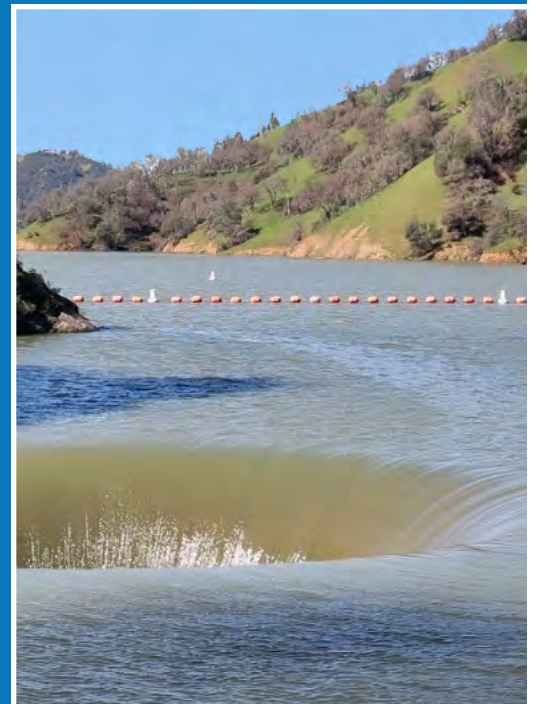


County of Solano, California
Comprehensive Annual Financial Report
Fiscal Year Ended June 30, 2018



Simona Padilla-Scholten, CPA
Auditor-Controller

ATTACHMENT A





ON THE COVER: Pictured on the cover, from top to bottom:

- **Historic Winters Bridge Replacement Project:** The Department of Resource Management, Public Works Division was awarded the 2016 Project Delivery of the Year Award by the Solano Transportation Authority (STA) for the completion of the Historic Winters Bridge Replacement Project. The new bridge spans 453 feet, incorporates the historic charm of the original 1907 bridge, welcomes vehicle, bicycle and foot traffic, all while meeting today's safety standards.
- **Solano County State / County Fair Exhibit:** The 2016 exhibit - entitled "Solano County Delivers," promotes a positive image of the County's rich agricultural history, industry, entertainment, recreation and tourism destinations to hundreds of thousands of visitors to the California State and Solano County Fairs. The exhibit won 5 awards, including Gold, Division One Award for Craftsmanship, Best of Show and "People's Choice" and "Most Fun" awards - adding to the long list of awards the County exhibit has amassed over the past 15 years.
- **Lake Berryessa Glory Hole Spillway:** In February, 2017, for the first time in nearly a decade, water from Lake Berryessa flowed into a unique vertical spillway called the Glory Hole. Located at the Monticello Dam, the spillway is 72-foot wide and more than 200 feet deep. When the lake fills up, excess water pours down the pipe out the base of the dam into the Putah Creek.



County of Solano, California



Comprehensive Annual Financial Report

For the Fiscal Year Ended

June 30, 2018

Prepared by:

Office of the Auditor-Controller

Simona Padilla-Scholtens, CPA
Auditor-Controller

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

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**INTRODUCTORY
SECTION**

OFFICE OF THE AUDITOR-CONTROLLER

SIMONA PADILLA-SCHOLTENS, CPA
Auditor-Controller

PHYLLIS TAYNTON, CPA
Assistant Auditor-Controller



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

www.solanocounty.com

December 28, 2018

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, 2018. 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, 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 Vavrinek, Trine, Day & Co., 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, 2018, 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 unmodified opinion that the County’s financial statements for the fiscal year ended June 30, 2018, 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 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 is comprised of 907 square miles, including 675 square miles of rural and farm lands, 150 square miles urban land area, including cities and unincorporated areas, and 84 square miles of delta and waterfront. 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. The County continues to foster economic growth and diversification by encouraging industrial, manufacturing and biotechnology development.

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 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:

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

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. The County Administrator presents a recommended budget to the Board for consideration and approval. The Board is required to hold public hearings on the recommended budget and to adopt a budget by September 30th of each year. The Board generally holds its public hearings on the recommended budget and adopts a 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 governmental fund for which an annual budget was adopted. These schedules, which are part of the supplementary information section of this report, start on page 108.

Population and Local Economy

The County's population estimate as of May 1, 2018 was 439,793 increasing by 3,153 residents or .7% over 2017. The County's population ranks number 21 out of 58 California counties in terms of population size. The County population increased 4.8% between 2000 and 2010. Between 2010 and 2018, the County grew by 26,449 residents, or 6.0%.

The population of Solano County is projected to grow to 631,028 or 34.7% by 2060, according to projections by the California Department of Finance. The age composition is expected to shift over the next 40 years, with the median age increasing from 37.5 in 2010 to 43.3 in 2060. The aging of the population will affect the types of service demands that will be placed on the County and may impact statewide and regional planning efforts.

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 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.

County Assessed Values and Growth

Property taxes are a major source of local governmental revenues and are determined by assessed values. The property tax rate throughout California is 1% of assessed values. The 2018 Property Assessment Roll (net of exemptions) of \$55.0 billion increased by 5.9% from the prior year's roll value and represents property ownership in Solano County as of January 1, 2018.

Long-term Financial Planning

The Fund Balance Policy is to maintain a General Fund General Reserve equal to 10% of the County's total budget, excluding interfund transfers, with a minimum balance of \$20 million maintained at all times. Also, the General Fund Contingency policy establishes a level equal to 10% of the General Fund's total budget. The County's Fund Balance Policy establishes the following criteria for when the General 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) spending of the reserve 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 various funding threats that may occur within the General Fund or threats to other Board priorities.

As of June 30, 2018, the Board adopted \$46.1 million in the General Fund General Reserve. This amount is above the minimum established per the policy, but less than the target of \$92.6 million. For the FY

2017/18, the Board adopted a General Fund Contingency in the amount of \$12 million, which is below the 10% level (\$24.8 million).

In addition, the Board established a General Fund Fund Balance for future CalPERS rate increases. As of June 30, 2018, the balance was \$41.8 million. In February 2015, the Board of Supervisors authorized the establishment of an Internal Revenue Code (IRC) Section 115 Trust to pre-fund its CalPERS future contributions. The Trust is an irrevocable trust, administered by the Public Agency Retirement Services (PARS), and is protected from creditors of the County. In July 2015, the Board of Supervisors authorized the deposit of \$20 million for future CalPERS rate increase to PARS Trust-Pension Account. The \$20 million plus interest earnings are presented as General Fund Restricted Fund Balance for future pension contribution. In June 2018, the Board authorized an additional deposit in the amount of \$10 million to PARS Trust-Pension Account which was deposited in July 2018. This amount is recorded as a General Fund Committed Fund Balance for future pension contribution as of June 30, 2018. On April 4, 2017, the Board of Supervisors authorized the assignment of fund balance for the Solano County Integrated Property Tax System (SCIPS) multiyear replacement project in the amount of \$10,000,000.

The County maintains a Debt Advisory Committee and a Pension Advisory Committee to provide analyses and recommendations through the County Administrator in the implementation of pension and debt related policies, strategies and oversight. A significant accomplishment during the fiscal year ending June 30, 2018 includes the County's executed sale and delivery of Series 2017 Refunding Certificates of Participation (COP) to refund the 2007 COP resulting in interest savings to the County of approximately \$16.2 million over the term of the bonds.

In addition, 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 other 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.

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, 2017. This is the sixteenth 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 commitment 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 the Financial Reporting and General Accounting Divisions for their hard work. 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 that reads "Simona P. Scholtens". The signature is written in a cursive style with a large initial 'S'.

Simona Padilla-Scholtens, CPA
Auditor-Controller



Government Finance Officers Association

**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, 2017

Christopher P. Morill

Executive Director/CEO

Organizational Chart

Electorate

Board of Supervisors



Erin Hannigan
District 1



Monica Brown
District 2



James P. Spering
District 3



John M. Vasquez
District 4



Skip Thomson
District 5



County Counsel
Dennis Bunting



County Administrator
Birgitta E. Corsello

Elected Officials



Auditor - Controller
Simona Padilla-Scholtens



District Attorney
Krishna Abrams



Assessor / Recorder
Marc Tonnesen



Sheriff / Coroner
Tom Ferrara



Treasurer / Tax
Collector / County Clerk
Charles Lomeli

Appointed Officials



Ag. Comm. / Sealer
Simone Hardy



General Services
Mike Lango



Human Resources
Marc Fox



H&SS
Gerald Huber



Public Defender
Lesli Caldwell



Library
Bonnie Katz



Resource Mgmt.
Bill Emlen



Veterans Services
Ted Puntillo



DoIT / ROV
Ira Rosenthal



Probation
Christopher Hansen



Child Support Services
Pamela Posehn

County of Solano

Department Head Listings



Department Head Listing

Agricultural Commissioner - Sealer of Weights & Measures	.....Simone Hardy	..... 784-1310
Assessor / Recorder	.....Marc Tonnesen	..... 784-6200
Auditor - Controller	.....Simona Padilla-Scholten	..... 784-6280
Department of Information Technology / Registrar of Voters	.....Ira Rosenthal	..... 784-6675
County Administrator	.....Birgitta E. Corsello	..... 784-6100
County Counsel	.....Dennis Bunting	..... 784-6140
Child Support Services	.....Pamela Posehn	..... 784-3606
District Attorney	.....Krishna Abrams	..... 784-6800
General Services	.....Mike Lango	..... 784-7900
Health & Social Services	.....Gerald Huber	..... 784-8400
Human Resources / Risk Management	.....Marc Fox	..... 784-6170
Library	.....Bonnie Katz	..... 784-1500
Probation	.....Christopher Hansen	..... 784-7600
Public Defender - Alternate Public Defender	.....Lesli Caldwell	..... 784-6700
Resource Management	.....Bill Emlen	..... 784-6765
Sheriff / Coroner	.....Tom Ferrara	..... 784-7030
Treasurer / Tax Collector / County Clerk	.....Charles Lomeli	..... 784-6295
Veterans ServicesTed Puntillo 784-6590
Workforce Development Board (WDB)Heather Henry 863-3501

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VAVRINEK, TRINE, DAY & CO., LLP
Certified Public Accountants

VALUE THE *difference*

INDEPENDENT AUDITORS' REPORT

To the Board of Supervisors
County of Solano, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Solano, California (County), as of, and for the year ended, June 30, 2018, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County, as of June 30, 2018, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note IV-F and Note IV-G to the financial statements, the County adopted Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pension*, and Statement No. 85, *Omnibus 2017*, effective July 1, 2017. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedules of changes in net pension liability and related ratios, schedules of the County's retirement plan contributions, schedule of changes in the net OPEB liability and related ratios, schedule of OPEB plan contributions, and budgetary comparison information for the General Fund and major special revenue funds, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 28, 2018, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

Vavrinik, Trine, Day & Co. LLP

Sacramento, California

December 28, 2018

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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, 2018. We encourage readers to consider the information presented here in conjunction with additional information in our financial statements.

Financial Highlights

- In fiscal year (FY) 2017/18, the County adopted new statements of financial accounting standards issued by the Government Accounting Standard Boards (GASB):

GASB Statement No. 75 – In June 2015, GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. The objective of this Statement is to improve financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). The significant impact of this statement is the reporting of the County's unfunded OPEB liability on the County's government-wide financial statements. Also, the statement requires new note disclosures and supplementary schedules.

- The County's net position at June 30, 2018 was \$414.5 million. Of this amount, \$243.9 million (restricted net position) is restricted for the use of specific government programs providing ongoing services to citizens.
- The County's total net position increased \$26.1 million as a result of the current year's operations.
- At June 30, 2018, the County's governmental funds reported combined ending fund balances of \$372.4 million, an increase of \$39.2 million as a result of the current year's operations. Approximately 4.0% or \$14.8 million of the total fund balance is nonspendable; 56.0% or \$208.7 million is restricted ; 2.7% or \$10.0 million is committed; 25.2% or \$93.8 million is assigned for spending at the discretion of the Board of Supervisors (the Board); and 12.1% or \$45.1 million is unassigned.
- At June 30, 2018, unassigned fund balance for the General Fund was \$45.1 million or 52.1% of the 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.

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 position presents information on all of the County's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the remaining balance reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

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

The government-wide financial statements include not only the County itself (known as the primary government), but also the legally separate Workforce Development Board and the Solano County Fair, both 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 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, are included as an integral part of the primary government.

The government-wide financial statements can be found on pages 35-37 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 15 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, and Public Safety Special Revenue 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 combining statements in this report.

The County adopts annual appropriated budgets for all of its governmental funds. Therefore, budgetary comparison schedules are 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 38 - 41 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 an enterprise fund to account for the Nut Tree Airport. 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 for Fleet Management, Risk Management, and Information Technology. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Nut Tree Airport. 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 42 – 44 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 45 – 46 of this report.

Notes to the financial statements. The notes provide additional information 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 47 – 101 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information on the schedules of Changes in Net Pension Liability and Related Ratios and Contributions for the defined benefit pension plans and the other postemployment benefit plan. Required supplementary information can be found

on pages 103 – 111 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 113 – 144 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of the County’s financial position. At June 30, 2018 the County reported a net position of \$414.5 million.

Solano County’s Net Position

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Current and other assets	\$ 502,738,141	\$ 466,641,827	\$ 481,757	\$ 568,665	503,219,898	\$ 467,210,492
Capital assets	558,706,180	558,288,829	13,653,777	13,933,225	572,359,957	572,222,054
Total assets	1,061,444,321	1,024,930,656	14,135,534	14,501,890	1,075,579,855	1,039,432,546
Deferred loss on refunding	2,433,433	1,417,652	-	-	2,433,433	1,417,652
Deferred outflows related to pensions	149,511,864	110,688,273	140,247	151,889	149,652,111	110,840,162
Deferred outflows related to OPEB	5,538,350	-	5,850	-	5,544,200	-
Total deferred outflows of resources	157,483,647	112,105,925	146,097	151,889	157,629,744	112,257,814
Long-term obligations	722,082,785	651,607,849	584,004	505,280	722,666,789	652,113,129
Other liabilities	75,857,890	77,454,569	315,390	111,923	76,173,280	77,566,492
Total liabilities	797,940,675	729,062,418	899,394	617,203	798,840,069	729,679,621
Deferred gain on refunding	15,521	31,044	-	-	15,521	31,044
Deferred inflows related to pensions	18,765,037	17,413,969	16,047	54,437	18,781,084	17,468,406
Deferred inflows related to OPEB	1,084,784	-	1,138	-	1,085,922	-
Total deferred inflows of resources	19,865,342	17,445,013	17,185	54,437	19,882,527	17,499,450
Net position:						
Net investments in capital assets	473,434,362	465,703,178	13,653,777	13,933,225	487,088,139	479,636,403
Restricted	243,952,893	212,643,958	-	-	243,952,893	212,643,958
Unrestricted	(316,265,304)	(287,817,986)	(288,725)	48,914	(316,554,029)	(287,769,072)
Total net position	\$ 401,121,951	\$ 390,529,150	\$ 13,365,052	\$ 13,982,139	\$ 414,487,003	\$ 404,511,289

Analysis of Change in Net Position

The County’s assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at June 30, 2018 by \$414.5 million.

The largest portion of the County’s net position reflects its investment in capital assets (e.g., land, buildings, machinery, equipment, infrastructure and intangibles) 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 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. No significant changes in net investment in capital assets from the prior year.

Additional portions of the County’s net position represent resources subject to restrictions on how they may be used. Restricted net position increased \$31.3 million from prior year due to \$22.1 million increase in intergovernmental revenues from federal and state revenues for health and

social services programs; \$2.0 million increase in public facilities fees; \$2.6 million increase in capital projects for the construction of the SB1022-Classroom & Vocational Training Center; \$1.6 million in the public safety; \$0.7 million in debt service; and \$2.2 million in library services due to less use of funds that were brought in.

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

Governmental activities. Governmental activities increased the County's net position by \$26.7 million.

Solano County's Change in Net Position
For the fiscal years ended June 30, 2018 and June 30, 2017

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Revenues:						
Program revenues:						
Charges for services	\$ 80,213,663	\$ 87,074,521	\$ 1,275,851	\$ 1,217,410	\$ 81,489,514	\$ 88,291,931
Operating grants and contributions	394,074,363	364,091,668	10,000	15,353	394,084,363	364,107,021
Capital grants and contributions	15,947,090	9,003,256	-	645,268	15,947,090	9,648,524
General revenues:						
Property taxes	176,386,218	161,830,558	427,871	387,912	176,814,089	162,218,470
Other taxes	5,707,942	5,164,308	-	-	5,707,942	5,164,308
Intergovernmental	3,176,226	2,839,406	3,834	5,447	3,180,060	2,844,853
Interest and investment earnings	2,632,607	1,274,998	44,673	99,722	2,677,280	1,374,720
Other	17,181,280	18,633,347	132,133	152,048	17,313,413	18,785,395
Gain on sale of capital assets	368,222	34,403	-	-	368,222	34,403
Total Revenues	695,687,611	649,946,465	1,894,362	2,523,160	697,581,973	652,469,625
Expenses:						
General government	73,469,037	67,637,800	-	-	73,469,037	67,637,800
Public protection	230,654,519	216,932,185	-	-	230,654,519	216,932,185
Public ways and facilities	17,220,809	12,289,760	-	-	17,220,809	12,289,760
Health services	172,280,422	154,787,811	-	-	172,280,422	154,787,811
Public assistance	152,732,632	151,158,894	-	-	152,732,632	151,158,894
Education and recreation	19,273,900	18,333,677	-	-	19,273,900	18,333,677
Interest on long-term debt	3,347,473	6,478,003	-	-	3,347,473	6,478,003
Nut Tree Airport	-	-	2,484,267	2,479,874	2,484,267	2,479,874
Total Expenses	668,978,792	627,618,130	2,484,267	2,479,874	671,463,059	630,098,004
Excess before transfers and special item	26,708,819	22,328,335	(589,905)	43,286	26,118,914	22,371,621
Transfers	12,248	12,377	(12,248)	(12,377)	-	-
Change in net position	26,721,067	22,340,712	(602,153)	30,909	26,118,914	22,371,621
Net position- beginning, as restated	374,400,884	368,188,438	13,967,205	13,951,230	388,368,089	382,139,668
Net position- ending	\$ 401,121,951	\$ 390,529,150	\$ 13,365,052	\$ 13,982,139	\$ 414,487,003	\$ 404,511,289

Revenues:

Total revenues for the County's governmental activities increased by a net \$45.7 million from the prior year. The following are the significant changes:

Charges for Services:

Charges for services decreased by a net \$6.9 million from the prior year primarily due to the following:

- \$1.7 million net decrease in general government primarily due to decrease in public facilities fee revenues as result of less building permits issued due to less construction activity.
- \$3.2 million net decrease in public protection primarily due to \$2.5 million combined decrease in institutional care & contract services attributed to fewer services provided by the Sheriff's Department to other agencies for security services and housed inmates from Napa County. As of March 2018, Napa County removed the last of its inmates housed in Solano jail facilities, following completion of repairs to Napa County jail facilities; \$0.7

million less forfeitures and penalties due to fewer civil settlement received in the current year.

- \$1.5 million decrease in health services due to fewer services provided from staff vacancies and availability of contract providers.

Operating grants and contributions:

Operating grants and contributions increased by a net \$30.0 million from the prior year due to the following:

- Net increase of \$26.7 million in health services and public assistance due primarily to increases in the intergovernmental transfer revenues (IGT) for prior rate years 2015/16 and 2016/17. Also, increased revenues from 1991 and 2011 Realignment to offset the reductions in federal and state revenues, and to fund the increased costs resulting from the Maintenance of Effort (MOE) requirements.
- Net increase of \$3.0 million in public ways and facilities due primarily to the receipt of \$2.2 million in Road Repair and Accountability Act, also known as SB 1, funding. The law was passed in 2017 and local agencies began receiving funding in early 2018. Additionally, the County received \$0.8 million combined increase in Federal & State monies from Highway Users Tax Assessment (HUTA) and FEMA from the 2017 Flood Disaster projects.

Capital grants and contributions:

Capital grants and contributions increased by a net \$7.0 million from prior year primarily due to state reimbursement for the SB1022-Classroom and Vocation Training Center project offset by decreased federal construction projects for road improvements.

General revenues:

General revenues increased by \$15.7 million primarily due to property taxes which increased by \$14.6 million due to an increase in secured property taxes and property tax in lieu from continued increase in assessed values as more properties were taken off from Proposition 8 status; higher ABX1 26 pass through and residual tax revenues due to the release of property tax impounds resulting from the settlement of Genentech and Valero appeals.

Expenses:

Total expenses for governmental activities increased by a net \$41.4 million from prior year primarily due to the following:

Across all functions, pension expense increased \$28.5 million based on the accounting valuation of the County's Pension Plan in accordance with GASB 68; salaries and benefits increased by \$7.0 million due to cost of living adjustment. Also, expenses increased due to: \$3.1 million increase in maintenance expense from pollution remediation liability (GASB 49) associated with 900 Fairgrounds Drive Vallejo site and planned demolition efforts; \$6.0 million increase in health services due to increased intergovernmental transfer contributions for two fiscal years; \$3.1 million decrease in interest on long-term debt resulting from accounting entries on the 2017 COP refunding.

Business-type activities. The net position of the business-type activity decreased by \$602 thousand due to increased costs related to the hangar and perimeter fencing project, pension, and runway pavement rehabilitation project. Capital grants decreased by \$645 thousand due to one-time revenue received in the prior year for the hangar and perimeter fencing project.

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 Fund. 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.

The table below presents the fund balances for the governmental funds as of June 30, 2018:

	Fund Balance				
	Governmental Funds				
	<u>General</u>	<u>Health & Social Services</u>	<u>Public Safety</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
FUND BALANCES					
Nonspendable	\$ 13,975,538	\$ 521,817	\$ 60,125	\$ 195,657	\$ 14,753,137
Restricted	20,313,731	76,999,380	23,993,918	87,383,781	208,690,810
Committed	10,000,000	-	-	45,191	10,045,191
Assigned	74,313,394	300,000	-	19,140,507	93,753,901
Unassigned	45,131,591	-	-	-	45,131,591
Total fund balances	<u>\$ 163,734,254</u>	<u>\$ 77,821,197</u>	<u>\$ 24,054,043</u>	<u>\$ 106,765,136</u>	<u>\$ 372,374,630</u>

At June 30, 2018, the County's governmental funds reported combined ending fund balances of \$372.4 million, an increase of \$39.2 million from prior year. The largest component of the fund balance, at 56.0% of the total, was restricted at \$208.7 million. Spending of these resources is constrained by externally imposed (creditors, grantors, contributors, laws) limitations on their use and by enabling legislation. The assigned fund balance of \$93.8 million, representing 25.2% of the total fund balance, was constrained by the Board to use for specific purposes but are not legally restricted nor committed.

The *General Fund* is the chief operating fund of the County. The General Fund's total fund balance increased by \$2.7 million from prior year due to increases in revenues from taxes and charges for services. At June 30, 2018, the total General Fund fund balance was \$163.7 million. The assigned fund balance of \$74.3 million, or 45.4% of the total fund balance, represents amounts the Board intends to use for specific purposes but are not legally restricted or committed. The unassigned fund balance was \$45.1 million, or 27.6%, which is available for the Board's discretion. Nonspendable fund balance was \$14.0 million, or 8.5% of total fund balance, representing inventory and long term receivables. Committed fund balance was \$10.0 million, or 6.1% of total fund balance. This balance represents funds committed by the Board for additional deposit to the Public Agencies Retirement System (PARS) Section 115 Pension Trust. The \$10 million was deposited to PARS in July 2018. Restricted fund balance was \$20.3 million, or 12.4% of total fund balance. This balance represents funds deposited to the PARS Section 115 Pension Trust for the County's participation in the Pension Rate Stabilization Program (PRSP) Administered by PARS. The PRSP is an Internal Revenue Code Section 115 irrevocable trust.

As a measure of the General Fund's liquidity, it is useful to compare the total General Fund fund balance to total General Fund expenditures excluding other financing uses. Unassigned fund balance represents 52.11% of this amount.

The *Health and Social Services Fund*, a special revenue fund, had a net increase in fund balance of \$17.9 million primarily from increased federal and state revenues for social services and health related services (Realignment revenues, Intergovernmental Transfer funds, new grants).

The *Public Safety Fund*, a special revenue fund, had a net increase in fund balance of \$1.8 million due to the increased 2011 realignment revenues for the implementation of various public safety programs.

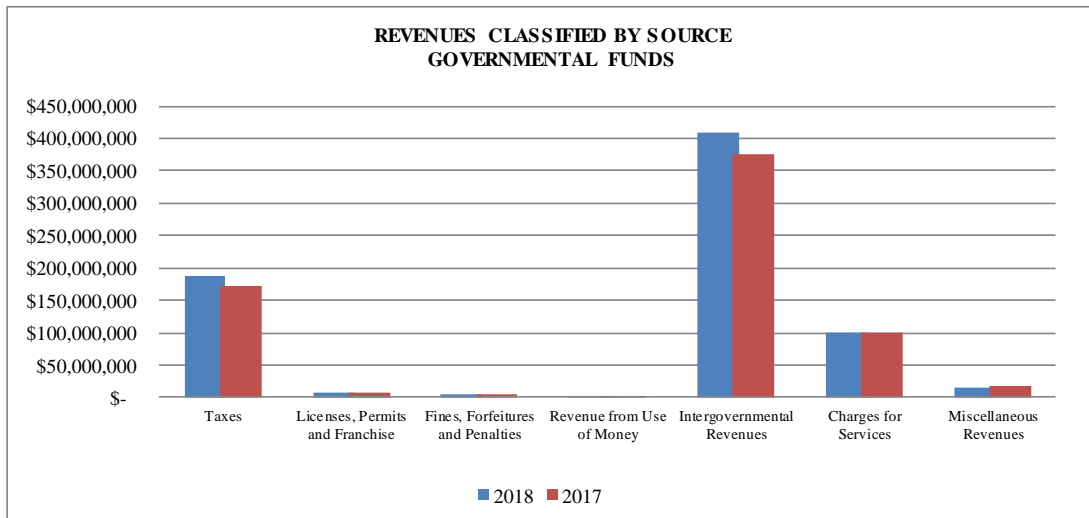
The fund balance of *Other Governmental Funds* had a net increase of \$16.9 million due to \$4.8 million increase in pension debt service fund from other revenues, employer contribution prepayment savings from CalPERS and a decrease in principal payment for the 2004 POB; increase of \$5.6 million in the accumulated capital outlay fund for capital projects not completed in the current year; increase of \$2.0 million in public facilities fees fund due to less use of funds for projects related to growth; increase of \$2.2 million in library fund from property tax revenues, charges for services and savings from projects that did not materialize; and increase of \$2.4 million in the transportation fund from less expenditures from the postponement of federal projects in the current year.

For fiscal year ended June 30, 2018, the total revenues for the County’s governmental funds totaled \$726.6 million. This represents a 6.75% increase from FY 2016/17.

The table below presents revenues by source as well as increases or decreases from the prior year.

**Revenues Classified by Source
Governmental Funds**

Revenues by Source	2018		2017		Increase/(Decrease)	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Change
Taxes	\$ 186,882,358	25.72%	\$ 171,792,616	25.24%	\$ 15,089,742	8.78%
Licenses, permits and franchise	8,166,519	1.12%	8,350,884	1.23%	(184,365)	(2.21)%
Fines, forfeitures and penalties	4,116,565	0.57%	4,290,715	0.63%	(174,150)	(4.06)%
Revenue from use of money	3,441,661	0.47%	2,334,651	0.34%	1,107,010	47.42%
Intergovernmental revenues	409,443,616	56.35%	376,016,261	55.25%	33,427,355	8.89%
Charges for services	99,348,998	13.67%	100,691,445	14.79%	(1,342,447)	(1.33)%
Miscellaneous revenues	15,153,076	2.09%	17,121,970	2.52%	(1,968,894)	(11.50)%
Total	\$ 726,552,793	100.00%	\$ 680,598,542	100.00%	\$ 45,954,251	6.75%



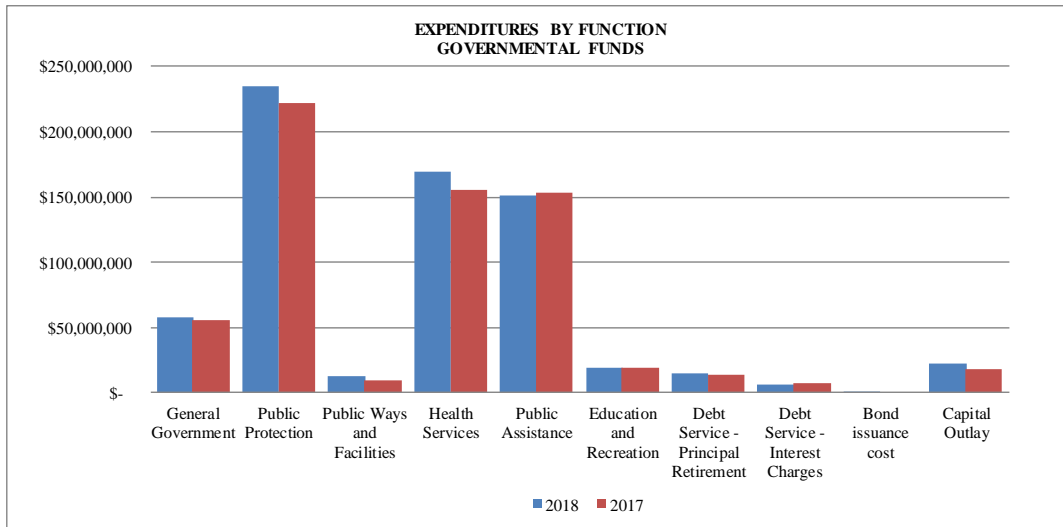
Significant changes in the governmental funds' revenues were as follows:

- Taxes: The net increase of \$15.1 million is due to increased secured property taxes and property tax in lieu from continued increase in assessed values as more properties were taken off from Proposition 8 status; higher ABX1 26 pass through and residual tax revenues due to the release of property tax impounds from the settlement of Genentech and Valero appeals.
- Revenue from use of money and property: The net increase of \$1.1 million is primarily attributed to increase in the market yield from investments.
- Intergovernmental revenues: The net increase of \$33.4 million is primarily due to increases in state and federal revenues for various County programs (realignment revenues, intergovernmental funds, agriculture, and animal care) and from state revenue received for the SB1022 – Classroom and Vocational Training Center.
- Charges for services: The net decrease of \$1.3 million is attributable to decrease in public facilities fees collected due to fewer building permits issued in real estate construction activities, less public works charges to non-county agencies and less services provided by health and public assistance from staff vacancies and contracted qualified providers. The decrease was partially offset by increased disposal fees from the Napa/Sonoma fire debris; increase in building use fees due to change in methodology from use allowance to depreciation; and increase in countywide administration overhead charges.
- Miscellaneous revenues: The net decrease of \$1.9 million from prior year is attributable to \$2.5 million decrease in savings from the FY 2017/18 employer contribution prepayment to CalPERS from FY2016/17; and \$1.0 million decrease from general government excess tax losses reserve due to decreasing trend in penalties and interest resulting from fewer delinquent properties. The decrease was partially offset by \$1.6 million increase in revenues from the Quality Incentive Program administered by the Partnership Health Plan.

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

**Expenditures by Function
Governmental Funds**

Expenditures by Function	2018		2017		Increase/(Decrease)	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Change
General government	\$ 57,886,363	8.40%	\$ 55,645,701	8.53%	\$ 2,240,662	4.03%
Public protection	234,615,919	34.05%	222,334,796	34.07%	12,281,123	5.52%
Public ways and facilities	12,916,965	1.87%	9,506,002	1.46%	3,410,963	35.88%
Health services	169,518,036	24.60%	155,248,529	23.79%	14,269,507	9.19%
Public assistance	151,171,061	21.94%	153,392,023	23.50%	(2,220,962)	(1.45)%
Education and recreation	19,300,344	2.80%	18,653,711	2.86%	646,633	3.47%
Debt service - principal retirement	14,525,000	2.11%	13,670,000	2.09%	855,000	6.25%
Debt service - interest charges	6,248,032	0.91%	6,725,097	1.03%	(477,065)	(7.09)%
Bond issuance cost	491,679	0.07%	-	0.00%	491,679	0.00%
Capital outlay	22,328,519	3.24%	17,432,575	2.67%	4,895,944	28.09%
Total	\$ 689,001,918	100.00%	\$ 652,608,434	100.00%	\$ 36,393,484	5.58%



Expenditures by function increased \$36.4 million over prior year. The following provides an explanation of the significant changes:

- **General government:** The increase of \$2.2 million is primarily from increased salaries and benefits due to cost of living adjustments (COLA) and increased administration overhead charges.
- **Public protection:** The net increase of \$12.3 million is attributable to \$6.6 million payment to CalPERS to pay down the Safety Plan’s unfunded liability and \$5.7 million increases in salaries and benefits due to COLA adjustments, health insurance costs, and increased countywide administration overhead.
- **Public ways and facilities:** The increase of \$3.4 million is attributable to \$2.0 million increase in salaries and wages due to COLA and less capitalization of labor costs due to less capital outlay projects, and \$1.4 million increase in other professional services in roads and bridge maintenance projects.
- **Health services:** The net increase of \$14.3 million is due to \$5.8 million increase in IGT charges for FY17/18 & FY16/17 from PY which included only FY15/16; \$2.4 million increase in IHSS due to increase in costs associated with the legislative changes affecting IHSS MOE structure; and \$4.3 million increase in behavioral health and health services due to cost of living adjustment, retirement costs and filling vacancies and increase in countywide administration overhead charges.
- **Public assistance:** The net decrease of \$2.2 million results from \$3.2 million decrease in assistance program caseloads (AFDC Foster Care, General Assistance, Approved Relative Caregiver and Continuum of Care) due to downward trend in public assistance caseloads offset by \$1.9 million increase in social services salaries and benefits from cost of living adjustments.
- **Bond issuance cost:** The amount (\$0.492 million) represents the costs associated with the 2017 Certificates of Participation (refunding of the 2007 COP).
- **Capital outlay:** The net increase of \$4.9 million is due primarily from the construction costs of the SB1022 – Classroom and Vocational Training Center offset by decreases in the federal roads and bridges construction costs due to the delay in the implementation of some projects.

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

The unrestricted net position of the Nut Tree Airport at June 30, 2018 was a negative \$289 thousand, a \$338 thousand decrease from the prior fiscal year as a result of the ongoing capital projects spending in the current year.

General Fund Budgetary Highlights

The General Fund Budget (Adopted and Final versions) is reflected in the Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual, as presented on page 108 in the Required Supplementary Information (RSI) section of this report.

Final Budget vs. Actual Amounts

During the year, revenues recognized were more than budgeted revenue estimates by \$11.3 million and expenditures were less than appropriations by \$21.4 million, thus reducing the need to draw upon fund balance.

Revenue Variances:

- Taxes - \$8.3 million favorable variance is due to increased secured property taxes and property tax in lieu from continued increase in assessed values as more properties were taken off from Proposition 8 status; higher ABX1 26 pass through and residual tax revenues due to the release of property tax impounds resulting from the settlement of Genentech and Valero appeals.
- Charges for Services - \$2.6 million favorable variance due to increase in disposal fee revenues from increased tonnages resulting from the Sonoma-Napa fire, and unanticipated election revenues from the County Superintendent of Schools and regional district measures.
- Miscellaneous - \$1.0 million unfavorable variance due to less transfer received from the Excess Tax Losses Reserve due to decrease in penalties and interest collections.

Expenditure Variances:

- Fouts Property Management - \$0.8 million favorable variance due to appropriations not spent for the decommissioning of the Fouts Springs Youth Facility. The unspent amount was included in the FY 2018/19 budget until the decommissioning process is completed.
- Assessor - \$1.1 million favorable variance from unspent appropriations in contracted services due to less appeal activity than anticipated, property tax data processing services due to delay in hiring the consultant, and salaries and benefits savings due to vacant positions.
- Resource Management - \$1.8 million favorable variance from unspent appropriations in contracted & other professional services due to being unable to complete all of the budgeted projects relating to land use & integrated waste projects. Additionally, there were unspent appropriations in salaries and benefits due to vacant positions.
- Contingencies - appropriations included \$13.5 million for unforeseen emergencies that may arise during the fiscal year and to financially manage any State uncertainties. At the end of the fiscal year, there was no need to draw from the contingency.

Other Financing Sources (Uses):

- Transfers out - \$3.0 million favorable variance due to transfers to various County departments not materializing, primarily Public Safety and Health and Social Services governmental funds.

Capital Asset and Debt Administration

Capital assets. The County's capital assets for its governmental and business-type activities at June 30, 2018, were \$572.4 million (net of accumulated depreciation). This investment in capital assets includes land, artwork, intangibles, buildings, machinery and equipment, roads, and bridges. Although total capital assets remain relatively unchanged, in the governmental activities, the County experienced a significant increase in infrastructure for the completion of several road and bridge projects (including the Winters Road bridge project) and offsetting decreases in construction in progress and accumulated depreciation due to fewer projects in progress and depreciation expense this fiscal year.

	Governmental activities		Business-type activities		Total		Increase/ (Decrease)
	2018	2017	2018	2017	2018	2017	Percent of change
Land	\$ 156,772,209	\$ 156,948,694	\$ 8,304,351	\$ 8,304,351	\$ 165,076,560	\$ 165,253,045	(0.11)%
Artwork	857,261	857,261	-	-	857,261	857,261	0.00%
Intangibles	12,437,317	11,881,737	-	-	12,437,317	11,881,737	4.68%
Infrastructure	158,433,885	127,425,859	-	-	158,433,885	127,425,859	24.33%
Construction in progress	32,964,944	43,971,581	303,089	-	33,268,033	43,971,581	(24.34)%
Buildings	485,994,655	486,564,353	13,264,984	13,264,985	499,259,639	499,829,338	(0.11)%
Machinery and equipment	67,214,983	64,760,409	136,154	136,154	67,351,137	64,896,563	3.78%
Less: accumulated depreciation	(355,969,074)	(334,121,065)	(8,354,801)	(7,772,265)	(364,323,875)	(341,893,330)	6.56%
Total	\$ 558,706,180	\$ 558,288,829	\$ 13,653,777	\$ 13,933,225	\$ 572,359,957	\$ 572,222,054	0.02%

Additional information on the County's capital assets can be found in Note III-D on pages 73 – 75 of this report.

Long-term obligations. At June 30, 2018, the County's total debt outstanding for its governmental and business-type activities was \$722.7 million which is entirely backed by the full faith and credit of the County.

	Governmental activities		Business-type activities		Total	
	2018	2017	2018	2017	2018	2017
Notes Payable	\$ 1,023,890	\$ 1,023,890	\$ -	\$ -	\$ 1,023,890	\$ 1,023,890
Certificates of Participation	86,358,199	93,958,755	-	-	86,358,199	93,958,755
Pension Obligation Bonds	26,085,000	32,880,000	-	-	26,085,000	32,880,000
Self-insurance liability	16,398,000	14,824,000	-	-	16,398,000	14,824,000
Pollution Remediation Obligation	3,437,288	82,069	-	-	3,437,288	82,069
Net Pension Liability	531,366,640	471,403,230	509,845	452,245	531,876,485	471,855,475
Net OPEB Obligation	22,864,952	3,931,884	24,003	6,056	22,888,955	3,937,940
Compensated Absences	34,548,816	33,504,021	50,156	46,979	34,598,972	33,551,000
Total	\$ 722,082,785	\$ 651,607,849	\$ 584,004	\$ 505,280	\$ 722,666,789	\$ 652,113,129

The County's total debt increased by a net \$70.6 million due primarily to the \$60.0 million increase in the net pension liability, \$19.0 million increase in other post-employment benefits liability due to implementation of GASB 75, \$1.0 million increase to compensated absences, \$3.4 million increase in pollution remediation liability, and \$1.6 million increase in self-insurance liability. The increases were partially offset by \$14.4 million principal payments made during the fiscal year on the Certificates of Participation and Pension Obligation Bonds.

Moody's and Standard & Poor's current ratings of Solano County's general obligation certificates of participation debt and pension debt are as follows:

Certificates of Participation

Moody's Aa3 (unchanged since 09/20/16)

S&P AA (upgrade effective 03/06/17)

Pension Obligation Bonds

Moody's A1 (upgrade effective 11/03/17)

S&P AA+ (upgrade effective 02/23/18)

State statutes limit the amount of general obligation debt a governmental entity may issue to 5% of its total assessed valuation. The County's general obligation debt is within the statutory limit. See page 163 in the statistical section of this report.

Additional information on the County's long-term obligations can be found in Note III-H on pages 79-83 of this report.

Economic Factors and Next Year's Budgets and Rates

- The unemployment rate for the County is currently 3.6%. This is lower than the State's average unemployment rate of 4.1% (unadjusted, as of October 2018).
- The Board's policy for the General Fund Contingency and Reserve levels allows the County to normalize the County's budget during periods of fiscal distress and to address the impact of any other unforeseen circumstances. In FY 2018/19 the Adopted Budget included \$12.0 million in appropriations for contingencies, \$46.1 million in general reserves, \$6.7 million in designation for unfunded employee leave payoff, \$41.8 million for future employer PERS rate increases (of which \$20.6 million was legally restricted in the Public Agencies Retirement System (PARS) Section 115 Pension Trust at June 30, 2018), \$1.6 million for housing/SB375, \$16.5 million in designation for capital renewal, and \$10 million in designation for property tax system replacement.
- The Assessor reported the FY 2018/19 secured property tax roll increased by 5.5%, or \$2.9 billion countywide over the FY 2017/18 lien date values resulting in a secured roll totaling over \$55.0 billion, which includes residential and commercial parcels.

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.

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COUNTY OF SOLANO, CALIFORNIA
Statement of Net Position
June 30, 2018

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	Solano County Fair	Workforce Development Board
ASSETS					
Current assets					
Cash and investments	\$ 401,699,886	\$ 2,972,274	\$ 404,672,160	\$ 190,671	\$ 1,113,232
Cash and investments - restricted	20,313,731	-	20,313,731	-	-
Accounts receivable	2,502,812	76,423	2,579,235	209,868	417
Due from other agencies	68,465,643	-	68,465,643	52,126	-
Other assets	1,588,753	36,358	1,625,111	7,843	99,860
Total current assets	<u>494,570,825</u>	<u>3,085,055</u>	<u>497,655,880</u>	<u>460,508</u>	<u>1,213,509</u>
Noncurrent assets					
Internal balances	2,603,298	(2,603,298)	-	-	-
Long-term receivables	5,564,018	-	5,564,018	-	-
Capital assets:					
Capital assets, not being depreciated	191,396,587	8,607,440	200,004,027	167,085	-
Capital assets, being depreciated, net	367,309,593	5,046,337	372,355,930	665,687	-
Total noncurrent assets	<u>566,873,496</u>	<u>11,050,479</u>	<u>577,923,975</u>	<u>832,772</u>	<u>-</u>
Total assets	<u>1,061,444,321</u>	<u>14,135,534</u>	<u>1,075,579,855</u>	<u>1,293,280</u>	<u>1,213,509</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred loss on refunding	2,433,433	-	2,433,433	-	-
Deferred outflows related to pensions	149,511,864	140,247	149,652,111	443,081	-
Deferred outflows related to OPEB	5,538,350	5,850	5,544,200	-	-
Total deferred outflows of resources	<u>157,483,647</u>	<u>146,097</u>	<u>157,629,744</u>	<u>443,081</u>	<u>-</u>
LIABILITIES					
Current liabilities					
Outstanding warrants	7,772,259	5,388	7,777,647	-	215,775
Payables	35,096,829	246,985	35,343,814	54,361	404,816
Unearned revenue	9,817,270	-	9,817,270	11,324	-
Other liabilities	1,683,942	62,899	1,746,841	93,148	-
Due to other agencies	21,487,590	118	21,487,708	-	563
Current portion of long-term obligations	33,621,458	27,154	33,648,612	299,740	-
Total current liabilities	<u>109,479,348</u>	<u>342,544</u>	<u>109,821,892</u>	<u>458,573</u>	<u>621,154</u>
Noncurrent liabilities					
Net pension liability	531,366,640	509,845	531,876,485	1,455,961	-
Net OPEB liability	22,864,952	24,003	22,888,955	126,691	-
Other long-term obligations	134,229,735	23,002	134,252,737	895,935	128,410
Total noncurrent liabilities	<u>688,461,327</u>	<u>556,850</u>	<u>689,018,177</u>	<u>2,478,587</u>	<u>128,410</u>
Total liabilities	<u>797,940,675</u>	<u>899,394</u>	<u>798,840,069</u>	<u>2,937,160</u>	<u>749,564</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred gain on refunding	15,521	-	15,521	-	-
Deferred inflows related to pensions	18,765,037	16,047	18,781,084	187,703	-
Deferred inflows related to OPEB	1,084,784	1,138	1,085,922	-	-
Total deferred inflows of resources	<u>19,865,342</u>	<u>17,185</u>	<u>19,882,527</u>	<u>187,703</u>	<u>-</u>
NET POSITION					
Net investment in capital assets	473,434,362	13,653,777	487,088,139	441,138	-
Restricted for:					
Debt service	10,201,674	-	10,201,674	-	-
Pensions	20,313,731	-	20,313,731	-	-
Public safety	24,282,355	-	24,282,355	-	-
Capital projects	18,208,220	-	18,208,220	-	-
Public facilities fees	21,836,245	-	21,836,245	-	-
Library services	20,367,027	-	20,367,027	-	-
Transportation services	12,488,571	-	12,488,571	-	-
Health services	101,345,178	-	101,345,178	-	-
Home loan program	4,913,291	-	4,913,291	-	-
Micrographics & modernization projects	9,262,578	-	9,262,578	-	-
Other purposes	734,023	-	734,023	22,774	463,945
Unrestricted	(316,265,304)	(288,725)	(316,554,029)	(1,852,414)	-
Total net position (deficit)	<u>\$ 401,121,951</u>	<u>\$ 13,365,052</u>	<u>\$ 414,487,003</u>	<u>\$ (1,388,502)</u>	<u>\$ 463,945</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, 2018

<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	\$ 73,469,037	\$ 27,909,218	\$ 1,210,313	\$ 14,398,282
Public protection	230,654,519	24,068,536	84,741,254	-
Public ways and facilities	17,220,809	1,340,628	10,984,625	1,548,808
Health services	172,280,422	20,656,053	140,301,024	-
Public assistance	152,732,632	899,050	151,786,802	-
Education and recreation	19,273,900	5,340,178	5,050,345	-
Interest on long-term debt	3,347,473	-	-	-
Total Governmental Activities	<u>668,978,792</u>	<u>80,213,663</u>	<u>394,074,363</u>	<u>15,947,090</u>
Business-type Activities:				
Nut Tree Airport	2,484,267	1,275,851	10,000	-
Total Primary Government	<u>\$ 671,463,059</u>	<u>\$ 81,489,514</u>	<u>\$ 394,084,363</u>	<u>\$ 15,947,090</u>
Component Units:				
Solano County Fair	\$ 3,518,457	\$ 3,197,053	\$ 98,278	\$ -
Workforce Development Board	5,765,394	-	6,142,971	-
Total Component Units	<u>\$ 9,283,851</u>	<u>\$ 3,197,053</u>	<u>\$ 6,241,249</u>	<u>\$ -</u>

General revenues:
 Property taxes
 Sales and use tax - shared revenue
 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
Changes in net position
Net position (deficit) - beginning, restated
Net position (deficit) - ending

COUNTY OF SOLANO, CALIFORNIA
Statement of Activities
For the Fiscal Year Ended June 30, 2018

Net (Expense) Revenue and Changes in Net Position					
Primary Government			Component Units		
Governmental Activities	Business-type Activities	Total	Solano County Fair	Workforce Development Board	
\$ (29,951,224)	\$ -	\$ (29,951,224)	\$ -	\$ -	Primary Government:
(121,844,729)	-	(121,844,729)	-	-	Governmental Activities:
(3,346,748)	-	(3,346,748)	-	-	General government
(11,323,345)	-	(11,323,345)	-	-	Public protection
(46,780)	-	(46,780)	-	-	Public ways and facilities
(8,883,377)	-	(8,883,377)	-	-	Health services
(3,347,473)	-	(3,347,473)	-	-	Public assistance
(178,743,676)	-	(178,743,676)	-	-	Education and recreation
					Interest on long-term debt
					Total Governmental Activities
					Business-type Activities:
					Nut Tree Airport
					Total Primary Government
					Component Units:
					Solano County Fair
					Workforce Investment Board
					Total Component Units
			(223,126)	-	
			-	377,577	
			(223,126)	377,577	
					General revenues:
176,386,218	427,871	176,814,089	-	-	Property taxes
2,555,289	-	2,555,289	-	-	Sales and use tax - shared revenue
3,152,653	-	3,152,653	-	-	Property transfer tax
3,176,226	3,834	3,180,060	-	-	Intergovernmental not restricted to specific programs
2,632,607	44,673	2,677,280	976	1,582	Interest & investment earnings
17,181,280	132,133	17,313,413	-	1,712	Other
368,222	-	368,222	-	-	Gain on sale of capital assets
12,248	(12,248)	-	-	-	Transfers
205,464,743	596,263	206,061,006	976	3,294	Total general revenues and transfers
26,721,067	(602,153)	26,118,914	(222,150)	380,871	Changes in net position
374,400,884	13,967,205	388,368,089	(1,166,352)	83,074	Net position (deficit) - beginning, restated
\$ 401,121,951	\$ 13,365,052	\$ 414,487,003	\$ (1,388,502)	\$ 463,945	Net position (deficit) - ending

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

COUNTY OF SOLANO, CALIFORNIA
Balance Sheet
Governmental Funds
June 30, 2018

	<u>General</u>	<u>Health & Social Services</u>	<u>Public Safety</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and investments	\$ 129,802,255	\$ 96,831,159	\$ 35,355,831	\$ 107,270,665	\$ 369,259,910
Cash and investments - restricted	20,313,731	-	-	-	20,313,731
Accounts receivable	2,100,494	-	90,773	16,583	2,207,850
Due from other agencies	13,625,534	32,641,131	10,835,961	11,319,626	68,422,252
Due from other funds	3,331,943	10,542,684	1,268,849	619,944	15,763,420
Other assets	1,840,241	521,817	60,125	4,168,892	6,591,075
Advance to other funds	13,192,504	-	-	-	13,192,504
Total assets	<u>\$ 184,206,702</u>	<u>\$ 140,536,791</u>	<u>\$ 47,611,539</u>	<u>\$ 123,395,710</u>	<u>\$ 495,750,742</u>
LIABILITIES					
Outstanding warrants	\$ 658,388	\$ 4,416,904	\$ 1,147,654	\$ 868,928	\$ 7,091,874
Payables	4,298,544	14,463,358	8,183,882	2,544,992	29,490,776
Due to other funds	852,438	1,909,664	12,676,947	245,115	15,684,164
Other liabilities	304,400	65,388	-	1,314,154	1,683,942
Due to other agencies	1,438,245	17,535,479	1,103,833	1,302,010	21,379,567
Unearned revenue	1,337,768	8,262,635	216,868	-	9,817,271
Advance from other funds	-	1,077,122	-	9,536,228	10,613,350
Total liabilities	<u>8,889,783</u>	<u>47,730,550</u>	<u>23,329,184</u>	<u>15,811,427</u>	<u>95,760,944</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue	<u>11,582,665</u>	<u>14,985,044</u>	<u>228,312</u>	<u>819,147</u>	<u>27,615,168</u>
FUND BALANCES:					
Nonspendable	13,975,538	521,817	60,125	195,657	14,753,137
Restricted	20,313,731	76,999,380	23,993,918	87,383,781	208,690,810
Committed	10,000,000	-	-	45,191	10,045,191
Assigned	74,313,394	300,000	-	19,140,507	93,753,901
Unassigned	45,131,591	-	-	-	45,131,591
Total fund balances	<u>163,734,254</u>	<u>77,821,197</u>	<u>24,054,043</u>	<u>106,765,136</u>	<u>372,374,630</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 184,206,702</u>	<u>\$ 140,536,791</u>	<u>\$ 47,611,539</u>	<u>\$ 123,395,710</u>	<u>\$ 495,750,742</u>

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

COUNTY OF SOLANO, CALIFORNIA
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
June 30, 2018

Total governmental funds, fund balance		\$ 372,374,630
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		550,249,170
Other long-term assets are not available to pay for current-period expenditures and, therefore, are reported as deferred inflows of resources in governmental funds.		27,615,168
Deferred inflows and outflows of resources related to pension, other post employment benefits and refundings for debt are not due and payable in the current period and, therefore, are not reported in the funds:		
Deferred outflow on refunding		\$ 2,433,433
Deferred outflows related to pensions	\$ 144,867,826	
Deferred inflows related to pensions	<u>(17,192,009)</u>	
Deferred in/outflows related to pensions		127,675,817
Deferred inflow on refunding		(15,521)
Deferred outflow related to OPEB	5,402,560	
Deferred inflow related to OPEB	<u>(1,058,320)</u>	
Deferred in/outflows related to OPEB		<u>4,344,240</u>
		134,437,969
Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net position.		9,519,211
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Accrued interest payable		(1,221,449)
Long-term obligations		<u>(691,852,748)</u>
Net position of governmental activities		<u>\$ 401,121,951</u>

COUNTY OF SOLANO, CALIFORNIA
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2018

	General	Health & Social Services	Public Safety	Other Governmental Funds	Total Governmental Funds
REVENUES					
Taxes	\$ 166,553,125	\$ -	\$ -	\$ 20,329,233	\$ 186,882,358
Licenses, permits and franchises	7,816,350	26,469	83,172	240,528	8,166,519
Fines, forfeitures and penalties	1,168,951	319,013	2,603,321	25,280	4,116,565
Use of money and property	2,696,358	(134,051)	(72,740)	952,094	3,441,661
Intergovernmental	6,850,136	285,503,529	78,921,825	38,168,126	409,443,616
Charges for services	48,628,732	21,562,629	13,463,003	15,694,634	99,348,998
Miscellaneous	3,917,027	5,555,574	1,764,071	3,916,404	15,153,076
Total revenues	<u>237,630,679</u>	<u>312,833,163</u>	<u>96,762,652</u>	<u>79,326,299</u>	<u>726,552,793</u>
EXPENDITURES					
Current:					
General government	53,372,938	-	-	4,513,425	57,886,363
Public protection	32,136,541	-	198,934,342	3,545,036	234,615,919
Public ways and facilities	-	-	-	12,916,965	12,916,965
Health services	-	165,764,424	-	3,753,612	169,518,036
Public assistance	729,119	149,608,032	-	833,910	151,171,061
Education and recreation	345,025	-	-	18,955,319	19,300,344
Debt service:					
Principal	-	-	-	14,525,000	14,525,000
Interest and other charges	-	-	-	6,248,032	6,248,032
Bond issuance cost	-	-	-	491,679	491,679
Capital outlay	31,946	105,060	1,090,650	21,100,863	22,328,519
Total expenditures	<u>86,615,569</u>	<u>315,477,516</u>	<u>200,024,992</u>	<u>86,883,841</u>	<u>689,001,918</u>
Excess (deficiency) of revenues over (under) expenditures	<u>151,015,110</u>	<u>(2,644,353)</u>	<u>(103,262,340)</u>	<u>(7,557,542)</u>	<u>37,550,875</u>
OTHER FINANCING SOURCES (USES)					
Payment to refunded bond escrow agent	-	-	-	(84,200,000)	(84,200,000)
Refunding bonds issued	-	-	-	72,775,000	72,775,000
Premium on refunding bonds issued	-	-	-	13,783,787	13,783,787
Transfers in	154,329	26,033,260	109,499,512	26,635,244	162,322,345
Transfers out	(148,557,550)	(5,511,141)	(4,473,680)	(4,719,112)	(163,261,483)
Sale of capital assets	101,701	700	5,450	150,090	257,941
Total other financing sources (uses)	<u>(148,301,520)</u>	<u>20,522,819</u>	<u>105,031,282</u>	<u>24,425,009</u>	<u>1,677,590</u>
Changes in fund balances	2,713,590	17,878,466	1,768,942	16,867,467	39,228,465
Fund balances - beginning	161,020,664	59,942,731	22,285,101	89,897,669	333,146,165
Fund balances - ending	<u>\$ 163,734,254</u>	<u>\$ 77,821,197</u>	<u>\$ 24,054,043</u>	<u>\$ 106,765,136</u>	<u>\$ 372,374,630</u>

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, 2018

Changes in fund balances - total governmental funds \$ 39,228,465

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of capital assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay	\$ 22,328,519	
Depreciation	<u>(22,467,672)</u>	(139,153)

The net effect of various miscellaneous capital asset transactions (i.e., sales, trade-ins, and donations). (458,909)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds. (1,542,633)

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 position.

Payment to refunded bond escrow agent	\$ 84,200,000	
Debt principal payments	14,525,000	
Refunding bonds issued	(72,775,000)	
Deferred amount on refunding	2,620,620	
Premium on refunding bonds issued	<u>(13,783,787)</u>	14,786,833

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.

Change in OPEB liability	\$ 1,609,429	
Change in net pension liability	(21,780,018)	
Change in pollution remediation obligations	(3,355,218)	
Change in accrued interest payable	279,938	
Change in deferred amounts on refunding	640,026	
Change in compensated absences	<u>(947,048)</u>	(23,552,891)

Internal service funds are used by management to charge the costs of certain activities to individual funds. The change in net position of the internal service funds is reported with governmental activities. (1,600,645)

Changes in net position of governmental activities \$ 26,721,067

COUNTY OF SOLANO, CALIFORNIA
Statement of Net Position
Proprietary Funds
June 30, 2018

	<u>Nut Tree Airport</u>	<u>Governmental Activities - Internal Service Funds</u>
ASSETS		
Current assets		
Cash and investments	\$ 2,972,274	\$ 32,439,976
Accounts receivable	76,423	294,960
Due from other agencies	-	43,391
Due from other funds	760	185,812
Other assets	36,358	561,697
Total current assets	<u>3,085,815</u>	<u>33,525,836</u>
Noncurrent assets		
Capital assets:		
Land	8,304,351	-
Construction in progress	303,089	671,615
Buildings and improvements	13,264,984	655,470
Machinery and equipment	136,154	24,823,528
Intangibles	-	6,053,592
Less: accumulated depreciation	(8,354,801)	(23,747,195)
Total noncurrent assets	<u>13,653,777</u>	<u>8,457,010</u>
Total assets	<u>16,739,592</u>	<u>41,982,846</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows related to pensions	140,247	4,644,038
Deferred outflows related to OPEB	5,850	135,790
Total deferred outflows of resources	<u>146,097</u>	<u>4,779,828</u>
LIABILITIES		
Current liabilities		
Outstanding warrants	5,388	680,385
Payables	246,985	4,384,604
Due to other funds	24,904	240,924
Other liabilities	62,899	-
Due to other agencies	118	108,023
Current portion of long-term obligations	27,154	4,999,930
Total current liabilities	<u>367,448</u>	<u>10,413,866</u>
Noncurrent liabilities		
Net pension liability	509,845	11,669,096
Net OPEB liability	24,003	557,823
Noncurrent portion of long-term obligations	23,002	13,003,186
Advances from other funds	2,579,154	-
Total noncurrent liabilities	<u>3,136,004</u>	<u>25,230,105</u>
Total liabilities	<u>3,503,452</u>	<u>35,643,971</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows related to pensions	16,047	1,573,028
Deferred inflows related to OPEB	1,138	26,464
Total deferred inflows of resources	<u>17,185</u>	<u>1,599,492</u>
NET POSITION		
Net investment in capital assets	13,653,777	8,457,010
Unrestricted	(288,725)	1,062,201
Total net position	<u>\$ 13,365,052</u>	<u>\$ 9,519,211</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 Position
Proprietary Funds
For the Fiscal Year Ended June 30, 2018

	Business-type Activities - Enterprise Fund	Governmental Activities - Internal Service Funds
	Nut Tree Airport	
OPERATING REVENUES		
Charges for sales and services	\$ 1,275,851	\$ 43,374,389
OPERATING EXPENSES		
Personnel services	448,243	10,969,300
Maintenance	90,698	1,344,677
Materials and supplies	607,873	1,426,489
Depreciation	582,536	1,902,892
Insurance	19,631	16,954,874
Rent, utilities and others	703,304	14,678,872
Total operating expenses	2,452,285	47,277,104
Operating income (loss)	(1,176,434)	(3,902,715)
NONOPERATING REVENUES (EXPENSES)		
Intergovernmental	13,834	-
Investment earnings	44,673	233,544
Interest expense	(31,982)	-
Property taxes	427,871	-
Other revenue	132,133	547,949
Gain from sale of capital assets	-	569,190
Total nonoperating revenues (expenses)	586,529	1,350,683
Income (loss) before transfers	(589,905)	(2,552,032)
Transfers in	-	1,252,746
Transfers out	(12,248)	(301,359)
Changes in net position	(602,153)	(1,600,645)
Total net position - beginning, restated	13,967,205	11,119,856
Total net position - ending	\$ 13,365,052	\$ 9,519,211

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, 2018

	Business-type Activities - Enterprise Funds	Governmental Activities - Internal Service Funds
	Nut Tree Airport	Governmental Activities - Internal Service Funds
Cash flows from operating activities:		
Receipts from customers	\$ 1,261,750	\$ 923,359
Receipts from interfund services provided	188,052	43,510,662
Payments to suppliers	(1,192,653)	(32,296,992)
Payments to employees	(415,914)	(8,629,545)
Net cash provided (used) by operating activities	(158,765)	3,507,484
Cash flows from noncapital financing activities:		
Transfers out	(12,248)	(301,359)
Property taxes received	427,870	-
Intergovernmental revenues received	13,834	-
Transfers in	-	1,252,746
Net cash provided by noncapital financing activities	429,456	951,387
Cash flows from capital and related financing activities:		
Interest paid	(31,982)	-
(Acquisition) disposition of capital assets	1,586,912	(2,349,123)
Net cash provided (used) by capital and related financing activities	1,554,930	(2,349,123)
Cash flows from investing activities:		
Investment income received	44,673	233,551
Net cash provided by investing activities	44,673	233,551
Net increase in cash and cash equivalents	1,870,294	2,343,299
Cash and cash equivalents - beginning	1,101,980	30,096,677
Cash and cash equivalents - ending	\$ 2,972,274	\$ 32,439,976
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	\$ (1,176,434)	\$ (3,902,715)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation	582,536	1,902,892
Other nonoperating revenue	132,133	547,949
Pension expense	30,851	2,284,875
OPEB expense	(1,699)	(39,342)
Changes in assets and liabilities:		
(Increase) decrease in receivables, net	(66,883)	(18,605)
(Increase) decrease in due from other funds	(760)	85,673
(Increase) decrease in due from other agencies	109,461	214,379
(Increase) decrease in other assets	1,942	(52,335)
Increase (decrease) in outstanding warrants	1,065	383,907
Increase (decrease) in payables	165,039	1,821,678
Increase (decrease) in due to other funds	23,444	182,951
Increase (decrease) in due to other agencies	40	(1,570)
Increase (decrease) in accrued compensated absences	3,177	97,747
Increase (decrease) in other liabilities	37,323	-
Total adjustments	1,017,669	7,410,199
Net cash provided (used) by operating activities	\$ (158,765)	\$ 3,507,484

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

COUNTY OF SOLANO, CALIFORNIA
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2018

	<u>External Investment Trust</u>	<u>Private Purpose Trust</u>	<u>Agency Funds</u>
ASSETS			
Cash and investments	\$ 660,203,465	\$ 8,790,808	\$ 68,150,933
Property tax receivable	-	-	30,517,035
Property of estates	-	5,914,236	-
Total assets	<u>660,203,465</u>	<u>14,705,044</u>	<u>\$ 98,667,968</u>
LIABILITIES			
Due to others	-	-	\$ 98,667,968
Total liabilities	<u>-</u>	<u>-</u>	<u>\$ 98,667,968</u>
NET POSITION			
Net position held in trust for:			
Individuals	-	14,705,044	
Pool participants	660,203,465	-	
Total net position	<u>\$ 660,203,465</u>	<u>\$ 14,705,044</u>	

COUNTY OF SOLANO, CALIFORNIA
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Fiscal Year Ended June 30, 2018

	External Investment Trust	Private Purpose Trust
ADDITIONS		
Contributions on pooled investments	\$ 639,977,248	\$ -
Property of estates	-	5,975,184
Other contributions/additions	-	2,136,189
Interest and investment income	(11,036,889)	12,436
Total additions	628,940,359	8,123,809
DEDUCTIONS		
Distributions from pooled investments	749,656,426	-
Distributions to beneficiaries	-	5,227,510
Total deductions	749,656,426	5,227,510
Changes in net position	(120,716,067)	2,896,299
Net position - beginning	780,919,532	11,808,745
Net position - ending	\$ 660,203,465	\$ 14,705,044

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

**COUNTY OF SOLANO, CALIFORNIA
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FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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**COUNTY OF SOLANO, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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, fiduciary 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.

Blended component units

Component units blended in the County's financial statements include the Solano County Facilities 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 properties such as the Health & Social Services Administration Building, the Fairfield Downtown Project and the Animal Care Renovation/Expansion Project. The SCFC acts as an accommodation party in certain tax-exempt financings for the sole (exclusive) benefit of the County. The SCFC's board consists exclusively of all five members of the County's Board of Supervisors. The County has operational responsibility for the SCFC.

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 Choice Vouchers 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 County has operational responsibility for the SCHA.

The East Vallejo Fire Protection District (EVFPD) 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 County has operational responsibility of the EVFPD.

Discretely presented component units

The Solano County Fair (Fair) is a discretely presented component unit in the County's basic financial statements. The Fair is governed by the Solano County Fair Association (Fair Association) whose members are appointed by the County's Board of Supervisors (the Board). The Board can remove any of the Fair Association members at will (i.e., without reason). The Fair Association is a 501(c) (3) non-profit organization established to conduct the annual County Fair and oversee the day-to-day operations of the County's fairgrounds property. The Fair Association operates under a contract with the County as a self-supporting enterprise fund. The Fair's financial statements are reported as of December 31, 2017.

The Workforce Development Board (WDB) is a discretely presented component unit in the County's basic financial statements. The WDB is a private, non-profit 501(c) (3) organization serving as the administrator/operator of primarily federally-funded workforce development grants and programs, and links employers with employees to improve the quality, competitiveness, and productivity of the local workforce. The County Board of Supervisors appoints the WDB Board of Directors to oversee the U.S. Department of Labor Workforce Investment Act (WIA) grants and programs. The Workforce Development Board is reported as a discretely presented component unit as the economic resources of the WDB directly benefit the County and its inclusion is considered necessary to ensure complete financial reporting.

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 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 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 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.

B. Basis of Presentation - Government-wide 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. While separate government-wide and fund financial statements are presented, they are interrelated.

The governmental activities column incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the government's enterprise funds. Separate fund financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

As discussed earlier, the government has two discretely presented component units. While neither the Solano County Fair nor Workforce Development Board is considered to be a major component unit, they are nevertheless shown in separate columns in the government-wide financial statements.

The government-wide financial statements (i.e., the statement of net position 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.

C. Basis of Presentation – Fund Financial Statements

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

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 & 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. Restricted revenue sources are primarily state and federal grants, vehicle license fees, sales tax, charges for services and income tax revenues under the Mental Health Services Act (MHSA).

The *Public Safety Fund* is used to account for services to county residents in the areas of legal representation, crime prevention, public protection and probation services. Restricted revenue sources are primarily state and federal grants, and charges for services.

The County reports one enterprise fund:

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

Additionally, the government reports the following fund types:

Internal Service Funds account for management information systems, fleet management services and risk management services provided to other departments of the County, or to other governments, on a cost reimbursement basis. Revenue sources are primarily charges for services from County departments.

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, Administrator, and prisoners' property under the Prisoners Welfare Fund.

The *Agency Funds* are used to account for assets held by the County in an agency capacity for other local government units, such as property taxes and local transportation.

D. Measurement Focus and Basis of Accounting

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.

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 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.

E. Assets, Liabilities, Deferred Outflows/Inflows, and Net Position/Fund Balance

1. Cash and Investments

The County pools cash and investments with the County Treasurer except for investments held in trust agreements under direction from the Treasurer. Interest from pooled cash and investments are allocated quarterly to the various funds based on the periodic average daily cash balances of the funds. It is the County's policy and practice to charge interest to funds with 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 assigned 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. 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 County categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The Pool values participants' shares on a par value. Specifically, the Pool distributes income to participants based on their average balance during the relative period. Gross 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. Administrative expenses are apportioned separately based on the absolute average balance of funds on deposit to account for any funds with a negative average balance. 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 County Treasurer invests all pooled funds of the County and external participants in accordance with the County's investment policy and the California State Government Code. The County Treasurer reports on a quarterly basis to the Board of Supervisors.

The public school districts as well as fire, cemetery, pest control, parks and recreation, reclamation, and other special districts within the county are allowed and depending upon a variety of factors may be

legally required to deposit funds in the Treasurer’s investment pool. The deposits held for these districts are included in the External Investment Fund.

The County’s cash and investments include \$8,790,808 at June 30, 2018 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.

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 “advance 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.”

Advance to other funds, as reported in the general fund financial statements, are offset by a nonspendable fund balance to indicate such amounts are not in spendable form.

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 secured property taxes, commonly referred to as the Teeter Plan, as provided in the State Revenue and Taxation Code Sections 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. In governmental funds, other assets include receivables arising from loan subsidy programs.

5. Long-term Receivables

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

6. Capital Assets

Capital assets, which include property, plant, equipment, intangibles 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 and in proprietary funds. 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 three years. Building and improvements and intangibles have a capitalization threshold of \$100,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at their acquisition value on the date of donation. In accordance with GASB Statement No. 34, 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, intangibles 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
Intangibles	3-7
Specialty equipment and vehicles	2-20
Construction equipment	10-20
Buildings and improvements	10-40
Roads (surface only)	10-20

7. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. As of June 30, 2018, the County has three items reportable on the Statement of Net Position: the first item relates to the unamortized losses on refunding of debt; the second item relates to deferred outflows of resources related to pensions; and the third item relates to deferred

outflows of resources related to OPEB. The losses on refunding result from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or the refunding debt.

In addition to liabilities, the statement of net position and the balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position (or fund balance) that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has three items reportable on the Statement of Net Position: the first item relates to the unamortized gains on refunding of debt; the second item relates to deferred inflows of resources related to pensions; and the third item relates to deferred inflows of resources related to OPEB. The County also has deferred inflows of resources related to unavailable revenues reported under the modified accrual basis of accounting in the governmental funds balance sheet. These amounts are deferred and recognized as revenues in the period the amounts become available.

8. 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 unavailable revenue in the governmental funds financial statements under Deferred Inflows of Resources.

9. 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 payables are processed, expenditures are recorded in the individual funds and a liability for accounts payable is created. When the warrant is issued, the liability for accounts payable is reduced and an outstanding warrant liability is created, pending payment of the warrant.

10. 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.

11. Unearned Revenue

Unearned revenue represents financial resources received before eligibility requirements are met. These resources are advances from the State of California and the federal government for costs of various programs administered by the County.

12. Compensated Absences

Vested unused vacation hours may be accumulated and, if not taken, is paid at the date of termination from County employment at the employees' current pay rate. 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. County policy states that unused sick leave

shall not be cashed out at the time of separation from the County; however, upon retirement eligible employees convert all unused sick leave to a Retirement Health Savings Account. Payments for accrued compensated absences at termination or retirement are paid and liquidated by the governmental funds and proprietary funds.

13. 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 obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary funds statement of net position. Bond premiums/discounts are amortized over the life of the bonds using the straight-line method.

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.

14. Pensions

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

15. Other Postemployment Benefits (OPEB)

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

16. Net Position/Fund Balances

The government-wide and proprietary fund financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted and unrestricted.

- *Net investment in capital assets* – This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt attributable to the acquisition, construction or improvement of these assets, including related deferred inflows/outflows of resources, reduce the balance in this category.
- *Restricted Net Position:* – This category represents external restrictions imposed by grantors, creditors, contributors and laws or regulations of other governments, and the restrictions imposed by law through enabling legislation for the implementation of various programs.

- *Unrestricted* – This category represents net position resources of the County, not restricted for any project or other purpose.

The government-wide statement of net position reports a restricted component of \$243,952,893, of which \$21,836,245 is restricted by enabling legislation.

In the fund financial statements, governmental funds report fund balance as nonspendable, restricted, committed, assigned or unassigned based primarily on the extent to which the County is bound to honor constraints on how specific amounts can be spent.

Fund balance classifications are described as follows:

- *Nonspendable Fund Balance*: Nonspendable Fund Balance refers to amounts that cannot be spent because they are either (a) not in a spendable form or (b) legally or contractually required to be maintained intact. It includes long-term loans and notes receivable, inventories and prepaid items.
- *Restricted Fund Balance*: Amounts restricted by constraints that are either (a) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.
- *Committed Fund Balance*: Amounts to be used for specific purposes pursuant to constraints imposed by the Board of Supervisors via an ordinance. These self-imposed constraints must be set in place prior to the end of the fiscal year, and can only be changed via ordinance.
- *Assigned Fund Balance*: Amounts constrained by the County's intent to use for specific purposes but are neither legally restricted nor committed. The intent can be established at either the highest level of decision-making authority, or by a body or an official designated for that purpose. An assignment of fund balance is more easily removed or modified than fund balance classified as committed and may be established after fiscal year-end.
- *Unassigned Fund Balance*: This classification represents fund balance not assigned to other funds and not restricted, committed or assigned to specific purposes within the General Fund, and is available for financing future budgets. The General Fund is the only fund that reports a positive unassigned fund balance amount.

17. Fund Balance Policy

The Board originally adopted the General Fund Reserve and Other Designations Policy in February 2007. On June 14, 2011, the Board adopted the new Fund Balance Policy which includes the changes to conform to GASB Statement No. 54. This policy addresses the County's unrestricted fund balance (i.e. Committed, Assigned, and Unassigned).

General Fund – Fund Balance Policy This policy addresses the County's unrestricted fund balance (i.e. Committed, Assigned, and Unassigned).

Committed Fund Balance During any Board meeting, the Board of Supervisors may establish a Committed Fund Balance through a resolution approved by a 4/5 vote. The commitment must be established by the end of the fiscal year for a specific purpose and requires the same formal action to be changed or lifted. However, for financial statement purposes, in accordance with GASB Statement No. 54, only those items committed via ordinance are reported as committed fund balance.

Assigned Fund Balance During any Board meeting, the Board of Supervisors may establish or change an Assigned Fund Balance through a resolution approved by a 3/5 vote. The Board of Supervisors is the only entity delegated to assign fund balance.

General Fund General Reserve Policy The General Fund General Reserve is subject to constraints imposed by Government Code Section 29086, which limits the Board's access to the reserve during the annual budget process and requires a 4/5 vote by the Board.

The Board's policy is to maintain General Fund General Reserves equal to 10% of the County's total budget excluding interfund transfers with a minimum \$20 million balance maintained at all times.

The General Fund General Reserve is maintained to provide the County with sufficient working capital to support one-time costs, subject to Board approved constraints, for the following purposes:

- When the County faces economic recession/depression and the County must take budget action.
- When the County is impacted by a natural disaster or any other emergency that could result from acts of terrorism, disease epidemic, pandemic flu, chemical spill, or nuclear contamination whether it is a natural occurring phenomenon or manmade.
- When the County experiences unexpected declines in revenues and/or when unpredicted large one-time expenditures arise.

Subject to Board of Supervisors' constraints, the following is how reserves should be used:

1. Use the General Fund General Reserve to phase into fiscal distress periods gradually, focusing on maintaining the Board's priorities.
2. To the extent possible, use the General Fund General Reserve as the last resort to balance the County Budget.
3. To the extent possible, the spending down of General Fund General Reserve should not exceed \$6 million a year.

In circumstances where the General Fund General Reserve has fallen below the established requirement, the County shall replenish the deficiency within five fiscal years or as soon as economic conditions allow from the following revenue sources: year-end surpluses, non-recurring revenues, budget surpluses, or if legally permissible and with a defensible rationale, from excess resources in other funds.

Countywide Spending Priority Policy

Funding Flow Assumptions This policy considers restricted amounts to be spent before unrestricted fund balance when an expenditure is incurred for purposes for which both restricted and unrestricted (committed, assigned and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed, assigned, and then unassigned amounts in that order will be spent when expenditure is incurred for a purpose for which amounts in any of those unrestricted fund balance classifications could be used.

The County's Spending Priority policy applies to fund balance and revenue sources. In circumstances when expenditure is made for a purpose for which amounts are available in multiple fund balance classifications, the use of fund balance will be applied in the following order:

1. **Restricted**
2. **Committed**
3. **Assigned**
4. **Unassigned**

18. 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.

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 position

The governmental funds balance sheet includes reconciliation between total governmental funds-fund balances and net position of governmental activities as reported in the government-wide statement of net position. 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 \$550,249,170 difference are as follows:

Land, not being depreciated	\$ 156,772,209
Construction in progress	32,293,329
Artwork	857,261
Intangibles, not being depreciated	802,173
Infrastructure, net of \$73,822,030 accumulated depreciation	84,611,855
Buildings, net of \$225,284,698 accumulated depreciation	260,054,481
Machinery and equipment, net of \$28,322,398 accumulated depreciation	14,069,057
Intangibles, net of \$4,792,747 accumulated depreciation	<u>788,805</u>
Net adjustment to increase total <i>governmental funds-fund balance to arrive at net position of governmental activities</i>	<u>\$ 550,249,170</u>

Another element of reconciliation explains long-term liabilities not due and payable in the current period and, therefore is not reported in the funds. The details of this \$691,852,748 difference are as follows:

Notes payable	\$ 1,023,890
Certificates of participation	73,470,000
Issuance premium	12,888,199
Pension obligation bonds	26,085,000
OPEB liability	22,307,129
Pollution remediation obligation	3,437,288
Net Pension Liability	519,697,542
Compensated absences	<u>32,943,700</u>
Net adjustment to reduce <i>total governmental funds-fund balance to arrive at net position of governmental activities</i>	<u>\$ 691,852,748</u>

III. DETAILED NOTES ON ALL FUNDS

A. Cash and Investments

The County's cash and investments at June 30, 2018 were as follows:

	<u>Amount</u>
Cash & Cash Equivalents	<u>\$ 59,959,118</u>
County Investments	
Money Market Mutual Funds	235,215
State of California Local Agency Investment Fund (LAIF)	30,262,696
Investment Trust of California Joint Powers Authority Pool (CALTRUST)	69,616,853
California Asset Management Program (CAMP)	632,005
Corporate Notes	138,796,901
Supranational	9,871,300
U.S. Government Agency Notes:	
Federal Farm Credit Bank	17,068,331
Federal Home Loan Bank	181,040,321
Federal Home Loan Mortgage Corporation	119,178,655
Federal National Mortgage Association	94,623,216
Private Export Funding	5,071,435
U.S. Treasury Securities	315,268,678
Municipal Bonds	98,413,458
Total County Investments	<u>1,080,079,064</u>
Total County Treasury	<u>1,140,038,182</u>
Cash and Investments with Fiscal Agents	
Cash & Cash Equivalents	313,139
Money Market Mutual Funds	7,421,025
Corporate Notes	2,979,663
Municipal Bonds	2,589,356
Bond Mutual Funds	3,134,000
U.S. Government Agency Notes:	
Federal National Mortgage Association	3,478,405
U.S. Treasury Securities	3,481,230
Total Cash and Investments with Fiscal Agents	<u>23,396,818</u>
Total Cash and Investments	<u>\$ 1,163,435,000</u>

Reconciliation to the financial statements:

Government-wide Statement of Net Position	\$ 424,985,891
Statement of Fiduciary Net Position:	
External Investment Trust	660,203,465
Private Purpose Trust	8,790,808
Agency Funds	68,150,933
Component Unit:	
Solano County Fair	190,671
Workforce Development Board	1,113,232
Total	<u>\$ 1,163,435,000</u>

The Investment Policy states the Solano County Treasurer is to manage the Treasury Pool in accordance with applicable State codes and for the benefit of the pool participants. The Treasurer will make every reasonable effort to maintain the composition of the Treasury Pool within an acceptable risk-return policy. To achieve and maintain this profile, the Treasurer may direct investment purchases or sales to adjust credit risk, interest rate risk, liquidity risk, or other risks inherent in investment pools. The pool is not registered as an investment company with the Securities and Exchange Commission (SEC). The Solano County Treasurer’s Pool shall be governed by the tenets of Government Code 53600 et seq. In addition to these tenets the portfolio is further restricted to percentages based on book value at the time of purchase.

The County Treasurer manages funds on behalf of the County, Local School Districts, and various other Special Districts located within Solano County, and provides extensive reporting regarding the deposits held for both involuntary and voluntary external participants. Monthly and Quarterly reports of such are published on the County’s website and the County Treasurer reports on a quarterly basis to the Board of Supervisors. Other funds, which by law or contract must be segregated, are maintained in various other investments under his direction. Cash and investments held by third party fiscal agents are legally or contractually restricted for specific purposes.

The County is a voluntary participant in the State of California Local Agency Investment Fund (LAIF). At June 30, 2018, the County’s investment to LAIF is \$30.3 million. LAIF is part of the State of California’s Pooled Money Investment Account (PMIA). 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 194 days as of June 30, 2018. 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.

The County is also a voluntary participant in the Investment Trust of California Joint Powers Authority Pool (CALTRUST). At June 30, 2018, the County’s investment to CALTRUST is \$69.6 million. The Board of Trustees, which is made up of experienced local Treasurers and Investment Officers has oversight responsibility for CALTRUST. The value of the pool shares in CALTRUST, which may be withdrawn, is determined on a fair value basis, which may be different than the amortized cost of the County Treasurer’s portion of the pool.

The County is also a voluntary participant in the California Asset Management Program (CAMP). At June 30, 2018, the County's investment to CAMP is \$0.63 million. The weighted average to maturity of CAMP investments was 49 days as of June 30, 2018. The Board of Trustees, which is made up of experienced local government directors and treasurers, has oversight responsibility for CAMP. The Board consists of seven members elected by the participants. The value of the pool shares in CAMP, 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. CAMP's investment policy does not permit the purchase of asset-backed securities (Government Code 53601(n)), but does permit the purchase of commercial paper 53601(h), which can include asset-backed commercial paper.

1. Authorized Investments

Statutes authorize the County to invest in obligations of 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, money market 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 such as Investment Trust of California (CALTRUST) and California Asset Management Program (CAMP). Statutes also authorize the County to invest in International Bank for Reconstruction and Development (Supranational), International Finance Corporation, Inter-American Development Bank of dollar denominated senior unsecured unsubordinated rated AA or better.

Segregated funds held in trust, separate and apart from the County's Treasury pool, are invested in accordance with applicable Trust Agreements and Official Statements as authorized by the Board.

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, 2018, the weighted average to maturity of the Treasurer's Pool was 302 days.

The fair value of the County's investments as of June 30, 2018 is as follows:

	Amount	Investment Maturities Fair Value (in Years)		
		Less than 1	1 to 5	More than 5
County Investments				
Money Market Mutual Funds	\$ 235,215	\$ 235,215	\$ -	\$ -
State of California Local Agency Investment Fund (LAIF)	30,262,696	30,262,696	-	-
Investment Trust of California Joint Powers Authority Pool (CALTRUST)	69,616,853	69,616,853	-	-
California Asset Management Program (CAMP)	632,005	632,005	-	-
Corporate Notes	138,796,901	68,858,636	69,938,265	-
Supranational	9,871,300	-	9,871,300	-
U.S. Government Agency Notes:				
Federal Farm Credit Bank	17,068,331	15,110,905	1,957,426	-
Federal Home Loan Bank	181,040,321	141,193,283	39,847,037	-
Federal Home Loan Mortgage Corporation	119,178,655	79,789,805	39,388,850	-
Federal National Mortgage Association	94,623,216	45,382,106	49,241,110	-
Private Export Funding	5,071,435	5,071,435	-	-
U.S. Treasury Securities	315,268,678	290,495,228	24,773,450	-
Municipal Bonds	98,413,458	10,877,154	74,361,804	13,174,500
<i>Total County Investments</i>	<u>1,080,079,064</u>	<u>757,525,322</u>	<u>309,379,242</u>	<u>13,174,500</u>
Investments with Fiscal Agents				
Money Market Mutual Funds	7,421,025	7,421,025	-	-
Corporate Notes	2,979,663	748,148	2,231,515	-
Municipal Bonds	2,589,356	-	2,589,356	-
Bond Mutual Funds	3,134,000	3,134,000	-	-
U.S. Government Agency Notes:				
Federal National Mortgage Association	3,478,405	3,478,405	-	-
U.S. Treasury Securities	3,481,230	1,992,180	1,489,050	-
<i>Total Investments with Fiscal Agents</i>	<u>23,083,679</u>	<u>16,773,758</u>	<u>6,309,921</u>	<u>-</u>
Total Investments	<u>\$ 1,103,162,743</u>	<u>\$ 774,299,079</u>	<u>\$ 315,689,163</u>	<u>\$ 13,174,500</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 has purchased and continues to hold municipal investments with final maturities in excess of five years.

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. Based on the findings, the County Treasurer may elect to retain the securities in question or sell them. At June 30, 2018, the County's credit risks, expressed as a percentage of total investments, are as follows:

Investment Type	Credit Rating S&P	% of Investments
County Investments		
Money Market Mutual Funds	AAA	0.02%
State of California Local Agency Investment Fund (LAIF)	AAA	2.74%
Investment Trust of California Joint Powers Authority Pool Medium Term	A	0.90%
Investment Trust of California Joint Powers Authority Pool Short Term	AA	1.81%
Investment Trust of California Joint Powers Authority Pool Money Market	AAA	3.60%
California Asset Management Program (CAMP)	AAA	0.06%
Corporate Notes	A-1	0.91%
Corporate Notes	A	0.76%
Corporate Notes	A+	0.95%
Corporate Notes	AA	2.04%
Corporate Notes	AA-	3.23%
Corporate Notes	AA+	1.62%
Corporate Notes	AAA	3.07%
Supranational	AAA	0.89%
U.S. Government Agency Notes:		
Federal Farm Credit Bank	AA+	1.55%
Federal Home Loan Bank	AA+	16.41%
Federal Home Loan Mortgage Corporation	AA+	10.80%
Federal National Mortgage Association	AA+	8.58%
Private Export Funding	AAA	0.46%
U.S. Treasury Securities	Exempt	28.58%
Municipal Bonds	AA+	1.53%
Municipal Bonds	A-	1.00%
Municipal Bonds	AA	1.75%
Municipal Bonds	AA-	3.62%
Municipal Bonds	AAA	1.02%
Investments with Fiscal Agents		
Money Market Mutual Funds	AAA	0.67%
Corporate Notes	Not Rated	0.27%
Municipal Bonds	AA+	0.01%
Municipal Bonds	AA-	0.22%
Bond Mutual Funds	Not Rated	0.28%
U.S. Government Agency Notes:		
Federal National Mortgage Association	AA+	0.32%
U.S. Treasury Securities	Exempt	0.32%
		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>Amount</u>
Federal Home Loan Bank	\$ 181,040,321
Federal Home Loan Mortgage Corporation	119,178,655
Federal National Mortgage Association	94,623,216

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 110% 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, 2018 is as follows:

Investment	Fair Value	Cost	Interest Rate Range (%)	Maturity Range (Month/Year)
Money Market Mutual Funds	\$ 235,215	\$ 235,215	0.000	07/18
State of California Local Agency Investment Fund (LAIF)	30,262,696	30,262,696	1.920	07/18
Investment Trust of California Joint Powers Authority Pool (CALTRUST)	69,616,853	69,807,637	1.710 - 1.960	07/18
California Asset Management Program (CAMP)	632,005	632,005	2.050 - 2.070	07/18
Corporate Notes	138,796,901	139,702,691	1.001 - 2.834	07/18 - 10/20
Supranational	9,871,300	9,983,072	1.409	07/19
U.S. Government Agency Notes	416,981,958	419,337,019	.0863 - 2.415	07/18 - 12/20
U.S. Treasury Securities	315,268,678	315,960,272	.0839 - 2.113	07/18 - 08/19
Municipal Bonds	98,413,458	99,444,607	1.297 - 3.340	10/18 - 09/40
	<u>\$ 1,080,079,064</u>	<u>\$ 1,085,365,214</u>		

7. Fair Value Measurements

The County's investment pool categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. These principles recognize a three-tiered fair value hierarchy, as follows:

- Level 1: Investments reflect prices quoted in active markets:
- Level 2: Investments reflect prices that are based on a similar observable asset either directly or indirectly, which may include inputs in markets that are not considered to be active; and,
- Level 3: Investments reflect prices based upon unobservable sources.

Deposits and withdrawals in governmental investment pools, such as LAIF, CAMP and CALTRUST, are reported on an amortized cost basis of \$1 per share and not fair value. Accordingly, the County's proportionate share in these types of investments is an uncategorized input not defined as a Level 1, Level 2, or Level 3 input.

When available, quoted prices are used to determine fair value. When quoted prices in active markets are available, investments are classified within Level 1 of the fair value hierarchy.

For investments classified within Level 2 of the fair value hierarchy, the County's custodians generally use asset market prices derived from closing bid prices as of the last business day of the month as supplied by Interactive Data Services.

The County has the following recurring fair value measurements as of June 30, 2018:

	Fair Value Measurements Using			
	Balance at June 30, 2017	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
County Investments by Fair Value Level				
Money Market Mutual Funds	\$ 235,215	\$ 235,215	\$ -	\$ -
Corporate Notes	138,796,901	-	138,796,901	-
Supranational	9,871,300	-	9,871,300	-
U.S. Government Agency Notes:				
Federal Farm Credit Bank	17,068,331	-	17,068,331	-
Federal Home Loan Bank	181,040,321	-	181,040,321	-
Federal Home Loan Mortgage Corporation	119,178,655	-	119,178,655	-
Federal National Mortgage Association	94,623,216	-	94,623,216	-
Private Export Funding	5,071,435	-	5,071,435	-
U.S. Treasury Securities	315,268,678	315,268,678	-	-
Municipal Bonds	98,413,458	-	98,413,458	-
Total Investments Measured at Fair Value	\$ 979,567,510	\$ 315,503,893	\$ 664,063,617	\$ -
County Investments not subject to Fair Value Hierarchy				
State of California Local Agency Investment	30,262,696			
California Asset Management Program (CAMP)	632,005			
Investment Trust of California Joint Powers Authority Pool (CALTRUST)	69,616,853			
Total Investments not subject to Fair Value Hierarchy	100,511,554			
Total County Pooled Investments	\$ 1,080,079,064			
Investments with Fiscal Agents by Fair Value Level				
Money Market Mutual Funds	\$ 7,421,025	\$ 2,829,151	\$ 4,591,874	\$ -
Corporate Notes	2,979,663	-	2,979,663	-
Municipal Bonds	2,589,356	-	2,589,356	-
Bond Mutual Funds	3,134,000	-	3,134,000	-
U.S. Government Agency Notes:				
Federal National Mortgage Association	3,478,405	-	3,478,405	-
U.S. Treasury Securities	3,481,230	-	3,481,230	-
Total Investments with Fiscal Agents measured at Fair Value	\$ 23,083,679	\$ 2,829,151	\$ 20,254,528	\$ -
Total Investments	\$ 1,103,162,743			

The following represents a condensed statement of net position and changes in net position for the Treasurer's Pool as of June 30, 2018:

Statement of net position	
Net position held in trust for all pool participants	\$ 1,132,044,760
Equity of internal pool participants	\$ 471,841,295
Equity of external pool participants	660,203,465
Total Net Position	<u>\$ 1,132,044,760</u>
Statement of changes in net position	
Net position as of July 1, 2017	\$ 1,226,437,212
Net change in investments by pool participants	<u>(94,392,452)</u>
Net Position as of June 30, 2018	<u>\$ 1,132,044,760</u>
Add outstanding warrants:	
Primary government	7,777,647
Component Unit:	
Workforce Development Board	<u>215,775</u>
Total held by County Treasury	<u><u>\$ 1,140,038,182</u></u>

B. Due To/Due From Other Funds

The composition of the interfund balances as of June 30, 2018 is as follows:

		Due To Other Funds						
		General Fund	Health & Social Services	Public Safety	Other Governmental	Nut Tree Airport	Internal Service Funds	Total
Due From Other Funds	General Fund	\$ -	\$ 1,064,477	\$ 2,117,978	\$ 90,342	\$ 24,426	\$ 34,720	\$ 3,331,943
	Health & Social Services	-	-	10,376,250	70,584	-	95,850	10,542,684
	Public Safety	666,469	451,771	-	62,246	-	88,363	1,268,849
	Other Governmental	70,550	356,851	148,713	21,568	478	21,784	619,944
	Nut Tree Airport	553	-	-	-	-	207	760
	Internal Service Funds	114,866	36,565	34,006	375	-	-	185,812
	Total	<u>\$ 852,438</u>	<u>\$ 1,909,664</u>	<u>\$ 12,676,947</u>	<u>\$ 245,115</u>	<u>\$ 24,904</u>	<u>\$ 240,924</u>	<u>\$ 15,949,992</u>

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.

C. Advance To/From Other Funds

The composition of the Advance to/from other funds as of June 30, 2018 is as follows:

		Advance To			
		Health & Social Services	Other Governmental	Nut Tree Airport	Total
Advance From	General Fund	\$ 1,077,122	\$ 9,536,228	\$ 2,579,154	\$ 13,192,504

As of June 30, 2018, the outstanding amounts owed to the General Fund by other funds are as follows: Health & Social Services owes \$1,077,122 to pay for the damages resulting from the South Napa earthquake on August 24, 2014 which will be repaid by reimbursements from the Federal Emergency Management Agency (FEMA) next year; and the Pension Debt Service Fund (Other Governmental Funds) owes \$3,000,000 for the payment of the Pension Obligation Bonds Series B1 and B2 which will be repaid next year.

Additional outstanding amounts owed to the General Fund are as follows: the Transportation Fund (Other Governmental Funds) owes \$880,695 to cover costs of Regional Transportation Projects which will be repaid through public facilities fees for transportation projects once approved; the Accumulated Capital Outlay Fund (Other Governmental Funds) owes \$5,655,533 to cover the costs of the Fairgrounds development which will be repaid eight years after the beginning of construction; and the Nut Tree Airport Enterprise Fund owes \$2,579,154 to cover the costs of acquiring real property for purposes of airport expansion. Revenues generated after the completion of the rental hangar project will be used to repay this advance. The completion of the hangar project is estimated for late 2018 when a repayment plan will be established.

D. Capital Assets

Capital asset governmental activity for the fiscal year ended June 30, 2018 is as follows:

Governmental Activities	Beginning Balance	Additions	Retirements and Adjustments	Transfers	Ending Balance
Capital assets, not being depreciated:					
Land	\$ 156,948,694	\$ -	\$ (176,485)	\$ -	\$ 156,772,209
Construction in progress	43,971,581	22,281,776	(2,280,387)	(31,008,026)	32,964,944
Artwork	857,261	-	-	-	857,261
Intangibles	461,593	340,580	-	-	802,173
Total capital assets, not being depreciated	<u>202,239,129</u>	<u>22,622,356</u>	<u>(2,456,872)</u>	<u>(31,008,026)</u>	<u>191,396,587</u>
Capital assets, being depreciated:					
Buildings	486,564,354	-	(569,699)	-	485,994,655
Machinery and equipment	64,760,409	4,785,488	(2,330,914)	-	67,214,983
Infrastructure	127,425,859	-	-	31,008,026	158,433,885
Intangibles	11,420,143	215,001	-	-	11,635,144
Total capital assets being depreciated	<u>690,170,765</u>	<u>5,000,489</u>	<u>(2,900,613)</u>	<u>31,008,026</u>	<u>723,278,667</u>
Less accumulated depreciation for:					
Buildings	(210,185,545)	(15,821,268)	472,002	-	(225,534,811)
Machinery and equipment	(43,786,646)	(4,029,801)	2,050,553	-	(45,765,894)
Infrastructure	(70,003,420)	(3,818,610)	-	-	(73,822,030)
Intangibles	(10,145,454)	(700,885)	-	-	(10,846,339)
Total accumulated depreciation	<u>(334,121,065)</u>	<u>(24,370,564)</u>	<u>2,522,555</u>	<u>-</u>	<u>(355,969,074)</u>
Total capital assets, being depreciated, net	<u>356,049,700</u>	<u>(19,370,075)</u>	<u>(378,058)</u>	<u>31,008,026</u>	<u>367,309,593</u>
Governmental activities capital assets, net	<u>\$ 558,288,829</u>	<u>\$ 3,252,281</u>	<u>\$ (2,834,930)</u>	<u>\$ -</u>	<u>\$ 558,706,180</u>

Capital asset business-type activity for the fiscal year ended June 30, 2018 is as follows:

Business-type Activities	Beginning Balance	Additions	Retirements and Adjustments	Transfers	Ending Balance
Capital assets, not being depreciated:					
Land	\$ 8,304,351	\$ -	\$ -	\$ -	\$ 8,304,351
Construction in progress	-	303,089	-	-	303,089
Total capital assets, not being depreciated	<u>8,304,351</u>	<u>303,089</u>	<u>-</u>	<u>-</u>	<u>8,607,440</u>
Capital assets, being depreciated					
Buildings	13,264,984	-	-	-	13,264,984
Machinery and equipment	136,154	-	-	-	136,154
Total capital assets, being depreciated	<u>13,401,139</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,401,138</u>
Less accumulated depreciation for:					
Buildings	(7,710,251)	(580,570)	-	-	(8,290,821)
Machinery and equipment	(62,014)	(1,966)	-	-	(63,980)
Total accumulated depreciation	<u>(7,772,265)</u>	<u>(582,536)</u>	<u>-</u>	<u>-</u>	<u>(8,354,801)</u>
Total capital assets, being depreciated, net	<u>5,628,874</u>	<u>(582,536)</u>	<u>-</u>	<u>-</u>	<u>5,046,337</u>
Business-type activities capital assets, net	<u>\$ 13,933,225</u>	<u>\$ (279,447)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,653,777</u>

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

Governmental activities:

General government	\$ 4,910,703
Public safety	8,228,282
Public ways and facilities	4,404,186
Health and sanitation	2,805,771
Public assistance	1,511,793
Education	437,054
Recreation	169,884

Capital assets held by the County's internal service funds are charged to various functions based on their usage of the asset

	<u>1,902,892</u>
Total depreciation expense - governmental activities	<u>\$ 24,370,564</u>

Business-type activities:

Nut Tree Airport	<u>\$ 582,536</u>
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Capital assets activity for the discretely presented component units for the fiscal year ended June 30, 2018 is as follows:

Component Units	Beginning Balance	Additions	Retirements and Adjustments	Ending Balance
Solano County Fair				
Capital assets, not being depreciated:				
Land	\$ 167,085	\$ -	\$ -	\$ 167,085
Capital assets, being depreciated:				
Buildings	9,857,905	-	(65,218)	9,792,687
Machinery and equipment	444,970	2,888	(52,812)	395,046
Intangibles	6,000	-	-	6,000
Total capital assets, being depreciated:	<u>10,308,875</u>	<u>2,888</u>	<u>(118,030)</u>	<u>10,193,733</u>
Less accumulated depreciation for:				
Buildings	(8,978,947)	(231,753)	65,218	(9,145,482)
Machinery and equipment	(427,146)	(7,830)	52,812	(382,164)
Intangibles	-	(400)	-	(400)
Total accumulated depreciation	<u>(9,406,093)</u>	<u>(239,583)</u>	<u>118,030</u>	<u>(9,528,046)</u>
Total capital assets, being depreciated, net	<u>902,782</u>	<u>(236,695)</u>	<u>-</u>	<u>665,687</u>
Total Solano County Fair capital assets, net	<u>\$ 1,069,867</u>	<u>\$ (236,695)</u>	<u>\$ -</u>	<u>\$ 832,772</u>
Workforce Investment Board (WIB)				
Capital assets, being depreciated:				
Machinery and equipment	\$ 18,478	\$ -	\$ -	\$ 18,478
Less: Accumulated depreciation	(18,478)	-	-	(18,478)
Total WIB capital assets, being depreciated, net	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

E. Interfund Transfers

The composition of interfund transfers for the fiscal year ended June 30, 2018 is as follows:

		Transfers Out						
		General Fund	Health & Social Services	Public Safety	Other Govern- mental	Nut Tree Airport	Internal Service Funds	Total
Transfers In	General Fund	\$ -	\$ -	\$ 84,795	\$ 69,534	\$ -	\$ -	\$ 154,329
	Health & Social	25,927,773	-	-	105,487	-	-	26,033,260
	Public Safety	109,499,512	-	-	-	-	-	109,499,512
	Other Governmental	11,954,765	5,511,141	4,311,639	4,544,091	12,248	301,359	26,635,243
	Internal Service Funds	1,175,500	-	77,246	-	-	-	1,252,746
	Total	\$ 148,557,550	\$ 5,511,141	\$ 4,473,680	\$ 4,719,112	\$ 12,248	\$ 301,359	\$ 163,575,090

General Fund

The General Fund made a net contribution of \$148,557,550 as of June 30, 2018 to offset operating costs of various programs and to meet the maintenance of effort requirements for many grant-funded programs.

Of the amount transferred, Health & Social Services Fund received a net transfer of \$25,927,773 and the Public Safety Fund received a net transfer of \$109,499,512.

Other Governmental Funds received a total of \$11,954,765. Of this amount, Government Center Debt Service Fund (Other Governmental Funds) received \$1,973,739 for General fund's share of principal and interest for the 2017 Certificates of Participation (COP); \$1,265,789 was transferred to other county departments (Other Governmental Funds); \$7,393,000 was transferred to the Accumulated Capital Outlay Fund (Other Governmental Funds) to finance various capital projects. Pension Debt Service (Other Governmental Funds) received \$1,322,237 for the departments' share of the principal and interest payment of the Pension Obligation Bonds (POB).

The Fleet Management (Internal Service Fund) received \$25,500 for the purchase of an Environmental Health vehicle. Risk Management (Internal Service Fund) received \$1,150,000 to cover for the unanticipated liability exposure.

Health & Social Services (H&SS) Fund

The Health & Social Services Fund transferred \$3,911,425 to the Pension Debt Service Fund (Other Governmental Funds) for the department's share of the principal and interest payment of the POB and \$1,599,716 for its share of the 2009 COP Debt Service principal and interest payments.

Public Safety Fund

The Public Safety Fund transferred \$84,795 to the General Fund to offset a portion of the salary & benefit costs in providing supervision to Animal Care Services department.

The Public Safety Fund transferred \$3,915,501 to the Pension Debt Service Fund (Other Governmental Funds) for the department's share of the principal and interest payment of the POB and \$396,138 to the Government Center Debt Service Fund (Other Governmental Funds) for its share of the principal and interest payments of the 2017 COP.

The Fleet Management (Internal Service Fund) received \$77,246 for the purchase of vehicles for the Juvenile programs.

Other Governmental Funds

The Accumulated Capital Outlay Fund (Other Governmental Funds) transferred \$65,000 to the General Fund as reimbursement for the facility repairs. The Micrographics and Modernization Fund (Other Governmental Funds) transferred \$4,534 General Fund for the administrative costs associated with the collection and management of DA fraud fees received during the year.

The Accumulated Capital Outlay Fund (Other Governmental Funds) transferred \$105,487 to Health & Social Services Fund (H&SS) for the return of excess funds from the projects funded by H&SS.

The Accumulated Capital Outlay Fund (Other Governmental Funds) transferred \$900,000 to Government Center Debt Service Fund (Other Governmental Funds) for its share of the principal and interest payments of the 2017 COP; \$75,000 to the Transportation Fund (Other Governmental Funds) for Cordelia Access Road Lighting project; and \$8,093 to the Micrographics and Modernization Fund (Other Governmental Funds) and \$6,033 to the Parks and Recreation Fund (Other Governmental Funds) for the return of excess funds from the projects funded by the departments.

The Public Facilities Fees (Other Governmental Funds) transferred \$1,306,686 to the Government Center Debt Service Fund (Other Governmental Funds) for its share of the principal and interest payment of the 2017 COP; \$150,000 to the 2009 Certificates of Participation Debt Service Fund (Other Governmental Funds) for its share of the principal and interest for the 2009 COP; and \$925,000 to the Accumulated Capital Outlay Fund (Other Governmental Funds) for the construction of the SB-1022 Adult Criminal Facility.

The Library (Other Governmental Funds) transferred \$502,863 to the Government Center Debt Service Fund (Other Governmental Funds) for its share of the 2017 COP principal and interest payments.

The Transportation Fund (Other Governmental Funds) transferred \$120,000 to the Accumulated Capital Outlay Fund (Other Governmental Funds) for the roof drainage improvement for 3255 Texas Street.

There was also a transfer of \$550,416 from various County Funds to the Pension Debt Service Fund (Other Governmental Funds) for their share of the principal and interest payment of the POB.

Internal Service Funds

The Internal Service Funds transferred \$301,359 to the Pension Debt Service Fund (Other Governmental Funds) for their share of the principal and interest payment of the POB.

Airport

The Airport transferred \$12,248 to the Pension Debt Service Fund (Other Governmental Funds) for its share of principal and interest payment of the POB.

F. Payable

The composition of payables as of June 30, 2018 is as follows:

	<u>Accounts Payable</u>	<u>Accrued Payroll</u>	<u>Accrued Interest</u>	<u>Total</u>
Governmental activities:				
General Fund	\$ 2,203,546	\$ 2,094,998	\$ -	\$ 4,298,544
Health & Social Services	8,936,717	5,526,641	-	14,463,358
Public Safety	2,382,129	5,801,753	-	8,183,882
Other Governmental Funds	1,741,842	803,150	-	2,544,992
Internal Service Funds	3,942,732	441,872	-	4,384,604
Reconciliation of balances in fund financial statements to government-wide financial statements	-	-	1,221,449	1,221,449
Total governmental activities	<u>\$ 19,206,966</u>	<u>\$ 14,668,414</u>	<u>\$ 1,221,449</u>	<u>\$ 35,096,829</u>
Business-type activities:				
Nut Tree Airport	<u>\$ 228,495</u>	<u>\$ 18,490</u>	<u>\$ -</u>	<u>\$ 246,985</u>

G. Operating Leases

The County and component units lease office space and equipment under operating leases. Total rental expenditures for such leases were \$2,097,792, for the fiscal year ended June 30, 2018. Future minimum rental payments under all noncancelable operating leases with initial or remaining terms in excess of one year as of June 30, 2018 are summarized in the following table:

<u>Year Ending June 30</u>	<u>Primary Government</u>	<u>Component Units WIB</u>	<u>Total</u>
2019	\$ 1,349,152	\$ 382,145	\$ 1,731,297
2020	1,505,270	-	1,505,270
2021	1,446,286	-	1,446,286
2022	1,003,010	-	1,003,010
2023	653,735	-	653,735
	<u>\$ 5,957,453</u>	<u>\$ 382,145</u>	<u>\$ 6,339,598</u>

H. Long-term Obligations

Notes Payable

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

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

<u>Year ending June 30</u>	<u>Governmental activities</u>	
	<u>Principal</u>	<u>Interest</u>
2019	\$ -	\$ 30,717
2020	-	30,717
2021	-	30,717
2022	1,023,890	337,884
	<u>\$ 1,023,890</u>	<u>\$ 430,035</u>

During FY 2007/08, the County entered into a 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 the City of Suisun on behalf of the County, plus interest at three (3%) percent per annum. The principal balance payment is due in FY 2021/22. Assembly Bill (AB) X1 26 dissolved all Redevelopment Agencies (RDA) in the State of California effective February 1, 2012. Due to the dissolution of the RDA, the loan is now payable to the City of Suisun Successor Agency.

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 shown in the following table:

Year ending June 30	Governmental activities	
	Principal	Interest
2019	\$ 6,155,000	\$ 3,435,505
2020	5,555,000	3,169,315
2021	4,915,000	2,913,541
2022	5,160,000	2,667,849
2023	5,410,000	2,409,990
2024-2030	46,275,000	8,555,119
	<u>\$ 73,470,000</u>	<u>\$ 23,151,319</u>

Current Refunding

In September 2017, the County issued \$72,775,000 of Refunding Certificates of Participation (COPs), (Series 2017 Refunding COPs), with an initial interest rate of 3.0. The 2017 Refunding COPs were issued to current refund the County's outstanding Series 2007 Refunding COP. Interest on the 2017 Refunding COPs is payable initiating on November 1, 2017, and semiannually thereafter on November 1 and May 1 of each year until November 1, 2030.

The refunding of the 2007 COPs resulted in a difference between the reacquisition price and the net carrying amount of the old debt of approximately \$2.1 million (deferred loss on refunding). This difference, reported in the financial statements as a deferred outflow of resources, is being amortized through the year 2030 using the effective interest method. The County completed the refunding to reduce its total debt service payments by approximately \$16.1 million and obtain an economic gain (difference between the present values of the old and new debt service payments) of approximately \$20.8 million.

Pension Obligation Bonds

The County issued Taxable Pension Obligation Bonds (POB) to prepay a partial obligation under its contract with CalPERS for the County's Unfunded Accrued Actuarial Liability (UAAL).

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

Year ending June 30	Governmental activities	
	Principal	Interest
2019	\$ 2,710,000	\$ 1,391,931
2020	3,000,000	1,249,385
2021	3,335,000	1,091,285
2022	3,680,000	912,662
2023	4,050,000	715,562
2024-2025	9,310,000	759,481
	<u>\$ 26,085,000</u>	<u>\$ 6,120,305</u>

The composition of the long-term debt obligations for the governmental activities as of June 30, 2018 is as follows:

<u>Type and description</u>	<u>Maturity</u>	<u>Interest Rates</u>	<u>Original Issue</u>	<u>Outstanding</u>
Notes payable:				
City of Suisun Successor Agency	June 30, 2022	3.00	\$ 1,023,890	\$ 1,023,890
Total notes payable				<u>1,023,890</u>
Certificates of participation:				
2009 Refunding Certificates of Participation				
Serial	November 15, 2010 - November 15, 2019	3.00 - 5.00	16,745,000	2,525,000
Issuance Premium			889,673	88,968
2013 Certificates of Participation				
Serial	November 15, 2013- November 15, 2027	3.34	5,420,000	3,990,000
2017 Refunding Certificates of Participation				
Serial	November 11, 2017- November 1, 2030	3.00 - 5.00	72,775,000	66,955,000
Issuance Premium			13,783,788	12,799,231
Total certificates of participation				<u>86,358,199</u>
Pension Obligation Bonds:				
Series 2005	January 15, 2025	5.36	42,385,000	26,085,000
Total pension obligation bonds				<u>26,085,000</u>
Self-insurance liability				16,398,000
Compensated absences				34,548,816
Pollution remediation obligation				3,437,288
Net pension liability				531,366,640
Net OPEB obligation				22,864,952
Total governmental activities obligations				<u>\$ 722,082,785</u>

The composition of the long-term debt obligations for the business-type activities as of June 30, 2018, is as follows:

<u>Type and description</u>	<u>Outstanding</u>
Nut Tree Airport	
Net pension liability	\$ 509,845
Net OPEB obligation	24,003
Compensated absences	50,156
	<u>584,004</u>
Total Nut Tree Airport	<u>\$ 584,004</u>

The composition of the long-term obligations of the County's discretely presented component units as of June 30, 2018, is as follows:

<u>Type and description</u>	<u>Outstanding</u>
Solano County Fair	
Pension obligation bonds	\$ 734,955
Capital lease	391,634
Compensated absences	69,086
Net OPEB obligation	126,691
Net Pension liability	1,455,961
Total Solano County Fair	<u>\$ 2,778,327</u>
 Workforce Investment Board (WIB)	
Compensated absences	<u>\$ 128,410</u>

Long-term liability activity for the fiscal year ended June 30, 2018, is as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
Certificates of participation	\$ 92,625,000	\$ 72,775,000	\$ (91,930,000)	\$ 73,470,000	\$ 6,155,000
Add:					
For issuance premiums	1,333,755	13,783,788	(2,229,344)	12,888,199	1,073,523
Pension obligation bonds	32,880,000	-	(6,795,000)	26,085,000	2,710,000
Notes payable	1,023,890	-	-	1,023,890	-
Self-insurance liability	14,824,000	6,172,798	(4,598,798)	16,398,000	4,485,917
Pollution remediation obligation	82,069	3,355,219	-	3,437,288	3,437,288
Net pension liability	471,403,230	101,742,687	(41,779,277)	531,366,640	-
Net OPEB obligation	3,931,884	28,464,580	(9,531,512)	22,864,952	-
Compensated absences	33,504,021	18,129,805	(17,085,010)	34,548,816	15,759,730
Governmental activities long-term liabilities	<u>\$ 651,607,849</u>	<u>\$244,423,877</u>	<u>\$(173,948,941)</u>	<u>\$ 722,082,785</u>	<u>\$ 33,621,458</u>

County of Solano
Notes to the Basic Financial Statements for the Fiscal Year Ended June 30, 2018

Business-type activities:	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Net pension liability	\$ 452,245	\$ 97,939	\$ (40,339)	\$ 509,845	\$ -
Net OPEB obligation	6,055	29,863	(11,915)	24,003	-
Compensated absences	46,980	28,518	(25,342)	50,156	27,154
Business-type activities long-term liabilities	<u>\$ 505,280</u>	<u>\$ 156,320</u>	<u>\$ (77,596)</u>	<u>\$ 584,004</u>	<u>\$ 27,154</u>

In governmental activities and proprietary funds, compensated absences, other post employment benefit obligations (OPEB), and net pension liability are paid by the fund where the employee is accounted. In the Governmental Activities, the majority of increase for compensated absences were paid by the Health & Social Services (58%) and the General Government Fund (38%). The majority of increases for OPEB were paid by the Public Safety Fund (44%) and the Health & Social Services Fund (42%). The majority of increases for net pension liability were paid by the Public Safety Fund (43%) and the Health & Social Services Fund (42%).

Internal service funds predominantly serve the governmental funds. Accordingly, \$30,230,035 of the internal service funds' long-term liabilities is included as part of the above totals for governmental activities.

Net OPEB Obligation	\$ 557,823
Net Pension Liability	11,669,096
Compensated Absences	1,605,116
Workers' Compensation	16,398,000
Total Liabilities	<u>\$ 30,230,035</u>

Component units activities: Solano County Fair:	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Pension obligation bonds	\$ 734,955	\$ -	\$ -	\$ 734,955	\$ 189,644
Capital lease	487,142	-	(95,508)	391,634	98,029
Compensated absences	56,344	47,357	(34,615)	69,086	12,067
Net OPEB obligation	77,172	49,519	-	126,691	-
Net pension liability	1,060,154	748,601	(352,794)	1,455,961	-
Total Solano County Fair	<u>\$ 2,415,767</u>	<u>\$ 845,477</u>	<u>\$ (482,917)</u>	<u>\$ 2,778,327</u>	<u>\$ 299,740</u>

WIB:

Compensated absences	<u>\$ 136,580</u>	<u>\$ 175,602</u>	<u>\$ (183,772)</u>	<u>\$ 128,410</u>	<u>\$ 128,410</u>
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I. Pollution Remediation Obligations

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

1. The 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 \$287,178, which is a weighted average of estimates for the range of cleanup outlays. The Former Hall of Records site is required to be remediated until eligible for closure by California Regional Water Quality Control Board.
2. The Fairgrounds site located at 900 Fairgrounds Drive, Vallejo, CA 94589. Remediation is for the demolition of the grandstands and stables involving removal of the lead-contaminated concrete and wood demolitions debris. The pollution remediation for this site is approximately \$3,138,810 per the current contracts between the County and the Contractor.
3. The Weights & Measure building located at 540-560 Fairgrounds Drive, Vallejo, CA 94589. Remediation is for the removal of hazardous waste of approximately two yards. The pollution remediation obligation for this site clean-up is approximately \$8,500 including all labor, materials and disposal.
4. The Fouts Springs Youth Facility. Remediation is for the removal of hazardous waste of one (1) forty-yard container. The pollution remediation obligation for this site clean-up is approximately \$2,800 including labor and disposal.

County of Solano
Notes to the Basic Financial Statements for the Fiscal Year Ended June 30, 2018

J. Fund Balances

Fund balances for all major and nonmajor governmental funds as of June 30, 2018 are classified as follows:

	General Fund	Health & Social Services	Public Safety	Other Governmental	Total
Nonspendable:					
Inventory	\$ 19,324	\$ -	\$ -	\$ 195,005	\$ 214,329
Long-term receivable	750,971	-	-	-	750,971
Advances	13,192,502	-	-	-	13,192,502
Prepaid items	12,741	521,817	60,125	652	595,335
Subtotal	<u>13,975,538</u>	<u>521,817</u>	<u>60,125</u>	<u>195,657</u>	<u>14,753,137</u>
Restricted for:					
Future pension contribution	20,313,731	-	-	-	20,313,731
District Attorney programs	-	-	4,881,858	-	4,881,858
Civil Process operation	-	-	1,200,272	-	1,200,272
Asset Seizure	-	-	213,868	-	213,868
Criminal justice & court facilities	-	-	744,607	-	744,607
Courts and justice system	-	-	141,515	-	141,515
Livescan	-	-	865,881	-	865,881
Law Enforcement programs	-	-	408,454	-	408,454
2011 Realignment for Health & Public Safety programs	-	-	15,537,463	-	15,537,463
Capital projects - SB 1022	-	-	-	2,067,902	2,067,902
Public Facilities Fees for capital projects	-	-	-	21,831,910	21,831,910
Library services & programs	-	-	-	20,367,027	20,367,027
Public works & road maintenance	-	-	-	11,479,008	11,479,008
MHS Act programs	-	31,465,365	-	-	31,465,365
First 5 Children & Families Commission	-	-	-	8,538,285	8,538,285
Mental & public health services for IGT	-	16,392,287	-	-	16,392,287
1991 Realignment for health & public assistance programs	-	29,141,728	-	-	29,141,728
Homeowners assistance programs	-	-	-	4,913,291	4,913,291
Micrographics, modernization & recorder's programs	-	-	-	9,262,578	9,262,578
Wildlife habitat & environmental education	-	-	-	28,139	28,139
Lighting districts	-	-	-	460,250	460,250
Debt Service	-	-	-	8,435,391	8,435,391
Subtotal	<u>20,313,731</u>	<u>76,999,380</u>	<u>23,993,918</u>	<u>87,383,781</u>	<u>208,690,810</u>
Committed for:					
Future pension contribution	10,000,000	-	-	-	10,000,000
Capital projects - Public Art	-	-	-	45,191	45,191
Subtotal	<u>10,000,000</u>	<u>-</u>	<u>-</u>	<u>45,191</u>	<u>10,045,191</u>
Assigned to:					
Imprest Cash	6,130	-	-	-	6,130
Professional and contracted services	275,210	-	-	-	275,210
Undisbursed approved loans	3,961,651	-	-	-	3,961,651
FY 2018/19 budgetary resource	23,345,057	-	-	-	23,345,057
Property Tax System Replacement	10,000,000	-	-	-	10,000,000
Fouts decommissioning	766,122	-	-	-	766,122
Employers PERS rate increase	11,177,893	-	-	-	11,177,893
Low/moderate income housing projects	1,551,689	-	-	-	1,551,689
Maintenance	16,492,733	-	-	-	16,492,733
Accrued leave payoff	6,736,909	-	-	-	6,736,909
Mission Solano Rescue Mission	-	300,000	-	-	300,000
Capital projects	-	-	-	16,095,127	16,095,127
Parks & recreation	-	-	-	245,380	245,380
Debt Service	-	-	-	2,800,000	2,800,000
Subtotal	<u>74,313,394</u>	<u>300,000</u>	<u>-</u>	<u>19,140,507</u>	<u>93,753,901</u>
Unassigned:					
General fund	45,131,591	-	-	-	45,131,591
Subtotal	<u>45,131,591</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>45,131,591</u>
Total	<u>\$ 163,734,254</u>	<u>\$ 77,821,197</u>	<u>\$ 24,054,043</u>	<u>\$ 106,765,136</u>	<u>\$ 372,374,630</u>

Fund Balance Assignments – Undisbursed Approved Loans

- On September 24, 2006, the Board approved a General Fund loan for \$3,000,000 for the Transportation Special Revenue Fund. As of June 30, 2018, the undisbursed balance of the approved loan was \$619,306.
- On September 30, 2008, the Board approved a General Fund loan for \$2,000,000 to the Accumulated Capital Outlay Capital Projects Fund for the purpose of the Visioning Project for the Solano County Fairgrounds Development. As part of the annual budget hearings for FY 2009/10, a second loan for \$2,400,000 was approved. For FY 2013/14 an additional \$500,000 was approved and another \$2,100,000 during the budget hearings for in FY 2015/16. The Board approved \$1,200,000 during the budget hearings for FY 2017/18, bringing the total loan to \$8,200,000. As of June 30, 2018, the undisbursed balance of the approved loans was \$2,544,467.
- On September 23, 2014, the Board approved a General Fund loan for \$1,875,000 to the County Disaster Fund for the purpose of providing payment advances from damages resulting from the South Napa earthquake on August 24, 2014. As of June 30, 2018, the undisbursed balance of the approved loan was \$797,878.

K. Tax Abatements

The County provides tax abatements through the Williamson Act Programs. The contracts are made and entered into pursuant to the California Land Conservation Act of 1965 as amended. Under the Williamson Act Program, local governments enter into contracts with private landowners for the purpose of restricting specific parcels of land to agricultural or related open space use. Private land within locally-designated agricultural preserve areas is eligible for enrollment under contract.

Under the provisions of these contracts, land parcels are assessed for property tax purposes at a rate consistent with their actual use, rather than potential market value of the property. The minimum contract term is ten years and automatically renews until a cancellation process is initiated. Cancellation of the contract and the cancellation fee therefore shall be governed by Division 1, Title 5, Chapter 7, Article 5 of the State of California Government Code. For the fiscal year ended June 30, 2018, tax abatements under the Williamson Act Program were \$5,404,380.

IV. OTHER INFORMATION

A. General Information about the Pension Plans

1. Plan Descriptions

The County's defined benefit pension plans, the County's Safety and Miscellaneous Plans, provide 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. The Solano County Fair and the Solano County Superior Court are included as part of the County's Miscellaneous Plan. However, for financial reporting purpose, the liabilities and related pension amounts have been excluded from the County's

amounts. 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 publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions, and membership information that can be found on the CalPERS website at: <http://www.calpers.ca.gov/index.jsp?bc=/about/forms-pubs/calpers-reports/actuarial-reports/home.xml>.

2. Benefits Provided

CalPERS provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

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

	Miscellaneous		
	Prior to May 4, 2012	On or after May 4, 2012	On or after Jan. 1, 2013
Hire Date	May 4, 2012	May 4, 2012	Jan. 1, 2013
Benefit Formula	2.7% @ 55	2.0% @ 60	2.0% @ 62
Benefit Vesting Schedule	5 years of service	5 years of service	5 years of service
Benefit Payments	monthly for life	monthly for life	monthly for life
Retirement Age	50-55	50-63	52-67
Monthly Benefits, as % of eligible compensation	2.00% - 2.70%	1.092% - 2.418%	1.00% - 2.50%
Required Employee Contribution Rates	8.00%	7.00%	6.25%
Required Employer Contribution Rates	20.97%	20.97%	20.97%
Status	Closed	Open	Open

	Safety - Sheriff		
	Prior to Jan. 17, 2011	On or after Jan. 17, 2011	On or after Jan. 1, 2013
Hire Date	Jan. 17, 2011	Jan. 17, 2011	Jan. 1, 2013
Benefit Formula	3.0% @ 50	3.0% @ 55	2.7% @ 57
Benefit Vesting Schedule	5 years of service	5 years of service	5 years of service
Benefit Payments	monthly for life	monthly for life	monthly for life
Retirement Age	50	50-55	50-57
Monthly Benefits, as % of Eligible Compensation	3.00%	2.40% - 3.00%	2.00% - 2.70%
Required Employee Contribution Rates	9.00%	9.00%	12.50%
Required Employer Contribution Rates	27.54%	27.54%	27.54%
Status	Closed	Open	Open

	Safety - County Peace Officer		
	Prior to May 4, 2012	On or after May 4, 2012	On or after Jan. 1, 2013
Hire Date	May 4, 2012	May 4, 2012	Jan. 1, 2013
Benefit Formula	2.0% @ 50	2.0% @ 55	2.0% @ 57
Benefit Vesting Schedule	5 years of service	5 years of service	5 years of service
Benefit Payments	monthly for life	monthly for life	monthly for life
Retirement Age	50-55	50-55	50-57
Monthly Benefits, as % of Eligible Compensation	2.00% - 2.70%	1.426% - 2.00%	1.426% - 2.00%
Required Employee Contribution Rates	9.00%	7.00%	8.50%
Required Employer Contribution Rates	27.54%	27.54%	27.54%
Status	Closed	Open	Open

3. Employees Covered

At June 30, 2018, the following employees were covered by the benefit terms for the Miscellaneous and Safety Plans. Under the Miscellaneous Plan, the data includes Court and Fair employees. Currently, there are no reports available to exclude Court and Fair employees from the data.

	<u>Miscellaneous</u>	<u>Safety</u>
Inactive employees or beneficiaries currently receiving benefits	2,828	556
Inactive employees entitled to but not yet receiving benefits	1,600	258
Active employees	<u>2,438</u>	<u>584</u>
Total	<u><u>6,866</u></u>	<u><u>1,398</u></u>

4. Contributions

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

Active plan members in the Miscellaneous and Safety Plans are required to contribute 8% and 9% 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, 2018 (after the measurement date) was 20.97% for Miscellaneous and 27.54% for Safety employees. The required employer contribution amounts for the fiscal year ended June 30, 2018 were \$36,695,748 and \$21,025,379 under the Miscellaneous and Safety Plans, respectively.

5. Net Pension Liability

The County’s net pension liability for each Plan is measured as the total pension liability, less the pension plan’s fiduciary net position. The net pension liability of each of the Plans is measured as of June 30, 2017, using an annual actuarial valuation as of June 30, 2016 rolled forward to June 30, 2017. A summary of principal assumptions and methods used to determine the net pension liability is shown on the next page.

Actuarial Assumptions

The total pension liability at the June 30, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	<u>Miscellaneous</u>	<u>Safety</u>
Valuation Date	June 30, 2016	June 30, 2016
Measurement Date	June 30, 2017	June 30, 2017
Actuarial Cost Method	Entry-Age Normal	
Actuarial Assumptions:		
Discount Rate	7.15%	7.15%
Inflation	2.75%	2.75%
Payroll Growth	3.00%	3.00%
Projected Salary Increase	Varies by Entry Age and Service	
Investment Rate of Return ⁽¹⁾	7.15%	7.15%
Mortality	Derived using CalPERS' Membership Data for All Funds	

⁽¹⁾ Net of pension plan investment and administrative expenses, including inflation.

¹The mortality table used was developed based on CalPERS' specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For more details on this table, please refer to the 2014 experience study report.

All other actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period from 1997 to 2011, including updates to salary increase, mortality and retirement rates. The Experience Study report can be obtained at CalPERS' website under Forms and Publications.

Change of Assumptions

In 2017, the accounting discount rate was reduced from 7.65% to 7.15%.

Discount Rate

The discount rate used to measure the total pension liability was 7.15% for each Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.15% discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.15% will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

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

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

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

<u>Asset Class</u>	<u>Current Target Allocation</u>	<u>Real Return Years 1-10 ⁽¹⁾</u>	<u>Real Return Years 11+ ⁽²⁾</u>
Global Equity	47.0%	4.90%	5.38%
Global Fixed Income	19.0%	0.80	2.27
Inflation Sensitive	6.0%	0.60	1.39
Private Equity	12.0%	6.60	6.63
Real Estate	11.0%	2.80	5.21
Infrastructure and Forestland	3.0%	3.90	5.36
Liquidity	2.0%	(0.40)	(0.90)
	<u>100.0%</u>		

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

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

Changes in the Net Pension Liability

The changes in the Net Pension Liability for each Plan (excluding Courts and Fair) for the measurement date of June 30, 2017 are as follows:

	Miscellaneous		
	Total Pension Liability	Increase (Decrease)	
		Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at June 30, 2017	\$ 1,289,450,525	\$ 937,641,256	\$ 351,809,269
Changes in the year:			
Service cost	30,465,163	-	30,465,163
Interest on total pension liability	96,116,643	-	96,116,643
Changes in benefit terms	-	-	-
Changes in assumptions	77,264,422	-	77,264,422
Differences between expected and actual experience	(13,049,934)	-	(13,049,934)
Plan to Plan Resource Movement	-	(1,612)	1,612
Contributions from the employer	-	30,445,740	(30,445,740)
Contributions from employees	-	12,375,624	(12,375,624)
Projected Earnings on Investments	-	66,433,490	(66,433,490)
Differences between Projected and Actual Earnings on Plan Investments	-	39,580,150	(39,580,150)
Benefit payments, including refunds of employee contributions	(63,777,074)	(63,777,074)	-
Administrative Expense	-	(1,392,465)	1,392,465
Net Changes	<u>127,019,220</u>	<u>83,663,853</u>	<u>43,355,367</u>
Balance at June 30, 2018	<u>\$ 1,416,469,745</u>	<u>\$ 1,021,305,109</u>	<u>\$ 395,164,636</u>
	Safety		
	Total Pension Liability	Increase (Decrease)	
		Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at June 30, 2017	\$ 433,780,185	\$ 313,733,979	\$ 120,046,206
Changes in the year:			
Service cost	12,580,220	-	12,580,220
Interest on total pension liability	32,379,339	-	32,379,339
Changes in benefit terms	-	-	-
Changes in assumptions	27,423,158	-	27,423,158
Differences between expected and actual experience	(4,755,139)	-	(4,755,139)
Plan to Plan Resource Movement	-	(4,885)	4,885
Contributions from the employer	-	11,424,329	(11,424,329)
Contributions from employees	-	4,557,332	(4,557,332)
Projected Earnings on Investments	-	22,233,006	(22,233,006)
Differences between Projected and Actual Earnings on Plan Investments	-	13,215,360	(13,215,360)
Benefit payments, including refunds of employee contributions	(19,760,867)	(19,760,867)	-
Administrative Expense	-	(463,207)	463,207
Net Changes	<u>47,866,711</u>	<u>31,201,068</u>	<u>16,665,643</u>
Balance at June 30, 2018	<u>\$ 481,646,896</u>	<u>\$ 344,935,047</u>	<u>\$ 136,711,849</u>
Total for Miscellaneous & Safety	<u>\$ 1,898,116,641</u>	<u>\$ 1,366,240,156</u>	<u>\$ 531,876,485</u>

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

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

	<u>Miscellaneous</u>	<u>Safety</u>	<u>Total</u>
1% Decrease	6.15%	6.15%	6.15%
Net Pension Liability	\$ 583,395,161	\$ 203,877,910	\$ 787,273,071
Current Discount Rate	7.15%	7.15%	7.15%
Net Pension Liability	\$ 395,164,636	\$ 136,711,849	\$ 531,876,485
1% Increase	8.15%	8.15%	8.15%
Net Pension Liability	\$ 242,345,662	\$ 81,468,917	\$ 323,814,579

Pension Plan Fiduciary Net Position

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

6. Pension Expense and Deferred Outflows/Inflows of Resources Related to Pensions

For the fiscal year ended June 30, 2018, the County recognized total pension expense of \$59,246,162 and \$21,049,351 for the Miscellaneous and Safety plans, respectively. At June 30, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Miscellaneous Plan</u>		<u>Safety Plan</u>		<u>Total</u>	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Change of Assumptions	\$ 53,119,290	\$ (1,308,364)	\$ 21,826,595	\$ (2,652,845)	\$ 74,945,885	\$ (3,961,209)
Differences between Expected and Actual Experiences	-	(10,106,777)	-	(4,713,098)	-	(14,819,875)
Pension contributions subsequent to measurement date	36,695,748	-	21,025,379	-	57,721,127	-
Net differences between Projected and Actual Earnings on Pension Plan Investments	12,751,436	-	4,233,663	-	16,985,099	-
Total	<u>\$ 102,566,474</u>	<u>\$ (11,415,141)</u>	<u>\$ 47,085,637</u>	<u>\$ (7,365,943)</u>	<u>\$ 149,652,111</u>	<u>\$ (18,781,084)</u>

The amount of \$36,695,748 and \$21,025,379 for the Miscellaneous and Safety plans respectively, reported as deferred outflows of resources related to pensions will be recognized as a reduction of the pension liability in the year ended June 30, 2019. Amounts reported as deferred outflows of resources

and deferred inflows of resources related to pensions will be recognized in pension expense as shown in the following table:

Year Ending June 30,	Miscellaneous	Safety	TOTAL
2018	\$ 17,139,466	\$ 2,412,038	\$ 19,551,504
2019	35,662,470	8,376,162	44,038,632
2020	9,569,680	6,385,672	15,955,352
2021	(7,916,031)	1,520,443	(6,395,588)
Total	<u>\$ 54,455,585</u>	<u>\$ 18,694,315</u>	<u>\$ 73,149,900</u>

B. Post Employment Health Care Benefits

1. Plan Description

The County participates in an agent multi-employer defined benefit healthcare plan administered by the CalPERS. The plan provides postemployment healthcare benefits to eligible retirees by contributing a minimum of \$133 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 \$133 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 benefits with the Public Agency Retirement Services (PARS). The PARS financial statements and additional reports can be obtained from the PARS website at <http://www.PARS.org>.

2. Employees Covered

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

Inactives currently receiving benefits	708
Inactives entitled to benefit payments	1,399
Active employees	<u>2,876</u>
Total	<u><u>4,983</u></u>

3. Contributions

The County’s minimum required contribution is set by Government Code Section 22892. 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.

The annual contribution is based on the actuarially determined contribution. The required contribution amount for fiscal year ended June 30, 2018 was \$5,544,200.

4. Net OPEB Liability

The County’s net OPEB liability was measured as of June 30, 2017 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated January 1, 2017 that was rolled forward to determine the June 30, 2017 total OPEB liability, based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal Cost Method
Actuarial Assumptions:	
Valuation Date	January 1, 2017
Discount Rate	6.00%
Inflation	2.75%
Investment Rate of Return	6.00%
Medical Trend	Non-Medicare - 7.5% for 2019, decreasing to an ultimate rate of 4.0% in 2076 and later years
Mortality Improvement	Medicare - 6.5% for 2019, decreasing to an ultimate rate of 4.0% in 2076 and later years Mortality projected fully generational with Scale MP-2016
Salary Increases	3%
Healthcare Participation	50%

The long-term expected rate of return on plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and most recent best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Equities	58.0%	4.82%
Fixed income	35.0%	1.47%
Cash	5.0%	0.06%
REITs	2.0%	3.76%
Total	<u>100.0%</u>	

Discount Rate

The discount rate used to measure the total OPEB liability was 6.00%. The projection of cash flows used to determine the discount rate assumed that County contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan’s fiduciary net position was projected to be available to make projected all OPEB payments for current active and inactive employees and beneficiaries. Therefore, the long-term expected rate of return on OPEB plan

investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Changes in the Net OPEB Liability

The changes in the net OPEB liability for the measurement date of June 30, 2017 are as follows:

	Total OPEB Liability	Plan Fiduciary Net Position	Total OPEB Liability
Balance at June 30, 2016	\$ 53,832,838	\$ 28,232,058	\$ 25,600,780
Changes for the year:			
Service Cost	2,645,202	-	2,645,202
Interest on Total OPEB Liability	3,317,442	-	3,317,442
Contribution - Employer	-	5,583,761	(5,583,761)
Net Investment Income	-	3,144,408	(3,144,408)
Benefit Payments	(1,315,640)	(1,315,640)	-
Administrative Expense	-	(53,700)	53,700
	<u>4,647,004</u>	<u>7,358,829</u>	<u>(2,711,825)</u>
Balance at June 30, 2017	<u>\$ 58,479,842</u>	<u>\$ 35,590,887</u>	<u>\$ 22,888,955</u>

Sensitivity of Net OPEB Liability to Changes in the Discount Rate

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

Changes in the Discount Rate	5.00%	6.00%	7.00%
	<u>(1% Decrease)</u>	<u>Current Rate</u>	<u>(1% Increase)</u>
Net OPEB Liability	\$ 31,233,275	\$ 22,888,955	\$ 16,781,123
Changes in the Healthcare Trend Rate			
	<u>(1% Decrease)</u>	<u>Current Rate</u>	<u>(1% Increase)</u>
Net OPEB Liability	\$ 15,663,376	\$ 22,888,955	\$ 32,796,530

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

For the fiscal year ended June 30, 2018, the County recognized OPEB expense of \$3,957,857. At June 30, 2018, the County reported deferred outflows and deferred inflows of resources related to OPEB from the sources shown in the following table:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net difference between projected and actual earnings on OPEB plan investments	\$ -	\$ 1,085,922
Employer contribution made subsequent to the measurement date	<u>5,544,200</u>	<u>-</u>
Total	<u>\$ 5,544,200</u>	<u>\$ 1,085,922</u>

The \$5,544,200 reported as deferred outflows of resources related to contributions after the June 30, 2017 measurement date will be recognized as a reduction of the net OPEB liability during the fiscal year ending June 30, 2019. Other amounts reported as deferred outflows of resources related to OPEB will be recognized as expense as shown in the following table:

Fiscal Year Ended June 30:	<u>Deferred Outflows/(Inflows) of Resources</u>
2019	\$ 271,481
2020	271,481
2021	271,480
2022	271,480

OPEB plan fiduciary net position

Detailed information about the OPEB plan’s fiduciary net position is available in the separately issued PARS financial report. PARS reports can be obtained from the PARS website at <http://www.PARS.org>.

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 various programs organized by the California State Association of Counties – Excess Insurance Authority (CSAC-EIA), a joint powers authority created to provide 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 \$7,745,014 during the fiscal year ended June 30, 2018 for the Primary General Liability, Excess Liability, Pollution Programs, Special Liability, Cyber Liability, Medical Malpractice, Excess Worker’s Compensation, Property, Master Crime, Aviation and Watercraft Insurance Programs, and Equipment Maintenance Management Programs.

The County participates in the CSAC-EIA Property Program. The County's deductible is \$5,000 per occurrence. The County has primary, All Risk coverage up to \$600,000,000.

Since July 1, 2003, the County has elected to self-insure 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 \$4,485,917 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 a 75% confidence level. As of June 30, 2018, the accrued loss contingency for the County's workers' compensation program was \$16,398,000 and is reported as a liability in the Risk Management Internal Service Fund.

Since November 1, 1998, the County has insured the County's general liability coverage under the CSAC-EIA Primary General Liability Program (PGL). The County self-insures for this risk and purchases the PGL coverage to buy down the Excess Liability Self-Insured Retention of \$100,000 to the PGL deductible of \$10,000. The County has excess coverage up to \$25,000,000.

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 workers' compensation claims, as well as premiums paid to CSAC-EIA for the property, primary general liability, excess liability and excess workers' compensation programs. 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 in any of the past three fiscal years.

Changes in the Risk Management Internal Service Fund's accrued loss contingency amount for worker's compensation for the fiscal years ended June 30, 2018 and 2017 were:

Fiscal Year Ended	Beginning Liability	Current Year Claims and Changes in Estimates	Claim Payments	Ending Liability
June 30, 2017	\$ 14,522,000	\$ 4,985,013	\$ (4,683,013)	\$ 14,824,000
June 30, 2018	14,824,000	6,172,798	(4,598,798)	16,398,000

The claims liabilities above, reported in the Self Insurance Internal Service Fund at June 30, 2018, 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 a 75% confidence level. Workers' compensation is carried at present value using a discount rate of 1.5%.

D. Contingencies and Commitments

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.

E. Commitment and Contingency in relation to Fouts Springs Youth Facility

In August 2011, the Board of Supervisors authorized the closure of the Fouts Springs Youth Facility (Fouts) due to unanticipated program changes and the loss of state-funded programs. The facility was operated by the County through a Special Use Permit established in 1959 between the County and the United States Department of Agriculture – Forest Service (USFS). Under the terms of the Special Use Permit, the County must remove 36 buildings and return the site to its natural state. Since 2011, the County has been working with USFS on the Fouts decommissioning studies and site restoration plan. The USFS has approved the demolition and site restoration plan and Phase I has been completed. Phase II of the decommissioning project is expected to be completed in FY 2018/19 at an additional cost of \$422,482.

F. Restatement of Net Position

As a result of implementing GASB 75 for the accounting and reporting of OPEB information beginning with FY 2017/18, the County restated its beginning net position at July 1, 2017 for both government-wide and business-type activities. The restatement is summarized in the following table:

	Governmental Activities	Business-Type Activities	Total
Net position, July 1, 2017	\$ 390,529,150	\$ 13,982,139	\$ 404,511,289
Restatement:			
Net OPEB Obligation	3,931,884	6,055	3,937,939
Net OPEB liability	(25,573,930)	(26,850)	(25,600,780)
Deferred outflows of resources related to OPEB	5,513,780	5,861	5,519,641
Net position, July 1, 2017 restated	<u>\$ 374,400,884</u>	<u>\$ 13,967,205</u>	<u>\$ 388,368,089</u>

G. Deficit Fund Equity

As of June 30, 2018, the Information Technology (Internal Service Fund) had a deficit fund balance of \$712,101 resulting from the accounting and reporting of the net pension liability.

H. New Effective Accounting Pronouncements

The Governmental Accounting Standards Board (GASB) releases new accounting and financial reporting standards which may have a significant impact on the County's financial reporting process. The County implemented the following standards during the fiscal year ended June 30, 2018:

Statement No. 75 – Accounting and Financial Reporting for Postemployment Benefits Other than Pensions

The objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB).

Statement No. 81 – Irrevocable Split-Interest Agreements

The objective of this Statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. There is no impact to the County’s financial statements with this pronouncement as the County does not have any irrevocable split-interest agreements.

Statement No. 85 – Omnibus 2017

The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]).

Statement No. 86 – Certain Debt Extinguishment Issues

The primary objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources—resources other than the proceeds of refunding debt—are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. There is no impact to the County’s financial statements with this pronouncement as the County has not participated in debt extinguishment of this sort.

I. Future Implementation of New Governmental Accounting Standards

The County is currently analyzing its accounting and financial reporting practices to determine the potential impact on the financial statements of the following GASB Statements:

Statement No. 83 – Certain Asset Retirement Obligations

This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement. The requirements of this Statement are effective for the County’s fiscal year ending June 30, 2019.

Statement No. 84 – Fiduciary Activities

The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The County has not determined what impact, if any, this pronouncement will have on the financial statements. The requirements of this Statement are effective for the County’s fiscal year ending June 30, 2020.

Statement No. 87 – Leases

The objective of this Statement is to increase the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The County has not determined what impact, if any, this pronouncement will have on the financial statements. The requirements of this Statement are effective for the County's fiscal year ending June 30, 2021.

Statement No. 88 – Certain Debt Disclosures

The primary objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. The requirements of this Statement are effective for the County's fiscal year ending June 30, 2019.

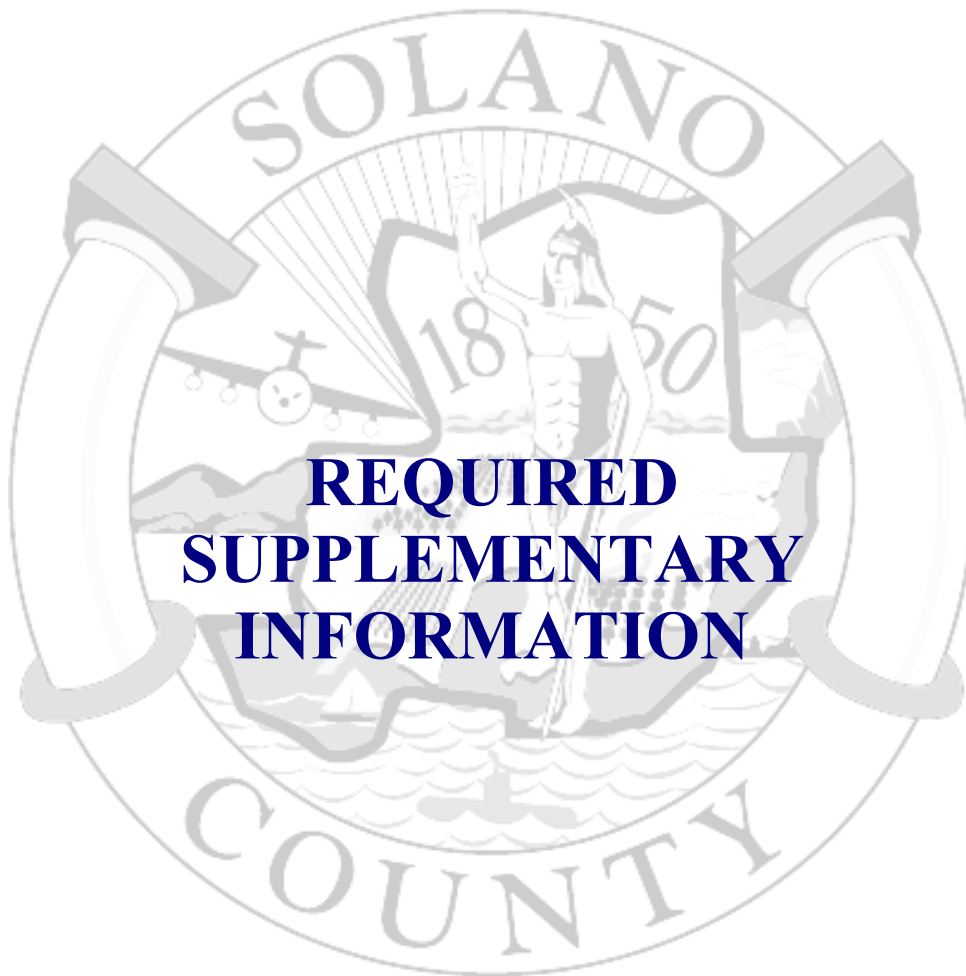
Statement No. 89 – Accounting for Interest Cost Incurred

The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This Statement also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019.

Statement No. 90 – Majority Equity Interests

An amendment to GASB No. 14 and No. 61, the primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018.

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COUNTY OF SOLANO, CALIFORNIA
Schedule of Changes in Net Pension Liability and Related Ratios
Miscellaneous Plan
Last 10 Years*

Measurement Period	2018	2017	2016	2015
	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
TOTAL PENSION LIABILITY				
Service Cost	\$ 30,465,163	\$ 26,597,957	\$ 25,949,824	\$ 26,543,827
Interest	96,116,643	93,230,847	88,521,350	84,956,858
Difference Between Expected and Actual Experience	(13,049,934)	(1,808,780)	(7,306,473)	-
Changes of Assumptions	77,264,422	-	(20,933,833)	-
Benefit Payments, Including Refunds of Employee Contributions	(63,777,074)	(61,315,965)	(57,335,586)	(54,271,372)
Net Change in Total Pension Liability	127,019,220	56,704,060	28,895,282	57,229,313
Total Pension Liability - Beginning	1,289,450,525	1,232,746,467	1,203,851,185	1,146,621,873
Total Pension Liability - Ending (a)	\$ 1,416,469,745	\$ 1,289,450,525	\$ 1,232,746,467	\$ 1,203,851,186
PLAN FIDUCIARY NET POSITION				
Contributions - Employer	\$ 30,445,740	\$ 27,604,856	\$ 25,507,454	\$ 23,810,683
Contributions - Employee	12,375,624	11,825,251	11,837,309	11,281,036
Net Investment Income	106,013,640	4,909,328	21,082,446	142,910,199
Benefit Payments, Including Refunds of Employee Contributions	(63,777,074)	(61,315,965)	(57,335,586)	(54,271,372)
Plan to Plan Resource Movement	(1,612)	(6,177)	(13,435)	-
Administrative Expense	(1,392,465)	(584,538)	(1,072,603)	-
Net Change in Fiduciary Net Position	83,663,853	(17,567,245)	5,585	123,730,546
Plan Fiduciary Net Position - Beginning	937,641,256	955,208,501	955,202,916	831,472,371
Plan Fiduciary Net Position - Ending (b)	\$ 1,021,305,109	\$ 937,641,256	\$ 955,208,501	\$ 955,202,917
Plan Net Pension Liability/(Asset) - Ending (a) - (b)	\$ 395,164,636	\$ 351,809,269	\$ 277,537,966	\$ 248,648,269
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	72.10%	72.72%	77.49%	79.35%
Covered Payroll	\$165,410,846	\$ 152,372,109	\$ 147,542,730	\$ 141,877,315
Plan Net Pension Liability/(Asset) as a Percentage of Covered Payroll	238.90%	230.89%	188.11%	175.26%

Schedule of Plan Contributions - Miscellaneous Plan
Miscellaneous Plan
Last 10 Years*

Actuarially Determined Contribution	2018	2017	2016	2015
	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Actuarially Determined Contribution	\$ 36,695,748	\$ 30,393,519	\$ 27,418,792	\$ 25,573,456
Contributions in Relation to the Actuarially Determined Contribution	(36,695,748)	(30,393,519)	(27,418,792)	(25,573,456)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$178,054,195	\$165,410,846	\$152,372,109	\$147,542,730
Contributions as a Percentage of Covered Payroll	20.61%	18.37%	17.99%	17.33%

* Amounts presented above were determined as of 6/30. Additional years will be presented as they become available.

COUNTY OF SOLANO, CALIFORNIA
Schedule of Changes in Net Pension Liability and Related Ratios
Safety Plan
Last 10 Years*

	2018	2017	2016	2015
Measurement Period	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
TOTAL PENSION LIABILITY				
Service Cost	\$ 12,580,220	\$ 10,827,733	\$ 10,094,060	\$ 10,196,391
Interest on Total Pension Liability	32,379,339	31,097,434	29,459,459	27,987,355
Changes of Assumptions ³	27,423,158	-	(7,334,339)	-
Difference Between Expected and Actual Experience	(4,755,139)	(393,904)	(1,931,477)	-
Benefit Payments, Including Refunds of Employee Contributions	(19,760,867)	(18,467,052)	(17,762,970)	(16,118,095)
Net Change in Total Pension Liability	47,866,711	23,064,211	12,524,733	22,065,651
Total Pension Liability - Beginning	433,780,185	410,715,974	398,191,241	376,125,590
Total Pension Liability - Ending (a)	\$ 481,646,896	\$ 433,780,185	\$ 410,715,974	\$ 398,191,241
PLAN FIDUCIARY NET POSITION				
Contributions - Employer	\$ 11,424,329	\$ 9,796,398	\$ 9,478,293	\$ 8,448,188
Contributions - Employee	4,557,332	4,171,041	4,127,101	4,529,358
Net Investment Income	35,448,366	1,654,032	6,889,853	46,982,051
Benefit Payments, Including Refunds of Employee Contributions	(19,760,867)	(18,467,052)	(17,762,970)	(16,118,095)
Net Plan to Plan Resource Movement	(4,885)	694	-	-
Administrative Expense	(463,207)	(193,056)	(356,395)	-
Net Change in Fiduciary Net Position	31,201,068	(3,037,943)	2,375,882	43,841,502
Plan Fiduciary Net Position - Beginning	313,733,979	316,771,922	314,396,040	270,554,538
Plan Fiduciary Net Position - Ending (b)	\$ 344,935,047	\$ 313,733,979	\$ 316,771,922	\$ 314,396,040
Plan Net Pension Liability/(Asset) - Ending (a) - (b)	\$ 136,711,849	\$ 120,046,206	\$ 93,944,052	\$ 83,795,201
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	71.62%	72.33%	77.13%	78.96%
Covered Payroll	\$ 49,896,817	\$ 46,124,828	\$ 42,326,654	\$ 40,585,880
Plan Net Pension Liability/(Asset) as a Percentage of Covered Payroll	273.99%	260.26%	221.95%	206.46%

Schedule of Plan Contributions - Safety Plan
Safety Plan
Last 10 Years*

	2018	2017	2016	2015
Actuarially Determined Contribution	\$ 14,440,771	\$ 11,423,907	\$ 9,779,487	\$ 9,489,646
Contributions in Relation to the Actuarially Determined Contribution	(21,025,379)	(11,423,907)	(9,779,487)	(9,489,646)
Contribution Deficiency (Excess)	<u>\$ (6,584,608) **</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 53,193,839	\$ 49,896,817	\$ 46,124,828	\$ 42,326,654
Contributions as a Percentage of Covered Payroll	39.53%	22.90%	21.20%	22.42%

* Amounts presented above were determined as of 6/30. Additional years will be presented as they become available.

** In June 2018, the County paid CalPERS \$6,584,608 to pay down a portion of the Safety Plan's unfunded liability.

This amount is considered contributions made after the measurement date, June 30, 2017.

COUNTY OF SOLANO, CALIFORNIA
Schedule of Changes in Net OPEB Liability and Related Ratios
Last 10 Years*

	2018
Measurement Period	June 30, 2017
TOTAL OPEB LIABILITY	
Service Cost	2,645,202
Interest on Total OPEB Liability	3,317,442
Benefit Payments - County	(1,315,640)
Net Change in Total OPEB Liability	4,647,004
Total OPEB Liability - Beginning	53,832,838
Total OPEB Liability - Ending (a)	\$ 58,479,842
PLAN FIDUCIARY NET POSITION	
Contributions - Employer	5,583,761
Net Investment Income	3,144,408
Benefit Payments, Including Refunds of Employee Contributions	(1,315,640)
Administrative Expense	(53,700)
Net Change in Fiduciary Net Position	7,358,829
Plan Fiduciary Net Position - Beginning	28,232,058
Plan Fiduciary Net Position - Ending (b)	\$ 35,590,887
Plan Net OPEB Liability/(Asset) - Ending (a) - (b)	\$ 22,888,955
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	60.86%
Covered Payroll	\$ 214,110,228
Plan Net OPEB Liability/(Asset) as a Percentage of Covered Payroll	10.69%

* Amounts presented above were determined as of 6/30. Additional years will be presented as they become available.

Schedule of Plan Contributions - OPEB
Last 10 Years*

	2018
Actuarially Determined Contribution	\$ 5,544,200
Contributions in Relation to the Actuarially Determined Contribution	(5,544,200)
Contribution Deficiency (Excess)	\$ -
Covered Payroll	\$ 221,616,238
Contributions as a Percentage of Covered Payroll	2.50%

* Fiscal year 2018 was the first year of implementation of GASB 75, therefore, only one year is shown.

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, 2018

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Adopted</u>	<u>Final</u>	<u>Actual Amounts</u>	
REVENUES				
Taxes	\$ 158,243,000	\$ 158,243,000	\$ 166,553,125	\$ 8,310,125
Licenses, permits and franchises	7,131,357	7,213,150	7,816,350	603,200
Fines, forfeitures and penalties	1,128,675	1,128,675	1,168,951	40,276
Use of money and property	1,894,465	1,903,965	2,696,358	792,393
Intergovernmental	6,774,710	6,868,676	6,850,136	(18,540)
Charges for services	45,906,305	45,999,305	48,628,732	2,629,427
Miscellaneous	4,969,614	4,966,344	3,917,027	(1,049,317)
Total revenues	<u>226,048,126</u>	<u>226,323,115</u>	<u>237,630,679</u>	<u>11,307,564</u>
EXPENDITURES				
Current:				
General government				
BOS-District 1	499,137	518,752	518,751	1
BOS-District 2	474,719	481,215	479,306	1,909
BOS-District 3	478,444	495,582	492,371	3,211
BOS-District 4	537,419	551,248	535,106	16,142
BOS-District 5	483,712	483,712	450,345	33,367
BOS-Administration	226,630	226,630	188,334	38,296
Administration	3,861,817	3,861,817	3,667,471	194,346
General Revenue	485,000	485,000	245,627	239,373
Employee Development & Recognition	750,335	750,045	619,198	130,847
General Services	18,715,299	19,027,847	18,493,742	534,105
Assessor	7,224,638	7,242,638	6,122,977	1,119,661
Auditor-Controller	4,852,091	4,852,091	4,744,146	107,945
Tax Collector/County Clerk	2,325,999	2,324,509	2,160,938	163,571
Treasurer	1,104,275	1,103,919	930,245	173,674
County Counsel	4,376,130	4,376,130	4,354,233	21,897
Delta Water Activities	932,565	958,787	687,726	271,061
Human Resources	4,036,335	4,151,626	3,713,271	438,355
Registrar of Voters	4,074,715	4,094,715	3,772,486	322,229
Fouts Property Management	881,707	941,863	182,620	759,243
Real Estate Services	724,350	733,850	724,727	9,123
Promotion	249,677	288,363	178,922	109,441
Surveyor/Engineer	76,307	110,396	110,396	-
Total general government	<u>57,371,301</u>	<u>58,060,735</u>	<u>53,372,938</u>	<u>4,687,797</u>
Public protection				
Grand Jury	137,490	137,490	116,410	21,080
Agricultural Commissioner	3,383,741	3,358,741	3,031,024	327,717
Animal Care Services	4,605,491	4,691,291	4,406,744	284,547
Recorder	1,888,763	1,888,763	1,842,453	46,310
Resource Management	11,498,480	11,827,662	10,055,961	1,771,701
General Expenditures	6,787,329	12,553,331	11,961,985	591,346
Office of Family Violence Prevention	781,788	850,683	721,964	128,719
Total public protection	<u>29,083,082</u>	<u>35,307,961</u>	<u>32,136,541</u>	<u>3,171,420</u>
Public assistance				
Indigent Burial General Relief	24,368	27,818	27,818	-
Veterans Services	699,006	705,180	701,301	3,879
Total public assistance	<u>723,374</u>	<u>732,998</u>	<u>729,119</u>	<u>3,879</u>
Education and recreation				
Cooperative Extension Service	346,715	346,715	345,025	1,690
Non-departmental				
Contingencies	14,675,799	13,525,799	-	13,525,799
Capital outlay:				
Equipment	73,000	87,200	31,946	55,254
Total expenditures	<u>102,273,271</u>	<u>108,061,408</u>	<u>86,615,569</u>	<u>21,445,839</u>
Excess of revenues over expenditures	<u>123,774,855</u>	<u>118,261,707</u>	<u>151,015,110</u>	<u>32,753,403</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	117,095	187,090	154,329	(32,761)
Transfers out	(149,483,656)	(151,595,160)	(148,557,550)	3,037,610
Sale of capital assets	72,367	72,367	101,701	29,334
Total other financing sources (uses)	<u>(149,294,194)</u>	<u>(151,335,703)</u>	<u>(148,301,520)</u>	<u>3,034,183</u>
Changes in fund balance	(25,519,339)	(33,073,996)	2,713,590	35,787,586
Fund balance - beginning	161,020,664	161,020,664	161,020,664	-
Fund balance - ending	<u>\$ 135,501,325</u>	<u>\$ 127,946,668</u>	<u>\$ 163,734,254</u>	<u>\$ 35,787,586</u>

The note to the required supplementary information is 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, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Adopted</u>	<u>Final</u>		
REVENUES				
Licenses, permits and franchises	\$ 8,500	\$ 8,500	\$ 26,469	\$ 17,969
Fines, forfeitures and penalties	317,863	317,863	319,013	1,150
Use of money and property	458,677	458,677	(134,051)	(592,728)
Intergovernmental	293,706,944	307,559,695	285,503,529	(22,056,166)
Charges for services	30,086,430	29,980,943	21,562,629	(8,418,314)
Miscellaneous	2,767,506	3,567,506	5,555,574	1,988,068
Total revenues	<u>327,345,920</u>	<u>341,893,184</u>	<u>312,833,163</u>	<u>(29,060,021)</u>
EXPENDITURES				
Health services				
In Home Supportive Services-PA	4,262,418	3,908,815	3,343,602	565,213
In Home Supportive Services	11,487,994	12,441,250	11,301,949	1,139,301
Behavioral Health	85,037,326	87,166,489	78,434,389	8,732,100
Health Services	86,547,369	87,540,412	72,606,424	14,933,988
Tobacco Prevention & Education	664,227	523,816	78,059	445,757
Total health services	187,999,334	191,580,781	165,764,424	25,816,359
Public assistance				
County Disaster	2,625,941	4,122,530	519,782	3,602,748
Administration	1,653,326	1,671,361	1,080,799	590,562
Social Services	109,017,532	107,884,136	99,169,465	8,714,671
Assistance Programs	53,064,928	53,064,928	48,837,986	4,226,942
Total public assistance	166,361,727	166,742,954	149,608,032	17,134,923
Non-departmental				
Contingencies	615	615	-	615
Capital outlay:				
Equipment	112,107	341,205	105,060	236,145
Intangibles	980,000	-	-	-
Total capital outlay	<u>1,092,107</u>	<u>341,205</u>	<u>105,060</u>	<u>236,145</u>
Total expenditures	<u>355,453,783</u>	<u>358,665,555</u>	<u>315,477,516</u>	<u>43,188,042</u>
Deficiency of revenues under expenditures	<u>(28,107,863)</u>	<u>(16,772,371)</u>	<u>(2,644,353)</u>	<u>14,128,021</u>
OTHER FINANCING SOURCES (USES)				
Debt Proceeds	359,920	1,859,920	-	(1,859,920)
Transfers in	27,338,263	28,211,453	26,033,260	(2,178,193)
Transfers out	(6,864,013)	(7,775,538)	(5,511,141)	2,264,397
Sale of capital assets	-	-	700	700
Total other financing sources (uses)	<u>20,834,170</u>	<u>22,295,835</u>	<u>20,522,819</u>	<u>(1,773,016)</u>
Changes in fund balance	(7,273,693)	5,523,464	17,878,466	12,355,002
Fund balance - beginning	59,942,731	59,942,731	59,942,731	-
Fund balance - ending	<u>\$ 52,669,038</u>	<u>\$ 65,466,195</u>	<u>\$ 77,821,197</u>	<u>\$ 12,355,002</u>

The note to the required supplementary information is 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, 2018

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Adopted</u>	<u>Final</u>	<u>Actual Amounts</u>	
REVENUES				
Licenses, permits and franchises	\$ 516,295	\$ 516,295	\$ 83,172	\$ (433,123)
Fines, forfeitures and penalties	977,952	1,104,404	2,603,321	1,498,917
Use of money and property	16,745	20,245	(72,740)	(92,985)
Intergovernmental	77,249,901	79,469,196	78,921,825	(547,371)
Charges for services	15,587,398	15,593,447	13,463,003	(2,130,444)
Miscellaneous	1,169,963	1,369,880	1,764,071	394,191
Total revenues	<u>95,518,254</u>	<u>98,073,467</u>	<u>96,762,652</u>	<u>(1,310,815)</u>
EXPENDITURES				
Public protection				
Department of Child Support Services	12,576,771	12,597,262	12,166,609	430,653
EMPG Grants	40,000	253,618	153,524	100,094
Flood Emergency Response Grant	25,408	25,408	25,400	8
Homeland Security Grants	761,465	1,037,808	315,479	722,329
Mentally Ill Offender Grant	511,310	573,815	552,219	21,596
District Attorney	23,662,772	24,063,537	22,925,882	1,137,655
Public Defender	12,721,152	12,790,902	12,605,841	185,061
Conflict Public Defender	4,119,842	4,181,667	4,019,187	162,480
Sheriff	103,939,334	105,436,968	103,264,980	2,171,988
Probation	41,048,626	40,651,926	38,215,455	2,436,471
Other Public Defense	2,654,244	3,744,293	3,744,293	-
CMF Cases	361,038	361,038	359,680	1,358
Administration	86,574	86,574	84,896	1,678
Public Protection Other Special Revenue	439,317	535,706	500,897	34,809
Total public protection	<u>202,947,853</u>	<u>206,340,522</u>	<u>198,934,342</u>	<u>7,406,180</u>
Non-departmental				
Contingencies	6,471,562	5,838,137	-	5,838,137
Capital outlay:				
Equipment	285,310	1,324,189	535,070	789,119
Intangibles	308,000	555,580	555,580	-
Total capital outlay	<u>593,310</u>	<u>1,879,769</u>	<u>1,090,650</u>	<u>789,119</u>
Total expenditures	<u>210,012,725</u>	<u>214,058,428</u>	<u>200,024,992</u>	<u>14,033,436</u>
Deficiency of revenues under expenditures	<u>(114,494,471)</u>	<u>(115,984,961)</u>	<u>(103,262,340)</u>	<u>12,722,621</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	111,379,996	113,629,679	109,499,512	(4,130,167)
Transfers out	(4,134,249)	(5,433,127)	(4,473,680)	959,447
Sale of capital assets	-	-	5,450	5,450
Total other financing sources (uses)	<u>107,245,747</u>	<u>108,196,552</u>	<u>105,031,282</u>	<u>(3,165,270)</u>
Changes in fund balance	(7,248,724)	(7,788,409)	1,768,942	9,557,351
Fund balance - beginning	22,285,101	22,285,101	22,285,101	-
Fund balance - ending	<u>\$ 15,036,377</u>	<u>\$ 14,496,692</u>	<u>\$ 24,054,043</u>	<u>\$ 9,557,351</u>

The note to the required supplementary information is an integral part of this statement.

COUNTY OF SOLANO, CALIFORNIA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Budgetary Information

In accordance with the 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 balanced budget each fiscal year by July 1.

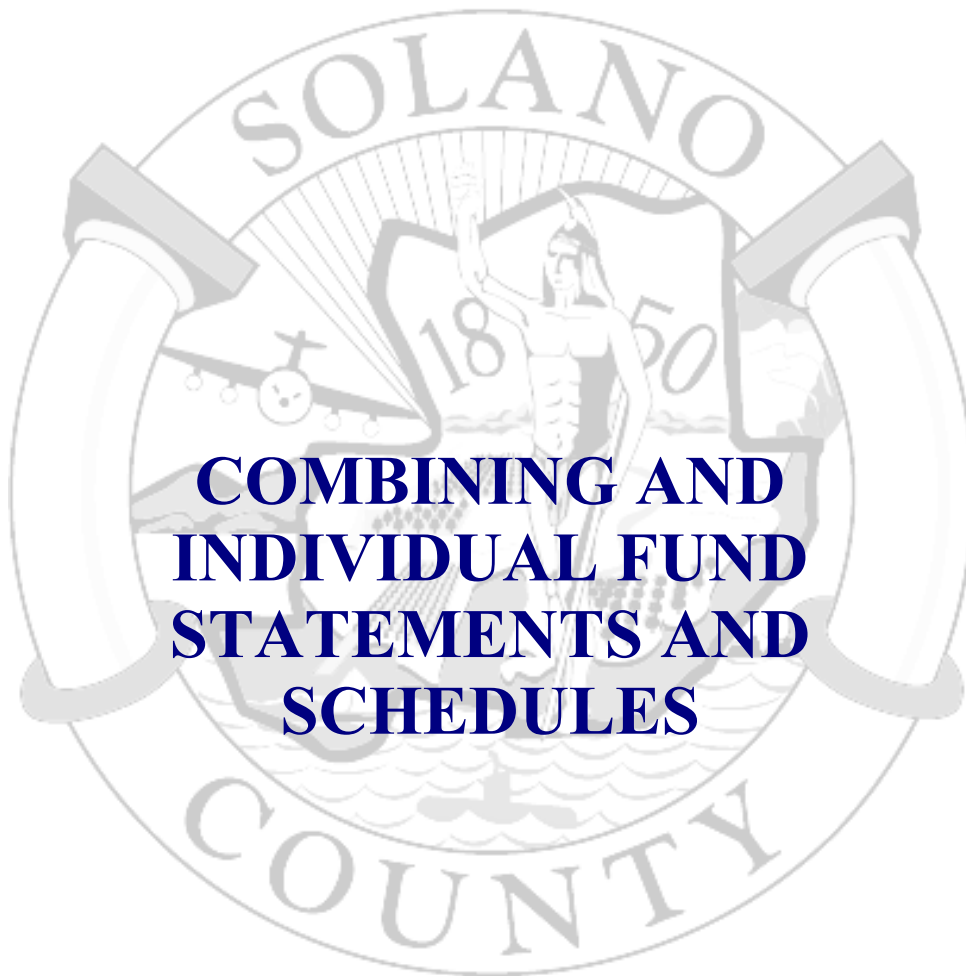
An operating budget prepared on the modified accrual basis is adopted each fiscal year for the general, special revenue, capital projects and debt service funds. Public hearings are conducted on the proposed budget to review all appropriations and sources of financing. Any shortfall in revenues requires 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 budgetary 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, 2018, 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. Outstanding encumbrances at year-end are automatically reappropriated the following year. Unencumbered and unexpended appropriations lapse at year-end.

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**COMBINING AND
INDIVIDUAL FUND
STATEMENTS AND
SCHEDULES**

Other Governmental Funds

Special Revenue Funds

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. 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 and report financial resources that are restricted, committed or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

Debt Service Funds

Debt service funds are used to account for and report financial resources that are restricted, committed or assigned to expenditure for 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, 2018

	<u>Special Revenue Funds</u>	<u>Accumulated Capital Outlay Fund</u>	<u>Debt Service Funds</u>	<u>Total Other Governmental Funds</u>
ASSETS				
Cash and investments	\$ 74,924,608	\$ 19,344,383	\$ 13,001,674	\$ 107,270,665
Accounts receivable	16,583	-	-	16,583
Due from other agencies	5,178,911	6,036,690	104,025	11,319,626
Due from other funds	227,387	3,861	388,696	619,944
Other assets	3,427,896	-	740,996	4,168,892
Total assets	<u>\$ 83,775,385</u>	<u>\$ 25,384,934</u>	<u>\$ 14,235,391</u>	<u>\$ 123,395,710</u>
LIABILITIES				
Outstanding warrants	\$ 768,876	\$ 100,052	\$ -	\$ 868,928
Payables	1,945,829	599,163	-	2,544,992
Due to other funds	220,811	24,304	-	245,115
Other liabilities	516,492	797,662	-	1,314,154
Due to other agencies	1,302,010	-	-	1,302,010
Advance from other funds	880,695	5,655,533	3,000,000	9,536,228
Total liabilities	<u>5,634,713</u>	<u>7,176,714</u>	<u>3,000,000</u>	<u>15,811,427</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	819,147	-	-	819,147
FUND BALANCES				
Nonspendable	195,657	-	-	195,657
Restricted	76,880,488	2,067,902	8,435,391	87,383,781
Committed	-	45,191	-	45,191
Assigned	245,380	16,095,127	2,800,000	19,140,507
Total fund balances	<u>77,321,525</u>	<u>18,208,220</u>	<u>11,235,391</u>	<u>106,765,136</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 83,775,385</u>	<u>\$ 25,384,934</u>	<u>\$ 14,235,391</u>	<u>\$ 123,395,710</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, 2018

	Special Revenue Funds	Accumulated Capital Outlay Fund	Debt Service Funds	Total Other Governmental Funds
REVENUES				
Taxes	\$ 17,424,914	\$ 2,904,319	\$ -	\$ 20,329,233
Licenses, permits and franchises	240,528	-	-	240,528
Fines, forfeitures and penalties	25,280	-	-	25,280
Use of money and property	664,778	136,605	150,711	952,094
Intergovernmental	20,323,103	17,427,812	417,211	38,168,126
Charges for services	12,861,802	54,391	2,778,441	15,694,634
Miscellaneous	473,924	40	3,442,440	3,916,404
Total revenues	<u>52,014,329</u>	<u>20,523,167</u>	<u>6,788,803</u>	<u>79,326,299</u>
EXPENDITURES				
Current:				
General government	633,506	3,826,441	53,478	4,513,425
Public protection	3,545,036	-	-	3,545,036
Public ways and facilities	12,916,965	-	-	12,916,965
Health services	3,753,612	-	-	3,753,612
Public assistance	833,910	-	-	833,910
Education and recreation	18,955,319	-	-	18,955,319
Debt service:				
Principal	-	-	14,525,000	14,525,000
Interest and other charges	98,096	-	6,149,936	6,248,032
Capital outlay	2,722,733	18,378,130	-	21,100,863
Total expenditures	<u>43,459,177</u>	<u>22,204,571</u>	<u>21,220,093</u>	<u>86,883,841</u>
Excess (deficiency) of revenues over (under) expenditures	<u>8,555,152</u>	<u>(1,681,404)</u>	<u>(14,431,290)</u>	<u>(7,557,542)</u>
OTHER FINANCING SOURCES (USES)				
Payment to refunded bond escrow agent	-	-	(84,200,000)	(84,200,000)
Refunding bonds issued	-	-	72,775,000	72,775,000
Premium on refunding bonds issued	-	-	13,783,787	13,783,787
Transfers in	1,309,945	8,438,000	16,887,299	26,635,244
Transfers out	(3,559,499)	(1,159,613)	-	(4,719,112)
Sale of capital assets	150,090	-	-	150,090
Total other financing sources (uses)	<u>(2,099,464)</u>	<u>7,278,387</u>	<u>19,246,086</u>	<u>24,425,009</u>
Changes in fund balances	6,455,688	5,596,983	4,814,796	16,867,467
Fund balances - beginning	70,865,837	12,611,237	6,420,595	89,897,669
Fund balances - ending	<u>\$ 77,321,525</u>	<u>\$ 18,208,220</u>	<u>\$ 11,235,391</u>	<u>\$ 106,765,136</u>

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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, 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 Program 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 federal and state funded through a Redevelopment Settlement, a Home Loan Program and a Community Development Block Grant (CDBG).

Micrographics & 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 – These funds are classified together and account for various activities and programs including Parks and Recreation, Fish/Wildlife Propagation, Consolidated Street Lighting and housing assistance through the Section 8 Housing Choice Voucher program for the unincorporated areas of Solano County, Southeast Vallejo Redevelopment Settlement Agreement, and East Vallejo Fire Protection District. Revenues are derived from property taxes, fine, forfeitures and penalties, State grants, Federal pass-through grants and charges for services.

COUNTY OF SOLANO, CALIFORNIA
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2018

	<u>Public Facilities</u>			
	<u>Fees</u>	<u>Library</u>	<u>Transportation</u>	<u>First 5 Solano</u>
ASSETS				
Cash and investments	\$ 21,259,880	\$ 20,600,286	\$ 12,010,433	\$ 8,362,978
Accounts receivable	-	2,738	6,177	-
Due from other agencies	1,314,434	776,728	2,371,693	706,722
Due from other funds	-	3,906	17,889	203,979
Other assets	4,335	1,932	195,005	653
Total assets	<u>\$ 22,578,649</u>	<u>\$ 21,385,590</u>	<u>\$ 14,601,197</u>	<u>\$ 9,274,332</u>
LIABILITIES				
Outstanding warrants	\$ 5,311	\$ 221,913	\$ 78,627	\$ 174,386
Payables	-	719,953	620,675	373,401
Due to other funds	153	76,697	9,069	120,368
Other liabilities	-	-	517,874	(1,382)
Due to other agencies	736,940	-	5,686	68,622
Advance from other funds	-	-	880,695	-
Total liabilities	<u>742,404</u>	<u>1,018,563</u>	<u>2,112,626</u>	<u>735,395</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	<u>4,335</u>	<u>-</u>	<u>814,558</u>	<u>-</u>
FUND BALANCES				
Nonspendable	-	-	195,005	652
Restricted	21,831,910	20,367,027	11,479,008	8,538,285
Assigned	-	-	-	-
Total fund balances	<u>21,831,910</u>	<u>20,367,027</u>	<u>11,674,013</u>	<u>8,538,937</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 22,578,649</u>	<u>\$ 21,385,590</u>	<u>\$ 14,601,197</u>	<u>\$ 9,274,332</u>

COUNTY OF SOLANO, CALIFORNIA
Combining Balance Sheet (Continued)
Nonmajor Special Revenue Funds
June 30, 2018

Home Loan Program	Micrographics & Modernization	Other Special Revenue Funds	Total Nonmajor Special Revenue Funds																																																																																															
<table border="0" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 25%;">\$ 2,162,891</td> <td style="width: 25%;">\$ 9,360,035</td> <td style="width: 25%;">\$ 1,168,105</td> <td style="width: 25%;">\$ 74,924,608</td> <td></td> </tr> <tr> <td style="text-align: right;">-</td> <td style="text-align: right;">-</td> <td style="text-align: right;">7,668</td> <td style="text-align: right;">16,583</td> <td></td> </tr> <tr> <td style="text-align: right;">-</td> <td style="text-align: right;">7,967</td> <td style="text-align: right;">1,367</td> <td style="text-align: right;">5,178,911</td> <td></td> </tr> <tr> <td style="text-align: right;">-</td> <td style="text-align: right;">-</td> <td style="text-align: right;">1,613</td> <td style="text-align: right;">227,387</td> <td></td> </tr> <tr> <td style="text-align: right;">3,223,664</td> <td style="text-align: right;">-</td> <td style="text-align: right;">2,307</td> <td style="text-align: right;">3,427,896</td> <td></td> </tr> <tr> <td style="text-align: right; 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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, 2018

	Public Facilities			First 5 Solano
	Fees	Library	Transportation	
REVENUES				
Taxes	\$ -	\$ 14,943,419	\$ 1,084,754	\$ -
Licenses, permits and franchises	-	-	240,528	-
Fines, forfeitures and penalties	-	-	20,402	-
Use of money and property	179,929	146,696	131,588	78,474
Intergovernmental	-	360,774	14,574,423	3,016,807
Charges for services	4,876,427	4,695,206	1,530,274	430,083
Miscellaneous	-	166,876	48,015	252,846
Total revenues	<u>5,056,356</u>	<u>20,312,971</u>	<u>17,629,984</u>	<u>3,778,210</u>
EXPENDITURES				
Current:				
General government	621,843	-	11,663	-
Public protection	-	-	-	-
Public ways and facilities	-	-	12,691,953	-
Health services	-	-	-	3,753,612
Public assistance	-	-	-	833,910
Education and recreation	-	17,304,928	-	-
Debt service:				
Interest and other charges	82,039	-	16,057	-
Capital outlay	-	253,849	2,422,737	-
Total expenditures	<u>703,882</u>	<u>17,558,777</u>	<u>15,142,410</u>	<u>4,587,522</u>
Excess (deficiency) of revenues over (under) expenditures	<u>4,352,474</u>	<u>2,754,194</u>	<u>2,487,574</u>	<u>(809,312)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	5,311	291,896	115,164	616,560
Transfers out	(2,381,686)	(817,573)	(309,147)	(26,072)
Sale of capital assets	-	-	150,090	-
Total other financing sources (uses)	<u>(2,376,375)</u>	<u>(525,677)</u>	<u>(43,893)</u>	<u>590,488</u>
Changes in fund balances	1,976,099	2,228,517	2,443,681	(218,824)
Fund balances - beginning	19,855,811	18,138,510	9,230,332	8,757,761
Fund balances - ending	<u>\$ 21,831,910</u>	<u>\$ 20,367,027</u>	<u>\$ 11,674,013</u>	<u>\$ 8,538,937</u>

COUNTY OF SOLANO, CALIFORNIA
Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2018

<u>Home Loan Program</u>	<u>Micrographics & Modernization</u>	<u>Other Special Revenue Funds</u>	<u>Total Nonmajor Special Revenue Funds</u>	
\$ -	\$ -	\$ 1,396,741	\$ 17,424,914	REVENUES
-	-	-	240,528	Taxes
-	-	4,878	25,280	Licenses, permits and franchises
15,996	88,301	23,794	664,778	Fines, forfeitures and penalties
24,797	-	2,346,302	20,323,103	Use of money and property
13	684,437	645,362	12,861,802	Intergovernmental
-	-	6,187	473,924	Charges for services
<u>40,806</u>	<u>772,738</u>	<u>4,423,264</u>	<u>52,014,329</u>	Miscellaneous
				Total revenues
				EXPENDITURES
				Current:
-	-	-	633,506	General government
2,353	728,193	2,814,490	3,545,036	Public protection
-	-	225,012	12,916,965	Public ways and facilities
-	-	-	3,753,612	Health and sanitation
-	-	-	833,910	Public assistance
-	-	1,650,391	18,955,319	Education and recreation
-	-	-	98,096	Debt service:
-	33,318	12,829	2,722,733	Interest and other charges
<u>2,353</u>	<u>761,511</u>	<u>4,702,722</u>	<u>43,459,177</u>	Capital outlay
				Total expenditures
38,453	11,227	(279,458)	8,555,152	Excess (deficiency) of revenues over (under) expenditures
				OTHER FINANCING SOURCES (USES)
-	8,093	272,921	1,309,945	Transfers in
-	(4,534)	(20,487)	(3,559,499)	Transfers out
-	-	-	150,090	Sale of capital assets
<u>-</u>	<u>3,559</u>	<u>252,434</u>	<u>(2,099,464)</u>	Total other financing sources (uses)
38,453	14,786	(27,024)	6,455,688	Changes in fund balances
4,874,838	9,247,792	760,793	70,865,837	Fund balances - beginning
<u>\$ 4,913,291</u>	<u>\$ 9,262,578</u>	<u>\$ 733,769</u>	<u>\$ 77,321,525</u>	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, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Adopted</u>	<u>Final</u>		
REVENUES				
Use of money and property	\$ 45,309	\$ 45,309	\$ 179,929	\$ 134,620
Charges for services	6,449,639	6,449,639	4,876,427	(1,573,212)
Total revenues	<u>6,494,948</u>	<u>6,494,948</u>	<u>5,056,356</u>	<u>(1,438,592)</u>
EXPENDITURES				
Current:				
General government				
Public facilities fees	712,632	717,943	621,843	96,100
Debt service:				
Interest and other charges	<u>38,568</u>	<u>82,039</u>	<u>82,039</u>	<u>-</u>
Non-departmental				
Contingencies	<u>20,819,813</u>	<u>19,851,342</u>	<u>-</u>	<u>19,851,342</u>
Total expenditures	<u>21,571,013</u>	<u>20,651,324</u>	<u>703,882</u>	<u>19,947,442</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(15,076,065)</u>	<u>(14,156,376)</u>	<u>4,352,474</u>	<u>18,508,850</u>
OTHER FINANCING USES				
Transfers in	-	5,311	5,311	-
Transfers out	<u>(1,456,686)</u>	<u>(2,381,686)</u>	<u>(2,381,686)</u>	<u>-</u>
Total other financing uses	<u>(1,456,686)</u>	<u>(2,376,375)</u>	<u>(2,376,375)</u>	<u>-</u>
Changes in fund balance	(16,532,751)	(16,532,751)	1,976,099	18,508,850
Fund balance - beginning	19,855,811	19,855,811	19,855,811	-
Fund balance - ending	<u>\$ 3,323,060</u>	<u>\$ 3,323,060</u>	<u>\$ 21,831,910</u>	<u>\$ 18,508,850</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, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Adopted</u>	<u>Final</u>		
REVENUES				
Taxes	\$ 14,482,238	\$ 14,482,238	\$ 14,943,419	\$ 461,181
Use of money and property	64,042	64,042	146,696	82,654
Intergovernmental	346,785	346,785	360,774	13,989
Charges for services	4,451,348	4,451,348	4,695,206	243,858
Miscellaneous	75,000	75,000	166,876	91,876
Total revenues	<u>19,419,413</u>	<u>19,419,413</u>	<u>20,312,971</u>	<u>893,558</u>
EXPENDITURES				
Current:				
Education				
Library	20,973,389	21,400,105	17,177,778	4,222,327
Library - Friends & Foundation	106,273	106,273	103,005	3,268
Library Zone 1	14,829	14,829	15,513	(684)
Library Zone 2	1,475	1,475	949	526
Library Zone 6	698	698	569	129
Library Zone 7	8,538	8,538	7,114	1,424
Total education	<u>21,105,202</u>	<u>21,531,918</u>	<u>17,304,928</u>	<u>4,226,990</u>
Non-departmental				
Contingencies	13,222,952	11,420,952	-	11,420,952
Capital outlay:				
Construction in progress	-	105,984	105,984	-
Buildings and improvements	-	1,696,016	-	1,696,016
Equipment	1,520,000	1,520,000	147,865	1,372,135
Total capital outlay	<u>1,520,000</u>	<u>3,322,000</u>	<u>253,849</u>	<u>3,068,151</u>
Total expenditures	<u>35,848,154</u>	<u>36,274,870</u>	<u>17,558,777</u>	<u>18,716,093</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(16,428,741)</u>	<u>(16,855,457)</u>	<u>2,754,194</u>	<u>19,609,651</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	399,091	410,942	291,896	(119,046)
Transfers out	(1,017,197)	(1,017,197)	(817,573)	199,624
Total other financing sources (uses)	<u>(618,106)</u>	<u>(606,255)</u>	<u>(525,677)</u>	<u>80,578</u>
Changes in fund balance	(17,046,847)	(17,461,712)	2,228,517	19,690,229
Fund balance - beginning	18,138,510	18,138,510	18,138,510	-
Fund balance - ending	<u>\$ 1,091,663</u>	<u>\$ 676,798</u>	<u>\$ 20,367,027</u>	<u>\$ 19,690,229</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, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Adopted</u>	<u>Final</u>		
REVENUES				
Taxes	\$ 1,099,732	\$ 1,099,732	\$ 1,084,754	\$ (14,978)
Licenses, permits and franchises	196,500	196,500	240,528	44,028
Fines, forfeitures and penalties	-	-	20,402	20,402
Use of money and property	110,140	110,140	131,588	21,448
Intergovernmental	14,119,803	16,709,803	14,574,423	(2,135,380)
Charges for services	1,261,946	1,448,025	1,530,274	82,249
Miscellaneous	86,700	86,700	48,015	(38,685)
Total revenues	<u>16,874,821</u>	<u>19,650,900</u>	<u>17,629,984</u>	<u>(2,020,916)</u>
EXPENDITURES				
Current:				
General government				
Survey monument	15,727	15,727	11,663	4,064
Public ways and facilities				
Transportation	13,536,036	16,151,654	12,691,953	3,459,701
Public works improvement	1,000	1,000	-	1,000
Total public ways and facilities	<u>13,537,036</u>	<u>16,152,654</u>	<u>12,691,953</u>	<u>3,460,701</u>
Non-departmental				
Contingencies	2,861,994	2,943,073	-	2,943,073
Debt service:				
Interest and other charges	13,000	16,057	16,057	-
Capital outlay:				
Land	260,000	260,000	-	260,000
Construction in progress	5,187,857	5,967,534	1,660,558	4,306,976
Equipment	756,000	861,000	762,179	98,821
Total capital outlay	<u>6,203,857</u>	<u>7,088,534</u>	<u>2,422,737</u>	<u>4,665,797</u>
Total expenditures	<u>22,631,614</u>	<u>26,216,045</u>	<u>15,142,410</u>	<u>11,073,635</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(5,756,793)</u>	<u>(6,565,145)</u>	<u>2,487,574</u>	<u>9,052,719</u>
OTHER FINANCING SOURCES (USES)				
Debt Proceeds	13,000	13,000	-	(13,000)
Transfers in	721,864	188,465	115,164	(73,301)
Transfers out	(931,330)	(397,931)	(309,147)	88,784
Sale of capital assets	75,000	75,000	150,090	75,090
Total other financing sources (uses)	<u>(121,466)</u>	<u>(121,466)</u>	<u>(43,893)</u>	<u>77,573</u>
Changes in fund balance	(5,878,259)	(6,686,611)	2,443,681	9,130,292
Fund balance - beginning	9,230,332	9,230,332	9,230,332	-
Fund balance - ending	<u>\$ 3,352,073</u>	<u>\$ 2,543,721</u>	<u>\$ 11,674,013</u>	<u>\$ 9,130,292</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, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Adopted</u>	<u>Final</u>		
REVENUES				
Use of money and property	\$ 52,500	\$ 52,500	\$ 78,474	\$ 25,974
Intergovernmental	3,212,258	3,212,258	3,016,807	(195,451)
Charges for services	730,344	730,344	430,083	(300,261)
Miscellaneous	45,000	245,000	252,846	7,846
Total revenues	<u>4,040,102</u>	<u>4,240,102</u>	<u>3,778,210</u>	<u>(461,892)</u>
EXPENDITURES				
Current:				
Health services				
First 5 Solano	4,696,770	4,694,405	3,753,612	940,793
Public assistance				
Grants/programs administration	706,560	906,560	833,910	72,650
Non-departmental				
Contingencies	1,431,881	1,431,881	-	1,431,881
Total expenditures	<u>6,835,211</u>	<u>7,032,846</u>	<u>4,587,522</u>	<u>2,445,324</u>
Deficiency of revenues under expenditures	<u>(2,795,109)</u>	<u>(2,792,744)</u>	<u>(809,312)</u>	<u>1,983,432</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	616,560	616,560	616,560	-
Transfers out	(23,707)	(26,072)	(26,072)	-
Total other financing sources (uses)	<u>592,853</u>	<u>590,488</u>	<u>590,488</u>	<u>-</u>
Changes in fund balance	(2,202,256)	(2,202,256)	(218,824)	1,983,432
Fund balance - beginning	8,757,761	8,757,761	8,757,761	-
Fund balance - ending	<u>\$ 6,555,505</u>	<u>\$ 6,555,505</u>	<u>\$ 8,538,937</u>	<u>\$ 1,983,432</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, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Adopted</u>	<u>Final</u>		
REVENUES				
Use of money and property	\$ 10,250	\$ 10,250	\$ 15,996	\$ 5,746
Intergovernmental	5,000	5,000	24,797	19,797
Charges for services	13	13	13	-
Total revenues	<u>15,263</u>	<u>15,263</u>	<u>40,806</u>	<u>25,543</u>
EXPENDITURES				
Current:				
Public protection				
Micro-enterprise business account	4,353	4,334	1,500	2,834
Homeacres Loan Program	919	919	853	66
Total public protection	<u>5,272</u>	<u>5,253</u>	<u>2,353</u>	<u>2,900</u>
Non-departmental				
Contingencies	1,679,043	1,679,043	-	1,679,043
Total expenditures	<u>1,684,315</u>	<u>1,684,296</u>	<u>2,353</u>	<u>1,681,943</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,669,052)</u>	<u>(1,669,033)</u>	<u>38,453</u>	<u>1,707,486</u>
Changes in fund balance	(1,669,052)	(1,669,033)	38,453	1,707,486
Fund balance - beginning	4,874,838	4,874,838	4,874,838	-
Fund balance - ending	<u>\$ 3,205,786</u>	<u>\$ 3,205,805</u>	<u>\$ 4,913,291</u>	<u>\$ 1,707,486</u>

COUNTY OF SOLANO, CALIFORNIA
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Micrographics & Modernization Special Revenue Fund
For the Fiscal Year Ended June 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Adopted</u>	<u>Final</u>		
REVENUES				
Use of money and property	\$ 50,600	\$ 50,600	\$ 88,301	\$ 37,701
Charges for services	765,000	756,907	684,437	(72,470)
Total revenues	<u>815,600</u>	<u>807,507</u>	<u>772,738</u>	<u>(34,769)</u>
EXPENDITURES				
Current:				
Public protection				
Recorder Special Revenue	811,050	1,116,776	728,193	388,583
Non-departmental				
Contingencies	7,766,615	7,752,180	-	7,752,180
Capital outlay:				
Equipment	-	35,000	33,318	1,682
Total expenditures	<u>8,577,665</u>	<u>8,903,956</u>	<u>761,511</u>	<u>8,142,445</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(7,762,065)</u>	<u>(8,096,449)</u>	<u>11,227</u>	<u>8,107,676</u>
OTHER FINANCING USES				
Transfers in	-	8,093	8,093	-
Transfers out	-	(4,995)	(4,534)	461
Sale of capital assets	-	-	-	-
Total other financing uses	<u>-</u>	<u>3,098</u>	<u>3,559</u>	<u>461</u>
Changes in fund balance	(7,762,065)	(8,093,351)	14,786	8,108,137
Fund balance - beginning	9,247,792	9,247,792	9,247,792	-
Fund balance - ending	<u>\$ 1,485,727</u>	<u>\$ 1,154,441</u>	<u>\$ 9,262,578</u>	<u>\$ 8,108,137</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, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Adopted</u>	<u>Final</u>		
REVENUES				
Taxes	\$ 1,332,172	\$ 1,376,246	\$ 1,396,741	\$ 20,495
Fines, forfeitures and penalties	2,721	2,721	4,878	2,157
Use of money and property	28,201	28,921	23,794	(5,127)
Intergovernmental	2,313,351	2,313,351	2,346,302	32,951
Charges for services	548,655	548,655	645,362	96,707
Miscellaneous	7,800	7,800	6,187	(1,613)
Total revenues	<u>4,232,900</u>	<u>4,277,694</u>	<u>4,423,264</u>	<u>145,570</u>
EXPENDITURES				
Current:				
Public protection				
Housing Authority of Solano County	2,300,000	2,300,000	2,243,837	56,163
East Vallejo Fire Protection District	536,997	554,299	553,896	403
Fish/Wildlife Propagation	14,940	19,940	16,757	3,183
Total public protection	<u>2,851,937</u>	<u>2,874,239</u>	<u>2,814,490</u>	<u>59,749</u>
Public ways and facilities				
County Consolidated Service Area	187,476	241,431	225,012	16,419
Education and recreation				
Parks & Recreation	1,711,894	1,748,293	1,650,391	97,902
Non-departmental				
Contingencies	73,107	68,107	-	68,107
Capital outlay:				
Equipment	13,000	13,000	12,829	171
Total expenditures	<u>4,837,414</u>	<u>4,945,070</u>	<u>4,702,722</u>	<u>242,348</u>
Deficiency of revenues under expenditures	<u>(604,514)</u>	<u>(667,376)</u>	<u>(279,458)</u>	<u>387,918</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	266,750	272,783	272,921	138
Transfers out	(19,631)	(20,487)	(20,487)	-
Total other financing sources (uses)	<u>247,119</u>	<u>252,296</u>	<u>252,434</u>	<u>138</u>
Changes in fund balance	(357,395)	(415,080)	(27,024)	388,056
Fund balance - beginning	760,793	760,793	760,793	-
Fund balance - ending	<u>\$ 403,398</u>	<u>\$ 345,713</u>	<u>\$ 733,769</u>	<u>\$ 388,056</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, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Adopted</u>	<u>Final</u>		
REVENUES				
Taxes	\$ 2,735,057	\$ 2,735,057	\$ 2,904,319	\$ 169,262
Use of money and property	105,600	105,600	136,605	31,005
Intergovernmental	19,982,307	20,072,960	17,427,812	(2,645,148)
Charges for services	50,530	50,530	54,391	3,861
Miscellaneous	-	-	40	40
Total revenues	<u>22,873,494</u>	<u>22,964,147</u>	<u>20,523,167</u>	<u>(2,440,980)</u>
EXPENDITURES				
Current:				
General government				
Capital Projects	6,943,568	11,701,569	3,826,441	7,875,128
Non-departmental				
Contingencies	3,565,425	2,619,307	-	2,619,307
Capital outlay:				
Construction in progress	25,732,281	35,667,979	17,563,232	18,104,747
Equipment	1,105,000	3,187,056	814,898	2,372,158
Total capital outlay	<u>26,837,281</u>	<u>38,855,035</u>	<u>18,378,130</u>	<u>20,476,905</u>
Total expenditures	<u>37,346,274</u>	<u>53,175,911</u>	<u>22,204,571</u>	<u>30,971,340</u>
Deficiency of revenues under expenditures	<u>(14,472,780)</u>	<u>(30,211,764)</u>	<u>(1,681,404)</u>	<u>28,530,360</u>
OTHER FINANCING SOURCES (USES)				
Issuance of debt	7,267,568	7,267,568	-	(7,267,568)
Transfers in	7,356,000	8,438,000	8,438,000	-
Transfers out	(975,000)	(1,159,613)	(1,159,613)	-
Total other financing sources (uses)	<u>13,648,568</u>	<u>14,545,955</u>	<u>7,278,387</u>	<u>(7,267,568)</u>
Changes in fund balance	(824,212)	(15,665,809)	5,596,983	21,262,792
Fund balance - beginning	15,475,650	(834,335)	12,611,237	13,445,572
Fund balance - ending	<u>\$ 14,651,438</u>	<u>\$ (16,500,144)</u>	<u>\$ 18,208,220</u>	<u>\$ 34,708,364</u>

Nonmajor Debt Service Funds

2013 Certificates of Participation Fund - This fund was established for the payment of debt issued for the Animal Care Expansion Project. This payment is funded through the General Fund and from the seven cities within the County.

2009 Certificates of Participation Fund – This fund was established for the payment of debt issued to defease the 1999 Certificates of Participation. This payment is funded through the Health and Social Services Department.

2017 Certificates of Participation Fund – This fund was established for the payment of the debt for the construction of the Solano County Government Center, Probation facility and improvement of the Cogeneration Plant and Fairfield library.

Pension Debt Service Fund – This fund was established for the payment of debt used to prepay the County's Unfunded Actuarial Accrued Liability and other pension related activities.

COUNTY OF SOLANO, CALIFORNIA
Combining Balance Sheet
Nonmajor Debt Service Funds
June 30, 2018

	2013	2009	2017		Total Nonmajor
	Certificates of	Certificates of	Certificates of	Pension	Debt Service Funds
	Participation	Participation	Participation		
ASSETS					
Cash and investments	\$ 59,589	\$ 1,782,259	\$ 2,827,504	\$ 8,332,322	\$ 13,001,674
Due from other agencies	-	-	-	104,025	104,025
Due from other funds	-	-	-	388,696	388,696
Other assets	-	-	-	740,996	740,996
Total assets	<u>\$ 59,589</u>	<u>\$ 1,782,259</u>	<u>\$ 2,827,504</u>	<u>\$ 9,566,039</u>	<u>\$ 14,235,391</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Advances from other funds	-	-	-	3,000,000	3,000,000
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,000,000</u>	<u>3,000,000</u>
Fund balances:					
Restricted	59,589	1,782,259	27,504	6,566,039	8,435,391
Assigned	-	-	2,800,000	-	2,800,000
Total fund balances (deficit)	<u>59,589</u>	<u>1,782,259</u>	<u>2,827,504</u>	<u>6,566,039</u>	<u>11,235,391</u>
Total liabilities and fund balances	<u>\$ 59,589</u>	<u>\$ 1,782,259</u>	<u>\$ 2,827,504</u>	<u>\$ 9,566,039</u>	<u>\$ 14,235,391</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, 2018

	2013	2009	2017		Total Nonmajor
	Certificates of	Certificates of	Certificates of	Pension	Debt Service Funds
	Participation	Participation	Participation		
REVENUES					
Use of money and property	\$ 1,158	\$ 20,408	\$ 129,145	\$ -	\$ 150,711
Intergovernmental	417,211	-	-	-	417,211
Charges for services	-	-	2,778,441	-	2,778,441
Miscellaneous	-	-	-	3,442,440	3,442,440
Total revenues	<u>418,369</u>	<u>20,408</u>	<u>2,907,586</u>	<u>3,442,440</u>	<u>6,788,803</u>
EXPENDITURES					
Current:					
General government	3,466	8,234	17,741	24,037	53,478
Debt service:					
Principal	330,000	1,580,000	5,820,000	6,795,000	14,525,000
Interest and other charges	138,777	165,750	3,985,546	1,859,863	6,149,936
Debt issuance costs	-	-	491,679	-	491,679
Total expenditures	<u>472,243</u>	<u>1,753,984</u>	<u>10,314,966</u>	<u>8,678,900</u>	<u>21,220,093</u>
Deficiency of revenues under expenditures	<u>(53,874)</u>	<u>(1,733,576)</u>	<u>(7,407,380)</u>	<u>(5,236,460)</u>	<u>(14,431,290)</u>
OTHER FINANCING SOURCES					
Payment to refunded bond escrow agent	-	-	(84,200,000)	-	(84,200,000)
Refunding bonds issued	-	-	72,775,000	-	72,775,000
Premium on refunding bonds issued	-	-	13,783,787	-	13,783,787
Transfers in	44,970	1,749,716	5,079,426	10,013,187	16,887,299
Total other financing sources (uses)	<u>44,970</u>	<u>1,749,716</u>	<u>7,438,213</u>	<u>10,013,187</u>	<u>19,246,086</u>
Changes in fund balances	(8,904)	16,140	30,833	4,776,727	4,814,796
Fund balances (deficit) - beginning	68,493	1,766,119	2,796,671	1,789,312	6,420,595
Fund balances - ending	<u>\$ 59,589</u>	<u>\$ 1,782,259</u>	<u>\$ 2,827,504</u>	<u>\$ 6,566,039</u>	<u>\$ 11,235,391</u>

COUNTY OF SOLANO, CALIFORNIA
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
2013 Certificates of Participation Debt Service Fund
For the Fiscal Year Ended June 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Adopted</u>	<u>Final</u>		
REVENUES				
Use of money and property	\$ 400	\$ 400	\$ 1,158	\$ 758
Intergovernmental revenues	417,211	417,211	417,211	-
Total revenues	<u>431,223</u>	<u>417,611</u>	<u>418,369</u>	<u>758</u>
EXPENDITURES				
Current:				
General government				
Animal Care Project	8,867	8,867	3,466	5,401
Debt service:				
Principal	330,000	330,000	330,000	-
Interest and other charges	138,777	138,777	138,777	-
Total debt service	<u>468,777</u>	<u>468,777</u>	<u>468,777</u>	<u>-</u>
Total expenditures	<u>477,644</u>	<u>477,644</u>	<u>472,243</u>	<u>5,401</u>
Deficiency of revenues under expenditures	<u>(46,421)</u>	<u>(60,033)</u>	<u>(53,874)</u>	<u>6,159</u>
OTHER FINANCING SOURCES				
Transfers in	44,970	44,970	44,970	-
Changes in fund balance	(1,451)	(15,063)	(8,904)	6,159
Fund balance - beginning	68,493	68,493	68,493	-
Fund balance - ending	<u>\$ 67,042</u>	<u>\$ 53,430</u>	<u>\$ 59,589</u>	<u>\$ 6,159</u>

COUNTY OF SOLANO, CALIFORNIA
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
2009 Certificates of Participation Debt Service Fund
For the Fiscal Year Ended June 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Adopted</u>	<u>Final</u>		
REVENUES				
Use of money and property	\$ 3,000	\$ 3,000	\$ 20,408	\$ 17,408
EXPENDITURES				
Current:				
General government				
HSS Admin Refinance	13,462	13,453	8,234	5,219
Debt service:				
Principal	1,580,000	1,580,000	1,580,000	-
Interest and other charges	165,750	165,750	165,750	-
Total debt service	1,745,750	1,745,750	1,745,750	-
Total expenditures	1,759,212	1,759,203	1,753,984	5,219
Deficiency of revenues under expenditures	(1,756,212)	(1,756,203)	(1,733,576)	22,627
OTHER FINANCING SOURCES				
Transfers in	1,753,560	1,753,560	1,749,716	(3,844)
Changes in fund balance	(2,652)	(2,643)	16,140	18,783
Fund balance - beginning	1,766,119	1,766,119	1,766,119	-
Fund balance - ending	<u>\$ 1,763,467</u>	<u>\$ 1,763,476</u>	<u>\$ 1,782,259</u>	<u>\$ 18,783</u>

COUNTY OF SOLANO, CALIFORNIA
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
2017 Certificates of Participation Debt Service Fund
For the Fiscal Year Ended June 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Adopted</u>	<u>Final</u>		
REVENUES				
Use of money and property	\$ 38,938	\$ 118,025	\$ 129,145	\$ 11,120
Charges for services	2,778,441	2,778,441	2,778,441	-
Total revenues	<u>2,817,379</u>	<u>2,896,466</u>	<u>2,907,586</u>	<u>11,120</u>
EXPENDITURES				
Current:				
General government				
Government Center	17,574	27,778	17,741	10,037
Debt service:				
Principal	4,110,000	5,820,000	5,820,000	-
Interest and other charges	3,769,231	3,995,222	3,985,546	9,676
Debt issuance cost	-	491,679	491,679	-
Total debt service	<u>7,879,231</u>	<u>10,306,901</u>	<u>10,297,225</u>	<u>9,676</u>
Total expenditures	<u>7,896,805</u>	<u>10,334,679</u>	<u>10,314,966</u>	<u>19,713</u>
Deficiency of revenues under expenditures	<u>(5,079,426)</u>	<u>(7,438,213)</u>	<u>(7,407,380)</u>	<u>30,833</u>
OTHER FINANCING SOURCES				
Payment to refunded bond escrow agent	-	(84,200,000)	(84,200,000)	-
Refunding bonds issued	-	72,775,000	72,775,000	-
Premium on refunding bonds issued	-	13,783,787	13,783,787	-
Transfers in	5,079,426	5,079,426	5,079,426	-
Total other financing sources	<u>5,079,426</u>	<u>7,438,213</u>	<u>7,438,213</u>	<u>-</u>
Changes in fund balance	-	-	30,833	30,833
Fund balance - beginning	2,796,671	2,796,671	2,796,671	-
Fund balance - ending	<u>\$ 2,796,671</u>	<u>\$ 2,796,671</u>	<u>\$ 2,827,504</u>	<u>\$ 30,833</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, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Adopted</u>	<u>Final</u>		
REVENUES				
Use of money and property	\$ (157,000)	\$ (136,540)	\$ -	\$ 136,540
Miscellaneous	2,273,299	2,286,299	3,442,440	1,156,141
Total revenues	<u>2,116,299</u>	<u>2,149,759</u>	<u>3,442,440</u>	<u>1,292,681</u>
EXPENDITURES				
Current:				
General government				
Pension Obligation Bonds Administration	24,617	24,617	24,037	580
Debt service:				
Principal	6,795,000	6,795,000	6,795,000	-
Interest and other charges	1,839,403	1,859,863	1,859,863	-
Total debt service	<u>8,634,403</u>	<u>8,654,863</u>	<u>8,654,863</u>	<u>-</u>
Total expenditures	<u>8,659,020</u>	<u>8,679,480</u>	<u>8,678,900</u>	<u>580</u>
Deficiency of revenues under expenditures	<u>(6,542,721)</u>	<u>(6,529,721)</u>	<u>(5,236,460)</u>	<u>1,293,261</u>
OTHER FINANCING SOURCES				
Transfers in	10,952,736	10,940,633	10,013,187	(927,446)
Changes in fund balance	4,410,015	4,410,912	4,776,727	365,815
Fund balance (deficit) - beginning	1,789,312	1,789,312	1,789,312	-
Fund balance (deficit) - ending	<u>\$ 6,199,327</u>	<u>\$ 6,200,224</u>	<u>\$ 6,566,039</u>	<u>\$ 365,815</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.

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

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

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.

COUNTY OF SOLANO, CALIFORNIA
Combining Statement of Net Position
Internal Service Funds
June 30, 2018

	<u>Fleet Management</u>	<u>Risk Management</u>	<u>Information Technology</u>	<u>Total Internal Service Funds</u>
ASSETS				
Current assets				
Cash and investments	\$ 3,637,362	\$ 19,438,611	\$ 9,364,003	\$ 32,439,976
Accounts receivable	58,993	19,796	216,171	294,960
Due from other agencies	26,004	1,680	15,707	43,391
Due from other funds	-	-	185,812	185,812
Other assets	311,697	250,000	-	561,697
Total current assets	<u>4,034,056</u>	<u>19,710,087</u>	<u>9,781,693</u>	<u>33,525,836</u>
Noncurrent assets				
Construction in progress	-	-	671,615	671,615
Buildings and improvements	471,910	-	183,560	655,470
Equipment	14,076,601	-	10,746,927	24,823,528
Intangibles	-	-	6,053,592	6,053,592
Accumulated depreciation	(8,557,483)	-	(15,189,712)	(23,747,195)
Total capital assets	<u>5,991,028</u>	<u>-</u>	<u>2,465,982</u>	<u>8,457,010</u>
Total assets	<u>10,025,084</u>	<u>19,710,087</u>	<u>12,247,675</u>	<u>41,982,846</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows related to pensions	531,916	512,857	3,599,265	4,644,038
Deferred outflows related to OPEB	15,138	14,129	106,523	135,790
Total deferred outflows of resources	<u>547,054</u>	<u>526,986</u>	<u>3,705,788</u>	<u>4,779,828</u>
LIABILITIES				
Current liabilities				
Outstanding warrants	215,857	217,297	247,231	680,385
Payables	129,074	197,772	4,057,758	4,384,604
Due to other funds	953	533	239,438	240,924
Due to other agencies	15	107,977	31	108,023
Current portion of long-term obligations	61,353	4,533,408	405,169	4,999,930
Total current liabilities	<u>407,252</u>	<u>5,056,987</u>	<u>4,949,627</u>	<u>10,413,866</u>
Noncurrent liabilities				
Net pension liability	1,281,068	1,258,295	9,129,733	11,669,096
Net OPEB liability	62,186	58,042	437,595	557,823
Noncurrent portion of long-term obligations	157,049	11,973,123	873,014	13,003,186
Total noncurrent liabilities	<u>1,500,303</u>	<u>13,289,460</u>	<u>10,440,342</u>	<u>25,230,105</u>
Total liabilities	<u>1,907,555</u>	<u>18,346,447</u>	<u>15,389,969</u>	<u>35,643,971</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to pensions	161,348	156,846	1,254,834	1,573,028
Deferred inflows related to OPEB	2,949	2,754	20,761	26,464
Total deferred inflows of resources	<u>164,297</u>	<u>159,600</u>	<u>1,275,595</u>	<u>1,599,492</u>
NET POSITION				
Net investment in capital assets	5,991,028	-	2,465,982	8,457,010
Unrestricted	2,509,258	1,731,026	(3,178,083)	1,062,201
Total net position (deficit)	<u>\$ 8,500,286</u>	<u>\$ 1,731,026</u>	<u>\$ (712,101)</u>	<u>\$ 9,519,211</u>

COUNTY OF SOLANO, CALIFORNIA
Combining Statement of Revenues, Expenses and Changes in Net Position
Internal Service Funds
For the Fiscal Year Ended June 30, 2018

	<u>Fleet Management</u>	<u>Risk Management</u>	<u>Information Technology</u>	<u>Total Internal Service Funds</u>
OPERATING REVENUES				
Charges for sales and services:				
Internal services	\$ 4,735,502	\$ 15,069,546	\$ 23,569,341	\$ 43,374,389
Total operating revenues	<u>4,735,502</u>	<u>15,069,546</u>	<u>23,569,341</u>	<u>43,374,389</u>
OPERATING EXPENSES				
Personnel services	1,299,143	1,175,727	8,494,430	10,969,300
Maintenance	821,904	5,882	516,891	1,344,677
Materials and supplies	886,242	6,683	533,564	1,426,489
Depreciation	1,410,906	-	491,986	1,902,892
Insurance	32,587	16,827,067	95,220	16,954,874
Rent, utilities and others	472,526	1,326,147	12,880,199	14,678,872
Total operating expenses	<u>4,923,308</u>	<u>19,341,506</u>	<u>23,012,290</u>	<u>47,277,104</u>
Operating income (loss)	<u>(187,806)</u>	<u>(4,271,960)</u>	<u>557,051</u>	<u>(3,902,715)</u>
NONOPERATING REVENUES				
Investment earnings	30,210	158,605	44,729	233,544
Other revenue	281,438	245,508	21,003	547,949
Gain from sale of capital assets	576,026	-	(6,836)	569,190
Total nonoperating revenues	<u>887,674</u>	<u>404,113</u>	<u>58,896</u>	<u>1,350,683</u>
Income (loss) before transfers	<u>699,868</u>	<u>(3,867,847)</u>	<u>615,947</u>	<u>(2,552,032)</u>
Transfers in	102,746	1,150,000	-	1,252,746
Transfers out	(33,625)	(31,396)	(236,338)	(301,359)
Changes in net position	768,989	(2,749,243)	379,609	(1,600,645)
Total net position (deficit) - beginning, restated	<u>7,731,297</u>	<u>4,480,269</u>	<u>(1,091,710)</u>	<u>11,119,856</u>
Total net position (deficit) - ending	<u>\$ 8,500,286</u>	<u>\$ 1,731,026</u>	<u>\$ (712,101)</u>	<u>\$ 9,519,211</u>

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

	<u>Fleet Management</u>	<u>Risk Management</u>	<u>Information Technology</u>	<u>Total Internal Service Funds</u>
Cash flows from operating activities:				
Receipts from customers	\$ 403,731	\$ -	\$ 519,628	\$ 923,359
Receipts from interfund services provided	4,567,107	15,553,891	23,389,664	43,510,662
Payments to suppliers	(2,165,531)	(17,925,834)	(12,205,627)	(32,296,992)
Payments to employees	(1,199,874)	489,681	(7,919,352)	(8,629,545)
Net cash provided by operating activities	<u>1,605,433</u>	<u>(1,882,262)</u>	<u>3,784,313</u>	<u>3,507,484</u>
Cash flows from noncapital financing activities:				
Transfers out	(33,625)	(31,396)	(236,338)	(301,359)
Transfers In	102,746	1,150,000	-	1,252,746
Net cash provided (used) by noncapital financing activities	<u>69,121</u>	<u>1,118,604</u>	<u>(236,338)</u>	<u>951,387</u>
Cash flows from capital and related financing activities:				
(Acquisition) disposition of capital assets	(1,477,585)	-	(871,538)	(2,349,123)
Cash flows from investing activities:				
Investment income received	30,210	158,605	44,736	233,551
Net increase (decrease) in cash and cash equivalents	227,179	(605,053)	2,721,173	2,343,299
Cash and cash equivalents - beginning	3,410,183	20,043,664	6,642,830	30,096,677
Cash and cash equivalents - ending	<u>\$ 3,637,362</u>	<u>\$ 19,438,611</u>	<u>\$ 9,364,003</u>	<u>\$ 32,439,976</u>
Reconciliation of operating loss to net cash provided (used) by operating activities:				
Operating income (loss)	\$ (187,806)	\$ (4,271,960)	\$ 557,051	\$ (3,902,715)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation	1,410,906	-	491,986	1,902,892
Other nonoperating revenue	281,438	245,508	21,003	547,949
Pension expense	79,248	1,647,966	557,661	2,284,875
OPEB expense	(4,385)	(4,093)	(30,864)	(39,342)
Changes in assets and liabilities:				
(Increase) decrease in receivables, net	(43,474)	29,240	(4,371)	(18,605)
(Increase) decrease in due from other funds	-	-	85,673	85,673
(Increase) decrease in due from other agencies	(2,746)	211,182	5,943	214,379
(Increase) decrease in other assets	(52,335)	-	-	(52,335)
Increase (decrease) in outstanding warrants	171,984	168,499	43,424	383,907
Increase (decrease) in payables	(71,943)	116,790	1,776,831	1,821,678
Increase (decrease) in due to other funds	(3,409)	(45,344)	231,704	182,951
Increase (decrease) in due to other agencies	15	(1,584)	(1)	(1,570)
Increase in accrued compensated absences	27,940	21,534	48,273	97,747
Total adjustments	<u>1,793,239</u>	<u>2,389,698</u>	<u>3,227,262</u>	<u>7,410,199</u>
Net cash provided by (used) operating activities	<u>\$ 1,605,433</u>	<u>\$ (1,882,262)</u>	<u>\$ 3,784,313</u>	<u>\$ 3,507,484</u>

Fiduciary Funds

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.

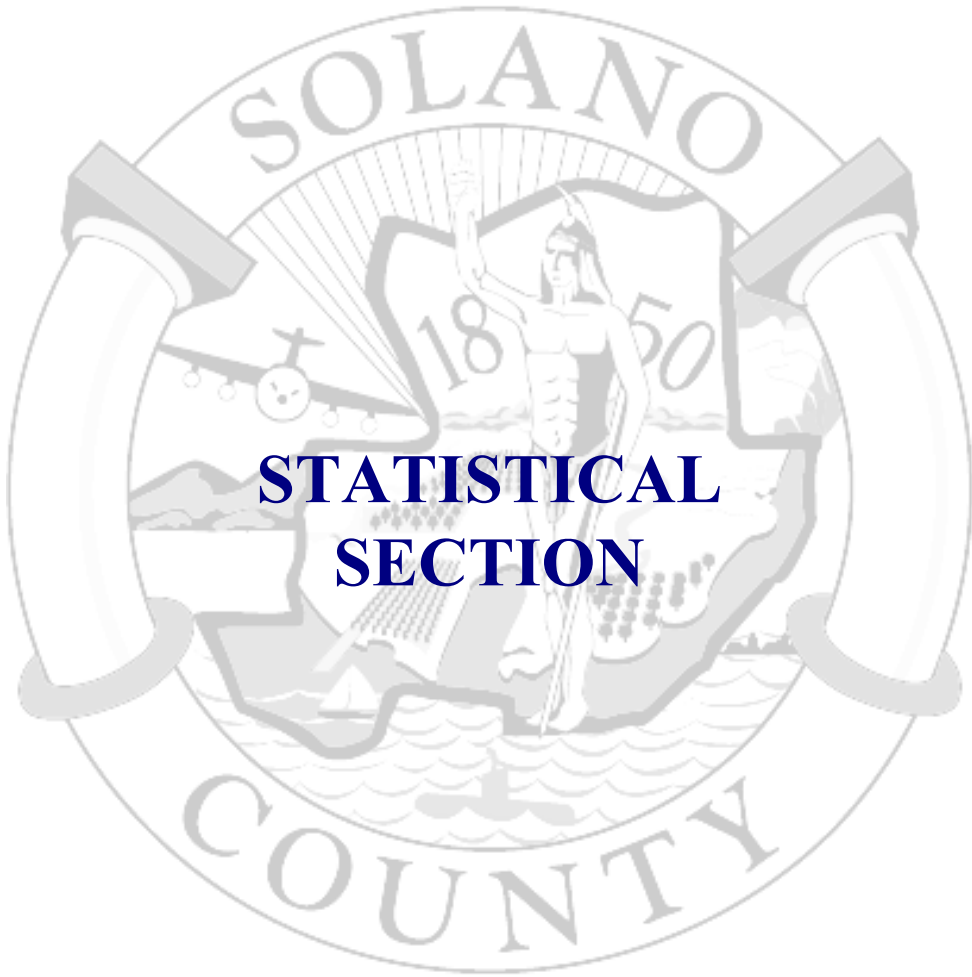
Property Tax Collection Fund – This fund is used to account for property tax collections awaiting apportionment to governmental agencies.

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, 2018

PROPERTY TAX COLLECTION	Balance July 1, 2017	Additions	Deductions	Balance June 30, 2018
Assets				
Cash and investments	\$ 949,558	\$ 661,132,074	\$ 662,081,632	\$ -
Property taxes receivable	27,061,652	733,538,960	730,083,577	30,517,035
Total assets	\$ 28,011,210	\$ 1,394,671,034	\$ 1,392,165,209	\$ 30,517,035
Liabilities				
Due to others	\$ 28,011,210	\$ 1,394,671,034	\$ 1,392,165,209	\$ 30,517,035
Total liabilities	\$ 28,011,210	\$ 1,394,671,034	\$ 1,392,165,209	\$ 30,517,035
 LOCAL TRANSPORTATION	 Balance July 1, 2017	 Additions	 Deductions	 Balance June 30, 2018
Assets				
Cash and investments	\$ 24,983,250	\$ 19,555,432	\$ 16,064,560	\$ 28,474,122
Total assets	\$ 24,983,250	\$ 19,555,432	\$ 16,064,560	\$ 28,474,122
Liabilities				
Due to others	\$ 24,983,250	\$ 19,555,432	\$ 16,064,560	\$ 28,474,122
Total liabilities	\$ 24,983,250	\$ 19,555,432	\$ 16,064,560	\$ 28,474,122
 ALL OTHER AGENCY FUNDS	 Balance July 1, 2017	 Additions	 Deductions	 Balance June 30, 2018
Assets				
Cash and investments	\$ 57,786,665	\$ 33,904,541	\$ 52,014,395	\$ 39,676,811
Total assets	\$ 57,786,665	\$ 33,904,541	\$ 52,014,395	\$ 39,676,811
Liabilities				
Due to others	\$ 57,786,665	\$ 33,904,541	\$ 52,014,395	\$ 39,676,811
Total liabilities	\$ 57,786,665	\$ 33,904,541	\$ 52,014,395	\$ 39,676,811
 TOTAL - ALL AGENCY FUNDS	 Balance July 1, 2017	 Additions	 Deductions	 Balance June 30, 2018
Assets				
Cash and investments	\$ 83,719,473	\$ 714,592,047	\$ 730,160,587	\$ 68,150,933
Property taxes receivable	27,061,652	733,538,960	730,083,577	30,517,035
Total assets	\$ 110,781,125	\$ 1,448,131,007	\$ 1,460,244,164	\$ 98,667,968
Liabilities				
Due to others	\$ 110,781,125	\$ 1,448,131,007	\$ 1,460,244,164	\$ 98,667,968
Total liabilities	\$ 110,781,125	\$ 1,448,131,007	\$ 1,460,244,164	\$ 98,667,968



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.

<u>Contents</u>	<u>Page</u>
Financial Trends Information <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>	148
Revenue Capacity Information <i>These schedules contain information to help the reader assess the County’s most significant local revenue source, the property tax.</i>	156
Debt Capacity Information <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>	160
Demographic and Economic Information <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>	164
Operating Information <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>	166

COUNTY OF SOLANO, CALIFORNIA
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year				
	2018	2017	2016	2015	2014
Governmental activities					
Net investment in capital assets	\$ 473,434,362	\$ 465,703,178	\$ 463,522,036	\$ 462,894,048	\$ 451,748,610
Restricted	243,952,893	212,643,958	200,295,296	122,151,480	120,830,163
Unrestricted	(316,265,304)	(287,817,986)	(295,628,894)	(284,103,120)	194,952,606
Total governmental activities net position	<u>\$ 401,121,951</u>	<u>\$ 390,529,150</u>	<u>\$ 368,188,438</u>	<u>\$ 300,942,408</u>	<u>\$ 767,531,379</u>
Business-type activities					
Net investment in capital assets	13,653,777	13,933,225	13,830,857	13,786,608	14,944,288
Unrestricted	(288,725)	48,914	120,373	(125,922)	(2,133,423)
Total business-type activities net position	<u>\$ 13,365,052</u>	<u>\$ 13,982,139</u>	<u>\$ 13,951,230</u>	<u>\$ 13,660,686</u>	<u>\$ 12,810,865</u>
Primary government					
Net investment in capital assets	\$ 487,088,139	\$ 479,636,403	\$ 477,352,893	\$ 476,680,656	\$ 466,692,898
Restricted	243,952,893	212,643,958	200,295,296	122,151,480	120,830,163
Unrestricted	(316,554,029) ³	(287,769,072)	(295,508,521)	(284,229,042) ²	192,819,183
Total primary government net position	<u>\$ 414,487,003</u>	<u>\$ 404,511,289</u>	<u>\$ 382,139,668</u>	<u>\$ 314,603,094</u>	<u>\$ 780,342,244</u>

¹ Includes restriction of governmental activities net position for the restatement of \$22.7 million of MHSA (Mental Health Services Act) funds.

² Includes the restatement of \$505 million (reduction) as a result of GASB 68 implementation.

³ Includes the restatement of \$16 million (reduction) as a result of GASB 75 implementation.

Source: Audited Financial Statements

COUNTY OF SOLANO, CALIFORNIA
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

Fiscal Year					
2013	2012	2011	2010	2009	
					Governmental activities
\$ 408,961,062	\$ 380,366,107	\$ 364,775,065	\$ 366,707,988	\$ 338,045,459	Net investment in capital assets
133,820,602	117,783,378	84,063,560	49,100,180	66,684,155	Restricted
186,237,045	170,013,282	174,821,311	208,557,054	223,968,696	Unrestricted
<u>\$ 729,018,709</u>	<u>\$ 668,162,767</u>	<u>\$ 623,659,936</u>	<u>\$ 624,365,222</u>	<u>\$ 628,698,310</u>	Total governmental activities net position
					Business-type activities
15,397,568	\$ 18,601,811	\$ 19,226,808	\$ 19,827,763	\$ 20,389,570	Net investment in capital assets
(2,485,608)	(2,443,915)	(2,701,490)	(4,064,292)	(3,673,335)	Unrestricted
<u>\$ 12,911,960</u>	<u>\$ 16,157,896</u>	<u>\$ 16,525,318</u>	<u>\$ 15,763,471</u>	<u>\$ 16,716,235</u>	Total business-type activities net position
					Primary government
\$ 424,358,630	\$ 398,967,918	\$ 384,001,873	\$ 386,535,751	\$ 358,435,029	Net investment in capital assets
133,820,602	117,783,378 ¹	84,063,560	49,100,180	66,684,155	Restricted
183,751,437	167,569,367	172,119,821	204,492,762	220,295,361	Unrestricted
<u>\$ 741,930,669</u>	<u>\$ 684,320,663</u>	<u>\$ 640,185,254</u>	<u>\$ 640,128,693</u>	<u>\$ 645,414,545</u>	Total primary government net position

¹ Includes restriction of governmental activities net position for the restatement of \$22.7 million of MHSA (Mental Health Services Act) funds.

² Includes the restatement of \$505 million (reduction) as a result of GASB 68 implementation.

³ Includes the restatement of \$16 million (reduction) as a result of GASB 75 implementation.

Source: Audited Financial Statements

COUNTY OF SOLANO, CALIFORNIA
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year				
	2018	2017	2016	2015	2014
Expenses					
Governmental activities:					
General government	\$ 73,469,037	\$ 67,637,800	\$ 59,995,941	\$ 59,188,293	\$ 60,861,259
Public protection	230,654,519	216,932,185	192,709,201	181,113,757	175,087,740
Public ways and facilities	17,220,809	12,289,760	12,263,841	12,830,930	13,212,138
Health services	172,280,422	154,787,811	139,577,649	119,305,842	111,915,241
Public assistance	152,732,632	151,158,894	140,560,811	143,509,809	138,041,533
Education and recreation	19,273,900	18,333,677	15,799,451	16,465,853	16,863,034
Interest /Principal on long-term debt	3,347,473	6,478,003	7,131,271	7,903,533	8,240,086
Total governmental activities expenses	<u>668,978,792</u>	<u>627,618,130</u>	<u>568,038,165</u>	<u>540,318,017</u>	<u>524,221,031</u>
Business-type activities:					
Nut Tree Airport	2,484,267	2,479,874	2,170,007	1,795,347	2,245,311
Fouts Springs Youth Facility	-	-	-	-	-
Total business-type activities expenses	<u>2,484,267</u>	<u>2,479,874</u>	<u>2,170,007</u>	<u>1,795,347</u>	<u>2,245,311</u>
Total primary government expenses	<u>\$ 671,463,059</u>	<u>\$ 630,098,004</u>	<u>\$ 570,208,172</u>	<u>\$ 542,113,364</u>	<u>\$ 526,466,342</u>
Program Revenues					
Governmental activities:					
Charges for services:					
General government	\$ 27,909,218	\$ 29,632,175	\$ 25,791,827	\$ 23,573,785	\$ 21,330,435
Public protection	24,068,536	27,317,906	24,663,484	23,718,639	21,607,698
Public ways and facilities	1,340,628	2,024,545	692,620	1,047,009	893,177
Health services	20,656,053	21,992,676	21,909,984	19,982,063	16,916,414
Public assistance	899,050	1,050,335	815,729	777,973	823,854
Education and recreation	5,340,178	5,056,884	4,985,508	4,728,478	4,353,801
Operating grants and contributions	394,074,363	364,091,668	374,303,152	327,406,268	300,219,598
Capital grants and contributions	15,947,090	9,003,256	6,479,698	10,087,170	40,408,651
Total governmental activities program revenues	<u>490,235,116</u>	<u>460,169,445</u>	<u>459,642,002</u>	<u>411,321,385</u>	<u>406,553,628</u>
Business-type activities:					
Charges for services:					
Nut Tree Airport	1,275,851	1,217,410	1,337,907	1,155,025	1,779,109
Fouts Springs Youth Facility	-	-	-	-	-
Operating grants and contributions	10,000	15,353	78,090	26,641	-
Capital grants and contributions	-	645,268	471,980	873,344	-
Total business-type activities	<u>1,285,851</u>	<u>1,878,031</u>	<u>1,887,977</u>	<u>2,055,010</u>	<u>1,779,109</u>
Total primary government program revenues	<u>\$ 491,520,967</u>	<u>\$ 462,047,476</u>	<u>\$ 461,529,979</u>	<u>\$ 413,376,395</u>	<u>\$ 408,332,737</u>
Net (Expenses)/Revenue					
Governmental activities	\$ (178,743,676)	\$ (167,448,685)	\$ (108,396,163)	\$ (128,996,632)	\$ (117,667,403)
Business-type activities	(1,198,416)	(601,843)	(282,030)	259,663	(466,202)
Total primary government net expenses	<u>\$ (179,942,092)</u>	<u>\$ (168,050,528)</u>	<u>\$ (108,678,193)</u>	<u>\$ (128,736,969)</u>	<u>\$ (118,133,605)</u>
General Revenues and Other Changes in Net Position					
Governmental activities:					
Property taxes ^{1,2}	176,386,218	161,830,558	151,646,535	\$ 144,946,469	\$ 132,737,838
Sales and use tax	2,555,289	2,295,605	2,205,404	1,874,065	2,072,728
Property transfer tax	3,152,653	2,868,703	3,675,622	3,649,100	1,930,684
Intergovernmental not restricted					
for specific programs ^{1,2}	3,176,226	2,839,406	1,914,486	1,877,564	1,923,733
Interest & investment earnings	2,632,607	1,274,998	4,090,078	1,514,552	1,580,598
Other	17,181,280	18,633,347	13,902,540	13,032,983	15,388,819
Gain on sale of capital assets	368,222	34,403	364,285	173,424	532,534
Special item - Fouts Springs Asset Impairment	-	-	(2,170,171)	-	-
Extraordinary item	-	-	-	-	-
Transfers	12,248	12,377	13,414	13,504	13,139
Total governmental activities	<u>205,464,743</u>	<u>189,789,397</u>	<u>175,642,193</u>	<u>167,081,661</u>	<u>156,180,073</u>
Business-type activities:					
Property taxes	427,871	387,912	362,009	344,987	313,311
Sales and use tax	-	-	3,482	5,125	-
Intergovernmental not restricted					
to specific programs	3,834	5,447	3,654	3,667	77,445
Interest & investment earnings	44,673	99,722	104,310	69,818	(12,510)
Other	132,133	152,048	106,783	463,606	-
Gain on sale of capital assets	-	-	5,750	84,986	-
Transfers	(12,248)	(12,377)	(13,414)	(13,504)	(13,139)
Total business-type activities	<u>596,263</u>	<u>632,752</u>	<u>572,574</u>	<u>958,685</u>	<u>365,107</u>
Total primary government	<u>\$ 206,061,006</u>	<u>\$ 190,422,149</u>	<u>\$ 176,214,767</u>	<u>\$ 168,040,346</u>	<u>\$ 156,545,180</u>
Change in net position					
Governmental activities	\$ 26,721,067	\$ 22,340,712	\$ 67,246,030	\$ 38,085,029	\$ 38,512,670
Business-type activities	(602,153)	30,909	290,544	1,218,348	(101,095)
Total primary government	<u>\$ 26,118,914</u>	<u>\$ 22,371,621</u>	<u>\$ 67,536,574</u>	<u>\$ 39,303,377</u>	<u>\$ 38,411,575</u>

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

² Beginning in February 2012, as a result of the dissolution of redevelopment agencies by the State, amounts previously recorded as Intergovernmental revenues are recorded as Property Taxes.

Source: Audited Financial Statements

COUNTY OF SOLANO, CALIFORNIA
Changes in Net Position (Continued)
Last Ten Fiscal Years
(accrual basis of accounting)

		Fiscal Year				
2013	2012	2011	2010	2009		
\$ 58,013,267	\$ 56,978,971	\$ 62,456,530	\$ 62,720,766	\$ 68,697,921	Expenses	
161,558,477	158,553,975	157,078,830	164,196,516	175,498,575	Governmental activities:	
13,024,689	15,182,777	12,760,561	12,148,729	12,765,552	General government	
111,863,567	110,120,877	108,700,791	104,435,728	106,791,512	Public protection	
133,282,542	133,556,741	144,667,818	140,870,819	144,896,972	Public ways and facilities	
15,932,037	16,783,519	17,739,331	19,241,131	21,109,579	Health services	
9,071,006	9,528,897	10,186,688	11,038,872	12,124,643	Public assistance	
502,745,585	500,705,757	513,590,549	514,652,561	541,884,754	Education and recreation	
					Interest /Principal on long-term debt	
					Total governmental activities expenses	
2,292,965	1,609,696	1,817,231	2,531,275	2,241,236	Business-type activities:	
-	635,756	4,073,152	3,888,424	3,713,188	Nut Tree Airport	
2,292,965	2,245,452	5,890,383	6,419,699	5,954,424	Fouts Springs Youth Facility	
\$ 505,038,550	\$ 502,951,209	\$ 519,480,932	\$ 521,072,260	\$ 547,839,178	Total business-type activities expenses	
					Total primary government expenses	
\$ 22,872,816	\$ 21,363,951	\$ 22,521,426	\$ 24,664,412	\$ 28,899,543	Program Revenues	
20,884,186	20,122,142	20,203,371	18,382,235	19,694,270	Governmental activities:	
2,129,249	1,769,591	1,191,080	1,081,929	1,223,163	Charges for services:	
18,245,926	22,441,636	21,718,347	18,236,407	16,130,208	General government	
990,625	860,217	1,193,714	987,213	839,430	Public protection	
4,884,617	5,277,053	5,223,005	5,154,002	5,753,093	Public ways and facilities	
303,110,940	287,589,862	290,072,372	264,136,077	281,259,235	Health services	
31,331,388	4,286,121	3,165,238	14,076,600	6,303,034	Public assistance	
404,449,747	363,710,573	365,288,553	346,718,875	360,101,976	Education and recreation	
					Operating grants and contributions	
					Capital grants and contributions	
					Total governmental activities program revenues	
1,141,484	477,917	525,217	1,277,477	1,292,875	Business-type activities:	
-	400,353	3,126,145	3,310,703	3,203,533	Charges for services:	
10,000	165,321	540,479	548,965	528,000	Nut Tree Airport	
-	-	2,098,493	-	2,189,182	Fouts Springs Youth Facility	
1,151,484	1,043,591	6,290,334	5,137,145	7,213,590	Operating grants and contributions	
\$ 405,601,231	\$ 364,754,164	\$ 371,578,887	\$ 351,856,020	\$ 367,315,566	Capital grants and contributions	
					Total business-type activities	
					Total primary government program revenues	
\$ (98,295,838)	\$ (136,995,184)	\$ (148,301,996)	\$ (167,933,686)	\$ (181,782,778)	Net (Expenses)/Revenue	
(1,141,481)	(1,201,861)	399,951	(1,282,554)	1,259,166	Governmental activities	
\$ (99,437,319)	\$ (138,197,045)	\$ (147,902,045)	\$ (169,216,240)	\$ (180,523,612)	Business-type activities	
					Total primary government net expenses	
\$ 124,547,765	\$ 116,937,628	\$ 109,322,638	\$ 112,720,861	\$ 124,364,351	General Revenues and Other Changes in Net Position	
2,136,820	1,851,294	1,203,681	3,802,198	4,277,127	Governmental activities:	
1,792,160	1,622,877	1,490,597	1,652,158	1,730,179	Property taxes ^{1,2}	
					Sales and use tax	
					Property transfer tax	
13,291,297	12,120,126	23,601,639	20,607,668	22,666,383	Intergovernmental not restricted	
692,890	1,525,567	1,926,203	2,744,934	5,729,000	for specific programs ^{1,2}	
15,805,088	16,125,278	18,716,998	19,692,717	16,497,109	Interest & investment earnings	
506,147	115,259	-	37,694	229,676	Other	
-	-	-	-	-	Gain on sale of capital assets	
-	8,809,741	(8,809,741)	-	-	Special item - Fouts Springs Asset Impairment	
2,542,601	(432,279)	144,695	93,446	163,667	Extraordinary item	
161,314,768	158,675,491	147,596,710	161,351,676	175,657,492	Transfers	
					Total governmental activities	
292,366	265,191	239,913	246,828	273,693	Business-type activities:	
-	-	-	-	-	Property taxes	
					Sales and use tax	
42,879	27,214	48,430	50,857	54,693	Intergovernmental not restricted	
1,131	(1,778)	453	1,168	8,138	for specific programs	
101,770	107,233	217,795	109,083	63,418	Interest & investment earnings	
-	4,300	-	15,300	300	Other	
(2,542,601)	432,279	(144,695)	(93,446)	(163,667)	Gain on sale of capital assets	
(2,104,455)	834,439	361,896	329,790	236,575	Transfers	
\$ 159,210,313	\$ 159,509,930	\$ 147,958,606	\$ 161,681,466	\$ 175,894,067	Total business-type activities	
					Total primary government	
\$ 63,018,930	\$ 21,680,307	\$ (705,286)	\$ (6,582,010)	\$ (6,125,286)	Change in net position	
(3,245,936)	(367,422)	761,847	(952,764)	1,495,741	Governmental activities	
\$ 59,772,994	\$ 21,312,885	\$ 56,561	\$ (7,534,774)	\$ (4,629,545)	Business-type activities	
					Total primary government	

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

² Beginning in February 2012, as a result of the dissolution of redevelopment agencies by the State, amounts previously recorded as Intergovernmental revenues are recorded as Property Taxes.

Source: Audited Financial Statements

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

	Fiscal Year				
	2018	2017	2016	2015	2014
General Fund					
Nonspendable	\$ 13,975,538	\$ 16,971,649	\$ 20,793,326	\$ 22,924,625	\$ 25,120,243
Restricted	20,313,731	20,183,028	20,169,578	-	-
Committed	10,000,000	-	-	-	-
Assigned	74,313,394	77,440,865	56,125,895	71,430,601	60,823,273
Unassigned	45,131,591	46,425,122	56,619,344	56,380,489	48,155,310
Reserved	-	-	-	-	-
Unreserved	-	-	-	-	-
Total General Fund	<u>163,734,254</u>	<u>161,020,664</u>	<u>153,708,143</u>	<u>150,735,715</u>	<u>134,098,826</u>
All Other Governmental Funds					
Nonspendable	777,599	443,924	463,606	500,195	291,228
Restricted	188,377,079	157,770,543	136,976,702	109,340,358	114,002,959
Committed	45,191	49,861	49,887	50,366	55,605
Assigned	19,440,507	13,861,173	17,195,001	10,932,739	11,834,335
Unassigned	-	-	(3,360,335)	(7,911,731)	(10,327,470)
Reserved	-	-	-	-	-
Unreserved, reported in:					
Special revenue funds	-	-	-	-	-
Capital projects funds	-	-	-	-	-
Debt service funds	-	-	-	-	-
Total all other governmental funds	<u>208,640,376</u>	<u>172,125,501</u>	<u>151,324,861</u>	<u>112,911,927</u>	<u>115,856,657</u>
Total Governmental Funds	<u>\$ 372,374,630</u>	<u>\$ 333,146,165</u>	<u>\$ 305,033,004</u>	<u>\$ 263,647,642</u>	<u>\$ 249,955,483</u>

¹ In Fiscal Year 2010-11 the County implemented GASB 54 under which governmental fund balances are reported as nonspendable, restricted, committed, assigned, and unassigned.

² Includes restriction of governmental funds for the restatement of \$22.7 million of MHSA (Mental Health Services Act) funds.

Source: Audited Financial Statements

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

		Fiscal Year					
<u>2013</u>	<u>2012</u>	<u>2011¹</u>	<u>2010</u>	<u>2009</u>			
						General Fund	
\$ 28,688,741	\$ 28,132,718	\$ 26,693,402	\$ -	\$ -	-	Nonspendable	
-	-	-	-	-	-	Restricted	
-	-	6,939,235	-	-	-	Committed	
56,772,645	52,648,041	44,755,155	-	-	-	Assigned	
46,984,508	38,838,327	35,958,787	-	-	-	Unassigned	
-	-	-	32,155,440	6,909,142	-	Reserved	
-	-	-	72,033,076	101,068,378	-	Unreserved	
<u>132,445,894</u>	<u>119,619,086</u>	<u>114,346,579</u>	<u>104,188,516</u>	<u>107,977,520</u>	-	Total General Fund	
						All Other Governmental Funds	
782,082	1,336,399	210,939	-	-	-	Nonspendable	
121,555,423 ²	105,372,056	77,133,751	-	-	-	Restricted	
55,668	130,470	-	-	-	-	Committed	
10,755,939	8,458,102	22,939,415	-	-	-	Assigned	
(10,851,741)	(9,480,728)	(8,999,065)	-	-	-	Unassigned	
-	-	-	55,243,886	65,271,318	-	Reserved	
-	-	-	58,798,913	76,053,180	-	Unreserved, reported in:	
-	-	-	2,449,680	6,261,034	-	Special revenue funds	
-	-	-	(14,940,959)	(10,437,736)	-	Capital projects funds	
-	-	-	-	-	-	Debt service funds	
<u>122,297,371</u>	<u>105,816,299</u>	<u>91,285,040</u>	<u>101,551,520</u>	<u>137,147,796</u>	-	Total all other governmental funds	
<u>\$ 254,743,265</u>	<u>\$ 225,435,385</u>	<u>\$ 205,631,619</u>	<u>\$ 205,740,036</u>	<u>\$ 245,125,316</u>	-	Total Governmental Funds	

¹ In Fiscal Year 2010-11 the County implemented GASB 54 under which governmental fund balances are reported as nonspendable, restricted, committed, assigned, and unassigned.

² Includes restriction of governmental funds for the restatement of \$22.7 million of MHSA (Mental Health Services Act) funds.

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				
	2018	2017	2016	2015	2014
Revenues					
Taxes ^{1,2}	\$ 186,882,358	\$ 171,792,616	\$ 162,324,754	\$ 154,803,301	\$ 141,480,199
Licenses, permits and franchises	8,166,519	8,350,884	7,484,494	6,918,658	6,645,857
Fines, forfeitures and penalties	4,116,565	4,290,715	2,900,149	4,657,052	4,544,687
Use of money and property	3,441,661	2,152,771	4,806,418	2,245,536	2,317,618
Intergovernmental ^{1,2}	409,443,616	376,016,261	373,048,915	332,852,098	341,824,163
Charges for services	99,348,998	100,691,445	95,824,088	85,590,180	74,868,262
Miscellaneous	15,153,076	17,303,850	12,612,098	11,334,290	13,743,165
Total revenues	726,552,793	680,598,542	659,000,916	598,401,115	585,423,951
Expenditures					
General government	57,886,363	62,211,200	58,206,806	55,248,628	56,452,888
Public protection	234,615,919	215,769,297	201,999,957	186,219,711	176,068,476
Public ways and facilities	12,916,965	9,506,002	9,533,830	9,537,130	9,576,875
Health services	169,518,036	155,248,529	145,056,247	123,563,230	113,485,686
Public assistance	151,171,061	153,392,023	147,897,111	147,077,648	138,779,333
Education and recreation	19,300,344	18,653,711	16,980,865	17,539,688	17,026,116
Debt service:					
Principal	14,525,000	13,670,000	12,480,000	12,110,000	13,006,530
Interest and other charges	6,248,032	6,725,097	7,349,677	7,941,874	8,590,661
Debt issuance cost	491,679	-	-	-	-
Capital outlay	22,328,519	17,432,575	18,392,297	25,673,405	58,333,218
Total expenditures	689,001,918	652,608,434	617,896,790	584,911,314	591,319,783
Excess of revenues over (under) expenditures	37,550,875	27,990,108	41,104,126	13,489,801	(5,895,832)
Other Financing Sources (Uses)					
Payment to refunded bond escrow agent	(84,200,000)	-	-	-	-
Issuance of refunding bonds	72,775,000	-	-	-	-
Debt issuance	-	-	-	-	-
Premium on debt	13,783,787	-	-	-	-
Transfers in	162,322,345	151,241,220	148,952,103	133,092,548	133,504,312
Transfers out	(163,261,483)	(151,254,665)	(148,891,568)	(133,107,304)	(132,857,615)
Sale of capital assets	257,941	136,498	220,702	217,114	461,353
Total other financing sources (uses)	1,677,590	123,053	281,237	202,358	1,108,050
Extraordinary Item					
Amount to be paid to State of California per AB99	-	-	-	-	-
Net change in fund balances	\$ 39,228,465	\$ 28,113,161	\$ 41,385,362	\$ 13,692,159	\$ (4,787,782)
Debt service as a percentage of noncapital expenditures	3.12%	3.21%	3.31%	3.59%	4.05%

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

² Beginning in February 2012, as a result of the dissolution of redevelopment agencies by the State, amounts previously recorded as Intergovernmental revenues are recorded as Property Taxes.

Source: Audited Financial Statements

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

		Fiscal Year					
2013	2012	2011	2010	2009			
					Revenues		
\$ 132,951,338	\$ 124,191,293	\$ 116,385,423	\$ 121,801,475	\$ 134,613,147	Taxes ^{1,2}		
6,614,052	6,761,316	6,580,255	5,763,943	6,690,257	Licenses, permits and franchises		
4,345,235	3,856,956	4,146,885	4,883,821	4,772,315	Fines, forfeitures and penalties		
1,447,711	2,237,164	2,542,856	3,419,568	5,917,139	Use of money and property		
342,485,211	295,317,970	309,499,470	297,119,249	301,278,100	Intergovernmental ^{1,2}		
80,035,651	82,663,958	89,632,816	86,456,048	79,371,133	Charges for services		
14,113,078	15,087,609	17,068,861	17,617,361	15,087,909	Miscellaneous		
<u>581,992,276</u>	<u>530,116,266</u>	<u>545,856,566</u>	<u>537,061,465</u>	<u>547,730,000</u>	Total revenues		
					Expenditures		
52,761,722	51,734,638	55,690,156	57,522,204	60,531,698	General government		
163,116,516	161,424,508	162,891,649	170,823,420	178,454,399	Public protection		
8,910,754	11,085,389	9,619,806	9,170,245	9,380,649	Public ways and facilities		
114,501,766	113,838,461	112,350,121	108,637,073	107,488,354	Health services		
134,536,688	135,210,563	146,596,884	144,765,442	146,364,841	Public assistance		
16,052,937	16,940,619	18,828,034	20,215,842	21,482,110	Education and recreation		
					Debt service:		
13,770,731	13,356,531	8,663,794	12,465,882	39,691,364	Principal		
9,107,362	9,724,218	10,227,822	11,266,372	12,870,803	Interest and other charges		
-	-	25,590	254,727	-	Debt issuance cost		
46,057,154	28,929,685	13,007,061	41,366,813	37,841,019	Capital outlay		
<u>558,815,630</u>	<u>542,244,612</u>	<u>537,900,917</u>	<u>576,488,020</u>	<u>614,105,237</u>	Total expenditures		
23,176,646	(12,128,346)	7,955,649	(39,426,555)	(66,375,237)	Excess of revenues over (under) expenditures		
					Other Financing Sources (Uses)		
-	-	(10,000,000)	(17,970,000)	-	Payment to refunded bond escrow agent		
-	-	10,000,000	16,745,000	-	Issuance of refunding bonds		
5,420,000	-	-	-	1,385,806	Debt issuance		
-	-	-	889,673	-	Premium on debt		
123,964,225	125,753,015	148,145,491	165,741,868	223,869,357	Transfers in		
(123,747,059)	(125,886,468)	(147,627,772)	(165,502,698)	(223,394,950)	Transfers out		
494,068	433,300	227,956	137,432	130,957	Sale of capital assets		
<u>6,131,234</u>	<u>299,847</u>	<u>745,675</u>	<u>41,275</u>	<u>1,991,170</u>	Total other financing sources (uses)		
					Extraordinary Item		
-	8,809,741	(8,809,741)	-	-	Amount to be paid to State of California per AB99		
<u>\$ 29,307,880</u>	<u>\$ (3,018,758)</u>	<u>\$ (108,417)</u>	<u>\$ (39,385,280)</u>	<u>\$ (64,384,067)</u>	Net change in fund balances		
4.46%	4.50%	3.60%	4.43%	9.12%	Debt service as a percentage of noncapital expenditures		

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Source: Audited Financial Statements

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

Fiscal Year	Real Property [^]				Personal Property	Exemptions	Total	Total Direct Tax Rate
	Residential Property	Commercial Property	Manufacturing Property	Other				
2018	\$ 40,737,000,603	\$ 5,269,725,422	\$ 5,633,643,655	\$ 3,316,105,389	\$ 2,803,871,210	\$ (3,155,857,709)	\$ 54,604,488,570	1.000000
2017	38,033,597,586	5,082,414,689	5,553,034,273	3,278,441,729	2,882,856,483	(3,076,920,664)	51,753,424,096	1.000000
2016	35,533,946,624	4,888,082,671	5,408,822,689	3,158,766,101	2,912,706,519	(3,079,481,524)	48,822,843,080	1.000000
2015	33,240,963,785	4,705,824,430	5,147,972,000	3,081,166,864	2,895,054,631	(3,047,691,368)	46,023,290,342	1.000000
2014	31,105,277,632	4,513,574,970	5,211,536,512	2,904,002,639	2,949,568,640	(2,961,001,719)	43,722,958,674	1.000000
2013	27,924,160,679	4,454,559,076	5,238,663,904	2,851,420,457	3,034,034,729	(2,909,789,364)	40,593,049,481	1.000000
2012	25,406,736,940	4,391,896,802	5,221,209,453	2,882,813,020	2,602,009,561	(1,705,033,678)	38,799,632,098	1.000000
2011	26,431,821,835	4,437,102,001	5,436,513,066	2,816,813,953	2,357,649,133	(2,835,879,182)	38,644,020,806	1.000000
2010	27,075,951,692	4,508,746,880	5,168,402,363	2,843,365,829	2,327,189,005	(2,666,710,367)	39,256,945,402	1.000000
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

[^] 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

Fiscal Year	County Direct Rates (1)		Overlapping Rates (1)		Total
	Countywide Tax	Local Special Districts	Schools	Cities	
2018	1.000000	1.842928	0.788571	0.038505	3.670004
2017	1.000000	1.809103	0.692983	0.038762	3.540848
2016	1.000000	1.800027	0.667934	0.039121	3.507082
2015	1.000000	1.806519	0.634907	0.042645	3.484071
2014	1.000000	1.809495	0.608805	0.044218	3.462518
2013	1.000000	1.755450	0.480833	0.041346	3.277629
2012	1.000000	1.731065	0.618556	0.054277	3.403898
2011	1.000000	1.730896	0.561446	0.053492	3.345834
2010	1.000000	2.405334	0.501169	0.052144	3.958647
2009	1.000000	2.074797	0.461648	0.047902	3.584347

Note:

¹ County Direct Rates are ad valorem taxes levied by the County and authorized by Article 13A of the Constitution of the State of California. Overlapping rates are taxes levied to service voter-approved debt of overlapping jurisdictions such as local special districts, schools or cities.

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

COUNTY OF SOLANO, CALIFORNIA
Principal Property Tax Payers
June 30, 2018 and June 30, 2009

Taxpayer	June 30, 2018			June 30, 2009		
	Assessed Value	Rank	Percentage of Total County Taxable Assessed Value	Assessed Value	Rank	Percentage of Total County Taxable Assessed Value
Valero Refining Company - Calif	\$ 909,925,210	1	1.86%	\$ 806,626,616	2	1.94%
Genentech Inc	872,366,969	2	1.79%	1,277,528,638	1	3.08%
Pacific Gas & Electric Company	728,337,304	3	1.49%	446,696,609	3	1.08%
Anheuser-Busch, Inc.	288,242,454	4	0.59%	266,279,837	4	0.64%
Shiloh Wind Project II, LLC	204,796,471	5	0.42%	-		
Solano 3 Wind, LLC	203,035,997	6	0.42%	-		
Star-West Solano, LLC	183,690,776	7	0.38%	-		
California Northern Railroad	165,360,415	8	0.34%	156,205,502	8	0.38%
Shiloh III wind Project	163,885,207	9	0.37%			
Icon Owner Pool 1 SF N-B P LLC	136,092,618	10	0.28%			
Shiloh I wind Project LLC	-			203,580,627	5	0.49%
Alza Corporation	-			194,877,973	6	0.47%
High Winds LLC	-			172,527,012	7	0.42%
Pacific Bell	-			125,809,701	9	0.30%
Walton CWCA BN WRHS 21 LLC	-			125,460,000	10	0.30%
Totals	<u>\$ 3,855,733,421</u>		<u>7.94%</u>	<u>\$ 3,775,592,515</u>		<u>9.10%</u>

Sources: County of Solano Assessor-Recorder's Office and County CAFR 2009

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

Fiscal Year	Original Levy	Adjustments	Adjusted Levy ¹	Collected in First Period		Collections in Subsequent Periods	Total Collections	
				Amount	% of Original Levy		Amount	% of Adjusted Levy
2018	\$ 594,823,398	\$ (3,577,112)	\$ 591,246,286	\$ 581,967,925	97.8%	\$ -	\$ 581,967,925	98.4%
2017	565,327,777	(1,766,612)	563,561,165	556,244,085	98.4%	2,911,893	559,155,978	99.2%
2016	520,975,609	(916,279)	520,059,330	512,446,685	98.4%	3,924,590	516,371,275	99.3%
2015	487,553,003	(1,438,301)	486,114,702	480,455,988	98.5%	4,072,592	484,528,580	99.7%
2014	441,007,173	(2,078,099)	438,929,074	433,568,088	98.3%	4,586,643	438,154,731	99.8%
2013	410,157,511	(2,667,716)	407,489,795	400,877,231	97.7%	5,486,387	406,363,618	99.7%
2012	422,207,151	(2,300,013)	419,907,138	412,665,682	97.7%	7,020,364	419,686,046	99.9%
2011	429,379,973	(796,607)	428,583,366	418,950,465	97.6%	9,299,319	428,249,784	99.9%
2010	443,248,555	(4,373,461)	438,875,094	426,044,998	96.1%	12,778,349	438,823,347	100.0%
2009	494,946,065	(4,657,605)	490,288,460	466,126,504	94.2%	23,104,448	489,230,952	99.8%

¹ Adjusted Levy data does not reflect adjustments for subsequent years; report detailing subsequent adjustments to levy is not available. As a result, % of collection to the Adjusted Levy will go beyond 100% in some years as County receives additional collections.

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

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

	<u>2018</u>	<u>2017</u>	<u>Fiscal Year</u> <u>2016</u>	<u>2015</u>	<u>2014</u>
Governmental Activities					
Notes payable	\$ 1,023,890	\$ 1,023,890	\$ 1,023,890	\$ 1,031,823	\$ 1,039,756
Capital leases	-	-	-	-	-
Certificates of participation	86,358,199	93,958,755	99,916,146	105,613,538	111,805,931
Pension obligation bonds	26,085,000	32,880,000	40,810,000	47,810,000	53,945,000
Business-Type Activities					
Notes payable	-	-	-	-	-
Total primary government	<u>\$ 113,467,089</u>	<u>\$ 127,862,645</u>	<u>\$ 141,750,036</u>	<u>\$ 154,455,361</u>	<u>\$ 166,790,687</u>
Percentage of Personal Income ¹	0.53%	0.62%	0.72%	0.80%	0.90%
Percentage of Actual Value of Taxable Property ²	0.21%	0.25%	0.29%	0.34%	0.38%
Per Capita ¹	\$ 258.00	\$ 293.25	\$ 328.51	\$ 359.57	\$ 392.29

¹ 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.

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

Source: Audited Financial Statements

COUNTY OF SOLANO, CALIFORNIA
Ratios of Outstanding Debt by Type (Continued)
Last Ten Fiscal Years

		Fiscal Year					
<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>			
\$ 1,047,689	\$ 1,055,622	\$ 1,023,890	\$ 1,023,890	\$ 1,023,890	Governmental Activities		
81,530	302,261	513,792	1,122,586	1,303,468	Notes payable		
117,608,322	117,765,005	120,868,119	125,852,804	130,649,735	Capital leases		
61,285,000	69,630,000	77,805,000	81,105,000	88,830,000	Certificates of participation		
					Pension obligation bonds		
-	-	-	39,297	94,854	Business-Type Activities		
					Notes payable		
<u>\$ 180,022,541</u>	<u>\$ 188,752,888</u>	<u>\$ 200,210,801</u>	<u>\$ 209,143,577</u>	<u>\$ 221,901,947</u>	Total primary government		
1.00%	1.06%	1.21%	1.33%	1.40%	Percentage of Personal Income ¹		
0.44%	0.49%	0.52%	0.53%	0.54%	Percentage of Actual Value of Taxable Property ²		
\$ 430.28	\$ 456.16	\$ 484.03	\$ 506.13	\$ 537.96	Per Capita ¹		

¹ 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.

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

Source: Audited Financial Statements

COUNTY OF SOLANO, CALIFORNIA
Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year	(1) Total Gross Pension Obligation Bonds	Amounts Restricted for Principal Payments	Total Net Pension Obligation Bonds	(2) Actual Taxable Value of Property	Percentage of Actual Taxable Value of Property	(3) Population	Net Bonded Debt per Capita
2018	\$ 26,085,000	\$ 8,332,322	\$ 17,752,678	\$ 54,604,488,570	0.03%	439,793	\$ 40.37
2017	32,880,000	7,672,878	25,207,122	51,753,424,096	0.05%	436,023	57.81
2016	40,810,000	6,563,340	34,246,660	48,822,843,080	0.07%	431,498	79.37
2015	47,810,000	3,895,841	43,914,159	46,023,290,342	0.10%	429,552	102.23
2014	53,945,000	2,839,781	51,105,219	43,722,958,674	0.12%	425,169	120.20
2013	61,285,000	3,349,025	57,935,975	40,593,049,481	0.14%	418,387	138.47
2012	69,630,000	3,773,703	65,856,297	38,799,632,098	0.17%	413,786	159.16
2011	77,805,000	3,669,475	74,135,525	38,644,020,806	0.19%	413,635	179.23
2010	81,105,000	4,761,180	76,343,820	39,256,945,402	0.19%	413,220	184.75
2009	88,830,000	2,513,628	86,316,372	40,873,042,919	0.21%	412,488	209.26

¹ Pension Obligation Bonds

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

³ See the 'Demographic and Economic Statistics' table for the population figures.

Note that these ratios are calculated using data from January 1.

Source: Audited Financial Statements

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

<u>Fiscal Year</u>	<u>(1)</u> <u>Assessed Value of</u> <u>Property</u>	<u>(2)</u> <u>Debt Limit, 5% of</u> <u>Assessed Value</u>	<u>(3)</u> <u>Debt Applicable</u> <u>to the Limit</u>	<u>(4)</u> <u>Legal Debt Margin</u>	<u>Total net debt</u> <u>applicable to the</u> <u>limit as a percentage</u> <u>of debt limit</u>
2018	\$ 54,604,488,570	\$ 2,730,224,429	\$ 26,085,000	\$ 2,704,139,429	0.96%
2017	51,753,424,096	2,587,671,205	32,880,000	2,554,791,205	1.27%
2016	48,822,843,080	2,441,142,154	40,810,000	2,400,332,154	1.67%
2015	46,023,290,342	2,301,164,517	47,810,000	2,253,354,517	2.08%
2014	43,722,958,674	2,186,147,934	53,945,000	2,132,202,934	2.47%
2013	40,593,049,481	2,029,652,474	61,285,000	1,968,367,474	3.02%
2012	38,799,632,098	1,939,981,605	69,630,000	1,870,351,605	3.59%
2011	38,644,020,806	1,932,201,040	77,805,000	1,854,396,040	4.03%
2010	39,256,945,402	1,962,847,270	81,105,000	1,881,742,270	4.13%
2009	40,873,042,919	2,043,652,146	88,830,000	1,954,822,146	4.35%

Notes:

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

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

<u>Year</u> ¹	<u>Population</u> ²	<u>Personal Income</u> ³	<u>Per Capita Personal Income</u> ³	<u>Unemployment Rate</u> ⁵
2018	439,793	\$ 21,395,947,591 ⁴	\$ 48,650 ⁴	4.2%
2017	436,023	20,749,942,201 ⁴	47,589 ⁴	4.6%
2016	431,498	19,778,909,530 ⁴	45,838 ⁴	6.0%
2015	429,552	19,223,389,084 ⁴	44,752 ⁴	5.9%
2014	425,169	18,631,142,897 ⁴	42,073	8.1%
2013	418,387	18,057,143,000	42,509	8.9%
2012	413,786	17,820,859,000	43,068	11.1%
2011	413,635	16,560,042,000	40,035	12.3%
2010	413,220	15,709,725,000	38,018	12.2%
2009	412,488	15,866,085,000	38,464	11.3%

Detail of estimated population, as of May 1, 2018:

Incorporated Cities

Benicia	27,499
Dixon	19,896
Fairfield	116,156
Rio Vista	9,188
Suisun City	29,192
Vacaville	98,977
Vallejo	119,252
Total of Incorporated	<u>420,160</u>
Total of Unincorporated Areas	<u>19,633</u>
Total Population	<u><u>439,793</u></u>

¹ Calendar year

² Obtained from State of California, Department of Finance, Demographics Research Unit

³ Obtained from US Department of Commerce - Bureau of Economic Analysis, updated as of November 2017

⁴ Estimated amounts

⁵ Obtained from State of California Employment Development Department

COUNTY OF SOLANO, CALIFORNIA
Principal Employers
June 30, 2018 and June 30, 2009

Employer	June 30, 2018			June 30, 2009		
	Employees	Rank	Percentage of Total County Employment ¹	Employees	Rank	Percentage of Total County Employment ¹
Travis AFB	14,353	¹ 1	7.23%	n/a		
Kaiser Permanente - Vallejo	3,181	¹ 2	1.60%	3,262	1	1.52%
County of Solano	3,029	¹ 3	1.53%	2,869	2	
NorthBay Healthcare System (formerly NorthBay Medical Center)	2,650	¹ 4	1.34%	1,480	4	0.69%
Six Flags Discovery Kingdom	2,460	¹ 5	1.24%	1,500	3	0.70%
Fairfield-Suisun Unified School District	2,329	¹ 6	1.17%	n/a		
Kaiser Permanente - Vacaville	2,091	¹ 7	1.05%	n/a		
Vallejo City Unified School District	1,432	¹ 8	0.72%	n/a		
Vacaville Unified School District	1,352	¹ 9	0.68%			
California State Prison Solano	1,221	¹ 10	0.62%	n/a		
Genentech Inc.				950	5	0.44%
Alza Corporation				600	10	0.28%
Wal-Mart				890	6	0.41%
Sutter Solano Medical Center				674	7	0.31%
City of Fairfield				608	9	0.28%
City of Vacaville				619	8	0.29%
Totals	<u>34,098</u>		<u>17.18%</u>	<u>13,452</u>		<u>4.92%</u>

¹ Employment figure from the Solano Economic Development Corporation as of October 2018.

Sources: County of Solano

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

	Fiscal Year				
	2018	2017	2016	2015	2014
Function/Program					
General government	258.75	260.00	255.75	239.30	235.55
Public protection	1,185.00	1,196.50	1,191.50	1,092.50	1,071.00
Public ways and facilities	65.00	65.00	64.00	64.00	61.00
Health services	538.30	526.30	523.80	492.70	486.90
Public assistance	769.25	788.75	785.75	735.65	698.75
Education and recreation	127.55	118.75	118.75	116.00	116.10
Nut Tree Airport	3.00	3.00	3.00	3.00	3.00
Fouts Springs Youth Facility	-	-	-	-	-
Internal service	80.70	82.70	73.30	61.60	60.60
Total	<u>3,027.55</u>	<u>3,041.00</u>	<u>3,015.85</u>	<u>2,804.75</u>	<u>2,732.90</u>

Source: County of Solano Recommended & Adopted Budget

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

Fiscal Year					
2013	2012	2011	2010	2009	
					Function/Program
230.55	227.05	250.25	271.50	288.00	General government
1,006.50	951.50	992.25	1,160.00	1,243.50	Public protection
60.50	61.50	63.50	73.50	75.50	Public ways and facilities
455.30	421.70	460.10	477.10	520.08	Health services
641.55	623.30	639.00	674.50	711.50	Public assistance
118.50	124.23	140.50	151.23	153.73	Education and recreation
3.00	3.00	4.00	5.00	5.00	Nut Tree Airport
-	-	29.00	30.00	30.00	Fouts Springs Youth Facility
57.60	57.00	64.00	79.50	88.50	Internal service
<u>2,573.50</u>	<u>2,469.28</u>	<u>2,642.60</u>	<u>2,922.33</u>	<u>3,115.81</u>	Total

Source: County of Solano Recommended & Adopted Budget

COUNTY OF SOLANO, CALIFORNIA
Operating Indicators by Function
Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
General government										
Clerk-Recorder-Assessor - documents recorded	115,419	137,913	124,640	121,225	110,113	147,244	133,970	131,249	122,646	110,104
Public protection										
Number of felony cases filed-District Attorney #	2,375	2,890	2,894	4,971	3,706	3,491	3,030	3,538	3,722	3,820
Number of misdemeanor cases filed-District Attorney #	6,400	7,295	5,084	5,302	4,469	4,594	5,676	9,281	8,211	10,056
Number of juvenile petitions-District Attorney #	112	387	369	360	396	383	534	876	1,191	1,496
Number of Bookings-Sheriff	15,695	15,677	16,441	16,143	15,410	14,578	14,628	14,767	16,323	18,485
Average Daily Population-Juvenile Hall	36	55	63	57	65	67	73	76	80	86
Average Daily Population-New Foundation	6	7	13	12	19	22	23	29	24	26
Average Intake-Juvenile Hall	32	45	55	53	73	100	106	133	141	175
Number of building permits issued	827	926	853	1,016	834	728	729	614	545	699
Public ways and facilities										
Miles of roads maintained	578	577	577	577	578	579	585	586	586	587
Health services & public assistance										
Average monthly medical clinic visits	5,226	5,456	5,270	5,419	4,897	4,492	3,700	3,886	3,641	3,348
Average monthly dental clinic visits	1,549	1,425	1,277	1,326	1,116	758	514	608	616	396
Average monthly food stamp recipients	40,410	43,683	48,773	43,668	42,583	41,034	39,539	37,051	33,102	27,662
Average monthly MediCal beneficiaries	114,699	120,691	121,711	111,560	85,847	74,476	68,652	67,867	65,850	62,197
Average monthly CalWorks cash assistance recipients	11,809	13,896	15,997	13,058	12,976	13,293	14,215	15,466	15,443	14,359
Average monthly General Relief recipients	438	465	589	722	747	899	1,018	1,128	1,141	973
Education and recreation										
Total circulation	1,949,760	2,099,490	2,483,209	2,874,919	3,132,066	3,425,895	3,700,433	3,961,868	4,101,677 *	3,794,831
Total circulation - SNAPweb	333,778	351,905	485,580	574,920	646,576	740,574	808,163	838,622	812,830 *	670,825
Number of library patrons	1,290,796	1,323,372	1,445,360	1,556,383	1,606,769	1,778,246	1,875,945	2,041,610	2,206,518	2,248,937
Number of parks	4	4	4	4	4	4	4	4	4	4
Number of park visitors	217,900	191,730	183,653	194,793	190,916	181,090	180,495	185,453	182,434	189,703
Nut Tree Airport										
Takeoffs and landings	106,500	104,500	105,000	104,886	102,515	101,500	101,500	100,500	104,000	102,500
Fouts Springs Youth Facility (FSYF)										
Average Daily Population	-	-	-	-	-	-	-	43	47	54
Internal service										
Number of Fleet Vehicles	532	513	507	472	458	464	468	482	480	514
Number of Annual Fleet Miles Driven	4,087,236	4,008,163	3,900,899	4,285,254	4,184,781	5,100,000	4,133,096	4,025,516	4,299,929	5,214,737

^{na} Information not available

[#] Information based on calendar year

^{*} Adjusted figures as of 6/30/11

[^] No figure since FSYF closed in July 2011

Source: Various County departments

COUNTY OF SOLANO, CALIFORNIA
Capital Asset Statistics by Function
Last Ten Fiscal Years

	Fiscal Year									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Function/Program										
General government										
Buildings	18	18	18	17	17	17	17	17	16	16
Public protection										
Sheriff sub stations	0	-	-	-	-	-	-	-	1	2
Patrol units	29	29	28	24	24	22	21	21	20	23
Jail and detention facilities	4	4	4	4	3	3	3	3	3	3
Public ways and facilities										
Miles of roads [#]	578	577	577	577	578	579	585	586	586	587
Health services & public assistance										
Clinics & administration buildings	6	6	6	6	6	7	6	6	8	6
Education and recreation										
Branch libraries	8	8	8	8	8	8	8	8	8	8
Veterans buildings	6	6	6	6	6	6	6	6	6	6
Public parks acreage	1,254	1,254	1,254	1,254	1,259	1,259	1,259	1,259	1,259	1,259
Nut Tree Airport										
Number of runways	1	1	1	1	1	1	1	1	1	1
Fouts Springs Youth Facility										
Detention facilities*	-	-	-	-	-	-	1	1	1	1

^{n/a} Information not available

[#] Information based on calendar year

* Fouts assets transferred to General government in 2013.

Source: Various County departments

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