

# COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year Ending June 30, 2015



## Town of Yountville, California

Photos by Yountville Chamber of Commerce



Town of Yountville, California

**Comprehensive Annual Financial Report  
for the  
Fiscal Year Ended June 30, 2015**



*Town of Yountville*

*"The Heart of the Napa Valley"*

Prepared by the Finance Department



**Town of Yountville**  
**Comprehensive Annual Financial Report**  
**For the year ended June 30, 2015**

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**Town of Yountville**  
**Comprehensive Annual Financial Report**  
**For the year ended June 30, 2015**

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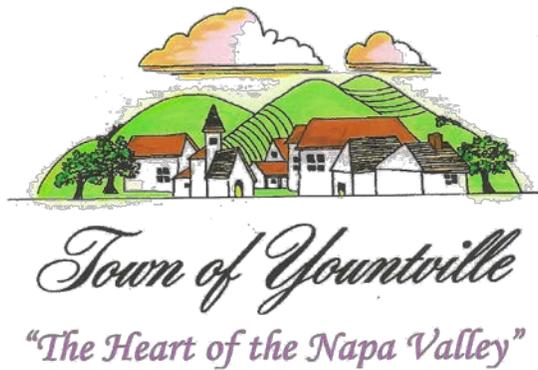
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# Introductory Section



Photo by Mars Lasar





January 5, 2016

Honorable Mayor, Members of the Council and Citizens of the Town of Yountville:

Town staff is pleased to present the Comprehensive Annual Financial Report (CAFR) for the Town of Yountville for the fiscal year ended June 30, 2015.

The CAFR includes a complete set of audited financial statements and notes, together with supplemental and statistical information. The Town issues the CAFR within six months after the close of each fiscal year to fully disclose its financial information in a timely and transparent manner and to maintain compliance with all state and federal regulations and bond covenants.

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town for its comprehensive annual financial report for the fiscal year ended June 30, 2014. This was the sixth consecutive year the Town achieved this prestigious award. In order to be awarded a Certificate of Achievement a government agency must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. Although a Certificate of Achievement is valid for a period of only one year, we believe our current CAFR continues to meet the Certificate of Achievement requirements and we are submitting it to the GFOA to determine its eligibility.

Town management assumes full responsibility for the completeness and reliability of all of the information contained in this report based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal controls should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

The Town's independent auditor, Badawi & Associates, has issued an unqualified ("clean") opinion on the Town of Yountville's financial statements for the fiscal year ended June 30, 2015. The independent auditor's report is presented at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements and should be read in conjunction with this letter and the financial statements and notes.

### **Profile of the Town of Yountville**

The Town is located in the heart of Napa Valley surrounded by the beautiful backdrop of the region's vineyards and mountains. Yountville has small town charm and unique character, making it an ideal place to live, work or visit. With a population of approximately 2,933, we are a community that cares about its citizens and businesses. We also welcome our many visitors who come from the bay area, and around the world, to enjoy the numerous activities and events in the area, dine at our critically acclaimed restaurants and stay at one of the fine lodging establishments the Town has to offer.

The Town of Yountville was incorporated February 4, 1965, and operates under a council-manager form of government. Policymaking and legislative authority are vested in the Town Council consisting of the

Mayor and four other elected Council members. The Council is responsible for, among other matters, approving and modifying ordinances, adopting the Town budget, appointing committee and commission members, and hiring the Town Manager and Town Attorney. The Town Manager is responsible for assuring compliance with the ordinances, implementing the policies and direction of the Town Council, appointing department heads and hiring employees, and managing daily operations of the Town.

The Council is elected on a non-partisan basis. Council members serve four year staggered terms, with two members elected every two years. The Mayor is elected to serve a four year term.

The Town provides a full range of municipal services including fire/emergency services and law enforcement through contracts with Napa County; construction and maintenance of Town streets, storm drains, bridges and similar infrastructure type assets; park maintenance; community recreation activities including an after school program, seasonal camps, a summer pool, and other recreation and leisure programs. The Town operates a modern community center facility that hosts community and recreation programs, in addition to being available for rent to groups and functions of all sizes, from small meetings and gatherings, to large events and elegant wedding receptions and banquets.

In terms of business-type activities, the Town provides water and wastewater services through operation of its utility enterprises. The Town has a partnership with the State of California, whereby the State agrees to supply water to the Town, and the Town, in turn, provides wastewater treatment for the California Veteran's Home. The costs to provide these utility services, including the cost to purchase water, compliance with increasing state regulations and maintaining the utility infrastructure, have steadily increased over the last several years. Town Council, upon review of a comprehensive rate study and business plan, conducted a public hearing and approved a five year water/wastewater rate schedule effective April 2011. The rate schedule was established to phase in the rate increases necessary to eliminate the utility enterprise operating deficits and provide funds needed for systems replacements. The fiscal year ending June 30, 2015 is the third consecutive year that the utility enterprise funds did not report operating losses.

The Town's annual budget serves as the foundation for the Town of Yountville's financial planning and expenditure control system. All departments of the Town submit requests for appropriations to the Town Manager each year; these requests serve as a starting point for developing a proposed budget. The Town Manager presents a proposed operating and capital budget to the Town Council each year. The Council holds public hearings, generally starting in March, to review and receive input on the proposed budget before formal adoption. The budget is adopted by fund, department and account classification. During the year, the Town Manager may authorize budget transfers within departments and funds, but only the Town Council can approve additional appropriations. Staff provides monthly financial reports to the Council during the year and prepares a comprehensive budget review at mid-year. Council approves adjustments to the original budget during the year to reflect changing conditions that impact revenues or expenditures.

Budget to actual comparisons are provided in this report for each governmental fund for which an appropriated annual budget has been adopted. The general fund comparison is presented as required supplementary information in a separate section of this report immediately following the notes to the financial statements. For the Town's other governmental-type funds a budget to actual comparison schedule is presented as optional information in the section of this report containing combining financial statements and individual fund schedules.

## **Local Economy**

The Town is located sixty miles north of San Francisco in the Napa Valley, an area that attracts many visitors each year as they come to enjoy the scenic beauty, the local attractions and the many wineries and restaurants in the area. The Town of Yountville is a destination for tourists seeking a welcoming small town environment while visiting the Napa Valley. The Town has been recognized in many well known publications and continues to attract visitors from nearby urban areas, as well as other regions and

## **Local Economy**

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The Town has seen significant growth in revenue over the past few years with the attraction of new businesses and the renovation and expansion of some that have been well established in the Town for many years, but we cannot expect to sustain these levels of increases. As the Town approaches full build out we anticipate seeing modest incremental growth in the future.

Given the reliance on tourism based revenue, the Town has taken steps to ensure continued promotion as a tourist destination. The Town contracts with the Yountville Chamber of Commerce for promotional marketing and events. The Town is an active member of the Napa Valley Tourism Improvement District which assesses an additional 2% on all hotel room rents, of which 25% (one fourth) is managed by a Yountville Tourism Improvement Board to promote Yountville, sponsor events and generate business during the slow months of the tourist season.

The Town has positioned itself to maintain a healthy and vibrant local economy with highly rated hotels and inns, award winning restaurants, wine tasting, boutique retail shops and a community art program all situated in a beautiful location that attracts many visitors.

## **Long-Term Financial Planning**

Town Council adopted a balanced budget for fiscal year 2014/15. The Town has a practice of using moderately conservative revenue projections and reviewing and adjusting, as needed, at mid-year. The Town Council has adopted and funded an emergency reserve at 21.7% of general fund expenditures and a revenue stabilization reserve at 15.1% of projected General fund revenue, in addition to assigning fund balances for both general and legal contingencies and a self insurance retention. These reserves have been established to protect the Town against future economic uncertainty and unforeseen costs that could negatively impact the budget.

The Town has taken several steps to ensure fiscal stability over the next several years and beyond. The Town has adopted a master fee schedule to manage and monitor charges for services. The master fee schedule is comprehensively reviewed and updated each year prior to the budget cycle to provide updated information for revenue projections and cost recovery targets, where applicable.

The Town Council adopted a five year enterprise business plan which included increases to utility rates for water and wastewater (sewer) services. The new rates will provide the resources needed to operate and maintain the Town's utility systems and comply with new environmental and regulatory requirements.

The Town Council also adopted an OPEB (other post employment benefits) funding policy which includes committing funds required to fund the annual required contribution (ARC) as calculated by the Town's actuary. The Town established an IRC section 115 irrevocable trust fund with PARS (Public Agency Retirement Services) for investment of these funds and the balance at June 30, 2015 is \$ 1.7 million.

The Town has been successful in obtaining grants and low cost financing for projects and will continue this practice to leverage Town resources and provide resources to complete capital projects. In October 2013 the Town received approval for a state revolving fund loan to finance the recycled water expansion project. The loan is structured to be drawn down in installments as project costs are incurred. The Town will utilize only the amount of funding needed to complete this state mandated project.

### **Impact of the State Budget**

One of the biggest uncertainties for California local governments for the past several years has been the economy, the impact on the state budget, and how that may affect local government resources. All indications are that the state is experiencing a slow but steady economic recovery. The Town developed the 2015/16 budget assuming there would be no state takeaways or new mandates, but staff will continue to review updated economic forecasts and monitor the state budget.

### **Staff Contributions**

The preparation of this report would not have been possible without the teamwork and dedication of the Town staff. The Mayor and Council Members deserve recognition for their continued support and leadership in maintaining high standards of professionalism in managing the Town's finances.

Respectfully Submitted,

*Richard S. Arrow*

Richard S. Arrow,  
Interim Finance Director/Treasurer



*Town of Yountville*

*"The Heart of the Napa Valley"*

# Principal Officials

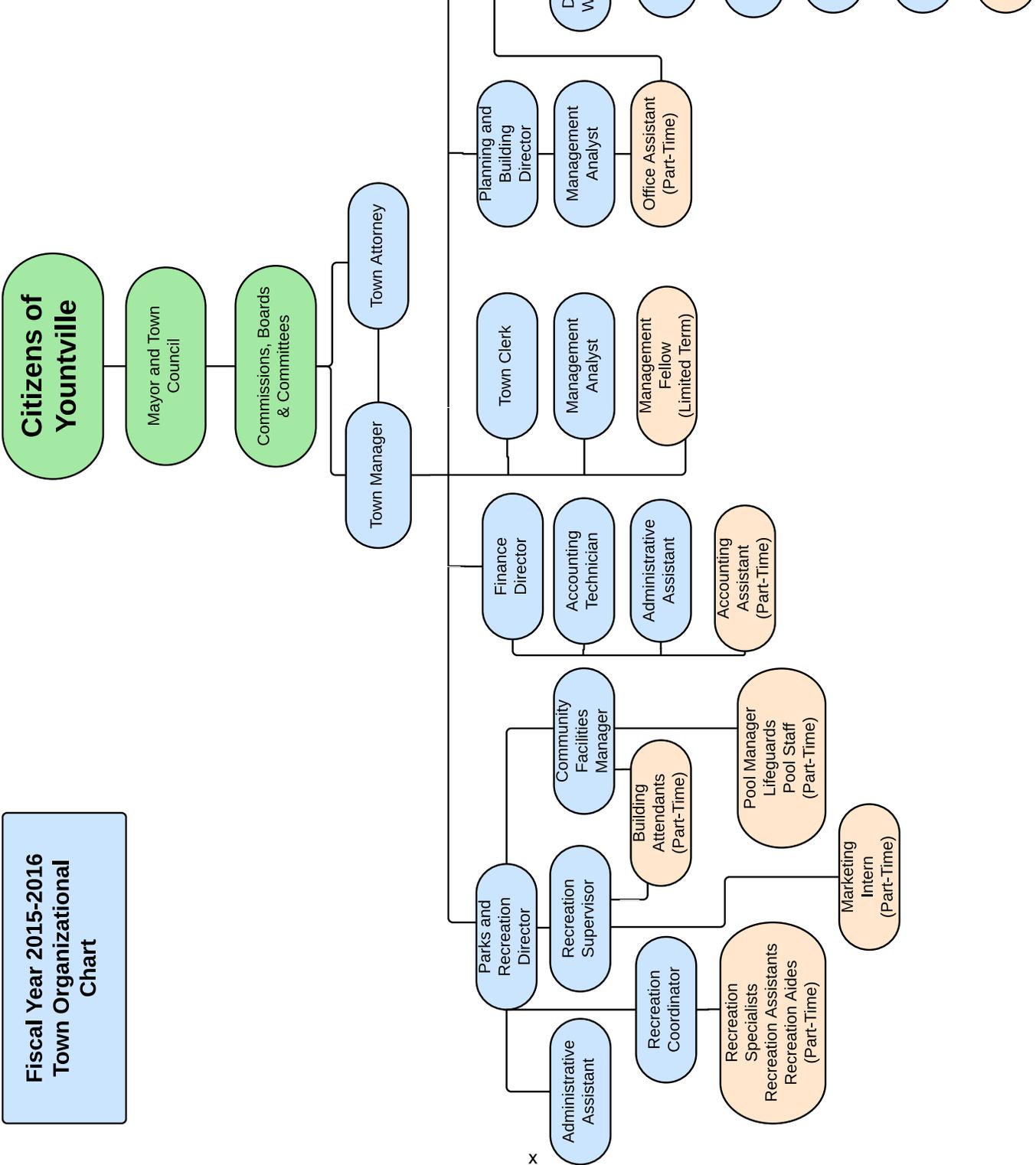
## **TOWN COUNCIL**

John F. Dunbar, Mayor  
Richard Hall, Vice Mayor  
Marjorie "Margie" Mohler, Council Member  
Marita Dorenbecher, Council Member  
Jeffrey Durham, Council Member

## **TOWN ADMINISTRATION**

Steven Rogers, Town Manager  
Richard S. Arrow, Interim Finance Director & Treasurer  
Joe Tagliaboschi, Public Works Director  
Debby Hight, Deputy Public Works Director  
Samantha Holland, Parks & Recreation Director  
Sandra Liston, Planning & Building Director  
Michelle Dahme, Town Clerk  
Julie Baldia, Management Analyst  
Nathan Steele, Management Analyst  
Preya Nixon, Management Fellow

**Fiscal Year 2015-2016  
Town Organizational  
Chart**



x



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**Town of Yountville  
California**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2014**

Executive Director/CEO

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# Financial Section

## Management's Discussion and Analysis, Basic Financial Statements, and Notes to the Financial Statements



Old street signs, photo by Jacob King





## INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Members of the Town Council  
of the Town of Yountville  
Yountville, 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 remaining fund information of the Town of Yountville, California (Town) as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Town'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.

To the Honorable Mayor and Members of the Town Council  
of the Town of Yountville  
Yountville, California  
Page 2

### ***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 remaining fund information of the Town as of June 30, 2015, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Emphasis of a Matter***

Management adopted the provisions of Governmental Accounting Standards Board Statement 68 – *Accounting and Financial Reporting for Pensions*, which became effective June 30, 2015. See Note 12 to the financial statements for disclosure related to the restatement of beginning Net Position. The emphasis of this matter does not constitute a modification to our opinion.

### ***Other Matters***

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management’s discussion and analysis and budgetary comparison information on pages 5-16 and 84-85, pension information, and schedule of funding progress for OPEB 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 Town’s basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, budgetary comparison schedules on pages 101 to 108, comparative information for enterprise funds, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

To the Honorable Mayor and Members of the Town Council  
of the Town of Yountville  
Yountville, California  
Page 3

The combining and individual nonmajor fund financial statements, and budgetary comparison schedules on pages 101 to 108 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, and budgetary comparison schedules on pages 101 to 108 are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory section, comparative schedules for enterprise funds, and statistical section 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 22, 2015, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.



Badawi and Associates  
Certified Public Accountants  
Oakland, California  
December 22, 2015

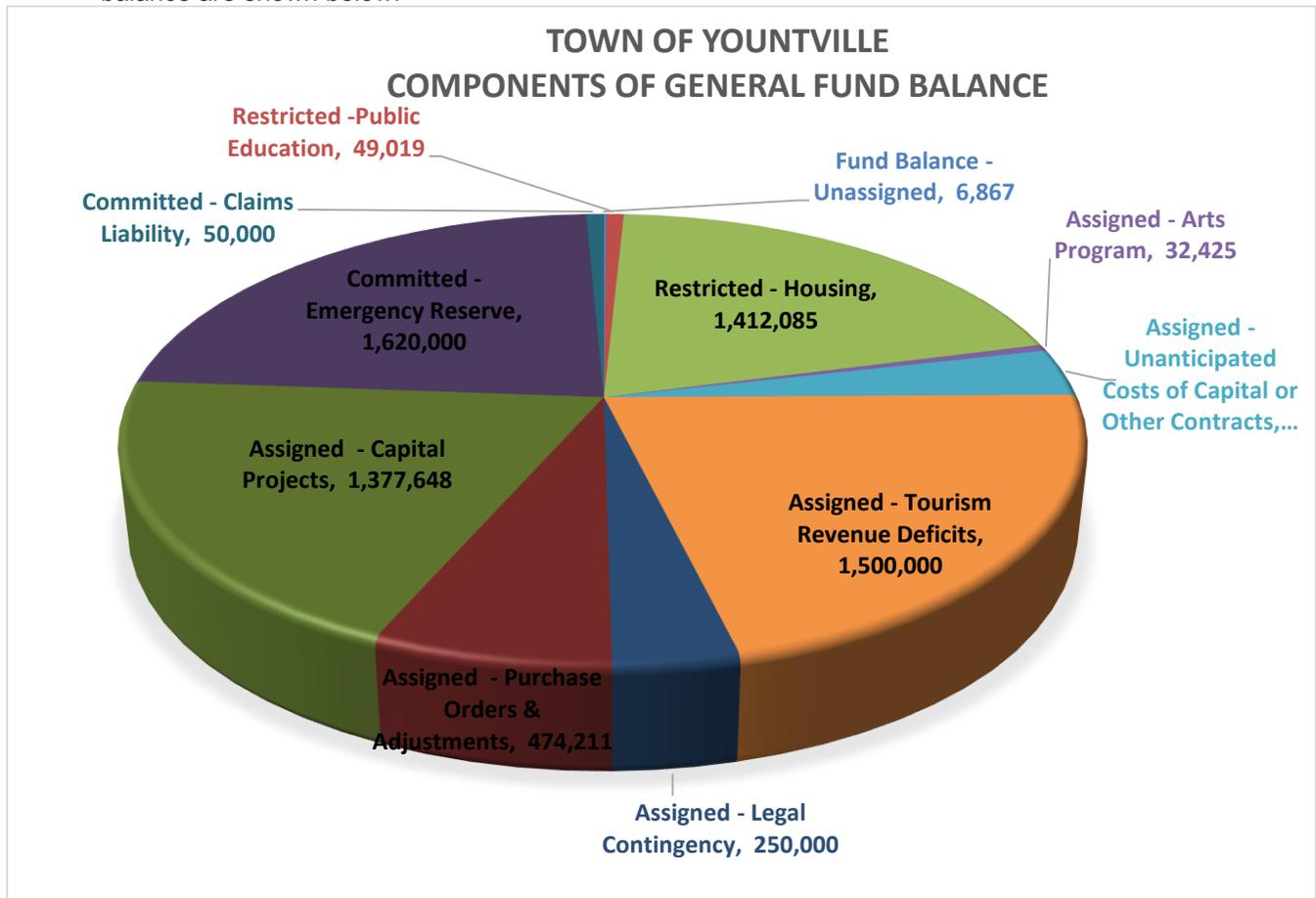
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## MANAGEMENT DISCUSSION AND ANALYSIS

This section of the Town of Yountville's annual financial report presents our discussion and analysis of the Town's overall financial position and performance for the fiscal year ending June 30, 2015. This section should be read in conjunction with the transmittal letter at the front of this report and the Town's financial statements, which follow this section.

### FINANCIAL HIGHLIGHTS

- The Town's total net position increased by \$ 3.18 million over the course of this year's operations; \$ 2.45 million of the increase was generated by governmental activities while the Town's business activities increased overall by \$ .73 million.
- During the year, the expenses of the Town's governmental activities were \$9.11 million and revenues totaled \$11.52 million, and included program revenues of approximately \$2.32 million and \$9.20 million in taxes and other general revenues. Prior year litigation was completed. As part of allocated fund balance, the Town has provided \$ 250,000 for legal contingencies.
- The Town's business-type activities reported revenues totaling \$3.10 million, compared to \$4.49 million in the prior year, a decrease of \$ 1.39 million. Expenses were \$2.40 million, an increase of \$.24 million compared to \$ 2.16 million in fiscal year 2013/14. This was due to a one time payment by the Veterans Home for its share of recycled water construction costs.
- General fund revenues exceeded expenditures by \$3.34 million. Last year, general fund revenues exceeded expenses by \$ 3.51 million. The general fund reported a year end non restricted fund balance of balance is \$ 5.55, an increase of \$ 1.46 million from the prior year. The major components of the fund balance are shown below.



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## MANAGEMENT DISCUSSION AND ANALYSIS

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- Capital projects expenditures totaled \$ 1.9 million. Of this amount, there was \$ 1.42 million of major projects including; community center restoration, geographic information system, Hopper Creek Improvement Design, /Hopper Creek flood mitigation project design and construction, slurry seal and patching program, Town hall seismic retrofit, and finally Parks major equipment replacement program.

<u>Major Capital Projects are as follows:</u>	<u>Budget</u>	<u>Actual</u>
Community Center Restoration	800,000	464,181
Geographic Information System (GIS)	175,000	124,598
Hopper Creek Improvement Design & Permits	200,000	243,849
Finnell Culvert/Hopper Creek To Beard Ditch	1,200,000	103,860
Micro surfacing & Patching Program	200,000	201,201
Town Hall Seismic Retrofit	95,000	101,481
Park Major Equipment Replacement Program	205,000	176,538
<b>Total</b>	<b>2,875,000</b>	<b>1,415,707</b>

Also included are various projects as follows: Washington Street Sidewalk and street light improvements; Micro-surfacing projects along Washington Street and Oak Circle; completion of design and bid process for renovation of Yountville Community Park and Oak Circle Park; completion of a recycled water expansion project; completion of design, bid, and start of construction on the Hopper Creek Flood Mitigation project

- The Town made debt service payments of \$ 1.30 million for principal and interest on lease revenue bonds for the community center, town hall structural improvements, and the capital lease financing for the floodwall.
- The Town's assets held in trust for other post-employment benefits (OPEB) increased by \$.20 million, bringing the total net position of the trust to \$1.72 million.

### OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of five parts – *an introductory section, a management's discussion and analysis* (this section), the *basic financial statements, required supplementary information*, and an optional section that presents *combining statements* for non-major governmental funds and enterprise funds. The basic financial statements include two kinds of statements that present different views of the Town:

The first two statements are *government-wide financial statements* that provide both long-term and short-term information about the Town's *overall* financial status.

The remaining statements are *fund financial statements* that focus on individual parts of the Town government, reporting the Town's operations in more detail than the government-wide statements.

- The *governmental funds* statements tell how *general government* services like public safety were financed in the *short term* as well as what remains for future spending.
- Proprietary fund* statements offer *short-* and *long-term* financial information about the activities the government operates *like businesses*, such as the water and wastewater system.

The financial statements also include notes and a required supplementary information section that explain information in the financial statements and provide required disclosures.

In addition to these required elements, we have included a section with combining statements that provide details about our non-major funds, each of which are added together and presented in single columns in the basic financial statements. We have also included comparative financial statements for our water and wastewater funds.

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**MANAGEMENT DISCUSSION AND ANALYSIS**

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Figure A-1 summarizes the major features of the Town’s financial statements, including the portion of the Town government they cover and the types of information they contain. The remainder of this overview section of management’s discussion and analysis explains the structure and contents of each of the statements.

Figure A-1

**Major Features of Town of Yountville’s Government-Wide and Fund Financial Statements**

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	Fund Statements		
	Government-Wide Statements	Governmental Funds	Proprietary Funds
<b>Scope</b>	Entire Town government	The activities of the Town that are not proprietary or fiduciary, such as law enforcement, fire, parks and community center facilities	Activities the Town operates similar to private businesses: the water and wastewater enterprises
<b>Required financial statements</b>	<ul style="list-style-type: none"> <li>▪ Statement of net position</li> <li>▪ Statement of activities</li> </ul>	<ul style="list-style-type: none"> <li>▪ Balance sheet</li> <li>▪ Statement of revenues, expenditures, and changes in fund balance</li> </ul>	<ul style="list-style-type: none"> <li>▪ Statement of net position</li> <li>▪ Statement of revenues, expenses, and changes in net position</li> <li>▪ Statement of cash flows</li> </ul>
<b>Accounting basis and measurement focus</b>	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
<b>Type of asset/liability information</b>	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term
<b>Type of inflow/outflow information</b>	All revenues and expenses during year, regardless of when cash is received or paid; deferred inflows/outflows of resources reported separately	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter with deferred inflows/outflows of resources reported separately	All revenues and expenses during year, regardless of when cash is received or paid

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**Government-Wide Statements**

The government-wide statements report information about the Town as a whole using accounting methods similar to those used by private-sector companies. This is a different method than the Town uses for its budget, where the focus is on the *current resources available* to fund operations and capital improvement programs within each fund. The statement of net assets includes *all* the government’s assets and liabilities, including deferred outflows and deferred inflows of resources. All of the current year’s revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

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## MANAGEMENT DISCUSSION AND ANALYSIS

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The two government-wide statements report the Town's *net position* and how they have changed. Net position, previously referred to as net assets, is the difference between the Town's assets and liabilities, and is one way to measure the Town's fiscal health, or *financial position*.

Over time, increases or decreases in the Town's net position may serve as a useful indicator of whether its financial health is improving or deteriorating, respectively. The government-wide financial statements of the Town are divided into two categories:

- *Governmental activities* – Most of the Town's basic services are included here, such as law enforcement, fire and emergency services, planning and building, public works, parks and recreation, community center, community promotion, housing, and general administration. Transient occupancy taxes, sales taxes, property taxes, state and federal grants finance most of these activities. Charges for services, which include parks and recreation fees, are also used to help offset costs of providing certain services.
- *Business-type activities* – The Town charges fees to customers which should recover the costs of certain services it provides. The Town's water and wastewater enterprise activities are included here.

### Fund Financial Statements

The fund financial statements provide more detailed information about the Town's most significant funds – not the Town as a whole. Funds are accounting devices that the Town uses to keep track of specific sources of funding and spending for particular purposes.

- Some funds are required by state law.
- The Town Council establishes other funds to control and manage funds designated for a particular purpose or to show that it is properly accounting for certain grants or other special revenues.

The Town has two kinds of funds:

- *Governmental funds* – Most of the Town's basic services are included in governmental funds, which focus on (1) *how cash and other financial assets* that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed *short-term view* that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Town's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statement, or on the subsequent page, that explains the relationship (or differences) between them.
- *Proprietary funds* – Services for which the Town charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long-and short-term financial information.

In fact, the Town's enterprise funds (one type of proprietary fund) are the same as its business-type activities, but provide more detail and additional information, such as cash flows.

## MANAGEMENT DISCUSSION AND ANALYSIS

### FINANCIAL ANALYSIS OF THE TOWN AS A WHOLE

Net Position -- The Town's combined net position increased by \$ 3.18 million, or 8.1%, between fiscal years ending June 30, 2014 and 2015. In comparison, last year net position increased by \$5.62 million.

	Governmental Activities		Business-Type Activities		Total		% Change
	2014	2015	2014	2015	2014	2015	2014 to 2015
Current and other assets	12.57	12.65	5.99	6.23	18.56	18.88	1.7%
Capital assets	32.73	33.59	9.47	11.56	42.20	45.15	7.0%
<b>Total assets</b>	<b>45.30</b>	<b>46.24</b>	<b>15.46</b>	<b>17.79</b>	<b>60.76</b>	<b>64.03</b>	<b>8.7%</b>
<b>Deferred Outflows</b>	<b>0.50</b>	<b>0.36</b>	<b>0.09</b>	<b>0.12</b>	<b>0.59</b>	<b>0.48</b>	<b>-18.6%</b>
Long-term debt outstanding	14.42	15.56	0.80	3.35	15.21	18.91	24.3%
Other liabilities	2.84	1.90	0.77	0.42	3.61	2.32	-35.7%
<b>Total liabilities</b>	<b>17.26</b>	<b>17.46</b>	<b>1.56</b>	<b>3.77</b>	<b>18.82</b>	<b>21.23</b>	<b>-11.4%</b>
<b>Deferred Inflows</b>	<b>2.36</b>	<b>0.52</b>	<b>0.76</b>	<b>0.17</b>	<b>3.12</b>	<b>0.69</b>	<b>-47.1%</b>
<b>Net position</b>							
Net investment in capital	17.71	19.29	8.81	8.76	26.52	28.05	5.7%
Restricted	2.72	3.08	1.86	-	4.58	3.08	-32.6%
Unrestricted	5.75	6.25	2.56	5.21	8.31	11.46	37.9%
<b>Total net position</b>	<b>26.18</b>	<b>28.63</b>	<b>13.23</b>	<b>13.97</b>	<b>39.41</b>	<b>42.59</b>	<b>8.1%</b>

Net position of the Town's governmental activities increased \$ 2.45 million, to \$28.63 million. Approximately 21.8% of net assets relating to governmental activities are unrestricted and 67.3% represents the net investment in capital assets. The increase was primarily attributable to the increase in general fund transient occupancy and sales tax revenues. Total liabilities decreased overall by \$ 1.64 million.

Total net position of the Town's business-type activities increased \$ .74 million, to \$ 13.97 million. A business plan to eliminate ongoing deficits and provide the funding necessary for future infrastructure improvements was adopted in April 2011 and this represents the fifth and final year of implementation.

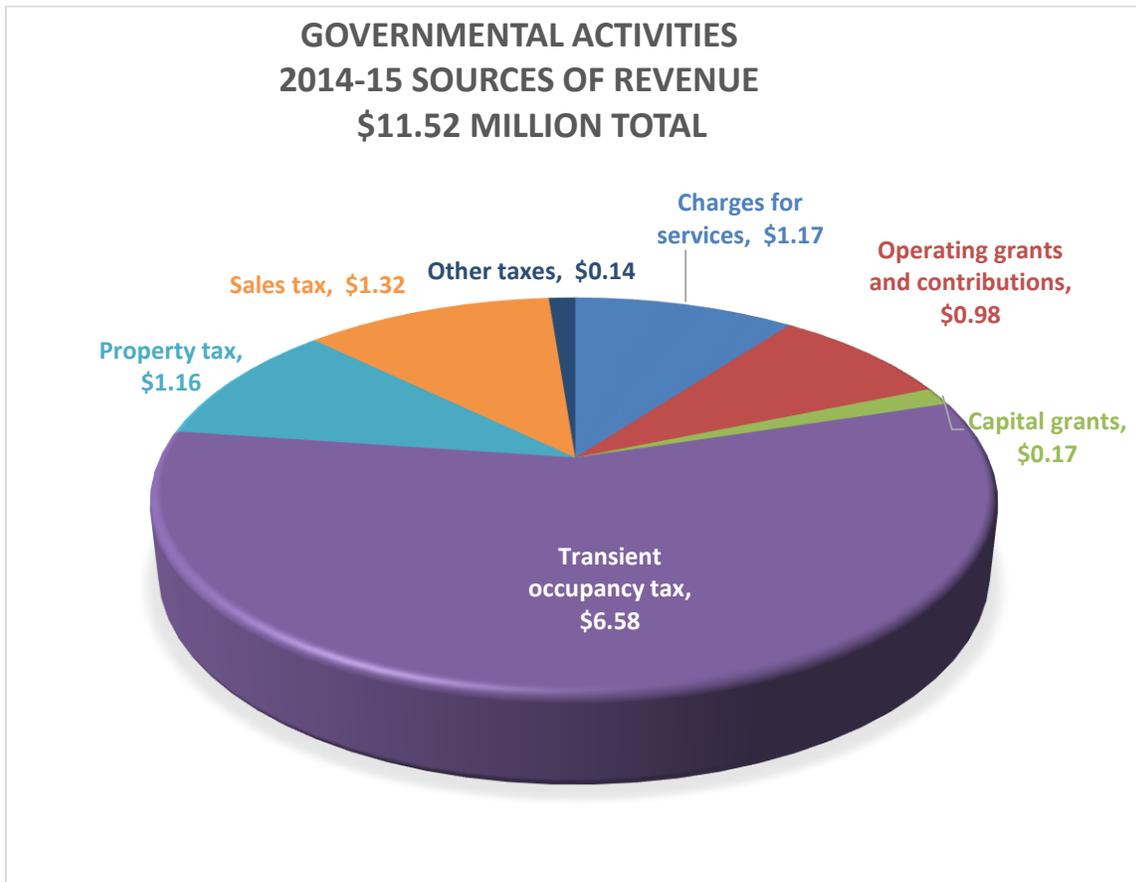
#### Governmental Activities - Revenue

Revenue in the governmental-type activities increased by \$.24 million or 2.1% from prior year and is a result of the following:

- Charges for services decreased by \$ .28 million principally by reduced class fees and after-school program usage.
- Transient occupancy tax, the Town's single largest revenue source, was \$ .32 million higher than prior year, an increase of 5.1%. The increase can be attributed to the continued success of the Town's lodging properties, as evidenced by increased average room rates. There was a slight decrease in overall occupancy rates from FY 13-14 to FY 14-15.
- Sales tax increased by \$.06 million, as a result of the ongoing success of the Town's popular restaurants, wine tasting rooms and boutique retail shops.
- Property tax increase of \$.07 million reflects the 4.7% increase in the Town's assessed value.

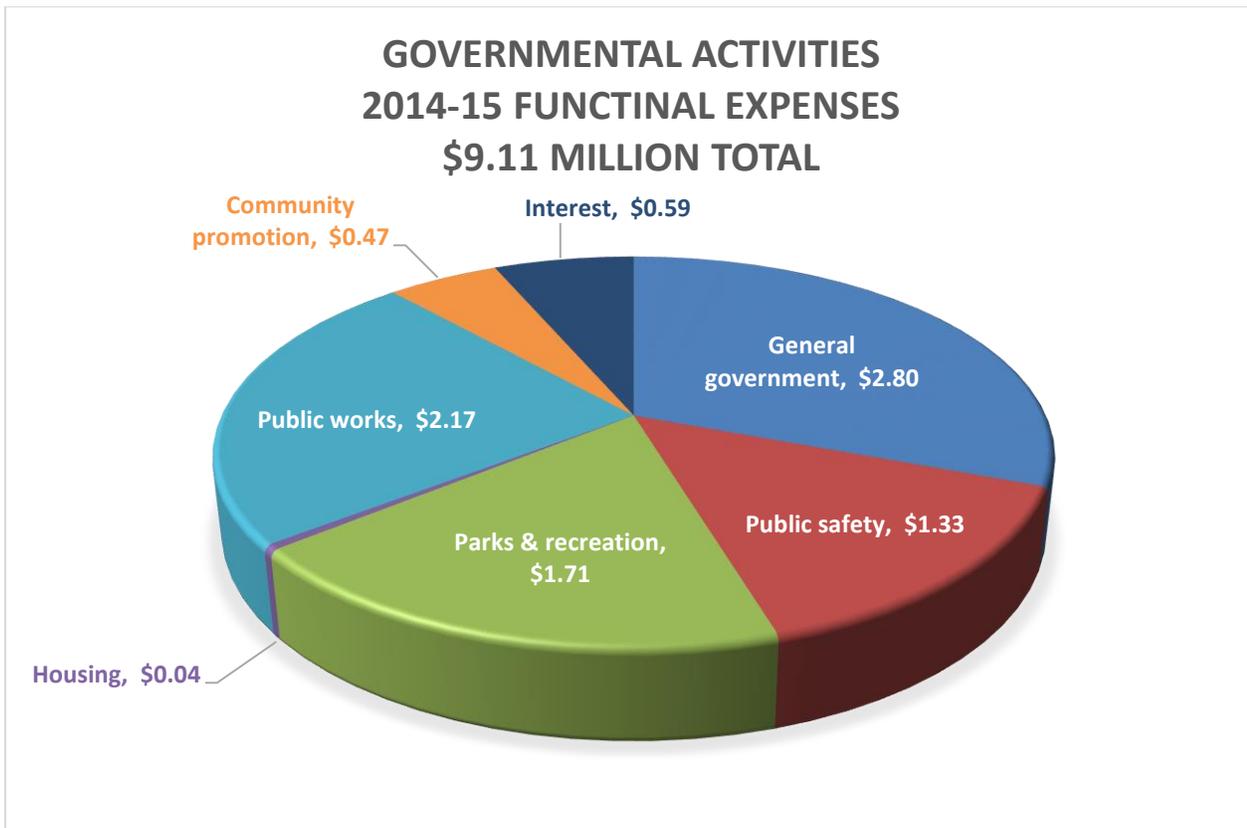
**MANAGEMENT DISCUSSION AND ANALYSIS**

Changes in Town of Yountville's Revenue (in millions of dollars)							
	Gov. Activities		Bus. Activities		Total		%Change 2013-14
	2014	2015	2014	2015	2014	2015	
<b>Revenue</b>							
Program revenues:							
Charges for services	1.45	1.17	2.80	2.99	4.25	4.16	-2.1%
Operating grants and	0.68	0.98	-		0.68	0.98	44.1%
Capital grants	0.38	0.17	1.69	0.11	2.07	0.28	-86.5%
Total Program Revenue	2.51	2.32	4.49	3.10	7.00	5.42	-44.5%
Transient occupancy tax	6.26	6.58	-		6.26	6.58	5.1%
Property tax	1.09	1.16	-		1.09	1.16	6.4%
Sales tax	1.26	1.32	-		1.26	1.32	4.8%
Other taxes	0.16	0.14	-		0.16	0.14	-12.5%
<b>Total revenue</b>	<b>11.28</b>	<b>11.52</b>	<b>4.49</b>	<b>3.10</b>	<b>15.77</b>	<b>14.62</b>	<b>-40.7%</b>



**Governmental Activities – Expenses**

Changes in Town of Yountville's Expenses (in millions of dollars)							
	Gov. Activities		Bus. Activities		Total		%Change 2013-14
	2014	2015	2014	2015	2014	2015	
<b>Expenses</b>							
General government	4.45	2.80	-	-	4.45	2.8	-37.1%
Public safety	1.30	1.33	-	-	1.30	1.33	2.3%
Parks & recreation	1.65	1.71	-	-	1.65	1.71	3.6%
Housing	0.03	0.04	-	-	0.03	0.04	33.3%
Public works	1.44	2.17	-	-	1.44	2.17	50.7%
Community promotion	0.44	0.47	-	-	0.44	0.47	6.8%
Water	-	-	0.89	1.00	0.89	1	12.4%
Wastewater	-	-	1.27	1.40	1.27	1.4	10.2%
Interest	0.59	0.59	-	-	0.59	0.59	0.0%
<b>Total expenses</b>	<b>9.90</b>	<b>9.11</b>	<b>2.16</b>	<b>2.40</b>	<b>12.06</b>	<b>11.51</b>	<b>-4.6%</b>



Expenses in the governmental type activities decreased a total of \$ .79 million or 8.0% from the prior year as a result of changes in the following categories:

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## MANAGEMENT DISCUSSION AND ANALYSIS

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- Decrease to general government of \$1.65 million is primarily a result of legal costs for litigation related to the construction of the community center project.
- Public safety costs increased by \$.03 million, or 2.3%, due to increased contract costs for law enforcement and fire and emergency services.
- Increase in parks and recreation of \$.06 million reflects increases to expand programs.
- Public works expenses increased a total of \$. 73 million, a result of increases to maintenance and operating expenses.
- Community promotion expenses increased by \$.03 million, which included implementation of the way finding sign program and increased activity in the arts program.

### Governmental Activities Summary

- Overall, total revenues of \$ 11.52 million exceeded total expenses of \$ 9.91 million by \$1.61 million, compared to \$ 1.38 million last year.
- Revenues were \$ .24 million higher than prior year.
- Expenses decreased by \$ .79 million than prior year.
- Governmental activities reported an overall increase in net position of \$ 1.03 million, 7.5% higher than last year.

### Business-Type Activities

- The Town's business-type activities represent the water and wastewater utility enterprise operations. The Town purchases water from the state Veterans Home for resale to approximately 780 customers. The Town operates a sewer collection system and wastewater treatment plant which serves about 700 customers. The Town operates the wastewater treatment plant and has a cost sharing agreement with the Veterans home to provide services.
- Total revenue for the business-type activities was \$3.00 million comprised of \$ 2.99 million in charges for services and \$ .01 million in interest. Total operating revenue from the prior year was \$ 2.79 million.
- Total expenses for the year were \$2.36 million, an increase of \$ .20 million, from the prior year. Increases were primarily in contract services and supplies and water purchase costs.

Business-type activities should generate enough revenue to cover the cost of operations and capital infrastructure. The Town's enterprises had struggled after many years of increasing expenses and no rate increases. Major cost increases included the cost to purchase water for resale, general cost increases for operating supplies and services, and expenses related to projects required to maintain compliance with state regulations and replace aging infrastructure.

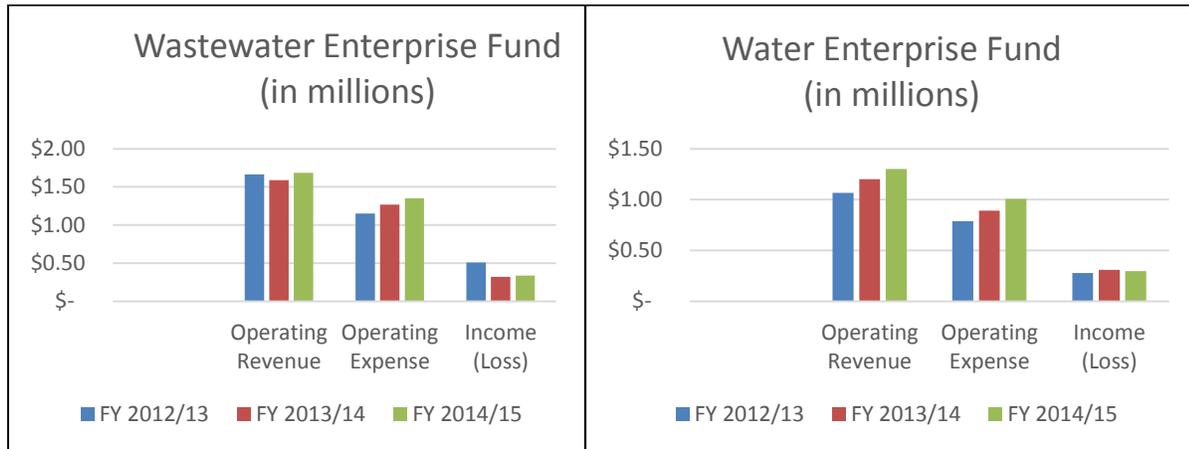
Town Council approved a five year water/wastewater rate schedule on February 15, 2011 to ensure the fiscal sustainability of the utility enterprises. The rate schedule was established to phase in the rate increases necessary to eliminate the utility enterprise operating deficits. The fifth of five annual rate increases was effective January 1, 2015.

The elimination of the operating deficits will allow for repayment of existing and new loans incurred for capital projects and accumulation of reserves for future projects identified in the town's capital improvement program.

**MANAGEMENT DISCUSSION AND ANALYSIS**

**Three Year Operating Revenue & Expense History for Business-Type Activities**

<b>Water Enterprise Fund (in millions)</b>				<b>Wastewater Enterprise Fund (in millions)</b>			
	FY 2012/13	FY 2013/14	FY 2014/15		FY 2012/13	FY 2013/14	FY 2014/15
Operating Revenue	\$ 1.07	\$ 1.20	\$ 1.30	Operating Revenue	\$ 1.66	\$ 1.59	\$ 1.69
Operating Expense	\$ 0.79	\$ 0.89	\$ 1.01	Operating Expense	\$ 1.15	\$ 1.27	\$ 1.35
Income (Loss)	\$ 0.28	\$ 0.31	\$ 0.30	Income (Loss)	\$ 0.51	\$ 0.32	\$ 0.34



**FINANCIAL ANALYSIS OF THE TOWN'S FUNDS**

At the end of the fiscal year the Town reported a *combined* fund balance of \$ 11.4 million in its governmental funds, an increase of approximately \$ 2.2 million over the last fiscal year.

The general fund revenues were \$10.8 million for the year and expenditures totaled \$7.40 million. The Town's general fund operations generated \$3.4 million more in revenues than was spent on governmental activities before transfers. Transfers in the amount of \$ 1.9 million were made for debt service and capital projects funding.

The Town's reliance on tax revenue, specifically transient occupancy tax, places it in a unique position of potentially exceeding the Base Appropriations Limit established by California's Proposition 13, commonly known as the "Gann Limit". The Gann Limit places monetary limits on the amount of general tax revenues which may be spent in any given year. Revenues in excess of the limit might otherwise have to be refunded to taxpayers or used to reduce other related fees. This limit can be overridden by a vote, and Yountville's citizens have approved the override nine times, most recently in 2014 when a \$1.5 million override was authorized.

**General Fund Budget Highlights**

The Town Council revised the Town budget during the year. Budget adjustments fall into two categories:

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## MANAGEMENT DISCUSSION AND ANALYSIS

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- Increases in appropriations to accommodate unanticipated expenditures not previously budgeted, including those that result from updated cost estimates and project bids.
- Changes made at the mid-year budget review, or later in the fiscal year, based on updated projections for both revenue and expenditures.

A review of the 2014/15 general fund budget shows revenues were 8.3%, \$.83 million, over the Town's final budget. The original budget included moderately conservative growth in transient occupancy tax and sales tax, and projections were updated at mid-year. Transient occupancy tax exceeded revised projections by \$.33 million, sales tax by \$.12 million and property tax revenue was \$.09 million higher. These three revenue sources comprise 84% of the Town's general fund revenue.

Total general fund expenditures were under budget by \$.01 million or 1.0 %. The detailed budgetary comparison schedule for the general fund can be found on page 100 of this report.

Other noteworthy items include:

- Town celebrated its 50<sup>th</sup> Year of Incorporation with a number of community wide events during the year. This was a \$70,000 expenditure which included permanent display of George Yount millstones and several community events.
- August 2014 South Napa Earthquake rattled the community. While not hit as hard as Napa the Town experienced minor damage, a local historic hotel was knocked off line for 90 days and the Town's Flood Wall was damaged which has resulted in town applying for and receiving FEMA grant funding for repair of the flood wall in FY14-15 for the repair which will occur in the FY15-16.
- Ground lease sale for 62 room Bardessono Inn at \$85 million which set a Napa County record per room key of approximately \$1.4 m.
- Town received an \$800,000 grant from HOME program to use to assist low income residents update their homes, including mobile homes. First time in considerable time that the Town has been successful in obtaining this grant. This is in partnership with the City of Napa who we contract with to administer our Housing Authority.
- Continued refinement and development of our GIS system in a unique partnership where we contract with the City of Rancho Cucamonga as our GIS design team. Organization is looking at broader internal deployment of GIS applications including the design of a smart phone app called MYville to allow residents to better interface with our organization

### **CAPITAL ASSET AND DEBT ADMINISTRATION**

#### **Capital Assets**

As of June 30, 2015, the Town had invested \$45.15 million in a broad range of capital assets, including equipment, vehicles, buildings, park facilities, infrastructure and water and wastewater systems. This amount represents a net increase of \$ 2.9 million or 7.0% over last year.

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**MANAGEMENT DISCUSSION AND ANALYSIS**

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**Town of Yountville’s Capital Assets  
(net of depreciation, in millions of dollars)**

	Govt. Activities		Business Activities		Total		Total Percentage Change
	2014	2015	2014	2015	2014	2015	
Land and CIP	2.01	3.71	\$1.38	3.69	3.39	7.40	118.3%
Buildings and improvements	19.26	18.82	0.02	0.02	19.28	18.84	-2.3%
Infrastructure and systems	10.87	10.78	7.74	7.55	18.61	18.33	-1.5%
Machinery and equipment	0.59	0.28	0.33	0.30	0.92	0.58	-37.2%
<b>Total</b>	<b>\$32.73</b>	<b>\$33.59</b>	<b>\$9.47</b>	<b>\$11.56</b>	<b>\$42.20</b>	<b>\$45.15</b>	<b>7.0%</b>

**Long-term Debt**

- The Town was approved for a state revolving fund loan on October 23, 2013. Proceeds from the loan will be used to finance the wastewater enterprise recycled water expansion project. The Town will draw down loan funds as needed for the project. The loan was approved for up to a maximum amount of \$3.6 million with a twenty year repayment term at an interest rate of 1.9%. The Town has received a capital contribution from the State of California Department of Veterans Affairs for their share of the project and will only need to borrow approximately \$1.8 million to complete the project.
- On February 5, 2013, the Yountville Finance Authority issued \$4.26 million in lease revenue bonds to finance the seismic renovations to town hall and reconstruct a major street and sewer main replacement. The Town then entered into a fifteen year lease agreement with the financing authority and will pay the annual debt service by transferring revenue from the general fund.
- In fiscal year 2010/11 the Town entered into a loan agreement with the California Energy Commission (CEC) to obtain low cost financing for energy conservation improvements to Town facilities. The \$200 thousand loan is to be repaid over ten years at an interest rate of 3%. The loan payments are offset by energy cost savings.
- On July 24, 2008, the Yountville Finance Authority issued \$10.71 million in lease revenue bonds to finance the community center and library project. The Town then entered into a thirty year lease agreement with the financing authority to lease the facility, pledging up to one sixth of its general fund transient occupancy tax revenue for payment of the obligation.
- In fiscal year 2004 the Town entered into a capital lease for the amount of \$2.8 million to help finance the costs of the now completed floodwall project. The Town’s share of Measure A funds, a county wide local tax, are sufficient to make the required lease payments. The lease will be paid in full in fiscal year 2018.

More detailed information about the long-term debt of the Town can be found starting on page 53 of the notes to the financial statements.

**ECONOMIC FACTORS AND NEXT YEAR’S BUDGETS**

The Town Council adopted a balanced budget for 2015/16 on June 17, 2014. The proposed \$8.1 million general fund budget is balanced. It is fully funded by projected revenues and no use of reserve or contingency funds is required.

Key items include:

- Revenues are stable: \$9.9 million.

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## MANAGEMENT DISCUSSION AND ANALYSIS

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- Expenditures are within available revenue stream.
- Proposed budget is largely status quo and maintains existing levels of service.
- 3-4% increases in cost of contracted public safety expenses.
- No new employee positions are included in the budget. Employee count remains 27 Full time employees
- Implements first year of three year labor agreements with our employee groups with 3% COLA.
- Fully funds our OPEB obligation at a rate of 14.75%.
- The Town has concluded its very rare and protracted litigation with Swank Construction Inc. and moved forward with the repairs of the Yountville Community Center from the settlement. Resolution of this matter results in significant decline in legal expenditures in this year's budget from prior years which can be used for other purposes.
- No rate increases for water or wastewater utility enterprise fund operations.
- Improves reserve fund balances: PARSAC Claims Reserve Fund \$50,000; Legal Contingency Reserve \$250,000; Budget Contingency \$240,000; Revenue Stabilization Reserve Fund \$1,000,000; Emergency Reserve Fund \$1,620,000; Water Enterprise Drought Emergency Reserve Fund \$2,048,000.
- Funding to start General Plan Update process.
- \$800,000 in state and federal grant funding available to low income residents for home rehabilitation projects.
- Key infrastructure projects include additional parking at Yountville Community Park and the ADA renovation of the parks public gathering areas; parking at Oak Circle Pocket Park and design for continuation of Hopper Creek path; Public Works Corporation Yard office modernization.

### CONTACTING THE TOWN'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the Town's finances and to demonstrate the Town's accountability for the money it receives and spends. If you have questions about this report or need additional financial information, contact the Finance Director, Town of Yountville, 6550 Yount Street, Yountville, CA 94599 or visit the Town's website at: [www.townofyountville.com](http://www.townofyountville.com).

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**BASIC  
FINANCIAL STATEMENTS**

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# GOVERNMENT-WIDE FINANCIAL STATEMENTS

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**Town of Yountville**  
**Statement of Net Position**  
**June 30, 2015**

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
<b>ASSETS</b>			
Current assets:			
Cash and investments	8,274,393	\$ 6,166,562	\$ 14,440,955
Restricted cash and investments with fiscal agents	672,902	-	672,902
Receivables:			
Accounts receivable	439,534	525,142	964,676
Taxes receivable	1,096,924	-	1,096,924
Due from other government	20,297	-	20,297
Internal balances	458,075	(458,075)	-
Deposits and prepayments	37,505	-	37,505
Total current assets	<u>10,999,630</u>	<u>6,233,629</u>	<u>17,233,259</u>
Noncurrent assets:			
Long term receivables	1,412,085	-	1,412,085
Net OPEB asset	235,309	-	235,309
Capital assets:			
Non-depreciable	3,706,875	3,693,263	7,400,138
Depreciable, net	29,881,080	7,867,263	37,748,343
Total capital asset	<u>33,587,955</u>	<u>11,560,526</u>	<u>45,148,481</u>
Total noncurrent assets	<u>35,235,349</u>	<u>11,560,526</u>	<u>46,795,875</u>
<b>Total assets</b>	<u>46,234,979</u>	<u>17,794,155</u>	<u>64,029,134</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred employer pension contribution	292,810	94,260	387,070
Deferred outflows of resources - pension	64,642	20,809	85,451
<b>Total deferred outflows of resources</b>	<u>357,452</u>	<u>115,069</u>	<u>472,521</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	891,315	285,218	1,176,533
Other current liabilities	95,276	-	95,276
Accrued interest payable	132,283	-	132,283
Compensated absences - due within one year	21,000	8,000	29,000
Revenue bonds and loans due within one year	501,645	127,679	629,324
Capital lease payable - due within one year	244,595	-	244,595
Total current liabilities	<u>1,886,114</u>	<u>420,897</u>	<u>2,307,011</u>
Noncurrent liabilities:			
Compensated absences - due within one year	156,489	23,229	179,718
Revenue bonds and loans - due in more than one year	13,041,739	2,677,192	15,718,931
Capital lease payable - due within one year	508,766	-	508,766
Net pension liability	1,853,004	596,509	2,449,513
Total noncurrent liabilities	<u>15,559,998</u>	<u>3,296,930</u>	<u>18,856,928</u>
<b>Total liabilities</b>	<u>17,446,112</u>	<u>3,717,827</u>	<u>21,163,939</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows of resources - pension	520,148	167,443	687,591
<b>Total deferred inflows of resources</b>	<u>520,148</u>	<u>167,443</u>	<u>687,591</u>
<b>NET POSITION</b>			
Net investment in capital assets	<u>19,291,210</u>	<u>8,755,655</u>	<u>28,046,865</u>
Restricted for:			
Streets and flood control	308,927	-	308,927
Capital improvements	12,049	11,279	23,328
Community services	69,654	-	69,654
Debt service	1,319,269	210,000	1,529,269
Housing	1,412,085	-	1,412,085
Total restricted	<u>3,121,984</u>	<u>221,279</u>	<u>3,343,263</u>
Unrestricted	<u>6,212,977</u>	<u>5,047,020</u>	<u>11,259,997</u>
<b>Total net position</b>	<u>\$ 28,626,171</u>	<u>\$ 14,023,954</u>	<u>\$ 42,650,125</u>

See accompanying Notes to Basic Financial Statements.

**Town of Yountville**  
**Statement of Activities**  
**For the year ended June 30, 2015**

Functions/Programs	Expenses	Program Revenues			Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Primary Government:</b>					
<b>Governmental activities:</b>					
General government	\$ 2,802,120	\$ 454,644	\$ 220,485	\$ -	\$ 675,129
Public safety	1,317,668	5,631	152,491	-	158,122
Parks and recreation	1,719,272	461,667	-	-	461,667
Housing	44,624	26,966	-	-	26,966
Public works	2,168,798	221,836	607,686	161,647	991,169
Community promotion	473,577	-	-	-	-
Interest on long-term debt	578,701	-	-	-	-
Total governmental activities	9,104,760	1,170,744	980,662	161,647	2,313,053
<b>Business-type activities:</b>					
Water Services	985,238	1,303,497	-	6,686	1,310,183
Wastewater Services	1,320,491	1,686,528	-	101,257	1,787,785
Total business-type activities	2,305,729	2,990,025	-	107,943	3,097,968
<b>Total primary government</b>	<b>\$ 11,410,489</b>	<b>\$ 4,160,769</b>	<b>\$ 980,662</b>	<b>\$ 269,590</b>	<b>\$ 5,411,021</b>

**General Revenues:**

Taxes:

Property taxes

Sales taxes

Transient occupancy taxes

Other taxes

Total taxes

Investment earnings

Miscellaneous

**Total general revenues**

**Change in net position**

**Net position - beginning of year (as restated)**

**Net position - end of year**

See accompanying Notes to Basic Financial Statements.

Net (Expense) Revenue  
and Changes in Net Position

Governmental Activities	Business-Type Activities	Total
\$ (2,126,991)	\$ -	\$ (2,126,991)
(1,159,546)	-	(1,159,546)
(1,257,605)	-	(1,257,605)
(17,658)	-	(17,658)
(1,177,629)	-	(1,177,629)
(473,577)	-	(473,577)
(578,701)	-	(578,701)
<u>(6,791,707)</u>	<u>-</u>	<u>(6,791,707)</u>
-	324,945	324,945
-	467,294	467,294
-	792,239	792,239
<u>(6,791,707)</u>	<u>792,239</u>	<u>(5,999,468)</u>
1,164,773	-	1,164,773
1,317,685	-	1,317,685
6,582,041	-	6,582,041
141,476	-	141,476
<u>9,205,975</u>	<u>-</u>	<u>9,205,975</u>
23,507	5,196	28,703
10,219	-	10,219
<u>9,239,701</u>	<u>5,196</u>	<u>9,244,897</u>
2,447,994	797,435	3,245,429
26,178,177	13,226,519	39,404,696
<u>\$ 28,626,171</u>	<u>\$ 14,023,954</u>	<u>\$ 42,650,125</u>

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# FUND FINANCIAL STATEMENTS

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*Governmental Fund Financial Statements*

*Proprietary Fund Financial Statements*

*Fiduciary Fund Financial Statements*

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## GOVERNMENTAL FUND FINANCIAL STATEMENTS

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

*Capital Projects Fund* accounts for the resources accumulated for the acquisition of fixed assets or construction of major capital projects not being financed by proprietary funds. Significant maintenance projects and major purchases of equipment are also accounted for in the capital projects fund.

*Debt Service Fund* is used to accumulate resources for repayment of the revenue bonds and capital lease arrangements.

**Town of Yountville**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2015**

	Major Funds		
	General Fund	Capital Projects	Debt Service
<b>ASSETS</b>			
Cash and investments	\$ 4,920,623	\$ 2,897,798	\$ 79,244
Cash with fiscal agent	-	-	672,902
Taxes receivable	1,096,924	-	-
Accounts receivable	38,442	141,115	259,977
Due from other governments	11,574	-	-
Prepays	37,505	-	-
Loans to other funds	-	150,929	307,146
Long term receivables	1,412,085	-	-
<b>Total assets</b>	<b>\$ 7,517,153</b>	<b>\$ 3,189,842</b>	<b>\$ 1,319,269</b>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities:</b>			
Accounts payable	\$ 409,622	\$ 437,853	\$ -
Other liabilities	95,276	-	-
<b>Total liabilities</b>	<b>504,898</b>	<b>437,853</b>	<b>-</b>
<b>Fund Balances:</b>			
Restricted:			
Debt service	-	-	1,319,269
Flood control	-	-	-
Streets	-	-	-
Youth programs	-	-	-
Fire services	-	-	-
Capital improvements	-	-	-
Public education	49,019	-	-
Housing	1,412,085	-	-
Total restricted	1,461,104	-	1,319,269
Committed:			
Emergencies	1,620,000	-	-
Claims payable	50,000	-	-
Capital projects	-	2,751,989	-
Total committed	1,670,000	2,751,989	-
Assigned:			
Unanticipated costs of capital or other contracts	240,000	-	-
Unanticipated tourism revenue deficits	1,500,000	-	-
Outstanding purchase orders and adjustments	474,211	-	-
Arts program	32,425	-	-
Capital projects	1,377,648	-	-
Legal contingencies	250,000	-	-
Total assigned	3,874,284	-	-
Total unassigned	6,867	-	-
<b>Total fund balances</b>	<b>7,012,255</b>	<b>2,751,989</b>	<b>1,319,269</b>
<b>Total liabilities</b>			
<b>and fund balances</b>	<b>\$ 7,517,153</b>	<b>\$ 3,189,842</b>	<b>\$ 1,319,269</b>

See accompanying Notes to Basic Financial Statements.

Non-Major Governmental Funds	Total Governmental Funds
\$ 376,728	\$ 8,274,393
-	672,902
-	1,096,924
-	439,534
8,723	20,297
-	37,505
-	458,075
-	1,412,085
<u>\$ 385,451</u>	<u>\$ 12,411,715</u>
\$ 43,840	\$ 891,315
-	95,276
<u>43,840</u>	<u>986,591</u>
-	1,319,269
181,657	181,657
127,270	127,270
20,606	20,606
29	29
12,049	12,049
-	49,019
-	1,412,085
<u>341,611</u>	<u>3,121,984</u>
-	1,620,000
-	50,000
-	2,751,989
<u>-</u>	<u>4,421,989</u>
-	240,000
-	1,500,000
-	474,211
-	32,425
-	1,377,648
-	250,000
<u>-</u>	<u>3,874,284</u>
<u>-</u>	<u>6,867</u>
<u>341,611</u>	<u>11,425,124</u>
<u>\$ 385,451</u>	<u>\$ 12,411,715</u>

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**Town of Yountville**  
**Reconciliation of the Governmental Funds Balance Sheet**  
**to the Government-Wide Statement of Net Position**  
**June 30, 2015**

**Total Fund Balances - Total Governmental Funds** \$ 11,425,124

Amounts reported for governmental activities in the Statement of Net Position were different because:

Capital assets used in governmental activities were not current financial resources. Therefore, they were not reported in the Governmental Funds Balance Sheet. Except for the internal service funds reported below, the capital assets were adjusted as follows:

	Total
Non-depreciable	\$ 3,706,875
Depreciable, net	29,881,080
	33,587,955

Interest payable on long-term debt did not require current financial resources. Therefore, interest payable was not reported as a liability in the Governmental Funds Balance Sheet. (132,283)

Differences between annual OPEB cost and contributions made to the Town's OPEB plan are presented on the Government-Wide Financial Statements as either a Net OPEB obligation or a Net OPEB asset. There is no impact on the Government Funds Balance Sheet. 235,309

Employer contributions for pension were recorded as expenditures in the governmental funds. However, in the Government-Wide Financial Statements these contributions are deferred. 292,810

In the Government-Wide Financial Statements, certain differences between actuarial amounts and actual results for pension are deferred and amortized over a period of time, however these differences do not impact the Governmental Funds Balance Sheet:

Deferred outflows of resources - pension	64,642
Deferred inflows of resources - pension	(520,148)

Long-term liabilities were not due and payable in the current period. Therefore, they were not reported in the Governmental Funds Balance Sheet.

	Total
Compensated absences - due within one year	\$ (21,000)
Revenue bonds and loans due within one year	(501,645)
Capital lease payable - due within one year	(244,595)
Compensated absences - due within one year	(156,489)
Revenue bonds and loans due within one year	(13,041,739)
Capital lease payable - due within one year	(508,766)
Net pension liability	(1,853,004)
	(16,327,238)

**Net Position of Governmental Activities** \$ 28,626,171

See accompanying Notes to Basic Financial Statements.

**Town of Yountville**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the year ended June 30, 2015**

	Major Funds		
	General Fund	Capital Projects	Debt Service
<b>REVENUES:</b>			
Property taxes	\$ 1,139,162	\$ -	\$ -
Sales taxes	1,337,240	-	-
Transient occupancy tax	6,582,041	-	-
Other taxes	167,087	-	-
Licenses and permits	86,419	-	-
Fines and forfeitures	9,224	-	-
Intergovernmental	134,605	366,022	259,977
Interest and rents	267,236	6,884	23
Charges for services	813,089	9,283	-
Miscellaneous	240,334	-	-
<b>Total revenues</b>	<b>10,776,437</b>	<b>382,189</b>	<b>260,000</b>
<b>EXPENDITURES:</b>			
Current:			
General government	2,663,292	-	4,350
Housing	44,624	-	-
Public Safety	1,317,668	-	-
Public Works	1,553,370	-	-
Community promotion	473,577	-	-
Parks and recreation	1,346,299	-	-
Capital outlay	4,028	1,939,729	-
Debt service:			
Principal	16,168	-	708,294
Interest	4,501	-	573,820
<b>Total expenditures</b>	<b>7,423,527</b>	<b>1,939,729</b>	<b>1,286,464</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>3,352,910</b>	<b>(1,557,540)</b>	<b>(1,026,464)</b>
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers in	-	850,000	1,005,860
Transfers out	(1,855,860)	-	-
<b>Total other financing sources (uses)</b>	<b>(1,855,860)</b>	<b>850,000</b>	<b>1,005,860</b>
<b>Net change in fund balances</b>	<b>1,497,050</b>	<b>(707,540)</b>	<b>(20,604)</b>
<b>FUND BALANCES:</b>			
Beginning of year, as restated	5,515,205	3,459,529	1,339,873
End of year	\$ 7,012,255	\$ 2,751,989	\$ 1,319,269

See accompanying Notes to Basic Financial Statements.

Non-Major Governmental Funds	Total Governmental Funds
\$ -	\$ 1,139,162
-	1,337,240
-	6,582,041
-	167,087
-	86,419
-	9,224
112,849	873,453
456	274,599
12,040	834,412
7,493	247,827
<u>132,838</u>	<u>11,551,464</u>
-	2,667,642
-	44,624
-	1,317,668
1,292	1,554,662
-	473,577
2,875	1,349,174
67,774	2,011,531
-	724,462
-	578,321
<u>71,941</u>	<u>10,721,661</u>
<u>60,897</u>	<u>829,803</u>
-	1,855,860
-	(1,855,860)
-	-
<u>60,897</u>	<u>829,803</u>
<u>280,714</u>	<u>10,595,321</u>
<u>\$ 341,611</u>	<u>\$ 11,425,124</u>

**Town of Yountville**  
**Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes**  
**in Fund Balances to the Government-Wide Statement of Activities**  
**For the year ended June 30, 2015**

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**Net Change in Fund Balances - Total Governmental Funds** \$ 829,803

Amounts reported for governmental activities in the Statement of Activities were different because:

Governmental funds reported capital outlay as expenditures. However, in the Government-Wide Statement of Activities, the cost of those assets was allocated over their estimated useful lives as depreciation expense. This was the amount of capital assets recorded in the current period.	1,852,923
Depreciation expense on capital assets was reported in the Government-Wide Statement of Activities, but they did not require the use of current financial resources. Therefore, depreciation expense was not reported as expenditures in the governmental funds.	(995,579)
Employer contributions for pension were recorded as expenditures in the governmental funds. However, in the Government-Wide Financial Statements these contributions are deferred.	292,810
OPEB expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.	8,463
Interest expense on long-term debt is reported on the accrual basis of accounting on the Government-Wide Statements, but expenditures on long-term debt in the governmental funds statements are recorded when paid. The following amount represents the change in accrued interest from the prior year.	(1,255)
Repayment of capital lease obligations was an expenditure in governmental funds, but the repayment reduced long-term liabilities in the Government-Wide Statement of Net Position.	238,294
Accrued compensated leave payable was an expenditure in governmental funds, but the accrued payable increased compensated leave liabilities in the Government-Wide Statement of Net Position.	(38,239)
Bond and loan proceeds provided current year financial resources to governmental funds, but issuing debt increased long-term liabilities in the Government-Wide Statement of Net Position. Repayment of bond and loan principal was an expenditure in the governmental funds, but the repayment reduced long-term liabilities in the Government-Wide Statement of Net Position.	486,168
Amortization of bond premiums do not provide current financial resources and are not reported in the funds.	875
Pension expense is recorded as incurred in the Government-Wide Statement of Activities, however pension expense does not required the use of current financial resources, and is not recognized in the governmental funds.	<u>(226,269)</u>
<b>Change in Net Position of Governmental Activities</b>	<u><u>\$ 2,447,994</u></u>

See accompanying Notes to Basic Financial Statements.

## PROPRIETARY FUND FINANCIAL STATEMENTS

*Water Service Fund* accounts for the activities associated with providing water services.

*Wastewater Fund* accounts for the wastewater treatment plant and wastewater pumping stations and collection systems.

**Town of Yountville**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2015**

	Enterprise Funds		
	Water	Wastewater	Total
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 3,229,000	\$ 2,937,562	\$ 6,166,562
Accounts receivable	137,485	387,657	525,142
Total current assets	<u>3,366,485</u>	<u>3,325,219</u>	<u>6,691,704</u>
Noncurrent assets:			
Capital assets:			
Non-depreciable	86,334	3,606,929	3,693,263
Depreciable, net	1,936,799	5,930,464	7,867,263
Total capital assets	<u>2,023,133</u>	<u>9,537,393</u>	<u>11,560,526</u>
Total noncurrent assets	<u>2,023,133</u>	<u>9,537,393</u>	<u>11,560,526</u>
<b>Total assets</b>	<u>\$ 5,389,618</u>	<u>\$ 12,862,612</u>	<u>\$ 18,252,230</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred employer pension contribution	27,473	66,787	94,260
Deferred outflows of resources - pension	6,065	14,744	20,809
<b>Total deferred outflows of resources</b>	<u>33,538</u>	<u>81,531</u>	<u>115,069</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	50,479	234,739	285,218
Compensated absences, due within one year	2,000	6,000	8,000
Loans payable, due within one year	-	127,679	127,679
Total current liabilities	<u>52,479</u>	<u>368,418</u>	<u>420,897</u>
Noncurrent liabilities:			
Loans from other funds	93,875	364,200	458,075
Compensated absences, due in more than one year	2,799	20,430	23,229
Loans payable, due in more than one year	-	2,677,192	2,677,192
Net pension liability	173,856	422,653	596,509
Total noncurrent liabilities	<u>270,530</u>	<u>3,484,475</u>	<u>3,755,005</u>
<b>Total liabilities</b>	<u>323,009</u>	<u>3,852,893</u>	<u>4,175,902</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows of resources - pension	48,802	118,641	167,443
<b>Total deferred inflows of resources</b>	<u>48,802</u>	<u>118,641</u>	<u>167,443</u>
<b>NET POSITION</b>			
Net investment in capital assets	2,023,133	6,732,522	8,755,655
Restricted for capital improvements	-	11,279	11,279
Restricted for debt service	-	210,000	210,000
Unrestricted	3,028,212	2,018,808	5,047,020
<b>Total net position</b>	<u>\$ 5,051,345</u>	<u>\$ 8,972,609</u>	<u>\$ 14,023,954</u>

See accompanying Notes to Basic Financial Statements.

**Town of Yountville**  
**Statement of Revenues, Expenses and Changes in Fund Net Position**  
**Proprietary Funds**  
**For the year ended June 30, 2015**

	Enterprise Funds		
	Water	Wastewater	Total
<b>OPERATING REVENUES:</b>			
Charges for services	1,303,497	1,686,528	\$ 2,990,025
<b>Total operating revenues</b>	<b>1,303,497</b>	<b>1,686,528</b>	<b>2,990,025</b>
<b>OPERATING EXPENSES:</b>			
Personnel services	238,149	555,661	\$ 793,810
Purchased water	549,546	-	549,546
Utilities	-	109,629	109,629
Other supplies and expenses	111,459	384,327	495,786
Insurance, claims, and expenses	15,876	32,910	48,786
Depreciation	70,208	237,964	308,172
<b>Total operating expenses</b>	<b>985,238</b>	<b>1,320,491</b>	<b>2,305,729</b>
<b>OPERATING INCOME</b>	<b>318,259</b>	<b>366,037</b>	<b>684,296</b>
<b>NONOPERATING REVENUES (EXPENSES):</b>			
Interest and investment revenue	4,472	724	5,196
<b>Total nonoperating revenues (expenses)</b>	<b>4,472</b>	<b>724</b>	<b>5,196</b>
<b>Income (loss) before contributions</b>	<b>322,731</b>	<b>366,761</b>	<b>689,492</b>
Contributions:			
Capital Contributions	6,686	101,257	107,943
Net contributions and transfers	6,686	101,257	107,943
Change in net position	329,417	468,018	797,435
<b>NET POSITION</b>			
Beginning of year, as restated	4,721,928	8,504,591	13,226,519
End of year	\$ 5,051,345	\$ 8,972,609	\$ 14,023,954

See accompanying Notes to Basic Financial Statements.

**Town of Yountville**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the year ended June 30, 2015**

	Enterprise Funds		
	Water	Wastewater	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Cash received from customers	\$ 1,419,201	\$ 1,627,033	\$ 3,046,234
Cash payments to suppliers for goods and services	(638,820)	(1,025,994)	(1,664,814)
Cash paid to employees	(255,527)	(585,624)	(841,151)
<b>Net cash provided by operating activities</b>	<b>524,854</b>	<b>15,415</b>	<b>540,269</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>			
Contributions	6,686	101,257	107,943
Payments on interfund loans		(55,662)	(55,662)
<b>Net cash provided by noncapital financing activities</b>	<b>6,686</b>	<b>45,595</b>	<b>52,281</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>			
Acquisition of capital assets	(112,511)	(2,283,690)	(2,396,201)
Proceed from debt issuance	-	2,058,619	2,058,619
Long-term debt repayment	-	(12,525)	(12,525)
<b>Net cash (used in) capital and related financing activities</b>	<b>(112,511)</b>	<b>(237,596)</b>	<b>(350,107)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Investment income received	4,472	724	5,196
<b>Net cash provided by investing activities</b>	<b>4,472</b>	<b>724</b>	<b>5,196</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>423,501</b>	<b>(175,862)</b>	<b>247,639</b>
<b>CASH AND CASH EQUIVALENTS - Beginning of year</b>	<b>2,805,499</b>	<b>3,113,424</b>	<b>5,918,923</b>
<b>CASH AND CASH EQUIVALENTS - End of year</b>	<b>\$ 3,229,000</b>	<b>\$ 2,937,562</b>	<b>\$ 6,166,562</b>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</b>			
Operating income	\$ 318,259	\$ 366,037	\$ 684,296
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	70,208	237,964	308,172
Changes in assets and liabilities:			
Accounts receivable	115,704	(59,495)	56,209
Accounts payable	38,061	(499,128)	(461,067)
Deferred employer pension contributions	(1,235)	(3,001)	(4,236)
Deferred outflows - pension	(6,065)	(14,744)	(20,809)
Compensated absences	(11,134)	(14,786)	(25,920)
Net pension liability	(47,746)	(116,073)	(163,819)
Deferred inflows - pension	48,802	118,641	167,443
<b>Total adjustments</b>	<b>206,595</b>	<b>(350,622)</b>	<b>(144,027)</b>
<b>Net cash provided by operating activities</b>	<b>\$ 524,854</b>	<b>\$ 15,415</b>	<b>\$ 540,269</b>

See accompanying Notes to Basic Financial Statements.

## FIDUCIARY FUND FINANCIAL STATEMENTS

### OPEB Trust Funds

*Retirement Employees Health Care Plan Fund* accounts for contributions made to the Town's established IRC section 115 irrevocable trust fund with PARS (Public Agency Retirement Services) created as part of the Town's OPEB (other post employment benefits) funding policy.

### Agency Funds

*Napa Valley Tourism Improvement District Agency Fund* accounts for assets collected on behalf of the Napa Valley Tourism Improvement District.

**Town of Yountville**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**June 30, 2015**

	Retired Employees Health Care Plan	Agency Funds
<b>ASSETS</b>		
Cash and cash equivalents	\$ -	148,955
Assessments receivable	-	165,878
Interest receivable	-	449
Loans receivable		100,000
Investments at fair value:	-	
Union Bank Public Agencies Retirement Services Pool	1,724,260	-
Total assets	<u>1,724,260</u>	<u>415,282</u>
<b>LIABILITIES</b>		
Accounts payable	-	154,216
Due to Napa Valley Tourism Improvement District	-	261,066
Total liabilities	<u>-</u>	<u>415,282</u>
<b>NET POSITION</b>		
Held in trust for other postemployment benefits	<u>1,724,260</u>	
<b>Total net position</b>	<u>\$ 1,724,260</u>	

See accompanying Notes to Basic Financial Statements.



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# NOTES TO BASIC FINANCIAL STATEMENTS

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**Town of Yountville**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2015**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The basic financial statements of the Town of Yountville (Town) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental agencies. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the Town's accounting policies are described below.

**A. Financial Reporting Entity**

The Town of Yountville is a municipal corporation governed by an elected mayor and four-member council. The Town provides customary municipal services including general governmental activities, law enforcement, fire and emergency services, streets, maintenance, parks and recreation activities, water and wastewater utility services. Public safety police and fire services are provided to the Town through contractual arrangements with the County of Napa. Accordingly, the Town does not employ resident public safety personnel. The Town and State of California, Department of Veterans Affairs, have an agreement, which provides for the operation of a joint wastewater treatment facility. Under the agreement, the Town purchased the State's then existing treatment plant and land for a price equal to 50 percent of its wastewater treatment plant and facility. Under the agreement, the Town's plant is to provide capacity in the treatment facility for a maximum daily flow capacity not to exceed one million gallons per day originating from the Veterans Home of California. Under the agreement, the State of California is to pay an annual service charge to the Town for a pro rata share of the cost of operating and maintaining the Town's treatment facility. The State of California is also to pay annually to the Town capital replacement charges, which are to be matched in an equal amount by the Town.

The Town and Veterans Home of California also have a water purchase agreement whereby the Town purchases water from the Veterans Home Rector Reservoir for use in the Town's municipal water enterprise. The Town's obligations to pay for purchased water are allowed to be offset against the obligations of the State of California to the Town for wastewater treatment services purchased by the State.

These basic financial statements present the Town and its component units, entities for which the town is considered to be financially accountable. Blended component units, although legally separate entities are, in substance, part of the Town's operations and data from these units are combined with data of the Town. The Town had no discretely presented component units. The blended component units have a June 30, year-end. The following entities are reported as blended component units:

The Yountville Financing Authority was established solely to assist the Town in the issuance of certain revenue bonds. It is controlled by and financially dependent on the Town; its financial activities were accounted for in the Debt Service Fund.

The Yountville Housing Authority was established to promote and assist in the development of affordable housing. It is controlled by and financially dependent on the Town; its financial activities were accounted for in the General Fund.

**Town of Yountville**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2015**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

**A. Financial Reporting Entity, Continued**

The Yountville Parking Authority was formed as a joint exercise powers agency (JPA) organized under the laws of the State of California. The Parking Authority is authorized to own, hold, and improve real or personal property and to purchase, lease, obtain an option upon, acquire by gift, grant, bequest, devise, or otherwise, any real or personal property or any interest in property and sell, lease, exchange, transfer, assign, pledge, or dispose of any real or personal property or any interest or right for the purpose of providing and maintaining parking facilities pursuant to the provisions of the California Streets and Highways Code. It is controlled by and financially dependent on the Town; its financial activities were accounted for in the Debt Service Fund.

Separate financial statements are not issued by the Town for these component units.

**B. Basis of Accounting and Measurement Focus**

The accounts of the Town are organized on the basis of funds, each of which is considered a separate accounting entity with its own self-balancing set of accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses. These funds are established for the purpose of carrying out specific activities or certain objectives in accordance with specific regulations, restrictions, or limitation. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

**Government-Wide Financial Statements**

The Town's Government-Wide Financial Statements include a Statement of Net Position and a Statement of Activities. These statements present summaries of Governmental and Business-Type Activities for the Town accompanied by a total column.

These financial statements are presented on an "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all of the Town's assets and liabilities, including capital assets, as well as infrastructure assets, and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liabilities are incurred.

**Town of Yountville**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2015**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

***B. Basis of Accounting and Measurement Focus, Continued***

Certain types of transactions reported as program revenues for the Town are reported in three categories:

- Charges for services
- Operating grants and contributions
- Capital grants and contributions

Certain eliminations have been made in regards to interfund activities, payables, and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities, internal fund transactions have been eliminated; however, those transactions between governmental and business-type activities have not been eliminated. The following interfund activities have been eliminated:

- Transfers in/out

The Town applies all applicable GASB pronouncements including all Interpretations currently in effect.

**Governmental Fund Financial Statements**

Governmental fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and non-major funds aggregated. An accompanying schedule is presented to reconcile and explain the differences in net position as presented in these statements to the net position presented in the government-wide financial statements. The Town has presented all major funds that meet specific qualifications.

All governmental funds are accounted for on a spending or "current financial resources" measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the balance sheets. The Statement of Revenues, Expenditures and Changes in Fund Balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period.

**Town of Yountville**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2015**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

**B. Basis of Accounting and Measurement Focus, Continued**

The Town reports the following funds as major governmental funds of the Town.

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

Capital Projects Fund accounts for the resources accumulated for the acquisition of fixed assets or construction of major capital projects not being financed by proprietary funds. Significant maintenance projects and major purchases of equipment are also accounted for in the capital projects fund.

Debt Service Fund is used to accumulate resources for repayment of the revenue bonds and capital lease arrangements.

The Town reports the following governmental funds as non-major governmental funds of the Town.

Flood Mitigation Fund accounts for revenues and expenditures related to the FEMA Flood Hazard Mitigation Grant awarded to the Town in 1990. The project was completed in fiscal year 2004-05, and various mitigations have been accomplished since the barrier was constructed. Current Fund resources are to be utilized for capital improvement and maintenance of the Flood Barrier and its related system infrastructure.

Gas Tax Fund accounts for maintenance and capital expenditures associated with street improvement projects. Funding is provided from State Gas Taxes and Traffic Congestion Relief monies that are restricted to street maintenance and related improvements within the Town.

Tallent Lane Drainage Fund accounts for the activities of the Tallent Lane Benefit District that was established to provide safer and improved access to properties fronting Tallent Lane.

Mesa Court Drainage Fund accounts for the activities of the Mesa Court Drainage Benefit District that was established to correct drainage problems within the area of Mesa Court.

Impact Fees Fund accounts for financial activities relating to the Civic Facilities, Drainage and Flood Control, Parks and Recreation, Public Safety, and Traffic Facilities Impact Fees.

Fire Services Fund accounts for financial activities relating to the Fire Emergency Services Impact Fee that are restricted to be used to offset additional costs of personnel, facilities, and equipment required to meet demand on fire and medical services generated by new development.

Youth Programs Fund accounts for contributions to and fundraising efforts by Town staff for the purpose of providing sponsorship to Parks and Recreation programs for eligible youth participants that otherwise could not afford to participate. Sponsorships are provided for programs such as the Town's After School Programs, Day Camp Programs, swim lessons, and other Town recreation programs. Revenues represent contributions from individuals, fundraising efforts, and interest earned.

**Town of Yountville**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2015**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

**B. Basis of Accounting and Measurement Focus, Continued**

**Governmental Fund Financial Statements, Continued**

Revenues are recorded when received in cash, except that revenues subject to accrual (generally those received 60 days after year-end) are recognized when due. The primary revenue sources that have been treated as susceptible to accrual by the Town are property taxes, taxpayer-assessed tax revenues (sales taxes, transient occupancy taxes, etc.), licenses, grant revenues and earnings on investments. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

The Reconciliation of the Fund Financial Statements to the Government-Wide Financial Statements is provided.

**Proprietary Fund Financial Statements**

Proprietary fund financial statements include a Statement of Net Position, a Statement of Revenues, Expenses and Change in Net Position, and a Statement of Cash Flows for all proprietary funds.

Proprietary funds are accounted for using the “economic resources” measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or noncurrent) are included on the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Fund Net Position presents increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which a liability is incurred.

Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as nonoperating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as nonoperating expenses.

The Town reports the Water and Wastewater enterprise funds as proprietary funds of the Town.

Water Fund accounts for the activities associated with providing water services.

Wastewater Service Fund accounts for the wastewater treatment plant and wastewater pumping stations and collection systems.

**Town of Yountville**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2015**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

**B. Basis of Accounting and Measurement Focus, Continued**

**Fiduciary Fund Financial Statements**

Fiduciary fund financial statements consist of a Statement of Fiduciary Net Position and a Statement of Changes in Fiduciary Net Position. OPEB Trust Funds are used to report resources that are required to be held in trust by the Town for the members and beneficiaries of defined benefit OPEB plans and defined contribution OPEB plans. Agency funds are used by the Town to report activity relating to amounts collected and distributed by the Town for outside parties based on agreements. Fiduciary funds are accounted for using the accrual basis of accounting. The Town reports the following fiduciary funds:

Retired Employees Health Care Plan – accounts for assets held in trust for employee health benefits.

Tourism Improvement District Agency Fund accounts for assets held by the Town on behalf of the Napa Valley Tourism Improvement District.

**C. Cash, Cash Equivalents and Investments**

The Town pools cash resources from all funds in order to facilitate the management of cash. The balance in the pooled cash account is available to meet current operating requirements. Cash in excess of current requirements is invested in various interest-bearing accounts and other investments for varying terms.

In accordance with GASB Statement No. 40, *Deposit and Investment Disclosures (Amendment of GASB No. 3)*, certain disclosure requirements for Deposits and Investment Risks were made in the following areas:

- Interest Rate Risk
- Credit Risk
  - Overall
  - Custodial Credit Risk
  - Concentrations of Credit Risk

In addition, other disclosures are specified including use of certain methods to present deposits and investments, highly sensitive investments, credit quality at year-end, and other disclosures.

In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, highly liquid market investments with maturities of one year or less at time of purchase are stated at amortized cost. All other investments are stated at fair value. Market value is used as fair value for those securities for which market quotations are readily available.

**Town of Yountville**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2015**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

*C. Cash, Cash Equivalents and Investments, Continued*

The Town participates in an investment pool managed by the State of California entitled Local Agency Investment Fund (LAIF) which has invested a portion of the pooled funds in Structured Notes and Asset-Backed Securities. LAIF's investments are subject to credit risk with the full faith and credit of the State of California collateralizing these investments. In addition, these Structured Notes and Asset-Backed Securities are subject to market risk as to the change in interest rates.

Cash equivalents are considered amounts in demand deposits and short-term investments with a maturity date within three months of the date acquired by the Town and are presented as "Cash and Investments" in the accompanying Basic Financial Statements.

The Town considers all pooled cash and investments (consisting of cash and investments and restricted cash and investments) held by the Town as cash and cash equivalents because the pool is used essentially as a demand deposit account from the standpoint of the funds. The Town also considers all non-pooled cash and investments (consisting of cash with fiscal agent and restricted cash and investments held by fiscal agent) as cash and cash equivalents because investments meet the criteria for cash equivalents defined above.

*D. Restricted Cash and Investments*

Certain restricted cash and investments are held by fiscal agents for the redemption of bonded debt, for acquisition and construction of capital projects, and to meet bond indenture debt reserve requirements. Cash and investments are also restricted for deposits held for others within the enterprise funds.

*E. Receivables and Payables*

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances." Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable government funds to indicate that they are not available for appropriation and are not expendable available financial resources. The Town considers all trade and property tax receivables to be fully collectible and therefore no allowance for uncollectible accounts is considered necessary.

**Town of Yountville**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2015**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

*E. Receivables and Payables*

Property taxes are levied as of January 1 on property values assessed as of the same date. State statutes provide that the property tax rate be limited generally to one percent of market value, be levied by only the County, and be shared by applicable jurisdictions. The County of Napa collects the taxes and distributes them to taxing jurisdictions on the basis of assessed valuations subject to voter-approved debt. Property taxes are due on November 1 and March 1, and become delinquent on December 10 and April 10. The Town receives property taxes pursuant to an arrangement with the County known as the "Teeter Plan". Under the plan, the County assumes responsibility for the collection of delinquent taxes and pays the full allocation to the Town. The Town recognizes property tax revenues in the fiscal year in which they are due to the Town.

*F. Capital Assets*

Capital assets used in governmental fund operations, including infrastructure assets (i.e. roads, curbs, gutters, bridges, sidewalks, drainage systems, lighting systems, and other assets) are reflected in the government-wide financial statements, along with related depreciation. Capital assets are defined by the Town as assets with an initial individual cost of more than \$10,000 (\$25,000 for infrastructure type assets) and an estimated life in excess of 1 year. Purchased capital assets are valued at historical cost or estimated historical cost. Donated capital assets are valued at their fair value on the date donated. Capital assets acquired under lease or purchase agreements are capitalized when the Town accumulates an ownership equity in the assets acquired.

The purpose of depreciation is to spread the cost of capital assets equitably among all users over the life of these assets. The amount charged to depreciation expense each year represents that year's pro rata share of the cost of capital assets.

Depreciation is provided using the straight line method whereby the cost of the asset is divided by its expected useful life in years and the result is charged to expense each year until the asset is fully depreciated. The Town has assigned the useful lives listed below to capital assets:

Buildings	30 years
Building improvements	15-20 years
Public domain infrastructure	50 years
System infrastructure	20-100 years
Vehicles	7 years
Office equipment	3-7 years
Automobiles and Trucks	3-5 years

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase is reflected in the capitalized value of the asset constructed, net of interest earned on the invested proceeds over the same period.

**Town of Yountville**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2015**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

**G. Long-Term Debt**

Government-Wide Financial Statements – Long-term debt and other long-term obligations are reported as liabilities in the appropriate activities.

Bond premiums and discounts are amortized over the life of the bonds using the effective interest method. Bonds payable is reported net of the applicable bond premium or discount. Bond issuance costs (except for prepaid bond insurance) are expensed when incurred.

Fund Financial Statements – The governmental fund financial statements do not present long-term debt. As such, long-term debt is shown in the Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position.

Bond premiums and discounts, as well as issuance costs, are recognized during the current period as other financing sources or uses. Bond proceeds are reported as other financing sources.

Proprietary Fund Financial Statements use the same principles as those used in the Government-Wide Financial Statements.

**H. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position or fund balance that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town reports deferred employer pension contributions and other deferrals related to the Town's pension plans in this category in the government-wide and enterprise funds' statements of net position.

In addition to liabilities, the statement of financial position or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, 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 Town reports certain deferrals related to the Town's pension plans in this category in the government-wide and enterprise funds' statements of net position.

**Town of Yountville**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2015**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

*I. Net Position*

**Government-Wide Financial Statements**

In the Government-Wide Financial Statements, net position is classified in the following categories:

Net Investment in Capital Assets - This amount consists of capital assets net of accumulated depreciation and reduced by outstanding debt that is attributed to the acquisition, construction, or improvement of the assets.

Restricted - This amount is restricted by external creditors, grantors, contributors, or laws or regulations of governments.

Unrestricted - This amount is all net position that do not meet the definition of "net investment in capital assets" or "restricted net position" as defined above.

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, the Town's policy is to apply restricted net position first.

*J. Fund Balances*

**Fund Financial Statements**

In February 2009, the Governmental Accounting Standards Board (GASB) issued Statement 54, Fund Balance Reporting and Governmental Fund Type Definitions (GASB 54). The new classifications of fund balances are listed below:

**Nonspendable Fund Balances**

Nonspendable represents balances set aside to indicate items do not represent available, spendable resources even though they are a component of assets. Fund balances required to be maintained intact, such as Permanent Funds, and assets not expected to be converted to cash, such as prepaids, notes receivable, and land held for redevelopment are included. However, if proceeds realized from the sale or collection of nonspendable assets are restricted, committed, or assigned, then Nonspendable amounts are required to be presented as a component of the applicable category.

**Restricted Fund Balances**

Restricted fund balances have external restrictions imposed by creditors, grantors, contributors, laws, regulations, or enabling legislation which requires the resources to be used only for specific purpose. Encumbrances and nonspendable amounts subject to restrictions are included along with spendable resources.

**Town of Yountville**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2015**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

*L. Fund Balances, Continued*

**Committed Fund Balances**

Committed fund balances have constraints imposed by passage of a Resolution of the Town Council which may be altered only by Resolution of the Town Council. Encumbrances and nonspendable amounts subject to Council commitments are included along with spendable resources. The Town considers Resolutions to be the highest level action that can be taken by Council that constitutes the most binding constraint.

**Assigned Fund Balances**

Assigned fund balances are amounts constrained by the Town's intent to be used for a specific purpose, but are neither restricted nor committed. Intent is expressed by the Town Council or its designee and may be changed at the discretion of the Town Council or its designee. This category includes encumbrances; nonspendable amounts, when it is the Town's intent to use proceeds or collections for a specific purpose, and residual fund balances, if any, of Special Revenue, Capital Projects, and Debt Service Funds, which have not been restricted or committed. The Town Council has not delegated the authority to make assignments of fund balance, and assign fund balance by majority vote.

**Unassigned Fund Balance**

Unassigned fund balance represents residual amounts that have not been restricted, committed, or assigned. This includes the residual general fund balance and residual fund deficits, if any, of other governmental funds.

**Hierarchy of Expenditures to Classify Fund Balance Amounts**

For expenditures made in any governmental fund, the restricted amounts will be reduced first, followed by committed amounts, assigned amounts, and then unassigned amounts.

*M. Pension*

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 Town's California Public Employees' Retirement System (CalPERS) plans (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.

**Town of Yountville**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2015**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

*N. Compensated Absences and Other Postemployment Benefits*

It is the government's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the Town does not have a policy to pay any amounts when employees separate from service with the Town. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements or the Town believes it will have to use current resources to liquidate such obligations. Obligations for other postemployment benefits such as retiree medical plans are estimated based upon actuarial valuations of the plans. Compensated absences in the governmental activities are liquidated primarily by using general fund resources.

*O. Use of Estimates*

The preparation of the Basic Financial Statements in conformity with GAAP requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities. In addition, estimates affect the reported amount of expenses. Actual results could differ from these estimates and assumptions.

*P. New Pronouncements*

In 2015, the Town adopted new accounting standards in order to conform to the following Governmental Accounting Standards Board Statements:

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27* – The primary objective of this statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement results from comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments and accountability and inter-period equity, and creating additional transparency. The Town restated beginning net position as part of the implementation of this accounting standard.

GASB Statement No. 69, *Government Combinations and Disposals of Government Operations* – This statement establishes accounting and financial reporting standards related to government combinations and disposals of government operations. As used in this Statement, the term *government combinations* include a variety of transactions referred to as mergers, acquisitions, and transfers of operations. There was no impact on beginning net position as part of the implementation of this accounting standard.

**Town of Yountville**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2015**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

*P. New Pronouncements, Continued*

GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - An Amendment of GASB Statement No. 68* - The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68, *Accounting and Financial Reporting for Pensions*. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability. The Town restated its beginning net position as part of implementation of this accounting standard.

**2. CASH AND INVESTMENTS**

Cash and investments are reported in the accompanying financial statements as follows:

	<u>Government-Wide Statement of Net Position</u>			
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Fiduciary Funds</u>	<u>Total</u>
Cash and investments	\$ 8,283,116	\$ 6,166,562	\$ 140,232	\$ 14,589,910
Restricted cash and investments	672,902	-	-	672,902
Public agencies retirement services pool	-	-	1,724,260	1,724,260
<b>Total cash and investments</b>	<b>\$ 8,956,018</b>	<b>\$ 6,166,562</b>	<b>\$ 1,864,492</b>	<b>\$ 16,987,072</b>

**Town of Yountville**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2015**

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**2. CASH AND INVESTMENTS, Continued**

*A. Summary of Cash and Investments*

Cash and investments as of June 30, 2015 consist of the following:

Deposits:	
Cash on hand	\$ 501
Deposits with financial institution	<u>6,065,623</u>
Total deposits	<u>6,066,124</u>
Investments:	
Local Agency Investment funds	<u>8,523,786</u>
Total investments	<u>8,523,786</u>
Total City Treasury	<u>14,589,910</u>
Restricted cash and investments	
Cash with fiscal agent	<u>672,902</u>
Total restricted cash and investments	<u>672,902</u>
PARS OPEB investments	<u>1,724,260</u>
<b>Total cash and investments</b>	<b><u><u>\$ 16,987,072</u></u></b>

*B. Deposits*

The carrying amount of the Town's cash deposit was \$6,065,623 at June 30, 2015. Bank balances before reconciling items were a positive amount of \$6,209,702 at June 30, 2015. The Town has waived the collateral requirements for cash deposits, which are fully insured up to \$250,000 by the Federal Deposit Insurance Corporation. The remaining amount was collateralized with securities held by the pledging financial institutions in the Town's name.

The California Government Code (Code) requires California banks and savings and loan associations to secure the Town's cash deposits by pledging securities as collateral. The Code states that collateral pledged in this manner shall have the effect of perfecting a security interest in such collateral superior to those of a general creditor. Thus, collateral for cash deposits is considered to be held in the Town's name.

The market value of pledged securities must equal at least 110% of the Town's cash deposits. California law also allows institutions to secure Town deposits by pledging first trust deed mortgage notes having a value of 150% of the Town's total cash deposits.

**Town of Yountville**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2015**

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**2. CASH AND INVESTMENTS, Continued**

*B. Deposits, Continued*

The Town follows the practice of pooling cash and investments of all funds, except for funds required to be held by fiscal agents under the provisions of bond indentures. Interest income earned on pooled cash and investments is allocated to the various funds based on the period-end cash and investment balances. Interest income from cash and investments with fiscal agents is credited directly to the related fund.

*C. Investments*

Under the provisions of the Town's investment policy, and in accordance with the Code, the following investments are authorized:

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Securities issued by the U.S. Treasury	N/A	No limit	No limit
U.S. Agency Securities and Instrumentalies	N/A	No limit	No limit
Local Agency Investment Fund	N/A	No limit	No limit
Insured Savings Accounts	N/A	No limit	No limit
California Asset Management Program (CAMP)	N/A	No limit	No limit
Banker's acceptances	180 days	40%	5% of portfolio
Time Deposits	N/A	25%	5% of portfolio
Money Market/Mutual Funds	N/A	15%	5% of portfolio
Prime Commercial Paper	270 days	25%	5% of portfolio
Medium-term Corporate Notes	5 years	30%	5% of portfolio

Investments are stated at fair value using the aggregate method in all funds, resulting in the following investment income in all funds:

Interest income	\$ 21,153
Unrealized gain in changes in fair value of investments	<u>2,194</u>
<b>Total investment income</b>	<b><u><u>\$ 23,347</u></u></b>

**Town of Yountville**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2015**

**2. CASH AND INVESTMENTS, Continued**

*C. Investments, Continued*

The Town's portfolio value fluctuates in an inverse relationship to any change in interest rate. Accordingly, if interest rates rise, the portfolio value will decline. If interest rates fall, the portfolio value will rise. The portfolio for year-end reporting purposes is treated as if it were all sold. Therefore, fund balance must reflect the portfolio's change in value. These portfolio value changes are unrealized unless sold. Generally the Town's practice is to buy and hold investments until maturity dates. Consequently, the Town's investments are carried at fair value.

The Town is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The Town's investments with LAIF at June 30, 2015, include a portion of the pool funds invested in Structured Notes and Asset-Backed Securities. These investments include the following:

Structured Notes - are debt securities (other than asset-backed securities) whose cash flow characteristics (coupon rate, redemption amount, or stated maturity) depend upon one or more indices and/or have embedded forwards or options.

Asset-Backed Securities - the bulk of which are mortgage-backed securities, entitle their purchasers to receive a share of the cash flows from a pool of assets such as principal and interest repayments from a pool of mortgages (such as Collateralized Mortgage Obligations) or credit card receivables.

As of June 30, 2015, the Town had \$8,523,786 invested in LAIF, which had invested 2.08% of the pool investment funds in Structured Notes and Asset-Backed Securities. The LAIF fair value factor of 1.000375979 was used to calculate the fair value of the investments in LAIF.

*D. Risk Disclosures*

*Interest Risk:* Interest rate risk is the market value fluctuation due to overall changes in the interest rates. It is mitigated by limiting the average maturity of the Town's portfolio not to exceed three years.

Investments held in the Town Treasury grouped by maturity date at June 30, 2015, are shown below:

Investment Type	Fair Value	Investment Maturities (in years)				
		1 year or Less	1 - 2 years	2- 3 years	3 - 4 years	5 years or More
Local Agency Investment Fund	8,523,786	8,523,786	-	-	-	-
<b>Total</b>	<b>\$ 8,523,786</b>	<b>\$ 8,523,786</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**Town of Yountville**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2015**

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**2. CASH AND INVESTMENTS, Continued**

*D. Risk Disclosures, Continued*

*Credit Risk:* Credit risk is the risk of loss of value of a security or investment due to downgrade of its rating due to a change in the ability of the issuer to fulfill its debt obligation. With the exception of U.S. Treasury securities and authorized pools, no more than 50% of the Town's total investment portfolio will be invested in a single security type or with a single financial institution to reduce the Town's exposure to credit risks.

At June 30, 2015, the Town's deposits and investments were rated as follows:

	Credit Quality Ratings	
	Moody's	S&P
Investments:		
Local Agency Investment Funds	Not Rated	Not Rated

*Custodial Credit Risk:* : For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Town will not be able to recover the value of its investments or the collateral securities that are in the possession of an outside party. None of the Town's investments were invested in specific securities. All monies were invested in the LAIF or mutual funds with such investments not being evidenced by specific securities; and therefore not subject to custodial credit risk.

**3. RECEIVABLES**

Revenues of the water and wastewater enterprises are reported net of uncollectible amounts.

The \$ 1,412,085 in notes receivable held by the Town as of June 30, 2015, consists primarily of a \$1,100,000 note related to an affordable housing project developed within the Town. The note bears no interest and matures in 2066. The note is secured by a deed of trust and assignment of rents, and is subordinate to a first and second deed of trust from other parties having provided financing for the project. The remaining \$312,085 consists of three notes with a principal balance of \$203,500 plus earned interest of \$108,585 all deferred and payable only at maturity or upon transfer or sale of the underlying property.

**Town of Yountville**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2015**

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**4. INTERFUND TRANSACTIONS**

**A. Loans To and From Other Funds**

At June 30, 2015, the Town had the following interfund balances:

Loans to other fund	Loans from other funds		
	Water Fund	Wastewater Fund	Total
Capital Projects Fund	\$ 93,875	\$ 57,054	\$ 150,929
Debt Service Fund	-	307,146	307,146
Total	\$ 93,875	\$ 364,200	\$ 458,075

The Capital Projects Fund and Debt Service Fund provided interfund loans to the Water and Wastewater Enterprise Funds to provide needed cash flow to the water and wastewater utility enterprise funds for operations and the Wastewater Recycled Water Project.

**B. Transfers**

At June 30, 2015, the Town had the following transfers in/out which arise in the normal course of operations.

Transfers Out	Transfers In		
	Capital Projects Fund	Debt Service Fund	Total
General Fund	\$ 850,000	\$ 1,005,860	\$ 1,855,860
Total	\$ 850,000	\$ 1,005,860	\$ 1,855,860

Transfers from the General Fund to the Capital Projects Fund and Debt Service Fund were to regular capital projects and debt service activity of the Town.

**Town of Yountville**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2015**

**5. CAPITAL ASSETS**

Changes in capital assets during the year ended June 30, 2015, are comprised of the following:

	Balance as of June 30, 2014	Additions	Deletions	Balance at June 30, 2015
<b>Government activities</b>				
Capital assets not being depreciated:				
Land	\$ 1,441,112	\$ -	\$ -	\$ 1,441,112
Construction in progress	570,170	1,695,593	-	2,265,763
Total capital assets not being depreciated	<u>2,011,282</u>	<u>1,695,593</u>	<u>-</u>	<u>3,706,875</u>
Capital assets being depreciated:				
Buildings	19,581,062	106,572	-	19,687,634
Improvements other than buildings	3,097,086	656	-	3,097,742
Machinery and equipment	946,575	-	-	946,575
Infrastructure	13,161,985	50,102	-	13,212,087
Total capital assets being depreciated	<u>36,786,708</u>	<u>157,330</u>	<u>-</u>	<u>36,944,038</u>
Less accumulated depreciation for:				
Buildings	(2,538,430)	(446,415)	-	(2,984,845)
Improvements other than buildings	(884,897)	(99,699)	-	(984,596)
Machinery and equipment	(469,658)	(191,263)	-	(660,921)
Infrastructure systems	(2,174,394)	(258,202)	-	(2,432,596)
Total accumulated depreciation	<u>(6,067,379)</u>	<u>(995,579)</u>	<u>-</u>	<u>(7,062,958)</u>
Total capital assets, being deing depreciated, net	<u>30,719,329</u>	<u>(838,249)</u>	<u>-</u>	<u>29,881,080</u>
Government activities capital assets, net	<u>\$ 32,730,611</u>	<u>\$ 857,344</u>	<u>\$ -</u>	<u>\$ 33,587,955</u>

**Town of Yountville**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2015**

**5. CAPITAL ASSETS, Continued**

	Balance as of June 30, 2014	Additions	Transfers	Balance at June 30, 2015
<b>Business-type activities</b>				
Capital assets not being depreciated:				
Land	\$ 5,091	\$ -	\$ -	\$ 5,091
Construction in progress	1,371,961	2,316,211	-	3,688,172
Total capital assets not being depreciated	<u>1,377,052</u>	<u>2,316,211</u>	<u>-</u>	<u>3,693,263</u>
Capital assets being depreciated:				
Buildings	40,001	-	-	40,001
Systems	12,856,301	79,990	-	12,936,291
Machinery and equipment	979,919	-	-	979,919
Total capital assets being depreciated	<u>13,876,221</u>	<u>79,990</u>	<u>-</u>	<u>13,956,211</u>
Less accumulated depreciation for:				
Buildings	(17,338)	(1,335)	-	(18,673)
Systems	(5,116,276)	(272,355)	-	(5,388,631)
Machinery and equipment	(647,162)	(34,482)	-	(681,644)
Total accumulated depreciation	<u>(5,780,776)</u>	<u>(308,172)</u>	<u>-</u>	<u>(6,088,948)</u>
Total capital assets, being deing depreciated, net	<u>8,095,445</u>	<u>(228,182)</u>	<u>-</u>	<u>7,867,263</u>
Business-type activities capital assets, net	<u>\$ 9,472,497</u>	<u>\$ 2,088,029</u>	<u>\$ -</u>	<u>\$ 11,560,526</u>

**A. Capital Asset Contributions**

Some capital assets may be acquired using federal and State grant funds, or they may be contributed by developers or other governments. GASB Statement 34 requires that these contributions be accounted for as revenues at the time the capital assets are contributed.

**Town of Yountville**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2015**

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**5. CAPITAL ASSETS, Continued**

*B. Depreciation Allocation*

Depreciation expense is charged to functions and programs based on their usage of the related assets. The amounts allocated to each function or programs are as follows:

<b>Governmental Activities:</b>	
General Government	\$ 126,883
Infrastructure and public works	476,418
Parks and recreation	<u>392,278</u>
<b>Total Governmental Activities</b>	<b><u><u>\$ 995,579</u></u></b>
<b>Business-Type Activities:</b>	
Water	\$ 70,208
Wastewater	<u>237,964</u>
<b>Total Business-Type Activities</b>	<b><u><u>\$ 308,172</u></u></b>

*C. Capital Project Commitments*

The Town in fiscal year 2014 awarded a construction contract in the amount of \$2 million for the recycled water expansion project.

**Town of Yountville**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2015**

**6. LONG-TERM DEBT**

During the year ended June 30, 2015, the following changes occurred in liabilities reported in long-term debt:

	July 1, 2014	Additions	Deletions	June 30, 2015	Due within one year	Due in more than one year
Governmental activities:						
Capital lease	\$ 991,655	\$ -	\$ 238,294	\$ 753,361	\$ 244,595	\$ 508,766
Lease revenue bonds 2008	9,965,000	-	205,000	9,760,000	215,000	9,545,000
Lease revenue bonds 2013	3,900,000	-	265,000	3,635,000	270,000	3,365,000
Lease revenue bonds 2013 original issue premium	11,381		875	10,506	-	10,506
CEC loan	154,046	-	16,168	137,878	16,645	121,233
Compensated absences	139,250	154,917	116,678	177,489	21,000	156,489
Net pension liability	2,361,893	-	508,889	1,853,004	-	1,853,004
<b>Total governmental activities</b>	<b>\$ 17,523,225</b>	<b>\$ 154,917</b>	<b>\$ 1,350,904</b>	<b>\$ 16,327,238</b>	<b>\$ 767,240</b>	<b>\$ 15,559,998</b>
Business type activities:						
PG&E Loan	\$ 100,200	\$ -	\$ 12,525	\$ 87,675	\$ 12,525	\$ 75,150
State Revolving Loan	658,577	2,066,763	-	2,725,340	115,154	2,610,186
Compensated absences	57,149	33,509	59,429	31,229	8,000	23,229
Net pension liability	706,328	-	109,819	596,509	-	596,509
<b>Total Business type activities</b>	<b>\$ 1,522,254</b>	<b>\$ 2,100,272</b>	<b>\$ 181,773</b>	<b>\$ 3,440,753</b>	<b>\$ 135,679</b>	<b>\$ 3,305,074</b>

**A. Capital Lease**

The Town in fiscal year 2004 entered into a capital lease arrangement with Zions First National Bank in an original amount of \$2,820,651 for the purpose of obtaining additional funding for the design and construction of a floodwall barrier within the Town to mitigate wet season flooding. Under the arrangement, the Town entered into a site lease and a lease agreement with the bank wherein the Town effectively agreed to make lease payments to the bank in exchange for the financing of the project. The lease bears interest in two components with a fixed rate component having rates of 1.813 % to 3.790 % on an initial principal balance of \$1,828,997 which amount will fully amortize over ten years with the final principal maturing on February 1, 2014. The other component is a variable rate on an initial principal balance of \$991,654 and is payable interest only to August 1, 2014 and then fully amortizes the principal balance over the remaining four years. The variable component bears interest at 2.626 percent through February 1, 2009. On February 1, 2009 and 2014, the interest rate is to be adjusted equal to 85 percent of a specified index rate. Effective February 1, 2013, the Town requested and the Bank agreed to convert the variable rate to a fixed rate of 1.95 percent for the remainder of the lease.

**Town of Yountville**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2015**

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**6. LONG-TERM DEBT, Continued**

*A. Capital Lease, Continued*

The Town has pledged as security for repayment of the lease, all tax revenues under a funding agreement with the Napa County Flood Protection and Watershed Improvement Authority. Under the agreement, Measure A Funds ( a local special tax levied on a County wide-basis and allocated to jurisdictions within the County) are to be allocated to the Town in amounts sufficient to enable the Town to make the required lease payments. The Town has capitalized as governmental-type activities infrastructure the underlying capital asset at a historical cost of \$6,353,144 with accumulated depreciation of \$1,271,183 through June 30, 2015.

Future debt service on the lease is as follows:

Fiscal Year	Minimum Lease Payments
2016	\$ 258,101
2017	259,768
2018	261,479
Total Payments Due	779,348
Less amount representing interest	(25,987)
Net present value of future minimum lease payments	<u>\$ 753,361</u>

**B. 2008 Lease Revenue Bonds**

The Town formed the Yountville Finance Authority pursuant to a joint powers agreement between the Town of Yountville and the Parking Authority of the Town of Yountville for the purpose to assist in the financing of public capital improvements. The Authority issued \$10,710,000 in its 2008 Lease Revenue Bonds, entered into a Site Lease with the Town of Yountville and a Facilities Lease with the Town of Yountville wherein the Town essentially agreed to make all principal and interest payments on the 2008 Lease Revenue Bonds. The lease obligation payable and lease receivable between the Town and its blended component units have been eliminated from the accompanying financial statements.

The bonds consist of \$5,035,000 in serial bonds and \$5,675,000 in term bonds. The bonds bear interest at rates of 4.0 to 5.0 percent payable each April 1 and October 1 through 2039. The bonds are subject to optional early redemption without premium commencing October 1, 2018 at the option of the Town. The term bonds are subject to mandatory sinking fund early redemptions commencing October 2029 for the term bonds maturing in 2033 and commencing October 2034 for the term bonds maturing in 2039. The Town has pledged up to one sixth of its annual transient occupancy tax revenues (a local hotel tax) equal in maximum to the annual debt service on the lease revenue bonds as security for repayment of the bonds. The Town accounts for the bonds in its governmental activities and transient occupancy tax revenues are accounted for in the Town’s general fund.

**Town of Yountville**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2015**

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**6. LONG-TERM DEBT, Continued**

***B. 2008 Revenue Bonds, Continued***

Future debt service on the lease revenue bonds is as follows:

Year Ending June 30,	Principal	Interest	Total
2016	\$ 215,000	\$ 450,299	\$ 665,299
2017	225,000	441,499	666,499
2018	235,000	431,124	666,124
2019	250,000	418,999	668,999
2020	260,000	407,549	667,549
2021-2025	1,470,000	1,865,300	3,335,300
2026-2030	1,830,000	1,502,288	3,332,288
2031-2035	2,320,000	1,011,950	3,331,950
2036-2040	2,955,000	374,278	3,329,278
Totals	<u>\$ 9,760,000</u>	<u>\$ 6,903,285</u>	<u>\$ 16,663,285</u>

***C. 2013 Lease Revenue Bonds***

The Town formed the Yountville Finance Authority pursuant to a joint powers agreement between the Town of Yountville and the Parking Authority of the Town of Yountville for the purpose to assist in the financing of public capital improvements. The Authority issued \$4,260,000 in its 2013 Lease Revenue Bonds, entered into a Site Lease with the Town of Yountville and a Facilities Lease with the Town of Yountville wherein the Town essentially agreed to make all principal and interest payments on the 2013 Lease Revenue Bonds. The lease obligation payable and lease receivable between the Town and its blended component units have been eliminated from the accompanying financial statements.

The bonds consist of \$4,260,000 in serial bonds. The bonds bear interest at rates of 2.0 to 3.0 percent payable each June and December 1 through 2027. The bonds are subject to optional early redemption without premium commencing June 1, 2019 at the option of the Town. The Town has pledged no specific revenues for repayment of the bonds. The Town has agreed to include the lease payments due to its Authority (and assigned by the Authority to the bond trustee) in its annual budgets and to make annual appropriations therefor.

**Town of Yountville**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2015**

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**6. LONG-TERM DEBT, Continued**

**B. 2013 Revenue Bonds, Continued**

The Town accounts for the bonds in its governmental activities and uses general fund resources to fund the principal and interest payments. Future debt service on the lease revenue bonds is as follows:

Year Ending June 30,	Principal	Interest	Total
2016	\$ 270,000	\$ 90,613	\$ 360,613
2017	270,000	85,213	355,213
2018	280,000	79,813	359,813
2019	285,000	74,213	359,213
2020	290,000	68,513	358,513
2021-2025	1,555,000	237,863	1,792,863
2026-2027	685,000	31,050	716,050
Totals	<u>\$ 3,635,000</u>	<u>\$ 667,278</u>	<u>\$ 4,302,278</u>

**D. CEC Loan**

In fiscal year 2011, the Town entered into a loan arrangement with the California Energy Commission (CEC) for the purpose of obtaining financing for energy conservation improvements to Town facilities. The original loan amount was \$200,000, bears interest at 3 percent per annum, and matures December 22, 2022. The loan is payable in semi-annual installments of \$10,334 due each June 22 and December 22. Future debt service on the loan is:

Year Ending June 30,	Principal	Interest	Total
2016	\$ 16,645	\$ 4,024	\$ 20,669
2017	17,159	3,510	20,669
2018	17,678	2,991	20,669
2019	18,212	2,457	20,669
2020	18,758	1,910	20,668
2021-2023	49,426	2,245	51,671
Totals	<u>\$ 137,878</u>	<u>\$ 17,137</u>	<u>\$ 155,015</u>

**Town of Yountville**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2015**

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**6. LONG-TERM DEBT, Continued**

*E. PG&E Loan*

The Town obtained a no interest \$115,856 loan from PG&E for the purpose of financing a wastewater methane capture project. The loan is payable in monthly installments of \$1,044 or \$12,525 for each of the next seven years. The loan is accounted for in the Town's wastewater enterprise fund. The outstanding balance of the loan as of June 30, 2015 was \$87,675.

*F. State Revolving Fund Loan*

In fiscal 2014, the Town obtained a \$3,465,362 State Revolving Fund Loan for the purpose of financing the Yountville Water Recycling Expansion Project. The loan is a draw down as costs are incurred type of loan. As of June 30, 2015, the Town had received \$2,725,340 in loan proceeds. The loan and project are accounted for in the Town's wastewater enterprise fund. The loan has a term of 20 years and matures September 19, 2034, is repayable in annual installments and bears interest at 1.9 percent.

Installment payments commence September 19, 2015. The original annual future payments were to be about \$212,004 a year until the loan is repaid in full. The actual future repayment amounts are unknown at this time as the amount is dependent upon the dates the actual loan proceeds are received by the Town. In addition, the ultimate amount of the \$3,465,362 to be drawn down by the Town is not determinable at present pending actual project costs. In addition, the Town may not draw down the entire loan as a result of a \$1.4 million dollar contribution for the project made to the Town by the Veterans Home of California.

*G. Compensated Absences*

Compensated absences comprise of unpaid vacation and are accrued as earned. The Town's liability for compensated absences is recorded in various governmental funds. The liability for compensated absences is determined annually. Compensated absences are reported in governmental funds only if they have matured. The long-term portion of governmental activities compensated absences is liquidated primarily by the general fund.

**Town of Yountville**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2015**

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**7. RISK MANAGEMENT**

The Town 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 Town obtains insurance coverages.

The Town is a member of the Public Agency Risk Sharing Authority of California, a joint powers authority, which provides joint protection programs for public entities covering automobile, general liability, errors and omission losses, workers compensation, and property claims. Under the program, the Town has a \$10,000 retention limit similar to a deductible with the Authority being responsible for losses above that amount up to \$990,000. The Authority carries excess commercial liability policy of \$28 million in excess of its \$1 million retention limit to cover losses up to \$28 million through affiliated risk management authorities. The Authority also provides one billion dollars aggregate per occurrence property coverage to its members with such coverage provided by purchased insurance.

The Authority covers workers compensation claims up to its self-insurance limit of \$500,000. The Local Agency Workers Compensation Excess Pool provides excess coverage for an additional \$4.5 million. The Authority purchases commercial coverage for an additional \$45 million. The Town pays an annual premium to the Authority; the Town may share in any surplus revenues or may be required to pay additional assessments based upon the Authority's operating results. There is no Town deductible for the workers compensation insurance coverage, thus all losses are paid by the Authority on a first-dollar basis. The Town paid no material uninsured losses during the 2013-2014 fiscal year. Financial statements of the Risk Sharing Authority may be obtained from their administrative offices located at 1525 Response Road, Suite One, Sacramento, California 95815.

Liabilities of the Town are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNRs). The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines, and damage awards. Accordingly, claims are reevaluated periodically to consider the effects of inflation, recent claim settlement trends (including frequency and amount of pay-outs), and other economic and social factors. The estimate of the claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses regardless of whether allocated to specific claims. Estimated recoveries, for example from salvage or subrogation, are another component of the claims liability estimate. Settlements have not exceeded coverages for each of the past three fiscal years. There were no material unpaid and uninsured claims outstanding at the beginning or end of the last two fiscal years.

**Town of Yountville**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2015**

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**8. JOINTLY GOVERNED ORGANIZATIONS**

Jointly governed organizations are regional government or other multi-government arrangements that are jointly governed by representatives from each of the governments that create the organizations, but that are not joint ventures because the participants do not retain an ongoing financial interest or responsibility. The Town is a participant in the following jointly governed organizations:

**A. *Public Agency Risk Sharing Authority of California***

The Town of Yountville is a member of Public Agency Risk Sharing Authority of California. The Authority, under the terms of a Joint Powers Agreement with the Town of Yountville and several other cities and governmental agencies, provides insurance coverage for general liability, automobile liability, and workers compensation claims. Under the arrangement, the Authority purchases liability, automobile liability, and workers compensation insurance and charges participating cities and governmental agencies in amounts planned to match expenses of insurance premiums, estimated payments resulting from self-insurance programs, and operating expenses. The Town's obligations are limited to contributions to pay for related insurance premiums.

**B. *Napa Valley Housing Authority***

The Town is a member of the Napa Valley Housing Authority created to provide subsidized public housing and related assistance. The Authority was created pursuant to a Joint Powers Agreement, and the Town's obligations are limited to providing funds for a pro rata share of the Authority's operating costs.

**C. *Upper Valley Waste Management Agency***

The Town is a member of the Agency along with the City of Calistoga, City of St. Helena, and County of Napa. The Agency was formed to provide for economical regional waste management services including uniform rate reviews. Funding for operations is provided from a surcharge placed on landfill dumping fees.

**D. *Napa Valley Housing Authority***

The Town is a member of the Napa Valley Housing Authority created to provide subsidized public housing and related assistance. The Authority was created pursuant to a Joint Powers Agreement, and the Town's obligations are limited to providing funds for a pro rata share of the Authority's operating costs.

**E. *Napa County Transportation and Planning Agency***

The Town is a member of this Joint Powers Agency formed for the purpose of developing transportation planning throughout the County. The Town's obligation is limited to serving on the Agency's committees.

**Town of Yountville**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2015**

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**8. JOINTLY GOVERNED ORGANIZATIONS**

*F. Transit Services Arrangement*

The Town is party to an agreement with the City of Calistoga, City of Napa, County of Napa, and the Volunteer Center of Napa County (a private nonprofit organization) for the purpose of providing transit-related services within the County. The Town's funding requirement is met by assignment of its TDA transit fund allocation to the County of Napa.

*G. Flood Protection Sales Tax Joint Powers Agreement*

The Town is a member of the Joint Powers Agency for the purpose of establishing a plan for the use and equitable distribution of the 1/2% Flood Protection Sales Tax which was passed by voters in March 1998. As a member the Town will receive allocations of the sales tax to be used for projects outlined in the agreement.

**9. CONTINGENT LIABILITIES AND COMMITMENTS**

*A. Joint Wastewater Treatment Plant*

Under its agreement with the State of California, the Town is obligated to provide capacity in its treatment facility for a maximum daily flow capacity not to exceed one million gallons per day originating from the Veterans Home of California. The annual operations and maintenance budget of the Town's wastewater enterprise is subject to approval by the State. The State is also required to approve any expansion of the treatment facility.

The State shall annually pay to the Town an amount equal to the State's share of the capital recovery cost of the joint wastewater treatment facility. The Town is obligated to contribute an annual capital recovery amount equal to the States share of the capital recovery cost of the joint wastewater treatment facility. The State's contributions and related investment earnings are restricted for use only upon those portions of the treatment facilities that benefit the State.

The Town's obligations to maintain, operate, and provide for replacement of the treatment facility are continuous subject to a three-year advance notice termination clause. Upon such termination, all facilities acquired from the State and subsequent improvements made by the Town revert to and become the property of the State of California.

**Town of Yountville**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2015**

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**10. RETIREMENT BENEFITS**

*A. Plan Description*

Substantially all Town employees are eligible to participate in pension plans offered by California Public Employees Retirement System (CALPERS) a cost sharing multiple employer defined benefit pension plan which acts as a common investment and administrative agent for its participating member employers. CALPERS provides retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. The Town's employees participate in three separate Miscellaneous Employee Plans. Benefit provisions under the Plans are established by State statute and Town resolution. Benefits are based on years of credited service, equal to one year of full time employment. Funding contributions for the Plans are determined on an actuarial basis as of June 30 of each year. The Town must contribute the amounts determined by CALPERS.

*B. Benefits Provided*

CalPERS provides service 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 55 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 Employee's Retirement Law.

The Plans' provisions and benefits in effect at June 30, 2015 are summarized as follows:

	<u>Miscellaneous - Tier 1</u>	<u>Miscellaneous - Tier 2</u>
Hire Date	Prior to January 1, 2014	Prior to January 1, 2014
Benefit vesting schedule	5 years service	5 years service
Benefit payment	Monthly for life	Monthly for life
Retirement age	55	55
Monthly benefits, as a % of annual salary	2.0 - 2.7%	2%
Required employee contribution rates	8.00%	7.00%
Required employer contribution rates	21.472%	11.522%
	<u>Miscellaneous - PEPRA</u>	
Hire Date	On or after January 1, 2014	
Benefit vesting schedule	5 years service	
Benefit payments	Monthly for life	
Retirement age	62	
Monthly benefits, as a % of annual salary	2.00%	
Required employee contribution rates	6.25%	
Required employer contribution rates	6.25%	

**Town of Yountville**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2015**

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**10. RETIREMENT PLANS, Continued**

*B. Benefits Provided, Continued*

*Contributions* - Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an actuarial basis, annually and is effective on July 1 following notice of a change in the rate. Funding contributions for the Plan 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 District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the year ended June 30, 2015, the contributions recognized against net pension liability for the Plans were as follows:

	Miscellaneous Tier 1	Miscellaneous Tier 2	Miscellaneous PEPRA
Contributions - employer	\$ 353,394	\$ 10,512	\$ 5,770

*C. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions*

As of June 30, 2015, the Town reported net pension liabilities for its proportionate shares of the net pension liability of the Plans as follows:

	Proportionate Share of Net Pension Liability
Miscellaneous - Tier 1	\$ 2,440,681
Miscellaneous - Tier 2	8,153
Miscellaneous - PEPRA	679
<b>Total Net Pension Liability</b>	<b>\$ 2,449,513</b>

The Town's net pension liabilities for the Plans are measured as the proportionate share of the total net pension liability of each Plan. The net pension liability of the Plans are measured as of June 30, 2014, and the total pension liability for the Plans used to calculate the net pension liability was determined by actuarial valuations as of June 30, 2013 rolled forward to June 30, 2014 using standard update procedures. The Town's proportionate share of the net pension liability was based on the Town's plan liability and asset-related information where available, and proportional allocations of individual plan amounts as of the valuation date where not available.

**Town of Yountville**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2015**

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**10. RETIREMENT PLANS, Continued**

*C. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions, Continued*

The Town's proportionate share of the net pension liability for each Plan as of June 30, 2013 and 2014 were as follows:

	Miscellaneous <u>Tier 1</u>	Miscellaneous <u>Tier 2</u>	Miscellaneous <u>PEPRA</u>
Proportion - June 30, 2013	0.094918%	0.000340%	0.0000283%
Proportion - June 30, 2014	0.098750%	0.000330%	0.0000300%
Change - Increase (Decrease)	0.003832%	-0.000010%	0.0000017%

For the year ended June 30, 2015, the Town recognized pension expense of \$226,269. At June 30, 2015, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to measurement date	\$ 387,070	\$ -
Changes in employer's proportion and differences between the employer's contribution and the employer's proportionate share of contributions	85,451	(43,146)
Net differences between projected and actual earnings on plan investments		(644,445)
Total	<u>\$ 472,521</u>	<u>\$ (687,591)</u>

\$387,070 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2016.

**Town of Yountville**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2015**

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**10. RETIREMENT PLANS, Continued**

*C. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions, Continued*

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Measurement Period	
Ending June 30:	
2016	\$ (154,033)
2017	(154,033)
2018	(150,952)
2019	(143,122)

*Actuarial Assumptions* - The total pension liabilities in the June 30, 2013 actuarial valuations were determined using the following actuarial assumptions:

	Miscellaneous Plans
Valuation Date	June 30, 2013
Measurement Date	June 30, 2014
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.50%
Inflation	2.75%
Projected Salary Increase	Varies by entry age and service
Investment Rate of Return <sup>(1)</sup>	7.50%
Mortality	Derived by CalPERS membership data for all funds

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

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2013 valuation were based on the results of a January 2014 actuarial experience study for the period 1997 to 2011. Further details of the Experience Study can found on the CalPERS website.

**Town of Yountville**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2015**

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**10. RETIREMENT PLANS, Continued**

**C. *Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions, Continued***

*Discount Rate* - The discount rate used to measure the total pension liability was 7.50% for the Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for the 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 7.50 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.50 percent 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.

According to Paragraph 30 of Statement 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. The 7.50 percent investment return assumption used in this accounting valuation is net of administrative expenses. Administrative expenses are assumed to be 15 basis points. An investment return excluding administrative expenses would have been 7.65 percent. Using this lower discount rate has resulted in a slightly higher Total Pension Liability and Net Pension Liability. CalPERS checked the materiality threshold for the difference in calculation and did not find it to be a material difference.

CalPERS is scheduled to review all actuarial assumptions as part of its regular Asset Liability Management (ALM) review cycle that is scheduled to be completed in February 2018. Any changes to the discount rate will require Board action and proper stakeholder outreach. For these reasons, CalPERS expects to continue using a discount rate net of administrative expenses for GASB 67 and 68 calculations through at least the 2017-18 fiscal year. CalPERS will continue to check the materiality of the difference in calculation until such time as we have changed our methodology.

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 investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound 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.

**Town of Yountville**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2015**

**10. RETIREMENT PLANS, Continued**

*C. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions, Continued*

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

Asset Class	New Strategic Allocation	Real Return Years 1 - 10(a)	Real Return Years 11+(b)
Global Equity	47.00%	5.25%	5.71%
Global Fixed Income	19.00%	0.99%	2.43%
Inflation Sensitive	6.00%	0.45%	3.36%
Private Equity	12.00%	6.83%	6.95%
Real Estate	11.00%	4.50%	5.13%
Infrastructure and Forestland	3.00%	4.50%	5.09%
Liquidity	2.00%	-0.55%	-1.05%
Total	100%		

(a) An expected inflation of 2.5% used for this period.

(b) An expected inflation of 3.0% used for this period.

*Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate -*

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

	Tier 1	Tier 2	PEPRA	Total
1% Decrease	6.50%	6.50%	6.50%	6.50%
Net Pension Liability	\$ 4,003,393	\$ 14,527	\$ 1,210	\$ 4,019,130
Current Discount Rate	7.50%	7.50%	7.50%	7.50%
Net Pension Liability	\$ 2,440,681	\$ 8,153	\$ 679	\$ 2,449,513
1% Increase	8.50%	8.50%	8.50%	8.50%
Net Pension Liability	\$ 1,143,778	\$ 2,864	\$ 238	\$ 1,146,880

**Town of Yountville**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2015**

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**10. RETIREMENT PLANS, Continued**

**C. *Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions, Continued***

*Pension Plan Fiduciary Net Position* - Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

Payable to the Pension Plan

At June 30, 2015 the Town reported a payable of \$0 for outstanding amount of contributions to the pension plan required for the year ended June 30, 2015.

**11. OTHER POSTEMPLOYMENT BENEFITS**

**A. *Plan Description***

The Town of Yountville administers the Town's retired employees health care plan, a single employer defined benefit health care plan. The plan provides medical benefits to eligible retired Town employees and their beneficiaries. The Town's plan is affiliated with the State of California PERS in so far as the Town's health insurance premium payments are paid to the PERS. The PERS through an aggregation of single-employer plans pools administrative functions in regard to purchases of commercial health care policies and coverage. Town regulations and resolutions assign authority to establish and amend plan provisions to the Town. A separate OPEB Trust has been established by the Town.

**B. *Funding Policy***

The contribution requirements of Plan members and the Town are established and may be amended by the Town. The required contribution is based on projected pay-as-you-go financing requirements, with additional amounts to prefund benefits as determined annually by the Town Council. For the fiscal year ended June 30, 2015, the Town contributed \$129,699 for current year premiums (100% of total premiums) and \$163,089 to prefund benefits. Plan members receiving benefits contributed no amounts of the total premiums.

**Town of Yountville**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2015**

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**11. OTHER POSTEMPLOYMENT BENEFITS, Continued**

*C. Annual OPEB Costs and Net OPEB Obligation*

The Town's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of Governmental Accounting Standards Board (GASB) Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded liabilities over a period not to exceed 30 years.

The components of the Town's annual OPEB costs for the year, the amount actually contributed to the plan, and changes in the Town's net OPEB obligation (NOO) for the year ended June 30, 2015 are as follows:

Annual required contribution	\$ 284,885
Interest on net OPEB obligation	(11,544)
Amortization of net OPEB obligation	10,984
Annual OPEB cost	<u>284,325</u>
Payments made	<u>(292,788)</u>
Decrease in net OPEB obligation	(8,463)
Net OPEB obligation - beginning of the year	<u>(226,846)</u>
Net OPEB obligation - ending of year	<u><u>\$ (235,309)</u></u>

The following table presents the fund level allocation of the Net OPEB Obligation for the year ended June 30, 2015:

Fiscal Year	Annual OPEB Cost	Payments Made	Percentage of Annual OPEB Cost Contributed	Accumulative Net OPEB Obligation
6/30/2013	\$ 270,346	\$ 341,988	127%	\$ (191,540)
6/30/2014	\$ 275,064	\$ 310,730	113%	(226,846)
6/30/2015	\$ 284,325	\$ 292,788	103%	(235,309)

*D. Funding Status and Funding Progress*

As of July 1, 2012, the most recent actuarial valuation date, the plan was 35 percent funded. The actuarial accrued liability for benefits was \$2,437,078 and the actuarial value of plan assets was \$859,692, resulting in an unfunded actuarial accrued liability (UAAL) of \$1,577,386. The covered payroll (annual payroll of active employees covered by the plan) was \$1,907,340, and the ratio of the UAAL to the covered payroll was 82.7 percent.

**Town of Yountville**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2015**

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**11. OTHER POSTEMPLOYMENT BENEFITS, Continued**

*D. Funding Status and Funding Progress, Continued*

Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and health care cost trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

The schedule of funding progress, presented as required supplementary information, following the notes to the financial statements, present multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to actuarial accrued liabilities for benefits.

*E. Actuarial Methods and Assumptions*

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

In the July 1, 2012 actuarial valuation, the entry age normal actuarial cost method was used. The actuarial assumptions included a 6.0 percent investment rate of return which is a blended rate of the expected long term investment returns on plan assets and on the employer's own investments calculated based on the funded level of the plan at the valuation date, an annual health care cost trend rate of initially 6.5 percent going to 4.5 percent after three years, projected salary increases of 3.25 percent per year, and an inflation rate of 3.25 percent per year. Plan assets at July 1, 2012 were \$859,692 valued at market value. The UAAL is being amortized as a level percentage of projected payroll of 25 years, the remaining amortization period as of June 30, 2015. The amortization period is closed.

**Town of Yountville**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2015**

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**12. PRIOR PERIOD ADJUSTMENTS**

The Town recorded prior period adjustments to eliminate unavailable revenues related to loans receivable, record the beginning balance of the net pension liability, and to record employer contributions made for pension in fiscal year 2014 as a deferred outflow of resources.

Government-wide Statements

	Net Position, as Previously Reported	Prior Period Adjustment		Net Position, as Restated
		Deferred Employer Pension Contributions	Net Pension Liability	
Government-Wide Statements				
Governmental Activities	\$ 28,260,418	\$ 279,652	\$ (2,361,893)	\$ 26,178,177
Business type Activities	\$ 13,896,823	\$ 90,024	\$ (760,328)	\$ 13,226,519

Fund Statements

	Fund Balance, as Previously Reported	Prior Period Adjustment			Fund Balance, as Restated
		Deferred Employer Pension Contributions	Net Pension Liability	Unavailable Revenue	
General Fund	\$ 4,109,225	\$ -	\$ -	\$ 1,405,980	\$ 5,515,205
Water Fund	\$ 4,917,292	\$ 26,238	\$ (221,602)	\$ -	\$ 4,721,928
Wastewater Fund	\$ 8,979,531	\$ 63,786	\$ (538,726)	\$ -	\$ 8,504,591

# Required Supplementary Information



"Sound Barrier" sculpture by Matt Gil

Photo by Kim Cook



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**REQUIRED  
SUPPLEMENTARY INFORMATION**

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**Town of Yountville**  
**Required Supplementary Information**  
**For the year ended June 30, 2015**

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**BUDGETS AND BUDGETARY ACCOUNTING**

*A. Budgeting Procedures*

The Town adopts a budget annually for all governmental fund types, except for capital projects. This budget is effective July 1 for the ensuing fiscal year. From the effective date of the budget, which is adopted at the fund level, the amounts stated therein as proposed expenditures become appropriations to the various Town departments. The legal level of budgetary control is the fund level. The Town Council may amend the budget by resolution during the fiscal year. The Town Manager has the authority to make adjustments to the operating budget between departments within the same fund. Transfers of operating budgets between funds, use of unappropriated fund balances, and significant changes in capital improvement project budgets require the approval of the Town Council.

**Town of Yountville**  
**Required Supplementary Information**  
**For the year ended June 30, 2015**

**1. BUDGETS AND BUDGETARY ACCOUNTING, Continued**

**C. Budgetary Comparison Schedules**

Budgetary Comparison Schedule, General Fund

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Property taxes	\$ 995,000	\$ 1,050,000	\$ 1,139,162	\$ 89,162
Sales taxes	1,015,000	1,215,000	1,337,240	122,240
Transient occupancy tax	5,900,000	6,250,000	6,582,041	332,041
Other taxes	141,960	141,960	167,087	25,127
Licenses and permits	54,500	54,500	86,419	31,919
Fines and forfeitures	6,000	6,000	9,224	3,224
Intergovernmental	108,000	108,000	134,605	26,605
Interest and rents	244,925	244,925	267,236	22,311
Charges for services	705,973	701,140	813,089	111,949
Miscellaneous	32,500	172,917	240,334	67,417
<b>Total revenues</b>	<b>9,203,858</b>	<b>9,944,442</b>	<b>10,776,437</b>	<b>831,995</b>
<b>EXPENDITURES:</b>				
Current:				
General government	2,375,345	2,482,215	2,663,292	(181,077)
Housing	40,030	40,030	44,624	(4,594)
Public safety	1,346,790	1,346,790	1,317,668	29,122
Public works	1,610,965	1,598,995	1,553,370	45,625
Community promotion	417,500	499,600	473,577	26,023
Parks and recreation	1,440,551	1,440,551	1,346,299	94,252
Capital Outlay	14,500	14,500	4,028	10,472
Debt service:				
Principal	16,170	16,170	16,168	2
Interest	4,500	4,500	4,501	(1)
<b>Total expenditures</b>	<b>7,266,351</b>	<b>7,443,351</b>	<b>7,423,527</b>	<b>19,824</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>1,937,507</b>	<b>2,501,091</b>	<b>3,352,910</b>	<b>851,819</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	(1,850,860)	(1,850,860)	(1,855,860)	(5,000)
<b>Total other financing sources (uses)</b>	<b>(1,850,860)</b>	<b>(1,850,860)</b>	<b>(1,855,860)</b>	<b>(5,000)</b>
<b>Net change in fund balance</b>	<b>\$ 86,647</b>	<b>\$ 650,231</b>	<b>1,497,050</b>	<b>\$ 846,819</b>
<b>FUND BALANCE:</b>				
Beginning of year, as restated			5,515,205	
End of year			\$ 7,012,255	

**Town of Yountville**  
**Required Supplementary Information**  
**For the year ended June 30, 2015**

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**2. DEFINED BENEFIT PENSION PLANS**

*A. Miscellaneous (Tier 1) Plan*

**SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**

As of June 30, 2015  
 Last of 10 Years\*

	<u>6/30/2014</u>
Proportion of the net pension liability	0.03922%
Proportionate share of the net pension liability	\$ 2,440,681
Covered - employee payroll	\$ 1,839,072
Proportionate Share of the net pension liability as percentage of covered-employee payroll	132.71%
Plan's fiduciary net position	\$ 9,338,906
Plan fiduciary net position as a percentage of the total pension liability	79.28%

**Notes to Schedule:**

\*- Fiscal year 2015 was the 1 st year of implementation, therefore only one year is shown.

**Town of Yountville**  
**Required Supplementary Information**  
**For the year ended June 30, 2015**

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**2. DEFINED BENEFIT PENSION PLAN, Continued**

*A. Miscellaneous (Tier 1) Plan, Continued*

**SCHEDULE OF CONTRIBUTIONS**

As of June 30, 2015

Last 10 Years\*

	<u>2015</u>
Contractually required contribution (actuarially determined)	\$ 328,663
Contribution in relation to the actuarially determined contributions	<u>(328,663)</u>
Contribution deficiency (excess)	<u>\$ -</u>
Covered-employee payroll	\$ 1,636,393
Contributions as a percentage of covered-employee payroll	20.08%

**Note to Schedule**

Valuation date: 6/30/2012

Methods and assumptions used to determine contribution rates:

Single and Agent Employers Example	Entry age
Amortization method	Level percentage of payroll, closed
Remaining amortization period	19 years
Asset valuation method	15 year smoothed market
Inflation	2.75%
Salary increases	3.30% to 14.20%, depending on Age, Service, and employment
Investment rate of return	7.50% (net of administrative expenses)
Retirement age	55 yrs.
Mortality	RP-2000 Healthy Annuitant Mortality Table

\* - Fiscal year 2015 was the 1 st year of implementation, therefore only one year is shown

**Town of Yountville**  
**Required Supplementary Information**  
**For the year ended June 30, 2015**

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**2. DEFINED BENEFIT PENSION PLAN, Continued**

*B. Miscellaneous (Tier 2) Plan*

**SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**

As of June 30, 2015

Last of 10 Years\*

	<u>6/30/2014</u>
Proportion of the net pension liability	0.00013%
Proportionate share of the net pension liability	\$ 8,153
Covered - employee payroll	\$ 100,027
Proportionate Share of the net pension liability as percentage of covered-employee payroll	8.15%
Plan's fiduciary net position	\$ 39,889
Plan fiduciary net position as a percentage of the total pension liability	83.03%

**Notes to Schedule:**

\*- Fiscal year 2015 was the 1 st year of implementation, therefore only one year is shown.

**Town of Yountville**  
**Required Supplementary Information**  
**For the year ended June 30, 2015**

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**2. DEFINED BENEFIT PENSION PLAN, Continued**

*B. Miscellaneous (Tier 2) Plan, Continued*

**SCHEDULE OF CONTRIBUTIONS**

As of June 30, 2015

Last 10 Years\*

	<u>2015</u>
Contractually required contribution (actuarially determined)	\$ 38,709
Contribution in relation to the actuarially determined contributions	<u>(38,709)</u>
Contribution deficiency (excess)	<u>\$ -</u>
Covered-employee payroll	\$ 257,107
Contributions as a percentage of covered-employee payroll	15.06%
<b>Note to Schedule</b>	
Valuation date:	6/30/2012
Methods and assumptions used to determine contribution rates:	
Single and Agent Employers Example	Entry age
Amortization method	Level percentage of payroll, closed
Remaining amortization period	19 years
Asset valuation method	15 year smoothed market
Inflation	2.75%
Salary increases	3.30% to 14.20% depending on Age, Service, and type of employment
Investment rate of return	7.50% (net of administrative expenses)
Retirement age	62 years
Mortality	RP-2000 Healthy Annuitant Mortality Table

\* - Fiscal year 2015 was the 1 st year of implementation, therefore only one year is shown

**Town of Yountville**  
**Required Supplementary Information**  
**For the year ended June 30, 2015**

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**2. DEFINED BENEFIT PENSION PLAN, Continued**

*C. Miscellaneous (PEPRA) Plan*

**SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**

As of June 30, 2015  
 Last of 10 Years\*

	<u>6/30/2014</u>
Proportion of the net pension liability	0.00001%
Proportionate share of the net pension liability	\$ 679
Covered - employee payroll	\$ 84,578
Proportionate Share of the net pension liability as percentage of covered-employee payroll	0.80%
Plan's fiduciary net position	\$ 3,323
Plan fiduciary net position as a percentage of the total pension liability	83.03%

**Notes to Schedule:**

\*- Fiscal year 2015 was the 1 st year of implementation, therefore only one year is shown.

**Town of Yountville**  
**Required Supplementary Information**  
**For the year ended June 30, 2015**

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**2. DEFINED BENEFIT PENSION PLAN, Continued**

*C. Miscellaneous (PEPRA) Plan, Continued*

**SCHEDULE OF CONTRIBUTIONS**

As of June 30, 2015

Last 10 Years\*

	<u>2015</u>
Contractually required contribution (actuarially determined)	\$ 19,698
Contribution in relation to the actuarially determined contributions	(19,698)
Contribution deficiency (excess)	<u>\$ -</u>
Covered-employee payroll	\$ 220,605
Contributions as a percentage of covered-employee payroll	8.93%
<b>Note to Schedule</b>	
Valuation date:	6/30/2012
Methods and assumptions used to determine contribution rates:	
Single and Agent Employers Example	Entry age
Amortization method	Level percentage of payroll, closed
Remaining amortization period	Not available
Asset valuation method	15 year smoothed market
Inflation	2.75%
Salary increases	Not available
Investment rate of return	7.50% (net of administrative expenses)
Retirement age	62 years
Mortality	RP-2000 Healthy Annuitant Mortality Table

\* - Fiscal year 2015 was the 1 st year of implementation, therefore only one year is shown

**Town of Yountville**  
**Required Supplementary Information**  
**For the year ended June 30, 2015**

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**3. OTHER POSTEMPLOYMENT BENEFITS**

A schedule of funding progress for the two most recent actuarial valuations is presented below.

Actuarial Valuation Date *	Actuarial Asset Value	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll **	Unfunded Actuarial Liability as Percentage of Covered Payroll
6/30/2009	\$ -	\$ 2,177,000	\$ 2,177,000	0.0%	\$ 1,742,000	125.0%
7/1/2012	\$ 859,692	\$ 2,437,078	\$ 1,577,386	35.3%	\$ 1,907,340	82.7%

\* Based on the most recent actuarial valuation available

\*\* Annual payroll of active employees covered by the plan

# Optional Supplementary Information

**Nonmajor funds combining financial statements and schedules,  
comparative proprietary funds financial statements  
and  
schedule of capital assets used in governmental activities**



Photo by Angie Johnson



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# SUPPLEMENTARY INFORMATION

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## NON-MAJOR GOVERNMENTAL FUNDS

### SPECIAL REVENUE FUNDS

*Flood Mitigation Fund* accounts for revenues and expenditures related to the FEMA Flood Hazard Mitigation Grant awarded to the Town in 1990. The project was completed in fiscal year 2004-05, and various mitigations have been accomplished since the barrier was constructed. Current Fund resources are to be utilized for capital improvement and maintenance of the Flood Barrier and its related system infrastructure.

*Gas Tax Fund* accounts for funds received from the State of California to use for street and highway related projects.

*Tallent Lane Drainage* accounts for the activities of the Tallent Lane Benefit District that was established to provide safer and improved access to properties fronting Tallent Lane.

*Mesa Court Drainage Fund* accounts for activities of the Mesa Court Drainage Benefit District that was established to correct drainage problems within the area of Mesa Court.

*Impact Fees Fund* accounts for financial activities relating to the Civic Facilities, Drainage and Flood Control, Parks and Recreation, Public Safety, and Traffic Facilities Impact Fees.

*Fire Services Fund* accounts for financial activities relating to the Fire Emergency Services Impact Fee that are restricted to be used to offset additional costs of personnel, facilities, and equipment required to meet demand on fire and medical services generated by new development.

*Youth Programs Fund* accounts for contributions to and fundraising efforts by Town staff for the purpose of providing sponsorship to Parks and Recreational programs for eligible youth participants that otherwise could not afford to participate.

**Town of Yountville**  
**Combining Balance Sheet**  
**Non-Major Governmental Funds**  
**June 30, 2015**

	Special Revenue				
	Flood Mitigation	Gas Tax	Tallent Lane Drainage	Mesa Court Drainage	Impact Fees
<b>ASSETS</b>					
Cash and investments	\$ 181,657	\$ 101,162	\$ 13,809	\$ 47,416	12,049
Receivables:					
Intergovernmental	-	8,723	-	-	-
<b>Total assets</b>	<b>\$ 181,657</b>	<b>\$ 109,885</b>	<b>\$ 13,809</b>	<b>\$ 47,416</b>	<b>\$ 12,049</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts payable	\$ -	\$ 43,840	\$ -	\$ -	\$ -
<b>Total liabilities</b>	<b>-</b>	<b>43,840</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances:</b>					
Restricted for flood control	181,657	-	-	-	-
Restricted for streets	-	66,045	13,809	47,416	-
Restricted for capital projects	-	-	-	-	12,049
Restricted for youth programs	-	-	-	-	-
Restricted for fire services	-	-	-	-	-
<b>Total fund balances</b>	<b>181,657</b>	<b>66,045</b>	<b>13,809</b>	<b>47,416</b>	<b>12,049</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 181,657</b>	<b>\$ 109,885</b>	<b>\$ 13,809</b>	<b>\$ 47,416</b>	<b>\$ 12,049</b>

Special Revenue		Total Non-Major Governmental Funds
Fire Services	Youth Programs	
\$ 29	\$ 20,606	\$ 376,728
-	-	8,723
<u>\$ 29</u>	<u>\$ 20,606</u>	<u>\$ 385,451</u>
\$ -	\$ -	\$ 43,840
-	-	43,840
-	-	181,657
-	-	127,270
-	-	12,049
-	20,606	20,606
<u>29</u>	<u>-</u>	<u>29</u>
<u>29</u>	<u>20,606</u>	<u>341,611</u>
<u>\$ 29</u>	<u>\$ 20,606</u>	<u>\$ 385,451</u>

**Town of Yountville**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Non-Major Governmental Funds**  
**For the year ended June 30, 2015**

	Special Revenue				
	Flood Mitigation	Gas Tax	Tallent Lane Drainage	Mesa Court Drainage	Impact Fees
<b>REVENUES:</b>					
Intergovernmental	\$ -	\$ 112,849	\$ -	\$ -	\$ -
Charges for services	-	-	-	-	12,040
Interest	255	79	19	66	9
Miscellaneous	-	-	-	-	-
<b>Total revenues</b>	<b>255</b>	<b>112,928</b>	<b>19</b>	<b>66</b>	<b>12,049</b>
<b>EXPENDITURES:</b>					
Current:					
Public works	1,015	277	-	-	-
Parks and recreation	-	-	-	-	-
Capital outlay	-	67,774	-	-	-
<b>Total expenditures</b>	<b>1,015</b>	<b>68,051</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>(760)</b>	<b>44,877</b>	<b>19</b>	<b>66</b>	<b>12,049</b>
<b>FUND BALANCES:</b>					
Beginning of the year	182,417	21,168	13,790	47,350	-
End of year	\$ 181,657	\$ 66,045	\$ 13,809	\$ 47,416	\$ 12,049

Special Revenue		Total Non-Major Governmental Funds
Fire Services	Youth Programs	
\$ -	\$ -	\$ 112,849
-	-	12,040
-	28	456
-	7,493	7,493
-	7,521	132,838
-	-	1,292
-	2,875	2,875
-	-	67,774
-	2,875	71,941
-	4,646	60,897
29	15,960	280,714
\$ 29	\$ 20,606	\$ 341,611

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# Town of Yountville

## Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

### Flood Mitigation Special Revenue Fund

For the year ended June 30, 2015

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Interest	\$ 250	\$ 250	\$ 255	\$ 5
Miscellaneous	-	-	-	-
<b>Total revenues</b>	<b>250</b>	<b>250</b>	<b>255</b>	<b>5</b>
<b>EXPENDITURES:</b>				
Current:				
Public works	10,000	10,000	1,015	8,985
<b>Total expenditures</b>	<b>10,000</b>	<b>10,000</b>	<b>1,015</b>	<b>8,985</b>
<b>Net change in fund balances</b>	<b>(9,750)</b>	<b>(9,750)</b>	<b>(760)</b>	<b>8,990</b>
<b>FUND BALANCES:</b>				
Beginning of the year			182,417	
End of year			\$ 181,657	

# Town of Yountville

## Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

### Gas Tax Special Revenue Fund

For the year ended June 30, 2015

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ 82,300	\$ 82,300	\$ 112,849	\$ 30,549
Interest	-	-	79	79
<b>Total revenues</b>	<b>82,300</b>	<b>82,300</b>	<b>112,928</b>	<b>30,628</b>
<b>EXPENDITURES:</b>				
Current:				
Public works	500	500	279	221
Capital outlay	115,000	115,000	67,774	47,226
<b>Total expenditures</b>	<b>115,500</b>	<b>115,500</b>	<b>68,053</b>	<b>47,447</b>
<b>Net change in fund balances</b>	<b>(33,200)</b>	<b>(33,200)</b>	<b>44,875</b>	<b>78,075</b>
<b>FUND BALANCES:</b>				
Beginning of the year			21,168	
End of year			\$ 66,043	

# Town of Yountville

## Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

### Tallent Lane Drainage Special Revenue Fund

For the year ended June 30, 2015

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Interest	\$ -	\$ -	\$ 19	\$ 19
<b>Total revenues</b>	<u>-</u>	<u>-</u>	<u>19</u>	<u>19</u>
<b>Net change in fund balances</b>	<u>-</u>	<u>-</u>	19	<u>19</u>
<b>FUND BALANCES:</b>				
Beginning of the year			<u>13,790</u>	
End of year			<u>\$ 13,809</u>	

# Town of Yountville

## Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

### Mesa Court Drainage Special Revenue Fund

For the year ended June 30, 2015

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	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Interest	\$ 50	\$ 50	\$ 66	\$ 16
<b>Total revenues</b>	<u>50</u>	<u>50</u>	<u>66</u>	<u>16</u>
<b>Net change in fund balances</b>	<u>50</u>	<u>50</u>	66	<u>16</u>
<b>FUND BALANCES:</b>				
Beginning of the year			<u>47,350</u>	
End of year			<u>\$ 47,416</u>	

# Town of Yountville

## Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

### Impact Fees Special Revenue Fund

For the year ended June 30, 2015

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Charges for services	\$ -	\$ -	\$ 12,040	\$ 12,040
Interest	-	-	9	9
<b>Total revenues</b>	<b>-</b>	<b>-</b>	<b>12,049</b>	<b>12,049</b>
<b>Net change in fund balances</b>	<b>-</b>	<b>-</b>	<b>12,049</b>	<b>12,049</b>
<b>FUND BALANCES:</b>				
Beginning of the year			-	
End of year			\$ 12,049	

# Town of Yountville

## Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

### Fire Services Special Revenue Fund

For the year ended June 30, 2015

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
<b>Total revenues</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES:</b>				
Beginning of the year			29	
End of year			\$ 29	

# Town of Yountville

## Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

### Youth Programs Special Revenue Fund

For the year ended June 30, 2015

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Interest	\$ 10	\$ 10	\$ 28	\$ 18
Miscellaneous	5,000	5,000	7,493	2,493
<b>Total revenues</b>	<b>5,010</b>	<b>5,010</b>	<b>7,521</b>	<b>2,511</b>
<b>EXPENDITURES:</b>				
Current:				
Parks and recreation	5,000	5,000	2,875	2,125
<b>Total expenditures</b>	<b>5,000</b>	<b>5,000</b>	<b>2,875</b>	<b>2,125</b>
<b>Net change in fund balances</b>	<b>10</b>	<b>10</b>	<b>4,646</b>	<b>4,636</b>
<b>FUND BALANCES:</b>				
Beginning of the year			15,960	
End of year			\$ 20,606	

**Town of Yountville**  
**Comparative Statement of Net Position**  
**Water Fund**

	For the year ended June 30,	
	2015	2014
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 3,229,000	\$ 2,805,499
Accounts receivable	137,485	252,277
Interest receivable	-	912
Total current assets	<u>3,366,485</u>	<u>3,058,688</u>
Noncurrent assets:		
Capital assets:		
Non-depreciable	86,334	5,133
Depreciable, net	<u>1,936,799</u>	<u>1,975,697</u>
Total capital assets	<u>2,023,133</u>	<u>1,980,830</u>
Total noncurrent assets	<u>2,023,133</u>	<u>1,980,830</u>
<b>Total assets</b>	<u>\$ 5,389,618</u>	<u>\$ 5,039,518</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred employer pension contribution	27,473	-
Deferred outflows of resources - pension	<u>6,065</u>	<u>-</u>
<b>Total deferred outflows of resources</b>	<u>33,538</u>	<u>-</u>
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable	50,479	12,418
Compensated absences, due within one year	2,000	2,000
Loans payable, due within one year	-	-
Total current liabilities	<u>52,479</u>	<u>14,418</u>
Noncurrent liabilities:		
Loans from other funds	93,875	93,875
Compensated absences, due in more than one year	2,799	13,933
Net pension liability	<u>173,856</u>	<u>-</u>
Total noncurrent liabilities	<u>270,530</u>	<u>107,808</u>
<b>Total liabilities</b>	<u>323,009</u>	<u>122,226</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred inflows of resources - pension	<u>48,802</u>	<u>-</u>
<b>Total deferred inflows of resources</b>	<u>48,802</u>	<u>-</u>
<b>NET POSITION</b>		
Net investment in capital assets	2,023,133	1,980,830
Restricted for capital improvements	-	-
Restricted for debt service	-	214,293
Unrestricted	<u>3,028,212</u>	<u>2,722,169</u>
<b>Total net position</b>	<u>\$ 5,051,345</u>	<u>\$ 4,917,292</u>

**Town of Yountville**  
**Comparative Statement of Revenues, Expenses and Changes in**  
**Fund Net Position**  
**Water Fund**

	For the year ended June 30,	
	2015	2014
<b>OPERATING REVENUES:</b>		
Charges for services	1,303,497	1,205,786
<b>Total operating revenues</b>	<b>1,303,497</b>	<b>1,205,786</b>
<b>OPERATING EXPENSES:</b>		
Personnel services	238,149	220,828
Purchased water	549,546	494,140
Other supplies and expenses	111,459	91,593
Insurance, claims, and expenses	15,876	13,765
Depreciation	70,208	69,408
<b>Total operating expenses</b>	<b>985,238</b>	<b>889,734</b>
<b>OPERATING INCOME</b>	<b>318,259</b>	<b>316,052</b>
<b>NONOPERATING REVENUES (EXPENSES):</b>		
Interest expense	-	(8,782)
Interest and investment revenue	4,472	8,017
<b>Total nonoperating revenues (expenses)</b>	<b>4,472</b>	<b>(765)</b>
<b>Income (loss) before contributions</b>	<b>322,731</b>	<b>315,287</b>
Contributions:		
Capital Contributions	6,686	115,482
Net contributions and transfers	6,686	115,482
<b>Change in net position</b>	<b>329,417</b>	<b>430,769</b>
<b>NET POSITION</b>		
Beginning of year, as restated	4,721,928	4,486,523
End of year	<u>\$ 5,051,345</u>	<u>\$ 4,917,292</u>

**Town of Yountville**  
**Comparative Statement of Net Position**  
**Wastewater Fund**

	For the year ended June 30,	
	2015	2014
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 2,937,562	\$ 3,113,424
Accounts receivable	387,657	327,633
Interest receivable	-	529
Total current assets	<u>3,325,219</u>	<u>3,441,586</u>
Noncurrent assets:		
Capital assets:		
Non-depreciable	3,606,929	1,371,919
Depreciable, net	<u>5,930,464</u>	<u>6,119,748</u>
Total capital assets	<u>9,537,393</u>	<u>7,491,667</u>
Total noncurrent assets	<u>9,537,393</u>	<u>7,491,667</u>
<b>Total assets</b>	<u>\$ 12,862,612</u>	<u>\$ 10,933,253</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred employer pension contribution	66,787	-
Deferred outflows of resources - pension	<u>14,744</u>	<u>-</u>
<b>Total deferred outflows of resources</b>	<u>81,531</u>	<u>-</u>
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable	234,739	733,867
Compensated absences, due within one year	6,000	6,000
Loans payable, due within one year	<u>127,679</u>	<u>-</u>
Total current liabilities	<u>368,418</u>	<u>739,867</u>
Noncurrent liabilities:		
Loans from other funds	364,200	419,862
Compensated absences, due in more than one year	20,430	35,216
Loans payable, due in more than one year	<u>2,677,192</u>	<u>758,777</u>
Net pension liability	<u>422,653</u>	<u>-</u>
Total noncurrent liabilities	<u>3,484,475</u>	<u>1,213,855</u>
<b>Total liabilities</b>	<u>3,852,893</u>	<u>1,953,722</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred inflows of resources - pension	<u>118,641</u>	<u>-</u>
<b>Total deferred inflows of resources</b>	<u>118,641</u>	<u>-</u>
<b>NET POSITION</b>		
Net investment in capital assets	6,732,522	6,833,089
Restricted for capital improvements	11,279	1,432,305
Restricted for debt service	210,000	210,000
Unrestricted	<u>2,018,808</u>	<u>504,137</u>
<b>Total net position</b>	<u>\$ 8,972,609</u>	<u>\$ 8,979,531</u>

See accompanying Notes to Basic Financial Statements.

**Town of Yountville**  
**Comparative Statement of Revenues, Expenses and Changes in**  
**Fund Net Position**  
**Wastewater Fund**

	For the year ended June 30,	
	2015	2014
<b>OPERATING REVENUES:</b>		
Charges for services	1,686,528	1,588,922
<b>Total operating revenues</b>	<b>1,686,528</b>	<b>1,588,922</b>
<b>OPERATING EXPENSES:</b>		
Personnel services	555,661	548,273
Utilities	109,629	111,019
Other supplies and expenses	384,327	382,453
Insurance, claims, and expenses	32,910	32,769
Depreciation	237,964	240,019
<b>Total operating expenses</b>	<b>1,320,491</b>	<b>1,314,533</b>
<b>OPERATING INCOME</b>	<b>366,037</b>	<b>274,389</b>
<b>NONOPERATING REVENUES (EXPENSES):</b>		
Interest expense	-	(4,176)
Interest and investment revenue	724	1,500
<b>Total nonoperating revenues (expenses)</b>	<b>724</b>	<b>(2,676)</b>
<b>Income (loss) before contributions</b>	<b>366,761</b>	<b>271,713</b>
Contributions:		
Capital Contributions	101,257	1,627,728
Net contributions and transfers	101,257	1,627,728
Change in net position	468,018	1,899,441
<b>NET POSITION</b>		
Beginning of year, as restated	8,504,591	7,080,090
End of year	<b>\$ 8,972,609</b>	<b>\$ 8,979,531</b>

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# Statistical Information

This part of the Town of Yountville's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the town's overall financial health.



<b>Financial Trends</b>	<b>Schedules 1- 4</b>
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These schedules contain trend information to help understand how the Town's financial performance and well-being have changed over time.

<b>Revenue Capacity</b>	<b>Schedules 5-7</b>
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These schedules contain information to help assess the Town's most significant local revenue sources, which for the Town is the transient occupancy tax revenue.

<b>Debt Capacity</b>	<b>Schedules 8-12</b>
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These schedules present information to help assess the afford ability of the Town's current levels of outstanding debt and the Town's ability to issue additional debt in the future.

<b>Demographic and Economic Information</b>	<b>Schedules 13-14</b>
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These schedules offer demographic and economic indicators to help understand the environment within which the Towns financial activities take place.

<b>Operating Information</b>	<b>Schedules 15-17</b>
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These schedules contain service and infrastructure data to help understand how the information in the Town's financial report relates to services the city provides and the activities it performs.



**Schedule 1**  
**Town of Yountville**  
**Net Position by Component (Accrual Basis of Accounting)**  
**Last Ten Fiscal Years**

As of June 30	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Governmental Activities</b>										
Net Investment in Capital Assets	\$ 7,575,411	\$ 8,476,957	\$ 12,501,972	\$ 12,619,292	\$ 14,473,949	\$ 15,139,893	\$ 15,600,528	\$ 17,058,616	\$ 17,708,530	\$ 19,291,210
Restricted	478,782	459,679	741,740	780,799	2,967,531	3,005,096	2,797,707	2,695,144	2,719,421	3,121,984
Unrestricted	<u>5,026,089</u>	<u>5,772,291</u>	<u>5,228,014</u>	<u>5,934,979</u>	<u>3,533,369</u>	<u>3,308,084</u>	<u>4,383,284</u>	<u>5,216,059</u>	<u>7,832,467</u>	<u>6,212,977</u>
Total governmental activities	<u>\$ 13,080,282</u>	<u>\$ 14,708,927</u>	<u>\$ 18,471,726</u>	<u>\$ 19,335,070</u>	<u>\$ 20,974,849</u>	<u>\$ 21,453,073</u>	<u>\$ 22,781,519</u>	<u>\$ 24,969,819</u>	<u>\$ 28,260,418</u>	<u>\$ 28,626,171</u>
<b>Business-type Activities</b>										
Net Investment in Capital Assets	\$ 7,723,991	\$ 7,598,294	\$ 6,940,641	\$ 6,978,472	\$ 8,061,523	\$ 7,974,612	\$ 8,145,364	\$ 8,482,356	\$ 8,813,919	\$ 8,755,655
Restricted	517,750	541,297	601,831	479,450	863,656	595,382	328,989	219,517	1,856,598	221,279
Unrestricted	<u>1,039,125</u>	<u>1,783,341</u>	<u>1,827,559</u>	<u>3,549,546</u>	<u>1,853,957</u>	<u>2,251,647</u>	<u>2,304,237</u>	<u>2,864,740</u>	<u>3,226,306</u>	<u>5,047,020</u>
Total business-type activities	<u>\$ 9,280,866</u>	<u>\$ 9,922,932</u>	<u>\$ 9,370,031</u>	<u>\$ 11,007,468</u>	<u>\$ 10,779,136</u>	<u>\$ 10,821,641</u>	<u>\$ 10,778,590</u>	<u>\$ 11,566,613</u>	<u>\$ 13,896,823</u>	<u>\$ 14,023,954</u>
<b>Combined Totals</b>										
Net Investment in Capital Assets	\$ 15,299,402	\$ 16,075,251	\$ 19,442,613	\$ 19,597,764	\$ 22,535,472	\$ 23,114,505	\$ 23,745,892	\$ 25,540,972	\$ 26,522,449	\$ 28,046,865
Restricted	996,532	1,000,976	1,343,571	1,260,249	3,831,187	3,600,478	3,126,696	2,914,661	4,576,019	3,343,263
Unrestricted	<u>6,065,214</u>	<u>7,555,632</u>	<u>7,055,573</u>	<u>9,484,525</u>	<u>5,387,326</u>	<u>5,559,731</u>	<u>6,687,521</u>	<u>8,080,799</u>	<u>11,058,773</u>	<u>11,259,997</u>
Total combined net position	<u>\$ 22,361,148</u>	<u>\$ 24,631,859</u>	<u>\$ 27,841,757</u>	<u>\$ 30,342,538</u>	<u>\$ 31,753,985</u>	<u>\$ 32,274,714</u>	<u>\$ 33,560,109</u>	<u>\$ 36,536,432</u>	<u>\$ 42,157,241</u>	<u>\$ 42,650,125</u>

**Schedule 2**  
**Town of Yountville**  
**Changes in Net Position (Accrual Basis of Accounting)**  
**Last Ten Fiscal Years**

For Fiscal Year Ended June 30	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Governmental Activities</b>										
<u>Expenses</u>										
General Government	\$ 1,186,020	\$ 1,245,311	\$ 1,642,159	\$ 1,831,776	\$ 2,092,125	\$ 2,407,799	\$ 2,485,358	\$ 3,181,511	\$ 4,454,622	\$ 2,802,120
Public Safety	906,080	930,214	1,006,447	1,113,636	1,175,898	1,225,892	1,194,263	1,220,977	1,295,845	1,317,668
Parks and Recreation	610,077	580,181	937,227	1,244,328	1,333,913	1,224,160	1,450,547	1,611,586	1,653,330	1,719,272
Housing	-	196,951 (1)	546,898	455,828	146,089	33,148	29,790	36,790	31,790	44,624
Public Works	1,103,417	1,191,902	1,221,610	1,696,765	1,220,200	2,482,494	1,420,437	1,346,587	1,437,007	2,168,798
Community Promotion	246,968	244,340	275,942	288,886	296,800	324,260	353,757	335,383	438,066	473,577
Interest on Long-Term Debt	86,482	78,632	74,267	571,661	551,329	547,285	538,234	557,325	592,599	578,701
Total governmental activities expenses	\$ 4,139,044	\$ 4,467,531	\$ 5,704,550	\$ 7,202,880	\$ 6,816,354	\$ 8,245,038	\$ 7,472,386	\$ 8,290,159	\$ 9,903,259	\$ 9,104,760
<u>Program Revenues</u>										
Charges for Services by Function:										
General Government	\$ 152,577	\$ 345,457	\$ 280,093	\$ 408,867	\$ 208,471	\$ 282,784	\$ 522,317	\$ 439,370	\$ 605,724	\$ 454,644
Public Safety	19,806	18,825	14,200	22,687	15,102	7,578	9,926	13,698	14,469	5,631
Parks and Recreation	216,663	150,877	207,800	445,571	330,834	272,316	228,792	328,997	515,128	461,667
Housing	-	-	27,963	-	45,386	3,864	-	28,307	78,063	26,966
Public Works	38,241	357,388	160,072	125,249	129,489	2,860	141,135	52,315	235,520	221,836
Interest on Long-Term Debt	-	-	-	-	-	-	-	2,697	-	-
Operating Grants and Contributions	509,173	653,688	951,451	502,487	512,549	499,231	507,676	648,828	682,471	980,662
Capital Grants and Contributions	100,000	20,000	2,049,556	580,925	1,726,344	1,346,528	-	800,000	378,168	161,647
Total governmental program revenues	\$ 1,036,460	\$ 1,546,235	\$ 3,691,135	\$ 2,085,786	\$ 2,968,175	\$ 2,415,161	\$ 1,409,846	\$ 2,314,212	\$ 2,509,543	\$ 2,313,053
Subtotal net change in position	\$ (3,102,584)	\$ (2,921,296)	\$ (2,013,415)	\$ (5,117,094)	\$ (3,848,179)	\$ (5,829,877)	\$ (6,062,540)	\$ (5,975,947)	\$ (7,393,716)	\$ (6,791,707)
<u>General Revenues</u>										
Property Taxes	\$ 348,717	\$ 425,896	\$ 461,590	\$ 898,689	\$ 943,343	\$ 1,010,453	\$ 1,005,241	\$ 1,046,639	\$ 1,086,164	\$ 1,164,773
Sales Taxes	538,967	662,890	682,432	707,460	792,479	840,539	934,965	1,087,284	1,260,279	1,317,685
Transient Occupancy Taxes	3,053,759	3,231,799	3,381,678	3,149,857	3,351,072	4,039,087	5,007,467	5,678,023	6,262,880	6,582,041
Vehicle In-Lieu Taxes	288,831	300,404	317,735	14,805 #	11,943	18,641	-	-	-	-
Other Taxes	84,661	95,905	95,705	87,581	79,456	125,071	146,669	151,937	162,970	141,476
Interest and Investment Earnings	191,548	258,041	407,294	273,456	186,022	210,737	17,381	243,144	163,211	28,703
Other General Revenues	52,452	14,646	2,635	3,590	123,643	63,573	279,263	7,400	1,748,811	10,219
Special Item: Sale of Parking Lot	-	-	-	-	-	-	-	150,000	-	-
Transfers	(615,822)	(440,000)	427,505	845,000	-	-	-	-	-	-
Total general revenues and transfers	\$ 3,943,113	\$ 4,549,581	\$ 5,776,574	\$ 5,980,438	\$ 5,487,958	\$ 6,308,101	\$ 7,390,986	\$ 8,364,427	\$ 10,684,315	\$ 9,244,897
Change in net position, government activities	\$ 840,529	\$ 1,628,285	\$ 3,763,159	\$ 863,344	\$ 1,639,779	\$ 478,224	\$ 1,328,446	\$ 2,388,480	\$ 3,290,599	\$ 2,453,190
Net position, beginning	\$ 12,239,753	\$ 13,080,282	\$ 14,708,567	\$ 18,471,726	\$ 19,335,070	\$ 20,974,849	\$ 21,453,073	\$ 22,581,339 (4)	\$ 24,969,819	\$ 28,260,418
Net position, ending	\$ 13,080,282	\$ 14,708,567	\$ 18,471,726	\$ 19,335,070	\$ 20,974,849	\$ 21,453,073	\$ 22,781,519	\$ 24,969,819	\$ 28,260,418	\$ 30,713,608

**Schedule 2**  
**Town of Yountville**  
**Changes in Net Position (Accrual Basis of Accounting)**  
**Last Ten Fiscal Years**

For Fiscal Year Ended June 30	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Business-Type Activities</b>										
<u>Expenses</u>										
Water	\$ 799,332	\$ 827,572	\$ 916,308	\$ 739,244	\$ 705,068	\$ 790,035	\$ 810,971	\$ 787,658	\$ 898,516	\$ 985,238
Wastewater	826,313	810,950	928,965	943,210	1,031,379	1,047,794	1,244,563	1,153,008	1,268,709	1,320,491
Community Hall	204,216	177,358	- #	-	-	-	-	-	-	-
Total business-type expenses	\$ 1,829,861	\$ 1,815,880	\$ 1,845,273	\$ 1,682,454	\$ 1,736,447	\$ 1,837,829	\$ 2,055,534	\$ 1,940,666	\$ 2,167,225	\$ 2,305,729
<u>Program Revenues</u>										
Charges for Services										
Water	\$ 538,259	\$ 566,661	\$ 719,515	\$ 634,738	\$ 565,093	\$ 622,370	\$ 785,559	\$ 1,023,322	\$ 1,213,803	\$ 1,303,497
Wastewater	726,055	775,644	846,498	822,225	896,074	973,407	1,084,349	1,612,386	1,590,422	1,686,528
Community Hall	75,782	78,144 #	-	-	-	-	-	-	-	-
Operating Grants and Contributions	-	-	-	-	-	-	-	-	-	-
Capital Grants and Contributions	74,014	597,497	153,864	40,928	46,948	284,557	142,575	92,981	1,693,210	107,943
Total business-type program revenues	\$ 1,414,110	\$ 2,017,946	\$ 1,719,877	\$ 1,497,891	\$ 1,508,115	\$ 1,880,334	\$ 2,012,483	\$ 2,728,689	\$ 4,497,435	\$ 3,097,968
Subtotal net change in position	\$ (415,751)	\$ 202,066	\$ (125,396)	\$ (184,563)	\$ (228,332)	\$ 42,505	\$ (43,051)	\$ 788,023	\$ 2,330,210	\$ 792,239
Transfers In/(Out)	615,822	440,000	(427,505)	(845,000)	-	-	-	-	-	-
Special item - sale of water rights	-	-	-	2,667,000	-	-	-	-	-	-
Change in net position, business activities	\$ 200,071	\$ 642,066	\$ (552,901)	\$ 1,637,437	\$ (228,332)	\$ 42,505	\$ (43,051)	\$ 788,023	\$ 2,330,210	\$ 792,239
Net position, beginning	\$ 9,080,795	\$ 9,280,866	\$ 9,922,932	\$ 9,370,031	\$ 11,007,468	\$ 10,779,136	\$ 10,821,641	\$ 10,778,590	\$ 11,566,613	\$ 13,896,823
Net position, ending	\$ 9,280,866	\$ 9,922,932	\$ 9,370,031	\$ 11,007,468	\$ 10,779,136	\$ 10,821,641	\$ 10,778,590	\$ 11,566,613	\$ 13,896,823	\$ 14,689,062
<u>Town Government Assets</u>										
Net position, beginning	\$ 21,320,548	\$ 22,361,148	\$ 24,631,499	\$ 27,841,757	\$ 30,342,538	\$ 31,753,985	\$ 32,274,714	\$ 33,359,929 (4)	\$ 36,536,432	\$ 42,157,241
Net position, ending	\$ 22,361,148	\$ 24,631,499	\$ 27,841,757	\$ 30,342,538	\$ 31,753,985	\$ 32,274,714	\$ 33,560,109	\$ 36,536,432	\$ 42,157,241	\$ 45,402,670
<u>Primary Government Totals</u>										
Total primary government expenses	\$ 5,968,905	\$ 6,283,411	\$ 7,549,823	\$ 8,885,334	\$ 8,552,801	\$ 10,082,867	\$ 9,527,920	\$ 10,230,825	\$ 12,070,484	\$ 11,410,489
Total primary government program revenues	2,450,570	3,564,181	5,411,012	3,583,677	4,476,290	4,295,495	3,422,329	5,042,901	7,006,978	5,411,021
Subtotal primary government net change in assets	(3,518,335)	(2,719,230)	(2,138,811)	(5,301,657)	(4,076,511)	(5,787,372)	(6,105,591)	(5,187,924)	(5,063,506)	(5,999,468)
Total primary government general revenues & transfers	4,558,935	4,989,581	5,349,069	7,802,438	5,487,958	6,308,101	7,390,986	8,364,427	10,684,315	9,244,897
Change in net assets, primary government	\$ 1,040,600	\$ 2,270,351	\$ 3,210,258	\$ 2,500,781	\$ 1,411,447	\$ 520,729	\$ 1,285,395	\$ 3,176,503	\$ 5,620,809	\$ 3,245,429

(1) Housing expenses previously reported as part of Community Services

(2) Community Hall fund now included in governmental activities

(3) Starting in 2009, in-lieu portion classified as property tax

(4) Implementation of GASB 63 required the following adjustments: change in accounting principle to expense debt issuance cost (\$290,450), correct deferred inflow of resources from long-term notes for unrealized but earned interest on the notes 90,270, for a total of \$200,180.

**Schedule 3**  
**Town of Yountville**  
**Fund Balances - All Governmental Funds**  
**Last Ten Fiscal Years**

Fiscal Year	General Fund			All Other Governmental Funds				
	Reserved	Unreserved	Total	Special Revenue Unreserved	Capital Projects Unreserved	Capital Projects Reserved	Other Reserved	Total
2006	144,168	714,153	858,321	1,621,549	2,479,966	-	353,781	4,455,296
2007	240,202	685,037	925,239	1,788,259	3,320,736	-	-	5,108,995
2008	158,163	934,577	1,092,740	1,768,462	2,953,013	-	-	4,721,475
2009	400	1,224,619	1,225,019	672,222	5,767,125	-	1,111,951	7,551,298
2010	-	2,176,313	2,176,313	1,026,081	1,246,534	268,000	1,027,281	3,567,896

	General Fund	Capital Projects	Debt Service	Other Governmental Funds	Total Governmental Funds
2011 * Nonspendable	\$ -	\$ 251,250	\$ -	\$ -	\$ 251,250
Restricted for public education	9,936	-	-	-	9,936
Restricted for debt service	-	-	1,037,935	-	1,037,935
Restricted for flood control	-	-	-	193,101	193,101
Restricted for streets	-	-	-	431,978	431,978
Restricted for youth programs	-	-	-	12,938	12,938
Restricted for fire services	-	-	-	25,644	25,644
Committed for insurance retention	40,000	-	-	-	40,000
Committed for emergencies	1,145,000	-	-	-	1,145,000
Committed for capital projects	-	1,447,728	-	-	1,447,728
Committed for other post employment benefits	133,800	-	-	-	133,800
Assigned for contingencies	100,000	-	-	-	100,000
Assigned for revenue stabilization	100,000	-	-	-	100,000
Assigned for art programs	38,364	-	-	-	38,364
Assigned for legal contingencies	250,000	-	-	-	250,000
Unassigned	4,772	-	-	-	4,772
<b>Total Fund Balances</b>	<b>\$ 1,821,872</b>	<b>\$ 1,698,978</b>	<b>\$ 1,037,935</b>	<b>\$ 663,661</b>	<b>\$ 5,222,446</b>

	General Fund	Capital Projects	Debt Service	Other Governmental Funds	Total Governmental Funds
2013 Nonspendable	\$ -	\$ 384,770	\$ 336,539	\$ -	\$ 721,309
Restricted for public education	9,559	-	-	-	9,559
Restricted for debt service	-	-	1,104,563	-	1,104,563
Restricted for flood control	-	-	-	185,687	185,687
Restricted for streets	-	-	-	21,290	21,290
Restricted for youth programs	-	-	-	3,761	3,761
Restricted for fire services	-	-	-	29	29
Restricted for capital improvements	-	4,000,000	-	-	4,000,000
Committed for insurance retention	50,000	-	-	-	50,000
Committed for contingencies	1,360,000	-	-	-	1,360,000
Committed for capital projects	-	992,599	-	-	992,599
Committed for other post employment benefits	7,384	-	-	-	7,384
Assigned for revenue stabilization	560,000	-	-	-	560,000
Assigned for contingencies	150,000	-	-	-	150,000
Assigned for legal contingencies	250,000	-	-	-	250,000
Assigned for art programs	12,426	-	-	-	12,426
Unassigned	1,168,589	-	-	-	1,168,589
<b>Total Fund Balances</b>	<b>\$ 3,567,958</b>	<b>\$ 5,377,369</b>	<b>\$ 1,441,102</b>	<b>\$ 210,767</b>	<b>\$ 10,597,196</b>

\* The Town implemented GASB 54 in fiscal year 2011; implementation is done prospectively as the Town did not have the information to restate prior year fund balance classifications.

	General Fund	Capital Projects	Debt Service	Other Governmental Funds	Total Governmental Funds
2012 Nonspendable	\$ -	\$ 454,500	\$ -	\$ -	\$ 454,500
Restricted for debt service	-	-	1,030,820	-	1,030,820
Restricted for flood control	-	-	-	189,810	189,810
Restricted for streets	-	-	-	248,998	248,998
Restricted for youth programs	-	-	-	6,285	6,285
Restricted for fire services	-	-	-	8,358	8,358
Committed for insurance retention	50,000	-	-	-	50,000
Committed for emergencies	1,260,000	-	-	-	1,260,000
Committed for capital projects	-	1,231,400	-	-	1,231,400
Committed for other post employment benefits	4,813	-	-	-	4,813
Assigned for revenue stabilization	480,000	-	-	-	480,000
Assigned for contingencies	150,000	-	-	-	150,000
Assigned for legal contingencies	250,000	-	-	-	250,000
Assigned for art programs	18,014	-	-	-	18,014
Unassigned	645,768	-	-	-	645,768
<b>Total Fund Balances</b>	<b>\$ 2,858,595</b>	<b>\$ 1,685,900</b>	<b>\$ 1,030,820</b>	<b>\$ 453,451</b>	<b>\$ 6,028,766</b>

	General Fund	Capital Projects	Debt Service	Other Governmental Funds	Total Governmental Funds
2014 Nonspendable	\$ -	\$ 206,591	\$ 307,146	\$ -	\$ 513,737
Restricted for public education	14,723	-	-	-	14,723
Restricted for debt service	-	-	1,032,727	-	1,032,727
Restricted for flood control	-	-	-	182,417	182,417
Restricted for streets	-	-	-	82,308	82,308
Restricted for youth programs	-	-	-	15,960	15,960
Restricted for fire services	-	-	-	29	29
Restricted for capital improvements	-	625,627	-	-	625,627
Committed for insurance retention	50,000	-	-	-	50,000
Committed for emergencies	1,454,000	-	-	-	1,454,000
Committed for capital projects	-	2,627,311	-	-	2,627,311
Committed for other post employment benefits	3,749	-	-	-	3,749
Assigned for revenue stabilization	987,500	-	-	-	987,500
Assigned for contingencies	700,000	-	-	-	700,000
Assigned for legal contingencies	879,288	-	-	-	879,288
Assigned for art programs	19,965	-	-	-	19,965
<b>Total Fund Balances</b>	<b>\$ 4,109,225</b>	<b>\$ 3,459,529</b>	<b>\$ 1,339,873</b>	<b>\$ 280,714</b>	<b>\$ 9,189,341</b>

continued

	General Fund	Capital Projects	Debt Service	Other Governmental Funds	Total Governmental Funds
2015 Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted for public education	49,019	-	-	-	49,019
Restricted for debt service	-	-	1,319,269	-	1,319,269
Restricted for flood control	-	-	-	181,657	181,657
Restricted for streets	-	-	-	127,270	127,270
Restricted for youth programs	-	-	-	20,606	20,606
Restricted for fire services	-	-	-	29	29
Restricted for capital improvements	-	-	-	12,049	12,049
Restricted for Housing	1,412,085	-	-	-	1,412,085
Committed for insurance retention	-	-	-	-	-
Committed for emergencies	1,620,000	-	-	-	1,620,000
Committed for capital projects	50,000	2,751,989	-	-	2,801,989
Committed for other post employment benefits	-	-	-	-	-
Assigned for revenue stabilization	-	-	-	-	-
Unanticipated costs of capital or other contracts	240,000	-	-	-	240,000
Unanticipated tourism revenue deficits	1,500,000	-	-	-	1,500,000
Outstanding purchase orders and adjustments	474,211	-	-	-	474,211
Assigned for arts program	32,425	-	-	-	32,425
Assigned for capital projects	1,377,648	-	-	-	1,377,648
Assigned for contingencies	-	-	-	-	-
Assigned for legal contingencies	250,000	-	-	-	250,000
Unassigned	6,867	-	-	-	6,867
<b>Total Fund Balances</b>	<b>\$ 7,012,255</b>	<b>\$ 2,751,989</b>	<b>\$ 1,319,269</b>	<b>\$ 341,611</b>	<b>\$ 11,425,124</b>

**Schedule 4**  
**Town of Yountville**  
**Revenues, Expenditures & Changes in Fund Balances and Debt Service Ratio - Governmental Funds**  
**(In rounded Thousands of Dollars)**  
**Last Ten Fiscal Years**

Function	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Revenues</b>										
Property Taxes	\$ 349	\$ 426	\$ 462	\$ 899	\$ 943	\$ 1,010	\$ 1,005	\$ 1,047	\$ 1,086	\$ 1,139
Sales Taxes	539	663	682	707	792	841	935	1,087	1,260	1,337
Transient Occupancy Taxes	3,054	3,232	3,382	3,150	3,351	4,039	5,007	5,678	6,263	6,582
Other Taxes	81	93	93	84	77	125	139	145	160	167
Licenses & permits	65	111	208	259	70	46	78	74	140	86
Fines & forfeits	14	17	12	8	6	7	7	9	3	9
Intergovernmental	882	940	1,219	479	1,150	1,764	468	613	970	873
Interest and rents	210	296	437	481	302	276	273	247	266	275
Charges for services	315	705	413	493	576	457	625	721	1,188	835
Miscellaneous	33	40	92	80	144	158	263	101	1,852	248
<b>Total revenues</b>	<b>\$ 5,543</b>	<b>\$ 6,523</b>	<b>\$ 7,000</b>	<b>\$ 6,640</b>	<b>\$ 7,411</b>	<b>\$ 8,723</b>	<b>\$ 8,800</b>	<b>\$ 9,722</b>	<b>\$ 13,188</b>	<b>\$ 11,551</b>
<b>Expenditures</b>										
General Government	\$ 1,166	\$ 1,220	\$ 1,587	\$ 1,714	\$ 1,671	\$ 2,601	\$ 2,368	\$ 2,978	\$ 4,313	\$ 2,668
Public Safety	895	920	995	1,108	1,170	1,226	1,194	1,221	32	1,318
Public Works	589	666	813	927	838	923	1,096	1,006	1,296	1,555
Community Promotion	247	244	276	289	297	324	354	335	1,071	474
Housing	-	197	547	456	146	-	30	-	438	45
Parks and recreation	511	527	798	898	876	1,042	1,090	1,210	1,252	1,349
Debt Service:										
Principal	182	186	190	195	201	383	409	527	706	724
Interest & other	82	79	74	411	563	552	543	557	601	578
Costs of issuance				308	-	-	-	173	-	-
Capital Outlay	2,313	1,323	1,770	8,548	5,062	2,394	910	1,569	4,887	2,011
<b>Total expenditures</b>	<b>\$ 5,986</b>	<b>\$ 5,363</b>	<b>\$ 7,050</b>	<b>\$ 14,854</b>	<b>\$ 10,824</b>	<b>\$ 9,445</b>	<b>7,994</b>	<b>9,576</b>	<b>14,596</b>	<b>10,722</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>\$ (443)</b>	<b>\$ 1,161</b>	<b>\$ (50)</b>	<b>\$ (8,214)</b>	<b>\$ (3,413)</b>	<b>\$ (722)</b>	<b>\$ 806</b>	<b>\$ 146</b>	<b>\$ (1,408)</b>	<b>\$ 829</b>
<b>Other financing sources (uses)</b>										
Transfers-in	\$ 1,137	\$ 1,536	\$ 1,304	\$ 2,686	\$ 1,658	\$ 1,334	\$ 1,461	\$ 2,523	\$ 3,218	\$ 1,856
Transfers-out	(1,753)	(1,976)	(1,474)	(1,841)	(1,658)	(1,334)	(1,461)	(2,523)	(3,218)	(1,856)
Sale of Parking Lot	-	-	-	-	-	-	-	150	-	-
Proceeds from borrowing				10,710	-	200	-	4,272	-	-
<b>Total financing sources (uses)</b>	<b>(616)</b>	<b>(440)</b>	<b>(170)</b>	<b>11,555</b>	<b>-</b>	<b>200</b>	<b>-</b>	<b>4,422</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balance</b>	<b>\$ (1,059)</b>	<b>\$ 721</b>	<b>\$ (220)</b>	<b>\$ 3,341</b>	<b>\$ (3,413)</b>	<b>\$ (522)</b>	<b>\$ 806</b>	<b>\$ 4,568</b>	<b>\$ (1,408)</b>	<b>\$ 829</b>
Non-Capital Outlay expenditures	\$ 4,060	\$ 4,355	\$ 5,494	\$ 7,045	\$ 5,952	\$ 7,828	\$ 7,160	\$ 8,090	\$ 9,148	\$ 8,710
Debt Service expenditures	265	265	264	606	764	935	952	1,084	1,307	1,302
Debt Service as % of non-capital expenses	6.52%	6.07%	4.81%	8.60%	12.84%	11.94%	13.30%	13.40%	14.29%	0.1494834

**Schedule 5  
Town of Yountville  
Transient Occupancy Tax Revenue Base Statistics  
Last Ten Fiscal Years**

<u>Fiscal Year</u>	<u>Estimated Population (1)</u>	<u>Number of Lodging Rooms Town-Wide (2)</u>	<u>Transient Occupancy Tax Revenue (2)</u>	<u>Transient Occupancy Tax Per Capita</u>	<u>Transient Occupancy Tax Per Room</u>
2006	3,264	345	\$ 3,053,759	\$ 936	\$ 8,851
2007	3,290	345	\$ 3,231,799	\$ 982	\$ 9,368
2008	3,263	345	\$ 3,381,677	\$ 1,036	\$ 9,802
2009	3,263	402	\$ 3,149,857	\$ 965	\$ 7,835
2010	3,267	422	\$ 3,347,095	\$ 1,025	\$ 7,932
2011	2,933	422	\$ 4,010,442	\$ 1,367	\$ 9,503
2012	2,933	456	\$ 5,007,467	\$ 1,707	\$ 10,981
2013	2,999	456	\$ 5,678,023	\$ 1,893	\$ 12,452
2014	2,999	450	\$ 6,262,880	\$ 2,088	\$ 13,918
2015	2,999	451	\$ 6,582,041	\$ 2,195	\$ 14,594

**Notes:**

(1) Source: State Department of Finance

(2) Source: Town Transient Occupancy Tax Data

**Schedule 6  
Town of Yountville  
Transient Occupancy Tax - Principal Payers & Other Statistical Data  
Last Ten Fiscal Years**

<u>Fiscal Year</u>	<u>Occupancy Rate</u>	<u>Average Daily Room Rate</u>	<u>Transient Occupancy Tax Revenue</u>					
			<u>By Concentration of Hotel Size</u>					
			<u>Total Revenue</u>		<u>Hotels with 50+ Rooms</u>		<u>Hotels with 1 - 49 Rooms</u>	
2006	75.7%	\$ 261.15	\$3,053,759	10	\$2,779,841	4	\$ 273,918	6
2007	75.9%	\$ 273.99	\$3,231,799	10	\$2,921,804	4	\$ 309,995	6
2008	75.6%	\$ 296.65	\$3,381,677	9	\$3,081,166	4	\$ 300,511	6
2009	72.7%	\$ 287.41	\$3,149,857	10	\$2,881,003	4	\$ 268,854	6
2010	65.9%	\$ 274.65	\$3,347,095	11	\$3,012,399	4	\$ 334,696	6
2011	67.6%	\$ 321.00	\$4,010,442	11	\$3,538,566	5	\$ 471,876	6
2012	71.5%	\$ 353.00	\$5,007,467	11	\$4,559,278	5	\$ 448,189	6
2013	76.1%	\$ 376.00	\$5,678,023	11	\$5,111,603	5	\$ 566,420	6
2014	78.8%	\$ 402.00	\$6,262,880	11	\$5,686,138	5	\$ 576,742	6
2015	75.0%	\$ 442.00	\$6,582,041	11	\$5,975,233	5	\$ 606,808	6

Notes:

Source: Town Transient Occupancy Tax Data

**Schedule 7**  
**Town of Yountville**  
**Principal Transient Occupancy Taxpayers - Top Ten**  
**Last Ten Fiscal Years**  
**(in alphabetical order)**

Fiscal Years ended June 30

2015	2014	2013	2012
Bardessono Inn & Spa			
Hotel Yountville**	Hotel Yountville**	Hotel Yountville**	Bordeaux House
Lavender Inn	Lavender Inn	Lavender Inn	Hotel Yountville**
Maison Fleurie	Maison Fleurie	Maison Fleurie	Lavender Inn
Napa Valley Lodge	Napa Valley Lodge	Napa Valley Lodge	Maison Fleurie
Napa Valley Railway Inn	Napa Valley Railway Inn	Napa Valley Railway Inn	Napa Valley Lodge
North Block Hotel *	North Block Hotel *	North Block Hotel *	Napa Valley Railway Inn
Petit Logis	Petit Logis	Petit Logis	North Block Hotel *
Villagio Inn & Spa			
Vintage Inn	Vintage Inn	Vintage Inn	Vintage Inn
2011	2010	2009	2008
Bardessono Inn & Spa	Bardessono Inn & Spa	Bardessono Inn & Spa	Bordeaux House
Bordeaux House	Bordeaux House	Bordeaux House	Burgundy Inn
Hotel Luca	Hotel Luca	Lavender Inn	Lavender Inn
Hotel Yountville**	Lavender Inn	Maison Fleurie	Maison Fleurie
Lavender Inn	Maison Fleurie	Napa Valley Lodge	Napa Valley Lodge
Maison Fleurie	Napa Valley Lodge	Napa Valley Railway Inn	Napa Valley Railway Inn
Napa Valley Lodge	Napa Valley Railway Inn	Petit Logis	Petit Logis
Napa Valley Railway Inn	Villagio Inn & Spa	Villagio Inn & Spa	Villagio Inn & Spa
Villagio Inn & Spa	Vintage Inn	Vintage Inn	Vintage Inn
Vintage Inn	Yountville Inn	Yountville Inn	Yountville Inn
2007	2006		
Bordeaux House	Bordeaux House		
Burgundy Inn	Burgundy Inn		
Lavender Inn	Lavender Inn		
Maison Fleurie	Maison Fleurie		
Napa Valley Lodge	Napa Valley Lodge		
Napa Valley Railway Inn	Napa Valley Railway Inn		
Petit Logis	Petit Logis		
Villagio Inn & Spa	Villagio Inn & Spa		
Vintage Inn	Vintage Inn		
Yountville Inn	Yountville Inn		

\*Previously Hotel Luca

\*\*Previously Yountville Inn

**Schedule 8**  
**Town of Yountville**  
**Ratio of Outstanding Debt by Type**  
**Per Capita & Per Capita Income Data**  
**Last Ten Fiscal Years**

Fiscal Year	Estimated Population (1)	Countywide Per Capita Income (2)	Estimated Yountville Personal Income	Bonded Debt:	Other Debt:			Total Outstanding Debt	Bonded Debt Per Capita	Bonded Debt as a % of Personal Income
				Lease Purchase Revenue Bonds & Capital Lease	California Energy Commission Loan	Pacific Gas & Electric Energy Loan	State Revolving Fund Loan			
2005	3,257	\$ 40,666	\$ 132,449,162	\$ 2,820,651	\$ -	\$ -	\$ -	\$ 2,820,651	\$ 866	2.13%
2006 (2)	3,264	\$ 42,252	\$ 137,910,443	\$ 2,638,403	\$ -	\$ -	\$ -	\$ 2,638,403	\$ 808	1.91%
2007	3,290	\$ 44,787	\$ 147,349,534	\$ 2,452,505	\$ -	\$ -	\$ -	\$ 2,452,505	\$ 745	1.66%
2008	3,263	\$ 47,491	\$ 154,963,133	\$ 2,262,242	\$ -	\$ -	\$ -	\$ 2,262,242	\$ 693	1.46%
2009	3,263	\$ 51,218	\$ 167,124,334	\$12,776,907	\$ -	\$ -	\$ -	\$ 12,776,907	\$ 3,916	7.65%
2010 (3)	3,267	\$ 39,561	\$ 129,245,787	\$12,575,830	\$ -	\$ -	\$ -	\$ 12,575,830	\$ 3,849	9.73%
2011 (4)	2,933	\$ 49,805	\$ 146,078,065	\$12,193,379	\$ 200,000	\$ -	\$ -	\$ 12,393,379	\$ 4,225	8.48%
2012 (5)	2,933	\$ 49,792	\$ 146,039,936	\$11,798,915	\$ 184,973	\$ -	\$ -	\$ 11,983,888	\$ 4,086	8.21%
2013 (5)	2,999	\$ 54,807	\$ 164,366,193	\$15,546,871 (6)	\$ 169,739	\$ 112,725	\$ -	\$ 15,829,335	\$ 5,278	9.63%
2014 (5)	2,999	\$ 54,807	\$ 164,366,193	\$14,856,655	\$ 154,046	\$ 100,200	\$ 658,577	\$ 15,769,478	\$ 5,258	9.59%
2015 (7)	2,999	\$ 56,634	\$ 169,845,366	\$14,148,361	\$ 137,878	\$ 87,675	\$ 2,725,340	\$ 17,099,254	\$ 5,702	10.07%

**Notes to Table:**

- (1) Source: State Department of Finance
- (2) Source: California Labor Market Data (State EDD), 2005-06 estimated at 3.9% growth.
- (3) Source: 2009-10 MuniServices LLC Demographic & Economic Statistics
- (4) Source: Bureau of Economic Analysis for 2009 (most recent)
- (5) Source: Bureau of Economic Analysis for 2014 (most recent)
- (6) Includes Floodwall Capital Lease and 2008 & 2013 Lease Revenue Bonds
- (7) Source: Employment Development Department Monthly Labor Force Data for Counties Report 400 C, June

**Schedule 9**  
**Town of Yountville**  
**Computation of Direct and Overlapping Bonded Debt**  
**June 30, 2015**

Jurisdiction	Percentage Applicable to Town	Amount Applicable to Town
Overlapping tax and assessment debt:		
Town of Yountville	100.0000%	-
Napa Joint Community College District	1.936%	\$ 2,381,820
Napa Valley Unified School District	2.905%	\$ 7,643,346
Total overlapping tax and assessment debt		<u>\$ 10,025,165</u>
Direct and overlapping General Fund Debt:		
Napa County Certificates of Participation	1.953%	\$ 590,490
Napa County Board of Education Certificates of Participation	1.953%	55,270
Town of Yountville General Fund Obligations	100.0000%	13,395,000
Total direct and overlapping general fund obligation debt		<u>\$ 14,040,759</u>
Total combined debt		<u><u>\$ 24,065,925</u></u>
Ratio to 2012-13 assessed valuation		
Town of Yountville total assessed valuation		\$ 610,851,007
Direct debt (Town)	0.0000%	
Direct debt (NJCCD, NVUSD)	1.6412%	
Overlapping debt	2.2986%	
Combined total debt	<u>3.9397%</u>	

**Notes:**

California Municipal Statistics, Inc. provided percentages applicable to Town which are applied to the total outstanding debt amount as reported by the County of Napa. Assessed valuation total is provided by the County of Napa.

**Schedule 10  
Town of Yountville  
Legal Debt Margin Information  
Last Ten Fiscal Years**

Fiscal Year	Assessed Valuation	Ratio Applied as % of Assessed Value	Legal Debt Limit Margin	Total Debt Subject to Limit	Debt Subject to Limit as % of Debt Limit
2006	349,161,501	3.75%	13,093,556	-	0.00%
2007	385,737,697	3.75%	14,465,164	-	0.00%
2008	422,992,439	3.75%	15,862,216	-	0.00%
2009	431,452,288	3.75%	16,179,461	-	0.00%
2010	502,536,567	3.75%	18,845,121	10,710,000	56.83%
2011	506,813,775	3.75%	19,005,517	10,535,000	55.43%
2012	536,931,027	3.75%	20,134,914	10,539,973	52.35%
2013	546,477,582	3.75%	20,492,909	14,494,739	70.73%
2014	566,095,263	3.75%	21,228,572	14,019,046	66.04%
2015	610,851,007	3.75%	22,906,913	14,286,239	62.37%

Legal Debt Limit Margin Calculation for 2012-13

Assessed value	<u>\$ 610,851,007</u>
Debt limit is 3.75% of assessed value	\$ 22,906,913
Less: Debt applicable to limitation	<u>\$ 14,019,046</u>
Legal debt margin	<u><u>\$ 8,887,867</u></u>

In accordance with state law the town may not incur general obligation bonded indebtedness in excess of 3.75% of total assessed valuation, with such debt being payable from the proceeds of taxes levied upon taxable properties in the town.

**Schedule 11  
Town of Yountville  
Pledged Revenue Coverage  
Last 10 Fiscal Years**

Fiscal Year	<u>Flood Wall Lease Purchase Agreement</u>				<u>2008 Lease Revenue Bonds</u>				<u>2013 Lease Revenue Bonds</u>			
	Measure A Sales Tax Allocations	Debt Service		Coverage	Pledged Transient Occupancy Tax	Debt Service		Coverage	Pledged Revenue	Debt Service		Coverage
		Principal	Interest			Principal	Interest			Principal	Interest	
2006	264,453	182,246	80,532	1.01	-	-	-	-	-	-	-	-
2007	264,295	185,898	76,882	1.01	-	-	-	-	-	-	-	-
2008	265,942	190,263	72,517	1.01	-	-	-	-	-	-	-	-
2009	262,673	195,335	67,445	1.00	341,820	-	341,820	1.00	-	-	-	-
2010	284,208	201,077	63,131	1.00	382,526	-	498,199	0.77	-	-	-	-
2011	269,375	207,451	56,757	1.02	675,594	175,000	493,824	1.01	-	-	-	-
2012	259,041	214,464	49,744	0.98	664,950	180,000	484,950	1.00	-	-	-	-
2013	265,958	222,044	42,164	1.01	668,640	190,000	476,649	1.00	133,225	100,000	33,225	1.00
2014	256,077	230,216	33,992	0.97	670,050	200,000	468,849	1.00	361,113	260,000	101,113	1.00
2015	259,977	238,294	18,183	1.01	666,980	205,000	459,724	1.00	360,913	265,000	95,913	1.00

Notes: Details regarding the Town's outstanding debt can be found in the notes to the financial statements. The lease purchase agreement is backed by a county-wide special flood tax imposed on retail sales and allocated by Napa County per agreement with the Town. The 2008 Lease Revenue Bonds are backed by a specific pledge of one-sixth (or 2% of the 12% tax collected) of the transient occupancy tax collected by the Town each fiscal year up to a maximum amount of the debt service on the bonds for each fiscal year.

The 2013 Lease Revenue Bonds are backed by a pledge of General Fund revenue collected by the Town each fiscal year up to a maximum amount of the debt service on the bonds for each fiscal year.

**Schedule 12**  
**Town of Yountville**  
**Lease Revenue Bonds - Continuing Disclosures**  
**Last Calendar Year**

Calendar Year	2008 Lease Revenue Bonds				2013 Lease Revenue Bonds	
	Principal Balance December 31	<i>Debt Service Reserve Requirement equals the lessor of the three following:</i>			Debt Service Reserve Fund Balance	Principal Balance December 31
		Maximum Annual Debt Service	125% of Average Annual Debt Service	10% of Original Par		
2012					672,902	-
2013	9,965,000	668,999	833,188	1,071,000	672,902	4,160,000
2014	9,760,000	668,849	833,188	1,071,000	672,902	3,900,000
2015	9,545,000	669,599	833,188	1,071,000	1,026,486	3,635,000

**Schedule 13  
Town of Yountville  
Demographic & Economic Statistics  
Last Ten Fiscal Years**

<u>Fiscal Year</u>	<u>Estimated Population (1)</u>	<u>Countywide Per Capita Income (2)</u>	<u>Estimated Yountville Income</u>	<u>Assessed Valuation</u>	<u>Unemployment Rate (3)</u>
2006 (1)	3,264	\$ 42,252	\$ 137,910,528	\$ 349,161,501	3.90%
2007 (2)	3,290	\$ 44,787	\$ 147,349,230	\$ 385,737,697	4.10%
2008	3,263	\$ 47,491	\$ 154,963,133	\$ 422,992,439	5.30%
2009 (3)	3,263	\$ 51,218	\$ 167,124,334	\$ 467,840,883	9.00%
2010 (4)	3,267	\$ 39,561	\$ 129,245,787	\$ 476,052,223	8.70%
2011	2,933	\$ 49,805	\$ 146,078,065	\$ 506,813,775	9.20%
2012 (5)	2,933	\$ 49,792	\$ 146,039,936	\$ 536,931,027	7.80%
2013 (5)	2,999	\$ 54,807	\$ 164,366,193	\$ 546,477,582	5.80%
2014	2,999	\$ 54,807	\$ 164,366,193	\$ 566,095,263	4.80%
2015 (5)	2,999	\$ 56,634	\$ 169,845,366	\$ 610,851,007	4.10%

Notes to Table:

- (1) Source: California Labor Market Data (State EDD), 2005-06 estimated at 3.9% growth (CPI-U).
- (2) Source: Bureau of Economic Analysis, 2006 estimated at 6.0%
- (3) Source: Bureau of Economic Analysis for 2007 (most recent)
- (4) Source: 2009-10 MuniServices LLC Demographic & Economic Statistics
- (5) Source: Employment Development Department Monthly Labor Force Data for Counties Report 400 C, June

**Schedule 14  
Town of Yountville  
Principal Employers  
Last Ten Fiscal Years**

Fiscal Year					Fiscal Year				
Ended		Number	Rank	% of Total	Ended		Number	Rank	% of Total
June 30	Employer	Employees	to Town	Employment	June 30	Employer	Employees	to Town	Employment
2005	<i>Data not available for fiscal years 2002 - 2005</i>				2011	Veterans Home of California State of California	500 - 999	1	67.46%
2006	Veterans Home of California State of California	500 - 999	1	-		Villagio Inn & Spa Operations for Vintage, Villagio, and related support services	350 - 499	2	26.92%
	Domaine Chandon Winery for winery and food service operations	250 - 499	2	-		The Keller Group for restaurant operations	250 - 350	3	24.08%
	Vintage 1870 - Hotel, Inn & Spa Operations for Vintage, Villagio, and related support services	250 - 299	3	-		Domaine Chandon Winery for winery and food service operations	200 - 250	4	15.92%
2007	Veterans Home of California State of California	500 - 999	1	-	2012	Veterans Home of California State of California	500 - 999	1	67.46%
	Domaine Chandon Winery for winery and food service operations	250 - 499	2	-		Villagio Inn & Spa Operations for Vintage, Villagio, and related support services	350 - 499	2	26.92%
	Vintage 1870 - Hotel, Inn & Spa Operations for Vintage, Villagio, and related support services	250 - 299	3	-		The Keller Group for restaurant operations	250 - 350	3	24.08%
2008	Veterans Home of California State of California	500 - 999	1	-		Domaine Chandon Winery for winery and food service operations	200 - 250	4	15.92%
	Domaine Chandon Winery for winery and food service operations	250 - 499	2	-	2013	Veterans Home of California State of California	500 - 999	1	67.46%
	Vintage 1870 - Hotel, Inn & Spa Operations for Vintage, Villagio, and related support services	250 - 299	3	-		Villagio Inn & Spa Operations for Vintage, Villagio, and related support services	350 - 499	2	26.92%
2009	Veterans Home of California State of California	500 - 999	1	-		The Keller Group for restaurant operations	250 - 350	3	24.08%
	Domaine Chandon Winery for winery and food service operations	250 - 499	2	-		Domaine Chandon Winery for winery and food service operations	200 - 250	4	15.92%
	Vintage 1870 - Hotel, Inn & Spa Operations for Vintage, Villagio, and related support services	250 - 299	3	-	2014	Veterans Home of California State of California	500 - 999	1	67.46%
2010	Veterans Home of California State of California	500 - 999	1	67.46%		Villagio Inn & Spa Operations for Vintage, Villagio, and related support services	350 - 499	2	26.92%
	Villagio Inn & Spa Operations for Vintage, Villagio, and related support services	350 - 499	2	26.92%		The Keller Group for restaurant operations	250 - 350	3	24.08%
	The Keller Group for restaurant operations	250 - 350	3	24.08%		Domaine Chandon Winery for winery and food service operations	200 - 250	4	15.92%
	Domaine Chandon Winery for winery and food service operations	200 - 250	4	15.92%	2015	Veterans Home of California State of California	500 - 999	1	67.46%
						Villagio Inn & Spa Operations for Vintage, Villagio, and related support services	350 - 499	2	26.92%
						The Keller Group for restaurant operations	250 - 350	3	24.08%
						Domaine Chandon Winery for winery and food service operations	200 - 250	4	15.92%

Note: Percent of total employment by employer reported as available.

**Schedule 15**  
**Town of Yountville**  
**Full-Time Equivalent Town Government Employees by Function**  
**Last Ten Years**

Function	Full-Time Equivalent Personnel as of June 30									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Administration	6	6	6	6	6	6	6	6	6	7
Town management										
Town municipal clerk										
Finance										
Planning & Building	2	2	2	2	2	2	2	2	2	2
Public Works	6	6	7	7	7	7	7	7	7	8
Engineering										
Street maintenance										
Park maintenance										
Government buildings										
Water operations										
Wastewater	3	3	4	4	4	4	4	4	4	4
Collection and treatment										
Parks & Recreation	4	5	5	5	5	5	5	5	5	5
Recreation programs										
Pool & Aquatics										
Community Center										
<b>Totals:</b>	<b>0</b>	<b>22</b>	<b>24</b>	<b>26</b>						

**Schedule 16  
Town of Yountville  
Operating Indicators  
Last Ten Fiscal Years**

Function	Fiscal Years ended June 30									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Police</b>										
Felony crimes	42	42	77	34	35	25	42	39	29	25
Traffic violations/citations	280	319	435	292	145	326	41	157	686	826
<b>Water system</b>										
Annual Consumption (AF)	521.16	521.50	516.56	525.46	495.41	509.95	563.98	571.61	612.93	537.6
Daily average consumption in MGD	0.516	0.465	0.449	0.469	0.442	0.455	0.504	0.510	0.547	0.480
<b>Wastewater system</b>										
Daily average treatment in MGD	0.426	0.426	0.399	0.425	0.457	0.454	0.438	0.451	0.381	0.372
Maximum daily capacity of treatment plant, in MGD	0.593	0.593	0.630	0.630	0.630	0.630	0.630	0.630	0.630	0.630
<b>Streets</b>										
Expenditures for streets in thousands of dollars	\$ 391	\$ 471	\$ 220	\$ 356	\$ 264	\$ 1,609	\$ 718	\$ 832	\$ 1,499	\$ 569

*Data not available unless otherwise noted*

**Schedule 17  
Town of Yountville  
Capital Asset Statistics  
Last Ten Fiscal Years**

Fiscal Years ended June 30

Function	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Area in Square Miles	1.56	1.56	1.56	1.56	1.56	1.56	1.56	1.56	1.56	1.56
Fire protection (State/County)										
Number of stations	1	1	1	1	1	1	1	1	1	1
Number of personnel	16.8	16.8	16.8	16.8	16.8	16.8	16.8	16.8	16.8	16.8
Parks and recreation:										
Community hall	1	1	1	1	1	1	1	1	1	1
Community center	-	-	-	1	1	1	1	1	1	1
Parks & open space areas	7	7	7	7	10	10	10	10	10	10
Park acreage	5.98	5.98	5.98	5.98	15	15	15	15	15	15
Tennis courts	2	2	2	2	2	2	2	2	2	2
Police protection (County)										
Number of substations	1	1	1	1	1	1	1	1	1	1
Contract police officers	3	3	3	3	3	3	4	4	4	4
Public library (County)										
Number of branches	1	1	1	1	1	1	1	1	1	1
Square footage	782	782	782	782	1,800	1,800	1,800	1,800	1,800	1,800
Number of items	5,900	8,097	8,662	8,662	10,000	10,000	10,000	10,000	10,000	10,000
Streets										
Miles of streets	8.31	8.31	8.31	8.31	8.45	8.45	8.45	8.45	8.45	8.45
Water system										
Service connections	730	730	745	756	767	770	786	793	800	815
Miles of water mains	8.9	8.9	8.9	8.9	8.9	8.9	8.9	8.9	8.9	8.9
Wastewater system										
Number of treatment plants	1	1	1	1	1	1	1	1	1	1
Number of service connections	695	700	693	704	713	716	720	735	743	754
Miles of sanitary sewers	9.4	9.4	9.4	9.4	9.4	9.4	9.4	9.4	9.4	9.4

Data not available unless otherwise noted

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**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 Honorable Mayor and Members of the Town Council  
of the Town of Yountville  
Yountville, California

We have audited, in accordance with the 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 remaining fund information of the Town of Yountville, California (Town), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements and have issued our report thereon dated December 22, 2015.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Town'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 Town's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town'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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

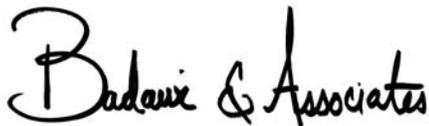
To the Honorable Mayor and Members of the Town Council  
of the Town of Yountville  
Yountville, California  
Page 2

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Town'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 results 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 "Badawi & Associates". The signature is written in a cursive, flowing style.

Badawi & Associates, CPAs  
Oakland, California  
December 22, 2015



# Town of Yountville, California

## **Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2015**

Prepared by the Finance Department



Photo by CalFIRE