

CITY OF



CALISTOGA, CALIFORNIA



COMPREHENSIVE ANNUAL
FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

CITY OF CALISTOGA, CALIFORNIA

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

Prepared by the Administrative Services Department

CITY OF CALISTOGA, CALIFORNIA
Comprehensive Annual Financial Report
For the
Fiscal Year Ended June 30, 2015

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INTRODUCTORY SECTION



CITY OF CALISTOGA

1232 Washington Street • Calistoga, CA 94515
707.942.2800



December 31, 2015

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, 2015. The fiscal year covers financial transactions from July 1, 2014 to June 30, 2015 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, 2015, 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 unmodified audit opinion that the City of Calistoga's financial statements for the fiscal year ended June 30, 2015 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 5,261 as of January 1, 2015. 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.

Six years after the official end of the recession, the City's revenues have started to increase. About 80% of the City's general fund revenues come from the local transient occupancy tax, sales tax, and property taxes. As the City looks ahead to fiscal year 2015-16, management is encouraged by indicators that the local economy will continue to grow; however, uncertainty at the state, national and international levels remains.

Reductions in staffing and service levels, along with deferred maintenance of City facilities, during past economic downturns means that although currently the City is able to maintain and in some cases, improve on its level of services there will be critical, unfunded capital and maintenance needs.

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 2016, 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 a modest

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 2016. The City experienced a net taxable value increase of 4.8% for the 2014/15 tax roll, which is more than the 2013/14 increase of 3%. The Consumer Price Index for 2014-15 was the normal 2% inflation applied to all parcels that have not been reduced under Proposition 8 according to the City's consultants Hdl Companies. Preliminary estimates indicate the CPI adjustment for property taxes for 2015-16 is likely to reach 3.2%. . 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 2015 the City's general fund will have a fund balance of about \$6.6 million as compared to \$4.9 million in June 2014. Of the \$6.6 million approximately \$.6 million is non-spendable. The remaining \$6.0 million is available for spending in fiscal year 2016.

For fiscal year 2015 the City had an operating income loss of \$.4 million for the enterprise funds as compared to \$.2 million in fiscal year 2014. 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 of Calistoga, along with most of the State is experiencing the effects of a prolonged drought. The City Council has declared a Stage II emergency and has called for mandatory practices for all water users to reduce overall water consumption by 20 percent. While adequate supplies of water exist, the financial impact of reduced water sales for fiscal year 2015 was \$300,000 or 6% less in revenues than in 2014 and expenditures were \$100,000 less in fiscal year 2015 or 2% less than in 2014. Accordingly contingency funds from the general fund have been set aside to address the unanticipated impact of the drought.

The 2015-16 budget as adopted by Council begins to address certain critical unmet needs, including prefunding of other post-employment benefits (OPEB) liabilities and increases in retirement benefits. It also includes enhanced funding for street maintenance and unanticipated needs in the enterprise funds.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Calistoga for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2014. 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. The City has received the award for the year ended June 30, 2012, June 30, 2013 and June 30, 2014.

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.

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.

Respectfully submitted,



Richard Spitler
City Manager



Gloria Leon
Administrative Services Director/City Treasurer

**CITY OF CALISTOGA, CALIFORNIA
PRINCIPAL CITY OFFICIALS
AS OF JUNE 30, 2015**

Elected Officials

City Council

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

Mayor
Vice Mayor
Councilmember
Councilmember
Councilmember

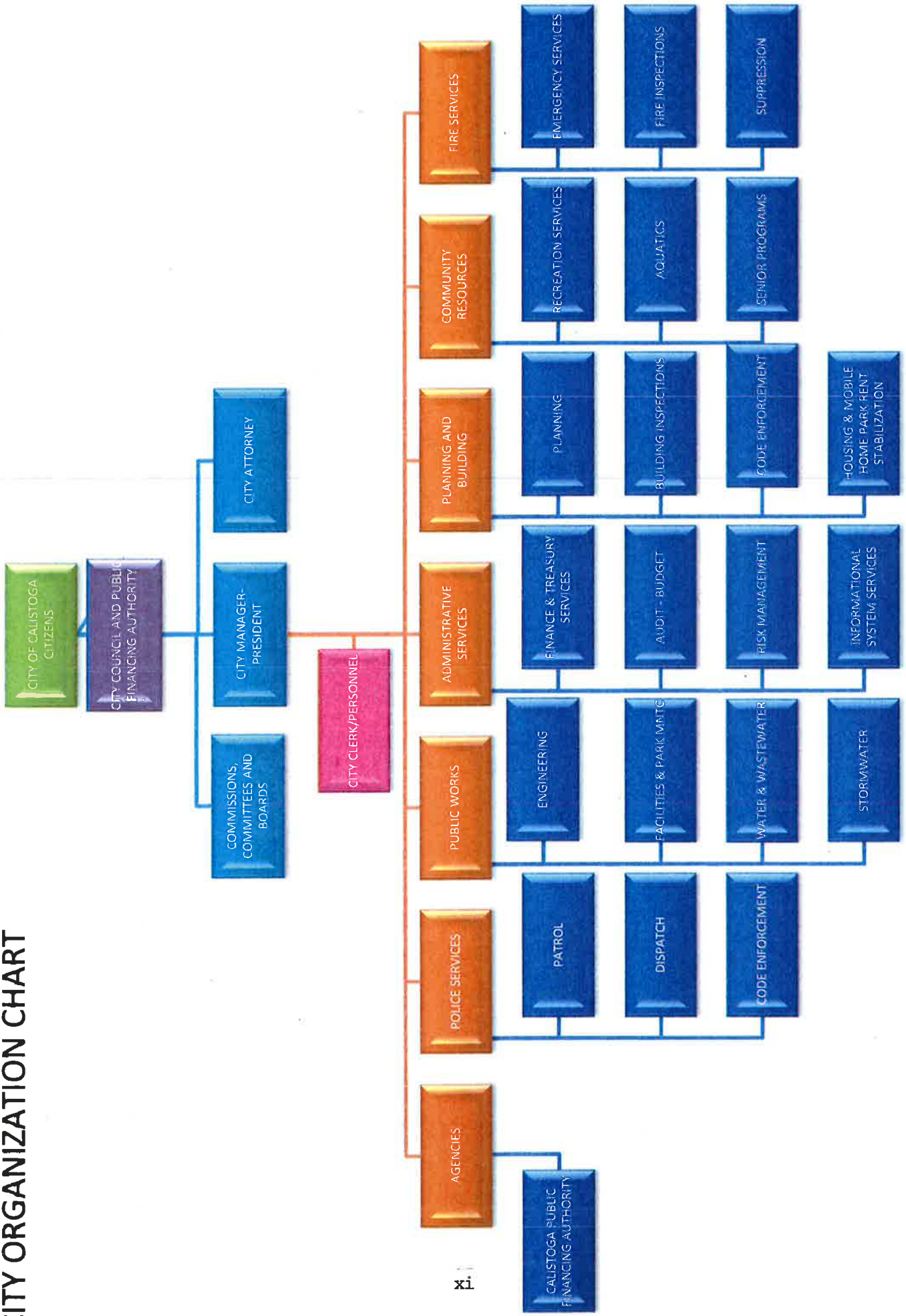
Appointed Officials

City Management Staff

Richard Spittler
Michelle Marchetta Kenyon
Mitch Celaya
Lynn Goldberg
Steve Campbell
Kathy Flamson
Gloria Leon
Michael Kirn, P.E.

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

FISCAL YEAR 2014/15 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, 2014

Executive Director/CEO

FINANCIAL SECTION

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



R. J. RICCIARDI, INC.
CERTIFIED PUBLIC ACCOUNTANTS

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, 2015, 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, 2015, 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.

Change in Accounting Principles

Management adopted the provisions of the following Governmental Accounting Standards Board Statements, which became effective during the year ended June 30, 2015 and required the restatement of net position as discussed in the notes to the financial statements:

Statement No. 68 – *Accounting and Financial Reporting for Pensions*

Statement No. 71 – *Pension Transition for Contributions Made Subsequent to the Measurement Date*

The emphasis of this matter does not constitute modifications to our opinion.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, 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 introductory section, supplementary information and statistical section 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 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 4, 2015, 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

San Rafael, California
December 4, 2015

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, 2015. 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

In the fiscal year ended June 30, 2015, the City of Calistoga implemented Governmental Accounting Standards Board Statement No. 68, (GASB 68), *Accounting and Financial Reporting for Pensions*. The implementation of this pronouncement required a prior period adjustment and reduced the City's net position as of July 1, 2014 by \$9,357,882 million of which \$6,952,450 million was for governmental activities and \$2,405,432 million was for business-type activities.

- The City's total net position decreased by about \$6.2 million over fiscal year 2014 after conducting all City operations. There is an overall surplus of \$1.0 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, 2015, the assets of the City's Governmental Activities exceeded its liabilities at the close of the fiscal year by \$17.6 million (net position). Of that amount \$8.8 million was invested in capital assets net of related debt. Restricted funds account for \$7.4 million for capital projects, public safety, streets and housing. Unrestricted net position is about \$1.4 million.
- Overall City-wide revenues from all governmental and business-type activities decreased by \$1.4 million compared to the 2014 fiscal year for a 2015 total of \$16.0 million. Charges for Services decreased by \$.3 million; Transient occupancy taxes rose by \$.5 million and property, sales and other taxes increased by \$.1 million. Business-type activity revenues from grants and contributions decreased by \$1.5 million from the prior year.
- The City's total expense from all programs in fiscal 2015 decreased by \$.6 million compared to 2014.
- The General Fund reported a fund balance of \$7.2 million at the end of the 2015 year. Of this amount \$.6 million is non-spendable. In addition the General Fund had \$5.7 million in cash and investments compared to \$3.2 million at the end fiscal year 2014.
- The City business-type funds ended the 2015 fiscal year with net position of \$ 15.0 million, most of which is invested in the water and wastewater facilities and systems (net of related debt).
- The City business-type funds ended the fiscal 2015 year with an operating income loss of \$.4 million as compared to a loss of \$.2 million in fiscal 2014 year. Due to water conservation efforts, revenues were less than anticipated and additional expenditures were required in the conservation program to bring awareness to the community. In 2015 cash flows were insufficient to meet debt service principal and interest payments and debt ratio coverage.

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.

MANAGEMENT'S DISCUSSION AND ANALYSIS

- o *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.

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
Scope	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
Required financial statements	> 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
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	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
Type of inflow/outflow information	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:

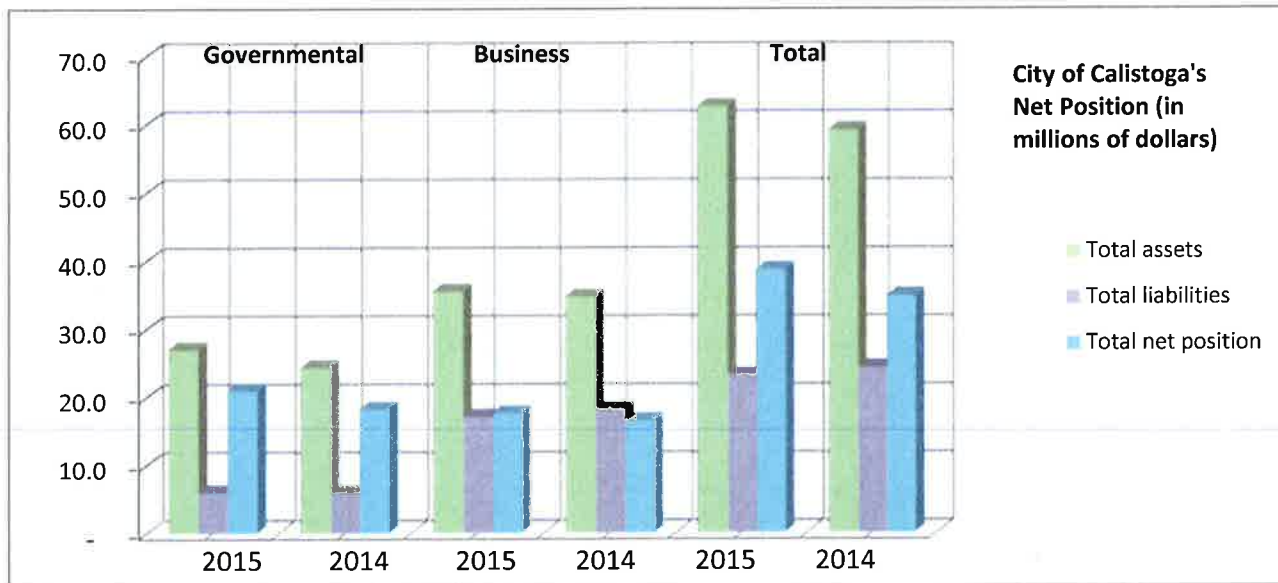
- *Governmental funds* – The City's basic services are included in governmental funds, which focus on (1) *how cash and other financial assets* that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds 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

MANAGEMENT'S DISCUSSION AND ANALYSIS

the City. The internal service funds are presented in a separate column alongside the totals for the City's proprietary enterprise funds.

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

Net Position. The City's combined net position decreased by \$6.2 million between fiscal years 2014 and 2015 to \$ 32.6 million.



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

	Governmental Activities		Business-type Activities		Fiscal Year Totals		Total Percentage Change
	2015	2014	2015	2014	2015	2014	2014 to 2015
Current and other assets	\$ 16.3	\$ 13.9	\$ 2.8	\$ 3.4	\$ 19.1	\$ 17.3	10.4%
Capital assets	13.0	13.2	31.3	31.6	44.3	44.8	-1.1%
Total assets	29.3	27.1	34.1	35.0	63.4	62.1	2.1%
Deferred outflows - pension	0.6	-	0.2	-	0.8	0.0	
Long-term debt outstanding	3.9	4.3	15.2	15.9	19.1	20.2	-5.4%
Other liabilities	8.7	1.7	4.1	1.3	12.8	3.0	326.7%
Total liabilities	12.6	6.0	19.3	17.2	31.9	23.2	37.5%
Deferred inflows - pension	(2.8)	-	(0.1)	-	(2.9)	0.0	
Net position							
Net Invested in capital assets	8.8	8.7	15.4	14.4	24.2	23.1	4.8%
Restricted	7.4	7.3	-	-	7.4	7.3	1.5%
Unrestricted	1.4	5.0	(0.4)	3.4	1.0	8.4	-88.1%
Total net position	\$ 17.6	\$ 21.0	\$ 15.0	\$ 17.8	\$ 32.6	\$ 38.8	-15.9%

**due to rounding figures are not exact

Changes in Net Position

The City's 2015 total revenues of \$16.0 million was \$1.4 million less than in 2014, an 8.3% decrease. This decrease was the result of water conservation efforts by the community and less grants and contributions available. During fiscal year 2015 approximately 49.32% of the City's total revenue came from various taxes including property, sales, transient occupancy, and other taxes as opposed to a total of 41.1% in 2014. Transient Occupancy Taxes saw an increase of \$.5 million or 13%; property taxes an increase of 2.4% due to reassessment of properties and sales tax went down by 3.5% 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 2015 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 Assets
(in millions of dollars)

	Governmental Activities		Business-type Activities		Fiscal Year Totals		Total Percentage Change
	2015	2014	2015	2014	2015	2014	2014 to 2015
Revenues							
Program revenues							
Charges for services	\$ 1.4	\$ 1.4	\$ 4.7	\$ 5.0	\$ 6.1	\$ 6.4	-3.9%
Grants and contributions	0.9	1.4	0.5	2.0	1.4	3.4	-57.1%
General revenues							
Transient occupancy taxes	5.0	4.5	-	-	5.0	4.5	13.0%
Property, Sales and other taxes	3.2	3.1	-	-	3.2	3.1	3.9%
Other	0.1	0.0	0.0	-	0.1	0.0	150.0%
**Total revenues	10.7	10.4	5.2	7.0	16.0	17.4	-8.3%
Expenses							
General government	1.7	1.5	-	-	1.7	1.5	12.7%
Public safety	2.5	3.1	-	-	2.5	3.1	-18.5%
Community services	0.5	0.5	-	-	0.5	0.5	0.0%
Housing	0.2	0.1	-	-	0.2	0.1	300.0%
Recreation services	0.3	0.3	-	-	0.3	0.3	-15.2%
Public works	1.1	1.2	-	-	1.1	1.2	-12.5%
Planning & building	0.6	0.7	-	-	0.6	0.7	-11.9%
Water	-	-	3.1	3.1	3.1	3.1	-1.9%
Wastewater	-	-	2.6	2.7	2.6	2.7	-5.9%
Other	0.2	0.3	-	-	0.2	0.3	-31.0%
**Total expenses	7.1	7.7	5.7	5.8	12.8	13.5	-5.1%
Excess (deficiency) before transfers and Special Items	3.6	2.8	(0.5)	1.1	3.1	3.9	-20.3%
Special items:							
Transfers	(0.1)	(0.1)	0.1	0.1	-	-	
Increase(decrease) in net position	3.5	2.7	(0.4)	1.2	3.1	3.9	-20.3%
Net position, beginning	14.1	18.3	15.4	16.6	29.5	34.9	-15.5%
Prior Period Adjustment	(7.0)	-	(2.4)	-	(9.4)	-	
**Net position, ending	\$ 10.7	\$ 21.0	\$ 12.6	\$ 17.8	\$ 23.3	\$ 38.8	-40.1%

**due to rounding figures are not exact

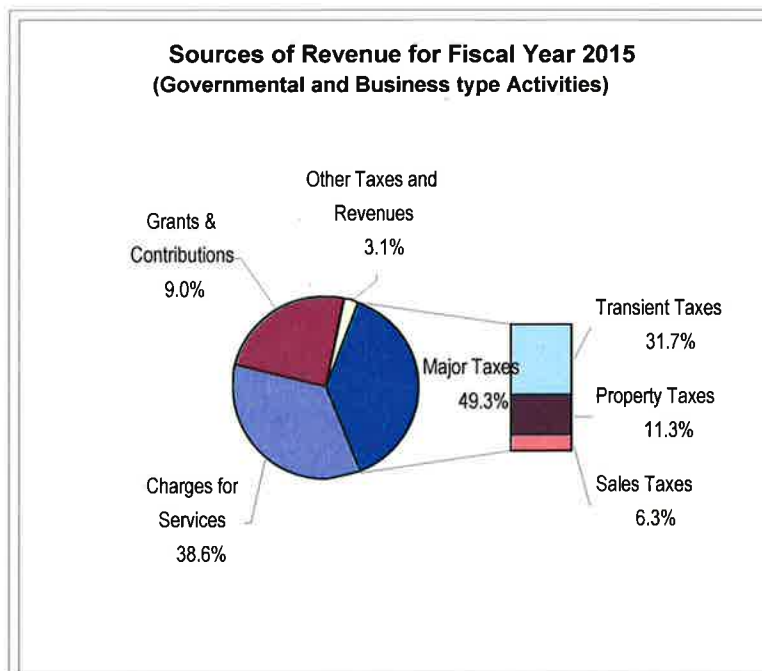
Governmental and Business-Type Activities

Revenues from all governmental type activities in fiscal year 2015 decreased by approximately \$ 1.4 million to \$16.0 million compared to \$ 17.4 million in 2014. In 2015 the City received \$2.0 million less in grants than in 2014. Overall there were increase in revenues attributed to the City's Transient Occupancy tax by \$.5 million; \$.1 million in property, sales and other taxes; and \$.1 in other revenues and interest earnings.

As the graph below shows, the City's primary sources of revenue come from charges for services and tax revenues. About 86% 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 \$3.5 million in net position before a prior period adjustment for 2014 of \$7.0 million for net pension liability as required by GASB 68. When compared to fiscal year 2014 overall expenses for fiscal year 2015 were \$.6 million less. The decrease in expenditures was due to the implementation of GASB 68, which changed the methodology by which current period pension expenses are reported.

Net position of business type-activities decreased by \$2.8 million due to water conservation efforts by the community, less grants available for projects and the prior period adjustment for 2014 of \$2.4 million for net pension liability as required by GASB 68. Capital grants and contributions include Measure A funds for the Kimball Dam Tower Capital Project and one-time impact fees; and expenditures decreased by \$.1 million to \$5.7 million when compared to 2014 at \$5.8 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 64 % of the City's total operating expenses in fiscal 2015.

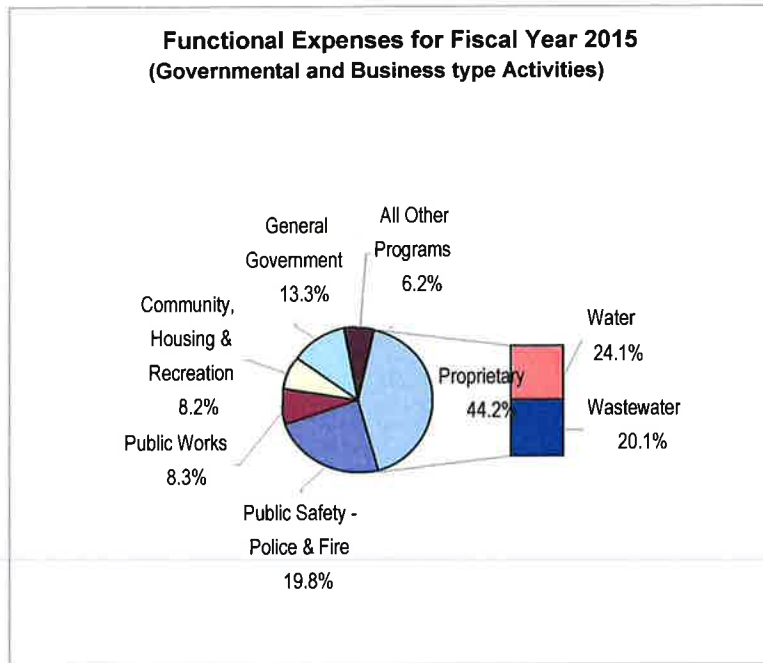


Table A-3 presents the cost of each of the City's five largest programs – public safety, public works, general administration, water and wastewater. The cost of all programs this year was \$ 12.8 million, compared to \$ 13.5 million in fiscal 2014; approximately an overall 5.1% decrease for the year. Though there were increases in Water due primarily to day-to-day operations and the purchase of water; increase in contracted services primarily litigation costs in General Government, the reporting of pension contributions offset the increases in the cost of programs.

	Total Cost of Services		Total Percentage Change
	2015	2014	2014 to 2015
Public Safety	\$2.5	\$3.1	-18.5%
General Government	1.7	1.5	12.6%
Public Works	1.1	1.2	-12.7%
Water	3.1	3.1	-1.7%
Wastewater	2.6	2.7	-2.3%
All other	1.8	1.9	-1.9%
Total	\$12.8	\$13.5	-5.1%

Governmental Activities

Users and contributors funded \$ 2.4 million of the \$ 7.1 million in costs of city's governmental activity programs leaving the City general revenues to fund the other \$ 4.7 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 \$1.4 million), and
- Other governments and organizations that subsidized certain programs with grants and contributions (approximately \$ 1.0 million).

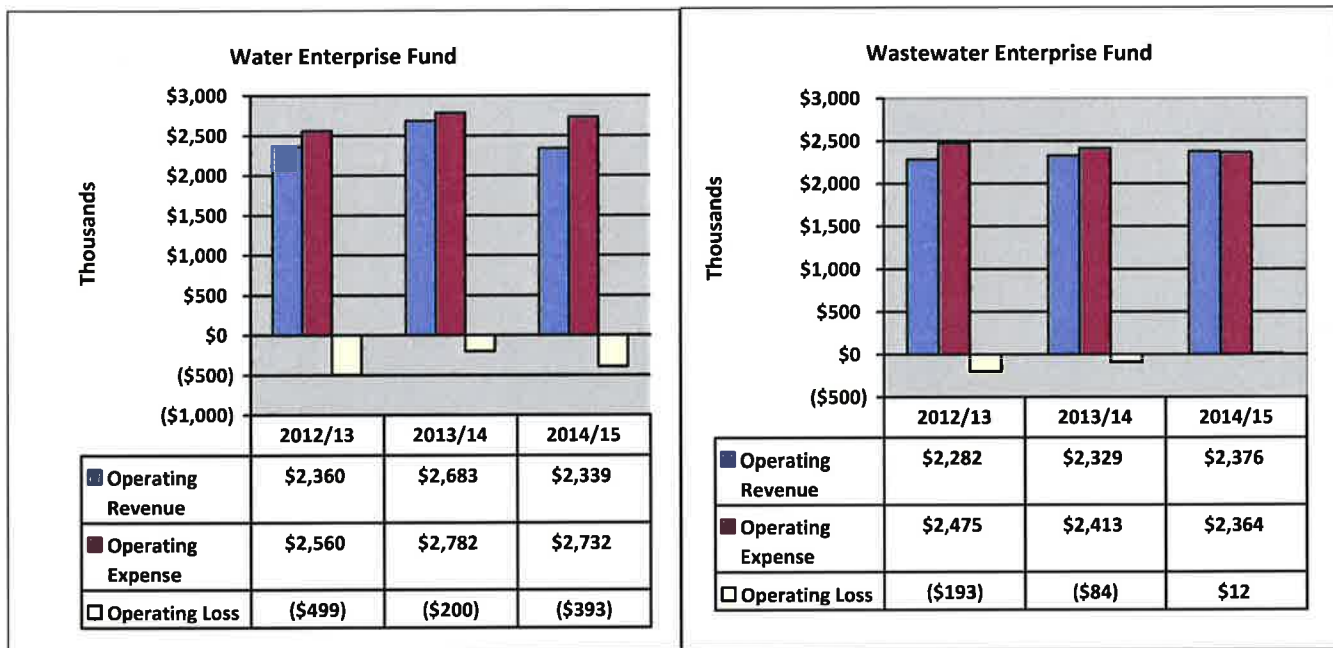
The City ended the fiscal year with a change in net position of \$3.5 million in the governmental activities.

Business-Type Activities

The City's business-type activities (water and wastewater) had a change in net position of (\$.4) million during the fiscal year. Total revenue for the business-type activities was \$5.2 million comprised of \$.5 million in capital grants and contributions and \$4.7million in charges for services. Total program revenues decreased by 33.3% in fiscal year 2015 when compared to fiscal year 2014. This was due to the water conservation efforts due to the drought and decrease of capital grants and contributions.

Total expenses for the year were \$5.7 million, a decrease of \$.1 million or 2%, from the prior year. Expenses were reduced due to the implementation of GASB 68 which changed the methodology by which current period pension expenses are reported.

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 water supply.

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 combined fund balance of \$15.4 million which is \$2.3 million more than was reported at the end of fiscal year 2014. The unearned revenue balances for the Home grant fund, CDBG open grant fund and Other governmental funds are being classified as non-spendable fund balances. Of this amount \$6.9 million is legally restricted for specific purposes by enabling legislation or external funding source providers and \$2.0 million are committed for specific purposes by the City Council. The remaining \$6.6 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 \$.7 million in revenues as compared to 2014 and the costs of the City's General Fund operations were \$2.3 million less than General Fund revenues. After transfers in and out, the General Fund reported a net \$ 2.3 million increase in fund balance for fiscal year 2015 as compared to \$2.1 million increase in fiscal year 2014. This was primarily due to additional revenues from property taxes, sales taxes, transient occupancy taxes and other taxes.

At year end, the City's General Fund had a fund balance of \$7.2 million. Of that amount \$.6 million is non-spendable. The City's General fund at June 30, 2015 had \$5.7 million in cash and investments as compared to \$3.2 million cash and investments available in fiscal year 2014.

The General fund had a transfer out of \$.9 million to cover debt service lease payments, subsidy to the water enterprise fund, reserves for unfunded public employee retirement system benefits and to the equipment replacement fund.

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 \$0 in excess cash for FY 14-15. 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, 2015 had \$3.5 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 37 first time homebuyer notes with a fund balance of \$2.2 million at June 30, 2015. 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 \$.2 million at June 30, 2015 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 2015 General Fund revenues came in at about \$.1 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 \$.6 million less than the final amended budget. The primary changes in the expenditure budget were legal services, capital outlay and non-departmental costs. The detailed budgetary comparison schedule for the general fund can be found on page 56 of this report.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2015, the City had invested \$ 44.3 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) This amount represents a net decrease (including additions and deductions) of about \$.5 million, or 1.1%, less than last fiscal year.

This year's major capital assets additions included:

In fiscal 2015, the City added \$.7 million in construction in progress costs to fixed assets for the water system. Current projects in progress are the Kimball By Pass Project, Pine Street Lift Station, and Effluent Disposal Improvements. 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 (\$.2 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 36 through Pages 38 under the notes to the financial statements.

	Governmental Activities		Business-type Activities		Fiscal Year Totals		Total Percentage Change
	2015	2014	2015	2014	2015	2014	2014 to 2015
Land	\$ 2.0	\$ 2.0	\$ 2.8	\$ 2.8	\$ 4.8	\$ 4.8	0.0%
Construction in progress	0.6	0.4	1.3	0.5	1.9	0.9	111.1%
Buildings	1.7	1.8			1.7	1.8	-5.6%
Machinery and equipment	-	0.1			-	0.1	-100.0%
Internal service equipment	0.7	0.8			0.7	0.8	-12.5%
Improvements	8.0	8.1			8.0	8.1	-1.2%
Water utility system			15.5	16.0	15.5	16.0	-3.1%
Wastewater system			11.7	12.3	11.7	12.3	-4.9%
Total	\$ 13.0	\$ 13.2	\$ 31.3	\$ 31.6	\$ 44.3	\$ 44.8	-1.1%

Long Term Debt

At the end of 2015, the City had \$ 20.2 million in long-term debt and capital lease obligations outstanding, which is a net decrease of \$.9 million from the prior year. Of the \$ 20.2 million, approximately 79% relates to the City's business-type activities, mainly the water and wastewater systems, and the remaining 21% 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 38 and 39 and Long-Term Debt Section F on Pages 39 through Pages 45 under the notes to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

For the 2015 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 2015/16 fiscal year excluding transfers are projected at .9% more as compared to 2014/15 budget projections for a total of \$9.5 million. The reason for the .9% increase is the additional transient occupancy revenues projected. Occupancy tax, property, tax and sales tax comprise 83.5 percent of the City's general fund revenue. Outside of the additional revenues transient occupancy 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 2015 budgeted operating appropriations adopted are \$7.8 million as compared to the final 2014 appropriations of \$7.4. The \$.4 million increase is due to public safety, deferred maintenance and recreation services.
- 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 water and wastewater rate studies 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.
- Because of the delay in the Silver Rose project there are insufficient funds to pay the entire debt service and staff recommendations for capital projects for both the Water and Wastewater Capital Funds. It was approved by the City Council to advance \$1M from the General Fund to the Wastewater Capital Fund.
- The City of Calistoga, along with most of the State is experiencing the effects of a prolonged drought. The City Council has declared a Stage II emergency and has called for mandatory practices for all water users to reduce overall water consumption by 20 percent. While adequate supplies of water exist, the financial impact of reduced water sales has not been fully realized. Accordingly contingency funds have been set aside to address the unanticipated impact of the drought.

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 Website at 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).

CITY OF CALISTOGA
Statement of Net Position
June 30, 2015

	Governmental Activities	Business Type Activities	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 7,846,812	\$ 2,500,423	\$ 10,347,235
Net receivables	1,297,315	759,176	2,056,491
Prepayment	60,769	-	60,769
Total current assets	<u>9,204,896</u>	<u>3,259,599</u>	<u>12,464,495</u>
Noncurrent assets:			
Restricted cash and cash equivalents	210,716	-	210,716
Internal balances	553,438	(553,438)	-
Receivables-long-term	6,298,896	10,091	6,308,987
Nondepreciable assets	2,675,011	4,092,496	6,767,507
Depreciable assets, net	10,363,798	27,251,379	37,615,177
Total capital assets, net	<u>13,038,809</u>	<u>31,343,875</u>	<u>44,382,684</u>
Total noncurrent assets	<u>20,101,859</u>	<u>30,800,528</u>	<u>50,902,387</u>
Total assets	<u>29,306,755</u>	<u>34,060,127</u>	<u>63,366,882</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources - pension	640,350	196,633	836,983
Total deferred outflows of resources	<u>640,350</u>	<u>196,633</u>	<u>836,983</u>
LIABILITIES			
Current liabilities:			
Accounts payable	389,341	604,536	993,877
Accrued liabilities	2,537	-	2,537
Compensated absences	157,785	62,854	220,639
Deposits	75,420	200,436	275,856
Accrued interest payable	87,529	202,275	289,804
Accrued expenses	-	18,226	18,226
Unearned revenues	-	25,531	25,531
Claims and settlements	91,406	-	91,406
Bonds, leases, agreements, notes and certificates due in one year	331,983	696,982	1,028,965
Total current liabilities	<u>1,136,001</u>	<u>1,810,840</u>	<u>2,946,841</u>
Noncurrent liabilities:			
Compensated absences	130,000	20,000	150,000
Net other post employment benefit obligation	791,241	-	791,241
Bonds, leases, agreements, notes and certificates due in more than one year	3,929,972	15,216,477	19,146,449
Net pension liability	6,641,154	2,264,168	8,905,322
Total noncurrent liabilities	<u>11,492,367</u>	<u>17,500,645</u>	<u>28,993,012</u>
Total liabilities	<u>12,628,368</u>	<u>19,311,485</u>	<u>31,939,853</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources - pension	(279,324)	(92,559)	(371,883)
Total deferred inflows of resources	<u>(279,324)</u>	<u>(92,559)</u>	<u>(371,883)</u>
NET POSITION			
Net investment in capital assets	8,776,854	15,430,416	24,207,270
Restricted for:			
Streets, recreation, capital projects	513,076	-	513,076
Public safety	396,777	-	396,777
Housing	6,530,337	-	6,530,337
Unrestricted	1,381,017	(392,582)	988,435
Total net position	<u>\$ 17,598,061</u>	<u>\$ 15,037,834</u>	<u>\$ 32,635,895</u>

See accompanying notes to the basic financial statements

CITY OF CALISTOGA
Statement of Activities
For the Fiscal Year Ended June 30, 2015

Functions/Programs	Program Revenues				Net (Expenses) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	City Government		
					Governmental Activities	Business-type Activities	Total
City government							
Governmental activities:							
General government	\$ 1,688,533	\$ 411,142	\$ -	\$ -	\$ (1,277,391)	\$ -	\$ (1,277,391)
Public safety	2,508,394	474,448	226,458	-	(1,807,488)	-	(1,807,488)
Community services	521,463	17,058	139,662	-	(364,743)	-	(364,743)
Housing	240,816	103,150	102,726	-	(34,940)	-	(34,940)
Recreation services	276,256	102,290	7,826	-	(166,140)	-	(166,140)
Public works	1,050,950	50,864	283,540	174,074	(542,472)	-	(542,472)
Planning and building	593,152	275,553	-	-	(317,599)	-	(317,599)
Interest on long-term debt	202,958	-	-	-	(202,958)	-	(202,958)
Total governmental activities	<u>7,082,522</u>	<u>1,434,505</u>	<u>760,212</u>	<u>174,074</u>	<u>(4,713,731)</u>	<u>-</u>	<u>(4,713,731)</u>
Business-Type Activities:							
Water	3,063,683	2,339,237	-	355,312	-	(369,134)	(369,134)
Wastewater	2,646,921	2,375,519	-	155,562	-	(115,840)	(115,840)
Total business-type activities	<u>5,710,604</u>	<u>4,714,756</u>	<u>-</u>	<u>510,874</u>	<u>-</u>	<u>(484,974)</u>	<u>(484,974)</u>
Total City government	<u>\$ 12,793,126</u>	<u>\$ 6,149,261</u>	<u>\$ 760,212</u>	<u>\$ 684,948</u>	<u>(4,713,731)</u>	<u>(484,974)</u>	<u>(5,198,705)</u>
General revenues and transfers							
General revenues:							
Taxes:							
Property taxes					1,758,715	-	1,758,715
Transient occupancy taxes					5,037,136	-	5,037,136
Sales taxes					1,019,262	-	1,019,262
Other taxes					422,361	-	422,361
Unrestricted investment earnings					15,502	8,220	23,722
Other general revenues					72,181	-	72,181
Transfers					(109,400)	109,400	-
Total general revenues and transfers					<u>8,215,757</u>	<u>117,620</u>	<u>8,333,377</u>
Change in net position					<u>3,502,026</u>	<u>(367,354)</u>	<u>3,134,672</u>
Net position, beginning					21,048,485	17,810,620	38,859,105
Prior period adjustments					(6,952,450)	(2,405,432)	(9,357,882)
Net Position beginning restated					<u>14,096,035</u>	<u>15,405,188</u>	<u>29,501,223</u>
Net position, ending					<u>\$ 17,598,061</u>	<u>\$ 15,037,834</u>	<u>\$ 32,635,895</u>

See accompanying notes to the basic financial statements

CITY OF CALISTOGA
Balance Sheet
Governmental Funds
June 30, 2015

	General Fund	HOME Grant Fund	CDBG Open Grant Fund	Capital Lease Projects Fund	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and investments	\$ 5,704,447	\$ 8,435	\$ -	\$ 210,716	\$ 1,663,613	\$ 7,587,211
Taxes receivable	939,378	-	-	-	-	939,378
Accounts receivable	159,494	-	-	-	46,021	205,515
Due from other governments	105,565	6,035	-	-	33,791	145,391
Accrued interest receivable	6,686	-	-	-	-	6,686
Advances to other funds	553,438	-	-	-	25,024	578,462
Prepayments	60,769	-	-	-	-	60,769
Notes receivable	-	3,487,101	2,219,750	-	592,045	6,298,896
Total assets	\$ 7,529,777	\$ 3,501,571	\$2,219,750	\$ 210,716	\$ 2,360,494	\$ 15,822,308
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 266,786	\$ 34,535	\$ -	\$ -	\$ 47,809	\$ 349,130
Accrued liabilities	2,537	-	-	-	-	2,537
Advances from other funds	-	-	-	-	25,024	25,024
Deposits	65,410	-	-	-	10,010	75,420
Total liabilities	334,733	34,535	-	-	82,843	452,111
Fund balances:						
Nonspendable	614,207	3,487,101	2,219,750	-	544,312	6,865,370
Restricted for capital improvements	-	-	-	210,716	-	210,716
Restricted for affordable housing	-	-	-	-	823,486	823,486
Restricted for streets	-	-	-	-	486,462	486,462
Restricted for facilities	-	-	-	-	23,311	23,311
Restricted for public safety	-	-	-	-	396,777	396,777
Restricted for parks	-	-	-	-	3,303	3,303
Unassigned	6,580,837	(20,065)	-	-	-	6,560,772
Total fund balances	7,195,044	3,467,036	2,219,750	210,716	2,277,651	15,370,197
Total liabilities and fund balances	\$ 7,529,777	\$ 3,501,571	\$2,219,750	\$ 210,716	\$ 2,360,494	\$ 15,822,308
Total Governmental Fund Balances						\$ 15,370,197
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						12,368,114
The assets and liabilities of the internal service fund are included in the governmental activities in the statement of net position						886,579
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						(791,241)
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						(4,514,108)
Deferred outflow related to pension						640,350
Deferred inflow related to pension						279,324
Net pension liability						(6,641,154)
Net Position of Governmental Activities						\$ 17,598,061

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, 2015

	<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>
REVENUES						
Property taxes	\$ 1,758,715	\$ -	\$ -	\$ -	\$ -	\$ 1,758,715
Sales taxes	1,019,262	-	-	-	-	1,019,262
Transient occupancy taxes	5,037,136	-	-	-	-	5,037,136
Other taxes	422,361	-	-	-	-	422,361
Licenses and permits	131,136	-	-	-	-	131,136
Fines and forfeits	51,192	-	-	-	-	51,192
Intergovernmental	15,502	-	2,450	-	437,990	455,942
Interest and rents	56,987	-	-	15	53,815	110,817
Charges for services	1,091,529	-	-	-	419,673	1,511,202
Miscellaneous	136,105	98,611	-	-	52,418	287,134
Total revenues	<u>9,719,925</u>	<u>98,611</u>	<u>2,450</u>	<u>15</u>	<u>963,896</u>	<u>10,784,897</u>
EXPENDITURES						
Current:						
General government	1,786,396	-	-	-	-	1,786,396
Public safety	3,208,375	-	-	-	29,306	3,237,681
Community services	348,400	-	-	-	-	348,400
Housing	-	46,086	2,450	-	155,082	203,618
Recreation services	167,359	-	-	-	-	167,359
Public works	988,418	-	-	-	213,306	1,201,724
Planning and building	660,539	-	-	-	-	660,539
Debt service:						
Principal	-	-	-	-	136,994	136,994
Interest	-	-	-	-	205,649	205,649
Capital outlay	302,577	-	-	-	-	302,577
Total expenditures	<u>7,462,064</u>	<u>46,086</u>	<u>2,450</u>	<u>-</u>	<u>740,337</u>	<u>8,250,937</u>
Excess (deficiency) of revenues over expenditures	<u>2,257,861</u>	<u>52,525</u>	<u>-</u>	<u>15</u>	<u>223,559</u>	<u>2,533,960</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	948,217	-	-	-	354,750	1,302,967
Transfers out	<u>(866,654)</u>	<u>(1,644)</u>	<u>-</u>	<u>(23,157)</u>	<u>(624,794)</u>	<u>(1,516,249)</u>
Total other financing sources (uses)	<u>81,563</u>	<u>(1,644)</u>	<u>-</u>	<u>(23,157)</u>	<u>(270,044)</u>	<u>(213,282)</u>
Net change in fund balances	<u>2,339,424</u>	<u>50,881</u>	<u>-</u>	<u>(23,142)</u>	<u>(46,485)</u>	<u>2,320,678</u>
Fund balances, July 1	<u>4,855,620</u>	<u>3,416,155</u>	<u>2,219,750</u>	<u>233,858</u>	<u>2,324,136</u>	<u>13,049,519</u>
Fund balances, June 30	<u>\$ 7,195,044</u>	<u>\$ 3,467,036</u>	<u>\$ 2,219,750</u>	<u>\$ 210,716</u>	<u>\$ 2,277,651</u>	<u>\$ 15,370,197</u>

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, 2015

Net Change in Fund Balances - Total Governmental Funds	\$	2,320,678
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>		
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 \$420,314 exceed depreciation (\$478,560).		(58,246)
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		136,994
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		2,826
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.		16,727
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		18,725
Increases in long-term claim liabilities do not require the use of current financial resources and are not reported in the funds		(67,194)
Increases in other post employment benefit obligations do not result in the use of current financial resources and are not reported in the funds		(99,454)
Governmental funds record pension expense as it is paid. However, in the Statement of Activities those costs are reversed as deferred outflows/(inflows) and an increase/(decrease) in net pension liability		<u>1,230,970</u>
Net differences		<u>1,181,348</u>
Change in Net Position of Governmental Activities	<u>\$</u>	<u>3,502,026</u>

See accompanying notes to the basic financial statements

City of Calistoga
Statement of Net Position
Proprietary Funds
June 30, 2015

	Enterprise Funds			Governmental Activities- Internal Service Fund
	Water	Wastewater	Totals	
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 1,179,295	\$ 1,321,128	\$ 2,500,423	\$ 470,317
Receivables(net)	422,555	336,621	759,176	345
Total current assets	<u>1,601,850</u>	<u>1,657,749</u>	<u>3,259,599</u>	<u>470,662</u>
Noncurrent assets:				
Other assets:				
Notes receivable	2,314	7,777	10,091	-
Total other noncurrent assets	<u>2,314</u>	<u>7,777</u>	<u>10,091</u>	<u>-</u>
Capital assets:				
Land	2,338,730	464,108	2,802,838	-
Equipment and vehicles	1,105,827	803,245	1,909,072	2,833,232
Distribution and collection systems	20,569,587	19,726,734	40,296,321	-
Water rights, net of amortization	1,016,734	-	1,016,734	-
Construction in progress	621,272	668,386	1,289,658	-
Less accumulated depreciation	<u>(7,125,226)</u>	<u>(8,845,522)</u>	<u>(15,970,748)</u>	<u>(2,162,537)</u>
Net capital assets	<u>18,526,924</u>	<u>12,816,951</u>	<u>31,343,875</u>	<u>670,695</u>
Total noncurrent assets	<u>18,529,238</u>	<u>12,824,728</u>	<u>31,353,966</u>	<u>670,695</u>
Total assets	<u>\$ 20,131,088</u>	<u>\$ 14,482,477</u>	<u>\$ 34,613,565</u>	<u>\$ 1,141,357</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows of resources - pension	93,243	103,390	196,633	-
Total deferred outflows of resources	<u>93,243</u>	<u>103,390</u>	<u>196,633</u>	<u>-</u>
LIABILITIES				
Current liabilities:				
Accounts payable	\$ 181,740	\$ 422,796	\$ 604,536	\$ 40,211
Compensated absences	31,427	31,427	62,854	-
Deposits	200,436	-	200,436	-
Accrued interest	107,777	94,498	202,275	3,969
Accrued expenses	-	18,226	18,226	-
Unearned Revenue	6,564	18,967	25,531	-
Agreements, loans, and certificates due in one year	278,000	418,982	696,982	103,424
Total current liabilities	<u>805,944</u>	<u>1,004,896</u>	<u>1,810,840</u>	<u>147,604</u>
Noncurrent liabilities:				
State revolving loan payable	-	2,596,369	2,596,369	-
Certificate of participation	1,798,556	1,753,700	3,552,256	-
Installment agreement	3,650,000	2,445,000	6,095,000	-
USDA Loan	2,972,852	-	2,972,852	-
Capital lease obligation	-	-	-	107,174
Advances from other funds	-	553,438	553,438	-
Compensated absences	10,000	10,000	20,000	-
Net pension liability	1,073,662	1,190,506	2,264,168	-
Total noncurrent liabilities	<u>9,505,070</u>	<u>8,549,013</u>	<u>18,054,083</u>	<u>107,174</u>
Total liabilities	<u>10,311,014</u>	<u>9,553,909</u>	<u>19,864,923</u>	<u>254,778</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows of resources - pension	(43,891)	(48,668)	(92,559)	-
Total deferred inflows of resources	<u>(43,891)</u>	<u>(48,668)</u>	<u>(92,559)</u>	<u>-</u>
NET POSITION				
Net Investment in capital assets	9,827,516	5,602,900	15,430,416	460,097
Unrestricted	129,692	(522,274)	(392,582)	426,482
Total net position	<u>\$ 9,957,208</u>	<u>\$ 5,080,626</u>	<u>\$ 15,037,834</u>	<u>\$ 886,579</u>

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, 2015

	Enterprise Funds			Governmental Activities Internal- Service Fund
	Water	Wastewater	Totals	
OPERATING REVENUES				
Sales of water	\$ 2,237,319	\$ -	\$ 2,237,319	\$ -
Service fees	-	2,317,409	2,317,409	440,608
Miscellaneous	101,918	58,110	160,028	795
Total operating revenues	<u>2,339,237</u>	<u>2,375,519</u>	<u>4,714,756</u>	<u>441,403</u>
OPERATING EXPENSES				
Maintenance and operations	1,383,785	791,409	2,175,194	318,707
Employee services	770,918	864,365	1,635,283	-
Interfund charges for services	82,500	82,500	165,000	-
Depreciation and amortization	495,310	625,829	1,121,139	200,751
Total operating expenses	<u>2,732,513</u>	<u>2,364,103</u>	<u>5,096,616</u>	<u>519,458</u>
Operating income (loss)	<u>(393,276)</u>	<u>11,416</u>	<u>(381,860)</u>	<u>(78,055)</u>
NON-OPERATING REVENUES (EXPENSES)				
Interest and investment revenue	4,293	3,927	8,220	248
Interest expense	(331,170)	(282,818)	(613,988)	(7,349)
Net nonoperating revenues (expenses)	<u>(326,877)</u>	<u>(278,891)</u>	<u>(605,768)</u>	<u>(7,101)</u>
Income (loss) before contributions and transfers	<u>(720,153)</u>	<u>(267,475)</u>	<u>(987,628)</u>	<u>(85,156)</u>
Contributions and transfers				
Transfers in	109,400	2,564	111,964	103,881
Transfers Out	(2,564)		(2,564)	
Capital contributions	355,312	155,562	510,874	-
Net contributions and transfers	<u>462,148</u>	<u>158,126</u>	<u>620,274</u>	<u>103,881</u>
Change in net position	<u>(258,005)</u>	<u>(109,349)</u>	<u>(367,354)</u>	<u>18,725</u>
Total net position, July 1	<u>11,355,862</u>	<u>6,454,758</u>	<u>17,810,620</u>	<u>867,854</u>
Prior period adjustment	<u>(1,140,649)</u>	<u>(1,264,783)</u>	<u>(2,405,432)</u>	<u>-</u>
Total net position, June 30	<u>\$ 9,957,208</u>	<u>\$ 5,080,626</u>	<u>\$ 15,037,834</u>	<u>\$ 886,579</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, 2015

	Enterprise Funds			Governmental Activities- Internal Service Fund
	Water	Wastewater	Totals	
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 2,191,836	\$ 2,308,388	\$ 4,500,224	\$ -
Payments to suppliers	(1,403,147)	(664,314)	(2,067,461)	(352,360)
Cash received from other funds for services	-	-	-	449,100
Payments to other funds for services	(82,500)	(82,500)	(165,000)	-
Payments to employees for services	(770,918)	(864,365)	(1,635,283)	-
Other operating receipts	101,918	58,110	160,028	795
Net cash provided by (used for) operating activities	<u>37,189</u>	<u>755,319</u>	<u>792,508</u>	<u>97,535</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers in from other funds	106,836	2,564	109,400	103,881
Net cash provided by noncapital financing activities	<u>106,836</u>	<u>2,564</u>	<u>109,400</u>	<u>103,881</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Capital contributions and grants	355,312	155,562	510,874	-
Draw down of USDA loan	(60,001)	-	(60,001)	-
Principal payments on capital debt	(214,000)	(405,569)	(619,569)	(99,484)
Interest paid on long-term debt	(333,789)	(288,993)	(622,782)	(8,451)
Purchases of capital assets	(255,680)	(645,356)	(901,036)	(109,513)
Net cash provided by (used for) capital and related financing activities	<u>(508,158)</u>	<u>(1,184,356)</u>	<u>(1,692,514)</u>	<u>(217,448)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments on long-term notes	2,666	8,543	11,209	-
Interest receipts	4,293	3,927	8,220	248
Net cash provided by investing activities	<u>6,959</u>	<u>12,470</u>	<u>19,429</u>	<u>248</u>
Net increase (decrease) in cash and cash equivalents	(357,174)	(414,003)	(771,177)	(15,784)
Cash and cash equivalents balances - beginning of the year	<u>1,536,469</u>	<u>1,735,131</u>	<u>3,271,600</u>	<u>486,101</u>
Cash and cash equivalents balances-end of the year	<u>\$ 1,179,295</u>	<u>\$ 1,321,128</u>	<u>\$ 2,500,423</u>	<u>\$ 470,317</u>

See accompanying notes to the basic financial statements

CITY OF CALISTOGA
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2015

Enterprise Funds

	Water	Wastewater	Totals	Governmental Activities- Internal Service Fund
Reconciliation of operating income (loss) to net cash provided by operating activities:				
Operating income (loss)	\$ (393,276)	\$ 11,416	\$ (381,860)	\$ (78,055)
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation and amortization expense	495,310	625,829	1,121,139	200,751
Pension expense	(204,121)	(226,335)	(430,456)	-
Change in assets and liabilities:				
Decrease(increase) in deposits	162,636	(7,418)	155,218	-
Decrease(increase) in accounts receivable	(41,499)	2,998	(38,501)	8,492
Increase(decrease) in compensated absences	378	378	756	-
Increase(decrease) in accrued expenses	-	18,226	18,226	-
Increase(decrease) in accounts payable	21,745	342,244	363,989	(33,653)
Increase(decrease) in deferred revenue	(3,984)	(12,019)	(16,003)	-
	<u>\$ 37,189</u>	<u>\$ 755,319</u>	<u>\$ 792,508</u>	<u>\$ 97,535</u>
Net cash provided by (used for) operating activities	<u>\$ 37,189</u>	<u>\$ 755,319</u>	<u>\$ 792,508</u>	<u>\$ 97,535</u>

Noncash capital financing activities:

None:

See accompanying notes to the basic financial statements

City of Calistoga
Statement of Fiduciary Net Position
June 30, 2015

	<u>Agency Fund</u>
ASSETS	
Cash and cash equivalents	\$ 60,548
Assessments receivable	111,335
	<hr/>
Total assets	<u>171,883</u>
	<hr/>
LIABILITIES	
Deposits payable to Tourism Business Improvement District	171,883
	<hr/>
Total liabilities	<u>\$ 171,883</u>

See accompanying notes to the basic financial statements

CITY OF CALISTOGA
Notes to the Financial Statements
June 30, 2015

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.

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

CITY OF CALISTOGA
Notes to the Financial Statements
June 30, 2015

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.

Non-exchange transactions, in which the City gives or receives value without directly, receiving or giving equal value in exchange, include taxes, grants, entitlements, and donations. On the accrual basis, revenue from taxes is recognized in the fiscal year for which the taxes are levied or assessed. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

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.

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, 2015

D. Deferred Outflows and Inflows of Resources

In addition to assets, the statement of financial position or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period (s) and so will not be recognized as an outflow of resources (expense/expenditures) until then. In addition to liabilities, the statement of financial position or balance sheet will sometimes, report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position or fund balance that applies to a future period (s) and so will *not* be recognized as an inflow of resources (revenue) until that time. *Unavailable revenue*, a type of deferred inflow of resources, is reported in the governmental funds balance sheet. The governmental funds report unavailable revenues from three sources: taxes receivable, interest on interfund advances and loans receivable. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

E. 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

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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 or placed in service.

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 under the consumption method.

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

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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.

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.

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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.

11. Prepayments

Prepaid items represent payments made to vendors for which the benefits are applicable to future accounting periods. Prepaids are recorded using the consumption method by recording an asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed.

12. Implementation of Accounting Standards

GASB Statement No. 68 - In June 2012, GASB issued Statement No. 68, Accounting and Financial Reporting for Pensions-an amendment of GASB Statement No. 27. The intention of this Statement is to improve the decision-usefulness of information in employer and governmental non-employer contributing entity financial reports and enhance its value for assessing accountability and inter-period equity by requiring recognition of the entire net pension liability and a more comprehensive measure of pension expense.

GASB Statement No. 71 - In November 2013, GASB issued Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date-an amendment of GASB Statement No. 68. The intension of this Statement is to eliminate the source of a potential significant understatement of restated beginning net position and expense in the first year of implementation of Statement 68 in the accrual-basis financial statements of employers and non-- employer contributing entities.

13. Prior Period Adjustments

Implementation of Accounting Standards:

The implementation of GASB Statements No. 68 and No. 71 required the City to make prior period adjustments. As a result, the beginning net positions of the Governmental Activities and Business-Type Activities were reduced by \$6,952,450 and \$2,405,432, respectively. See Item C under Other Information for additional information.

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As a result of these prior period adjustment changes, the July 1, 2014 balances were restated as follows:

	Governmental Activities	Business-type Activities	Total Activities
Net Position/Fund Balance:			
Balance as previously reported	\$21,048,485	\$17,810,620	\$38,859,105
Increase/(Decrease) in Net Position/Fund Balance Implementation of GASB 68 and 71	(6,952,450)	(2,405,432)	(9,357,882)
Net Position/Fund Balance: As adjusted	\$14,096,035	\$15,405,188	\$29,501,223

14. Estimates and Assumptions

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

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 \$ 12,368,113 difference described on the following page are as follows:

Capital assets	\$17,926,021
Less: Accumulated depreciation	<u>(5,557,908)</u>
Net adjustment to increase <i>fund balance – total governmental funds</i> to arrive at <i>net assets – governmental activities</i>	<u><u>\$12,368,113</u></u>

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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 \$4,514,108 difference are shown below:

Long-Term Debt Obligations and Related Interest:	
Accrued interest	\$ (83,559)
Capital lease obligations	(4,051,358)
Claims	(91,406)
Compensated absences	<u>(287,785)</u>
Net adjustment to decrease fund balance total governmental	
<i>Funds to arrive at net assets - governmental activities</i>	<u>\$ (4,514,108)</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 \$1,181,348 difference and other significant components of the difference are on the following page:

Capital outlay; capitalized	\$ 420,314
Depreciation expense	(478,560)
Repayment of long-term debt principal	136,994
Internal service fund income	18,725
Other post-employment benefit expense	(99,454)
Pension expense	<u>1,183,329</u>
Net adjustment to increase net changes in fund balances –	
<i>Total governmental funds to arrive at changes in net assets</i>	
<i>of governmental activities</i>	<u>\$ 1,181,348</u>

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.

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4. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Deposits and investments at June 30, 2015 consisted of the following:

Demand deposits: (Time deposits and book bank balances)	\$ 441,619
Pooled investments	9,839,206
Investments with trustees	337,674
Total deposits and investments	\$ 10,618,499

Investments - At June 30, 2015, the City had the following investments.

Investment	Average Maturity	Fair Value
State Investment Pool (LAIF)	268 days	\$ 9,839,206
Goldman Sachs Fin-SQ Government Fund	14 days	337,674
		\$ 10,176,880

Cash and Investments as of June 30, 2015 are classified in the accompanying financial statements as follows:

Statement of Net Position	
Cash and investments available for operations	\$ 10,347,235
Restricted cash and investments	210,716
Fiduciary funds- cash and investments	60,548
Total cash and investments	\$ 10,618,499

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.

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.

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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 \$441,618 at June 30, 2015.

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, 2015 was \$3,698 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	\$ 159,494	\$ -	\$ 46,021	\$ 205,515	\$ 315,960	\$ 317,143
Taxes	939,378	-	-	939,378	13,644	19,478
Interest	6,686	-	-	6,686	-	-
Governments	105,565	-	39,826	145,391	92,950	-
Notes	-	5,706,851	592,045	6,298,896	2,314	7,777
Totals	\$ 1,211,123	\$ 5,706,851	\$ 677,892	\$ 7,595,866	\$ 424,868	\$ 344,398

The notes receivable of \$6,298,896 consists of housing rehabilitation loans of \$108,882 bearing interest at rates of 3 to 6 percent and repayable in monthly installments, other loans of \$233,163 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 \$2,219,750 in first-time homebuyer assistance loans secured by 4th 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 \$3,487,101 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.

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C. Inter-fund Transfers, receivables and payables

The composition of inter-fund transfers of June 30, 2015, is as follows:

Transfers In:	General Fund	Non-Major Funds	Water	Waste Water	Internal Service Fund	Total Transfers Out
General fund	\$ 650,000	\$ 12,107	\$ 109,400	\$ -	\$ 95,147	\$ 866,654
Capital Lease	23,156	-	-	-	-	23,156
Water				2,564		2,564
HOME Grant		1,644				1,644
Non-Major funds	275,060	340,999	-		8,733	624,792
Totals	\$ 948,216	\$ 354,750	\$ 109,400	\$ 2,564	\$ 103,880	\$ 1,518,810

The General Fund made transfers out for \$109,400 to subsidize the water fund, \$650,000 to begin to build reserves for future retiree benefits and increases in CalPERS retirement rates. Other transfers out of the non-major funds were made to reimburse the general fund for street, repairs at the pool and 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	\$ 553,438	\$ 553,438
Totals		\$ 553,438	\$ 553,438

Inter-fund balances are presented in the Government-wide financial statements only. They represent the net interfund receivables and payables remaining after the elimination of all such balances within governmental and business-type activities.

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D. Capital Assets – Governmental Activities

Capital asset activity relating to governmental activities for the year ended June 30, 2015 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets, not being depreciated				
Land	\$ 1,964,744	\$ -	\$ -	\$ 1,964,744
Construction in progress	485,330	224,937	-	710,267
Total capital assets, not being depreciated	<u>2,450,074</u>	<u>224,937</u>	<u>-</u>	<u>2,675,011</u>
Capital assets being depreciated:				
Buildings	3,494,179	-	-	3,494,179
Machinery and equipment	871,833	-	-	871,833
Equipment - internal service fund	3,182,989	109,513	(459,270)	2,833,232
Improvements	10,689,621	195,378	-	10,884,999
Total capital assets being depreciated	<u>18,238,622</u>	<u>304,891</u>	<u>(459,270)</u>	<u>18,084,243</u>
Less accumulated depreciation for:				
Buildings	(1,682,122)	-134,260	-	(1,816,382)
Machinery and equipment	(796,816)	(26,762)	-	(823,578)
Equipment - internal service	(2,421,056)	(200,751)	459,270	(2,162,537)
Improvements	(2,600,409)	(317,539)	-	(2,917,948)
Total accumulated depreciation	<u>(7,500,403)</u>	<u>(679,312)</u>	<u>459,270</u>	<u>(7,720,445)</u>
Total capital assets, being depreciated, net	<u>10,738,219</u>	<u>(374,421)</u>	<u>-</u>	<u>10,363,798</u>
Governmental activities capital assets, net	<u>\$ 13,188,293</u>	<u>\$ (149,484)</u>	<u>\$ -</u>	<u>\$ 13,038,809</u>

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Notes to the Financial Statements
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D. Capital Assets – Business-Type Activities

Capital asset activity relating to business-type activities for the year ended June 30, 2015 was as follows:

	Beginning <u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	Ending <u>Balance</u>
Business-type activities:				
Capital assets, not being depreciated				
Land	\$ 2,802,838			\$ 2,802,838
Construction in progress	<u>526,768</u>	<u>762,890</u>	<u>-</u>	<u>1,289,658</u>
Total capital assets, not being depreciated	<u>3,329,606</u>	<u>762,890</u>	<u>-</u>	<u>4,092,496</u>
Capital assets being depreciated:				
Wastewater collection and treatment	19,715,126	11,609	-	19,726,735
Water rights	1,589,875	-	-	1,589,875
Water treatment and distribution system	20,538,797	30,790	-	20,569,587
Equipment - wastewater	754,787	48,458	-	803,245
Equipment - water	<u>1,058,537</u>	<u>47,290</u>	<u>-</u>	<u>1,105,827</u>
Total capital assets being depreciated	<u>43,657,122</u>	<u>138,147</u>	<u>-</u>	<u>43,795,269</u>
Less accumulated depreciation and amortization for:				
Wastewater collection and treatment system	(7,605,677)	(601,388)	-	(8,207,065)
Water rights	(524,151)	(48,990)	-	(573,141)
Equipment- wastewater	(614,016)	(24,442)	-	(638,458)
Equipment - water	(783,754)	(49,490)	-	(833,244)
Water treatment and distribution system	<u>(5,895,152)</u>	<u>(396,830)</u>	<u>-</u>	<u>(6,291,982)</u>
Total accumulated depreciation	<u>(15,422,750)</u>	<u>(1,121,140)</u>	<u>-</u>	<u>(16,543,890)</u>
Total capital assets, being depreciated, net	<u>28,234,372</u>	<u>(982,993)</u>	<u>-</u>	<u>27,251,379</u>
Business-type activities capital assets, net	<u>\$ 31,563,978</u>	<u>\$ (220,103)</u>	<u>\$ -</u>	<u>\$ 31,343,875</u>

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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:

Governmental activities:	
General government	\$ 23,943
Public safety	55,327
Community services	180,587
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	200,751
Total depreciation expense-governmental activities	<u>\$ 679,311</u>
 Business-type activities:	
Water	\$ 446,320
Water Rights Amortization	48,990
Wastewater	625,829
Total depreciation expense-governmental activities	<u>\$ 1,121,139</u>

E. Capital Leases – Governmental Type Activities including Internal Service

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.

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Future minimum lease payments and the net present value of these minimum lease payments as of June 30, 2015 were as follows:

Fiscal Year Ending June 30	Zions First National Bank Leases	Sun Trust Leasing	West America Bank Lease
2016	\$ 54,607	\$ 56,532	\$ 426,307
2017		56,532	426,307
2018	-	56,532	426,307
2019	-		426,307
2020	-	-	426,307
2021-2025	-	-	2,131,538
2026-2028	-	-	1,278,921
Total minimum lease payments	54,607	169,596	5,541,994
Less amounts representing interest	(1,409)	(12,197)	(1,490,636)
Net present value of minimum lease payments	\$ 53,198	\$ 157,399	\$ 4,051,358

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 \$ 5,613,155, scheduled final payment is to occur in 2038. For fiscal year 2015, Water Fund Revenues, amounted to \$2,339,237 and operating costs including operating expenses, but not interest or depreciation amounted to \$2,237,203. Net Revenues available for debt service amounted to \$102,034 which represents 28% of the \$361,303 in debt service. Principal and interest paid for the current fiscal year and total system net revenues as defined were \$361,003 and \$102,034 (exclusive of capital contributions of \$355,312) respectively.

CITY OF CALISTOGA
Notes to the Financial Statements
June 30, 2015

Future debt service for water on the installment agreement is:

Fiscal Year	Principal	Interest	Total
2016	\$ 185,000	\$ 169,111	\$ 354,111
2017	195,000	161,794	356,794
2018	200,000	153,991	353,991
2019	210,000	145,791	355,791
2020	215,000	137,157	352,157
2021-2025	1,245,000	528,186	1,773,186
2026-2030	550,000	306,028	856,028
2031-2035	705,000	160,603	865,603
2036-2038	330,000	15,494	345,494
Totals	<u>\$ 3,835,000</u>	<u>\$ 1,778,155</u>	<u>\$ 5,613,155</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 \$3,264,593. The total interest and principal remaining to be paid on the agreement is \$3,264,593, scheduled final payment is to occur in 2044. For fiscal year 2015, Measure A Sales Tax Fund Revenues, amounted to \$112,487 and operating costs including operating expenses, but not interest or depreciation amounted to \$0.00. Net Revenues available for debt service amounted to \$112,487 which represents 100% of the \$112,487 in debt service. Principal and interest paid for the current fiscal year and total system net revenues as defined were \$31,000 and \$81,487 (exclusive of capital contributions of \$355,312) respectively.

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Future debt service for water on the Certificates of Participation is:

Fiscal Year	Principal	Interest	Total
2016	\$ 33,000	\$ 80,131	\$ 113,131
2017	34,000	78,687	112,687
2018	36,000	77,199	113,199
2019	37,000	75,624	112,624
2020	39,000	74,006	113,006
2021-2025	220,000	343,122	563,122
2026-2030	273,000	290,490	563,490
2031-2035	340,000	225,215	565,215
2036-2040	419,000	144,147	563,147
2041-2044	400,556	44,416	444,972
Totals	<u>\$ 1,831,556</u>	<u>\$ 1,433,037</u>	<u>\$ 3,264,593</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, 2014, the USDA had obligated funding of \$3,750,000, had drawdowns of \$3,203,852 to the City and there was a \$546,148 undisbursed balance on the USDA Loan. The Mount Washington Tank which was funded through the Certificates of Participation has been completed; therefore the undisbursed balance will not be used by the City.

Final payment on the loan is scheduled for 2048. For fiscal year 2015, Capital Contribution Revenues, amounted to \$355,312 and operating costs including operating expenses, but not interest or depreciation amounted to \$0.00. Net Revenues available for debt service amounted to \$355,312 which represents 265% over the \$134,300 in debt service. The City made a principal payment of \$58,000 and an interest payment of \$76,300 during the fiscal year so the outstanding receivable of \$3,032,852

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represents the City's liability at June 30, 2015 for the Certificates. Future debt service principal and interest remaining to be paid on the agreement is approximately \$4,440,943. Principal and interest combined on the certificates will require the 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 were 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
2016	\$ 100,000	\$ 125,068	\$ 225,068
2017	105,000	120,198	225,198
2018	110,000	114,983	224,983
2019	115,000	109,341	224,341
2020	120,000	103,319	223,319
2021-2025	690,000	449,134	1,139,134
2026-2030	885,000	197,750	1,082,750
2031-2032	420,000	10,750	430,750
Totals	<u>\$ 2,545,000</u>	<u>\$ 1,230,543</u>	<u>\$ 3,775,543</u>

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 \$3,775,543 scheduled final payment on 2032. For fiscal year 2015, Wastewater Fund Revenues, amounted to \$2,375,519 and operating costs including operating expenses, but not interest or depreciation amounted to \$1,738,274. Net Revenues available for debt service amounted to \$637,245 which represents 92% of the \$224,603 in debt service. Principal and interest paid for the current fiscal year and total system net revenues as defined were \$224,603 and \$637,245 (exclusive of \$155,562 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 0.00 percent effective March 3, 2015 and is secured by a pledge of the City to maintain dedicated sources of revenue sufficient in amounts to

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provide for repayment of the loan. The interest rate is suspended and wholly replaced with the AB 2356 Small Community Grant Fund Charge effective March 3, 2015. Principal and grant fund charge on the loan is payable in annual installments due each October 30 through 2023. The Small Community Grant Fund charge is at one and six tenths percent (1.6%) per annum.

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

<u>Fiscal Year</u>	<u>Principal</u>	<u>Grant Fund Charge</u>	<u>Total</u>
2016	\$ 288,582	\$ 75,009	\$ 363,591
2017	296,085	67,506	363,591
2018	303,783	59,807	363,590
2019	311,682	51,909	363,591
2020	319,786	43,805	363,591
2021-2024	1,365,033	89,887	1,454,920
Totals	<u>\$ 2,884,951</u>	<u>\$ 387,923</u>	<u>\$ 3,272,874</u>

Annual principal and grant fund charge on the agreement are expected to require 79 percent of current system net revenues as defined. The total grant fund charge and principal remaining to be paid on the agreement is \$3,272,874. For fiscal year 2015, Wastewater Fund Revenues, amounted to \$2,375,519 and operating costs including operating expenses, but not interest or depreciation amounted to \$1,738,274. Net Revenues available for debt service amounted to \$637,245 which represents 92% of the \$363,591 in debt service. Principal and interest paid for the current fiscal year and total system net revenues as defined were \$363,591 and \$637,245 (exclusive of \$155,562 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.

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Future debt service on the 2005 Certificates of Participation is:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 30,400	\$ 75,824	\$ 106,224
2017	31,800	74,532	106,332
2018	33,200	73,181	106,381
2019	34,600	71,770	106,370
2020	35,900	70,299	106,199
2021-2025	204,500	327,199	531,699
2026-2030	251,700	279,909	531,609
2031-2035	310,100	221,667	531,767
2036-2040	381,700	149,936	531,636
2041-2044	<u>470,200</u>	<u>61,604</u>	<u>531,804</u>
Totals	<u>\$ 1,784,100</u>	<u>\$ 1,405,921</u>	<u>\$ 3,190,021</u>

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 \$3,190,021. For fiscal year 2015, Wastewater Fund Revenues, amounted to \$2,375,519 and operating costs including operating expenses, but not interest or depreciation amounted to \$1,738,274. Net Revenues available for debt service amounted to \$637,245 which represents 92% of the \$106,370 in debt service. Principal and interest paid for the current fiscal year and total system net revenues as defined were \$106,370 and \$637,245 (exclusive of \$155,562 in capital contributions), respectively.

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Changes in Long-term liabilities

Long-term debt activity for the 2015 fiscal year was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental					
Activities:					
Capital lease obligation	\$ 4,188,352	\$ -	\$ 136,994	\$ 4,051,358	\$ 228,559
Capital lease- internal service	104,573	-	51,375	53,198	53,198
Capital lease -internal service	205,509	-	48,110	157,399	50,226
Total	\$4,498,434	\$ -	\$236,479	\$4,261,955	\$331,983
Business-type					
Activities:					
Installment agreement-water	\$4,020,000	\$ -	\$185,000	\$ 3,835,000	\$185,000
2008 Certificates of participation	1,862,556	-	31,000	1,831,556	33,000
2011 Certificates of participation	3,090,852	-	58,000	3,032,852	60,000
Installment agreement	2,640,000	-	95,000	2,545,000	100,000
2005 Certificates of participation	1,813,400	-	29,300	1,784,100	30,400
State Revolving Fund Loan	3,166,220	-	281,269	2,884,951	288,582
Total	\$16,593,028	\$0	\$679,569	\$15,913,459	\$696,982

G. Compensated Absences

The City records a liability to recognize the financial effect of unused vacation and other compensated leaves. As of June 30, 2015 the total liability for vacation and other compensated leaves is \$370,638. The City typically uses the General fund, Water and Wastewater funds to liquidate the majority of its compensated absences.

Compensated absence activity for the 2015 fiscal year was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
Governmental Activities	\$ 304,512	\$ 130,000	\$ 146,727	\$ 287,785
Business-type Activities	82,098	90,000	89,245	82,853
Total	\$ 386,610	\$ 220,000	\$ 235,972	\$ 370,638

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A. 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 2015.

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

	Year Ended 6/30/2014	Year Ended 6/30/2015
Unpaid claims, beginning of fiscal year	\$22,175	\$ 24,212
Incurred claims (including IBNRs)	-	-
Claim payments	2,037	67,194
Unpaid claims, end of fiscal year	\$ 24,212	\$ 91,406

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

Subsequent Events. In July 2014, the state Appellate Court determined the attorney representing Grant Reynolds, William McKinnon, be awarded attorney fees for his efforts in addressing a public trust

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doctrine issue related to water bypass and the operation of Kimball Dam in Calistoga and remanded the award of fees to the Napa Superior Court. On April 2015, the Napa Superior Court granted attorney fees in an effective amount of \$575,204 plus interest to William McKinnon. Grant Reynolds then illegally levied a writ of execution on the City's bank accounts. The writ was quashed. On August 6, 2015 the City paid the attorneys' fee award (with interest) less the sanction amount in the amount of \$564,182. With the fee award paid and judgment entered, this case is completely closed.

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. Pension Plans

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Plans and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by the CalPERS Financial Office. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

1. *General Information about the Pension Plans*

Plan Descriptions – All qualified employees are eligible to participate in the City's following cost-sharing multiple-employer defined benefit pension plans (Plans):

- City Miscellaneous (Tier 1)
- City Miscellaneous (Tier 2)
- City Miscellaneous (Tier 3)
- City Safety (Tier 1)
- City Safety (Tier 2)
- City Safety (Tier 3)

The Plans are administered by the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plans are established by State statute and City resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Benefits Provided - CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1959 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

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	City Miscellaneous Plan		
	<u>Tier 1</u>	<u>Tier 2</u>	<u>Tier 3</u>
Hire date	<u>Prior to May 1, 2012</u>	<u>On or after May 1, 2012</u>	<u>On or after January 2, 2013</u>
Benefit formula	2% @ 55	2% 60	2%@62
Benefit vesting schedule	5 years' service	5 years' service	5 years' service
Benefit payments	Monthly for life	Monthly for life	Monthly for life
Retirement age	50-63	50-63	52-67
Monthly benefit, as a % of eligible compensation	1.43% to 2.42%	1.43% to 2.42%	1.0% to 2.5%
Required employee contribution rates	8.0%	7.0%	6.25%
Required employer contribution rates	24.141%	8.005%	6.25%

	City Safety Plan		
	<u>Tier 1</u>	<u>Tier 2</u>	<u>Tier 3</u>
Hire date	<u>Prior to May 1, 2012</u>	<u>On or after May 1, 2012</u>	<u>On or after January 2, 2013</u>
Benefit formula	3% @ 50	2% 55	2.7% @ 57
Benefit vesting schedule	5 years' service	5 years' service	5 years' service
Benefit payments	Monthly for life	Monthly for life	Monthly for life
Retirement age	50-55	50-55	50-57
Monthly benefit, as a % of eligible compensation	3%	2.4% to 3%	2.0% to 2.7%
Required employee contribution rates	9.0%	7.0%	9.5%
Required employer contribution rates	35.21%	15.37%	9.5%

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

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For the year ended June 30, 2015, the contributions recognized as part of pension expense for each Plan were as follows:

	City Miscellaneous Plan		
	Tier 1	Tier 2	Tier 3
Contributions - employer	\$ 402,685	\$ 21,396	\$ 20,184
Contributions - employee paid	130,570	18,337	20,184
	City Safety Plan		
	Tier 1	Tier 2	Tier 3
Contributions - employer	\$ 354,689	\$ 24,781	\$ 13,247
Contributions - employee paid	89,051	11,113	13,175

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

As of June 30, 2015 the City reported net pension liabilities for its proportionate share of the net pension liability of each Plan as follows:

	Proportionate Share of Net Pension Liability
City safety plan - tier 1	\$ 3,789,734
City safety Plan - tier 2	-
City safety Plan - tier 3	-
City miscelleaneous plan - tier 1	5,115,588
City miscelleaneous plan - tier 2	-
Total net pension liability	\$ 8,905,322

The City's net pension liability for each Plan is measured as the proportionate share of the net pension liability. The net pension liability of each of the Plans is measured as of June 30, 2014 and the total net pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2013 rolled forward to June 30, 2014 using standard update procedures. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

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

	<u>City Safety Plan</u>	
	<u>Tier 1</u>	<u>Tier 2</u>
Proportion - June 30, 2013	0.30%	0.00%
Proportion - June 30, 2014	0.32%	0.00%
Change - Increase (Decrease)	0.02%	0.00%

	<u>City Miscellaneous Plan</u>		
	<u>Tier 1</u>	<u>Tier 2</u>	<u>Tier 3</u>
Proportion - June 30, 2013	0.48%	0.00%	0%
Proportion - June 30, 2014	0.52%	0.00%	0%
Change - Increase (Decrease)	0.04%	0.00%	0.00%

For the year ended June 30, 2015 the City recognized pension expense of \$1,230,970. At June 30, 2015 the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Safety Plan</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to measurement date	\$ -	\$ -
Differences between actual and expected experience	-	-
Changes in assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	(544,302)
Adjustments due to differences in proportion	-	(74,711)
Total	<u>\$ -</u>	<u>\$ (619,013)</u>

\$412,951 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016.

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

Year Ended June 30	Deferred Outflows/(Inflows) of Resources	
	Safety	Miscellaneous
	Tier 1	Tier 1
2015	(162,759)	(209,124)
2016	(162,759)	(209,124)
2017	(157,421)	(207,839)
2018	(136,074)	(202,700)

Actuarial Assumptions – For the measurement period ended June 30, 2014, the total pension liabilities were determined by rolling forward the June 30, 2013 total pension liability. The June 30, 2013 and June 30, 2014 total pension liabilities were based on the following actuarial methods and assumptions:

	All Plans (4)
Valuation date	June 30, 2013
Measurement date	June 30, 2014
Actuarial cost method	Entry -age normal cost method
Actuarial assumptions:	
Discount Rate	7.50%
Inflation	2.75%
Projected salary increase	(1)
Investment rate of return	7.5 % (2)
Mortality	Derived using CalPERS membership date for all funds (3) Contract COLA up to 2.75% until purchasing power
Post retirement benefit Increase	Protecion allowance floor on purchasing power applies, 2.75% thereafter

- (1) Depending on age, service and type of employment
- (2) Net of pension plan investment and administrative expenses; includes inflation
- (3) The mortality table used was developed based on CalPERS' specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For more details on this table, please refer to the CalPERS 2014 experience study report available on CalPERS website.
- (4) All of the City's plans for miscellaneous and safety, and the District's plan's employed the same assumptions.

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

Discount Rate -The discount rate used to measure the total pension liability was 7.50% for each Plan. To determine whether the municipal bond rate should be used in the

CITY OF CALISTOGA
Notes to the Financial Statements
June 30, 2015

calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.50 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.50 percent will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

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

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

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

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

CITY OF CALISTOGA
Notes to the Financial Statements
June 30, 2015

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

<u>Asset Class</u>	<u>New Strategic Allocation</u>	<u>Real Return Years 1-10(a)</u>	<u>Real Return Years 11 +(b)</u>
Global equity	47.0%	5.25%	5.71%
Global fixed income	19.0%	0.99%	2.43%
Inflation sensitive	6.0%	0.45%	3.36%
Private equity	12.0%	6.83%	6.95%
Real estate	11.0%	4.50%	5.13%
Infrastructure and forestland	3.0%	4.50%	5.09%
Liquidity	2%	-0.55%	-1.05%
Total	<u>100%</u>		

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

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

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

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

	<u>Safety Plan</u>		<u>Miscellaneous Plan</u>	
	<u>Tier 1</u>	<u>Tier 2</u>	<u>Tier 1</u>	<u>Tier 2</u>
1% decrease	6.50%	6.50%	6.50%	6.50%
Net pension liability	\$ 5,355,421	346	\$ 7,360,175	395
Current discount rate	7.50%	7.50%	7.50%	7.50%
Net pension liability	\$ 3,789,734	201	\$ 5,115,588	221
1% increase	8.50%	8.50%	8.50%	8.50%
Net pension liability	\$ 2,499,676	82	\$ 3,252,794	77

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

CITY OF CALISTOGA
Notes to the Financial Statements
June 30, 2015

D. Restricted Net Assets and Governmental Fund Balances

The \$7,440,190 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 \$7,440,190 for governmental activities, \$6,530,337 is restricted for housing and community development, \$396,777 is restricted for public safety, and \$513,076 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 \$6,580,837 in the general fund of which \$614,207 consist of non-spendable amounts in prepayments and advances to other funds.

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 CalPERS healthcare program, pursuant to the Public Employees' Medical and Hospital Care (PEMHCA), paying \$67.10 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 CalPERS in so far as the City's health insurance premium payments are paid to CalPERS. CalPERS 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, 2015 was \$135,176, based on the July 1, 2013 actuarial valuation using the entry age normal actuarial cost method for the City. This is a projected benefit cost method, which takes into account those benefits that are expected to be earned in the future as well as those already accrued. For the fiscal year ended June 30, 2015, the City contributed \$32,306 for current year premiums (100% of total premiums). 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. Funded Status:

Annual required contribution (ARC)	\$ 135,176
Interest on net OPEB obligation	28,017
Adjustments to annual required contribution	(31,433)
Annual OPEB expense	131,760
Contributions made	(32,306)
Increase in net OPEB Obligation	99,454
Net OPEB Obligation, beginning of year	691,787
Net OPEB Obligation, end of year	\$ 791,241

CITY OF CALISTOGA
Notes to the Financial Statements
June 30, 2015

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 three fiscal years was:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage Contributed</u>	<u>Net OPEB Obligation</u>
June 30, 2015	\$131,760	25.0%	\$791,241
June 30, 2014	\$124,683	25.0%	\$691,787
June 30, 2013	\$207,409	33.0%	\$597,471

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-you-go basis which includes amortization of the unfunded actuarial accrued liability over a closed 30-year period.

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.

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 \$325,000 to the Chamber during the fiscal year ending June 30, 2015. 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 and December 2014 for two year terms through December 2016.

REQUIRED SUPPLEMENTARY INFORMATION



**Required Supplementary Information
CITY OF CALISTOGA
Budgetary Comparison Schedule - General Fund
For the Fiscal Year Ended June 30, 2015**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	Original	Final	Actual Amounts	
Fund Balance, July 1	\$ 2,300,102	\$ 4,855,620	\$ 4,855,620	\$ -
Resources (inflows):				
Property taxes	1,705,214	1,843,903	1,758,715	(85,188)
Sales taxes	1,000,000	1,042,761	1,019,262	(23,499)
Transient occupancy taxes	4,786,000	4,928,272	5,037,136	108,864
Other taxes	331,900	386,900	422,361	35,461
License and permits	511,500	120,500	131,136	10,636
Fines and forfeits	25,500	25,500	51,192	25,692
Interest	1,500	1,500	15,502	14,002
Intergovernmental	389,000	161,418	56,987	(104,431)
Charges for services	1,586,600	1,022,624	1,091,529	68,905
Miscellaneous	22,000	77,000	136,105	59,105
Transfers in	1,227,742	1,034,046	948,217	(85,829)
Amounts available for charges to appropriations	<u>13,887,058</u>	<u>15,500,044</u>	<u>15,523,762</u>	<u>23,718</u>
Charges to appropriations:				
General Government:				
City council	50,068	50,568	45,731	4,837
Finance	234,433	234,433	220,493	13,940
City clerk	78,213	78,013	78,391	(378)
City attorney	200,000	200,000	366,222	(166,222)
City manager	154,948	159,948	164,457	(4,509)
Nondepartmental	223,894	223,894	127,521	96,373
Economic vitality	346,743	346,743	346,325	418
Elections	10,000	12,500	11,288	1,212
Risk management	376,396	376,396	268,278	108,118
Personnel	160,796	160,796	157,690	3,106
Public Safety:				
Police services	1,757,249	1,757,249	1,747,755	9,494
Police dispatch	503,866	503,866	492,224	11,642
Emergency services	29,549	29,549	21,412	8,137
Fire protection	909,344	947,301	946,984	317
Community Services				
Aquatic services	186,701	186,701	148,224	38,477
Community promotions	75,833	80,833	79,833	1,000
Community activities	22,545	22,545	18,983	3,562
Library services	75,000	75,000	76,070	(1,070)
Sharpsteen Museum	20,814	20,814	15,290	5,524
Handy Van	10,500	10,500	10,000	500
Recreation Services				
Recreation services	123,345	123,345	98,563	24,782
Education and recreation courses	62,734	62,734	49,172	13,562
Senior activities	34,002	34,002	19,624	14,378
Public Works				
Administration	146,774	146,774	131,134	15,640
Streets	291,235	279,985	271,984	8,001
Park maintenance	212,943	193,288	194,588	(1,300)
Shop maintenance	24,673	24,673	23,408	1,265
Pool maintenance	178,086	165,965	147,642	18,323
Building maintenance	233,197	225,709	219,662	6,047
Planning and building				
Planning commission	7,500	7,500	4,481	3,019
Planning	287,776	287,776	270,834	16,942
Building inspection	1,050,217	380,217	385,224	(5,007)
Special projects	6,000	12,067	14,450	(2,383)
Capital outlay	1,601,000	582,581	288,127	294,454
Transfers out	885,410	927,320	866,654	60,666
Total charges to appropriations	<u>10,571,784</u>	<u>8,931,585</u>	<u>8,328,718</u>	<u>602,867</u>
Fund Balance, June 30	<u>\$ 3,315,274</u>	<u>\$ 6,568,459</u>	<u>\$ 7,195,044</u>	<u>\$ 626,585</u>

CITY OF CALISTOGA

Budgetary Comparison Schedule - General Fund
Note to RSI
For the Fiscal Year Ended June 30, 2015

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:	\$ 15,523,762
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	(4,855,620)
Transfers in from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes	<u>(948,217)</u>
Total revenues as reported in the statement of revenues, expenditures and changes in fund balances - governmental funds	<u>\$ 9,719,925</u>

Uses/outflows of resources:

Actual amounts "total charges to appropriations" from the budgetary comparison schedule	\$ 8,328,718
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>(866,654)</u>
Total expenditures as reported in the statement of revenues, expenditures and changes in fund balances - governmental funds	<u>\$ 7,462,064</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, 2015

	<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:	\$ 287,000	\$ 21,500	\$ 6,490	\$ (15,010)
Miscellaneous	-	-	92,121	92,121
Total revenues	<u>287,000</u>	<u>21,500</u>	<u>98,611</u>	<u>77,111</u>
Expenditures:				
Current:				
Housing:				
Palisades project loan	287,000	21,500	46,086	(24,586)
Total expenditures	<u>287,000</u>	<u>21,500</u>	<u>46,086</u>	<u>(24,586)</u>
Excess of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>52,525</u>	<u>52,525</u>
Other financing uses:				
Transfer out to general fund	-	-	(1,644)	(1,644)
Total other financing uses	<u>-</u>	<u>-</u>	<u>(1,644)</u>	<u>(1,644)</u>
Net change in fund balances	<u>-</u>	<u>-</u>	<u>50,881</u>	<u>50,881</u>
Fund balance, July 1	<u>17,871</u>	<u>3,416,155</u>	<u>3,416,155</u>	<u>-</u>
Fund balance, June 30	<u>\$ 17,871</u>	<u>\$ 3,416,155</u>	<u>\$ 3,467,036</u>	<u>\$ 50,881</u>

CITY OF CALISTOGA
Required Supplemental Information For Major Special Revenue Fund
CDBG Open Grants Special Revenue Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2015

	<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 grants:				
CDBG economic development	\$ -	\$ -	\$ 2,450	\$ 2,450
Total revenues	-	-	2,450	2,450
Expenditures:				
Current:				
Economic development	-	-	2,450	(2,450)
Total expenditures	-	-	2,450	(2,450)
Excess of revenues over (under) expenditures	-	-	-	-
Net change in fund balances	-	-	-	-
Fund balance, July 1	-	-	-	-
Prior period adjustment	-	-	-	-
Fund balances, July 1 restated	-	2,219,750	2,219,750	-
Fund balance, June 30	\$ -	\$ 2,219,750	\$ 2,219,750	\$ -

Required Supplementary Information
City of Calistoga
Cost Sharing Multiple-Employer Defined Pension Plan - Last ten (10 years)*
Schedule of Plan's Proportionate Share of Net Pension Liability and Related Ratios as of Measurement Date

	<u>Miscellaneous Plan</u>		
	<u>Tier 1</u> <u>6/30/2014</u>	<u>Tier 2</u> <u>6/30/2014</u>	<u>Tier 3</u> <u>6/30/2014</u>
Plan's proportion of the net pension liability (asset)	0.08221%	0.00000%	0.00000%
Plan's proportion share of the net pension liability (asset)	5,115,588	221	-
Plan's covered employee payroll	1,842,317	247,397	-
Plan's proportionate share of the net pension liability/asset as a percentage of its covered-employee payroll	277.67%	0.09%	0.00%
Plan's proportion share of the fiduciary net position as a percentage of the plan's total pension liability	69.77%	83.09%	0.00%
	<u>Safety Plan</u>		
	<u>Tier 1</u> <u>6/30/2014</u>	<u>Tier 2</u> <u>6/30/2014</u>	<u>Tier 3</u> <u>6/30/2014</u>
Plan's proportion of the net pension liability (asset)	0.06090%	0.00000%	0.00000%
Plan's proportion share of the net pension liability (asset)	3,789,734	201	-
Plan's covered employee payroll	1,071,723	150,937	-
Plan's proportionate share of the net pension liability/asset as a percentage of its covered-employee payroll	353.61%	0.13%	0.00%
Plan's proportion share of the fiduciary net position as a percentage of the plan's total pension liability	67.58%	81.39%	0.00%

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

Required Supplementary Information
City of Callstoga
Cost Sharing Multiple-Employer Defined Pension Plan - Last ten (10 years)*
Schedule of Contributions

	<u>Miscellaneous Plan</u>		
	<u>Tier 1</u>	<u>Tier 2</u>	<u>Tier 3</u>
	<u>Fiscal Year 2013-2014</u>	<u>Fiscal Year 2013-2014</u>	<u>Fiscal Year 2013-2014</u>
Actuarially determined contribution	\$ 382,810	\$ 17,824	
Contributions in relation to the actuarially determined contributions	(382,810)	(17,824)	
Contribution deficiency (excess)	-	-	-
Covered-employee payroll	\$ 1,842,317	\$ 247,397	\$ -
Contributions as a percentage of covered-employer payroll	20.78%	7.20%	
Notes to Schedule			
Valuation date:	06/30/13	06/30/13	06/30/13

	<u>Safety Plan</u>		
	<u>Tier 1</u>	<u>Tier 2</u>	<u>Tier 3</u>
	<u>Fiscal Year 2013-2014</u>	<u>Fiscal Year 2013-2014</u>	<u>Fiscal Year 2013-2014</u>
Actuarially determined contribution	\$ 322,443	\$ 28,771	
Contributions in relation to the actuarially determined contributions	(322,443)	(28,771)	
Contribution deficiency (excess)	-	-	-
Covered-employee payroll	\$ 1,071,723	\$ 150,937	
Contributions as a percentage of covered-employer payroll	30.09%	19.06%	
Notes to Schedule			
Valuation date:	06/30/13	06/30/13	06/30/13

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age
Amortization method	Level percentage of payroll, closed
Remaining amortization period	30 years
Asset valuation method	5-year smoothed market
Inflation	2.75%
Salary increases	3.3% to 14.2% depending on Age, Service and type of employment
Investment rate of return	7.5%, net of pension plan
Retirement age	Investment expense, including inflation
Mortality	59 years Misc., 54 years Safety
	The probabilities of mortality are derived from CalPERS' membership data for all funds based on CalPERS' specific data from a 2014 CalPERS experience study. The table includes 20 years of mortality improvements using the Society of Actuaries Scale BB.

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

**Required Supplementary Information
City of Calistoga
Schedule of Funding Progress**

Other Post Employment Benefits (OPEB)

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%
7/1/2013	-	1,185,301	1,185,301	0.00%	3,219,608	36.82%

OPTIONAL
SUPPLEMENTARY INFORMATION

NONMAJOR FUNDS COMBINING FINANCIAL
STATEMENTS AND SCHEDULES,

AND

SCHEDULES OF CAPITAL ASSETS USED IN
GOVERNMENT ACTIVITIES



Calistoga Lighted Tractor Parade

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**City of Calistoga
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2015**

Special Revenue Funds

	Gas Tax	Parking Ordinance	Public Safety	Administration	Fire	Police	Transportation	CDBG Loan Repayment	Palisades Landscape Maintenance	Asset Forfeiture	Affordable Housing	Quality of Life	Silverado Landscape Maintenance
Assets													
Cash and investments	\$ 110,109	\$ 96,489	\$ 262,583	\$ 7,749	\$ 6,528	\$ 1,735	\$ 28,448	\$ 268,016	\$ 2,877	\$ 38,703	\$ 505,157	\$ 6,613	\$ 2,002
Receivables:													
Receivables from other governments	3,800	-	-	-	-	-	-	-	-	-	-	-	-
Accounts	-	-	-	-	-	-	-	-	-	-	-	-	-
Advances to other funds	-	-	-	-	-	-	-	580,045	-	-	-	-	-
Notes receivable	-	-	-	-	-	-	-	-	-	-	12,000	-	-
Total assets	\$ 113,909	\$ 96,489	\$ 262,583	\$ 7,749	\$ 6,528	\$ 1,735	\$ 28,448	\$ 848,061	\$ 2,877	\$ 38,703	\$ 517,157	\$ 6,613	\$ 2,002
Liabilities and Fund Balances													
Liabilities:													
Accounts payable	\$ 6,464	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,875	\$ -	\$ 701	\$ 15,000	\$ -	\$ -
Advances from other funds	-	-	-	-	-	-	-	-	-	-	-	-	-
Deposits	-	-	-	-	-	-	-	-	-	-	-	-	-
Total liabilities	6,464	-	-	-	-	-	-	3,875	-	701	15,000	-	-
Fund balances:													
Non-spendable fund balance	-	-	-	-	-	-	-	532,312	-	-	12,000	-	-
Restricted for streets	107,445	96,489	-	-	-	-	28,448	-	2,877	-	-	-	2,002
Restricted for parks	-	-	-	-	-	-	-	-	-	-	-	-	-
Restricted for public safety	-	-	262,583	-	6,528	1,735	-	-	-	38,002	-	-	-
Restricted for affordable housing	-	-	-	-	-	-	-	311,873	-	-	490,156	-	-
Restricted for facilities	-	-	-	7,749	-	-	-	-	-	-	-	6,613	-
Total fund balances	107,445	96,489	262,583	7,749	6,528	1,735	28,448	844,185	2,877	38,002	502,156	6,613	2,002
Total liabilities and fund balances	\$ 113,909	\$ 96,489	\$ 262,583	\$ 7,749	\$ 6,528	\$ 1,735	\$ 28,448	\$ 848,060	\$ 2,877	\$ 38,703	\$ 517,156	\$ 6,613	\$ 2,002

**City of Calistoga
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2015**

	Special Revenue Funds											Debt Service		Total Nonmajor Governmental Funds
	City Hall Donation	Abandoned Vehicle	Traffic Signal	MTC Street	North West Drainage	Recreation Donation	Police Donation	Police Grants	Tree Mitigation	Fire Donation	Mobile Home Park	City Debt Service		
Assets														
Cash and investments	\$ 8,949	\$ 26,220	\$ 205,616	\$ -	\$ 3,134	\$ 3,303	\$ 11,902	\$ 18,862	\$ 26,207	\$ 954	\$ 21,457	\$ -	\$ -	\$ 1,663,613
Receivables:														
from other governments	-	-	-	-	-	-	-	29,991	-	-	-	-	-	33,791
Accounts	-	-	-	46,021	-	-	-	-	-	-	-	-	-	46,021
Advances to other funds	-	-	25,024	\$ -	-	-	-	-	-	-	-	-	-	25,024
Notes receivable	-	-	-	-	-	-	-	-	-	-	-	-	-	592,045
Total assets	\$ 8,949	\$ 26,220	\$ 230,640	\$ 46,021	\$ 3,134	\$ 3,303	\$ 11,902	\$ 48,853	\$ 26,207	\$ 954	\$ 21,457	\$ -	\$ -	\$ 2,360,494
Liabilities and Fund Balances														
Liabilities:														
Accounts payable	\$ -	\$ -	\$ -	\$ 20,999	\$ -	\$ -	\$ -	\$ -	\$ 770	\$ -	\$ -	\$ -	\$ -	47,809
Advances from other funds	-	-	-	25,024	-	-	-	-	-	-	-	-	-	25,024
Deposits	-	-	-	-	-	-	-	-	10,010	-	-	-	-	10,010
Total liabilities	-	-	-	46,023	-	-	-	-	10,780	-	-	-	-	82,843
Fund balances:														
Non-spendable fund balance	-	-	-	-	-	-	-	-	-	-	-	-	-	544,312
Restricted for streets	-	-	230,640	-	3,134	-	-	-	15,427	-	-	-	-	486,462
Restricted for parks	-	-	-	-	-	3,303	-	-	-	-	-	-	-	3,303
Restricted for public safety	-	-	-	-	-	-	11,902	48,853	-	954	-	-	-	396,777
Restricted for affordable housing	-	26,220	-	-	-	-	-	-	-	-	21,457	-	-	823,486
Restricted for facilities	8,949	-	-	-	-	-	-	-	-	-	-	-	-	23,311
Total fund balances	8,949	26,220	230,640	-	3,134	3,303	11,902	48,853	15,427	954	21,457	-	-	2,277,651
Total liabilities and fund balances	\$ 8,949	\$ 26,220	\$ 230,640	\$ 46,023	\$ 3,134	\$ 3,303	\$ 11,902	\$ 48,853	\$ 26,207	\$ 954	\$ 21,457	\$ -	\$ -	\$ 2,360,494

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, 2015

	<u>Budgeted Amounts</u>			Variance With Final Budget- Positive(Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental:				
Gas tax 2105	\$ 25,798	\$ 25,798	\$ 29,087	\$ 3,289
Gas tax 2106	24,877	24,877	18,573	(6,304)
Gas tax 2107	31,699	31,699	37,227	5,528
Gas tax 2107.5	2,000	2,000	2,000	-
State Local transportation grant	56,137	56,137	49,711	(6,426)
Other state grant	-	-	3,800	3,800
Interest	150	150	252	102
Total revenues	<u>140,661</u>	<u>140,661</u>	<u>140,650</u>	<u>(11)</u>
Expenditures:				
Current:				
Highways and streets:				
Street lighting utilities	37,500	37,500	41,672	(4,172)
Total expenditures	<u>37,500</u>	<u>37,500</u>	<u>41,672</u>	<u>(4,172)</u>
Excess of revenues over (under) expenditures	<u>103,161</u>	<u>103,161</u>	<u>98,978</u>	<u>(4,183)</u>
Other financing sources (uses):				
Transfers out	<u>(195,000)</u>	<u>(145,000)</u>	<u>(115,109)</u>	<u>29,891</u>
Total other financing sources (uses)	<u>(195,000)</u>	<u>(145,000)</u>	<u>(115,109)</u>	<u>29,891</u>
Net change in fund balance	(91,839)	(41,839)	(16,131)	25,708
Fund balance, July 1	<u>104,653</u>	<u>123,576</u>	<u>123,576</u>	<u>-</u>
Fund balance, June 30	<u>\$ 12,814</u>	<u>\$ 81,737</u>	<u>\$ 107,445</u>	<u>\$ 25,708</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, 2015

	<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	222	47
Total revenues	<u>175</u>	<u>175</u>	<u>222</u>	<u>47</u>
Expenditures:				
Public safety	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>175</u>	<u>175</u>	<u>222</u>	<u>47</u>
Net change in fund balances	175	175	222	47
Fund balance, July 1	<u>90,501</u>	<u>96,267</u>	<u>96,267</u>	<u>-</u>
Fund balance, June 30	<u>\$ 90,676</u>	<u>\$ 96,442</u>	<u>\$ 96,489</u>	<u>\$ 47</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, 2015

	<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:				
Public safety impact fees	\$ 226,743	\$ 75,000	\$ 73,828	\$ (1,172)
Interest	-	-	602	602
Total revenues	<u>226,743</u>	<u>75,000</u>	<u>74,430</u>	<u>(570)</u>
Expenditures:				
Public Safety:	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>226,743</u>	<u>75,000</u>	<u>74,430</u>	<u>(570)</u>
Other financing uses:				
Transfer out to equipment fund	(11,000)	(21,715)	(8,734)	12,981
Transfer out to general fund	(30,000)	(30,000)	(33,459)	(3,459)
Transfer out to debt service fund	(171,322)	(212,136)	(212,136)	-
Total other financing uses	<u>(212,322)</u>	<u>(263,851)</u>	<u>(254,329)</u>	<u>9,522</u>
Net change in fund balances	<u>14,421</u>	<u>(188,851)</u>	<u>(179,899)</u>	<u>8,952</u>
Fund balance, July 1	<u>369,411</u>	<u>442,482</u>	<u>442,482</u>	<u>-</u>
Fund balance, June 30	<u>\$ 383,832</u>	<u>\$ 253,631</u>	<u>\$ 262,583</u>	<u>\$ 8,952</u>

CITY OF CALISTOGA
City Administration Special Revenue Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2015

	<u>Budgeted Amounts</u>			Variance With Final Budget- Positive(Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Charges for services:				
City Administration impact fees	\$ -	\$ -	\$ 7,731	\$ 7,731
Interest	-	-	18	18
Total revenues	-	-	7,749	7,749
Expenditures:				
City Administration:	-	-	-	-
Total expenditures	-	-	-	-
Excess of revenues over (under) expenditures	-	-	7,749	7,749
Net change in fund balances	-	-	7,749	7,749
Fund balance, July 1	-	-	-	-
Fund balance, June 30	\$ -	\$ -	\$ 7,749	\$ 7,749

CITY OF CALISTOGA
Fire Special Revenue Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2015

	<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:				
Public safety impact fees	\$ -	\$ -	\$ 6,513	\$ 6,513
Interest	-	-	15	15
Total revenues	<u>-</u>	<u>-</u>	<u>6,528</u>	<u>6,528</u>
Expenditures:				
Public Safety:	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>6,528</u>	<u>6,528</u>
Net change in fund balances	-	-	6,528	6,528
Fund balance, July 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, June 30	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 6,528</u></u>	<u><u>\$ 6,528</u></u>

CITY OF CALISTOGA
Police Special Revenue Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2015

	<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	\$ -	\$ -	\$ 1,731	\$ 1,731
Interest	-	-	4	4
Total revenues	<u>-</u>	<u>-</u>	<u>1,735</u>	<u>1,735</u>
Expenditures:				
Public Safety:	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>1,735</u>	<u>1,735</u>
Net change in fund balances	-	-	1,735	1,735
Fund balance, July 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,735</u>	<u>\$ 1,735</u>

CITY OF CALISTOGA
Transportation Special Revenue Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2015

	<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:				
Transportation impact fees	\$ -	\$ -	\$ 28,383	\$ 28,383
Interest	-	-	65	65
Total revenues	<u>-</u>	<u>-</u>	<u>28,448</u>	<u>28,448</u>
Expenditures:				
Transportation:	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>28,448</u>	<u>28,448</u>
Net change in fund balances	-	-	28,448	28,448
Fund balance, July 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 28,448</u>	<u>\$ 28,448</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, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget- Positive(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Interest	\$ 8,400	\$ 8,400	\$ 50,611	\$ 42,211
Miscellaneous - loan repayments	27,300	27,300	34,690	7,390
Total revenues	<u>35,700</u>	<u>35,700</u>	<u>85,301</u>	<u>49,601</u>
Expenditures:				
Current:				
Contracts and program services	53,750	53,750	138,807	(85,057)
Total expenditures	<u>53,750</u>	<u>53,750</u>	<u>138,807</u>	<u>(85,057)</u>
Excess of revenues over (under) expenditures	<u>(18,050)</u>	<u>(18,050)</u>	<u>(53,506)</u>	<u>(35,456)</u>
Other financing uses:				
Transfer out to general fund	(6,000)	(12,067)	(20,144)	(8,077)
Total other financing uses	<u>(6,000)</u>	<u>(12,067)</u>	<u>(20,144)</u>	<u>(8,077)</u>
Net change in fund balances	<u>(24,050)</u>	<u>(30,117)</u>	<u>(73,650)</u>	<u>(43,533)</u>
Fund balance, July 1	<u>149,512</u>	<u>917,835</u>	<u>917,835</u>	<u>-</u>
Fund balance, June 30	<u>\$ 125,462</u>	<u>\$ 887,718</u>	<u>\$ 844,185</u>	<u>\$ (43,533)</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, 2015

	<u>Budgeted Amounts</u>			Variance With Final Budget- Positive(Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Special assessments:				
Landscape maintenance	\$1,550	\$1,550	\$1,530	(\$20)
Total revenues	1,550	1,550	1,530	(20)
Expenditures:				
Public works	1,550	1,550	754	796
Excess of revenues over(under)expenditures	-	-	776	776
Net change in fund balances	-	-	776	776
Fund balance, July 1	1,271	2,101	2,101	-
Fund balance, June 30	\$ 1,271	\$ 2,101	\$ 2,877	\$ 776

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, 2015

	<u>Budgeted Amounts</u>			Variance With Final Budget- Positive(negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Interest	\$ -	\$ -	\$ 89	\$ 89
Intergovernmental: Grants	25,000	25,000	8,741	(16,259)
Total revenues	<u>25,000</u>	<u>25,000</u>	<u>8,830</u>	<u>(16,170)</u>
Expenditures:				
Current:				
Public safety	<u>3,200</u>	<u>6,700</u>	<u>8,096</u>	<u>(1,396)</u>
Excess of revenues over (under) expenditures	<u>21,800</u>	<u>18,300</u>	<u>734</u>	<u>(17,566)</u>
Net change in fund balances	21,800	18,300	734	(17,566)
Fund balance, July 1	<u>-</u>	<u>37,268</u>	<u>37,268</u>	<u>-</u>
Fund balance, June 30	<u>\$ 21,800</u>	<u>\$ 55,568</u>	<u>\$ 38,002</u>	<u>\$ (17,566)</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, 2015

	<u>Budgeted Amounts</u>			Variance With Final Budget- Positive(Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Interest	\$ 200	\$ 200	\$ 1,158	\$ 958
Development in lieu fees	585,002	95,000	91,420	(3,580)
Total revenues	<u>585,202</u>	<u>95,200</u>	<u>92,578</u>	<u>(2,622)</u>
Expenditures:				
Current:				
Housing services	15,000	15,000	15,000	-
Total expenditures	<u>15,000</u>	<u>15,000</u>	<u>15,000</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>570,202</u>	<u>80,200</u>	<u>77,578</u>	<u>(2,622)</u>
Net change in fund balances	570,202	80,200	77,578	(2,622)
Fund balance, July 1	<u>407,476</u>	<u>424,578</u>	<u>424,578</u>	<u>-</u>
Fund balance, June 30	<u><u>\$ 977,678</u></u>	<u><u>\$ 504,778</u></u>	<u><u>\$ 502,156</u></u>	<u><u>\$ (2,622)</u></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, 2015

	<u>Budgeted Amounts</u>			Variance With Final Budget- Positive(Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Charges for services:				
Quality of life fees	\$ 265,127	\$ 125,000	\$ 131,898	\$ 6,898
Interest	300	300	15	(285)
Total revenues	<u>265,427</u>	<u>125,300</u>	<u>131,913</u>	<u>6,613</u>
Expenditures:				
Current:				
Public works	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over(under) expenditures	<u>265,427</u>	<u>125,300</u>	<u>131,913</u>	<u>6,613</u>
Other financing uses:				
Transfers out	<u>(171,321)</u>	<u>(130,507)</u>	<u>(130,507)</u>	<u>-</u>
Net change in fund balances	94,106	(5,207)	1,406	6,613
Fund balance, July 1	<u>5,197</u>	<u>5,207</u>	<u>5,207</u>	<u>-</u>
Fund balance, June 30	<u>\$ 99,303</u>	<u>\$ -</u>	<u>\$ 6,613</u>	<u>\$ 6,613</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, 2015

	<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	\$ 1,010	\$ 10
Total revenues	<u>1,000</u>	<u>1,000</u>	<u>1,010</u>	<u>10</u>
Expenditures:				
Current:				
Public works	<u>1,000</u>	<u>1,000</u>	<u>515</u>	<u>485</u>
Excess of revenues over(under) expenditures	<u>-</u>	<u>-</u>	<u>495</u>	<u>495</u>
Net change in fund balances	<u>-</u>	<u>-</u>	<u>495</u>	<u>495</u>
Fund balance, July 1	<u>932</u>	<u>1,507</u>	<u>1,507</u>	<u>-</u>
Fund balance, June 30	<u>\$ 932</u>	<u>\$ 1,507</u>	<u>\$ 2,002</u>	<u>\$ 495</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, 2015

	<u>Budgeted</u>			Variance With Final Budget- Positive(Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Interest	\$ -	\$ -	\$ 21	\$ 21
Total revenues	<u>-</u>	<u>-</u>	<u>21</u>	<u>21</u>
Expenditures:				
Capital outlay:				
City Hall improvements	<u>8,968</u>	<u>8,928</u>	<u>-</u>	<u>8,928</u>
Total expenditures	<u>8,968</u>	<u>8,928</u>	<u>-</u>	<u>8,928</u>
Excess of revenues over(under) expenditures	<u>(8,968)</u>	<u>(8,928)</u>	<u>21</u>	<u>(8,907)</u>
Net change in fund balances	(8,968)	(8,928)	21	(8,907)
Fund balances, July 1	<u>8,968</u>	<u>8,928</u>	<u>8,928</u>	<u>-</u>
Fund balances, June 30	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 8,949</u></u>	<u><u>\$ (8,907)</u></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, 2015

	Budgeted Amounts			Variance With Final Budget- Positive(Negative)
	Original	Final	Actual	
Revenues:				
Intergovernmental:				
Napa County - reimbursement fees	\$ 6,000	\$ 6,000	\$ 5,766	\$ (234)
Interest	50	50	60	10
Total revenues	<u>6,050</u>	<u>6,050</u>	<u>5,826</u>	<u>(224)</u>
Expenditures:				
Current:				
Public safety	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>6,050</u>	<u>6,050</u>	<u>5,826</u>	<u>(224)</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	1,450	1,450	1,226	(224)
Fund balance, July 1	<u>20,378</u>	<u>24,994</u>	<u>24,994</u>	<u>-</u>
Fund balance, June 30	<u>\$ 21,828</u>	<u>\$ 26,444</u>	<u>\$ 26,220</u>	<u>\$ (224)</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, 2015

	<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	\$ 165,937	\$ 65,000	\$ 61,763	\$ (3,237)
Interest	300	300	529	229
Total revenues	<u>166,237</u>	<u>65,300</u>	<u>62,292</u>	<u>(3,008)</u>
Expenditures:				
Current public works	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	166,237	65,300	62,292	(3,008)
Fund balance, July 1	<u>167,439</u>	<u>168,348</u>	<u>168,348</u>	<u>-</u>
Fund balance, June 30	<u><u>\$ 333,676</u></u>	<u><u>\$ 233,648</u></u>	<u><u>\$ 230,640</u></u>	<u><u>\$ (3,008)</u></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, 2015

	<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	\$ 650,257	\$ 500,500	\$ 159,475	\$ (341,025)
Interest	-	-	-	-
Total revenues	<u>650,257</u>	<u>500,500</u>	<u>159,475</u>	<u>(341,025)</u>
Expenditures:				
Current:				
Public works- pedestrian projects	669,390	500,500	170,365	330,135
Total expenditures	<u>669,390</u>	<u>500,500</u>	<u>170,365</u>	<u>330,135</u>
Excess of revenues over(under) expenditures	<u>(19,133)</u>	<u>-</u>	<u>(10,890)</u>	<u>(10,890)</u>
Other financing uses:				
Transfer in from the general fund	19,133	-	12,107	12,107
Transfer out to the general fund	-	-	(1,217)	(1,217)
Total other financing uses	<u>19,133</u>	<u>-</u>	<u>10,890</u>	<u>10,890</u>
Net change in fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, July 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, June 30	<u>\$ -</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, 2015

	<u>Budgeted Amounts</u>			Variance With Final Budget- Positive(Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Charges for servivces:				
Impact fees	\$ -	\$ -	\$ 160	\$ 160
Interest	-	-	7	7
Total revenues	<u>-</u>	<u>-</u>	<u>167</u>	<u>167</u>
Expenditures:				
Current:				
Public works projects	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>167</u>	<u>167</u>
Net change in fund balances	<u>-</u>	<u>-</u>	<u>167</u>	<u>167</u>
Fund balance, July 1	<u>3,194</u>	<u>2,967</u>	<u>2,967</u>	<u>-</u>
Fund balance, June 30	<u>\$ 3,194</u>	<u>\$ 2,967</u>	<u>\$ 3,134</u>	<u>\$ 167</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, 2015

	<u>Budgeted Amounts</u>			Variance With Final Budget- Positive(Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Interest	\$ -	\$ -	\$ 7	\$ 7
Miscellaneous:				
Donations	5,300	6,400	7,818	1,418
Total revenues	<u>5,300</u>	<u>6,400</u>	<u>7,825</u>	<u>1,425</u>
Expenditures:				
Current:				
Recreation	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess(deficiency) of revenues over (under) expenditures	<u>5,300</u>	<u>6,400</u>	<u>7,825</u>	<u>1,425</u>
Other Financing Use				
Transfer out to general fund	<u>(5,300)</u>	<u>(5,300)</u>	<u>(6,100)</u>	<u>(800)</u>
Net change in fund balances	-	1,100	1,725	625
Fund balance, July 1	<u>450</u>	<u>1,578</u>	<u>1,578</u>	<u>-</u>
Fund balance, June 30	<u>\$ 450</u>	<u>\$ 2,678</u>	<u>\$ 3,303</u>	<u>\$ 625</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, 2015

	<u>Budgeted Amounts</u>			Variance With Final Budget- Positive(Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Interest	\$ -	\$ -	\$ 28	\$ 28
Total revenues	-	-	28	28
Expenditures:				
Current:				
Public safety	-	-	-	-
Net change in fund balances	-	-	28	28
Fund balance, July 1	11,851	11,874	11,874	-
Fund balance, June 30	<u>\$ 11,851</u>	<u>\$ 11,874</u>	<u>\$ 11,902</u>	<u>\$ 28</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, 2015

	<u>Budgeted Amounts</u>			Variance With Final Budget- Positive(Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental:				
COPS grant	\$ 120,940	\$ 120,940	\$ 129,376	\$ 8,436
Total revenues	<u>120,940</u>	<u>120,940</u>	<u>129,376</u>	<u>8,436</u>
Expenditures:				
Current:				
Public safety	42,440	42,440	21,210	21,230
Total expenditures	<u>42,440</u>	<u>42,440</u>	<u>21,210</u>	<u>21,230</u>
Excess of revenues over (under) expenditures	<u>78,500</u>	<u>78,500</u>	<u>108,166</u>	<u>29,666</u>
Other financing sources (uses):				
Operating transfers in	-	-	-	-
Operating transfers out	<u>(75,322)</u>	<u>(75,322)</u>	<u>(85,268)</u>	<u>(9,946)</u>
Net change in fund balances	3,178	3,178	22,898	19,720
Fund balance, July 1	<u>11,078</u>	<u>25,955</u>	<u>25,955</u>	<u>-</u>
Fund balance, June 30	<u>\$ 14,256</u>	<u>\$ 29,133</u>	<u>\$ 48,853</u>	<u>\$ 19,720</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, 2015

	<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	\$ 500	\$ 500	\$ 50	\$ (450)
Interest	-	-	60	60
Total revenues	<u>500</u>	<u>500</u>	<u>110</u>	<u>(390)</u>
Expenditures:				
Current:				
Public works	<u>5,000</u>	<u>5,000</u>	<u>-</u>	<u>5,000</u>
Excess of revenues over (under) expenditures	<u>(4,500)</u>	<u>(4,500)</u>	<u>110</u>	<u>(5,390)</u>
Net change in fund balances	(4,500)	(4,500)	110	4,610
Fund balance, July 1	<u>6,225</u>	<u>15,317</u>	<u>15,317</u>	<u>-</u>
Fund balance, June 30	<u><u>\$ 1,725</u></u>	<u><u>\$ 10,817</u></u>	<u><u>\$ 15,427</u></u>	<u><u>\$ 4,610</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, 2015

	Budgeted Amounts			Variance With Final Budget- Positive(Negative)
	Original	Final	Actual	
Revenues				
Interest	\$ -	\$ -	\$ 3	\$ 3
Total revenues	-	-	3	-
Expenditures:				
Current:				
Public safety	-	-	-	-
Excess of revenues over (under) expenditures	-	-	3	-
Net change in fund balances	-	-	3	3
Fund balance, July 1	949	951	951	-
Fund balance, June 30	<u>\$ 949</u>	<u>\$ 951</u>	<u>\$ 954</u>	<u>\$ 3</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, 2015

	<u>Budgeted Amounts</u>			Variance With Final Budget- Positive(Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Interest	\$ -	\$ -	\$ 49	\$ 49
Charges for services:				
Inspection fees	7,940	7,940	7,940	-
Rent stablization fees	10,600	10,600	9,860	(740)
Other Revenues	-	-	-	-
Total revenues	18,540	18,540	17,849	(691)
Expenditures:				
Current:				
Housing	1,475	1,475	1,275	200
Excess of revenues over (under) expenditures	17,065	17,065	16,574	(491)
Other financing sources (uses):				
Transfers in from community dev fund	-	-	-	-
Transfers out to general fund	(7,520)	(7,520)	(7,520)	-
Total other financing sources (uses)	(7,520)	(7,520)	(7,520)	-
Net change in fund balances	9,545	9,545	9,054	(491)
Fund balance, July 1	13,197	12,403	12,403	-
Fund balance, June 30	\$ 22,742	\$ 21,948	\$ 21,457	\$ (491)

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, 2015

	<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	136,994	136,994	136,994	-
Interest on long-term debt	<u>205,649</u>	<u>205,649</u>	<u>205,649</u>	<u>-</u>
Total expenditures	<u>342,643</u>	<u>342,643</u>	<u>342,643</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>(342,643)</u>	<u>(342,643)</u>	<u>(342,643)</u>	<u>-</u>
Other financing sources:				
Transfer in from public safety fund	171,321	212,136	212,136	-
Transfer in from quality of life	<u>171,322</u>	<u>130,507</u>	<u>130,507</u>	<u>-</u>
Total other financing sources	<u>342,643</u>	<u>342,643</u>	<u>342,643</u>	<u>-</u>
Net change in fund balances	-	-	-	-
Fund balance, July 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

City of Calistoga
Statement of Changes in Assets and Liabilities
Agency Fund
For Fiscal Year Ended June 30, 2015

	Balance June 30, 2014	Additions	Reductions	Balance June 30, 2015
ASSETS				
Cash and cash equivalents	\$ 33,686	\$ 26,862	\$ -	\$ 60,548
Assessments receivable	108,225	3,110		111,335
Total assets	<u>\$ 141,911</u>	<u>\$ 29,972</u>	<u>\$ -</u>	<u>\$ 171,883</u>
LIABILITIES				
Deposits payable to Tourism Business Improvement District	\$ 141,911	\$ 29,972	\$ -	171,883
Total liabilities	<u>\$ 141,911</u>	<u>\$ 29,972</u>	<u>\$ -</u>	<u>\$ 171,883</u>

See accompanying notes to the basic financial statements

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

	June 30	
	2015	2014
General fixed assets:		
Land	1,964,744	1,964,744
Buildings	3,494,179	3,494,179
Improvements	9,077,964	8,917,325
Equipment	871,833	871,833
Infrastructure - street system	1,807,034	1,772,296
Construction in progress	710,267	485,330
Total general capital assets	\$ 17,926,021	\$ 17,505,707
Investment in general fixed assets from:		
General fund	13,925,099	13,504,785
Capital projects funds	1,948,090	1,948,090
Donations	1,807,666	1,807,666
Special revenue funds	245,166	245,166
Total investment in capital assets	\$ 17,926,021	\$ 17,505,707

CITY OF CALISTOGA
Schedule of Changes in General Capital Assets Used in Governmental Activities
By Source
For the Fiscal Year Ended June 30, 2015

	<u>Land</u>	<u>Buildings</u>	<u>Improvements and Construction in Progress</u>	<u>Equipment</u>	<u>Infrastructure</u>	<u>Total Cost</u>
General capital assets July 1, 2014	\$ 1,964,744	\$ 3,494,179	\$ 9,218,330	\$ 871,833	\$ 1,956,621	\$17,505,707
Add:						
Expenditures from:						
Capital projects	-	-	132,059	-	-	132,059
General fund	-	-	-	-	288,255	288,255
General capital assets June 30, 2015	<u>\$ 1,964,744</u>	<u>\$ 3,494,179</u>	<u>\$ 9,350,389</u>	<u>\$ 871,833</u>	<u>\$ 2,244,876</u>	<u>\$17,926,021</u>

CITY OF CALISTOGA
Schedule of General Capital Assets Used in Governmental Activities
By Function and Activity
June 30, 2015

Function and Activity	Land	Buildings	Improvements	Equipment	Infrastructure	Total Cost
General government:						
General government buildings	\$ 1,315,180	\$ 131,175	\$ 578,475	\$ 17,000	\$ -	\$ 2,041,830
Public safety:						
Police protection	509,682	935,600	332,969	175,348	-	1,953,599
Fire protection	-	1,821,700	28,097	402,282	-	2,252,079
Total public safety	509,682	2,757,300	361,066	577,630	-	4,205,678
Community Center	5,000	54,576	43,762	67,235	-	170,573
Community pool	-	-	7,146,051	17,251	-	7,163,302
Parks and recreation	45,660	295,142	876,660	93,743	-	1,311,205
Public works	77,222	89,995	344,373	73,974	2,244,878	2,830,442
Museum	12,000	165,991	-	25,000	-	202,991
Total capital assets	\$ 1,964,744	\$ 3,494,179	\$ 9,350,387	\$ 871,833	\$ 2,244,878	\$ 17,926,021

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, 2015

<u>Function and Activity</u>	<u>General Fixed Assets July 1, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>General Fixed Assets June 30, 2015</u>
General government:				
City Clerk	\$ 12,871	\$ -	\$ -	\$ 12,871
Planning	7,235	-	-	7,235
General buildings and land	1,955,552	-	-	1,955,552
Financial administration	52,077	10,714	-	62,791
City Manager	3,381	-	-	3,381
Total general government	<u>2,031,116</u>	<u>10,714</u>	<u>-</u>	<u>2,041,830</u>
Public safety:				
Police protection	1,912,390	41,209	-	1,953,599
Fire protection	2,252,079	-	-	2,252,079
Total public safety	<u>4,164,469</u>	<u>41,209</u>	<u>-</u>	<u>4,205,678</u>
Community Center	170,573	-	-	170,573
Community Pool	7,140,146	23,156	-	7,163,302
Parks and recreation	1,254,226	56,980	-	1,311,206
Public Works	2,542,186	288,255	-	2,830,441
Museum	202,991	-	-	202,991
Total capital assets	<u>\$ 17,505,707</u>	<u>\$ 420,314</u>	<u>\$ -</u>	<u>\$ 17,926,021</u>

STATISTICAL SECTION



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.

Financial Trends	Schedules 1- 4
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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.

Revenue Capacity	Schedules 5-6
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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.

Debt Capacity	Schedules 7-11
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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.

Demographic and Economic Information	Schedules 12 -13
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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.

Operating Information	Schedules 14-16
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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 Callistoga
Schedule 1
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental activities:										
Net investment in capital assets	\$3,608,855	\$3,902,216	\$5,412,945	\$8,300,018	\$8,772,653	\$9,134,898	\$9,123,554	\$9,134,957	\$8,689,861	\$8,776,854
Restricted	4,398,197	4,552,113	4,368,648	5,481,829	6,272,999	6,320,030	5,539,578	6,873,465	7,326,817	7,440,190
Unrestricted	1,579,848	1,478,418	1,300,830	1,322,140	171,473	(601,181)	909,057	2,284,571	5,031,807	1,381,017
Total governmental activities net position	\$9,586,900	\$9,932,747	\$11,082,423	\$15,103,987	\$15,217,125	\$14,853,747	\$15,572,189	\$18,292,993	\$21,048,485	\$17,598,061
Business-type activities:										
Net investment in capital assets	\$14,399,240	\$14,527,166	\$12,732,263	\$14,378,458	\$13,691,652	\$13,584,563	\$15,137,975	\$14,984,506	\$14,438,811	\$15,430,416
Restricted	1,970,690	904,096	769,992	-	-	-	-	-	-	-
Unrestricted	(2,028,612)	(1,377,516)	303,715	(605,740)	436,945	194,892	6,084	1,607,643	3,371,809	(392,582)
Total business-type activities net position	\$14,341,318	\$14,053,746	\$13,805,970	\$13,772,718	\$14,128,597	\$13,779,455	\$15,144,059	\$16,592,149	\$17,810,620	\$15,037,834
Primary government:										
Net investment in capital assets	\$18,008,095	\$18,429,382	\$18,145,208	\$22,678,476	\$22,464,305	\$22,719,461	\$24,261,529	\$24,119,463	\$23,128,672	\$24,207,270
Restricted	6,368,887	5,456,209	5,138,640	5,481,829	6,272,999	6,320,030	5,539,578	6,873,465	7,326,817	7,440,190
Unrestricted	(448,764)	100,902	1,604,545	716,400	608,418	(406,289)	915,141	3,892,214	8,403,616	988,435
Total primary government net position	\$23,928,218	\$23,986,493	\$24,888,393	\$28,876,705	\$29,345,722	\$28,633,202	\$30,716,248	\$34,885,142	\$38,859,105	\$32,635,895

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Expenses:										
Governmental activities:										
General government	\$ 1,263,331	\$ 1,308,975	\$ 1,786,147	\$ 1,749,599	\$ 1,672,657	\$ 1,842,683	\$ 1,669,272	\$ 1,642,042	\$ 1,498,929	\$ 1,688,533
Public safety	2,625,164	2,669,054	2,976,791	3,141,566	3,175,941	3,178,320	3,011,419	3,166,518	3,077,799	2,508,394
Community services	259,264	357,280	188,928	276,107	309,074	385,499	485,263	452,308	521,194	521,463
Housing	464,850	141,891	113,019	77,355	124,359	123,490	127,496	69,474	55,530	240,816
Recreation Services	322,323	339,137	378,520	475,566	542,515	615,712	391,147	357,669	329,786	276,256
Public works	982,397	1,088,982	1,160,329	1,238,441	1,067,014	1,123,110	1,082,233	1,060,887	1,203,406	1,050,950
Planning and Building	677,722	625,180	604,125	694,241	628,391	637,991	405,710	423,257	688,238	593,152
Interest on long-term debt	84,397	69,591	200,895	227,841	268,959	291,896	272,807	56,689	286,823	202,958
Total governmental activities expenses	6,679,448	6,600,090	7,408,754	7,880,716	7,788,910	8,198,701	7,445,347	7,228,844	7,641,705	7,082,522
Business-type activities:										
Water	2,044,759	2,149,976	2,302,615	2,731,066	2,916,682	3,055,351	3,025,828	2,842,771	3,117,243	3,063,683
Wastewater	2,998,065	2,831,758	2,696,495	2,894,713	2,784,072	2,695,348	2,607,225	2,782,294	2,708,702	2,646,921
Total business-type activities expenses	5,042,824	4,981,734	4,999,110	5,625,779	5,700,754	5,750,699	5,633,053	5,625,065	5,825,945	5,710,604
Total primary government expenses	\$11,722,272	\$11,581,824	\$12,407,864	\$13,506,495	\$13,489,664	\$13,949,400	\$13,078,400	\$12,853,909	\$13,467,650	\$12,793,126
Program revenues:										
Governmental activities:										
Charges for services:										
General government	\$151,254	\$191,106	\$339,719	\$241,627	\$258,984	\$265,929	\$290,492	\$210,161	\$394,402	\$411,142
Public safety	596,594	491,489	282,560	279,176	326,789	185,890	293,710	541,245	391,088	474,448
Community services	29,537	53,296	13,192	10,600	9,238	21,734	18,882	9,952	10,891	17,058
Housing	88,698	93,104	127,025	47,273	47,643	146,202	140,320	127,679	79,092	103,150
Recreation services	21,419	19,397	59,776	83,029	128,795	123,832	141,329	157,059	149,305	102,290
Public works	26,313	52,325	59,538	261,534	25,203	66,484	33,743	55,840	71,730	50,864
Planning and building	473,167	357,841	197,848	196,562	157,031	182,174	166,892	207,008	279,974	275,553
Operating grants and contributions	1,874,523	314,902	766,363	323,770	297,496	272,868	310,240	419,165	1,209,804	760,212
Capital grants and contributions	615,092	316,553	575,416	2,642,244	2,261,454	1,113,412	33,131	86,386	201,332	174,074
Total governmental activities program revenues	\$3,876,597	\$1,890,013	\$2,421,437	\$4,085,815	\$3,512,633	\$2,378,525	\$1,428,739	\$1,814,495	\$2,787,618	\$2,368,791
									(continued)	

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Business-type activities:										
Charges for services:										
Water	\$ 1,975,927	\$ 2,222,327	\$ 2,554,214	\$ 2,182,318	\$ 2,090,136	\$ 2,100,595	\$ 2,243,967	\$ 2,359,606	\$ 2,683,096	\$ 2,339,237
Wastewater	1,852,512	1,921,034	2,078,594	1,973,424	1,939,641	1,952,322	2,133,389	2,281,513	2,329,265	2,375,519
Operating grants and contributions	844,605	550,801	127,213	1,482,941	952,188	488,832	2,620,301	2,426,374	1,951,228	510,874
Capital grants and contributions	4,673,044	4,694,162	4,760,021	5,638,683	4,981,965	4,541,749	6,997,657	7,067,493	6,963,589	5,225,630
Total business-type activities										
program revenues										
Total primary government program revenues	\$8,549,641	\$6,584,175	\$7,181,458	\$9,724,498	\$8,494,598	\$6,920,274	\$8,426,396	\$8,881,988	\$9,751,207	\$7,594,421
Net revenues (expenses):										
Governmental activities	\$ (2,802,851)	\$ (4,710,077)	\$ (4,987,317)	\$ (3,794,901)	\$ (4,276,277)	\$ (5,820,176)	\$ (6,016,608)	\$ (5,414,349)	\$ (4,854,087)	\$ (4,713,731)
Business-type activities	(369,780)	(287,572)	(239,089)	12,904	(718,789)	(1,208,950)	1,364,604	1,442,428	1,137,644	(484,974)
Total net revenues (expenses)	(\$3,172,631)	(\$4,997,649)	(\$5,226,406)	(\$3,781,997)	(\$4,995,066)	(\$7,029,126)	(\$4,652,004)	(\$3,971,921)	(\$3,716,443)	(\$5,198,705)
General revenues and other changes in net position:										
Governmental activities:										
Taxes:										
Property taxes	\$1,173,543	\$1,335,430	\$1,467,322	\$1,709,998	\$1,654,593	\$1,685,427	\$1,635,425	\$1,685,766	\$1,718,853	\$1,758,715
Transient occupancy taxes	2,335,139	2,521,951	3,402,228	3,208,611	3,042,315	3,430,487	3,768,443	3,948,825	4,456,456	5,037,136
Sales tax	705,825	793,011	874,109	842,610	670,909	796,563	965,528	1,021,131	985,555	1,019,262
Other taxes	328,634	335,687	329,146	369,196	348,285	312,778	323,873	326,135	377,858	422,361
Motor vehicle in lieu, unrestricted	35,225	31,248	23,499	18,039	15,665	24,494	-	-	-	-
Investment income	37,561	38,597	32,002	24,231	11,517	9,693	1,331	-	7,669	15,502
Other general revenue	-	-	-	-	-	57,164	40,450	151,796	135,088	72,181
Donations for community pool	-	-	-	1,597,624	-	-	-	-	-	-
Net Transfers	(140,600)	-	-	-	(1,353,869)	(859,808)	-	-	(71,900)	(109,400)
Total governmental activities	4,475,327	5,055,924	6,128,306	7,770,309	4,389,415	5,456,798	6,735,050	7,133,653	7,609,579	8,215,757
							(continued)			
Business-type activities:										
Investment income	-	-	-	-	-	-	-	5,662	8,927	8,220
Transfers	140,600	-	-	-	1,353,869	859,808	-	-	71,900	109,400
Total business-type activities	140,600	-	-	-	1,353,869	859,808	-	-	80,827	117,620
Total primary government	\$4,615,927	\$5,055,924	\$6,128,306	\$7,770,309	\$5,743,284	\$6,316,606	\$6,735,050	\$7,139,315	\$7,690,406	\$8,333,377
Changes in net position										
Governmental activities	\$1,672,476	\$345,847	\$1,140,989	\$3,975,408	\$113,138	(\$363,378)	\$718,442	\$1,719,304	\$2,755,492	\$3,502,026
Business-type activities	(229,180)	(287,572)	(239,089)	12,904	635,080	(349,142)	1,364,604	1,448,090	1,218,471	(367,354)
Total primary government	\$1,443,296	\$58,275	\$901,900	\$3,988,312	\$748,218	(\$712,520)	\$2,083,046	\$3,167,394	\$3,973,963	\$3,134,672

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General fund:										
Reserved	\$ 1,540,237	\$ 1,558,663	\$ 588,784	\$ 447,767	\$ 154,504	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	252,563	326,911	1,121,851	941,456	778,500	16,911	311,927	606,843	613,509	614,207
Nonspendable (1)	-	-	-	-	-	(455)	646,165	1,858,588	4,242,111	6,580,837
Unassigned (1)	-	-	-	-	-	16,456	958,092	2,465,431	4,855,620	7,195,044
Total general fund	1,792,800	1,885,574	1,710,635	1,389,223	933,004	16,456	958,092	2,465,431	4,855,620	7,195,044
All other governmental funds:										
Reserved	27	34	-	-	-	-	-	-	-	-
Unreserved, reported in:										
Special revenue funds	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	-	-	-	-	-
Nonspendable (1)	-	-	-	-	-	-	-	-	6,249,139	6,231,098
Restricted for capital improvements	-	-	-	-	-	398,097	397,158	397,176	233,858	210,716
Restricted for affordable housing	-	-	-	-	-	628,868	551,931	485,175	741,581	823,486
Restricted for streets	-	-	-	-	-	327,317	351,173	344,747	410,084	486,462
Restricted for facilities	-	-	-	-	-	50,584	32,037	166,893	14,135	23,311
Restricted for public safety	-	-	-	-	-	125,782	132,025	319,186	543,524	396,777
Restricted for parks	-	-	-	-	-	2,150	2,152	150	1,578	3,303
Restricted for debt service	-	-	-	-	-	1,708	-	-	-	-
Total all other governmental funds	1,530,435	2,189,380	5,847,884	4,446,855	3,309,823	1,534,506	1,466,476	1,713,327	8,193,899	8,175,153
Total Governmental funds	\$3,323,235	\$4,074,954	\$7,558,519	\$5,836,078	\$4,242,827	\$1,550,962	\$2,424,568	\$4,178,758	\$13,049,519	\$15,370,197

(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)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues:										
Property Taxes	\$ 1,173,543	\$ 1,328,829	\$ 1,460,792	\$ 1,709,998	\$ 1,654,593	\$ 1,685,427	\$ 1,635,425	\$ 1,685,766	\$ 1,718,854	\$ 1,758,715
Sales Taxes	653,118	738,597	819,647	842,610	670,909	796,563	965,528	1,021,131	985,555	1,019,262
Transient Occupancy Taxes	2,335,139	2,521,951	3,042,228	3,208,611	3,042,315	3,430,487	3,768,443	3,948,825	4,456,456	5,037,136
Other Taxes	321,774	335,687	329,146	311,292	292,758	312,778	323,873	326,135	377,858	422,361
Licenses and permits	271,812	170,366	81,325	89,315	65,849	65,022	64,458	81,436	135,763	131,136
Fines and forfeitures	61,429	56,830	49,296	49,810	42,577	53,486	55,989	33,075	35,799	51,192
Intergovernmental	1,343,240	662,032	1,345,393	2,984,116	1,869,131	1,324,812	338,865	382,499	519,468	455,942
Interest and rents	79,186	154,580	132,186	87,052	28,893	61,280	43,963	50,969	77,845	110,817
Charges for services	954,733	1,299,226	798,184	781,600	744,437	677,254	723,338	1,185,644	2,001,041	1,511,202
Other	89,646	158,434	194,074	396,083	146,261	229,222	209,747	213,665	201,649	287,134
Total revenues	7,283,620	7,426,532	8,612,271	10,460,487	8,557,723	8,636,331	8,129,629	8,929,145	10,510,288	10,784,897
Expenditures										
Current:										
General government	1,019,211	1,183,362	1,557,263	1,581,229	1,417,360	1,829,295	1,556,860	1,579,047	1,473,573	1,786,396
Public safety	2,551,645	2,501,429	2,882,855	3,107,158	3,063,619	3,054,689	2,895,021	3,048,884	3,054,999	3,237,681
Community services	234,089	344,778	181,426	272,543	373,314	363,846	305,753	308,744	336,825	348,400
Housing	464,850	141,891	113,019	1,883,387	1,364,524	123,490	124,195	68,041	97,083	203,618
Recreation Services	254,745	307,691	347,074	411,697	359,023	442,875	220,454	188,858	208,062	167,359
Public works	872,043	915,104	966,949	1,062,579	941,969	1,026,442	945,245	971,710	1,133,752	1,201,724
Planning and Building	571,572	599,406	604,125	694,241	616,410	602,200	395,207	414,528	659,254	660,539
Debt service:										
Debt Issuance Costs	-	22,720	-	-	-	-	-	-	-	-
Principal retirement	259,665	269,926	305,626	342,286	354,934	355,760	372,618	255,754	130,457	136,994
Interest and fiscal charges	84,397	74,117	63,416	329,392	270,472	295,855	277,011	221,411	212,186	205,649
Capital Outlay	1,386,070	368,609	2,658,646	3,997,786	1,104,295	2,373,936	100,771	89,095	246,485	302,577
Total expenditures	7,698,287	6,706,313	9,703,119	13,682,298	9,865,920	10,468,388	7,193,135	7,146,072	7,552,676	8,250,937
Excess (deficiency) of revenues over (under) expenditures	(414,667)	720,219	(1,090,848)	(3,221,811)	(1,308,197)	(1,832,057)	936,494	1,783,073	2,957,612	2,533,960
Other financing sources (uses):										
Contractual settlements	-	-	-	-	720,154	-	-	-	-	-
Transfers in	979,869	727,526	2,374,672	3,621,808	1,276,759	1,761,929	925,860	883,520	1,012,004	1,302,967
Transfers out	(1,070,469)	(696,026)	(2,474,259)	(3,720,062)	(2,281,967)	(2,621,737)	(988,747)	(912,403)	(1,347,994)	(1,516,249)
Issuance of bonds	-	-	4,674,000	-	-	-	-	-	-	-
Total other financing sources (uses)	(90,600)	31,500	4,574,413	(98,254)	(285,054)	(859,808)	(62,887)	(28,883)	(335,990)	(213,282)
Special Item: Contributions for Pool	-	-	-	1,597,624	-	-	-	-	-	-
Net change in fund balances	(\$505,267)	\$751,719	\$3,483,565	(\$1,722,441)	(\$1,593,251)	(\$2,691,865)	\$873,607	\$1,754,190	\$2,621,622	\$2,320,678
Debt service as a percentage of noncapital expenditures	5.5%	5.4%	5.2%	6.9%	7.1%	8.1%	9.2%	6.8%	4.7%	4.3%

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
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%
2014	37,144,119	6,989	37,137,130	4,456,456	-	4,456,456	100.00%
2015	41,987,715	11,601	41,976,114	5,037,134	-	5,037,134	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												
		2006	2007	2008	2009	2010	2011	2012	2013	2014	2015			
Calistoga Spa	Hotel Resort	57	57	57	57	57	57	57	57	57	57	57	57	57
**The Sunburst Calistoga	Hotel Resort	41	41	41	41	41	41	41	41	41	41	41	41	41
Cottage Grove Inn	Inn/Motel	16	16	16	16	16	16	16	16	16	16	16	16	16
Golden Haven	Hotel Resort	31	31	31	31	31	31	31	31	31	31	31	31	31
Indian Springs & Lodge	Hotel Resort	40	40	40	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	55
Mt. View Hotel	Hotel Resort	33	33	33	33	33	33	33	33	33	33	33	33	33
Roman Spa	Hotel Resort	61	61	61	61	61	61	61	61	61	61	61	61	61
Solage Calistoga	Hotel Resort	34	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	42
Wilkinson's Hot Springs	Hotel Resort	42	42	42	42	42	42	42	42	42	42	42	42	42
Total Top Ten Operators - Rooms		410	410	499	498	498	498	498	457	457	457	457	456	532
Total Rooms		605	602	690	690	690	690	690	688	688	688	690	690	764
As % of Total Rooms--All Operators		67%	68%	72%	72%	72%	72%	72%	66%	66%	66%	66%	66%	70%
Total Net Transient Occupancy Tax Revenues		\$ 2,336,107	\$ 2,521,951	\$ 3,402,228	\$ 3,208,611	\$ 3,042,315	\$ 3,430,487	\$ 3,768,443	\$ 3,948,825	\$ 4,456,456	\$ 5,037,134	\$ 5,037,134	\$ 5,037,134	\$ 5,037,134
Total Top Ten Operator Tax Revenues		\$ 1,731,547	\$ 1,894,261	\$ 2,625,920	\$ 2,577,200	\$ 2,581,676	\$ 2,828,801	\$ 3,135,485	\$ 3,359,920	\$ 3,653,238	\$ 4,186,545	\$ 4,186,545	\$ 4,186,545	\$ 4,186,545
As % of Total Tax Revenue		74%	75%	77%	80%	85%	82%	83%	85%	82%	83%	82%	83%	83%

**The Sunburst Calistoga was previously known as Calistoga Village Inn & Spa

Source: City of Calistoga Transient Occupancy Tax Data

City of Calistoga
Schedule 7

Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

		Governmental Activities						
Fiscal Year Ended	Capital Lease	Obligation	Total Governmental	Activities	Fiscal Year Ended	Total Primary Government	As Percentage of Assessed Valuation [1]	Debt Per Capita [2]
June 30					June 30			
2006	\$ 1,498,799		\$ 1,498,799		2006	\$ 1,498,799	0.29%	287
2007	2,616,567		2,616,567		2007	2,616,567	0.46%	498
2008	7,046,648		7,046,648		2008	7,046,648	1.14%	1,329
2009	6,066,111		6,066,111		2009	6,066,111	0.87%	1,138
2010	5,720,826		5,720,826		2010	5,720,826	0.87%	1,065
2011	5,559,954		5,559,954		2011	5,559,954	0.85%	1,079
2012	5,085,044		5,085,044		2012	5,085,044	0.75%	967
2013	4,735,348		4,735,348		2013	4,735,348	0.69%	912
2014	4,498,434		4,498,434		2014	4,498,434	0.64%	861
2015	4,261,955		4,261,955		2015	4,261,955	0.57%	810

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

		Business-type Activities					
Fiscal Year Ended	Installment Agreements	State Revolving Fund Loan	Certificates of Participation	Total Business-type Activities	Fiscal Year Ended	Assessed Valuation (1)	Population (2)
June 30					June 30		
2006	\$ 8,560,000	\$ 5,174,038	\$ 2,008,300	\$ 15,742,338	2006	\$ 513,781,017	2006 5,215
2007	8,335,000	4,935,660	1,987,300	15,257,960	2007	569,996,414	2007 5,252
2008	8,120,000	4,710,318	4,476,770	17,307,088	2008	618,539,567	2008 5,302
2009	7,895,000	4,469,195	4,430,800	16,794,995	2009	696,275,569	2009 5,331
2010	7,665,000	4,221,803	4,382,000	16,268,803	2010	654,464,952	2010 5,370
2011	7,430,000	3,967,979	4,085,200	15,483,179	2011	651,533,812	2011 5,155
2012	7,180,000	3,707,556	3,948,402	14,835,958	2012	676,866,460	2012 5,258
2013	6,925,000	3,440,362	6,206,042	16,571,404	2013	686,878,025	2013 5,194
2014	6,660,000	3,166,220	6,766,808	16,593,028	2014	707,262,503	2014 5,224
2015	6,380,000	2,884,951	6,648,508	15,913,459	2015	741,509,414	2015 5,261

[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, 2015

2014-15 Assessed Valuation (Secured & Unsecured): \$ 741,509,414 (1)

	<u>Total Debt</u>	<u>City's Share of</u>
<u>6/30/2015</u>	<u>% Applicable (1)</u>	<u>Debt 6/30/15</u>

OVERLAPPING TAX AND ASSESSMENT DEBT:

Napa Joint Community College District	124,133,911	2.390% \$ 2,966,800
Calistoga Joint Unified School District	17,133,496	33.349% \$ 5,713,850
Total overlapping tax and assessment debt		\$ 8,680,650

DIRECT DEBT:

City of Calistoga Lease/Certificates of Participation	4,261,955	100.000% \$ 4,261,955 (2)
Total direct debt		\$ 4,261,955

OVERLAPPING GENERAL FUND DEBT:

Napa County Certificates of Participation	30,235,000	2.412% \$ 729,268
Napa County Board of Education Certificates of Participation	2,830,000	2.412% \$ 68,260
Calistoga Joint Unified School District Certificates of Participation	6,185,000	33.349% \$ 2,062,636

Total overlapping general fund debt

\$ 2,860,164

Total direct debt

4,261,955

Total overlapping debt

11,540,814

Combined debt

\$ 15,802,769 (3)

Ratios to 2014-15 Assessed Valuation (Secured & Unsecured):

Total overlapping tax and assessment debt		1.17%
Total direct debt		0.57%
Combined Total Debt		2.13%

STATE SCHOOL BUILDING AID REPAYABLE AS OF 6/30/15

\$ -

- (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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Assessed valuation (Secured)	513,781,017	569,996,414	618,539,567	696,275,569	654,464,952	651,533,812	676,866,460	686,878,025	707,262,503	741,509,414
Conversion percentage	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%
Adjusted assessed valuation	\$128,445,254	\$142,499,104	\$154,634,892	\$174,068,892	\$163,616,238	\$162,883,453	\$169,216,615	\$171,719,506	\$176,815,626	\$185,377,354
Debt limit percentage	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
Debt limit	19,266,788	21,374,866	23,195,234	26,110,334	24,542,436	24,432,518	25,382,492	25,757,926	26,522,344	27,806,603
Total net debt applicable to limit: Capital Lease Obligations	1,498,799	1,944,914	6,396,183	6,066,111	5,720,826	5,559,954	5,085,044	4,735,348	4,498,434	4,261,955
Legal debt margin	\$ 17,767,989	\$ 19,429,952	\$ 16,799,051	\$ 20,044,223	\$ 18,821,610	\$ 18,872,564	\$ 20,297,448	\$ 21,022,578	\$ 22,023,910	\$ 23,544,648
Total debt applicable to the limit as a percentage of debt limit	7.8%	9.1%	27.6%	23.2%	23.3%	22.8%	20.0%	18.4%	17.0%	15.3%

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
2006	\$ 1,935,441	\$ 1,610,818	\$ 324,623	\$ -	\$ -	\$ -	\$ 86,921	\$ -	3.73
2007	2,208,585	1,705,789	502,796	-	-	155,000	216,030	155,000	1.36
2008	2,488,885	1,828,326	660,559	-	-	145,000	212,307	145,000	1.85
2009	2,168,369	1,923,391	244,978	-	-	150,000	208,159	150,000	0.68
2010	2,090,136	2,201,394	(111,258)	-	-	155,000	203,898	155,000	(0.31)
2011	2,100,472	2,358,922	(258,450)	-	-	155,000	199,149	155,000	(0.73)
2012	2,238,937	2,334,625	(95,688)	-	-	165,000	194,005	165,000	(0.27)
2013	2,359,606	2,023,640	335,966	-	-	170,000	191,284	170,000	0.93
2014	2,683,096	2,390,168	292,928	-	-	175,000	182,441	175,000	0.82
2015	2,339,237	2,237,203	102,034	-	-	185,000	176,003	185,000	0.28

2008 Certificate of Participation (COPS) (1)

2011 Certificate of Participation (COPS)

Fiscal Year	Measure A Sales Tax Allocations		Debt Service		Coverage	Fiscal Year	Water CIP Revenues		Debt Service		Coverage
	Principal	Interest	Principal	Interest			Principal	Interest	Principal	Interest	
2006	\$ -	\$ -	\$ -	\$ -	-	2006	\$ -	\$ -	\$ -	\$ -	-
2007	-	-	-	-	-	2007	-	-	-	-	-
2008	-	-	-	-	-	2008	-	-	-	-	-
2009	125,659	23,170	102,489	1.00	1.00	2009	-	-	-	-	-
2010	133,850	25,000	108,850	1.00	1.00	2010	-	-	-	-	-
2011	373,549	272,000	101,549	1.00	1.00	2011	-	-	-	-	-
2012	359,324	269,444	89,880	1.00	1.00	2012	-	-	-	-	-
2013	113,068	29,000	84,068	1.00	1.00	2013	656,613	56,000	4,054	56,000	10.93
2014	112,799	30,000	82,799	1.00	1.00	2014	1,729,681	57,000	50,679	57,000	16.06
2015	112,487	31,000	81,487	1.00	1.00	2015	355,312	58,000	76,300	58,000	2.65

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
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
2014	2,329,265	1,791,468	537,797	90,000	133,813	274,141	89,449	28,100	78,264	0.78
2015	2,375,519	1,738,274	637,245	95,000	129,603	281,269	82,322	29,300	77,070	0.92

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)
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	6.0%
2014	5,224	Unavailable	Unavailable	4.70%
2015	5,261	Unavailable	Unavailable	4.10%

Sources:

(1) US Census for 2010, State Department of Finance 2001-2014

(2) State of California Employment Development Department for Napa County

CITY OF CALISTOGA

Schedule 13

Principal Employers - In alphabetical order
Fiscal Years 2012 and 2015

	Employer	# of Employees	
		2012	2015
1	Solage Spa & Resort	287	330
2	Calistoga Joint Unified School District	107	105
3	Indian Springs	96	120
4	Calistoga Spa Hot Springs	78	75
5	City of Calistoga	56	57
6	Cal Mart	61	77
7	Calistoga Inn Restaurant	50	58
8	Brannans	42	43
9	Golden Haven Spa	40	42
10	Mount View Hotel And Spa	33	24

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	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Elected Officials	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Staff Positions - Full and Part Time										
Support Services	7.50	7.50	8.10	7.27	6.50	6.50	5.50	5.50	6.50	6.50
Community Services & Recreation	5.16	3.02	4.42	7.61	7.00	9.50	6.50	6.50	6.50	6.50
Fire Services	4.78	5.80	7.31	6.71	6.00	7.00	7.00	7.00	7.00	8.00
Planning & Building	3.00	5.00	5.40	5.10	4.00	3.00	3.00	2.50	2.50	2.50
Police Services	17.24	17.94	17.94	18.39	17.00	16.00	15.00	14.50	14.50	15.50
Public Works	19.88	19.88	20.88	21.88	19.00	19.00	18.50	18.00	16.50	17.50
Total All Full Time & Part Time Equivalent Staff Positions	57.56	59.14	64.05	66.96	59.50	61.00	55.50	54.00	53.50	56.50
Total All Full Time Staff Positions	51.00	53.00	57.00	58.00	51.00	50.00	43.00	44.00	43.00	46.00
Total Part Time Equivalent Positions [1]	5.70	6.14	7.05	8.96	8.50	11.00	12.50	10.00	10.50	11.50

Source: City of Calistoga Quarterly Payroll Reports

[1] 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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Police:										
Calls for Service	7,146	10,072	7,439	7,305	6,346	6,063	5,613	7,534	10,416	9,592
Part one crimes	162	166	155	160	156	115	81	103	116	105
Physical arrests	401	615	531	549	418	404	304	214	325	233
Traffic violations	374	325	351	387	523	481	406	321	587	314
Fire:										
Calls for service	862	880	1,022	1,021	980	1,000	980	1,010	1,000	1,000
Water System:										
Service connections	1,491	1,503	1,521	1,524	1,524	1,524	1,378	1,419	1,429	1,429
Fire hydrants	185	160	162	162	162	164	163	172	172	175
Est. Daily average gallons produced	714,000	714,244	720,930	679,930	670,449	670,449	632,903	642,000	600,000	633,360
Est. Maximum daily available gallons	1,760,000	1,760,000	1,760,000	1,872,000	1,872,000	1,872,000	1,864,393	1,864,393	1,864,393	1,864,400
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	2,500,000	2,500,000	2,500,000
Wastewater:										
Service connections	1,305	1,314	1,330	1,333	1,333	1,334	1,334	1,016	1,026	1,035
Est. Treatment plant-average dry weather flow in gallons	490,000	490,000	490,000	490,000	490,000	490,000	500,000	500,000	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	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Vehicles	6	7	8	8	7	7	7	6	6	5
Fire:										
Fire stations	1	1	1	1	1	1	1	1	1	1
Number of in service apparatus	7	7	4	6	6	8	8	7	7	7
Public works:										
Streets (miles)	14	14	14	15	15	15	15	15	15	15
Streetlights and vintage street lights	325	325	325	325	325	325	325	359	359	359
Traffic signals	2	2	2	2	2	2	2	2	2	2
Parks and Recreation:										
Parks (Logy, Pioneer, Heather, Fireman's & Cyrus Creek)	5	5	5	6	6	6	6	6	6	8
Community Pool	-	-	-	1	1	1	1	1	1	2
Community and Teen Centers	2	2	2	2	2	2	2	2	2	2
Park acreage developed	9	9	9	15	15	15	15	15	15	15
Park acreage undeveloped	5	5	5	2	2	2	2	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
Water System:										
Water mains (miles)	32	36	36	36	36	36	36	36	36	36
Service connections	1,491	1,503	1,521	1,524	1,524	1,524	1,378	1,419	1,429	1,528
Fire hydrants	185	160	162	162	162	164	163	172	172	175
Est. Daily average gallons produced	714,000	714,244	720,930	679,930	670,449	670,449	632,903	642,000	600,000	633,360
Est. Maximum daily available gallons	1,760,000	1,760,000	1,760,000	1,872,000	1,872,000	1,872,000	1,864,393	1,864,393	1,864,393	1,864,400
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	2,500,000	2,500,000	2,500,000
Wastewater:										
Sanitary sewers (miles)	14	16	16	16	16	16	16	16	16	16
Service connections	1,305	1,314	1,330	1,333	1,333	1,334	1,334	1,019	1,029	1,035
Est. Treatment plant-average dry weather flow in gallons	490,000	490,000	490,000	490,000	490,000	490,000	500,000	500,000	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, 2015



PREPARED BY THE FINANCE DEPARTMENT