

CITY OF



CALISTOGA, CALIFORNIA



COMPREHENSIVE ANNUAL  
FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

# CITY OF CALISTOGA, CALIFORNIA

Comprehensive Annual Financial Report  
For the  
Fiscal Year Ended June 30, 2013



Prepared by the Administrative Services Department

CITY OF CALISTOGA, CALIFORNIA  
Comprehensive Annual Financial Report  
For the  
Fiscal Year Ended June 30, 2013

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FOR THE FISCAL YEAR ENDED JUNE 30, 2013

## INTRODUCTORY SECTION

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# CITY OF CALISTOGA

1232 Washington Street • Calistoga, CA 94515  
707.942.2800



December 31, 2013

The Honorable Mayor, Members of the City Council and Citizens of the City of Calistoga

We hereby submit the Comprehensive Annual Financial Report of the City of Calistoga for the fiscal year ended June 30, 2013. The fiscal year covers financial transactions from July 1, 2012 to June 30, 2013 on a modified or full accrual basis, depending on the fund type. The City follows a policy of preparing a complete set of financial statements in conformity with accounting principles generally accepted in the United States of America after the end of each fiscal year. An independent licensed certified public accounting firm audits these financial statements.

City management assumes full responsibility for the completeness and reliability of all of the information presented in this report. We have established a comprehensive internal control framework that is designed both to protect the City's assets from loss, theft, or misuse and to provide sufficient reliable information for the City of Calistoga's financial statements in conformity with U.S. generally accepted accounting principles. The cost of internal controls should not outweigh their benefits and the internal controls have been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

## **Auditor's Report Summary**

R.J. Ricciardi, Inc., a licensed certified public accounting firm, has audited the City of Calistoga's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Calistoga for the fiscal year ended June 30, 2013, 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. R.J. Ricciardi, Inc., has concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City of Calistoga's financial statements for the fiscal year ended June 30, 2013 are fairly presented in conformity with U.S. generally accepted accounting principles. The independent auditor's report is presented as the first component of the financial section of this report.

## **Comprehensive Annual Financial Report (CAFR)**

This CAFR contains financial information and data using the new 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. The City of Calistoga's MD&A can be found immediately following the report of the independent auditors.



## **PROFILE OF THE CITY AND ITS OPERATIONS**

The City of Calistoga was incorporated in 1886 as a general law city in the County of Napa, State of California. The City is established as a Council-Manager form of local government and governed by an elected Mayor and a four member City Council. The Council is responsible, among other matters, for passing ordinances, adopting the City budget, appointing committees, and hiring the City Manager and City Attorney. The Council is elected on a non-partisan basis. Council members serve four year staggered terms, with two members elected every two years. The Mayor is elected to serve a two-year term.

The City Manager is responsible for carrying out the policies and ordinances of the City Council, for overseeing the daily operations of the City, hiring Department Heads and for appointing other employees and otherwise managing daily operations of the City.

The City of Calistoga provides a full range of services including police and fire protection, planning and building inspections, parks and recreation facilities and services, construction and maintenance of streets, public buildings and other infrastructure facilities, cemetery, water production and distribution, and wastewater collection and treatment. The City Council also exercises oversight of Calistoga Public Facilities Corporation; a non-profit public benefit corporation for the financing of City facilities and equipment, and this component unit is included in the City's financial statements as part of the primary governmental reporting entity.

The City of Calistoga is located about 75 miles north of San Francisco in the northern part of Napa County. The City is approximately 2.6 square miles with an estimated population of 5,194 as of January 1, 2013. However, an additional surrounding population of 2,000 to 3,000 is considered part of the greater Calistoga community. The 2010 US Census reflects an ethnic diversity with 49% of the population white, 49% Hispanic and 2% other non-white. The median age is 38.2 years and almost 25% of the population is over 60 years. The median income is \$50,128 with an estimated 30% employed in management, professional or related occupations, 31% in services, 13.5% in sales or office and 25.5% in other occupations. An estimated 85% have a high school education and 29% have a bachelor's degree or higher. Of the 2,295 housing units an estimated 24% are mobile homes. The City has a diverse population with income, housing and employment reflecting a tourist, wine producing and retirement community.

The Napa Valley is considered to be one of the world's premier grape growing and wine producing regions and draws thousands of tourists each year to the area. Samuel Brannan, a California pioneer and entrepreneur, founded the Calistoga community in 1860's, as a tourist health resort with the natural geothermal water in the area. The City's primary economic base is still tourism. The vineyards and commercial wineries, fine shops, cafes and restaurants, world famous mineral hot springs and tourist accommodations featuring mud baths and spa treatments and scenic valley mountains, all combine to make the City of Calistoga a place to visit for tourists from around the world. The mild climate and beauty of the area has also drawn retirees to three large mobile home parks in the City.

## **DISCUSSION OF FACTORS AFFECTING FINANCIAL CONDITION**

The information presented in the CAFR is perhaps best understood when it is considered in relationship to the City's specific environment and the City's plans for the future.

## **Local Economy**

As discussed previously, the City of Calistoga's local economy is primarily from the wine producing, agriculture, tourism and health services. The City has a stable assessed valuation base that provides growing property tax revenue. The taxable sales base is primarily centered on restaurants and other tourist related products. The 42 lodging facilities range from small bed and breakfasts inns to large resorts with geothermal spas and other health treatments. These lodging facilities generate the largest single source of annual revenue to the City from Transient Occupancy tax.

About 79% of the City's general fund revenues come from the local transient occupancy tax, sales tax, and property taxes.

## **Budget**

The City's budget serves as the base for the City's financial planning and control systems. The fiscal year annual budget is reviewed and updated by City Council resolution each year. All departments of the City submit budget updates and requests to the City Manager each spring for the following fiscal year. The Manager uses this information to update the previously adopted budget and develop the proposed budget. The Manager presents updates and the proposed budget to the City Council in May or June of each year. The Council holds public hearings on the updates and proposed budget and then adopts an annual budget resolution. The budget is adopted by fund at the department and project levels. The Council periodically reviews during the fiscal year the City's actual financial activity in relationship to the original budget, and as necessary amends the original budget to reflect changing conditions.

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

## **Long-Term Financial Planning**

The City, in fiscal 2014, expects the local economy to continue to strengthen from the previous downturn in the State and National economies. It is expected that there will be nominal revenue growth from transient occupancy and sales taxes. Potential planned improvements and rehabilitation of existing lodging facilities and the addition of new facilities will likely begin to materialize in fiscal year 2014. The City experienced a net taxable value increase of 3.0% for the 2013/14 tax roll, which is less than the increase experienced countywide at 5.3%. The Consumer Price Index for 2013-14 was 2%. Preliminary estimates indicate the CPI adjustment for property taxes for 2014-15 is unlikely to reach 2%. As of the end of October it was less than .5%. The City has a very stable property valuation base due to the growth management program and the nature of the community housing stock and ownership. However, even with the economic cautions, a conservative projection of slight growth in the primary General Fund revenue sources should be sufficient to fund the projected growth in general municipal operations.

For fiscal year ending in June 2012 the City took measures to reduce expenditures through reorganization of departments and through concessions eliminated several positions and required employees to pay a portion of their benefit package. Through the reduction of concessions and overall spending in operations the City's general fund ended June 2013 with a fund balance of about \$2.4 million as compared to \$1.0 million in June 2012. Of the \$2.4 million approximately \$.6 million is non-spendable. The remaining \$1.8 million is available for spending in fiscal year 2014.

Water and Wastewater rates studies were adopted in Fall 2010 and on January 1, 2011, the first of five years of rate increases were applied. These increases were based on conservative assumptions of costs, usage and development. The Water working capital projections ranged from 6% to 33% of operating revenues due to usage reductions and costs to complete a major water tank improvement project. The Wastewater working capital started in a deficit position primarily due to several prior years of operating costs increases and usage reductions. The Wastewater study projected a positive working capital of 20% of operating revenues in FY 12-13 due to conservative development projections.

Due to the need for significant improvements in both the Water and Wastewater systems to maintain the systems existing and expanded capacity for past and projected development, the debt burden for both systems ranges from 27% to 33% of operating costs. The connection fees for new development were significantly increased in 2004 to fund costs relating to the expanded capacity that benefits new development. There is a significant reliance on development to provide one time revenues to fund portions of debt service payments and retire outstanding debt early.

Even the conservative projections of development in the 2010 rate studied have not occurred primarily due to the economic conditions beyond the City's control. For fiscal year 2013 the City had an operating income loss of \$.2 million for the enterprise funds. However, several major projects have been approved and are likely to develop over the next 24 to 36 months. The City is hopeful these projects will bear some of the enterprise operating expenses and relieve the general fund from subsidizing the enterprise funds.

The City held several workshops during the fiscal years 2012-13 and 2013-14 to review the current water and wastewater rates. Ordinances # 696 and 697 were adopted in December 2013 which revised water and wastewater service charges, fees and rates. Implementation of the new rates will take effect on January 1, 2014. By approving the ordinance the new rate changes would mean the General Fund subsidy would be approximately \$317,600 over a four year time period. The water rate increases are approximately 4.5% plus a 2% inflationary adjustment. There is no increase in wastewater fees, except for the 2% inflationary adjustment.

The City will need to develop a comprehensive capital improvement plan (CIP) that identifies needed public improvements to support the community needs and projected growth identified in the adopted General Plan. To fund current and future capital improvements, the City will need to develop additional funding sources from grants, long term debt financing and development impact fees.

## Awards and Acknowledgements

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the finance and other departments. We would like to express our appreciation to all members of the departments who assisted and contributed to the preparation of this report. Credit must also be given to the City Council and the Management staff for their continued support for maintaining the highest standards of professionalism in the management of the City of Calistoga's financial affairs.

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 Calistoga for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2012. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized CAFR that satisfied both generally accepted accounting principles and applicable program requirements.

A Certificate of Achievement for Excellence in Financial Reporting is valid for a period of one year only. However, we believe our current CAFR continues to meet the Certificate of Achievement for Excellence in Financial Reporting Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate

Respectfully submitted,



Richard Spitler  
City Manager



Gloria Leon  
Administrative Services Director/City Treasurer

CITY OF CALISTOGA, CALIFORNIA  
PRINCIPAL CITY OFFICIALS  
AS OF JUNE 30, 2013

**Elected Officials**

City Council

Chris Canning  
Michael Dunsford  
Gary Kraus  
James Barnes  
Irais Lopez-Ortega

Mayor  
Vice Mayor  
Councilmember  
Councilmember  
Councilmember

**Appointed Officials**

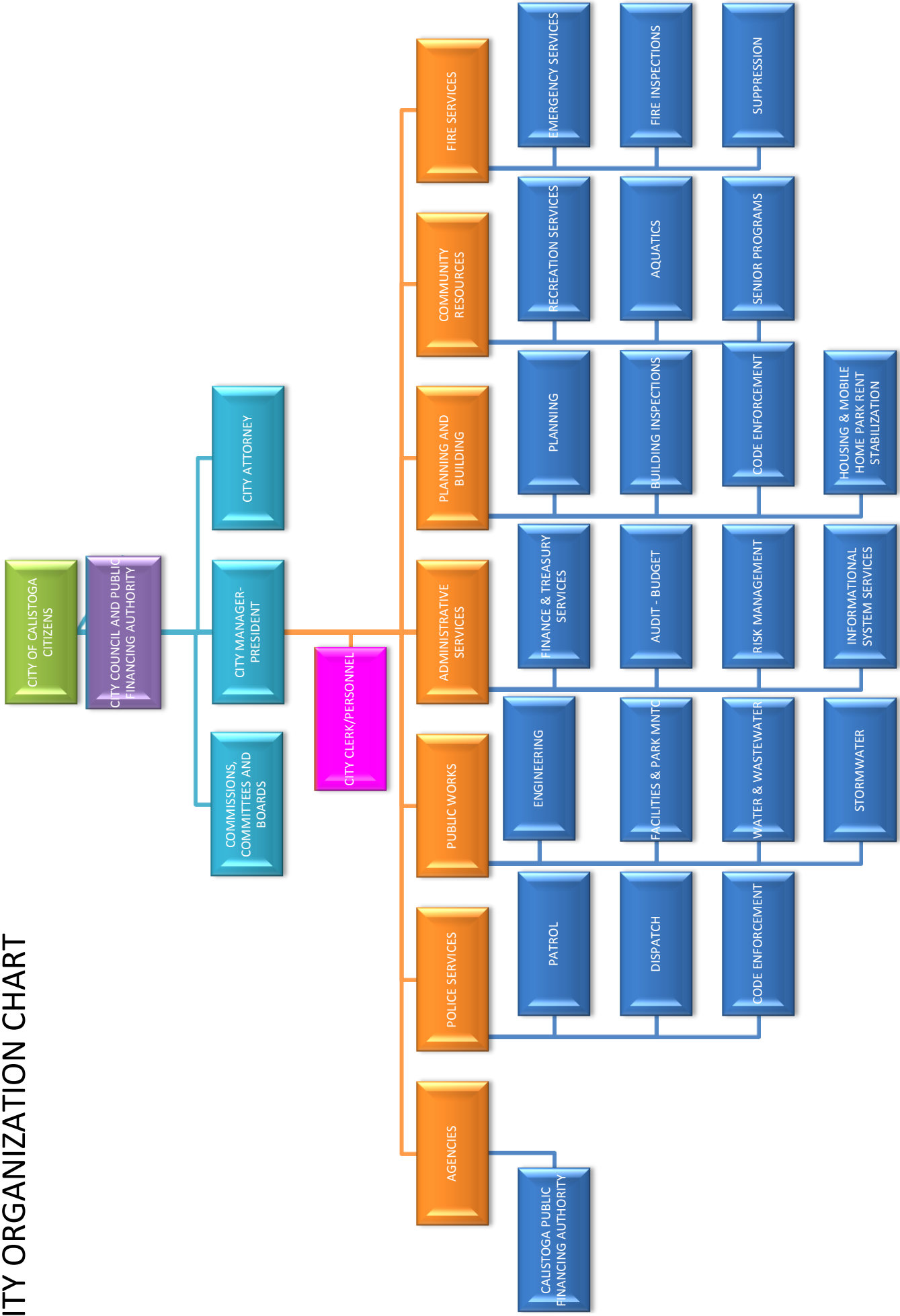
City Management Staff

Richard Spitler  
Michelle Marchetta Kenyon  
Mitch Celaya  
Lynn Goldberg  
Steve Campbell  
Amanda Davis  
Gloria Leon  
Michael Kirn, P.E.

City Manager/City Clerk  
City Attorney  
Police Chief  
Planning & Building Director  
Fire Chief  
Deputy City Clerk  
Administrative Services Director/City Treasurer  
City Engineer & Public Works Director



# FISCAL YEAR 2012/13 CITY ORGANIZATION CHART





Government Finance Officers Association

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

Presented to

**City of Calistoga  
California**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2012**

Executive Director/CEO

# FINANCIAL SECTION

## MANAGEMENT'S DISCUSSION AND ANALYSIS, FINANCIAL STATEMENTS, AND NOTES TO THE FINANCIAL STATEMENTS

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INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and  
Members of the City Council  
City of Calistoga  
Calistoga, California

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Calistoga, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the City of Calistoga's basic financial statements as listed in the table of contents.

**Management's Responsibility for the Financial Statements**

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

**Auditor's Responsibility**

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

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

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

**Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Calistoga, as of June 30, 2013, and the respective changes in financial position and, where applicable, cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matters

### *Required Supplementary Information*

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

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise of the City of Calistoga's basic financial statements. The supplementary information as identified in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary information, listed as Combining and Individual Fund Statements, 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. Such information has been subjected to the auditing 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 information is fairly stated, in all material respects in relation to the financial statements as a whole.

The Introductory Section and Statistical Section have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

### *Other Reporting Required by Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 31, 2013, on our consideration of City of Calistoga's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

*R. J. Ricciardi, Inc.*

R. J. Ricciardi, Inc.  
Certified Public Accountants



This section of the *City of Calistoga's* annual financial report presents our discussion and analysis of the City's financial performance during the fiscal year that ended on June 30, 2013. Please read it in conjunction with the City's accompanying transmittal letter, the basic financial statements and the accompanying notes to these financial statements, which follow this section.

## **FINANCIAL HIGHLIGHTS**

- The City's fiscal 2013 total restated net position increased by about \$3.2 million over fiscal year 2012 after conducting all City operations. There is an overall surplus of \$3.9 million (the unrestricted net position) available to meet the City's ongoing obligations and operating expenses for the next fiscal year.
- As of June 30, 2013, the assets of the City's Governmental Activities exceeded its liabilities at the close of the fiscal year by \$18.3 million (net position). Of that amount \$9.1 million was invested in capital assets net of related debt. Restricted funds account for \$6.9 million for capital projects, public safety, streets and housing. Unrestricted net position is about \$2.3 million.
- Overall City-wide revenues from all governmental and business-type activities increased by \$.8 million compared to the 2012 fiscal year for a 2013 total of \$16.0 million. Charges for Services increased by \$.4 million; Transient occupancy taxes rose by \$.2 million from prior year and property, sales and other taxes increased by \$.1 million from the prior year. Business-type activity revenues from grants and contributions decreased by \$.2 million from the prior year.
- The City's total expense of all programs in fiscal 2013 decreased by \$.3 million compared to 2012 due to departments spending less, and less interest for long term debt.
- The General Fund reported a year end fund balance of \$2.5 million at the end of the 2013 year. Of this amount \$.6 million is non-spendable. In addition the General Fund had \$1.0 million in cash and investments compared to a zero cash balance at the end fiscal year 2012.
- The City business-type water and wastewater enterprise funds ended the 2013 fiscal year with net position of \$ 16.6 million, most of which is invested in the water and wastewater facilities and systems (net of related debt).
- The City business-type water and wastewater enterprise funds ended the fiscal 2013 year with an Operating Income Loss of \$.4 million as compared to a loss of \$.7 million in fiscal 2012 year. Yet in 2013 cash flows were insufficient to meet debt service principal and interest payments and debt ratio coverage.
- The City's other non-major governmental funds ended 2013 with \$ 1.3 million available for special purposes; primarily capital, housing, and other special purposes.

## **OVERVIEW OF THE FINANCIAL STATEMENTS**

This annual report consists of five parts – a *management's discussion and analysis* (this section), the *basic financial statements*, *required supplementary information*, an optional section that presents *combining statements* for nonmajor governmental funds and budget to actual comparison statements and a *statistical* section. The basic financial statements include two kinds of statements that present different views of the City:

- The first two statements are *government-wide financial statements* that provide both long-term and short-term information about the City's *overall* financial status.
- The remaining statements are *fund financial statements* that focus on individual parts of the City government, reporting the City's operations in more detail than the government-wide statements.
  - The *governmental funds* statements tell how *general government* services like public safety, general government, community services, public works and other services were financed in the *short term* as well as what remains for future spending.
  - *Proprietary fund* statements offer *short- and long-term* financial information about the activities the government operates *like businesses*, such as the City's water and wastewater systems.

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements. In addition to these required elements, we have included a section with combining statements that provide details about our non-major funds, each of which are added together and presented in single columns in the basic financial statements. Also included are optional budgetary comparison statements for the City's non-major governmental funds.

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

**Figure A-1  
Major Features of City of Calistoga  
Government-Wide and Fund Financial Statements**

	Fund Statements		
	Government-Wide Statements	Governmental Funds	Proprietary Funds
<b>Scope</b>	Entire City government	The activities of the City that are not proprietary or fiduciary, such as police, fire, streets, general government, and community services	Activities the City operates similar to private businesses: the water and wastewater systems
<b>Required financial statements</b>	> Statement of net position > Statement of activities	> Balance sheet > Statement of revenues, expenditures, and changes in fund balances	> Statement of net position > Statement of revenues, expenses, and changes in net position > Statement of cash flows
<b>Accounting basis and measurement focus</b>	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
<b>Type of asset/liability information</b>	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term
<b>Type of inflow/outflow information</b>	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during year, regardless of when cash is received or paid

**Government-wide Statements**

The government-wide statements present the total financial picture of the City and provide readers with a broad view of the City's finances using accounting methods similar to those used by private-sector companies. The statement of net position includes *the entire* City's' assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the City's *net position* and how they have changed. Net position – the difference between the City's assets and liabilities – is one way to measure the City's financial health, or *position*. Over time, increases or decreases in the City's net position are an indicator of whether its financial health is improving or deteriorating, respectively.

The government-wide financial statements of the City are reported in two categories:

- *Governmental activities* – All of the City's basic services are included here, such as general government, police, fire, streets, public works, and community services. Property taxes, sales taxes, transient occupancy taxes, special and other taxes, user charges and fees and state, local and federal grants finance these activities.
- *Business-Type activities* - The City charges fees to customers to help cover the costs of certain services. The City's water and wastewater enterprises are reported here.

### **Fund Financial Statements**

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

- The City's major governmental funds, the General Fund, HOME Grant Fund, CDBG Open Grant and Capital Lease Projects Funds are reported in separate columns and all other non-major governmental funds are aggregated in a single column. The City's water and wastewater funds are reported separately each as a major fund.
- The City Council establishes other funds to control and manage money for particular purposes (such as restricted donations). Some funds are maintained to demonstrate that the City is properly using certain specific fees for their intended purpose (such as landscape maintenance fees).
- Other funds are maintained for similar purposes but in addition demonstrate the City's ability to repay its long-term debt obligations, such as capital lease obligations

The City has two kinds of funds:

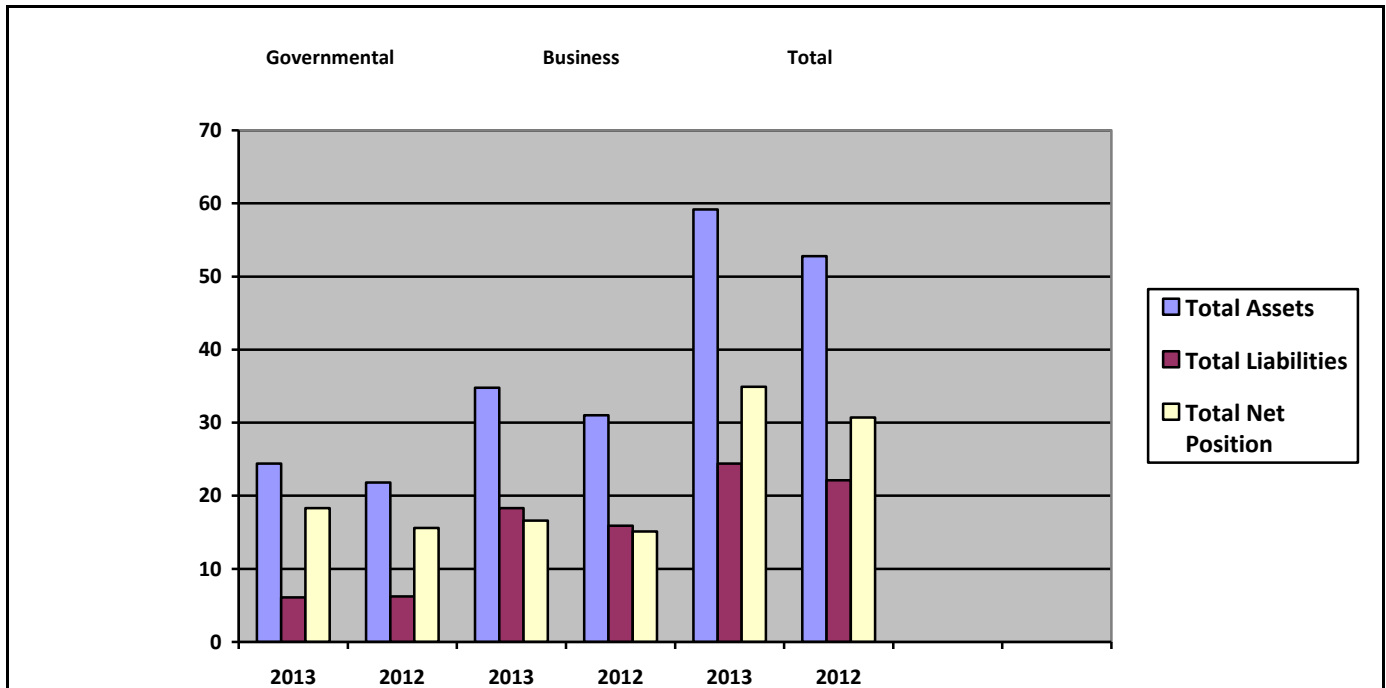
- *Governmental funds* – The City's basic services are included in governmental funds, which focus on (1) *how cash and other financial assets* that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed *short-term view* that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statement, or on the subsequent page, that explains the relationship (or differences) between them.
- *Proprietary funds* - The City maintains two different types of proprietary funds. Enterprise *funds* are used to report the same functions reported as business-type activities in the government-wide financial statements; the City's water and wastewater operations. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City of Calistoga's various functions. The City uses an internal service fund to account for its fleet of vehicles and equipment. Because these services predominately benefit governmental rather than business-type functions, they have been included within the governmental activities in the government-wide financial statements. Proprietary funds provide the same type of information as the government-wide statements, only in more detail. The proprietary fund statements provide separate information for the City's water and wastewater operations, both of which are considered to be major funds of the City. The internal service funds are presented in a separate column alongside the totals for the City's proprietary enterprise funds.

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**FINANCIAL ANALYSIS OF THE CITY AS A WHOLE**

**Net Position.** The City's combined net position increased by \$4.2 million between fiscal years 2012 and 2013 to \$ 34.9 million.

City of Calistoga's Net Position  
(In millions of dollars)



**Table A-1**  
**City of Calistoga Net Position**  
(in millions of dollars)

	Governmental Activities		Business-type Activities		Fiscal Year Totals		Total Percentage Change 2012 to 2013
	2013	2012	2013	2012	2013	2012	
Current and other assets	\$ 10.9	\$8.0	\$ 2.8	\$ 1.3	\$13.7	\$ 9.3	47.3%
Capital assets	13.5	13.8	32.0	29.7	45.5	43.5	4.6%
<b>Total assets</b>	<b>24.4</b>	<b>21.8</b>	<b>34.8</b>	<b>31.0</b>	<b>59.2</b>	<b>52.8</b>	<b>12.1%</b>
Long-term debt outstanding	4.5	4.7	15.9	14.2	20.4	18.9	7.9%
Other liabilities	1.6	1.5	2.4	1.7	4.0	3.2	25.0%
<b>Total liabilities</b>	<b>6.1</b>	<b>6.2</b>	<b>18.3</b>	<b>15.9</b>	<b>24.4</b>	<b>22.1</b>	<b>10.4%</b>
Net position							
Invested in capital assets	9.1	9.1	15.0	15.1	24.1	24.2	-0.4%
Restricted	6.9	5.6	-	-	6.9	5.6	21.8%
Unrestricted	2.3	.9	1.6		3.9	.9	330.4%
<b>Total net position</b>	<b>\$18.3</b>	<b>\$15.6</b>	<b>\$16.6</b>	<b>\$15.1</b>	<b>\$34.9</b>	<b>\$30.7</b>	<b>13.4%</b>

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**Changes in Net Position**

The City's 2013 total revenues of \$16.0 million were \$.8 million more than in 2012, a 5.4% increase. This increase was the result of additional charges for services of \$.2 million; \$.2 million in Transient Occupancy Tax and \$.1 million in property, sales and other taxes. During fiscal year 2013 approximately 41% of the City's total revenue came from various taxes including property, sales, transient occupancy, and 3.1% from other taxes as opposed to a total of 42% in 2012. Transient Occupancy Taxes saw an increase of \$.2 million or 4.8%; property taxes an increase of 3% due to reassessment of properties and sales tax went up by 6% from the prior year. The remainder of revenues came from fees charged for services, state/local/federal grants and contributions. The total cost of all programs and services in 2013 was \$12.8 million and includes a wide range of services such as police and fire protection, streets, public works, general administration, community services, water, and wastewater operations. (See Table A-2).

**Table A-2**  
**Changes in the City of Calistoga's Net Position**  
(in millions of dollars)

	Governmental Activities		Business-type Activities		Fiscal Year Totals		Total Percentage Change 2012 to 2013
	2013	2012	2013	2012	2013	2012	
<b>Revenues</b>							
Program revenues							
Charges for services	\$ 1.3	\$ 1.1	4.6	\$ 4.4	5.9	5.5	8.6%
Grants and contributions	0.5	.3	2.4	2.6	2.9	3.0	-7%
General revenues							
Transient occupancy taxes	4.0	3.8	-	-	4.0	3.8	4.8%
Property, Sales and other taxes	3.0	2.9	-	-	3.0	2.9	3.8%
Other	.1	-	-	-	.1	-	212.5%
<b>**Total revenues</b>	<b>8.9</b>	<b>8.2</b>	<b>7.1</b>	<b>7.0</b>	<b>16.0</b>	<b>15.2</b>	<b>5.4%</b>
<b>Expenses</b>							
General government	1.6	1.7	-	-	1.6	1.7	-1.8%
Public safety	3.2	3.0	-	-	3.2	3.0	5.3%
Community services	0.4	0.5	-	-	0.4	0.5	-13.3%
Housing	0.1	0.1	-	-	0.1	0.1	-46.2%
Recreation services	0.4	0.4	-	-	0.4	0.4	-7.7%
Public works	1.1	1.1	-	-	1.1	1.1	-1.9%
Planning & Building	0.4	0.4	-	-	0.4	0.4	2.4%
Water			2.8	3.0	2.8	3.0	-6.3%
Wastewater			2.8	2.6	2.8	2.6	6.5%
Other	0.0	0.3	-	-	0.0	0.3	-87.0%
<b>**Total expenses</b>	<b>7.2</b>	<b>7.5</b>	<b>5.6</b>	<b>5.6</b>	<b>12.8</b>	<b>13.1</b>	<b>-2.2%</b>
<b>Excess (deficiency) before transfers and Special Items</b>	<b>1.7</b>	<b>0.7</b>	<b>1.5</b>	<b>1.4</b>	<b>3.2</b>	<b>2.1</b>	<b>54.3%</b>
<b>Transfers</b>	-		-		-	-	0.0%
<b>Increase(decrease) in net position</b>	<b>1.7</b>	<b>0.7</b>	<b>1.5</b>	<b>1.4</b>	<b>3.2</b>	<b>2.1</b>	<b>54.3%</b>
<b>**Net position, beginning</b>	<b>15.6</b>	<b>14.9</b>	<b>15.1</b>	<b>13.8</b>	<b>30.7</b>	<b>28.7</b>	<b>7.0%</b>
<b>Prior Period Adjustment</b>	<b>1.0</b>				<b>1.0</b>		
<b>**Net position, ending</b>	<b>\$18.3</b>	<b>\$15.6</b>	<b>\$16.6</b>	<b>\$15.2</b>	<b>\$34.9</b>	<b>\$30.8</b>	<b>13.4%</b>
<b>**Due to Rounding Figures are not exact</b>							



**Governmental and Business-Type Activities**

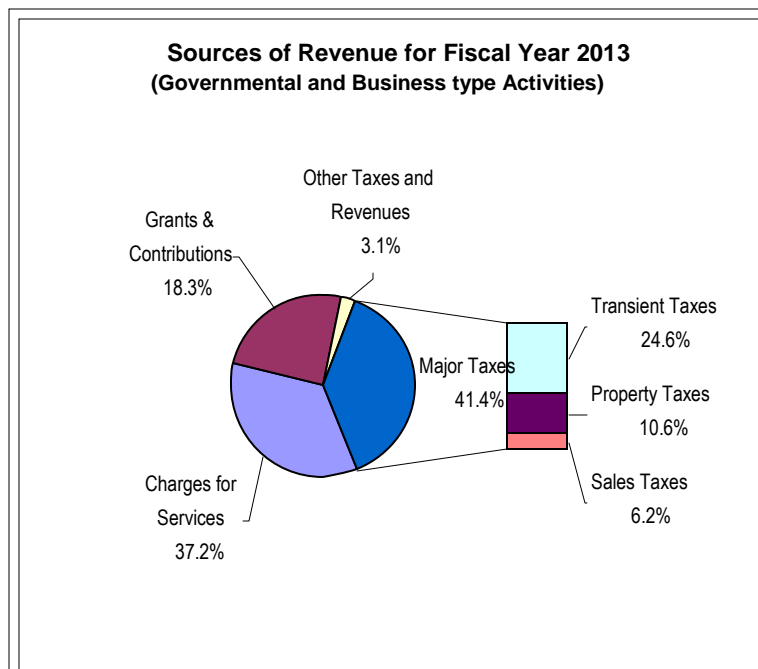
Revenues from all governmental type activities in fiscal year 2013 increased by approximately \$ .7 million to \$8.9 million compared to \$ 8.2 million in 2012. In 2013 the City received \$.1 million less in grants than in 2012. Overall the increase in revenues was attributed to the City's Transient Occupancy tax by \$.2 million; \$.2 million in charges for services; \$.1 million in property, sales and other taxes; and \$.1 million in other revenues.

The increase of 5.8% or \$.03 million in sales tax allocations for Fiscal Year 21013 as compared to Fiscal Year 2012 reflects increased activity in restaurants, wine tasting rooms, and retail shops.

As the graph below shows, the City's primary sources of revenue come from charges for services and tax revenues. About 79% of all City revenues are from taxes, water sales, wastewater fees, and local charges for services.

When all operations were concluded, the governmental activities function reported a change of \$1.7 million in net position for fiscal 2013 as compared to \$.7 million in fiscal year 2012. A prior period adjustment of \$1.0 million was attributable to including first time homebuyer loans for the Palisades project from 2001 that were never included in the accounting records. When compared to fiscal year 2012 overall expenses for fiscal year 2013 were \$.3 million less. This was due to department spending being less and less on interest long term debt.

Net position of business type-activities increased \$1.5 million year due to \$.1 million increase in charges for services; \$2.4 million available in capital grants and contributions which includes Measure A funds for the Mount Washington Capital Project received in 2013 and one time development impact fees from the Silver Rose project; and expenditures remained the same as in 2012 at \$5.6 million.



**MANAGEMENT'S DISCUSSION AND ANALYSIS**

The majority of the City's operating expenses are incurred to provide public safety, water and wastewater services. These three programs account for 69 % of the City's total operating expenses in fiscal 2013.

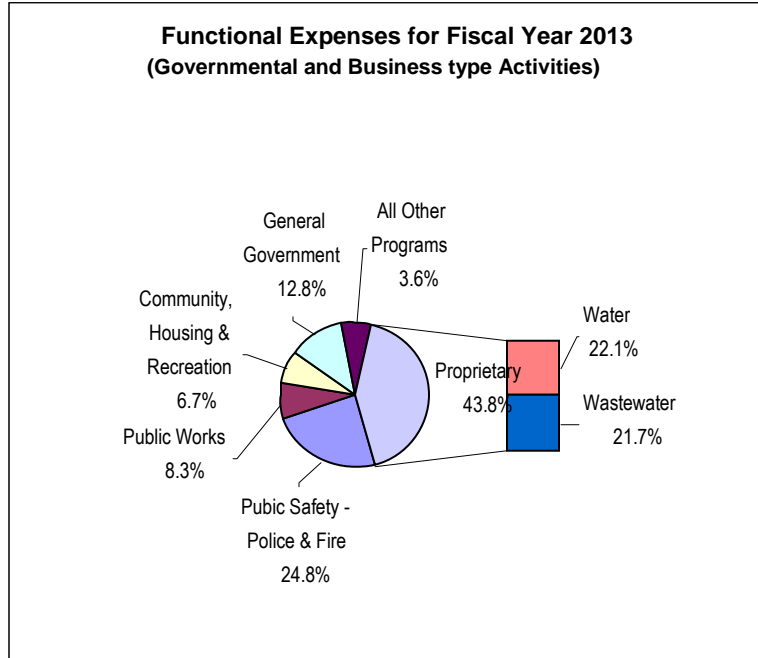


Table A-3 presents the cost of each of the City's five largest programs – public safety, public works, general administration, water and wastewater. The cost of all programs this year was \$ 12.8 million, compared to \$ 13.1 million in fiscal 2012; approximately 2.2% decrease for the year. Decrease was due primarily to less water litigation costs and less interest on long-term debt.

**Table A-3  
Cost of City of Calistoga Programs  
(in millions of dollars)**

	Total Cost of Services		Total Percentage Change
	2013	2012	2012 to 2013
Public Safety	\$ 3.2	\$ 3.0	5.3%
General Government	1.6	1.7	-1.8%
Public Works	1.1	1.1	-1.9%
Water	2.8	3.0	-6.3%
Wastewater	2.8	2.6	6.5%
All other	1.3	1.7	-22.5%
<b>Total</b>	<b>12.8</b>	<b>13.1</b>	<b>-2.2%</b>

**Governmental Activities**

Users and contributors funded \$ 1.8 million of the \$ 7.2 million in costs of city's governmental activity programs leaving the City general revenues to fund the other \$ 5.4 million. General revenues were sufficient to pay for these services. The expense of governmental services was absorbed by:

- Those who directly benefited from or used the programs (about \$ 1.3 million), and
- Other governments and organizations that subsidized certain programs with grants and contributions (approximately \$ .5 million).

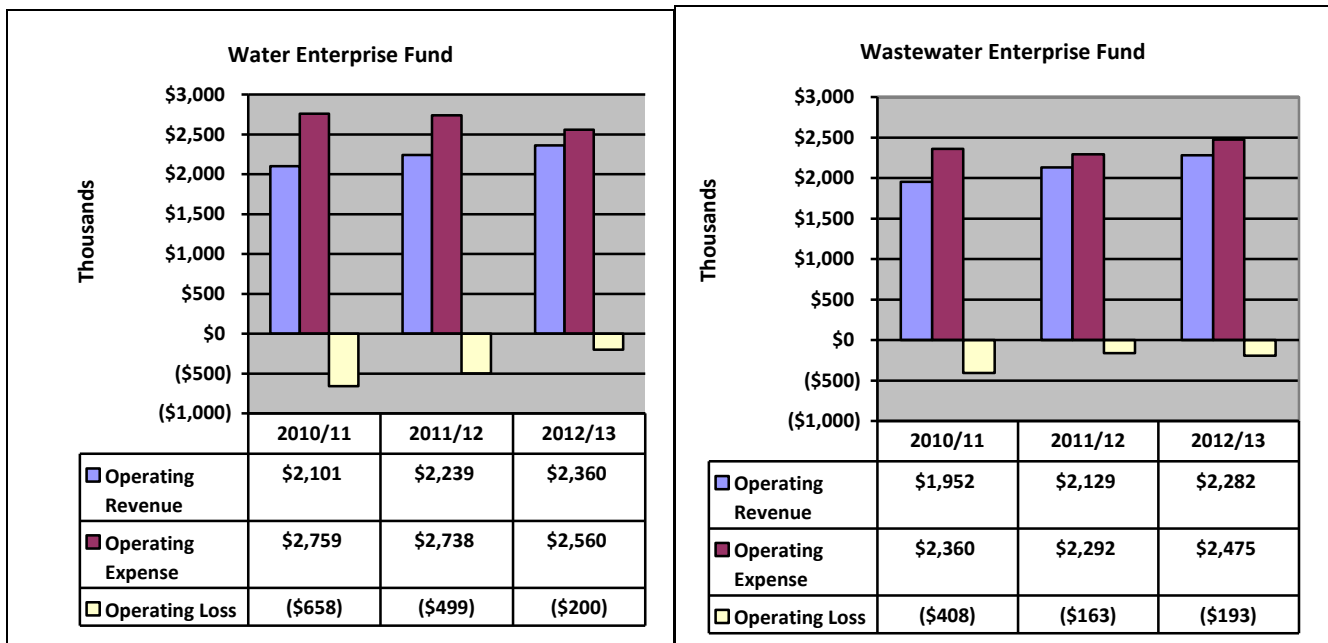
The City ended the fiscal year with a change in net position of \$1.7 million in the governmental activities.

**Business-Type Activities**

The City's business-type activities (water and wastewater) had a change in net position of \$1.4 million during the fiscal year. Total revenue for the business-type activities was \$7.0 million comprised of \$2.4 million in capital grants and contributions and \$4.6 in charges for services. Total revenues remained the same in fiscal year 2013 when compared to fiscal year 2012.

Total expenses for the year were \$5.6 million, a decrease of \$.01 million or 1%, from the prior year. Decreases were primarily due to less litigation costs.

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



Business-type activities should generate enough revenue to cover the cost of operations and capital needs, however in past years the City has transferred general government revenue to the water and wastewater enterprise funds to subsidize the rates. The operating expenses and capital costs of the business enterprises are continuing to rise, primarily due to state regulations and the increases to the cost to purchase our water supply.

Recognizing the action needed to be taken to ensure the fiscal sustainability of the utility enterprises, the City Council, upon review of a comprehensive rate study and business plan, conducted a public

hearing and approved a five year utility enterprise rate schedule on October 19, 2010. The rate schedule established to phase in the rate increases to eliminate the utility enterprises operating deficits. The first of five annual rate increases was effective November 1, 2010, with subsequent increases effective January 1 each year thereafter.

The Wastewater working capital started in a deficit position primarily due to several prior years of operating costs increases and usage reductions. The Wastewater study projected a positive working capital of 20% of operating revenues in FY 12-13 due to conservative development projections.

The City held several workshops during fiscal years 2012/13 and 2013/14 to review the adopted Water and Wastewater rate studies to determine why the various assumptions in the rate studies of 2010 did not generate the working capital projected. Ordinances # 696 and 697 were adopted in December 2013 which revised water and wastewater service charges, fees and rates. Implementation of the new rates will take effect on January 1, 2014. By approving the ordinances the new rate changes would mean the General Fund subsidy would be approximately \$317,600 over a four year time period. The water rate increases are approximately 4.5% plus a 2% inflationary adjustment. There is no increase in wastewater fees, except for the 2% inflationary adjustment.

### **FINANCIAL ANALYSIS OF THE CITY'S FUNDS**

The City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the City's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As the City completed the year, its governmental funds reported a combined fund balance of \$4.2 million which is \$1.8 million more than was reported at the end of fiscal year 2012. Of this amount \$0.6 million is legally restricted for specific purposes by enabling legislation or external funding source providers and \$1.7 million is committed for specific purposes by the City Council. The remaining \$1.9 million is unassigned fund balance available for spending at the City's discretion, but is also subject to Council-established policies for future contingencies.

The following are the major funds that either qualified under the reporting criteria or were considered to be important to financial statement users:

*General Fund* - The General Fund had an increase of \$0.4 million in revenues as compared to 2012 and the costs of the City's General Fund operations were \$1.6 million less than General Fund revenues. After transfers in and out, the General Fund reported a net \$ 1.5 million increase in fund balance for fiscal year 2013 as compared to \$0.9 million increase in fiscal year 2012. This was primarily due to fewer transfers out from the general fund to cover debt service payments since one of the Zion's leases was paid off in fiscal year 2012 and the additional revenues from property taxes, sales taxes, transient occupancy taxes and charges for services.

The City's general fund has suffered recurring net decreases in net position prior to fiscal year 2012. The City has taken on major capital asset improvement related costs and long-term financings, public contributions and government grants have financed most of these capital related costs. Cost containment measures were put in place for fiscal year 2012 and the General fund revenues exceeded general fund expenditures enabling the City to be in a better position for fiscal year 2013.

At year end, the City's General Fund had a fund balance of \$2.5 million. Of that amount \$0.6 million is non-spendable which means the City starts the new fiscal year of 2013 with \$1.9 million an increase of \$1.2 million from fiscal year 2012. The City's General fund at June 30, 2013 had \$1.0 million in cash and investments as compared to zero cash available in fiscal year 2012.

The General fund had a transfer out of \$.5 million to cover debt service lease payments.

*Home Grant Fund*- This fund was established to account for a HOME loan between the City and Palisades Investors, L.P. in the amount of \$3,197,184 bearing interest at 3% per annum. Payments of principal and interest are due annually from excess/distributable cash with the entire principal and interest due in 2064. The City received \$5,583 in excess cash for FY 12-13. The objectives and intent of the HOME program is provide decent affordable housing to lower-income household, strengthen the ability of state and local governments to provide housing; expand the capacity of non-profit housing providers; and leverage private sector participation. The City at June 30, 2013 had \$3.3 in notes receivables in the HOME grant fund.

*CDBG Open Grant Fund* – This fund was established to provide “silent” second mortgages to eligible families for assistance in purchasing their first house. The City currently holds 38 first time homebuyer notes with a fund balance of \$2.3 million at June 30, 2013. Maximum loan amounts for second mortgages were set at \$250,000 by the California Department of Housing and Community Development. The City mortgages are financed as a deferred payment loan. Loans are due upon sale or transfer of title or when the borrower no longer occupies the home as his/her principal residence.

*Capital Lease Project Fund* – This fund was established in 2007 in the amount of \$4.7 million to account for capital improvements for the City, including public safety improvements, infrastructure, public recreational facilities and other public works projects. Amounts in this fund are held by Deutsche Bank National Trust and are held, disbursed and returned when reimbursements for projects are completed. The fund has a balance of \$.4 million at June 30, 2013 for completion of projects.

### **General Fund Budgetary Highlights**

Over the course of the year, the City Council made various revisions to the City budget. The budget amendments fall into two categories: changes made during the year for unanticipated appropriations and at the year end review for adjustments in revenues and costs and increases in appropriations to better reflect operations and improvements during the year.

Excluding budgeted transfers in Fiscal 2013 General Fund revenues came in at about \$.5 million more than the revised budget as a result of stronger transient occupancy tax, sales tax, charges for services and reimbursement from risk management insurance premiums. Actual General Fund expenditures were \$.2 million less than the final amended budget. The primary changes in the expenditure budget were risk management, transfers out and non-departmental costs. The detailed budgetary comparison schedule for the general fund can be found on page 48 of this report.

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

#### **Capital Assets**

At the end of 2013, the City had invested \$ 45.4 million (net of accumulated depreciation) in a broad range of capital assets, including land, vehicles, equipment, the water system, wastewater system and other capital assets. (See Table A-4 on Page 13.) This amount represents a net increase (including additions and deductions) of about \$ 2.0 million, or 4.6%, more than last year.

#### **This year's major capital assets additions included:**

In fiscal 2013, the City had \$3.3 million in construction in progress costs that were capitalized for the water system. The expenditures were for the Mount Washington Water Tank Project and the Kimball Dam Project. These added costs were offset by about \$1.0 million in depreciation in the business-type activities which resulted in a net change of about \$.9 million in total capital costs for business type activities. Additional information about the City's capital assets can be found under Capital Assets, Section D Pages 34 through Pages 36 under the notes to the financial statements.

**Table A-4**

**City of Calistoga's Capital Assets**

(net of depreciation, in millions of dollars)

	Governmental Activities		Business-type Activities		Fiscal Year Totals		Total Percentage Change
	2013	2012	2013	2012	2013	2012	
							2012 to 2013
Land	\$2.0	\$2.0	\$2.8	\$2.8	\$ 4.8	\$ 4.8	0.0%
Construction in progress	0.3	0.3	5.8	2.5	6.1	2.8	117.9%
Buildings	1.9	2.1			1.9	2.1	-9.5%
Machinery and equipment	0.1	0.1			0.1	0.1	0.0%
Internal service equipment	0.8	0.9			0.8	0.9	- 11.1%
Improvements	8.3	8.4			8.3	8.4	-1.2%
Water utility system			10.6	11.0	10.6	11.0	-3.6%
Wastewater system			12.8	13.3	12.8	13.3	-3.8%
<b>Total</b>	<b>\$13.4</b>	<b>\$13.8</b>	<b>\$32.0</b>	<b>\$29.6</b>	<b>\$45.4</b>	<b>\$43.4</b>	<b>4.6%</b>

**Long Term Debt**

At the end of 2013, the City had \$ 21.7 million in long-term debt and capital lease obligations outstanding, which is a net increase of \$1.3 million from the prior year. Of the \$ 21.7 million, approximately 77% relates to the City's business-type activities, mainly the water and wastewater systems, and the remaining 23% is applicable to governmental type financing activities.

In the business-type activities the City made all required payments of principal and interest on its obligations despite the City's strained financial conditions. Additional information about the City's capital leases and long-term obligations can be found under Capital Leases, Section E Pages 36 and 37 and Long-Term Debt Section F on Pages 37 through Pages 42 under the notes to the financial statements.

**United States Department of Agriculture Note**

The City during fiscal year 2013 drew down \$2.4 million of loan proceeds for the Mount Washington Capital Project.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

For the 2013 fiscal year, general fund revenue projections continue to be conservative and based on known changes in on going revenues from taxes and one time capital grants.

- Budget projections for the 2013/14 fiscal year are projected at 9% more as compared to 2012/13 budget projections for a total of \$8.3 million. The reason for the 9% increase is the anticipation of several resorts and an apartment complex which will bring additional revenue in the category of charges for services. Occupancy tax, property, tax and sales tax comprise 76 percent of the City's general fund revenue. Outside of the additional revenues from charges for services revenues have been projected conservatively due to uncertainty in the economy and concern regarding the state budget deficit and the impact it may have on local government. There are no other significant planned changes in tax rates or in other forms of revenue subject to adjustment by the City.

- The General Fund 2013 budgeted operating appropriations adopted are \$7.4 million as compared to the final 2012 appropriations of \$6.5. The \$.9 million increase is due to bringing additional outside contract services for the resorts, community pool and increases to the water purchased from the City of Napa.
- Water and Wastewater rates studies were adopted in Fall 2010 and on January 1, 2011, the first of five years of rate increases were applied. These increases were based on conservative assumptions of costs, usage and development. The Wastewater working capital started in a deficit position primarily due to several prior years of operating costs increases and usage reductions. The Wastewater study projected a positive working capital of 20% of operating revenues in FY 12/13 due to conservative development projections.
- There is a significant reliance on development to provide one time revenues to fund portions of debt service payments and retire outstanding debt early. Even the conservative projections of development in the 2010 rate studied have not occurred primarily due to the economic conditions beyond the City's control. However, several major projects have been approved and are likely to develop over the next 24 to 36 months.
- The City held several workshops during fiscal years 2012/13 and 2013/14 to review the adopted Water and Wastewater rate studies to determine why the various assumptions in the rate studies of 2010 did not generate the working capital projected. Ordinances # 696 and 697 were adopted in December 2013 which revised water and wastewater service charges, fees and rates. Implementation of the new rates will take effect on January 1, 2014. By approving the ordinances the new rate changes would mean the General Fund subsidy would be approximately \$317,600 over a four year time period. The water rate increases are approximately 4.5% plus a 2% inflationary adjustment. There is no increase in wastewater fees, except for the 2% inflationary adjustment.

#### **CONTACTING THE CITY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. If you have questions about this report or need additional financial information, please see the City WEB site at [www.ci.calistoga.ca.us](http://www.ci.calistoga.ca.us) or contact the Administrative Services Director/City Treasurer (City of Calistoga, 1232 Washington Street, Calistoga, California 94515, 707-942-2800 or [finance@ci.calistoga.ca.us](mailto:finance@ci.calistoga.ca.us)).



**CITY OF CALISTOGA**  
**Statement of Net Position**  
**June 30, 2013**

	<u>Governmental Activities</u>	<u>Business Type Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 2,356,806	\$ 1,878,758	\$ 4,235,564
Net receivables	1,406,889	1,314,614	2,721,503
Prepayment	55,835	-	55,835
Total current assets	<u>3,819,530</u>	<u>3,193,372</u>	<u>7,012,902</u>
Noncurrent assets:			
Restricted cash and cash equivalents	397,176	-	397,176
Internal balances	456,022	(456,022)	-
Receivables-long-term	6,281,871	74,239	6,356,110
Nondepreciable assets	2,265,749	8,616,110	10,881,859
Depreciable assets, net	11,188,017	23,418,998	34,607,015
Total capital assets, net	<u>13,453,766</u>	<u>32,035,108</u>	<u>45,488,874</u>
Total noncurrent assets	<u>20,588,835</u>	<u>31,653,325</u>	<u>52,242,160</u>
Total assets	<u>24,408,365</u>	<u>34,846,697</u>	<u>59,255,062</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	310,778	820,899	1,131,677
Accrued liabilities	4,638	451,391	456,029
Compensated absences	179,028	49,484	228,512
Deposits	40,567	44,615	85,182
Accrued interest payable	95,367	197,651	293,018
Unearned revenues	-	99,104	99,104
Claims and settlements	22,175	-	22,175
Bonds, leases, agreements, notes and certificates due in one year	<u>228,124</u>	<u>654,241</u>	<u>882,365</u>
Total current liabilities	<u>880,677</u>	<u>2,317,385</u>	<u>3,198,062</u>
Noncurrent liabilities:			
Compensated absences	130,000	20,000	150,000
Net other post employment benefit obligation	597,471	-	597,471
Bonds, leases, agreements, notes and certificates due in more than one year	<u>4,507,224</u>	<u>15,917,163</u>	<u>20,424,387</u>
Total noncurrent liabilities	<u>5,234,695</u>	<u>15,937,163</u>	<u>21,171,858</u>
Total liabilities	<u>6,115,372</u>	<u>18,254,548</u>	<u>24,369,920</u>
<b>NET POSITION</b>			
Invested in capital assets, net of related debt	9,134,957	14,984,506	24,119,463
Restricted for:			
Streets, recreation, capital projects	511,790	-	511,790
Public safety	319,186	-	319,186
Housing	6,042,489	-	6,042,489
Unrestricted	<u>2,284,571</u>	<u>1,607,643</u>	<u>3,892,214</u>
Total net position	<u>\$ 18,292,993</u>	<u>\$ 16,592,149</u>	<u>\$ 34,885,142</u>

See accompanying notes to the basic financial statements

**CITY OF CALISTOGA**  
**Statement of Activities**  
**For the Fiscal Year Ended June 30, 2013**

Functions/Programs	Program Revenues				Net (Expenses) Revenue and Changes in Net Assets		
	Expenses	Charges for Services		Capital Grants and Contributions	City Government		Total
		Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities		
City government							
Governmental activities:							
General government	\$ 1,642,042	\$ 210,161	\$ -	\$ -	\$ (1,431,881)	\$ -	\$ (1,431,881)
Public safety	3,166,518	541,245	129,018	-	(2,496,255)	-	(2,496,255)
Community services	452,308	9,952	157,236	-	(285,120)	-	(285,120)
Housing	69,474	127,679	-	-	58,205	-	58,205
Recreation services	357,669	157,059	4,294	-	(196,316)	-	(196,316)
Public works	1,060,887	55,840	128,617	86,386	(790,044)	-	(790,044)
Planning and building	423,257	207,008	-	-	(216,249)	-	(216,249)
Interest on long-term debt	56,689	-	-	-	(56,689)	-	(56,689)
Total governmental activities	7,228,844	1,308,944	419,165	86,386	(5,414,349)	-	(5,414,349)
Business-Type Activities:							
Water	2,842,771	2,359,606	-	656,608	-	173,443	173,443
Wastewater	2,782,294	2,281,513	-	1,769,766	-	1,268,985	1,268,985
Total business-type activities	5,625,065	4,641,119	-	2,426,374	-	1,442,428	1,442,428
Total City government	\$ 12,853,909	\$ 5,950,063	\$ 419,165	\$ 2,512,760	(5,414,349)	1,442,428	(3,971,921)
		General revenues and transfers					
		General revenues:					
		Taxes:					
		Property taxes			1,685,766	-	1,685,766
		Transient occupancy taxes			3,948,825	-	3,948,825
		Sales taxes			1,021,131	-	1,021,131
		Other taxes			326,135	-	326,135
		Unrestricted investment earnings			-	5,662	5,662
		Other general revenues			151,796	-	151,796
		Total general revenues and transfers			7,133,653	5,662	7,139,315
		<b>Change in net position</b>			1,719,304	1,448,090	3,167,394
		Net position, beginning			15,572,189	15,144,059	30,716,248
		Prior period adjustment			1,001,500	-	1,001,500
		Net position, beginning restated			16,573,689	15,144,059	31,717,748
		Net position, ending			\$ 18,292,993	\$ 16,592,149	\$ 34,885,142

See accompanying notes to the basic financial statements

**CITY OF CALISTOGA**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2013**

	<u>General Fund</u>	<u>HOME Grant Fund</u>	<u>CDBG Open Grant Fund</u>	<u>Capital Lease Projects Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>						
Cash and investments	\$ 996,555	\$ 17,871	\$ -	\$ 397,176	\$ 1,122,106	\$ 2,533,708
Taxes receivable	950,901	-	-	-	-	950,901
Accounts receivable	178,163	-	-	-	40,518	218,681
Due from other governments	109,649	-	-	-	125,087	234,736
Accrued interest receivable	2,571	-	-	-	-	2,571
Advances to other funds	553,438	-	-	-	28,289	581,727
Prepayments	53,405	-	-	-	-	53,405
Notes receivable	-	3,305,228	2,252,086	-	724,557	6,281,871
Total assets	<u>\$ 2,844,682</u>	<u>\$ 3,323,099</u>	<u>\$ 2,252,086</u>	<u>\$ 397,176</u>	<u>\$ 2,040,557</u>	<u>\$ 10,857,600</u>
<b>LIABILITIES AND FUND BALANCES</b>						
Liabilities:						
Accounts payable	\$ 243,505	\$ -	\$ -	\$ -	\$ 20,940	\$ 264,445
Accrued liabilities	4,638	-	-	-	-	4,638
Advances from other funds	97,416	-	-	-	28,289	125,705
Deposits	33,692	-	-	-	6,875	40,567
Unearned revenue	-	3,305,228	2,252,086	-	686,173	6,243,487
Total liabilities	<u>379,251</u>	<u>3,305,228</u>	<u>2,252,086</u>	<u>-</u>	<u>742,277</u>	<u>6,678,842</u>
Fund balances:						
Nonspendable	606,843	-	-	-	-	606,843
Restricted for capital improvements	-	-	-	397,176	-	397,176
Restricted for affordable housing	-	17,871	-	-	467,304	485,175
Restricted for streets	-	-	-	-	344,747	344,747
Restricted for facilities	-	-	-	-	166,893	166,893
Restricted for public safety	-	-	-	-	319,186	319,186
Restricted for parks	-	-	-	-	150	150
Unassigned	1,858,588	-	-	-	-	1,858,588
Total fund balances	<u>2,465,431</u>	<u>17,871</u>	<u>-</u>	<u>397,176</u>	<u>1,298,280</u>	<u>4,178,758</u>
Total liabilities and fund balances	<u>\$ 2,844,682</u>	<u>\$ 3,323,099</u>	<u>\$ 2,252,086</u>	<u>\$ 397,176</u>	<u>\$ 2,040,557</u>	<u>\$ 10,857,600</u>
Total Governmental Fund Balances						\$ 4,178,758
Amounts reported for governmental activities in the statement of net position are different because:						
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds						12,612,017
Long-term receivables used in governmental activities are not current financial resources and are therefore deferred in the funds						6,243,487
The assets and liabilities of the internal service fund are included in the governmental activities in the statement of net position						595,287
Liabilities for other post employment benefit (OPEB) obligations do not result in the use of current financial resources and are not reported in the funds						(597,471)
Some liabilities, including bonds, leases, compensated absences, and accrued interest are not due and payable in the current period and are therefore not reported in the funds						(4,739,085)
Net Position of Governmental Activities						<u>\$ 18,292,993</u>

See accompanying notes to the basic financial statements

**CITY OF CALISTOGA**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances**  
**Governmental Funds**  
**For the Fiscal Year Ended June 30, 2013**

	General Fund	HOME Grant Fund	CDBG Open Grant Fund	Capital Lease Projects Fund	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>						
Property taxes	\$ 1,685,766	\$ -	\$ -	\$ -	\$ -	\$ 1,685,766
Sales taxes	1,021,131	-	-	-	-	1,021,131
Transient occupancy taxes	3,948,825	-	-	-	-	3,948,825
Other taxes	326,135	-	-	-	-	326,135
Licenses and permits	81,436	-	-	-	-	81,436
Fines and forfeits	33,075	-	-	-	-	33,075
Intergovernmental	16,108	-	-	-	366,391	382,499
Interest and rents	-	35	-	18	50,916	50,969
Charges for services	799,801	-	-	-	385,843	1,185,644
Miscellaneous	166,304	5,548	-	-	41,813	213,665
<b>Total revenues</b>	<b>8,078,581</b>	<b>5,583</b>	<b>-</b>	<b>18</b>	<b>844,963</b>	<b>8,929,145</b>
<b>EXPENDITURES</b>						
Current:						
General government	1,579,047	-	-	-	-	1,579,047
Public safety	3,026,022	-	-	-	22,862	3,048,884
Community services	308,744	-	-	-	-	308,744
Housing	-	-	-	-	68,041	68,041
Recreation services	188,662	-	-	-	196	188,858
Public works	872,238	-	-	-	99,472	971,710
Planning and building	414,528	-	-	-	-	414,528
Debt service:						
Principal	-	-	-	-	255,754	255,754
Interest	-	-	-	-	221,411	221,411
Capital outlay	89,095	-	-	-	-	89,095
<b>Total expenditures</b>	<b>6,478,336</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>667,736</b>	<b>7,146,072</b>
Excess (deficiency) of revenues over expenditures	1,600,245	5,583	-	18	177,227	1,783,073
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	395,307	-	-	-	488,213	883,520
Transfers out	(488,213)	-	-	-	(424,190)	(912,403)
<b>Total other financing sources (uses)</b>	<b>(92,906)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>64,023</b>	<b>(28,883)</b>
<b>Net change in fund balances</b>	<b>1,507,339</b>	<b>5,583</b>	<b>-</b>	<b>18</b>	<b>241,250</b>	<b>1,754,190</b>
Fund balances, July 1	958,092	12,288	-	397,158	1,057,030	2,424,568
<b>Fund balances, June 30</b>	<b>\$ 2,465,431</b>	<b>\$ 17,871</b>	<b>\$ -</b>	<b>\$ 397,176</b>	<b>\$ 1,298,280</b>	<b>\$ 4,178,758</b>

See accompanying notes to the basic financial statements

**CITY OF CALISTOGA**  
**Reconciliation of the Statement of Revenues,**  
**Expenditures and Changes in Fund Balances of**  
**Governmental Funds to the Statement of Activities**  
**For the Fiscal Year Ended June 30, 2013**

Net Change in Fund Balances - Total Governmental Funds \$ 1,754,190

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

Governmental funds report capital outlays as expenditures, however, in the  
statement of activities, the cost of capital assets is allocated over their  
estimated useful lives as depreciation expense. This is the amount by  
which capital outlays \$120,193 exceed depreciation (\$435,038). (314,845)

Repayments of long-term debt principal and claims are reported as expenditures  
in the governmental funds, but the repayments reduce liabilities in the  
statement of net assets 255,754

Debt issuance costs are reported as an outflow of resources in the funds  
but are amortized to expenses in the statement of activities (18,083)

Accrued interest payable on long-term debt does not require the use  
of current financial resources and is not reported in the funds until due 4,062

Governmental funds report compensated absences when payments are made or  
are immediately due. However, in the statement of activities these costs are  
recorded when incurred. 3,784

Internal service funds are closed by charging additional amounts or reducing  
charges to participating governmental activities to completely cover  
the internal service fund's costs for the year 139,252

Increases in long-term claim liabilities do not require the use of current financial  
resources and are not reported in the funds 9,623

Increases in other post employment benefit obligations do not result in the use of  
current financial resources and are not reported in the funds (138,549)

Long-term receivables are deferred in the funds until collected and  
available for use. In the statement of activities, revenues are  
recognized when the receivable is recorded and not when it is collected 24,116

Net differences (34,886)

Change in Net Position of Governmental Activities \$ 1,719,304

See accompanying notes to the basic financial statements

**City of Calistoga**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2013**

	Enterprise Funds			Governmental Activities- Internal Service Fund
	Water	Wastewater	Totals	
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ 648	\$ 1,878,111	\$ 1,878,758	\$ 220,274
Receivables(net)	975,781	338,833	1,314,614	-
Prepays	-	-	-	2,430
Due from Other Funds	97,416	-	97,416	-
Total current assets	1,073,844	2,216,944	3,290,788	222,704
Noncurrent assets:				
Other assets:				
Notes receivable	23,593	50,646	74,239	-
Total other noncurrent assets	23,593	50,646	74,239	-
Capital assets:				
Land	2,338,730	464,108	2,802,838	-
Equipment and vehicles	1,042,479	684,451	1,726,930	3,133,419
Distribution and collection systems	14,831,095	19,688,483	34,519,577	-
Water rights, net of amortization	1,114,714	-	1,114,714	-
Construction in progress	5,813,272	-	5,813,272	-
Less accumulated depreciation	(6,344,202)	(7,598,021)	(13,942,223)	(2,291,671)
Net capital assets	18,796,088	13,239,021	32,035,108	841,748
Total noncurrent assets	18,819,681	13,289,667	32,109,347	841,748
Total assets	19,893,525	15,506,611	35,400,136	1,064,452
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	706,345	114,554	820,899	46,333
Compensated absences	24,742	24,742	49,484	-
Deposits	35,290	9,325	44,615	-
Accrued interest	91,015	106,636	197,651	6,292
Accrued expenses	451,391	-	451,391	-
Unearned revenue	30,436	68,668	99,104	-
Agreements, loans, and certificates due in one year	262,000	392,241	654,241	97,667
Total current liabilities	1,601,219	716,166	2,317,385	150,292
Noncurrent liabilities:				
State revolving loan payable	-	3,166,221	3,166,221	-
Certificate of participation	1,862,556	1,813,400	3,675,956	-
Installment agreement	4,020,000	2,640,000	6,660,000	-
USDA Loan	2,414,986	-	2,414,986	-
Capital lease obligation	-	-	-	318,873
Advances from other funds	-	553,438	553,438	-
Compensated absences	10,000	10,000	20,000	-
Total noncurrent liabilities	8,307,542	8,183,059	16,490,601	318,873
Total liabilities	9,908,761	8,899,225	18,807,986	469,165
<b>NET POSITION</b>				
Invested in capital assets, net of related debt	10,260,139	4,724,367	14,984,506	425,208
Unrestricted	(275,375)	1,883,018	1,607,643	170,079
Total net position	\$ 9,984,764	\$ 6,607,385	\$ 16,592,149	\$ 595,287

See accompanying notes to the basic financial statements

**CITY OF CALISTOGA**  
**Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**Proprietary Funds**  
**For the Fiscal Year Ended June 30, 2013**

	Enterprise Funds			Governmental Activities Internal- Service Fund
	Water	Wastewater	Totals	
<b>OPERATING REVENUES</b>				
Sales of water	\$ 2,260,872	\$ -	\$ 2,260,872	\$ -
Service fees	-	2,229,715	2,229,715	410,634
Miscellaneous	98,734	51,798	150,532	13,945
Total operating revenues	<u>2,359,606</u>	<u>2,281,513</u>	<u>4,641,119</u>	<u>424,579</u>
<b>OPERATING EXPENSES</b>				
Maintenance and operations	1,180,208	832,658	2,012,866	229,334
Employee services	760,932	810,639	1,571,571	-
Interfund charges for services	82,500	82,500	165,000	-
Depreciation and amortization	535,752	748,870	1,284,622	170,473
Total operating expenses	<u>2,559,392</u>	<u>2,474,667</u>	<u>5,034,059</u>	<u>399,807</u>
Operating income (loss)	<u>(199,786)</u>	<u>(193,154)</u>	<u>(392,940)</u>	<u>24,772</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>				
Interest and investment revenue	800	4,862	5,662	210
Interest expense	(283,379)	(307,627)	(591,006)	(7,664)
Net nonoperating revenues (expenses)	<u>(282,579)</u>	<u>(302,765)</u>	<u>(585,344)</u>	<u>(7,454)</u>
Income (loss) before contributions and transfers	<u>(482,365)</u>	<u>(495,919)</u>	<u>(978,284)</u>	<u>17,318</u>
Contributions and transfers				
Transfers in	-	-	-	28,883
Capital contributions	656,608	1,769,766	2,426,374	93,051
Net contributions and transfers	<u>656,608</u>	<u>1,769,766</u>	<u>2,426,374</u>	<u>121,934</u>
Change in net position	174,243	1,273,847	1,448,090	139,252
Total net position, July 1	<u>9,810,521</u>	<u>5,333,538</u>	<u>15,144,059</u>	<u>456,035</u>
Total net position, June 30	<u><u>\$ 9,984,764</u></u>	<u><u>\$ 6,607,385</u></u>	<u><u>\$ 16,592,149</u></u>	<u><u>\$ 595,287</u></u>

See accompanying notes to the basic financial statements



**CITY OF CALISTOGA**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Fiscal Year Ended June 30, 2013**

	Enterprise Funds			Governmental Activities- Internal Service Fund
	Water	Wastewater	Totals	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers	\$ 1,721,369	\$ 2,229,653	\$ 3,951,022	\$ -
Payments to suppliers	(412,166)	(915,873)	(1,328,039)	(188,542)
Cash received from other funds for services	-	-	-	410,634
Payments to other funds for services	(82,500)	(82,500)	(165,000)	-
Payments to employees for services	(760,932)	(810,639)	(1,571,571)	-
Other operating receipts	98,734	51,798	150,532	13,945
Net cash provided by (used for) operating activities	564,505	472,439	1,036,944	236,037
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Advances from other funds	-	346,856	346,856	-
Issuance of long-term notes	(11,061)	(11,211)	(22,272)	-
Advances to other funds	38,342	-	38,342	-
Transfers in from other funds	-	-	-	28,883
Net cash provided by noncapital financing activities	27,281	335,645	362,926	28,883
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Capital contributions and grants	656,608	1,769,766	2,426,374	93,051
Draw down of USDA loan	2,312,640	-	2,312,640	-
Payments on long-term debt principal	(198,000)	(379,194)	(577,194)	(93,942)
Interest paid on long-term debt	(276,591)	(313,473)	(590,064)	(9,104)
Purchases of capital assets	(3,300,135)	(45,664)	(3,345,798)	(145,817)
Net cash provided by (used for) capital and related financing activities	(805,478)	1,031,435	225,957	(155,812)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest receipts	800	4,862	5,662	210
Net cash provided by investing activities	800	4,862	5,662	210
Net increase (decrease) in cash and cash equivalents	(212,891)	1,844,381	1,631,489	109,318
Cash and cash equivalents balances- beginning of the year	213,539	33,729	247,268	110,956
Cash and cash equivalents balances-end of the year	<u>\$ 648</u>	<u>\$ 1,878,110</u>	<u>\$ 1,878,757</u>	<u>\$ 220,274</u>

See accompanying notes to the basic financial statements

**CITY OF CALISTOGA**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended June 30, 2013**

	Enterprise Funds			Governmental Activities- Internal Service Fund
	Water	Wastewater	Totals	
<b>Reconciliation of operating income (loss) to net cash provided by operating activities:</b>				
Operating income (loss)	\$ (199,786)	\$ (193,154)	\$ (392,940)	\$ 24,772
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation and amortization expense	535,752	748,870	1,284,622	170,473
Change in assets and liabilities:				
Decrease(increase) in deposits	2,015	(58,405)	(56,390)	-
Decrease(increase) in interfund accounts	-			-
Decrease(increase) in accounts receivable	(537,645)	13,298	(524,347)	-
Increase(decrease) in compensated absences	(14,673)	(14,673)	(29,346)	-
Increase(decrease) in accrued expenses	300,820	-	300,820	-
Increase(decrease) in accounts payable	474,554	(17,652)	456,902	35,924
Increase(decrease) in deferred revenue	(1,858)	(13,360)	(15,218)	-
Decrease(increase) in prepayments	5,326	7,515	12,841	(2,430)
(Increase) decrease in inventory	-	-	-	7,298
Net cash provided by (used for) operating activities	<u>\$ 564,505</u>	<u>\$ 472,439</u>	<u>\$ 1,036,944</u>	<u>\$ 236,037</u>

**Noncash capital financing activities:**

-

None:

See accompanying notes to the basic financial statements

**City of Calistoga**  
**Statement of Fiduciary Net Position**  
**June 30, 2013**

	<b>Agency Fund</b>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 29,261
Assessments receivable	99,926
Total assets	129,187
<b>LIABILITIES</b>	
Deposits payable to Tourism Business Improvement District	129,187
Total liabilities	\$ 129,187

See accompanying notes to the basic financial statements

**CITY OF CALISTOGA**  
**Notes to the Financial Statements**  
**June 30, 2013**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

The City of Calistoga is a municipal corporation governed by an elected five-member City Council. The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable.

The Calistoga Public Facilities Financing Corporation is a legally separate entity for which the City is financially accountable and it is governed by the elected City Council. The Corporation was formed to provide a method of financing public improvements. The financial activities of the Corporation are blended with those of the City and are reported in the City's governmental funds, and as capital assets of the City and debt obligations of the City.

**B. Government-wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the City. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

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

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

**C. Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the *proprietary fund financial statements*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

**CITY OF CALISTOGA**  
**Notes to the Financial Statements**  
**June 30, 2013**

Property taxes, sales taxes, transient occupancy taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The City reports the following major governmental funds:

The *General Fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. The *HOME Grant and CDBG Open Grant Funds* account for resources used for various programs funded partially or entirely by federal grant monies. The *Capital Lease Projects Fund* is used to account for the proceeds from a commercial lease arrangement used to obtain financing for pool, public works, fire station, and other recreational facilities.

The City reports the following major proprietary funds:

The *water fund* accounts for the operations of the City's water treatment and distribution system. The *wastewater fund* accounts for the operation of the City's wastewater treatment plant and collection facilities.

Additionally, the City reports the following fund type:

The internal service fund is used to account for the City's general operating equipment and related services provided to other City departments, on a cost reimbursement basis.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the *option* of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the City's water and wastewater function and other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

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 the proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise and internal service funds are charges to customers for sales and services. Operating expenses for the enterprise and internal service funds include the costs of sales and services, administration costs and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Fiduciary Funds are used by the City as Agency Funds to account for assets held by the City as an agent for special districts. Agency funds have no measurement focus and are excluded from the Government-wide financial statement, but are presented in separate Fiduciary Fund financial statements.

**CITY OF CALISTOGA**  
**Notes to the Financial Statements**  
**June 30, 2013**

**D. Assets, Liabilities, and Net Assets or Equity**

**1. Deposits and Investments**

The City is authorized by its most recent investment policy to invest in the State of California Local Agency Investment Fund, (LAIF) U.S. Treasury bonds, bills, and notes, obligations issued by US Government agencies, banker's acceptances, repurchase agreements, time deposits, savings and demand accounts. Additional types of investments including mutual and money market funds are also authorized by long-term debt financing agreements and indentures. The City's 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.

Investments for the City are reported at fair value. The State Treasurer's Investment Pool operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

**2. Receivables and Payables**

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

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable government funds to indicate that they are not available for appropriation and are not expendable available financial resources.

Long-term notes receivable are reported as assets in the governmental funds despite their focus on current financial resources, but they are offset by deferred revenue amounts in the governmental funds until such a time those collections on the notes are realized by the funds.

All trade and property tax receivables are not shown net of an allowance for uncollectibles.

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

**3. Inventories and Prepaid Items**

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

**CITY OF CALISTOGA**  
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**4. Capital Assets**

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental-type or business type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$ 5,000 (\$50,000 for infrastructure type assets) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Under the GASB 34 Implementation Rules, the City is a Phase 3 entity and was not required to record infrastructure assets existing or acquired prior to July 1, 2003 at the date these new financial reporting standards were implemented; and the City has not recorded such assets. The costs of normal maintenance and repairs that do not add to the value of asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of the business-type activities is included as part of the capitalized value of the assets constructed.

Property, plant, and equipment of the City are depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and improvements	50
Public domain infrastructure	50
System infrastructure-Utility	50
Vehicles and equipment	5 – 10

Intangible type assets such as water rights are amortized to expense over the estimated term of the contractual arrangement underlying such rights using a straight-line amortization periods of 20 and 50 years.

**5. Cash Equivalents**

For purposes of the statement of cash flows, the City considers all highly liquid investments with maturity of three months or less when purchased to be cash equivalents. Proprietary fund types, cash and investments balances classified as Available for Operations are considered cash equivalents for purposes of the statement of cash flows.

**6. Compensated Absences and Other Post Employment Benefits**

It is the government's policy to permit employees to accumulate earned but unused vacation. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements. The City accrues each year as a liability in the government-wide financial statements the amount of the difference, if any, between the actuarially determined annual required contribution (ARC) to its OPEB Plan and the amounts actually contributed by the City for each fiscal year.

**7. Long-term Obligations**

In the government-wide financial statements, and the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type statement of net assets.



**CITY OF CALISTOGA**  
**Notes to the Financial Statements**  
**June 30, 2013**

**8. Fund Balances Governmental Funds**

Fund balances for governmental funds are reported in classifications based primarily on the extent to which the city is bound to honor constraints about the specific purposes for which amounts in those funds can be spent. These classifications include (1) nonspendable, (2) restricted, (3) committed, (4) assigned and (5) unassigned amounts. Non-spendable amounts generally are items not expected to be readily converted into cash such as inventories, prepaid items, and long-term receivables not offset by deferred revenue accounts.

Restricted amounts include those where constraints placed on the uses of the resources are externally imposed by grantors, contributors, other governments or by laws and regulations. Committed amounts are those that can only be used for a specific purpose as determined by the City Council. Such committed amounts may be redeployed for other uses only by the direction of the City Council.

Assigned amounts are fund balance amounts constrained by the City's intent to be used for specific purposes as determined by the City Manager or City's Director of Administrative Services. Unassigned fund balance amounts are the residual amounts reported only in the general fund or funds having deficit balances.

The City Council by resolution established a policy that delegates to the City Manager or Director of Administrative Services the authority to establish, rescind or modify assigned amounts. Committed amounts may be established, modified, or rescinded by the adoption of a resolution of the City Council.

When expenditures are incurred for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available, the City considers restricted amounts to have been spent first. When expenditures are incurred for which any class of unrestricted fund balance could be used, the City considers committed amounts would be reduced first, followed by assigned amounts, and then unassigned amounts.

**9. Comparative Data**

Comparative total data for the prior year have been presented in order to provide an understanding of the changes in net assets. Also, certain amounts presented in the prior year data have been reclassified to be consistent with the current years' presentation.

**10. Net Position**

GASB Statement No. 63 requires that the difference between assets added to the deferred outflows of resources and liabilities added to the deferred inflows of resources be reported as Net Position. Net position is measured on the full accrual basis as compared to Fund Balance, which is measured on the modified accrual basis. Net Assets is the excess of all the City's assets over all its liabilities, regardless of source. Net Position is divided into three captions and is described as follows:

*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 are principally debt service requirements.

*Unrestricted* describes the portion of Net Position which does not meet the definition of net investment in capital assets or restricted net position.

**CITY OF CALISTOGA**  
**Notes to the Financial Statements**  
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**2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

**A. Explanation of Certain Differences between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Position**

The governmental fund balance sheet includes reconciliation between *fund balance – total governmental funds* and *net assets – governmental activities* as reported in the government-wide statements of net assets. One element of that reconciliation explains that “capital assets are not financial resources and are not reported in the funds.” The details of this \$ 12,612,017 difference described on the following page are as follows:

Capital assets	\$ 17,213,612
Less: Accumulated depreciation	<u>(4,601,595)</u>
Net adjustment to increase <i>fund balance – total governmental funds</i> to arrive at <i>net assets – governmental activities</i>	<u>\$ 12,612,017</u>

Another element of the reconciliation explains that "long-term liabilities" are not due and payable in the current period and are therefore not reported in the funds. The details of this \$4,739,085 difference are as follows:

Long-Term Debt Obligations and Related Interest:	
Accrued interest	\$ (89,075)
Capital lease obligations	(4,318,809)
Claims	(22,173)
Compensated absences	<u>(309,028)</u>
Net adjustment to decrease fund balance total governmental Funds to arrive at net assets - governmental activities	<u>\$ (4,739,085)</u>

**B. Explanation of Certain Differences between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-wide Statement of Activities**

The governmental fund statement of revenues, expenditures, and changes in fund balances includes reconciliation between *net changes in fund balances – total governmental funds* and *changes in net assets of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that “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 expense.” The details of this \$34,886 difference and other significant components of the difference are as follows:

Capital outlay; capitalized	\$ 120,193
Depreciation expense	(435,038)
Repayment of long-term debt principal	255,754
Internal service fund income	139,252
Other post employment benefit expense	(138,549)
Long-term loans made and deferred	24,116
Other items	<u>(614)</u>
Net adjustment to increase <i>net changes in fund balances – Total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i>	<u>\$ (34,886)</u>

**CITY OF CALISTOGA**  
**Notes to the Financial Statements**  
**June 30, 2013**

**3. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**A. Budgetary Information**

Annual budgets are adopted on a basis of consistent with generally accepted accounting principles for all governmental funds and proprietary funds. Appropriations lapse at fiscal year end. The appropriated budget is prepared by fund, function and department. The City Manager may make transfers of appropriations within a department. Transfers between departments and other changes require City Council approval. The legal level of control is the department and fund level. The Council made supplemental appropriations during the fiscal year. Encumbrance accounting is not employed in governmental funds. The expenditures budgets exclusive of fund transfers were exceeded in none of the funds.

**4. DETAILED NOTES ON ALL FUNDS**

**A. Deposits and Investments**

Deposits and investments at June 30, 2013 consisted of the following:

Demand deposits: (Time deposits and book bank balances)	\$ 52,368
Pooled investments	4,302,108
Investments with trustees	<u>307,524</u>
 Total deposits and investments	 <u><u>\$ 4,662,000</u></u>

Investments - At June 30, 2013, the City had the following investments.

Investment	Average Maturity	Fair Value
State Investment Pool (LAIF)	268 days	\$ 4,302,108
Goldman Sachs Fin SQ Government Fund	14 days	<u>307,524</u>
		<u><u>\$ 4,609,632</u></u>

Cash and Investments as of June 30, 2013 are classified in the accompanying financial statements as follows:

<b>Statement of Net Position</b>	
Cash and investments available for operations	\$ 4,235,564
Restricted cash and investments	397,176
Fiduciary funds- cash and investments	<u>29,260</u>
Total cash and investments	<u><u>\$ 4,662,000</u></u>

The total cash and investments above include those amounts held by the City in its Fiduciary funds. However, the entity-wide presentation excludes Fiduciary funds totals, as the City is merely acting as an agent for other parties (assessment districts).

*Interest Rate Risk* - As a means of limiting its exposure to fair value losses arising from rising interest rates, the City's investment policy limits the City's investment portfolio to maturities of five years or less at the time of purchase as prescribed in the California Government Code.

*Credit Risk* - State law limits investments in various securities to certain level of risk ratings issued by nationally recognized statistical rating organizations. It is the City's policy to comply with State law as regards securities ratings. The City's investments in mutual funds was rated Aaa and the State Investment Pool is unrated.

**CITY OF CALISTOGA**  
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*Custodial Credit Risk* - For an investment, custodial credit risk is the risk that, in the event of the failure of a depository financial institution, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Investments in mutual funds and external investment pools are not subject to custodial credit risk because the City's investment is not evidenced by specific securities.

California law requires banks and savings and loan institutions to pledge government securities with a market value of 110% of the City's cash on deposit or first trust deed mortgage notes with a value of 150% of the deposit as collateral for these deposits. Under California Law, this collateral is held in the City's name and places the City ahead of general creditors of the institution. The City has waived collateral requirements for the portion of deposits covered by federal deposit insurance. The carrying amount of the City's cash deposits was \$52,922 at June 30, 2013.

*Local Agency Investment Fund (LAIF)*- The fair value of the City's investment in this pool is reported in the accompanying financial statements at amounts based upon the City's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The City reports its investment in LAIF at the fair value amount provided by LAIF, which at June 30, 2013 was \$1,175 more than the City's cost. The balance available for withdrawal is based on the accounting records maintained by LAIF, which are on an amortized cost basis. Included in LAIF's investment portfolio are collateralized mortgage obligations, mortgage-backed securities, other asset-backed securities, loans to certain state funds, and floating rate securities issued by federal agencies, government-sponsored enterprises and corporations.

**B. Receivables**

Receivables as of year-end for the government's individual major and non-major funds in the aggregate, net of the applicable allowances for uncollectible accounts is as follows:

	General Fund	CDBG Open and HOME Grants	Nonmajor Funds & IS Fund	Total Governmental	Water	Wastewater
Accounts	\$ 178,163	\$ -	\$ 40,518	\$ 218,681	\$ 359,789	\$ 334,636
Taxes	950,901	-	-	950,901	7,723	4,197
Interest	2,571	-	-	2,571	-	-
Governments	109,649	-	125,087	234,736	608,269	-
Notes	-	5,557,314	724,557	6,281,871	23,593	50,646
<b>Totals</b>	<b>\$ 1,241,284</b>	<b>\$5,557,314</b>	<b>\$ 890,162</b>	<b>\$ 7,688,760</b>	<b>\$ 999,374</b>	<b>\$ 389,479</b>

The notes receivable of \$6,281,871 consists of housing rehabilitation loans of \$166,352 bearing interest at rates of 3 to 6 percent and repayable in monthly installments, other loans of \$558,205 including one loan for \$250,000 plus accrued and unpaid interest for the development of low to moderate income apartments, maturing in 2023 and repayable out of residual receipts, and \$2,252,086 in first-time homebuyer assistance loans secured by 4<sup>th</sup> deeds of trust and repayable between 30 and 55 years or under certain conditions including sale of the housing unit.

In addition, the total notes receivable also includes \$3,305,228 a loan made from the proceeds of a HOME grant funded by a federal grant passed through the State of California. The loan bears interest at 3 percent per annum, matures in 55 years is secured by a deed of trust on an affordable housing multi-family complex. The loan is repayable starting the first fiscal year following the first year of the project's operations from and to the extent of available cash flows as defined in the agreement.

**CITY OF CALISTOGA**  
**Notes to the Financial Statements**  
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**C. Inter-fund Transfers, receivables and payables**

The composition of inter-fund transfers of June 30, 2013, is as follows:

<u>Transfers In:</u>	<u>General Fund</u>	<u>Non-Major Funds</u>	<u>HOME Fund</u>	<u>Internal Service Fund</u>	<u>Total Transfers Out</u>
General fund	\$	\$ 488,213	\$ -	\$	\$ 488,213
Non-major funds	395,307	-	-	28,883	424,190
Totals	<u>\$ 395,307</u>	<u>\$ 488,213</u>	<u>\$ -</u>	<u>\$ 28,883</u>	<u>\$ 912,403</u>

Of the \$488,213 general fund transfer out, a \$424,056 transfer was made to fund debt service costs for governmental activities debts and the other transfers out of the nonmajor funds were made to reimburse the general fund for public safety costs.

1. The composition of inter-fund balances was:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Asset</u>	<u>Liability</u>
General fund	Wastewater enterprise	\$ 553,438	\$ 553,438
Water	General	97,416	97,416
Totals		<u>\$ 650,854</u>	<u>\$ 650,854</u>

The inter-fund advances were made for cash flow purposes.

**CITY OF CALISTOGA**  
**Notes to the Financial Statements**  
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**D. Capital Assets – Governmental Activities**

Capital asset activity relating to governmental activities for the year ended June 30, 2013 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Governmental activities:</b>				
Capital assets, not being depreciated				
Land	\$ 1,964,744	\$ -	\$ -	\$ 1,964,744
Construction in progress	<u>301,005</u>	<u>-</u>	<u>-</u>	<u>301,005</u>
Total capital assets, not being depreciated	<u>2,265,749</u>	<u>-</u>	<u>-</u>	<u>2,265,749</u>
Capital assets, being depreciated:				
Buildings	3,494,179	-	-	3,494,179
Machinery and equipment	871,833	-	-	871,833
Equipment- internal service fund	2,987,601	145,818	-	3,133,419
Improvements	<u>10,461,658</u>	<u>120,193</u>	<u>-</u>	<u>10,581,851</u>
Total capital assets being depreciated	<u>17,815,271</u>	<u>266,011</u>	<u>-</u>	<u>18,081,282</u>
Less accumulated depreciation for:				
Buildings	(1,410,252)	(135,935)	-	(1,546,187)
Machinery and equipment	(733,714)	(34,219)	-	(767,933)
Equipment-internal service	(2,121,197)	(170,473)	-	(2,291,670)
Improvements	<u>(2,022,592)</u>	<u>(264,883)</u>	<u>-</u>	<u>(2,287,475)</u>
Total accumulated depreciation	<u>(6,287,755)</u>	<u>(605,510)</u>	<u>-</u>	<u>(6,893,265)</u>
Total capital assets, being depreciated, net	<u>11,527,516</u>	<u>(339,499)</u>	<u>-</u>	<u>11,188,017</u>
Governmental activities capital assets, net	<u>\$13,793,265</u>	<u>\$ (339,499)</u>	<u>\$ -</u>	<u>\$13,453,766</u>

**CITY OF CALISTOGA**  
**Notes to the Financial Statements**  
**June 30, 2013**

**D. Capital Assets- Business-Type Activities**

Capital asset activity relating to business-type activities for the year ended June 30, 2013 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Business-type activities:</b>				
Capital assets, not being depreciated				
Land	\$ 2,802,838	\$ -	\$ -	\$ 2,802,838
Construction in progress	<u>2,523,675</u>	<u>3,289,597</u>	<u>-</u>	<u>5,813,272</u>
Total capital assets, not being depreciated	<u>5,326,513</u>	<u>3,289,597</u>	<u>-</u>	<u>8,616,110</u>
Capital assets, being depreciated:				
Wastewater collection and treatment	19,671,503	16,981	-	19,688,484
Water rights	1,589,875	-	-	1,589,875
Water treatment and distribution system	14,831,095	-	-	14,831,095
Equipment-wastewater	655,768	28,683	-	684,451
Equipment-water	<u>1,031,941</u>	<u>10,538</u>	<u>-</u>	<u>1,042,479</u>
Total capital assets being depreciated	<u>37,780,182</u>	<u>56,202</u>	<u>-</u>	<u>37,836,384</u>
Less accumulated depreciation and amortization for:				
Wastewater collection and treatment system	(6,982,108)	(615,913)	-	(7,598,021)
Water rights	(426,171)	(48,990)	-	(475,161)
Water treatment and distribution system	<u>(6,011,608)</u>	<u>(332,596)</u>	<u>-</u>	<u>(6,344,204)</u>
Total accumulated depreciation	<u>(13,419,887)</u>	<u>(997,499)</u>	<u>-</u>	<u>(14,417,386)</u>
Total capital assets, being depreciated, net	<u>24,360,295</u>	<u>(941,297)</u>	<u>-</u>	<u>23,418,998</u>
Business-type activities capital assets, net	<u>\$ 29,686,808</u>	<u>\$ 2,348,300</u>	<u>\$ -</u>	<u>\$ 32,035,108</u>

**CITY OF CALISTOGA**  
**Notes to the Financial Statements**  
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**D. Capital Assets – Depreciation Expense**

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

<b>Governmental activities:</b>	
General government	\$ 23,943
Public safety	55,327
Community services	137,063
Recreation services	118,889
Public works	99,814
Capital assets held by the City's internal service fund are charged to the various functions based on their usage of the assets	<u>170,474</u>
Total depreciation expense-governmental activities	<u>\$ 605,510</u>
 <b>Business-type activities:</b>	
Water	\$ 332,596
Water Rights Amortization	48,990
Wastewater	<u>615,913</u>
Sub-total depreciation expense-business-type activities	<u>997,499</u>
Amortization expense	<u>287,123</u>
Total amortization and depreciation business-type activities	<u>\$ 1,284,622</u>

**E. Capital Leases – Governmental Type Activities including Internal Service**

The City entered into a lease agreement in an original amount of \$2,253,011 as lessee for financing the advance refunding in fiscal 2003 of another lease arrangement and note payable relating to the Police Facility and Logvy Community Park land acquisition. The original lease agreement qualified as capital leases for accounting purposes and, therefore, has been recorded at the present value of the future minimum lease payments as of the inception dates. The assets have been capitalized as general capital assets and the related accumulated depreciation is recorded in the statement of net assets. The lease is payable to Zions First National Bank, bears interest at 4.65 percent per annum, and is payable in semi-annual installments of \$134,521 each October 1 and April 1 through 2012. The City has not pledged any specific revenue source for repayment of the lease, but has agreed to appropriate sufficient resources from any available source to make the repayments. The last payment of the lease was made in September, 2012.

In fiscal 2008, the City entered into a capital lease arrangement in an original amount of \$4,674,000 with West America Bank for the purpose of obtaining financing to make improvements to pool, recreation, fire, and public works facilities. The lease is payable in semi annual installments of between \$115, 681 and \$213,154 commencing August 1, 2008 and continuing through February 1, 2028. The lease bears interest at 4.95 percent per annum. The leasing arrangement included a lease between the City of Calistoga and the Calistoga Public Facilities Corporation; a blended component unit of the City. The lease receivable and payable between the City and its component unit financing corporation has been eliminated from these financial statements. The City has not pledged any specific revenue source for repayment of the lease, but has agreed to appropriate sufficient resources from any source of legally available funds to make the payments.

The City entered into two lease agreements with an original amount of \$741,900 for financing the purchase of computer equipment, vehicles, a water tender truck and a fire engine. The assets and unspent lease proceeds have been capitalized as deposit in the internal service fund as the proceeds are in an escrow funding account. The leases are payable to Sun Trust Leasing, bear interest at 4.35 percent per annum, and is payable in semi-annual variable installments each February 28 and August 28 through 2018. The City has not pledged any specific revenue source as security for repayment, but has agreed to make sufficient resources available from any legal source for the repayments.



**CITY OF CALISTOGA**  
**Notes to the Financial Statements**  
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Future minimum lease payments and the net present value of these minimum lease payments as of June 30, 2013 were as follows:

Fiscal Year Ending June 30	Zions First National Bank Leases	Sun Trust Leasing	West America Bank Lease
2014	\$ 54,607	\$ 58,950	\$ 342,644
2015	54,607	58,950	342,644
2016	54,607	58,950	426,307
2017	-	58,950	426,307
2018	-	58,950	426,307
2019-2023	-	-	2,131,535
2024-2028	-	-	2,101,535
Total minimum lease payments	163,821	294,750	6,197,279
Less amounts representing interest	(9,636)	(32,396)	(1,878,471)
Net present value of minimum lease payments	<u>\$ 154,185</u>	<u>\$ 262,354</u>	<u>\$ 4,318,809</u>

**F. Long-Term Debt**

**Water Enterprise**

*Installment Agreement Payable*

The City entered into an installment purchase agreement, dated November 8, 2005 between the City and the California Statewide Communities Development Authority (CSCDA) wherein the Authority sold a pool of water and wastewater revenue bonds. A portion of the proceeds of the Authority's revenue bonds, in an original amount of \$5,290,000 were provided to the City to finance expansion of the City's water system and to refund the City's outstanding water revenue bonds. In exchange, the City agreed to purchase the water system improvements from the Authority pursuant to the installment agreement.

The City's obligations under the agreement are secured by a first pledge and lien on the water system revenues. The City is obligated to fix, prescribe and collect system revenues in amounts sufficient to enable the City to pay all current operations and maintenance costs of the system, make all required payments on any parity debt and the installment payments, fund any reserve account requirements, and pay all other charges applicable to the system. The City is also required to fix rates such that system net revenues in any one year (subject to certain adjustments) are equal to 120 percent of the annual debt service of the system. In lieu of a monetary reserve, a reserve insurance policy was issued in an initial amount of \$364,379. The agreement bears interest at rates from 2.75 to 4.625 percent per annum. Annual principal and interest on the agreement are expected to require 100 percent of system net revenues as defined. The total interest and principal remaining to be paid on the agreement is \$ 6,331,599. Principal and interest paid for the current fiscal year and total system net revenues as defined were \$358,394 and \$336,766 (exclusive of capital contributions of \$656,608) respectively.

**CITY OF CALISTOGA**  
**Notes to the Financial Statements**  
**June 30, 2013**

Future debt service for water on the installment agreement is:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 175,000	\$ 182,441	\$ 357,441
2015	185,000	176,003	361,003
2016	185,000	169,111	354,111
2017	195,000	161,794	356,794
2018	200,000	153,991	353,991
2019-2023	1,135,000	635,859	1,770,859
2024-2028	850,000	374,581	1,224,581
2029-2033	640,000	222,694	862,694
2034-2038	<u>630,000</u>	<u>60,125</u>	<u>690,125</u>
Totals	<u>\$ 4,195,000</u>	<u>\$ 2,136,599</u>	<u>\$ 6,331,599</u>

*2008 Certificates of Participation*

In March 2008, the City entered into an installment purchase agreement with the Calistoga Public Facilities Financing Corporation for \$2,511,170 wherein the City agreed to make installment payments to the Corporation in exchange for the Corporation obtaining financing to fund water treatment plant improvements by issuing Certificates of Participation.

The United States Department of Agriculture (USDA) provided a \$2,511,170 loan to the Corporation to provide financing for the subject improvements and for the repayment to the City of construction costs and other improvements made by the City's water enterprise. The USDA provided the loan by purchasing the Certificates of Participation referred to above. The installment agreement receivable and payable between the Corporation and the City has been eliminated from these financial statements as the Corporation is a blended component unit of the City, and the \$2,511,170 is reported by the City as long-term debt (the certificates of participation) of the City's water enterprise fund.

Under the arrangements, the City has pledged net revenues of the water enterprise as security for the payment of the certificates of participation. The City is also obligated to fund a reserve fund in an amount equal to \$134,619 with funding of this reserve to be made over a ten year period. The certificates bear interest at 4.375 percent and principal/interest payments are due each March 1 and September 1 through March 1, 2044.

Annual principal and interest on the agreement are expected to require 100 percent of system net revenues as defined. The total interest and principal remaining to be paid on the agreement is \$3,489,879. Principal and interest paid for the current fiscal year and total system net revenues as defined were \$113,068 and \$336,766 (exclusive of capital contributions of \$656,608) respectively. Future debt service requirements are:

**CITY OF CALISTOGA**  
**Notes to the Financial Statements**  
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Future debt service for water on the Certificates of Participation is:

Fiscal Year	Principal	Interest	Total
2014	\$ 30,000	\$ 82,799	\$ 112,799
2015	31,000	81,487	112,487
2016	33,000	80,131	113,131
2017	34,000	78,687	112,687
2018	36,000	77,199	113,199
2019-2023	202,000	361,190	563,190
2024-2028	251,000	312,934	563,934
2029-2033	311,000	253,040	564,040
2034-2038	386,000	178,622	564,622
2039-2043	476,000	86,747	562,747
2044-2045	102,556	4,487	107,043
Totals	<u>\$ 1,892,556</u>	<u>\$ 1,597,323</u>	<u>\$ 3,489,879</u>

*2011 Certificates of Participation*

In July 2011, the City entered into an installment purchase agreement with the Calistoga Public Facilities Financing Corporation for \$3,750,000 wherein the City agreed to make installment payments to the Corporation in exchange for the Corporation obtaining financing to fund water treatment plant improvements by issuing Certificates of Participation.

The United States Department of Agriculture (USDA) provided a \$3,750,000 loan to the Corporation to provide financing for the subject improvements and for the repayment to the City of construction costs and other improvements made by the City's water enterprise. The USDA provided the loan by purchasing the Certificates of Participation referred to above. The installment agreement receivable and payable between the Corporation and the City has been eliminated from these financial statements as the Corporation is a blended component unit of the City, and the \$3,750,000 is reported by the City as long-term debt (the certificates of participation) of the City's water enterprise fund.

Under the arrangements, the City has pledged net revenues of the water enterprise as security for the payment of the certificates of participation. The City is also obligated to fund a reserve fund in an amount equal to \$148,237 with funding of this reserve to be made over a ten year period. The certificates bear interest at 2.5 percent and principal/interest payments are due each January 1 and July 1 through July 1, 2051.

Under the arrangement, the USDA shall fund the purchase price of the certificates from time to time by paying cash advances to the Trustee. Interest shall begin to accrue only upon disbursement of funds by USDA to the Trustee. As of June 30, 2013, the USDA had obligated funding of \$3,750,000, had drawdowns of \$2,527,986 to the City and there was a \$1,222,014 undisbursed balance on the USDA Loan. The City made a principal payment of \$56,000 during the fiscal year so the outstanding receivable of \$2,471,986 represents the City's liability at June 30, 2013 for the Certificates. Future debt service principal and interest, when the proceeds are drawn down, will be about \$5,974,821. Principal and interest combined on the certificates will require the

**CITY OF CALISTOGA**  
**Notes to the Financial Statements**  
**June 30, 2013**

City to make semiannual payments which in the aggregate are expected to be about \$148,000 each fiscal year.

***Wastewater Enterprise - Installment Agreement Payable***

The City entered into an installment purchase agreement, dated August 1, 2001 between the City and the California Statewide Communities Development Authority (CSCDA) wherein the Authority sold a pool of water and wastewater revenue bonds. A portion of the proceeds of the Authority's revenue bonds, in an original amount of \$3.5 million where provided to the City to finance expansion of the City's wastewater treatment plant and other wastewater improvements. In exchange, the City agreed to purchase the plant expansion improvements from the Authority pursuant to the installment agreement. The City's obligations under the agreement are secured by a first pledge and lien on the wastewater system revenues. The City is obligated to fix, prescribe and collect wastewater system revenues in amounts sufficient to enable the City to pay all current operations and maintenance costs of the system, make all required payments on any parity debt and the installment payments, fund any reserve account requirements, and pay all other charges applicable to the system. The City is also required to fix rates such that system net revenues in any one year (subject to certain adjustments) are equal to 120 percent of the annual debt service of the system. In lieu of a monetary reserve, a reserve insurance policy was issued in an initial amount of \$227,978. The agreement bears interest at rates from 3.25 to 5.125 percent per annum. Future debt service on the agreement is:

Fiscal Year	Principal	Interest	Total
2014	\$ 90,000	\$ 133,813	\$ 223,813
2015	95,000	129,602	224,602
2016	100,000	125,068	225,068
2017	105,000	120,198	225,198
2018	110,000	114,983	224,983
2019-2023	630,000	483,794	1,113,794
2024-2028	800,000	304,000	1,104,000
2029-2032	800,000	82,500	882,500
<b>Totals</b>	<b>\$ 2,730,000</b>	<b>\$ 1,493,958</b>	<b>\$ 4,223,958</b>

Annual principal and interest on the agreement are expected to be 49 percent of system net revenues as defined. The total interest and principal remaining to be paid on the agreement is \$4,223,958. Principal and interest paid for the current fiscal year and total system net revenues as defined were \$222,665 and \$560,578 (exclusive of \$1,769,763 in capital contributions), respectively.

***State of California Revolving Fund Loan***

The City obtained a \$5,609,999 loan from the State of California Department of Water Resources under the State Revolving Loan Program for the purpose of obtaining financing to construction the City's wastewater treatment plant. The loan bears interest at 2.6 percent and is secured by a pledge of the City to maintain dedicated sources of revenue sufficient in amounts to provide for repayment of the loan. Principal and interest on the loan is payable in annual installments due each October 30 through 2023.

**CITY OF CALISTOGA**  
**Notes to the Financial Statements**  
**June 30, 2013**

Future debt service for the State of California Revolving fund loan is:

Fiscal Year	Principal	Interest	Total
2014	\$ 274,141	\$ 89,450	\$ 363,591
2015	281,269	82,322	363,591
2016	288,582	75,009	363,591
2017	296,085	67,506	363,591
2018	303,783	59,807	363,590
2019-2023	1,641,581	176,373	1,817,954
2024-2025	354,920	9,228	364,148
<b>Totals</b>	<b>\$ 3,440,361</b>	<b>\$ 559,695</b>	<b>\$ 4,000,056</b>

Annual principal and interest on the agreement are expected to require 79 percent of current system net revenues as defined. The total interest and principal remaining to be paid on the agreement is \$4,000,056. Principal and interest paid for the current fiscal year and total system net revenues as defined were \$363,591 and \$560,578 (exclusive of \$1,769,763 in capital contributions), respectively

*2005 Certificates of Participation*

In May 2005, the City entered into an installment purchase agreement with the Calistoga Public Facilities Financing Corporation for \$2,028,500 wherein the City agreed to make installment payments to the Corporation in exchange for the Corporation obtaining financing to fund wastewater treatment plant improvements by issuing Certificates of Participation.

The United States Department of Agriculture (USDA) provided a \$2,028,500 loan to the Corporation to provide financing for the subject improvements and for the repayment by the City of a \$1,650,000 interim financing construction note and other improvements to the City's wastewater enterprise. The USDA provided the loan by purchasing the Certificates of Participation referred to above. The installment agreement receivable and payable between the Corporation and the City has been eliminated from these financial statements as the Corporation is a blended component unit of the City, and the \$2,028,500 is reported by the City as long-term debt (the certificates of participation) of the City's wastewater enterprise fund.

Under the arrangements, the City has pledged net revenues of the wastewater enterprise as security for the payment of the certificates of participation. The City is also obligated to fund a reserve fund in an amount equal to \$105,837 with funding of this reserve to be made over a ten year period. The certificates bear interest at 4.25 percent and principal/interest payments are due each November 1 and May 1 through May 1, 2045.

**CITY OF CALISTOGA**  
**Notes to the Financial Statements**  
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Future debt service on the 2005 Certificates of Participation is:

Fiscal Year	Principal	Interest	Total
2014	\$ 28,100	\$ 78,264	\$ 106,364
2015	29,300	77,070	106,370
2016	30,400	75,824	106,224
2017	31,800	74,532	106,332
2018	33,200	73,181	106,381
2019-2023	188,200	343,528	531,728
2024-2028	231,400	300,003	531,403
2029-2033	285,300	246,436	531,736
2034-2038	351,300	180,430	531,730
2039-2043	432,700	99,161	531,861
2044-2045	199,800	12,827	212,627
<b>Totals</b>	<b>\$ 1,841,500</b>	<b>\$ 1,561,256</b>	<b>\$ 3,402,756</b>

Annual principal and interest on the agreement are expected to require 23 percent of current system net revenues as defined. The total interest and principal remaining to be paid on the agreement is \$3,402,756. Principal and interest paid for the current fiscal year and total system net revenues as defined were \$106,411 and \$560,578 (exclusive of \$1,769,763 in capital contributions), respectively.

*Changes in Long-term liabilities*

Long-term debt activity for the 2013 fiscal year was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental</b>					
<b>Activities:</b>					
Capital lease obligation	\$ 131,523	\$ -	\$ 131,523	\$ -	\$ -
Capital lease obligation	4,443,040	-	124,231	4,318,809	130,457
Capital lease- internal service	202,096	-	47,911	154,185	49,612
Capital lease -internal service	308,385	-	46,031	262,354	48,055
<b>Total</b>	<b>\$ 5,085,044</b>	<b>\$ -</b>	<b>\$ 349,696</b>	<b>\$ 4,735,348</b>	<b>\$ 228,124</b>
<b>Business-type</b>					
<b>Activities:</b>					
Installment agreement-water	\$ 4,365,000	\$ -	\$ 170,000	\$ 4,195,000	\$ 175,000
2008 Certificates of participation	1,921,556	-	29,000	1,892,556	30,000
2011 Certificates of participation	158,346	2,369,640	56,000	2,471,986	57,000
Installment agreement	2,815,000	-	85,000	2,730,000	90,000
2005 Certificates of participation	1,868,500	-	27,000	1,841,500	28,100
State Revolving Fund Loan	3,707,556	-	267,194	3,440,362	274,141
<b>Total</b>	<b>\$ 14,835,958</b>	<b>\$ 2,369,640</b>	<b>\$ 634,194</b>	<b>\$ 16,571,404</b>	<b>\$ 654,241</b>

**F. Compensated Absences**

The City records a liability to recognize the financial effect of unused vacation and other compensated leaves. As of June 30, 2013 the total liability for vacation and other compensated leaves is \$378,511. The City typically uses the General fund, Water and Wastewater funds to liquidate the majority of its compensated absences.

**CITY OF CALISTOGA**  
**Notes to the Financial Statements**  
**June 30, 2013**

**5. OTHER INFORMATION**

**A. 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 insurance. The City participates as a member of the Public Agency Risk Sharing Authority of California (PARSAC). The Authority is a joint powers agency providing joint protection programs for public entities.

The Authority provides general liability, workers compensation and property insurance coverage to member entities. Under the liability program, the City has a \$10,000 retention limit similar to a deductible with the Authority being responsible for losses above that amount up to \$1 million. The Authority carries purchased excess insurance above that amount to cover losses up to \$35 million. The City has a \$25,000 deductible for workers compensation claims, and PARSAC covers workers compensation claims up to the first \$475,000 per claim and carries excess commercial insurance above that amount to cover losses up to \$5 million. Property coverage is commercial insurance jointly purchased with other public entities throughout the State. The commercial coverage is one billion for the collective members with various sub-limits by type of coverage and property. The

City's obligation is to pay annual premiums billed by the Authority. The PARSAC periodically may make retrospective premium adjustments and the City would be required to pay its prorata share of such adjustments.

Liabilities of the City are reported in the statement of net assets for the governmental activities when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNRs). The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines, and damage awards. Accordingly, claims are reevaluated periodically to consider the effects of inflation, recent claim settlement trends (including frequency and amount of pay-outs), and other economic and social factors. The estimate of the claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses regardless of whether allocated to specific claims. Estimated recoveries, for example from salvage or subrogation, are another component of the claims liability estimate. Settlements have not exceeded coverage for each of the past three fiscal years except for the contract settlements incurred in fiscal 2013.

Changes in the balances of claims liabilities during the past two years are as follows:

	Year Ended <u>6/30/2012</u>	Year Ended <u>6/30/2013</u>
Unpaid claims, beginning of fiscal year	\$1,099,197	\$ 31,798
Incurred claims (including IBNRs)	-	-
Claim payments	<u>(1,067,399)</u>	<u>(9,623)</u>
Unpaid claims, end of fiscal year	<u>\$31,798</u>	<u>\$ 22,175</u>

**B. Contingencies and Commitments**

*Litigation.* The City is involved in litigation incurred in the normal course of conducting City business. Although the outcome of these lawsuits is not presently determinable, in the opinion of

**CITY OF CALISTOGA**  
**Notes to the Financial Statements**  
**June 30, 2013**

the City's counsel the resolution of these matters will not have a material adverse effect on the financial condition of the City.

*Grants and allocations.* Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal and state government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

**C. California Public Employees Retirement System (PERS)**

*Plan Description.* The City of Calistoga contributes to the California Public Employees Retirement System (PERS), a cost sharing multiple-employer, public employee, and defined benefit pension plan. PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. PERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by the State statute and City ordinance. The PERS issues publicly available financial reports which include the financial statements and required supplementary information for the PERS. Copies of PERS annual financial report may be obtained from their executive office, 400 "P" Street, Sacramento, California 95814.

City employees who retire at or after age 55 (50 for safety employees) are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 2.5% for miscellaneous employees and 3% for safety employees of their highest annual salary for each year of service. Effective May 1, 2012 the City implemented a second tier retirement plan. Employees who were hired on or after May 1, 2012 and retire at or after age 60 (55 for safety employees) are entitled to an annual retirement benefit in an amount equal to 2% for miscellaneous employees and 2% for safety employees. In addition the benefits would be calculated on three years of final compensation.

On January 1, 2013 PERS implemented the Public Employees' Pension Reform Act of 2013 (PEPRA). Under PEPRA for new safety members, the law provides for three possible retirement formulas. The three new defined benefit formulas for new safety members includes a normal retirement age of 50 and a maximum benefit at age 57. For new miscellaneous members, the new defined benefit formula is 2% at age 62 with an early retirement age of 52 and a maximum benefit factor of 2.5% at age 67.

*Funding Policy.* The contribution requirements of plan members and the City are established by and may be amended by PERS. Regular plan members are required to contribute 8.0 percent of their annual covered salary and safety members are required to contribute 9.0 percent of their annual covered salary. In the second tier retirement plan, miscellaneous employees are required to contribute 7% and safety employees are required to contribute 7% of their annual covered salary to PERS. Under the PEPRA plan miscellaneous employees are required to contribute 6.25% and safety employees are required to contribute 9.5% of their annual covered salary.

The City is required to contribute the actuarially determined amounts necessary to fund the benefits for its members. The actuarial methods and assumptions used are those adopted by the PERS Board of Administration. The current rate for regular employees was 20.352 percent of covered payroll and 32.01 percent of covered payroll for safety employees. For the second tier the current rate for regular employees was 8.049 percent of covered payroll and 15.312 percent of covered payroll for safety employees. For those employees who fall under PEPRA the current rate for miscellaneous is 6.25 percent of covered payroll and 9.5 percent of covered payroll for safety employees.



**CITY OF CALISTOGA**  
**Notes to the Financial Statements**  
**June 30, 2013**

*Annual Pension Cost.* In the June 30, 2010 actuarial valuation, the entry age normal actuarial cost method was used. The actuarial assumptions included a 7.5 percent rate of return (net of administrative expenses) which is a blended rate of the expected long-term investment returns on plan assets and the employer's own investments calculated based upon the funded level of the plan at the valuation date. The actuarial assumptions also include a 2.75 percent general rate of inflation and 3.30 to 14.20 percent depending on age, service and type of employment in aggregate payroll increases. There were no plan assets to value at the latest valuation date. The UAAL is being amortized as a level percentage of payroll over 30 years, the remaining amortization period at June 30, 2010. There is no assumed post-employment benefit increase.

Initial unfunded liabilities are amortized over a closed period that depends on the plan's date of entry into PERS. Subsequent plan amendments are amortized as a level percentage of pay over a closed 20-year period. Beginning with the June 30, 2013 valuations that set the 2015-16 rates, CalPERS will employ an amortization and smoothing policy that will pay for all gains and losses over a fixed 30-year period with the increases or decreases in the rate spread directly over a 5-year period. If the plan's accrued liability exceeds the actuarial value of plan assets, then the amortization payment on the total unfunded liability may not be lower than the payment calculated over a 30-year amortization period.

The City's annual pension cost for the most recent three year period and for each plan is as follows:

**Three-year Trend of Information**

Plan	Year Ending	Annual Pension Cost	Percentage of APC Contributed	Net Pension Obligation
<i>Regular employees</i>				
	6/30/11	\$ 402,016	100%	\$ -
	6/30/12	\$ 411,011	100%	\$ -
	6/30/13	\$ 402,888	100%	\$ -
<i>Safety employees</i>				
	6/30/11	\$ 358,548	100%	\$ -
	6/30/12	\$ 393,404	100%	\$ -
	6/30/13	\$ 371,252	100%	

**D. Restricted Net Assets and Governmental Fund Balances**

The \$ 6,873,465 restricted amount in the governmental activities statement of net position represent amounts to be used only for specific purposes which restrictions are imposed by laws, formal agreements or other governments. Of the \$6,873,465 for governmental activities, \$6,042,489 is restricted for housing and community development, \$319,186 is restricted for public safety, and \$511,790 is for streets and other purposes.

The fund balances of the City's governmental funds are essentially all restricted as to their availability for future uses except for the \$1,858,588 in the general fund of which \$606,843 consist of non-spendable amounts in prepayments and advances to other funds.

A prior period adjustment of \$1.0 million has been included in the statement of activities to reflect first time homebuyer loans for the Palisades project from 2001 that were never included in the accounting records.

**CITY OF CALISTOGA**  
**Notes to the Financial Statements**  
**June 30, 2013**

**E. Post-Employment Benefits Other than Pensions**

*Plan Description.* The City administers the City's retired employees health care plan, a single employer defined benefit health care plan. The plan provides medical benefits to eligible retired City employees and their beneficiaries. The City provides medical benefits through the PERS healthcare program, pursuant to the Public Employees' Medical and Hospital Care (PEMHCA), paying \$51.75 for employees retiring directly from the City. For unrepresented retirees with at least 10 years of City service, the City pays an additional portion of the medical premium. The city's plan is affiliated with the State of California PERS in so far as the City's health insurance premium payments are paid to the PERS. The PERS through an aggregation of single employer plans pools administrative functions in regard to purchases of commercial health care policies and coverages. City regulations and resolutions assign authority to establish and amend plan provisions to the City. Separate financial statements of the Plan are not issued by the City as a separate OPEB Trust or equivalent arrangement has not been established by the City.

*Funding Policy.* The contribution requirements of the Plan members and the City are established and may be amended by the City. The required contribution is based on a projected pay-as-you-go financing requirement, with additional amounts to prefund benefits as determined annually by the City Council. The total annual required contribution for June 30, 2013 was \$189,000, based on the June 30, 2010 actuarial valuation. For the fiscal year ended June 30, 2013, the City contributed \$18,500 for current year premiums (100% of total premiums) and \$50,000 to prefund benefits. Plan members receiving benefits contributed no amounts of the total premiums.

*Annual OPEB Costs and Net OPEB Obligation.* The City's annual other post employment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of Governmental Accounting Standards Board (GASB) Statement 45.

The ARC represents a level of funding that if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded liabilities over a period not to exceed 30 years. The following table shows components of the City's annual OPEB cost for the year, the amounts actually contributed to the Plan, and changes in the City's net OPEB obligation to the Plan:

Annual required contribution (ARC)	\$ 189,000
Interest on net OPEB obligation	18,049
Adjustments to annual required contribution	-
Annual OPEB expense	<u>207,049</u>
Contributions made	<u>(68,500)</u>
Change in net OPEB Obligation	138,549
Net OPEB Obligation, beginning of year	<u>458,922</u>
Net OPEB Obligation, end of year	<u><u>\$ 597,471</u></u>

The City's annual OPEB Cost, the percentage of the annual OPEB cost contributed to the plan, and the net OPEB obligation for the last two fiscal years was:

Fiscal Year Ended	Annual OPEB Cost	Percentage Contributed	Net OPEB Obligation
June 30, 2013	\$207,049	33.0%	\$597,471
June 30, 2012	\$185,227	7.6%	\$458,922

**CITY OF CALISTOGA**  
**Notes to the Financial Statements**  
**June 30, 2013**

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

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

*Funding Policy.* The City accounts for its OPEB obligations on a pay-as-go basis.

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

In the June 30, 2010 actuarial valuation, the entry age normal actuarial cost method was used. The actuarial assumptions included a 4.25 percent investment rate of return which is a blended rate of the expected long-term investment returns on plan assets and the employer's own investments calculated based upon the funded level of the plan at the valuation date, and on the annual health care cost trend of 9 percent decreasing to 5 percent in 2021. The actuarial assumptions also include a 3.0% general rate of inflation and 3.25% in aggregate payroll increases. There were no plan assets to value at the latest valuation date. The UAAL is being amortized as a level percentage of payroll over 30 years, the remaining amortization period at June 30, 2010. There is no assumed post-employment benefit increase.

**F. Related Party Transactions**

The City has a professional services agreement with the Calistoga Chamber of Commerce (the Chamber), a tax-exempt organization founded to support local businesses in the City of Calistoga. Beginning in 2003 the City has provided funding to the Chamber for marketing and promotional services. The City has provided \$302,000 to the Chamber during the fiscal year ending June 30, 2013. In December 2010 the Executive Director of the Chamber was elected to the City Council for a four year term through December 2014 and was elected to serve as the Mayor of the City in December 2012 for a two year term to December 2014.

# REQUIRED SUPPLEMENTARY INFORMATION

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**Required Supplemental Information**  
**CITY OF CALISTOGA**  
**Budgetary Comparison Schedule - General Fund**  
**For the Fiscal Year Ended June 30, 2013**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	Original	Final	Actual Amounts	
<b>Fund Balance, July 1</b>	\$ 586,147	\$ 958,092	\$ 958,092	\$ -
<b>Resources (inflows):</b>				
Property taxes	1,547,369	1,619,620	1,685,766	66,146
Sales taxes	970,000	970,000	1,021,131	51,131
Transient occupancy taxes	3,829,500	3,829,500	3,948,825	119,325
Other taxes	310,182	310,182	326,135	15,953
License and permits	62,100	63,100	81,436	18,336
Fines and forfeits	46,000	38,500	33,075	(5,425)
Interest	5,000	1,500	-	(1,500)
Intergovernmental	20,513	15,000	16,108	1,108
Charges for services	563,780	706,584	799,801	93,217
Miscellaneous	10,000	27,000	166,304	139,304
Transfers in	236,600	436,471	395,307	(41,164)
	<u>8,187,191</u>	<u>8,975,549</u>	<u>9,431,980</u>	<u>456,431</u>
Amounts available for charges to appropriations				
<b>Charges to appropriations:</b>				
<b>General Government:</b>				
City council	49,972	49,972	46,461	3,511
Finance	218,240	216,301	226,222	(9,921)
City clerk	107,738	106,792	98,701	8,091
City attorney	120,000	220,000	233,245	(13,245)
City manager	146,575	145,287	138,057	7,230
Nondepartmental	188,431	177,978	102,107	75,871
Economic vitality	270,837	270,837	320,280	(49,443)
Elections	7,400	16,400	30,891	(14,491)
Risk management	365,147	365,147	256,881	108,266
Personnel	125,226	110,226	126,202	(15,976)
<b>Public Safety:</b>				
Police services	1,698,097	1,665,172	1,724,085	(58,913)
Police dispatch	443,349	522,849	459,941	62,908
Emergency services	17,160	32,160	26,011	6,149
Fire protection	742,191	765,155	815,985	(50,830)
<b>Community Services</b>				
Aquatic services	161,857	161,857	171,018	(9,161)
Community promotions	15,000	15,000	13,800	1,200
Community activities	28,100	28,100	16,826	11,274
Library services	74,809	74,809	75,351	(542)
Sharpsteen Museum	24,442	24,442	19,249	5,193
Handy Van	10,000	10,000	12,500	(2,500)
<b>Recreation Services</b>				
Recreation services	114,851	113,803	110,439	3,364
Education and recreation courses	57,308	57,308	56,538	770
Senior activities	34,117	34,117	21,685	12,432
<b>Public Works</b>				
Administration	111,533	110,555	123,218	(12,663)
Streets	227,846	225,844	185,867	39,977
Park maintenance	187,045	187,045	188,173	(1,128)
Shop maintenance	23,289	23,289	24,165	(876)
Pool maintenance	126,218	126,218	147,719	(21,501)
Building maintenance	197,838	197,838	203,096	(5,258)
<b>Planning and building</b>				
Planning commission	6,775	6,775	5,662	1,113
Bicycle advisory	1,200	1,200	-	1,200
Design advisory panel	100	100	-	100
Planning	266,365	264,026	237,946	26,080
Building inspection	163,268	161,834	170,920	(9,086)
<b>Special projects</b>	56,000	56,000	21,643	34,357
<b>Capital outlay</b>	106,000	106,000	67,452	38,548
<b>Transfers out</b>	687,155	634,111	488,213	145,898
	<u>7,181,479</u>	<u>7,284,547</u>	<u>6,966,549</u>	<u>317,998</u>
Total charges to appropriations				
Fund Balance, June 30	<u>\$ 1,005,712</u>	<u>\$ 1,691,002</u>	<u>\$ 2,465,431</u>	<u>\$ 774,429</u>

**CITY OF CALISTOGA**

**Budgetary Comparison Schedule - General Fund  
Note to RSI  
For the Fiscal Year Ended June 30, 2013**

**Note A: Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and expenditures:**

**Sources/inflows resources:**

Actual amounts "available for appropriation" from budgetary comparison schedule:	\$ 9,431,980
Differences - budget to GAAP:	
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes	(958,092)
Transfers in from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes	<u>(395,307)</u>
Total revenues as reported in the statement of revenues, expenditures and changes in fund balances - governmental funds	<u><u>\$ 8,078,581</u></u>

**Uses/outflows of resources:**

Actual amounts "total charges to appropriations" from the budgetary comparison schedule	\$ 6,966,549
Differences - budget to GAAP:	
Transfers to other funds require the use of current financial resources, but are not considered as expenditures for financial reporting purposes.	<u>(488,213)</u>
Total expenditures as reported in the statement of revenues, expenditures and changes in fund balances - governmental funds	<u><u>\$ 6,478,336</u></u>

**CITY OF CALISTOGA**  
**Required Supplemental Information For Major Special Revenue Fund**  
**HOME Special Revenue Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2013**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget- Positive(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental:				
State of California pass-through HOME grant:	\$ -	\$ -	\$ -	\$ -
Miscellaneous	-	-	5,583	5,583
Total revenues	-	-	5,583	5,583
Expenditures:				
Current:				
Housing:				
Palisades project loan	-	-	-	-
Total expenditures	-	-	-	-
Excess of revenues over (under) expenditures	-	-	5,583	5,583
Net change in fund balances	-	-	5,583	5,583
Fund balance, July 1	12,288	12,288	12,288	-
Fund balance, June 30	<u>\$ 12,288</u>	<u>\$ 12,288</u>	<u>\$ 17,871</u>	<u>\$ 5,583</u>

**Required Supplementary Information  
City of Calistoga  
Schedules of Funding Progress  
June 30, 2013**

<b>Miscellaneous Employees</b>						
Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) Entry Age	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
6/30/2011	\$ 10,066,682	\$ 14,323,579	\$ 4,256,897	70.30%	\$ 2,780,729	153.09%
6/30/2012	10,231,268	14,509,120	4,277,852	70.50%	2,350,373	182.01%

<b>Miscellaneous Employees (Second Tier)</b>						
Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) Entry Age	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
6/30/2011	\$ -	\$ -	\$ -	0.00%	\$ -	0.00%
6/30/2012	63,424	18	1	94.40%	47,140	0.00%

<b>Safety Employees</b>						
Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) Entry Age	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
6/30/2011	\$ 13,101,627	\$ 9,811,301	\$ 2,736,439	72.10%	\$ 1,426,190	191.87%
6/30/2012	12,826,842	10,159,709	2,717,971	73.30%	1,265,159	214.83%

\*\*\*Safety Employees (Second Tier) information was not available at date of this report.

<b>Other Post Employment Benefits (OPEB)</b>						
Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) Entry Age	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
6/30/2010	\$ -	\$ 963,000	\$ 963,000	0.00%	\$ 3,714,000	25.93%



OPTIONAL  
SUPPLEMENTARY INFORMATION

NONMAJOR FUNDS COMBINING FINANCIAL  
STATEMENTS AND SCHEDULES,

AND

SCHEDULES OF CAPITAL ASSETS USED IN  
GOVERNMENTAL ACTIVITIES

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**City of Calistoga  
Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2013**

		Special Revenue Funds										
		Gas Tax	Parking Ordinance	Public Safety	CDBG Loan Repayment	Pelissades Landscape Maintenance	Asset Forfeiture	Affordable Housing	Quality of Life	Silverado Landscape Maintenance	City Hall Donation	Abandoned Vehicle
<b>Assets</b>												
Cash and investments		\$ 69,325	\$ 90,501	\$ 161,472	\$ 330,784	\$ 1,271	\$ 10,601	\$ 93,474	\$ 152,925	\$ 932	\$ 13,968	\$ 22,478
Receivables:												
Receivables from other governments		11,976	-	-	-	-	35,539	-	-	-	-	-
Accounts		-	-	-	-	-	-	-	-	-	-	-
Advances to other funds		-	-	-	-	-	-	-	-	-	-	-
Notes receivable		-	-	-	712,557	-	-	12,000	-	-	-	-
Total assets		\$ 81,301	\$ 90,501	\$ 161,472	\$ 1,043,341	\$ 1,271	\$ 46,140	\$ 105,474	\$ 152,925	\$ 932	\$ 13,968	\$ 22,478
<b>Liabilities and Fund Balances</b>												
Liabilities:												
Accounts payable		6,020	-	-	455	-	1,276	-	-	-	-	-
Advances from other funds		-	-	-	-	-	-	-	-	-	-	-
Deposits		-	-	-	674,173	-	-	12,000	-	-	-	-
Deferred revenue		-	-	-	-	-	-	-	-	-	-	-
Total liabilities		6,020	-	-	674,628	-	1,276	12,000	-	-	-	-
Fund balances:												
Restricted for streets		75,281	90,501	-	-	1,271	-	-	-	932	-	-
Restricted for parks		-	-	-	-	-	-	-	-	-	-	-
Restricted for public safety		-	-	161,472	-	-	44,864	-	-	-	-	22,478
Restricted for affordable housing		-	-	-	368,713	-	-	93,474	-	-	-	-
Restricted for facilities		-	-	-	-	-	-	-	152,925	-	13,968	-
Total fund balances		75,281	90,501	161,472	368,713	1,271	44,864	93,474	152,925	932	13,968	22,478
Total liabilities and fund balances		\$ 81,301	\$ 90,501	\$ 161,472	\$ 1,043,341	\$ 1,271	\$ 46,140	\$ 105,474	\$ 152,925	\$ 932	\$ 13,968	\$ 22,478

**City of Calistoga  
Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2013**

	Special Revenue Funds										Debt Service	
	Traffic Signal	MTC Street	Vamos Program	North West Drainage	Recreation Donation	Police Donation	Police Grants	Tree Mitigation	Fire Donation	Mobile Home Park	City Debt Service	Total Nonmajor Governmental Funds
<b>Assets</b>												
Cash and investments	\$ 134,799	\$ -	\$ -	\$ 2,949	\$ 150	\$ 11,851	\$ -	\$ 17,600	\$ 949	\$ 6,077	\$ -	\$ 1,122,106
Receivables:												
from other governments	-	-	-	-	-	-	77,572	-	-	-	-	125,087
Accounts	-	40,518	-	-	-	-	-	-	-	-	-	40,518
Advances to other funds	28,289	\$ -	-	-	-	-	-	-	-	-	-	28,289
Notes receivable	-	-	-	-	-	-	-	-	-	-	-	724,557
<b>Total assets</b>	<b>\$ 163,088</b>	<b>\$ 40,518</b>	<b>\$ -</b>	<b>\$ 2,949</b>	<b>\$ 150</b>	<b>\$ 11,851</b>	<b>\$ 77,572</b>	<b>\$ 17,600</b>	<b>\$ 949</b>	<b>\$ 6,077</b>	<b>\$ -</b>	<b>\$ 2,040,557</b>
<b>Liabilities and Fund Balances</b>												
Liabilities:												
Accounts payable	-	12,229	-	-	-	-	-	-	-	960	-	20,940
Advances from other funds	-	28,289	-	-	-	-	-	-	-	-	-	28,289
Deposits	-	-	-	-	-	-	-	6,875	-	-	-	6,875
Deferred revenue	-	-	-	-	-	-	-	-	-	-	-	686,173
<b>Total liabilities</b>	<b>-</b>	<b>40,518</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,875</b>	<b>-</b>	<b>960</b>	<b>-</b>	<b>742,277</b>
Fund balances:												
Restricted for streets	163,088	-	-	2,949	-	-	-	10,725	-	-	-	344,747
Restricted for parks	-	-	-	-	150	-	-	-	-	-	-	150
Restricted for public safety	-	-	-	-	-	11,851	-	-	949	-	-	319,186
Restricted for affordable housing	-	-	-	-	-	-	-	-	-	5,117	-	467,304
Restricted for facilities	-	-	-	-	-	-	-	-	-	-	-	166,893
<b>Total fund balances</b>	<b>163,088</b>	<b>-</b>	<b>-</b>	<b>2,949</b>	<b>150</b>	<b>11,851</b>	<b>77,572</b>	<b>10,725</b>	<b>949</b>	<b>5,117</b>	<b>-</b>	<b>1,298,280</b>
<b>Total liabilities and fund balances</b>	<b>\$ 163,088</b>	<b>\$ 40,518</b>	<b>\$ -</b>	<b>\$ 2,949</b>	<b>\$ 150</b>	<b>\$ 11,851</b>	<b>\$ 77,572</b>	<b>\$ 17,600</b>	<b>\$ 949</b>	<b>\$ 6,077</b>	<b>\$ -</b>	<b>\$ 2,040,557</b>

**City of Calistoga**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the Fiscal Year Ended June 30, 2013**

	Special Revenue Funds										
	Gas Tax	Parking Ordinance	Public Safety	CDBG Loan Repayment	Palisades Landscape Maintenance	Asset Forfeiture	Affordable Housing	Quality of Life	Silverado Landscape Maintenance	City Hall Donation	Abandoned Vehicle
Revenues:											
Intergovernmental	\$ 123,482	\$ -	\$ -	\$ -	\$ -	\$ 35,539	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	209,955	-	700	-	4,529	156,839	1,000	-	4,743
Interest	135	175	314	49,329	-	21	182	297	-	27	43
Miscellaneous	-	-	-	24,451	-	-	-	-	-	-	-
<b>Total revenues</b>	<b>123,617</b>	<b>175</b>	<b>210,269</b>	<b>73,780</b>	<b>700</b>	<b>35,560</b>	<b>4,711</b>	<b>157,236</b>	<b>1,000</b>	<b>27</b>	<b>4,786</b>
Expenditures:											
Current:											
Public safety	-	-	-	-	-	1,676	-	-	-	-	-
Public works	32,540	-	-	-	(88)	-	-	-	469	18,096	-
Housing	-	-	-	42,681	-	-	23,125	-	-	-	-
Parks and recreation	-	-	-	-	-	-	-	-	-	-	-
Debt service:											
Principal	-	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>32,540</b>	<b>-</b>	<b>-</b>	<b>42,681</b>	<b>(88)</b>	<b>1,676</b>	<b>23,125</b>	<b>-</b>	<b>469</b>	<b>18,096</b>	<b>-</b>
Excess (deficiency) of revenues over (under) expenditures	91,077	175	210,269	31,099	788	33,884	(18,414)	157,236	531	(18,069)	4,786
Other financing sources (uses):											
Transfers in	-	-	-	-	-	-	-	-	-	-	-
Transfers out	(95,000)	-	(48,797)	(90,141)	-	(28,883)	-	(4,311)	-	-	(4,600)
<b>Total other financing sources (uses)</b>	<b>(95,000)</b>	<b>-</b>	<b>(48,797)</b>	<b>(90,141)</b>	<b>-</b>	<b>(28,883)</b>	<b>-</b>	<b>(4,311)</b>	<b>-</b>	<b>-</b>	<b>(4,600)</b>
<b>Net change in fund balances</b>	<b>(3,923)</b>	<b>175</b>	<b>161,472</b>	<b>(59,042)</b>	<b>788</b>	<b>5,001</b>	<b>(18,414)</b>	<b>152,925</b>	<b>531</b>	<b>(18,069)</b>	<b>186</b>
<b>Fund balances, July 1</b>	<b>79,204</b>	<b>90,326</b>	<b>-</b>	<b>427,755</b>	<b>483</b>	<b>39,863</b>	<b>111,888</b>	<b>-</b>	<b>401</b>	<b>32,037</b>	<b>22,292</b>
<b>Fund balances, June 30</b>	<b>\$ 75,281</b>	<b>\$ 90,501</b>	<b>\$ 161,472</b>	<b>\$ 368,713</b>	<b>\$ 1,271</b>	<b>\$ 44,864</b>	<b>\$ 93,474</b>	<b>\$ 152,925</b>	<b>\$ 932</b>	<b>\$ 13,968</b>	<b>\$ 22,478</b>

**City of Calistoga**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the Fiscal Year Ended June 30, 2013**

	Special Revenue Funds										Total Nonmajor Governmental Funds	
	Traffic Signal	MTC Street	Vamos Program	North West Drainage	Recreation Donations	Police Donation	Police Grants	Tree Mitigation	Fire Donation	Mobile Home Park		City Debt Service
Revenues:												
Intergovernmental	\$ -	\$ 86,386	\$ -	\$ -	\$ -	\$ -	\$ 120,984	\$ -	\$ -	\$ -	\$ -	\$ 366,391
Charges for services	-	-	-	37	-	-	-	-	-	7,940	-	385,843
Interest	317	-	-	5	-	23	-	34	2	12	-	50,916
Miscellaneous	-	-	-	-	4,294	-	-	2,370	298	10,400	-	41,813
<b>Total revenues</b>	<b>317</b>	<b>86,386</b>	<b>-</b>	<b>42</b>	<b>4,294</b>	<b>23</b>	<b>120,984</b>	<b>2,404</b>	<b>300</b>	<b>18,352</b>	<b>-</b>	<b>844,963</b>
Expenditures:												
Current:												
Public safety	-	-	-	-	-	-	21,186	-	-	-	-	22,862
Public works	-	41,695	-	-	-	-	-	6,760	-	-	-	99,472
Housing	-	-	-	-	-	-	-	-	2,235	-	-	68,041
Parks and recreation	-	-	-	-	196	-	-	-	-	-	-	196
Debt service:												
Principal	-	-	-	-	-	-	-	-	-	-	255,754	255,754
Interest	-	-	-	-	-	-	-	-	-	-	221,411	221,411
<b>Total expenditures</b>	<b>-</b>	<b>41,695</b>	<b>-</b>	<b>-</b>	<b>196</b>	<b>-</b>	<b>21,186</b>	<b>6,760</b>	<b>-</b>	<b>2,235</b>	<b>477,165</b>	<b>667,736</b>
Excess (deficiency) of revenues over (under) expenditures	317	44,691	-	42	4,098	23	99,798	(4,356)	300	16,117	(477,165)	177,227
Other financing sources (uses):												
Transfers in	-	-	-	-	-	-	11,048	-	-	-	477,165	488,213
Transfers out	-	(44,691)	(2,152)	-	(3,948)	-	(90,667)	-	-	(11,000)	-	(424,190)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>(44,691)</b>	<b>(2,152)</b>	<b>-</b>	<b>(3,948)</b>	<b>-</b>	<b>(79,619)</b>	<b>-</b>	<b>-</b>	<b>(11,000)</b>	<b>477,165</b>	<b>64,023</b>
<b>Net change in fund balances</b>	<b>317</b>	<b>-</b>	<b>(2,152)</b>	<b>42</b>	<b>150</b>	<b>23</b>	<b>20,179</b>	<b>(4,356)</b>	<b>300</b>	<b>5,117</b>	<b>-</b>	<b>241,250</b>
Fund balances, July 1	162,771	-	2,152	2,907	-	11,828	57,393	15,081	649	-	-	1,057,030
Reinstated fund balance	\$ 163,088	\$ -	\$ -	\$ 2,949	\$ 150	\$ 11,851	\$ 77,572	\$ 10,725	\$ 949	\$ 5,117	\$ -	\$ 1,298,280
Fund balances, June 30												

**CITY OF CALISTOGA**  
**Gas Tax Special Revenue Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2013**

	<u>Budgeted Amounts</u>			Variance With Final Budget- Positive(Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental:				
Gas tax 2105	\$ 25,500	\$ 25,500	\$ 23,234	\$ (2,266)
Gas tax 2106	17,500	17,500	17,987	487
Gas tax 2107	34,500	34,500	38,073	3,573
Gas tax 2107.5	1,850	1,850	2,000	150
State Local transportation grant	40,000	40,000	42,188	2,188
Other state grant	2,500	2,500	-	(2,500)
Interest	-	-	135	135
Total revenues	<u>121,850</u>	<u>121,850</u>	<u>123,617</u>	<u>1,767</u>
Expenditures:				
Current:				
Highways and streets:				
Street lighting utilities	<u>37,500</u>	<u>37,500</u>	<u>32,540</u>	<u>4,960</u>
Total expenditures	<u>37,500</u>	<u>37,500</u>	<u>32,540</u>	<u>4,960</u>
Excess of revenues over (under) expenditures	<u>84,350</u>	<u>84,350</u>	<u>91,077</u>	<u>6,727</u>
Other financing sources (uses):				
Transfers out	<u>(95,000)</u>	<u>(95,000)</u>	<u>(95,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(95,000)</u>	<u>(95,000)</u>	<u>(95,000)</u>	<u>-</u>
Net change in fund balance	(10,650)	(10,650)	(3,923)	6,727
Fund balance, July 1	<u>43,004</u>	<u>79,204</u>	<u>79,204</u>	<u>-</u>
Fund balance, June 30	<u>\$ 32,354</u>	<u>\$ 68,554</u>	<u>\$ 75,281</u>	<u>\$ 6,727</u>

**CITY OF CALISTOGA**  
**Parking Ordinance Special Revenue Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2013**

	<u>Budgeted Amounts</u>			Variance With Final Budget- Positive(negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Charges for services:				
Interest	\$ -	\$ -	\$ 175	\$ 175
Total revenues	<u>-</u>	<u>-</u>	<u>175</u>	<u>175</u>
Expenditures:				
Public safety	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>175</u>	<u>175</u>
Net change in fund balances	-	-	175	175
Fund balance, July 1	<u>90,241</u>	<u>90,326</u>	<u>90,326</u>	<u>-</u>
Fund balance, June 30	<u>\$ 90,241</u>	<u>\$ 90,326</u>	<u>\$ 90,501</u>	<u>\$ 175</u>



**CITY OF CALISTOGA**  
**Public Safety Special Revenue Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2013**

	<u>Budgeted Amounts</u>			Variance With Final Budget- Positive(Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Charges for services:				
Public safety impact fees	\$ -	\$ 201,426	\$ 209,955	\$ 8,529
Interest	-	-	314	314
Total revenues	<u>-</u>	<u>201,426</u>	<u>210,269</u>	<u>8,843</u>
Expenditures:				
Public Safety:	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>-</u>	<u>201,426</u>	<u>210,269</u>	<u>8,843</u>
Other financing uses:				
Transfer out to debt service fund	-	-	-	-
Total other financing uses	<u>-</u>	<u>(48,795)</u>	<u>(48,797)</u>	<u>(2)</u>
Net change in fund balances	-	152,631	161,472	8,841
Fund balance, July 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, June 30	<u>\$ -</u>	<u>\$ 152,631</u>	<u>\$ 161,472</u>	<u>\$ 8,841</u>

**CITY OF CALISTOGA**  
**CDBG Loan Repayment Special Revenue Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2013**

	<u>Budgeted Amounts</u>			Variance With Final Budget- Positive(Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Interest	\$ 22,000	\$ 22,000	\$ 49,329	\$ 27,329
Miscellaneous - loan repayments	36,000	36,000	24,451	(11,549)
Total revenues	<u>58,000</u>	<u>58,000</u>	<u>73,780</u>	<u>15,780</u>
Expenditures:				
Current:				
Contracts and program services	114,200	108,200	42,681	65,519
Total expenditures	<u>114,200</u>	<u>108,200</u>	<u>42,681</u>	<u>65,519</u>
Excess of revenues over (under) expenditures	<u>(56,200)</u>	<u>(50,200)</u>	<u>31,099</u>	<u>81,299</u>
Other financing uses:				
Transfers out to Mobile Home Park	-	(20,065)	-	20,065
Transfer out to general fund	(100,864)	(81,000)	(90,141)	(9,141)
Total other financing uses	<u>(100,864)</u>	<u>(101,065)</u>	<u>(90,141)</u>	<u>10,924</u>
Net change in fund balances	(157,064)	(151,265)	(59,042)	92,223
Fund balance, July 1	<u>355,220</u>	<u>427,755</u>	<u>427,755</u>	<u>-</u>
Fund balance, June 30	<u>\$ 198,156</u>	<u>\$ 276,490</u>	<u>\$ 368,713</u>	<u>\$ 92,223</u>

**CITY OF CALISTOGA**  
**Palisades Landscape Maintenance Special Revenue Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2013**

	<u>Budgeted Amounts</u>			Variance With Final Budget- Positive(Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Interest	\$ 10	\$ 10	\$ -	\$ (10)
Special assessments:				
Landscape maintenance	<u>1,540</u>	<u>1,540</u>	<u>700</u>	<u>(840)</u>
Total revenues	<u>1,550</u>	<u>1,550</u>	<u>700</u>	<u>(850)</u>
Expenditures:				
Public works	<u>1,550</u>	<u>1,550</u>	<u>(88)</u>	<u>1,638</u>
Excess of revenues over(under)expenditures	<u>-</u>	<u>-</u>	<u>788</u>	<u>788</u>
Other Financing Uses				
Transfers out general fund	<u>-</u>	<u>(158)</u>	<u>-</u>	<u>158</u>
Total other financing sources (uses)	<u>-</u>	<u>(158)</u>	<u>-</u>	<u>158</u>
Net change in fund balances	-	(158)	788	946
Fund balance, July 1	<u>-</u>	<u>483</u>	<u>483</u>	<u>-</u>
Fund balance, June 30	<u>\$ -</u>	<u>\$ 325</u>	<u>\$ 1,271</u>	<u>\$ 946</u>

**CITY OF CALISTOGA**  
**Asset Forfeiture Special Revenue Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2013**

	<u>Budgeted Amounts</u>			Variance With Final Budget- Positive(negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Interest	\$ -	\$ -	\$ 21	\$ 21
Intergovernmental:				
Grants	4,633	4,633	-	(4,633)
Case forfeitures	5,000	5,000	35,539	30,539
Total revenues	<u>9,633</u>	<u>9,633</u>	<u>35,560</u>	<u>25,927</u>
Expenditures:				
Current:				
Public safety	15,750	14,496	1,676	12,820
Excess of revenues over (under) expenditures	<u>(6,117)</u>	<u>(4,863)</u>	<u>33,884</u>	<u>38,747</u>
Other financing uses:				
Transfer out to equipment replacement fund	-	(33,000)	(28,883)	4,117
Total other financing uses	<u>-</u>	<u>(33,000)</u>	<u>(28,883)</u>	<u>4,117</u>
Net change in fund balances	(6,117)	(37,863)	5,001	42,864
Fund balance, July 1	<u>38,143</u>	<u>39,863</u>	<u>39,863</u>	<u>-</u>
Fund balance, June 30	<u>\$ 32,026</u>	<u>\$ 2,000</u>	<u>\$ 44,864</u>	<u>\$ 42,864</u>

**CITY OF CALISTOGA**  
**Affordable Housing Special Revenue Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2013**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget- Positive(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Interest	\$ 500	\$ 500	\$ 182	\$ (318)
Development in lieu fees	-	-	4,529	4,529
Total revenues	500	500	4,711	4,211
Expenditures:				
Current:				
Housing services	-	23,125	23,125	-
Total expenditures	-	23,125	23,125	-
Excess of revenues over (under) expenditures	500	(22,625)	(18,414)	4,211
Net change in fund balances	500	(22,625)	(18,414)	4,211
Fund balance, July 1	143,273	111,888	111,888	-
Fund balance, June 30	<u>\$ 143,773</u>	<u>\$ 89,263</u>	<u>\$ 93,474</u>	<u>\$ 4,211</u>

**CITY OF CALISTOGA**  
**Quality of Life Special Revenue Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2013**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget- Positive(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charges for services:				
Quality of life fees	\$ -	\$ 159,728	\$ 156,939	\$ (2,789)
Interest	-	-	297	297
Miscellaneous	-	-	-	-
Total revenues	<u>-</u>	<u>159,728</u>	<u>157,236</u>	<u>(2,492)</u>
Expenditures:				
Current:				
Public works	-	-	-	-
Excess of revenues over(under) expenditures	<u>-</u>	<u>159,728</u>	<u>157,236</u>	<u>(2,492)</u>
Other financing uses:				
Transfers out	<u>(1,485)</u>	<u>(3,000)</u>	<u>(4,311)</u>	<u>(1,311)</u>
Net change in fund balances	(1,485)	156,728	152,925	(3,803)
Fund balance, July 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, June 30	<u><u>\$ (1,485)</u></u>	<u><u>\$ 156,728</u></u>	<u><u>\$ 152,925</u></u>	<u><u>\$ (3,803)</u></u>

**CITY OF CALISTOGA**  
**Silverado Landscape Maintenance Special Revenue Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2013**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget- Positive(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Special assessments:				
Landscape maintenance	\$ 1,000	\$ 1,000	\$ 1,000	\$ -
Total revenues	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>-</u>
Expenditures:				
Current:				
Public works	<u>1,000</u>	<u>1,000</u>	<u>469</u>	<u>531</u>
Excess of revenues over(under) expenditures	<u>-</u>	<u>-</u>	<u>531</u>	<u>531</u>
Net change in fund balances	<u>-</u>	<u>-</u>	<u>531</u>	<u>531</u>
Fund balance, July 1	<u>-</u>	<u>401</u>	<u>401</u>	<u>-</u>
Fund balance, June 30	<u>\$ -</u>	<u>\$ 401</u>	<u>\$ 932</u>	<u>\$ 531</u>

**CITY OF CALISTOGA**  
**City Hall Donation Special Revenue Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2013**

	<u>Budgeted</u>			Variance With Final Budget- Positive(Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Interest	\$ -	\$ -	\$ 27	\$ 27
Miscellaneous:				
Contributions for City Hall modernization	-	-	-	-
Total revenues	-	-	27	27
Expenditures:				
Capital outlay:				
City Hall improvements	50,584	32,037	18,096	13,941
Total expenditures	50,584	32,037	18,096	13,941
Excess of revenues over(under) expenditures	(50,584)	(32,037)	(18,069)	(13,914)
Net change in fund balances	(50,584)	(32,037)	(18,069)	(13,914)
Fund balances, July 1	50,584	32,037	32,037	-
Fund balances, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,968</u>	<u>\$ (13,914)</u>



**CITY OF CALISTOGA**  
**Abandoned Vehicle Special Revenue Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2013**

	Budgeted Amounts			Variance With Final Budget- Positive(Negative)
	Original	Final	Actual	
Revenues:				
Intergovernmental:				
Napa County - reimbursement fees	\$ 2,500	\$ 2,500	\$ 4,743	\$ 2,243
Interest	-	-	43	43
Total revenues	<u>2,500</u>	<u>2,500</u>	<u>4,786</u>	<u>2,286</u>
Expenditures:				
Current:				
Public safety	<u>2,002</u>	<u>2,002</u>	-	<u>2,002</u>
Total expenditures	<u>2,002</u>	<u>2,002</u>	-	<u>2,002</u>
Excess of revenues over (under) expenditures	<u>498</u>	<u>498</u>	<u>4,786</u>	<u>4,288</u>
Other financing uses:				
Transfers out to general fund	<u>(4,600)</u>	<u>(4,600)</u>	<u>(4,600)</u>	<u>-</u>
Net change in fund balances	(4,102)	(4,102)	186	4,288
Fund balance, July 1	<u>23,515</u>	<u>22,292</u>	<u>22,292</u>	<u>-</u>
Fund balance, June 30	<u><u>\$ 19,413</u></u>	<u><u>\$ 18,190</u></u>	<u><u>\$ 22,478</u></u>	<u><u>\$ 4,288</u></u>

**CITY OF CALISTOGA**  
**Traffic Signal Special Revenue Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2013**

	<u>Budgeted Amounts</u>			<u>Variance With Final Budget- Positive(Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Charges for services:				
Impact fees	\$ -	\$ -	\$ -	\$ -
Interest	-	-	317	317
Total revenues	<u>-</u>	<u>-</u>	<u>317</u>	<u>317</u>
Expenditures:				
Current public works	<u>36,000</u>	<u>36,000</u>	<u>-</u>	<u>36,000</u>
Total expenditures	<u>36,000</u>	<u>36,000</u>	<u>-</u>	<u>36,000</u>
Net change in fund balances	(36,000)	(36,000)	317	36,317
Fund balance, July 1	<u>171,424</u>	<u>162,771</u>	<u>162,771</u>	<u>-</u>
Fund balance, June 30	<u>\$ 135,424</u>	<u>\$ 126,771</u>	<u>\$ 163,088</u>	<u>\$ 36,317</u>

**CITY OF CALISTOGA**  
**MTC Street Special Revenue Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2013**

	<u>Budgeted</u>		<u>Actual</u>	<u>Variance With Final Budget- Positive(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental:				
MTC Street allocations	\$ 60,000	\$ 379,000	\$ 86,386	\$ (292,614)
Interest	-	-	-	-
Total revenues	<u>60,000</u>	<u>379,000</u>	<u>86,386</u>	<u>(292,614)</u>
Expenditures:				
Current:				
Public works- pedestrian projects	<u>60,000</u>	<u>379,000</u>	<u>41,695</u>	<u>337,305</u>
Total expenditures	<u>60,000</u>	<u>379,000</u>	<u>41,695</u>	<u>337,305</u>
Excess of revenues over(under) expenditures	<u>-</u>	<u>-</u>	<u>44,691</u>	<u>44,691</u>
Other financing uses:				
Transfer in from the general fund	<u>-</u>	<u>-</u>	<u>(44,691)</u>	<u>(44,691)</u>
Total other financing uses	<u>-</u>	<u>-</u>	<u>(44,691)</u>	<u>(44,691)</u>
Net change in fund balances	-	-	-	-
Fund balances, July 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, June 30	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

**CITY OF CALISTOGA**  
**Vamos Program Special Revenue Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2013**

	<u>Budgeted</u>		<u>Actual</u>	<u>Variance With Final Budget- Positive(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Miscellaneous:				
Other revenues	\$ -	\$ -	\$ -	\$ -
Interest	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:				
Current:				
Aquatic service contract	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over(under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other financing uses:				
Transfer out to the general fund	-	-	-	-
	<u>-</u>	<u>(2,152)</u>	<u>(2,152)</u>	<u>-</u>
Total other financing uses	<u>-</u>	<u>(2,152)</u>	<u>(2,152)</u>	<u>-</u>
Net change in fund balances	-	(2,152)	(2,152)	-
Fund balances, July 1	<u>2,152</u>	<u>2,152</u>	<u>2,152</u>	<u>-</u>
Fund balances, June 30	<u>\$ 2,152</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CITY OF CALISTOGA**  
**North West Drainage Special Revenue Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2013**

	<u>Budgeted Amounts</u>			Variance With Final Budget- Positive(Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Charges for services:				
Impact fees	\$ -	\$ 37	\$ 37	\$ -
Interest	-	-	5	5
Total revenues	<u>-</u>	<u>37</u>	<u>42</u>	<u>5</u>
Expenditures:				
Current:				
Public works projects	-	-	-	-
Excess of revenues over (under) expenditures	<u>-</u>	<u>37</u>	<u>42</u>	<u>5</u>
Net change in fund balances	-	37	42	5
Fund balance, July 1	<u>2,904</u>	<u>2,907</u>	<u>2,907</u>	<u>-</u>
Fund balance, June 30	<u><u>\$ 2,904</u></u>	<u><u>\$ 2,944</u></u>	<u><u>\$ 2,949</u></u>	<u><u>\$ 5</u></u>

**CITY OF CALISTOGA**  
**Recreation Donation Special Revenue Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2013**

	<u>Budgeted Amounts</u>			Variance With Final Budget- Positive(Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Interest	\$ -	\$ -	\$ -	\$ -
Miscellaneous:				
Donations	<u>7,900</u>	<u>17,974</u>	<u>4,294</u>	<u>(13,680)</u>
Total revenues	<u>7,900</u>	<u>17,974</u>	<u>4,294</u>	<u>(13,680)</u>
Expenditures:				
Current:				
Recreation	<u>3,978</u>	<u>3,978</u>	<u>196</u>	<u>3,782</u>
Total expenditures	<u>3,978</u>	<u>3,978</u>	<u>196</u>	<u>3,782</u>
Excess(deficiency) of revenues over (under) expenditures	<u>3,922</u>	<u>13,996</u>	<u>4,098</u>	<u>(9,898)</u>
Other Financing Use				
Transfer out to general fund	<u>-</u>	<u>(13,996)</u>	<u>(3,948)</u>	<u>10,048</u>
Net change in fund balances	3,922	-	150	150
Fund balance, July 1	<u>67</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, June 30	<u><u>\$ 3,989</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 150</u></u>	<u><u>\$ 150</u></u>

**CITY OF CALISTOGA**  
**Police Donation Special Revenue Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2013**

	<u>Budgeted Amounts</u>			Variance With Final Budget- Positive(Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Interest	\$ -	\$ -	\$ 23	\$ 23
Miscellaneous:				
Donations	<u>250</u>	<u>250</u>	<u>-</u>	<u>(250)</u>
Total revenues	<u>250</u>	<u>250</u>	<u>23</u>	<u>(227)</u>
Expenditures:				
Current:				
Public safety	<u>200</u>	<u>200</u>	<u>-</u>	<u>200</u>
Net change in fund balances	50	50	23	(27)
Fund balance, July 1	<u>11,744</u>	<u>11,828</u>	<u>11,828</u>	<u>-</u>
Fund balance, June 30	<u><u>\$ 11,794</u></u>	<u><u>\$ 11,878</u></u>	<u><u>\$ 11,851</u></u>	<u><u>\$ (27)</u></u>

**CITY OF CALISTOGA**  
**Police Grant Special Revenue Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2013**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget- Positive(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental:				
COPS grant	\$ 108,484	\$ 108,484	\$ 120,984	\$ 12,500
Total revenues	<u>108,484</u>	<u>108,484</u>	<u>120,984</u>	<u>12,500</u>
Expenditures:				
Current:				
Public safety	35,002	35,002	21,186	13,816
Total expenditures	<u>35,002</u>	<u>35,002</u>	<u>21,186</u>	<u>13,816</u>
Excess of revenues over (under) expenditures	<u>73,482</u>	<u>73,482</u>	<u>99,798</u>	<u>26,316</u>
Other financing sources (uses):				
Operating transfers in	-	-	11,048	11,048
Operating transfers out	<u>(70,000)</u>	<u>(130,875)</u>	<u>(90,667)</u>	<u>40,208</u>
Net change in fund balances	3,482	(57,393)	20,179	66,524
Fund balance, July 1	<u>4,072</u>	<u>57,393</u>	<u>57,393</u>	<u>-</u>
Fund balance, June 30	<u>\$ 7,554</u>	<u>\$ -</u>	<u>\$ 77,572</u>	<u>\$ 77,572</u>



**CITY OF CALISTOGA**  
**Tree Mitigation Special Revenue Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2013**

	<u>Budgeted Amounts</u>			Variance With Final Budget- Positive(Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Charges for services:				
Tree mitigation and removal fees	\$ 250	\$ 250	\$ 2,370	\$ 2,120
Interest	-	-	34	34
Total revenues	<u>250</u>	<u>250</u>	<u>2,404</u>	<u>2,154</u>
Expenditures:				
Current:				
Public works	-	7,500	6,760	740
Excess of revenues over (under) expenditures	<u>250</u>	<u>(7,250)</u>	<u>(4,356)</u>	<u>1,414</u>
Net change in fund balances	250	(7,250)	(4,356)	2,894
Fund balance, July 1	<u>15,011</u>	<u>15,081</u>	<u>15,081</u>	<u>-</u>
Fund balance, June 30	<u><u>\$ 15,261</u></u>	<u><u>\$ 7,831</u></u>	<u><u>\$ 10,725</u></u>	<u><u>\$ 2,894</u></u>

**CITY OF CALISTOGA**  
**Fire Donation Special Revenue Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2013**

	Budgeted Amounts			Variance With Final Budget- Positive(Negative)
	Original	Final	Actual	
Revenues				
Interest	\$ -	\$ -	\$ 2	\$ 2
Miscellaneous:				
Donations	-	99	298	199
Total revenues	-	99	300	199
Expenditures:				
Current:				
Public safety	-	-	-	-
Excess of revenues over (under) expenditures	-	99	300	199
Net change in fund balances	-	99	300	201
Fund balance, July 1	648	649	649	-
Fund balance, June 30	<u>\$ 648</u>	<u>\$ 748</u>	<u>\$ 949</u>	<u>\$ 201</u>

**CITY OF CALISTOGA**  
**Mobile Home Park Special Revenue Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2013**

	<u>Budgeted Amounts</u>			Variance With Final Budget- Positive(Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Interest	\$ -	\$ -	\$ 12	\$ 12
Charges for services:				
Inspection fees	4,705	7,940	7,940	-
Rent stablization fees	10,600	10,600	10,400	(200)
Other Revenues	-	-	-	-
Total revenues	<u>15,305</u>	<u>18,540</u>	<u>18,352</u>	<u>(188)</u>
Expenditures:				
Current:				
Housing	<u>27,605</u>	<u>27,605</u>	<u>2,235</u>	<u>25,370</u>
Excess of revenues over (under) expenditures	<u>(12,300)</u>	<u>(9,065)</u>	<u>16,117</u>	<u>25,182</u>
Other financing sources (uses):				
Transfers in from community dev fund	44,864	20,065	-	(20,065)
Transfers out to general fund	<u>(11,000)</u>	<u>(11,000)</u>	<u>(11,000)</u>	<u>-</u>
Total other financing sources (uses)	33,864	9,065	(11,000)	(20,065)
Net change in fund balances	21,564	-	5,117	5,117
Fund balance, July 1	<u>(21,564)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, June 30	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 5,117</u></u>	<u><u>\$ 5,117</u></u>

**CITY OF CALISTOGA**  
**City Debt Service Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2013**

	<u>Budgeted Amounts</u>			Variance With Final Budget- Positive(Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Miscellaneous	\$ -	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:				
Debt service:				
Principal retirement	255,754	255,754	255,754	-
Interest on long-term debt	221,411	221,411	221,411	-
Fiscal agent fees	1,502	1,502	-	1,502
Total expenditures	<u>478,667</u>	<u>478,667</u>	<u>477,165</u>	<u>1,502</u>
Excess of revenues over (under) expenditures	<u>(478,667)</u>	<u>(478,667)</u>	<u>(477,165)</u>	<u>1,502</u>
Other financing sources:				
Transfer in from public safety fund	-	41,875	48,797	6,922
Transfer in from quality of life	1,485	3,000	4,311	1,311
Transfer in from general fund	477,165	433,792	424,057	(9,735)
Transfer out to general fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources	<u>478,650</u>	<u>478,667</u>	<u>477,165</u>	<u>(1,502)</u>
Net change in fund balances	(17)	-	-	-
Fund balance, July 1	<u>1,707</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, June 30	<u>\$ 1,690</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CITY OF CALISTOGA**  
**Comparative Schedule of General Capital Assets Used in Governmental Operations**  
**By Source**

	June 30	
	2013	2012
General fixed assets:		
Land	1,964,744	1,964,744
Buildings	3,494,179	3,494,179
Improvements	8,809,555	8,729,881
Equipment	871,833	871,833
Infrastructure - street system	1,772,296	1,731,777
Construction in progress	301,005	301,005
	<u>\$ 17,213,612</u>	<u>\$ 17,093,419</u>
Investment in general fixed assets from:		
General fund	13,212,690	13,092,497
Capital projects funds	1,948,090	1,948,090
Donations	1,807,666	1,807,666
Special revenue funds	245,166	245,166
	<u>\$ 17,213,612</u>	<u>\$ 17,093,419</u>

**CITY OF CALISTOGA**  
**Schedule of Changes in General Capital Assets Used in Governmental Activities**  
**By Source**  
**For the Fiscal Year Ended June 30, 2013**

	<u>Land</u>	<u>Buildings</u>	<u>Improvements and Construction in Progress</u>	<u>Equipment</u>	<u>Infrastructure</u>	<u>Total Cost</u>
General fixed assets July 1, 2012	\$ 1,964,744	\$ 3,494,179	\$ 9,030,886	\$ 871,833	\$ 1,731,777	\$17,093,419
Add:						
Expenditures from:						
Capital projects	-	-	61,578	-	-	61,578
General fund	-	-	18,097	-	40,518	58,615
Deduct:						
Reclassifications	-	-	-	-	-	-
Retirements and transfers	-	-	-	-	-	-
General fixed assets June 30, 2013	<u>\$ 1,964,744</u>	<u>\$ 3,494,179</u>	<u>\$ 9,110,561</u>	<u>\$ 871,833</u>	<u>\$ 1,772,295</u>	<u>\$17,213,612</u>

**CITY OF CALISTOGA**  
**Schedule of General Capital Assets Used in Governmental Activities**  
**By Function and Activity**  
**June 30, 2013**

Function and Activity	Land	Buildings	Improvements	Equipment	Infrastructure	Total Cost
General government:						
General government buildings	\$ 1,315,180	\$ 131,175	\$ 562,702	\$ 17,000	\$ -	\$ 2,026,057
Public safety:						
Police protection	509,682	935,600	261,475	175,348	-	1,882,105
Fire protection	-	1,821,700	28,097	402,282	-	2,252,079
Total public safety	509,682	2,757,300	289,572	577,630	-	4,134,184
Community Center	5,000	54,576	43,762	67,235	-	170,573
Community pool	-	-	7,102,462	17,251	-	7,119,713
Parks and recreation	45,660	295,142	767,688	93,744	-	1,202,234
Public works	77,222	89,995	344,375	73,973	1,772,295	2,357,860
Museum	12,000	165,991	-	25,000	-	202,991
Total general fixed assets	<u>\$ 1,964,744</u>	<u>\$ 3,494,179</u>	<u>\$ 9,110,561</u>	<u>\$ 871,833</u>	<u>\$ 1,772,295</u>	<u>\$ 17,213,612</u>

**CITY OF CALISTOGA**  
**Schedule of Changes in General Capital Assets Used in Governmental Activities**  
**By Function and Activity**  
**For the Fiscal Year Ended June 30, 2013**

Function and Activity	General Fixed Assets July 1, 2012	Additions	Deletions	General Fixed Assets June 30, 2013
General government:				
City Clerk	\$ 12,871	\$ -	\$ -	\$ 12,871
Planning	7,235	-	-	7,235
General buildings and land	1,932,396	18,097	-	1,950,493
Financial administration	52,077	-	-	52,077
City Manager	3,381	-	-	3,381
Total general government	<u>2,007,960</u>	<u>18,097</u>	<u>-</u>	<u>2,026,057</u>
Public safety:				
Police protection	1,882,105	-	-	1,882,105
Fire protection	2,252,079	-	-	2,252,079
Total public safety	<u>4,134,184</u>	<u>-</u>	<u>-</u>	<u>4,134,184</u>
Community Center	<u>170,573</u>	<u>-</u>	<u>-</u>	<u>170,573</u>
Community Pool	<u>7,058,135</u>	<u>61,578</u>	<u>-</u>	<u>7,119,713</u>
Parks and recreation	<u>1,202,234</u>	<u>-</u>	<u>-</u>	<u>1,202,234</u>
Public Works	<u>2,317,342</u>	<u>40,518</u>	<u>-</u>	<u>2,357,860</u>
Museum	<u>202,991</u>	<u>-</u>	<u>-</u>	<u>202,991</u>
Total general fixed assets	<u><u>\$ 17,093,419</u></u>	<u><u>\$ 120,193</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 17,213,612</u></u>



# STATISTICAL SECTION

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## STATISTICAL SECTION

This part of the City of Calistoga’s comprehensive annual financial report presents detailed information as a context for understanding the information in the financial statements, note disclosures, and required supplementary information about the City’s overall financial health.

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

<b>Revenue Capacity</b>	<b>Schedules 5-6</b>
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These schedules contain information to help assess the City’s most significant local revenue sources, which for the City is the transient occupancy tax revenue.

<b>Debt Capacity</b>	<b>Schedules 7-11</b>
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These schedules present information to help assess the affordability of the City’s current levels of outstanding debt and the City’s ability to issue additional debt in the future.

<b>Demographic and Economic Information</b>	<b>Schedules 12 -13</b>
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These schedules offer demographic and economic indicators to help understand the environment within which the City’s financial activities take place.

<b>Operating Information</b>	<b>Schedules 14-16</b>
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These schedules contain service and infrastructure data to help understand how the information in the City’s financial report relates to services the City provides and the activities it performs.

City of Calistoga  
Schedule 1  
Net Assets by Component  
Last Ten Fiscal Years  
(accrual basis of accounting)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Governmental activities:</b>										
Invested in capital assets, net of related debt	\$ 2,342,283	\$ 2,574,940	\$ 3,608,855	\$ 3,902,216	\$ 5,412,945	\$ 8,300,018	\$ 8,772,653	\$ 9,134,898	\$ 9,123,554	\$ 9,134,957
Restricted	2,036,751	3,168,003	4,398,197	4,552,113	4,368,648	5,481,829	6,272,999	6,320,030	5,539,578	6,873,465
Unrestricted	2,699,024	2,171,582	1,579,848	1,478,418	1,300,830	1,322,140	171,473	(601,181)	909,057	2,284,571
<b>Total governmental activities net position</b>	<b>7,078,058</b>	<b>7,914,525</b>	<b>9,586,900</b>	<b>9,932,747</b>	<b>11,082,423</b>	<b>15,103,987</b>	<b>15,217,125</b>	<b>14,853,747</b>	<b>15,572,189</b>	<b>18,292,993</b>
<b>Business-type activities:</b>										
Invested in capital assets, net of related debt	13,902,489	12,365,731	14,399,240	14,527,166	12,732,263	14,378,458	13,691,652	13,584,563	15,137,975	14,984,506
Restricted	498,313	2,156,325	1,970,690	904,096	769,992	-	-	-	-	-
Unrestricted	(1,749,241)	48,442	(2,028,612)	(1,377,516)	303,715	(605,740)	436,945	194,892	6,084	1,607,643
<b>Total business-type activities net position</b>	<b>12,651,561</b>	<b>14,570,498</b>	<b>14,341,318</b>	<b>14,053,746</b>	<b>13,805,970</b>	<b>13,772,718</b>	<b>14,128,597</b>	<b>13,779,455</b>	<b>15,144,059</b>	<b>16,592,149</b>
<b>Primary government:</b>										
Invested in capital assets, net of related debt	16,244,772	14,940,671	18,008,095	18,429,382	18,145,208	22,678,476	22,464,305	22,719,461	24,261,529	24,119,463
Restricted	2,535,064	5,324,328	6,368,887	5,456,209	5,138,640	5,481,829	6,272,999	6,320,030	5,539,578	6,873,465
Unrestricted	949,783	2,220,024	(448,764)	100,902	1,604,545	716,400	608,418	(406,289)	915,141	3,892,214
<b>Total primary government net position</b>	<b>\$ 19,729,619</b>	<b>\$ 22,485,023</b>	<b>\$ 23,928,218</b>	<b>\$ 23,986,493</b>	<b>\$ 24,888,393</b>	<b>\$ 28,876,705</b>	<b>\$ 29,345,722</b>	<b>\$ 28,633,202</b>	<b>\$ 30,716,248</b>	<b>\$ 34,885,142</b>

Note: The City implemented GASB Statement Number 34 in fiscal year ending June 30, 2004. The information in this schedule is therefore set forth prospectively from the initial year of implementation.

City of Callistoga  
Schedule 2  
Changes in Net Position  
Last Ten Fiscal Years  
(accrual basis of accounting)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Expenses:</b>										
<b>Governmental activities:</b>										
General government	\$ 1,205,406	\$ 1,135,059	\$ 1,263,331	\$ 1,308,975	\$ 1,786,147	\$ 1,749,599	\$ 1,672,657	\$ 1,842,683	\$ 1,669,272	\$ 1,642,042
Public safety	2,499,335	2,645,188	2,625,164	2,669,054	2,976,791	3,141,566	3,175,941	3,178,320	3,011,419	3,166,518
Community services	217,628	216,236	259,264	357,280	188,928	276,107	309,074	385,499	485,263	452,308
Housing	120,881	59,177	464,850	141,891	113,019	77,355	124,359	123,490	127,496	69,474
Recreation Services	294,658	333,393	322,323	339,137	378,520	475,566	542,515	615,712	391,147	357,669
Public works	1,331,708	915,104	982,397	1,088,982	1,160,329	1,238,441	1,067,014	1,123,110	1,082,233	1,060,887
Planning and Building	326,255	417,365	677,722	625,180	604,125	694,241	628,391	637,991	405,710	423,257
Interest on long-term debt	90,739	89,822	84,397	69,591	200,895	227,841	268,959	291,896	272,807	56,689
Total governmental activities expenses	6,086,610	5,811,344	6,679,448	6,600,090	7,408,754	7,880,716	7,788,910	8,198,701	7,445,347	7,228,844
<b>Business-type activities:</b>										
Water	1,992,785	1,780,260	2,044,759	2,149,976	2,302,615	2,731,066	2,916,682	3,055,351	3,025,828	2,842,771
Wastewater	3,024,230	2,605,971	2,998,065	2,831,758	2,696,495	2,894,713	2,784,072	2,695,348	2,607,225	2,782,294
Total business-type activities expenses	5,017,015	4,386,231	5,042,824	4,981,734	4,999,110	5,625,779	5,700,754	5,750,699	5,633,053	5,625,065
<b>Total primary government expenses</b>	<b>11,103,625</b>	<b>10,197,575</b>	<b>11,722,272</b>	<b>11,581,824</b>	<b>12,407,864</b>	<b>13,506,495</b>	<b>13,489,664</b>	<b>13,949,400</b>	<b>13,078,400</b>	<b>12,853,909</b>
<b>Program revenues:</b>										
<b>Governmental activities:</b>										
Charges for services:										
General government	267,230	100,011	151,254	191,106	339,719	241,627	258,984	265,929	290,492	210,161
Public safety	230,958	749,300	596,594	491,489	282,560	279,176	326,789	185,890	293,710	541,245
Community services	-	-	29,537	53,296	13,192	10,600	9,238	21,734	18,882	9,952
Housing	221,128	720,512	88,698	93,104	127,025	47,273	47,643	146,202	140,320	127,679
Recreation services	29,283	18,198	21,419	19,397	59,776	83,029	128,795	123,832	141,329	157,059
Public works	9,021	82,939	26,313	52,325	59,538	261,534	25,203	66,484	33,743	55,840
Planning and building	156,333	244,967	473,167	357,841	197,848	196,562	157,031	182,174	166,892	207,008
Operating grants and contributions	255,639	227,457	1,874,523	314,902	766,363	323,770	297,496	272,868	310,240	419,165
Capital grants and contributions	657,212	223,526	615,092	316,553	575,416	2,642,244	2,261,454	1,113,412	33,131	86,386
Total governmental activities program revenues	1,826,804	2,366,910	3,876,597	1,890,013	2,421,437	4,085,815	3,512,633	2,378,525	1,428,739	1,814,495

(continued)

City of Callistoga  
Schedule 2  
Changes in Net Position  
Last Ten Fiscal Years  
(accrual basis of accounting)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Business-type activities:</b>										
Charges for services:										
Water	1,562,566	1,694,624	1,975,927	2,222,327	2,554,214	2,182,318	2,090,136	2,100,595	2,243,967	2,359,606
Wastewater	1,650,895	1,773,745	1,852,512	1,921,034	2,078,594	1,973,424	1,939,641	1,952,322	2,133,389	2,281,513
Capital grants and contributions	1,130,908	2,659,099	844,605	550,801	127,213	1,482,941	952,188	488,832	2,620,301	2,426,374
Total business-type activities	4,344,369	6,127,468	4,673,044	4,694,162	4,760,021	5,638,683	4,981,965	4,541,749	6,997,657	7,067,493
<b>Total primary government program revenues</b>	<b>6,171,173</b>	<b>8,494,378</b>	<b>8,549,641</b>	<b>6,584,175</b>	<b>7,181,458</b>	<b>9,724,498</b>	<b>8,494,598</b>	<b>6,920,274</b>	<b>8,426,396</b>	<b>8,881,988</b>
<b>Net revenues (expenses):</b>										
<b>Governmental activities</b>	(4,259,806)	(3,444,434)	(2,802,851)	(4,710,077)	(4,987,317)	(3,794,901)	(4,276,277)	(5,820,176)	(6,016,608)	(5,414,349)
<b>Business-type activities</b>	(672,646)	1,741,237	(369,780)	(287,572)	(239,089)	12,904	(718,789)	(1,208,950)	1,364,604	1,442,428
Total net revenues (expenses)	(4,932,452)	(1,703,197)	(3,172,631)	(4,997,649)	(5,226,406)	(3,781,997)	(4,995,066)	(7,029,126)	(4,652,004)	(3,971,921)

**General revenues and other changes in net position:**

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Governmental activities:</b>										
Taxes:										
Property taxes	744,203	701,580	1,173,543	1,335,430	1,467,322	1,709,998	1,654,593	1,685,427	1,635,425	1,685,766
Transient occupancy taxes	2,161,628	2,257,440	2,335,139	2,521,951	3,402,228	3,208,611	3,042,315	3,430,487	3,768,443	3,948,825
Sales tax	680,882	722,655	705,825	793,011	874,109	842,610	670,909	796,563	965,528	1,021,131
Other taxes	300,007	358,631	328,634	335,687	329,146	369,196	348,285	312,778	323,873	326,135
Motor vehicle in lieu, unrestricted	229,201	400,442	35,225	31,248	23,499	18,039	15,665	24,494	-	-
Investment income	2,317	17,853	37,561	38,597	32,002	24,231	11,517	9,693	1,331	-
Special items:										
Lien abatement recovery	339,216	-	-	-	-	-	-	-	-	-
Settlement environmental claim	(508,379)	-	-	-	-	-	-	-	-	-
Other general revenue	-	-	-	-	-	-	-	57,164	40,450	151,796
Donations for community pool	-	-	-	-	-	1,597,624	-	-	-	-
Net Transfers	(241,500)	(177,700)	(140,600)	-	-	-	(1,353,869)	(859,808)	-	-
Total governmental activities	3,707,575	4,280,901	4,475,327	5,055,924	6,128,306	7,770,309	4,389,415	5,456,798	6,735,050	7,133,653

(continued)

City of Callistoga  
Schedule 2

Changes in Net Position  
Last Ten Fiscal Years  
(accrual basis of accounting)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Business-type activities:</b>										
Investment income	-	-	-	-	-	-	-	-	-	5,662
Transfers	241,500	177,700	140,600	-	-	-	1,353,869	859,808	-	-
Total business-type activities	241,500	177,700	140,600	-	-	-	1,353,869	859,808	-	5,662
Total primary government	3,949,075	4,458,601	4,615,927	5,055,924	6,128,306	7,770,309	5,743,284	6,316,606	6,735,050	7,139,315
<b>Changes in net position</b>										
<b>Governmental activities</b>	(552,231)	836,467	1,672,476	345,847	1,140,989	3,975,408	113,138	(363,378)	718,442	1,719,304
<b>Business-type activities</b>	(431,146)	1,918,937	(229,180)	(287,572)	(239,089)	12,904	635,080	(349,142)	1,364,604	1,448,090
<b>Total primary government</b>	<b>\$ (983,377)</b>	<b>\$ 2,755,404</b>	<b>\$ 1,443,296</b>	<b>\$ 58,275</b>	<b>\$ 901,900</b>	<b>\$ 3,988,312</b>	<b>\$ 748,218</b>	<b>\$ (712,520)</b>	<b>\$ 2,083,046</b>	<b>\$ 3,167,394</b>

CITY OF CALISTOGA  
Schedule 3  
Fund Balances of Governmental Funds  
Last Ten Fiscal Years  
(modified accrual basis of accounting)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General fund:										
Reserved	\$1,601,177	\$ 48,155	\$1,540,237	\$1,558,663	\$ 588,784	\$ 447,767	\$ 154,504	\$ -	\$ -	\$ -
Unreserved	1,120,161	2,301,868	252,563	326,911	1,121,851	941,456	778,500	-	-	-
Nonspendable (1)	-	-	-	-	-	-	-	16,911	311,927	606,843
Unassigned (1)	-	-	-	-	-	-	-	(455)	646,165	1,858,588
Total general fund	2,721,338	2,350,023	1,792,800	1,885,574	1,710,635	1,389,223	933,004	16,456	958,092	2,465,431
All other governmental funds:										
Reserved	31	39	27	34						
Unreserved, reported in:										
Special revenue funds	1,044,951	1,478,440	1,530,408	2,189,346	2,068,446	1,610,914	1,151,093			
Capital projects funds					3,779,438	2,835,941	2,158,730			
Restricted for capital improvements								398,097	397,158	397,176
Restricted for affordable housing								628,868	551,931	485,175
Restricted for streets								327,317	351,173	344,747
Restricted for facilities								50,584	32,037	166,893
Restricted for public safety								125,782	132,025	319,186
Restricted for parks								2,150	2,152	150
Restricted for debt service								1,708		
Total all other governmental funds	1,044,982	1,478,479	1,530,435	2,189,380	5,847,884	4,446,855	3,309,823	1,534,506	1,466,476	1,713,327
Total Governmental funds	\$3,766,320	\$3,828,502	\$3,323,235	\$4,074,954	\$7,558,519	\$5,836,078	\$4,242,827	\$ 1,550,962	\$2,424,568	\$ 4,178,758

(1) The City of Calistoga implemented GASB 54 in fiscal year 2011; implementation is done prospectively as the City did not have the information to restate prior year fund balance classifications.

CITY OF CALISTOGA  
Schedule 4  
Revenues, Expenditures and Changes in Fund Balances and Debt Service Ratio of Governmental Funds  
Last Ten Fiscal Years  
(modified accrual basis of accounting)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Revenues:</b>										
Property Taxes	\$ 744,203	\$ 701,580	\$ 1,173,543	\$ 1,328,829	\$ 1,460,792	\$ 1,709,998	\$ 1,654,593	\$ 1,685,427	\$ 1,635,425	\$ 1,685,766
Sales Taxes	680,882	722,655	653,118	738,597	819,647	842,610	670,909	796,563	965,528	1,021,131
Transient Occupancy Taxes	2,161,628	2,257,440	2,335,139	2,521,951	3,402,228	3,208,611	3,042,315	3,430,487	3,768,443	3,948,825
Other Taxes	299,836	301,445	321,774	335,687	329,146	311,292	292,758	312,778	323,873	326,135
Licenses and permits	80,133	106,223	271,812	170,366	81,325	89,315	65,849	65,022	64,458	81,436
Fines and forfeitures	52,206	64,052	61,429	56,830	49,296	49,810	42,577	53,486	55,989	33,075
Intergovernmental	1,111,737	883,870	1,343,240	662,032	1,345,393	2,984,116	1,869,131	1,324,812	338,865	382,499
Interest and rents	41,400	113,880	79,186	154,580	132,186	87,052	28,893	61,280	43,963	50,969
Charges for services	487,946	792,016	954,733	1,299,226	798,184	781,600	744,437	677,254	723,338	1,185,644
Other	164,296	180,529	89,646	158,434	194,074	396,083	146,261	229,222	209,747	213,665
<b>Total revenues</b>	<b>5,824,267</b>	<b>6,123,690</b>	<b>7,283,620</b>	<b>7,426,532</b>	<b>8,612,271</b>	<b>10,460,487</b>	<b>8,557,723</b>	<b>8,636,331</b>	<b>8,129,629</b>	<b>8,929,145</b>
<b>Expenditures</b>										
Current:										
General government	1,166,870	1,021,624	1,019,211	1,183,362	1,557,263	1,581,229	1,417,360	1,829,295	1,556,860	1,579,047
Public safety	2,360,410	2,478,584	2,551,645	2,501,429	2,882,855	3,107,158	3,063,619	3,054,689	2,895,021	3,048,884
Community services	216,844	215,452	234,089	344,778	181,426	272,543	373,314	363,846	305,753	308,744
Housing	120,881	59,177	464,850	141,891	113,019	1,883,387	1,364,524	123,490	124,195	68,041
Recreation Services	256,811	263,250	254,745	307,691	347,074	411,697	359,023	442,875	220,454	188,858
Public works	730,086	774,012	872,043	915,104	966,949	1,062,579	941,969	1,026,442	945,245	971,710
Planning and Building	326,255	417,365	571,572	599,406	604,125	694,241	616,410	602,200	395,207	414,528
Debt service:										
Debt Issuance Costs	-	-	-	-	22,720	-	-	-	-	-
Principal retirement	177,305	226,083	259,665	269,926	305,626	342,286	354,934	355,760	372,618	255,754
Interest and fiscal charges	91,738	92,959	84,397	74,117	63,416	329,392	270,472	295,855	277,011	221,411
Capital Outlay	582,292	385,302	1,386,070	368,609	2,658,646	3,997,786	1,104,295	2,373,936	100,771	89,095
<b>Total expenditures</b>	<b>6,029,492</b>	<b>5,933,808</b>	<b>7,698,287</b>	<b>6,706,313</b>	<b>9,703,119</b>	<b>13,682,298</b>	<b>9,865,920</b>	<b>10,468,388</b>	<b>7,193,135</b>	<b>7,146,072</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(205,225)</b>	<b>189,882</b>	<b>(414,667)</b>	<b>720,219</b>	<b>(1,090,848)</b>	<b>(3,221,811)</b>	<b>(1,308,197)</b>	<b>(1,832,057)</b>	<b>936,494</b>	<b>1,783,073</b>
Other financing sources (uses):										
Contractual settlements							720,154			
Transfers in	637,918	611,973	979,869	727,526	2,374,672	3,621,808	1,276,759	1,761,929	925,860	883,520
Transfers out	(829,418)	(739,673)	(1,070,469)	(696,026)	(2,474,259)	(3,720,062)	(2,281,967)	(2,621,737)	(988,747)	(912,403)
Issuance of bonds	-	-	-	-	4,674,000	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>(191,500)</b>	<b>(127,700)</b>	<b>(90,600)</b>	<b>31,500</b>	<b>4,574,413</b>	<b>(98,254)</b>	<b>(285,054)</b>	<b>(859,808)</b>	<b>(62,887)</b>	<b>(28,883)</b>
<b>Special Item: Contributions for Pool</b>	<b>339,216</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,597,624</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>\$ (57,509)</b>	<b>\$ 62,182</b>	<b>\$ (505,267)</b>	<b>\$ 751,719</b>	<b>\$ 3,483,565</b>	<b>\$ (1,722,441)</b>	<b>\$ (1,593,251)</b>	<b>\$ (2,691,865)</b>	<b>\$ 873,607</b>	<b>\$ 1,754,190</b>
<b>Debt service as a percentage of noncapital expenditures</b>	<b>4.9%</b>	<b>5.8%</b>	<b>5.5%</b>	<b>5.4%</b>	<b>5.2%</b>	<b>6.9%</b>	<b>7.1%</b>	<b>8.1%</b>	<b>9.2%</b>	<b>6.8%</b>



CITY OF CALISTOGA  
Schedule 5  
Transient Occupancy Tax  
Last Ten Fiscal Years

Fiscal Year Ended June 30	Gross Receipts (1)	Exemptions & Credits (1)	Net Taxable Receipts	Transient Occupancy Tax (TOT) 12% (2)	Sales Tax Credit (2)	Net TOT Collected	% Net TOT Collected
2004	\$ 18,370,760	\$ 11,983	\$18,358,777	\$ 2,203,053	\$ 7,094	\$ 2,195,932	99.68%
2005	18,702,135	32,873	18,656,960	2,238,835	6,538	2,229,487	99.58%
2006	19,531,658	16,878	19,517,807	2,342,137	6,170	2,336,107	99.74%
2007	21,080,493	27,893	21,052,600	2,526,312	4,361	2,521,951	99.83%
2008	28,398,487	28,275	28,370,212	3,404,425	2,197	3,402,228	99.94%
2009	26,936,630	61,322	26,775,308	3,213,037	4,426	3,208,611	99.86%
2010	25,374,509	21,884	25,352,625	3,042,315	-	3,042,315	100.00%
2011	28,602,072	14,681	28,587,391	3,430,487	-	3,430,487	100.00%
2012	31,419,307	15,615	31,403,692	3,768,443	-	3,768,443	100.00%
2013	32,920,499	8,075	32,912,424	3,948,825	-	3,948,825	100.00%

(1) Source: City of Calistoga Transient Occupancy Tax Data

CITY OF CALISTOGA

Schedule 6

Principal Transient Occupancy Tax Payers - In Alphabetical Order  
Last Ten Years

Operator	Type	Rooms											
		2004	2005	2006	2007	2008	2009	2010	2011	2012	2013		
Calistoga Spa	Hotel Resort	57	57	57	57	57	57	57	57	57	57	57	57
**Calistoga Village Inn & Spa	Hotel Resort	41	41	41	41	41	41	41	41	41	41	41	0
Cottage Grove Inn	Inn/Motel	16	16	16	16	16	16	16	16	16	16	16	16
**Eurospa Inn	Inn/Motel												0
Golden Haven	Hotel Resort	31	31	31	31	31	31	31	31	31	31	31	31
Indian Springs & Lodge	Hotel Resort	16	16	40	40	40	40	40	40	40	40	40	40
Lodge at Calistoga	Inn/Motel	55	55	55	55	55	55	55	55	55	55	55	55
Mt. View Hotel	Hotel Resort	33	33	33	33	33	33	33	33	33	33	33	33
Roman Spa	Hotel Resort	61	61	61	61	61	61	60	60	60	60	60	60
Solage Calistoga	Hotel Resort	34	34	34	34	34	34	34	34	34	34	34	34
Stevenson Manor Inn	Inn/Motel	42	42	42	42	42	42	42	42	42	42	42	42
Wilkinson's Hot Springs	Hotel Resort												
<b>Total Top Ten Operators - Rooms</b>		<b>386</b>	<b>386</b>	<b>410</b>	<b>410</b>	<b>499</b>	<b>498</b>	<b>498</b>	<b>498</b>	<b>498</b>	<b>469</b>	<b>469</b>	<b>457</b>
<b>Total Rooms</b>		<b>614</b>	<b>614</b>	<b>605</b>	<b>602</b>	<b>690</b>	<b>690</b>	<b>690</b>	<b>690</b>	<b>688</b>	<b>688</b>	<b>688</b>	<b>690</b>
<b>As % of Total Rooms-All Operators</b>		<b>63%</b>	<b>63%</b>	<b>67%</b>	<b>68%</b>	<b>72%</b>	<b>72%</b>	<b>72%</b>	<b>72%</b>	<b>68%</b>	<b>68%</b>	<b>68%</b>	<b>66%</b>
<b>Total Net Transient Occupancy Tax Revenues</b>		<b>\$ 2,195,932</b>	<b>\$ 2,229,487</b>	<b>\$ 2,336,107</b>	<b>\$ 2,521,951</b>	<b>\$ 3,402,228</b>	<b>\$ 3,208,611</b>	<b>\$ 3,042,315</b>	<b>\$ 3,430,487</b>	<b>\$ 3,768,443</b>	<b>\$ 3,948,825</b>	<b>\$ 3,948,825</b>	<b>\$ 3,948,825</b>
<b>Total Top Ten Operator Tax Revenues</b>		<b>\$ 1,601,614</b>	<b>\$ 1,636,350</b>	<b>\$ 1,731,547</b>	<b>\$ 1,894,261</b>	<b>\$ 2,625,920</b>	<b>\$ 2,577,200</b>	<b>\$ 2,581,676</b>	<b>\$ 2,901,223</b>	<b>\$ 3,210,522</b>	<b>\$ 3,359,920</b>	<b>\$ 3,359,920</b>	<b>\$ 3,359,920</b>
<b>As % of Total Tax Revenue</b>		<b>73%</b>	<b>73%</b>	<b>74%</b>	<b>75%</b>	<b>77%</b>	<b>80%</b>	<b>85%</b>	<b>85%</b>	<b>85%</b>	<b>85%</b>	<b>85%</b>	<b>85%</b>

\*\*Eurospa Inn in 2011 became one of the Top Ten Operators and Calistoga Village Inn & Spa dropped out of the Top Ten Operators in 2011

Source: City of Calistoga Transient Occupancy Tax Data

City of Calistoga  
Schedule 7  
Ratios of Outstanding Debt by Type  
Last Ten Fiscal Years

<b>Governmental Activities</b>	
Fiscal Year Ended June 30	Capital Lease Obligation
2004	\$ 1,879,085
2005	1,692,835
2006	1,498,799
2007	2,616,567
2008	7,046,648
2009	6,066,111
2010	5,720,826
2011	5,559,954
2012	5,085,044
2013	4,735,348
	\$ 1,879,085
	1,692,835
	1,498,799
	2,616,567
	7,046,648
	6,066,111
	5,720,826
	5,559,954
	5,085,044
	4,735,348

<b>Business-type Activities</b>					
Fiscal Year Ended June 30	Water Revenue Bonds	Installment Agreements	State Revolving Fund Loan	Certificates of Participation	Total Business-type Activities
2004	\$ 3,765,000	\$ 3,400,000	\$ 4,605,173	-	\$ 11,770,173
2005	3,646,000	3,335,000	5,405,688	2,028,500	14,415,188
2006	-	8,560,000	5,174,038	2,008,300	15,742,338
2007	-	8,335,000	4,935,660	1,987,300	15,257,960
2008	-	8,120,000	4,710,318	4,476,770	17,307,088
2009	-	7,895,000	4,469,195	4,430,800	16,794,995
2010	-	7,665,000	4,221,803	4,382,000	16,268,803
2011	-	7,430,000	3,967,979	4,085,200	15,483,179
2012	-	7,180,000	3,707,556	3,948,402	14,835,958
2013	-	6,925,000	3,440,362	6,206,042	16,571,404

Fiscal Year Ended June 30	Total Primary Government	As Percentage of Assessed	Debt Per Capita [2]	Fiscal Year Ended June 30	Assessed Valuation (1)	Population (2)
2004	\$ 13,649,258	3.32%	2,787	2004	\$ 437,107,799	5,201
2005	16,108,023	3.44%	3,091	2005	468,922,260	5,211
2006	17,241,137	3.68%	3,309	2006	513,781,017	5,215
2007	17,874,527	3.48%	3,428	2007	569,996,414	5,252
2008	24,353,736	4.27%	4,637	2008	618,539,567	5,302
2009	22,861,106	3.70%	4,312	2009	696,275,569	5,331
2010	21,989,629	3.16%	4,125	2010	654,464,952	5,370
2011	21,043,133	3.22%	3,919	2011	651,533,812	5,155
2012	19,921,002	3.06%	3,864	2012	676,866,460	5,258
2013	21,306,752	3.15%	4,052	2013	686,878,025	5,194

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

[1] Source: Napa County Auditor-Controller

[2] Source: U.S. State Department of Finance

City of Calistoga  
Schedule 8  
Direct and Overlapping Debt  
June 30, 2013

2012-13 Assessed Valuation (Secured & Unsecured):      \$ 676,866,460      (1)

	<u>Total Debt</u> <u>6/30/2013</u>	<u>% Applicable (1)</u>		<u>City's Share of</u> <u>Debt 6/30/13</u>
Napa Joint Community College District	109,143,005	2.434%	\$	2,656,541
Calistoga Joint Unified School District	17,645,316	34.349%	\$	6,060,990
<b>Total overlapping tax and assessment debt</b>			<b>\$</b>	<b>8,717,530</b>
 <u>DIRECT DEBT:</u>				
City of Calistoga Lease/Certificates of Participation	4,735,348	100.000%	\$	4,735,348
<b>Total direct debt</b>			<b>\$</b>	<b>4,735,348</b>

OVERLAPPING GENERAL FUND DEBT:

Napa County Certificates of Participation	23,805,000	2.455%	\$	584,413
Napa County Board of Education Certificates of Participation	3,060,000	2.455%	\$	75,123
Calistoga Joint Unified School District Certificates of Participation	760,000	34.349%	\$	261,052
<b>Total overlapping general fund debt</b>			<b>\$</b>	<b>920,589</b>
Total direct debt				4,735,348
Total overlapping debt				9,638,119
<b>Combined debt</b>				<b><u>\$ 14,373,467</u></b> (3)

Ratios to 2012-13 Assessed Valuation (Secured & Unsecured):

Total overlapping tax and assessment debt	1.29%
Total direct debt	0.70%
Combined Total Debt	2.12%

STATE SCHOOL BUILDING AID REPAYABLE AS OF 6/30/13

\$ -

- (1) Percentage of overlapping agency's assessed valuation located within boundaries of the City.
- (2) Includes all Governmental Activities long-term debt less estimate of compensated absences and Claims & Settlements
- (3) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and tax allocation bonds and non-bonded capital lease obligations.

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

City of Calistoga  
Schedule 9  
Legal Debt Margin Information  
Last Ten Fiscal Years

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Assessed valuation (Secured)	437,107,799	468,922,260	513,781,017	569,996,414	618,539,567	696,275,569	654,464,952	654,464,952	651,533,812	676,866,460
Conversion percentage	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%
Adjusted assessed valuation	\$ 109,276,950	\$ 117,230,565	\$ 128,445,254	\$142,499,104	\$154,634,892	\$ 174,068,892	\$163,616,238	\$ 163,616,238	\$ 162,883,453	\$ 169,216,615
Debt limit percentage	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
<b>Debt limit</b>	<b>16,391,542</b>	<b>17,584,585</b>	<b>19,266,788</b>	<b>21,374,866</b>	<b>23,195,234</b>	<b>26,110,334</b>	<b>24,542,436</b>	<b>24,542,436</b>	<b>24,432,518</b>	<b>25,382,492</b>
Total net debt applicable to limit: Capital Lease Obligations	1,879,085	1,692,835	1,498,799	1,944,914	6,396,183	6,066,111	5,720,826	5,559,954	5,085,044	4,735,348
Legal debt margin	\$ 14,512,457	\$ 15,891,750	\$ 17,767,989	\$ 19,429,952	\$ 16,799,051	\$ 20,044,223	\$ 18,821,610	\$ 18,982,482	\$ 19,347,474	\$ 20,647,144
<b>Total debt applicable to the limit as a percentage of debt limit</b>	<b>11.5%</b>	<b>9.6%</b>	<b>7.8%</b>	<b>9.1%</b>	<b>27.6%</b>	<b>23.2%</b>	<b>23.3%</b>	<b>22.7%</b>	<b>20.8%</b>	<b>18.7%</b>

The Government Code of the State of California provides for a legal debt limit of 15% of gross assessed valuation. However, this provision was enacted when assessed valuation was based upon 25% of market value. Effective with the 1981-82 fiscal year, each parcel is now assessed at 100% of market value (as of the most recent change in ownership for that parcel). The computations shown above reflect a conversion of assessed valuation data for each fiscal year from the current full valuation perspective to the 25% level that was in effect at the time that the legal debt margin was enacted by the State of California for local governments located within the state.

Source: City of Calistoga  
Napa County Tax Assessor's Office

City of Calistoga  
Schedule 10  
Pledged Revenue Coverage Water  
Last Ten Fiscal Years

Fiscal Year	Water Revenues	Less Operating Expenses	Pledged Available Revenue	1972 Water Rev Bonds		1983 Water Rev Bonds		2005 Install Purch Agmt	
				Principal	Interest	Principal	Interest	Principal	Interest
2004	\$1,560,680	\$1,447,167	\$113,513	\$8,000	\$4,200	\$105,000	\$186,875	\$ -	\$ -
2005	1,681,445	1,368,910	312,535	9,000	2,000	110,000	181,500	-	-
2006	1,935,441	1,610,818	324,623	-	-	-	-	-	86,921
2007	2,208,585	1,705,789	502,796	-	-	-	-	155,000	216,030
2008	2,488,885	1,828,326	660,559	-	-	-	-	145,000	212,307
2009	2,168,369	1,923,391	244,978	-	-	-	-	150,000	208,159
2010	2,090,136	2,201,394	(111,258)	-	-	-	-	155,000	203,898
2011	2,100,472	2,358,922	(258,450)	-	-	-	-	155,000	199,149
2012	2,238,937	2,334,625	(95,688)	-	-	-	-	165,000	194,005
2013	2,359,606	2,023,640	335,966	-	-	-	-	170,000	191,284

2008 Certificate of Participation (COPS) (1)

2011 Certificate of Participation (COPS)

Fiscal Year	Measure A Sales Tax Allocations	Debt Service Principal	Debt Service Interest	Coverage	Fiscal Year	Water CIP Revenues	Debt Service Principal	Debt Service Interest	Coverage
2005	-	-	-	-	2005	-	-	-	-
2006	-	-	-	-	2006	-	-	-	-
2007	-	-	-	-	2007	-	-	-	-
2008	-	-	-	-	2008	-	-	-	-
2009	125,659	23,170	102,489	1.00	2009	-	-	-	-
2010	133,850	25,000	108,850	1.00	2010	-	-	-	-
2011	373,549	272,000	101,549	1.00	2011	-	-	-	-
2012	359,324	269,444	89,880	1.00	2012	-	-	-	-
2013	113,068	29,000	84,068	1.00	2013	656,613	56,000	4,054	0.10

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements. Operating Expenses do not include depreciation and amortization expenses.

(1) The Measure A Sales Tax Allocations revenues available for the 2008 COPS are only available through 2018 per an agreement with the County of Napa.

City of Calistoga  
Schedule 11  
Pledged Revenue Coverage Wastewater

Last Ten Fiscal Years

Fiscal Year	Wastewater Revenues	Less Operating Expenses	Pledged Available Revenue	2001 Install Purch Agmt		2005 Revolving Fund Loan		2005 Certificates of Participation (COPS)		
				Principal	Debt Service Interest	Principal	Debt Service Interest	Principal	Debt Service Interest	Coverage
2004	\$ 1,638,391	\$ 1,673,876	\$ (35,485)	\$ 65,000	\$ 161,724	\$ -	\$ -	\$ -	\$ -	(0.16)
2005	1,754,074	1,642,859	111,215	65,000	159,693	204,311	121,631	-	-	0.20
2006	1,824,557	2,013,458	(188,901)	65,000	157,694	231,651	131,939	20,200	72,394	(0.28)
2007	1,903,253	1,837,345	65,908	70,000	155,001	229,066	134,283	21,000	85,353	0.09
2008	2,054,836	1,842,048	212,788	70,000	153,083	234,652	128,327	21,700	84,460	0.31
2009	1,968,055	1,901,447	66,608	75,000	150,434	241,123	122,468	22,800	83,538	0.10
2010	1,939,637	1,803,556	136,081	75,000	147,602	247,392	116,199	23,800	82,569	0.20
2011	1,951,912	1,719,373	232,539	80,000	142,577	253,824	109,767	24,800	81,558	0.34
2012	2,129,370	1,670,785	458,585	85,000	141,234	260,423	103,167	25,700	80,504	0.66
2013	2,281,513	1,725,797	555,716	85,000	137,665	267,194	96,396	27,000	79,411	0.80

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements. Operating Expenses do not include depreciation and amortization expenses.

City of Calistoga  
Schedule 12  
Demographic and Economic Statistics  
Last Ten Calendar Years

Fiscal Year	Population (1)	Personal Income (in thousands) (2)	Per Capita Personal Income (2)	Unemployment Rate (2)
2003	5,248	5,054,437	37,677	4.4%
2004	5,201	5,384,000	38,352	4.7%
2005	5,211	Unavailable	Unavailable	4.4%
2006	5,215	Unavailable	Unavailable	3.9%
2007	5,252	Unavailable	Unavailable	4.1%
2008	5,302	Unavailable	Unavailable	4.9%
2009	5,331	Unavailable	Unavailable	8.2%
2010	5,370	Unavailable	Unavailable	9.8%
2011	5,155	Unavailable	Unavailable	10.3%
2012	5,258	Unavailable	Unavailable	9.0%
2013	5,194	Unavailable	Unavailable	6%

Sources:

- (1) US Census for 2010, State Department of Finance 2001-2013
- (2) State of California Employment Development Department for Napa County



CITY OF CALISTOGA  
Schedule 13

Principal Employers - In alphabetical order  
Last Three Fiscal Years

Employer	# of Employees		
	2011	2012	2013
1 Solage Spa & Resort	284	287	320
2 Calistoga Joint Unified School District	105	107	105
3 Indian Springs	87	96	98
4 Calistoga Spa Hot Springs	88	78	100
5 City of Calistoga	61	56	54
6 Cal Mart	65	61	65
7 Calistoga Inn Restaurant	50	50	50
8 Brannans	32	42	46
9 Golden Haven Spa	40	40	41
10 Mount View Hotel And Spa	35	33	33

Source: City of Calistoga Business License Applications

[1] Historic and detail information is unavailable for City Businesses prior to 2011.

City of Calistoga  
Schedule 14  
Full-time and Part-time City Employees  
by Function  
Last Ten Fiscal Years

Function	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Elected Officials [1]	7	7	5	5	5	5	5	5	5	5
<b>Staff Positions - Full and Part Time</b>										
Support Services	7.50	7.50	7.50	7.50	8.10	7.27	6.50	6.50	5.50	5.50
Community Services & Recreation	5.30	5.16	5.16	3.02	4.42	7.61	7.00	9.50	6.50	6.50
Fire Services	4.51	4.78	4.78	5.80	7.31	6.71	6.00	7.00	7.00	7.00
Planning & Building	3.00	3.00	3.00	5.00	5.40	5.10	4.00	3.00	3.00	2.50
Police Services	18.12	17.24	17.24	17.94	17.94	18.39	17.00	16.00	15.00	14.50
Public Works	19.17	19.88	19.88	19.88	20.88	21.88	19.00	19.00	18.50	18.00
<b>Total All Full Time &amp; Part Time Equivalent Staff Positions</b>	<b>57.60</b>	<b>57.56</b>	<b>57.56</b>	<b>59.14</b>	<b>64.05</b>	<b>66.96</b>	<b>59.50</b>	<b>61.00</b>	<b>55.50</b>	<b>54.00</b>
Total All Full Time Staff Positions	50	51	51	53	57	58	51	50	43	44
Total Part Time Equivalent Positions [2]	7.6	6.57	5.7	6.14	7.05	8.96	8.5	11	12.5	10

Source: City of Calistoga Quarterly Payroll Reports

[1] Elected City Clerk and Treasurer positions are appointed as of end of term in November 2004.

[2] 2080 Part-time hours calculated as 1 Full Time Position. Fire Part-time is calculated at 2,912 hours

City of Calistoga  
Schedule 15  
Operating Indicators by Function  
Last Ten Fiscal Years

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Police:</b>										
Calls for Service	7,273	6,779	7,146	10,072	7,439	7,305	6,346	6063	5613	7534
Part one crimes	182	176	162	166	155	160	156	115	81	103
Physical arrests	388	365	401	615	531	549	418	404	304	214
Traffic violations	305	271	374	325	351	387	523	481	406	321
<b>Fire:</b>										
Calls for service	609	874	862	880	1022	1021	980	1000	980	1010
<b>Water System:</b>										
Service connections	1,449	1,480	1,491	1,503	1,521	1,524	1,524	1,524	1,378	1,419
Fire hydrants	155	160	185	160	162	162	162	164	163	172
Est. Daily average gallons produced	716,200	674,000	714,000	714,244	720,930	679,930	670,449	670,449	632,903	642,000
Est. Maximum daily available gallons	1,760,000	1,760,000	1,760,000	1,760,000	1,760,000	1,872,000	1,872,000	1,872,000	1,864,393	1,864,393
Est. Gallons of storage capacity	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	2,500,000
<b>Wastewater:</b>										
Service connections	1,263	1,293	1,305	1,314	1,330	1,333	1,333	1,334	1,334	1,016
Est. Treatment plant-average dry weather flow in gallons	510,000	500,000	490,000	490,000	490,000	490,000	490,000	490,000	500,000	500,000
Est. Maximum daily permit dry weather flow in gallons	840,000	840,000	840,000	840,000	840,000	840,000	840,000	840,000	840,000	840,000

Source: City of Calistoga

City of Calistoga  
Schedule 16  
Capital Asset Statistics  
by Function

Last Ten Fiscal Years	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Police:</b>										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Vehicles	6	6	6	7	8	8	7	7	7	6
<b>Fire:</b>										
Fire stations	1	1	1	1	1	1	1	1	1	1
Number of in service apparatus	7	7	7	7	4	6	6	8	8	7
<b>Public works:</b>										
Streets (miles)	14.4	14.4	14.4	14.4	14.4	15	15	15	15	15
Streetlights and vintage street lights	325	325	325	325	325	325	325	325	325	359
Traffic signals	2	2	2	2	2	2	2	2	2	2
<b>Parks and Recreation:</b>										
Parks (Logvy, Pioneer, Heather, Fireman's & Cyrus Creek)	5	5	5	5	5	6	6	6	6	6
Community Pool	-	-	-	-	-	1	1	1	1	1
Community and Teen Centers	2	2	2	2	2	2	2	2	2	2
Park acreage developed	9.1	9.1	9.1	9.1	9.1	14.6	14.6	15	15	15
Park acreage undeveloped	5	5	5	5	5	1.6	1.6	2	2	2
Tennis Courts	3	3	3	3	3	3	3	3	3	3
Community Garden	1	1	1	1	1	1	1	1	1	1
Museum	1	1	1	1	1	1	1	1	1	1
<b>Water System:</b>										
Water mains (miles)	32	32	32	36	36	36	36	36	36	36
Service connections	1,449	1,480	1,491	1,503	1,521	1,524	1,524	1,524	1,378	1,419
Fire hydrants	155	160	185	160	162	162	162	164	163	172
Est. Daily average gallons produced	716,200	674,000	714,000	714,244	720,930	679,930	670,449	670,449	632,903	642,000
Est. Maximum daily available gallons	1,760,000	1,760,000	1,760,000	1,760,000	1,760,000	1,872,000	1,872,000	1,872,000	1,864,393	1,864,393
Est. Gallons of storage capacity	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	2,500,000
<b>Wastewater:</b>										
Sanitary sewers (miles)	14	14	14	16	16	16	16	16	16	16
Service connections	1,263	1,293	1,305	1,314	1,330	1,333	1,333	1,334	1,334	1,019
Est. Treatment plant-average dry weather flow in gallons	510,000	500,000	490,000	490,000	490,000	490,000	490,000	490,000	500,000	500,000
Est. Maximum daily permit dry weather flow in gallons	840,000	840,000	840,000	840,000	840,000	840,000	840,000	840,000	840,000	840,000

Source: City of Calistoga

CITY OF CALISTOGA  
COMPREHENSIVE ANNUAL FINANCIAL  
REPORT  
FOR FISCAL YEAR ENDED JUNE 30, 2013

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PREPARED BY THE FINANCE DEPARTMENT