

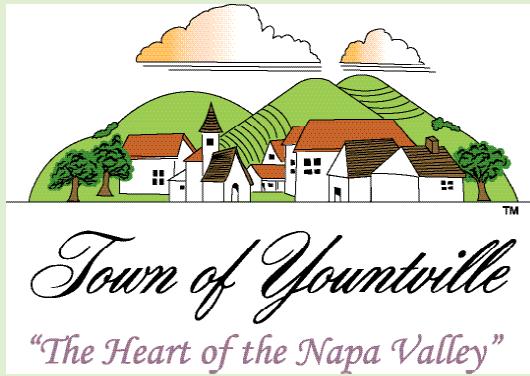


Town of Yountville California

Comprehensive Annual Financial Report Fiscal Year Ended June 30, 2020



Town of Yountville
“The Heart of the Napa Valley”



ABOUT THE COVER

Yountville became an official Town with an elected Town Council on February 4, 1965. Today, the Town has grown into one of the most recognized world-class destinations thanks to its exquisite culinary scene, its excellent wineries, and its beautiful public art located throughout the Town public parks and streets.

Town of Yountville California

Comprehensive Annual Financial Report Fiscal Year Ended June 30, 2020



Town of Yountville
“The Heart of the Napa Valley”

Prepared by the Finance Department

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TOWN OF YOUNTVILLE
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2020
TABLE OF CONTENTS

INTRODUCTORY SECTION	
Transmittal Letter	1
Directory of Officials.....	9
Organizational Chart.....	10
GFOA Certificate	11
FINANCIAL SECTION	
Independent Auditor's Report	15
Management's Discussion and Analysis (Required Supplementary Information)	21
Basic Financial Statements:	
<i>Government-Wide Financial Statements:</i>	
Statement of Net Position.....	37
Statement of Activities.....	38
<i>Fund Financial Statements</i>	
<i>Governmental Funds:</i>	
Balance Sheet	40
Reconciliation of the Government Funds Balance Sheet	
to the Government-Wide Financial Statement of Net Position	41
Statement of Revenues, Expenditures and Changes in Fund Balances	42
Reconciliation of the Governmental Funds Statement of Revenues,	
Expenditures and Changes in Fund Balances to the Government-Wide	
Statement of Activities	43
<i>Proprietary Funds:</i>	
Statement of Net Position	46
Statement of Revenues, Expenses, and Changes in Fund Net Position	47
Statement of Cash Flows.....	48
<i>Fiduciary Fund Financial Statements:</i>	
Statement of Fiduciary Net Position.....	50
Statement of Changes in Fiduciary Net Position	51
Notes to the Basic Financial Statements	54
REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of Revenues, Expenditures and Changes in Fund Balances –	
Budget and Actual (GAAP Basis):	
General Fund	89
Measure T Fund	90
Schedule of Pension Contributions	91
Schedule of Proportionate Share of Net Pension Liability	92
Schedule of OPEB Contributions	93
Schedule of Changes in Net OPEB Liability	94
Schedule of PARS OPEB Trust Investment Returns.....	95

TOWN OF YOUNTVILLE
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2020
TABLE OF CONTENTS

SUPPLEMENTARY INFORMATION

Schedule of Revenues, Expenditures and Changes in Fund Balances –	
Budget and Actual (GAAP Basis):	
Capital Projects Fund.....	99
Debt Service Fund.....	100
Nonmajor Governmental Funds:	
Combining Balance Sheet.....	103
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	107
Schedule of Revenues, Expenditures and Changes in Fund Balances –	
Budget and Actual (GAAP Basis):	
Gas Tax Special Revenue Fund.....	111
Public Education and Government Television Special Revenue Fund.....	112
Public Art Program Special Revenue Fund.....	113
Housing Grant Program Special Revenue Fund.....	114
SB1 2017 Road Repair Act Special Revenue Fund.....	115
Measure T Equivalent Special Revenue Fund.....	116
Fire Services Impact Fee Special Revenue Fund	117
Disability Access Fee SB1186 Special Revenue Fund.....	118
Utility Underground Impact Fee Fund	119
Housing Opportunity Special Revenue Fund	120
Measure S Special Revenue Fund.....	121
Flood Mitigation Grant Special Revenue Fund.....	122
Town of Yountville Community Foundation Special Revenue Fund.....	123
Tallent Lane Special Revenue Fund	124
Mesa Court Drainage Special Revenue Fund	125
Measure A Maintenance Capital Project Fund	126
Facility Repair and Replacement Capital Project Fund.....	127
Fleet, Tools, and Equipment Repair and Replacement Capital Project Fund.....	128
Comparative Statement of Water Enterprise Fund Net Position and	
Revenues, Expenses and Changes in Net Position.....	129
Comparative Statement of Wastewater Enterprise Fund Net Position and	
Revenues, Expenses and Changes in Net Position	131
Statement of Changes in Agency Funds Assets and Liabilities	133
STATISTICAL SECTION	
Net Position by Component.....	138
Changes in Net Position.....	139
Fund Balances of Governmental Funds.....	141
Changes in Fund Balances of Governmental Funds	142
Transient Occupancy Tax Revenue Base Statistics.....	143

TOWN OF YOUNTVILLE
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2020
TABLE OF CONTENTS

Transient Occupancy Tax – Principal Payers and Other Information.....	144
Principal Transient Occupancy Taxpayers.....	145
Ratios of Outstanding Debt by Type.....	146
Computation of Direct and Overlapping Debt.....	147
Legal Debt Margin Information.....	148
Pledged Revenue Coverage	149
Lease Revenue Bonds Continuing Disclosures	150
Demographic and Economic Statistics.....	151
Principal Employers.....	152
Number of Positions – City Government by Function.....	153
Operating Indicators by Function	154
Capital Asset Statistics by Function	155

OTHER INDEPENDENT AUDITOR REPORTS

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	158
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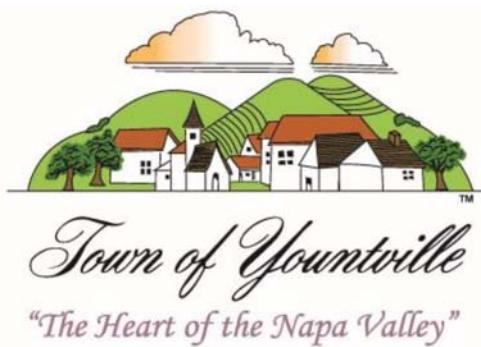
Introductory Section



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TRANSMITTAL LETTER

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November 16, 2020

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

SUBJECT: Comprehensive Annual Financial Report – June 30, 2020

Town staff is pleased to present the Comprehensive Annual Financial Report (CAFR) for the Town of Yountville for the fiscal year ended June 30, 2020.

REPORT PURPOSE AND ORGANIZATION

State law requires that the accounts and fiscal affairs of all municipal entities are to be examined annually by an independent certified public accountant. The Town's independent auditor, Chavan and Associates, LLP has audited the Town's financial statements and issued an unmodified opinion that the financial statements for the year ended June 30, 2020, are fairly presented in conformity with Generally Accepted Accounting Principles (GAAP). This opinion, along with the basic financial statements, are hereby submitted as the CAFR for the Town of Yountville for the fiscal year ended June 30, 2020. The information included in the financial section of this report fulfills the above requirement.

The independent audit of the financial statements is also typically conducted in conjunction with the federally mandated Single Audit. The standards governing the Single Audit require the independent auditor to report on items beyond fair presentation of the financial statements, including internal controls and compliance with legal requirements involving the administration of federal awards. A single audit was not required or prepared in Fiscal Year 19/20 because the Town had less than \$750,000 in federal grant expenditures.

The CAFR includes a complete set of audited financial statements and notes, together with supplemental and statistical information. The Town issues the CAFR within approximately 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. Management assumes full responsibility for completeness, accuracy of data, and fairness of presentation, including all footnotes and disclosures. Management believes the data presented are accurate in all material respects and that they are presented in a manner designed to fairly set forth the financial position and results of operations of the Town. To provide a reasonable basis for making these representations, Town management has established a comprehensive framework of internal controls designed both to protect the Town's assets from loss, theft, or misuse; and to compile sufficiently reliable information for the preparation of the Town's financial statements in conformity with generally accepted accounting principles. Because the cost of internal controls should not exceed their

benefits, the Town's internal controls have been designed to provide reasonable rather than absolute assurance that the financial statements are free of material misstatements

Generally accepted accounting principles require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD & A). This letter of transmittal is designed to complement the MD & A and should be read in conjunction with it. The Town's MD & A can be found in the Financial Section of this document, immediately following the report of the independent auditor.

TOWN OF YOUNTVILLE PROFILE

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 2,966, 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.

Form of Government

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.

Town Services

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 Veterans 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 in February 2018. 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, 2020 included revenue from new rates that became effective March 1, 2018.

The Comprehensive Annual Financial Report includes all financial activities of the Town. Financial data for all funds through which services are provided by the Town have been included in this report based on the criteria adopted by the Governmental Accounting Standards Board (GASB), which is the authoritative body establishing U.S. Generally Accepted Accounting Principles (GAAP) for local governments.

Budgetary Policy and Control

The Town's budgetary records are maintained on a modified accrual basis. Revenues are recorded when measurable and available; and expenditures are recorded when goods or services are received, and the liability incurred. The Town produces an annual budget, which serves as the foundation for the Town of Yountville's financial planning and control. Based on the Town of Yountville Financial Policies, the Town is required to maintain a balanced operating budget; requiring current year operating expenses and transfers for debt service and capital expenditures to be fully funded by current year revenues and other designated available funding sources. In the budget development process, the Town Council and staff referenced the following strategic plan goals as a basis for budget development:

- Exceptional Town Services: The Town supports its talented staff who deliver high quality municipal programs and services while maintaining public infrastructure for the benefit of the community.
- Engage Residents: The Town embraces our residents' commitment to community as seen through volunteerism civic engagement, and public participation that enhances the quality of life in Yountville.
- Responsible Fiscal Policy: The Town maintains its fiscal health through policies designed to maximize economic opportunities, manage expenses, and ensure prudent reserves.
- Quality of Life: The Town enhances the livability of Yountville by providing well-maintained public facilities, parks and trails, and quality programs and events.
- Premier Destination: The Town values its residents, rich history, natural environment, culinary excellence, arts, and distinguished businesses that make our home a place people love.
- Visionary Leadership: The Town's leadership maintains an open-minded, forward-thinking decision-making process. We value engagement and participation from all members of the community as we work together to create policies and plan for the future.

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 May, 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 may prepare 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.

FACTORS AFFECTING FINANCIAL CONDITION

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the environment in which the Town operates.

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 countries. As a tourist destination, approximately 74% of the Town's general fund revenues are from the transient occupancy tax (TOT), restaurant and tasting room sales tax collections.

Outside of the unexpected emergencies that impacted local businesses and tourism, overall, the Town has experienced significant growth in revenue in the past few years with the attraction of new businesses and the renovation and expansion of others. As the Town approaches full build out we anticipate seeing modest incremental growth in the future and will not expect to sustain these levels of increases.

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. Yountville is also home to the Veterans Home of California, a historic community of and for veterans, dating back to the 1880's.

The three major sources of General Fund revenue include Transient Occupancy Tax (TOT), Property Tax, and Sales Tax. An overview of these three taxes which account for over 70% of the General Fund revenues are provided in the subsequent sections.

Transient Occupancy Tax

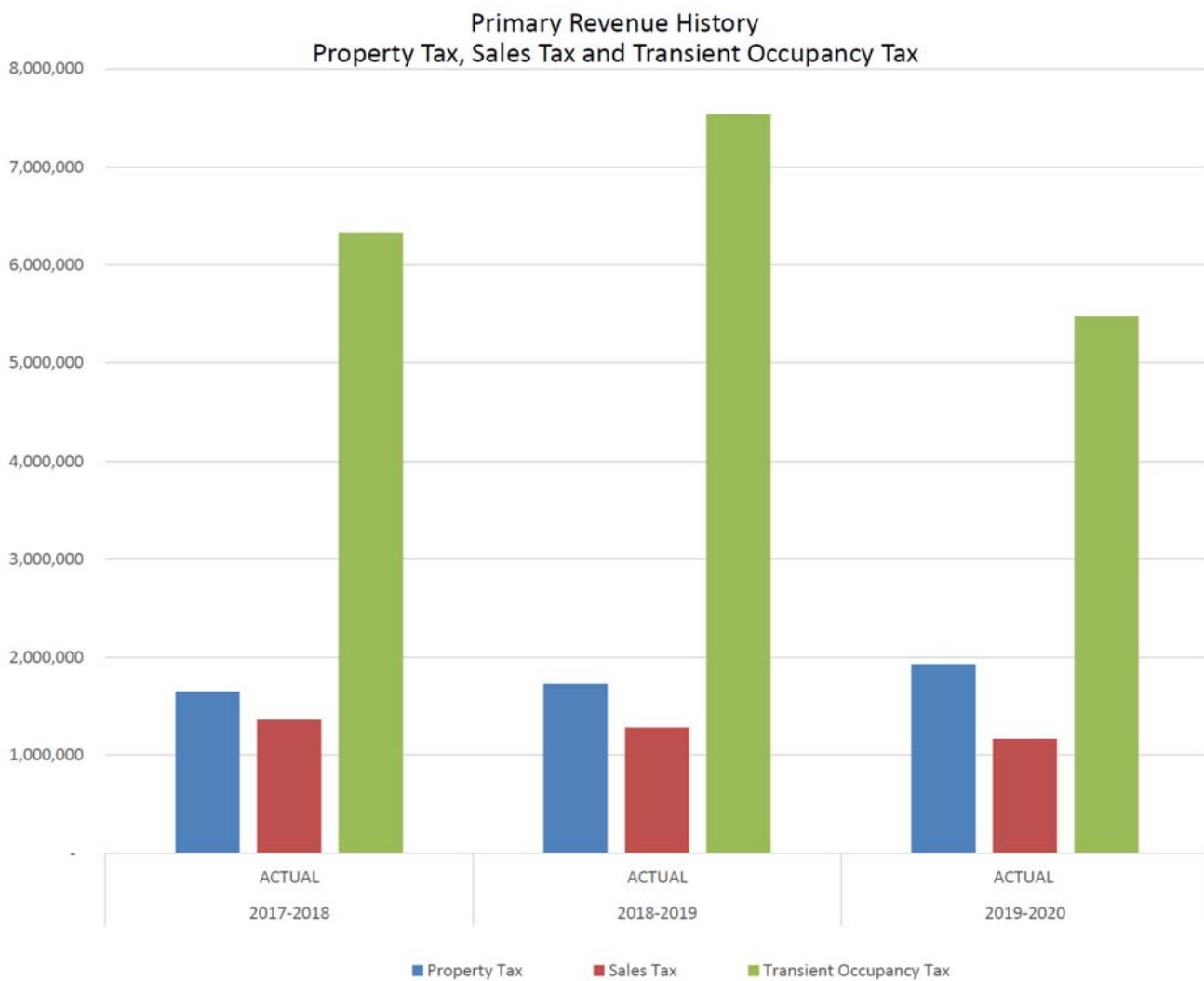
Transient Occupancy Tax is the Town's largest source of revenue, representing approximately 60% of all General Fund revenues. In Fiscal Year 19/20, the Town's TOT revenues were \$5.6 million. This significant decrease compared to prior year collections is entirely due to the COVID-19 Shelter at Home Order that was issued in March 2020.

Property Tax Revenues

This revenue source is fairly stable and does not respond quickly to changes in the economy. It is one of the Town's only revenues that was not affected by COVID-19. Property taxes were 14% higher than the prior fiscal year partly due to an influx of Vehicle License Fees (VLF). Yountville has experienced steady growth in property tax over the last three years due to the increase in property valuations.

Sales Tax Revenues

Sales and Use Tax revenues represent the third largest share of General Fund revenues. The largest share of sales tax is generated from restaurants, and the remainder of the business community is comprised of hotels and inns, wine tasting rooms, small retail shops, one grocery store and one gas station. In Fiscal Year 19/20, sales tax apportionments started out strong, particularly due to the Wayfair Decision that imposed taxes on online sales and boosted Town sales tax revenue from the County pool. Between March and June, sales tax collections dropped drastically due to COVID-19. The most significant decrease was due to restaurant closures.



Long-Term Financial Planning

Town Council adopted a balanced budget for Fiscal Year 2019/2020. The Town has a practice of using moderately conservative revenue projections and reviewing and adjusting, as needed, at mid-year. The Town

Council has funded an emergency reserve at 20% of general fund expenditures and a revenue stabilization reserve at 25% of Transient Occupancy Tax Revenue estimates or higher, in addition to assigning fund balances for both general and legal contingencies and a self-insurance retention. The Town Council continues an interest in increasing the reserves for Facility, Repair and Replacement Fund and Tools and Equipment Repair and Replacement Fund to better prepare for funding repairs and replacement needs of the town.

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 water and wastewater utility rate study which includes a five-year enterprise business plan to raise rates for water and wastewater 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 has established an IRC Section 115 Trust with PARS (Public Agency Retirement Services) for both OPEB (other post-employment benefits) and the CalPERS Unfunded Actuarially Accrued Liability. Contributions to the OPEB portion of the trust are directed by the Town Council and have followed the actuarially determined contribution issued by the Town's actuary. Contributions to the pension portion of the trust are at the Town Council's discretion. These steps have been taken to protect the Town against future economic uncertainty.

Major Initiatives

Managing the increase cost of purchasing water

The Town purchases water from the Rector Reservoir, per a long-term contract with the State of California Veterans Home. The cost of water is calculated each year based on the Town's proportionate share of Rector Reservoir cost of operations. In the 2018 Utility Rate Study it was estimated that the cost of water would increase approximately 7% in the next five years. However, the cost has proven to increase more than originally anticipated. When Rector Reservoir water is not available, the Town obtains water from the City of Napa, but at a much higher rate. Town staff continues to build on its working relationship with the Veterans Home and seek methods for managing these rising costs.

Managing Rising Pension Costs

The Town of Yountville, like many municipalities throughout the State, is facing rising CalPERS pension costs. This is primarily related to the changes in CalPERS actuarial assumptions which include changes to discount rate, amortization policies, mortality rates, and the implementation of risk mitigation strategies. The Town has been disciplined to set aside money for our PERS UAAL Reserve Fund, which had a balance of \$2.7 million on June 30, 2020. These dedicated reserve funds will aid the Town in meeting future pension obligations.

Pursuing Grant Funding

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 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. The town received \$2,725,340 in loan proceeds. In February 2019 the Town was awarded \$500,000 in a HOME Program Grant from the

California Department of Housing and Community Development which provides funding for home improvement projects for low income eligible residents to bring their homes up to current building code standards.

Increasing Affordable and Workforce Housing

On November 6, 2018 Yountville voters approved Measure S which increased the Transient Occupancy Tax (TOT) by one percent (1%) to support workforce and affordable housing efforts. This special tax went into effect as of January 1, 2019. On June 30, 2020, the balance of the Measure S Fund was \$761,213. The Town established a Measure S Workforce and Affordable Housing Committee that will review fund activity to ensure proper use, and apprise the Town Council of potential opportunities to utilize the funds to promote an increase of affordable housing within the Town.

Disaster and Emergency Preparedness Planning

Recent experiences have clearly demonstrated the importance of the Town's emergency preparedness and disaster response planning community education, and outreach efforts. Work towards improvement continues as we partner with other cities in the county to update the Napa County Hazard Mitigation Plan. An annual Emergency Preparedness Community workshop was initiated in 2018, and the second annual workshop occurred in October of 2019. The workshops are suspended during the COVID-19 pandemic but will hopefully resume in the future.

Impact of the State Budget

In May 2018, the Associated Press indicated that the State of California has the fifth largest economy in the world. The main sources of uncertainty for California local governments are the economy and the impact from the State of California Budget that included the practice of state takeaways and unfunded mandates. New legislation has insulated local governments from takeaways, while unfunded mandates and economic downturns remain as uncontrollable factors. The most recent California Department of Finance Bulletin (October 2020) reports unemployment of 11% in September 2020. In tandem, personal income across the state declined 4.4% for the second quarter of 2020 year over year. A great concern across the state relates to the increasing costs of housing that will impact a labor shortage. This is a theme shared across the Napa Valley. In response, Measure S (Measure I in Napa County) was passed in the November 2018 election, implemented as of January 1, 2019, and allowed Yountville to increase the hotel tax rate from 12% to 13% for the benefit of workforce housing. The Town developed the 2020/2021 budget assuming there would be no state takeaways or unfunded mandates and staff will continue to review updated economic forecasts and monitor state budget conditions.

AWARDS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Yountville for its comprehensive annual financial report for the fiscal year ended June 30, 2019. This was the eleventh consecutive year that the Town has achieved this prestigious award. 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.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

ACKNOWLEDGEMENTS

The preparation of this report would not have been possible without the year-round dedication and efficiency of the Town staff; and the support and efforts of the Town's independent auditors.

We would also like to express thanks and appreciation to the Mayor and Members of the Town Council for their leadership and support, and commitment to fiscal sustainability and long-term financial planning.

Respectfully submitted,

Steven Rogers, Town Manager

Celia King, Finance Director

Principal Officials

TOWN COUNCIL

As of June 30, 2020

John F. Dunbar, Mayor

Kerri Dorman, Vice Mayor

Marita Dorenbecher, Council Member

Marjorie "Margie" Mohler, Council Member

Jeffrey Durham, Council Member

TOWN ADMINISTRATION

Steven Rogers, Town Manager

Gary Bell, Town Attorney

Samantha Holland, Parks & Recreation Director

Sandra Liston, Planning & Building Director

Joe Tagliaboschi, Public Works Director

Celia King, Finance Director

John Ferons, Deputy Public Works Director

Michelle Dahme, Town Clerk

Julie Baldia, Senior Management Analyst

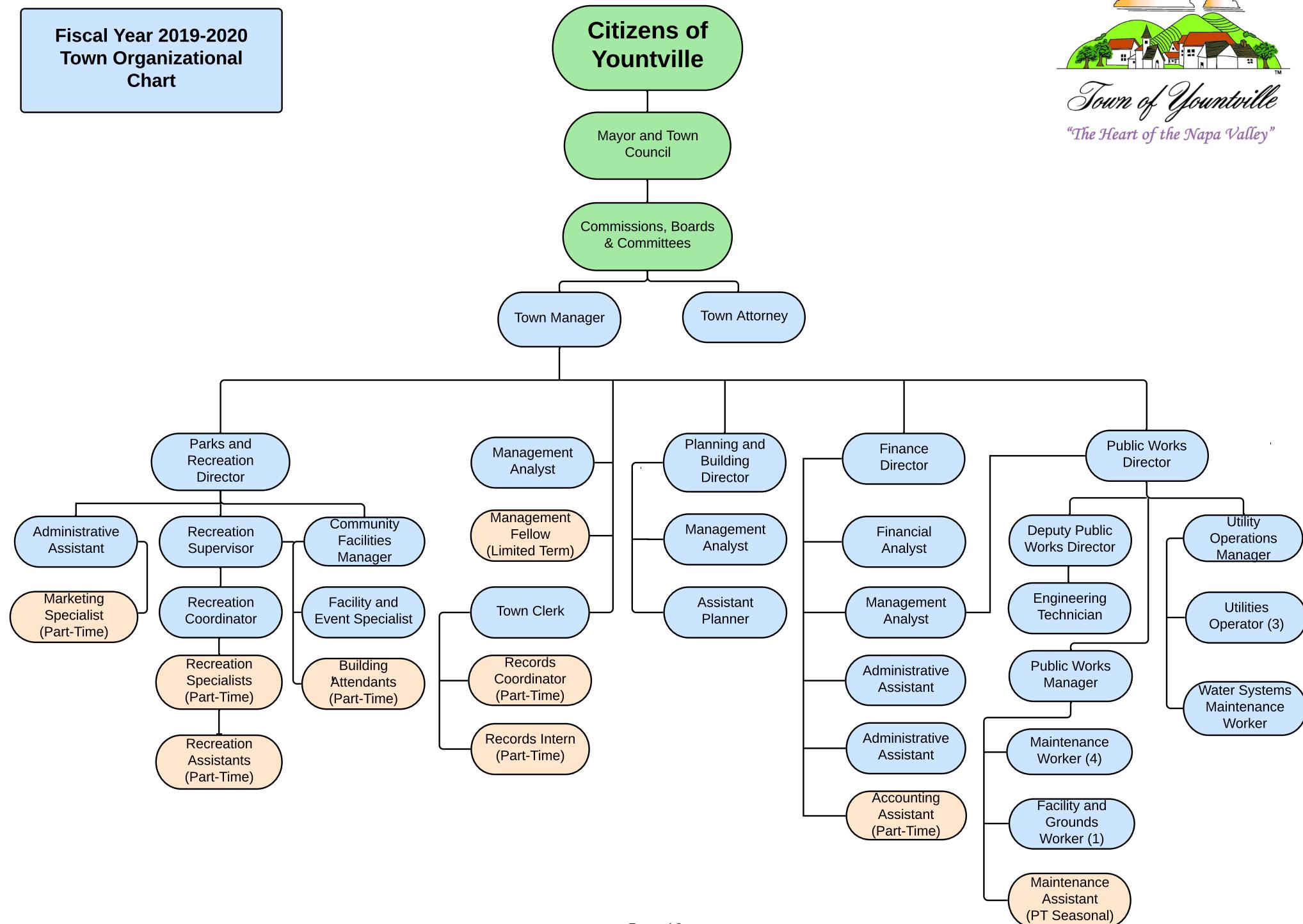
Eddy Gomez, Management Fellow

Daniel Gordon, Planning Manager

Kyle Batista, Financial Analyst

Erica Teagarden, Management Analyst

**Fiscal Year 2019-2020
Town Organizational Chart**





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, 2019

Christopher P. Monill

Executive Director/CEO

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Financial Section

Management Discussion and Analysis, Basic Financial Statements, and Notes to the Basic Financial Statements



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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, business-type activities, each major fund, and the aggregate remaining fund information of the Town of Yountville (the "Town"), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

The Town's 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, 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 Town'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 Town's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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



Opinions

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

Other Matters

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's financial statements as a whole. The introductory section, supplementary budgetary comparison schedules other than on pages 89 and 90, combining individual non-major fund schedules, comparative information for enterprise funds, statement of changes in agency fund's assets and liabilities statistical data, are presented for purposes of additional analysis and are not a required part of the financial statements.

The combining and individual nonmajor fund financial statements, comparative schedules for enterprise funds, and statement of changes in agency fund's assets and liabilities 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, combining and individual nonmajor fund financial statements, comparative schedules for enterprise funds, and statement of changes in agency fund's assets and liabilities are fairly stated in all material respects in relation to the basic financial statements as a whole.



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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 16, 2020 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.

C & A LLP

Chavan & Associates, LLP
Certified Public Accountants
November 16, 2020
San Jose, California

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Town of Yountville
"The Heart of the Napa Valley"

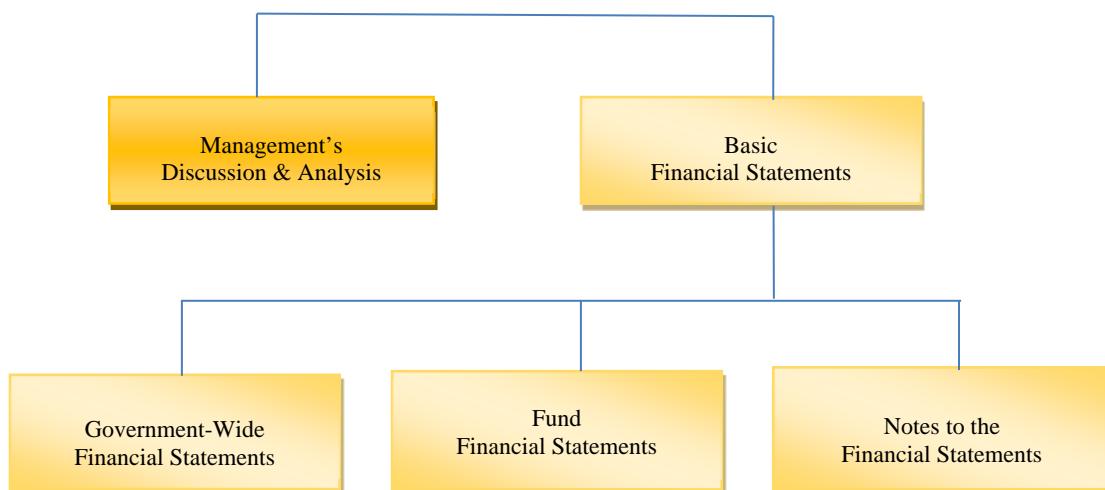
**MANAGEMENT'S DISCUSSION
AND ANALYSIS**

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INTRODUCTION

As management of the Town of Yountville, we offer readers of the Town's financial statements this narrative overview and analysis of financial activities of the Town of Yountville, for the fiscal year that ended on June 30, 2020. We encourage readers to consider the information presented here, in conjunction with additional information that we have furnished in our letter of transmittal. This information can be found on pages 1-8 of this report. The required components of the report are listed below.

Required Components of the Annual Financial Report



FISCAL YEAR 2019/2020 FINANCIAL HIGHLIGHTS

Government-Wide Highlights

- The assets and deferred outflows of resources of the Town of Yountville exceeded the liabilities at the close of the most recent fiscal year by \$56.07 million (net position). Of this amount, net position included \$36.31 million classified as net investment in capital assets; \$5.95 million as restricted; and \$13.80 million as unrestricted net position.
- The Town's net position increased by \$0.66 million, however its change in net position decreased by \$2.38 million, from \$3.04 million, in FY 2019/2020. In the Governmental Activities, tax revenues decreased by \$1.94 million, charges for services decreased by \$1.05 million and capital grants and contributions decreased by \$0.08 million. This decline in revenues was a direct result of COVID-19 and its impact on the economy specifically related to closures in the restaurant and hotel industries and transient occupancy taxes.
- In the Business-Type Activities, charges for services increased by \$0.15 million and capital grants and contributions increased by \$0.14 million.
- Deferred outflows of resources decreased by \$0.06 million while deferred inflows of resources increased by \$0.39 million mostly due to differences in expected and actual earnings, expected and

actual experiences and changes in proportions. The Town's pension liability in accordance with GASB 68 as of June 30, 2020 was \$4.12 million, while the net OPEB liability for the fiscal year ending June 30, 2020 was \$0.64 million.

- The Town's long-term debt decreased by \$1.76 million or 13% in Fiscal Year 2019/2020 primarily from debt service payments made during the year and a large payment of \$1.21 million on the State Revolving Fund loan. In addition, the Town refunded its 2013 Lease Revenue Bonds through the issuance of a \$2.3 million direct financing lease through the Town Public Financing Authority. The lease was assigned to Westamerica bank and will save the Town over \$50,000 in debt service costs.
- The Town's net capital assets decreased by 1.01% or \$0.49 million primarily as a result of depreciation.
- Capital projects expenditures totaled \$1.59 million with approximately \$0.27 million of ongoing maintenance and replacement projects. The table below shows details of significant projects.

Major Capital Projects are as follows:	Budget	Actual
Regulator Pit Relocation Project	\$ 160,765	\$ 147,320
Main & Service Lateral Replacement Project	150,000	155,269
Treatment Plant Building Modifications	100,000	71,089
Replace Pump Station Backup Pump	39,000	37,704
Replace 3/4 Ton Utility Truck	50,000	46,167
Stationary Emergency Generator - Comm. Hall Center	157,841	161,064
Finnell Path Maintenance & Repair	150,000	117,869
Annual Street Main/Paving Program	550,000	592,339
Total	\$ 1,357,606	\$ 1,328,821

Fund Highlights

- At the close of Fiscal Year 2019/2020, the Town of Yountville's governmental funds reported combined fund balances of \$17.53 million, an increase of \$0.93 million in comparison with the prior year. Approximately 30% or \$5.24 million was classified as unassigned fund balance and was available for spending at the government's discretion.
- At the end of the current fiscal year, the general fund's unrestricted fund balance (the total of the committed, assigned, and unassigned components of fund balance) was \$9 million, or 104% of total general fund expenditures, prior to transfers. The general fund's unassigned fund balance was \$5.24 million or 60% of total general fund expenditures, prior to transfers.
- The General Fund balance increased by \$1.06 million, with revenues of \$10.68 million and expenditures of \$8.69 million, prior to transfers out of \$0.94 million. Revenues decreased over the prior year by \$2.37 mostly due to declines in the taxes, while expenses decreased by \$1.26 million due to cost saving decisions the Town made because of COVID-19.

OVERVIEW OF THE FINANCIAL STATEMENTS

The discussion and analysis are intended to serve as an introduction to the Town of Yountville's financial statements. The Town of Yountville's basic financial statements are comprised of (1) Government-wide Financial Statements (2) Fund Financial Statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The *government-wide financial statements* are designed to provide readers with a broad overview of the Town of Yountville's finances, in a manner similar to a private-sector business. Government-wide financial statements are prepared on the accrual basis, which means they measure the flow of all economic resources of the Town as a whole. Government-wide financial statements consist of the *Statement of Net Position* and the *Statement of Activities*.

The *Statement of Net Position* presents financial information on all of the Town of Yountville's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town of Yountville is improving or declining.

The *Statement of Activities* presents information showing how the Town of Yountville's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. This is consistent with a full accrual concept, which may result in the reporting of revenues and expenses in the current fiscal year, with cash flows occurring in future fiscal periods (e.g. uncollected revenues; and earned but not used vacation leave).

Both of the government-wide financial statements distinguish functions of the Town of Yountville that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). An overview of the Town's functions associated with each classification is listed below.

Governmental Activities – All of the Town's basic services are considered to be governmental activities. This includes 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 – This Town's enterprise activities include Waste and Wastewater operations. Unlike governmental services, these services are fully supported by charges paid by users based on the amount of services they use.

The government-wide financial statements can be found on pages 37-38 of this report.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Fund financial statements provide detailed information about each of the Town's most significant funds, called major funds. Major funds are presented individually, with all non-major funds summarized and presented only in a single column. Subordinate schedules present the detail of these non-major funds. Major funds present the major activities of the Town for the fiscal year, and may change from year to year as a result of changes in the pattern of the Town's activities. The Town's funds are segregated into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds

Governmental funds are used to account for essentially the same function reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental funds focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. This represents a modified accrual basis of accounting, with capital assets, long-lived assets, and long-term liabilities excluded from the financial statements. Such information may be useful in evaluating the Town's near-term financing requirements.

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

The Town maintains multiple governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the Capital Projects Fund, Debt Service Fund, and the Measure T Fund. These funds are considered to be major funds. Data from the other governmental funds are combined into a single aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements in the combining and individual fund statements and schedules section of this report. A budgetary comparison statement has been provided as required supplementary information for the General Fund and Measure T fund to demonstrate compliance with this budget. The basic governmental fund financial statements can be found on pages 40-43 of this report.

Proprietary Funds

The Town of Yountville has the following two *enterprise funds* which are proprietary funds: *Water* and *Wastewater* Funds which are considered major funds for the Town of Yountville. *Enterprise funds* provide the same type of information as business-type activities in the government-wide statements. The basic proprietary fund financial statements can be found on pages 46-48 of this report.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the Town. Fiduciary funds are not reported in the Government-Wide financial statements because the resources of these funds are not available to support the Town of Yountville's own programs. The accounting for fiduciary funds is much like that used for business type activities. The Town did maintain two fiduciary funds during Fiscal Year 2019/20, the Other Postemployment Benefit Trust fund and the Napa Valley Tourism Improvement District agency fund as noted in pages 50-51.

NOTES TO THE FINANCIAL STATEMENTS

Notes to the Financial Statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes can be found immediately following the fund financial statements.

OTHER INFORMATION

In addition to the basic financial statements and accompanying notes, this report also presents *required supplementary information* concerning the Town of Yountville's funding progress for its employee pension and OPEB benefit obligations. The required supplementary information can be found on pages 89-95 of this report. The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the *required supplementary information* on pensions and OPEB as supplementary information. Combining and individual fund statements and schedules can be found on pages 99-133 of this report. The Town also provides comparative statements for its Water and Wastewater enterprise funds in the supplementary information section. An un-audited statistical section provides historical and current data on financial trends, revenue and debt capacity, demographic and economic information, and operating information. This information can be found on pages 138-155 of this document.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Over time, net position may serve as an indicator of a government's financial position. In the case of the Town of Yountville, assets and deferred outflows of resources exceeded liabilities by \$56.07 million at the close of the Fiscal Year 2019/2020. This represents an increase of \$0.66 million over the prior year.

The following table summarizes the Town's ending net position:

Table 1 - Net Position

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Assets						
Current and other assets	\$ 18.51	\$ 18.28	\$ 6.94	\$ 7.80	\$ 25.45	\$ 26.08
Capital assets	37.44	37.81	10.39	10.52	47.84	48.33
Total Assets	\$ 55.95	\$ 56.08	\$ 17.33	\$ 18.32	\$ 73.28	\$ 74.40
Deferred Outflows of Resources	\$ 1.30	\$ 1.34	\$ 0.35	\$ 0.37	\$ 1.65	\$ 1.71
Liabilities						
Current and other liabilities	\$ 1.36	\$ 1.68	\$ 0.78	\$ 0.51	\$ 2.15	\$ 2.19
Noncurrent liabilities	13.89	14.75	2.14	3.46	16.03	18.21
Total Liabilities	\$ 15.25	\$ 16.43	\$ 2.92	\$ 3.97	\$ 18.17	\$ 20.40
Deferred Inflows of Resources	\$ 0.50	\$ 0.21	\$ 0.18	\$ 0.09	\$ 0.68	\$ 0.30
Net Position						
Net investment in capital assets	\$ 26.99	\$ 26.83	\$ 9.33	\$ 8.23	\$ 36.31	\$ 35.06
Restricted	5.95	4.69	-	-	5.95	4.69
Unrestricted	8.56	9.26	5.25	6.40	13.81	15.66
Total Net Position	\$ 41.50	\$ 40.79	\$ 14.58	\$ 14.63	\$ 56.08	\$ 55.42

Net position of the Town's governmental activities increased \$0.70 million to \$41.49 million. Approximately 20.6% of net position relating to governmental activities are unrestricted, and a significant portion, or \$26.99 million, of the Town's net position reflects its investment in capital assets, (e.g., land, buildings, general government infrastructure, equipment, etc.), less accumulated depreciation and any outstanding that was debt used to acquire or construct those assets. Capital assets represent infrastructure which provide services to citizens and are not available for future spending. Although the Town's investment in capital assets is reported net of related debt, it should be noted that the resources to repay this debt must

be provided from other sources, since the capital assets themselves cannot be used to liquidate the liabilities. Total liabilities related to governmental activities decreased by \$1.17 million due to decrease in long term debt and net OPEB liability. The Town's net OPEB liability for Fiscal Year 2019/2020 is \$640,123. See note 9 for detailed information related to the OPEB, along with the required supplementary information section of this report.

Total net position of the Town's business-type activities decreased \$0.05 million, to \$14.58 million. A business plan to eliminate ongoing deficits and provide the funding necessary for future infrastructure improvements was adopted in February of 2018 and the third of five implementations was completed in January of 2020. No deficits were reported in 2020. At the end of the current fiscal year, the Town of Yountville is able to report a positive balance for the government as a whole.. The reasons for the overall financial changes are discussed in the following sections for governmental and business-type activities.

Governmental Activities

As shown in the following *Statement of Changes in Net Position* schedule, the net position for governmental activities increased from \$40.79 million in the prior year to \$41.49 million in the current fiscal year. This increase is largely due to greater than expected sales and property tax revenue collections, reduced departmental expenditures, and suspension of discretionary contributions to trusts and internal repair and replacement funds in an effort to manage revenue losses related to COVID-19.

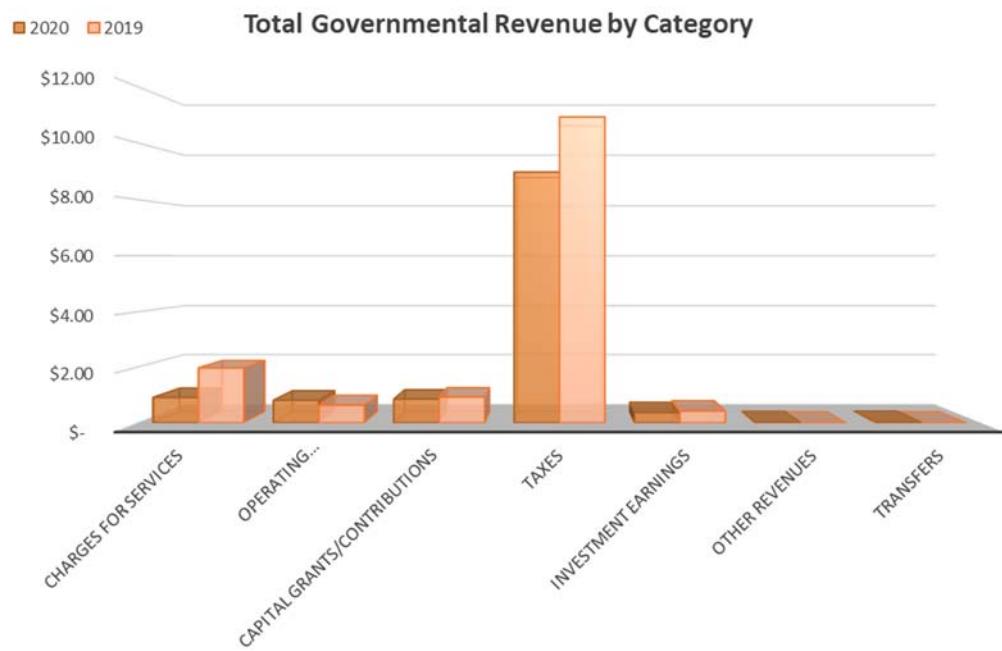
With total revenues for Fiscal Year 2019/2020 at \$11.94 million and total expenses at \$11.24 million, the change in net position for current activity yielded an increase of \$0.71 million. An analysis of the changes in revenues and expenses by type of significant events follows:

Table 2 - Statement of Changes in Net Position

Functions/Programs	Governmental Activities		Increase (Decrease)	Business-Type Activities		Increase (Decrease)
	2020	2019		2020	2019	
Program Revenues						
Charges for services	\$ 0.91	\$ 1.96	\$ (1.05)	\$ 3.83	\$ 3.68	\$ 0.15
Operating grants and contributions	0.81	0.63	0.18	-	-	-
Capital grants and contributions	0.84	0.92	(0.08)	0.27	0.13	0.14
Total Program Revenues	2.55	3.51	(0.96)	4.10	3.81	0.29
General Revenues						
Taxes	8.99	10.93	(1.94)	-	-	-
Investment earnings	0.36	0.42	(0.06)	0.12	0.14	(0.02)
Other revenues	0.01	-	0.01	0.00	-	0.00
Transfers	0.03	-	0.03	(0.03)	-	(0.03)
Total General Revenues and Transfers	9.39	11.35	(1.96)	0.10	0.14	(0.04)
Expenses						
General Government	3.24	4.14	(0.90)	-	-	-
Housing	0.09	0.08	0.01	-	-	-
Public Safety	1.63	1.54	0.09	-	-	-
Public Works	3.28	2.80	0.48	-	-	-
Community Promotion	0.41	0.35	0.06	-	-	-
Parks and Recreation	2.20	2.12	0.08	-	-	-
Interest on fiscal charges	0.39	0.37	0.02	-	-	-
Water Services	-	-	-	1.91	2.37	(0.46)
Wastewater Services	-	-	-	2.33	2.00	0.33
Total Expenses	11.24	11.40	(0.16)	4.25	4.37	(0.12)
Increase / (Decrease) in Net Position	0.71	3.46	(2.75)	(0.05)	(0.42)	0.37
Prior Period Adjustments	-	-	-	-	-	-
Net Position, Beginning of Year	40.79	37.33	3.46	14.63	15.05	(0.42)
Net Position, End of Year	\$ 41.50	\$ 40.79	\$ 0.71	\$ 14.58	\$ 14.63	\$ (0.05)

Governmental Revenues

The following chart summarizes the changes in revenues by category during Fiscal Year 2019/20:

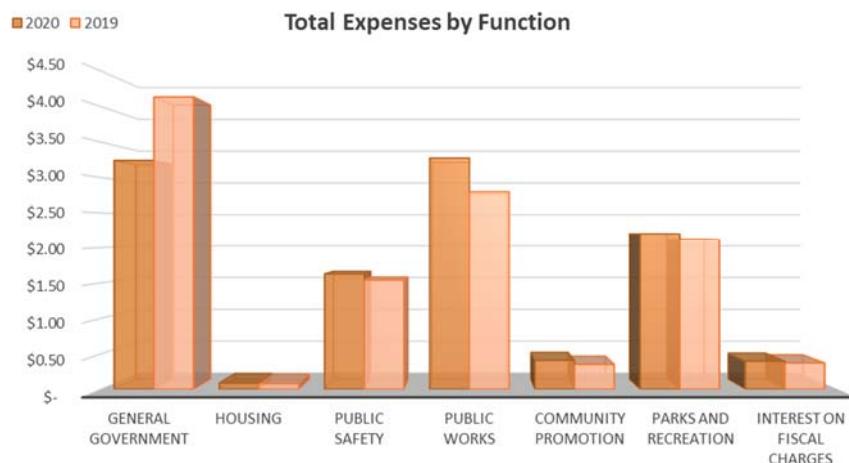


Significant changes in governmental revenues consisted of the following:

- Charges for Services decreased by approximately \$1.05 million or 53.6%. This is primarily related to COVID-19 decreasing the number of governmental services offered in the second half of FY 2019/2020.
- Taxes decreased by approximately \$1.94 million or 17.7%, with changes primarily related to the following categories:
 - Property taxes increased by approximately \$398,000 or 24.1%, due to continuing increases in property values along with an influx of Vehicle License Fees (VLF).
 - Transient occupancy taxes decreased by approximately \$1.33 million or 19%, primarily due to the decrease in tourism and hotel closures caused by COVID-19.
 - Sales tax revenues increased by approximately \$71,000 or 5.2%. Though this revenue was impacted by COVID-19 related closures to restaurants and hotels, it was also slightly offset by the implementation of AB 147 (the Wayfair decision) in October 2019 that resulted in an increase to the Napa County sales tax pools, of which Yountville receives a portion.
- Operating grants and contributions increased by approximately \$180,000 or 28.6%.
- Capital grants and contributions decreased by approximately \$80,000 or 8.7%.

Governmental Expenses

The Fiscal Year 2019/20 expenses for Governmental Activities decreased by \$0.16 or 1.4% million as illustrated in the chart below:



Significant changes in governmental expenses primarily consisted of the following:

- General Government decreased by \$0.90 million or 21.7%, primarily due to suspending discretionary contributions to trusts and internal repair and replacement funds due to COVID-19.
- Housing increased by \$0.01 million or 12.5%, due to increased contract Housing Services.
- Public Safety increased by 8.6%, primarily due to the increase in the Napa County Sheriff's annual contract. Although overall Public Safety costs did increase over the prior year, the Town saved approximately \$86,000 from the expected contract amount with the Napa County Fire Department.
- Public Works increased by \$0.48 million or 17.1%, primarily due to an increase in capital assets and depreciation.
- Community Promotion increased by \$0.06 million or 5.7%, primarily due the Town's contribution to the "Up Valley" Marketing Campaign, a tourism marketing push due to COVID-19.

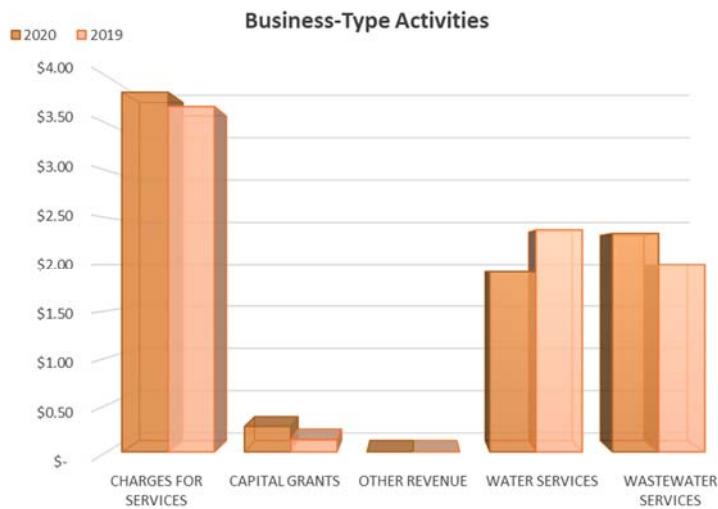
Business-Type Activities

The Town's business type activities represent the water and wastewater utility enterprise operation. The Town purchases water from the state Veterans Home for resale to approximately 832 customers. The sewer collection system operated by the Town serves about 765 customers. The Town also operates the wastewater treatment plant and has a cost sharing agreement with the Veterans Home to provide services.

Total Program Revenue for business-type activities was \$4.10 million comprised of \$3.83 in charges for services, \$0.27 million in capital grants and \$0.12 million in interest. Total operating revenue from the prior year was \$3.81 million.

Total expenses for business type activities was \$4.25 million, which was a decrease of approximately \$125,000 when compared to the prior year. This is primarily due to a decrease in capital project expenditures over the prior fiscal year.

The following chart is a summary of the changes in revenues and expenses for the Town's business-type activities from Fiscal Year 2018/2019 to 2019/2020:



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 20, 2018 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 first annual rate increase was effective March 1, 2018 and will continue each January 1, through 2022.

FINANCIAL ANALYSIS OF THE TOWN'S GOVERNMENTAL FUNDS

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

The focus of the Town's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Town's financing requirements. In particular, the unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the Town itself, or a group or individual that has been delegated authority to assign resources for particular purposes by the Town of Yountville's Council.

The following table summarizes the changes in fund balance of the Major Funds and Other Nonmajor Governmental Funds:

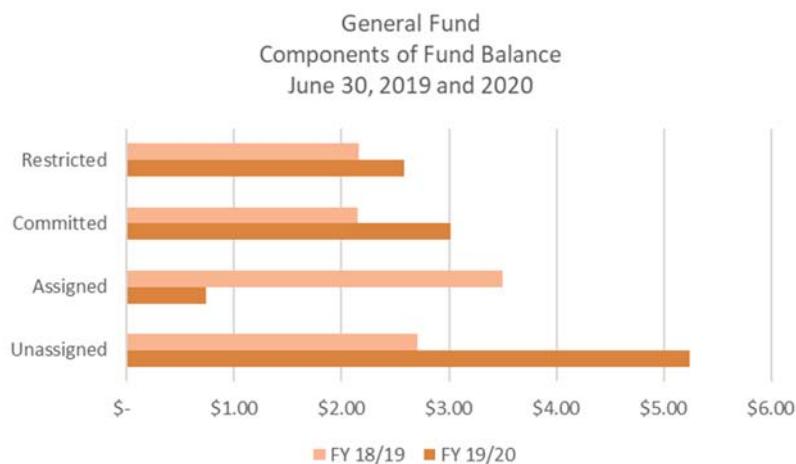
Table 3 - Summary of Changes in Fund Balance - Governmental Funds

	Major Funds						Nonmajor Governmental Funds	Total		
	General Fund	Capital Projects Fund	Debt Service Fund	Measure T Fund						
Total Revenues	\$ 10.68	\$ 0.09	\$ 0.01	\$ 0.59		\$ 0.86	\$ 12.23			
Total Expenditures	8.69	0.85	0.97	0.59		0.30	11.39			
Revenues Over (Under) Expenditures	2.00	(0.76)	(0.96)	(0.00)		0.56	0.84			
Other Financing Sources	-	-	0.06	-		-	0.06			
Transfers In	-	0.10	3.10	-		0.29	3.49			
Transfers Out	(0.94)	(0.10)	(2.24)	-		(0.19)	(3.46)			
Net Change in Fund Balances	1.06	(0.76)	(0.04)	(0.00)		0.66	0.93			
Beginning Fund Balances	10.52	1.44	0.10	(0.03)		4.58	16.61			
Ending Fund Balances	\$ 11.58	\$ 0.68	\$ 0.06	\$ (0.03)		\$ 5.24	\$ 17.54			

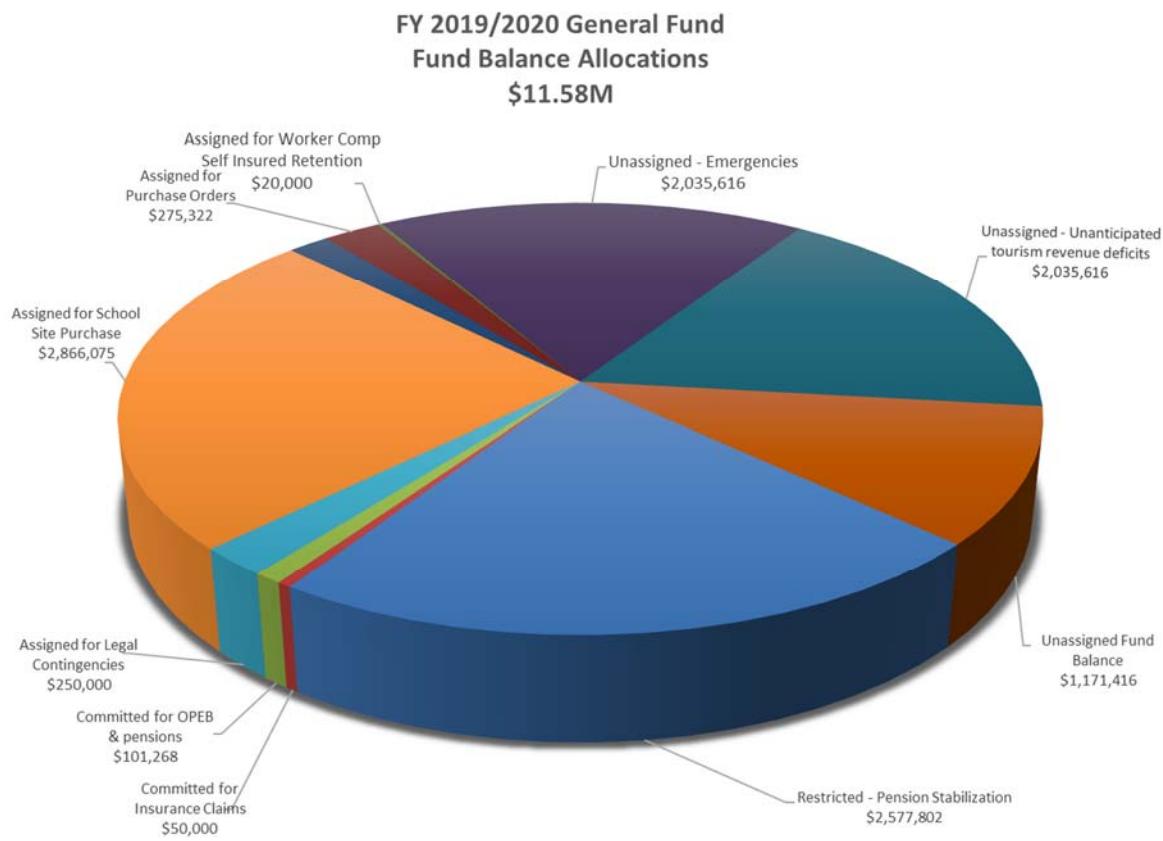
General fund revenues exceeded expenditures by \$2 million. In fiscal year 2018/2019, general fund revenues exceeded expenses by \$3.10 million. As presented earlier in connection with governmental activities, TOT collections, which are the Town's primary source of general fund revenue, were significantly impacted by COVID-19 related hotel closures between March and June 2020 resulting in a substantial decrease in revenues. The total general fund expenditures, prior to transfers is \$8.69 million. Savings in all general fund departments account for the reduction of estimated expenses by approximately 11%. Other nonmajor governmental funds reflected an aggregate increase to total fund balance, whereas the capital projects fund ended the fiscal year with a reduction of total fund balance of \$0.76 million.

General Fund – Components of Fund Balance

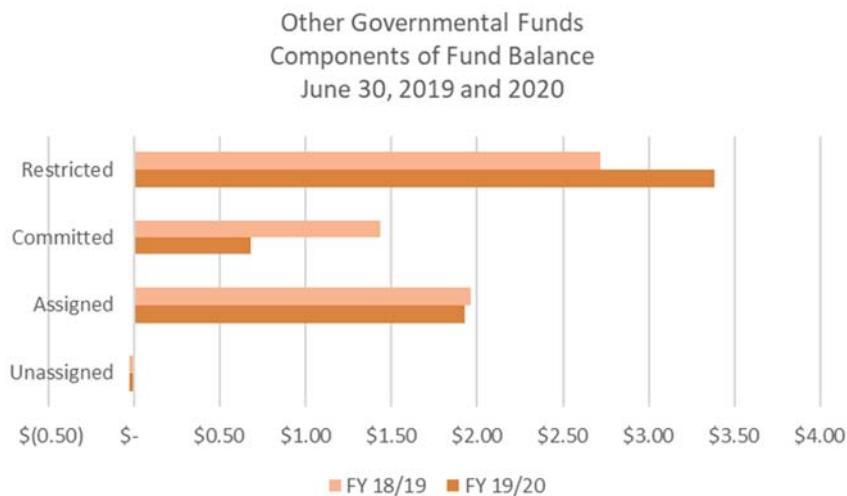
The general fund is the chief operating fund of the Town of Yountville. At the end of the current fiscal year, the unassigned fund balance of the general fund was \$1.17 million and the total fund balance increased to \$11.58 million. This is an increase to total fund balance of \$1.06 million, or 10.1% from the prior year. The major components of the fund balance are shown below:



The following pie chart displays the fund balance allocations of the General Fund as of June 30, 2020:



The following chart displays the components of fund balance for governmental funds other than the General Fund:



CAPITAL ASSETS

The Town of Yountville's investment in capital assets for its governmental and business-type activities as of June 30, 2020 amounts to \$47.84 million (net of accumulated depreciation). This includes net capital assets from governmental activities of \$37.44 million and net capital assets from business type activities at \$10.39 million. The total decrease in the Town of Yountville's capital assets during the current fiscal year was approximately \$0.49 million. This includes a net decrease of \$0.36 million related to Governmental Activities and a net decrease \$0.13 million related to Business-type Activities. The following table summarizes the Town's capital assets at the end of the year:

Table 4 - Capital Assets at Year End - Net

	Governmental Activities		Business-type Activities		Total		% Change
	2020	2019	2020	2019	2020	2019	
	\$ 1.44	\$ 1.44	\$ 0.01	\$ 0.01	\$ 1.45	\$ 1.45	0.00%
Land	\$ 1.44	\$ 1.44	\$ 0.01	\$ 0.01	\$ 1.45	\$ 1.45	0.00%
Construction-in-Progress	0.52	0.07	-	0.00	0.52	0.08	589.93%
Buildings	14.57	15.19	0.01	0.02	14.59	15.21	-4.09%
Improvements other than building	2.87	3.04	-	-	2.87	3.04	-5.56%
Infrastructure	17.27	17.40	10.14	10.22	27.41	27.62	-0.76%
Machinery and equipment	0.76	0.66	0.23	0.27	0.99	0.93	6.98%
Total Capital Assets, Net	<u>\$ 37.44</u>	<u>\$ 37.81</u>	<u>\$ 10.39</u>	<u>\$ 10.52</u>	<u>\$ 47.84</u>	<u>\$ 48.32</u>	<u>-1.01%</u>

Additional detail and information on capital asset activity is described in the notes to the financial statements, Note 5.

DEBT ADMINISTRATION

During the year, Long-Term Debt from governmental activities decreased by \$0.53 million primarily due to debt service payments, while Long-Term Debt attributable to business type activities decreased by \$1.22 million. The reduction within the business-type category resulted from debt service payments and an additional lump-sum payment of \$1.21 million made toward the State Revolving Fund loan. The following table summarizes the Town's debt at the end of the year:

Table 5 - Outstanding Long-Term Debt at Year End

	Governmental Activities		
	2020	2019	% Change
	\$ -	\$ 2.53	-100.00%
2013 Lease Revenue Bonds	\$ -	\$ 2.53	-100.00%
Unamortized Premiums	-	0.01	-100.00%
2017 Lease Revenue Refunding Bonds	8.00	8.26	-3.15%
Unamortized Premiums	0.39	0.41	-4.76%
2020 Financing Lease - Direct Borrowing	2.30	-	100.00%
CEC Loan - Direct Borrowing	0.05	0.07	-27.51%
Total outstanding long-term debt	<u>\$ 10.74</u>	<u>\$ 11.27</u>	<u>-4.72%</u>

	Business-type Activities		
	2020	2019	% Change
	\$ 0.03	\$ 0.04	-33.33%
PG&E Loan	\$ 0.03	\$ 0.04	-33.33%
State Revolving Loan	1.04	2.25	-53.82%
Total outstanding long-term debt	<u>\$ 1.07</u>	<u>\$ 2.29</u>	<u>-53.49%</u>

Additional detail and information on long-term debt activity is described in the notes to the financial statements, Note 6.

GENERAL FUND BUDGETARY HIGHLIGHTS

Changes from the Town's General Fund original budget to the final budget are detailed in the *Required Supplementary Information* section along with a comparison to actual activity for the year ended. In Fiscal Year 2019/20, the Town originally estimated that a \$700,000 drawdown from fund balance was needed to maintain normal operations, however due to increased performance in revenues and decreased spending, the Town ended the year with a positive fund balance without the use reserves.

Revenues

The General Fund adopted and final revenue budgets were \$11.27 and \$10.92 million. A review of the 2019/2020 budget shows actual revenues recorded were \$10.68 million or 5.2% less than the Town's original budget. This reduction of revenues was mainly contributed to receiving 19% less than expected TOT collections, offset slightly by 29% greater than anticipated performance in sales tax and property taxes as well as an increase in charges for services such as building permits.

Expenditures

The General Fund adopted expenditure budget was \$9.52 million and the final budget was \$9.84 million. Actual expenditures totaled \$8.69 million, which is 8.7% less than the Town's original budget. The bulk of general fund savings was generated by departments and mostly due to programs and projects that were suspended due to COVID-19.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The Town Council adopted a balanced budget for 2020/21 on June 16, 2020. The proposed \$9.19 million general fund budget is balanced with anticipated use of Revenue Stabilization Reserve Funds to offset ongoing revenue losses caused by the COVID-19 pandemic. Key items include:

- General Fund revenues are estimated to be \$9.34 million.
- Expenditures are within available revenue stream.
- Proposed budget is largely status quo and maintains existing levels of service.
- Employee count decreased to 31 Full time employees
- Implements the final year of a three year labor agreement with employee groups and a 2.5% COLA.
- The fourth of five approved rate increases for water or wastewater utility enterprise fund operations will take effect January 1, 2021.
- Maintained and/or increased fund balances: PARSAC Claims Reserve Fund \$50,000; Legal Contingency Reserve \$250,000; Budget Contingency \$469,088; Revenue Stabilization Reserve Fund \$2,000,000; Emergency Reserve Fund \$2,000,000; Water Enterprise Drought Emergency Reserve Fund \$1,914,481; Leave Buy Out \$250,000; Workers Comp Self Insured Retention \$20,000; Purchase of Yountville Elementary School \$2,866,075; Purchase Orders \$350,000.
- Key infrastructure projects include: Emergency Washington Park Water Main Replacement, Multi-Use Path – Oak Circle to Mission, Restroom Construction at Yountville Community Park, and Joint Treatment Plant Office Modernization.

REQUEST FOR FINANCIAL INFORMATION

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.



Town of Yountville

"The Heart of the Napa Valley"

BASIC FINANCIAL STATEMENTS

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Town of Yountville
Statement of Net Position
June 30, 2020

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current Assets:			
Cash and investments	\$ 13,528,135	\$ 6,463,866	\$ 19,992,001
Restricted cash and investments with fiscal agents	2,578,714	-	2,578,714
Receivables:			
Taxes receivable	602,164	-	602,164
Accounts receivable	169,540	457,408	626,948
Interest receivable	42,308	19,031	61,339
Due from other governments	97,212	-	97,212
Total Current Assets	<u>17,018,073</u>	<u>6,940,305</u>	<u>23,958,378</u>
Noncurrent Assets:			
Loans receivable	1,495,210	-	1,495,210
Capital Assets:			
Nondepreciable	1,965,063	5,091	1,970,154
Depreciable, net of accumulated depreciation	35,477,494	10,388,371	45,865,865
Total Capital Assets, Net	<u>37,442,557</u>	<u>10,393,462</u>	<u>47,836,019</u>
Total Noncurrent Assets	<u>38,937,767</u>	<u>10,393,462</u>	<u>49,331,229</u>
Total Assets	<u><u>\$ 55,955,840</u></u>	<u><u>\$ 17,333,767</u></u>	<u><u>\$ 73,289,607</u></u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension Adjustments	\$ 35,745	\$ 349,685	\$ 385,430
OPEB Adjustments	984,984	-	984,984
Deferred Loss on Refunding	280,896	-	280,896
Total Deferred Outflows of Resources	<u><u>\$ 1,301,625</u></u>	<u><u>\$ 349,685</u></u>	<u><u>\$ 1,651,310</u></u>
LIABILITIES			
Current Liabilities:			
Accounts payable	\$ 536,393	\$ 596,024	\$ 1,132,417
Other current liabilities	134,066	-	134,066
Interest payable	26,372	12,350	38,722
Compensated absences, due within one year	64,825	18,600	83,425
Long-term debt, due within one year	601,330	157,415	758,745
Total Current Liabilities	<u>1,362,986</u>	<u>784,389</u>	<u>2,147,375</u>
Noncurrent Liabilities:			
Net pension liability	3,114,846	1,002,882	4,117,728
Net OPEB liability	483,933	156,190	640,123
Compensated absences, due in more than one year	160,538	69,455	229,993
Long-term debt - due in more than one year	10,135,112	908,211	11,043,323
Total Noncurrent Liabilities	<u>13,894,429</u>	<u>2,136,738</u>	<u>16,031,167</u>
Total Liabilities	<u><u>\$ 15,257,415</u></u>	<u><u>\$ 2,921,127</u></u>	<u><u>\$ 18,178,542</u></u>
DEFERRED INFLOWS OF RESOURCES			
Pension Adjustments	\$ 142,727	\$ 78,572	\$ 221,299
OPEB Adjustments	360,978	104,969	465,947
Total Deferred Inflows of Resources	<u><u>\$ 503,705</u></u>	<u><u>\$ 183,541</u></u>	<u><u>\$ 687,246</u></u>
NET POSITION			
Net investment in capital assets	\$ 26,987,011	\$ 9,327,836	\$ 36,314,847
Restricted for:			
Streets	773,424	-	773,424
Housing	2,364,708	-	2,364,708
Cultural programs	178,266	-	178,266
Other	1,276	-	1,276
Pension stabilization	2,577,802	-	2,577,802
Debt service	64,137	-	64,137
Total Restricted	<u>5,959,613</u>	<u>-</u>	<u>5,959,613</u>
Unrestricted	<u>8,549,721</u>	<u>5,250,948</u>	<u>13,800,669</u>
Total Net Position	<u><u>\$ 41,496,345</u></u>	<u><u>\$ 14,578,784</u></u>	<u><u>\$ 56,075,129</u></u>

The accompanying notes are an integral part of these financial statements.

Town of Yountville
Statement of Activities
For the Year Ended June 30, 2020

Functions/Programs	Program Revenues											
	Expenses	Charges for Services	Operating	Capital	Total	Governmental	Business-Type	Total				
			Grants and Contributions	Grants and Contributions		Activities	Activities					
Primary Government:												
Governmental Activities:												
General Government	\$ 3,242,226	\$ 521,593	\$ 29,764	\$ -	\$ 551,357	\$ (2,690,869)		\$ (2,690,869)				
Housing	87,931	-	524,037	-	524,037	436,106		436,106				
Public Safety	1,626,661	948	174,349	-	175,297	(1,451,364)		(1,451,364)				
Public Works	3,275,960	8,009	10,931	844,035	862,975	(2,412,985)		(2,412,985)				
Community Promotion	406,620	42,619	35,441	-	78,060	(328,560)		(328,560)				
Parks and Recreation	2,203,024	331,935	30,484	-	362,419	(1,840,605)		(1,840,605)				
Interest and fiscal charges	394,555	-	-	-	-	(394,555)		(394,555)				
Total Governmental Activities	\$11,236,977	\$ 905,104	\$ 805,006	\$ 844,035	\$ 2,554,145	(8,682,832)		(8,682,832)				
Business-Type Activities:												
Water Services	\$ 1,913,614	\$ 1,569,612	\$ -	\$ 58,982	\$ 1,628,594	\$ (285,020)		(285,020)				
Wastewater Services	2,331,411	2,262,488	-	211,275	2,473,763	142,352		142,352				
Total Business-Type Activities	\$ 4,245,025	\$ 3,832,100	\$ -	\$ 270,257	\$ 4,102,357	(142,668)		(142,668)				
General Revenues:												
Taxes:												
Property taxes					2,047,539	-		2,047,539				
Sales and use taxes					1,448,291	-		1,448,291				
Transient occupancy taxes					5,358,618	-		5,358,618				
Franchise taxes					132,955	-		132,955				
Total taxes					8,987,403	-		8,987,403				
Investment earnings					364,369	120,944		485,313				
Other revenues					14,018	450		14,468				
Total General Revenues					9,365,790	121,394		9,487,184				
Transfers					25,854	(25,854)		-				
Total General Revenues and Transfers					9,391,644	95,540		9,487,184				
Change in Net Position					708,812	(47,128)		661,684				
Net Position - Beginning of Year					40,787,533	14,625,912		55,413,445				
Net Position - End of Year					\$ 41,496,345	\$ 14,578,784		\$ 56,075,129				

The accompanying notes are an integral part of these financial statements.

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.

Measure T Fund is used to account for revenue received from the Measure T Ordinance (Napa Countywide Road Maintenance Act) that collects a half cent sales tax going toward projects that improve streets, sidewalks, and related street infrastructure improvements.

Town of Yountville
Balance Sheet
Governmental Funds
June 30, 2020

	Major Funds					Nonmajor Governmental Funds	Total Governmental Funds
	General Fund	Capital Projects Fund	Debt Service Fund	Measure T Fund			
ASSETS							
Cash and investments	\$ 8,868,824	\$ 715,444	\$ 63,618	\$ -	\$ 3,880,249	\$ 13,528,135	
Cash with fiscal agent	2,577,801	-	913	-	-	-	2,578,714
Taxes receivable	581,600	-	-	-	20,564	602,164	
Accounts receivable	77,231	5,485	-	85,616	1,208	169,540	
Interest receivable	28,415	2,433	182	-	11,278	42,308	
Due from other governments	56	-	-	90,458	6,698	97,212	
Due from other funds	163,046	-	-	-	-	163,046	
Loans receivable	-	-	-	-	1,495,210	1,495,210	
Total assets	\$ 12,296,973	\$ 723,362	\$ 64,713	\$ 176,074	\$ 5,415,207	\$ 18,676,329	
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES							
Liabilities:							
Accounts payable	\$ 448,937	\$ 44,978	\$ 576	\$ 39,249	\$ 2,653	\$ 536,393	
Other liabilities	102,567	-	-	-	31,499	134,066	
Due to other funds	-	-	-	163,046	-	163,046	
Total liabilities	\$ 551,504	\$ 44,978	\$ 576	\$ 202,295	\$ 34,152	\$ 833,505	
Deferred Inflows of Resources:							
Unavailable revenues	165,890	-	-	-	139,110	305,000	
Fund Balances:							
Restricted:							
Streets	-	-	-	-	773,424	773,424	
Housing	-	-	-	-	2,364,708	2,364,708	
Cultural programs	-	-	-	-	178,266	178,266	
Other	-	-	-	-	1,276	1,276	
Pension stabilization	2,577,802	-	-	-	-	2,577,802	
Debt service	-	-	64,137	-	-	64,137	
Total restricted	2,577,802	-	64,137	-	3,317,674	5,959,613	
Committed:							
School site purchase	2,866,075	-	-	-	-	2,866,075	
Claims	50,000	-	-	-	-	50,000	
Capital projects	-	678,384	-	-	-	678,384	
OPEB and pensions	101,268	-	-	-	-	101,268	
Total committed	3,017,343	678,384	-	-	-	3,695,727	
Assigned:							
Leave buy out	196,464	-	-	-	-	196,464	
Legal claims	250,000	-	-	-	-	250,000	
Workers compensation self-insurance retention	20,000	-	-	-	-	20,000	
Capital projects	-	-	-	-	1,924,271	1,924,271	
Outstanding purchase orders	275,322	-	-	-	-	275,322	
Total assigned	741,786	-	-	-	1,924,271	2,666,057	
Unassigned							
Emergencies	2,035,616	-	-	-	-	2,035,616	
Unanticipated tourism revenue deficits	2,035,616	-	-	-	-	2,035,616	
Unassigned	1,171,416	-	-	(26,221)	-	1,145,195	
Total unassigned	5,242,648	-	-	(26,221)	-	5,216,427	
Total fund balances	11,579,579	678,384	64,137	(26,221)	5,241,945	17,537,824	
Total liabilities, deferred inflows of resources and fund balances	\$ 12,296,973	\$ 723,362	\$ 64,713	\$ 176,074	\$ 5,415,207	\$ 18,676,329	

The accompanying notes are an integral part of these financial statements.

Town of Yountville

Reconciliation of the Government Funds Balance Sheet

to the Government-Wide Statement of Net Position

June 30, 2020

Total Fund Balances - Total Governmental Funds	\$ 17,537,824
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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. The capital assets were adjusted as follows:

Capital assets	50,425,242
Less: accumulated depreciation	(12,982,685)
Total Capital Assets	<u>37,442,557</u>

Interest payable on long-term debt did not require current financial resources. Therefore, interest payable was not reported as a liability in Governmental Funds Balance Sheet. (26,372)

The differences from benefit plan assumptions and estimates versus actuals are not included in the plan's actuarial study until the next fiscal year and are reported as deferred inflows or deferred outflows of resources in the statement of net position. 517,024

The difference between the carrying value of refunded debt and the reacquisition price is deferred and amortized over the shorter of the remaining life of the refunded debt or the refunding debt. 280,896

Liabilities were reported for certain revenues that were not available to pay current period expenditures and were reported as unearned in the fund statements. 305,000

Long-term obligations were not due and payable in the current period. Therefore, they were not reported in the Governmental Funds Balance Sheet. The long-term liabilities were adjusted as follows:

Long-term debt	(10,736,442)
Compensated absences	(225,363)
Net pension liability	(3,114,846)
Net OPEB liability	(483,933)
Total Long-Term Obligations	<u>(14,560,584)</u>

Net Position of Governmental Activities **\$ 41,496,345**

The accompanying notes are an integral part of these financial statements.

Town of Yountville

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

Governmental Funds

For the Year Ended June 30, 2020

	Major Funds					Nonmajor Governmental Funds	Total Governmental Funds
	General Fund	Capital Projects Fund	Debt Service Fund	Measure T Fund			
REVENUES							
Property taxes	\$ 2,047,539	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,047,539
Sales taxes	1,448,291	-	-	-	-	-	1,448,291
Transient occupancy tax	5,668,869	-	-	-	-	-	5,668,869
Other taxes	132,955	-	-	-	-	486,138	619,093
Licenses and permits	153,593	-	-	-	-	42,619	196,212
Fines and forfeitures	46,289	-	-	-	-	-	46,289
Intergovernmental	162,173	-	-	591,876	146,541	900,590	
Interest	269,809	24,595	10,150	184	59,631	364,369	
Rent and concessions	217,663	-	-	-	-	217,663	
Charges for Services	443,241	34,102	-	-	77,029	554,372	
Other Revenue	93,076	27,446	-	-	46,377	166,899	
Total Revenues	10,683,498	86,143	10,150	592,060	858,335	12,230,186	
EXPENDITURES							
Current:							
General Government	3,026,809	-	2,600	-	3,000	3,032,409	
Housing	-	-	-	-	85,034	85,034	
Public Safety	1,573,071	-	-	-	-	1,573,071	
Public Works	1,959,481	-	-	-	30,160	1,989,641	
Community Promotion	370,647	-	-	-	22,577	393,224	
Parks and Recreation	1,734,611	-	-	-	-	1,734,611	
Capital outlay	-	846,377	-	592,339	156,959	1,595,675	
Debt service							
Principal	18,759	-	550,000	-	-	568,759	
Interest and fiscal charges	1,910	-	414,421	-	-	416,331	
Total Expenditures	8,685,288	846,377	967,021	592,339	297,730	11,388,755	
Excess (Deficiency) of Revenues over Expenditures	1,998,210	(760,234)	(956,871)	(279)	560,605	841,431	
OTHER FINANCING SOURCES (USES)							
Debt issuance	-	-	2,303,000	-	-	2,303,000	
Debt refunding	-	-	(2,240,000)	-	-	(2,240,000)	
Transfers in	-	101,923	3,097,501	-	289,797	3,489,221	
Transfers out	(936,013)	(99,031)	(2,241,219)	-	(187,104)	(3,463,367)	
Total Other Financing Sources (Uses)	(936,013)	2,892	919,282	-	102,693	88,854	
Net Change in Fund Balances	1,062,197	(757,342)	(37,589)	(279)	663,298	930,285	
Fund Balances Beginning	10,517,382	1,435,726	101,726	(25,942)	4,578,647	16,607,539	
Fund Balances Ending	\$ 11,579,579	\$ 678,384	\$ 64,137	\$ (26,221)	\$ 5,241,945	\$ 17,537,824	

The accompanying notes are an integral part of these financial statements.

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, 2020

Net Change in Fund Balances - Total Governmental Funds	\$ 930,285
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Amounts reported for governmental activities in the Statement of Activities and Changes in net position were different because:

Governmental Funds report capital outlay as expenditures. However, in the Government-Wide Statement of Activities and Changes in net position, the cost of those assets was allocated over their estimated useful lives as depreciation expense.

Capital outlay	1,370,540
Depreciation expense	(1,734,368)

Compensated absences not required to be paid with current financial resources are not reported in the governmental funds, but are accrued as noncurrent liabilities in the Government Wide Statement

Net Position. The change from prior year accrued compensated absences is reported in the applicable program expense.	(4,164)
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Certain revenues were not recorded or recorded as unearned revenue in the governmental funds because they did not meet the revenue recognition criteria of availability. However, they were included as revenue in the Government-Wide Statement of Activities under the full accrual basis.

	(310,251)
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The difference between the carrying value of refunded debt and the reacquisition price is deferred and amortized over the shorter of the remaining life of the refunded debt or the refunding debt.

	(14,045)
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In governmental funds, actual contributions to benefit plans are reported as expenditures in the year incurred. However, in the government-wide statement of activities, only the current year benefit expense as noted in the plans' valuation reports is reported as an expense, as adjusted for deferred inflows and outflows of resources.

	(229,917)
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Repayment of long-term debt was an expenditure in governmental funds, but the repayment reduced long-term liabilities in the Government-Wide Statement of Net Position.

	505,759
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Premiums from the issuance of long-term debt are amortized over the life of the bonds in the Statement of Activities and reported as proceeds when issued in governmental funds.

	26,457
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Certain expenses reported in the statement of activities do not require the use of current financial resources and are not reported as expenditures in the fund statements as follows:

Other postemployment benefits	159,152
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Interest expense on long-term debt was reported in the Government-Wide Statement of Activities and Changes in net position, but it did not require the use of current financial resources. Therefore, interest expense was not reported as expenditures in governmental funds. The following amount represented the net change in accrued interest from prior year.

	9,364
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Change in Net Position of Governmental Activities	\$ 708,812
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The accompanying notes are an integral part of these financial statements.

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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, 2020

	Business-Type Activities			Total	
	Enterprise Funds		Water Fund		
	Wastewater Funds				
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 2,559,908	\$ 3,903,958	\$ 6,463,866		
Accounts receivable	169,250	288,158	457,408		
Interest receivable	6,870	12,161	19,031		
Total current assets	<u>2,736,028</u>	<u>4,204,277</u>	<u>6,940,305</u>		
Noncurrent assets:					
Capital assets:					
Non-depreciables	-	5,091	5,091		
Depreciable, net	2,006,699	8,381,672	10,388,371		
Total capital assets, net	<u>2,006,699</u>	<u>8,386,763</u>	<u>10,393,462</u>		
Total noncurrent assets	<u>2,006,699</u>	<u>8,386,763</u>	<u>10,393,462</u>		
Total assets	<u><u>\$ 4,742,727</u></u>	<u><u>\$ 12,591,040</u></u>	<u><u>\$ 17,333,767</u></u>		
DEFERRED OUTFLOWS OF RESOURCES					
Pension adjustments	<u><u>\$ 101,927</u></u>	<u><u>\$ 247,758</u></u>	<u><u>\$ 349,685</u></u>		
LIABILITIES					
Current liabilities:					
Accounts payable	\$ 408,744	\$ 187,280	\$ 596,024		
Interest payable	-	12,350	12,350		
Compensated absences, due within one year	8,100	10,500	18,600		
Loans payable, due within one year	-	157,415	157,415		
Total current liabilities	<u>416,844</u>	<u>367,545</u>	<u>784,389</u>		
Noncurrent liabilities:					
Net OPEB liability	45,449	110,741	156,190		
Net pension liability	292,265	710,617	1,002,882		
Compensated absences, due in more than one year	22,151	47,304	69,455		
Loans payable, due in more than one year	-	908,211	908,211		
Total noncurrent liabilities	<u>359,865</u>	<u>1,776,873</u>	<u>2,136,738</u>		
Total liabilities	<u><u>\$ 776,709</u></u>	<u><u>\$ 2,144,418</u></u>	<u><u>\$ 2,921,127</u></u>		
DEFERRED INFLOWS OF RESOURCES					
Pension adjustments	<u><u>\$ 22,905</u></u>	<u><u>\$ 55,667</u></u>	<u><u>\$ 78,572</u></u>		
OPEB adjstments	<u><u>30,544</u></u>	<u><u>74,425</u></u>	<u><u>104,969</u></u>		
Total deferred inflows of resources	<u><u>\$ 53,449</u></u>	<u><u>\$ 130,092</u></u>	<u><u>\$ 183,541</u></u>		
NET POSITION					
Net Investment in capital assets	\$ 2,006,699	\$ 7,321,137	\$ 9,327,836		
Unrestricted	<u>2,007,797</u>	<u>3,243,151</u>	<u>5,250,948</u>		
Total net position	<u><u>\$ 4,014,496</u></u>	<u><u>\$ 10,564,288</u></u>	<u><u>\$ 14,578,784</u></u>		

The accompanying notes are an integral part of these financial statements.

Town of Yountville
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2020

	Business-Type Activities		
	Enterprise Funds		
	Water Fund	Wastewater Funds	Total
OPERATING REVENUES			
Charges for services	\$ 1,569,612	\$ 2,262,488	\$ 3,832,100
Other	450	-	450
Total operating revenues	1,570,062	2,262,488	3,832,550
OPERATING EXPENSES			
Personnel services	448,638	992,276	1,440,914
Utilities	-	143,539	143,539
Purchased water	1,230,238	-	1,230,238
Supplies and materials	111,796	651,620	763,416
Insurance and claims	31,858	67,350	99,208
Depreciation	91,084	448,249	539,333
Total operating expenses	1,913,614	2,303,034	4,216,648
Operating income (loss)	(343,552)	(40,546)	(384,098)
NONOPERATING REVENUES(EXPENSES)			
Interest expense	-	(28,377)	(28,377)
Investment earnings	47,396	73,548	120,944
Total nonoperating revenues(expenses)	47,396	45,171	92,567
Income (loss) before operating transfers	(296,156)	4,625	(291,531)
Capital contributions	58,982	211,275	270,257
Transfers in	1,287	1,287	2,574
Transfers out	-	(28,428)	(28,428)
Net contributions and transfers	60,269	184,134	244,403
Change in net position	(235,887)	188,759	(47,128)
Total net position - beginning	4,250,383	10,375,529	14,625,912
Total net position - ending	\$ 4,014,496	\$ 10,564,288	\$ 14,578,784

The accompanying notes are an integral part of these financial statements.

Town of Yountville
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2020

Business-Type Activities			
Enterprise Funds			
Water Fund	Wastewater Funds	Total	
\$ 1,527,630	\$ 2,316,655	\$ 3,844,285	
(1,197,059)	(783,162)	(1,980,221)	
(436,869)	(960,581)	(1,397,450)	
<u>(106,298)</u>	<u>572,912</u>	<u>466,614</u>	
Cash flows from operating activities:			
Receipts from customers			
Payments to suppliers			
Payments to employees			
Net cash provided (used) by operating activities			
Cash flows from noncapital financing activities:			
Interfund transactions	1,287	(94,405)	(93,118)
Net cash provided (used) by noncapital financing activities	<u>1,287</u>	<u>(94,405)</u>	<u>(93,118)</u>
Cash flows from capital financing activities:			
Proceeds from capital contributions	58,982	211,275	270,257
Principal payments on long-term debt	-	(1,225,478)	(1,225,478)
Interest paid on long-term debt	-	(42,817)	(42,817)
Net cash provided (used) by capital financing activities	<u>(247,842)</u>	<u>(1,165,811)</u>	<u>(1,413,653)</u>
Cash flows from investing activities:			
Investment income received	54,937	80,671	135,608
Net cash provided (used) by investing activities	<u>54,937</u>	<u>80,671</u>	<u>135,608</u>
Net increase (decrease) in cash and cash equivalents	(297,916)	(606,633)	(904,549)
Cash and cash equivalents - beginning	2,857,824	4,510,591	7,368,415
Cash and cash equivalents - ending	<u>\$ 2,559,908</u>	<u>\$ 3,903,958</u>	<u>\$ 6,463,866</u>
Reconciliation of operating income to net cash provided (used) by operating activities:			
Operating income (loss)	\$ (343,552)	\$ (40,546)	\$ (384,098)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	91,084	448,249	539,333
Change in operating assets and liabilities:			
Accounts receivables	(42,432)	54,167	11,735
Deferred outflows of resources	5,478	13,347	18,825
Accounts payable	176,833	79,347	256,180
Compensated absences	3,589	11,765	15,354
Net OPEB liability	(42,302)	(103,075)	(145,377)
Net pension liability	18,923	46,108	65,031
Deferred inflows of resources	26,081	63,550	89,631
Net cash provided (used) by operating activities	<u>\$ (106,298)</u>	<u>\$ 572,912</u>	<u>\$ 466,614</u>

The accompanying notes are an integral part of these financial statements.

FIDUCIARY FUND FINANCIAL STATEMENTS

OPEB Trust Funds

Other Postemployment Benefit Trust 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 postemployment benefits) funding policy.

Agency Funds

Agency Funds accounts for assets collected on behalf of the Napa Valley Tourism Improvement District and amounts held in PARS for pension benefits.

Town of Yountville
Statement of Net Position
Fiduciary Funds
June 30, 2020

	Other Postemployment Benefit Trust	Agency Funds
ASSETS		
Cash and investments	\$ -	\$ 462,054
Assessments receivable	- -	34,371
Interest receivable	- -	1,371
Investments at fair value:		
PARS Mutual Fund	4,823,837	- -
Total assets	<u>\$ 4,823,837</u>	<u>\$ 497,796</u>
LIABILITIES		
Accounts payable	\$ - -	\$ 73,485
Due to Napa Valley Tourism Imp. District	- -	424,311
Total liabilities	<u>\$ - -</u>	<u>\$ 497,796</u>
NET POSITION		
Restricted for other postemployment benefits	<u><u>\$ 4,823,837</u></u>	

The accompanying notes are an integral part of these financial statements.

Town of Yountville
Statement of Changes in Net Position
Fiduciary Funds
For the Year Ended June 30, 2020

	Other Postemployment Benefit Trust
ADDITIONS	
Employer contributions	\$ 381,789
Investment income:	
Net appreciation (depreciation) in fair value of investments	181,033
Investment fees	(23,169)
Total additions	539,653
Change in net position	539,653
Total net position - beginning	4,284,184
Total net position - ending	\$ 4,823,837

The accompanying notes are an integral part of these financial statements.

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Town of Yountville
"The Heart of the Napa Valley"

**NOTES TO THE BASIC
FINANCIAL STATEMENTS**

Town of Yountville
Notes to the Basic Financial Statements
June 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the Town of Yountville, California, (the Town) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental agencies. The Governmental Accounting Standards Boards (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.

As required by GAAP, these basic financial statements present the Town and its component units, entities for which the Town is considered to be financially accountable. The Town Council acts as the governing board. In addition, the Town staff performs all administrative and accounting functions for these entities and these entities provide their services entirely to the Town. 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. Discretely presented component units, on the other hand, are reported in a separate column in the government-wide financial statements to emphasize their legal separateness from the Town. Each blended component unit has a June 30 year-end. The following entities are reported as blended component units:

Yountville Financing Authority

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 Town Council members serve as the Board of the Yountville Financing Authority.

Town of Yountville
Notes to the Basic Financial Statements
June 30, 2020

Yountville Housing Authority

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. The Town Council members serve as the Board of the Yountville Housing Authority.

The Town of Yountville annually contracts with the City of Napa for Affordable Housing services. Until Fiscal Year 2010/2011, the Housing Authority was a special revenue fund and, due to diminishing revenue, was transferred to the General Fund as a department. The Town's Housing Programs which are required with the Town's General Plan Housing Element by the State of California require subsidy from the General Fund to support mandatory and necessary operations. In fiscal year 2018/2019 these activities were transferred back to a special revenue fund to comply with GASB requirements. All future activities will be recorded within the Housing Opportunity Fund.

Yountville Parking Authority

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. The Town Council serves as the Board of the Parking Authority. It is controlled by and financially dependent on the Town; its financial activities were accounted for in the Debt Service Fund.

Town of Yountville Community Foundation

The Town of Yountville Community Foundation was formed by reorganization of the Yountville School Foundation (Community Foundation). The Community Foundation provides cultural arts programs, music, visual, and performing arts programs, and other services to the Town of Yountville. The Town provides accounting services to the Foundation. The Town controls the appointment of members of the Community Foundation's Board. The Community Foundation provides services entirely for the benefit of the Town.

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

The Town applies all applicable GASB pronouncements for certain accounting and financial reporting guidance. In December of 2010, GASB issued Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. GASB 62 incorporates pronouncements issued on or before November 30, 1989 into GASB authoritative literature. In June of 2015, GASB issued Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. GASB 76 supersedes Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. GASB 76 also amends GASB 62 and AICPA Pronouncements paragraphs 64, 74, and 82. The GAAP hierarchy sets forth what constitutes GAAP for all state and local governmental entities. It establishes the order of priority of pronouncements and other sources of accounting and financial reporting guidance that a governmental entity should apply. The sources of authoritative GAAP are categorized in descending order of authority as follows:

- a. Officially established accounting principles—Governmental Accounting Standards Board (GASB) Statements (Category A)

Town of Yountville
Notes to the Basic Financial Statements
June 30, 2020

b. GASB Technical Bulletins; GASB Implementation Guides; and literature of the AICPA cleared by the GASB (Category B).

If the accounting treatment for a transaction or other event is not specified by a pronouncement in Category A, a governmental entity should consider whether the accounting treatment is specified by a source in Category 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. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues, and expenditures or expenses, as appropriate. These funds are established for the purpose of carrying out specific activities or certain objectives in accordance with specific regulations, restrictions, or limitations. Governmental 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 and Changes in Net Position*. These statements present summaries of governmental and business-type activities for the Town. Fiduciary activities of the Town are not included in these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

These statements are presented on an "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all of the Town's assets, deferred outflows of resources, liabilities, deferred inflows of resources, 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 liability is incurred. The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those clearly identifiable with a specific function or segment. Certain types of transactions are reported as program revenues for the Town in three categories:

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

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Certain eliminations have been made as prescribed by GASB Statement No. 34 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

Town of Yountville
Notes to the Basic Financial Statements
June 30, 2020

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/Transfers 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 met the applicable criteria.

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, deferred outflows of resources, current liabilities, and deferred inflows of resources 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. Accordingly, revenues are recorded when received in cash, except that revenues subject to accrual (up to 60 days after year-end) are recognized when due. The primary revenue sources, which 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.

Unearned revenues arise when potential revenues do not meet both the "measurable" and "available" criteria for recognition in the current period. Unearned revenues also arise when the government receives resources before it has a legal claim to them, as when grant monies are received prior to incurring qualifying expenditures. In subsequent periods when both revenue recognition criteria are met or when the government has a legal claim to the resources, the unearned revenue is removed from the combined balance sheet and revenue is recognized.

The Town reports the following funds as major funds:

General Fund

The General Fund is the general operating fund of the Town. It is used for all financial resources except those required to be accounted for in another fund.

Capital Projects Fund

The 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.

Town of Yountville
Notes to the Basic Financial Statements
June 30, 2020

Debt Service Fund

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

Measure T Fund

The Measure T Fund is used to account for revenue received from the Measure T Ordinance (Napa Countywide Road Maintenance Act) that collects a half cent sales tax going toward projects that improve streets, sidewalks, and related street infrastructure improvements.

Additionally, the Town reports the following nonmajor fund types of governmental funds:

Special Revenue Funds

Special revenue funds account for and report the proceeds of specific revenue sources that are restricted, committed or assigned to specific purposes other than debt service or capital projects.

Capital Project Funds

Capital project funds account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets in governmental funds.

Proprietary Funds

In the fund financial statements, proprietary funds are presented using the accrual basis of accounting. Revenues are recognized when they are earned and expenses are recognized when the related goods or services are delivered. In the fund financial statements, proprietary funds are presented using the "economic resources measurement focus". This means all assets, deferred outflows of resources, liabilities (whether current or noncurrent) and deferred inflows of resources associated with their activities are included on their balance sheets. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in total net position.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal value. Non-operating revenues, such as subsidies, taxes, and investment earnings result from nonexchange transactions or ancillary activities. Amounts paid to acquire capital assets are capitalized as assets in the proprietary fund financial statements.

The Town has the following enterprise funds that have been reported as major:

Water Fund

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

Wastewater Fund

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

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

Town of Yountville
Notes to the Basic Financial Statements
June 30, 2020

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:

Other Postemployment Benefit Trust Fund

The Other Postemployment Benefit Trust Fund accounts for assets held in trust for employee health benefits.

Tourism Improvement District Agency Fund

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

B. 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.

The Town's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturity of three months or less from the date of acquisition. Cash and cash equivalents are combined with investments and displayed as Cash and Investments. For the purpose of the statement of cash flows, 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.

Deposit and Investment Risk Disclosures - In accordance with GASB Statement No. 40, *Deposit and Investment Disclosures* (Amendment of GASB Statement No. 3), certain disclosure requirements, if applicable, for Deposits and Investment Risks in the following areas: Interest Rate Risk, Overall Credit Risk, Custodial Credit Risk, Concentrations of Credit Risk, and Foreign Currency Risk.

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. The Town participates in an investment pool managed by the State of California titled Local Agency Investment Fund (LAIF), which has invested a portion of the pool 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 change in interest rates.

Investments are recorded at fair value in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*. Accordingly, the change in fair value of investments is recognized as an increase or decrease to investment assets and investment income.

Town of Yountville
Notes to the Basic Financial Statements
June 30, 2020

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction. In determining this amount, three valuation techniques are available:

- Market approach - This approach uses prices generated for identical or similar assets or liabilities. The most common example is an investment in a public security traded in an active exchange such as the NYSE.
- Cost approach - This technique determines the amount required to replace the current asset. This approach may be ideal for valuing donations of capital assets or historical treasures.
- Income approach - This approach converts future amounts (such as cash flows) into a current discounted amount.

Each of these valuation techniques requires inputs to calculate a fair value. Observable inputs have been maximized in fair value measures, and unobservable inputs have been minimized.

C. 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. Amounts held in Trust for pension stabilization are also reported as restricted cash and investments.

D. Interfund Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the 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.

E. Receivables

Billed, but unpaid, services provided to individuals or non-governmental entities are recorded as accounts receivable. Revenues earned but not collected by year-end are accrued. No allowance for uncollectible accounts receivable has been provided as management has determined that uncollectible accounts have historically been immaterial and the direct write-off method does not result in a material difference from the allowance method.

F. Loans Receivable

Under the Town’s housing opportunity program, loans are made to qualified individuals and businesses within prescribed project areas for the purpose of housing acquisition, housing rehabilitation and/or economic development. Repayments of the outstanding loans are classified as a revenue source in the applicable funds. The portion of loans receivable deemed to be unavailable have been offset by

Town of Yountville
Notes to the Basic Financial Statements
June 30, 2020

Unavailable Revenues in the accompanying financial statements, which is a part of deferred inflows of resources.

G. 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, donated works of art and similar items, and capital assets received in a service concession arrangement are valued at acquisition 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.

Depreciation is recorded on a straight-line basis over the useful lives of the assets as follows:

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.

H. Deferred Outflows/Deferred Inflows

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.

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.

Town of Yountville
Notes to the Basic Financial Statements
June 30, 2020

I. Interest Payable

In the government-wide and proprietary fund financial statements, interest payable of long-term debt is recognized as an incurred liability for governmental fund types. The Town has not allocated the interest on long-term debt to departments. In the fund financial statements, governmental fund types do not recognize the interest payable when the liability is incurred. Interest on long-term debt is recorded in the fund statements when payment is made.

J. Compensated Absences

It is the Town'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. Compensated absences in the governmental activities are liquidated primarily by using general fund resources.

K. Long-Term Obligations

In the government-wide financial statements and proprietary fund statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental or business-type activities. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Debt issuance costs are expensed in year incurred.

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

L. Benefit Plans

Pension Expense

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 (the Plans) and additions to/deductions from the Plans' 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.

Other Postemployment Benefit (OPEB) Expense

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense information about the fiduciary net position of the Town's Retiree Benefits Plan (the OPEB Plan) and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis as they are reported by the OPEB Plan. For this purpose, the OPEB Plan recognizes benefit payments when due and payable in accordance with the benefit terms.

Town of Yountville
Notes to the Basic Financial Statements
June 30, 2020

Investments are reported at fair value. Generally accepted accounting principles require that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

Valuation Date	January 1, 2020
Measurement Date	June 30, 2020
Measurement Period	June 30, 2019 to June 30, 2020

M. Fund Balances

In accordance with Government Accounting Standards Board 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the Town classifies governmental fund balances as follows:

Nonspendable

Nonspendable fund balance represents balances set aside to indicate items that 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

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.

Committed

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 of action that can be taken by Council that constitutes the most binding constraint.

Assigned

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

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.

Town of Yountville
Notes to the Basic Financial Statements
June 30, 2020

Flow Assumption / Spending Order Policy

When expenditures are incurred for purposes for which both restricted and unrestricted fund balance is available, the Town considers restricted funds to be spent first. When expenditures are incurred for which committed, assigned, or unassigned fund balances are available, the Town considers amounts to be spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Town Council has directed otherwise.

N. Net Position

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 are attributed to the acquisition, construction, or improvement of the assets. In addition, deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt also are included in the net investment in capital assets component of net position

Restricted Net Position

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

Unrestricted Net Position

This amount is all net position that does not meet the definition of "net investment in capital assets" or "restricted net position."

The detail of amounts reported for each of the above defined net position categories is reported in the government-wide Statement of Net Position.

Use of Restricted/Unrestricted Net Position

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.

O. Interfund Transactions

Interfund services provided and used are accounted for as revenue, expenditures or expenses, as appropriate. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursed fund. All other interfund transactions, except for interfund services provided and used and reimbursements, are reported as transfers. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as transfers.

P. Property Taxes and Special Assessments

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.

Town of Yountville
Notes to the Basic Financial Statements
June 30, 2020

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.

Q. Budgetary Information

The Town adopts a budget annually for all governmental fund types. 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. The Town’s basis of budgeting is the same as GAAP.

R. Encumbrances

Under encumbrance accounting, purchase orders, contract and other commitments for expenditures are recorded in order to commit that portion of the applicable appropriation. Encumbrance accounting is employed as an extension of formal budgetary integration in all funds. All appropriations and encumbrances lapse at year end, valid outstanding encumbrances (those for which performance under the executory contract is expected in the next year) are re-appropriated and become part of the subsequent year’s budget pursuant to state regulations.

S. Unearned Revenue

Unearned revenue arises when assets are received before revenue recognition criteria have been satisfied. Grants and entitlements received before eligibility requirements are met are recorded as deferred inflows from unearned revenue. In the governmental fund financial statements, receivables associated with non-exchange transactions that will not be collected within the availability period have been recorded as deferred inflows from unavailable revenue.

T. Use of Estimates

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

U. Subsequent Events

Management has evaluated all subsequent events from the statement of financial position date of June 30, 2020, through the date the financial statements were available to be issued, November 16, 2020. Beginning in March 2020, the United States economy began suffering adverse effects from the COVID 19 Virus Crisis (“CV19 Crisis”). As of the date of issuance of the financial statements, the Town had suffered material adverse impacts from CV19 Crisis. Most notably, the Town’s transient occupancy taxes were \$1.3M under budget and \$1.87M less than the last fiscal year. Since the Town Council and Town Manager have been prudent in budgeting conservatively and focusing on building reserves over the last

Town of Yountville
Notes to the Basic Financial Statements
June 30, 2020

decade, the Town was well prepared and therefore able to continue planned operations and maintain service delivery levels through fiscal year 2021. Management anticipates the need to utilize \$1M of the Town's fund balance to cover operating shortfalls in fiscal year 2021. While the future impact of the CV19 Crisis cannot be reasonably estimated, management believes the Town has sufficient reserves to withstand revenue declines in the future.

NOTE 2 - CASH AND INVESTMENTS

As of June 30, 2020, cash and investments were reported in the financial statements as follows:

	Government Wide Statement of Net Position			Fiduciary Funds Statement of Net Position	Total
	Governmental Activities		Business-Type Activities		
Cash and investments	\$ 13,528,135	\$ 6,463,866	\$ 462,054	\$ 20,454,055	
Restricted cash and investments	2,578,714	-	-	-	2,578,714
PARS Pooled Investment funds	-	-	4,823,837	4,823,837	
Total cash and investments	\$ 16,106,849	\$ 6,463,866	\$ 5,285,891	\$ 27,856,606	

Cash and investments consisted of the following as of June 30, 2020:

Deposits:	
Cash on hand	\$ 425
Deposits with financial institutions	3,289,897
Total Deposits	3,290,322
Investments:	
Local Agency Investment Fund	17,163,733
Total City Treasury	20,454,055
Restricted cash and investments:	
Cash with fiscal agent	2,578,714
PARS Pooled Investment funds	4,823,837
Total cash and investments	\$ 27,856,606

A. Cash Deposits

The California Government Code requires California banks and savings and loan associations to secure the Town's cash deposits by pledging securities as collateral. This Code states that collateral pledged in this manner shall have the effect of perfecting a security interest, and places the Town ahead of general creditors of the institution.

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

Town of Yountville
Notes to the Basic Financial Statements
June 30, 2020

requirements for cash deposits which are fully insured to \$250,000 by the Federal Deposit Insurance Corporation (FDIC).

The bank balances before reconciling items totaled \$3,761,521 at June 30, 2020 and were different from carrying amounts due to deposits in transit and outstanding checks. The amount uninsured was \$3,511,521, which was collateralized by securities held by pledging financial institutions. 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*.

B. Fair Value Measurements

GASB 72 established a hierarchy of inputs to the valuation techniques with three levels:

- Level 1 inputs are quoted prices in active markets for identical assets or liabilities.
- Level 2 inputs are quoted market prices for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other than quoted prices that are not observable
- Level 3 inputs are unobservable inputs, such as a property valuation or an appraisal.

The Town's investments were not subject to levelling.

C. Investment Policies

Town Investment Policy

Under the provisions of the Town's investment policy, and in accordance with California Government 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 Instrumentalities	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 (CAM)	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
Negotiable Certificates of Deposit	n/a	30%	5% of portfolio

Investment income in all funds included interest income of \$618,189 and unrealized gains from fair value adjustments using the aggregate method of \$56,179.

Town of Yountville
Notes to the Basic Financial Statements
June 30, 2020

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.

D. External Investment Pool

The Town's investments with LAIF at June 30, 2020, include a portion of the pool funds invested in Structured Notes and Asset-Backed Securities. These investments include the following:

Structured Notes

These 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 that have embedded forwards or options.

Asset-Backed Securities

The bulk of asset-backed securities 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 CMO's) or credit card receivables.

LAIF is overseen by the Local Agency Investment Advisory Board, which consists of five members, in accordance with State statute. The approved investments policy is listed on the LAIF website, located at <http://www.treasurer.ca.gov/pmia-laif/>.

D. Risk Disclosures

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the term of an investment's maturity, the greater the sensitivity to changes in market interest rates. It is the Town's practice to mitigate interest rate risk by limiting the average maturity of the Town's portfolio to not to exceed three years.

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of an investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. 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. As of June 30, 2020, the Town's investments were in compliance with the ratings required by the Town's investment policy and Government Code.

Concentrations of Credit Risk

The investment policy of the Town contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. As of June 30, 2020, the Town had no investments in any one issuer (other than U.S. Treasury securities, mutual funds and external investment pools) that represented 5% or more of the total Town investments.

Town of Yountville
Notes to the Basic Financial Statements
June 30, 2020

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 collateral securities that are in the possession of an outside party. The California Government Code and the Town's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for investments. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools (such as LAIF).

As of June 30, 2020, the Town's investments had the following maturities:

Investment Type	12 Months or	
	Less	Fair Value
Local Agency Investment Funds	\$ 17,163,733	\$ 17,163,733
Total Investments	\$ 17,163,733	\$ 17,163,733

E. Investments Held in Trust for Other Postemployment Benefits

The Town established an irrevocable Section 115 OPEB Trust with Public Agency Retirement Services (PARS). As of June 30, 2020, the trust had a balance of \$4,823,837. PARS' policy for allocation of invested assets was as follows:

Asset Class	Percentage of Portfolio
Fixed Income	35.00%
Public Equity	60.00%
Liquidity	5.00%
Total	100.00%

At June 30, 2020, PARS held no investments in any one organization that represented 5% of more of fiduciary net position.

Rate of return

For the year ended June 30, 2020, the annual money-weighted rate of return on investments, net of investment expenses, was 6%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

NOTE 3 - LOANS RECEIVABLE

The \$1,495,210 in notes receivable held by the Town as of June 30, 2020, 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 \$395,210 consists of three notes with a principal balance of \$203,500 plus earned interest of \$139,110, all deferred and payable at maturity or upon transfer or sale of the underlying property, and one note with a principal balance of \$52,600 due July 1, 2042, which is payable in monthly installments with zero interest.

Town of Yountville
Notes to the Basic Financial Statements
June 30, 2020

NOTE 4 - INTERFUND TRANSACTIONS

Inter-fund Receivables and Payables

Amounts due to or due from other funds reflect inter-fund balances for services rendered or short-term loans expected to be repaid in the next fiscal year. Advances to or from other funds are long-term loans between funds that are to be repaid in their entirety over several years. As of June 30, 2020, inter-fund receivables and payables consisted of the following:

Fund	Due from Other Funds	Due to Other Funds
General Fund	\$ 163,046	\$ -
Measure T Fund	-	163,046
Total Due from/to	<u><u>\$ 163,046</u></u>	<u><u>\$ 163,046</u></u>

Transfers In/Out

With Council approval resources may be transferred from one fund to another. Transfers from the General Fund to the Debt Service Fund were to regular debt service activity of the Town. Transfers from the General Fund to other governmental funds were to provide funding to repair and replacement funds and to provide funding for Town programs. Transfers made from the Wastewater Enterprise Fund to the Debt Service Funds were to provide for debt service requirements. The following summarizes transfers between funds during the fiscal year ended June 30, 2020:

Fund	Transfer in	Transfer out
General Fund	\$ -	\$ 936,013
Capital Projects Fund	101,923	99,031
Debt Service Fund	3,097,501	2,241,219
Nonmajor Funds	289,797	187,104
Water Fund	1,287	-
Wastewater Fund	1,287	28,428
Total Transfers	<u><u>\$ 3,491,795</u></u>	<u><u>\$ 3,491,795</u></u>

Town of Yountville
Notes to the Basic Financial Statements
June 30, 2020

NOTE 5 - CAPITAL ASSETS

Capital assets for governmental activities consisted of the following as of June 30, 2020:

Governmental Activities	Balance July 1, 2019	Additions	Deletions	Transfers/ Adjustments	Balance June 30, 2020
Non-depreciable:					
Land	\$ 1,441,112	\$ -	\$ -	\$ -	\$ 1,441,112
Construction in progress	71,708	614,164	-	(161,922)	523,950
Total non-depreciable	<u>1,512,820</u>	<u>614,164</u>	<u>-</u>	<u>(161,922)</u>	<u>1,965,062</u>
Depreciable:					
Buildings	19,827,271	-	-	-	19,827,271
Improvements other than building	4,439,620	-	-	-	4,439,620
Infrastructure	21,814,435	710,208	-	-	22,524,643
Machinery and equipment	1,460,556	46,167	-	161,922	1,668,645
Total depreciable	<u>47,541,882</u>	<u>756,375</u>	<u>-</u>	<u>161,922</u>	<u>48,460,179</u>
Less accumulated depreciation for:					
Buildings	(4,637,130)	(619,339)	-	-	(5,256,469)
Improvements other than building	(1,395,658)	(169,265)	-	-	(1,564,923)
Infrastructure	(4,411,868)	(841,957)	-	-	(5,253,825)
Machinery and equipment	(803,660)	(103,807)	-	-	(907,467)
Total accumulated depreciation	<u>(11,248,316)</u>	<u>(1,734,368)</u>	<u>-</u>	<u>-</u>	<u>(12,982,684)</u>
Total depreciable capital assets, net	<u>36,293,566</u>	<u>(977,993)</u>	<u>-</u>	<u>161,922</u>	<u>35,477,495</u>
Total governmental capital assets	<u>\$ 37,806,386</u>	<u>\$ (363,829)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 37,442,557</u>

Depreciation expense for governmental activities was charged to the following programs during the year:

General Government	\$ 106,511
Public Works	1,218,537
Parks and Recreation	409,320
Total depreciation expense	<u>\$ 1,734,368</u>

Capital assets for business-type activities consisted of the following as of June 30, 2020:

Business Type Activities	Balance July 1, 2019	Additions	Deletions	Transfers/ Adjustments	Balance June 30, 2020
Non Depreciable					
Land	\$ 5,091	\$ -	\$ -	\$ -	\$ 5,091
Construction in progress	4,235	151,554	-	(155,789)	-
Total Non-Depreciable	<u>9,326</u>	<u>151,554</u>	<u>-</u>	<u>(155,789)</u>	<u>5,091</u>
Depreciable:					
Buildings	40,001	-	-	-	40,001
Systems	16,771,831	264,060	-	155,789	17,191,680
Machinery and equipment	1,051,036	-	-	-	1,051,036
Total Depreciable	<u>17,862,868</u>	<u>264,060</u>	<u>-</u>	<u>155,789</u>	<u>18,282,717</u>
Less Accumulated Depreciation					
Buildings	(23,664)	(1,894)	-	-	(25,558)
Systems	(6,551,685)	(497,959)	-	-	(7,049,644)
Machinery and equipment	(779,663)	(39,481)	-	-	(819,144)
Total accumulated depreciation	<u>(7,355,012)</u>	<u>(539,334)</u>	<u>-</u>	<u>-</u>	<u>(7,894,346)</u>
Total depreciable capital assets, net	<u>10,507,856</u>	<u>(275,274)</u>	<u>-</u>	<u>155,789</u>	<u>10,388,371</u>
Total business type capital assets	<u>\$ 10,517,182</u>	<u>\$ (123,720)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,393,462</u>

Town of Yountville
Notes to the Basic Financial Statements
June 30, 2020

NOTE 6 - NONCURRENT LIABILITIES

The Town's noncurrent liabilities consisted of the following as of June 30, 2020:

Description	Balance			Balance June 30, 2020	Due Within One Year	
	July 01, 2019	Additions	Deletions			
Lease Revenue Bonds:						
2013 Lease Revenue Bonds	\$ 2,530,000	\$ -	\$ 2,530,000	\$ -	\$ -	\$ -
Unamortized Premiums	7,006	-	7,006	-	-	-
2017 Lease Revenue Refunding Bonds	8,255,000	-	260,000	7,995,000	270,000	
Unamortized Premiums	408,468	-	19,451	389,017	-	-
Subtotal Lease Revenue Bonds	11,200,474	-	2,816,457	8,384,017	270,000	
2020 Financing Lease - Direct Borrowing	-	2,303,000	-	2,303,000	312,000	
CEC Loan - Direct Borrowing	68,184	-	18,759	49,425	19,330	
Net Pension Liability	2,913,354	1,365,291	1,163,799	3,114,846	-	-
Net OPEB Liability	934,366	321,206	771,639	483,933	-	-
Compensated Absences	221,199	263,464	259,300	225,363	64,825	
Total Noncurrent Liabilities	\$ 15,337,577	\$ 4,252,961	\$ 5,029,954	\$ 14,560,584	\$ 666,155	

Business-Type Activities	Balance			Balance June 30, 2020	Due Within One Year	
	July 01, 2019	Additions	Deletions			
Direct Borrowings:						
PG&E Loan	\$ 37,575	\$ -	\$ 12,525	\$ 25,050	\$ 12,525	
State Revolving Loan	2,253,529	-	1,212,953	1,040,576	144,890	
Net Pension Liability	937,851	439,580	374,549	1,002,882	-	-
Net OPEB Liability	301,567	103,670	249,047	156,190	-	-
Compensated Absences	72,701	89,609	74,255	88,055	18,600	
Total Noncurrent Liabilities	\$ 3,603,223	\$ 632,859	\$ 1,923,329	\$ 2,312,753	\$ 176,015	

2013 Lease Revenue Bonds

The Town formed the Yountville Finance Authority (Authority), pursuant to a joint powers agreement between the Town and the Parking Authority of the Town, for the purpose of assisting in the financing of public capital improvements. The Authority issued \$4,260,000 of 2013 Lease Revenue Bonds, entered into a Site Lease with the Town, and a Facilities Lease with the Town 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 the Authority have been eliminated in the accompanying financial statements. During the year, the Town refunded the all of the outstanding 2013 Lease Revenue Bonds, through the issuance of the 2020 Financing Lease with the Authority, which was assigned to Westamerica Bank.

2017 Lease Revenue Refunding Bonds

The Yountville Finance Authority issued \$8,500,000 of 2017 Lease Revenue Refunding Bonds, entered into a Site Lease with the Town, and a Facilities Lease with the Town wherein the Town essentially agreed to make all principal and interest payments. The lease obligation payable and lease receivable between the Town and the Authority have been eliminated in the accompanying financial statements.

The bonds consist of \$8,500,000 in serial bonds and bear interest at 2 to 5 percent that is payable June 1st and December 1st through 2039. The bonds are subject to optional early redemption without premium at the option of the Town. The Town has not pledged any specific revenues for repayment of the bonds. The

Town of Yountville
Notes to the Basic Financial Statements
June 30, 2020

Town has agreed to include the lease payments due to the Authority (and assigned by the Authority to the bond trustee) in its annual budgets and to make annual appropriations. The bond refunding resulted in an accounting deferred loss on refunding of \$308,986, and an economic gain of \$2,100,000 through final maturity in 2039.

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 payments are as follows:

Fiscal Year	Principal	Interest	Debt Service
2021	\$ 270,000	\$ 271,519	\$ 541,519
2022	285,000	257,644	542,644
2023	300,000	243,019	543,019
2024	315,000	227,644	542,644
2025	330,000	211,519	541,519
2026-2030	1,845,000	862,603	2,707,603
2031-2035	2,150,000	551,825	2,701,825
2036-2040	2,500,000	199,705	2,699,705
Total	<u>\$ 7,995,000</u>	<u>\$ 2,825,478</u>	<u>\$ 10,820,478</u>

2020 Financing Lease

On June 1, 2020 the Town entered into a \$2,303,000 lease agreement with the Yountville Finance Authority which was assigned to Westamerica Bank. The applicable interest rate is 1.66% per annum. The agreement is a Site Lease and a Facilities Lease wherein the Town essentially agreed to make all principal and interest payments. The lease obligation payable and lease receivable between the Town and the Authority have been eliminated in the accompanying financial statements. The proceeds of the lease were used to defease the 2013 Lease Revenue Bonds resulting a deferred loss on refunding of \$1,219 and an economic gain of \$50,517 through the final maturity in 2027.

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

Fiscal Year	Principal	Interest	Debt Service
2021	\$ 312,000	\$ 38,017	\$ 350,017
2022	316,000	33,051	349,051
2023	324,000	27,805	351,805
2024	330,000	22,427	352,427
2025	336,000	16,949	352,949
2026-2027	685,000	17,147	702,147
Total	<u>\$ 2,303,000</u>	<u>\$ 155,396</u>	<u>\$ 2,458,396</u>

Town of Yountville
Notes to the Basic Financial Statements
June 30, 2020

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 payments are as follows:

Fiscal Year	Principal	Interest	Debt Service
2021	\$ 19,330	\$ 1,339	\$ 20,669
2022	19,914	755	20,669
2023	10,181	153	10,334
Total	\$ 49,425	\$ 2,247	\$ 51,672

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 annually through June 2022. The loan is accounted for in the Town's wastewater enterprise fund. The outstanding balance of the loan as of June 30, 2020 was \$25,050.

Clean Water 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 proceeds are drawn down as costs are incurred and the Town has received \$2,725,340 in loan proceeds. The loan and projects are accounted for in the Town's wastewater enterprise fund. The loan has a term of 20 years, matures on November 14, 2034, is repayable in annual installments, and bears interest at 1.9 percent. In November of 2019, the Town prepaid \$1,091,109, reducing the loan terms and saving interest of \$259,000.

The annual debt service requirements are as follows:

Fiscal Year	Principal	Interest	Debt Service
2021	\$ 144,890	\$ 19,771	\$ 164,661
2022	147,643	17,018	164,661
2023	150,448	14,213	164,661
2024	153,307	11,354	164,661
2025	156,219	8,442	164,661
2026-2027	288,069	7,922	295,991
Total	\$ 1,040,576	\$ 78,720	\$ 1,119,296

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 only if they have matured. The liability for compensated absences is determined annually. The long-term portion of governmental activities compensated absences is liquidated primarily by the general fund.

Net Pension Liability and Net OPEB Liability

See Note 8 for pensions and Note 9 for other postemployment benefits.

Town of Yountville
Notes to the Basic Financial Statements
June 30, 2020

NOTE 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 in excess of the Town's self-insured retention. The Authority carries excess commercial liability policy of \$34 million in excess of its \$1 million retention limit to cover losses up to \$34 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. The Town has a \$10,000 deductible for workers compensation insurance coverage, all other losses are paid by the Authority on a first-dollar basis. The Town paid no material uninsured losses during the 2019-2020 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.

NOTE 8 - RETIREMENT PLANS

General Information about the Pension Plans

Plan Description

All qualified permanent and probationary employees are eligible to participate in the Public Agency Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (Plan) administered by the California Public Employees' Retirement System (CalPERS). The Plan consists of individual rate plans (benefit tiers) within a safety risk pool (police and fire) and a miscellaneous risk pool (all other.) Plan assets may be used to pay benefits for any employer rate plan of the safety and miscellaneous risk pools. Accordingly, rate plans within the safety or miscellaneous pools are not separate plans under GASB Statement No. 68.

Town of Yountville
Notes to the Basic Financial Statements
June 30, 2020

Individual employers may sponsor more than one rate plan in the miscellaneous or safety risk pools. The Town sponsors three miscellaneous rate plans. Benefit provisions under the Plan are established by State statute and Town resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

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 general fund typically is used to liquidate pension liabilities for governmental funds.

The Plans' provisions and benefits in effect at June 30, 2020, are summarized as follows:

	Miscellaneous		
	Tier 1	Tier 1	PEPRA
Benefit formula	2.7% @ 55	2% @ 55	2% @ 62
Benefit vesting schedule	5 Years	5 Years	5 Years
Benefit payments	Monthly for Life	Monthly for Life	Monthly for Life
Retirement age	55	55	62
Monthly benefits as a % of eligible compensation	2.70%	2.00%	2.00%
Required employee contribution rates	8.000%	7.000%	6.750%
Required employer contribution rates	13.182%	10.221%	6.985%

Employees Covered

At June 30, 2020, the following employees were covered by the benefit terms for the Plans:

	Miscellaneous
Active	30
Transferred	9
Separated	9
Retired	38
Total	86

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 annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rates are 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 Town is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. For the year ended June 30, 2020, the Town's contributions were \$691,306.

Town of Yountville
Notes to the Basic Financial Statements
June 30, 2020

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

As of June 30, 2020, the Town reported a net pension liability for its proportionate share of the net pension liability of the Plan of \$4,117,728.

The Town's net pension liability for the Plans is measured as the proportionate share of the net pension liability. The net pension liability of the Plans are measured as of June 30, 2019, and the total pension liability for the Plans used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2018 rolled forward to June 30, 2019 using standard update procedures. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. The Town's proportionate share of the net pension liability for the Plans as of June 30, 2019 and 2019 was as follows:

Miscellaneous	
Proportion - June 30, 2019	0.03997%
Proportion - June 30, 2020	0.04018%
Change - Increase/(Decrease)	<u>0.00022%</u>

For the year ended June 30, 2020, the Town recognized pension expense of \$995,429.

At June 30, 2020, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of Assumptions	\$ 196,352	\$ 69,605
Differences between Expected and Actual Experience	285,994	22,159
Differences between Projected and Actual Investment Earnings	-	71,991
Differences between Employer's Contributions and Proportionate Share of Contributions	105,718	-
Change in Employer's Proportion	55,299	57,545
Pension Contributions Made Subsequent to Measurement Date	691,306	-
Total	<u>\$ 1,334,669</u>	<u>\$ 221,300</u>

The Town reported \$691,306 as deferred outflows of resources related to contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability in the year ended June 30, 2021.

Town of Yountville
Notes to the Basic Financial Statements
June 30, 2020

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

Fiscal Year Ending June	Deferred Outflows/ (Inflows) of Resources
2021	\$ 373,681
2022	(18,393)
2023	52,228
2024	14,547
2025	-
Thereafter	-
Total	\$ 422,063

Actuarial Assumptions

The total pension liabilities in the June 30, 2018 actuarial valuations were determined using the following actuarial assumptions:

Valuation Date	June 30, 2018
Measurement Date	June 30, 2019
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Payroll Growth	2.75%
Projected Salary Increase	(1)
Investment Rate of Return	7.15% (2)
Mortality	(3)

(1) Varies by entry age and service
(2) Net of pension plan investment expenses,
including inflation
(3) Derived using CalPERS' membership data for all funds

Discount Rate

The discount rate used to measure the total pension liability was 7.15% 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 7.15 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.15 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.

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.

Town of Yountville
Notes to the Basic Financial Statements
June 30, 2020

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. 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 (a)	Assumed		
	Asset Allocation	Real Return Years 1 - 10 (b)	Real Return Years 11+ (c)
Global Equity	50.00%	4.80%	5.98%
Fixed Income	28.00%	1.00%	2.62%
Private Equity	8.00%	6.30%	7.23%
Real Estate	13.00%	3.75%	4.93%
Liquidity	1.00%	0.00%	-0.92%
Total	100.00%		

- (a) In the System's CAFR, Fixed Income is included in Global Debt Securities; Liquidity Liquidity is included in Short-term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.
- (b) An expected inflation of 2.0% used for this period.
- (c) An expected inflation of 2.92% 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 Plans, calculated using the discount rate for the Plans, 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:

Miscellaneous		
1% Decrease		6.15%
Net Pension Liability	\$	6,393,939
Current		7.15%
Net Pension Liability	\$	4,117,728
1% Increase		8.15%
Net Pension Liability	\$	2,238,876

Town of Yountville
Notes to the Basic Financial Statements
June 30, 2020

Pension Plan Fiduciary Net Position

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

PARS Section 115 Trust

During fiscal year 2017-18, the Town established a Section 115 Trust Fund for Pension Costs with Public Agency Retirement Services (PARS). The amount in this trust is not included as part of the Town's net pension liability calculation.

NOTE 9 - OTHER POSTEMPLOYMENT BENEFITS PLAN

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 (CalPERS) in so far as the Town's health insurance premium payments are paid to the CalPERS. CalPERS 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.

Employees Covered by Benefit Terms

At June 30, 2020 (the measurement date), the benefit terms covered the following employees:

Active employees	33
Inactive employees	19
Total employees	52

Contributions

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, 2020, the Town contributed \$543,199. Plan members receiving benefits contributed no amounts of the total premiums.

Town of Yountville
Notes to the Basic Financial Statements
June 30, 2020

Actuarial Assumptions

The following summarized the actuarial assumptions for the OPEB plan included in this fiscal year:

Valuation Date:	January 1, 2020
Measurement Date:	June 30, 2020
Actuarial Cost Method:	Entry-Age Normal
Amortization Period:	20 years
Asset Valuation Method:	Level percentage of payroll, closed
Actuarial Assumptions:	
Discount Rate	6.0%
Inflation	2.5%
Salary Increases	3.0%
Healthcare Trend Rate	6.5%
Investment Rate of Return	6.0%, Net of OPEB plan investment expenses, including inflation
Mortality	MW Scale 2018
Retirement	Rx PA Misc 2.7% @ 55 Rx PA Misc 2% @ 62

Discount Rate

The discount rate used to measure the total OPEB liability was 6 percent. The projection of cash flows used to determine the discount rate assumed that Town contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees and beneficiaries. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Net OPEB Liability

The Town's net OPEB liability was measured as of June 30, 2020 (measurement date) and was determined by an actuarial valuation as of January 1, 2020 (valuation date) for the fiscal year ended June 30, 2020 (reporting date).

Changes in the Net OPEB Liability

The following summarizes the changes in the net OPEB liability during the year ended June 30, 2020:

Fiscal Year Ended June 30, 2020 (Measurement Date June 30, 2020)	Plan		Net OPEB Liability (Asset)
	Total OPEB Liability	Fiduciary Net Position	
Balance at June 30, 2019	\$ 5,520,126	\$ 4,284,193	\$ 1,235,933
Service cost	333,804	-	333,804
Interest in Total OPEB Liability	326,187	-	326,187
Employer contributions	-	543,199	(543,199)
Balance of diff between actual and exp experience	(424,734)	-	(424,734)
Balance of changes in assumptions	(130,013)	-	(130,013)
Actual investment income	-	157,855	(157,855)
Benefit payments	(161,410)	(161,410)	-
Net changes	(56,166)	539,644	(595,810)
Balance at June 30, 2020	\$ 5,463,960	\$ 4,823,837	\$ 640,123

Town of Yountville
Notes to the Basic Financial Statements
June 30, 2020

Deferred Inflows and Outflows of Resources

At June 30, 2020, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between actual and expected experience	\$ -	\$ 365,579
Difference between actual and expected earnings	47,281	-
Change in assumptions	-	111,905
Totals	\$ 47,281	\$ 477,484

Of the total amount reported as deferred outflows of resources related to OPEB, none were the result of Town contributions subsequent to the measurement date and before the end of the fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30,	
2021	\$ (69,196)
2022	(69,196)
2023	(65,112)
2024	(58,266)
2025	(77,263)
Thereafter	(91,170)
Total	<u>\$ (430,203)</u>

Rate of Return

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

Asset Class	Long-Term Expected Rate of Return	
	Portfolio	of Return
Fixed Income	35.00%	3.8% - 6.0%
Public Equity	60.00%	5.7% - 9.7%
Liquidity	5.00%	2.1%
Total	<u>100.00%</u>	

Town of Yountville
Notes to the Basic Financial Statements
June 30, 2020

OPEB Expense

The following summarizes the OPEB expense by source during the year ended June 30, 2020:

Service cost	\$ 333,804
Interest in TOL	326,187
Expected investment income	(252,842)
Difference between actual and expected experience	(59,155)
Difference between actual and expected earnings	8,067
Change in assumptions	(18,108)
OPEB Expense	<u>\$ 337,953</u>

The following summarizes changes in the net OPEB liability as reconciled to OPEB expense during the year ended June 30, 2020:

Net OPEB liability ending	\$ 640,123
Net OPEB liability beginning	(1,235,933)
Change in net OPEB liability	(595,810)
Changes in deferred outflows	24,985
Changes in deferred inflows	365,579
Employer contributions and implicit subsidy	543,199
OPEB Expense	<u>\$ 337,953</u>

Sensitivity to Changes in the Discount Rate

The net OPEB liability of the Town, as well as what the Town's net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher, is as follows:

	Discount Rate		
	(1% Decrease)	6.00%	(1% Increase)
Net OPEB Liability (Asset)	\$ 1,488,819	\$ 640,123	\$ (50,202)

Sensitivity to Changes in the Healthcare Cost Trend Rates

The net OPEB liability of the Town, as well as what the Town's net OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower or one percentage point higher than current healthcare cost trend rates, is as follows:

	Trend Rate		
	(1% Decrease)	6.50%	(1% Increase)
Net OPEB Liability (Asset)	\$ (147,356)	\$ 640,123	\$ 1,632,625

Town of Yountville
Notes to the Basic Financial Statements
June 30, 2020

NOTE 10 - COMMITMENTS AND CONTINGENCIES

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.

Lawsuits

The Town is subject to certain matters of litigation that may arise in the normal course of conducting Town business. Town management believes, based upon consultation with legal counsel, that these cases, in the aggregate, are not expected to result in a material adverse financial impact on the Town. Additionally, Town management believes that the Town's insurance programs are sufficient to cover any potential losses should an unfavorable outcome materialize.

Federal and State Grant Programs

The Town participates in Federal and State grant programs. These programs are audited by the Town's independent accountants if required by and in accordance with the provisions of the Uniform Guidance and applicable State requirements. For Federal programs, the Town did not reach the level of qualifying expenditures during the current fiscal year that would require a single audit. Expenditures which may be disallowed, if any, by the granting agencies, cannot be determined at this time. The Town expects such amounts, if any, to be immaterial.

COVID-19

The Town of Yountville is highly dependent on tourism-based revenues, such as Transient Occupancy Tax (TOT) and Sales Tax generated by restaurants. The shelter at home order that was issued in March of 2020 due to COVID-19 prompted a reduction in estimated TOT and Sales Tax revenues for Fiscal Year 2019/2020. Monthly discretionary contributions from the General Fund into the OPEB and Pension Rate Stability Trusts were suspended for the months of April through June. Discretionary annual transfers from the General Fund into repair and replacement funds were also suspended. Departmental expenditures in the General Fund were closely monitored and limited for the remainder of the fiscal year. Town staff quickly implemented remote work procedures, took steps to ensure the safety of essential workers, and launched no-contact customer service options such as online building permit submittals.

Since the Town Council and Town Manager have been prudent in budgeting conservatively and focusing on building reserves over the last decade, the Town of Yountville was well prepared and therefore able to continue planned operations and maintain service delivery levels through the remainder of Fiscal Year 2019/2020 with minimal impact.

Town of Yountville
Notes to the Basic Financial Statements
June 30, 2020

NOTE 11 - JOINTLY FORMED 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:

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.

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.

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.

Napa Valley Transportation Authority

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.

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.

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.

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Required Supplementary Information (Unaudited)



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Town of Yountville

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual (GAAP Basis)

General Fund

For the Year Ended June 30, 2020

	Budgeted Amounts			Variance with Final Budget	
	Original	Final	Actual Amounts	Positive (Negative)	
REVENUES					
Property taxes	\$ 1,649,500	\$ 1,649,500	\$ 2,047,539	\$ 398,039	
Sales taxes	1,377,000	1,377,000	1,448,291	71,291	
Transient occupancy tax	7,000,000	7,000,000	5,668,869	(1,331,131)	
Other taxes	125,000	125,000	132,955	7,955	
Licenses and permits	66,250	91,250	153,593	62,343	
Fines and forfeitures	3,500	3,500	46,289	42,789	
Intergovernmental	124,700	124,700	162,173	37,473	
Interest	87,000	87,000	269,809	182,809	
Rent and concessions	283,900	283,900	217,663	(66,237)	
Charges for Services	460,400	85,400	443,241	357,841	
Other Revenue	100,087	100,087	93,076	(7,011)	
Total Revenues	11,277,337	10,927,337	10,683,498	(243,839)	
EXPENDITURES					
Current:					
General Government	3,456,941	3,692,282	3,026,809	665,473	
Public Safety	1,659,636	1,659,636	1,573,071	86,565	
Public Works	2,141,092	2,166,293	1,959,481	206,812	
Community Promotion	393,637	426,137	370,647	55,490	
Parks and Recreation	1,848,784	1,877,848	1,734,611	143,237	
Capital outlay	-	-	-	-	
Debt service					
Principal retirement	18,758	18,758	18,759	(1)	
Interest and fiscal charges	1,911	1,911	1,910	1	
Total Expenditures	9,520,759	9,842,865	8,685,288	1,157,577	
Excess (Deficiency) of Revenues over Expenditures	1,756,578	1,084,472	1,998,210	913,738	
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	
Transfers out	(1,262,854)	(1,262,854)	(936,013)	326,841	
Total Other Financing Sources (Uses)	(1,262,854)	(1,262,854)	(936,013)	326,841	
Net Change in Fund Balance	493,724	(178,382)	1,062,197	1,240,579	
Fund Balance Beginning	10,517,382	10,517,382	10,517,382	-	
Fund Balance Ending	\$ 11,011,106	\$ 10,339,000	\$ 11,579,579	\$ 1,240,579	

Town of Yountville

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual (GAAP Basis)

Measure T Fund

For the Year Ended June 30, 2020

	Budgeted Amounts		Variance with Final Budget Positive (Negative)	
	Original	Final		
REVENUES				
Intergovernmental	\$ 550,000	\$ 550,000	\$ 591,876	\$ 41,876
Interest	500	500	184	(316)
Total Revenues	550,500	550,500	592,060	41,560
EXPENDITURES				
Capital outlay	550,000	550,000	592,339	(42,339)
Total Expenditures	550,000	550,000	592,339	(42,339)
Excess (Deficiency) of Revenues over Expenditures	500	500	(279)	(779)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balance	500	500	(279)	(779)
Fund Balance Beginning	(25,942)	(25,942)	(25,942)	-
Fund Balance Ending	\$ (25,442)	\$ (25,442)	\$ (26,221)	\$ (779)

Town of Yountville
Schedule of Pension Contributions
June 30, 2020
(Last Ten Years)

Miscellaneous Plan

Plan Measurement Date	2014	2015	2016	2017	2018	2019	2019
Fiscal Year Ended	2015	2016	2017	2018	2019	2020	2020
Contractually Required Contributions	\$ 387,070	\$ 428,289	\$ 474,799	\$ 524,489	\$ 596,324	\$ 691,306	
Contributions in Relation to Contractually Required Contributions							
Required Contributions	387,070	428,289	474,799	524,489	596,324	691,306	
Contribution Deficiency (Excess)	\$ -	\$ -					
Covered Payroll	\$ 2,116,105	\$ 2,310,300	\$ 2,531,110	\$ 2,791,647	\$ 3,083,079	\$ 3,374,258	
Contributions as a % of Covered Payroll	18.29%	18.54%	18.76%	18.79%	19.34%	20.49%	

Town of Yountville
Schedule of Proportionate Share of Net Pension Liability
June 30, 2020
(Last Ten Years)

Miscellaneous Plan

Plan Measurement Date	2014	2015	2016	2017	2018	2019	2020
Fiscal Year Ended	2015	2016	2017	2018	2019	2020	
Proportion of Net Pension Liability (Misc vs. All Plans)	0.03937%	0.04292%	0.04077%	0.04043%	0.03997%	0.04018%	
Proportion of Net Pension Liability (Misc Plan Only)	0.09911%	0.10739%	0.10155%	0.10171%	0.10219%	0.10283%	
Proportionate Share of Net Pension Liability	\$ 2,449,513	\$ 2,946,171	\$ 3,527,582	\$ 4,009,560	\$ 3,851,205	\$ 4,117,728	
Covered Payroll	\$ 2,023,677	\$ 2,116,105	\$ 2,310,300	\$ 2,531,110	\$ 2,791,647	\$ 3,083,079	
Proportionate Share of NPL as a % of Covered Payroll	121.04%	139.23%	152.69%	158.41%	137.95%	133.56%	
Plan's Fiduciary Net Position as a % of the TPL	81.15%	76.29%	71.85%	72.01%	75.04%	75.67%	

Fiscal year 2015 was the first year of implementation, therefore only six years are shown.

The CalPERS discount rate was increased from 7.5% to 7.65% in fiscal year 2016 and then decreased from 7.65% to 7.15% in fiscal year 2018.

The CalPERS mortality assumptions was adjusted in fiscal year 2019.

Town of Yountville
Schedule of OPEB Contributions
June 30, 2020
(Last Ten Years)

Fiscal Year Ended	2018	2019	2020
Actuarially determined contribution (ADC)	\$ 359,315	\$ 466,440	\$ 480,409
Less: actual contribution in relation to ADC	(574,451)	(1,102,044)	(543,199)
Contribution deficiency (excess)	<u>\$ (215,136)</u>	<u>\$ (635,604)</u>	<u>\$ (62,790)</u>
 Covered employee payroll	 \$ 3,313,486	 \$ 3,083,079	 \$ 3,331,741
Contrib. as a % of covered employee payroll	17.34%	35.74%	16.30%

Notes to Schedule:

Assumptions and Methods

Valuation Date:	June 30, 2017
Measurement Date:	June 30, 2017
Actuarial Cost Method:	Entry-Age Normal Cost
Amortization Period:	20 years
Asset Valuation Method:	Level percentage of payroll, closed
Actuarial Assumptions:	
Discount Rate	6.0%
Inflation	2.5%
Salary Increases	3.0%
Healthcare Trend Rate	6.5%
Investment Rate of Return	6.0%, Net of OPEB plan investment expenses, including inflation
Mortality	MW Scale 2018
Retirement	Rx PA Misc 2.7% @ 55 Rx PA Misc 2% @ 62

Other Notes

GASB 75 requires a schedule of contributions for the last ten fiscal years, or for as many years as are available if less than ten years are available. GASB 75 was adopted as of June 30, 2018.

There were no changes in benefit terms.

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

From FY2019 to FY2020, the discount rate increased from 5.65% to 6%, the inflation rate decreased from 2.75% to 2.5%, the salary increase rate decreased from 3.25% to 3%, the health care trend rate decreased from 7.5% to 6.5% and the rate of return increased from 5.65% to 6%.

Town of Yountville
Schedule of Changes in Net OPEB Liability
June 30, 2020
(Last Ten Years)

Fiscal Year Ended	2018	2019	2020
Total OPEB liability			
Service cost	\$ 313,121	\$ 323,297	\$ 333,804
Interest	274,234	299,254	326,187
Differences between expected and actual experience	-	-	(424,734)
Changes of assumptions	-	-	(130,013)
Benefit payments	(158,101)	(151,304)	(161,410)
Net change in Total OPEB Liability	429,254	471,247	(56,166)
Total OPEB Liability - beginning	4,619,625	5,048,879	5,520,126
Total OPEB Liability - ending	<u>\$ 5,048,879</u>	<u>\$ 5,520,126</u>	<u>\$ 5,463,960</u>
Plan fiduciary net position			
Employer contributions	\$ 574,451	\$ 1,102,044	\$ 543,199
Net investment income	174,585	236,316	157,855
Benefit payments	(158,101)	(151,304)	(161,410)
Administrative expense	(11,973)	(8,263)	-
Net change in plan fiduciary net position	578,962	1,178,793	539,644
Plan fiduciary net position - beginning	2,526,438	3,105,400	4,284,193
Plan fiduciary net position - ending	<u>\$ 3,105,400</u>	<u>\$ 4,284,193</u>	<u>\$ 4,823,837</u>
Net OPEB liability (asset)	\$ 1,943,479	1,235,933	640,123
Plan fiduciary net position as a percentage of the total OPEB liability	61.51%	77.61%	88.28%
Covered Employee Payroll	\$ 3,313,486	\$ 3,083,079	\$ 3,331,741
Net OPEB liability as a percentage of covered employee payroll	58.65%	40.09%	19.21%
Total OPEB liability as a percentage of covered employee payroll	152.37%	179.05%	164.00%

Other Notes

GASB 75 requires a schedule of contributions for the last ten fiscal years, or for as many years as are available if less than ten years are available. GASB 75 was adopted as of June 30, 2018.

There were no changes in benefit terms.

From FY2019 to FY2020, the discount rate increased from 5.65% to 6%, the inflation rate decreased from 2.75% to 2.5%, the salary increase rate decreased from 3.25% to 3%, the health care trend rate decreased from 7.5% to 6.5% and the rate of return increased from 5.65% to 6%.

Town of Yountville
Schedule of PARS OPEB Trust Investment Returns
June 30, 2020
(Last Ten Years)

Fiscal Year	Annual Money-weighted Rate of Return, Net of Investment Expenses
2017	9.38%
2018	7.16%
2019	5.36%
2020	5.61%

Note: Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

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Supplementary Information



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Town of Yountville

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual (GAAP Basis)

Capital Projects Fund

For the Year Ended June 30, 2020

	Budgeted Amounts			Variance with Final Budget	
	Original	Final	Actual Amounts	Positive (Negative)	
REVENUES					
Intergovernmental	\$ 500,000	\$ 500,000	\$ -	\$ (500,000)	
Interest	20,000	20,000	24,595	4,595	
Charges for Services	-	-	34,102	34,102	
Other Revenue	47,500	47,500	27,446	(20,054)	
Total Revenues	567,500	567,500	86,143	(481,357)	
EXPENDITURES					
Capital outlay	1,114,538	1,249,379	846,377	403,002	
Total Expenditures	1,114,538	1,249,379	846,377	403,002	
Excess (Deficiency) of Revenues over Expenditures	(547,038)	(681,879)	(760,234)	(78,355)	
OTHER FINANCING SOURCES (USES)					
Transfers in	101,500	101,500	101,923	423	
Transfers out	(36,685)	(36,685)	(99,031)	(62,346)	
Total Other Financing Sources (Uses)	64,815	64,815	2,892	(61,923)	
Net Change in Fund Balance	(482,223)	(617,064)	(757,342)	(140,278)	
Fund Balance Beginning	1,435,726	1,435,726	1,435,726	-	
Fund Balance Ending	\$ 953,503	\$ 818,662	\$ 678,384	\$ (140,278)	

Town of Yountville

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual (GAAP Basis)

Debt Service Fund

For the Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget		
	Original	Final		Positive (Negative)		
REVENUES						
Interest	\$ 2,500	\$ 2,500	\$ 10,150	\$ 7,650		
Total Revenues	2,500	2,500	10,150	7,650		
EXPENDITURES						
Current:						
General Government	3,000	3,000	2,600	400		
Debt service						
Principal retirement	550,000	550,000	550,000	-		
Interest and fiscal charges	353,282	353,282	414,421	(61,139)		
Total Expenditures	906,282	906,282	967,021	(60,739)		
Excess (Deficiency) of Revenues over Expenditures	(903,782)	(903,782)	(956,871)	(53,089)		
OTHER FINANCING SOURCES (USES)						
Debt issuance	-	-	2,303,000	-		
Debt refunding	-	-	(2,240,000)	-		
Transfers in	856,282	856,282	3,097,501	2,241,219		
Transfers out	-	-	(2,241,219)	(2,241,219)		
Total Other Financing Sources (Uses)	856,282	856,282	919,282	-		
Net Change in Fund Balance	(47,500)	(47,500)	(37,589)	(53,089)		
Fund Balance Beginning	101,726	101,726	101,726	-		
Fund Balance Ending	\$ 54,226	\$ 54,226	\$ 64,137	\$ (53,089)		

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

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

Public Education and Government Television Fund is used to account for public education and government fees.

Public Art Program Fund is used to account for certain monies paid by commercial applicants applying for building permits restricted for the acquisition, installation, improvement, and maintenance of physical artwork to be displayed in the Town for public view.

Housing Grants Program Fund is used to account for grant funds received for the CalHome Program from the California Department of Housing and Community Development that is restricted for the Owner Occupied Rehabilitation Program to fund necessary home improvement projects for low income eligible residents to bring their home up to current building code standards.

SB1 2017 Road Repair Act Fund is used to account for SB 1 2017 Road Repair Act monies. **Disability Access Fee SB1167 Fund** is used to account for Disability Access fees.

Measure T Equivalent Fund is used to account for 6.67% of other monies to be spent for class 1 bicycle improvements, per the Measure T Ordinance (Napa Countywide Road Maintenance Act).

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.

Disability Access Fee SB1167 Fund is used to account for Disability Access fees.

Utility Underground Impact Fee Fund was established to pay for the undergrounding of existing overhead utilities along primary streets. Proceeds of each fee collected are to be allocated to the fund that finances approved utility undergrounding projects.

Housing Opportunity Fund is used to account for monies restricted for the development of affordable housing units.

Measure S Fund is used to account for revenue received from voter approved Measure S which increased transient occupancy tax by 1%. This special tax is for funding programs related to workforce and affordable housing.

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.

Town of Yountville Community Foundation Fund is used to account for the activities of the Town of Yountville Community Foundation.

NONMAJOR GOVERNMENTAL FUNDS

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

Capital Projects Funds

Measure A Maintenance Fund is used to account for Measure A maintenance capital projects.

Facility Repair and Replacement Fund is used to accumulate resources for repair and replacement capital projects.

Fleet, Tools, and Equipment Repair and Replacement Fund is used to accumulate resources for repair and replacement capital projects.

Town of Yountville
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2020

Special Revenue Funds

	Gas Tax Fund	Public Education and Gov't Fund	Public Art Program Fund	Housing Grants Program Fund	SB1 2017 Road Repair Act Fund
ASSETS					
Cash and investments	\$ 51,618	\$ 46,411	\$ 95,473	\$ 37,291	\$ 35,053
Taxes receivable	-	3,379	-	-	-
Accounts receivable	-	-	-	-	-
Interest receivable	141	135	287	111	94
Due from other governments	3,040	-	-	-	3,658
Loans receivable	-	-	-	-	-
Total assets	\$ 54,799	\$ 49,925	\$ 95,760	\$ 37,402	\$ 38,805
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ 2,529	\$ -	\$ -
Other liabilities	-	-	31,499	-	-
Total liabilities	-	-	34,028	-	-
Deferred Inflows of Resources:					
Unavailable revenues	-	-	-	-	-
Fund Balances:					
Restricted:					
Streets	54,799	-	-	-	38,805
Housing	-	-	-	37,402	-
Cultural programs	-	49,925	61,732	-	-
Other	-	-	-	-	-
Assigned:					
Capital projects	-	-	-	-	-
Total fund balances	54,799	49,925	61,732	37,402	38,805
Total liabilities, deferred inflows of resources and fund balances	\$ 54,799	\$ 49,925	\$ 95,760	\$ 37,402	\$ 38,805

Cont'd

Town of Yountville
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2020

Special Revenue Funds

	Measure T Equivalent Fund	Fire Services Fund	Disability Access Fee SB 1186 Fund	Utility Underground Impact Fee Fund	Housing Opportunity Fund
ASSETS					
Cash and investments	\$ 36,781	\$ 31	\$ 1,367	\$ 106,416	\$ 209,372
Taxes receivable	-	-	-	-	-
Accounts receivable	-	-	-	-	-
Interest receivable	109	-	2	317	622
Due from other governments	-	-	-	-	-
Loans receivable	-	-	-	-	1,495,210
Total assets	\$ 36,890	\$ 31	\$ 1,369	\$ 106,733	\$ 1,705,204

**LIABILITIES, DEFERRED INFLOWS
AND FUND BALANCES**

Liabilities:

Accounts payable	\$ -	\$ -	\$ 124	\$ -	\$ -
Other liabilities	-	-	-	-	-
Total liabilities	-	-	124	-	-

Deferred Inflows of Resources:

Unavailable revenues	-	-	-	-	139,110
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Fund Balances:

Restricted:

Streets	36,890	-	-	106,733	-
Housing	-	-	-	-	1,566,094
Cultural programs	-	-	-	-	-
Other	-	31	1,245	-	-

Assigned:

Capital projects	-	-	-	-	-
Total fund balances	36,890	31	1,245	106,733	1,566,094
Total liabilities, deferred inflows of resources and fund balances	\$ 36,890	\$ 31	\$ 1,369	\$ 106,733	\$ 1,705,204

Cont'd

Town of Yountville
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2020

Special Revenue Funds

	Measure S Fund	Flood Mitigation Fund	Town of Yountville Community Foundation Fund	Tallent Lane Drainage Fund	Mesa Court Drainage Fund
ASSETS					
Cash and investments	\$ 741,872	\$ -	\$ 66,609	\$ 17,785	\$ 49,568
Taxes receivable	17,185	-	-	-	-
Accounts receivable	-	-	-	-	-
Interest receivable	2,155	-	-	53	147
Due from other governments	-	-	-	-	-
Loans receivable	-	-	-	-	-
Total assets	\$ 761,212	\$ -	\$ 66,609	\$ 17,838	\$ 49,715
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Other liabilities	-	-	-	-	-
Total liabilities	-	-	-	-	-
Deferred Inflows of Resources:					
Unavailable revenues	-	-	-	-	-
Fund Balances:					
Restricted:					
Streets	-	-	-	17,838	49,715
Housing	761,212	-	-	-	-
Cultural programs	-	-	66,609	-	-
Other	-	-	-	-	-
Assigned:					
Capital projects	-	-	-	-	-
Total fund balances	761,212	-	66,609	17,838	49,715
Total liabilities, deferred inflows of resources and fund balances	\$ 761,212	\$ -	\$ 66,609	\$ 17,838	\$ 49,715

Cont'd

Town of Yountville
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2020

Capital Projects Funds

	Measure A Maintenance Fund	Facility Repair and Replacement Fund	Fleet, Tools and Equipment Repair and Replacement Fund	Total Nonmajor Governmental Funds
ASSETS				
Cash and investments	\$ 466,049	\$ 915,307	\$ 1,003,246	\$ 3,880,249
Taxes receivable	-	-	-	20,564
Accounts receivable	1,208	-	-	1,208
Interest receivable	1,387	2,733	2,985	11,278
Due from other governments	-	-	-	6,698
Loans receivable	-	-	-	1,495,210
Total assets	\$ 468,644	\$ 918,040	\$ 1,006,231	\$ 5,415,207

**LIABILITIES, DEFERRED INFLOWS
AND FUND BALANCES**

Liabilities:

Accounts payable	\$ -	\$ -	\$ -	\$ 2,653
Other liabilities	-	-	-	31,499
Total liabilities	-	-	-	34,152

Deferred Inflows of Resources:

Unavailable revenues	-	-	-	139,110
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Fund Balances:

Restricted:

Streets	468,644	-	-	773,424
Housing	-	-	-	2,364,708
Cultural programs	-	-	-	178,266
Other	-	-	-	1,276

Assigned:

Capital projects	-	918,040	1,006,231	1,924,271
Total fund balances	468,644	918,040	1,006,231	5,241,945

**Total liabilities, deferred inflows of
resources and fund balances**

\$ 468,644	\$ 918,040	\$ 1,006,231	\$ 5,415,207
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Concluded

Town of Yountville

Combining Statement of Revenues, Expenditures and Changes in Fund Balances Nonmajor Governmental Funds For the Year Ended June 30, 2020

	Special Revenue Funds				
	Gas Tax Fund	Public Education and Gov't Fund	Public Art Program Fund	Housing Grants Program Fund	SB1 2017 Road Repair Act Fund
REVENUES					
Other taxes	\$ -	\$ 13,736	\$ -	\$ -	\$ -
Licenses and permits	-	-	42,619	-	-
Intergovernmental	70,162	-	-	-	51,256
Interest	559	633	1,660	529	435
Rent and concessions	-	-	-	-	-
Charges for Services	-	-	-	-	-
Other Revenue	-	-	-	20,381	-
Total Revenues	70,721	14,369	44,279	20,910	51,691
EXPENDITURES					
Current:					
General Government	-	3,000	-	-	-
Housing	-	-	-	27,000	-
Public Works	-	-	30,160	-	-
Community Promotion	-	-	-	-	-
Capital outlay	45,989	-	-	-	39,803
Total Expenditures	45,989	3,000	30,160	27,000	39,803
Excess (Deficiency) of Revenues over Expenditures	24,732	11,369	14,119	(6,090)	11,888
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-
Net Change in Fund Balances	24,732	11,369	14,119	(6,090)	11,888
Fund Balances Beginning	30,067	38,556	47,613	43,492	26,917
Fund Balances Ending	\$ 54,799	\$ 49,925	\$ 61,732	\$ 37,402	\$ 38,805

Cont'd

Town of Yountville

Combining Statement of Revenues, Expenditures and Changes in Fund Balances Nonmajor Governmental Funds For the Year Ended June 30, 2020

	Special Revenue Funds				
	Measure T Equivalent Fund	Fire Services Fund	Disability Access Fee SB 1186 Fund	Utility Underground Impact Fee Fund	Housing Opportunity Fund
REVENUES					
Other taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Interest	205	-	19	318	3,680
Rent and concessions	-	-	-	-	-
Charges for Services	-	-	1,699	44,070	31,254
Other Revenue	-	-	-	-	-
Total Revenues	205	-	1,718	44,388	34,934
EXPENDITURES					
Current:					
General Government	-	-	-	-	-
Housing	-	-	-	-	58,034
Public Works	-	-	-	-	-
Community Promotion	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total Expenditures	-	-	-	-	58,034
Excess (Deficiency) of Revenues over Expenditures	205	-	1,718	44,388	(23,100)
OTHER FINANCING SOURCES (USES)					
Transfers in	36,685	-	-	62,345	-
Transfers out	-	-	(1,923)	-	-
Total Other Financing Sources (Uses)	36,685	-	(1,923)	62,345	-
Net Change in Fund Balances	36,890	-	(205)	106,733	(23,100)
Fund Balances Beginning	-	31	1,450	-	1,589,194
Fund Balances Ending	\$ 36,890	\$ 31	\$ 1,245	\$ 106,733	\$ 1,566,094

Cont'd

Town of Yountville

Combining Statement of Revenues, Expenditures and Changes in Fund Balances Nonmajor Governmental Funds For the Year Ended June 30, 2020

	Special Revenue Funds				
	Measure S Fund	Flood Mitigation Fund	Town of Yountville Community Foundation Fund	Tallent Lane Drainage Fund	Mesa Court Drainage Fund
REVENUES					
Other taxes	\$ 472,402	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Interest	8,606	1,699	-	285	795
Rent and concessions	-	-	-	-	-
Charges for Services	-	-	-	6	-
Other Revenue	-	-	25,996	-	-
Total Revenues	481,008	1,699	25,996	291	795
EXPENDITURES					
Current:					
General Government	-	-	-	-	-
Housing	-	-	-	-	-
Public Works	-	-	-	-	-
Community Promotion	-	-	22,577	-	-
Capital outlay	-	-	-	-	-
Total Expenditures	-	-	22,577	-	-
Excess (Deficiency) of Revenues over Expenditures	481,008	1,699	3,419	291	795
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	5,586	-	-
Transfers out	-	(185,181)	-	-	-
Total Other Financing Sources (Uses)	-	(185,181)	5,586	-	-
Net Change in Fund Balances	481,008	(183,482)	9,005	291	795
Fund Balances Beginning	280,204	183,482	57,604	17,547	48,920
Fund Balances Ending	\$ 761,212	\$ -	\$ 66,609	\$ 17,838	\$ 49,715

Cont'd

Town of Yountville
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2020

	Capital Projects Funds				Total Nonmajor Governmental Funds
	Measure A Maintenance Fund	Facility Repair and Replacement Fund	Fleet, Tools and Equipment Repair and Replacement Fund		
REVENUES					
Other taxes	\$ -	\$ -	\$ -	\$ -	\$ 486,138
Licenses and permits	-	-	-	-	42,619
Intergovernmental	25,123	-	-	-	146,541
Interest	5,699	17,078	17,431	-	59,631
Rent and concessions	-	-	-	-	-
Charges for Services	-	-	-	-	77,029
Other Revenue	-	-	-	-	46,377
Total Revenues	30,822	17,078	17,431		858,335
EXPENDITURES					
Current:					
General Government	-	-	-	-	3,000
Housing	-	-	-	-	85,034
Public Works	-	-	-	-	30,160
Community Promotion	-	-	-	-	22,577
Capital outlay	-	25,000	46,167	-	156,959
Total Expenditures	-	25,000	46,167		297,730
Excess (Deficiency) of Revenues over Expenditures	30,822	(7,922)	(28,736)		560,605
OTHER FINANCING SOURCES (USES)					
Transfers in	185,181	-	-	-	289,797
Transfers out	-	-	-	-	(187,104)
Total Other Financing Sources (Uses)	185,181	-	-		102,693
Net Change in Fund Balances	216,003	(7,922)	(28,736)		663,298
Fund Balances Beginning	252,641	925,962	1,034,967		4,578,647
Fund Balances Ending	\$ 468,644	\$ 918,040	\$ 1,006,231		\$ 5,241,945
					Concluded

Town of Yountville
Schedule of Revenues, Expenditures, and
Changes in Fund Balances
Budget and Actual (GAAP Basis)
Nonmajor Governmental Funds
For the Year Ended June 30, 2020

Gas Tax Fund

	<u>Budgeted Amounts</u>		<u>Actual</u> Amounts	<u>Variance with</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Other taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	79,615	79,615	70,162	(9,453)
Interest	500	500	559	59
Rent and concessions	-	-	-	-
Charges for Services	-	-	-	-
Other Revenue	-	-	-	-
Total Revenues	80,115	80,115	70,721	(9,394)
EXPENDITURES				
Current:				
General Government	-	-	-	-
Housing	-	-	-	-
Public Works	-	-	-	-
Community Promotion	-	-	-	-
Capital outlay	70,000	102,181	45,989	56,192
Total Expenditures	70,000	102,181	45,989	56,192
Excess (Deficiency) of Revenues over Expenditures	10,115	(22,066)	24,732	46,798
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	10,115	(22,066)	24,732	46,798
Fund Balances Beginning	30,067	30,067	30,067	-
Fund Balances Ending	\$ 40,182	\$ 8,001	\$ 54,799	\$ 46,798

Cont'd

Town of Yountville
Schedule of Revenues, Expenditures, and
Changes in Fund Balances
Budget and Actual (GAAP Basis)
Nonmajor Governmental Funds
For the Year Ended June 30, 2020

Public Education and Gov't Fund

					Variance with Final Budget Positive (Negative)	
	Budgeted Amounts		Actual Amounts			
	Original	Final				
REVENUES						
Other taxes	\$ 13,500	\$ 13,500	\$ 13,736	\$ 236		
Licenses and permits	-	-	-	-		
Intergovernmental	-	-	-	-		
Interest	-	-	633	633		
Rent and concessions	-	-	-	-		
Charges for Services	-	-	-	-		
Other Revenue	-	-	-	-		
Total Revenues	13,500	13,500	14,369	869		
EXPENDITURES						
Current:						
General Government	-	5,000	3,000	2,000		
Housing	-	-	-	-		
Public Works	-	-	-	-		
Community Promotion	-	-	-	-		
Capital outlay	-	-	-	-		
Total Expenditures	-	5,000	3,000	2,000		
Excess (Deficiency) of Revenues over Expenditures	13,500	8,500	11,369	2,869		
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-		
Transfers out	-	-	-	-		
Total Other Financing Sources (Uses)	-	-	-	-		
Net Change in Fund Balances	13,500	8,500	11,369	2,869		
Fund Balances Beginning	38,556	38,556	38,556	-		
Fund Balances Ending	\$ 52,056	\$ 47,056	\$ 49,925	\$ 2,869		

Cont'd

Town of Yountville
Schedule of Revenues, Expenditures, and
Changes in Fund Balances
Budget and Actual (GAAP Basis)
Nonmajor Governmental Funds
For the Year Ended June 30, 2020

Public Art Program Fund

	<u>Budgeted Amounts</u>		<u>Actual</u> Amounts	<u>Variance with</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Other taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	35,000	35,000	42,619	7,619
Intergovernmental	-	-	-	-
Interest	1,000	1,000	1,660	660
Rent and concessions	-	-	-	-
Charges for Services	-	-	-	-
Other Revenue	-	-	-	-
Total Revenues	36,000	36,000	44,279	8,279
EXPENDITURES				
Current:				
General Government	-	-	-	-
Housing	-	-	-	-
Public Works	26,000	26,000	30,160	(4,160)
Community Promotion	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	26,000	26,000	30,160	(4,160)
Excess (Deficiency) of Revenues over Expenditures	10,000	10,000	14,119	4,119
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	10,000	10,000	14,119	4,119
Fund Balances Beginning	47,613	47,613	47,613	-
Fund Balances Ending	\$ 57,613	\$ 57,613	\$ 61,732	\$ 4,119

Cont'd

Town of Yountville

Schedule of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual (GAAP Basis) Nonmajor Governmental Funds For the Year Ended June 30, 2020

Housing Grants Program Fund

	Budgeted Amounts		Variance with Final Budget Positive (Negative)	
	Original	Final		
REVENUES				
Other taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	520,000	520,000	-	(520,000)
Interest	500	500	529	29
Rent and concessions	-	-	-	-
Charges for Services	-	-	-	-
Other Revenue	-	-	20,381	20,381
Total Revenues	520,500	520,500	20,910	(499,590)
EXPENDITURES				
Current:				
General Government	-	-	-	-
Housing	520,000	520,000	27,000	493,000
Public Works	-	-	-	-
Community Promotion	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	520,000	520,000	27,000	493,000
Excess (Deficiency) of Revenues over Expenditures	500	500	(6,090)	(6,590)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	500	500	(6,090)	(6,590)
Fund Balances Beginning	43,492	43,492	43,492	-
Fund Balances Ending	\$ 43,992	\$ 43,992	\$ 37,402	\$ (6,590)

Cont'd

Town of Yountville
Schedule of Revenues, Expenditures, and
Changes in Fund Balances
Budget and Actual (GAAP Basis)
Nonmajor Governmental Funds
For the Year Ended June 30, 2020

SB1 2017 Road Repair Act Fund

	<u>Budgeted Amounts</u>		Variance with Final Budget Positive (Negative)	
	Original	Final	Actual Amounts	
REVENUES				
Other taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	48,546	48,546	51,256	2,710
Interest	200	200	435	235
Rent and concessions	-	-	-	-
Charges for Services	-	-	-	-
Other Revenue	-	-	-	-
Total Revenues	48,746	48,746	51,691	2,945
EXPENDITURES				
Current:				
General Government	-	-	-	-
Housing	-	-	-	-
Public Works	-	-	-	-
Community Promotion	-	-	-	-
Capital outlay	40,000	40,000	39,803	197
Total Expenditures	40,000	40,000	39,803	197
Excess (Deficiency) of Revenues over Expenditures	8,746	8,746	11,888	3,142
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	8,746	8,746	11,888	3,142
Fund Balances Beginning	26,917	26,917	26,917	-
Fund Balances Ending	\$ 35,663	\$ 35,663	\$ 38,805	\$ 3,142

Cont'd

Town of Yountville
Schedule of Revenues, Expenditures, and
Changes in Fund Balances
Budget and Actual (GAAP Basis)
Nonmajor Governmental Funds
For the Year Ended June 30, 2020

Measure T Equivalent Fund

	Budgeted Amounts				Variance with Final Budget Positive (Negative)
	Original	Final	Actual Amounts		
REVENUES					
Other taxes	\$ -	\$ -	\$ -	\$ -	-
Licenses and permits	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Interest	100	100	205	105	
Rent and concessions	-	-	-	-	
Charges for Services	-	-	-	-	
Other Revenue	-	-	-	-	
Total Revenues	100	100	205	105	
EXPENDITURES					
Current:					
General Government	-	-	-	-	-
Housing	-	-	-	-	-
Public Works	-	-	-	-	-
Community Promotion	-	-	-	-	-
Capital outlay	36,685	36,685	-	36,685	
Total Expenditures	36,685	36,685	-	36,685	
Excess (Deficiency) of Revenues over Expenditures	(36,585)	(36,585)	205	36,790	
OTHER FINANCING SOURCES (USES)					
Transfers in	36,685	36,685	36,685	-	
Transfers out	-	-	-	-	
Total Other Financing Sources (Uses)	36,685	36,685	36,685	-	
Net Change in Fund Balances	100	100	36,890	36,790	
Fund Balances Beginning	-	-	-	-	
Fund Balances Ending	\$ 100	\$ 100	\$ 36,890	\$ 36,790	

Cont'd

Town of Yountville

Schedule of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual (GAAP Basis) Nonmajor Governmental Funds For the Year Ended June 30, 2020

Fire Services Fund

	Budgeted Amounts			Variance with Final Budget	
	Original	Final	Actual Amounts	Positive (Negative)	
REVENUES					
Other taxes	\$ -	\$ -	\$ -	\$ -	-
Licenses and permits	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Interest	-	-	-	-	-
Rent and concessions	-	-	-	-	-
Charges for Services	-	-	-	-	-
Other Revenue	-	-	-	-	-
Total Revenues	-	-	-	-	-
EXPENDITURES					
Current:					
General Government	-	-	-	-	-
Housing	-	-	-	-	-
Public Works	-	-	-	-	-
Community Promotion	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total Expenditures	-	-	-	-	-
Excess (Deficiency) of Revenues over Expenditures	-	-	-	-	-
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-
Net Change in Fund Balances	-	-	-	-	-
Fund Balances Beginning		31	31	31	-
Fund Balances Ending	\$ 31	\$ 31	\$ 31	\$ 31	-

Cont'd

Town of Yountville
Schedule of Revenues, Expenditures, and
Changes in Fund Balances
Budget and Actual (GAAP Basis)
Nonmajor Governmental Funds
For the Year Ended June 30, 2020

Disability Access Fee SB 1186 Fund

	Budgeted Amounts			Variance with Final Budget Positive (Negative)	
	Original	Final	Actual Amounts		
REVENUES					
Other taxes	\$ -	\$ -	\$ -	\$ -	-
Licenses and permits	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Interest	-	-	19	19	19
Rent and concessions	-	-	-	-	-
Charges for Services	1,500	1,500	1,699	199	199
Other Revenue	-	-	-	-	-
Total Revenues	1,500	1,500	1,718	218	
EXPENDITURES					
Current:					
General Government	-	-	-	-	-
Housing	-	-	-	-	-
Public Works	-	-	-	-	-
Community Promotion	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total Expenditures	-	-	-	-	
Excess (Deficiency) of Revenues over Expenditures	1,500	1,500	1,718	218	
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers out	(1,500)	(1,500)	(1,923)	(423)	
Total Other Financing Sources (Uses)	(1,500)	(1,500)	(1,923)	(423)	
Net Change in Fund Balances	-	-	(205)	(205)	
Fund Balances Beginning	1,450	1,450	1,450	-	
Fund Balances Ending	\$ 1,450	\$ 1,450	\$ 1,245	\$ (205)	

Cont'd

Town of Yountville
Schedule of Revenues, Expenditures, and
Changes in Fund Balances
Budget and Actual (GAAP Basis)
Nonmajor Governmental Funds
For the Year Ended June 30, 2020

Utility Underground Impact Fee Fund

	Budgeted Amounts			Variance with Final Budget Positive (Negative)	
	Original	Final	Actual Amounts		
REVENUES					
Other taxes	\$ -	\$ -	\$ -	\$ -	-
Licenses and permits	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Interest	-	-	318	318	
Rent and concessions	-	-	-	-	-
Charges for Services	-	-	44,070	44,070	
Other Revenue	-	-	-	-	-
Total Revenues	-	-	44,388	44,388	
EXPENDITURES					
Current:					
General Government	-	-	-	-	-
Housing	-	-	-	-	-
Public Works	-	-	-	-	-
Community Promotion	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total Expenditures	-	-	-	-	-
Excess (Deficiency) of Revenues over Expenditures	-	-	44,388	44,388	
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	62,345	62,345	
Transfers out	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	62,345	62,345	
Net Change in Fund Balances	-	-	106,733	106,733	
Fund Balances Beginning	-	-	-	-	-
Fund Balances Ending	\$ -	\$ -	\$ 106,733	\$ 106,733	

Cont'd

Town of Yountville
Schedule of Revenues, Expenditures, and
Changes in Fund Balances
Budget and Actual (GAAP Basis)
Nonmajor Governmental Funds
For the Year Ended June 30, 2020

Housing Opportunity Fund

	<u>Budgeted Amounts</u>			Variance with Final Budget	
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	Positive (Negative)	
REVENUES					
Other taxes	\$ -	\$ -	\$ -	\$ -	-
Licenses and permits	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Interest	-	-	3,680	3,680	
Rent and concessions	-	-	-	-	-
Charges for Services	-	-	31,254	31,254	
Other Revenue	-	-	-	-	-
Total Revenues	-	-	34,934	34,934	
EXPENDITURES					
Current:					
General Government	-	-	-	-	-
Housing	63,400	63,400	58,034	5,366	
Public Works	-	-	-	-	-
Community Promotion	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total Expenditures	63,400	63,400	58,034	5,366	
Excess (Deficiency) of Revenues over Expenditures	(63,400)	(63,400)	(23,100)	40,300	
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-
Net Change in Fund Balances	(63,400)	(63,400)	(23,100)	40,300	
Fund Balances Beginning	1,589,194	1,589,194	1,589,194	-	
Fund Balances Ending	\$ 1,525,794	\$ 1,525,794	\$ 1,566,094	\$ 40,300	

Cont'd

Town of Yountville
Schedule of Revenues, Expenditures, and
Changes in Fund Balances
Budget and Actual (GAAP Basis)
Nonmajor Governmental Funds
For the Year Ended June 30, 2020

Measure S Fund						
	Budgeted Amounts			Variance with Final Budget		
	Original	Final	Actual	Positive (Negative)		
REVENUES						
Other taxes	\$ 700,000	\$ 700,000	\$ 472,402	\$ (227,598)		
Licenses and permits	-	-	-	-		
Intergovernmental	-	-	-	-		
Interest	-	-	8,606	8,606		
Rent and concessions	-	-	-	-		
Charges for Services	-	-	-	-		
Other Revenue	-	-	-	-		
Total Revenues	700,000	700,000	481,008	(218,992)		
EXPENDITURES						
Current:						
General Government	-	-	-	-		
Housing	100,000	100,000	-	100,000		
Public Works	-	-	-	-		
Community Promotion	-	-	-	-		
Capital outlay	-	-	-	-		
Total Expenditures	100,000	100,000	-	100,000		
Excess (Deficiency) of Revenues over Expenditures	600,000	600,000	481,008	(118,992)		
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-		
Transfers out	-	-	-	-		
Total Other Financing Sources (Uses)	-	-	-	-		
Net Change in Fund Balances	600,000	600,000	481,008	(118,992)		
Fund Balances Beginning	280,204	280,204	280,204	-		
Fund Balances Ending	\$ 880,204	\$ 880,204	\$ 761,212	\$ (118,992)		

Cont'd

Town of Yountville
Schedule of Revenues, Expenditures, and
Changes in Fund Balances
Budget and Actual (GAAP Basis)
Nonmajor Governmental Funds
For the Year Ended June 30, 2020

Flood Mitigation Fund

	<u>Budgeted Amounts</u>			Variance with	
	<u>Original</u>	<u>Final</u>	<u>Actual</u> Amounts	Final Budget	
				Positive	(Negative)
REVENUES					
Other taxes	\$ -	\$ -	\$ -	\$ -	-
Licenses and permits	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Interest	-	-	1,699	1,699	1,699
Rent and concessions	-	-	-	-	-
Charges for Services	-	-	-	-	-
Other Revenue	-	-	-	-	-
Total Revenues	-	-	1,699	1,699	1,699
EXPENDITURES					
Current:					
General Government	-	-	-	-	-
Housing	-	-	-	-	-
Public Works	-	-	-	-	-
Community Promotion	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total Expenditures	-	-	-	-	-
Excess (Deficiency) of Revenues over Expenditures	-	-	1,699	1,699	1,699
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers out	(189,730)	(189,730)	(185,181)	4,549	
Total Other Financing Sources (Uses)	(189,730)	(189,730)	(185,181)	4,549	
Net Change in Fund Balances	(189,730)	(189,730)	(183,482)	6,248	
Fund Balances Beginning	183,482	183,482	183,482	-	
Fund Balances Ending	\$ (6,248)	\$ (6,248)	\$ -	\$ 6,248	

Cont'd

Town of Yountville
Schedule of Revenues, Expenditures, and
Changes in Fund Balances
Budget and Actual (GAAP Basis)
Nonmajor Governmental Funds
For the Year Ended June 30, 2020

Town of Yountville Community Foundation Fund

	<u>Budgeted Amounts</u>			Variance with Final Budget	
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	Positive (Negative)	
REVENUES					
Other taxes	\$ -	\$ -	\$ -	\$ -	-
Licenses and permits	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Interest	-	-	-	-	-
Rent and concessions	-	-	-	-	-
Charges for Services	-	-	-	-	-
Other Revenue	-	-	25,996	25,996	
Total Revenues	-	-	25,996	25,996	
EXPENDITURES					
Current:					
General Government	-	-	-	-	-
Housing	-	-	-	-	-
Public Works	-	-	-	-	-
Community Promotion	-	-	22,577	(22,577)	
Capital outlay	-	-	-	-	-
Total Expenditures	-	-	22,577	(22,577)	
Excess (Deficiency) of Revenues over Expenditures	-	-	3,419	3,419	
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	5,586	5,586	
Transfers out	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	5,586	5,586	
Net Change in Fund Balances	-	-	9,005	9,005	
Fund Balances Beginning	57,604	57,604	57,604		-
Fund Balances Ending	\$ 57,604	\$ 57,604	\$ 66,609	\$ 9,005	

Cont'd

Town of Yountville
Schedule of Revenues, Expenditures, and
Changes in Fund Balances
Budget and Actual (GAAP Basis)
Nonmajor Governmental Funds
For the Year Ended June 30, 2020

Tallent Lane Drainage Fund

	Amounts			Variance with Final Budget Positive (Negative)	
	Original	Final	Actual Amounts		
REVENUES					
Other taxes	\$ -	\$ -	\$ -	\$ -	-
Licenses and permits	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Interest	150	150	285	135	
Rent and concessions	-	-	-	-	-
Charges for Services	-	-	6	6	
Other Revenue	-	-	-	-	-
Total Revenues	150	150	291	141	
EXPENDITURES					
Current:					
General Government	-	-	-	-	-
Housing	-	-	-	-	-
Public Works	-	-	-	-	-
Community Promotion	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total Expenditures	-	-	-	-	
Excess (Deficiency) of Revenues over Expenditures	150	150	291	141	
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	
Net Change in Fund Balances	150	150	291	141	
Fund Balances Beginning	17,547	17,547	17,547	-	
Fund Balances Ending	\$ 17,697	\$ 17,697	\$ 17,838	\$ 141	

Cont'd

Town of Yountville
Schedule of Revenues, Expenditures, and
Changes in Fund Balances
Budget and Actual (GAAP Basis)
Nonmajor Governmental Funds
For the Year Ended June 30, 2020

Mesa Court Drainage Fund

	Amounts			Variance with Final Budget Positive (Negative)	
	Original	Final	Actual Amounts		
REVENUES					
Other taxes	\$ -	\$ -	\$ -	\$ -	-
Licenses and permits	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Interest	500	500	795	295	
Rent and concessions	-	-	-	-	-
Charges for Services	-	-	-	-	-
Other Revenue	-	-	-	-	-
Total Revenues	500	500	795	295	
EXPENDITURES					
Current:					
General Government	-	-	-	-	-
Housing	-	-	-	-	-
Public Works	-	-	-	-	-
Community Promotion	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total Expenditures	-	-	-	-	
Excess (Deficiency) of Revenues over Expenditures	500	500	795	295	
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	
Net Change in Fund Balances	500	500	795	295	
Fund Balances Beginning	48,920	48,920	48,920	-	
Fund Balances Ending	\$ 49,420	\$ 49,420	\$ 49,715	\$ 295	

Cont'd

Town of Yountville
Schedule of Revenues, Expenditures, and
Changes in Fund Balances
Budget and Actual (GAAP Basis)
Nonmajor Governmental Funds
For the Year Ended June 30, 2020

Measure A Maintenance Fund

	Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
Other taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	20,000	20,000	25,123	5,123
Interest	1,000	1,000	5,699	4,699
Rent and concessions	-	-	-	-
Charges for Services	-	-	-	-
Other Revenue	-	-	-	-
Total Revenues	21,000	21,000	30,822	9,822
EXPENDITURES				
Current:				
General Government	-	-	-	-
Housing	-	-	-	-
Public Works	20,000	20,000	-	20,000
Community Promotion	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	20,000	20,000	-	20,000
Excess (Deficiency) of Revenues over Expenditures	1,000	1,000	30,822	29,822
OTHER FINANCING SOURCES (USES)				
Transfers in	189,730	189,730	185,181	(4,549)
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	189,730	189,730	185,181	(4,549)
Net Change in Fund Balances	190,730	190,730	216,003	25,273
Fund Balances Beginning	252,641	252,641	252,641	-
Fund Balances Ending	\$ 443,371	\$ 443,371	\$ 468,644	\$ 25,273

Cont'd

Town of Yountville

Schedule of Revenues, Expenditures, and

Changes in Fund Balances

Budget and Actual (GAAP Basis)

Nonmajor Governmental Funds

For the Year Ended June 30, 2020

Facility Repair and Replacement Fund

	Amounts		Variance with Final Budget Positive (Negative)	
	Original	Final		
REVENUES				
Other taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Interest	-	-	17,078	17,078
Rent and concessions	-	-	-	-
Charges for Services	-	-	-	-
Other Revenue	-	-	-	-
Total Revenues	-	-	17,078	17,078
EXPENDITURES				
Current:				
General Government	-	-	-	-
Housing	-	-	-	-
Public Works	-	-	-	-
Community Promotion	-	-	-	-
Capital outlay	204,900	204,900	25,000	179,900
Total Expenditures	204,900	204,900	25,000	179,900
Excess (Deficiency) of Revenues over Expenditures	(204,900)	(204,900)	(7,922)	196,978
OTHER FINANCING SOURCES (USES)				
Transfers in	225,000	225,000	-	(225,000)
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	225,000	225,000	-	(225,000)
Net Change in Fund Balances	20,100	20,100	(7,922)	(28,022)
Fund Balances Beginning	925,962	925,962	925,962	-
Fund Balances Ending	\$ 946,062	\$ 946,062	\$ 918,040	\$ (28,022)

Cont'd

Town of Yountville

Schedule of Revenues, Expenditures, and

Changes in Fund Balances

Budget and Actual (GAAP Basis)

Nonmajor Governmental Funds

For the Year Ended June 30, 2020

Fleet, Tools and Equipment Repair and Replacement Fund

	Amounts		Variance with Final Budget Positive (Negative)	
	Original	Final		
REVENUES				
Other taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Interest	-	-	17,431	17,431
Rent and concessions	-	-	-	-
Charges for Services	-	-	-	-
Other Revenue	-	-	-	-
Total Revenues	-	-	17,431	17,431
EXPENDITURES				
Current:				
General Government	-	-	-	-
Housing	-	-	-	-
Public Works	-	-	-	-
Community Promotion	-	-	-	-
Capital outlay	81,236	81,236	46,167	35,069
Total Expenditures	81,236	81,236	46,167	35,069
Excess (Deficiency) of Revenues over Expenditures	(81,236)	(81,236)	(28,736)	52,500
OTHER FINANCING SOURCES (USES)				
Transfers in	100,000	100,000	-	(100,000)
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	100,000	100,000	-	(100,000)
Net Change in Fund Balances	18,764	18,764	(28,736)	(47,500)
Fund Balances Beginning	1,034,967	1,034,967	1,034,967	-
Fund Balances Ending	\$ 1,053,731	\$ 1,053,731	\$ 1,006,231	\$ (47,500)

Concluded

Town of Yountville
Comparative Statement of Net Position
Water Fund

	For the fscial Year Ended June 30,	
	2020	2019
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 2,559,908	\$ 2,857,824
Accounts receivable	169,250	126,818
Interest receivable	6,870	14,411
Total current assets	<u>2,736,028</u>	<u>2,999,053</u>
Noncurrent assets:		
Capital assets:		
Non-depreciables	-	4,235
Depreciable, net	<u>2,006,699</u>	<u>1,786,725</u>
Total capital assets, net	<u>2,006,699</u>	<u>1,790,960</u>
Total noncurrent assets	<u>2,006,699</u>	<u>1,790,960</u>
Total assets	<u><u>\$ 4,742,727</u></u>	<u><u>\$ 4,790,013</u></u>
DEFERRED OUTFLOWS OF RESOURCES		
Pension adjustments	<u><u>\$ 101,927</u></u>	<u><u>\$ 107,405</u></u>
LIABILITIES		
Current liabilities:		
Accounts payable	\$ 408,744	\$ 231,912
Compensated absences, due within one year	8,100	3,500
Total current liabilities	<u>416,844</u>	<u>235,412</u>
Noncurrent liabilities:		
Net OPEB liability	45,449	87,751
Net pension liability	292,265	273,342
Compensated absences, due in more than one year	22,151	23,162
Total noncurrent liabilities	<u>359,865</u>	<u>384,255</u>
Total liabilities	<u><u>\$ 776,709</u></u>	<u><u>\$ 619,667</u></u>
DEFERRED INFLOWS OF RESOURCES		
Pension adjustments	\$ 22,905	\$ 25,713
OPEB adjstments	30,544	1,655
Total deferred inflows of resources	<u><u>\$ 53,449</u></u>	<u><u>\$ 27,368</u></u>
NET POSITION		
Net investment in capital assets	\$ 2,006,699	\$ 1,790,960
Unrestricted	2,007,797	2,459,423
Total net position	<u><u>\$ 4,014,496</u></u>	<u><u>\$ 4,250,383</u></u>

Town of Yountville

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

	For the fscial Year Ended June 30,	
	2020	2019
OPERATING REVENUES		
Charges for services	\$ 1,569,612	\$ 1,383,741
Other	450	-
Total operating revenues	<u>1,570,062</u>	<u>1,383,741</u>
OPERATING EXPENSES		
Personnel services	448,638	413,962
Purchased water	1,230,238	1,160,716
Supplies and materials	111,796	725,037
Insurance and claims	31,858	19,425
Depreciation	91,084	47,956
Total operating expenses	<u>1,913,614</u>	<u>2,367,096</u>
Operating income (loss)	<u>(343,552)</u>	<u>(983,355)</u>
NONOPERATING REVENUES(EXPENSES)		
Investment earnings	<u>47,396</u>	<u>67,661</u>
Income (loss) before contributions and transfers	<u>(296,156)</u>	<u>(915,694)</u>
Capital contributions	58,982	50,678
Transfers in	1,287	1,200
Net contributions and transfers	<u>60,269</u>	<u>51,878</u>
Change in net position	<u>(235,887)</u>	<u>(863,816)</u>
Total net position - beginning	<u>4,250,383</u>	<u>5,114,199</u>
Total net position - ending	<u>\$ 4,014,496</u>	<u>\$ 4,250,383</u>

Town of Yountville
Comparative Statement of Net Position
Wastewater Fund

	For the fscial Year Ended June 30,	
	2020	2019
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 3,903,958	\$ 4,510,591
Accounts receivable	288,158	342,325
Interest receivable	12,161	19,284
Total current assets	<u>4,204,277</u>	<u>4,872,200</u>
Noncurrent assets:		
Capital assets:		
Non-depreciables	5,091	5,091
Depreciable, net	<u>8,381,672</u>	<u>8,721,129</u>
Total capital assets, net	<u>8,386,763</u>	<u>8,726,220</u>
Total noncurrent assets	<u>8,386,763</u>	<u>8,726,220</u>
Total assets	<u><u>\$ 12,591,040</u></u>	<u><u>\$ 13,598,420</u></u>
DEFERRED OUTFLOWS OF RESOURCES		
Pension adjustments	<u><u>\$ 247,758</u></u>	<u><u>\$ 261,105</u></u>
LIABILITIES		
Current liabilities:		
Accounts payable	\$ 187,280	\$ 107,932
Interest payable	12,350	26,790
Due to other funds	-	67,264
Compensated absences, due within one year	10,500	3,500
Loans payable, due within one year	<u>157,415</u>	<u>134,369</u>
Total current liabilities	<u>367,545</u>	<u>339,855</u>
Noncurrent liabilities:		
Net OPEB liability	110,741	213,816
Net pension liability	710,617	664,509
Compensated absences, due in more than one year	47,304	42,539
Loans payable, due in more than one year	<u>908,211</u>	<u>2,156,735</u>
Total noncurrent liabilities	<u>1,776,873</u>	<u>3,077,599</u>
Total liabilities	<u><u>\$ 2,144,418</u></u>	<u><u>\$ 3,417,454</u></u>
DEFERRED INFLOWS OF RESOURCES		
Pension adjustments	\$ 55,667	\$ 62,510
OPEB adjstments	<u>74,425</u>	<u>4,032</u>
Total deferred inflows of resources	<u><u>\$ 130,092</u></u>	<u><u>\$ 66,542</u></u>
NET POSITION		
Net investment in capital assets	\$ 7,321,137	\$ 6,435,116
Unrestricted	<u>3,243,151</u>	<u>3,940,413</u>
Total net position	<u><u>\$ 10,564,288</u></u>	<u><u>\$ 10,375,529</u></u>

Town of Yountville

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

	For the fscial Year Ended June 30,	
	2020	2019
OPERATING REVENUES		
Charges for services	\$ 2,262,488	\$ 2,298,025
Total operating revenues	<u>2,262,488</u>	<u>2,298,025</u>
OPERATING EXPENSES		
Personnel services	992,276	821,399
Utilities	143,539	130,360
Supplies and materials	651,620	729,559
Insurance and claims	67,350	40,883
Depreciation	448,249	236,911
Total operating expenses	<u>2,303,034</u>	<u>1,959,112</u>
Operating income (loss)	<u>(40,546)</u>	<u>338,913</u>
NONOPERATING REVENUES(EXPENSES)		
Interest expense	(28,377)	(43,668)
Investment earnings	73,548	76,917
Total nonoperating revenues(expenses)	<u>45,171</u>	<u>33,249</u>
Income (loss) before contributions and transfers	<u>4,625</u>	<u>372,162</u>
Capital contributions	211,275	80,772
Transfers in	1,287	1,200
Transfers out	(28,428)	(28,885)
Net contributions and transfers	<u>184,134</u>	<u>53,087</u>
Change in net position	<u>188,759</u>	<u>425,249</u>
Total net position - beginning	<u>10,375,529</u>	<u>9,950,280</u>
Total net position - ending	<u><u>\$ 10,564,288</u></u>	<u><u>\$ 10,375,529</u></u>

Town of Yountville**Statement of Changes in Assets and Liabilities****Agency Funds****For the Year Ended June 30, 2020**

Napa Valley Tourism Improvement District	Balance			Balance June 30, 2020
	July 01, 2019	Additions	Deductions	
ASSETS				
Cash and investments	596,539	\$ 1,035,519	\$ 1,170,004	\$ 462,054
Assessments receivable	115,510	203,149	284,288	34,371
Interest receivable	2,623	1,371	2,623	1,371
Total assets	\$ 714,672	\$ 1,240,039	\$ 1,456,915	\$ 497,796
LIABILITIES				
Accounts payable	184,893	\$ 73,485	\$ 184,893	\$ 73,485
Due to Napa Valley Tourism Imp. District	529,779	1,166,554	1,272,022	424,311
Total liabilities	\$ 714,672	\$ 1,240,039	\$ 1,456,915	\$ 497,796

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Town of Yountville
"The Heart of the Napa Valley"

STATISTICAL SECTION

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STATISTICAL SECTION

This part of the Town's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statement, note disclosure, and required supplementary information says about the Town's overall financial health.

Contents:

Financial Trends Information

These schedules contain trend information to help the reader understand how the Town's financial performance and well-being have changed over time.

Revenue Capacity Information

These schedules contain trend information to help the reader understand the Town's most significant local revenue source, transient occupancy tax.

Debt Capacity Information

These schedules present information to help the reader assess the affordability of the Town's current level of outstanding debt and the Town's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the Town's financial activities take place.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the Town's financial report relates to the services the Town provides and activities it performs.

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

As of June 30	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Governmental Activities										
Net Investment in Capital Assets	\$ 15,139,893	\$ 15,600,528	\$ 17,058,616	\$ 17,708,530	\$ 19,291,210	\$ 24,944,699	\$ 25,585,149	\$ 26,126,737	\$ 26,832,668	\$ 26,987,011
Restricted	3,005,096	2,797,707	2,695,144	2,719,421	3,121,984	3,063,795	3,118,617	2,376,909	4,691,546	5,959,613
Unrestricted	3,308,084	4,383,284	5,216,059	7,832,467	6,212,977	6,445,667	8,658,576	7,514,541	9,263,317	8,549,721
Total governmental activities	\$ 21,453,073	\$ 22,781,519	\$ 24,969,819	\$ 28,260,418	\$ 28,626,171	\$ 34,454,161	\$ 37,362,342	\$ 36,018,187	\$ 40,787,531	\$ 41,496,345
Business-type Activities										
Net Investment in Capital Assets	\$ 7,974,612	\$ 8,145,364	\$ 8,482,356	\$ 8,813,919	\$ 8,755,655	\$ 8,715,300	\$ 8,582,392	\$ 8,374,610	\$ 8,226,076	\$ 9,327,836
Restricted	595,382	328,989	219,517	1,856,598	221,279	-	-	-	-	-
Unrestricted	2,251,647	2,304,237	2,864,740	3,226,306	5,047,020	6,009,945	6,492,506	6,689,868	6,399,836	5,250,948
Total business-type activities	\$ 10,821,641	\$ 10,778,590	\$ 11,566,613	\$ 13,896,823	\$ 14,023,954	\$ 14,725,245	\$ 15,074,898	\$ 15,064,478	\$ 14,625,912	\$ 14,578,784
Combined Totals										
Net Investment in Capital Assets	\$ 23,114,505	\$ 23,745,892	\$ 25,540,972	\$ 26,522,449	\$ 28,046,865	\$ 33,659,999	\$ 34,167,541	\$ 34,501,347	\$ 35,058,744	\$ 36,314,847
Restricted	3,600,478	3,126,696	2,914,661	4,576,019	3,343,263	3,063,795	3,118,617	2,376,909	4,691,546	5,959,613
Unrestricted	5,559,731	6,687,521	8,080,799	11,058,773	11,259,997	12,455,612	15,151,082	14,204,409	15,663,153	13,800,669
Total combined net position	\$ 32,274,714	\$ 33,560,109	\$ 36,536,432	\$ 42,157,241	\$ 42,650,125	\$ 49,179,406	\$ 52,437,240	\$ 51,082,665	\$ 55,413,443	\$ 56,075,129

Schedule 2

Town of Yountville

Changes in Net Position (Accrual Basis of Accounting)

Last Ten Fiscal Years

For Fiscal Year Ended June 30	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Governmental Activities										
Expenses										
General Government	\$ 2,407,799	\$ 2,485,358	\$ 3,181,511	\$ 4,454,622	\$ 2,802,120	\$ 2,467,485	\$ 3,215,460	\$ 5,351,625	\$ 4,142,908	\$ 3,242,226
Public Safety	1,225,892	1,194,263	1,220,977	1,295,845	1,317,668	1,374,885	1,413,904	1,497,823	1,535,756	1,626,661
Parks and Recreation	1,224,160	1,450,547	1,611,586	1,653,330	1,719,272	1,856,394	1,867,588	2,060,032	2,117,811	2,203,024
Housing	33,148	29,790	36,790	31,790	44,624	49,812	600,080	328,504	77,235	87,931
Public Works	2,482,494	1,420,437	1,346,587	1,437,007	2,168,798	2,426,255	2,919,403	2,730,071	2,797,528	3,275,960
Community Promotion	324,260	353,757	335,383	438,066	473,577	460,866	438,566	429,909	354,456	406,620
Interest on Long-Term Debt	547,285	538,234	557,325	592,599	578,701	552,626	547,050	369,086	365,799	394,555
Total governmental activities expenses	\$ 8,245,038	\$ 7,472,386	\$ 8,290,159	\$ 9,903,259	\$ 9,104,760	\$ 9,188,323	\$ 11,002,051	\$ 12,767,050	\$ 11,391,493	\$ 11,236,977
Program Revenues										
Charges for Services by Function:										
General Government	\$ 282,784	\$ 522,317	\$ 439,370	\$ 605,724	\$ 454,644	\$ 500,090	\$ 866,029	\$ 1,155,605	\$ 1,309,761	\$ 521,593
Public Safety	7,578	9,926	13,698	14,469	5,631	12,012	5,790	4,856	4,210	948
Parks and Recreation	272,316	228,792	328,997	515,128	461,667	499,082	515,544	476,059	488,808	331,935
Housing	3,864	-	28,307	78,063	26,966	499	496,998	186,635	-	-
Public Works	2,860	141,135	52,315	235,520	221,836	182,512	18,532	30,801	24,438	8,009
Community Promotion	-	-	-	-	-	882	5,000	32,635	133,590	42,619
Interest on Long-Term Debt	-	-	2,697	-	-	-	-	-	-	-
Operating Grants and Contributions	499,231	507,676	648,828	682,471	980,662	621,541	812,034	1,511,119	630,237	805,006
Capital Grants and Contributions	1,346,528	-	800,000	378,168	161,647	3,452,791	1,115,979	531,619	915,463	844,035
Total governmental program revenues	\$ 2,415,161	\$ 1,409,846	\$ 2,314,212	\$ 2,509,543	\$ 2,313,053	\$ 5,269,409	\$ 3,835,906	\$ 3,929,329	\$ 3,506,507	\$ 2,554,145
Subtotal net revenue (expense)	\$ (5,829,877)	\$ (6,062,540)	\$ (5,975,947)	\$ (7,393,716)	\$ (6,791,707)	\$ (3,918,914)	\$ (7,166,145)	\$ (8,837,721)	\$ (7,884,986)	\$ (8,682,832)
General Revenues										
Property Taxes	\$ 1,010,453	\$ 1,005,241	\$ 1,046,639	\$ 1,086,164	\$ 1,164,773	\$ 1,282,355	\$ 1,394,045	\$ 1,675,804	\$ 1,749,648	\$ 2,047,539
Sales Taxes	840,539	934,965	1,087,284	1,260,279	1,317,685	1,431,153	1,335,150	1,269,655	1,491,912	1,448,291
Transient Occupancy Taxes	4,039,087	5,007,467	5,678,023	6,262,880	6,582,041	6,808,527	7,154,474	6,337,525	7,536,887	5,358,618
Vehicle In-Lieu Taxes	18,641	-	-	-	-	-	-	-	-	-
Other Taxes	125,071	146,669	151,937	162,970	141,476	147,519	138,436	116,130	146,796	132,955
Interest and Investment Earnings	210,737	17,381	243,144	163,211	23,507	60,697	49,372	67,913	420,678	364,369
Other General Revenues	63,573	279,263	7,400	1,748,811	10,219	16,653	2,849	465	9,972	14,018
Special Item: Sale of Parking Lot	-	-	150,000	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	29,343	26,485	25,854
Total general revenues and transfers	\$ 6,308,101	\$ 7,390,986	\$ 8,364,427	\$ 10,684,315	\$ 9,239,701	\$ 9,746,904	\$ 10,074,326	\$ 9,496,835	\$ 11,382,378	\$ 9,391,644
Change in net position, government activities	\$ 478,224	\$ 1,328,446	\$ 2,388,480	\$ 3,290,599	\$ 2,447,994	\$ 5,827,990	\$ 2,908,181	\$ 659,114	\$ 3,497,392	\$ 708,812
Net position, beginning	\$ 20,974,849	\$ 21,453,073	\$ 22,581,339	\$ 24,969,819	\$ 26,178,177	\$ 28,626,171	\$ 34,454,161	\$ 35,359,073	\$ 37,290,139	\$ 40,787,533
Net position, ending	<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>	<u>\$ 34,454,161</u>	<u>\$ 37,362,342</u>	<u>\$ 36,018,187</u>	<u>\$ 40,787,531</u>	<u>\$ 41,496,345</u>

Continued

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

For Fiscal Year Ended June 30	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Business-Type Activities										
Expenses										
Water	\$ 790,035	\$ 810,971	\$ 787,658	\$ 898,516	\$ 985,238	\$ 1,120,451	\$ 1,612,688	\$ 1,367,470	\$ 2,367,096	\$ 1,913,614
Wastewater	1,047,794	1,244,563	1,153,008	1,268,709	1,320,491	1,546,670	1,637,806	1,821,073	2,002,780	2,331,411
Total business-type expenses	\$ 1,837,829	\$ 2,055,534	\$ 1,940,666	\$ 2,167,225	\$ 2,305,729	\$ 2,667,121	\$ 3,250,494	\$ 3,188,543	\$ 4,369,876	\$ 4,245,025
Program Revenues										
Charges for Services										
Water	\$ 622,370	\$ 785,559	\$ 1,023,322	\$ 1,213,803	\$ 1,303,497	\$ 1,434,529	\$ 1,350,259	\$ 1,380,728	\$ 1,383,741	\$ 1,569,612
Wastewater	973,407	1,084,349	1,612,386	1,590,422	1,686,528	1,847,970	1,876,094	2,057,905	2,298,025	2,262,488
Capital Grants and Contributions	284,557	142,575	92,981	1,693,210	107,943	71,328	354,497	226,484	131,450	270,257
Total business-type program revenues	\$ 1,880,334	\$ 2,012,483	\$ 2,728,689	\$ 4,497,435	\$ 3,097,968	\$ 3,353,827	\$ 3,580,850	\$ 3,665,117	\$ 3,813,216	\$ 4,102,357
Subtotal net revenue (expense)	\$ 42,505	\$ (43,051)	\$ 788,023	\$ 2,330,210	\$ 792,239	\$ 686,706	\$ 330,356	\$ 476,574	\$ (556,660)	\$ (142,668)
Transfers In/Out)	-	-	-	-	-	-	-	(29,343)	(26,485)	(25,854)
Interest and Investment Earnings	-	-	-	-	5,196	14,585	19,297	53,086	144,579	120,944
Other revenues	-	-	-	-	-	-	-	-	-	450
Change in net position, business activities	\$ 42,505	\$ (43,051)	\$ 788,023	\$ 2,330,210	\$ 797,435	\$ 701,291	\$ 349,653	\$ 500,317	\$ (438,566)	\$ (47,128)
Net position, beginning	\$ 10,779,136	\$ 10,821,641	\$ 10,778,590	\$ 11,566,613	\$ 13,226,519	\$ 14,023,954	\$ 14,725,245	\$ 14,564,161	\$ 15,064,478	\$ 14,625,912
Net position, ending	<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>	<u>\$ 14,725,245</u>	<u>\$ 15,074,898</u>	<u>\$ 15,064,478</u>	<u>\$ 14,625,912</u>	<u>\$ 14,578,784</u>
Town Government Assets										
Net position, beginning	\$ 31,753,985	\$ 32,274,714	\$ 33,359,929	\$ 36,536,432	(\$ 39,404,696	\$ 42,650,125	\$ 49,179,406	\$ 49,923,234	\$ 52,354,617	\$ 55,413,445
Net position, ending	<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>	<u>\$ 49,179,406</u>	<u>\$ 52,437,240</u>	<u>\$ 51,082,665</u>	<u>\$ 55,413,443</u>	<u>\$ 56,075,129</u>
Primary Government Totals										
Total primary government expenses	\$ 10,082,867	\$ 9,527,920	\$ 10,230,825	\$ 12,070,484	\$ 11,410,489	\$ 11,855,444	\$ 14,252,545	\$ 15,955,593	\$ 15,761,369	\$ 15,482,002
Total primary government program revenues	4,295,495	3,422,329	5,042,901	7,006,978	5,411,021	8,623,236	7,416,756	7,594,446	7,319,723	6,656,502
Subtotal primary government net revenue (expense)	(5,787,372)	(6,105,591)	(5,187,924)	(5,063,506)	(5,999,468)	(3,232,208)	(6,835,789)	(8,361,147)	(8,441,646)	(8,825,500)
Total primary government general revenues & transfers	6,308,101	7,390,986	8,364,427	10,684,315	9,244,897	9,761,489	10,093,623	9,520,578	11,500,472	9,487,184
Change in net position, primary government	<u>\$ 520,729</u>	<u>\$ 1,285,395</u>	<u>\$ 3,176,503</u>	<u>\$ 5,620,809</u>	<u>\$ 3,245,429</u>	<u>\$ 6,529,281</u>	<u>\$ 3,257,834</u>	<u>\$ 1,159,431</u>	<u>\$ 3,058,826</u>	<u>\$ 661,684</u>

Concluded

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

For Fiscal Year Ended June 30	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Fund										
Restricted	\$ 9,936	\$ -	\$ 9,559	\$ 14,723	\$ 1,461,104	\$ 1,454,999	\$ 1,418,190	\$ 1,493,905	\$ 2,160,819	\$ 2,577,802
Committed	1,318,800	1,314,813	1,417,384	1,507,749	1,670,000	1,670,000	1,898,177	2,077,057	2,148,319	3,017,343
Assigned	488,364	898,014	972,426	2,566,788	3,874,284	3,022,425	2,645,273	3,183,082	3,498,613	741,786
Unassigned	4,772	645,768	1,168,589	19,965	6,867	1,523,696	3,357,172	2,688,112	2,709,631	5,242,648
Total General Fund	1,821,872	2,858,595	3,567,958	4,109,225	7,012,255	7,671,120	9,318,812	9,442,156	10,517,382	11,579,579
All other governmental funds										
Nonspendable	251,250	454,500	721,309	513,737	-	-	-	-	-	-
Restricted	1,701,596	1,484,271	5,315,330	1,939,068	1,660,880	1,608,796	1,700,427	883,004	2,719,443	3,381,811
Committed	1,447,728	1,231,400	992,599	2,627,311	2,751,989	2,056,647	2,205,643	2,255,116	1,435,726	678,384
Assigned	-	-	-	-	-	-	87,964	745,336	1,960,928	1,924,271
Unassigned	-	-	-	-	-	(3,118)	(75,798)	-	(25,942)	(26,221)
Total all other governmental funds	3,400,574	3,170,171	7,029,238	5,080,116	4,412,869	3,662,325	3,918,236	3,883,456	6,090,155	5,958,245
Total governmental fund balances	\$ 5,222,446	\$ 6,028,766	\$ 10,597,196	\$ 9,189,341	\$ 11,425,124	\$ 11,333,445	\$ 13,237,048	\$ 13,325,612	\$ 16,607,537	\$ 17,537,824

Schedule 4

Town of Yountville

Revenues, Expenditures & Changes in Fund Balances and Debt Service Ratio - Governmental Funds

(Thousands of Dollars)

Last Ten Fiscal Years

For Fiscal Year Ended June 30	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenues										
Property Taxes	\$ 1,010	\$ 1,005	\$ 1,047	\$ 1,086	\$ 1,139	\$ 1,145	\$ 1,325	\$ 1,652	\$ 1,731	\$ 2,048
Sales Taxes	841	935	1,087	1,260	1,337	1,453	1,293	1,369	1,289	1,448
Transient Occupancy Taxes	4,039	5,007	5,678	6,263	6,582	6,809	7,154	6,338	7,537	5,669
Other Taxes	125	139	145	160	167	284	222	151	459	619
Licenses & permits	46	78	74	140	86	75	130	163	273	196
Fines & forfeits	7	7	9	3	9	5	8	15	57	46
Intergovernmental	1,764	468	613	970	873	3,810	1,484	845	1,013	901
Interest and rents	276	273	247	266	275	307	334	342	657	582
Charges for services	457	625	721	1,188	835	857	1,377	1,640	1,420	554
Miscellaneous	158	263	101	1,852	248	246	258	705	52	167
Total revenues	8,723	8,800	9,722	13,188	11,551	14,991	13,585	13,220	14,488	12,230
Expenditures										
General Government	2,601	2,368	2,978	4,313	2,668	2,566	3,070	4,797	4,400	3,032
Public Safety	1,226	1,194	1,221	32	1,318	1,375	1,475	328	77	1,573
Public Works	923	1,096	1,006	1,296	1,555	1,683	1,719	1,498	1,536	1,990
Community Promotion	324	354	335	1,071	474	461	500	1,781	1,917	393
Housing	-	30	-	438	45	33	661	430	355	85
Parks and recreation	1,042	1,090	1,210	1,252	1,349	1,481	1,633	1,689	1,833	1,735
Debt Service:										
Principal	383	409	527	706	724	746	763	790	548	569
Interest & other	552	543	557	601	578	558	539	488	374	416
Costs of issuance	-	-	173	-	-	-	-	227	-	-
Capital Outlay	2,394	910	1,569	4,887	2,011	6,180	1,617	686	1,464	1,596
Other	-	-	-	-	-	-	-	675	-	-
Total expenditures	9,445	7,994	9,576	14,596	10,722	15,083	11,977	13,389	12,504	11,389
Excess (deficiency) of revenues over expenditures	(722)	806	146	(1,408)	829	(92)	1,608	(169)	1,984	841
Other financing sources (uses)										
Sale of capital assets	-	-	-	-	-	-	296	-	-	-
Debt issuance	-	-	-	-	-	-	-	8,947	-	2,303
Payment to escrow agent	-	-	-	-	-	-	-	(8,719)	-	(2,240)
Transfers-in	1,334	1,461	2,523	3,218	1,856	3,002	1,898	1,940	4,046	3,489
Transfers-out	(1,334)	(1,461)	(2,523)	(3,218)	(1,856)	(3,002)	(1,898)	(1,911)	(4,019)	(3,463)
Sale of Parking Lot	-	-	150	-	-	-	-	-	-	-
Proceeds from borrowing	200	-	4,272	-	-	-	-	-	-	-
Total financing sources (uses)	200	-	4,422	-	-	-	296	257	27	89
Net Change in Fund Balance	\$ (522)	\$ 806	\$ 4,568	\$ (1,408)	\$ 829	\$ (92)	\$ 1,904	\$ 88	\$ 2,011	\$ 930
Total expenditures	\$ 9,445	\$ 7,994	\$ 9,576	\$ 14,596	\$ 10,722	\$ 15,083	\$ 11,977	\$ 13,389	\$ 12,504	\$ 11,389
Capitalized capital outlay	-	-	-	3,992	1,853	5,934	948	561	1,108	1,371
Non-Capital Outlay expenditures	7,828	7,160	8,090	10,604	8,869	9,149	11,029	12,828	11,396	10,018
Debt Service expenditures	935	952	1,084	1,307	1,302	1,304	1,302	1,278	922	985
Debt Service as % of non-capital expenses	11.94%	13.30%	13.40%	12.33%	14.68%	14.25%	11.81%	9.96%	8.09%	9.83%

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

<u>Fiscal Year</u>	<u>Estimated Population</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>
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
2016 (1)	2,987	452	\$ 6,808,527	\$ 2,279	\$ 15,063
2017 (3)	2,935	452	\$ 7,154,474	\$ 2,438	\$ 15,828
2018 (4)	2,874	451	\$ 6,337,514	\$ 2,205	\$ 14,052
2019 (5)	2,916	452	\$ 7,536,887	\$ 2,585	\$ 16,675
2020 (5)	2,685	452	\$ 5,668,824	\$ 2,111	\$ 12,542

Notes:

(1) Source: Muniservices LLC

(3) Source: Department of Finance Price Factor and Population Information as of January 1, 2017

(4) Source: Department of Finance Price Factor and Population Information as of January 1, 2018

(5) Source : Department of Finance letter, Price Factor and Population Information, dated May 2019

(6) Source : Department of Finance letter, Price Factor and Population Information, dated May 2020

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

Fiscal <u>Year</u>	Occupancy <u>Rate</u>	Average Daily Room Rate	Transient Occupancy Tax Revenue					
			By Concentration of Hotel Size					
			Total Revenue		Hotels with 50+ Rooms		Hotels with 1 - 49 Rooms	
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
2016	76.0%	\$ 452.00	\$ 6,808,527	11	\$ 6,198,631	5	\$ 609,896	6
2017	75.7%	\$ 477.00	\$ 7,154,474	11	\$ 6,516,184	5	\$ 638,290	6
2018	63.4%	\$ 506.00	\$ 6,337,514	11	\$ 5,738,747	5	\$ 598,767	6
2019	71.9%	\$ 532.00	\$ 7,536,887	11	\$ 6,851,259	5	\$ 685,628	6
2020	25.2%	\$ 485.00	\$ 5,668,824	11	\$ 5,151,989	5	\$ 516,835	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

2020	2019	2018	2017
Bardessono Inn & Spa			
Hotel Yountville	Hotel Yountville	Hotel Yountville	Hotel Yountville
Lavender Inn	Lavender Inn	Lavender Inn	Lavender Inn
Maison Fleurie	Maison Fleurie	Maison Fleurie	Maison Fleurie
Napa Valley Lodge	Napa Valley Lodge	Napa Valley Lodge	Napa Valley Lodge
Napa Valley Railway Inn			
North Block Hotel	North Block Hotel	North Block Hotel	North Block Hotel
Petit Logis	Petit Logis	Petit Logis	Petit Logis
Villagio Inn & Spa			
Vintage House	Vintage House	Vintage House	Vintage House
2016	2015	2014	2013
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
2012	2011		
Bardessono Inn & Spa	Bardessono Inn & Spa		
Bordeaux House	Bordeaux House		
Hotel Luca	Hotel Luca		
Hotel Yountville	Lavender Inn		
Lavender Inn	Maison Fleurie		
Maison Fleurie	Napa Valley Lodge		
Napa Valley Lodge	Napa Valley Railway Inn		
Napa Valley Railway Inn	Villagio Inn & Spa		
Villagio Inn & Spa	Vintage Inn		
Vintage Inn	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)	Bonded Debt:			Other Debt:			Total Outstanding Debt	Bonded Debt Per Capita	Bonded Debt as a % of Personal Income
		Countywide Per Capita Income	Estimated Yountville Personal Income	Lease Purchase Revenue Bonds & Capital Lease	California Energy Commission Loan	Pacific Gas & Electric Energy Loan	State Revolving Fund Loan			
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%
2016 (8)	2,987	\$ 52,576	\$ 157,044,512	\$ 13,418,766	\$ 121,233	\$ 75,150	\$ 2,605,598	\$ 16,220,747	\$ 5,430	10.33%
2017 (9)	2,935	\$ 61,483	\$ 180,452,605	\$ 12,681,459	\$ 104,074	\$ 62,625	\$ 2,490,444	\$ 15,338,602	\$ 5,226	8.50%
2018 (10)	2,874	\$ 65,805	\$ 189,123,570	\$ 12,681,459	\$ 86,396	\$ 50,100	\$ 2,373,101	\$ 15,191,056	\$ 5,286	8.03%
2019 (11)	2,916	\$ 74,984	\$ 218,653,344	\$ 11,750,800	\$ 68,184	\$ 37,575	\$ 2,253,529	\$ 14,110,088	\$ 4,839	6.45%
2020 (12)	2,685	\$ 77,781	\$ 208,841,725	\$ 10,687,017	\$ 49,426	\$ 25,050	\$ 1,040,576	\$ 11,802,069	\$ 4,396	5.65%

Notes to Table:

(4) Source: Bureau of Economic Analysis for 2009 (most recent)

(5) Source: Bureau of Economic Analysis for 2014 (most recent)

(6) Includes 2017 & 2020 Lease Revenue Bonds

(7) Source: Employment Development Department Monthly Labor Force Data for Counties Report 400 C, June

(8) Source: Muniservices LLC Demographic and Economic Statistics

(9) Source: Department of Finance Price Factor and Population Information as of January 1, 2017

(10) Source: Department of Finance Price Factor and Population Information as of January 1, 2018 and Bureau of Economic Analysis (most recent data, 2016)

(11) Source : Department of Finance letter, Price Factor and Population Information, dated May 2019

(12) Source : Department of Finance letter, Price Factor and Population Information, dated May 2020

Schedule 9**Town of Yountville****Computation of Direct and Overlapping Bonded Debt****June 30, 2020**

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%	\$ 1,722,821
Napa Valley Unified School District	2.905%	\$ 13,641,150
Total overlapping tax and assessment debt		\$ 15,363,970
Direct and overlapping General Fund Debt:		
Napa County Certificates of Participation	1.953%	\$ 278,400
Napa County Board of Education Certificates of Participation	1.953%	42,575
Town of Yountville General Fund Obligations *	100.0000%	10,736,443
Total direct and overlapping general fund obligation debt		\$ 11,057,419
Subtotal direct debt		-
Subtotal overlapping debt		\$ 26,421,389
Total combined debt		<u>\$ 26,421,389</u>
Ratio to 2019-20 assessed valuation		
Town of Yountville total assessed valuation		\$ 1,038,985,513
Direct debt (Town)	0.0000%	
Overlapping debt	2.5430%	
Combined total debt	2.5430%	

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.

* Includes: Lease Revenue Bonds Series 2017 and 2020 and California Energy Commission Loan.

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
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	\$ 13,532,878	59.08%
2016	\$ 640,795,068	3.75%	\$ 24,029,815	\$ 13,031,232	54.23%
2017	\$ 715,618,300	3.75%	\$ 26,835,686	\$ 12,519,073	46.65%
2018	\$ 863,668,130	3.75%	\$ 32,387,555	\$ 11,401,396	35.20%
2019	\$ 974,263,880	3.75%	\$ 36,534,896	\$ 10,853,183	29.71%
2020	\$ 1,038,985,513	3.75%	\$ 38,961,957	\$ 10,284,971	26.40%

Legal Debt Limit Margin Calculation for 2020-21:

Assessed value	\$ <u>1,038,985,513</u>
Debt limit is 3.75% of assessed value	\$ 38,961,957
Less: Debt applicable to limitation	\$ <u>10,284,971</u>
Legal debt margin	\$ <u><u>28,676,986</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 Ten Fiscal Years

Flood Wall Lease Purchase Agreement					2008 Lease Revenue Bonds				
Fiscal Year	Measure A		Debt Service			Pledged Occupancy Tax	Debt Service		
	Sales Tax Allocations	Principal	Interest	Coverage	Principal	Interest	Coverage	Principal	Interest
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	
2014	\$ 256,077	\$ 230,216	\$ 33,992	0.97	\$ 670,050	\$ 200,000	\$ 468,849	1.00	
2015	\$ 259,977	\$ 238,294	\$ 18,183	1.01	\$ 666,980	\$ 205,000	\$ 459,724	1.00	
2016	\$ 259,951	\$ 244,595	\$ 13,506	1.01	\$ 667,550	\$ 215,000	\$ 450,298	1.00	
2017	\$ 259,768	\$ 251,063	\$ 8,705	1.00	\$ 669,099	\$ 225,000	\$ 441,499	1.00	
2018	\$ 261,443	\$ 257,702	\$ 3,777	1.00	\$ 455,250	\$ 235,000	\$ 431,124	0.68	
2019	\$ -	\$ -	\$ -	-	\$ -	\$ -	\$ -	-	
2020	\$ -	\$ -	\$ -	-	\$ -	\$ -	\$ -	-	
2013 Lease Revenue Bonds					2017 Lease Revenue Bonds				
Fiscal Year	Pledged Revenue	Debt Service			Pledged Revenue	Debt Service			Coverage
	Principal	Interest	Coverage	Principal	Interest	Coverage	Principal	Interest	
2010	\$ -	\$ -	-	\$ -	\$ -	\$ -	\$ -	\$ -	-
2011	\$ -	\$ -	-	\$ -	\$ -	\$ -	\$ -	\$ -	-
2012	\$ -	\$ -	-	\$ -	\$ -	\$ -	\$ -	\$ -	-
2013	\$ 133,225	\$ 100,000	\$ 33,225	1.00	\$ -	\$ -	\$ -	\$ -	-
2014	\$ 361,113	\$ 260,000	\$ 101,113	1.00	\$ -	\$ -	\$ -	\$ -	-
2015	\$ 360,913	\$ 265,000	\$ 95,913	1.00	\$ -	\$ -	\$ -	\$ -	-
2016	\$ 360,613	\$ 270,000	\$ 90,613	1.00	\$ -	\$ -	\$ -	\$ -	-
2017	\$ 355,213	\$ 270,000	\$ 85,213	1.00	\$ -	\$ -	\$ -	\$ -	-
2018	\$ 359,813	\$ 280,000	\$ 79,813	1.00	\$ 183,000	\$ -	\$ 182,954	1.00	
2019	\$ 359,213	\$ 285,000	\$ 74,213	1.00	\$ 542,394	\$ 245,000	\$ 297,394	1.00	
2020	\$ -	\$ -	\$ -	-	\$ 541,519	\$ 270,000	\$ 271,519	1.00	
2020 Lease Revenue Bonds									
Fiscal Year	Pledged Revenue	Debt Service			Principal	Debt Service			Coverage
	Principal	Interest	Coverage	Principal	Interest	Coverage	Principal	Interest	
2010	\$ -	\$ -	-	\$ -	\$ -	\$ -	\$ -	\$ -	-
2011	\$ -	\$ -	-	\$ -	\$ -	\$ -	\$ -	\$ -	-
2012	\$ -	\$ -	-	\$ -	\$ -	\$ -	\$ -	\$ -	-
2013	\$ -	\$ -	-	\$ -	\$ -	\$ -	\$ -	\$ -	-
2014	\$ -	\$ -	-	\$ -	\$ -	\$ -	\$ -	\$ -	-
2015	\$ -	\$ -	-	\$ -	\$ -	\$ -	\$ -	\$ -	-
2016	\$ -	\$ -	-	\$ -	\$ -	\$ -	\$ -	\$ -	-
2017	\$ -	\$ -	-	\$ -	\$ -	\$ -	\$ -	\$ -	-
2018	\$ -	\$ -	-	\$ -	\$ -	\$ -	\$ -	\$ -	-
2019	\$ -	\$ -	-	\$ -	\$ -	\$ -	\$ -	\$ -	-
2020	\$ 350,017	\$ 312,000	\$ 38,017	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. These bonds were refunded in October 2017 by the 2017 Lease Revenue Bonds.

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.

The Town has pledged no specific revenues for repayment of the 2017 and 2020 Lease Revenue 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.

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

2008 Lease Revenue Bonds					2013 Lease Revenue Bonds		2017 Lease Revenue Bonds		2020 Lease Revenue Bonds				
<i>Debt Service Reserve Requirement</i>													
<i>equals the lesser of the three following:</i>													
Calendar Year	Principal Balance December 31	Maximum Annual Debt Service	125% of Average Annual Debt Service	10% of Original Par	Debt Service Reserve Fund Balance	Principal Balance December 31	Principal Balance December 31	Principal Balance December 31	Principal Balance December 31				
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	\$ 672,902	\$ 3,635,000	\$ -	\$ -	\$ -				
2016	\$ 9,320,000	\$ 670,999	\$ 838,749	\$ 1,071,000	\$ 672,933	\$ 3,365,000	\$ -	\$ -	\$ -				
2017	\$ 9,085,000	\$ 671,999	\$ 839,998	\$ 1,071,000	\$ 673,637	\$ 3,095,000	\$ -	\$ -	\$ -				
2018	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,815,000	\$ 8,255,000	\$ -	\$ -				
2019	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,530,000	\$ 7,995,000	\$ -	\$ -				
2020	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,725,000	\$ 1,991,000					

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

Fiscal Year	Estimated Population (1)	Countywide Per Capita Income (2)	Estimated Yountville Income	Assessed Yountville Valuation	Unemployment Rate (3)
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%
2016 (4)	2,987	\$ 52,576	\$ 157,044,512	\$ 640,795,068	4.60%
2017 (6)	2,935	\$ 61,483	\$ 180,452,605	\$ 715,618,300	3.60%
2018 (7)	2,874	\$ 65,805	\$ 189,123,570	\$ 863,668,130	3.10%
2019 (8)	2,916	\$ 74,984 (9)	\$ 218,653,344	\$ 974,263,880	2.80%
2020 (8)	2,685	\$ 77,781 (10)	\$ 208,841,725	\$ 1,038,985,513	10.00% (11)

Notes to Table:

- (4) Source: 2009-10 MuniServices LLC Demographic & Economic Statistics
- (5) Source: Employment Development Department Monthly Labor Force Data for Counties Report 400 C, June
- (6) Source: Department of Finance Price Factor and Population Information as of January 1, 2017
- (7) Source: Department of Finance Price Factor and Population Information as of January 1, 2018 and Bureau of Economic Analysis (most recent data, 2016)
- (8) Source : Department of Finance letter, Price Factor and Population Information, dated May 2019
- (9) Source: Bureau of Economic Analysis website, <https://www.bea.gov/system/files/2019-11/lapi1119.pdf>
- (10) Source: Bureau of Economic Analysis website (<https://www.bea.gov/system/files/2019-11/lapi1119.pdf>) growth factor in the DOF price factor and population information as of January 1st, 2020
- (11) Source: Employment Development Department Monthly Labor Force Data for Cities and Census Designated Places, August 2020

Schedule 14
Town of Yountville
Principal Employers
Last Ten Fiscal Years

Fiscal Year				Fiscal Year					
Ended	Employer	Number Employees	Rank to Town	Ended	Employer	Number Employees	Rank to Town		
June 30				June 30					
2011	Veterans Home of California State of California	500 - 999	1	67.46%	Veterans Home of California State of California	500 - 999	1	67.92%	
	Villagio Inn & Spa Operations for Vintage, Villagio, and related support services	350 - 499	2	26.92%	The Keller Group for restaurant operations	250 - 350	2	22.69%	
	The Keller Group for restaurant operations	250 - 350	3	24.08%	Villagio Inn & Spa Operations (Vintage Estates) for Vintage, Villagio, and related support services	250 - 299	3	19.23%	
	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%	
2012	Veterans Home of California State of California	500 - 999	1	67.46%	2017	Veterans Home of California State of California	500 - 999	1	67.92%
	Villagio Inn & Spa Operations for Vintage, Villagio, and related support services	350 - 499	2	26.92%	The Keller Group for restaurant operations	250 - 350	2	22.69%	
	The Keller Group for restaurant operations	250 - 350	3	24.08%	Villagio Inn & Spa Operations (Vintage Estates) for Vintage, Villagio, and related support services	250 - 299	3	19.23%	
	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%	
2013	Veterans Home of California State of California	500 - 999	1	67.46%	2018	Veterans Home of California State of California	500 - 999	1	67.92%
	Villagio Inn & Spa Operations for Vintage, Villagio, and related support services	350 - 499	2	26.92%	Vintage Estate for Vintage, Villagio, and related support services	250 - 499	2	19.23%	
	The Keller Group for restaurant operations	250 - 350	3	24.08%	Domaine Chandon Winery for winery and food service operations	250 - 499	3	15.92%	
	Domaine Chandon Winery for winery and food service operations	200 - 250	4	15.92%	2019	Veterans Home of California State of California	500 - 999	1	67.92%
2014	Veterans Home of California State of California	500 - 999	1	67.46%	Vintage Estate for Vintage, Villagio, and related support services	250 - 499	2	19.23%	
	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	3	15.92%	
	The Keller Group for restaurant operations	250 - 350	3	24.08%	Domaine Chandon Winery for winery and food service operations	250 - 499	3	15.92%	
	Domaine Chandon Winery for winery and food service operations	200 - 250	4	15.92%	2020	Veterans Home of California State of California	500 - 999	1	67.92%
2015	Veterans Home of California State of California	500 - 999	1	67.46%	Vintage Estate for Vintage, Villagio, and related support services	250 - 499	2	19.23%	
	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	3	15.92%	
	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									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Administration	6.00	6.00	6.00	6.00	7.00	7.00	7.00	7.35	5.17	5.08
Town management										
Town municipal clerk										
Finance										
Planning & Building	2.00	2.00	2.00	2.00	1.73	1.73	2.50	3.00	3.50	3.50
Public Works	7.00	7.00	7.00	7.00	9.73	9.73	8.50	9.35	11.17	11.39
Engineering										
Street maintenance										
Park maintenance										
Government buildings										
Water operations										
Wastewater	4.00	4.00	4.00	4.00	4.00	4.00	5.00	5.30	5.78	5.75
Collection and treatment										
Parks & Recreation	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	6.38	5.28
Recreation programs										
Pool & Aquatics										
Community Center										
Totals	24.00	24.00	24.00	24.00	27.46	27.46	28.00	30.00	32.00	31.00

Schedule 16
Town of Yountville
Operating Indicators
Last Ten Fiscal Years

Function	Fiscal Years ended June 30									
	2012	2013	2014	2015	2016	2017	2018	2019	2019	2020
Police										
Felony crimes	42	39	29	25	87	6	4	33	33	52
Traffic violations/citations	41	157	686	826	651	243	271	277	277	142
Water system										
Annual Consumption (AF)	563.98	571.61	612.93	537.60	473.97	427.43	479.45	357.54	357.54	544.49
Daily average consumption in MGD	0.504	0.510	0.547	0.480	0.423	0.382	0.428	0.319	0.319	0.486
Wastewater system										
Daily average treatment in MGD	0.438	0.451	0.381	0.372	0.371	0.338	0.365	0.440	0.440	0.301
Maximum daily capacity of treatment plant, in MGD	0.630	0.630	0.630	0.630	0.550	0.550	0.550	0.550	0.550	0.550
Streets										
Expenditures for streets in thousands of dollars	\$ 718	\$ 832	\$ 1,499	\$ 569	\$ 483	\$ 712	\$ 364	\$ 735	\$ 735	\$ 1,338

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

Fiscal Years ended June 30

Function	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
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	1	1	1
Parks & open space areas	10	10	10	10	10	10	10	10	10	10
Park acreage	15	15	15	15	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	4	4	4	4	4	4	4	4	4
Public library (County)										
Number of branches	1	1	1	1	1	1	1	1	1	1
Square footage	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800
Number of items	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Streets										
Miles of streets	8.45	8.45	8.45	8.45	8.45	8.45	8.45	8.45	8.45	8.45
Water system										
Service connections	770	786	793	800	815	814	813	822	827	832
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	716	720	735	743	754	753	750	759	761	765
Miles of sanitary sewers	9.4	9.4	9.4	9.4	9.4	9.4	9.4	9.4	9.4	9.4

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Town of Yountville
“The Heart of the Napa Valley”

OTHER INDEPENDENT AUDITOR REPORTS



**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
*GOVERNMENT AUDITING STANDARDS***

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Town of Yountville (the "City") as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated November 16, 2020.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City'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 City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City'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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of 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.

C & A LLP

Chavan & Associates, LLP
Certified Public Accountants
November 16, 2020
San Jose, California

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