

CITY OF CALISTOGA
Balance Sheet
Governmental Funds
June 30, 2008

	General Fund	CDBG Open Grant Fund	Capital Lease Projects Fund	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and investments	\$ 1,335,638	\$ 12,889	\$ 3,779,438	\$ 2,159,000	\$ 7,286,965
Taxes receivable	609,087	-	-	-	609,087
Accounts receivable	24,336	-	-	11,890	36,226
Due from other governments	75,165	311,379	-	33,811	420,355
Accrued interest receivable	24,325	-	-	-	24,325
Development agreement receivable	-	-	-	100,000	100,000
Internal balances-due from other funds	588,784	-	-	-	588,784
Notes receivable	-	1,250,586	-	949,616	2,200,202
Total assets	\$ 2,657,335	\$ 1,574,854	\$ 3,779,438	\$ 3,254,317	\$ 11,265,944
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 429,016	\$ -	\$ -	\$ 9,242	\$ 438,258
Accrued liabilities	279,110	-	-	-	279,110
Internal balances-due to other funds	-	324,268	-	117,223	441,491
Deposits	238,574	-	-	9,790	248,364
Deferred revenue	-	1,250,586	-	1,049,616	2,300,202
Total liabilities	946,700	1,574,854	-	1,185,871	3,707,425
Fund balances:					
Reserved	588,784	-	-	-	588,784
Unreserved, designated for:					
Contingencies and emergencies	996,189	-	-	-	996,189
Open space	-	-	-	57,937	57,937
Claims	105,000	-	-	-	105,000
Capital projects	-	-	3,779,438	-	3,779,438
Unreserved undesignated	20,662	-	-	-	20,662
Unreserved reported in nonmajor:					
Special revenue funds	-	-	-	2,010,509	2,010,509
Total fund balances	1,710,635	-	3,779,438	2,068,446	7,558,519
Total liabilities and fund balances	\$ 2,657,335	\$ 1,574,854	\$ 3,779,438	\$ 3,254,317	\$ 11,265,944
Total Governmental Fund Balances					\$ 7,558,519
Amounts reported for governmental activities in the statement of net assets are different because:					
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds					6,832,916
Long-term receivables used in governmental activities are not current financial resources and are therefore are deferred in the funds					2,300,202
The assets and liabilities of the internal service fund are included in the governmental activities in the statement of net assets					928,250
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					(6,537,464)
Net Assets of Governmental Activities					\$ 11,082,423

See accompanying notes to the basic financial statements

CITY OF CALISTOGA
Statements of Revenues, Expenditures, and
Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2008

	<u>General 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	\$ 1,460,792	\$ -	\$ -	\$ -	\$ 1,460,792
Sales taxes	819,647	-	-	-	819,647
Transient occupancy taxes	3,402,228	-	-	-	3,402,228
Other taxes	329,146	-	-	-	329,146
Licenses and permits	81,325	-	-	-	81,325
Fines and forfeits	49,296	-	-	-	49,296
Intergovernmental	169,806	570,000	-	605,587	1,345,393
Interest and rents	32,002	-	57,145	43,039	132,186
Charges for services	613,273	-	-	184,911	798,184
Miscellaneous	122,207	-	-	71,867	194,074
Total revenues	<u>7,079,722</u>	<u>570,000</u>	<u>57,145</u>	<u>905,404</u>	<u>8,612,271</u>
EXPENDITURES					
Current:					
General government	1,557,263	-	-	-	1,557,263
Public safety	2,823,209	-	-	59,646	2,882,855
Community services	181,426	-	-	-	181,426
Housing	-	-	-	113,019	113,019
Recreation services	335,088	-	-	11,986	347,074
Public works	928,925	-	-	38,024	966,949
Planning and building	604,125	-	-	-	604,125
Debt service:					
Debt issuance costs	-	-	22,720	-	22,720
Principal	93,280	-	-	212,346	305,626
Interest	6,720	-	-	56,696	63,416
Capital outlay	2,658,646	-	-	-	2,658,646
Total expenditures	<u>9,188,682</u>	<u>-</u>	<u>22,720</u>	<u>491,717</u>	<u>9,703,119</u>
Excess (deficiency) of revenues over expenditures	<u>(2,108,960)</u>	<u>570,000</u>	<u>34,425</u>	<u>413,687</u>	<u>(1,090,848)</u>
OTHER FINANCING SOURCES (USES)					
Proceeds form long-term capital lease	-	-	4,674,000	-	4,674,000
Transfers in	2,074,499	30,825	-	269,348	2,374,672
Transfers out	(140,478)	(580,216)	(928,987)	(824,578)	(2,474,259)
Total other financing sources (uses)	<u>1,934,021</u>	<u>(549,391)</u>	<u>3,745,013</u>	<u>(555,230)</u>	<u>4,574,413</u>
Net change in fund balances	<u>(174,939)</u>	<u>20,609</u>	<u>3,779,438</u>	<u>(141,543)</u>	<u>3,483,565</u>
Fund balances, July 1	<u>1,885,574</u>	<u>(20,609)</u>	<u>-</u>	<u>2,209,989</u>	<u>4,074,954</u>
Fund balances, June 30	<u>\$ 1,710,635</u>	<u>\$ -</u>	<u>\$ 3,779,438</u>	<u>\$ 2,068,446</u>	<u>\$ 7,558,519</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, 2008

Net Change in Fund Balances - Total Governmental Funds	<u>\$ 3,483,565</u>
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays \$ 2,505,852 exceed depreciation (\$202,933) in the current period.	
	2,302,919
Proceeds of long-term debt provide financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayments of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces liabilities in the statement of net assets. This is the amount by which repayments of debt exceed debt proceeds during the period.(\$4,674,000 less \$305,626)	
	(4,368,374)
Debt issuance costs are reported as an outflow of resources in the funds but are not reported as expenses in the statement of activities	
	22,720
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	
	(137,480)
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.	
	(64,893)
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	
	(26,253)
Long-term receivables are deferred in the funds until collected and available for use. In the statement of activities, revenues are recognized when the receivable is recorded and not when it is collected	
	<u>(62,528)</u>
Net differences	<u>(2,333,889)</u>
Change in Net Assets of Governmental Activities	<u>\$ 1,149,676</u>

See accompanying notes to the basic financial statements

CITY OF CALISTOGA
Statement of Net Assets
Proprietary Funds
June 30, 2008

	Enterprise Funds			Governmental Activities- Internal Service Fund
	Water	Wastewater	Totals	
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 601,468	\$ -	\$ 601,468	\$ 108,274
Receivables(net)	452,905	328,182	781,087	7,810
Deposits	-	-	-	73,605
Inventory	-	-	-	12,791
Internal balances	355,435	-	355,435	496,071
Total current assets	1,409,808	328,182	1,737,990	698,551
Noncurrent assets:				
Other assets:				
Restricted cash and cash equivalents	168,227	-	168,227	-
Capital connection fees receivable under development agreement	237,150	364,615	601,765	-
Debt issuance costs	182,155	174,602	356,757	-
Total other noncurrent assets	587,532	539,217	1,126,749	-
Capital assets:				
Land	316,932	464,108	781,040	-
Equipment and vehicles	772,539	605,382	1,377,921	2,945,200
Distribution and collection systems	10,048,402	19,035,422	29,083,824	-
Water rights	1,589,875	-	1,589,875	-
Construction in progress	5,612,827	362,923	5,975,750	-
Less accumulated depreciation	(4,636,868)	(4,488,948)	(9,125,816)	(1,844,751)
Net capital assets	13,703,707	15,978,887	29,682,594	1,100,449
Total noncurrent assets	14,291,239	16,518,104	30,809,343	1,100,449
Total assets	\$ 15,701,047	\$ 16,846,286	\$ 32,547,333	\$ 1,799,000
LIABILITIES				
Current liabilities:				
Accounts payable	\$ 131,581	\$ 53,038	\$ 184,619	\$ 19,215
Compensated absences	47,366	47,366	94,732	-
Internal balances	47,000	747,536	794,536	204,263
Deposits	25,290	101,798	127,088	-
Accrued interest	79,818	133,482	213,300	8,556
Agreements, loans, and certificates due in one year	173,170	338,923	512,093	107,931
Total current liabilities	504,225	1,422,143	1,926,368	339,965
Noncurrent liabilities:				
State revolving loan payable	-	4,469,195	4,469,195	-
Certificate of participation	2,488,000	1,942,800	4,430,800	-
Installment agreement	4,840,000	3,055,000	7,895,000	-
Capital lease obligation	-	-	-	530,785
Compensated absences	10,000	10,000	20,000	-
Total noncurrent liabilities	7,338,000	9,476,995	16,814,995	530,785
Total liabilities	7,842,225	10,899,138	18,741,363	870,750
NET ASSETS				
Invested in capital assets, net of related debt	6,384,692	6,347,571	12,732,263	535,338
Restricted	405,377	364,615	769,992	-
Unrestricted	1,068,753	(765,038)	303,715	392,912
Total net assets	\$ 7,858,822	\$ 5,947,148	\$ 13,805,970	\$ 928,250

See accompanying notes to the basic financial statements

CITY OF CALISTOGA
Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Funds
For the Fiscal Year Ended June 30, 2008

	Enterprise Funds			Governmental Activities Internal- Service Fund
	Water	Wastewater	Totals	
OPERATING REVENUES				
Sales of water	\$ 2,428,151	\$ -	\$ 2,428,151	\$ -
Service fees	-	1,945,016	1,945,016	327,656
Miscellaneous	60,734	109,820	170,554	2,401
Total operating revenues	<u>2,488,885</u>	<u>2,054,836</u>	<u>4,543,721</u>	<u>330,057</u>
OPERATING EXPENSES				
Maintenance and operations	966,085	816,418	1,782,503	371,735
Employee services	783,741	947,130	1,730,871	-
Interfund charges for services	78,500	78,500	157,000	-
Depreciation and amortization	235,803	564,737	800,540	231,111
Total operating expenses	<u>2,064,129</u>	<u>2,406,785</u>	<u>4,470,914</u>	<u>602,846</u>
Operating income (loss)	<u>424,756</u>	<u>(351,949)</u>	<u>72,807</u>	<u>(272,789)</u>
NON-OPERATING REVENUES (EXPENSES)				
Gain(Loss) on replacement of capital assets	-	-	-	7,787
Interest and investment revenue	65,329	23,758	89,087	27,793
Interest expense	(238,486)	(289,710)	(528,196)	(40,318)
net nonoperating revenues (expenses)	<u>(173,157)</u>	<u>(265,952)</u>	<u>(439,109)</u>	<u>(4,738)</u>
Income (loss) before contributions and transfers	<u>251,599</u>	<u>(617,901)</u>	<u>(366,302)</u>	<u>(277,527)</u>
Contributions and transfers:				
Capital contributions	43,291	83,922	127,213	143,000
Transfers out	(14,887)	(14,888)	(29,775)	-
Transfers in	18,200	2,888	21,088	108,274
Net contributions and transfers	<u>46,604</u>	<u>71,922</u>	<u>118,526</u>	<u>251,274</u>
Change in net assets	298,203	(545,979)	(247,776)	(26,253)
Total net assets, July 1	<u>7,560,619</u>	<u>6,493,127</u>	<u>14,053,746</u>	<u>954,503</u>
Total net assets, June 30	<u>\$ 7,858,822</u>	<u>\$ 5,947,148</u>	<u>\$ 13,805,970</u>	<u>\$ 928,250</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, 2008

	Enterprise Funds			Governmental Activities- Internal Service Fund
	Water	Wastewater	Totals	
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 2,317,806	\$ 1,909,903	\$ 4,227,709	\$ -
Payments to suppliers	(946,262)	(859,373)	(1,805,635)	(397,983)
Cash received from other funds for services	-	-	-	322,244
Payments to other funds for services	(78,500)	(78,500)	(157,000)	-
Payments to employees for services	(776,838)	(940,227)	(1,717,065)	-
Other operating receipts	60,734	109,820	170,554	2,401
Net cash provided by (used for) operating activities	<u>576,940</u>	<u>141,623</u>	<u>718,563</u>	<u>(73,338)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Advances from other funds	(1,368,508)	151,172	(1,217,336)	24,935
Advances to other funds	(355,435)	351,906	(3,529)	-
Transfers out to other funds	(14,887)	(14,888)	(29,775)	-
Transfers in from other funds	18,200	2,888	21,088	108,274
Net cash provided by noncapital financing activities	<u>(1,720,630)</u>	<u>491,078</u>	<u>(1,229,552)</u>	<u>133,209</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Capital contributions and grants	43,291	83,922	127,213	143,000
Payments on long-term debt principal	(145,000)	(317,042)	(462,042)	(103,184)
Proceeds from certificates of participation	2,511,170	-	2,511,170	-
Proceeds from capital lease financing	-	-	-	100,000
Payment of debt issuance costs	(45,307)	-	(45,307)	-
Interest paid on long-term debt	(212,308)	(299,259)	(511,567)	(31,762)
Proceeds from the sale of capital assets	-	-	-	7,787
Purchases of capital assets	(624,359)	(385,100)	(1,009,459)	(95,231)
Net cash provided by (used for) capital and related financing activities	<u>1,527,487</u>	<u>(917,479)</u>	<u>610,008</u>	<u>20,610</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest receipts	65,329	23,758	89,087	27,793
Net cash provided by investing activities	<u>65,329</u>	<u>23,758</u>	<u>89,087</u>	<u>27,793</u>
Net increase (decrease) in cash and cash equivalents	449,126	(261,020)	188,106	108,274
Balances-beginning of the year	320,569	261,020	581,589	-
Balances-end of the year	<u>\$ 769,695</u>	<u>\$ -</u>	<u>\$ 769,695</u>	<u>\$ 108,274</u>

See accompanying notes to the basic financial statements

CITY OF CALISTOGA
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2008

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)	\$ 424,756	\$ (351,949)	\$ 72,807	\$(272,789)
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation and amortization expense	235,803	564,737	800,540	231,111
Change in assets and liabilities:				
Decrease(increase) in accounts receivable	(113,013)	(35,113)	(148,126)	(5,412)
Increase(decrease) in other liabilities	9,571	6,903	16,474	-
Increase(decrease) in accounts payable	19,823	(42,955)	(23,132)	(21,366)
Increase(decrease) in inventory	-	-	-	(4,882)
	<u>\$ 576,940</u>	<u>\$ 141,623</u>	<u>\$ 718,563</u>	<u>\$ (73,338)</u>
Net cash provided by (used for) operating activities	<u>\$ 576,940</u>	<u>\$ 141,623</u>	<u>\$ 718,563</u>	<u>\$ (73,338)</u>

Noncash capital financing activities:

None

See accompanying notes to the basic financial statements