609,456</u>	\$ 940,666

Restricted for Public Protection:

Non-operating special revenue funds in General Fund authorized by statutory provisions to finance particular public protection activities	17,848,579	
Capital Improvement Fund	3,611,136	
Other Governmental Funds	<u>12,150,920</u>	33,610,635

Restricted for Public Ways and Facilities:

Non-operating special revenue funds in General Fund authorized by statutory provisions to finance particular public ways and facilities activities	656,974	
Napa County Flood & Watershed Protection Authority Roads Fund	75,597,184	
Other Governmental Funds	<u>2,890,792</u>	88,205,574

Restricted for Health and Sanitation:

Health & Human Services Fund	23,685,276	
Non-operating special revenue funds in Health and Human Services Fund authorized by statutory provisions to finance particular health and sanitation activities	107,931	
Other Governmental Funds	<u>320,166</u>	24,113,373

Restricted for Public Assistance:

Health & Human Services Fund	5,142,296	
Non-operating special revenue funds in Health and Human Services Fund authorized by statutory provisions to finance particular public assistance activities	542,139	
Other Governmental Funds	<u>28,001,351</u>	33,685,786

Restricted for Education:

County Library	<u>8,556,204</u>	<u>8,556,204</u>
----------------	------------------	------------------

Total restricted component of net position - governmental activities		<u><u>189,112,238</u></u>
--	--	---------------------------

The restricted component of net position at June 30, 2017 for business type activities is as follows:

Restricted for Capital Replacement:

Lake Berryessa Resort Improvement District restricted by a third party and funded by assessments levied on parcels within the district	45,770	
Napa Berryessa Resort Improvement District restricted by ordinance and funded by voter approved property taxes on parcels within the district	<u>224,809</u>	
		<u>270,579</u>

Total restricted component of net position - business-type activities		<u><u>\$ 270,579</u></u>
---	--	--------------------------

COUNTY OF NAPA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2017

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, 2017 were distributed as follows:

	General Fund	Health and Human Services Agency	Flood Protection & Watershed Improvement Authority	Capital Improvement Fund	Roads	Other Governmental Funds	Total
Nonspendable:							
Advances to Other Funds	\$ 2,097,514	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,097,514
Endowment	-	-	-	-	-	25,378	25,378
Prepaid items	126,418	9,018	-	28,638	-	13,340	177,414
Loans Receivable	57,000	-	-	-	-	-	57,000
Subtotal	<u>2,280,932</u>	<u>9,018</u>	<u>-</u>	<u>28,638</u>	<u>-</u>	<u>38,718</u>	<u>2,357,306</u>
Restricted to:							
Purpose of Fund	-	14,724,351	64,847,186	-	7,513,062	50,594,603	137,679,202
General Reserve	25,700,000	-	-	-	-	-	25,700,000
Maintenance Requirement	-	-	14,982,400	-	-	-	14,982,400
Debt Service	-	-	488,325	-	-	1,498,036	1,986,361
Inmate Welfare	316,382	-	-	-	-	-	316,382
2011 Realignment	7,917,460	-	-	-	-	-	7,917,460
Housing Rehabilitation							
Repayment	133,813	-	-	-	-	-	133,813
Property Tax Admin-AB818	197,397	-	-	-	-	-	197,397
Recorder Micrographics	753,860	-	-	-	-	-	753,860
Recorder Modernization	3,053,818	-	-	-	-	-	3,053,818
Vital-Health Stats Clerk	152,902	-	-	-	-	-	152,902
Social Security Truncation Fees	115,533	-	-	-	-	-	115,533
Electronic Document Recording	224,429	-	-	-	-	-	224,429
DA-Asset Forfeitures	90,404	-	-	-	-	-	90,404
DA-Prop 64 Civil Penalties	2,164,395	-	-	-	-	-	2,164,395
DA-Hazardous Waste							
Enforcement	73,988	-	-	-	-	-	73,988
DA-\$1 Vehicle Registration							
Assess	402,262	-	-	-	-	-	402,262
DA-Consumer Fraud	129,406	-	-	-	-	-	129,406
Sheriff-Civil Equipment	211,386	-	-	-	-	-	211,386
Sheriff-Fingerprint Identification	903,903	-	-	-	-	-	903,903
Sheriff-Asset Forfeitures	414,210	-	-	-	-	-	414,210
Sheriff-Debtor Assessment Fees	443,945	-	-	-	-	-	443,945
Sheriff-Municipal Court Auto							
Warrant	190,610	-	-	-	-	-	190,610
Sheriff-Community Services	22,753	-	-	-	-	-	22,753
Sheriff-Indigent Burial	38,845	-	-	-	-	-	38,845
Sheriff-Rabies Eradication & Control	14,068	-	-	-	-	-	14,068
Probation-Community Correction							
Performance Incentives	223,608	-	-	-	-	-	223,608
Ag-Weights and Measures	34,959	-	-	-	-	-	34,959
Probation-Community Services	97,683	-	-	-	-	-	97,683
PBES-Seismic Data Utilization	29,623	-	-	-	-	-	29,623
PBES-Telecommunications	112,413	-	-	-	-	-	112,413
PBES-Department of Public							
Health	365,500	-	-	-	-	-	365,500
Mitigation-Airport Industrial Area	656,128	-	-	-	-	-	656,128
PBES-Hazardous Waste							
Enforcement	-	436,483	-	-	-	-	436,483
PH-AIDS Education	-	20,144	-	-	-	-	20,144
PH-Emergency Medical Services	-	158,761	-	-	-	-	158,761
Juvenile Justice Construction	-	-	-	1,499,366	-	-	1,499,366
Courthouse Construction	-	-	-	2,111,770	-	-	2,111,770
MH-Managed Care	-	1,577,479	-	-	-	-	1,577,479
MH-MHSA Planning Expenses	-	4,999,543	-	-	-	-	4,999,543

COUNTY OF NAPA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2017

9. Fund Balances (continued)

Classification (continued)

	General Fund	Health and Human Services Agency	Flood Protection & Watershed Improvement Authority	Capital Improvement Fund	Roads	Other Governmental Funds	Total
ADS-Alcohol Abuse							
Education/Prevention	-	67,028	-	-	-	-	67,028
ADS-Tobacco Control	-	56,514	-	-	-	-	56,514
CWS-County Children Fund	-	28,806	-	-	-	-	28,806
CWS-Child Welfare Wraparound	-	82,133	-	-	-	-	82,133
HHSA-Family Support	-	244,778	-	-	-	-	244,778
Whole Person Care	-	1,755,724	-	-	-	-	1,755,724
Other less than \$10,000	14,627	9,758	-	-	-	-	24,385
Encumbrances	-	15,733	-	-	1,565,035	1,748,428	3,329,196
Subtotal	<u>45,200,310</u>	<u>24,177,235</u>	<u>80,317,911</u>	<u>3,611,136</u>	<u>9,078,097</u>	<u>53,841,067</u>	<u>216,225,756</u>
Committed to:							
Building and Safety Permitting	-	-	-	-	-	4,083,605	4,083,605
Audit Exceptions	-	1,022,813	-	-	-	-	1,022,813
Special Projects	235,253	-	-	-	-	-	235,253
Encumbrances	841,045	-	-	19,778,132	-	-	20,619,177
Subtotal	<u>1,076,298</u>	<u>1,022,813</u>	<u>-</u>	<u>19,778,132</u>	<u>-</u>	<u>4,083,605</u>	<u>25,960,848</u>
Assigned to:							
Capital Outlay	-	-	-	5,288,177	-	-	5,288,177
New County Jail Facility	-	-	-	29,054,901	-	-	29,054,901
Facilities Refurbishment	582,634	-	-	-	-	-	582,634
Earthquake Costs	726,519	-	-	-	-	-	726,519
Health Programs	8,147,043	-	-	-	-	-	8,147,043
Agriculture Commission projects	1,361,313	-	-	-	-	-	1,361,313
Affordable Care Act	1,500,000	-	-	-	-	-	1,500,000
FY 2017/18 budgetary resource	3,471,403	-	-	-	-	-	3,471,403
Subtotal	<u>15,788,912</u>	<u>-</u>	<u>-</u>	<u>34,343,078</u>	<u>-</u>	<u>-</u>	<u>50,131,990</u>
Unassigned							
General Fund	31,767,718	-	-	-	-	-	31,767,718
Child Support Services	-	-	-	-	-	(196,548)	(196,548)
IHSS	-	-	-	-	-	(124,499)	(124,499)
Community Facilities District-							
Devlin Road	-	-	-	-	-	(58,030)	(58,030)
Subtotal	<u>31,767,718</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(379,077)</u>	<u>31,388,641</u>
Total	<u>\$ 96,114,170</u>	<u>\$ 25,209,066</u>	<u>\$ 80,317,911</u>	<u>\$ 57,760,984</u>	<u>\$ 9,078,097</u>	<u>\$ 57,584,313</u>	<u>\$ 326,064,541</u>

COUNTY OF NAPA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2017

9. Fund Balances (continued)

Encumbrances

The following is a summary of encumbrances included in fund balance as of June 30, 2017:

	<u>Restricted</u>	<u>Assigned</u>	<u>Committed</u>
General Fund			
Public protection	\$ -	\$ -	\$ 224,448
Public ways and facilities	-	-	616,597
Total General Fund	<u>-</u>	<u>-</u>	<u>841,045</u>
Other Governmental Funds			
Capital outlay	-	-	19,778,132
Health and sanitation	10,613	-	-
Public protection	1,411,898	-	-
Public assistance	5,120	-	-
Public ways and facilities	1,565,035	-	-
Education	336,530	-	-
Total Other Governmental Funds	<u>3,329,196</u>	<u>-</u>	<u>19,778,132</u>
Total Governmental Fund Encumbrances	<u>\$ 3,329,196</u>	<u>\$ -</u>	<u>\$ 20,619,177</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 Public Authority special revenue fund had a deficit unassigned fund balance of \$124,499. 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 \$196,548. 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 \$58,030. The deficit will be eliminated in the next year through assessment collections received from parcel owners included in the district.

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

A. General Information about the Pension Plans

Plan Descriptions

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 (CalPERS), a public employee retirement system which acts as a common investment and administrative agent for participating public entities within the State of California. Benefit

COUNTY OF NAPA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2017

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

A. General Information about the Pension Plans (continued)

Plan Descriptions (continued)

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 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, 2017 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	18.648%	18.648%	18.648%
Status	Closed	Open	Open

COUNTY OF NAPA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2017

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 % of eligible compensation	0.00%	9.00%	9.00%	11.50%
Required employee contribution rates	\$732,195	\$766,137	\$0	\$27
Required employer lump sum contribution	0.00%	19.536%	17.689%	12.082%
Required employer normal cost rates	Closed	Closed	Open	Open
Status				

Employees Covered

At June 30, 2017 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:

	<u>Miscellaneous</u>
Inactive employees or beneficiaries currently receiving benefits	1,290
Inactive employees entitled to but not yet receiving benefits	929
Active employees	<u>1,313</u>
 Total	 <u><u>3,532</u></u>

Contributions

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

B. Net Pension Liability

The County's net pension liability for each Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of each of the Plans is measured as of June 30, 2016, using an annual actuarial valuation as of June 30, 2015 rolled forward to June 30, 2016 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, 2017

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, 2016 actuarial valuations were determined using the following actuarial assumptions:

	<u>Miscellaneous</u>	<u>Safety</u>
Valuation Date	June 30, 2015	June 30, 2015
Measurement Date	June 30, 2016	June 30, 2016
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' specific data. The table includes five years of projected mortality improvements using Society of Actuaries Scale AA. Further details on this table, please refer to the 2010 CalPERS 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 performed stress tests on 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, 2017

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	20.00	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	1.00	(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, 2015	\$ 637,230,676	\$ 493,337,538	\$ 143,893,138
Changes in the year:			
Service cost	14,829,235	-	14,829,235
Interest on total pension liability	47,783,725	-	47,783,725
Changes in benefit terms	-	-	-
Differences between expected and actual experience	(5,346,285)	-	(5,346,285)
Plan to plan resource movement	-	2,865	(2,865)
Change in proportion	125,441	95,954	29,487
Contributions from the employer	-	16,134,777	(16,134,777)
Contributions from employees	-	7,434,535	(7,434,535)
Net investment income	-	2,586,639	(2,586,639)
Administrative expense	-	(300,725)	300,725
Benefit payments, including refunds of employee contributions	(29,696,250)	(29,696,250)	-
Net changes	27,695,866	(3,742,205)	31,438,071
Balance at June 30, 2016	\$ 664,926,542	\$ 489,595,333	\$ 175,331,209

COUNTY OF NAPA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2017

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>Percentage Share of Plan</u>		
	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>Increase/(Decrease)</u>
Measurement Date	June 30, 2016	June 30, 2015	
Percentage of Plan Net Pension Liability	0.40066 %	0.38720 %	0.013461 %

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	\$ 263,034,455	\$ 53,397,524
Current Discount Rate	7.65 %	7.65 %
Net Pension Liability	\$ 175,331,209	\$ 34,669,513
1% Increase	8.65 %	8.65 %
Net Pension Liability	\$ 102,621,923	\$ 19,295,735

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, 2017

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, 2017, the County recognized pension expense was \$15,127,108. 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, 2017, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 6,330,506
Changes in assumptions	-	6,091,832
Net differences between projected and actual earnings on pension plan investments	49,041,600	17,080,627
Change in employer's proportion	789,766	45,837
Changes in proportion and differences between County contributions and proportionate share of contributions	-	248,613
County contributions subsequent to the measurement date	21,130,604	-
	<u>\$ 70,961,970</u>	<u>\$ 29,797,415</u>
Total		

The \$21,130,604 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, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending June 30,	Deferred Outflows/(Inflows) of Resources
2018	\$ (2,051,555)
2019	(138,657)
2020	13,801,762
2021	8,422,401
2022	-
Thereafter	-
Total	<u>\$ 20,033,951</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 the Government Code, all employees electing a CalPERS 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, 2017

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 (\$96.00 per month for calendar year 2017) 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 2007-08.

The actuarial determined contribution (ADC) is an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The County ADC 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, 2017, was 12 years.

For fiscal year 2016-17, the County's ADC was \$8,593,000 which was funded in excess for GASB Statement No. 45 purposes. The County paid \$2,999,250 (cash and implied subsidy) to retirees during the year, and \$6,444,750 to the CERBT, resulting in an increase in the net other post employment (OPEB) asset of \$851,000 to \$1,637,000.

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, 2017

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
6/30/2015	\$ 6,683	100%	\$ -
6/30/2016	8,323	109%	786
6/30/2017	8,593	110%	1,637

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><u>\$ 32,546</u></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 annual required contribution (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, 2017

12. Deferred Compensation Plan

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

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

13. 401(a) Retirement Savings Plan

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

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

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

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

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

<u>Fiscal Year Ended</u>	<u>Contributions</u>
6/30/2015	\$ 154,765
6/30/2016	197,441
6/30/2017	180,114

COUNTY OF NAPA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2017

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 these programs, the workers' compensation fund provides coverage up to \$350,000 for each workers' compensation claim and the general liability fund provides coverage up to \$300,000 for each general liability claim.

The County participates in pooled insurance programs with other governmental agencies through CSAC Excess Insurance Authority (EIA) for claims in excess of coverage provided by the Internal Service Funds noted in the preceding paragraph. 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. Contributions 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, 2017 are based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. The County's General Liability and Workers' Compensation claims liabilities are set using confidence levels of 90% and 70%, respectively.

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

	<u>Beginning Fiscal</u>		<u>Claims and</u>		<u>Balance at Fiscal</u>
	<u>Year Liability</u>		<u>Changes in</u>	<u>Claims Payments</u>	<u>Year End</u>
			<u>Estimates</u>		
General Liability:					
2014-2015	\$ 2,759,630	\$	660,679	\$ (556,309)	\$ 2,864,000
2015-2016	2,864,000		(48,907)	(663,108)	2,151,985
2016-2017	2,151,985		2,354,778	(2,111,801)	2,394,962
Workers' Compensation:					
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
2016-2017	7,688,328		2,101,461	(1,786,518)	8,003,271

COUNTY OF NAPA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2017

15. Tax Abatement Disclosures

The California Land Conservation Act of 1965, commonly referred to as the Williamson Act, enables local governments to enter into property tax abatement contracts with private landowners for the purpose of restricting specific parcels of land to agricultural or related open space use. The primary intent of the program is to preserve agricultural land by discouraging premature and unnecessary conversion to urban uses.

In return for voluntarily restricting their land, landowners receive property tax assessments which are the lower of their factored Proposition 13 base year value or the restricted value based upon farming and open space uses. To qualify for a Williamson Act Contract, a parcel must be zoned Agricultural Preserve or Agricultural Watershed, be 40 acres in size for non-prime agricultural land or 10 acres in size for prime agricultural land and contain a bona fide agricultural use. Additionally, the County offers contracts for parcels between five and ten acres provided the agricultural use demonstrates a unique commitment to sustainable farming practices and contributes to the diversity of crops raised in Napa County.

The minimum contract term is for ten years and automatically renews unless a nonrenewal or cancellation process is initiated. Under the cancellation process, a 12.5 percent cancellation fee is assessed based on the unrestricted fair market value of the property.

For fiscal year ended June 30, 2017, the countywide’s property tax revenues were reduced by \$5.7 million, of which the County’s share is estimated to be \$1.3 million, related to Williamson Act contracts.

16. Contingencies

A. Litigation

There are certain lawsuits pending in which the County is a party either as a plaintiff or defendant, which involve a range of issues, including among others, property tax disputes and code enforcement matters. 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 or liabilities against the County resulting from such litigation would not materially affect the financial statements of the County.

B. Grants

The County participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental entities. The County participates in other federal and state programs where County costs are recovered on a reimbursable basis. Grant expenditures and reimbursements are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with the relevant regulations, the County may be required to reimburse the appropriate government agency. As of June 30, 2017, significant amounts of grant expenditures and records relating to reimbursements have not been audited by the granting agencies, 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.

17. Prior Period Adjustment

Napa County Children and Families Commission qualifies as a discretely presented component unit of Napa County. As such, it is presented as a discrete component unit on the government-wide financial statements. Additionally, the County restated the beginning net position for the Investment Trust Funds in the amount of \$277,887 to remove assets that do not qualify for reporting in this fund.

The restatement of beginning net position of Napa County Children and Families Commission is as follows:

Net Position at July 1, 2016, as restated	<u>\$528,637</u>
---	------------------

COUNTY OF NAPA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2017

18. Subsequent Event

During the evening of October 8, 2017, multiple wildfires broke out in Napa County. The Atlas Peak, Tubbs, and Nunn/Partrick Fires burned approximately 144,633 acres, 76,300 of which burned within Napa County, destroying 611 residences while damaging an additional 94. Governor Jerry Brown issued an emergency declaration for the State of California which helps provide monetary relief from State Emergency Funds and the State has allocated additional resources to help with the containment of, and recovery from the devastating fires. President Donald Trump declared the fire event a Federal disaster, which provides the County monetary relief from certain costs through the Federal Emergency Management Agency.





Squirrel by Colin Selig



Required Supplementary Information

COUNTY OF NAPA

Required Supplementary Information
For the Year Ended June 30, 2017

Schedule of Changes in Net Pension Liability and Related Ratios

Last 10 Fiscal Years*

Miscellaneous Plan - Agent Multiple-Employer Defined Benefit Pension Plan

	Measurement Period		
	FY 2016	FY 2015	FY 2014
Total Pension Liability			
Service cost	\$ 14,829,235	\$ 14,544,348	\$ 14,945,980
Interest on total pension liability	47,783,725	45,724,099	43,681,854
Differences between expected and actual experience	(5,346,285)	(4,960,970)	-
Change in assumption	-	(11,114,712)	-
Change in proportions	125,441	703,688	-
Benefit payments, including refunds of employee contributions	<u>(29,696,250)</u>	<u>(27,948,033)</u>	<u>(26,594,622)</u>
Net change in total pension liability	27,695,866	16,948,420	32,033,212
Total pension liability - beginning	<u>637,230,676</u>	<u>620,282,256</u>	<u>588,249,044</u>
Total pension liability - ending (a)	<u>664,926,542</u>	<u>637,230,676</u>	<u>620,282,256</u>
Plan Fiduciary Net Position			
Contributions - employer	16,134,777	14,710,306	15,473,088
Contributions - employee	7,434,535	7,123,794	7,708,869
Net investment income	2,586,639	10,994,169	73,692,163
Change in proportion	95,954	525,581	-
Plan to plan resource movement	2,865	12,936	-
Administrative expenses	(300,725)	(553,419)	-
Benefit payments, including refunds of employee contributions	<u>(29,696,250)</u>	<u>(27,948,033)</u>	<u>(26,594,622)</u>
Net change in plan fiduciary net position	(3,742,205)	4,865,334	70,279,498
Plan fiduciary net position - beginning	<u>493,337,538</u>	<u>488,472,204</u>	<u>418,192,706</u>
Plan fiduciary net position - ending (b)	<u>489,595,333</u>	<u>493,337,538</u>	<u>488,472,204</u>
Net pension liability - ending (a) - (b)	<u>\$ 175,331,209</u>	<u>\$ 143,893,138</u>	<u>\$ 131,810,052</u>
Plan fiduciary net position as a percentage of total pension liability	73.63 %	77.42 %	78.75 %
County's covered-employee payroll	\$ 94,951,888	\$ 90,449,921	88,343,655
Net pension liability as a percentage of covered-employee payroll	184.65 %	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, 2017

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 2016	FY 2015	FY 2014
County's proportion of the net pension liability (asset)	0.40066 %	0.38720 %	0.03725 %
County's proportionate share of the net pension liability (asset)	\$ 34,669,513	\$ 26,577,031	\$ 23,176,370
County's covered-employee payroll	\$ 13,021,017	\$ 11,951,126	\$ 11,951,126
County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	266.26 %	222.38 %	193.93 %
Plan fiduciary net position as a percentage of total pension liability	74.06 %	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, 2017

Schedule of County's Pension Contribution

Last 10 Fiscal Years*

Miscellaneous Plan - Agent Multiple-Employer Defined Benefit Pension Plan

	Fiscal Year			
	2017	2016	2015	2014
Actuarially determined contribution	\$ 17,261,916	\$ 16,015,384	\$ 14,710,306	\$ 15,473,088
Contributions in relation to the actuarially determined contributions	17,261,916	16,015,384	14,710,306	15,473,088
Covered-employee payroll	\$ 102,770,955 16.80 %	\$ 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			
	2017	2016	2015	2014
Actuarially determined contribution	\$ 3,868,688	\$ 3,350,849	\$ 3,338,676	\$ 3,203,083
Contributions in relation to the actuarially determined contributions	3,868,688	3,350,849	3,338,676	3,203,083
Covered-employee payroll	\$ 14,353,105 26.95 %	\$ 13,021,017 25.73 %	\$ 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, 2017

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		Positive (Negative)
Resources (inflows)				
Taxes	\$ 104,100,618	\$ 104,100,618	\$ 112,528,818	\$ 8,428,200
Licenses and permits	4,923,700	4,923,700	4,991,392	67,692
Fines, forfeitures and penalties	3,009,652	3,009,652	3,031,037	21,385
Revenue from the use of money and property	894,470	957,970	763,290	(194,680)
Aid from other governments	22,730,001	30,223,554	28,929,994	(1,293,560)
Charges for services	22,966,084	23,128,084	23,944,616	816,532
Donations and contributions	1,000	153,000	153,037	37
Other revenue	253,850	253,850	1,395,480	1,141,630
Intrafund transfers in	1,710,230	4,346,685	9,784,312	5,437,627
Proceeds from insurance	19,000,000	19,008,507	2,293,140	(16,715,367)
Other financing sources	-	-	1,046,277	1,046,277
Transfers in	10,088,698	10,617,708	8,880,374	(1,737,334)
Revenues available for appropriation	<u>189,678,303</u>	<u>200,723,328</u>	<u>197,741,767</u>	<u>(2,981,561)</u>
Charges to appropriations (outflows):				
General government:				
Board of Supervisors	841,501	861,001	853,161	7,840
County Executive Office	3,023,666	3,269,366	3,210,315	59,051
Housing and Intergovernmental Affairs	1,358,515	1,358,515	921,434	437,081
Human Resources	2,724,684	2,791,684	2,725,629	66,055
Training and Organizational Development	316,409	316,409	203,950	112,459
General Expenditures	5,156,313	13,414,668	13,414,571	97
Central Services	2,766,680	2,703,680	2,446,644	257,036
Tobacco Settlement	-	2,100,000	1,100,000	1,000,000
Auditor-Controller	3,367,503	3,367,503	3,190,504	176,999
Treasurer-Tax Collector	2,181,714	2,207,344	2,001,271	206,073
Assessor	3,394,347	3,394,347	3,276,482	117,865
Elections	1,362,886	1,418,286	1,405,963	12,323
County Counsel	4,173,749	4,270,749	4,169,385	101,364
Purchasing	373,188	373,988	373,936	52
Contingencies	5,800,000	3,746,300	-	3,746,300
Total general government	<u>36,841,155</u>	<u>45,593,840</u>	<u>39,293,245</u>	<u>6,300,595</u>
Public protection:				
Emergency Services	351,802	568,629	265,480	303,149
Local Agency Formation Commission	347,924	347,924	240,437	107,487
2014 South Napa Earthquake	21,000,000	21,001,565	3,593,221	17,408,344
Recorder, County Clerk	1,081,611	1,081,611	1,035,673	45,938
Grand Jury	57,502	57,502	56,645	857
District Attorney	10,377,457	10,384,267	9,387,263	997,004
District Attorney - Consumer Fraud	928,307	928,307	704,886	223,421
Public Defender	4,582,592	4,623,092	4,375,153	247,939
Conflict Public Defender	1,085,412	1,085,412	1,009,219	76,193
Sheriff	30,676,816	30,965,331	29,808,912	1,156,419
Coroner	755,991	765,991	759,130	6,861
Animal Services	1,077,195	1,091,895	1,078,083	13,812
Napa Special Investigation Bureau	981,550	981,550	910,780	70,770
Corrections	18,438,089	18,438,089	16,829,981	1,608,108
Probation	12,793,753	12,803,623	12,405,900	397,723
Probation - Community Services	1,302,500	1,550,700	1,417,167	133,533
Probation - Juvenile Hall	6,238,772	6,238,772	5,818,044	420,728
Probation - Care of Juvenile Court Wards	257,000	257,000	87,227	169,773

continued

COUNTY OF NAPA

Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2017

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		Positive (Negative)
Agricultural Commissioner	4,727,728	4,786,036	4,524,938	261,098
Planning and Resource Management	6,880,403	6,914,403	6,231,804	682,599
Environmental Management	3,109,565	3,109,565	2,950,045	159,520
Total public protection	127,051,969	127,981,264	103,489,988	24,491,276
Public ways and facilities:				
Public Works	8,792,589	8,913,724	8,435,358	478,366
Public Works Projects	-	8,021,250	5,383,063	2,638,187
Roads	30,000	30,000	29,476	524
Total public ways and facilities	8,822,589	16,964,974	13,847,897	3,117,077
Health and sanitation:				
Local Enforcement Agency	362,038	362,038	328,982	33,056
Education:				
Agricultural Extension	523,176	523,176	504,790	18,386
Recreation and cultural services:				
Special Projects	1,513,244	1,513,244	1,506,779	6,465
Debt service:				
Debt Service	23,498	32,005	32,005	-
Transfers:				
Transfers out	25,657,467	43,823,214	43,541,238	281,976
Total charges to appropriations	200,795,136	236,793,755	202,544,924	34,248,831
Net change in fund balances, budgetary basis	(11,116,833)	(36,070,427)	(4,803,157)	31,267,270
Budgetary fund balances - beginning	81,331,982	81,331,982	81,331,982	-
Budgetary fund balances - ending	<u>\$ 70,215,149</u>	<u>\$ 45,261,555</u>	<u>\$ 76,528,825</u>	<u>\$ 31,267,270</u>

COUNTY OF NAPA

Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2017

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	\$ 197,741,767
Differences - budget to GAAP:	
Reimbursements from other funds are inflows of budgetary resources but not revenues for financial reporting purposes	(3,327,911)
Revenues for funds no longer meeting the special revenue fund requirement which are presented with the General Fund for financial reporting purposes	28,165,235
Transfers from other funds are inflows of budgetary resources but not revenues for financial reporting purposes	(8,880,374)
Transfers within the fund are inflows of budgetary resources but are not revenues for financial reporting purposes	(9,784,312)
Proceeds from long term debt are inflows of budgetary resources but are not revenues for financial reporting purposes	(1,046,277)
Proceeds from insurance are inflows of budgetary resources but are not revenues for financial reporting purposes	<u>(2,293,140)</u>
Total revenues as reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 200,574,988</u>

Uses/outflows of resources

Actual amounts (budgetary basis) "total charges to appropriations" from the Budgetary Comparison Schedule	\$ 202,544,924
Difference - budget to GAAP:	
Costs reimbursed by other funds are outflows of budgetary resources but not expenditures for financial reporting purposes	(3,327,911)
Expenditures by funds no longer meeting the special revenue fund requirement which are presented with the General Fund for financial reporting purposes	95,613
Transfers to other funds are outflows of budgetary resources but not expenditures for financial reporting purposes	(43,541,238)
Transfers within the fund are outflows of budgetary resources but are not expenditures for financial reporting purposes	<u>(9,784,312)</u>
Total expenditures as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	<u>\$ 145,987,076</u>

COUNTY OF NAPA

Budgetary Comparison Schedule
Health and Human Services Agency
For the Year Ended June 30, 2017

	<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	\$ 239,000	\$ 239,000	\$ 344,953	\$ 105,953
Fines, forfeitures and penalties	5,500	5,500	3,445	(2,055)
Revenue from the use of money and property	80,844	80,844	145,165	64,321
Aid from other governments	53,132,768	53,413,768	47,725,540	(5,688,228)
Charges for services	8,651,776	8,691,877	10,576,442	1,884,565
Donations and contributions	3,001	3,001	51,071	48,070
Other revenue	11,600	11,600	6,461	(5,139)
Other financing sources	-	800,000	-	(800,000)
Transfers in	43,119,277	44,475,862	41,851,997	(2,623,865)
Intrafund transfers in	301,877	301,877	299,244	(2,633)
Revenues available for appropriation	<u>105,545,643</u>	<u>108,023,329</u>	<u>101,004,318</u>	<u>(7,019,011)</u>
Charges to appropriations (outflows):				
Health and sanitation:				
Public Health	10,161,598	10,411,598	9,658,710	752,888
Mental Health	26,778,799	28,482,884	25,594,751	2,888,133
Alcohol and Drug Treatment Services	4,650,667	4,675,667	4,485,708	189,959
Health Care Enhancements	4,967,343	4,917,343	3,651,442	1,265,901
Agency Administration	12,184,354	11,484,354	10,930,212	554,142
Whole Person Care	-	1,000,000	427,683	572,317
Total health and sanitation	<u>58,742,761</u>	<u>60,971,846</u>	<u>54,748,506</u>	<u>6,223,340</u>
Public assistance:				
Child Welfare Services	17,123,873	17,443,873	16,557,220	886,653
Comprehensive Services for Older Adults	9,443,455	9,968,455	9,810,970	157,485
Self Sufficiency Services	19,719,351	18,649,351	16,723,664	1,925,687
Total public assistance	<u>46,286,679</u>	<u>46,061,679</u>	<u>43,091,854</u>	<u>2,969,825</u>
Transfers:				
Transfers out	<u>516,203</u>	<u>4,342,511</u>	<u>4,320,994</u>	<u>21,517</u>
Total charges to appropriations	<u>105,545,643</u>	<u>111,376,036</u>	<u>102,161,354</u>	<u>9,214,682</u>
Net change in fund balances, budgetary basis	-	(3,352,707)	(1,157,036)	2,195,671
Budgetary fund balances - beginning	<u>16,984,216</u>	<u>16,984,216</u>	<u>16,984,216</u>	<u>-</u>
Budgetary fund balances - ending	<u>\$ 16,984,216</u>	<u>\$ 13,631,509</u>	<u>\$ 15,827,180</u>	<u>\$ 2,195,671</u>

COUNTY OF NAPA

Budgetary Comparison Schedule
Health and Human Services Agency
For the Year Ended June 30, 2017

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	\$ 101,004,318
Difference - budget to GAAP:	
Revenues for funds no longer meeting the special revenue fund requirement which are presented with Health and Human Services Agency for financial reporting purposes	11,366,637
Transfers from other funds are inflows of budgetary resources but not revenues for financial reporting purposes	(41,851,997)
Transfers within the fund are inflows of budgetary resources but are not revenues for financial reporting purposes	<u>(299,244)</u>
Total revenues as reported on the Statement of Revenue, Expenditures and Changes in Fund Balances - Governmental Funds	<u>\$ 70,219,714</u>

Uses/outflows of resources

Actual amounts (budgetary basis) "total charges to appropriations" from the Budgetary Comparison Schedule	\$ 102,161,354
Differences - budget to GAAP:	
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes	(4,320,994)
Transfers within the fund are outflows of budgetary resources but are not expenditures for financial reporting purposes	<u>(299,244)</u>
Total expenditures as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	<u>\$ 97,541,116</u>

COUNTY OF NAPA

Budgetary Comparison Schedule
Flood Protection & Watershed Improvement Authority
For the Year Ended June 30, 2017

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		Positive (Negative)
Resources (inflows):				
Taxes	\$ 17,938,600	\$ 17,938,600	\$ 18,600,497	\$ 661,897
Revenue from the use of money and property	277,000	277,000	497,106	220,106
Revenues available for appropriation	<u>18,215,600</u>	<u>18,215,600</u>	<u>19,097,603</u>	<u>882,003</u>
Charges to appropriations (outflows):				
Operations	8,873,100	9,023,100	5,459,108	3,563,992
Debt service	5,388,500	5,388,500	5,380,316	8,184
Total charges to appropriations	<u>14,261,600</u>	<u>14,411,600</u>	<u>10,839,424</u>	<u>3,572,176</u>
Net change in fund balances, budgetary basis	3,954,000	3,804,000	8,258,179	4,454,179
Budgetary fund balances - beginning	<u>72,059,732</u>	<u>72,059,732</u>	<u>72,059,732</u>	-
Budgetary fund balances - ending	<u>\$ 76,013,732</u>	<u>\$ 75,863,732</u>	<u>\$ 80,317,911</u>	<u>\$ 4,454,179</u>



Ta-Dah! By C.J. Rench

COUNTY OF NAPA

Budgetary Comparison Schedule
Roads
For the Year Ended June 30, 2017

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		Positive (Negative)
Resources (inflows):				
Licenses and permits	\$ 59,360	\$ 59,360	\$ 119,399	\$ 60,039
Fines, forfeitures and penalties	38,000	38,000	15,993	(22,007)
Revenue from the use of money and property	38,000	38,000	62,955	24,955
Aid from other governments	7,615,703	9,195,778	8,411,926	(783,852)
Charges for services	188,000	188,000	95,945	(92,055)
Other revenues	175	175	75	(100)
Transfers in	3,375,617	4,375,617	4,375,617	-
Intrafund transfers in	1,347,301	2,884,907	2,884,904	(3)
Revenues available for appropriation	<u>12,662,156</u>	<u>16,779,837</u>	<u>15,966,814</u>	<u>(813,023)</u>
Charges to appropriations (outflows):				
Operations	8,516,003	11,531,072	9,188,248	2,342,824
Capital programs	5,421,203	12,190,669	3,877,559	8,313,110
Transfers out	5,226	5,256	5,255	1
Total charges to appropriations	<u>13,942,432</u>	<u>23,726,997</u>	<u>13,071,062</u>	<u>10,655,935</u>
Net change in fund balances, budgetary basis	(1,280,276)	(6,947,160)	2,895,752	9,842,912
Budgetary fund balances - beginning	<u>6,182,345</u>	<u>6,182,345</u>	<u>6,182,345</u>	<u>-</u>
Budgetary fund balances - ending	<u>\$ 4,902,069</u>	<u>\$ (764,815)</u>	<u>\$ 9,078,097</u>	<u>\$ 9,842,912</u>

COUNTY OF NAPA

Budgetary Comparison Schedule
Roads
For the Year Ended June 30, 2017

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	\$ 15,966,814
Difference - budget to GAAP:	
Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes	(4,375,617)
Transfers within the fund are inflows of budgetary resources but are not revenues for financial reporting purposes	<u>(2,884,904)</u>
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	<u>\$ 8,706,293</u>

Uses/outflows of resources

Actual amounts (budgetary basis) "total charges to appropriations" from the Budgetary Comparison Schedule	\$ 13,071,062
Difference - budget to GAAP:	
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes	(5,255)
Transfers within the fund are outflows of budgetary resources but are not expenditures for financial reporting purposes	<u>(2,884,904)</u>
Total expenditures as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	<u>\$ 10,180,903</u>

COUNTY OF NAPA

Note to Required Supplementary Information
For the Year Ended June 30, 2017

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).



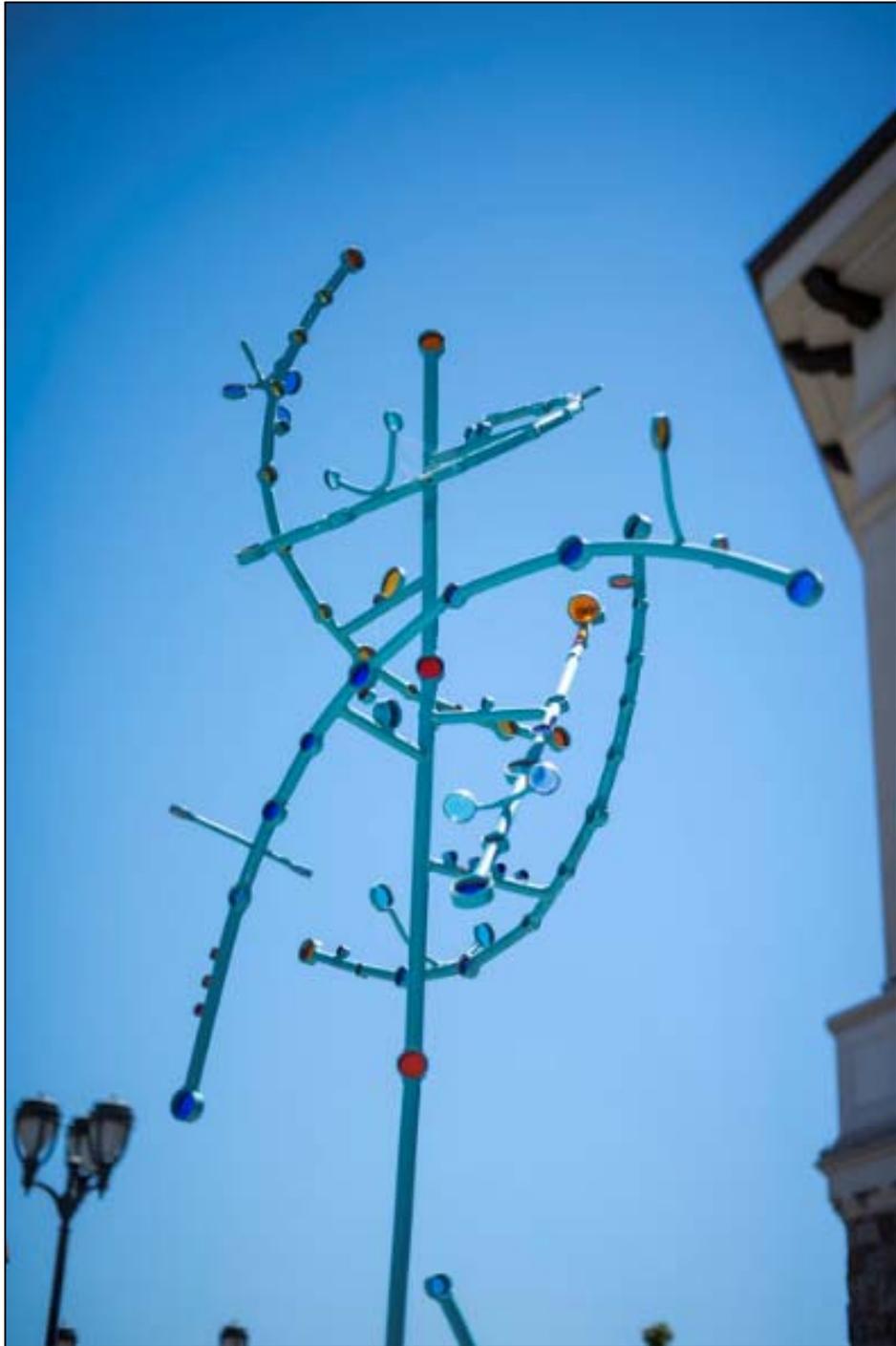
Supplementary Information
Combining and Individual
Fund Statements and Schedules



Solar Flare (From Chaos to Symmetry) by Patricia Vader



Nonmajor Governmental Funds



Color Molecules 2 by Helle Scharling-Todd

COUNTY OF NAPA
Combining Balance Sheet
Governmental Funds
June 30, 2017

	Nonmajor Special Revenue Funds	Debt Service Fund	Total
	<u> </u>	<u> </u>	<u> </u>
Assets & deferred outflows of resources			
Assets:			
Cash and investments	\$ 36,929,440	\$ -	\$ 36,929,440
Restricted assets:			
Cash with fiscal agent	-	1,498,036	1,498,036
Cash held for debt service	548,978	-	548,978
Imprest cash	850	-	850
Receivable (Net):			
Taxes	402,162	-	402,162
Special assessments	1,535,611	-	1,535,611
Accounts	480,522	-	480,522
Due from other governments	887,556	-	887,556
Prepaid items	13,340	-	13,340
Deposits	1,250	-	1,250
Assets held for resale	990,202	-	990,202
Loans receivable, net	20,957,633	-	20,957,633
Advances to other funds	76,036	-	76,036
Total assets	<u>62,823,580</u>	<u>1,498,036</u>	<u>64,321,616</u>
Total assets and deferred outflows of resources	<u>\$ 62,823,580</u>	<u>\$ 1,498,036</u>	<u>\$ 64,321,616</u>
Liabilities, deferred inflows of resources & fund balances			
Liabilities:			
Accounts payable	\$ 4,924,470	\$ -	\$ 4,924,470
Accrued salaries and benefits	349,250	-	349,250
Due to other funds	207,283	-	207,283
Deposits	5,000	-	5,000
Unearned revenue	50,006	-	50,006
Advances from other funds	98,514	-	98,514
Total liabilities	<u>5,634,523</u>	<u>-</u>	<u>5,634,523</u>
Deferred inflows of resources:			
Unavailable revenue	<u>1,102,780</u>	<u>-</u>	<u>1,102,780</u>
Fund balances			
Nonspendable	38,718	-	38,718
Restricted	52,343,031	1,498,036	53,841,067
Committed	4,083,605	-	4,083,605
Unassigned	(379,077)	-	(379,077)
Total fund balances	<u>56,086,277</u>	<u>1,498,036</u>	<u>57,584,313</u>
Total liabilities, deferred inflows of resources & fund balances	<u>\$ 62,823,580</u>	<u>\$ 1,498,036</u>	<u>\$ 64,321,616</u>

COUNTY OF NAPA

Combining Statement of Revenues, Expenditures and
Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2017

	Nonmajor Special Revenue Funds	Debt Service Fund	Total
Revenues:			
Taxes	\$ 20,605,151	\$ -	\$ 20,605,151
Licenses and permits	5,297,637	-	5,297,637
Fines, forfeitures and penalties	39,293	-	39,293
Use of money and property	414,160	4,332	418,492
Aid from other governments	4,925,465	77,127	5,002,592
Charges for services	10,287,977	-	10,287,977
Contributions and donations	151,051	-	151,051
Other revenue	223,527	-	223,527
Total revenues	<u>41,944,261</u>	<u>81,459</u>	<u>42,025,720</u>
Expenditures:			
Current:			
General government	6,566,635	-	6,566,635
Public protection	21,011,109	-	21,011,109
Public ways and facilities	694,253	-	694,253
Health and sanitation	297,628	-	297,628
Public assistance	932,008	-	932,008
Education	10,707,986	-	10,707,986
Debt service:			
Principal	322,366	3,196,471	3,518,837
Interest expense	58,858	1,292,300	1,351,158
Administration, issuance and arbitrage fees	-	4,182	4,182
Total expenditures	<u>40,590,843</u>	<u>4,492,953</u>	<u>45,083,796</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,353,418</u>	<u>(4,411,494)</u>	<u>(3,058,076)</u>
Other financing sources (uses):			
Transfers in	1,001,381	4,334,486	5,335,867
Transfers out	<u>(1,449,924)</u>	-	<u>(1,449,924)</u>
Total other financing sources (uses)	<u>(448,543)</u>	<u>4,334,486</u>	<u>3,885,943</u>
Net change in fund balances	904,875	(77,008)	827,867
Fund balances - beginning	<u>55,181,402</u>	<u>1,575,044</u>	<u>56,756,446</u>
Fund balances - ending	<u>\$ 56,086,277</u>	<u>\$ 1,498,036</u>	<u>\$ 57,584,313</u>



Bogenbinder by Mikey Kelly

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

The Wildlife Conservation Commission fund is completely supported by fines from Fish and Game Code violations. This fund 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

The Building Fund provides building inspection and building code compliance services. This fund is responsible for the review of building permit applications, including all construction documents, plans and specifications, for compliance with adopted codes. The Building Fund is also responsible for code compliance activities, provides building inspection services during construction of approved projects, and issues certificates of occupancy that allow structures to begin use. In addition, it is responsible for the abatement of properties when a public nuisance is declared and provides funding to abate violations through a court order when the property owner fails or refuses to correct a code violation voluntarily.

In-Home Supportive Services Public Authority (IHSS)

In-Home Supportive Services Public Authority (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 2012-13. 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 2012-13 and commenced operations during fiscal year 2013-14. 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, 2017

	<u>Fire Protection</u>	<u>Affordable Housing</u>	<u>Wildlife Conservation Commission</u>	<u>Building</u>
Assets & deferred outflows of resources				
Assets:				
Cash and investments	\$ 11,886,247	\$ 6,303,380	\$ 62,244	\$ 4,189,960
Restricted assets:				
Cash held for debt service	-	-	-	-
Imprest cash	-	-	-	50
Receivable (net):				
Taxes	78,899	-	-	-
Special assessments	37,339	-	-	-
Accounts	-	-	-	-
Due from other governments	564,555	-	-	-
Prepaid items	-	-	-	-
Deposits	-	-	-	-
Assets held for resale	-	990,202	-	-
Loans receivable, net	-	20,957,633	-	-
Advances to other funds	-	76,036	-	-
Total assets	<u>12,567,040</u>	<u>28,327,251</u>	<u>62,244</u>	<u>4,190,010</u>
Total assets & deferred outflows of resources	<u>\$ 12,567,040</u>	<u>\$ 28,327,251</u>	<u>\$ 62,244</u>	<u>\$ 4,190,010</u>
Liabilities, deferred inflows of resources & fund balances				
Liabilities:				
Accounts payable	\$ 821,529	\$ 697,552	\$ 10,245	\$ 24,093
Accrued salaries and benefits	-	-	-	82,312
Deposits	-	5,000	-	-
Due to other funds	-	-	-	-
Unearned revenue	-	6	-	-
Advances from other funds	-	-	-	-
Total liabilities	<u>821,529</u>	<u>702,558</u>	<u>10,245</u>	<u>106,405</u>
Deferred inflows of resources:				
Unavailable revenue	<u>300,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:				
Nonspendable	-	-	-	-
Restricted	11,445,511	27,624,693	51,999	-
Committed	-	-	-	4,083,605
Unassigned	-	-	-	-
Total fund balances	<u>11,445,511</u>	<u>27,624,693</u>	<u>51,999</u>	<u>4,083,605</u>
Total liabilities, deferred inflows of resources & fund balances	<u>\$ 12,567,040</u>	<u>\$ 28,327,251</u>	<u>\$ 62,244</u>	<u>\$ 4,190,010</u>

COUNTY OF NAPA

Combining Balance Sheet (continued)
Nonmajor Special Revenue Funds
June 30, 2017

	<u>In-Home Support Services Public 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	\$ -	\$ 868,147	\$ -	\$ 9,264,256
Restricted assets:				
Cash held for debt service	-	-	-	-
Imprest cash	-	-	300	500
Receivable (net):				
Taxes	-	-	-	320,206
Special assessments	-	-	-	-
Accounts	-	-	-	-
Due from other governments	136,094	-	186,164	743
Prepaid items	-	-	10,019	3,321
Deposits	-	-	-	1,250
Assets held for resale	-	-	-	-
Loans receivable, net	-	-	-	-
Advances to other funds	-	-	-	-
Total assets	<u>136,094</u>	<u>868,147</u>	<u>196,483</u>	<u>9,590,276</u>
Total assets & deferred outflows of resources	<u>\$ 136,094</u>	<u>\$ 868,147</u>	<u>\$ 196,483</u>	<u>\$ 9,590,276</u>
Liabilities, deferred inflows of resources & fund balances				
Liabilities:				
Accounts payable	\$ 1,863	\$ 5,981	\$ 6,636	\$ 710,148
Accrued salaries and benefits	-	-	105,566	161,372
Deposits	-	-	-	-
Due to other funds	122,636	-	84,647	-
Unearned revenue	-	-	-	50,000
Advances from other funds	-	-	-	-
Total liabilities	<u>124,499</u>	<u>5,981</u>	<u>196,849</u>	<u>921,520</u>
Deferred inflows of resources:				
Unavailable revenue	<u>136,094</u>	<u>-</u>	<u>186,164</u>	<u>-</u>
Fund balances:				
Nonspendable	-	-	10,018	3,322
Restricted	-	862,166	-	8,665,434
Committed	-	-	-	-
Unassigned	<u>(124,499)</u>	<u>-</u>	<u>(196,548)</u>	<u>-</u>
Total fund balances	<u>(124,499)</u>	<u>862,166</u>	<u>(186,530)</u>	<u>8,668,756</u>
Total liabilities, deferred inflows of resources & fund balances	<u>\$ 136,094</u>	<u>\$ 868,147</u>	<u>\$ 196,483</u>	<u>\$ 9,590,276</u>

continued

COUNTY OF NAPA

Combining Balance Sheet (continued)
Nonmajor Special Revenue Funds
June 30, 2017

	<u>Napa Valley Tourism Improvement- Unincorporated</u>	<u>Public, Educational and 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	\$ 493,615	\$ 266,718	\$ 3,594,873	\$ 36,929,440
Restricted assets:				
Cash held for debt service	-	-	548,978	548,978
Imprest cash	-	-	-	850
Receivable (net):				
Taxes	-	-	3,057	402,162
Special assessments	156,042	-	1,342,230	1,535,611
Accounts	-	-	480,522	480,522
Due from other governments	-	-	-	887,556
Prepaid items	-	-	-	13,340
Deposits	-	-	-	1,250
Assets held for resale	-	-	-	990,202
Loans receivable, net	-	-	-	20,957,633
Advances to other funds	-	-	-	76,036
Total assets	<u>649,657</u>	<u>266,718</u>	<u>5,969,660</u>	<u>62,823,580</u>
Total assets & deferred outflows of resources	<u>\$ 649,657</u>	<u>\$ 266,718</u>	<u>\$ 5,969,660</u>	<u>\$ 62,823,580</u>
Liabilities, deferred inflows of resources & fund balances				
Liabilities:				
Accounts payable	\$ 306,920	\$ -	\$ 2,339,503	\$ 4,924,470
Accrued salaries and benefits	-	-	-	349,250
Deposits	-	-	-	5,000
Due to other funds	-	-	-	207,283
Unearned revenue	-	-	-	50,006
Advances from other funds	-	-	98,514	98,514
Total liabilities	<u>306,920</u>	<u>-</u>	<u>2,438,017</u>	<u>5,634,523</u>
Deferred inflows of resources:				
Unavailable revenue	-	-	480,522	1,102,780
Fund balances:				
Nonspendable	-	-	25,378	38,718
Restricted	342,737	266,718	3,083,773	52,343,031
Committed	-	-	-	4,083,605
Unassigned	-	-	(58,030)	(379,077)
Total fund balances	<u>342,737</u>	<u>266,718</u>	<u>3,051,121</u>	<u>56,086,277</u>
Total liabilities, deferred inflows of resources & fund balances	<u>\$ 649,657</u>	<u>\$ 266,718</u>	<u>\$ 5,969,660</u>	<u>\$ 62,823,580</u>

COUNTY OF NAPA

Combining Statement of Revenues, Expenditures and
Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2017

	<u>Fire Protection</u>	<u>Affordable Housing</u>	<u>Wildlife Conservation Commission</u>	<u>Building</u>
Revenues:				
Taxes	\$ 10,543,105	\$ -	\$ -	\$ -
Licenses and permits	603,153	1,775,663	-	2,460,678
Fines, forfeitures and penalties	966	-	24,840	12,678
Use of money and property	92,212	175,059	487	25,415
Aid from other governments	444,930	-	-	-
Charges for services	914,050	33,055	-	1,551,665
Contributions and donations	-	-	6,750	-
Other revenue	103,923	-	-	-
Total revenues	<u>12,702,339</u>	<u>1,983,777</u>	<u>32,077</u>	<u>4,050,436</u>
Expenditures:				
Current:				
General government	-	-	-	-
Public protection	13,434,963	-	55,031	3,347,117
Public ways and facilities	-	-	-	-
Health and sanitation	-	-	-	-
Public assistance	-	479,957	-	-
Education	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest expense	-	-	-	-
Total expenditures	<u>13,434,963</u>	<u>479,957</u>	<u>55,031</u>	<u>3,347,117</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(732,624)</u>	<u>1,503,820</u>	<u>(22,954)</u>	<u>703,319</u>
Other financing sources (uses):				
Transfers in	431,110	-	-	-
Transfers out	<u>(20,197)</u>	<u>(317,847)</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>410,913</u>	<u>(317,847)</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(321,711)	1,185,973	(22,954)	703,319
Fund balances - beginning	<u>11,767,222</u>	<u>26,438,720</u>	<u>74,953</u>	<u>3,380,286</u>
Fund balances - ending	<u>\$ 11,445,511</u>	<u>\$ 27,624,693</u>	<u>\$ 51,999</u>	<u>\$ 4,083,605</u>

COUNTY OF NAPA

Combining Statement of Revenues, Expenditures and
Changes in Fund Balances (continued)
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2017

	In-Home Support Services Public Authority	Zone 1 Garbage	Child Support Services	County Library
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ 7,685,768
Licenses and permits	-	413,094	-	-
Fines, forfeitures and penalties	-	-	-	-
Use of money and property	-	5,548	881	85,368
Aid from other governments	441,412	-	3,946,706	91,402
Charges for services	-	-	-	152,768
Contributions and donations	-	-	-	144,301
Other revenue	-	-	-	119,604
Total revenues	<u>441,412</u>	<u>418,642</u>	<u>3,947,587</u>	<u>8,279,211</u>
Expenditures:				
Current:				
General government	-	-	-	-
Public protection	-	-	4,133,192	-
Public ways and facilities	-	-	-	-
Health and sanitation	-	297,628	-	-
Public assistance	429,348	-	-	-
Education	-	-	-	10,707,986
Debt service:				
Principal	-	-	-	-
Interest expense	-	-	-	-
Total expenditures	<u>429,348</u>	<u>297,628</u>	<u>4,133,192</u>	<u>10,707,986</u>
Excess (deficiency) of revenues over (under) expenditures	<u>12,064</u>	<u>121,014</u>	<u>(185,605)</u>	<u>(2,428,775)</u>
Other financing sources (uses):				
Transfers in	41,724	-	-	528,547
Transfers out	-	(203,617)	-	(19,551)
Total other financing sources (uses)	<u>41,724</u>	<u>(203,617)</u>	<u>-</u>	<u>508,996</u>
Net change in fund balances	53,788	(82,603)	(185,605)	(1,919,779)
Fund balances - beginning	<u>(178,287)</u>	<u>944,769</u>	<u>(925)</u>	<u>10,588,535</u>
Fund balances - ending	<u>\$ (124,499)</u>	<u>\$ 862,166</u>	<u>\$ (186,530)</u>	<u>\$ 8,668,756</u>

COUNTY OF NAPA

Combining Statement of Revenues, Expenditures and
Changes in Fund Balances (continued)
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2017

	Napa Valley Tourism Improvement- Unincorporated	Public, Educational and Government Access Channel	Special Districts Under the Board of Supervisors	Total
Revenues:				
Taxes	\$ -	\$ -	\$ 2,376,278	\$ 20,605,151
Licenses and permits	-	45,049	-	5,297,637
Fines, forfeitures and penalties	-	-	809	39,293
Use of money and property	2,338	1,594	25,258	414,160
Aid from other governments	-	-	1,015	4,925,465
Charges for services	570,496	-	7,065,943	10,287,977
Contributions and donations	-	-	-	151,051
Other revenue	-	-	-	223,527
Total revenues	<u>572,834</u>	<u>46,643</u>	<u>9,469,303</u>	<u>41,944,261</u>
Expenditures:				
Current:				
General government	468,018	-	6,098,617	6,566,635
Public protection	-	-	40,806	21,011,109
Public ways and facilities	-	-	694,253	694,253
Health and sanitation	-	-	-	297,628
Public assistance	-	-	22,703	932,008
Education	-	-	-	10,707,986
Debt service:				
Principal	-	-	322,366	322,366
Interest expense	-	-	58,858	58,858
Total expenditures	<u>468,018</u>	<u>-</u>	<u>7,237,603</u>	<u>40,590,843</u>
Excess (deficiency) of revenues over (under) expenditures	<u>104,816</u>	<u>46,643</u>	<u>2,231,700</u>	<u>1,353,418</u>
Other financing sources (uses):				
Transfers in	-	-	-	1,001,381
Transfers out	-	-	(888,712)	(1,449,924)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(888,712)</u>	<u>(448,543)</u>
Net change in fund balances	104,816	46,643	1,342,988	904,875
Fund balances - beginning	<u>237,921</u>	<u>220,075</u>	<u>1,708,133</u>	<u>55,181,402</u>
Fund balances - ending	<u>\$ 342,737</u>	<u>\$ 266,718</u>	<u>\$ 3,051,121</u>	<u>\$ 56,086,277</u>

COUNTY OF NAPA
Combining Balance Sheet
Special Districts Under the Board of Supervisors
June 30, 2017

	<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	\$ 483,272	\$ 373,841	\$ 68,483	\$ 193,379
Restricted assets:				
Cash held for debt service	-	-	-	-
Receivable (net):				
Taxes	-	-	-	3,057
Special assessments	1,394	2,811	955	-
Accounts	-	-	-	-
Total assets	<u>484,666</u>	<u>376,652</u>	<u>69,438</u>	<u>196,436</u>
Total assets and deferred outflows of resources	<u>484,666</u>	<u>376,652</u>	<u>69,438</u>	<u>196,436</u>
Liabilities, deferred inflows of resources & fund balances				
Liabilities:				
Accounts payable	997	-	1,008	1,625
Advances from other funds	-	-	-	-
Total liabilities	<u>997</u>	<u>-</u>	<u>1,008</u>	<u>1,625</u>
Deferred inflows of resources:				
Unavailable revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:				
Nonspendable	-	-	-	25,378
Restricted	483,669	376,652	68,430	169,433
Unassigned	-	-	-	-
Total fund balances	<u>483,669</u>	<u>376,652</u>	<u>68,430</u>	<u>194,811</u>
Total liabilities, deferred inflows of resources & fund balances	<u>\$ 484,666</u>	<u>\$ 376,652</u>	<u>\$ 69,438</u>	<u>\$ 196,436</u>

COUNTY OF NAPA

Combining Balance Sheet (continued)
Special Districts Under the Board of Supervisors
June 30, 2017

	Countywide Napa Valley Tourism Improvement District	Community Facilities District- Devlin Road	Community Facilities District-MST	Total
Assets & deferred outflows of resources				
Assets:				
Cash and investments	\$ 518,282	\$ 40,484	\$ 1,917,132	\$ 3,594,873
Restricted assets:				
Cash held for debt service	-	-	548,978	548,978
Receivable (net):				
Taxes	-	-	-	3,057
Special assessments	1,337,070	-	-	1,342,230
Accounts	-	-	480,522	480,522
Total assets	<u>1,855,352</u>	<u>40,484</u>	<u>2,946,632</u>	<u>5,969,660</u>
Total assets and deferred outflows of resources	<u>1,855,352</u>	<u>40,484</u>	<u>2,946,632</u>	<u>5,969,660</u>
Liabilities, deferred inflows of resources & fund balances				
Liabilities:				
Accounts payable	1,855,352	-	480,521	2,339,503
Advances from other funds	-	98,514	-	98,514
Total liabilities	<u>1,855,352</u>	<u>98,514</u>	<u>480,521</u>	<u>2,438,017</u>
Deferred inflows of resources:				
Unavailable revenue	-	-	480,522	480,522
Fund balances:				
Nonspendable	-	-	-	25,378
Restricted	-	-	1,985,589	3,083,773
Unassigned	-	(58,030)	-	(58,030)
Total fund balances	<u>-</u>	<u>(58,030)</u>	<u>1,985,589</u>	<u>3,051,121</u>
Total liabilities, deferred inflows of resources & fund balances	<u>\$ 1,855,352</u>	<u>\$ 40,484</u>	<u>\$ 2,946,632</u>	<u>\$ 5,969,660</u>

COUNTY OF NAPA

Combining Statement of Revenues, Expenditures and
Changes in Fund Balances
Special Districts Under the Board of Supervisors
For the Year Ended June 30, 2017

	<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	\$ -	\$ -	\$ 145,009	\$ 26,813
Fines, forfeitures and penalties	237	481	91	-
Use of money and property	3,454	3,049	423	1,295
Aid from other governments	-	-	-	1,015
Charges for services	<u>505,443</u>	<u>456,395</u>	<u>-</u>	<u>7,233</u>
Total revenues	<u>509,134</u>	<u>459,925</u>	<u>145,523</u>	<u>36,356</u>
Expenditures:				
Current:				
General government	-	-	-	-
Public protection	335	-	-	40,471
Public ways and facilities	46,356	-	149,109	-
Public assistance	-	22,703	-	-
Debt service:				
Principal	-	-	-	-
Interest expense	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>46,691</u>	<u>22,703</u>	<u>149,109</u>	<u>40,471</u>
Excess (deficiency) of revenues over (under) expenditures	<u>462,443</u>	<u>437,222</u>	<u>(3,586)</u>	<u>(4,115)</u>
Other financing sources (uses):				
Transfers out	<u>(431,110)</u>	<u>(457,602)</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(431,110)</u>	<u>(457,602)</u>	<u>-</u>	<u>-</u>
Net change in fund balances	31,333	(20,380)	(3,586)	(4,115)
Fund balances - beginning	<u>452,336</u>	<u>397,032</u>	<u>72,016</u>	<u>198,926</u>
Fund balances - ending	<u>\$ 483,669</u>	<u>\$ 376,652</u>	<u>\$ 68,430</u>	<u>\$ 194,811</u>

COUNTY OF NAPA

Combining Statement of Revenues, Expenditures and
Changes in Fund Balances (continued)
Special Districts Under the Board of Supervisors
For the Year Ended June 30, 2017

	Countywide Napa Valley Tourism Improvement District	Community Facilities District- Devlin Road	Community Facilities District- MST	Total
Revenues:				
Taxes	\$ -	\$ 1,307,106	\$ 897,350	\$ 2,376,278
Fines, forfeitures and penalties	-	-	-	809
Use of money and property	1,745	1,462	13,830	25,258
Aid from other governments	-	-	-	1,015
Charges for services	6,096,872	-	-	7,065,943
Total revenues	<u>6,098,617</u>	<u>1,308,568</u>	<u>911,180</u>	<u>9,469,303</u>
Expenditures:				
Current:				
General government	6,098,617	-	-	6,098,617
Public protection	-	-	-	40,806
Public ways and facilities	-	10,110	488,678	694,253
Public assistance	-	-	-	22,703
Debt service:				
Principal	-	-	322,366	322,366
Interest expense	-	-	58,858	58,858
Total expenditures	<u>6,098,617</u>	<u>10,110</u>	<u>869,902</u>	<u>7,237,603</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>1,298,458</u>	<u>41,278</u>	<u>2,231,700</u>
Other financing sources (uses):				
Transfers out	-	-	-	(888,712)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(888,712)</u>
Net change in fund balances	-	1,298,458	41,278	1,342,988
Fund balances - beginning	<u>-</u>	<u>(1,356,488)</u>	<u>1,944,311</u>	<u>1,708,133</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ (58,030)</u>	<u>\$ 1,985,589</u>	<u>\$ 3,051,121</u>

COUNTY OF NAPA

Budgetary Comparison Schedule
Fire Protection
For the Year Ended June 30, 2017

	<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	\$ 9,161,614	\$ 9,161,614	\$ 10,543,105	\$ 1,381,491
Licenses and permits	400,000	400,000	603,153	203,153
Fines, forfeitures and penalties	-	-	966	966
Revenue from the use of money and property	50,000	50,000	92,212	42,212
Aid from other governments	230,000	230,000	444,930	214,930
Charges for services	1,103,000	1,103,000	914,050	(188,950)
Other revenue	5,000	5,000	103,923	98,923
Transfers in	417,585	417,585	431,110	13,525
Intrafund transfers in	46,000	386,000	340,000	(46,000)
Revenues available for appropriation	<u>11,413,199</u>	<u>11,753,199</u>	<u>13,473,449</u>	<u>1,720,250</u>
Charges to appropriations (outflows):				
Operations	14,061,382	14,379,432	12,693,484	1,685,948
Facilities and improvements	46,000	1,369,960	741,479	628,481
Transfers out	90,174	90,174	20,197	69,977
Intrafund transfers out	66,000	406,000	340,000	66,000
Total charges to appropriations	<u>14,263,556</u>	<u>16,245,566</u>	<u>13,795,160</u>	<u>2,450,406</u>
Net change in fund balances, budgetary basis	(2,850,357)	(4,492,367)	(321,711)	4,170,656
Budgetary fund balances - beginning	<u>11,767,222</u>	<u>11,767,222</u>	<u>11,767,222</u>	<u>-</u>
Budgetary fund balances - ending	<u>\$ 8,916,865</u>	<u>\$ 7,274,855</u>	<u>\$ 11,445,511</u>	<u>\$ 4,170,656</u>

COUNTY OF NAPA

Budgetary Comparison Schedule
Fire Protection
For the Year Ended June 30, 2017

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	\$ 13,473,449
Difference - budget to GAAP:	
Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes	(431,110)
Transfers within the fund are inflows of budgetary resources but are not revenues for financial reporting purposes	<u>(340,000)</u>
Total revenues as reported on the Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds	<u>\$ 12,702,339</u>

Uses/outflows of resources

Actual amounts (budgetary basis) "total charges to appropriations" from the Budgetary Comparison Schedule	\$ 13,795,160
Difference - budget to GAAP:	
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes	(20,197)
Transfers within the fund are outflows of budgetary resources but are not expenditures for financial reporting purposes	<u>(340,000)</u>
Total expenditures as reported on the Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds	<u>\$ 13,434,963</u>

COUNTY OF NAPA

Budgetary Comparison Schedule
Affordable Housing
For the Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Resources (inflows):				
Licenses and permits	\$ 2,720,168	\$ 2,720,168	\$ 1,775,663	\$ (944,505)
Revenue from the use of money and property	120,000	120,000	175,059	55,059
Charges for services	-	-	33,055	33,055
Revenues available for appropriation	<u>2,840,168</u>	<u>2,840,168</u>	<u>1,983,777</u>	<u>(856,391)</u>
Charges to appropriations (outflows):				
Public assistance	426,826	506,826	479,957	26,869
Transfers out	294,000	324,000	317,847	6,153
Total charges to appropriations	<u>720,826</u>	<u>830,826</u>	<u>797,804</u>	<u>33,022</u>
Net change in fund balances, budgetary basis	2,119,342	2,009,342	1,185,973	(823,369)
Budgetary fund balances - beginning	<u>26,438,720</u>	<u>26,438,720</u>	<u>26,438,720</u>	<u>-</u>
Budgetary fund balances - ending	<u>\$ 28,558,062</u>	<u>\$ 28,448,062</u>	<u>\$ 27,624,693</u>	<u>\$ (823,369)</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	\$ 797,804
Difference - budget to GAAP:	
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes	<u>(317,847)</u>
Total expenditures as reported on the Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Special Revenue Funds	<u>\$ 479,957</u>

COUNTY OF NAPA

Budgetary Comparison Schedule
Wildlife Conservation Commission
For the Year Ended June 30, 2017

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Resources (inflows):				
Fines, forfeitures and penalties	\$ 10,000	\$ 10,000	\$ 24,840	\$ 14,840
Revenue from the use of money and property	300	300	487	187
Donations and contributions	-	-	6,750	6,750
Revenues available for appropriation	<u>10,300</u>	<u>10,300</u>	<u>32,077</u>	<u>21,777</u>
Charges to appropriations (outflows):				
Public protection	<u>50,000</u>	<u>59,059</u>	<u>55,031</u>	<u>4,028</u>
Total charges to appropriations	<u>50,000</u>	<u>59,059</u>	<u>55,031</u>	<u>4,028</u>
Net change in fund balances, budgetary basis	(39,700)	(48,759)	(22,954)	25,805
Budgetary fund balances - beginning	<u>74,953</u>	<u>74,953</u>	<u>74,953</u>	-
Budgetary fund balances - ending	<u>\$ 35,253</u>	<u>\$ 26,194</u>	<u>\$ 51,999</u>	<u>\$ 25,805</u>

COUNTY OF NAPA

Budgetary Comparison Schedule
Building
For the Year Ended June 30, 2017

	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	\$ 2,460,678	\$ 460,678
Fines, forfeitures and penalties	30,000	30,000	12,678	(17,322)
Revenue from the use of money and property	16,000	16,000	25,415	9,415
Aid from other governments	-	-	-	-
Charges for services	1,220,000	1,220,000	1,551,665	331,665
Other revenue	-	-	-	-
Revenues available for appropriation	<u>3,266,000</u>	<u>3,266,000</u>	<u>4,050,436</u>	<u>784,436</u>
Charges to appropriations (outflows):				
Public protection	<u>3,625,367</u>	<u>3,625,367</u>	<u>3,347,117</u>	<u>278,250</u>
Total charges to appropriations	<u>3,625,367</u>	<u>3,625,367</u>	<u>3,347,117</u>	<u>278,250</u>
Net change in fund balances, budgetary basis	(359,367)	(359,367)	703,319	1,062,686
Budgetary fund balances - beginning	<u>3,380,286</u>	<u>3,380,286</u>	<u>3,380,286</u>	<u>-</u>
Budgetary fund balances - ending	<u>\$ 3,020,919</u>	<u>\$ 3,020,919</u>	<u>\$ 4,083,605</u>	<u>\$ 1,062,686</u>

COUNTY OF NAPA

Budgetary Comparison Schedule
In-Home Support Services Public Authority
For the Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with
	<u>Original</u>	<u>Final</u>	(Budgetary Basis)	Final Budget Positive (Negative)
Resources (inflows):				
Aid from other governments	\$ 367,970	\$ 390,470	\$ 441,412	\$ 50,942
Transfers in	<u>41,724</u>	<u>41,724</u>	<u>41,724</u>	<u>-</u>
Revenues available for appropriation	<u>409,694</u>	<u>432,194</u>	<u>483,136</u>	<u>50,942</u>
Charges to appropriations (outflows):				
Public assistance	<u>409,694</u>	<u>432,194</u>	<u>429,348</u>	<u>2,846</u>
Total charges to appropriations	<u>409,694</u>	<u>432,194</u>	<u>429,348</u>	<u>2,846</u>
Net change in fund balances, budgetary basis	-	-	53,788	53,788
Budgetary fund balances - beginning	<u>(178,287)</u>	<u>(178,287)</u>	<u>(178,287)</u>	<u>-</u>
Budgetary fund balances - ending	<u>\$ (178,287)</u>	<u>\$ (178,287)</u>	<u>\$ (124,499)</u>	<u>\$ 53,788</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	\$ 483,136
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>\$ 441,412</u>

COUNTY OF NAPA

Budgetary Comparison Schedule
Zone 1 Garbage
For the Year Ended June 30, 2017

	<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):				
Licenses and permits	\$ 407,000	\$ 407,000	\$ 413,094	\$ 6,094
Revenue from the use of money and property	5,000	5,000	5,548	548
Revenues available for appropriation	<u>412,000</u>	<u>412,000</u>	<u>418,642</u>	<u>6,642</u>
Charges to appropriations (outflows):				
Health and sanitation	367,328	367,328	297,628	69,700
Transfers out	203,617	203,617	203,617	-
Total charges to appropriations	<u>570,945</u>	<u>570,945</u>	<u>501,245</u>	<u>69,700</u>
Net change in fund balances, budgetary basis	(158,945)	(158,945)	(82,603)	76,342
Budgetary fund balances - beginning	<u>944,769</u>	<u>944,769</u>	<u>944,769</u>	<u>-</u>
Budgetary fund balances - ending	<u>\$ 785,824</u>	<u>\$ 785,824</u>	<u>\$ 862,166</u>	<u>\$ 76,342</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	\$ 501,245
Difference - budget to GAAP: Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes	<u>(203,617)</u>
Total expenditures as reported on the Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Special Revenue Funds	<u>\$ 297,628</u>

COUNTY OF NAPA

Budgetary Comparison Schedule
 Child Support Services
 For the Year Ended June 30, 2017

	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	\$ 881	\$ (119)
Aid from other governments	4,257,052	4,389,118	3,946,706	(442,412)
Revenues available for appropriation	<u>4,258,052</u>	<u>4,390,118</u>	<u>3,947,587</u>	<u>(442,531)</u>
Charges to appropriations (outflows):				
Public protection	4,155,255	4,294,521	4,133,192	161,329
Total charges to appropriations	<u>4,155,255</u>	<u>4,294,521</u>	<u>4,133,192</u>	<u>161,329</u>
Net change in fund balances, budgetary basis	102,797	95,597	(185,605)	(281,202)
Budgetary fund balances - beginning	<u>(925)</u>	<u>(925)</u>	<u>(925)</u>	<u>-</u>
Budgetary fund balances - ending	<u>\$ 101,872</u>	<u>\$ 94,672</u>	<u>\$ (186,530)</u>	<u>\$ (281,202)</u>

COUNTY OF NAPA

Budgetary Comparison Schedule
County Library
For the Year Ended June 30, 2017

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		Positive (Negative)
Resources (inflows):				
Taxes	\$ 7,267,877	\$ 7,252,377	\$ 7,685,768	\$ 433,391
Revenue from the use of money and property	41,000	41,000	85,368	44,368
Aid from other governments	58,000	58,000	91,402	33,402
Charges for services	183,886	154,106	152,768	(1,338)
Donations and contributions	160,100	110,100	144,301	34,201
Other revenue	30	30	119,604	119,574
Transfers in	513,318	528,618	528,547	(71)
Intrafund transfers in	-	4,181,967	4,181,797	(170)
Revenues available for appropriation	<u>8,224,211</u>	<u>12,326,198</u>	<u>12,989,555</u>	<u>663,357</u>
Charges to appropriations (outflows):				
Library operations	8,270,422	8,212,857	7,310,998	901,859
Facilities maintenance and improvements	-	4,210,608	3,396,988	813,620
Transfers out	19,999	19,999	19,551	448
Intrafund transfers out	-	4,182,027	4,181,797	230
Total charges to appropriations	<u>8,290,421</u>	<u>16,625,491</u>	<u>14,909,334</u>	<u>1,716,157</u>
Net change in fund balances, budgetary basis	(66,210)	(4,299,293)	(1,919,779)	2,379,514
Budgetary fund balances - beginning	<u>10,588,535</u>	<u>10,588,535</u>	<u>10,588,535</u>	-
Budgetary fund balances - ending	<u>\$ 10,522,325</u>	<u>\$ 6,289,242</u>	<u>\$ 8,668,756</u>	<u>\$ 2,379,514</u>

COUNTY OF NAPA

Budgetary Comparison Schedule
County Library
For the Year Ended June 30, 2017

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

Sources/inflows of resources

Actual amounts (budgetary basis) "available for appropriation" from Budgetary Comparison Schedule	\$ 12,989,555
Difference - budget to GAAP:	
Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes	(528,547)
Transfers within the fund are inflows of budgetary resources but are not revenues for financial reporting purposes	<u>(4,181,797)</u>
Total revenues as reported on the Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds	<u>\$ 8,279,211</u>

Uses/outflows of resources

Actual amounts (budgetary basis) "total charges to appropriations" from the Budgetary Comparison Schedule	\$ 14,909,334
Difference - budget to GAAP:	
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes	(19,551)
Transfers within the fund are outflows of budgetary resources but are not expenditures for financial reporting purposes	<u>(4,181,797)</u>
Total expenditures as reported on the Combining Statement of Revenues, Expenditures, and Changes in fund balances - Nonmajor Special Revenue Funds	<u>\$ 10,707,986</u>

COUNTY OF NAPA

Budgetary Comparison Schedule
 Napa Valley Tourism Improvement-Unincorporated
 For the Year Ended June 30, 2017

	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	\$ 2,338	\$ 1,338
Charges for services	<u>524,580</u>	<u>524,580</u>	<u>570,496</u>	<u>45,916</u>
Revenues available for appropriation	<u>525,580</u>	<u>525,580</u>	<u>572,834</u>	<u>47,254</u>
Charges to appropriations (outflows):				
General government	<u>475,580</u>	<u>475,580</u>	<u>468,018</u>	<u>7,562</u>
Total charges to appropriations	<u>475,580</u>	<u>475,580</u>	<u>468,018</u>	<u>7,562</u>
Net change in fund balances, budgetary basis	50,000	50,000	104,816	54,816
Budgetary fund balances - beginning	<u>237,921</u>	<u>237,921</u>	<u>237,921</u>	<u>-</u>
Budgetary fund balances - ending	<u>\$ 287,921</u>	<u>\$ 287,921</u>	<u>\$ 342,737</u>	<u>\$ 54,816</u>

COUNTY OF NAPA

Budgetary Comparison Schedule
Public, Educational and Government Access Channel
For the Year Ended June 30, 2017

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		Positive (Negative)
Resources (inflows):				
Licenses and permits	\$ 36,500	\$ 36,500	\$ 45,049	\$ 8,549
Revenue from the use of money and property	500	500	1,594	1,094
Revenues available for appropriation	<u>37,000</u>	<u>37,000</u>	<u>46,643</u>	<u>9,643</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	37,000	37,000	46,643	9,643
Budgetary fund balances - beginning	<u>220,075</u>	<u>220,075</u>	<u>220,075</u>	<u>-</u>
Budgetary fund balances - ending	<u>\$ 257,075</u>	<u>\$ 257,075</u>	<u>\$ 266,718</u>	<u>\$ 9,643</u>

COUNTY OF NAPA

Budgetary Comparison Schedule
County Service Area No 3
For the Year Ended June 30, 2017

	<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	\$ 67	\$ 67	\$ 237	\$ 170
Revenue from use of money and property	2,477	2,477	3,454	977
Charges for services	<u>514,092</u>	<u>514,092</u>	<u>505,443</u>	<u>(8,649)</u>
Revenues available for appropriation	<u>516,636</u>	<u>516,636</u>	<u>509,134</u>	<u>(7,502)</u>
Charges to appropriations (outflows):				
Public protection	122	122	335	(213)
Public ways and facilities	75,541	75,541	46,356	29,185
Transfers out	<u>440,973</u>	<u>440,973</u>	<u>431,110</u>	<u>9,863</u>
Total charges to appropriations	<u>516,636</u>	<u>516,636</u>	<u>477,801</u>	<u>38,835</u>
Net change in fund balances, budgetary basis	-	-	31,333	31,333
Budgetary fund balances - beginning	<u>452,336</u>	<u>452,336</u>	<u>452,336</u>	-
Budgetary fund balances - ending	<u>\$ 452,336</u>	<u>\$ 452,336</u>	<u>\$ 483,669</u>	<u>\$ 31,333</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	\$ 477,801
Difference - budget to GAAP: Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes	<u>(431,110)</u>
Total expenditures as reported on the Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Special Districts Under the Board of Supervisors	<u>\$ 46,691</u>

COUNTY OF NAPA

Budgetary Comparison Schedule
County Service Area No 4
For the Year Ended June 30, 2017

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Resources (inflows):				
Fines, forfeitures and penalties	\$ -	\$ -	\$ 481	\$ 481
Revenue from use of money and property	2,000	2,000	3,049	1,049
Charges for services	<u>448,000</u>	<u>448,000</u>	<u>456,395</u>	<u>8,395</u>
Revenues available for appropriation	<u>450,000</u>	<u>450,000</u>	<u>459,925</u>	<u>9,925</u>
Charges to appropriations (outflows):				
Public assistance	18,500	24,940	22,703	2,237
Transfers out	<u>542,030</u>	<u>535,590</u>	<u>457,602</u>	<u>77,988</u>
Total charges to appropriations	<u>560,530</u>	<u>560,530</u>	<u>480,305</u>	<u>80,225</u>
Net change in fund balances, budgetary basis	(110,530)	(110,530)	(20,380)	90,150
Budgetary fund balances - beginning	<u>397,032</u>	<u>397,032</u>	<u>397,032</u>	-
Budgetary fund balances - ending	<u>\$ 286,502</u>	<u>\$ 286,502</u>	<u>\$ 376,652</u>	<u>\$ 90,150</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	\$ 480,305
Difference - budget to GAAP: Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes	<u>(457,602)</u>
Total expenditures as reported on the Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Special Under the Board of Supervisors	<u>\$ 22,703</u>

COUNTY OF NAPA

Budgetary Comparison Schedule
Silverado Community Services
For the Year Ended June 30, 2017

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		Positive (Negative)
Resources (inflows):				
Fines, forfeitures and penalties	\$ 200	\$ 200	\$ 91	\$ (109)
Revenue from the use of money and property	400	400	423	23
Taxes	<u>145,009</u>	<u>145,009</u>	<u>145,009</u>	<u>-</u>
Revenues available for appropriation	<u>145,609</u>	<u>145,609</u>	<u>145,523</u>	<u>(86)</u>
Charges to appropriations (outflows):				
Public ways and facilities	<u>190,606</u>	<u>190,606</u>	<u>149,109</u>	<u>41,497</u>
Total charges to appropriations	<u>190,606</u>	<u>190,606</u>	<u>149,109</u>	<u>41,497</u>
Net change in fund balances, budgetary basis	(44,997)	(44,997)	(3,586)	41,411
Budgetary fund balances - beginning	<u>72,016</u>	<u>72,016</u>	<u>72,016</u>	<u>-</u>
Budgetary fund balances - ending	<u>\$ 27,019</u>	<u>\$ 27,019</u>	<u>\$ 68,430</u>	<u>\$ 41,411</u>

COUNTY OF NAPA

Budgetary Comparison Schedule
 Monticello Public Cemetery
 For the Year Ended June 30, 2017

	<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	\$ 26,650	\$ 26,650	\$ 26,813	\$ 163
Revenue from the use of money and property	1,000	1,000	1,295	295
Aid from other governments	120	120	1,015	895
Charges for services	6,100	6,100	7,233	1,133
Intrafund transfers in	30,000	30,000	2,880	(27,120)
Revenues available for appropriation	<u>63,870</u>	<u>63,870</u>	<u>39,236</u>	<u>(24,634)</u>
Charges to appropriations (outflows):				
Public protection	62,970	62,970	40,471	22,499
Intrafund transfers out	30,000	30,000	2,880	27,120
Total charges to appropriations	<u>92,970</u>	<u>92,970</u>	<u>43,351</u>	<u>49,619</u>
Net change in fund balances, budgetary basis	(29,100)	(29,100)	(4,115)	24,985
Budgetary fund balances - beginning	<u>198,926</u>	<u>198,926</u>	<u>198,926</u>	<u>-</u>
Budgetary fund balances - ending	<u>\$ 169,826</u>	<u>\$ 169,826</u>	<u>\$ 194,811</u>	<u>\$ 24,985</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 \$ 39,236

Difference - budget to GAAP:

Transfers within the fund are inflows of budgetary resources but are not revenues for financial reporting purposes (2,880)

Total revenues as reported on the Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Special Districts Under the Board of Supervisors \$ 36,356

Uses/outflows of resources

Actual amounts (budgetary basis) "total charges to appropriations" from the Budgetary Comparison Schedule \$ 43,351

Difference - budget to GAAP:

Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes. (2,880)

Total expenditures as reported on the Combining Statement of Revenues, Expenditures, and Changes in fund balances - Special Districts Under the Board of Supervisors \$ 40,471

COUNTY OF NAPA

Budgetary Comparison Schedule
 Countywide Napa Valley Tourism Improvement District
 For the Year Ended June 30, 2017

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		Positive (Negative)
Resources (inflows):				
Revenue from the use of money and property	\$ -	\$ -	\$ 1,745	\$ 1,745
Charges for services	<u>6,000,000</u>	<u>6,100,000</u>	<u>6,096,872</u>	<u>(3,128)</u>
Revenues available for appropriation	<u>6,000,000</u>	<u>6,100,000</u>	<u>6,098,617</u>	<u>(1,383)</u>
Charges to appropriations (outflows):				
General government	<u>6,000,000</u>	<u>6,100,000</u>	<u>6,098,617</u>	<u>1,383</u>
Total charges to appropriations	<u>6,000,000</u>	<u>6,100,000</u>	<u>6,098,617</u>	<u>1,383</u>
Net change in fund balances, budgetary basis	-	-	-	-
Budgetary fund balances - beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Budgetary fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

COUNTY OF NAPA

Budgetary Comparison Schedule
Community Facilities District-Devlin Road
For the Year Ended June 30, 2017

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Resources (inflows):				
Taxes	\$ 1,191,550	\$ 1,288,150	\$ 1,307,106	\$ 18,956
Revenue from the use of money and property	-	-	1,462	1,462
Revenues available for appropriation	<u>1,191,550</u>	<u>1,288,150</u>	<u>1,308,568</u>	<u>20,418</u>
Charges to appropriations (outflows):				
Public ways and facilities	<u>1,191,550</u>	<u>1,278,950</u>	<u>10,110</u>	<u>1,268,840</u>
Total charges to appropriations	<u>1,191,550</u>	<u>1,278,950</u>	<u>10,110</u>	<u>1,268,840</u>
Net change in fund balances, budgetary basis	-	9,200	1,298,458	1,289,258
Budgetary fund balances - beginning	<u>(1,356,488)</u>	<u>(1,356,488)</u>	<u>(1,356,488)</u>	-
Budgetary fund balances - ending	<u>\$ (1,356,488)</u>	<u>\$ (1,347,288)</u>	<u>\$ (58,030)</u>	<u>\$ 1,289,258</u>

COUNTY OF NAPA

Budgetary Comparison Schedule
Community Facilities District-MST
For the Year Ended June 30, 2017

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		Positive (Negative)
Resources (inflows):				
Taxes	\$ 680,000	\$ 680,000	\$ 897,350	\$ 217,350
Revenue from the use of money and property	7,500	7,500	13,830	6,330
Aid from other governments	-	2,050,000	-	(2,050,000)
Revenues available for appropriation	<u>687,500</u>	<u>2,737,500</u>	<u>911,180</u>	<u>(1,826,320)</u>
Charges to appropriations (outflows):				
Public ways and facilities	12,500	2,062,500	488,678	1,573,822
Debt service	400,000	400,000	381,224	18,776
Total charges to appropriations	<u>412,500</u>	<u>2,462,500</u>	<u>869,902</u>	<u>1,592,598</u>
Net change in fund balances, budgetary basis	275,000	275,000	41,278	(233,722)
Budgetary fund balances - beginning	<u>1,944,311</u>	<u>1,944,311</u>	<u>1,944,311</u>	<u>-</u>
Budgetary fund balances - ending	<u>\$ 2,219,311</u>	<u>\$ 2,219,311</u>	<u>\$ 1,985,589</u>	<u>\$ (233,722)</u>

COUNTY OF NAPA

Budgetary Comparison Schedule
 Non-Operating Special Revenue Fund - Inmate Welfare
 For the Year Ended June 30, 2017

	<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):				
Revenue from the use of money and property	\$ 500	\$ 500	\$ 1,872	\$ 1,372
Other revenue	-	-	160	160
Charges for services	69,000	69,000	117,775	48,775
Transfers in	35,000	35,000	35,000	-
Revenues available for appropriation	<u>104,500</u>	<u>104,500</u>	<u>154,807</u>	<u>50,307</u>
Charges to appropriations (outflows):				
Public protection	<u>104,500</u>	<u>104,500</u>	<u>95,613</u>	<u>8,887</u>
Total charges to appropriations	<u>104,500</u>	<u>104,500</u>	<u>95,613</u>	<u>8,887</u>
Net change in fund balances, budgetary basis	-	-	59,194	59,194
Budgetary fund balances - beginning	<u>257,188</u>	<u>257,188</u>	<u>257,188</u>	-
Budgetary fund balances - ending	<u>\$ 257,188</u>	<u>\$ 257,188</u>	<u>\$ 316,382</u>	<u>\$ 59,194</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	\$ 154,807
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>\$ 119,807</u>

COUNTY OF NAPA

Budgetary Comparison Schedule
 Non-Operating Special Revenue Fund - General Government
 For the Year Ended June 30, 2017

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Resources (inflows):				
Revenue from the use of money and property	\$ 1,680	\$ 1,680	\$ 2,882	\$ 1,202
Revenues available for appropriation	1,680	1,680	2,882	1,202
Charges to appropriations (outflows):				
Housing Rehabilitation Repayment				
Transfers out	200,000	200,000	156,241	43,759
Subtotal	200,000	200,000	156,241	43,759
St-Cnty Prop Tax Admin-AB818				
Transfers out	30,000	30,000	3,227	26,773
Subtotal	30,000	30,000	3,227	26,773
Total charges to appropriations	230,000	230,000	159,468	70,532
Net change in fund balances, budgetary basis	(228,320)	(228,320)	(156,586)	71,734
Budgetary fund balances - beginning	487,796	487,796	487,796	-
Budgetary fund balances - ending	\$ 259,476	\$ 259,476	\$ 331,210	\$ 71,734

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	\$ 159,468
Difference - budget to GAAP: Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes	(159,468)
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, 2017

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		Positive (Negative)
Resources (inflows):				
Licenses and permits	\$ 1,500	\$ 1,500	\$ 2,044	\$ 544
Fines, forfeitures and penalties	574,000	574,000	518,149	(55,851)
Revenue from the use of money and property	41,414	41,414	68,193	26,779
Aid from other governments	685,000	816,525	829,047	12,522
Charges for services	454,750	454,750	531,289	76,539
Donations and contributions	3,500	3,500	-	(3,500)
Transfers in	-	92,250	92,250	-
Revenue available for appropriation	<u>1,760,164</u>	<u>1,983,939</u>	<u>2,040,972</u>	<u>57,033</u>
Charges to appropriations (outflows):				
District Attorney-Asset Forfeitures				
Transfers out	25,000	25,000	20,131	4,869
Subtotal	<u>25,000</u>	<u>25,000</u>	<u>20,131</u>	<u>4,869</u>
District Attorney-Prop 64 Civil Penalties				
Transfers out	908,307	908,307	756,322	151,985
Subtotal	<u>908,307</u>	<u>908,307</u>	<u>756,322</u>	<u>151,985</u>
District Attorney-Hazardous Waste Enforce				
Transfers out	20,000	20,000	10,000	10,000
Subtotal	<u>20,000</u>	<u>20,000</u>	<u>10,000</u>	<u>10,000</u>
District Attorney-\$1 Vehicle Reg Assessment				
Transfers out	160,000	160,000	160,000	-
Subtotal	<u>160,000</u>	<u>160,000</u>	<u>160,000</u>	<u>-</u>
District Attorney-Consumer Fraud				
Transfers out	50,000	50,000	50,000	-
Subtotal	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>-</u>
Sheriff-Fingerprint ID				
Transfers out	47,500	47,500	43,548	3,952
Subtotal	<u>47,500</u>	<u>47,500</u>	<u>43,548</u>	<u>3,952</u>
Sheriff - Asset Forfeiture				
Transfers out	-	288,715	13,644	275,071
Subtotal	<u>-</u>	<u>288,715</u>	<u>13,644</u>	<u>275,071</u>
Sheriff-D.A.R.E				
Transfers out	-	2	2	-
Subtotal	<u>-</u>	<u>2</u>	<u>2</u>	<u>-</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-CLEEP Law Enforcement Program				
Transfers out	27,553	27,553	27,553	-
Subtotal	<u>27,553</u>	<u>27,553</u>	<u>27,553</u>	<u>-</u>
Sheriff-Community Services				
Transfers out	8,000	8,000	7,191	809
Subtotal	<u>8,000</u>	<u>8,000</u>	<u>7,191</u>	<u>809</u>

continued

COUNTY OF NAPA

Budgetary Comparison Schedule
 Non-Operating Special Revenue Fund - Public Protection
 For the Year Ended June 30, 2017

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		Positive (Negative)
Sheriff - Civil Equipment				
Transfers out	20,740	20,740	7,347	13,393
Subtotal	<u>20,740</u>	<u>20,740</u>	<u>7,347</u>	<u>13,393</u>
Sheriff-Indigent Burial				
Transfers out	7,200	8,027	8,027	-
Subtotal	<u>7,200</u>	<u>8,027</u>	<u>8,027</u>	<u>-</u>
Sheriff-Drug Enforcement Agency				
Transfers out	52,000	57,903	57,903	-
Subtotal	<u>52,000</u>	<u>57,903</u>	<u>57,903</u>	<u>-</u>
Corrections-Standards and Training				
Transfers out	-	90,525	90,525	-
Subtotal	<u>-</u>	<u>90,525</u>	<u>90,525</u>	<u>-</u>
Probation-Asset Forfeitures				
Transfers out	6,000	9,000	7,754	1,246
Subtotal	<u>6,000</u>	<u>9,000</u>	<u>7,754</u>	<u>1,246</u>
Probation - Post Release Comm Supervision				
Transfers out	-	133,250	35,994	97,256
Subtotal	<u>-</u>	<u>133,250</u>	<u>35,994</u>	<u>97,256</u>
Probation-Chamberlain High				
Transfers out	3,500	3,500	40	3,460
Subtotal	<u>3,500</u>	<u>3,500</u>	<u>40</u>	<u>3,460</u>
Probation-Community Correction Performance Incentive				
Transfers out	500,000	500,000	499,915	85
Subtotal	<u>500,000</u>	<u>500,000</u>	<u>499,915</u>	<u>85</u>
Agricultural Commissioner-Weights and Measures				
Transfers out	-	15,808	15,808	-
Subtotal	<u>-</u>	<u>15,808</u>	<u>15,808</u>	<u>-</u>
Recorder-Micrographics				
Transfers out	29,980	29,980	2,970	27,010
Subtotal	<u>29,980</u>	<u>29,980</u>	<u>2,970</u>	<u>27,010</u>
Recorder-Modernization				
Transfers out	114,630	114,630	37,880	76,750
Subtotal	<u>114,630</u>	<u>114,630</u>	<u>37,880</u>	<u>76,750</u>
Recorder-Vital-Health Statistics Clerk				
Transfers out	7,000	11,230	11,230	-
Subtotal	<u>7,000</u>	<u>11,230</u>	<u>11,230</u>	<u>-</u>
Recorder-SS Truncation Fees				
Transfers out	13,000	13,000	9,243	3,757
Subtotal	<u>13,000</u>	<u>13,000</u>	<u>9,243</u>	<u>3,757</u>
Recorder-Electronic Doc Recording				
Transfers out	15,000	15,000	13,920	1,080
Subtotal	<u>15,000</u>	<u>15,000</u>	<u>13,920</u>	<u>1,080</u>

continued

COUNTY OF NAPA

Budgetary Comparison Schedule
 Non-Operating Special Revenue Fund - Public Protection
 For the Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		Positive (Negative)
PBES - Dept of Public Health				
Transfers out	50,000	50,000	-	50,000
Subtotal	<u>50,000</u>	<u>50,000</u>	-	<u>50,000</u>
 Total charges to appropriations	<u>2,075,410</u>	<u>2,617,670</u>	<u>1,896,947</u>	<u>720,723</u>
 Net change in fund balances, budgetary basis	(315,246)	(633,731)	144,025	777,756
 Budgetary fund balances - beginning	<u>10,122,594</u>	<u>10,122,594</u>	<u>10,122,594</u>	-
 Budgetary fund balances - ending	<u>\$ 9,807,348</u>	<u>\$ 9,488,863</u>	<u>\$ 10,266,619</u>	<u>\$ 777,756</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 \$ 2,040,972

Difference - budget to GAAP:

 Transfers from other funds are inflows of budgetary resources but not revenues for financial reporting purposes (92,250)

Total revenues as reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances - General Fund \$ 1,948,722

Uses/outflows of resources

Actual amounts (budgetary basis) "total charges to appropriations" from the Budgetary Comparison Schedule \$ 1,896,947

Difference - budget to GAAP:

 Transfers to other funds are outflows of budgetary resources but not expenditures for financial reporting purposes (1,896,947)

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, 2017

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Resources (inflows):				
Licenses and permits	\$ 400,000	\$ 400,000	\$ 182,273	\$ (217,727)
Revenue from the use of money and property	1,100	1,100	8,082	6,982
Revenues available for appropriation	<u>401,100</u>	<u>401,100</u>	<u>190,355</u>	<u>(210,745)</u>
Charges to appropriations (outflows):				
Mitigation - Airport Industrial				
Public ways and facilities	20,000	-	-	-
Transfers out	293,000	313,000	2,025	310,975
Subtotal	<u>313,000</u>	<u>313,000</u>	<u>2,025</u>	<u>310,975</u>
Mitigation - American Canyon				
Transfers out	101,000	101,000	-	101,000
Subtotal	<u>101,000</u>	<u>101,000</u>	<u>-</u>	<u>101,000</u>
Total charges to appropriations	<u>414,000</u>	<u>414,000</u>	<u>2,025</u>	<u>411,975</u>
Net change in fund balances, budgetary basis	(12,900)	(12,900)	188,330	201,230
Budgetary fund balances - beginning	<u>567,159</u>	<u>567,159</u>	<u>567,159</u>	<u>-</u>
Budgetary fund balances - ending	<u>\$ 554,259</u>	<u>\$ 554,259</u>	<u>\$ 755,489</u>	<u>\$ 201,230</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	\$ 2,025
Difference - budget to GAAP: Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes.	<u>(2,025)</u>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - General Fund	<u>\$ -</u>

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, 2017

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		Positive (Negative)
Resources (inflows):				
Fines, forfeitures and penalties	\$ 597,791	\$ 597,791	\$ 431,232	\$ (166,559)
Revenue from the use of money and property	36,059	36,059	61,525	25,466
Aid from other governments	6,360,000	8,668,603	8,868,324	199,721
Charges for services	15,213	16,213	16,883	670
Other revenue	10,000	10,000	6,112	(3,888)
Revenues available for appropriation	<u>7,019,063</u>	<u>9,328,666</u>	<u>9,384,076</u>	<u>55,410</u>
Charges to appropriations (outflows):				
PH-Local Bioterrorism				
Transfers out	<u>164,600</u>	<u>197,380</u>	<u>197,367</u>	<u>13</u>
Subtotal	<u>164,600</u>	<u>197,380</u>	<u>197,367</u>	<u>13</u>
PH-Emergency Medical Svcs				
Transfers out	<u>538,391</u>	<u>538,391</u>	<u>466,748</u>	<u>71,643</u>
Subtotal	<u>538,391</u>	<u>538,391</u>	<u>466,748</u>	<u>71,643</u>
PH-Vital and Health Statistics				
Transfers out	<u>15,060</u>	<u>16,060</u>	<u>15,060</u>	<u>1,000</u>
Subtotal	<u>15,060</u>	<u>16,060</u>	<u>15,060</u>	<u>1,000</u>
PH-Health Resources and Services				
Transfers out	<u>145,704</u>	<u>178,224</u>	<u>178,212</u>	<u>12</u>
Subtotal	<u>145,704</u>	<u>178,224</u>	<u>178,212</u>	<u>12</u>
WPC - Whole Person Care				
Transfers out	<u>-</u>	<u>1,500,000</u>	<u>518,235</u>	<u>981,765</u>
Subtotal	<u>-</u>	<u>1,500,000</u>	<u>518,235</u>	<u>981,765</u>
MH-MHSA Planning Expenses				
Transfers out	<u>5,537,675</u>	<u>5,560,175</u>	<u>5,068,502</u>	<u>491,673</u>
Subtotal	<u>5,537,675</u>	<u>5,560,175</u>	<u>5,068,502</u>	<u>491,673</u>
ADS-Alcohol Abuse Education Prevention				
Transfers out	<u>247,000</u>	<u>247,000</u>	<u>247,000</u>	<u>-</u>
Subtotal	<u>247,000</u>	<u>247,000</u>	<u>247,000</u>	<u>-</u>
ADS-Drug Fees-HS11372.7				
Transfers out	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>-</u>
Subtotal	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>-</u>
ADS-Tobacco Control				
Transfers out	<u>150,200</u>	<u>174,900</u>	<u>174,894</u>	<u>6</u>
Subtotal	<u>150,200</u>	<u>174,900</u>	<u>174,894</u>	<u>6</u>
Total charges to appropriations	<u>6,808,630</u>	<u>8,422,130</u>	<u>6,876,018</u>	<u>1,546,112</u>
Net change in fund balances, budgetary basis	210,433	906,536	2,508,058	1,601,522
Budgetary fund balances - beginning	<u>6,548,652</u>	<u>6,548,652</u>	<u>6,548,652</u>	<u>-</u>
Budgetary fund balances - ending	<u>\$ 6,759,085</u>	<u>\$ 7,455,188</u>	<u>\$ 9,056,710</u>	<u>\$ 1,601,522</u>

continued

COUNTY OF NAPA

Budgetary Comparison Schedule
Non-Operating Special Revenue Fund - Health & Sanitation
For the Year Ended June 30, 2017

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 \$ 6,876,018

Difference - budget to GAAP:

Transfers to other funds are outflows of budgetary resources but not expenditures for financial reporting purposes (6,876,018)

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

Note: These activities are included in the presentation of the Health and Human Services Agency 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, 2017

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		Positive (Negative)
Resources (inflows):				
Revenue from the use of money and property	\$ 2,750	\$ 2,750	\$ 3,111	\$ 361
Aid from other governments	2,028,960	2,078,960	1,899,799	(179,161)
Charges for services	60,000	60,000	62,408	2,408
Donations and contributions	18,000	18,000	17,243	(757)
Revenues available for appropriation	<u>2,109,710</u>	<u>2,159,710</u>	<u>1,982,561</u>	<u>(177,149)</u>
Charges to appropriations (outflows):				
Probation- Title IV E				
Transfers out	200,000	250,000	246,630	3,370
Subtotal	<u>200,000</u>	<u>250,000</u>	<u>246,630</u>	<u>3,370</u>
CWS-County Children Fund				
Transfers out	40,000	50,985	50,985	-
Subtotal	<u>40,000</u>	<u>50,985</u>	<u>50,985</u>	<u>-</u>
CWS-SB163 Wraparound				
Transfers out	1,025,317	1,025,317	699,731	325,586
Subtotal	<u>1,025,317</u>	<u>1,025,317</u>	<u>699,731</u>	<u>325,586</u>
SS-Clerk Domestic Violence				
Transfers out	40,050	47,150	46,049	1,101
Subtotal	<u>40,050</u>	<u>47,150</u>	<u>46,049</u>	<u>1,101</u>
Family Support				
Transfer out	1,120,000	1,120,000	633,057	486,943
Subtotal	<u>1,120,000</u>	<u>1,120,000</u>	<u>633,057</u>	<u>486,943</u>
Total charges to appropriations	<u>2,425,367</u>	<u>2,493,452</u>	<u>1,676,452</u>	<u>817,000</u>
Net change in fund balances, budgetary basis	(315,657)	(333,742)	306,109	639,851
Budgetary fund balances - beginning	19,071	19,071	19,071	-
Budgetary fund balances - ending	<u>\$ (296,586)</u>	<u>\$ (314,671)</u>	<u>\$ 325,180</u>	<u>\$ 639,851</u>

COUNTY OF NAPA

Budgetary Comparison Schedule
Non-Operating Special Revenue Fund - Public Assistance
For the Year Ended June 30, 2017

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

Uses/outflows of resources

Actual amounts (budgetary basis) "total charges to appropriations" from the Budgetary Comparison Schedule \$ 1,676,452

Difference - budget to GAAP:
Transfers to other funds are outflows of budgetary resources but not expenditures for financial reporting purposes (1,676,452)

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

Note: These activities are included in the presentation of the Health and Human Services Agency 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, 2017

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		Positive (Negative)
Resources (inflows):				
Revenue from the use of money and property	\$ 200	\$ 200	\$ -	\$ (200)
Aid from other governments	24,767,021	25,241,021	25,903,469	662,448
Donations and contributions	18,000	18,000	-	(18,000)
Charges for services	20,000	20,000	-	(20,000)
Transfers in	110,000	-	-	-
Revenues available for appropriation	<u>24,915,221</u>	<u>25,279,221</u>	<u>25,903,469</u>	<u>624,248</u>
Charges to appropriations (outflows):				
Transfers out	<u>23,944,609</u>	<u>24,861,859</u>	<u>23,681,272</u>	<u>1,180,587</u>
Subtotal	<u>23,944,609</u>	<u>24,861,859</u>	<u>23,681,272</u>	<u>1,180,587</u>
Total charges to appropriations	<u>23,944,609</u>	<u>24,861,859</u>	<u>23,681,272</u>	<u>1,180,587</u>
Net change in fund balances, budgetary basis	970,612	417,362	2,222,197	1,804,835
Budgetary fund balances - beginning	<u>5,695,265</u>	<u>5,695,265</u>	<u>5,695,265</u>	<u>-</u>
Budgetary fund balances - ending	<u>\$ 6,665,877</u>	<u>\$ 6,112,627</u>	<u>\$ 7,917,462</u>	<u>\$ 1,804,835</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	\$ 23,681,272
Difference - budget to GAAP: Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes	<u>(23,681,272)</u>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - General Fund	<u>\$ -</u>

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, 2017

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Resources (inflows):				
Fines, forfeitures and penalties	\$ 425,500	\$ 425,500	\$ 397,122	\$ (28,378)
Revenue from the use of money and property	123,000	123,000	384,324	261,324
Aid from other governments	-	15,472,183	1,643,876	(13,828,307)
Taxes	1,000,000	1,000,000	-	(1,000,000)
Other financing sources	-	1,602,200	-	(1,602,200)
Transfers in	-	22,336,140	22,336,139	(1)
Intrafund transfers in	1,616,000	11,280,574	11,280,572	(2)
Revenues available for appropriation	<u>3,164,500</u>	<u>52,239,597</u>	<u>36,042,033</u>	<u>(16,197,564)</u>
Charges to appropriations (Outflows):				
Accumulated Capital Outlay				
Intrafund transfers out	1,616,000	10,465,000	10,465,000	-
Subtotal	<u>1,616,000</u>	<u>10,465,000</u>	<u>10,465,000</u>	<u>-</u>
Capital Improvement Projects				
Capital expenditures	1,616,000	46,065,387	16,511,253	29,554,134
Transfers out	-	13	12	1
Intrafund transfers out	-	5,574	5,572	2
Subtotal	<u>1,616,000</u>	<u>46,070,974</u>	<u>16,516,837</u>	<u>29,554,137</u>
Courthouse Construction				
Services and supplies	25,000	25,000	-	25,000
Courthouse Const Intrafund Transfer out	-	810,000	810,000	-
Subtotal	<u>25,000</u>	<u>835,000</u>	<u>810,000</u>	<u>25,000</u>
Total charges to appropriations	<u>3,257,000</u>	<u>57,370,974</u>	<u>27,791,837</u>	<u>29,579,137</u>
Net change in fund balances, budgetary basis	(92,500)	(5,131,377)	8,250,196	13,381,573
Budgetary fund balances - beginning	49,510,788	49,510,788	49,510,788	-
Budgetary fund balances - ending	<u>\$ 49,418,288</u>	<u>\$ 44,379,411</u>	<u>\$ 57,760,984</u>	<u>\$ 13,381,573</u>

COUNTY OF NAPA

Budgetary Comparison Schedule
Capital Improvement Fund
For the Year Ended June 30, 2017

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 \$ 36,042,033

Difference - budget to GAAP:

Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes (22,336,139)

Transfers within the fund are inflows of budgetary resources but are not revenues for financial reporting purposes (11,280,572)

Total revenues as reported on the Statement of Revenue, Expenditures and Changes in Fund Balance - Governmental Funds \$ 2,425,322

Uses/outflows of resources

Actual amounts (budgetary basis) "total charges to appropriations" from the Budgetary Comparison Schedule \$ 27,791,837

Difference - budget to GAAP:

Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes. (12)

Transfers within the fund are outflows of budgetary resources but are not expenditures for financial reporting purposes. (11,280,572)

Total expenditures as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds \$ 16,511,253



Firebird by Oleg Lobykin

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, 2017

	<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	\$ 500	\$ 500	\$ 4,332	\$ 3,832
Aid from other governments	76,174	76,174	77,127	953
Transfers in	<u>4,515,113</u>	<u>4,515,113</u>	<u>4,334,486</u>	<u>(180,627)</u>
Amounts available for appropriation	<u>4,591,787</u>	<u>4,591,787</u>	<u>4,415,945</u>	<u>(175,842)</u>
Charges to appropriations (outflows):				
Debt service	<u>4,591,287</u>	<u>4,591,287</u>	<u>4,492,953</u>	<u>98,334</u>
Total charges to appropriations	<u>4,591,287</u>	<u>4,591,287</u>	<u>4,492,953</u>	<u>98,334</u>
Net change in fund balances, budgetary basis	500	500	(77,008)	(77,508)
Budgetary fund balances - beginning	<u>1,575,044</u>	<u>1,575,044</u>	<u>1,575,044</u>	<u>-</u>
Budgetary fund balances - ending	<u>\$ 1,575,544</u>	<u>\$ 1,575,544</u>	<u>\$ 1,498,036</u>	<u>\$ (77,508)</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 \$ 4,415,945

Difference - budget to GAAP:

Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes (4,334,486)

Total revenues as reported on the Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds \$ 81,459



Bone Totem by Eileen Fitz-Faulkner

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.

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.

Napa County Housing Authority

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

Napa County Animal Shelter

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

COUNTY OF NAPA

Combining Statement of Fund Net Position
Nonmajor Enterprise Funds
June 30, 2017

	5th Street Parking Garage	Napa County Housing Authority	Napa County Animal Shelter	Total
Assets				
Current Assets:				
Cash and investments	\$ 299,836	\$ 1,083,851	\$ 169,453	\$ 1,553,140
Imprest cash	-	-	175	175
Accounts receivable	-	14,919	212,339	227,258
Total current assets	<u>299,836</u>	<u>1,098,770</u>	<u>381,967</u>	<u>1,780,573</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	-	80,799	-	80,799
Accumulated depreciation	(2,863,028)	(591,270)	(1,394,944)	(4,849,242)
Total noncurrent assets	<u>13,978,313</u>	<u>4,409,897</u>	<u>4,207,266</u>	<u>22,595,476</u>
Total assets	<u>14,278,149</u>	<u>5,508,667</u>	<u>4,589,233</u>	<u>24,376,049</u>
Deferred outflows of resources				
Deferred pension	-	-	254,312	254,312
Liabilities				
Current liabilities:				
Accounts payable	3,491	146,398	21,093	170,982
Accrued salaries and benefits	-	-	18,067	18,067
Unearned revenue	-	6,283	-	6,283
Capital lease obligations	-	-	19,586	19,586
Compensated absences	-	-	28,134	28,134
Total current liabilities	<u>3,491</u>	<u>152,681</u>	<u>86,880</u>	<u>243,052</u>
Noncurrent liabilities:				
Capital lease obligations	-	-	191,248	191,248
Compensated absences	-	-	11,375	11,375
Net pension liability	-	-	781,009	781,009
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>983,632</u>	<u>983,632</u>
Total liabilities	<u>3,491</u>	<u>152,681</u>	<u>1,070,512</u>	<u>1,226,684</u>
Deferred inflows of resources:				
Deferred pension	-	-	130,408	130,408
Net position				
Net investment in capital assets	13,978,313	4,409,897	3,996,432	22,384,642
Unrestricted	296,345	946,089	(353,807)	888,627
Total net position	<u>\$ 14,274,658</u>	<u>\$ 5,355,986</u>	<u>\$ 3,642,625</u>	<u>\$ 23,273,269</u>

COUNTY OF NAPA

Combining Statement of Revenues, Expenses and Changes in Fund Net Position
 Nonmajor Enterprise Funds
 For the Year Ended June 30, 2017

	<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	\$ 174,046	\$ 736,456	\$ 1,107,858	\$ 2,018,360
Other revenue	7,439	-	8,655	16,094
Total operating revenues	<u>181,485</u>	<u>736,456</u>	<u>1,116,513</u>	<u>2,034,454</u>
Operating expenses:				
Salaries and employee benefits	-	-	686,470	686,470
Services and supplies	108,426	1,506,720	428,094	2,043,240
Insurance	37,057	-	2,821	39,878
Depreciation and amortization	336,827	75,015	105,316	517,158
Total operating expenses	<u>482,310</u>	<u>1,581,735</u>	<u>1,222,701</u>	<u>3,286,746</u>
Operating loss	<u>(300,825)</u>	<u>(845,279)</u>	<u>(106,188)</u>	<u>(1,252,292)</u>
Non-operating revenues (expenses):				
Aid from other governments	-	140,491	-	140,491
Contributions and donations	-	-	141,838	141,838
Other revenue - non operating	-	72,266	19,753	92,019
Investment income (loss)	2,135	5,909	196	8,240
Other expense	-	-	(240)	(240)
Interest expense	-	-	(3,566)	(3,566)
Total non-operating revenues (expenses)	<u>2,135</u>	<u>218,666</u>	<u>157,981</u>	<u>378,782</u>
Net income (loss) before transfers	(298,690)	(626,613)	51,793	(873,510)
Transfers in	<u>-</u>	<u>667,602</u>	<u>-</u>	<u>667,602</u>
Change in net position	<u>(298,690)</u>	<u>40,989</u>	<u>51,793</u>	<u>(205,908)</u>
Net position - beginning	<u>14,573,348</u>	<u>5,314,997</u>	<u>3,590,832</u>	<u>23,479,177</u>
Net position - ending	<u>\$ 14,274,658</u>	<u>\$ 5,355,986</u>	<u>\$ 3,642,625</u>	<u>\$ 23,273,269</u>

COUNTY OF NAPA

Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended June 30, 2017

	<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	\$ 181,485	\$ 733,093	\$ 1,141,385	\$ 2,055,963
Other receipts	-	72,266	19,753	92,019
Payments to suppliers for goods and services	(145,524)	(1,424,402)	(435,009)	(2,004,935)
Payments to employees for services	-	-	(691,728)	(691,728)
Other payments	-	-	(240)	(240)
Net cash provided (used) by operating activities	<u>35,961</u>	<u>(619,043)</u>	<u>34,161</u>	<u>(548,921)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Aid from other governmental agencies	-	140,491	-	140,491
Contributions and donations	-	-	141,838	141,838
Transfers in	-	667,602	-	667,602
Net cash provided by noncapital financing activities	<u>-</u>	<u>808,093</u>	<u>141,838</u>	<u>949,931</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Payments related to the acquisition of capital assets	-	(34,020)	-	(34,020)
Principal repayments on capital leases	-	-	(16,807)	(16,807)
Interest payments related to capital activities	-	-	(3,566)	(3,566)
Net cash used by capital and related financing activities	<u>-</u>	<u>(34,020)</u>	<u>(20,373)</u>	<u>(54,393)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Investment earnings	<u>2,135</u>	<u>5,909</u>	<u>196</u>	<u>8,240</u>
Net cash provided (used) by investing activities	<u>2,135</u>	<u>5,909</u>	<u>196</u>	<u>8,240</u>
Net increase (decrease) in cash and cash equivalents	38,096	160,939	155,822	354,857
Cash and cash equivalents, beginning	<u>261,740</u>	<u>922,912</u>	<u>13,806</u>	<u>1,198,458</u>
Cash and cash equivalents, ending (includes imprest cash)	<u>\$ 299,836</u>	<u>\$ 1,083,851</u>	<u>\$ 169,628</u>	<u>\$ 1,553,315</u>

COUNTY OF NAPA

Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended June 30, 2017

	<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)	\$ (300,825)	\$ (845,279)	\$ (106,188)	\$ (1,252,292)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Other non-operating receipts	-	-	(240)	(240)
Depreciation and amortization	336,827	75,015	105,316	517,158
Other non-operating payments	-	72,266	19,753	92,019
Changes in assets, deferred outflows of resources, liabilities and deferred inflows of resources:				
(Increase) decrease in				
Accounts receivable	-	(1,140)	24,872	23,732
Increase (decrease) in:				
Accounts payable	(41)	82,318	(4,094)	78,183
Salaries and benefits	-	-	(5,258)	(5,258)
Unearned revenue	-	(2,223)	-	(2,223)
Net cash provided (used) by operating activities	<u>\$ 35,961</u>	<u>\$ (619,043)</u>	<u>\$ 34,161</u>	<u>\$ (548,921)</u>



Your Cube, Sir by Jeff Owen

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.

Property Management

Property Management provides ongoing custodial, maintenance and rehabilitation work on County facilities. It provides for the repair and maintenance of the County's mechanical equipment and other machinery. Appropriations are offset by revenue derived from charges for services to all departments and outside agencies that use the County's property management services..

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, 2017

	Fleet Management	Information Technology Service	Property Management	Employee- Retiree Benefits	Liability Insurance	Total
Assets						
Current assets:						
Cash and investments	\$ 1,863,816	\$ 7,567,701	\$ 915,863	\$ 7,681,550	\$ 3,032,894	\$ 21,061,824
Imprest cash	-	-	-	-	46,574	46,574
Accounts receivable	20,751	10,200	6,640	447,683	1,475	486,749
Prepaid items	-	100,739	-	3,188	-	103,927
Deposits	-	-	-	136,579	-	136,579
Total current assets	<u>1,884,567</u>	<u>7,678,640</u>	<u>922,503</u>	<u>8,269,000</u>	<u>3,080,943</u>	<u>21,835,653</u>
Noncurrent assets:						
Net other postemployment benefits asset	-	-	-	1,637,000	-	1,637,000
Capital assets						
Nondepreciable:						
Intangible assets	-	264,555	-	-	-	264,555
Depreciable:						
Equipment	12,915,628	3,379,116	29,239	-	-	16,323,983
Intangible assets	-	1,920,437	-	-	-	1,920,437
Accumulated depreciation	<u>(8,239,245)</u>	<u>(3,157,555)</u>	<u>(2,924)</u>	-	-	<u>(11,399,724)</u>
Total noncurrent assets	<u>4,676,383</u>	<u>2,406,553</u>	<u>26,315</u>	<u>1,637,000</u>	<u>-</u>	<u>8,746,251</u>
Total assets	<u>6,560,950</u>	<u>10,085,193</u>	<u>948,818</u>	<u>9,906,000</u>	<u>3,080,943</u>	<u>30,581,904</u>
Deferred outflows of resources						
Deferred pension	<u>162,128</u>	<u>2,878,307</u>	<u>1,172,065</u>	<u>-</u>	<u>-</u>	<u>4,212,500</u>
Liabilities						
Current liabilities:						
Accounts payable	92,037	520,443	159,111	151,327	14,532	937,450
Accrued salaries and benefits	11,621	226,802	91,872	187,464	-	517,759
Capital lease obligations	-	94,886	-	-	-	94,886
Unearned revenue	-	4,260	-	-	-	4,260
Unpaid insurance claims	-	-	-	1,768,965	877,489	2,646,454
Compensated absences	17,997	247,248	123,340	-	-	388,585
Total current liabilities	<u>121,655</u>	<u>1,093,639</u>	<u>374,323</u>	<u>2,107,756</u>	<u>892,021</u>	<u>4,589,394</u>
Noncurrent liabilities						
Capital lease obligations	-	52,973	-	-	-	52,973
Unpaid insurance claims	-	-	-	6,234,306	1,517,473	7,751,779
Compensated absences	21,161	324,232	114,403	-	-	459,796
Net pension liability	480,491	8,484,745	3,697,838	-	-	12,663,074
Total noncurrent liabilities	<u>501,652</u>	<u>8,861,950</u>	<u>3,812,241</u>	<u>6,234,306</u>	<u>1,517,473</u>	<u>20,927,622</u>
Total liabilities	<u>623,307</u>	<u>9,955,589</u>	<u>4,186,564</u>	<u>8,342,062</u>	<u>2,409,494</u>	<u>25,517,016</u>
Deferred inflows of resources:						
Deferred pension	<u>77,432</u>	<u>1,363,878</u>	<u>542,813</u>	<u>-</u>	<u>-</u>	<u>1,984,123</u>
Net position						
Net investment in capital assets	4,676,383	2,258,694	26,315	-	-	6,961,392
Unrestricted	<u>1,345,956</u>	<u>(614,661)</u>	<u>(2,634,809)</u>	<u>1,563,938</u>	<u>671,449</u>	<u>331,873</u>
Total net position	<u>\$ 6,022,339</u>	<u>\$ 1,644,033</u>	<u>\$ (2,608,494)</u>	<u>\$ 1,563,938</u>	<u>\$ 671,449</u>	<u>\$ 7,293,265</u>

COUNTY OF NAPA

Combining Statement of Revenues, Expenses
and Changes in Fund Net Position
Internal Service Funds
For the Year Ended June 30, 2017

	Fleet Management	Information Technology Service	Property Management	Employee- Retiree Benefits	Liability Insurance	Total
Operating revenues						
Charges for services	\$ -	\$ 13,539,885	\$ 8,372,218	\$ 14,564,767	\$ 2,671,955	\$ 39,148,825
Maintenance charges:						
Equipment	566,459	-	-	-	-	566,459
Vehicle	1,133,610	-	-	-	-	1,133,610
Replacement charges	1,305,631	-	-	-	-	1,305,631
Other revenue	-	-	-	9	-	9
Total operating revenues	<u>3,005,700</u>	<u>13,539,885</u>	<u>8,372,218</u>	<u>14,564,776</u>	<u>2,671,955</u>	<u>42,154,534</u>
Operating expenses:						
Salaries and employee benefits	383,194	7,653,597	6,436,364	12,762,075	-	27,235,230
Services and supplies	1,103,239	4,389,413	4,490,314	-	375,347	10,358,313
Other charges	-	-	100,893	-	-	100,893
Claims expense	-	-	-	2,101,461	2,354,778	4,456,239
Depreciation and amortization	1,008,371	543,464	2,924	-	-	1,554,759
Total operating expenses	<u>2,494,804</u>	<u>12,586,474</u>	<u>11,030,495</u>	<u>14,863,536</u>	<u>2,730,125</u>	<u>43,705,434</u>
Operating income (loss)	<u>510,896</u>	<u>953,411</u>	<u>(2,658,277)</u>	<u>(298,760)</u>	<u>(58,170)</u>	<u>(1,550,900)</u>
Non-operating revenues (expenses):						
Aid from other governments	-	25,560	-	-	-	25,560
Investment income (loss)	14,022	58,417	49,783	54,010	16,524	192,756
Interest expense	-	(19,012)	-	-	-	(19,012)
Gain (Loss) on disposition of capital assets	152,487	-	-	-	-	152,487
Total non-operating revenues (expenses)	<u>166,509</u>	<u>64,965</u>	<u>49,783</u>	<u>54,010</u>	<u>16,524</u>	<u>351,791</u>
Net income (loss) before transfers	677,405	1,018,376	(2,608,494)	(244,750)	(41,646)	(1,199,109)
Transfers in	-	-	-	180,000	119,762	299,762
Transfers out	<u>(265,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(265,000)</u>
Change in net position	<u>412,405</u>	<u>1,018,376</u>	<u>(2,608,494)</u>	<u>(64,750)</u>	<u>78,116</u>	<u>(1,164,347)</u>
Net position - beginning	<u>5,609,934</u>	<u>625,657</u>	<u>-</u>	<u>1,628,688</u>	<u>593,333</u>	<u>8,457,612</u>
Net position - ending	<u>\$ 6,022,339</u>	<u>\$ 1,644,033</u>	<u>\$ (2,608,494)</u>	<u>\$ 1,563,938</u>	<u>\$ 671,449</u>	<u>\$ 7,293,265</u>

COUNTY OF NAPA
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2017

	Fleet Management	Information Technology Service	Property Management	Employee- Retiree Benefits	Liability Insurance	Total
CASH FLOWS FROM OPERATING ACTIVITIES:						
Receipts from services provided	\$ 3,072,640	\$ 13,504,125	\$ 8,365,578	\$ 15,303,690	\$ 2,673,130	\$ 42,919,163
Payments to suppliers for goods and services	(1,129,256)	(4,044,287)	(4,591,207)	(970,233)	(400,829)	(11,135,812)
Payments for self insurance claims	-	-	-	(1,786,518)	(2,111,801)	(3,898,319)
Payments to employees for services	(392,998)	(7,073,036)	(2,879,052)	(12,032,568)	-	(22,377,654)
Net cash provided (used) by operating activities	<u>1,550,386</u>	<u>2,386,802</u>	<u>895,319</u>	<u>514,371</u>	<u>160,500</u>	<u>5,507,378</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:						
Aid from other government agencies	-	25,560	-	-	-	25,560
Transfers from other funds	-	-	-	180,000	119,762	299,762
Transfers to other funds	(265,000)	-	-	-	-	(265,000)
Net cash provided (used) by noncapital financing activities	<u>(265,000)</u>	<u>25,560</u>	<u>-</u>	<u>180,000</u>	<u>119,762</u>	<u>60,322</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:						
Proceeds from sale of capital assets	225,335	-	-	-	-	225,335
Principal repayments on capital leases	-	(172,065)	-	-	-	(172,065)
Interest payments related to capital purposes	-	(19,012)	-	-	-	(19,012)
Payments related to the acquisition of capital assets	(1,843,212)	(1,126,732)	(29,239)	-	-	(2,999,183)
Net cash provided (used) by capital and related financing activities	<u>(1,617,877)</u>	<u>(1,317,809)</u>	<u>(29,239)</u>	<u>-</u>	<u>-</u>	<u>(2,964,925)</u>
CASH FLOWS FROM INVESTING ACTIVITIES						
Investment earnings	14,022	58,417	49,783	54,010	16,524	192,756
Net cash provided by investing activities	<u>14,022</u>	<u>58,417</u>	<u>49,783</u>	<u>54,010</u>	<u>16,524</u>	<u>192,756</u>
Net increase (decrease) in cash and cash equivalents	(318,469)	1,152,970	915,863	748,381	296,786	2,795,531
Cash and cash equivalents, beginning	<u>2,182,286</u>	<u>6,414,731</u>	<u>-</u>	<u>6,933,169</u>	<u>2,782,681</u>	<u>18,312,867</u>
Cash and cash equivalents, ending (includes imprest cash)	<u>\$ 1,863,817</u>	<u>\$ 7,567,701</u>	<u>\$ 915,863</u>	<u>\$ 7,681,550</u>	<u>\$ 3,079,467</u>	<u>\$ 21,108,398</u>

continued

COUNTY OF NAPA
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2017

	Fleet Management	Information Technology Service	Property Management	Employee- Retiree Benefits	Liability Insurance	Total
Reconciliation of operating income (loss) to net cash provided (used) by						
Operating activities:						
Operating income (loss)	\$ 510,896	\$ 953,411	\$ (2,658,277)	\$ (298,760)	\$ (58,170)	\$ (1,550,900)
Adjustments to reconcile operating income (loss) to net cash provided (used) by						
operating activities:						
Depreciation	1,008,371	543,464	2,924	-	-	1,554,759
Changes in assets, deferred outflows of resources, liabilities and deferred inflows of resources:						
(Increase) decrease in:						
Accounts receivable	66,940	(10,200)	(6,640)	738,914	1,175	790,189
Deposits	-	-	-	(119,233)	-	(119,233)
Prepaid items	-	104,982	-	(3,175)	-	101,807
Net other postemployment benefits asset	-	-	-	(851,000)	-	(851,000)
Increase (decrease) in:						
Accounts payable	(26,017)	240,144	159,111	(124,103)	(25,482)	223,653
Salaries and benefits	(9,804)	580,561	3,398,201	856,785	-	4,825,743
Unearned revenue	-	(25,560)	-	-	-	(25,560)
Claims liability	-	-	-	314,943	242,977	557,920
Net cash provided (used) by operating activities	\$ 1,550,386	\$ 2,386,802	\$ 895,319	\$ 514,371	\$ 160,500	\$ 5,507,378
Noncash investing, capital and financing activities:						
Borrowings under capital lease	\$ -	\$ 147,436	\$ -	\$ -	\$ -	\$ 147,436



Strength Together by Gabe Babcock

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, 2017

	<u>School Districts</u>	<u>Independent Special Districts</u>	<u>Total</u>
Assets			
Cash and investments	<u>\$ 266,309,629</u>	<u>\$ 75,337,778</u>	<u>\$ 341,647,407</u>
Total assets	<u>266,309,629</u>	<u>75,337,778</u>	<u>341,647,407</u>
Net position			
Net assets held in trust for investment pool participants	<u>266,309,629</u>	<u>75,337,778</u>	<u>341,647,407</u>
Total net position	<u>\$ 266,309,629</u>	<u>\$ 75,337,778</u>	<u>\$ 341,647,407</u>

COUNTY OF NAPA

Combining Statement of Changes in Fiduciary Net Position
Investment Trust Funds
For the Year Ended June 30, 2017

	<u>School Districts</u>	<u>Independent Special Districts</u>	<u>Total</u>
<u>ADDITIONS</u>			
Contributions:			
Contribution to investment pool	\$ 589,280,489	\$ 102,527,690	\$ 691,808,179
Total contributions	<u>589,280,489</u>	<u>102,527,690</u>	<u>691,808,179</u>
Net investment income:			
Investment income (loss)	<u>1,175,931</u>	<u>449,104</u>	<u>1,625,035</u>
Net investment income	<u>1,175,931</u>	<u>449,104</u>	<u>1,625,035</u>
Total additions	<u>590,456,420</u>	<u>102,976,794</u>	<u>693,433,214</u>
<u>DEDUCTIONS</u>			
Distributions from investment pool	<u>432,372,536</u>	<u>95,224,451</u>	<u>527,596,987</u>
Total deductions	<u>432,372,536</u>	<u>95,224,451</u>	<u>527,596,987</u>
Change in net position	158,083,884	7,752,343	165,836,227
Net position - beginning	<u>108,225,745</u>	<u>67,863,322</u>	<u>176,089,067</u>
Component unit - Napa County Children and Families Commission	-	(277,887)	(277,887)
Net position - beginning, as restated	<u>108,225,745</u>	<u>67,585,435</u>	<u>175,811,180</u>
Net position - ending	<u>\$ 266,309,629</u>	<u>\$ 75,337,778</u>	<u>\$ 341,647,407</u>

COUNTY OF NAPA

Combining Statement of Changes in Fiduciary Assets and Liabilities
 Agency Funds
 For the Year Ended June 30, 2017

	<u>June 30, 2016</u>	<u>Additions</u>	<u>Deductions</u>	<u>June 30, 2017</u>
Assets				
Cash and investments	\$ 40,340,457	\$ 653,417,592	\$ 658,271,574	\$ 35,486,475
Restricted Cash:				
Cash held for tax loss reserve	1,089,486	2,724,991	-	3,814,477
Imprest cash/Revolving fund	43,975	22,988	-	66,963
Taxes receivable	<u>13,738,261</u>	<u>2,336,028</u>	<u>-</u>	<u>16,074,289</u>
Total current assets	<u>\$ 55,212,179</u>	<u>\$ 658,501,599</u>	<u>\$ 658,271,574</u>	<u>\$ 55,442,204</u>
 Liabilities				
Agency funds held for others	<u>\$ 55,212,179</u>	<u>\$ 658,501,599</u>	<u>\$ 658,271,574</u>	<u>\$ 55,442,204</u>
Total liabilities	<u>\$ 55,212,179</u>	<u>\$ 658,501,599</u>	<u>\$ 658,271,574</u>	<u>\$ 55,442,204</u>



Wisdom of Decay by James Burnes



Statistical Section



Treasures from the Sea by Lt. Mustardseed

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.

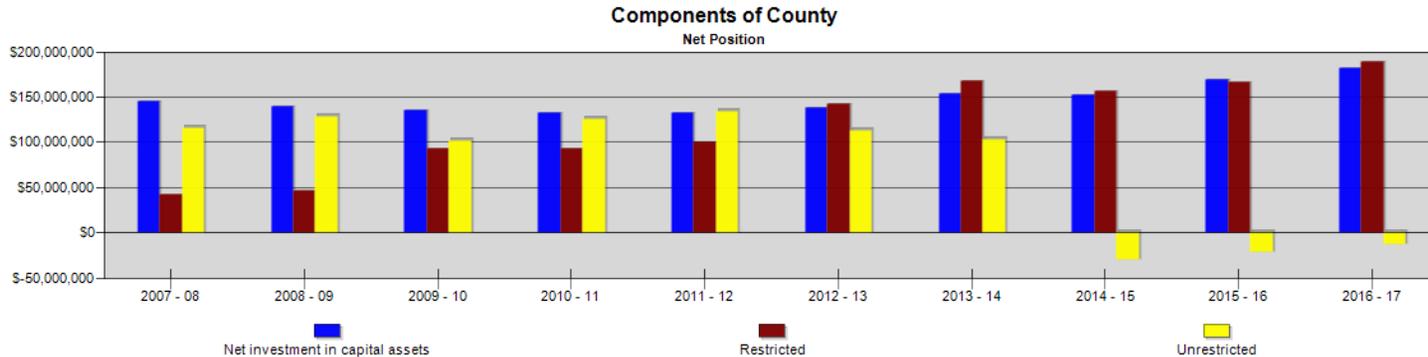
	<u>Page</u>
Financial Trends Information	
These schedules contain trend information that may assist the reader in assessing the County's current financial performance by placing it in historical perspective.....	179
Revenue Capacity Information	
These schedules contain information that may assist the reader in assessing the viability of the County's two most significant local revenue sources: property taxes and sales taxes.....	185
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.....	190
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.....	195
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.....	198



Taffeta by Reven Swanson

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

	Fiscal Year									
	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
Governmental activities										
Net investment in capital assets	\$ 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	\$ 143,762,773
Restricted	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	189,112,238
Unrestricted	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)	(20,269,210)
Total governmental activities net position	\$ 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	\$ 312,605,801
Business-type activities										
Net investment in capital assets	\$ 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	\$ 38,348,871
Restricted	480,549	479,333	293,479	328,155	325,929	-	-	-	-	270,579
Unrestricted	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	7,246,390
Total business-type activities net position	\$ 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	\$ 45,865,840
Primary government										
Net investment in capital assets	\$ 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	\$ 182,111,644
Restricted	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	189,382,817
Unrestricted ²	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)	(13,022,820)
Total primary government net position¹	\$ 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	\$ 358,471,641
Percent of increase (decrease) in primary government net position	10.58%	4.10%	4.88%	6.63%	4.08%	7.50%	7.87%	(34.23)%	12.92%	13.39%



Notes:

- 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 maybe used, or through enabling legislation enacted by the County.
 - The County adopted GASB Statement 68 during the fiscal year ended June 30, 2015. In accordance with the provisions of the statement, the County reported its net pension liability on the statement of net position with a commensurate decrease in net position. The decrease in net position resulted in the County reporting negative unrestricted net position for fiscal year ending June 30, 2015 and all subsequent fiscal years to date.
- 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									
	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
Expenses										
Governmental activities:										
General government	\$ 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	\$ 42,467,475
Public protection	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	121,881,217
Public ways and facilities	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	31,597,142
Health and sanitation	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	54,806,658
Public assistance	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	43,818,306
Education	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	7,942,957
Recreation and cultural services	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	1,550,142
Debt service:										
Interest and fiscal charges	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	1,269,932
Administration and arbitrage fees	6,315	17,570	36,684	15,745	560,067	94,904	426,561	9,675	7,197	6,032
Total governmental activities expenses	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	305,339,861
Business-type activities:										
Airport	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	3,183,011
Lake Berryessa Resort Improvement District	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	1,203,541
Napa Berryessa Resort Improvement District	1,238,425	737,780	765,839	949,895	889,276	1,029,072	1,215,339	1,349,282	1,671,176	1,698,493
5th Street Parking Garage	-	221,177	436,478	454,693	475,932	464,416	467,120	469,745	486,299	482,310
Napa County Housing Authority	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	1,581,735
Napa County Animal Shelter	-	-	965,424	1,088,049	1,166,207	1,201,934	1,125,164	1,148,914	1,245,884	1,226,507
Total business-type activities expenses	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	9,375,597
Total primary government expenses	\$ 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	\$ 314,715,458
Program Revenues										
Governmental activities:										
Fees, fines & charges for services										
General government	\$ 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	\$ 14,993,343
Public protection	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	20,586,040
Other activities	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	21,264,554
Operating grants and contributions	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	126,939,568
Capital grants and contributions	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	7,108,170
Total governmental activities program revenues	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	190,891,675
Business-type activities:										
Fees, fines & charges for services										
Airport	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	2,441,919
Lake Berryessa Resort Improvement District	446,722	517,297	566,054	508,481	591,915	342,638	562,641	549,257	591,816	604,726
Napa Berryessa Resort Improvement District	627,018	619,520	519,467	671,659	819,750	824,798	814,147	828,443	820,774	923,277
5th Street Parking Garage	-	162,287	111,205	128,774	82,245	160,190	152,469	176,115	172,618	181,485
Napa County Housing Authority	480,869	482,226	484,904	558,671	539,460	633,530	711,336	721,462	720,756	736,456
Napa County Animal Shelter	-	-	878,181	977,607	631,633	1,015,767	1,237,763	854,473	1,172,286	1,116,513
Operating grants and contributions	210,446	169,041	246,408	153,902	177,780	149,828	177,725	61,092	130,429	283,013
Capital grants and contributions	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	1,541,722
Total business-type activities program revenues	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	7,829,111
Total primary government program revenues	\$ 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	\$ 198,720,786
Net (Expense)/Revenue¹										
Governmental activities	\$ (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)	\$ (114,448,186)
Business-type activities	8,513,100	(810,540)	(1,478,747)	(927,771)	(705,172)	(2,123,405)	(1,511,473)	1,028,990	(1,738,255)	(1,546,486)
Total primary government net expense	\$ (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)	\$ (115,994,672)

continued

COUNTY OF NAPA

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

	Fiscal Year									
	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes:										
Property Taxes	\$ 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	\$ 106,491,427
Sales and use taxes	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	29,098,837
Transient occupancy taxes	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	13,703,499
Property transfer taxes	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	2,440,702
Unrestricted interest and investment earnings	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	2,479,774
Miscellaneous	1,999,522	778,508	423,790	1,314,079	350,270	376,432	295,999	2,098,661	572,309	553,355
Extraordinary item - 2014 South Napa Earthquake	-	-	-	-	-	-	-	(5,201,279)	(2,878,403)	2,935,214
Transfers	(651,193)	(17,425,745)	(5,346,980)	(496,646)	(1,049,027)	(526,858)	(1,715,890)	(698,059)	(591,162)	(667,602)
Total governmental activities	<u>127,474,064</u>	<u>112,502,437</u>	<u>114,282,032</u>	<u>129,348,914</u>	<u>124,077,934</u>	<u>129,708,063</u>	<u>135,451,979</u>	<u>138,463,253</u>	<u>148,506,631</u>	<u>157,035,206</u>
Business-type activities:										
Taxes	110,558	123,196	116,564	124,640	98,999	360,700	341,015	354,984	369,284	373,106
Investment earnings	303,146	185,110	76,093	59,244	46,920	(23,248)	80,183	51,051	48,032	62,945
Miscellaneous	86,800	-	12,307	2,229	(43,614)	-	11,916	8,621	7,439	192,019
Changes in estimation- capital assets ²	-	(3,603,439)	-	-	-	-	-	-	-	-
Special item ³	-	(400,000)	-	-	-	-	-	-	-	-
Transfers	651,193	17,425,745	5,346,980	496,646	1,049,027	526,858	1,715,890	698,059	591,162	667,602
Total business-type activities	<u>1,151,697</u>	<u>13,730,612</u>	<u>5,551,944</u>	<u>682,759</u>	<u>1,151,332</u>	<u>864,310</u>	<u>2,149,004</u>	<u>1,112,715</u>	<u>1,015,917</u>	<u>1,295,672</u>
Total primary government	<u>\$ 128,625,761</u>	<u>\$ 126,233,049</u>	<u>\$ 119,833,976</u>	<u>\$ 130,031,673</u>	<u>\$ 125,229,266</u>	<u>\$ 130,572,373</u>	<u>\$ 137,600,983</u>	<u>\$ 139,575,968</u>	<u>\$ 149,522,548</u>	<u>\$ 158,330,878</u>
Change in Net Position										
Governmental activities	\$ 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	\$ 42,587,020
Business-type activities	9,664,797	12,920,072	4,073,197	(245,012)	446,160	(1,259,095)	637,531	2,141,705	(722,338)	(250,814)
Total primary government	<u>\$ 27,956,382</u>	<u>\$ 12,433,393</u>	<u>\$ 15,391,702</u>	<u>\$ 21,914,093</u>	<u>\$ 14,383,967</u>	<u>\$ 27,780,824</u>	<u>\$ 31,062,724</u>	<u>\$ 36,701,353</u>	<u>\$ 36,182,797</u>	<u>\$ 42,336,206</u>

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>
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
2017	106,491,428	29,098,837	13,703,499	2,440,702	151,734,466
Change 2008-2017	40.7%	-6.7%	41.5%	116.2%	28.9%

Notes:

- ¹ Property tax revenues increased 40.7% 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 6.7% 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 41.5% in the last ten years due to an increase in tourism.
- ⁴ Property transfer tax revenues increased 116.2% in the last 10 years due to an increase 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									
	2007-08	2008-09	2009-10	2010-11¹	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
General Fund										
Reserved	\$ 9,662	\$ 10,397	\$ 10,511	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	40,309	40,570	50,863	-	-	-	-	-	-	-
Nonspendable	-	-	-	1,590	2,210	4,989	3,713	3,734	2,830	2,281
Restricted	-	-	-	28,631	42,509	36,378	38,554	31,571	34,277	45,200
Committed	-	-	-	1,009	1,357	1,162	1,170	8,275	240	1,076
Assigned	-	-	-	34,081	35,946	36,901	14,876	12,226	26,710	15,789
Unassigned	-	-	-	23,137	13,767	13,249	38,010	39,653	34,403	31,768
Total General Fund	<u>\$ 49,971</u>	<u>\$ 50,967</u>	<u>\$ 61,374</u>	<u>\$ 88,448</u>	<u>\$ 95,789</u>	<u>\$ 92,679</u>	<u>\$ 96,323</u>	<u>\$ 95,459</u>	<u>\$ 98,460</u>	<u>\$ 96,114</u>
All Other Governmental Funds										
Reserved	\$ 17,723	\$ 16,741	\$ 16,735	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds	95,038	107,942	110,556	-	-	-	-	-	-	-
Capital projects funds	21,294	18,748	20,602	-	-	-	-	-	-	-
Debt service funds	1,550	1,501	1,502	-	-	-	-	-	-	-
Nonspendable	-	-	-	570	866	324	44	62	-	76
Restricted	-	-	-	107,011	107,180	125,124	145,790	166,890	161,381	171,025
Committed	-	-	-	-	-	2,654	4,126	15,673	7,864	24,885
Assigned	-	-	-	35,304	35,671	40,793	20,821	23,099	40,351	34,343
Unassigned	-	-	-	(265)	(176)	(2,933)	(2,024)	(1,668)	(1,536)	(379)
Total all other governmental funds	<u>\$ 135,605</u>	<u>\$ 144,932</u>	<u>\$ 149,395</u>	<u>\$ 142,620</u>	<u>\$ 143,541</u>	<u>\$ 165,962</u>	<u>\$ 168,757</u>	<u>\$ 204,056</u>	<u>\$ 208,060</u>	<u>\$ 229,950</u>

Notes:

¹ Starting in Fiscal Year 2010 - 11, fund balances are presented in accordance with the Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

COUNTY OF NAPA

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

	Fiscal Year									
	2007-08	2008-09	2009-10	2010-11 ¹	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
Revenues:										
Taxes	\$ 117,712	\$ 123,565	\$ 116,671	\$ 126,682	\$ 123,155	\$ 130,166	\$ 134,480	\$ 139,965	\$ 149,481	\$ 151,734
Licenses, fees and permits	5,023	4,426	4,566	4,400	6,626	8,215	9,712	9,816	10,591	10,938
Fines, forfeitures and penalties	1,946	2,748	3,665	3,777	3,923	5,253	5,716	6,843	4,563	4,436
Use of money and property	7,657	5,089	2,471	1,961	1,630	(126)	2,371	2,636	2,139	2,417
Aid from other governments	74,639	77,127	89,189	99,079	96,937	105,815	109,952	115,157	121,331	129,215
Charges for services	26,089	31,944	32,596	35,960	34,135	38,908	36,795	39,461	44,345	42,305
Contributions and donations	3,797	1,255	896	717	769	875	314	254	245	372
Other	1,713	1,065	420	1,293	344	346	252	682	479	1,632
Total Revenues	238,576	247,219	250,474	273,869	267,519	289,452	299,592	314,814	333,174	343,049
Expenditures:										
Current:										
General government	34,968	30,181	30,282	35,071	38,337	33,411	28,960	30,848	32,239	33,252
Public protection	84,436	92,552	91,329	98,958	97,817	99,186	103,716	118,640	122,490	124,132
Public ways and facilities	18,394	20,340	18,380	19,780	21,530	27,367	29,184	30,244	42,979	30,143
Health and sanitation	38,411	40,692	39,647	40,911	38,651	42,764	40,592	42,479	46,903	55,076
Public assistance	30,159	32,111	34,273	36,811	39,775	43,528	45,601	47,240	49,393	44,024
Education	5,963	6,547	7,148	7,456	7,051	7,418	7,692	7,705	9,590	11,213
Recreational and cultural services	877	1,165	1,222	1,265	615	1,291	1,155	1,391	1,342	1,507
Capital Outlay	11,046	3,921	3,367	3,415	4,629	8,681	37,806	4,222	15,696	16,511
Debt Service:										
Principal	5,790	6,007	6,234	6,455	6,682	6,749	10,651	7,602	7,937	8,516
Interest expense	3,622	3,393	3,162	2,936	2,747	2,413	2,215	2,343	2,010	1,765
Administration and arbitrage fees	27	18	37	15	560	95	427	10	7	6
Total Expenditures	233,693	236,927	235,081	253,073	258,394	272,903	307,999	292,724	330,586	326,145
Excess (Deficiency) of revenues over (under) expenditures	4,883	10,292	15,393	20,796	9,125	16,549	(8,407)	22,090	2,588	16,904
Other Financing Sources (Uses)										
Proceeds from long-term debt	-	-	-	-	1,624	2,313	16,876	3,197	29	1,046
Proceeds from insurance	-	-	-	-	-	-	-	7,307	5,277	2,293
Transfers in	38,588	16,535	19,719	20,687	9,878	64,910	53,258	64,193	58,693	66,055
Transfers out	(38,419)	(16,503)	(20,244)	(21,184)	(12,364)	(65,462)	(55,289)	(62,353)	(59,581)	(66,758)
Total other financing sources (uses)	169	32	(525)	(497)	(862)	1,761	14,845	12,344	4,418	2,636
Net change in fund balances	\$ 5,052	\$ 10,324	\$ 14,868	\$ 20,299	\$ 8,263	\$ 18,310	\$ 6,438	\$ 34,434	\$ 7,006	\$ 19,540
Debt service as a percentage of non-capital expenditures ²	4.27 %	4.06 %	4.05 %	3.76 %	3.72 %	3.47 %	4.76 %	3.75 %	3.24 %	3.31 %

Notes:

¹ Beginning in Fiscal Year 2010-11, certain funds previously shown as special revenue funds are reported under the General Fund in accordance with the Governmental Accounting Standards Board Statement Number 54.

² This calculation is using capital outlay from Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds.

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
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 %
2017	34,992,287	1,395,695	1,196,830	35,191,152	1.0%	2,321,556	7.06 %

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>	
2008	1.00	0.28	0.18	0.03	1.49
2009	1.00	0.28	0.17	0.02	1.47
2010	1.00	0.28	0.21	0.02	1.51
2011	1.00	0.28	0.19	0.02	1.49
2012	1.00	0.28	0.24	0.03	1.55
2013	1.00	0.28	0.23	0.03	1.54
2014	1.00	0.28	0.26	0.03	1.57
2015	1.00	0.28	0.26	0.02	1.56
2016	1.00	0.28	0.23	0.02	1.53
2017	1.00	0.28	0.36	0.02	1.66

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

<u>Taxpayer</u>	<u>2016/2017</u>			<u>2007/2008</u>		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total County Taxable Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total County Taxable Assessed Value</u>
Realty Income Properties 2 LLC (Diageo/IDV)	464,032,676	1	1.32%	105,794,485	3	0.42%
Robert Mondavi Properties Inc (Constellation)	273,907,760	2	0.78%	104,017,465	5	0.41%
Pacific Gas & Electric Company	237,326,194	3	0.67%	129,087,089	2	0.51%
Treasury Wine Estates (Beringer)	224,295,930	4	0.64%	163,619,065	1	0.64%
Sutter Home Winery Inc	171,364,928	5	0.49%	50,587,926	8	0.20%
Xenia Hotels & Resorts (NV Marriot/Andaz)	150,058,219	6	0.43%			
Laird Kenneth E & Gail S TR	140,363,077	7	0.40%			
FN Land LLC	137,127,237	8	0.39%			
Jackson Family Investments	118,469,156	9	0.34%			
Meritage Resort LLC	94,746,768	10	0.27%			
Sterling Vineyards Inc				105,138,885	4	0.41%
Dey Laboratories LP				88,728,716	6	0.35%
Napa Hospitality Partners LLC				56,598,488	7	0.22%
5500 Eucalyptus Drive Apts				49,318,000	9	0.19%
First Napa Acquisitions LLC				46,267,917	10	0.18%
Total	<u>2,011,691,945</u>		<u>5.73%</u>	<u>899,158,036</u>		<u>3.53%</u>
Total Assessed Value			<u>\$ 35,191,151,922</u>			<u>\$ 25,455,039,914</u>

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
2008	\$ 300,429,889	\$ 290,670,671	96.75%	\$ 9,582,196	\$ 300,252,867	99.94%	\$ 177,022	0.06%
2009	318,954,517	308,467,460	96.71%	10,245,814	318,713,274	99.92%	241,243	0.08%
2010	321,484,624	312,972,756	97.35%	8,207,400	321,180,156	99.91%	304,468	0.09%
2011	317,195,661	310,620,179	97.93%	6,169,768	316,789,947	99.87%	405,714	0.13%
2012	327,160,447	319,454,138	97.64%	7,237,506	326,691,644	99.86%	468,803	0.14%
2013	335,020,627	329,194,485	98.26%	5,290,956	334,485,441	99.84%	535,186	0.16%
2014	354,360,824	348,756,143	98.42%	4,974,435	353,730,578	99.82%	630,246	0.18%
2015	371,570,942	366,650,201	98.68%	4,040,886	370,691,087	99.76%	879,855	0.24%
2016	394,238,287	387,859,802	98.38%	5,205,104	393,064,906	99.70%	1,173,381	0.30%
2017	430,628,922	424,002,899	98.46%	-	424,002,899	98.46%	6,626,023	1.54%

COUNTY OF NAPA

Direct and Overlapping Sales Tax Rates
Last Ten Fiscal Years

Fiscal Year ending June 30,	State					Direct Government		Overlapping Government	Total	Cities
	General Fund	Local Revenue Fund	Local Public Safety Fund	Education Protection Account	Fiscal Recovery Fund	County Operations	County Transportation	Flood Authority		St. Helena Sales & Use Tax
2008	5.00%	0.50%	0.50%	-	0.25%	0.75%	0.25%	0.50%	7.75%	-
2009	6.00%	0.50%	0.50%	-	0.25%	0.75%	0.25%	0.50%	8.75%	-
2010	6.00%	0.50%	0.50%	-	0.25%	0.75%	0.25%	0.50%	8.75%	-
2011	6.00%	0.50%	0.50%	-	0.25%	0.75%	0.25%	0.50%	8.75%	-
2012	3.94%	1.56%	0.50%	-	0.25%	0.75%	0.25%	0.50%	7.75%	-
2013	3.94%	1.56%	0.50%	0.25%	0.25%	0.75%	0.25%	0.50%	8.00%	-
2014	3.94%	1.56%	0.50%	0.25%	0.25%	0.75%	0.25%	0.50%	8.00%	-
2015	3.94%	1.56%	0.50%	0.25%	0.25%	0.75%	0.25%	0.50%	8.00%	-
2016	3.94%	1.56%	0.50%	0.25%	0.25%	0.75%	0.25%	0.50%	8.00%	-
2017	3.94%	1.56%	0.50%	-	-	1.00%	0.25%	0.50%	7.75%	0.50%

Source: California State Board of Equalization

COUNTY OF NAPA

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

Fiscal Year ending June 30,	Governmental Activities				Business-Type Activities				Total Primary Government	Percentage of Personal Income ¹	Per Capita ¹
	Sales Tax Revenue Bonds	Certificates of Participation	Capital Leases	Term Loan Payable	Total	Improvement Bonds	Capital Leases	Term Loan Payable			
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
2017	5,326	27,186	1,938	6,567	41,017	12,832	803	73	54,725	0.59%	387

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>
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
2017	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, 2017

Assessed Valuation (including unitary utility valuation)	\$ 35,344,871,320		
	<u>\$ 35,344,871,320</u>		
 DIRECT AND OVERLAPPING GENERAL FUND OBLIGATION DEBT:	Total Debt	Percentage	2017 Debt
	<u>6/30/2017</u>	<u>Applicable¹</u>	<u></u>
Direct General Fund Obligation Debt ³			
Napa County Certificates of Participation	\$ 24,250,000	100.000 %	\$ 24,250,000
Total Direct Obligation Debt	<u>24,250,000</u>	100.000 %	<u>24,250,000</u>
Overlapping General Fund Debt			
School Districts			
Napa County Board of Education Certificates of Participation	2,585,000	100.000 %	2,585,000
Calistoga Joint Unified School District Certificates of Participation	5,785,000	87.474 %	5,060,371
Fairfield -Suisun Unified School District Certificates of Participation	1,181,872	0.757 %	8,947
Cities			
City of American Canyon General Fund Obligations	1,069,000	100.000 %	1,069,000
City of Calistoga General Fund Obligations	3,582,789	100.000 %	3,582,789
Town of Yountville General Fund Obligations	<u>12,415,000</u>	100.000 %	<u>12,415,000</u>
Total Overlapping General Fund Obligation Debt	<u>26,618,661</u>		<u>24,721,107</u>
Total Direct and Overlapping Obligation Debt	<u>50,868,661</u>		<u>48,971,107</u>
 OVERLAPPING TAX AND ASSESSMENT DEBT:			
School Districts			
Napa Valley Community College District	113,557,722	99.077 %	112,509,584
Calistoga Joint Unified School District	16,510,277	87.474 %	14,442,200
Fairfield-Suisun Joint Unified School District	151,715,000	0.757 %	1,148,483
Napa Valley Unified School District	431,274,855	100.000 %	431,274,855
St. Helena Unified School District	62,246,232	100.000 %	62,246,232
Howell Mountain School District	2,024,759	100.000 %	2,024,759
Pope Valley Union School District	2,000,000	100.000 %	2,000,000
Cities			
City of American Canyon 1915 Act Bonds	17,649,200	100.000 %	17,649,200
Lake Berryessa Resort Improvement Assessment District No. 2006-1	2,470,000	100.000 %	2,470,000
Napa Berryessa Resort Improvement Assessment District No. 2012-1	10,415,000	100.000 %	10,415,000
California Statewide Community Development Authority Napa Pipe Community Facilities District 2016-1	20,830,000	100.000 %	20,830,000
California Statewide Community Development Authority Assessment Districts	<u>2,131,008</u>	100.000 %	<u>2,131,008</u>
Total Overlapping Tax and Assessment Debt	<u>832,824,053</u>		<u>679,141,321</u>
OVERLAPPING TAX INCREMENT DEBT:	<u>6,720,000</u>	100.000 %	<u>6,720,000</u>
 COMBINED TOTAL DEBT	<u>\$ 890,412,714</u>		<u>\$ 734,832,428</u> ²
 Ratio to 2016-17 Assessed Valuation:			
Total Overlapping Tax and Assessment Debt.....			1.92%
Total Direct Debt (\$24,250,000).....			0.07%
Combined Total Debt.....			2.08%
Ratios to Redevelopment Incremental Valuation (\$822,515,683):			
Total Overlapping tax Increment Debt.....			0.82%

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.
- ³ Total direct debt amount does not include any unamortized premiums.

Source: California Municipal Statistics. Inc.

COUNTY OF NAPA

Legal Debt Margin Information
For the Year Ended June 30, 2017
Last Ten Fiscal Years
(dollars in thousands)

Fiscal Year	Assessed Value of Property	Debt Limit, 5% of Assessed Value	Debt Applicable to the Limit	Legal Debt Margin	Total net debt applicable to the limit as a percentage of debt limit
2008	\$ 25,455,040	\$ 1,272,752	\$ 115,960	\$ 1,156,792	9.11 %
2009	26,980,382	1,349,019	113,960	1,235,059	8.45 %
2010	27,203,778	1,360,189	98,990	1,261,199	7.28 %
2011	27,215,491	1,360,775	90,035	1,270,740	6.62 %
2012	27,513,280	1,375,664	75,439	1,300,225	5.48 %
2013	30,079,070	1,503,954	66,268	1,437,686	4.41 %
2014	31,748,514	1,587,426	82,819	1,504,607	5.22 %
2015	30,881,536	1,544,077	72,884	1,471,193	4.72 %
2016	32,869,596	1,643,480	69,265	1,574,215	4.21 %
2017	35,191,152	1,759,558	56,214	1,703,344	3.19 %

Notes:

- (1) Assessed property value data can be found in Schedule "Assessed Value of Taxable Property and Actual Value of Property".
- (2) California Government Code, Section 29909, states the total amount of bonded indebtedness shall not at any time exceed 5 percent of the taxable property of the county as shown by the last equalized assessment roll.
- (3) Bonded debt financed with general governmental resources which include POB.
- (4) The legal debt margin is the County's available borrowing authority under state finance statutes and is calculated by subtracting the debt applicable to the legal debt limit from the legal debt limit.

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			
2008	\$ 14,404	\$ 151	\$ 14,253	\$ 3,415	\$ 2,026	2.62	\$ 345	\$ 45	\$ 149	1.78		
2009	12,929	154	12,775	3,565	1,879	2.35	372	56	257	1.19		
2010	12,416	153	12,263	3,720	1,739	2.25	333	85	253	0.99		
2011	13,015	147	12,868	3,865	1,574	2.37	326	75	249	1.01		
2012	14,516	135	14,381	4,000	1,434	2.65	364	80	245	1.12		
2013	15,330	156	15,174	4,175	1,259	2.79	894	85	240	2.75		
2014	16,769	187	16,582	4,065	975	3.29	876	90	236	2.69		
2015	17,554	206	17,348	4,640	734	3.23	885	90	231	2.76		
2016	18,084	221	17,863	4,790	590	3.32	762	95	226	2.37		
2017	18,816	216	18,600	4,965	413	3.46	772	100	221	2.40		

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

Fiscal Year ending June 30,	Population¹	Personal Income²	Per Capita Personal Income³	School Enrollment⁴	Unemployment Rate⁵
2008	134,786	\$ 7,519,171,796	\$ 55,786	20,108	4.7%
2009	135,664	7,171,334,704	52,861	20,370	8.5%
2010	136,798	7,201,867,508	52,646	20,515	9.3%
2011	137,631	7,428,908,487	53,977	20,584	9.0%
2012	138,032	7,787,765,440	56,420	20,593	7.7%
2013	139,099	8,201,833,436	58,964	20,725	6.1%
2014	139,983	8,441,394,849	60,303	20,868	4.7%
2015	140,984	8,947,408,576	63,464	21,002	4.1%
2016	141,633	9,223,990,758	65,126	20,289	4.3%
2017	142,235	9,357,782,885	65,791	20,019	3.6%

Sources:

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

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

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

COUNTY OF NAPA

Principal Employers
(Current Fiscal Year and Nine Years Prior)

2017			2008		
<u>Employer</u>	<u>Employees</u>	<u>Percentage of Total County Employment¹</u>	<u>Employer</u>	<u>Employees</u>	<u>Percentage of Total County Employment²</u>
Napa State Hospital	2,370	3.28%	Napa State Hospital	2,300	1.76%
County of Napa	1,465	2.03%	Napa Valley Unified School District	1,603	1.23%
St. Helena Hospital	1,314	1.82%	County of Napa	1,339	1.02%
Napa Valley Unified School District	1,304	1.80%	Owens Corning Cultured Stone	1,200	0.92%
Trincherro Family Estates	1,050	1.45%	Queen of the Valley Hospital	1,106	0.85%
Queen of the Valley Hospital	1,000	1.38%	Veterans' Home of California	975	0.75%
Veterans' Home of California	765	1.06%	St. Helena Hospital	705	0.54%
Treasury Wine Estates	723	1.00%	Trincherro Family Estates	669	0.51%
Wal-Mart	621	0.86%	Foster's Wine Estates	650	0.50%
City of Napa	458	0.63%	Pacific Union College	582	0.45%
Total	11,070	15.31%	Total	11,129	8.53%

Notes:

¹ Total Napa County Employment 2016-2017: 72,300

² Total Napa County Employment 2007-2008: 130,666

Sources: Napa Chamber of Commerce

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

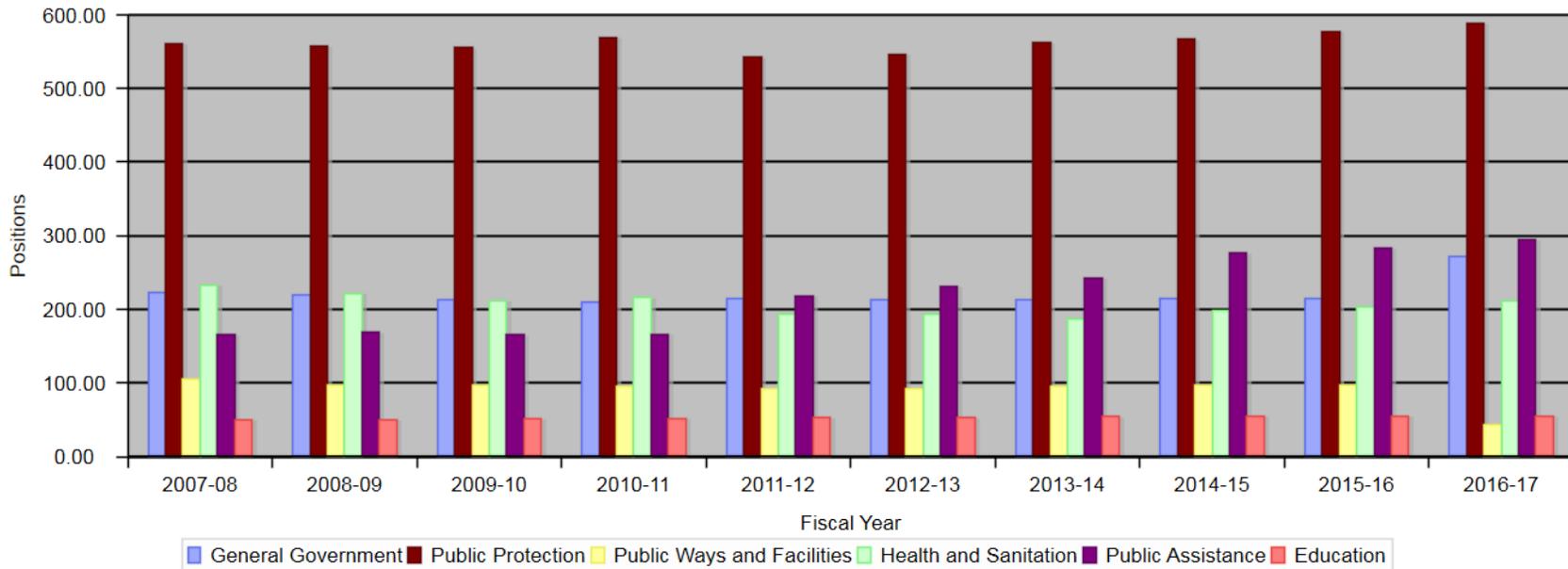
Direct phone survey Napa County Auditor-Controller's Office

COUNTY OF NAPA

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

Function/Program	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
General Government	223.2	219.9	213.1	209.1	214.4	212.8	213.8	214.8	214.8	272.6
Public Protection	561.1	557.4	555.4	569.6	542.1	546.6	562.0	566.7	577.7	588.4
Public Ways and Facilities	106.0	98.0	96.8	94.8	92.8	92.8	95.8	97.8	97.8	42.8
Health and Sanitation	233.4	222.0	212.0	215.6	193.9	193.4	187.4	199.0	203.8	211.9
Public Assistance	165.3	168.8	165.3	166.5	218.5	231.5	243.0	276.5	284.0	295.0
Education	50.1	50.1	52.1	52.1	53.1	53.1	54.1	55.3	55.3	55.3
Total full-time equivalent employees	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	1,466.0

FTE By Function



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

COUNTY OF NAPA

Operating Indicators by Function
Last Ten Fiscal Years

Function	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
Airport										
Annual Arrivals and Departures	126,444	109,121	87,412	50,283	56,281	43,045	44,667	46,547	47,533	46,278
Aviation Easements issued	2	5	3	2	-	-	1	4	2	3
Hanger leases	172	171	171	163	153	149	151	158	151	151
Culture and recreation										
Education										
Library branches located in the County	4	4	4	4	4	4	4	4	4	4
Items checked out	813,824	910,000	988,549	1,022,969	1,092,028	1,058,318	1,006,019	939,057	891,031	915,494
Library cards issued	47,147	47,715	49,609	50,992	48,616	47,041	51,541	49,253	52,038	54,669
Number of computers provided for public use	58	58	71	85	85	84	90	90	90	90
Fire										
Number of calls answered	3,072	3,049	3,444	3,091	3,471	3,844	3,530	5,438	4,552	4,642
Inspections	3,252	2,563	2,272	2,156	2,216	1,740	1,325	1,791	1,750	2,170
Health & Human Services Agency										
Public Guardian total clients (conservatees + additional referrals)	65	68	67	80	90	88	90	96	98	95
Veterans Service Officer number of benefit claims filed	319	455	616	512	432	338	417	413	440	437
Public Health										
Women, Infants, and Children (WIC) visits	26,543	26,567	25,898	24,052	23,876	22,117	21,678	19,262	17,664	15,641
Public Health home visiting program visits	3,752	3,816	4,238	3,317	3,115	2,812	2,622	3,063	2,220	2,324
Immunizations ¹	8,021	8,584	17,821	15,083	8,884	7,149	7,778	5,640	5,095	4,118
Mental Health										
Emergency response clients	998	1,135	841	792	944	869	877	905	908	859
Adult Medication Clinic clients	540	509	469	467	467	489	476	467	630	571
Children's Medication Support clients	173	198	236	235	194	157	160	160	176	177
Total mental health clients served	2,120	2,653	2,411	2,590	2,615	2,827	2,915	2,931	2,955	2,835
Alcohol and Drug Services - Division Restructured 9/2007										
Adult Outpatient Treatment and Recovery Services Program clients	867	616	573	375	319	344	414	409	415	462
Prevention (school-based youth) groups	272	580	534	814	802	1,773	998	2,083	1,873	2,716
PC 1210 STOP (formerly Proposition 36) clients	120	217	154	359	95	79	111	95	52	29
Total Alcohol and Drug Services clients served	1,259	1,413	1,261	1,548	1,216	1,299	1,322	2,587	2,340	3,207
Social Services										
Adult protective Services total clients served	314	364	389	381	437	387	481	484	483	613
CalWORKs average caseload	554	635	791	902	801	654	593	592	546	475
Child Welfare Services total child abuse referrals received	1,061	993	1,028	1,065	1,235	1,279	1,407	1,323	1,377	1,352
Child Welfare Services percent timely investigations:										
% Timely immediate investigations	100	99	100	100	99	98	99	99	96	98
% Timely ten day investigations	97	100	100	100	99	99	98	99	96	92
County Medical Services Program average number of continuing cases/eligibles	779	849	1,082	1,209	1,109	1,101	705	18	3	22
Food Stamps average caseload	1,305	1,710	2,009	3,081	3,429	3,476	3,425	3,622	3,696	3,436
Foster care average number of cases	110	109	124	143	120	107	124	146	119	119
In-Home Supportive Services Public Authority total clients served	722	841	838	852	917	990	1,053	1,094	1,131	1,185
Medi-Cal average number of eligibles	12,698	13,420	14,445	15,766	17,055	13,537	14,967	22,310	26,269	27,377
Workforce Investment Act total number enrolled	176	270	307	237	163	246	292	292	279	222

COUNTY OF NAPA

Operating Indicators by Function
Last Ten Fiscal Years

Function	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
Highways and streets										
Street resurfacing (miles)	8	8	6	35	6	25	-	8	18	7
Potholes repaired	1,214	1,278	1,470	1,900	2,300	2,475	1,975	2,015	2,200	1,500
Sheriff										
Physical arrests	1,849	1,475	1,570	1,431	1,531	1,729	1,844	1,737	1,842	2,291
Parking violations	1,450	1,447	1,478	1,405	1,238	1,179	1,361	2,106	2,232	1,798
Traffic violations	3,600	2,809	2,585	3,127	3,139	2,310	1,795	1,521	1,200	1,201
Water										
New connections	2	-	-	-	-	-	-	-	1	1
Water mains breaks	2	-	-	1	3	2	2	1	2	1
Average daily consumption (thousands of gallons)	234	231	151	139	121	146	136	110	99	98
Wastewater										
Average daily sewage treatment (thousands of gallons)	118	95	57	72	62	66	62	65	58	76

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	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
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	30	30
Fire stations:										
Stations	13	13	13	13	13	13	13	13	13	15
Fire Engines	30	31	31	31	31	31	31	34	35	35
Fire Trucks	2	2	2	2	2	2	2	2	2	2
Culture and recreation										
Parks acreage ¹	61	61	61	61	61	61	61	61	61	61
Parks	2	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	181,511	204,460	200,260	168,617	240,869	175,189	170,811	161,102	192,017	179,668
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	446	446	446	446	446	446	446	446	446
Street lights (approximate number)	70	70	70	32	32	32	32	142	142	142
Traffic signals	32	-	-	-	6	6	6	4	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	638	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	310	310	310	310

Notes:

¹ In Fiscal Year 2007-08, the County acquired 60 acres of Oat Hill Mine.

² In Fiscal Year 2008-09, certain roadways were assumed by various cities

Source: County Departments