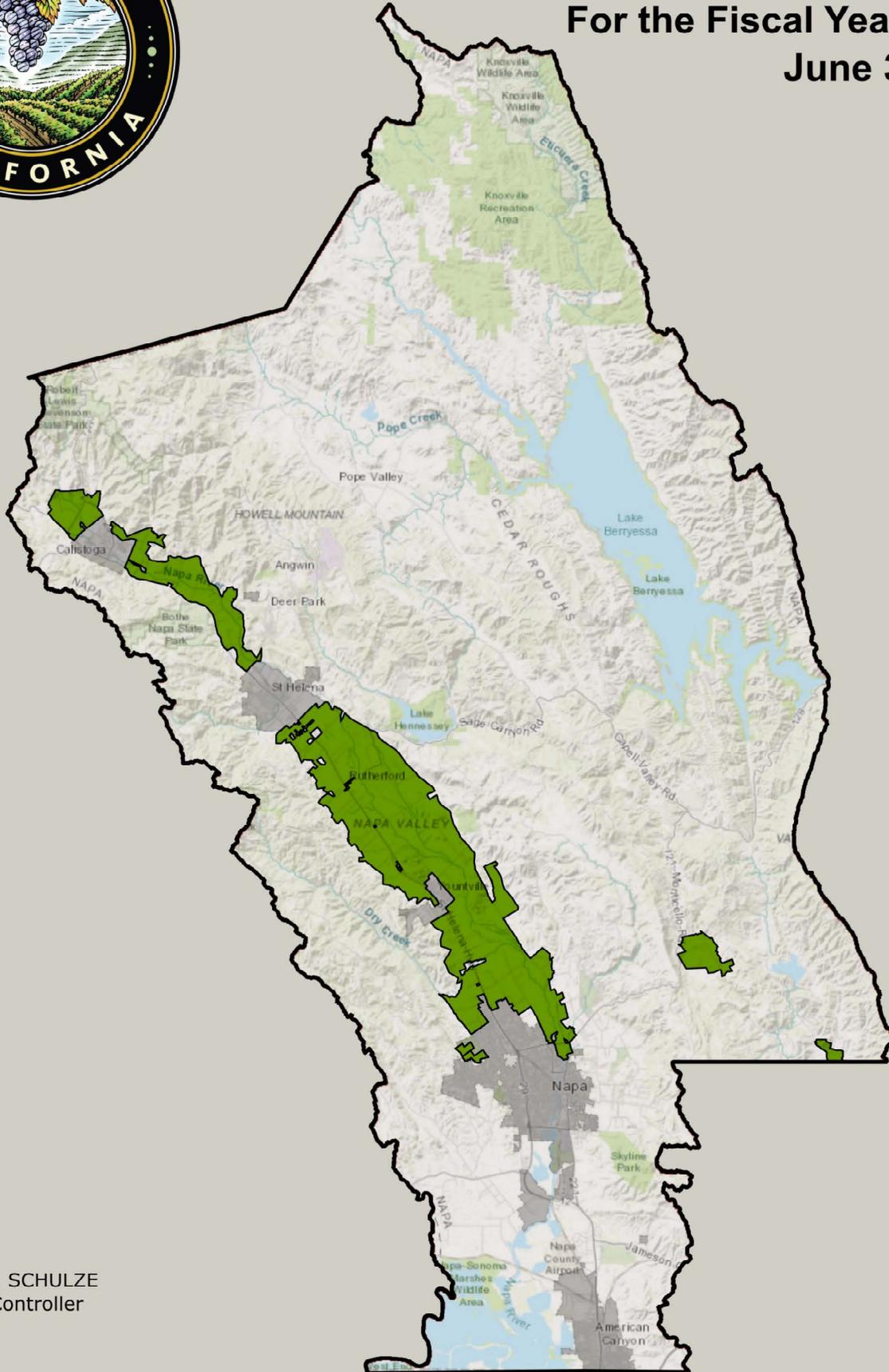




County of Napa, California Comprehensive Annual Financial Report For the Fiscal Year Ended June 30, 2018



TRACY A. SCHULZE
Auditor-Controller

AG PRESERVE 50TH ANNIVERSARY



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 various stages of flood projects in Napa County. County voters approved Measure A, a half-cent countywide sales tax, in March 1998 for a 20-year period. Measure A is an ordinance of the Napa County Flood Protection and Watershed Improvement Authority, which sunset June 30, 2018. Approximately \$271.0 million was collected to finance flood control projects throughout the county.



Photo Credit: Napa Valley Register

The First Street bridge over Napa Creek is being dismantled stone by stone in the Fall of 2004.

COUNTY OF NAPA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2018

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Introductory Section



Photo Credit: Napa Valley Register

The westbound section of Imola Avenue's new Maxwell Bridge is nearing completion in January 2005. The old bridge, right, will be torn down to make way for the completion of construction of the eastbound section.



Photo Credit: Napa Valley Register

Construction of the First Street bridge over Napa Creek and the proposed bypass channel in August 2005.



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

**Tracy A. Schulze
Auditor-Controller**

**Minh C Tran
County Executive Officer**

December 12, 2018

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, 2018.

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, 2018 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's financial statements for the year ended June 30, 2018. 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 (the Board) 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.

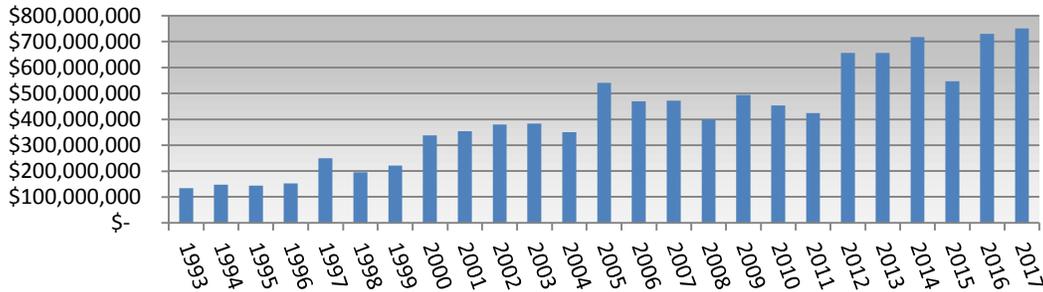
Local Economy

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 142,808 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 2017, the total value of wine grape production was a record setting \$750.8 million. Wine grapes represent 99.2% of the value of all agricultural production in the County, a slight increase from the prior year. Although total tonnage decreased 6.9% compared to the prior year's yield, total harvest value of winegrapes for 2017 reached a new record level with the average value of \$5,272 per ton compared to the statewide average value of \$775 per ton. The average price per ton for 2017 represented an increase of 10.6% over 2016. 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 1993 through 2017.

Change in Winegrape Values 25 Year History



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 in the County due to a major mental health facility that provides employment to 2,418 healthcare professionals and staff. Public instruction in the County is provided by two elementary school districts and three unified school districts. Higher education is available in the County via Napa Valley College and Pacific Union College. The transportation network includes publicly operated systems as well as private enterprise systems within the County and the cities. A privately-owned airporter service operates from Napa and Vallejo to San Francisco International Airport and Oakland International Airport. There is also a County-owned and operated airport that serves privately-owned aircraft.

Napa County's unemployment rate has been consistently 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 2009) to 9.3% (June 2010) before gradually falling to 3.1% as of June 2018.

Long-term Financial Planning

Napa County has a history of prudent fiscal and debt management. Over the past five years, the County's General Fund Unrestricted Fund Balance, including commitments and assignments, has remained fiscally stable at an average of \$53.0 million, or approximately 35% of historical General Fund expenditures. This year, the unrestricted fund balance decreased to \$40.8 million due primarily to the replenishment of the General Reserve in the amount of \$10.3 million at the beginning of the fiscal year, which was originally utilized for the 2014 Earthquake recovery. By Board policy, the General Fund maintains a General Reserve, which can only be appropriated for legally declared emergencies during any fiscal year, or at the time of budget adoption. During budget adoption for fiscal year 2017-18, the Board of Supervisors authorized the use of \$11.8 million for road repairs caused by the 2017 winter storm flooding. Of that amount, only \$6.6 million was drawn upon. In October, 2017, the Board of Supervisors authorized an additional \$3.5 million to offset recovery costs related to the 2017 Napa Fire Complex. The year-end General Reserve totals \$25.9 million, which is 87.4% of target, with plans to restore the reserve to policy level using Federal and State disaster reimbursements as they are received.

In fiscal year 2017-18, General Fund debt service, including transfers to the debt service fund, represented 2.56% of General Fund expenditures, equal to fiscal year 2016-17. Over the last five fiscal years, General Fund debt service has ranged between 2.56% and 4.35% of General Fund expenditures. The County has a 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 May 2018, the Board accepted an update on the General Fund five-year strategic plan through fiscal year 2019-23. The plan recognized future fiscal challenges including:

- Continuing and growing demand for services and a growing backlog of unmet needs in some areas, particularly infrastructure and capital needs;
- changes being made by California Public Employees Retirement System (CalPERS), the County's retirement plan administrator, which will significantly increase costs in the coming five years;
- limited growth in discretionary, semi-discretionary and certain other revenues, and the possibility of a recession;
- increased costs of doing business, including potentially inflationary pressure;
- increased costs related to the opening of the County's Re-Entry Facility scheduled to open in fiscal year 2018-19; and
- increased construction and operating costs related to the County's proposed 304 rated-bed jail facility scheduled to open in fiscal year 2020-21.

The forecast projected the General Fund to be in structural balance during the new five year period with no single year projecting a deficit. The plan identified numerous one-time and on-going unmet needs that will need to be addressed during the period, should additional revenues be realized.

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 December 2017, the Board adopted a Five-Year Capital Improvement Plan covering fiscal years 2017-18 through 2021-22. The plan compiles a list of projects requiring an additional \$312.0 million of funding (includes \$113.2 million of Road network projects addressed in the following section) together with \$298 million of identified funding. Major components of the non-roads portion of the plan are as follows:

- Napa County Corrections Campus consisting of the County's Re-Entry Facility, \$17.4 million, and New Jail Facility, \$128.0 million.
- Napa County Airport runway and taxiway rehabilitation projects, \$22.5 million.
- Napa County Historic Courthouse 2014 earthquake damage repairs, \$19.8 million.

Roads

The County has identified projects requiring an additional \$113.2 million of funding through fiscal year 2021-22.

In April 2017, Governor Brown signed into law Senate Bill 1 which is designed to increase gas and diesel fuel tax and vehicle registration fees on certain California vehicles. The funds raised through this program will be restricted to Roads and Roads related activities. The County began 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.

Beginning July 1, 2018, Measure T goes into effect, which directs revenues from a half-cent sales tax to road funding (see Measure T in Major Initiatives). Annual sales tax revenues are estimated to be \$7.7 million in the first fiscal year under this voter approved measure.

Employee Pension and Other Postemployment Benefit (OPEB) Costs

Another factor, 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 \$351 billion in its pension portfolio as of June 30, 2018. 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 2017-18 actual share of pension contributions

was \$23.2 million, which makes up approximately 5.3% of the overall County adopted budget (excluding special district budgeted expenditures). The General Fund portion of this cost is approximately \$13.9 million, which represents approximately 13.2% of total General Fund salaries and benefits and 6.6% of budgeted General Fund expenditures. In addition to the County's contribution, non-safety (miscellaneous) employees contribute approximately 26.5% of the overall cost of retirement benefits, while safety employees currently contribute approximately 34.0% 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 an approximate \$300,000 annual discount.

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 2006-07, 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 closed period. As of the date of the plan's last actuarial valuation, June 30, 2017, the County's Actuarial Accrued Liability was \$93.7 million with Actuarial Value of Plan Assets of \$61.1 million representing a 65.2% funded percentage while leaving an Unfunded Actuarial Accrued Liability of \$32.6 million. The updated fair market value of plan assets as of June 30, 2018 is \$68.2 million. Funding for this purpose began in fiscal year 2007-08 and is included annually in the County budgets.

Relevant Financial Policies

Health and Human Services Agency (Agency) - The Agency ended fiscal year 2017-18 with a fund balance of \$27.6 million. Of this, \$11.0 million is legally restricted to specific Agency programs and \$1.0 million is set aside to repay potential future audit disallowances. The remaining \$15.6 million is set aside for cash flow and the general purpose of the fund, of which, \$10.9 is designated for fiscal uncertainty per Board policy.

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 adopted annually by the Board of Supervisors. These policies include pursuit of operational efficiencies and new revenues, maintain a sustainable net county cost for General Fund departments, direction on staffing decisions, and others. 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. As stated earlier, General Reserves can only be appropriated for two purposes: to provide funding during legally declared emergencies or through Board approval during the annual budget adoption process.
- Maintain a designation for fiscal uncertainty in both the General Fund and the Health and Human Services Agency, equivalent to 10% of appropriations for each, with the same exclusions as for the General Reserve. These funds would be used, if necessary, in times of fiscal distress. As this is a Board policy, not a third party or legal restriction, the designation does not meet the Governmental Accounting Standards Board (GASB) Statement No. 54 requirement for an assignment. Therefore, they are included as available fund balance within each the General Fund and the Health and Human Services Agency.
- Place a minimum of 3% of General Fund appropriations into an appropriation for contingencies. 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% of defined budgeted expenditures, all remaining un-appropriated discretionary resources shall be transferred to the Accumulated Capital Outlay division of the Capital Improvement Fund to address 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) has been under way for twenty 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. The Measure A half-cent sales tax levy sunset on June 30, 2018. However, approximately \$50.5 million of unspent funds was transferred to the Flood Control District, restricted to the final phases of the City of Napa Project.

On December 7, 2010, the Board of Supervisors authorized the allocation of \$500,000 of the County's Affordable Housing Fund to initiate a pilot Worker Proximity Housing Assistance program. The program was launched in Spring 2011. The Board has subsequently allocated an additional \$3,836,830 for this program, bringing the total to \$4,335,830. 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. In order to be eligible, prospective homeowners must work in Napa County, earn 120% of median income or less and purchase a home within 20 road miles of their place of employment. Since the program began through June 30, 2018, 122 loans have been issued and 31 loans fully repaid. Loan repayments have resulted in principal returns of \$937,518 and \$369,812 of appreciation earned.

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 approves a Management District Plan and the levy of assessments. In fiscal year 2017-18, the assessment brought in approximately \$8.05 million in total revenue for marketing throughout the valley. Of the total assessment, approximately \$2.09 million was targeted for distinct marketing for each municipality while \$5.96 million was used to market the county as a whole.

In November 2012, the voters of Napa County approved Measure T which authorized 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 began on July 1, 2018, and proceeds are estimated to be \$7.7 million in the initial year.

Awards and Acknowledgements

Napa County's Auditor-Controller's Office received its 18th "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 its second straight national recognition placing 5th for the 2018 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, 2017. This was the 13th consecutive year that the County has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

The County received the 2018 Pinnacle Award for its website in the Medium Population bracket for Counties from the National Association of Government Web Professionals (NAGW). The NAGW Pinnacles Awards are judged by a group of web professionals inside and outside of the government web industry and are awarded to the best entries based on the following judging criteria: team size, content, organization, design, performance and flexibility, accessibility standards, interactivity, open data, and responsive design.

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 of 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

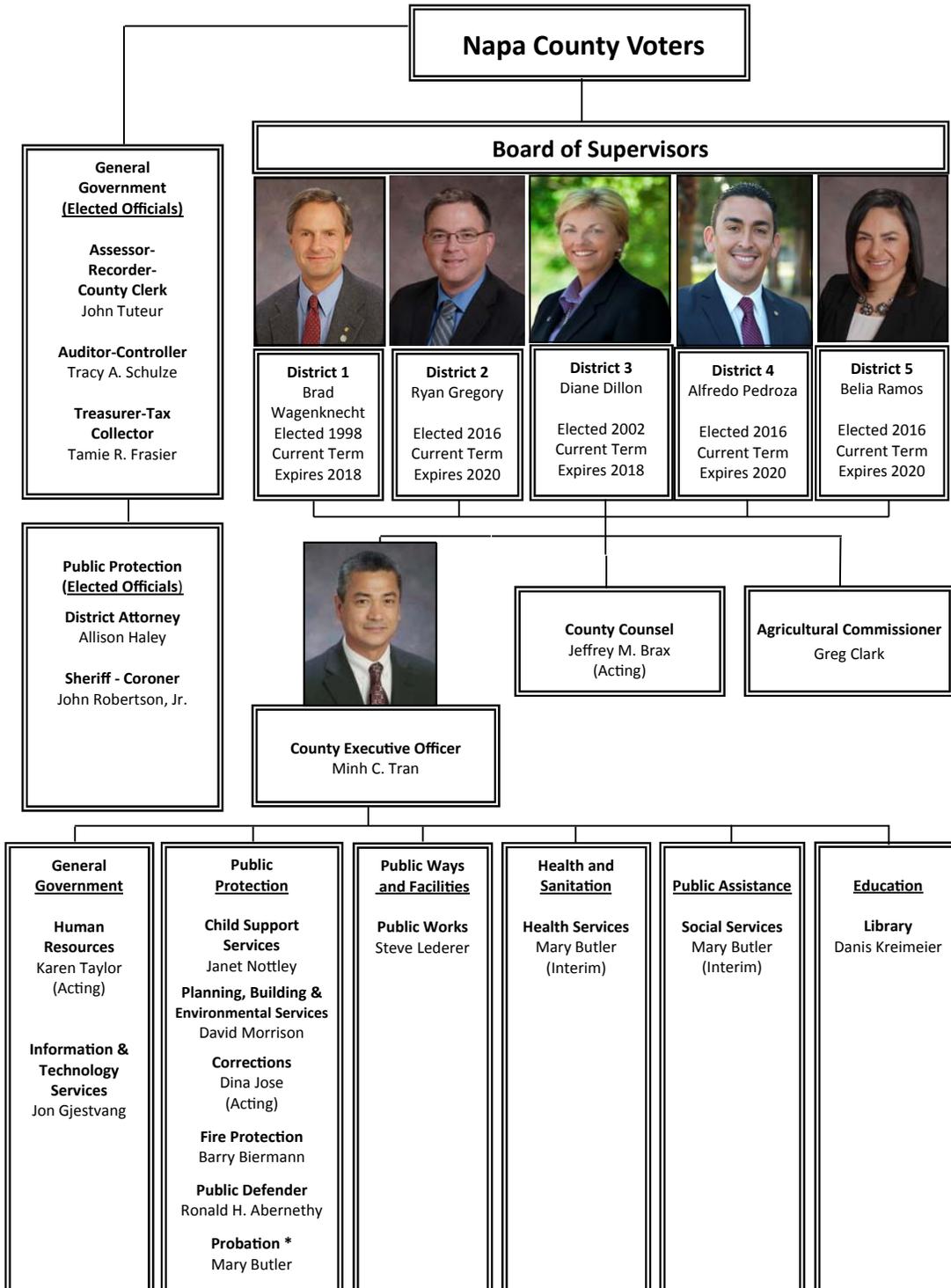
**County of Napa
California**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2017

Christopher P. Morill

Executive Director/CEO



* Appointed by the Napa County Superior Court

COUNTY OF NAPA

ELECTED OFFICIALS

June 30, 2018

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	Jose Luis Valdez
Chief Probation Officer	Mary Butler
Corrections Director (Acting)	Dina Jose
County Counsel (Acting)	Jeffrey M. Brax
County Executive Officer	Minh C. Tran
Fire Protection	Barry Biermann
Health & Human Services Director (Interim)	Mary Butler
Human Resources Director (Acting)	Karen Taylor
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



Photo Credit: Napa Valley Register

A view of the planned flood wall and promenade along the Napa River south of Third Street as it appeared under construction in February 2007. Today, the Riverfront complex overlooks the completed promenade.

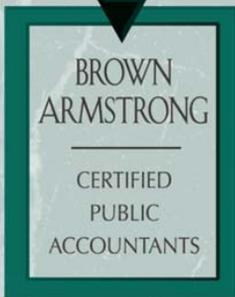


Financial Section



Photo Credit: Napa Valley Register

Contractors install a drainage system for the future river promenade in front of the Napa Mill in September 2007.



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, 2018, 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

1919 GRAND CANAL BLVD
SUITE C6
STOCKTON, CA 95207
TEL 888.565.1040

WWW.BACPAS.COM

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, 2018, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Implementation of New Accounting Standards

During the year ended June 30, 2018, the County adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Schedule of Changes in Net Pension Liability and Related Ratios, Schedule of the County's Proportionate Share of Net Pension Liability, Schedule of the County's Pension Contributions, Schedule of Changes in the Net Other Post Employment Benefits (OPEB) Liability and Related Ratios, Schedule of the County's OPEB Contributions, and Budgetary Comparison Schedules for major governmental funds, 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 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 2018, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

*Brown Armstrong
Accountancy Corporation*

Bakersfield, California
December 12, 2018



Photo Credit: Napa Valley Register

The new Maxwell Bridge is seen as it crosses the Napa River, looking west, in January 2008. The large white building in the lower right is the Target store in the South Napa Marketplace.



Management's Discussion and Analysis

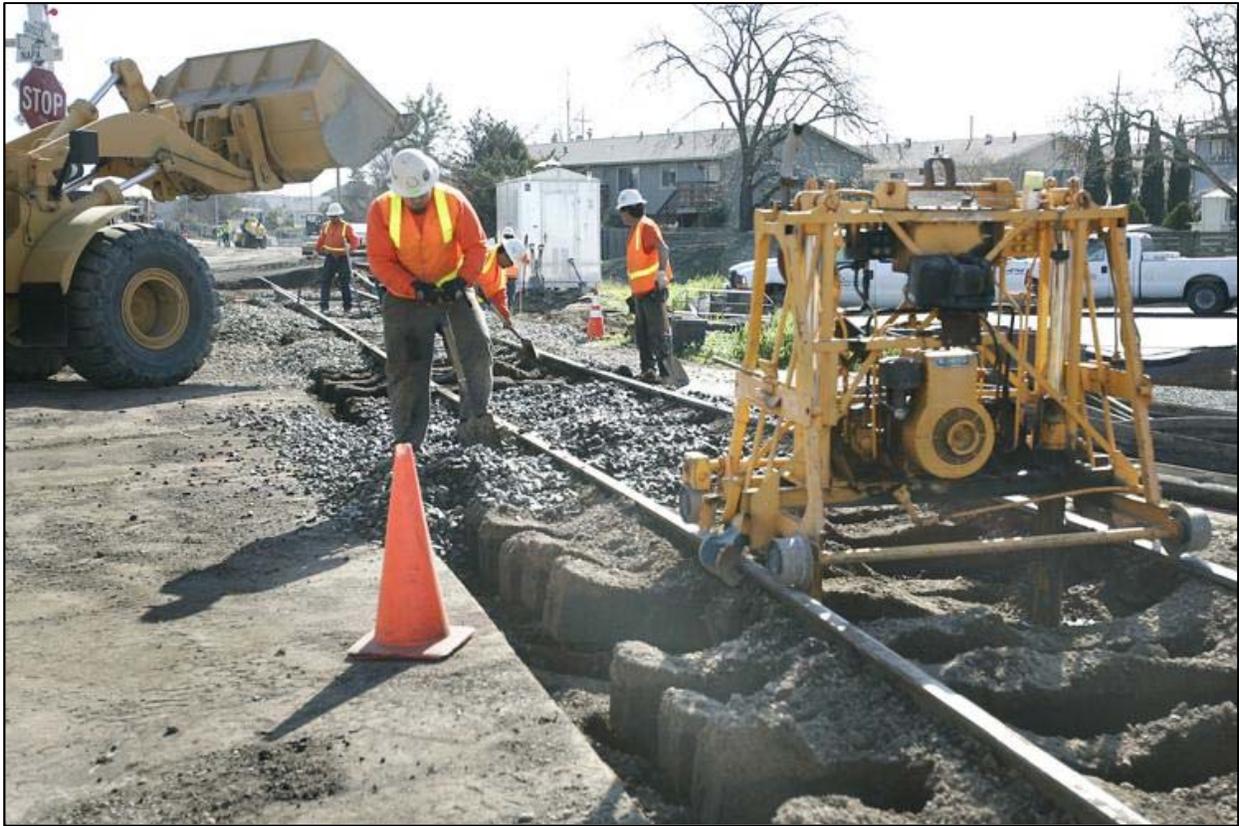


Photo Credit: Napa Valley Register

Industrial Railways Company crews of Pinole were continuing work in February 2010 on Soscol Avenue as they raised the roadway and the Napa Valley Wine Train railroad tracks about 3 feet.

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, 2018. 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 27-29 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 Fund, 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 33-36 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 37-40 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 41-42 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 43-83 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 105-172 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

	Governmental Activities		Business-type Activities		Total		Dollar Change	Percent Change
	2018	2017	2018	2017	2018	2017		
Current and other assets	\$ 436,575	\$ 390,485	\$ 9,210	\$ 10,105	\$ 445,785	\$ 400,590	\$ 45,195	11.3 %
Capital assets	192,393	179,454	51,862	51,954	244,255	231,408	12,847	5.6 %
Total assets	<u>628,968</u>	<u>569,939</u>	<u>61,072</u>	<u>62,059</u>	<u>690,040</u>	<u>631,998</u>	<u>58,042</u>	9.2 %
Deferred outflows of resources	73,481	70,515	489	586	73,970	71,101	2,869	4.0 %
Current and other liabilities	131,845	44,970	1,578	1,396	133,423	46,366	87,057	187.8 %
Long-term liabilities	312,773	253,363	12,473	15,101	325,246	268,464	56,782	21.2 %
Total liabilities	<u>444,618</u>	<u>298,333</u>	<u>14,051</u>	<u>16,497</u>	<u>458,669</u>	<u>314,830</u>	<u>143,839</u>	45.7 %
Deferred inflows of resources	10,759	29,515	66	282	10,825	29,797	(18,972)	n/a
Net Position								
Net investment in capital assets	160,871	143,763	38,560	38,349	199,431	182,112	17,319	9.5 %
Restricted net position	131,622	189,112	386	271	132,008	189,383	(57,375)	(30.3)%
Unrestricted net position	(45,422)	(20,269)	8,498	7,246	(36,924)	(13,023)	(23,901)	(183.5)%
Total net position	<u>\$ 247,071</u>	<u>\$ 312,606</u>	<u>\$ 47,444</u>	<u>\$ 45,866</u>	<u>\$ 294,515</u>	<u>\$ 358,472</u>	<u>\$ (63,957)</u>	(17.8)%

Analysis of Net Position

The assets and deferred outflows of resources of the County exceeded its liabilities and deferred inflows of resources by \$294.5 million. Major components of net position are as follows:

- \$199.4 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.

The breakdown of the County's net investment in capital assets is as follows:

Investment in Capital Assets	\$ 532,111,176
Less:	
Depreciation	(287,856,447)
Related Debt (net of unspent proceeds)	<u>(44,823,567)</u>
Net Investment in Capital Assets	<u>\$ 199,431,162</u>

- \$132.0 million represents the County's restricted net position, which are resources that are subject to external restrictions on how they may be used. Significant portions include the following:
 - \$31.0 million represents primarily Federal and State allocations restricted for providing health and human services.
 - \$29.2 million represents fees and grants restricted for the construction of affordable housing within the County.

- \$22.4 million represents State allocations dedicated for public protection services.
 - \$12.7 million represents non-operating special revenue fund balances restricted to street and fire protection within the Airport Mitigation District, and future flood protection measures within unincorporated areas of the county of \$4.2 million and \$8.5 million, respectively.
 - \$10.2 million represents property taxes, grants and fees dedicated to providing library services at the four library branches within the County library system.
 - \$9.1 million represents property taxes dedicated to fire protection services.
 - \$7.9 million represents aid from other governments and general fund contributions for road maintenance/repair projects.
- \$(36.9) million represents a deficit in the County's unrestricted net position which, when positive, 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 and other postemployment benefit obligations.

The County's net position has decreased by \$64.0 million, or 17.8% during the current fiscal year due to:

- \$17.3 million, or 9.5%, 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. The major capital asset additions were as follows:

Napa Main Library Remodel	\$ 457,966
Napa County Jail	4,273,884
Napa County Re-Entry Facility	9,002,173
Pope Valley Fire Station	860,920
Capell Valley Fire Station	<u>771,983</u>
Major additions in Capital Assets	<u>\$ 15,366,926</u>

- \$57.4 million, or 30.3%, decrease in restricted net position represents the change in resources that are subject to external restriction on their use. This decrease was due to the final distribution and transfer out of \$88.4 million in Measure A tax collections by the Flood Authority, which represents the balance of the funds collected on behalf of the cities and town for their flood projects.s:
- \$23.9 million, or 183.5%, decrease in unrestricted net position is the change in resources available to fund County programs to citizens and debt obligations to creditors. A significant portion of this decrease is the result of a change in accounting principle required to account for the County's net liability for Other Postemployment Benefits. A prior period adjustment of \$29.4 million was required to comply with the newly adopted principle.

Governmental Activities. Governmental activities decreased the County's net position by \$65.5 million, thereby accounting for 102.4% of the total decline in the net position of the County. Governmental activities operating revenues were less than operating expenses by \$(35.3) million, and a prior period adjustment of \$(29.4) million.

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

	Governmental Activities		Business-type Activities		Total		Dollar Change	Percent Change
	2018	2017	2018	2017	2018	2017		
Revenues:								
Program revenues:								
Fees, fines and charges for services	\$ 63,534	\$ 56,844	\$ 5,569	\$ 6,004	\$ 69,103	\$ 62,848	\$ 6,255	10.0 %
Operating grants and contributions	140,479	126,940	525	283	141,004	127,223	13,781	10.8 %
Capital grants and contributions	3,316	7,108	3,974	1,542	7,290	8,650	(1,360)	(15.7)%
General revenues:								
Property taxes	129,635	106,491	413	373	130,048	106,864	23,184	21.7 %
Sales and use taxes	29,965	29,099	-	-	29,965	29,099	866	3.0 %
Other taxes	14,561	16,144	-	-	14,561	16,144	(1,583)	(9.8)%
Unrestricted interest and investment earnings	2,305	2,480	54	63	2,359	2,543	(184)	(7.2)%
Gain on sale of assets	5,303	155	-	-	5,303	155	5,148	3,321.3 %
Miscellaneous	12,989	398	38	192	13,027	590	12,437	2,108.0 %
Total revenues	<u>402,087</u>	<u>345,659</u>	<u>10,573</u>	<u>8,457</u>	<u>412,660</u>	<u>354,116</u>	<u>58,544</u>	<u>16.5 %</u>
Expenses:								
General government	53,764	42,467	-	-	53,764	42,467	11,297	26.6 %
Public protection	138,257	121,881	-	-	138,257	121,881	16,376	13.4 %
Public ways and facilities	120,910	31,597	-	-	120,910	31,597	89,313	282.7 %
Health and sanitation	65,997	54,807	-	-	65,997	54,807	11,190	20.4 %
Public assistance	46,772	43,818	-	-	46,772	43,818	2,954	6.7 %
Education	8,367	7,943	-	-	8,367	7,943	424	5.3 %
Recreation and cultural services	2,380	1,550	-	-	2,380	1,550	830	53.5 %
Interest on long-term debt	918	1,270	-	-	918	1,270	(352)	(27.7)%
Debt administration and issuance costs	10	6	-	-	10	6	4	66.7 %
Napa County Airport	-	-	2,930	3,183	2,930	3,183	(253)	(7.9)%
Lake Berryessa Resort Improvement District	-	-	1,641	1,204	1,641	1,204	437	36.3 %
Napa Berryessa Resort Improvement District	-	-	1,775	1,698	1,775	1,698	77	4.5 %
5th Street Parking Garage	-	-	470	482	470	482	(12)	(2.5)%
Napa County Housing Authority	-	-	1,472	1,582	1,472	1,582	(110)	(7.0)%
Napa County Animal Shelter	-	-	1,551	1,227	1,551	1,227	324	26.4 %
Total expenses	<u>437,375</u>	<u>305,339</u>	<u>9,839</u>	<u>9,376</u>	<u>447,214</u>	<u>314,715</u>	<u>132,499</u>	<u>42.1 %</u>
Excess (deficiency) before transfers	(35,288)	40,320	734	(919)	(34,554)	39,401	(73,955)	
Extraordinary item - South Napa Earthquake	-	2,935	-	-	-	2,935	(2,935)	(100)%
Transfers	(844)	(668)	844	668	-	-	-	- %
Change in net position	<u>(36,132)</u>	<u>42,587</u>	<u>1,578</u>	<u>(251)</u>	<u>(34,554)</u>	<u>42,336</u>	<u>(76,890)</u>	<u>(181.6)%</u>
Net position - Beginning	312,606	270,019	45,866	46,117	358,472	316,136	42,336	13.4 %
Cumulative effect of change in accounting principle	\$ (29,402)	\$ -	\$ -	\$ -	\$ (29,402)	\$ -	\$ (29,402)	100.0 %
Net position - Beginning, as restated	<u>\$ 283,204</u>	<u>\$ 270,019</u>	<u>\$ 45,866</u>	<u>\$ 46,117</u>	<u>\$ 329,070</u>	<u>\$ 316,136</u>	<u>\$ 12,934</u>	<u>4.1 %</u>
Net position - Ending	<u>\$ 247,072</u>	<u>\$ 312,606</u>	<u>\$ 47,444</u>	<u>\$ 45,866</u>	<u>\$ 294,516</u>	<u>\$ 358,472</u>	<u>\$ (63,956)</u>	<u>(17.8)%</u>

Total revenues for the County's Governmental activities had an overall increase from the prior year of \$56.4 million, or 16.3%, to \$402.1 million. Significant variances in governmental activity revenues are as follows:

- Operating grants and contributions increased \$13.5 million, or 10.7%, over the prior year. This increase is mainly due to the State funding for the SB1022 Staff Secure Facility, Community Facility District- Milliken-Sarco-Tulocay (MST) Phase II project, and SB-1 road maintenance and rehabilitation projects including the Milliken Creek Flood Damage repairs and Oakville-Knoll Sed Plan projects; increase in funding in Health and Human Services Agency's Health Care Enhancement Program and federally funded Whole Person Care Program. There was also a one-time \$3.2 million donation from the Kaiser Foundation.
- Capital grants and contributions decreased by \$3.8 million, or 53.3%, from the prior year. A significant portion of this decrease is due to Federal funding received for the Silverado-Zinfandel road repairs, and Silverado, Dunaweal, Larkmead, and Oakville Bridge projects, which were completed in fiscal year 2017-18.
- Property Tax revenues increased by \$23.1 million, or 21.7%, over the prior year. This increase was mainly due to the return of excess Educational Revenue Augmentation Fund revenues and increases in assessed valuation county-wide.
- Gain on sale of assets increased by \$5.1 million, or 3,321.3%, over the prior year, due to the sale County-owned property.
- Miscellaneous revenues increased by \$12.6 million, or 3,163.6%, over the prior year. This increase was mainly due to an insurance settlement for the the 2014 Earthquake-damaged buildings, primarily the Historic Courthouse.
- Other taxes decreased by \$1.6 million, or 9.8%, from the prior year. The decrease was mainly caused by reduced Transient Occupancy Tax that resulted in decreased tourism during and after the 2017 Napa Fire Complex.

Total expenses for the County's Governmental activities had an increase from the prior year of \$132.0 million, or 43.2%, to \$437.4 million. Significant variances in governmental activity expenses are as follows:

- General government expenses increased by \$11.3 million, or 26.6%, from the prior year. This increase was due primarily to costs associated with the various construction projects to maintain or renovate existing County buildings and the increase of community grants.
- Health and Sanitation expenses increased by \$11.2 million, or 20.4%, from the prior year due primarily to increased costs in the Whole Person Care and Health Care Enhancement programs and associated client provider services during the year.
- Public Ways and Facilities expenses increased by \$89.3 million, or 282.7%. A significant portion, \$88.4 million, is due to the sunset of the Flood Authority's 20-year sales tax measure and the transfer of remaining balances to the jurisdictions for future approved flood projects.
- The County reported an extraordinary item of \$2.9 million related to the 2014 South Napa Earthquake in fiscal year 2016-17. Most of the costs related to this disaster were realized between fiscal years 2014-15 and 2016-17. In the current reporting period, the remaining costs are combined with the public protection function under governmental activities.

- Public Protection expenses increased by \$16.4 million, or 13.4%, over the prior year. This increase was primarily due to a reclassification of expenses related to the 2014 South Napa Earthquake. In addition, expenses increased approximately \$4.9 million in the Fire Protection Fund due to a greater number of fire service contracts and the purchase of new equipment, including three fire engines and two fire stations.

Business-type activities. Business-type activities increased the County's net position by \$1.6 million. Business-type activities operating expenses were less than operating revenues by \$0.7 million.

Total revenues for the County's Business-type activities had an overall increase of \$2.1 million, or 25.0%. Key elements of the increase in revenues for Business-type activities are as follows:

- Fees, fines and charges for services decreased by approximately \$0.4 million primarily from the Napa County Airport's loss of rental revenue due to tenant vacancies.
- Capital grants and contributions increased by \$2.4 million. This increase was primarily due to State and Federal grants toward the airport runway rehabilitation projects and a combination of State Department of Water Resources and a CDBG grant for the maintenance projects in the Lake Berryessa Resort Improvement District.

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:

- Lake Berryessa Resort Improvement District increased by \$0.4 million primarily from maintenance projects completed during the year.
- Napa County Animal Shelter increased by \$0.3 million due to additional staffing and increased level of services, including veterinary services, feed, and supplies, as a result of the passing of the Napa County Animal Shelter Compromise Ordinance in November 2016.

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

The County uses *fund accounting* to ensure 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-prorietary 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 \$283.0 million, a decrease of \$43.0 million in comparison with last year. Approximately 97.3%, or \$275.3 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*, \$7.7 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 \$7.2 million, deposits totaling \$459,257, and prepaid items of \$126,057.

- *Restricted fund balance*, \$158.6 million. Represents amounts with constraints imposed on their use by external creditors, grantors, contributors, laws, regulations or enabling legislation. Restrictions on funds are those imposed by (1) enabling legislation and purpose of the fund, \$131.2 million including, but not limited to: \$34.8 million is restricted within non-operating special revenue funds in the General Fund, \$26.6 million is restricted within Health and Human Services Agency, and \$29.2 million is restricted for Affordable Housing; (2) laws, the General Fund's general reserve, which is legally restricted by the State, of \$25.9 million; and (3) creditors, \$1.5 million restricted within the Debt Service Fund for payments on long-term debt.
- *Committed fund balance*, \$22.0 million. Consists of amounts for specific purposes determined by the Board of Supervisors, including, but not limited to: potential Health and Human Services agency audit exceptions of \$1.0 million, building and safety permitting of \$5.3 million, and capital improvement fund projects totaling \$12.5 million.
- *Assigned fund balance*, \$70.6 million. Represents amounts set aside including capital improvement funds of \$57.6 million for future major facilities repairs and a new County jail facility, \$9.2 million for fiscal year 2018-19 appropriations and \$3.8 million covering various other programs including pension contribution, In-Home Supportive Services Memorandum of Effort and agriculture commission programs.
- *Unassigned fund balance*, \$24.2 million. Represents the residual classification for the County's General Fund of \$24.7 million, reduced by governmental funds where expenditures exceed other available fund balance, including \$(105,935) for the In-Home Support Services Public Authority, and \$(433,745) for Flood Protection & Watershed Authority.

General Fund: The General Fund is the chief operating fund of the County. The total fund balance of the General Fund was \$110.8 million. The General Fund's total fund balance increased \$14.7 million, or 15.3%, compared to the prior year. A majority of the increase is the result of a final closeout transfer of \$8.5 million from the Napa County Flood Protection and Watershed Improvement Authority due to the sunset of Measure A.

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 68.5% of the total fund expenditures. Of the General Fund's spendable fund balance, \$62.7 million, or 60.6%, is restricted; \$3.1 million, or 3.0%, is committed; \$13.0 million, or 12.5%, is assigned, and \$24.7 million, or 23.9%, is unassigned.

Health and Human Services Agency: The total fund balance of the Health and Human Services Agency was \$27.6 million, of which \$26.6 million is restricted. Total fund balance increased \$2.4 million, or 9.4%, 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 half-cent sales tax for countywide flood projects to be completed over approximately 20 years. At June 30, 2018, the sales tax sunset and the fund balance was accrued to be distributed to the participating jurisdictions for future approved flood projects.

Capital Improvement Fund: The Capital Improvement Fund is used to account for major capital improvement projects and proactively build up reserves for future capital needs. The total fund balance was \$75.7 million, of which \$57.6 million is assigned for specific capital projects including \$57.2 million for a future jail facility. Total fund balance increased by \$17.9 million, or 31.1%, from the prior year primarily due to transfers from the General Fund, based on Board policy, outpacing construction expenditures.

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 \$7.9 million, all of which is restricted. Total fund balance of the Roads Fund decreased by \$1.2 million, or 12.8%, due to decrease in aid from other governments and increase in emergency repair expenditures related to the 2017 winter storm events.

Other Governmental Funds: The total fund balances of the remaining governmental funds increased \$3.9 million, or 6.7%, to \$61.5 million. This is due to increased assessed valuations and returns of Excess Educational Revenue Augmentation Fund (ERAF) revenues, State funding for the Fire Protection Fund to cover the 2017 Fire Complex event, increased building activities in the Building Fund, and a State grant received for the Community Facility District - MST Phase II project.

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	FY2018		FY2017		Increase/(Decrease)	
	Amount	Percent of Total	Amount	Percent of Total	Dollar Change	Percent Change
Taxes	\$ 174,159	44.7 %	\$ 151,734	44.2 %	\$ 22,425	14.8 %
Licenses and permits	12,453	3.2 %	10,938	3.2 %	1,515	13.9 %
Fines, forfeitures and penalties	5,600	1.4 %	4,436	1.3 %	1,164	26.2 %
Revenue from use of money and property	2,561	0.7 %	2,417	0.7 %	144	6.0 %
Aid from other governments	142,486	36.6 %	129,215	37.7 %	13,271	10.3 %
Charges for services	41,601	10.7 %	42,306	12.3 %	(705)	(1.7)%
Contributions and donations	5,056	1.3 %	372	0.1 %	4,684	1,259.1 %
Other	5,583	1.4 %	1,632	0.5 %	3,951	242.1 %
Total	\$ 389,499	100.0 %	\$ 343,050	100.0 %	\$ 46,449	13.5 %

Figure 1 - Revenues Comparison by Source - Governmental Funds

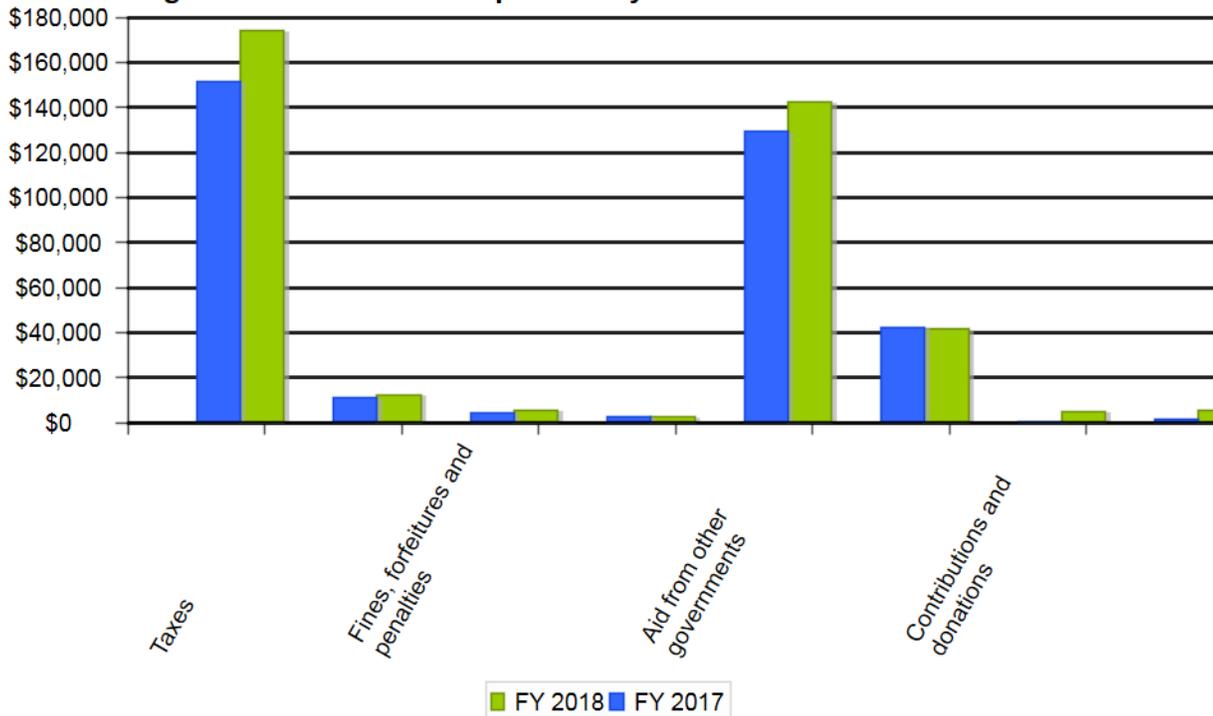
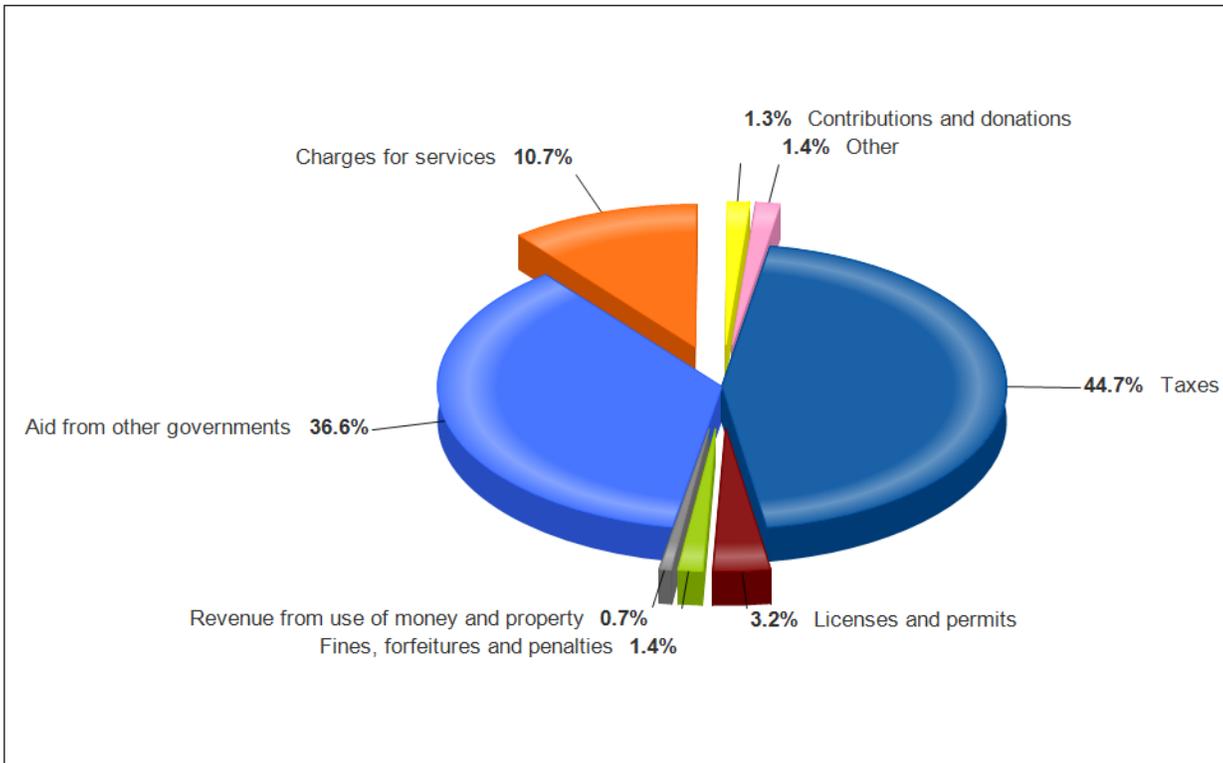


Figure 2 - Revenues Classified by Source - Governmental Funds



Total governmental fund revenues increased \$46.4 million, or 13.5%, to \$389.5 million. Significant variances in governmental fund revenues are as follows:

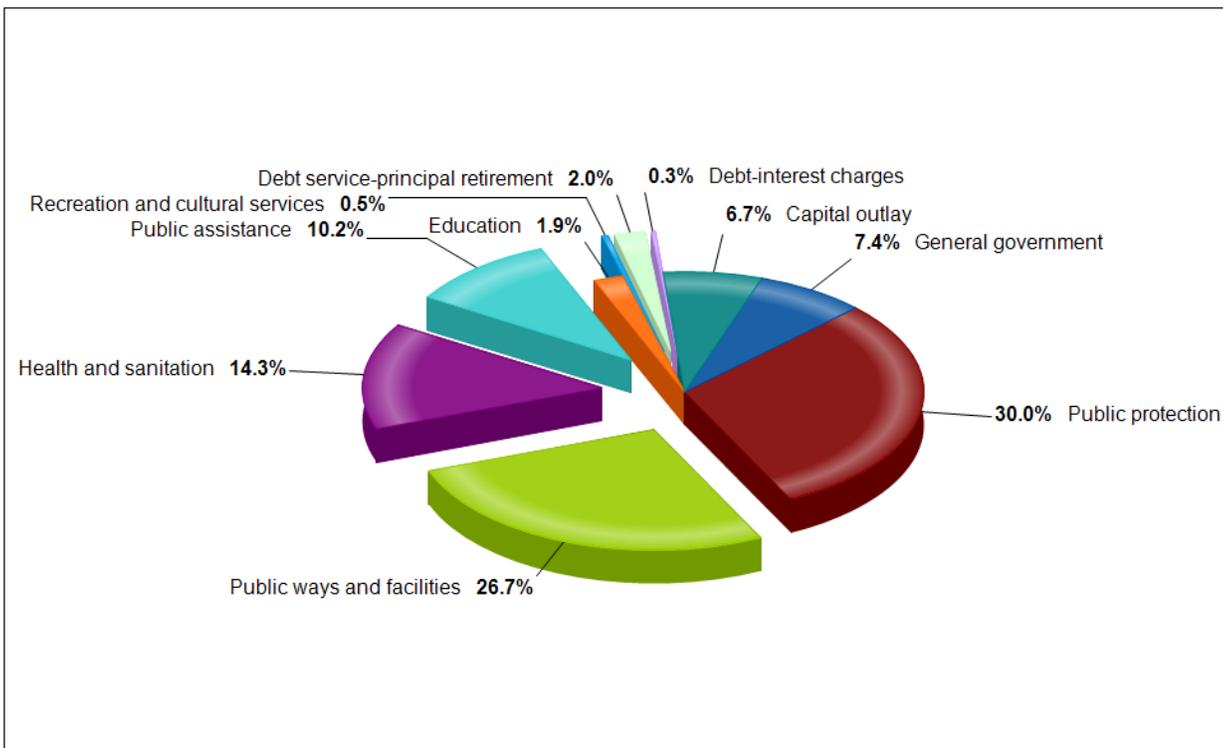
- Taxes increased by \$22.4 million, or 14.8% from the prior year. The return of ERAF revenue and property tax increased approximately \$15.3 million and \$9.3 million, respectively compared to the prior year. Assessed valuation continued to climb and the absence of a large multi-year roll correction as occurred in 2016-17 resulted in property tax growth. Excess ERAF returns benefited from assessed valuation gains, increased supplemental tax revenue and true up of prior year returns. Increases were offset by a \$1.1 million decrease in transient occupancy tax, due to decreased tourism as a result of the 2017 Napa Fire Complex.
- Aid from other governments increased by \$13.3 million, or 10.3%, from the prior year. This is a combination of increased funding for SB1022 Staff Re-entry Facility, Health Care Enhancement Program, a grant for the Community Facility District-MST Phase II project and the Health and Human Services Agency's Whole Person Care program.
- Contributions and donations increased by \$4.7 million, or 1,259.1%, from the prior year. This increase was primarily due to a one-time \$3.2 million Kaiser Foundation contribution.
- Other revenues increased by \$3.9 million, or 242.1%, from the prior year. This increase is mostly attributed to the sale of a county-owned property.

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	FY2018		FY2017		Increase/(Decrease)	
	Amount	Percent of Total	Amount	Percent of Total	Dollar Change	Percent Change
General government	\$ 32,894	7.4 %	\$ 33,252	10.2 %	\$ (358)	(1.1)%
Public protection	133,600	30.0 %	124,132	38.1 %	9,468	7.6 %
Public ways and facilities	118,537	26.7 %	30,143	9.2 %	88,394	293.2 %
Health and sanitation	63,528	14.3 %	55,076	16.9 %	8,452	15.3 %
Public assistance	45,137	10.2 %	44,024	13.5 %	1,113	2.5 %
Education	8,547	1.9 %	11,213	3.4 %	(2,666)	(23.8)%
Recreation and cultural services	2,368	0.5 %	1,507	0.5 %	861	57.1 %
Debt service-principal retirement	8,820	2.0 %	8,516	2.6 %	304	3.6 %
Debt-interest charges	1,438	0.3 %	1,765	0.5 %	(327)	(18.5)%
Debt-administration, issuance and arbitrage	10	- %	6	- %	4	66.7 %
Capital outlay	29,794	6.7 %	16,511	5.1 %	13,283	80.4 %
Total	\$ 444,673	100.0 %	\$ 326,145	100.0 %	\$ 118,528	36.3 %

Figure 3 - Expenditures by Function - Governmental



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

- Public protection expenditures increased by \$9.4 million or 7.6% over the prior year. The change is due to a \$2.9 million increase in fire service contracts resulting in added costs of service; \$2.3 million increase in Fire fund equipment, including three fire engines and two new fire stations; and a \$1.8 million increase in safety/emergency services. In addition, there was an overall increase in salaries and related benefits, in part due to the 2017 Napa Fire Complex.

- Public ways and facilities expenditures increased by \$88.4 million, or 293.2%, over the prior year. This increase was mostly due to the sunset of the 20-year Flood Authority sales tax measure distributions and approximately \$6.6 million of construction related to expenditures on six 2017 winter storm road repair projects.
- Health and sanitation expenditures increased by \$8.5 million, or 15.3%, over the prior year. This increase was partly due to an increase of \$1.8 million in the Health Care Enhancement Program as well as a \$2.0 million increase in the Whole Person Care Program. In addition, there was a \$2.4 million increase in Client Provider Services in part related to a new Crisis Stabilization contract.
- Education expenditures decreased by \$2.7 million, or 23.8%. This decrease was mostly due to completing the Napa Main Library remodel in the prior year.
- Recreation and Cultural expenditures increased by \$0.9 million or 57.1% over the prior year. Starting in fiscal year 2017-18, a new division was created segregating salaries and associated expenditures for park-related activities, which were previously recorded under public protection. These costs are fully reimbursed by the Parks & Open Space District.

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	\$ 234,517	\$ 74,156	\$ 19,767	\$ 8,908	\$ 4,597	\$ 47,476	\$ 78	\$ 389,499
Expenditures	151,175	107,495	92,055	29,794	16,093	43,574	4,488	444,674
Other financing sources (uses), net	(68,648)	35,710	(8,463)	38,824	10,336	(28)	4,411	12,142
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	14,694	2,371	(80,751)	17,938	(1,160)	3,874	1	(43,033)
Fund balances - Beginning	96,114	25,209	80,318	57,761	9,078	56,086	1,498	326,064
Fund balances - Ending	<u>\$ 110,808</u>	<u>\$ 27,580</u>	<u>\$ (433)</u>	<u>\$ 75,699</u>	<u>\$ 7,918</u>	<u>\$ 59,960</u>	<u>\$ 1,499</u>	<u>\$ 283,031</u>

Proprietary funds. The County's proprietary funds financial statements 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	\$ 1,872	\$ 598	\$ 846	\$ 2,253	\$ 5,569
Operating expenses	2,915	1,461	1,415	3,490	9,281
Operating income (loss)	(1,043)	(863)	(569)	(1,237)	(3,712)
Non-operating revenues (expenses), net	14	339	(241)	359	471
Net income (loss) before contributions and transfers	(1,029)	(524)	(810)	(878)	(3,241)
Capital contributions	575	2,879	521	-	3,975
Transfers in (out)	-	384	-	459	843
Change in net position	<u>(454)</u>	<u>2,739</u>	<u>(289)</u>	<u>(419)</u>	<u>1,577</u>
Net position - Beginning	14,104	8,127	362	23,273	45,866
Net position - Ending	<u>\$ 13,650</u>	<u>\$ 10,866</u>	<u>\$ 73</u>	<u>\$ 22,854</u>	<u>\$ 47,443</u>

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 \$0.4 million during the current fiscal year. A significant portion of the decrease was due to the construction cost for the 16010 R-W 18R-36L Rehab Safety Design project. The unrestricted net position of the Airport was \$4.8 million while total net position was \$13.6 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 163.5% of the total operating expenditures.

Lake Berryessa Resort Improvement District is used to provide water and wastewater services within district boundaries. The unrestricted net position of the district was \$2.3 million while total net position was \$10.9 million. The increase of \$2.7 million in net position was primarily due to capital grants the District received from the State Water Resources Control Board and a CDBG grant.

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 \$45,000 decrease due to a slight decrease in charges for services and a slight increase in operating costs and depreciation of the water treatment plant assets compared to the prior year.

GENERAL FUND BUDGETARY HIGHLIGHTS

During the year there was a \$52.8 million increase in appropriations between the original budget and the final amended budget. Following are the main components of the increase:

- \$28.6 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 are to be transferred to the Accumulated Capital Outlay division of the Capital Improvement Fund to fund future capital needs of the County. During the year, \$20.1 million of excess ERAF, \$5.3 million of proceeds from the sale of real property and \$3.2 million of grant proceeds from Kaiser Northern California Community Benefit Program funds were transferred to the Accumulated Capital Outlay division and assigned to the future jail project.
- \$8.3 million increase for carryforward of existing construction projects not completed during fiscal year 2016-17.
- \$7.5 million intrafund transfer due to the consolidation of the Community Services Center into Probation.
- \$4.0 million increase in salaries (overtime) and other professional services due to the 2017 Napa Fire Complex response and recovery, which will be offset by Federal and State reimbursements.
- \$2.5 million increase for repair expenditures to close out various 2014 earthquake building and road-repair projects.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital assets

The County's investment in capital assets for its governmental and business-type activities amounted to \$244.3 million (net of accumulated depreciation), an increase of \$12.8 million, or 5.6%, over the prior year. The increase was primarily due to the addition of \$18.2 million in construction in progress offset by governmental fund asset deletions of \$7.2 million and depreciation. For more detailed capital assets information, see Notes to the Basic Financial Statements, specifically pages 60-61.

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

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

	Governmental Activities		Business-type Activities		Total		Increase/(Decrease)	
	2018	2017	2018	2017	2018	2017	Dollar Change	Percent Change
Land and easements	\$ 13,968	\$ 13,968	\$ 5,365	\$ 5,365	\$ 19,333	\$ 19,333	\$ -	- %
Intangible assets	1,141	1,458	-	-	1,141	1,458	(317)	(21.7)%
Construction in progress	39,423	25,454	7,609	5,010	47,032	30,464	16,568	54.4 %
Infrastructure	23,574	25,330	-	-	23,574	25,330	(1,756)	(6.9)%
Structures and improvements	103,051	104,042	38,662	41,251	141,713	145,293	(3,580)	(2.5)%
Equipment	11,235	9,202	225	328	11,460	9,530	1,930	20.3 %
Total	\$ 192,392	\$ 179,454	\$ 51,861	\$ 51,954	\$ 244,253	\$ 231,408	\$ 12,845	5.6 %

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

- Construction in progress (the value of projects incomplete at the end of the fiscal year) increased by a net of \$16.6 million, or 54.4%, from the prior year. Total additions for the year totaled \$18.2 million. The majority of the increase, \$15.6 million was in governmental activities due to the construction of the County Jail and the Re-entry Facility of \$13.2 million.
- Equipment increased by \$1.9 million, or 20.3%, 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 \$31.5 million as compared to \$41.0 million in the prior year. This amount was comprised of the following:

- \$11,005,000 of 2012 Certificates of Participation;
- \$10,065,000 of 2014 Certificates of Participation;
- \$2,516,520 of unamortized premiums for outstanding Certificates of Participation;
- \$1,683,784 of capital lease obligations; and
- \$6,251,419 for loans payable.

As of June 30, 2018, the County fully redeemed the Napa County Flood Limited Tax Refunding Bonds, Series 2005, Napa County Flood Limited Tax Subordinate Refunding Bonds, 2013 Series A, and fully amortized the related bond premiums.

At June 30, 2018, the County Business-type Activities total long-term debt outstanding, not including compensated absences, was \$10.9 million as compared to \$13.7 million in the prior year. This amount was comprised of the following:

- \$7,451,364 of Napa Berryessa Resort Improvement District 2013 Series A bonds;
- \$2,743,157 of Napa Berryessa Resort Improvement District 2013 Series B Bonds; and
- \$737,894 of capital lease obligations.

As of June 30, 2018, Lake Berryessa Resort Improvement District refunded its 2007 Series A bonds via a \$2,370,000 advance from the County General Fund. In addition, the Napa County Airport made the final payment on its 2002 Hangar Construction Loan.

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 with 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

On January 9, the Board adopted the fiscal year 2018-19 Budget Policies. The Budget Policies was an accumulation of 21 individual action items placed in order of priority as dictated by the Board. The policies included guidance on both short-term and long-term financial and operational objectives. Key areas addressed in the policies included:

- Pursue operational efficiencies throughout the County structure.
- Maintain net County cost for General Fund departments at their fiscal year 2017-18 budgeted requirements.
- Maximize the Board's discretion by committing the most restrictive resources first in order to free up discretionary resources.
- Continue to address all postemployment liabilities in a strategic and systematic manner.
- Use FEMA, FHWA and CalOES emergency reimbursements to replenish the General Reserve to policy level.
- Continue to fund the County's assignment for Fiscal Uncertainty at policy level.
- Increase capital reserves to address future capital and maintenance projects.
- Continue the refinement of the County's Fiscal Contingency Strategy and implement the strategy if warranted.

In the Budget Study Session on May 15, 2018, the Board discussed the Jail Financing Plan created to fund the construction of a new 304 rated bed facility, with the final plan approved by the Board on May 22, 2018. This approved plan includes the following:

- Assignment of all excess ERAF returns through fiscal year 2019-20 to future jail construction costs;
- approve up to \$20 million in debt through the issuance(s) of Certificate(s) of Participation;
- approve use of the Tobacco Master Settlement Agreement (MSA) fund balance toward jail construction; and
- confirm the intent to use annual MSA revenues for the County’s community health grant program.

SIGNIFICANT BUDGET ISSUES

The County has continued its practice of prudent budgeting to maintain structural balance within the General Fund and a majority of special revenue funds. With the Board’s leadership, the County adopted and has followed budget policies that have preserved a solid fiscal foundation and prepared the County for both positive and negative changes in revenues. However, significant pressures on operational budgets remain. Personnel and operating costs continue to grow, and the County has continued to commit funds to address the County’s unfunded retirement obligation.

The General Fund available fund balance and strategic reserves combined with prudent fiscal policies have positioned the County to respond systematically to future, unforeseen financial stress. The County has been able to weather five declared national disasters within the past four years (2014 earthquake, three 2017 winter storm floods, and 2017 fire) without jeopardizing the deliverance of needed County services. However, reliance upon State, Federal and insurance reimbursements is key when looking towards the future.

FUND BALANCE CHANGES

GENERAL FUND BUDGET

The General Fund Budget assumes a fiscal year 2018-19 beginning fund balance of approximately \$50.9 million, consisting of:

- \$25.9 million in General Reserves, or 8.7% of defined General Fund and Health and Human Services appropriations. The General Reserve is currently 1.3% below Board policy level but is expected to be fully funded by the reimbursement of disaster related expenditures in the coming fiscal year. The table below shows General Reserve activity for fiscal year 2017-18 (in millions):

Balance as of July 1, 2017	\$25.7
2017 winter storm floods	(11.8)
Return of unused storm funds	5.2
2017 Napa fire	(3.5)
Transfer of available fund balance	<u>10.3</u>
Balance as of June 30, 2018	<u>\$25.9</u>

- \$7.2 million of unavailable fund balance for Loans and Advances Receivable. This represents funds owed to the General Fund by Roads fund, Lake Berryessa Resort Improvement District, and Napa Berryessa Resort Improvement District that are not available for use in the fiscal year 2018-19 budget year.
- \$13.0 million currently assigned to be used in future years are as follows:
 - \$1.0 million for future pension liability;
 - \$0.8 million for the In Home Support Services (IHSS) Maintenance of Effort agreement (MOE);
 - \$1.4 million restricted for use by the Agricultural Commissioner’s office for agriculture-related purposes;
 - \$0.6 million to update the General Plan; and
 - \$9.2 million to offset fiscal year 2018-19 appropriations (budgetary resource)

This leaves an estimated available balance of \$24.7 million, including \$17.0 million for fiscal uncertainty per Board policy.

HEALTH AND HUMAN SERVICES FUND BUDGET

The Agency's fiscal year 2018-19 budget decreased by \$1.2 million, or 1.0%. Five of the Agency's nine divisions experienced appropriations decreases; Mental Health, Child Welfare Services, Comprehensive Services for Older Adults, Homeless and Housing and Agency Administration. While the comparison of budgeted appropriations shows a decline, the fiscal year 2018-19 budget reflects a 2.0% increase over fiscal year 2017-18 actual appropriations.

The budgeted General Fund contribution of \$15,328,764 represents an overall decrease of \$2.8 million from the fiscal year 2017-18 contribution. For fiscal year 2018-19, the contribution consists of base funding of \$13 million plus 90% of indirect cost allocation charges, which will be reduced to 75% in future years. The allocation is increased by \$0.8 million to cover future costs shifted from the State as defined in the new In-Home Supportive Services Maintenance of Effort.

STATE BUDGET IMPACTS

On May 10, 2018, the Governor released his revised proposed fiscal year 2018-19 State Budget. While state revenue projections are stronger than projected in the January 2018 budget, the Governor continues to urge caution in light of ongoing uncertainty regarding health care and tax reforms, as well as other economic areas that could have negative impacts moving forward. The January budget released by the Governor included funding to backfill lost property tax for counties impacted by wildfires in 2017, including Napa County. The May Revision builds on the State's commitment by including funding to cover the County share of the Debris Removal program, estimated at \$3 million for Napa County. The May revision proposes using some of the increased revenues to reimburse the counties for the 2004-11 unfunded state mandate claims for those mandates that have been repealed. The County is currently owed approximately \$3.5 million for state mandates during the 2004-11 reimbursement period.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the County's and component unit finances for all of 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, California 94559. This entire report is also available online at www.countyofnapa.org.



Photo Credit: Napa Valley Register

Construction workers are building large box culverts in April 2011 that will carry Napa Creek flood flows underground through downtown Napa. The federal contractor, Proven Management Inc., expects to reopen Pearl Street in early May, then close Main Street on May 16 so the culverts can be extended further east. Main is expected to be closed for 30 days.



Basic Financial Statements
Government-Wide Financial Statements



Photo Credit: Napa Valley Register

The pedestrian bridge over Napa Creek near the Napa Valley Opera House offers an unobstructed view in August 2011 of the work being done as part of the Napa Creek Flood Project.

COUNTY OF NAPA
Statement of Net Position
June 30, 2018

	Primary Government			Component Unit
	Governmental	Business-Type	Napa County Children and Families	
	Activities	Activities	Total	Commission
Assets				
Cash and investments	\$ 330,414,964	\$ 9,197,452	\$ 339,612,416	\$ 354,870
Restricted assets:				
Cash with fiscal agent	1,565,470	570	1,566,040	-
Cash held for debt service reserve	390,331	1,494,352	1,884,683	-
Cash held for capital replacement	-	349,921	349,921	-
Imprest cash	104,564	275	104,839	500
Receivables, net				
Taxes receivable	25,714,589	26,822	25,741,411	-
Special assessments receivable	1,586,873	818,997	2,405,870	-
Accounts receivable	16,407,165	1,576,458	17,983,623	-
Due from other governments	30,293,000	-	30,293,000	251,594
Prepaid items	258,896	1,000	259,896	2,464
Deposits	597,433	48,081	645,514	3,900
Internal balances	4,304,000	(4,304,000)	-	-
Loans receivable, net	24,937,288	-	24,937,288	-
Capital assets:				
Nondepreciable	53,655,862	12,974,719	66,630,581	-
Depreciable, net	138,737,026	38,887,122	177,624,148	-
Total assets	<u>628,967,461</u>	<u>61,071,769</u>	<u>690,039,230</u>	<u>613,328</u>
Deferred outflows of resources				
Deferred pension	67,541,100	489,068	68,030,168	-
Deferred other postemployment benefits	5,940,000	-	5,940,000	-
Total deferred outflows of resources	<u>73,481,100</u>	<u>489,068</u>	<u>73,970,168</u>	<u>-</u>
Liabilities				
Accounts payable	108,515,861	987,940	109,503,801	37,217
Accrued salaries and benefits	6,255,792	41,634	6,297,426	11,906
Due to other government agencies	1,489	-	1,489	-
Interest payable	122,639	149,893	272,532	-
Other accrued liabilities	11,423	-	11,423	-
Deposits	136,867	112,346	249,213	-
Unearned revenue	4,180,186	9,394	4,189,580	-
Long-term liabilities:				
Portion due or payable within one year:				
Loan payable	318,710	-	318,710	-
Capital lease obligations	198,386	65,779	264,165	-
Bonds payable	-	172,000	172,000	-
Certificates of participation	3,330,000	-	3,330,000	-
Compensated absences	5,988,668	39,400	6,028,068	673
Liability for unpaid insurance claims	2,784,898	-	2,784,898	-
Portion due or payable after one year:				
Loan payable	5,932,709	-	5,932,709	-
Capital lease obligations	1,485,398	672,115	2,157,513	-
Bonds payable	-	10,022,521	10,022,521	-
Certificates of participation	20,256,520	-	20,256,520	-
Compensated absences	6,666,004	53,831	6,719,835	440
Liability for unpaid insurance claims	8,267,592	-	8,267,592	-
Net pension liability	237,508,415	1,724,786	239,233,201	-
Net OPEB liability	32,656,000	-	32,656,000	-
Total liabilities	<u>444,617,557</u>	<u>14,051,639</u>	<u>458,669,196</u>	<u>50,236</u>
Deferred inflows of resources				
Deferred pension	9,061,221	65,814	9,127,035	-
Deferred other postemployment benefits	1,698,000	-	1,698,000	-
Total deferred inflows of resources	<u>10,759,221</u>	<u>65,814</u>	<u>10,825,035</u>	<u>-</u>
Net position				
Net investment in capital assets	160,871,165	38,559,997	199,431,162	-
Restricted for:				
General government	2,493,739	-	2,493,739	-
Public protection	32,122,634	-	32,122,634	-
Public ways and facilities	24,447,744	-	24,447,744	-
Health and sanitation	25,453,865	-	25,453,865	-
Public assistance	36,942,645	-	36,942,645	-
Education	10,161,739	-	10,161,739	-
Restricted for capital replacement	-	385,580	385,580	-
Unrestricted	(45,421,748)	8,497,807	(36,923,941)	563,092
Total net position	<u>\$ 247,071,783</u>	<u>\$ 47,443,384</u>	<u>\$ 294,515,167</u>	<u>\$ 563,092</u>

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

COUNTY OF NAPA

Statement of Activities
For the Year Ended June 30, 2018

Functions/Programs	Program Revenues			
	Expenses	Fees, Fines and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government				
Governmental activities:				
General government	\$ 53,764,110	\$ 15,807,568	\$ 9,617,960	\$ -
Public protection	138,257,678	23,648,348	42,754,562	895,000
Public ways and facilities	120,910,048	6,229,626	6,103,259	2,421,308
Health and sanitation	65,996,852	14,071,068	34,454,842	-
Public assistance	46,772,061	2,904,733	47,315,214	14
Education	8,366,898	135,228	233,615	-
Recreation and cultural services	2,379,619	737,577	-	-
Debt service:				
Interest and fiscal charges	917,695	-	-	-
Administration	9,570	-	-	-
Total governmental activities	<u>437,374,531</u>	<u>63,534,148</u>	<u>140,479,452</u>	<u>3,316,322</u>
Business-type activities:				
Napa County Airport	2,929,851	1,871,948	-	575,214
Lake Berryessa Resort Improvement District	1,641,047	597,939	170,280	2,877,862
Napa Berryessa Resort Improvement District	1,774,976	845,811	37,254	521,302
5th Street Parking Garage	469,919	191,021	-	-
Napa County Housing Authority	1,472,250	769,896	250,000	-
Napa County Animal Shelter	1,550,807	1,292,282	67,001	-
Total business-type activities	<u>9,838,850</u>	<u>5,568,897</u>	<u>524,535</u>	<u>3,974,378</u>
Total primary government	<u>\$ 447,213,381</u>	<u>\$ 69,103,045</u>	<u>\$ 141,003,987</u>	<u>\$ 7,290,700</u>
Component unit				
Napa County Children and Families Commission	\$ 1,024,064	\$ -	\$ 1,022,594	\$ -

General Revenues:

Taxes:

Property taxes
Sales and use taxes
Transient occupancy taxes
Property transfer taxes
Investment earnings
Gain on sale of assets
Miscellaneous

Transfers

Total general revenues and transfers

Change in net position

Net position - beginning

Cumulative effect of change in accounting principle (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>
\$ (28,338,582)	\$ -	\$ (28,338,582)	
(70,959,768)	-	(70,959,768)	
(106,155,855)	-	(106,155,855)	
(17,470,942)	-	(17,470,942)	
3,447,900	-	3,447,900	
(7,998,055)	-	(7,998,055)	
(1,642,042)	-	(1,642,042)	
(917,695)	-	(917,695)	
(9,570)	-	(9,570)	
<u>(230,044,609)</u>	<u>-</u>	<u>(230,044,609)</u>	
-	(482,689)	(482,689)	
-	2,005,034	2,005,034	
-	(370,609)	(370,609)	
-	(278,898)	(278,898)	
-	(452,354)	(452,354)	
-	<u>(191,524)</u>	<u>(191,524)</u>	
-	<u>228,960</u>	<u>228,960</u>	
<u>(230,044,609)</u>	<u>228,960</u>	<u>(229,815,649)</u>	
			<u>\$ (1,470)</u>
129,634,795	413,051	130,047,846	-
29,965,281	-	29,965,281	-
12,620,682	-	12,620,682	-
1,938,501	-	1,938,501	-
2,305,049	53,569	2,358,618	3,610
5,302,618	-	5,302,618	-
12,989,281	38,348	13,027,629	-
<u>(843,616)</u>	<u>843,616</u>	<u>-</u>	<u>-</u>
<u>193,912,591</u>	<u>1,348,584</u>	<u>195,261,175</u>	<u>3,610</u>
(36,132,018)	1,577,544	(34,554,474)	2,140
312,605,801	45,865,840	358,471,641	560,952
<u>(29,402,000)</u>	<u>-</u>	<u>(29,402,000)</u>	<u>-</u>
<u>283,203,801</u>	<u>45,865,840</u>	<u>329,069,641</u>	<u>560,952</u>
<u>\$ 247,071,783</u>	<u>\$ 47,443,384</u>	<u>\$ 294,515,167</u>	<u>\$ 563,092</u>

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



Photo Credit: Napa Valley Register

Work continues in September 2011 on the Napa Creek Flood Control project in downtown Napa behind the Napa Firefighters Museum.



Basic Financial Statements
Fund Financial Statements



Photo Credit: Napa Valley Register

In November 2011, the patio area outside of Cole's Chop House on Main Street in downtown Napa is looking more like it did before the work on Napa Creek began.

COUNTY OF NAPA

Balance Sheet
Governmental Funds
June 30, 2018

	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	\$ 68,397,136	\$29,134,735	\$85,017,511	\$ 70,667,369	\$14,470,798	\$ 39,353,550	\$307,041,099
Restricted assets:							
Cash with fiscal agent	-	-	66,567	-	-	1,498,903	1,565,470
Cash held for debt service	-	-	-	-	-	390,331	390,331
Imprest cash	51,964	27,092	-	-	-	850	79,906
Receivable, net:							
Taxes	20,901,975	-	3,870,172	-	-	942,442	25,714,589
Special assessments	-	-	-	-	-	1,586,873	1,586,873
Accounts	13,100,872	2,985,615	-	167,722	-	67,381	16,321,590
Due from other governments	14,823,997	10,943,628	-	3,278,308	564,781	682,286	30,293,000
Due from other funds	111,027	1,803,312	-	-	-	-	1,914,339
Prepaid items	113,711	550	-	-	-	11,796	126,057
Deposits	-	-	-	458,007	-	1,250	459,257
Loans receivable, net	-	-	-	-	-	24,937,288	24,937,288
Advances to other funds	7,159,000	-	-	6,245,000	-	42,195	13,446,195
Total assets	<u>124,659,682</u>	<u>44,894,932</u>	<u>88,954,250</u>	<u>80,816,406</u>	<u>15,035,579</u>	<u>69,515,145</u>	<u>423,875,994</u>
Total assets and deferred outflows of resources	<u>\$124,659,682</u>	<u>\$44,894,932</u>	<u>\$88,954,250</u>	<u>\$ 80,816,406</u>	<u>\$15,035,579</u>	<u>\$ 69,515,145</u>	<u>\$423,875,994</u>
Liabilities, deferred inflows of resources & fund balances							
Liabilities:							
Accounts payable	\$ 2,672,432	\$ 5,028,055	\$89,387,995	\$ 4,222,686	\$ 681,188	\$ 4,525,015	\$106,517,371
Accrued salaries and benefits	3,497,588	1,667,726	-	-	99,543	364,212	5,629,069
Other accrued liabilities	11,423	-	-	-	-	-	11,423
Due to other funds	1,810,398	-	-	-	-	103,941	1,914,339
Deposits	131,867	-	-	-	-	5,000	136,867
Unearned revenue	472,069	3,657,524	-	-	-	50,593	4,180,186
Advances from other funds	-	42,195	-	-	6,200,000	2,900,000	9,142,195
Total liabilities	<u>8,595,777</u>	<u>10,395,500</u>	<u>89,387,995</u>	<u>4,222,686</u>	<u>6,980,731</u>	<u>7,948,761</u>	<u>127,531,450</u>
Deferred inflows of resources:							
Unavailable revenue	5,255,729	6,918,889	-	895,000	135,984	107,478	13,313,080
Fund balances:							
Nonspendable	7,272,711	550	-	458,007	-	13,046	7,744,314
Restricted	62,715,323	26,557,180	-	5,147,624	7,918,864	56,244,970	158,583,961
Committed	3,138,607	1,022,813	-	12,488,929	-	5,306,825	21,957,174
Assigned	12,989,593	-	-	57,604,160	-	-	70,593,753
Unassigned	24,691,942	-	(433,745)	-	-	(105,935)	24,152,262
Total fund balances	<u>110,808,176</u>	<u>27,580,543</u>	<u>(433,745)</u>	<u>75,698,720</u>	<u>7,918,864</u>	<u>61,458,906</u>	<u>283,031,464</u>
Total liabilities, deferred inflows of resources & fund balances	<u>\$124,659,682</u>	<u>\$44,894,932</u>	<u>\$88,954,250</u>	<u>\$ 80,816,406</u>	<u>\$15,035,579</u>	<u>\$ 69,515,145</u>	<u>\$423,875,994</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, 2018

Fund Balance - total governmental funds (page 33)	\$	283,031,464
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 and, therefore, are not reported in the governmental funds.		185,078,582
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	\$ (6,251,419)	
Capital lease obligations	(1,630,811)	
Certificates of participation	(23,586,520)	
Compensated absences	(11,694,691)	
Net pension liability	<u>(222,477,554)</u>	
Total long-term liabilities		(265,640,995)
Deferred outflows of resources		63,590,896
Accrued interest on debt		(122,639)
Deferred inflows of resources		(8,370,453)
Some of the County's intergovernmental revenues 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.		13,313,080
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>(23,808,152)</u>
Net position of governmental activities (page 27)	\$	<u>247,071,783</u>

COUNTY OF NAPA

**Statement of Revenues, Expenditures and
Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2018**

	General Fund	Health and Human Services Agency	Flood Protection & Watershed Improvement Authority	Capital Improvement Fund	Roads	Other Governmental Funds	Total
Revenues:							
Taxes	\$133,224,712	\$ -	\$ 19,334,463	\$ -	\$ -	\$ 21,600,086	\$ 174,159,261
Licenses and permits	6,091,991	51,090	-	-	126,818	6,183,498	12,453,397
Fines, forfeitures and penalties	4,760,936	354,872	-	339,738	86,256	57,733	5,599,535
Use of money and property	997,754	182,143	432,489	290,220	116,514	541,758	2,560,878
Aid from other governments	58,273,554	64,157,966	-	8,265,584	4,206,658	7,582,015	142,485,777
Charges for services	21,028,079	9,185,927	-	-	60,895	11,325,844	41,600,745
Contributions and donations	4,704,614	218,549	-	-	-	132,447	5,055,610
Other revenue	5,435,527	5,226	-	11,969	36	130,666	5,583,424
Total revenues	<u>234,517,167</u>	<u>74,155,773</u>	<u>19,766,952</u>	<u>8,907,511</u>	<u>4,597,177</u>	<u>47,554,047</u>	<u>389,498,627</u>
Expenditures:							
General government	26,385,432	-	-	-	-	6,508,896	32,894,328
Public protection	107,380,248	-	-	-	-	26,219,959	133,600,207
Public ways and facilities	14,498,903	-	86,673,297	-	16,092,502	1,272,710	118,537,412
Health and sanitation	-	63,275,301	-	-	-	252,694	63,527,995
Public assistance	-	44,219,316	-	-	-	917,731	45,137,047
Education	525,468	-	-	-	-	8,021,224	8,546,692
Recreation and cultural services	2,367,581	-	-	-	-	-	2,367,581
Debt service:							
Principal	16,389	-	5,165,000	-	-	3,638,983	8,820,372
Interest expense	1,481	-	211,371	-	-	1,225,602	1,438,454
Administration, issuance and arbitrage fees	-	-	5,500	-	-	4,071	9,571
Capital outlay	-	-	-	29,793,993	-	-	29,793,993
Total expenditures	<u>151,175,502</u>	<u>107,494,617</u>	<u>92,055,168</u>	<u>29,793,993</u>	<u>16,092,502</u>	<u>48,061,870</u>	<u>444,673,652</u>
Excess (deficiency) of revenues over (under) expenditures	<u>83,341,665</u>	<u>(33,338,844)</u>	<u>(72,288,216)</u>	<u>(20,886,482)</u>	<u>11,495,325</u>	<u>(507,823)</u>	<u>(55,175,025)</u>
Other financing sources (uses):							
Proceeds from insurance	2,919,099	-	-	9,846,347	-	-	12,765,446
Transfers in	11,639,887	36,880,077	-	29,575,271	13,215,406	5,427,749	96,738,390
Transfers out	(83,206,645)	(1,169,756)	(8,463,440)	(597,400)	(2,879,314)	(1,045,333)	(97,361,888)
Total other financing sources (uses)	<u>(68,647,659)</u>	<u>35,710,321</u>	<u>(8,463,440)</u>	<u>38,824,218</u>	<u>10,336,092</u>	<u>4,382,416</u>	<u>12,141,948</u>
Net change in fund balances	14,694,006	2,371,477	(80,751,656)	17,937,736	(1,159,233)	3,874,593	(43,033,077)
Fund balances - beginning	<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>
Fund balances - ending	<u>\$110,808,176</u>	<u>\$ 27,580,543</u>	<u>\$ (433,745)</u>	<u>\$ 75,698,720</u>	<u>\$ 7,918,864</u>	<u>\$ 61,458,906</u>	<u>\$ 283,031,464</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, 2018

Net change in fund balances - total governmental funds (page 35)		\$ (43,033,077)
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	\$ 18,584,802	
Less: current year depreciation	<u>(5,851,144)</u>	12,733,658
Revenues in the Statement of Activities recognized in the current fiscal year which are reported as deferred revenues in the governmental funds		(2,039,258)
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		
Principal payments	<u>8,820,372</u>	8,820,372
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	15,580	
Amortization of debt premiums	440,454	
Change in compensated absences	(1,092,987)	
Difference between pension expense and funding	<u>(10,277,343)</u>	(10,914,296)
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>(1,699,417)</u>
Change in net position of governmental activities (pages 28-29)		\$ <u><u>(36,132,018)</u></u>

COUNTY OF NAPA

Statement of Fund Net Position
Proprietary Funds
June 30, 2018

	Business-Type Activities - Enterprise Funds				Governmental	
		Lake	Napa		Activities	
	Napa County	Berryessa	Berryessa	Other	Internal	
	Airport	Improvement	Improvement	Enterprise	Service	
		District	District	Funds	Funds	
				Total		
Assets						
Current assets:						
Cash and investments	\$ 5,423,568	\$ 1,323,817	\$ 753,555	\$ 1,696,512	\$ 9,197,452	\$ 23,373,864
Restricted assets:						
Cash with fiscal agent	-	570	-	-	570	-
Cash held for debt service	-	-	1,494,352	-	1,494,352	-
Cash held for capital replacement	-	-	349,921	-	349,921	-
Imprest cash	100	-	-	175	275	24,659
Receivables, net:						
Taxes	-	13,140	13,682	-	26,822	-
Accounts	236,471	942,418	119,421	278,147	1,576,457	85,575
Special assessments	-	597,448	221,548	-	818,996	-
Prepaid items	-	-	-	1,000	1,000	132,839
Deposits	1,250	46,831	-	-	48,081	138,176
Total current assets	<u>5,661,389</u>	<u>2,924,224</u>	<u>2,952,479</u>	<u>1,975,834</u>	<u>13,513,926</u>	<u>23,755,113</u>
Noncurrent assets:						
Capital assets:						
Nondepreciable:						
Land	1,886,002	205,050	237,567	3,036,422	5,365,041	-
Construction in progress	587,399	7,022,279	-	-	7,609,678	-
Intangible assets	-	-	-	-	-	264,555
Depreciable:						
Structures and improvements	35,085,836	6,681,841	12,601,168	24,327,497	78,696,342	-
Equipment	920,007	414,423	225,081	80,799	1,640,310	17,265,998
Intangible assets	-	-	-	-	-	1,920,437
Accumulated depreciation	(29,050,592)	(3,424,714)	(3,607,824)	(5,366,400)	(41,449,530)	(12,136,679)
Total noncurrent assets	<u>9,428,652</u>	<u>10,898,879</u>	<u>9,455,992</u>	<u>22,078,318</u>	<u>51,861,841</u>	<u>7,314,311</u>
Total assets	<u>15,090,041</u>	<u>13,823,103</u>	<u>12,408,471</u>	<u>24,054,152</u>	<u>65,375,767</u>	<u>31,069,424</u>
Deferred outflows of resources:						
Deferred pension	250,358	-	-	238,710	489,068	3,950,204
Deferred other postemployment benefits	-	-	-	-	-	5,940,000
Total deferred outflows of resources	<u>250,358</u>	<u>-</u>	<u>-</u>	<u>238,710</u>	<u>489,068</u>	<u>9,890,204</u>
Liabilities						
Current liabilities:						
Accounts payable	231,958	517,601	50,194	188,186	987,939	1,999,987
Accrued salaries and benefits	20,649	-	-	20,985	41,634	626,722
Deposits	35,319	26,835	50,192	-	112,346	-
Interest payable	-	43,700	106,193	-	149,893	-
Capital lease obligations	48,506	-	-	17,273	65,779	52,973
Bonds payable	-	-	172,000	-	172,000	-
Unearned revenue	-	-	-	9,394	9,394	-
Unpaid insurance claims	-	-	-	-	-	2,784,898
Compensated absences	12,448	-	-	26,952	39,400	423,760
Total current liabilities	<u>348,880</u>	<u>588,136</u>	<u>378,579</u>	<u>262,790</u>	<u>1,578,385</u>	<u>5,888,340</u>
Noncurrent liabilities:						
Advances from other funds	-	2,370,000	1,934,000	-	4,304,000	-
Capital lease obligations	495,594	-	-	176,521	672,115	-
Bonds payable	-	-	10,022,521	-	10,022,521	-
Unpaid insurance claims	-	-	-	-	-	8,267,591
Compensated absences	33,411	-	-	20,420	53,831	536,220
Net pension liability	799,557	-	-	925,229	1,724,786	15,030,861
Net OPEB liability	-	-	-	-	-	32,656,000
Total noncurrent liabilities	<u>1,328,562</u>	<u>2,370,000</u>	<u>11,956,521</u>	<u>1,122,170</u>	<u>16,777,253</u>	<u>56,490,672</u>
Total liabilities	<u>1,677,442</u>	<u>2,958,136</u>	<u>12,335,100</u>	<u>1,384,960</u>	<u>18,355,638</u>	<u>62,379,012</u>
Deferred inflows of resources:						
Deferred pension	13,348	-	-	52,466	65,814	690,768
Deferred other postemployment benefits	-	-	-	-	-	1,698,000
Total deferred inflows of resources	<u>13,348</u>	<u>-</u>	<u>-</u>	<u>52,466</u>	<u>65,814</u>	<u>2,388,768</u>
Net position:						
Net investment in capital assets	8,884,552	8,529,449	(738,529)	21,884,525	38,559,997	7,261,339
Restricted	-	45,770	339,810	-	385,580	-
Unrestricted	4,765,057	2,289,748	472,090	970,911	8,497,806	(31,069,491)
Total net position	<u>\$ 13,649,609</u>	<u>\$ 10,864,967</u>	<u>\$ 73,371</u>	<u>\$ 22,855,436</u>	<u>\$ 47,443,383</u>	<u>\$(23,808,152)</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, 2018

	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				
Operating revenues:						
Charges for services	\$ 1,860,614	\$ 597,938	\$ 845,810	\$ 2,235,422	\$ 5,539,784	\$ 39,007,973
Maintenance charges:						
Equipment	-	-	-	-	-	859,582
Vehicle	-	-	-	-	-	1,023,177
Replacement charges	-	-	-	-	-	1,853,519
Other revenue	11,333	-	-	17,776	29,109	9,699
Total operating revenues	<u>1,871,947</u>	<u>597,938</u>	<u>845,810</u>	<u>2,253,198</u>	<u>5,568,893</u>	<u>42,753,950</u>
Operating expenses:						
Salaries and employee benefits	446,391	-	-	893,888	1,340,279	24,636,436
Services and supplies	1,051,066	1,175,347	812,609	2,028,877	5,067,899	12,852,055
Insurance	14,405	11,500	15,500	49,760	91,165	-
Other charges	10,053	-	-	-	10,053	100,243
Claims expense	-	-	-	-	-	5,002,518
Depreciation and amortization	1,393,374	273,846	586,605	517,158	2,770,983	1,729,390
Total operating expenses	<u>2,915,289</u>	<u>1,460,693</u>	<u>1,414,714</u>	<u>3,489,683</u>	<u>9,280,379</u>	<u>44,320,642</u>
Operating loss	<u>(1,043,342)</u>	<u>(862,755)</u>	<u>(568,904)</u>	<u>(1,236,485)</u>	<u>(3,711,486)</u>	<u>(1,566,692)</u>
Non-operating revenues (expenses):						
Aid from other governments	-	170,280	34,754	250,000	455,034	4,260
Taxes	-	345,109	67,942	-	413,051	-
Contributions and donations	-	-	2,500	67,001	69,501	-
Other revenue - non-operating	-	-	-	38,350	38,350	-
Investment income	28,237	3,493	14,513	7,325	53,568	148,328
Interest expense	(14,562)	(134,904)	(340,238)	(3,292)	(492,996)	(2,427)
Administration, issuance and arbitrage fees	-	(45,448)	(20,025)	-	(65,473)	-
Loss on disposition of capital assets	-	-	-	-	-	(62,768)
Total non-operating revenues (expenses)	<u>13,675</u>	<u>338,530</u>	<u>(240,554)</u>	<u>359,384</u>	<u>471,035</u>	<u>87,393</u>
Net (loss) before contributions and transfers	<u>(1,029,667)</u>	<u>(524,225)</u>	<u>(809,458)</u>	<u>(877,101)</u>	<u>(3,240,451)</u>	<u>(1,479,299)</u>
Capital contributions, grants and assessments	575,214	2,877,862	521,302	-	3,974,378	-
Transfers in	-	384,348	-	459,268	843,616	105,894
Transfers out	-	-	-	-	-	(326,012)
Change in net position	<u>(454,453)</u>	<u>2,737,985</u>	<u>(288,156)</u>	<u>(417,833)</u>	<u>1,577,543</u>	<u>(1,699,417)</u>
Net Position - beginning	14,104,062	8,126,982	361,527	23,273,269	45,865,840	7,293,265
Cumulative effect of change in accounting principle	-	-	-	-	-	(29,402,000)
Net Position - beginning, as restated	<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>(22,108,735)</u>
Net Position - ending	<u>\$ 13,649,609</u>	<u>\$ 10,864,967</u>	<u>\$ 73,371</u>	<u>\$ 22,855,436</u>	<u>\$ 47,443,383</u>	<u>\$ (23,808,152)</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, 2018

	Business-Type Activities - Enterprise Funds					Governmental Activities
	Lake Berryessa		Napa Berryessa		Total	Internal Service Funds
	Napa County Airport	Resort Improvement District	Resort Improvement District	Other Enterprise Funds		
CASH FLOWS FROM OPERATING ACTIVITIES:						
Receipts from customers	\$ 1,849,557	\$ 149,600	\$ 849,464	\$ 2,205,419	\$ 5,054,040	\$ -
Receipts from interfund services provided	-	-	-	-	-	43,150,864
Other receipts	-	-	-	38,350	38,350	-
Payments to suppliers for goods and services	(883,775)	(1,171,163)	(794,928)	(2,062,431)	(4,912,297)	(12,337,670)
Payments for self-insurance claims	-	-	-	-	-	(4,348,261)
Payments to employees for services	(665,632)	-	-	(801,228)	(1,466,860)	(22,012,745)
Net cash provided (used) by operating activities	<u>300,150</u>	<u>(1,021,563)</u>	<u>54,536</u>	<u>(619,890)</u>	<u>(1,286,767)</u>	<u>4,452,188</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:						
Taxes	-	340,087	59,491	-	399,578	-
Aid from other government agencies	-	170,280	34,754	250,000	455,034	4,260
Contributions and donations	-	-	2,500	67,001	69,501	-
Advances from other funds	-	2,370,000	(110,000)	-	2,260,000	-
Transfers from other funds	-	384,348	-	459,268	843,616	105,894
Transfers to other funds	-	-	-	-	-	(326,012)
Net cash provided (used) by noncapital financing activities	<u>-</u>	<u>3,264,715</u>	<u>(13,255)</u>	<u>776,269</u>	<u>4,027,729</u>	<u>(215,858)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:						
Proceeds from bond issuances	-	-	15,734	-	15,734	-
Principal payments on capital leases	(47,840)	-	-	(17,040)	(64,880)	(94,886)
Principal repayments on bonds and loans payable	(73,280)	(2,470,000)	(182,734)	-	(2,726,014)	-
Interest payments related to capital purchases	(14,562)	(136,687)	(341,978)	(3,292)	(496,519)	(2,427)
Debt administration payments	-	(45,448)	(20,025)	-	(65,473)	-
Capital grants and contributions	575,214	-	-	-	575,214	-
Special assessments	-	2,806,530	490,910	-	3,297,440	-
Payments related to the acquisition of capital assets	(605,168)	(2,012,062)	(61,282)	-	(2,678,512)	(1,997,219)
Net cash (used) by capital and related financing activities	<u>(165,636)</u>	<u>(1,857,667)</u>	<u>(99,375)</u>	<u>(20,332)</u>	<u>(2,143,010)</u>	<u>(2,094,532)</u>
CASH FLOWS FROM INVESTING ACTIVITIES						
Investment earnings	28,237	3,493	14,513	7,325	53,568	148,327
Net cash provided by investing activities	<u>28,237</u>	<u>3,493</u>	<u>14,513</u>	<u>7,325</u>	<u>53,568</u>	<u>148,327</u>
Net increase (decrease) in cash and cash equivalents	162,751	388,978	(43,581)	143,372	651,520	2,290,125
Cash and cash equivalents, beginning	5,260,917	935,409	2,641,409	1,553,315	10,391,050	21,108,398
Cash and cash equivalents, ending (includes restricted and imprest cash)	<u>\$ 5,423,668</u>	<u>\$ 1,324,387</u>	<u>\$ 2,597,828</u>	<u>\$ 1,696,687</u>	<u>\$ 11,042,570</u>	<u>\$ 23,398,523</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, 2018

	Business-Type Activities - Enterprise Funds					Governmental Activities
	Lake Berryessa		Napa Berryessa		Other Enterprise Funds	Internal Service Funds
	Napa County Airport	Resort Improvement District	Resort Improvement District	Total		
Reconciliation of operating loss to net cash provided (used) by						
Operating Activities:						
Operating (loss)	\$(1,043,342)	\$ (862,755)	\$ (568,904)	\$ (1,236,485)	\$ (3,711,486)	\$ (1,566,692)
Adjustments to reconcile operating (loss) to net cash provided (used) by operating activities:						
Depreciation and amortization	1,393,374	273,846	586,605	517,158	2,770,983	1,729,390
Other non-operating receipts	-	-	-	38,350	38,350	-
Changes in assets, deferred outflows of resources, liabilities and deferred inflows of resources:						
(Increase) decrease in:						
Accounts receivable	(47,390)	(451,013)	(1,896)	(50,890)	(551,189)	401,174
Deposits	-	(46,831)	-	-	(46,831)	(1,598)
Prepaid items	-	-	-	(1,000)	(1,000)	(28,912)
Increase (decrease) in:						
Accounts payable	191,749	62,515	33,181	17,206	304,651	1,062,538
Salaries and benefits	(219,241)	-	-	92,660	(126,581)	2,206,291
Unearned revenue	-	-	-	3,111	3,111	(4,260)
Customer deposits	25,000	2,675	5,550	-	33,225	-
Claims liability	-	-	-	-	-	654,257
Net cash provided (used) by operating activities	\$ 300,150	\$ (1,021,563)	\$ 54,536	\$ (619,890)	\$ (1,286,767)	\$ 4,452,188

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

COUNTY OF NAPA

Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2018

	Investment <u>Trust Funds</u>	Private Purpose <u>Trust Funds</u>	<u>Agency Funds</u>
Assets			
Cash and investments	\$ 304,363,386	\$ 5,819,803	\$ 50,120,683
Restricted cash:			
Cash held for tax loss reserve	-	-	1,238,459
Imprest cash/Revolving fund	-	-	65,404
Taxes receivable	-	-	14,270,922
Total assets	<u>304,363,386</u>	<u>5,819,803</u>	<u>\$ 65,695,468</u>
 Liabilities			
Agency funds held for others	-	-	65,695,468
Total liabilities	<u>-</u>	<u>-</u>	<u>\$ 65,695,468</u>
 Net position			
Net assets held in trust	<u>304,363,386</u>	<u>5,819,803</u>	
Total net position	<u>\$ 304,363,386</u>	<u>\$ 5,819,803</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, 2018

	<u>Investment Trust Funds</u>	<u>Private Purpose Trust Funds</u>
<u>ADDITIONS</u>		
Contributions:		
Contribution to investment pool	\$ 582,605,699	\$ 5,046,746
Total contributions	<u>582,605,699</u>	<u>5,046,746</u>
Net investment income:		
Investment income	<u>3,247,048</u>	<u>52,189</u>
Net investment income	<u>3,247,048</u>	<u>52,189</u>
Total additions	<u>585,852,747</u>	<u>5,098,935</u>
<u>DEDUCTIONS</u>		
Distributions from investment pool	<u>623,136,768</u>	<u>3,711,009</u>
Total deductions	<u>623,136,768</u>	<u>3,711,009</u>
Change in net position	(37,284,021)	1,387,926
Net position - beginning	<u>341,647,407</u>	<u>4,431,877</u>
Net position - ending	<u>\$ 304,363,386</u>	<u>\$ 5,819,803</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.

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COUNTY OF NAPA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2018

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 District, Monticello Public Cemetery 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
- Napa County Housing Authority
- Napa County Children and Families Commission

COUNTY OF NAPA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2018

1. Summary of Significant Accounting Policies (continued)

A. The Financial Reporting Entity (continued)

Excluded Joint Power Authorities

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

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

- Napa County Flood Control and Water Conservation District: The District's goals and objectives are to provide protection from flood events to the life, property and public highways in the District by enhancing and constructing storm drainage systems and flood control and prevention projects.
- Napa-Vallejo Waste Management Authority: The Authority is responsible for providing coordination of economical regional solid waste management services to the County 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 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.

COUNTY OF NAPA

Notes to the Basic Financial Statements For the Year Ended June 30, 2018

1. Summary of Significant Accounting Policies (continued)

B. Basis of Presentation (continued)

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, displayed in separate columns. 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 accounts for all revenues and expenditures necessary to carry out basic governmental activities that are not accounted for through other funds. 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 accounts 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 contracts 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 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 accounts for 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.

COUNTY OF NAPA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2018

1. Summary of Significant Accounting Policies (continued)

B. Basis of Presentation (continued)

Fund Financial Statements (continued)

- 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.
- Investment Trust Funds account 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 assets (primarily cash and investments) and related liabilities of the County to disburse these monies on demand.
- Private Purpose Trust Funds account for assets held by the Public Guardian and Public Administrator. These funds represent assets (primarily cash) and related liabilities of the County to disburse these monies on demand.
- 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.

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 the 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.

COUNTY OF NAPA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2018

1. Summary of Significant Accounting Policies (continued)

C. Basis of Accounting (continued)

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

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.

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, 2018.

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 \$14.3 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.

COUNTY OF NAPA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2018

1. Summary of Significant Accounting Policies (continued)

G. Property Tax Receivable and Revenue (continued)

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 of two alternative methods: (1) 1 percent of the total amount of taxes and assessments levied on the secured roll for the year or (2) 25 percent of the total delinquent secured taxes for participating entities in the County as calculated at the end of the fiscal year. For fiscal year 2017-18, 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 reserve balance is \$9.2 million as of June 30, 2018.

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.

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. Compensated Absences

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

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

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

COUNTY OF NAPA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2018

1. Summary of Significant Accounting Policies (continued)

I. Compensated Absences (continued)

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 9	300 maximum hours
Years 10 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

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

J. Interfund Transactions

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

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.

COUNTY OF NAPA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2018

1. Summary of Significant Accounting Policies (continued)

K. 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 and outflows related to pensions and Other Postemployment Benefits (OPEB) are discussed in more detail in the following section.

L. 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 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.

M. Other Postemployment Benefits (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the County's plan (OPEB Plan) and additions to/deductions from the OPEB Plan's fiduciary net position have been determined using the flow of economic resources measurement focus and full accrual basis of accounting. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

COUNTY OF NAPA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2018

1. Summary of Significant Accounting Policies (continued)

M. Other Postemployment Benefits (OPEB) (continued)

Generally accepted accounting principles require that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

Valuation Date	June 30, 2017
Measurement Date	June 30, 2017
Measurement Period	July 1, 2016 to June 30, 2017

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. 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. 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

P. Future Accounting Pronouncements

Governmental Accounting Standards Board (GASB) Statements Numbers 83, 84, 87, 88 and 89 listed below will be implemented in future financial statements:

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. (FY18/19)
Statement No. 84	<i>Fiduciary Activities</i>	The requirements of this statement are effective for reporting periods beginning after December 15, 2018. (FY19/20)
Statement No. 87	<i>Leases</i>	The requirements of this statement are effective for reporting periods beginning after December 15, 2019. (FY20/21)
Statement No. 88	<i>Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements</i>	The requirements of this statement are effective for reporting periods beginning after June 15, 2018. (FY18/19)
Statement No. 89	<i>Accounting for Interest Cost Incurred Before the End of a Construction Period</i>	The requirements of this statement are effective for periods beginning after December 15, 2019. (FY20/21)
Statement No. 90	<i>Majority Equity Interests</i>	The requirements of this statement are effective for periods beginning after December 15, 2018. (FY19/20)

COUNTY OF NAPA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2018

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 (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 must 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. Fund balance assignments can be made subsequent to year-end. 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.

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.

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 Agency 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.

COUNTY OF NAPA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2018

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 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. 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.

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, 2018, total County cash and investments were as follows:

Cash:	
Cash on hand	\$ 58,380
Imprest cash	170,743
Cash in banks	41,401,339
Outstanding warrants, deposits and reconciling items	(17,257,867)
Total Cash	<u>24,372,595</u>
Investments:	
In Treasurer’s pool	679,542,369
With fiscal agents external to the pool	1,566,040
Total Investments	<u>681,108,409</u>
Total Cash and Investments	<u>\$ 705,481,004</u>

Total cash and investments at June 30, 2018 were presented in the County’s financial statements as follows:

Total governmental activities	\$ 332,475,329
Total business-type activities	11,042,570
Investment trust funds	304,363,386
Private purpose trust funds	5,819,803
Agency funds	51,424,546
Component Unit - Napa County Children and Families Commission	355,370
Total Cash and Investments	<u>\$ 705,481,004</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 collateral securities that are in the possession of an outside party. This risk is mitigated in that of the County’s total bank balances, \$505,403 is insured by the Federal Depository Insurance Corporation. The remaining \$40,895,936 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.

COUNTY OF NAPA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2018

2. Cash and Investments (continued)

Investments

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

<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	None	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, 2018, 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	1.42%-2.97%	7/5/18-11/30/18	\$ 335,395,000	\$ 335,375,000	\$ 330,731,639	1.96
U.S. Agency Obligations - discount	1.44%-2.03%	7/5/18-2/28/23	177,000,000	175,406,280	176,418,410	0.19
U.S. Treasury Obligations	1.640%-2.55%	7/31/18-10/31/19	60,000,000	59,382,440	59,423,290	0.72
Teeter notes	1.69%-2.24%	9/1/19-9/1/22	1,969,030	1,969,030	1,969,030	3.36
LAIF (2 accounts)	1.90%	On demand	111,000,000	111,000,000	111,000,000	0.00
Total Treasurer's Pooled Investments			685,364,030	683,132,750	679,542,369	1.08
Investments Controlled by Fiscal Agents						
U.S. Treasury Obligations			1,566,040	1,566,040	1,566,040	
Total Investments			<u>\$ 686,930,070</u>	<u>\$ 684,698,790</u>	<u>\$ 681,108,409</u>	

* WAM is Weighted Average Maturity

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, 2018, the investment pool fair value was below cost by \$3,590,381, or 0.52%. 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.

COUNTY OF NAPA

Notes to the Basic Financial Statements For the Year Ended June 30, 2018

2. Cash and Investments (continued)

Credit Risk

State law and the County's Investment Policy limit investments in commercial paper to the rating of A1 by Standard & 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 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, 2018.

	S & P	Moody's	% of Portfolio
U.S. Agency Obligations - fixed	AA+	Aaa	48.67 %
U.S. Agency Obligations - discount	AA+	Aaa	25.97 %
U.S. Treasury Obligations	AA+	Aaa	8.74 %
Teeter notes	Unrated	Unrated	0.29 %
Local Agency Investment Fund (LAIF)	Unrated	Unrated	16.33 %
Total			100.00 %

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	\$ 203,064,986	29.88 %
Federal Farm Credit Bank	Government Sponsored	197,050,783	29.00 %
Federal National Mortgage Association	Government Sponsored	41,701,120	6.14 %
Federal Home Loan Mortgage Corporation	Government Sponsored	65,333,160	9.61 %

Local Agency Investment Fund

The Pool's total investment in the LAIF, managed by the Treasurer for the State of California, is \$111.0 million at June 30, 2018. The total amount invested by all public agencies in LAIF at June 30, 2018 was \$22.5 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, 2018 was \$88.8 billion. The PMIA portfolio includes 1.89% invested in medium and short term structured notes and asset-backed securities and 0.78% 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 193 days as of June 30, 2018.

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, 2018

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, 2018:

Statement of Net Position

Net Position held for pool participants	\$ 679,542,369
Equity of internal pool participants	\$ 329,786,826
Equity of external pool participants (both voluntary and involuntary)	<u>349,755,543</u>
Total Net Position	<u>\$ 679,542,369</u>

Statement of Changes in Net Position

Net position held for pool participants at July 1, 2017	\$ 699,270,008
Net change in investments by pool participants	<u>(19,727,639)</u>
Net position held for pool participants at June 30, 2018	<u>\$ 679,542,369</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 follows:

- 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, 2018:

	Fair Value Measurements Using		
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<u>Investments by fair value level</u>			
Debt Securities			
Government agency bonds	\$330,731,639	\$ 330,731,639	\$ -
Government agency discount notes	176,418,410	176,418,410	-
U.S. Treasury obligations	59,423,290	59,423,290	-
Teeter notes	<u>1,969,030</u>	-	<u>1,969,030</u>
Total investments measured at fair value	<u>\$568,542,369</u>	<u>\$ 566,573,339</u>	<u>\$ 1,969,030</u>
Investments measured at amortized cost			
LAIF	<u>111,000,000</u>		
Total pooled and directed investments	<u>\$679,542,369</u>		

COUNTY OF NAPA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2018

3. Interfund Transactions

Interfund Receivables/Payables

The composition of interfund balances as of June 30, 2018 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	\$ 103,941	In-Home Supportive Services cash advance
	Non-operating Special Revenue Fund	7,086	Probation-Title IV-E program costs
Health and Human Services Agency	General Fund Non-operating Special Revenue Fund	1,803,312	2011 Realignment program costs
		<u>\$ 1,914,339</u>	

The above balances reflect temporary cash advances.

The composition of advances to/from other funds as of June 30, 2018 are as follows:

Advance to/from other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Napa Berryessa Resort Improv.	\$ 1,889,000	Operating & capital advances
	Lake Berryessa Resort Improv.	2,370,000	Debt service advance
	Other Governmental Funds	2,900,000	Capital advance to Affordable Housing
Capital Improvement Fund	Napa Berryessa Resort Improv.	45,000	Capital advance
	Roads Fund	6,200,000	Capital advance
Other Governmental Funds	Health & Human Services Agency	42,195	Capital advance
		<u>\$ 13,446,195</u>	

Lake Berryessa Resort Improvement District refunded its 2007 Series A bonds via a \$2,370,000 advance from the County General Fund.

COUNTY OF NAPA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2018

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	\$ 36,464,644	HHSA Program contribution
	Capital Improvement Fund	29,249,259	Current and future capital projects
	Roads Fund	12,915,406	Roads contribution
	Other Governmental Funds	3,862,856	Debt service
	Other Governmental Funds	41,724	IHSS contribution
	Other Governmental Funds	216,924	Library contribution
	Other Governmental Funds	1,073	Building contribution
	Internal Service Funds	3,203	Property management contribution
	Internal Service Funds	2,355	Fleet contribution
	Internal Service Funds	42,511	ITS contribution
	Enterprise Funds	384,348	Lake Berryessa Resort Improvement District contribution
	Other Enterprise Funds	22,342	Animal shelter contribution
Health & Human Services Agency	General Fund	351,948	Program contribution
	Other Governmental Funds	515,808	Debt service
	Other Governmental Funds	250,000	Affordable Housing contribution
	Internal Service Funds	52,000	Insurance premiums
Capital Improvement Fund	Health & Human Services Agency	291,575	Health & Human Services Agency contribution
	Internal Service Funds	5,825	Fleet contribution
Roads Fund	Roads Funds	300,000	Roads contribution
	General Fund	2,806,760	Roads project delayed
	Other Governmental Funds	5,245	Debt service
	Other Governmental Funds	67,309	Community Facilities District - MST contribution
Other Governmental Funds	General Fund	17,739	Library contribution
	Health & Human Services Agency	123,858	Homeless prevention
	Other Governmental Funds	440,215	Fire protection
	Other Governmental Funds	26,595	Debt service
	Other Enterprise Funds	210,000	Farmworker centers
	Other Enterprise Funds	226,926	Community Housing
Internal Service Funds	Capital Improvement Fund	326,012	Project contribution
Flood Protection & Watershed Improvement Authority	General Fund	8,463,440	County - Unincorporated Measure A Funds
		<u>\$ 97,687,900</u>	

COUNTY OF NAPA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2018

4. Capital Assets

Capital asset activity for the year ended June 30, 2018, was as follows:

	Balance July 1, 2017	Additions	Retirements	Transfers & Adjustments	Balance June 30, 2018
Governmental Activities					
Capital assets, not being depreciated:					
Land	\$ 13,967,747	\$ -	\$ -	\$ -	\$ 13,967,747
Intangible assets	264,558	-	-	-	264,558
Construction in progress	25,454,338	15,602,124	-	(1,632,905)	39,423,557
Total capital assets, not being depreciated	<u>39,686,643</u>	<u>15,602,124</u>	<u>-</u>	<u>(1,632,905)</u>	<u>53,655,862</u>
Capital assets, being depreciated:					
Infrastructure	193,575,565	-	-	-	193,575,565
Structures and improvements	144,830,050	-	-	1,632,905	146,462,955
Equipment	40,128,562	5,109,453	(2,053,030)	-	43,184,985
Intangible assets	1,920,438	-	-	-	1,920,438
Total capital assets being depreciated	<u>380,454,615</u>	<u>5,109,453</u>	<u>(2,053,030)</u>	<u>1,632,905</u>	<u>385,143,943</u>
Less accumulated depreciation for:					
Infrastructure	(168,245,456)	(1,756,612)	-	-	(170,002,068)
Structures and improvements	(40,788,502)	(2,623,216)	-	-	(43,411,718)
Equipment	(30,926,977)	(2,883,382)	1,860,700	-	(31,949,659)
Intangible assets	(726,148)	(317,324)	-	-	(1,043,472)
Total accumulated depreciation	<u>(240,687,083)</u>	<u>(7,580,534)</u>	<u>1,860,700</u>	<u>-</u>	<u>(246,406,917)</u>
Total capital assets, being depreciated, net	<u>139,767,532</u>	<u>(2,471,081)</u>	<u>(192,330)</u>	<u>1,632,905</u>	<u>138,737,026</u>
Governmental activities capital assets, net	<u>\$ 179,454,175</u>	<u>\$ 13,131,043</u>	<u>\$ (192,330)</u>	<u>\$ -</u>	<u>\$ 192,392,888</u>
Business-type Activities					
Capital assets, not being depreciated:					
Land	\$ 5,365,041	\$ -	\$ -	\$ -	\$ 5,365,041
Construction in progress	5,010,216	2,639,352	-	(39,890)	7,609,678
Total capital assets, not being depreciated	<u>10,375,257</u>	<u>2,639,352</u>	<u>-</u>	<u>(39,890)</u>	<u>12,974,719</u>
Capital assets, being depreciated:					
Structures and improvements	78,696,342	-	-	-	78,696,342
Equipment	1,561,258	39,162	-	39,890	1,640,310
Total capital assets, being depreciated	<u>80,257,600</u>	<u>39,162</u>	<u>-</u>	<u>39,890</u>	<u>80,336,652</u>
Less accumulated depreciation for:					
Structures and improvements	(37,445,299)	(2,589,127)	-	-	(40,034,426)
Equipment	(1,233,248)	(181,856)	-	-	(1,415,104)
Total accumulated depreciation	<u>(38,678,547)</u>	<u>(2,770,983)</u>	<u>-</u>	<u>-</u>	<u>(41,449,530)</u>
Total capital assets, being depreciated, net	<u>41,579,053</u>	<u>(2,731,821)</u>	<u>-</u>	<u>39,890</u>	<u>38,887,122</u>
Business-type activities capital assets, net	<u>\$ 51,954,310</u>	<u>\$ (92,469)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 51,861,841</u>

COUNTY OF NAPA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2018

**4. Capital Assets (continued)
Transfers and Adjustments**

During fiscal year 2017-18 the following projects (construction in progress) were completed and transferred from non-depreciable capital assets:

- Fire Protection fund completed construction and began operations of two new fire stations. The cost to construct the Pope Valley station was \$860,922, and the cost to construct the Capell Valley station was \$771,983, resulting in a \$1,632,905 transfer to Structures and Improvements.
- Napa Berryessa Report Improvement District completed construction and placed into service a flocculation tank resulting in a \$39,890 transfer to Equipment.

Construction Commitments

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

<u>Project Description</u>	<u>Outstanding Commitment</u>
Napa County Re-entry Facility	\$ 6,434,280
Garnett Bridge at Greenwood	1,277,990
Total	<u>\$ 7,712,270</u>

Depreciation

Depreciation expense was charged to governmental functions as follows:

General government	\$ 2,245,351
Public protection	2,332,774
Public ways and facilities	2,211,365
Health and sanitation	443,520
Public assistance	158,978
Education	187,769
Recreation and Cultural Services	777
Total Depreciation Expense - Governmental Functions	<u>\$ 7,580,534</u>

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.

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

Napa County Airport	\$ 1,393,374
Lake Berryessa Resort Improvement District	273,846
Napa Berryessa Resort Improvement District	586,605
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>\$ 2,770,983</u>

COUNTY OF NAPA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2018

5. Long-Term Liabilities

The following is a summary of long-term liabilities:

	Balance July 1, 2017 *Restated	Additions	Reductions	Balance June 30, 2018	Amount Due within One Year
Governmental Activities:					
Bonds payable	\$ 5,165,000	\$ -	\$ (5,165,000)	\$ -	\$ -
Add unamortized premiums:					
For issuance premiums	160,556	-	(160,556)	-	-
Certificates of participation	24,250,000	-	(3,180,000)	21,070,000	3,330,000
Add unamortized amounts:					
For issuance premiums	2,935,940	-	(419,420)	2,516,520	-
Capital lease obligations	1,938,487	-	(254,703)	1,683,784	198,386
Loans payable	6,566,974	-	(315,555)	6,251,419	318,710
Compensated absences	11,450,086	10,531,212	(9,326,626)	12,654,672	5,988,668
Liability for unpaid claims	10,398,233	4,197,329	(3,543,072)	11,052,490	2,784,898
Net Pension liability	208,274,728	29,233,687	-	237,508,415	-
Net OPEB liability	29,402,000	3,254,000	-	32,656,000	-
Total Governmental Activities					
Long-term liabilities	<u>\$ 300,542,004</u>	<u>\$ 47,216,228</u>	<u>\$ (22,364,932)</u>	<u>\$ 325,393,300</u>	<u>\$ 12,620,662</u>
Business-type Activities:					
Bonds payable	\$ 12,831,521	\$ -	\$ (2,637,000)	\$ 10,194,521	\$ 172,000
Capital lease obligations	802,774	-	(64,880)	737,894	65,779
Loan payable	73,280	-	(73,280)	-	-
Compensated absences	96,890	72,812	(76,471)	93,231	39,400
Net Pension liability	1,725,994	-	(1,208)	1,724,786	-
Total Business-type Activities					
Long-term liabilities	<u>\$ 15,530,459</u>	<u>\$ 72,812</u>	<u>\$ (2,852,839)</u>	<u>\$ 12,750,432</u>	<u>\$ 277,179</u>
Component Unit Activities:					
Compensated absences	7,786	2,152	(8,825)	1,113	673
Total Component Unit Activities	<u>\$ 7,786</u>	<u>\$ 2,152</u>	<u>\$ (8,825)</u>	<u>\$ 1,113</u>	<u>\$ 673</u>

*The Net OPEB liability is a new long-term liability in fiscal year 17-18 which replaced the OPEB obligation reported at June 30, 2017 as a result of the implementation of GASB Statement No. 75.

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

Year Ending June 30:	Governmental Activities				Business-type Activities	
	Certificates of Participation		Loans Payable		Special Assessment Bonds Payable	
	Principal	Interest	Principal	Interest	Principal	Interest
2019	\$ 3,330,000	\$ 916,750	\$ 318,710	\$ 62,514	\$ 172,000	\$ 315,891
2020	3,485,000	702,100	321,897	59,327	178,000	310,423
2021	3,650,000	670,500	325,116	56,108	183,000	304,782
2022	3,805,000	457,600	328,367	52,857	189,000	298,969
2023	3,980,000	284,350	331,651	49,573	194,000	292,985
2024-2028	2,820,000	103,000	1,708,671	197,450	1,071,000	1,368,160
2029-2033	-	-	1,795,830	110,291	1,252,000	1,187,113
2034-2038	-	-	1,121,177	22,499	1,462,000	975,425
2039-2043	-	-	-	-	1,709,000	728,128
2044-2048	-	-	-	-	1,999,000	439,003
2049-2053	-	-	-	-	1,785,521	111,323
	<u>\$ 21,070,000</u>	<u>\$ 3,134,300</u>	<u>\$ 6,251,419</u>	<u>\$ 610,619</u>	<u>\$ 10,194,521</u>	<u>\$ 6,332,202</u>

COUNTY OF NAPA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2018

5. Long-Term Liabilities (continued)

Long-term debt at June 30, 2018 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, 2018</u>
<u>Governmental Activities:</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	\$ 11,005,000
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>10,065,000</u>
Total Certificates of Participation					<u>35,815,000</u>	<u>21,070,000</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%	\$315,555 - \$377,450	<u>6,889,339</u>	<u>6,251,419</u>
Total Loans Payable					<u>6,889,339</u>	<u>6,251,419</u>
Total Governmental Activities					<u>\$ 42,704,339</u>	<u>\$ 27,321,419</u>
<u>Business-type Activities</u>						
Special Assessment Bonds Payable						
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%	\$110,872 - \$341,000	\$ 8,003,210	\$ 7,451,364
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>2,743,157</u>
Total Bonds Payable					<u>10,926,938</u>	<u>10,194,521</u>
Total Business-Type Activities					<u>\$10,926,938</u>	<u>\$ 10,194,521</u>

COUNTY OF NAPA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2018

5. Long-Term Liabilities (continued)

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 Berryessa Resort Improvement District. Loans payable retirements and related interest payments are paid from the Community Facility District-MST.

During the year, final debt payments were made on Flood Authority 2005 and 2013 bonds, Lake Berryessa 2007 bonds (refunded through an advance by the County General Fund), and the Airport 2002 loan.

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, three internal service funds, and two enterprise 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.

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>
2019	\$ 1,044,272
2020	728,015
2021	670,926
2022	626,390
2023	35,287
2024-2028	183,356
2029-2033	212,560
2034-2038	246,415
2039-2043	285,663
2044-2048	126,623
Total	<u>\$ 4,159,507</u>

Rent expenditures were \$1,684,070 for the year ending June 30, 2018.

COUNTY OF NAPA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2018

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, 2018:

Fiscal Year Ending June 30,	Governmental Activities	Business-type Activities
2019	\$ 226,902	\$ 77,236
2020	170,439	77,099
2021	170,130	76,959
2022	169,816	76,817
2023	169,498	76,673
2024-2028	842,563	381,136
2028-2029	<u>83,791</u>	<u>37,903</u>
Total minimum lease payments	1,833,139	803,823
Less: Amount representing interest	<u>(149,355)</u>	<u>(65,929)</u>
Net present value of capital lease payments	<u>\$ 1,683,784</u>	<u>\$ 737,894</u>

The following is a schedule of capital assets acquired through capital leases as of June 30, 2018:

	Governmental Activities	Business-type Activities	Total
Equipment	\$ <u>2,906,277</u>	\$ <u>979,858</u>	\$ <u>3,886,135</u>
Total capital assets, gross	2,906,277	979,858	3,886,135
Less: accumulated depreciation	<u>(1,996,262)</u>	<u>(674,993)</u>	<u>(2,671,255)</u>
Total capital assets, net, under capital leases	<u>\$ 910,015</u>	<u>\$ 304,865</u>	<u>\$ 1,214,880</u>

Depreciation expense related to capital assets under capital leases was \$581,255 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, 2018

7. Deferred Inflows of Resources (continued)

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

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

	<u>Unearned</u>	<u>Unavailable</u>	<u>Total</u>
Governmental Activities:			
General Fund:			
SB 90 mandated costs	\$ -	\$ 4,042,316	\$ 4,042,316
State grants & reimbursements	39,121	324,715	363,836
Federal grants & reimbursements	432,948	863,195	1,296,143
Charges for services	-	25,503	25,503
Health and Human Services Agency:			
State grants & reimbursements	3,636,271	720,247	4,356,518
Federal grants & reimbursements	21,253	4,228,909	4,250,162
Charges for services	-	1,854,733	1,854,733
Franchise fees	-	95,000	95,000
Other	-	20,000	20,000
Capital Improvement Fund:			
State grants & reimbursements	-	895,000	895,000
Roads Fund:			
Federal grants & reimbursements	-	135,984	135,984
Nonmajor Governmental Funds:			
State grants & reimbursements	593	61,906	62,499
Charges for services	-	45,572	45,572
Other	50,000	-	50,000
Total unearned and unavailable revenue	<u>\$ 4,180,186</u>	<u>\$ 13,313,080</u>	<u>\$ 17,493,266</u>
Business-type Activities:			
Napa County Housing Authority	9,394	-	9,394
Total unearned and unavailable revenue	<u>\$ 9,394</u>	<u>\$ -</u>	<u>\$ 9,394</u>

On the Statement of Net Position, deferred inflows are the result of pension and OPEB activities. See Footnotes 10 and 11 for more detailed information on pension and OPEB related inflows, respectively.

COUNTY OF NAPA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2018

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, 2018 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	\$ 359,388	
Other Governmental Funds	<u>2,134,351</u>	2,493,739

Restricted for Public Protection:

Non-operating special revenue funds in General Fund authorized by statutory provisions to finance particular public protection activities	22,390,812	
Capital Improvement Fund	458,007	
Other Governmental Funds	<u>9,273,815</u>	32,122,634

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	13,429,893	
Roads Fund	7,899,329	
Other Governmental Funds	<u>3,118,522</u>	24,447,744

Restricted for Health and Sanitation:

Non-operating special revenue funds in General Fund authorized by statutory provisions to finance particular health and sanitation activities	545,095	
Health & Human Services Agency Fund	10,897,296	
Non-operating special revenue funds in Health and Human Services Agency Fund authorized by statutory provisions to finance particular health and sanitation activities	12,944,594	
Other Governmental Funds	<u>1,066,880</u>	25,453,865

Restricted for Public Assistance:

Health & Human Services Agency Fund	922,528	
Non-operating special revenue funds in Health and Human Services Agency Fund authorized by statutory provisions to finance particular public assistance activities	6,248,942	
Other Governmental Funds	<u>29,771,175</u>	36,942,645

Restricted for Education:

County Library	<u>10,161,739</u>	<u>10,161,739</u>
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Total restricted component of net position - governmental activities		<u><u>131,622,366</u></u>
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The restricted component of net position at June 30, 2018 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>339,810</u>	
		385,580
Total restricted component of net position - business-type activities		<u>\$ 385,580</u>

COUNTY OF NAPA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2018

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, 2018 were distributed as follows:

	<u>General Fund</u>	<u>Health and Human Services Agency</u>	<u>Flood Protection & Watershed Improvement Authority</u>	<u>Capital Improvement Fund</u>	<u>Roads</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Nonspendable:							
Advances to Other Funds	\$ 7,159,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,159,000
Prepaid items	113,711	550	-	-	-	11,796	126,057
Deposits	-	-	-	458,007	-	1,250	459,257
Subtotal	<u>7,272,711</u>	<u>550</u>	<u>-</u>	<u>458,007</u>	<u>-</u>	<u>13,046</u>	<u>7,744,314</u>
Restricted to:							
Purpose of Fund	-	15,628,391	-	-	6,746,811	54,746,067	77,121,269
General Reserve	25,907,166	-	-	-	-	-	25,907,166
2014 Earthquake	2,023,576	-	-	-	-	-	2,023,576
Debt Service	-	-	-	-	-	1,498,903	1,498,903
Inmate Welfare	395,711	-	-	-	-	-	395,711
2011 Realignment	9,863,630	-	-	-	-	-	9,863,630
Housing Rehabilitation							
Repayment	147,495	-	-	-	-	-	147,495
Property Tax Admin-AB818	197,138	-	-	-	-	-	197,138
Recorder Micrographics	745,090	-	-	-	-	-	745,090
Recorder Modernization	3,033,952	-	-	-	-	-	3,033,952
Vital-Health Stats Clerk	174,427	-	-	-	-	-	174,427
Social Security Truncation Fees	115,576	-	-	-	-	-	115,576
Electronic Document Recording	240,508	-	-	-	-	-	240,508
DA-Asset Forfeitures	80,648	-	-	-	-	-	80,648
DA-Prop 64 Civil Penalties	3,009,231	-	-	-	-	-	3,009,231
DA-Hazardous Waste							
Enforcement	54,743	-	-	-	-	-	54,743
DA-\$1 Vehicle Registration							
Assess	355,079	-	-	-	-	-	355,079
DA-Consumer Fraud	118,411	-	-	-	-	-	118,411
Sheriff-Civil Equipment	221,570	-	-	-	-	-	221,570
Sheriff-Fingerprint Identification	1,013,756	-	-	-	-	-	1,013,756
Sheriff-Asset Forfeitures	191,156	-	-	-	-	-	191,156
Sheriff-Debtor Assessment Fees	396,005	-	-	-	-	-	396,005
Sheriff-Municipal Court Auto							
Warrant	193,143	-	-	-	-	-	193,143
Sheriff-Community Services	18,182	-	-	-	-	-	18,182
Sheriff-Indigent Burial	-	41,114	-	-	-	-	41,114
Sheriff-Rabies Eradication &							
Control	14,249	-	-	-	-	-	14,249
Probation-Title IV-E	-	31,053	-	-	-	-	31,053
Probation-Community Correction							
Performance Incentives	141,475	-	-	-	-	-	141,475
Ag-Weights and Measures	35,316	-	-	-	-	-	35,316
Probation-Community Services	25,700	-	-	-	-	-	25,700
Health Care Enhancement	-	320,067	-	-	-	-	320,067
PBES-Seismic Data Utilization	32,092	-	-	-	-	-	32,092
PBES-Telecommunications	113,559	-	-	-	-	-	113,559
PBES-Department of Public							
Health	365,500	-	-	-	-	-	365,500
Mitigation-Airport Industrial Area	4,168,625	-	-	-	-	-	4,168,625

COUNTY OF NAPA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2018

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
PBES-Hazardous Waste Enforcement	-	444,035	-	-	-	-	444,035
PH-AIDS Education	-	22,393	-	-	-	-	22,393
PH-Emergency Medical Services	-	164,009	-	-	-	-	164,009
South Campus Renovations	-	-	-	360,014	-	-	360,014
Juvenile Justice Construction	-	-	-	1,592,009	-	-	1,592,009
Courthouse Construction	-	-	-	2,383,196	-	-	2,383,196
MH-Managed Care	-	1,593,567	-	-	-	-	1,593,567
MH-MHSA Planning Expenses	-	6,097,026	-	-	-	-	6,097,026
ADS-Alcohol Abuse Education/Prevention	-	43,753	-	-	-	-	43,753
ADS-Drug Fees-HS11372.7	-	44,478	-	-	-	-	44,478
ADS-Tobacco Control	-	115,627	-	-	-	-	115,627
CWS-County Children Fund	-	19,075	-	-	-	-	19,075
CWS-Child Welfare Wraparound	-	411,161	-	-	-	-	411,161
HHSA-Family Support	-	668,877	-	-	-	-	668,877
Whole Person Care	-	897,536	-	-	-	-	897,536
Measure A - Unincorporated	8,463,440	-	-	-	-	-	8,463,440
Deferred Compensation Board	18,510	-	-	-	-	-	18,510
SB1	822,423	-	-	-	-	-	822,423
Other less than \$10,000	18,241	13,771	-	-	-	-	32,012
Encumbrances	-	1,247	-	812,405	1,172,053	-	1,985,705
Subtotal	<u>62,715,323</u>	<u>26,557,180</u>	<u>-</u>	<u>5,147,624</u>	<u>7,918,864</u>	<u>56,244,970</u>	<u>158,583,961</u>
Committed to:							
Building and Safety Permitting	-	-	-	-	-	5,191,900	5,191,900
Audit Exceptions	-	1,022,813	-	-	-	-	1,022,813
Special Projects	246,856	-	-	-	-	-	246,856
Encumbrances	2,891,751	-	-	12,488,929	-	114,925	15,495,605
Subtotal	<u>3,138,607</u>	<u>1,022,813</u>	<u>-</u>	<u>12,488,929</u>	<u>-</u>	<u>5,306,825</u>	<u>21,957,174</u>
Assigned to:							
New County Jail Facility	-	-	-	57,604,160	-	-	57,604,160
Pension Contribution	1,000,000	-	-	-	-	-	1,000,000
IHSS MOE	800,000	-	-	-	-	-	800,000
Agriculture Commission projects	1,361,313	-	-	-	-	-	1,361,313
General Plan	582,634	-	-	-	-	-	582,634
FY 2018/19 budgetary resource	9,245,646	-	-	-	-	-	9,245,646
Subtotal	<u>12,989,593</u>	<u>-</u>	<u>-</u>	<u>57,604,160</u>	<u>-</u>	<u>-</u>	<u>70,593,753</u>
Unassigned							
General Fund	24,691,942	-	-	-	-	-	24,691,942
IHSS	-	-	-	-	-	(105,935)	(105,935)
Flood Protection & Watershed Improvement Authority	-	-	(433,745)	-	-	-	(433,745)
Subtotal	<u>24,691,942</u>	<u>-</u>	<u>(433,745)</u>	<u>-</u>	<u>-</u>	<u>(105,935)</u>	<u>24,152,262</u>
Total	<u>\$110,808,176</u>	<u>\$27,580,543</u>	<u>\$ (433,745)</u>	<u>\$ 75,698,720</u>	<u>\$ 7,918,864</u>	<u>\$ 61,458,906</u>	<u>\$ 283,031,464</u>

COUNTY OF NAPA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2018

9. Fund Balances (continued)

Encumbrances

The following is a summary of encumbrances included in fund balance as of June 30, 2018:

	<u>Restricted</u>	<u>Committed</u>
General Fund		
General government	\$ -	\$ 1,374
Public protection	-	78,473
Public ways and facilities	-	2,811,904
Total General Fund	<u>-</u>	<u>2,891,751</u>
Health and Human Services Agency Fund		
Health and sanitation	<u>1,247</u>	-
Total Health and Human Services Agency Fund	<u>1,247</u>	<u>-</u>
Capital Improvement Fund		
General government	<u>812,405</u>	<u>12,488,929</u>
Total Capital Improvement Fund	<u>812,405</u>	<u>12,488,929</u>
Roads Fund		
Public ways and facilities	<u>1,172,053</u>	-
Total Roads Fund	<u>1,172,053</u>	<u>-</u>
Other Governmental Funds		
Public protection	-	107,799
Education	-	7,126
Total Other Governmental Funds	<u>-</u>	<u>114,925</u>
Total Governmental Fund Encumbrances	<u>\$ 1,985,705</u>	<u>\$ 15,495,605</u>

Deficit Fund Balance

- In-Home Support Services Public Authority had a deficit unassigned fund balance of \$105,935 due to timing of Federal and State funding.
- Flood Protection & Watershed Improvement Authority had a deficit unassigned fund balance of \$433,745. The deficit is due to a year-end investment markdown.
- Countywide Napa Valley Tourism District had a deficit unassigned fund balance of \$1,908 also due to the year-end investment markdown

Deficit Net Position - Internal Service Funds

- Information Technology Service reported a deficit unrestricted net position of \$2,826,039. The deficit was caused by the recognition of the funds' net pension obligation and will be eliminated through increased internal charges over several future years.
- Property Management reported a deficit unrestricted net position of \$1,981,833. The deficit was caused by the recognition of the funds' net pension obligation and will be eliminated through increased internal charges over several future years.
- Employee-Retiree Benefits reported a deficit unrestricted net position of \$27,406,573. The deficit was caused by the recognition of the County's net OPEB obligation and will be eliminated through increased internal charges over several future years.
- Liability Insurance reported a deficit unrestricted net position of \$307,076. The deficit will be eliminated over the next two years through increased internal charges.

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.

COUNTY OF NAPA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2018

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 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, separate reports 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.

COUNTY OF NAPA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2018

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

A. General Information about the Pension Plans (continued)

Benefits Provided (continued)

The Plans' provisions and benefits in effect at June 30, 2018 are summarized as follows:

	Miscellaneous		
	Prior to Oct. 29, 2011	On or after Oct. 29, 2011	On or after Jan. 1, 2013
Hire Date			
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

	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				
Benefit formula	3%@50	3%@50	3%@55	2.7%@57
Benefit vesting schedule	5 years of service	5 years of service	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life	monthly for life	monthly for life
Retirement age	50	50	55	52-67
Monthly benefits, as % of eligible compensation	3.00%	3.00%	3.00%	1.0%-2.5%
Required employee contribution rates	0.00%	9.00%	9.00%	11.50%
Required employer lump sum contribution	\$732,195	\$766,137	\$0	\$27
Required employer normal cost rates	0.00%	19.536%	17.689%	12.082%
Status	Closed	Closed	Open	Open

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:

	Miscellaneous
Inactive employees or beneficiaries currently receiving benefits	1,336
Inactive employees entitled to but not yet receiving benefits	965
Active employees	1,330
Total	3,631

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.

COUNTY OF NAPA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2018

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

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, 2017, using an annual actuarial valuation as of June 30, 2016 rolled forward to June 30, 2017 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown on the following table.

Actuarial Assumptions

The total pension liabilities in the June 30, 2017 actuarial valuations were determined using the following actuarial assumptions:

	<u>Miscellaneous</u>	<u>Safety</u>
Valuation Date	June 30, 2016	June 30, 2016
Measurement Date	June 30, 2017	June 30, 2017
Actuarial Cost Method	Entry-Age Normal	
Actuarial Assumptions:		
Discount Rate	7.15%	7.15%
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 probabilities of mortality are based on the 2014 CalPERS Experience Study for the period from 1997 to 2011. Pre-retirement and Post-retirement mortality rates include 20 years of projected mortality improvement using Scale BB published by the Society of Actuaries.

Discount Rate

The discount rate used to measure the total pension liability was 7.15% 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 7.15% discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long-term expected discount rate of 7.15% 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, 2018

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	Current Target Allocation %	Real Return Years 1-10 ⁽¹⁾ %	Real Return Years 11+ ⁽²⁾ %
Global Equity	47.00	4.90	5.38
Global Fixed Income	19.00	0.80	2.27
Inflation Sensitive	6.00	0.60	1.39
Private Equity	12.00	6.60	6.63
Real Estate	11.00	2.80	5.21
Infrastructure and Forestland	3.00	3.90	5.36
Liquidity	2.00	(0.40)	(0.90)

⁽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 Position Increase (Decrease)	Net Pension Liability/(Asset)
Balance at June 30, 2016	\$ 664,926,542	\$ 489,595,333	\$ 175,331,209
Changes in the year:			
Service cost	17,000,161	-	17,000,161
Interest on total pension liability	49,699,225	-	49,699,225
Changes in benefit terms	41,225,027	-	41,225,027
Differences between expected and actual experience	(4,478,209)	-	(4,478,209)
Plan to plan resource movement	-	(19)	19
Change in proportion	611,960	444,290	167,670
Contributions from the employer	-	17,400,331	(17,400,331)
Contributions from employees	-	7,939,824	(7,939,824)
Net investment income	-	55,366,549	(55,366,549)
Administrative expense	-	(723,552)	723,552
Benefit payments, including refunds of employee contributions	(31,592,976)	(31,592,976)	-
Net changes	<u>72,465,188</u>	<u>48,834,447</u>	<u>23,630,741</u>
Balance at June 30, 2017	<u>\$ 737,391,730</u>	<u>\$ 538,429,780</u>	<u>\$ 198,961,950</u>

COUNTY OF NAPA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2018

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>Increase/ (Decrease)</u>
	<u>June 30, 2018</u>	<u>June 30, 2017</u>	
Measurement Date	June 30, 2017	June 30, 2016	
Percentage of Plan Net Pension Liability	0.40607 %	0.40066 %	0.005410 %

Sensitivity of the Net Pension Liability to Changes 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 one percentage point lower or one percentage point higher than the current rate:

	<u>Miscellaneous</u>	<u>Safety</u>
1% Decrease	6.15 %	6.15 %
Net Pension Liability	\$ 299,065,403	\$ 61,975,353
Current Discount Rate	7.15 %	7.15 %
Net Pension Liability	\$ 198,961,950	\$ 40,271,251
1% Increase	8.15 %	8.15 %
Net Pension Liability	\$ 116,221,164	\$ 22,529,439

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

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

For the year ended June 30, 2018, the County recognized pension expense of \$28,569,967 and \$6,115,982 was for the miscellaneous and safety plans, respectively. 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, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Miscellaneous</u>		<u>Safety</u>		<u>Total</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 6,440,447	\$ 453,013	\$ 118,113	\$ 453,013	\$ 6,558,560
Changes in assumptions	29,773,630	1,854,599	6,569,828	504,055	36,343,458	2,358,654
Net differences between projected and actual earnings on pension plan investments	6,142,956	-	1,432,480	-	7,575,436	-
Change in employer's proportion	-	-	466,213	-	466,213	-
Changes in proportion and differences between County contributions and proportionate share of contributions	-	-	-	209,821	-	209,821
County contributions subsequent to the measurement date	19,037,658	-	4,154,390	-	23,192,048	-
Total	\$ 54,954,244	\$ 8,295,046	\$ 13,075,924	\$ 831,989	\$ 68,030,168	\$ 9,127,035

COUNTY OF NAPA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2018

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

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

The \$23,192,048 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, 2018. 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,	Miscellaneous	Safety	Total
2019	\$ 5,502,282	\$ 2,103,121	\$ 7,605,403
2020	17,327,787	4,194,054	21,521,841
2021	8,936,426	2,630,564	11,566,990
2022	(4,144,955)	(838,194)	(4,983,149)
2023	-	-	-
Thereafter	-	-	-
Total	\$ 27,621,540	\$ 8,089,545	\$ 35,711,085

11. Other Postemployment Benefits

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.
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 (\$106.40 and \$115.60 per month for calendar years 2018 and 2019, respectively, using the Unequal Method) towards the retiree monthly premium for eligible retirees participating in PEMHCA.

Employees Covered

As of the June 30, 2017 actuarial valuation, the following current and former employees were covered by the benefit terms under the Retiree Healthcare Plan:

Active Plan Members	1,389
Inactive employees or beneficiaries currently receiving benefits	521
Inactive employees entitled to, but not yet receiving benefits	368

COUNTY OF NAPA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2018

11. Other Postemployment Benefits (continued)

Contributions

The contribution requirements for plan members and the County are established and may be amended by the County. The County prefunds a portion of the plan through the California Employers' Retiree Benefit Trust (CERBT) and reimburses retirees for the "pay-go" portion in order to contribute 100% of the ADC. During fiscal year 2017-18, the County used previous overfunded Actuarially Determined Contributions (ADC) to fully fund the current year's ADC.

The County's 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 percentage of projected payroll on a closed basis. The remaining amortization period as of June 30, 2018, was 11 years.

For fiscal year 2017-18, the County's ADC was \$7,577,000. The contributions made by the County were as follows:

Total blended premiums	\$ 3,229,000
Implied subsidy	939,000
Prefunding contributions to the CERBT	<u>1,772,000</u>
Total Employer Contributions	<u>\$ 5,940,000</u>

The County used \$1,637,000 of prior year excess contributions to fully satisfy the 2017-18 ADC.

Net OPEB Liability

The County's net OPEB liability was measured as of June 30, 2017 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2017. The County's most recent actuarial assumptions used in the development of the net OPEB liability calculation include:

Actuarial Assumptions:

Contribution Policy	County contributes full ADC
Discount Rate	6.75%
Inflation	2.75%
Salary Increases	3.00%
Investment Rate of Return	6.75%
Mortality, Retirement, Disability, Termination Rates	Derived using CalPERS' 1997-2015 Experience Study and Mortality Improvement Scale MP-2017
Mortality Improvement	Post-retirement mortality projected fully generational with Scale MP-17
Healthcare Trend Rate	Non-Medicare – 7.5% for 2019, decreasing to an ultimate rate of 4.0% in 2076 and later years Medicare – 6.5% for 2019, decreasing to an ultimate rate of 4.0% in 2076 and later years
Sick Leave Usage	50% usage based on current data
Dental and Vision Increases	2.75%

COUNTY OF NAPA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2018

11. Other Postemployment Benefits (continued)

Investments

The OPEB assets are invested in accordance with Board policy are currently held in CERBT Investment Strategy 1, which is structured to achieve a long-term rate of return of 7.28%. The Strategy's targeted asset allocation as follows:

	<u>Targeted Asset Allocation</u>	<u>Expected Real Rate of Return</u>
Global Equity	57%	4.82%
Fixed Income	27%	1.47%
Treasury Inflation Protected Securities	5%	1.29%
Real Estate Investment Trusts	8%	3.76%
Commodities	3%	0.84%

Discount Rate

The discount rate used to measure the total OPEB liability was 6.75 percent. The projection of cash flows used to determine the discount rate assumed that County contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees and beneficiaries.

OPEB Liabilities, OPEB Expense, and Deferred Inflows and Outflows of Resources related to OPEB

Annual OPEB Expense and Net OPEB Liability

For purposes of allocating the net OPEB liability and expense within the government-wide and proprietary statements and OPEB expenditures within the governmental funds, the County used budgeted full time equivalents employee counts as approved by the Board of Supervisors.

At June 30, 2018, the County reported \$32,656,000 as its net OPEB liability. The net OPEB liability was measured as of June 30, 2017, and the total OPEB liability used to calculate the net OPEB liability was based on an actuarial valuation as of June 30, 2017. The County's net OPEB liability was based on the County's covered payroll of \$123,126,000 during the measurement period.

Plan Fiduciary Net Position (plan assets) was valued as of the measurement date. As of June 30, 2017, the Plan Fiduciary Net Position was \$61,125,000. Net OPEB liability for the past two fiscal years is as follows:

	Measurement Date 6/30/17 <u>Fiscal Year 2018</u>	Measurement Date 6/30/16 <u>Fiscal Year 2017</u>
Total OPEB liability	\$ 93,781,000	\$ 86,253,000
Fiduciary net position	61,125,000	49,483,000
Net OPEB liability	<u>\$ 32,656,000</u>	<u>\$ 36,770,000</u>
Funded status	65.2%	57.4%

COUNTY OF NAPA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2018

11. Other Postemployment Benefits (continued)

For the year ended June 30, 2017, the County recognized OPEB expense of \$6,589,000. OPEB expense represents the change in the net OPEB liability during the measurement period, adjusted for service cost, interest on the total OPEB liability, and expected investment return net of investment expense. The changes in the net OPEB liability as of June 30, 2017, are as follows:

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability/(Asset) (a)-(b)
Balance at June 30, 2016	\$ 86,253,000	\$ 49,483,000	\$ 36,770,000
Changes recognized for the measurement period:			
Service cost	4,502,000	-	4,502,000
Interest	6,025,000	-	6,025,000
Changes of assumptions	-	-	-
Contributions - employer	-	9,005,000	(9,005,000)
Net investment income	-	5,664,000	(5,664,000)
Benefit payments	(2,999,000)	(2,999,000)	-
Administrative expense	-	(28,000)	28,000
Net Changes	<u>7,528,000</u>	<u>11,642,000</u>	<u>(4,114,000)</u>
Balance at June 30, 2017 (Measurement Date)	<u>\$ 93,781,000</u>	<u>\$ 61,125,000</u>	<u>\$ 32,656,000</u>

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability of the County if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate, for the measurement period ended June 30, 2017:

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Net OPEB Liability	\$ 43,262,000	\$ 32,656,000	\$ 23,585,000

Sensitivity of the Net OPEB Liability to Changes in the Health Care Cost Trend Rates

The following presents the net OPEB liability of the County if it were calculated using a health care cost trend rate that is one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2017:

	1% Decrease	Current Trend Rate	1% Increase
Net OPEB Liability	\$ 21,961,000	\$ 32,656,000	\$ 45,522,000

OPEB Plan Fiduciary Net Position

CalPERS issues a publicly available financial report that may be obtained from the CalPERS headquarters located at 400 Q Street, Sacramento, California 95811.

Recognition of Deferred Outflows and Deferred Inflows of Resources

Gains and losses related to changes in total OPEB liability and fiduciary net position are recognized in OPEB expense systematically over time. Amounts are first recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense.

COUNTY OF NAPA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2018

11. Other Postemployment Benefits (continued)

The recognition period differs depending on the source of the gain or loss:

<u>Source</u>	<u>Recognition Period</u>
Net difference between projected and actual earnings on OPEB plan investments	Five Years
All other amounts	Expected average remaining service lifetime (EARSL)

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB

For the fiscal year ended June 30, 2018, the County recognized OPEB expense of \$6,589,000. At June 30, 2018, the County reported deferred outflows and inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
OPEB contributions subsequent to measurement date	\$ 5,940,000	\$ -
Change of assumptions	-	-
Net difference between projected and actual earnings on OPEB plan investments	-	1,698,000
Total	<u>\$ 5,940,000</u>	<u>\$ 1,698,000</u>

The \$5,940,000 reported as deferred outflows of resources related to contributions subsequent to the June 30, 2017 measurement date will be recognized as a reduction of the net OPEB liability during the fiscal year ending June 30, 2019. Other amounts reported as deferred outflows and deferred inflows of resources related to OPEB will be recognized as expense as follows:

<u>Fiscal Year Ended June 30,</u>	<u>Deferred Outflows/ (Inflows) of Resources</u>
2019	\$ 425,000
2020	425,000
2021	425,000
2022	423,000
2023	-
Total	<u>\$ 1,698,000</u>

12. Deferred Compensation Plan

Napa County offers 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.

COUNTY OF NAPA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2018

13. 401(a) Retirement Savings Plan

The County established a retirement savings 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.

All participants may allocate the balances of their 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>
6/30/2016	\$ 197,441
6/30/2017	180,114
6/30/2018	226,687

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 liability for unpaid claims is 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 of the workers’ compensation and general liability programs included in the Employee/Retiree Benefits and Liability Insurance Internal Service Funds are generated from billings to departments based on potential exposure and loss history, in accordance with State Controller’s Handbook of Cost Plan. The claim liabilities for the funds reported at June 30, 2018 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 claim liabilities are set using confidence levels of 90% and 70%, respectively.

COUNTY OF NAPA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2018

14. Risk Management (continued)

Changes in the funds' claim liabilities for the last three fiscal years were:

	Beginning Fiscal Year Liability	Claims and Changes in Estimates	Claim Payments	Balance at Fiscal Year End
General Liability:				
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
2017-2018	2,394,962	2,744,391	(2,954,081)	2,185,272
Workers' Compensation:				
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
2017-2018	8,003,271	2,258,127	(1,394,180)	8,867,218

15. Tax Abatement Disclosures

The California Land Conservation Act of 1965, 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 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, 2018, the Countywide's property tax revenues, related to Williamson Act contracts, were reduced by \$5.5 million, of which the County's share is estimated to be \$1.2 million.

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, 2018, 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.

COUNTY OF NAPA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2018

17. Prior Period Adjustment

A prior period adjustment of \$29,402,000 was made to decrease governmental activities' beginning net position. The adjustment was made to reflect the prior period costs related to the implementation of the net OPEB liability in compliance with GASB Statement No. 75.

The restatement of beginning net position is summarized as follows:

Net Position at July 1, 2017, as previously stated	\$312,605,801
Net OPEB liability adjustment	<u>\$(29,402,000)</u>
Net Position at July 1, 2017, as restated	<u>\$283,203,801</u>

18. Subsequent Event

The County evaluated subsequent events from July 1, 2018 through the date the financial statements were available to be issued, no material subsequent event noted.



Photo Credit: Napa County Flood Control and Water Conservation District

Zinfandel Lane Bridge following 2011 improvements to correct streambed erosion that blocked upstream migration of spawning Chinook Salmon. The project also helped protect the historic bridge which was built in 1912.



Required Supplementary Information



Photo Credit: Napa Valley Register

Work on the box culvert on the upper portion of Napa Creek near Seminary Street and Arroyo Drive as seen in April 2012. The culvert will be paved over once completed.



Photo Credit: Napa Valley Register

An excavator works alongside two men in July 2012 as they build a fish habitat along Napa Creek, using boulders and tree trunks.

COUNTY OF NAPA

Required Supplementary Information
For the Year Ended June 30, 2018

Schedule of Changes in Net Pension Liability and Related Ratios

**Miscellaneous Plan - Agent Multiple-Employer Defined Benefit Pension Plan
Last 10 Fiscal Years***

	Measurement Period			
	FY 2017	FY 2016	FY 2015	FY 2014
Total Pension Liability				
Service cost	\$ 17,000,161	\$ 14,829,235	\$ 14,544,348	\$ 14,945,980
Interest on total pension liability	49,699,225	47,783,725	45,724,099	43,681,854
Differences between expected and actual experience	(4,478,209)	(5,346,285)	(4,960,970)	-
Change in assumption	41,225,027	-	(11,114,712)	-
Change in proportions	611,960	125,441	703,688	-
Benefit payments, including refunds of employee contributions	<u>(31,592,976)</u>	<u>(29,696,250)</u>	<u>(27,948,033)</u>	<u>(26,594,622)</u>
Net change in total pension liability	72,465,188	27,695,866	16,948,420	32,033,212
Total pension liability - beginning	<u>664,926,542</u>	<u>637,230,676</u>	<u>620,282,256</u>	<u>588,249,044</u>
Total pension liability - ending (a)	<u>737,391,730</u>	<u>664,926,542</u>	<u>637,230,676</u>	<u>620,282,256</u>
Plan Fiduciary Net Position				
Contributions - employer	17,400,331	16,134,777	14,710,306	15,473,088
Contributions - employee	7,939,824	7,434,535	7,123,794	7,708,869
Net investment income	55,366,549	2,586,639	10,994,169	73,692,163
Change in proportion	444,290	95,954	525,581	-
Plan to plan resource movement	(19)	2,865	12,936	-
Administrative expenses	(723,552)	(300,725)	(553,419)	-
Benefit payments, including refunds of employee contributions	<u>(31,592,976)</u>	<u>(29,696,250)</u>	<u>(27,948,033)</u>	<u>(26,594,622)</u>
Net change in plan fiduciary net position	48,834,447	(3,742,205)	4,865,334	70,279,498
Plan fiduciary net position - beginning	<u>489,595,333</u>	<u>493,337,538</u>	<u>488,472,204</u>	<u>418,192,706</u>
Plan fiduciary net position - ending (b)	<u>538,429,780</u>	<u>489,595,333</u>	<u>493,337,538</u>	<u>488,472,204</u>
Net pension liability - ending (a) - (b)	<u>\$ 198,961,950</u>	<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	73.02 %	73.63 %	77.42 %	78.75 %
County's covered-employee payroll	\$ 102,770,955	\$ 94,951,888	90,449,921	88,343,655
Net pension liability as a percentage of covered-employee payroll	193.60 %	184.65 %	159.09 %	149.20 %

*GASB 68 was implemented for fiscal year 2013-14. Additional years will be presented as they become available.

COUNTY OF NAPA

Required Supplementary Information
For the Year Ended June 30, 2018

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

**Safety Plan Cost Sharing Multiple-Employer Defined Benefit Pension Plans - Consolidated
Last 10 Fiscal Years***

	Measurement Period			
	FY 2017	FY 2016	FY 2015	FY 2014
County's proportion of the net pension liability (asset)	0.40607 %	0.40066 %	0.38720 %	0.03725 %
County's proportionate share of the net pension liability (asset)	40,271,251	34,669,513	26,577,031	23,176,370
County's covered payroll	14,353,105	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 payroll	280.58 %	266.26 %	222.38 %	193.93 %
Plan fiduciary net position as a percentage of total pension liability	73.31 %	74.06 %	78.40 %	79.42 %

Schedule of County's Pension Contribution

**Miscellaneous Plan - Agent Multiple-Employer Defined Benefit Pension Plan
Last 10 Fiscal Years***

	Fiscal Year				
	FY 2018	FY 2017	FY 2016	2015	2014
Actuarially determined contribution	\$ 19,037,658	\$ 17,261,916	\$ 16,015,384	\$ 14,710,306	\$ 15,473,088
Contributions in relation to the actuarially determined contribution	19,037,658	17,261,916	16,015,384	14,710,306	15,473,088
Covered payroll	105,081,181	102,770,955	94,951,888	90,449,921	88,343,655
	18.12 %	16.80 %	16.87 %	16.26 %	17.51 %

**Safety Plan - Cost Sharing Multiple-Employer Defined Benefit Pension Plan - Consolidated
Last 10 Fiscal Years***

	Fiscal Year				
	FY 2018	FY 2017	FY 2016	2015	2014
Actuarially determined contribution	\$ 4,154,390	\$ 3,868,688	\$ 3,350,849	\$ 3,338,676	\$ 3,203,083
Contributions in relation to the actuarially determined contribution	4,154,390	3,868,688	3,350,849	3,338,676	3,203,083
Covered-employee payroll	14,018,235	14,353,105	13,021,017	11,951,126	11,951,126
	29.64 %	26.95 %	25.73 %	27.94 %	26.80 %

*GASB 68 was implemented for fiscal year 2013-14. Additional years will be presented as they become available.

COUNTY OF NAPA

Required Supplementary Information
For the Year Ended June 30, 2018

Other Postemployment Benefits

Schedule of Changes in the Net OPEB Liability and Related Ratios - Last 10 fiscal years (in thousands)

	Measurement Period <u>FY 2017</u>
Total OPEB Liability	
Service cost	\$ 4,502
Interest on the total OPEB liability	6,025
Differences between expected and actual experience	-
Change in assumption	-
Benefit payments	<u>(2,999)</u>
Net change in total OPEB liability	7,528
Total OPEB liability - beginning	<u>86,253</u>
Total OPEB liability - ending (a)	<u>93,781</u>
 Plan Fiduciary Net Position	
Contributions - employer	9,005
Net investment income	5,664
Benefit payments	(2,999)
Administrative expense	<u>(28)</u>
Net change in plan fiduciary net position	11,642
Plan fiduciary net position - beginning	<u>49,483</u>
Plan fiduciary net position - ending (b)	<u>61,125</u>
Net OPEB liability - ending (a)-(b)	<u>\$ 32,656</u>
 Plan fiduciary net position as percentage of total OPEB liability	65.2 %
Covered-employee payroll	\$ 119,163
Net OPEB liability as a percentage of Covered- employee payroll	27.4 %

*GASB 75 was implemented for fiscal year 2017-18. Additional years will be presented as they become available.

COUNTY OF NAPA

Required Supplementary Information
For the Year Ended June 30, 2018

Schedule of County's OPEB Contributions - Last 10 fiscal years (in thousands)

Fiscal Year Ended June 30,	2018
Actuarially Determined Contribution (ADC)	\$ 7,577
Contributions in relation to the ADC	<u>5,940</u>
Contribution deficiency (excess)	<u><u>\$ (5,940)</u></u>
Covered-employee payroll	<u>\$ 123,126</u>
Contribution as a percentage of covered employee payroll	4.8 %

*GASB 75 was implemented for fiscal year 2017-18. Additional years will be presented as they become available. Actuarial methods and assumptions used to set the actuarially determined contribution for fiscal year 2017-18 were from the June 30, 2015 actuarial valuation.

Methods and assumptions used to determine contributions:

Valuation Date	June 30, 2015
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level percent of pay
Amortization Period	20-year fixed period for 6/30/2009 unfunded liability (12 years remaining at 6/30/2017) and plan changes. 15-year fixed period for gains/losses
Asset Valuation Method	Investment gains and losses spread over 5-year rolling period
Inflation	3.00%
Payroll Growth	3.25%
Discount Rate	7.25%
Healthcare Cost-Trend Rates	6.5% initial, decreasing 0.5% per year through 2021
Retirement Age	Safety: Tier II – 3.0% _{@50} , Tier III – 3.0% _{@55} , PEPRA 2.7% _{@57} Miscellaneous: Tier I – 2.5% _{@55} , Tier II 2.0% _{@60} , PEPRA 2.0% _{@62}
Mortality	The probabilities of Retirement are based on the 2014 CalPERS Experience Study for the period 1997 to 2011. Pre-retirement mortality probability based on 2014 CalPERS 1997-2011 Experience Study covering CalPERS participants. Post-retirement mortality probability based on CalPERS Experience Study 2007-2011 covering CalPERS participants.

COUNTY OF NAPA

Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		
Resources (inflows)				
Taxes	\$ 113,420,227	\$ 113,420,227	\$ 133,224,712	\$ 19,804,485
Licenses and permits	5,208,452	5,208,452	5,506,269	297,817
Fines, forfeitures and penalties	3,001,084	3,001,084	3,048,207	47,123
Revenue from the use of money and property	1,056,141	1,056,141	915,628	(140,513)
Aid from other governments	30,750,638	41,482,475	30,243,515	(11,238,960)
Charges for services	20,325,485	20,563,385	20,499,381	(64,004)
Indirect cost allocation	5,106,284	5,106,284	5,106,284	-
Donations and contributions	58,350	3,247,350	3,260,092	12,742
Other revenue	269,850	5,569,850	6,879,978	1,310,128
Intrafund transfers in	1,880,787	10,789,342	10,777,133	(12,209)
Proceeds from insurance	-	-	2,919,099	2,919,099
Transfers in	9,983,955	10,539,388	9,670,189	(869,199)
Revenues available for appropriation	<u>191,061,253</u>	<u>219,983,978</u>	<u>232,050,487</u>	<u>12,066,509</u>
Charges to appropriations (outflows):				
General government:				
Board of Supervisors	857,120	882,120	860,055	22,065
County Executive Office	3,023,564	3,023,564	2,935,335	88,229
Housing and Intergovernmental Affairs	838,024	2,196,009	2,012,536	183,473
Human Resources	2,842,298	2,869,873	2,791,157	78,716
Training and Organizational Development	316,897	316,897	271,766	45,131
General Expenditures	7,646,908	8,767,258	6,247,135	2,520,123
Central Services	3,597,669	3,515,169	3,172,383	342,786
Tobacco Settlement	4,100,000	4,100,000	1,100,000	3,000,000
Auditor-Controller	3,928,878	3,928,878	3,514,796	414,082
Treasurer-Tax Collector	2,307,965	2,307,965	1,960,798	347,167
Assessor	3,495,713	3,495,713	3,379,025	116,688
Elections	1,524,971	1,619,971	1,592,076	27,895
County Counsel	4,513,750	4,513,750	4,103,387	410,363
Contingencies	6,000,000	2,780,517	-	2,780,517
Total general government	<u>44,993,757</u>	<u>44,317,684</u>	<u>33,940,449</u>	<u>10,377,235</u>
Public protection:				
Emergency Services	822,183	909,449	713,748	195,701
Local Agency Formation Commission	355,578	355,578	244,954	110,624
2014 South Napa Earthquake	-	59,770	41,507	18,263
2017 Napa Fire Complex	-	3,259,451	2,748,561	510,890
Recorder, County Clerk	1,143,239	1,167,724	1,143,305	24,419
Grand Jury	58,500	66,120	65,128	992
District Attorney	11,630,123	11,630,123	10,675,604	954,519
Public Defender	4,795,691	4,819,081	4,445,233	373,848
Conflict Public Defender	1,084,779	1,084,779	885,959	198,820
Sheriff	32,331,823	32,983,273	32,462,999	520,274
Coroner	815,737	815,737	730,658	85,079
Animal Services	1,125,349	1,170,949	1,148,069	22,880
Napa Special Investigation Bureau	987,085	1,010,385	920,598	89,787
Corrections	17,907,864	17,907,864	17,544,674	363,190

continued

COUNTY OF NAPA

Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		
Probation	12,838,462	20,802,636	20,291,167	511,469
Probation - Community Services	1,556,953	1,556,953	1,373,585	183,368
Probation - Juvenile Hall	6,566,931	6,621,059	6,276,851	344,208
Probation - Care of Juvenile Court Wards	257,000	257,000	142,695	114,305
Agricultural Commissioner	4,702,925	4,702,925	4,602,171	100,754
Planning and Resource Management	6,503,430	6,666,430	5,813,809	852,621
Environmental Management	3,311,234	3,308,677	2,964,678	343,999
Total public protection	108,794,886	121,155,963	115,235,953	5,920,010
Public ways and facilities:				
Public Works	8,873,429	9,105,729	8,770,851	334,878
Public Works Projects	7,538,500	15,928,622	5,699,970	10,228,652
Roads	30,000	30,000	28,081	1,919
Total public ways and facilities	16,441,929	25,064,351	14,498,902	10,565,449
Health and sanitation:				
Local Enforcement Agency	369,021	371,578	367,016	4,562
Education:				
Agricultural Extension	538,440	538,440	525,468	12,972
Recreation and cultural services:				
Special Projects	1,638,576	1,638,576	1,629,904	8,672
Parks	773,973	773,973	737,677	36,296
Total recreation and cultural services	2,412,549	2,412,549	2,367,581	44,968
Debt service:				
Debt Service	24,897	24,897	16,389	8,508
Transfers:				
Transfers out	38,260,093	70,714,808	65,502,478	5,212,330
Total charges to appropriations	214,248,121	267,012,819	232,454,236	32,191,002
Net change in fund balances, budgetary basis	(23,186,868)	(47,028,841)	(403,749)	46,625,092
Budgetary fund balances - beginning	76,528,825	76,528,825	76,528,825	-
Budgetary fund balances - ending	<u>\$ 53,341,957</u>	<u>\$ 29,499,984</u>	<u>\$ 76,125,076</u>	<u>\$ 46,625,092</u>

COUNTY OF NAPA

Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2018

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	\$ 232,050,487
Differences - budget to GAAP:	
Reimbursements from other funds are inflows of budgetary resources but not revenues for financial reporting purposes	(5,106,284)
Revenues for funds no longer meeting the special revenue fund requirement which are presented with the General Fund for financial reporting purposes	30,939,385
Transfers from other funds are inflows of budgetary resources but not revenues for financial reporting purposes	(9,670,189)
Transfers within the fund are inflows of budgetary resources but are not revenues for financial reporting purposes	(10,777,133)
Proceeds from insurance are inflows of budgetary resources but are not revenues for financial reporting purposes	<u>(2,919,099)</u>
Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 234,517,167</u>

Uses/outflows of resources

Actual amounts (budgetary basis) "total charges to appropriations" from the Budgetary Comparison Schedule	\$ 232,454,236
Difference - budget to GAAP:	
Costs reimbursed by other funds are outflows of budgetary resources but not expenditures for financial reporting purposes	(5,106,284)
Expenditures by funds no longer meeting the special revenue fund requirement which are presented with the General Fund for financial reporting purposes	107,161
Transfers to other funds are outflows of budgetary resources but not expenditures for financial reporting purposes	(65,502,478)
Transfers within the fund are outflows of budgetary resources but are not expenditures for financial reporting purposes	<u>(10,777,133)</u>
Total expenditures as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	<u>\$ 151,175,502</u>

COUNTY OF NAPA

Budgetary Comparison Schedule
Health and Human Services Agency
For the Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		
Resources (inflows):				
Licenses and permits	\$ 36,000	\$ 36,000	\$ 51,090	\$ 15,090
Fines, forfeitures and penalties	5,500	5,500	2,942	(2,558)
Revenue from the use of money and property	72,444	72,444	104,124	31,680
Aid from other governments	51,505,217	55,474,629	52,926,878	(2,547,751)
Charges for services	11,949,362	11,949,362	9,109,633	(2,839,729)
Donations and contributions	143,000	165,500	168,641	3,141
Other revenue	10,400	35,400	25,000	(10,400)
Other financing sources	-	-	9,363	9,363
Transfers in	48,452,903	49,956,131	47,140,191	(2,815,940)
Intrafund transfers in	9,880,134	10,579,356	10,165,989	(413,367)
Revenues available for appropriation	<u>122,054,960</u>	<u>128,274,322</u>	<u>119,703,851</u>	<u>(8,570,471)</u>
Charges to appropriations (outflows):				
Health and sanitation:				
Public Health	11,803,052	11,897,024	11,509,882	387,142
Mental Health	34,282,848	34,705,544	32,222,732	2,482,812
Alcohol and Drug Treatment Services	5,583,043	5,483,019	5,375,096	107,923
Health Care Enhancements	3,603,381	5,690,001	5,188,829	501,172
Agency Administration	10,667,353	11,220,903	10,884,425	336,478
Whole Person Care	4,915,260	5,046,521	3,452,625	1,593,896
Total health and sanitation	<u>70,854,937</u>	<u>74,043,012</u>	<u>68,633,589</u>	<u>5,409,423</u>
Public assistance:				
Child Welfare Services	19,521,378	19,438,445	19,049,153	389,292
Comprehensive Services for Older Adults	10,770,481	11,539,365	11,413,817	125,548
Self Sufficiency Services	20,271,699	19,483,166	18,564,047	919,119
Total public assistance	<u>50,563,558</u>	<u>50,460,976</u>	<u>49,027,017</u>	<u>1,433,959</u>
Transfers:				
Transfers out	<u>636,465</u>	<u>886,465</u>	<u>817,808</u>	<u>68,657</u>
Total charges to appropriations	<u>122,054,960</u>	<u>125,390,453</u>	<u>118,478,414</u>	<u>6,912,039</u>
Net change in fund balances, budgetary basis	-	2,883,869	1,225,437	(1,658,432)
Budgetary fund balances - beginning	<u>15,827,180</u>	<u>15,827,180</u>	<u>15,827,180</u>	<u>-</u>
Budgetary fund balances - ending	<u>\$ 15,827,180</u>	<u>\$ 18,711,049</u>	<u>\$ 17,052,616</u>	<u>\$ (1,658,433)</u>

COUNTY OF NAPA

Budgetary Comparison Schedule
Health and Human Services Agency
For the Year Ended June 30, 2018

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	\$ 119,703,851
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	11,758,102
Transfers from other funds are inflows of budgetary resources but not revenues for financial reporting purposes	(47,140,191)
Transfers within the fund are inflows of budgetary resources but are not revenues for financial reporting purposes	<u>(10,165,989)</u>
Total revenues as reported on the Statement of Revenue, Expenditures and Changes in Fund Balances - Governmental Funds	<u>\$ 74,155,773</u>

Uses/outflows of resources

Actual amounts (budgetary basis) "total charges to appropriations" from the Budgetary Comparison Schedule	\$ 118,478,414
Differences - budget to GAAP:	
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes	(817,808)
Transfers within the fund are outflows of budgetary resources but are not expenditures for financial reporting purposes	<u>(10,165,989)</u>
Total expenditures as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	<u>\$ 107,494,617</u>

COUNTY OF NAPA

Budgetary Comparison Schedule
Flood Protection & Watershed Improvement Authority
For the Year Ended June 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Resources (inflows):				
Taxes	\$ 18,424,600	\$ 18,424,600	\$ 19,334,463	\$ 909,863
Revenue from the use of money and property	261,000	261,000	432,489	171,489
Revenues available for appropriation	<u>18,685,600</u>	<u>18,685,600</u>	<u>19,766,952</u>	<u>1,081,352</u>
Charges to appropriations (outflows):				
Operations	20,500,100	99,816,200	86,673,297	13,142,903
Debt service	5,386,500	5,386,500	5,381,871	4,629
Transfers out	-	8,470,000	8,463,440	(16,933,440)
Total charges to appropriations	<u>25,886,600</u>	<u>113,672,700</u>	<u>100,518,608</u>	<u>13,154,092</u>
Net change in fund balances, budgetary basis	(7,201,000)	(94,987,100)	(80,751,656)	14,235,444
Budgetary fund balances - beginning	<u>80,317,911</u>	<u>80,317,911</u>	<u>80,317,911</u>	-
Budgetary fund balances - ending	<u>\$ 73,116,911</u>	<u>\$ (14,669,189)</u>	<u>\$ (433,745)</u>	<u>\$ 14,235,444</u>

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

Uses/outflows of resources

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison statement	\$ 100,518,608
Differences - budget to GAAP: Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes.	<u>(8,463,440)</u>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 92,055,168</u>

COUNTY OF NAPA

Budgetary Comparison Schedule
Roads
For the Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		
Resources (inflows):				
Licenses and permits	\$ 60,500	\$ 60,500	\$ 126,818	\$ 66,318
Fines, forfeitures and penalties	38,000	38,000	86,256	48,256
Revenue from the use of money and property	35,000	35,000	116,514	81,514
Aid from other governments	3,716,492	6,957,949	4,206,658	(2,751,291)
Charges for services	76,000	76,000	60,895	(15,105)
Other revenues	100	4,000,100	36	(4,000,064)
Transfers in	16,020,260	17,939,717	13,215,406	(4,724,311)
Intrafund transfers in	60,000	4,965,803	4,672,193	(293,610)
Revenues available for appropriation	<u>20,006,352</u>	<u>34,073,069</u>	<u>22,484,776</u>	<u>(11,588,293)</u>
Charges to appropriations (outflows):				
Operations	8,142,921	12,923,966	12,137,493	786,473
Capital programs	11,804,260	23,762,159	8,627,202	15,134,957
Transfers out	5,226	2,879,315	2,879,314	1
Total charges to appropriations	<u>19,952,407</u>	<u>39,565,440</u>	<u>23,644,009</u>	<u>15,921,431</u>
Net change in fund balances, budgetary basis	53,945	(5,492,371)	(1,159,233)	4,333,138
Budgetary fund balances - beginning	<u>9,078,097</u>	<u>9,078,097</u>	<u>9,078,097</u>	<u>-</u>
Budgetary fund balances - ending	<u>\$ 9,132,042</u>	<u>\$ 3,585,726</u>	<u>\$ 7,918,864</u>	<u>\$ 4,333,138</u>

COUNTY OF NAPA

Budgetary Comparison Schedule
Roads
For the Year Ended June 30, 2018

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	\$ 22,484,776
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Difference - budget to GAAP:

Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes	(13,215,406)
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Transfers within the fund are inflows of budgetary resources but are not revenues for financial reporting purposes	<u>(4,672,193)</u>
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Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	<u>\$ 4,597,177</u>
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Uses/outflows of resources

Actual amounts (budgetary basis) "total charges to appropriations" from the Budgetary Comparison Schedule	\$ 23,644,009
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Difference - budget to GAAP:

Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes	(2,879,314)
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Transfers within the fund are outflows of budgetary resources but are not expenditures for financial reporting purposes	<u>(4,672,193)</u>
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Total expenditures as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	<u>\$ 16,092,502</u>
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COUNTY OF NAPA

Note to Required Supplementary Information
For the Year Ended June 30, 2018

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." This object level is an accounting mechanism used by the County to show reimbursements between operations within the same fund.



Supplementary Information
Combining and Individual
Fund Statements and Schedules



Photo Credit: Napa Valley Register

Work on the Napa Creek Flood Project continues in September 2012 as crews use trees and boulders as erosion control measures behind the Napa Valley Opera House.



Nonmajor Governmental Funds



Photo Credit: Napa County Flood Control and Water Conservation District

2013 winter flows in newly constructed secondary channel in Reach 8 of the Napa River
Rutherford Dust Restoration Project.

COUNTY OF NAPA
Combining Balance Sheet
Governmental Funds
June 30, 2018

	Nonmajor Special Revenue Funds	Debt Service Fund	Total
Assets & deferred outflows of resources			
Assets:			
Cash and investments	\$ 39,353,550	\$ -	\$ 39,353,550
Restricted assets:			
Cash with fiscal agent	-	1,498,903	1,498,903
Cash held for debt service	390,331	-	390,331
Imprest cash	850	-	850
Receivable (Net):			
Taxes	942,442	-	942,442
Special assessments	1,586,873	-	1,586,873
Accounts	67,381	-	67,381
Due from other governments	682,286	-	682,286
Prepaid items	11,796	-	11,796
Deposits	1,250	-	1,250
Loans receivable, net	24,937,288	-	24,937,288
Advances to other funds	42,195	-	42,195
Total assets	<u>68,016,242</u>	<u>1,498,903</u>	<u>69,515,145</u>
Total assets and deferred outflows of resources	<u>\$ 68,016,242</u>	<u>\$ 1,498,903</u>	<u>\$ 69,515,145</u>
Liabilities, deferred inflows of resources & fund balances			
Liabilities:			
Accounts payable	\$ 4,525,015	\$ -	\$ 4,525,015
Accrued salaries and benefits	364,212	-	364,212
Due to other funds	103,941	-	103,941
Deposits	5,000	-	5,000
Unearned revenue	50,593	-	50,593
Advances from other funds	2,900,000	-	2,900,000
Total liabilities	<u>7,948,761</u>	<u>-</u>	<u>7,948,761</u>
Deferred inflows of resources:			
Unavailable revenue	<u>107,478</u>	<u>-</u>	<u>107,478</u>
Fund balances:			
Nonspendable	13,046	-	13,046
Restricted	54,746,067	1,498,903	56,244,970
Committed	5,306,825	-	5,306,825
Unassigned	(105,935)	-	(105,935)
Total fund balances	<u>59,960,003</u>	<u>1,498,903</u>	<u>61,458,906</u>
Total liabilities, deferred inflows of resources & fund balances	<u>\$ 68,016,242</u>	<u>\$ 1,498,903</u>	<u>\$ 69,515,145</u>

COUNTY OF NAPA

Combining Statement of Revenues, Expenditures and
Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2018

	Nonmajor Special Revenue Funds	Debt Service Fund	Total
Revenues:			
Taxes	\$ 21,600,086	\$ -	\$ 21,600,086
Licenses and permits	6,183,498	-	6,183,498
Fines, forfeitures and penalties	57,733	-	57,733
Use of money and property	535,344	6,414	541,758
Aid from other governments	7,510,635	71,380	7,582,015
Charges for services	11,325,844	-	11,325,844
Contributions and donations	132,447	-	132,447
Other revenue	130,666	-	130,666
Total revenues	<u>47,476,253</u>	<u>77,794</u>	<u>47,554,047</u>
Expenditures:			
Current:			
General government	6,508,896	-	6,508,896
Public protection	26,219,959	-	26,219,959
Public ways and facilities	1,272,710	-	1,272,710
Health and sanitation	252,694	-	252,694
Public assistance	917,731	-	917,731
Education	8,021,224	-	8,021,224
Debt service:			
Principal	315,555	3,323,428	3,638,983
Interest expense	65,670	1,159,932	1,225,602
Administration, issuance and arbitrage fees	-	4,071	4,071
Total expenditures	<u>43,574,439</u>	<u>4,487,431</u>	<u>48,061,870</u>
Excess (deficiency) of revenues over (under) expenditures	<u>3,901,814</u>	<u>(4,409,637)</u>	<u>(507,823)</u>
Other financing sources (uses):			
Transfers in	1,017,245	4,410,504	5,427,749
Transfers out	<u>(1,045,333)</u>	-	<u>(1,045,333)</u>
Total other financing sources (uses)	<u>(28,088)</u>	<u>4,410,504</u>	<u>4,382,416</u>
Net change in fund balances	3,873,726	867	3,874,593
Fund balances - beginning	<u>56,086,277</u>	<u>1,498,036</u>	<u>57,584,313</u>
Fund balances - ending	<u>\$ 59,960,003</u>	<u>\$ 1,498,903</u>	<u>\$ 61,458,906</u>



Photo Credit: Napa Valley Register

Forms are being built near what will be the bypass channel near McKinstry Street behind the Oxbow Public Market in June 2014. The channel, which will be approximately 1,300 feet long, 200 to 300 feet wide and 12 feet deep, will serve dual purposes by accommodating floods in winter and recreation in the dry months.

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

The Fire Protection 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

The Zone 1 Garbage fund receives and accounts for franchise and rate surcharge fees collected as a result of the Zone 1 unincorporated garbage franchise agreement. Money received in this fund is utilized to enhance recycling programs in the unincorporated area of Zone 1, 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

The Child Support Services fund is funded with state and federal 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 City of American Canyon, City of Calistoga, and the Town of Yountville.

Napa Valley Tourism Improvement District - Unincorporated

The Napa Valley Tourism Improvement District - Unincorporated (NVTID) is charged with increasing tourism throughout the Napa Valley through marketing efforts funded by a 2% assessment on room rentals on lodging businesses. 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 Public, Educational, and Governmental Access Channel 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 District

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 District

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.

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, 1% of collections is to be remitted to the tax collectors of each jurisdiction to cover collection costs with the remaining 25% distributed to jurisdictions within NVTID.

Community Facilities District - Devlin Road

The Community Facilities District - Devlin Road (CFD-Devlin) was established during fiscal year 2012-13. The CFD-Devlin levies and collects taxes on parcel owners within district boundaries to fund the construction of the Devlin Road extension to allow access to district parcels.

Community Facilities District - Milliken-Sarco-Tulocay (MST)

The Community Facilities District - MST (CFD-MST) was established during fiscal year 2012-13 and commenced operations during fiscal year 2013-14. The CFD-MST levies and collects taxes on parcel owners within the CFD-MST to fund the construction and related debt service payments 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, 2018

	<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	\$ 10,513,447	\$ 7,468,131	\$ 52,185	\$ 5,650,106
Restricted assets:				
Cash held for debt service	-	-	-	-
Imprest cash	-	-	-	50
Receivable (net):				
Taxes	127,060	-	-	-
Special assessments	36,464	-	-	-
Accounts	-	-	-	-
Due from other governments	564,693	-	15,550	-
Prepaid items	-	-	-	2,245
Deposits	-	-	-	-
Loans receivable, net	-	24,937,288	-	-
Advances to other funds	-	42,195	-	-
Total assets	<u>11,241,664</u>	<u>32,447,614</u>	<u>67,735</u>	<u>5,652,401</u>
 Total assets & deferred outflows of resources	<u>\$ 11,241,664</u>	<u>\$ 32,447,614</u>	<u>\$ 67,735</u>	<u>\$ 5,652,401</u>
 Liabilities, deferred inflows of resources & fund balances				
Liabilities:				
Accounts payable	\$ 2,087,288	\$ 330,770	\$ 20,807	\$ 251,542
Accrued salaries and benefits	6,511	-	-	98,915
Due to other funds	-	-	-	-
Deposits	-	5,000	-	-
Unearned revenue	-	-	-	-
Advances from other funds	-	2,900,000	-	-
Total liabilities	<u>2,093,799</u>	<u>3,235,770</u>	<u>20,807</u>	<u>350,457</u>
 Deferred inflows of resources:				
Unavailable revenue	<u>18,630</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Fund balances:				
Nonspendable	-	-	-	2,245
Restricted	9,129,235	29,211,844	46,928	-
Committed	-	-	-	5,299,699
Unassigned	-	-	-	-
Total fund balances	<u>9,129,235</u>	<u>29,211,844</u>	<u>46,928</u>	<u>5,301,944</u>
 Total liabilities, deferred inflows of resources & fund balances	<u>\$ 11,241,664</u>	<u>\$ 32,447,614</u>	<u>\$ 67,735</u>	<u>\$ 5,652,401</u>

continued

COUNTY OF NAPA

Combining Balance Sheet (continued)
 Nonmajor Special Revenue Funds
 June 30, 2018

	<u>In-Home Supportive 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	\$ -	\$ 1,066,466	\$ 137,754	\$ 9,771,909
Restricted assets:				
Cash held for debt service	-	-	-	-
Imprest cash	-	-	300	500
Receivable (net):				
Taxes	-	-	-	806,310
Special assessments	-	-	-	-
Accounts	-	-	-	67,381
Due from other governments	88,848	-	-	13,195
Prepaid items	-	-	9,551	-
Deposits	-	-	-	1,250
Loans receivable, net	-	-	-	-
Advances to other funds	-	-	-	-
Total assets	<u>88,848</u>	<u>1,066,466</u>	<u>147,605</u>	<u>10,660,545</u>
Total assets & deferred outflows of resources	<u>\$ 88,848</u>	<u>\$ 1,066,466</u>	<u>\$ 147,605</u>	<u>\$ 10,660,545</u>
Liabilities, deferred inflows of resources & fund balances				
Liabilities:				
Accounts payable	\$ 1,994	\$ 2,244	\$ 5,738	\$ 48,888
Accrued salaries and benefits	-	-	102,726	156,060
Due to other funds	103,941	-	-	-
Deposits	-	-	-	-
Unearned revenue	-	-	-	50,593
Advances from other funds	-	-	-	-
Total liabilities	<u>105,935</u>	<u>2,244</u>	<u>108,464</u>	<u>255,541</u>
Deferred inflows of resources:				
Unavailable revenue	<u>88,848</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:				
Nonspendable	-	-	9,551	1,250
Restricted	-	1,064,222	29,590	10,396,628
Committed	-	-	-	7,126
Unassigned	(105,935)	-	-	-
Total fund balances	<u>(105,935)</u>	<u>1,064,222</u>	<u>39,141</u>	<u>10,405,004</u>
Total liabilities, deferred inflows of resources & fund balances	<u>\$ 88,848</u>	<u>\$ 1,066,466</u>	<u>\$ 147,605</u>	<u>\$ 10,660,545</u>

COUNTY OF NAPA

Combining Balance Sheet (continued)
Nonmajor Special Revenue Funds
June 30, 2018

	<u>Napa Valley Tourism Improvement District- Unincorporated</u>	<u>Public, Educational and Governmental Access Channel</u>	<u>Special Districts Under the Board of Supervisors</u>	<u>Total</u>
Assets & deferred outflows of resources				
Assets:				
Cash and investments	\$ 169,923	\$ 313,274	\$ 4,210,355	\$ 39,353,550
Restricted assets:				
Cash held for debt service	-	-	390,331	390,331
Imprest cash	-	-	-	850
Receivable (net):				
Taxes	-	-	9,072	942,442
Special assessments	155,351	-	1,395,058	1,586,873
Accounts	-	-	-	67,381
Due from other governments	-	-	-	682,286
Prepaid items	-	-	-	11,796
Deposits	-	-	-	1,250
Loans receivable, net	-	-	-	24,937,288
Advances to other funds	-	-	-	42,195
Total assets	<u>325,274</u>	<u>313,274</u>	<u>6,004,816</u>	<u>68,016,242</u>
 Total assets & deferred outflows of resources	<u>\$ 325,274</u>	<u>\$ 313,274</u>	<u>\$ 6,004,816</u>	<u>\$ 68,016,242</u>
 Liabilities, deferred inflows of resources & fund balances				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ 1,775,744	\$ 4,525,015
Accrued salaries and benefits	-	-	-	364,212
Due to other funds	-	-	-	103,941
Deposits	-	-	-	5,000
Unearned revenue	-	-	-	50,593
Advances from other funds	-	-	-	2,900,000
Total liabilities	<u>-</u>	<u>-</u>	<u>1,775,744</u>	<u>7,948,761</u>
 Deferred inflows of resources:				
Unavailable revenue	-	-	-	107,478
 Fund balances:				
Nonspendable	-	-	-	13,046
Restricted	325,274	313,274	4,229,072	54,746,067
Committed	-	-	-	5,306,825
Unassigned	-	-	-	(105,935)
Total fund balances	<u>325,274</u>	<u>313,274</u>	<u>4,229,072</u>	<u>59,960,003</u>
 Total liabilities, deferred inflows of resources & fund balances	<u>\$ 325,274</u>	<u>\$ 313,274</u>	<u>\$ 6,004,816</u>	<u>\$ 68,016,242</u>

COUNTY OF NAPA

Combining Statement of Revenues, Expenditures and
Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2018

	<u>Fire Protection</u>	<u>Affordable Housing</u>	<u>Wildlife Conservation Commission</u>	<u>Building</u>
Revenues:				
Taxes	\$ 11,577,819	\$ -	\$ -	\$ -
Licenses and permits	859,743	1,743,937	-	3,088,351
Fines, forfeitures and penalties	875	-	35,400	16,472
Use of money and property	79,036	363,909	402	19,822
Aid from other governments	1,156,390	-	-	-
Charges for services	1,912,146	32,673	-	1,791,987
Contributions and donations	-	-	-	-
Other revenue	4,753	60,798	-	-
Total revenues	<u>15,590,762</u>	<u>2,201,317</u>	<u>35,802</u>	<u>4,916,632</u>
Expenditures:				
Current:				
General government	-	-	-	-
Public protection	18,340,169	-	40,873	3,699,366
Public ways and facilities	-	-	-	-
Health and sanitation	-	-	-	-
Public assistance	-	530,308	-	-
Education	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest expense	-	-	-	-
Total expenditures	<u>18,340,169</u>	<u>530,308</u>	<u>40,873</u>	<u>3,699,366</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,749,407)</u>	<u>1,671,009</u>	<u>(5,071)</u>	<u>1,217,266</u>
Other financing sources (uses):				
Transfers in	440,215	250,000	-	1,073
Transfers out	(7,084)	(333,858)	-	-
Total other financing sources (uses)	<u>433,131</u>	<u>(83,858)</u>	<u>-</u>	<u>1,073</u>
Net change in fund balances	(2,316,276)	1,587,151	(5,071)	1,218,339
Fund balances - beginning	<u>11,445,511</u>	<u>27,624,693</u>	<u>51,999</u>	<u>4,083,605</u>
Fund balances - ending	<u>\$ 9,129,235</u>	<u>\$ 29,211,844</u>	<u>\$ 46,928</u>	<u>\$ 5,301,944</u>

continued

COUNTY OF NAPA

Combining Statement of Revenues, Expenditures and
Changes in Fund Balances (continued)
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2018

	In-Home Supportive Services Public Authority	Zone 1 Garbage	Child Support Services	County Library
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ 9,111,603
Licenses and permits	-	446,317	-	-
Fines, forfeitures and penalties	-	4,000	-	-
Use of money and property	-	4,433	229	44,775
Aid from other governments	354,827	-	4,331,534	93,305
Charges for services	-	-	-	132,053
Contributions and donations	-	-	-	130,947
Other revenue	-	-	-	65,115
Total revenues	<u>354,827</u>	<u>454,750</u>	<u>4,331,763</u>	<u>9,577,798</u>
Expenditures:				
Current:				
General government	-	-	-	-
Public protection	-	-	4,106,092	-
Public ways and facilities	-	-	-	-
Health and sanitation	-	252,694	-	-
Public assistance	377,987	-	-	-
Education	-	-	-	8,021,224
Debt service:				
Principal	-	-	-	-
Interest expense	-	-	-	-
Total expenditures	<u>377,987</u>	<u>252,694</u>	<u>4,106,092</u>	<u>8,021,224</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(23,160)</u>	<u>202,056</u>	<u>225,671</u>	<u>1,556,574</u>
Other financing sources (uses):				
Transfers in	41,724	-	-	216,924
Transfers out	-	-	-	(37,250)
Total other financing sources (uses)	<u>41,724</u>	<u>-</u>	<u>-</u>	<u>179,674</u>
Net change in fund balances	18,564	202,056	225,671	1,736,248
Fund balances - beginning	<u>(124,499)</u>	<u>862,166</u>	<u>(186,530)</u>	<u>8,668,756</u>
Fund balances - ending	<u>\$ (105,935)</u>	<u>\$ 1,064,222</u>	<u>\$ 39,141</u>	<u>\$ 10,405,004</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, 2018

	Napa Valley Tourism Improvement District- Unincorporated	Public, Educational and Governmental Access Channel	Special Districts Under the Board of Supervisors	Total
Revenues:				
Taxes	\$ -	\$ -	\$ 910,664	\$ 21,600,086
Licenses and permits	-	45,150	-	6,183,498
Fines, forfeitures and penalties	-	-	986	57,733
Use of money and property	2,867	1,406	18,465	535,344
Aid from other governments	-	-	1,574,579	7,510,635
Charges for services	525,230	-	6,931,755	11,325,844
Contributions and donations	-	-	1,500	132,447
Other revenue	-	-	-	130,666
Total revenues	<u>528,097</u>	<u>46,556</u>	<u>9,437,949</u>	<u>47,476,253</u>
Expenditures:				
Current:				
General government	545,560	-	5,963,336	6,508,896
Public protection	-	-	33,459	26,219,959
Public ways and facilities	-	-	1,272,710	1,272,710
Health and sanitation	-	-	-	252,694
Public assistance	-	-	9,436	917,731
Education	-	-	-	8,021,224
Debt service:				
Principal	-	-	315,555	315,555
Interest expense	-	-	65,670	65,670
Total expenditures	<u>545,560</u>	<u>-</u>	<u>7,660,166</u>	<u>43,574,439</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(17,463)</u>	<u>46,556</u>	<u>1,777,783</u>	<u>3,901,814</u>
Other financing sources (uses):				
Transfers in	-	-	67,309	1,017,245
Transfers out	-	-	(667,141)	(1,045,333)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(599,832)</u>	<u>(28,088)</u>
Net change in fund balances	(17,463)	46,556	1,177,951	3,873,726
Fund balances - beginning	<u>342,737</u>	<u>266,718</u>	<u>3,051,121</u>	<u>56,086,277</u>
Fund balances - ending	<u>\$ 325,274</u>	<u>\$ 313,274</u>	<u>\$ 4,229,072</u>	<u>\$ 59,960,003</u>

COUNTY OF NAPA
Combining Balance Sheet
Special Districts Under the Board of Supervisors
June 30, 2018

	<u>County Service Area No 3</u>	<u>County Service Area No 4</u>	<u>Silverado Community Services District</u>	<u>Monticello Public Cemetery District</u>
Assets & deferred outflows of resources				
Assets:				
Cash and investments	\$ 523,252	\$ 592,558	\$ 123,801	\$ 200,195
Restricted assets:				
Cash held for debt service	-	-	-	-
Receivable (net):				
Taxes	-	-	-	9,072
Special assessments	<u>2,237</u>	<u>3,301</u>	<u>1,895</u>	<u>-</u>
Total assets	<u>525,489</u>	<u>595,859</u>	<u>125,696</u>	<u>209,267</u>
Total assets and deferred outflows of resources	<u>\$ 525,489</u>	<u>\$ 595,859</u>	<u>\$ 125,696</u>	<u>\$ 209,267</u>
Liabilities, deferred inflows of resources & fund balances				
Liabilities:				
Accounts payable	<u>\$ 3,174</u>	<u>\$ -</u>	<u>\$ 13,329</u>	<u>\$ 1,692</u>
Total liabilities	<u>3,174</u>	<u>-</u>	<u>13,329</u>	<u>1,692</u>
Fund balances:				
Restricted	<u>522,315</u>	<u>595,859</u>	<u>112,367</u>	<u>207,575</u>
Total fund balances	<u>522,315</u>	<u>595,859</u>	<u>112,367</u>	<u>207,575</u>
Total liabilities, deferred inflows of resources & fund balances	<u>\$ 525,489</u>	<u>\$ 595,859</u>	<u>\$ 125,696</u>	<u>\$ 209,267</u>

COUNTY OF NAPA

Combining Balance Sheet (continued)
Special Districts Under the Board of Supervisors
June 30, 2018

	<u>Countywide Napa Valley Tourism Improvement District</u>	<u>Community Facilities District- Devlin Road</u>	<u>Community Facilities District-MST</u>	<u>Total</u>
Assets & deferred outflows of resources				
Assets:				
Cash and investments	\$ 373,960	\$ 40,909	\$ 2,355,680	\$ 4,210,355
Restricted assets:				
Cash held for debt service	-	-	390,331	390,331
Receivable (net):				
Taxes	-	-	-	9,072
Special assessments	<u>1,381,681</u>	<u>-</u>	<u>5,944</u>	<u>1,395,058</u>
Total assets	<u>1,755,641</u>	<u>40,909</u>	<u>2,751,955</u>	<u>6,004,816</u>
Total assets and deferred outflows of resources	<u>\$ 1,755,641</u>	<u>\$ 40,909</u>	<u>\$ 2,751,955</u>	<u>\$ 6,004,816</u>
Liabilities, deferred inflows of resources & fund balances				
Liabilities:				
Accounts payable	<u>\$ 1,757,549</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,775,744</u>
Total liabilities	<u>1,757,549</u>	<u>-</u>	<u>-</u>	<u>1,775,744</u>
Fund balances:				
Restricted	<u>(1,908)</u>	<u>40,909</u>	<u>2,751,955</u>	<u>4,229,072</u>
Total fund balances	<u>(1,908)</u>	<u>40,909</u>	<u>2,751,955</u>	<u>4,229,072</u>
Total liabilities, deferred inflows of resources & fund balances	<u>\$ 1,755,641</u>	<u>\$ 40,909</u>	<u>\$ 2,751,955</u>	<u>\$ 6,004,816</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, 2018

	<u>County Service Area No 3</u>	<u>County Service Area No 4</u>	<u>Silverado Community Services District</u>	<u>Monticello Public Cemetery District</u>
Revenues:				
Taxes	\$ -	\$ -	\$ 172,024	\$ 40,808
Fines, forfeitures and penalties	237	659	90	-
Use of money and property	3,114	2,882	301	978
Aid from other governments	-	-	-	1,025
Charges for services	517,832	452,028	-	1,044
Contributions and donations	-	-	-	1,500
Total revenues	<u>521,183</u>	<u>455,569</u>	<u>172,415</u>	<u>45,355</u>
Expenditures:				
Current:				
General government	-	-	-	-
Public protection	868	-	-	32,591
Public ways and facilities	41,454	-	128,478	-
Public assistance	-	9,436	-	-
Debt service:				
Principal	-	-	-	-
Interest expense	-	-	-	-
Total expenditures	<u>42,322</u>	<u>9,436</u>	<u>128,478</u>	<u>32,591</u>
Excess (deficiency) of revenues over (under) expenditures	<u>478,861</u>	<u>446,133</u>	<u>43,937</u>	<u>12,764</u>
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	<u>(440,215)</u>	<u>(226,926)</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(440,215)</u>	<u>(226,926)</u>	<u>-</u>	<u>-</u>
Net change in fund balances	38,646	219,207	43,937	12,764
Fund balances - beginning	<u>483,669</u>	<u>376,652</u>	<u>68,430</u>	<u>194,811</u>
Fund balances - ending	<u>\$ 522,315</u>	<u>\$ 595,859</u>	<u>\$ 112,367</u>	<u>\$ 207,575</u>

continued

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, 2018

	Countywide Napa Valley Tourism Improvement District	Community Facilities District- Devlin Road	Community Facilities District- MST	Total
Revenues:				
Taxes	\$ -	\$ 101,673	\$ 596,159	\$ 910,664
Fines, forfeitures and penalties	-	-	-	986
Use of money and property	577	425	10,188	18,465
Aid from other governments	-	-	1,573,554	1,574,579
Charges for services	5,960,851	-	-	6,931,755
Contributions and donations	-	-	-	1,500
Total revenues	<u>5,961,428</u>	<u>102,098</u>	<u>2,179,901</u>	<u>9,437,949</u>
Expenditures:				
Current:				
General government	5,963,336	-	-	5,963,336
Public protection	-	-	-	33,459
Public ways and facilities	-	3,159	1,099,619	1,272,710
Public assistance	-	-	-	9,436
Debt service:				
Principal	-	-	315,555	315,555
Interest expense	-	-	65,670	65,670
Total expenditures	<u>5,963,336</u>	<u>3,159</u>	<u>1,480,844</u>	<u>7,660,166</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,908)</u>	<u>98,939</u>	<u>699,057</u>	<u>1,777,783</u>
Other financing sources (uses):				
Transfers in	-	-	67,309	67,309
Transfers out	-	-	-	(667,141)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>67,309</u>	<u>(599,832)</u>
Net change in fund balances	(1,908)	98,939	766,366	1,177,951
Fund balances - beginning	<u>-</u>	<u>(58,030)</u>	<u>1,985,589</u>	<u>3,051,121</u>
Fund balances - ending	<u>\$ (1,908)</u>	<u>\$ 40,909</u>	<u>\$ 2,751,955</u>	<u>\$ 4,229,072</u>

COUNTY OF NAPA

Budgetary Comparison Schedule
Fire Protection
For the Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		
Resources (inflows):				
Taxes	\$ 10,505,627	\$ 10,505,627	\$ 11,577,819	\$ 1,072,192
Licenses and permits	450,000	450,000	859,743	409,743
Fines, forfeitures and penalties	-	-	875	875
Revenue from the use of money and property	52,000	52,000	79,036	27,036
Aid from other governments	231,600	231,600	1,156,390	924,790
Charges for services	1,485,520	1,485,520	1,912,146	426,626
Other revenue	5,000	5,000	4,753	(247)
Transfers in	463,843	463,843	440,215	(23,628)
Intrafund transfers in	-	28,090	1,659,768	1,631,678
Revenues available for appropriation	<u>13,193,590</u>	<u>13,221,680</u>	<u>17,690,745</u>	<u>4,469,065</u>
Charges to appropriations (outflows):				
Operations	17,888,028	18,838,738	17,772,742	1,065,996
Facilities and improvements	-	568,670	567,427	1,243
Transfers out	5,200	7,090	7,084	6
Intrafund transfers out	-	28,090	1,659,768	(1,631,678)
Total charges to appropriations	<u>17,893,228</u>	<u>19,442,588</u>	<u>20,007,021</u>	<u>(564,433)</u>
Net change in fund balances, budgetary basis	(4,699,638)	(6,220,908)	(2,316,276)	3,904,632
Budgetary fund balances - beginning	<u>11,445,511</u>	<u>11,445,511</u>	<u>11,445,511</u>	-
Budgetary fund balances - ending	<u>\$ 6,745,873</u>	<u>\$ 5,224,603</u>	<u>\$ 9,129,235</u>	<u>\$ 3,904,632</u>

COUNTY OF NAPA

Budgetary Comparison Schedule
Fire Protection
For the Year Ended June 30, 2018

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

Sources/inflows of resources

Actual amounts (budgetary basis) "available for appropriation" from Budgetary Comparison Schedule	\$ 17,690,745
Difference - budget to GAAP:	
Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes	(440,215)
Transfers within the fund are inflows of budgetary resources but are not revenues for financial reporting purposes	<u>(1,659,768)</u>
Total revenues as reported on the Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds	<u>\$ 15,590,762</u>

Uses/outflows of resources

Actual amounts (budgetary basis) "total charges to appropriations" from the Budgetary Comparison Schedule	\$ 20,007,021
Difference - budget to GAAP:	
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes	(7,084)
Transfers within the fund are outflows of budgetary resources but are not expenditures for financial reporting purposes	<u>(1,659,768)</u>
Total expenditures as reported on the Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds	<u>\$ 18,340,169</u>

COUNTY OF NAPA

Budgetary Comparison Schedule
Affordable Housing
For the Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		
Resources (inflows):				
Licenses and permits	\$ 2,000,000	\$ 2,000,000	\$ 1,743,937	\$ (256,063)
Revenue from the use of money and property	60,000	113,140	363,909	250,769
Charges for services	2,500	2,500	32,673	30,173
Other revenue	2,900,000	2,900,000	60,798	(2,839,202)
Transfer in	-	250,000	250,000	-
Intrafund transfers in	-	2,426,061	3,076,354	650,293
Revenues available for appropriation	4,962,500	7,691,701	5,527,671	(2,164,030)
Charges to appropriations (outflows):				
Public assistance	3,467,416	7,790,413	530,308	7,260,105
Transfers out	294,000	339,000	333,858	5,142
Intrafund transfers out	2,000,000	4,426,061	3,076,354	1,349,707
Total charges to appropriations	5,761,416	12,555,474	3,940,520	8,614,954
Net change in fund balances, budgetary basis	(798,916)	(4,863,773)	1,587,151	6,450,924
Budgetary fund balances - beginning	27,624,693	27,624,693	27,624,693	-
Budgetary fund balances - ending	\$ 26,825,777	\$ 22,760,920	\$ 29,211,844	\$ 6,450,924

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	\$ 5,527,671
Difference - budget to GAAP:	
Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes.	(250,000)
Transfers within the fund are inflows of budgetary resources but are not revenues for financial reporting purposes	(3,076,354)
Total revenues as reported on the combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Special Revenue Funds	2,201,317

Uses/outflows of resources

Actual amounts (budgetary basis) "total charges to appropriations" from the Budgetary Comparison Schedule	\$ 3,940,520
Difference - budget to GAAP:	
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes	(333,858)
Transfers within the fund are outflows of budgetary resources but are not expenditures for financial reporting purposes	(3,076,354)
Total expenditures as reported on the Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Special Revenue Funds	\$ 530,308

COUNTY OF NAPA

Budgetary Comparison Schedule
Wildlife Conservation Commission
For the Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		
Resources (inflows):				
Fines, forfeitures and penalties	\$ 6,500	\$ 6,500	\$ 35,400	\$ 28,900
Revenue from the use of money and property	300	300	402	102
Transfers in	13,500	13,500	-	(13,500)
Revenues available for appropriation	<u>20,300</u>	<u>20,300</u>	<u>35,802</u>	<u>15,502</u>
Charges to appropriations (outflows):				
Public protection	50,000	50,000	40,873	9,127
Total charges to appropriations	<u>50,000</u>	<u>50,000</u>	<u>40,873</u>	<u>9,127</u>
Net change in fund balances, budgetary basis	(29,700)	(29,700)	(5,071)	24,629
Budgetary fund balances - beginning	51,999	51,999	51,999	-
Budgetary fund balances - ending	<u>\$ 22,299</u>	<u>\$ 22,299</u>	<u>\$ 46,928</u>	<u>\$ 24,629</u>

COUNTY OF NAPA

Budgetary Comparison Schedule
Building
For the Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		
Resources (inflows):				
Licenses and permits	\$ 2,100,000	\$ 2,100,000	\$ 3,088,351	\$ 988,351
Fines, forfeitures and penalties	10,000	10,000	16,472	6,472
Revenue from the use of money and property	21,000	21,000	19,822	(1,178)
Aid from other governments	-	-	-	-
Charges for services	1,290,000	1,290,000	1,791,987	501,987
Other revenue	-	-	-	-
Transfers in	15,000	16,074	1,073	(15,001)
Revenues available for appropriation	3,436,000	3,437,074	4,917,705	1,480,631
Charges to appropriations (outflows):				
Public protection	3,807,017	4,022,017	3,699,366	322,651
Total charges to appropriations	3,807,017	4,022,017	3,699,366	322,651
Net change in fund balances, budgetary basis	(371,017)	(584,943)	1,218,339	1,803,282
Budgetary fund balances - beginning	4,083,605	4,083,605	4,083,605	-
Budgetary fund balances - ending	\$ 3,712,588	\$ 3,498,662	\$ 5,301,944	\$ 1,803,282

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	\$ 4,917,705
Difference - budget to GAAP:	
Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes	(1,073)
Total revenues as reported on the Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Special Revenue Funds	\$ 4,916,632

COUNTY OF NAPA

Budgetary Comparison Schedule
In-Home Supportive Services Public Authority
For the Year Ended June 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Resources (inflows):				
Aid from other governments	\$ 439,188	\$ 439,188	\$ 354,827	\$ (84,361)
Transfers in	99,693	99,693	41,724	(57,969)
Revenues available for appropriation	<u>538,881</u>	<u>538,881</u>	<u>396,551</u>	<u>(142,330)</u>
Charges to appropriations (outflows):				
Public assistance	538,881	538,881	377,987	160,894
Total charges to appropriations	<u>538,881</u>	<u>538,881</u>	<u>377,987</u>	<u>160,894</u>
Net change in fund balances, budgetary basis	-	-	18,564	18,564
Budgetary fund balances - beginning	<u>(124,499)</u>	<u>(124,499)</u>	<u>(124,499)</u>	<u>-</u>
Budgetary fund balances - ending	<u>\$ (124,499)</u>	<u>\$ (124,499)</u>	<u>\$ (105,935)</u>	<u>\$ 18,564</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	\$ 396,551
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>\$ 354,827</u>

COUNTY OF NAPA

Budgetary Comparison Schedule
 Zone 1 Garbage
 For the Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		
Resources (inflows):				
Licenses and permits	\$ 420,000	\$ 420,000	\$ 446,317	\$ 26,317
Fines, forfeitures and penalties	-	-	4,000	4,000
Revenue from the use of money and property	6,000	6,000	4,433	(1,567)
Revenues available for appropriation	<u>426,000</u>	<u>426,000</u>	<u>454,750</u>	<u>28,750</u>
Charges to appropriations (outflows):				
Health and sanitation	388,492	388,492	252,694	135,798
Transfers out	207,486	207,486	-	207,486
Total charges to appropriations	<u>595,978</u>	<u>595,978</u>	<u>252,694</u>	<u>343,284</u>
Net change in fund balances, budgetary basis	(169,978)	(169,978)	202,056	372,034
Budgetary fund balances - beginning	<u>862,166</u>	<u>862,166</u>	<u>862,166</u>	<u>-</u>
Budgetary fund balances - ending	<u>\$ 692,188</u>	<u>\$ 692,188</u>	<u>\$ 1,064,222</u>	<u>\$ 372,034</u>

COUNTY OF NAPA

Budgetary Comparison Schedule
 Child Support Services
 For the Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		
Resources (inflows):				
Revenue from the use of money and property	\$ 1,000	\$ 1,000	\$ 229	\$ (771)
Aid from other governments	4,154,255	4,211,406	4,331,534	120,128
Revenues available for appropriation	<u>4,155,255</u>	<u>4,212,406</u>	<u>4,331,763</u>	<u>119,357</u>
Charges to appropriations (outflows):				
Public protection	4,155,255	4,212,406	4,106,092	106,314
Total charges to appropriations	<u>4,155,255</u>	<u>4,212,406</u>	<u>4,106,092</u>	<u>106,314</u>
Net change in fund balances, budgetary basis	-	-	225,671	225,671
Budgetary fund balances - beginning	<u>(186,530)</u>	<u>(186,530)</u>	<u>(186,530)</u>	<u>-</u>
Budgetary fund balances - ending	<u><u>\$ (186,530)</u></u>	<u><u>\$ (186,530)</u></u>	<u><u>\$ 39,141</u></u>	<u><u>\$ 225,671</u></u>

COUNTY OF NAPA

Budgetary Comparison Schedule
County Library
For the Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		
Resources (inflows):				
Taxes	\$ 7,718,013	\$ 7,718,013	\$ 9,111,603	\$ 1,393,590
Revenue from the use of money and property	61,000	61,000	44,775	(16,225)
Aid from other governments	73,500	73,500	93,305	19,805
Charges for services	234,394	234,394	132,053	(102,341)
Donations and contributions	115,390	115,390	130,947	15,557
Other revenue	-	-	65,115	65,115
Transfers in	216,924	216,924	216,924	-
Intrafund transfers in	10,443,168	10,912,128	10,809,237	(102,891)
Revenues available for appropriation	<u>18,862,389</u>	<u>19,331,349</u>	<u>20,603,959</u>	<u>1,272,610</u>
Charges to appropriations (outflows):				
Library operations	8,399,222	8,302,322	7,563,258	739,064
Facilities maintenance and improvements	-	713,430	457,966	255,464
Transfers out	19,999	37,739	37,250	489
Intrafund transfers out	10,443,168	10,904,458	10,809,237	95,221
Total charges to appropriations	<u>18,862,389</u>	<u>19,957,949</u>	<u>18,867,711</u>	<u>1,090,238</u>
Net change in fund balances, budgetary basis	-	(626,600)	1,736,248	2,362,848
Budgetary fund balances - beginning	<u>8,668,756</u>	<u>8,668,756</u>	<u>8,668,756</u>	<u>-</u>
Budgetary fund balances - ending	<u>\$ 8,668,756</u>	<u>\$ 8,042,156</u>	<u>\$ 10,405,004</u>	<u>\$ 2,362,848</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	\$ 20,603,959
Difference - budget to GAAP:	
Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes	(216,924)
Transfers within the fund are inflows of budgetary resources but are not revenues for financial reporting purposes	<u>(10,809,237)</u>
Total revenues as reported on the Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds	<u>\$ 9,577,798</u>

Uses/outflows of resources

Actual amounts (budgetary basis) "total charges to appropriations" from the Budgetary Comparison Schedule	\$ 18,867,711
Difference - budget to GAAP:	
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes	(37,250)
Transfers within the fund are outflows of budgetary resources but are not expenditures for financial reporting purposes	<u>(10,809,237)</u>
Total expenditures as reported on the Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Special Revenue Funds	<u>\$ 8,021,224</u>

COUNTY OF NAPA

Budgetary Comparison Schedule
 Napa Valley Tourism Improvement District-Unincorporated
 For the Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		
Resources (inflows):				
Revenue from the use of money and property	\$ 2,000	\$ 2,000	\$ 2,867	\$ 867
Charges for services	600,000	600,000	525,230	(74,770)
Revenues available for appropriation	<u>602,000</u>	<u>602,000</u>	<u>528,097</u>	<u>(73,903)</u>
Charges to appropriations (outflows):				
General government	552,000	552,000	545,560	6,440
Total charges to appropriations	<u>552,000</u>	<u>552,000</u>	<u>545,560</u>	<u>6,440</u>
Net change in fund balances, budgetary basis	50,000	50,000	(17,463)	(67,463)
Budgetary fund balances - beginning	<u>342,737</u>	<u>342,737</u>	<u>342,737</u>	<u>-</u>
Budgetary fund balances - ending	<u>\$ 392,737</u>	<u>\$ 392,737</u>	<u>\$ 325,274</u>	<u>\$ (67,463)</u>

COUNTY OF NAPA

Budgetary Comparison Schedule
Public, Educational and Governmental Access Channel
For the Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		
Resources (inflows):				
Licenses and permits	\$ 36,500	\$ 36,500	\$ 45,150	\$ 8,650
Revenue from the use of money and property	500	500	1,406	906
Revenues available for appropriation	<u>37,000</u>	<u>37,000</u>	<u>46,556</u>	<u>9,556</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	46,556	9,556
Budgetary fund balances - beginning	<u>266,718</u>	<u>266,718</u>	<u>266,718</u>	<u>-</u>
Budgetary fund balances - ending	<u>\$ 303,718</u>	<u>\$ 303,718</u>	<u>\$ 313,274</u>	<u>\$ 9,556</u>

COUNTY OF NAPA

Budgetary Comparison Schedule
County Service Area No 3
For the Year Ended June 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Resources (inflows):				
Fines, forfeitures and penalties	\$ 100	\$ 100	\$ 237	\$ 137
Revenue from use of money and property	3,517	3,517	3,114	(403)
Charges for services	<u>535,767</u>	<u>535,767</u>	<u>517,832</u>	<u>(17,935)</u>
Revenues available for appropriation	<u>539,384</u>	<u>539,384</u>	<u>521,183</u>	<u>(18,201)</u>
Charges to appropriations (outflows):				
Public protection	122	122	868	(746)
Public ways and facilities	75,541	75,541	41,454	34,087
Transfers out	<u>463,721</u>	<u>463,721</u>	<u>440,215</u>	<u>23,506</u>
Total charges to appropriations	<u>539,384</u>	<u>539,384</u>	<u>482,537</u>	<u>56,847</u>
Net change in fund balances, budgetary basis	-	-	38,646	38,646
Budgetary fund balances - beginning	<u>483,669</u>	<u>483,669</u>	<u>483,669</u>	-
Budgetary fund balances - ending	<u>\$ 483,669</u>	<u>\$ 483,669</u>	<u>\$ 522,315</u>	<u>\$ 38,646</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	\$ 482,537
Difference - budget to GAAP: Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes	<u>(440,215)</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>\$ 42,322</u>

COUNTY OF NAPA

Budgetary Comparison Schedule
County Service Area No 4
For the Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		
Resources (inflows):				
Fines, forfeitures and penalties	\$ -	\$ -	\$ 659	\$ 659
Revenue from use of money and property	2,000	2,000	2,882	882
Charges for services	448,000	448,000	452,028	4,028
Revenues available for appropriation	<u>450,000</u>	<u>450,000</u>	<u>455,569</u>	<u>5,569</u>
Charges to appropriations (outflows):				
Public assistance	18,900	18,900	9,436	9,464
Transfers out	546,530	546,530	226,926	319,604
Total charges to appropriations	<u>565,430</u>	<u>565,430</u>	<u>236,362</u>	<u>329,068</u>
Net change in fund balances, budgetary basis	(115,430)	(115,430)	219,207	334,637
Budgetary fund balances - beginning	<u>376,652</u>	<u>376,652</u>	<u>376,652</u>	<u>-</u>
Budgetary fund balances - ending	<u>\$ 261,222</u>	<u>\$ 261,222</u>	<u>\$ 595,859</u>	<u>\$ 334,637</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	\$ 236,362
Difference - budget to GAAP: Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes	<u>(226,926)</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>\$ 9,436</u>

COUNTY OF NAPA

Budgetary Comparison Schedule
Silverado Community Services District
For the Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		
Resources (inflows):				
Taxes	\$ 172,024	\$ 172,024	\$ 172,024	\$ -
Fines, forfeitures and penalties	100	100	90	(10)
Revenue from the use of money and property	400	400	301	(99)
Revenues available for appropriation	<u>172,524</u>	<u>172,524</u>	<u>172,415</u>	<u>(109)</u>
Charges to appropriations (outflows):				
Public ways and facilities	177,400	172,400	128,478	43,922
Total charges to appropriations	<u>177,400</u>	<u>172,400</u>	<u>128,478</u>	<u>43,922</u>
Net change in fund balances, budgetary basis	(4,876)	124	43,937	43,813
Budgetary fund balances - beginning	<u>68,430</u>	<u>68,430</u>	<u>68,430</u>	<u>-</u>
Budgetary fund balances - ending	<u>\$ 63,554</u>	<u>\$ 68,554</u>	<u>\$ 112,367</u>	<u>\$ 43,813</u>

COUNTY OF NAPA

Budgetary Comparison Schedule
 Monticello Public Cemetery District
 For the Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		
Resources (inflows):				
Taxes	\$ 23,250	\$ 23,250	\$ 40,808	\$ 17,558
Revenue from the use of money and property	1,000	1,000	978	(22)
Aid from other governments	1,017	1,017	1,025	8
Charges for services	3,400	3,400	1,044	(2,356)
Donations and contributions	-	-	1,500	1,500
Intrafund transfers in	20,000	20,000	-	(20,000)
Revenues available for appropriation	<u>48,667</u>	<u>48,667</u>	<u>45,355</u>	<u>(3,312)</u>
Charges to appropriations (outflows):				
Public protection	52,514	52,514	32,591	19,923
Intrafund transfers out	20,000	20,000	-	20,000
Total charges to appropriations	<u>72,514</u>	<u>72,514</u>	<u>32,591</u>	<u>39,923</u>
Net change in fund balances, budgetary basis	(23,847)	(23,847)	12,764	36,611
Budgetary fund balances - beginning	<u>194,811</u>	<u>194,811</u>	<u>194,811</u>	<u>-</u>
Budgetary fund balances - ending	<u>\$ 170,964</u>	<u>\$ 170,964</u>	<u>\$ 207,575</u>	<u>\$ 36,611</u>

COUNTY OF NAPA

Budgetary Comparison Schedule
 Countywide Napa Valley Tourism Improvement District
 For the Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		
Resources (inflows):				
Revenue from the use of money and property	\$ -	\$ -	\$ 577	\$ 577
Charges for services	6,300,000	6,300,000	5,960,851	(339,149)
Revenues available for appropriation	<u>6,300,000</u>	<u>6,300,000</u>	<u>5,961,428</u>	<u>(338,572)</u>
Charges to appropriations (outflows):				
General government	6,300,000	6,300,000	5,963,336	336,664
Total charges to appropriations	<u>6,300,000</u>	<u>6,300,000</u>	<u>5,963,336</u>	<u>336,664</u>
Net change in fund balances, budgetary basis	-	-	(1,908)	(1,908)
Budgetary fund balances - beginning	-	-	-	-
Budgetary fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,908)</u>	<u>\$ (1,908)</u>

COUNTY OF NAPA

Budgetary Comparison Schedule
Community Facilities District-Devlin Road
For the Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		
Resources (inflows):				
Taxes	\$ 101,674	\$ 101,674	\$ 101,673	\$ (1)
Revenue from the use of money and property	-	-	425	425
Revenues available for appropriation	<u>101,674</u>	<u>101,674</u>	<u>102,098</u>	<u>424</u>
Charges to appropriations (outflows):				
Public ways and facilities	<u>101,674</u>	<u>101,674</u>	<u>3,159</u>	<u>98,515</u>
Total charges to appropriations	<u>101,674</u>	<u>101,674</u>	<u>3,159</u>	<u>98,515</u>
Net change in fund balances, budgetary basis	-	-	98,939	98,939
Budgetary fund balances - beginning	<u>(58,030)</u>	<u>(58,030)</u>	<u>(58,030)</u>	<u>-</u>
Budgetary fund balances - ending	<u>\$ (58,030)</u>	<u>\$ (58,030)</u>	<u>\$ 40,909</u>	<u>\$ 98,939</u>

COUNTY OF NAPA

Budgetary Comparison Schedule
Community Facilities District-MST
For the Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		
Resources (inflows):				
Taxes	\$ 680,000	\$ 680,000	\$ 596,159	\$ (83,841)
Revenue from the use of money and property	15,000	15,000	10,188	(4,812)
Aid from other governments	-	1,569,480	1,573,554	4,074
Intrafund transfers in	-	200	200	-
Transfers in	-	67,309	67,309	-
Revenues available for appropriation	<u>695,000</u>	<u>2,331,989</u>	<u>2,247,410</u>	<u>(84,579)</u>
Charges to appropriations (outflows):				
Public ways and facilities	14,500	1,583,780	1,099,619	484,161
Debt service	381,225	381,225	381,225	-
Intrafund transfers out	-	200	200	-
Total charges to appropriations	<u>395,725</u>	<u>1,965,205</u>	<u>1,481,044</u>	<u>484,161</u>
Net change in fund balances, budgetary basis	299,275	366,784	766,366	399,582
Budgetary fund balances - beginning	<u>1,985,589</u>	<u>1,985,589</u>	<u>1,985,589</u>	<u>-</u>
Budgetary fund balances - ending	<u>\$ 2,284,864</u>	<u>\$ 2,352,373</u>	<u>\$ 2,751,955</u>	<u>\$ 399,582</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	\$ 2,247,410
Difference - budget to GAAP:	
Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes.	(67,309)
Transfers within the fund are inflows of budgetary resources but are not revenues for financial reporting purposes	<u>(200)</u>
Total revenues as reported on the Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Special Districts under the Board of Supervisors	<u>2,179,901</u>

Uses/outflows of resources

Actual amounts (budgetary basis) "total charges to appropriations" from the Budgetary Comparison Schedule	1,481,044
Difference - budget to GAAP:	
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes.	<u>(200)</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>\$ 1,480,844</u>

COUNTY OF NAPA

Budgetary Comparison Schedule
 Non-Operating Special Revenue Fund - Inmate Welfare
 For the Year Ended June 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Resources (inflows):				
Revenue from the use of money and property	\$ 1,000	\$ 1,000	\$ 1,417	\$ 417
Other revenue	-	-	16	16
Charges for services	146,000	146,000	128,053	(17,947)
Transfers in	<u>155,000</u>	<u>155,000</u>	<u>55,000</u>	<u>(100,000)</u>
Revenues available for appropriation	<u>302,000</u>	<u>302,000</u>	<u>184,486</u>	<u>(117,514)</u>
Charges to appropriations (outflows):				
Public protection	<u>204,500</u>	<u>204,500</u>	<u>107,161</u>	<u>97,339</u>
Total charges to appropriations	<u>204,500</u>	<u>204,500</u>	<u>107,161</u>	<u>97,339</u>
Net change in fund balances, budgetary basis	97,500	97,500	77,325	(20,175)
Budgetary fund balances - beginning	<u>316,382</u>	<u>316,382</u>	<u>316,382</u>	<u>-</u>
Budgetary fund balances - ending	<u>\$ 413,882</u>	<u>\$ 413,882</u>	<u>\$ 393,707</u>	<u>\$ (20,175)</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	\$ 184,486
Difference - budget to GAAP: Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes.	<u>(55,000)</u>
Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - General Fund	<u>\$ 129,486</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 - General Government
 For the Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		
Resources (inflows):				
Revenue from the use of money and property	\$ 1,700	\$ 1,700	\$ 13,945	\$ 12,245
Revenues available for appropriation	1,700	1,700	13,945	12,245
Charges to appropriations (outflows):				
Housing Rehabilitation Repayment				
Transfers out	100,000	100,000	-	100,000
Subtotal	100,000	100,000	-	100,000
St-Cnty Prop Tax Admin-AB818				
Transfers out	25,000	25,000	2,272	22,728
Subtotal	25,000	25,000	2,272	22,728
Total charges to appropriations	125,000	125,000	2,272	122,728
Net change in fund balances, budgetary basis	(123,300)	(123,300)	11,673	134,973
Budgetary fund balances - beginning	331,210	331,210	331,210	-
Budgetary fund balances - ending	\$ 207,910	\$ 207,910	\$ 342,883	\$ 134,973

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	\$ 2,272
Difference - budget to GAAP: Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes	<u>(2,272)</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 on the 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, 2018

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		
Resources (inflows):				
Licenses and permits	\$ 1,800	\$ 1,800	\$ 6,252	\$ 4,452
Fines, forfeitures and penalties	574,300	574,300	1,712,727	1,138,427
Revenue from the use of money and property	48,064	48,064	55,740	7,676
Aid from other governments	745,554	772,514	763,342	(9,172)
Charges for services	471,750	471,750	404,147	(67,603)
Donations and contributions	1,500	1,500	-	(1,500)
Transfers in	-	782	3,127	2,345
Revenue available for appropriation	<u>1,842,968</u>	<u>1,870,710</u>	<u>2,945,335</u>	<u>1,074,625</u>
Charges to appropriations (outflows):				
District Attorney-Asset Forfeitures				
Transfers out	25,000	25,000	10,481	14,519
Subtotal	<u>25,000</u>	<u>25,000</u>	<u>10,481</u>	<u>14,519</u>
District Attorney-Prop 64 Civil Penalties				
Transfers out	936,581	936,581	798,621	137,960
Subtotal	<u>936,581</u>	<u>936,581</u>	<u>798,621</u>	<u>137,960</u>
District Attorney-Hazardous Waste Enforce				
Transfers out	20,000	20,000	20,000	-
Subtotal	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>	<u>-</u>
District Attorney-\$1 Vehicle Reg Assessment				
Transfers out	250,000	250,000	250,000	-
Subtotal	<u>250,000</u>	<u>250,000</u>	<u>250,000</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	50,500	50,500	41,443	9,057
Subtotal	<u>50,500</u>	<u>50,500</u>	<u>41,443</u>	<u>9,057</u>
Sheriff-Asset Forfeiture				
Transfers out	60,000	283,930	281,532	2,398
Subtotal	<u>60,000</u>	<u>283,930</u>	<u>281,532</u>	<u>2,398</u>
Sheriff-Debtor Assessment Fees				
Transfers out	76,440	76,440	76,440	-
Subtotal	<u>76,440</u>	<u>76,440</u>	<u>76,440</u>	<u>-</u>
Sheriff-CLEEP Law Enforcement Program				
Transfers out	2,716	2,716	2,716	-
Subtotal	<u>2,716</u>	<u>2,716</u>	<u>2,716</u>	<u>-</u>
Sheriff-Community Services				
Transfers out	8,000	8,000	4,802	3,198
Subtotal	<u>8,000</u>	<u>8,000</u>	<u>4,802</u>	<u>3,198</u>
Sheriff-Civil Equipment				
Transfers out	21,000	21,000	9,068	11,932
Subtotal	<u>21,000</u>	<u>21,000</u>	<u>9,068</u>	<u>11,932</u>

continued

COUNTY OF NAPA

Budgetary Comparison Schedule
 Non-Operating Special Revenue Fund - Public Protection
 For the Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		
Sheriff-Indigent Burial				
Transfers out	7,200	46,570	39,983	6,587
Subtotal	<u>7,200</u>	<u>46,570</u>	<u>39,983</u>	<u>6,587</u>
Sheriff-Drug Enforcement Agency				
Transfers out	25,000	48,300	24,798	23,502
Subtotal	<u>25,000</u>	<u>48,300</u>	<u>24,798</u>	<u>23,502</u>
Corrections-Standards and Training				
Transfers out	92,000	95,660	95,659	(1)
Subtotal	<u>92,000</u>	<u>95,660</u>	<u>95,659</u>	<u>(1)</u>
Probation-Asset Forfeitures				
Transfers out	7,950	7,950	7,105	845
Subtotal	<u>7,950</u>	<u>7,950</u>	<u>7,105</u>	<u>845</u>
Probation-Post Release Comm Supervision				
Transfers out	93,250	93,250	93,250	-
Subtotal	<u>93,250</u>	<u>93,250</u>	<u>93,250</u>	<u>-</u>
Probation-Chamberlain High				
Transfers out	3,500	3,500	264	3,236
Subtotal	<u>3,500</u>	<u>3,500</u>	<u>264</u>	<u>3,236</u>
Probation-Community Correction Performance Incentive				
Transfers out	532,634	532,634	494,632	38,002
Subtotal	<u>532,634</u>	<u>532,634</u>	<u>494,632</u>	<u>38,002</u>
Recorder-Micrographics				
Transfers out	2,970	45,850	45,850	-
Subtotal	<u>2,970</u>	<u>45,850</u>	<u>45,850</u>	<u>-</u>
Recorder-Modernization				
Transfers out	102,759	179,544	179,544	-
Subtotal	<u>102,759</u>	<u>179,544</u>	<u>179,544</u>	<u>-</u>
Recorder-Vital-Health Statistics Clerk				
Transfers out	2,810	2,810	-	2,810
Subtotal	<u>2,810</u>	<u>2,810</u>	<u>-</u>	<u>2,810</u>
Recorder-SS Truncation Fees				
Transfers out	13,000	22,309	16,890	5,419
Subtotal	<u>13,000</u>	<u>22,309</u>	<u>16,890</u>	<u>5,419</u>
Recorder-Electronic Doc Recording				
Transfers out	16,000	16,000	14,074	1,926
Subtotal	<u>16,000</u>	<u>16,000</u>	<u>14,074</u>	<u>1,926</u>
PBES-Seismic Ed-Data Utilization				
Transfers out	15,000	15,000	-	15,000
Subtotal	<u>15,000</u>	<u>15,000</u>	<u>-</u>	<u>15,000</u>

COUNTY OF NAPA

Budgetary Comparison Schedule
 Non-Operating Special Revenue Fund - Public Protection
 For the Year Ended June 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
PBES-Dept of Public Health				
Transfers out	75,000	75,000	-	75,000
Subtotal	<u>75,000</u>	<u>75,000</u>	<u>-</u>	<u>75,000</u>
 Total charges to appropriations	<u>2,489,310</u>	<u>2,908,544</u>	<u>2,557,152</u>	<u>351,390</u>
 Net change in fund balances, budgetary basis	(646,342)	(1,037,834)	388,183	1,426,015
 Budgetary fund balances - beginning	<u>10,264,802</u>	<u>10,264,802</u>	<u>10,264,802</u>	<u>-</u>
 Budgetary fund balances - ending	<u>\$ 9,618,460</u>	<u>\$ 9,226,968</u>	<u>\$ 10,652,985</u>	<u>\$ 1,426,015</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 \$ 2,945,335

Difference - budget to GAAP:

 Transfers from other funds are inflows of budgetary resources but not revenues for financial reporting purposes (3,127)

Total revenues as reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances - General Fund \$ 2,942,208

Uses/outflows of resources

Actual amounts (budgetary basis) "total charges to appropriations" from the Budgetary Comparison Schedule \$ 2,557,152

Difference - budget to GAAP:

 Transfers to other funds are outflows of budgetary resources but not expenditures for financial reporting purposes (2,557,152)

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 on the 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, 2018

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		
Resources (inflows):				
Licenses and permits	\$ 412,900	\$ 412,900	\$ 576,070	\$ 163,170
Revenue from the use of money and property	1,100	1,100	10,925	9,825
Aid from other governments	-	-	951,478	951,478
Transfers In	-	2,806,760	11,270,200	8,463,440
Revenues available for appropriation	<u>414,000</u>	<u>3,220,760</u>	<u>12,808,673</u>	<u>9,587,913</u>
Charges to appropriations (outflows):				
Mitigation - Airport Industrial				
Transfers out	313,000	313,000	4,267	308,733
Subtotal	<u>313,000</u>	<u>313,000</u>	<u>4,267</u>	<u>308,733</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>
SB - 1				
Transfers Out	-	130,000	130,000	-
Subtotal	<u>-</u>	<u>130,000</u>	<u>130,000</u>	<u>-</u>
Total charges to appropriations	<u>313,000</u>	<u>443,000</u>	<u>134,267</u>	<u>308,733</u>
Net change in fund balances, budgetary basis	101,000	2,777,760	12,674,406	9,896,646
Budgetary fund balances - beginning	<u>755,489</u>	<u>755,489</u>	<u>755,489</u>	<u>-</u>
Budgetary fund balances - ending	<u>\$ 856,489</u>	<u>\$ 3,533,249</u>	<u>\$ 13,429,895</u>	<u>\$ 9,896,646</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 \$ 12,808,673

Difference - budget to GAAP:

Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes. (11,270,200)

Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - General Fund \$ 1,538,473

Uses/outflows of resources

Actual amounts (budgetary basis) "total charges to appropriations" from the Budgetary Comparison Schedule \$ 134,267

Difference - budget to GAAP:

Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes. (134,267)

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 on the 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, 2018

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		
Resources (inflows):				
Fines, forfeitures and penalties	\$ 438,000	\$ 438,000	\$ 351,927	\$ (86,073)
Revenue from the use of money and property	54,657	54,657	69,409	14,752
Aid from other governments	8,971,601	8,971,601	8,581,513	(390,088)
Charges for services	17,000	17,000	16,645	(355)
Other revenue	8,800	8,800	5,226	(3,574)
Revenues available for appropriation	<u>9,490,058</u>	<u>9,490,058</u>	<u>9,024,720</u>	<u>(465,338)</u>
Charges to appropriations (outflows):				
PBES-Hazardous Waste Enforcement				
Transfers out	25,000	25,000	-	25,000
Subtotal	<u>25,000</u>	<u>25,000</u>	<u>-</u>	<u>25,000</u>
PH-AIDS Education-HS11350				
Transfers out	18,000	18,000	-	18,000
Subtotal	<u>18,000</u>	<u>18,000</u>	<u>-</u>	<u>18,000</u>
PH-Local Bioterrorism				
Transfers out	179,716	205,000	173,783	31,217
Subtotal	<u>179,716</u>	<u>205,000</u>	<u>173,783</u>	<u>31,217</u>
PH-Emergency Medical Svcs				
Transfers out	452,000	452,000	305,513	146,487
Subtotal	<u>452,000</u>	<u>452,000</u>	<u>305,513</u>	<u>146,487</u>
PH-Vital and Health Statistics				
Transfers out	15,060	15,060	15,060	-
Subtotal	<u>15,060</u>	<u>15,060</u>	<u>15,060</u>	<u>-</u>
PH-Health Resources and Services				
Transfers out	167,353	175,000	151,092	23,908
Subtotal	<u>167,353</u>	<u>175,000</u>	<u>151,092</u>	<u>23,908</u>
PH-Tobacco Control Prop 56				
Transfers Out	-	219,230	219,230	-
Subtotal	<u>-</u>	<u>219,230</u>	<u>219,230</u>	<u>-</u>
PH-Tobacco Control Prop 99				
Transfers Out	-	150,075	64,342	85,733
Subtotal	<u>-</u>	<u>150,075</u>	<u>64,342</u>	<u>85,733</u>
WPC-Whole Person Care				
Transfers out	2,768,603	2,768,603	2,101,022	667,581
Subtotal	<u>2,768,603</u>	<u>2,768,603</u>	<u>2,101,022</u>	<u>667,581</u>
MH-MHSA Planning Expenses				
Transfers out	6,982,304	6,982,304	5,609,386	1,372,918
Subtotal	<u>6,982,304</u>	<u>6,982,304</u>	<u>5,609,386</u>	<u>1,372,918</u>
ADS-Alcohol Abuse Education Prevention				
Transfers out	60,000	60,000	60,000	-
Subtotal	<u>60,000</u>	<u>60,000</u>	<u>60,000</u>	<u>-</u>
ADS-Drug Fees-HS11372.7				
Transfers out	20,000	20,000	20,000	-
Subtotal	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>	<u>-</u>

continued

COUNTY OF NAPA

Budgetary Comparison Schedule
 Non-Operating Special Revenue Fund - Health & Sanitation
 For the Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		
ADS-Tobacco Control				
Transfers out	369,305	-	-	-
Subtotal	<u>369,305</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Total charges to appropriations	<u>11,057,341</u>	<u>11,090,272</u>	<u>8,719,428</u>	<u>1,617,530</u>
Net change in fund balances, budgetary basis	(1,567,283)	(1,600,214)	305,292	1,905,506
Budgetary fund balances - beginning	<u>9,056,710</u>	<u>9,056,710</u>	<u>9,056,710</u>	<u>-</u>
Budgetary fund balances - ending	<u>\$ 7,489,427</u>	<u>\$ 7,456,496</u>	<u>\$ 9,362,002</u>	<u>\$ 1,905,506</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	\$ 8,719,428
Difference - budget to GAAP: Transfers to other funds are outflows of budgetary resources but not expenditures for financial reporting purposes	<u>(8,719,428)</u>
Total expenditures as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Health and Human Services Agency	<u>\$ -</u>

Note: These activities are included in the presentation of the Health and Human Services Agency on the 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, 2018

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		
Resources (inflows):				
Revenue from the use of money and property	\$ 2,650	\$ 3,150	\$ 8,610	\$ 5,460
Aid from other governments	2,103,000	2,164,000	2,649,578	485,578
Charges for services	60,000	70,000	59,649	(10,351)
Donations and contributions	18,000	18,000	15,545	(2,455)
Transfers in	-	39,370	39,983	613
Revenues available for appropriation	<u>2,183,650</u>	<u>2,294,520</u>	<u>2,773,365</u>	<u>478,845</u>
Charges to appropriations (outflows):				
Probation- Title IV E				
Transfers out	230,000	291,000	247,803	43,197
Subtotal	<u>230,000</u>	<u>291,000</u>	<u>247,803</u>	<u>43,197</u>
CWS-County Children Fund				
Transfers out	40,000	51,000	50,985	15
Subtotal	<u>40,000</u>	<u>51,000</u>	<u>50,985</u>	<u>15</u>
CWS-SB163 Wraparound				
Transfers out	836,977	836,977	404,865	432,112
Subtotal	<u>836,977</u>	<u>836,977</u>	<u>404,865</u>	<u>432,112</u>
SS-Clerk Domestic Violence				
Transfers out	40,050	40,050	34,295	5,755
Subtotal	<u>40,050</u>	<u>40,050</u>	<u>34,295</u>	<u>5,755</u>
Family Support				
Transfers out	1,000,400	1,192,447	1,192,447	-
Subtotal	<u>1,000,400</u>	<u>1,192,447</u>	<u>1,192,447</u>	<u>-</u>
Indigent Burial				
Transfers out	-	15,000	2,223	12,777
Subtotal	<u>-</u>	<u>15,000</u>	<u>2,223</u>	<u>12,777</u>
Total charges to appropriations	<u>2,147,427</u>	<u>2,426,474</u>	<u>1,932,618</u>	<u>493,856</u>
Net change in fund balances, budgetary basis	36,223	(131,954)	840,747	972,701
Budgetary fund balances - beginning	<u>325,176</u>	<u>325,176</u>	<u>325,176</u>	<u>-</u>
Budgetary fund balances - ending	<u>\$ 361,399</u>	<u>\$ 193,222</u>	<u>\$ 1,165,923</u>	<u>\$ 972,701</u>

COUNTY OF NAPA

Budgetary Comparison Schedule
Non-Operating Special Revenue Fund - Public Assistance
For the Year Ended June 30, 2018

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 \$ 2,773,365

Difference - budget to GAAP:

Transfers from other funds are inflows of budgetary resources but not revenues for financial reporting purposes (39,983)

Total revenues as reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances - Health and Human Services Agency \$ 2,733,382

Uses/outflows of resources

Actual amounts (budgetary basis) "total charges to appropriations" from the Budgetary Comparison Schedule \$ 1,932,618

Difference - budget to GAAP:

Transfers to other funds are outflows of budgetary resources but not expenditures for financial reporting purposes (1,932,618)

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 on the 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, 2018

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		
Resources (inflows):				
Revenue from the use of money and property	\$ -	\$ -	\$ -	\$ -
Aid from other governments	24,869,628	24,869,628	26,315,273	1,445,645
Revenues available for appropriation	<u>24,869,628</u>	<u>24,869,628</u>	<u>26,315,273</u>	<u>1,445,645</u>
Charges to appropriations (outflows):				
Transfers out	26,749,831	27,027,558	24,369,103	2,658,455
Subtotal	<u>26,749,831</u>	<u>27,027,558</u>	<u>24,369,103</u>	<u>2,658,455</u>
Total charges to appropriations	<u>26,749,831</u>	<u>27,027,558</u>	<u>24,369,103</u>	<u>2,658,455</u>
Net change in fund balances, budgetary basis	(1,880,203)	(2,157,930)	1,946,170	4,104,100
Budgetary fund balances - beginning	<u>7,917,462</u>	<u>7,917,462</u>	<u>7,917,462</u>	<u>-</u>
Budgetary fund balances - ending	<u>\$ 6,037,259</u>	<u>\$ 5,759,532</u>	<u>\$ 9,863,632</u>	<u>\$ 4,104,100</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	\$ 24,369,103
Difference - budget to GAAP: Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes	<u>(24,369,103)</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 on the Statement of Revenues, Expenditures, and Changes in Fund Balances.

MAJOR GOVERNMENTAL FUNDS

CAPITAL PROJECTS FUND:

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 includes the following:

- 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 the 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, 2018

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		
Resources (inflows):				
Fines, forfeitures and penalties	\$ 408,500	\$ 408,500	\$ 339,738	\$ (68,762)
Revenue from the use of money and property	168,000	168,000	290,220	122,220
Aid from other governments	-	13,828,310	8,265,584	(5,562,726)
Proceeds from insurance	-	17,756,469	9,846,347	(7,910,122)
Other revenue	-	-	11,969	11,969
Transfers in	-	29,575,271	29,575,271	-
Intrafund transfers in	1,483,000	2,790,484	2,769,981	(20,503)
Revenues available for appropriation	<u>2,059,500</u>	<u>64,527,034</u>	<u>51,099,110</u>	<u>(13,427,924)</u>
Charges to appropriations (Outflows):				
Accumulated Capital Outlay				
Capital expenditures	-	3,700,000	19,125	3,680,875
Transfers out	-	305,825	305,825	-
Intrafund transfers out	1,465,000	1,771,473	1,768,973	2,500
Subtotal	<u>1,465,000</u>	<u>5,777,298</u>	<u>2,093,923</u>	<u>3,683,375</u>
Capital Improvement Projects				
Capital expenditures	1,465,000	49,243,312	29,765,664	19,477,648
Transfers out	-	291,576	291,575	1
Intrafund transfers out	-	1,001,011	1,001,008	3
Subtotal	<u>1,465,000</u>	<u>50,535,899</u>	<u>31,058,247</u>	<u>19,477,652</u>
Courthouse Construction				
Capital expenditures	43,000	43,000	9,204	33,796
Subtotal	<u>43,000</u>	<u>43,000</u>	<u>9,204</u>	<u>33,796</u>
Total charges to appropriations	<u>2,973,000</u>	<u>56,356,197</u>	<u>33,161,374</u>	<u>23,194,823</u>
Net change in fund balances, budgetary basis	(913,500)	8,170,837	17,937,736	9,766,899
Budgetary fund balances - beginning	<u>57,760,984</u>	<u>57,760,984</u>	<u>57,760,984</u>	<u>-</u>
Budgetary fund balances - ending	<u>\$ 56,847,484</u>	<u>\$ 65,931,821</u>	<u>\$ 75,698,720</u>	<u>\$ 9,766,899</u>

COUNTY OF NAPA
 Budgetary Comparison Schedule
 Capital Improvement Fund
 For the Year Ended June 30, 2018

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 \$ 51,099,110

Difference - budget to GAAP:

Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes (29,575,271)

Proceeds from insurance are inflows of budgetary resources but are not revenues for financial reporting purposes (9,846,347)

Transfers within the fund are inflows of budgetary resources but are not revenues for financial reporting purposes (2,769,981)

Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds \$ 8,907,511

Uses/outflows of resources

Actual amounts (budgetary basis) "total charges to appropriations" from the Budgetary Comparison Schedule \$ 33,161,374

Difference - budget to GAAP:

Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes. (597,400)

Transfers within the fund are outflows of budgetary resources but are not expenditures for financial reporting purposes. (2,769,981)

Total expenditures as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds \$ 29,793,993



Photo Credit: Napa Valley Register

Work on the flood bypass along the Napa River and Napa Creek between McKinstry and Main streets is continuing in January 2015.

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, 2018

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		
Resources (inflows):				
Revenue from the use of money and property	\$ -	\$ -	\$ 6,414	\$ 6,414
Aid from other governments	70,425	70,425	71,380	955
Transfers in	4,515,363	4,515,363	4,410,504	(104,859)
Amounts available for appropriation	<u>4,585,788</u>	<u>4,585,788</u>	<u>4,488,298</u>	<u>(97,490)</u>
Charges to appropriations (outflows):				
Debt service	4,585,788	4,585,788	4,487,431	98,357
Total charges to appropriations	<u>4,585,788</u>	<u>4,585,788</u>	<u>4,487,431</u>	<u>98,357</u>
Net change in fund balances, budgetary basis	-	-	867	867
Budgetary fund balances - beginning	<u>1,498,036</u>	<u>1,498,036</u>	<u>1,498,036</u>	<u>-</u>
Budgetary fund balances - ending	<u>\$ 1,498,036</u>	<u>\$ 1,498,036</u>	<u>\$ 1,498,903</u>	<u>\$ 867</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	\$ 4,488,298
Difference - budget to GAAP:	
Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes	<u>(4,410,504)</u>
Total revenues as reported on the Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds	<u>\$ 77,794</u>



Photo Credit: Napa Valley Register

Napa Creek, seen at left in August 2015, flows beneath Main Street with a pair of box culverts at right, which were installed as part of flood control work.

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 spay and neuter programs; and issuing dog licenses and kennel permits. Major revenue sources include municipal contributions and charges for the services provided.

COUNTY OF NAPA

Combining Statement of Fund Net Position
Nonmajor Enterprise Funds
June 30, 2018

	5th Street Parking Garage	Napa County Housing Authority	Napa County Animal Shelter	Total
Assets				
Current assets:				
Cash and investments	\$ 356,563	\$ 1,184,766	\$ 155,183	\$ 1,696,512
Imprest cash	-	-	175	175
Accounts receivable	-	17,968	260,179	278,147
Prepaid items	-	-	1,000	1,000
Total current assets	<u>356,563</u>	<u>1,202,734</u>	<u>416,537</u>	<u>1,975,834</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	(3,199,855)	(666,285)	(1,500,260)	(5,366,400)
Total noncurrent assets	<u>13,641,486</u>	<u>4,334,882</u>	<u>4,101,950</u>	<u>22,078,318</u>
Total assets	<u>13,998,049</u>	<u>5,537,616</u>	<u>4,518,487</u>	<u>24,054,152</u>
Deferred outflows of resources:				
Deferred pension	-	-	238,710	238,710
Liabilities				
Current liabilities:				
Accounts payable	696	145,049	42,441	188,186
Accrued salaries and benefits	-	-	20,985	20,985
Unearned revenue	-	9,394	-	9,394
Capital lease obligations	-	-	17,273	17,273
Compensated absences	-	-	26,952	26,952
Total current liabilities	<u>696</u>	<u>154,443</u>	<u>107,651</u>	<u>262,790</u>
Noncurrent liabilities:				
Capital lease obligations	-	-	176,521	176,521
Compensated absences	-	-	20,420	20,420
Net pension liability	-	-	925,229	925,229
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>1,122,170</u>	<u>1,122,170</u>
Total liabilities	<u>696</u>	<u>154,443</u>	<u>1,229,821</u>	<u>1,384,960</u>
Deferred inflows of resources:				
Deferred pension	-	-	52,466	52,466
Net position:				
Net investment in capital assets	13,641,486	4,334,882	3,908,157	21,884,525
Unrestricted	<u>355,867</u>	<u>1,048,291</u>	<u>(433,247)</u>	<u>970,911</u>
Total net position	<u>\$ 13,997,353</u>	<u>\$ 5,383,173</u>	<u>\$ 3,474,910</u>	<u>\$ 22,855,436</u>

COUNTY OF NAPA

Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Nonmajor Enterprise Funds
For the Year Ended June 30, 2018

	<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	\$ 180,932	\$ 769,896	\$ 1,284,594	\$ 2,235,422
Other revenue	10,089	-	7,687	17,776
Total operating revenues	<u>191,021</u>	<u>769,896</u>	<u>1,292,281</u>	<u>2,253,198</u>
Operating expenses:				
Salaries and employee benefits	-	-	893,888	893,888
Services and supplies	85,493	1,397,234	546,150	2,028,877
Insurance	47,600	-	2,160	49,760
Depreciation and amortization	336,827	75,015	105,316	517,158
Total operating expenses	<u>469,920</u>	<u>1,472,249</u>	<u>1,547,514</u>	<u>3,489,683</u>
Operating loss	<u>(278,899)</u>	<u>(702,353)</u>	<u>(255,233)</u>	<u>(1,236,485)</u>
Non-operating revenues (expenses):				
Aid from other governments	-	250,000	-	250,000
Contributions and donations	-	-	67,001	67,001
Other revenue - non-operating	-	38,350	-	38,350
Investment income	1,594	4,264	1,467	7,325
Interest expense	-	-	(3,292)	(3,292)
Total non-operating revenues (expenses)	<u>1,594</u>	<u>292,614</u>	<u>65,176</u>	<u>359,384</u>
Net (loss) before transfers	(277,305)	(409,739)	(190,057)	(877,101)
Transfers in	<u>-</u>	<u>436,926</u>	<u>22,342</u>	<u>459,268</u>
Change in net position	<u>(277,305)</u>	<u>27,187</u>	<u>(167,715)</u>	<u>(417,833)</u>
Net position - beginning	<u>14,274,658</u>	<u>5,355,986</u>	<u>3,642,625</u>	<u>23,273,269</u>
Net position - ending	<u>\$ 13,997,353</u>	<u>\$ 5,383,173</u>	<u>\$ 3,474,910</u>	<u>\$ 22,855,436</u>

COUNTY OF NAPA

Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended June 30, 2018

	<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	\$ 191,021	\$ 769,957	\$ 1,244,441	\$ 2,205,419
Other receipts	-	38,350	-	38,350
Payments to suppliers for goods and services	(135,888)	(1,398,582)	(527,961)	(2,062,431)
Payments to employees for services	-	-	(801,228)	(801,228)
Net cash provided (used) by operating activities	<u>55,133</u>	<u>(590,275)</u>	<u>(84,748)</u>	<u>(619,890)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Aid from other governmental agencies	-	250,000	-	250,000
Contributions and donations	-	-	67,001	67,001
Transfers from other funds	-	436,926	22,342	459,268
Net cash provided by noncapital financing activities	<u>-</u>	<u>686,926</u>	<u>89,343</u>	<u>776,269</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Principal repayments on capital leases	-	-	(17,040)	(17,040)
Interest payments related to capital purchases	-	-	(3,292)	(3,292)
Net cash used by capital and related financing activities	<u>-</u>	<u>-</u>	<u>(20,332)</u>	<u>(20,332)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Investment earnings	1,594	4,264	1,467	7,325
Net cash provided by investing activities	<u>1,594</u>	<u>4,264</u>	<u>1,467</u>	<u>7,325</u>
Net increase (decrease) in cash and cash equivalents	56,727	100,915	(14,270)	143,372
Cash and cash equivalents, beginning	<u>299,836</u>	<u>1,083,851</u>	<u>169,628</u>	<u>1,553,315</u>
Cash and cash equivalents, ending (includes imprest cash)	<u>\$ 356,563</u>	<u>\$ 1,184,766</u>	<u>\$ 155,358</u>	<u>\$ 1,696,687</u>

COUNTY OF NAPA

Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended June 30, 2018

	<u>5th Street Parking Garage</u>	<u>Napa County Housing Authority</u>	<u>Napa County Animal Shelter</u>	<u>Total</u>
Reconciliation of operating (loss) to net cash provided (used) by operating activities:				
Operating (loss)	\$ (278,899)	\$ (702,353)	\$ (255,233)	\$ (1,236,485)
Adjustments to reconcile operating (loss) to net cash provided (used) by operating activities:				
Depreciation and amortization	336,827	75,015	105,316	517,158
Other non-operating receipts	-	38,350	-	38,350
Changes in assets, deferred outflows of resources, liabilities and deferred inflows of resources:				
(Increase) decrease in				
Accounts receivable	-	(3,050)	(47,840)	(50,890)
Prepaid items	-	-	(1,000)	(1,000)
Increase (decrease) in:				
Accounts payable	(2,795)	(1,348)	21,349	17,206
Salaries and benefits	-	-	92,660	92,660
Unearned revenue	-	3,111	-	3,111
Net cash provided (used) by operating activities	<u>\$ 55,133</u>	<u>\$ (590,275)</u>	<u>\$ (84,748)</u>	<u>\$ (619,890)</u>



Photo Credit: Napa Sanitation District

Recycled water pipeline under construction in 2015 as part of the MST Recycled Water Project.

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 facilities, 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, 2018

	Fleet Management	Information Technology Services	Property Management	Employee- Retiree Benefits	Liability Insurance	Total
Assets						
Current assets:						
Cash and investments	\$ 1,985,668	\$ 6,371,962	\$ 2,018,102	\$ 10,410,671	\$ 2,587,461	\$ 23,373,864
Imprest cash	-	-	-	-	24,659	24,659
Accounts receivable	21,564	8,165	45,094	8,102	2,650	85,575
Prepaid items	-	128,134	4,705	-	-	132,839
Deposits	-	-	-	138,176	-	138,176
Total current assets	<u>2,007,232</u>	<u>6,508,261</u>	<u>2,067,901</u>	<u>10,556,949</u>	<u>2,614,770</u>	<u>23,755,113</u>
Noncurrent assets:						
Capital assets						
Nondepreciable:						
Intangible assets	-	264,555	-	-	-	264,555
Depreciable:						
Equipment	13,358,897	3,840,527	66,574	-	-	17,265,998
Intangible assets	-	1,920,437	-	-	-	1,920,437
Accumulated depreciation	(8,464,601)	(3,659,573)	(12,505)	-	-	(12,136,679)
Total noncurrent assets	<u>4,894,296</u>	<u>2,365,946</u>	<u>54,069</u>	<u>-</u>	<u>-</u>	<u>7,314,311</u>
Total assets	<u>6,901,528</u>	<u>8,874,207</u>	<u>2,121,970</u>	<u>10,556,949</u>	<u>2,614,770</u>	<u>31,069,424</u>
Deferred outflows of resources:						
Deferred pension	141,921	2,722,650	1,085,633	-	-	3,950,204
Deferred other postemployment benefits	-	-	-	5,940,000	-	5,940,000
Total deferred outflows of resources	<u>141,921</u>	<u>2,722,650</u>	<u>1,085,633</u>	<u>5,940,000</u>	<u>-</u>	<u>9,890,204</u>
Liabilities						
Current liabilities:						
Accounts payable	105,390	428,668	303,252	426,103	736,574	1,999,987
Accrued salaries and benefits	12,548	261,173	96,799	256,202	-	626,722
Capital lease obligations	-	52,973	-	-	-	52,973
Unpaid insurance claims	-	-	-	2,011,608	773,290	2,784,898
Compensated absences	17,156	276,388	130,216	-	-	423,760
Total current liabilities	<u>135,094</u>	<u>1,019,202</u>	<u>530,267</u>	<u>2,693,913</u>	<u>1,509,864</u>	<u>5,888,340</u>
Noncurrent liabilities:						
Unpaid insurance claims	-	-	-	6,855,609	1,411,982	8,267,591
Compensated absences	23,917	365,437	146,866	-	-	536,220
Net pension liability	516,482	10,231,088	4,283,291	-	-	15,030,861
Net OPEB liability	-	-	-	32,656,000	-	32,656,000
Total noncurrent liabilities	<u>540,399</u>	<u>10,596,525</u>	<u>4,430,157</u>	<u>39,511,609</u>	<u>1,411,982</u>	<u>56,490,672</u>
Total liabilities	<u>675,493</u>	<u>11,615,727</u>	<u>4,960,424</u>	<u>42,205,522</u>	<u>2,921,846</u>	<u>62,379,012</u>
Deferred inflows of resources:						
Deferred pension	21,630	494,195	174,943	-	-	690,768
Deferred other postemployment benefits	-	-	-	1,698,000	-	1,698,000
Total deferred inflows of resources	<u>21,630</u>	<u>494,195</u>	<u>174,943</u>	<u>1,698,000</u>	<u>-</u>	<u>2,388,768</u>
Net position:						
Net investment in capital assets	4,894,296	2,312,974	54,069	-	-	7,261,339
Unrestricted	1,452,030	(2,826,039)	(1,981,833)	(27,406,573)	(307,076)	(31,069,491)
Total net position	<u>\$ 6,346,326</u>	<u>\$ (513,065)</u>	<u>\$ (1,927,764)</u>	<u>\$ (27,406,573)</u>	<u>\$ (307,076)</u>	<u>\$ (23,808,152)</u>

COUNTY OF NAPA

Combining Statement of Revenues, Expenses
and Changes in Fund Net Position
Internal Service Funds
For the Year Ended June 30, 2018

	Fleet Management	Information Technology Services	Property Management	Employee- Retiree Benefits	Liability Insurance	Total
Operating revenues:						
Charges for services	\$ -	\$ 13,500,981	\$ 9,241,451	\$ 14,227,451	\$ 2,038,090	\$ 39,007,973
Maintenance charges:						
Equipment	859,582	-	-	-	-	859,582
Vehicle	1,023,177	-	-	-	-	1,023,177
Replacement charges	1,853,519	-	-	-	-	1,853,519
Other revenue	7,849	-	1,850	-	-	9,699
Total operating revenues	<u>3,744,127</u>	<u>13,500,981</u>	<u>9,243,301</u>	<u>14,227,451</u>	<u>2,038,090</u>	<u>42,753,950</u>
Operating expenses:						
Salaries and employee benefits	395,614	8,888,750	3,776,792	11,575,280	-	24,636,436
Services and supplies	1,598,285	6,222,881	4,694,692	-	336,197	12,852,055
Other charges	-	500	99,743	-	-	100,243
Claims expense	-	-	-	2,258,127	2,744,391	5,002,518
Depreciation and amortization	1,057,229	662,580	9,581	-	-	1,729,390
Total operating expenses	<u>3,051,128</u>	<u>15,774,711</u>	<u>8,580,808</u>	<u>13,833,407</u>	<u>3,080,588</u>	<u>44,320,642</u>
Operating income (loss)	<u>692,999</u>	<u>(2,273,730)</u>	<u>662,493</u>	<u>394,044</u>	<u>(1,042,498)</u>	<u>(1,566,692)</u>
Non-operating revenues (expenses):						
Aid from other governments	-	4,260	-	-	-	4,260
Investment income	11,588	72,288	15,034	37,445	11,973	148,328
Interest expense	-	(2,427)	-	-	-	(2,427)
(Loss) on disposition of capital assets	(62,768)	-	-	-	-	(62,768)
Total non-operating revenues (expenses)	<u>(51,180)</u>	<u>74,121</u>	<u>15,034</u>	<u>37,445</u>	<u>11,973</u>	<u>87,393</u>
Net income (loss) before transfers	641,819	(2,199,609)	677,527	431,489	(1,030,525)	(1,479,299)
Transfers in	8,180	42,511	3,203	-	52,000	105,894
Transfers out	(326,012)	-	-	-	-	(326,012)
Change in net position	<u>323,987</u>	<u>(2,157,098)</u>	<u>680,730</u>	<u>431,489</u>	<u>(978,525)</u>	<u>(1,699,417)</u>
Net position - beginning	6,022,339	1,644,033	(2,608,494)	1,563,938	671,449	7,293,265
Cumulative effect of change in accounting principle	-	-	-	(29,402,000)	-	(29,402,000)
Net position - beginning, as restated	<u>6,022,339</u>	<u>1,644,033</u>	<u>(2,608,494)</u>	<u>(27,838,062)</u>	<u>671,449</u>	<u>(22,108,735)</u>
Net position - ending	<u>\$ 6,346,326</u>	<u>\$ (513,065)</u>	<u>\$ (1,927,764)</u>	<u>\$ (27,406,573)</u>	<u>\$ (307,076)</u>	<u>\$ (23,808,152)</u>

COUNTY OF NAPA
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2018

	Fleet Management	Information Technology Services	Property Management	Employee- Retiree Benefits	Liability Insurance	Total
CASH FLOWS FROM OPERATING ACTIVITIES:						
Receipts from interfund services provided	\$ 3,743,314	\$ 13,498,755	\$ 9,204,848	\$ 14,667,032	\$ 2,036,915	\$ 43,150,864
Payments to suppliers for goods and services	(1,584,934)	(6,342,549)	(4,794,435)	(1,598)	385,846	(12,337,670)
Payments for self insurance claims	-	-	-	(1,394,180)	(2,954,081)	(4,348,261)
Payments to employees for services	(392,375)	(7,751,717)	(3,289,076)	(10,579,577)	-	(22,012,745)
Net cash provided (used) by operating activities	<u>1,766,005</u>	<u>(595,511)</u>	<u>1,121,337</u>	<u>2,691,677</u>	<u>(531,320)</u>	<u>4,452,188</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:						
Aid from other government agencies	-	4,260	-	-	-	4,260
Transfers from other funds	8,180	42,511	3,203	-	52,000	105,894
Transfers to other funds	(326,012)	-	-	-	-	(326,012)
Net cash provided (used) by noncapital financing activities	<u>(317,832)</u>	<u>46,771</u>	<u>3,203</u>	<u>-</u>	<u>52,000</u>	<u>(215,858)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:						
Principal payments on capital leases	-	(94,886)	-	-	-	(94,886)
Interest payments related to capital purposes	-	(2,427)	-	-	-	(2,427)
Payments related to the acquisition of capital assets	(1,337,910)	(621,974)	(37,335)	-	-	(1,997,219)
Net cash (used) by capital and related financing activities	<u>(1,337,910)</u>	<u>(719,287)</u>	<u>(37,335)</u>	<u>-</u>	<u>-</u>	<u>(2,094,532)</u>
CASH FLOWS FROM INVESTING ACTIVITIES						
Investment earnings	<u>11,588</u>	<u>72,288</u>	<u>15,034</u>	<u>37,444</u>	<u>11,973</u>	<u>148,327</u>
Net cash provided by investing activities	<u>11,588</u>	<u>72,288</u>	<u>15,034</u>	<u>37,444</u>	<u>11,973</u>	<u>148,327</u>
Net increase (decrease) in cash and cash equivalents	121,851	(1,195,739)	1,102,239	2,729,121	(467,347)	2,290,125
Cash and cash equivalents, beginning	<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>
Cash and cash equivalents, ending (includes imprest cash)	<u>\$ 1,985,668</u>	<u>\$ 6,371,962</u>	<u>\$ 2,018,102</u>	<u>\$ 10,410,671</u>	<u>\$ 2,612,120</u>	<u>\$ 23,398,523</u>

COUNTY OF NAPA

**Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2018**

	Fleet Management	Information Technology Services	Property Management	Employee- Retiree Benefits	Liability Insurance	Total
Reconciliation of operating income (loss) to net cash provided (used) by						
Operating activities:						
Operating income (loss)	\$ 692,999	\$ (2,273,730)	\$ 662,493	\$ 394,044	\$ (1,042,498)	\$ (1,566,692)
Adjustments to reconcile operating income						
(loss) to net cash provided (used) by						
operating activities:						
Depreciation and amortization	1,057,229	662,580	9,581	-	-	1,729,390
Changes in assets, deferred outflows of resources, liabilities and deferred inflows of						
resources:						
(Increase) decrease in:						
Accounts receivable	(813)	2,034	(38,453)	439,581	(1,175)	401,174
Deposits	-	-	-	(1,598)	-	(1,598)
Prepaid items	-	(27,395)	(4,705)	3,188	-	(28,912)
Increase (decrease) in:						
Accounts payable	13,351	(91,773)	144,140	274,777	722,043	1,062,538
Salaries and benefits	3,239	1,137,033	348,281	717,738	-	2,206,291
Unearned revenue	-	(4,260)	-	-	-	(4,260)
Claims liability	-	-	-	863,947	(209,690)	654,257
Net cash provided (used) by operating activities	\$ 1,766,005	\$ (595,511)	\$ 1,121,337	\$ 2,691,677	\$ (531,320)	\$ 4,452,188



Photo Credit: Napa Valley Register

Shore birds are seen in February 2016 in the South Wetlands Restoration area of the Napa River Flood Protection Project.

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 value of 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

Independent 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, which includes private purpose trust 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, 2018

	<u>School Districts</u>	<u>Independent Special Districts</u>	<u>Total</u>
Assets			
Cash and investments	\$ 234,805,541	\$ 69,557,845	\$ 304,363,386
Total assets	<u>234,805,541</u>	<u>69,557,845</u>	<u>304,363,386</u>
Net position			
Net assets held in trust for investment pool participants	<u>234,805,541</u>	<u>69,557,845</u>	<u>304,363,386</u>
Total net position	<u>\$ 234,805,541</u>	<u>\$ 69,557,845</u>	<u>\$ 304,363,386</u>

COUNTY OF NAPA

Combining Statement of Changes in Fiduciary Net Position
Investment Trust Funds
For the Year Ended June 30, 2018

	<u>School Districts</u>	<u>Independent Special Districts</u>	<u>Total</u>
<u>ADDITIONS</u>			
Contributions:			
Contribution to investment pool	\$ 423,711,050	\$ 158,894,649	\$ 582,605,699
Total contributions	<u>423,711,050</u>	<u>158,894,649</u>	<u>582,605,699</u>
Net investment income:			
Investment income	<u>2,552,326</u>	<u>694,722</u>	<u>3,247,048</u>
Net investment income	<u>2,552,326</u>	<u>694,722</u>	<u>3,247,048</u>
Total additions	<u>426,263,376</u>	<u>159,589,371</u>	<u>585,852,747</u>
<u>DEDUCTIONS</u>			
Distributions from investment pool	<u>457,767,464</u>	<u>165,369,304</u>	<u>623,136,768</u>
Total deductions	<u>457,767,464</u>	<u>165,369,304</u>	<u>623,136,768</u>
Change in net position	(31,504,088)	(5,779,933)	(37,284,021)
Net position - beginning	<u>266,309,629</u>	<u>75,337,778</u>	<u>341,647,407</u>
Net position - ending	<u>\$ 234,805,541</u>	<u>\$ 69,557,845</u>	<u>\$ 304,363,386</u>

COUNTY OF NAPA

Combining Statement of Changes in Fiduciary Assets and Liabilities
Agency Funds
For the Year Ended June 30, 2018

	<u>June 30, 2017</u>	<u>Additions</u>	<u>Deductions</u>	<u>June 30, 2018</u>
Assets				
Cash and investments	\$ 35,486,475	\$ 706,509,085	\$ 691,874,877	\$ 50,120,683
Restricted Cash:				
Cash held for tax loss reserve	3,814,477	-	2,576,018	1,238,459
Imprest cash/Revolving fund	66,963	-	1,559	65,404
Taxes receivable	<u>16,074,289</u>	<u>-</u>	<u>1,803,367</u>	<u>14,270,922</u>
Total current assets	<u>\$ 55,442,204</u>	<u>\$ 706,509,085</u>	<u>\$ 696,255,821</u>	<u>\$ 65,695,468</u>
 Liabilities				
Agency funds held for others	<u>\$ 55,442,204</u>	<u>\$ 706,509,085</u>	<u>\$ 696,255,821</u>	<u>\$ 65,695,468</u>
Total liabilities	<u>\$ 55,442,204</u>	<u>\$ 706,509,085</u>	<u>\$ 696,255,821</u>	<u>\$ 65,695,468</u>



Statistical Section



Photo Credit: Napa County Flood Control and Water Conservation District

Floodplain and streambank restoration on the Napa River part of the Oakville to Oak Knoll Reach Project Group A. Project completed in Fall 2016.

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.

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These schedules contain trend information that may assist the reader in assessing the County's current financial performance by placing it in historical perspective.....	178
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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.....	184
Debt Capacity Information	
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Demographic & Economic Information	
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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.....	197

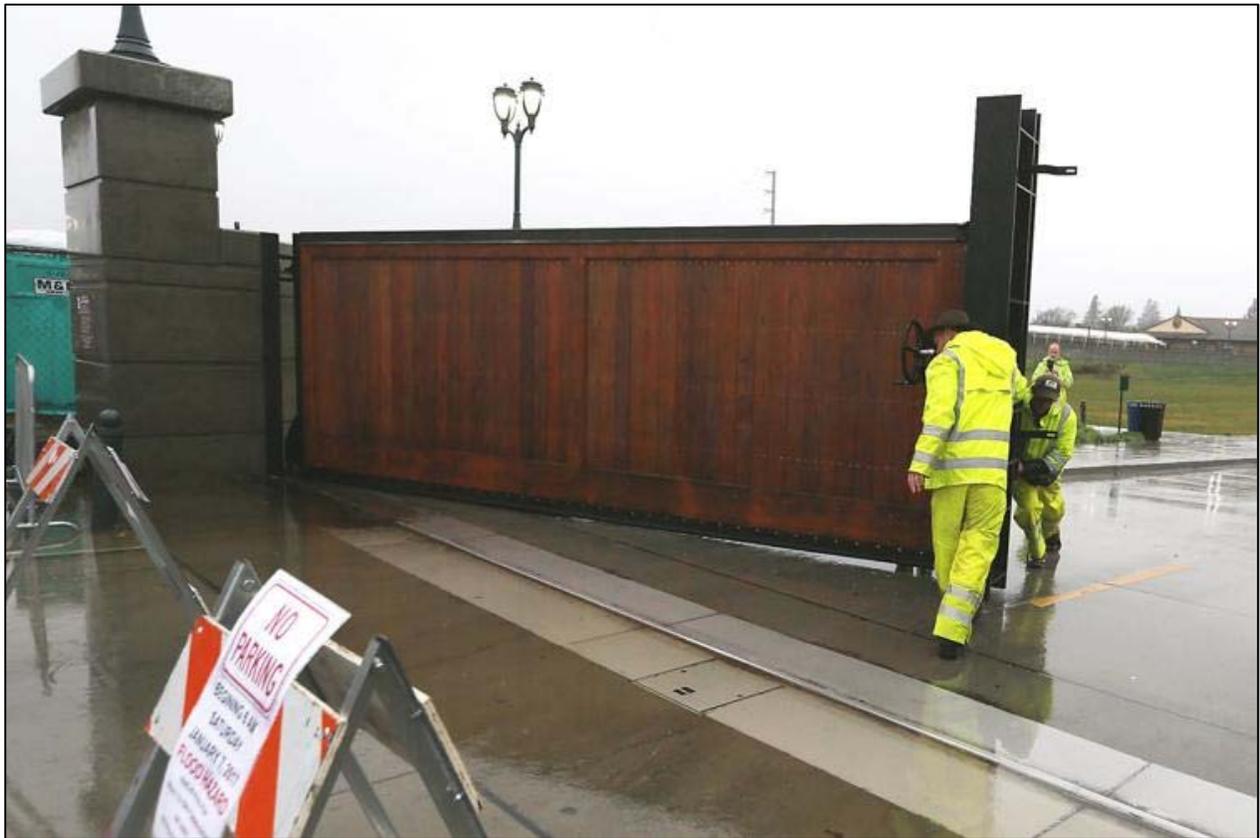


Photo Credit: Napa Valley Register

Members of the Napa County Flood Control and Water Conservation District close the flood gates on McKinstry Street in January 2017. A number of local residents gathered at the Oxbow Commons to see the gates put into use for the first time, as rain continued to fall in Napa Valley and throughout the region.



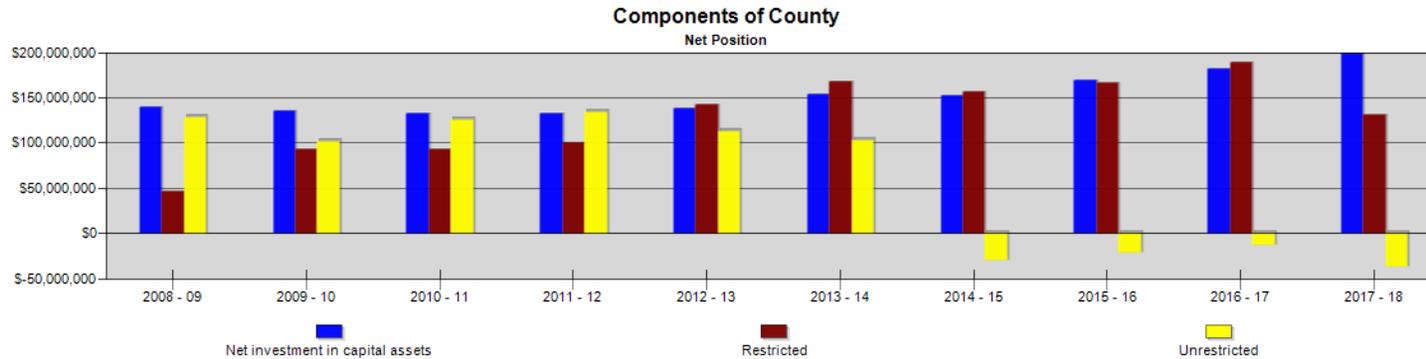
Photo Credit: Napa County Flood Control and Water Conservation District

Napa River Bypass in downtown Napa flowing in January 2017.

COUNTY OF NAPA

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

	Fiscal Year									
	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
Governmental activities										
Net investment in capital assets	\$ 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	\$ 160,871,165
Restricted	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	131,622,366
Unrestricted	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)	(45,421,748)
Total governmental activities net position	\$ 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	\$ 247,071,783
Business-type activities										
Net investment in capital assets	\$ 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	\$ 38,559,997
Restricted	479,333	293,479	328,155	325,929	-	-	-	-	270,579	385,580
Unrestricted	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	8,497,807
Total business-type activities net position	\$ 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	\$ 47,443,384
Primary government										
Net investment in capital assets	\$ 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	\$ 199,431,162
Restricted	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	132,007,946
Unrestricted ²	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)	(36,923,941)
Total primary government net position¹	\$ 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	\$ 294,515,167
Percent of increase (decrease) in primary government net position	4.10%	4.88%	6.63%	4.08%	7.50%	7.87%	(34.23)%	12.92%	13.39%	(17.84)%



Notes:

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

¹ The County adopted GASB Statement No. 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

	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
Expenses										
Governmental activities:										
General government	\$ 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	\$ 53,764,110
Public protection	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	138,257,678
Public ways and facilities	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	120,910,048
Health and sanitation	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	65,996,852
Public assistance	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	46,772,061
Education	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	8,366,898
Recreation and cultural services	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	2,379,619
Debt service:										
Interest and fiscal charges	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	917,695
Administration and arbitrage fees	17,570	36,684	15,745	560,067	94,904	426,561	9,675	7,197	6,032	9,570
Total governmental activities expenses	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	437,374,531
Business-type activities:										
Airport	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	2,929,851
Lake Berryessa Resort Improvement District	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	1,641,047
Napa Berryessa Resort Improvement District	737,780	765,839	949,895	889,276	1,029,072	1,215,339	1,349,282	1,671,176	1,698,493	1,774,976
5th Street Parking Garage	221,177	436,478	454,693	475,932	464,416	467,120	469,745	486,299	482,310	469,919
Napa County Housing Authority	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	1,472,250
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	1,550,807
Total business-type activities expenses	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	9,838,850
Total primary government expenses	\$ 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	\$ 447,213,381
Program Revenues										
Governmental activities:										
Fees, fines & charges for services										
General government	\$ 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	\$ 15,807,568
Public protection	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	23,648,348
Other activities	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	24,078,232
Operating grants and contributions	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	140,479,452
Capital grants and contributions	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	3,316,322
Total governmental activities program revenues	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	207,329,922
Business-type activities:										
Fees, fines & charges for services										
Airport	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	1,871,948
Lake Berryessa Resort Improvement District	517,297	566,054	508,481	591,915	342,638	562,641	549,257	591,816	604,726	597,939
Napa Berryessa Resort Improvement District	619,520	519,467	671,659	819,750	824,798	814,147	828,443	820,774	923,277	845,811
5th Street Parking Garage	162,287	111,205	128,774	82,245	160,190	152,469	176,115	172,618	181,485	191,021
Napa County Housing Authority	482,226	484,904	558,671	539,460	633,530	711,336	721,462	720,756	736,456	769,896
Napa County Animal Shelter	-	878,181	977,607	631,633	1,015,767	1,237,763	854,473	1,172,286	1,116,513	1,292,282
Operating grants and contributions	169,041	246,408	153,902	177,780	149,828	177,725	61,092	130,429	283,013	524,535
Capital grants and contributions	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	3,974,378
Total business-type activities program revenues	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	10,067,810
Total primary government program revenues	\$ 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	\$ 217,397,732
Net (Expense)/Revenue¹										
Governmental activities	\$ (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)	\$ (230,044,609)
Business-type activities	(810,540)	(1,478,747)	(927,771)	(705,172)	(2,123,405)	(1,511,473)	1,028,990	(1,738,255)	(1,546,486)	228,960
Total primary government net expense	\$ (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)	\$ (229,815,649)

continued

COUNTY OF NAPA

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

	Fiscal Year									
	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes:										
Property Taxes	\$ 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	\$ 129,634,795
Sales and use taxes	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	29,965,281
Transient occupancy taxes	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	12,620,682
Property transfer taxes	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	1,938,501
Unrestricted interest and investment earnings	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	2,305,049
Miscellaneous	778,508	423,790	1,314,079	350,270	376,432	295,999	2,098,661	572,309	553,355	18,291,899
Extraordinary item - 2014 South Napa Earthquake	-	-	-	-	-	-	(5,201,279)	(2,878,403)	2,935,214	-
Transfers	(17,425,745)	(5,346,980)	(496,646)	(1,049,027)	(526,858)	(1,715,890)	(698,059)	(591,162)	(667,602)	(843,616)
Total governmental activities	<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>	<u>193,912,591</u>
Business-type activities:										
Taxes	123,196	116,564	124,640	98,999	360,700	341,015	354,984	369,284	373,106	413,051
Investment earnings	185,110	76,093	59,244	46,920	(23,248)	80,183	51,051	48,032	62,945	53,569
Miscellaneous	-	12,307	2,229	(43,614)	-	11,916	8,621	7,439	192,019	38,348
Changes in estimation - capital assets ²	(3,603,439)	-	-	-	-	-	-	-	-	-
Special item ³	(400,000)	-	-	-	-	-	-	-	-	-
Transfers	17,425,745	5,346,980	496,646	1,049,027	526,858	1,715,890	698,059	591,162	667,602	843,616
Total business-type activities	<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>	<u>1,348,584</u>
Total primary government	<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>	<u>\$ 195,261,175</u>
Change in Net Position										
Governmental activities	\$ (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	\$ (36,132,018)
Business-type activities	12,920,072	4,073,197	(245,012)	446,160	(1,259,095)	637,531	2,141,705	(722,338)	(250,814)	1,577,544
Total primary government change in net position	<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>	<u>\$ (34,554,474)</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.

³ Special item - a stipulated judgement of \$0.4 million against Lake Berryessa Resort Improvement District was received.

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>
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
2018	129,634,795	29,965,281	12,620,682	1,938,501	174,159,259
Change 2009-2018	51.2%	5.3%	49.3%	110.9%	40.9%

Notes:

- ¹ Property tax revenues increased 51.2% over 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 increased 5.3% over the last ten years due to Proposition 172 Sales Tax Augmentation Revenues previously recorded as Sales & Use Tax are 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 49.3% in the last ten years due to an increase in tourism.
- ⁴ Property transfer tax revenues increased 110.9% in the last 10 years due to an increase in real estate sales.

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									
	2008-09	2009-10	2010-11 ¹	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
General Fund										
Reserved	\$ 10,397	\$ 10,511	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	40,570	50,863	-	-	-	-	-	-	-	-
Nonspendable	-	-	1,590	2,210	4,989	3,713	3,734	2,830	2,281	7,273
Restricted	-	-	28,631	42,509	36,378	38,554	31,571	34,277	45,200	62,715
Committed	-	-	1,009	1,357	1,162	1,170	8,275	240	1,076	3,139
Assigned	-	-	34,081	35,946	36,901	14,876	12,226	26,710	15,789	12,989
Unassigned	-	-	23,137	13,767	13,249	38,010	39,653	34,403	31,768	24,692
Total General Fund	\$ 50,967	\$ 61,374	\$ 88,448	\$ 95,789	\$ 92,679	\$ 96,323	\$ 95,459	\$ 98,460	\$ 96,114	\$ 110,808
All Other Governmental Funds										
Reserved	\$ 16,741	\$ 16,735	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds	107,942	110,556	-	-	-	-	-	-	-	-
Capital projects funds	18,748	20,602	-	-	-	-	-	-	-	-
Debt service funds	1,501	1,502	-	-	-	-	-	-	-	-
Nonspendable	-	-	570	866	324	44	62	-	76	472
Restricted	-	-	107,011	107,180	125,124	145,790	166,890	161,381	171,025	95,869
Committed	-	-	-	-	2,654	4,126	15,673	7,864	24,885	18,818
Assigned	-	-	35,304	35,671	40,793	20,821	23,099	40,351	34,343	57,604
Unassigned	-	-	(265)	(176)	(2,933)	(2,024)	(1,668)	(1,536)	(379)	(540)
Total all other governmental funds	\$ 144,932	\$ 149,395	\$ 142,620	\$ 143,541	\$ 165,962	\$ 168,757	\$ 204,056	\$ 208,060	\$ 229,950	\$ 172,223

Notes:

¹ Beginning 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									
	2008-09	2009-10	2010-11 ¹	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
Revenues:										
Taxes	\$ 123,565	\$ 116,671	\$ 126,682	\$ 123,155	\$ 130,166	\$ 134,480	\$ 139,965	\$ 149,481	\$ 151,734	\$ 174,159
Licenses, fees and permits	4,426	4,566	4,400	6,626	8,215	9,712	9,816	10,591	10,938	12,453
Fines, forfeitures and penalties	2,748	3,665	3,777	3,923	5,253	5,716	6,843	4,563	4,436	5,600
Use of money and property	5,089	2,471	1,961	1,630	(126)	2,371	2,636	2,139	2,417	2,561
Aid from other governments	77,127	89,189	99,079	96,937	105,815	109,952	115,157	121,331	129,215	142,486
Charges for services	31,944	32,596	35,960	34,135	38,908	36,795	39,461	44,345	42,305	41,601
Contributions and donations	1,255	896	717	769	875	314	254	245	372	5,056
Other	1,065	420	1,293	344	346	252	682	479	1,632	5,583
Total Revenues	247,219	250,474	273,869	267,519	289,452	299,592	314,814	333,174	343,049	389,499
Expenditures:										
Current:										
General government	30,181	30,282	35,071	38,337	33,411	28,960	30,848	32,239	33,252	32,894
Public protection	92,552	91,329	98,958	97,817	99,186	103,716	118,640	122,490	124,132	133,600
Public ways and facilities	20,340	18,380	19,780	21,530	27,367	29,184	30,244	42,979	30,143	118,537
Health and sanitation	40,692	39,647	40,911	38,651	42,764	40,592	42,479	46,903	55,076	63,528
Public assistance	32,111	34,273	36,811	39,775	43,528	45,601	47,240	49,393	44,024	45,137
Education	6,547	7,148	7,456	7,051	7,418	7,692	7,705	9,590	11,213	8,547
Recreational and cultural services	1,165	1,222	1,265	615	1,291	1,155	1,391	1,342	1,507	2,368
Capital Outlay	3,921	3,367	3,415	4,629	8,681	37,806	4,222	15,696	16,511	29,794
Debt Service:										
Principal	6,007	6,234	6,455	6,682	6,749	10,651	7,602	7,937	8,516	8,820
Interest expense	3,393	3,162	2,936	2,747	2,413	2,215	2,343	2,010	1,765	1,438
Administration and arbitrage fees	18	37	15	560	95	427	10	7	6	10
Total Expenditures	236,927	235,081	253,073	258,394	272,903	307,999	292,724	330,586	326,145	444,673
Excess (Deficiency) of revenues over (under) expenditures	10,292	15,393	20,796	9,125	16,549	(8,407)	22,090	2,588	16,904	(55,174)
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	12,765
Transfers in	16,535	19,719	20,687	9,878	64,910	53,258	64,193	58,693	66,055	96,738
Transfers out	(16,503)	(20,244)	(21,184)	(12,364)	(65,462)	(55,289)	(62,353)	(59,581)	(66,758)	(97,362)
Total other financing sources (uses)	32	(525)	(497)	(862)	1,761	14,845	12,344	4,418	2,636	12,141
Net change in fund balances	\$ 10,324	\$ 14,868	\$ 20,299	\$ 8,263	\$ 18,310	\$ 6,438	\$ 34,434	\$ 7,006	\$ 19,540	\$ (43,033)
Debt service as a percentage of non-capital expenditures ²	4.06 %	4.05 %	3.76 %	3.72 %	3.47 %	4.76 %	3.75 %	3.24 %	3.31 %	2.41 %

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
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 %
2018	37,411,002	1,437,034	1,217,972	37,630,064	1.0%	2,438,912	6.93 %

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>	
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
2018	1.00	0.28	0.34	0.02	1.64

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>2017/2018</u>			<u>2008/2009</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)	\$ 356,652,091	1	0.95%			
Treasury Wine Estates (Beringer)	297,504,128	2	0.79%	\$ 103,174,265	2	0.38%
Robert Mondavi Properties Inc (Constellation)	276,802,490	3	0.74%			
Pacific Gas & Electric Company	260,303,973	4	0.69%	139,100,305	1	0.52%
E & J Gallo Winery	208,550,925	5	0.55%			
Sutter Home Winery Inc	179,888,253	6	0.48%	52,284,595	10	0.19%
BSREP II Vintage Estate LLC	163,723,940	7	0.44%			
FN Land LLC	149,408,181	8	0.40%			
Laird Kenneth E & Gail S TR	146,225,665	9	0.39%			
Xenia Hotels & Resorts (NV Marriot/Andaz)	143,041,659	10	0.38%			
Foster Wine Estates American				94,150,006	3	0.35%
Dey Laboratories LP				90,063,807	4	0.33%
Sunstone Napa LLC				62,119,300	5	0.23%
AmCan Beverages				60,500,733	6	0.22%
Kaiser Foundation Hospital				58,839,200	7	0.22%
Sterling Vineyards Inc				56,147,517	8	0.21%
Calistoga Ranch Club				54,451,201	9	0.20%
Total	<u>\$ 2,182,101,305</u>		<u>5.81%</u>	<u>\$ 770,830,929</u>		<u>2.85%</u>
Total Assessed Value			<u>\$ 37,630,063,193</u>			<u>\$ 26,980,382,857</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
2009	\$ 318,954,517	\$ 308,467,460	96.71%	\$10,255,087	\$ 318,722,547	99.93%	\$ 231,970	0.07%
2010	321,484,624	312,972,756	97.35%	8,226,579	321,199,335	99.91%	285,289	0.09%
2011	317,195,661	310,620,179	97.93%	6,199,903	316,820,082	99.88%	375,579	0.12%
2012	327,160,447	319,454,138	97.64%	7,270,938	326,725,076	99.87%	435,371	0.13%
2013	335,020,627	329,194,485	98.26%	5,349,643	334,544,128	99.86%	476,499	0.14%
2014	354,360,824	348,756,143	98.42%	5,040,281	353,796,424	99.84%	564,400	0.16%
2015	371,570,942	366,650,201	98.68%	4,244,501	370,894,702	99.82%	676,240	0.18%
2016	394,238,287	387,859,802	98.38%	5,525,928	393,385,730	99.78%	852,557	0.22%
2017	430,628,922	424,002,899	98.46%	5,328,852	429,331,751	99.70%	1,297,171	0.30%
2018	455,954,055	448,910,617	98.46%	-	448,910,617	98.46%	7,043,438	1.54%

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

COUNTY OF NAPA

Direct and Overlapping Sales Tax Rates
Last Ten Fiscal Years

Fiscal Year Ending June 30,	General Fund	Local Revenue Fund	State		Education Protection Account	Fiscal Recovery Fund	Direct Government		Overlapping Government	Total	Cities
			Local Public Safety Fund				County Operations	County Transportation	Flood Authority		St. Helena Sales & Use Tax
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%	0.25%	0.75%	0.25%	0.50%	8.00%	-
2014	3.94%	1.56%	0.50%	0.25%	0.25%	0.25%	0.75%	0.25%	0.50%	8.00%	-
2015	3.94%	1.56%	0.50%	0.25%	0.25%	0.25%	0.75%	0.25%	0.50%	8.00%	-
2016	3.94%	1.56%	0.50%	0.25%	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%
2018	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			
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
2018	-	23,587	1,684	6,251	31,522	10,195	738	-	42,455	0.45%	299

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>
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
2018	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, 2018

Assessed Valuation (including unitary utility valuation)	<u>\$ 37,782,614,722</u>		
	<u>\$ 37,782,614,722</u>		
	<u>Total Debt</u>	<u>Percentage</u>	<u>2018 Debt</u>
	<u>6/30/2018</u>	<u>Applicable¹</u>	
OVERLAPPING TAX AND ASSESSMENT DEBT:			
<i>School Districts</i>			
Napa Valley Community College District	107,484,699	99.048 %	\$ 106,461,445
Calistoga Joint Unified School District	22,583,120	87.177 %	19,687,287
Fairfield -Suisun Unified School District	139,960,000	0.802 %	1,122,479
Napa Valley Unified School District	415,199,855	100.000 %	415,199,855
St. Helena Unified School District	59,641,232	100.000 %	59,641,232
Howell Mountain School District	1,890,461	100.000 %	1,890,461
Pope Valley Union School District	3,865,000	100.000 %	3,865,000
<i>Cities</i>			
City of Napa Community Facilities District No. 2017-1	19,950,000	100.000 %	19,950,000
City of American Canyon 1915 Act Bonds	16,891,200	100.000 %	16,891,200
<i>Unincorporated Areas</i>			
Lake Berryessa Resort Improvement Assessment District No. 2006-1	2,370,000	100.000 %	2,370,000
Napa Berryessa Resort Improvement Assessment District No. 2012-1	10,248,000	100.000 %	10,248,000
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>2,058,382</u>	100.000 %	<u>2,058,382</u>
Total Overlapping Tax and Assessment Debt	<u>822,971,949</u>		<u>680,215,341</u>
DIRECT AND OVERLAPPING GENERAL FUND DEBT			
Napa County Certificates of Participation (including issuance premiums)	23,586,520	100.000 %	23,586,520
Napa County Capital Leases	1,683,784	100.000 %	1,683,784
Napa County Loans Payable	6,251,419	100.000 %	6,251,419
<i>School Districts</i>			
Napa County Board of Education Certificates of Participation	2,455,000	100.000 %	2,455,000
Calistoga Joint Unified School District Certificates of Participation	420,000	87.177 %	366,143
Fairfield -Suisun Unified School District Certificates of Participation	1,072,917	0.802 %	8,605
<i>Cities</i>			
City of American Canyon General Fund Obligations	813,000	100.000 %	813,000
City of Calistoga General Fund Obligations	3,382,400	100.000 %	3,382,400
Town of Yountville General Fund Obligations	<u>11,315,000</u>	100.000 %	<u>11,315,000</u>
Total Direct and Overlapping General Fund Debt	<u>50,980,040</u>	100.000	<u>49,861,871</u>
OVERLAPPING TAX INCREMENT DEBT:	<u>4,490,000</u>	100.000 %	<u>4,490,000</u>
COMBINED TOTAL DEBT	<u>\$ 878,441,989</u>		<u>\$ 734,567,212</u> ²
Ratio to 2017-18 Assessed Valuation:			
Total Overlapping Tax and Assessment Debt.....			1.80%
Total Direct Debt (\$-).....			0.06%
Combined Total Debt.....			1.92%
Ratios to Redevelopment Incremental Valuation (\$936,196,761):			
Total Overlapping Tax Increment Debt.....			0.48%

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.

Legal Debt Margin Information
Last Ten Fiscal Years
(dollars in thousands)

Fiscal Year	Assessed Value of Property ¹	Debt Limit, 5% of Assessed Value ²	Debt Applicable to the Limit ³	Legal Debt Margin ⁴	Total net debt applicable to the limit as a percentage of debt limit
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 %
2018	37,630,064	1,881,503	44,109	1,837,394	2.34 %

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.
- (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	Less: Administrative	Net Available	Debt Service			Property Tax Collection and	Debt Service			
	Revenue	Cost ²	Revenue	Principal	Interest	Coverage	Special Assessments ¹	Principal	Interest	Coverage	
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	
2018	19,488	154	19,334	5,165	211	3.60	748	105	215	2.34	

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 they become due.

² Administrative cost is equal to the California State Board of Equalization's administrative charge for collecting the 1/2 % sales tax for flood improvements.

Details regarding the County's debt can be found in the Notes to the Financial Statements.

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
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%
2018	142,808	9,496,589,192	66,499	20,402	3.1%

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)

2018			2009		
Employer	Employees	Percentage of Total County Employment ¹	Employer	Employees	Percentage of Total County Employment ²
Napa State Hospital	2,418	3.26%	Napa State Hospital	2,526	1.93%
Napa Valley Unified School District	1,504	2.03%	Queen of the Valley Hospital	1,562	1.20%
County of Napa	1,498	2.02%	Napa Valley Unified School District	1,500	1.15%
St. Helena Hospital	1,300	1.75%	County of Napa	1,316	1.01%
Queen of the Valley Hospital	1,200	1.62%	St. Helena Hospital	989	0.76%
Trincherio Family Estates	1,100	1.48%	Veterans' Home of California	907	0.69%
Veterans' Home of California	781	1.05%	Napa Valley College	721	0.55%
Wal-Mart	588	0.79%	Trincherio Family Estates	670	0.51%
Treasury Wine Estates	450	0.61%	Pacific Union College	568	0.43%
City of Napa	441	0.59%	Silverado Resort	544	0.42%
Total	11,280	15.20%	Total	11,303	8.65%

Notes:

¹ Total Napa County Employment 2017-2018: 74,200

² Total Napa County Employment 2008-2009: 130,666

Sources: Napa Chamber of Commerce

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

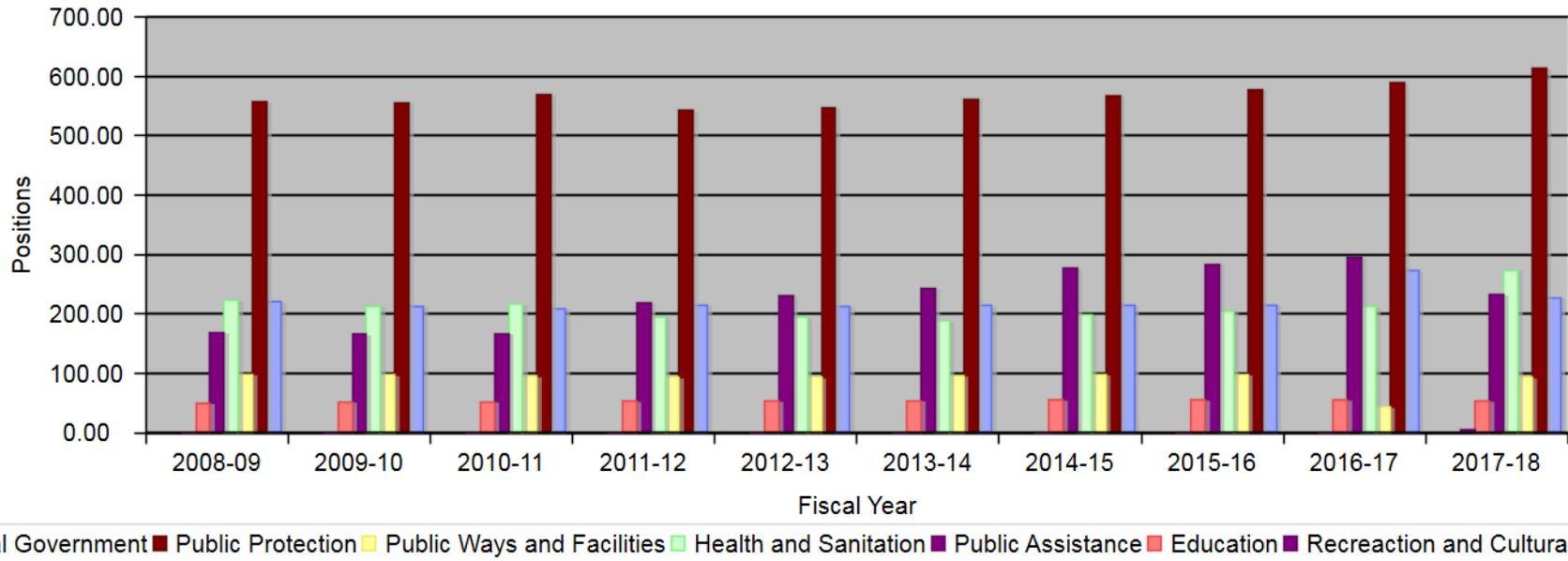
Direct phone survey Napa County Auditor-Controller's Office

COUNTY OF NAPA

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

Function/Program	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
General Government	219.9	213.1	209.1	214.4	212.8	213.8	214.8	214.8	272.6	227.3
Public Protection	557.4	555.4	569.6	542.1	546.6	562.0	566.7	577.7	588.4	613.4
Public Ways and Facilities	98.0	96.8	94.8	92.8	92.8	95.8	97.8	97.8	42.8	92.8
Health and Sanitation	222.0	212.0	215.6	193.9	193.4	187.4	199.0	203.8	211.9	273.9
Public Assistance	168.8	165.3	166.5	218.5	231.5	243.0	276.5	284.0	295.0	232.0
Education	50.1	52.1	52.1	53.1	53.1	54.1	55.3	55.3	55.3	53.3
Recreation and Cultural Services	-	-	-	-	-	-	-	-	-	6.0
Total full-time equivalent employees	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	1,498.7

FTE By Function



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

COUNTY OF NAPA

Operating Indicators by Function
Last Ten Fiscal Years

Function	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
Airport										
Annual Arrivals and Departures	109,121	87,412	50,283	56,281	43,045	44,667	46,547	47,533	46,278	52,335
Aviation Easements issued	5	3	2	-	-	1	4	2	3	3
Hanger leases	171	171	163	153	149	151	158	151	151	151
Education										
Library branches located in the County	4	4	4	4	4	4	4	4	4	4
Items checked out	910,000	988,549	1,022,969	1,092,028	1,058,318	1,006,019	939,057	891,031	915,494	832,185
Library cards issued	47,715	49,609	50,992	48,616	47,041	51,541	49,253	52,038	54,669	52,528
Number of computers provided for public use	58	71	85	85	84	90	90	90	90	90
Fire										
Number of calls answered	3,049	3,444	3,091	3,471	3,844	3,530	5,438	4,552	4,642	4,723
Inspections	2,563	2,272	2,156	2,216	1,740	1,325	1,791	1,750	2,170	1,794
Health & Human Services Agency										
Public Guardian total clients (conservatees + additional referrals)	68	67	80	90	88	90	96	98	95	107
Veterans Service Officer number of benefit claims filed	455	616	512	432	338	417	413	440	437	486
Public Health										
Women, Infants, and Children (WIC) visits	26,567	25,898	24,052	23,876	22,117	21,678	19,262	17,664	15,641	13,132
Public Health home visiting program visits	3,816	4,238	3,317	3,115	2,812	2,622	3,063	2,220	2,324	1,524
Immunizations ¹	8,584	17,821	15,083	8,884	7,149	7,778	5,640	5,095	4,118	3,497
Mental Health										
Emergency response clients	1,135	841	792	944	869	877	905	908	859	780
Adult Medication Clinic clients	509	469	467	467	489	476	467	630	571	482
Children's Medication Support clients	198	236	235	194	157	160	160	176	177	184
Total mental health clients served	2,653	2,411	2,590	2,615	2,827	2,915	2,931	2,955	2,835	2,899
Alcohol and Drug Services - Division Restructured 9/2007										
Adult Outpatient Treatment and Recovery Services Program clients	616	573	375	319	344	414	409	415	462	552
Prevention groups (school-based youth)	580	534	814	802	1,773	998	2,083	1,873	2,716	850
PC 1210 STOP (formerly Proposition 36) clients	217	154	359	95	79	111	95	52	29	20
Total Alcohol and Drug Services clients served	1,413	1,261	1,548	1,216	2,196	1,523	2,587	2,340	3,207	1,422
Social Services										
Adult protective Services total clients served	364	389	381	437	387	481	484	483	613	617
CalWORKs average caseload	635	791	902	801	654	593	592	546	475	381
Child Welfare Services total child abuse referrals received	993	1,028	1,065	1,235	1,279	1,407	1,323	1,377	1,352	1,619
Child Welfare Services percent timely investigations:										
% Timely immediate investigations	99	100	100	99	98	99	99	96	98	94
% Timely ten day investigations	100	100	100	99	99	98	99	96	92	93
County Medical Services Program average number of continuing cases/eligibles	849	1,082	1,209	1,109	1,101	705	18	3	22	22
Food Stamps average caseload	1,710	2,009	3,081	3,429	3,476	3,425	3,622	3,696	3,436	3,129
Foster care average number of cases	109	124	143	120	107	124	146	119	119	121
In-Home Supportive Services Public Authority total clients served	841	838	852	917	990	1,053	1,094	1,131	1,185	1,206
Medi-Cal average number of eligible recipients	13,420	14,445	15,766	17,055	13,537	14,967	22,310	26,269	27,377	27,073
Workforce Investment Act total number enrolled	270	307	237	163	246	292	292	279	222	211

COUNTY OF NAPA

Operating Indicators by Function
Last Ten Fiscal Years

Function	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
Highways and streets										
Street resurfacing (miles)	8	6	35	6	25	-	8	18	7	2
Potholes repaired	1,278	1,470	1,900	2,300	2,475	1,975	2,015	2,200	1,500	1,955
Sheriff										
Physical arrests	1,475	1,570	1,431	1,531	1,729	1,844	1,737	1,842	2,291	2,471
Parking violations	1,447	1,478	1,405	1,238	1,179	1,361	2,106	2,232	1,798	1,958
Traffic violations	2,809	2,585	3,127	3,139	2,310	1,795	1,521	1,200	1,201	1,709
Water										
New connections	-	-	-	-	-	-	-	1	1	-
Water main breaks	-	-	1	3	2	2	1	2	1	2
Average daily consumption (in thousands of gallons)	231	151	139	121	146	136	110	99	98	116
Wastewater										
Average daily sewage treatment (in thousands of gallons)	95	57	72	62	66	62	65	58	76	51

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	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
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	30	30	32
Fire stations:										
Stations	13	13	13	13	13	13	13	13	15	15
Fire Engines	31	31	31	31	31	31	34	35	35	35
Fire Trucks	2	2	2	2	2	2	2	2	2	2
Recreational and Cultural Services										
Parks acreage	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	204,460	200,260	168,617	240,869	175,189	170,811	161,102	192,017	179,668	217,339
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)	446	446	446	446	446	446	446	446	446	446
Street lights (approximate number)	70	70	32	32	32	32	142	142	142	142
Traffic signals	-	-	-	6	6	6	4	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	638	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	310	310	310	310	310

Source: County Departments