



SOLANO COUNTY

Comprehensive Annual Financial Report
Fiscal Year Ended June 30, 2020

Phyllis S. Taynton, CPA
Auditor-Controller
Solano County, California



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

- **California Dental Association (CDA) Cares Solano 2019:**
The CDA Foundation's volunteer dental clinic, CDA Cares, in partnership with Solano County, provided nearly \$1.3 million in charitable dental services to 1,491 people at the Solano County Fairgrounds on March 8 – 9, 2019. During the two-day event, dentists and dental professionals performed 8,955 free procedures, including fillings, extractions and cleanings. Additionally, the clinic also provided patients with valuable oral health education.
- **Solano Library Foundation's Women's History Luncheon:**
More than 250 people packed the Joseph A. Nelson Community Center in Suisun City as part of the twelfth annual Women's History Month Luncheon in March. The sold-out event honors Solano County women who make a positive difference in the community, with all proceeds supporting books about women for the Solano County Library. This year's theme was honoring visionary women – champions of peace and nonviolence. Pati Navalta, author, anti-gun violence advocate, and founder of the Robby Poblete Foundation is the 2019 Woman of the Year.
- **Youth Ag Day event at the Solano County Fairgrounds:**
More than 3,500 third graders from across Solano County visit the Solano County Fairgrounds each March for the annual Youth Ag Day event. The event, now in its seventeenth year, features a wide variety of rotational learning stations and hands-on displays, giving students the opportunity to learn about food, soil, fiber, ranching and agricultural production from new perspectives, with an emphasis on the rich agricultural history in Solano County.
- **Aerial View of the Vallejo Waterfront:**
Located at the confluence of the Napa River and San Francisco Bay, the Vallejo waterfront is a unique mixture of commercial, industrial, residential, educational and cultural scenes. Mare Island, the nation's first U.S. Navy shipyard, is home to the U.S. Region 5 Forest Service, Touro University and 5,000 acres of commercial, residential and open space. Commuters and visitors alike catch a boat at the Vallejo Ferry terminal, quickly connecting them to employment, sporting events and tourist destinations in the San Francisco Bay Area. Additionally, the U.S. Naval Shipyard museum attracts visitors from around the region to learn about Vallejo's unique maritime history and culturally significant events.

County of Solano, California



Comprehensive Annual Financial Report

For the Fiscal Year Ended

June 30, 2020

Prepared by:

Office of the Auditor-Controller

Phyllis S. Taynton, CPA
Auditor-Controller

**County of Solano, California
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2020**

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**INTRODUCTORY
SECTION**

OFFICE OF THE AUDITOR-CONTROLLER

PHYLLIS S. TAYNTON, CPA
Auditor-Controller

SHEILA O. TURGO
Assistant Auditor-Controller



SOLANO
COUNTY

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December 30, 2020

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, California (County) for the fiscal year ended June 30, 2020. 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 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 Eide Bailly, 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, 2020, 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, 2020, 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 is 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. Upon issuance, these reports will be available in the County's separate 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 909 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"). 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. Two of the County's seven cities, Benicia and Vallejo, served as the State's Capital in the early 1850's.

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
- Napa/Solano Area Agency on Aging (staff support)
- Parks
- Probationary Supervision
- Property Tax Assessment, Collection and Apportionment
- Public and Mental Health
- Public Assistance
- Public Defender and Alternate 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.

Due to the fiscal uncertainties resulting from the COVID-19 medical pandemic on the FY2020/21 budget assumptions, the County extended the budget process as follows: The FY2020/21 Preliminary Recommended Budget Hearing was held on Thursday, June 25, 2020. During the Preliminary Recommended Budget Hearing, the Board approved and authorized spending within the Preliminary Recommended Budget, postponing the supplemental budget adjustments until September 22, 2020, at which time the Budget Hearing was continued. Given the potential financial impacts of COVID-19, the supplemental budget process allowed departments time to determine any necessary changes to the Preliminary Recommended Budget resulting from COVID-19 and to bring this forward in a Supplemental Budget. Following the issuance of the FY2020/21 Supplemental Budget (no later than September 8th), the Board commenced and concluded the Budget Hearing on September 22, 2020 with the approved Adopted Budget.

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 115.

Population and Local Economy

The County's population estimate as of May 1, 2020 was 440,224 increasing by a net 1,392 residents or 0.3% over 2019. Four of the seven cities saw growth between 2019 and 2020, with the highest growth rate in Rio Vista at 4.1%. The cities of Benicia, Suisun City and Vallejo all saw declines in population between 2019 and 2020. In comparison to California, California added 87,494 residents, equal to 0.2% over 2019. The County's population ranks number 21 out of 58 California counties in terms of population size.

The population of Solano County is projected to grow to 518,980 or 25.7% 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 2020 Property Assessment Roll (net of exemptions) of \$60.9 billion increased \$2.9 billion or 4.9% from the prior year's roll value and represents property ownership in Solano County as of January 1, 2020. This is the ninth consecutive year of increasing assessed values.

Long-term Financial Planning and Major Initiatives

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, 2020, the Board adopted \$46.7 million in the General Fund General Reserve. This amount is above the minimum established per the policy, but less than the target of \$97.0 million. For the FY 2020/21, the Board adopted a General Fund Contingency in the amount of \$17 million, which is below the policy level of 10% (or \$26.5 million).

In addition, the Board established a General Fund Assigned Fund Balance for Future CalPERS Rate Increases. As of June 30, 2020, the balance was \$21.1 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. This Trust is recorded as a General Fund Restricted Fund Balance for Future Pension Contributions and as of June 30, 2020, the balance was \$31.6 million (including interest).

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 project is in the early stages and as of June 30, 2020, approximately \$0.5 million has been expended leaving a balance of \$9.5 million.

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.

The County of Solano maintains a five-year Capital Facilities Improvement Plan (CFIP), a comprehensive planning document used to ensure its facilities, equipment and infrastructure are maintained and in optimal operating condition. The report is a tool to plan for the allocation of short- and long-term resources, to establish project priorities and to develop annual financial plans used in conjunction with the County Budget. The CFIP is also used as a source document to prepare the County's annual Public Facilities Fees. The Department of General Services fosters cooperation among other County Departments and the County Administrator's Office to plan for future maintenance and expansion of its services and public infrastructure.

During fiscal year 2019/20, the Capital Improvement Program costs included over \$13 million to provide Renovation and Replacement of Obsolete and Aging Facilities and Equipment. Total available funding for FY 2020/21 is \$30.7 million (Accumulated Capital Outlay fund) and includes renovation projects on existing facilities and a new Solano Residential Mental Health Diversion Facility and Adult Board and Care Facility.

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, 2019. This is the eighteenth 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,



Phyllis S. Taynton, CPA
Auditor-Controller



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**County of Solano
California**

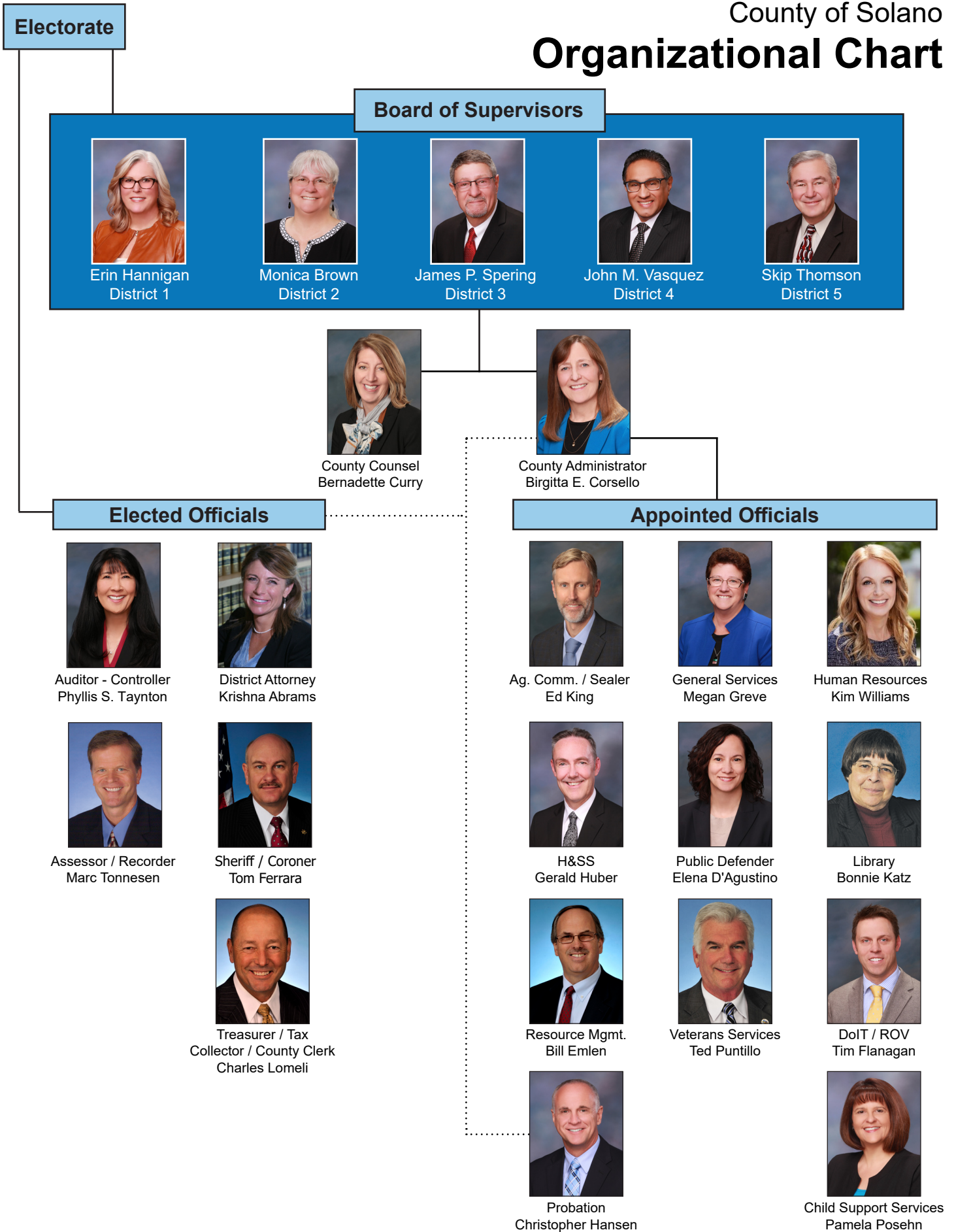
For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2019

Christopher P. Morill

Executive Director/CEO

County of Solano Organizational Chart



County of Solano

Department Head Listings

Agricultural Commissioner – Sealer of Weights & Measures.....	Ed King.....	784-1310
Assessor/Recorder.....	Marc Tonnesen.....	784-6200
Auditor-Controller.....	Phyllis S. Taynton.....	784-6280
Department of Information Technology/Register of Voters.....	Tim Flanagan.....	784-6675
County Administrator.....	Birgitta E. Corsello.....	784-6100
County Counsel.....	Bernadette Curry.....	784-6140
Child Support Services.....	Pamela Posehn.....	784-3606
District Attorney.....	Krishna Abrams.....	784-6800
General Services.....	Megan Greve.....	784-7900
Health & Social Services.....	Gerald Huber.....	784-8400
Human Resources/Risk Management.....	Kim Williams.....	784-6170
Library.....	Bonnie Katz.....	784-1500
Probation.....	Christopher Hansen.....	784-7600
Public Defender – Alternate Public Defender.....	Elena D’Agustino.....	784-6700
Resource Management.....	Bill Emlen.....	784-6765
Sheriff/Coroner.....	Tom Ferrara.....	784-7030
Treasurer/Tax Collector/County Clerk.....	Charles Lomeli.....	784-6295
Veterans Services.....	Ted Puntillo.....	784-6590
Workforce Development Board (WDB).....	Heather Henry.....	863-3501

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Independent Auditor's 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, each major fund, and the aggregate discretely presented component units and the aggregate remaining fund information of the County of Solano, California (County), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate discretely presented component units and the aggregate remaining fund information of the County, as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedules of changes in the net pension liability and related ratios, schedules of pension plan contributions, schedule of changes in the net OPEB liability and related ratios, schedules 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 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 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 30, 2020 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 County's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Sacramento, California
December 30, 2020

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OFFICE OF THE AUDITOR-CONTROLLER

PHYLLIS S. TAYNTON, CPA
Auditor-Controller

SHEILA O. TURGO
Assistant Auditor-Controller



SOLANO COUNTY

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www.solanocounty.com

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, 2020. We encourage readers to consider the information presented here in conjunction with additional information in our financial statements.

Financial Highlights

- The County's net position at June 30, 2020 was \$409.6 million. Of this amount, \$250.5 million (restricted net position) is restricted for the use of specific government programs providing ongoing services to citizens.
- The County's total net position decreased \$31.5 million as a result of the current year's operations.
- At June 30, 2020, the County's governmental funds reported combined ending fund balances of \$422.1 million, an increase of \$13.7 million as a result of the current year's operations. Approximately, 2.6% or \$11.1 million of the total fund balance is nonspendable; 56.7% or \$239.5 million is restricted; 0.01% or \$43.8 thousand is committed; 29.6% or \$124.9 million is assigned for specific purposes by the Board of Supervisors (the Board); and 11.0% or \$46.6 million is unassigned.
- At June 30, 2020, unassigned fund balance for the General Fund was \$46.6 million or 51.6% 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 the 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, aggregate 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 funds 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 fund. 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 sources 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 47-106 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 Plan Contributions for the defined benefit pension plans and the other postemployment benefit plan. Required supplementary information can be found on pages 107-118 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 119-150 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, 2020 the County reported a net position of \$409.6 million.

Solano County's Net Position

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Current and other assets	\$ 573,275,602	\$ 549,443,905	\$ (659,771)	\$ (5,230)	\$ 572,615,831	\$ 549,438,675
Capital assets	555,026,101	556,102,859	17,465,955	17,635,098	572,492,056	573,737,957
Total assets	<u>1,128,301,703</u>	<u>1,105,546,764</u>	<u>16,806,184</u>	<u>17,629,868</u>	<u>1,145,107,887</u>	<u>1,123,176,632</u>
Deferred loss on refunding	1,672,739	1,824,806	-	-	1,672,739	1,824,806
Deferred outflows related to pension	95,660,970	113,643,047	80,524	106,021	95,741,494	113,749,068
Deferred outflows related to OPEB	5,927,650	5,705,850	6,350	6,150	5,934,000	5,712,000
Total deferred outflows of resources	<u>103,261,359</u>	<u>121,173,703</u>	<u>86,874</u>	<u>112,171</u>	<u>103,348,233</u>	<u>121,285,874</u>
Other liabilities	95,586,887	82,540,191	204,379	887,665	95,791,266	83,427,856
Long-term obligations	719,364,265	696,992,545	3,100,906	3,201,077	722,465,171	700,193,622
Total liabilities	<u>814,951,152</u>	<u>779,532,736</u>	<u>3,305,285</u>	<u>4,088,742</u>	<u>818,256,437</u>	<u>783,621,478</u>
Deferred inflows related to pension	16,606,569	18,778,310	13,667	18,534	16,620,236	18,796,844
Deferred inflows related to OPEB	4,005,607	1,001,947	4,297	1,053	4,009,904	1,003,000
Total deferred inflows of resources	<u>20,612,176</u>	<u>19,780,257</u>	<u>17,964</u>	<u>19,587</u>	<u>20,630,140</u>	<u>19,799,844</u>
Net investment in capital assets	481,312,570	477,673,000	14,961,611	15,017,861	496,274,181	492,690,861
Restricted	250,489,348	254,067,156	-	-	250,489,348	254,067,156
Unrestricted	(335,802,184)	(304,332,682)	(1,391,802)	(1,384,151)	(337,193,986)	(305,716,833)
Total net position	<u>\$ 395,999,734</u>	<u>\$ 427,407,474</u>	<u>\$ 13,569,809</u>	<u>\$ 13,633,710</u>	<u>\$ 409,569,543</u>	<u>\$ 441,041,184</u>

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, 2020 by \$409.6 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. There were 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 decreased by a net \$3.6 million from prior year primarily due to increases in health and social services program expenses while charges for services and reimbursements for health services were down (\$13.5 million) and \$2.3 million increases in public safety program expenses causing draws on restricted net position offset by \$6.0 million increase in public facilities fees from lesser use of funds for projects related to growth; \$2.7 million increase in library services and \$2.1 million increase in transportation services due to favorable operations.

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

Governmental activities. Governmental activities decreased the County's net position by \$31.4 million.

Solano County's Change in Net Position
For the fiscal years ended June 30, 2020 and 2019

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenues:						
Program revenues:						
Charges for services	\$ 80,926,640	\$ 87,814,968	\$ 1,255,357	\$ 1,298,285	\$ 82,181,997	\$ 89,113,253
Operating grants and contributions	398,728,555	395,493,586	89,014	10,097	398,817,569	395,503,683
Capital grants and contributions	840,449	7,441,552	26,851	389,265	867,300	7,830,817
General revenues:						
Property taxes	191,219,961	183,109,543	459,518	441,618	191,679,479	183,551,161
Other taxes	5,896,376	5,590,773	-	-	5,896,376	5,590,773
Intergovernmental	3,821,753	3,614,085	4,369	4,760	3,826,122	3,618,845
Interest and investment earnings	9,975,712	10,863,331	36,620	82,465	10,012,332	10,945,796
Other	10,768,382	15,397,129	196,357	161,572	10,964,739	15,558,701
Gain on sale of capital assets	197,857	522,313	-	-	197,857	522,313
Total Revenues	702,375,685	709,847,280	2,068,086	2,388,062	704,443,771	712,235,342
Expenses:						
General government	77,400,983	79,056,546	-	-	77,400,983	79,056,546
Public protection	256,573,399	230,141,732	-	-	256,573,399	230,141,732
Public ways and facilities	17,395,553	21,057,877	-	-	17,395,553	21,057,877
Health services	188,075,259	173,753,194	-	-	188,075,259	173,753,194
Public assistance	168,263,482	154,082,791	-	-	168,263,482	154,082,791
Education and recreation	21,746,756	20,198,264	-	-	21,746,756	20,198,264
Interest on long-term debt	4,331,445	5,275,669	-	-	4,331,445	5,275,669
Nut Tree Airport	-	-	2,128,535	2,115,088	2,128,535	2,115,088
Total Expenses	733,786,877	683,566,073	2,128,535	2,115,088	735,915,412	685,681,161
Excess before transfers	(31,411,192)	26,281,207	(60,449)	272,974	(31,471,641)	26,554,181
Transfers	3,452	4,316	(3,452)	(4,316)	-	-
Change in net position	(31,407,740)	26,285,523	(63,901)	268,658	(31,471,641)	26,554,181
Net position - beginning	427,407,474	401,121,951	13,633,710	13,365,052	441,041,184	414,487,003
Net position - ending	\$ 395,999,734	\$ 427,407,474	\$ 13,569,809	\$ 13,633,710	\$ 409,569,543	\$ 441,041,184

Revenues:

Total revenues for the County's governmental activities decreased by a net \$7.5 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:

- \$4.4 million decrease in health services due to less reimbursements directly related to provider productivity, staff vacancies and the impact of COVID-19 pandemic on patient volume and decrease in one-time funds in prior year from rate-setting cost settlement audit.
- \$1 million decrease in election services over prior year due to the March 2020 primary election held during FY 2019/20 and whose costs are borne by the County, compared to FY 2018/19 which included the November 2018 general election which is reimbursed by the local agencies.
- \$680 thousand decrease in public facilities fees when compared to prior year due to less building permits issued for new construction activities in Fairfield and Rio Vista.

Operating grants and contributions:

Operating grants increased by a net \$3.2 million from prior year primarily due to the following:

- \$2.9 million increase in general government due to a state grant for new election tabulation system.

- \$6.6 million increase in public protection due to increased 2011 realignment funding and one-time state grant to the Department of Child Support Services for tenant improvement
- \$1.2 million increase in public ways due to higher gas tax revenues and federal revenues for various road maintenance project.
- \$5.9 million increase in social services program administration due to increased caseload.
- \$12.6 million decrease in health services due to negative impact of the COVID-19 pandemic on the 1991 realignment and federally qualified health center clinic revenues. Also, contributing to the decreases is the receipt of one-time revenues in the prior year not applicable in the current year.
- \$0.8 million decrease in library sales tax revenues as a result of COVID-19 pandemic.

Capital grants and contributions:

Capital grants and contributions decreased by \$6.6 million due to the final completion in FY 2018/19 of the Rourk Vocational Training Center at the County's Claybank Campus in Fairfield which was funded by SB1022 grant and a decrease in federal road and bridge construction revenues resulting from the deferral of federal projects and prioritizing work on new and existing non-federal projects.

General revenues:

General revenues had a net increase of \$2.8 million which is primarily due to higher property tax revenues (\$8.1 million) due to increases in secured property taxes, property tax in lieu and ABX1 26 residual and pass-through revenues from continued increases in assessed values as the real estate market continues to improve. The increase was offset by \$4.6 million decrease in other one-time revenues from insurance settlements and proceeds, tax losses reserve, and other miscellaneous revenues, and \$0.9 million decrease in investment earnings due to lower investments yield.

Expenses:

Total expenses for governmental activities increased by \$50.2 million from prior year due to the following:

Across all functions, pension expense increased by \$31.08 million based on the accounting valuation of the County's Pension Plan in accordance with GASB 68; salaries and benefits increased by a net \$3 million primarily due to increases in salaries from negotiated cost of living increases and vacancies were filled, and contractual increases in health insurance costs offset by decreases in extra help, overtime costs, and workers compensation; Other charges increased \$13.2 million for support/care of clients, housing for clients, and contracted direct services due to increased outpatient and residential services provided based on increased need and more availability of community based organizations, increase in software costs for a data integration project.

Business-type activities. The net position of the business-type activity decreased by \$64 thousand primarily due to less revenues than expenses. In prior year, the Airport received \$389 thousand in Capital Grants and Contributions relating to the fence and gate improvement project; however, there were no projects in the current year.

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 sources. 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, 2020:

Fund Balance					
Governmental Funds					
	General	Health & Social Sciences	Public Safety	Other Governmental Funds	Total Governmental Funds
Fund Balances					
Nonspendable	\$ 10,406,843	\$ 368,489	\$ 74,859	\$ 234,605	\$ 11,084,796
Restricted	32,142,481	82,362,166	21,598,250	103,380,825	239,483,722
Committed	-	-	-	43,830	43,830
Assigned	98,182,453	300,000	-	26,418,947	124,901,400
Unassigned	46,629,038	-	-	-	46,629,038
Total Fund Balances	<u>\$ 187,360,815</u>	<u>\$ 83,030,655</u>	<u>\$ 21,673,109</u>	<u>\$ 130,078,207</u>	<u>\$ 422,142,786</u>

At June 30, 2020, the County's governmental funds reported combined ending fund balances of \$422.1 million, an increase of \$13.7 million from prior year. The largest component of the fund balance, at 56.7% of the total or \$239.5 million, was restricted. 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 \$124.9 million, representing 29.6 % 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 \$13.8 million from prior year due to increases in revenues from taxes and charges for services. At June 30, 2020, the total General Fund fund balance was \$187.4 million. The assigned fund balance of \$98.2 million, or 52.4% 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 \$46.6 million, or 24.9%, which is available for the Board's discretion. Nonspendable fund balance was \$10.4 million, or 5.6% of total fund balance, representing inventory and long-term receivables. Restricted fund balance was \$32.1 million, or 17.2% 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 51.6% of this amount.

The *Health and Social Services Fund*, a special revenue fund, had a net decrease in fund balance of \$11.1 million primarily from increased spending across most programs (In Home Support Services, Behavioral Health, Health Services, Social Services and Assistance Programs) and a net decrease in revenues resulting in a draw on restricted fund balance.

The *Public Safety Fund*, a special revenue fund, had a net decrease in fund balance of \$1.8 million due to implementation of various public safety programs.

The fund balance of *Other Governmental Funds* had a net increase of \$12.9 million primarily due to the \$6.0 million increase in public facilities fees fund due to lesser use of funds for projects related to growth; increase of \$2.7 million in the library fund due to favorable operations and less

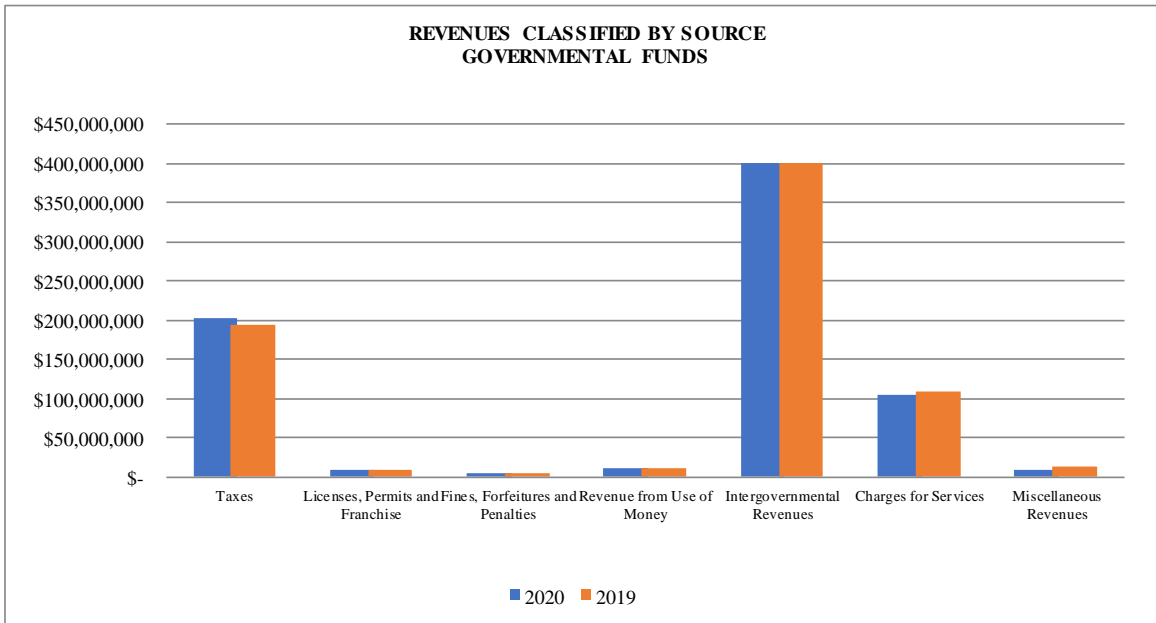
capital outlay due to completion of projects; an increase of \$1.7 million increase in the Transportation Fund attributed to favorable operations this fiscal year due to delayed projects and \$1.8 million in the accumulated capital outlay fund due to timing of projects being completed.

For fiscal year ended June 30, 2020, the total revenues for the County’s governmental funds totaled \$740.8 million, a net increase of \$1.2 million, or 0.2% from FY 2018/19.

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

**Revenues Classified by Source
Governmental Funds**

	2020		2019		Increase/(Decrease)	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent Change
Revenues by Source						
Taxes	\$ 201,749,753	27.23%	\$ 194,068,835	26.24%	\$ 7,680,918	3.96%
Licenses, permits and franchise	8,832,142	1.19%	8,402,167	1.14%	429,975	5.12%
Fines, forfeitures and penalties	4,080,824	0.55%	4,783,007	0.65%	(702,183)	-14.68%
Revenues from the use of money	10,596,768	1.43%	11,077,677	1.50%	(480,909)	-4.34%
Intergovernmental revenues	401,135,635	54.16%	399,399,685	54.00%	1,735,950	0.43%
Charges for services	104,896,790	14.16%	108,203,867	14.63%	(3,307,077)	-3.06%
Miscellaneous revenues	9,496,332	1.28%	13,696,409	1.84%	(4,200,077)	-30.67%
Total	\$ 740,788,244	100.00%	\$ 739,631,647	100.00%	\$ 1,156,597	0.16%



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

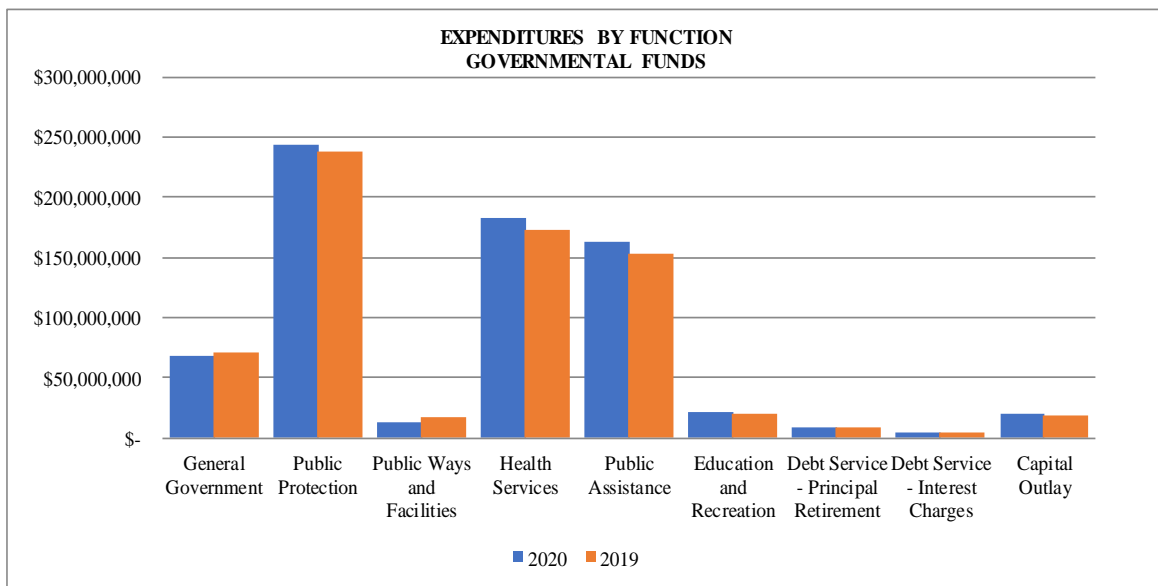
- **Taxes:** The net increase of \$7.7 million is primarily due to increased secured property taxes and property tax in lieu from continued increases in assessed values as the real estate market continues to improve.
- **Intergovernmental revenues:** The net increase of \$1.7 million is primarily due to receipt of intergovernmental grant revenues for the Registrar of Voters for a voting system replacement/firewall grant.

- Charges for services: The net decrease of \$3.3 million is attributable to decrease in health services revenues received in the prior year for the final rate settlement audit of the Federally Qualified Health Clinics (FQHC) and a decrease in Medi-Cal services revenue due to a decrease in services provided to the clients as a result of the COVID19 pandemic which reduced patient volume.
- Miscellaneous revenues: The net decrease of \$4.2 million is due to one-time insurance proceeds/settlement in the prior year and tax losses reserve revenues not materializing in the current year.

For the fiscal year ended June 30, 2020, the total expenditures for the County’s governmental funds totaled \$727.1 million, a net increase of \$23.5 million, or 3.3%, over FY 2018/19.

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

Expenditures by Function	Expenditures by Function Governmental Funds					
	2020		2019		Increase/(Decrease)	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent Change
General Government	\$ 68,779,964	9.46%	\$ 70,449,084	10.01%	\$ (1,669,120)	-2.37%
Public protection	243,125,106	33.44%	237,568,546	33.78%	5,556,560	2.34%
Public ways and facilities	13,378,933	1.84%	17,280,474	2.46%	(3,901,541)	-22.58%
Health services	183,330,727	25.22%	172,336,799	24.48%	10,993,928	6.38%
Public assistance	163,126,616	22.43%	152,889,849	21.73%	10,236,767	6.70%
Education and recreation	21,342,902	2.94%	20,375,647	2.90%	967,255	4.75%
Debt service - principal retirement	8,747,924	1.20%	9,057,219	1.29%	(309,295)	-3.41%
Debt service - interest charges	4,446,920	0.61%	4,884,300	0.69%	(437,380)	-8.95%
Capital outlay	20,784,242	2.86%	18,710,135	2.66%	2,074,107	11.09%
Total	\$ 727,063,334	100.00%	\$ 703,552,053	100.00%	\$ 23,511,281	3.34%



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

- Public protection: The net increase of \$5.6 million is attributable to increases in salaries and benefit costs due to negotiated cost of living adjustments and contractual retirement and health benefit cost increases, and increases in services and supplies (insurance, maintenance contracts, data processing, etc.).
- Public ways and facilities: the decrease of \$3.9 million is attributable to less maintenance work, and project delays and postponements due to federal projects being deferred in order to prioritize the work on new and existing non-federal projects.
- Health services: The net increase of \$11.0 million is primarily due to \$5.9M increase in Behavioral Health due to increased outpatient and residential services due to an increase in availability of community-based organizations and \$3.4 million increase in Health Services due to increases in salaries and benefits due to negotiated cost of living adjustments and contractual retirement and health benefit cost increases and new data integration project.
- Public assistance: The net increase of \$10.2 million is primarily due to increases in employee salaries and benefits; the Napa/Solano Area Agency on Aging (AAA) costs reflects the program's first full year of operations; purchases of laptops for Employment & Eligibility staff for telework due to the COVID19 pandemic; housing support for clients, and CalWORKS grant increases authorized by the State in FY 2019/20.
- Capital outlay: The net increase of \$2.1 million is primarily due to \$1.9 million increase in the Registrar of Voter's Office for new voter tabulation system; \$1.3 million in the Public Safety fund for purchases of new equipment and software for various programs in the Sheriff's Office. The increases were offset by \$1.2 million decrease in various public works construction 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, 2020 was a negative \$1.4 million. The fund deficit did not change notably from the prior year and remains at \$1.4 million.

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 115 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 \$3.2 million and expenditures were less than appropriations by \$22.4 million, thus reducing the need to draw upon fund balance.

Revenue Variances:

- Taxes - \$3.0 million favorable variance is due to higher secured property taxes and property tax in lieu from continued increases in assessed values as the real estate market continues to improve.
- Use of money and property - \$1.9 million favorable variance due to higher than anticipated market yield from investments including the PARS115 Trust.
- Intergovernmental revenues - \$0.8 million favorable variance due to Registrar of Voters receiving \$504 thousand more in grant funds for a voting system replacement/firewall grant; and \$308 thousand more than anticipated in redevelopment dissolution asset distribution and motor vehicle in lieu revenues.

- Miscellaneous revenues - \$2.8 million unfavorable variance due to miscellaneous revenues not materializing.

Expenditure Variances:

- General Services - \$3.5 million favorable variance from unspent appropriations in salaries and benefits due to vacant positions, and appropriations for various services and supplies were not spent due to delays in projects and savings in utilities.
- General Expenditures - \$2.2 million favorable variance primarily from unspent appropriations in accrued leave payouts and technology projects that did not materialize in the current year.
- Resource Management - \$1.3 million favorable variance from unspent appropriations in salaries and benefits due to vacant positions and contracted & other professional services due to being unable to complete all the budgeted projects relating to land use and integrated waste projects.
- Contingencies - appropriations included \$10.0 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 - \$13.6 million favorable variance due to transfers to various County departments not materializing, primarily from Public Safety for unspent appropriations due to the timing of filling vacant positions and increases in other funding sources and Health and Social Services due to caseload changes.

Capital Asset and Debt Administration

Capital assets. The County’s capital assets for its governmental and business-type activities at June 30, 2020, were \$572.5 million (net of accumulated depreciation). This investment in capital assets includes land, artwork, intangibles, buildings, machinery and equipment, roads, and bridges. The net decrease in the County’s capital assets for the current fiscal year was \$1.2 million or 0.22%. In both governmental and business-type activities, increases in capital assets were offset by retirements and depreciation expense for the fiscal year.

	<u>Governmental activities</u>		<u>Business-type activities</u>		<u>Total</u>		<u>Increase/ (Decrease)</u>
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>Percent Change</u>
Land	\$ 157,443,014	\$ 157,040,694	\$ 8,304,351	\$ 8,304,351	\$ 165,747,365	\$ 165,345,045	0.24%
Artwork	857,761	857,261	-	-	857,761	857,261	0.06%
Intangibles	13,622,136	12,787,883	-	-	13,622,136	12,787,883	6.52%
Infrastructure	163,634,358	163,150,350	-	-	163,634,358	163,150,350	0.30%
Construction in progress	50,741,568	43,657,726	534,165	4,806,119	51,275,733	48,463,845	5.80%
Buildings	493,812,640	486,780,943	17,941,271	13,264,984	511,753,911	500,045,927	2.34%
Machinery and equipment	72,802,571	68,806,112	136,154	136,154	72,938,725	68,942,266	5.80%
Less: accumulated depreciation	<u>(397,887,947)</u>	<u>(376,978,110)</u>	<u>(9,449,986)</u>	<u>(8,876,510)</u>	<u>(407,337,933)</u>	<u>(385,854,620)</u>	5.57%
Total	<u>\$ 555,026,101</u>	<u>\$ 556,102,859</u>	<u>\$ 17,465,955</u>	<u>\$ 17,635,098</u>	<u>\$ 572,492,056</u>	<u>\$ 573,737,957</u>	-0.22%

Additional information on the County’s capital assets can be found in Note III-D on pages 75-77 of this report.

Long-term Debt. At June 30, 2020, the County’s total long-term debt for its governmental and business-type activities was \$96.7 million, which is entirely backed by the full faith and credit of the County.

	Governmental activities		Business-type activities		Total	
	2020	2019	2020	2019	2020	2019
Notes Payable	\$ 1,217,533	\$ 1,410,456	\$ 2,504,326	\$ 2,617,237	\$ 3,721,859	\$ 4,027,693
Certificates of Participation	72,590,120	79,129,675	-	-	72,590,120	79,129,675
Pension Obligation Bonds	20,375,000	23,375,000	-	-	20,375,000	23,375,000
Total	\$ 94,182,653	\$ 103,915,131	\$ 2,504,326	\$ 2,617,237	\$ 96,686,979	\$ 106,532,368

The County’s total long-term debt decreased by a net \$9.1 million due primarily to the \$6.6 million decrease in Certificates of Participation and \$3.0 million decrease in Pension Obligation Bonds during the fiscal year.

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 N/A*
S&P AA (unchanged since 08/15/17)

Pension Obligation Bonds

Moody’s A1 (unchanged since 11/03/17)
S&P AA+ (unchanged since 02/23/18)

* The County does not have any outstanding COP’s that carry a rating by Moody's.

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 169 in the statistical section of this report.

Additional information on the County’s long-term debt can be found in Notes III-H on pages 80-86 of this report.

Economic Factors and Next Year’s Budgets and Rates

- The unemployment rate for the County is currently 8.5%. This is lower than the State’s average of unemployment rate of 9.0 % (as of October 2020). The federal, state and local economies continue to be impacted by the COVID19 medical pandemic.
- 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 2020/21 the Adopted Budget included \$17.0 million in appropriations for contingencies, \$46.7 million in general reserves, \$6.4 million in designation for unfunded employee leave payoff, \$52.7 million for future employer PERS rate increases (of which \$31.6 million was legally restricted in the Public Agencies Retirement System (PARS) Section 115 Pension Trust at June 30, 2020), \$1.6 million for housing/SB375, \$21.9 million in designation for capital renewal, and \$9.5 million in designation for property tax system replacement.

- The Assessor reported the FY 2020/21 secured property tax roll increased by 4.9%, or \$2.9 billion countywide over the FY 2019/20 lien date values resulting in a secured roll totaling over \$60.9 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, 2020

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	Solano County Fair	Workforce Development Board
ASSETS					
Current assets					
Cash and investments	\$ 461,233,467	\$ 1,719,172	\$ 462,952,639	\$ 461,422	\$ 966,194
Cash and investments - restricted	32,142,481	-	32,142,481	-	-
Accounts receivable	3,373,118	70,805	3,443,923	87,184	124,881
Due from other agencies	67,165,737	93,642	67,259,379	58,765	49,606
Other assets	1,581,322	35,743	1,617,065	5,890	75,586
Total current assets	<u>565,496,125</u>	<u>1,919,362</u>	<u>567,415,487</u>	<u>613,261</u>	<u>1,216,267</u>
Noncurrent assets					
Internal balances	2,579,133	(2,579,133)	-	-	-
Due from component units	740,996	-	740,996	-	-
Long-term receivables	4,459,348	-	4,459,348	-	-
Capital assets:					
Capital assets, not being depreciated	209,512,589	8,838,516	218,351,105	167,085	-
Capital assets, being depreciated, net	345,513,512	8,627,439	354,140,951	273,941	9,095
Total noncurrent assets	<u>562,805,578</u>	<u>14,886,822</u>	<u>577,692,400</u>	<u>441,026</u>	<u>9,095</u>
Total assets	<u>1,128,301,703</u>	<u>16,806,184</u>	<u>1,145,107,887</u>	<u>1,054,287</u>	<u>1,225,362</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred loss on refunding	1,672,739	-	1,672,739	-	-
Deferred outflows related to pensions	95,660,970	80,524	95,741,494	153,935	-
Deferred outflows related to OPEB	5,927,650	6,350	5,934,000	-	-
Total deferred outflows of resources	<u>103,261,359</u>	<u>86,874</u>	<u>103,348,233</u>	<u>153,935</u>	<u>-</u>
LIABILITIES					
Current liabilities					
Outstanding warrants	7,491,144	22,584	7,513,728	-	284,736
Payables	48,293,252	117,952	48,411,204	140,294	396,673
Unearned revenue	16,457,385	-	16,457,385	2,697	17,676
Other liabilities	797,300	61,871	859,171	25,400	-
Due to other agencies	22,547,806	1,972	22,549,778	-	3,280
Current portion of long-term obligations	29,006,942	128,660	29,135,602	103,692	149,876
Total current liabilities	<u>124,593,829</u>	<u>333,039</u>	<u>124,926,868</u>	<u>272,083</u>	<u>852,241</u>
Noncurrent liabilities					
Due to primary government	-	-	-	740,996	-
Net pension liability	557,316,055	553,074	557,869,129	1,539,065	-
Net OPEB liability	15,918,775	16,495	15,935,270	99,730	-
Long-term obligations	117,122,493	2,402,677	119,525,170	154,898	-
Total noncurrent liabilities	<u>690,357,323</u>	<u>2,972,246</u>	<u>693,329,569</u>	<u>2,534,689</u>	<u>-</u>
Total liabilities	<u>814,951,152</u>	<u>3,305,285</u>	<u>818,256,437</u>	<u>2,806,772</u>	<u>852,241</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows related to pensions	16,606,569	13,667	16,620,236	41,806	-
Deferred inflows related to OPEB	4,005,607	4,297	4,009,904	25,096	-
Total deferred inflows of resources	<u>20,612,176</u>	<u>17,964</u>	<u>20,630,140</u>	<u>66,902</u>	<u>-</u>
NET POSITION					
Net investment in capital assets	481,312,570	14,961,611	496,274,181	248,173	9,095
Restricted for:					
Debt service	6,681,331	-	6,681,331	-	-
Public safety	21,982,402	-	21,982,402	-	-
Capital projects	19,469,428	-	19,469,428	-	-
Public facilities fees	35,023,242	-	35,023,242	-	-
Library services	25,520,238	-	25,520,238	-	-
Transportation services	14,193,264	-	14,193,264	-	-
Health services	111,404,172	-	111,404,172	-	-
Home loan program	5,066,612	-	5,066,612	-	-
Micrographics & modernization projects	10,210,856	-	10,210,856	-	-
Other purposes	937,803	-	937,803	34,414	-
Unrestricted	(335,802,184)	(1,391,802)	(337,193,986)	(1,948,039)	364,026
Total net position (deficit)	<u>\$ 395,999,734</u>	<u>\$ 13,569,809</u>	<u>\$ 409,569,543</u>	<u>\$ (1,665,452)</u>	<u>\$ 373,121</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, 2020

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental Activities:				
General government	\$ 77,400,983	\$ 29,364,221	\$ 4,594,056	\$ -
Public protection	256,573,399	23,471,599	91,094,679	-
Public ways and facilities	17,395,553	1,430,799	16,379,066	840,449
Health services	188,075,259	20,351,850	129,566,420	-
Public assistance	168,263,482	698,477	152,134,059	-
Education and recreation	21,746,756	5,609,694	4,960,275	-
Interest on long-term debt	4,331,445	-	-	-
Total Governmental Activities	<u>733,786,877</u>	<u>80,926,640</u>	<u>398,728,555</u>	<u>840,449</u>
Business-type Activities:				
Nut Tree Airport	2,128,535	1,255,357	89,014	26,851
Total Primary Government	<u>\$ 735,915,412</u>	<u>\$ 82,181,997</u>	<u>\$ 398,817,569</u>	<u>\$ 867,300</u>
Component Units:				
Solano County Fair	\$ 3,496,085	\$ 3,093,825	\$ 70,481	-
Workforce Development Board	5,359,464	-	5,167,102	-
Total Component Units	<u>\$ 8,855,549</u>	<u>\$ 3,093,825</u>	<u>\$ 5,237,583</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
 Net position (deficit) - ending

COUNTY OF SOLANO, CALIFORNIA
Statement of Activities
For the Fiscal Year Ended June 30, 2020

Net (Expense) Revenue and Changes in Net Position

Primary Government			Component Units	
Governmental Activities	Business-type Activities	Total	Solano County Fair	Workforce Development Board
\$ (43,442,706)	\$ -	\$ (43,442,706)	\$ -	\$ -
(142,007,121)	-	(142,007,121)	-	-
1,254,761	-	1,254,761	-	-
(38,156,989)	-	(38,156,989)	-	-
(15,430,946)	-	(15,430,946)	-	-
(11,176,787)	-	(11,176,787)	-	-
(4,331,445)	-	(4,331,445)	-	-
(253,291,233)	-	(253,291,233)	-	-
-	(757,313)	(757,313)	-	-
(253,291,233)	(757,313)	(254,048,546)	-	-
			(331,779)	-
			-	(192,362)
			(331,779)	(192,362)
191,219,961	459,518	191,679,479	-	-
2,635,977	-	2,635,977	-	-
3,260,399	-	3,260,399	-	-
3,821,753	4,369	3,826,122	-	-
9,975,712	36,620	10,012,332	4,815	11,797
10,768,382	196,357	10,964,739	-	53,372
197,857	-	197,857	-	-
3,452	(3,452)	-	-	-
221,883,493	693,412	222,576,905	4,815	65,169
(31,407,740)	(63,901)	(31,471,641)	(326,964)	(127,193)
427,407,474	13,633,710	441,041,184	(1,338,488)	500,314
\$ 395,999,734	\$ 13,569,809	\$ 409,569,543	\$ (1,665,452)	\$ 373,121

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

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

General revenues:
Property taxes
Sales and use tax - shared revenue
Property transfer tax
Intergovernmental not restricted to specific programs
Interest & investment earnings
Other
Gain on sale of capital assets
Transfers
Total general revenues and transfers
Changes in net position
Net position (deficit) - beginning
Net position (deficit) - ending

COUNTY OF SOLANO, CALIFORNIA
Balance Sheet
Governmental Funds
June 30, 2020

	<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	\$ 137,068,891	\$ 118,961,034	\$ 33,833,318	\$ 137,181,624	\$ 427,044,867
Cash and investments - restricted	32,142,481	-	-	-	32,142,481
Accounts receivable, net	2,735,740	23,445	345,724	24,001	3,128,910
Due from other agencies	12,936,804	38,685,293	10,331,111	5,180,384	67,133,592
Due from other funds	9,941,927	5,360,641	2,855,471	1,104,594	19,262,633
Due from component unit	-	-	-	740,996	740,996
Other assets	1,658,105	395,482	74,859	3,284,875	5,413,321
Advance to other funds	9,723,537	-	-	-	9,723,537
Total assets	<u>\$ 206,207,485</u>	<u>\$ 163,425,895</u>	<u>\$ 47,440,483</u>	<u>\$ 147,516,474</u>	<u>\$ 564,590,337</u>
LIABILITIES					
Outstanding warrants	\$ 734,852	\$ 3,378,700	\$ 594,415	\$ 2,087,846	\$ 6,795,813
Payables	4,514,724	24,289,445	10,802,410	5,584,155	45,190,734
Due to other funds	1,302,185	7,249,595	10,831,226	333,092	19,716,098
Other liabilities	2,100	52,070	26,815	716,316	797,301
Due to other agencies	4,000,893	15,146,960	2,287,411	1,112,171	22,547,435
Unearned revenue	3,603,616	11,937,965	915,804	-	16,457,385
Advance from other funds	-	86,687	-	6,536,228	6,622,915
Total liabilities	<u>14,158,370</u>	<u>62,141,422</u>	<u>25,458,081</u>	<u>16,369,808</u>	<u>118,127,681</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue	<u>4,688,300</u>	<u>18,253,818</u>	<u>309,293</u>	<u>1,068,459</u>	<u>24,319,870</u>
FUND BALANCES:					
Nonspendable	10,406,843	368,489	74,859	234,605	11,084,796
Restricted	32,142,481	82,362,166	21,598,250	103,380,825	239,483,722
Committed	-	-	-	43,830	43,830
Assigned	98,182,453	300,000	-	26,418,947	124,901,400
Unassigned	46,629,038	-	-	-	46,629,038
Total fund balances	<u>187,360,815</u>	<u>83,030,655</u>	<u>21,673,109</u>	<u>130,078,207</u>	<u>422,142,786</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 206,207,485</u>	<u>\$ 163,425,895</u>	<u>\$ 47,440,483</u>	<u>\$ 147,516,474</u>	<u>\$ 564,590,337</u>

COUNTY OF SOLANO, CALIFORNIA
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
June 30, 2020

Total governmental funds, fund balance		\$ 422,142,786
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.		544,929,880
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.		24,319,870
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		\$ 1,672,739
Deferred outflows related to pensions	\$ 91,899,176	
Deferred inflows related to pensions	<u>(15,211,722)</u>	
Deferred in/outflows related to pensions		76,687,454
Deferred outflow related to OPEB	5,754,690	
Deferred inflow related to OPEB	<u>(3,892,058)</u>	
Deferred in/outflows related to OPEB		1,862,632
		80,222,825
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.		13,462,280
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Accrued interest payable		(1,005,659)
Long-term obligations, net		<u>(688,072,248)</u>
Net position of governmental activities		<u>\$ 395,999,734</u>

COUNTY OF SOLANO, CALIFORNIA
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2020

	<u>General</u>	<u>Health & Social Services</u>	<u>Public Safety</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES					
Taxes	\$ 180,010,561	\$ -	\$ -	\$ 21,739,192	\$ 201,749,753
Licenses, permits and franchises	8,419,383	18,872	76,275	317,612	8,832,142
Fines, forfeitures and penalties	1,275,620	336,781	2,385,125	83,298	4,080,824
Use of money and property	5,544,990	1,858,239	267,052	2,926,487	10,596,768
Intergovernmental	11,036,407	280,327,674	84,711,613	25,059,941	401,135,635
Charges for services	52,967,681	20,990,780	12,243,677	18,694,652	104,896,790
Miscellaneous	1,332,321	3,182,729	1,259,253	3,722,029	9,496,332
Total revenues	<u>260,586,963</u>	<u>306,715,075</u>	<u>100,942,995</u>	<u>72,543,211</u>	<u>740,788,244</u>
EXPENDITURES					
Current:					
General government	64,666,741	-	-	4,113,223	68,779,964
Public protection	22,352,430	-	216,881,574	3,891,102	243,125,106
Public ways and facilities	-	-	-	13,378,933	13,378,933
Health services	-	179,364,972	-	3,965,755	183,330,727
Public assistance	804,452	161,452,229	-	869,935	163,126,616
Education and recreation	326,539	-	-	21,016,363	21,342,902
Debt service:					
Principal	-	-	192,924	8,555,000	8,747,924
Interest and other charges	-	-	6,007	4,440,913	4,446,920
Capital outlay	2,171,565	128,408	1,918,813	16,565,456	20,784,242
Total expenditures	<u>90,321,727</u>	<u>340,945,609</u>	<u>218,999,318</u>	<u>76,796,680</u>	<u>727,063,334</u>
Excess (deficiency) of revenues over (under) expenditures	<u>170,265,236</u>	<u>(34,230,534)</u>	<u>(118,056,323)</u>	<u>(4,253,469)</u>	<u>13,724,910</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	923,274	25,872,006	120,245,422	21,586,633	168,627,335
Transfers out	(157,518,978)	(2,744,478)	(4,006,699)	(4,523,631)	(168,793,786)
Sale of capital assets	86,046	-	206	70,120	156,372
Total other financing sources (uses)	<u>(156,509,658)</u>	<u>23,127,528</u>	<u>116,238,929</u>	<u>17,133,122</u>	<u>(10,079)</u>
Changes in fund balances	13,755,578	(11,103,006)	(1,817,394)	12,879,653	13,714,831
Fund balances - beginning	173,605,237	94,133,661	23,490,503	117,198,554	408,427,955
Fund balances - ending	<u>\$ 187,360,815</u>	<u>\$ 83,030,655</u>	<u>\$ 21,673,109</u>	<u>\$ 130,078,207</u>	<u>\$ 422,142,786</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, 2020

Changes in fund balances - total governmental funds \$ 13,714,831

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	\$ 20,784,242	
Depreciation	<u>(22,642,274)</u>	(1,858,032)

The net effect of various miscellaneous capital asset transactions (i.e., sales, trade-ins, and donations). (236,908)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds. (3,793,290)

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.

Debt principal payments	\$ 8,747,924	
Change in premium	<u>984,555</u>	9,732,479

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 net OPEB liability	\$ 2,576,443	
Change in net pension liability	(50,378,979)	
Change in pollution remediation obligations	(34,374)	
Change in accrued interest payable	115,475	
Change in deferred loss on refunding	(152,067)	
Change in compensated absences	<u>(1,840,678)</u>	(49,714,180)

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. 747,360

Changes in net position of governmental activities \$ (31,407,740)

COUNTY OF SOLANO, CALIFORNIA
Statement of Net Position
Proprietary Funds
June 30, 2020

	Non-Major Enterprise Fund Nut Tree Airport	Governmental Activities - Internal Service Funds
ASSETS		
Current assets		
Cash and investments	\$ 1,719,172	\$ 34,188,599
Accounts receivable	70,805	244,208
Due from other agencies	93,642	32,144
Due from other funds	130	612,339
Other assets	35,743	627,350
Total current assets	1,919,492	35,704,640
Noncurrent assets		
Land	8,304,351	-
Construction in progress	534,165	766,504
Buildings and improvements	17,941,271	655,470
Machinery and equipment	136,154	28,631,505
Intangibles	-	5,928,605
Less: accumulated depreciation	(9,449,986)	(25,885,863)
Total capital assets	17,465,955	10,096,221
Total assets	19,385,447	45,800,861
 DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows related to pensions	80,524	3,761,794
Deferred outflows related to OPEB	6,350	172,960
Total deferred outflows of resources	86,874	3,934,754
 LIABILITIES		
Current liabilities		
Outstanding warrants	22,584	695,329
Payables	117,952	2,096,859
Due to other funds	109	158,895
Other liabilities	61,871	-
Due to other agencies	1,972	371
Current portion of long-term obligations	128,660	6,128,359
Total current liabilities	333,148	9,079,813
Noncurrent liabilities		
Net pension liability	553,074	12,867,156
Net OPEB liability	16,495	355,653
Noncurrent portion of long-term obligations	2,402,677	11,940,849
Advances from other funds	2,579,154	521,468
Total noncurrent liabilities	5,551,400	25,685,126
Total liabilities	5,884,548	34,764,939
 DEFERRED INFLOWS OF RESOURCES		
Deferred inflows related to pensions	13,667	1,394,847
Deferred inflows related to OPEB	4,297	113,549
Total deferred inflows of resources	17,964	1,508,396
 NET POSITION		
Net investment in capital assets	14,961,611	10,182,397
Unrestricted	(1,391,802)	3,279,883
Total net position	\$ 13,569,809	\$ 13,462,280

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, 2020

	Non-Major Enterprise Fund Nut Tree Airport	Governmental Activities - Internal Service Funds
OPERATING REVENUES		
Charges for sales and services	\$ 1,255,357	\$ 48,125,070
Total operating revenues	<u>1,255,357</u>	<u>48,125,070</u>
OPERATING EXPENSES		
Personnel services	434,284	13,451,186
Maintenance	115,313	1,519,340
Materials and supplies	443,217	1,397,712
Depreciation	573,476	2,366,074
Insurance	22,631	14,601,269
Rent, utilities and others	389,565	15,996,292
Total operating expenses	<u>1,978,486</u>	<u>49,331,873</u>
Operating income (loss)	<u>(723,129)</u>	<u>(1,206,803)</u>
NONOPERATING REVENUES (EXPENSES)		
Intergovernmental	93,383	546,310
Investment earnings	36,620	696,774
Interest expense	(150,048)	-
Property taxes	459,517	-
Other revenue	196,357	262,784
Gain from sale of capital assets	-	278,392
Total nonoperating revenues (expenses)	<u>635,829</u>	<u>1,784,260</u>
Income (loss) before transfers and capital contributions	<u>(87,300)</u>	<u>577,457</u>
Capital contributions	26,851	-
Transfers in	-	439,875
Transfers out	(3,452)	(269,972)
Changes in net position	<u>(63,901)</u>	<u>747,360</u>
Total net position - beginning	<u>13,633,710</u>	<u>12,714,920</u>
Total net position - ending	<u>\$ 13,569,809</u>	<u>\$ 13,462,280</u>

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

COUNTY OF SOLANO, CALIFORNIA
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2020

	Non -Major Enterprise Fund Nut Tree Airport	Governmental Activities - Internal Service Funds
Cash flows from operating activities:		
Receipts from customers	\$ 1,059,723	\$ 583,965
Receipts from interfund services provided	294,958	47,540,095
Payments to suppliers	(1,409,553)	(33,429,367)
Payments to employees	(393,648)	(12,420,383)
Payments for interfund services used	(241,742)	(2,251,765)
Net cash provided by (used for) operating activities	(690,262)	22,545
Cash flows from noncapital financing activities:		
Transfers in	-	439,875
Transfers out	(3,452)	(269,972)
Property taxes received	459,516	-
Advances from other funds	-	280,922
Intergovernmental revenues received	93,383	546,310
Net cash provided for noncapital financing activities	549,447	997,135
Cash flows from capital and related financing activities:		
Capital contributions	26,851	-
Interest paid	(150,048)	-
Debt principal paid	(117,133)	-
Acquisition of capital assets	(404,332)	(3,105,867)
Net cash used for capital and related financing activities	(644,662)	(3,105,867)
Cash flows from investing activities:		
Investment income received	36,620	696,774
Net cash provided by investing activities	36,620	696,774
Net increase (decrease) in cash and investments	(748,857)	(1,389,413)
Cash and investments - beginning	2,468,029	35,578,012
Cash and investments - ending	\$ 1,719,172	\$ 34,188,599
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:		
Operating income (loss)	(723,129)	(1,206,803)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:		
Depreciation	573,476	2,366,074
Other nonoperating revenue	196,357	262,784
Pension expense	67,643	1,105,984
OPEB expense	(2,704)	(73,679)
Changes in assets and liabilities:		
(Increase) decrease in receivables, net	(99,848)	159,739
(Increase) decrease in due from other funds	2,815	(400,486)
(Increase) decrease in due from other agencies	-	(23,047)
(Increase) decrease in other assets	2,774	(108,374)
Increase (decrease) in outstanding warrants	(21,118)	(208,212)
Increase (decrease) in payables	(621,899)	(1,588,162)
Increase (decrease) in due to other funds	(57)	(249,629)
Increase (decrease) in unearned revenue	(1,122)	-
Increase (decrease) in due to other agencies	1,891	(141)
Increase (decrease) in accrued compensated absences	(24,303)	(13,503)
Increase (decrease) in other liabilities	(41,038)	-
Total adjustments	32,867	1,229,348
Net cash provided by (used for) operating activities	\$ (690,262)	\$ 22,545

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, 2020

	<u>External Investment Trust</u>	<u>Private Purpose Trust</u>	<u>Agency Funds</u>
ASSETS			
Cash and investments	\$ 923,788,542	\$ 8,920,432	\$ 81,102,772
Property tax receivable	-	-	28,588,624
Property of estates	-	6,963,114	-
Total assets	<u>923,788,542</u>	<u>15,883,546</u>	<u>\$ 109,691,396</u>
LIABILITIES			
Due to others	-	-	\$ 109,691,396
Total liabilities	<u>-</u>	<u>-</u>	<u>\$ 109,691,396</u>
NET POSITION			
Individuals	-	15,883,546	
Pool participants	923,788,542	-	
Total net position	<u>\$ 923,788,542</u>	<u>\$ 15,883,546</u>	

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

COUNTY OF SOLANO, CALIFORNIA
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Fiscal Year Ended June 30, 2020

	External Investment Trust	Private Purpose Trust
ADDITIONS		
Contributions on pooled investments	\$ 804,806,104	\$ -
Property of estates	-	4,582,675
Other contributions/additions	-	422,780
Interest and investment income	10,066,760	72,343
Total additions	<u>814,872,864</u>	<u>5,077,798</u>
DEDUCTIONS		
Distributions from pooled investments	762,047,181	-
Distributions to beneficiaries	-	3,962,070
Total deductions	<u>762,047,181</u>	<u>3,962,070</u>
Changes in net position	52,825,683	1,115,728
Net position - beginning	870,962,859	14,767,818
Net position - ending	<u>\$ 923,788,542</u>	<u>\$ 15,883,546</u>

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

**COUNTY OF SOLANO, CALIFORNIA
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FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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COUNTY OF SOLANO, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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, 2019.

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:

- Districts that provide fire protection services to the citizens of the County include Dixon Fire Protection District, Montezuma Fire Protection District, Suisun Fire Protection District and Vacaville Fire Protection District. A five-member board appointed by the County Board of Supervisors governs each district.
- Districts that provide burial services for all qualifying district residents and their families include Rio Vista Cemetery District, Silveyville Cemetery District, Solano Cemetery District and Vacaville-Elmira Cemetery District. A five-member board appointed by the County Board of Supervisors governs each cemetery district.
- Districts that develop and administer various resource conservation programs within the County include Dixon Resource Conservation District, Suisun Resource Conservation District and Solano Resource Conservation District. 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 the 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 services 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 are 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 non-major 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 Investments 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 requirement investments at fair value in the accompanying financial statements. The fair value of investments is based on the independent third-party pricing models, published market prices or quotations from licensed broker/dealer firms. For purposes of the statement of cashflows, 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, and (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 to participate 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 \$8,920,432 at June 30, 2020 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 governmental 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 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. Buildings 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	3-20
Heavy 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 or resources (expense/expenditure) until then. As of June 30, 2020, 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. The 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 or resources (revenue) until that time. The County has two items reportable on the Statement of Net Position: the first item relates to deferred inflows of resources related to pensions; and the second item relates to deferred inflows of resources related to OPEB. The County also has deferred inflows of resources related to unavailable revenue 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 are 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 employee's 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 sickleave shall not be cashed out at the time of separation from the County; however, upon retirement eligible employees convert all unused sickleave 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 long-term obligations are reported as long-term obligations 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 \$250,489,348, of which \$35,023,242 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 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 of 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 of \$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 expenditures are 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 \$544,929,880 difference are as follows:

Land, not being depreciated	\$ 157,443,014
Construction in progress	49,975,064
Artwork	857,761
Intangibles, not being depreciated	470,246
Infrastructure, net of \$80,933,169 accumulated depreciation	82,701,189
Buildings, net of \$257,204,146 accumulated depreciation	235,953,024
Machinery and equipment, net of \$27,982,542 accumulated depreciation	16,188,524
Intangibles, net of \$5,873,573 accumulated depreciation	<u>1,341,058</u>
Net adjustment to increase fund balances-total governmental funds to arrive at net assets-governmental activities	<u><u>\$ 544,929,880</u></u>

County of Solano

Notes to the Basic Financial Statements for the Fiscal Year Ended June 30, 2020

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 \$688,072,248 difference are as follows:

Notes payable	\$ 1,217,533
Certificates of participation	61,760,000
Issuance premium	10,830,120
Pension obligation bonds	20,375,000
OPEB liability	15,563,122
Pollution remediation obligation	144,150
Net pension liability	544,448,899
Compensated absences	<u>33,733,424</u>
Net adjustment to reduce total governmental funds-fund balance to arrive at net position of governmental activities	<u><u>\$ 688,072,248</u></u>

III. DETAILED NOTES ON ALL FUNDS

A. Cash and Investments

The County's cash and investments at June 30, 2020 were as follows:

	<u>Amount</u>
Cash & Cash Equivalents	<u>\$ 13,871,184</u>
County Investments	
Money Market Mutual Funds	4,657,797
Certificates of Deposits	20,042,960
State of California Local Agency Investment Fund (LAIF)	57,091,104
Investment Trust of California Joint Powers Authority Pool (CAL TRUST)	64,100,157
California Asset Management Program (CAMP)	40,385,211
Corporate Notes	168,598,060
Supranational	74,335,162
U.S. Government Agency Notes:	
Federal Farm Credit Bank	73,561,577
Federal Home Loan Bank	328,063,172
Federal Home Loan Mortgage Corporation	161,790,599
Federal National Mortgage Association	56,164,689
Private Export Funding	11,537,252
Tennessee Valley Authority	20,453,250
U.S. Treasury Securities	308,431,470
Municipal Bonds	61,219,717
Total County Investments	<u>1,450,432,177</u>
Total County Treasury	<u>1,464,303,361</u>
Cash and Investments with Fiscal Agents	
Cash & Cash Equivalents	833,961
Money Market Mutual Funds	22,707,631
Corporate Notes	12,116,568
Municipal Bonds	135,871
U.S. Government Agency Notes:	
Federal Home Loan Bank	3,122,250
Overseas Private Investment Corporation	2,060,500
U.S. Department of Housing & Urban Development	2,026,110
U.S. Treasury Securities	3,028,230
Total Investments with Fiscal Agents	<u>45,197,160</u>
Total Cash and Investments	<u>\$ 1,510,334,482</u>

Reconciliation to the financial statements:

Government-wide Statement of Net Position:	
Cash and investments	\$ 462,952,639
Cash and investments - restricted	32,142,481
Statement of Fiduciary Net Position:	
External Investment Trust	923,788,542
Private Purpose Trust	8,920,432
Agency Funds	81,102,772
Component Units:	
Solano County Fair	461,422
Workforce Development Board	966,194
Total	<u>\$ 1,510,334,482</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 the 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, 2020, the County's investment in LAIF is \$57.1 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. LAIF is authorized under Government Code §16429.1 and their investment criteria is established in Government Code §16430. The weighted average to maturity of PMIA investments was 191 days as of June 30, 2020. 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, 2020, the County's investment with CALTRUST is \$64.1 million. The Board of Trustees, which is made 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, 2020, the County's investments with CAMP is \$40.4 million. The weighted average to maturity of CAMP investments was 53 days as of June 30, 2020. 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. The PARS 115 Retirement Trust shall be governed by Government Code §53216 et seq.

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 position 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, 2020, the weighted average to maturity of the Treasurer's Pool was 354 days.

County of Solano

Notes to the Basic Financial Statements for the Fiscal Year Ended June 30, 2020

The fair value of the County's investments as of June 30, 2020 is as follows:

	Investment Maturities Fair Value (in Years)			
	Amount	Less than 1	1 to 5	More than 5
County Investments				
Money Market Mutual Funds	\$ 4,657,797	\$ 4,657,797	\$ -	\$ -
Certificates of Deposits	20,042,960	20,042,960	-	-
State of California Local Agency Investment Fund (LAIF)	57,091,104	57,091,104	-	-
Investment Trust of California Joint Powers Authority Pool (CAL TRUST)	64,100,157	64,100,157	-	-
California Asset Management Program (CAMP)	40,385,211	40,385,211	-	-
Corporate Notes	168,598,060	118,011,784	50,586,276	-
Supranational	74,335,162	64,069,462	10,265,700	-
U.S. Government Agency Notes:				
Federal Farm Credit Bank	73,561,577	38,039,873	35,521,704	-
Federal Home Loan Bank	328,063,172	106,041,658	222,021,514	-
Federal Home Loan Mortgage Corporation	161,790,599	-	161,790,599	-
Federal National Mortgage Association	56,164,689	10,015,101	46,149,588	-
Private Export Funding	11,537,252	11,537,252	-	-
Tennessee Valley Authority	20,453,250	20,453,250	-	-
U.S. Treasury Securities	308,431,470	216,682,620	91,748,850	-
Municipal Bonds	61,219,717	19,205,447	22,350,148	19,664,122
<i>Total County Investments</i>	<u>1,450,432,177</u>	<u>790,333,676</u>	<u>640,434,379</u>	<u>19,664,122</u>
Investments with Fiscal Agents				
Money Market Mutual Funds	22,707,631	22,707,631	-	-
Corporate Notes	12,116,568	996,860	11,119,708	-
Municipal Bonds	135,871	135,871	-	-
U.S. Government Agency Notes:				
Federal Home Loan Bank	3,122,250	-	3,122,250	-
Overseas Private Investment Corporation	2,060,500	-	2,060,500	-
U.S. Department of Housing & Urban Development	2,026,110	1,001,970	1,024,140	-
U.S. Treasury Securities	3,028,230	-	3,028,230	-
<i>Total Investments with Fiscal Agents</i>	<u>45,197,160</u>	<u>24,842,332</u>	<u>20,354,828</u>	<u>-</u>
Total Investments	<u>\$ 1,495,629,337</u>	<u>\$ 815,176,008</u>	<u>\$ 660,789,208</u>	<u>\$ 19,664,122</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 of credit downgrade of an issuer or backer. State law limits investments in commercial paper and corporate bonds to the top two rating issued by nationally recognized statistical rating organizations. The County's investments 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 issues.

County of Solano

Notes to the Basic Financial Statements for the Fiscal Year Ended June 30, 2020

- 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, 2020 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	0.31%
Certificates of Deposits	AA-	1.34%
State of California Local Agency Investment Fund (LAIF)	Not Rated	3.82%
Investment Trust of California Joint Powers Authority Pool Money Market	AAA	4.29%
California Asset Management Program (CAMP)	AAA	2.70%
Corporate Notes	A-	2.60%
Corporate Notes	A	3.64%
Corporate Notes	A+	3.00%
Corporate Notes	AA-	2.05%
Supranational	AAA	4.97%
U.S. Government Agency Notes:		
Federal Farm Credit Bank	AA+	4.92%
Federal Home Loan Bank	AAA	3.40%
Federal Home Loan Bank	AA+	18.53%
Federal Home Loan Mortgage Corporation	AA+	9.03%
Federal Home Loan Mortgage Corporation	AAA	1.79%
Federal National Mortgage Association	AA+	3.03%
Federal National Mortgage Association	AAA	0.74%
Private Export Funding	AAA	0.77%
Tennessee Valley Authority	AA+	1.37%
U.S. Treasury Securities	AA+	1.34%
U.S. Treasury Securities	AAA	19.28%
Municipal Bonds	A-	0.68%
Municipal Bonds	AA	1.08%
Municipal Bonds	AA-	1.48%
Municipal Bonds	AA+	0.77%
Municipal Bonds	AAA	0.09%
Investments with Fiscal Agents		
Money Market Mutual Funds	AAA	1.47%
Corporate Notes	Not Rated	0.74%
Corporate Notes	AA-	0.07%
Municipal Bonds	AA+	0.01%
U.S. Government Agency Notes:		
Federal Home Loan Bank	AA+	0.21%
Overseas Private Investment Corporation	AA+	0.14%
U.S. Department of Housing & Urban Development	AA+	0.14%
U.S. Treasury Securities	Exempt	0.20%
		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 5.00% or more of the total investments of the County are as follows:

<u>Issuer Name</u>	<u>Amount</u>
Federal Home Loan Bank	\$ 328,063,172
Federal Home Loan Mortgage Corporation	161,790,599

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 investments 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 institution 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, 2020 is as follows:

Investment	Fair Value	Cost	Interest Rate Range (%)	Maturity Range (Month/Year)
Treasury Investment Pool				
Money Market Mutual Funds	\$ 4,657,797	\$ 4,657,797	0.000	07/20
Certificates of Deposits	20,042,960	20,000,000	1.798	08/20
State of California Local Agency Investment Fund (LAIF)	57,091,104	57,091,104	1.217	07/20
Investment Trust of California Joint Powers Authority Pool (CAL TRUST)	64,100,157	64,100,157	0.210	07/20
California Asset Management Program (CAMP)	40,385,211	40,385,211	0.480 - 0.560	07/20
Corporate Notes	168,598,060	166,565,185	1.731 - 3.113	07/20 - 09/22
Supranational	74,335,162	73,611,671	0.361 - 2.250	03/21 - 07/21
U.S. Government Agency Notes	651,570,539	648,106,793	0.187 - 2.801	07/20 - 04/25
U.S. Treasury Securities	308,431,470	305,192,641	0.122 - 2.360	08/20 - 08/21
Municipal Bonds	61,219,717	60,636,899	1.534 - 3.340	08/20 - 08/41
Total County Investments	1,450,432,177	1,440,347,458		
Investments with Fiscal Agents				
Money Market Mutual Funds	22,707,631	22,705,946	0.260	07/20
Corporate Notes	12,116,568	11,899,424	1.790 - 3.340	04/21 - 10/23
Municipal Bonds	135,871	135,000	2.850	11/20
Federal Home Loan Bank	3,122,250	3,055,722	2.280	06/22
Overseas Private Investment Corporation	2,060,500	2,006,484	2.060	03/24
U.S. Department of Housing & Urban Development	2,026,110	2,000,000	2.510 - 2.540	08/20 - 08/21
U.S. Treasury Securities	3,028,230	2,979,727	1.110	06/21
Total Investments with Fiscal Agents	45,197,160	44,782,303		
Total Investments	\$ 1,495,629,337	\$ 1,485,129,761		

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 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.

County of Solano

Notes to the Basic Financial Statements for the Fiscal Year Ended June 30, 2020

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, 2020:

	Fair Value Measurements Using			
	Balance at June 30, 2020	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<u>County Investments by Fair Value Level</u>				
Money Market Mutual Funds	\$ 4,657,797	\$ 4,375,309	\$ 282,488	\$ -
Certificates of Deposits	20,042,960	-	20,042,960	-
Corporate Notes	168,598,060	-	168,598,060	-
Supranational	74,335,162	-	74,335,162	-
U.S. Government Agency Notes:				
Federal Farm Credit Bank	73,561,577	-	73,561,577	-
Federal Home Loan Bank	328,063,172	-	328,063,172	-
Federal Home Loan Mortgage Corporation	161,790,599	-	161,790,599	-
Federal National Mortgage Association	56,164,689	-	56,164,689	-
Private Export Funding	11,537,252	-	11,537,252	-
Tennessee Valley Authority	20,453,250	-	20,453,250	-
U.S. Treasury Securities	308,431,470	308,431,470	-	-
Municipal Bonds	61,219,717	-	61,219,717	-
Total Investments Measured at Fair Value	\$ 1,288,855,705	\$ 312,806,779	\$ 976,048,926	\$ -
<u>County Investments not subject to Fair Value Hierarchy</u>				
State of California Local Agency Investment Fund (LAIF)	57,091,104			
California Asset Management Program (CAMP)	40,385,211			
Investment Trust of California Joint Powers Authority Pool (CAL TRUST)	64,100,157			
Total Investments not subject to Fair Value Hierarchy	161,576,472			
Total County Pooled Investments	\$ 1,450,432,177			
<u>Investments with Fiscal Agents by Fair Value Level</u>				
Money Market Mutual Funds	\$ 22,707,631	\$ 13,139,978	\$ 9,567,653	\$ -
Corporate Notes	12,116,568	-	12,116,568	-
Municipal Bonds	135,871	-	135,871	-
U.S. Government Agency Notes:				
Federal Home Loan Bank	3,122,250	-	3,122,250	-
Overseas Private Investment Corporation	2,060,500	-	2,060,500	-
U.S. Department of Housing & Urban Development	2,026,110	-	2,026,110	-
U.S. Treasury Securities	3,028,230	-	3,028,230	-
Total Investments with Fiscal Agents measured at Fair Value	\$ 45,197,160	\$ 13,139,978	\$ 32,057,182	\$ -
Total Investments	\$ 1,495,629,337			

The following represents a condensed statement of net position and changes in net position for the Treasurer's Pool as of June 30, 2020:

Statement of net position	
Net position held in trust for all pool participants	<u>\$ 1,456,504,897</u>
Equity of internal pool participants	\$ 532,716,355
Equity of external pool participants	<u>923,788,542</u>
Total Net Position	<u>\$ 1,456,504,897</u>
Statement of changes in net position	
Net position as of July 1, 2019	\$ 1,386,455,849
Net change in investments by pool participants	<u>70,049,048</u>
Net Position as of June 30, 2020	<u>\$ 1,456,504,897</u>
Add outstanding warrants:	
Primary government	7,513,728
Component Unit:	
Workforce Development Board	<u>284,736</u>
Total held by County Treasury	<u>\$ 1,464,303,361</u>

B. Due To/Due From Other Funds

The composition of the interfund balances as of June 30, 2020 is as follows:

		Due To Other Funds						
		General Fund	Health & Social Services	Public Safety	Other Govern-mental	Nut Tree Airport	Internal Service Funds	Total
Due From Other Funds	General Fund	\$ -	\$ 4,197,144	\$ 5,436,511	\$ 248,974	\$ -	\$ 59,298	\$ 9,941,927
	Health & Social Services	18,202	-	5,275,921	23,882	-	42,636	5,360,641
	Public Safety	458,607	2,309,920	-	40,106	-	46,838	2,855,471
	Other Govern-mental	649,992	326,353	99,696	19,190	109	9,254	1,104,594
	Nut Tree Airport	-	-	-	-	-	130	130
	Internal Service Funds	175,384	416,178	19,098	940	-	739	612,339
	Total	<u>\$ 1,302,185</u>	<u>\$ 7,249,595</u>	<u>\$ 10,831,226</u>	<u>\$ 333,092</u>	<u>\$ 109</u>	<u>\$ 158,895</u>	<u>\$ 19,875,102</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. Due from component units represents the Solano County Fair’s share of pension obligation funds.

C. Advance To/From Other Funds

The composition of the Advance to/from other funds as of June 30, 2020 is as follows:

		Advance To				
		Health & Social Services	Other Governmental	Nut Tree Airport	Internal Service Funds	Total
Advance From		<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	General Fund	\$ 86,687	6,536,228	\$ 2,579,154	\$ 521,468	\$ 9,723,537

As of June 30, 2020, the outstanding amounts owed to the General Fund by other funds are as follows: the Health & Social Services Fund owes \$86,687 to cover costs related to COVID-19 which will be repaid through Federal Funds; 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; the Accumulated Capital Outlay Fund (Other Governmental Funds) owes \$5,655,533 to cover the costs of the Fairgrounds development. The County accepted Requests for Qualifications (RFQ) for this project in FY 2019/20. Revenues generated from the completion of this project will be used to repay this advance. For more information, see <https://www.solanocounty.com/solano360/rfq.asp>. The Nut Tree Airport Enterprise Fund owes \$2,579,154 to cover the costs of 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 hangar project was completed in FY 2018/19 and a 25-year repayment schedule is established with a start date in FY 2020/21. The Department of Information Technology (Internal Service Fund) has been advanced \$521,468 to date for the replacement of the SCIPS (Solano County Integrated Property Tax System) and will be recovered through user charges once the system is installed and running.

D. Capital Assets

Capital asset governmental activity for the fiscal year ended June 30, 2020 is as follows:

Governmental Activities	Beginning Balance	Additions	Retirements and Adjustments	Transfers	Ending Balance
Capital assets, not being depreciated:					
Land	\$ 157,040,694	\$ 402,320	\$ -	\$ -	\$ 157,443,014
Construction in progress	43,657,726	14,334,866	(5,740)	(7,245,284)	50,741,568
Artwork	857,261	-	-	500	857,761
Intangibles	802,173	187,248	-	(519,175)	470,246
Total capital assets, not being depreciated	<u>202,357,854</u>	<u>14,924,434</u>	<u>(5,740)</u>	<u>(7,763,959)</u>	<u>209,512,589</u>
Capital assets, being depreciated:					
Buildings	486,780,943	286,996	(5,961)	6,750,662	493,812,640
Machinery and equipment	68,806,112	8,347,424	(4,361,079)	10,114	72,802,571
Infrastructure	163,150,350	-	-	484,008	163,634,358
Intangibles	11,985,710	780,645	(133,640)	519,175	13,151,890
Total capital assets being depreciated	<u>730,723,115</u>	<u>9,415,065</u>	<u>(4,500,680)</u>	<u>7,763,959</u>	<u>743,401,459</u>
Less accumulated depreciation for:					
Buildings	(241,224,421)	(16,289,419)	-	-	(257,513,840)
Machinery and equipment	(46,886,118)	(4,717,513)	3,964,871	-	(47,638,760)
Infrastructure	(77,351,264)	(3,581,905)	-	-	(80,933,169)
Intangibles	(11,516,307)	(419,511)	133,640	-	(11,802,178)
Total accumulated depreciation	<u>(376,978,110)</u>	<u>(25,008,348)</u>	<u>4,098,511</u>	<u>-</u>	<u>(397,887,947)</u>
Total capital assets, being depreciated, net	<u>353,745,005</u>	<u>(15,593,283)</u>	<u>(402,169)</u>	<u>7,763,959</u>	<u>345,513,512</u>
Governmental activities capital assets, net	<u>\$ 556,102,859</u>	<u>\$ (668,849)</u>	<u>\$ (407,909)</u>	<u>\$ -</u>	<u>\$ 555,026,101</u>

County of Solano

Notes to the Basic Financial Statements for the Fiscal Year Ended June 30, 2020

Capital asset business-type activity for the fiscal year ended June 30, 2020 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	4,806,119	404,333	-	(4,676,287)	534,165
Total capital assets, not being depreciated	13,110,470	404,333	-	(4,676,287)	8,838,516
Capital assets, being depreciated					
Buildings	13,264,984	-	-	4,676,287	17,941,271
Machinery and equipment	136,154	-	-	-	136,154
Total capital assets, being depreciated	13,401,138	-	-	4,676,287	18,077,425
Less accumulated depreciation for:					
Buildings	(8,810,961)	(571,907)	-	-	(9,382,868)
Machinery and equipment	(65,549)	(1,569)	-	-	(67,118)
Total accumulated depreciation	(8,876,510)	(573,476)	-	-	(9,449,986)
Total capital assets, being depreciated, net	4,524,628	(573,476)	-	4,676,287	8,627,439
Business-type activities capital assets, net	\$ 17,635,098	\$ (169,143)	\$ -	\$ -	\$ 17,465,955

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

Governmental activities:

General government	\$ 5,546,263
Public safety	8,399,939
Public ways and facilities	4,189,293
Health and sanitation	2,276,702
Public assistance	1,491,206
Education	569,842
Recreation	169,029

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

Total depreciation expense - governmental activities \$ 25,008,348

Business-type activities:

Nut Tree Airport \$ 573,476

County of Solano

Notes to the Basic Financial Statements for the Fiscal Year Ended June 30, 2020

Capital asset activity for the discretely presented component units for the fiscal year ended June 30, 2020 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	9,792,687	-	-	9,792,687
Machinery and equipment	395,046	-	-	395,046
Intangibles	6,000	-	-	6,000
Total capital assets, being depreciated:	10,193,733	-	-	10,193,733
Less accumulated depreciation for:				
Buildings	(9,352,413)	(174,991)	-	(9,527,404)
Machinery and equipment	(388,044)	(3,152)	-	(391,196)
Intangibles	(796)	(396)	-	(1,192)
Total accumulated depreciation	(9,741,253)	(178,539)	-	(9,919,792)
Total capital assets, being depreciated, net	452,480	(178,539)	-	273,941
Total Solano County Fair capital assets, net	\$ 619,565	\$ (178,539)	\$ -	\$ 441,026
Workforce Development Board (WDB)				
Capital assets, being depreciated:				
Machinery and equipment	\$ 35,531	\$ -	\$ -	\$ 35,531
Less: Accumulated depreciation	(18,478)	(7,958)	-	(26,436)
Total WDB capital assets, being depreciated, net	\$ 17,053	\$ (7,958)	\$ -	\$ 9,095

Depreciation expense was charged to the discretely presented component units as follows:

Component units:	
Solano County Fair	\$ 178,539
Workforce Investment Board	7,958
Total depreciation expense-component units	\$ 186,497

E. Interfund Transfers

The composition of interfund transfers for the fiscal year ended June 30, 2020 is as follows:

		Transfers Out						
		General Fund	Health & Social Services	Public Safety	Other Governmental	Nut Tree Airport	Internal Service Funds	Total
Transfers In	General Fund	\$ -	\$ -	\$ -	\$ 923,274	\$ -	\$ -	\$ 923,274
	Health & Social	25,702,201	-	-	169,805	-	-	25,872,006
	Public Safety	119,564,395	-	-	681,027	-	-	120,245,422
	Other Governmental	12,035,616	2,631,935	4,006,699	2,667,088	3,452	241,843	21,586,633
	Internal Service Funds	216,766	112,543	-	82,437	-	28,129	439,875
	Total	\$ 157,518,978	\$ 2,744,478	\$ 4,006,699	\$ 4,523,631	\$ 3,452	\$ 269,972	\$ 169,067,210

Transfers are used to (1) move revenues from the fund required by statute or budget to collect them to the fund required by statute or budget to expend them, (2) move receipts identified for debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

F. Payable

The composition of payables as of June 30, 2020 is as follows:

	<u>Accounts Payable</u>	<u>Accrued Payroll</u>	<u>Accrued Interest</u>	<u>Total</u>
Governmental activities:				
General Fund	\$ 1,923,083	\$ 2,591,641	\$ -	\$ 4,514,724
Health & Social Services	17,292,738	6,996,707	-	24,289,445
Public Safety	3,019,626	7,782,784	-	10,802,410
Other Governmental Funds	4,500,975	1,083,180	-	5,584,155
Internal Service Funds	1,507,904	588,955	-	2,096,859
Reconciliation of balances in fund financial statements to government-wide financial statements	-	-	1,005,659	1,005,659
Total governmental activities	<u>\$ 28,244,326</u>	<u>\$ 19,043,267</u>	<u>\$ 1,005,659</u>	<u>\$ 48,293,252</u>
Business-type activities:				
Nut Tree Airport	<u>\$ 48,794</u>	<u>\$ 11,117</u>	<u>\$ 58,041</u>	<u>\$ 117,952</u>

G. Operating Leases

The County and component units lease office space and equipment under operating leases. Total rental expenditures for such leases were \$2,541,858, for the fiscal year ended June 30, 2020. Future minimum rental payments under all noncancelable operating leases with initial or remaining terms in excess of one year as of June 30, 2020 are summarized in the following table:

<u>Year Ending June 30</u>	<u>Primary Government</u>	<u>Component Unit WDB</u>	<u>Total</u>
2021	\$ 1,571,419	\$ 411,481	\$ 1,982,900
2022	1,131,897	418,720	1,550,617
2023	786,488	383,189	1,169,677
2024	810,083	370,337	1,180,420
2025	422,791	92,898	515,689
	<u>\$ 4,722,678</u>	<u>\$ 1,676,625</u>	<u>\$ 6,399,303</u>

H. Long-term Obligations

Notes Payable

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

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

Year ending June 30	Governmental activities		Business-type activities	
	Notes from Direct Borrowings		Notes from Direct Borrowings	
	Principal	Interest	Principal	Interest
2021	\$ 193,643	\$ 36,725	\$ 117,133	\$ 93,783
2022	1,023,890	399,317	121,513	89,402
2023	-	-	126,057	84,858
2024	-	-	130,773	80,143
2025	-	-	135,666	75,250
2026-2030	-	-	758,409	296,169
2031-2035	-	-	911,481	143,098
2036	-	-	203,294	7,622
	<u>\$ 1,217,533</u>	<u>\$ 436,042</u>	<u>\$ 2,504,326</u>	<u>\$ 870,325</u>

Governmental Activities

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.

During FY 2018/19, the County entered into a loan agreement with Sun Ridge Systems, Inc. for the Software Support and Services for all Regulatory Information Systems (RIMS) public safety software licenses. The balance remaining on the note as June 30, 2020 is \$193,643.

Business-Type Activities

The Nut Tree Airport (Enterprise Fund) entered into two loan agreements with the California Department of Transportation for a State Airport loan. The balance remaining on the loans is \$2,504,326 and is for the construction of Aircraft Hangars at the Nut Tree Airport. The arrangement contains a provision that in an event of default, outstanding amounts become immediately due and payable.

Certificates of Participation

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

Annual debt service requirements to maturity for the Certificate of Participation are shown in the following table:

Year ending June 30	Governmental activities			
	COPs		COPs From Direct Placement	
	Principal	Interest	Principal	Interest
2021	\$ 4,550,000	\$ 2,809,750	\$ 365,000	\$ 103,791
2022	4,780,000	2,576,500	380,000	91,349
2023	5,020,000	2,331,500	390,000	78,490
2024	5,265,000	2,074,375	405,000	65,214
2025	5,535,000	1,804,375	415,000	51,520
2026-2030	32,185,000	4,463,375	1,335,000	67,886
2031	1,135,000	28,375	-	-
	<u>\$ 58,470,000</u>	<u>\$ 16,088,250</u>	<u>\$ 3,290,000</u>	<u>\$ 458,250</u>

The County's Certificates of Participation were issued by the Solano County Facilities Corporation (Corporation), a component unit of the County of Solano. The Certificates are secured by annual lease payments payable by the county for use of the facilities constructed or acquired from the Certificates' proceeds. If the County defaults on its obligations to make lease payments stipulated under the lease agreement, the Trustee, as assignee of the Corporation, may retain the lease agreement and hold the County liable for all lease payments on an annual basis and will have the right to reenter and relet the facilities constructed or acquired from the Certificates' proceeds. In the event such reletting occurs, the County would be liable for any resulting deficiency in lease payments. Alternatively, the Trustee may terminate the lease agreement with respect to the Project and proceed against the County to recover damages pursuant to law or granted pursuant to the lease agreement.

Pension Obligations 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
2021	\$ 3,335,000	\$ 1,091,285
2022	3,680,000	912,662
2023	4,050,000	715,562
2024	4,440,000	498,644
2025	4,870,000	260,837
	<u>\$ 20,375,000</u>	<u>\$ 3,478,990</u>

The County’s outstanding 2005 Pension Obligations Bonds related to governmental activities of \$20,375,000 contain a provision that in an event of default, all bonds then outstanding and the interest accrued thereon to be due and payable immediately if the County is unable to make payment.

County of Solano

Notes to the Basic Financial Statements for the Fiscal Year Ended June 30, 2020

The composition of the long-term obligations for the governmental activities as of June 30, 2020 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
Sun Ridge Systems, Inc.	October 2, 2020	4.00%	578,785	193,643
Total notes payable from Direct Borrowings				<u>1,217,533</u>
Certificates of participation:				
2013 Certificates of Participation from Direct Placements				
Serial	November 15, 2020- November 15, 2027	3.34%	5,420,000	3,290,000
2017 Refunding Certificates of Participation				
Serial	November 11, 2020- November 1, 2031	5.00%	72,775,000	58,470,000
Issuance Premium			13,783,788	10,830,120
Total certificates of participation				<u>72,590,120</u>
Pension Obligation Bonds:				
Series 2005	January 15, 2025	5.36%	42,385,000	20,375,000
Total pension obligation bonds				<u>20,375,000</u>
Self-insurance liability				16,653,000
Compensated absences				35,149,632
Pollution remediation obligation				<u>144,150</u>
Total governmental activities obligations				<u>\$ 146,129,435</u>

County of Solano

Notes to the Basic Financial Statements for the Fiscal Year Ended June 30, 2020

The composition of the long-term obligations for the business-type activities as of June 30, 2020 is as follows:

<u>Type and description</u>	<u>Maturity</u>	<u>Interest Rates (%)</u>	<u>Original Issue</u>	<u>Outstanding</u>
Nut Tree Airport				
Note from Direct Borrowings	October 19, 2035	3.91%	\$ 1,857,313	\$ 1,778,325
Note from Direct Borrowings	April 27, 2036	3.34%	759,924	<u>726,001</u>
Total notes payable from Direct Borrowings				2,504,326
Compensated absences				<u>27,011</u>
Total Nut Tree Airport				<u>\$ 2,531,337</u>

The composition of the long-term obligations for the County's discretely presented component units as of June 30, 2020 is as follows:

<u>Type and description</u>	<u>Outstanding</u>
Solano County Fair	
Payable to County	\$ 740,996
Capital lease	192,854
Compensated absences	65,736
Net pension liability	1,539,065
Net OPEB liability	99,730
Total Solano County Fair	<u>\$ 2,638,381</u>
Workforce Development Board (WDB)	
Compensated absences	<u>\$ 149,876</u>

County of Solano

Notes to the Basic Financial Statements for the Fiscal Year Ended June 30, 2020

Changes in the County's long-term obligations for the fiscal year ended June 30, 2020 are as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Certificates of participation	\$ 63,670,000	\$ -	\$ (5,200,000)	\$ 58,470,000	\$ 4,550,000
Certificates of participation from Direct Placement	3,645,000	-	(355,000)	3,290,000	365,000
Issuance premium	11,814,675	-	(984,555)	10,830,120	984,556
Pension obligation bonds	23,375,000	-	(3,000,000)	20,375,000	3,335,000
Notes payable from Direct Borrowings	1,410,456	-	(192,923)	1,217,533	193,643
Self-insurance liability	16,665,000	4,152,522	(4,164,522)	16,653,000	5,698,000
Pollution remediation obligation	109,777	-	34,373	144,150	144,150
Compensated absences	33,322,456	18,198,118	(16,370,942)	35,149,632	13,736,593
Governmental activities long- term liabilities	<u>\$ 154,012,364</u>	<u>\$ 22,350,640</u>	<u>\$ (30,233,569)</u>	<u>\$ 146,129,435</u>	<u>\$ 29,006,942</u>
Business-type activities:					
Note from Direct Borrowings	\$ 2,617,237	\$ -	\$ (112,911)	\$ 2,504,326	\$ 117,133
Compensated absences	55,536	15,814	(44,339)	27,011	11,527
Business-type activities long- term liabilities	<u>\$ 2,672,773</u>	<u>\$ 15,814</u>	<u>\$ (157,250)</u>	<u>\$ 2,531,337</u>	<u>\$ 128,660</u>

Internal Service Funds predominately serve the governmental funds. Accordingly, \$18,069,208 of the Internal Service Funds' long-term liabilities is included as part of the above total for governmental activities.

Compensated Absences	\$ 1,416,208
Workers' Compensation	<u>16,653,000</u>
Total Liabilities	<u>\$ 18,069,208</u>

County of Solano

Notes to the Basic Financial Statements for the Fiscal Year Ended June 30, 2020

Changes in the long-term obligations for component units for the fiscal year ended June 30, 2020 are as follows:

Component units activities:	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Solano County Fair:					
Payable to County	\$ 734,955	\$ 6,041	\$ -	\$ 740,996	\$ -
Capital lease	293,605	-	(100,751)	192,854	103,692
Compensated absences	54,560	11,176	-	65,736	-
Net pension liability	1,612,287	-	(73,222)	1,539,065	-
Net OPEB liability	-	99,730	-	99,730	-
	<u>-</u>	<u>99,730</u>	<u>-</u>	<u>99,730</u>	<u>-</u>
 Total Solano County Fair	 <u>\$ 2,695,407</u>	 <u>\$ 116,947</u>	 <u>\$ (173,973)</u>	 <u>\$ 2,638,381</u>	 <u>\$ 103,692</u>

Workforce Development Board (WDB):

Compensated absences	<u>\$ 137,378</u>	<u>\$ 193,760</u>	<u>\$ (181,262)</u>	<u>\$ 149,876</u>	<u>\$ 149,876</u>
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Legal Debt Margin

The County is subject to a legal debt limit statutorily computed at 5.0 percent of assessed valuation of taxable property of the County. As of June 30, 2020, the County's total debt limit was \$3,024,688,648, and the total outstanding debt applicable to the limit was \$20,375,000 which is 0.67 percent of the total debt limit.

I. Pollution Remediation Obligations

The County has been named as the primary responsible party for pollution remediation for 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 \$144,150, 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.

County of Solano

Notes to the Basic Financial Statements for the Fiscal Year Ended June 30, 2020

J. Fund Balances

Fund balances for all major and nonmajor governmental funds as of June 30, 2020 are classified as follows:

	<u>General Fund</u>	<u>Health & Social Services</u>	<u>Public Safety</u>	<u>Other Governmental</u>	<u>Total</u>
Nonspendable:					
Inventory	\$ 27,807	\$ -	\$ -	\$ 224,306	\$ 252,113
Long-term receivable	647,550	-	-	-	647,550
Advances	9,723,536	-	-	-	9,723,536
Prepaid items	7,950	368,489	74,859	10,299	461,597
Subtotal	<u>10,406,843</u>	<u>368,489</u>	<u>74,859</u>	<u>234,605</u>	<u>11,084,796</u>
Restricted for:					
Future pension contribution	32,142,481	-	-	-	32,142,481
District Attorney programs	-	-	4,435,869	-	4,435,869
Civil Process operation	-	-	1,197,038	-	1,197,038
Asset Seizure	-	-	177,073	-	177,073
Criminal justice & court facilities	-	-	833,837	-	833,837
Courts and justice system	-	-	214,558	-	214,558
Livescan	-	-	540,968	-	540,968
Law Enforcement programs	-	-	587,438	-	587,438
2011 Realignment for Health & Public Safety	-	-	13,611,469	-	13,611,469
Capital projects	-	-	-	3,683,426	3,683,426
Public Facilities Fees for capital projects	-	-	-	35,018,908	35,018,908
Library services & programs	-	-	-	25,500,077	25,500,077
Public works & road maintenance	-	-	-	13,065,649	13,065,649
MHSA Act programs	-	27,011,165	-	-	27,011,165
First 5 Children & Families Commission	-	-	-	10,109,400	10,109,400
Mental & public health services for IGT	-	22,657,348	-	-	22,657,348
1991 Realignment for health & public assistance	-	32,693,653	-	-	32,693,653
Homeowner's Assistance Program	-	-	-	5,066,612	5,066,612
Micrographics, modernization & recorder's programs	-	-	-	10,210,856	10,210,856
East Vallejo Fire Protection District	-	-	-	2,155	2,155
Wildlife habitat & environmental education	-	-	-	47,394	47,394
Lighting districts	-	-	-	640,470	640,470
Debt Service	-	-	-	35,878	35,878
Subtotal	<u>32,142,481</u>	<u>82,362,166</u>	<u>21,598,250</u>	<u>103,380,825</u>	<u>239,483,722</u>
Committed for:					
Capital projects - Public Art	-	-	-	43,830	43,830
Subtotal	<u>-</u>	<u>-</u>	<u>-</u>	<u>43,830</u>	<u>43,830</u>
Assigned					
Imprest Cash	3,560	-	-	-	3,560
Professional and contracted services	923,785	-	-	-	923,785
Undisbursed approved loans	4,457,780	-	-	-	4,457,780
FY 2020/21 budget shortfall	32,440,875	-	-	-	32,440,875
Property Tax System Replacement	9,478,532	-	-	-	9,478,532
Employers PERS rate increase	21,092,296	-	-	-	21,092,296
Low/moderate income housing projects	1,551,689	-	-	-	1,551,689
Future capital renewal projects	21,864,537	-	-	-	21,864,537
Accrued leave payoff	6,369,399	-	-	-	6,369,399
Shelter Solano Rescue Mission	-	300,000	-	-	300,000
Capital projects	-	-	-	15,601,518	15,601,518
Parks & recreation	-	-	-	247,783	247,783
Debt Service	-	-	-	10,569,646	10,569,646
Subtotal	<u>98,182,453</u>	<u>300,000</u>	<u>-</u>	<u>26,418,947</u>	<u>124,901,400</u>
Unassigned:					
General fund	46,629,038	-	-	-	46,629,038
Subtotal	<u>46,629,038</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>46,629,038</u>
TOTAL:	<u>\$ 187,360,815</u>	<u>\$ 83,030,655</u>	<u>\$ 21,673,109</u>	<u>\$ 130,078,207</u>	<u>\$ 422,142,786</u>

Fund Balance Assignments – Undisbursed Approved Loans

- 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. An additional \$6,200,000 was approved in the subsequent fiscal years (FY 2009/10 - \$2,400,000, FY 2013/14 - \$500,000, FY 2015/16 - \$2,100,000 and FY 2017/18 - \$1,200,000) bringing the total loan to \$8,200,000. As of June 30, 2020, the undisbursed balance of the approved loans was \$2,544,467.
- On May 5, 2020, the Board approved a General Fund advance from the General Fund Contingency for up to \$2,000,000 to the Health & Social Services Fund for costs related to COVID-19 emergency response, pending reimbursement from state and federal emergency appropriations. As of June 30, 2020, the undisbursed balance of the approved advance was \$1,913,313.

K. Tax Abatements

The County provides tax abatements through the Williamson Act Program. 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 I, Title 5, Chapter 7, Article 5 of the State of California Government Code. For the fiscal year ended June 30, 2020, tax abatements under the Williamson Act Program were \$6,719,785.

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 for the Solano County Superior Court, have been excluded from the County's amounts. Footnote disclosure for Solano County Fair is presented consistent with the County's fiscal year-end, which differs from the financial statement presentation of liabilities and pension amounts of Solano County Fair's calendar year-end financials. 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 www.calpers.ca.gov.

A summary of the defined benefit pension plans at June 30, 2020 are as follows:

Miscellaneous Plan	Component Unit			Total
	Governmental Activities	Business-Type Activities	Solano County Fair	
Net pension liability	\$ 425,767,881	\$ 553,074	\$ 1,539,065	\$ 427,860,020
Deferred outflows of resources	66,802,694	80,524	153,935	67,037,153
Deferred inflows of resources	11,629,288	13,667	41,806	11,684,761
Pension expense	86,780,137	112,731	315,974	87,208,842

Safety Plan	Component Unit			Total
	Governmental Activities	Business-Type Activities	Solano County Fair	
Net pension liability	\$ 131,548,174	\$ -	\$ -	\$ 131,548,174
Deferred outflows of resources	28,858,276	-	-	28,858,276
Deferred inflows of resources	4,977,281	-	-	4,977,281
Pension expense	26,118,003	-	-	26,118,003

Total	Component Unit			Total
	Governmental Activities	Business-Type Activities	Solano County Fair	
Net pension liability	\$ 557,316,055	\$ 553,074	\$ 1,539,065	\$ 559,408,194
Deferred outflows of resources	95,660,970	80,524	153,935	95,895,429
Deferred inflows of resources	16,606,569	13,667	41,806	16,662,042
Pension expense	112,898,140	112,731	315,974	113,326,845

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, 2020 are summarized as follows:

	Miscellaneous		
	Prior to	On or after	On or after
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	55	60	62
Monthly Benefits, as % of eligible			
Compensation	2.00% - 2.70%	1.09% - 2.42%	1.00% - 2.50%
Required Employee Contribution Rates	8.00%	7.00%	6.75%
Required Employer Contribution Rates	25.27%	25.27%	25.27%
Status	Closed	Open	Open
	Safety - Sheriff		
	Prior to	On or after	On or after
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	55	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%	11.75%
Required Employer Contribution Rates	32.55%	32.55%	32.55%
Status	Closed	Open	Open
	Safety - County Peace Officer		
	Prior to	On or after	On or after
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	57
Monthly Benefits, as % of Eligible			
Compensation	2.00% - 2.70%	1.43% - 2.00%	1.43% - 2.00%
Required Employee Contribution Rates	9.00%	7.00%	9.25%
Required Employer Contribution Rates	32.55%	32.55%	32.55%
Status	Closed	Open	Open

3. Employees Covered

At June 30, 2020, 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	3,034	594
Inactive employees entitled to but not yet receiving benefits	1,758	234
Active employees	<u>2,446</u>	<u>552</u>
	<u>7,238</u>	<u>1,380</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, 2020 (after the measurement date) was 25.27% for the Miscellaneous and 32.55% for Safety employees. The required employer contribution amounts for the fiscal year ended June 30, 2020 were \$45,516,412 and \$15,915,104 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, 2019, using an annual actuarial valuation as of June 30, 2018 rolled forward to June 30, 2019. 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, 2018 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, 2018	June 30, 2018
Measurement Date	June 30, 2019	June 30, 2019
Actuarial Cost Method	Entry-Age Normal	
Actuarial Assumptions:		
Discount Rate	7.15%	7.15%
Inflation	2.50%	2.50%
Payroll Growth	3.00%	3.00%
Projected Salary Increase	Varies by Entry Age and Service	
Mortality	Derived using CalPERS' Membership Data for All Funds	

The mortality table used was developed based on CalPERS' specific data. The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries. For more details on this table please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from December 2017 that can be found on the CalPERS website.

Long-term Expected Rate of Return

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, the plan 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+ 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 rounded 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 equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

The expected real rates of return by asset class are as followed:

<u>Asset Class</u> ⁽¹⁾	<u>Current Target Allocation</u>	<u>Real Return Years 1-10</u> ⁽²⁾	<u>Real Return Years 11+</u> ⁽³⁾
Global Equity	50.0%	4.80%	5.98%
Fixed Income	28.0%	1.00%	2.62%
Inflation Assets	0.0%	0.77%	1.81%
Private Equity	8.0%	6.30%	7.23%
Real Assets	13.0%	3.75%	4.93%
Liquidity	1.0%	0.00%	(0.92)%
	<u>100.0%</u>		

(1) In the System's CAFR, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.

(2) An expected inflation rate of 2.00% used for this period.

(3) An expected inflation rate of 2.92% used for this period.

Discount Rate

The discount rate used to measure the total pension liability was 7.15%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the Net Pension Liability

The changes in the Net Pension Liability for each Plan of the Primary Government (excluding Courts) for the measurement date June 30, 2019 are as follows:

	Miscellaneous¹		
	Total Pension Liability	Increase (Decrease)	
		Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at June 30, 2019	\$ 1,480,931,872	\$ 1,086,875,411	\$ 394,056,461
Changes in the year:			
Service cost	31,556,201	-	31,556,201
Interest on total pension liability	106,034,702	-	106,034,702
Differences between expected and actual experience	19,202,357	-	19,202,357
Contributions from the employer	-	39,319,645	(39,319,645)
Contributions from employees	-	12,971,904	(12,971,904)
Projected Earnings on Investments	-	76,940,896	(76,940,896)
Differences between Projected and Actual Earnings on Plan Investments	-	(5,650,183)	5,650,183
Benefit payments, including refunds of employee contributions	(75,387,229)	(75,387,229)	-
Administrative Expense	-	(778,222)	778,222
Other Miscellaneous Income/Expense	-	185,661	(185,661)
Net Changes	<u>81,406,031</u>	<u>47,602,472</u>	<u>33,803,559</u>
Balance at June 30, 2020	<u>\$ 1,562,337,903</u>	<u>\$ 1,134,477,883</u>	<u>\$ 427,860,020</u>
		Safety	
	Total Pension Liability	Increase (Decrease)	
		Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at June 30, 2019	\$ 506,521,898	\$ 376,840,148	\$ 129,681,750
Changes in the year:			
Service cost	13,381,529	-	13,381,529
Interest on total pension liability	36,046,179	-	36,046,179
Differences between expected and actual experience	2,504,892	-	2,504,892
Contributions from the employer	-	20,686,756	(20,686,756)
Contributions from employees	-	4,707,776	(4,707,776)
Projected Earnings on Investments	-	26,976,905	(26,976,905)
Differences between Projected and Actual Earnings on Plan Investments	-	(2,037,199)	2,037,199
Benefit payments, including refunds of employee contributions	(23,150,396)	(23,150,396)	-
Administrative Expense	-	(268,921)	268,921
Other Miscellaneous Income/Expense	-	859	(859)
Net Changes	<u>28,782,204</u>	<u>26,915,780</u>	<u>1,866,424</u>
Balance at June 30, 2020	<u>\$ 535,304,102</u>	<u>\$ 403,755,928</u>	<u>\$ 131,548,174</u>
Total for Miscellaneous & Safety	<u>\$ 2,097,642,005</u>	<u>\$ 1,538,233,811</u>	<u>\$ 559,408,194</u>

¹Beginning in fiscal year 2020, the amounts related to the Solano County Fair's allocation of the total pension liability, fiduciary net position, and net pension liability of the Miscellaneous Plan were included in the County's Miscellaneous Plan schedules. Consequently, beginning balances do not agree with the respective prior year balances.

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

The following presents the net pension liability of the County for each Plan, calculated using the discount rate for each Plan, as well as what the County’s net pension liability would be if it were calculated using a discount rate that is 1-percentage point 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	630,628,877	205,136,508	835,765,385
Current Discount Rate	7.15%	7.15%	7.15%
Net Pension Liability	427,860,020	131,548,174	559,408,194
1% Increase	8.15%	8.15%	8.15%
Net Pension Liability	261,848,913	70,951,664	332,800,577

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, 2020, the County recognized total pension expense of \$113,326,845, of which \$87,208,842 is for the Miscellaneous Plan and \$26,118,003 for the Safety Plan. At June 30, 2020, 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	\$ 4,829,026	\$ (4,588,591)	\$ 10,633,469	\$ (1,186,441)	\$ 15,462,495	\$ (5,775,032)
Differences between expected and actual experience	16,691,715	(857,432)	2,309,703	(1,909,480)	19,001,418	(2,766,912)
Pension contributions subsequent to measurement date	45,516,412	-	15,915,104	-	61,431,516	-
Net differences between Projected and Actual Earnings on Pension Plan Investments	-	(6,238,738)	-	(1,881,360)	-	(8,120,098)
Total	<u>\$ 67,037,153</u>	<u>\$ (11,684,761)</u>	<u>\$ 28,858,276</u>	<u>\$ (4,977,281)</u>	<u>\$ 95,895,429</u>	<u>\$ (16,662,042)</u>

The amounts of \$45,516,412 and \$15,915,104 for the Miscellaneous and Safety Plans, respectively, reported as deferred outflows of resources related to pension will be recognized as a reduction of the pension liability in the fiscal year ended June 30, 2021. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as shown in the following table:

Year Ending June 30,	Miscellaneous	Safety	TOTAL
2021	\$ 12,488,638	\$ 6,116,425	\$ 18,605,063
2022	(4,361,530)	1,251,195	(3,110,335)
2023	582,810	(269,252)	313,558
2024	1,126,062	867,523	1,993,585
Total	<u>\$ 9,835,980</u>	<u>\$ 7,965,891</u>	<u>\$ 17,801,871</u>

B. Post Employment Health Care Benefits

1. Plan Description

The County participates in an agent multiple-employer defined benefit healthcare plan administered by CalPERS. The plan provides postemployment healthcare benefits to eligible retirees by contributing a minimum of \$139 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 Bode 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 \$139 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. The Solano County Fair is included as part of the County’s plan. Solano County Fair’s portion of the liability is reported consistent with their audited statements and for financial reporting purposes, an adjustment is made to reflect Solano County Fair’s proportionate share of deferred inflow of resources related to OPEB to properly reflect the plan balances at June 30, 2020.

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>.

A summary of the postemployment healthcare benefits at June 30, 2020 are as follows:

Total	Component Unit			Total
	Governmental Activities	Business-Type Activities	Solano County Fair	
Net OPEB liability	\$ 15,918,775	\$ 16,495	\$ 99,730	\$ 16,035,000
Deferred outflows of resources	5,927,650	6,350	-	5,934,000
Deferred inflows of resources	4,005,607	4,297	25,096	4,035,000
OPEB expense	3,402,350	3,650	21,207	3,427,207

2. Employees Covered

As of January 1, 2019, actuarial valuation, the following current and former employees were covered by the benefit terms:

Inactives currently receiving benefits	837
Inactives entitled to benefit payments	1,484
Active employees	<u>2,803</u>
Total	<u><u>5,124</u></u>

3. Contributions

The County’s minimum required contribution is set by Government Code 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 County establishes the annual contribution based on an actuarially determined amount. Contributions to the OPEB plan from the County were \$5,934,000 for the year ended June 30, 2020. Employees are not required to contribute to the OPEB plan.

4. Net OPEB Liability

The County’s net OPEB liability was measured as of June 30, 2019 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated January 1, 2019 that was rolled forward to determine the June 30, 2019 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, 2019
Discount Rate	6.00%
Inflation	2.75%
Investment Rate of Return	6.00%
Healthcare Trend	Non-Medicare - 7.5% for 2020, decreasing to an ultimate rate of 4.0% in 2076 and later years
	Medicare - 6.5% for 2020, decreasing to an ultimate rate of 4.0% in 2076 and later years
Mortality Improvement	Mortality projected fully generational with Scale MP-2018
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:

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

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, 2019 are as follows:

	Changes in NET OPEB Liability		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balance at June 30, 2019	\$ 61,747,000	\$ 40,374,000	\$ 21,373,000
Changes for the year:			
Service Cost Incurred	2,872,000	-	2,872,000
Interest on Total OPEB Liability	3,803,000	-	3,803,000
Differences between Actual and Expected Experience	(2,935,000)	-	(2,935,000)
Chnages in Assumptions	(735,000)	-	(735,000)
Contribution - ER County	-	5,712,000	(5,712,000)
Projected Earnings on Investments	-	2,520,000	(2,520,000)
Differences between Projected and Actual Earnings on Plan Investment:	-	189,000	(189,000)
Benefit Payments	(2,472,000)	(2,472,000)	-
Administrative Expenses	-	(78,000)	78,000
Current Year Changes:	<u>533,000</u>	<u>5,871,000</u>	<u>(5,338,000)</u>
Balance at June 30, 2020	<u>\$ 62,280,000</u>	<u>\$ 46,245,000</u>	<u>\$ 16,035,000</u>

Sensitivity of the Net OPEB Liability to Change in the Discount Rate and Healthcare Trend 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	\$ 24,317,000	\$ 16,035,000	\$ 9,200,000
Changes in the Healthcare Trend Rate			
	<u>(1% Decrease)</u>	<u>Current Rate</u>	<u>(1% Increase)</u>
Net OPEB Liability	\$ 7,967,000	\$ 16,035,000	\$ 26,049,000

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

For the fiscal year ended June 30, 2020, the County recognized OPEB expense of \$3,406,000. At June 30, 2020, the County reported deferred outflows and deferred inflows of resources related to OPEB from the sources shown in the following table:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 2,559,000
Changes in assumptions	-	641,000
Net differences between projected and actual earnings on OPEB plan investments	-	835,000
Employer contribution made subsequent to the measurement date	5,934,000	-
Total	<u>\$ 5,934,000</u>	<u>\$ 4,035,000</u>

The \$5,934,000 reported as deferred outflows of resources related to contributions after June 30, 2019 measurement date will be recognized as a reduction of the net OPEB liability during the fiscal year ending June 30, 2021. 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:	
2021	\$ (827,000)
2022	(827,000)
2023	(554,000)
2024	(507,000)
2025	(470,000)
Thereafter	(850,000)
	<u>\$ (4,035,000)</u>

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 Serve 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 rate share of the excess. The County paid premiums totaling \$9,096,787 during the fiscal year ended June 30, 2020 for the General 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 and \$10,000 for vehicles. The County has primary coverage to \$25,000,000, earthquake coverage to \$300,000,000 and 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 \$6,140,000 in the next fiscal year. The governmental and proprietary funds contributed 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, 2020, the accrued loss contingency for the County's workers' compensation program was \$16,653,000 and is reported as a liability in the Risk Management Internal Service Fund.

The County's general liability coverage is insured through participation in the CSAC-Excess Insurance Authority's General Liability I Program, with a deductible of \$10,000 under the deductible buy-down option. The County has primary coverage up to \$100,000 with excess coverage to \$25,000,000. On April 7, 2020, the Board of Supervisors approved a change to the County's self-insured retention, increasing the current per claim \$10,000 deductible to a \$200,000 deductible effective July 1, 2020. The increase in deductible only affects claims with an incident date on or after July 1, 2020. All prior claims are still subject to the \$10,000 deductible. The increase in deductible is anticipated to save the County approximately \$680,000 annually (net of an increase in claims costs and a decrease in insurance premiums). The program will be funded at the 85% actuarial confidence level for the first five years to avoid fluctuations in rates from one fiscal year to the next. Additionally, on March 6, 2020, the CSAC-EIA Board of Directors approved an amendment to the JPA Agreement effective June 30, 2020 that changed the CSAC-EIA name to Public Risk Innovation, Solutions, and Management (PRISM).

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 nor has there been a reduction of insurance coverage.

Changes in the Risk Management Internal Service Fund’s accrued loss contingency amount for worker’s compensation for the fiscal years ended June 30, 2020 and 2019 were:

<u>Fiscal Year Ended</u>	<u>Beginning Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Ending Liability</u>
June 30, 2019	\$ 16,398,000	\$ 4,463,355	\$ (4,196,355)	\$ 16,665,000
June 30, 2020	16,665,000	4,152,522	(4,164,522)	16,653,000

The claims liabilities above, reported in the Self Insurance Internal Service fund at June 30, 2020, are based on requirements of *GASB Statements 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, or 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. Deficit Fund Equity

As of June 30, 2020, the Information Technology (Internal Service Fund) and Solano County Fair had a deficit net position of \$2,393,361 and \$1,665,452 respectively, resulting from the accounting and reporting of the net pension liability and an increase in personnel services. The Solano County Fair Association (SFCA) management’s plan includes a combination of increases in facility rental revenue and decreases in operating costs. With a better financial reporting system in place, SCFA staff and Board are currently reviewing all aspects of the operation to uncover more areas where costs can be decreased.

F. 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 June 30, 2020:

Statement No. 95 – Postponement of the Effective Dates of Certain Authoritative Guidance

The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later. The requirements of this Statement are effective for the County's fiscal year ending June 30, 2020.

The effective dates of certain provisions contained in the following pronouncements are postponed by one year:

- Statement No. 84, Fiduciary Activities
- Statement No. 89, Accounting for Interest Cost Incurred before the End of a Construction
- Statement No. 90, Majority Equity Interests
- Statement No. 91, Conduit Debt Obligations
- Statement No. 92, Omnibus 2020
- Statement No. 93, Replacement of Interbank Offered Rates

The effective dates of certain provisions contained in the following pronouncements are postponed by 18 months:

- Statement No. 87, Leases

G. Future Implementation of New Governmental Accounting Standards

Statement No. 84 – Fiduciary Activities

The primary 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 requirements of this Statement are effective for the County's fiscal year ending June 30, 2021.

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. The County has not determined what impact, if any, this pronouncement will have on the financial statement. The requirements of this Statement are effective for the County's fiscal year ending June 30, 2022.

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 periods should be recognized as an expenditure on a basis consistent with governmental fund accounting principles. The requirements of this Statement are effective for the County's fiscal year ending June 30, 2022.

Statement No. 90 – Majority Equity Interests

An amendment to GASB No. 14 and No. 61, the primary objectives of this Statement is 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 the County's fiscal year ending June 30, 2021.

Statement No. 91 – Conduit Debt Obligations

The objective of this Statement is to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The requirements of this Statement are effective for the County's fiscal year ending June 30, 2023.

Statement No. 92 – Omnibus 2020

The objective of this Statement will enhance comparability in the application of accounting and financial reporting requirements and will improve the consistency of authoritative literature. More comparable reporting will improve the usefulness of information for users of state and local government financial statements. The requirements of this Statement are effective for the County's fiscal year ending June 30, 2022.

Statement No. 93 – Replacement of Interbank Offered Rates

The objective of this Statement is to address those and other accounting and financial reporting implications that result from the replacement of an interbank offered rate (IBOR). As a result of global reference rate reform, the London Interbank Offered Rate (LIBOR), is expected to cease to exist in its current form at the end of 2021, prompting governments to amend or replace financial instruments for the purpose of replacing LIBOR with other reference rates, by either changing the reference rate or adding or changing fallback provisions related to the reference rate. The removal of LIBOR as an appropriate benchmark interest rate is effective for reporting periods ending after December 31, 2022. The requirements of this Statement, except for paragraphs 11b, 13 and 14 are effective for the County's fiscal

year ending June 30, 2021. The requirements for paragraph 11b are effective for the County's fiscal year ending June 30, 2023, while paragraphs 13 and 14 for fiscal year ending June 30, 2022.

Statement No. 94 – Public-Private and Public-Public Partnerships and Availability Payment Arrangements

The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). The requirements of this Statement will improve financial reporting by establishing the definitions of PPPs and APAs and providing uniform guidance on accounting and financial reporting for transactions that meet those definitions. That uniform

guidance will provide more relevant and reliable information for financial statement users and create greater consistency in practice. This Statement will enhance the decision usefulness of a government's financial statements by requiring governments to report assets and liabilities related to PPPs consistently and disclose important information about PPP transactions. The required disclosures will allow users to understand the scale and important aspects of a government's PPPs and evaluate a government's future obligations and assets resulting from PPPs. The requirements of this Statement are effective for the County's fiscal year ending June 30, 2023.

Statement No. 96 – Subscription-based Information Technology Arrangements

The requirements of this Statement will improve financial reporting by establishing a definition for subscription-based information technology arrangements (SBITAs) and providing uniform guidance for accounting and financial reporting for transactions that meet that definition. That definition and uniform guidance will result in greater consistency in practice. Establishing the capitalization criteria for implementation costs also will reduce diversity and improve comparability in financial reporting by governments. This Statement also will enhance the relevance and reliability of a government's financial statements by requiring a government to report a subscription asset and subscription liability for a SBITA and to disclose essential information about the arrangement. The disclosures will allow users to understand the scale and important aspects of a government's SBITA activities and evaluate a government's obligations and assets resulting from SBITAs. The requirements of this Statement are effective for the County's fiscal year ending June 30, 2023.

Statement No. 97 – Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32Omnibus 2020

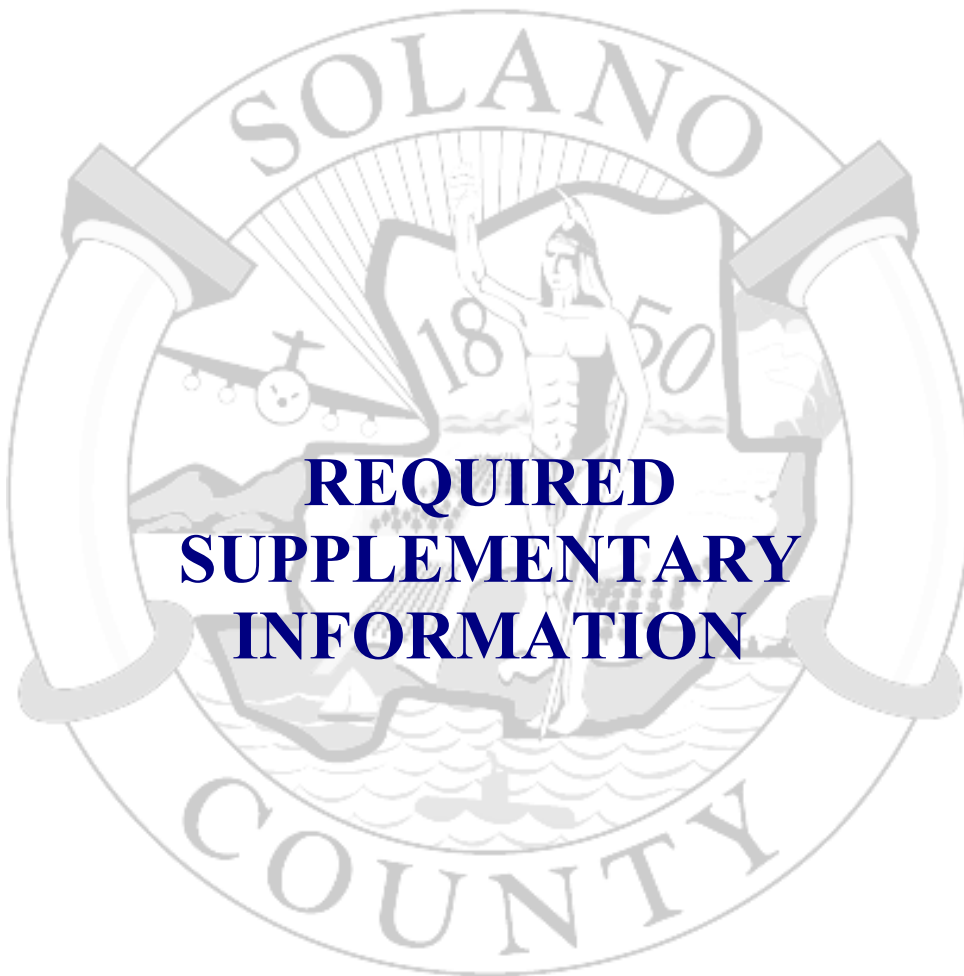
The objective of this Statement will result in more consistent financial reporting of defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans, while mitigating the costs associated with reporting those plans. The requirements also will enhance the relevance, consistency, and comparability of (1) the information related to Section 457 plans that meet the definition of a pension plan and the benefits provided through those plans and (2) investment information for all Section 457 plans. The requirements of paragraphs 6-9 of this Statement are effective for the County's fiscal year ending June 30, 2022.

H. Subsequent Events

On October 30, 2020, there was an additional payment to CalPERS for \$6,811,584 from the Pension Debt Service Fund's available fund balance to pay down select amortization bases under the County's Miscellaneous and Safety Retirement Plans as approved by the Board of Supervisors.

In FY 2020/21, Solano County received \$44,885,000 in revenue from the Coronavirus Aid, Relief, and Economic Security (CARES) Act as pass through revenue from the State. These funds are administered by the US Treasury through the Coronavirus Relief Fund (CRF). The funds were received in installments based on the County incurring eligible expenditures. Reimbursements started in July 2020 with the final reimbursement received in October 2020. The funds are required to be fully spent by December 30, 2020. The CRF Funds support the County's efforts against the COVID-19 pandemic and provide economic support for County citizens and business.

In August 2020, the LNU Lightning Complex wildfires spread through Solano County causing damage to County-owned infrastructure, buildings and equipment. The total amount of the damages is currently being assessed and could range between \$5,000,000 and \$10,000,000.



**REQUIRED
SUPPLEMENTARY
INFORMATION**

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

Measurement Period	2020 ₁ Miscellaneous June 30, 2019	2019 Miscellaneous June 30, 2018	2018 Miscellaneous June 30, 2017	2017 Miscellaneous June 30, 2016	2016 Miscellaneous June 30, 2015	2015 Miscellaneous- total June 30, 2014
TOTAL PENSION LIABILITY						
Service Cost	\$ 31,556,201	\$ 31,339,011	\$ 30,465,163	\$ 26,597,957	\$ 25,949,824	\$ 26,543,827
Interest on Total Pension Liability	106,034,702	100,069,014	96,116,643	93,230,847	88,521,350	84,956,858
Changes of Assumptions	19,202,357	7,700,799	(13,049,934)	(1,808,781)	(7,306,473)	-
Difference Between Expected and Actual Experience	-	(11,143,722)	77,264,422	-	(20,933,833)	-
Benefit Payments, including Refunds of Employee Contributions	(75,387,229)	(69,623,381)	(63,777,074)	(61,315,965)	(57,335,586)	(54,271,372)
Net Change in Total Pension Liability	81,406,031	58,341,721	127,019,220	56,704,058	28,895,282	57,229,313
Total Pension Liability - Beginning	1,480,931,872	1,416,469,745	1,289,450,525	1,232,746,467	1,203,851,185	1,146,621,872
Total Pension Liability - Ending (a)	\$ 1,562,337,903	\$ 1,474,811,466	\$ 1,416,469,745	\$ 1,289,450,525	\$ 1,232,746,467	\$ 1,203,851,185
PLAN FIDUCIARY NET POSITION						
Contributions - Employer	\$ 39,319,645	\$ 35,276,481	\$ 30,445,740	\$ 27,604,856	\$ 25,507,454	\$ 23,810,683
Contributions - Employee	12,971,904	13,804,604	12,375,624	11,825,251	11,837,309	11,281,036
Net Investment Income	71,290,713	86,230,731	106,013,640	4,909,328	21,082,446	142,910,199
Benefit Payments, including Refunds of Employee Contributions	(75,387,229)	(69,623,381)	(63,777,074)	(61,315,965)	(57,335,586)	(54,271,372)
Plan to Plan Resource Movement	-	(2,522)	(1,612)	(6,177)	(13,435)	-
Administrative Expense	(778,222)	(1,598,229)	(1,392,465)	(584,538)	(1,072,603)	-
Other Miscellaneous Income/(Expense)	2,531	(3,035,062)	-	-	-	-
Net Change in Fiduciary Net Position	47,419,342	61,052,622	83,663,853	(17,567,245)	5,585	123,730,546
Plan Fiduciary Net Position - Beginning	1,087,058,541	1,021,305,109	937,641,256	955,208,501	955,202,916	831,472,370
Plan Fiduciary Net Position - Ending (b)	\$ 1,134,477,883	\$ 1,082,357,731	\$ 1,021,305,109	\$ 937,641,256	\$ 955,208,501	\$ 955,202,916
Plan Net Pension Liability/(Asset) - Ending (a) - (b)	\$ 427,860,020	\$ 392,453,735	\$ 395,164,636	\$ 351,809,269	\$ 277,537,966	\$ 248,648,269
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	72.61%	73.39%	72.10%	72.72%	77.49%	79.35%
Covered Payroll	\$174,256,937	\$178,054,195	\$165,410,846	\$ 152,372,109	\$ 147,542,730	\$ 141,877,315
Net Pension Liability/(Asset) as a Percentage of Covered Payroll	245.53%	220.41%	238.90%	230.89%	188.11%	175.26%

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

¹Beginning in fiscal year 2020, the amounts related to the Solano County Fair's allocation of the total pension liability, fiduciary net position, and net pension liability of the Miscellaneous Plan were included in the County's Miscellaneous Plan schedules. Consequently, beginning balances do not agree with the respective prior year balances.

COUNTY OF SOLANO, CALIFORNIA
Schedule of Plan Contributions - Miscellaneous Plan
Miscellaneous Plan
Last 10 Years*

	2020 ₁	2019	2018	2017	2016	2015
Actuarially Determined Contribution	\$ 45,516,412	\$ 39,199,281	\$ 36,695,748	\$ 30,393,519	\$ 27,418,792	\$ 25,573,456
Contributions in Relation to the Actuarially Determined Contribution	<u>(45,516,412)</u>	<u>(39,199,281)</u>	<u>(36,695,748)</u>	<u>(30,393,519)</u>	<u>(27,418,792)</u>	<u>(25,573,456)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
 Covered Payroll	 \$179,905,660	 \$174,256,937	 \$178,054,195	 \$165,410,846	 \$152,372,109	 \$147,542,730
 Contributions as a Percentage of Covered Payroll	 25.30%	 22.50%	 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.

¹Beginning in fiscal year 2020, the amounts related to the Solano County Fair's allocation of the total pension liability, fiduciary net position, and net pension liability of the Miscellaneous Plan were included in the County's Miscellaneous Plan schedules. Consequently, beginning balances do not agree with the respective prior year balances.

Notes to Schedule

Actuarially determined contribution rates are calculated as of June 30, three years prior to the end of the fiscal year in which contributions are reported.

Valuation Date	June 30, 2017
Actuarial Cost Method	Entry-Age Normal
Discount Rate	7.25%
Inflation	2.63%
Payroll Growth	2.88%
Projected Salary Increase	Varies by Entry Age and Service
Asset Valuation Method	5 year smoothed market
Remaining Amortization	25 years
Mortality	The post-retirement mortality rates above include 15 years of projected on-going mortality improvement using 90 percent of Scale MP 2016 published by the Society of Actuaries.

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

	2020	2019	2018	2017	2016	2015
Measurement Period	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
TOTAL PENSION LIABILITY						
Service Cost	\$ 13,381,529	\$ 13,380,473	\$ 12,580,220	\$ 10,827,733	\$ 10,094,060	\$ 10,196,391
Interest on Total Pension Liability	36,046,179	34,057,612	32,379,339	31,097,434	29,459,459	27,987,355
Changes of Assumptions	-	(1,977,401)	27,423,158	-	(7,334,339)	-
Difference Between Expected and Actual Experience	2,504,892	526,689	(4,755,139)	(393,904)	(1,931,477)	-
Benefit Payments, including Refunds of Employee Contributions	(23,150,396)	(21,112,371)	(19,760,867)	(18,467,052)	(17,762,970)	(16,118,095)
Net Change in Total Pension Liability	28,782,204	24,875,002	47,866,711	23,064,211	12,524,733	22,065,651
Total Pension Liability - Beginning	506,521,898	481,646,896	433,780,185	410,715,974	398,191,241	376,125,590
Total Pension Liability - Ending (a)	\$ 535,304,102	\$ 506,521,898	\$ 481,646,896	\$ 433,780,185	\$ 410,715,974	\$ 398,191,241
PLAN FIDUCIARY NET POSITION						
Contributions - Employer	\$ 20,686,756	\$ 20,464,334	\$ 11,424,329	\$ 9,796,398	\$ 9,478,293	\$ 8,448,188
Contributions - Employee	4,707,776	4,905,469	4,557,332	4,171,041	4,127,101	4,529,358
Net Investment Income	24,939,706	29,206,761	35,448,366	1,654,032	6,889,853	46,982,051
Benefit Payments, including Refunds of Employee Contributions	(23,150,396)	(21,112,371)	(19,760,867)	(18,467,052)	(17,762,970)	(16,118,095)
Net Plan to Plan Resource Movement	-	(859)	(4,885)	694	-	-
Administrative Expense	(268,921)	(537,504)	(463,207)	(193,056)	(356,395)	-
Other Miscellaneous Income/(Expense)	859	(1,020,729)	-	-	-	-
Net Change in Fiduciary Net Position	26,915,780	31,905,101	31,201,068	(3,037,943)	2,375,882	43,841,502
Plan Fiduciary Net Position - Beginning	376,840,148	344,935,047	313,733,979	316,771,922	314,396,040	270,554,538
Plan Fiduciary Net Position - Ending (b)	\$ 403,755,928	\$ 376,840,148	\$ 344,935,047	\$ 313,733,979	\$ 316,771,922	\$ 314,396,040
Plan Net Pension Liability/(Asset) - Ending (a) - (b)	\$ 131,548,174	\$ 129,681,750	\$ 136,711,849	\$ 120,046,206	\$ 93,944,052	\$ 83,795,201
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability						
Covered Payroll	\$ 50,203,393	\$ 53,193,839	\$ 49,896,817	\$ 46,124,828	\$ 42,326,654	\$ 40,585,880
Net Pension Liability/(Asset) as a Percentage of Covered Payroll	262.03%	243.79%	273.99%	260.26%	221.95%	206.46%

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

COUNTY OF SOLANO, CALIFORNIA
Schedule of Plan Contributions - Safety Plan
Safety Plan
Last 10 Years*

	2020	2019	2018	2017	2016	2015
Actuarially Determined Contribution	\$ 15,915,104	\$ 14,514,064	\$ 14,440,771	\$ 11,423,907	\$ 9,779,487	\$ 9,489,646
Contributions in Relation to the Actuarially Determined Contribution	<u>(15,915,104)</u>	<u>(20,514,064)</u>	<u>(21,025,379)</u>	<u>(11,423,907)</u>	<u>(9,779,487)</u>	<u>(9,489,646)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ (6,000,000)</u>	<u>\$ (6,584,608) *</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 51,130,473	\$ 50,203,393	\$ 53,193,839	\$ 49,896,817	\$ 46,124,828	\$ 42,326,654
Contributions as a Percentage of Covered Payroll	31.13%	40.86%	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.

Notes to Schedule

Actuarially determined contribution rates are calculated as of June 30, three years prior to the end of the fiscal year in which contributions are reported.

Valuation Date	June 30, 2017
Actuarial Cost Method	Entry-Age Normal
Discount Rate	7.25%
Inflation	2.63%
Payroll Growth	2.88%
Projected Salary Increase	Varies by Entry Age and Service
Asset Valuation Method	5 year smoothed market
Remaining Amortization	25 years
Mortality	

The post-retirement mortality rates above include 15 years of projected on-going mortality improvement using 90 percent of Scale MP 2016 published by the Society of Actuaries.

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Measurement Period	June 30, 2019	June 30, 2018	June 30, 2017
TOTAL OPEB LIABILITY			
Service Cost	2,872,000	2,740,000	2,660,000
Interest on Total OPEB Liability	3,803,000	3,560,000	3,336,000
Changes of Assumptions	(735,000)	-	-
Difference Between Actual and Expected Experience	(2,935,000)	-	-
Benefit Payments	<u>(2,472,000)</u>	<u>(2,298,000)</u>	<u>(2,385,000)</u>
Net Change in Total OPEB Liability	533,000	4,002,000	3,611,000
Total OPEB Liability - Beginning	<u>61,747,000</u>	<u>57,745,000</u>	<u>54,134,000</u>
Total OPEB Liability - Ending (a)	\$ 62,280,000	\$ 61,747,000	\$ 57,745,000
PLAN FIDUCIARY NET POSITION			
Contributions - Employer	5,712,000	5,603,000	5,615,000
Net Investment Income	2,709,000	2,403,000	3,162,000
Benefit Payments, Including Refunds of Employee Contributions	(2,472,000)	(2,298,000)	(2,385,000)
Administrative Expense	<u>(78,000)</u>	<u>(62,000)</u>	<u>(54,000)</u>
Net Change in Fiduciary Net Position	5,871,000	5,646,000	6,338,000
Plan Fiduciary Net Position - Beginning	<u>40,374,000</u>	<u>34,728,000</u>	<u>28,390,000</u>
Plan Fiduciary Net Position - Ending (b)	<u>\$ 46,245,000</u>	<u>\$ 40,374,000</u>	<u>\$ 34,728,000</u>
Plan Net OPEB Liability/(Asset) - Ending (a) - (b)	\$ 16,035,000	\$ 21,373,000	\$ 23,017,000
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	74.3%	65.4%	60.1%
Covered Payroll	\$ 233,606,000	\$ 222,856,000	\$ 215,308,000
Net OPEB Liability/(Asset) as a Percentage of Covered Payroll	6.9%	9.6%	10.7%

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

COUNTY OF SOLANO, CALIFORNIA
Schedule of Plan Contributions - OPEB
Last 10 Years*

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Actuarially Determined Contribution	\$ 4,352,000	\$ 4,790,000	\$ 4,750,000
Contributions in Relation to the Actuarially Determined Contribution	<u>(5,934,000)</u>	<u>(5,712,000)</u>	<u>(5,603,000)</u>
Contribution Deficiency (Excess)	<u>\$ (1,582,000)</u>	<u>\$ (922,000)</u>	<u>\$ (853,000)</u>
Covered Payroll	\$ 230,896,000	\$ 233,606,000	\$ 222,856,000
Contributions as a Percentage of Covered Payroll	2.6%	2.4%	2.5%

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

Notes to Schedule

Valuation Date	January 1, 2019
Actuarial Cost Method	Entry Age Normal Cost Method
Amortization Method	Level % of pay
Amortization Period	Approximately 16 years remaining as of June 30, 2019
Asset Valuation Method	Investment gains and losses spread over 5-year rolling period
Discount Rate	6.00%
Inflation	2.75%
Healthcare Trend	Non-Medicare - 7.5% for 2020, decreasing to an ultimate rate of 4.0% in 2076 and later years Medicare - 6.5% for 2020, decreasing to an ultimate rate of 4.0% in 2076 and later years
Mortality	CalPERS 1997-2015 Experience Study
Mortality Improvement	Scale MP 2018 for post retirement mortality
Salary Increases	3%
Healthcare Participation	50%

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, 2020

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Adopted</u>	<u>Final</u>	<u>Actual Amounts</u>	
REVENUES				
Taxes	\$ 177,054,866	\$ 177,054,866	\$ 180,010,561	\$ 2,955,695
Licenses, permits and franchises	7,708,057	7,974,115	8,419,383	445,268
Fines, forfeitures and penalties	1,092,100	1,092,100	1,275,620	183,520
Use of money and property	3,354,996	3,619,542	5,544,990	1,925,448
Intergovernmental	9,447,457	10,205,125	11,036,407	831,282
Charges for services	53,205,978	53,254,216	52,967,681	(286,535)
Miscellaneous	3,990,638	4,166,273	1,332,321	(2,833,952)
Total revenues	<u>255,854,092</u>	<u>257,366,237</u>	<u>260,586,963</u>	<u>3,220,726</u>
EXPENDITURES				
Current:				
General government				
BOS-District 1	552,147	573,738	573,736	2
BOS-District 2	535,801	535,771	519,746	16,025
BOS-District 3	564,539	597,936	588,393	9,543
BOS-District 4	570,523	585,351	583,241	2,110
BOS-District 5	530,683	530,683	490,998	39,685
BOS-Administration	220,784	320,784	176,819	143,965
Administration	4,135,004	4,454,752	3,887,069	567,683
General Revenue	300,000	600,000	440,059	159,941
Employee Development & Recognition	713,632	713,600	618,401	95,199
General Services	22,756,833	23,920,869	20,440,463	3,480,406
Assessor	7,525,828	7,525,828	6,840,478	685,350
Auditor-Controller	5,439,514	5,440,791	4,989,235	451,556
Tax Collector/County Clerk	2,592,630	2,592,561	2,506,581	85,980
Treasurer	1,165,124	1,165,066	1,029,761	135,305
County Counsel	4,755,587	4,879,222	4,504,191	375,031
Delta Water Activities	814,602	814,602	450,945	363,657
Human Resources	4,588,544	4,740,960	4,171,828	569,132
Registrar of Voters	4,623,923	5,216,981	5,086,744	130,237
Fouts Property Management	229,654	80,891	80,890	1
Real Estate Services	910,724	827,805	780,847	46,958
Promotion	152,550	152,550	112,206	40,344
General Expenditures	7,731,883	7,897,244	5,652,602	2,244,642
Surveyor/Engineer	146,106	146,106	141,508	4,598
Total general government	<u>71,556,615</u>	<u>74,314,091</u>	<u>64,666,741</u>	<u>9,647,350</u>
Public protection				
Grand Jury	136,913	136,913	121,432	15,481
Agricultural Commissioner	4,039,079	4,059,044	3,749,164	309,880
Animal Care Services	4,953,402	4,993,016	4,335,783	657,233
Recorder	1,987,614	1,987,614	1,870,719	116,895
Resource Management	12,255,889	12,553,343	11,261,254	1,292,089
Office of Family Violence Prevention	778,905	1,211,733	1,014,078	197,655
Total public protection	<u>24,151,802</u>	<u>24,941,663</u>	<u>22,352,430</u>	<u>2,589,233</u>
Public assistance				
Indigent Burial General Relief	33,589	33,589	29,479	4,110
Veterans Services	784,537	784,537	774,973	9,564
Total public assistance	<u>818,126</u>	<u>818,126</u>	<u>804,452</u>	<u>13,674</u>
Education and recreation				
Cooperative Extension Service	328,838	328,838	326,539	2,299
Non-departmental				
Contingencies	12,000,000	10,000,000	-	10,000,000
Capital outlay:				
Equipment	2,876,019	2,365,276	2,171,565	193,711
Total expenditures	<u>111,731,400</u>	<u>112,767,994</u>	<u>90,321,727</u>	<u>22,446,267</u>
Excess of revenues over expenditures	<u>144,122,692</u>	<u>144,598,243</u>	<u>170,265,236</u>	<u>25,666,993</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	691,794	923,261	923,274	13
Transfers out	(165,860,192)	(171,156,559)	(157,518,978)	13,637,581
Sale of capital assets	66,000	66,000	86,046	20,046
Total other financing sources (uses)	<u>(165,102,398)</u>	<u>(170,167,298)</u>	<u>(156,509,658)</u>	<u>13,657,640</u>
Changes in fund balance	(20,979,706)	(25,569,055)	13,755,578	39,324,633
Fund balance - beginning	173,605,237	173,605,237	173,605,237	-
Fund balance - ending	<u>\$ 152,625,531</u>	<u>\$ 148,036,182</u>	<u>\$ 187,360,815</u>	<u>\$ 39,324,633</u>

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

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, 2020

	<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	\$ 26,500	\$ 26,500	\$ 18,872	\$ (7,628)
Fines, forfeitures and penalties	307,127	307,127	336,781	29,654
Use of money and property	281,766	539,442	1,858,239	1,318,797
Intergovernmental	304,089,064	317,746,153	280,327,674	(37,418,479)
Charges for services	26,407,044	25,419,398	20,990,780	(4,428,618)
Miscellaneous	3,672,638	4,285,836	3,182,729	(1,103,107)
Total revenues	<u>334,784,139</u>	<u>348,324,456</u>	<u>306,715,075</u>	<u>(41,609,381)</u>
EXPENDITURES				
Current:				
Health services				
In Home Supportive Services-PA	19,227,910	19,227,910	16,214,931	3,012,979
In Home Supportive Services	952,868	952,868	818,969	133,899
Behavioral Health	99,179,508	101,792,399	91,768,560	10,023,839
Health Services	76,605,954	82,037,498	70,039,222	11,998,276
Tobacco Prevention & Education	798,927	798,927	523,290	275,637
Total health services	<u>196,765,167</u>	<u>204,809,602</u>	<u>179,364,972</u>	<u>25,444,630</u>
Public assistance				
County Disaster	4,062	2,004,062	242,986	1,761,076
Administration	1,260,602	2,073,546	2,390,285	(316,739)
Social Services	113,099,081	114,043,311	102,701,324	11,341,987
Assistance Programs	55,329,613	58,574,153	56,117,634	2,456,519
Total public assistance	<u>169,693,358</u>	<u>176,695,072</u>	<u>161,452,229</u>	<u>15,242,843</u>
Non-departmental				
Contingencies	48,734	48,929	-	48,929
Capital outlay:				
Equipment	-	203,303	128,408	74,895
Total expenditures	<u>366,507,259</u>	<u>381,756,906</u>	<u>340,945,609</u>	<u>40,811,297</u>
Deficiency of revenues under expenditures	<u>(31,723,120)</u>	<u>(33,432,450)</u>	<u>(34,230,534)</u>	<u>(798,084)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	33,899,296	35,446,261	25,872,006	(9,574,255)
Transfers out	(6,353,399)	(6,701,561)	(2,744,478)	3,957,083
Total other financing sources (uses)	<u>27,545,897</u>	<u>28,744,700</u>	<u>23,127,528</u>	<u>(5,617,172)</u>
Changes in fund balance	(4,177,223)	(4,687,750)	(11,103,006)	(6,415,256)
Fund balance - beginning	94,133,661	94,133,661	94,133,661	-
Fund balance - ending	<u>\$ 89,956,438</u>	<u>\$ 89,445,911</u>	<u>\$ 83,030,655</u>	<u>\$ (6,415,256)</u>

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

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, 2020

	<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	\$ 76,760	\$ 76,760	\$ 76,275	\$ (485)
Fines, forfeitures and penalties	2,058,217	2,078,623	2,385,125	306,502
Use of money and property	52,538	42,771	267,052	224,281
Intergovernmental	82,844,986	86,411,934	84,711,613	(1,700,321)
Charges for services	12,445,582	13,502,636	12,243,677	(1,258,959)
Miscellaneous	1,544,409	1,768,261	1,259,253	(509,008)
Total revenues	<u>99,022,492</u>	<u>103,880,985</u>	<u>100,942,995</u>	<u>(2,937,990)</u>
EXPENDITURES				
Current:				
Public protection				
Department of Child Support Services	12,748,089	12,748,373	12,197,939	550,434
EMPG Grants	-	213,748	167,767	45,981
Flood Emergency Response Grant	131,000	131,000	-	131,000
Urban Areas Sec Initiative	-	203,209	11,883	191,326
Homeland Security Grants	516,681	542,846	150,183	392,663
District Attorney	26,245,745	26,809,566	26,283,446	526,120
Public Defender	14,778,350	14,778,350	13,508,731	1,269,619
Conflict Public Defender	5,011,304	5,011,304	4,576,882	434,422
Sheriff	115,549,895	117,046,975	114,215,005	2,831,970
Probation	43,358,381	43,798,750	40,946,493	2,852,257
Other Public Defense	3,372,194	3,824,875	3,710,822	114,053
CMF Cases	447,022	406,464	379,140	27,324
Administration	159,574	222,455	204,710	17,745
Public Protection Other Special Revenue	529,937	567,091	528,573	38,518
Total public protection	<u>222,848,172</u>	<u>226,305,006</u>	<u>216,881,574</u>	<u>9,423,432</u>
Non-departmental				
Contingencies	5,620,495	5,979,400	-	5,979,400
Debt service:				
Principal	192,924	192,924	192,924	-
Interest and other charges	6,007	6,007	6,007	-
Total debt service	<u>198,931</u>	<u>198,931</u>	<u>198,931</u>	<u>-</u>
Capital Outlay				
Equipment	582,108	1,817,025	959,574	857,451
Intangibles	198,243	807,722	959,239	(151,517)
Total capital outlay	<u>780,351</u>	<u>2,624,747</u>	<u>1,918,813</u>	<u>705,934</u>
Total expenditures	<u>229,447,949</u>	<u>235,108,084</u>	<u>218,999,318</u>	<u>16,108,766</u>
Deficiency of revenues under expenditures	<u>(130,425,457)</u>	<u>(131,227,099)</u>	<u>(118,056,323)</u>	<u>13,170,776</u>
OTHER FINANCING SOURCES (USES)				
Issuance of long-term debt	192,924	192,924	-	(192,924)
Transfers in	125,735,852	127,311,206	120,245,422	(7,065,784)
Transfers out	(2,434,322)	(4,258,462)	(4,006,699)	251,763
Sale of capital assets	-	-	206	206
Total other financing sources (uses)	<u>123,494,454</u>	<u>123,245,668</u>	<u>116,238,929</u>	<u>(7,006,739)</u>
Changes in fund balance	<u>(6,931,003)</u>	<u>(7,981,431)</u>	<u>(1,817,394)</u>	<u>6,164,037</u>
Fund balance - beginning	23,490,503	23,490,503	23,490,503	-
Fund balance - ending	<u>\$ 16,559,500</u>	<u>\$ 15,509,072</u>	<u>\$ 21,673,109</u>	<u>\$ 6,164,037</u>

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

**COUNTY OF SOLANO, CALIFORNIA
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Budgetary Information

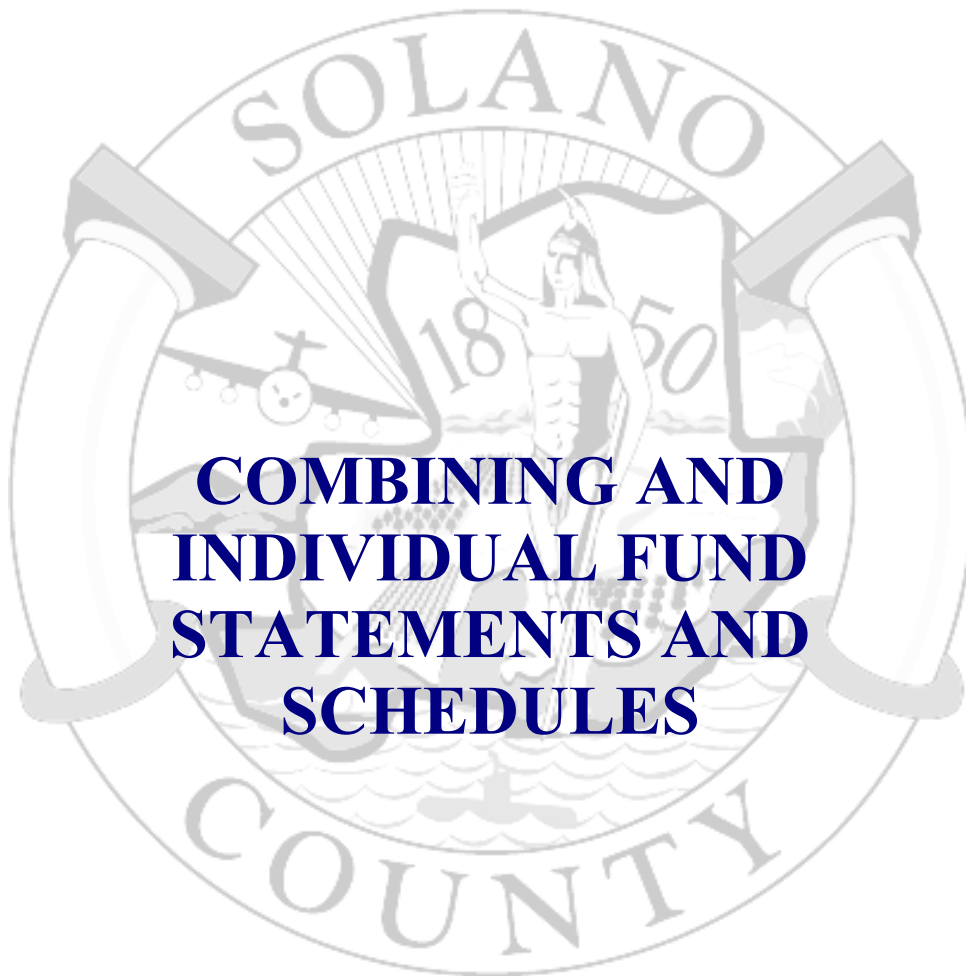
In accordance with the provisions of Sections 29000 through 29144 of the California Governmental Code and other statutory provisions, commonly known as the County Budget Act, the County prepares and legally adopts a balanced budget each fiscal year by July 1.

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, 2020, 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.



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 Fund

Capital projects fund is 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, 2020

	<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	\$ 100,169,801	\$ 27,491,175	\$ 9,520,648	\$ 137,181,624
Accounts receivable	24,001	-	-	24,001
Due from other agencies	4,894,554	140,655	145,175	5,180,384
Due from other funds	405,817	500,000	198,777	1,104,594
Due from component unit	-	-	740,996	740,996
Other assets	3,284,875	-	-	3,284,875
Total assets	<u>\$ 108,779,048</u>	<u>\$ 28,131,830</u>	<u>\$ 10,605,596</u>	<u>\$ 147,516,474</u>
LIABILITIES				
Outstanding warrants	\$ 1,825,064	\$ 262,782	\$ -	\$ 2,087,846
Payables	3,116,165	2,467,990	-	5,584,155
Due to other funds	238,949	94,071	72	333,092
Other liabilities	534,291	182,025	-	716,316
Due to other agencies	1,112,170	1	-	1,112,171
Advance from other funds	880,695	5,655,533	-	6,536,228
Total liabilities	<u>7,707,334</u>	<u>8,662,402</u>	<u>72</u>	<u>16,369,808</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	<u>927,804</u>	<u>140,655</u>	<u>-</u>	<u>1,068,459</u>
FUND BALANCES				
Nonspendable	234,605	-	-	234,605
Restricted	99,661,521	3,683,426	35,878	103,380,825
Committed	-	43,830	-	43,830
Assigned	247,784	15,601,517	10,569,646	26,418,947
Total fund balances	<u>100,143,910</u>	<u>19,328,773</u>	<u>10,605,524</u>	<u>130,078,207</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 108,779,048</u>	<u>\$ 28,131,830</u>	<u>\$ 10,605,596</u>	<u>\$ 147,516,474</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, 2020

	Special Revenue Funds	Accumulated Capital Outlay Fund	Debt Service Funds	Total Other Governmental Funds
REVENUES				
Taxes	\$ 18,620,497	\$ 3,118,695	\$ -	\$ 21,739,192
Licenses, permits and franchises	317,612	-	-	317,612
Fines, forfeitures and penalties	83,298	-	-	83,298
Use of money and property	2,220,869	517,757	187,861	2,926,487
Intergovernmental	23,461,152	1,181,578	417,211	25,059,941
Charges for services	15,901,531	11,702	2,781,419	18,694,652
Miscellaneous	1,659,797	3,108	2,059,124	3,722,029
Total revenues	<u>62,264,756</u>	<u>4,832,840</u>	<u>5,445,615</u>	<u>72,543,211</u>
EXPENDITURES				
Current:				
General government	519,458	3,227,804	365,961	4,113,223
Public protection	3,891,102	-	-	3,891,102
Public ways and facilities	13,378,933	-	-	13,378,933
Health services	3,965,755	-	-	3,965,755
Public assistance	869,935	-	-	869,935
Education and recreation	21,016,363	-	-	21,016,363
Debt service:				
Principal	-	-	8,555,000	8,555,000
Interest and other charges	22,213	-	4,418,700	4,440,913
Capital outlay	7,478,083	9,087,373	-	16,565,456
Total expenditures	<u>51,141,842</u>	<u>12,315,177</u>	<u>13,339,661</u>	<u>76,796,680</u>
Excess (deficiency) of revenues over (under) expenditures	<u>11,122,914</u>	<u>(7,482,337)</u>	<u>(7,894,046)</u>	<u>(4,253,469)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	1,636,075	11,109,200	8,841,358	21,586,633
Transfers out	(1,764,850)	(1,835,507)	(923,274)	(4,523,631)
Sale of capital assets	70,120	-	-	70,120
Total other financing sources (uses)	<u>(58,655)</u>	<u>9,273,693</u>	<u>7,918,084</u>	<u>17,133,122</u>
Changes in fund balances	11,064,259	1,791,356	24,038	12,879,653
Fund balances - beginning	89,079,651	17,537,417	10,581,486	117,198,554
Fund balances - ending	<u>\$ 100,143,910</u>	<u>\$ 19,328,773</u>	<u>\$ 10,605,524</u>	<u>\$ 130,078,207</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, 2020

	<u>Public Facilities Fees</u>	<u>Library</u>	<u>Transportation</u>	<u>First 5 Solano</u>
ASSETS				
Cash and investments	\$ 35,579,792	\$ 25,876,205	\$ 14,622,292	\$ 9,893,088
Accounts receivable	-	11,963	12,038	-
Due from other agencies	1,333,028	695,593	2,251,316	607,555
Due from other funds	-	14,745	129,320	261,280
Other assets	4,334	2,181	224,307	10,299
Total assets	<u>\$ 36,917,154</u>	<u>\$ 26,600,687</u>	<u>\$ 17,239,273</u>	<u>\$ 10,772,222</u>
LIABILITIES				
Outstanding warrants	\$ 1,115,052	\$ 109,972	\$ 261,022	\$ 22,494
Payables	-	938,697	1,280,611	466,993
Due to other funds	-	31,630	89,390	56,619
Other liabilities	-	-	534,291	-
Due to other agencies	778,860	150	-	106,417
Advance from other funds	-	-	880,695	-
Total liabilities	<u>1,893,912</u>	<u>1,080,449</u>	<u>3,046,009</u>	<u>652,523</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	<u>4,334</u>	<u>20,161</u>	<u>903,309</u>	<u>-</u>
FUND BALANCES				
Nonspendable	-	-	224,306	10,299
Restricted	35,018,908	25,500,077	13,065,649	10,109,400
Assigned	-	-	-	-
Total fund balances	<u>35,018,908</u>	<u>25,500,077</u>	<u>13,289,955</u>	<u>10,119,699</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 36,917,154</u>	<u>\$ 26,600,687</u>	<u>\$ 17,239,273</u>	<u>\$ 10,772,222</u>

COUNTY OF SOLANO, CALIFORNIA
Combining Balance Sheet (Continued)
Nonmajor Special Revenue Funds
June 30, 2020

Home Loan Program	Micrographics & Modernization	Other Special Revenue Funds	Total Nonmajor Special Revenue Funds																																																																																																																								
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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, 2020

	Public Facilities			
	Fees	Library	Transportation	First 5 Solano
REVENUES				
Taxes	\$ -	\$ 15,982,647	\$ 1,109,527	\$ -
Licenses, permits and franchises	-	-	317,612	-
Fines, forfeitures and penalties	-	-	75,340	-
Use of money and property	765,326	532,559	371,835	222,443
Intergovernmental	-	416,360	16,752,436	3,781,425
Charges for services	7,244,037	5,216,880	1,591,388	584,526
Miscellaneous	-	188,003	40,583	1,171,192
Total revenues	<u>8,009,363</u>	<u>22,336,449</u>	<u>20,258,721</u>	<u>5,759,586</u>
EXPENDITURES				
Current:				
General government	517,838	-	1,620	-
Public protection	-	-	-	-
Public ways and facilities	-	-	13,304,675	-
Health services	-	-	-	3,965,755
Public assistance	-	-	-	869,935
Education and recreation	-	19,312,539	-	-
Interest and other charges	-	-	22,213	-
Capital outlay	-	680,296	5,326,438	1,459,214
Total expenditures	<u>517,838</u>	<u>19,992,835</u>	<u>18,654,946</u>	<u>6,294,904</u>
Excess (deficiency) of revenues over (under) expenditures	<u>7,491,525</u>	<u>2,343,614</u>	<u>1,603,775</u>	<u>(535,318)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	491,705	114,679	616,560
Transfers out	(1,482,936)	(115,690)	(149,418)	(10,170)
Sale of capital assets	-	-	70,120	-
Total other financing sources (uses)	<u>(1,482,936)</u>	<u>376,015</u>	<u>35,381</u>	<u>606,390</u>
Changes in fund balances	6,008,589	2,719,629	1,639,156	71,072
Fund balances - beginning	29,010,319	22,780,448	11,650,799	10,048,627
Fund balances - ending	<u>\$ 35,018,908</u>	<u>\$ 25,500,077</u>	<u>\$ 13,289,955</u>	<u>\$ 10,119,699</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, 2020

Home Loan Program	Micrographics & Modernization	Other Special Revenue Funds	Total Nonmajor Special Revenue Funds	
\$ -	\$ -	\$ 1,528,323	\$ 18,620,497	REVENUES
-	-	-	317,612	Taxes
-	-	7,958	83,298	Licenses, permits and franchises
48,685	238,736	41,285	2,220,869	Fines, forfeitures and penalties
-	-	2,510,931	23,461,152	Use of money and property
790	857,914	405,996	15,901,531	Intergovernmental
250,000	-	10,019	1,659,797	Charges for services
299,475	1,096,650	4,504,512	62,264,756	Miscellaneous
				Total revenues
				EXPENDITURES
				Current:
-	-	-	519,458	General government
252,239	526,204	3,112,659	3,891,102	Public protection
-	-	74,258	13,378,933	Public ways and facilities
-	-	-	3,965,755	Health and sanitation
-	-	-	869,935	Public assistance
-	-	1,703,824	21,016,363	Education and recreation
-	-	-	22,213	Interest and other charges
-	-	12,135	7,478,083	Capital outlay
252,239	526,204	4,902,876	51,141,842	Total expenditures
47,236	570,446	(398,364)	11,122,914	Excess (deficiency) of revenues over (under) expenditures
				OTHER FINANCING SOURCES (USES)
-	-	413,131	1,636,075	Transfers in
-	-	(6,636)	(1,764,850)	Transfers out
-	-	-	70,120	Sale of capital assets
-	-	406,495	(58,655)	Total other financing sources (uses)
47,236	570,446	8,131	11,064,259	Changes in fund balances
5,019,376	9,640,410	929,672	89,079,651	Fund balances - beginning
\$ 5,066,612	\$ 10,210,856	\$ 937,803	\$ 100,143,910	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, 2020

	<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	\$ 216,756	\$ 216,756	\$ 765,326	\$ 548,570
Charges for services	5,616,155	5,616,155	7,244,037	1,627,882
Total revenues	<u>5,832,911</u>	<u>5,832,911</u>	<u>8,009,363</u>	<u>2,176,452</u>
EXPENDITURES				
Current:				
General government				
Public facilities fees	486,529	517,838	517,838	-
Non-departmental				
Contingencies	25,115,278	29,328,761	-	29,328,761
Debt service:				
Interest and other charges	30,000	30,000	-	30,000
Total expenditures	<u>25,631,807</u>	<u>29,876,599</u>	<u>517,838</u>	<u>29,358,761</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(19,798,896)</u>	<u>(24,043,688)</u>	<u>7,491,525</u>	<u>31,535,213</u>
OTHER FINANCING USES				
Transfers out	<u>(1,304,661)</u>	<u>(1,482,936)</u>	<u>(1,482,936)</u>	<u>-</u>
Changes in fund balance	(21,103,557)	(25,526,624)	6,008,589	31,535,213
Fund balance - beginning	29,010,319	29,010,319	29,010,319	-
Fund balance - ending	<u>\$ 7,906,762</u>	<u>\$ 3,483,695</u>	<u>\$ 35,018,908</u>	<u>\$ 31,535,213</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, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Adopted</u>	<u>Final</u>		
REVENUES				
Taxes	\$ 15,596,576	\$ 15,596,576	\$ 15,982,647	\$ 386,071
Use of money and property	276,476	276,476	532,559	256,083
Intergovernmental	429,072	429,072	416,360	(12,712)
Charges for services	5,054,423	5,054,423	5,216,880	162,457
Miscellaneous	144,500	155,500	188,003	32,503
Total revenues	<u>21,501,047</u>	<u>21,512,047</u>	<u>22,336,449</u>	<u>824,402</u>
EXPENDITURES				
Current:				
Education				
Library	22,056,847	22,656,667	19,147,640	3,509,027
Library - Friends & Foundation	209,265	220,265	137,058	83,207
Library Zone 1	16,752	16,752	16,156	596
Library Zone 2	1,426	2,706	2,513	193
Library Zone 6	735	735	607	128
Library Zone 7	9,134	9,134	8,565	569
Total education	<u>22,294,159</u>	<u>22,906,259</u>	<u>19,312,539</u>	<u>3,593,720</u>
Non-departmental				
Contingencies	13,485,186	17,696,574	-	17,696,574
Capital outlay:				
Construction in progress	300,000	1,168,612	649,557	519,055
Buildings and improvements	439,500	439,500	-	439,500
Equipment	90,000	138,899	30,739	108,160
Total capital outlay	<u>829,500</u>	<u>1,747,011</u>	<u>680,296</u>	<u>1,066,715</u>
Total expenditures	<u>36,608,845</u>	<u>42,349,844</u>	<u>19,992,835</u>	<u>22,357,009</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(15,107,798)</u>	<u>(20,837,797)</u>	<u>2,343,614</u>	<u>23,181,411</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	191,854	631,554	491,705	(139,849)
Transfers out	(2,699)	(262,844)	(115,690)	147,154
Total other financing sources (uses)	<u>189,155</u>	<u>368,710</u>	<u>376,015</u>	<u>7,305</u>
Changes in fund balance	(14,918,643)	(20,469,087)	2,719,629	23,188,716
Fund balance - beginning	22,780,448	22,780,448	22,780,448	-
Fund balance - ending	<u>\$ 7,861,805</u>	<u>\$ 2,311,361</u>	<u>\$ 25,500,077</u>	<u>\$ 23,188,716</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, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Adopted</u>	<u>Final</u>		
REVENUES				
Taxes	\$ 1,195,066	\$ 1,195,066	\$ 1,109,527	\$ (85,539)
Licenses, permits and franchises	244,600	248,535	317,612	69,077
Fines, forfeitures and penalties	-	-	75,340	75,340
Use of money and property	213,016	213,016	371,835	158,819
Intergovernmental	23,885,763	24,318,276	16,752,436	(7,565,840)
Charges for services	1,577,301	1,627,493	1,591,388	(36,105)
Miscellaneous	73,500	73,500	40,583	(32,917)
Total revenues	<u>27,189,246</u>	<u>27,675,886</u>	<u>20,258,721</u>	<u>(7,417,165)</u>
EXPENDITURES				
Current:				
General government				
Survey monument	16,165	16,165	1,620	14,545
Public ways and facilities				
Transportation	17,003,551	17,838,529	13,304,675	4,533,854
Non-departmental				
Contingencies	2,524,892	3,358,215	-	3,358,215
Debt service:				
Interest and other charges	19,000	22,214	22,213	1
Capital outlay:				
Land	324,689	724,689	352,320	372,369
Construction in progress	10,272,386	12,843,460	4,078,563	8,764,897
Buildings and improvements	600,000	600,000	-	600,000
Equipment	987,500	1,008,500	895,555	112,945
Total capital outlay	<u>12,184,575</u>	<u>15,176,649</u>	<u>5,326,438</u>	<u>9,850,211</u>
Total expenditures	<u>31,748,183</u>	<u>36,411,772</u>	<u>18,654,946</u>	<u>17,756,826</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,558,937)</u>	<u>(8,735,886)</u>	<u>1,603,775</u>	<u>10,339,661</u>
OTHER FINANCING SOURCES (USES)				
Issuance of long-term debt	19,000	19,000	-	19,000
Transfers in	122,000	199,678	114,679	(84,999)
Transfers out	(234,048)	(234,419)	(149,418)	85,001
Sale of capital assets	15,000	15,000	70,120	55,120
Total other financing sources (uses)	<u>(78,048)</u>	<u>(741)</u>	<u>35,381</u>	<u>74,122</u>
Changes in fund balance	(4,636,985)	(8,736,627)	1,639,156	10,375,783
Fund balance - beginning	11,650,799	11,650,799	11,650,799	-
Fund balance - ending	<u>\$ 7,013,814</u>	<u>\$ 2,914,172</u>	<u>\$ 13,289,955</u>	<u>\$ 10,375,783</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, 2020

	<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	\$ 163,122	\$ 163,122	\$ 222,443	\$ 59,321
Intergovernmental	3,386,143	3,386,143	3,781,425	395,282
Charges for services	932,771	932,771	584,526	(348,245)
Miscellaneous	95,000	795,000	1,171,192	376,192
Total revenues	<u>4,577,036</u>	<u>5,277,036</u>	<u>5,759,586</u>	<u>482,550</u>
EXPENDITURES				
Current:				
Health services				
First 5 Solano	<u>5,241,196</u>	<u>5,267,728</u>	<u>3,965,755</u>	<u>1,301,973</u>
Public assistance				
Grants/programs administration	<u>746,560</u>	<u>981,147</u>	<u>869,935</u>	<u>111,212</u>
Non-departmental				
Contingencies	<u>1,355,970</u>	<u>1,066,501</u>	<u>-</u>	<u>1,066,501</u>
Capital outlay:				
Buildings and improvements	-	1,479,585	1,444,228	35,357
Equipment	-	15,568	14,986	582
Total capital outlay	<u>-</u>	<u>1,495,153</u>	<u>1,459,214</u>	<u>35,939</u>
Total expenditures	<u>7,343,726</u>	<u>8,810,529</u>	<u>6,294,904</u>	<u>2,515,625</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,766,690)</u>	<u>(3,533,493)</u>	<u>(535,318)</u>	<u>2,998,175</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	616,560	616,560	616,560	-
Transfers out	(10,067)	(10,171)	(10,170)	1
Total other financing sources (uses)	<u>606,493</u>	<u>606,389</u>	<u>606,390</u>	<u>1</u>
Changes in fund balance	(2,160,197)	(2,927,104)	71,072	2,998,176
Fund balance - beginning	10,048,627	10,048,627	10,048,627	-
Fund balance - ending	<u>\$ 7,888,430</u>	<u>\$ 7,121,523</u>	<u>\$ 10,119,699</u>	<u>\$ 2,998,176</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, 2020

	<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	\$ 24,000	\$ 24,000	\$ 48,685	\$ 24,685
Charges for services	-	-	790	790
Miscellaneous revenues	-	250,000	250,000	-
Total revenues	<u>24,000</u>	<u>274,000</u>	<u>299,475</u>	<u>25,475</u>
EXPENDITURES				
Current:				
Public protection				
Cnty Low/Mod Housing set aside	-	250,000	250,000	-
Homeacres Loan Program	80,950	80,950	2,239	78,711
Total public protection	<u>80,950</u>	<u>330,950</u>	<u>252,239</u>	<u>78,711</u>
Non-departmental				
Contingencies	1,575,434	1,910,173	-	1,910,173
Total expenditures	<u>1,656,384</u>	<u>2,241,123</u>	<u>252,239</u>	<u>1,988,884</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,632,384)</u>	<u>(1,967,123)</u>	<u>47,236</u>	<u>2,014,359</u>
Changes in fund balance	(1,632,384)	(1,967,123)	47,236	2,014,359
Fund balance - beginning	<u>5,019,376</u>	<u>5,019,376</u>	<u>5,019,376</u>	<u>-</u>
Fund balance - ending	<u>\$ 3,386,992</u>	<u>\$ 3,052,253</u>	<u>\$ 5,066,612</u>	<u>\$ 2,014,359</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, 2020

	<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	\$ 128,500	\$ 128,500	\$ 238,736	\$ 110,236
Charges for services	671,000	671,000	857,914	186,914
Total revenues	<u>799,500</u>	<u>799,500</u>	<u>1,096,650</u>	<u>297,150</u>
EXPENDITURES				
Current:				
Public protection				
Recorder Special Revenue	841,900	841,900	526,204	315,696
Non-departmental				
Contingencies	9,472,851	9,566,103	-	9,566,103
Total expenditures	<u>10,314,751</u>	<u>10,408,003</u>	<u>526,204</u>	<u>9,881,799</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(9,515,251)</u>	<u>(9,608,503)</u>	<u>570,446</u>	<u>10,178,949</u>
Changes in fund balance	(9,515,251)	(9,608,503)	570,446	10,178,949
Fund balance - beginning	<u>9,640,410</u>	<u>9,640,410</u>	<u>9,640,410</u>	<u>-</u>
Fund balance - ending	<u>\$ 125,159</u>	<u>\$ 31,907</u>	<u>\$ 10,210,856</u>	<u>\$ 10,178,949</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, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Adopted</u>	<u>Final</u>		
REVENUES				
Taxes	\$ 1,529,401	\$ 1,529,401	\$ 1,528,323	\$ (1,078)
Fines, forfeitures and penalties	3,066	3,066	7,958	4,892
Use of money and property	28,752	28,752	41,285	12,533
Intergovernmental	2,213,977	2,639,677	2,510,931	(128,746)
Charges for services	619,786	619,786	405,996	(213,790)
Miscellaneous	8,000	8,000	10,019	2,019
Total revenues	<u>4,402,982</u>	<u>4,828,682</u>	<u>4,504,512</u>	<u>(324,170)</u>
EXPENDITURES				
Current:				
Public protection				
Housing Authority of Solano County	2,200,000	2,600,000	2,490,140	109,860
East Vallejo Fire Protection District	621,188	629,844	621,829	8,015
Fish/Wildlife Propagation	12,395	12,395	690	11,705
Total public protection	<u>2,833,583</u>	<u>3,242,239</u>	<u>3,112,659</u>	<u>129,580</u>
Public ways and facilities				
County Consolidated Service Area	120,026	120,026	74,258	45,768
Education and recreation				
Parks & Recreation	1,897,673	1,906,863	1,703,824	203,039
Non-departmental				
Contingencies	131,393	335,065	-	335,065
Capital outlay:				
Equipment	-	28,645	12,135	16,510
Total expenditures	<u>4,982,675</u>	<u>5,632,838</u>	<u>4,902,876</u>	<u>729,962</u>
Deficiency of revenues under expenditures	<u>(579,693)</u>	<u>(804,156)</u>	<u>(398,364)</u>	<u>(1,054,132)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	471,248	471,248	413,131	(58,117)
Transfers out	(7,257)	(7,257)	(6,636)	621
Total other financing sources (uses)	<u>463,991</u>	<u>463,991</u>	<u>406,495</u>	<u>(57,496)</u>
Changes in fund balance	(115,702)	(340,165)	8,131	348,296
Fund balance - beginning	929,672	929,672	929,672	-
Fund balance - ending	<u>\$ 813,970</u>	<u>\$ 589,507</u>	<u>\$ 937,803</u>	<u>\$ 348,296</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, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Adopted</u>	<u>Final</u>		
REVENUES				
Taxes	\$ 3,099,122	\$ 3,099,122	\$ 3,118,695	\$ 19,573
Use of money and property	200,750	200,750	517,757	317,007
Intergovernmental	39,919	39,919	1,181,578	1,141,659
Charges for services	11,702	11,702	11,702	-
Miscellaneous	-	-	3,108	3,108
Total revenues	<u>3,351,493</u>	<u>3,351,493</u>	<u>4,832,840</u>	<u>1,481,347</u>
EXPENDITURES				
Current:				
General government				
Capital Projects	<u>6,169,888</u>	<u>11,581,651</u>	<u>3,227,804</u>	<u>8,353,847</u>
Non-departmental				
Contingencies	<u>2,287,191</u>	<u>1,638,520</u>	<u>-</u>	<u>1,638,520</u>
Capital outlay:				
Land	-	190,000	50,000	140,000
Construction in progress	3,995,000	24,791,926	8,149,905	16,642,021
Equipment	<u>-</u>	<u>1,476,085</u>	<u>887,468</u>	<u>588,617</u>
Total capital outlay	<u>3,995,000</u>	<u>26,458,011</u>	<u>9,087,373</u>	<u>17,370,638</u>
Total expenditures	<u>12,452,079</u>	<u>39,678,182</u>	<u>12,315,177</u>	<u>27,363,005</u>
Deficiency of revenues under expenditures	<u>(9,100,586)</u>	<u>(36,326,689)</u>	<u>(7,482,337)</u>	<u>28,844,352</u>
OTHER FINANCING SOURCES (USES)				
Issuance of long-term debt	8,194,331	7,946,898	-	(7,946,898)
Transfers in	6,798,000	11,609,199	11,109,200	(499,999)
Transfers out	<u>(1,060,589)</u>	<u>(1,835,511)</u>	<u>(1,835,507)</u>	<u>4</u>
Total other financing sources (uses)	<u>13,931,742</u>	<u>17,720,586</u>	<u>9,273,693</u>	<u>(8,446,893)</u>
Changes in fund balance	4,831,156	(18,606,103)	1,791,356	20,397,459
Fund balance - beginning	<u>17,537,417</u>	<u>17,537,417</u>	<u>17,537,417</u>	<u>-</u>
Fund balance - ending	<u>\$ 22,368,573</u>	<u>\$ (1,068,686)</u>	<u>\$ 19,328,773</u>	<u>\$ 20,397,459</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, 2020

	2013	2009	2017		Total Nonmajor
	Certificates of	Certificates of	Certificates of	Pension	Debt Service
	Participation	Participation	Participation		Funds
ASSETS					
Cash and investments	\$ 35,553	\$ 72	\$ 2,839,570	\$ 6,645,453	\$ 9,520,648
Due from other agencies	-	-	-	145,175	145,175
Due from other funds	325	-	-	198,452	198,777
Due from component unit	-	-	-	740,996	740,996
Total assets	<u>\$ 35,878</u>	<u>\$ 72</u>	<u>\$ 2,839,570</u>	<u>\$ 7,730,076</u>	<u>\$ 10,605,596</u>
LIABILITIES					
Liabilities:					
Due to other funds	<u>\$ -</u>	<u>\$ 72</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 72</u>
FUND BALANCES					
Restricted	35,878	-	-	-	35,878
Assigned	-	-	2,839,570	7,730,076	10,569,646
Total fund balances	<u>35,878</u>	<u>-</u>	<u>2,839,570</u>	<u>7,730,076</u>	<u>10,605,524</u>
Total fund balances	<u>\$ 35,878</u>	<u>\$ 72</u>	<u>\$ 2,839,570</u>	<u>\$ 7,730,076</u>	<u>\$ 10,605,596</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, 2020

	<u>2013</u> <u>Certificates of</u> <u>Participation</u>	<u>2009</u> <u>Certificates of</u> <u>Participation</u>	<u>2017</u> <u>Certificates of</u> <u>Participation</u>	<u>Pension</u>	<u>Total Nonmajor</u> <u>Debt Service</u> <u>Funds</u>
REVENUES					
Use of money and property	\$ 600	\$ 19,016	\$ 98,053	\$ 70,192	\$ 187,861
Intergovernmental	417,211	-	-	-	417,211
Charges for services	-	-	2,781,419	-	2,781,419
Miscellaneous	-	-	-	2,059,124	2,059,124
Total revenues	<u>417,811</u>	<u>19,016</u>	<u>2,879,472</u>	<u>2,129,316</u>	<u>5,445,615</u>
EXPENDITURES					
Current:					
General government	3,912	9,060	27,241	325,748	365,961
Debt service:					
Principal	355,000	865,000	4,335,000	3,000,000	8,555,000
Interest and other charges	<u>115,815</u>	<u>21,625</u>	<u>3,031,875</u>	<u>1,249,385</u>	<u>4,418,700</u>
Total expenditures	<u>474,727</u>	<u>895,685</u>	<u>7,394,116</u>	<u>4,575,133</u>	<u>13,339,661</u>
Deficiency of revenues under expenditures	<u>(56,916)</u>	<u>(876,669)</u>	<u>(4,514,644)</u>	<u>(2,445,817)</u>	<u>(7,894,046)</u>
OTHER FINANCING SOURCES					
Transfers in	44,970	-	4,617,203	4,179,185	8,841,358
Transfers out	<u>-</u>	<u>(923,274)</u>	<u>-</u>	<u>-</u>	<u>(923,274)</u>
Total other financing sources (uses)	<u>44,970</u>	<u>(923,274)</u>	<u>4,617,203</u>	<u>4,179,185</u>	<u>7,918,084</u>
Changes in fund balances	(11,946)	(1,799,943)	102,559	1,733,368	24,038
Fund balances - beginning	<u>47,824</u>	<u>1,799,943</u>	<u>2,737,011</u>	<u>5,996,708</u>	<u>10,581,486</u>
Fund balances - ending	<u>\$ 35,878</u>	<u>\$ -</u>	<u>\$ 2,839,570</u>	<u>\$ 7,730,076</u>	<u>\$ 10,605,524</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, 2020

	<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	\$ 701	\$ 701	\$ 600	\$ (101)
Intergovernmental revenues	417,211	417,211	417,211	-
Total revenues	<u>417,912</u>	<u>417,912</u>	<u>417,811</u>	<u>(101)</u>
EXPENDITURES				
Current:				
General government				
Animal Care Project	5,092	5,092	3,912	1,180
Debt service:				
Principal	355,000	355,000	355,000	-
Interest and other charges	115,815	115,815	115,815	-
Total debt service	470,815	470,815	470,815	-
Total expenditures	475,907	475,907	474,727	1,180
Deficiency of revenues under expenditures	(57,995)	(57,995)	(56,916)	1,079
OTHER FINANCING SOURCES				
Transfers in	44,970	44,970	44,970	-
Changes in fund balance	(13,025)	(13,025)	(11,946)	1,079
Fund balance - beginning	47,824	47,824	47,824	-
Fund balance - ending	<u>\$ 34,799</u>	<u>\$ 34,799</u>	<u>\$ 35,878</u>	<u>\$ 1,079</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, 2020

	<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	\$ 9,894	\$ 18,848	\$ 19,016	\$ 168
EXPENDITURES				
Current:				
HSS Admin Refinance	13,765	9,408	9,060	348
Debt service:				
Principal	865,000	865,000	865,000	-
Interest and other charges	21,625	21,625	21,625	-
Total debt service	886,625	886,625	886,625	-
Total expenditures	900,390	896,033	895,685	348
Deficiency of revenues under expenditures	(890,496)	(877,185)	(876,669)	(180)
OTHER FINANCING SOURCES				
Transfers out	(870,000)	(923,275)	(923,274)	1
Changes in fund balance	(1,760,496)	(1,800,460)	(1,799,943)	517
Fund balance - beginning	1,799,943	1,799,943	1,799,943	-
Fund balance - ending	<u>\$ 39,447</u>	<u>\$ (517)</u>	<u>\$ -</u>	<u>\$ 517</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, 2020

	<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	\$ 48,683	\$ 48,683	\$ 98,053	\$ 62,531
Charges for services	2,781,419	2,781,419	2,781,419	-
Total revenues	<u>2,830,102</u>	<u>2,830,102</u>	<u>2,879,472</u>	<u>62,531</u>
EXPENDITURES				
Current:				
General government				
Government Center	29,503	29,503	27,241	2,262
Debt service:				
Principal	4,335,000	4,335,000	4,335,000	-
Interest and other charges	3,031,875	3,031,875	3,031,875	-
Total debt service	<u>7,366,875</u>	<u>7,366,875</u>	<u>7,366,875</u>	<u>-</u>
Total expenditures	<u>7,396,378</u>	<u>7,396,378</u>	<u>7,394,116</u>	<u>2,262</u>
Deficiency of revenues under expenditures	<u>(4,566,276)</u>	<u>(4,566,276)</u>	<u>(4,514,644)</u>	<u>64,793</u>
OTHER FINANCING SOURCES				
Transfers in	4,617,203	4,617,203	4,617,203	-
Changes in fund balance	50,927	50,927	102,559	51,632
Fund balance - beginning	2,737,011	2,737,011	2,737,011	-
Fund balance - ending	<u>\$ 2,787,938</u>	<u>\$ 2,787,938</u>	<u>\$ 2,839,570</u>	<u>\$ 51,632</u>

COUNTY OF SOLANO, CALIFORNIA
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Pension Obligation Bonds Debt Service Fund
For the Fiscal Year Ended June 30, 2020

	<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	\$ 47,000	\$ 47,000	\$ 70,192	\$ 23,192
Miscellaneous	2,869,249	2,777,496	2,059,124	(718,372)
Total revenues	<u>2,916,249</u>	<u>2,824,496</u>	<u>2,129,316</u>	<u>(695,180)</u>
EXPENDITURES				
Current:				
General government				
Pension Obligation Bonds Administration	194,526	336,526	325,748	10,778
Debt service:				
Principal	3,000,000	3,000,000	3,000,000	-
Interest and other charges	1,249,385	1,249,385	1,249,385	-
Total debt service	<u>4,249,385</u>	<u>4,249,385</u>	<u>4,249,385</u>	<u>-</u>
Total expenditures	<u>4,443,911</u>	<u>4,585,911</u>	<u>4,575,133</u>	<u>10,778</u>
Deficiency of revenues under expenditures	<u>(1,527,662)</u>	<u>(1,761,415)</u>	<u>(2,445,817)</u>	<u>(684,402)</u>
OTHER FINANCING SOURCES				
Transfers in	4,638,267	4,730,020	4,179,185	(550,835)
Changes in fund balance	3,110,605	2,968,605	1,733,368	(1,235,237)
Fund balance - beginning	5,996,708	5,996,708	5,996,708	-
Fund balance - ending	<u>\$ 9,107,313</u>	<u>\$ 8,965,313</u>	<u>\$ 7,730,076</u>	<u>\$ (1,235,237)</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, 2020

	<u>Fleet Management</u>	<u>Risk Management</u>	<u>Information Technology</u>	<u>Total Internal Service Funds</u>
ASSETS				
Current assets				
Cash and investments	\$ 3,861,382	\$ 23,950,464	\$ 6,376,753	\$ 34,188,599
Accounts receivable	55,780	5,311	183,117	244,208
Due from other agencies	20,236	11,908	-	32,144
Due from other funds	7,288	358,126	246,925	612,339
Other assets	328,633	250,000	48,717	627,350
Total current assets	<u>4,273,319</u>	<u>24,575,809</u>	<u>6,855,512</u>	<u>35,704,640</u>
Noncurrent assets				
Capital assets:				
Construction in progress	-	-	766,504	766,504
Buildings and improvements	471,910	-	183,560	655,470
Equipment	15,966,980	-	12,664,525	28,631,505
Intangibles	-	-	5,928,605	5,928,605
Accumulated depreciation	(9,329,830)	-	(16,556,033)	(25,885,863)
Total capital assets	<u>7,109,060</u>	<u>-</u>	<u>2,987,161</u>	<u>10,096,221</u>
Total assets	<u>11,382,379</u>	<u>24,575,809</u>	<u>9,842,673</u>	<u>45,800,861</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows related to pensions	448,662	423,587	2,889,545	3,761,794
Deferred outflows related to OPEB	13,976	14,501	144,483	172,960
Total deferred outflows of resources	<u>462,638</u>	<u>438,088</u>	<u>3,034,028</u>	<u>3,934,754</u>
LIABILITIES				
Current liabilities				
Outstanding warrants	67,633	46,244	581,452	695,329
Payables	235,493	514,995	1,346,371	2,096,859
Due to other funds	458	35,158	123,279	158,895
Due to other agencies	-	-	371	371
Current portion of long-term obligations	59,958	5,743,553	324,848	6,128,359
Total current liabilities	<u>363,542</u>	<u>6,339,950</u>	<u>2,376,321</u>	<u>9,079,813</u>
Noncurrent liabilities				
Advances from other funds	-	-	521,468	521,468
Net pension liability	1,394,173	1,379,571	10,093,412	12,867,156
Net OPEB liability	40,637	37,008	278,008	355,653
Noncurrent portion of long-term obligations	119,411	11,026,122	795,316	11,940,849
Total noncurrent liabilities	<u>1,554,221</u>	<u>12,442,701</u>	<u>11,688,204</u>	<u>25,685,126</u>
Total liabilities	<u>1,917,763</u>	<u>18,782,651</u>	<u>14,064,525</u>	<u>34,764,939</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to pensions	144,534	138,817	1,111,496	1,394,847
Deferred inflows related to OPEB	9,969	10,032	93,548	113,549
Total deferred inflows of resources	<u>154,503</u>	<u>148,849</u>	<u>1,205,044</u>	<u>1,508,396</u>
NET POSITION				
Net investment in capital assets	7,109,060	-	3,073,337	10,182,397
Unrestricted	2,663,691	6,082,397	(5,466,205)	3,279,883
Total net position (deficit)	<u>\$ 9,772,751</u>	<u>\$ 6,082,397</u>	<u>\$ (2,392,868)</u>	<u>\$ 13,462,280</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, 2020

	<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	\$ 5,284,993	\$ 17,594,483	\$ 25,245,594	\$ 48,125,070
Total operating revenues	<u>5,284,993</u>	<u>17,594,483</u>	<u>25,245,594</u>	<u>48,125,070</u>
OPERATING EXPENSES				
Personnel services	1,192,571	1,156,252	11,102,363	13,451,186
Maintenance	802,026	319	716,995	1,519,340
Materials and supplies	894,003	33,459	470,250	1,397,712
Depreciation	1,528,036	-	838,038	2,366,074
Insurance	38,987	14,443,535	118,747	14,601,269
Rent, utilities and others	516,240	1,637,550	13,842,502	15,996,292
Total operating expenses	<u>4,971,863</u>	<u>17,271,115</u>	<u>27,088,895</u>	<u>49,331,873</u>
Operating income (loss)	<u>313,130</u>	<u>323,368</u>	<u>(1,843,301)</u>	<u>(1,206,803)</u>
NONOPERATING REVENUES				
Intergovernmental	-	-	546,310	546,310
Investment earnings	88,780	481,262	126,732	696,774
Other revenue	124,155	95,282	43,347	262,784
Gain (loss) from sale of capital assets	102,038	-	176,354	278,392
Total nonoperating revenues	<u>314,973</u>	<u>576,544</u>	<u>892,743</u>	<u>1,784,260</u>
Income (loss) before transfers	628,103	899,912	(950,558)	577,457
Transfers in	332,710	-	107,165	439,875
Transfers out	(129,782)	(10,200)	(129,990)	(269,972)
Changes in net position	<u>831,031</u>	<u>889,712</u>	<u>(973,383)</u>	<u>747,360</u>
Total net position (deficit) - beginning	8,941,720	5,192,685	(1,419,485)	12,714,920
Total net position (deficit) - ending	<u>\$ 9,772,751</u>	<u>\$ 6,082,397</u>	<u>\$ (2,392,868)</u>	<u>\$ 13,462,280</u>

COUNTY OF SOLANO, CALIFORNIA
Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 2020

	<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	\$ 523,016	\$ -	\$ 60,949	\$ 583,965
Receipts from interfund services provided	4,859,695	17,336,275	25,344,125	47,540,095
Payments to suppliers	(1,973,237)	(15,177,027)	(16,279,103)	(33,429,367)
Payments to employees	(1,106,808)	(1,049,752)	(10,263,823)	(12,420,383)
Payments for interfund services used	(426,390)	(595,452)	(1,229,923)	(2,251,765)
Net cash provided by (used for) operating activities	<u>1,876,276</u>	<u>514,044</u>	<u>(2,367,775)</u>	<u>22,545</u>
Cash flows from noncapital financing activities:				
Transfers out	(129,782)	(10,200)	(129,990)	(269,972)
Payment on advances from other funds	-	-	280,922	280,922
Transfers In	332,710	-	107,165	439,875
Intergovernmental revenues received	-	-	546,310	546,310
Net cash provided by (used for) noncapital financing activities	<u>202,928</u>	<u>(10,200)</u>	<u>804,407</u>	<u>997,135</u>
Cash flows from capital and related financing activities:				
Acquisition of capital assets	(1,990,390)	-	(1,115,477)	(3,105,867)
Net cash used for capital and related financing activities	<u>(1,990,390)</u>	<u>-</u>	<u>(1,115,477)</u>	<u>(3,105,867)</u>
Cash flows from investing activities:				
Investment income received	88,779	481,263	126,732	696,774
Net cash provided by investing activities	<u>88,779</u>	<u>481,263</u>	<u>126,732</u>	<u>696,774</u>
Net increase (decrease) in cash and cash equivalents	177,593	985,107	(2,552,113)	(1,389,413)
Cash and cash equivalents - beginning	3,683,789	22,965,357	8,928,866	35,578,012
Cash and cash equivalents - ending	<u>\$ 3,861,382</u>	<u>\$ 23,950,464</u>	<u>\$ 6,376,753</u>	<u>\$ 34,188,599</u>
Reconciliation of operating loss to net cash provided by (used for) operating activities:				
Operating income (loss)	\$ 313,130	\$ 323,368	\$ (1,843,301)	\$ (1,206,803)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation	1,528,036	-	838,038	2,366,074
Other nonoperating revenue	124,155	95,282	43,347	262,784
Pension expense	105,549	101,171	899,264	1,105,984
OPEB expense	(5,953)	(6,178)	(61,548)	(73,679)
Changes in assets and liabilities:				
(Increase) decrease in receivables, net	1,054	6,989	151,696	159,739
(Increase) decrease in due from other funds	(7,255)	(357,668)	(35,563)	(400,486)
(Increase) decrease in due from other agencies	(20,236)	(2,811)	-	(23,047)
(Increase) decrease in other assets	(59,657)	-	(48,717)	(108,374)
Increase (decrease) in outstanding warrants	(217,979)	31,808	(22,041)	(208,212)
Increase (decrease) in payables	129,129	299,551	(2,016,842)	(1,588,162)
Increase (decrease) in due to other funds	136	23,430	(273,195)	(249,629)
Increase (decrease) in due to other agencies	-	(404)	263	(141)
Increase/(Decrease) in accrued compensated absences	(13,833)	(494)	824	(13,503)
Total adjustments	<u>1,563,146</u>	<u>190,676</u>	<u>(524,474)</u>	<u>1,229,348</u>
Net cash provided by (used for) operating activities	<u>\$ 1,876,276</u>	<u>\$ 514,044</u>	<u>\$ (2,367,775)</u>	<u>\$ 22,545</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, 2020

PROPERTY TAX COLLECTION

	<u>Balance</u> <u>July 1, 2019</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2020</u>
Assets				
Cash and investments	\$ 43,031	\$ 703,509,661	\$ 703,454,007	\$ 98,685
Property taxes receivable	31,998,397	816,089,898	819,499,671	28,588,624
Total assets	<u>\$ 32,041,428</u>	<u>\$ 1,519,599,559</u>	<u>\$ 1,522,953,678</u>	<u>\$ 28,687,309</u>
Liabilities				
Due to others	\$ 32,041,428	\$ 1,519,599,559	\$ 1,522,953,678	\$ 28,687,309
Total liabilities	<u>\$ 32,041,428</u>	<u>\$ 1,519,599,559</u>	<u>\$ 1,522,953,678</u>	<u>\$ 28,687,309</u>

LOCAL TRANSPORTATION

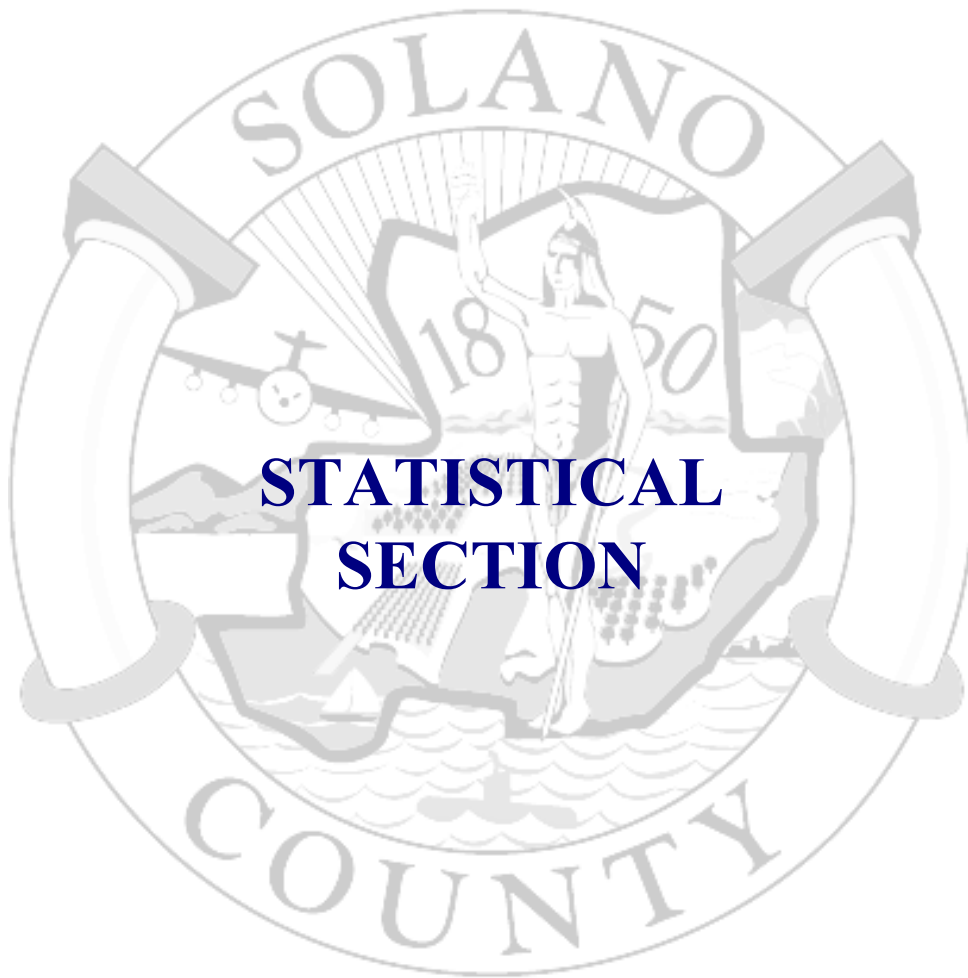
	<u>Balance</u> <u>July 1, 2019</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2020</u>
Assets				
Cash and investments	\$ 28,649,810	\$ 22,705,339	\$ 18,310,090	\$ 33,045,059
Total assets	<u>\$ 28,649,810</u>	<u>\$ 22,705,339</u>	<u>\$ 18,310,090</u>	<u>\$ 33,045,059</u>
Liabilities				
Due to others	\$ 28,649,810	\$ 22,705,339	\$ 18,310,090	\$ 33,045,059
Total liabilities	<u>\$ 28,649,810</u>	<u>\$ 22,705,339</u>	<u>\$ 18,310,090</u>	<u>\$ 33,045,059</u>

ALL OTHER AGENCY FUNDS

	<u>Balance</u> <u>July 1, 2019</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2020</u>
Assets				
Cash and investments	\$ 42,583,222	\$ 48,197,514	\$ 42,821,708	\$ 47,959,028
Total assets	<u>\$ 42,583,222</u>	<u>\$ 48,197,514</u>	<u>\$ 42,821,708</u>	<u>\$ 47,959,028</u>
Liabilities				
Due to others	\$ 42,583,222	\$ 48,197,514	\$ 42,821,708	\$ 47,959,028
Total liabilities	<u>\$ 42,583,222</u>	<u>\$ 48,197,514</u>	<u>\$ 42,821,708</u>	<u>\$ 47,959,028</u>

TOTAL - ALL AGENCY FUNDS

	<u>Balance</u> <u>July 1, 2019</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2020</u>
Assets				
Cash and investments	\$ 71,276,063	\$ 774,412,514	\$ 764,585,805	\$ 81,102,772
Property taxes receivable	31,998,398	816,089,898	819,499,671	28,588,624
Total assets	<u>\$ 103,274,461</u>	<u>\$ 1,590,502,412</u>	<u>\$ 1,584,085,476</u>	<u>\$ 109,691,396</u>
Liabilities				
Due to others	\$ 103,274,461	\$ 1,590,502,412	\$ 1,584,085,476	\$ 109,691,396
Total liabilities	<u>\$ 103,274,461</u>	<u>\$ 1,590,502,412</u>	<u>\$ 1,584,085,476</u>	<u>\$ 109,691,396</u>



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>	154
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>	162
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>	166
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>	170
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>	172

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

	Fiscal Year				
	2020	2019	2018	2017	2016
Governmental activities					
Net investment in capital assets	\$ 481,312,570	\$ 477,673,000	\$ 473,434,362	\$ 465,703,178	\$ 463,522,036
Restricted	250,489,348	254,067,156	223,639,162 ⁴	212,643,958	200,295,296
Unrestricted	(335,802,184)	(304,332,682)	(295,951,573) ⁴	(287,817,986)	(295,628,894)
Total governmental activities net position	<u>\$ 395,999,734</u>	<u>\$ 427,407,474</u>	<u>\$ 401,121,951</u>	<u>\$ 390,529,150</u>	<u>\$ 368,188,438</u>
Business-type activities					
Net investment in capital assets	14,961,629	15,017,861	13,653,777	13,933,225	13,830,857
Unrestricted	(1,391,820)	(1,384,151)	(288,725)	48,914	120,373
Total business-type activities net position	<u>\$ 13,569,809</u>	<u>\$ 13,633,710</u>	<u>\$ 13,365,052</u>	<u>\$ 13,982,139</u>	<u>\$ 13,951,230</u>
Primary government					
Net investment in capital assets	\$ 496,274,199	\$ 492,690,861	\$ 487,088,139	\$ 479,636,403	\$ 477,352,893
Restricted	250,489,348	254,067,156	223,639,162	212,643,958	200,295,296
Unrestricted	(337,194,004)	(305,716,833)	(296,240,298) ³	(287,769,072)	(295,508,521)
Total primary government net position	<u>\$ 409,569,543</u>	<u>\$ 441,041,184</u>	<u>\$ 414,487,003</u>	<u>\$ 404,511,289</u>	<u>\$ 382,139,668</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.

⁴ Certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

Source: Audited Financial Statements

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

		Fiscal Year			
2015	2014	2013	2012	2011	
					Governmental activities
\$ 462,894,048	\$ 451,748,610	\$ 408,961,062	\$ 380,366,107	\$ 364,775,065	Net investment in capital assets
122,151,480	120,830,163	133,820,602	117,783,378	84,063,560	Restricted
(284,103,120)	194,952,606	186,237,045	170,013,282	174,821,311	Unrestricted
<u>\$ 300,942,408</u>	<u>\$ 767,531,379</u>	<u>\$ 729,018,709</u>	<u>\$ 668,162,767</u>	<u>\$ 623,659,936</u>	Total governmental activities net position
					Business-type activities
13,786,608	14,944,288	15,397,568	\$ 18,601,811	\$ 19,226,808	Net investment in capital assets
(125,922)	(2,133,423)	(2,485,608)	(2,443,915)	(2,701,490)	Unrestricted
<u>\$ 13,660,686</u>	<u>\$ 12,810,865</u>	<u>\$ 12,911,960</u>	<u>\$ 16,157,896</u>	<u>\$ 16,525,318</u>	Total business-type activities net position
					Primary government
\$ 476,680,656	\$ 466,692,898	\$ 424,358,630	\$ 398,967,918	\$ 384,001,873	Net investment in capital assets
122,151,480	120,830,163	133,820,602	117,783,378 ¹	84,063,560	Restricted
² (284,229,042)	192,819,183	183,751,437	167,569,367	172,119,821	Unrestricted
<u>\$ 314,603,094</u>	<u>\$ 780,342,244</u>	<u>\$ 741,930,669</u>	<u>\$ 684,320,663</u>	<u>\$ 640,185,254</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.

⁴ Certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

Source: Audited Financial Statements

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

	Fiscal Year				
	2020	2019	2018	2017	2016
Expenses					
Governmental activities:					
General government	\$ 77,400,983	\$ 79,056,546	\$ 73,469,037	\$ 67,637,800	\$ 59,995,941
Public protection	256,573,399	230,141,732	230,654,519	216,932,185	192,709,201
Public ways and facilities	17,395,553	21,057,877	17,220,809	12,289,760	12,263,841
Health services	188,075,259	173,753,194	172,280,422	154,787,811	139,577,649
Public assistance	168,263,482	154,082,791	152,732,632	151,158,894	140,560,811
Education and recreation	21,746,756	20,198,264	19,273,900	18,333,677	15,799,451
Interest /Principal on long-term debt	4,331,445	5,275,669	3,347,473	6,478,003	7,131,271
Total governmental activities expenses	<u>733,786,877</u>	<u>683,566,073</u>	<u>668,978,792</u>	<u>627,618,130</u>	<u>568,038,165</u>
Business-type activities:					
Nut Tree Airport	2,128,535	2,115,088	2,484,267	2,479,874	2,170,007
Fouts Springs Youth Facility	-	-	-	-	-
Total business-type activities expenses	<u>2,128,535</u>	<u>2,115,088</u>	<u>2,484,267</u>	<u>2,479,874</u>	<u>2,170,007</u>
Total primary government expenses	<u>\$ 735,915,412</u>	<u>\$ 685,681,161</u>	<u>\$ 671,463,059</u>	<u>\$ 630,098,004</u>	<u>\$ 570,208,172</u>
Program Revenues					
Governmental activities:					
Charges for services:					
General government	\$ 29,364,221	\$ 31,915,941	\$ 27,909,218	\$ 29,632,175	\$ 25,791,827
Public protection	23,471,599	23,141,178	24,068,536	27,317,906	24,663,484
Public ways and facilities	1,430,799	1,645,603	1,340,628	2,024,545	692,620
Health services	20,351,850	24,740,923	20,656,053	21,992,676	21,909,984
Public assistance	698,477	885,779	899,050	1,050,335	815,729
Education and recreation	5,609,694	5,485,544	5,340,178	5,056,884	4,985,508
Operating grants and contributions	398,728,555	395,493,586	394,074,363	364,091,668	374,303,152
Capital grants and contributions	840,449	7,441,552	15,947,090	9,003,256	6,479,698
Total governmental activities program revenues	<u>480,495,644</u>	<u>490,750,106</u>	<u>490,235,116</u>	<u>460,169,445</u>	<u>459,642,002</u>
Business-type activities:					
Charges for services:					
Nut Tree Airport	1,255,357	1,298,285	1,275,851	1,217,410	1,337,907
Fouts Springs Youth Facility	-	-	-	-	-
Operating grants and contributions	89,014	10,097	10,000	15,353	78,090
Capital grants and contributions	26,851	389,265	-	645,268	471,980
Total business-type activities	<u>1,371,222</u>	<u>1,697,647</u>	<u>1,285,851</u>	<u>1,878,031</u>	<u>1,887,977</u>
Total primary government program revenues	<u>\$ 481,866,866</u>	<u>\$ 492,447,753</u>	<u>\$ 491,520,967</u>	<u>\$ 462,047,476</u>	<u>\$ 461,529,979</u>
Net (Expenses)/Revenue					
Governmental activities	\$ (253,291,233)	\$ (192,815,967)	\$ (178,743,676)	\$ (167,448,685)	\$ (108,396,163)
Business-type activities	(757,313)	(417,441)	(1,198,416)	(601,843)	(282,030)
Total primary government net expenses	<u>\$ (254,048,546)</u>	<u>\$ (193,233,408)</u>	<u>\$ (179,942,092)</u>	<u>\$ (168,050,528)</u>	<u>\$ (108,678,193)</u>
General Revenues and Other Changes in Net Position					
Governmental activities:					
Property taxes ^{1,2}	191,219,961	183,109,543	176,386,218	161,830,558	151,646,535
Sales and use tax	2,635,977	2,500,227	2,555,289	2,295,605	2,205,404
Property transfer tax	3,260,399	3,090,546	3,152,653	2,868,703	3,675,622
Intergovernmental not restricted for specific programs ^{1,2}	3,821,753	3,614,085	3,176,226	2,839,406	1,914,486
Interest & investment earnings	9,975,712	10,863,331	2,632,607	1,274,998	4,090,078
Other	10,768,382	15,397,129	17,181,280	18,633,347	13,902,540
Gain on sale of capital assets	197,857	522,313	368,222	34,403	364,285
Special item - Fouts Springs Asset Impairment	-	-	-	-	(2,170,171)
Extraordinary item	-	-	-	-	-
Transfers	3,452	4,316	12,248	12,377	13,414
Total governmental activities	<u>221,883,493</u>	<u>219,101,490</u>	<u>205,464,743</u>	<u>189,789,397</u>	<u>175,642,193</u>
Business-type activities:					
Property taxes	459,518	441,618	427,871	387,912	362,009
Sales and use tax	-	-	-	-	3,482
Intergovernmental not restricted to specific programs	4,369	4,760	3,834	5,447	3,654
Interest & investment earnings	36,620	82,465	44,673	99,722	104,310
Other	196,357	161,572	132,133	152,048	106,783
Gain on sale of capital assets	-	-	-	-	5,750
Transfers	(3,452)	(4,316)	(12,248)	(12,377)	(13,414)
Total business-type activities	<u>693,412</u>	<u>686,099</u>	<u>596,263</u>	<u>632,752</u>	<u>572,574</u>
Total primary government	<u>\$ 222,576,905</u>	<u>\$ 219,787,589</u>	<u>\$ 206,061,006</u>	<u>\$ 190,422,149</u>	<u>\$ 176,214,767</u>
Change in net position					
Governmental activities	\$ (31,407,740)	\$ 26,285,523	\$ 26,721,067	\$ 22,340,712	\$ 67,246,030
Business-type activities	(63,901)	268,658	(602,153)	30,909	290,544
Total primary government	<u>\$ (31,471,641)</u>	<u>\$ 26,554,181</u>	<u>\$ 26,118,914</u>	<u>\$ 22,371,621</u>	<u>\$ 67,536,574</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					
2015	2014	2013	2012	2011			
						Expenses	
						Governmental activities:	
\$ 59,188,293	\$ 60,861,259	\$ 58,013,267	\$ 56,978,971	\$ 62,456,530	General government		
181,113,757	175,087,740	161,558,477	158,553,975	157,078,830	Public protection		
12,830,930	13,212,138	13,024,689	15,182,777	12,760,561	Public ways and facilities		
119,305,842	111,915,241	111,863,567	110,120,877	108,700,791	Health services		
143,509,809	138,041,533	133,282,542	133,556,741	144,667,818	Public assistance		
16,465,853	16,863,034	15,932,037	16,783,519	17,739,331	Education and recreation		
7,903,533	8,240,086	9,071,006	9,528,897	10,186,688	Interest /Principal on long-term debt		
<u>540,318,017</u>	<u>524,221,031</u>	<u>502,745,585</u>	<u>500,705,757</u>	<u>513,590,549</u>	Total governmental activities expenses		
						Business-type activities:	
1,795,347	2,245,311	2,292,965	1,609,696	1,817,231	Nut Tree Airport		
-	-	-	635,756	4,073,152	Fouts Springs Youth Facility		
<u>1,795,347</u>	<u>2,245,311</u>	<u>2,292,965</u>	<u>2,245,452</u>	<u>5,890,383</u>	Total business-type activities expenses		
<u>\$ 542,113,364</u>	<u>\$ 526,466,342</u>	<u>\$ 505,038,550</u>	<u>\$ 502,951,209</u>	<u>\$ 519,480,932</u>	Total primary government expenses		
						Program Revenues	
						Governmental activities:	
						Charges for services:	
\$ 23,573,785	\$ 21,330,435	\$ 22,872,816	\$ 21,363,951	\$ 22,521,426	General government		
23,718,639	21,607,698	20,884,186	20,122,142	20,203,371	Public protection		
1,047,009	893,177	2,129,249	1,769,591	1,191,080	Public ways and facilities		
19,982,063	16,916,414	18,245,926	22,441,636	21,718,347	Health services		
777,973	823,854	990,625	860,217	1,193,714	Public assistance		
4,728,478	4,353,801	4,884,617	5,277,053	5,223,005	Education and recreation		
327,406,268	300,219,598	303,110,940	287,589,862	290,072,372	Operating grants and contributions		
10,087,170	40,408,651	31,331,388	4,286,121	3,165,238	Capital grants and contributions		
<u>411,321,385</u>	<u>406,553,628</u>	<u>404,449,747</u>	<u>363,710,573</u>	<u>365,288,553</u>	Total governmental activities program revenues		
						Business-type activities:	
						Charges for services:	
1,155,025	1,779,109	1,141,484	477,917	525,217	Nut Tree Airport		
-	-	-	400,353	3,126,145	Fouts Springs Youth Facility		
26,641	-	10,000	165,321	540,479	Operating grants and contributions		
873,344	-	-	-	2,098,493	Capital grants and contributions		
<u>2,055,010</u>	<u>1,779,109</u>	<u>1,151,484</u>	<u>1,043,591</u>	<u>6,290,334</u>	Total business-type activities		
<u>\$ 413,376,395</u>	<u>\$ 408,332,737</u>	<u>\$ 405,601,231</u>	<u>\$ 364,754,164</u>	<u>\$ 371,578,887</u>	Total primary government program revenues		
						Net (Expenses)/Revenue	
						Governmental activities	
\$ (128,996,632)	\$ (117,667,403)	\$ (98,295,838)	\$ (136,995,184)	\$ (148,301,996)	Business-type activities		
259,663	(466,202)	(1,141,481)	(1,201,861)	399,951	Total primary government net expenses		
<u>\$ (128,736,969)</u>	<u>\$ (118,133,605)</u>	<u>\$ (99,437,319)</u>	<u>\$ (138,197,045)</u>	<u>\$ (147,902,045)</u>			
						General Revenues and Other Changes in Net Position	
						Governmental activities:	
\$ 144,946,469	\$ 132,737,838	\$ 124,547,765	\$ 116,937,628	\$ 109,322,638	Property taxes ^{1,2}		
1,874,065	2,072,728	2,136,820	1,851,294	1,203,681	Sales and use tax		
3,649,100	1,930,684	1,792,160	1,622,877	1,490,597	Property transfer tax		
						Intergovernmental not restricted	
1,877,564	1,923,733	13,291,297	12,120,126	23,601,639	for specific programs ^{1,2}		
1,514,552	1,580,598	692,890	1,525,567	1,926,203	Interest & investment earnings		
13,032,983	15,388,819	15,805,088	16,125,278	18,716,998	Other		
173,424	532,534	506,147	115,259	-	Gain on sale of capital assets		
-	-	-	-	-	Special item - Fouts Springs Asset Impairment		
-	-	-	8,809,741	(8,809,741)	Extraordinary item		
13,504	13,139	2,542,601	(432,279)	144,695	Transfers		
<u>167,081,661</u>	<u>156,180,073</u>	<u>161,314,768</u>	<u>158,675,491</u>	<u>147,596,710</u>	Total governmental activities		
						Business-type activities:	
344,987	313,311	292,366	265,191	239,913	Property taxes		
5,125	-	-	-	-	Sales and use tax		
						Intergovernmental not restricted	
3,667	77,445	42,879	27,214	48,430	for specific programs		
69,818	(12,510)	1,131	(1,778)	453	Interest & investment earnings		
463,606	-	101,770	107,233	217,795	Other		
84,986	-	-	4,300	-	Gain on sale of capital assets		
(13,504)	(13,139)	(2,542,601)	432,279	(144,695)	Transfers		
<u>958,685</u>	<u>365,107</u>	<u>(2,104,455)</u>	<u>834,439</u>	<u>361,896</u>	Total business-type activities		
<u>\$ 168,040,346</u>	<u>\$ 156,545,180</u>	<u>\$ 159,210,313</u>	<u>\$ 159,509,930</u>	<u>\$ 147,958,606</u>	Total primary government		
						Change in net position	
						Governmental activities	
\$ 38,085,029	\$ 38,512,670	\$ 63,018,930	\$ 21,680,307	\$ (705,286)	Business-type activities		
1,218,348	(101,095)	(3,245,936)	(367,422)	761,847	Total primary government		
<u>\$ 39,303,377</u>	<u>\$ 38,411,575</u>	<u>\$ 59,772,994</u>	<u>\$ 21,312,885</u>	<u>\$ 56,561</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
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year				
	2020	2019	2018	2017	2016
General Fund					
Nonspendable	\$ 10,406,843	\$ 10,102,058	\$ 13,975,538	\$ 16,971,649	\$ 20,793,326
Restricted	32,142,481	31,105,976	20,313,731	20,183,028	20,169,578
Committed	-	-	10,000,000	-	-
Assigned	98,182,453	85,111,871	74,313,394	77,440,865	56,125,895
Unassigned	46,629,038	47,285,332	45,131,591	46,425,122	56,619,344
Total General Fund	<u>187,360,815</u>	<u>173,605,237</u>	<u>163,734,254</u>	<u>161,020,664</u>	<u>153,708,143</u>
All Other Governmental Funds					
Nonspendable	677,953	545,592	777,599	443,924	463,606
Restricted	207,341,241	216,363,816	188,377,079	157,770,543	136,976,702
Committed	43,830	43,263	45,191	49,861	49,887
Assigned	26,718,947	17,870,047	19,440,507	13,861,173	17,195,001
Total all other governmental funds	<u>234,781,971</u>	<u>234,822,718</u>	<u>208,640,376</u>	<u>172,125,501</u>	<u>151,324,861</u>
Total Governmental Funds	<u>\$ 422,142,786</u>	<u>\$ 408,427,955</u>	<u>\$ 372,374,630</u>	<u>\$ 333,146,165</u>	<u>\$ 305,033,004</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>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011¹</u>			
\$ 22,924,625	\$ 25,120,243	\$ 28,688,741	\$ 28,132,718	\$ 26,693,402	General Fund		
-	-	-	-	-	Nonspendable		
-	-	-	-	6,939,235	Restricted		
71,430,601	60,823,273	56,772,645	52,648,041	44,755,155	Committed		
56,380,489	48,155,310	46,984,508	38,838,327	35,958,787	Assigned		
<u>150,735,715</u>	<u>134,098,826</u>	<u>132,445,894</u>	<u>119,619,086</u>	<u>114,346,579</u>	Unassigned		
					Total General Fund		
All Other Governmental Funds							
500,195	291,228	782,082	1,336,399	210,939	Nonspendable		
109,340,358	114,002,959	121,555,423	105,372,056	77,133,751	Restricted		
50,366	55,605	55,668	130,470	-	Committed		
10,932,739	11,834,335	10,755,939	8,458,102	22,939,415	Assigned		
<u>112,911,927</u>	<u>115,856,657</u>	<u>122,297,371</u>	<u>105,816,299</u>	<u>91,285,040</u>	Total all other governmental funds		
<u>\$ 263,647,642</u>	<u>\$ 249,955,483</u>	<u>\$ 254,743,265</u>	<u>\$ 225,435,385</u>	<u>\$ 205,631,619</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				
	2020	2019	2018	2017	2016
Revenues					
Taxes ^{1,2}	\$ 201,749,753	\$ 194,068,835	\$ 186,882,358	\$ 171,792,616	\$ 162,324,754
Licenses, permits and franchises	8,832,142	8,402,167	8,166,519	8,350,884	7,484,494
Fines, forfeitures and penalties	4,080,824	4,783,007	4,116,565	4,290,715	2,900,149
Use of money and property	10,596,768	11,077,677	3,441,661	2,152,771	4,806,418
Intergovernmental ^{1,2}	401,135,635	399,399,685	409,443,616	376,016,261	373,048,915
Charges for services	104,896,790	108,203,867	99,348,998	100,691,445	95,824,088
Miscellaneous	9,496,332	13,696,409	15,153,076	17,303,850	12,612,098
Total revenues	740,788,244	739,631,647	726,552,793	680,598,542	659,000,916
Expenditures					
General government	68,779,964	70,449,084	63,263,740 ³	62,211,200	58,206,806
Public protection	243,125,106	237,568,546	229,238,542 ³	215,769,297	201,999,957
Public ways and facilities	13,378,933	17,280,474	12,916,965	9,506,002	9,533,830
Health services	183,330,727	172,336,799	169,518,036	155,248,529	145,056,247
Public assistance	163,126,616	152,889,849	151,171,061	153,392,023	147,897,111
Education and recreation	21,342,902	20,375,647	19,300,344	18,653,711	16,980,865
Debt service:					
Principal	8,747,924	9,057,219	14,525,000	13,670,000	12,480,000
Interest and other charges	4,446,920	4,884,300	6,248,032	6,725,097	7,349,677
Debt issuance cost	-	-	491,679	-	-
Capital outlay	20,784,242	18,710,135	22,328,519	17,432,575	18,392,297
Total expenditures	727,063,334	703,552,053	689,001,918	652,608,434	617,896,790
Excess of revenues over (under) expenditures	13,724,910	36,079,594	37,550,875	27,990,108	41,104,126
Other Financing Sources (Uses)					
Payment to refunded bond escrow agent	-	-	(84,200,000)	-	-
Issuance of refunding bonds	-	-	72,775,000	-	-
Debt issuance	-	578,785	-	-	-
Premium on debt	-	-	13,783,787	-	-
Transfers in	168,627,335	171,831,142	162,322,345	151,241,220	148,952,103
Transfers out	(168,793,786)	(172,670,583)	(163,261,483)	(151,254,665)	(148,891,568)
Sale of capital assets	156,372	234,387	257,941	136,498	220,702
Total other financing sources (uses)	(10,079)	(26,269)	1,677,590	123,053	281,237
Extraordinary Item					
Amount to be paid to State of California per AB99	-	-	-	-	-
Net change in fund balances	\$ 13,714,831	\$ 36,053,325	\$ 39,228,465	\$ 28,113,160	\$ 41,385,363
Debt service as a percentage of noncapital expenditures	1.87%	2.04%	3.12%	3.21%	3.31%

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.

³ Certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

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					
2015	2014	2013	2012	2011			
						Revenues	
\$ 154,803,301	\$ 141,480,199	\$ 132,951,338	\$ 124,191,293	\$ 116,385,423		Taxes ^{1,2}	
6,918,658	6,645,857	6,614,052	6,761,316	6,580,255		Licenses, permits and franchises	
4,657,052	4,544,687	4,345,235	3,856,956	4,146,885		Fines, forfeitures and penalties	
2,245,536	2,317,618	1,447,711	2,237,164	2,542,856		Use of money and property	
332,852,098	341,824,163	342,485,211	295,317,970	309,499,470		Intergovernmental ^{1,2}	
85,590,180	74,868,262	80,035,651	82,663,958	89,632,816		Charges for services	
11,334,290	13,743,165	14,113,078	15,087,609	17,068,861		Miscellaneous	
<u>598,401,115</u>	<u>585,423,951</u>	<u>581,992,276</u>	<u>530,116,266</u>	<u>545,856,566</u>		Total revenues	
						Expenditures	
55,248,628	56,452,888	52,761,722	51,734,638	55,690,156		General government	
186,219,711	176,068,476	163,116,516	161,424,508	162,891,649		Public protection	
9,537,130	9,576,875	8,910,754	11,085,389	9,619,806		Public ways and facilities	
123,563,230	113,485,686	114,501,766	113,838,461	112,350,121		Health services	
147,077,648	138,779,333	134,536,688	135,210,563	146,596,884		Public assistance	
17,539,688	17,026,116	16,052,937	16,940,619	18,828,034		Education and recreation	
						Debt service:	
12,110,000	13,006,530	13,770,731	13,356,531	8,663,794		Principal	
7,941,874	8,590,661	9,107,362	9,724,218	10,227,822		Interest and other charges	
-	-	-	-	25,590		Debt issuance cost	
25,673,405	58,333,218	46,057,154	28,929,685	13,007,061		Capital outlay	
<u>584,911,314</u>	<u>591,319,783</u>	<u>558,815,630</u>	<u>542,244,612</u>	<u>537,900,917</u>		Total expenditures	
<u>13,489,801</u>	<u>(5,895,832)</u>	<u>23,176,646</u>	<u>(12,128,346)</u>	<u>7,955,649</u>		Excess of revenues over (under) expenditures	
						Other Financing Sources (Uses)	
-	-	-	-	(10,000,000)		Payment to refunded bond escrow agent	
-	-	-	-	10,000,000		Issuance of refunding bonds	
-	-	5,420,000	-	-		Debt issuance	
-	-	-	-	-		Premium on debt	
133,092,548	133,504,312	123,964,225	125,753,015	148,145,491		Transfers in	
(133,107,304)	(132,857,615)	(123,747,059)	(125,886,468)	(147,627,772)		Transfers out	
217,114	461,353	494,068	433,300	227,956		Sale of capital assets	
<u>202,358</u>	<u>1,108,050</u>	<u>6,131,234</u>	<u>299,847</u>	<u>745,675</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>\$ 13,692,159</u>	<u>\$ (4,787,782)</u>	<u>\$ 29,307,880</u>	<u>\$ (3,018,758)</u>	<u>\$ (108,417)</u>		Net change in fund balances	
3.59%	4.05%	4.46%	4.50%	3.60%		Debt service as a percentage of noncapital expenditures	

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.

³ Certain amounts presented in the prior year data have been reclassified in order to be consistent with the

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				
2020	\$ 45,499,261,704	\$ 5,683,809,378	\$ 5,947,626,492	\$ 3,735,533,886	\$ 2,712,614,511	\$ (3,085,073,003)	\$ 60,493,772,968	1.000000
2019	43,247,877,272	5,505,308,818	5,858,111,302	3,477,980,052	2,768,880,096	(3,236,688,837)	57,621,468,703	1.000000
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

[^] 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 - DOIT

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	
2020	1.000000	1.908000	0.795133	0.036589	3.739722
2019	1.000000	1.921394	0.770434	0.038373	3.730201
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

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, 2020 and June 30, 2011

Taxpayer	June 30, 2020			June 30, 2011		
	Assessed Value	Rank	Percentage of Total County Taxable Assessed Value	Assessed Value	Rank	Percentage of Total County Taxable Assessed Value
Valero Refining Company - Calif	\$ 933,854,261	1	1.54%	\$ 864,222,718	2	2.24%
Genentech Inc	819,767,486	2	1.36%	1,227,481,368	1	3.18%
Pacific Gas & Electric Company	772,926,667	3	1.28%	518,464,164	3	1.34%
Anheuser-Busch, Inc.	308,580,840	4	0.51%	261,350,442	5	0.68%
Sacramento Municipal Utility District	196,291,448	5	0.32%			
Star-West Solano, LLC	191,419,362	6	0.32%			
California Northern Railroad	174,430,642	7	0.29%	117,444,474	9	0.30%
PW Fund A LP	169,626,685	8	0.28%			
Invitation Homes Inc	165,123,835	9	0.27%			
Shiloh Wind Project II, LLC	144,595,800	10	0.24%	304,146,090	4	0.79%
Shiloh I Wind Project LLC	-			197,986,277	6	0.51%
High Winds LLC	-			167,795,774	7	0.43%
Alza Corporation	-			149,791,166	8	0.39%
Novartis Pharmaceuticals Corp	-			113,968,280	10	0.29%
Totals	<u>\$ 3,876,617,026</u>		<u>6.40%</u>	<u>\$ 3,922,650,753</u>		<u>10.15%</u>

Sources: Tax Collector's Office

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
2020	\$ 665,579,927	\$ (5,574,882)	\$ 660,005,045	\$ 651,788,802	97.9%	\$ -	\$ 651,788,802	98.8%
2019	636,561,849	(1,697,598)	634,864,251	626,180,088	98.4%	3,943,726	630,123,814	99.3%
2018	594,823,398	(3,577,112)	591,246,286	581,967,925	97.8%	4,301,359	586,269,284	99.2%
2017	565,327,777	(1,766,612)	563,561,165	556,244,085	98.4%	4,465,121	560,709,206	99.5%
2016	520,975,609	(916,279)	520,059,330	512,446,685	98.4%	4,855,128	517,301,813	99.5%
2015	487,553,003	(1,438,301)	486,114,702	480,455,988	98.5%	4,616,318	485,072,306	99.8%
2014	441,007,173	(2,078,099)	438,929,074	433,568,088	98.3%	4,894,099	438,462,187	99.9%
2013	410,157,511	(2,667,716)	407,489,795	400,877,231	97.7%	5,768,517	406,645,748	99.8%
2012	422,207,151	(2,300,013)	419,907,138	412,665,682	97.7%	7,101,136	419,766,818	100.0%
2011	429,379,973	(796,607)	428,583,366	418,950,465	97.6%	9,343,573	428,294,038	99.9%

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

	Fiscal Year				
	2020	2019	2018	2017	2016
Governmental Activities					
Notes payable	\$ 1,217,533	\$ 1,410,456	\$ 1,023,890	\$ 1,023,890	\$ 1,023,890
Capital leases	-	-	-	-	-
Certificates of participation	72,590,120	79,129,675	86,358,199	93,958,755	99,916,146
Pension obligation bonds	20,375,000	23,375,000	26,085,000	32,880,000	40,810,000
Business-Type Activities					
Notes payable	2,504,326	2,617,237	-	-	-
Total primary government	\$ 96,686,979	\$ 106,532,368	\$ 113,467,089	\$ 127,862,645	\$ 141,750,036
Percentage of Personal Income ¹	0.42%	0.48%	0.53%	0.62%	0.72%
Percentage of Actual Value of Taxable Property ²	0.16%	0.18%	0.21%	0.25%	0.29%
Per Capita ¹	\$ 219.63	\$ 241.40	\$ 258.00	\$ 293.25	\$ 328.51

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 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

2015		2014		2013		Fiscal Year 2012		2011		
Governmental Activities										
\$	1,031,823	\$	1,039,756	\$	1,047,689	\$	1,055,622	\$	1,023,890	Notes payable
	-		-		81,530		302,261		513,792	Capital leases
	105,613,538		111,805,931		117,608,322		117,765,005		120,868,119	Certificates of participation
	47,810,000		53,945,000		61,285,000		69,630,000		77,805,000	Pension obligation bonds
	-		-		-		-		-	Business-Type Activities
	-		-		-		-		-	Notes payable
\$	154,455,361	\$	166,790,687	\$	180,022,541	\$	188,752,888	\$	200,210,801	Total primary government
	0.80%		0.90%		1.00%		1.06%		1.21%	Percentage of Personal Income ¹
	0.34%		0.38%		0.44%		0.49%		0.52%	Percentage of Actual Value of Taxable Property ²
\$	359.57	\$	392.29	\$	430.28	\$	456.16	\$	484.03	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 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	Total Gross Pension Obligation Bonds	Amounts Restricted for Principal Payments	Total Net Pension Obligation Bonds	(1) Actual Taxable Value of Property	Percentage of Actual Taxable Value of Property	(2) Population	Net Bonded Debt per Capita
2020	\$ 20,375,000	\$ 6,645,453	\$ 13,729,547	\$ 60,493,772,968	0.02%	440,224	\$ 31.19
2019	23,375,000	4,857,567	18,517,433	57,621,468,703	0.03%	441,307	41.96
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

¹ See the 'Assessed Value of Taxable Property' table for total taxable assessed value.

² 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 - Assessor's Office

State of California, Department of Finance, Demographics Research Unit

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

Fiscal Year	(1) Assessed Value of Property	(2) Debt Limit, 5% of Assessed Value	(3) Debt Applicable to the Limit	(4) Legal Debt Margin	Total net debt applicable to the limit as a percentage of debt limit
2020	\$ 60,493,772,968	\$ 3,024,688,648	\$ 20,375,000	\$ 3,004,313,648	0.67%
2019	57,621,468,703	2,881,073,435	23,375,000	2,857,698,435	0.81%
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%

Notes:

- (1) Assessed property value data can be found in Report "Assessed Value of Taxable Property " table
- (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
2020	440,224	\$ 23,117,657,791 ⁴	\$ 52,513 ⁴	13.7%
2019	441,307	22,335,602,540 ⁴	50,612 ⁴	3.9%
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%

Detail of estimated population, as of May 1, 2020:

Incorporated Cities

Benicia	27,175
Dixon	19,972
Fairfield	116,981
Rio Vista	9,987
Suisun City	29,119
Vacaville	98,855
Vallejo	119,063
Total of Incorporated	<u>421,152</u>
Total of Unincorporated Areas	<u>19,072</u>
Total Population	<u><u>440,224</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, 2020 and June 30, 2011

Employer	June 30, 2020			June 30, 2011		
	Employees	Rank	Percentage of Total County Employment¹	Employees	Rank	Percentage of Total County Employment¹
Travis AFB	18,439	1	10.35%	14,353	1	7.75%
Kaiser Permanente - Vallejo	3,181	2	1.79%	5,131	2	2.77%
County of Solano	3,083	1	1.73%	2,391	3	1.29%
NorthBay Healthcare System (formerly NorthBay Medical Center)	2,700	1	1.52%	1,115	7	0.60%
Six Flags Discovery Kingdom	2,460	2	1.38%	1,600	6	0.86%
Fairfield-Suisun Unified School District	2,213	1	1.24%	2,000	4	1.08%
Kaiser Permanente - Vacaville	2,091	2	1.17%	n/a		
Kaiser Foundation Hospital and Rehab Center	2,000	1	1.12%	n/a		
California Medical Facility	1,557	1	0.87%	n/a		
Vacaville Unified School District	1,352	2	0.76%	1,094	8	0.59%
Totals	39,076		21.93%	27,684		14.94%

¹ Employment figure from the Solano Economic Development Corporation as of October 2020.

² Employment figure from the Solano Economic Development Corporation as of October 2019.

³ Employment figure as of June 30, 2011 not available.

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				
	2020	2019	2018	2017	2016
Function/Program					
General government	280.00	264.75	258.75	260.00	255.75
Public protection	1,214.50	1,195.50	1,185.00	1,196.50	1,191.50
Public ways and facilities	71.00	67.00	65.00	65.00	64.00
Health services	564.65	543.15	538.30	526.30	523.80
Public assistance	774.00	763.75	769.25	788.75	785.75
Education and recreation	136.23	127.80	127.55	118.75	118.75
Nut Tree Airport	3.00	3.00	3.00	3.00	3.00
Fouts Springs Youth Facility	-	-	-	-	-
Internal service	86.70	81.70	80.70	82.70	73.30
Total	3,130.08	3,046.65	3,027.55	3,041.00	3,015.85

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

<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	
					Function/Program
239.30	235.55	230.55	227.05	250.25	General government
1,092.50	1,071.00	1,006.50	951.50	992.25	Public protection
64.00	61.00	60.50	61.50	63.50	Public ways and facilities
492.70	486.90	455.30	421.70	460.10	Health services
735.65	698.75	641.55	623.30	639.00	Public assistance
116.00	116.10	118.50	124.23	140.50	Education and recreation
3.00	3.00	3.00	3.00	4.00	Nut Tree Airport
-	-	-	-	29.00	Fouts Springs Youth Facility
61.60	60.60	57.60	57.00	64.00	Internal service
<u>2,804.75</u>	<u>2,732.90</u>	<u>2,573.50</u>	<u>2,469.28</u>	<u>2,642.60</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									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General government										
Clerk-Recorder-Assessor - documents recorded	123,027	95,427	115,419	137,913	124,640	121,225	110,113	147,244	133,970	131,249
Public protection										
Number of felony cases filed-District Attorney #	2,432	2,290	2,375	2,890	2,894	4,971	3,706	3,491	3,030	3,538
Number of misdemeanor cases filed-District Attorney #	4,788	5,776	6,400	7,295	5,084	5,302	4,469	4,594	5,676	9,281
Number of juvenile petitions-District Attorney #	184	137	112	387	369	360	396	383	534	876
Number of Bookings-Sheriff	11,757	14,124	15,695	15,677	16,441	16,143	15,410	14,578	14,628	14,767
Average Daily Population-Juvenile Hall	25	34	36	55	63	57	65	67	73	76
Average Daily Population-New Foundation	10	7	6	7	13	12	19	22	23	29
Average Intake-Juvenile Hall	21	29	32	45	55	53	73	100	106	133
Number of building permits issued	1,009	754	827	926	853	1,016	834	728	729	614
Public ways and facilities										
Miles of roads maintained	576	577	578	577	577	577	578	579	585	586
Health services & public assistance										
Average monthly medical clinic visits	4,078	5,257	5,226	5,456	5,270	5,419	4,897	4,492	3,700	3,886
Average monthly dental clinic visits	1,269	1,432	1,549	1,425	1,277	1,326	1,116	758	514	608
Average monthly food stamp recipients	39,152	36,079	40,410	43,683	48,773	43,668	42,583	41,034	39,539	37,051
Average monthly MediCal beneficiaries	103,360	105,487	114,699	120,691	121,711	111,560	85,847	74,476	68,652	67,867
Average monthly CalWorks cash assistance recipients	8,088	8,400	11,809	13,896	15,997	13,058	12,976	13,293	14,215	15,466
Average monthly General Relief recipients	406	453	438	465	589	722	747	899	1,018	1,128
Education and recreation										
Total circulation*	1,390,589	1,889,095	1,949,760	2,099,490	2,483,209	2,874,919	3,132,066	3,425,895	3,700,433	3,961,868
Total circulation - SNAPweb*	229,860	320,965	333,778	351,905	485,580	574,920	646,576	740,574	808,163	838,622
Number of library patrons	1,016,124	1,454,986	1,290,796	1,323,372	1,445,360	1,556,383	1,606,769	1,778,246	1,875,945	2,041,610
Number of parks	4	4	4	4	4	4	4	4	4	4
Number of park visitors	139,260	196,813	217,900	191,730	183,653	194,793	190,916	181,090	180,495	185,453
Nut Tree Airport										
Takeoffs and landings	94,600	109,400	106,500	104,500	105,000	104,886	102,515	101,500	101,500	100,500
Fouts Springs Youth Facility (FSYF)^										
Average Daily Population	-	-	-	-	-	-	-	-	- ^	43
Internal service										
Number of Fleet Vehicles	533	532	532	513	507	472	458	464	468	482
Number of Annual Fleet Miles Driven	3,852,168	3,897,912	4,087,236	4,008,163	3,900,899	4,285,254	4,184,781	5,100,000	4,133,096	4,025,516

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

Function/Program	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General government										
Buildings	19	18	18	18	18	17	17	17	17	17
Public protection										
Sheriff sub stations	-	-	-	-	-	-	-	-	-	-
Patrol units	32	33	29	29	28	24	24	22	21	21
Jail and detention facilities	4	4	4	4	4	4	3	3	3	3
Public ways and facilities										
Miles of roads #	576	577	578	577	577	577	578	579	585	586
Health services & public assistance										
Clinics & administration buildings	6	6	6	6	6	6	6	7	6	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	1254	1,254	1,254	1,254	1,254	1,254	1,259	1,259	1,259	1,259
Nut Tree Airport										
Number of runways	1	1	1	1	1	1	1	1	1	1
Number of Hangars	9	9	7	7	7	7	7	7	7	7
Fouts Springs Youth Facility										
Detention facilities *	-	-	-	-	-	-	-	-	1	1

Information based on calendar year

* Fouts assets transferred to General government in 2013.

Source: Various County departments

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SOLANO COUNTY

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