

**County of Solano, California  
Comprehensive Annual Financial Report  
Fiscal Year Ended June 30, 2009**



**Simona Padilla-Scholtens, CPA  
Auditor-Controller**



County of Solano, California



Comprehensive Annual Financial Report

For the Fiscal Year Ended

June 30, 2009

Prepared by:

Office of the Auditor-Controller

Simona Padilla-Scholtens, CPA  
Auditor-Controller





**INTRODUCTORY SECTION**

County of Solano, California  
 Comprehensive Annual Financial Report  
 For the Fiscal Year Ended June 30, 2009

Table of Contents

	Page
<b>INTRODUCTORY SECTION (Unaudited):</b>	
Letter of Transmittal .....	1
GFOA Certificate of Achievement.....	8
Organization Chart .....	9
Department Head Listing .....	10
 <b>FINANCIAL SECTION:</b>	
Independent Auditor’s Report.....	11
Management’s Discussion and Analysis (Required Supplementary Information) .....	13
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Assets .....	25
Statement of Activities .....	26
Fund Financial Statements:	
Balance Sheet – Governmental Funds .....	28
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds .....	30
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities .....	32
Statement of Net Assets – Proprietary Funds .....	33
Statement of Revenues, Expenses and Changes in Fund Net Assets – Proprietary Funds .....	34
Statement of Cash Flows – Proprietary Funds .....	35
Statement of Fiduciary Net Assets – Fiduciary Funds .....	36
Statement of Changes in Fiduciary Net Assets – Fiduciary Funds .....	37
Notes to the Financial Statements .....	39
Required Supplementary Information:	
Schedules of Funding Progress .....	75
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual – General Fund .....	76
Schedules of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual – Major Special Revenue Funds:	
Health and Social Services .....	77
Public Safety .....	78
Note to Required Supplementary Information.....	79

	Page
Combining and Individual Fund Statements and Schedules:	
Combining Balance Sheet – Other Governmental Funds .....	82
Combining Statement of Revenues, Expenditures and	
Changes in Fund Balances – Other Governmental Funds .....	83
Combining Balance Sheet – Nonmajor Special Revenue Funds .....	86
Combining Statement of Revenues, Expenditures and	
Changes in Fund Balances – Nonmajor Special Revenue Funds .....	88
Schedules of Revenues, Expenditures and	
Changes in Fund Balance – Budget and Actual –	
Nonmajor Special Revenue Funds:	
Public Facilities Fees .....	90
Library .....	91
Transportation .....	92
First 5 Solano .....	93
Home Loan Program .....	94
Tobacco Settlement .....	95
Micrographics and Modernization .....	96
Other Special Revenue Funds .....	97
Combining Balance Sheet – Nonmajor Capital Projects Funds .....	99
Combining Statement of Revenues, Expenditures and	
Changes in Fund Balances – Nonmajor Capital Projects Funds .....	100
Schedules of Revenues, Expenditures and	
Changes in Fund Balance – Budget and Actual –	
Nonmajor Capital Projects Funds:	
Accumulated Capital Outlay Capital Projects.....	101
Fairfield Downtown Project .....	102
Juvenile Hall Project .....	103
Combining Balance Sheet – Nonmajor Debt Service Funds .....	105
Combining Statement of Revenues, Expenditures and	
Changes in Fund Balances – Nonmajor Debt Service Funds .....	106
Schedules of Revenues, Expenditures and Changes in Fund Balance –	
Budget and Actual – Nonmajor Debt Service Funds:	
Pension Debt Service Fund .....	107
1998 Certificates of Participation .....	108
1999 Certificates of Participation .....	109
Government Center Debt Service Fund .....	110
Combining Statement of Net Assets – Internal Service Funds .....	112
Combining Statement of Revenues, Expenses and	
Changes in Fund Net Assets – Internal Service Funds .....	114
Combining Statement of Cash Flows – Internal Service Funds .....	116
Combining Statement of Changes in Assets and Liabilities – Agency Funds ....	120

	Page
<b>STATISTICAL SECTION (Unaudited):</b>	
Financial Trends Information	
Net assets by component, last nine fiscal years.....	123
Changes in net assets, last nine fiscal years.....	124
Fund balances of governmental funds, last ten fiscal years.....	126
Changes in fund balances of governmental funds, last ten fiscal years.....	128
Revenue Capacity Information	
Assessed value of taxable property, last ten fiscal years .....	130
Direct and overlapping property tax rates, last ten fiscal years .....	131
Principal property tax payers, June 30, 2009 and June 30, 2000.....	132
Property tax levies and collections, last ten years .....	133
Debt Capacity Information	
Ratios of outstanding debt by type, last ten fiscal years .....	134
Legal debt margin information, last ten fiscal years .....	136
Demographic and Economic Information	
Demographic and economic statistics, last ten fiscal years .....	137
Principal employers, June 30, 2009 and June 30, 2000 .....	138
Operating Information	
Full-time equivalent county government employees by function, last ten fiscal years .....	140
Operating indicators by function, last seven fiscal years .....	142
Capital assets statistics by function, last nine fiscal years .....	143

(This page intentionally left blank)

OFFICE OF THE AUDITOR-CONTROLLER

**Simona Padilla-Scholtens, CPA**  
Auditor-Controller

675 Texas Street, Suite #2800  
Fairfield, California 94533-6338  
Phone (707) 784-6280  
Fax (707) 784-3553



**Phyllis Taynton, CPA**  
Assistant Auditor-Controller

December 24, 2009

To the Honorable Board of Supervisors, Grand Jury and the citizens of Solano County, California:

I am pleased to submit to you the Comprehensive Annual Financial Report (CAFR) of the County of Solano (County) for the fiscal year ended June 30, 2009. In accordance with Sections 25250 and 25253 of the Government Code of the State of California, general-purpose local governments must publish a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards (GAAS) by a firm of licensed certified public accountants.

This report consists of management's representations concerning the finances of the County. Therefore, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the County has established a comprehensive internal control framework 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 controls should not outweigh their benefits, the County's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The County's financial statements have been audited by Macias Gini & O'Connell LLP, a firm of licensed public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County for the fiscal year ended June 30, 2009, are free of material misstatements. 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 significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the County's financial statements for the year ended June 30, 2009, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the County was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standard governing the Single Audit requires 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 with legal requirements, with special emphasis on internal controls over compliance involving the administration of federal awards. These reports are available in the

County's separately issued Single Audit Report.

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). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The County's MD&A can be found immediately following the report of the independent auditors.

## **Profile of the Government**

### *General Information*

The County lies in the northeast section of the nine-county San Francisco Bay Area. It is located approximately 45 miles northeast of San Francisco and 45 miles southwest of Sacramento. The County consists of a total area of 907 square miles. Land area is represented by 829 square miles and water area by 78 square miles. It is bordered by Napa County to the northwest, Yolo County to the northeast, Sacramento County to the east and Contra Costa County to the south. Between Solano and Contra Costa Counties lies Suisun Bay, which is an extension of the San Francisco Bay, and the confluence of the Sacramento and San Joaquin Rivers, which empty into San Pablo Bay through the Carquinez Straits. The western edge of the County consists of low mountains, which are part of the Coast Range.

The County limits residential and commercial development outside of cities, thus preserving almost 85% of the land for open space and agricultural uses. Agriculture and military installations have historically been strong contributors to the County's economy. In recent years, the County has fostered economic growth and diversification by encouraging industrial, manufacturing and biotechnology development. The availability of land and the relatively low cost of housing, continue to encourage economic development in the County.

With its strategic location, natural and human resources, history of responsible land planning, and attractive quality of life, the County continues to offer a promising future as a place to live, learn, work and play.

### *County Government*

The County was incorporated in 1850 as one of California's original 27 counties in the State of California (the "State"). Two of the County's seven cities, Benicia and Vallejo, served as the State's Capital in the early 1850's. The County serves seven city jurisdictions: Benicia, Dixon, Fairfield, Rio Vista, Suisun City, Vacaville and Vallejo in addition to the unincorporated areas. The City of Fairfield is the County seat. The County has a general law form of government. Its five-member Board of Supervisors (the "Board") is elected by district for four-year terms of office. The Supervisors' terms are staggered -- two Supervisors are elected in one general election, and three Supervisors in the next. District boundaries are adjusted after every federal census to equalize district population as closely as possible. Other elected officials include the Assessor-Recorder, Auditor-Controller, District Attorney, Sheriff-Coroner and Treasurer-Tax Collector-County Clerk. The County Administrator and County Counsel are appointed by the Board.

As the governing body for the County, the Board is responsible for the planning and providing of services related to public needs, as required by state and federal law including: adopting the

annual budget, adopting County ordinances, setting policies, confirming appointments of most non-elected officials, and assisting citizens in solving problems and addressing local concerns.

### *County Services*

As the only countywide general-purpose local government, we are in a unique position to facilitate and coordinate the work of cities, school districts, special districts and other organizations. In addition, the County is specifically charged by the State with providing services to those most at risk: children, the elderly, the poor, those with health problems and those involved in the criminal justice system.

Counties have dual responsibilities. We provide “unincorporated area” services (e.g., land use planning) in the areas of the County that are not in cities. We also provide “countywide” services to County residents regardless of where they live. These services generally focus on the most disadvantaged members of the community (e.g., health clinics), or criminals after they have been arrested or supporting other local governments (e.g., property tax collection & apportionment).

The following is a list of services provided by the County:

- Environmental Health
- Agricultural Commissioner
- Weights and Measures
- Airport
- Indigent Medical Services
- Public and Mental Health Services
- Child Protection and Social Services
- Emergency Medical Services
- Public Assistance
- Oversight and Permitting of Landfills and Solid Waste Disposal and Collection
- Family Support Collections
- Veterans Services
- Maintenance of County Roads and Bridges
- Law Enforcement (Primarily Unincorporated County)
- U.C. Cooperative Extension Services
- Property Tax Assessment, Collection and Apportionment
- Elections and Voter Registration
- Parks
- Jails and Juvenile Facilities
- Probation Supervision
- Clerk-Recorder
- Public Defender/Alternative Defense
- Coroner and Forensic Services
- Grand Jury
- Criminal Prosecution (District Attorney)
- Libraries (as Contract Services for Cities)
- Animal Care Services
- Building and Safety (Unincorporated County Only)
- Land Use (Unincorporated County Only)

## **Factors Affecting Financial Condition**

### *Budgetary Information*

The annual budget serves as the foundation for the County's financial planning and control. All agencies under the control of the Board of Supervisors are required to submit budget requests to the County Administrator for review. The County Administrator presents a proposed budget to the Board for consideration and approval. The Board is required to hold public hearings on the proposed budget and to adopt a final budget by September 30<sup>th</sup> of each year. The Board generally holds its public hearing on the proposed budget and adopts a final budget before June 30 of each year.

The budget is prepared by fund, function (e.g. public safety), and department (e.g., Sheriff). Transfers of appropriations between divisions, bureaus and sections within a department, provided the total appropriation of the budget is not changed, may be authorized by the County Administrator. Transfers of appropriations between departments within a fund, however, require a majority vote of the Board. Transfers of appropriations between funds and transfer of appropriations from contingencies require a four-fifths vote of the Board of Supervisors. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an annual budget was adopted. These schedules, which are part of the required supplementary information section of this report, start on page 76.

### *Population and Local Economy*

The County's population as of January 2009 was approximately 426,729, approximately the same as last year's estimate. The County's population ranks 21<sup>st</sup> out of 58 California counties in terms of population size. Immigration has accounted for most of the County's growth since 1980. The County population has increased 8.29% since 2000, an average of 1% annually. The two largest cities within the county are Vallejo and Fairfield with populations of 121,055 and 106,440, respectively. The fastest growing Solano County city over the last ten years is Rio Vista with 79.1% growth, followed by Fairfield with 9.7%. In contrast, Vallejo's population has only increased by 2.9% since 2000.

The County's seven cities are long-established communities. Relatively moderate costs for land and housing, proximity to major population and recreation centers, and job opportunities continue to make the County an attractive place to live. The County is home to a significant number of biotech companies. The County believes that it is well suited to attract this type of business because of its proximity to UC Davis, UC Berkeley and major research and medical centers, and Solano Community College's Biotechnology Production Technician Training Program.

### *Long-term Financial Planning*

On February 13, 2007, the Board adopted a policy to maintain General Fund Reserves (reserves) equal to 10% of the County's total budget, excluding inter fund transfers, and to maintain General Fund Contingencies equal to 10% of the General Fund's total budget. The General Fund reserve should be used (1) to phase into fiscal distress periods gradually, focusing on maintaining the Board's priorities, (2) as the last resort to balance the County Budget, and (3) to maintain, at all times, a minimum of 5% of the total budget in the General Fund reserves and (4) spending of the reserves should not exceed \$6 million a year. The General Fund contingency is used to mitigate the impact of potential risks to the General Fund from funding problems that may occur during the fiscal year.

The Board of Supervisors strategic plan goals include Health and Well-Being, Responsible and Sustainable Land Use, Safe Communities, and Invest In and For the Future. The catalytic projects identified to achieve Solano County's goals are a Healthy Communities Initiative, Intergovernmental Planning Collaborative, a Comprehensive Crime Prevention, Intervention and Re-entry System and Optimal Service Design and Delivery.

Also, in October 2009, the Board approved the refinancing of the 1999 Certificates of Participation through the issuance of \$16,745,000 Series 2009 Refunding Certificates of Participation. This issuance is expected to save the County \$990,855 in interest over the remaining term through 2020.

The County is in different stages of construction of the South County Government Center Project. The construction of a 58,000 square foot, three-story Health & Social Services (H&SS) office building and clinic is almost complete and the building is partially occupied. The building is expected to be fully occupied by Spring 2010. The renovation of the existing 68,000 square foot H&SS building at 355 Tuolumne Street in Vallejo is in the early construction phase. This project is not expected to be completed until June 2010. The new County building, along with the renovated H&SS building, will accommodate H&SS functions, court support agencies (Probation, Public Defender and District Attorney), as well as provide for future growth to serve the needs of South County residents. The project also includes off-site parking improvements to expand available parking.

The project also includes the modernization and construction of a larger, state-of-the-art Public Health Laboratory facility at a centralized location on the existing County-owned land in Fairfield. This project consists of a two-story, 30,000 square foot building including the Public Health Laboratory, the first phase of a Forensic Laboratory, an H&SS clinic and associated site improvements including parking and landscaping. This new facility is partially occupied and is expected to be fully occupied by Spring 2010. The new Public Health Facility meets the standards associated with the Federally Qualified Health Center (FQHC) requirements. This facility will provide laboratory testing for public health, clinical and forensic needs. In addition, this facility will meet the County's immediate needs as well as the long-term projected growth in services to the public.

Also, contained within the County's tax code areas are numerous municipalities, school districts and special-purpose districts providing public services. These entities have outstanding bonds issued in the form of general obligation bonds. Direct debt constitutes debt directly issued by the County while overlapping debt constitutes that portion of the debt issued by different public entities within the same tax code area as the County's. The County is not responsible for the overlapping debt of the other local agencies.

#### *Cash Money Policies and Practices*

The County maintains an Investment Pool managed by the Treasurer-Tax Collector-County Clerk, which acts as a depository for over 80 units of local government including funds of the county school districts, special districts and other entities. Not included in the Investment Pool are some school district Tax and Revenue Anticipation Note proceeds, which are managed by the Treasurer-Tax Collector-County Clerk separately from the Investment Pool.

The County formed a Treasury Oversight Committee consisting of five members and two alternates. The committee reviews the Investment Policy, ensures the Treasury activities are in compliance with the Investment Policy, ensures an annual audit of the Investment Policy is conducted, and reviews the internal auditor's quarterly audits of the Investment Pool. The committee meets semiannually and is composed of the County's Budget Officer, Superintendent of Schools - Director of Business Finance, two members of the public and one business director from a school district.

The objectives of the pool are to meet the cash flow requirements of the pool participants, invest the funds in a safe, legal and prudent manner and achieve a money market rate of return. To achieve this objective the Treasurer – Tax Collector – County Clerk, in consultation with the pool participants, maintains a liquidity target that is adjusted on an ongoing basis. The target liquidity level is adjusted based on relevant factors such as historical trends, known cash flow timings, and participant feedback regarding anticipated expenditures and or revenue changes. Historically, the amounts and timing of each requirement have been predicted with a high level of accuracy. The pool is managed in a prudent manner by maintaining a high level of liquidity. The pooled funds are invested in accordance with the County's Investment Policy and the State of California Government Code.

Cash temporarily idle during the year is invested in certificates of deposit, money market mutual funds, Local Agency Investment Fund (LAIF), CalTRUST, CAMP, corporate notes, obligations of the U.S. Treasury, U.S. federal agency notes, and municipal notes. The maturities of the investments range from one day to twenty years, with an average maturity of 12 months. Interest yields on investments were between 0% and 6.0% for the County with an average yield on the pool of 2.17%. Investment earnings include appreciation on the fair value of the investments.

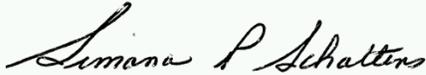
### **Awards and Acknowledgements**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the County of Solano for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2008. This is the seventh consecutive year the County has achieved this prestigious award. In order to be awarded the Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR. This report satisfies 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 CAFR continues to meet the Certificate of Achievement Program requirements and we are submitting it to the GFOA to determine its eligibility for another certificate for excellence in financial reporting.

The preparation of this comprehensive report would not have been possible without the efficient and dedicated services of the entire staff in the Auditor-Controller's Office. I want to express my appreciation to staff for their outstanding support in the preparation of this report. I would like to specifically acknowledge Sheila Turgo, Magen Yambao and Renee Phillips for their hard work and dedication. Credit also must be given to the County Administrator and the Board of Supervisors for their support in maintaining the highest standards of professionalism in the management of the County's finances.

Respectfully submitted,

A handwritten signature in black ink on a light green rectangular background. The signature reads "Simona P. Scholtens" in a cursive script.

Simona Padilla-Scholtens, CPA  
Auditor-Controller

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

## County of Solano California

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2008

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



President

Executive Director

# County of Solano Organizational Chart

Electorate

## Board of Supervisors



Barbara R. Kondylis  
District 1



Linda J. Seifert  
District 2



James P. Spering  
District 3



John M. Vasquez  
District 4



Michael J. Reagan  
District 5



County Counsel  
Dennis Bunting



County Administrator  
Michael D. Johnson

## Elected Officials



Auditor-Controller  
Simona Padilla-Scholten



District Attorney  
David W. Paulson



Assessor-Recorder  
Marc Tonnesen



Sheriff/Coroner  
Gary Stanton

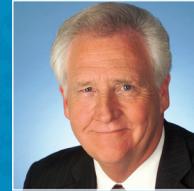


Tax Collector/County  
Clerk/Treasurer  
Charles Lomeli

## Appointed Officials



Ag. Comm./Sealer  
Jim Allan



General Services  
Spencer C. Bole



Human Resources  
Donald Turko



H&SS  
Patrick Duterte



Public Defender  
Jeffrey Thoma



Library  
Ann Cousineau



Resource Mgmt.  
Birgitta Corsello



Veterans Services  
William Reardon



CIO/ROV  
Ira Rosenthal



Probation  
Isabelle Voit



UC Coop Extension  
Carole Paterson



Child Support Services  
Pamela Posehn

.....Personnel/Budgetary Controls Only



## ***SOLANO COUNTY DEPARTMENT HEAD LISTING***

Ag Commissioner/Sealer of Weights & Measures	Jim Allan	784-1310
Assessor/Recorder	Marc C. Tonnesen	784-6200
Auditor-Controller	Simona Padilla-Scholten	784-6280
Chief Information Officer/Registrar of Voters	Ira Rosenthal	784-2703
Cooperative Extension	Carole Paterson	784-1317
County Administrator	Michael D. Johnson	784-6100
County Counsel	Dennis Bunting	784-6140
Department of Child Support Services	Pamela Posehn	784-3606
District Attorney	David W. Paulson	784-6800
General Services	Spencer C. Bole	784-7900
Health & Social Services	Patrick Duterte	784-8400
Human Resources/Risk Management	Donald W. Turko	784-6170
Library	Ann Cousineau	421-1500
Probation	Isabelle Voit	784-7600
Public Defender/Conflict Public Defender	Jeffrey E. Thoma	784-6700
Resource Management	Birgitta Corsello	784-6765
Sheriff/Coroner	Gary Stanton	421-7030
Treasurer-Tax Collector-County Clerk	Charles Lomeli	784-6295
Veteran Services	William Reardon	784-6584
Workforce Investment Board (WIB)	Robert L. Bloom	864-3370



**FINANCIAL SECTION**



**MACIAS GINI & O'CONNELL** LLP  
Certified Public Accountants & Management Consultants

SACRAMENTO  
3000 S Street, Suite 300  
Sacramento, CA 95816  
916.928.4600

WALNUT CREEK

OAKLAND

LOS ANGELES

NEWPORT BEACH

SAN MARCOS

SAN DIEGO

The Honorable Board of Supervisors and the  
Grand Jury of the County of Solano, California

## INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate discretely presented component units and remaining fund information of the County of Solano, California (County), as of and for the fiscal year ended June 30, 2009, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the basic financial statements of the Solano County Fair component unit, which statements reflect total assets and revenues constituting .8 percent and .6 percent, respectively, of the related totals for the aggregate discretely presented component units and remaining fund information. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for that entity, is based solely on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes 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, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, the aggregate discretely presented component units and remaining fund information of the County of Solano, California, as of June 30, 2008, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note I(F) to the financial statements, effective July 1, 2008, the County adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 23, 2009 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis, schedules of funding progress and budgetary comparison information for the General Fund and major special revenue funds, listed as required supplementary information in the table of contents, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was 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 fund 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 fund statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

*Macinn Mini & O'Connell LLP*

Certified Public Accountants

Sacramento, California  
December 23, 2009

OFFICE OF THE AUDITOR-CONTROLLER

**Simona Padilla-Scholtens, CPA**  
Auditor-Controller

675 Texas Street, Suite #2800  
Fairfield, California 94533-6338  
Phone (707) 784-6280  
Fax (707) 784-3553



**Phyllis Taynton, CPA**  
Assistant Auditor-Controller

## Management's Discussion and Analysis

As management of the County of Solano, California, (County) we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended June 30, 2009. We encourage readers to consider the information presented here in conjunction with additional information in our financial statements.

## Financial Highlights

- The assets of the County exceeded its liabilities at June 30, 2009 by \$645,414,545 (net assets). Of this amount, \$220,295,361 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- The County's total net assets decreased by \$4,629,545 as a result of the current year's operations.
- At June 30, 2009, the County's governmental funds reported combined ending fund balances of \$245,125,316, a decrease of \$64,384,067, as a result of the current year's operations. Approximately 71% of this total amount, or \$172,944,856, is available for spending at the County's discretion (unreserved fund balance) and 29% of this amount, or \$72,180,460, is reserved.
- At the end of the current fiscal year, unreserved, undesignated fund balance for the General Fund was \$47,290,974 or 64% of total General Fund expenditures.

## 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 financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-wide financial statements.** The government-wide financial statements are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business.

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

The statement of activities presents information showing how the County's net assets changed during the recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash

flows in future fiscal periods (e.g., uncollected taxes, and earned but unused vacation leave).

Both of these government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant 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 services, public assistance, and education and recreation. The business-type activities of the County include the Nut Tree Airport and the Fouts Springs Youth Facility.

The government-wide financial statements include not only the County itself (known as the primary government), but also the legally separate Workforce Investment Board and the Solano County Fair, both known as component units for which the County is financially accountable. Financial information for these component units are reported separately from the financial information presented for the primary government itself. Solano County Facilities Corporation, Solano County Building Corporation, Solano County Housing Authority and the East Vallejo Fire Protection District, although also legally separate, function for all practical purposes as departments of the County, and therefore, have been included as an integral part of the primary government.

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

**Fund financial statements.** A fund is a grouping of related accounts 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 compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**Governmental 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 fund 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 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 County'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 maintains 18 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 the General Fund, Health & Social Services Special Revenue Fund, Public Safety Special Revenue Fund and Accumulated Capital Outlay Capital Projects Fund, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The County adopts annual appropriated budgets for all of its governmental funds. Therefore, budgetary comparison schedules have been provided for each fund presented in this report. These statements demonstrate compliance with the budget.

The basic governmental fund financial statements can be found on pages 28-32 of this report.

**Proprietary funds.** The County maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses enterprise funds to account for the Nut Tree Airport and the Fouts Springs Youth Facility. 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 Communications, Fleet Management, Risk Management, Information Technology, and Reprographics. Because all of these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Nut Tree Airport and the Fouts Springs Youth Facility. Conversely, all internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements.

The basic proprietary fund financial statements can be found on pages 33 – 35 of this report.

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the County. 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 basic fiduciary fund financial statements can be found on pages 36 – 37 of this report.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 39 – 73 of this report.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the County's budgetary comparison schedules for the General Fund and all major special revenue funds as well as the schedules of funding progress for the defined benefit pension plans and the other postemployment benefit plan. Required supplementary information can be found on pages 75 – 79 of this report.

The combining statements referred to earlier in connection with nonmajor governmental and internal service funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 81 – 120 of this report.

## Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a County's financial position. In the case of the County, assets exceeded liabilities by \$645,414,545 at June 30, 2009.

### Solano County's Net Assets

	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
Current and other assets	\$ 502,421,697	\$ 563,610,272	\$ (2,879,835)	\$ (4,737,802)	\$ 499,541,862	\$ 558,872,470
Capital assets	464,602,053	438,515,549	20,484,424	20,940,385	485,086,477	459,455,934
Total assets	<u>\$ 967,023,750</u>	<u>\$ 1,002,125,821</u>	<u>\$ 17,604,589</u>	<u>\$ 16,202,583</u>	<u>\$ 984,628,339</u>	<u>\$ 1,018,328,404</u>
Long-term obligations	\$ 261,301,410	\$ 296,073,399	\$ 514,282	\$ 574,402	\$ 261,815,692	\$ 296,647,801
Other liabilities	77,024,030	69,850,903	374,072	407,687	77,398,102	70,258,590
Total liabilities	<u>338,325,440</u>	<u>365,924,302</u>	<u>888,354</u>	<u>982,089</u>	<u>339,213,794</u>	<u>366,906,391</u>
Net assets:						
Invested in capital assets, net of related debt	338,045,459	306,156,899	20,389,570	20,790,532	358,435,029	326,947,431
Restricted net assets	66,684,155	72,516,573	-	-	66,684,155	72,516,573
Unrestricted net assets	223,968,696	257,528,047	(3,673,335)	(5,570,038)	220,295,361	251,958,009
Total net assets	<u>628,698,310</u>	<u>636,201,519</u>	<u>16,716,235</u>	<u>15,220,494</u>	<u>645,414,545</u>	<u>651,422,013</u>
Total liabilities and net assets	<u>\$ 967,023,750</u>	<u>\$ 1,002,125,821</u>	<u>\$ 17,604,589</u>	<u>\$ 16,202,583</u>	<u>\$ 984,628,339</u>	<u>\$ 1,018,328,404</u>

### Analysis of Change in Net Assets

At fiscal year end, the County's total net assets decreased by \$6,007,468 (which includes the current year restatements totaling \$1,377,923 as described in Note IV-E), or .92% from prior year. The County experienced decreases in two of the three categories of net assets.

By far the largest portion of the County's net assets (56%) reflects its investment in capital assets (e.g., land, buildings, machinery, equipment, and infrastructure) less any related outstanding debt used to acquire those assets. The County uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the County's net assets (10%) represents resources subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets (34%) may be used to meet the County's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the County is able to report positive balances in all categories of total net assets for its governmental activities, as well as for the County as a whole.

The key elements in the significant changes in the net assets are as follows:

Invested in capital assets, net of related debt: The increase of \$31,487,598 from the prior year is primarily due to the construction of the South County Government Center in Vallejo and the Public Health Laboratory in Fairfield resulting from the Board's commitment to improve the health and well-being of Solano County residents.

Restricted net assets: The decrease of \$5,832,418 from prior year primarily due to the following funds:

- Restricted for debt service has a decrease of approximately \$1.6 million due to the use of

- reserves to finance current year debt obligations.
- Restricted for health services decreased by approximately \$1.07 million due to declining tobacco tax revenues and increasing expenses.
- Restricted for library services decreased by approximately \$3.6 million due to declining revenues and increasing capital expenses for construction projects.

Unrestricted net assets: The decrease of \$31,662,648 from prior year due to the use of net assets for the various construction activities which resulted in the increase in invested in capital asset as indicated above.

**Governmental activities.** Governmental activities decreased the County’s net assets by \$6,125,286 thereby accounting for 100% of the total decline in the net assets of the County. This decrease was primarily due to the decrease of ongoing revenues while ongoing expenses continue to increase. Please see the discussion below the table for specific details.

The following table shows the revenues, expenses, and changes in net assets for governmental and business-type activities:

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>
Revenues:						
Program revenues:						
Charges for services	\$ 72,539,707	\$ 72,743,095	\$ 4,496,408	\$ 4,325,972	\$ 77,036,115	\$ 77,069,067
Operating grants and contributions	287,562,269	295,815,325	528,000	540,360	288,090,269	296,355,685
Capital grants and contributions	-	-	2,189,182	2,296,465	2,189,182	2,296,465
General revenues:						
Property taxes	124,364,351	129,866,189	273,693	287,733	124,638,044	130,153,922
Other taxes	6,007,306	4,046,875	-	-	6,007,306	4,046,875
Intergovernmental	22,666,383	22,701,977	54,693	54,251	22,721,076	22,756,228
Interest and investment earnings	5,729,000	13,477,706	8,138	22,835	5,737,138	13,500,541
Other	16,497,109	14,487,535	63,418	119,989	16,560,527	14,607,524
Gain on sale of capital assets	229,676	-	300	-	229,976	-
<b>Total Revenues</b>	<b>535,595,801</b>	<b>553,138,702</b>	<b>7,613,832</b>	<b>7,647,605</b>	<b>543,209,633</b>	<b>560,786,307</b>
Expenses:						
General government	68,697,921	66,076,091	-	-	68,697,921	66,076,091
Public protection	175,498,575	167,025,179	-	-	175,498,575	167,025,179
Public ways and facilities	12,765,552	13,749,283	-	-	12,765,552	13,749,283
Health services	106,791,512	106,905,228	-	-	106,791,512	106,905,228
Public assistance	144,896,972	140,654,444	-	-	144,896,972	140,654,444
Education and recreation	21,109,579	21,958,611	-	-	21,109,579	21,958,611
Interest on long-term debt	12,124,643	13,010,423	-	-	12,124,643	13,010,423
Nut Tree Airport	-	-	2,241,236	2,022,955	2,241,236	2,022,955
Fouts Springs Youth Facility	-	-	3,713,188	3,649,876	3,713,188	3,649,876
<b>Total Expenses</b>	<b>541,884,754</b>	<b>529,379,259</b>	<b>5,954,424</b>	<b>5,672,831</b>	<b>547,839,178</b>	<b>535,052,090</b>
Excess before transfers	(6,288,953)	23,759,443	1,659,408	1,974,774	(4,629,545)	25,734,217
Transfers	163,667	208,907	(163,667)	(208,907)	-	-
Change in net assets	(6,125,286)	23,968,350	1,495,741	1,765,867	(4,629,545)	25,734,217
Net assets – beginning, as restated	634,823,596	612,233,169	15,220,494	13,454,627	650,044,090	625,687,796
<b>Net assets – ending</b>	<b>\$ 628,698,310</b>	<b>\$ 636,201,519</b>	<b>\$ 16,716,235</b>	<b>\$ 15,220,494</b>	<b>\$ 645,414,545</b>	<b>\$ 651,422,013</b>

**Revenues:** Total revenues for the County’s governmental activities decreased by \$17,542,901 or 3.17% from the prior year. The following factors contributed to the decrease:

### Operating grants and contributions:

Operating grants and contributions serve multiple programs representing 54% of the County's funding for governmental activities. These revenues decreased by 2.79% from the prior year primarily due to the following:

- Decrease in the public safety ½ cent sales tax revenues (referred to as Prop 172) due to decrease in sales because of the economic downturn.
- Decrease in the Transportation Fund due to fewer construction and repair projects in the current year funded by State and Federal grants. In addition, there was less highway users' tax revenue from the state due to poor economic conditions.

### General revenues:

General revenues decreased by 4.92% primarily due to the following:

- Decrease of \$5.5 million in property taxes due to the decline in assessed values of real property due to the troubled real estate market.
- The decrease in property taxes was partially offset by an increase of nearly \$2 million in sales and use taxes from one-time inflow of sales and use taxes.
- Interest and investment earnings were considerably less than prior year due to less cash and lower interest yield due to the struggling economy.
- Increase in the transfer from the Tax Loss Reserve by \$2.5 million to the General fund due to increase in penalties and interest from delinquent accounts.

**Expenses:** Total expenses for governmental activities increased by \$12.5 million or 2.36% from prior year. As a service delivery entity, the County's major cost component is salaries and benefits amounting to 50% of the total governmental expenses. Salaries and benefits expense increased across all functions by approximately \$18.8 million primarily due to salary adjustments, cost of living adjustments (COLA), additional staffing, retirement and health insurance costs. The increase in salaries and benefits were offset by an overall decrease in services and supplies of \$4.2 million as a result of the county departments' cost reduction efforts.

**Business-type activities.** Business-type activities increased the County's net assets by \$1,495,741 as a result of current year operations. The key element of this increase is due to the receipt of a \$2.1 million capital grant from the Federal Aviation Administration (FAA) for the Nut Tree Airport to finance the acquisition of real property.

### **Financial Analysis of the County's Funds**

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

**Governmental funds.** The general government functions are accounted for in the General Fund, Special Revenue Funds, Debt Service Funds, and Capital Projects Funds. The focus of the County's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At June 30, 2009, the County's governmental funds reported combined ending fund balances of \$245,125,316, a decrease of \$64,384,067 from prior year. Of the \$245,125,316, 71% (or \$172,944,856) constitutes unreserved fund balance, which is available for spending at the

County's discretion. The remainder of fund balance is reserved to indicate it is not available for spending because it has been committed: a) to reflect long-term assets that do not represent available spendable resources (\$9,652,719); b) to pay debt service fund (\$2,653,648); c) to liquidate contracts and purchase orders of the prior period (\$59,808,442); and d) for imprest cash (\$65,651).

The *General Fund* is the chief operating fund of the County. The General Fund's total fund balance decreased by \$12,668,150, or 10.5%, from prior year. At the end of the current fiscal year, unreserved fund balance of the General Fund was \$101,068,378, while total fund balance was \$107,977,520. Of the General Fund unreserved fund balance, \$53,777,404, or 53.2% was designated. The most significant designation is the general reserve of approximately \$46 million earmarked for future fiscal distress and emergencies.

As a measure of the General Fund's liquidity, it may be useful to compare both unreserved, undesignated fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 64% of the total General Fund expenditures while total fund balance represents 146% of that same amount.

The *Health and Social Services Fund*, a special revenue fund, had a minimal change in the fund balance in the current fiscal year.

The *Public Safety Fund*, a special revenue fund, had a net decrease in fund balance in the current fiscal year as a result of expenditures and transfers out exceeding revenues and transfers in by \$1.2 million as a result of a decline in revenues. While revenues declined, the cost of salaries and benefits continued to increase in the current year.

The *Accumulated Capital Outlay Fund*, a capital projects fund, had a net increase in fund balance of \$31.2 million in the current fiscal year due to the transfer of Tobacco Settlement Securitization funds to finance the construction of the South County Government Center and the Public Health Laboratory.

The *Pension Debt Service Fund*, had a significant decrease in fund balance of 23.4 million due to the early redemption of the 2004 Pension Obligation Bond Series B1 and B2.

The fund balance of Other Governmental Funds, decreased by approximately \$58.7 million primarily due to the classifications of the Accumulated Capital Outlay fund (\$30 million) and Pension Debt Service fund (\$13.7 million) presented as major funds in the current year while in the prior year they were presented as nonmajor funds.

For fiscal year ended June 30, 2009, the total revenues for governmental funds totaled \$547,730,000. This represents a 3.14% decrease from FY 07/08.

The following table presents revenues from various sources as well as increases or decreases from the prior year.

**Revenues Classified by Source  
Governmental Funds**

Revenues by Source	2009		2008		Increase (Decrease)	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Change
Taxes	\$ 134,613,147	24.58%	\$ 138,987,233	24.58%	\$ (4,374,086)	(3.15)%
Licenses, permits and franchises	6,690,257	1.22%	6,180,001	1.09%	510,256	8.26%
Fines, forfeitures and penalties	4,772,315	0.87%	5,458,554	0.97%	(686,239)	(12.57)%
Use of money and property	5,917,139	1.08%	13,022,335	2.30%	(7,105,196)	(54.56)%
Intergovernmental	301,278,100	55.00%	312,049,066	55.18%	(10,770,966)	(3.45)%
Charges for services	79,371,133	14.50%	77,340,255	13.68%	2,030,878	2.63%
Miscellaneous	15,087,909	2.75%	12,457,166	2.20%	2,630,743	21.12%
<b>Total</b>	<b>\$ 547,730,000</b>	<b>100.00%</b>	<b>\$ 565,494,610</b>	<b>100.00%</b>	<b>\$ (17,764,610)</b>	<b>(3.14)%</b>

Significant changes in the governmental funds' revenues were as follows:

- Taxes: The decrease of \$4,374,086 is attributable to a decrease in secured and supplemental taxes due to the decline in assessed values of real property resulting from the troubled real estate market.
- Use of money and property: The decrease of \$7,105,196 is due to less cash and lower interest yields due to the struggling economy.
- Intergovernmental: The decrease of \$10,770,966 is attributable to decreases in Prop 172 revenues resulting from decreased sales due to the economic downturn; decrease in federal grants due to the less construction projects in the current year; decrease in state sales tax realignment due to lower sales resulting from the struggling economy.
- Charges for services: The increase of \$2,030,878 is attributable to increase in administrative overhead revenue to all central service departments resulting from increased department costs and roll forward adjustment from prior year. The increase was partially offset by a decrease in billing for child health fees for Mental Health Early Periodic Screening Diagnosis & Treatment due to a reduction in state funding.
- Miscellaneous: The increase of \$2,630,743 is attributable to an increase in the amount transferred from the Tax Losses Reserve fund to the General Fund.

The following table presents expenditures by function compared to prior year amounts.

**Expenditures by Function  
Governmental Funds**

Expenditures by Function	2009		2008		Increase (Decrease)	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Change
General government	\$ 60,531,698	9.86%	\$ 57,450,491	10.31%	\$ 3,081,207	5.36%
Public protection	178,454,399	29.06%	170,321,250	30.55%	8,133,149	4.78%
Public ways and facilities	9,380,649	1.53%	9,925,757	1.78%	(545,108)	(5.49)%
Health services	107,488,354	17.50%	107,707,061	19.32%	(218,707)	(0.20)%
Public assistance	146,364,841	23.83%	141,943,318	25.46%	4,421,523	3.11%
Education and recreation	21,482,110	3.50%	22,292,796	4.00%	(810,686)	(3.64)%
Debt service – principal retirement	39,691,364	6.46%	11,685,419	2.10%	28,005,945	239.67%
Debt service – interest charges	12,870,803	2.10%	13,171,464	2.36%	(300,661)	(2.28)%
Capital outlay	37,841,019	6.16%	22,992,641	4.12%	14,848,378	64.58%
Total	<u>\$ 614,105,237</u>	<u>100.00%</u>	<u>\$ 557,490,197</u>	<u>100.00%</u>	<u>\$ 56,615,040</u>	<u>10.16%</u>

The following provides an explanation of the expenditures by function that changed significantly over the prior year.

- General government: The increase of \$3,081,207 is due primarily to salaries and benefits due to annual COLA and health insurance costs.
- Public protection: The increase of \$8,133,141 is due primarily to increases in salaries and benefits due to annual COLA, additional staffing, extra help and health insurance costs.
- Public assistance: The increase of \$4,421,523 is due primarily from increased cost for support/care of persons and individual providers resulting from increased caseload, specifically in medical, food stamps, foster care and In-Home Supportive Services.
- Debt service principal retirement: The increase of \$28,005,945 is due primarily from the redemption of the Pension Obligation Bond Series B2 & B3 and the redemption of the 1998 Certificates of Participation.
- Capital outlay: The net increase of \$14,848,378 is because of the construction costs related to the South County Government Center and the Public Health Laboratory Facility Project.

**Proprietary funds.** The County’s proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net assets of the Nut Tree Airport at the end of the year was a negative \$3,694,489 and the unrestricted net assets for the Fouts Springs Youth Facility was \$21,154. The Nut Tree Airport deficit fund balance is expected to be resolved through federal reimbursement in future years. Net assets for the Nut Tree Airport increased by \$1,697,908 and net assets for Fouts Springs Youth Facility decreased by \$202,167. The increase in net assets for the Nut Tree Airport was due primarily from the capital grant received from the Federal Aviation Administration (FAA) to finance the purchase of the land adjacent to the airport. The decrease in net assets for Fouts Springs Youth Facility was the result of increases in operating expenses primarily for salaries and benefits costs.

## **General Fund Budgetary Highlights**

The General Fund Budget (Original and Final versions) is reflected in the Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual, as presented on page 76 in the Required Supplementary Information (RSI) section of this report.

The County's final budget differs from the original budget as a result of supplemental appropriations approved during the year. Total budgeted revenues increased by \$1,183,055 or .55%, from the original budget. Total appropriations increased by \$3,000,325 or 3.61%, from the original budget. Actual revenues were less than the final budgeted revenues by \$9,499,099 or 4.43%. Actual expenditures were less than the final appropriations by \$12,198,210, or 14.17%. Significant factors affecting these changes were as follows:

### **Original Budget vs. Final Budget**

#### Appropriations:

Increases of \$3,000,325 in appropriations consist of various adjustments from individual departments within the General Fund.

- Resource Managements' appropriations were increased by \$1.3 million due primarily to increases in contract and professional services for the general plan update and other projects.
- General Services' appropriations were increased by \$505,000 in maintenance & contracted services for encumbrances from the prior year carried over to the current year.
- The Registrar of Voters' appropriations were by \$771,000 due to Statewide Special Election held in May 2009 which resulted in increased departmental costs.

### **Final Budget vs. Actual Amounts**

During the year, revenues recognized were less than budgetary revenue estimates by \$9.5 million and expenditures were less than appropriations by \$12.2 million, thus reducing the need to draw upon existing fund balance.

#### Revenue Variances:

- The unfavorable variance in taxes is primarily attributed to the secured and supplemental taxes. The impact of the real estate market downturn was greater than anticipated, especially in supplemental taxes which are difficult to project.
- Revenue from the use of money and property was considerably less than anticipated. Due to the struggling economy, interest yields were down. The General Fund's average daily cash balance fluctuated throughout the year due to the demands on the General Fund.

#### Expenditure Variances:

- General Services - \$2.71 million favorable variance primarily due to appropriations for salaries and benefits not spent due to vacant positions and staff turnover; contracted services did not materialize during the current year, and utilities costs were lower than anticipated.
- General Expenditures - \$3.77 million favorable variance primarily due to appropriations for other professional services for unanticipated programs resulting from the Board's priorities and contributions to non-county agencies which did not materialize in the current year.
- Resource Management - \$1.63 million favorable variance primarily due to salaries and

benefits savings from vacancies and contracted and professional services for various projects that did not materialize in the current fiscal year.

### Capital Asset and Debt Administration

**Capital assets.** The County’s capital assets for its governmental and business-type activities as of June 30, 2009, amount to \$485,086,477(net of accumulated depreciation). This investment in capital assets includes land, buildings, machinery and equipment, roads, and bridges. The total increase in the County’s capital assets for the current fiscal year was \$25,630,543 or 5.58%.

	Governmental Activities		Business-type Activities		Total		Increase (Decrease) Percent of change
	2009	2008	2009	2008	2009	2008	
Land	\$ 154,884,275	\$ 156,043,196	\$ 10,328,251	\$ 10,302,382	\$ 165,212,526	\$ 166,345,578	(0.68)%
Infrastructure	94,529,624	90,639,816	-	-	94,529,624	90,639,816	4.29%
Construction in progress	56,874,945	27,731,794	96,351	3,907,501	56,971,296	31,639,295	80.06%
Buildings	296,466,753	292,180,764	15,191,455	11,262,909	311,658,208	303,443,673	2.71%
Machinery and equipment	47,656,274	44,873,868	569,187	552,155	48,225,461	45,426,023	6.16%
Less: accumulated depreciation	(185,809,818)	(172,953,889)	(5,700,820)	(5,084,562)	(191,510,638)	(178,038,451)	7.57%
Total	<u>\$ 464,602,053</u>	<u>\$ 438,515,549</u>	<u>\$ 20,484,424</u>	<u>\$ 20,940,385</u>	<u>\$ 485,086,477</u>	<u>\$ 459,455,934</u>	5.58%

In the governmental activities, the significant increase is due to the construction in progress of various capital projects including the South County Government Center Project and the Public Health Laboratory Facility Project; the increase in machinery and equipment primarily due to the purchase of equipment for the Sheriff, Transportation, Library, Central Data Processing and Fleet Management. In the business-type activities, the significant increase in buildings and decrease in construction in progress is due to the completion of the parking apron at the Nut Tree Airport.

Additional information on the County’s capital assets can be found in Note III-E on pages 57 – 59 of this report.

**Long-term obligations.** At the end of the fiscal year, the County’s total debt outstanding for its governmental and business-type activities was \$261,865,957, which is entirely backed by the full faith and credit of the County.

	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
Notes payable	\$ 1,023,890	\$ 1,171,043	\$ 94,854	\$ 149,853	\$ 1,118,744	\$ 1,320,896
Capital leases	1,303,468	16,874	-	-	1,303,468	16,874
Certificates of participation	130,700,000	138,013,241	-	-	130,700,000	138,013,241
Pension obligation bonds	88,830,000	121,020,000	-	-	88,830,000	121,020,000
Self-insurance liability	9,719,080	10,565,011	-	-	9,719,080	10,565,011
Pollution remediation	1,074,260	-	-	-	1,074,260	-
Compensated absences	28,700,977	25,287,230	419,428	424,549	29,120,405	25,711,779
Total	<u>\$ 261,351,675</u>	<u>\$ 296,073,399</u>	<u>\$ 514,282</u>	<u>\$ 574,402</u>	<u>\$ 261,865,957</u>	<u>\$ 296,647,801</u>

The County’s total debt decreased by \$34,781,844 primarily due to the \$30 million early redemption of Pension Obligation Bonds (POB), \$2.8 million early redemption of the 1999 Certificates of Participation and other scheduled principal payments on long-term debt. The total decrease was offset by an increase in compensated absences of \$3.4 million.

The County maintains an “A2” rating from Moody’s and an “AA-” rating from Standard &

Poor's for general obligation debt.

State statutes limit the amount of general obligation debt a governmental entity may issue to 5% of its total assessed valuation. The County does not have any general obligation debt outstanding.

Additional information on the County's long-term debt can be found in Note I on pages 60 – 65 of this report.

### **Economic Factors and Next Year's Budgets and Rates**

- The unemployment rate for the County is currently 11.3%. This is comparable to the state's average unemployment rate of 11.6% (unadjusted, as of June 2009).
- The Board of Supervisors' (Board) policy for General Fund Contingency and Reserve allows the County to normalize the County's budget during periods of fiscal distress. During FY 09/10, the Board decreased the total unreserved designated fund balance by \$10.4 million. The \$10.4 million was used for the maintenance of capital facilities, employee leave pay off, and to mitigate the budget shortfall resulting from projected declining revenues.
- Due to the current economic climate, the County continues to proactively adjust its spending plan to closer align it to the prevailing revenue streams. The Board of Supervisors has directed appropriation reductions and has made tough decisions to ensure the County maintains its financial condition going forward. To adequately reflect the impacts of the real estate recession, the County budgeted for a 10% decline in property tax revenues for fiscal year 09/10. In addition, due to current economic uncertainty of the State of California, the County continues to set aside \$10 million to mitigate future State budget impacts.

### **Requests for Information**

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Auditor-Controller's Office, 675 Texas Street, Suite 2800, Fairfield, CA 94533.



**BASIC FINANCIAL STATEMENTS**

**COUNTY OF SOLANO, CALIFORNIA**  
**Statement of Net Assets**  
**June 30, 2009**

	<b>Primary Government</b>			<b>Component Units</b>	
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>	<b>Solano County Fair</b>	<b>Workforce Investment Board</b>
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and investments	\$ 272,736,016	\$ 251,820	\$ 272,987,836	\$ 1,327,025	\$ 254,560
Accounts receivable	4,920,481	60,858	4,981,339	137,518	326
Due from other agencies	78,823,951	310,045	79,133,996	198,587	359,905
Internal balances	3,577,797	(3,577,797)	-	-	-
Other assets	2,081,716	75,239	2,156,955	12,069	87,044
Total current assets	<u>362,139,961</u>	<u>(2,879,835)</u>	<u>359,260,126</u>	<u>1,675,199</u>	<u>701,835</u>
<b>Noncurrent assets</b>					
Long-term assets	6,998,481	-	6,998,481	-	-
OPEB asset	168,205	-	168,205	-	-
Pension asset	133,115,050	-	133,115,050	804,869	-
Capital assets:					
Capital assets, not being depreciated	211,759,220	10,424,602	222,183,822	167,085	-
Capital assets, being depreciated, net	252,842,833	10,059,822	262,902,655	1,653,974	9,022
Total noncurrent assets	<u>604,883,789</u>	<u>20,484,424</u>	<u>625,368,213</u>	<u>2,625,928</u>	<u>9,022</u>
Total assets	<u>\$ 967,023,750</u>	<u>\$ 17,604,589</u>	<u>\$ 984,628,339</u>	<u>\$ 4,301,127</u>	<u>\$ 710,857</u>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Outstanding warrants	\$ 6,273,662	\$ 21,705	\$ 6,295,367	\$ -	\$ 121,419
Payables	35,829,406	311,383	36,140,789	134,825	323,367
Unearned revenue	17,043,502	-	17,043,502	-	-
Other liabilities	2,355,068	40,880	2,395,948	54,657	-
Due to other agencies	15,522,392	104	15,522,496	-	195
Current portion of long-term obligations	23,273,825	183,078	23,456,903	19,674	140,000
Total current liabilities	<u>100,297,855</u>	<u>557,150</u>	<u>100,855,005</u>	<u>209,156</u>	<u>584,981</u>
<b>Noncurrent liabilities</b>					
Noncurrent portion of long-term obligations	238,027,585	331,204	238,358,789	779,055	18,461
Total liabilities	<u>338,325,440</u>	<u>888,354</u>	<u>339,213,794</u>	<u>988,211</u>	<u>603,442</u>
<b>NET ASSETS</b>					
Invested in capital assets, net of related debt	338,045,459	20,389,570	358,435,029	1,821,059	9,022
Restricted for:					
Debt service	2,653,648	-	2,653,648	-	-
Health services	19,571,915	-	19,571,915	-	-
Library services	13,380,749	-	13,380,749	-	-
Public facilities fees	23,980,726	-	23,980,726	-	-
Transportation services	7,097,117	-	7,097,117	-	-
Unrestricted	223,968,696	(3,673,335)	220,295,361	1,491,857	98,393
Total net assets	<u>628,698,310</u>	<u>16,716,235</u>	<u>645,414,545</u>	<u>3,312,916</u>	<u>107,415</u>
Total liabilities and net assets	<u>\$ 967,023,750</u>	<u>\$ 17,604,589</u>	<u>\$ 984,628,339</u>	<u>\$ 4,301,127</u>	<u>\$ 710,857</u>

The notes to the financial statements are an integral part of this statement.

**COUNTY OF SOLANO, CALIFORNIA**  
**Statement of Activities**  
**For the Fiscal Year Ended June 30, 2009**

<u>Functions/programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for services</u>	<u>Operating grants and contributions</u>	<u>Capital grants and contributions</u>
Primary Government:				
Governmental Activities:				
General government	\$ 68,697,921	\$ 28,899,543	\$ 6,005,806	\$ -
Public protection	175,498,575	19,694,270	59,609,357	-
Public ways and facilities	12,765,552	1,223,163	12,339,633	-
Health services	106,791,512	16,130,208	73,845,304	-
Public assistance	144,896,972	839,430	130,694,471	-
Education and recreation	21,109,579	5,753,093	5,067,698	-
Interest on long-term debt	12,124,643	-	-	-
Total Governmental Activities	<u>541,884,754</u>	<u>72,539,707</u>	<u>287,562,269</u>	<u>-</u>
Business-type Activities:				
Nut Tree Airport	2,241,236	1,292,875	126,544	2,189,182
Fouts Springs Youth Facility	3,713,188	3,203,533	401,456	-
Total Business-type Activities	<u>5,954,424</u>	<u>4,496,408</u>	<u>528,000</u>	<u>2,189,182</u>
Total Primary Government	<u>\$ 547,839,178</u>	<u>\$ 77,036,115</u>	<u>\$ 288,090,269</u>	<u>\$ 2,189,182</u>
Component Units:				
Solano County Fair	\$ 4,868,352	\$ 4,559,511	\$ 68,542	\$ -
Workforce Investment Board	5,293,986	-	5,262,793	-
Total Component Units	<u>\$ 10,162,338</u>	<u>\$ 4,559,511</u>	<u>\$ 5,331,335</u>	<u>\$ -</u>

General revenues:  
  Property taxes  
  Sales and use tax  
  Property transfer tax  
  Intergovernmental not restricted to specific programs  
  Interest and investment earnings  
  Other  
  Gain on sale of capital assets  
Transfers  
  Total general revenues and transfers  
  Change in net assets  
  Net assets - beginning, as restated  
  Net assets - ending

The notes to the financial statements are an integral part of this statement.

**COUNTY OF SOLANO, CALIFORNIA**  
**Statement of Activities**  
**For the Fiscal Year Ended June 30, 2009**

**Net (Expense) Revenue and Changes in Net Assets**

Primary Government			Component Units	
Governmental Activities	Business-type Activities	Total	Solano County Fair	Workforce Investment Board
\$ (33,792,572)	\$ -	\$ (33,792,572)	\$ -	\$ -
(96,194,948)	-	(96,194,948)	-	-
797,244	-	797,244	-	-
(16,816,000)	-	(16,816,000)	-	-
(13,363,071)	-	(13,363,071)	-	-
(10,288,788)	-	(10,288,788)	-	-
(12,124,643)	-	(12,124,643)	-	-
<u>(181,782,778)</u>	<u>-</u>	<u>(181,782,778)</u>	<u>-</u>	<u>-</u>
-	1,367,365	1,367,365	-	-
-	(108,199)	(108,199)	-	-
-	1,259,166	1,259,166	-	-
<u>(181,782,778)</u>	<u>1,259,166</u>	<u>(180,523,612)</u>	<u>-</u>	<u>-</u>
-	-	-	(240,299)	-
-	-	-	-	(31,193)
<u>-</u>	<u>-</u>	<u>-</u>	<u>(240,299)</u>	<u>(31,193)</u>
124,364,351	273,693	124,638,044	-	-
4,277,127	-	4,277,127	-	-
1,730,179	-	1,730,179	-	-
22,666,383	54,693	22,721,076	-	-
5,729,000	8,138	5,737,138	20,370	4,530
16,497,109	63,418	16,560,527	32,000	61,220
229,676	300	229,976	-	-
163,667	(163,667)	-	-	-
<u>175,657,492</u>	<u>236,575</u>	<u>175,894,067</u>	<u>52,370</u>	<u>65,750</u>
(6,125,286)	1,495,741	(4,629,545)	(187,929)	34,557
634,823,596	15,220,494	650,044,090	3,500,845	72,858
<u>\$ 628,698,310</u>	<u>\$ 16,716,235</u>	<u>\$ 645,414,545</u>	<u>\$ 3,312,916</u>	<u>\$ 107,415</u>

Primary Government:  
Governmental Activities:  
General government  
Public protection  
Public ways and facilities  
Health services  
Public assistance  
Education and recreation  
Interest on long-term debt  
Total Governmental Activities  
Business-type Activities:  
Nut Tree Airport  
Fouts Springs Youth Facility  
Total Business-type Activities  
Total Primary Government

Component Units:  
Solano County Fair  
Workforce Investment Board  
Total Component Units

The notes to the financial statements are an integral part of this statement.

**COUNTY OF SOLANO, CALIFORNIA**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2009**

	<u>General</u>	<u>Health &amp; Social Services</u>	<u>Public Safety</u>
<b>ASSETS</b>			
Cash and investments	\$ 77,137,891	\$ 15,958,142	\$ 7,605,011
Accounts receivable	2,151,286	202,917	521,367
Due from other agencies	33,208,035	31,226,563	9,223,986
Due from other funds	19,622,849	12,015,799	579,595
Advance to other funds	5,044,202	-	-
Other assets	795,573	221,057	207,884
Total assets	<u>\$ 137,959,836</u>	<u>\$ 59,624,478</u>	<u>\$ 18,137,843</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Outstanding warrants	\$ 946,157	\$ 2,610,764	\$ 512,594
Payables	4,053,708	13,746,645	6,482,708
Deferred revenue	12,472,678	25,236,862	3,349,386
Due to other funds	11,445,460	4,254,627	2,338,274
Advance from other funds	-	-	-
Other liabilities	14,820	132,590	-
Due to other agencies	1,049,493	13,926,422	301,914
Total liabilities	<u>29,982,316</u>	<u>59,907,910</u>	<u>12,984,876</u>
Fund balances:			
Reserved:			
Long-term assets	5,606,067	-	-
Debt service	-	-	-
Encumbrances	1,299,770	109,238	812,580
Imprest cash	3,305	51,284	7,325
Unreserved:			
Designated, reported in:			
General fund	53,777,404	-	-
Special revenue funds	-	-	-
Undesignated, reported in:			
General fund	47,290,974	-	-
Special revenue funds	-	(443,954)	4,333,062
Capital projects funds	-	-	-
Debt services funds	-	-	-
Total fund balances	<u>107,977,520</u>	<u>(283,432)</u>	<u>5,152,967</u>
Total liabilities and fund balances	<u>\$ 137,959,836</u>	<u>\$ 59,624,478</u>	<u>\$ 18,137,843</u>

The notes to the financial statements are an integral part of this statement.

**COUNTY OF SOLANO, CALIFORNIA**  
**Balance Sheet (Continued)**  
**Governmental Funds**  
**June 30, 2009**

<u>Accumulated Capital Outlay</u>	<u>Pension Debt Service Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>	
\$ 65,256,643	\$ 2,513,628	\$ 79,808,391	\$ 248,279,706	<b>ASSETS</b>
606,593	112,596	917,922	4,512,681	Cash and investments
890,994	170	4,274,087	78,823,835	Accounts receivable
1,712,030	504,045	129,418	34,563,736	Due from other agencies
537,770	-	-	5,581,972	Due from other funds
-	740,995	2,958,394	4,923,903	Advance to other funds
\$ 69,004,030	\$ 3,871,434	\$ 88,088,212	\$ 376,685,833	Other assets
				Total assets
				<b>LIABILITIES AND FUND BALANCE</b>
				Liabilities:
\$ 296,814	\$ -	\$ 554,279	\$ 4,920,608	Outstanding warrants
4,299,923	-	2,242,847	30,825,831	Payables
496,104	-	602,077	42,157,107	Deferred revenue
780,899	13,568,175	2,477,041	34,864,476	Due to other funds
800,000	-	115,035	915,035	Advance from other funds
1,745,521	-	462,137	2,355,068	Other liabilities
-	-	244,563	15,522,392	Due to other agencies
8,419,261	13,568,175	6,697,979	131,560,517	Total liabilities
				Fund balances:
				Reserved:
537,770	740,995	2,767,887	9,652,719	Long-term assets
-	-	2,653,648	2,653,648	Debt service
54,327,048	-	3,259,806	59,808,442	Encumbrances
-	-	3,737	65,651	Imprest cash
				Unreserved:
-	-	-	53,777,404	Designated, reported in:
-	-	4,315,970	4,315,970	General fund
				Special revenue funds
				Undesignated, reported in:
-	-	-	47,290,974	General fund
-	-	67,848,102	71,737,210	Special revenue funds
5,719,951	-	541,083	6,261,034	Capital projects funds
-	(10,437,736)	-	(10,437,736)	Debt services funds
60,584,769	(9,696,741)	81,390,233	245,125,316	Total fund balances
\$ 69,004,030	\$ 3,871,434	\$ 88,088,212		Total liabilities and fund balances

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	450,364,283
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	25,598,990
Deferred costs of issuance for debt used in governmental activities not financial resources and, therefore, are not reported in the internal service funds are used by management to charge the costs of Communications, Fleet Management, Risk Management, Information Technology and Reprographics. The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net assets.	3,664,964
The OPEB asset and the Pension asset of the governmental are not financial resources and, therefore, are not reported in the Long-term liabilities are not due and payable in the current period therefore, are not reported in the funds.	24,286,060
Accrued Long-term obligations	(3,043,650)
	(250,580,908)
Net assets of governmental activities	<u>\$ 628,698,310</u>

The notes to the financial statements are an integral part of this statement.

**COUNTY OF SOLANO, CALIFORNIA**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the Fiscal Year Ended June 30, 2009**

	<u>General</u>	<u>Health &amp; Social Services</u>	<u>Public Safety</u>
<b>REVENUES</b>			
Taxes	\$ 119,714,939	\$ -	\$ -
Licenses, permits and franchises	5,967,381	375,323	175,262
Fines, forfeitures and penalties	2,400,461	519,256	1,847,318
Use of money and property	2,445,515	214,346	282,427
Intergovernmental	25,643,279	198,792,512	52,886,070
Charges for services	39,623,472	16,406,314	8,980,656
Miscellaneous	9,217,710	2,605,746	1,794,607
Total revenues	<u>205,012,757</u>	<u>218,913,497</u>	<u>65,966,340</u>
<b>EXPENDITURES</b>			
Current:			
General government	54,718,751	-	-
Public protection	17,925,596	-	157,204,742
Public ways and facilities	-	-	-
Health services	-	101,083,143	-
Public assistance	634,655	145,730,186	-
Education and recreation	389,314	-	-
Debt service:			
Principal	160,485	-	85,879
Interest and other charges	4,505	-	29,199
Capital outlay	50,194	219,364	1,939,627
Total expenditures	<u>73,883,500</u>	<u>247,032,693</u>	<u>159,259,447</u>
Excess (deficiency) of revenues over (under) expenditures	<u>131,129,257</u>	<u>(28,119,196)</u>	<u>(93,293,107)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Debt proceeds	-	-	1,385,806
Transfers in	877,775	36,257,414	97,463,420
Transfers out	(144,779,690)	(7,726,580)	(6,723,127)
Sale of capital assets	104,508	-	7,449
Total other financing sources (uses)	<u>(143,797,407)</u>	<u>28,530,834</u>	<u>92,133,548</u>
Net change in fund balances	(12,668,150)	411,638	(1,159,559)
Fund balances - beginning, as restated	120,645,670	(695,070)	6,312,526
Fund balances - ending	<u>\$ 107,977,520</u>	<u>\$ (283,432)</u>	<u>\$ 5,152,967</u>

The notes to the financial statements are an integral part of this statement.

**COUNTY OF SOLANO, CALIFORNIA**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the Fiscal Year Ended June 30, 2009**

Accumulated Capital Outlay	Pension Debt Servie Fund	Other Governmental Funds	Total Governmental Funds	
\$ 1,856,541	\$ -	\$ 13,041,667	\$ 134,613,147	<b>REVENUES</b>
-	-	172,291	6,690,257	Taxes
-	-	5,280	4,772,315	Licenses, permits and franchises
1,460,631	(139,661)	1,653,881	5,917,139	Fines, forfeitures and penalties
2,078,747	-	21,877,492	301,278,100	Use of money and property
-	-	14,360,691	79,371,133	Intergovernmental
190,181	950,835	328,830	15,087,909	Charges for services
5,586,100	811,174	51,440,132	547,730,000	Miscellaneous
				Total revenues
				<b>EXPENDITURES</b>
				Current:
5,161,641	80,058	571,248	60,531,698	General government
-	-	3,324,061	178,454,399	Public protection
-	-	9,380,649	9,380,649	Public ways and facilities
-	-	6,405,211	107,488,354	Health services
-	-	-	146,364,841	Public assistance
-	-	21,092,796	21,482,110	Education and recreation
-	32,190,000	7,255,000	39,691,364	Debt service:
-	6,548,397	6,288,702	12,870,803	Principal
27,959,382	-	7,672,452	37,841,019	Interest and other charges
33,121,023	38,818,455	61,990,119	614,105,237	Capital outlay
				Total expenditures
(27,534,923)	(38,007,281)	(10,549,987)	(66,375,237)	Excess (deficiency) of revenues over (under) expenditures
				<b>OTHER FINANCING SOURCES (USES)</b>
-	-	-	1,385,806	Debt proceeds
59,644,277	14,565,155	15,061,316	223,869,357	Transfers in
(927,958)	-	(63,237,595)	(223,394,950)	Transfers out
-	-	19,000	130,957	Sale of capital assets
58,716,319	14,565,155	(48,157,279)	1,991,170	Total other financing sources (uses)
31,181,396	(23,442,126)	(58,707,266)	(64,384,067)	Net change in fund balances
29,403,373	13,745,385	140,097,499	309,509,383	Fund balances - beginning, as restated
\$ 60,584,769	\$ (9,696,741)	\$ 81,390,233	\$ 245,125,316	Fund balances - ending

The notes to the financial statements are an integral part of this statement.

**COUNTY OF SOLANO, CALIFORNIA**  
**Reconciliation of the Statement of Revenues,**  
**Expenditures, and Changes in Fund Balances of Governmental Funds**  
**to the Statement of Activities**  
**For the Fiscal Year Ended June 30, 2009**

Net change in fund balances - total governmental funds		\$ (64,384,067)
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>		
<p>Governmental funds report capital outlays 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. This is the amount by which capital outlay exceeded depreciation in the current period.</p>		
Capital outlay	37,841,019	
Depreciation expense	<u>(14,354,359)</u>	23,486,660
<p>The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net assets.</p>		
		(61,544)
<p>Revenues deferred in the governmental funds because they were not collected within the County's availability period, were recognized in the statement of activities.</p>		
		5,263,859
<p>The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. This amount is the net effect of these differences in the treatment of long-term debt and related items.</p>		
Debt issued	(1,385,806)	
Debt principal payments	<u>39,691,364</u>	38,305,558
<p>Some expenditures reported in governmental funds require the use of current financial resources but are not reported as expenses in the statement of activities.</p>		
Excess other postemployment benefit (OPEB) contributions	8,404	
Pollution remediation obligations	<u>145,553</u>	153,957
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.</p>		
Change in accrued interest payable	746,160	
Amortization expense	(1,808,128)	
Change in compensated absences	<u>(3,316,182)</u>	(4,378,150)
<p>Internal service funds are used by management to charge the costs of certain activities to individual funds. The change in net assets of the internal service funds is reported with governmental activities.</p>		
		<u>(4,511,559)</u>
Change in net assets of governmental activities		<u>\$ (6,125,286)</u>

The notes to the financial statements are an integral part of this statement.

**COUNTY OF SOLANO, CALIFORNIA**  
**Statement of Net Assets**  
**Proprietary Funds**  
**June 30, 2009**

	<b>Business-type Activities - Enterprise Funds</b>			<b>Governmental Activities - Internal Service Funds</b>
	<b>Nut Tree Airport</b>	<b>Fouts Springs Youth Facility</b>	<b>Total</b>	
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and investments	\$ 90,308	\$ 161,512	\$ 251,820	\$ 24,456,310
Accounts receivable	53,435	7,423	60,858	407,917
Due from other agencies	3,978	306,067	310,045	-
Due from other funds	4,719	112,233	116,952	437,793
Other assets	48,032	27,207	75,239	491,329
Total current assets	<u>200,472</u>	<u>614,442</u>	<u>814,914</u>	<u>25,793,349</u>
<b>Noncurrent assets</b>				
Capital assets:				
Land	10,308,251	20,000	10,328,251	-
Construction in progress	70,724	25,627	96,351	3,776,998
Buildings and improvements	10,795,227	4,396,228	15,191,455	936,683
Equipment	161,264	407,923	569,187	20,857,305
Less: accumulated depreciation	(3,919,468)	(1,781,352)	(5,700,820)	(11,333,216)
Total capital assets	<u>17,415,998</u>	<u>3,068,426</u>	<u>20,484,424</u>	<u>14,237,770</u>
Total assets	<u>\$ 17,616,470</u>	<u>\$ 3,682,868</u>	<u>\$ 21,299,338</u>	<u>\$ 40,031,119</u>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Outstanding warrants	\$ 15,554	\$ 6,151	\$ 21,705	\$ 1,353,054
Payables	129,168	182,215	311,383	1,959,925
Unearned revenue	-	-	-	485,385
Due to other funds	10,454	5,128	15,582	238,423
Other liabilities	40,880	-	40,880	-
Due to other agencies	-	104	104	-
Current portion of long-term obligations	59,529	123,549	183,078	2,097,775
Total current liabilities	<u>255,585</u>	<u>317,147</u>	<u>572,732</u>	<u>6,134,562</u>
<b>Noncurrent liabilities</b>				
Advances from other funds	3,679,167	-	3,679,167	987,770
Noncurrent portion of long-term obligations	55,063	276,141	331,204	8,622,727
Total noncurrent liabilities	<u>3,734,230</u>	<u>276,141</u>	<u>4,010,371</u>	<u>9,610,497</u>
Total liabilities	<u>3,989,815</u>	<u>593,288</u>	<u>4,583,103</u>	<u>15,745,059</u>
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt	17,321,144	3,068,426	20,389,570	14,237,770
Unrestricted	(3,694,489)	21,154	(3,673,335)	10,048,290
Total net assets	<u>13,626,655</u>	<u>3,089,580</u>	<u>16,716,235</u>	<u>24,286,060</u>
Total liabilities and net assets	<u>\$ 17,616,470</u>	<u>\$ 3,682,868</u>	<u>\$ 21,299,338</u>	<u>\$ 40,031,119</u>

The notes to the financial statements are an integral part of this statement.

**COUNTY OF SOLANO, CALIFORNIA**  
**Statement of Revenues, Expenses and Changes in Fund Net Assets**  
**Proprietary Funds**  
**For the Fiscal Year Ended June 30, 2009**

	<u>Business-type Activities - Enterprise Funds</u>			<u>Governmental Activities - Internal Service Funds</u>
	<u>Nut Tree Airport</u>	<u>Fouts Springs Youth Facility</u>	<u>Total</u>	
<b>OPERATING REVENUES</b>				
Charges for sales and services	\$ 1,292,875	\$ 3,203,533	\$ 4,496,408	\$ 30,978,324
<b>OPERATING EXPENSES</b>				
Personnel services	311,431	2,759,673	3,071,104	8,590,637
Maintenance	150,271	69,701	219,972	1,371,536
Materials and supplies	675,607	237,307	912,914	1,437,479
Depreciation	436,238	162,987	599,225	1,963,432
Insurance	12,083	55,956	68,039	8,385,209
Rent, utilities and others	477,783	427,564	905,347	14,812,337
Total operating expenses	<u>2,063,413</u>	<u>3,713,188</u>	<u>5,776,601</u>	<u>36,560,630</u>
Operating loss	<u>(770,538)</u>	<u>(509,655)</u>	<u>(1,280,193)</u>	<u>(5,582,306)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Intergovernmental	181,237	401,456	582,693	-
Investment earnings	5,910	2,228	8,138	595,164
Interest expense	(177,823)	-	(177,823)	-
Property taxes	273,693	-	273,693	-
Other revenue	12,211	51,207	63,418	626,058
Gain on sale of capital assets	-	300	300	160,265
Total nonoperating revenues, net	<u>295,228</u>	<u>455,191</u>	<u>750,419</u>	<u>1,381,487</u>
Loss before capital contributions and transfers	(475,310)	(54,464)	(529,774)	(4,200,819)
Capital contributions	2,189,182	-	2,189,182	-
Transfers in	-	-	-	143,826
Transfers out	(15,964)	(147,703)	(163,667)	(454,566)
Change in net assets	<u>1,697,908</u>	<u>(202,167)</u>	<u>1,495,741</u>	<u>(4,511,559)</u>
Total net assets - beginning	<u>11,928,747</u>	<u>3,291,747</u>	<u>15,220,494</u>	<u>28,797,619</u>
Total net assets - ending	<u>\$ 13,626,655</u>	<u>\$ 3,089,580</u>	<u>\$ 16,716,235</u>	<u>\$ 24,286,060</u>

The notes to the financial statements are an integral part of this statement.

**COUNTY OF SOLANO, CALIFORNIA**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Fiscal Year Ended June 30, 2009**

	<u>Business-type Activities - Enterprise Funds</u>			<b>Governmental Activities - Internal Service Funds</b>
	<b>Nut Tree Airport</b>	<b>Fouts Springs Youth Facility</b>	<b>Total</b>	
<b>Cash flows from operating activities:</b>				
Receipts from customers and users	\$ 1,413,291	\$ 3,153,462	\$ 4,566,753	\$ 778,320
Receipts from interfund services provided	-	-	-	30,640,486
Payments to suppliers	(1,356,240)	(791,936)	(2,148,176)	(26,698,768)
Payments to employees	(304,233)	(2,773,318)	(3,077,551)	(8,493,071)
Payments for interfund services used	9,806	(2,032)	7,774	95,466
Net cash provided (used) by operating activities	<u>(237,376)</u>	<u>(413,824)</u>	<u>(651,200)</u>	<u>(3,677,567)</u>
<b>Cash flows from noncapital financing activities:</b>				
Transfers in	-	-	-	143,826
Transfers out	(15,964)	(147,703)	(163,667)	(454,566)
Property taxes	273,693	-	273,693	-
Borrowings on advances from other funds	181,237	399,621	580,858	987,770
Net cash provided by noncapital financing activities	<u>438,966</u>	<u>251,918</u>	<u>690,884</u>	<u>677,030</u>
<b>Cash flows from capital and related financing activities:</b>				
Capital contributions	4,041,119	-	4,041,119	-
Interest paid	(177,823)	-	(177,823)	-
Debt principal paid	(54,999)	-	(54,999)	-
Repayments on advances from other funds	(4,033,473)	-	(4,033,473)	-
Acquisition of capital assets	(143,266)	-	(143,266)	(4,641,194)
Proceeds from sale of capital assets	-	300	300	176,636
Net cash provided (used) by capital and related financing activities	<u>(368,442)</u>	<u>300</u>	<u>(368,142)</u>	<u>(4,464,558)</u>
<b>Cash flows from investing activities:</b>				
Investment income	5,910	2,228	8,138	595,164
Net decrease in cash and cash equivalents	(160,942)	(159,378)	(320,320)	(6,869,931)
Cash and cash equivalents - beginning	251,250	320,890	572,140	31,326,241
Cash and cash equivalents - ending	<u>\$ 90,308</u>	<u>\$ 161,512</u>	<u>\$ 251,820</u>	<u>\$ 24,456,310</u>
<b>Reconciliation of operating loss to net cash provided (used) by operating activities:</b>				
Operating loss	\$ (770,538)	\$ (509,655)	\$ (1,280,193)	\$ (5,582,306)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:				
Depreciation	436,238	162,987	599,225	1,963,432
Other nonoperating revenue	12,211	51,207	63,418	626,058
Changes in assets and liabilities:				
(Increase) decrease in receivables, net	108,204	8,318	116,522	(60,843)
(Increase) in due from other funds	(4,719)	(112,233)	(116,952)	(207,792)
Decrease in due from other agencies	-	-	-	83,061
(Increase) in other assets	(2,258)	-	(2,258)	68,285
Increase (decrease) in outstanding warrants	(41,928)	1,706	(40,222)	1,323,410
Increase (decrease) in payables	82,297	(1,812)	80,485	(1,237,973)
Increase (decrease) in due to other funds	9,806	(2,032)	7,774	95,466
Increase (decrease) in due to other agencies	(11,397)	9	(11,388)	-
Increase (decrease) in accrued compensated absences	7,198	(12,319)	(5,121)	97,566
(Decrease) in self-insurance liability	-	-	-	(845,931)
(Decrease) in other liabilities	(62,490)	-	(62,490)	-
Total adjustments	533,162	95,831	628,993	1,904,739
Net cash provided (used) by operating activities	<u>\$ (237,376)</u>	<u>\$ (413,824)</u>	<u>\$ (651,200)</u>	<u>\$ (3,677,567)</u>
<b>Noncash investing, capital and financing activities:</b>				
Change in fair value of investments	\$ 339	\$ 606	\$ 945	\$ 91,989

The notes to the financial statements are an integral part of this statement.

**COUNTY OF SOLANO, CALIFORNIA**  
**Statement of Fiduciary Net Assets**  
**Fiduciary Funds**  
**June 30, 2009**

	<u>External Investment Trust</u>	<u>Private Purpose Trust</u>	<u>Agency Funds</u>
<b>ASSETS</b>			
Cash and investments	\$ 353,840,526	\$ 5,644,708	\$ 23,222,658
Property tax receivable	-	-	58,777,377
Property of estates	-	4,841,257	
Total assets	<u>\$ 353,840,526</u>	<u>\$ 10,485,965</u>	<u>\$ 82,000,035</u>
<b>LIABILITIES</b>			
Due to others	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 82,000,035</u>
<b>NET ASSETS</b>			
Net assets held in trust for:			
Individuals	-	10,485,965	
Pool participants	353,840,526	-	
Total net assets	<u>\$ 353,840,526</u>	<u>\$ 10,485,965</u>	

The notes to the financial statements are an integral part of this statement.

**COUNTY OF SOLANO, CALIFORNIA**  
**Statement of Changes in Fiduciary Net Assets**  
**Fiduciary Funds**  
**For the Fiscal Year Ended June 30, 2009**

	<u>External Investment Trust</u>	<u>Private Purpose Trust</u>
<b>ADDITIONS</b>		
Contributions on pooled investments	\$ 582,066,767	\$ 5,041,204
Other contributions/additions/deductions	91,107	2,401,282
Interest and investment income	<u>51,502,064</u>	<u>96,591</u>
Total additions	<u>633,659,938</u>	<u>7,539,077</u>
<b>DEDUCTIONS</b>		
Distributions from pooled investments	<u>695,171,408</u>	<u>2,799,383</u>
Change in net assets	(61,511,470)	4,739,694
Net assets - beginning, as restated	<u>415,351,996</u>	<u>5,746,271</u>
Net assets - ending	<u>\$ 353,840,526</u>	<u>\$ 10,485,965</u>

The notes to the financial statements are an integral part of this statement.

(This page intentionally left blank)

**COUNTY OF SOLANO, CALIFORNIA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

Solano County (the County) is a political subdivision of the State of California (the State). An elected, five-member Board of Supervisors (the Board) governs the County. The County defines its reporting entity in accordance with accounting principles generally accepted in the United States of America (GAAP), which provides guidance for determining which governmental activities, organizations, and functions should be included in the reporting entity. The accompanying financial statements present information on the activities of the reporting entity, including all fund types of the County (the primary government) and its component units.

GAAP requires that the component units be separated into blended or discretely presented units for reporting purposes. Although legally separate entities, blended component units are, in substance, part of the County's operations. Therefore, they are reported as part of the primary government. The primary government is financially accountable for these component units. Discretely presented component units are reported in a separate column in the financial statements to emphasize that they are legally separate from the County. Each blended and discretely presented component unit has a June 30 fiscal year-end except for the Solano County Fair, which has a December 31 year-end.

Component units blended in the County's financial statements include the Solano County Facilities Corporation, Solano County Building Corporation, Solano County Housing Authority and the East Vallejo Fire Protection District.

The Solano County Facilities Corporation (SCFC) was established for the purpose of providing financing for the acquisition and construction of property known as the Health & Social Services Administration Building. The SCFC's board consists exclusively of all five members of the County's Board of Supervisors.

The Solano County Building Corporation (SCBC) was established for the purpose of financing the construction of the Solano County Justice Facility and Public Building Improvement Project. The SCBC's board consists exclusively of all five members of the County's Board of Supervisors.

The Solano County Housing Authority (SCHA), under an agreement with the U.S. Department of Housing and Urban Development, provides housing assistance through the Section 8 Housing Assistance program for the unincorporated areas of Solano County and the cities of Dixon and Rio Vista. The County Board of Supervisors serves as the SCHA board.

The East Vallejo Fire Protection District provides fire protection services to the citizens of the unincorporated area in Vallejo. The County's Board of Supervisors governs the fire protection district.

The Solano County Fair (Fair), which is managed by the Solano County Fair Association (Fair Association), is a discretely presented component unit in the County's basic financial statements. The Fair is governed by a board of directors whose members are appointed by the County's Board of Supervisors. The Fair Association was formed solely to act as the County's agent in operating the county fair that provides services entirely to the general public. Also per GASB 14, the financial statements of

the Potential Component Unit (PCU) are not material to the financial statements of the Primary Government, and therefore, should not be included in the financial reporting entity.

The Workforce Investment Board (WIB) is a discretely presented component unit in the County's basic financial statements. WIB's primary responsibility is to involve the business community in employing and training economically disadvantaged and unemployed persons and to increase private sector employment opportunities for such persons. The WIB is fiscally dependent on the County because the WIB's budget is approved by the County's Board of Supervisors and the County is the primary recipient of the Workforce Investment Act (WIA) grant which represents a significant portion of the WIB's revenues.

Financial information for individual component units may be obtained at the County Auditor-Controller's Office.

The County Board of Supervisors is responsible for appointing the members of other organizations, but the County's accountability for these organizations does not extend beyond making the appointments. These organizations related to the County consist of the following special districts:

- The Cordelia Fire Protection District, Dixon Fire Protection District, Montezuma Fire Protection District, Suisun Fire Protection District and Vacaville Fire Protection District are fire protection districts that provide fire protection services to the citizens of the County. A five-member board appointed by the County Board of Supervisors governs each fire protection district, except for the Cordelia Fire Protection District, which is governed by an elected board.
- The Rio Vista-Montezuma Cemetery District, Silveyville Cemetery District, Suisun-Fairfield Rockville Cemetery District and Vacaville-Elmira Cemetery District are cemetery districts that provide burial services for all qualifying district residents and their families. A five-member board appointed by the County Board of Supervisors governs each cemetery district.
- The Dixon Resource Conservation District, Suisun Resource Conservation District and Solano Resource Conservation District develop and administer various resource conservation programs within the County. The County Board of Supervisors appoints the governing board for each of these districts.

These special districts related to the County are accounted for as an External Investment Trust Fund for reporting purposes (see Fiduciary Funds Statements).

For its business-type activities and proprietary funds, pursuant to Governmental Accounting Standards Board (GASB) Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, the County applies all applicable GASB pronouncements as well as any applicable pronouncements of the Financial Accounting Standards Board (the FASB), the Accounting Principles Board or any Accounting Research Bulletins issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements. The GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards, which along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units. Governments have the option of following private-sector guidance issued subsequent to November 30, 1989, as such the County has elected not to follow private-sector guidance subsequent to November 30, 1989.

## ***B. Government-wide and Fund Financial Statements***

The County's financial accounts are maintained in accordance with GAAP and the uniform accounting system for counties prescribed by the State Controller in compliance with the Government Code of the State of California.

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. The effect of interfund activity has been removed from these statements. 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 user fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. The primary government includes certain indirect costs as part of the program expenses reported for the various functional activities. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported 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.

## ***C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation***

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Agency funds report only assets and liabilities and, therefore, do not have a measurement focus. Agency funds, however, use the accrual basis of accounting to recognize receivables and payables.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 90 days of the end of the current fiscal period, except for property taxes, which the County considers available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, claims and judgments and pollution remediation are recorded only when payment is due.

Secured property taxes, franchise taxes, licenses, grants 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. All other revenue items are considered to be measurable and available only when the County receives cash.

The County reports the following major governmental funds:

The *General Fund* is the County's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *Health and Social Services Fund* is used to account for services to County residents in the areas of health, mental health, substance abuse, social services, employment assistance and public assistance.

The *Public Safety Fund* is used to account for services to County residents in the areas of legal representation, substance abuse, crime prevention, public protection and probation services.

The *Accumulated Capital Outlay Fund* is used to account for all other countywide capital projects not accounted for in a specific capital projects fund.

The *Pension Debt Service Fund* is used to account for the payment of debt used to prepay a portion of the County's Unfunded Actuarial Accrued Liability.

The County reports the following enterprise funds:

The *Nut Tree Airport Fund* (Airport) accounts for the operating activities and aviation services for commercial and recreational uses.

The *Fouts Springs Youth Facility Fund* (Fouts Springs) accounts for the activities of the youth correctional facility operated under a Joint Powers Agreement between the counties of Colusa and Solano.

Additionally, the government reports the following fund types:

*Internal Service Funds* account for management information systems, fleet management services, communications, reprographics and risk management services provided to other departments or agencies of the County, or to other governments, on a cost reimbursement basis.

The *External Investment Trust Fund* is used to account for the pooling of resources in an investment portfolio for external county agencies and legally separate participants.

The *Private Purpose Trust Funds* are used to account for escheat property under the responsibilities of Guardian/Conservator and Administrator.

The *Agency Funds* are used to account for assets held by the County in an agency capacity for other local government units.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements; however, such interfund services provided/used are not eliminated in the process of consolidation.

The amounts reported as program revenues in the statement of activities include (1) charges to customers or applicants for goods, services, or privileges provided, including special assessments, (2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating from nonoperating revenues and expenses. 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 Airport and Fouts Springs are charges to customers for sales and services. Operating expenses 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.

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then unrestricted resources as they are needed.

#### ***D. Fund Reclassification***

During the current fiscal year, the County evaluated the Law Library Fund included in the Public Safety Fund and determined this fund is more appropriately classified as an External Investment Trust Fund since it is governed by an independent Board of Trustees. Although the money collected for the law library must be deposited with the County Treasurer, it must be kept separate and cash disbursements are governed by the Board of Trustees. The County has reclassified the Law Library Fund as an External Investment Trust Fund. As a result of the reclassification the beginning fund balance of the Public Safety Fund and beginning net assets for governmental activities have been reduced by \$158,110.

#### ***E. Assets, Liabilities, and Net Assets or Equity***

##### ***1. Cash and Investments***

The County pools cash and investments with the County Treasurer except for investments held in trust agreements by bond paying agents under direction from the Treasurer. Interest from pooled cash and investments are allocated monthly to the various funds based on the average daily cash balances of the funds entitled to receive interest. It is the County's policy and practice to charge interest to funds which have a negative cash balance. Income from non-pooled investments is recorded based on the specific investments held by the fund. The interest income is recorded in the fund that earns the interest.

The County has stated required investments at fair value in the accompanying financial statements. The fair value of investments is based on independent third party pricing models, published market prices or quotations from licensed broker/dealer firms. The investments are marked to market and the net asset value is calculated for the County Treasurer's Investment Pool ("Pool") annually. For purposes of the statement of cash flows, proprietary funds consider all highly liquid investments with a remaining maturity of three months or less at the time of acquisition including pooled amounts in the County Treasury to be cash equivalents.

The Pool values participants' shares on a par value. Specifically, the Pool distributes income to participants based on their relative participation during the period. Net income is calculated and apportioned to the funds based on (1) realized investment gains and losses, (2) accrual based interest income earned, (3) amortization of discounts and premiums on a level yield basis, and (4) investment and administrative expenses. This method differs from the fair value method used to value investments in

these financial statements because the amortized cost method is not designed to distribute to participants all unrealized gains and losses in the fair values of the Pool's investments.

The Treasurer invests on behalf of most funds of the County and external participants in accordance with the County's investment policy and the California State Government Code. The County Treasurer who reports on a quarterly basis to the Board of Supervisors manages the Pool. In addition, the function of the County Treasury Oversight Committee is to review and monitor the County's investment policy and to monitor compliance with the investment policy and reporting provisions of the law.

The Pool is comprised of two components: a) pooled deposits and investments and b) dedicated investment funds. The dedicated investment funds represent funds that are held in trust under escrow agreements with County Bond Holders.

The public school districts as well as fire, cemetery districts, pest control districts, park and recreation reclamation, and other special districts within the County are allowed and in most cases required by legal provisions to participate in the County's investment pool. The deposits held for these districts are included in the External Investment Trust.

The County's cash and investments include \$5,644,708 at June 30, 2009 for Private Purpose Trust Funds. The County provides personal and financial services to individuals who are not able to manage their own affairs. The Public Administrator and Public Guardian administer the funds for individuals who are either deceased or incapacitated. The County also administers funds for adults and juveniles who are incarcerated.

The County has not provided nor obtained any legally binding guarantees during the fiscal year ended June 30, 2009, to support the value of shares in the Pool.

## **2. *Interfund Receivables and Payables***

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year 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 business-type activities are reported in the government-wide financial statements as "internal balances."

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

## **3. *Property Tax Levy, Collection and Maximum Rates***

The County is responsible for assessing, collecting and apportioning property taxes. Article XIII A of the California Constitution (Proposition 13) provides that the combined maximum property tax rate on any given property may not exceed one percent of its assessed value unless an additional amount for general obligation debt has been approved by voters. Assessed value is calculated at 100% of market value as defined by Article XIII A and may be adjusted upward by no more than two percent per year unless the property is sold or transferred. The State Legislature has determined the method of distribution of receipts from the tax levy among the counties, cities, school districts and other districts.

The County assesses properties and bills for and collects property taxes as follows:

	Secured	Unsecured
Valuation/lien dates	January 1	January 1
Levy dates	October 1	July 1
Due dates	50% on November 1, 50% on February 1	August 1
Delinquent dates	December 11 (for November) April 11 (for February)	August 31

The term "unsecured" refers to taxes on personal property other than land and buildings. These taxes are enforced by liens on the property being taxed.

The County uses the advance apportionment method of accounting for apportioning property taxes, commonly referred to as the Teeter Plan, as provided in the State Revenue and Taxation Code Section 4701-4717. Under this method, anticipated secured property tax monies are advanced to the various county funds and governmental agencies prior to the collection of such monies from the taxpayers.

#### **4. *Other Assets***

The County reports inventory in the other asset category. The County values inventory at cost using the first-in/first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when purchased rather than when consumed. Also, included in the other assets are prepaid costs which are payments made to vendors for costs that benefit future periods.

#### **5. *Long-term Assets***

The County reports receivables greater than one year as long-term assets, including receivables arising from loan subsidy programs.

#### **6. *Capital Assets***

Capital assets, which include property, plant, equipment and infrastructure (e.g., roads, bridges and easements), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the County as assets with an initial cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at their fair value on the date of donation. The County has not reported infrastructure assets acquired prior to fiscal year ended June 30, 1980.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Property, plant, equipment, and depreciable infrastructure assets of the primary government and its component units, are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Bridges	99
Computer equipment	3-7
Office equipment	3-7
Specialty equipment and vehicles	2-20
Construction equipment	10-20
Buildings and improvements	10-40
Roads (surface only)	10-20

**7. *Federal, State and Local Grants***

Proprietary fund grants received for operating assistance are recorded as nonoperating revenues in the year in which the grants are expended and the related grant conditions are met. Governmental fund grants are recorded as revenues in the year they become both measurable and available and when all eligibility requirements imposed by the provider have been met. The County uses a 90-day availability period. Funds received that do not meet this criterion are recorded as deferred revenue in the governmental funds financial statements.

**8. *Outstanding Warrants***

Outstanding warrants represent the amount of warrants issued but not yet presented to the County for payment. Such amounts are recorded in the individual funds. When warrants are mailed, expenditures are recorded in the individual funds and an outstanding warrant liability is created, pending payment of the warrant.

**9. *Due To/Due From Other Agencies***

Included in "Due to/due from other agencies" are amounts owed to/by governmental entities outside the reporting entity.

**10. *Deferred/Unearned Revenue***

Deferred/unearned revenue represents financial resources received before qualifying expenditures are made. These resources are advances from the State of California and the federal government for costs of various programs administered by the County. Deferred/unearned revenue also represents receivables recorded before the revenue availability criterion has been met as disclosed in Note III-B.

**11. *Compensated Absences***

Vested unused vacation hours may be accumulated and, if not taken, is paid at the date of termination from County employment. All leave balances are accrued when earned in the government-wide and proprietary fund financial statements. Expenditures for these amounts are reported in the governmental funds as employees terminate. In addition, upon retirement, eligible employees can elect to cash out their unused sick leave balance (up to a maximum of 500 hours) and/or apply all or a portion of their sick leave balance to CalPERS service credit, or apply all of their sick leave balance to a retirement health savings account. Payments for accrued compensated absences at termination or retirement are paid and liquidated by the respective Fund.

## **12. Long-term Obligations**

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term debt obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary funds statement of net assets. Bond premiums/discounts, issuance costs and the deferred amount on the refunding (i.e., the difference between the carrying amount of defeased debt and its reacquisition price) are deferred and amortized over the life of the bonds using the straight-line method. The deferred amount on refunding is reported as a direct reduction or increase to the carrying amount of the refunding debt, similar to bond premiums/discounts. Bond issuance costs are reported as a component of long-term assets and amortized over the term of the related debt.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

## **13. Net Assets/Fund Balances**

The government-wide and proprietary fund financial statements utilize a net assets presentation. Net assets are categorized as invested in capital assets - net of related debt, restricted and unrestricted.

- *Invested in capital assets, net of related debt* – This category groups all capital assets, including infrastructure, into one component of net assets. Accumulated depreciation and the outstanding balances of debt attributable to the acquisition, construction or improvement of these assets reduce the balance in this category.
- *Restricted for: Debt service* – This category represents external restrictions imposed by the trust agent as stated in the bond indenture agreements for the issuance and repayment of long-term debt.
- *Restricted for: Health services* – This category represents external restrictions imposed by grantors, contributors and restrictions imposed by law through constitutional provisions for the implementation of various health and social services programs.
- *Restricted for: Library services* – This category represents external restrictions imposed by grantors, contributors and restrictions imposed by law through constitutional provisions for increased library services to the public.
- *Restricted for: Public facilities fees* – This category represents restrictions imposed by county code to collect fees due to the increase needs in County public facilities.
- *Restricted for: Transportation services* – This category represents external restrictions imposed by creditors, grantors, and laws or regulations of other governments to provide transportation facilities and services for the public.
- *Unrestricted* – This category represents net assets of the County, not restricted for any project or other purpose.

The government-wide statement of net assets reports \$66,684,155 of restricted net assets, of which \$23,980,726 is restricted by enabling legislation.

In the fund financial statements, reservations and designations segregate portions of fund balance that are either not available for appropriation or have been earmarked for specific purposes. The various reserves and designations are established by GAAP, bond indenture agreements and by actions of the Board and/or management.

As of June 30, 2009, reservations of fund balance are described below:

- *Long-term assets* – to reflect the amounts due from others that are long-term in nature. Such amounts do not represent available spendable resources.
- *Debt service* – to reflect the funds held by trustees or fiscal agents for future payment of principal and interest required by the indenture agreement. These funds are not available for general operations.
- *Encumbrances* – to reflect the outstanding contractual obligations for which goods and services have not been received as of June 30, 2009.
- *Imprest cash* – to reflect the portion of assets set aside for imprest funds.

As of June 30, 2009, the portion of fund balance classified as unreserved is described below:

- *Designated, reported in: General fund* – funds set aside by the Board for general purposes consists of General Reserves (\$46,067,740) to be used during times of financial distress; Unfunded Employee Leave Payoffs (\$7,200,000) and Deferred Maintenance (\$509,664) for upkeep and maintenance costs of capital assets.
- *Designated, reported in: Special Revenue funds* – funds set aside by the Board for health programs (\$1,802,457), library equipment (\$763,513) and library debt service (\$1,750,000).
- *Undesignated* – to reflect the fund balance available in the respective funds.

#### **14. Use of Estimates**

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

#### **F. Implementation of New Accounting Standards**

##### **GASB Statement No. 49**

Effective July 1, 2008, the County implemented GASB Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*. This statement requires that governments account for, report and address the current or potential detrimental effects of existing pollution. The government is required to estimate the components of expected pollution remediation outlays if one of the five specific obligating events occurs as disclosed in Note III-J.

A prior period adjustment of \$1,219,813 was made to reduce the beginning net assets of governmental activities as a result of the implementation of GASB Statement No. 49.

## II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

### Explanation of certain differences between the governmental funds balance sheet and the government-wide statement of net assets

The governmental funds balance sheet includes a reconciliation between *fund balances-total governmental funds* and *net assets-governmental activities* as reported in the government-wide statement of net assets. One element of that reconciliation explains that “Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.” The details of this \$450,364,283 difference are as follows:

Land, not being depreciated	\$ 154,884,275
Construction in progress	53,097,947
Infrastructure, net of \$41,556,202 accumulated depreciation	52,973,422
Buildings, net of \$115,538,570 accumulated depreciation	179,991,501
Machinery and equipment, net of \$17,381,831 accumulated depreciation	<u>9,417,138</u>
Net adjustment to increase <i>fund balances-total governmental funds</i> to arrive at <i>net assets-governmental activities</i>	<u>\$ 450,364,283</u>

Another element of that reconciliation explains that “long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.” The details of this \$250,580,908 difference are as follows:

Notes payable	\$ 1,023,890
Capital leases	1,303,468
Certificates of participation	130,700,000
Less: Deferred amount on refunding	(2,677,788)
Less: Issuance discount	(172,859)
Add: Issuance premium	2,800,382
Pension obligation bonds	88,830,000
Pollution remediation obligation	1,074,260
Compensated absences	<u>27,699,555</u>
Net adjustment to reduce <i>fund balances – total governmental funds</i> to arrive at <i>net assets – governmental activities</i>	<u>\$ 250,580,908</u>

### III. DETAILED NOTES ON ALL FUNDS

#### A. Cash and Investments

The County's cash and investments at June 30, 2009 were as follows:

	<u>Fair Value</u>
<b>County Deposits</b>	<u>\$ 5,572,165</u>
<b>County Investments</b>	
Money Market Mutual Funds	74,677,134
Negotiable Certificate of Deposit	5,000,000
Local Agency Investment Fund (LAIF)	39,135,784
Investment Trust of California (CalTRUST)	64,922,229
California Asset Management Program (CAMP)	17,346,982
Corporate Notes	73,907,498
Mortgage Pass-through	184,093
U.S. Federal Agency Notes	
Federal Farm Credit Bank	43,373,989
Federal Home Loan Bank	161,099,708
Federal Home Loan Mortgage Corporation	84,390,559
Federal National Mortgage Association	48,818,906
U.S. Treasury Notes	14,288,750
Municipal Notes	<u>16,600,000</u>
<b>Total County Investments</b>	<u>643,745,632</u>
<b>Total County Treasury</b>	<u>649,317,797</u>
<b>Cash and Investments with Fiscal Agents</b>	
Imprest cash	68,421
Cash in bank	484,709
Held with others	
Money Market Mutual Funds	<u>7,406,386</u>
<b>Total Cash and Investments with Fiscal Agents</b>	<u>7,959,516</u>
<b>Total Cash and Investments</b>	<u>\$ 657,277,313</u>

Reconciliation to financial statements:

Government-wide Statement of Net Assets	\$	272,987,836
Statement of Fiduciary Net Assets:		
External Investment Trust		353,840,526
Private Purpose Trust		5,644,708
Agency Funds		23,222,658
Component Units:		
Solano County Fair		1,327,025
Workforce Investment Board		254,560
		<hr/>
Total	\$	<u>657,277,313</u>

The County Treasurer manages cash and investments of the County. The County Treasurer maintains an investment pool used for substantially all funds held by the County except for specified funds, which by law must be segregated. Cash and investments held by third party fiscal agents are legally or contractually restricted for specific purposes and consist primarily of debt reserve requirements.

The County is a voluntary participant in the State of California Local Agency Investment Fund (LAIF). The total amount invested by all public agencies in LAIF as of June 30, 2009 was \$25.2 billion. At June 30, 2009, the County's investment to LAIF is \$39.1 million. LAIF is part of the State of California's Pooled Money Investment Account (PMIA), which, as of June 30, 2009 had a balance of \$50.7 billion. PMIA is not SEC registered, but is required to invest according to California State Government Code. The weighted average to maturity of PMIA investments was 235 days as of June 30, 2009. The Local Investment Advisory Board (LIAB) has oversight responsibility for LAIF. The LIAB consists of five members as designated by state statute. The value of the pool shares in LAIF, which may be withdrawn, is determined on an amortized cost basis, which is different than the fair value of the County Treasurer's portion of the pool. Included in PMIA's investment portfolio are certain derivative securities or similar products in the form of structured notes totaling \$5.1 billion, and asset-backed securities totaling \$2.3 billion.

***1. Authorized Investments***

Statutes authorize the County to invest in obligations of the U.S. Government securities, U.S. Government agencies and instrumentalities, certificates of deposit of nationally or state-chartered banks or savings institutions, commercial paper rated A-1 by Standard and Poor's Corporation or P-1 by Moody's Commercial Paper Record, bankers' acceptances, medium term corporate notes, mortgage pass-through, repurchase agreements, reverse repurchase agreements, municipal bonds, mutual funds as permitted by the California Government Code, California State Treasurer's investment pool (LAIF), and shares of beneficial interest issued by Joint Power Authorities that invest in allowable securities.

## 2. Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment or a deposit. As a means of limiting its exposure to fair value losses arising from rising interest rates, the County's investment policy mitigates its exposure to interest rate risk by:

- Structuring the portfolio so securities mature to meet the cash requirements of the pool participants and laddering call dates and maturities.
- Maintaining a portion of the County's investment portfolio in short-term investments (1 year or less to maturity), which have a minimum interest rate risk.

At June 30, 2009, the weighted average to maturity of the Treasurer's Pool was 457 days.

The fair value of the County's investments as of June 30, 2009 are as follows:

	Fair Value	Investment Maturities Fair Value (in Years)		
		Less than 1	1 to 5	More than 5
<b>County Investments</b>				
Money Market Mutual Funds	\$ 74,677,134	\$ 74,677,134	\$ -	\$ -
Negotiable Certificates of Deposits	5,000,000	5,000,000	-	-
LAIF	39,135,784	39,135,784	-	-
CalTRUST	64,922,229	64,922,229	-	-
CAMP	17,346,982	17,346,982	-	-
Corporate Notes	73,907,498	48,764,068	25,143,430	-
Mortgage Pass-through	184,093		184,093	
U.S. Federal Agency Notes				
Federal Farm Credit Bank	43,373,989	41,210,864	2,163,125	-
Federal Home Loan Bank	161,099,708	94,937,863	66,161,845	-
Federal Home Loan Mortgage Corporation	84,390,559	13,075,377	71,315,182	-
Federal National Mortgage Association	48,818,906	33,706,406	15,112,500	-
U.S. Treasury Notes	14,288,750	-	14,288,750	-
Municipal Notes	16,600,000	-	-	16,600,000
<i>Total County Investments</i>	<u>643,745,632</u>	<u>432,776,707</u>	<u>194,368,925</u>	<u>16,600,000</u>
<b>Investments with Fiscal Agent</b>				
Money Market Mutual Funds	5,504,801	5,504,801	-	-
<b>Total Investments</b>	<u>\$ 649,250,433</u>	<u>\$ 438,281,508</u>	<u>\$ 194,368,925</u>	<u>\$ 16,600,000</u>

In accordance with California Government Code Section 53601, any investment with a maturity in excess of five years requires the express authorization of the County's Board of Supervisors. Pursuant to resolution by the Board of Supervisors on March 24, 2009, the County Treasury purchased local agency notes issued by California State Private Placement which mature in April 2029.

## 3. Credit Risk

Credit risk is the risk of loss due to the failure or credit downgrade of an issuer or backer. State law limits investments in commercial paper and corporate bonds to the top two ratings issued by nationally

recognized statistical rating organizations. The County’s investment policy mitigates its exposure to credit risk by:

- Limiting purchases to “investment grade securities”.
- Diversifying the portfolio so the failure or downgrade of an individual security will have a minimal impact on the portfolio as a whole.
- Performing ongoing reviews of economic or financial conditions that may impact the credit of a single issuer or a market segment of issuers.
- When the County Treasurer deems necessary, an in-depth analysis on the credit quality of an individual issuer within the portfolio will be conducted, and based on the findings, the County Treasurer may elect to retain the securities in question or sell them.

At June 30, 2009, the County’s credit risks, expressed as a percentage of total investments, are as follows:

Investment Type	Credit Rating S&P	% of Investments
<b>County Investments</b>		
Money Market Mutual Funds	AAA	11.50%
Negotiable Certificate of Deposit	AA	.77%
LAIF	Not Rated	6.03%
CalTRUST	AAA	10.00%
CAMP	AAA	2.67%
Corporate Notes	A	3.33%
Corporate Notes	A+	0.77%
Corporate Notes	AA	1.88%
Corporate Notes	AA-	2.46%
Corporate Notes	AA+	0.76%
Corporate Notes	AAA	2.18%
Mortgage Pass-through	AAA	.03%
U.S. Federal Agency Notes		
Federal Farm Credit Bank	AAA	6.68%
Federal Home Loan Bank	AAA	24.81%
Federal Home Loan Mortgage Corporation	AAA	13.00%
Federal National Mortgage Association	AAA	7.52%
U.S. Treasury Notes	AAA	2.20%
Municipal Notes	A	2.56%
<b>Investments with Fiscal Agents</b>		
Money Market Mutual Funds	Aaa	0.85%
Total		100.00%

#### 4. Concentration of Credit Risk

The County's investment policy has no limitation on the amount that can be invested in any one issuer beyond what is stipulated by the California Government Code. Investments in any one issuer (other than Money Market Mutual Funds, U.S. Treasury Securities, or external investment pools) that represent 5% or more of the total investments of the County are as follows:

<u>Investment Type</u>	<u>Fair Value</u>
Federal Farm Credit Bank	\$ 43,373,989
Federal Home Loan Bank	161,099,708
Federal Home Loan Mortgage Corporation	84,390,559
Federal National Mortgage Association	48,818,906

#### 5. Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the County's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law. The market value of the pledged securities in the collateral pool must equal at least 102% of the total amount deposited by the public agencies. California law also allows financial institutions to secure deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

#### 6. Treasury Investment Pool

A summary of the investments held by the Treasurer's Pool as of June 30, 2009 is as follows:

<u>Investment</u>	<u>Fair Value</u>	<u>Principal</u>	<u>Interest Rate Range</u>	<u>Maturity Range (Month/Year)</u>
Money Market Mutual Funds	\$ 74,677,134	\$ 74,650,915	0.010 - 0.082%	08/09
Negotiable Certificate Of Deposits	5,000,000	4,994,728	1.319	04/10
LAIF	39,135,784	39,135,784	1.377	07/09
CalTRUST	64,922,229	64,756,409	0.892 - 1.513	07/09
CAMP	17,346,982	17,346,982	0.557	07/09
Corporate Notes	73,907,498	73,939,632	0.234 - 5.167	07/09 - 03/12
Mortgage Pass-through	184,093	184,093	0.837 - 1.486	10/11 - 10/12
U.S. Federal Agency Notes	337,683,162	335,645,323	0.000 - 5.032	07/09 - 01/13
U.S Treasury Notes	14,288,750	14,205,121	1.120	08/10
Municipal Notes	16,600,000	16,600,000	3.176	04/29
	<u>\$ 643,745,632</u>	<u>\$ 641,458,987</u>		

The following represents a condensed statement of net assets and changes in net assets for the Treasurer's Pool as of June 30, 2009:

<b>Statement of net assets</b>	
Net assets held in trust for all pool participants	\$ 642,901,011
Equity of internal pool participants	\$ 289,060,485
Equity of external pool participants	353,840,526
Total equity	<u>\$ 642,901,011</u>
<b>Statement of changes in net assets</b>	
Net assets as of July 1, 2008	\$ 730,587,174
Net change in investments by pool participants	<u>(87,686,163)</u>
Net assets as of June 30, 2009	<u>\$ 642,901,011</u>
Reconciliation to financial statements	
Held by County Treasurer:	
Primary government	\$ 648,222,543
Component units:	
Solano County Fair	855,362
Workforce Investment Board	<u>239,892</u>
	649,317,797
Less outstanding warrants:	
Primary government	6,295,367
Component unit-Workforce Investment Board	<u>121,419</u>
Total	<u>\$ 642,901,011</u>

**B. Receivables/Deferred Revenue**

Governmental funds report deferred revenue in connection with receivables for revenues not considered available to liquidate liabilities of the current period. Governmental and enterprise funds also defer revenue recognition in connection with resources that have been received, but not yet earned.

At June 30, 2009, the various components of deferred revenue were as follows:

Fund	Unavailable	Unearned	Total
General	\$ 11,912,384	\$ 560,294	\$ 12,472,678
Health & Social Services	11,385,935	13,850,927	25,236,862
Public Safety	1,855,400	1,493,986	3,349,386
Accumulated Capital Outlay	160,103	336,001	496,104
Other Governmental Funds	285,168	316,909	602,077
Internal Service Fund	-	485,385	485,385
Total deferred revenue	<u>\$ 25,598,990</u>	<u>\$ 17,043,502</u>	<u>\$ 42,642,492</u>

**C. Due To/Due From Other Funds**

The composition of the interfund balances as of June 30, 2009 were as follows:

		Due To									
		General	Health & Social Services	Public Safety	Accumulated Capital Outlay	Pension Debt Service	Other Governmental	Nut Tree Airport	Fouts Springs Youth Facility	Internal Service Funds	Total
Due From	General	\$ -	\$ 3,484,818	\$ 1,672,219	\$ 780,899	\$ 13,567,675	\$ 107,062	\$ 9,773	\$ -	\$ 403	\$ 19,622,849
	Health & Social Services	9,311,829	-	299,654	-	324	2,323,433	-	-	80,559	12,015,799
	Public Safety	237,277	341,869	-	-	176	-	-	-	273	579,595
	Accumulated Capital Outlay	1,565,059	-	-	-	-	12,529	-	-	134,442	1,712,030
	Pension Debt Service	70,298	182,926	196,304	-	-	33,801	681	5,128	14,907	504,045
	Other Governmental	-	128,888	-	-	-	216	-	-	314	129,418
	Nut Tree Airport	4,719	-	-	-	-	-	-	-	-	4,719
	Fouts Springs Youth Facility	-	-	112,233	-	-	-	-	-	-	112,233
	Internal Service	256,278	116,126	57,864	-	-	-	-	-	7,525	437,793
	<b>Total</b>	<b>\$ 11,445,460</b>	<b>\$ 4,254,627</b>	<b>\$ 2,338,274</b>	<b>\$ 780,899</b>	<b>\$ 13,568,175</b>	<b>\$ 2,477,041</b>	<b>\$ 10,454</b>	<b>\$ 5,128</b>	<b>\$ 238,423</b>	<b>\$ 35,118,481</b>

The outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

**D. Advances To/From Other Funds**

The composition of the Advances to/from other funds as of June 30, 2009 were as follows:

		Advances From				
		Accumulated Capital Outlay	Other Governmental	Nut Tree Airport	Internal Service Fund	Total
Advances To	General	\$ 800,000	\$ 115,035	\$ 3,679,167	\$ 450,000	\$ 5,044,202
	Accumulated Capital Outlay	-	-	-	537,770	537,770
	<b>Total</b>	<b>\$ 800,000</b>	<b>\$ 115,035</b>	<b>\$ 3,679,167</b>	<b>\$ 987,770</b>	<b>\$ 5,581,972</b>

## E. Capital Assets

Capital assets activity for the fiscal year ended June 30, 2009 is as follows:

<b>Governmental Activities</b>	<b>Beginning Balance</b>	<b>Additions &amp; Transfers-in</b>	<b>Retirements &amp; Transfers-out</b>	<b>Ending Balance</b>
Capital assets, not being depreciated:				
Land	\$ 156,043,196	\$ 378,430	\$ (1,537,351)	\$ 154,884,275
Construction in progress	27,731,794	34,954,971	(5,811,820)	56,874,945
Total capital assets, not being depreciated	183,774,990	35,333,401	(7,349,171)	211,759,220
Capital assets, being depreciated:				
Buildings	292,180,764	4,285,989	-	296,466,753
Machinery and equipment	44,873,868	8,723,146	(5,940,740)	47,656,274
Infrastructure	90,639,816	3,925,301	(35,493)	94,529,624
Total capital assets being depreciated	427,694,448	16,934,436	(5,976,233)	438,652,651
Less accumulated depreciation for:				
Buildings	(106,769,568)	(8,856,248)	-	(115,625,816)
Machinery and equipment	(27,830,813)	(4,258,849)	3,461,862	(28,627,800)
Infrastructure	(38,353,508)	(3,202,694)	-	(41,556,202)
Total accumulated depreciation	(172,953,889)	(16,317,791)	3,461,862	(185,809,818)
Total capital assets, being depreciated, net	254,740,559	616,645	(2,514,371)	252,842,833
Governmental activities capital assets, net	\$ 438,515,549	\$ 35,950,046	\$ (9,863,542)	\$ 464,602,053
<b>Business-type Activities</b>	<b>Beginning Balance</b>	<b>Additions &amp; Transfers-in</b>	<b>Retirements &amp; Transfers-out</b>	<b>Ending Balance</b>
Capital assets, not being depreciated:				
Land	\$ 10,302,382	\$ 25,869	\$ -	\$ 10,328,251
Construction in progress	3,907,501	117,397	(3,928,547)	96,351
Total capital assets, not being depreciated	14,209,883	143,266	(3,928,547)	10,424,602
Capital assets, being depreciated				
Buildings	11,262,909	3,928,546	-	15,191,455
Machinery and equipment	552,155	17,032	-	569,187
Total capital assets, being depreciated	11,815,064	3,945,578	-	15,760,642
Less accumulated depreciation for:				
Buildings	(4,691,617)	(570,590)	-	(5,262,207)
Machinery and equipment	(392,945)	(45,668)	-	(438,613)
Total accumulated depreciation	(5,084,562)	(616,258)	-	(5,700,820)
Total capital assets, being depreciated, net	6,730,502	3,329,320	-	10,059,822
Business-type activities capital assets, net	\$ 20,940,385	\$ 3,472,586	\$ (3,928,547)	\$ 20,484,424

Depreciation expense was charged to functions/programs of the primary government as follows:

**Governmental activities:**

General government	\$	4,969,347
Public safety		4,163,882
Public ways and facilities		3,472,921
Health and sanitation		513,175
Public assistance		790,189
Education		374,864
Recreation		69,981
Capital assets held by the government's internal service funds are charged to various functions based on their usage of the asset		1,963,432
Total depreciation expense - governmental activities	\$	<u>16,317,791</u>

**Business-type activities**

Nut Tree Airport	\$	436,238
Fouts Springs Youth Facility		162,987
Total depreciation expense - business type activities	\$	<u>599,225</u>

Capital assets activity for component units for the fiscal year ended June 30, 2009 is as follows:

<u>Component Units</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
<b>Solano County Fair</b>				
Capital assets, not being depreciated:				
Land	\$ 167,085	\$ -	\$ -	\$ 167,085
Capital assets, being depreciated:				
Buildings	9,190,551	57,906	-	9,248,457
Machinery & equipment	568,948	2,902	-	571,850
Total capital assets, being depreciated:	<u>9,759,499</u>	<u>60,808</u>	<u>-</u>	<u>9,820,307</u>
Less accumulated depreciation for:				
Buildings	(7,366,471)	(266,579)	-	(7,633,050)
Machinery & equipment	(510,274)	(23,009)	-	(533,283)
Total accumulated depreciation, net	<u>(7,876,745)</u>	<u>(289,588)</u>	<u>-</u>	<u>(8,166,333)</u>
Total capital assets, being depreciated, net	<u>1,882,754</u>	<u>(228,780)</u>	<u>-</u>	<u>1,653,974</u>
Total Solano County Fair capital assets, net	<u>\$ 2,049,839</u>	<u>\$ (228,780)</u>	<u>\$ -</u>	<u>\$ 1,821,059</u>
<b>Workforce Investment Board (WIB)</b>				
Capital assets:				
Machinery & equipment	\$ 6,595	\$ 10,025	\$ -	\$ 16,620
Less accumulated depreciation	(5,606)	(1,992)	-	(7,598)
Total WIB capital assets, being depreciated, net	<u>\$ 989</u>	<u>\$ 8,033</u>	<u>\$ -</u>	<u>\$ 9,022</u>

Depreciation expense was charged to component units as follows:

Component units:		
Solano County Fair	\$	289,588
Workforce Investment Board		1,992
Total depreciation expense-component units	\$	<u>291,580</u>

**F. Interfund Transfers**

The composition of interfund transfers for the fiscal year ended June 30, 2009 were as follows:

		Transfers Out								
		General	Health & Social Services	Public Safety	Accumulated Capital Outlay	Other Governmental	Nut Tree Airport	Fouts Springs Youth Facility	Internal Service Funds	Total
Transfers In	General	\$ -	\$ 383,219	\$ 239,009	\$ -	\$ 255,547	\$ -	\$ -	\$ -	\$ 877,775
	Health & Social Services	33,379,539	-	331,367	-	2,546,508	-	-	-	36,257,414
	Public Safety	97,225,487	209,975	-	27,958	-	-	-	-	97,463,420
	Accumulated Capital Outlay	6,352,244	-	-	-	53,292,033	-	-	-	59,644,277
	Pension Debt Service	2,017,692	5,279,847	5,678,544	-	983,478	-	-	-	14,565,155
	Other Governmental	5,748,719	1,853,539	399,029	900,000	6,160,029	15,964	147,703	441,927	15,061,316
	Internal Service	56,009	-	75,178	-	-	-	-	12,639	143,826
	Total	\$ 144,779,690	\$ 7,726,580	\$ 6,723,127	\$ 927,958	\$ 63,237,595	\$ 15,964	\$ 147,703	\$ 454,566	\$ 224,013,183

Transfers were used to 1) move revenues from the fund with collection authorization to the debt service fund as debt service principal and interest payments became due, and 2) to move unrestricted revenues to finance various programs the government must account for in other funds in accordance with budgetary authorizations, including amounts provided as subsidies or matching funds for various grant programs.

The Tobacco Settlement Fund (Other Governmental Funds) transferred \$50,162,446 to the Accumulated Capital Outlay fund to finance the construction of the South County Government Center in Vallejo and Public Health Laboratory in Fairfield resulting from the Board's commitment to improve the health and well being of Solano county residents.

### G. Payables

The composition of payables as of June 30, 2009 were as follows:

	<b>Accounts Payable</b>	<b>Accrued Payroll</b>	<b>Accrued Interest</b>	<b>Total</b>
Governmental activities:				
General Fund	\$ 2,067,382	\$ 1,986,326	\$ -	\$ 4,053,708
Health & Social Services	8,601,466	5,145,179	-	13,746,645
Public Safety	1,050,245	5,432,463	-	6,482,708
Accumulated Capital Outlay	4,299,923	-	-	4,299,923
Other Governmental Funds	1,261,127	981,720	-	2,242,847
Internal Service Funds	1,571,613	388,312	-	1,959,925
Reconciliation of balances in fund financial statements to government- wide financial statements	-	-	3,043,650	3,043,650
Total governmental activities	<u>\$ 18,851,756</u>	<u>\$ 13,934,000</u>	<u>\$ 3,043,650</u>	<u>\$ 35,829,406</u>
Business-type activities:				
Nut Tree Airport	\$ 111,594	\$ 17,574	\$ -	\$ 129,168
Fouts Springs Youth Facility	42,778	139,437	-	182,215
Total business-type activities	<u>\$ 154,372</u>	<u>\$ 157,011</u>	<u>\$ -</u>	<u>\$ 311,383</u>

### H. Operating Leases

The County leases office space and equipment under operating leases. Total rental expenditures for such leases were \$3,947,212, for the fiscal year ended June 30, 2009. Future minimum rental payments under all noncancelable operating leases with initial or remaining terms in excess of one year as of June 30, 2009 are summarized as follows:

<b>Year Ending June 30</b>	<b>Primary Government</b>	<b>WIB</b>	<b>Total</b>
2010	\$ 2,606,659	\$ 521,977	\$ 3,128,636
2011	2,199,729	-	2,199,729
2012	1,172,869	-	1,172,869
2013	300,260	-	300,260
2014	12,000	-	12,000
	<u>\$ 6,291,517</u>	<u>\$ 521,977</u>	<u>\$ 6,813,494</u>

### I. Long-term Obligations

Capital Leases:

The County has entered into lease agreements as lessee for financing the acquisition of machinery and equipment. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2009, were as follows:

Year ending June 30	<b>Governmental activities</b>
2010	\$ 233,785
2011	230,157
2012	230,157
2013	230,157
2014	230,157
2015 - 2016	345,235
Total minimum lease payments	1,499,648
Less: amount representing interest	(196,180)
Present value of minimum lease payments	<u>\$ 1,303,468</u>

The assets acquired through capital leases are as follows:

	<b>Governmental activities</b>
Machinery and equipment	\$ 1,445,092
Less: Accumulated depreciation	(100,539)
Total	<u>\$ 1,344,553</u>

Notes Payable:

The County has entered into various note payable agreements as borrower for financing arrangements.

The annual debt service requirements to maturity for notes payable are as follows:

Year ending June 30	<b>Governmental activities</b>		<b>Business-type activities</b>	
	Principal	Interest	Principal	Interest
2010	\$ -	\$ 30,717	\$ 55,556	\$ 4,442
2011	-	30,717	39,298	1,841
2012	-	30,717	-	-
2013	-	30,717	-	-
2014	-	30,717	-	-
2015-2018	-	122,867	-	-
	<u>\$ -</u>	<u>\$ 276,452</u>	<u>\$ 94,854</u>	<u>\$ 6,283</u>

During FY 07/08, the County entered into a new loan agreement with the Suisun Redevelopment Agency in the amount of \$1,023,890 for its share of construction costs of the Suisun City Library. The loan will be repaid using future public facilities fees collected by Suisun City plus interest at three (3%) percent per annum. As of June 30, 2009, there was no agreed upon maturity date set for the loan, therefore no principal payments are shown per the above table.

Certificates of Participation:

The County issued Certificates of Participation (COP) to provide funds for the acquisition and construction of major capital facilities. Certificates of Participation were issued for governmental activities only.

Annual debt service requirements to maturity for the Certificates of Participation are as follows:

Year ending June 30	Principal	Interest
2010	\$ 4,560,000	\$ 5,999,893
2011	4,745,000	5,794,875
2012	4,980,000	5,556,972
2013	5,225,000	5,328,031
2014	5,435,000	5,085,606
2015 – 2019	27,670,000	21,298,906
2020 – 2024	23,810,000	14,842,353
2025 – 2029	27,525,000	9,173,469
2030 – 2034	26,750,000	2,473,425
	\$ 130,700,000	\$ 75,553,530

**Debt Defeasance:**

The County partially refunded and defeased the 2002 COP with certificate payment dates from and including November 1, 2013 to 2032. Due to prepayment restrictions, the proceeds from the 2007 COP are held in an escrow account until the 2002 COP are refunded after the call date of November 1, 2012. The amount held in the escrow account and the liability for the defeased bonds are not included in the County's financial statements. As of June 30, 2009, the amount outstanding for the defeased bonds is \$96,215,000.

**Pension Obligation Bonds:**

On June 16, 2004, the County issued \$96,665,000 of Taxable Pension Obligation Bonds to prepay a partial obligation under its contract with CalPERS. These bonds were issued in four series: Series A in the amount of \$36,665,000 which are fixed rate Current Interest Bonds; Series B-1, B-2 and B-3 in the amount of \$20,000,000 each, which carry a variable rate and are Auction Rate Securities.

On November 1, 2005 the County issued an additional \$42,385,000 of Taxable Pension Obligation Bonds to prepay a partial obligation under its contract with CalPERS for the County's Unfunded Accrued Actuarial Liability (UAAL).

In July 2008, due to the continued disturbance in the financial markets from the sub-prime mortgage crisis, the county fully redeemed the Series B-1 Auction Rate Securities of \$15 million ahead of schedule. Then, in January 2009, the County exercised its call option to fully redeem the Series B-2 Auction Rate Securities in the amount of \$15 million.

The Pension Obligation Bonds Series B-3 has a variable interest rate. The initial auction period was set in June 2004 and expired in July 2007. As of June 30, 2009, the current auction period is set to expire on July 14, 2010. After July 14, 2010, the bonds' new auction period can be designated by the County or the bonds can be redeemed at the sole discretion of the County.

Annual debt service requirements to maturity for Pension Obligation Bonds are as follows:

Year ending June 30	Principal	Interest
2010	\$ 2,725,000	\$ 4,818,320
2011	3,300,000	4,804,080
2012	3,925,000	4,625,444
2013	4,595,000	4,403,034
2014	5,340,000	4,141,132
2015 – 2019	30,570,000	15,441,845
2020 – 2024	33,505,000	8,633,232
2025	4,870,000	260,837
	<u>\$ 88,830,000</u>	<u>\$ 47,127,924</u>

The composition of the long-term debt obligations for the governmental activities as of June 30, 2009, was as follows:

Type and description	Maturity	Interest Rates	Original Issue	Outstanding
Notes payable:				
Suisun City Redevelopment Agency		3.00	\$ 1,023,890	\$ 1,023,890
Capital leases:				
Pitney Bowes Credit Corporation	September 30, 2009	10.36	27,776	1,752
Pitney Bowes Credit Corporation	September 30, 2009	9.41	28,960	1,790
Motorola	December 1, 2015	4.28	1,385,806	1,299,926
Total capital leases				<u>1,303,468</u>
Certificates of participation:				
1999 Health and Social Services Capital Improvements				
Serial	November 5, 1999 - November 15, 2014	3.20 - 5.13	23,515,000	11,460,000
Term	November 15, 2019	5.23	8,195,000	8,195,000
Issuance Discount			(345,718)	(172,859)
2002 Certificates of Participation				
Serial	November 1, 2003 - November 1, 2025	4.98	74,460,000	11,510,000
Issuance Premium			4,628,748	617,166
2007 Certificates of Participation				
Serial	November 1, 2007 – November 1, 2024	4.00 - 5.00	50,620,000	50,295,000
Term	November 1, 2026	4.25	10,770,000	10,770,000
Term	November 1, 2032	4.50	38,470,000	38,470,000
Issuance Premium			2,568,489	2,183,216
Deferred amount on refunding			(3,150,339)	(2,677,788)
Total certificates of participation				<u>130,649,735</u>
Pension obligation bonds				
Series 2004A	January 15, 2018	5.80	36,665,000	33,850,000
Series 2004B-3	January 15, 2024	5.80	20,000,000	15,000,000
Series 2005	January 15, 2025	5.36	42,385,000	39,980,000
Total pension obligation bonds				<u>88,830,000</u>
Self-insurance liability				9,719,080
Compensated absences				28,700,977
Pollution Remediation Obligation				1,074,260
Total governmental obligations				<u>\$ 261,301,410</u>

The composition of the long-term debt obligations for the business-type activities as of June 30, 2009, was as follows:

Type and description	Maturity	Interest Rates	Original Issue	Outstanding
Nut Tree Airport				
Notes Payable:				
CalTrans/Dept. of Transportation	January 3, 2018	5.22	1,300,000	\$ 94,854
Compensated absences				19,738
Total Nut Tree Airport				<u>114,592</u>
Fouts Springs Youth Facility				
Compensated absences				<u>399,690</u>
Total business-type activities				<u>\$ 514,282</u>

The composition of the long-term obligations of the County's component units' activities as of June 30, 2009, was as follows:

Type and description	Outstanding
Solano County Fair	
County pension liability	\$ 735,480
Compensated absences	63,249
Total Solano County Fair	<u>\$ 798,729</u>
Workforce Investment Board (WIB)	
Compensated absences	<u>\$ 158,461</u>

Long-term liability activity for the fiscal year ended June 30, 2009, was as follows:

	Beginning Balance , as restated	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental Activities:</b>					
Capital leases	\$ 16,874	\$ 1,385,805	\$ (99,211)	\$ 1,303,468	\$ 180,882
Certificates of participation	137,955,000	-	(7,255,000)	130,700,000	4,560,000
Deferred amounts:					
For issuance discounts	(190,145)	-	17,286	(172,859)	(17,286)
For issuance premiums	3,083,691	-	(283,309)	2,800,382	282,716
Deferred amount on refunding	(2,835,305)	-	157,517	(2,677,788)	(157,517)
Pension obligation bonds	121,020,000	-	(32,190,000)	88,830,000	2,725,000
Notes payable	1,171,043	-	(147,153)	1,023,890	-
Self-insurance liability	10,565,011	1,331,823	(2,177,754)	9,719,080	1,700,000
Pollution remediation obligation	1,219,813	-	(145,553)	1,074,260	937,740
Compensated absences	<u>25,287,230</u>	<u>16,124,891</u>	<u>(12,711,144)</u>	<u>28,700,977</u>	<u>13,062,290</u>
Governmental activity long-term liabilities	<u>\$ 297,293,212</u>	<u>\$ 18,842,519</u>	<u>\$ (54,834,321)</u>	<u>\$ 261,301,410</u>	<u>\$ 23,273,825</u>

<b>Business-type activities:</b>	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance</b>	<b>Due Within One Year</b>
Notes payable	\$ 149,853	\$ -	\$ (54,999)	\$ 94,854	\$ 55,556
Compensated absences	424,549	163,054	(168,175)	419,428	127,522
Business-type activities long-term liabilities	<u>\$ 574,402</u>	<u>\$ 163,054</u>	<u>\$ (223,174)</u>	<u>\$ 514,282</u>	<u>\$ 183,078</u>

Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities are included as part of the above totals for governmental activities. \$10,720,502 of the internal service funds long-term liabilities was included in the above amounts.

<b>Component units activities:</b>	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance</b>	<b>Due Within One Year</b>
<b>Solano County Fair:</b>					
County pension liability	\$ 746,773	\$ -	\$ (11,293)	\$ 735,480	\$ 12,890
Compensated absences	78,475	3,720	(18,946)	63,249	6,784
Total Solano County Fair	<u>\$ 825,248</u>	<u>\$ 3,720</u>	<u>\$ (30,239)</u>	<u>\$ 798,729</u>	<u>\$ 19,674</u>

**WIB:**

Compensated absences	<u>\$ 145,136</u>	<u>\$ 163,078</u>	<u>\$ (149,753)</u>	<u>\$ 158,461</u>	<u>\$ 140,000</u>
----------------------	-------------------	-------------------	---------------------	-------------------	-------------------

**J. Pollution Remediation Obligations**

The County has been named as the primary responsible party for pollution remediation for two sites:

1. The Solano County Corporation Yard Site located at 3255 Texas Street, Fairfield, CA 94533. Remediation is required for soil and ground water contamination from petroleum hydrocarbons from the underground storage tanks on the site. As of June 30, 2009, the pollution remediation obligation is expected to be \$173,680 which is a weighted average of estimates for the range of cleanup outlays. The County expects to recover an additional \$127,280 from the Underground Storage Tank Clean-up Fund for the remaining outlays. The net pollution remediation obligation for the site is \$46,400.
2. Former Hall of Records located at 701 Texas Street, Fairfield, CA 94533. Remediation is required for sub-surface soil and groundwater contamination. The pollution remediation obligation for this site is expected to be \$1,027,860 which is a weighted average of estimates for the range of cleanup outlays.

Both sites are required to be remediated until eligible for closure by California Regional Water Quality Control Board.

**K. Deficit Fund Equity**

As of June 30, 2009, the Pension Debt Service Fund (Debt Service Fund) had a deficit fund balance of \$9,696,741 which is expected to be resolved through rate recovery in future years.

#### **IV. OTHER INFORMATION**

##### **A. *Employee Retirement Plan***

###### **1. *Plan Description***

The County's defined benefit pension plan, the County's Safety and Miscellaneous Plans, provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. The County's Safety and Miscellaneous Plans (Plans) are part of the Public Agency portion of the California Public Employees Retirement System (CalPERS), an agent multiple-employer plan administered by CalPERS, which acts as a common investment and administrative agent for participating public employers within the State of California. A menu of benefit provisions as well as other requirements is established by State statutes within the Public Employees' Retirement Law. The County selects optional benefit provisions from the benefit menu by contract with CalPERS and adopts those benefits through County ordinance. CalPERS issues a separate comprehensive annual financial report; however, a separate report for the County's Safety and Miscellaneous Plans are not available. Copies of the CalPERS annual financial report may be obtained from the CalPERS Executive Office, Lincoln Plaza North, 400 Q Street, Sacramento, CA 95811.

###### **2. *Funding Policy***

Active plan members in the Miscellaneous and Safety Plans are required to contribute 7.773% and 8.966% respectively of their annual covered salary. The County is required to contribute the actuarially determined remaining amounts necessary to fund the benefits for its members. The required employer contribution rate for the fiscal year ended June 30, 2009 was 12.055% for miscellaneous and 15.306% for safety employees. The contribution requirements of the plan members are established by State statute and the employer contribution rate is established and may be amended by CalPERS.

###### **3. *Annual Pension Cost***

For fiscal year 2008/2009, the County's annual pension cost was \$38,734,008. The required contribution for fiscal year 2008/2009 was determined as part of the June 30, 2006 actuarial valuation using the entry age normal actuarial cost method with the contributions determined as a percentage of covered payroll. The actuarial assumptions included (a) 7.75% investment rate of return (net of administrative expenses); (b) projected salary increases that range from 3.25% to 14.45% (13.15% for the safety plan) depending on age, service, and type of employment; (c) inflation of 3.00%; and (d) payroll growth of 3.25%. The actuarial value of the Plan's assets was determined using a technique that smoothes the effect of short-term volatility of the market value of investments over a 15 year period. The Plan's excess assets are being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period as of the June 30, 2006 actuarial valuation was 30 years for the miscellaneous and safety plans.

The County's annual pension cost and pension asset for the fiscal year ended June 30, 2009 were as follows:

Annual required contribution (ARC)	\$	37,239,575
Interest on pension asset		(10,400,854)
Adjustment to the annual required contribution		11,895,287
Annual pension cost (APC)		38,734,008
Contributions made		37,239,575
Decrease in pension asset		(1,494,433)
Pension asset, beginning of year		134,609,483
Pension asset, end of year	\$	133,115,050

### Three-year trend information for the Plan

<u>Fiscal Year Ending</u>	<u>APC</u>	<u>Actual Contributions</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Asset</u>
6/30/07	\$ 34,178,742	\$ 33,552,663	98%	\$ 135,647,275
6/30/08	41,738,331	40,700,539	97	134,609,483
6/30/09	38,734,008	37,239,575	96	133,115,050

The County has made its ARC for each of the past three years.

#### 4. *Funded Status and Funding Progress – Pension Plan*

As of June 30, 2008, the most recent actuarial valuation date, the Miscellaneous and Safety plans were funded as noted below:

<u>Plan</u>	<u>Entry Age Normal Accrued Liability</u>	<u>Actuarial Value of Assets</u>	<u>Unfunded Actuarial Liability</u>	<u>Funded Status</u>	<u>Annual Covered Payroll</u>	<u>Unfunded Actuarial Liability as a % of Payroll</u>
Miscellaneous	\$ 843,004,478	\$ 800,949,617	\$ 42,054,861	95.00%	\$ 166,859,642	25.20%
Safety	250,578,127	237,754,936	12,823,191	94.90%	40,398,819	31.70%

The schedule of funding progress, presented as Required Supplementary Information (RSI) following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

#### *B. Post Employment Health Care Benefits*

##### *1. Plan Description*

The County participates in a single-employer defined benefit healthcare plan administered by the California Public Employees' Retirement System (CalPERS). The plan provides postemployment healthcare benefits to eligible retirees by contributing a minimum of \$101 per month towards medical insurance benefits. This benefit is provided based on the Board of Supervisor's election to participate under the Public Employees' Medical and Hospital Care Act (PEMHCA) [Government Code Section

22750]. The County's Board may elect to pay more than the minimum contribution; however, the County's Board has elected to pay the minimum contribution of \$101 per month per eligible retiree. The County has not executed a formal plan document that provides for these benefits and the plan does not have a name.

In addition, the County established an irrevocable trust to pre-fund the other postemployment Annual Required Contribution benefits with the Public Agency Retirement Services (PARS).

**2. Funding Policy**

The County's minimum required contribution is set by Government Code Section 22892. Effective January 1, 2009, the CalPERS Board adjusted the rate to reflect any change in the medical care component of the Consumer Price Index. Contribution requirements in excess of the minimum for plan members and the County are established and may be amended by the Board of Supervisors and the employee associations. Currently, plan members are required to pay the balance of the premiums.

During the fiscal year ended June 30, 2009, the County contributed \$3,391,404 to the OPEB plan. The purpose of these contributions was to cover the Annual Required Contribution rate of 1.8% of covered payroll (annual payroll of active employees covered by the plan) and to prefund the postemployment medical benefits.

**3. Annual OPEB Cost and Net OPEB Asset**

The County's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the *annual required contribution of the employer (ARC)*, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The County's current ARC rate is 1.8% of annual covered payroll.

The following table shows the components of the County's annual OPEB cost for the year, the amount contributed to the plan, and changes in the County's net OPEB asset:

Annual Required Contribution (ARC)	\$	3,385,000
Interest on net OPEB Obligation		(12,000)
Adjustment to ARC		10,000
Annual OPEB Cost (expense)		<u>3,383,000</u>
Contributions Made		<u>(3,391,404)</u>
Increase in Net OPEB Asset		(8,404)
Net OPEB Asset, July 1, 2008		<u>(159,801)</u>
Net OPEB Asset, June 30, 2009	\$	<u><u>(168,205)</u></u>
% of annual OPEB cost contributed		<u>100%</u>

For fiscal year 2008/2009, the County's annual OPEB cost (expense) was \$3,383,000. The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB asset for June 30, 2009 and the preceding year was as presented on the following page:

<b>Fiscal Year Ended</b>	<b>Annual OPEB Cost</b>	<b>Percentage of Annual OPEB Cost Contributed</b>	<b>Net OPEB Asset</b>
6/30/2008	\$3,279,801	105%	\$ 159,801
6/30/2009	\$3,383,000	100%	\$ 168,205

#### **4. Funded Status and Funding Progress**

The funded status of the plan as of January 1, 2009, the most recent actuarial valuation date, was as follows:

Actuarially accrued liability (AAL)	\$	33,030,000
Actuarial value of plan assets		<u>5,865,000</u>
Unfunded actuarial accrued liability (UAAL)	\$	<u><u>27,165,000</u></u>
Funded ratio (actuarial value of plan assets/AAL)		18%
Covered payroll (active plan members)	\$	180,595,000
UAAL as a percentage of covered payroll		15%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The Schedule of Funding Progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

#### **5. Actuarial Methods and Assumptions**

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

In the County's January 1, 2009 actuarial valuation, the entry age normal actuarial cost method was used. The actuarial assumptions included a 6.5 percent investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate between 8.4% – 9.3% initially, reduced by decrements to an ultimate rate of 4.5% after 8 years. Both rates included a 3% inflation assumption. The UAAL is being amortized as a level percentage of projected payroll on a closed basis. The amortization period at January 1, 2009 was 28 years.

### **C. Risk Management**

The County is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the County carries insurance. Premiums are paid through the Risk Management Internal Service Fund. The County participates in property and general liability insurance programs organized by the California State Association of Counties – Excess Insurance Authority (CSAC-EIA), a joint powers authority created to provide self-insurance programs for its 53 member counties. Each county has a representative on the Joint Powers Board, which governs management, financing and budgeting of CSAC-EIA activities. The purpose of the pool is to spread the adverse effects of losses among the member agencies. The County pays an annual basic premium for excess coverage and is assessed an annual risk premium based on an actuarial review that estimates each of the program's participant's ultimate liabilities. Should actual losses among participants be greater than anticipated, the County will be assessed its pro rata share of that deficiency. Conversely, if the actual losses are less than anticipated, the County will be refunded its pro rata share of the excess. The County paid premiums totaling \$5,136,314 during the fiscal year ended June 30, 2009.

The County participates in the CSAC-EIA Property Program. The County's deductible is \$5,000 per occurrence. The County has primary coverage up to \$6,000,000.

Effective July 1, 2003, the County elected to self-insure for the County's workers' compensation program. The County has a self-insured retention level of \$125,000 per occurrence, and will continue to participate in excess coverage subject to statutory limits. Based on the current trends of the claims filed, the County is expecting a payout of \$1,700,000 in the next fiscal year. The governmental and proprietary funds contribute amounts to the Risk Management Internal Service Fund based on actuarially determined estimates of the settlements. Such estimates are generally based upon an 80% confidence level. As of June 30, 2009, the accrued loss contingency for the County's workers' compensation program was \$9,465,000 and is reported as a liability in the Risk Management Internal Service Fund.

Effective November 1, 1998, the County elected to fully insure the County's general liability coverage under the CSAC-EIA Primary General Liability Program. The County no longer self-insures for this risk. The County continues to be liable for all claims incurred prior to November 1, 1998, with a \$10,000 deductible per claim. As of June 30, 2009, the accrued loss contingency for the general liability claims incurred prior to November 1, 1998 was \$254,080 and is reported as a liability in the Risk Management Internal Service Fund. The County also participates in excess coverage up to \$15,000,000 with an additional \$10,000,000 of coverage through the Optional, Excess Liability Program. In County management's opinion, the liability reported is adequate to cover any potential claims not covered by insurance.

Insurance and claims expenses are recorded in the Risk Management Internal Service Fund. Insurance expenses represent changes in the estimate of the amounts needed to pay general liability claims incurred prior to November 1, 1998, workers' compensation claims, as well as premiums paid to CSAC-EIA for the property, primary general liability, excess liability and excess workers' compensation programs. The County does not believe that any unreported general liability claims incurred prior to November 1, 1998 will have a material effect on the financial statements. Revenues for the Risk Management Internal Service Fund are represented by charges to other County funds based on each fund's allocated share of the insurance expenses. Settled claims have not exceeded coverage since the effective dates.

Changes in the Risk Management Internal Service Fund's accrued loss contingency amount for general liability and worker's compensation for the years ended June 30, 2009 and 2008 were:

<u>Year Ended</u>	<u>Beginning Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Ending Liability</u>
June 30, 2008	\$ 10,015,118	\$ 2,735,024	\$ (2,185,131)	\$ 10,565,011
June 30, 2009	10,565,011	1,331,823	(2,177,754)	9,719,080

The claims liabilities above, reported in the Self Insurance Internal Service Fund at June 30, 2009, are based on requirements of *GASB Statement No. 10, Accounting and Financial Reporting for Risk Financing and Related Insurance Issues* and *GASB Statement No. 30, Risk Financing Omnibus*, which require 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 loss can be reasonably estimated. These accruals represent estimates of amounts to be paid for reported claims, and incurred but unreported claims based upon past experience, modified for current trends and information based upon an 80% confidence level.

**D. Commitments and Contingencies**

The County is exposed to various types of claims and litigation arising from its normal operations. The ultimate outcome of these matters is not presently determinable. However, in County management's opinion, these matters should not have a significant adverse effect on the County's financial position.

Amounts received or receivable under grants are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the County's management expects such amounts, if any, to be immaterial.

The South County Government Center Project has a total budget of \$38.6 million. The project includes the construction of a 58,000 square foot, three-story Health & Social Services (H&SS) office building and clinic along with the renovation of the existing H&SS building. The anticipated completion date is March 2010. The commitments for this project as of June 30, 2009 were \$19.4 million.

The Public Health Laboratory Facility Project in Fairfield has a total budget of \$19.6 million. The project consists of a two-story, 30,000 gross square foot building and the purchase of additional land for parking. The anticipated completion date is January 2010. The commitments for this project as of June 30, 2009 were \$3.2 million.

**E. Restatement of Beginning Fund Balance/Equity**

*1. Fund Reclassification*

*Public Safety Fund:* During the current year, the County evaluated the Law Library Fund included in the Public Safety Fund and reclassified it as an External Investment Trust Fund. As a result of the reclassification the beginning fund balance of the Public Safety Fund and beginning net assets for governmental activities have been restated by \$158,110.

2. *Implementation of New Accounting Standards*

*Implementation of GASB Statement No. 49, Accounting and Financial Reporting for Pollution Remediation Obligations:* During the current year, the County implemented GASB Statement No. 49 which requires restatement of beginning balances. As a result of implementation, beginning net assets of governmental activities was restated by \$1,219,813.

The impact of the restatements on the fund balances/net assets is presented below:

		<u>Governmental Funds</u>
		<u>Public Safety Fund</u>
Fund balance, June 30, 2008, as previously reported	\$	6,470,636
Fund reclassification:		
Law Library		(158,110)
Fund balance, July 1, 2008 as restated	\$	<u>6,312,526</u>
<hr/>		
		<u>Governmental Activities</u>
Net assets, June 30, 2008, as previously reported	\$	636,201,519
Fund reclassification:		
Law Library		(158,110)
GASB 49 Pollution Remediation Obligations		(1,219,813)
Net assets, July 1, 2008, as restated	\$	<u>634,823,596</u>

**F. *New Governmental Accounting Standards***

The County will implement the following new governmental accounting standards issued by the GASB.

***Statement No. 51 – Accounting and Financial Reporting for Intangible Assets***

The objective of this statement is to establish accounting and financial requirements for intangible assets to reduce inconsistency in the accounting and financial reporting of such assets among state and local governments. This statement also provides authoritative guidance that specifically addresses the nature of the intangible assets including internally generated intangible assets. Statement No. 51 will be implemented by the County during fiscal year 2009/2010.

***Statement No. 54 – Fund Balance Reporting and Governmental Fund Type Definitions***

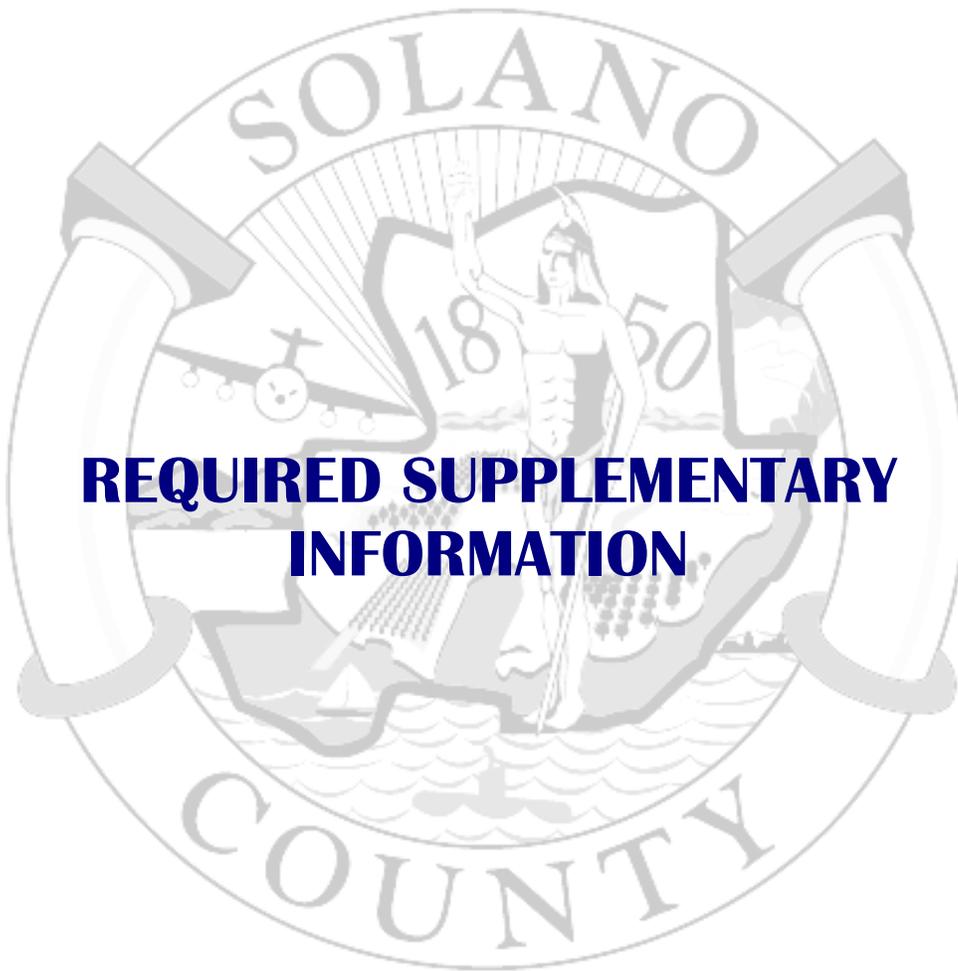
The objective of this Statement is to improve the usefulness, including understandability, of fund balance information. This Statement provides more clearly defined categories to make the nature and extent of the constraints placed on a government’s fund balance more transparent and clarifies the existing governmental fund type definitions. Statement No. 54 will be implemented by the County during fiscal year 2010/2011.

**G. *Subsequent Events***

The Solano County Building Corporation (SCBC) was established for the purpose of financing the construction of the Solano County Justice Facility and Public Building Improvement Project. The SCBC's board consists exclusively of all five members of the County's Board of Supervisors. As of July 31, 2009, the SCBC was officially dissolved.

In November 2009, the County issued the 2009 COPs in the amount of \$16,745,000. The County Debt Advisory Committee recommended to the Board the refinancing of the 1999 COP's. Due to declining interest rates, Debt Advisory Committee recommended to prepay and refund the 1999 COP and saving the County of \$990,855 net of all costs. The balance of the 1999 COP were called in November 2009 and refunded with new certificates that keep the same maturity schedule at lower interest rates saving the County an average of \$90,000 annually.

(This page intentionally left blank)



**REQUIRED SUPPLEMENTARY  
INFORMATION**

**COUNTY OF SOLANO, CALIFORNIA**  
Schedules of Funding Progress  
For the Fiscal Year Ended June 30, 2009  
Unaudited

**Miscellaneous Plan  
Defined Benefit Pension Plan**

<b>Valuation Date</b>	<b>Entry Age Normal Accrued Liability</b>	<b>Actuarial Value of Assets</b>	<b>Unfunded Actuarial Liability</b>	<b>Funded Status</b>	<b>Annual Covered Payroll</b>	<b>Unfunded Actuarial Liability as a % of Payroll</b>
6/30/06	\$ 712,653,528	\$ 678,791,077	\$ 33,862,451	95.2%	\$ 145,880,582	23.2%
6/30/07	781,646,464	744,049,108	37,597,356	95.2%	161,687,049	23.3%
6/30/08	843,004,478	800,949,617	42,054,861	95.0%	166,859,642	25.2%

**Safety Plan  
Defined Benefit Pension Plan**

<b>Valuation Date</b>	<b>Entry Age Normal Accrued Liability</b>	<b>Actuarial Value of Assets</b>	<b>Unfunded Actuarial Liability</b>	<b>Funded Status</b>	<b>Annual Covered Payroll</b>	<b>Unfunded Actuarial Liability as a % of Payroll</b>
6/30/06	\$ 215,339,825	\$ 203,675,580	\$ 11,664,245	94.6%	\$ 34,553,886	33.8%
6/30/07	235,129,140	221,423,489	13,705,651	94.2%	37,478,773	36.6%
6/30/08	250,578,127	237,754,936	12,823,191	94.9%	40,398,819	31.7%

**Other Postemployment Benefits (OPEB) Plan**

<b>Valuation Date</b>	<b>Entry Age Normal Accrued Liability</b>	<b>Actuarial Value of Assets</b>	<b>Unfunded Actuarial Liability</b>	<b>Funded Status</b>	<b>Annual Covered Payroll</b>	<b>Unfunded Actuarial Liability as a % of Payroll</b>
1/01/07	\$ 23,331,000	\$ -	\$ 23,331,000	0%	\$ 174,910,000	13.34%
1/01/09	33,030,000	5,865,000	27,165,000	18.0%	180,595,000	15.00%

**COUNTY OF SOLANO, CALIFORNIA**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2009**

	<u>Budgeted Amounts</u>			Variance with Final Budget
	Original	Final	Actual Amounts	
<b>REVENUES</b>				
Taxes	\$ 125,261,265	\$ 125,446,265	\$ 119,714,939	\$ (5,731,326)
Licenses, permits and franchises	5,990,002	6,131,802	5,967,381	(164,421)
Fines, forfeitures and penalties	2,423,000	2,423,000	2,400,461	(22,539)
Use of money and property	4,614,328	4,614,328	2,445,515	(2,168,813)
Intergovernmental	25,803,789	25,921,789	25,643,279	(278,510)
Charges for services	39,627,777	40,331,994	39,623,472	(708,522)
Miscellaneous	9,608,640	9,642,678	9,217,710	(424,968)
Total revenues	<u>213,328,801</u>	<u>214,511,856</u>	<u>205,012,757</u>	<u>(9,499,099)</u>
<b>EXPENDITURES</b>				
Current:				
General government				
BOS-District 1	304,644	304,643	290,720	13,923
BOS-District 2	317,929	355,682	330,164	25,518
BOS-District 3	302,623	302,623	279,580	23,043
BOS-District 4	310,346	310,346	294,128	16,218
BOS-District 5	283,878	283,878	252,177	31,701
BOS-Administration	495,007	495,007	381,081	113,926
Administration	3,569,961	3,604,172	3,459,027	145,145
General Revenue	1,000,000	1,185,000	1,153,021	31,979
Employee Development & Recognition	1,293,481	1,323,697	880,604	443,093
General Services	17,861,683	18,366,252	15,657,119	2,709,133
Assessor	6,208,764	6,208,764	5,815,199	393,565
Auditor-Controller	4,407,313	4,244,939	3,917,536	327,403
Tax Collector/County Clerk	2,280,089	2,283,973	2,220,944	63,029
Treasurer	1,106,929	1,182,582	1,112,179	70,403
County Counsel	3,581,222	3,806,222	3,452,819	353,403
Delta Water Activities	93,300	93,300	89,274	4,026
Human Resources	3,136,605	3,245,004	2,910,363	334,641
Registrar of Voters	3,228,100	3,999,138	3,524,714	474,424
Property Management	465,862	590,911	435,242	155,669
Promotion	634,217	639,961	327,365	312,596
General Expenditures	12,035,688	11,627,868	7,855,704	3,772,164
Surveyor/Engineer	66,922	66,922	66,922	-
General Svcs. Special Revenue	7,874	20,393	12,869	7,524
Total general government	<u>62,992,437</u>	<u>64,541,277</u>	<u>54,718,751</u>	<u>9,822,526</u>
Public protection				
Grand Jury	166,571	173,874	171,197	2,677
Agricultural Commissioner	2,941,211	2,945,213	2,737,533	207,680
Animal Care Services	2,330,414	2,357,131	2,209,360	147,771
Recorder	1,947,239	1,947,239	1,737,659	209,580
Resource Management	10,379,647	11,705,878	10,076,264	1,629,614
LAFCO	479,139	479,139	431,046	48,093
Office of Family Violence Prevention	609,527	626,565	562,537	64,028
Total public protection	<u>18,853,748</u>	<u>20,235,039</u>	<u>17,925,596</u>	<u>2,309,443</u>
Public assistance				
Indigent Burial General Relief	12,989	22,489	19,123	3,366
Veterans Services	611,428	624,299	615,532	8,767
Total public assistance	<u>624,417</u>	<u>646,788</u>	<u>634,655</u>	<u>12,133</u>
Education and recreation				
Cooperative Extension Service	400,132	400,132	389,298	10,834
Vallejo Veterans Building	-	1,975	16	1,959
Total education and recreation	<u>400,132</u>	<u>402,107</u>	<u>389,314</u>	<u>12,793</u>
Debt service:				
Principal	160,486	160,486	160,485	1
Interest and other charges	4,505	4,505	4,505	-
Total debt service	<u>164,991</u>	<u>164,991</u>	<u>164,990</u>	<u>1</u>
Capital outlay:				
Equipment	45,660	91,508	50,194	41,314
Total expenditures	<u>83,081,385</u>	<u>86,081,710</u>	<u>73,883,500</u>	<u>12,198,210</u>
Excess of revenues over expenditures	<u>130,247,416</u>	<u>128,430,146</u>	<u>131,129,257</u>	<u>2,699,111</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	1,204,080	1,204,080	877,775	(326,305)
Transfers out	(148,528,746)	(149,338,501)	(144,779,690)	4,558,811
Sale of capital assets	100,033	100,033	104,508	4,475
Total other financing sources (uses)	<u>(147,224,633)</u>	<u>(148,034,388)</u>	<u>(143,797,407)</u>	<u>4,236,981</u>
Net change in fund balance	(16,977,217)	(19,604,242)	(12,668,150)	6,936,092
Fund balance - beginning	120,645,670	120,645,670	120,645,670	-
Fund balance - ending	<u>\$ 103,668,453</u>	<u>\$ 101,041,428</u>	<u>\$ 107,977,520</u>	<u>\$ 6,936,092</u>

The notes to the financial statements are an integral part of this statement.

**COUNTY OF SOLANO, CALIFORNIA**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**Health and Social Services Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2009**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Licenses, permits and franchises	\$ 375,313	\$ 375,313	\$ 375,323	\$ 10
Fines, forfeitures and penalties	615,425	615,425	519,256	(96,169)
Use of money and property	29,802	29,636	214,346	184,710
Intergovernmental	205,131,251	206,858,586	198,792,512	(8,066,074)
Charges for services	19,562,614	19,211,247	16,406,314	(2,804,933)
Miscellaneous	188,677	313,810	2,605,746	2,291,936
Total revenues	<u>225,903,082</u>	<u>227,404,017</u>	<u>218,913,497</u>	<u>(8,490,520)</u>
<b>EXPENDITURES</b>				
Current:				
Health services	108,362,477	108,668,447	101,083,143	7,585,304
Public assistance	149,119,002	150,845,525	145,730,186	5,115,339
Capital outlay:				
Buildings and improvements	-	147,760	147,760	-
Equipment	28,800	112,485	71,604	40,881
Total capital outlay	<u>28,800</u>	<u>260,245</u>	<u>219,364</u>	<u>40,881</u>
Total expenditures	<u>257,510,279</u>	<u>259,774,217</u>	<u>247,032,693</u>	<u>12,741,524</u>
Deficiency of revenues under expenditures	<u>(31,607,197)</u>	<u>(32,370,200)</u>	<u>(28,119,196)</u>	<u>4,251,004</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	39,784,753	40,011,454	36,257,414	(3,754,040)
Transfers out	(8,195,842)	(8,093,027)	(7,726,580)	366,447
Total other financing sources (uses)	<u>31,588,911</u>	<u>31,918,427</u>	<u>28,530,834</u>	<u>(3,387,593)</u>
Net change in fund balance	(18,286)	(451,773)	411,638	863,411
Fund balance - beginning	(695,070)	(695,070)	(695,070)	-
Fund balance - ending	<u>\$ (713,356)</u>	<u>\$ (1,146,843)</u>	<u>\$ (283,432)</u>	<u>\$ 863,411</u>

The notes to the financial statements are an integral part of this statement.

**COUNTY OF SOLANO, CALIFORNIA**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**Public Safety Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2009**

	<u>Budgeted Amounts</u>			Variance with Final Budget
	Original	Final	Actual Amounts	
<b>REVENUES</b>				
Licenses, permits and franchises	\$ 175,027	\$ 175,027	\$ 175,262	\$ 235
Fines, forfeitures and penalties	2,569,308	2,441,846	1,847,318	(594,528)
Use of money and property	61,236	114,045	282,427	168,382
Intergovernmental	59,815,512	62,191,004	52,886,070	(9,304,934)
Charges for services	8,716,943	9,086,952	8,980,656	(106,296)
Miscellaneous	1,106,601	1,376,549	1,794,607	418,058
Total revenues	<u>72,444,627</u>	<u>75,385,423</u>	<u>65,966,340</u>	<u>(9,419,083)</u>
<b>EXPENDITURES</b>				
Current:				
Public protection				
Department of Child Support Services	12,050,085	12,050,085	11,914,813	135,272
Vallejo Settlement -SCRIP	-	250,000	121,550	128,450
Homeland Security Grant	456,193	973,966	373,647	600,319
Cal-MMET	-	555,720	284,838	270,882
LLEBG	-	50,148	50,058	90
Sheriff Special Revenue Fund	3,436	32,636	32,395	241
DA Special Revenue	140,000	1,679	1,679	-
Sheriff Asset Forfeiture	412	412	412	-
CJ Fac Temp Const Fund	4,803	4,803	4,803	-
Courthouse Temp Const Fund	4,484	4,484	4,484	-
District Attorney	19,950,644	20,327,936	20,281,948	45,988
Public Defender	10,413,822	10,581,227	10,449,290	131,937
Conflict Public Defender	2,963,270	3,130,674	2,946,240	184,434
Sheriff	79,895,627	80,435,320	73,933,904	6,501,416
Probation	35,217,905	35,865,278	33,779,842	2,085,436
Other Public Defense	2,634,856	2,759,856	2,759,856	-
CMF Cases	148,085	248,465	248,465	-
JH Rec Hall-Ward	29,000	28,975	16,518	12,457
Total public protection	<u>163,912,622</u>	<u>167,301,664</u>	<u>157,204,742</u>	<u>10,096,922</u>
Debt service:				
Principal	-	85,879	85,879	-
Interest and other charges	-	29,200	29,199	1
Total debt service	<u>-</u>	<u>115,079</u>	<u>115,078</u>	<u>1</u>
Capital outlay:				
Construction in progress	-	240,409	40,000	200,409
Equipment	595,768	2,171,414	1,899,627	271,787
Total capital outlay	<u>595,768</u>	<u>2,411,823</u>	<u>1,939,627</u>	<u>472,196</u>
Total expenditures	<u>164,508,390</u>	<u>169,828,566</u>	<u>159,259,447</u>	<u>10,569,119</u>
Deficiency of revenues under expenditures	<u>(92,063,763)</u>	<u>(94,443,143)</u>	<u>(93,293,107)</u>	<u>1,150,036</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Debt proceeds	-	1,385,806	1,385,806	-
Transfers in	98,344,230	100,694,583	97,463,420	(3,231,163)
Transfers out	(5,515,443)	(6,040,341)	(6,723,127)	(682,786)
Sale of capital assets	-	-	7,449	7,449
Total other financing sources (uses)	<u>92,828,787</u>	<u>96,040,048</u>	<u>92,133,548</u>	<u>(3,906,500)</u>
Net change in fund balance	765,024	1,596,905	(1,159,559)	(2,756,464)
Fund balance - beginning, as restated	6,470,636	6,470,636	6,312,526	(158,110)
Fund balance - ending	<u>\$ 7,235,660</u>	<u>\$ 8,067,541</u>	<u>\$ 5,152,967</u>	<u>\$ (2,914,574)</u>

The notes to the financial statements are an integral part of this statement.

**COUNTY OF SOLANO, CALIFORNIA  
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

***Budgetary Information***

In accordance with provisions of Sections 29000 through 29144 of the California Governmental Code and other statutory provisions, commonly known as the County Budget Act, the County prepares and legally adopts a final balanced budget each fiscal year by July 1.

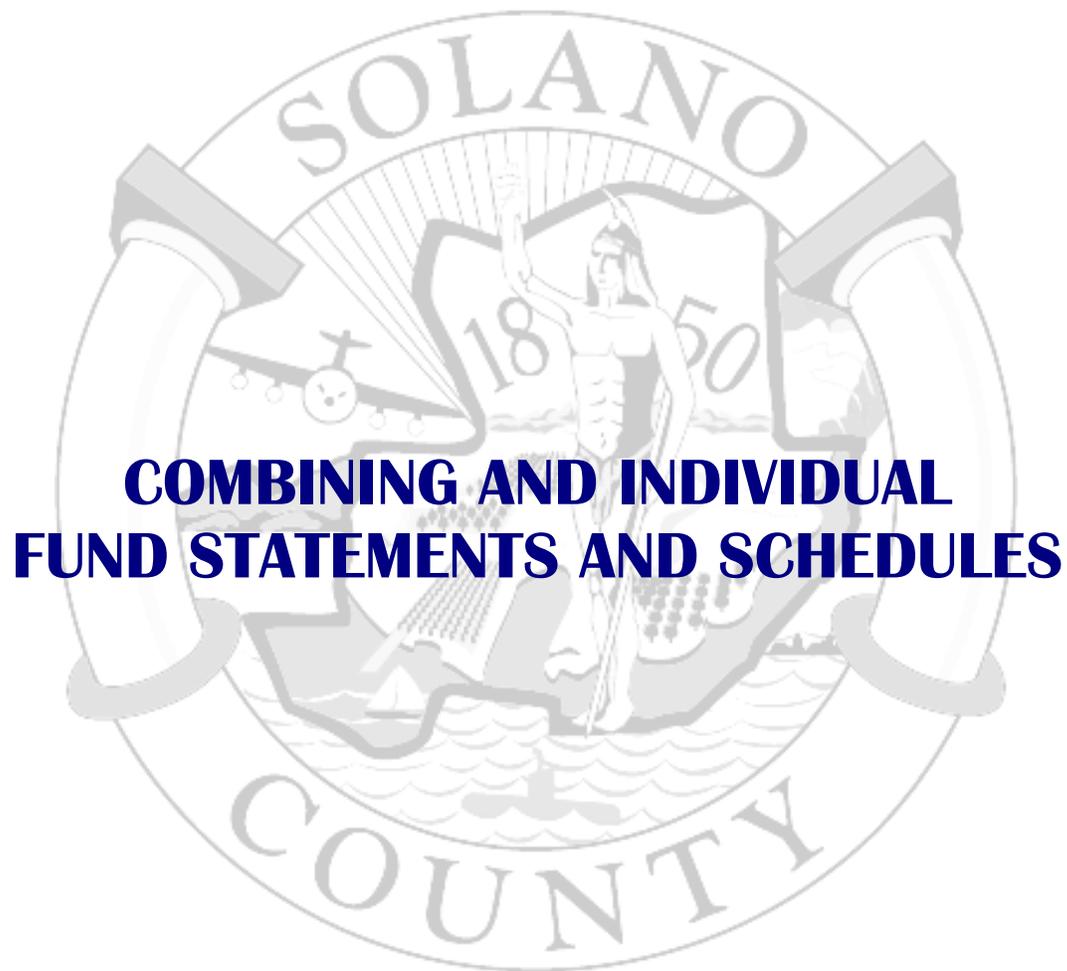
An operating budget prepared on the modified accrual basis is adopted each fiscal year for the general, special revenue, capital projects and debt service funds. Public hearings are conducted on the proposed budget to review all appropriations and sources of financing. Any shortfall in revenues requires an equal reduction in appropriations.

Expenditures are controlled at the object level for all departments within the County except for capital outlay expenditures, which are controlled at the sub object level. The legal level of control is at the department level. This is the level at which expenditures may not legally exceed appropriations. The Board must approve supplemental appropriations generally financed by unanticipated revenues during the year, and any other amendments or transfers.

Pursuant to the Board of Supervisors' Budget Policy, amendments or transfers of appropriations between object levels within a department may be authorized by the County Administrator's Office provided the total appropriation of the department is not changed. Therefore, final budget amounts in the accompanying required supplementary information are reported as amended. Individual budget amendments during the fiscal year ended June 30, 2009, were not material in relation to the original appropriations.

The County uses an encumbrance system as an extension of budgetary accounting for the general, special revenue and capital projects funds to assist in controlling appropriations. Under this system, purchase orders, contracts and other commitments 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. Outstanding encumbrances at year-end are automatically reappropriated the following year. Unencumbered and unexpended appropriations lapse at year-end.

(This page intentionally left blank)



**COMBINING AND INDIVIDUAL  
FUND STATEMENTS AND SCHEDULES**

## **Other Governmental Funds**

### **Special Revenue Funds**

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes. This encompasses legal restrictions imposed by parties outside the government as well as those imposed by the governing body.

### **Capital Projects Funds**

Capital projects funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.

### **Debt Service Funds**

Debt service funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest. Debt service payments that do not involve the advance accumulation of resources, such as capital leases, are accounted for in the general fund or a special revenue fund.

**COUNTY OF SOLANO, CALIFORNIA**  
**Combining Balance Sheet**  
**Other Governmental Funds**  
**June 30, 2009**

	<u>Special Revenue Funds</u>	<u>Capital Projects Funds</u>	<u>Debt Service Funds</u>	<u>Total Other Governmental Funds</u>
<b>ASSETS</b>				
Cash and investments	\$ 76,613,310	\$ 541,083	\$ 2,653,998	\$ 79,808,391
Accounts receivable	917,922	-	-	917,922
Due from other agencies	4,274,087	-	-	4,274,087
Due from other funds	129,418	-	-	129,418
Other assets	2,958,394	-	-	2,958,394
Total assets	<u>\$ 84,893,131</u>	<u>\$ 541,083</u>	<u>\$ 2,653,998</u>	<u>\$ 88,088,212</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Outstanding warrants	\$ 554,279	\$ -	\$ -	\$ 554,279
Payables	2,242,497	-	350	2,242,847
Deferred revenue	602,077	-	-	602,077
Due to other funds	2,477,041	-	-	2,477,041
Advance from other funds	115,035	-	-	115,035
Other liabilities	462,137	-	-	462,137
Due to other agencies	244,563	-	-	244,563
Total liabilities	<u>6,697,629</u>	<u>-</u>	<u>350</u>	<u>6,697,979</u>
Fund balances:				
Reserved:				
Long-term assets	2,767,887	-	-	2,767,887
Debt service	-	-	2,653,648	2,653,648
Encumbrances	3,259,806	-	-	3,259,806
Imprest cash	3,737	-	-	3,737
Designated:				
Special revenue funds	4,315,970	-	-	4,315,970
Unreserved, undesignated	67,848,102	541,083	-	68,389,185
Total fund balances	<u>78,195,502</u>	<u>541,083</u>	<u>2,653,648</u>	<u>81,390,233</u>
Total liabilities and fund balances	<u>\$ 84,893,131</u>	<u>\$ 541,083</u>	<u>\$ 2,653,998</u>	<u>\$ 88,088,212</u>

**COUNTY OF SOLANO, CALIFORNIA**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Other Governmental Funds**  
**For the Fiscal Year Ended June 30, 2009**

	<b>Special Revenue Funds</b>	<b>Capital Projects Funds</b>	<b>Debt Service Funds</b>	<b>Total Other Governmental Funds</b>
<b>REVENUES</b>				
Taxes	\$ 13,041,667	\$ -	\$ -	\$ 13,041,667
Licenses, permits and franchises	172,291	-	-	172,291
Fines, forfeitures and penalties	5,280	-	-	5,280
Use of money and property	1,606,950	15,355	31,576	1,653,881
Intergovernmental	21,763,492	-	114,000	21,877,492
Charges for services	12,483,763	229,922	1,647,006	14,360,691
Miscellaneous	324,087	4,743	-	328,830
Total revenues	<u>49,397,530</u>	<u>250,020</u>	<u>1,792,582</u>	<u>51,440,132</u>
<b>EXPENDITURES</b>				
Current:				
General government	494,502	600	76,146	571,248
Public protection	3,324,061	-	-	3,324,061
Public ways and facilities	9,380,649	-	-	9,380,649
Health services	6,405,211	-	-	6,405,211
Education and recreation	21,092,796	-	-	21,092,796
Debt service:				
Principal	-	-	7,255,000	7,255,000
Interest and other charges	2,335	-	6,286,367	6,288,702
Capital outlay	7,672,452	-	-	7,672,452
Total expenditures	<u>48,372,006</u>	<u>600</u>	<u>13,617,513</u>	<u>61,990,119</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,025,524</u>	<u>249,420</u>	<u>(11,824,931)</u>	<u>(10,549,987)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	4,874,439	-	10,186,877	15,061,316
Transfers out	(62,778,808)	(458,787)	-	(63,237,595)
Sale of capital assets	19,000	-	-	19,000
Total other financing sources (uses)	<u>(57,885,369)</u>	<u>(458,787)</u>	<u>10,186,877</u>	<u>(48,157,279)</u>
Net change in fund balances	(56,859,845)	(209,367)	(1,638,054)	(58,707,266)
Fund balances - beginning	135,055,347	750,450	4,291,702	140,097,499
Fund balances - ending	<u>\$ 78,195,502</u>	<u>\$ 541,083</u>	<u>\$ 2,653,648</u>	<u>\$ 81,390,233</u>

## **Nonmajor Special Revenue Funds**

*Public Facilities Fees Fund* – This fund is used to account for the collection of impact fees imposed on all new construction within all incorporated and unincorporated areas of the County.

*Library Fund* – This fund is used to account for the County’s library services. Solano County Library offers professional innovative, cost-effective service by providing library materials, resources, information, entertainment and life long learning opportunities to enrich the lives of the people of Solano County. This fund is primarily funded through taxes and charges for services.

*Transportation Fund* – This fund is used to provide transportation facilities and services for the benefit and convenience of the traveling public by providing a roadway system that is safe, well maintained, and efficient and without congestion. The fund is primarily funded through state and federal grants.

*First 5 Solano Fund* – This fund is used to promote, support and improve early childhood development by fostering and partnering with community resources and programs that support healthy and safe children, families and community. The fund is state funded through Proposition 10, the California Children and Families First Act passed by voters in 1998.

*Home Loan Programs Fund* – This fund is used to provide low interest loans and grants designed to correct health and safety hazards in deteriorated housing and extend the useful life of affordable housing units. The fund is state funded through a Redevelopment Settlement, a Home Loan Program and a Community Development Block Grant (CDBG).

*Tobacco Settlement Fund* – This fund is used to account for revenues received from the Nationwide Tobacco Master Settlement Agreement (MSA) to address health related issues in the county.

*Micrographics and Modernization Fund* – This fund is used to account for the modernization, maintenance and continual improvements to provide modern and efficient records management systems at the County Recorder’s office. The fund is funded through the collection of charges for services and recording fees.

Other Special Revenue Funds:

- *East Vallejo Fire District Fund* – This fund is used to provide fire protection services to an area of East Vallejo. The funding for this district is through property taxes.
- *Fish/Wildlife Propagation Fund* – This fund is used to provide for the improvement of wildlife habitat and propagation, conservation and education in programs in Solano County. The funding for this program is fines, forfeitures and penalties.
- *Housing Authority Fund* – This fund is used to provide housing assistance through the Section 8 Housing Assistance program for the unincorporated areas of Solano County. The funding for this program is through federal pass-through grants.
- *Consolidated County Service Area Fund* - This fund is used to account for the overhead street lighting in the unincorporated areas of Solano County. The funding is through property taxes.
- *Parks and Recreation Fund* – This fund is used to account for the provision of clean and safe park areas and facilities in Solano County. The funding for this fund comes from state grants, charges for services and property taxes.
- *Southeast Vallejo Redevelopment Settlement Fund* – This fund is used to track revenues from the City of Vallejo to the General Fund, resulting from the fiscal year 2000/2001 Southeast Vallejo Redevelopment Agreement between the County and the City of Vallejo.

**COUNTY OF SOLANO, CALIFORNIA**  
**Combining Balance Sheet**  
**Nonmajor Special Revenue Funds**  
**June 30, 2009**

	<u>Public Facilities</u>		<u>Library</u>		<u>Transportation</u>		<u>First 5 Solano</u>		<u>Home Loan</u>
	<u>Fees</u>								<u>Program</u>
<b>ASSETS</b>									
Cash and investments	\$ 22,859,275	\$	13,484,594	\$	6,392,667	\$	20,115,297	\$	769,329
Accounts receivable	-		62,005		850,835		272		-
Due from other agencies	1,216,174		756,631		773,704		1,073,823		452,329
Due from other funds	-		-		314		128,888		-
Other assets	-		607,884		201,130		6,341		1,959,209
Total assets	<u>\$ 24,075,449</u>	\$	<u>14,911,114</u>	\$	<u>8,218,650</u>	\$	<u>21,324,621</u>	\$	<u>3,180,867</u>
<b>LIABILITIES AND FUND BALANCES</b>									
Liabilities:									
Outstanding warrants	\$ -	\$	233,754	\$	170,786	\$	134,887	\$	-
Payables	3,243		1,113,184		392,638		622,506		31,269
Deferred revenue	-		-		129,594		285,168		-
Due to other funds	74,350		20,785		11,586		485,501		-
Advance from other funds	-		-		115,035		-		-
Other liabilities	-		160,243		301,894		-		-
Due to other agencies	17,130		2,399		-		224,644		-
Total liabilities	<u>94,723</u>	\$	<u>1,530,365</u>	\$	<u>1,121,533</u>	\$	<u>1,752,706</u>	\$	<u>31,269</u>
Fund balances:									
Reserved:									
Long-term assets	-		607,548		201,130		-		1,959,209
Encumbrances	-		2,119,693		402,052		22,849		-
Imprest cash	-		3,237		500		-		-
Designated:									
Health program	-		-		-		-		-
Library	-		2,513,513		-		-		-
Unreserved, undesignated	23,980,726		8,136,758		6,493,435		19,549,066		1,190,389
Total fund balances	<u>23,980,726</u>	\$	<u>13,380,749</u>	\$	<u>7,097,117</u>	\$	<u>19,571,915</u>	\$	<u>3,149,598</u>
Total liabilities and fund balances	<u>\$ 24,075,449</u>	\$	<u>14,911,114</u>	\$	<u>8,218,650</u>	\$	<u>21,324,621</u>	\$	<u>3,180,867</u>

**COUNTY OF SOLANO, CALIFORNIA**  
**Combining Balance Sheet**  
**Nonmajor Special Revenue Funds**  
**June 30, 2009**

<b>Tobacco Settlement</b>	<b>Micrographics &amp; Modernization</b>	<b>Other Special Revenue Funds</b>	<b>Total Nonmajor Special Revenue Funds</b>																																									
<table border="0" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 25%;">\$ 3,646,762</td> <td style="width: 25%;">\$ 7,321,591</td> <td style="width: 25%;">\$ 2,023,795</td> <td style="width: 25%;">\$ 76,613,310</td> <td style="width: 20%;"></td> </tr> <tr> <td style="text-align: right;">-</td> <td style="text-align: right;">4,244</td> <td style="text-align: right;">566</td> <td style="text-align: right;">917,922</td> <td>Cash and investments</td> </tr> <tr> <td style="text-align: right;">-</td> <td style="text-align: right;">-</td> <td style="text-align: right;">1,426</td> <td style="text-align: right;">4,274,087</td> <td>Accounts receivable</td> </tr> <tr> <td style="text-align: right;">-</td> <td style="text-align: right;">-</td> <td style="text-align: right;">216</td> <td style="text-align: right;">129,418</td> <td>Due from other agencies</td> </tr> <tr> <td style="text-align: right;">-</td> <td style="text-align: right;">-</td> <td style="text-align: right;">183,830</td> <td style="text-align: right;">2,958,394</td> <td>Due from other funds</td> </tr> <tr> <td style="text-align: right; border-top: 1px solid black;"><u>\$ 3,646,762</u></td> <td style="text-align: right; border-top: 1px solid black;"><u>\$ 7,325,835</u></td> <td style="text-align: right; border-top: 1px solid black;"><u>\$ 2,209,833</u></td> <td style="text-align: right; border-top: 1px solid black;"><u>\$ 84,893,131</u></td> <td>Other assets</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td style="text-align: right;">Total assets</td> </tr> </table>	\$ 3,646,762	\$ 7,321,591	\$ 2,023,795	\$ 76,613,310		-	4,244	566	917,922	Cash and investments	-	-	1,426	4,274,087	Accounts receivable	-	-	216	129,418	Due from other agencies	-	-	183,830	2,958,394	Due from other funds	<u>\$ 3,646,762</u>	<u>\$ 7,325,835</u>	<u>\$ 2,209,833</u>	<u>\$ 84,893,131</u>	Other assets					Total assets									
\$ 3,646,762	\$ 7,321,591	\$ 2,023,795	\$ 76,613,310																																									
-	4,244	566	917,922	Cash and investments																																								
-	-	1,426	4,274,087	Accounts receivable																																								
-	-	216	129,418	Due from other agencies																																								
-	-	183,830	2,958,394	Due from other funds																																								
<u>\$ 3,646,762</u>	<u>\$ 7,325,835</u>	<u>\$ 2,209,833</u>	<u>\$ 84,893,131</u>	Other assets																																								
				Total assets																																								
<b>ASSETS</b>																																												
<b>LIABILITIES AND FUND BALANCES</b>																																												
Liabilities:																																												
<table border="0" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 25%;">\$ -</td> <td style="width: 25%;">\$ 13,499</td> <td style="width: 25%;">\$ 1,353</td> <td style="width: 25%;">\$ 554,279</td> <td style="width: 20%;">Outstanding warrants</td> </tr> <tr> <td style="text-align: right;">-</td> <td style="text-align: right;">16,570</td> <td style="text-align: right;">63,087</td> <td style="text-align: right;">2,242,497</td> <td>Payables</td> </tr> <tr> <td style="text-align: right;">-</td> <td style="text-align: right;">-</td> <td style="text-align: right;">187,315</td> <td style="text-align: right;">602,077</td> <td>Deferred revenue</td> </tr> <tr> <td style="text-align: right;">1,844,305</td> <td style="text-align: right;">-</td> <td style="text-align: right;">40,514</td> <td style="text-align: right;">2,477,041</td> <td>Due to other funds</td> </tr> <tr> <td style="text-align: right;">-</td> <td style="text-align: right;">-</td> <td style="text-align: right;">-</td> <td style="text-align: right;">115,035</td> <td>Advance from other funds</td> </tr> <tr> <td style="text-align: right;">-</td> <td style="text-align: right;">-</td> <td style="text-align: right;">-</td> <td style="text-align: right;">462,137</td> <td>Other liabilities</td> </tr> <tr> <td style="text-align: right;">-</td> <td style="text-align: right;">-</td> <td style="text-align: right;">390</td> <td style="text-align: right;">244,563</td> <td>Due to other agencies</td> </tr> <tr> <td style="text-align: right; border-top: 1px solid black;"><u>1,844,305</u></td> <td style="text-align: right; border-top: 1px solid black;"><u>30,069</u></td> <td style="text-align: right; border-top: 1px solid black;"><u>292,659</u></td> <td style="text-align: right; border-top: 1px solid black;"><u>6,697,629</u></td> <td style="text-align: right;">Total liabilities</td> </tr> </table>	\$ -	\$ 13,499	\$ 1,353	\$ 554,279	Outstanding warrants	-	16,570	63,087	2,242,497	Payables	-	-	187,315	602,077	Deferred revenue	1,844,305	-	40,514	2,477,041	Due to other funds	-	-	-	115,035	Advance from other funds	-	-	-	462,137	Other liabilities	-	-	390	244,563	Due to other agencies	<u>1,844,305</u>	<u>30,069</u>	<u>292,659</u>	<u>6,697,629</u>	Total liabilities				
\$ -	\$ 13,499	\$ 1,353	\$ 554,279	Outstanding warrants																																								
-	16,570	63,087	2,242,497	Payables																																								
-	-	187,315	602,077	Deferred revenue																																								
1,844,305	-	40,514	2,477,041	Due to other funds																																								
-	-	-	115,035	Advance from other funds																																								
-	-	-	462,137	Other liabilities																																								
-	-	390	244,563	Due to other agencies																																								
<u>1,844,305</u>	<u>30,069</u>	<u>292,659</u>	<u>6,697,629</u>	Total liabilities																																								
Fund balances:																																												
Reserved:																																												
<table border="0" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 25%;">-</td> <td style="width: 25%;">-</td> <td style="width: 25%;">-</td> <td style="width: 25%;">2,767,887</td> <td style="width: 20%;">Long-term assets</td> </tr> <tr> <td style="text-align: right;">-</td> <td style="text-align: right;">704,015</td> <td style="text-align: right;">11,197</td> <td style="text-align: right;">3,259,806</td> <td>Encumbrances</td> </tr> <tr> <td style="text-align: right;">-</td> <td style="text-align: right;">-</td> <td style="text-align: right;">-</td> <td style="text-align: right;">3,737</td> <td>Imprest cash</td> </tr> <tr> <td style="text-align: right;">1,802,457</td> <td style="text-align: right;">-</td> <td style="text-align: right;">-</td> <td style="text-align: right;">1,802,457</td> <td>Designated:</td> </tr> <tr> <td style="text-align: right;">-</td> <td style="text-align: right;">-</td> <td style="text-align: right;">-</td> <td style="text-align: right;">2,513,513</td> <td>Health program</td> </tr> <tr> <td style="text-align: right;">-</td> <td style="text-align: right;">6,591,751</td> <td style="text-align: right;">1,905,977</td> <td style="text-align: right;">67,848,102</td> <td>Library</td> </tr> <tr> <td style="text-align: right; border-top: 1px solid black;"><u>1,802,457</u></td> <td style="text-align: right; border-top: 1px solid black;"><u>7,295,766</u></td> <td style="text-align: right; border-top: 1px solid black;"><u>1,917,174</u></td> <td style="text-align: right; border-top: 1px solid black;"><u>78,195,502</u></td> <td>Unreserved, undesignated</td> </tr> <tr> <td style="text-align: right; border-top: 1px solid black;"><u>\$ 3,646,762</u></td> <td style="text-align: right; border-top: 1px solid black;"><u>\$ 7,325,835</u></td> <td style="text-align: right; border-top: 1px solid black;"><u>\$ 2,209,833</u></td> <td style="text-align: right; border-top: 1px solid black;"><u>\$ 84,893,131</u></td> <td style="text-align: right;">Total fund balances</td> </tr> </table>	-	-	-	2,767,887	Long-term assets	-	704,015	11,197	3,259,806	Encumbrances	-	-	-	3,737	Imprest cash	1,802,457	-	-	1,802,457	Designated:	-	-	-	2,513,513	Health program	-	6,591,751	1,905,977	67,848,102	Library	<u>1,802,457</u>	<u>7,295,766</u>	<u>1,917,174</u>	<u>78,195,502</u>	Unreserved, undesignated	<u>\$ 3,646,762</u>	<u>\$ 7,325,835</u>	<u>\$ 2,209,833</u>	<u>\$ 84,893,131</u>	Total fund balances				Total liabilities and fund balances
-	-	-	2,767,887	Long-term assets																																								
-	704,015	11,197	3,259,806	Encumbrances																																								
-	-	-	3,737	Imprest cash																																								
1,802,457	-	-	1,802,457	Designated:																																								
-	-	-	2,513,513	Health program																																								
-	6,591,751	1,905,977	67,848,102	Library																																								
<u>1,802,457</u>	<u>7,295,766</u>	<u>1,917,174</u>	<u>78,195,502</u>	Unreserved, undesignated																																								
<u>\$ 3,646,762</u>	<u>\$ 7,325,835</u>	<u>\$ 2,209,833</u>	<u>\$ 84,893,131</u>	Total fund balances																																								

**COUNTY OF SOLANO, CALIFORNIA**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Special Revenue Funds**  
**For the Fiscal Year Ended June 30, 2009**

	<u>Public Facilities</u>				<u>Home Loan</u>
	<u>Fees</u>	<u>Library</u>	<u>Transportation</u>	<u>First 5 Solano</u>	<u>Program</u>
<b>REVENUES</b>					
Taxes	\$ -	\$ 10,757,791	\$ 1,186,318	\$ -	\$ -
Licenses, permits and franchises	-	-	172,291	-	-
Fines, forfeitures and penalties	-	-	-	-	-
Use of money and property	521,017	334,711	152,209	480,261	26,753
Intergovernmental	-	2,159,823	11,913,172	4,781,668	507,453
Charges for services	5,100,731	5,317,930	1,059,352	-	-
Miscellaneous	-	150,005	46,656	118,734	-
Total revenues	<u>5,621,748</u>	<u>18,720,260</u>	<u>14,529,998</u>	<u>5,380,663</u>	<u>534,206</u>
<b>EXPENDITURES</b>					
Current:					
General government	474,178	-	20,324	-	-
Public protection	-	-	-	-	78,624
Public ways and facilities	-	-	9,079,077	-	-
Health services	-	-	-	6,405,211	-
Education and recreation	-	19,564,608	-	-	-
Debt service:					
Interest and other charges	-	-	2,335	-	-
Capital outlay	-	2,442,961	5,214,940	-	-
Total expenditures	<u>474,178</u>	<u>22,007,569</u>	<u>14,316,676</u>	<u>6,405,211</u>	<u>78,624</u>
Excess (deficiency) of revenues over (under) expenditures	<u>5,147,570</u>	<u>(3,287,309)</u>	<u>213,322</u>	<u>(1,024,548)</u>	<u>455,582</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	271,787	823,452	325,501	-	-
Transfers out	(4,781,662)	(1,095,941)	(759,391)	(46,145)	-
Sale of capital assets	-	-	19,000	-	-
Total other financing sources (uses)	<u>(4,509,875)</u>	<u>(272,489)</u>	<u>(414,890)</u>	<u>(46,145)</u>	<u>-</u>
Net change in fund balances	637,695	(3,559,798)	(201,568)	(1,070,693)	455,582
Fund balances - beginning	23,343,031	16,940,547	7,298,685	20,642,608	2,694,016
Fund balances - ending	<u>\$ 23,980,726</u>	<u>\$ 13,380,749</u>	<u>\$ 7,097,117</u>	<u>\$ 19,571,915</u>	<u>\$ 3,149,598</u>

**COUNTY OF SOLANO, CALIFORNIA**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Special Revenue Funds**  
**For the Fiscal Year Ended June 30, 2009**

<b>Tobacco Settlement</b>	<b>Micrographics &amp; Modernization</b>	<b>Other Special Revenue Funds</b>	<b>Total Nonmajor Special Revenue Funds</b>	
\$ -	\$ -	\$ 1,097,558	\$ 13,041,667	<b>REVENUES</b>
-	-	-	172,291	Taxes
-	-	5,280	5,280	Licenses, permits and franchises
(138,618)	169,848	60,769	1,606,950	Fines, forfeitures and penalties
-	-	2,401,376	21,763,492	Use of money and property
-	576,324	429,426	12,483,763	Intergovernmental
-	-	8,692	324,087	Charges for services
(138,618)	746,172	4,003,101	49,397,530	Miscellaneous
				Total revenues
				<b>EXPENDITURES</b>
				Current:
-	-	-	494,502	General government
-	410,515	2,834,922	3,324,061	Public protection
-	-	301,572	9,380,649	Public ways and facilities
-	-	-	6,405,211	Health and sanitation
-	-	1,528,188	21,092,796	Education and recreation
-	-	-	2,335	Debt service:
-	14,551	-	7,672,452	Interest and other charges
-	425,066	4,664,682	48,372,006	Capital outlay
(138,618)	321,106	(661,581)	1,025,524	Total expenditures
				Excess (deficiency) of revenues over (under) expenditures
				<b>OTHER FINANCING SOURCES (USES)</b>
3,000,000	-	453,699	4,874,439	Transfers in
(55,836,541)	(203,881)	(55,247)	(62,778,808)	Transfers out
-	-	-	19,000	Sale of capital assets
(52,836,541)	(203,881)	398,452	(57,885,369)	Total other financing sources (uses)
(52,975,159)	117,225	(263,129)	(56,859,845)	Net change in fund balances
54,777,616	7,178,541	2,180,303	135,055,347	Fund balances - beginning
\$ 1,802,457	\$ 7,295,766	\$ 1,917,174	\$ 78,195,502	Fund balances - ending

**COUNTY OF SOLANO, CALIFORNIA**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**Public Facilities Fees Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2009**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Use of money and property	\$ 723,030	\$ 723,030	\$ 521,017	\$ (202,013)
Charges for services	3,760,321	3,760,321	5,100,731	1,340,410
Total revenues	<u>4,483,351</u>	<u>4,483,351</u>	<u>5,621,748</u>	<u>1,138,397</u>
<b>EXPENDITURES</b>				
Current:				
General government				
Public facilities fees	452,178	479,171	474,178	4,993
Excess of revenues over expenditures	<u>4,031,173</u>	<u>4,004,180</u>	<u>5,147,570</u>	<u>1,143,390</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	271,787	271,787	271,787	-
Transfers out	<u>(2,160,008)</u>	<u>(4,785,416)</u>	<u>(4,781,662)</u>	<u>3,754</u>
Total other financing sources (uses)	<u>(1,888,221)</u>	<u>(4,513,629)</u>	<u>(4,509,875)</u>	<u>3,754</u>
Net change in fund balance	2,142,952	(509,449)	637,695	1,147,144
Fund balance - beginning	23,343,031	23,343,031	23,343,031	-
Fund balance - ending	<u>\$ 25,485,983</u>	<u>\$ 22,833,582</u>	<u>\$ 23,980,726</u>	<u>\$ 1,147,144</u>

**COUNTY OF SOLANO, CALIFORNIA**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**Library Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2009**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Taxes	\$ 12,315,118	\$ 12,322,533	\$ 10,757,791	\$ (1,564,742)
Use of money and property	414,485	414,485	334,711	(79,774)
Intergovernmental	22,323,324	2,232,324	2,159,823	(72,501)
Charges for services	5,676,026	5,676,026	5,317,930	(358,096)
Miscellaneous	126,000	130,292	150,005	19,713
Total revenues	<u>40,854,953</u>	<u>20,775,660</u>	<u>18,720,260</u>	<u>(2,055,400)</u>
<b>EXPENDITURES</b>				
Current:				
Education and recreation				
Library special revenue	148,853	148,853	148,836	17
Library Zone 1	16,001	21,235	21,235	-
Library Zone 6	624	663	647	16
Library Zone 7	7,055	9,014	9,014	-
Library Zone 2	679	862	862	-
Library	21,938,235	23,500,652	19,384,014	4,116,638
Total education and recreation	<u>22,111,447</u>	<u>23,681,279</u>	<u>19,564,608</u>	<u>4,116,671</u>
Capital outlay:				
Construction in progress		3,756,568	2,157,473	1,599,095
Equipment	529,000	831,161	285,488	545,673
Total capital outlay	<u>529,000</u>	<u>4,587,729</u>	<u>2,442,961</u>	<u>2,144,768</u>
Total expenditures	<u>22,640,447</u>	<u>28,269,008</u>	<u>22,007,569</u>	<u>6,261,439</u>
Excess (deficiency) of revenues over (under) expenditures	<u>18,214,506</u>	<u>(7,493,348)</u>	<u>(3,287,309)</u>	<u>4,206,039</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	2,093,865	1,094,656	823,452	(271,204)
Transfers out	(2,788,275)	(1,255,221)	(1,095,941)	159,280
Total other financing sources (uses)	<u>(694,410)</u>	<u>(160,565)</u>	<u>(272,489)</u>	<u>(111,924)</u>
Net change in fund balance	17,520,096	(7,653,913)	(3,559,798)	4,094,115
Fund balance - beginning	16,940,547	16,940,547	16,940,547	-
Fund balance - ending	<u>\$ 34,460,643</u>	<u>\$ 9,286,634</u>	<u>\$ 13,380,749</u>	<u>\$ 4,094,115</u>

**COUNTY OF SOLANO, CALIFORNIA**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**Transportation Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2009**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Taxes	\$ 1,290,869	\$ 1,290,869	\$ 1,186,318	\$ (104,551)
Licenses, permits and franchises	156,600	156,600	172,291	15,691
Use of money and property	219,815	219,815	152,209	(67,606)
Intergovernmental	11,729,432	11,729,432	11,913,172	183,740
Charges for services	957,959	957,959	1,059,352	101,393
Miscellaneous	61,000	61,000	46,656	(14,344)
Total revenues	<u>14,415,675</u>	<u>14,415,675</u>	<u>14,529,998</u>	<u>114,323</u>
<b>EXPENDITURES</b>				
Current:				
General government				
Survey monument	38,516	38,516	20,324	18,192
Public ways and facilities				
Transportation department	11,531,360	11,760,931	9,079,077	2,681,854
Debt service:				
Interest and other charges	-	-	2,335	(2,335)
Capital outlay:				
Construction in progress	4,791,000	4,715,494	4,666,479	49,015
Equipment	660,000	1,019,032	548,461	470,571
Total capital outlay	<u>5,451,000</u>	<u>5,734,526</u>	<u>5,214,940</u>	<u>519,586</u>
Total expenditures	<u>17,020,876</u>	<u>17,533,973</u>	<u>14,316,676</u>	<u>3,219,632</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,605,201)</u>	<u>(3,118,298)</u>	<u>213,322</u>	<u>3,333,955</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	361,657	334,820	325,501	(9,319)
Transfers out	(734,733)	(707,896)	(759,391)	(51,495)
Sale of capital assets	49,000	49,000	19,000	(30,000)
Total other financing sources (uses)	<u>(324,076)</u>	<u>(324,076)</u>	<u>(414,890)</u>	<u>(90,814)</u>
Net change in fund balance	(2,929,277)	(3,442,374)	(201,568)	3,240,806
Fund balance - beginning	7,298,685	7,298,685	7,298,685	-
Fund balance - ending	<u>\$ 4,369,408</u>	<u>\$ 3,856,311</u>	<u>\$ 7,097,117</u>	<u>\$ 3,240,806</u>

**COUNTY OF SOLANO, CALIFORNIA**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**First 5 Solano Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2009**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Use of money and property	\$ 931,000	\$ 931,000	\$ 480,261	\$ (450,739)
Intergovernmental	4,860,671	4,860,671	4,781,668	(79,003)
Miscellaneous	44,000	44,000	118,734	74,734
Total revenues	<u>5,835,671</u>	<u>5,835,671</u>	<u>5,380,663</u>	<u>(455,008)</u>
<b>EXPENDITURES</b>				
Current:				
Health services				
First 5 Solano	6,673,461	6,962,489	6,405,211	557,278
Deficiency of revenues under expenditures	<u>(837,790)</u>	<u>(1,126,818)</u>	<u>(1,024,548)</u>	<u>102,270</u>
<b>OTHER FINANCING USES</b>				
Transfers out	<u>(36,177)</u>	<u>(36,412)</u>	<u>(46,145)</u>	<u>(9,733)</u>
Net change in fund balance	(873,967)	(1,163,230)	(1,070,693)	92,537
Fund balance - beginning	20,642,608	20,642,608	20,642,608	-
Fund balance - ending	<u>\$ 19,768,641</u>	<u>\$ 19,479,378</u>	<u>\$ 19,571,915</u>	<u>\$ 92,537</u>

**COUNTY OF SOLANO, CALIFORNIA**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**Home Loan Program Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2009**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Use of money and property	\$ 75,590	\$ 72,590	\$ 26,753	\$ (45,837)
Intergovernmental	700,000	700,000	507,453	(192,547)
Total revenues	<u>775,590</u>	<u>772,590</u>	<u>534,206</u>	<u>(238,384)</u>
<b>EXPENDITURES</b>				
Current:				
Public protection				
Homeacres Loan Program	<u>183,488</u>	<u>199,488</u>	<u>78,624</u>	<u>120,864</u>
Net change in fund balance	592,102	573,102	455,582	(117,520)
Fund balance - beginning	<u>2,694,016</u>	<u>2,694,016</u>	<u>2,694,016</u>	<u>-</u>
Fund balance - ending	<u><u>\$ 3,286,118</u></u>	<u><u>\$ 3,267,118</u></u>	<u><u>\$ 3,149,598</u></u>	<u><u>\$ (117,520)</u></u>

**COUNTY OF SOLANO, CALIFORNIA**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**Tobacco Settlement Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2009**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Use of money and property	\$ -	\$ -	\$ (138,618)	\$ (138,618)
 <b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	3,000,000	3,000,000	3,000,000	-
Transfers out	(56,290,033)	(56,290,033)	(55,836,541)	453,492
Total other financing sources (uses)	<u>(53,290,033)</u>	<u>(53,290,033)</u>	<u>(52,836,541)</u>	<u>453,492</u>
Net change in fund balance	(53,290,033)	(53,290,033)	(52,975,159)	314,874
Fund balance - beginning	54,777,616	54,777,616	54,777,616	-
Fund balance - ending	<u>\$ 1,487,583</u>	<u>\$ 1,487,583</u>	<u>\$ 1,802,457</u>	<u>\$ 314,874</u>

**COUNTY OF SOLANO, CALIFORNIA**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**Micrographics and Modernization Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2009**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Use of money and property	\$ 302,401	\$ 302,401	\$ 169,848	\$ (132,553)
Charges for services	710,500	710,500	576,324	(134,176)
Total revenues	<u>1,012,901</u>	<u>1,012,901</u>	<u>746,172</u>	<u>(266,729)</u>
<b>EXPENDITURES</b>				
Current:				
Recorder Special Revenue	1,326,585	1,201,605	410,515	791,090
Capital outlay:				
Equipment	60,000	255,000	14,551	240,449
Total expenditures	<u>1,386,585</u>	<u>1,456,605</u>	<u>425,066</u>	<u>1,031,539</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(373,684)</u>	<u>(443,704)</u>	<u>321,106</u>	<u>764,810</u>
<b>OTHER FINANCING USES</b>				
Transfers out	<u>(203,881)</u>	<u>(203,881)</u>	<u>(203,881)</u>	<u>-</u>
Net change in fund balance	(577,565)	(647,585)	117,225	764,810
Fund balance - beginning	7,178,541	7,178,541	7,178,541	-
Fund balance - ending	<u>\$ 6,600,976</u>	<u>\$ 6,530,956</u>	<u>\$ 7,295,766</u>	<u>\$ 764,810</u>

**COUNTY OF SOLANO, CALIFORNIA**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**Other Special Revenue Funds**  
**For the Fiscal Year Ended June 30, 2009**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Taxes	\$ 1,110,877	\$ 1,110,877	\$ 1,097,558	\$ (13,319)
Fines, forfeitures and penalties	5,000	5,000	5,280	280
Use of money and property	118,170	118,170	60,769	(57,401)
Intergovernmental	2,269,420	2,401,606	2,401,376	(230)
Charges for services	485,500	485,500	429,426	(56,074)
Miscellaneous	10,500	10,500	8,692	(1,808)
Total revenues	<u>3,999,467</u>	<u>4,131,653</u>	<u>4,003,101</u>	<u>(128,552)</u>
<b>EXPENDITURES</b>				
Current:				
Public protection				
Housing Authority of Solano County	2,169,602	2,301,788	2,301,796	(8)
East Vallejo Fire District	516,072	512,756	505,012	7,744
Fish/Wildlife Propagation	205,769	205,769	28,114	177,655
Total public protection	<u>2,891,443</u>	<u>3,020,313</u>	<u>2,834,922</u>	<u>185,391</u>
Public ways and facilities				
County Consolidated Service Area	455,087	405,089	301,572	103,517
Education and recreation				
Parks & Recreation	1,543,557	1,545,089	1,528,188	16,901
Total expenditures	<u>4,890,087</u>	<u>4,970,491</u>	<u>4,664,682</u>	<u>305,809</u>
Deficiency of revenues under expenditures	<u>(890,620)</u>	<u>(838,838)</u>	<u>(661,581)</u>	<u>177,257</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	453,699	453,699
Transfers out	(53,101)	(53,101)	(55,247)	(2,146)
Total other financing sources (uses)	<u>(53,101)</u>	<u>(53,101)</u>	<u>398,452</u>	<u>451,553</u>
Net change in fund balance	(943,721)	(891,939)	(263,129)	628,810
Fund balance - beginning	2,180,303	2,180,303	2,180,303	-
Fund balance - ending	<u>\$ 1,236,582</u>	<u>\$ 1,288,364</u>	<u>\$ 1,917,174</u>	<u>\$ 628,810</u>

### **Nonmajor Capital Projects Funds**

*Fairfield Downtown Project Fund* – This fund is used to account for the funding and construction activity for the new County administration complex in downtown Fairfield.

*Juvenile Hall Project Fund* – This fund is used to account for the construction of the new Juvenile Hall Facility. This building is to accommodate the increasing number of wards and to provide safe and secure housing for detained youngsters.

**COUNTY OF SOLANO, CALIFORNIA**  
**Combining Balance Sheet**  
**Nonmajor Capital Projects Funds**  
**June 30, 2009**

	<u>Fairfield Downtown Project</u>	<u>Juvenile Hall Project</u>	<u>Total Nonmajor Capital Projects Funds</u>
<b>ASSETS</b>			
Cash and investments	<u>\$ 483,137</u>	<u>\$ 57,946</u>	<u>\$ 541,083</u>
<b>FUND BALANCES</b>			
Unreserved, undesignated	<u>\$ 483,137</u>	<u>\$ 57,946</u>	<u>\$ 541,083</u>

**COUNTY OF SOLANO, CALIFORNIA**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Capital Projects Funds**  
**For the Fiscal Year Ended June 30, 2009**

	<u>Fairfield Downtown Project</u>	<u>Juvenile Hall Project</u>	<u>Total Nonmajor Capital Projects Funds</u>
<b>REVENUES</b>			
Use of money and property	\$ 9,311	\$ 6,044	\$ 15,355
Charges for services	183,795	46,127	229,922
Miscellaneous	4,743	-	4,743
Total revenues	<u>197,849</u>	<u>52,171</u>	<u>250,020</u>
<b>EXPENDITURES</b>			
Current:			
General government	<u>600</u>	<u>-</u>	<u>600</u>
Excess of revenues over expenditures	<u>197,249</u>	<u>52,171</u>	<u>249,420</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out	<u>(187,000)</u>	<u>(271,787)</u>	<u>(458,787)</u>
Net change in fund balances	10,249	(219,616)	(209,367)
Fund balances - beginning	472,888	277,562	750,450
Fund balances - ending	<u>\$ 483,137</u>	<u>\$ 57,946</u>	<u>\$ 541,083</u>

**COUNTY OF SOLANO, CALIFORNIA**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**Accumulated Capital Outlay Capital Projects Fund**  
**For the Fiscal Year Ended June 30, 2009**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Taxes	\$ 1,833,482	\$ 1,833,482	\$ 1,856,541	\$ 23,059
Use of money and property	780,512	780,512	1,460,631	680,119
Intergovernmental	2,409,069	4,083,605	2,078,747	(2,004,858)
Charges for services	787	787	-	(787)
Miscellaneous	-	-	190,181	190,181
Total revenues	<u>5,023,850</u>	<u>6,698,386</u>	<u>5,586,100</u>	<u>(1,112,286)</u>
<b>EXPENDITURES</b>				
Current:				
General government				
Capital Projects	1,297,985	14,007,541	5,161,641	8,845,900
Capital outlay:				
Land	-	348,823	342,938	5,885
Construction in progress	61,646,097	77,301,016	26,526,402	50,774,614
Building & Improvement	-	846,062	831,138	14,924
Equipment	-	350,000	77,750	272,250
Artwork	-	1,075,942	181,154	894,788
Total capital outlay	<u>61,646,097</u>	<u>79,921,843</u>	<u>27,959,382</u>	<u>51,962,461</u>
Total expenditures	<u>62,944,082</u>	<u>93,929,384</u>	<u>33,121,023</u>	<u>60,808,361</u>
Deficiency of revenues under expenditures	<u>(57,920,232)</u>	<u>(87,230,998)</u>	<u>(27,534,923)</u>	<u>59,696,075</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	59,700,275	59,719,275	59,644,277	(74,998)
Transfers out	(900,000)	(927,958)	(927,958)	-
Total other financing sources (uses)	<u>58,800,275</u>	<u>58,791,317</u>	<u>58,716,319</u>	<u>(74,998)</u>
Net change in fund balance	880,043	(28,439,681)	31,181,396	59,621,077
Fund balance - beginning	29,403,373	29,403,373	29,403,373	-
Fund balance - ending	<u>\$ 30,283,416</u>	<u>\$ 963,692</u>	<u>\$ 60,584,769</u>	<u>\$ 59,621,077</u>

**COUNTY OF SOLANO, CALIFORNIA**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**Fairfield Downtown Project Capital Projects Fund**  
**For the Fiscal Year Ended June 30, 2009**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Use of money and property	\$ 3,000	\$ 7,428	\$ 9,311	\$ 1,883
Charges for services	183,795	183,795	183,795	-
Miscellaneous	-	-	4,743	4,743
Total revenues	<u>186,795</u>	<u>191,223</u>	<u>197,849</u>	<u>6,626</u>
<b>EXPENDITURES</b>				
Current:				
General government				
Government Center Complex Project	-	775	600	175
Excess of revenues over expenditures	<u>186,795</u>	<u>190,448</u>	<u>197,249</u>	<u>6,801</u>
<b>OTHER FINANCING USES</b>				
Transfers out	<u>(187,000)</u>	<u>(187,000)</u>	<u>(187,000)</u>	<u>-</u>
Net change in fund balance	(205)	3,448	10,249	6,801
Fund balance - beginning	472,888	472,888	472,888	-
Fund balance - ending	<u>\$ 472,683</u>	<u>\$ 476,336</u>	<u>\$ 483,137</u>	<u>\$ 6,801</u>

**COUNTY OF SOLANO, CALIFORNIA**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**Juvenile Hall Project Capital Projects Fund**  
**For the Fiscal Year Ended June 30, 2009**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Use of money and property	\$ 15,000	\$ 15,000	\$ 6,044	\$ (8,956)
Charges for services	46,127	46,127	46,127	-
Total revenues	<u>61,127</u>	<u>61,127</u>	<u>52,171</u>	<u>(8,956)</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers out	<u>(271,787)</u>	<u>(271,787)</u>	<u>(271,787)</u>	<u>-</u>
Net change in fund balance	(210,660)	(210,660)	(219,616)	(8,956)
Fund balance - beginning	277,562	277,562	277,562	-
Fund balance - ending	<u>\$ 66,902</u>	<u>\$ 66,902</u>	<u>\$ 57,946</u>	<u>\$ (8,956)</u>

## **Nonmajor Debt Service Funds**

*1998 Certificates of Participation Fund* – This fund was established for the payment of the debt used to remodel the court facilities and to purchase the new Court Automated Case Management System (ACMS). This payment is funded through Public Facilities Fees and the Courts.

*1999 Certificates of Participation Fund* – This fund was established for the payment of debt used to acquire a 4.89-acre parcel of undeveloped land and construction of the new Health and Social Services administration building, and defease the 1994 Certificates of Participation. This payment is funded through the Health and Social Services Department.

*Government Center Debt Service Fund* – This fund was established for the payment of the debt used in the construction of the Solano County Government Center, Probation facility and improvement of the Cogeneration Plant and Fairfield library.

**COUNTY OF SOLANO, CALIFORNIA**  
**Combining Balance Sheet**  
**Nonmajor Debt Service Funds**  
**June 30, 2009**

	<u>1998</u> <u>Certificates of</u> <u>Participation</u>	<u>1999</u> <u>Certificates of</u> <u>Participation</u>	<u>Government</u> <u>Center Debt</u> <u>Service Fund</u>	<u>Total Nonmajor</u> <u>Debt Service Funds</u>
<b>ASSETS</b>				
Cash and investments	<u>\$ -</u>	<u>\$ 2,628,035</u>	<u>\$ 25,963</u>	<u>\$ 2,653,998</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Payables	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 350</u>	<u>\$ 350</u>
Fund balances:				
Reserved:				
Debt service	<u>-</u>	<u>2,628,035</u>	<u>25,613</u>	<u>2,653,648</u>
Total liabilities and fund balances	<u>\$ -</u>	<u>\$ 2,628,035</u>	<u>\$ 25,963</u>	<u>\$ 2,653,998</u>

**COUNTY OF SOLANO, CALIFORNIA**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Debt Service Funds**  
**For the Fiscal Year Ended June 30, 2009**

	<b>1998</b>	<b>1999</b>	<b>Government</b>	<b>Total Nonmajor</b>
	<b>Certificates of</b>	<b>Certificates of</b>	<b>Center Debt</b>	<b>Debt Service Funds</b>
	<b>Participation</b>	<b>Participation</b>	<b>Service Fund</b>	
<b>REVENUES</b>				
Use of money and property	\$ 3,032	\$ 16,897	\$ 11,647	\$ 31,576
Intergovernmental	-	-	114,000	114,000
Charges for services	-	6,517	1,640,489	1,647,006
Total revenues	<u>3,032</u>	<u>23,414</u>	<u>1,766,136</u>	<u>1,792,582</u>
<b>EXPENDITURES</b>				
Current:				
General government	30,973	2,013	43,160	76,146
Debt service:				
Principal	2,865,000	1,615,000	2,775,000	7,255,000
Interest and other charges	111,657	1,005,604	5,169,106	6,286,367
Total expenditures	<u>3,007,630</u>	<u>2,622,617</u>	<u>7,987,266</u>	<u>13,617,513</u>
Deficiency of revenues under expenditures	<u>(3,004,598)</u>	<u>(2,599,203)</u>	<u>(6,221,130)</u>	<u>(11,824,931)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	<u>2,405,912</u>	<u>2,003,539</u>	<u>5,777,426</u>	<u>10,186,877</u>
Net change in fund balances	(598,686)	(595,664)	(443,704)	(1,638,054)
Fund balances - beginning	<u>598,686</u>	<u>3,223,699</u>	<u>469,317</u>	<u>4,291,702</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ 2,628,035</u>	<u>\$ 25,613</u>	<u>\$ 2,653,648</u>

**COUNTY OF SOLANO, CALIFORNIA**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**Pension Debt Service Fund**  
**For the Fiscal Year Ended June 30, 2009**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Use of money and property	\$ (55,168)	\$ (55,168)	\$ (139,661)	\$ (84,493)
Miscellaneous	788,194	829,694	950,835	121,141
Total revenues	<u>733,026</u>	<u>774,526</u>	<u>811,174</u>	<u>36,648</u>
<b>EXPENDITURES</b>				
Current:				
Pension Obligation Bonds Administration	175,000	175,000	80,058	94,942
Total general government	<u>175,000</u>	<u>175,000</u>	<u>80,058</u>	<u>94,942</u>
Debt service:				
Payment to refunded bond escrow agent		-	-	-
Principal	17,190,000	32,190,000	32,190,000	-
Interest and other charges	<u>6,728,233</u>	<u>6,728,233</u>	<u>6,548,397</u>	<u>179,836</u>
Total debt service	<u>23,918,233</u>	<u>38,918,233</u>	<u>38,738,397</u>	<u>179,836</u>
Total expenditures	<u>24,093,233</u>	<u>39,093,233</u>	<u>38,818,455</u>	<u>274,778</u>
Deficiency of revenues under expenditures	<u>(23,360,207)</u>	<u>(38,318,707)</u>	<u>(38,007,281)</u>	<u>311,426</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers in	12,517,656	12,476,156	14,565,155	2,088,999
Total other financing sources	<u>12,517,656</u>	<u>12,476,156</u>	<u>14,565,155</u>	<u>2,088,999</u>
Net change in fund balance	(10,842,551)	(25,842,551)	(23,442,126)	2,400,425
Fund balance - beginning	13,745,385	13,745,385	13,745,385	-
Fund balance - ending	<u>\$ 2,902,834</u>	<u>\$ (12,097,166)</u>	<u>\$ (9,696,741)</u>	<u>\$ 2,400,425</u>

**COUNTY OF SOLANO, CALIFORNIA**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**1998 Certificates of Participation Debt Service Fund**  
**For the Fiscal Year Ended June 30, 2009**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Use of money and property	\$ 25,000	\$ 18,993	\$ 3,032	\$ (15,961)
<b>EXPENDITURES</b>				
Current:				
General government				
Courts Expansion	8,500	35,000	30,973	4,027
Debt service:				
Principal	210,000	2,865,000	2,865,000	-
Interest and other charges	126,603	112,103	111,657	446
Total debt service	336,603	2,977,103	2,976,657	446
Total expenditures	345,103	3,012,103	3,007,630	4,473
Deficiency of revenues under expenditures	(320,103)	(2,993,110)	(3,004,598)	(11,488)
<b>OTHER FINANCING SOURCES</b>				
Transfers in	320,103	2,409,666	2,405,912	(3,754)
Net change in fund balance	-	(583,444)	(598,686)	(15,242)
Fund balance - beginning	598,686	598,686	598,686	-
Fund balance - ending	<u>\$ 598,686</u>	<u>\$ 15,242</u>	<u>\$ -</u>	<u>\$ (15,242)</u>

**COUNTY OF SOLANO, CALIFORNIA**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**1999 Certificates of Participation Debt Service Fund**  
**For the Fiscal Year Ended June 30, 2009**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Use of money and property	\$ 123,088	\$ 1,230,888	\$ 16,897	\$ (1,213,991)
Charges for services	428	428	6,517	6,089
Total revenues	<u>123,516</u>	<u>1,231,316</u>	<u>23,414</u>	<u>(1,207,902)</u>
<b>EXPENDITURES</b>				
Current:				
General government				
HSS Admin Refinance	3,670	3,670	2,013	1,657
Debt service:				
Principal	1,615,000	1,615,000	1,615,000	-
Interest and other charges	1,005,604	1,005,604	1,005,604	-
Total debt service	<u>2,620,604</u>	<u>2,620,604</u>	<u>2,620,604</u>	<u>-</u>
Total expenditures	<u>2,624,274</u>	<u>2,624,274</u>	<u>2,622,617</u>	<u>1,657</u>
Deficiency of revenues under expenditures	<u>(2,500,758)</u>	<u>(1,392,958)</u>	<u>(2,599,203)</u>	<u>(1,206,245)</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers in	2,298,668	2,298,668	2,003,539	(295,129)
Net change in fund balance	(202,090)	905,710	(595,664)	(1,501,374)
Fund balance - beginning	3,223,699	3,223,699	3,223,699	-
Fund balance - ending	<u>\$ 3,021,609</u>	<u>\$ 4,129,409</u>	<u>\$ 2,628,035</u>	<u>\$ (1,501,374)</u>

**COUNTY OF SOLANO, CALIFORNIA**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**Government Center Debt Service Fund**  
**For the Fiscal Year Ended June 30, 2009**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Use of money and property	\$ 58,300	\$ 58,300	\$ 11,647	\$ (46,653)
Intergovernmental	108,000	108,000	114,000	6,000
Charges for services	1,640,489	1,640,489	1,640,489	-
Total revenues	<u>1,806,789</u>	<u>1,806,789</u>	<u>1,766,136</u>	<u>(40,653)</u>
<b>EXPENDITURES</b>				
Current:				
General government				
Government Center DSF	46,197	46,197	43,160	3,037
Debt service:				
Principal	2,775,000	2,775,000	2,775,000	-
Interest and other charges	5,169,106	5,169,106	5,169,106	-
Total debt service	<u>7,944,106</u>	<u>7,944,106</u>	<u>7,944,106</u>	<u>-</u>
Total expenditures	<u>7,990,303</u>	<u>7,990,303</u>	<u>7,987,266</u>	<u>3,037</u>
Deficiency of revenues under expenditures	<u>(6,183,514)</u>	<u>(6,183,514)</u>	<u>(6,221,130)</u>	<u>(37,616)</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers in	5,777,426	5,777,426	5,777,426	-
Net change in fund balance	(406,088)	(406,088)	(443,704)	(37,616)
Fund balance - beginning	469,317	469,317	469,317	-
Fund balance - ending	<u>\$ 63,229</u>	<u>\$ 63,229</u>	<u>\$ 25,613</u>	<u>\$ (37,616)</u>

## **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 or agencies of the government and to other governmental units, on a cost reimbursement basis.

*Communications Fund* – This fund is used to account for the communications solutions for County employees.

*Fleet Management Fund* – This fund is used to account for the rental, purchase, and maintenance of motor vehicles for other departments and their related maintenance cost.

*Risk Management Fund* – This fund is used to account for the administration and management of the County's insurance and safety plans and employee benefit services to County employees.

*Information Technology Fund* – This fund is used to account for the development, implementation and ongoing support costs for the electronic data processing services to County departments.

*Reprographics Fund* – This fund is used to account for reprographic services to County departments.

**COUNTY OF SOLANO, CALIFORNIA**  
**Combining Statement of Net Assets**  
**Internal Service Funds**  
**June 30, 2009**

	<u>Communications</u>	<u>Fleet Management</u>	<u>Risk Management</u>
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and investments	\$ 705,744	\$ 1,750,366	\$ 20,583,858
Accounts receivable	194,150	116,248	31,501
Due from other funds	4,690	57,864	372,403
Other assets	47,376	193,953	250,000
Total current assets	<u>951,960</u>	<u>2,118,431</u>	<u>21,237,762</u>
<b>Noncurrent assets</b>			
Capital assets:			
Construction in progress	-	-	-
Buildings and improvements	150,000	114,471	-
Equipment	1,221,376	12,013,826	-
Accumulated depreciation	(773,485)	(6,820,706)	-
Total capital assets	<u>597,891</u>	<u>5,307,591</u>	<u>-</u>
Total assets	<u>\$ 1,549,851</u>	<u>\$ 7,426,022</u>	<u>\$ 21,237,762</u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Outstanding warrants	\$ 136,054	\$ 79,476	\$ 1,035,000
Payables	149,160	132,460	310,563
Unearned revenue	-	-	-
Due to other funds	1,305	2,154	82,867
Current portion of long-term obligations	44,736	57,256	1,740,647
Total current liabilities	<u>331,255</u>	<u>271,346</u>	<u>3,169,077</u>
<b>Noncurrent liabilities</b>			
Advances From Other Funds	-	-	-
Noncurrent portion of long-term obligations	108,830	170,712	8,053,136
Total noncurrent liabilities	<u>108,830</u>	<u>170,712</u>	<u>8,053,136</u>
Total liabilities	<u>440,085</u>	<u>442,058</u>	<u>11,222,213</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	597,891	5,307,591	-
Unrestricted	511,875	1,676,373	10,015,549
Total net assets	<u>1,109,766</u>	<u>6,983,964</u>	<u>10,015,549</u>
Total liabilities and net assets	<u>\$ 1,549,851</u>	<u>\$ 7,426,022</u>	<u>\$ 21,237,762</u>

**COUNTY OF SOLANO, CALIFORNIA**  
**Combining Statement of Net Assets**  
**Internal Service Funds**  
**June 30, 2009**

<b>Information Technology</b>	<b>Reprographics</b>	<b>Total Internal Service Funds</b>	
\$ 1,263,222	\$ 153,120	\$ 24,456,310	<b>ASSETS</b>
64,070	1,948	407,917	<b>Current assets</b>
2,836	-	437,793	Cash and investments
-	-	491,329	Accounts receivable
1,330,128	155,068	25,793,349	Due from other funds
			Other assets
			Total current assets
			<b>Noncurrent assets</b>
			Capital assets:
3,776,998	-	3,776,998	Construction in progress
672,212	-	936,683	Buildings and improvements
7,466,822	155,281	20,857,305	Equipment
(3,610,137)	(128,888)	(11,333,216)	Accumulated depreciation
8,305,895	26,393	14,237,770	Total capital assets
\$ 9,636,023	\$ 181,461	\$ 40,031,119	Total assets
			<b>LIABILITIES</b>
			<b>Current liabilities</b>
\$ 93,832	\$ 8,692	\$ 1,353,054	Outstanding warrants
1,349,246	18,496	1,959,925	Payables
485,385	-	485,385	Unearned revenue
151,705	392	238,423	Due to other funds
241,590	13,546	2,097,775	Current portion of long-term obligations
2,321,758	41,126	6,134,562	Total current liabilities
			<b>Noncurrent liabilities</b>
987,770	-	987,770	Advances From Other Funds
269,526	20,523	8,622,727	Noncurrent portion of long-term obligations
1,257,296	20,523	9,610,497	Total noncurrent liabilities
3,579,054	61,649	15,745,059	Total liabilities
			<b>NET ASSETS</b>
8,305,895	26,393	14,237,770	Invested in capital assets, net of related debt
(2,248,926)	93,419	10,048,290	Unrestricted
6,056,969	119,812	24,286,060	Total net assets
\$ 9,636,023	\$ 181,461	\$ 40,031,119	Total liabilities and net assets

**COUNTY OF SOLANO, CALIFORNIA**  
**Combining Statement of Revenues, Expenses and Changes in Fund Net Assets**  
**Internal Service Funds**  
**For the Fiscal Year Ended June 30, 2009**

	<u>Communications</u>	<u>Fleet Management</u>	<u>Risk Management</u>
<b>OPERATING REVENUES</b>			
Charges for sales and services:			
Internal services	\$ 2,331,257	\$ 4,660,012	\$ 5,202,707
<b>OPERATING EXPENSES</b>			
Personnel services	772,512	1,034,454	1,160,587
Maintenance	188,529	680,712	1,527
Materials and supplies	89,883	923,694	31,858
Depreciation	87,275	1,125,928	-
Insurance	11,690	20,065	8,298,214
Rent, utilities and others	1,224,440	632,804	1,632,785
Total operating expenses	<u>2,374,329</u>	<u>4,417,657</u>	<u>11,124,971</u>
Operating income (loss)	<u>(43,072)</u>	<u>242,355</u>	<u>(5,922,264)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Investment earnings	10,786	42,042	520,463
Other revenue	165,940	108,037	317,488
Gain (Loss) on sale of capital assets	-	160,960	-
Total nonoperating revenues, net	<u>176,726</u>	<u>311,039</u>	<u>837,951</u>
Income (loss) before transfers	<u>133,654</u>	<u>553,394</u>	<u>(5,084,313)</u>
Transfers in	-	105,908	-
Transfers out	(50,628)	(52,764)	(60,055)
Change in net assets	<u>83,026</u>	<u>606,538</u>	<u>(5,144,368)</u>
Total net assets - beginning	<u>1,026,740</u>	<u>6,377,426</u>	<u>15,159,917</u>
Total net assets - ending	<u>\$ 1,109,766</u>	<u>\$ 6,983,964</u>	<u>\$ 10,015,549</u>

**COUNTY OF SOLANO, CALIFORNIA**  
**Combining Statement of Revenues, Expenses and Changes in Fund Net Assets**  
**Internal Service Funds**  
**For the Fiscal Year Ended June 30, 2009**

<u>Information Technology</u>	<u>Reprographics</u>	<u>Total Internal Service Funds</u>	
			<b>OPERATING REVENUES</b>
			Charges for sales and services:
\$ 18,357,925	\$ 426,423	\$ 30,978,324	Internal services
			<b>OPERATING EXPENSES</b>
5,383,573	239,511	8,590,637	Personnel services
484,672	16,096	1,371,536	Maintenance
303,349	88,695	1,437,479	Materials and supplies
741,505	8,724	1,963,432	Depreciation
51,322	3,918	8,385,209	Insurance
11,171,030	151,278	14,812,337	Rent, utilities and others
<u>18,135,451</u>	<u>508,222</u>	<u>36,560,630</u>	Total operating expenses
<u>222,474</u>	<u>(81,799)</u>	<u>(5,582,306)</u>	Operating income (loss)
			<b>NONOPERATING REVENUES (EXPENSES)</b>
18,128	3,745	595,164	Investment earnings
33,862	731	626,058	Other revenue
<u>(695)</u>	<u>-</u>	<u>160,265</u>	Gain (Loss) on sale of capital assets
51,295	4,476	1,381,487	Total nonoperating revenues, net
<u>273,769</u>	<u>(77,323)</u>	<u>(4,200,819)</u>	Income (loss) before transfers
37,918	-	143,826	Transfers in
<u>(279,217)</u>	<u>(11,902)</u>	<u>(454,566)</u>	Transfers out
32,470	(89,225)	(4,511,559)	Change in net assets
6,024,499	209,037	28,797,619	Total net assets - beginning
<u>\$ 6,056,969</u>	<u>\$ 119,812</u>	<u>\$ 24,286,060</u>	Total net assets - ending

**COUNTY OF SOLANO, CALIFORNIA**  
**Combining Statement of Cash Flows**  
**Internal Service Funds**  
**For the Fiscal Year Ended June 30, 2009**

	<u>Communications</u>	<u>Fleet Management</u>	<u>Risk Management</u>
<b>Cash flows from operating activities:</b>			
Receipts from customers and users	\$ 239,418	\$ 98,904	\$ 327,065
Receipts from interfund services provided	2,233,712	4,603,390	5,021,470
Payments to suppliers	(1,408,722)	(2,396,010)	(9,899,971)
Payments to employees	(762,801)	(1,018,798)	(1,176,144)
Payments for interfund services used	(778)	(573)	(40,450)
Net cash provided (used) by operating activities	<u>300,829</u>	<u>1,286,913</u>	<u>(5,768,030)</u>
<b>Cash flows from noncapital financing activities:</b>			
Transfers in	-	105,908	-
Transfers out	(50,628)	(52,764)	(60,055)
Borrowings on advances from other funds	-	-	-
Net cash provided (used) by noncapital financing	<u>(50,628)</u>	<u>53,144</u>	<u>(60,055)</u>
<b>Cash flows from capital and related financing activities:</b>			
Acquisition of capital assets	(6,313)	(1,568,554)	-
Proceeds from sale of capital assets	-	176,636	-
activities	<u>(6,313)</u>	<u>(1,391,918)</u>	<u>-</u>
<b>Cash flows from investing activities:</b>			
Investment income	<u>10,786</u>	<u>42,042</u>	<u>520,463</u>
Net increase (decrease) in cash and cash equivalents	254,674	(9,819)	(5,307,622)
Cash and cash equivalents - beginning	451,070	1,760,185	25,891,480
Cash and cash equivalents - ending	<u>\$ 705,744</u>	<u>\$ 1,750,366</u>	<u>\$ 20,583,858</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>			
Operating income (loss)	\$ (43,072)	\$ 242,355	\$ (5,922,264)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	87,275	1,125,928	-
Other nonoperating revenue	165,940	108,037	317,488
Changes in assets and liabilities:			
(Increase) in receivables, net	(26,660)	(9,131)	(21,462)
(Increase) decrease in due from other funds	1,462	(56,622)	(150,198)
Decrease in due from other agencies	1,131	-	-
Decrease in other assets	-	68,285	-
Increase in outstanding warrants	135,187	64,026	1,032,904
(Decrease) in payables	(29,367)	(271,048)	(122,560)
Increase (decrease) in due to other funds	(778)	(573)	(40,450)
Increase (decrease) in accrued compensated absences	9,711	15,656	(15,557)
(Decrease) in self-insurance liability	-	-	(845,931)
Total adjustments	<u>343,901</u>	<u>1,044,558</u>	<u>154,234</u>
Net cash provided (used) by operating activities	<u>\$ 300,829</u>	<u>\$ 1,286,913</u>	<u>\$ (5,768,030)</u>
<b>Noncash investing, capital, and financing activities</b>			
Change in fair value of investments	\$ 2,655	\$ 6,584	\$ 77,423

**COUNTY OF SOLANO, CALIFORNIA**  
**Combining Statement of Cash Flows (Continued)**  
**Internal Service Funds**  
**For the Fiscal Year Ended June 30, 2009**

<b>Information Technology</b>	<b>Reprographics</b>	<b>Total Internal Service Funds</b>																																																																						
<table border="0" style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: right;">\$ 111,875</td> <td style="text-align: right;">\$ 1,058</td> <td style="text-align: right;">\$ 778,320</td> <td></td> </tr> <tr> <td style="text-align: right;">18,355,491</td> <td style="text-align: right;">426,423</td> <td style="text-align: right;">30,640,486</td> <td></td> </tr> <tr> <td style="text-align: right;">(12,739,522)</td> <td style="text-align: right;">(254,543)</td> <td style="text-align: right;">(26,698,768)</td> <td></td> </tr> <tr> <td style="text-align: right;">(5,299,599)</td> <td style="text-align: right;">(235,729)</td> <td style="text-align: right;">(8,493,071)</td> <td></td> </tr> <tr> <td style="text-align: right;">137,503</td> <td style="text-align: right;">(236)</td> <td style="text-align: right;">95,466</td> <td></td> </tr> <tr> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">565,748</td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">(63,027)</td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">(3,677,567)</td> <td></td> </tr> </table>	\$ 111,875	\$ 1,058	\$ 778,320		18,355,491	426,423	30,640,486		(12,739,522)	(254,543)	(26,698,768)		(5,299,599)	(235,729)	(8,493,071)		137,503	(236)	95,466		565,748	(63,027)	(3,677,567)		<table border="0" style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: right;">37,918</td> <td style="text-align: right;">-</td> <td style="text-align: right;">143,826</td> <td></td> </tr> <tr> <td style="text-align: right;">(279,217)</td> <td style="text-align: right;">(11,902)</td> <td style="text-align: right;">(454,566)</td> <td></td> </tr> <tr> <td style="text-align: right;">987,770</td> <td style="text-align: right;">-</td> <td style="text-align: right;">987,770</td> <td></td> </tr> <tr> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">746,471</td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">(11,902)</td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">677,030</td> <td></td> </tr> </table>	37,918	-	143,826		(279,217)	(11,902)	(454,566)		987,770	-	987,770		746,471	(11,902)	677,030		<table border="0" style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: right;">(3,066,327)</td> <td style="text-align: right;">-</td> <td style="text-align: right;">(4,641,194)</td> <td></td> </tr> <tr> <td style="text-align: right;">-</td> <td style="text-align: right;">-</td> <td style="text-align: right;">176,636</td> <td></td> </tr> <tr> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">(3,066,327)</td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">-</td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">(4,464,558)</td> <td></td> </tr> </table>	(3,066,327)	-	(4,641,194)		-	-	176,636		(3,066,327)	-	(4,464,558)		<table border="0" style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: right;">18,128</td> <td style="text-align: right;">3,745</td> <td style="text-align: right;">595,164</td> <td></td> </tr> <tr> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">(1,735,980)</td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">(71,184)</td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">(6,869,931)</td> <td></td> </tr> <tr> <td style="text-align: right;">2,999,202</td> <td style="text-align: right;">224,304</td> <td style="text-align: right;">31,326,241</td> <td></td> </tr> <tr> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">\$ 1,263,222</td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">\$ 153,120</td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">\$ 24,456,310</td> <td></td> </tr> </table>	18,128	3,745	595,164		(1,735,980)	(71,184)	(6,869,931)		2,999,202	224,304	31,326,241		\$ 1,263,222	\$ 153,120	\$ 24,456,310		<p><b>Cash flows from operating activities:</b></p> <ul style="list-style-type: none"> <li>Receipts from customers and users</li> <li>Receipts from interfund services provided</li> <li>Payments to suppliers</li> <li>Payments to employees</li> <li>Payments for interfund services used</li> <li>Net cash provided (used) by operating activities</li> </ul> <p><b>Cash flows from noncapital financing activities:</b></p> <ul style="list-style-type: none"> <li>Transfers in</li> <li>Transfers out</li> <li>Borrowings on advances from other funds</li> <li>Net cash provided (used) by noncapital financing</li> </ul> <p><b>Cash flows from capital and related financing activities:</b></p> <ul style="list-style-type: none"> <li>Acquisition of capital assets</li> <li>Proceeds from sale of capital assets</li> <li>activities</li> </ul> <p><b>Cash flows from investing activities:</b></p> <ul style="list-style-type: none"> <li>Investment income</li> </ul> <p>Net increase (decrease) in cash and cash equivalents</p> <p>Cash and cash equivalents - beginning</p> <p>Cash and cash equivalents - ending</p> <p><b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b></p> <ul style="list-style-type: none"> <li>Operating income (loss)</li> <li>Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:</li> <li>Depreciation</li> <li>Other nonoperating revenue</li> <li>Changes in assets and liabilities:</li> <li>(Increase) in receivables, net</li> <li>(Increase) decrease in due from other funds</li> <li>Decrease in due from other agencies</li> <li>Decrease in other assets</li> <li>Increase in outstanding warrants</li> <li>(Decrease) in payables</li> <li>Increase (decrease) in due to other funds</li> <li>Increase (decrease) in accrued compensated absences</li> <li>(Decrease) in self-insurance liability</li> <li>Total adjustments</li> <li>Net cash provided (used) by operating activities</li> </ul>
\$ 111,875	\$ 1,058	\$ 778,320																																																																						
18,355,491	426,423	30,640,486																																																																						
(12,739,522)	(254,543)	(26,698,768)																																																																						
(5,299,599)	(235,729)	(8,493,071)																																																																						
137,503	(236)	95,466																																																																						
565,748	(63,027)	(3,677,567)																																																																						
37,918	-	143,826																																																																						
(279,217)	(11,902)	(454,566)																																																																						
987,770	-	987,770																																																																						
746,471	(11,902)	677,030																																																																						
(3,066,327)	-	(4,641,194)																																																																						
-	-	176,636																																																																						
(3,066,327)	-	(4,464,558)																																																																						
18,128	3,745	595,164																																																																						
(1,735,980)	(71,184)	(6,869,931)																																																																						
2,999,202	224,304	31,326,241																																																																						
\$ 1,263,222	\$ 153,120	\$ 24,456,310																																																																						
<table border="0" style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: right;">\$ 222,474</td> <td style="text-align: right;">\$ (81,799)</td> <td style="text-align: right;">\$ (5,582,306)</td> <td></td> </tr> <tr> <td style="text-align: right;">741,505</td> <td style="text-align: right;">8,724</td> <td style="text-align: right;">1,963,432</td> <td></td> </tr> <tr> <td style="text-align: right;">33,862</td> <td style="text-align: right;">731</td> <td style="text-align: right;">626,058</td> <td></td> </tr> <tr> <td style="text-align: right;">(3,917)</td> <td style="text-align: right;">327</td> <td style="text-align: right;">(60,843)</td> <td></td> </tr> <tr> <td style="text-align: right;">(2,434)</td> <td style="text-align: right;">-</td> <td style="text-align: right;">(207,792)</td> <td></td> </tr> <tr> <td style="text-align: right;">81,930</td> <td style="text-align: right;">-</td> <td style="text-align: right;">83,061</td> <td></td> </tr> <tr> <td style="text-align: right;">-</td> <td style="text-align: right;">-</td> <td style="text-align: right;">68,285</td> <td></td> </tr> <tr> <td style="text-align: right;">83,802</td> <td style="text-align: right;">7,491</td> <td style="text-align: right;">1,323,410</td> <td></td> </tr> <tr> <td style="text-align: right;">(812,951)</td> <td style="text-align: right;">(2,047)</td> <td style="text-align: right;">(1,237,973)</td> <td></td> </tr> <tr> <td style="text-align: right;">137,503</td> <td style="text-align: right;">(236)</td> <td style="text-align: right;">95,466</td> <td></td> </tr> <tr> <td style="text-align: right;">83,974</td> <td style="text-align: right;">3,782</td> <td style="text-align: right;">97,566</td> <td></td> </tr> <tr> <td style="text-align: right;">-</td> <td style="text-align: right;">-</td> <td style="text-align: right;">(845,931)</td> <td></td> </tr> <tr> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">343,274</td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">18,772</td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">1,904,739</td> <td></td> </tr> <tr> <td style="text-align: right; border-bottom: 3px double black;">\$ 565,748</td> <td style="text-align: right; border-bottom: 3px double black;">\$ (63,027)</td> <td style="text-align: right; border-bottom: 3px double black;">\$ (3,677,567)</td> <td></td> </tr> </table>	\$ 222,474	\$ (81,799)	\$ (5,582,306)		741,505	8,724	1,963,432		33,862	731	626,058		(3,917)	327	(60,843)		(2,434)	-	(207,792)		81,930	-	83,061		-	-	68,285		83,802	7,491	1,323,410		(812,951)	(2,047)	(1,237,973)		137,503	(236)	95,466		83,974	3,782	97,566		-	-	(845,931)		343,274	18,772	1,904,739		\$ 565,748	\$ (63,027)	\$ (3,677,567)		<p><b>Noncash investing, capital, and financing activities</b></p> <ul style="list-style-type: none"> <li>Change in fair value of investments</li> </ul>															
\$ 222,474	\$ (81,799)	\$ (5,582,306)																																																																						
741,505	8,724	1,963,432																																																																						
33,862	731	626,058																																																																						
(3,917)	327	(60,843)																																																																						
(2,434)	-	(207,792)																																																																						
81,930	-	83,061																																																																						
-	-	68,285																																																																						
83,802	7,491	1,323,410																																																																						
(812,951)	(2,047)	(1,237,973)																																																																						
137,503	(236)	95,466																																																																						
83,974	3,782	97,566																																																																						
-	-	(845,931)																																																																						
343,274	18,772	1,904,739																																																																						
\$ 565,748	\$ (63,027)	\$ (3,677,567)																																																																						

(This page intentionally left blank)

## **Agency Funds**

Agency Funds are custodial in nature and do not measure the results of operations. Such funds have no equity account since all assets are due to individuals or entities at some future time.

*Property Tax Collection Fund* – This fund is used to account for property tax collections awaiting apportionment to governmental agencies.

*Local Transportation Fund* – This fund is used to account for the quarter of one percent sales tax collected by the State Board of Equalization and deposited with the county of origin for local transportation support. The Metropolitan Transportation Commission, the regional agency responsible for administration of these monies, directs their use and distribution.

*All Other Agency Funds* – This fund is used to account for assets held for other governmental agencies by the County in a fiduciary capacity.

**COUNTY OF SOLANO, CALIFORNIA**  
**Combining Statement of Changes in Assets and Liabilities**  
**Agency Funds**  
**For the Fiscal Year Ended June 30, 2009**

**PROPERTY TAX COLLECTION**

	<b>Balance July 1, 2008</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance June 30, 2009</b>
<b>Assets</b>				
Cash and investments	\$ -	\$ 591,598,088	\$ 591,598,088	\$ -
Property taxes receivable	66,946,738	624,621,551	632,790,912	58,777,377
Total assets	<u>\$ 66,946,738</u>	<u>\$ 1,216,219,639</u>	<u>\$ 1,224,389,000</u>	<u>\$ 58,777,377</u>
<b>Liabilities</b>				
Due to others	<u>\$ 66,946,738</u>	<u>\$ 1,216,219,639</u>	<u>\$ 1,224,389,000</u>	<u>\$ 58,777,377</u>

**LOCAL TRANSPORTATION**

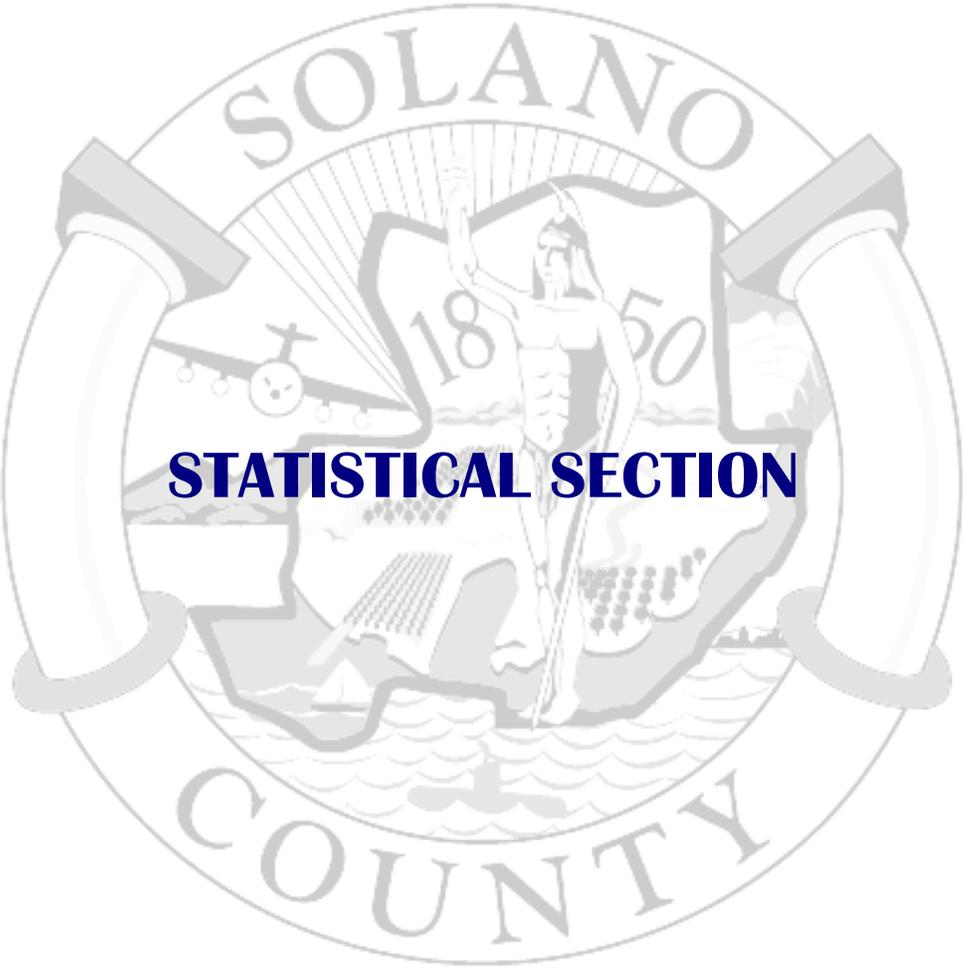
	<b>Balance July 1, 2008</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance June 30, 2009</b>
<b>Assets</b>				
Cash and investments	\$ 7,967,261	\$ 19,300,632	\$ 15,646,014	\$ 11,621,879
<b>Liabilities</b>				
Due to others	<u>\$ 7,967,261</u>	<u>\$ 19,300,632</u>	<u>\$ 15,646,014</u>	<u>\$ 11,621,879</u>

**ALL OTHER AGENCY FUNDS**

	<b>Balance July 1, 2008</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance June 30, 2009</b>
<b>Assets</b>				
Cash and investments	\$ 8,084,997	\$ 34,511,895	\$ 30,996,113	\$ 11,600,779
<b>Liabilities</b>				
Due to others	<u>\$ 8,084,997</u>	<u>\$ 34,511,895</u>	<u>\$ 30,996,113</u>	<u>\$ 11,600,779</u>

**TOTAL - ALL AGENCY FUNDS**

	<b>Balance July 1, 2008</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance June 30, 2009</b>
<b>Assets</b>				
Cash and investments	\$ 16,052,258	\$ 645,410,615	\$ 638,240,215	\$ 23,222,658
Property taxes receivable	66,946,738	624,621,551	632,790,912	58,777,377
Total assets	<u>\$ 82,998,996</u>	<u>\$ 1,270,032,166</u>	<u>\$ 1,271,031,127</u>	<u>\$ 82,000,035</u>
<b>Liabilities</b>				
Due to others	<u>\$ 82,998,996</u>	<u>\$ 1,270,032,166</u>	<u>\$ 1,271,031,127</u>	<u>\$ 82,000,035</u>



**STATISTICAL SECTION**

# STATISTICAL SECTION

This part of the County of Solano’s comprehensive annual financial report provides supplemental information for the benefit of the readers. This section presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the County’s overall financial health.

<b><u>Contents</u></b>	<b><u>Page</u></b>
<b>Financial Trends</b> <i>These schedules contain trend information to help the reader understand how the County’s financial performance and well-being have changed over time.</i>	<b>123</b>
<b>Revenue Capacity</b> <i>These schedules contain information to help the reader assess the County’s most significant local revenue source, the property tax.</i>	<b>130</b>
<b>Debt Capacity</b> <i>These schedules present information to help the reader assess the affordability of the County’s current levels of outstanding debt and the County’s ability to issue additional debt in the future.</i>	<b>134</b>
<b>Demographic and Economic Information</b> <i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the County’s financial activities take place.</i>	<b>137</b>
<b>Operating Information</b> <i>These schedules contain service and infrastructure data to help the reader understand how the information in the County’s financial report relates to the services the County provides and the activities it performs.</i>	<b>142</b>

**Sources:** *Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The County implemented GASB Statement No. 34 in 2001; schedules presenting government-wide information include information beginning with that year.*

(This page intentionally left blank)

**COUNTY OF SOLANO, CALIFORNIA**  
**Net Assets by Component**  
**Last Nine Fiscal Years<sup>1</sup>**  
*(accrual basis of accounting)*

	Fiscal Year								
	2009	2008	2007	2006	2005	2004	2003	2002	2001
<b>Governmental activities</b>									
Invested in capital assets, net of related debt	\$ 338,045,459	\$ 306,156,899	\$ 290,318,976	\$ 273,169,996	\$ 274,177,088	\$ 270,350,715	\$ 256,654,269	\$ 250,850,720	\$ 214,606,249
Restricted	66,684,155	72,516,573	70,229,693	67,227,824	40,996,161	70,579,011	119,862,509	14,166,890	47,267,051
Unrestricted	223,968,696	257,528,047	251,684,500	218,470,331	185,407,179	134,490,563	62,014,197	103,492,298	75,566,880
Total governmental activities net assets	\$ 628,698,310	\$ 636,201,519	\$ 612,233,169	\$ 558,868,151	\$ 500,580,428	\$ 475,420,289	\$ 438,530,975	\$ 368,509,908	\$ 337,440,180
<b>Business-type activities</b>									
Invested in capital assets, net of related debt	\$ 20,389,570	\$ 20,790,532	\$ 14,896,619	\$ 11,809,809	\$ 10,270,009	\$ 9,621,167	\$ 8,509,364	\$ 13,436,909	\$ 11,723,477
Restricted	-	-	-	-	-	-	1,300,000	-	-
Unrestricted	(3,673,335)	(5,570,038)	(1,441,992)	(2,847,845)	(1,013,848)	(530,539)	(24,291)	1,932,973	2,421,801
Total business-type activities net assets	\$ 16,716,235	\$ 15,220,494	\$ 13,454,627	\$ 8,961,964	\$ 9,256,161	\$ 9,090,628	\$ 9,785,073	\$ 15,369,882	\$ 14,145,278
<b>Primary government</b>									
Invested in capital assets, net of related debt	\$ 358,435,029	\$ 326,947,431	\$ 305,215,595	\$ 284,979,805	\$ 284,447,097	\$ 279,971,882	\$ 265,163,633	\$ 264,287,629	\$ 226,329,726
Restricted	66,684,155	72,516,573	70,229,693	67,227,824	40,996,161	70,579,011	121,162,509	14,166,890	47,267,051
Unrestricted	220,295,361	251,958,009	250,242,508	215,622,486	184,393,331	133,960,024	61,989,906	105,425,271	77,988,681
Total primary government net assets	\$ 645,414,545	\$ 651,422,013	\$ 625,687,796	\$ 567,830,115	\$ 509,836,589	\$ 484,510,917	\$ 448,316,048	\$ 383,879,790	\$ 351,585,458

<sup>1</sup> Accrual-basis financial information for the County government as a whole is available back to 2001 only, the year GASB Statement 34 was implemented.

Source: Audited Financial Statements

**COUNTY OF SOLANO, CALIFORNIA**  
**Changes in Net Assets**  
**Last Nine Fiscal Years <sup>1</sup>**  
*(accrual basis of accounting)*

	Fiscal Year								
	2009	2008	2007	2006	2005	2004	2003	2002	2001
<b>Expenses</b>									
Governmental activities:									
General government	\$ 68,697,921	\$ 66,076,091	\$ 53,610,176	\$ 56,558,886	\$ 50,668,082	\$ 43,489,603	\$ 45,032,722	\$ 41,910,911	\$ 33,337,370
Public protection	175,498,575	167,025,179	152,135,516	145,029,057	143,497,198	132,128,495	125,585,195	119,673,935	108,973,071
Public ways and facilities	12,765,552	13,749,283	12,524,903	14,258,190	13,111,022	11,175,121	10,911,632	7,076,867	16,042,372
Health services	106,791,512	106,905,228	101,162,646	98,074,826	103,089,445	94,775,322	82,980,974	80,209,568	65,002,848
Public assistance	144,896,972	140,654,444	132,795,943	130,957,165	122,936,114	129,712,495	120,898,958	118,808,521	110,286,059
Education and recreation	21,109,579	21,958,611	21,241,168	19,140,185	15,887,886	14,212,564	12,663,165	11,945,358	10,770,670
Interest /Principal on long-term debt	12,124,643	13,010,423	12,781,989	12,848,298	12,548,175	8,233,665	6,176,532	4,994,361	5,712,387
Total governmental activities expenses	541,884,754	529,379,259	486,252,341	476,866,607	461,737,922	433,727,265	404,249,178	384,619,521	350,124,777
Business-type activities:									
Nut Tree Airport	2,241,236	2,022,955	1,639,976	1,592,100	1,362,902	1,262,109	1,180,824	1,048,905	918,442
Fount Springs Youth Facility	3,713,188	3,649,876	3,398,461	3,301,242	3,948,500	4,389,289	4,531,095	4,400,648	3,860,998
Solano County Fair <sup>2</sup>	-	-	-	-	-	-	-	5,182,459	4,340,785
Total primary government expenses	5,954,424	5,672,831	5,038,437	4,893,342	5,311,402	5,651,398	5,711,919	10,632,012	9,120,225
	\$ 547,839,178	\$ 535,052,090	\$ 491,290,778	\$ 481,759,949	\$ 467,049,324	\$ 439,378,663	\$ 409,961,097	\$ 395,251,533	\$ 359,245,002
<b>Program Revenues</b>									
Governmental activities:									
Charges for services:									
General government	\$ 28,899,543	\$ 26,780,958	\$ 31,241,019	\$ 32,187,356	\$ 37,600,101	\$ 31,920,886	\$ 26,329,308	\$ 30,602,850	\$ 30,308,913
Public protection	19,694,270	19,913,381	21,567,229	23,935,472	20,665,232	18,014,578	17,424,843	14,529,453	13,924,165
Public ways and facilities	1,223,163	1,507,009	1,595,475	2,059,559	1,818,144	1,776,921	1,699,829	1,739,598	1,638,198
Health services	16,130,208	17,499,502	12,367,246	14,788,760	14,952,284	12,834,358	12,156,224	14,063,712	6,799,765
Public assistance	839,430	810,422	736,622	813,877	792,650	714,228	711,058	310,747	1,136,448
Education and recreation	5,753,093	6,231,823	5,502,044	5,989,917	3,580,595	3,896,130	4,120,252	3,663,808	3,751,806
Operating grants and contributions	287,562,269	295,815,325	288,680,255	278,885,706	264,093,871	264,202,785	249,276,485	243,832,179	223,091,362
Capital grants and contributions	-	-	-	-	1,809,000	5,154,984	2,281,016	-	718,400
Total governmental activities program revenues	360,101,976	368,558,420	361,689,890	358,660,647	345,311,877	338,514,870	313,999,015	308,742,347	281,369,057
Business-type activities									
Charges for services:									
Nut Tree Airport	1,292,875	1,141,736	949,070	995,659	913,935	1,043,051	929,509	789,146	723,743
Fount Springs Youth Facility	3,203,533	3,184,236	3,081,184	2,346,732	2,531,598	2,846,865	3,220,755	3,743,659	3,432,303
Solano County Fair <sup>2</sup>	-	-	-	-	-	-	-	5,055,500	4,552,254
Operating grants and contributions	528,000	540,360	648,139	748,146	689,649	-	-	-	386,728
Capital grants and contributions	2,189,182	2,296,465	2,918,130	280,415	1,079,079	-	-	979,600	2,477,523
Total business-type activities	7,213,590	7,162,797	7,596,523	4,370,952	5,214,261	3,889,916	4,150,264	10,567,905	11,572,551
Total primary government program revenues	\$ 367,315,566	\$ 375,721,217	\$ 369,286,413	\$ 363,031,599	\$ 350,526,138	\$ 342,404,786	\$ 318,149,279	\$ 319,310,252	\$ 292,941,608
<b>Net (Expenses)/Revenue</b>									
Governmental activities	\$(181,782,778)	\$(160,820,839)	\$(124,562,451)	\$(118,205,960)	\$(116,426,045)	\$(95,212,395)	\$(90,250,163)	\$(75,877,174)	\$(68,755,720)
Business-type activities	1,259,166	1,489,966	2,558,086	(522,390)	(97,141)	(1,761,482)	(1,561,655)	(64,107)	2,452,326
Total primary government net expenses	\$(180,523,612)	\$(159,330,873)	\$(122,004,365)	\$(118,728,350)	\$(116,523,186)	\$(96,973,877)	\$(91,811,818)	\$(75,941,281)	\$(66,303,394)



**COUNTY OF SOLANO, CALIFORNIA**  
**Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
*(modified accrual basis of accounting)*

	Fiscal Year				
	2009	2008	2007	2006	2005
<b>General Fund</b>					
Reserved	\$ 6,909,142	\$ 9,591,064	\$ 4,150,844	\$ 3,575,776	\$ 2,650,417
Unreserved	101,068,378	111,054,606	117,465,640	88,104,809	69,817,153
Total General Fund	<u>107,977,520</u>	<u>120,645,670</u>	<u>121,616,484</u>	<u>91,680,585</u>	<u>72,467,570</u>
<b>All Other Governmental Funds</b>					
Reserved	\$ 65,271,318	\$ 56,504,466	\$ 91,344,253	\$ 34,558,867	\$ 31,951,339
Unreserved, reported in:					
Special revenue funds	76,053,180	76,665,059	75,946,573	133,282,448	131,227,828
Capital projects funds	6,261,034	55,852,298	13,049,077	15,255,723	2,585,051
Debt service funds	(10,437,736)	-	-	-	-
Total all other governmental funds	<u>137,147,796</u>	<u>189,021,823</u>	<u>180,339,903</u>	<u>183,097,038</u>	<u>165,764,218</u>
	<u>\$ 245,125,316</u>	<u>\$ 309,667,493</u>	<u>\$ 301,956,387</u>	<u>\$ 274,777,623</u>	<u>\$ 238,231,788</u>

Source: Audited Financial Statements

**COUNTY OF SOLANO, CALIFORNIA**  
**Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
*(modified accrual basis of accounting)*

<b>Fiscal Year</b>					
<b>2004</b>	<b>2003</b>	<b>2002</b>	<b>2001</b>	<b>2000</b>	
					<b>General Fund</b>
\$ 1,158,613	\$ 3,415,066	\$ 1,541,441	\$ 597,750	\$ 737,116	Reserved
54,064,235	45,491,994	43,685,285	31,425,492	17,409,138	Unreserved
<u>55,222,848</u>	<u>48,907,060</u>	<u>45,226,726</u>	<u>32,023,242</u>	<u>18,146,254</u>	Total General Fund
					<b>All Other Governmental Funds</b>
\$ 41,474,664	\$ 57,585,083	\$ 22,895,362	\$ 52,690,983	\$ 40,868,193	Reserved
					Unreserved, reported in:
118,657,450	102,116,827	49,268,396	33,256,421	14,580,123	Special revenue funds
17,041,854	68,841,392	10,036,848	7,511,288	10,450,497	Capital projects funds
-	-	-	-	-	Debt service funds
<u>177,173,968</u>	<u>228,543,302</u>	<u>82,200,606</u>	<u>93,458,692</u>	<u>65,898,813</u>	Total all other governmental funds
<u>\$ 232,396,816</u>	<u>\$ 277,450,362</u>	<u>\$ 127,427,332</u>	<u>\$ 125,481,934</u>	<u>\$ 84,045,067</u>	

**COUNTY OF SOLANO, CALIFORNIA**  
**Changes in Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
*(modified accrual basis of accounting)*

	Fiscal Year				
	2009	2008	2007	2006	2005
<b>Revenues</b>					
Taxes <sup>1</sup>	\$ 134,613,147	\$ 138,987,233	\$ 132,730,738	\$ 126,709,867	\$ 78,793,277
Licenses, permits and franchises	6,690,257	6,180,001	6,758,843	7,260,201	5,658,034
Fines, forfeitures and penalties	4,772,315	5,458,554	5,870,027	7,389,580	6,038,097
Use of money and property	5,917,139	13,022,335	14,115,648	9,038,296	6,415,122
Intergovernmental <sup>1</sup>	301,278,100	312,049,066	299,974,644	289,299,129	315,166,573
Charges for services	79,371,133	77,340,255	75,908,930	79,239,520	77,819,413
Miscellaneous	15,087,909	12,457,166	15,709,000	10,364,009	11,532,508
<b>Total revenues</b>	<b>547,730,000</b>	<b>565,494,610</b>	<b>551,067,830</b>	<b>529,300,602</b>	<b>501,423,024</b>
<b>Expenditures</b>					
General government	60,531,698	57,450,491	49,616,574	58,726,098	55,536,885
Public protection	178,454,399	170,321,250	162,742,367	169,226,372	138,939,757
Public ways and facilities	9,380,649	9,925,757	9,664,948	11,838,586	9,706,357
Health services	107,488,354	107,707,061	103,618,977	106,548,470	103,458,326
Public assistance	146,364,841	141,943,318	135,117,611	142,105,049	123,248,736
Education and recreation	21,482,110	22,292,796	22,087,999	21,363,419	15,670,356
Debt service:					
Principal	39,691,364	11,685,419	11,080,862	16,689,194	8,043,797
Interest and other charges	12,870,803	13,171,464	12,405,119	12,321,580	10,561,243
Debt issuance cost	-	-	1,650,505	646,905	-
Advance refunding escrow	-	-	-	-	-
Capital outlay	37,841,019	22,992,641	16,423,879	13,068,467	30,852,017
<b>Total expenditures</b>	<b>614,105,237</b>	<b>557,490,197</b>	<b>524,408,841</b>	<b>552,534,140</b>	<b>496,017,474</b>
Excess of revenues over (under) expenditures	(66,375,237)	8,004,413	26,658,989	(23,233,538)	5,405,550
<b>Other Financing Sources (Uses)</b>					
Capital lease financing	-	-	-	-	56,736
Payment to refunded bond escrow agent	-	-	(100,769,924)	-	-
Proceeds of refunding bonds	-	-	99,860,000	-	-
Proceeds from sale of tobacco settlement revenues	-	-	-	17,397,252	-
Debt proceeds	1,385,806	1,023,891	-	42,385,000	-
Premium on debt	-	-	2,568,489	-	-
Transfers in	223,869,357	169,578,877	140,741,691	131,966,707	120,245,003
Transfers out	(223,394,950)	(171,010,215)	(142,086,480)	(132,032,827)	(120,065,726)
Sale of capital assets	130,957	114,140	205,999	63,241	193,409
<b>Total other financing sources (uses)</b>	<b>1,991,170</b>	<b>(293,307)</b>	<b>519,775</b>	<b>59,779,373</b>	<b>429,422</b>
<b>Net change in fund balances</b>	<b>\$ (64,384,067)</b>	<b>\$ 7,711,106</b>	<b>\$ 27,178,764</b>	<b>\$ 36,545,835</b>	<b>\$ 5,834,972</b>
Debt service as a percentage of noncapital expenditures	9.12%	4.65%	4.95%	5.50%	4.00%

<sup>1</sup> Beginning fiscal year 2006, as a result of legislation and as prescribed by the State, amounts previously recorded as Motor Vehicle In Lieu revenues are now recorded as Property Taxes.

Source: Audited Financial Statements

**COUNTY OF SOLANO, CALIFORNIA**  
**Changes in Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
*(modified accrual basis of accounting)*

		Fiscal Year				
2004	2003	2002	2001	2000		
					<b>Revenues</b>	
\$ 66,961,051	\$ 59,246,973	\$ 55,027,729	\$ 49,503,902	\$ 47,008,652	Taxes <sup>1</sup>	
5,094,159	4,998,512	4,425,099	3,705,314	3,316,382	Licenses, permits and franchises	
4,220,235	4,729,387	4,586,822	4,236,423	3,645,577	Fines, forfeitures and penalties	
6,981,278	3,980,609	8,707,718	14,298,160	7,535,374	Use of money and property	
308,978,705	277,130,397	273,809,145	259,590,608	224,698,307	Intergovernmental <sup>1</sup>	
69,730,559	59,721,371	53,404,452	50,374,834	46,073,991	Charges for services	
10,377,470	7,693,931	14,065,157	9,431,653	4,396,998	Miscellaneous	
<u>472,343,457</u>	<u>417,501,180</u>	<u>414,026,122</u>	<u>391,140,894</u>	<u>336,675,281</u>	Total revenues	
					<b>Expenditures</b>	
49,188,749	40,861,290	39,392,941	34,412,532	31,057,335	General government	
172,365,652	128,691,041	117,626,458	104,858,511	95,158,216	Public protection	
10,112,629	8,152,377	5,883,609	12,107,010	9,815,424	Public ways and facilities	
111,715,224	84,249,844	77,897,875	64,297,492	58,778,916	Health services	
150,785,051	121,296,428	118,637,287	109,732,636	107,609,032	Public assistance	
18,172,806	12,713,005	11,728,628	10,746,213	10,118,268	Education and recreation	
					Debt service:	
8,394,452	7,193,245	7,081,861	5,452,183	5,499,298	Principal	
8,069,620	5,157,325	4,930,092	5,712,387	4,271,782	Interest and other charges	
1,466,120	-	-	-	-	Debt issuance cost	
-	-	4,116,500	-	-	Advance refunding escrow	
86,478,021	42,466,841	35,290,048	10,033,031	6,714,180	Capital outlay	
<u>616,748,324</u>	<u>450,781,396</u>	<u>422,585,299</u>	<u>357,351,995</u>	<u>329,022,451</u>	Total expenditures	
(144,404,867)	(33,280,216)	(8,559,177)	33,788,899	7,652,830	Excess of revenues over (under) expenditures	
					<b>Other Financing Sources (Uses)</b>	
-	-	-	-	307,653	Capital lease financing	
-	-	(19,090,934)	-	-	Payment to refunded bond escrow agent	
-	-	21,285,000	-	-	Proceeds of refunding bonds	
-	55,088,473	-	-	-	Proceeds from sale of tobacco settlement revenues	
96,665,000	123,862,438	10,507,356	-	-	Debt proceeds	
-	4,628,748	331,173	-	-	Premium on debt	
99,408,010	92,684,021	87,617,423	75,312,142	62,107,737	Transfers in	
(99,674,693)	(93,047,766)	(88,274,757)	(74,541,218)	(61,940,417)	Transfers out	
2,953,004	87,332	40,095	89,878	67,308	Sale of capital assets	
<u>99,351,321</u>	<u>183,303,246</u>	<u>12,415,356</u>	<u>860,802</u>	<u>542,281</u>	Total other financing sources (uses)	
<u>\$ (45,053,546)</u>	<u>\$ 150,023,030</u>	<u>\$ 3,856,179</u>	<u>\$ 34,649,701</u>	<u>\$ 8,195,111</u>	Net change in fund balances	
3.38%	3.02%	4.16%	3.21%	3.03%	Debt service as a percentage of noncapital expenditures	

**COUNTY OF SOLANO, CALIFORNIA**  
**Assessed Value of Taxable Property**  
**Last Ten Fiscal Years**

Fiscal Year	Real Property <sup>^</sup>				Personal Property	Exemptions	Total	Total Direct Tax Rate
	Residential Property	Commercial Property	Manufacturing Property	Other				
2009	\$ 28,395,282,085	\$ 4,580,407,775	\$ 5,288,088,227	\$ 2,820,224,711	\$ 2,393,310,544	\$ (2,604,270,423)	\$ 40,873,042,919	1.000000
2008	33,516,047,975	4,458,259,827	5,137,584,301	2,515,019,359	1,948,949,721	(2,257,758,318)	45,318,102,865	1.000000
2007	34,906,817,027	4,141,589,706	4,555,284,699	2,147,909,474	1,940,449,367	(2,003,357,049)	45,688,693,224	1.000000
2006	31,908,618,677	3,658,979,117	4,058,927,403	1,756,602,406	1,776,148,772	(1,614,923,088)	41,544,353,287	1.000000
2005	27,646,850,121	3,346,190,948	3,755,064,101	1,578,129,310	1,560,714,346	(1,500,576,703)	36,386,372,123	1.000000
2004	23,918,105,041	3,136,567,889	3,658,065,965	1,480,141,832	1,538,561,960	(1,451,287,952)	32,280,154,735	1.000000
2003	21,383,381,995	2,982,448,323	3,567,983,071	1,341,406,615	1,267,778,516	(1,189,231,896)	29,353,766,624	1.000000
2002	19,292,221,465	2,778,751,393	3,294,895,577	1,294,066,360	1,138,301,019	(1,237,780,608)	26,560,455,206	1.000000
2001	17,560,703,004	2,628,348,739	2,958,749,963	1,334,075,873	1,047,792,400	(1,189,645,915)	24,340,024,064	1.000000
2000	15,878,172,910	2,443,059,844	2,660,132,857	1,194,174,257	966,680,913	(1,122,110,110)	22,020,110,671	1.000000

**Notes:** <sup>^</sup> Due to passage of the Proposition 13 (Prop 13) property tax initiative in 1978, the County does not track the estimated value of all properties in the County. Under Prop 13 property is assessed at the 1975 market value with an annual increase limited to 2% on properties not involved in a change of ownership or properties that did not undergo new construction. Newly acquired property is assessed at its new market value (usually the purchase price) and the value of any new construction is added to the existing base value of a parcel. As a result, similar properties can have substantially different assessed values based on the date of purchase. Additionally, Prop 13 limits the property tax rate to 1% of assessed value, plus the rate necessary to fund local voter-approved bonds and special assessments.

Source: County of Solano - Assessor's Office

**COUNTY OF SOLANO, CALIFORNIA**  
**Direct and Overlapping Property Tax Rates**  
**Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>Countywide Tax</b>	<b>Local Special Districts</b>	<b>Schools</b>	<b>Cities</b>	<b>Total</b>
2009	1.000000	2.074797	0.461648	0.047902	3.584347
2008	1.000000	2.074750	0.392148	0.049006	3.515904
2007	1.000000	1.676970	0.477510	0.051024	3.205504
2006	1.000000	1.670438	0.450651	0.051243	3.172332
2005	1.000000	1.669975	0.409660	0.055807	3.135442
2004	1.000000	1.674536	0.450608	0.061253	3.186397
2003	1.000000	1.668724	0.423867	0.065584	3.158175
2002	1.000000	1.664550	0.230886	0.067263	2.962699
2001	1.000000	1.580959	0.306871	0.073958	2.961788
2000	1.000000	1.582688	0.298638	0.077761	2.959087

Source: County of Solano Auditor-Controller's Property Tax Division

**COUNTY OF SOLANO, CALIFORNIA**  
**Principal Property Tax Payers**  
**June 30, 2009 and June 30, 2000**

Taxpayer	Fiscal Year 2009			Fiscal Year 2000		
	Assessed Value	Rank	Percentage of Total County Taxable Assessed Value	Assessed Value	Rank	Percentage of Total County Taxable Assessed Value
Genentech Inc	\$ 1,277,528,638	1	3.13%			
Valero Refining Company - Calif	806,626,616	2	1.97%	\$ 597,846,486	1	2.72%
Pacific Gas & Electric Company	446,696,609	3	1.09%	377,930,301	2	1.72%
Anheuser-Busch, Inc.	266,279,837	4	0.65%	230,479,932	3	1.05%
Shiloh I Wind Project LLC	203,580,627	5	0.50%			
Alza Corporation	194,877,973	6	0.48%	91,421,511	7	0.42%
High Winds LLC	172,527,012	7	0.42%			
California Northern Railroad	156,205,502	8	0.38%	99,289,229	5	0.45%
Pacific Bell Telephone Company	125,809,701	9	0.31%	218,580,255	4	0.99%
Walton CWCA BN WRHS 21 LLC	125,460,000	10	0.31%			
Park Management Corp				95,568,851	6	0.43%
Solano Mall LLC				88,872,714	8	0.40%
CPG Finance II LLC				74,791,541	9	0.34%
Totals	<u>\$ 3,775,592,515</u>		<u>6.35%</u>	<u>\$ 1,874,780,820</u>		<u>8.51%</u>

Sources: Final Budget Document and County of Solano Assessor-Recorder's Office

**COUNTY OF SOLANO, CALIFORNIA**  
**Property Tax Levies and Collections**  
**Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>Taxes Levied for the Fiscal Year</b>	<b>Collected within the Fiscal Year of the Levy</b>		<b>Collections in Subsequent Years</b>	<b>Total Collections to Date</b>	
		<b>Amount</b>	<b>% of Levy</b>		<b>Amount</b>	<b>% of Levy</b>
2009	\$ 494,946,065	\$ 466,126,504	94.18%	\$ -	\$ 466,126,504	94.18%
2008	507,245,315	472,447,183	93.14%	23,489,696	495,936,879	97.77%
2007	477,498,909	449,992,917	94.24%	21,069,684	471,062,601	98.65%
2006	429,891,175	413,880,171	96.28%	12,655,020	426,535,191	99.22%
2005	377,639,034	368,064,913	97.46%	4,081,597	372,146,510	98.55%
2004	338,754,419	332,042,337	98.02%	6,421,306	338,463,643	99.91%
2003	304,563,538	295,257,014	96.94%	9,194,964	304,451,978	99.96%
2002	253,305,116	248,780,029	98.21%	4,475,988	253,256,017	99.98%
2001	233,021,257	229,022,341	98.28%	3,979,814	233,002,155	99.99%
2000	214,752,491	211,270,305	98.38%	3,476,904	214,747,209	100.00%

Source: County of Solano Treasurer - Tax Collector - County Clerk

**COUNTY OF SOLANO, CALIFORNIA**  
**Ratios of Outstanding Debt by Type**  
**Last Ten Fiscal Years**

	Fiscal Year				
	2009	2008	2007	2006	2005
<b>General Government</b>					
Notes payable	\$ 1,023,890	\$ 1,171,043 <sup>3</sup>	\$ 11,864,718	\$ 13,356,468	\$ 14,897,413
Capital leases	1,303,468	16,874	28,968	88,080	191,329
Certificates of participation	130,649,735	138,013,241	142,576,213	146,692,575	155,954,388
Pension obligation bonds	88,830,000	121,020,000	127,805,000	133,195,000	96,665,000
Revenue bonds	-	-	-	-	-
General obligation bonds	-	-	-	-	-
Term note	-	-	-	-	-
Special assessment debt	-	-	-	-	-
<b>Business-Type Activities</b>					
Notes payable	94,854	149,853	200,965	247,631	318,517
Capital leases	-	-	-	-	5,106
<b>Total primary government</b>	<b>\$ 221,901,947</b>	<b>\$ 260,371,011</b>	<b>\$ 282,475,864</b>	<b>\$ 293,579,754</b>	<b>\$ 268,031,753</b>
<b>Percentage of Personal Income <sup>1</sup></b>	1.34%	1.63%	1.87%	2.04%	1.97%
<b>Percentage of Actual Value of Taxable Property <sup>2</sup></b>	0.54%	0.57%	0.62%	0.71%	0.74%
<b>Per Capita <sup>1</sup></b>	\$ 520.01	\$ 610.12	\$ 664.93	\$ 694.29	\$ 635.66

<sup>1</sup> See the 'Demographic and Economic Statistics' table for the population and personal income figures.  
Note that these ratios are calculated using data from January 1.

<sup>2</sup> See the 'Assessed Value and Actual Value of Taxable Property' table for total taxable assessed value.

<sup>3</sup> Please note that Rural North Vacaville Water District has become a Special District in FY 2007/08 and therefore is not part of the General Government. The decrease of \$11million in 'Notes Payable' from prior is due to that reason.

Source: Audited Financial Statements

**COUNTY OF SOLANO, CALIFORNIA**  
**Ratios of Outstanding Debt by Type**  
**Last Ten Fiscal Years**

		<b>Fiscal Year</b>								
		<b>2004</b>	<b>2003</b>	<b>2002</b>	<b>2001</b>	<b>2000</b>				
							<b>General Government</b>			
\$	16,637,923	\$	18,022,764	\$	15,222,425	\$	7,034,007	\$	8,838,423	Notes payable
	377,880		937,955		681,824		537,871		806,743	Capital leases
	162,086,201		168,748,015		51,921,079		59,765,000		72,065,000	Certificates of participation
	96,665,000		-		-		-		-	Pension obligation bonds
	-		-		-		170,000		330,000	Revenue bonds
	-		-		-		-		-	General obligation bonds
	-		-		-		-		-	Term note
	-		-		-		-		-	Special assessment debt
										<b>Business-Type Activities</b>
	1,420,051		1,608,192		437,665		560,012		675,234	Notes payable
	12,394		30,088		36,877		35,657		-	Capital leases
<b>\$</b>	<b>277,199,449</b>	<b>\$</b>	<b>189,347,014</b>	<b>\$</b>	<b>68,299,870</b>	<b>\$</b>	<b>68,102,547</b>	<b>\$</b>	<b>82,715,400</b>	<b>Total primary government</b>
	2.12%		1.53%		0.57%		0.59%		0.76%	<b>Percentage of Personal Income <sup>1</sup></b>
	0.86%		0.65%		0.26%		0.28%		0.38%	<b>Percentage of Actual Value of Taxable Property <sup>2</sup></b>
\$	664.04	\$	457.70	\$	166.97	\$	169.53	\$	211.17	<b>Per Capita <sup>1</sup></b>

**COUNTY OF SOLANO, CALIFORNIA**  
**Legal Debt Margin Information**  
**Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>(1) Assessed Value of Property</b>	<b>(2) Debt Limit, 5% of Assessed Value</b>	<b>(3) Debt Applicable to the Limit</b>	<b>(4) Legal Debt Margin</b>	<b>Total net debt applicable to the limit as a percentage of debt limit</b>
2008-09	\$ 40,873,042,919	\$ 2,043,652,146	\$ -	\$ 2,043,652,146	0.00%
2007-08	45,318,102,865	2,265,905,143	-	2,265,905,143	0.00%
2006-07	45,688,693,224	2,284,434,661	-	2,284,434,661	0.00%
2005-06	41,544,353,287	2,077,217,664	-	2,077,217,664	0.00%
2004-05	36,386,372,123	1,819,318,606	-	1,819,318,606	0.00%
2003-04	32,280,154,735	1,614,007,737	-	1,614,007,737	0.00%
2002-03	29,353,766,624	1,467,688,331	-	1,467,688,331	0.00%
2001-02	26,560,455,206	1,328,022,760	5,100	1,328,017,660	0.00%
2000-01	24,340,024,064	1,217,001,203	185,000	1,216,816,203	0.02%
1999-00	22,020,110,671	1,101,005,534	354,300	1,100,651,234	0.03%

**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 applicable to the limit only includes general obligation bonds.
- (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.

Source: Audited Financial Statements

**COUNTY OF SOLANO, CALIFORNIA**  
**Demographic and Economic Statistics**  
**Last Ten Fiscal Years**

<u>Year</u> <sup>1</sup>	<u>Population</u> <sup>2</sup>	<u>Personal Income</u> <sup>3</sup>	<u>Per Capita Personal Income</u>	<u>Unemployment Rate</u> <sup>5</sup>
2009	426,729	\$ 16,528,473,000 <sup>4</sup>	\$ 38,733	11.3% <sup>6</sup>
2008	426,757	15,946,469,000 <sup>4</sup>	37,367	7.0% <sup>6</sup>
2007	424,823	15,083,078,000	35,504	5.3%
2006	422,848	14,357,616,000	33,955	5.1%
2005	421,657	13,602,910,000	32,261	5.4%
2004	417,447	13,091,216,000	31,360	5.9%
2003	413,694	12,411,414,000	30,001	6.4%
2002	409,060	12,028,734,000	29,406	5.9%
2001	401,720	11,622,966,000	28,933	4.6%
2000	391,700	10,953,322,000	27,964	4.5%

**Detail of estimated population, as of January 1, 2009:**

Incorporated Cities	
Benicia	27,977
Dixon	17,573
Fairfield	106,440
Rio Vista	8,222
Suisun City	28,856
Vacaville	96,450
Vallejo	121,055
Total of Incorporated	<u>406,573</u>
Total of Unincorporated Areas	<u>20,156</u>
Total Population	<u><u>426,729</u></u>

**Notes:**

<sup>1</sup> Calendar year

<sup>2</sup> Obtained from State of California, Department of Finance Demographics Research Unit

<sup>3</sup> Obtained from US Department of Commerce - Bureau of Economic Analysis

<sup>4</sup> Estimated amounts

<sup>5</sup> Obtained from State of California Employment Development Department

<sup>6</sup> For June 2009

**COUNTY OF SOLANO, CALIFORNIA**  
**Principal Employers**  
**June 30, 2009 and June 30, 2000**

<b>Employer</b>	<b>2009</b>			<b>2000</b>		
	<b>Employees</b>	<b>Rank</b>	<b>Percentage of Total County Employment<sup>1</sup></b>	<b>Employees</b>	<b>Rank</b>	<b>Percentage of Total County Employment<sup>1</sup></b>
Kaiser Permanente	3,262	1	1.52%	3,120	1	1.88%
County of Solano	2,869	2	1.33%	2,884	2	1.74%
Six Flags Marine World	1,500	3	0.70%	1,200	3	0.72%
NorthBay Medical Center	1,480	4	0.69%	1,200	3	0.72%
Genentech Inc.	950	5	0.44%	625	5	0.38%
Wal-Mart	890	6	0.41%			
Sutter Solano Medical Center	674	7	0.31%	542	6	0.33%
City of Vacaville	619	8	0.29%			
City of Fairfield	608	9	0.28%			
Alza Corporation	600	10	0.28%			
Westamerica Bancorporation				500	7	0.30%
Anheuser-Busch Brewery				489	8	0.29%
Albertson's Distribution Center				640	4	0.39%
Providian Financial				500	7	0.30%
Exxon Company USA				400	9	0.24%
<b>Totals</b>	<b>13,452</b>		<b>6.25%</b>	<b>12,100</b>		<b>7.28%</b>

<sup>1</sup> Total County employment figure obtained from State of California Employment Development Department

Sources: County of Solano, City of Fairfield, City of Vacaville, City of Vallejo Budgets

(This page intentionally left blank)

**COUNTY OF SOLANO, CALIFORNIA**  
**Full-time Equivalent County Government Employees by Function**  
**Last Ten Fiscal Years**  
*Full-time Equivalent Employees as of June 30*

	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>
<b>Function/Program</b>						
General government	288.00	280.00	272.00	263.00	250.00	245.00
Public protection	1,243.50	1,237.00	1,194.00	1,191.50	1,180.50	1,241.50
Public ways and facilities	75.50	76.50	74.50	73.00	73.00	74.00
Health services	520.08	520.83	532.63	483.05	498.08	491.16
Public assistance	711.50	713.50	720.50	738.60	718.00	750.50
Education and recreation	153.73	152.23	149.73	140.23	137.23	131.13
Nut Tree Airport	5.00	4.00	4.00	3.00	3.00	3.00
Fouts Springs Youth Facility	30.00	29.00	29.00	30.00	41.00	55.50
Internal service	88.50	86.50	82.50	73.50	72.50	71.50
<b>Total</b>	<b>3,115.81</b>	<b>3,099.56</b>	<b>3,058.86</b>	<b>2,995.88</b>	<b>2,973.31</b>	<b>3,063.29</b>

Source: County of Solano Proposed Budget

**COUNTY OF SOLANO, CALIFORNIA**  
**Full-time Equivalent County Government Employees by Function**  
**Last Ten Fiscal Years**  
*Full-time Equivalent Employees as of June 30*

<b>2003</b>	<b>2002</b>	<b>2001</b>	<b>2000</b>	<b>Function/Program</b>
247.00	236.00	223.00	218.60	General government
1,279.50	1,235.50	1,447.25	1,412.85	Public protection
74.00	73.00	73.00	78.00	Public ways and facilities
511.66	498.66	475.51	474.69	Health services
786.55	767.30	753.80	729.20	Public assistance
130.13	130.63	125.63	119.75	Education and recreation
3.00	3.00	3.00	3.75	Nut Tree Airport
55.50	54.00	46.00	46.00	Fouts Springs Youth Facility
73.50	53.50	49.50	47.00	Internal service
<b>3,160.84</b>	<b>3,051.59</b>	<b>3,196.69</b>	<b>3,129.84</b>	<b>Total</b>

**COUNTY OF SOLANO, CALIFORNIA**  
**Operating Indicators by Function**  
**Last Seven Fiscal Years<sup>+</sup>**

	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>
<b>Function/Program</b>							
General government							
Clerk-Recorder-Assessor - documents recorded	110,104	119,333	172,494	213,267	227,032	240,195	231,751
Public protection							
<sup>#</sup> Number of felony cases filed-District Attorney	3,820	3,961	4,198	3,804	4,122	3,795	3,661
<sup>#</sup> Number of misdemeanor cases filed-District Attorney	10,056	11,382	9,404	7,680	8,085	9,819	9,853
<sup>#</sup> Number of juvenile petitions-District Attorney	1,496	1,746	1,964	1,516	1,470	1,367	1,273
Number of Bookings-Sheriff	18,485	19,629	25,415	17,780	17,901	17,939	19,174
Average Daily Population-Juvenile Hall	86	76	89	58	78	78	71
Average Intake-Juvenile Hall	175	173	180	111	175	153	130
<sup>#</sup> Number of building permits issued	699	760	990	829	923	890	940
Public ways and facilities							
Miles of roads maintained	587	587	587	589	595	595	600
Health services & public assistance							
Average monthly medical clinic visits	3,280	3,197	2,708	2,308	2,547	2,561	2,565
Average monthly dental clinic visits	396	429	354	344		344	403
Average monthly food stamp recipients	27,662	22,590	20,599	18,271	16,096	13,878	12,202
Average monthly MediCal enrollment	62,097	59,417	57,481	57,373	54,651	52,466	49,694
Average monthly CalWorks cash assistance recipients	14,359	13,390	12,486	10,792	11,118	10,330	9,623
Average monthly General Relief recipients	973	792	685	651	456	371	306
Education and recreation							
Total circulation	3,794,831	3,283,812	2,951,709	2,686,203	2,753,787	2,646,019	2,418,093
Total circulation - SNAPweb	670,825	568,493	478,578	448,410	409,897	355,256	287,369
Number of library patrons	2,248,937	2,063,232	1,928,345	1,497,667	1,549,998	1,529,006	1,435,064
Number of parks	4	4	4	3	3	3	3
Number of park visitors	189,703	221,806	261,351	166,735	179,371	171,144	172,143
Nut Tree Airport							
Takeoffs and landings	102,500	102,500	105,000	101,500	n/a	n/a	n/a
Fouts Springs Youth Facility							
Average Daily Population	54	58	56	49	65	81	102
Internal service							
Number of Fleet Vehicles	514	502	502	507	500	498	462
Number of Annual Fleet Miles Driven	5,214,737	5,300,563	4,947,911	4,529,923	4,519,141	4,579,844	4,443,087

<sup>+</sup> 10 year data not readily available

<sup>n/a</sup> Information not available

<sup>#</sup> Information based on calendar year

Source: Various County departments

**COUNTY OF SOLANO, CALIFORNIA**  
**Capital Asset Statistics by Function**  
**Last Nine Fiscal Years<sup>+</sup>**

Function/Program	Fiscal Year								
	2009	2008	2007	2006	2005	2004	2003	2002	2001
General government									
Buildings	16	15	13	13	12	11	11	11	11
Public protection									
Sheriff sub stations	2	3	3	3	3	3	3	3	3
Patrol units	23	20	20	22	22	22	n/a	n/a	n/a
Jail and detention facilities	3	3	3	3	3	3	3	3	3
Public ways and facilities									
Miles of roads	587	587	587	589	595	595	600	600	n/a
Health services & public assistance									
Clinics & administration buildings	6	7	7	7	7	7	7	6	6
Education and recreation									
Branch libraries	8	8	8	7	6	6	6	6	6
Veterans buildings	6	5	5	5	5	5	5	5	5
Public parks acreage	1,925	1,925	1,925	225	225	225	225	225	225
Nut Tree Airport									
Number of runways	1	1	1	1	1	1	1	1	1
Fouts Springs Youth Facility									
Detention facilities	1	1	1	1	1	1	1	1	1

<sup>+</sup> 10 Year data not readily available

<sup>n/a</sup> Information not available

Source: Various County departments

(This page intentionally left blank)