



# SOLANO COUNTY

Comprehensive Annual Financial Report  
Fiscal Year Ended June 30, 2019

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



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

- **Lagoon Valley Lake:** Lagoon Valley is loved by everyone from locals to passers-by who want to experience uninterrupted fun in nature, challenging workouts and scenic vistas. Located in Vacaville, the 470-acre open space features grass-covered hills rolling over the horizon, stately oak trees, a dog park and a small lagoon that shimmers in the sun - perfect for biking, hiking and recreating.
- **Lake Solano County Park:** Located along the Putah Creek, Lake Solano and the surrounding land is primarily used for recreation, and includes public campgrounds and the Lake Solano Nature Center. The nature area is especially popular with kayakers, canoeists, anglers, campers, picnickers, bird watching and hiking.
- **Monticello Dam:** Constructed between 1953 and 1957, the Monticello Dam impounds water from the Putah Creek to form Lake Berryessa, the seventh largest man-made lake in California. The dam is known world-wide for its classic, uncontrolled morning glory type spillway. Water from the reservoir supplies water to several cities and communities and agricultural areas in Solano County and spills into the Putah Creek.
- **Mother Earth:** The bronze Mother Earth sculpture stands in the roundabout at the intersection of Abernathy and Rockville Roads and is the gateway to the Suisun Valley. The sculpture, created by Lisa Reinertson in 2007, depicts Mother Earth holding a rainbow with outstretched arms. According to the artist, her inspiration was the beauty in the valley and the combination of agriculture and nature.

County of Solano, California



## Comprehensive Annual Financial Report

For the Fiscal Year Ended

June 30, 2019

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, 2019**

**Table of Contents**

	Page
<b><u>INTRODUCTORY SECTION (Unaudited)</u></b>	
Letter of Transmittal .....	3
GFOA Certificate of Achievement.....	9
Organizational Chart .....	10
Department Head Listing .....	11
 <b><u>FINANCIAL SECTION</u></b>	
Independent Auditor’s Report .....	15
Management’s Discussion and Analysis (Unaudited).....	19
 <b>Basic Financial Statements:</b>	
 <b>Government-wide Financial Statements:</b>	
Statement of Net Position.....	33
Statement of Activities .....	34
 <b>Fund Financial Statements:</b>	
<b><i>Governmental Fund Financial Statements:</i></b>	
Balance Sheet ... ..	36
Reconciliation of the Balance Sheet of Governmental Funds to the Statement to Net Position .....	37
Statement of Revenues, Expenditures and Changes in Fund Balances .....	38
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities .....	39
 <b><i>Proprietary Fund Financial Statements:</i></b>	
Statement of Net Position .....	40
Statement of Revenues, Expenses and Changes in Fund Net Position .....	41
Statement of Cash Flows .....	42
 <b><i>Fiduciary Fund Financial Statements:</i></b>	
Statement of Fiduciary Net Position .....	43
Statement of Changes in Fiduciary Net Position .....	44

	Page
<b><u>FINANCIAL SECTION (Continued)</u></b>	
Index to Notes to the Basic Financial Statements .....	45
Notes to the Basic Financial Statements .....	49
<b>Required Supplementary Information (Unaudited):</b>	
<b>Schedule of Changes in Net Pension Liability and Related Ratios and Schedule of Plan Contributions:</b>	
Miscellaneous Plan.....	103
Safety Plan .....	104
<b>Schedule of Changes in Net OPEB Liability and Related Ratios and Schedule of Plan Contributions .....</b>	
	105
<b>Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual:</b>	
General Fund.....	106
Health and Social Services.....	107
Public Safety.....	108
<b>Notes to Required Supplementary Information.....</b>	109
<b>Combining and Individual Fund Statements and Schedules:</b>	
<b>Other Governmental Funds:</b>	
Narrative Summary .....	113
<b>Special Revenue Funds:</b>	
Combining Balance Sheet .....	114
Combining Statement of Revenues, Expenditures and Changes in Fund Balances .....	115
<b>Nonmajor Special Revenue Funds:</b>	
Narrative Summary .....	117
Combining Balance Sheet .....	118
Combining Statement of Revenues, Expenditures and Changes in Fund Balances .....	120
<b>Schedules of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Nonmajor Special Revenue Funds:</b>	
Public Facilities Fees.....	122
Library .....	123
Transportation .....	124
First 5 Solano.....	125
Home Loan Program .....	126
Micrographics & Modernization .....	127
Other Special Revenue Funds .....	128

	Page
<b><u>FINANCIAL SECTION (Continued)</u></b>	
<b><i>Capital Projects Fund:</i></b>	
Schedules of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Capital Projects Funds:	
Accumulated Capital Outlay .....	129
<b><i>Nonmajor Debt Service Funds:</i></b>	
Narrative Summary .....	130
Combining Balance Sheet .....	131
Combining Statement of Revenues, Expenditures and Changes in Fund Balances .....	132
Schedules of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Debt Service Funds:	
2013 Certificates of Participation .....	133
2009 Certificates of Participation .....	134
2017 Certificates of Participation .....	135
Pension .....	136
<b><i>Internal Service Funds:</i></b>	
Narrative Summary .....	137
Combining Statement of Net Position .....	138
Combining Statement of Revenues, Expenses and Changes in Fund Net Position .....	139
Combining Statement of Cash Flows .....	140
<b><i>Fiduciary Funds:</i></b>	
Narrative Summary .....	141
Combining Statement of Changes in Assets and Liabilities – Agency Funds	142
<b><u>STATISTICAL SECTION (Unaudited):</u></b>	
Narrative Summary and Contents .....	145
<b><i>Financial Trends Information:</i></b>	
Net Position by Component, Last Ten Fiscal Years .....	146
Changes in Net Position, Last Ten Fiscal Years .....	148
Fund Balances of Governmental Funds, Last Ten Fiscal Years .....	150
Changes in Fund Balances of Governmental Funds, Last Ten Fiscal Years ..	152
<b><i>Revenue Capacity Information:</i></b>	
Assessed Value of Taxable Property, Last Ten Fiscal Years .....	154
Direct and Overlapping Property Tax Rates, Last Ten Fiscal .....	155
Principal Property Tax Payers, June 30, 2018 and June 30, 2008 .....	156
Property Tax Levies and Collections, Last Ten Fiscal Years .....	157

**STATISTICAL SECTION (Unaudited) (Continued):****Debt Capacity Information:**

Ratios of Outstanding Debt by Type, Last Ten Fiscal Years .....	158
Ratios of Net General Bonded Debt Outstanding.....	160
Legal Debt Margin Information, Last Ten Fiscal Years.....	161

**Demographic and Economic Information:**

Demographic and Economic Statistics, Last Ten Calendar Years .....	162
Principal Employers, June 30, 2018 and June 30, 2008 .....	163

**Operating Information:**

Full-time Equivalent County Government Employees by Function, Last Ten Fiscal Years .....	164
Operating Indicators by Function, Last Ten Fiscal Years .....	166
Capital Asset Statistics by Function, Last Ten Fiscal Years .....	167





**INTRODUCTORY  
SECTION**



**OFFICE OF THE AUDITOR-CONTROLLER**

**PHYLLIS S. TAYNTON, CPA**  
Auditor-Controller

**SHEILA O. TURGO**  
Assistant Auditor-Controller



**SOLANO  
COUNTY**

675 Texas Street, Suite 2800  
Fairfield, CA 94533-6338  
(707) 784-6280  
Fax (707) 784-3420

[www.solanocounty.com](http://www.solanocounty.com)

December 18, 2019

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

I am pleased to submit to you the Comprehensive Annual Financial Report (CAFR) of the County of Solano (County) for the fiscal year ended June 30, 2019. 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, 2019, 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, 2019, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the County was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standard governing the Single Audit requires the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls over compliance involving the administration of federal awards. These reports are available in the County's separately issued Single Audit Report.

GAAP requires management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The County's MD&A can be found immediately following the report of the independent auditors.

## **Profile of the Government**

### *General Information*

The County lies in the northeast section of the nine-county San Francisco Bay Area. It is located approximately 45 miles northeast of San Francisco and 45 miles southwest of Sacramento. The County is comprised of 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 30<sup>th</sup> of each year. The Board generally holds its public hearings on the recommended budget and adopts a budget before June 30 of each year.

The budget is prepared by fund, function (e.g. public safety), and department (e.g., Sheriff). Transfers of appropriations between divisions, bureaus and sections within a department, provided the total appropriation of the budget is not changed, may be authorized by the County Administrator. Transfers of appropriations between departments within a fund, however, require a majority vote of the Board. Transfers of appropriations between funds and transfer of appropriations from contingencies require a four-fifths vote of the Board of Supervisors. Budget-to-actual comparisons are provided in this report for each governmental fund for which an annual budget was adopted. These schedules, which are part of the supplementary information section of this report, start on page 106.

### *Population and Local Economy*

The County's population estimate as of May 1, 2019 was 441,307 increasing by a net 2,205 residents or 0.5% over 2018. Four of the seven cities saw growth between 2018 and 2019, with the highest growth rate in Rio Vista at 3.7%. The cities of Benicia, Suisun City and Vallejo all saw declines in population between 2018 and 2019. In comparison to California, California added 186,807 residents, equal to 0.5% over 2018. 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 631,028 or 43% 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 2019 Property Assessment Roll (net of exemptions) of \$58.0 billion increased \$3 billion or 5.5% from the prior year's roll value and represents property ownership in Solano County as of January 1, 2019. This is the eighth 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, 2019, 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 \$88.2 million. For the FY 2019/20, the Board adopted a General Fund Contingency in the amount of \$12 million, which is below the policy level of 10% (or \$26.9 million).

In addition, the Board established a General Fund Assigned Fund Balance for Future CalPERS Rate Increases. As of June 30, 2019, the balance was \$17.2 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, 2019, the balance was \$31.1 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, 2019, approximately \$0.2 million has been expended leaving a balance of \$9.8 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. During the fiscal year ending June 30, 2019 the County funded an additional discretionary payment of \$6 million towards the unfunded accrued liability of the County's CalPERS Safety Plan.

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 2018/19, the County completed the construction of the Rourk Vocational Training Center at the County's Claybank Campus in Fairfield. This training center is used by the Solano County Sheriff's Office to support and provide an array of rehabilitation/reentry programs to adult offenders. In FY2019/20, the County's Capital Facilities Improvement Plan focuses on maintaining and improving existing County facilities. The Capital Improvement Program budget includes \$6,975,000 to provide Renovation and Replacement of Obsolete and Aging Facilities and Equipment as approved by the Board of Supervisors in June 2019. Additionally, the Board approved \$7,656,507 in appropriations for other projects not originally included in the Capital Improvement Plan. Total available funding for FY2019/20 is \$35,082,388 (Accumulated Capital Outlay fund) and includes projects at the Justice Center Detention Facility, the Juvenile Detention Facility, and the Animal Care Shelter Project.

## **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, 2018. This is the seventeenth 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**

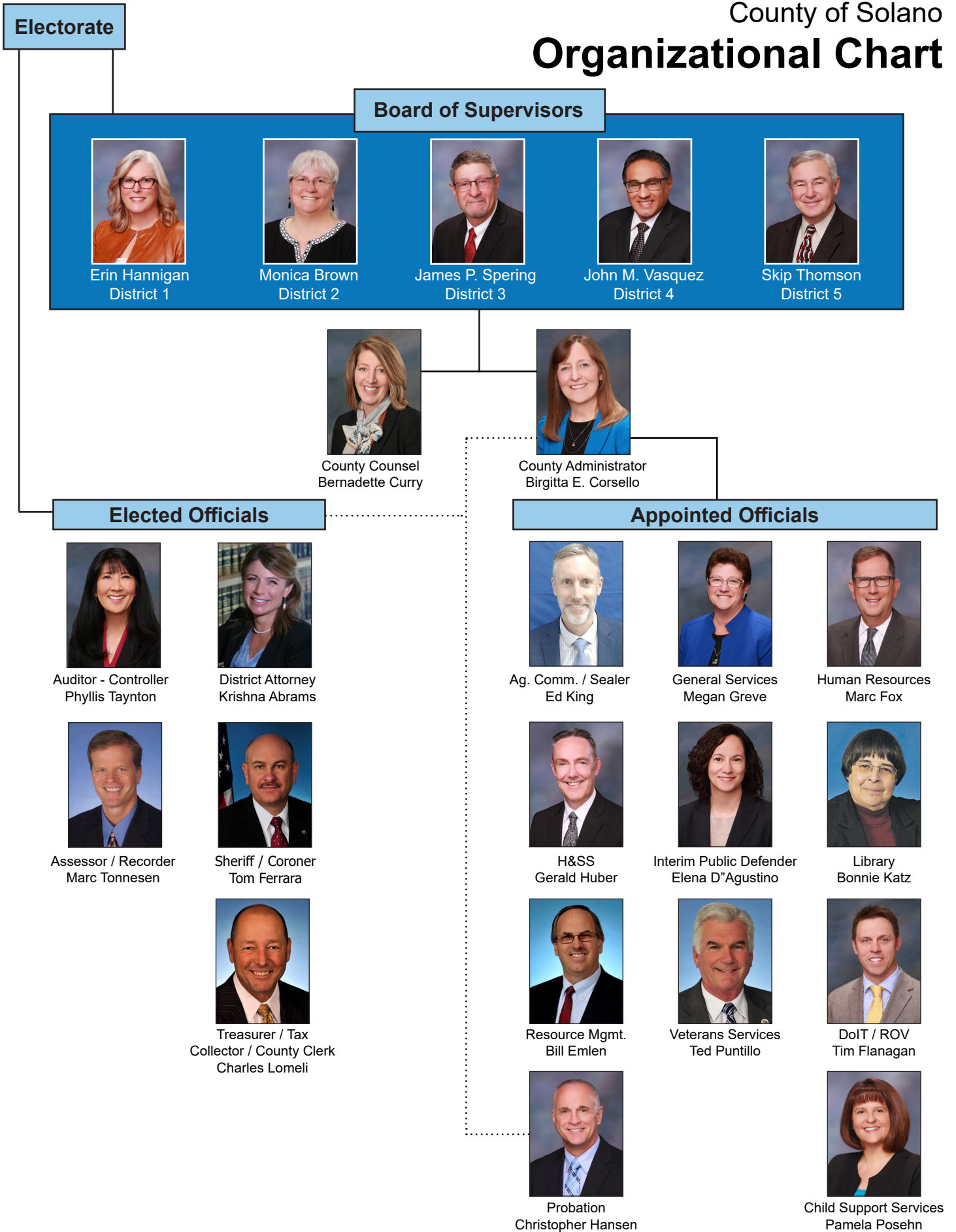
For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2018**

*Christopher P. Morill*

Executive Director/CEO

# County of Solano Organizational Chart



# Department Head Listings

## Department Head Listing

Agricultural Commissioner - Sealer of Weights & Measures.....	Ed King.....	784-1310
Assessor / Recorder.....	Marc Tonnesen.....	784-6200
Auditor - Controller.....	Phyllis Taynton.....	784-6280
Department of Information Technology / Registrar 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.....	Marc Fox.....	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

(This page intentionally left blank)







## 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, 2019, 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 entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate discretely presented component units and the aggregate remaining fund information of the County, as of June 30, 2019, 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 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 18, 2019 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.

The image shows a handwritten signature in cursive script that reads "Eide Bailly LLP". The signature is written in black ink and is positioned above the printed text of the firm's name.

Sacramento, California  
December 18, 2019

(This page intentionally left blank)

## OFFICE OF THE AUDITOR-CONTROLLER

PHYLLIS S. TAYNTON, CPA  
Auditor-Controller

SHEILA O. TURGO  
Assistant Auditor-Controller



# SOLANO COUNTY

675 Texas Street, Suite 2800  
Fairfield, CA 94533-6338  
(707) 784-6280  
Fax (707) 784-3420

[www.solanocounty.com](http://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, 2019. 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, 2019 was \$441.0 million. Of this amount, \$254.1 million (restricted net position) is restricted for the use of specific government programs providing ongoing services to citizens.
- The County's total net position increased \$26.6 million as a result of the current year's operations.
- At June 30, 2019, the County's governmental funds reported combined ending fund balances of \$408.4 million, an increase of \$36.1 million as a result of the current year's operations. Approximately 2.6% or \$10.6 million of the total fund balance is nonspendable; 60.6% or \$247.5 million is restricted; 0.01% or \$43.3 thousand is committed; 25.2% or \$103.0 million is assigned for specific purposes by the Board of Supervisors (the Board); and 11.59% or \$47.3 million is unassigned.
- At June 30, 2019, unassigned fund balance for the General Fund was \$47.3 million or 51.7% 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 33-35 of this report.

**Fund financial statements.** A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**Governmental funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a County's near-term financing requirements.

Because the focus of governmental funds is narrower than the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the County's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The County maintains 15 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, Health & Social Services Special Revenue Fund, and Public Safety Special Revenue Fund, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation.

Individual fund data for each of these nonmajor governmental funds is provided in the combining statements in this report.

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

The basic governmental fund financial statements can be found on pages 36 - 39 of this report.

***Proprietary funds.*** The County maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses an enterprise fund to account for the Nut Tree Airport. Internal service funds are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses internal service funds for Fleet Management, Risk Management, and Information Technology. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

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

The basic proprietary fund financial statements can be found on pages 40 – 42 of this report.

***Fiduciary funds.*** Fiduciary funds are used to account for resources held for the benefit of parties outside the County. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 43 – 44 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 45 – 99 of this report.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information on the schedules of Changes in Net Pension Liability and Related Ratios and Contributions for the defined benefit pension plans and the other postemployment benefit plan. Required supplementary information can be found on pages 101 – 109 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 111 – 142 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, 2019 the County reported a net position of \$441.0 million.

## Solano County's Net Position

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Current and other assets	\$ 549,443,905	\$ 502,738,141	\$ (5,230)	\$ 481,757	549,438,675	\$ 503,219,898
Capital assets	556,102,859	558,706,180	17,635,098	13,653,777	573,737,957	572,359,957
Total assets	1,105,546,764	1,061,444,321	17,629,868	14,135,534	1,123,176,632	1,075,579,855
Deferred loss on refunding	1,824,806	2,433,433	-	-	1,824,806	2,433,433
Deferred outflows related to pensions	113,643,047	149,511,864	106,021	140,247	113,749,068	149,652,111
Deferred outflows related to OPEB	5,705,850	5,538,350	6,150	5,850	5,712,000	5,544,200
Total deferred outflows of resources	121,173,703	157,483,647	112,171	146,097	121,285,874	157,629,744
Other liabilities	82,540,191	75,857,890	887,665	315,390	83,427,856	76,173,280
Long-term obligations	696,992,545	722,082,785	3,201,077	584,004	700,193,622	722,666,789
Total liabilities	779,532,736	797,940,675	4,088,742	899,394	783,621,478	798,840,069
Deferred gain on refunding	-	15,521	-	-	-	15,521
Deferred inflows related to pensions	18,778,310	18,765,037	18,534	16,047	18,796,844	18,781,084
Deferred inflows related to OPEB	1,001,947	1,084,784	1,053	1,138	1,003,000	1,085,922
Total deferred inflows of resources	19,780,257	19,865,342	19,587	17,185	19,799,844	19,882,527
Net position:						
Net investments in capital assets	477,673,000	473,434,362	15,017,861	13,653,777	492,690,861	487,088,139
Restricted	254,067,156	223,639,162	*	-	254,067,156	223,639,162
Unrestricted	(304,332,682)	(295,951,573)	*	(1,384,151)	(305,716,833)	(296,240,298)
Total net position	\$ 427,407,474	\$ 401,121,951	\$ 13,633,710	\$ 13,365,052	\$ 441,041,184	\$ 414,487,003

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

### 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, 2019 by \$441.0 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 increased \$30.4 million from prior year due to \$23.6 million increase in intergovernmental revenues from federal and state revenues for health and social services programs; \$7.2 million increase in public facilities fees from higher public facilities fee revenues from increased building permits issuances and lesser use of funds for projects related to growth; \$2.4 million in library services due to revenues exceeding expenditures this fiscal year; offset by \$3.5 million decrease in pension debt service fund due to additional discretionary payment to CalPERS to pay down the Safety Plan's unfunded liability.

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

**Governmental activities.** Governmental activities increased the County's net position by \$26.3 million.

**Solano County's Change in Net Position**  
**For the fiscal years ended June 30, 2019 and June 30, 2018**

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Revenues:						
Program revenues:						
Charges for services	\$ 87,814,968	\$ 80,213,663	\$ 1,298,285	\$ 1,275,851	\$ 89,113,253	\$ 81,489,514
Operating grants and contributions	395,493,586	394,074,363	10,097	10,000	395,503,683	394,084,363
Capital grants and contributions	7,441,552	15,947,090	389,265	-	7,830,817	15,947,090
General revenues:						
Property taxes	183,109,543	176,386,218	441,618	427,871	183,551,161	176,814,089
Other taxes	5,590,773	5,707,942	-	-	5,590,773	5,707,942
Intergovernmental	3,614,085	3,176,226	4,760	3,834	3,618,845	3,180,060
Interest and investment earnings	10,863,331	2,632,607	82,465	44,673	10,945,796	2,677,280
Other	15,397,129	17,181,280	161,572	132,133	15,558,701	17,313,413
Gain on sale of capital assets	522,313	368,222	-	-	522,313	368,222
Total Revenues	<u>709,847,280</u>	<u>695,687,611</u>	<u>2,388,062</u>	<u>1,894,362</u>	<u>712,235,342</u>	<u>697,581,973</u>
Expenses:						
General government	79,056,546	73,469,037	-	-	79,056,546	73,469,037
Public protection	230,141,732	230,654,519	-	-	230,141,732	230,654,519
Public ways and facilities	21,057,877	17,220,809	-	-	21,057,877	17,220,809
Health services	173,753,194	172,280,422	-	-	173,753,194	172,280,422
Public assistance	154,082,791	152,732,632	-	-	154,082,791	152,732,632
Education and recreation	20,198,264	19,273,900	-	-	20,198,264	19,273,900
Interest on long-term debt	5,275,669	3,347,473	-	-	5,275,669	3,347,473
Nut Tree Airport	-	-	2,115,088	2,484,267	2,115,088	2,484,267
Total Expenses	<u>683,566,073</u>	<u>668,978,792</u>	<u>2,115,088</u>	<u>2,484,267</u>	<u>685,681,161</u>	<u>671,463,059</u>
Excess before transfers	26,281,207	26,708,819	272,974	(589,905)	26,554,181	26,118,914
Transfers	4,316	12,248	(4,316)	(12,248)	-	-
Change in net position	<u>26,285,523</u>	<u>26,721,067</u>	<u>268,658</u>	<u>(602,153)</u>	<u>26,554,181</u>	<u>26,118,914</u>
Net position—beginning	401,121,951	374,400,884	13,365,052	13,967,205	414,487,003	388,368,089
Net position—ending	<u>\$ 427,407,474</u>	<u>\$ 401,121,951</u>	<u>\$ 13,633,710</u>	<u>\$ 13,365,052</u>	<u>\$ 441,041,184</u>	<u>\$ 414,487,003</u>

**Revenues:**

Total revenues for the County's governmental activities increased by a net \$14.2 million from the prior year. The following are the significant changes:

**Charges for Services:**

Charges for services increased by a net \$7.6 million from the prior year primarily due to the following:

- \$3.4 million net increase in general government primarily due to higher public facilities fee revenues from increased building permits issued for new construction activities due to improved real estate market.
- \$3.5 million increase in health services from one-time receipt of prior year revenue resulting from the final rate settlement audit of the Federally Qualified Health Clinics (FQHC) and higher revenues from charges due to increased services provided to the clients.

**Operating grants and contributions:**

The net increase of \$1.4 million is primarily due to increase in: public ways and facilities (\$4.2 million) from the Road Repair and Accountability Act (SBI) which provides new revenues for the maintenance, repairs, and safety improvements of the California highways; and education (\$0.7 million) from Measure L-sales tax revenues. The increases were partially offset by the decreases

in federal reimbursements (\$3.6 million) for the public assistance programs due to declining caseloads.

Capital grants and contributions:

Capital grants and contributions decreased by \$8.1 million due to the completion in FY 2018/19 of the Rourk Vocational Training Center at the County’s Claybank Campus in Fairfield, which was primarily funded in part with SB 1022 capital grant funds.

General revenues:

General revenues increased by \$13.6 million due to higher interest and investment earnings (\$8.2 million) from higher investment yield, and higher property taxes (\$6.7 million) due to an increase in secured property taxes and property tax in lieu from continued increase in assessed values as the real estate market continues to improve.

Expenses:

Total expenses for governmental activities increased by a net \$14.6 million from prior year primarily in salaries and benefits due to increases in overtime due to department vacancies, salary increases, compensation insurance and pension expense.

**Business-type activities.** The net position of the business-type activity increased by \$269 thousand due to less expenses in other professional services relating to the completed design phase of various projects in the prior year, and increased revenue of approximately \$500 thousand.

**Financial Analysis of the County’s Funds**

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

**Governmental funds.** The general government functions are accounted for in the General Fund, Special Revenue Funds, Debt Service Funds, and Capital Projects Fund. The focus of the County’s governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the County’s financing requirements.

The table below presents the fund balances for the governmental funds as of June 30, 2019:

<b>Fund Balance Governmental Funds</b>					
	<u>General</u>	<u>Health &amp; Social Services</u>	<u>Public Safety</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>FUND BALANCES</b>					
Nonspendable	\$ 10,102,058	\$ 196,973	\$ 122,192	\$ 226,427	\$ 10,647,650
Restricted	31,105,976	93,636,688	23,368,311	99,358,817	247,469,792
Committed	-	-	-	43,263	43,263
Assigned	85,111,871	300,000	-	17,570,047	102,981,918
Unassigned	47,285,332	-	-	-	47,285,332
Total fund balances	<u>\$ 173,605,237</u>	<u>\$ 94,133,661</u>	<u>\$ 23,490,503</u>	<u>\$ 117,198,554</u>	<u>\$ 408,427,955</u>

At June 30, 2019, the County’s governmental funds reported combined ending fund balances of \$408.4 million, an increase of \$36.1 million from prior year. The largest component of the fund balance, at 60.6% of the total, was restricted at \$247.5 million. Spending of these resources is



constrained by externally imposed (creditors, grantors, contributors, laws) limitations on their use and by enabling legislation. The assigned fund balance of \$103.0 million, representing 25.2% of the total fund balance, was constrained by the Board to use for specific purposes but are not legally restricted nor committed.

The *General Fund* is the chief operating fund of the County. The General Fund’s total fund balance increased by \$9.9 million from prior year due to increases in revenues from taxes and charges for services. At June 30, 2019, the total General Fund fund balance was \$173.6 million. The assigned fund balance of \$85.1 million, or 49.0% 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 \$47.3 million, or 27.3%, which is available for the Board’s discretion. Nonspendable fund balance was \$10.1 million, or 5.8% of total fund balance, representing inventory and long term receivables. Restricted fund balance was \$31.1 million, or 17.9% 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 51.7% of this amount.

The *Health and Social Services Fund*, a special revenue fund, had a net increase in fund balance of \$16.3 million primarily from increased federal and state revenues for social services and health related services and lesser expenditures in salaries and services due to staff vacancies.

The *Public Safety Fund*, a special revenue fund, had a net decrease in fund balance of \$563.5 thousand due to the implementation of various public safety programs.

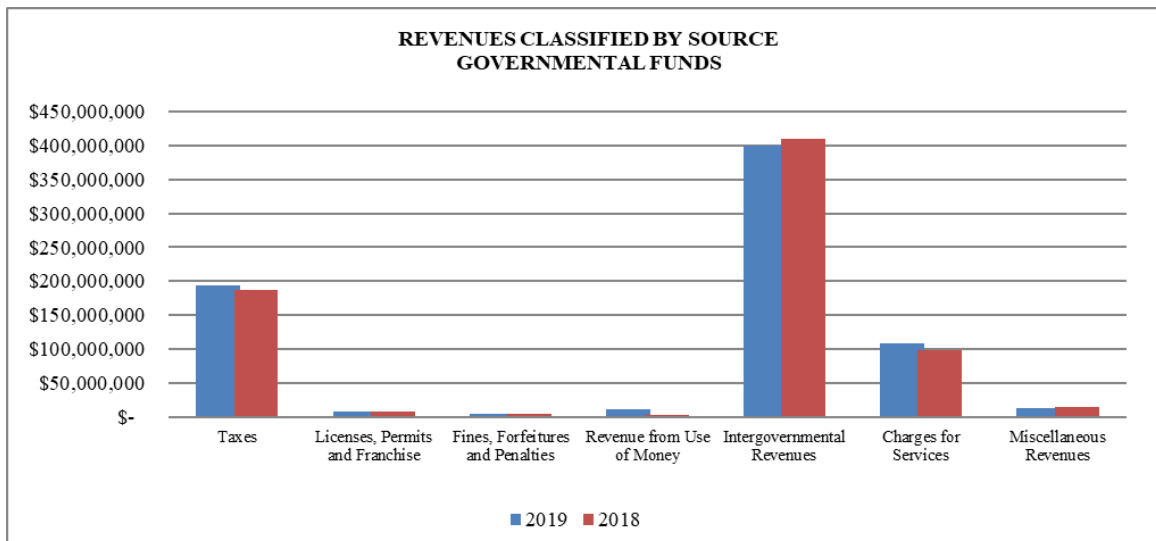
The fund balance of *Other Governmental Funds* had a net increase of \$10.4 million primarily due to \$7.2 million increase in public facilities fees fund due to higher revenues from building permit issuances and lesser use of funds for projects related to growth; an increase of \$2.2 million in the library fund from property tax revenues, interest earnings and charges for services; and an increase of \$1.5 million in the First 5 fund attributed to favorable operations this fiscal year, offset by decreases in other funds.

For fiscal year ended June 30, 2019, the total revenues for the County’s governmental funds totaled \$739.6 million, an increase of 1.8% from FY 2017/18.

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

**Revenues Classified by Source  
Governmental Funds**

Revenues by Source	2019		2018		Increase/(Decrease)	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Change
Taxes	\$ 194,068,835	26.24%	\$ 186,882,358	25.72%	\$ 7,186,477	3.85%
Licenses, permits and franchise	8,402,167	1.14%	8,166,519	1.12%	235,648	2.89%
Fines, forfeitures and penalties	4,783,007	0.65%	4,116,565	0.57%	666,442	16.19%
Revenue from use of money	11,077,677	1.50%	3,441,661	0.47%	7,636,016	221.87%
Intergovernmental revenues	399,399,685	54.00%	409,443,616	56.35%	(10,043,931)	(2.45)%
Charges for services	108,203,867	14.63%	99,348,998	13.67%	8,854,869	8.91%
Miscellaneous revenues	13,696,409	1.85%	15,153,076	2.09%	(1,456,667)	(9.61)%
Total	\$ 739,631,647	100.00%	\$ 726,552,793	100.00%	\$ 13,078,854	1.80%



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

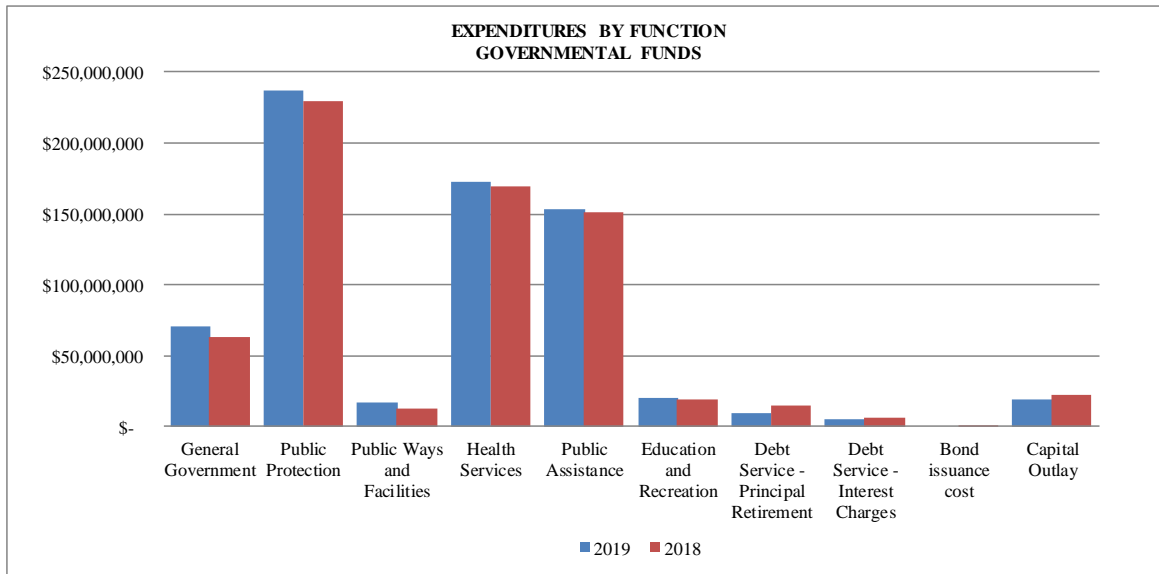
- **Taxes:** The net increase of \$7.2 million is primarily due to increased secured property taxes and property tax in lieu from continued increase in assessed values as the real estate market continues to improve.
- **Revenue from use of money and property:** The net increase of \$7.6 million is primarily attributed to an increase in the market yield from investments.
- **Intergovernmental revenues:** The net decrease of \$10.0 million is primarily due to receipt of intergovernmental transfer (IGT) revenues for two fiscal years in FY 2017/18. No similar transactions occurred in the FY 2018/19.
- **Charges for services:** The net increase of \$8.9 million is attributable to an increase in public facilities fees revenues from increased building permit issuances for new construction activities; an increase in countywide administration overhead charges; an increase in health services revenues from one-time receipt of prior year revenue resulting from the final rate settlement audit of the Federally Qualified Health Clinics (FQHC) and higher revenues from increased services provided to the clients.

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

**Expenditures by Function  
Governmental Funds**

Expenditures by Function	2019		2018		Increase/(Decrease)	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Change
General government	\$ 70,449,084	10.01%	\$ 63,263,740 *	9.18%	\$ 7,185,344	11.36%
Public protection	237,568,546	33.77%	229,238,542 *	33.27%	8,330,004	3.63%
Public ways and facilities	17,280,474	2.46%	12,916,965	1.87%	4,363,509	33.78%
Health services	172,336,799	24.50%	169,518,036	24.60%	2,818,763	1.66%
Public assistance	152,889,849	21.73%	151,171,061	21.94%	1,718,788	1.14%
Education and recreation	20,375,647	2.90%	19,300,344	2.80%	1,075,303	5.57%
Debt service - principal retirement	9,057,219	1.29%	14,525,000	2.11%	(5,467,781)	(37.64)%
Debt service - interest charges	4,884,300	0.69%	6,248,032	0.91%	(1,363,732)	(21.83)%
Bond issuance cost	-	0.00%	491,679	0.07%	(491,679)	0.00%
Capital outlay	18,710,135	2.66%	22,328,519	3.24%	(3,618,384)	(16.21)%
<b>Total</b>	<b>\$ 703,552,053</b>	<b>100.00%</b>	<b>\$ 689,001,918</b>	<b>100.00%</b>	<b>\$ 14,550,135</b>	<b>2.11%</b>

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



Expenditures by function increased \$14.6 million over prior year. The following provides an explanation of the significant changes:

- **General government:** The net increase of \$7.2 million results from increased salaries, retirement costs, accrued leave pay outs due to retirement, and increases in various countywide maintenance projects.
- **Public protection:** The net increase of \$8.3 million is attributable to increases in salaries, retirement costs, accrued leave pay outs due to retirement, overtime/call-back resulting from department vacancies.
- **Public ways and facilities:** The increase of \$4.4 million is attributable to more professional services performed on roads and bridges maintenance projects.
- **Health services:** The net increase of \$2.8 million is primarily due to one-time Maintenance of Effort (MOE) adjustment and inflation factor in In-Home Supportive Services (IHSS) as required by statute, and increases in salaries and benefits due to department vacancies.
- **Public assistance:** The net increase of \$1.7 million is primarily due to the newly formed Napa/Solano Area Agency on Aging (AAA). In September 2018, the California Department Aging (CDA) designated Solano County as the lead agency for Napa/Solano AAA.
- **Debt service principal retirement:** The decrease of \$5.5 million is attributable to the final payment of the 2004 POB in FY 2017/18.
- **Debt service interest charges:** The decrease of \$1.4 million is attributable to decreasing interest charges as payments are applied towards the principal. Also, the 2004 POB was fully redeemed in FY 2017/18.
- **Capital outlay:** The net decrease of \$3.6 million is attributable to \$6.5 million decrease in construction in progress for completion of various projects including the Rourk Vocational Training Center; the decrease was partially offset by \$3.1 million increases in various public works construction projects and library project.

**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, 2019 was a negative \$1.4 million. The fund deficit increased by \$1.1 million as a result of the ongoing capital projects spending in the current year.

### **General Fund Budgetary Highlights**

The General Fund Budget (Adopted and Final versions) is reflected in the Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual, as presented on page 106 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 \$8.8 million and expenditures were less than appropriations by \$21.5 million, thus reducing the need to draw upon fund balance.

#### Revenue Variances:

- Taxes - \$3.9 million favorable variance is due to higher secured property taxes and property tax in lieu from continued increase in assessed values as the real estate market continues to improve.
- Use of money and property - \$3.7 million favorable variance due to higher market yield from investments.

#### Expenditure Variances:

- General Services - \$2.1 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 - \$1.9 million favorable variance primarily from unspent appropriations in accrued leave payouts and technology projects that did not materialize in the current year.
- Resource Management - \$1.1 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 of the budgeted projects relating to land use & integrated waste projects.
- Contingencies - appropriations included \$12.0 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 - \$6.6 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 Health and Social Services due to caseload changes combined with increased federal reimbursements.

### **Capital Asset and Debt Administration**

**Capital assets.** The County's capital assets for its governmental and business-type activities at June 30, 2019, were \$573.7 million (net of accumulated depreciation). This investment in capital assets includes land, artwork, intangibles, buildings, machinery and equipment, roads, and bridges. The net increase in the County's capital assets for the current fiscal year was \$1.4 million or 0.24%. In the governmental activities, increases were offset by retirements & depreciation expense for the fiscal year. In business-type activities, construction in progress increased primarily due to various

capital projects which includes airport office building improvement, perimeter security fencing, and construction on the new hangars.

	Governmental activities		Business-type activities		Total		Increase/ (Decrease)
	2019	2018	2019	2018	2019	2018	Percent of change
	Land	\$ 157,040,694	\$ 156,772,209	\$ 8,304,351	\$ 8,304,351	\$ 165,345,045	\$ 165,076,560
Artwork	857,261	857,261	-	-	857,261	857,261	0.00%
Intangibles	12,787,883	12,437,317	-	-	12,787,883	12,437,317	2.82%
Infrastructure	163,150,350	158,433,885	-	-	163,150,350	158,433,885	2.98%
Construction in progress	43,657,726	32,964,944	4,806,119	303,089	48,463,845	33,268,033	45.68%
Buildings	486,780,943	485,994,655	13,264,984	13,264,984	500,045,927	499,259,639	0.16%
Machinery and equipment	68,806,112	67,214,983	136,154	136,154	68,942,266	67,351,137	2.36%
Less: accumulated depreciation	(376,978,110)	(355,969,074)	(8,876,510)	(8,354,801)	(385,854,620)	(364,323,875)	5.91%
Total	\$ 556,102,859	\$ 558,706,180	\$ 17,635,098	\$ 13,653,777	\$ 573,737,957	\$ 572,359,957	0.24%

Additional information on the County's capital assets can be found in Note III-D on pages 71 – 73 of this report.

**Long-term Debt.** At June 30, 2019, the County's total long-term debt for its governmental and business-type activities was \$102.5 million, which is entirely backed by the full faith and credit of the County.

	Governmental activities		Business-type activities		Total	
	2019	2018	2019	2018	2019	2018
Notes Payable	\$ 1,410,456	\$ 1,023,890	\$ 1,857,313	\$ -	\$ 3,267,769	\$ 1,023,890
Certificates of Participation	79,129,675	86,358,199	-	-	79,129,675	86,358,199
Pension Obligation Bonds	23,375,000	26,085,000	-	-	23,375,000	26,085,000
Total	\$ 103,915,131	\$ 113,467,089	\$ 1,857,313	\$ -	\$ 105,772,444	\$ 113,467,089

The County's total long-term debt decreased by a net \$7.7 million due primarily to the \$7.2 million decrease in Certificates of Participation and \$2.7 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 COPs 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 161 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 77-81 and IV-A & B on pages 85-95 of this report.

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

- The unemployment rate for the County is currently 3.9%. This is lower than the State's average unemployment rate of 4.2% (as of July 2019).
- 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 2019/20 the Adopted Budget included \$12.0 million in appropriations for contingencies, \$46.7 million in general reserves, \$6.4 million in designation for unfunded employee leave payoff, \$48.2 million for future employer PERS rate increases (of which \$31.1 million was legally restricted in the Public Agencies Retirement System (PARS) Section 115 Pension Trust at June 30, 2019), \$1.6 million for housing/SB375, \$21.3 million in designation for capital renewal, and \$9.8 million in designation for property tax system replacement.
- The Assessor reported the FY 2019/20 secured property tax roll increased by 5.5%, or \$3.0 billion countywide over the FY 2018/19 lien date values resulting in a secured roll totaling over \$58.0 billion, which includes residential and commercial parcels.

### **Requests for Information**

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



**BASIC FINANCIAL  
STATEMENTS**





**COUNTY OF SOLANO, CALIFORNIA**  
**Statement of Net Position**  
**June 30, 2019**

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	Solano County Fair	Workforce Development Board
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and investments	\$ 442,252,245	\$ 2,468,029	\$ 444,720,274	\$ 446,202	\$ 826,788
Cash and investments - restricted	31,105,976	-	31,105,976	-	-
Accounts receivable	2,391,243	64,599	2,455,842	55,816	148,826
Due from other agencies	64,477,671	-	64,477,671	55,388	-
Other assets	1,311,316	38,517	1,349,833	2,588	81,041
Total current assets	<u>541,538,451</u>	<u>2,571,145</u>	<u>544,109,596</u>	<u>559,994</u>	<u>1,056,655</u>
<b>Noncurrent assets</b>					
Internal balances	2,576,375	(2,576,375)	-	-	-
Due from component units	740,996	-	740,996	-	-
Long-term receivables	4,588,083	-	4,588,083	-	-
Capital assets:					
Capital assets, not being depreciated	202,357,854	13,110,470	215,468,324	167,085	-
Capital assets, being depreciated, net	353,745,005	4,524,628	358,269,633	452,480	17,053
Total noncurrent assets	<u>564,008,313</u>	<u>15,058,723</u>	<u>579,067,036</u>	<u>619,565</u>	<u>17,053</u>
Total assets	<u>1,105,546,764</u>	<u>17,629,868</u>	<u>1,123,176,632</u>	<u>1,179,559</u>	<u>1,073,708</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred loss on refunding	1,824,806	-	1,824,806	-	-
Deferred outflows related to pensions	113,643,047	106,021	113,749,068	553,392	-
Deferred outflows related to OPEB	5,705,850	6,150	5,712,000	-	-
Total deferred outflows of resources	<u>121,173,703</u>	<u>112,171</u>	<u>121,285,874</u>	<u>553,392</u>	<u>-</u>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Outstanding warrants	7,009,598	43,702	7,053,300	-	35,093
Payables	43,075,390	739,851	43,815,241	62,284	396,933
Unearned revenue	12,562,408	1,122	12,563,530	2,371	-
Other liabilities	966,427	102,909	1,069,336	88,413	-
Due to other agencies	18,926,368	81	18,926,449	-	3,990
Current portion of long-term obligations	31,016,598	135,463	31,152,061	378,071	137,378
Total current liabilities	<u>113,556,789</u>	<u>1,023,128</u>	<u>114,579,917</u>	<u>531,139</u>	<u>573,394</u>
<b>Noncurrent liabilities</b>					
Net pension liability	521,629,424	506,061	522,135,485	1,612,287	-
Net OPEB liability	21,350,757	22,243	21,373,000	-	-
Long-term obligations	122,995,766	2,537,310	125,533,076	705,049	-
Total noncurrent liabilities	<u>665,975,947</u>	<u>3,065,614</u>	<u>669,041,561</u>	<u>2,317,336</u>	<u>-</u>
Total liabilities	<u>779,532,736</u>	<u>4,088,742</u>	<u>783,621,478</u>	<u>2,848,475</u>	<u>573,394</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred inflows related to pensions	18,778,310	18,534	18,796,844	222,964	-
Deferred inflows related to OPEB	1,001,947	1,053	1,003,000	-	-
Total deferred inflows of resources	<u>19,780,257</u>	<u>19,587</u>	<u>19,799,844</u>	<u>222,964</u>	<u>-</u>
<b>NET POSITION</b>					
Net investment in capital assets	477,673,000	15,017,861	492,690,861	325,961	17,053
Restricted for:					
Debt service	6,705,334	-	6,705,334	-	-
Public safety	24,296,445	-	24,296,445	-	-
Capital projects	18,689,267	-	18,689,267	-	-
Public facilities fees	29,014,654	-	29,014,654	-	-
Library services	22,780,448	-	22,780,448	-	-
Transportation services	12,079,432	-	12,079,432	-	-
Health services	124,912,118	-	124,912,118	-	-
Home loan program	5,019,376	-	5,019,376	-	-
Micrographics & modernization projects	9,640,410	-	9,640,410	-	-
Other purposes	929,672	-	929,672	115,998	-
Unrestricted	(304,332,682)	(1,384,151)	(305,716,833)	(1,780,447)	483,261
Total net position (deficit)	<u>\$ 427,407,474</u>	<u>\$ 13,633,710</u>	<u>\$ 441,041,184</u>	<u>\$ (1,338,488)</u>	<u>\$ 500,314</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, 2019**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Primary Government:				
Governmental Activities:				
General government	\$ 79,056,546	\$ 31,915,941	\$ 1,678,113	\$ 5,635,191
Public protection	230,141,732	23,141,178	84,475,937	-
Public ways and facilities	21,057,877	1,645,603	15,133,892	1,806,361
Health services	173,753,194	24,740,923	142,198,036	-
Public assistance	154,082,791	885,779	146,248,591	-
Education and recreation	20,198,264	5,485,544	5,759,017	-
Interest on long-term debt	5,275,669	-	-	-
Total Governmental Activities	<u>683,566,073</u>	<u>87,814,968</u>	<u>395,493,586</u>	<u>7,441,552</u>
Business-type Activities:				
Nut Tree Airport	2,115,088	1,298,285	10,097	389,265
Total Primary Government	<u>\$ 685,681,161</u>	<u>\$ 89,113,253</u>	<u>\$ 395,503,683</u>	<u>\$ 7,830,817</u>
Component Units:				
Solano County Fair	\$ 2,780,154	\$ 2,755,513	\$ 73,367	\$ -
Workforce Development Board	5,724,880	-	5,635,202	-
Total Component Units	<u>\$ 8,505,034</u>	<u>\$ 2,755,513</u>	<u>\$ 5,708,569</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, 2019**

<b>Net (Expense) Revenue and Changes in Net Position</b>					
<b>Primary Government</b>			<b>Component Units</b>		
<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>	<b>Solano County Fair</b>	<b>Workforce Development Board</b>	
\$ (39,827,301)	\$ -	\$ (39,827,301)	\$ -	\$ -	Primary Government:
(122,524,617)	-	(122,524,617)	-	-	Governmental Activities:
(2,472,021)	-	(2,472,021)	-	-	General government
(6,814,235)	-	(6,814,235)	-	-	Public protection
(6,948,421)	-	(6,948,421)	-	-	Public ways and facilities
(8,953,703)	-	(8,953,703)	-	-	Health services
(5,275,669)	-	(5,275,669)	-	-	Public assistance
(192,815,967)	-	(192,815,967)	-	-	Education and recreation
					Interest on long-term debt
					Total Governmental Activities
	(417,441)	(417,441)	-	-	Business-type Activities:
(192,815,967)	(417,441)	(193,233,408)	-	-	Nut Tree Airport
					Total Primary Government
					Component Units:
			48,726	-	Solano County Fair
			-	(89,678)	Workforce Investment Board
			48,726	(89,678)	Total Component Units
183,109,543	441,618	183,551,161	-	-	General revenues:
2,500,227	-	2,500,227	-	-	Property taxes
3,090,546	-	3,090,546	-	-	Sales and use tax - shared revenue
3,614,085	4,760	3,618,845	-	-	Property transfer tax
10,863,331	82,465	10,945,796	1,288	23,232	Intergovernmental not restricted to specific programs
15,397,129	161,572	15,558,701	-	102,815	Interest & investment earnings
522,313	-	522,313	-	-	Other
4,316	(4,316)	-	-	-	Gain on sale of capital assets
219,101,490	686,099	219,787,589	1,288	126,047	Transfers
26,285,523	268,658	26,554,181	50,014	36,369	Total general revenues and transfers
401,121,951	13,365,052	414,487,003	(1,388,502)	463,945	Changes in net position
\$ 427,407,474	\$ 13,633,710	\$ 441,041,184	\$ (1,338,488)	\$ 500,314	Net position (deficit) - beginning
					Net position (deficit) - ending

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

**COUNTY OF SOLANO, CALIFORNIA**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2019**

	<b>General</b>	<b>Health &amp; Social Services</b>	<b>Public Safety</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>ASSETS</b>					
Cash and investments	\$ 130,623,942	\$ 109,552,383	\$ 45,213,738	\$ 121,284,169	\$ 406,674,232
Cash and investments - restricted	31,105,976	-	-	-	31,105,976
Accounts receivable	1,624,634	41,386	258,732	99,975	2,024,727
Due from other agencies	8,079,372	38,129,764	10,053,613	8,168,395	64,431,144
Due from other funds	3,900,115	19,087,287	1,887,105	623,308	25,497,815
Due from component unit	-	-	-	740,996	740,996
Other assets	1,782,069	196,973	122,192	3,279,188	5,380,422
Advance to other funds	9,355,927	-	-	-	9,355,927
Total assets	<u>\$ 186,472,035</u>	<u>\$ 167,007,793</u>	<u>\$ 57,535,380</u>	<u>\$ 134,196,031</u>	<u>\$ 545,211,239</u>
<b>LIABILITIES</b>					
Outstanding warrants	\$ 582,125	\$ 3,373,529	\$ 647,039	\$ 1,503,362	\$ 6,106,055
Payables	3,445,708	20,474,928	9,359,812	4,988,781	38,269,229
Due to other funds	475,958	3,894,292	20,691,932	241,743	25,303,925
Other liabilities	6,151	64,188	-	896,087	966,426
Due to other agencies	1,066,161	14,775,133	1,859,758	1,224,803	18,925,855
Unearned revenue	2,273,498	9,586,861	680,394	21,655	12,562,408
Advance from other funds	-	-	-	6,536,228	6,536,228
Total liabilities	<u>7,849,601</u>	<u>52,168,931</u>	<u>33,238,935</u>	<u>15,412,659</u>	<u>108,670,126</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue	<u>5,017,197</u>	<u>20,705,201</u>	<u>805,942</u>	<u>1,584,818</u>	<u>28,113,158</u>
<b>FUND BALANCES:</b>					
Nonspendable	10,102,058	196,973	122,192	226,427	10,647,650
Restricted	31,105,976	93,636,688	23,368,311	99,358,817	247,469,792
Committed	-	-	-	43,263	43,263
Assigned	85,111,871	300,000	-	17,570,047	102,981,918
Unassigned	47,285,332	-	-	-	47,285,332
Total fund balances	<u>173,605,237</u>	<u>94,133,661</u>	<u>23,490,503</u>	<u>117,198,554</u>	<u>408,427,955</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 186,472,035</u>	<u>\$ 167,007,793</u>	<u>\$ 57,535,380</u>	<u>\$ 134,196,031</u>	<u>\$ 545,211,239</u>

**COUNTY OF SOLANO, CALIFORNIA**  
**Reconciliation of the Balance Sheet of Governmental Funds**  
**to the Statement of Net Position**  
**June 30, 2019**

Total governmental funds, fund balance		\$ 408,427,955
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.		547,024,822
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.		28,113,158
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		\$ 1,824,806
Deferred outflows related to pensions	\$ 109,794,840	
Deferred inflows related to pensions	<u>(17,112,151)</u>	
Deferred in/outflows related to pensions		92,682,689
Deferred outflow related to OPEB	5,540,390	
Deferred inflow related to OPEB	<u>(976,769)</u>	
Deferred in/outflows related to OPEB		<u>4,563,621</u> 99,071,116
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.		12,714,920
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Accrued interest payable		(1,121,140)
Long-term obligations, net		<u>(666,823,357)</u>
Net position of governmental activities		<u>\$ 427,407,474</u>

**COUNTY OF SOLANO, CALIFORNIA**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the Fiscal Year Ended June 30, 2019**

	<u>General</u>	<u>Health &amp; Social Services</u>	<u>Public Safety</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>					
Taxes	\$ 172,175,199	\$ -	\$ -	\$ 21,893,636	\$ 194,068,835
Licenses, permits and franchises	7,980,647	22,852	65,211	333,457	8,402,167
Fines, forfeitures and penalties	1,723,229	375,940	2,676,058	7,780	4,783,007
Use of money and property	6,210,253	1,403,102	422,778	3,041,544	11,077,677
Intergovernmental	14,195,621	278,241,565	77,826,899	29,135,600	399,399,685
Charges for services	52,007,047	25,549,988	11,507,386	19,139,446	108,203,867
Miscellaneous	3,926,386	3,436,481	1,889,655	4,443,887	13,696,409
Total revenues	<u>258,218,382</u>	<u>309,029,928</u>	<u>94,387,987</u>	<u>77,995,350</u>	<u>739,631,647</u>
<b>EXPENDITURES</b>					
Current:					
General government	62,853,780	-	-	7,595,304	70,449,084
Public protection	27,286,020	-	206,883,390	3,399,136	237,568,546
Public ways and facilities	-	-	-	17,280,474	17,280,474
Health services	-	169,043,721	-	3,293,078	172,336,799
Public assistance	786,824	151,013,020	-	1,090,005	152,889,849
Education and recreation	311,612	-	-	20,064,035	20,375,647
Debt service:					
Principal	-	-	192,219	8,865,000	9,057,219
Interest and other charges	-	-	6,007	4,878,293	4,884,300
Capital outlay	249,127	57,991	685,629	17,717,388	18,710,135
Total expenditures	<u>91,487,363</u>	<u>320,114,732</u>	<u>207,767,245</u>	<u>84,182,713</u>	<u>703,552,053</u>
Excess (deficiency) of revenues over (under) expenditures	<u>166,731,019</u>	<u>(11,084,804)</u>	<u>(113,379,258)</u>	<u>(6,187,363)</u>	<u>36,079,594</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Issuance of long-term debt	-	-	578,785	-	578,785
Transfers in	3,354,795	30,765,096	114,860,903	22,850,348	171,831,142
Transfers out	(160,316,068)	(3,426,328)	(2,624,620)	(6,303,567)	(172,670,583)
Sale of capital assets	101,237	58,500	650	74,000	234,387
Total other financing sources (uses)	<u>(156,860,036)</u>	<u>27,397,268</u>	<u>112,815,718</u>	<u>16,620,781</u>	<u>(26,269)</u>
Changes in fund balances	9,870,983	16,312,464	(563,540)	10,433,418	36,053,325
Fund balances - beginning	163,734,254	77,821,197	24,054,043	106,765,136	372,374,630
Fund balances - ending	<u>\$ 173,605,237</u>	<u>\$ 94,133,661</u>	<u>\$ 23,490,503</u>	<u>\$ 117,198,554</u>	<u>\$ 408,427,955</u>

**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, 2019**

Changes in fund balances - total governmental funds \$ 36,053,325

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	\$ 18,710,135	
Depreciation	<u>(22,102,518)</u>	(3,392,383)

The net effect of various miscellaneous capital asset transactions (i.e., sales, trade-ins, and donations). 168,032

Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds. 497,991

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	\$ 9,057,219	
Issuance of Long-term debt	(578,785)	
Change in deferred loss on refunding	<u>(593,106)</u>	7,885,328

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Change in OPEB liability	\$ 1,685,956	
Change in net pension liability	(25,360,734)	
Change in pollution remediation obligations	3,327,511	
Change in accrued interest payable	100,310	
Change in premium	1,073,524	
Change in compensated absences	<u>1,050,954</u>	(18,122,479)

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.

3,195,709

Changes in net position of governmental activities \$ 26,285,523

**COUNTY OF SOLANO, CALIFORNIA**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2019**

	<b>Non-Major Enterprise Fund Nut Tree Airport</b>	<b>Governmental Activities - Internal Service Funds</b>
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and investments	\$ 2,468,029	\$ 35,578,012
Accounts receivable	64,599	366,517
Due from other agencies	-	46,526
Due from other funds	2,945	211,855
Other assets	38,517	518,975
Total current assets	<u>2,574,090</u>	<u>36,721,885</u>
<b>Noncurrent assets</b>		
Land	8,304,351	-
Construction in progress	4,806,119	766,504
Buildings and improvements	13,264,984	655,470
Machinery and equipment	136,154	26,310,316
Intangibles	-	6,053,592
Less: accumulated depreciation	<u>(8,876,510)</u>	<u>(24,707,845)</u>
Total capital assets	<u>17,635,098</u>	<u>9,078,037</u>
Total assets	<u>20,209,188</u>	<u>45,799,922</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred outflows related to pensions	106,021	3,848,207
Deferred outflows related to OPEB	<u>6,150</u>	<u>165,460</u>
Total deferred outflows of resources	<u>112,171</u>	<u>4,013,667</u>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Outstanding warrants	43,702	903,542
Payables	739,851	3,685,021
Due to other funds	166	408,524
Unearned revenue	1,122	-
Other liabilities	102,909	-
Due to other agencies	81	512
Current portion of long-term obligations	<u>135,463</u>	<u>6,364,277</u>
Total current liabilities	<u>1,023,294</u>	<u>11,361,876</u>
<b>Noncurrent liabilities</b>		
Net pension liability	506,061	11,564,274
Net OPEB liability	22,243	510,203
Noncurrent portion of long-term obligations	2,537,310	11,730,434
Advances from other funds	<u>2,579,154</u>	<u>240,545</u>
Total noncurrent liabilities	<u>5,644,768</u>	<u>24,045,456</u>
Total liabilities	<u>6,668,062</u>	<u>35,407,332</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred inflows related to pensions	18,534	1,666,159
Deferred inflows related to OPEB	<u>1,053</u>	<u>25,178</u>
Total deferred inflows of resources	<u>19,587</u>	<u>1,691,337</u>
<b>NET POSITION</b>		
Net investment in capital assets	15,017,861	9,078,037
Unrestricted	<u>(1,384,151)</u>	<u>3,636,883</u>
Total net position	<u>\$ 13,633,710</u>	<u>\$ 12,714,920</u>

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



**COUNTY OF SOLANO, CALIFORNIA**  
**Statement of Revenues, Expenses and Changes in Fund Net Position**  
**Proprietary Funds**  
**For the Fiscal Year Ended June 30, 2019**

	<b>Non-Major Enterprise Fund Nut Tree Airport</b>	<b>Governmental Activities - Internal Service Funds</b>
<b>OPERATING REVENUES</b>		
Charges for sales and services	\$ 1,298,285	\$ 47,683,681
Total operating revenues	<u>1,298,285</u>	<u>47,683,681</u>
<b>OPERATING EXPENSES</b>		
Personnel services	473,741	11,855,859
Maintenance	73,881	1,732,231
Materials and supplies	553,693	1,701,607
Depreciation	521,709	2,378,333
Insurance	20,032	14,536,699
Rent, utilities and others	365,919	14,877,041
Total operating expenses	<u>2,008,975</u>	<u>47,081,770</u>
Operating income (loss)	<u>(710,690)</u>	<u>601,911</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>		
Intergovernmental	14,857	-
Investment earnings	82,465	903,290
Interest expense	(106,113)	-
Property taxes	441,618	-
Other revenue	161,572	726,858
Gain from sale of capital assets	-	119,893
Total nonoperating revenues (expenses)	<u>594,399</u>	<u>1,750,041</u>
Income (loss) before transfers and capital contributions	(116,291)	2,351,952
Capital contributions	389,265	-
Transfers in	-	993,847
Transfers out	(4,316)	(150,090)
Changes in net position	<u>268,658</u>	<u>3,195,709</u>
Total net position - beginning	<u>13,365,052</u>	<u>9,519,211</u>
Total net position - ending	<u>\$ 13,633,710</u>	<u>\$ 12,714,920</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, 2019**

	<b>Non-Major Enterprise Fund Nut Tree Airport</b>	<b>Governmental Activities - Internal Service Funds</b>
<b>Cash flows from operating activities:</b>		
Receipts from customers	\$ 1,250,358	\$ 1,183,003
Receipts from interfund services provided	219,137	47,176,339
Payments to suppliers	(468,148)	(33,003,096)
Payments to employees	(324,664)	(11,326,335)
Net cash provided by operating activities	676,683	4,029,911
<b>Cash flows from noncapital financing activities:</b>		
Transfers out	(4,316)	(150,090)
Property taxes received	441,618	-
Advances from other funds	-	240,545
Intergovernmental revenues received	14,857	-
Transfers in	-	993,847
Net cash provided by noncapital financing activities	452,159	1,084,302
<b>Cash flows from capital and related financing activities:</b>		
Loan proceeds	2,504,326	-
Capital contributions	389,265	-
Interest paid	(106,113)	-
Acquisition of capital assets	(4,503,030)	(2,879,467)
Net cash used by capital and related financing activities	(1,715,552)	(2,879,467)
<b>Cash flows from investing activities:</b>		
Investment income received	82,465	903,290
Net cash provided by investing activities	82,465	903,290
Net increase in cash and cash equivalents	(504,245)	3,138,036
Cash and cash equivalents - beginning	2,972,274	32,439,976
Cash and cash equivalents - ending	\$ 2,468,029	\$ 35,578,012
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>		
Operating income (loss)	\$ (710,690)	\$ 601,911
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation	521,709	2,378,333
Other nonoperating revenue	161,572	726,858
Pension expense	32,929	1,051,140
OPEB expense	(2,145)	(78,576)
Changes in assets and liabilities:		
(Increase) decrease in receivables, net	11,824	(71,557)
(Increase) decrease in due from other funds	(2,185)	(26,042)
(Increase) decrease in due from other agencies	-	(3,135)
(Increase) decrease in other assets	(2,159)	42,721
Increase (decrease) in outstanding warrants	38,314	223,157
Increase (decrease) in payables	492,866	(699,583)
Increase (decrease) in due to other funds	(24,738)	167,600
Increase (decrease) in unearned revenue	1,122	-
Increase (decrease) in due to other agencies	(37)	(107,511)
Increase (decrease) in accrued compensated absences	118,291	(175,405)
Increase (decrease) in other liabilities	40,010	-
Total adjustments	1,387,373	3,428,000
Net cash provided by operating activities	\$ 676,683	\$ 4,029,911

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, 2019**

	<u>External Investment Trust</u>	<u>Private Purpose Trust</u>	<u>Agency Funds</u>
<b>ASSETS</b>			
Cash and investments	\$ 870,962,859	\$ 8,497,652	\$ 71,276,064
Property tax receivable	-	-	31,998,397
Property of estates	-	6,270,166	-
Total assets	<u>870,962,859</u>	<u>14,767,818</u>	<u>\$ 103,274,461</u>
<b>LIABILITIES</b>			
Due to others	-	-	\$ 103,274,461
Total liabilities	<u>-</u>	<u>-</u>	<u>\$ 103,274,461</u>
<b>NET POSITION</b>			
Net position held in trust for:			
Individuals	-	14,767,818	
Pool participants	870,962,859	-	
Total net position	<u>\$ 870,962,859</u>	<u>\$ 14,767,818</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, 2019**

	<u>External Investment Trust</u>	<u>Private Purpose Trust</u>
<b>ADDITIONS</b>		
Contributions on pooled investments	\$ 936,145,270	\$ -
Property of estates	-	5,589,158
Interest and investment income	6,954,844	107,242
Total additions	<u>943,100,114</u>	<u>5,696,400</u>
<b>DEDUCTIONS</b>		
Distributions from pooled investments	732,340,720	-
Distributions to beneficiaries	-	5,340,470
Other distributions/deductions	-	293,156
Total deductions	<u>732,340,720</u>	<u>5,633,626</u>
Changes in net position	210,759,394	62,774
Net position - beginning	660,203,465	14,705,044
Net position - ending	<u>\$ 870,962,859</u>	<u>\$ 14,767,818</u>

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

**COUNTY OF SOLANO, CALIFORNIA  
INDEX TO NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	Page
<b>Note I. Summary of Significant Accounting Policies</b>	
A. Reporting Entity .....	49
Blended Component Units .....	49
Discretely Presented Component Units.....	50
B. Basis of Presentation – Government-wide Financial Statements .....	50
C. Basis of Presentation – Fund Financial Statements.....	51
D. Measurement Focus and Basis of Accounting .....	52
E. Assets, Liabilities, Deferred Outflows/Inflows, and Net Position/Fund Balance.....	53
1. Cash and Investments.....	53
2. Interfund Receivables and Payables.....	54
3. Property Tax Levy, Collection and Maximum Rates.....	54
4. Other Assets .....	55
5. Long-term Receivables .....	55
6. Capital Assets.....	55
7. Deferred Outflows/Inflows of Resources.....	55
8. Federal, State and Local Grants.....	56
9. Outstanding Warrants.....	56
10. Due To/Due From Other Agencies .....	56
11. Unearned Revenue .....	56
12. Compensated Absences.....	56
13. Long-term Obligations .....	57
14. Pensions.....	57
15. Other Postemployment Benefits (OPEB).....	57
16. Net Position/Fund Balances .....	57
17. Fund Balance Policy.....	58
General Fund – Fund Balance Policy.....	58
Committed Fund Balance .....	58
Assigned Fund Balance .....	58
General Fund General Reserve Policy.....	58
Countywide Spending Priority Policy .....	59
Funding Flow Assumptions.....	59
18. Use of Estimates.....	60
<b>Note II. Reconciliation of Government-Wide and Fund Financial Statements</b>	
Explanation of certain differences between the governmental funds balance sheet and the government-wide statement of net position.....	60
<b>Note III. Detailed Notes on All Funds</b>	
A. Cash and Investments .....	61
1. Authorized Investments.....	63
2. Interest Rate Risk .....	63
3. Credit Risk .....	64

	Page
4. Concentration of Credit Risk .....	66
5. Custodial Credit Risk .....	66
6. Treasury Investment Pool.....	67
7. Fair Value Measurements.....	67
B. Due To/Due From Other Funds .....	69
C. Advance To/From Other Funds .....	70
D. Capital Assets .....	71
E. Interfund Transfers.....	74
General Fund.....	74
Health & social Services (H&SS) Fund.....	74
Public Safety Fund .....	75
Other Governmental Funds .....	75
Airport.....	75
Internal Service Funds.....	75
F. Payable .....	76
G. Operating Leases .....	76
H. Long-term Obligations .....	77
Notes Payable.....	77
Certificates of Participation.....	77
Pension Obligation Bonds.....	78
Legal Debt Margin .....	81
I. Pollution Remediation Obligations .....	82
J. Fund Balances.....	83
Fund Balance Assignments – Undisbursed Approved Loans .....	84
K. Tax Abatements.....	84
<b>Note IV. Other Information</b>	
A. General Information about the Pension Plans .....	85
1. Plan Descriptions .....	85
2. Benefits Provided .....	85
3. Employees Covered.....	87
4. Contributions.....	87
5. Net Pension Liability.....	87
Actuarial Assumptions.....	88
Discount Rate.....	88
Changes in the Net Pension Liability .....	90
Sensitivity of the Net Pension Liability to Change in the Discount Rate .	91
Pension Plan Fiduciary Net Position .....	91
6. Pension Expense and Deferred Outflows/Inflows of Resources Related to Pensions .....	91
B. Post Employment Health Care Benefits .....	92
1. Plan Description .....	92
2. Employees Covered.....	92
3. Contributions.....	92
4. Net OPEB Liability .....	93
Discount Rate.....	94

	Page
Changes in the Net OPEB Liability .....	94
Sensitivity of Net OPEB Liability to Changes in the Discount Rate and Healthcare Trend Rate .....	94
OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB .....	95
OPEB plan fiduciary net position .....	95
C. Risk Management .....	95
D. Contingencies and Commitments .....	97
E. Deficit Fund Equity.....	97
F. New Effective Accounting Pronouncements .....	97
G. Future Implementation of New Governmental Accounting Standards .....	97

(This page intentionally left blank)



**COUNTY OF SOLANO, CALIFORNIA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**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, 2018.

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 WIB 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-Montezuma 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 counties prescribed by the State Controller in compliance with the Government Code of the State of California. While separate government-wide and fund financial statements are presented, they are interrelated.

The governmental activities column incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the government's enterprise funds. Separate fund

financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

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

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. The effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on user fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

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

### ***C. Basis of Presentation – Fund Financial Statements***

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

The County reports the following major governmental funds:

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

The *Health & Social Services Fund* is used to account for services to county residents in the areas of health, mental health, substance abuse, social services, employment assistance and public assistance. Restricted revenue sources are primarily state and federal grants, vehicle license fees, sales tax, charges for services and income tax revenues under the Mental Health Services Act (MHSA).

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

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

The *Private Purpose Trust Funds* are used to account for escheat property under the responsibilities of Guardian/Conservator, Administrator, and prisoners' property under the Prisoners Welfare Fund.

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

#### ***D. Measurement Focus and Basis of Accounting***

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

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

Secured property taxes, franchise taxes, licenses, grants and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when the County receives cash.

Proprietary funds distinguish operating from nonoperating revenues and expenses. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operation. The principal operating revenues of the Airport are charges to customers for sales and services. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

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

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

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

The County has stated required investments at fair value in the accompanying financial statements. The fair value of investments is based on independent third-party pricing models, published market prices or quotations from licensed broker/dealer firms. For purposes of the statement of cash flows, proprietary funds consider all highly liquid investments with a remaining maturity of three months or less at the time of acquisition including pooled amounts in the County Treasury to be cash equivalents.

The County categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The Pool values participants' shares on a par value. Specifically, the Pool distributes income to participants based on their average balance during the relative period. Gross income is calculated and apportioned to the funds based on (1) realized investment gains and losses, (2) accrual-based interest income earned, (3) amortization of discounts and premiums on a level yield basis. Administrative expenses are apportioned separately based on the absolute average balance of funds on deposit to account for any funds with a negative average balance. This method differs from the fair value method used to value investments in these financial statements because the amortized cost method is not designed to distribute to participants all unrealized gains and losses in the fair values of the Pool's investments.

The County Treasurer invests all pooled funds of the County and external participants in accordance with the County's investment policy and the California State Government Code. The County Treasurer reports on a quarterly basis to the Board of Supervisors.

The public school districts as well as fire, cemetery, pest control, parks and recreation, reclamation, and other special districts within the county are allowed 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 \$8,497,652 at June 30, 2019 for Private Purpose Trust Funds. The County provides personal and financial services to individuals who are not able to manage their own affairs. The Public Administrator and Public Guardian administer the funds for individuals who are either deceased or incapacitated. The County also administers funds for adults and juveniles who are incarcerated.

**2. Interfund Receivables and Payables**

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (i.e., the current portion of interfund loans) or “advance to/from other funds” (i.e., the noncurrent portion of interfund loans). Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

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

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

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

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

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

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

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

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

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

#### **5. Long-term Receivables**

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

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

Capital assets, which include property, plant, equipment, intangibles and infrastructure (e.g., roads, bridges and easements), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in proprietary funds. Capital assets are defined by the County as assets with an initial cost of more than \$5,000 and an estimated useful life in excess of three years. Building and improvements and intangibles have a capitalization threshold of \$100,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at their acquisition value on the date of donation. In accordance with GASB Statement No. 34, the County has not reported infrastructure assets acquired prior to fiscal year ended June 30, 1980.

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

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

<u>Assets</u>	<u>Years</u>
Bridges	99
Computer equipment	3-7
Office equipment	3-7
Intangibles	3-7
Specialty equipment and vehicles	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 of resources (expense/expenditure) until then. As of June 30, 2019, the County has three items reportable on the Statement of Net Position: the first item relates to the unamortized losses on refunding of debt; the second item relates to deferred outflows of resources related to pensions; and the third item relates to deferred outflows of resources related to OPEB. The losses on refunding result from the difference in the carrying

value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or the refunding debt.

In addition to liabilities, the statement of net position and the balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position (or fund balance) that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has 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 revenues reported under the modified accrual basis of accounting in the governmental funds balance sheet. These amounts are deferred and recognized as revenues in the period the amounts become available.

#### ***8. Federal, State and Local Grants***

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

#### ***9. Outstanding Warrants***

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

#### ***10. Due To/Due From Other Agencies***

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

#### ***11. Unearned Revenue***

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

#### ***12. Compensated Absences***

Vested unused vacation hours may be accumulated and, if not taken, is paid at the date of termination from County employment at the employees' current pay rate. All leave balances are accrued when earned in the government-wide and proprietary fund financial statements. Expenditures for these amounts are reported in the governmental funds as employees terminate. County policy states that unused sick leave shall not be cashed out at the time of separation from the County; however, upon retirement eligible employees convert



all unused sick leave to a Retirement Health Savings Account. Payments for accrued compensated absences at termination or retirement are paid and liquidated by the governmental funds and proprietary funds.

### ***13. Long-term Obligations***

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and 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 \$285,173,132, of which \$29,014,654 is restricted by enabling legislation.

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

Fund balance classifications are described as follows:

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

### **17. Fund Balance Policy**

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

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

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

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

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

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

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

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

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

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

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

### **Countywide Spending Priority Policy**

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

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

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

**18. Use of Estimates**

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

**II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**  
**Explanation of certain differences between the governmental funds balance sheet and the government-wide statement of net position**

The governmental funds balance sheet includes reconciliation between total governmental funds-fund balances and net position of governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains that Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The details of this \$547,024,822 difference are as follows:

Land, not being depreciated	\$ 157,040,694
Construction in progress	42,891,222
Artwork	857,261
Intangibles, not being depreciated	802,173
Infrastructure, net of \$77,351,264 accumulated depreciation	85,799,086
Buildings, net of \$240,944,520 accumulated depreciation	245,180,953
Machinery and equipment, net of \$28,511,765 accumulated depreciation	13,984,031
Intangibles, net of \$5,462,716 accumulated depreciation	<u>469,402</u>
Net adjustment to increase total governmental funds-fund balance to arrive at net position of governmental activities	<u>\$ 547,024,822</u>

Another element of reconciliation explains long-term liabilities not due and payable in the current period and, therefore is not reported in the funds. The details of this \$666,823,357 difference are as follows:

Notes payable	\$ 1,410,456
Certificates of participation	67,315,000
Issuance premium	11,814,675
Pension obligation bonds	23,375,000
OPEB liability	20,840,554
Pollution remediation obligation	109,777
Net Pension Liability	510,065,150
Compensated absences	<u>31,892,745</u>
Net adjustment to reduce total governmental funds-fund balance to arrive at net position of governmental activities	<u>\$ 666,823,357</u>

**III. DETAILED NOTES ON ALL FUNDS**

**A. Cash and Investments**

The County's cash and investments at June 30, 2019 were as follows:

	<u>Amount</u>
<b>Cash &amp; Cash Equivalents</b>	<u>\$ 22,879,849</u>
<b>County Investments</b>	
Money Market Mutual Funds	26,340,011
State of California Local Agency Investment Fund (LAIF)	38,804,771
Investment Trust of California Joint Powers Authority Pool (CAL TRUST)	87,817,692
California Asset Management Program (CAMP)	24,069,881
Corporate Notes	321,855,646
Supranational	30,251,860
U.S. Government Agency Notes:	
Federal Farm Credit Bank	1,991,882
Federal Home Loan Bank	183,357,130
Federal Home Loan Mortgage Corporation	131,258,909
Federal National Mortgage Association	98,111,022
U.S. Treasury Securities	304,777,530
Municipal Bonds	122,028,059
<b>Total County Investments</b>	<u>1,370,664,393</u>
<b>Total County Treasury</b>	<u>1,393,544,242</u>
<b>Cash and Investments with Fiscal Agents</b>	
Cash & Cash Equivalents	2,069,551
Money Market Mutual Funds	16,315,234
Corporate Notes	5,060,889
Municipal Bonds	2,631,578
Bond Mutual Funds	3,210,000
U.S. Government Agency Notes:	
Federal National Mortgage Association	2,988,930
U.S. Treasury Securities	2,015,390
<b>Total Cash and Investments with Fiscal Agents</b>	<u>34,291,572</u>
<b>Total Cash and Investments</b>	<u><u>\$ 1,427,835,814</u></u>

Reconciliation to the financial statements:

Government-wide Statement of Net Position	\$ 475,826,250
Statement of Fiduciary Net Position:	
External Investment Trust	870,962,859
Private Purpose Trust	8,497,652
Agency Funds	71,276,064
Component Unit:	
Solano County Fair	446,202
Workforce Development Board	826,788
Total	<u>\$ 1,427,835,814</u>

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

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

The County is a voluntary participant in the State of California Local Agency Investment Fund (LAIF). At June 30, 2019, the County's investment with LAIF is \$38.8 million. LAIF is part of the State of California's Pooled Money Investment Account (PMIA). PMIA is not SEC registered but is required to invest according to California State Government Code. The weighted average to maturity of PMIA investments was 173 days as of June 30, 2019. 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, 2019, the County's investment with CALTRUST is \$87.8 million, which consists of \$63.7 million in cash & cash equivalents (CALTRUST Liquidity and CALTRUST Blackrock FedFund) and \$24.1 million in Mutual Funds (CALTRUST Short and CALTRUST Medium). The Board of Trustees, which is made up of experienced local Treasurers and Investment Officers has oversight responsibility for CALTRUST. The value of the pool shares in CALTRUST, which may be withdrawn, is determined on a fair value basis, which may be different than the amortized cost of the County Treasurer's portion of the pool.

The County is also a voluntary participant in the California Asset Management Program (CAMP). At June 30, 2019, the County's investment with CAMP is \$24.1 million. The weighted average to maturity of CAMP investments was 54 days as of June 30, 2019. The Board of Trustees, which is made up of experienced local government directors and treasurers, has oversight responsibility for CAMP. The Board consists of seven members elected by the participants. The value of the pool shares in CAMP, which may be withdrawn, is determined on an amortized cost basis, which is different than the fair value of the County Treasurer's portion of the pool. CAMP's investment policy does not permit the purchase of asset-backed securities (Government Code 53601(n)), but does permit the purchase of commercial paper 53601(h), which can include asset-backed commercial paper.

### ***1. Authorized Investments***

Statutes authorize the County to invest in obligations of U.S. Government securities, U.S. Government agencies and instrumentalities, certificates of deposit of nationally or state-chartered banks or savings institutions, commercial paper rated A-1 by Standard and Poor's Corporation or P-1 by Moody's Commercial Paper Record, bankers' acceptances, medium term corporate notes, mortgage pass-through, repurchase agreements, reverse repurchase agreements, municipal bonds, money market mutual funds as permitted by the California Government Code, California State Treasurer's investment pool (LAIF), and shares of beneficial interest issued by Joint Power Authorities that invest in allowable securities such as Investment Trust of California (CALTRUST) and California Asset Management Program (CAMP). Statutes also authorize the County to invest in International Bank for Reconstruction and Development (Supranational), International Finance Corporation, Inter-American Development Bank of dollar denominated senior unsecured unsubordinated rated AA or better.

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

### ***2. Interest Rate Risk***

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

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

At June 30, 2019, the weighted average to maturity of the Treasurer's Pool was 321 days.

The fair value of the County's investments as of June 30, 2019 is as follows:

	Amount	Investment Maturities Fair Value (in Years)		
		Less than 1	1 to 5	More than 5
<b>County Investments</b>				
Money Market Mutual Funds	\$ 26,340,011	\$ 26,340,011	\$ -	\$ -
State of California Local Agency Investment Fund (LAIF)	38,804,771	38,804,771	-	-
Investment Trust of California Joint Powers Authority Pool (CAL TRUST)	87,817,692	87,817,692	-	-
California Asset Management Program (CAMP)	24,069,881	24,069,881	-	-
Corporate Notes	321,855,646	157,251,123	164,604,523	-
Supranational	30,251,860	9,991,580	20,260,280	-
U.S. Government Agency Notes:				
Federal Farm Credit Bank	1,991,882	1,991,882	-	-
Federal Home Loan Bank	183,357,130	82,411,348	100,945,782	-
Federal Home Loan Mortgage Corporation	131,258,909	44,931,250	86,327,659	-
Federal National Mortgage Association	98,111,022	92,611,612	5,499,409	-
U.S. Treasury Securities	304,777,530	134,597,440	170,180,090	-
Municipal Bonds	122,028,059	66,146,469	34,767,595	21,113,995
<i>Total County Investments</i>	<u>1,370,664,392</u>	<u>766,965,059</u>	<u>582,585,338</u>	<u>21,113,995</u>
<b>Investments with Fiscal Agents</b>				
Money Market Mutual Funds	16,315,234	16,315,234	-	-
Corporate Notes	5,060,889	4,062,889	998,000	-
Municipal Bonds	2,631,578	2,494,920	136,658	-
Bond Mutual Funds	3,210,000	3,210,000	-	-
U.S. Government Agency Notes:				
Federal National Mortgage Association	2,988,930	2,988,930	-	-
U.S. Treasury Securities	2,015,390	-	2,015,390	-
<i>Total Investments with Fiscal Agents</i>	<u>32,222,021</u>	<u>29,071,973</u>	<u>3,150,048</u>	<u>-</u>
<b>Total Investments</b>	<u>\$ 1,402,886,413</u>	<u>\$ 796,037,032</u>	<u>\$ 585,735,386</u>	<u>\$ 21,113,995</u>

In accordance with California Government Code Section 53601, any investment with a maturity in excess of five years requires the express authorization of the County's Board of Supervisors. Pursuant to resolution by the Board of Supervisors on March 24, 2009, the County Treasury has purchased and continues to hold municipal investments with final maturities in excess of five years.

### 3. Credit Risk

Credit risk is the risk of loss due to the failure or credit downgrade of an issuer or backer. State law limits investments in commercial paper and corporate bonds to the top two ratings issued by nationally recognized statistical rating organizations. The County's investment policy mitigates its exposure to credit risk by:

- Limiting purchases to "investment grade securities".
- Diversifying the portfolio so the failure or downgrade of an individual security will have a minimal impact on the portfolio as a whole.



- Performing ongoing reviews of economic or financial conditions that may impact the credit of a single issuer or a market segment of issuers.
- When the County Treasurer deems necessary, an in-depth analysis on the credit quality of an individual issuer within the portfolio will be conducted. Based on the findings, the County Treasurer may elect to retain the securities in question or sell them. At June 30, 2019, the County's credit risks, expressed as a percentage of total investments, are as follows:

Investment Type	Credit Rating S&P	% of Investments
<b>County Investments</b>		
Money Market Mutual Funds	AAA	1.88%
State of California Local Agency Investment Fund (LAIF)	Not Rated	2.77%
Investment Trust of California Joint Powers Authority Pool Medium Term	A	0.65%
Investment Trust of California Joint Powers Authority Pool Short Term	AA	1.07%
Investment Trust of California Joint Powers Authority Pool Money Market	AAA	4.54%
California Asset Management Program (CAMP)	AAA	1.72%
Corporate Notes	A-1+	0.98%
Corporate Notes	A-	1.66%
Corporate Notes	A	4.19%
Corporate Notes	A+	2.85%
Corporate Notes	AA	1.64%
Corporate Notes	AA-	7.47%
Corporate Notes	AA+	2.80%
Corporate Notes	AAA	1.35%
Supranational	AAA	2.16%
U.S. Government Agency Notes:		
Federal Farm Credit Bank	AA+	0.14%
Federal Home Loan Bank	AA+	13.07%
Federal Home Loan Mortgage Corporation	AA+	8.64%
Federal Home Loan Mortgage Corporation	AAA	0.71%
Federal National Mortgage Association	AA+	6.99%
U.S. Treasury Securities	Exempt	21.74%
Municipal Bonds	A-	0.76%
Municipal Bonds	AA	3.07%
Municipal Bonds	AA-	2.46%
Municipal Bonds	AA+	1.55%
Municipal Bonds	AAA	0.85%
<b>Investments with Fiscal Agents</b>		
Money Market Mutual Funds	AAA	1.16%
Corporate Notes	Not Rated	0.23%
Corporate Notes	AA-	0.13%
Municipal Bonds	AA+	0.01%
Municipal Bonds	AA-	0.18%
Bond Mutual Funds	Not Rated	0.23%
U.S. Government Agency Notes:		
Federal National Mortgage Association	AA+	0.21%
U.S. Treasury Securities	Exempt	0.14%
		100.00%

**4. Concentration of Credit Risk**

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

<u>Issuer Name</u>	<u>Amount</u>
Federal Home Loan Bank	\$ 183,357,130
Federal Home Loan Mortgage Corporation	131,258,909
Federal National Mortgage Association	98,111,022

**5. Custodial Credit Risk**

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the County’s investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law. The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

## 6. Treasury Investment Pool

A summary of the investments held by the Treasurer's Pool as of June 30, 2019 is as follows:

Investment	Fair Value	Cost	Interest Rate Range (%)	Maturity Range (Month/Year)
Money Market Mutual Funds	\$ 26,340,011	\$ 26,340,011	0.000	07/19
State of California Local Agency Investment Fund (LAIF)	38,804,771	38,804,771	2.428	07/19
Investment Trust of California Joint Powers Authority Pool (CAL TRUST)	87,817,692	87,779,816	2.250 - 2.590	07/19
California Asset Management Program (CAMP)	24,069,881	24,069,881	2.450 - 2.500	07/19
Corporate Notes	321,855,646	320,765,529	1.450 - 3.125	07/19 - 09/22
Supranational	30,251,860	30,131,618	1.408 - 2.246	07/19 - 04/21
U.S. Government Agency Notes	414,718,942	413,473,503	1.250 - 2.848	07/19 - 04/22
U.S. Treasury Securities	304,777,530	303,211,714	1.341 - 2.864	07/19 - 08/21
Municipal Bonds	122,028,059	121,490,014	1.532 - 3.340	07/19 - 08/41
	<u>\$ 1,370,664,392</u>	<u>\$ 1,366,066,857</u>		

## 7. Fair Value Measurements

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

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

Deposits and withdrawals in 2A7 and 2A7 look alike investment pools, such as LAIF, CAMP, CALTRUST Liquidity and CALTRUST Blackrock FedFund, are reported on an amortized cost basis of \$1 per share and not fair value. Accordingly, the County's proportionate share in these types of investments is an uncategorized input not defined as a Level 1, Level 2, or Level 3 input.

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

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

The County has the following recurring fair value measurements as of June 30, 2019:

<b>County Investments by Fair Value Level</b>	<b>Fair Value Measurements Using</b>			
	<b>Balance at June 30, 2019</b>	<b>Quoted Prices in Active Markets for Identical Assets (Level 1)</b>	<b>Significant Other Observable Inputs (Level 2)</b>	<b>Significant Unobservable Inputs (Level 3)</b>
Money Market Mutual Funds	\$ 26,340,011	\$ 26,139,904	\$ 200,107	\$ -
Corporate Notes	321,855,646	-	321,855,646	-
Supranational	30,251,860	-	30,251,860	-
U.S. Government Agency Notes:				
Federal Farm Credit Bank	1,991,882	-	1,991,882	-
Federal Home Loan Bank	183,357,130	-	183,357,130	-
Federal Home Loan Mortgage Corporation	131,258,909	-	131,258,909	-
Federal National Mortgage Association	98,111,022	-	98,111,022	-
U.S. Treasury Securities	304,777,530	304,777,530	-	-
Municipal Bonds	122,028,059	-	122,028,059	-
<b>Total Investments Measured at Fair Value</b>	<b>\$ 1,219,972,048</b>	<b>\$ 330,917,434</b>	<b>\$ 889,054,615</b>	<b>\$ -</b>
<b>County Investments not subject to Fair Value Hierarchy</b>				
State of California Local Agency Investment Fund (LAIF)	38,804,771			
California Asset Management Program (CAMP)	24,069,881			
Investment Trust of California Joint Powers Authority Pool (CAL TRUST)	87,817,692			
<b>Total Investments not subject to Fair Value Hierarchy</b>	<b>150,692,344</b>			
<b>Total County Pooled Investments</b>	<b>\$ 1,370,664,392</b>			
<b>Investments with Fiscal Agents by Fair Value Level</b>				
Money Market Mutual Funds	\$ 16,315,234	\$ 2,702,575	\$ 13,612,659	\$ -
Corporate Notes	5,060,889	-	5,060,889	-
Municipal Bonds	2,631,578	-	2,631,578	-
Bond Mutual Funds	3,210,000	-	3,210,000	-
U.S. Government Agency Notes:				
Federal National Mortgage Association	2,988,930	-	2,988,930	-
U.S. Treasury Securities	2,015,390	-	2,015,390	-
<b>Total Investments with Fiscal Agents measured at Fair Value</b>	<b>\$ 32,222,021</b>	<b>\$ 2,702,575</b>	<b>\$ 29,519,446</b>	<b>\$ -</b>
<b>Total Investments</b>	<b>\$ 1,402,886,413</b>			

The following represents a condensed statement of net position and changes in net position for the Treasurer's Pool as of June 30, 2019:

**Statement of net position**

Net position held in trust for all pool participants	<u>\$ 1,386,455,849</u>
Equity of internal pool participants	\$ 515,492,990
Equity of external pool participants	<u>870,962,859</u>
Total Net Position	<u>\$ 1,386,455,849</u>

**Statement of changes in net position**

Net position as of July 1, 2018	\$ 1,132,044,760
Net change in investments by pool participants	<u>254,411,089</u>
Net Position as of June 30, 2019	<u>\$ 1,386,455,849</u>
Add outstanding warrants:	
Primary government	7,053,300
Component Unit:	
Workforce Development Board	<u>35,093</u>
<b>Total held by County Treasury</b>	<u>\$ 1,393,544,242</u>

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

The composition of the interfund balances as of June 30, 2019 is as follows:

		Due To Other Funds						
		General Fund	Health & Social Services	Public Safety	Other Governmental	Nut Tree Airport	Internal Service Funds	Total
Due From Other Funds	General Fund	\$ -	\$ 1,960,202	\$ 1,685,295	\$ 161,040	\$ -	\$ 93,578	\$ 3,900,115
	Health & Social Services	7,445	-	18,913,261	30,204	-	136,377	19,087,287
	Public Safety	48,660	1,643,945	-	42,187	-	152,313	1,887,105
	Other Governmental	238,767	281,683	72,185	8,275	166	22,232	623,308
	Nut Tree Airport	-	-	-	-	-	2,945	2,945
	Internal Service Funds	181,086	8,462	21,191	37	-	1,079	211,855
	<b>Total</b>	<u>\$ 475,958</u>	<u>\$ 3,894,292</u>	<u>\$ 20,691,932</u>	<u>\$ 241,743</u>	<u>\$ 166</u>	<u>\$ 408,524</u>	<u>\$ 25,712,615</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 bonds.

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

The composition of the Advance to/from other funds as of June 30, 2019 is as follows:

		<b>Advance To</b>			
		<b>Other Governmental</b>	<b>Nut Tree Airport</b>	<b>Internal Service Funds</b>	<b>Total</b>
<b>Advance From</b>	General Fund	<u>\$ 6,536,228</u>	<u>\$ 2,579,154</u>	<u>\$ 240,545</u>	<u>\$ 9,355,927</u>

As of June 30, 2019, the outstanding amounts owed to the General Fund by other funds are as follows: the Transportation Fund (Other Governmental Funds) owes \$880,695 to cover costs of Regional Transportation Projects which will be repaid through public facilities fees for transportation projects; the Accumulated Capital Outlay Fund (Other Governmental Funds) owes \$5,655,533 to cover the costs of the Fairgrounds development which will be repaid eight years after the beginning of construction. The County public submittal deadline of requests for qualifications are being accepted until 5pm on 1/9/2020. The Nut Tree Airport Enterprise Fund owes \$2,579,154 to cover the costs of acquiring real property for purposes of airport expansion. Revenues generated after the completion of the rental hangar project will be used to repay this advance. The hangar project was completed in FY 18/19 and a 25-year repayment schedule is established with a start date in FY 20/21. The Department of Information Technology (Internal Service Fund) has been advanced \$240,545 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, 2019 is as follows:

<b>Governmental Activities</b>	<b>Beginning Balance</b>	<b>Additions</b>	<b>Retirements and Adjustments</b>	<b>Transfers</b>	<b>Ending Balance</b>
Capital assets, not being depreciated:					
Land	\$ 156,772,209	\$ 340,000	\$ (71,515)	\$ -	\$ 157,040,694
Construction in progress	32,964,944	15,973,209	(8,109)	(5,272,318)	43,657,726
Artwork	857,261	-	-	-	857,261
Intangibles	802,173	-	-	-	802,173
Total capital assets, not being depreciated	<u>191,396,587</u>	<u>16,313,209</u>	<u>(79,624)</u>	<u>(5,272,318)</u>	<u>202,357,854</u>
Capital assets, being depreciated:					
Buildings	485,994,655	75,254	155,182	555,853	486,780,943
Machinery and equipment	67,214,983	5,593,587	(4,002,458)	-	68,806,112
Infrastructure	158,433,885	-	-	4,716,465	163,150,350
Intangibles	11,635,144	350,566	-	-	11,985,710
Total capital assets being depreciated	<u>723,278,667</u>	<u>6,019,407</u>	<u>(3,847,276)</u>	<u>5,272,318</u>	<u>730,723,115</u>
Less accumulated depreciation for:					
Buildings	(225,534,811)	(15,865,267)	175,657	-	(241,224,421)
Machinery and equipment	(45,765,894)	(4,416,382)	3,296,158	-	(46,886,118)
Infrastructure	(73,822,030)	(3,529,234)	-	-	(77,351,264)
Intangibles	(10,846,339)	(669,968)	-	-	(11,516,307)
Total accumulated depreciation	<u>(355,969,074)</u>	<u>(24,480,851)</u>	<u>3,471,815</u>	<u>-</u>	<u>(376,978,110)</u>
Total capital assets, being depreciated, net	<u>367,309,593</u>	<u>(18,461,444)</u>	<u>(375,461)</u>	<u>5,272,318</u>	<u>353,745,005</u>
Governmental activities capital assets, net	<u>\$ 558,706,180</u>	<u>\$ (2,148,235)</u>	<u>\$ (455,085)</u>	<u>\$ -</u>	<u>\$ 556,102,859</u>

Capital asset business-type activity for the fiscal year ended June 30, 2019 is as follows:

<b>Business-type Activities</b>	<b>Beginning Balance</b>	<b>Additions</b>	<b>Retirements and Adjustments</b>	<b>Transfers</b>	<b>Ending Balance</b>
Capital assets, not being depreciated:					
Land	\$ 8,304,351	\$ -	\$ -	\$ -	\$ 8,304,351
Construction in progress	303,089	4,503,030	-	-	4,806,119
Total capital assets, not being depreciated	8,607,440	4,503,030	-	-	13,110,470
Capital assets, being depreciated					
Buildings	13,264,984	-	-	-	13,264,984
Machinery and equipment	136,154	-	-	-	136,154
Total capital assets, being depreciated	13,401,138	-	-	-	13,401,138
Less accumulated depreciation for:					
Buildings	(8,290,821)	(520,140)	-	-	(8,810,961)
Machinery and equipment	(63,980)	(1,569)	-	-	(65,549)
Total accumulated depreciation	(8,354,801)	(521,709)	-	-	(8,876,510)
Total capital assets, being depreciated, net	5,046,337	(521,709)	-	-	4,524,628
Business-type activities capital assets, net	<u>\$ 13,653,777</u>	<u>\$ 3,981,321</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,635,098</u>

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

<b>Governmental activities:</b>	
General government	\$ 4,855,152
Public safety	8,250,559
Public ways and facilities	4,144,711
Health and sanitation	2,745,168
Public assistance	1,504,053
Education	434,741
Recreation	168,134
Capital assets held by the County's internal service funds are charged to various functions based on their usage of the asset	2,378,333
Total depreciation expense - governmental activities	<u>\$ 24,480,851</u>
<b>Business-type activities:</b>	
Nut Tree Airport	<u>\$ 521,709</u>



Capital assets activity for the discretely presented component units for the fiscal year ended June 30, 2019 is as follows:

Component Units	Beginning Balance	Additions	Retirements and Adjustments	Ending Balance
<b>Solano County Fair</b>				
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:	<u>10,193,733</u>	<u>-</u>	<u>-</u>	<u>10,193,733</u>
Less accumulated depreciation for:				
Buildings	(9,145,482)	(206,931)	-	(9,352,413)
Machinery and equipment	(382,164)	(5,880)	-	(388,044)
Intangibles	(400)	(396)	-	(796)
Total accumulated depreciation	<u>(9,528,046)</u>	<u>(213,207)</u>	<u>-</u>	<u>(9,741,253)</u>
Total capital assets, being depreciated, net	<u>665,687</u>	<u>(213,207)</u>	<u>-</u>	<u>452,480</u>
Total Solano County Fair capital assets, net	<u>\$ 832,772</u>	<u>\$ (213,207)</u>	<u>\$ -</u>	<u>\$ 619,565</u>
<b>Workforce Development Board (WDB)</b>				
Capital assets, being depreciated:				
Machinery and equipment	\$ 18,478	\$ 17,053	\$ -	\$ 35,531
Less: Accumulated depreciation	<u>(18,478)</u>	<u>-</u>	<u>-</u>	<u>(18,478)</u>
Total WDB capital assets, being depreciated, net	<u>\$ -</u>	<u>\$ 17,053</u>	<u>\$ -</u>	<u>\$ 17,053</u>

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

<b>Component units:</b>	
Solano County Fair	\$ 213,207
Total depreciation expense-component units	<u>\$ 213,207</u>

**E. Interfund Transfers**

The composition of interfund transfers for the fiscal year ended June 30, 2019 is as follows:

		Transfers Out						
		General Fund	Health & Social Services	Public Safety	Other Govern- mental	Nut Tree Airport	Internal Service Funds	Total
Transfers In	General Fund	\$ -	\$ 270,000	\$ 84,795	\$ 3,000,000	\$ -	\$ -	\$ 3,354,795
	Health & Social	30,765,096	-	-	-	-	-	30,765,096
	Public Safety	114,860,903	-	-	-	-	-	114,860,903
	Other Governmental	13,910,626	3,007,846	2,497,918	3,279,552	4,316	150,090	22,850,348
	Internal Service Funds	779,443	148,482	41,907	24,015	-	-	993,847
	<b>Total</b>	<b>\$ 160,316,068</b>	<b>\$ 3,426,328</b>	<b>\$ 2,624,620</b>	<b>\$ 6,303,567</b>	<b>\$ 4,316</b>	<b>\$ 150,090</b>	<b>\$ 172,824,989</b>

**General Fund**

The General Fund made a net contribution of \$160,316,068 as of June 30, 2019 to offset operating costs of various programs and to meet the maintenance of effort requirements for many grant-funded programs.

Of the amount transferred, Health & Social Services Fund received a net transfer of \$30,765,096 and the Public Safety Fund received a net transfer of \$114,860,903.

Other Governmental Funds received a total of \$13,910,626. Of this amount, 2017 Certificates of Participation Fund (Other Governmental Funds) received \$1,974,777 for the General Fund's share of principal and interest; \$1,609,408 was transferred to other county departments (Other Governmental Funds); \$9,854,806 was transferred to the Accumulated Capital Outlay Fund (Other Governmental Funds) to finance various capital projects. The Pension Debt Service Fund (Other Governmental Funds) received \$471,635 for the departments' share of the principal and interest payment of the Pension Obligation Bonds (POB).

The Fleet Management Fund (Internal Service Fund) received \$29,443 for the purchase of a vehicle for General Services and Risk Management (Internal Service Fund) received \$750,000 to cover unanticipated liability exposure.

**Health & Social Services (H&SS) Fund**

The Health & Social Services Fund transferred \$270,000 to the General Fund to provide start-up matching funds for Shelter Solano, Inc. and \$49,500 for the water bottle filling stations, \$1,374,888 to the Pension Debt Service Fund (Other Governmental Funds) for the department's share of the principal and interest

payment of the POB, \$1,583,458 to the 2009 Certificates of Participation Fund (Other Governmental Funds) for its share of the principal and interest payments, and \$148,482 was transferred to the Fleet Management Fund (Internal Service Fund) for the purchase of a food truck for H&SS program.

### **Public Safety Fund**

The Public Safety Fund transferred \$84,795 to the General Fund to offset a portion of the salary & benefit costs in providing supervision to the Animal Care Services department, \$345,800 was transferred to the Accumulated Capital Outlay Fund (Other Governmental Funds) for the main jail partial ADA upgrade and main shower replacement, \$1,910,171 to the Pension Debt Service Fund (Other Governmental Funds) for the department's share of the principal and interest payment of the POB, \$241,947 to the 2017 Certificates of Participation Fund for its share of the principal and interest payments and \$41,907 to the Fleet Management Fund (Internal Service Fund) for the purchase of a new transport vehicle.

### **Other Governmental Funds**

The Pension Debt Service Fund (Other Governmental Funds) transferred \$3,000,000 to the General Fund to pay CalPERS for the additional discretionary contribution to the Safety plan. The Transportation Department (Other Governmental Funds) transferred \$158,500 to the Accumulated Capital Outlay Fund (Other Governmental Funds) for the removal of fuel tanks and a new security gate.

The Accumulated Capital Outlay Fund (Other Governmental Funds) transferred \$900,000 to the 2017 Certificates of Participation Fund (Other Governmental Funds) for its share of the principal and interest payment and \$569,243 was transferred to Public Facility Fees Fund (Other Governmental Funds) for the return of funding resulting from the capital projects savings.

The Public Facilities Fees Fund (Other Governmental Funds) transferred \$1,306,756 to the 2017 Certificates of Participation Fund (Other Governmental Funds) for its share of the principal and interest payment, \$150,000 to the 2009 Certificates of Participation Fund (Other Governmental Funds) for its share of the principal and interest payment.

Also, \$195,053 was transferred from various County Funds to the Pension Debt Service Fund (Other Governmental Funds) for their share of the principal and interest payment of the POB.

The Transportation Fund (Other Governmental Funds) transferred \$24,015 to the Fleet Management Fund (Internal Service Fund) for the purchase of a vehicle.

### **Airport**

The Airport transferred \$4,316 to the Pension Debt Service Fund (Other Governmental Funds) for its share of principal and interest payment of the POB.

### **Internal Service Funds**

The Fleet Management Fund (Internal Service Funds) transferred \$37,500 to the Accumulated Capital Outlay Fund (Other Governmental Funds) for the installation of an electric gate and \$112,590 to the Pension Debt Service Fund (Other Governmental Funds) for its share of principal and interest payment of the POB.

**F. Payable**

The composition of payables as of June 30, 2019 is as follows:

	<b>Accounts Payable</b>	<b>Accrued Payroll</b>	<b>Accrued Interest</b>	<b>Total</b>
Governmental activities:				
General Fund	\$ 1,322,664	\$ 2,123,044	\$ -	\$ 3,445,708
Health & Social Services	15,051,076	5,423,852	-	20,474,928
Public Safety	3,193,450	6,166,362	-	9,359,812
Other Governmental Funds	4,140,723	848,058	-	4,988,781
Internal Service Funds	3,223,761	461,260	-	3,685,021
Reconciliation of balances in fund financial statements to government-wide financial statements	-	-	1,121,140	1,121,140
Total governmental activities	<u>\$ 26,931,674</u>	<u>\$ 15,022,576</u>	<u>\$ 1,121,140</u>	<u>\$ 43,075,390</u>
Business-type activities:				
Nut Tree Airport	<u>\$ 664,469</u>	<u>\$ 19,717</u>	<u>\$ 55,665</u>	<u>\$ 739,851</u>

**G. Operating Leases**

The County and component units lease office space and equipment under operating leases. Total rental expenditures for such leases were \$2,229,608, for the fiscal year ended June 30, 2019. Future minimum rental payments under all noncancelable operating leases with initial or remaining terms in excess of one year as of June 30, 2019 are summarized in the following table:

<b>Year Ending June 30</b>	<b>Primary Government</b>	<b>Component Units WDB</b>	<b>Total</b>
2020	\$ 1,587,662	\$ 321,958	\$ 1,909,620
2021	1,572,346	405,021	1,977,367
2022	1,132,852	412,502	1,545,354
2023	787,472	376,971	1,164,443
2024	811,096	369,819	1,180,915
2025	388,015	91,125	479,140
	<u>\$ 6,279,443</u>	<u>\$ 1,977,396</u>	<u>\$ 8,256,839</u>

**H. Long-term Obligations**

**Notes Payable**

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

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

Year ending June 30	<b>Governmental activities</b>		<b>Business-type activities</b>	
	<b>Notes from Direct Borrowings</b>		<b>Notes from Direct Borrowings</b>	
	Principal	Interest	Principal	Interest
2020	\$ 192,923	\$ 36,725	\$ 112,911	\$ 98,005
2021	193,643	36,725	117,133	93,783
2022	1,023,890	368,600	121,513	89,402
2023	-	-	126,057	84,858
2024	-	-	130,773	80,143
2025-2029	-	-	731,042	323,536
2030-2034	-	-	878,565	176,014
2035-2036	-	-	399,243	22,589
	<u>\$ 1,410,456</u>	<u>\$ 442,049</u>	<u>\$ 2,617,237</u>	<u>\$ 968,330</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 Management System (RIMS) public safety software licenses. The balance remaining on the note as of 6/30/2019 is \$386,566.

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 total amount of the loans is \$2,617,237 and is for the construction of Aircraft Hangars at the Nut Tree Airport. The agreement contains a provision that in an event of default, outstanding amounts become immediately due and payable.

**Certificates of Participation**

The County issued Certificates of Participation (COP) to provide funds for the acquisition and construction of major capital facilities. Certificates of Participation were issued for governmental activities only. Annual debt service requirements to maturity for the Certificates of Participation are shown in the following table:

Year ending June 30	Governmental activities			
	COPs		COPs From Direct Placement	
	Principal	Interest	Principal	Interest
2020	\$ 5,200,000	\$ 3,053,500	\$ 355,000	\$ 115,815
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
2025-2030	38,855,000	6,296,125	1,750,000	119,405
	<u>\$ 63,670,000</u>	<u>\$ 19,141,751</u>	<u>\$ 3,645,000</u>	<u>\$ 574,063</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 Obligation Bonds

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

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

Year ending June 30	Governmental activities	
	Principal	Interest
2020	\$ 3,000,000	\$ 1,249,385
2021	3,335,000	1,091,285
2022	3,680,000	912,662
2023	4,050,000	715,562
2024	4,440,000	498,644
2025	4,870,000	260,837
	<u>\$ 23,375,000</u>	<u>\$ 4,728,375</u>

The County's outstanding 2005 Pension Obligation Bonds related to governmental activities of \$23,375,000 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.

The composition of the long-term obligations for the governmental activities as of June 30, 2019 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	386,566
Total notes payable from Direct Borrowings				<u>1,410,456</u>
Certificates of participation:				
2009 Refunding Certificates of Participation				
Serial	November 15, 2010 - November 15, 2019	3.00 - 5.00	16,745,000	865,000
2013 Certificates of Participation from Direct Placements				
Serial	November 15, 2013- November 15, 2027	3.34	5,420,000	3,645,000
2017 Refunding Certificates of Participation				
Serial	November 11, 2017- November 1, 2030	3.00 - 5.00	72,775,000	62,805,000
Issuance Premium			13,783,788	11,814,675
Total certificates of participation				<u>79,129,675</u>
Pension Obligation Bonds:				
Series 2005	January 15, 2025	5.36	42,385,000	23,375,000
Total pension obligation bonds				<u>23,375,000</u>
Self-insurance liability				16,665,000
Compensated absences				33,322,456
Pollution remediation obligation				<u>109,777</u>
Total governmental activities obligations				<u>\$ 154,012,364</u>

The composition of the long-term obligations for the business-type activities as of June 30, 2019, 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	\$ 1,857,313
Note from Direct Borrowings	April 27, 2036	3.34	759,924	759,924
Total notes payable from Direct Borrowings				2,617,237
Compensated absences				55,536
Total Nut Tree Airport				<u>\$ 2,672,773</u>

The composition of the long-term obligations of the County's discretely presented component units as of June 30, 2019, is as follows:

<u>Type and description</u>	<u>Outstanding</u>
Solano County Fair	
Payable to County	\$ 734,955
Capital lease	293,605
Compensated absences	54,560
Net pension liability	1,602,724
Total Solano County Fair	<u>\$ 2,685,844</u>
Workforce Development Board (WDB)	
Compensated absences	<u>\$ 137,378</u>

Changes in the County's long-term obligations for the fiscal year ended June 30, 2019 are as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Governmental Activities:</b>					
Certificates of participation	\$ 69,480,000	\$ -	\$ (5,810,000)	\$ 63,670,000	\$ 5,200,000
Certificates of participation from Direct Placement	3,990,000	-	(345,000)	3,645,000	355,000
Issuance premium	12,888,199	-	(1,073,524)	11,814,675	984,556
Pension obligation bonds	26,085,000	-	(2,710,000)	23,375,000	3,000,000
Notes payable from Direct Borrowings	1,023,890	578,785	(192,219)	1,410,456	192,923
Self-insurance liability	16,398,000	4,463,355	(4,196,355)	16,665,000	5,814,000
Pollution remediation obligation	3,437,288	-	(3,327,511)	109,777	109,777
Compensated absences	34,548,816	17,835,629	(19,061,989)	33,322,456	15,360,342
Governmental activities long-term liabilities	<u>\$ 167,851,193</u>	<u>\$ 22,877,769</u>	<u>\$ (36,716,598)</u>	<u>\$ 154,012,364</u>	<u>\$ 31,016,598</u>



<b>Business-type activities:</b>	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance</b>	<b>Due Within One Year</b>
Note from Direct Borrowings	\$ -	\$ 2,617,237	\$ -	\$ 2,617,237	\$ 112,911
Compensated absences	50,156	28,518	(23,138)	55,536	22,552
Business-type activities long-term liabilities	\$ 50,156	\$ 2,645,755	\$ (23,138)	\$ 2,672,773	\$ 135,463

Internal service funds predominantly serve the governmental funds. Accordingly, \$18,094,711 of the internal service funds' long-term liabilities is included as part of the above totals for governmental activities.

Compensated Absences	\$ 1,429,711
Workers' Compensation	16,665,000
Total Liabilities	<u>\$ 18,094,711</u>

<b>Component units activities:</b>	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance</b>	<b>Due Within One Year</b>
<b>Solano County Fair:</b>					
Payable to County	\$ 734,955	\$ -	\$ -	\$ 734,955	\$ 242,609
Capital lease	391,634	-	(98,029)	293,605	100,751
Compensated absences	69,086	-	(14,526)	54,560	34,711
Net pension liability	1,455,961	374,547	(218,221)	1,612,287	-
Total Solano County Fair	\$ 2,651,636	\$ 374,547	\$ (330,776)	\$ 2,695,407	\$ 378,071

**Workforce Development Board (WDB):**

Compensated absences	\$ 128,410	\$ 175,453	\$ (166,485)	\$ 137,378	\$ 137,378
----------------------	------------	------------	--------------	------------	------------

**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, 2019, the County's total debt limit was \$2,881,073,435, and the total outstanding debt applicable to the limit was \$23,375,000 which is 0.81 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 \$109,777, 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.

**J. Fund Balances**

Fund balances for all major and nonmajor governmental funds as of June 30, 2019 are classified as follows:

	<b>General Fund</b>	<b>Health &amp; Social Services</b>	<b>Public Safety</b>	<b>Other Governmental</b>	<b>Total</b>
Nonspendable:					
Inventory	\$ 23,239	\$ -	\$ -	\$ 226,427	\$ 249,666
Long-term receivable	713,000	-	-	-	713,000
Advances	9,355,926	-	-	-	9,355,926
Prepaid items	9,893	196,973	122,192	-	329,058
Subtotal	<u>10,102,058</u>	<u>196,973</u>	<u>122,192</u>	<u>226,427</u>	<u>10,647,650</u>
Restricted for:					
Future pension contribution	31,105,976	-	-	-	31,105,976
District Attorney programs	-	-	4,856,435	-	4,856,435
Civil Process operation	-	-	1,309,587	-	1,309,587
Asset Seizure	-	-	271,799	-	271,799
Criminal justice & court facilities	-	-	800,701	-	800,701
Courts and justice system	-	-	284,509	-	284,509
Livescan	-	-	896,885	-	896,885
Law Enforcement programs	-	-	775,052	-	775,052
2011 Realignment for Health & Public Safety programs	-	-	14,173,343	-	14,173,343
Capital projects - SB 1022	-	-	-	2,985,169	2,985,169
Public Facilities Fees for capital projects	-	-	-	29,010,319	29,010,319
Library services & programs	-	-	-	22,780,448	22,780,448
Public works & road maintenance	-	-	-	11,424,372	11,424,372
MHSA Act programs	-	30,973,541	-	-	30,973,541
First 5 Children & Families Commission	-	-	-	10,048,627	10,048,627
Mental & public health services for IGT	-	20,031,206	-	-	20,031,206
1991 Realignment for health & public assistance programs	-	42,631,941	-	-	42,631,941
Homeowners assistance programs	-	-	-	5,019,376	5,019,376
Micrographics, modernization & recorder's programs	-	-	-	9,640,410	9,640,410
East Vallejo Fire Protection District	-	-	-	8,688	8,688
Wildlife habitat & environmental education	-	-	-	40,423	40,423
Lighting districts	-	-	-	556,510	556,510
Debt Service	-	-	-	7,844,475	7,844,475
Subtotal	<u>31,105,976</u>	<u>93,636,688</u>	<u>23,368,311</u>	<u>99,358,817</u>	<u>247,469,792</u>
Committed for:					
Capital projects - Public Art	-	-	-	43,263	43,263
Subtotal	<u>-</u>	<u>-</u>	<u>-</u>	<u>43,263</u>	<u>43,263</u>
Assigned to:					
Imprest Cash	6,130	-	-	-	6,130
Professional and contracted services	936,104	-	-	-	936,104
Undisbursed approved loans	3,342,346	-	-	-	3,342,346
FY 2019/20 budget shortfall	24,633,049	-	-	-	24,633,049
Property Tax System Replacement	9,759,455	-	-	-	9,759,455
Employers PERS rate increase	17,169,118	-	-	-	17,169,118
Low/moderate income housing projects	1,551,689	-	-	-	1,551,689
Future capital renewal projects	21,344,581	-	-	-	21,344,581
Accrued leave payoff	6,369,399	-	-	-	6,369,399
Mission Solano Rescue Mission	-	300,000	-	-	300,000
Capital projects	-	-	-	14,508,985	14,508,985
Parks & recreation	-	-	-	324,051	324,051
Debt Service	-	-	-	2,737,011	2,737,011
Subtotal	<u>85,111,871</u>	<u>300,000</u>	<u>-</u>	<u>17,570,047</u>	<u>102,981,918</u>
Unassigned:					
General fund	47,285,332	-	-	-	47,285,332
Subtotal	<u>47,285,332</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>47,285,332</u>
Total	<u>\$ 173,605,237</u>	<u>\$ 94,133,661</u>	<u>\$ 23,490,503</u>	<u>\$ 117,198,554</u>	<u>\$ 408,427,955</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 (FY2009/10 - \$2,400,000, FY2013/14 - \$500,000, FY2015/16 - \$2,100,000 and FY2017/18 - \$1,200,000) bringing the total loan to \$8,200,000. As of June 30, 2019, the undisbursed balance of the approved loans was \$2,544,467.
- On September 23, 2014, the Board approved a General Fund loan for \$1,875,000 to the County Disaster Fund for the purpose of providing payment advances from damages resulting from the South Napa earthquake on August 24, 2014. As of June 30, 2019, the undisbursed balance of the approved loan was \$797,878.

### ***K. Tax Abatements***

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

Under the provisions of these contracts, land parcels are assessed for property tax purposes at a rate consistent with their actual use, rather than potential market value of the property. The minimum contract term is ten years and automatically renews until a cancellation process is initiated. Cancellation of the contract and the cancellation fee therefore shall be governed by Division 1, Title 5, Chapter 7, Article 5 of the State of California Government Code. For the fiscal year ended June 30, 2019, tax abatements under the Williamson Act Program were \$5,924,690.

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

##### ***A. General Information about the Pension Plans***

###### ***1. Plan Descriptions***

The County's defined benefit pension plans, the County's Safety and Miscellaneous Plans, provide retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. The County's Safety and Miscellaneous Plans (Plans) are part of the Public Agency portion of the California Public Employees' Retirement System (CalPERS), an agent multiple-employer plan administered by CalPERS, which acts as a common investment and administrative agent for participating public employers within the State of California. The Solano County Fair and the Solano County Superior Court are included as part of the County's Miscellaneous Plan. However, for financial reporting purpose, the liabilities and related pension amounts have been excluded from the County's amounts. A menu of benefit provisions as well as other requirements is established by State statutes within the Public Employees' Retirement Law. The County selects optional benefit provisions from the benefit menu by contract with CalPERS and adopts those benefits through County ordinance. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions, and membership information that can be found on the CalPERS website at:

<http://www.calpers.ca.gov/index.jsp?bc=/about/forms-pubs/calpers-reports/actuarial-reports/home.xml>.

###### ***2. Benefits Provided***

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

The Plans' provisions and benefits in effect at June 30, 2019, 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%	1.092% - 2.418%	1.00% - 2.50%
Required Employee Contribution Rates	8.00%	7.00%	6.75%
Required Employer Contribution Rates	22.94%	22.94%	22.94%
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	30.26%	30.26%	30.26%
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%	1.426% - 2.00%	1.426% - 2.00%
Required Employee Contribution Rates	9.00%	7.00%	9.25%
Required Employer Contribution Rates	30.26%	30.26%	30.26%
Status	Closed	Open	Open

**3. Employees Covered**

At June 30, 2019, the following employees were covered by the benefit terms for the Miscellaneous and Safety Plans. Under the Miscellaneous Plan, the data includes Court and Fair employees. Currently, there are no reports available to exclude Court and Fair employees from the data.

	<u>Miscellaneous</u>	<u>Safety</u>
Inactive employees or beneficiaries currently receiving benefits	2,924	573
Inactive employees entitled to but not yet receiving benefits	1,692	267
Active employees	<u>2,481</u>	<u>593</u>
Total	<u><u>7,097</u></u>	<u><u>1,433</u></u>

**4. Contributions**

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

Active plan members in the Miscellaneous and Safety Plans are required to contribute 8% and 9% respectively of their annual covered salary. The County is required to contribute the actuarially determined remaining amounts necessary to fund the benefits for its members. The required employer contribution rate for the fiscal year ended June 30, 2019 (after the measurement date) was 22.94% for Miscellaneous and 30.26% for Safety employees. The required employer contribution amounts for the fiscal year ended June 30, 2019 were \$39,199,281 and \$20,514,064 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, 2018, using an annual actuarial valuation as of June 30, 2017 rolled forward to June 30, 2018. 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, 2017 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, 2017	June 30, 2017
Measurement Date	June 30, 2018	June 30, 2018
Actuarial Cost Method	Entry-Age Normal	
Actuarial Assumptions:		
Discount Rate	7.15%	7.15%
Inflation	2.50%	2.50%
Projected Salary Increase	Varies by Entry Age and Service	
Investment Rate of Return	7.15%	7.15%
Mortality	Derived using CalPERS' Membership Data for All Funds	

The mortality table used was developed based on CalPERS' specific data. The table includes 215 years of mortality improvements using Society of Actuaries Scale 90% of scale MP 2016. For more details on this table, please refer to the 2017 experience study report.

All other actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the period from 1997 to 2015, including updates to salary increase, mortality and retirement rates. The Experience Study report can be obtained at CalPERS' website under Forms and Publications.

**Discount Rate**

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

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



In determining the long-term expected rate of return, 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 (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

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

<u>Asset Class <sup>(1)</sup></u>	<u>Current Target Allocation</u>	<u>Real Return Years 1-10 <sup>(2)</sup></u>	<u>Real Return Years 11+ <sup>(3)</sup></u>
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.

**Changes in the Net Pension Liability**

The changes in the Net Pension Liability for each Plan (excluding Courts and Fair) for the measurement date June 30, 2018 are as follows:

	<b>Miscellaneous</b>		
	<b>Increase (Decrease)</b>		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at June 30, 2018	\$ 1,416,469,745	\$ 1,021,305,109	\$ 395,164,636
Changes in the year:			
Service cost	31,339,011	-	31,339,011
Interest on total pension liability	100,069,014	-	100,069,014
Changes in benefit terms	-	-	-
Changes in assumptions	(11,143,722)	-	(11,143,722)
Differences between expected and actual experience	7,700,799	-	7,700,799
Plan to Plan Resource Movement	-	(2,522)	2,522
Contributions from the employer	-	35,276,481	(35,276,481)
Contributions from employees	-	13,804,604	(13,804,604)
Projected Earnings on Investments	-	72,258,664	(72,258,664)
Differences between Projected and Actual Earnings on Plan Investments	-	13,972,067	(13,972,067)
Benefit payments, including refunds of employee contributions	(69,623,381)	(69,623,381)	-
Administrative Expense	-	(1,598,229)	1,598,229
Other Miscellaneous Income/Expense	-	(3,035,062)	3,035,062
Net Changes	<u>58,341,721</u>	<u>61,052,622</u>	<u>(2,710,901)</u>
Balance at June 30, 2019	<u>\$ 1,474,811,466</u>	<u>\$ 1,082,357,731</u>	<u>\$ 392,453,735</u>
	<b>Safety</b>		
	<b>Increase (Decrease)</b>		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at June 30, 2018	\$ 481,646,896	\$ 344,935,047	\$ 136,711,849
Changes in the year:			
Service cost	13,380,473	-	13,380,473
Interest on total pension liability	34,057,612	-	34,057,612
Changes in benefit terms	-	-	-
Changes in assumptions	(1,977,401)	-	(1,977,401)
Differences between expected and actual experience	526,689	-	526,689
Plan to Plan Resource Movement	-	(859)	859
Contributions from the employer	-	20,464,334	(20,464,334)
Contributions from employees	-	4,905,469	(4,905,469)
Projected Earnings on Investments	-	24,718,019	(24,718,019)
Differences between Projected and Actual Earnings on Plan Investments	-	4,488,742	(4,488,742)
Benefit payments, including refunds of employee contributions	(21,112,371)	(21,112,371)	-
Administrative Expense	-	(537,504)	537,504
Other Miscellaneous Income/Expense	-	(1,020,729)	1,020,729
Net Changes	<u>24,875,002</u>	<u>31,905,101</u>	<u>(7,030,099)</u>
Balance at June 30, 2019	<u>\$ 506,521,898</u>	<u>\$ 376,840,148</u>	<u>\$ 129,681,750</u>
<b>Total for Miscellaneous &amp; Safety</b>	<b><u>\$ 1,981,333,364</u></b>	<b><u>\$ 1,459,197,879</u></b>	<b><u>\$ 522,135,485</u></b>

**Sensitivity of the Net Pension Liability to Changes in the Discount Rate and Healthcare Trend Rate**

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

	<u>Miscellaneous</u>	<u>Safety</u>	<u>Total</u>
1% Decrease	6.15%	6.15%	6.15%
Net Pension Liability	\$ 584,993,844	\$ 199,504,323	\$ 784,498,167
Current Discount Rate	7.15%	7.15%	7.15%
Net Pension Liability	\$ 392,453,735	\$ 129,681,750	\$ 522,135,485
1% Increase	8.15%	8.15%	8.15%
Net Pension Liability	\$ 234,975,536	\$ 72,160,637	\$ 307,136,173

**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, 2019, the County recognized total pension expense of \$63,312,997 and \$20,597,837 for the Miscellaneous and Safety plans, respectively. At June 30, 2019, 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	\$ 28,974,158	\$ (7,866,157)	\$ 16,230,032	\$ (2,674,268)	\$ 45,204,190	\$ (10,540,425)
Differences between expected and actual experience	5,435,858	(5,006,774)	421,351	(3,249,645)	5,857,209	(8,256,419)
Pension contributions subsequent to measurement date	39,199,281	-	20,514,064	-	59,713,345	-
Net differences between Projected and Actual Earnings on Pension Plan Investments	2,171,081	-	803,243	-	2,974,324	-
Total	<u>\$ 75,780,378</u>	<u>\$ (12,872,931)</u>	<u>\$ 37,968,690</u>	<u>\$ (5,923,913)</u>	<u>\$ 113,749,068</u>	<u>\$ (18,796,844)</u>

The amount of \$39,199,281 and \$20,514,064 for the Miscellaneous and Safety plans respectively, reported as deferred outflows of resources related to pensions will be recognized as a reduction of the pension liability in the year ended June 30, 2020. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as shown in the following table:

Year Ending June 30,	Miscellaneous	Safety	TOTAL
2020	\$ 31,855,431	\$ 7,188,272	\$ 39,043,703
2021	5,762,641	5,197,782	10,960,423
2022	(11,115,493)	332,553	(10,782,940)
2023	(2,794,413)	(1,187,894)	(3,982,307)
Total	<u>\$ 23,708,166</u>	<u>\$ 11,530,713</u>	<u>\$ 35,238,879</u>

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

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

The County participates in an agent multi-employer defined benefit healthcare plan administered by the CalPERS. The plan provides postemployment healthcare benefits to eligible retirees by contributing a minimum of \$136 per month towards medical insurance benefits. This benefit is provided based on the Board of Supervisor's election to participate under the Public Employees' Medical and Hospital Care Act (PEMHCA) [Government Code Section 22750]. The County's Board may elect to pay more than the minimum contribution; however, the County's Board has elected to pay the minimum contribution of \$136 per month per eligible retiree. The County has not executed a formal plan document that provides for these benefits and the plan does not have a name.

In addition, the County established an irrevocable trust to pre-fund the other postemployment benefits with the Public Agency Retirement Services (PARS). The PARS financial statements and additional reports can be obtained from the PARS website at <http://www.PARS.org>.

### ***2. Employees Covered***

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

Inactives currently receiving benefits	804
Inactives entitled to benefit payments	1,462
Active employees	2,786
Total	<u>5,052</u>

### ***3. Contributions***

The County's minimum required contribution is set by Government Code Section 22892. Contribution requirements in excess of the minimum for plan members and the County are established and may be

amended by the Board of Supervisors and the employee associations. Currently, plan members are required to pay the balance of the premiums.

The annual contribution is based on the actuarially determined contribution. The required contribution amount for fiscal year ended June 30, 2019 was \$5,712,000.

#### 4. Net OPEB Liability

The County's net OPEB liability was measured as of June 30, 2018 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated January 1, 2017 that was rolled forward to determine the June 30, 2018 total OPEB liability, based on the following actuarial methods and assumptions:

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

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

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, 2018 are as follows:

	<b>Changes in the Net OPEB Liability</b>		
	<b>Total OPEB Liability</b>	<b>Plan Fiduciary Net Position</b>	<b>Net OPEB Liability</b>
Balance at June 30, 2018	\$ 57,745,000	\$ 34,728,000	\$ 23,017,000
Changes for the year:			
Service Cost	2,740,000	-	2,740,000
Interest on Total OPEB Liability	3,560,000	-	3,560,000
Contribution - Employer	-	5,603,000	(5,603,000)
Net Investment Income	-	2,403,000	(2,403,000)
Benefit Payments	(2,298,000)	(2,298,000)	-
Administrative Expense	-	(62,000)	62,000
	<u>4,002,000</u>	<u>5,646,000</u>	<u>(1,644,000)</u>
Balance at June 30, 2019	<u>\$ 61,747,000</u>	<u>\$ 40,374,000</u>	<u>\$ 21,373,000</u>

**Sensitivity of Net OPEB Liability to Changes 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%
	(1% Decrease)	Current Rate	(1% Increase)
Net OPEB Liability	\$ 30,083,000	\$ 21,373,000	\$ 14,719,000
Changes in the Healthcare Trend Rate			
	(1% Decrease)	Current Rate	(1% Increase)
Net OPEB Liability	\$ 13,026,000	\$ 21,373,000	\$ 32,414,000

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

For the fiscal year ended June 30, 2019, the County recognized OPEB expense of \$3,870,000. At June 30, 2019, the County reported deferred outflows and deferred inflows of resources related to OPEB from the sources shown in the following table:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net difference between projected and actual earnings on OPEB plan investments	\$ -	\$ 1,003,000
Employer contribution made subsequent to the measurement date	<u>5,712,000</u>	<u>-</u>
Total	<u>\$ 5,712,000</u>	<u>\$ 1,003,000</u>

The \$5,712,200 reported as deferred outflows of resources related to contributions after the June 30, 2018 measurement date will be recognized as a reduction of the net OPEB liability during the fiscal year ending June 30, 2020. 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:	
2020	\$ (319,000)
2021	(319,000)
2022	(319,000)
2023	<u>(46,000)</u>
	<u>\$ (1,003,000)</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 Service Fund. The County participates in various programs organized by the California State Association of Counties – Excess Insurance Authority (CSAC-EIA), a joint powers authority created to provide insurance programs for its 53 member counties. Each county has a representative on the Joint Powers Board, which governs management, financing and budgeting of CSAC-EIA activities. The purpose of the pool is to spread the adverse effects of losses among the member agencies. The County pays an annual basic premium for excess coverage and is assessed an annual risk premium based on an actuarial review that estimates each of the program’s participant’s ultimate liabilities. Should actual losses among participants be greater than anticipated, the County will be assessed its pro rata share of that deficiency. Conversely, if the actual losses are less than anticipated, the County

will be refunded its pro rata share of the excess. The County paid premiums totaling \$7,886,143 during the fiscal year ended June 30, 2019 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 \$5,814,000 in the next fiscal year. The governmental and proprietary funds contribute amounts to the Risk Management Internal Service Fund based on actuarially determined estimates of the settlements. Such estimates are generally based upon a 75% confidence level. As of June 30, 2019, the accrued loss contingency for the County’s workers’ compensation program was \$16,665,000 and is reported as a liability in the Risk Management Internal Service Fund.

Since November 1, 1998, the County has insured the County’s general liability coverage under the CSAC-EIA Primary General Liability Program (PGL) up to \$100,000 with a deductible of \$10,000 with excess coverage provided through the General Liability I Program (GLI). As of July 1, 2018 the PGL Program was absorbed into the GLI program. The County participates in the Deductible Buy Down Option which allows purchase of low deductible coverage, and has a deductible of \$10,000. The County has primary coverage up to \$100,000 with excess coverage to \$25,000,000.

Insurance and claims expenses are recorded in the Risk Management Internal Service Fund. Insurance expenses represent changes in the estimate of the amounts needed to pay workers’ compensation claims, as well as premiums paid to CSAC-EIA for the property, primary general liability, excess liability and excess workers’ compensation programs. Revenues for the Risk Management Internal Service Fund are represented by charges to other County funds based on each fund’s allocated share of the insurance expenses. Settled claims have not exceeded coverage in any of the past three fiscal years.

Changes in the Risk Management Internal Service Fund’s accrued loss contingency amount for worker’s compensation for the fiscal years ended June 30, 2019 and 2018 were:

<b>Fiscal Year Ended</b>	<b>Beginning Liability</b>	<b>Current Year Claims and Changes in Estimates</b>	<b>Claim Payments</b>	<b>Ending Liability</b>
June 30, 2018	\$ 14,824,000	\$ 6,172,798	\$ (4,598,798)	\$ 16,398,000
June 30, 2019	16,398,000	4,463,355	(4,196,355)	16,665,000

The claims liabilities above, reported in the Self Insurance Internal Service Fund at June 30, 2019, are based on requirements of *GASB Statement No. 10, Accounting and Financial Reporting for Risk Financing and Related Insurance Issues* and *GASB Statement No. 30, Risk Financing Omnibus*, which require that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of loss can be reasonably estimated. These accruals represent estimates of amounts to be paid for reported claims, and incurred but unreported claims based upon past experience, modified for current trends and information



based upon a 75% confidence level. Workers' compensation is carried at present value using a discount rate of 1.5%.

***D. Contingencies and Commitments***

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

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

***E. Deficit Fund Equity***

As of June 30, 2019, the Information Technology (Internal Service Fund) had a deficit net position of \$1,419,485 resulting from the accounting and reporting of the net pension liability.

***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 ended June 30, 2019:

***Statement No. 83 – Certain Asset Retirement Obligations***

This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement. The County identified certain asset retirement obligations, but these have no material impact to the County's financial statements. The requirements of this Statement are effective for the County's fiscal year ending June 30, 2019.

***Statement No. 88 – Certain Debt Disclosures***

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

***G. Future Implementation of New Governmental Accounting Standards***

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

***Statement No. 84 – Fiduciary Activities***

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

***Statement No. 87 – Leases***

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

***Statement No. 89 – Accounting for Interest Cost Incurred***

The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This Statement also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles. The requirements of this Statement are effective for the County’s fiscal year ending June 30, 2021.

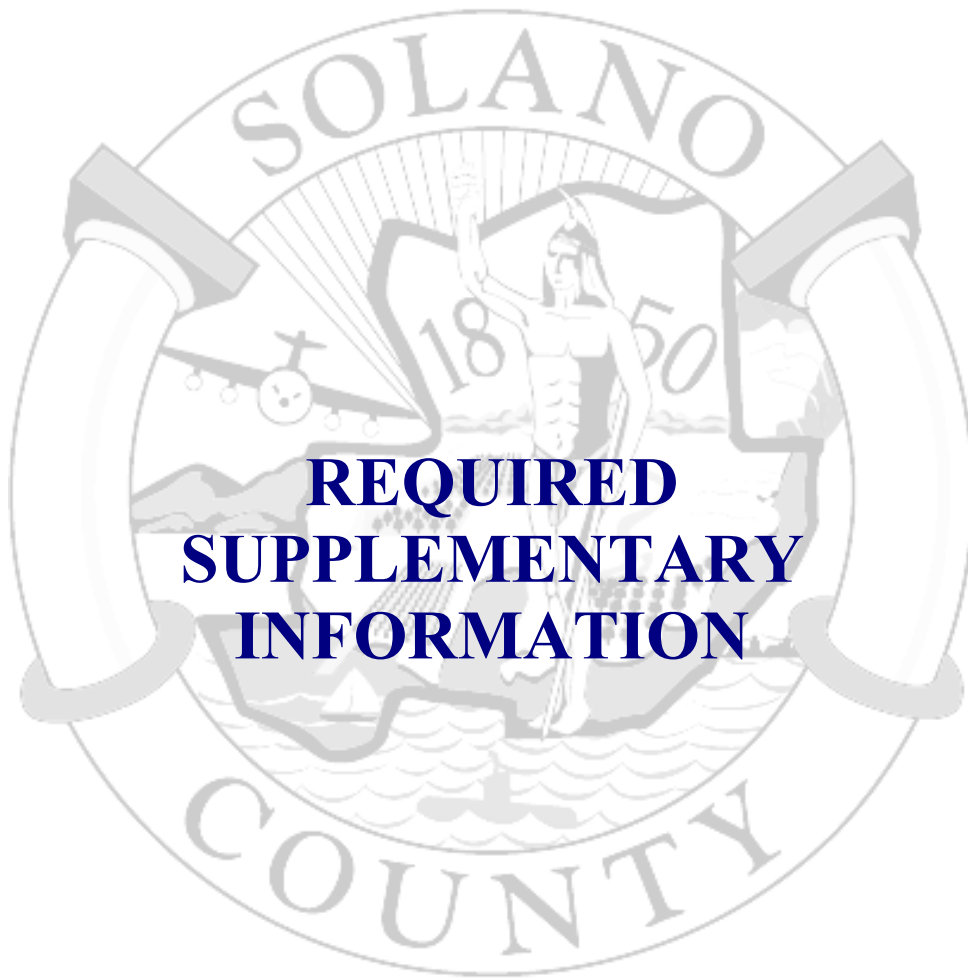
***Statement No. 90 – Majority Equity Interests***

An amendment to GASB No. 14 and No. 61, the primary objectives of this Statement are to improve the consistency and comparability of reporting a government’s majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government’s holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value. The requirements of this Statement are effective for the County’s fiscal year ending June 30, 2020.

***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 fiscal year ending June 30, 2022.

(This page intentionally left blank)



**REQUIRED  
SUPPLEMENTARY  
INFORMATION**



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

Measurement Period	2019 June 30, 2018	2018 June 30, 2017	2017 June 30, 2016	2016 June 30, 2015	2015 June 30, 2014
<b>TOTAL PENSION LIABILITY</b>					
Service Cost	\$ 31,339,011	\$ 30,465,163	\$ 26,597,957	\$ 25,949,824	\$ 26,543,827
Interest on Total Pension Liability	100,069,014	96,116,643	93,230,847	88,521,350	84,956,858
Changes of Assumptions	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	(69,623,381)	(63,777,074)	(61,315,965)	(57,335,586)	(54,271,372)
<b>Net Change in Total Pension Liability</b>	<b>58,341,721</b>	<b>127,019,220</b>	<b>56,704,058</b>	<b>28,895,282</b>	<b>57,229,313</b>
Total Pension Liability - Beginning	1,416,469,745	1,289,450,525	1,232,746,467	1,203,851,185	1,146,621,872
<b>Total Pension Liability - Ending (a)</b>	<b>\$ 1,474,811,466</b>	<b>\$ 1,416,469,745</b>	<b>\$ 1,289,450,525</b>	<b>\$ 1,232,746,467</b>	<b>\$ 1,203,851,185</b>
<b>PLAN FIDUCIARY NET POSITION</b>					
Contributions - Employer	\$ 35,276,481	\$ 30,445,740	\$ 27,604,856	\$ 25,507,454	\$ 23,810,683
Contributions - Employee	13,804,604	12,375,624	11,825,251	11,837,309	11,281,036
Net Investment Income	86,230,731	106,013,640	4,909,328	21,082,446	142,910,199
Benefit Payments, including Refunds of Employee Contributions	(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	(1,598,229)	(1,392,465)	(584,538)	(1,072,603)	-
Other Miscellaneous Income/(Expense)	(3,035,062)	-	-	-	-
<b>Net Change in Fiduciary Net Position</b>	<b>61,052,622</b>	<b>83,663,853</b>	<b>(17,567,245)</b>	<b>5,585</b>	<b>123,730,546</b>
Plan Fiduciary Net Position - Beginning	1,021,305,109	937,641,256	955,208,501	955,202,916	831,472,370
<b>Plan Fiduciary Net Position - Ending (b)</b>	<b>\$ 1,082,357,731</b>	<b>\$ 1,021,305,109</b>	<b>\$ 937,641,256</b>	<b>\$ 955,208,501</b>	<b>\$ 955,202,916</b>
<b>Plan Net Pension Liability/(Asset) - Ending (a) - (b)</b>	<b>\$ 392,453,735</b>	<b>\$ 395,164,636</b>	<b>\$ 351,809,269</b>	<b>\$ 277,537,966</b>	<b>\$ 248,648,269</b>
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>					
	<b>73.39%</b>	<b>72.10%</b>	<b>72.72%</b>	<b>77.49%</b>	<b>79.35%</b>
Covered Payroll	\$178,054,195	\$165,410,846	\$ 152,372,109	\$ 147,542,730	\$ 141,877,315
<b>Net Pension Liability/(Asset) as a Percentage of Covered Payroll</b>	<b>220.41%</b>	<b>238.90%</b>	<b>230.89%</b>	<b>188.11%</b>	<b>175.26%</b>

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

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

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

Measurement Period	2019 June 30, 2018	2018 June 30, 2017	2017 June 30, 2016	2016 June 30, 2015	2015 June 30, 2014
<b>TOTAL PENSION LIABILITY</b>					
Service Cost	\$ 13,380,473	\$ 12,580,220	\$ 10,827,733	\$ 10,094,060	\$ 10,196,391
Interest on Total Pension Liability	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	526,689	(4,755,139)	(393,904)	(1,931,477)	-
Benefit Payments, including Refunds of Employee Contributions	(21,112,371)	(19,760,867)	(18,467,052)	(17,762,970)	(16,118,095)
<b>Net Change in Total Pension Liability</b>	<b>24,875,002</b>	<b>47,866,711</b>	<b>23,064,211</b>	<b>12,524,733</b>	<b>22,065,651</b>
Total Pension Liability - Beginning	481,646,896	433,780,185	410,715,974	398,191,241	376,125,590
<b>Total Pension Liability - Ending (a)</b>	<b>\$ 506,521,898</b>	<b>\$ 481,646,896</b>	<b>\$ 433,780,185</b>	<b>\$ 410,715,974</b>	<b>\$ 398,191,241</b>
<b>PLAN FIDUCIARY NET POSITION</b>					
Contributions - Employer	\$ 20,464,334	\$ 11,424,329	\$ 9,796,398	\$ 9,478,293	\$ 8,448,188
Contributions - Employee	4,905,469	4,557,332	4,171,041	4,127,101	4,529,358
Net Investment Income	29,206,761	35,448,366	1,654,032	6,889,853	46,982,051
Benefit Payments, including Refunds of Employee Contributions	(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	(537,504)	(463,207)	(193,056)	(356,395)	-
Other Miscellaneous Income/(Expense)	(1,020,729)	-	-	-	-
<b>Net Change in Fiduciary Net Position</b>	<b>31,905,101</b>	<b>31,201,068</b>	<b>(3,037,943)</b>	<b>2,375,882</b>	<b>43,841,502</b>
Plan Fiduciary Net Position - Beginning	344,935,047	313,733,979	316,771,922	314,396,040	270,554,538
<b>Plan Fiduciary Net Position - Ending (b)</b>	<b>\$ 376,840,148</b>	<b>\$ 344,935,047</b>	<b>\$ 313,733,979</b>	<b>\$ 316,771,922</b>	<b>\$ 314,396,040</b>
<b>Plan Net Pension Liability/(Asset) - Ending (a) - (b)</b>	<b>\$ 129,681,750</b>	<b>\$ 136,711,849</b>	<b>\$ 120,046,206</b>	<b>\$ 93,944,052</b>	<b>\$ 83,795,201</b>
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>					
	<b>74.40%</b>	<b>71.62%</b>	<b>72.33%</b>	<b>77.13%</b>	<b>78.96%</b>
Covered Payroll	\$ 53,193,839	\$ 49,896,817	\$ 46,124,828	\$ 42,326,654	\$ 40,585,880
<b>Net Pension Liability/(Asset) as a Percentage of Covered Payroll</b>	<b>243.79%</b>	<b>273.99%</b>	<b>260.26%</b>	<b>221.95%</b>	<b>206.46%</b>

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

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



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

	2019 June 30, 2018	2018 June 30, 2017
Measurement Period		
<b>TOTAL OPEB LIABILITY</b>		
Service Cost	2,740,000	2,660,000
Interest on Total OPEB Liability	3,560,000	3,336,000
Benefit Payments - County	(2,298,000)	(2,385,000)
<b>Net Change in Total OPEB Liability</b>	<b>4,002,000</b>	<b>3,611,000</b>
Total OPEB Liability - Beginning	57,745,000	54,134,000
<b>Total OPEB Liability - Ending (a)</b>	<b>\$ 61,747,000</b>	<b>\$ 57,745,000</b>
<b>PLAN FIDUCIARY NET POSITION</b>		
Contributions - Employer	5,603,000	5,615,000
Net Investment Income	2,403,000	3,162,000
Benefit Payments, Including Refunds of Employee Contributions	(2,298,000)	(2,385,000)
Administrative Expense	(62,000)	(54,000)
<b>Net Change in Fiduciary Net Position</b>	<b>5,646,000</b>	<b>6,338,000</b>
Plan Fiduciary Net Position - Beginning	34,728,000	28,390,000
Plan Fiduciary Net Position - Ending (b)	<b>\$ 40,374,000</b>	<b>\$ 34,728,000</b>
<b>Plan Net OPEB Liability/(Asset) - Ending (a) - (b)</b>	<b>\$ 21,373,000</b>	<b>\$ 23,017,000</b>
<b>Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability</b>	<b>65.4%</b>	<b>60.1%</b>
Covered Payroll	\$ 222,856,000	\$ 215,308,000
<b>Net OPEB Liability/(Asset) as a Percentage of Covered Payroll</b>	<b>9.6%</b>	<b>10.7%</b>

**Schedule of Plan Contributions - OPEB**  
**Last 10 Years\***

	2019	2018
Actuarially Determined Contribution	\$ 4,790,000	\$ 4,750,000
Contributions in Relation to the Actuarially Determined Contribution	(5,712,000)	(5,603,000)
Contribution Deficiency (Excess)	\$ (922,000)	\$ (853,000)
Covered Payroll	\$ 233,606,000	\$ 222,856,000
Contributions as a Percentage of Covered Payroll	2.4%	2.5%

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

**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, 2019**

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Adopted</u>	<u>Final</u>	<u>Actual Amounts</u>	
<b>REVENUES</b>				
Taxes	\$ 167,251,000	\$ 168,273,103	\$ 172,175,199	\$ 3,902,096
Licenses, permits and franchises	7,459,317	7,509,146	7,980,647	471,501
Fines, forfeitures and penalties	1,128,600	1,128,600	1,723,229	594,629
Use of money and property	2,423,370	2,493,370	6,210,253	3,716,883
Intergovernmental	14,421,993	14,514,693	14,195,621	(319,072)
Charges for services	51,648,922	51,683,019	52,007,047	324,028
Miscellaneous	3,795,142	3,795,142	3,926,386	131,244
Total revenues	<u>248,128,344</u>	<u>249,397,073</u>	<u>258,218,382</u>	<u>8,821,309</u>
<b>EXPENDITURES</b>				
Current:				
General government				
BOS-District 1	530,275	536,988	535,744	1,244
BOS-District 2	518,358	518,738	500,030	18,708
BOS-District 3	507,488	512,661	503,269	9,392
BOS-District 4	543,766	548,351	538,361	9,990
BOS-District 5	480,295	493,454	489,676	3,778
BOS-Administration	260,566	260,566	221,397	39,169
Administration	4,029,748	4,035,533	3,899,465	136,068
General Revenue	500,000	575,000	547,478	27,522
Employee Development & Recognition	639,465	639,465	558,754	80,711
General Services	20,167,255	21,508,835	19,368,825	2,140,010
Assessor	7,485,040	7,485,040	6,855,847	629,193
Auditor-Controller	5,374,642	5,378,077	4,927,679	450,398
Tax Collector/County Clerk	2,520,104	2,520,104	2,260,842	259,262
Treasurer	1,126,208	1,126,208	951,497	174,711
County Counsel	4,718,188	4,718,188	4,625,719	92,469
Delta Water Activities	891,402	911,282	684,311	226,971
Human Resources	3,958,078	3,993,657	3,736,113	257,544
Registrar of Voters	4,547,440	4,547,440	3,920,549	626,891
Fouts Property Management	518,300	1,228,296	1,018,040	210,256
Real Estate Services	918,829	931,811	890,240	41,571
Promotion	158,886	158,886	120,828	38,058
General Expenditures	1,417,223	7,444,801	5,556,705	1,888,096
Surveyor/Engineer	105,794	142,413	142,411	2
Total general government	<u>61,917,350</u>	<u>70,215,794</u>	<u>62,853,780</u>	<u>7,362,014</u>
Public protection				
Grand Jury	135,055	135,055	122,454	12,601
Agricultural Commissioner	3,655,075	3,475,709	3,339,822	135,887
Animal Care Services	5,217,151	5,216,986	4,544,189	672,797
Recorder	2,043,828	2,043,828	1,826,197	217,631
Resource Management	11,611,628	11,689,121	10,578,079	1,111,042
General Expenditures	6,000,000	6,000,000	6,000,000	-
Office of Family Violence Prevention	797,522	887,202	875,279	11,923
Total public protection	<u>29,460,259</u>	<u>29,447,901</u>	<u>27,286,020</u>	<u>2,161,881</u>
Public assistance				
Indigent Burial General Relief	27,383	42,103	38,308	3,795
Veterans Services	766,419	769,114	748,516	20,598
Total public assistance	<u>793,802</u>	<u>811,217</u>	<u>786,824</u>	<u>24,393</u>
Education and recreation				
Cooperative Extension Service	313,045	313,045	311,612	1,433
Non-departmental				
Contingencies	12,000,000	11,996,895	-	11,996,895
Capital outlay:				
Equipment	195,513	250,876	249,127	1,749
Total expenditures	<u>104,679,969</u>	<u>113,035,728</u>	<u>91,487,363</u>	<u>21,548,365</u>
Excess of revenues over expenditures	<u>143,448,375</u>	<u>136,361,345</u>	<u>166,731,019</u>	<u>30,369,674</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	84,795	3,354,795	3,354,795	-
Transfers out	(166,580,820)	(166,953,997)	(160,316,068)	6,637,929
Sale of capital assets	66,000	66,000	101,237	35,237
Total other financing sources (uses)	<u>(166,430,025)</u>	<u>(163,533,202)</u>	<u>(156,860,036)</u>	<u>6,673,166</u>
Changes in fund balance	(22,981,650)	(27,171,857)	9,870,983	37,042,840
Fund balance - beginning	163,734,254	163,734,254	163,734,254	-
Fund balance - ending	<u>\$ 140,752,604</u>	<u>\$ 136,562,397</u>	<u>\$ 173,605,237</u>	<u>\$ 37,042,840</u>

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

**COUNTY OF SOLANO, CALIFORNIA**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**Health and Social Services Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2019**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Adopted</u>	<u>Final</u>		
<b>REVENUES</b>				
Licenses, permits and franchises	\$ 23,000	\$ 23,000	\$ 22,852	\$ (148)
Fines, forfeitures and penalties	313,975	313,975	375,940	61,965
Use of money and property	396,430	396,430	1,403,102	1,006,672
Intergovernmental	283,674,327	289,766,900	278,241,565	(11,525,335)
Charges for services	26,268,080	26,268,080	25,549,988	(718,092)
Miscellaneous	3,802,389	4,234,265	3,436,481	(797,784)
Total revenues	<u>314,478,201</u>	<u>321,002,650</u>	<u>309,029,928</u>	<u>(11,972,722)</u>
<b>EXPENDITURES</b>				
Current:				
Health services				
In Home Supportive Services-PA	16,701,703	16,701,703	15,355,807	1,345,896
In Home Supportive Services	971,812	971,812	798,916	172,896
Behavioral Health	89,843,299	92,480,109	85,823,818	6,656,291
Health Services	72,597,204	73,086,720	66,625,493	6,461,227
Tobacco Prevention & Education	848,705	848,704	439,687	409,017
Total health services	180,962,723	184,089,048	169,043,721	15,045,327
Public assistance				
County Disaster	3,799	3,799	3,799	-
Administration	2,455,386	2,353,678	1,696,740	656,938
Social Services	110,627,152	110,944,330	98,785,283	12,159,047
Assistance Programs	47,937,233	51,588,061	50,527,198	1,060,863
Total public assistance	161,023,570	164,889,868	151,013,020	13,876,848
Non-departmental				
Contingencies	630	630	-	630
Capital outlay:				
Equipment	203,460	250,205	57,991	192,214
Total expenditures	<u>342,190,383</u>	<u>349,229,751</u>	<u>320,114,732</u>	<u>29,115,019</u>
Deficiency of revenues under expenditures	<u>(27,712,182)</u>	<u>(28,227,101)</u>	<u>(11,084,804)</u>	<u>17,142,297</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Issuance of long-term debt	100,557	100,557	-	(100,557)
Transfers in	35,109,029	36,062,792	30,765,096	(5,297,696)
Transfers out	(5,756,542)	(7,227,166)	(3,426,328)	3,800,838
Sale of capital assets	-	-	58,500	58,500
Total other financing sources (uses)	<u>29,453,044</u>	<u>28,936,183</u>	<u>27,397,268</u>	<u>(1,538,915)</u>
Changes in fund balance	1,740,862	709,082	16,312,464	15,603,382
Fund balance - beginning	77,821,197	77,821,197	77,821,197	-
Fund balance - ending	<u>\$ 79,562,059</u>	<u>\$ 78,530,279</u>	<u>\$ 94,133,661</u>	<u>\$ 15,603,382</u>

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

**COUNTY OF SOLANO, CALIFORNIA**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**Public Safety Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2019**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Adopted</u>	<u>Final</u>	<u>Actual Amounts</u>	
<b>REVENUES</b>				
Licenses, permits and franchises	\$ 78,330	\$ 78,330	\$ 65,211	\$ (13,119)
Fines, forfeitures and penalties	2,018,211	2,018,211	2,676,058	657,847
Use of money and property	38,805	(53,057)	422,778	475,835
Intergovernmental	80,444,772	82,462,618	77,826,899	(4,635,719)
Charges for services	12,124,883	12,124,883	11,507,386	(617,497)
Miscellaneous	1,681,831	1,706,624	1,889,655	183,031
Total revenues	<u>96,386,832</u>	<u>98,337,609</u>	<u>94,387,987</u>	<u>(3,949,622)</u>
<b>EXPENDITURES</b>				
Current:				
Public protection				
Department of Child Support Services	12,687,669	12,687,669	12,336,067	351,602
EMPG Grants	94,637	258,385	243,273	15,112
Flood Emergency Response Grant	131,000	131,000	-	131,000
Urban Areas Sec Initiative	-	74,684	74,684	-
Homeland Security Grants	670,036	905,771	608,779	296,992
Mentally Ill Offender Grant	522,000	543,915	316,303	227,612
District Attorney	25,556,411	25,688,366	24,331,878	1,356,488
Public Defender	14,224,322	14,224,322	12,791,500	1,432,822
Conflict Public Defender	4,351,216	4,351,216	3,967,914	383,302
Sheriff	108,803,412	109,758,122	109,136,226	621,896
Probation	42,788,332	42,132,956	38,996,296	3,136,660
Other Public Defense	3,160,661	3,069,847	3,033,190	36,657
CMF Cases	329,752	478,704	436,823	41,881
Administration	134,574	134,574	84,574	50,000
Public Protection Other Special Revenue	595,388	600,388	525,883	74,505
Total public protection	<u>214,049,410</u>	<u>215,039,919</u>	<u>206,883,390</u>	<u>8,156,529</u>
Non-departmental				
Contingencies	6,110,568	6,105,568	-	6,105,568
Debt service:				
Principal	-	192,219	192,219	-
Interest and other charges	-	6,007	6,007	-
Total debt service	<u>-</u>	<u>198,226</u>	<u>198,226</u>	<u>-</u>
Capital outlay:				
Buildings and improvements	-	75,798	75,253	545
Equipment	759,252	1,364,598	259,810	1,104,788
Intangibles	228,000	367,987	350,566	17,421
Total capital outlay	<u>987,252</u>	<u>1,808,383</u>	<u>685,629</u>	<u>1,122,754</u>
Total expenditures	<u>221,147,230</u>	<u>223,152,096</u>	<u>207,767,245</u>	<u>15,384,851</u>
Deficiency of revenues under expenditures	<u>(124,760,398)</u>	<u>(124,814,487)</u>	<u>(113,379,258)</u>	<u>11,435,229</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Issuance of long-term debt	-	578,785	578,785	-
Transfers in	120,459,957	119,783,565	114,860,903	(4,922,662)
Transfers out	(3,204,964)	(3,226,127)	(2,624,620)	601,507
Sale of capital assets	-	-	650	650
Total other financing sources (uses)	<u>117,254,993</u>	<u>117,136,223</u>	<u>112,815,718</u>	<u>(4,320,505)</u>
Changes in fund balance	<u>(7,505,405)</u>	<u>(7,678,264)</u>	<u>(563,540)</u>	<u>7,114,724</u>
Fund balance - beginning	24,054,043	24,054,043	24,054,043	-
Fund balance - ending	<u>\$ 16,548,638</u>	<u>\$ 16,375,779</u>	<u>\$ 23,490,503</u>	<u>\$ 7,114,724</u>

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

**COUNTY OF SOLANO, CALIFORNIA**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

***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.

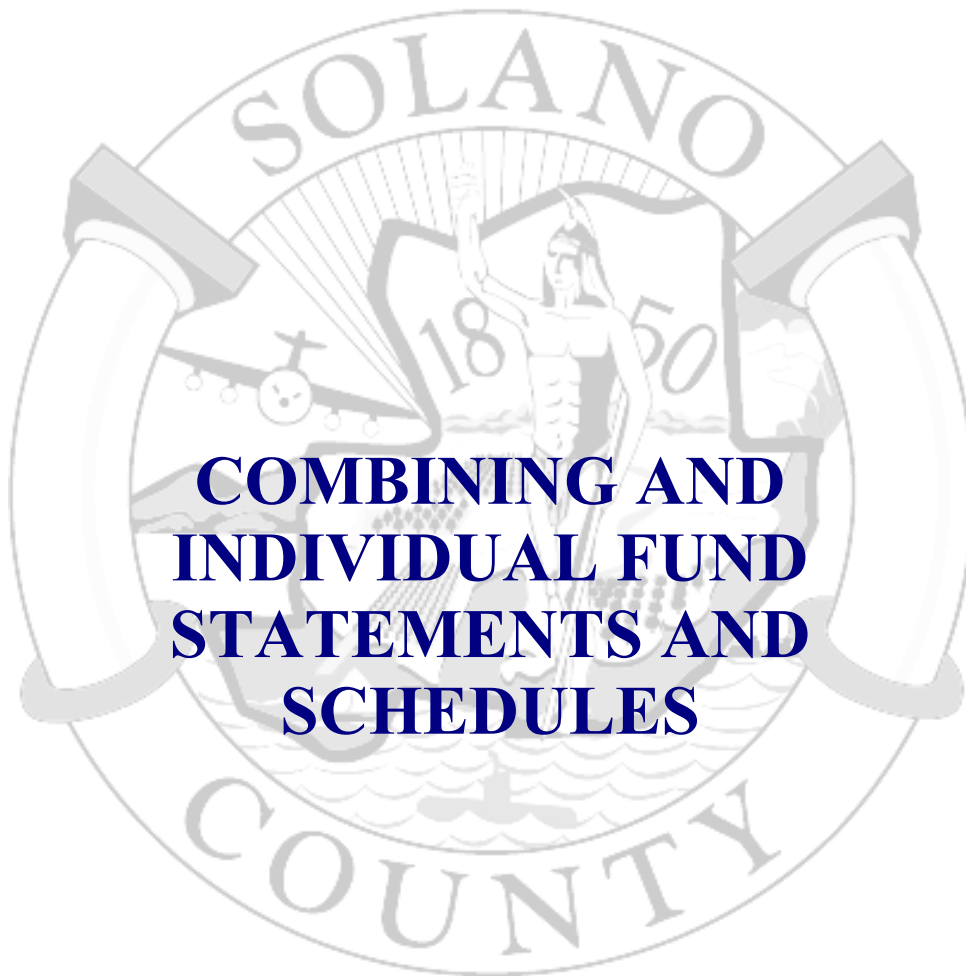
An operating budget prepared on the modified accrual basis is adopted each fiscal year for the general, special revenue, capital projects and debt service funds. Public hearings are conducted on the proposed budget to review all appropriations and sources of financing. Any shortfall in revenues requires 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, 2019, 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.

(This page intentionally left blank)







## **Other Governmental Funds**

### **Special Revenue Funds**

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. This encompasses legal restrictions imposed by parties outside the government as well as those imposed by the governing body.

### **Capital Projects Funds**

Capital projects funds are used to account for and report financial resources that are restricted, committed or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

### **Debt Service Funds**

Debt service funds are used to account for and report financial resources that are restricted, committed or assigned to expenditure for principal and interest. Debt service payments that do not involve the advance accumulation of resources, such as capital leases, are accounted for in the general fund or a special revenue fund.

**COUNTY OF SOLANO, CALIFORNIA**  
**Combining Balance Sheet**  
**Other Governmental Funds**  
**June 30, 2019**

	<u>Special Revenue Funds</u>	<u>Accumulated Capital Outlay Fund</u>	<u>Debt Service Funds</u>	<u>Total Other Governmental Funds</u>
<b>ASSETS</b>				
Cash and investments	\$ 86,455,119	\$ 25,386,705	\$ 9,442,345	\$ 121,284,169
Accounts receivable	99,975	-	-	99,975
Due from other agencies	6,772,360	1,151,850	244,185	8,168,395
Due from other funds	289,176	180,172	153,960	623,308
Due from component unit	-	-	740,996	740,996
Other assets	3,279,188	-	-	3,279,188
Total assets	<u>\$ 96,895,818</u>	<u>\$ 26,718,727</u>	<u>\$ 10,581,486</u>	<u>\$ 134,196,031</u>
<b>LIABILITIES</b>				
Outstanding warrants	\$ 1,110,179	\$ 393,183	\$ -	\$ 1,503,362
Payables	3,501,014	1,487,767	-	4,988,781
Due to other funds	208,570	33,173	-	241,743
Other liabilities	436,283	459,804	-	896,087
Due to other agencies	1,224,803	-	-	1,224,803
Unearned revenue	21,655	-	-	21,655
Advance from other funds	880,695	5,655,533	-	6,536,228
Total liabilities	<u>7,383,199</u>	<u>8,029,460</u>	<u>-</u>	<u>15,412,659</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue	<u>432,968</u>	<u>1,151,850</u>	<u>-</u>	<u>1,584,818</u>
<b>FUND BALANCES</b>				
Nonspendable	226,427	-	-	226,427
Restricted	88,529,173	2,985,169	7,844,475	99,358,817
Committed	-	43,263	-	43,263
Assigned	324,051	14,508,985	2,737,011	17,570,047
Total fund balances	<u>89,079,651</u>	<u>17,537,417</u>	<u>10,581,486</u>	<u>117,198,554</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 96,895,818</u>	<u>\$ 26,718,727</u>	<u>\$ 10,581,486</u>	<u>\$ 134,196,031</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, 2019**

	<b>Special Revenue Funds</b>	<b>Accumulated Capital Outlay Fund</b>	<b>Debt Service Funds</b>	<b>Total Other Governmental Funds</b>
<b>REVENUES</b>				
Taxes	\$ 18,896,089	\$ 2,997,547	\$ -	\$ 21,893,636
Licenses, permits and franchises	333,457	-	-	333,457
Fines, forfeitures and penalties	7,780	-	-	7,780
Use of money and property	2,280,506	512,710	248,328	3,041,544
Intergovernmental	24,202,117	4,516,272	417,211	29,135,600
Charges for services	16,361,844	7,591	2,770,011	19,139,446
Miscellaneous	920,401	954,559	2,568,927	4,443,887
Total revenues	<u>63,002,194</u>	<u>8,988,679</u>	<u>6,004,477</u>	<u>77,995,350</u>
<b>EXPENDITURES</b>				
Current:				
General government	505,487	6,881,327	208,490	7,595,304
Public protection	3,399,136	-	-	3,399,136
Public ways and facilities	17,280,474	-	-	17,280,474
Health services	3,293,078	-	-	3,293,078
Public assistance	1,090,005	-	-	1,090,005
Education and recreation	20,064,035	-	-	20,064,035
Debt service:				
Principal	-	-	8,865,000	8,865,000
Interest and other charges	22,841	-	4,855,452	4,878,293
Capital outlay	5,962,370	11,755,018	-	17,717,388
Total expenditures	<u>51,617,426</u>	<u>18,636,345</u>	<u>13,928,942</u>	<u>84,182,713</u>
Excess (deficiency) of revenues over (under) expenditures	<u>11,384,768</u>	<u>(9,647,666)</u>	<u>(7,924,465)</u>	<u>(6,187,363)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	2,133,682	10,446,106	10,270,560	22,850,348
Transfers out	(1,834,324)	(1,469,243)	(3,000,000)	(6,303,567)
Sale of capital assets	74,000	-	-	74,000
Total other financing sources (uses)	<u>373,358</u>	<u>8,976,863</u>	<u>7,270,560</u>	<u>16,620,781</u>
Changes in fund balances	11,758,126	(670,803)	(653,905)	10,433,418
Fund balances - beginning	77,321,525	18,208,220	11,235,391	106,765,136
Fund balances - ending	<u>\$ 89,079,651</u>	<u>\$ 17,537,417</u>	<u>\$ 10,581,486</u>	<u>\$ 117,198,554</u>

(This page intentionally left blank)

## **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, 2019**

	<u>Public Facilities</u>			
	<u>Fees</u>	<u>Library</u>	<u>Transportation</u>	<u>First 5 Solano</u>
<b>ASSETS</b>				
Cash and investments	\$ 27,710,889	\$ 22,664,620	\$ 13,252,610	\$ 9,617,137
Accounts receivable	-	31,558	56,898	-
Due from other agencies	2,352,435	893,106	2,603,874	917,550
Due from other funds	-	9,730	48,658	230,276
Other assets	4,334	1,982	226,427	-
Total assets	<u>\$ 30,067,658</u>	<u>\$ 23,600,996</u>	<u>\$ 16,188,467</u>	<u>\$ 10,764,963</u>
<b>LIABILITIES</b>				
Outstanding warrants	\$ 380,466	\$ 128,728	\$ 460,783	\$ 127,847
Payables	-	622,782	2,328,218	433,912
Due to other funds	928	47,306	3,056	82,763
Other liabilities	-	-	436,283	-
Due to other agencies	671,610	77	-	71,814
Unearned revenue	-	21,655	-	-
Advance from other funds	-	-	880,695	-
Total liabilities	<u>1,053,004</u>	<u>820,548</u>	<u>4,109,035</u>	<u>716,336</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue	4,335	-	428,633	-
<b>FUND BALANCES</b>				
Nonspendable	-	-	226,427	-
Restricted	29,010,319	22,780,448	11,424,372	10,048,627
Assigned	-	-	-	-
Total fund balances	<u>29,010,319</u>	<u>22,780,448</u>	<u>11,650,799</u>	<u>10,048,627</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 30,067,658</u>	<u>\$ 23,600,996</u>	<u>\$ 16,188,467</u>	<u>\$ 10,764,963</u>

**COUNTY OF SOLANO, CALIFORNIA**  
**Combining Balance Sheet (Continued)**  
**Nonmajor Special Revenue Funds**  
**June 30, 2019**

<b>Home Loan Program</b>	<b>Micrographics &amp; Modernization</b>	<b>Other Special Revenue Funds</b>	<b>Total Nonmajor Special Revenue Funds</b>																																																																																																				
<table border="0" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 25%;">\$ 2,448,890</td> <td style="width: 25%;">\$ 9,650,719</td> <td style="width: 25%;">\$ 1,110,254</td> <td style="width: 25%;">\$ 86,455,119</td> <td></td> </tr> <tr> <td style="text-align: right;">-</td> <td style="text-align: right;">-</td> <td style="text-align: right;">11,519</td> <td style="text-align: right;">99,975</td> <td></td> </tr> <tr> <td style="text-align: right;">-</td> <td style="text-align: right;">4,897</td> <td style="text-align: right;">498</td> <td style="text-align: right;">6,772,360</td> <td></td> </tr> <tr> <td style="text-align: right;">-</td> <td style="text-align: right;">-</td> <td style="text-align: right;">512</td> <td style="text-align: right;">289,176</td> <td></td> </tr> <tr> <td style="text-align: right;">3,043,750</td> <td style="text-align: right;">-</td> <td style="text-align: right;">2,695</td> <td style="text-align: right;">3,279,188</td> <td></td> </tr> <tr> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">\$ 5,492,640</td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">\$ 9,655,616</td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">\$ 1,125,478</td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">\$ 96,895,818</td> <td></td> </tr> </table>	\$ 2,448,890	\$ 9,650,719	\$ 1,110,254	\$ 86,455,119		-	-	11,519	99,975		-	4,897	498	6,772,360		-	-	512	289,176		3,043,750	-	2,695	3,279,188		\$ 5,492,640	\$ 9,655,616	\$ 1,125,478	\$ 96,895,818		<table border="0" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 25%;">\$ -</td> <td style="width: 25%;">\$ 1,250</td> <td style="width: 25%;">\$ 11,105</td> <td style="width: 25%;">\$ 1,110,179</td> <td></td> </tr> <tr> <td style="text-align: right;">-</td> <td style="text-align: right;">13,231</td> <td style="text-align: right;">102,871</td> <td style="text-align: right;">3,501,014</td> <td></td> </tr> <tr> <td style="text-align: right;">-</td> <td style="text-align: right;">725</td> <td style="text-align: right;">73,792</td> <td style="text-align: right;">208,570</td> <td></td> </tr> <tr> <td style="text-align: right;">-</td> <td style="text-align: right;">-</td> <td style="text-align: right;">-</td> <td style="text-align: right;">436,283</td> <td></td> </tr> <tr> <td style="text-align: right;">473,264</td> <td style="text-align: right;">-</td> <td style="text-align: right;">8,038</td> <td style="text-align: right;">1,224,803</td> <td></td> </tr> <tr> <td style="text-align: right;">-</td> <td style="text-align: right;">-</td> <td style="text-align: right;">-</td> <td style="text-align: right;">21,655</td> <td></td> </tr> <tr> <td style="text-align: right;">-</td> <td style="text-align: right;">-</td> <td style="text-align: right;">-</td> <td style="text-align: right;">880,695</td> <td></td> </tr> <tr> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">473,264</td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">15,206</td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">195,806</td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">7,383,199</td> <td></td> </tr> </table>	\$ -	\$ 1,250	\$ 11,105	\$ 1,110,179		-	13,231	102,871	3,501,014		-	725	73,792	208,570		-	-	-	436,283		473,264	-	8,038	1,224,803		-	-	-	21,655		-	-	-	880,695		473,264	15,206	195,806	7,383,199		<table border="0" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 25%;">-</td> <td style="width: 25%;">-</td> <td style="width: 25%;">-</td> <td style="width: 25%;">432,968</td> <td></td> </tr> <tr> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">-</td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">-</td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">-</td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">226,427</td> <td></td> </tr> <tr> <td style="text-align: right;">5,019,376</td> <td style="text-align: right;">9,640,410</td> <td style="text-align: right;">605,621</td> <td style="text-align: right;">88,529,173</td> <td></td> </tr> <tr> <td style="text-align: right;">-</td> <td style="text-align: right;">-</td> <td style="text-align: right;">324,051</td> <td style="text-align: right;">324,051</td> <td></td> </tr> <tr> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">5,019,376</td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">9,640,410</td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">929,672</td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">89,079,651</td> <td></td> </tr> <tr> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">\$ 5,492,640</td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">\$ 9,655,616</td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">\$ 1,125,478</td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">\$ 96,895,818</td> <td></td> </tr> </table>	-	-	-	432,968		-	-	-	226,427		5,019,376	9,640,410	605,621	88,529,173		-	-	324,051	324,051		5,019,376	9,640,410	929,672	89,079,651		\$ 5,492,640	\$ 9,655,616	\$ 1,125,478	\$ 96,895,818		<p><b>ASSETS</b></p> <p>Cash and investments</p> <p>Accounts receivable</p> <p>Due from other agencies</p> <p>Due from other funds</p> <p>Other assets</p> <p style="padding-left: 20px;">Total assets</p> <p><b>LIABILITIES</b></p> <p>Outstanding warrants</p> <p>Payables</p> <p>Due to other funds</p> <p>Other liabilities</p> <p>Due to other agencies</p> <p>Unearned revenue</p> <p>Advance from other funds</p> <p style="padding-left: 20px;">Total liabilities</p> <p><b>DEFERRED INFLOWS OF RESOURCES</b></p> <p>Unavailable revenue</p> <p><b>FUND BALANCES</b></p> <p>Nonspendable</p> <p>Restricted</p> <p>Assigned</p> <p style="padding-left: 20px;">Total fund balances</p> <p>Total liabilities, deferred inflows of resources and fund balances</p>
\$ 2,448,890	\$ 9,650,719	\$ 1,110,254	\$ 86,455,119																																																																																																				
-	-	11,519	99,975																																																																																																				
-	4,897	498	6,772,360																																																																																																				
-	-	512	289,176																																																																																																				
3,043,750	-	2,695	3,279,188																																																																																																				
\$ 5,492,640	\$ 9,655,616	\$ 1,125,478	\$ 96,895,818																																																																																																				
\$ -	\$ 1,250	\$ 11,105	\$ 1,110,179																																																																																																				
-	13,231	102,871	3,501,014																																																																																																				
-	725	73,792	208,570																																																																																																				
-	-	-	436,283																																																																																																				
473,264	-	8,038	1,224,803																																																																																																				
-	-	-	21,655																																																																																																				
-	-	-	880,695																																																																																																				
473,264	15,206	195,806	7,383,199																																																																																																				
-	-	-	432,968																																																																																																				
-	-	-	226,427																																																																																																				
5,019,376	9,640,410	605,621	88,529,173																																																																																																				
-	-	324,051	324,051																																																																																																				
5,019,376	9,640,410	929,672	89,079,651																																																																																																				
\$ 5,492,640	\$ 9,655,616	\$ 1,125,478	\$ 96,895,818																																																																																																				

**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, 2019**

	<b>Public Facilities</b>			<b>First 5 Solano</b>
	<b>Fees</b>	<b>Library</b>	<b>Transportation</b>	
<b>REVENUES</b>				
Taxes	\$ -	\$ 16,293,505	\$ 1,119,092	\$ -
Licenses, permits and franchises	-	-	333,457	-
Fines, forfeitures and penalties	-	-	-	-
Use of money and property	658,590	558,664	381,988	255,629
Intergovernmental	-	522,692	17,762,557	3,605,289
Charges for services	7,912,180	4,865,648	1,773,995	579,409
Miscellaneous	-	141,222	47,645	721,990
Total revenues	<u>8,570,770</u>	<u>22,381,731</u>	<u>21,418,734</u>	<u>5,162,317</u>
<b>EXPENDITURES</b>				
Current:				
General government	504,670	-	817	-
Public protection	-	-	-	-
Public ways and facilities	-	-	17,228,719	-
Health services	-	-	-	3,293,078
Public assistance	-	-	-	1,090,005
Education and recreation	-	18,416,214	-	-
Debt service:				
Interest and other charges	-	-	22,841	-
Capital outlay	-	1,735,492	4,050,188	176,690
Total expenditures	<u>504,670</u>	<u>20,151,706</u>	<u>21,302,565</u>	<u>4,559,773</u>
Excess (deficiency) of revenues over (under) expenditures	<u>8,066,100</u>	<u>2,230,025</u>	<u>116,169</u>	<u>602,544</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	569,065	294,451	37,000	916,560
Transfers out	(1,456,756)	(111,055)	(250,383)	(9,414)
Sale of capital assets	-	-	74,000	-
Total other financing sources (uses)	<u>(887,691)</u>	<u>183,396</u>	<u>(139,383)</u>	<u>907,146</u>
Changes in fund balances	7,178,409	2,413,421	(23,214)	1,509,690
Fund balances - beginning	21,831,910	20,367,027	11,674,013	8,538,937
Fund balances - ending	<u>\$ 29,010,319</u>	<u>\$ 22,780,448</u>	<u>\$ 11,650,799</u>	<u>\$ 10,048,627</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, 2019**

<u>Home Loan Program</u>	<u>Micrographics &amp; Modernization</u>	<u>Other Special Revenue Funds</u>	<u>Total Nonmajor Special Revenue Funds</u>	
\$ -	\$ -	\$ 1,483,492	\$ 18,896,089	<b>REVENUES</b>
-	-	-	333,457	Taxes
-	-	7,780	7,780	Licenses, permits and franchises
109,779	266,977	48,879	2,280,506	Fines, forfeitures and penalties
-	-	2,311,579	24,202,117	Use of money and property
-	609,330	621,282	16,361,844	Intergovernmental
-	-	9,544	920,401	Charges for services
<u>109,779</u>	<u>876,307</u>	<u>4,482,556</u>	<u>63,002,194</u>	Miscellaneous
				Total revenues
				<b>EXPENDITURES</b>
				Current:
-	-	-	505,487	General government
3,694	498,653	2,896,789	3,399,136	Public protection
-	-	51,755	17,280,474	Public ways and facilities
-	-	-	3,293,078	Health and sanitation
-	-	-	1,090,005	Public assistance
-	-	1,647,821	20,064,035	Education and recreation
-	-	-	22,841	Debt service:
-	-	-	5,962,370	Interest and other charges
<u>3,694</u>	<u>498,653</u>	<u>4,596,365</u>	<u>51,617,426</u>	Capital outlay
				Total expenditures
106,085	377,654	(113,809)	11,384,768	Excess (deficiency) of revenues over (under) expenditures
				<b>OTHER FINANCING SOURCES (USES)</b>
-	178	316,428	2,133,682	Transfers in
-	-	(6,716)	(1,834,324)	Transfers out
-	-	-	74,000	Sale of capital assets
<u>-</u>	<u>178</u>	<u>309,712</u>	<u>373,358</u>	Total other financing sources (uses)
106,085	377,832	195,903	11,758,126	Changes in fund balances
4,913,291	9,262,578	733,769	77,321,525	Fund balances - beginning
<u>\$ 5,019,376</u>	<u>\$ 9,640,410</u>	<u>\$ 929,672</u>	<u>\$ 89,079,651</u>	Fund balances - ending

**COUNTY OF SOLANO, CALIFORNIA**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**Public Facilities Fees Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2019**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Adopted</u>	<u>Final</u>		
<b>REVENUES</b>				
Use of money and property	\$ 63,287	\$ 63,287	\$ 658,590	\$ 595,303
Charges for services	5,500,000	5,500,000	7,912,180	2,412,180
Total revenues	<u>5,563,287</u>	<u>5,563,287</u>	<u>8,570,770</u>	<u>3,007,483</u>
<b>EXPENDITURES</b>				
Current:				
General government				
Public facilities fees	661,981	774,401	504,670	269,731
Debt service:				
Interest and other charges	<u>85,000</u>	<u>85,000</u>	-	<u>85,000</u>
Non-departmental				
Contingencies	<u>21,215,977</u>	<u>21,672,622</u>	-	<u>21,672,622</u>
Total expenditures	<u>21,962,958</u>	<u>22,532,023</u>	<u>504,670</u>	<u>22,027,353</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(16,399,671)</u>	<u>(16,968,736)</u>	<u>8,066,100</u>	<u>25,034,836</u>
<b>OTHER FINANCING USES</b>				
Transfers in	-	569,065	569,065	-
Transfers out	<u>(1,456,756)</u>	<u>(1,456,756)</u>	<u>(1,456,756)</u>	-
Total other financing uses	<u>(1,456,756)</u>	<u>(887,691)</u>	<u>(887,691)</u>	-
Changes in fund balance	(17,856,427)	(17,856,427)	7,178,409	25,034,836
Fund balance - beginning	21,831,910	21,831,910	21,831,910	-
Fund balance - ending	<u>\$ 3,975,483</u>	<u>\$ 3,975,483</u>	<u>\$ 29,010,319</u>	<u>\$ 25,034,836</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, 2019**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Adopted</u>	<u>Final</u>		
<b>REVENUES</b>				
Taxes	\$ 14,976,644	\$ 14,976,644	\$ 16,293,505	\$ 1,316,861
Use of money and property	110,491	110,491	558,664	448,173
Intergovernmental	390,050	390,050	522,692	132,642
Charges for services	4,743,573	4,743,573	4,865,648	122,075
Miscellaneous	128,000	144,500	141,222	(3,278)
Total revenues	<u>20,348,758</u>	<u>20,365,258</u>	<u>22,381,731</u>	<u>2,016,473</u>
<b>EXPENDITURES</b>				
Current:				
Education				
Library	21,746,138	22,400,903	18,260,159	4,140,744
Library - Friends & Foundation	201,516	218,016	127,259	90,757
Library Zone 1	15,968	15,968	15,741	227
Library Zone 2	1,087	5,392	5,194	198
Library Zone 6	672	672	597	75
Library Zone 7	7,983	7,983	7,264	719
Total education	<u>21,973,364</u>	<u>22,648,934</u>	<u>18,416,214</u>	<u>4,232,720</u>
Non-departmental				
Contingencies	15,135,705	13,833,389	-	13,833,389
Capital outlay:				
Construction in progress	-	1,925,672	1,382,719	542,953
Buildings and improvements	439,500	938,232	-	938,232
Equipment	25,000	443,586	352,773	90,813
Total capital outlay	<u>464,500</u>	<u>3,307,490</u>	<u>1,735,492</u>	<u>1,571,998</u>
Total expenditures	<u>37,573,569</u>	<u>39,789,813</u>	<u>20,151,706</u>	<u>19,638,107</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(17,224,811)</u>	<u>(19,424,555)</u>	<u>2,230,025</u>	<u>21,654,580</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	349,144	349,144	294,451	(54,693)
Transfers out	(181,001)	(176,696)	(111,055)	65,641
Total other financing sources (uses)	<u>168,143</u>	<u>172,448</u>	<u>183,396</u>	<u>10,948</u>
Changes in fund balance	(17,056,668)	(19,252,107)	2,413,421	21,665,528
Fund balance - beginning	20,367,027	20,367,027	20,367,027	-
Fund balance - ending	<u>\$ 3,310,359</u>	<u>\$ 1,114,920</u>	<u>\$ 22,780,448</u>	<u>\$ 21,665,528</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, 2019**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Adopted</u>	<u>Final</u>		
<b>REVENUES</b>				
Taxes	\$ 1,151,685	\$ 1,151,685	\$ 1,119,092	\$ (32,593)
Licenses, permits and franchises	233,387	233,387	333,457	100,070
Use of money and property	131,467	131,467	381,988	250,521
Intergovernmental	18,810,869	19,080,869	17,762,557	(1,318,312)
Charges for services	1,467,999	1,551,485	1,773,995	222,510
Miscellaneous	75,167	75,167	47,645	(27,522)
Total revenues	<u>21,870,574</u>	<u>22,224,060</u>	<u>21,418,734</u>	<u>(805,326)</u>
<b>EXPENDITURES</b>				
Current:				
General government				
Survey monument	15,817	15,817	817	15,000
Public ways and facilities				
Transportation	16,461,261	19,902,764	17,228,719	2,674,045
Non-departmental				
Contingencies	3,753,574	3,753,574	-	3,753,574
Debt service:				
Interest and other charges	15,621	22,846	22,841	5
Capital outlay:				
Land	288,000	288,000	-	288,000
Construction in progress	6,070,000	4,622,615	3,251,636	1,370,979
Equipment	882,500	882,500	798,552	83,948
Total capital outlay	<u>7,240,500</u>	<u>5,793,115</u>	<u>4,050,188</u>	<u>1,742,927</u>
Total expenditures	<u>27,486,773</u>	<u>29,488,116</u>	<u>21,302,565</u>	<u>8,185,551</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(5,616,199)</u>	<u>(7,264,056)</u>	<u>116,169</u>	<u>7,380,225</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Debt Issuance	15,621	15,621	-	(15,621)
Transfers in	68,228	68,228	37,000	(31,228)
Transfers out	(292,647)	(292,647)	(250,383)	42,264
Sale of capital assets	70,000	70,000	74,000	4,000
Total other financing sources (uses)	<u>(138,798)</u>	<u>(138,798)</u>	<u>(139,383)</u>	<u>(585)</u>
Changes in fund balance	(5,754,997)	(7,402,854)	(23,214)	7,379,640
Fund balance - beginning	11,674,013	11,674,013	11,674,013	-
Fund balance - ending	<u>\$ 5,919,016</u>	<u>\$ 4,271,159</u>	<u>\$ 11,650,799</u>	<u>\$ 7,379,640</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, 2019**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Adopted</u>	<u>Final</u>		
<b>REVENUES</b>				
Use of money and property	\$ 98,113	\$ 98,113	\$ 255,629	\$ 157,516
Intergovernmental	3,508,755	3,508,755	3,605,289	96,534
Charges for services	899,685	899,685	579,409	(320,276)
Miscellaneous	95,000	695,000	721,990	26,990
Total revenues	<u>4,601,553</u>	<u>5,201,553</u>	<u>5,162,317</u>	<u>(39,236)</u>
<b>EXPENDITURES</b>				
Current:				
Health services				
First 5 Solano	4,882,808	5,182,808	3,293,078	1,889,730
Public assistance				
Grants/programs administration	746,560	1,163,273	1,090,005	73,268
Non-departmental				
Contingencies	1,073,546	1,073,546	-	1,073,546
Capital outlay:				
Equipment	176,690	176,690	176,690	-
Total capital outlay	176,690	176,690	176,690	-
Total expenditures	<u>6,879,604</u>	<u>7,596,317</u>	<u>4,559,773</u>	<u>3,036,544</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,278,051)</u>	<u>(2,394,764)</u>	<u>602,544</u>	<u>2,997,308</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	816,560	916,560	916,560	-
Transfers out	(9,794)	(9,794)	(9,414)	380
Total other financing sources (uses)	<u>806,766</u>	<u>906,766</u>	<u>907,146</u>	<u>380</u>
Changes in fund balance	(1,471,285)	(1,487,998)	1,509,690	2,997,688
Fund balance - beginning	8,538,937	8,538,937	8,538,937	-
Fund balance - ending	<u>\$ 7,067,652</u>	<u>\$ 7,050,939</u>	<u>\$ 10,048,627</u>	<u>\$ 2,997,688</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, 2019**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Adopted</u>	<u>Final</u>		
<b>REVENUES</b>				
Use of money and property	\$ 18,000	\$ 18,000	\$ 109,779	\$ 91,779
Miscellaneous revenues	2,809	2,809	-	(2,809)
Total revenues	<u>20,809</u>	<u>20,809</u>	<u>109,779</u>	<u>88,970</u>
<b>EXPENDITURES</b>				
Current:				
Public protection				
Micro-enterprise business account	2,809	2,809	2,809	-
Homeacres Loan Program	80,900	80,900	885	80,015
Total public protection	<u>83,709</u>	<u>83,709</u>	<u>3,694</u>	<u>80,015</u>
Non-departmental				
Contingencies	1,636,352	1,636,352	-	1,636,352
Total expenditures	<u>1,720,061</u>	<u>1,720,061</u>	<u>3,694</u>	<u>1,716,367</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,699,252)</u>	<u>(1,699,252)</u>	<u>106,085</u>	<u>1,805,337</u>
Changes in fund balance	(1,699,252)	(1,699,252)	106,085	1,805,337
Fund balance - beginning	4,913,291	4,913,291	4,913,291	-
Fund balance - ending	<u>\$ 3,214,039</u>	<u>\$ 3,214,039</u>	<u>\$ 5,019,376</u>	<u>\$ 1,805,337</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, 2019**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Adopted</u>	<u>Final</u>		
<b>REVENUES</b>				
Use of money and property	\$ 77,000	\$ 77,000	\$ 266,977	\$ 189,977
Charges for services	782,000	781,822	609,330	(172,492)
Total revenues	<u>859,000</u>	<u>858,822</u>	<u>876,307</u>	<u>17,485</u>
<b>EXPENDITURES</b>				
Current:				
Public protection				
Recorder Special Revenue	674,200	674,200	498,653	175,547
Non-departmental				
Contingencies	9,490,791	9,490,791	-	9,490,791
Total expenditures	<u>10,164,991</u>	<u>10,164,991</u>	<u>498,653</u>	<u>9,666,338</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(9,305,991)</u>	<u>(9,306,169)</u>	<u>377,654</u>	<u>9,683,823</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers in	-	178	178	-
Changes in fund balance	(9,305,991)	(9,305,991)	377,832	9,683,823
Fund balance - beginning	9,262,578	9,262,578	9,262,578	-
Fund balance - ending	<u>\$ (43,413)</u>	<u>\$ (43,413)</u>	<u>\$ 9,640,410</u>	<u>\$ 9,683,823</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, 2019**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Adopted</u>	<u>Final</u>		
<b>REVENUES</b>				
Taxes	\$ 1,428,946	\$ 1,464,318	\$ 1,483,492	\$ 19,174
Fines, forfeitures and penalties	2,721	2,721	7,780	5,059
Use of money and property	25,590	25,590	48,879	23,289
Intergovernmental	2,313,351	2,353,457	2,311,579	(41,878)
Charges for services	599,210	599,210	621,282	22,072
Miscellaneous	7,800	7,800	9,544	1,744
Total revenues	<u>4,377,618</u>	<u>4,453,096</u>	<u>4,482,556</u>	<u>29,460</u>
<b>EXPENDITURES</b>				
Current:				
Public protection				
Housing Authority of Solano County	2,300,000	2,340,000	2,295,883	44,117
East Vallejo Fire Protection District	575,971	600,886	600,886	-
Fish/Wildlife Propagation	14,940	14,940	20	14,920
Total public protection	<u>2,890,911</u>	<u>2,955,826</u>	<u>2,896,789</u>	<u>59,037</u>
Public ways and facilities				
County Consolidated Service Area	156,410	131,711	51,755	79,956
Education and recreation				
Parks & Recreation	1,846,306	1,843,869	1,647,821	196,048
Non-departmental				
Contingencies	141,016	141,016	-	141,016
Capital outlay:				
Equipment	-	13,000	-	13,000
Total expenditures	<u>5,034,643</u>	<u>5,085,422</u>	<u>4,596,365</u>	<u>489,057</u>
Deficiency of revenues under expenditures	<u>(657,025)</u>	<u>(632,326)</u>	<u>(113,809)</u>	<u>518,517</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	366,108	366,108	316,428	(49,680)
Transfers out	(7,329)	(7,329)	(6,716)	613
Total other financing sources (uses)	<u>358,779</u>	<u>358,779</u>	<u>309,712</u>	<u>(49,067)</u>
Changes in fund balance	(298,246)	(273,547)	195,903	469,450
Fund balance - beginning	733,769	733,769	733,769	-
Fund balance - ending	<u>\$ 435,523</u>	<u>\$ 460,222</u>	<u>\$ 929,672</u>	<u>\$ 469,450</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, 2019**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Adopted</u>	<u>Final</u>		
<b>REVENUES</b>				
Taxes	\$ 2,972,050	\$ 2,972,050	\$ 2,997,547	\$ 25,497
Use of money and property	150,501	150,501	512,710	362,209
Intergovernmental	5,674,457	5,674,457	4,516,272	(1,158,185)
Charges for services	7,591	7,591	7,591	-
Miscellaneous	-	550,000	954,559	404,559
Total revenues	<u>8,804,599</u>	<u>9,354,599</u>	<u>8,988,679</u>	<u>(365,920)</u>
<b>EXPENDITURES</b>				
Current:				
General government				
Capital Projects	9,141,402	12,324,952	6,881,327	5,443,625
Non-departmental				
Contingencies	1,377,394	937,695	-	937,695
Capital outlay:				
Construction in progress	16,480,151	29,159,075	11,067,275	18,091,800
Equipment	170,000	2,400,490	687,743	1,712,747
Total capital outlay	<u>16,650,151</u>	<u>31,559,565</u>	<u>11,755,018</u>	<u>19,804,547</u>
Total expenditures	<u>27,168,947</u>	<u>44,822,212</u>	<u>18,636,345</u>	<u>26,185,867</u>
Deficiency of revenues under expenditures	<u>(18,364,348)</u>	<u>(35,467,613)</u>	<u>(9,647,666)</u>	<u>25,819,947</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Issuance of debt	8,194,331	8,194,331	-	(8,194,331)
Transfers in	9,401,300	10,446,106	10,446,106	-
Transfers out	(900,000)	(1,469,243)	(1,469,243)	-
Total other financing sources (uses)	<u>16,695,631</u>	<u>17,171,194</u>	<u>8,976,863</u>	<u>(8,194,331)</u>
Changes in fund balance	(1,668,717)	(18,296,419)	(670,803)	17,625,616
Fund balance - beginning	14,651,438	(16,500,144)	18,208,220	34,708,364
Fund balance - ending	<u>\$ 12,982,721</u>	<u>\$ (34,796,563)</u>	<u>\$ 17,537,417</u>	<u>\$ 52,333,980</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, 2019**

	<b>2013</b>	<b>2009</b>	<b>2017 Certificates</b>		<b>Total Nonmajor</b>
	<b>Certificates of</b>	<b>Certificates of</b>	<b>of Participation</b>	<b>Pension</b>	<b>Debt Service Funds</b>
	<b>Participation</b>	<b>Participation</b>	<b>of Participation</b>		<b>Debt Service Funds</b>
<b>ASSETS</b>					
Cash and investments	\$ 47,824	\$ 1,799,943	\$ 2,737,011	\$ 4,857,567	\$ 9,442,345
Due from other agencies	-	-	-	244,185	244,185
Due from other funds	-	-	-	153,960	153,960
Due from component unit	-	-	-	740,996	740,996
Total assets	<u>\$ 47,824</u>	<u>\$ 1,799,943</u>	<u>\$ 2,737,011</u>	<u>\$ 5,996,708</u>	<u>\$ 10,581,486</u>
<b>FUND BALANCES</b>					
Fund balances:					
Restricted	\$ 47,824	\$ 1,799,943	\$ -	\$ 5,996,708	\$ 7,844,475
Assigned	-	-	2,737,011	-	2,737,011
Total fund balances	<u>\$ 47,824</u>	<u>\$ 1,799,943</u>	<u>\$ 2,737,011</u>	<u>\$ 5,996,708</u>	<u>\$ 10,581,486</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, 2019**

	<b>2013</b>	<b>2009</b>	<b>2017 Certificates</b>	<b>Pension</b>	<b>Total Nonmajor</b>
	<b>Certificates of</b>	<b>Certificates of</b>	<b>of Participation</b>		<b>Debt Service Funds</b>
	<b>Participation</b>	<b>Participation</b>	<b>of Participation</b>		
<b>REVENUES</b>					
Use of money and property	\$ 1,891	\$ 39,088	\$ 111,169	\$ 96,180	\$ 248,328
Intergovernmental	417,211	-	-	-	417,211
Charges for services	-	-	2,770,011	-	2,770,011
Miscellaneous	-	-	-	2,568,927	2,568,927
Total revenues	<u>419,102</u>	<u>39,088</u>	<u>2,881,180</u>	<u>2,665,107</u>	<u>6,004,477</u>
<b>EXPENDITURES</b>					
Current:					
General government	3,332	10,112	21,903	173,143	208,490
Debt service:					
Principal	345,000	1,660,000	4,150,000	2,710,000	8,865,000
Interest and other charges	127,505	84,750	3,223,250	1,419,947	4,855,452
Total expenditures	<u>475,837</u>	<u>1,754,862</u>	<u>7,395,153</u>	<u>4,303,090</u>	<u>13,928,942</u>
Deficiency of revenues under expenditures	<u>(56,735)</u>	<u>(1,715,774)</u>	<u>(4,513,973)</u>	<u>(1,637,983)</u>	<u>(7,924,465)</u>
<b>OTHER FINANCING SOURCES</b>					
Transfers in	44,970	1,733,458	4,423,480	4,068,652	10,270,560
Transfers out	-	-	-	(3,000,000)	(3,000,000)
Total other financing sources (uses)	<u>44,970</u>	<u>1,733,458</u>	<u>4,423,480</u>	<u>1,068,652</u>	<u>7,270,560</u>
Changes in fund balances	(11,765)	17,684	(90,493)	(569,331)	(653,905)
Fund balances - beginning	59,589	1,782,259	2,827,504	6,566,039	11,235,391
Fund balances - ending	<u>\$ 47,824</u>	<u>\$ 1,799,943</u>	<u>\$ 2,737,011</u>	<u>\$ 5,996,708</u>	<u>\$ 10,581,486</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, 2019**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Adopted</u>	<u>Final</u>		
<b>REVENUES</b>				
Use of money and property	\$ 701	\$ 1,001	\$ 1,891	\$ 890
Intergovernmental revenues	417,211	417,211	417,211	-
Total revenues	<u>417,912</u>	<u>418,212</u>	<u>419,102</u>	<u>890</u>
<b>EXPENDITURES</b>				
Current:				
General government				
Animal Care Project	3,882	4,182	3,332	850
Debt service:				
Principal	345,000	345,000	345,000	-
Interest and other charges	127,505	127,505	127,505	-
Total debt service	<u>472,505</u>	<u>472,505</u>	<u>472,505</u>	<u>-</u>
Total expenditures	<u>476,387</u>	<u>476,687</u>	<u>475,837</u>	<u>850</u>
Deficiency of revenues under expenditures	<u>(58,475)</u>	<u>(58,475)</u>	<u>(56,735)</u>	<u>1,740</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers in	44,970	44,970	44,970	-
Changes in fund balance	(13,505)	(13,505)	(11,765)	1,740
Fund balance - beginning	59,589	59,589	59,589	-
Fund balance - ending	<u>\$ 46,084</u>	<u>\$ 46,084</u>	<u>\$ 47,824</u>	<u>\$ 1,740</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, 2019**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Adopted</u>	<u>Final</u>		
<b>REVENUES</b>				
Use of money and property	\$ 7,825	\$ 7,825	\$ 39,088	\$ 31,263
<b>EXPENDITURES</b>				
Current:				
General government				
HSS Admin Refinance	14,087	14,087	10,112	3,975
Debt service:				
Principal	1,660,000	1,660,000	1,660,000	-
Interest and other charges	84,750	84,750	84,750	-
Total debt service	<u>1,744,750</u>	<u>1,744,750</u>	<u>1,744,750</u>	<u>-</u>
Total expenditures	<u>1,758,837</u>	<u>1,758,837</u>	<u>1,754,862</u>	<u>3,975</u>
Deficiency of revenues under expenditures	<u>(1,751,012)</u>	<u>(1,751,012)</u>	<u>(1,715,774)</u>	<u>35,238</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers in	<u>1,751,012</u>	<u>1,751,012</u>	<u>1,733,458</u>	<u>(17,554)</u>
Changes in fund balance	-	-	17,684	17,684
Fund balance - beginning	<u>1,782,259</u>	<u>1,782,259</u>	<u>1,782,259</u>	<u>-</u>
Fund balance - ending	<u><u>\$ 1,782,259</u></u>	<u><u>\$ 1,782,259</u></u>	<u><u>\$ 1,799,943</u></u>	<u><u>\$ 17,684</u></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, 2019**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Adopted</u>	<u>Final</u>		
<b>REVENUES</b>				
Use of money and property	\$ 46,438	\$ 48,638	\$ 111,169	\$ 62,531
Charges for services	2,770,011	2,770,011	2,770,011	-
Total revenues	<u>2,816,449</u>	<u>2,818,649</u>	<u>2,881,180</u>	<u>62,531</u>
<b>EXPENDITURES</b>				
Current:				
General government				
Government Center	21,158	23,358	21,903	1,455
Debt service:				
Principal	4,150,000	4,150,000	4,150,000	-
Interest and other charges	3,223,250	3,223,250	3,223,250	-
Total debt service	<u>7,373,250</u>	<u>7,373,250</u>	<u>7,373,250</u>	<u>-</u>
Total expenditures	<u>7,394,408</u>	<u>7,396,608</u>	<u>7,395,153</u>	<u>1,455</u>
Deficiency of revenues under expenditures	<u>(4,577,959)</u>	<u>(4,577,959)</u>	<u>(4,513,973)</u>	<u>63,986</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers in	<u>4,423,480</u>	<u>4,423,480</u>	<u>4,423,480</u>	<u>-</u>
Changes in fund balance	(154,479)	(154,479)	(90,493)	63,986
Fund balance - beginning	<u>2,827,504</u>	<u>2,827,504</u>	<u>2,827,504</u>	<u>-</u>
Fund balance - ending	<u>\$ 2,673,025</u>	<u>\$ 2,673,025</u>	<u>\$ 2,737,011</u>	<u>\$ 63,986</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, 2019**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Adopted</u>	<u>Final</u>		
<b>REVENUES</b>				
Use of money and property	\$ 27,000	\$ 27,000	\$ 96,180	\$ 69,180
Miscellaneous	2,495,124	2,491,249	2,568,927	77,678
Total revenues	<u>2,522,124</u>	<u>2,518,249</u>	<u>2,665,107</u>	<u>146,858</u>
<b>EXPENDITURES</b>				
Current:				
General government				
Pension Obligation Bonds Administration	201,159	199,367	173,143	26,224
Debt service:				
Principal	2,710,000	2,710,000	2,710,000	-
Interest and other charges	1,391,931	1,393,723	1,419,947	(26,224)
Total debt service	<u>4,101,931</u>	<u>4,103,723</u>	<u>4,129,947</u>	<u>(26,224)</u>
Total expenditures	<u>4,303,090</u>	<u>4,303,090</u>	<u>4,303,090</u>	<u>-</u>
Deficiency of revenues under expenditures	<u>(1,780,966)</u>	<u>(1,784,841)</u>	<u>(1,637,983)</u>	<u>146,858</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers in	4,584,822	4,588,697	4,068,652	(520,045)
Transfers out	-	(3,000,000)	(3,000,000)	-
Total other financing sources	<u>4,584,822</u>	<u>1,588,697</u>	<u>1,068,652</u>	<u>(520,045)</u>
Changes in fund balance	2,803,856	(196,144)	(569,331)	(373,187)
Fund balance - beginning	6,566,039	6,566,039	6,566,039	-
Fund balance - ending	<u>\$ 9,369,895</u>	<u>\$ 6,369,895</u>	<u>\$ 5,996,708</u>	<u>\$ (373,187)</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, 2019**

	<u>Fleet Management</u>	<u>Risk Management</u>	<u>Information Technology</u>	<u>Total Internal Service Funds</u>
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and investments	\$ 3,683,789	\$ 22,965,357	\$ 8,928,866	\$ 35,578,012
Accounts receivable	19,405	12,300	334,812	366,517
Due from other agencies	37,429	9,097	-	46,526
Due from other funds	34	459	211,362	211,855
Other assets	268,975	250,000	-	518,975
Total current assets	<u>4,009,632</u>	<u>23,237,213</u>	<u>9,475,040</u>	<u>36,721,885</u>
<b>Noncurrent assets</b>				
Capital assets:				
Construction in progress	-	-	766,504	766,504
Buildings and improvements	471,910	-	183,560	655,470
Equipment	14,763,611	-	11,546,705	26,310,316
Intangibles	-	-	6,053,592	6,053,592
Accumulated depreciation	(8,690,853)	-	(16,016,992)	(24,707,845)
Total capital assets	<u>6,544,668</u>	<u>-</u>	<u>2,533,369</u>	<u>9,078,037</u>
Total assets	<u>10,554,300</u>	<u>23,237,213</u>	<u>12,008,409</u>	<u>45,799,922</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred outflows related to pensions	456,817	432,329	2,959,061	3,848,207
Deferred outflows related to OPEB	15,614	16,742	133,104	165,460
Total deferred outflows of resources	<u>472,431</u>	<u>449,071</u>	<u>3,092,165</u>	<u>4,013,667</u>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Outstanding warrants	285,613	14,436	603,493	903,542
Payables	106,364	215,444	3,363,213	3,685,021
Due to other funds	322	11,728	396,474	408,524
Due to other agencies	-	404	108	512
Current portion of long-term obligations	40,020	5,886,186	438,071	6,364,277
Total current liabilities	<u>432,319</u>	<u>6,128,198</u>	<u>4,801,359</u>	<u>11,361,876</u>
<b>Noncurrent liabilities</b>				
Advances from other funds	-	-	240,545	240,545
Net pension liability	1,271,176	1,247,689	9,045,409	11,564,274
Net OPEB liability	55,369	52,835	401,999	510,203
Noncurrent portion of long-term obligations	153,182	10,895,983	681,269	11,730,434
Total noncurrent liabilities	<u>1,479,727</u>	<u>12,196,507</u>	<u>10,369,222</u>	<u>24,045,456</u>
Total liabilities	<u>1,912,046</u>	<u>18,324,705</u>	<u>15,170,581</u>	<u>35,407,332</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflows related to pensions	170,137	166,270	1,329,752	1,666,159
Deferred inflows related to OPEB	2,828	2,624	19,726	25,178
Total deferred inflows of resources	<u>172,965</u>	<u>168,894</u>	<u>1,349,478</u>	<u>1,691,337</u>
<b>NET POSITION</b>				
Net investment in capital assets	6,544,668	-	2,533,369	9,078,037
Unrestricted	2,397,052	5,192,685	(3,952,854)	3,636,883
Total net position (deficit)	<u>\$ 8,941,720</u>	<u>\$ 5,192,685</u>	<u>\$ (1,419,485)</u>	<u>\$ 12,714,920</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, 2019**

	<u>Fleet Management</u>	<u>Risk Management</u>	<u>Information Technology</u>	<u>Total Internal Service Funds</u>
<b>OPERATING REVENUES</b>				
Charges for sales and services:				
Internal services	\$ 5,249,073	\$ 18,574,066	\$ 23,860,542	\$ 47,683,681
Total operating revenues	<u>5,249,073</u>	<u>18,574,066</u>	<u>23,860,542</u>	<u>47,683,681</u>
<b>OPERATING EXPENSES</b>				
Personnel services	1,224,857	1,214,173	9,416,829	11,855,859
Maintenance	1,064,522	65	667,644	1,732,231
Materials and supplies	986,475	4,548	710,584	1,701,607
Depreciation	1,482,981	-	895,352	2,378,333
Insurance	32,596	14,403,154	100,949	14,536,699
Rent, utilities and others	579,507	1,410,596	12,886,938	14,877,041
Total operating expenses	<u>5,370,938</u>	<u>17,032,536</u>	<u>24,678,296</u>	<u>47,081,770</u>
Operating income (loss)	<u>(121,865)</u>	<u>1,541,530</u>	<u>(817,754)</u>	<u>601,911</u>
<b>NONOPERATING REVENUES</b>				
Investment earnings	96,935	580,658	225,697	903,290
Other revenue	103,988	600,855	22,015	726,858
Gain (loss) from sale of capital assets	166,623	-	(46,730)	119,893
Total nonoperating revenues	<u>367,546</u>	<u>1,181,513</u>	<u>200,982</u>	<u>1,750,041</u>
Income (loss) before transfers	<u>245,681</u>	<u>2,723,043</u>	<u>(616,772)</u>	<u>2,351,952</u>
Transfers in	243,847	750,000	-	993,847
Transfers out	(48,094)	(11,384)	(90,612)	(150,090)
Changes in net position	<u>441,434</u>	<u>3,461,659</u>	<u>(707,384)</u>	<u>3,195,709</u>
Total net position (deficit) - beginning	<u>8,500,286</u>	<u>1,731,026</u>	<u>(712,101)</u>	<u>9,519,211</u>
Total net position (deficit) - ending	<u>\$ 8,941,720</u>	<u>\$ 5,192,685</u>	<u>\$ (1,419,485)</u>	<u>\$ 12,714,920</u>

**Combining Statement of Cash Flows**  
**Internal Service Funds**  
**For the Fiscal Year Ended June 30, 2019**

	<b>Fleet Management</b>	<b>Risk Management</b>	<b>Information Technology</b>	<b>Total Internal Service Funds</b>
<b>Cash flows from operating activities:</b>				
Receipts from customers	\$ 423,343	\$ 492,904	\$ 266,756	\$ 1,183,003
Receipts from interfund services provided	4,957,844	18,574,066	23,644,429	47,176,339
Payments to suppliers	(2,573,348)	(15,725,358)	(14,704,390)	(33,003,096)
Payments to employees	(1,184,102)	(1,134,140)	(9,008,093)	(11,326,335)
Net cash provided by operating activities	<u>1,623,737</u>	<u>2,207,472</u>	<u>198,702</u>	<u>4,029,911</u>
<b>Cash flows from noncapital financing activities:</b>				
Transfers out	(48,094)	(11,384)	(90,612)	(150,090)
Payment on advances from other funds	-	-	240,545	240,545
Transfers In	243,847	750,000	-	993,847
Net cash provided by noncapital financing activities	<u>195,753</u>	<u>738,616</u>	<u>149,933</u>	<u>1,084,302</u>
<b>Cash flows from capital and related financing activities:</b>				
Acquisition of capital assets	(1,869,998)	-	(1,009,469)	(2,879,467)
Net cash used by capital and related financing activities	<u>(1,869,998)</u>	<u>-</u>	<u>(1,009,469)</u>	<u>(2,879,467)</u>
<b>Cash flows from investing activities:</b>				
Investment income received	96,935	580,658	225,697	903,290
Net cash provided by investing activities	<u>96,935</u>	<u>580,658</u>	<u>225,697</u>	<u>903,290</u>
Net increase (decrease) in cash and cash equivalents	46,427	3,526,746	(435,137)	3,138,036
Cash and cash equivalents - beginning	3,637,362	19,438,611	9,364,003	32,439,976
Cash and cash equivalents - ending	<u>\$ 3,683,789</u>	<u>\$ 22,965,357</u>	<u>\$ 8,928,866</u>	<u>\$ 35,578,012</u>
<b>Reconciliation of operating loss to net cash provided (used) by operating activities:</b>				
Operating income (loss)	\$ (121,865)	\$ 1,541,530	\$ (817,754)	\$ 601,911
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation	1,482,981	-	895,352	2,378,333
Other nonoperating revenue	103,988	600,855	22,015	726,858
Pension expense	73,996	346,346	630,798	1,051,140
OPEB expense	(7,414)	(7,950)	(63,212)	(78,576)
Changes in assets and liabilities:				
(Increase) decrease in receivables, net	39,588	7,496	(118,641)	(71,557)
(Increase) decrease in due from other funds	(33)	(459)	(25,550)	(26,042)
(Increase) decrease in due from other agencies	(11,425)	(7,417)	15,707	(3,135)
(Increase) decrease in other assets	42,721	-	-	42,721
Increase (decrease) in outstanding warrants	69,756	(202,861)	356,262	223,157
Increase (decrease) in payables	(22,710)	17,672	(694,545)	(699,583)
Increase (decrease) in due to other funds	(631)	11,195	157,036	167,600
Increase (decrease) in due to other agencies	(15)	(107,573)	77	(107,511)
Increase in accrued compensated absences	(25,200)	8,638	(158,843)	(175,405)
Total adjustments	<u>1,745,602</u>	<u>665,942</u>	<u>1,016,456</u>	<u>3,428,000</u>
Net cash provided by operating activities	<u>\$ 1,623,737</u>	<u>\$ 2,207,472</u>	<u>\$ 198,702</u>	<u>\$ 4,029,911</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.

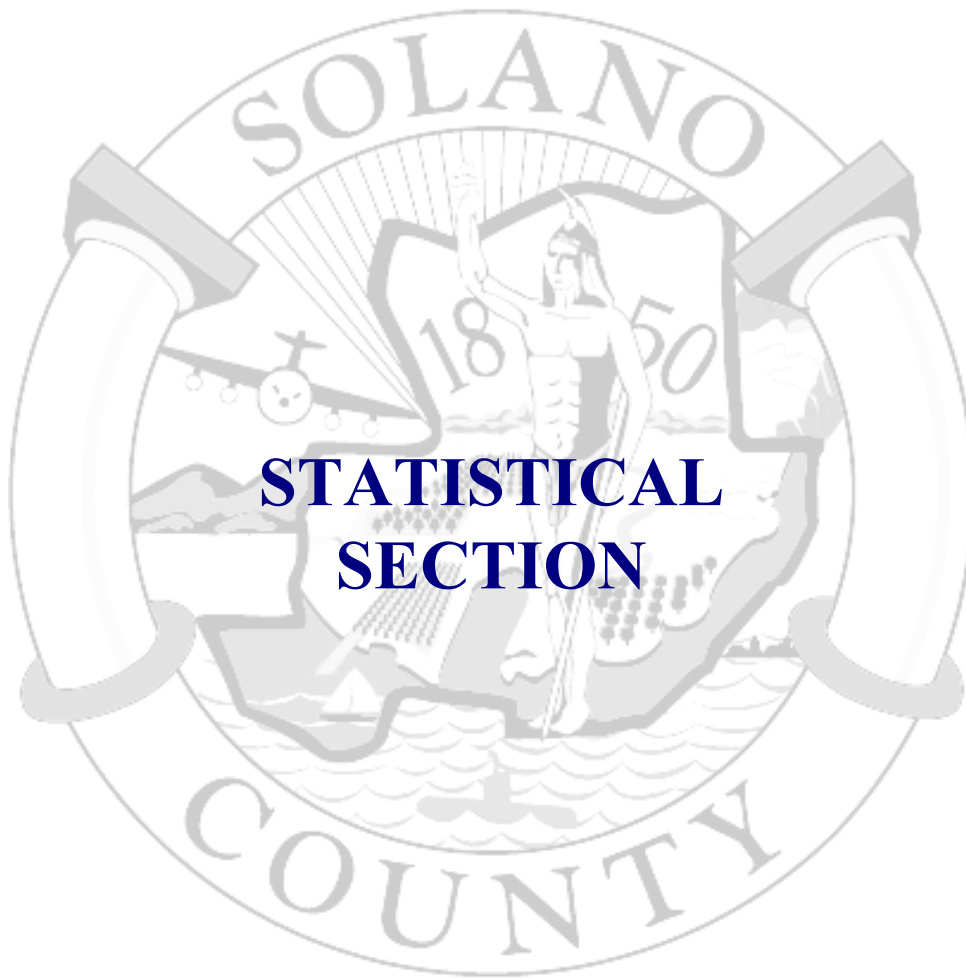
*Property Tax Collection Fund* – This fund is used to account for property tax collections awaiting apportionment to governmental agencies.

*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, 2019**

<b>PROPERTY TAX COLLECTION</b>	<b>Balance July 1, 2018</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance June 30, 2019</b>
<b>Assets</b>				
Cash and investments	\$ -	\$ 700,838,065	\$ 700,795,034	\$ 43,031
Property taxes receivable	30,517,035	784,420,190	782,938,828	31,998,397
<b>Total assets</b>	<b>\$ 30,517,035</b>	<b>\$ 1,485,258,255</b>	<b>\$ 1,483,733,862</b>	<b>\$ 32,041,428</b>
<b>Liabilities</b>				
Due to others	\$ 30,517,035	\$ 1,485,258,255	\$ 1,483,733,862	\$ 32,041,428
<b>Total liabilities</b>	<b>\$ 30,517,035</b>	<b>\$ 1,485,258,255</b>	<b>\$ 1,483,733,862</b>	<b>\$ 32,041,428</b>
 <b>LOCAL TRANSPORTATION</b>	 <b>Balance</b>			 <b>Balance</b>
	<b>July 1, 2018</b>	<b>Additions</b>	<b>Deductions</b>	<b>June 30, 2019</b>
<b>Assets</b>				
Cash and investments	\$ 28,474,123	\$ 20,782,886	\$ 20,607,199	\$ 28,649,810
<b>Total assets</b>	<b>\$ 28,474,123</b>	<b>\$ 20,782,886</b>	<b>\$ 20,607,199</b>	<b>\$ 28,649,810</b>
<b>Liabilities</b>				
Due to others	\$ 28,474,123	\$ 20,782,886	\$ 20,607,199	\$ 28,649,810
<b>Total liabilities</b>	<b>\$ 28,474,123</b>	<b>\$ 20,782,886</b>	<b>\$ 20,607,199</b>	<b>\$ 28,649,810</b>
 <b>ALL OTHER AGENCY FUNDS</b>	 <b>Balance</b>			 <b>Balance</b>
	<b>July 1, 2018</b>	<b>Additions</b>	<b>Deductions</b>	<b>June 30, 2019</b>
<b>Assets</b>				
Cash and investments	\$ 39,676,811	\$ 41,952,835	\$ 39,046,424	\$ 42,583,222
<b>Total assets</b>	<b>\$ 39,676,811</b>	<b>\$ 41,952,835</b>	<b>\$ 39,046,424</b>	<b>\$ 42,583,222</b>
<b>Liabilities</b>				
Due to others	\$ 39,676,811	\$ 41,952,835	\$ 39,046,424	\$ 42,583,222
<b>Total liabilities</b>	<b>\$ 39,676,811</b>	<b>\$ 41,952,835</b>	<b>\$ 39,046,424</b>	<b>\$ 42,583,222</b>
 <b>TOTAL - ALL AGENCY FUNDS</b>	 <b>Balance</b>			 <b>Balance</b>
	<b>July 1, 2018</b>	<b>Additions</b>	<b>Deductions</b>	<b>June 30, 2019</b>
<b>Assets</b>				
Cash and investments	\$ 68,150,934	\$ 763,573,786	\$ 760,448,657	\$ 71,276,063
Property taxes receivable	30,517,035	784,420,190	782,938,827	31,998,398
<b>Total assets</b>	<b>\$ 98,667,969</b>	<b>\$ 1,547,993,976</b>	<b>\$ 1,543,387,484</b>	<b>\$ 103,274,461</b>
<b>Liabilities</b>				
Due to others	\$ 98,667,969	\$ 1,547,993,976	\$ 1,543,387,484	\$ 103,274,461
<b>Total liabilities</b>	<b>\$ 98,667,969</b>	<b>\$ 1,547,993,976</b>	<b>\$ 1,543,387,484</b>	<b>\$ 103,274,461</b>







# STATISTICAL SECTION

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

<b><u>Contents</u></b>	<b><u>Page</u></b>
<b>Financial Trends Information</b> <i>These schedules contain trend information to help the reader understand how the County’s financial performance and well-being have changed over time.</i>	<b>146</b>
<b>Revenue Capacity Information</b> <i>These schedules contain information to help the reader assess the County’s most significant local revenue source, the property tax.</i>	<b>154</b>
<b>Debt Capacity Information</b> <i>These schedules present information to help the reader assess the affordability of the County’s current levels of outstanding debt and the County’s ability to issue additional debt in the future.</i>	<b>158</b>
<b>Demographic and Economic Information</b> <i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the County’s financial activities take place.</i>	<b>162</b>
<b>Operating Information</b> <i>These schedules contain service and infrastructure data to help the reader understand how the information in the County’s financial report relates to the services the County provides and the activities it performs.</i>	<b>164</b>

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

	Fiscal Year				
	2019	2018	2017	2016	2015
<b>Governmental activities</b>					
Net investment in capital assets	\$ 477,673,000	\$ 473,434,362	\$ 465,703,178	\$ 463,522,036	\$ 462,894,048
Restricted	254,067,156	223,639,162 <sup>4</sup>	212,643,958	200,295,296	122,151,480
Unrestricted	(304,332,682)	(295,951,573) <sup>4</sup>	(287,817,986)	(295,628,894)	(284,103,120)
Total governmental activities net position	<u>\$ 427,407,474</u>	<u>\$ 401,121,951</u>	<u>\$ 390,529,150</u>	<u>\$ 368,188,438</u>	<u>\$ 300,942,408</u>
<b>Business-type activities</b>					
Net investment in capital assets	15,017,861	13,653,777	13,933,225	13,830,857	13,786,608
Unrestricted	(1,384,151)	(288,725)	48,914	120,373	(125,922)
Total business-type activities net position	<u>\$ 13,633,710</u>	<u>\$ 13,365,052</u>	<u>\$ 13,982,139</u>	<u>\$ 13,951,230</u>	<u>\$ 13,660,686</u>
<b>Primary government</b>					
Net investment in capital assets	\$ 492,690,861	\$ 487,088,139	\$ 479,636,403	\$ 477,352,893	\$ 476,680,656
Restricted	254,067,156	223,639,162	212,643,958	200,295,296	122,151,480
Unrestricted	(305,716,833)	(296,240,298) <sup>3</sup>	(287,769,072)	(295,508,521)	(284,229,042)
Total primary government net position	<u>\$ 441,041,184</u>	<u>\$ 414,487,003</u>	<u>\$ 404,511,289</u>	<u>\$ 382,139,668</u>	<u>\$ 314,603,094</u>

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

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

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

<sup>4</sup> 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)**

<b>Fiscal Year</b>					
<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	
					<b>Governmental activities</b>
\$ 451,748,610	\$ 408,961,062	\$ 380,366,107	\$ 364,775,065	\$ 366,707,988	Net investment in capital assets
120,830,163	133,820,602	117,783,378	84,063,560	49,100,180	Restricted
194,952,606	186,237,045	170,013,282	174,821,311	208,557,054	Unrestricted
<u>\$ 767,531,379</u>	<u>\$ 729,018,709</u>	<u>\$ 668,162,767</u>	<u>\$ 623,659,936</u>	<u>\$ 624,365,222</u>	Total governmental activities net position
					<b>Business-type activities</b>
14,944,288	15,397,568	\$ 18,601,811	\$ 19,226,808	\$ 19,827,763	Net investment in capital assets
(2,133,423)	(2,485,608)	(2,443,915)	(2,701,490)	(4,064,292)	Unrestricted
<u>\$ 12,810,865</u>	<u>\$ 12,911,960</u>	<u>\$ 16,157,896</u>	<u>\$ 16,525,318</u>	<u>\$ 15,763,471</u>	Total business-type activities net position
					<b>Primary government</b>
\$ 466,692,898	\$ 424,358,630	\$ 398,967,918	\$ 384,001,873	\$ 386,535,751	Net investment in capital assets
120,830,163	133,820,602	117,783,378 <sup>1</sup>	84,063,560	49,100,180	Restricted
<sup>2</sup> 192,819,183	183,751,437	167,569,367	172,119,821	204,492,762	Unrestricted
<u>\$ 780,342,244</u>	<u>\$ 741,930,669</u>	<u>\$ 684,320,663</u>	<u>\$ 640,185,254</u>	<u>\$ 640,128,693</u>	Total primary government net position

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

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

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

<sup>4</sup> 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				
	2019	2018	2017	2016	2015
<b>Expenses</b>					
Governmental activities:					
General government	\$ 79,056,546	\$ 73,469,037	\$ 67,637,800	\$ 59,995,941	\$ 59,188,293
Public protection	230,141,732	230,654,519	216,932,185	192,709,201	181,113,757
Public ways and facilities	21,057,877	17,220,809	12,289,760	12,263,841	12,830,930
Health services	173,753,194	172,280,422	154,787,811	139,577,649	119,305,842
Public assistance	154,082,791	152,732,632	151,158,894	140,560,811	143,509,809
Education and recreation	20,198,264	19,273,900	18,333,677	15,799,451	16,465,853
Interest /Principal on long-term debt	5,275,669	3,347,473	6,478,003	7,131,271	7,903,533
Total governmental activities expenses	<u>683,566,073</u>	<u>668,978,792</u>	<u>627,618,130</u>	<u>568,038,165</u>	<u>540,318,017</u>
Business-type activities:					
Nut Tree Airport	2,115,088	2,484,267	2,479,874	2,170,007	1,795,347
Fouts Springs Youth Facility	-	-	-	-	-
Total business-type activities expenses	<u>2,115,088</u>	<u>2,484,267</u>	<u>2,479,874</u>	<u>2,170,007</u>	<u>1,795,347</u>
Total primary government expenses	<u>\$ 685,681,161</u>	<u>\$ 671,463,059</u>	<u>\$ 630,098,004</u>	<u>\$ 570,208,172</u>	<u>\$ 542,113,364</u>
<b>Program Revenues</b>					
Governmental activities:					
Charges for services:					
General government	\$ 31,915,941	\$ 27,909,218	\$ 29,632,175	\$ 25,791,827	\$ 23,573,785
Public protection	23,141,178	24,068,536	27,317,906	24,663,484	23,718,639
Public ways and facilities	1,645,603	1,340,628	2,024,545	692,620	1,047,009
Health services	24,740,923	20,656,053	21,992,676	21,909,984	19,982,063
Public assistance	885,779	899,050	1,050,335	815,729	777,973
Education and recreation	5,485,544	5,340,178	5,056,884	4,985,508	4,728,478
Operating grants and contributions	395,493,586	394,074,363	364,091,668	374,303,152	327,406,268
Capital grants and contributions	7,441,552	15,947,090	9,003,256	6,479,698	10,087,170
Total governmental activities program revenues	<u>490,750,106</u>	<u>490,235,116</u>	<u>460,169,445</u>	<u>459,642,002</u>	<u>411,321,385</u>
Business-type activities:					
Charges for services:					
Nut Tree Airport	1,298,285	1,275,851	1,217,410	1,337,907	1,155,025
Fouts Springs Youth Facility	-	-	-	-	-
Operating grants and contributions	10,097	10,000	15,353	78,090	26,641
Capital grants and contributions	389,265	-	645,268	471,980	873,344
Total business-type activities	<u>1,697,647</u>	<u>1,285,851</u>	<u>1,878,031</u>	<u>1,887,977</u>	<u>2,055,010</u>
Total primary government program revenues	<u>\$ 492,447,753</u>	<u>\$ 491,520,967</u>	<u>\$ 462,047,476</u>	<u>\$ 461,529,979</u>	<u>\$ 413,376,395</u>
<b>Net (Expenses)/Revenue</b>					
Governmental activities	\$ (192,815,967)	\$ (178,743,676)	\$ (167,448,685)	\$ (108,396,163)	\$ (128,996,632)
Business-type activities	(417,441)	(1,198,416)	(601,843)	(282,030)	259,663
Total primary government net expenses	<u>\$ (193,233,408)</u>	<u>\$ (179,942,092)</u>	<u>\$ (168,050,528)</u>	<u>\$ (108,678,193)</u>	<u>\$ (128,736,969)</u>
<b>General Revenues and Other Changes in Net Position</b>					
Governmental activities:					
Property taxes <sup>1,2</sup>	183,109,543	176,386,218	161,830,558	151,646,535	\$ 144,946,469
Sales and use tax	2,500,227	2,555,289	2,295,605	2,205,404	1,874,065
Property transfer tax	3,090,546	3,152,653	2,868,703	3,675,622	3,649,100
Intergovernmental not restricted for specific programs <sup>1,2</sup>	3,614,085	3,176,226	2,839,406	1,914,486	1,877,564
Interest & investment earnings	10,863,331	2,632,607	1,274,998	4,090,078	1,514,552
Other	15,397,129	17,181,280	18,633,347	13,902,540	13,032,983
Gain on sale of capital assets	522,313	368,222	34,403	364,285	173,424
Special item - Fouts Springs Asset Impairment	-	-	-	(2,170,171)	-
Extraordinary item	-	-	-	-	-
Transfers	4,316	12,248	12,377	13,414	13,504
Total governmental activities	<u>219,101,490</u>	<u>205,464,743</u>	<u>189,789,397</u>	<u>175,642,193</u>	<u>167,081,661</u>
Business-type activities:					
Property taxes	441,618	427,871	387,912	362,009	344,987
Sales and use tax	-	-	-	3,482	5,125
Intergovernmental not restricted to specific programs	4,760	3,834	5,447	3,654	3,667
Interest & investment earnings	82,465	44,673	99,722	104,310	69,818
Other	161,572	132,133	152,048	106,783	463,606
Gain on sale of capital assets	-	-	-	5,750	84,986
Transfers	(4,316)	(12,248)	(12,377)	(13,414)	(13,504)
Total business-type activities	<u>686,099</u>	<u>596,263</u>	<u>632,752</u>	<u>572,574</u>	<u>958,685</u>
Total primary government	<u>\$ 219,787,589</u>	<u>\$ 206,061,006</u>	<u>\$ 190,422,149</u>	<u>\$ 176,214,767</u>	<u>\$ 168,040,346</u>
<b>Change in net position</b>					
Governmental activities	\$ 26,285,523	\$ 26,721,067	\$ 22,340,712	\$ 67,246,030	\$ 38,085,029
Business-type activities	268,658	(602,153)	30,909	290,544	1,218,348
Total primary government	<u>\$ 26,554,181</u>	<u>\$ 26,118,914</u>	<u>\$ 22,371,621</u>	<u>\$ 67,536,574</u>	<u>\$ 39,303,377</u>

<sup>1</sup> 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.

<sup>2</sup> 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				
2014	2013	2012	2011	2010		
\$ 60,861,259	\$ 58,013,267	\$ 56,978,971	\$ 62,456,530	\$ 62,720,766		
175,087,740	161,558,477	158,553,975	157,078,830	164,196,516		
13,212,138	13,024,689	15,182,777	12,760,561	12,148,729		
111,915,241	111,863,567	110,120,877	108,700,791	104,435,728		
138,041,533	133,282,542	133,556,741	144,667,818	140,870,819		
16,863,034	15,932,037	16,783,519	17,739,331	19,241,131		
8,240,086	9,071,006	9,528,897	10,186,688	11,038,872		
<u>524,221,031</u>	<u>502,745,585</u>	<u>500,705,757</u>	<u>513,590,549</u>	<u>514,652,561</u>		
2,245,311	2,292,965	1,609,696	1,817,231	2,531,275		
-	-	635,756	4,073,152	3,888,424		
<u>2,245,311</u>	<u>2,292,965</u>	<u>2,245,452</u>	<u>5,890,383</u>	<u>6,419,699</u>		
<u>\$ 526,466,342</u>	<u>\$ 505,038,550</u>	<u>\$ 502,951,209</u>	<u>\$ 519,480,932</u>	<u>\$ 521,072,260</u>		
\$ 21,330,435	\$ 22,872,816	\$ 21,363,951	\$ 22,521,426	\$ 24,664,412		
21,607,698	20,884,186	20,122,142	20,203,371	18,382,235		
893,177	2,129,249	1,769,591	1,191,080	1,081,929		
16,916,414	18,245,926	22,441,636	21,718,347	18,236,407		
823,854	990,625	860,217	1,193,714	987,213		
4,353,801	4,884,617	5,277,053	5,223,005	5,154,002		
300,219,598	303,110,940	287,589,862	290,072,372	264,136,077		
40,408,651	31,331,388	4,286,121	3,165,238	14,076,600		
<u>406,553,628</u>	<u>404,449,747</u>	<u>363,710,573</u>	<u>365,288,553</u>	<u>346,718,875</u>		
1,779,109	1,141,484	477,917	525,217	1,277,477		
-	-	400,353	3,126,145	3,310,703		
-	10,000	165,321	540,479	548,965		
-	-	-	2,098,493	-		
<u>1,779,109</u>	<u>1,151,484</u>	<u>1,043,591</u>	<u>6,290,334</u>	<u>5,137,145</u>		
<u>\$ 408,332,737</u>	<u>\$ 405,601,231</u>	<u>\$ 364,754,164</u>	<u>\$ 371,578,887</u>	<u>\$ 351,856,020</u>		
\$ (117,667,403)	\$ (98,295,838)	\$ (136,995,184)	\$ (148,301,996)	\$ (167,933,686)		
(466,202)	(1,141,481)	(1,201,861)	399,951	(1,282,554)		
<u>\$ (118,133,605)</u>	<u>\$ (99,437,319)</u>	<u>\$ (138,197,045)</u>	<u>\$ (147,902,045)</u>	<u>\$ (169,216,240)</u>		
\$ 132,737,838	\$ 124,547,765	\$ 116,937,628	\$ 109,322,638	\$ 112,720,861		
2,072,728	2,136,820	1,851,294	1,203,681	3,802,198		
1,930,684	1,792,160	1,622,877	1,490,597	1,652,158		
1,923,733	13,291,297	12,120,126	23,601,639	20,607,668		
1,580,598	692,890	1,525,567	1,926,203	2,744,934		
15,388,819	15,805,088	16,125,278	18,716,998	19,692,717		
532,534	506,147	115,259	-	37,694		
-	-	-	-	-		
-	-	8,809,741	(8,809,741)	-		
13,139	2,542,601	(432,279)	144,695	93,446		
<u>156,180,073</u>	<u>161,314,768</u>	<u>158,675,491</u>	<u>147,596,710</u>	<u>161,351,676</u>		
313,311	292,366	265,191	239,913	246,828		
-	-	-	-	-		
77,445	42,879	27,214	48,430	50,857		
(12,510)	1,131	(1,778)	453	1,168		
-	101,770	107,233	217,795	109,083		
-	-	4,300	-	15,300		
(13,139)	(2,542,601)	432,279	(144,695)	(93,446)		
<u>365,107</u>	<u>(2,104,455)</u>	<u>834,439</u>	<u>361,896</u>	<u>329,790</u>		
<u>\$ 156,545,180</u>	<u>\$ 159,210,313</u>	<u>\$ 159,509,930</u>	<u>\$ 147,958,606</u>	<u>\$ 161,681,466</u>		
\$ 38,512,670	\$ 63,018,930	\$ 21,680,307	\$ (705,286)	\$ (6,582,010)		
(101,095)	(3,245,936)	(367,422)	761,847	(952,764)		
<u>\$ 38,411,575</u>	<u>\$ 59,772,994</u>	<u>\$ 21,312,885</u>	<u>\$ 56,561</u>	<u>\$ (7,534,774)</u>		

**Expenses**

Governmental activities:  
 General government  
 Public protection  
 Public ways and facilities  
 Health services  
 Public assistance  
 Education and recreation  
 Interest /Principal on long-term debt  
 Total governmental activities expenses

Business-type activities:  
 Nut Tree Airport  
 Fouts Springs Youth Facility  
 Total business-type activities expenses  
 Total primary government expenses

**Program Revenues**

Governmental activities:  
 Charges for services:  
 General government  
 Public protection  
 Public ways and facilities  
 Health services  
 Public assistance  
 Education and recreation  
 Operating grants and contributions  
 Capital grants and contributions  
 Total governmental activities program revenues

Business-type activities:  
 Charges for services:  
 Nut Tree Airport  
 Fouts Springs Youth Facility  
 Operating grants and contributions  
 Capital grants and contributions  
 Total business-type activities  
 Total primary government program revenues

**Net (Expenses)/Revenue**

Governmental activities  
 Business-type activities  
 Total primary government net expenses

**General Revenues and Other Changes in Net Position**

Governmental activities:  
 Property taxes <sup>1,2</sup>  
 Sales and use tax  
 Property transfer tax  
 Intergovernmental not restricted  
 for specific programs <sup>1,2</sup>  
 Interest & investment earnings  
 Other  
 Gain on sale of capital assets  
 Special item - Fouts Springs Asset Impairment  
 Extraordinary item  
 Transfers  
 Total governmental activities

Business-type activities:  
 Property taxes  
 Sales and use tax  
 Intergovernmental not restricted  
 for specific programs  
 Interest & investment earnings  
 Other  
 Gain on sale of capital assets  
 Transfers  
 Total business-type activities  
 Total primary government

**Change in net position**

Governmental activities  
 Business-type activities  
 Total primary government

<sup>1</sup> 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.

<sup>2</sup> 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				
	2019	2018	2017	2016	2015
<b>General Fund</b>					
Nonspendable	\$ 10,102,058	\$ 13,975,538	\$ 16,971,649	\$ 20,793,326	\$ 22,924,625
Restricted	31,105,976	20,313,731	20,183,028	20,169,578	-
Committed	-	10,000,000	-	-	-
Assigned	85,111,871	74,313,394	77,440,865	56,125,895	71,430,601
Unassigned	47,285,332	45,131,591	46,425,122	56,619,344	56,380,489
Reserved	-	-	-	-	-
Unreserved	-	-	-	-	-
Total General Fund	<u>173,605,237</u>	<u>163,734,254</u>	<u>161,020,664</u>	<u>153,708,143</u>	<u>150,735,715</u>
<b>All Other Governmental Funds</b>					
Nonspendable	545,592	777,599	443,924	463,606	500,195
Restricted	216,363,816	188,377,079	157,770,543	136,976,702	109,340,358
Committed	43,263	45,191	49,861	49,887	50,366
Assigned	17,870,047	19,440,507	13,861,173	17,195,001	10,932,739
Unassigned	-	-	-	(3,360,335)	(7,911,731)
Reserved	-	-	-	-	-
Unreserved, reported in:					
Special revenue funds	-	-	-	-	-
Capital projects funds	-	-	-	-	-
Debt service funds	-	-	-	-	-
Total all other governmental funds	<u>234,822,718</u>	<u>208,640,376</u>	<u>172,125,501</u>	<u>151,324,861</u>	<u>112,911,927</u>
Total Governmental Funds	<u>\$ 408,427,955</u>	<u>\$ 372,374,630</u>	<u>\$ 333,146,165</u>	<u>\$ 305,033,004</u>	<u>\$ 263,647,642</u>

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

<sup>2</sup> 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)**

		<b>Fiscal Year</b>					
<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011<sup>1</sup></u>	<u>2010</u>			
\$ 25,120,243	\$ 28,688,741	\$ 28,132,718	\$ 26,693,402	\$ -	<b>General Fund</b>		
-	-	-	-	-	Nonspendable		
-	-	-	6,939,235	-	Restricted		
60,823,273	56,772,645	52,648,041	44,755,155	-	Committed		
48,155,310	46,984,508	38,838,327	35,958,787	-	Assigned		
-	-	-	-	32,155,440	Unassigned		
-	-	-	-	72,033,076	Reserved		
-	-	-	-	-	Unreserved		
<u>134,098,826</u>	<u>132,445,894</u>	<u>119,619,086</u>	<u>114,346,579</u>	<u>104,188,516</u>	Total General Fund		
					<b>All Other Governmental Funds</b>		
291,228	782,082	1,336,399	210,939	-	Nonspendable		
114,002,959	121,555,423	105,372,056	77,133,751	-	Restricted		
55,605	55,668	130,470	-	-	Committed		
11,834,335	10,755,939	8,458,102	22,939,415	-	Assigned		
(10,327,470)	(10,851,741)	(9,480,728)	(8,999,065)	-	Unassigned		
-	-	-	-	55,243,886	Reserved		
-	-	-	-	-	Unreserved, reported in:		
-	-	-	-	58,798,913	Special revenue funds		
-	-	-	-	2,449,680	Capital projects funds		
-	-	-	-	(14,940,959)	Debt service funds		
<u>115,856,657</u>	<u>122,297,371</u>	<u>105,816,299</u>	<u>91,285,040</u>	<u>101,551,520</u>	Total all other governmental funds		
<u>\$ 249,955,483</u>	<u>\$ 254,743,265</u>	<u>\$ 225,435,385</u>	<u>\$ 205,631,619</u>	<u>\$ 205,740,036</u>	Total Governmental Funds		

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

<sup>2</sup> 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)**

	<b>Fiscal Year</b>				
	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
<b>Revenues</b>					
Taxes <sup>1,2</sup>	\$ 194,068,835	\$ 186,882,358	\$ 171,792,616	\$ 162,324,754	\$ 154,803,301
Licenses, permits and franchises	8,402,167	8,166,519	8,350,884	7,484,494	6,918,658
Fines, forfeitures and penalties	4,783,007	4,116,565	4,290,715	2,900,149	4,657,052
Use of money and property	11,077,677	3,441,661	2,152,771	4,806,418	2,245,536
Intergovernmental <sup>1,2</sup>	399,399,685	409,443,616	376,016,261	373,048,915	332,852,098
Charges for services	108,203,867	99,348,998	100,691,445	95,824,088	85,590,180
Miscellaneous	13,696,409	15,153,076	17,303,850	12,612,098	11,334,290
<b>Total revenues</b>	<b>739,631,647</b>	<b>726,552,793</b>	<b>680,598,542</b>	<b>659,000,916</b>	<b>598,401,115</b>
<b>Expenditures</b>					
General government	70,449,084	63,263,740 <sup>3</sup>	62,211,200	58,206,806	55,248,628
Public protection	237,568,546	229,238,542 <sup>3</sup>	215,769,297	201,999,957	186,219,711
Public ways and facilities	17,280,474	12,916,965	9,506,002	9,533,830	9,537,130
Health services	172,336,799	169,518,036	155,248,529	145,056,247	123,563,230
Public assistance	152,889,849	151,171,061	153,392,023	147,897,111	147,077,648
Education and recreation	20,375,647	19,300,344	18,653,711	16,980,865	17,539,688
Debt service:					
Principal	9,057,219	14,525,000	13,670,000	12,480,000	12,110,000
Interest and other charges	4,884,300	6,248,032	6,725,097	7,349,677	7,941,874
Debt issuance cost		491,679	-	-	-
Capital outlay	18,710,135	22,328,519	17,432,575	18,392,297	25,673,405
<b>Total expenditures</b>	<b>703,552,053</b>	<b>689,001,918</b>	<b>652,608,434</b>	<b>617,896,790</b>	<b>584,911,314</b>
Excess of revenues over (under) expenditures	36,079,594	37,550,875	27,990,108	41,104,126	13,489,801
<b>Other Financing Sources (Uses)</b>					
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	171,831,142	162,322,345	151,241,220	148,952,103	133,092,548
Transfers out	(172,670,583)	(163,261,483)	(151,254,665)	(148,891,568)	(133,107,304)
Sale of capital assets	234,387	257,941	136,498	220,702	217,114
<b>Total other financing sources (uses)</b>	<b>(26,269)</b>	<b>1,677,590</b>	<b>123,053</b>	<b>281,237</b>	<b>202,358</b>
<b>Extraordinary Item</b>					
Amount to be paid to State of California per AB99	-	-	-	-	-
<b>Net change in fund balances</b>	<b>\$ 36,053,325</b>	<b>\$ 39,228,465</b>	<b>\$ 28,113,160</b>	<b>\$ 41,385,363</b>	<b>\$ 13,692,159</b>
Debt service as a percentage of noncapital expenditures	2.04%	3.12%	3.21%	3.31%	3.59%

<sup>1</sup> 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.

<sup>2</sup> 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.

<sup>3</sup> 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)**

		<b>Fiscal Year</b>					
<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>			
					<b>Revenues</b>		
\$ 141,480,199	\$ 132,951,338	\$ 124,191,293	\$ 116,385,423	\$ 121,801,475	Taxes <sup>1,2</sup>		
6,645,857	6,614,052	6,761,316	6,580,255	5,763,943	Licenses, permits and franchises		
4,544,687	4,345,235	3,856,956	4,146,885	4,883,821	Fines, forfeitures and penalties		
2,317,618	1,447,711	2,237,164	2,542,856	3,419,568	Use of money and property		
341,824,163	342,485,211	295,317,970	309,499,470	297,119,249	Intergovernmental <sup>1,2</sup>		
74,868,262	80,035,651	82,663,958	89,632,816	86,456,048	Charges for services		
13,743,165	14,113,078	15,087,609	17,068,861	17,617,361	Miscellaneous		
<u>585,423,951</u>	<u>581,992,276</u>	<u>530,116,266</u>	<u>545,856,566</u>	<u>537,061,465</u>	Total revenues		
					<b>Expenditures</b>		
56,452,888	52,761,722	51,734,638	55,690,156	57,522,204	General government		
176,068,476	163,116,516	161,424,508	162,891,649	170,823,420	Public protection		
9,576,875	8,910,754	11,085,389	9,619,806	9,170,245	Public ways and facilities		
113,485,686	114,501,766	113,838,461	112,350,121	108,637,073	Health services		
138,779,333	134,536,688	135,210,563	146,596,884	144,765,442	Public assistance		
17,026,116	16,052,937	16,940,619	18,828,034	20,215,842	Education and recreation		
					Debt service:		
13,006,530	13,770,731	13,356,531	8,663,794	12,465,882	Principal		
8,590,661	9,107,362	9,724,218	10,227,822	11,266,372	Interest and other charges		
-	-	-	25,590	254,727	Debt issuance cost		
58,333,218	46,057,154	28,929,685	13,007,061	41,366,813	Capital outlay		
<u>591,319,783</u>	<u>558,815,630</u>	<u>542,244,612</u>	<u>537,900,917</u>	<u>576,488,020</u>	Total expenditures		
(5,895,832)	23,176,646	(12,128,346)	7,955,649	(39,426,555)	Excess of revenues over (under) expenditures		
					<b>Other Financing Sources (Uses)</b>		
-	-	-	(10,000,000)	(17,970,000)	Payment to refunded bond escrow agent		
-	-	-	10,000,000	16,745,000	Issuance of refunding bonds		
-	5,420,000	-	-	-	Debt issuance		
-	-	-	-	889,673	Premium on debt		
133,504,312	123,964,225	125,753,015	148,145,491	165,741,868	Transfers in		
(132,857,615)	(123,747,059)	(125,886,468)	(147,627,772)	(165,502,698)	Transfers out		
461,353	494,068	433,300	227,956	137,432	Sale of capital assets		
<u>1,108,050</u>	<u>6,131,234</u>	<u>299,847</u>	<u>745,675</u>	<u>41,275</u>	Total other financing sources (uses)		
					<b>Extraordinary Item</b>		
-	-	8,809,741	(8,809,741)	-	Amount to be paid to State of California per AB99		
<u>\$ (4,787,782)</u>	<u>\$ 29,307,880</u>	<u>\$ (3,018,758)</u>	<u>\$ (108,417)</u>	<u>\$ (39,385,280)</u>	Net change in fund balances		
4.05%	4.46%	4.50%	3.60%	4.43%	Debt service as a percentage of noncapital expenditures		

<sup>1</sup> 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.

<sup>2</sup> 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.

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

Source: Audited Financial Statements

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

Fiscal Year	Real Property <sup>^</sup>				Personal Property	Exemptions	Total	Total Direct Tax Rate
	Residential Property	Commercial Property	Manufacturing Property	Other				
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
2010	27,075,951,692	4,508,746,880	5,168,402,363	2,843,365,829	2,327,189,005	(2,666,710,367)	39,256,945,402	1.000000

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

Source: County of Solano - Assessor's Office

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

<b>Fiscal Year</b>	<b>County Direct Rates (1)</b>		<b>Overlapping Rates (1)</b>		<b>Total</b>
	<b>Countywide Tax</b>	<b>Local Special Districts</b>	<b>Schools</b>	<b>Cities</b>	
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
2010	1.000000	2.405334	0.501169	0.052144	3.958647

Note:

<sup>1</sup> 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, 2019 and June 30, 2010**

<b>Taxpayer</b>	<b>June 30, 2019</b>			<b>June 30, 2010</b>		
	<b>Assessed Value</b>	<b>Rank</b>	<b>Percentage of Total County Taxable Assessed Value</b>	<b>Assessed Value</b>	<b>Rank</b>	<b>Percentage of Total County Taxable Assessed Value</b>
Valero Refining Company - Calif	\$ 932,499,199	1	1.62%	\$ 866,393,232	2	2.21%
Genentech Inc	845,638,316	2	1.47%	1,297,322,248	1	3.30%
Pacific Gas & Electric Company	789,322,912	3	1.37%	475,392,503	3	1.21%
Anheuser-Busch, Inc.	308,747,472	4	0.54%	268,849,460	5	0.68%
Solano 3 Wind LLC	192,951,674	5	0.33%			
Shiloh Wind Project II, LLC	192,508,182	6	0.33%	358,983,403	4	0.91%
Star-West Solano, LLC	187,347,022	7	0.33%			
California Northern Railroad	172,303,859	8	0.30%	149,317,486	9	0.38%
Invitation Homes Inc	167,735,940	9	0.29%			
PW Fund A LP	166,300,676	10	0.29%			
Shiloh I Wind Project LLC	-			205,691,143	6	0.52%
Alza Corporation	-			191,594,471	7	0.49%
High Winds LLC	-			175,681,999	8	0.45%
Pacific Bell	-			127,792,113	10	0.33%
<b>Totals</b>	<b>\$ 3,955,355,252</b>		<b>6.85%</b>	<b>\$ 4,117,018,058</b>		<b>10.48%</b>

Sources: FY 1920 Adopted Budget-Statistical Profile

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

Fiscal Year	Original Levy	Adjustments	Adjusted Levy <sup>1</sup>	Collected in First Period		Collections in Subsequent Periods	Total Collections	
				Amount	% of Original Levy		Amount	% of Adjusted Levy
2019	\$ 636,561,849	\$ (1,697,598)	\$ 634,864,251	\$ 626,180,088	98.4%	\$ -	\$ 626,180,088	98.6%
2018	594,823,398	(3,577,112)	591,246,286	581,967,925	97.8%	3,148,135	585,116,060	99.0%
2017	565,327,777	(1,766,612)	563,561,165	556,244,085	98.4%	3,920,720	560,164,805	99.4%
2016	520,975,609	(916,279)	520,059,330	512,446,685	98.4%	4,464,872	516,911,557	99.4%
2015	487,553,003	(1,438,301)	486,114,702	480,455,988	98.5%	4,368,432	484,824,420	99.7%
2014	441,007,173	(2,078,099)	438,929,074	433,568,088	98.3%	4,749,225	438,317,313	99.9%
2013	410,157,511	(2,667,716)	407,489,795	400,877,231	97.7%	5,596,851	406,474,082	99.8%
2012	422,207,151	(2,300,013)	419,907,138	412,665,682	97.7%	7,077,351	419,743,033	100.0%
2011	429,379,973	(796,607)	428,583,366	418,950,465	97.6%	9,331,693	428,282,158	99.9%
2010	443,248,555	(4,373,461)	438,875,094	426,044,998	96.1%	12,798,758	438,843,756	100.0%

<sup>1</sup> 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**

	<b>Fiscal Year</b>				
	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
<b>Governmental Activities</b>					
Notes payable	\$ 1,410,456	\$ 1,023,890	\$ 1,023,890	\$ 1,023,890	\$ 1,031,823
Capital leases	-	-	-	-	-
Certificates of participation	79,129,675	86,358,199	93,958,755	99,916,146	105,613,538
Pension obligation bonds	23,375,000	26,085,000	32,880,000	40,810,000	47,810,000
<b>Business-Type Activities</b>					
Notes payable	2,617,237	-	-	-	-
<b>Total primary government</b>	<b>\$ 106,532,368</b>	<b>\$ 113,467,089</b>	<b>\$ 127,862,645</b>	<b>\$ 141,750,036</b>	<b>\$ 154,455,361</b>
<b>Percentage of Personal Income <sup>1</sup></b>	0.48%	0.53%	0.62%	0.72%	0.80%
<b>Percentage of Actual Value of Taxable Property <sup>2</sup></b>	0.18%	0.21%	0.25%	0.29%	0.34%
<b>Per Capita <sup>1</sup></b>	\$ 241.40	\$ 258.00	\$ 293.25	\$ 328.51	\$ 359.57

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

<sup>2</sup> See the 'Assessed Value 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**

		<b>Fiscal Year</b>					
<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>			
\$ 1,039,756	\$ 1,047,689	\$ 1,055,622	\$ 1,023,890	\$ 1,023,890	<b>Governmental Activities</b>		
-	81,530	302,261	513,792	1,122,586	Notes payable		
111,805,931	117,608,322	117,765,005	120,868,119	125,852,804	Capital leases		
53,945,000	61,285,000	69,630,000	77,805,000	81,105,000	Certificates of participation		
					Pension obligation bonds		
-	-	-	-	39,297	<b>Business-Type Activities</b>		
					Notes payable		
<u>\$ 166,790,687</u>	<u>\$ 180,022,541</u>	<u>\$ 188,752,888</u>	<u>\$ 200,210,801</u>	<u>\$ 209,143,577</u>	<b>Total primary government</b>		
0.90%	1.00%	1.06%	1.21%	1.33%	<b>Percentage of Personal Income <sup>1</sup></b>		
0.38%	0.44%	0.49%	0.52%	0.53%	<b>Percentage of Actual Value of Taxable Property <sup>2</sup></b>		
\$ 392.29	\$ 430.28	\$ 456.16	\$ 484.03	\$ 506.13	<b>Per Capita <sup>1</sup></b>		

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

<sup>2</sup> See the 'Assessed Value 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**

<b>Fiscal Year</b>	<b>Total Gross Pension Obligation Bonds</b>	<b>Amounts Restricted for Principal Payments</b>	<b>Total Net Pension Obligation Bonds</b>	<b>(1) Actual Taxable Value of Property</b>	<b>Percentage of Actual Taxable Value of Property</b>	<b>(2) Population</b>	<b>Net Bonded Debt per Capita</b>
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
2010	81,105,000	4,761,180	76,343,820	39,256,945,402	0.19%	413,220	184.75

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

<sup>2</sup> '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**

<b>Fiscal Year</b>	<b>(1) Assessed Value of Property</b>	<b>(2) Debt Limit, 5% of Assessed Value</b>	<b>(3) Debt Applicable to the Limit</b>	<b>(4) Legal Debt Margin</b>	<b>Total net debt applicable to the limit as a percentage of debt limit</b>
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%
2010	39,256,945,402	1,962,847,270	81,105,000	1,881,742,270	4.13%
2009	40,873,042,919	2,043,652,146	88,830,000	1,954,822,146	4.35%

**Notes:**

- (1) Assessed property value data can be found in Report "Assessed Value 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> <sup>1</sup>	<u>Population</u> <sup>2</sup>	<u>Personal Income</u> <sup>3</sup>	<u>Per Capita Personal Income</u> <sup>3</sup>	<u>Unemployment Rate</u> <sup>5</sup>
2019	441,307	\$ 22,335,602,540 <sup>4</sup>	\$ 50,612 <sup>4</sup>	3.9%
2018	439,793	21,395,947,591 <sup>4</sup>	48,650 <sup>4</sup>	4.2%
2017	436,023	20,749,942,201 <sup>4</sup>	47,589 <sup>4</sup>	4.6%
2016	431,498	19,778,909,530 <sup>4</sup>	45,838 <sup>4</sup>	6.0%
2015	429,552	19,223,389,084 <sup>4</sup>	44,752 <sup>4</sup>	5.9%
2014	425,169	18,631,142,897 <sup>4</sup>	42,073	8.1%
2013	418,387	18,057,143,000	42,509	8.9%
2012	413,786	17,820,859,000	43,068	11.1%
2011	413,635	16,560,042,000	40,035	12.3%
2010	413,220	15,709,725,000	38,018	12.2%

**Detail of estimated population, as of May 1, 2019:**

Incorporated Cities

Benicia	27,570
Dixon	19,794
Fairfield	117,149
Rio Vista	9,416
Suisun City	29,447
Vacaville	98,807
Vallejo	119,544
Total of Incorporated	<u>421,727</u>
Total of Unincorporated Areas	<u>19,580</u>
Total Population	<u><u>441,307</u></u>

<sup>1</sup> Calendar year

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

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

<sup>4</sup> Estimated amounts

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

**COUNTY OF SOLANO, CALIFORNIA**  
**Principal Employers**  
**June 30, 2019 and June 30, 2010**

Employer	June 30, 2019			June 30, 2010		
	Employees	Rank	Percentage of Total County Employment <sup>1</sup>	Employees	Rank	Percentage of Total County Employment <sup>1</sup>
Travis AFB	12,512	1	6.31%	11,030	1	5.84%
Kaiser Permanente - Vallejo	3,181	2	1.60%	3,262	2	1.73%
County of Solano	3,050	1	1.54%	2,559	3	1.35%
Fairfield-Suisun Unified School District	2,782	1	1.40%	1,767	4	0.94%
NorthBay Healthcare System (formerly NorthBay Medical Center)	2,700	1	1.36%	1,480	7	0.78%
Six Flags Discovery Kingdom	2,460	1	1.24%	1,500	6	0.79%
Kaiser Permanente - Vacaville	2,091	2	1.05%	n/a	3	
Vacaville Unified School District	1,352	2	0.68%	1,067	8	0.56%
Vallejo City Unified School District	1,336	1	0.67%	1,684	5	0.89%
California State Prison Solano	1,259	1	0.63%	n/a	3	
Genentech Inc.				950	9	0.50%
Alza Corporation				n/a	3	
Wal-Mart				890	10	0.47%
Totals	<u>32,723</u>		<u>16.48%</u>	<u>26,189</u>		<u>13.85%</u>

<sup>1</sup> Employment figure from the Solano Economic Development Corporation as of October 2019.

<sup>2</sup> Employment figure from the Solano Economic Development Corporation as of October 2018.

<sup>3</sup> Employment figure as of June 30, 2010 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				
	2019	2018	2017	2016	2015
<b>Function/Program</b>					
General government	264.75	258.75	260.00	255.75	239.30
Public protection	1,195.50	1,185.00	1,196.50	1,191.50	1,092.50
Public ways and facilities	67.00	65.00	65.00	64.00	64.00
Health services	543.15	538.30	526.30	523.80	492.70
Public assistance	763.75	769.25	788.75	785.75	735.65
Education and recreation	127.80	127.55	118.75	118.75	116.00
Nut Tree Airport	3.00	3.00	3.00	3.00	3.00
Fouts Springs Youth Facility	-	-	-	-	-
Internal service	81.70	80.70	82.70	73.30	61.60
<b>Total</b>	<u>3,046.65</u>	<u>3,027.55</u>	<u>3,041.00</u>	<u>3,015.85</u>	<u>2,804.75</u>

Source: County of Solano Recommended & Adopted Budget

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

<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	
					<b>Function/Program</b>
235.55	230.55	227.05	250.25	271.50	General government
1,071.00	1,006.50	951.50	992.25	1,160.00	Public protection
61.00	60.50	61.50	63.50	73.50	Public ways and facilities
486.90	455.30	421.70	460.10	477.10	Health services
698.75	641.55	623.30	639.00	674.50	Public assistance
116.10	118.50	124.23	140.50	151.23	Education and recreation
3.00	3.00	3.00	4.00	5.00	Nut Tree Airport
-	-	-	29.00	30.00	Fouts Springs Youth Facility
60.60	57.60	57.00	64.00	79.50	Internal service
<u>2,732.90</u>	<u>2,573.50</u>	<u>2,469.28</u>	<u>2,642.60</u>	<u>2,922.33</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									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>General government</b>										
Clerk-Recorder-Assessor - documents recorded	95,427	115,419	137,913	124,640	121,225	110,113	147,244	133,970	131,249	122,646
<b>Public protection</b>										
Number of felony cases filed-District Attorney #	2,290	2,375	2,890	2,894	4,971	3,706	3,491	3,030	3,538	3,722
Number of misdemeanor cases filed-District Attorney #	5,776	6,400	7,295	5,084	5,302	4,469	4,594	5,676	9,281	8,211
Number of juvenile petitions-District Attorney #	137	112	387	369	360	396	383	534	876	1,191
Number of Bookings-Sheriff	14,124	15,695	15,677	16,441	16,143	15,410	14,578	14,628	14,767	16,323
Average Daily Population-Juvenile Hall	34	36	55	63	57	65	67	73	76	80
Average Daily Population-New Foundation	7	6	7	13	12	19	22	23	29	24
Average Intake-Juvenile Hall	29	32	45	55	53	73	100	106	133	141
Number of building permits issued	754	827	926	853	1,016	834	728	729	614	545
<b>Public ways and facilities</b>										
Miles of roads maintained	577	578	577	577	577	578	579	585	586	586
<b>Health services &amp; public assistance</b>										
Average monthly medical clinic visits	5,257	5,226	5,456	5,270	5,419	4,897	4,492	3,700	3,886	3,641
Average monthly dental clinic visits	1,432	1,549	1,425	1,277	1,326	1,116	758	514	608	616
Average monthly food stamp recipients	36,079	40,410	43,683	48,773	43,668	42,583	41,034	39,539	37,051	33,102
Average monthly MediCal beneficiaries	105,487	114,699	120,691	121,711	111,560	85,847	74,476	68,652	67,867	65,850
Average monthly CalWorks cash assistance recipients	8,400	11,809	13,896	15,997	13,058	12,976	13,293	14,215	15,466	15,443
Average monthly General Relief recipients	453	438	465	589	722	747	899	1,018	1,128	1,141
<b>Education and recreation</b>										
Total circulation	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	4,101,677 *
Total circulation - SNAPweb	320,965	333,778	351,905	485,580	574,920	646,576	740,574	808,163	838,622	812,830 *
Number of library patrons	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	2,206,518
Number of parks	4	4	4	4	4	4	4	4	4	4
Number of park visitors	196,813	217,900	191,730	183,653	194,793	190,916	181,090	180,495	185,453	182,434
<b>Nut Tree Airport</b>										
Takeoffs and landings	109,400	106,500	104,500	105,000	104,886	102,515	101,500	101,500	100,500	104,000
<b>Fouts Springs Youth Facility (FSYF)</b>										
Average Daily Population	-	-	-	-	-	-	-	- ^	43	47
<b>Internal service</b>										
Number of Fleet Vehicles	532	532	513	507	472	458	464	468	482	480
Number of Annual Fleet Miles Driven	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	4,299,929

# 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									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
General government										
Buildings	18	18	18	18	17	17	17	17	17	16
Public protection										
Sheriff sub stations	-	-	-	-	-	-	-	-	-	1
Patrol units	33	29	29	28	24	24	22	21	21	20
Jail and detention facilities	4	4	4	4	4	3	3	3	3	3
Public ways and facilities										
Miles of roads #	577	578	577	577	577	578	579	585	586	586
Health services & public assistance										
Clinics & administration buildings	6	6	6	6	6	6	7	6	6	8
Education and recreation										
Branch libraries	8	8	8	8	8	8	8	8	8	8
Veterans buildings	6	6	6	6	6	6	6	6	6	6
Public parks acreage	1,254	1,254	1,254	1,254	1,254	1,259	1,259	1,259	1,259	1,259
Nut Tree Airport										
Number of runways	1	1	1	1	1	1	1	1	1	1
Fouts Springs Youth Facility										
Detention facilities *	-	-	-	-	-	-	-	1	1	1

# Information based on calendar year

\* Fouts assets transferred to General government in 2013.

Source: Various County departments

(This page intentionally left blank)





# SOLANO COUNTY

**Phyllis S. Taynton, CPA**  
**Auditor-Controller**  
**675 Texas Street, Suite 2800**  
**Fairfield, CA 94533**  
**[www.solanocounty.com](http://www.solanocounty.com)**



Federal Awards Reports in Accordance  
with the Uniform Guidance  
For the Fiscal Year Ending June 30, 2019  
**County of Solano, California**

Independent Auditor’s Report on Internal Control over Financial Reporting and on  
Compliance and Other Matters Based on an Audit of Financial Statements Performed  
in Accordance with *Government Auditing Standards* ..... 1

Independent Auditor’s Report on Compliance for Each Major Federal Program; Report on  
Internal Control over Compliance; Report on Schedule of Expenditures of  
Federal Awards Required by the Uniform Guidance; and Report on Supplemental Schedule  
of Office of California State Department of Aging Grants ..... 3

Schedule of Expenditures of Federal Awards ..... 6

Notes to Schedule of Expenditures of Federal Awards ..... 10

Schedule of Findings and Questioned Costs ..... 11

Summary Schedule of Prior Audit Findings ..... 21

Supplemental Schedule of Office of California State Department of Aging Grants ..... 22



**Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards***

To the Board of Supervisors  
County of Solano, California

We have audited, 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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate discretely presented component units and remaining fund information of the County of Solano, California (County), as of and for the year then ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the County’s basic financial statements and have issued our report thereon dated December 18, 2019.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the County’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

Sacramento, California  
December 18, 2019



**Independent Auditor’s Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance; and Supplemental Schedule of Office of California State Department of Aging Grants**

To the Board of Supervisors  
County of Solano, California

**Report on Compliance for Each Major Federal Program**

We have audited the County of Solano, California’s (County) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the County’s major federal programs for the year ended June 30, 2019. The County’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

**Management’s Responsibility**

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

**Auditor’s Responsibility**

Our responsibility is to express an opinion on compliance for each of the County’s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the County’s compliance.

**Opinion on Each Major Federal Program**

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

**Other Matter**

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2019-001 through 2019-003. Our opinion on each major federal program is not modified with respect to these matters.

The County's response to the noncompliance findings identified in our audit is described in the accompanying corrective action plan. The County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

**Report on Internal Control over Compliance**

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses and significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, described in the accompanying schedule of findings and questioned costs as items 2019-002 and 2019-003 that we consider to be significant deficiencies.

The County's response to the internal control over compliance findings identified in our audit is described in the accompanying corrective action plan. The County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

**Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance and Supplemental Schedule of Office of California State Department of Aging Grants**

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate discretely presented component units and remaining fund information of the County as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated December 18, 2019, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. The supplemental schedule of Office of California State Department of Aging Grants is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 schedule of expenditures of federal awards and supplemental schedule of Office of California State Department of Aging Grants are fairly stated in all material respects in relation to the basic financial statements as a whole.

A handwritten signature in cursive script that reads "Eide Bailly LLP".

Sacramento, California  
January 31, 2019



County of Solano, California  
Schedule of Expenditures of Federal Awards  
For the Fiscal Year Ended June 30, 2019

Federal Agency	Pass-Through Agency CFDA Program Title or Cluster	CFDA No.	Pass-through or Direct Entity Award ID	Federal Expenditures	Expenditures to Subrecipients
<b>US Department of Agriculture (USDA)</b>					
Pass-Through Programs:					
California Department of Food and Agriculture (CDFA)					
	Plant and Animal Disease, Pest Control, and Animal Care	10.025	18-8506-1211-CA	\$ 122,134	\$ -
	Plant and Animal Disease, Pest Control, and Animal Care	10.025	18-8506-1317-CA	15,092	
	Plant and Animal Disease, Pest Control, and Animal Care	10.025	18-8506-1164-CA	2,094	
	Plant and Animal Disease, Pest Control, and Animal Care	10.025	18-8506-0572-CA	28,755	
	Plant and Animal Disease, Pest Control, and Animal Care	10.025	18-8506-0484-CA	92,008	
	Total Plant and Animal Disease, Pest Control, and Animal Care			<u>260,083</u>	<u>-</u>
California Department of Education					
Child Nutrition Cluster:					
	School Breakfast Program	10.553	48-10488-6051569-01	25,860	
	National School Lunch Program	10.555	48-10488-6051569-01	46,670	
	Total Child Nutrition Cluster			<u>72,530</u>	<u>-</u>
California Department of Public Health (CDPH)					
	Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	4265	2,475,535	-
SNAP Cluster:					
	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	SP-1819-28	47,250	41,086
	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	4265	453,591	212,016
California Department of Social Services (CDSS)					
	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	1946001347 A7	8,600,990	
	State Administrative Matching Grants for CalFresh Program/CALWIN	10.561	1946001347 A7	345,154	
	Total SNAP Cluster			<u>9,446,985</u>	<u>253,102</u>
California Department of Food and Agriculture (CDFA)					
	Forest Health Protection	10.680	14-DG-11052021-204	443	-
<b>US Department of Agriculture (USDA) Total</b>				<u>12,255,576</u>	<u>253,102</u>
<b>US Department of Housing and Urban Development (HUD)</b>					
Direct Programs:					
Section 8 Project-Based Cluster:					
	Section 8 Housing Assistance Payments Program	14.195	CA131 1419L9T181601; 1326L9T181602;	2,295,884	2,295,884
	Continuum of Care Program	14.267	1417L9T181601	38,559	
<b>US Department of Housing and Urban Development (HUD) Total</b>				<u>2,334,443</u>	<u>2,295,884</u>
<b>US Department of Justice (DOJ)</b>					
Direct Programs:					
	2019 Domestic Cannabis Eradication Suppression Program	16.U01	Not Applicable	1,829	
	Safe Streets Violent Crimes Initiative	16.U03	Not Applicable	17,746	
	2018 Domestic Cannabis Eradication Suppression Program	16.U02	Not Applicable	18,681	
	Grants to Encourage Arrest Policies and Enforcement of Protection Orders Program	16.590	Not Applicable	25,710	25,710
	State Criminal Alien Assistance Program (SCAAP)	16.606	Not Applicable	232,217	
	Equitable Sharing Program	16.922	Not Applicable	61,611	28,932
	Direct Programs Subtotal			<u>357,794</u>	<u>54,642</u>
Pass-Through Programs:					
California Office of Emergency Services (CalOES)					
	Paul Coverdell Forensic Sciences Improvement Program	16.742	CQ18070480	5,640	
	Crime Victim Assistance	16.575	VW18370480	485,154	
	Crime Victim Assistance	16.575	XC16010480	154,544	
	Crime Victim Assistance	16.575	XV15010480	148,295	
	Subtotal Crime Victim Assistance			<u>787,993</u>	<u>-</u>
	Pass-Through Programs Subtotal			<u>793,633</u>	<u>-</u>
<b>US Department of Justice (DOJ) Total</b>				<u>1,151,427</u>	<u>54,642</u>

County of Solano, California  
Schedule of Expenditures of Federal Awards  
For the Fiscal Year Ended June 30, 2019

Federal Agency	Pass-Through Agency CFDA Program Title or Cluster	CFDA No.	Pass-through or Direct Entity Award ID	Federal Expenditures	Expenditures to Subrecipients
<b>US Department of Labor (DOL)</b>					
Pass-Through Programs:					
State of California Employment Development Department (EDD)					
WIA/WIOA Cluster:					
	WIA/WIOA Adult Program	17.258	K9110061	\$ 876,035	\$ -
	WIA/WIOA Adult Program	17.258	K8106686	512,337	
	WIA/WIOA Adult Program	17.258	K7102074	213,363	
	Subtotal			<u>1,601,735</u>	<u>-</u>
	WIA/WIOA Youth Activities	17.259	K8106686	396,597	
	WIA/WIOA Youth Activities	17.259	K9110061	609,428	
	Subtotal			<u>1,006,025</u>	<u>-</u>
	WIA/WIOA Dislocated Worker Formula Grants	17.278	K8106686	545,368	
	WIA/WIOA Dislocated Worker Formula Grants	17.278	K9110061	1,036,600	
	Subtotal			<u>1,581,968</u>	<u>-</u>
	Total WIA/WIOA Cluster			<u>4,189,728</u>	<u>-</u>
<b>US Department of Labor (DOL) Total</b>				<u>4,189,728</u>	<u>-</u>
<b>US Department of Transportation (DOT)</b>					
Direct Programs:					
	Airport Improvement Program	20.106	Not Applicable	435,918	
Pass-Through Programs:					
California Department of Transportation (CalTrans)					
Highway Planning and Construction Cluster:					
	Highway Planning and Construction	20.205	5923	2,272,236	
	Total Highway Planning and Construction Cluster			<u>2,272,236</u>	<u>-</u>
California Office of Traffic Safety (OTS)					
	Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	AL19011Solano	234,619	
Highway Safety Cluster:					
	National Priority Safety Programs	20.616	D119020	196,213	
	National Priority Safety Programs	20.616	D118027	66,458	
	Total Highway Safety Cluster			<u>262,671</u>	<u>-</u>
<b>US Department of Transportation (DOT) Total</b>				<u>3,205,444</u>	<u>-</u>
<b>US Department of Education (DOE)</b>					
Pass-Through Programs:					
California Department of Education					
	Rehabilitation Services-Vocational Rehabilitation Grants to States	84.126	30452	2,029	
<b>US Department of Education (DOE) Total</b>				<u>2,029</u>	<u>-</u>
<b>US Department of Health and Human Services</b>					
Direct Programs:					
Health Centers Cluster:					
	Consolidated Health Centers (Community Health Centers, Migrant Health Centers, Health Care for the Homeless, and Public Housing Primary Care)	93.224	Not Applicable	1,269,359	
	Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease	93.918	Not Applicable	361,341	
	Direct Programs Subtotal			<u>1,630,700</u>	<u>-</u>

County of Solano, California  
Schedule of Expenditures of Federal Awards  
For the Fiscal Year Ended June 30, 2019

Federal Agency				
Pass-Through Agency		Pass-through or Direct	Federal	Expenditures to
CFDA Program Title or Cluster	CFDA No.	Entity Award ID	Expenditures	Subrecipients
<b>US Department of Health and Human Services (Continued)</b>				
Pass-Through Programs:				
California Department of Aging (CDA)				
Aging Cluster:				
Special Programs for the Aging, Title VII, Chapter 3, Programs for Prevention of Elder Abuse, Neglect, and Exploitation	93.041	AP-1819-28, 18AACAT7EA, 1901CAOAEA-01	\$ 793	\$ 793
Special Programs for the Aging, Title VII, Chapter 2, Long Term Care Ombudsman Services for Older Individuals	93.042	AP-1819-28, 18AACAT7OM, 1901CAOAOAOM-01	40,251	40,251
Special Programs for the Aging, Title III, Part D, Disease Prevention and Health Promotion Services	93.043	AP-1819-28, 18AACAT3PH, 1901CAOAPH-01	19,557	19,557
Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	93.044	AP-1819-28, 18AACAT3SS, 1901CAOASS-01	397,700	397,700
Special Programs for the Aging, Title III, Part C, Nutrition Services	93.045	AP-1819-28, 18AACAT3CM, 18AACAT3HD, 1901CAOACM-01, 1901CAOAHD-01	676,627	676,627
National Family Caregiver Support, Title III, Part E	93.052	AP-1819-28, 18AACAT3FC, 1901CAOAF-01	275,226	275,226
Nutrition Services Incentive Program	93.053	AP-1819-28, 18AACANSIP, 1901CAOANS-01	140,933	140,933
Total Aging Cluster			<u>1,551,087</u>	<u>1,551,087</u>
California Department of Public Health (CDPH)				
Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements.	93.069	4265	377,170	
National Bioterrorism Hospital Preparedness Program	93.889	4265	209,370	
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	4265	53,093	
Childhood Lead Poisoning Prevention Projects, State and Local Childhood Lead Poisoning Prevention and Surveillance of Blood Lead Levels in Children	93.197	4265	22,703	
Prevention and Public Health Fund (Affordable Care Act) Immunization Program	93.539	4265	154,767	
Affordable Care Act (ACA) Maternal, Infant, and Early Childhood Home Visiting Program	93.505	4265	827,746	
State and Local Public Health Actions to Prevent Obesity, Diabetes, Heart Disease and Stroke (PPHF)	93.757	4265	74,353	
HIV Care Formula Grants	93.917	4265	125,348	124,257
HIV Prevention Activities_Health Department Based	93.940	4265	126,028	7,853
Maternal and Child Health Services Block Grant to the States	93.994	4265	1,155,854	157,224
California Department of Social Services (CDSS)				
Guardianship Assistance	93.090	1946001347 A7	470,105	
Promoting Safe and Stable Families	93.556	1946001347 A7	<u>68,730</u>	<u>-</u>

County of Solano, California  
Schedule of Expenditures of Federal Awards  
For the Fiscal Year Ended June 30, 2019

Federal Agency				
Pass-Through Agency		Pass-through or Direct	Federal	Expenditures to
CFDA Program Title or Cluster	CFDA No.	Entity Award ID	Expenditures	Subrecipients
<b>US Department of Health and Human Services (Continued)</b>				
Pass-Through Programs (Continued):				
California Department of Social Services (CDSS) (Continued)				
TANF Cluster:				
Temporary Assistance for Needy Families	93.558	1946001347 A7	\$ 20,764,667	\$ 3,446,098
Total TANF Cluster			<u>20,764,667</u>	<u>3,446,098</u>
Refugee and Entrant Assistance_State Administered Programs	93.566	1946001347 A7	10,901	
Stephanie Tubbs Jones Child Welfare Services Program	93.645	1946001347 A7	163,738	
Foster Care_Title IV-E	93.658	1946001347 A7	6,409,483	2,144,415
Adoption Assistance	93.659	1946001347 A7	3,373,226	
Social Services Block Grant	93.667	1946001347 A7	597,016	
Chafee Foster Care Independence Program	93.674	1946001347 A7	128,528	
California Department of Child Support Services (DCSS)				
Child Support Enforcement	93.563	1-946001347-P-9	8,111,554	
California Department of Health Care Services (DHCS)				
Projects for Assistance in Transition from Homelessness (PATH)	93.150	14-90354	65,709	
Block Grants for Community Mental Health Services	93.958	14-90354	527,567	441,534
Block Grants for Prevention and Treatment of Substance Abuse	93.959	14-90106	2,825,254	1,274,869
Maternal and Child Health Services Block Grant to the States	93.994	4265	1,163,542	
Medicaid Cluster:				
Medical Assistance Program	93.778	12-89399	3,612,161	
Medical Assistance Program	93.778	1946001347 A7 EP1383841/CMAA	21,832,876	
Medical Assistance Program	93.778	14-90042	627,356	
Total Medicaid Cluster			<u>26,072,393</u>	<u>-</u>
Pass-Through Programs Subtotal			<u>75,429,932</u>	<u>9,147,337</u>
<b>US Department of Health and Human Services Total</b>			<u>77,060,632</u>	<u>9,147,337</u>
<b>Social Security Administration</b>				
Direct Programs:				
Disability Insurance/SSI Cluster:				
Supplemental Security Income	96.006	Not Applicable	18,000	
<b>Social Security Administration Total</b>			<u>18,000</u>	<u>-</u>
<b>US Department of Homeland Security</b>				
Pass-Through Programs:				
California Office of Emergency Services (CaOES)				
Disaster Grants - Public Assistance Grants (Presidentially Declared Disasters)	97.036	095-00000	506,999	
Emergency Management Performance Grants	97.042	095-00000	296,035	
Homeland Security Grant Program	97.067	095-00000	639,126	607,101
City & County of San Francisco				
Homeland Security Grant Program	97.067	075-95017	104,590	74,684
Total Homeland Security Grant Program			<u>743,716</u>	<u>681,785</u>
<b>US Department of Homeland Security Total</b>			<u>1,546,750</u>	<u>681,785</u>
<b>Total Expenditures of Federal Awards</b>			<u>\$ 101,764,029</u>	<u>\$ 12,432,750</u>

**Note 1 – Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards (the “Schedule”) includes the federal award activity of the County of Solano, California (County) under programs of the federal government for the year ended June 30, 2019. The information in this Schedule is presented in accordance with the requirements of Title 2 Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes in net position, or cash flows of the County.

**Note 2 – Summary of Significant Accounting Policies**

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in the prior years.

**Note 3 – Pass-Through Entities’ Identifying Numbers**

When federal awards are received from a pass-through entity, the Schedule indicates if assigned, the identifying grant or contract number that has been assigned by the pass-through entity.

**Note 4 – Medicaid Cluster**

Except for Medi-Cal administrative expenditures, Medicaid (Medi-Cal) and Medicare program expenditures are excluded from the schedule of expenditures of federal awards. These expenditures represent fees for services; therefore, neither is considered a federal award program of the County for purposes of the schedule of expenditures of federal awards or in determining major programs. The County assists the State of California (State) in determining eligibility and provides Medi-Cal and Medicare services through County-owned health facilities. Medi-Cal administrative expenditures are included in the schedule of expenditures of federal awards as they do not represent fees for services.

**Note 5 – Indirect Cost Rate**

The County has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

**Note 6 – Aging Cluster**

The California Department of Aging considers other closely-related pass through programs by the State to be included with the Aging Cluster, in accordance with 2 CFR 200.12.

**Section I – Summary of Auditor’s Results**

**FINANCIAL STATEMENTS**

Type of auditor's report issued on whether the financial statements audited were prepaid in accordance with GAAP:	Unmodified
Internal control over financial reporting:	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	None reported
Noncompliance material to financial statements noted?	No

**FEDERAL AWARDS**

Internal control over major federal programs:	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	Yes
Type of auditor's report issued on compliance for major federal programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	Yes

**Identification of major federal programs:**

Name of Federal Program/Cluster	CFDA Number(s)
WIOA Cluster	17.258, 17.259, 17.278
TANF Cluster	93.558

Dollar threshold used to distinguish between type A and type B programs:	\$ 3,000,000
Auditee qualified as low-risk auditee?	Yes

---

**Section II – Financial Statement Findings**

---

None identified.

---

**Section III – Federal Award Findings and Questioned Costs**

---

**Finding 2019-001**

**Program:** WIOA Cluster

**CFDA No.:** 17.258, 17.259, 17.278

**Federal Agency:** U.S. Department of Labor

**Passed-through:** California Employment Development Department

**Award Year:** 2018-2019

**Compliance Requirement:** Matching, Earmarking, and Level of Effort

**Criteria:**

*Per the 2019 OMB Compliance Supplement*, not less than 20 percent of Youth Activity funds allocated to the local area, except for the local area expenditures for administration, must be used to provide paid and unpaid work experiences (Section 129(c)(4)), WIOA, 128 Stat. 1510).

**Condition Found:**

*Instance of Non-Compliance* – The Workforce Development Board (WDB) of the County of Solano (County) did not spend at least 20 percent of Youth Activity funds allocated to the local area under Grant Agreement #K8106686 on paid and unpaid work experiences.

**Questioned Costs:**

We identified no questioned costs in our tests of compliance with this requirement.

**Context:**

The condition noted above was identified during our procedures over Matching, Earmarking and Level of Effort. We found that the County had not spent the minimum 20% of Youth Activity funds allocated under the grant agreement on paid and unpaid work experiences.

**Effect:**

The County did not comply with the 20 percent requirement.

**Cause:**

The County's procedures and internal controls did not ensure compliance with the Matching, Earmarking, and Level of Effort requirements of the program.

**Recommendation:**

We recommend that the County strengthen its existing policies and procedures to ensure compliance with the program's requirements are monitored and maintained in accordance with the grant award and program.



**Views of responsible officials and planned corrective actions:**

*Management's or Department's Response:*

We concur with the finding. The Workforce Development Board (WDB) of Solano County has been aware of this issue and has been working to change program service delivery over the past two years to address this gap in spending. Addressing the youth work experience expenditure requirement has been a multi-year, multi-agency effort. The State of California, Employment Development Department (EDD) has also been aware and has been working with the WDB to increase spending per the WIOA 20 percent work experience expenditure requirement.

*Views of Responsible Officials and Corrective Action Plan:*

The WDB's developed a corrective action plan, shared with EDD, that led to new youth programming and a Request for Proposals (RFP). Beginning in summer 2018, the WDB began a youth pre-apprenticeship program that expended youth work experience funds. In addition, the WDB released an RFP for qualified applicants in March 2019 in order to contract out youth services, with a significant focus on work experience activities. The awardee, Solano County Office of Education (SCOE), began contractual services in June 2019 with a budget that includes 67% of the contract dedicated to work experience. The WDB also developed new policies and procedures surrounding WIOA youth service delivery and work experience activities to guide these new initiatives. With these two initiatives combined, the WDB expects a significant increase of expenditures in this category in Fiscal Year 2019-20 to fulfill the requirement.

*Name of Responsible Individual(s):*

Heather Henry, President/Executive Director of Workforce Development Board of Solano County  
Marion Aiken, Workforce Services Director of Workforce Development Board of Solano County

*Anticipated Implementation Date:*

WDB is confident that Fiscal Year 2019-20's youth work experience expenditures will be close to the 20% expenditure goal and will fully be met by Fiscal Year 2020-21.

See separate corrective action plan.

**Finding 2019-002**

**Program:** TANF Cluster – Temporary Assistance for Needy Families Program

**CFDA No.:** 93.558

**Federal Agency:** U.S. Department of Health and Human Services

**Passed-through:** California Department of Social Services

**Award Year:** 2018-2019

**Compliance Requirement:** Eligibility

**Criteria:**

Per the *2019 OMB Compliance Supplement*, agencies are required to maintain eligibility records, including documents to support the agency's eligibility determination and information about each individual and benefits paid to or on behalf of the individual. In addition, it is required that eligibility determinations and redeterminations, including obtaining any required documentation and verifications, are performed annually to determine if individuals are eligible in accordance with the compliance requirements of the program.

**Condition Found:**

*Significant Deficiency, Instances of Noncompliance* – As a result of our eligibility testing, we noted the following:

- 1 out of 60 cases where the eligibility re-determinations were not performed timely, but the individual is still receiving benefits.
- 6 out of 60 cases in which evidence of the review of the IEVS report was not documented during the applicable application or annual re-determination applicable to the fiscal year.

**Questioned Costs:**

We identified no questioned costs in our tests of compliance with this requirement.

**Context:**

The condition noted above was found during our testing procedures over eligibility.

In 1 out of 60 cases, we found that County did not perform the annual re-determination for the re-evaluation of their benefits and eligibility requirements. The individual is still receiving CalWORKs benefits.

In 6 out of 60 cases, we found that the review of the Income Eligibility and Verification System (IEVS) was not documented during the application or annual re-determination applicable to the fiscal year. However, we found that the related recipients/cases were eligible.

**Effect:**

Lack of performance of timely eligibility redetermination and supporting documentation for eligibility determinations could result in ineligible individuals receiving benefits and increase the risk of non-compliance with the program.

**Cause:**

The County's policies and procedures did not ensure that 1) timely re-determination are performed for all program recipients, and 2) IEVS reports are reviewed for all application/re-determinations.

**Recommendation:**

We recommend that the County strengthen its current policies and procedures with regards to eligibility redeterminations, required documentation, and maintenance of participant file and ensure that such policies and procedures are formally documented.

**Views of responsible officials and planned corrective actions:**

*Management's or Department's Response:*  
We concur.

*Views of Responsible Officials and Corrective Action Plan:*

Timely Review of Redetermination (1 out of 60)

Solano County has policies and procedures as well as systematic processes set up to ensure that redeterminations are processed annually. This redetermination was not processed due to the combination of a new application being created on the case and an oversight by a worker.

It is Solano County's policy that the SAWS 2 Plus, Rights and Responsibilities and the Statement of Fact form be processed which require workers to:

- Review the SAWS 2 Plus and the Statement of Facts for completeness
- Initiate the required case action based upon information provided on the forms
- Insure that it has been signed and dated by the recipient
- Document the County Use Section which requires worker's signature and date

A redetermination of eligibility of the recipient shall be completed at least once every twelve (12) months. The annual CalWORKs Redetermination requires a face-to-face or telephone interview with the parent or person responsible for the child or the person having responsibility for the care and control of the child.

The specific actions of the plan are outlined below to prevent these errors from recurring:

- The Division Managers implemented a standard of 30 Supervisor case reviews per month. Supervisor case reviews are a valuable tool in assessing case accuracy and recognizing quality casework. The case reviews are used to develop and strengthen worker and supervisory skills, provide structure for measuring results, identify, correct and prevent errors, and strengthen accountability to the programs and services we deliver as an agency.
- The CalWORKs Program Specialist will provide in-service training on reviewing re-determinations for the following staff: Program Supervisors and Lead Workers for continuing CalWORKs units. Supervisors will be asked to spot check completed re-determinations to ensure the re-determination was fully processed. This training will be completed by 4/30/20.

Documentation of Income Eligibility and Verification System Review (6 out of 60)

It is Solano County's policy to maintain program integrity. Annually all CalWORKs (TANF) cases are required to be reviewed for eligibility using the Income and Eligibility Verification System (IEVS); workers are required to:

- Annually request from CalWIN a computer cross match of State wage data, Unemployment Insurance Benefit data, wage data maintained by the Social Security Administration, and unearned income data maintained by the Internal Revenue Services and/or Franchise Tax Board.
- Initiate the required case action and notices based on information received from the report, which includes generating adequate and timely notice.
- Review at least 3 prior months of Quarterly Reports to insure consistent reporting.

The specific actions of the plan are outlined below to prevent these errors from recurring:

- The CalWORKs Program Specialist provided in-service training on how to process IEVS for the following staff: Program Supervisors and Lead Workers. They received verbal and written procedures to share with their staff on the Recipient IEVS process and the correct procedures for signing appropriate forms. They will be instructed to train their staff at their next Unit Meeting to be completed by the end of April 30, 2020.
- Solano County is in the process of developing a report that captures when a redetermination has been authorized and the IEVS Report has not been processed. This report will be sent for processing to workers of the cases that meet this criterion for them to process the report and document that they've done so. We plan to have this report completed by April 30, 2020.

*Conclusion and Summary*

All of the cases cited as errors have since had applicant IEVS reviewed, and no overpayments or other payment inaccuracies were discovered.

Solano County is committed to improve the standards in regulatory application processes and requirements. Ongoing case review monitoring of application standards and in-service trainings are designed to improve CalWORKs program performance measures.

*Name of Responsible Individual(s):*

Marla Stuart, Deputy Director – Employment & Eligibility Health & Social Services Department

*Anticipated Implementation Date:*

April 30, 2020

See separate corrective action plan.

**Finding 2019-003**

**Program:** TANF Cluster – Temporary Assistance for Needy Families Program

**CFDA No.:** 93.558

**Federal Agency:** U.S. Department of Health and Human Services

**Passed-through:** California Department of Social Services

**Award Year:** 2018-2019

**Compliance Requirement:** Subrecipient Monitoring

**Criteria:**

2 CFR 200.331(b) establishes the requirement that the pass-through entity (the County Health and Social Services department) must evaluate the risk of noncompliance with Federal statutes, regulations, and terms and conditions of the program for each subaward for the purpose of determining the appropriate subrecipient monitoring activities.

2 CFR 200.331(d) and 2 CFR 200.331(e) establishes the requirement that the pass-through entity must monitor the activities of each subrecipient of program funds to ensure that the subaward is used for authorized purposes, complies with the terms and conditions of the subaward and achieves performance goals. 2 CFR 200.331(d) requires that the monitoring activities must include:

- 1) Reviewing of financial and performance reports as required by the pass-through entity.
- 2) Following-up and ensuring that the subrecipient takes timely and appropriate action on all deficiencies pertaining to the Federal award provided to the subrecipient from the pass-through entity detected through audits, on-site reviews, and other means.
- 3) Issuing a management decision for audit findings pertaining to the Federal award provided to the subrecipient from the pass-through entity as required by §200.521 Management decision.

**Condition Found:**

*Significant Deficiency, Instance of Noncompliance* – We found that the County did not have documented policies or procedures for the evaluation of each subrecipient’s risk of noncompliance with program requirements for the fiscal year 2018/19 and found that the County did not adequately perform a documented risk assessment for three (3) out of three (3) sampled subawards effective in the fiscal year ended June 30, 2019.

We also found that the County’s subrecipient performance monitoring procedures did not include records to evidence the communication of the results of the performance monitoring activities to the responsible individual(s) of the subrecipient.

**Questioned Costs:**

We identified no questioned costs in our tests of compliance with this requirement.

**Context:**

The condition noted above was found during our testing procedures over subrecipient monitoring. The County did not have documented policies and procedures to assess the risk of subrecipient noncompliance with Federal statutes, regulations, and terms and conditions of subawards. However, the County asserted that a risk assessment was performed, but was not formally documented. The County subsequently documented their risk assessment policy and monitoring procedures and documented their risk assessment of the program subrecipients for the fiscal year 2018/19. We found that the County's monitoring activities that were conducted during the year to be in accordance with the subsequently adopted risk assessments and monitoring activities policies.

As a result of our testing over the County's performance monitoring procedures, we found that the County's records included periodic performance reports in accordance with their risk assessment and monitoring procedures. However, we found that the records did not include evidence of the communication of the results of the performance monitoring procedures to the subrecipient. Management indicated that the results were communicated to the subrecipients, but the communication was not formally documented.

**Effect:**

As a result of not documenting the performance of the County's assessment of the risk of the subrecipient's noncompliance with program requirements under 2 CFR 200.331(b), the County did not fully comply with the program requirements, and as a result, there is a risk that the subrecipient's noncompliance with program requirements is not identified and corrected timely.

Additionally, as a result of not retaining records to evidence the results of the performance monitoring procedures, this increases the risk of noncompliance with the requirements under 2 CFR 200.331(d).

**Cause:**

The County did not have documented risk assessment and monitoring procedures for subrecipients of the program for the fiscal year 2018/19. As stated above, management asserted that the risk assessment and monitoring activities were conducted but were not formally documented. The County's monitoring procedures for performance monitoring also does not include procedures for documenting and communicating the results of monitoring activities to the program subrecipients.

**Recommendation:**

We recommend that the County establish policies and procedures to ensure that risk assessments are conducted for all subrecipient awards as required under 2 CFR 200.331(b), and 2 CFR 200.331(d) through 2 CFR 200.331(f), and we recommend that the County establish procedures to communicate the results of performance monitoring procedures to program subrecipients.

**Views of responsible officials and planned corrective actions:**

*Management's or Department's Response:*

We concur.

*Views of Responsible Officials and Corrective Action Plan:*

Solano County agrees increased documentation of our policies and procedures will assist in maintaining consistent application of our subrecipient monitoring processes. Additionally, formalizing communications with subrecipients about results of monitoring activities and expected remediation will strengthen evidence of our oversight.

Written policies and procedures have been developed and are in the approval process. The policies and procedures are expected to be finalized during the third quarter of fiscal year 2019/20. These policies include each program developing formal documents appropriate for their program to communicate monitoring results and track expected remediations. The new documentation process is expected to be implemented for contracts effective July 1, 2020.

*Name of Responsible Individual(s):*

Gerald Huber, Director – Health and Social Services Department

*Anticipated Implementation Date:*

July 1, 2020

See separate corrective action plan.

County of Solano, California  
Summary Schedule of Prior Audit Findings and Questioned Costs  
For the Fiscal Year Ended June 30, 2019

---

Summarized below is the current status of findings reported in the prior year's schedule of audit findings and questioned costs.

<b>Finding No.</b>	<b>Program/Description</b>	<b>CFDA No.</b>	<b>Compliance Requirement</b>	<b>Status</b>
2018-001	Medicaid Cluster - Medical Assistance Program	93.778	Eligibility	Implemented



County of Solano, California  
 Supplemental Schedule of Office of California State Department of Aging Grants  
 For the Fiscal Year Ended June 30, 2019

<u>Federal Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Contract Number</u>	<u>Federal Award Expenditures</u>	<u>State Expenditures</u>
Special Programs for the Aging, Title VII, Chapter 3, Programs for Prevention of Elder Abuse, Neglect, and Exploitation	93.041	AP-1819-28	\$ 793	\$ -
Special Programs for the Aging, Title VII, Chapter 2, Long Term Care Ombudsman Services for Older Individuals	93.042	AP-1819-28	40,251	-
Special Programs for the Aging, Title III, Part D, Disease Prevention and Health Promotion Services	93.043	AP-1819-28	19,557	-
Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	93.044	AP-1819-28	397,700	-
Special Programs for the Aging, Title III, Part C, Nutrition Services	93.045	AP-1819-28	676,627	58,861
National Family Caregiver Support, Title III, Part E	93.052	AP-1819-28	275,226	-
Nutrition Services Incentive Program	93.053	AP-1819-28	140,933	-
*General Fund IIIB (Ombudsman)	N/A	AP-1819-28	-	67,334
Public Health L&C Program Fund (PHL&C Ombudsman)	N/A	AP-1819-28	-	3,879
State Health Facilities Citation Penalties Account (SHF Cit Pen Ombudsman)	N/A	AP-1819-28	-	8,761
State Nursing Facilities Quality and Accountability (SNFQAF Ombudsman)	N/A	AP-1819-28	-	17,479
			<u>\$ 1,551,087</u>	<u>\$ 156,314</u>

\*CDA State General Fund IIIB is listed in the ombudsman section of the CDA Area Plan Budget Display

**OFFICE OF THE AUDITOR-CONTROLLER**

**PHYLLIS S. TAYNTON, CPA**  
Auditor-Controller

**SHEILA O. TURGO**  
Assistant Auditor-Controller



**SOLANO**  
**COUNTY**

675 Texas Street, Suite 2800  
Fairfield, CA 94533-6338  
(707) 784-6280  
Fax (707) 784-3420

[www.solanocounty.com](http://www.solanocounty.com)

**County of Solano, California**  
Corrective Action Plan  
June 30, 2019

Compiled by: Adrienne Clark, Deputy Auditor-Controller

I. Financial Statement Findings:

None Reported.

## II. Federal Award Findings and Questioned Costs:

### ***Finding 2019-001***

**Program:** WIOA Cluster

**CFDA No.:** 17.258, 17.259, 17.278

**Federal Agency:** U.S. Department of Labor

**Passed-through:** California Employment Development Department

**Award Year:** 2018-2019

**Compliance Requirement:** Matching, Earmarking, and Level of Effort

#### *Finding Summary:*

*Instance of Non-Compliance* – The Workforce Development Board (WDB) of the County of Solano (County) did not spend at least 20 percent of Youth Activity funds allocated to the local area under Grant Agreement #K8106686 on paid and unpaid work experiences.

#### *Management's or Department's Response:*

We concur with the finding. The Workforce Development Board (WDB) of Solano County has been aware of this issue and has been working to change program service delivery over the past two years to address this gap in spending. Addressing the youth work experience expenditure requirement has been a multi-year, multi-agency effort. The State of California, Employment Development Department (EDD) has also been aware and has been working with the WDB to increase spending per the WIOA 20 percent work experience expenditure requirement.

#### *Views of Responsible Officials and Corrective Action Plan:*

The WDB's developed a corrective action plan, shared with EDD, that led to new youth programming and a Request for Proposals (RFP). Beginning in summer 2018, the WDB began a youth pre-apprenticeship program that expended youth work experience funds. In addition, the WDB released a RFP for qualified applicants in March 2019 in order to contract out youth services, with a significant focus on work experience activities. The awardee, Solano County Office of Education (SCOE), began contractual services in June 2019 with a budget that includes 67% of the contract dedicated to work experience. The WDB also developed new policies and procedures surrounding WIOA youth service delivery and work experience activities to guide these new initiatives. With these two initiatives combined, the WDB expects a significant increase of expenditures in this category in Fiscal Year 2019-20 to fulfill the requirement.

#### *Name of Responsible Individual(s):*

Heather Henry, President/Executive Director of Workforce Development Board of Solano County

Marion Aiken, Workforce Services Director of Workforce Development Board of Solano County

#### *Anticipated Implementation Date:*

WDB is confident that Fiscal Year 2019-20's youth work experience expenditures will be close to the 20% expenditure goal and will fully be met by Fiscal Year 2020-21.

## ***Finding 2019-002***

**Program:** TANF Cluster – Temporary Assistance for Needy Families Program

**CFDA No.:** 93.558

**Federal Agency:** U.S. Department of Health and Human Services

**Passed-through:** California Department of Social Services

**Award Year:** 2018-2019

**Compliance Requirement:** Eligibility

### *Finding Summary:*

*Significant Deficiency, Instance of Noncompliance* – There was 1 instance in which a re-determination was not performed timely by the County, and 6 instances in which the review of Income Eligibility and Verification System (IEVS) was not documented by the County.

### *Management's or Department's Response:*

We concur.

### *Views of Responsible Officials and Corrective Action Plan:*

#### Timely Review of Redetermination (1 out of 60)

Solano County has policies and procedures as well as systematic processes set up to ensure that redeterminations are processed annually. This redetermination was not processed due to the combination of a new application being created on the case and an oversight by a worker.

It is Solano County's policy that the SAWS 2 Plus, Rights and Responsibilities and the Statement of Fact form be processed which require workers to:

- Review the SAWS 2 Plus and the Statement of Facts for completeness
- Initiate the required case action based upon information provided on the forms
- Insure that it has been signed and dated by the recipient
- Document the County Use Section which requires worker's signature and date.

A redetermination of eligibility of the recipient shall be completed at least once every twelve (12) months. The annual CalWORKs Redetermination requires a face-to-face or telephone interview with the parent or person responsible for the child or the person having responsibility for the care and control of the child.

The specific actions of the plan are outlined below to prevent these errors from recurring:

- The Division Managers implemented a standard of 30 Supervisor case reviews per month. Supervisor case reviews are a valuable tool in assessing case accuracy and recognizing quality casework. The case reviews are used to develop and strengthen worker and supervisory skills, provide structure for measuring results, identify, correct and prevent errors, and strengthen accountability to the programs and services we deliver as an agency.
- The CalWORKs Program Specialist will provide in-service training on reviewing re-determinations for the following staff: Program Supervisors and Lead Workers for continuing CalWORKs units. Supervisors will be asked to spot check completed re-determinations to ensure the re-determination was fully processed. This training will be completed by 4/30/20.

### Documentation of Income Eligibility and Verification System Review (6 out of 60)

It is Solano County's policy to maintain program integrity. Annually all CalWORKs (TANF) cases are required to be reviewed for eligibility using the Income and Eligibility Verification System (IEVS); workers are required to:

- Annually request from CalWIN a computer cross match of State wage data, Unemployment Insurance Benefit data, wage data maintained by the Social Security Administration, and unearned income data maintained by the Internal Revenue Services and/or Franchise Tax Board.
- Initiate the required case action and notices based on information received from the report, which includes generating adequate and timely notice.
- Review at least 3 prior months of Quarterly Reports to insure consistent reporting.

The specific actions of the plan are outlined below to prevent these errors from recurring:

- The CalWORKs Program Specialist provided in-service training on how to process IEVS for the following staff: Program Supervisors and Lead Workers. They received verbal and written procedures to share with their staff on the Recipient IEVS process and the correct procedures for signing appropriate forms. They will be instructed to train their staff at their next Unit Meeting to be completed by the end of April 30, 2020.
- Solano County is in the process of developing a report that captures when a redetermination has been authorized and the IEVS Report has not been processed. This report will be sent for processing to workers of the cases that meet this criterion for them to process the report and document that they've done so. We plan to have this report completed by April 30, 2020.

#### Conclusion and Summary

All of the cases cited as errors have since had applicant IEVS reviewed, and no overpayments or other payment inaccuracies were discovered.

Solano County is committed to improve the standards in regulatory application processes and requirements. Ongoing case review monitoring of application standards and in-service trainings are designed to improve CalWORKs program performance measures.

#### *Name of Responsible Individual(s):*

Marla Stuart  
Deputy Director – Employment & Eligibility  
Health & Social Services Department

#### *Anticipated Implementation Date:*

April 30, 2020

***Finding 2019-003***

**Program:** TANF Cluster – Temporary Assistance for Needy Families Program

**CFDA No.:** 93.558

**Federal Agency:** U.S. Department of Health and Human Services

**Passed-through:** California Department of Social Services

**Award Year:** 2018-2019

**Compliance Requirement:** Subrecipient Monitoring

***Finding Summary:***

***Significant Deficiency, Instance of Noncompliance*** – The County’s subrecipient risk assessment and monitoring policy and procedures were not documented, and the County had not documented their risk assessments of the program subrecipients for the fiscal year ended June 30, 2019. Additionally, the County’s performance monitoring procedures did not include documentation of the communication of the results of the monitoring activities to the program’s subrecipients.

***Management’s or Department’s Response:***

We concur.

***Views of Responsible Officials and Corrective Action Plan:***

Solano County agrees increased documentation of our policies and procedures will assist in maintaining consistent application of our subrecipient monitoring processes. Additionally, formalizing communications with subrecipients about results of monitoring activities and expected remediation will strengthen evidence of our oversight.

Written policies and procedures have been developed and are in the approval process. The policies and procedures are expected to be finalized during the third quarter of fiscal year 2019/20. These policies include each program developing formal documents appropriate for their program to communicate monitoring results and track expected remediations. The new documentation process is expected to be implemented for contracts effective July 1, 2020.

***Name of Responsible Individual(s):***

Gerald Huber, Director

Health and Social Services Department

***Anticipated Implementation Date:***

July 1, 2020

**OFFICE OF THE AUDITOR-CONTROLLER**

**PHYLLIS S. TAYNTON, CPA**  
Auditor-Controller

**SHEILA O. TURGO**  
Assistant Auditor-Controller



**SOLANO**  
**COUNTY**

675 Texas Street, Suite 2800  
Fairfield, CA 94533-6338  
(707) 784-6280  
Fax (707) 784-3420

[www.solanocounty.com](http://www.solanocounty.com)

# County of Solano, California

Summary Schedule of Prior Audit Findings

June 30, 2019

Prepared by: Adrienne Clark, Deputy Auditor-Controller



*I. Financial Statement Findings:*

None reported.

II. Federal Award Findings:

**Finding 2018-001**

**Program:** Medicaid Cluster – Medical Assistance Program

**CFDA No.:** 93.778

**Federal Agency:** U.S. Department of Health and Human Services

**Passed-through:** California Department of Social Services

**Award Year:** 2017/18

**Compliance Requirement:** Eligibility

Status: Implemented.