



CITY OF NAPA, CALIFORNIA

FOR THE YEAR ENDED JUNE 30, 2025

ANNUAL COMPREHENSIVE FINANCIAL REPORT

PREPARED BY THE
FINANCE DEPARTMENT

CITY OF NAPA, CALIFORNIA

Annual Comprehensive Financial Report

For the Year Ended June 30, 2025

Prepared by:

Finance Department, City of Napa

CITY OF NAPA, CALIFORNIA

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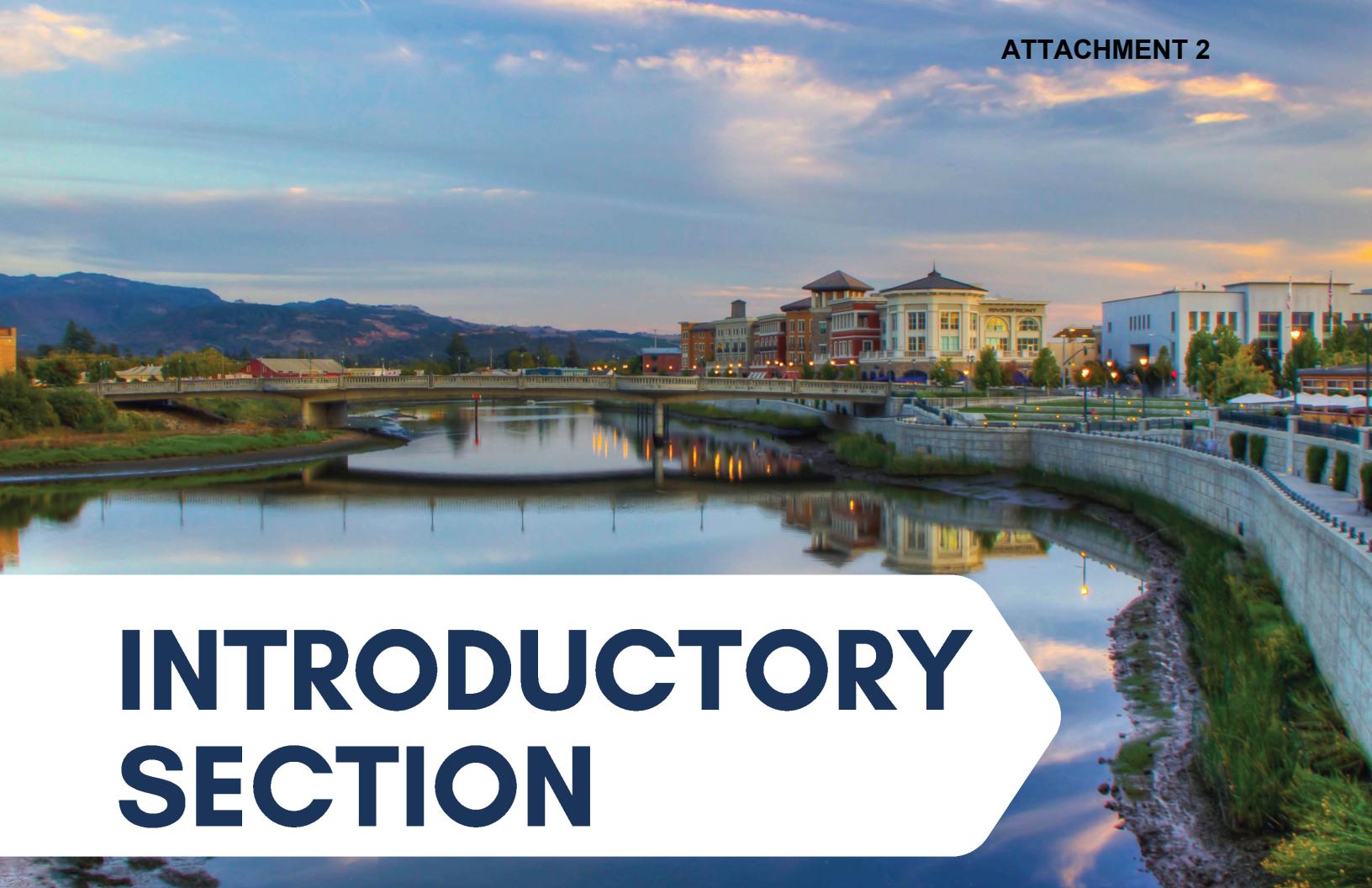
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INTRODUCTORY SECTION

- Transmittal Letter
- Organizational Chart
- Principal Officials
- City Map
- GFOA Certificate

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December 10, 2025

To the Honorable Mayor, Members of the City Council and Citizens of the City of Napa:

California law requires that all general-purpose local governments publish a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America (GAAP) and audited by a firm of licensed certified public accountants in accordance with auditing standards generally accepted in the United States of America. Pursuant to that requirement, we are pleased to present the Annual Comprehensive Financial Report (ACFR) of the City of Napa for the fiscal year ended June 30, 2025. The fiscal year covers financial transactions from July 1, 2024 to June 30, 2025 on a modified or full accrual basis, depending on the fund type.

City management assumes full responsibility for the completeness and reliability of all of the information presented in this report. The City has established a comprehensive internal control framework that is designed both to protect the City's assets from loss, theft, or misuse and provides sufficiently reliable information that the City of Napa's financial statements are in conformity with GAAP. The cost of internal controls should not outweigh their benefits and the internal controls are designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. City management asserts that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City of Napa's financial statements have been audited by LSL, LLP, a licensed certified public accounting firm. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Napa, for the fiscal year ended June 30, 2025, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City of Napa's financial statements for the fiscal year ended June 30, 2025 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the City is part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance involving the administration of federal awards. The Single Audit report includes the Schedule of Expenditures of Federal Awards, Findings and Recommendations, and an auditors' report on the internal control structure and compliance with applicable laws and regulations. This report is a separately issued Single Audit Report and is not included herein.

Annual Comprehensive Financial Report (ACFR)

This ACFR contains financial information and data using the financial reporting format established for governments by the Governmental Accounting Standards Board (GASB). The GASB sets accounting and financial reporting standards for governments in the United States of America. The financial reporting standards 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.

Immediately following the report of the independent auditors', you will find the City of Napa's MD&A.

Profile of the City and its Operations

The City of Napa is located in the northern part of California, about 50 miles north of San Francisco and is the largest city in Napa County. California State Highway 29 runs through Napa, connecting it to Vallejo and the East Bay Area to the south and the Napa Wine Country to the north. California State Highway 12 runs to the south of the City, connecting it to Fairfield and Interstate 80 to the east and Sonoma and US-101 to the west. The Napa River traverses the City on its journey to the San Pablo Bay. The City of Napa currently occupies 18.1 square miles, 17.8 square miles of which is land and 0.3 square miles of which is water. The City serves a population of 79,246 residents and receives property taxes levied on real and personal property located within its boundaries.

Napa was founded in 1847 and incorporated in 1872. Napa is a charter city in the State of California. The City Charter was ratified by the voters in an election held on December 16, 1914, with an effective date of January 26, 1915. The City Charter may be amended only by a vote of the City's electorate.

The City operates under the Council-Manager form of government. Policy-making and legislative authority are vested in a City Council consisting of a Mayor elected at large and four Council members elected by district. All four Council members are elected to four-year overlapping terms. The Mayor, who sits on the Council, is elected directly by the residents, and serves a term of four years. The City Council is responsible for, among other duties, passing ordinances, adopting the budget, appointing committees, and hiring the City Manager, City Attorney and City Clerk. The City Manager serves as the administrative head of the City of Napa government and is responsible for carrying out the policies and ordinances of the City Council and all management functions of the City, including the budget, delivery of services, hiring all department directors and implementation of capital projects.

The City of Napa provides a wide range of municipal services including the following: police and fire protection; recreational activities; community and economic development; street improvement and maintenance services; parks maintenance; water; solid waste and recycling; general administrative and support services.

Budget Information

The budget process is an ongoing cycle that serves as the foundation of the City of Napa's financial planning and control. City Council meets at the beginning of the calendar year to set focus areas for the upcoming fiscal year. Then City staff works to put together plans that match those focus areas, and then hold a Capital Improvement Program (CIP) Workshop and an Operating Budget Workshop in April for initial Council feedback. This is followed by public hearings in June to review and adopt the finalized budget. A new budget goes into effect on July 1.

The City typically follows a biennial budgeting process, which enhances efficiency by reducing the staff time required to prepare the budget in the second year and allows for long-term financial planning. Because the City's Charter requires the Council to adopt a budget annually, the Council adopts the first year of the biennial budget and approves the budget plan for the second year at the same time. Council then adopts the second-year budget the following year. The City annually adopts the biennial appropriated budget for the General Fund, Development Fees Fund, HOME Program Fund, Housing Fund, Measure T Fund, and for all nonmajor special revenue funds (except for Public Infrastructure Program Fund, Opioid Settlement Fund, and Departmental Funds related to state and federal grants) and Capital Project Fund. The City also annually adopts the biennial appropriated budget for the proprietary funds. Budget comparison for these funds are not legally mandated and thus are not presented in these financial statements.

The budget is prepared by fund and by program within each department. Department managers may make transfers of appropriations within a department, except for personnel-related budgets, which require City Manager approval. Budget adjustments between funds or for CIP projects require City Council approval. The level of budgetary control, the level at which expenditures cannot legally exceed the appropriated amount, is established at the fund level. The budgets are adopted on a basis substantially consistent with generally accepted accounting principles (GAAP). Expenditures above the appropriated amount require approval by the City Council.

Local Economy and Outlook

The City of Napa benefits from a diverse revenue base. *Property Taxes* (35% of General Fund revenues in FY 2024/2025) remains a steady source of General Fund revenue and has estimated growth of 5.7% in FY 2025/26 and 3.7% in FY 2026/27. *Transient Occupancy Taxes (TOT)* (22% of General Fund revenues) had a strong rebound after the pandemic low of FY 2020/21 and began to plateau in FY 2023/24. Growth of TOT is estimated to be 0.9% higher next year, with additional growth of 2.0% in FY 2026/27. *Sales Taxes* (19% of General Fund revenues) is expected to grow in FY 2025/26 by 62.1% over current year due to the passing of Measure G (effective April 1, 2025), and an additional 2.9% in FY 2026/27. The top three sales tax generating industries in Napa continue to be restaurant and hotel, general consumer goods, and auto and transportation. The restaurant and hotel industry and auto and transportation showed the greatest increase in fiscal year 2025. Other revenues include permits, franchise fees, business license fees, charges for services, and various Public Safety grants (24% of General Fund revenues).

The City is within a world-renowned wine region and has developed into a strong destination community. Tourism in the Napa Valley continues to provide a strong foundation for Napa's economy. As of the end of the fiscal year, there were 27 hotels/motels, 21 bed and breakfast establishments, 43 non-hosted and 27 hosted vacation rentals generating transient occupancy tax revenue within the City.

Major Initiatives

Measure G

On June 4, 2024, the City Council unanimously voted to place Measure G on the November 5, 2024, general municipal election ballot. Measure G, approved by a majority of Napa voters, establishes a new local sales tax from 7.75% to 8.75% that is expected to generate an estimated \$22 million annually to fund essential services and provide resources necessary to enhance road maintenance, repair sidewalks, revitalize parks, and support public safety and other critical services.

To maintain transparency and accountability, the City has appointed a five-member Measure G Oversight Committee that will play an essential role in reviewing expenditures and ensuring funds are allocated to initiatives that reflect the needs and priorities of Napa residents. The Oversight Committee will provide an extra layer of accountability, ensuring that every dollar of Measure G funding is spent wisely, in alignment with community priorities and contributes to building a stronger Napa for all of our residents.

City of Napa Joint Public Finance Authority

On August 5, 2025, City Council approved and authorized the City Manager to execute a Joint Exercise of Powers Agreement between the Industrial Development Authority and the City of Napa, establishing the City of Napa Joint Public Finance Authority and the City of Napa, establishing the City of Napa Joint Public Finance Authority under the Joint Powers Law. On August 13, 2025, City of Napa and the City of Napa Industrial Development Authority formed a joint powers authority under the provisions of Article 1 (commencing with Section 6500) of Chapter 5, Division 7, Title 1 of the Government Code of the State of California (the “joint Powers Law”) for the purpose of creating a public agency which can provide financial assistance to the Industrial Development Authority and the City in connection with the construction of public capital improvements and other purposes specified in the Joint Powers Law.

Long-Term Financial Planning

The City updates a Long-Term Financial Forecast (LTFF) on an annual basis to provide a forward look at the City’s General Fund operating revenues and expenditures. Its purpose is to identify financial trends, shortfalls, opportunities, and issues so the City can proactively address them. It does so by projecting the future fiscal results of continuing the City’s current service levels and policies. The LTFF lays the foundation for the budget, aiding both the City Manager and City Council in establishing priorities and allocating resources appropriately.

The City has consistently planned its budget with a focus on long-term sustainability. This is accomplished through financial policies and the establishment of reserves. The City continues to maintain *General Fund reserves* at City Council’s established fiscal policy level of 20% of the operating budget. Approximately \$2.18 million of contributions were made in fiscal year 2025 to maintain compliance with fiscal policy. The *Emergency Reserve* balance ended the year at \$18.16 million, the *Operating Reserve* at \$6.49 million, and the *Contingency Reserve* at \$1.30 million. Total reserves are \$25.95 million or 20% of General Fund actual operating expenditures. In addition, the City maintains a *CIP General Reserve* and a *CIP Facilities Reserve*, which were both fully funded to fiscal policy levels in fiscal 2025.

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 City of Napa for its ACFR for the fiscal year ended June 30, 2024. The organization of the City's ACFR follows the guidelines set forth by GFOA. This marks the eleventh consecutive year that the City has been recognized with this award.

The City must publish an easily readable and efficiently organized ACFR to be awarded a Certificate of Achievement. The report must satisfy both generally accepted accounting principles and applicable legal requirements. This ACFR also meets the program's requirements, and staff will submit it to GFOA to determine its eligibility for the certificate.

The City of Napa received the GFOA Award for Outstanding Achievement in Popular Annual Financial Reporting (PAFR Award) for its Popular Annual Financial Report for the fiscal year ended June 30, 2024.

The City of Napa also received the GFOA Distinguished Budget Presentation Award for the fiscal year 2025-2027 budget. In addition to receiving this award, the City received special recognition for its long-range operating financial plans.

Acknowledgments

The preparation of this report would not have been possible without the hard work and dedication of the entire Finance Department. In addition, thanks to all City departments for their assistance in providing the data necessary to prepare this report. We would also like to express our appreciation to the Mayor and City Council for their unfailing support for maintaining the highest standards of professionalism in the financial management of the City of Napa.

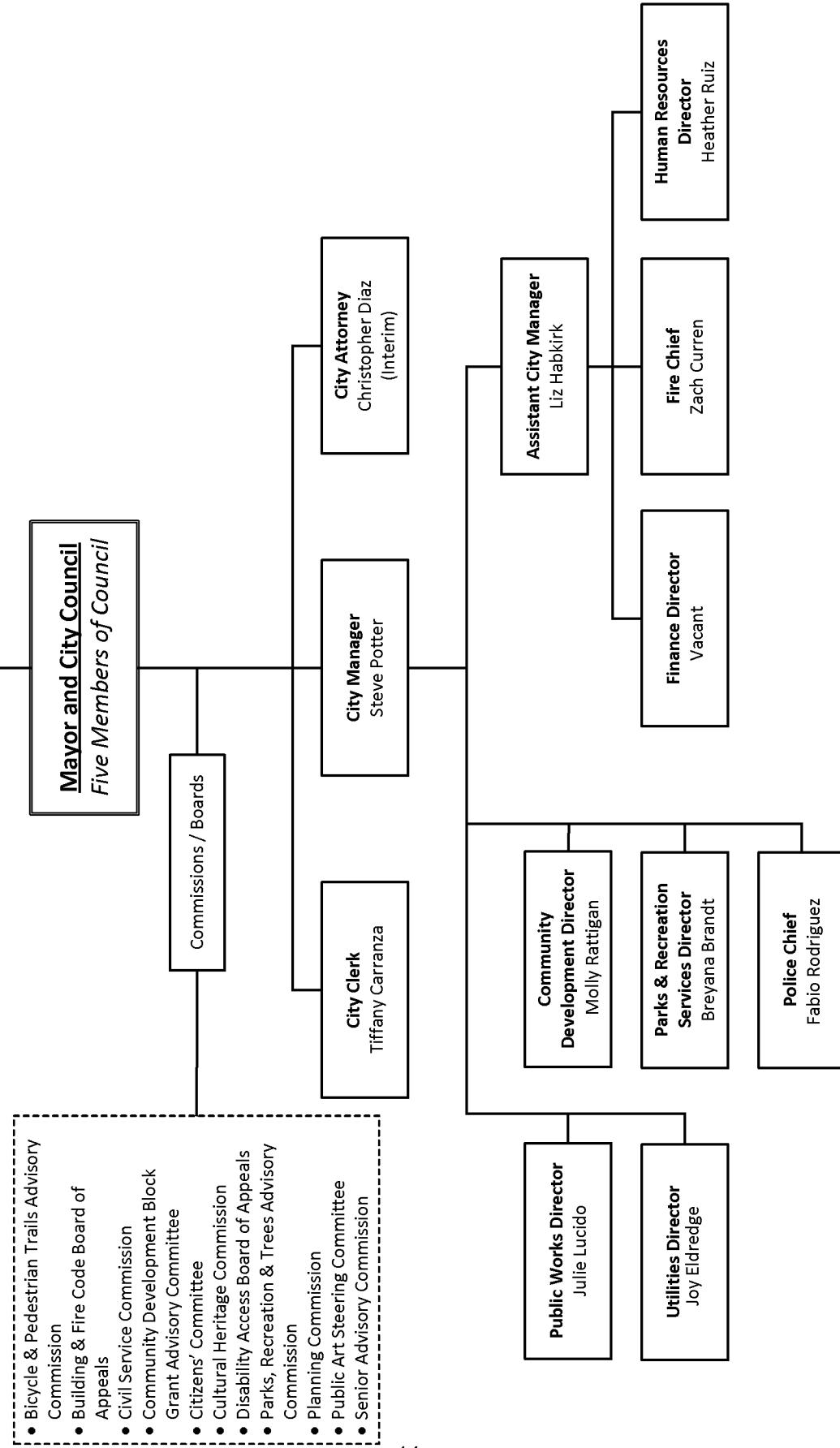


Donna Lee, CPA, CIA
Finance Director



Paul Phangureh, CPA, CIA, CGAP
Deputy Finance Director

RESIDENTS OF NAPA, CALIFORNIA





ANNUAL COMPREHENSIVE FINANCIAL REPORT

June 30, 2025

Mission Statement

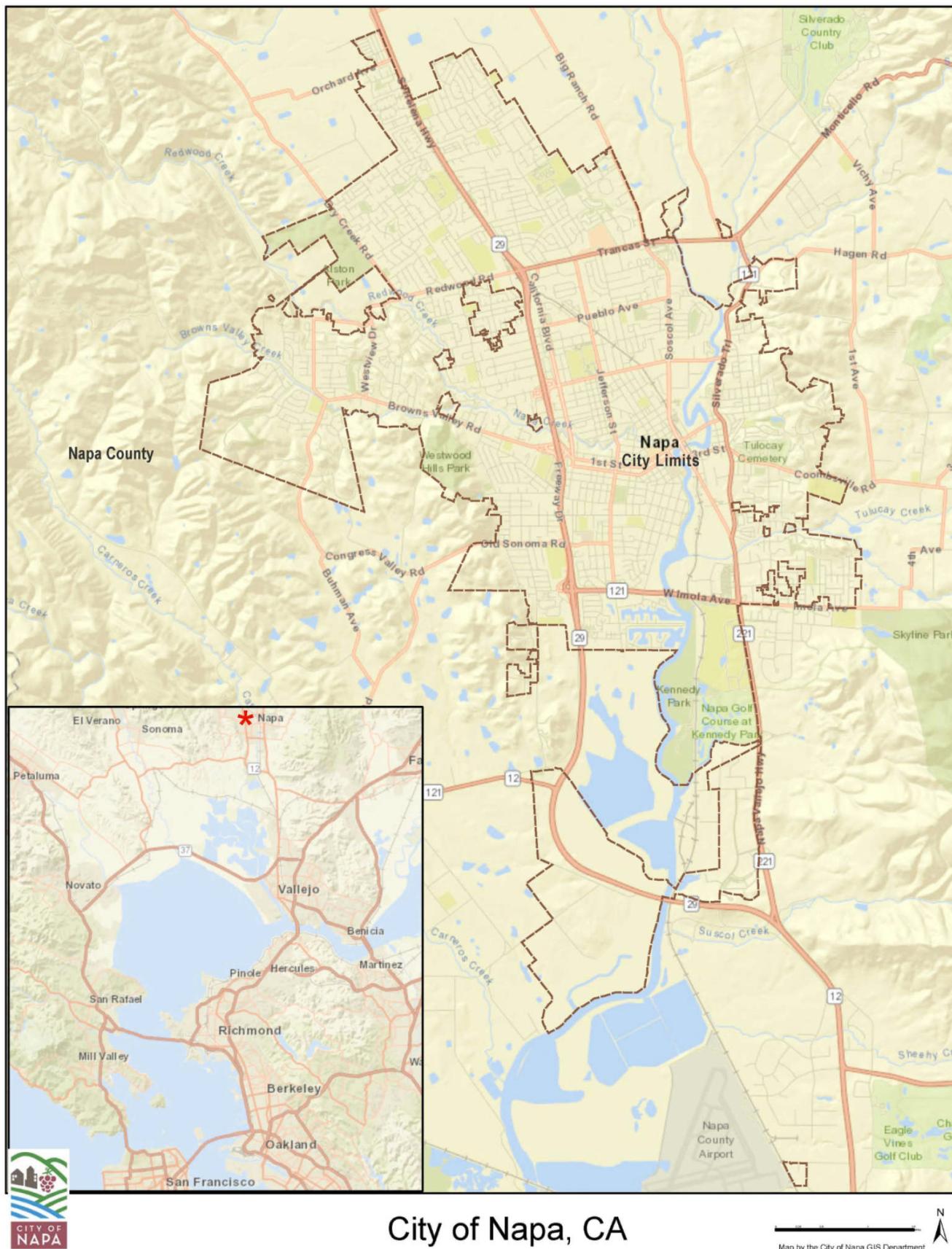
"Rooted in public service, our mission is to grow a vibrant, sustainable community for all who live in, work in and visit the City of Napa, through thoughtful leadership and dedication to excellence."

CITY COUNCIL

Scott Sedgley, Mayor
Bernie Narvaez, Vice-Mayor
Christopher DeNatale, Council Member
Mary Luros, Council Member
Beth Painter, Council Member

CITY STAFF

Steve Potter, City Manager
Christopher J. Diaz (Interim), City Attorney
Tiffany Carranza, City Clerk
Liz Habkirk, Assistant City Manager
Zach Curren, Fire Chief
Heather Ruiz, Human Resources Director
Joy Eldredge, Utilities Director
Julie Lucido, Public Works Director
Fabio Rodriguez, Police Chief
Finance Director - Vacant
Molly Rattigan, Community Development Director
Breyana Brandt, Parks and Recreation Services Director





Government Finance Officers Association

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

Presented to

**City of Napa
California**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2024

Christopher P. Morill

Executive Director/CEO

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FINANCIAL SECTION

- **Independent Auditors' Report**
- **Management's Discussion & Analysis**
- **Basic Financial Statements**
- **Notes to the Basic Financial Statements**
- **Required Supplementary Information**
- **Supplementary Information**

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INDEPENDENT AUDITORS' REPORT

To The Honorable Mayor and Members of the City Council
 City of Napa
 Napa, California

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Napa (the "City"), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2025, 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

Change in Accounting Principle

As described in Note 1 to the financial statements, in 2025, the City adopted new accounting guidance, GASB Statement No. 101, Compensated Absences. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.



To The Honorable Mayor and Members of the City Council
City of Napa, California

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and required pension and other post-employment benefits schedules as listed on the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.



To The Honorable Mayor and Members of the City Council
City of Napa, California

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying combining and individual fund financial statements and schedules (supplementary information) are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 10, 2025, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City's internal control over financial reporting and compliance.

Sincerely,

LSL, LLP

Sacramento, California
December 10, 2025

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MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

Financial Highlights for Year Ended June 30, 2025

CITY OF NAPA, CALIFORNIA**Management's Discussion and Analysis (Unaudited)****For the Year Ended June 30, 2025**

INTRODUCTION

This narrative is presented to provide readers of this *Annual Comprehensive Financial Report* with an overview and analysis of the financial activities of the City of Napa (the "City") for the fiscal year ended June 30, 2025.

Overview of Financial Statements

The Financial Section of the Annual Comprehensive Financial Report includes the following sections:

1. Independent Auditor's Report to the The Honorable Mayor and Members of the City Council
2. This introductory commentary, *Management's Discussion and Analysis (MD&A)*
3. Basic Financial Statements, including:
 - a. Government-Wide Financial Statements
 - b. Fund Financial Statements
 - c. Notes to the Financial Statements
4. Supplemental Information
 - a. Non-major governmental funds
 - b. Internal service funds
 - c. Fiduciary funds

THE FINANCIAL STATEMENTS

The **Basic Financial Statements** are comprised of the *Government-wide Financial Statements* are comprised of the Government-wide Financial Statements and the *Fund Financial Statements*. These two sets of financial statements provide two different perspectives of the City's financial activities and financial position. The accompanying *Notes to the Basic Financial Statements* are an integral part of these financial statements.

The **Government-wide Financial Statements** provide a long-term view of the City's activities as a whole. The Statement of Net Position provides information about financial position, including capital assets and long-term liabilities on the full accrual basis, similar to that used by commercial enterprises. The Statement of Activities provides information about the City's revenues and expenses, also on the full accrual basis, with the emphasis on measuring the net revenues or expenses of City programs. Information is presented both in total and separately for governmental activities, which are generally tax and grant supported and business-type activities which are typically supported by user fees.

The **Fund Financial Statements** report the City's operations in more detail than the government-wide statements. The City, like other state and local governments, uses fund accounting to ensure and demonstrate finance-related legal compliance. All of the funds of the City can be divided into three categories: *governmental funds, proprietary funds and fiduciary funds*:

- *Governmental funds* account for most of the City's basic services and focus primarily on short-term activities by measuring current revenues and expenditures and excluding capital assets and long-term obligations. The City maintains several individual governmental funds organized according to their type (special revenue and capital projects). Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, Development Fees Fund, HOME Program Fund, Housing Fund, Measure T, and City Capital Projects, which are major funds. Data from the remaining non-major 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 beginning on page 136.

CITY OF NAPA, CALIFORNIA

Management's Discussion and Analysis (Unaudited)

For the Year Ended June 30, 2025

- *Proprietary funds* are generally used to account for services for which the City charges customers – either outside customers, or internal departments or programs of the City. Proprietary funds provide the same type of information as shown in the government-wide financial statements, only in more detail. The City maintains the following two types of proprietary funds:
 - *Enterprise funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for the water utility and solid waste and recycling. All of the proprietary funds are major funds.
 - *Internal service funds* are used to report activities that provide supplies and services for certain City programs and activities. The City uses internal service funds to account for risk management, fleet services, information technology equipment maintenance and replacement, capital equipment maintenance and replacement, post-employment benefits for current and past employees, on a cost-reimbursement basis. Because these services predominately benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements. The internal service funds are combined into a single, aggregated presentation in the proprietary funds financial statement. Individual fund data for the internal service funds is provided in the form of combining statements beginning on page 134.
- *Fiduciary funds* are used to report assets held in a trust or agency capacity for others. The City currently has only one fiduciary fund, the Gasser Community Facilities District (CFD), to account for debt-related activities. This fund cannot be used to support the City's programs and therefore is not reflected in the government-wide financial statements.

FINANCIAL HIGHLIGHTS

The City provides services to the citizens of Napa by leveraging property, sales, and other taxes with user fees and federal, state, and local grants to finance its operations. The City's property tax revenue increased in fiscal 2025 as the housing market continued to strengthen.

The governmental activities total assets increased by \$28.7 million (to \$711.9 million) and business-type activities total assets increased by \$12.2 million (to \$234.1 million). The increase in total assets was primarily due to a combined increase of \$23.4 million in capital assets. The decrease in deferred outflows in the governmental activities and business-type activities is the result of the June 30, 2024, measurements of the net pension liability and the net other post-employment benefits asset.

Overall, the City total liabilities decreased by \$17.8 million (to \$329.5 million). This is primarily due to a decrease of \$16.2 million in current and other liabilities and \$1.6 million in long-term liabilities. There was a \$12.1 million reduction in deferred revenue primarily due to the recognition of earned revenue of \$4.4 million for the Encampment Resolution grant and \$7.2 million for the American Rescue Plan Act (ARPA) grant. The decrease of \$1.9 million (to \$6.3 million) in deferred outflows in the governmental activities and business-type activities was primarily due to a decrease in OPEB-related inflows of resources.

Overall, the City's net position increased by \$46.5 million (to \$656.5 million).

CITY OF NAPA, CALIFORNIA
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2025

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

The total net position of the City as of June 30, 2025 and 2024 are summarized in Table 1 below and are followed by a discussion of the balances by category.

Table 1
Summary of Net Position

	Governmental Activities		Business-Type Activities		Total	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
Assets:						
Cash and investments	\$ 256,735,161	\$ 234,386,707	\$ 99,639,972	\$ 98,334,605	\$ 356,375,133	\$ 332,721,312
Receivables and other assets	73,390,474	79,168,583	12,057,942	12,461,569	85,448,416	91,630,152
Capital assets	381,820,009	369,701,518	122,361,433	111,087,618	504,181,442	480,789,136
Total assets	711,945,644	683,256,808	234,059,347	221,883,792	946,004,991	905,140,600
Deferred outflows of resources:						
Deferred outflows	41,978,175	55,682,441	5,182,184	6,775,425	47,160,359	62,457,866
Total deferred outflows of resources	41,978,175	55,682,441	5,182,184	6,775,425	47,160,359	11,957,609
Liabilities:						
Current and other liabilities	23,691,325	32,408,735	10,994,479	11,874,143	34,685,804	54,718,637
Long-term liabilities	232,390,304	237,238,994	62,407,479	65,742,047	294,797,783	292,545,282
Total liabilities	256,081,629	269,647,729	73,401,958	77,616,190	329,483,587	347,263,919
Deferred inflows of resources:						
Deferred inflows	5,763,133	6,151,099	1,468,097	2,098,715	7,231,230	8,249,814
Total deferred inflows of resources	5,763,133	6,151,099	1,468,097	62,385,716	7,231,230	63,853,813
Net position:						
Net investment in capital assets	373,101,354	359,879,963	84,854,583	70,800,085	457,955,937	430,680,048
Restricted	145,307,741	76,246,501	8,144	510	145,315,885	76,247,011
Unrestricted	(26,330,038)	27,013,957	79,508,749	78,143,717	53,178,711	105,157,674
Total net position	\$ 492,079,057	\$ 463,140,421	\$ 164,371,476	\$ 148,944,312	\$ 656,450,533	\$ 612,084,733

Cash and other assets – The City's cash and investment portfolio increased by \$23.7 million (to \$356.4 million), primarily due to an increase in property tax, sales tax, and use of money and property. The City's receivables and other assets decreased by \$6.2 million (to \$85.5 million) due to the collection of outstanding accounts receivables.

Capital assets – The City's capital assets increased by \$23.4 million during the fiscal year (to \$504.2 million). Additional information on capital assets may be found in Note 7 to the financial statements.

Deferred outflow of resources – The City's deferred outflow of resources (\$42.0 million in governmental activities and \$5.2 million in business-type activities) relate to the net pension liability and the Net OPEB asset.

Current and other liabilities – The City's current and other liabilities decreased by \$17.8 million (to \$329.5 million). This change is primarily due to the reduction in deferred revenue for the Encampment Resolution grant and the ARPA grant.

CITY OF NAPA, CALIFORNIA**Management's Discussion and Analysis (Unaudited)****For the Year Ended June 30, 2025**

Long-term liabilities – The decrease in the pension liability contributed to an overall decrease of \$1.6 million in the long-term liabilities to \$291.0 million. This includes the net pension liability of \$225.6 million, and loans, notes, leases, SBITA, claims and compensated absences of \$60.2 million.

Deferred inflow of resources – The City's deferred inflow of resources (\$4.9 million in governmental activities and \$1.5 million in business-type activities) is related to changes in the net pension liability and net other post-employment benefits asset as required by GASB's 68 and 75 and the addition of new GASB 87 leases.

Net position – The governmental activities net position balance of \$492.1 million includes \$373.1 million of net investment in capital assets, \$146.1 million restricted funds available for capital projects and other programs, and a remaining deficit of \$27.1 million. The City's business-type activities reported a net position balance of \$164.4 million, which includes \$84.9 million of net investment in capital assets, and \$79.5 million available for future needs including capital projects.

CITY OF NAPA, CALIFORNIA
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2025

Government-wide Statement of Activities

A summarized comparison of the City's Revenues, Expenses, Business-Type Activities, and Net Position as of June 30, 2025:

Table 2
Summary of Activities

	Governmental Activities		Business-type Activities		Total	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
Revenues:						
Program revenues:						
Charges for services	\$ 35,903,753	\$ 29,823,703	\$ 96,447,837	\$ 81,633,810	\$ 132,351,590	\$ 111,457,513
Operating grants and contributions	37,795,345	33,225,580	180,292	524,231	37,975,637	33,749,811
Capital grants and contributions	14,552,686	15,725,652	357,003	2,872,559	14,909,689	18,598,211
General revenues:						
Property taxes	52,285,101	50,440,872	-	-	52,285,101	50,440,872
Franchise taxes	2,146,232	2,226,860	-	-	2,146,232	2,226,860
Sales taxes	28,514,248	22,658,898	-	-	28,514,248	22,658,898
Transient occupancy taxes	33,396,044	31,905,493	-	-	33,396,044	31,905,493
Use of money and property	13,610,394	10,367,023	5,858,947	4,332,925	19,469,341	14,699,948
Miscellaneous income	628,776	500,552	471,100	546,141	1,099,876	1,046,693
Total revenues	218,832,579	196,874,633	103,315,179	89,909,666	322,147,758	286,784,299
Expenses:						
Governmental activities:						
General government	36,425,644	32,532,490	-	-	36,425,644	32,532,490
Public safety	70,914,273	65,895,817	-	-	70,914,273	65,895,817
Public works	36,835,220	32,374,115	-	-	36,835,220	32,374,115
Park and recreation	12,668,957	11,210,661	-	-	12,668,957	11,210,661
Community development	37,704,556	34,846,996	-	-	37,704,556	34,846,996
Interest on long-term debt	205,749	227,324	-	-	205,749	227,324
Business-type activities:						
Water Utility	-	-	36,104,438	38,639,478	36,104,438	38,639,478
Solid Waste and Recycling	-	-	44,022,430	43,517,633	44,022,430	43,517,633
Total expenses	194,754,399	177,087,403	80,126,868	82,157,111	274,881,267	259,244,514
Excess (deficiency) before transfers	24,078,180	19,787,230	23,188,311	7,752,555	47,266,491	27,539,785
Transfers	5,485,200	5,269,310	(5,485,200)	(5,269,310)	-	-
Changes in net position	29,563,380	25,056,540	17,703,111	2,483,245	47,266,491	27,539,785
Net position - beginning	463,140,421	438,083,880	148,944,312	146,461,067	612,084,733	584,544,947
Restatement - change in accounting principle and correction of errors	(624,744)	-	(2,275,947)	-	(2,900,691)	-
Net position - beginning, as restated	462,515,677	438,083,880	146,668,365	146,461,067	609,184,042	584,544,947
Net position - ending	\$ 492,079,057	\$ 463,140,420	\$ 164,371,476	\$ 148,944,312	\$ 656,450,533	\$ 612,084,732

Changes in net position – The changes in the City's government-wide net position for the year ended June 30, 2025, reflect the City's activities during the fiscal year. The governmental activities revenues in fiscal year 2024-25 increased by \$21.9 million (to \$218.8 million). This is mainly due to an increase of \$6.1 million in charges for services, \$4.6 million in operating grants and contribution, and \$5.7 million from Measure G sales taxes. The Governmental Activities expense increased in FY 2024-25 by \$17.7 million (to \$194.8 million) primarily due to an increase of \$3.9 million in general government, \$5.0 million in public safety, and \$4.4 million in public works.

CITY OF NAPA, CALIFORNIA
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2025

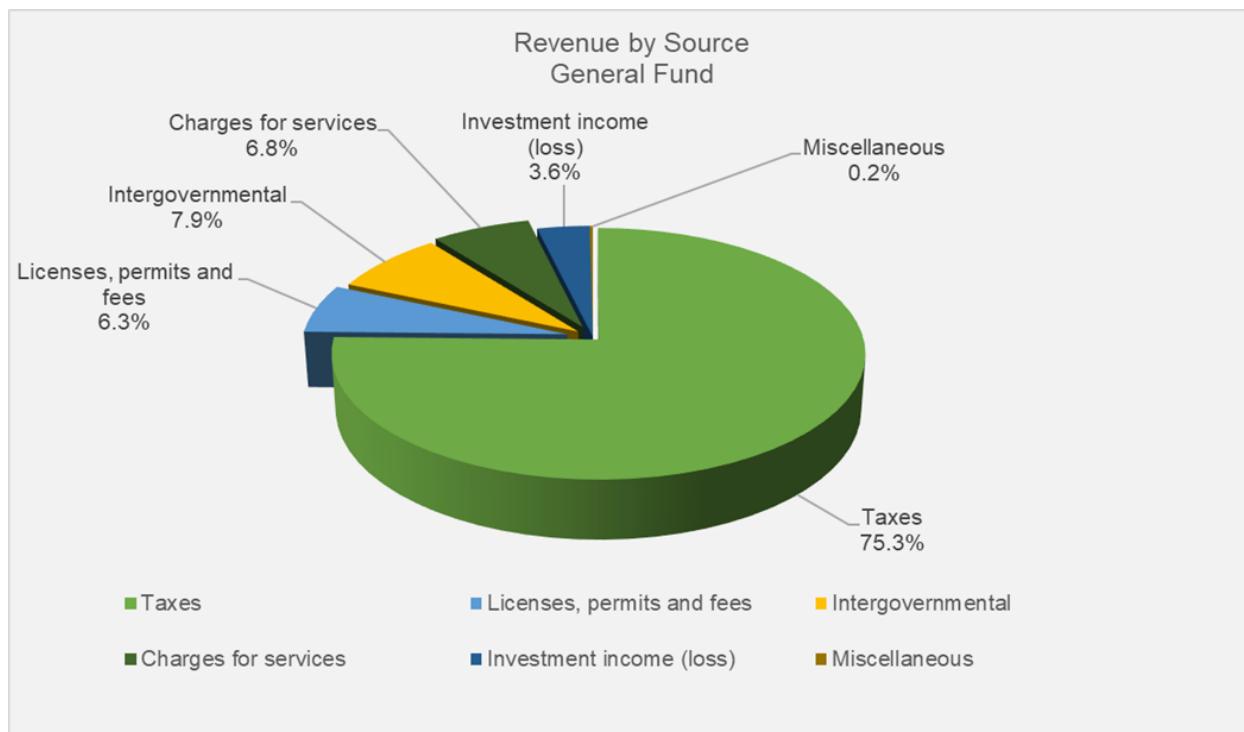
FINANCIAL ANALYSIS OF THE CITY'S FUNDS

In addition to the accrual-basis government-wide financial statements described above, the City also maintains financial records at the fund level for budgetary control. Individual funds are generally established to track the resources and operating results for the general fund and specific restricted programs. The results for the governmental funds shown below differ from those reported above in the government-wide statements because the governmental funds statements focus on current, available, financial resources. The following are financial highlights of the City's most significant funds:

Governmental Funds

General Fund – The General Fund is the general operating fund of the City. General Fund revenue totaled \$149.6 million, which represented 100.02 percent of the \$149.3 million adopted budgeted. This is an increase of \$12.6 million (or 11.3 percent) from the previous fiscal year. This increase is primary due to an increase of \$8.9 million in tax revenue including \$5.7 million from Measure G – Sales Tax.

General Fund revenue increased by \$12.6 million (or 11.3 percent from the previous fiscal year). This increase is primary related to an increase of \$8.9 million in tax revenue including \$5.7 million from Measure G – Sales Tax and \$2.5 million in stronger than expected returns on investments.



General Fund expenditures totaled \$134.6 million, which represented 93 percent of the \$144.6 million adopted budget. The General Fund total expenditures ended \$10.0 million under budget primary related to unspent professional services and vacancy savings.

General Fund expenditures increased by \$11.1 million (9.0 percent over the prior fiscal year). This increase is primarily related to inflationary impacts on labor and other costs of doing business. The most significant increases were in General Services, Police, Fire, Community Development and Public Works, due to cost increase in labor, services and supplies, and other operational costs.

CITY OF NAPA, CALIFORNIA

Management's Discussion and Analysis (Unaudited)

For the Year Ended June 30, 2025

Development Fees Fund – The sources of revenue for this fund are the various development impact fees collected from developers which are used for the installation or expansion of related infrastructure and affordable housing. Fund balance increased by \$13.3 million from the prior fiscal year due to an excess of \$6.5 million from building permits, meter fees, and other charges for services and \$6.9 million transfer in from City Capital Projects Fund for redistribution.

HOME Program Fund – This fund accounts for Federal grants received under the HOME Investment Partnership Program that is administered by the State of California and program income received from the repayment of previous loans. These funds are used to provide down payment assistance to low-income first-time home buyers. Fund balance decreased by \$0.4 million from the prior fiscal year. The decline in the number of qualified low-income first-time home buyers contributed to the decrease in revenue for charges for services revenue by \$0.3 million.

Housing Fund – This fund accounts for activities of the Housing Authority which provides and administers affordable housing programs and services to qualified residents. Fund balance increased by \$0.4 million from prior fiscal year primarily due to an increase in intergovernmental revenue and charges for services.

Measure T Fund – This fund accounts for the City's apportionment of the ½ cent sales tax through Napa County. Fund is used for the maintenance, reconstruction, and rehabilitation of local streets and roads. This fund replaces the initial Measure A, which focused on flood control. Fund balance increased by \$27.6 million from prior fiscal year primarily due to a transfer in of \$17.9 million from City Capital Projects Fund for redistribution. Measure T revenue ended at \$10.7 million, an increase of \$0.4 million from the prior fiscal year.

City Capital Projects Fund – This fund accounts for the City's current construction projects, including streets, park and recreation facilities, and other major City projects. Fund balance decreased by \$44.1 million from prior fiscal year primarily due to a transfer out of \$31.2 million to various funds for redistribution and \$10.0 million increase in expenditures for capital project activity. All resources in this fund are restricted or committed to specific capital improvement programs.

Enterprise Funds

Water Utility Fund – The Water Utility Fund is a fully self-supported enterprise providing water service to the City and adjacent areas. Charges for water and connection fees have consistently been set appropriately to cover both operating and planned maintenance, replacement, and expansion costs. The fund issued bonds in 2007 to expand the Jamieson Canyon Treatment Facility. Net position (unrestricted) includes reserves for rate stabilization reserve (\$3.7 million), operating reserve (\$4.4 million), emergency reserve (\$3.7 million), and a water supply reserve (\$1.7 million). For fiscal year 2024-25, revenue totaled \$53.7 million compared to \$36.2 million in expenses.

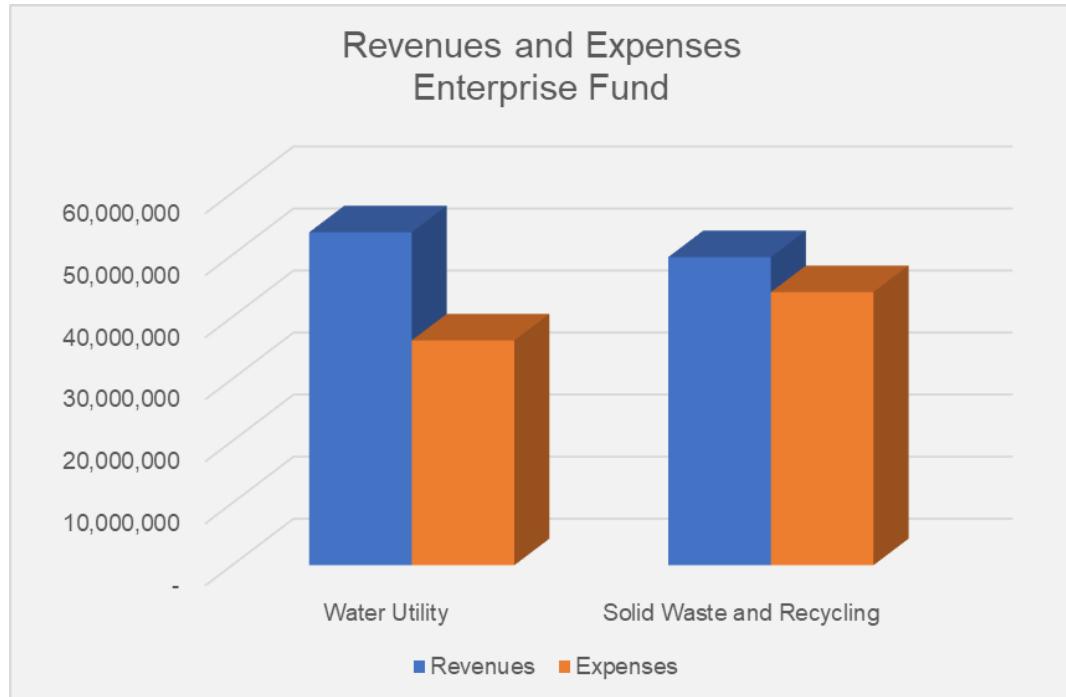
Solid Waste and Recycling Fund – The Solid Waste and Recycling Fund is also a fully self-supported enterprise which provides for local solid waste operations and operation of the materials diversion facility. The fund issued bonds in 2017 to fund improvements to the covered compost facility. For fiscal year 2024-25, revenue totaled \$49.7 million compared to \$44.0 million in expenses.

CITY OF NAPA, CALIFORNIA

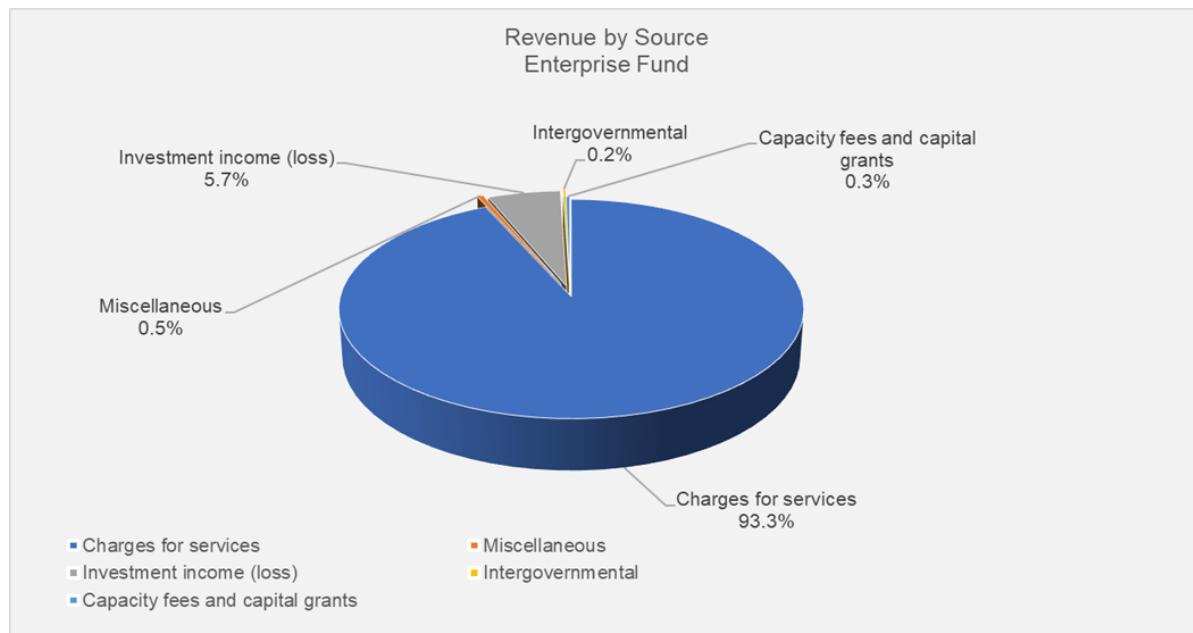
Management's Discussion and Analysis (Unaudited)

For the Year Ended June 30, 2025

The bar chart below shows Water Utility Fund and Solid Waste and Recycling Fund revenue and expenses:



The pie chart below shows Enterprise Fund revenue by source as a percentage of total revenue:



CITY OF NAPA, CALIFORNIA
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2025

CAPITAL ASSETS

As of June 30, 2025, the City had invested \$504.2 million in capital assets, net of accumulated depreciation and amortization. This represents a \$23.4 million increase from the prior fiscal year. Business-type activities capital assets increased by \$11.3 million in fiscal year 2024-25. A summary of the City's capital assets net of depreciation and amortization at June 30, 2025 and 2024 is presented in Table 3. Additional information on Capital Assets can be found in Note 7.

Table 3
Capital Assets

	Governmental Activities		Business-type Activities		Total	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
Capital assets not subject to depreciation/amortization:						
Land	\$ 33,395,501	\$ 33,395,501	\$ 5,289,459	\$ 5,289,459	\$ 38,684,960	\$ 38,684,960
Construction in progress	63,212,955	38,856,026	29,558,630	11,904,149	92,771,585	50,760,175
Net Depreciable capital assets:						
Infrastructure	241,885,848	250,316,241	35,056,857	37,074,215	276,942,705	287,390,456
Building and improvements	23,116,642	24,464,874	46,385,712	49,852,734	69,502,354	74,317,608
Improvements, other than buildings	111,707	72,314	64,002	68,842	175,709	141,156
Machinery and equipment	12,787,233	12,808,579	2,483,556	2,864,692	15,270,789	15,673,271
Other capital assets	-	-	2,320,992	2,551,743	2,320,992	2,551,743
Net Lease assets:						
Land	852,719	886,828	-	-	852,719	886,828
Vehicles	-	5,053	-	-	-	5,053
Equipment	71,046	20,524	-	-	71,046	20,524
Buildings	2,044,408	4,699,317	850,829	1,063,536	2,895,237	5,762,853
Net Subscriptions assets:						
Software	4,341,950	4,176,261	351,396	418,248	4,693,346	4,594,509
Total capital assets, net	\$ 381,820,009	\$ 369,701,518	\$ 122,361,433	\$ 111,087,618	\$ 504,181,442	\$ 480,789,136

DEBT ADMINISTRATION

The City uses a variety of indebtedness to finance various capital acquisitions and improvements. On June 30, 2025, the City's long-term outstanding debt was \$46.1 million. This represents a \$4.6 million decrease from the prior fiscal year.

CITY OF NAPA, CALIFORNIA

Management's Discussion and Analysis (Unaudited)

For the Year Ended June 30, 2025

The following table provides a schedule of the City's long-term debt obligations on June 30, 2025, and 2024.

Table 4
Long-Term Debt

	Governmental Activities		Business-type Activities		Total	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
Solid waste revenue bonds	\$ -	\$ -	\$ 8,496,031	\$ 9,087,487	\$ 8,496,031	\$ 9,087,487
Water revenue bonds	-	-	27,815,374	30,336,411	27,815,374	30,336,411
Notes payable	766,495	1,005,640	-	-	766,495	1,005,640
Lease liability	4,293,456	5,691,759	896,454	1,090,477	5,189,910	6,782,236
Subscription liability	3,526,172	3,124,157	315,451	385,594	3,841,623	3,509,751
Total long-term debt	<u>\$ 8,586,123</u>	<u>\$ 9,821,556</u>	<u>\$ 37,523,310</u>	<u>\$ 40,899,969</u>	<u>\$ 46,109,433</u>	<u>\$ 50,721,525</u>

Additional information on Long Term Debt can be found in Note 8.

ECONOMIC OUTLOOK

The City annually prepares a multi-year financial forecast, which focuses on the long-term financial viability of the City's General Fund and provides decision makers with information to better understand the long-term fiscal impact of policy decisions. Budget development adheres to a series of policies adopted by the City Council, which guide long-term fiscal planning. The City has a strong, diverse revenue base of property taxes, sales taxes, transient occupancy taxes as well as other local, state, and federal revenue sources. Tourism in the Napa Valley is strong, which further strengthens the City's economic base. Additional details on the economy of the City are discussed in the accompanying Transmittal Letter.

CONTACTING THE CITY

This financial report is designed to provide a general overview of the City's finances for all of its citizens, taxpayers, investors, and creditors. Questions concerning any information provided in this report or requests for additional information should be addressed to the Finance Department at 955 School Street, Napa, California. The mailing address is Post Office Box 660, Napa, California, 94559-0660.

BASIC FINANCIAL STATEMENTS

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Government-Wide Financial Statements

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CITY OF NAPA, CALIFORNIA
Statement of Net Position
June 30, 2025

	Primary Government		
	Governmental Activities		Business-Type Activities
			Total
ASSETS			
Cash and investments	\$ 246,642,747	\$ 99,639,972	\$ 346,282,719
Receivables (net of uncollectibles):			
Accounts	25,558,429	12,921,221	38,479,650
Accrued interest	361,712	144,155	505,867
Due from other governments	5,718,941	2,486,502	8,205,443
Service concession arrangement	46,572	-	46,572
Notes and loans	34,378,620	-	34,378,620
Leases	241,111	1,075,283	1,316,394
Internal balances	4,659,078	(4,659,078)	-
Restricted assets:			
Restricted cash and investments	10,092,414	-	10,092,414
Restricted cash with fiscal agent	-	980	980
Net OPEB asset	44,654	7,164	51,818
Inventories	580	-	580
Prepaid costs	2,380,777	81,715	2,462,492
Capital assets (not being depreciated)	96,608,456	34,848,089	131,456,545
Capital assets (net of accumulated depreciation/amortization)	285,211,553	87,513,344	372,724,897
Total assets	711,945,644	234,059,347	946,004,991
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charge on refunding	-	550,733	550,733
Pension - deferred outflows	39,036,609	4,159,524	43,196,133
OPEB - deferred outflows	2,941,566	471,927	3,413,493
Total deferred outflows of resources	41,978,175	5,182,184	47,160,359
LIABILITIES			
Accounts payable and accrued liabilities	13,452,824	8,317,667	21,770,491
Accrued interest payable	75,515	247,466	322,981
Deposits payable	2,096,293	2,421,513	4,517,806
Unearned revenue	8,066,693	7,833	8,074,526
Noncurrent liabilities:			
Due within one year:			
Loans, notes, leases, SBITA, claims, and compensated absences	12,050,249	3,816,185	15,866,434
Due in more than one year:			
Net pension liability	201,716,153	23,929,484	225,645,637
Loans, notes, leases, SBITA, claims, and compensated absences	18,623,902	34,661,810	53,285,712
Total liabilities	256,081,629	73,401,958	329,483,587
DEFERRED INFLOWS OF RESOURCES			
Pension - deferred inflows	22,596	-	22,596
OPEB - deferred inflows	3,121,431	500,784	3,622,215
Lease-related	2,572,534	967,313	3,539,847
Service concession-related	46,572	-	46,572
Total deferred inflows of resources	5,763,133	1,468,097	7,231,230
NET POSITION			
Net investment in capital assets	373,101,354	84,854,583	457,955,937
Restricted:			
Community and economic development	1,374,795	-	1,374,795
Public safety	882,327	-	882,327
Capital projects	126,789,981	-	126,789,981
Restricted for debt service	-	980	980
Housing	6,123,570	-	6,123,570
Other postemployment benefits	10,137,068	7,164	10,144,232
Unrestricted	(26,330,038)	79,508,749	53,178,711
Total net position	\$ 492,079,057	\$ 164,371,476	\$ 656,450,533

CITY OF NAPA, CALIFORNIA
Statement of Activities
For the Year Ended June 30, 2025

	Expenses	Program Revenues			
		Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants	
Functions/Programs:					
Primary government:					
Governmental activities:					
General government	\$ 36,425,644	\$ 9,026,459	\$ 7,320,519	\$ -	
Public safety	70,914,273	9,625,475	-	-	
Community development	37,704,556	10,218,841	29,731,061	-	
Parks and recreation	12,668,957	2,359,163	396,266	-	
Public works	36,835,220	4,673,815	347,499	14,552,686	
Interest on long-term debt	205,749	-	-	-	
Total governmental activities	194,754,399	35,903,753	37,795,345	14,552,686	
Business-type activities:					
Water Utility	36,104,438	48,110,397	18,703	357,003	
Solid Waste and Recycling	44,022,430	48,337,440	161,589	-	
Total business-type activities	80,126,868	96,447,837	180,292	357,003	
Total primary government	\$ 274,881,267	\$ 132,351,590	\$ 37,975,637	\$ 14,909,689	

General revenues and transfers:

General revenues:

- Property taxes
- Transient occupancy taxes
- Sales taxes
- Franchise taxes
- Use of money and property
- Miscellaneous income
- Transfers

Total general revenues and transfers**Change in net position**

Net position - beginning

Restatement - change in accounting principle and correction of errors

Net position - beginning, as restated

Net position - ending

CITY OF NAPA, CALIFORNIA
Statement of Activities (Continued)
For the Year Ended June 30, 2025

Net (Expenses) Revenues and Changes in Net Position					
Primary Government					
	Governmental Activities	Business-Type Activities	Total		
Functions/Programs:					
Primary government:					
Governmental activities:					
General government	\$ (20,078,666)	\$ -	\$ (20,078,666)		
Public safety	(61,288,798)	-	(61,288,798)		
Community development	2,245,346	-	2,245,346		
Parks and recreation	(9,913,528)	-	(9,913,528)		
Public works	(17,261,220)	-	(17,261,220)		
Interest on long-term debt	(205,749)	-	(205,749)		
Total governmental activities	(106,502,615)	-	(106,502,615)		
Business-type activities:					
Water Utility	-	12,381,665	12,381,665		
Solid Waste and Recycling	-	4,476,599	4,476,599		
Total business-type activities	-	16,858,264	16,858,264		
Total primary government	(106,502,615)	16,858,264	(89,644,351)		
General revenues and transfers:					
General revenues:					
Property taxes	52,285,101	-	52,285,101		
Transient occupancy taxes	33,396,044	-	33,396,044		
Sales taxes	28,514,248	-	28,514,248		
Franchise taxes	2,146,232	-	2,146,232		
Use of money and property	13,610,394	5,858,947	19,469,341		
Miscellaneous income	628,776	471,100	1,099,876		
Transfers	5,485,200	(5,485,200)	-		
Total general revenues and transfers	136,065,995	844,847	136,910,842		
Change in net position	29,563,380	17,703,111	47,266,491		
Net position - beginning	463,140,421	148,944,312	612,084,733		
Restatement - change in accounting principle and correction of errors	(624,744)	(2,275,947)	(2,900,691)		
Net position - beginning, as restated	462,515,677	146,668,365	609,184,042		
Net position - ending	\$ 492,079,057	\$ 164,371,476	\$ 656,450,533		

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Fund Financial Statements

In the Fund Financial Statements only individual major funds are presented, while non-major funds are combined in a single column. Major funds generally have significant activities or balances in the current year. The funds described below were determined to be Major Funds by the City. Individual non-major funds may be found in the Other Supplementary Information section.

Government Fund Financial Statements

In the Fund Financial Statements only individual major funds are presented, while non-major funds are combined in a single column. The major funds generally have significant activities or balances in the current year. The funds described below were determined to be Major Funds by the City. Individual non-major funds may be found in the Other Supplementary Information section.

GENERAL FUND

The General Fund is the general operating fund of the City. It is used to account for all financial resources except those that are required to be accounted for in another fund. The General Fund is always a major fund.

DEVELOPMENT FEES FUND

The Development Fees Special Revenue Fund accounts for development fees levied by the City on new construction. State law and City ordinance restricts these revenues for use in construction, major maintenance, and debt service for park, street, drainage, and public safety facilities.

HOME PROGRAM FUND

The City has been awarded grants under the State of California Federal Home Investments Partnership Program (HOME) for administration of the following activities: ownership rehabilitation, rental rehabilitation augmenting the Community Development Block Grant Rehabilitation Program, a silent second down payment assistance program; and a rental assistance program.

HOUSING FUND

The Housing Fund accounts for activities of the Housing Authority which provides and administers affordable housing programs and services to qualified residents. The Housing Authority administers Federal funds including Section 8 Housing Vouchers county-wide; Mainstream Vouchers county-wide; Continuum of Care Funds; the Local Housing Fund; the Operating Reserve Fund and the Management of Housing Authority owned properties.

MEASURE T FUND

The Measure T Fund accounts for the City's apportionment of the ½ cent sales tax through Napa County. The fund is used for the maintenance, reconstruction, and rehabilitation of local streets and roads. This fund replaces the initial Measure A, which focused on flood control.

CITY CAPITAL PROJECTS FUND

The City Capital Projects Fund accounts for the City's current construction projects, including streets, park and recreation facilities, and other major City projects. The primary sources of funds include City- levied development fees, the state gas tax, Measure T and federal and state grants.

CITY OF NAPA, CALIFORNIA
Balance Sheet
Governmental Funds
June 30, 2025

Special Revenue Funds						
	General Fund	Development Fees	HOME Program	Housing		
ASSETS						
Cash and investments	\$ 35,580,625	\$ 42,701,748	\$ 413,448	\$ 9,960,736		
Receivables (net of allowance for uncollectibles):						
Accounts	18,477,174	736,918	-	47,167		
Interest	183,913	51,162	641	7,304		
Federal, state and other governments	2,934,021	-	409,192	718,263		
Loans	293,339	8,655,968	8,731,819	10,424,631		
Lease	241,111	-	-	-		
Due from other funds	11,002,790	-	-	-		
Inventories	580	-	-	-		
Prepaid items	1,005,695	384	586	19,653		
Advances to other funds	2,287,972	183,600	-	-		
Total assets	\$ 72,007,220	\$ 52,329,780	\$ 9,555,686	\$ 21,177,754		
LIABILITIES						
Accounts payable and accrued liabilities	\$ 6,622,004	\$ 15,773	\$ 18,792	\$ 273,331		
Deposits payable	1,616,994	292,938	-	176,361		
Due to other funds	-	4,111	-	4,003,886		
Unearned revenue	1,641,925	-	-	128,617		
Advances from other funds	-	3,072,563	-	-		
Total liabilities	9,880,923	3,385,385	18,792	4,582,195		
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue	2,656,599	9,372,052	9,116,011	10,452,336		
Lease-related	218,784	-	-	-		
Total deferred inflows of resources	2,875,383	9,372,052	9,116,011	10,452,336		
FUND BALANCES (DEFICITS)						
Nonspendable	3,294,247	384	586	19,653		
Restricted	6,082,494	39,571,959	420,297	6,123,570		
Committed	25,945,976	-	-	-		
Unassigned (deficit)	23,928,197	-	-	-		
Total fund balances (deficits)	59,250,914	39,572,343	420,883	6,143,223		
Total liabilities, deferred inflows of resources, and fund balances (deficits)	\$ 72,007,220	\$ 52,329,780	\$ 9,555,686	\$ 21,177,754		

CITY OF NAPA, CALIFORNIA
Balance Sheet
Governmental Funds (Continued)
June 30, 2025

	Special Revenue Funds		Capital Projects Funds		Total Nonmajor Funds	Total Governmental Funds		
	Measure T	City Capital Projects						
ASSETS								
Cash and investments	\$ 25,901,320	\$ 38,922,521	\$ 43,907,908	\$ 197,388,306				
Receivables (net of allowance for uncollectibles):								
Accounts	4,238,114	510,580	1,538,795	25,548,748				
Interest	3,175	-	52,855	299,050				
Federal, state and other governments	-	122,764	731,222	4,915,462				
Loans	-	-	6,272,863	34,378,620				
Lease	-	-	-	241,111				
Due from other funds	-	-		11,002,790				
Inventories	-	-	-	580				
Prepaid items	-	-	1,209,754	2,236,072				
Advances to other funds	-	1,942,441	-	4,414,013				
Total assets	\$ 30,142,609	\$ 41,498,306	\$ 53,713,397	\$ 280,424,752				
LIABILITIES								
Accounts payable and accrued liabilities	\$ -	\$ 4,809,537	\$ 846,482	\$ 12,585,919				
Deposits payable	-	-	10,000	2,096,293				
Due to other funds	-	-	1,117,894	5,125,891				
Unearned revenue	-	-	6,296,151	8,066,693				
Advances from other funds	-	-	1,341,450	4,414,013				
Total liabilities	-	4,809,537	9,611,977	32,288,809				
DEFERRED INFLOWS OF RESOURCES								
Unavailable revenue	-	291,271	6,603,924	38,492,193				
Lease-related	-	-	2,353,750	2,572,534				
Total deferred inflows of resources	-	291,271	8,957,674	41,064,727				
FUND BALANCES (DEFICITS)								
Nonspendable	-	-	1,209,754	4,524,624				
Restricted	30,142,609	16,152,192	36,677,552	135,170,673				
Committed	-	20,245,306	-	46,191,282				
Unassigned (deficit)	-	-	(2,743,560)	21,184,637				
Total fund balances (deficits)	30,142,609	36,397,498	35,143,746	207,071,216				
Total liabilities, deferred inflows of resources, and fund balances (deficits)	\$ 30,142,609	\$ 41,498,306	\$ 53,713,397	\$ 280,424,752				

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CITY OF NAPA, CALIFORNIA

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position

June 30, 2025

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

Total fund balances - governmental funds	\$ 207,071,216
Capital assets, net of accumulated depreciation/amortization, used in governmental activities are not financial resources and, therefore, are not reported in the funds.	366,746,396
Differences between expected and actual experiences, assumption changes and net differences between projected and actual earnings, and contributions subsequent to the measurement date for the postretirement benefits (pension and OPEB) are recognized as deferred outflows of resources and deferred inflows of resources on the Statement of Net Position.	
Deferred outflows-pension and OPEB related	38,538,881
Deferred inflows-pension and OPEB related	<u>(22,596)</u>
Total deferred outflows and inflows related to postemployment benefits	38,516,285
Other long-term assets that are not available to pay for current period expenditures and, therefore, are either labeled unavailable or not reported in the funds.	
Service concession receivable	46,572
Service concession-related deferred inflows of resources	(46,572)
Loans and grants	<u>38,492,193</u>
Total other long-term assets	38,492,193
Internal service funds provide services to other funds on a cost-reimbursement basis. The assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the internal service funds are included in governmental activities in the Statement of Activities.	55,269,583
Long-term liabilities that are not due and payable in the current period, and therefore, are not reported in the funds.	
Bonds payable	(512,681)
Notes payable	(253,814)
Leases, SBITA, and PPP payable	(7,802,316)
Compensated absences	(6,519,535)
Accrued interest payable on long-term debt	(75,515)
Net pension liability	<u>(198,852,755)</u>
Total long-term liabilities	(214,016,616)
Net position of governmental activities	<u>\$ 492,079,057</u>

CITY OF NAPA, CALIFORNIA

Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds

For the Year Ended June 30, 2025

Special Revenue Funds

	General Fund	Development Fees	HOME Program	Housing
REVENUES				
Taxes	\$ 112,722,891	\$ -	\$ -	\$ -
Licenses and permits	9,387,575	-	-	-
Intergovernmental	11,793,309	-	-	22,380,202
Charges for services	10,116,625	4,440,569	5,831	2,022,984
Investment income (loss)	5,316,245	2,250,213	38,529	282,444
Miscellaneous	311,749	-	-	-
Total revenues	149,648,394	6,690,782	44,360	24,685,630
EXPENDITURES				
Current:				
General government				
City council	358,522	-	-	-
City clerk	1,394,893	-	-	-
City manager	5,453,329	-	-	-
Finance	4,636,949	-	-	-
City attorney	1,679,215	-	-	-
Human resources	2,208,431	-	-	-
General services	12,365,114	-	-	-
Public safety				
Police	39,173,307	-	-	-
Fire	28,007,216	48	-	-
Community development	6,417,328	180,568	422,721	23,488,827
Parks and recreation	11,162,142	7,277	-	-
Public works	16,307,200	4,442	-	-
Capital outlay	3,400,904	-	-	-
Debt service:				
Principal	1,898,965	-	-	114,185
Interest and fiscal charges	140,222	45,631	-	24,568
Total expenditures	134,603,737	237,966	422,721	23,627,580
Excess (deficiency) of revenues over (under) expenditures	15,044,657	6,452,816	(378,361)	1,058,050
OTHER FINANCING SOURCES (USES)				
Transfers in	5,161,976	6,860,676	-	-
Transfers out	(12,162,335)	(62,280)	-	(618,290)
Lease issuance	802,222	-	-	-
Subscription issuance	1,924,028	-	-	-
Total other financing sources (uses)	(4,274,109)	6,798,396	-	(618,290)
Net change in fund balances	10,770,548	13,251,212	(378,361)	439,760
Fund balances - beginning	48,480,366	26,321,131	799,244	5,703,463
Restatement - change within financial reporting entity	-	-	-	-
Fund balances (deficit) - beginning, as restated	48,480,366	26,321,131	799,244	5,703,463
Fund balances (deficit) - ending	\$ 59,250,914	\$ 39,572,343	\$ 420,883	\$ 6,143,223

CITY OF NAPA

Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)

For the Year Ended June 30, 2025

	Special Revenue Funds	Capital Projects Funds		
	Formerly Nonmajor		Total Nonmajor Funds	Total Governmental Funds
	Measure T	City Capital Projects		
REVENUES				
Taxes	\$ -	\$ -	\$ 2,841,812	\$ 115,564,703
Licenses and permits	-	-	-	9,387,575
Intergovernmental	10,079,315	396,947	10,703,406	55,353,179
Charges for services	-	13,219	4,209,774	20,809,002
Investment income (loss)	649,542	-	2,057,426	10,594,399
Miscellaneous	-	30,000	287,027	628,776
Total revenues	10,728,857	440,166	20,099,445	212,337,634
EXPENDITURES				
Current:				
General government				
City council	-	-	-	358,522
City clerk	-	-	-	1,394,893
City manager	-	-	-	5,453,329
Finance	-	-	-	4,636,949
City attorney	-	-	-	1,679,215
Human resources	-	-	-	2,208,431
General services	-	-	132,018	12,497,132
Public safety				
Police	-	-	578,908	39,752,215
Fire	-	-	-	28,007,264
Community development	-	-	6,699,618	37,209,062
Parks and recreation	-	-	106,237	11,275,656
Public works	862	9,717,174	6,226	26,035,904
Capital outlay	-	20,171,322	29,440	23,601,666
Debt service:				
Principal	-	-	2,016,704	4,029,854
Interest and fiscal charges	-	-	83,296	293,717
Total expenditures	862	29,888,496	9,652,447	198,433,809
Excess (deficiency) of revenues over (under) expenditures	10,727,995	(29,448,330)	10,446,998	13,903,825
OTHER FINANCING SOURCES (USES)				
Transfers in	17,944,855	16,606,451	6,334,991	52,908,949
Transfers out	(1,000,000)	(31,222,731)	(3,828,790)	(48,894,426)
Lease issuance	-	-	-	802,222
Subscription issuance	-	-	-	1,924,028
Total other financing sources (uses)	16,944,855	(14,616,280)	2,506,201	6,740,773
Net change in fund balances	27,672,850	(44,064,610)	12,953,199	20,644,598
Fund balances - beginning	-	80,462,108	24,660,306	186,426,618
Restatement - change within financial reporting entity	2,469,759	-	(2,469,759)	-
Fund balances (deficit) - beginning, as restated	2,469,759	80,462,108	22,190,547	186,426,618
Fund balances (deficit) - ending	\$ 30,142,609	\$ 36,397,498	\$ 35,143,746	\$ 207,071,216

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CITY OF NAPA, CALIFORNIA

Reconciliation of the Statement of Revenues, Expenses and Changes in Fund Balances
of Governmental Funds to the Statement of Activities and Changes in Net Position
For the Year Ended June 30, 2025

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

Net change in fund balances - total governmental funds:	\$ 20,644,598
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation/amortization expense. This is the amount by which capital outlays exceeded depreciation/amortization expense in the current period.	
Capital outlay	24,622,853
Depreciation/amortization expense	<u>(14,956,427)</u>
Total adjustment	9,666,426
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	
Earned but unavailable loans and grant revenue	94,875
Bond and other debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of bond and other debt principal is an expenditure in the governmental funds, but repayment reduces long-term liabilities in the Statement of Net Position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.	
Leases and SBITA issued and other adjustments	(3,008,433)
Principal payments	<u>3,956,054</u>
Total adjustment	947,621
Internal service funds provide services to other funds on a cost-reimbursement basis. The net revenue of certain activities of internal service funds is reported with governmental activities.	
	7,870,694
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.	
Accrued interest on long-term debt	88,021
Compensated absences	(1,034,582)
Changes in pension liabilities and related deferred outflows and inflows of resources	<u>(8,714,273)</u>
Total adjustment	<u>(9,660,834)</u>
Change in net position of governmental activities	<u>\$ 29,563,380</u>

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Proprietary Fund Financial Statements

Proprietary funds account for City operations being financed and operated in a manner similar to a private business enterprise. The intent of the City is that the cost of providing goods and services be financed primarily through user charges.

WATER UTILITY FUND

The Water Utility Fund supports the operation, maintenance and improvement of the municipal water system serving the City and adjacent areas. The City provides an uninterrupted supply of high-quality and low-cost water to the community for consumption and fire protection.

SOLID WASTE AND RECYCLING FUND

The Solid Waste and Recycling Fund is responsible for the collection, processing, public education and long-term planning related to solid waste materials generated in the City of Napa.

CITY OF NAPA, CALIFORNIA
Statement of Net Position
Proprietary Funds
June 30, 2025

	Business-Type Activities			Governmental Activities	
	Water Utility	Solid Waste and Recycling	Total Enterprise Funds	Internal Service Funds	
ASSETS					
Current assets:					
Cash and investments	\$ 82,801,204	\$ 16,838,768	\$ 99,639,972	\$ 49,254,441	
Receivables (net of uncollectibles):					
Accounts	9,598,771	3,322,450	12,921,221	32,303	
Interest	121,665	22,490	144,155	62,662	
Federal, state and other governments	1,862,566	623,936	2,486,502	803,479	
Lease	53,789	53,836	107,625	-	
Prepaid items	81,715	-	81,715	144,705	
Restricted:					
Restricted cash and investments	915	65	980	10,092,414	
Net OPEB asset	6,254	910	7,164	44,654	
Total current assets	94,526,879	20,862,455	115,389,334	60,434,658	
Noncurrent:					
Leases receivable, noncurrent	559,496	408,162	967,658	-	
Capital assets, net	96,917,267	25,444,166	122,361,433	15,073,613	
Total noncurrent assets	97,476,763	25,852,328	123,329,091	15,073,613	
Total assets	192,003,642	46,714,783	238,718,425	75,508,271	
DEFERRED OUTFLOWS OF RESOURCES					
Deferred charge on refunding	550,733	-	550,733	-	
Pension-related	3,655,168	504,356	4,159,524	497,728	
OPEB-related	411,983	59,944	471,927	2,941,566	
Total deferred outflows of resources	4,617,884	564,300	5,182,184	3,439,294	
LIABILITIES					
Current liabilities:					
Accounts payable and accrued liabilities	7,329,341	988,326	8,317,667	889,527	
Accrued interest	138,925	108,541	247,466	-	
Deposits payable	2,065,747	355,766	2,421,513	-	
Due to other funds	3,861,244	797,834	4,659,078	1,217,821	
Unearned revenue	7,833	-	7,833	-	
Compensated absences	515,732	79,394	595,126	68,263	
Current portion of long-term debt	2,467,172	753,887	3,221,059	17,312	
Claims payable	-	-	-	3,889,740	
Total current liabilities	16,385,994	3,083,748	19,469,742	6,082,663	
Noncurrent liabilities:					
Compensated absences	307,138	52,421	359,559	23,229	
Noncurrent claims	-	-	-	11,587,261	
Long-term debt	26,291,171	8,011,080	34,302,251	-	
Net pension liability	21,027,954	2,901,530	23,929,484	2,863,398	
Total noncurrent liabilities	47,626,263	10,965,031	58,591,294	14,473,888	
Total liabilities	64,012,257	14,048,779	78,061,036	20,556,551	
DEFERRED INFLOWS OF RESOURCES					
OPEB-related	437,175	63,609	500,784	3,121,431	
Lease-related	538,938	428,375	967,313	-	
Total deferred inflows of resources	976,113	491,984	1,468,097	3,121,431	
NET POSITION					
Net investment in capital assets	68,175,384	16,679,199	84,854,583	15,056,301	
Restricted	7,169	975	8,144	10,137,068	
Unrestricted	63,450,603	16,058,146	79,508,749	30,076,214	
Total net position	\$ 131,633,156	\$ 32,738,320	\$ 164,371,476	\$ 55,269,583	

CITY OF NAPA, CALIFORNIA
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2025

	Business-type Activities - Enterprise Funds			Governmental Activities
	Water Utility	Solid Waste and Recycling	Total Enterprise Funds	
				Internal Service Funds
OPERATING REVENUES				
Charges for services	\$ 48,110,397	\$ 48,337,440	\$ 96,447,837	\$ 23,106,884
Miscellaneous	292,003	178,567	470,570	16,884
Total operating revenues	48,402,400	48,516,007	96,918,407	23,123,768
OPERATING EXPENSES				
Employee services and benefits	12,376,654	1,879,143	14,255,797	279,485
Materials and services	17,834,542	40,232,804	58,067,346	5,525,928
Depreciation and amortization	4,930,254	1,637,888	6,568,142	2,570,149
Insurance premiums and claims	-	-	-	11,568,443
Total operating expenses	35,141,450	43,749,835	78,891,285	19,944,005
Operating income (loss)	13,260,950	4,766,172	18,027,122	3,179,763
NONOPERATING REVENUES (EXPENSES)				
Intergovernmental	18,703	161,589	180,292	-
Investment income (loss)	4,875,463	983,484	5,858,947	3,015,996
Interest and fiscal charges	(962,988)	(272,595)	(1,235,583)	(14)
Total nonoperating revenues (expenses)	3,931,178	873,008	4,804,186	3,220,254
Income (loss) before capital contributions and transfers	17,192,128	5,639,180	22,831,308	6,400,017
Capacity fees and capital grants	357,003	-	357,003	-
Transfers out	(3,297,190)	(2,188,010)	(5,485,200)	(101,580)
Change in net position	14,251,941	3,451,170	17,703,111	7,870,694
Net position - beginning	119,657,162	29,287,150	148,944,312	47,398,889
Restatements - change in accounting principle and correction of errors	(2,275,947)	-	(2,275,947)	-
Net position - beginning, as restated	117,381,215	29,287,150	146,798,377	47,398,889
Net position - ending	\$ 131,633,156	\$ 32,738,320	\$ 164,371,476	\$ 55,269,583

CITY OF NAPA, CALIFORNIA
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2025

	Business-Type Activities			Governmental Activities	
	Water Utility	Solid Waste and Recycling	Totals	Internal Service Funds	
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers	\$ 46,943,916	\$ 48,126,229	\$ 95,070,145	\$ -	\$ -
Receipts from interfund charges	-	-	-	23,076,412	
Payments to suppliers and service providers	(18,841,818)	(40,215,737)	(59,057,555)	(16,962,853)	
Payments to employees for salaries and benefits	(13,565,679)	(1,734,298)	(15,299,977)	(1,647,828)	
Other receipts (payments)	292,003	178,567	470,570	1,169,885	
Net cash provided by (used for) operating activities	14,828,422	6,354,761	21,183,183	5,635,616	
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers from other funds	-	-	-	1,572,257	
Transfers to other funds	(3,297,190)	(2,188,010)	(5,485,200)	(101,580)	
Payments to other funds on interfund borrowings	(614,847)	(133,193)	(748,040)	-	
Receipts to other funds on interfund borrowings	-	-	-	1,217,821	
Operating grants and contributions	2,398,007	276,860	2,674,867	440	
Net cash provided by (used for) noncapital financing activities	(1,514,030)	(2,044,343)	(3,558,373)	2,688,938	
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Capital contributions	357,003	-	357,003	-	
Acquisition and construction of capital assets	(16,791,340)	(1,001,567)	(17,792,907)	(5,083,239)	
Principal paid on capital debt	(2,773,648)	(649,663)	(3,423,311)	(22,514)	
Interest paid on capital debt	(923,235)	(277,519)	(1,200,754)	(14)	
Net cash provided by (used for) capital and related financing activities	(20,131,220)	(1,928,749)	(22,059,969)	(5,105,767)	
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest on investments	4,888,312	983,206	5,871,518	3,022,372	
Net cash provided by (used for) investing activities	4,888,312	983,206	5,871,518	3,022,372	
Net increase (decrease) in cash and cash equivalents	(1,928,516)	3,364,875	1,436,359	6,241,159	
Cash and cash equivalents - beginning	84,860,647	13,473,958	98,334,605	53,105,696	
Cash and cash equivalents - ending	\$ 82,932,131	\$ 16,838,833	\$ 99,770,964	\$ 59,346,855	

CITY OF NAPA, CALIFORNIA
Statement of Cash Flows (Continued)
Proprietary Funds
For the Year Ended June 30, 2025

	Business-Type Activities			Governmental Activities	
	Water Utility	Solid Waste and Recycling	Totals	Internal Service Funds	
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES					
Operating income (loss)	\$ 13,260,950	\$ 4,766,172	\$ 18,027,122	\$ 3,179,763	
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:					
Depreciation/amortization expense	4,930,254	1,637,888	6,568,142	2,570,149	
(Increase) decrease in accounts receivable	(1,382,022)	(210,579)	(1,592,601)	(30,472)	
(Increase) decrease in notes and loans receivable	90,625	-	90,625	-	
(Increase) decrease in leases receivable	(6,233)	(5,470)	(11,703)	-	
(Increase) decrease in prepaid items	946	-	946	1,549	
Increase (decrease) in accounts payable	(1,008,222)	17,067	(991,155)	129,969	
Increase (decrease) in deposits payable	131,149	4,838	135,987	-	
Increase (decrease) in compensated absences	(2,075,905)	19,836	(2,056,069)	1,628	
Increase (decrease) in claims and judgments	-	-	-	1,153,001	
Increase (decrease) in net pension liability	1,094,624	154,923	1,249,547	(519,087)	
Increase (decrease) in net OPEB liability	(207,744)	(29,914)	(237,658)	(850,884)	
Total adjustments	1,567,472	1,588,589	3,156,061	2,455,853	
Net cash provided by (used for) operating activities	\$ 14,828,422	\$ 6,354,761	\$ 21,183,183	\$ 5,635,616	

SCHEDULE OF NON-CASH NONCAPITAL, CAPITAL, AND INVESTING ACTIVITIES

Capital assets were acquired through subscription arrangements

\$ 46,652 \$ - \$ 46,652 \$ -

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Fiduciary Fund Financial Statements

This fund is used to account for assets held by the City as an agent for individuals, private organizations, and other governments. The financial activities of these funds are excluded from the government-wide financial statements, but are presented in separate Fiduciary Fund financial statements.

GASSER COMMUNITY FACILITIES DISTRICT CUSTODIAL FUND

To account for the bond activities of the Gasser Community Facilities District (CFD) established September 5, 2017 for the purpose of constructing public roads, bridges, water quality improvements, drainage improvements, and water system improvements along Soscol Canyon Road. The CFD will levy an annual special tax for repayment of the bond.

CITY OF NAPA
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2025

	Gasser CFD Custodial Fund
ASSETS	
Cash and investments	\$ 1,170,291
Receivables:	
Accounts	707
Interest	1,414
Restricted cash and investments	<u>1,199,466</u>
Total assets	<u>2,371,878</u>
LIABILITIES	
Due to bondholders	<u>2,371,878</u>
Total liabilities	<u>2,371,878</u>
NET POSITION	
Held in Trust	<u>-</u>
Total net position	<u>\$ -</u>

CITY OF NAPA
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2025

	Gasser CFD Custodial Fund
ADDITIONS	
Investment income (loss)	\$ 93,739
Special assessments	<u>1,171,156</u>
Total additions	<u>1,264,895</u>
DEDUCTIONS	
Administration	116,240
Interest and fiscal charges	<u>673,655</u>
Principal	<u>475,000</u>
Total deductions	<u>1,264,895</u>
Net increase (decrease) in fiduciary net position	<u>-</u>
Net position - beginning	<u>-</u>
Net position - ending	<u>\$ -</u>

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Notes to The Basic Financial Statements

CITY OF NAPA, CALIFORNIA
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CITY OF NAPA, CALIFORNIA
Notes to the Basic Financial Statements
For the Year Ended June 30, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Napa, California (the "City") have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to government units (hereinafter referred to as generally accepted accounting principles (GAAP)). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The City's significant accounting policies are described below.

A. Description of Government-wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. All fiduciary activities are reported only in the fund financial statements. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

B. Financial Reporting Entity

The City was incorporated on March 23, 1872, under the laws of the State of California. The City's charter was filed on October 27, 1914. The City operates under a Council-Manager form of government. As required by generally accepted accounting principles, these financial statements present the City of Napa and its component units. The following component units are included in the City's reporting entity because of the significance of their operational or financial relationships with the City.

Blended component units, although legally separate entities are, in substance, part of the City's operations and so data from these units are combined with that of the City.

The Housing Authority of the City of Napa (the Housing Authority) was established on May 8, 1942. On July 7, 1969, the City Council declared itself to be the Board of Commissioners of the Housing Authority in accordance with Section 34920 of the Health and Safety Code of the State of California. The City of Napa has operational responsibility for the component unit.

The Parking Authority of the City of Napa (the Parking Authority) was established pursuant to the Streets and Highways Code of the State of California. The City Council established the Parking Authority on April 27, 1970 and designated itself as the governing body. The primary purpose of the Authority is to acquire, maintain and operate off-street parking facilities within the City. The Parking Authority reported no financial transactions during the year ended June 30, 2025.

C. Basis of Presentation

Government-wide Statements: The *Statement of Net Position* and the *Statement of Activities* display information about the City. These statements include the financial activities of the overall City government, except for fiduciary activities. These statements distinguish between the governmental and business-type activities of the City. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

CITY OF NAPA, CALIFORNIA
Notes to the Basic Financial Statements
For the Year Ended June 30, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The Statement of Activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the City and for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs, (b) grants and contributions that are restricted to meeting the operational needs of a particular program and (c) fees, grants and contributions that are restricted to financing the acquisition or construction of capital assets. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

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

The City may pay for its programs with a combination of cost-reimbursement grants, categorical block grants, and general revenues. Thus, both restricted and unrestricted resources may be available to finance program expenditures. The City's policy is to first apply restricted resources to such programs, followed by general revenues if necessary.

Fund Financial Statements: The fund financial statements provide information about the City's funds. Separate statements for each fund category – governmental, proprietary, and fiduciary – are presented. The emphasis of fund financial statements is on major individual governmental and enterprise funds, each of which is displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

The City reported the following major governmental funds:

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

The **Development Fees Fund** accounts for development fees levied by the City on new construction. City ordinance restricts these revenues for use in construction, major maintenance, and debt service for park, street, drainage, and public safety facilities.

The **HOME Program Fund** accounts for awarded grants under the State of California Federal Home Investment Partnerships Program (HOME) for administration of the following activities: ownership rehabilitation, rental rehabilitation, augmenting the Community Development Block Grant Rehabilitation Program, a silent second down payment assistance program; and a rental assistance program.

The **Housing Fund** accounts for the activities of the Housing Authority which provides and administers affordable housing programs and services to qualified residents. The Housing Authority administers Federal funds including Section 8 Housing Vouchers county-wide; Mainstream Vouchers county-wide; Continuum of Care Funds; the Local Housing Fund; the Operating Reserve Fund and the Management of Housing Authority owned properties.

The **Measure T Fund** accounts for the City's apportionment of the ½ cent sales tax through Napa County. Fund is used for the maintenance, reconstruction, and rehabilitation of local streets and roads. This fund replaces the initial Measure A, which focused on flood control.

CITY OF NAPA, CALIFORNIA
Notes to the Basic Financial Statements
For the Year Ended June 30, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The **City Capital Projects Fund** accounts for the City's current construction projects, including streets, park and recreation facilities, and other major City projects. The primary sources of funds include City-levied development fees, the state gas tax, and federal and state grants.

The City reports the following major enterprise funds:

The **Water Utility Fund** accounts for the operations and management of the City's water system.

The **Solid Waste and Recycling Fund** accounts for administration of the City's garbage franchise, including tipping fees, a rate stabilization fund, and other specialized services. The fund does not report the financial position or activities of the City's franchise operator.

Additionally, the City reports the following fund types:

Internal Service Funds – These funds account for post-employment benefits expense and liabilities, workers' compensation and general liability coverage, management information system maintenance and replacement, and vehicle and equipment maintenance and replacement; all of which are provided to other departments on a cost – reimbursement basis.

Fiduciary Fund – This fund is used to account for assets held by the City in a fiduciary capacity for special assessment districts. The financial activities of this fund is excluded from the City-wide financial statements but is presented in separate Fiduciary Fund financial statements. This custodial fund accounts for the bond activities of the Gasser Community Facilities District (CFD). The CFD was established September 5, 2017 for the purpose of constructing public roads, bridge, water quality improvements, drainage improvements, and water system improvements along Soscol Canyon Road. The CFD levies an annual special tax for repayment of the bond.

D. Basis of Accounting

The government-wide, proprietary and fiduciary fund statements are reported using the full accrual basis of accounting. The government-wide, proprietary and fiduciary fund statements use the economic resources measurement focus. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The City considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end with the exception of grant revenues and sales tax revenues. Grant revenues and sales tax are considered to be available if collected within 90 days of the end of the current fiscal year.

Revenues susceptible to accrual include taxes, intergovernmental revenues, charges for services and interest revenue. Non-exchange transactions, in which the City gives or receives value without directly receiving or giving equal value in exchange, include taxes, grants, entitlements, and donations. Revenue from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. Governmental capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of governmental long-term debt and acquisitions under leases are reported as other financing sources. Those revenues susceptible to accrual at both the City-wide and fund level are property, sales and franchise taxes, current service charges, and interest revenue. Fines, licenses and permits are not susceptible to accrual because they are not measurable until received in cash.

CITY OF NAPA, CALIFORNIA
Notes to the Basic Financial Statements
For the Year Ended June 30, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Non-exchange transactions, in which the City gives or receives value without directly receiving or giving equal value in exchange, include taxes, grants, entitlements, and donations. On the accrual basis, revenue from taxes is recognized in the fiscal year for which the taxes are levied or assessed. Revenues from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied. Grant revenues are recognized in the fiscal year in which all eligibility requirements are met. Under the terms of grant agreements, the City may fund certain programs with a combination of cost reimbursement grants, categorical block grants, and general revenues. Thus, both restricted and unrestricted net position may be available to finance program expenditures. The City's policy is to first apply restricted grant resources to such programs, followed by general revenues if necessary.

Certain indirect costs are included in program expenses reported for individual functions and activities.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are exchange or exchange-like transactions between functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds and internal service funds are charges to customers for sales and services. The City also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Fiduciary Funds of the City are reported on the accrual basis of accounting in the *Fiduciary Fund Financial Statements*. Fiduciary fund financial statements account for the bond activities of the Gasser Community Facilities District (CFD).

E. Budgetary Information

1. *Budgetary Basis of Accounting*

The City budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for all governmental funds except for Public Infrastructure Program Special Revenue Fund, Opioid Settlement Special Revenue Fund, and Departmental Special Revenue Fund related to state and federal grants, and Capital Projects Fund. The City does not adopt an appropriated budget for the Public Infrastructure Program Special Revenue Fund since projects are unknown in advance. The State and Federal Grant Special Revenue Funds do not have an appropriated budget since there are other means to control the use of these resources (e.g., grant awards and endowment requirements) and sometimes span a period of more than one fiscal year. The Capital Projects Fund is appropriated on a project-length basis rather than fiscal year, and therefore, are not comparable on an annual basis. The effects of these differences are shown as capital outlay in the budget and actual statements. Budgetary comparisons presented in this report are on this budgetary basis and reflect applicable amendments and revisions.

The budget is prepared by fund and by program within each department. Department managers may make transfers of appropriations within a department, except for personnel-related budgets, which require City Manager approval. Budget adjustments between funds or for CIP projects require City Council approval. The level of budgetary control (i.e., the level at which expenditures cannot legally exceed the appropriated amount) is established at the fund level. Expenditures above the appropriated amount require approval by the City Council.

CITY OF NAPA, CALIFORNIA
Notes to the Basic Financial Statements
For the Year Ended June 30, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. Appropriations in all budgeted funds lapse at the end of the fiscal year even if they have related encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods or services (i.e., purchase orders, contracts, and commitments). While all appropriations and encumbrances technically lapse at year end, valid outstanding encumbrances (those for which performance under the executory contract is expected in the next year) are reappropriated and become part of the subsequent year's budget pursuant to state regulations, and the encumbrances are automatically reestablished in the following fiscal year.

2. Excess of Expenditures over Appropriations

a. Expenditures Exceeding Appropriations

For the year ended June 30, 2025, expenditures exceeded appropriations in the following funds by function/department:

Fund	Functional Area	Excess
General Fund	Debt Service:	
	Principal	\$ 1,683,321
	Interest and fiscal charges	136,681
	City council	12,290
	Capital outlay	2,701,515
Housing	Debt Service:	
	Principal	4,185
Public Infrastructure Program Fund Special Revenue Fund	Public works	128
Property and Business Improvement Special Revenue Fund	Community development	30,569
Gas Tax	Public works	276
Encampment Resolution Grant Special Revenue Fund	Debt Service:	
	Principal	2,016,704
	Interest and fiscal charges	83,296
Golf Special Revenue Fund	Parks and recreation	34,551
City Capital Projects Fund	Public works	3,136,236

F. Cash and Investments

The City maintains a cash and investment pool, which includes unrestricted cash balances and authorized investments for all funds. Highly liquid market investments with maturities of one year or less at time of purchase are carried at amortized cost. All other investments are carried at fair value. The fair value of pooled investments is determined annually and is based on current market prices. The fair value of the funds' position in the pool is the same as the value of the pool shares. The method used to determine the value of a fund's equity withdrawn is based on the book value of the fund's percentage participation at the date of such withdrawal. In the event that a certain fund overdraws its share of pooled cash, a short-term inter-fund loan transaction is recorded to offset the overdraft.

For purposes of the statement of cash flows, cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. With respect to cash and investments with fiscal agents, all investments have an original maturity of less than three months and are considered to be cash equivalents.

CITY OF NAPA, CALIFORNIA
Notes to the Basic Financial Statements
For the Year Ended June 30, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and investments restricted by various long-term debt bond covenants are reported as restricted cash and investments in the enterprise funds. Cash and investments held in a Pension Stabilization Trust are reported as restricted cash and investments in the internal service fund.

GASB Statement No. 72, *Fair Value Measurement and Application*, provides guidance for determining a fair value measurement for reporting purposes and applying fair value to certain investments and disclosures related to all fair value measurements. The City categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

G. Property Taxes

The County of Napa (the "County") is permitted by State Law (Proposition 13) to levy taxes at 1% of the full fair value of the property (at the time of purchase) and can increase the assessed property valuation by no more than 2% per year. The County levies property taxes limited to \$1 per \$100 of assessed valuation for county, cities, schools and special districts' operating expenditures. This property tax levy is distributed to the different governmental agencies under the State-mandated alternate method of apportioning taxes (commonly referred to as the "Teeter Plan") whereby all local agencies with historical tax delinquency rates less than 3%, including cities, receive from the County 100% of their respective shares of the amount of ad valorem taxes levied, without regard to the actual collection of taxes levied. This method was placed in effect by the City and the County in the 1993–1994 tax year and remains in effect until the County Board of Supervisors orders its discontinuance.

City property tax revenues are recognized when levied to the extent that the measurable and available criteria have been met. Property taxes become an enforceable lien on property as of March 1; taxes are levied on July 1; taxes are payable in two installments on November 1 and February 1; taxes become delinquent on December 10 and April 10. The County bills and collects the property taxes and remits them to the City.

H. Inventories

Inventory in the governmental funds are for resale and stated at the lower of its weighted average cost or fair value.

I. Long-Term Loan Receivable

Long-Term loan receivable, which consist of the principal amount of the loan plus the accrued borrower's deferred interest is reported in the Governmental Fund statements with offsetting unavailable revenue as resources are not available for expenditure. Long-term loans receivable report in the governmental activities on the Government - Wide Statement of Net Position is not offset by unavailable revenue as it is recorded on an accrual basis at its net realizable value based on an estimate of uncollectible amounts for loan losses.

The Governmental Funds report unavailable revenues from notes and loans receivable as a deferred inflow of resources. These amounts are recognized or reported as revenues in the period that the amounts become available.

J. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, are recorded as prepaid items, and in governmental fund financial statements are offset equally by nonspendable fund balance, which indicates that they are not in spendable form. Prepaid items are reported under the consumption method, which recognizes the expenditure/expense in the period associated with the goods consumed or the services rendered.

CITY OF NAPA, CALIFORNIA
Notes to the Basic Financial Statements
For the Year Ended June 30, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Leases

1. *Lessee*

The City has a policy to recognize a lease liability and a right-to-use lease asset (lease asset) in the government-wide financial statements. The City recognizes lease liabilities with an initial, individual value of \$25,000 or more.

At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made.

Lease assets are recorded at the amount of the initial measurement of the lease liabilities and modified by any lease payments made to the lessor at or before the commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease term along with any initial direct costs that are ancillary charges necessary to place the lease assets into service. Lease assets are amortized using the straight-line method over the shorter of the lease term or the useful life of the underlying asset, unless the lease contains a purchase option that the City has determined is reasonably certain of being exercised. In this case, the lease asset is amortized over the useful life of the underlying asset.

Key estimates and judgments related to leases include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancelable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure any lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported as right to use along with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

2. *Lessor*

The City is a lessor for leases of special purpose facilities, office and commercial space, and land. The City recognizes leases receivable and deferred inflows of resources in the financial statements.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflows of resources are initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflows of resources are recognized as revenue over the life of the lease term in a systematic and rational method.

Key estimates and judgments include how the City determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The City uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancelable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

CITY OF NAPA, CALIFORNIA
Notes to the Basic Financial Statements
For the Year Ended June 30, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

L. Subscription-Based Information Technology Arrangements (SBITAs)

The City has a policy to recognize a SBITA liability and a right-to-use subscription asset (SBITA asset) in the financial statements with an initial, individual value of \$25,000 or more with a subscription term greater than one year.

At the commencement of a subscription, when the subscription asset is placed into service, the SBITA liability is measured at the present value of payments expected to be made during the subscription term. Future subscription payments are discounted using the City's incremental borrowing rate and the City recognizes amortization of the discount on the subscription liability as interest expense in subsequent financial reporting periods.

SBITA assets are measured as the sum of the initial subscription liability, payments made to the SBITA vendor before the commencement of the lease term, and capitalizable implementation costs less any incentives received from the SBITA vendor at or before the commencement of the subscription term. Subscription assets are amortized using the straight-line method over the subscription term.

Key estimates and judgments related to SBITAs include how the City determines (1) the discount rate it uses to discount the expected subscription payments to present value, (2) subscription term, and (3) subscription payments.

- The City uses the interest rate charged by the SBITA vendor as the discount rate. When the interest rate charged by the SBITA vendor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for SBITAs.
- The subscription term includes the period during which the City has a noncancelable right to use the underlying IT asset. The subscription term also includes periods covered by an option to extend if it is reasonably certain to be exercised.
- Subscription payments included in the measurement of the subscription liability are composed of fixed payments and purchase option years that the City is reasonably certain to exercise. The City monitors changes in circumstances that would require a remeasurement of a subscription and will remeasure any subscription asset and liability if certain changes occur that are expected to significantly affect the amount of the subscription liability.

Right-to-use subscription assets are reported along with other capital assets and subscription liabilities are reported as long-term debt on the statement of net position.

M. Capital Assets

Capital assets, which include land, buildings, improvements, equipment, and infrastructure (e.g. roads, bridges, sidewalks, and similar items), are reported on the government-wide Statement of Net Position. Capital assets used in enterprise and internal service funds are also reported on those Fund Financial Statements. Since the governmental funds report only current, available resources on their Fund Financial Statements, capital outlay in those funds is reported as an expenditure and not as an asset on the balance sheet.

Capital assets are recorded at cost. The City has set the capitalization threshold for reporting general capital assets at \$5,000 and infrastructure at \$25,000 with a useful life of more than one year. Donated assets are recorded at acquisition value at the date of donation. Capital assets acquired under leases are recorded at the net present value of the future minimum lease payments.

CITY OF NAPA, CALIFORNIA
Notes to the Basic Financial Statements
For the Year Ended June 30, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Major outlays for capital assets are capitalized as projects are constructed.

Depreciation and amortization on recorded capital assets is expensed on the straight-line method over the following estimated useful lives:

Asset Type	Years
Buildings and improvements	15 - 60
Vehicles and equipment	3 - 7
Roads	20 - 40
Bridges	75
Cubs/Gutters/Sidewalks	30 - 50
Traffic Signals	40
Park Improvements	20 - 30
Transmission and Distribution Systems	20 - 60
Street Lights	30 - 40
Underground Utilities	30 - 40
Stormwater	30 - 40
Lease assets	3 - 10
Subscription assets	3 - 10

N. Compensated Absences

City employees may accumulate earned but unused vacation (up to a certain amount) and sick pay benefits. All annual leave is accrued when incurred and reported in the government-wide and proprietary fund financial statements. A liability for compensated absences is reported in the governmental funds only if they have matured, for example, as a result of employee resignations or retirements that are currently payable. Compensated absences are liquidated by the fund that has recorded the liability. Governmental activities compensated absences are liquidated primarily by the General Fund.

O. Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City of Napa's California Public Employee's Retirement System (CalPERS) plans (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 benefit terms. Investments are reported at fair value. The General Fund and Internal Service Funds are typically used to liquidate the pension liability related to the City's governmental activities while the pension liability for Business-type activities is liquidated from the respective Enterprise Funds.

Generally accepted accounting principles require that the reported results must pertain to liability and asset information within certain defined time frames. For this request, the following time frames are used:

Valuation Date	June 30, 2023
Measurement Date	June 30, 2024
Measurement Period	July 1, 2023 to June 30, 2024

CITY OF NAPA, CALIFORNIA
Notes to the Basic Financial Statements
For the Year Ended June 30, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

P. Other Post Employment Benefits Other Than Pensions (OPEB)

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 City of Napa's California Public Employee's Retirement System (CalPERS) plans (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 benefit terms. Investments are reported at fair value. The General Fund and Internal Service Funds are typically used to liquidate the pension liability related to the City's governmental activities while the pension liability for Business-type activities is liquidated from the respective Enterprise Funds.

Generally accepted accounting principles require that the reported results must pertain to liability and asset information within certain defined time frames. For this request, the following time frames are used:

Valuation Date	June 30, 2023
Measurement Date	June 30, 2024
Measurement Period	July 1, 2023 to June 30, 2024

Q. Net Position

Net position is the excess of the City's assets and deferred outflows over all its liabilities and deferred inflow. Net position is divided into three captions on the Statement of Net Position.

These captions apply only to net position, which is determined at the government-wide level and proprietary funds and are described below:

Net Investment in Capital Assets describes the portion of net position which is represented by the current net book value of the City's capital assets, less the outstanding balance of any debt issued to finance these assets.

Restricted describes the portion of net position which is restricted as to use by the terms and conditions of agreements with outside parties, governmental regulations, laws, or other restrictions which the City cannot unilaterally alter. These principally include bond proceeds received for use on capital projects, debt service requirements, and special revenue programs subject to limitations regulations and laws underlying such programs.

Unrestricted describes the portion of net position which is not restricted as to use.

R. Fund Balance

The City's fund balances are classified based on spending constraints imposed on the use of resources. For programs with multiple funding sources, the City prioritizes and expends funds in the following order: Restricted, Committed, Assigned, and Unassigned. The General Fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to these purposes, it may be necessary to report a negative unassigned fund balance. Each category in the following hierarchy is ranked according to the degree of spending constraint:

Nonspendable represents balances set aside to indicate items that do not represent available, or 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.

CITY OF NAPA, CALIFORNIA
Notes to the Basic Financial Statements
For the Year Ended June 30, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 a specific purpose.

Committed fund balances have constraints imposed by formal action (i.e. resolution) of the City Council which may be altered only by the same formal action of the City Council.

Assigned fund balances are amounts constrained by the City's intent to be used for a specific purpose, but are neither restricted nor committed. The Finance Director is designated the authority by the Council adopted Fiscal Policy to "assign" amounts to be used for specific purposes.

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.

S. Use of Estimates

The accompanying basic financial statements have been prepared in accordance with U.S. GAAP. This requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

T. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position or balance sheet will, when applicable, report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until that time.

In addition to liabilities, the statement of financial position or balance sheet will, when applicable, report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

U. Implementation of New GASB Pronouncements For the Year Ended June 30, 2025

The requirements of the following accounting standards are effective for the purpose of implementation, if applicable to the City, for the year ended June 30, 2025. The financial statements included herein apply the requirements and provisions of these statements, including necessary retroactive adjustments to financial statement classifications and presentations.

GASB Statement No. 101, Compensated Absences

The requirements of this Statement will improve financial reporting by implementing a unified recognition and measurement model that will result in a liability for compensated absences that more appropriately reflects when a government incurs an obligation. Establishing the unified model will result in consistent application to any type of compensated absence and will eliminate potential comparability issues between governments that offer different types of leave. This Statement will also result in a more robust estimate of the amount of compensated absences that a government will pay or settle, which will enhance the relevance and reliability of information about the liability for compensated absences. See Note 18 for details on restatements related to this pronouncement.

CITY OF NAPA, CALIFORNIA
Notes to the Basic Financial Statements
For the Year Ended June 30, 2025

NOTE 2: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Violations of Legal or Contractual Provisions

Note .1.[E.2](#), on the excess of expenditures over appropriations on page [71](#), describes a budgetary violation that occurred for the year ended June 30, 2025.

B. Fund Balance/Net Position Deficits

At June 30, 2025, the following funds had a fund balances (deficit) or unrestricted net position (deficit):

Fund	Fund Type	Deficit
Property and Business Improvement Fund	Special Revenue Fund	\$ 116
Permanent Local Housing Allocation Fund	Special Revenue Fund	63,061
Golf Fund	Special Revenue Fund	1,427,741
Community Development Block Grant Fund	Special Revenue Fund	201,569

The Special Revenue Funds deficits are expected to be eliminated by future grant revenues, intergovernmental, and charges for services.

NOTE 3: CASH AND INVESTMENTS

The City maintains a cash and investment pool, which includes cash balances and authorized investments of all funds. This pooled cash is invested in an effort to enhance interest earnings while minimizing exposure to risk. The pooled interest earned is allocated to the funds based on cash and investment balances in these funds at the end of each monthly accounting period.

A. Deposits

The California Government Code requires California financial institutions to secure the City'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 in such collateral superior to those of a general creditor. Thus, collateral for cash deposits is considered to be held in the City's name. The fair value of pledged securities must equal at least 110% of the City's cash deposits. California law also allows institutions to secure city deposits by pledging first trust deed mortgage notes having a value of 150% of the City's total cash deposits.

The City 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 from cash and investments with fiscal agents is credited directly to the related fund.

Cash and investments as of June 30, 2025, are classified in the accompanying financial statements as follows:

Statement of Net Position

Cash and investments - Governmental and Business-type activities	\$ 346,282,719
Restricted cash and investments	10,092,414
Restricted cash with fiscal agents	980
Total City cash and investments	356,376,113

Statement of Fiduciary Net Position

Cash and investments available for operations in Fiduciary Funds	1,170,291
Restricted cash and investments in Fiduciary Funds	1,199,466
Total cash and investments	\$ 358,745,870

CITY OF NAPA, CALIFORNIA
Notes to the Basic Financial Statements
For the Year Ended June 30, 2025

NOTE 3: CASH AND INVESTMENTS (CONTINUED)

B. Investments Authorized by the California Government Code and the City's Investment Policy

The table below identifies the investment types authorized under the provisions of the City's investment policy, and in accordance with the California Government Code. This table does not address investments of debt proceeds held by bond trustee that are governed by the provisions of the debt agreements of the City.

Authorized Investment Type	Maximum Maturity	Minimum Credit Quality	Maximum in Portfolio	Maximum Investment in One Issuer
U.S. Treasury Bonds, Notes and Bills	5 Years	N/A	None	None
U.S. Government Agency and U.S. Government - Sponsored Enterprise Obligations	5 Years	N/A	None	None
State of California or Other Local Agency	5 Years	N/A	None	5%
Registered Treasury Notes or Bonds	5 Years	N/A	None	5%
Bankers' Acceptances	180 Days	A-1, P-1	30%	Lessor of \$2,000,000 or 5% (whichever is lower)
Certificate of Deposit (Time Deposit)	2 Years	*	None	250,000
Negotiable Certificates of Deposit	5 Years	A, A-1	30%	5% regardless of sector
Commercial Paper	270 Days	A	40% until 1/1/26, 25% thereafter	5% regardless of sector
Medium-Term Notes	5 Years	A	30%	5% regardless of sector
State of California Local Agency Investment Fund (LAIF Pool)	Upon Demand	N/A	Maximum Amount permitted by LAIF Advisory Board	N/A
Repurchase Agreements	30 Days	N/A	20%	20%
Money Market Mutual Funds	N/A	**	20%	10%
California Asset Management Program	N/A	N/A	None	None
Asset Backed Securities	5 Years	AA	20%	5% regardless of sector
Supranationals	5 Years	AA	30%	5% regardless of sector

* Collateralization must comply with statutory requirements

** Highest rating provided by not less than two nationally recognized rating services

C. Investments Authorized by Debt Agreements

Investments of debt proceeds held by bond trustee are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the City's investment policy. The table below identifies the investment types that are authorized for investments held by the bond trustee.

Authorized Investment Type	Maximum Maturity	Minimum Credit Rating
U.S. Treasury Bonds, Notes and Bills	None	N/A
U.S. Government Agency Obligations	None	Aaa or AAA for Senior Debt obligations issued by Fannie Mae or FHLMC
Federal Securities	None	N/A
Bankers' Acceptances	no more than 360 days	A-1, P-1
Commercial Paper	no more than 1 year	N/A
Certificates of Deposit	30 days or less	A
Repurchase Agreements	N/A	Not Rated
Local Agency Investment Fund	no more than 5 years	N/A
Money Market Funds	N/A	AAAm, AAAm-G
Bonds or Notes issued by State or Municipal Governments	None	One of the two highest ratings categories by S&P
Shares in a California Common Law Trust	N/A	N/A
Prefunded Municipal Obligations	None	AAA
State Obligations	None	A
State Obligations - Direct Short-Term	None	A-1
State Obligations - Special Revenue Bonds	None	AA

*Collateralization must comply with statutory requirements

**Higher rating provided by not less than two nationally recognized rating services

CITY OF NAPA, CALIFORNIA
Notes to the Basic Financial Statements
For the Year Ended June 30, 2025

NOTE 3: CASH AND INVESTMENTS (CONTINUED)

D. Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates may adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to change in market interest rates. The City manages its exposure to interest rate risk by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations. Information about the sensitivity of the fair values of the City's investments (including investments held by bond trustee) to market interest rate fluctuations is provided by the following table that shows the distribution of the City's investments as of June 30, 2025, by maturity:

Investment Type	Less than One	One to Three	Three to Five	Total
	Year	Years	Years	
Local Agency Investment Fund	\$ 49,856,829	\$ -	\$ -	\$ 49,856,829
Certificate of Deposit	-	5,015,893	-	5,015,893
U.S. Treasury Notes	-	49,155,919	48,852,310	98,008,229
Municipal Bond/Note	-	238,778	-	238,778
Corporate Notes	-	21,235,322	23,582,294	44,817,616
Money Market Funds (U.S. Securities)	65,897,420	-	-	65,897,420
Federal Agency Securities	-	15,133,035	16,152,850	31,285,885
Asset Backed Security	658,260	6,349,236	22,637,558	29,645,054
Bank Note	-	2,681,264	-	2,681,264
Total Investments	<u>\$ 116,412,509</u>	<u>\$ 99,809,447</u>	<u>\$ 111,225,012</u>	<u>327,446,968</u>
Cash and investment with fiscal agents*				11,292,860
Cash in banks and on hand				20,006,042
Total Cash and Investments				<u>\$ 358,745,870</u>

*Cash and investments with fiscal agent represents Gasser CFD (\$1.2 million) and PARS IRC Section 115 Trust (\$10.1 million), Proprietary Debt Service (\$980) and Housing Authority Self Sufficiency (\$257 k).

E. Disclosures Relating to Credit Risk

Credit risk is measured by the assignment of a rating by a nationally recognized statistical rating organization. The City's investments are rated as follows:

Investment Type	Moody's Rating as of Fiscal Year End				Total
	AAA	AA+/AA/AA-	A/A+/A-/BBB+		
Held by Trustee:					
Certificate of Deposit	\$ -	\$ -	\$ 5,015,893	\$ 5,015,893	
Corporate Notes	305,034	10,966,635	33,545,947	44,817,616	
Money Market Funds	2,593,088	-	-	2,593,088	
Federal Agency Securities	-	31,285,886	-	31,285,886	
Asset Backed Security	21,843,736	-	-	21,843,736	
Bank Note	-	-	2,681,264	2,681,264	
Total	<u>\$ 24,741,858</u>	<u>\$ 42,252,521</u>	<u>\$ 41,243,104</u>		<u>108,237,483</u>
Local Agency Investment Fund					\$ 49,856,829
Asset Backed Security					7,801,318
Municipal Bond/Notes					238,778
Money Market Funds					63,304,332
Exempt from credit rating disclosure:					
U.S. Treasury notes					98,008,228
Cash and investment with fiscal agents*					11,292,860
Cash in banks and on hand					20,006,042
Total Cash and Investments					<u>\$ 358,745,870</u>

*Cash and investments with fiscal agent represents Gasser CFD (\$1.2 million) and PARS IRC Section 115 Trust (\$10.1 million), Proprietary Debt Service (\$980) and Housing Authority Self Sufficiency (\$257 k).

CITY OF NAPA, CALIFORNIA
Notes to the Basic Financial Statements
For the Year Ended June 30, 2025

NOTE 3: CASH AND INVESTMENTS (CONTINUED)

F. Investment in Local Agency Investment Funds

The City is a participant in LAIF, which is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The City's investments in LAIF at June 30, 2025 included a portion of pool funds invested in Structure Notes and Asset-Backed Securities:

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

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

As of June 30, 2025, the City had \$49,856,829 invested in LAIF, which had invested 1.86% of the pool investment funds in Structured Notes and Asset-Back Securities. LAIF determines fair value on its investment portfolio based on market quotations for those securities where market quotations are readily available and based on amortized cost or best estimate for those securities where fair value is not readily available. The City valued its investments in LAIF as of June 30, 2025, by multiplying its account balance with LAIF times a fair value factor determined by LAIF. This fair value factor was determined by dividing all LAIF participants' total aggregate amortized cost by total aggregate fair value. The fair value of the City's position in the pool is the same as the value of the pool shares. The credit quality rating of LAIF is unrated as of June 30, 2025.

G. Investment Held in Public Agencies Retirement Services (PARS) Trust

During the year ended June 30, 2017, the City established an irrevocable trust with PARS for the purpose of accumulating additional resources restricted for retirement benefits. PARS is the trust administrator while the City, as the plan administrator, is responsible to provide direction on the usage and distribution of the funds held in the PARS Trust. During the year ended June 30, 2025, the City contributed no funds to the PARS Trust. At June 30, 2025, the total amount accumulated in the PARS Trust was \$10,092,414.

H. Fair Value Hierarchy

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described as follows:

Level 1 – Inputs are unadjusted, quoted prices for identical assets or liabilities in active markets at the measurement date.

Level 2 – Inputs, other than quoted prices included in Level 1, which are observable for the assets or liabilities through corroboration with market data at the measurement date.

Level 3 – Unobservable inputs that reflect management's best estimate of what market participants would use in pricing the assets or liabilities at the measurement date.

CITY OF NAPA, CALIFORNIA
Notes to the Basic Financial Statements
For the Year Ended June 30, 2025

NOTE 3: CASH AND INVESTMENTS (CONTINUED)

The City had the following recurring fair value measurements as of June 30, 2025:

Investment Type	Total	Level 1	Level 2	Uncategorized
Local Agency Investment Fund	\$ 49,856,829	\$ -	\$ -	\$ 49,856,829
Certificate of Deposit	5,015,893	-	-	-
U.S. Treasury Notes	98,008,228	98,008,228	-	-
Bank Notes	2,681,264	-	2,681,264	-
Municipal Bond/Notes	238,778	-	-	-
Corporate Notes	44,817,616	-	-	-
Money Market Funds (U.S. Securities)	65,897,420	-	-	65,897,420
Federal Agency Securities	31,285,886	-	-	-
Asset Backed Security	29,645,054	-	-	-
Cash and Deposits	31,298,902	-	-	31,298,902
Total	\$ 358,745,870	\$ 98,008,228	\$ 2,681,264	\$ 147,053,151

Debt and equity securities classified in Level 1 are valued using prices quoted in active markets for those securities.

Debt and equity securities classified in Level 2 are valued using the following approaches:

- Certificates of Deposit: quoted market prices for identical securities in markets that are not active; and
- Federal Government Agency Securities, Supranational Agency Bonds/Notes, Municipal Bonds/Notes, Corporate Notes, and Asset-Backed Securities: matrix pricing model

CITY OF NAPA, CALIFORNIA
Notes to the Basic Financial Statements
For the Year Ended June 30, 2025

NOTE 4: LEASE RECEIVABLE

A. Governmental Activities

A portion of the City's property is leased to others. Such property includes special purpose facilities, office and commercial space, and land. Lease receivable consists of agreements with others for the right-to-use of the underlying assets at various locations owned by the City. The terms of the arrangements range from 2 to 15 years. The calculated interest rates used vary depending on the length of the lease from 0.56% to 1.81%. For the fiscal year ended June 30, 2025, the City recognized \$63,612 in lease revenue and \$3,601 in interest revenue.

A summary of changes in lease receivable for the fiscal year ended June 30, 2025 is as follows:

	Balance July 1, 2024	Additions	Deletions	Balance June 30, 2025	Due within One Year
Leases receivable	\$ 273,562	\$ 30,193	\$ 62,644	\$ 241,111	\$ 67,455

As of June 30, 2025, the required payments for these leases, including interest, are:

Year Ending June 30,	Principal	Interest	Total
2026	\$ 67,455	\$ 2,797	\$ 70,252
2027	68,624	1,948	70,572
2028	49,071	1,106	50,177
2029	2,008	864	2,872
2030	2,096	833	2,929
2031-2035	11,897	3,651	15,548
2036-2040	14,513	2,654	17,167
2041-2045	17,510	1,444	18,954
2046-2047	7,937	185	8,122
Total	\$ 241,111	\$ 15,482	\$ 256,593

As of June 30, 2025, the amounts reported as deferred inflows of resources will be recognized as lease revenue as follows:

Year Ending June 30,	Amortization Schedule
2026	\$ 168,612
2027	167,056
2028	148,215
2029	107,697
2030	107,697
2031-2035	538,487
2036-2040	538,487
2041-2045	538,487
2046-2047	257,796
Total	\$ 2,572,534

CITY OF NAPA, CALIFORNIA
Notes to the Basic Financial Statements
For the Year Ended June 30, 2025

NOTE 4: LEASE RECEIVABLE (CONTINUED)

B. Business-Type Activities

A portion of the City's property is leased to others. Such property includes special purpose facilities, office and commercial space, and land. Lease receivable consists of agreements with others for the right-to-use of the underlying assets at various locations owned by the City. The terms of the arrangements range from 2 to 12 years. The calculated interest rates used vary depending on the length of the lease from 0.56% to 1.81%. For the fiscal year ended June 30, 2025, the City recognized \$241,111 in lease revenue and \$15,482 in interest revenue.

A summary of changes in lease receivable for the fiscal year ended June 30, 2025 is as follows:

	Balance		Deletions	Balance	Due within One Year
	July 1, 2024	Additions			
Leases receivable	\$ 1,228,978	\$ -	\$ 153,695	\$ 1,075,283	\$ 107,625

As of June 30, 2025, the required payments for these leases, including interest, are:

Year ending, June 30	Principal	Interest	Total
2026	\$ 107,625	\$ 24,736	\$ 132,361
2027	96,001	22,738	118,739
2028	101,669	20,612	122,281
2029	107,588	18,343	125,931
2030	113,770	15,925	129,695
2031-2035	484,828	40,647	525,475
2036	63,802	945	64,747
Total	\$ 1,075,283	\$ 143,946	\$ 1,219,229

As of June 30, 2025, the amounts reported as deferred inflows of resources will be recognized as lease revenue as follows:

Year Ending June 30,	Amortization Schedule
2026	\$ 121,001
2027	105,427
2028	105,427
2029	105,427
2030	105,427
2031-2035	384,345
2036	40,259
Total	\$ 967,313

CITY OF NAPA, CALIFORNIA
Notes to the Basic Financial Statements
For the Year Ended June 30, 2025

NOTE 5: LOANS RECEIVABLE

The City has extended long-term loans to support affordable housing and economic development. All loans are secured by real estate. Since some of these loans are secured by trust deeds which are subordinated to other debt on the associated projects or are only repayable from residual cash receipts on the projects, collectability of some of the outstanding balances may not be realized. As a result, a portion of the outstanding balances of the loans has been offset by a valuation allowance. These long-term loans receivable consisted of the following at June 30, 2025:

Description	Term (Years)	Interest Rate	Outstanding Balance at June 30, 2025
Notes and Loans Receivable			
General Fund	15-30	0-4%	\$ 293,339
Development Fees Fund	10-55	0-3.5%	8,655,968
HOME Program	20-30	3.0%	8,731,819
Housing Fund:			
Laurel Manor	35	3.5%	419,000
Local Housing Fund	various	7.0%	59,399
20% Low and Moderate Incoming Housing	30-60	0-4%	9,772,152
RDA Supplemental - Bain, Thomas		-%	174,080
Other Governmental Funds:			
CDBG Housing Rehabilitation Program	20	2-10%	2,222,557
CDBG Nonprofit CIP Program	55	3.0%	2,386,392
CalHome Grant	5	3.0%	1,663,914
Total Notes and Loans Receivable			<u>\$ 34,378,620</u>

CITY OF NAPA, CALIFORNIA
Notes to the Basic Financial Statements
For the Year Ended June 30, 2025

NOTE 6: INTERFUND TRANSACTIONS

A. Due To/ From Other Funds

Amounts due to and due from other funds at June 30, 2025, were as follows:

Receivable Fund	Payable Fund	Amount	Purpose
General Fund	RMRA Special Revenue Fund	\$ 97,488	Overdrawn Cash
General Fund	Golf Course Special Revenue Fund	64,247	Overdrawn Cash
General Fund	Development Fees Special Revenue Fund	4,111	Overdrawn Cash
General Fund	Public Safety Programs Special Revenue Fund	110	Overdrawn Cash
General Fund	Community Development Block Grant Special Revenue Fund	642,621	Overdrawn Cash
General Fund	Assessment District Special Revenue Fund	3,122	Overdrawn Cash
General Fund	Business Districts Special Revenue Fund	2,077	Overdrawn Cash
General Fund	Property and Business Improvement Special Revenue Fund	1,051	Overdrawn Cash
General Fund	Departmental Special Revenue Fund	307,178	Overdrawn Cash
General Fund	Housing Special Revenue Fund	4,003,886	Overdrawn Cash
General Fund	Water Utility Enterprise Fund	3,861,244	Overdrawn Cash
General Fund	Solid Waste & Recycling Enterprise Fund	797,834	Overdrawn Cash
General Fund	Fleet Internal Service Fund	<u>1,217,821</u>	Overdrawn Cash
Total		<u>\$ 11,002,790</u>	

B. Long-Term Advances

At June 30, 2025 the fund below had made an advance that is not expected to be repaid within the next year. This long-term interfund advance is expected to be repaid when sufficient cash is available in the borrowing fund.

Advances To	Advances From	Amount	Purpose
General Fund	Golf Course Special Revenue Fund	\$ 482,850	Fund Golf Capital Projects
General Fund	Development Fees Special Revenue Fund	1,805,122	Fund Fire Station 5
Development Fees Special Revenue Fund	Golf Course Special Revenue Fund	183,600	Fund Golf Course Water Irrigation Surcharge
City Capital Projects Fund	Golf Course Special Revenue Fund	675,000	Fund Golf Capital Projects
City Capital Projects Fund	Development Fees Special Revenue Fund	1,267,441	Fund Fire Station 5
Total		<u>\$ 4,414,013</u>	

CITY OF NAPA, CALIFORNIA
Notes to the Basic Financial Statements
For the Year Ended June 30, 2025

NOTE 6: INTERFUND TRANSACTIONS (CONTINUED)

C. Transfers

Transfers report the contribution of resources from one fund to another. The following is a summary of transfers for the year ended June 30, 2025:

Transfers In	Transfers Out	Amount	Purpose
General Fund	City Capital Projects Fund	\$ 67,416	Citywide overhead
General Fund	Assessment District Fund	10,930	Citywide overhead
General Fund	CAL Home Grant Fund	3,130	Citywide overhead
General Fund	Development Fees Fund	62,280	Citywide overhead
General Fund	Enhanced Infrastructure Financing District Fund	50,170	Citywide overhead
General Fund	Gas Tax Fund	4,270	Citywide overhead
General Fund	Housing Fund	618,290	Citywide overhead
General Fund	Measure F Fund	25,340	Citywide overhead
General Fund	Parking Fund	68,370	Citywide overhead
General Fund	Road Maintenance and Rehabilitation Fund	15,900	Citywide overhead
General Fund	Solid Waste and Recycling Fund	938,010	Citywide overhead
General Fund	Traffic Fund	680	Citywide overhead
General Fund	Water Utility Fund	3,297,190	Citywide overhead
	Subtotal	<u>5,161,976</u>	
Measure T Fund	City Capital Projects Fund	17,944,855	Redistribution
	Subtotal	<u>17,944,855</u>	
Development Fees Fund	City Capital Projects Fund	6,860,676	Redistribution
	Subtotal	<u>6,860,676</u>	
City Capital Projects Fund	Gas Tax Fund	1,350,000	Capital projects
City Capital Projects Fund	General Fund	5,722,615	Capital projects
City Capital Projects Fund	General Fund	2,294,612	Capital projects
City Capital Projects Fund	General Fund	2,589,224	Capital projects
City Capital Projects Fund	General Fund	100,000	Capital projects
City Capital Projects Fund	Measure T Fund	1,000,000	Capital projects
City Capital Projects Fund	Road Maintenance and Rehabilitation Fund	2,300,000	Capital projects
City Capital Projects Fund	Solid Waste and Recycling Fund	1,250,000	Capital projects
	Subtotal	<u>16,606,451</u>	
Aggregate Non-Major Funds	City Capital Projects Fund	6,334,991	Redistribution
	Subtotal	<u>6,334,991</u>	
Fleet Fund	Equipment Replacement Fund	60,000	Fleet/Equipment
Risk Management Fund	City Capital Projects Fund	262,257	Redistribution
Post Employment Benefits Fund	General Fund	1,250,000	Fund internal services
	Subtotal	<u>1,572,257</u>	
	Total	<u>\$ 54,481,206</u>	

CITY OF NAPA, CALIFORNIA
Notes to the Basic Financial Statements
For the Year Ended June 30, 2025

NOTE 7: CAPITAL ASSETS

A. Governmental Activities

Governmental activities capital assets activity for the year ended June 30, 2025 was as follows:

	Balance July 1, 2024	Adjustments*	Transfers	Additions	Deletions	Balance June 30, 2025
Capital assets, not being depreciated/amortized:						
Land	\$ 33,395,501	\$ -	\$ -	\$ -	\$ -	\$ 33,395,501
Construction in progress	38,856,026	(214,858)	(3,551)	24,575,338	-	63,212,955
Total capital assets, not being depreciated/amortized	72,251,527	(214,858)	(3,551)	24,575,338	-	96,608,456
Capital assets, being depreciated/amortized:						
Infrastructure	628,822,234	-	-	-	-	628,822,234
Buildings and improvements	59,038,918	12,467	-	-	-	59,051,385
Improvements, other than buildings	220,189	(12,467)	-	-	-	207,722
Machinery and equipment	42,146,008	29,440	3,551	2,903,601	-	45,082,600
Other capital assets	306,000	-	-	-	-	306,000
Leases						
Land	989,154	-	-	-	-	989,154
Vehicles	26,540	-	-	-	-	26,540
Equipment	82,111	-	-	86,254	-	168,365
Buildings	7,370,666	-	-	216,871	-	7,587,537
Total leases	8,468,471	-	-	303,125	-	8,771,596
Subscriptions						
Software	5,512,361	-	-	1,924,028	-	7,436,389
Total subscriptions	5,512,361	-	-	1,924,028	-	7,436,389
Total capital assets, being depreciated/amortized	744,514,181	29,440	3,551	5,130,754	-	749,677,926
Less accumulated depreciation/amortization:						
Infrastructure	(378,505,993)	-	-	(8,430,393)	-	(386,936,386)
Buildings and improvements	(34,574,044)	4,164	-	(1,364,863)	-	(35,934,743)
Improvements, other than buildings	(147,875)	55,683	-	(3,823)	-	(96,015)
Machinery and equipment	(29,337,429)	(59,847)	-	(2,898,091)	-	(32,295,367)
Other capital assets	(306,000)	-	-	-	-	(306,000)
Leases						
Land	(102,326)	-	-	(34,109)	-	(136,435)
Vehicles	(21,487)	-	-	(5,053)	-	(26,540)
Equipment	(61,587)	-	-	(35,732)	-	(97,319)
Buildings	(2,671,349)	124,393	-	(2,996,173)	-	(5,543,129)
Total leases	(2,856,749)	124,393	-	(3,071,067)	-	(5,803,423)
Subscriptions						
Software	(1,336,100)	-	-	(1,758,339)	-	(3,094,439)
Total subscriptions	(1,336,100)	-	-	(1,758,339)	-	(3,094,439)
Total accumulated depreciation/amortization	(447,064,190)	124,393	-	(17,526,576)	-	(464,466,373)
Net capital assets, being depreciated/amortized	297,449,991	153,833	3,551	(12,395,822)	-	285,211,553
Governmental activities capital assets, net	\$ 369,701,518	\$ (61,025)	\$ -	\$ 12,179,516	\$ -	\$ 381,820,009

* Adjustments pertain to insignificant reclassifications from the prior year in addition to an immaterial net correction of previously capitalized lease assets and coinciding lease liability.

CITY OF NAPA, CALIFORNIA
Notes to the Basic Financial Statements
For the Year Ended June 30, 2025

NOTE 7: CAPITAL ASSETS (CONTINUED)

Depreciation and amortization expense were charged to the functions/programs of the governmental activities as follows:

General government	\$ 5,437,997
Public safety	876,303
Public works	8,334,755
Parks and recreation	281,734
Community development	25,638
Internal service funds	<u>2,570,149</u>
Total depreciation/amortization expense	<u>\$ 17,526,576</u>

B. Business-type Activities

Business-type activities capital assets activity for the year ended June 30, 2025 was as follows:

	Balance July 1, 2024	Additions	Deletions	Balance June 30, 2025
Capital assets, not being depreciated/amortized				
Land	\$ 5,289,459	\$ -	\$ -	\$ 5,289,459
Construction-in-progress	11,904,149	17,654,481	-	29,558,630
Total capital assets, not being depreciated/ amortized	<u>17,193,608</u>	<u>17,654,481</u>	-	<u>34,848,089</u>
Capital assets, being depreciated/amortized:				
Infrastructure	98,791,024	-	-	98,791,024
Buildings and improvements	104,549,159	-	-	104,549,159
Improvements, other than buildings	72,593	-	-	72,593
Machinery and equipment	10,008,598	140,824	-	10,149,422
Other capital assets	5,992,000	-	-	5,992,000
Leases				
Buildings	1,276,243	-	-	1,276,243
Subscriptions				
Software	527,826	46,652	-	574,478
Total capital assets, being depreciated/amortized	<u>221,217,443</u>	<u>187,476</u>	-	<u>221,404,919</u>
Less accumulated depreciation/amortization				
Infrastructure	(61,716,809)	(2,017,358)	-	(63,734,167)
Buildings and improvements	(54,696,425)	(3,467,022)	-	(58,163,447)
Improvements, other than buildings	(3,751)	(4,840)	-	(8,591)
Machinery and equipment	(7,143,906)	(521,960)	-	(7,665,866)
Other capital assets	(3,440,257)	(230,751)	-	(3,671,008)
Leases				
Buildings	(212,707)	(212,707)	-	(425,414)
Subscriptions				
Software	(109,578)	(113,504)	-	(223,082)
Total accumulated depreciation/amortization	<u>(127,323,433)</u>	<u>(6,568,142)</u>	-	<u>(133,891,575)</u>
Net capital assets, being depreciated/amortized	<u>93,894,010</u>	<u>(6,380,666)</u>	-	<u>87,513,344</u>
Business-type activities capital assets, net	<u>\$ 111,087,618</u>	<u>\$ 11,273,815</u>	<u>\$ -</u>	<u>\$ 122,361,433</u>

CITY OF NAPA, CALIFORNIA
Notes to the Basic Financial Statements
For the Year Ended June 30, 2025

NOTE 7: CAPITAL ASSETS (CONTINUED)

Depreciation/amortization expenses for business-type activities for the year ended June 30, 2025 are as follows:

Water Utility	\$ 4,930,254
Solid Waste and Recycling	1,637,888
Total depreciation/amortization expense	<u>\$ 6,568,142</u>

NOTE 8: LONG-TERM DEBT

A. Current Year Transactions and Balances

The following table summarizes the changes in the City's long-term debt and other non-current liabilities during the year ended June 30, 2025:

	Original Issue Amount	Balance June 30, 2024	Additions	Deletions	Balance June 30, 2025	Due Within One Year
Governmental activities						
California Energy Commission (LED) Streetlights) due 6/1/2027	\$ 1,442,767	\$ 378,836	\$ -	\$ (125,022)	\$ 253,814	\$ 126,275
Seminary Street, 5.5%, due 7/31/2027	1,244,000	255,802	-	(78,710)	177,092	85,707
CDBG Laurel Manor	700,000	371,002	-	(35,413)	335,589	36,144
Lease liability	8,771,596	5,691,759	802,222	(2,200,525)	4,293,456	2,213,704
Subscription liability	4,464,307	3,124,157	1,924,028	(1,522,013)	3,526,172	1,245,910
Total governmental activities	<u>\$ 9,821,556</u>	<u>\$ 2,726,250</u>	<u>\$ (3,961,683)</u>	<u>\$ 8,586,123</u>	<u>\$ 3,707,740</u>	
Business-type activities						
2016 Water Revenue Bonds due 5/1/2035	\$ 43,505,000	\$ 27,740,000	\$ -	\$ (2,285,000)	\$ 25,455,000	\$ 2,315,000
plus: bond premium	-	2,596,411	-	(236,037)	2,360,374	-
2016 Solid Waste Revenue Bonds due 8/1/2036	12,500,000	9,130,000	-	(595,000)	8,535,000	610,000
less: bond discount	-	(42,513)	-	3,544	(38,969)	-
Lease liability	1,276,243	1,090,477	-	(194,023)	896,454	205,553
Subscription liability	518,166	385,594	46,652	(116,795)	315,451	90,506
Total business-type activities	<u>\$ 40,899,969</u>	<u>\$ 46,652</u>	<u>\$ (3,423,311)</u>	<u>\$ 37,523,310</u>	<u>\$ 3,221,059</u>	

B. California Energy Commission Loan

The City received a State Loan of \$1.4 million at an annual interest rate of 1.0%, to be repaid in semi-annual payments over 12 years. The note proceeds were applied towards upgrading the street lights to energy efficient LED streetlights. The replacement of the streetlights was completed in October 2014 and disbursement was received by the City in December 2014. In the event of any default or breach, the Promissory Note states that the loan is immediately due and payable.

Principal and interest payments to maturity are as follows:

Year Ending	Principal	Interest	Total
June 30,			
2026	\$ 126,275	\$ 2,224	\$ 128,499
2027	127,539	958	128,497
Total	<u>\$ 253,814</u>	<u>\$ 3,182</u>	<u>\$ 256,996</u>

CITY OF NAPA, CALIFORNIA
Notes to the Basic Financial Statements
For the Year Ended June 30, 2025

NOTE 8: LONG-TERM DEBT (Continued)

C. Housing Authority Notes Payable

Seminary Street – In September 1998, the City of Napa Housing Authority borrowed \$714,000 from a local bank to finance the acquisition of a commercial office building to house the Authority and another tenant. During the year ended June 30, 2003, additional bank credit was extended to finance major renovations to the building for a net increase of \$530,000. The loan was converted to permanent financing with a monthly amortization schedule through 2027 at an annual interest rate of 5.5%. In the event of default, the variable interest rate on this note will increase by 4% points, also the entire unpaid principal balance and all accrued unpaid interest is due immediately.

Principal and interest payments to maturity are as follows:

Year Ending June 30,	Principal	Interest	Total
2026	\$ 85,707	\$ 10,393	\$ 96,100
2027	91,385	3,737	95,122
Total	\$ 177,092	\$ 14,130	\$ 191,222

Laurel Manor Rehabilitation Loan – In November 2012, the City of Napa Housing Authority borrowed \$700,000, payable over 20 years at an annual interest rate of 2.04%, from the City of Napa CDBG Housing Rehabilitation Program to help finance \$2.7 million in improvements to the Laurel Manor senior housing complex. In the event that the property rehabilitated with the assistance of this loan, is sold, conveyed or alienated, the entire remaining principal and accrued interest balance is immediately due and payable.

Principal and interest payments to maturity are as follows:

Year Ending June 30,	Principal	Interest	Total
2026	\$ 36,144	\$ 6,509	\$ 42,653
2027	36,889	5,765	42,654
2028	37,648	5,005	42,653
2029	38,423	4,230	42,653
2030	39,215	3,439	42,654
2031-2035	147,270	5,573	152,843
Total	\$ 335,589	\$ 30,521	\$ 366,110

D. Leases Liability

Governmental Activities

The City has entered into leases for building space and equipment use. The terms of the agreements range from 3 to 29 years. The calculated annual interest rates of 0.56% to 2.63% varied based on the length of the lease.

As of June 30, 2025, the capitalized right-to-use assets related to leases were \$8,771,596 and the total lease liability was \$4,293,456, of which \$2,213,704 is reported as a current liability representing the amount due within the next fiscal year.

CITY OF NAPA, CALIFORNIA
Notes to the Basic Financial Statements
For the Year Ended June 30, 2025

NOTE 8: LONG-TERM DEBT (Continued)

Principal and interest payments to maturity are as follows:

Year Ending June 30,	Principal	Interest	Total
2026	\$ 2,213,704	\$ 78,757	2,292,461
2027	157,812	45,179	202,991
2028	162,634	41,097	203,731
2029	156,827	36,893	193,720
2030	161,584	32,906	194,490
2031-2035	740,126	102,082	842,208
2036-2040	175,437	54,449	229,886
2041-2045	217,028	36,785	253,813
2046-2050	308,304	15,051	323,355
Total	\$ 4,293,456	\$ 443,199	\$ 4,736,655

Business-Type Activities

The City has entered into a lease for building space. The terms of the agreement is 6 years. The calculated annual interest rate is 2.63% based on the length of the lease.

As of June 30, 2025, the capitalized right-to-use assets related to leases were \$1,276,243 and the total lease liability was \$896,454 of which \$205,553 is reported as a current liability representing the amount due within the next fiscal year.

Principal and interest payments to maturity are as follows:

Year Ending June 30,	Principal	Interest	Total
2026	\$ 205,553	\$ 21,111	\$ 226,664
2027	217,579	15,560	233,139
2028	230,122	9,688	239,810
2029	243,200	3,479	246,679
Total	\$ 896,454	\$ 49,838	\$ 946,292

E. Subscription Liability

Governmental Activities

The City has entered into subscription-based information technology arrangements (SBITAs) for services related to cloud-based software applications, data storage and management services. Under the terms of these arrangements, the City does not take possession of the software at any time and the vendor provides ongoing services for the software's operation. The subscription periods vary, with initial non-cancellable terms ranging from 2 to 7 years. The calculated interest rate used was between 2.28% to 2.63%, depending on the length of the SBITA and date of the agreement.

CITY OF NAPA, CALIFORNIA
Notes to the Basic Financial Statements
For the Year Ended June 30, 2025

NOTE 8: LONG-TERM DEBT (Continued)

As of June 30, 2025, the capitalized right-to-use assets related to SBITAs were \$7,436,389 and the total subscription liability was \$3,526,172, of which \$1,245,910 is reported as a current liability representing the amount due within the next fiscal year.

The annual debt service requirements on the subscription liability are as follows:

Year Ending June 30,	Principal	Interest	Total
2026	\$ 1,245,910	\$ 97,002	\$ 1,342,912
2027	832,095	61,552	893,647
2028	805,850	38,160	844,010
2029	499,440	16,241	515,681
2030	142,877	2,022	144,899
Total	\$ 3,526,172	\$ 214,977	\$ 3,741,149

Business-Type Activities

The City has entered into SBITAs for services related to cloud-based software applications, data storage and management services. Under the terms of these arrangements, the City does not take possession of the software at any time and the vendor provides ongoing services for the software's operation. The subscription periods vary, with initial non-cancellable terms ranging from 3 to 7 years. The calculated interest rate used was between 2.28% to 2.63%, depending on the length of the SBITA and date of the agreement.

As of June 30, 2025, the capitalized right-to-use assets related to SBITAs were \$574,478 and the total subscription liability was \$315,451, of which \$90,506 is reported as a current liability representing the amount due within the next fiscal year.

The annual debt service requirements on the subscription liability are as follows:

Year Ending June 30,	Principal	Interest	Total
2026	\$ 90,506	\$ 6,384	\$ 96,890
2027	51,856	4,398	56,254
2028	53,122	3,132	56,254
2029	54,419	1,834	56,253
2030	65,548	505	66,053
Total	\$ 315,451	\$ 16,253	\$ 331,704

CITY OF NAPA, CALIFORNIA
Notes to the Basic Financial Statements
For the Year Ended June 30, 2025

NOTE 8: LONG-TERM DEBT (Continued)

F. Water Fund Obligations

In April 2007, the City issued Series 2007 Water Revenue Bonds for the principal amount of \$47,350,000. The proceeds of the sale of the bond were used to provide funding to finance improvements to the City's water system. In February 2016 the City refunded the Series 2007 Water Revenue Bonds, and paid off other debt obligations of the Water Enterprise, through the issue of the Series 2016 Water Revenue Bonds for the principal amount of \$43,505,000. The issuance of these refunding bonds resulted in cash flow savings over the life of the bonds of \$8,687,419 and an economic gain (difference between the present value of the old and new debt service payments) of \$6,988,512. The issuance premium is reported in long-term debt due on the balance sheet and will be amortized over 14 years (the remaining life of the bonds). As of June 30, 2025, the balance of the premium is \$2,360,374. The 2016 Bonds bear interest payable bi-annually on May 1 and November 1 of each year commencing on May 1, 2016 until maturity in May 2035. Debt service is secured by a pledge of net revenues of the City's Water System. Interest paid in the current fiscal year and the net customer revenues were \$934,193 and \$24,048,776, respectively. The total principal and interest remaining to be paid on the bonds is \$25,455,000 and \$4,533,050, respectively. Under the Indenture of Trust for the bonds, the remedies for an event of default include any remedy available under law or equity, including declaring the principal amount of any outstanding Series 2016 Bonds, together with accrued interest, to be immediately due and payable.

The pledge of future Water System Revenues ends upon repayment of the original issue amount of \$43.5 million which is scheduled to occur in 2035.

Principal and interest payments to maturity are as follows:

Year Ending June 30,	Principal	Interest	Total
2026	\$ 2,315,000	\$ 833,550	\$ 3,148,550
2027	2,340,000	717,800	3,057,800
2028	2,305,000	671,000	2,976,000
2029	2,395,000	578,800	2,973,800
2030	2,490,000	483,000	2,973,000
2031-2035	13,610,000	1,248,900	14,858,900
Total	\$ 25,455,000	\$ 4,533,050	\$ 29,988,050

CITY OF NAPA, CALIFORNIA
Notes to the Basic Financial Statements
For the Year Ended June 30, 2025

NOTE 8: LONG-TERM DEBT (Continued)

G. Solid Waste Revenue Bonds

Acquisition and construction of capital improvements at the City's Materials Diversion Facility. The 2016 Bonds bear interest payable bi-annually on February 1 and August 1 of each year commencing on February 1, 2017 until maturity in August 2036. Debt service is secured by a pledge of net revenues of the City's Solid Waste System. The first principal payment on the Series 2016 Solid Waste Revenue Bonds was due August 1, 2018. Interest paid in the current fiscal year and the net customer revenues were \$264,689 and \$6,208,401 respectively. The total principal and interest remaining to be paid on the bonds is \$8,535,000 and \$1,752,728, respectively. Under the Indenture of Trust for the bonds, the remedies for an event of default include any remedy available under law or equity, including declaring the principal amount of any outstanding Series 2016 Bonds, together with accrued interest, to be immediately due and payable.

In October 2016, the City issued Series 2016 Solid Waste Revenue Bonds for the principal amount of \$12,500,000. The proceeds of the sale of the bond were used to provide funding to finance the costs of the pledge of future Solid Waste System Revenues ends upon repayment of the original issue amount of \$12.5 million which is scheduled to occur in 2036.

Principal and interest payments to maturity are as follows:

Year Ending				
June 30,	Principal	Interest	Total	
2026	\$ 610,000	\$ 253,392	\$ 863,392	
2027	620,000	238,722	858,722	
2028	635,000	221,982	856,982	
2029	655,000	203,341	858,341	
2030	675,000	184,123	859,123	
2031-2035	3,690,000	594,558	4,284,558	
2036-2037	1,650,000	56,610	1,706,610	
Total	\$ 8,535,000	\$ 1,752,728	\$ 10,287,728	

NOTE 9: DEBT WITH NO CITY COMMITMENT

A. Mortgage Revenue Bonds

The Housing Authority has issued the following mortgage revenue bonds to provide funds for the construction and permanent financing of multi-family housing projects. Twenty percent of units developed will be held and made available for occupancy by persons of low income. The bonds are secured by the land and housing projects. The bonds do not constitute or create a debt or pledge of the general credit or taxing power of the City and, accordingly, they are not recorded in the accompanying financial statements. The mortgage revenue bonds outstanding as of June 30, 2025, are as follows:

Year of Issue	Project	Original Borrowing	Maturity Date	Outstanding at Year-End
Housing Authority				
1999	Silverado Creek A	\$ 3,125,000	June 1, 2031	\$ 1,134,234
2004	Magnolia Park Series 2004A	4,500,000	December 1, 2035	720,438
		\$ 7,625,000		\$ 1,854,672

CITY OF NAPA, CALIFORNIA
Notes to the Basic Financial Statements
For the Year Ended June 30, 2025

NOTE 9: DEBT WITH NO CITY COMMITMENT (CONTINUED)

B. Community Facilities District

The Community Facilities District was formed and established by the City Council, as legislative body of the Community Facilities District, under the Mello-Roos Community Facilities Act of 1982, as amended, pursuant to a resolution adopted by the City Council following a public hearing, and a landowner election held on the same date at which the qualified electors of the Community Facilities District authorized the Community Facilities District to incur bonded indebtedness and approved the levy of special taxes. The bonds do not constitute or create a debt or pledge of the general credit or taxing power of the City. The Community Facilities District is located just south of the downtown area of the City, consisting of 23 parcels west of Soscol Avenue, north of Imola Avenue and south of Oil Company Road/Sousa Lane. The Community Facilities District issued debt on September 5, 2017 in the amount of \$19,950,000 for the purpose of acquisition, construction, and completion of certain facilities and improvements to be owned and operated by the City. The total principal and interest remaining to be paid on the bond is respectively \$17,310,000 and \$8,736,991.

NOTE 10: COMPENSATED ABSENCES

A. Governmental Activities

A summary of changes in the compensated absences balances for the governmental activities for the year ended June 30, 2025 is as follows:

	Balance		Balance		Due within One Year
	June 30, 2024	Net Change	June 30, 2025		
Compensated absences*	\$ 5,600,105	\$ 1,035,273	\$ 6,635,378		\$ 4,452,769

*Compensated absences presented as a net change, as per the requirements of GASB No. 101, Compensated Absences

B. Business-Type Activities

A summary of changes in the compensated absences balances for the business-type activities for the year ended June 30, 2025 is as follows:

	Balance		Balance		Due within One Year
	June 30, 2024	Net Change	June 30, 2025		
Compensated absences*	\$ 864,819	\$ 89,866	\$ 954,685		\$ 595,126

*Compensated absences presented as a net change, as per the requirements of GASB No. 101, Compensated Absences

CITY OF NAPA, CALIFORNIA
Notes to the Basic Financial Statements
For the Year Ended June 30, 2025

NOTE 11: FUND BALANCE CLASSIFICATION

Detailed classifications of the City's Fund Balances, as of June 30, 2025, are as follows:

	General Fund	Development Fees	HOME Program	Housing	Measure T	City Capital Projects	Non-major Governmental Funds	Total Governmental Funds
Nonspendable								
Inventories	\$ 580	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 580
Prepaid items	1,005,695	384	586	19,653	-	-	1,209,754	2,236,072
Advances to other funds	2,287,972	-	-	-	-	-	-	2,287,972
Total nonspendable	3,294,247	384	586	19,653	-	-	1,209,754	4,524,624
Restricted								
Senate Bill (SB) 1186 reserve	392,939	-	-	-	-	-	-	392,939
Designated projects and programs (including parking)	5,689,555	39,571,959	-	-	30,142,609	16,152,192	24,471,519	116,027,834
Grants	-	-	420,297	-	-	-	159,789	580,086
Housing programs	-	-	-	6,123,570	-	-	-	6,123,570
Red light camera	-	-	-	-	-	-	882,327	882,327
Assessment districts	-	-	-	-	-	-	9,789,122	9,789,122
Tourism Improvement District (TID)	-	-	-	-	-	-	1,374,795	1,374,795
Total restricted	6,082,494	39,571,959	420,297	6,123,570	30,142,609	16,152,192	36,677,552	135,170,673
Committed								
Emergency reserve	25,945,976	-	-	-	-	-	-	25,945,976
Capital projects	-	-	-	-	-	20,245,306	-	20,245,306
Total committed	25,945,976	-	-	-	-	20,245,306	-	46,191,282
Unassigned (deficit)	23,928,197	-	-	-	-	-	(2,743,560)	21,184,637
Total fund balances	\$59,250,914	\$39,572,343	\$420,883	\$6,143,223	\$30,142,609	\$36,397,498	\$ 35,143,746	\$207,071,216

CITY OF NAPA, CALIFORNIA
Notes to the Basic Financial Statements
For the Year Ended June 30, 2025

NOTE 12: EMPLOYEE RETIREMENT SYSTEM

A. Plan Description

The City's defined benefit pension plans provide retirement and disability benefits, annual cost-of-living adjustments, and death benefits to all qualified permanent and probationary employees and their beneficiaries eligible to participate in either the Safety (Police and Fire) or Miscellaneous (all other) plan. It is part of the Public Agency portion of the California Public Employees Retirement System (CalPERS), an agent multiple-employer plan administered by CalPERS, which acts as a common investment and administrative agent for participating public employers within the State of California. A menu of benefit provisions, as well as other requirements, is established by State statutes within the Public Employee's Retirement Law. The City of Napa selects optional benefit provisions from the benefit menu by contract with CalPERS and adopts those benefits through local resolutions. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information. Copies of the CalPERS annual financial report may be obtained from the CalPERS Executive Office at 400 Q Street, Sacramento, CA 95811 or on the CalPERS website at www.calpers.ca.gov.

Assembly Bill (AB) 340 pension reform created the Public Employees' Pension Reform Act (PEPRA) that implemented new benefit formulas and final compensation period, as well as new contribution requirements for new employees hired on or after January 1, 2013 who meet the definition of new member under PEPRA.

The table below provides information on the benefit formula, final compensation period and the employer and member contribution rates effective June 30, 2024 for any safety and miscellaneous employees that meet the definition of a new member under PEPRA.

Benefit Formula	Miscellaneous (2% at age 62)	Safety (2.7% at age 57)
Final compensation period	3 year average	3 year average
Employer contribution rate as a percentage of payroll	40.66% of reportable compensation	62.34% of reportable compensation
Member contribution rate as a percentage of payroll	7.25% of reportable compensation	12.25% of reportable compensation

B. Benefits Provided

CalPERS provides service retirement and disability benefits, annual costs 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. A classic CalPERS member or Public Employees' Pension Reform Act of 2013 (PEPRA) Safety member becomes eligible for service retirement upon attainment of age 50 with at least 5 years of credited service (total service across all CalPERS employers, and with certain other Retirement Systems with which CalPERS has reciprocity agreements). PEPRA miscellaneous members become eligible for service retirement upon attainment of age 52 with at least 5 years of service. All members are eligible for non-duty disability benefits after 5 years of credited service. The death benefit is one of the following: the Basic Death Benefit, the Indexed Level of 1959 Survivor Benefits (for Miscellaneous and local Fire members only) or the Fourth Level of 1959 Survivor Benefits (for local Police members only). The standard cost of living adjustment (COLA) is 2 percent. Annual adjustments are calculated by first determining the lesser of 1) 2 percent compounded from the end of the year of retirement or 2) actual rate of inflation.

The Plans' provisions and benefits in effect at June 30, 2024, are summarized as follows:

CITY OF NAPA, CALIFORNIA
Notes to the Basic Financial Statements
For the Year Ended June 30, 2025

NOTE 12: EMPLOYEE RETIREMENT SYSTEM (CONTINUED)

Hire Date	Miscellaneous		
	Classic Members (Prior to December 21, 2012)	Tier 2 (Between December 21, 2012 and January 1, 2013)	PEPRA (On or after January 1, 2013)
Benefit formula	2.7% @ 55	2% @ 60	2% @ 62
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	Monthly for life	Monthly for life	Monthly for life
Retirement age	50 - 55	50 - 63	52 - 67
Monthly benefits, as a % of eligible compensation	2% to 2.7%	1.092% to 2.418%	1.0% to 2.5%
Required employee contribution rates	8.00%	7.00%	7.25%
Required employee cost share	4.50%	4.50%	7.00% / 8.00%
Required City Council cost share	3.00%	3.00%	3.00%
Required employer contribution rates	40.66%	40.66%	40.66%
Safety - Police			
Hire Date	Classic Members (Prior to January 7, 2012)	Tier 2 (Between January 7, 2012 and January 1, 2013)	PEPRA (On or after January 1, 2013)
	3% @ 50	3% @ 55	2.7% @ 5.7
Benefit formula	5 years service	5 years service	5 years service
Benefit vesting schedule	Monthly for life	Monthly for life	Monthly for life
Retirement age	50	50 - 55	52 - 67
Monthly benefits, as a % of eligible compensation	3%	2.4% to 3.0%	1.0% to 2.5%
Required employee contribution rates	9.00%	9.00%	12.25%
Required employee cost share	5.50%	5.50%	4.50%
Required City Council cost share	5.50%	4.00%	3.00%
Required employer contribution rates	55.02%	55.02%	62.34%
Safety - Fire			
Hire date	Classic Members (Prior to August 11, 2012)	Tier 2 (Between August 11, 2012 and January 1, 2013)	PEPRA (On or after January 1, 2013)
	3% @ 50	3% @ 55	2.7% @ 57
Benefit formula	5 years service	5 years service	5 years service
Benefit vesting schedule	Monthly for life	Monthly for life	Monthly for life
Retirement age	50	50 - 55	50 - 57
Monthly benefits, as a % of eligible compensation	3%	2.4% to 3.0%	2.0% to 2.7%
Required employee contribution rates	9.00%	9.00%	12.25%
Required employee cost share	3.00%	3.00%	0.00%
Required City Council cost share	5.50%	5.50%	5.50%
Required employer contribution rates	55.02%	55.02%	62.34%

CITY OF NAPA, CALIFORNIA
Notes to the Basic Financial Statements
For the Year Ended June 30, 2025

NOTE 12: EMPLOYEE RETIREMENT SYSTEM (CONTINUED)

C. Employees Covered

At June 30, 2025 the following employees were covered by the benefit terms for each Plan:

	Miscellaneous Plan	Safety Plan	Total
Active employees	313	127	440
Transferred and terminated employees	335	57	392
Retired employees and beneficiaries	513	241	754
Total	1,161	425	1,586

D. Contributions

Active Classic members in the plans are required to contribute 8% for miscellaneous employees or 9% for public safety employees of their annual covered salary. Active Tier 2 members are required to contribute 7% for miscellaneous employees or 9% for public safety employees of their annual covered salary. Active PEPRA plan members are required to contribute 50% of the total normal cost as actuarially calculated by CalPERS. The City of Napa is required to contribute the actuarially determined remaining amounts necessary to fund the benefits for its members. The actuarial methods and assumptions used are those adopted by the CalPERS Board of Administration. The required employer contribution rate for the year ended June 30, 2024 was 33.10% for miscellaneous employees and 52.29% for public safety employees. The contribution requirements of the plan members are established by State statute and the employer contribution rate is established and may be amended by CalPERS. For the year ended June 30, 2025, the City's current year pension contributions were \$24,059,875.

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

The June 30, 2023 valuation was rolled forward to determine the June 30, 2024 total pension liability, based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal in accordance with the requirements of GASB Statement No. 68.
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
Payroll Growth	2.80%
Salary Increases	Varies by Entry Age and Service
Investment Rate of Return	6.80%
Mortality Rate Table	Derived using CALPERS' Membership Data for all funds. The mortality table used was developed based on CALPERS' specific data. The table includes full generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries.
Post Retirement Benefit Increase	Contract COLA up to 2.30% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.30% thereafter.

The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2021 *CalPERS Experience Study and Review of Actuarial Assumptions*. Mortality rates incorporate full generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries. For more details on this table, please refer to the 2021 experience study report from November 2021 that can be found on the CalPERS website.

CITY OF NAPA, CALIFORNIA
Notes to the Basic Financial Statements
For the Year Ended June 30, 2025

NOTE 12: EMPLOYEE RETIREMENT SYSTEM (CONTINUED)

Long-term Expected Rate of Return

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

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations. Using historical returns of all of the funds' asset classes, expected compound (geometric) returns were calculated over the next 20 years using a building-block approach. The expected rate of return was then adjusted to account for assumed administrative expenses of 10 Basis points. The expected real rates of return by asset class are as follows:

Asset Class ¹	New Strategic Allocation	Real Return Years 1-10 ²
Global Equity	30.0%	4.5%
Global Equity	12.0%	3.8%
Private Equity	13.0%	7.3%
Treasury	5.0%	0.3%
Mortgage-backed Securities	5.0%	0.5%
Investment Grade Corporates	10.0%	1.6%
High Yield	5.0%	2.3%
Emerging Market Debt	5.0%	2.5%
Private Debt	5.0%	3.6%
Real Estate	15.0%	3.2%
Leverage	(5.0)%	(0.6)%

¹ In the CalPERS' ACFR, Fixed Income is included in Global Debt Securities; Leverage is included in Short-term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.

² An expected inflation of 2.30% used for this period.

Discount Rate

The discount rate used to measure the total pension liability was 6.90%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Amortization of Deferred Outflows and Deferred Inflows of Resources

Under GASB Statement No. 68, gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time.

The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in future pension expense.

CITY OF NAPA, CALIFORNIA
Notes to the Basic Financial Statements
For the Year Ended June 30, 2025

NOTE 12: EMPLOYEE RETIREMENT SYSTEM (CONTINUED)

The amortization period differs depending on the source of the gain or loss:

Net difference between projected and actual earnings on pension plan investments	5-year straight-line amortization
All other amounts	Straight-line amortization over the expected average remaining service lifetime (EARSL) of all members that are provided with benefits (active, inactive, and retired) as of the beginning of the measurement period

Changes in Net Pension Liability

The changes in the Net Pension Liability as of June 30, 2025 for each Plan follows:

Miscellaneous Plan			
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at June 30, 2023 (Valuation Date)	\$ 317,030,924	\$ 199,440,659	\$ 117,590,265
Changes in the year:			
Service cost	6,019,347	-	6,019,347
Interest on the total pension liabilities	21,783,944	-	21,783,944
Changes in benefit terms	-	-	-
Changes in assumptions	-	-	-
Differences between expected and actual experience	4,840,221	-	4,840,221
Benefit payments, including refunds of members contributions	(18,342,949)	(18,342,949)	-
Contributions-employer	-	10,447,606	(10,447,606)
Contributions-employee	-	4,316,750	(4,316,750)
Net investment income	-	19,318,732	(19,318,732)
Net plan to plan resource movement	-	5,489	(5,489)
Administrative expenses	-	(162,285)	162,285
Net Changes	14,300,563	15,583,343	(1,282,780)
Balance at June 30, 2024 (Measurement Date)	<u>\$ 331,331,487</u>	<u>\$ 215,024,002</u>	<u>\$ 116,307,485</u>

Safety Plan			
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at June 30, 2023 (Valuation Date)	\$ 315,812,421	\$ 202,769,420	\$ 113,043,001
Changes in the year:			
Service cost	6,691,619	-	6,691,619
Interest on the total pension liabilities	21,577,374	-	21,577,374
Changes in benefit terms	-	-	-
Changes in assumptions	-	-	-
Differences between expected and actual experience	2,437,470	-	2,437,470
Benefit payments, including refunds of members contributions	(17,760,256)	(17,760,256)	-
Contributions-employer	-	11,930,838	(11,930,838)
Contributions-employee	-	3,085,642	(3,085,642)
Net investment income	-	19,559,826	(19,559,826)
Administrative expenses	-	(164,994)	164,994
Net Changes	12,946,207	16,651,056	(3,704,849)
Balance at June 30, 2024(Measurement Date)	<u>\$ 328,758,628</u>	<u>\$ 219,420,476</u>	<u>\$ 109,338,152</u>

CITY OF NAPA, CALIFORNIA
Notes to the Basic Financial Statements
For the Year Ended June 30, 2025

NOTE 12: EMPLOYEE RETIREMENT SYSTEM (CONTINUED)

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

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

	Plan's Aggregate Net Pension Liability/(Asset)		
	Discount Rate -1% 5.90%	Current Discount Rate 6.90%	Discount Rate +1% 7.90%
Miscellaneous	\$ 158,817,443	\$ 116,307,485	\$ 81,137,511
Safety	151,934,258	109,338,152	74,196,342
Total	\$ 310,751,701	\$ 225,645,637	\$ 155,333,853

Pension Plan Fiduciary Net Position

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

E. Pension Expense and Deferred Outflows/Inflows of Resource Related to Pensions

For the year ended June 30, 2025, the City's recognized pension expense of \$33,505,405. At June 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Miscellaneous Plan		
	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions made subsequent to measurement date	\$ 11,652,846	\$ -
Difference between projected and actual earnings on pension plan investments	2,846,182	-
Changes in assumptions	289,190	-
Differences between expected and actual experience	5,428,842	-
Total	\$ 20,217,060	\$ -

Safety Plan		
	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions made subsequent to measurement date	\$ 12,407,029	\$ -
Difference between projected and actual earnings on pension plan investments	3,051,587	-
Changes in assumptions	2,545,784	-
Differences between expected and actual experience	4,974,673	22,596
Total	\$ 22,979,073	\$ 22,596

CITY OF NAPA, CALIFORNIA
Notes to the Basic Financial Statements
For the Year Ended June 30, 2025

NOTE 12: EMPLOYEE RETIREMENT SYSTEM (CONTINUED)

	Total	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions made subsequent to measurement date	\$ 24,059,875	\$ -	-
Difference between projected and actual earnings on pension plan investments	5,897,769	-	-
Changes in assumptions	2,834,974	-	-
Differences between expected and actual experience	10,403,515	22,596	22,596
Total	\$ 43,196,133	\$ 22,596	22,596

The amount of \$24,059,875 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2026. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources			Total
	Miscellaneous Plan	Safety Plan	Total	
2026	\$ 3,119,543	\$ 4,893,615	\$ 8,013,158	
2027	6,920,302	6,963,170	13,883,472	
2028	(337,657)	(289,343)	(627,000)	
2029	(1,137,974)	(1,017,994)	(2,155,968)	
Total	\$ 8,564,214	\$ 10,549,448	\$ 19,113,662	

F. Defined Contribution Plans

The City also provides defined contribution retirement benefits though IRS section 401(a) and 457 plans. The plans are administered by the Mission Square and Nationwide Retirement Solutions. Plan provisions and contribution requirements are established and may be amended by City Council through negotiation with employee associations. The City contributes from \$50 to \$100 per month to its non-safety and management employees, depending upon employee group. In addition, the City contributes \$322 per month for executives and an additional \$1,250 per month for City Manager. City Clerk, City Attorney and Assistant City Manager receive an additional \$1,000 per month. During the year ended June 30, 2025, the City fully funded its required contributions of \$414,988 to these plans.

G. Other Retirement Systems

The Omnibus Budget Reconciliation Act of 1990 (OBRA) mandates that public sector employees who are not members of their employer's existing retirement system as of January 1, 1992, be covered by either Social Security or an alternative plan. The City contracts with the Public Agency Retirement Systems (PARS), to maintain a defined contribution plan that covers part-time, seasonal and temporary employees. Employer liabilities are limited to the amount of current contributions.

Under PARS, employees contribute 5.0% and the City contributes 2.5% of the employee's salary each pay period. For the fiscal year ended June 30, 2024, total contribution of \$88,330 were based on a total amount of covered compensation of \$1,177,707.

CITY OF NAPA, CALIFORNIA
Notes to the Basic Financial Statements
For the Year Ended June 30, 2025

NOTE 13: OTHER POST-EMPLOYMENT BENEFITS (OPEB)

A. Plan Description and Eligibility

The City participates in the California Employer's Retiree Benefit Fund (CERBT), an agent multiple-employer defined benefit health care plan which provides post-retirement benefits to retired employees in accordance with the various Memorandums of Understanding and their date of hire. Spouses and dependents are eligible to enroll. Benefits continue to surviving spouses for PEMHCA only.

Retirees are eligible for medical benefits if they retire at age 50+, with City service requirements that vary by hire date and bargaining group. A retiree is generally eligible for a fixed monthly payment or the number of payments is based on accrued sick-days at time of retirement.

B. Employees Covered by Benefit Terms

As of June 30, 2025, the benefit terms covered the following employees:

Active plan members	458
Inactive employees, spouses, or beneficiaries currently receiving benefit payments	179
Total	637

C. Contributions

The plan and its contribution requirements are established by memorandums of understanding with the applicable employee bargaining units and may be amended by agreements between the City and the bargaining units. The annual contribution is based on the actuarially determined contribution. Employees are not required to contribute to the plan. Contributions recognized by the plan from the employer for the year ended June 30, 2025 were \$1,228,742.

D. Net OPEB Liability (Asset)

The City's net OPEB asset for the health care plan was measured as the total OPEB liability, less the OPEB plan's fiduciary net position. The net OPEB asset of the plan was measured as of June 30, 2024, using an annual actuarial valuation as of June 30, 2023. A summary of principal assumptions and methods used to determine the net OPEB asset is shown below.

CITY OF NAPA, CALIFORNIA
Notes to the Basic Financial Statements
For the Year Ended June 30, 2025

NOTE 13: OTHER POST-EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Actuarial Assumptions - The total OPEB asset in the June 30, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Valuation Date	June 30, 2023		
Measurement Date	June 30, 2024		
Actuarial Cost Method	Entry age normal, level percent of pay		
Amortization Method	Closed period, level percent of pay		
Amortization Period	12 years		
Actuarial Assumptions:			
Mortality	Derived using CalPERS Membership Data for all Funds		
Termination Rates	Derived using CalPERS Membership Data for all Funds		
Disability	Derived using CalPERS Membership Data for all Funds		
Retirement	Derived using CalPERS Membership Data for all Funds		
Premiums	Premiums used to develop aged claims		
	Grouping	Employee	Two-Party
	Pre-Medicare Plans	\$11,492	\$22,984
	Medicare Plans	3,648	7,296
Annual Per Capital Claims Cost	Developed using CalPERS experience to calculate age-related risk scores, but using the city's actual premiums for all other purpose. Assumed annual per capita claims costs follow:		
	Age	Males	Females
	50	\$14,652	\$14,655
	55	17,437	15,976
	60-64	20,362	18,042
Average Per Capita Cost for Implicit Subsidy Calculation	Developed based on premiums for the City's enrollment by plan, family demographics from CalPERS plans, and risk scores (both HMO and PPO) for the CalPERS population.		
Aging or Morbidity Factors	Based on actual CalPERS HMO and PPO population data.		
Participant Contributions	Based on service at retirement and employee group.		
Salary Increases	Aggregate Payroll Growth: 2.80% Individual Salary Increases: 2021 CalPERS Merit Salary Increases 2.30% 2.30%		
Inflation Rate	Current Retirees: Actual spouse coverage is used.		
Marital Status	Future Retirees: 70% assumed to be married.		
Spouse Gender	Current & Future Retires: Assumes spouse of opposite gender		
Spouse Age Difference	Current retirees: actual spouse age is used.		
Implicit Subsidy Participation	Future retirees: assumes males are three years older than females. NPOA and PMU only. Current Retirees: Assume current elections continue until decrement. Future Retirees: Election assumptions summarized		
	Benefit Type	Service Retirement	Disability Retirement
	Police Chief	100.00%	100.00%
	Elected/Executive	75.00%	75.00%
	Other	70.00%	70.00%
Trend Rates	Medical Long-Term Trends from Society of Actuaries "Long Term Healthcare Cost Trends Model v2023_1f" using baseline assumptions. Applied to both claims and premiums.		
PEMHCA Information	The NPOA and PMU are the only groups that participate in CalPERS plans. The PEMHCA minimum is assumed to trend at 3% per year. PEMHCA administration fees not material to valuation and excluded.		

CITY OF NAPA, CALIFORNIA
Notes to the Basic Financial Statements
For the Year Ended June 30, 2025

NOTE 13: OTHER POST-EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

E. Changes in the Net OPEB Liability (Asset)

	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balance at June 30, 2023	\$ 11,674,511	\$ 10,212,439	\$ 1,462,072
Changes recognized for the measurement period:			
Service cost	395,279	-	395,279
Interest on the total OPEB liability	722,860	-	722,860
Difference between expected and actual experience	(29,231)	-	(29,231)
Changes of assumptions	(180,856)	-	(180,856)
Contribution from the employer - City's contribution	-	1,098,842	(1,098,842)
Contribution from the employer - implicit subsidy	-	129,900	(129,900)
Net investment income	-	1,202,102	(1,202,102)
Administrative expenses	-	(5,495)	5,495
Implicit rate subsidy fulfilled	(129,900)	(129,900)	-
Benefit payments	(803,919)	(803,919)	-
Other miscellaneous income/(expense)	-	(3,407)	3,407
Net Changes during July 1, 2023 to June 30, 2024	(25,767)	1,488,123	(1,513,890)
Balance at June 30, 2024	<u>\$ 11,648,744</u>	<u>\$ 11,700,562</u>	<u>\$ (51,818)</u>

Sensitivity of the total and net OPEB Liability (Asset) to Changes in the Discount Rate The net OPEB liability (asset) of the City, as well as what the City's net OPEB liability (asset) would be if they were calculated using a discount rate that is one percentage point lower (5.40%) or one percentage point higher (7.40%) follows:

Plan's Net OPEB Liability (Asset)		
Discount Rate -1%	Current Discount	Discount Rate +1%
5.40%	6.40%	7.40%
\$ 1,083,407	\$ (51,818)	\$ (1,027,575)

Sensitivity of the Net OPEB Liability (Asset) to Changes in the Healthcare Cost Trend Rates The total net OPEB liability (asset) of the City, as well as what the City's net total OPEB liability (asset) would be if it were calculated using healthcare cost trend rates that are one percentage point lower (5.40%) or one percentage point higher (7.40%) than current healthcare cost trend rates follows:

Plan's Net OPEB Liability (Asset)		
-1%	Healthcare Cost Trend Rate	1%
\$ (474,185)	\$ (51,818)	\$ 469,495

CITY OF NAPA, CALIFORNIA
Notes to the Basic Financial Statements
For the Year Ended June 30, 2025

NOTE 13: OTHER POST-EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

F. OPEB Expense and Deferred Inflows and Outflows of Resources Related to OPEB

For the report year ended June 30, 2025, the City recognized an OPEB expense of \$316,108. At June 30, 2025, the City 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
Contributions subsequent to the measurement date	\$ 1,274,748	\$ -
Differences between expected and actual experience	1,073,696	3,074,535
Changes of assumptions	1,065,049	333,556
Net difference between projected and actual earnings on OPEB Plan investments	-	214,124
Total	\$ 3,413,493	\$ 3,622,215

The amount of \$1,274,748 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2026. 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,	Deferred Outflows/(Inflows) of Resources	
2026	\$	(340,053)
2027		39,464
2028		(288,990)
2029		(108,641)
2030		(34,925)
Thereafter		(750,325)
Total	\$	(1,483,470)

G. Substantive Plan

Administrative, Managerial and Professional Employees	
All Tiers	
Eligibility	On attainment of age 50, 10 years City of Napa Service time, and by either service retirement status or qualifying disability retirement status.
Duration of coverage	Retiree's lifetime.
Spouse coverage	Spouses and dependents are eligible to enroll, but the retiree pays 100% of the cost.
Medical plan choices	The retiree may choose a City plan with either Kaiser Permanente or Western Health. After Medicare age, plans are only available through Kaiser Permanente.
Core benefit	All retirees may convert their unused sick leave to CalPERS service time. If the retiree meets eligibility, they receive up to \$274 per month. If the retiree was hired before July 1, 1984, the City will also pay life insurance premiums up to \$2,500, until the retiree is age 70.

CITY OF NAPA, CALIFORNIA
Notes to the Basic Financial Statements
For the Year Ended June 30, 2025

NOTE 13: OTHER POST-EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Napa City Employee's Association	
Tier 1 - Hired before July 1, 1983	
Eligibility	On attainment of age 50, 10 years City of Napa Service time, and by either service retirement status or qualifying disability retirement status.
Duration of coverage	Retiree's lifetime.
Spouse coverage	Spouses and dependents are eligible to enroll, but the retiree pays 100% of the cost.
Medical plan choices	The retiree may choose a City plan with either Kaiser Permanente or Western Health. After Medicare age, plans are only available through Kaiser Permanente.
Core benefit	All retirees may convert their unused sick leave to CalPERS service time. If the retiree meets eligibility, they receive up to \$274 per month. If the retiree was hired before July 1, 1984, the City will also pay life insurance premiums up to \$2,500, until the retiree is age 70.
Tier 4 - Hired after July 1, 1983	
Eligibility	On attainment of age 50, 10 years City of Napa Service time, and by either service retirement status or qualifying disability retirement status.
Duration of coverage	Retiree's lifetime.
Core benefit	All retirees may convert their unused sick leave to CalPERS service time. If the retiree meets eligibility, they receive up to \$274 per month. If the retiree was hired before July 1, 1984, the City will also pay life insurance premiums up to \$2,500, until the retiree is age 70.
Executives - Department Heads	
Tier 4	
Eligibility	On attainment of age 50, 10 years City of Napa Service time, and by either service retirement status or qualifying disability retirement status.
Duration of coverage	Retiree's lifetime.
Spouse coverage	Spouses and dependents are eligible to enroll, but the retiree pays 100% of the cost.
Medical plan choices	The retiree may choose a City plan with either Kaiser Permanente or Western Health. After Medicare age, plans are only available through Kaiser Permanente.
Core benefit	All retirees may convert their unused sick leave to CalPERS service time. If the retiree meets eligibility, they receive up to \$347 per month.
Police Chief Only	
Eligibility	Hired between July 1, 1984 and July 1, 1987, PMU member before July 1, 2007 and either service retirement status or qualifying disability retirement status.
Core benefit	The City contributes the single party retiree monthly premium at the Kaiser health insurance rate.
Elected Officials	
All Tiers	
Eligibility	On attainment of age 50, 8 years City of Napa Service time, and by either service retirement status or qualifying disability retirement status.
Duration of coverage	Retiree's lifetime.
Spouse coverage	Spouses and dependents are eligible to enroll, but the retiree pays 100% of the cost.
Medical plan choices	The retiree may choose a City plan with either Kaiser Permanente or Western Health. After Medicare age, plans are only available through Kaiser Permanente.
Core benefit	If the retiree meets eligibility, they receive up to \$347 per month.

CITY OF NAPA, CALIFORNIA
Notes to the Basic Financial Statements
For the Year Ended June 30, 2025

NOTE 13: OTHER POST-EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Napa City Firefighters Association	
Tier 2 - Hired after August 1, 1982	
Eligibility	The retiree must opt out of HRA in order to receive this benefit and also attain either service retirement status or qualifying disability status.
Duration of coverage	Until the retiree runs out of unused sick leave converted to Retiree Single Party Health reimbursement (maximum of 180 months).
Spouse coverage	Spouses and dependents are eligible to enroll, but the retiree pays 100% of the cost.
Medical plan choices	The retiree may choose a City plan with either Kaiser Permanente or Western Health. After Medicare age, plans are only available through Kaiser Permanente.
Core benefit	The retiree may make a one time, irrevocable choice at retirement. The retiree may choose to convert their unused sick leave up to 180 months in retiree single party health reimbursement, where 8 hours is equivalent to 1 month of paid premiums. If employee is currently on a 56 hour schedule then sick leave hours are converted back to the 40 hours accrual before the using 8 hours is equivalent to 1 month. Otherwise, the retiree may choose convert their unused sick leave to CalPERS service time and opt for Tier 4 supplemental benefits.
Tier 4 - Supplemental Benefit	
Eligibility	On attainment of age 50 and by either service retirement status or qualifying disability retirement status.
Core benefit	50% of sick leave balance converted to HRA at 100% of the retiree's hourly pay rate. If employee is currently on a 56 hours schedule then sick leave hours are converted back to the 40 hours accrual before conversion to HRA. Remaining 50% of sick leave balance converted to CalPERS service time.
Napa City Fire Officers	
All Tiers	
Eligibility	On attainment of age 50, 10 years City of Napa Service time, and by either service retirement status or qualifying disability retirement status.
Duration of coverage	Retiree's lifetime if supplemental payments
Spouse coverage	Spouses and dependents are eligible to enroll, but the retiree pays 100% of the cost.
Medical plan choices	The retiree may choose a City plan with either Kaiser Permanente or Western Health. After Medicare age, plans are only available through Kaiser Permanente.
Core benefit	If the retiree meets eligibility and is not eligible for HRA, they receive up to \$246 per month for retiree's lifetime. Option to convert unused sick leave to service credit. If the retiree meets eligibility and is not eligible for HRA, convert up to 180 days of unused sick leave into single-part health insurance at the rate of one day for one month's premium based on a 40 hour week. Otherwise, they have the option of converting unused sick leave to service credit. 50% of sick leave balance converted to HRA at 100% of the retiree's hourly pay rate. If employee is currently on a 56 hour schedule then sick leave hours are converted back to the 40 hour accrual before conversion to HRA. Remaining 50% of sick leave balance converted to CalPERS service time.
Napa Police Officers Association	
Tier 1 - Eligible for retirement by July 1, 2012	
Eligibility	On attainment of the sum of age and years of service equal to at least 61, by either service retirement status or qualifying disability retirement status.
Duration of coverage	Until the retiree runs out of unused sick leave converted to Retiree Single Party Health reimbursement (maximum of 180 months).
Spouse coverage	Spouses and dependents are eligible to enroll, but the retiree pays 100% of the cost. Surviving spouses receives PEMHCA minimum, if applicable.
Medical plan choices	Retiree may choose one of any medical plan provided through CalPERS. The retiree may make a one time, irrevocable choice at retirement.
Core benefit	The retiree may choose to convert their unused sick leave into retiree health premiums, where 8 hours is equivalent to 1 month of paid premiums at the single party rate set by Kaiser Permanente, up to a maximum of 180 months. Otherwise, the retiree may convert their unused sick leave to CalPERS service time and opt into Tier 4 supplemental benefits. Regardless of choice, the retiree receives at least the PEMHCA minimum from the City, as well as a contribution from the PORAC trust. The City of Napa is not a party to the agreement between the NPOA and the PORAC trust.

CITY OF NAPA, CALIFORNIA
Notes to the Basic Financial Statements
For the Year Ended June 30, 2025

NOTE 13: OTHER POST-EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Tier 4 - Supplemental Benefit	
Eligibility	On attainment of 50 years of age and by either service retirement status or qualifying disability retirement status.
Core benefit	All retirees may convert their unused sick leave to CalPERS service time. The retiree receives at least the PEMHCA minimum from the City.
Police Management Unit	
Tier 1 - Hired between July 1, 1984 and July 1, 1987, and in Bargaining Group by July 1, 2007	
Eligibility	Attainment of either service retirement status or qualifying disability retirement.
Duration of coverage	Retiree's lifetime
Spouse coverage	Spouses and dependents are eligible to enroll, but the retiree pays 100% of the cost. Surviving spouse receives PEMHCA minimum, if applicable.
Medical plan choices	Retiree may choose one of any medical plan provided through CalPERS.
Core benefit	The City contributes the single party retiree monthly premium at the Kaiser health insurance rate.
Tier 2 - Hired after July 1, 1987, and in Bargaining Group by June 30, 2011	
Eligibility	Attainment of either service retirement status or by qualifying disability retirement.
Duration of coverage	Until the retiree runs out of unused sick leave converted to Retiree Single Party Health reimbursement (maximum of 180 months). The retiree receives the PEMHCA minimum for life after the sick leave runs out.
Core benefit	The retiree may make a one time, irrevocable choice at retirement. The retiree may choose to convert their unused sick leave into retiree single party health reimbursement, where 8 hours is equivalent to 1 month of paid single party rate medical premiums up to a maximum of 180 months. Otherwise, the retiree may convert their unused sick leave to CalPERS service time and opt for a supplemental payment by the City toward the member's retiree medical coverage of \$237 per month. The retiree receives at least the PEMHCA minimum from the City.
Tier 3 - Member of Bargaining Group as of June 30, 2012, or promoted from NPOA on or after June 1, 2013	
Eligibility	Attainment of either service retirement status or by qualifying disability retirement.
Core benefit	The retiree may make a one time, irrevocable choice at retirement. The retiree may choose to convert their unused sick leave into retiree single party health reimbursement, where 8 hours is equivalent to 1 month of paid single party rate medical premiums up to a maximum of 180 months. Otherwise, the retiree may convert their unused sick leave to CalPERS service time and opt for Tier 4 supplemental benefits. The retiree receives at least the PEMHCA minimum from the City.
Tier 4	
Eligibility	On attainment of 50 years of age and by either service retirement status or qualifying disability retirement status.
Duration of coverage	Retiree's Lifetime
Core benefit	All retirees may convert their unused sick leave to CalPERS service time. If the retiree meets eligibility, they receive up to \$237 per month.

CITY OF NAPA, CALIFORNIA
Notes to the Basic Financial Statements
For the Year Ended June 30, 2025

NOTE 14: RISK MANAGEMENT

The City 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 City carries commercial insurance. The City has established a limited risk management program for these types of risks. Premiums are paid into the internal service fund by all other funds and are available to pay claims, claim reserves and administrative costs of the program.

Under this program the City is completely self-insured for unemployment insurance and is self-insured for workers' compensation and general liability insurance claims up to \$300,000 per occurrence and \$150,000 per occurrence, respectively. Claims in excess of these amounts are insured through CSAC Excess Insurance Authority up to the statutory limit and \$25,000,000, respectively. There were no settlements that exceeded coverage for each of the past three fiscal years. In addition the City has also put in place an insurance policy covering them from earthquakes in the amount of \$40,000,000 per occurrence, with a deductible of 7.5%.

The City has retained an independent actuary to perform an analysis of the City's potential liability for the City's self-insured portions of the general liability and workers' compensation programs. The amount recorded as a liability represents the specific reserves for individual known claims or lawsuits not covered under the general liability or the workers' compensation insurance program and estimates for incurred but not reported claims. The actuarial analysis uses a rate of 5% for general liability and workers' compensation to discount future investment earnings. The claims liability has been recorded as expected.

Below is a reconciliation of changes in the aggregate liabilities for claims for the fiscal years beginning and ending June 30, 2025, 2024, and 2023:

Year	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	Balance at Fiscal Year End	Due Within One Year
2025	\$ 14,324,000	\$ 6,703,205	\$ (5,550,204)	\$ 15,477,001	\$ 3,889,740
2024	10,758,000	7,211,963	(3,645,963)	14,324,000	3,659,231
2023	13,696,000	18,333,476	(21,271,476)	10,758,000	3,801,600

**NOTE 15: NAPA VALLEJO WASTE MANAGEMENT AUTHORITY
(FORMERLY SOUTH NAPA VALLEY WASTE MANAGEMENT AUTHORITY)**

On March 16, 1993, the City of Vallejo and the County of Napa formed the South Napa Valley Waste Management Authority (the "Authority"), a separate legal entity, for the purpose of collectively managing the waste disposal needs of the communities they represent. The City of Napa resolved to join the Authority on March 18, 1993. In August, 1993, the City of Napa officially became a member of the Authority. The Authority has purchased the American Canyon Landfill site and accepted responsibility for its closure. State and federal laws and regulations require the Authority to place a final cover on this landfill site and to perform certain maintenance and monitoring functions at the site for 30 years after closure.

The City has no ongoing financial interest in the Authority. Closure and related costs will be paid through tipping fees assessed by the Authority at its Waste Transfer Facility. This Transfer Facility serves the waste disposal needs of the communities represented by the Authority. The tipping fees are paid by the citizens of these communities through rate assessments for waste pickup and disposal.

Financial information related to the Authority can be obtained from the Napa Vallejo Waste Management Authority located in Napa, California.

CITY OF NAPA, CALIFORNIA
Notes to the Basic Financial Statements
For the Year Ended June 30, 2025

NOTE 16: COMMITMENTS AND CONTINGENCIES

A. Commitments

The City uses an encumbrance system as an extension of normal budgetary accounting for governmental funds. Under this system, purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to encumber that portion of applicable appropriations. Encumbrances outstanding at year-end are recorded as assigned fund balance in the General Fund since they do not constitute expenditures or liabilities. Resources in other governmental funds are classified as restricted and encumbrances are included in those restricted fund balances. Re-appropriations in the subsequent year provide authority to complete these transactions as expenditures. Encumbrances outstanding in governmental funds as of June 30, 2025, were as listed below:

Governmental Funds

General Fund	\$ 1,957,795
Other Governmental Funds	11,958,449
Total	<u>\$ 13,916,244</u>

B. Claims and Litigation

The City is involved in several claims and lawsuits. In the opinion of the City's management, it is unlikely that these claims and lawsuits will have a material adverse effect on the accompanying financial statements.

C. Federal and State Grants

The City has received federal and state grants for specific purposes that are subject to reviews by the grantor agencies. Such reviews could lead to requests for reimbursements to the grantor agency for expenditures disallowed under the terms of the grant. The amount, if any, of expenditures that may be disallowed by the granting agencies cannot be determined at this time, although management expects such amounts, if any, to be immaterial.

D. Tax Sharing Agreements

The City has entered into a Sales Tax Revenue Sharing Agreement with SNC TRA, LLC. The agreement calls for the City to share Incremental Sales Tax Revenue in exchange for capital improvements to the common area. Payments will be made to Town Center Shops, LLC in an amount not to exceed the lesser of \$5,000,000 or the amount of capital expenditures made by the Developer on Common Area Improvements. Incremental Sales Tax Revenue is defined as the Sales Tax generated by the sale of taxable items within the project site that exceeds the Base Sales Tax (defined as the Sales Tax received by the City for taxable sales within the project site for the 12-month period ending June 30, 2012 and increased by 3% each year after FY12). \$32,739 payments were made on this agreement in fiscal year 2025 due to the Sales Tax Revenue not exceeding the Base Sales Tax amount.

E. Construction Contracts

The City has a number of material construction contracts that are in process or are in production. The total of these contracts as of June 30, 2025, is \$18,609,844.

F. North Bay Aqueduct

The City has a water supply contract with the Napa County Flood Control and Water Conservation District (NCFCWCD) that is linked to a master contract between the NCFCWCD and the State of California Department of Water Resources (DWR). Under these contracts, the State of California built the North Bay Aqueduct and peripheral infrastructure and allocated the costs to the benefiting municipalities. The contract calls for an annual payment that includes capital and operating components as well as a charge for water that varies widely each year based on the amount of consumption which is a function of climate, availability of other water supplies and pumping. The contract is non-cancelable and expires in the year 2035.

CITY OF NAPA, CALIFORNIA
Notes to the Basic Financial Statements
For the Year Ended June 30, 2025

NOTE 16: COMMITMENTS AND CONTINGENCIES (CONTINUED)

The components of the payments are as follows:

1. *Capital Cost Component* contains the conservation and transportation capital cost components for the use of the infrastructure and water rights and related debt obligation.
2. *Conservation and transportation minimum Operation, Maintenance, Power & Replacement (OMP&R)* components. Additionally, there is an obligation to pay an OMP&R component based on the water entitlement, which is not dependent on the quantity of water actually delivered.
3. *Transportation variable OMP&R component* is dependent upon the quantities of water actually delivered to the City.
4. *Delta Water Charge* is split into two components; (a) a capital piece for the initial conservation facilities, and (b) a minimum OMP&R component.
 - a. The capital cost component of the Delta Water Charge became applicable in 2013, and is paid in two semi-annual installments due January 1 and July 1 of each year. These payments are used to fund the initial conservation facilities and are partially offset by a rate management credit provided to agencies (including NCFCWCD) who have executed the Monterey Amendment which focuses on water shortage issues.
 - b. The minimum OMP&R component of the Delta Water Charge is paid monthly in 12 equal installments.

The total obligation of the City of Napa Water Fund for fiscal year 2025 was \$8,818,002.

The total estimated obligation of the City of Napa Water Fund over the next five years and thereafter, are presented in the table below:

Fiscal Year	Estimated Total Payment
2025	\$ 5,859,476
2026	5,829,096
2027	5,861,533
2028	5,774,422
2029	5,793,388
2030-2034	27,616,189
2035	28,077,801

NOTE 17: PUBLIC PRIVATE SERVICE CONCESSION ARRANGEMENT

During the year ended June 30, 2013, the City entered into an agreement with Napa Golf Course, LLC under which the company will operate and collect user fees from the Napa Municipal Golf Course for the next ten (10) years. The company will pay the City installment payments over the course of the arrangement; the present value of these installment payments is estimated to be \$463,333. The company will also pay the City a percentage of the revenues it earns from the operation of the golf course (percentage rent based on tiers set forth in the agreement). The company is required to operate and maintain the golf course in accordance with the Agreement. The City plans to use the proceeds from the installment payments to offset the deficit net position of the golf course fund, with any additional revenues to be used to fund golf course improvements. The City reports the golf course and related equipment as a capital asset with a carrying amount of \$380,294 at June 30, 2025, and reports a receivable and deferred inflow of resources in the amount of \$46,572 at June 30, 2025, pursuant to the service concession arrangement.

CITY OF NAPA, CALIFORNIA
Notes to the Basic Financial Statements
For the Year Ended June 30, 2025

NOTE 18: PRIOR PERIOD ADJUSTMENTS AND RESTATEMENT OF FUND BALANCE/NET POSITION

A. Change in Accounting Principle

For fiscal year ended June 30, 2025, the City implemented GASB Statement No. 101, Compensated Absences, which updated the recognition and measurement guidance for compensated absences, to align recognition and measurement under a single unified model to better meet the needs of financial statement users; refer to note 1. The effect of the implementation of the change in accounting principle is shown in the table below.

B. Changes to or within the Reporting Entity

The Measure T fund was previously reported as a nonmajor governmental fund during the prior fiscal year. Due to a significant increase in assets of the fund during the year, it met the requirements of being presented as a major fund, in accordance with GASB Statement No. 34 during the fiscal year ended June 30, 2024. The effects of that change to or within the financial reporting entity are shown in the table below.

C. Error Correction

The Water Utility fund recorded adjustments to beginning net position to properly reflect the outstanding FEMA grant receivables at June 30, 2024.

	June 30, 2024 As Previously Reported	Changes to or within the Reporting Entity	Error Correction	Changes in Accounting Principle	June 30, 2024 As Restated
Government-wide					
Governmental activities	\$ 463,140,421	\$ -	\$ -	\$ (624,744)	\$ 462,515,677
Business-type activities	\$ 148,944,312	\$ -	\$ (2,145,935)	\$ (130,012)	\$ 146,668,365
Total government-wide	\$ 612,084,733	\$ -	\$ (2,145,935)	\$ (754,756)	\$ 609,184,042
Governmental funds					
Major funds					
General fund	\$ 48,480,366	\$ -	\$ -	\$ -	\$ 48,480,366
Development Fees	26,321,131	-	-	-	26,321,131
HOME Program	799,244	-	-	-	799,244
Housing	5,703,463	-	-	-	5,703,463
Measure T	-	2,469,759	-	-	2,469,759
City Capital Projects	80,462,108	-	-	-	80,462,108
Nonmajor funds	24,660,306	(2,469,759)	-	-	22,190,547
Total governmental funds	\$ 186,426,618	\$ -	\$ -	\$ -	\$ 186,426,618
Proprietary funds					
Major funds					
Water Utility	\$ 119,657,162	\$ -	\$ (2,145,935)	\$ (130,012)	\$ 117,381,215
Solid Waste and Recycling	29,287,150	-	-	-	29,287,150
Total proprietary funds	\$ 148,944,312	\$ -	\$ (2,145,935)	\$ (130,012)	\$ 146,668,365

CITY OF NAPA, CALIFORNIA
Notes to the Basic Financial Statements
For the Year Ended June 30, 2025

NOTE 19: SUBSEQUENT EVENTS

On August 5, 2025, City Council approved and authorized the City Manager to execute a Joint Exercise of Powers Agreement between the Industrial Development Authority and the City of Napa, establishing the City of Napa Joint Public Finance Authority and the City of Napa, establishing the City of Napa Joint Public Finance Authority under the Joint Powers Law. On August 13, 2025, City of Napa and the City of Napa Industrial Development Authority formed a joint powers authority under the provisions of Article 1 (commencing with Section 6500) of Chapter 5, Division 7, Title 1 of the Government Code of the State of California (the “joint Powers Law”) for the purpose of creating a public agency which can provide financial assistance to the Industrial Development Authority and the City in connection with the construction of public capital improvements and other purposes specified in the Joint Powers Law.

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Required Supplementary Information

CITY OF NAPA, CALIFORNIA
Required Supplementary Information
Notes to Required Supplementary Information
For the Year Ended June 30, 2025

Note 1: Budgetary Information

The budget process is an ongoing cycle that serves as the foundation of the City of Napa's financial planning and control. City Council meets at the beginning of the calendar year to set focus areas for the upcoming fiscal year. Then City staff works to put together plans that match those focus areas, and then hold a Capital Improvement Program (CIP) Workshop and an Operating Budget Workshop in April for initial Council feedback. This is followed by public hearings in June to review and adopt the finalized budget. The new budget goes into effect on July 1 of each year.

The City typically follows a biennial budgeting process, which enhances efficiency by reducing the staff time required to prepare the budget in the second year and allows for long-term financial planning. Because the City's Charter requires the Council to adopt a budget annually, the Council adopts the first year of the biennial budget and approves the budget plan for the second year at the same time. Council then adopts the second-year budget the following year. The City annually adopts the biennial appropriated budget for the General Fund, Development Fees Fund, HOME Program Fund, Housing Fund, Measure T Fund, and for all nonmajor special revenue funds (except for the Opioid Settlement Fund) and Capital Project Fund. The City also annually adopts the biennial appropriated budget for the proprietary funds. Budget comparison for these funds are not legally mandated and thus are not presented in these financial statements.

The budget is prepared by fund and by program within each department. Department managers may make transfers of appropriations within a department, except for personnel-related budgets, which require City Manager approval. Budget adjustments between funds or for CIP projects require City Council approval. The level of budgetary control, the level at which expenditures cannot legally exceed the appropriated amount, is established at the fund level. The budgets are adopted on a basis substantially consistent with generally accepted accounting principles (GAAP). Expenditures above the appropriated amount require approval by the City Council.

**Schedules of Revenues, Expenditures, and Changes in Fund Balances –
Budget and Actual – General Fund and Major Special Revenue Funds**

CITY OF NAPA, CALIFORNIA

Required Supplementary Information

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

General Fund

For the Year Ended June 30, 2025

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 105,742,850	\$ 110,721,850	\$ 112,722,891	\$ 2,001,041
Licenses and permits	8,022,420	10,272,420	9,387,575	(884,845)
Intergovernmental	1,140,860	15,565,022	11,793,309	(3,771,713)
Charges for services	7,990,870	9,610,332	10,116,625	506,293
Investment income (loss)	1,300,000	2,800,000	5,316,245	2,516,245
Miscellaneous	6,500	339,958	311,749	(28,209)
Total revenues	124,203,500	149,309,582	149,648,394	338,812
EXPENDITURES				
Current:				
General government				
City council	360,400	346,232	358,522	(12,290)
City clerk	1,490,410	1,500,492	1,394,893	105,599
City manager	6,798,180	7,126,192	5,453,329	1,672,863
Finance	5,715,300	5,719,381	4,636,949	1,082,432
City attorney	1,848,090	2,054,372	1,679,215	375,157
Human resources	2,581,280	2,794,273	2,208,431	585,842
General services	7,117,120	14,747,694	12,365,114	2,382,580
Public safety				
Police	39,072,500	41,794,786	39,173,307	2,621,479
Fire	26,739,210	29,707,126	28,007,216	1,699,910
Community development	6,231,360	8,662,309	6,417,328	2,244,981
Parks and recreation	10,488,000	11,657,307	11,162,142	495,165
Public works	16,958,470	17,596,152	16,307,200	1,288,952
Capital outlay	50,500	699,389	3,400,904	(2,701,515)
Debt service:				
Principal	122,560	215,644	1,898,965	(1,683,321)
Interest and fiscal charges	6,000	3,541	140,222	(136,681)
Total expenditures	125,579,380	144,624,890	134,603,737	10,021,153
Excess (deficiency) of revenues over (under) expenditures	(1,375,880)	4,684,692	15,044,657	10,359,965
OTHER FINANCING SOURCES (USES)				
Transfers in	7,094,560	5,594,560	5,161,976	(432,584)
Transfers out	(5,886,523)	(20,439,709)	(12,162,335)	8,277,374
Lease issuance	-	-	802,222	802,222
SBITA Issuance	-	-	1,924,028	1,924,028
Total other financing sources (uses)	1,208,037	(14,845,149)	(4,274,109)	10,571,040
Net change in fund balances	\$ (167,843)	\$ (10,160,457)	\$ 10,770,548	\$ 20,931,005
Fund balances - beginning			48,480,366	
Fund balances - ending			\$ 59,250,914	

CITY OF NAPA, CALIFORNIA

Required Supplementary Information

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

Development Fees Special Revenue Fund

For the Year Ended June 30, 2025

	Budget Amounts		Actual Amounts	Variance with Final Budget	
	Original	Final		Positive (Negative)	
REVENUES					
Charges for services	\$ 2,553,620	\$ 2,553,620	\$ 4,440,569	\$ 1,886,949	
Investment income (loss)	522,260	522,260	2,250,213	1,727,953	
Total revenues	3,075,880	3,075,880	6,690,782	3,614,902	
EXPENDITURES					
Current:					
Public Safety					
Fire	500	500	48	452	
Community development	255,170	7,548,325	180,568	7,367,757	
Parks and recreation	17,120	17,120	7,277	9,843	
Public works	12,120	12,120	4,442	7,678	
Debt service:					
Interest and fiscal charges	57,000	57,000	45,631	11,369	
Total expenditures	341,910	7,635,065	237,966	7,397,099	
Excess (deficiency) of revenues over (under) expenditures	2,733,970	(4,559,185)	6,452,816	11,012,001	
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	6,860,676	6,860,676	
Transfers out	(562,280)	(617,846)	(62,280)	555,566	
Total other financing sources (uses)	(562,280)	(617,846)	6,798,396	7,416,242	
Net change in fund balances	\$ 2,171,690	\$ (5,177,031)	13,251,212	\$ 18,428,243	
Fund balances - beginning			26,321,131		
Fund balances - ending	\$ 39,572,343				

CITY OF NAPA, CALIFORNIA

Required Supplementary Information

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

HOME Program Special Revenue Fund

For the Year Ended June 30, 2025

	Budget Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Charges for services	\$ 800,000	\$ 800,000	\$ 5,831	\$ (794,169)
Investment income (loss)	3,500	3,500	38,529	35,029
Total revenues	803,500	803,500	44,360	(759,140)
EXPENDITURES				
Current:				
Community development	849,340	1,763,060	422,721	1,340,339
Total expenditures	849,340	1,763,060	422,721	1,340,339
Net change in fund balances	\$ (45,840)	\$ (959,560)	(378,361)	\$ 581,199
Fund balances - beginning			799,244	
Fund balances - ending			\$ 420,883	

CITY OF NAPA, CALIFORNIA

Required Supplementary Information

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

Housing Special Revenue Fund

For the Year Ended June 30, 2025

	Budget Amounts		Actual Amounts	Variance with Final Budget	
	Original	Final		Positive (Negative)	Final
REVENUES					
Intergovernmental	\$ 21,176,940	\$ 22,073,583	\$ 22,380,202	\$ 306,619	
Charges for services	1,202,150	1,502,150	2,022,984	520,834	
Investment income (loss)	70,410	40,410	282,444	242,034	
Total revenues	22,449,500	23,616,143	24,685,630	1,069,487	
EXPENDITURES					
Current:					
General government	1,800	1,800	-	1,800	
Community development	22,774,090	24,160,733	23,488,827	671,906	
Debt service:					
Principal	110,000	110,000	114,185	(4,185)	
Interest and fiscal charges	39,000	39,000	24,568	14,432	
Total expenditures	22,924,890	24,311,533	23,627,580	683,953	
Excess (deficiency) of revenues over (under) expenditures	(475,390)	(695,390)	1,058,050	1,753,440	
OTHER FINANCING SOURCES (USES)					
Transfers in	-	4,719	-	(4,719)	
Transfers out	(618,290)	(623,009)	(618,290)	4,719	
Total other financing sources (uses)	(618,290)	(618,290)	(618,290)	-	
Net change in fund balances	\$ (1,093,680)	\$ (1,313,680)	439,760	\$ 1,753,440	
Fund balances - beginning			5,703,463		
Fund balances - ending			\$ 6,143,223		

CITY OF NAPA, CALIFORNIA

Required Supplementary Information

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

Measure T Special Revenue Fund

For the Year Ended June 30, 2025

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 10,472,500	\$ 10,472,500	\$ 10,079,315	\$ (393,185)
Investment income (loss)	5,000	5,000	649,542	644,542
Total revenues	10,477,500	10,477,500	10,728,857	251,357
EXPENDITURES				
Current:				
Public works	4,500	4,500	862	3,638
Total expenditures	4,500	4,500	862	3,638
Excess (deficiency) of revenues over (under) expenditures	10,473,000	10,473,000	10,727,995	247,719
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	17,944,855	17,944,855
Transfers out	(10,350,000)	(11,216,545)	(1,000,000)	10,216,545
Total other financing sources (uses)	(10,350,000)	(11,216,545)	16,944,855	28,161,400
Net change in fund balances	\$ 123,000	\$ (743,545)	27,672,850	\$ 28,416,395
Fund balances - beginning			2,469,759	
Fund balances - ending			\$ 30,142,609	

Schedules of Changes in the Net Pension Liability and Related Ratios

CITY OF NAPA, CALIFORNIA

Required Supplementary Information

Schedule of Changes in the Net Pension Liability/(Asset) and Related Ratios

Miscellaneous Plan

As of June 30, for the Last Ten Fiscal Years

Measurement Date	2025	2024	2023	2022	2021
	6/30/2024	6/30/2023	6/30/2022	6/30/2021	6/30/2020
TOTAL PENSION LIABILITY					
Service cost	\$ 6,019,347	\$ 5,470,586	\$ 5,270,491	\$ 4,911,446	\$ 5,156,236
Interest on total pension liability	21,783,944	20,827,852	19,825,780	19,225,627	18,650,486
Changes of benefit terms	-	330,010	-	-	-
Changes of assumptions	-	-	8,964,908	-	-
Difference between expected and actual experience	4,840,221	5,318,189	554,714	(1,173,173)	2,417,623
Benefit payments, including refunds of employee contributions	(18,342,949)	(16,770,298)	(15,873,165)	(14,918,789)	(14,015,652)
Net change in total pension liability	14,300,563	15,176,339	18,742,728	8,045,111	12,208,693
Total pension liability-beginning	317,030,924	301,854,585	283,111,857	275,066,746	262,858,053
Total pension liability-ending (a)	331,331,487	317,030,924	301,854,585	283,111,857	275,066,746
PLAN FIDUCIARY NET POSITION					
Contributions-employer	10,447,606	9,468,142	9,384,902	8,238,930	7,711,417
Contributions-employee	4,316,750	3,313,794	3,967,159	3,359,408	3,511,723
Net investment income	19,318,732	11,922,631	(15,947,113)	39,512,419	8,464,735
Benefit payments, including refunds of employee contributions	(18,342,949)	(16,770,298)	(15,873,165)	(14,918,789)	(14,015,651)
Net plan to plan resource movement	5,489	(2,071)	-	-	-
Administrative expense	(162,285)	(140,930)	(130,972)	(174,046)	(237,961)
Net change in fiduciary net position	15,583,343	7,791,268	(18,599,189)	36,017,922	5,434,263
Plan fiduciary net position - beginning	199,440,659	191,649,391	210,248,580	174,230,658	168,796,395
Plan fiduciary net position - ending (b)	215,024,002	199,440,659	191,649,391	210,248,580	174,230,658
Net pension liability/(asset) (a) - (b)	\$ 116,307,485	\$ 117,590,265	\$ 110,205,194	\$ 72,863,277	\$ 100,836,088
Plan fiduciary net position as a percentage of the total pension liability	64.9%	62.9%	63.5%	74.3%	63.3%
Covered payroll	\$ 29,961,114	\$ 30,274,411	\$ 28,351,218	\$ 29,044,625	\$ 29,531,709
Plan net pension liability/(asset) as a percentage of covered payroll	394.9%	388.4%	388.7%	250.9%	341.5%

Notes to Schedule of Changes in the Net Pension Liability and Related Ratios:

Benefit Changes: The figures above generally include any liability impact that may have resulted from voluntary benefit changes that occurred on or before the measurement date. However, offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes) that occurred after the valuation date are not included in the figures above, unless the liability impact is deemed to be material by the plan actuary.

Changes of Assumptions: None in 2020-2022. In 2019, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Assumptions December 2017. There were no changes in the discount rate. In 2018, the discount rate was reduced from 7.65% to 7.15%. In 2017, there were no changes. In 2016, amounts reported reflect an adjustment of the discount rate from 7.50% (net of administrative expense) to 7.65% (without a reduction for pension plan administrative expense). In 2015, amounts reported were based on the 7.50% discount rate.

CITY OF NAPA

Required Supplementary Information

Schedule of Changes in the Net Pension Liability/(Asset) and Related Ratios (Continued)

Miscellaneous Plan

As of June 30, for the Last Ten Fiscal Years

Measurement Date	2020	2019	2018	2017	2016
	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015
TOTAL PENSION LIABILITY					
Service cost	\$ 4,975,607	\$ 4,920,518	\$ 4,826,160	\$ 4,213,795	\$ 4,112,737
Interest on total pension liability	17,819,000	16,908,565	16,196,594	15,821,321	15,200,893
Changes of benefit terms	-	-	-	-	-
Changes of assumptions	-	(1,572,075)	12,983,137	-	(3,558,449)
Difference between expected and actual experience	3,663,735	2,317,801	(2,352,965)	(519,311)	(1,074,702)
Benefit payments, including refunds of employee contributions	(13,331,060)	(12,242,939)	(11,473,139)	(11,047,519)	(10,421,831)
Net change in total pension liability	13,127,282	10,331,870	20,179,787	8,468,286	4,258,648
Total pension liability-beginning	249,730,771	239,398,901	219,219,114	210,750,828	206,492,180
Total pension liability-ending (a)	262,858,053	249,730,771	239,398,901	219,219,114	210,750,828
PLAN FIDUCIARY NET POSITION					
Contributions-employer	6,757,515	5,945,310	6,213,552	6,130,369	5,512,619
Contributions-employee	3,302,773	3,213,934	2,799,363	1,862,326	1,795,051
Net investment income	10,605,765	12,968,924	15,559,671	756,491	3,179,657
Benefit payments, including refunds of employee contributions	(13,331,060)	(12,242,939)	(11,473,139)	(11,047,519)	(10,421,831)
Net plan to plan resource movement	-	(376)	-	162	-
Administrative expense	(114,928)	(688,371)	(205,942)	(86,463)	(159,717)
Net change in fiduciary net position	7,220,065	9,196,482	12,893,505	(2,384,634)	(94,221)
Plan fiduciary net position - beginning	161,576,330	152,379,848	139,486,343	141,870,977	141,965,198
Plan fiduciary net position - ending (b)	168,796,395	161,576,330	152,379,848	139,486,343	141,870,977
Net pension liability/(asset) (a) - (b)	\$ 94,061,658	\$ 88,154,441	\$ 87,019,053	\$ 79,732,771	\$ 68,879,851
Plan fiduciary net position as a percentage of the total pension liability	64.2%	64.7%	63.7%	63.6%	67.3%
Covered payroll	\$ 27,545,846	\$ 26,369,336	\$ 25,097,036	\$ 23,856,617	\$ 22,861,241
Plan net pension liability/(asset) as a percentage of covered payroll	341.5%	334.3%	346.7%	334.2%	301.3%

CITY OF NAPA, CALIFORNIA

Required Supplementary Information

Schedule of Changes in the Net Pension Liability/(Asset) and Related Ratios

Safety Plan

As of June 30, for the Last Ten Fiscal Years

Measurement Date	2025	2024	2023	2022	2021
	6/30/2024	6/30/2023	6/30/2022	6/30/2021	6/30/2020
TOTAL PENSION LIABILITY					
Service cost	\$ 6,691,619	\$ 5,866,401	\$ 5,777,577	\$ 5,347,720	\$ 5,333,938
Interest on total pension liability	21,577,374	20,744,894	19,812,748	18,892,723	18,263,895
Changes of benefit terms	-	118,243	-	-	-
Changes of assumptions	-	-	10,183,136	-	-
Difference between expected and actual experience	2,437,470	4,332,860	3,804,489	(474,512)	651,239
Benefit payments, including refunds of employee contributions	(17,760,256)	(17,032,614)	(16,120,374)	(14,950,834)	(13,719,993)
Net change in total pension liability	12,946,207	14,029,784	23,457,576	8,815,097	10,529,079
Total pension liability-beginning	315,812,421	301,782,637	278,325,061	269,509,964	258,980,885
Total pension liability-ending (a)	328,758,628	315,812,421	301,782,637	278,325,061	269,509,964
PLAN FIDUCIARY NET POSITION					
Contributions-employer	11,930,838	10,259,867	10,064,144	8,949,140	8,220,126
Contributions-employee	3,085,642	2,525,085	3,376,840	2,840,085	2,818,016
Net investment income	19,559,826	11,991,172	(16,170,119)	40,267,200	8,626,342
Benefit payments, including refunds of employee contributions	(17,760,256)	(17,032,614)	(16,120,374)	(14,950,834)	(13,719,992)
Net plan to plan resource movement	-	-	-	-	-
Administrative expense	(164,994)	(143,518)	(133,404)	(177,036)	(241,803)
Net change in fiduciary net position	16,651,056	7,599,992	(18,982,913)	36,928,555	5,702,689
Plan fiduciary net position - beginning	202,769,420	195,169,428	214,152,341	177,223,786	171,521,097
Plan fiduciary net position - ending (b)	219,420,476	202,769,420	195,169,428	214,152,341	177,223,786
Net pension liability/(asset) (a) - (b)	\$ 109,338,152	\$ 113,043,001	\$ 106,613,209	\$ 64,172,720	\$ 92,286,178
Plan fiduciary net position as a percentage of the total pension liability	66.7%	64.2%	64.7%	76.9%	65.8%
Covered payroll	\$ 20,338,612	\$ 19,666,111	\$ 19,245,761	\$ 19,264,122	\$ 18,854,501
Plan net pension liability/(asset) as a percentage of covered payroll	571.5%	574.8%	554.0%	333.1%	489.5%

Notes to Schedule of Changes in the Net Pension Liability and Related Ratios:

Benefit Changes: The figures above generally include any liability impact that may have resulted from voluntary benefit changes that occurred on or before the measurement date. However, offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes) that occurred after the valuation date are not included in the figures above, unless the liability impact is deemed to be material by the plan actuary.

Changes of Assumptions: None in 2020-2022. In 2019, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Assumptions December 2017. There were no changes in the discount rate. In 2018, the discount rate was reduced from 7.65% to 7.15%. In 2017, there were no changes. In 2016, amounts reported reflect an adjustment of the discount rate from 7.50% (net of administrative expense) to 7.65% (without a reduction for pension plan administrative expense). In 2015, amounts reported were based on the 7.50% discount rate.

CITY OF NAPA

Schedule of Changes in the Net Pension Liability/(Asset) and Related Ratios (Continued)

Safety Plan

As of June 30, for the Last Ten Fiscal Years

Measurement Date	2020	2019	2018	2017	2016
	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015
TOTAL PENSION LIABILITY					
Service cost	\$ 5,167,684	\$ 4,965,402	\$ 4,799,141	\$ 4,178,301	\$ 3,960,625
Interest on total pension liability	17,540,129	16,689,850	15,961,113	15,474,590	14,805,107
Changes of benefit terms	-	-	-	-	-
Changes of assumptions	-	(950,228)	12,839,680	-	(3,500,073)
Difference between expected and actual experience	2,815,814	2,402,452	(427,692)	585,472	(1,927,286)
Benefit payments, including refunds of employee contributions	(12,919,138)	(12,441,282)	(11,765,683)	(11,084,633)	(10,332,611)
Net change in total pension liability	12,604,489	10,666,194	21,406,559	9,153,730	3,005,762
Total pension liability-beginning	246,376,396	235,710,202	214,303,643	205,149,913	202,144,151
Total pension liability-ending (a)	258,980,885	246,376,396	235,710,202	214,303,643	205,149,913
PLAN FIDUCIARY NET POSITION					
Contributions-employer	7,160,145	6,391,405	6,839,074	6,305,994	5,843,451
Contributions-employee	2,714,537	2,470,596	2,118,901	1,625,840	1,676,253
Net investment income	10,735,955	13,091,025	15,775,920	737,312	3,233,619
Benefit payments, including refunds of employee contributions	(12,919,138)	(12,441,282)	(11,765,683)	(11,084,633)	(10,332,611)
Net plan to plan resource movement	-	(382)	-	-	-
Administrative expense	(116,614)	(700,820)	(210,211)	(88,298)	(163,038)
Net change in fiduciary net position	7,574,885	8,810,542	12,758,001	(2,503,785)	257,674
Plan fiduciary net position - beginning	163,946,212	155,135,670	142,377,669	144,881,454	144,623,780
Plan fiduciary net position - ending (b)	171,521,097	163,946,212	155,135,670	142,377,669	144,881,454
Net pension liability/(asset) (a) - (b)	\$ 87,459,788	\$ 82,430,184	\$ 80,574,532	\$ 71,925,974	\$ 60,268,459
Plan fiduciary net position as a percentage of the total pension liability	66.2%	66.5%	65.8%	66.4%	70.6%
Covered payroll	\$ 18,097,296	\$ 17,135,667	\$ 16,493,027	\$ 15,896,143	\$ 14,861,631
Plan net pension liability/(asset) as a percentage of covered payroll	483.3%	481.0%	488.5%	452.5%	405.5%

CITY OF NAPA, CALIFORNIA
Required Supplementary Information
Schedule of Changes in the Net OPEB Liability
As of June 30, For the Last Ten Fiscal Years¹

Measurement Date	2025	2024	2023	2022	2021
	6/30/2024	6/30/2023	6/30/2022	6/30/2021	6/30/2020
TOTAL OPEB LIABILITY					
Service cost	\$ 395,279	\$ 374,843	\$ 280,571	\$ 270,359	\$ 261,827
Interest on total pension liability	722,860	898,608	964,150	802,954	797,189
Changes of benefit terms	(180,856)	(107,627)	1,610,933	(108,857)	10,519
Difference between expected and actual experience	(29,231)	(2,996,807)	(178,410)	1,966,781	21,776
Benefit payments, including refunds of employee contributions	(933,819)	(1,040,885)	(1,039,638)	(1,031,127)	(1,014,004)
Net change in total OPEB liability	(25,767)	(2,871,868)	1,637,606	1,900,110	77,307
Total OPEB liability-beginning	11,674,511	14,546,379	12,908,773	11,008,663	10,931,356
Total OPEB liability-ending (a)	11,648,744	11,674,511	14,546,379	12,908,773	11,008,663
PLAN FIDUCIARY NET POSITION					
Contributions-employer	1,098,842	1,034,510	994,117	1,297,178	1,324,459
Contributions-employee	129,900	209,218	186,838	180,676	171,156
Net investment income	1,202,102	696,702	(1,547,206)	2,379,405	284,673
Benefit payments, including refunds of employee contributions	(933,819)	(1,040,885)	(1,039,638)	(1,031,127)	(1,014,004)
Administrative expense	(8,902)	(2,882)	(2,865)	(3,265)	(3,835)
Net change in fiduciary net position	1,488,123	896,663	(1,408,754)	2,822,867	762,449
Plan fiduciary net position - beginning	10,212,439	9,315,776	10,724,530	7,901,663	7,139,214
Plan fiduciary net position - ending (b)	11,700,562	10,212,439	9,315,776	10,724,530	7,901,663
Net OPEB liability/(asset) (a) - (b)	\$ (51,818)	\$ 1,462,072	\$ 5,230,603	\$ 2,184,243	\$ 3,107,000
Plan fiduciary net position as a percentage of the total OPEB liability	100.4%	87.5%	64.0%	83.1%	71.8%
Covered payroll	\$ 48,286,632	\$ 44,169,385	\$ 41,910,541	\$ 39,693,902	\$ 37,565,896
Plan net OPEB liability/(asset) as a percentage of covered payroll	-0.1%	3.3%	12.5%	5.5%	8.3%

Notes to Schedule of Changes in the Net OPEB Liability/(Asset) and Related Ratios:

Benefit Changes: None

Changes in Assumptions: None

¹ Fiscal year 2018 was the first year of implementation; therefore, only eight years are shown.

CITY OF NAPA, CALIFORNIA
Required Supplementary Information
Schedule of Changes in the Net OPEB Liability (Continued)
As of June 30, For the Last Ten Fiscal Years¹

Measurement Date	2020	2019	2018
	6/30/2019	6/30/2018	6/30/2017
TOTAL OPEB LIABILITY			
Service cost	\$ 371,113	\$ 362,272	\$ 352,148
Interest on total pension liability	908,149	884,055	860,289
Changes of benefit terms	(93,590)	22,335	-
Difference between expected and actual experience	(1,892,659)	-	-
Benefit payments, including refunds of employee contributions	(930,237)	(918,163)	(902,868)
Net change in total OPEB liability	(1,637,224)	350,499	309,569
Total OPEB liability-beginning	12,568,580	12,218,081	11,908,512
Total OPEB liability-ending (a)	10,931,356	12,568,580	12,218,081
PLAN FIDUCIARY NET POSITION			
Contributions-employer	1,261,435	1,299,596	1,043,887
Contributions-employee	116,007	-	-
Net investment income	467,868	430,264	554,574
Benefit payments, including refunds of employee contributions	(930,237)	(918,163)	(902,868)
Administrative expense	(1,484)	(3,194)	(2,680)
Net change in fiduciary net position	913,589	808,503	692,913
Plan fiduciary net position - beginning	6,225,625	5,417,122	4,724,209
Plan fiduciary net position - ending (b)	7,139,214	6,225,625	5,417,122
Net OPEB liability/(asset) (a) - (b)	\$ 3,792,142	\$ 6,342,955	\$ 6,800,959
Plan fiduciary net position as a percentage of the total OPEB liability	65.3%	49.5%	44.3%
Covered payroll	\$ 42,081,119	\$ 40,954,860	\$ 39,726,214
Plan net OPEB liability/(asset) as a percentage of covered payroll	9.0%	15.5%	17.1%

CITY OF NAPA, CALIFORNIA
Required Supplementary Information
Schedules of Plan Contributions
As of June 30, For the Last Ten Fiscal Years¹

Fiscal Year Ending June 30,	Actuarially Determined Contribution	Actual Employer Contributions	Contribution Deficiency (Excess)	Covered-Employee Payroll	Contribution as a % of Covered-Covered Employee Payroll
Miscellaneous Agent, Multiple-Employer Pension Plan					
2025	\$ 11,652,846	\$ 11,652,846	\$ -	\$ 29,449,816	39.6%
2024	10,446,809	10,446,809	-	29,961,114	34.9%
2023	9,747,685	9,747,685	-	30,274,411	32.2%
2022	9,105,370	9,105,370	-	28,351,218	32.1%
2021	5,676,210	5,676,210	-	29,044,625	19.5%
2020	5,159,972	5,159,972	-	29,531,709	17.5%
2019	4,472,807	4,472,807	-	27,545,846	16.2%
2018	3,797,781	3,797,781	-	26,369,336	14.4%
2017	3,705,781	3,705,781	-	25,097,036	14.8%
2016	3,297,550	3,297,550	-	23,856,617	13.8%
Safety Agent, Multiple-Employer Pension Plan					
2025	\$ 12,407,029	\$ 12,407,029	\$ -	\$ 19,130,458	64.9%
2024	11,930,838	11,930,838	-	20,338,612	58.7%
2023	10,653,029	10,653,029	-	19,666,111	54.2%
2022	9,670,982	9,670,982	-	19,245,761	50.2%
2021	8,949,140	8,949,140	-	19,264,122	46.5%
2020	8,220,126	8,220,126	-	18,854,501	43.6%
2019	7,160,145	7,160,145	-	18,097,296	39.6%
2018	8,497,880	8,497,880	-	17,135,667	49.6%
2017	6,839,074	6,839,074	-	16,493,027	41.5%
2016	6,305,994	6,305,994	-	15,896,143	39.7%
Single Employer OPEB Plan					
2025	\$ 875,131	\$ 1,274,748	\$ (399,617)	\$ 57,894,837	2.2%
2024	448,946	1,034,510	(585,564)	48,286,632	2.1%
2023	512,400	1,180,955	(668,555)	41,910,541	2.8%
2022	631,388	1,477,854	(846,466)	41,910,541	3.5%
2021	615,280	1,297,178	(681,898)	39,693,902	3.3%
2020	930,210	1,324,459	(394,249)	37,565,896	3.5%
2019	968,028	1,377,442	(409,414)	42,081,119	3.3%
2018	935,278	1,204,094	(268,816)	40,954,860	2.9%

Notes to Schedule of Plan Contributions:

¹ Historical information is required only for measurement for which GASB 68 and GASB 75 is applicable. Fiscal Year 2018 was the first year of implementation for GASB 75, therefore only eight years are shown.

The actuarial methods and assumptions used to set the actuarially determined contributions for fiscal year 2023-24 were derived from the June 30, 2021 funding valuation report, available on the CalPERS' website.

Actuarial Cost Method: Entry Age Normal

Amortization Method/Period: For details, see June 30, 2021 Funding Valuation Report

Asset Valuation Method: Fair value of assets, for details, see June 30, 2021 Funding Valuation Report

Inflation: 2.30%

Salary Increases: Varies by entry age and service

Payroll Growth: 2.80%

Investment Rate of Return: 6.90%

Retirement Age: For details, see June 30, 2021 Funding Valuation Report

Mortality: For details, see June 30, 2021 Funding Valuation Report

Supplementary Information

Nonmajor Governmental Funds

All governmental funds not defined as major funds for the Fund Financial Statements are consolidated in one column entitled "Other Governmental Funds". These non-major funds are identified and included in this supplemental section and includes all the City's non-major Special Revenue Funds.

The Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The City does not adopt a budget for Public Infrastructure Program Fund, Opioid Settlement Fund, and Departmental Funds related to state and federal grants.

Assessment District Fund

Tourism Improvement District Fund

Community Development Block Grant Fund

Traffic Fund

Parking Fund

CalHome Grant Fund

Public Safety Program Fund

Parks and Recreation Trust Programs

Public Infrastructure Program

Business District Fund

Property and Business Improvement Fund

Damage Reimbursement Fund

Permanent Local Housing Allocation Fund

Road Maintenance and Rehabilitation Act Fund

Gas Tax Fund

Measure F Fund

Encampment Resolution Grant

Golf Course Fund

Enhanced Infrastructure Financing District

Opioid Settlement

Departmental Special Revenue

CITY OF NAPA, CALIFORNIA
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2025

Special Revenue Funds						
	Assessment District	Tourism Improvement District	Community Development Block Grant	Traffic		
ASSETS						
Cash and investments	\$ 9,771,024	\$ 1,181,651	\$ 387,398	\$ 867,090		
Receivables (net of allowance for uncollectibles):						
Accounts	8,668	232,183	100	43,549		
Interest	12,552	1,654	519	1,178		
Federal, state and other governments	-	-	346,811	-		
Loans	-	-	4,608,949	-		
Prepaid items	-	-	1,073	7,562		
Total assets	<u>9,792,244</u>	<u>1,415,488</u>	<u>5,344,850</u>	<u>919,379</u>		
LIABILITIES						
Accounts payable and accrued liabilities	\$ -	\$ 40,693	\$ 102,508	\$ 29,490		
Deposits payable	-	-	-	-		
Due to other funds	3,122	-	642,621	-		
Unearned revenue	-	-	54,063	-		
Advances from other funds	-	-	-	-		
Total liabilities	<u>3,122</u>	<u>40,693</u>	<u>799,192</u>	<u>29,490</u>		
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue	-	-	4,747,227	-		
Lease-related	-	-	-	-		
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>4,747,227</u>	<u>-</u>		
FUND BALANCES (DEFICITS)						
Nonspendable	-	-	1,073	7,562		
Restricted	9,789,122	1,374,795	-	882,327		
Unassigned (deficit)	-	-	(202,642)	-		
Total fund balances (deficits)	<u>9,789,122</u>	<u>1,374,795</u>	<u>(201,569)</u>	<u>889,889</u>		
Total liabilities, deferred inflows of resources and fund balances (deficits)	<u>\$ 9,792,244</u>	<u>\$ 1,415,488</u>	<u>\$ 5,344,850</u>	<u>\$ 919,379</u>		

CITY OF NAPA, CALIFORNIA
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2025

Special Revenue Funds						
	Parking	CalHome Grant	Public Safety Programs	Parks and Recreation Trust Programs		
ASSETS						
Cash and investments	\$ 8,305,116	\$ 160,772	\$ 42,678	\$ 205,873		
Receivables (net of allowance for uncollectibles):						
Accounts	51,750	-	-	-		
Interest	11,105	239	61	293		
Federal, state and other governments	-	-	-	-		
Loans	-	1,663,914	-	-		
Prepaid items	-	261	-	-		
Total Assets	\$ 8,367,971	\$ 1,825,186	\$ 42,739	\$ 206,166		
LIABILITIES						
Accounts payable and accrued liabilities	\$ 26,882	\$ 1,221	\$ -	\$ -		
Deposits payable	-	-	-	-		
Due to other funds	-	-	110	-		
Unearned revenue	-	-	-	-		
Advances from other funds	-	-	-	-		
Total Liabilities	26,882	1,221	110	-		
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue	-	1,663,915	-	-		
Lease-related	2,353,750	-	-	-		
Total deferred inflows of resources	2,353,750	1,663,915	-	-		
FUND BALANCES (DEFICITS)						
Nonspendable	-	261	-	-		
Restricted	5,987,339	159,789	42,629	206,166		
Unassigned (deficit)	-	-	-	-		
Total fund balances (deficits)	5,987,339	160,050	42,629	206,166		
Total Liabilities, deferred inflows of resources and fund balances (deficits)	\$ 8,367,971	\$ 1,825,186	\$ 42,739	\$ 206,166		

CITY OF NAPA, CALIFORNIA
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2025

Special Revenue Funds						
	Public Infrastructure Program	Business District	Property and Business Improvement	Damage Reimbursement		
ASSETS						
Cash and investments	\$ 250,283	\$ 7,347	\$ 835	\$ 137,205		
Receivables (net of allowance for uncollectibles):						
Accounts	-	5,699	1,440	47,513		
Interest	356	39	100	195		
Federal, state and other governments	-	-	-	-		
Loans	-	-	-	-		
Prepaid items	-	-	-	-		
Total Assets	<u>\$ 250,639</u>	<u>\$ 13,085</u>	<u>\$ 2,375</u>	<u>\$ 184,913</u>		
LIABILITIES						
Accounts payable and accrued liabilities	\$ -	\$ 5,699	\$ 1,440	\$ 24,958		
Deposits payable	-	-	-	-		
Due to other funds	-	2,077	1,051	-		
Unearned revenue	-	-	-	-		
Advances from other funds	-	-	-	-		
Total Liabilities	<u>-</u>	<u>7,776</u>	<u>2,491</u>	<u>24,958</u>		
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue	-	-	-	-		
Lease-related	-	-	-	-		
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>		
FUND BALANCES (DEFICITS)						
Nonspendable	-	-	-	-		
Restricted	250,639	5,309	-	159,955		
Unassigned (deficit)	-	-	(116)	-		
Total fund balances (deficits)	<u>250,639</u>	<u>5,309</u>	<u>(116)</u>	<u>159,955</u>		
Total liabilities, deferred inflows of resources and fund balances (deficits)	<u>\$ 250,639</u>	<u>\$ 13,085</u>	<u>\$ 2,375</u>	<u>\$ 184,913</u>		

CITY OF NAPA, CALIFORNIA
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2025

		Special Revenue Funds				
		Permanent Local Housing Allocation	Road Maintenance and Rehabilitation Act	Gas Tax	Measure F	Encampment Resolution Grant
ASSETS						
Cash and investments	\$ 12,006	\$ 4,282	\$ 6,033,769	\$ 10,268,391	\$ 5,068,281	
Receivables (net of allowance for uncollectibles):						
Accounts	-	374,710	179,810	471,801		-
Interest	72	336	2,121	13,874		7,816
Federal, state and other governments	63,061	-	-	-		-
Loans	-	-	-	-		-
Prepaid items	-	-	-	332		1,050,000
Total Assets	\$ 75,139	\$ 379,328	\$ 6,215,700	\$ 10,754,398	\$ 6,126,097	
LIABILITIES						
Accounts payable and accrued liabilities	\$ 75,139	\$ -	\$ -	\$ 938	\$ 419,709	
Deposits payable	-	-	-	-	-	-
Due to other funds	-	97,488	-	-	-	-
Unearned revenue	-	-	-	-		5,706,388
Advances from other funds	-	-	-	-		-
Total Liabilities	75,139	97,488	-	938	6,126,097	
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue	63,061	-	-	-	-	-
Lease-related	-	-	-	-	-	-
Total deferred inflows of resources	63,061	-	-	-	-	-
FUND BALANCES (DEFICITS)						
Nonspendable	-	-	-	332	1,050,000	
Restricted	-	281,840	6,215,700	10,753,128		-
Unassigned (deficit)	(63,061)	-	-	-		(1,050,000)
Total fund balances (deficits)	(63,061)	281,840	6,215,700	10,753,460	-	-
Total liabilities, deferred inflows of resources and fund balances (deficits)	\$ 75,139	\$ 379,328	\$ 6,215,700	\$ 10,754,398	\$ 6,126,097	

CITY OF NAPA, CALIFORNIA
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2025

Special Revenue Funds								
	Golf Course	Enhanced Infrastructure Financing District	Opioid Settlement	Departmental Special Revenue	Total Nonmajor Funds			
ASSETS								
Cash and investments	\$ -	\$ 428,560	\$ 489,128	\$ 286,219	\$ 43,907,908			
Receivables (net of allowance for uncollectibles):								
Accounts	46,572	-	-	75,000	1,538,795			
Interest	-	345	-	-	52,855			
Federal, state and other governments	-	-	-	321,350	731,222			
Loans	-	-	-	-	6,272,863			
Prepaid items	-	-	-	150,526	1,209,754			
Total Assets	\$ 46,572	\$ 428,905	\$ 489,128	\$ 833,095	\$ 53,713,397			
LIABILITIES								
Accounts payable and accrued liabilities	\$ 12,044	\$ -	\$ -	\$ 105,761	\$ 846,482			
Deposits payable	10,000	-	-	-	10,000			
Due to other funds	64,247	-	-	307,178	1,117,894			
Unearned revenue	46,572	-	489,128	-	6,296,151			
Advances from other funds	1,341,450	-	-	-	1,341,450			
Total Liabilities	1,474,313	-	489,128	412,939	9,611,977			
DEFERRED INFLOWS OF RESOURCES								
Unavailable revenue	-	-	-	129,721	6,603,924			
Lease-related	-	-	-	-	2,353,750			
Total deferred inflows of resources	-	-	-	129,721	8,957,674			
FUND BALANCES (DEFICITS)								
Nonspendable	-	-	-	150,526	1,209,754			
Restricted	-	428,905	-	139,909	36,677,552			
Unassigned (deficit)	(1,427,741)	-	-	-	(2,743,560)			
Total fund balances (deficits)	(1,427,741)	428,905	-	290,435	35,143,746			
Total liabilities, deferred inflows of resources and fund balances (deficits)	\$ 46,572	\$ 428,905	\$ 489,128	\$ 833,095	\$ 53,713,397			

CITY OF NAPA, CALIFORNIA
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2025

Special Revenue Funds				
	Assessment District	Tourism Improvement District	Community Development Block Grant	Traffic
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	- -	- -	512,538	- -
Charges for services	890,426	1,240,224	214,123	252,886
Investment income (loss)	463,031	71,726	- -	47,837
Miscellaneous	- -	- -	- -	- -
Total revenues	1,353,457	1,311,950	726,661	300,723
EXPENDITURES				
Current:				
General government				
City council	- -	- -	- -	- -
Public safety				
Police	- -	- -	- -	127,036
Community development	- -	1,384,811	651,009	- -
Parks and recreation	55,588	- -	- -	- -
Public works	5,107	- -	- -	- -
Capital outlay	- -	- -	- -	- -
Debt service:				
Principal	- -	- -	- -	- -
Interest and fiscal charges	- -	- -	- -	- -
Total expenditures	60,695	1,384,811	651,009	127,036
Excess (deficiency) of revenues over (under) expenditures	1,292,762	(72,861)	75,652	173,687
OTHER FINANCING SOURCES (USES)				
Transfers in	828,580	- -	- -	- -
Transfers out	(10,930)	- -	- -	(680)
Total other financing sources (uses)	817,650	- -	- -	(680)
Net change in fund balances	2,110,412	(72,861)	75,652	173,007
Fund balances (deficit) - beginning	7,678,710	1,447,656	(277,221)	716,882
Restatements - changes in reporting entity	- -	- -	- -	- -
Fund balances (deficit) - beginning, as restated	7,678,710	1,447,656	(277,221)	716,882
Fund balances (deficit) - ending	\$ 9,789,122	\$ 1,374,795	\$ (201,569)	\$ 889,889

CITY OF NAPA, CALIFORNIA
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2025

Special Revenue Funds				
	Parking	CalHome Grant	Public Safety Programs	Parks and Recreation Trust Programs
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	- -	- -	- -	- -
Charges for services	668,915	- -	- -	- -
Investment income (loss)	446,194	15,042	2,396	9,436
Miscellaneous	105,000	- -	- -	22,027
Total revenues	1,220,109	15,042	2,396	31,463
EXPENDITURES				
Current:				
General government	- -	- -	- -	- -
City council	- -	- -	- -	- -
Public safety	- -	- -	- -	- -
Police	- -	- -	1,621	- -
Community development	647,240	104,251	- -	- -
Parks and recreation	- -	- -	- -	98
Public works	- -	- -	- -	- -
Capital outlay	- -	- -	- -	- -
Debt service:				
Principal	- -	- -	- -	- -
Interest and fiscal charges	- -	- -	- -	- -
Total expenditures	647,240	104,251	1,621	98
Excess (deficiency) of revenues over (under) expenditures	572,869	(89,209)	775	31,365
OTHER FINANCING SOURCES (USES)				
Transfers in	562,112	- -	- -	- -
Transfers out	(68,370)	(3,130)	- -	- -
Total other financing sources (uses)	493,742	(3,130)	- -	- -
Net change in fund balances	1,066,611	(92,339)	775	31,365
Fund balances (deficit) - beginning	4,920,728	252,389	41,854	174,801
Restatements - changes in reporting entity	- -	- -	- -	- -
Fund balances (deficit) - beginning, as restated	4,920,728	252,389	41,854	174,801
Fund balances (deficit) - ending	\$ 5,987,339	\$ 160,050	\$ 42,629	\$ 206,166

CITY OF NAPA, CALIFORNIA
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2025

Special Revenue Funds					
	Public Infrastructure Program	Business District	Property and Business Improvement	Damage Reimbursement	
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-
Charges for services	-	255,563	536,318	69,228	
Investment income (loss)	13,613	1,516	7,334	8,974	
Miscellaneous	-	-	-	-	-
Total revenues	13,613	257,079	543,652	78,202	
EXPENDITURES					
Current:					
General government					
City council	-	-	-	-	60,663
Public safety					
Police	-	-	-	-	-
Community development	-	255,582	537,229	-	-
Parks and recreation	-	-	-	-	-
Public works	128	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	128	255,582	537,229	60,663	
Excess (deficiency) of revenues over (under) expenditures	13,485	1,497	6,423	17,539	
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
Net change in fund balances	13,485	1,497	6,423	17,539	
Fund balances (deficit) - beginning	237,154	3,812	(6,539)	142,416	
Restatements - changes in reporting entity	-	-	-	-	-
Fund balances (deficit) - beginning, as restated	237,154	3,812	(6,539)	142,416	
Fund balances (deficit) - ending	\$ 250,639	\$ 5,309	\$ (116)	\$ 159,955	

CITY OF NAPA, CALIFORNIA
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2025

	Special Revenue Funds				Formerly Nonmajor	
	Permanent Local Housing Allocation	Road Maintenance and Rehabilitation Act	Gas Tax			
				Measure T		
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	
Intergovernmental	1,038,886	2,126,367	2,110,166		-	
Charges for services	29,400	-	-		-	
Investment income (loss)	967	81,282	163,159		-	
Miscellaneous	-	-	-		-	
Total revenues	1,069,253	2,207,649	2,273,325		-	
EXPENDITURES						
Current:						
General government						
City council	-	-	-		-	
Public safety						
Police	-	-	-		-	
Community development	493,876	-	-		-	
Parks and recreation	-	-	-		-	
Public works	-	215	776		-	
Capital outlay	-	-	-		-	
Debt service:						
Principal	-	-	-		-	
Interest and fiscal charges	-	-	-		-	
Total expenditures	493,876	215	776		-	
Excess (deficiency) of revenues over (under) expenditures	575,377	2,207,434	2,272,549		-	
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	4,516,773		-	
Transfers out	-	(2,315,900)	(1,354,270)		-	
Total other financing sources (uses)	-	(2,315,900)	3,162,503		-	
Net change in fund balances	575,377	(108,466)	5,435,052		-	
Fund balances (deficit) - beginning	(638,438)	390,306	780,648	2,469,759		
Restatements - changes in reporting entity	-	-	-	(2,469,759)		
Fund balances (deficit) - beginning, as restated	(638,438)	390,306	780,648		-	
Fund balances (deficit) - ending	\$ (63,061)	\$ 281,840	\$ 6,215,700		-	

CITY OF NAPA, CALIFORNIA
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2025

Special Revenue Funds					
	Measure F	Encampment Resolution Grant	Golf Course	Enhanced Infrastructure Financing District	
REVENUES					
Taxes	\$ 2,544,911	\$ -	\$ -	\$ 296,901	
Intergovernmental	-	4,441,292	-	-	
Charges for services	-	-	52,691	-	
Investment income (loss)	442,061	274,837	-	8,021	
Miscellaneous	-	-	-	-	
Total revenues	2,986,972	4,716,129	52,691	304,922	
EXPENDITURES					
Current:					
General government					
City council	-	-	-	-	
Public safety					
Police	-	-	-	-	
Community development	40,231	2,585,294	-	95	
Parks and recreation	-	-	34,551	-	
Public works	-	-	-	-	
Capital outlay	-	29,440	-	-	
Debt service:					
Principal	-	2,016,704	-	-	
Interest and fiscal charges	-	83,296	-	-	
Total expenditures	40,231	4,714,734	34,551	95	
Excess (deficiency) of revenues over (under) expenditures	2,946,741	1,395	18,140	304,827	
OTHER FINANCING SOURCES (USES)					
Transfers in	233,642	-	-	-	
Transfers out	(25,340)	-	-	(50,170)	
Total other financing sources (uses)	208,302	-	-	(50,170)	
Net change in fund balances	3,155,043	1,395	18,140	254,657	
Fund balances (deficit) - beginning	7,598,417	(1,395)	(1,445,881)	174,248	
Restatements - changes in reporting entity	-	-	-	-	
Fund balances (deficit) - beginning, as restated	7,598,417	(1,395)	(1,445,881)	174,248	
Fund balances (deficit) - ending	\$ 10,753,460	\$ -	\$ (1,427,741)	\$ 428,905	

CITY OF NAPA, CALIFORNIA
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2025

Special Revenue Funds					
	Opioid Settlement	Departmental Special Revenue	Total Nonmajor Funds		
REVENUES					
Taxes	\$ -	\$ -	\$ 2,841,812		
Intergovernmental	-	474,157	10,703,406		
Charges for services	-	-	4,209,774		
Investment income (loss)	-	-	2,057,426		
Miscellaneous	-	160,000	287,027		
Total revenues	-	634,157	20,099,445		
EXPENDITURES					
Current:					
General government					
City council	-	71,355	132,018		
Public safety					
Police	-	450,251	578,908		
Community development	-	-	6,699,618		
Parks and recreation	-	16,000	106,237		
Public works	-	-	6,226		
Capital outlay	-	-	29,440		
Debt service:					
Principal	-	-	2,016,704		
Interest and fiscal charges	-	-	83,296		
Total expenditures	-	537,606	9,652,447		
Excess (deficiency) of revenues over (under) expenditures		96,551	10,446,998		
OTHER FINANCING SOURCES (USES)					
Transfers in	-	193,884	6,334,991		
Transfers out	-	-	(3,828,790)		
Total other financing sources (uses)	-	193,884	2,506,201		
Net change in fund balances	-	290,435	12,953,199		
Fund balances (deficit) - beginning	-	-	24,660,306		
Restatements - changes in reporting entity	-	-	(2,469,759)		
Fund balances (deficit) - beginning, as restated	-	-	22,190,547		
Fund balances (deficit) - ending	\$ -	\$ 290,435	\$ 35,143,746		

**Schedules of Revenues, Expenditures, and Changes in Fund Balances –
Budget and Actual – Nonmajor Special Revenue Funds**

CITY OF NAPA, CALIFORNIA

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

Assessment District Special Revenue Fund

For the Year Ended June 30, 2025

	Budget Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
				Positive (Negative)
REVENUES				
Charges for services	\$ 676,800	\$ 676,800	\$ 890,426	\$ 213,626
Investment income (loss)	44,480	44,480	463,031	418,551
Total revenues	721,280	721,280	1,353,457	632,177
EXPENDITURES				
Current:				
Parks and recreation	97,670	97,670	55,588	42,082
Public works	14,760	14,760	5,107	9,653
Total expenditures	112,430	112,430	60,695	51,735
Excess (deficiency) of revenues over (under) expenditures	608,850	608,850	1,292,762	580,442
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	828,580	828,580
Transfers out	(10,930)	(10,930)	(10,930)	-
Total other financing sources (uses)	(10,930)	(10,930)	817,650	828,580
Net change in fund balances	\$ 597,920	\$ 597,920	2,110,412	\$ 1,512,492
Fund balances - beginning			7,678,710	
Fund balances - ending	\$ 9,789,122			

CITY OF NAPA, CALIFORNIA

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

Tourism Improvement District Special Revenue Fund

For the Year Ended June 30, 2025

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	\$ 1,215,000	\$ 1,215,000	\$ 1,240,224	\$ 25,224
Investment income (loss)	5,200	5,200	71,726	66,526
Total revenues	1,220,200	1,220,200	1,311,950	91,750
EXPENDITURES				
Current:				
Community development	1,659,510	1,684,349	1,384,811	299,538
Total expenditures	1,659,510	1,684,349	1,384,811	299,538
Net change in fund balances	\$ (439,310)	\$ (464,149)	(72,861)	\$ (207,788)
Fund balances - beginning			1,447,656	
Fund balances - ending	\$ (439,310)	\$ (464,149)	(72,861)	\$ 1,374,795

CITY OF NAPA, CALIFORNIA

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

Community Development Block Grant Special Revenue Fund

For the Year Ended June 30, 2025

	Budget Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
				Positive (Negative)
REVENUES				
Intergovernmental	\$ 644,620	\$ 2,213,602	\$ 512,538	\$ (1,701,064)
Charges for services	150,000	150,000	214,123	64,123
Total revenues	794,620	2,363,602	726,661	(1,636,941)
EXPENDITURES				
Current:				
Community development	828,570	1,952,415	651,009	1,301,406
Total expenditures	828,570	1,952,415	651,009	1,301,406
Net change in fund balances	\$ (33,950)	\$ 411,187	75,652	\$ (335,535)
Fund balances - beginning				(277,221)
Fund balances - ending			\$ (201,569)	

CITY OF NAPA, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Traffic Special Revenue Fund
For the Year Ended June 30, 2025

				Variance with Final Budget	
	Budget Amounts		Actual Amounts	Positive (Negative)	
	Original	Final			
REVENUES					
Charges for services	\$ 160,000	\$ 660,000	\$ 252,886	\$ (407,114)	
Investment income (loss)	10,500	10,500	47,837	37,337	
Total revenues	170,500	670,500	300,723	(369,777)	
EXPENDITURES					
Current:					
Public safety					
Police	60,700	720,507	127,036	593,471	
Capital outlay	37,500	37,500	-	37,500	
Total expenditures	98,200	758,007	127,036	630,971	
Excess (deficiency) of revenues over (under) expenditures	72,300	(87,507)	173,687	(1,000,748)	
OTHER FINANCING SOURCES (USES)					
Transfers out	(680)	(680)	(680)		-
Total other financing sources (uses)	(680)	(680)	(680)		-
Net change in fund balances	\$ 71,620	\$ (88,187)	173,007	\$ 261,194	
Fund balances - beginning			716,882		
Fund balances - ending			\$ 889,889		

CITY OF NAPA, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Parking Special Revenue Fund
For the Year Ended June 30, 2025

	Budget Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
				Positive (Negative)
REVENUES				
Charges for services	\$ 708,670	\$ 742,670	\$ 668,915	\$ (73,755)
Investment income (loss)	49,940	49,940	446,194	396,254
Miscellaneous	-	-	105,000	105,000
Total revenues	758,610	792,610	1,220,109	427,499
EXPENDITURES				
Current:				
Community development	776,280	810,280	647,240	163,040
Total expenditures	776,280	810,280	647,240	163,040
Excess (deficiency) of revenues over (under) expenditures	(17,670)	(17,670)	572,869	264,459
OTHER FINANCING SOURCES (USES)				
Transfers in	12,000	12,000	562,112	550,112
Transfers out	(68,370)	(68,370)	(68,370)	-
Total other financing sources (uses)	(56,370)	(56,370)	493,742	550,112
Net change in fund balances	\$ (74,040)	\$ (74,040)	1,066,611	\$ 1,140,651
Fund balances - beginning			4,920,728	
Fund balances - ending	\$	5,987,339		

CITY OF NAPA, CALIFORNIA

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

CalHome Grant Special Revenue Fund

For the Year Ended June 30, 2025

	Budget Amounts		Actual Amounts	Variance with Final Budget	Positive (Negative)
	Original	Final			
REVENUES					
Charges for services	\$ 100,000	\$ 100,000	\$ -	\$ (100,000)	
Investment income (loss)	6,790	6,790	15,042	8,252	
Total revenues	106,790	106,790	15,042	(91,748)	
EXPENDITURES					
Current:					
Community development	104,490	358,112	104,251	253,861	
Total expenditures	104,490	358,112	104,251	253,861	
Excess (deficiency) of revenues over (under) expenditures	2,300	(251,322)	(89,209)	(345,609)	
OTHER FINANCING SOURCES (USES)					
Transfers out	(3,130)	(3,130)	(3,130)	-	
Total other financing sources (uses)	(3,130)	(3,130)	(3,130)	-	
Net change in fund balances	\$ (830)	\$ (254,452)	(92,339)	\$ 162,113	
Fund balances - beginning			252,389		
Fund balances - ending	\$ (830)	\$ (254,452)	(92,339)	\$ 160,050	

CITY OF NAPA, CALIFORNIA

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

Public Safety Programs Special Revenue Fund

For the Year Ended June 30, 2025

	Budget Amounts		Actual Amounts		Variance with Final Budget Positive (Negative)
	Original	Final	Original	Final	
REVENUES					
Investment income (loss)	\$ 1,000	\$ 1,000	\$ 2,396	\$ 1,396	
Total revenues	1,000	1,000	2,396	1,396	
EXPENDITURES					
Current:					
Police	5,200	5,200	1,621	3,579	
Total expenditures	5,200	5,200	1,621	3,579	
Net change in fund balances	\$ (4,200)	\$ (4,200)	775	\$ 4,975	
Fund balances - beginning			41,854		
Fund balances - ending			\$ 42,629		

CITY OF NAPA, CALIFORNIA

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

Parks and Recreation Trust Programs Special Revenue Fund

For the Year Ended June 30, 2025

	Budget Amounts		Actual Amounts	Variance with Final Budget	Positive (Negative)
	Original	Final			
REVENUES					
Investment income (loss)	\$ 3,120	\$ 3,120	\$ 9,436	\$ 6,316	
Miscellaneous	22,500	22,500	22,027	(473)	
Total revenues	25,620	25,620	31,463		5,843
EXPENDITURES					
Current:					
Parks and recreation	22,500	124,464	98	124,366	
Total expenditures	22,500	124,464	98		124,366
Net change in fund balances	\$ 3,120	\$ (98,844)	31,365		\$ 130,209
Fund balances - beginning			174,801		
Fund balances - ending			\$ 206,166		

CITY OF NAPA, CALIFORNIA

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

Public Infrastructure Program Special Revenue Fund

For the Year Ended June 30, 2025

	Budget Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
				Positive (Negative)
REVENUES				
Investment income (loss)	\$ 500	\$ 500	\$ 13,613	\$ 13,113
Total revenues	500	500	13,613	13,113
EXPENDITURES				
Current:				
Public works	-	-	128	(128)
Total expenditures	-	-	128	(128)
Net change in fund balances	\$ 500	\$ 500	13,485	\$ 12,985
Fund balances - beginning			237,154	
Fund balances - ending	\$ 500	\$ 500	250,639	

CITY OF NAPA, CALIFORNIA

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

Business District Special Revenue Fund

For the Year Ended June 30, 2025

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	\$ 309,660	\$ 309,660	\$ 255,563	\$ (54,097)
Investment income (loss)	100	100	1,516	1,416
Total revenues	309,760	309,760	257,079	(52,681)
EXPENDITURES				
Current:				
Community development	309,690	309,690	255,582	54,108
Total expenditures	309,690	309,690	255,582	54,108
Net change in fund balances	\$ 70	\$ 70	1,497	\$ 1,427
Fund balances - beginning			3,812	
Fund balances - ending			\$ 5,309	

CITY OF NAPA, CALIFORNIA

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

Property and Business Improvement Special Revenue Fund

For the Year Ended June 30, 2025

	Budget Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
				Positive (Negative)
REVENUES				
Charges for services	\$ 506,150	\$ 506,150	\$ 536,318	\$ 30,168
Investment income (loss)	1,040	1,040	7,334	6,294
Total revenues	507,190	507,190	543,652	36,462
EXPENDITURES				
Current:				
Community development	506,660	506,660	537,229	(30,569)
Total expenditures	506,660	506,660	537,229	(30,569)
Net change in fund balances	\$ 530	\$ 530	6,423	\$ 5,893
Fund deficit - beginning			(6,539)	
Fund deficit - ending			\$ (116)	

CITY OF NAPA, CALIFORNIA

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

Damage Reimbursement Special Revenue Fund

For the Year Ended June 30, 2025

	Budget Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
				Positive (Negative)
REVENUES				
Charges for services	\$ 100,000	\$ 100,000	\$ 69,228	\$ (30,772)
Investment income (loss)	2,000	2,000	8,974	6,974
Total revenues	102,000	102,000	78,202	(23,798)
EXPENDITURES				
Current:				
General government	400	73,611	60,663	12,948
Total expenditures	400	73,611	60,663	12,948
Net change in fund balances	\$ 101,600	\$ 28,389	17,539	\$ (10,850)
Fund balances - beginning			142,416	
Fund balances - ending			\$ 159,955	

CITY OF NAPA, CALIFORNIA

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

Permanent Local Housing Allocation Special Revenue Fund

For the Year Ended June 30, 2025

	Budget Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
				Positive (Negative)
REVENUES				
Intergovernmental	\$ 495,920	\$ 1,591,050	\$ 1,038,886	\$ (552,164)
Charges for services	-	-	29,400	29,400
Investment income (loss)	-	-	967	967
Total revenues	495,920	1,591,050	1,069,253	(521,797)
EXPENDITURES				
Current:				
Community development	496,770	954,324	493,876	460,448
Total expenditures	496,770	954,324	493,876	460,448
Net change in fund balances	\$ (850)	\$ 636,726	575,377	\$ (61,349)
Fund deficit - beginning			(638,438)	
Fund deficit - ending			\$ (63,061)	

CITY OF NAPA, CALIFORNIA

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

Road Maintenance and Rehabilitation Act Special Revenue Fund

For the Year Ended June 30, 2025

	Budget Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
				Positive (Negative)
REVENUES				
Intergovernmental	\$ 1,986,480	\$ 1,986,480	\$ 2,126,367	\$ 139,887
Investment income (loss)	8,000	8,000	81,282	73,282
Total revenues	1,994,480	1,994,480	2,207,649	213,169
EXPENDITURES				
Current:				
Public works	2,000	2,000	215	1,785
Total expenditures	2,000	2,000	215	1,785
Excess (deficiency) of revenues over (under) expenditures	1,992,480	1,992,480	2,207,434	211,384
OTHER FINANCING SOURCES (USES)				
Transfers out	(1,715,900)	(2,315,900)	(2,315,900)	-
Total other financing sources (uses)	(1,715,900)	(2,315,900)	(2,315,900)	-
Net change in fund balances	\$ 276,580	\$ (323,420)	\$ (108,466)	\$ 214,954
Fund balances - beginning			390,306	
Fund balances - ending			\$ 281,840	

CITY OF NAPA, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Gas Tax Special Revenue Fund
For the Year Ended June 30, 2025

	Budget Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
				Positive (Negative)
REVENUES				
Intergovernmental	\$ 2,066,710	\$ 2,066,710	\$ 2,110,166	\$ 43,456
Investment income (loss)	-	-	163,159	163,159
Total revenues	2,066,710	2,066,710	2,273,325	206,615
EXPENDITURES				
Current:				
Public works	500	500	776	(276)
Total expenditures	500	500	776	(276)
Excess (deficiency) of revenues over (under) expenditures	2,066,210	2,066,210	2,272,549	206,891
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	4,516,773	4,516,773
Transfers out	(1,329,270)	(1,929,270)	(1,354,270)	575,000
Total other financing sources (uses)	(1,329,270)	(1,929,270)	3,162,503	5,091,773
Net change in fund balances	\$ 736,940	\$ 136,940	5,435,052	\$ 5,298,112
Fund balances - beginning			780,648	
Fund balances - ending			\$ 6,215,700	

CITY OF NAPA, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Measure F Special Revenue Fund
For the Year Ended June 30, 2025

	Budget Amounts			Variance with Final Budget	
	Original	Final	Actual Amounts	Positive (Negative)	
REVENUES					
Taxes	\$ 2,505,000	\$ 2,505,000	\$ 2,544,911	\$ 39,911	
Investment income (loss)	82,500	82,500	442,061	359,561	
Total revenues	2,587,500	2,587,500	2,986,972	399,472	
EXPENDITURES					
Current:					
Community development	59,870	4,254,540	40,231	4,214,309	
Total expenditures	59,870	4,254,540	40,231	4,214,309	
Excess (deficiency) of revenues over (under) expenditures	2,527,630	(1,667,040)	2,946,741	(3,814,837)	
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	233,642	233,642	
Transfers out	(25,340)	(25,340)	(25,340)		-
Total other financing sources (uses)	(25,340)	(25,340)	208,302	233,642	
Net change in fund balances	\$ 2,502,290	\$ (1,692,380)	3,155,043	\$ 4,847,423	
Fund balances - beginning			7,598,417		
Fund balances - ending			\$ 10,753,460		

CITY OF NAPA, CALIFORNIA

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

Encampment Resolution Grant Special Revenue Fund

For the Year Ended June 30, 2025

	Budget Amounts		Actual Amounts	Variance with Final Budget		
	Original	Final		Positive (Negative)		
REVENUES						
Intergovernmental	\$ -	\$ -	\$ 4,441,292	\$ 4,441,292		
Investment income (loss)	-	-	274,837	274,837		
Total revenues	-	-	4,716,129	4,716,129		
EXPENDITURES						
Current:						
Community development	-	7,936,924	2,585,294	5,351,630		
Capital outlay	-	110,757	29,440	81,317		
Debt service:						
Principal	-	-	2,016,704	(2,016,704)		
Interest and fiscal charges	-	-	83,296	(83,296)		
Total expenditures	-	8,047,681	4,714,734	3,332,947		
Net change in fund balances	\$ -	\$ (8,047,681)	1,395	\$ 8,049,076		
Fund deficit - beginning				(1,395)		
Fund deficit - ending	\$ -					

CITY OF NAPA, CALIFORNIA

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

Golf Course Special Revenue Fund

For the Year Ended June 30, 2025

	Budget Amounts		Actual Amounts	Variance with Final Budget		
	Original	Final		Positive (Negative)		
REVENUES						
Charges for services	\$ 41,000	\$ 41,000	\$ 52,691	\$ 11,691		
Total revenues	41,000	41,000	52,691		11,691	
EXPENDITURES						
Current:						
Parks and recreation	-	-	34,551	(34,551)		
Capital outlay	27,000	27,000	-	27,000		
Total expenditures	27,000	27,000	34,551		(7,551)	
Net change in fund balances	\$ 14,000	\$ 14,000	18,140		\$ 4,140	
Fund deficit - beginning				(1,445,881)		
Fund deficit - ending				\$ (1,427,741)		

CITY OF NAPA, CALIFORNIA

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

Enhanced Infrastructure Financing District Special Revenue Fund

For the Year Ended June 30, 2025

	Budget Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
				Positive (Negative)
REVENUES				
Taxes	\$ 384,630	\$ 384,630	\$ 296,901	\$ (87,729)
Investment income (loss)	520	520	8,021	7,501
Total revenues	385,150	385,150	304,922	(80,228)
EXPENDITURES				
Current:				
Community development	25,500	25,500	95	25,405
Total expenditures	25,500	25,500	95	25,405
Excess (deficiency) of revenues over (under) expenditures	359,650	359,650	304,827	(105,633)
OTHER FINANCING SOURCES (USES)				
Transfers out	(50,170)	(50,170)	(50,170)	-
Total other financing sources (uses)	(50,170)	(50,170)	(50,170)	-
Net change in fund balances	\$ 309,480	\$ 309,480	254,657	\$ (54,823)
Fund balances - beginning			174,248	
Fund balances - ending			\$ 428,905	

CITY OF NAPA, CALIFORNIA

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

Departmental Special Revenue Special Revenue Fund

For the Year Ended June 30, 2025

	Budget Amounts			Variance with Final Budget	
	Original	Final	Actual Amounts	Positive (Negative)	
REVENUES					
Intergovernmental	\$ -	\$ 1,923,153	\$ 474,157	\$ (1,448,996)	
Miscellaneous	-	85,000	160,000	75,000	
Total revenues	-	2,008,153	634,157	(1,373,996)	
EXPENDITURES					
Current:					
City council	-	1,262,042	71,355	1,190,687	
Police	-	854,995	450,251	404,744	
Parks and recreation	-	75,000	16,000	59,000	
Fire	-	10,000	-	10,000	
Total expenditures	-	2,202,037	537,606	1,664,431	
Excess (deficiency) of revenues over (under) expenditures	-	(193,884)	96,551	(3,038,427)	
OTHER FINANCING SOURCES (USES)					
Transfers in	-	193,884	193,884	-	
Total other financing sources (uses)	-	193,884	193,884	-	
Net change in fund balances	\$ -	\$ -	290,435	\$ 290,435	
Fund balances - beginning				-	
Fund balances - ending	\$ -	\$ -	290,435	\$ 290,435	

**Schedules of Revenues, Expenditures, and Changes in Fund Balances –
Budget and Actual – Capital Project Funds**

CITY OF NAPA, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
City Capital Projects Fund
For the Year Ended June 30, 2025

				Variance with Final Budget	
	Budget Amounts		Actual Amounts	Positive (Negative)	
	Original	Final			
REVENUES					
Intergovernmental	\$ 22,592	\$ 2,476,453	\$ 396,947	\$ (2,079,506)	
Charges for services	-	-	13,219	13,219	
Miscellaneous	-	242,176	30,000	(212,176)	
Total revenues	22,592	2,718,629	440,166	(2,278,463)	
EXPENDITURES					
Current:					
Public works	6,203,750	6,580,938	9,717,174	(3,136,236)	
Capital outlay	14,372,592	98,089,223	20,171,322	77,917,901	
Total expenditures	20,576,342	104,670,161	29,888,496	74,781,665	
Excess (deficiency) of revenues over (under) expenditures	(20,553,750)	(101,951,532)	(29,448,330)	(77,060,128)	
OTHER FINANCING SOURCES (USES)					
Transfers in	23,655,830	39,213,720	16,606,451	(22,607,269)	
Transfers out	(3,925,000)	(5,180,030)	(31,222,731)	(26,042,701)	
Total other financing sources (uses)	19,730,830	34,033,690	(14,616,280)	(48,649,970)	
Net change in fund balances	\$ (822,920)	\$ (67,917,842)	(44,064,610)	\$ 23,853,232	
Fund balances - beginning			80,462,108		
Fund balances - ending			\$ 36,397,498		

Internal Service Funds

The Internal Service Funds are used to account for the financing of goods or services provided by one department to other departments of the City on a cost reimbursement basis.

The concept of major funds does not extend to internal service funds. For the Statement of Activities, the net revenues and expenses of each internal service fund are eliminated by netting them against the operations of the City departments that generated them. The remaining balance sheet items are consolidated with these same funds in the Governmental Activities Statement of Net Position. However, internal service funds are still presented separately in the Fund Financial Statements.

RISK MANAGEMENT FUND

The Risk Management Fund is an internal service fund established to account for resources and uses related to the City's self-insurance program. The City's self-insurance retention amounts are \$150,000 for general liability claims, \$300,000 for workers' compensation claims and 100% of unemployment claims. The risk management function is funded by charges to the various City departments.

FLEET FUND

The Fleet Management Fund provides full-service, lifetime management of the vehicles and equipment used by all City operations. This begins with specification development and replacement scheduling, transitioning to in-service preparation, then performing regular repairs and scheduled maintenance and inspections. Also included in Fleet services are regulatory compliance, fuel data capture, decommissioning, and ultimately the disposal of said assets. The Fleet Management Division also administers the two City motor pools.

INFORMATION TECHNOLOGY REPLACEMENT FUND

The Information Technology (IT) Replacement Fund provides for the replacement of IT and telephone infrastructure throughout General Fund departments as necessary to maintain staff productivity.

POST-EMPLOYMENT BENEFIT FUND

The Postemployment Benefits Fund is established to collect contributions to cover the cost of retiree benefits for current and past employees. Expenditures from this fund includes payments for current retirees' benefits earned in prior years and contributions to an irrevocable trust to provide resources from which future retiree benefits will be paid.

EQUIPMENT REPLACEMENT FUND

The Equipment Replacement Fund was established for the replacement of capital equipment as it becomes unserviceable, obsolete, or reaches a predetermined service life.

CITY OF NAPA, CALIFORNIA
Combining Statement of Net Position
Internal Service Funds
June 30, 2025

	Risk Management	Fleet	Information Technology Replacement	Post Employment Benefits	Equipment Replacement	Total Internal Service Funds
ASSETS						
Current assets:						
Cash and investments	\$ 29,038,104	\$ 14,395,639	\$ 2,369,758	\$ 2,355,177	\$ 1,095,763	\$ 49,254,441
Receivables (net of uncollectibles):						
Accounts	-	32,303	-	-	-	32,303
Interest	37,408	20,257	3,406	-	1,591	62,662
Federal, state and other governments	-	-	-	803,479	-	803,479
Prepaid items	-	-	144,705	-	-	144,705
Restricted:						
Restricted cash and investments	-	-	-	10,092,414	-	10,092,414
Net OPEB asset	364	460	-	43,830	-	44,654
Total current assets	29,075,876	14,448,659	2,517,869	13,294,900	1,097,354	60,434,658
Noncurrent:						
Capital assets, net	-	15,073,613	-	-	-	15,073,613
Total noncurrent assets	-	15,073,613	-	-	-	15,073,613
Total assets	29,075,876	29,522,272	2,517,869	13,294,900	1,097,354	75,508,271
DEFERRED OUTFLOWS OF RESOURCES						
Pension-related	159,492	338,236	-	-	-	497,728
OPEB-related	23,979	30,280	-	2,887,307	-	2,941,566
Total deferred outflows of resources	183,471	368,516	-	2,887,307	-	3,439,294
LIABILITIES						
Current liabilities:						
Accounts payable and accrued liabilities	393,191	469,584	34,799	(8,047)	-	889,527
Due to other funds	-	1,217,821	-	-	-	1,217,821
Compensated absences	35,205	33,058	-	-	-	68,263
Current portion of long-term debt	-	17,312	-	-	-	17,312
Claims payable	3,889,740	-	-	-	-	3,889,740
Total current liabilities	4,318,136	1,737,775	34,799	(8,047)	-	6,082,663
Noncurrent liabilities:						
Compensated absences	13,415	9,814	-	-	-	23,229
Noncurrent claims	11,587,261	-	-	-	-	11,587,261
Net pension liability	917,549	1,945,849	-	-	-	2,863,398
Total noncurrent liabilities	12,518,225	1,955,663	-	-	-	14,473,888
Total liabilities	16,836,361	3,693,438	34,799	(8,047)	-	20,556,551
DEFERRED INFLOWS OF RESOURCES						
OPEB-related	25,445	32,131	-	3,063,855	-	3,121,431
Total deferred inflows of resources	25,445	32,131	-	3,063,855	-	3,121,431
NET POSITION						
Net investment in capital assets	-	15,056,301	-	-	-	15,056,301
Restricted	-	-	-	10,137,068	-	10,137,068
Unrestricted	12,397,541	11,108,918	2,483,070	2,989,331	1,097,354	30,076,214
Total net position	\$ 12,397,541	\$ 26,165,219	\$ 2,483,070	\$ 13,126,399	\$ 1,097,354	\$ 55,269,583

CITY OF NAPA, CALIFORNIA
Statement of Revenues, Expenses and Changes in Net Position
Internal Service Funds
For the Year Ended June 30, 2025

	Risk Management	Fleet	Information Technology Replacement	Post Employment Benefits	Equipment Replacement	Total Internal Service Funds
OPERATING REVENUES						
Charges for services	\$ 15,849,188	\$ 5,741,437	\$ 374,520	\$ 1,141,739	\$ -	\$ 23,106,884
Miscellaneous	-	16,884	-	-	-	16,884
Total operating revenues	15,849,188	5,758,321	374,520	1,141,739	-	23,123,768
OPERATING EXPENSES						
Employee services and benefits	566,708	470,569	67,600	(825,392)	-	279,485
Materials and services	2,180,113	1,471,372	630,178	1,243,720	545	5,525,928
Depreciation and amortization	-	2,570,149	-	-	-	2,570,149
Insurance premiums and claims	11,568,443	-	-	-	-	11,568,443
Total operating expenses	14,315,264	4,512,090	697,778	418,328	545	19,944,005
Operating income (loss)	1,533,924	1,246,231	(323,258)	723,411	(545)	3,179,763
NONOPERATING REVENUES (EXPENSES)						
Investment income (loss)	1,180,984	782,771	197,635	807,945	46,661	3,015,996
Interest and fiscal charges	-	(14)	-	-	-	(14)
Gains (losses) on sale of capital asset	-	204,272	-	-	-	204,272
Total nonoperating revenues (expenses)	1,180,984	987,029	197,635	807,945	46,661	3,220,254
Income (loss) before transfers	2,714,908	2,233,260	(125,623)	1,531,356	46,116	6,400,017
Transfers in	262,257	60,000	100,000	1,000,000	150,000	1,572,257
Transfers out	(41,580)	-	-	-	(60,000)	(101,580)
Change in net position	2,935,585	2,293,260	(25,623)	2,531,356	136,116	7,870,694
Net position - beginning	9,461,956	23,871,959	2,508,693	10,595,043	961,238	47,398,889
Net position - ending	\$ 12,397,541	\$ 26,165,219	\$ 2,483,070	\$ 13,126,399	\$ 1,097,354	\$ 55,269,583

CITY OF NAPA, CALIFORNIA
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2025

	Risk Management	Fleet	Information Technology Replacement	Post Employment Benefits	Equipment Replacement	Totals
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from interfund charges	\$ 15,849,188	\$ 5,710,965	\$ 374,520	\$ 1,141,739	\$ -	\$ 23,076,412
Payments to suppliers and service providers	(13,855,295)	(1,224,014)	(631,727)	(1,251,272)	(545)	(16,962,853)
Payments to employees for salaries and benefits	(623,313)	(956,915)	(67,600)	-	-	(1,647,828)
Other receipts (payments)	1,153,001	16,884	-	-	-	1,169,885
Net cash provided by (used for) operating activities	2,523,581	3,546,920	(324,807)	(109,533)	(545)	5,635,616
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Transfers from other funds	262,257	60,000	100,000	1,000,000	150,000	1,572,257
Transfers to other funds	(41,580)	-	-	-	(60,000)	(101,580)
Receipts to other funds on interfund borrowings	-	1,217,821	-	-	-	1,217,821
Operating grants and contributions	-	-	-	440	-	440
Net cash provided by (used for) noncapital financing activities	220,677	1,277,821	100,000	1,000,440	90,000	2,688,938
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Proceeds from capital debt	-	-	-	-	-	-
Acquisition and construction of capital assets	-	(5,083,239)	-	-	-	(5,083,239)
Principal paid on capital debt	-	(22,514)	-	-	-	(22,514)
Interest paid on capital debt	-	(14)	-	-	-	(14)
Net cash provided by (used for) capital and related financing activities	-	(5,105,767)	-	-	-	(5,105,767)
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest on investments	1,182,957	786,325	198,367	807,945	46,778	3,022,372
Net cash provided by (used for) investing activities	1,182,957	786,325	198,367	807,945	46,778	3,022,372
Net increase (decrease) in cash and cash equivalents	3,927,215	505,299	(26,440)	1,698,852	136,233	6,241,159
Cash and cash equivalents-beginning	25,110,889	13,890,340	2,396,198	10,748,739	959,530	53,105,696
Cash and cash equivalents-ending	\$ 29,038,104	\$14,395,639	\$ 2,369,758	\$ 12,447,591	\$ 1,095,763	\$ 59,346,855

CITY OF NAPA
Combining Statement of Cash Flows (Continued)
Internal Service Funds
For the Year Ended June 30, 2025

	Risk Management	Fleet	Information Technology Replacement	Post Employment Benefits	Equipment Replacement	Totals
RECONCILIATION OF OPERATING INCOME (LOSS)						
TO NET CASH PROVIDED BY (USED FOR)						
OPERATING ACTIVITIES						
Operating income (loss)	\$ 1,533,924	\$ 1,246,231	\$ (323,258)	\$ 723,411	\$ (545)	\$ 3,179,763
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:						
Depreciation/amortization expense	-	2,570,149	-	-	-	2,570,149
(Increase) decrease in accounts receivable	-	(30,472)	-	-	-	(30,472)
(Increase) decrease in prepaid items	6,120	-	(4,571)	-	-	1,549
Increase (decrease) in accounts payable and accrued liabilities	(112,859)	247,358	3,022	(7,552)	-	129,969
Increase (decrease) in compensated absences	6,431	(4,803)	-	-	-	1,628
Increase (decrease) in claims and judgments	1,153,001	-	-	-	-	1,153,001
Increase (decrease) in pension and related items	(55,906)	(463,181)	-	-	-	(519,087)
Increase (decrease) in OPEB and related items	(7,130)	(18,362)	-	(825,392)	-	(850,884)
Total adjustments	989,657	2,300,689	(1,549)	(832,944)	-	2,455,853
Net cash provided by (used for) operating activities	\$ 2,523,581	\$ 3,546,920	\$ (324,807)	\$ (109,533)	\$ (545)	\$ 5,635,616

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- **Financial Trends**
- **Revenue Capacity**
- **Debt Capacity**
- **Demographic & Economic**
- **Operating**

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CITY OF NAPA, CALIFORNIA - STATISTICAL SECTION (UNAUDITED)

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Financial Trends Information

CITY OF NAPA, CALIFORNIA - FINANCIAL TRENDS INFORMATION

Net Position by Component

Last Ten Fiscal Years

(Accrual basis accounting, in thousands)

	Fiscal Year				
	2025	2024	2023	2022	2021
Governmental Activities					
Net investment in capital assets	\$ 373,101	\$ 359,880	\$ 352,519	\$ 357,052	\$ 364,600
Restricted	145,308	76,246	81,709	128,514	91,843
Unrestricted (deficit)	(26,330)	27,014	3,856	(67,586)	(71,626)
Total governmental activities net position	<u>492,079</u>	<u>463,140</u>	<u>438,084</u>	<u>417,980</u>	<u>384,817</u>
Business-type Activities					
Net investment in capital assets	84,855	70,800	69,439	68,321	69,287
Restricted	8	1	2	-	-
Unrestricted	<u>79,509</u>	<u>78,143</u>	<u>77,020</u>	<u>75,591</u>	<u>60,621</u>
Total business-type activities net position	<u>164,372</u>	<u>148,944</u>	<u>146,461</u>	<u>143,912</u>	<u>129,908</u>
Primary Government					
Net investment in capital assets	457,956	430,680	421,762	425,373	433,887
Restricted	145,316	76,247	81,710	128,514	91,843
Unrestricted (deficit)	<u>53,179</u>	<u>105,157</u>	<u>81,073</u>	<u>8,005</u>	<u>(11,005)</u>
Total primary government activities net position	<u>\$ 656,451</u>	<u>\$ 612,084</u>	<u>\$ 584,545</u>	<u>\$ 561,892</u>	<u>\$ 514,725</u>

Source: City of Napa - Finance Department

CITY OF NAPA, CALIFORNIA - FINANCIAL TRENDS INFORMATION

Net Position by Component (Continued)
Last Ten Fiscal Years
(Accrual basis accounting, in thousands)

	Fiscal Year				
	2020	2019	2018	2017	2016
Governmental Activities					
Net investment in capital assets	\$ 378,521	\$ 358,507	\$ 369,603	\$ 351,563	\$ 351,129
Restricted	78,781	82,878	83,834	43,100	41,722
Unrestricted (deficit)	(54,455)	(55,165)	(57,495)	(33,037)	(41,524)
Total governmental activities net position	402,847	386,220	395,942	361,626	351,327
Business-type Activities					
Net investment in capital assets	70,385	70,082	71,873	73,653	75,328
Restricted	-	-	12,398	12,667	724
Unrestricted	44,300	33,891	14,499	25,684	37,519
Total business-type activities net position	114,685	103,973	98,770	112,004	113,571
Primary Government					
Net investment in capital assets	448,906	428,589	441,476	425,216	426,457
Restricted	78,781	82,878	96,232	55,767	42,446
Unrestricted (deficit)	(10,155)	(21,274)	(42,996)	(7,354)	(4,005)
Total primary government activities net position	\$ 517,532	\$ 490,193	\$ 494,712	\$ 474,629	\$ 464,898

Source: City of Napa - Finance Department

Note: ¹The significant decrease in Unrestricted Net Position in FY2015 and FY2018 is due to the implementation GASB Statement Nos. 68 and 75 respectively.

CITY OF NAPA, CALIFORNIA - FINANCIAL TRENDS INFORMATION

Changes in Net Position

Last Ten Fiscal Years

(Accrual basis accounting, in thousands)

	Fiscal Year				
	2025	2024	2023	2022	2021
Expenses:					
Governmental activities					
General government	\$ 36,426	\$ 32,532	\$ 24,416	\$ 15,415	\$ 16,051
Public safety	70,914	65,896	62,732	51,549	60,348
Public works	36,835	32,374	31,086	31,716	36,010
Parks & recreation	12,669	11,211	9,746	8,365	6,797
Community development	37,705	34,847	35,898	24,337	25,787
Interest on long-term debt	206	227	454	-	-
Total Governmental activities expenses	<u>194,755</u>	<u>177,087</u>	<u>164,332</u>	<u>131,381</u>	<u>144,992</u>
Business-type activities					
Water	36,104	38,640	33,097	29,899	32,044
Solid waste and recycling	44,022	43,518	44,355	34,503	32,941
Housing	-	-	-	-	-
Total business-type activities expenses	<u>80,126</u>	<u>82,158</u>	<u>77,452</u>	<u>64,402</u>	<u>64,985</u>
Total Primary government expenses	<u>\$ 274,881</u>	<u>\$ 259,245</u>	<u>\$ 241,784</u>	<u>\$ 195,783</u>	<u>\$ 209,977</u>

Source: City of Napa - Finance Department

CITY OF NAPA, CALIFORNIA - FINANCIAL TRENDS INFORMATION

Changes in Net Position (Continued)

Last Ten Fiscal Years

(Accrual basis accounting, in thousands)

	Fiscal Year				
	2020	2019	2018	2017	2016
Expenses:					
Governmental activities					
General government	\$ 19,195	\$ 12,251	\$ 15,239	\$ 14,341	\$ 15,519
Public safety	60,967	57,304	49,743	44,774	39,402
Public works	8,455	32,576	30,825	23,840	19,689
Parks & recreation	8,928	8,634	10,576	9,378	8,874
Community development	27,095	24,738	25,322	5,809	8,538
Interest on long-term debt	-	-	-	-	-
Total Governmental activities expenses	124,640	135,503	131,705	98,142	92,022
Business-type activities					
Water	32,327	28,060	27,174	27,553	25,133
Solid waste and recycling	34,339	30,475	27,328	23,373	21,425
Housing	-	-	-	14,846	12,623
Total business-type activities expenses	66,666	58,535	54,502	66,772	59,181
Total Primary government expenses	\$ 191,306	\$ 194,038	\$ 186,207	\$ 163,914	\$ 151,203

Source: City of Napa - Finance Department

CITY OF NAPA, CALIFORNIA - FINANCIAL TRENDS INFORMATION

Changes in Net Position (Continued)

Last Ten Fiscal Years

(Accrual basis accounting, in thousands)

	Fiscal Year				
	2025	2024	2023	2022	2021
Program Revenues:					
Governmental activities					
Charges for Services					
General Government	\$ 9,026	\$ 7,357	\$ 9,672	\$ 9,932	\$ 6,229
Public Safety	9,625	7,500	5,925	9,147	8,353
Public Works	4,674	4,734	2,814	2,819	1,627
Parks & Recreation	2,359	1,668	2,266	3,933	1,084
Community Development	10,219	8,565	8,205	11,048	7,230
Operating grants and contributions	37,795	33,226	23,773	18,663	20,523
Capital grants and contributions	14,553	15,726	14,652	15,734	10,631
Total governmental activities program revenues	<u>88,251</u>	<u>78,776</u>	<u>67,307</u>	<u>71,276</u>	<u>55,677</u>
Business type activities					
Charges for Services					
Water	48,110	38,531	37,753	34,909	39,512
Materials Diversion	48,337	43,103	44,477	42,836	39,219
Housing	-	-	-	-	-
Operating grants and contributions	180	524	2,913	2,325	2,678
Capital grants and contributions	357	2,873	1,181	1,504	1,274
Total business-type activities program revenues	<u>96,984</u>	<u>85,032</u>	<u>86,325</u>	<u>81,575</u>	<u>82,684</u>
Total Primary government revenues	<u>\$ 185,235</u>	<u>\$ 163,808</u>	<u>\$ 153,632</u>	<u>\$ 152,851</u>	<u>\$ 138,361</u>
Net (expense)/revenue					
Governmental activities	\$ (106,504)	\$ 78,776	\$ (97,026)	\$ (60,106)	\$ (89,315)
Business-type activities	<u>16,858</u>	<u>85,031</u>	<u>8,872</u>	<u>17,172</u>	<u>17,698</u>
Total Primary government net expense	<u>\$ (89,646)</u>	<u>\$ 163,807</u>	<u>\$ (88,154)</u>	<u>\$ (42,934)</u>	<u>\$ (71,617)</u>

Source: City of Napa - Finance Department

CITY OF NAPA, CALIFORNIA - FINANCIAL TRENDS INFORMATION

Changes in Net Position (Continued)

Last Ten Fiscal Years

(Accrual basis accounting, in thousands)

	Fiscal Year				
	2020	2019	2018	2017	2016
Program Revenues:					
Governmental activities					
Charges for Services					
General Government	\$ 14,604	\$ 8,237	\$ 9,387	\$ 10,303	\$ 7,129
Public Safety	8,515	8,153	8,530	7,587	7,617
Public Works	3,141	2,059	1,840	1,407	1,378
Parks & Recreation	2,065	2,300	1,423	2,008	1,323
Community Development	9,092	7,829	14,334	8,962	5,959
Operating grants and contributions	15,858	15,822	16,222	3,264	4,652
Capital grants and contributions	8,583	14,388	28,028	3,950	5,359
Total governmental activities program revenues	<u>61,858</u>	<u>58,788</u>	<u>79,764</u>	<u>37,481</u>	<u>33,417</u>
Business type activities					
Charges for Services					
Water	41,559	33,209	30,687	26,849	26,980
Materials Diversion	34,472	28,584	28,625	26,963	26,487
Housing	-	-	-	1,337	1,236
Operating grants and contributions	1,262	3,200	365	12,298	11,860
Capital grants and contributions	1,375	803	2,189	1,072	3,195
Total business-type activities program revenues	<u>78,668</u>	<u>65,796</u>	<u>61,866</u>	<u>68,519</u>	<u>69,758</u>
Total Primary government revenues	<u><u>\$ 140,526</u></u>	<u><u>\$ 124,584</u></u>	<u><u>\$ 141,630</u></u>	<u><u>\$ 106,000</u></u>	<u><u>\$ 103,175</u></u>
Net (expense)/revenue					
Governmental activities	\$ (62,782)	\$ (76,715)	\$ (51,942)	\$ (60,660)	\$ (58,606)
Business-type activities	<u>12,001</u>	<u>7,261</u>	<u>7,365</u>	<u>2,747</u>	<u>10,577</u>
Total Primary government net expense	<u><u>\$ (50,781)</u></u>	<u><u>\$ (69,454)</u></u>	<u><u>\$ (44,577)</u></u>	<u><u>\$ (57,913)</u></u>	<u><u>\$ (48,029)</u></u>

Source: City of Napa - Finance Department

CITY OF NAPA, CALIFORNIA - FINANCIAL TRENDS INFORMATION

Changes in Net Position (Continued)

Last Ten Fiscal Years

(Accrual basis accounting, in thousands)

	Fiscal Year				
	2025	2024	2023	2022	2021
General revenues and other changes in net position					
Governmental activities					
Taxes					
Property taxes	\$ 52,285	\$ 50,441	\$ 48,642	\$ 42,180	\$ 41,128
Franchise taxes	2,146	2,227	2,222	2,043	1,970
Sales taxes	28,514	22,659	22,593	20,360	17,557
Transient occupancy	33,396	31,905	34,666	32,245	12,670
Investment earnings	-	-	4,364	(9,771)	70
Sale of capital assets	-	-	-	-	240
Use of money and property**	13,610	10,367	-	-	-
Other**	629	501	-	-	-
Transfers	<u>5,485</u>	<u>5,269</u>	<u>3,803</u>	<u>3,623</u>	<u>3,013</u>
Total governmental activities	<u>136,065</u>	<u>123,368</u>	<u>116,289</u>	<u>90,679</u>	<u>76,649</u>
Business -type activities					
Investment earnings	-	-	(2,529)	455	538
Sale of capital assets	-	-	-	-	-
Use of money and property	5,859	4,333	-	-	-
Other	471	546	-	-	-
Transfers	<u>(5,485)</u>	<u>(5,269)</u>	<u>(3,803)</u>	<u>(3,623)</u>	<u>(3,013)</u>
Total business-type activities	<u>845</u>	<u>(390)</u>	<u>(6,332)</u>	<u>(3,168)</u>	<u>(2,475)</u>
Total primary government	<u>136,910</u>	<u>122,978</u>	<u>110,957</u>	<u>87,511</u>	<u>74,174</u>
<i>Special Items (Transfer to Successor Agency Trust)</i>					
<i>Extraordinary Items - Governmental activities</i>					
Change in net position					
Governmental activities	29,561	25,057	19,264	(6,346)	16,542
Business-type activities	<u>17,703</u>	<u>(390)</u>	<u>78,699</u>	<u>5,704</u>	<u>14,697</u>
Total primary government	<u>\$ 47,264</u>	<u>\$ 24,667</u>	<u>\$ 97,963</u>	<u>\$ (641)</u>	<u>\$ 31,239</u>

Source: City of Napa - Finance Department

Note: In FY2024, two additional categories were added under general revenue: use of money and property, and other.

CITY OF NAPA, CALIFORNIA - FINANCIAL TRENDS INFORMATION

Changes in Net Position (Continued)

Last Ten Fiscal Years

(Accrual basis accounting, in thousands)

	Fiscal Year				
	2020	2019	2018	2017	2016
General revenues and other changes in net position					
Governmental activities					
Taxes					
Property taxes	\$ 35,816	\$ 35,256	\$ 31,478	\$ 28,684	\$ 28,431
Franchise taxes	1,991	2,019	2,070	2,057	2,014
Sales taxes	15,751	18,153	16,778	16,059	15,947
Transient occupancy	18,098	23,530	20,076	19,460	18,233
Investment earnings	2,058	2,085	(158)	99	574
Sale of capital assets	2,476	61	268	-	-
Use of money and property**	-	-	-	-	-
Other**	-	-	-	-	-
Transfers	<u>3,222</u>	<u>3,951</u>	<u>4,149</u>	<u>4,408</u>	<u>4,334</u>
Total governmental activities	79,412	85,055	74,661	70,767	69,533
Business -type activities					
Investment earnings	1,934	1,853	318	93	544
Sale of capital assets	-	40	-	-	16
Use of money and property	-	-	-	-	-
Other	-	-	-	-	-
Transfers	<u>(3,222)</u>	<u>(3,951)</u>	<u>(4,149)</u>	<u>(4,408)</u>	<u>(4,334)</u>
Total business-type activities	<u>(1,288)</u>	<u>(2,058)</u>	<u>(3,831)</u>	<u>(4,315)</u>	<u>(3,774)</u>
Total primary government	<u>78,124</u>	<u>82,997</u>	<u>70,830</u>	<u>66,452</u>	<u>65,759</u>
<i>Special Items (Transfer to Successor Agency Trust)</i>	-	-	-	-	19
<i>Extraordinary Items - Governmental activities</i>	-	-	-	-	-
Change in net position					
Governmental activities	(9,904)	22,273	22,718	19,016	11,688
Business-type activities	<u>16,410</u>	<u>9,943</u>	<u>3,534</u>	<u>(1,567)</u>	<u>6,803</u>
Total primary government	<u>\$ 6,507</u>	<u>\$ 32,216</u>	<u>\$ 26,252</u>	<u>\$ 17,449</u>	<u>\$ 18,491</u>

Source: City of Napa - Finance Department

CITY OF NAPA, CALIFORNIA - FINANCIAL TRENDS INFORMATION

Fund Balance of Government Funds

Last Ten Fiscal Years

(Accrual basis accounting, in thousands)

	Fiscal Year				
	2025	2024	2023	2022	2021
General Fund					
Nonspendable	\$ 3,294	\$ 3,626	\$ 3,773	\$ 2,691	\$ 3,148
Restricted	6,082	354	316	5,151	317
Committed	25,946	16,635	15,522	15,396	15,396
Assigned	-	2,995	1,882	8,563	6,424
Unassigned (deficit)	23,928	24,871	20,352	(7,678)	5,490
Total general fund	59,250	48,481	41,845	24,123	30,775
All other governmental funds					
Nonspendable	1,230	5,333	61	13	13
Restricted	129,088	56,484	52,995	85,586	69,369
Committed	20,245	78,498	69,552	29,795	22,462
Assigned	-	-	-	-	-
Unassigned (deficit)	(2,744)	(2,369)	(2,152)	(1,626)	(1,597)
Total all other governmental funds	\$ 147,819	\$ 137,946	\$ 120,456	\$ 113,768	\$ 90,247

Source: City of Napa - Finance Department

CITY OF NAPA, CALIFORNIA - FINANCIAL TRENDS INFORMATION

Fund Balance of Government Funds (Continued)

Last Ten Fiscal Years

(Accrual basis accounting, in thousands)

	Fiscal Year				
	2020	2019	2018	2017	2016
General Fund					
Nonspendable	\$ 3,466	\$ 4,002	\$ 3,411	\$ 1,275	\$ 537
Restricted	263	195	125	73	51
Committed	15,396	13,554	13,004	2,422	500
Assigned	4,600	12,114	7,771	21,043	18,874
Unassigned (deficit)	7,008	6,116	4,107	1,724	3,051
Total general fund	<u>30,733</u>	<u>35,981</u>	<u>28,418</u>	<u>26,537</u>	<u>23,013</u>
All other governmental funds					
Nonspendable	12	11	-	675	-
Restricted	63,482	56,870	51,282	43,465	38,181
Committed	22,466	25,997	32,552	28,057	31,698
Assigned	-	-	-	208	1,589
Unassigned (deficit)	(1,593)	(1,611)	(1,615)	(1,609)	(1,662)
Total all other governmental funds	<u>\$ 84,367</u>	<u>\$ 81,267</u>	<u>\$ 82,219</u>	<u>\$ 70,796</u>	<u>\$ 69,806</u>

Source: City of Napa - Finance Department

CITY OF NAPA, CALIFORNIA - FINANCIAL TRENDS INFORMATION

Changes in Fund Balances of Governmental Funds

Last Ten Fiscal Years

(Modified accrual basis accounting, in thousands)

	Fiscal Year				
	2025	2024	2023	2022	2021
Revenues					
Taxes	\$ 115,565	\$ 106,485	\$ 107,354	\$ 79,477	\$ 57,006
Licenses and permits	9,388	8,537	7,744	7,310	7,881
Intergovernmental	55,353	51,315	40,557	56,412	49,564
Charges for services	20,809	19,880	14,186	18,694	11,272
Investment income (loss)	10,594	8,170	5,190	(9,155)	249
Miscellaneous	629	501	510	471	279
Contribution from owners (Gasser CFD)	-	-	-	-	-
Total Revenues	212,338	194,888	175,541	153,209	126,251
Expenditures					
General government					
City Council	359	341	303	313	293
City Clerk	1,363	1,163	1,071	1,155	1,029
City Manager	5,514	6,856	1,786	1,549	1,253
Finance	4,637	4,362	8,261	7,357	6,873
City Attorney	1,679	1,499	1,448	1,269	1,000
Human Resources	2,208	2,361	1,924	1,451	1,173
General Services	12,436	9,583	7,753	4,063	2,874
Public safety					
Police	39,752	37,645	35,062	33,566	31,498
Fire	28,007	24,896	23,386	23,305	21,702
Community Development	37,209	34,521	35,511	25,058	25,297
Parks & Recreation	11,276	10,511	8,987	8,625	6,416
Public Works	26,036	21,240	20,323	15,753	11,932
Capital Outlay	23,602	22,292	7,695	9,232	10,939
Debt Service					
Principal	4,030	3,439	851	407	216
Interest and fiscal charges	294	254	264	52	48
Total Expenditures	198,402	180,966	154,628	133,154	122,542
Excess of revenues over/(under) expenditures	13,936	13,923	20,914	20,056	3,710
Other financing sources (uses)					
Transfer in	52,909	34,164	63,961	29,958	14,981
Transfer out	(48,894)	(32,811)	(60,534)	(30,449)	(12,765)
Lease issuance	802	5,904	283	82	-
Subscription issuance	1,924	2,942	60	-	-
Sale of capital assets	-	-	-	-	-
Total Other Financing Sources	6,741	10,199	3,770	(409)	2,216
<i>Extraordinaary Items (Transfer to/from Successor Agency Trust)</i>	-	-	-	-	-
Net Change in fund balances	\$ 20,677	\$ 24,122	\$ 24,684	\$ 19,647	\$ 5,926
Debt service as a percentage of non-capital expenditures	2%	2%	1%	0%	0%

Source: City of Napa - Finance Department

CITY OF NAPA, CALIFORNIA - FINANCIAL TRENDS INFORMATION

Changes in Fund Balances of Governmental Funds (Continued)

Last Ten Fiscal Years

(Modified accrual basis accounting, in thousands)

	Fiscal Year				
	2020	2019	2018	2017	2016
Revenues					
Taxes	\$ 59,358	\$ 64,379	\$ 56,992	\$ 53,173	\$ 51,555
Licenses and permits	6,667	6,350	6,462	6,082	5,753
Intergovernmental	40,542	48,581	37,860	20,693	24,078
Charges for services	13,465	11,184	24,272	13,961	11,651
Investment income (loss)	4,565	4,317	97	173	1,238
Miscellaneous	2,903	554	1,094	3,196	681
Contribution from owners (Gasser CFD)	-	-	18,005	-	-
Total Revenues	127,500	135,365	144,783	97,279	94,956
Expenditures					
General government				-	-
City Council	375	311	291	307	317
City Clerk	950	1,012	824	983	795
City Manager	1,728	1,236	1,217	1,228	1,185
Finance	7,032	6,561	6,285	6,168	5,351
City Attorney	1,197	1,037	1,100	1,038	928
Human Resources	1,255	1,121	1,200	1,154	1,146
General Services	2,765	2,960	3,274	1,960	1,907
Public safety					
Police	32,244	30,124	28,797	27,061	25,786
Fire	19,553	19,327	18,248	17,113	15,818
Community Development	26,157	23,790	25,123	7,536	7,203
Parks & Recreation	8,495	8,291	10,210	9,373	8,855
Public Works	11,974	11,209	12,411	9,443	10,047
Capital Outlay	18,473	18,064	32,006	13,987	10,900
Debt Service					
Principal	211	206	200	373	320
Interest and fiscal charges	54	59	64	13	23
Total Expenditures	132,460	125,308	141,250	97,737	90,581
Excess of revenues over/(under) expenditures	(4,960)	10,057	3,534	(458)	4,375
Other financing sources (uses)					
Transfer in	27,211	21,679	23,770	12,902	21,936
Transfer out	(26,787)	(19,354)	(19,574)	(8,010)	(17,495)
Lease issuance	-	-	-	-	-
Subscription issuance	-	-	-	-	-
Sale of capital assets	2,392	-	155	79	2,933
Total Other Financing Sources	2,816	2,325	4,351	4,971	7,374
Extraordinaary Items (Transfer to/from Successor Agency Trust)	-	-	-	19	2,173
Net Change in fund balances	\$ (2,144)	\$ 12,382	\$ 7,885	\$ 4,532	\$ 13,922
Debt service as a percentage of non-capital expenditures	0%	0%	0%	0%	0%

Source: City of Napa - Finance Department

Revenue Capacity Information

CITY OF NAPA, CALIFORNIA - REVENUE CAPACITY INFORMATION

Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years
(in millions)

Fiscal Year	Real Property	Personal Property	Total Taxable Assessed Value	Net Increase / (Decrease) Amount	Net Increase %	Direct Tax Rate
2016	\$ 10,056	\$ 265	\$ 10,321	\$ 618	6%	0.20484%
2017	10,696	291	10,993	672	7%	0.20636%
2018	11,403	308	11,711	718	7%	0.20786%
2019	12,044	321	12,365	654	6%	0.20757%
2020	12,964	337	13,301	936	8%	0.21005%
2021	13,582	361	13,943	642	5%	0.21091%
2022	14,171	357	14,528	585	4%	0.21075%
2023	15,245	359	15,604	1,076	7%	0.19242%
2024	16,376	416	16,792	1,188	8%	0.19168%
2025	16,944	463	17,408	616	4%	0.19222%

Source: HdL, Coren & Cone as of FY25

Note: Table has been restated from previous years to comply with GASB Statement No. 44

CITY OF NAPA, CALIFORNIA - REVENUE CAPACITY INFORMATION

Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years

Fiscal Year	County	City	Education	Lake Park Maintenance District	River Park Maintenance District	Total
2016	1.0000%	0.0150%	0.0889%	0.1125%	0.1688%	1.3852%
2017	1.0000%	0.0150%	0.1396%	0.1125%	0.1688%	1.4359%
2018	1.0000%	0.0150%	0.1261%	0.1125%	0.1688%	1.4224%
2019	1.0000%	0.0150%	0.1217%	0.1125%	0.1688%	1.4180%
2020	1.0000%	0.0150%	0.1103%	0.1125%	0.1688%	1.4066%
2021	1.0000%	0.0150%	0.1061%	0.1125%	0.1688%	1.4024%
2022	1.0000%	0.0150%	0.1061%	0.1125%	0.1688%	1.4024%
2023	1.0000%	0.0150%	0.1007%	0.1125%	0.1688%	1.3970%
2024	1.0000%	0.0150%	0.0951%	0.1125%	0.1688%	1.3914%
2025	1.0000%	0.0150%	0.0945%	0.1125%	0.1688%	1.3908%

Source: Napa County Auditor data, HdL, Coren & Cone as of FY2025.

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CITY OF NAPA, CALIFORNIA - REVENUE CAPACITY INFORMATION

Principal Property Taxpayers

Last Ten Fiscal Years

(Accrual basis accounting, in thousands)

Taxpayer	2025			2016		
	Assessed Value	Rank	Percentage of Total Assessed Valuation	Assessed Value	Rank	Percentage of Total Assessed Valuation
Meritage Resort LLC	\$ 266,467,710	1	1.53 %	\$ 92,854,818	2	0.95 %
SRGA Resort LP	193,383,847	2	1.11 %	-	-	0.00 %
Fairfield Napa Phase I/II LLC	156,658,125	3	0.90 %	-	-	0.00 %
KHP V Napa LLC	104,241,885	4	0.60 %	-	-	0.00 %
Mani NVR Napa (DE) LLC	92,952,450	5	0.53 %	-	-	0.00 %
Napa LW Hotel Associates LP	89,083,239	6	0.51 %	-	-	0.00 %
TC Hawthorne LLC ET AL	82,053,777	7	0.47 %	-	-	0.00 %
IA Lodging Napa First LLC	71,401,767	8	0.41 %	68,733,238	4	0.70 %
South Napa Fee LLC	68,175,614	9	0.39 %	51,486,446	6	0.53 %
Prime Spain Glen Drive LLC AL	63,657,147	10	0.37 %	-	-	0.00 %
Kaiser	-	-	0.00 %	270,490,811	1	2.76 %
Inland American Lodging Napa Solano LLC	-	-	0.00 %	73,372,381	3	0.75 %
Hawthorn Village Limited Partnership	-	-	0.00 %	54,931,686	5	0.56 %
Chelsea Financing Partnership LP	-	-	0.00 %	45,445,695	7	0.46 %
Shell Owners Association West	-	-	0.00 %	41,420,180	7	0.42 %
First Napa Acquisition LLC	-	-	0.00 %	39,237,859	9	0.40 %
Napa Crossing Soth LLC	-	-	0.00 %	33,956,535	10	0.35 %
Total	<u>\$ 1,188,075,561</u>		<u>6.82 %</u>	<u>\$ 771,929,649</u>		<u>7.88 %</u>

Source: HdL, Coren & Cone as of FY2025

Note: FY25 excluding industrial general fund

CITY OF NAPA, CALIFORNIA - REVENUE CAPACITY INFORMATION

Property Tax Levies and Collections

Last Ten Fiscal Years

Fiscal Year ended June 30	Total Tax Levy for Fiscal Year ¹	Collected within the Fiscal Year of the Levy	
		Amount	Percentage of Levy
2016	\$ 17,253,718	\$ 17,253,718	100%
2017	17,959,034	17,959,034	100%
2018	19,708,417	19,708,417	100%
2019	22,306,678	22,306,678	100%
2020	22,930,519	22,930,519	100%
2021	25,138,080	25,138,080	100%
2022	30,579,862	30,579,862	100%
2023	29,556,237	29,556,237	100%
2024	32,925,230	32,925,230	100%
2025	34,445,604	34,445,604	100%

¹ Information from Tyler Munis general ledger

Note: ¹Levy does not include ERAF or RDA pass through.

Debt Capacity Information

CITY OF NAPA, CALIFORNIA - DEBT CAPACITY INFORMATION

Ratios of Outstanding Debt by Type

Last Ten Fiscal Years

Fiscal Year Ended June 30	Governmental Activities					Total Governmental Activities
	Housing Authority Debt	Capital Debt	Lease Liability ¹	Subscription Liability ²		
2016	\$ -	\$ 1,335,322	\$ -	\$ -	\$ 1,335,322	
2017	-	1,219,889	-	-	1,219,889	
2018	1,225,210	1,103,299	-	-	2,328,509	
2019	1,137,375	985,540	-	-	2,122,915	
2020	1,045,727	866,626	-	-	1,912,353	
2021	949,602	746,494	-	-	1,696,096	
2022	848,972	625,159	11,236,565	-	12,710,696	
2023	735,484	502,887	11,266,392	1,286,534	13,791,297	
2024	626,804	378,836	5,691,759	3,124,157	9,821,556	
2025	512,681	253,814	4,293,456	3,526,172	8,586,123	

Notes:

¹Lease Liability has been added as of FY22 due to the implementation of GASB 87²Subscription Liability has been added as of FY23 due to the implementation of GASB 96

CITY OF NAPA, CALIFORNIA - DEBT CAPACITY INFORMATION

Ratios of Outstanding Debt by Type (Continued)

Last Ten Fiscal Years

Fiscal Year Ended June 30	Business Type Activities						Total Business Type Activities
	Water Revenue Bonds	Solid Waste Revenue Bonds	Lease Liability ¹	Subscription Liability ²	Loans & Notes Payable		
2016	\$ 47,989,710	\$ -	\$ -	\$ 1,389,321	\$ 49,379,031		
2017	44,060,559	12,432,687	-	-	1,309,114	57,802,360	
2018	44,046,408	12,436,427	-	-	-	56,482,835	
2019	41,947,257	11,895,167	-	-	-	53,842,424	
2020	39,753,108	11,348,906	-	-	-	51,102,014	
2021	37,458,956	10,797,646	-	-	-	48,256,602	
2022	35,069,807	10,236,385	-	-	-	45,306,191	
2023	32,752,448	9,668,944	-	262,539	-	42,683,930	
2024	30,336,411	9,087,487	1,090,477	385,594	-	40,899,968	
2025	27,815,374	8,496,031	896,454	315,451	-	37,523,310	

Notes:

¹Lease Liability has been added as of FY22 due to the implementation of GASB 87²Subscription Liability has been added as of FY23 due to the implementation of GASB 96

CITY OF NAPA, CALIFORNIA - DEBT CAPACITY INFORMATION

Ratios of Outstanding Debt by Type (Continued)

Last Ten Fiscal Years

Fiscal Year Ended June 30	Total Primary Government	Percentage of Personal Income	Debt Per Capita
2016	\$ 50,714,353	2.07%	\$ 629
2017	59,022,249	2.29%	732
2018	58,811,344	2.17%	731
2019	55,965,339	1.92%	704
2020	53,014,367	1.73%	669
2021	49,952,698	1.56%	629
2022	58,016,887	1.77%	749
2023	56,475,227	1.59%	735
2024	50,721,524	1.32%	655
2025	46,076,111	1.12%	581

CITY OF NAPA, CALIFORNIA - DEBT CAPACITY INFORMATION

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CITY OF NAPA, CALIFORNIA - DEBT CAPACITY INFORMATION

Direct and Overlapping Debt

As of June 30, 2025

City Assessed Valuation \$ 17,408,270,000

	Total Debt at June 30, 2025	Percentage Applicable ¹	Estimated Share of Overlapping Debt
<u>Direct and Overlapping Tax and Assessment Debt</u>			
Napa Joint Community College District	\$ 66,429,752	31.27 %	\$ 20,769,926
Napa Valley Unified School District	427,769,855	46.73 %	199,879,742
City of Napa Community Facilities District No. 2017-1	17,310,000	100.00 %	17,310,000
School Facilities Improvement District No. 1	80,000,000	58.80 %	47,040,800
School Facilities Improvement District No. 2	25,000,000	0.32 %	79,750
California Statewide Development Authority 1915 Act Bonds	1,448,680	100.00 %	1,448,680
Seminary Street Loan	177,092	100.00 %	177,092
Laurel Manor Rehabilitation Loan	335,587	100.00 %	335,587
Total Direct and Overlapping Tax and Assessment Debt			<u>287,041,577</u>
<u>Direct and Overlapping General Fund Obligation Debt</u>			
City of Napa Capital Lease	\$ 253,816	100.00 %	\$ 253,816
Napa County Board of Education Certificates of Participation	10,885,000	31.53 %	3,432,149
Napa Valley Unified School District General Fund Obligations	1,440,000	46.73 %	672,854
Total Overlapping General Fund Obligation Debt			<u>4,358,819</u>
<i>Total Direct Debt</i>			766,495
<i>Total Overlapping Debt</i>			<u>290,633,901</u>
Total Direct and Overlapping Debt²			<u>\$ 291,400,396</u>

Source: California Municipal Statistics, Inc

Note:

¹ Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the city divided by the district's total taxable assessed value.² Excludes tax and revenue anticipation notes, revenue, mortgage revenue and non-bonded lease obligations.

CITY OF NAPA, CALIFORNIA - DEBT CAPACITY INFORMATION

Legal Debt Margin
Last Ten Fiscal Years
(in thousands)

	Fiscal Year				
	2025	2024	2023	2022	2021
Assessed valuation	\$ 17,408,270	\$ 16,792,113	\$ 15,603,505	\$ 14,528,006	\$ 13,943,261
Conversion percentage	25 %	25 %	25 %	25 %	25 %
Adjusted assessed valuation	4,352,068	4,198,028	3,900,876	3,632,002	3,485,815
Debt limit percentage	15 %	15 %	15 %	15 %	15 %
Debt limit	652,810	629,704	585,131	544,800	522,872
Legal debt margin	\$ 652,810	\$ 629,704	\$ 585,131	\$ 544,800	\$ 522,872
Total debt applicable to the limit as percentage of debt limit	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %

Source: Napa County Assessment Roll - Cities

CITY OF NAPA, CALIFORNIA - DEBT CAPACITY INFORMATION

Legal Debt Margin (Continued)

Last Ten Fiscal Years

(in thousands)

	Fiscal Year				
	2020	2019	2018	2017	2016
Assessed valuation	\$ 13,301,265	\$ 12,450,453	\$ 11,775,669	\$ 11,078,940	\$ 10,406,262
Conversion percentage	25 %	25 %	25 %	25 %	25 %
Adjusted assessed valuation	3,325,316	3,112,613	2,943,917	2,769,735	2,601,566
Debt limit percentage	15 %	15 %	15 %	15 %	15 %
Debt limit	498,797	466,892	441,588	415,460	390,235
Legal debt margin	<u>\$ 498,797</u>	<u>\$ 466,892</u>	<u>\$ 441,588</u>	<u>\$ 415,460</u>	<u>\$ 390,235</u>
Total debt applicable to the limit as percentage of debt limit	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %

Source: Napa County Assessment Roll - Cities

CITY OF NAPA, CALIFORNIA - DEBT CAPACITY INFORMATION

Pledged Revenue Coverage
Last Ten Fiscal Years

Fiscal Year Ended June 30	Water										City System Coverage
	Gross Water Revenues		Less Expenses		Net Available Revenues		Principal	Interest	Notes Payable		
2016	\$ 30,174,654	\$ 25,132,975	\$ 5,041,679	\$ -	\$ 419,545	\$ 391,537				6.22	
2017	28,051,071	24,095,608	3,955,463	1,680,000	1,736,050	391,537				1.04	
2018	30,686,645	25,535,076	5,151,569	1,765,000	1,637,342	-				1.51	
2019	37,725,405	26,718,269	11,007,136	1,850,000	1,568,380	-				3.22	
2020	45,930,824	26,718,269	19,212,555	1,945,000	1,455,092	-				5.65	
2021	43,920,412	34,643,772	9,276,640	2,045,000	1,357,008	-				2.73	
2022	38,733,045	24,444,292	14,288,753	2,140,000	1,253,967	-				4.21	
2023	37,153,597	33,936,885	3,216,712	2,160,000	1,164,800	-				0.97	
2024	45,696,018	33,645,926	12,050,092	2,180,000	1,056,800	-				3.72	
2025	53,653,569	31,108,595	22,544,974	2,285,000	947,800	-				6.97	

Fiscal Year Ended June 30	Solid Waste Revenue Bonds										City System Coverage
	Gross Solid Waste Revenues		Less Expenses		Net Available Revenues		Principal	Interest	Notes Payable		
2016	\$ 26,536,033	\$ 21,425,404	\$ 5,110,629	\$ -	\$ -	\$ -				-	-
2017	27,070,203	22,789,573	4,280,630	-	91,520	-				46.77	
2018	28,624,734	26,758,912	1,865,822	-	567,544	-				3.29	
2019	30,935,739	29,848,450	1,087,289	545,000	323,239	-				1.25	
2020	34,669,468	35,853,679	(1,184,211)	550,000	314,169	-				(1.37)	
2021	39,300,430	33,354,538	5,945,892	555,000	306,237	-				6.90	
2022	43,295,704	32,749,610	10,546,094	565,000	297,124	-				12.23	
2023	45,202,288	45,879,648	(677,360)	570,000	291,028	-				(0.79)	
2024	44,213,648	41,863,707	2,349,941	585,000	279,643	-				2.72	
2025	49,661,606	42,343,847	7,317,759	595,000	267,044	-				8.49	

Note:

For FY2024, the amounts reported in the Water Fund for the revenue and expenses categories were updated.

Demographic and Economic Information

CITY OF NAPA, CALIFORNIA - DEMOGRAPHIC AND ECONOMIC INFORMATION

Demographic and Economic Statistics

Last Ten Years

Year	Population (1)	Personal Income (in thousands) (2)	Per Capita Income	School Enrollment (3)	Unemployment Rate (4)
2016	80,576	2,448,373	30,385	20,817	4.1%
2017	80,628	2,572,773	31,909	20,562	4.0%
2018	80,403	2,710,863	33,715	18,093	3.2%
2019	79,490	2,914,797	36,668	17,849	2.3%
2020	79,278	3,061,788	38,620	17,666	12.6%
2021	79,397	3,195,711	40,249	17,240	6.1%
2022	77,480	3,274,857	42,267	19,012	2.7%
2023	76,821	3,556,309	46,293	16,441	3.6%
2024	77,492	3,848,944	49,873	16,393	4.3%
2025	79,246	4,127,515	53,096	16,381	4.2%

(1) Population projections are provided by United States Census Bureau

(2) From FY 2015-2023, personal income is derived from HdL Coren & Con; for FY2025, the data is derived from EDD's Bureau of Labor Statistics Department.

(3) School Enrollment is provided by the CA Department of Education; student enrollment reflects the total number of students enrolled in the Napa Valley Unified School District; other school district within the City are not accounted for in this statistic.

(4) Unemployment Rate is provided by the EDD's Bureau of Labor Statistics Department.

CITY OF NAPA, CALIFORNIA - DEMOGRAPHIC AND ECONOMIC INFORMATION

Principal Employers

Last Year and Nine Years Ago

Employer Name ¹	2025			2016		
	Number of Employees ¹	Rank	Percentage of Total City Employment	Number of Employees	Rank	Percentage of Total City Employment
Napa Valley Unified School District	1,716	1	3.67%	1,900	1	4.50%
County of Napa	1,480	2	3.17%	1,248	3	2.96%
Queen of the Valley Hospital	1,245	3	2.67%	1,365	2	3.23%
Napa Valley College	825	4	1.77%	290	6	0.69%
City of Napa	667	5	1.43%	458		1.09%
St Joseph Health	354	6	0.76%	-		0.00%
Walmart Supercenter	300	7	0.64%	250		0.59%
Newton Vineyard LLC	200	8	0.43%	-		0.00%
Artisan Bakers	194	9	0.42%	-		0.00%
Meadows of Napa Valley	193	10	0.41%	214		0.51%
Target	-		0.00%	292	5	0.69%
Kohl's Department Store	-		0.00%	200	9	0.47%
Meritage Resort and Spa	-		0.00%	190	10	0.45%
Total Top 10 Employers	<u>7,174</u>		11.69%	<u>6,407</u>		10.68%
Total City Labor Force ²	<u>46,700</u>			<u>42,200</u>		

Source:

¹ Workforce Alliance of the North Bay² Labor Force data is provided by the EDD's Bureau of Labor Statistics Department.

CITY OF NAPA, CALIFORNIA - DEMOGRAPHIC AND ECONOMIC INFORMATION

Full Time Equivalent City Government Employees by Function/Program
Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Governmental Activities										
General government	83	65	63	60	62	63	59	59	57	57
Public safety										
Police	131	131	129	129	131	132	139	138	132	132
Fire	77	74	74	74	74	74	76	74	70	69
Public works	85	86	85	83	83	83	86	79	77	73
Parks and recreation	40	40	41	43	39	39	62	70	65	64
Community development and housing	29	47	44	44	41	41	40	38	38	38
Business type Activities										
Water utility	69	69	66	66	68	68	67	63	61	60
Solid waste and recycling	8	8	8	7	7	7	8	8	7	7
TOTAL	522	520	510	506	505	506	537	530	508	501

Source: City of Napa's Adopted Budget Book - Appendix A

Operating Information

CITY OF NAPA, CALIFORNIA - OPERATING INFORMATION

Operating Indicators by Function/Program
Last Ten Fiscal Years

Function/Program	Fiscal Year				
	2025	2024	2023	2022	2021
Police					
Physical arrests	1,831	1,867	2,087	2,009	1,724
Parking violations	7,479	7,959	6,398	5,570	4,377
Traffic violations	6,041	6,478	4,040	2,089	503
Fire					
Number of calls answered	11,778	11,448	11,098	10,199	9,702
Inspections	2,604	2,908	2,817	1,710	1,211
Highways and streets					
Street resurfacing (miles)	32	15	5	6	4
Potholes repairs	4,477	1,200	1,500	1,327	972
Solid Waste and Recycling					
Refuse collected (tons/day)	93	91	91	-	93
Recyclables collected (tons/day)	61	67	65	-	77
Green Waste collected (tons/day)	79	77	74	-	65
Culture and recreation					
Athletic field permits issued	15	31	12	11	11
Water					
New connections	86	62	36	35	23
Water Main breaks ¹	55	61	66	53	59
Average daily consumption (per thousand gallons)	12	12	11	11	13

Source: City of Napa

CITY OF NAPA, CALIFORNIA - OPERATING INFORMATION

Operating Indicators by Function/Program (Continued)

Last Ten Fiscal Years

Function/Program	Fiscal Year				
	2020	2019	2018	2017	2016
Police					
Physical arrests	2,305	2,414	2,943	2,933	3,803
Parking violations	4,787	5,970	5,184	5,367	2,953
Traffic violations	3,156	2,933	3,095	5,152	4,835
Fire					
Number of calls answered	10,347	9,987	9,894	8,996	8,969
Inspections	1,650	2,045	1,275	1,689	1,598
Highways and streets					
Street resurfacing (miles)	9	4	5	10	10
Potholes repairs	1,903	2,348	363	467	320
Solid Waste and Recycling					
Refuse collected (tons/day)	89	94	93	95	93
Recyclables collected (tons/day)	69	78	71	71	76
Green Waste collected (tons/day)	75	71	72	74	75
Culture and recreation					
Athletic field permits issued	9	12	15	12	8
Water					
New connections	55	49	115	62	62
Water Main breaks 1	51	51	40	57	68
Average daily consumption (per thousand gallons)	13	12	12	11	11

Source: City of Napa

¹233 of the 272 water main breaks in 2015 were related to the August 24, 2014 South Napa Earthquake

CITY OF NAPA, CALIFORNIA - OPERATING INFORMATION

Capital Asset Statistics by Function

Last Ten Fiscal Years

Function/Program	Fiscal Year				
	2025	2024	2023	2022	2021
Police					
Police Stations	1	1	1	1	1
Police Vehicles	70	54	54	46	47
Police Motorcycles	4	4	4	4	4
Fire					
Fire stations	5	5	5	5	5
Fire Apparatus	13	15	11	11	11
Highways and Streets					
Streets (miles) ¹	223	248	222	244	243
Parks & Recreation					
Parks	54	54	54	62	55
Parks (acreage)	955	955	955	940	814
Tennis Courts	2	2	2	2	2
Community Centers	2	2	2	2	3
Wastewater					
Storm Drain (miles)	346	346	346	346	346
Water					
Reservoirs	2	2	2	2	2
Materials Diversion Utility					
Facility	1	1	1	1	1
Golf Course:					
Napa Golf Course	1	1	1	1	1

Source: City of Napa

Note: ¹ Street (centerline) miles within the City jurisdiction, excludes private-owned.

CITY OF NAPA, CALIFORNIA - OPERATING INFORMATION

Capital Asset Statistics by Function (Continued)

Last Ten Fiscal Years

Function/Program	Fiscal Year				
	2020	2019	2018	2017	2016
Police					
Police Stations	1	1	1	1	1
Police Vehicles	45	42	39	37	46
Police Motorcycles	4	4	4	4	4
Fire					
Fire stations	5	5	5	4	4
Fire Apparatus	11	11	11	11	9
Highways and Streets					
Streets (miles) ¹	243	243	240	239	237
Parks & Recreation					
Parks	55	55	55	55	54
Parks (acreage)	816	816	816	815	814
Tennis Courts	2	2	2	2	2
Community Centers	3	3	3	3	3
Wastewater					
Storm Drain (miles)	346	346	153	152	152
Water					
Reservoirs	2	2	2	2	2
Materials Diversion Utility					
Facility	1	1	1	1	1
Golf Course:					
Napa Golf Course	1	1	1	1	1

Source: City of Napa

Note: ¹Street (centerline) miles within the City jurisdiction, excludes private-owned.

ATTACHMENT 2

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**CITY OF
NAPA**

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