



CITY OF AMERICAN CANYON
AND
AMERICAN CANYON FIRE PROTECTION DISTRICT
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR 2013-2014



Deer at the Wastewater Treatment Plant

American Canyon, California
www.cityofamericancanyon.org

American Canyon, California



Napa County
City of American Canyon



CITY OF AMERICAN CANYON
 Comprehensive Annual Financial Report
 For the Year Ended June 30, 2014

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Introductory Section



To the Honorable Mayor, Members of the City Council
And Citizens of the City of American Canyon

We hereby submit the Comprehensive Annual Financial Report of the City of American Canyon for the fiscal year ended June 30, 2014. The fiscal year covers financial transactions from July 1, 2013 to June 30, 2014 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. The City has established a comprehensive internal control framework that is designed both to protect the City's assets from loss, theft, or misuse and provides sufficient reliable information that the City of American Canyon's financial statements are in conformity with U.S. generally accepted accounting principles. The cost of internal controls should not out-weigh 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. City management asserts that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Auditor's Report Summary

Richardson and Co. LLP, a licensed certified public accounting firm, has audited the City of American Canyon's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of American Canyon, for the fiscal year ended June 30, 2014, 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. Richardson and Co. LLP has concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion ("good" opinion) that the City of American Canyon's financial statements for the fiscal year ended June 30, 2014 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 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 American Canyon's MD&A can be found immediately following the report of the independent auditors.

PROFILE OF THE CITY AND ITS OPERATIONS

Incorporated on January 1, 1992, the City of American Canyon is the second largest city in Napa County. The City's population as of January 1, 2014 was estimated to be 20,001 by the California State Department of Finance. American Canyon is located at the Southern end of the Napa Valley wine growing region in close proximity to the San Francisco Bay. It is bounded by the Napa River and a 500 acre wetland preserve to the west, the foothills of the Sulphur Springs Mountain Range to the east, the City of Vallejo to the south, the Napa Airport and numerous vineyards to the north.

The City operates under a council-manager form of government and is a general law city. Policy making and legislative authority are vested in the City Council. There are four elected Council Members and one elected Mayor. The Vice Mayor is elected by the Council. The City Council members are elected on a non-partisan basis. The Council's responsibilities include passing ordinances, adopting the City budget, appointing committees, and hiring the City Manager, Fire Chief and City Attorney. The City Manager implements the policies and ordinances of the City Council, appoints department heads, oversees and maintains the daily operations of the City.

In 2006, the voters passed measures to directly elect the Mayor for two-year terms. In November 2012, the voters approved a measure increasing the Mayor's term to four years. Now, the Mayor and the other Council members serve four year staggered terms so that each election alternates between two or three members being elected every two years.

The City provides a full range of municipal services including police and fire protection services, construction and maintenance of City streets, storm drains, bridges and similar infrastructure type assets; park maintenance, and community recreation activities. The City operates its water and wastewater systems in a fashion similar to private businesses which is termed business-type activities in the financial statements.

The City's annual budget serves as the foundation for the City of American Canyon's financial planning and control system. Every year, each City department submits requests for appropriations to the City Manager. The City Manager uses these requests as a starting point for developing a proposed budget. The City Manager then presents the proposed budget to the Finance Sub-Committee followed by a presentation to the City Council. The Council holds public hearings on the proposed budget and then ultimately adopts a formal budget. The budget is adopted by fund, function, and department. During the fiscal year the City Manager and Council periodically review the City's actual financial activity in relationship to the original budget, and as necessary, amends the original budget to reflect changing needs.

FACTORS AFFECTING FINANCIAL CONDITION

The information presented in the financial statements is best understood when it is considered in context with the City's particular economic climate and also with the City's plans for the future.

Local Economy

Napa Valley is considered by many to be North America's legendary wine, food and wellness capital. The valley's vineyards are planted on gently rolling hills and are very picturesque. Their bucolic charm attracts large numbers of tourists. It is estimated that each year, 5 million tourists visit over 300 wineries scattered throughout the valley. The lodging, restaurants, wineries, and shopping located throughout the valley make tourism a major contributor to the local economy. The City of American Canyon, at the south end of the County, benefits from some tourism, however these economic benefits are enjoyed much more by those cities in the north valley. In 2010 the City joined the Napa Valley Tourism Improvement District (NVTID) to increase tourism in American Canyon. The NVTID provides valley-wide as well as local tourist activity marketing and promotion.

In fiscal year 2010-11, during the "Great Recession," the City Council approved a comprehensive general fund three-year Deficit Elimination Plan which ended in fiscal year 2012-13. The goal of the Deficit Elimination Plan was to preserve the general fund's reserves through cost cutting measures and revenue enhancement. The plan included two voter approved revenue enhancements. The City's Transient Occupancy Tax (TOT) rate was increased 2% to 12% and a \$2 per person admission tax to the City's card room was effective beginning in January 2011. During fiscal year 2012-13, the final year of the City's three year General Fund Deficit Elimination Plan, most of the salary cost cutting measure established in 2010-11 remained in effect. City Hall was closed during 13 of the 15 days of unpaid furloughs, cost of living increases were suspended and a hiring freeze was continued.

The City has since seen modest benefits from improvements in both the national and local economy and revenues have been increasing gradually. In order to ensure the long-term fiscal sustainability of the City's finances, the Council directed Staff to enter a new three-year "Stabilization Plan" beginning in fiscal year 2013-14. During this three year stabilization period, critical reductions in expenses will slowly be restored as revenue growth allows. The 2013-14 fiscal year marked the first year of this new cycle, and the budget for 2014-15 continues with the plan.

The initial three-year "Stabilization Plan" assumed that General Fund *expenses* would exceed *revenues* by \$227,000 in 2013-14, \$154,000 in 2014-15, and the budget would fully balance in 2015-16. The audited financials for fiscal year 2013-14 indicate that the general fund ended up with a surplus of \$247,109 rather than a deficit of \$227,000. Additionally, the 2014-15 budget adopted on June 17, 2014 requires only \$127,000 from the General Fund balance, \$27,000 less than anticipated when the original three-year "Stabilization Plan" was formulated.

The Great Recession was over several years ago and although the recovery has been slow there is evidence that the economy is on a path to recovery. The national unemployment rate was 5.8% at the end of November 2014, down from 6.7% at the end of 2013. For fiscal year 2014-15, General Fund revenues are projected to be \$18.0 million, up from \$17.3 million for the 2013-14 fiscal year. Although the City is seeing small increases in many areas, residential property values are growing and property taxes which make up 35% of total general fund revenues, and are critical to supporting the cost of essential services provided by the City, are projected to increase 5.5%. In addition, there is a renewed interest in industrial and residential development. With developable land selling and construction starting in the coming year, the City should experience further increases in assessed valuation and property tax revenues.

Similarly, transient occupancy tax (TOT) revenues continue to increase at strong rates. Based on performance in the 2013/14 fiscal year, the City is projecting an increase of 28% in TOT revenues for the

2014-15 fiscal year. With stronger marketing efforts and a growing interest in wine tourism, the local hotels have been able to increase their lodging rates and are filling up, which is resulting in increased revenues to the City.

Unfortunately, sales tax revenues remain stagnate. We are anticipating sales tax revenues in 2014-15 to be virtually the same as they were in 2013-14. As the economy improves, consumers are expanding their shopping habits and driving out of town more. However, retail sales from businesses located in the City's industrial area are increasing as more and more wine is being directly sold and shipped from merchants located in that locale.

One of the biggest uncertainties for California local governments in the past several years has certainly been the economy, its impact on the State budget, and how that would affect local government resources. Current economic indicators point to a slow but steady recovery for the State. The City developed the 2014-15 budget assuming there would be no State takeaways or any new mandates. Staff will continue to closely monitor and review updated economic forecasts for any new developments that may negatively affect the State's budget.

The City of American Canyon is especially pleased that the three-year General Fund Deficit Elimination Plan was successful in maintaining the City's reserves. The General Fund Stabilization Plan continues with that success and is expected to further facilitate the City's economic recovery.

MAJOR INITIATIVES

Capital Improvement Program

The City of American Canyon's capital improvement program is a long-range program for major municipal construction projects. Key projects currently in progress include:

- ✓ Kensington-Kimberly Segment of the Napa River Trail: The City's Consultant completed the survey and studies of this project in 2013 and 2014. The Initial Study of a Mitigated Negative Declaration will be circulated in early 2015. The project consists of a 1-mile bicycle and pedestrian trail that will be part of a 500-mile regional trail system around the San Francisco Bay. This one-mile segment will complete the American Canyon portion of the Napa River Bay Trail, which stretches from Vallejo to Napa. Permitting and the final design will be completed in 2015, and construction will begin when funding is secured.
- ✓ Theresa Avenue Sidewalk, Phase 3 Improvements: The Theresa Avenue Sidewalk Project, Phase 3, continues the previous Safe Route to School Projects and fills in the gap on Eucalyptus Drive. The project will construct curbs, gutters and sidewalks along Theresa Avenue from Eucalyptus Drive, north 500 feet. Design work was completed in-house in 2014. Construction will be completed in 2015.
- ✓ Master Plan Update: In 2014 an engineering consultant began work on an update to the City's Water Distribution System, Recycle Water Distribution System and Wastewater Collection System Master Plans. The scope of work for this update is limited to the evaluation of the potable water distribution system, including storage tanks, pump stations, Vallejo connections, transmission and distribution pipelines; the wastewater collection system, including pump stations and force mains; and the recycle water distribution system, including storage tanks, pump station and distribution pipelines. The Master Plans will be completed in 2015.
- ✓ Park and Ride Facility: In 2014 the City received a Transportation Fund for Clean Air Vehicles (TFCA) Grant for a Park and Ride project. The Park and Ride project will include approximately 45 parking stalls, bike lockers and racks. The location is adjacent to a City transit stop at the corner of James Road and Crawford Way. The project was designed in-house in 2014 and will be constructed in 2015.
- ✓ SR29 Signal Interconnect: In 2014 the City received a TFCA grant for the SR29 Signal Interconnect project. The project consists of installing camera video detection systems at five intersections; signal interconnect cable along State Route 29 from Donaldson Way to Eucalyptus Drive and from Napa Junction Road to City Hall; and a traffic monitoring center at City Hall. The improvements will allow the City to recommend changes to signal timing on an on-going basis. Work will be completed in 2016.

Water Supply

The City receives its raw water supply through the North Bay Aqueduct, part of the State Water Project (SWP). The severe drought condition in the State over the past few years has required the SWP to materially decrease the City's water allocation. With last year's Sierra minimal snowpack totals and the resulting current reservoir storage levels, the SWP initial allocation for 2014 was just 5% of our full allotment.

On June 17, 2014, in order to secure additional water supplies if needed, the City Council approved the purchase of a total of up to 1,855 acre-feet of water from several alternative sources; the Department of Water Resources (DWR) "Yuba Accord" Program, the State Water Contractors "Dry Year Transfer Program" (DYTP) and the City of Napa. Through June 2014, City customers had used approximately 1,470 acre feet (AF) of water. This amount represents a decrease of 10% compared to the same time last year (1,645 AF). On July 15, 2014, the State Water Resources Control Board (SWRCB) approved emergency regulations requiring water conservation in urban settings through a mandatory conservation program. The intent of the regulations were to prohibit wasteful outdoor water usage practices, rather than limit high consumption overall. With the regulations in place and if demands continue to remain 10% lower than 2013 (3,612 AF), the total usage for 2014 will be approximately 3,229 AF, or about 1,000 AF less than anticipated water supply from the SWP. The 1,000 additional AF that is not used from the SWP could be carried over until 2015 and would be available in the event state-wide drought conditions do not improve appreciably. This amount along with the alternative supplies listed above is anticipated to last through late spring, weather dependent and will be in addition to our annual SWP Table A allocation.

The City also has a contract with the City of Vallejo for additional potable water supplies if needed, and will continue to explore other options for acquiring additional water supplies. Another method by which the City could more closely match its supply with its demand is to reduce consumption further. The City's Urban Water Management Plan (UWMP) identifies four stages of conservation that can be enacted by Council to conserve water in times of drought: Stage 1 -10% reduction (voluntary), Stage 2 - 20% reduction (mandatory), Stage 3 - 30% reduction(mandatory), and Stage 4 reduction - 50% (mandatory).

Cash Resources

The City ended the fiscal year with cash and investments totaling \$30.9 million with \$25.8 million available for City operations. Total investments at fiscal year-end, which includes investments held by the City and investments held by fiscal agents, was \$34.4 million and is comprised of the State of California Local Agency Investment Fund, \$15.5 million; Money Market Mutual Funds, \$2.9 million; U.S. Government Treasury and Agency Securities, \$9.5 million; U.S. Corporate Notes, \$3.6 million; Asset-Backed Securities, \$1.3 million; Negotiable CD, \$941 thousand; Commercial Paper, \$295 thousand with the remaining balance of \$439 thousand in demand deposit accounts. The cash and investments held by the City are sufficient to move forward into the new fiscal year, conduct operations, and embark upon the planned capital asset improvement programs.

Risk Management

The City limits its exposure to losses from unfavorable events, employee injuries, and from the risk of damages to City property by participating with other governments in an insurance pool wherein the risk

of substantial monetary loss is transferred from the City to the insurance pool. Further information about this arrangement is included in the notes to the financial statements.

Long-Term Debt Administration

In accordance with the City's fiscal policy, the issuance of long term debt is limited to capital improvements or projects that cannot be financed from current revenues or resources. The City may issue general obligation bonds, revenue bonds, certificates of participation or anticipation notes. The payback period of the debt is limited to the estimated useful life of the capital project or improvement. All debt service payments were made as required during the fiscal year, and the City complied with all required reserves and debt service covenants.

In August 2013, the City Council approved the refinancing of the 2004, Refunding Revenue Bonds (the "2004 Bonds") with a private placement refunding. Proceeds from the 2004 Bonds were used to refund the City's Assessment District No. 2001-01 La Vigne Subdivision (the "District"), Limited Obligation Improvement Bonds, which were originally issued in 2001 to finance construction and acquisition of public improvements necessary for the development of the District. The private placement refunding, totaling \$5,910,000, provides an all-in true interest cost of 3.87% and average annual savings of approximately \$26,367. This equates to approximately \$56.58 of annual savings per property owner within the District. The total net savings are estimated at \$421,958 and net present value savings of \$306,980 are expected to be realized through 2031 when the new bonds will be paid in full.

Pension Benefits

The City directly participates in the Public Employees Retirement System (PERS) of the State of California for all full time employees. The City plans to fund each year's required contribution for its regular and public safety plans based on rates calculated by PERS after analyzing the city's workforce. With respect to retiree health care costs, the City's practice has been to pay the same premium for retired employees' health care as it does for active employees. The City plans to fund its annual required contribution (ARC) to the extent that resources are available. The City and Fire District have entered into irrevocable trusts with PERS to fund retiree health benefits. Additional information about the City's pension plan is included in the notes to the financial statements and the required supplementary information section of this report.

Acknowledgements

The preparation of this report would not have been possible without the efficient and dedicated services of the Administrative Services Finance Team, the City Manager and also all City staff members. The Mayor and City Council also warrant special recognition for their continued support, leadership and high expectations for professionalism in overseeing the City of American Canyon's financial affairs.

Respectfully Submitted,



Susan Casey
Administrative Services Director

CITY OF AMERICAN CANYON

PRINCIPAL OFFICIALS

YEAR ENDED JUNE 30, 2014

CITY COUNCIL

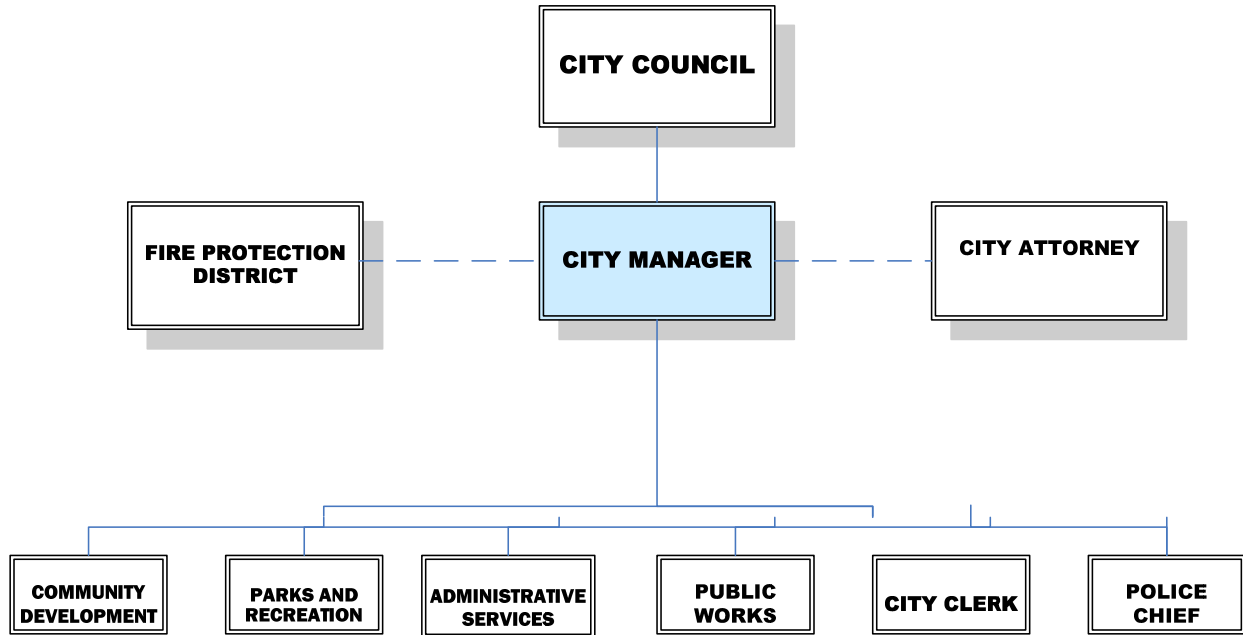
Mayor	Leon Garcia
Vice Mayor.....	Belia Ramos
Council Member	Joan Bennett
Council Member	Mark Joseph
Council Member	Kenneth Leary

ADMINISTRATIVE PERSONNEL

City Manager	Dana Shigley
Police Chief	Tracey Stuart
Fire Chief	Glen Weeks
City Attorney	William Ross
City Clerk	Rebekah Barr
Administrative Services Director/Treasurer	Susan Casey
Public Works Director.....	Jason Holley
Community Services Director	Brent Cooper
Parks and Recreation Director.....	Creighton Wright



City of American Canyon



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Financial Section

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INDEPENDENT AUDITOR'S REPORT

To the City Council
City of American Canyon, 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 American Canyon, California, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the City'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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity'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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

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

To the City Council
City of American Canyon, California

June 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General Fund, Fire District Operations Special Revenue Fund and Storm Drainage Special Revenue Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis on pages 3 through 12 and budgetary comparison information on pages 22 to 24 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's financial statements. The introductory section, budgetary comparisons other than the General Fund and Major Special Revenue Funds, and combining and individual nonmajor fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The budgetary comparisons other than the General Fund and Major Special Revenue Funds, and combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Richardson & Company, LLP

January 9, 2015

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the *City of American Canyon's* annual financial report presents our discussion and analysis of the City's financial performance during the fiscal year that ended on June 30, 2014. Please read it in conjunction with the City's audited financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The City's total net position increased by about \$12.3 million over the course of this year's operations after conducting all City operations and programs. The assets of the City exceeded its liabilities by about \$351.5 million at the end of the 2014 fiscal year. Of that amount, \$19.2 million (the unrestricted net position) may be used to meet the City's ongoing obligations and operating expenses for the next fiscal year.
- Governmental Funds reported combined fund balances of \$20.9 million at June 30, 2014, a decrease of \$400 thousand in comparison to the 2013 fiscal year. Of these fund balances, \$3.0 million is non-spendable, \$8.4 million is restricted, \$2.8 million is committed, \$3.3 million is assigned and \$3.4 million is unassigned.
- Overall City-wide revenues from all governmental and business-type activities were \$46.4 million, an increase of about \$16.8 million compared to the 2013 fiscal year. This amount includes \$15.6 million from grants and capital contributions.
- The City's total expense for all programs in fiscal year 2014 was \$34.1 million, an increase of about \$1.8 million compared to the 2013 fiscal year.
- The general fund reported a fund balance of \$10.8 million at 2014 fiscal year end, an increase of \$200 thousand compared to 2013. The Fire District Operations Fund ended the 2014 fiscal year with a \$3.8 million fund balance, an increase of about \$200 thousand compared to the prior year.
- The City ended fiscal year 2014 with \$10.8 million of available net position in its proprietary enterprise funds consisting of restricted and unrestricted net position. The City's other non-major governmental funds ended 2014 with about \$7.4 million available for special purposes; primarily infrastructure and capital asset additions.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts – a *management's discussion and analysis* (this section), the *basic financial statements*, *required supplementary information*, and an optional section that presents *combining statements* for non-major governmental funds and proprietary funds. 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, community development, parks and recreation, public works and streets were financed in the *short term* as well as what remains for future spending.
 - *Proprietary fund* statements offer *short* and *long-term* financial information about the activities the government operates *like businesses*, such as the City's water and wastewater systems.

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

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 American Canyon's Government-Wide and Fund Financial Statements

	Government-Wide Statements	Fund Statements	
		Governmental Funds	Proprietary Funds
<u>Scope</u>	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 funds
<u>Required financial statements</u>	<ul style="list-style-type: none"> Statement of net position Statement of activities 	<ul style="list-style-type: none"> Balance sheet Statement of revenues, expenditures, and changes in fund balances 	<ul style="list-style-type: none"> Statement of net position Statement of revenues, expenses, and changes in net position Statement of cash flows
<u>Accounting basis and measurement focus</u>	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
<u>Type of asset/liability information</u>	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
<u>Type of inflow/outflow information</u>	All revenues and expenses during the 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 report information about the City as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes *all*

MANAGEMENT'S DISCUSSION AND ANALYSIS

of the 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 it has changed. 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 is 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, community development, parks and recreation, and public works. 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 funds, including the *general, fire district operations, affordable housing capital projects, storm drain, and capital city projects funds*, are reported in separate columns and all other governmental funds are aggregated in a single column.
- The City establishes other funds to control and manage money for particular purposes. Some funds are maintained to demonstrate that the City is properly using certain specific fees for their intended purpose (such as the City's impact fee funds).
- Other funds are maintained for similar purposes but in addition, demonstrate the City's ability to repay its long-term debt obligations such as bonds.

The City has three 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 – There are 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. During the 2014 fiscal year, the City did not use internal service funds. Proprietary funds provide the same type of information as the government-wide statements, only in more detail. The proprietary fund statements provide separate information

MANAGEMENT'S DISCUSSION AND ANALYSIS

for the City's water and wastewater operations, both of which are considered to be major funds of the City.

Fiduciary funds - These funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are *not* available to support the City of American Canyon's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

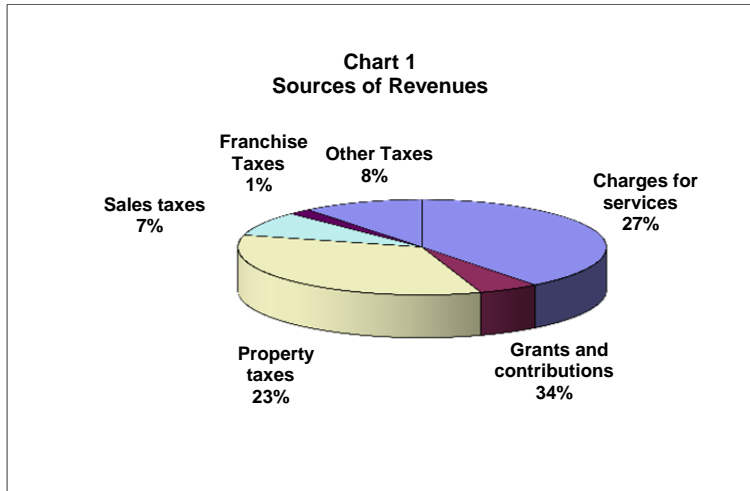
Net Position. As summarized in Table A-1 below, the City's *combined* net position increased about \$12.3 million between fiscal years 2013 and 2014.

Table A-1
City of American Canyon's Net Position
(in millions of dollars)

	<i>Governmental Activities</i>		<i>Business-Type Activities</i>		<i>Total</i>		<i>Total Percentage Change</i>
	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013-2014</u>
Current and other assets	27.2	27.2	13.1	12.4	40.1	39.6	-1.7%
Capital assets	<u>263.4</u>	<u>273.3</u>	<u>58.3</u>	<u>60</u>	<u>321.9</u>	<u>333.3</u>	<u>3.6%</u>
Total assets	290.6	300.5	71.4	72.4	362.0	372.9	3.0%
Total Deferred Outflow of Resources	.1	.1			.1	.1	0%
Long-term debt outstanding	10.9	10.6	9.1	7.7	20.0	18.3	-8.5%
Other liabilities	<u>1.9</u>	<u>2.0</u>	<u>1.2</u>	<u>1.2</u>	<u>2.9</u>	<u>3.2</u>	<u>10.3%</u>
Total liabilities	12.8	12.6	10.1	8.9	22.9	21.4	-6.4%
Investment in capital assets	256.3	264.2	49.6	52.7	305.9	316.9	3.6%
Restricted	12.5	12.8	4.5	2.6	17.0	15.4	-9.4%
Unrestricted	<u>9.1</u>	<u>11.0</u>	<u>7.2</u>	<u>8.2</u>	<u>16.3</u>	<u>19.2</u>	<u>17.8%</u>
Total net position	<u>277.9</u>	<u>288.0</u>	<u>61.3</u>	<u>63.5</u>	<u>339.2</u>	<u>351.5</u>	<u>3.6%</u>

Net position of the City's governmental and business-type activities increased 3.6% to \$351.5 million. About 90% of the City's net assets are invested in capital assets such as buildings, land, equipment and facilities. The remaining 10% is essentially represented by cash, investments and receivables. About 86% of the City's total liabilities are represented by long-term obligations including lease revenue bonds, capital leases and loans from the State of California and the cities of Napa and Vallejo.

MANAGEMENT'S DISCUSSION AND ANALYSIS

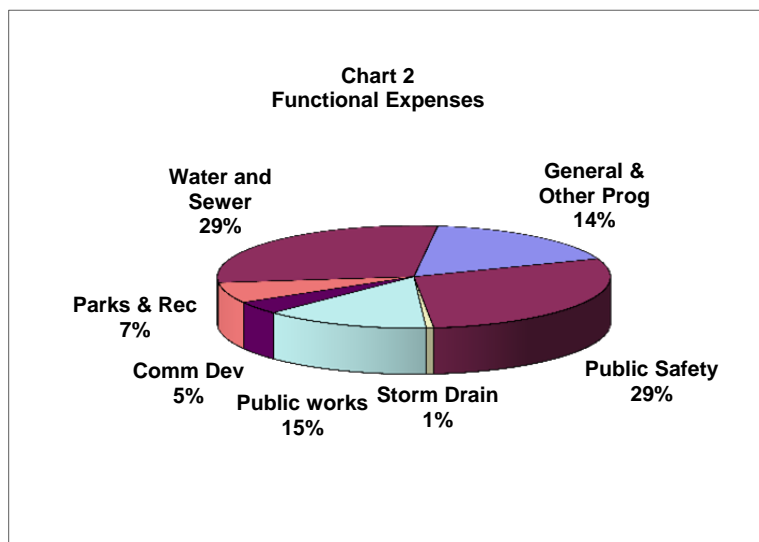


Changes in net position. The City's major sources of revenue and functional expenses are presented in charts 1 and 2. As summarized in Table A-2 on page 8, revenues for fiscal year 2013-14 totaled \$46.4 million, an increase of \$16.8 million or 56.8% from the prior year. This variance includes an addition of \$14 million in Grants and Contributions which was largely from \$10.9 million in developer accepted public improvements. The variance also includes increased Transient Occupancy Tax revenue of \$185 thousand due to continued

marketing efforts and interest in Napa Valley tourist attractions, and an increase in charges for services of \$900 thousand mainly due to increased developer project activity. The City's primary source of revenue is property taxes which totaled \$10.6 million or 23% of total revenues for the year. General fund sales tax increased by \$600. About \$8 million or 19% of all City revenues were from water and wastewater service fees and capacity fees.

The total cost of all programs and services in 2014 was \$34.1 million which paid for a wide range of services including public safety, public works, community development, parks and recreation programs, storm drain, water and wastewater treatment plants and related distribution and collection systems. Major types of expenditures by function are shown in chart 2. As summarized in Table A-2, for fiscal year 2013-14, expenses increased 5.6%. Governmental activities expenses were \$1.4 million more largely due to an increase in public safety expenses of \$500 thousand and an increase of \$700 thousand in public works due to increased capital improvement project activity in fiscal year 2014.

Historically, the City's largest operating expense has been for public safety services. For fiscal year 2014, the City's cost to provide police and fire protection services was \$10 million or 29% of the City's total operating expenses. The water and wastewater enterprises collectively comprised 29% of total expenses. Public works and Storm Drain departments accounted for 16% of expenses, Parks and Recreation 7%, and Community Development 5%. The remaining 14% was expended on general City administration.



MANAGEMENT'S DISCUSSION AND ANALYSIS

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

	Governmental Activities		Business Type Activities		Total		Total Percentage Change
	2013	2014	2013	2014	2013	2014	2013-2014
Revenues							
Program revenues							
Charges for services	3.3	4.0	8.6	8.8	11.9	12.8	7.6%
Grants and contributions	1.4	11.5	0.2	4.1	1.6	15.6	875.0%
General revenues							
Property taxes	10.3	10.6	-	-	10.3	10.6	2.9%
Sales taxes	2.5	3.1	-	-	2.5	3.1	24.0%
Franchise taxes	0.6	0.6	-	-	0.6	0.6	0.0%
Other	2.3	2.9	0.4	0.8	2.7	3.7	37.0%
Total revenues	20.4	32.7	9.2	13.7	29.6	46.4	56.8%
General government	5.1	4.7	-	-	5.1	4.7	-7.8%
Public Safety	9.5	10.0	-	-	9.5	10.0	5.3%
Public works	4.4	5.1	-	-	4.4	5.1	15.9%
Community Development	1.3	1.6	-	-	1.3	1.6	23.1%
Parks and Recreation	2.1	2.3	-	-	2.1	2.3	9.5%
Storm Drain	0.2	0.2	-	-	0.2	0.2	0.0%
Water	-	-	5.5	6.2	5.5	6.2	12.7%
Wastewater	-	-	3.8	3.6	3.8	3.6	-5.3%
Other	0.4	0.4	-	-	0.4	0.4	0.0%
Total expenses	23.0	24.3	9.3	9.8	32.3	34.1	5.6%
Excess (deficiency) before transfers	(2.6)	8.4	(0.1)	3.9	(2.7)	12.3	-555.6%
Transfers	1.0	1.7	(1.0)	(1.7)	-	-	0.0%
Increase(decrease) in net assets	(1.6)	10.1	(1.1)	2.2	(2.7)	12.3	-555.6%
Net position, beginning	279.5	277.9	62.2	61.3	341.7	339.2	-0.7%
Restatement			0.2		0.2	-	
Net position, ending	277.9	288.0	61.3	63.5	339.2	351.5	3.6%

When all operations were concluded, governmental activities created a \$10.1 million increase in net position and business activities increased \$2.2 million for 2014.

MANAGEMENT'S DISCUSSION AND ANALYSIS

City Program Costs

Table A-3 presents the cost of each of the City's six largest programs – public safety, public works, parks and recreation, water, wastewater and community development.

The cost of all programs this year was \$34.1 million, compared to \$32.3 million in fiscal year 2013; about a 5.6% increase for the year. For governmental activities, overall program costs increased \$500 thousand or about a 5.3%. Water and public works expenses increased \$1.6 million or 32.3% mainly due to the increased costs to purchase water and outreach programs established to help to combat severe drought conditions.

Governmental Activities

As detailed on the Statement of Activities, the City's governmental program expenses totaled \$24.3 million during the year. Program revenues, including grants, totaled \$15.5 million leaving the City to fund the balance of \$8.8 million with general revenues. Program revenues and expenses increased \$12.3 million and \$1.4 million respectively over the prior year. \$4 million of governmental services expenses were paid by those who directly benefited from or used the program(s) while other governmental agencies and grantors paid \$11.5 million to financially support the programs.

Business-Type Activities

The net position for the City's Proprietary Funds or business-type activities, which include just the water and wastewater funds, increased by \$2.2 million over the prior fiscal year. In fiscal year 2014, charges for services increased about \$0.2 million or 2% compared to the prior year. Water consumption revenues increased 1.8% compared to 2013. Wastewater service charges also increased 3% compared to the prior year.

Water fund expenses increased by \$689 thousand or 12.5% compared to fiscal year 2013. The increase was largely due to severe drought conditions that led to additional and more costly treated water having to be purchased from alternative water sources. Wastewater fund expenses decreased \$288 thousand, a 7.5% reduction from the prior year. One of the reasons for the decrease was due to the completion of an energy retrofit project which resulted in a \$170 thousand reduction in gas and electric costs.

MANAGEMENT'S DISCUSSION AND ANALYSIS

**Cost of City of American Canyon's Programs
(in millions of dollars)**

	<u>Total Cost of Services</u>		<u>Percentage Change</u>
	<u>2013</u>	<u>2014</u>	<u>2013-2014</u>
Public Safety	\$ 9.5	\$ 10.0	5.3%
Public works	4.6	5.3	15.2%
Parks and Recreation	2.1	2.3	9.5%
Community Development	1.3	1.6	23.1%
Water	5.5	6.2	12.7%
Wastewater	3.8	3.6	-5.3%
All other	5.5	5.1	-7.3%
Total	<u>\$ 32.3</u>	<u>\$ 34.1</u>	<u>5.6%</u>

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

At the end of fiscal year 2014 the City's governmental funds had a combined fund balance of \$20.9 million, about \$400 thousand less than the prior year. The City's general fund had a deficiency of revenues over expenditures of \$1.0 million before other financing sources. After including inter-fund transfers, there is a surplus of \$247 thousand. The general fund revenues increased by \$1.1 million or 7.9% compared to fiscal year 2013. Expenditures increased by 5.7% or \$836 thousand compared to the prior year. The fund balance of the Fire District Operations fund increased by \$188 thousand or 5.3% as a result of fiscal year 2014 operations.

The City's non-major governmental funds ended the fiscal year with a consolidated fund balance of \$7.4 million. The total fund balance of \$7.4 million is restricted with externally enforceable legal restrictions. The water and wastewater enterprises ended the year with \$8.7 million in cash and investments available for future use.

General Fund Budgetary Highlights

Over the course of the year, the City Council revised the City budget many times. These budget amendments were done throughout the year to avoid cost overruns, to account for unanticipated revenues, and to fund new projects. Additionally, changes were made as a result of the mid-year budget review. At year end, including all adjustments, actual general fund expenditures were \$1.1 million less than final budget amounts. The largest expense in the general fund, police services, increased 1.8% to \$5.7 million in fiscal year 2014. Overall, general fund expenses increased by 5.7%, \$836 thousand over the prior year to \$15.6 million.

MANAGEMENT'S DISCUSSION AND ANALYSIS

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2014, the City had invested \$333.4 million (net of accumulated depreciation) in a broad range of capital assets, including land, vehicles, equipment, the water and wastewater systems, streets, and other capital assets (See Table A-4). This amount represents a net increase, after additions and deductions, of about \$11.8 million or 0.6 % compared to the prior year. Additional information can be found in the notes to the financial statements.

Table A-4
City of American Canyon's Capital Assets
(net of depreciation, in millions of dollars)

	Governmental Activities		Business-type Activities		Total		Total Percentage Change
	2013	2014	2013	2014	2013	2014	2013-2014
Land	\$ 6.8	\$ 7.9	\$ 1.6	\$ 1.6	\$ 8.4	\$ 9.5	13.1%
Construction in progress	2.1	2.4	2.2	2.1	4.3	4.5	4.7%
Buildings and Improvements	44.5	43.1	3.6	3.5	48.1	46.6	-3.1%
Machinery and Equipment	1.6	1.5	0.1	0.1	1.7	1.6	-5.9%
Water utility system			27.9	29.0	27.9	29.0	3.9%
Wastewater system			22.9	23.8	22.9	23.8	3.9%
Infrastructure system	208.3	218.4			208.3	218.4	4.8%
Total	\$ 263.3	\$ 273.3	\$ 58.3	\$ 60.1	\$ 321.6	\$ 333.4	3.7%

Long - Term Debt

At the end of 2014, the City had about \$15.5 million in long-term debt obligations outstanding. The City's component-unit, the fire protection district, has no long-term debt obligations. Of the \$15.5 million, \$7.4 million relates to City's business-type activities and the remaining \$8.1 million is applicable to governmental type financing activities.

For governmental type activities, the major long-term debt year-end balances consists of \$1.8 million of 2012 lease revenue bonds issued to refund 2002 lease revenue bonds to construct the City gym and aquatic center; \$5.8 million capital lease to purchase a commercial office building that was transformed into City Hall; and \$543 thousand remaining on a capital lease for the purchase of property bordering City Hall to the north. Additional information about the City's long-term obligations can be found in the notes to the financial statements.

For business-type activities, major long-term debt year-end balances are comprised of \$374 thousand for the water system; \$5.9 million state revolving loan for construction of the City's wastewater treatment plant facility constructed in 2003; \$950 thousand for the purchase of additional water capacity from the City of Vallejo; and a \$150 thousand loan from the City of Napa to pay for the City's share of costs of the North Bay Aqueduct Alternate Intake Project. The City has no bonded debt outstanding for its business-type activities.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

The Great Recession that came to an end several years ago continues to impact the national and local economy with gradual, but sustained economic growth. Although City operations were greatly affected, a plan was implemented to weather the effects of the recession that preserved general fund reserves and conserved resources throughout the City.

According to the UCLA Anderson forecast of December 2014, the United States' economy will likely grow at a 3 percent pace during the next two years, as lower oil prices and higher wages bolster consumer spending and the unemployment rate falls to 5 percent. Along with consumer spending, aggressive corporate spending in equipment and software will fuel this growth. In California, steady gains in employment are anticipated through 2016, as the increase in national growth from construction, automobiles and business investment, along with the higher consumer demand, continues to power the state's economy. California's unemployment rate will continue to decline throughout the forecast period. At 5.3 percent, it is expected to be insignificantly different from that of the U.S. by the end of 2016.

Locally, similarly to the State, the economy has been improving slowly over the past year and further growth is expected. Property values have increased steadily and the November 2014 American Canyon median home sales price shows an 18.8% increase over the median home sales price in 2013. However, inventory of homes for sale continues to be low. In fiscal year 2013-14 property tax revenue growth was 2.5% but is projected to grow by 5.5% in fiscal year 2014-15. General Fund sales tax revenues were flat in 2013-14 and are forecast to remain flat again in 2014-15. Transient occupancy taxes, a growing source of revenue for the City and often regarded as a leading economic indicator, have been doing much better than expected. Over the first few months of the 2015 fiscal year, the City has also seen an uptick in development applications. This growth is crucial for generating revenues to pay for services that American Canyon residents expect from the City and staff continues to promote economic development. City staff members believe that the local economy is improving and are encouraged by the above factors which indicate that a more robust economic recovery in the next 12 to 24 months is likely.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, 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, contact the Administrative Services Director, City of American Canyon, 4381 Broadway Street, Suite 201, American Canyon, California 94503.

BASIC FINANCIAL STATEMENTS

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CITY OF AMERICAN CANYON
Statement of Net Position
June 30, 2014

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and investments	\$ 17,034,236	\$ 8,738,069	\$ 25,772,305
Restricted cash	2,519,902	2,598,062	5,117,964
Taxes receivable	1,444,550		1,444,550
Accounts receivable, net	416,081	1,022,163	1,438,244
Interest receivable	44,692	6,250	50,942
Due from other governments	1,311,511		1,311,511
Property held for resale	1,293,552		1,293,552
Other assets	5,688		5,688
Loans receivable, net	3,150,488		3,150,488
Capital assets:			
Non-depreciable	172,606,198	3,716,461	176,322,659
Depreciable, net of accumulated depreciation	100,648,364	56,356,693	157,005,057
Total capital assets	273,254,562	60,073,154	333,327,716
TOTAL ASSETS	300,475,262	72,437,698	372,912,960
 DEFERRED OUTFLOW OF RESOURCES			
Deferred amount on refunding	58,342		58,342
TOTAL DEFERRED OUTFLOWS OF RESOURCES	58,342		58,342
 LIABILITIES			
Accounts payable	1,246,029	581,505	1,827,534
Accrued expenses	229,452	244,031	473,483
Accrued interest payable		171,440	171,440
Deposits	506,391	181,638	688,029
Long-term liabilities:			
Due within one year			
Bonds, capital leases and contracts	559,479	1,116,993	1,676,472
Compensated absences	496,131	132,983	629,114
Claims and judgments	139,295		139,295
Due in more than one year			
Bonds, capital leases and contracts	8,582,559	6,379,725	14,962,284
Compensated absences	455,781	23,171	478,952
Net OPEB liability	341,008	67,627	408,635
TOTAL LIABILITIES	12,556,125	8,899,113	21,455,238
 NET POSITION			
Net investment in capital assets	264,170,866	52,726,436	316,897,302
Restricted for:			
Public safety	795,436		795,436
Public works	7,212,503		7,212,503
Debt service	30,642	389,332	419,974
Planning and building	4,681,997		4,681,997
Other activities	135,927	2,208,730	2,344,657
Unrestricted	10,950,108	8,214,087	19,164,195
TOTAL NET POSITION	\$ 287,977,479	\$ 63,538,585	\$ 351,516,064

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

CITY OF AMERICAN CANYON
Statement of Activities
For the Year Ended June 30, 2014

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenue</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Primary government				
Governmental Activities				
General government	\$ 4,749,018	\$ 484,057	\$ 19,397	
Public safety	10,001,059	901,808	219,561	
Public works	5,109,403	1,180,772	99,644	\$ 11,145,194
Community development	1,601,943	857,994	647	
Parks and recreation	2,328,669	392,717	24,332	
Storm drain	195,535	203,656		
Interest on long-term debt	344,223			
TOTAL GOVERNMENTAL ACTIVITIES	<u>24,329,850</u>	<u>4,021,004</u>	<u>363,581</u>	<u>11,145,194</u>
Business-type activities				
Water	6,191,545	4,982,094	4,026	2,454,741
Wastewater	3,555,274	3,845,647		1,630,089
Total business-type activities	<u>9,746,819</u>	<u>8,827,741</u>	<u>4,026</u>	<u>4,084,830</u>
TOTAL PRIMARY GOVERNMENT	<u>\$ 34,076,669</u>	<u>\$ 12,848,745</u>	<u>\$ 367,607</u>	<u>\$ 15,230,024</u>

General revenues:

Taxes:

Property taxes, levied for general purposes

Franchise taxes

Sales taxes

Other taxes

Unrestricted investment earnings

Gain on sale of asset

Other

Transfers, net

Total general revenues and transfers

Change in net position

Net position, beginning of year

Net position, end of year

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

Net (Expense) Revenue and Changes in Net Position
Primary Government

Governmental Activities	Business-type Activities	Total
\$ (4,245,564)		\$ (4,245,564)
(8,879,690)		(8,879,690)
7,316,207		7,316,207
(743,302)		(743,302)
(1,911,620)		(1,911,620)
8,121		8,121
(344,223)		(344,223)
<u>(8,800,071)</u>		<u>(8,800,071)</u>
	\$ 1,249,316	1,249,316
	1,920,462	1,920,462
<u>-</u>	<u>3,169,778</u>	<u>3,169,778</u>
<u>(8,800,071)</u>	<u>3,169,778</u>	<u>(5,630,293)</u>
10,599,981		10,599,981
617,817		617,817
3,113,558		3,113,558
2,167,807		2,167,807
227,702	302,836	530,538
20,456		20,456
465,169	452,458	917,627
<u>1,702,165</u>	<u>(1,702,165)</u>	
<u>18,914,655</u>	<u>(946,871)</u>	<u>17,967,784</u>
10,114,584	2,222,907	12,337,491
<u>277,862,895</u>	<u>61,315,678</u>	<u>339,178,573</u>
<u>\$ 287,977,479</u>	<u>\$ 63,538,585</u>	<u>\$ 351,516,064</u>

CITY OF AMERICAN CANYON
Balance Sheet
Governmental Funds
June 30, 2014

	Major Funds				
	General Fund	Fire District Operations Fund	Affordable Housing Capital Projects	Storm Drainage Special Revenue	Capital City Projects
ASSETS					
Cash and investments	\$ 7,437,494	\$ 3,588,138	\$ 554,536		\$ 269,377
Restricted cash					
Taxes receivable	1,069,318	282,597			
Accounts receivable, net	412,201	3,783			
Interest receivable	41,477	438	303		
Due from other governments				\$ 1,029,888	
Due from other funds	1,470,124				
Advances to other funds	1,400,018				
Property held for resale	740,792		552,760		
Other assets	5,000	688			
Loans receivable, net	189,208		2,247,239		
TOTAL ASSETS	\$ 12,765,632	\$ 3,875,644	\$ 3,354,838	\$ 1,029,888	\$ 269,377
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 1,039,654	\$ 48,532			\$ 102,450
Accrued expenses	154,050	49,305	\$ 819		13,425
Deposits	506,391				
Due to other funds		18,373		\$ 1,031,295	
Advances from other funds					
TOTAL LIABILITIES	1,700,095	116,210	819	1,031,295	115,875
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue	224,207		2,247,239	1,029,888	
TOTAL DEFERRED INFLOWS OF RESOURCES	224,207	-	2,247,239	1,029,888	-
FUND BALANCES					
Nonspendable:					
Property held for resale	740,792		552,760		
Advances to other funds	1,400,018				
Loans receivable	30,000				
Receivables and other assets	296,831	688			
Restricted for:					
Public safety					
Public works					
Debt service					
Planning and building			554,020		153,502
Other activities	69,535				
Committed	1,461,807	1,347,000			
Assigned	872,295	2,411,746			
Unassigned	5,970,052			(1,031,295)	
TOTAL FUND BALANCES	10,841,330	3,759,434	1,106,780	(1,031,295)	153,502
TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES					
FUND BALANCES	\$ 12,765,632	\$ 3,875,644	\$ 3,354,838	\$ 1,029,888	\$ 269,377

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

<u>Civic Facilities Capital Projects</u>	<u>Other Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 83,579	\$ 5,101,112	\$ 17,034,236
	2,519,902	2,519,902
	92,635	1,444,550
	97	416,081
48	2,426	44,692
	281,623	1,311,511
-		1,470,124
-		1,400,018
-		1,293,552
-		5,688
	714,041	3,150,488
<u>\$ 83,627</u>	<u>\$ 8,711,836</u>	<u>\$ 30,090,842</u>
	\$ 67,246	\$ 1,257,882
		217,599
		506,391
	420,456	1,470,124
<u>\$ 1,400,018</u>	<u>-</u>	<u>1,400,018</u>
<u>1,400,018</u>	<u>487,702</u>	<u>4,852,014</u>
	826,603	4,327,937
<u>-</u>	<u>826,603</u>	<u>4,327,937</u>
		1,293,552
		1,400,018
		30,000
		297,519
		-
	772,876	772,876
	6,487,233	6,487,233
	30,642	30,642
	325,626	1,033,148
		69,535
		2,808,807
		3,284,041
<u>(1,316,391)</u>	<u>(218,846)</u>	<u>3,403,520</u>
<u>(1,316,391)</u>	<u>7,397,531</u>	<u>20,910,891</u>
<u>\$ 83,627</u>	<u>\$ 8,711,836</u>	<u>\$ 30,090,842</u>

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CITY OF AMERICAN CANYON
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
June 30, 2014

Total fund balance, governmental funds	\$ 20,910,891
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Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not current financial resources and therefore are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Position.	273,254,562
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Revenues and loans receivable which are deferred on the Fund Balance Sheets, because they are not available currently, are taken into revenue in the Statement of Activities.	4,327,937
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Long-term assets and liabilities are not due and payable in the current period and are not included in the fund financial statement, but are included in the governmental activities of the Statement of Net Position.

Long-term debt	(9,142,038)
Compensated absences	(951,912)
Other post-employment benefits	(341,008)
Uninsured claims	(139,295)

Deferred amounts on refunding are reported as deferred outflows of resources in the government-wide financial statements but are not reported in the governmental fund statements.	58,342
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NET POSITION OF GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET POSITION	\$ <u>287,977,479</u>
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The accompanying notes are an integral part of these financial statements.

CITY OF AMERICAN CANYON
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2014

	Major Funds				
	General Fund	Fire District Operations Fund	Affordable Housing Capital Projects	Storm Drainage Special Revenue	City Capital Projects
REVENUES					
Property taxes	\$ 7,459,830	\$ 3,109,213			
Sales taxes	2,294,150			\$ 203,656	
Other taxes	2,336,640	588,405			
Special assessments					
Fines and forfeitures	120,096				
Licenses and permits	337,084				
Intergovernmental	70,496				
Charges for services	1,028,888	193,077	\$ 19,761		
Use of money and property	531,138	8,059	1,432		
Other	395,207	125,095			\$ 37,430
TOTAL REVENUES	<u>14,573,529</u>	<u>4,023,849</u>	<u>21,193</u>	<u>203,656</u>	<u>37,430</u>
EXPENDITURES					
Current:					
General government	4,066,008				
Public safety	5,694,505	3,859,640			
Public works	2,887,392				402,178
Community development	1,504,224		100,730		
Parks and recreation	1,186,092				
Storm drain	195,535			6,762	
Debt Service:					
Principal					
Interest and other charges					
Capital outlay	42,531				2,224,280
TOTAL EXPENDITURES	<u>15,576,287</u>	<u>3,859,640</u>	<u>100,730</u>	<u>6,762</u>	<u>2,626,458</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(1,002,758)</u>	<u>164,209</u>	<u>(79,537)</u>	<u>196,894</u>	<u>(2,589,028)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	2,001,917				2,551,549
Transfers out	(752,050)			(1,020,981)	
Proceeds from sale of assets		24,100			
TOTAL OTHER FINANCING SOURCES AND USES	<u>1,249,867</u>	<u>24,100</u>	<u>-</u>	<u>(1,020,981)</u>	<u>2,551,549</u>
NET CHANGE IN FUND BALANCES	247,109	188,309	(79,537)	(824,087)	(37,479)
Fund balances, beginning of year	10,594,221	3,571,125	1,186,317	(207,208)	190,981
FUND BALANCES, END OF YEAR	<u>\$ 10,841,330</u>	<u>\$ 3,759,434</u>	<u>\$ 1,106,780</u>	<u>\$ (1,031,295)</u>	<u>\$ 153,502</u>

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

Civic Facilities Capital Projects	Other Governmental Funds	Total Governmental Funds
		\$ 10,569,043
		2,497,806
		2,925,045
	\$ 454,790	454,790
		120,096
		337,084
	1,209,830	1,280,326
\$ 58,715	725,022	2,025,463
125	21,969	562,723
	58,538	616,270
<u>58,840</u>	<u>2,470,149</u>	<u>21,388,646</u>
		4,066,008
		9,554,145
	399,416	3,688,986
		1,604,954
	5,527	1,191,619
		202,297
		-
	536,627	536,627
37,024	356,881	393,905
	10,147	2,276,958
<u>37,024</u>	<u>1,308,598</u>	<u>23,515,499</u>
<u>21,816</u>	<u>1,161,551</u>	<u>(2,126,853)</u>
	893,500	5,446,966
	(1,971,770)	(3,744,801)
		24,100
	<u>(1,078,270)</u>	<u>1,726,265</u>
21,816	83,281	(400,588)
<u>(1,338,207)</u>	<u>7,314,250</u>	<u>21,311,479</u>
<u>\$ (1,316,391)</u>	<u>\$ 7,397,531</u>	<u>\$ 20,910,891</u>

CITY OF AMERICAN CANYON

**Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the
Statement of Activities
For the Year Ended June 30, 2014**

Net change in fund balances - total governmental funds: \$ (400,588)

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

Governmental funds report outlays for capital assets as expenditures because such outlays use current financial resources. In contrast, the Statement of Activities reports only a portion of the outlay as expense. The outlay is allocated over the assets' estimated useful lives as depreciation expense for the period.

Capital outlay	2,276,958
Contributed capital	10,933,014
Depreciation expense	(3,235,729)
Disposals and transfers	(110,479)

Governmental funds do not present revenues that are not available to pay current obligations. In contrast, such revenues are reported in the Statement of Activities when earned.	400,153
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Governmental funds report bond proceeds as current financial resources. In contrast, the Statement of Activities treats such issuance of debt as a liability. Governmental funds report repayment of bond principal as an expenditure, In contrast, the Statement of Activities treats such repayments as a reduction in long-term liabilities. This is the amount by which repayments exceed proceeds, net of amortization of deferred amount on refunding.	528,293
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Some expenses reported in the statement of activities do not require the use of current financial resources and these are not reported as expenditures in governmental funds:

Compensated absences	(105,185)
Other post-employment benefits	(190,331)
Uninsured claims	18,478
	18,478

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$ 10,114,584
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The accompanying notes are an integral part of these financial statements.

CITY OF AMERICAN CANYON
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
General Fund
For the year ended June 30, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
REVENUES				
Property taxes	\$ 7,484,100	\$ 7,502,640	\$ 7,459,830	\$ (42,810)
Sales taxes	2,352,900	2,352,900	2,294,150	(58,750)
Other taxes	2,014,600	2,169,600	2,336,640	167,040
Fees and fines	177,700	177,700	120,096	(57,604)
Licenses and permits	276,900	465,789	337,084	(128,705)
Intergovernmental	39,900	72,366	70,496	(1,870)
Charges for services	886,500	886,500	1,028,888	142,388
Investment earnings	452,900	452,900	531,138	78,238
Other	449,800	449,800	395,207	(54,593)
TOTAL REVENUES	<u>14,135,300</u>	<u>14,530,195</u>	<u>14,573,529</u>	<u>43,334</u>
EXPENDITURES				
Current:				
General government	3,927,150	4,069,246	4,066,008	3,238
Public safety	5,685,573	5,700,873	5,694,505	6,368
Public works	3,184,119	3,252,334	2,887,392	364,942
Community development	1,910,600	2,001,500	1,504,224	497,276
Culture and recreation	1,245,700	1,307,370	1,186,092	121,278
Storm drain	344,400	344,400	195,535	148,865
Capital outlay	42,531	42,531	42,531	-
TOTAL EXPENDITURES	<u>16,340,073</u>	<u>16,718,254</u>	<u>15,576,287</u>	<u>1,141,967</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(2,204,773)</u>	<u>(2,188,059)</u>	<u>(1,002,758)</u>	<u>1,185,301</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from long-term debt, net	125,000	125,000		(125,000)
Transfers in	2,615,230	2,632,730	2,001,917	(630,813)
Transfers out	(752,050)	(887,050)	(752,050)	135,000
TOTAL OTHER FINANCING SOURCES AND USES	<u>1,988,180</u>	<u>1,870,680</u>	<u>1,249,867</u>	<u>(620,813)</u>
NET CHANGE IN FUND BALANCES	(216,593)	(317,379)	247,109	564,488
Fund balances, beginning of year	<u>10,594,221</u>	<u>10,594,221</u>	<u>10,594,221</u>	<u>-</u>
FUND BALANCES , END OF YEAR	<u>\$ 10,377,628</u>	<u>\$ 10,276,842</u>	<u>\$ 10,841,330</u>	<u>\$ 564,488</u>

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

CITY OF AMERICAN CANYON
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Fire District Operations Fund
For the year ended June 30, 2014

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Property Taxes	\$ 3,150,500	\$ 3,150,500	\$ 3,109,213	\$ (41,287)
Other taxes	590,000	590,000	588,405	(1,595)
Charges for services	201,000	201,000	193,077	(7,923)
Investment earnings	10,500	10,500	8,059	(2,441)
Other	90,000	90,000	125,095	35,095
TOTAL REVENUES	<u>4,042,000</u>	<u>4,042,000</u>	<u>4,023,849</u>	<u>(18,151)</u>
EXPENDITURES				
Current:				
Public safety	4,110,221	4,296,721	3,859,640	437,081
TOTAL EXPENDITURES	<u>4,110,221</u>	<u>4,296,721</u>	<u>3,859,640</u>	<u>437,081</u>
EXCESS (DEFICIENCY) OF				
REVENUES OVER EXPENDITURES	<u>(68,221)</u>	<u>(254,721)</u>	<u>164,209</u>	<u>418,930</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	5,900	5,900		(5,900)
Transfers out	(5,900)	(5,900)		5,900
Proceeds from sale of capital assets			24,100	24,100
TOTAL OTHER FINANCING SOURCES AND USES	<u>-</u>	<u>-</u>	<u>24,100</u>	<u>24,100</u>
NET CHANGE IN FUND BALANCES	(68,221)	(254,721)	188,309	443,030
Fund balances, beginning of year	<u>3,571,125</u>	<u>3,571,125</u>	<u>3,571,125</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 3,502,904</u>	<u>\$ 3,316,404</u>	<u>\$ 3,759,434</u>	<u>\$ 443,030</u>

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

CITY OF AMERICAN CANYON
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Storm Drainage
For the year ended June 30, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
REVENUES				
Sales taxes	\$ 1,148,900	\$ 1,148,900	\$ 203,656	\$ (945,244)
TOTAL REVENUES	<u>1,148,900</u>	<u>1,148,900</u>	<u>203,656</u>	<u>(945,244)</u>
EXPENDITURES				
Current:				
Public works	-	-	-	-
TOTAL EXPENDITURES	<u>130,100</u>	<u>130,100</u>	<u>6,762</u>	<u>123,338</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>1,018,800</u>	<u>1,018,800</u>	<u>196,894</u>	<u>(821,906)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(1,018,800)	(1,600,298)	(1,020,981)	579,317
TOTAL OTHER FINANCING SOURCES AND USES	<u>(1,018,800)</u>	<u>(1,600,298)</u>	<u>(1,020,981)</u>	<u>579,317</u>
NET CHANGE IN FUND BALANCES		(581,498)	(824,087)	(242,589)
Fund balances, beginning of year	<u>(207,208)</u>	<u>(207,208)</u>	<u>(207,208)</u>	<u>-</u>
FUND BALANCES , END OF YEAR	<u>\$ (207,208)</u>	<u>\$ (788,706)</u>	<u>\$ (1,031,295)</u>	<u>\$ (242,589)</u>

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

CITY OF AMERICAN CANYON
Statement of Net Position
Proprietary Funds
June 30, 2014

	Enterprise Funds		Total
	Water	Wastewater	
ASSETS			
Current assets:			
Cash and investments	\$ 3,834,412	\$ 4,903,657	\$ 8,738,069
Accounts receivable, net	583,036	439,127	1,022,163
Interest receivable	3,321	2,929	6,250
Total current assets	<u>4,420,769</u>	<u>5,345,713</u>	<u>9,766,482</u>
Non-current assets:			
Restricted cash	2,029,284	568,778	2,598,062
Advances to other funds		5,532,672	5,532,672
Capital assets:			
Non-depreciable	1,838,457	1,878,004	3,716,461
Depreciable, net of accumulated depreciation	29,661,847	26,694,846	56,356,693
Total non-current assets	<u>33,529,588</u>	<u>34,674,300</u>	<u>68,203,888</u>
TOTAL ASSETS	<u>37,950,357</u>	<u>40,020,013</u>	<u>77,970,370</u>
LIABILITIES			
Current Liabilities:			
Accounts payable	516,701	64,804	581,505
Accrued expenses	24,275	30,939	55,214
Accrued interest payable	13,273	158,167	171,440
Short term note payable	-	188,817	188,817
Deposits	137,453	44,185	181,638
Compensated absences, current portion	47,521	85,462	132,983
Bonds, notes and loans payable, current portion	533,279	583,714	1,116,993
Total current liabilities	<u>1,272,502</u>	<u>1,156,088</u>	<u>2,428,590</u>
Non-current liabilities:			
Advances from other funds	5,532,672		5,532,672
Net OPEB liability	28,010	39,617	67,627
Compensated absences	16,069	7,102	23,171
Bonds, notes and loans payable	1,105,409	5,274,316	6,379,725
Total non-current liabilities	<u>6,682,160</u>	<u>5,321,035</u>	<u>12,003,195</u>
TOTAL LIABILITIES	<u>7,954,662</u>	<u>6,477,123</u>	<u>14,431,785</u>
NET POSITION			
Net investment in capital assets	30,011,616	22,714,820	52,726,436
Restricted for:			
Debt service		389,332	389,332
Capacity expansion	2,029,284	179,446	2,208,730
Unrestricted	<u>(2,045,205)</u>	<u>10,259,292</u>	<u>8,214,087</u>
TOTAL NET POSITION	<u>\$ 29,995,695</u>	<u>\$ 33,542,890</u>	<u>\$ 63,538,585</u>

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

CITY OF AMERICAN CANYON
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2014

	Enterprise Funds		Total
	Water	Wastewater	
OPERATING REVENUES			
Charges for services	\$ 4,982,094	\$ 3,845,647	\$ 8,827,741
Other	297,825	276,129	573,954
TOTAL OPERATING REVENUES	<u>5,279,919</u>	<u>4,121,776</u>	<u>9,401,695</u>
OPERATING EXPENSES			
Employee services	1,126,473	1,474,709	2,601,182
Maintenance and operations	3,242,496	1,004,771	4,247,267
Depreciation	1,311,313	1,187,775	2,499,088
TOTAL OPERATING EXPENSES	<u>5,680,282</u>	<u>3,667,255</u>	<u>9,347,537</u>
OPERATING INCOME (LOSS)	<u>(400,363)</u>	<u>454,521</u>	<u>54,158</u>
NON-OPERATING REVENUES (EXPENSES)			
Interest and investment revenue	16,888	164,452	181,340
Operating grants and contributions	4,026		4,026
Interest expense	(237,773)	(161,509)	(399,282)
TOTAL NON-OPERATING REVENUE (EXPENSES)	<u>(216,859)</u>	<u>2,943</u>	<u>(213,916)</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	<u>(617,222)</u>	<u>457,464</u>	<u>(159,758)</u>
Capital contributions	2,454,741	1,630,089	4,084,830
Transfers in	1,868,025	324,444	2,192,469
Transfers out	(1,220,690)	(2,673,944)	(3,894,634)
CHANGE IN NET POSITION	<u>2,484,854</u>	<u>(261,947)</u>	<u>2,222,907</u>
Net position, beginning of year	<u>27,510,841</u>	<u>33,804,837</u>	<u>61,315,678</u>
TOTAL NET POSITION, END OF YEAR	<u>\$ 29,995,695</u>	<u>\$ 33,542,890</u>	<u>\$ 63,538,585</u>

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

CITY OF AMERICAN CANYON
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2014

	Enterprise Funds		Total
	Water	Wastewater	
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from customers	\$ 5,413,466	\$ 4,166,588	\$ 9,580,054
Cash paid to suppliers	(3,065,948)	(1,165,922)	(4,231,870)
Cash paid to employees and related benefits	(1,070,523)	(1,443,957)	(2,514,480)
CASH PROVIDED BY OPERATING ACTIVITIES	<u>1,276,995</u>	<u>1,556,709</u>	<u>2,833,704</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Amounts received (paid) to other funds	794,545	(2,496,710)	(1,702,165)
CASH PROVIDED (USED) BY NONCAPITAL AND RELATED FINANCING ACTIVITIES	<u>798,571</u>	<u>(2,496,710)</u>	<u>(1,698,139)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Capital expenditures	(168,601)	(250,288)	(418,889)
Capital revenues received	177,911	36,589	214,500
Proceeds from short-term loan		246,915	246,915
Principal paid on short-term loan		(58,098)	(58,098)
Principal paid on long-term liabilities	(873,229)	(568,369)	(1,441,598)
Interest paid on long-term liabilities	(238,514)	(176,854)	(415,368)
CASH USED FOR CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(1,102,433)</u>	<u>(770,105)</u>	<u>(1,872,538)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest received	16,575	165,646	182,221
CHANGE IN CASH AND INVESTMENTS	989,708	(1,544,460)	(554,752)
Cash and investments, beginning of year	4,873,988	7,016,895	11,890,883
CASH AND INVESTMENTS, END OF YEAR	<u>\$ 5,863,696</u>	<u>\$ 5,472,435</u>	<u>\$ 11,336,131</u>
RECONCILIATION OF CASH AND INVESTMENTS TO THE STATEMENT OF NET POSITION:			
Cash and investments	\$ 3,834,412	\$ 4,903,657	\$ 8,738,069
Restricted cash and investments	2,029,284	568,778	2,598,062
CASH AND INVESTMENTS	<u>\$ 5,863,696</u>	<u>\$ 5,472,435</u>	<u>\$ 11,336,131</u>
RECONCILIATION OF OPERATING (LOSS) INCOME TO CASH PROVIDED BY OPERATING ACTIVITIES:			
Operating income (loss)	\$ (400,363)	\$ 454,521	\$ 54,158
Adjustments to reconcile operating income (loss) to cash provided by operating activities:			
Depreciation and amortization	1,311,313	1,187,775	2,499,088
Postemployment benefit accrual	52,388	33,542	85,930
Changes in operating assets and liabilities:			
Accounts and other receivables	133,547	44,812	178,359
Accounts payable and accrued expenses	176,668	(155,608)	21,060
Deposits	4,016		4,016
Compensated absences	(574)	(8,333)	(8,907)
CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 1,276,995</u>	<u>\$ 1,556,709</u>	<u>\$ 2,833,704</u>
SUPPLEMENTAL DISCLOSURE OF NONCASH ACTIVITIES:			
Donated capital assets	\$ 2,276,830	\$ 1,593,500	\$ 3,870,330

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

CITY OF AMERICAN CANYON
Statement of Fiduciary Net Position
Fiduciary Funds
As of June 30, 2014

	Total Agency Funds
ASSETS	
Cash and investments	\$ 2,055,620
Restricted cash and investments	1,508,838
Taxes receivable	40,674
Interest receivable	910
TOTAL ASSETS	\$ 3,606,042
LIABILITIES	
Accounts payable	\$ 2,155
Agency obligations	3,603,887
TOTAL LIABILITIES	\$ 3,606,042

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

NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF AMERICAN CANYON, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2014

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of American Canyon was incorporated as a general law city in 1992. The City operates under the Council-Manager form of government and provides the following services: public safety (police and fire), highways and streets, water, wastewater, culture-recreation, public improvements, planning and zoning, transit and general administration.

The financial statements and accounting policies of the City conform with generally accepted accounting principles applicable to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Significant accounting policies are summarized below:

Reporting Entity

The financial statements of the City of American Canyon include the financial activities of the City and its component units.

The American Canyon Financing Authority and American Canyon Fire Protection District are legally separate entities for which the City is financially accountable and they are governed by the elected City Council. The Authority was formed to provide a method of financing public improvements, and the Fire District became part of the City when it was incorporated in 1992. The financial activities of the Authority and the Fire District 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. Blended component units, although legally separate entities, are, in substance, part of the government's operations and so data from these units are combined with data of the primary government. Separate component unit financial reports are not prepared.

Basis of Presentation

The City's Basic Financial Statements are prepared in conformity with accounting principles generally accepted in the United States of America. The Government Accounting Standards Board is the acknowledged standard setting body for establishing accounting and financial reporting standards followed by governmental entities in the U.S.A.

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

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

CITY OF AMERICAN CANYON, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2014

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

Major Funds

Major funds are defined as funds that have either assets, liabilities, revenues or expenditures/expenses equal to ten percent of their fund-type total and five percent of the grand total. The General Fund is always a major fund. The City may also select other funds it believes should be presented as major funds.

The City reported the following major governmental funds in the accompanying financial statements:

General Fund – The General Fund is used for all the general revenues of the City not specifically levied or collected for other City funds and the related expenditures.

Fire District Operations Fund – Accounts for fire services provided by the component unit fire protection district.

Affordable Housing Capital Projects Fund – Accounts for fees collected from developers in lieu of providing affordable housing services.

Storm Drainage Special Revenue Fund – Accounts for the proceeds and expenditures of sales taxes received under the Napa County Flood Protection Sales Tax.

City Capital Projects Fund – Accounts for major capital projects funded by various City sources.

Civic Facilities Capital Projects Fund – Accounts for impact fees collected by new development to be used for Civic Facilities improvement projects.

CITY OF AMERICAN CANYON, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2014

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The City reported both of its enterprise funds as major funds in the accompanying financial statements:

Water Enterprise Fund – Accounts for the operations of the City’s treatment and distribution system.

Wastewater Enterprise Fund – Accounts for the operation of the City’s wastewater treatment plant and collection facilities.

The City also reports the following fund types:

Fiduciary Funds – These funds are used to account for assets held by the City in a fiduciary capacity for special assessment districts. The financial activities of these funds are excluded from the City-wide financial statements but are presented in separate Fiduciary Fund financial statements.

Basis of Accounting

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

Governmental funds are reported using the *current financial resources* measurement focus and the *modified accrual* basis of accounting. Under this method, revenues are recognized when *measurable* and *available*. The City considers all revenues reported in the governmental funds to be available if the revenues are collected within ninety days after year-end, except property taxes, which are considered available if collected within sixty days. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. Governmental capital asset acquisitions are reported as *expenditures* in governmental funds. Proceeds of governmental long-term debt and acquisitions under capital leases are reported as *other financing sources*.

Those revenues susceptible to accrual at both the City-wide and Fund level are property, sales and franchise taxes, current service charges, and interest revenue. Fines and licenses and permits are not susceptible to accrual because they are not measurable until received in cash.

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

CITY OF AMERICAN CANYON, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2014

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Grant revenues are recognized in the fiscal year in which all eligibility requirements are met. Under the terms of grant agreements, the City may fund certain programs with a combination of cost-reimbursement grants, categorical block grants, and general revenues. Thus, both restricted and unrestricted net assets may be available to finance program expenditures. The City's policy is to first apply restricted grant resources to such programs, followed by general revenues if necessary.

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

The City follows Statements and Interpretations of the Financial Accounting Standards Board and its predecessors that were issued on or before November 30, 1989, in accounting for its business-type activities, unless they conflict with Government Accounting Standards Board pronouncements.

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

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

Property Tax Revenues

Napa County assesses properties and bills, collects, and distributes property taxes to the City. The County remits the entire amount levied and handles all delinquencies, retaining interest and penalties. Secured and unsecured property taxes are levied on January 1.

Secured property tax is due in two installments, on November 1 and March 1, and becomes a lien on those dates. It becomes delinquent on December 10 and April 10, respectively. Unsecured property tax is due on July 1, and becomes delinquent on August 31.

The term "unsecured" refers to taxes on personal property other than real estate, land and buildings. These taxes are secured by liens on the property being taxed. Property tax revenues are recognized by the City in the fiscal year they are assessed, provided they become available as defined above.

Restricted Assets

Certain proceeds of long-term debt are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants. Restricted cash includes the "reserve" account used to report resources set aside to make up potential future deficiencies in the bond's debt service. Restricted cash also includes unspent proceeds of Special Assessment debt transferred to City capital projects funds. The restricted assets in the Proprietary Funds also includes amounts collected that are restricted for capacity expansion.

CITY OF AMERICAN CANYON, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2014

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets Held for Resale

Assets held for resale are carried at the lower of cost or market, but not greater than the net realizable value. In the Fund Financial Statements, an amount equal to the carrying value of the net asset is reported as nonspendable fund balance because such assets are not available to finance the City's current operations.

Compensated Absences

Compensated absences are comprised of unpaid vacation and certain compensated time off, which are accrued as earned. A liability for compensated absences that are attributable to services already rendered and that are not contingent on a specific event that is outside the control of the government and its employees is accrued as employees earn the rights to the benefits. Compensated absences that relate to future services or that are contingent on a specific event that is outside the control of the government and its employees are accounted for in the period in which such services are rendered or such events take place. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. The City's liability for compensated absences is recorded in the General, Water, and Wastewater funds as appropriate. The liability for compensated absences is determined annually.

Compensated absences are liquidated by the fund that has recorded the liability. The long-term portion of governmental activities compensated absences is liquidated primarily by the General Fund.

NOTE B – BUDGETS AND BUDGETARY ACCOUNTING

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all government funds except the BEGIN Program, State and Federal Grants-Fire Special Revenue Funds and debt service funds. All annual appropriations lapse at fiscal year end.

The appropriated budget is prepared by fund, department, division, object and line item. The City's department managers may make transfers of appropriations within a division. Transfers of appropriations between divisions require the approval of the Chief Administrative Officer. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the fund level. All budget amounts presented in the accompanying financial statements have been adjusted for legally authorized revisions of the annual budgets during the year. Amounts represent the original budgeted amounts and all supplemental appropriations. The supplemental appropriations were immaterial.

The Abandoned Vehicle and Park Improvement funds had expenditures in excess of the final appropriation for the fiscal year ended June 30, 2014 by \$10,147 and \$3,420, respectively. These over expenditures were funded by available fund balance.

CITY OF AMERICAN CANYON, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2014

NOTE C – CASH AND INVESTMENTS

The City’s dependence on property tax receipts, which are received semi-annually, requires it to maintain significant cash reserves to finance operations during the remainder of the year. The City pools cash from all sources and all funds except cash and investments held by trustees so that it can be invested at the maximum yield consistent with safety and liquidity, while individual funds can make expenditures at any time.

Policies

The City invests in investment pools and money market mutual funds.

The City’s investments are carried at fair value, as required by generally accepted accounting principles. The City adjusts the carrying value of its investments to reflect their fair value at each fiscal year end, and it includes the effects of these adjustments in income for that fiscal year.

Classification

Cash and Investments are classified in the financial statements as shown below, based on whether or not their use is restricted under the terms of City debt instruments or Agency agreements.

Cash and investments	\$ 25,772,305
Restricted cash and investments	5,117,964
Total cash and investments of primary government	<u>30,890,269</u>
Cash and investments in Fiduciary Funds	2,055,620
Restricted cash and investments in Fiduciary Funds	<u>1,508,838</u>
Total cash and investments	<u><u>\$ 34,454,727</u></u>

Cash and investments as of June 30, 2014 consist of the following:

Cash on hand	\$ 2,580
Deposits with financial institutions	436,825
Investments:	
Held by City	30,276,342
Held by fiscal agents	<u>3,738,980</u>
Total cash and investments	<u><u>\$ 34,454,727</u></u>

Cash and Investments is used in preparing proprietary fund statements of cash flows because these assets are highly liquid and are expended to liquidate liabilities arising during the year.

CITY OF AMERICAN CANYON, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2014

NOTE C – CASH AND INVESTMENTS (Continued)

Investments Authorized by the California Government Code and the City’s Investment Policy

The City’s Investment Policy and the California Government Code allow the City to invest in the following, provided the credit ratings of the issuers are acceptable to the City; and approved percentages and maturities are not exceeded. The table below also identifies certain provisions of the California Government Code, or the City’s Investment Policy where the City’s Investment Policy is more restrictive.

Authorized Investment Type	Maximum Maturity	Minimum Credit Quality	Maximum Percentage of Portfolio	Maximum Investment of One Issuer
Local Agency Bonds	5 years	None	None	None
U.S. Treasury Obligations	5 years	None	None	None
State of California Obligations	5 years	None	None	None
California Local Agency Obligations	5 years	None	None	None
U.S. Agency Obligations	5 years	None	None	None
Bankers' Acceptances	180 days	None	40%	30%
Commercial Paper	270 days	A-1/P-1/F-1	25%	10%
Negotiable Certificate of Deposit	5 years	None	30%	None
Repurchase Agreements	1 year	None	None	None
Reverse Repurchase Agreements	92 days	None	20%	None
Securities Lending Arrangements	92 days	None	20%	None
Medium-Term Notes	5 years	A	30%	None
Mutual Funds	N/A	None	20%	10%
Money Market Funds	N/A	None	20%	None
Collateralized Bank Deposits	5 years	None	None	None
Mortgage-Pass Through Securities	5 years	AA	20%	None
Time Deposits	5 years	None	None	None
County Pooled Investment Funds	N/A	None	None	None
Joint Powers Authority Pool	N/A	None	None	None
Local Agency Investment Fund	N/A	None	None	None
California Asset Management Program (CAMP)	N/A	None	None	None

CITY OF AMERICAN CANYON, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2014

NOTE C – CASH AND INVESTMENTS (Continued)

Investments Authorized by Debt Agreements

The City must maintain required amounts of cash and investments with trustees or fiscal agents under the terms of certain debt issues. These funds are unexpended bond proceeds or pledged reserves to be used if the City fails to meet its obligations under these debt issues. The California Government Code requires these funds to be invested in accordance with City resolutions, bond indentures or State statutes. The table below identifies the investment types that are authorized for investments held by fiscal agents. The bond indentures contain no limitations for the maximum investment in any one issuer or the maximum percentage of the portfolio that may be invested in any one investment type. The table also identifies certain provisions of these debt agreements:

Authorized Investment Type	Maximum Maturity	Minimum Credit Quality
Bankers' Acceptances	360 days	A-1
U.S. Treasury Bills and Notes	None	N/A
State General Obligations	None	A
Municipal Obligations	None	Aaa/AAA
U.S. Government Agency Securities	None	AAA
U.S. Government Sponsored Securities	None	AAA
Federal Housing Administration Debentures	None	N/A
Medium Term Notes	5 year	A
Commercial Paper	270 days	A-1+
State Local Agency Investment Fund	N/A	N/A
Money Market Fund	N/A	AAm
Defeasance Securities	N/A	N/A
Pre-refunded Municipal Obligations	None	AAA
Investment Agreements	N/A	AA
Unsecured Certificates of Deposit	30 days	A-1
CalTrust	None	N/A

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value changes in market interest rates. As a means of limiting its exposure to fair value losses arising from rising interest rates, the City generally manages its interest rate risk by investing in the Local Agency Investment Fund (LAIF), which provides the necessary cash flow and liquidity needed for operations, as well as purchasing a combination of shorter term and longer term investments so that a portion of the portfolio is maturing or coming close to maturing evenly over time.

CITY OF AMERICAN CANYON, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2014

NOTE C – CASH AND INVESTMENTS (Continued)

Information about the sensitivity of the fair values of the City’s investments (including investments held by bond trustees) to market interest rate fluctuations is provided by the following table that shows the distribution of the City’s investments by maturity or earliest call date:

Authorized Investment Type	12 Months or less	13 to 36 Months	36 tp 60 Months	Total
California Local Agency Investment Fund	\$ 15,548,085			\$ 15,548,085
U.S. Government Agency Obligations	1,083,950	\$ 2,654,372	\$ 2,235,680	5,974,002
U.S. Corporate Obligations	799,024	1,205,502	1,640,879	3,645,405
U.S. Treasury Notes		1,455,918	2,007,457	3,463,375
Asset-Backed Securities	397,145	570,884	295,293	1,263,322
Commercial paper	294,783			294,783
Money Market Mutual Funds	2,884,527			2,884,527
Negotiable CD	941,823			941,823
Total invesments	21,949,337	5,886,676	6,179,309	34,015,322
Cash on hand	2,580			2,580
Cash in bank	436,825			436,825
Total cash and investments	\$ 22,388,742	\$ 5,886,676	\$ 6,179,309	\$ 34,454,727

The City is a participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The City reports its investment in LAIF at the fair value amount provided by LAIF, which is the same as the value of the pool share. The balance is available for withdrawal on demand, and is based on the accounting records maintained by LAIF, which are recorded 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, United States Treasury Notes and Bills, and floating rate securities issued by federal agencies, government-sponsored enterprises, and corporations. The total fair value amount invested by all public agencies in LAIF is \$64,896,335,760, managed by the State Treasurer. The Local Investment Advisory Board (Board) has oversight responsibility for LAIF. The Board consists of five members as designated by the State Statute. At June 30, 2014, these investments matured in an average of 232 days.

CITY OF AMERICAN CANYON, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2014

NOTE C – CASH AND INVESTMENTS (Continued)

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The following are credit ratings issued by Moody's and Standard and Poor's as of June 30, 2014:

Investment Type	Aaa/AAA	Aa 1	Aa 2	Aa 3	P-1	A1, A2, A3	Total
Money Market Mutual Funds (U.S. Securities)	\$ 2,884,527						\$ 2,884,527
U.S. Government Agencies	5,974,002						5,974,002
U.S. Corporate Obligations		\$ 364,985	\$ 514,515	\$ 506,825		\$ 2,259,080	3,645,405
Asset-Backed Securities	1,263,322						1,263,322
Commercial paper					\$ 294,783		294,783
Totals	<u>\$10,121,851</u>	<u>\$ 364,985</u>	<u>\$ 514,515</u>	<u>\$ 506,825</u>	<u>\$ 294,783</u>	<u>\$ 2,259,080</u>	14,062,039
<i>Not rated:</i>							
California Local Agency Investment Fund							15,548,085
Negotiable CD							941,823
Cash on hand							2,580
Cash in banks							436,825
<i>Exempt from credit rate disclosure:</i>							
U.S. Treasury Notes							<u>3,463,375</u>
Total cash and investments							<u>\$ 34,454,727</u>

Concentration of Credit Risk

The investment policy of the City has no limitations on the amount that can be invested in any one issuer beyond what is stipulated by the California Government Code. There were no investments in any one issuer (other than U.S. Treasury obligations, mutual funds and external investment pools) that represent 5% or more of total City investments.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure public agency deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. At June 30, 2014, the City had \$864,795 in deposits at banks above the federally insured limit.

CITY OF AMERICAN CANYON, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2014

NOTE D – INTERFUND TRANSACTIONS

Interfund transactions between funds are reflected as loans, services provided, reimbursements or transfers. Loans are reported as receivables or payables as appropriate, and are subject to elimination upon consolidation. The City transfers resources among funds in the course of normal operations. Services provided, deemed to be at market or near market rates, such as vehicle maintenance, are accounted for as revenues and expenditures/ expenses. Transactions to reimburse a fund for expenditures/expenses initially made from it that are applicable to another fund are recorded as expenditures/expenses in the correct fund and as reductions of expenditures/ expenses in the original fund. All other interfund transactions are reported as transfers.

Transfers Between Funds

With Council approval, resources may be transferred from one City fund to another. Transfers between funds during the fiscal year ended June 30, 2014 were as follows:

Fund Making Transfer	Fund Receiving Transfers	Amount Transferred
General Fund	Cabernet Village Lease Debt Service Fund	\$ 475,900 (C)
	Lease Revenue Bonds Debt Service Fund	141,450 (C)
	Broadway Property Lease Debt Service Fund	134,700 (C)
Major Governmental Funds:		
Storm Drainage Special Revenue	General Fund	103,526 (A)
	City Capital Projects Fund	593,011 (B)
	Wastewater Enterprise Fund	324,444 (D)
Major Enterprise Funds:		
Water	General Fund	719,550 (A)
	City Capital Projects Fund	501,140 (B)
Wastewater	General Fund	739,690 (A)
	City Capital Projects Fund	66,229 (B)
	Water Fund	1,868,025 (E)
Non-major Special Revenue Funds:		
Gas Tax	General Fund	300,000 (A)
	City Capital Projects Fund	621,648 (B)
State Supplemental Law Enforcement	General Fund	100,100 (A)
La Vigne Landscape and Lighting	General Fund	31,970 (A)
	City Capital Projects Fund	77,983 (B)
Abandoned Vehicle	General Fund	7,081 (A)
State and Federal Grants - City Funds	City Capital Projects Fund	291,629 (B)
Non-major Capital Projects Funds:		
Park Improvement	Lease Revenue Bonds Debt Service Fund	141,450 (C)
	City Capital Projects Fund	100,713 (B)
Traffic Impact	City Capital Projects Fund	299,196 (B)
		<u>\$ 7,639,435</u>

- (A) Transfer resources to fund incurring expenditures
- (B) Transfer to fund capital improvements
- (C) Transfer to fund debt service payments
- (D) Transfer to fund flood protection projects
- (E) Reversal of a prior year transfer

CITY OF AMERICAN CANYON, CALIFORNIA
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2014

NOTE D – INTERFUND TRANSACTIONS (Continued)

Current Interfund Balances

Current interfund balances arise in the normal course of business and are expected to be repaid shortly after the end of the fiscal year. At June 30, 2014, the following funds have interfund balances.

Fund Making Loan	Fund Receiving Loan	Amount
General Fund	Major Governmental Funds:	
	Fire District Operations Fund	\$ 18,373
	Storm Drainage	1,031,295
	Non-Major Special Revenue Funds:	
	State Supplemental Law Enforcement	13,979
	State and Federal Grants - City Fund	240,291
	Non-Major Capital Projects Funds:	
	Park Improvement	106,240
	Infrastructure	59,946
	Total Due To/Due From Other Funds	\$ 1,470,124

Advances Between Funds

During fiscal year ended June 30, 2010, the General Fund advanced the Civic Facilities Capital Projects Fund \$1,514,166 for construction of the Senior Multi-Use Center. As of June 30, 2014, \$1,400,018 was outstanding on this advance, including accrued interest of \$170,852. This loan accrues interest at 3% per year to be repaid when funds are available. During fiscal years 2013 and 2014, repayments of \$20,000 and \$5,000, respectively, were made on this advance.

In December 2009, the Wastewater Enterprise Fund advanced the Water Enterprise Fund \$4,907,024 for the Green Island Road Recycled Waterline project, Recycled Water Pump Station upgrade and other various construction projects. As of June 30, 2014, \$5,532,672 was outstanding on this advance, including accrued interest of \$625,648. This loan accrues interest at 3% per year to be repaid when funds are available. The City is in the process of determining how this loan will be repaid.

CITY OF AMERICAN CANYON, CALIFORNIA
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2014

NOTE E – LOANS RECEIVABLE

At June 30, 2014, the City had the following loans receivable:

BEGIN Program	\$ 8,327,110
Mid Peninsula Housing Coalition Loan	2,247,239
CDBG Housing Rehabilitation Program	714,041
Employee Home Purchase Assistance	159,208
Relocation incentive home loan	30,000
	11,477,598
Valuation allowance	(8,327,110)
Loans, net	\$ 3,150,488

BEGIN Program

The City was awarded \$1,080,000 (\$30,000 each for 36 homes) from the State of California on August 17, 2005, plus an additional \$6,038,900, from Mid-Peninsula Housing Coalition (MPHC), a non-profit organization, to grant loans to qualified low-income home buyers at Vineyard Place, a subdivision comprised of 45 single-family detached homes. Loan payments are deferred for the life of the loan, or until the homeowner sells the home, whichever occurs sooner. The loans will be forgiven, in stages, commencing in the 26th year of the loan, and totally forgiven after 30 years. As of June 30, 2014, residents owed the City \$8,327,110 in loans offered by this program, which includes \$2,353,210 of accrued interest.

Since these loans are secured by trust deeds which are subordinated to other debt on the associated projects or are only repayable from residual cash receipts on the projects, collectability of the outstanding balances may not be realized. As a result, the entire outstanding balances of the loans have been offset by a valuation allowance. This allowance results in no assets or liabilities being shown in the BEGIN Fund. As a result, this fund is not presented in the combining fund statements.

Mid-Peninsula Housing Coalition Loan

The City loaned the Mid-Peninsula Housing Coalition (MPHC) \$2,265,000 for the construction of the Vineyard Crossing Apartments. As part of the agreement, the City will receive a residual share of the cash flow from the project. As of June 30, 2014, the loan balance was \$2,247,239.

CDBG Housing Rehabilitation Program

The City administers a Housing Rehabilitation Loan Program using the Housing and Community Development Act funds. Under this program, residents with incomes below a certain level are eligible to receive low interest loans, secured by deeds of trust, for construction work on their homes. Federal grants are used to fund these loans. Upon approval of loans, the City disburses the funds, and arranges for and collects repayments. These loans generally have interest rates of 3%, although some are zero-interest-rate loans, and are generally due upon transfer of the home or refinancing. As of June 30, 2014, residents owed the City \$714,041 in loans offered by this Program, including accrued interest.

CITY OF AMERICAN CANYON, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2014

NOTE E – LOANS RECEIVABLE (Continued)

Employee Home Purchase Assistance

The City provided home down payment assistance to its employees until fiscal year 2009/10 when the program was terminated. At June 30, 2014, there were 4 loans outstanding to employees. To qualify for the program, employees were required to be full-time and purchase a home within the City limits. The maximum loan amount was 10% of the purchase price, or \$50,000, whichever was less. Interest on the loans was determined using the current Local Agency Investment Fund rate. The maximum loan term was 20 years.

Relocation Incentive Home Loan

In 2013, as part of the City Manager’s employment contract, the City provided the City Manager with a \$50,000 zero-interest Relocation Incentive Home Loan, for which the City will forgive \$10,000 of the loan for each year of service provided by the City Manager. As of June 30, 2014, \$20,000 of the loan has been forgiven.

NOTE F – CAPITAL ASSETS

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Contributed capital assets are valued at their estimated fair market value on the date contributed. The City defines capital assets as equipment, vehicles, furniture and fixtures 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 (30-75 years for infrastructure type assets) with the exception of Federally funded acquisitions, which are \$5,000 or more. Land is capitalized at an initial individual cost of more than \$150,000. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Capital leases are recorded as an asset and an obligation at an amount equal to the present value at the beginning of the lease term of future minimum lease payments during the lease term.

Depreciation is provided using the straight-line method which means the cost of the asset is divided by its expected useful life in years and the result is charged to expense each year until the asset is fully depreciated. The City has assigned the useful lives listed below to capital assets:

Buildings and Improvements	20-30 years
Public Domain Infrastructure	50 years
System Infrastructure-Utility	60 years
Vehicles and Equipment	2-15 years

CITY OF AMERICAN CANYON, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2014

NOTE F – CAPITAL ASSETS (Continued)

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase is reflected in the capitalized value of the asset constructed, net of interest earned on the invested proceeds over the same period. No interest was capitalized during the fiscal year ended June 30, 2014.

Capital Asset Additions and Retirements

Capital assets at June 30 comprise:

	Balance at June 30, 2013	Additions	Retirements	Transfers	Balance at June 30, 2014
<u>Governmental Activities</u>					
Capital assets, not being depreciated:					
Land	\$ 6,793,338			\$ 1,085,590	\$ 7,878,928
Street right of ways	162,284,085				162,284,085
Construction in progress	2,094,884	\$ 1,180,425		(832,124)	2,443,185
Total capital assets, not being depreciated	171,172,307	1,180,425	-	253,466	172,606,198
Capital assets, being depreciated:					
Buildings and improvements	49,300,814			(1,085,590)	48,215,224
Machinery and equipment	6,911,099	203,111	\$ (362,531)		6,751,679
Infrastructure - streets and storm drains	69,826,823	11,826,434		725,292	82,378,549
Total capital assets, being depreciated	126,038,736	12,029,545	(362,531)	(360,298)	137,345,452
Less accumulated depreciation for:					
Buildings and improvements	(4,808,342)	(286,762)			(5,095,104)
Machinery and equipment	(5,333,077)	(359,639)	358,887		(5,333,829)
Infrastructure - streets and storm drains	(23,678,827)	(2,589,328)			(26,268,155)
Total accumulated depreciation	(33,820,246)	(3,235,729)	358,887	-	(36,697,088)
Capital assets being depreciated, net	92,218,490	8,793,816	(3,644)	(360,298)	100,648,364
GOVERNMENTAL ACTIVITIES CAPITAL ASSETS, NET	\$263,390,797	\$ 9,974,241	\$ (3,644)	\$ (106,832)	\$273,254,562

CITY OF AMERICAN CANYON, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2014

NOTE F – CAPITAL ASSETS (Continued)

	Balance at June 30, 2013	Additions	Retirements	Transfers	Balance at June 30, 2014
<u>Business-Type Activities</u>					
Capital assets, not being depreciated:					
Land and improvements	\$ 1,642,993				\$ 1,642,993
Construction in progress	2,154,275	\$ 4,930		\$ (85,737)	2,073,468
Total capital assets, not being depreciated	3,797,268	4,930	-	(85,737)	3,716,461
Capital assets, being depreciated:					
Buildings and improvements	6,827,336				6,827,336
Water treatment and distribution	39,870,896	2,367,166		73,334	42,311,396
Equipment	1,425,838				1,425,838
Wastewater treatment and collection	33,720,708	1,810,291		119,235	35,650,234
Total capital assets, being depreciated	81,844,778	4,177,457	-	192,569	86,214,804
Less accumulated depreciation for:					
Buildings and improvements	(3,151,703)	(179,804)			(3,331,507)
Water treatment and distribution	(12,103,890)	(1,183,033)			(13,286,923)
Equipment	(1,310,835)	(44,412)			(1,355,247)
Wastewater treatment and collection	(10,792,595)	(1,091,839)			(11,884,434)
Total accumulated depreciation	(27,359,023)	(2,499,088)	-	-	(29,858,111)
Capital assets being depreciated, net	54,485,755	1,678,369	-	192,569	56,356,693
BUSINESS-TYPE ACTIVITIES CAPITAL ASSETS, NET	\$58,283,023	\$ 1,683,299	\$ -	\$ 106,832	\$60,073,154

Project Commitments

At June 30, 2014, the City had outstanding commitments with contractors for the following projects:

Project	Remaining Commitment
Transportation projects	\$ 276,420
Storm Drain Projects	926
Water projects	49,800
	<u>\$ 327,146</u>

CITY OF AMERICAN CANYON, CALIFORNIA
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2014

NOTE F – CAPITAL ASSETS (Continued)

Capital Asset Contributions

Some capital assets may be acquired using Federal and State grant funds, or they may be contributed by developers or other governments. These contributions are accounted for as revenues at the time the capital assets are contributed. During the year ended June 30, 2014, the City received capital contributions totaling \$14,803,342, of which \$10,933,102 was recorded in Governmental Activities and \$3,870,330 in Business-Type Activities.

Depreciation Allocation

Depreciation expense is charged to functions and programs based on their usage of the related assets. The amounts allocated to each function or programs are as follows:

	<u>Depreciation</u>
Governmental Activities:	
General government	\$ 349,595
Public safety - Police	85,150
Public safety - Fire	360,125
Parks and recreation	322,197
Public works	2,118,662
Total Governmental Activities	\$ 3,235,729
Business-type Activities:	
Water	\$ 1,311,313
Wastewater	1,187,775
Total Business-type Activities	\$ 2,499,088

NOTE G – SHORT-TERM DEBT

As part of an incentive to install energy efficient equipment totaling \$327,000 at the wastewater plant, the City received a rebate of \$80,000 and a zero interest short-term loan of \$247,000 in fiscal year 2014. The outstanding balance of the loan at June 30, 2014 was \$188,817, which will be repaid in fiscal year 2015.

CITY OF AMERICAN CANYON, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2014

NOTE H – LONG-TERM LIABILITIES

The City generally incurs long-term debt to finance projects or purchase assets, which will have useful lives equal to or greater than the related debt.

The City's debt issues and transactions are summarized below and discussed in detail thereafter.

Current Year Transactions and Balances

	Original Issue Amount	Balance June 30, 2013	Additions	Retirements	Balance June 30, 2014	Current Portion
<u>Governmental Activities</u>						
2012 Lease Revenue Bonds						
2.95%, due on 06/01/21	\$ 2,222,000	\$ 2,017,000		\$ (225,000)	\$ 1,792,000	\$ 233,000
Capital Lease - City Hall Facility						
4.54%, due 05/01/32	6,695,000	5,965,000		(205,000)	5,760,000	215,000
Capital Lease - Broadway Properties						
4.57%, due 08/22/2018	1,075,000	649,773		(106,627)	543,146	111,479
Cost reimbursement payable		1,046,892			1,046,892	
Compensated absences		846,727	\$ 680,144	(574,959)	951,912	496,131
Claims and judgments		157,773	331,085	(349,563)	139,295	139,295
Other postemployment benefits		176,418	641,979	(477,389)	341,008	
Total Governmental Long-Term Liabilities		10,859,583	1,653,208	(1,938,538)	10,574,253	<u>\$ 1,194,905</u>
Less: Amount due within one year		(1,191,539)			(1,194,905)	
Total Governmental Long-Term Liabilities, Net		<u>\$ 9,668,044</u>	<u>\$ 1,653,208</u>	<u>\$ (1,938,538)</u>	<u>\$ 9,379,348</u>	
<u>Business-type Activities</u>						
State of California Davis-Grunsky Loan						
2.5%, due 12/31/27	\$ 2,050,000	\$ 1,007,440		\$ (57,766)	\$ 949,674	\$ 59,211
State Water Resources Control Board, State Revolving Fund Loan						
2.7%, due 07/15/22	10,859,470	6,426,399		(568,369)	5,858,030	583,714
City of Vallejo Note Payable						
6.0%, due 12/31/14	2,783,655	1,089,531		(715,463)	374,068	374,068
City of Napa Note Payable						
4.0%, due 09/30/2017	350,000	250,000		(100,000)	150,000	100,000
Compensated absences		165,061	\$ 175,694	(184,601)	156,154	132,983
Other postemployment benefits			154,480	(86,853)	67,627	
Total Business-type Long-Term Liabilities		8,938,431	330,174	(1,713,052)	7,555,553	<u>\$ 1,249,976</u>
Less: Amount due within one year		(1,556,823)			(1,249,976)	
Add: Unamortized interest on Davis-Grunsky Loan		176,460		(11,514)	164,946	
Total Business-type Activity Liabilities		<u>\$ 7,558,068</u>	<u>\$ 330,174</u>	<u>\$ (1,724,566)</u>	<u>\$ 6,470,523</u>	

CITY OF AMERICAN CANYON, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2014

NOTE H – LONG-TERM LIABILITIES (Continued)

2012 Lease Revenue Bonds

The City's Financing Authority authorized the issuance of \$2,222,000 of its 2012 Lease Revenue Bonds to provide funds for refunding of the City's 2002 Lease Revenue Bonds. The Authority and the City entered into a site lease and lease-back arrangement wherein the City, in substance, acquired ownership of the facilities and is responsible for making payments in amount sufficient to pay debt service on the revenue bonds. The lease receivable and payable between the City and the City's Financing Authority have been eliminated from the accompanying financial statements. The bonds bear interest at 2.95%, and interest is payable each June 1 and December 1, ranging from \$2,050 to \$26,432. Principal is due each June 1 and December 1, through 2021, ranging from \$116,000 to \$139,000.

Capital Lease – City Hall Facility

In fiscal year 2007, the City and its Financing Authority entered into a lease purchase arrangement for \$6,695,000 to provide financing for the acquisition, construction, and improvement of facilities to be used as a City Hall. The terms of the lease require annual principal payments of \$215,000 to \$455,000 and semi-annual interest payments of \$10,329 to \$130,752 through May 1, 2032, which includes interest at 4.54%. The cost of the asset is \$6,804,789 and accumulated depreciation is \$1,587,782 at June 30, 2014.

Capital Lease – Broadway Properties

In July 2008, the City entered into a lease purchase financing for \$1,075,000 to purchase property adjacent to City Hall. The primary purpose was to provide access to City Hall from Napa Junction Road and it also provides additional parking and is available for future civic purposes. The terms of the lease requires semi-annual payments of \$67,340 through August 22, 2018, which includes interest at 4.57%. The cost of the asset is \$1,085,590.

Cost Reimbursement Payable

The City entered into a costs sharing agreement with a property owner for the construction of a traffic light and improvements at an intersection. The property owner constructed the street light at a cost of \$1,617,255 and the City has agreed to reimburse the property owner for 75.85% of the cost, or \$1,226,688. The City reimbursed the property owner \$179,796 in 2013. The remaining amount will be paid over a period of 15 years, but terms of the repayment have not yet been finalized. As a result, the current portion or scheduled maturities could not be determined.

State of California Davis – Grunsky Loan

The City obtained a loan in an original amount of \$2,050,000 from the State of California Department of Water Resources under the Davis-Grunsky Act for the purpose of financing water system improvements. Interest payments are due each July 1 and January 1 through January 1, 2027, ranging from \$3,004 to \$11,773. Principal payments are due each January 1, through 2027, ranging from \$59,210 to \$132,835. The loan bears interest at 2.5% and the loan is secured by a pledge to levy taxes or assessments in amounts sufficient to pay debt service. The City makes repayments from its water enterprise fund from available resources.

CITY OF AMERICAN CANYON, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2014

NOTE H – LONG-TERM LIABILITIES (Continued)

State of California Revolving Fund Loan

The City obtained a \$10,859,470 loan from the State of California Department of Water Resources under the State Revolving Loan Program for the purpose of obtaining financing to construct the City’s wastewater treatment plant. The loan bears interest at 2.7% and is secured by a pledge of the City to maintain dedicated sources of revenue sufficient in amounts to provide for repayment of the loan. Principal and interest on the loan is payable in annual installments of \$741,881 due each July 15 through 2022.

City of Vallejo Note Payable

In fiscal year 2011, the City exercised an option to purchase additional water rights capacity from the City of Vallejo. The option price was \$2,783,655 for an additional 1.15 MGD of water. The City has agreed to pay for this additional water capacity over four fiscal years. The arrangement provides for semi-annual payments of \$385,478 with interest at 6% per year through December 31, 2014.

City of Napa Note Payable

In fiscal year 2010, the City entered into a loan with the City of Napa to pay for participation in environmental analysis, planning, and design associated with the North Bay Aqueduct Alternate intake project and environmental analysis. The loan amount totals \$350,000 with a stated interest rate of 4%. Principal payments totaling \$50,000 and interest payments ranging from \$1,000 to \$5,000 are due semi-annually beginning September 30, 2013 through September 20, 2015.

Debt Service Requirements

Annual debt service requirements are shown below for all long-term debt:

For the Year Ending June 30	Governmental Activities				Business-type Activities	
	Outstanding Bonds		Capital Leases		Principal	Interest
	Principal	Interest	Principal	Interest		
2015	\$ 233,000	\$ 51,153	\$ 326,479	\$ 284,705	\$ 1,116,993	\$ 198,273
2016	241,000	44,221	341,552	269,871	710,165	167,148
2017	249,000	37,037	356,856	254,353	677,868	148,482
2018	256,000	29,648	372,401	238,138	696,046	130,342
2019	262,000	22,051	320,858	221,218	714,712	111,715
2020-2024	551,000	20,385	1,460,000	914,356	3,129,670	252,615
2025-2029			1,820,000	551,156	286,318	17,072
2030-2034			1,305,000	120,310		
Totals	\$ 1,792,000	\$ 204,495	\$ 6,303,146	\$ 2,854,107	\$ 7,331,772	\$ 1,025,647

The Water and Wastewater Funds have pledged a portion of their net revenue to repay \$2,050,000 for the State of California- Davis Grunsky loan and \$10,859,470 for the State of California Revolving Fund loan, respectively, to finance certain capital improvements. Total principal and interest remaining on the Water Fund loan through 2027 is \$1,132,912 and total principal and interest remaining on the Wastewater Fund loan through 2022 is \$6,676,929. For fiscal year 2014, the principal and interest paid by the Water and Wastewater funds for these loans was \$82,952 and \$741,881, respectively. The Water and Wastewater funds had net revenue of \$3,866,007 and \$3,435,837, respectively in fiscal year 2014.

CITY OF AMERICAN CANYON, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2014

NOTE H – LONG-TERM LIABILITIES (Continued)

Special Assessment Debt Without City Commitment

At June 30, 2014, the outstanding principal amount of bonded debt issued by special assessment districts in the City was as follows:

2013 Reassessment Revenue Bonds	\$ 5,795,200
2005 Infrastructure Revenue Bonds	15,640,000

The City has no legal or moral responsibility with respect to the payment of this debt and has therefore not recorded it as a liability. The City is responsible, as the Districts' agent, for the Districts' cash receipts, disbursements and balances, which are reported as Agency Fund transactions in the financial statements.

NOTE I – NET POSITION AND FUND BALANCES

Net Position

Net Position is the excess of all the City's assets over all its liabilities, regardless of fund. Net Position is divided into three captions. These captions apply only to Net Position, which is determined at the Government-wide and Proprietary fund level, and are described below:

Net Investment in capital assets: This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these reduces this category.

Restricted net position: This category presents external restrictions imposed by creditors, grantors, contributors or laws and regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted net position: This category represents the net position of the City, which are not restricted or invested in capital assets net of related debt for any project or other purpose.

Fund Balance

Governmental fund balances represent the net current assets of each fund. Net current assets generally represent a fund's cash and receivables, less its liabilities.

The City's fund balances are classified in accordance with Governmental Accounting Standards Board Statement Number 54 (GASB 54), *Fund Balance Reporting and Governmental Fund Type Definitions*, which requires the City to classify its fund balances based on spending constraints imposed on the use of resources. For programs with multiple funding sources, the City prioritizes and expends funds in the following order: Restricted, Committed, Assigned, and Unassigned. Each category in the following hierarchy is ranked according to the degree of spending constraint:

Nonspendable fund balances are not expected to be converted to cash within the next operating cycle and are typically comprised of long-term receivables, land held for resale, deposits with others, prepaid items and advances to other funds.

CITY OF AMERICAN CANYON, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2014

NOTE I – NET POSITION AND FUND BALANCES (CONTINUED)

Restricted fund balances have external restrictions imposed by creditors, grantors, contributors, laws, regulations, or enabling legislation which requires the resources to be used only for a specific purpose.

Committed fund balances have constraints imposed by formal action of the City Council which may be altered only by formal action of the City Council consisting of an ordinance or resolution. The City Council has authority to establish, modify, or rescind a fund balance commitment.

Assigned fund balances are amounts constrained by the City's intent to be used for a specific purpose, but are neither restricted nor committed. Intent is expressed by the City Council or management and may be changed at the discretion of the City Council or management.

Unassigned fund balance represents residual amounts that have not been restricted, committed, or assigned. This includes the residual general fund balance and residual fund deficits, if any, of other governmental funds.

An individual governmental fund could include nonspendable resources and amounts that are restricted or unrestricted (committed, assigned, or unassigned) or any combination of those classifications. Restricted or unrestricted amounts are to be considered spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. Committed, assigned, then unassigned amounts are considered to have been spent when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications can be used.

The City Council and Fire District Board has established a contingency reserve to pay expenditures caused by unforeseen emergencies or shortfalls caused by revenue declines, extraordinary opportunities to increase efficiency or add value and to eliminate any short-term borrowing for cash flow purposes. The City's General Fund and the Fire District contingency reserves will be increased by a minimum of 3% of the total salary of the General Fund or Fire District Operations Fund until it reaches 20% of the operating annual budget. The City's Catastrophic Reserve will be increased by a minimum of \$100,000 per year until it reaches \$2 million, and thereafter it will be increased by 3% or the annual CPI, whichever is greater. The Fire District's Catastrophic Reserve will be increased by a minimum of \$25,000 per year until it reaches \$500,000, and thereafter it will be increased by 3% or the annual CPI, whichever is greater. In addition, the Council and Board have established a Catastrophic Reserve to be used in the event of a disaster or to replace equipment and buildings damaged due to an unusual event or accident. Such circumstances are considered nonroutine.

The Economic Development Reserve was established at \$750,000 and will be increased by a minimum of 10% each year, if resources are available, until it reaches \$5 million.

The Fire District technology reserve will be increased by the greater of 3% or the annual CPI.

CITY OF AMERICAN CANYON, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2014

NOTE I – NET POSITION AND FUND BALANCES (CONTINUED)

	General	Fire Operations	Affordable Housing	Storm Drainage	Capital City Projects	Civic Facilities	Nonmajor Governmental Funds	Total Governmental Funds
Fund Balances								
Nonspendables:								
Property held for resale	\$ 740,792		\$ 552,760					\$ 1,293,552
Advances to other funds	1,400,018							1,400,018
Loans receivable	30,000							30,000
Receivables and other assets	296,831	\$ 688						-
Total Nonspendables	2,467,641	688	552,760					3,021,089
Restricted:								
Public safety							\$ 772,876	772,876
Public works							6,487,233	6,487,233
Debt service							30,642	30,642
Planning and building			554,020		\$ 153,502		325,626	1,033,148
Other activities	69,535							69,535
Total Restricted	69,535		554,020		153,502		7,616,377	8,393,434
Committed:								
Contingency	400,000	847,000						1,247,000
Catastrophe	950,000	500,000						1,450,000
Traffic offenders fund	111,807							111,807
Total Committed	1,461,807	1,347,000						2,808,807
Assigned:								
Vehicle replacement	66,392							66,392
Economic development	220,000							220,000
Pavement repair	400,000							400,000
General plan update	185,903							185,903
Technology		100,000						100,000
Fire operations		2,311,746						2,311,746
	872,295	2,411,746						3,284,041
Unassigned:	5,970,052			\$ (1,031,295)		\$ (1,316,391)	(218,846)	3,403,520
Total Fund Balance	\$ 10,841,330	\$ 3,759,434	\$ 1,106,780	\$ (1,031,295)	\$ 153,502	\$ (1,316,391)	\$ 7,397,531	\$ 20,910,891

Fund Equity Deficits

The Storm Drain, Park Improvement, Civic Facilities Capital Project, and State and Federal Grant-City Funds had deficit fund balances of \$1,031,295 \$106,284, \$1,316,391, and \$112,562, respectively, at June 30, 2014. These deficits are expected to be covered by future grants or fees in these funds.

CITY OF AMERICAN CANYON, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2014

NOTE J – DEFERRED COMPENSATION PLAN

City employees may defer a portion of their compensation under a City sponsored Deferred Compensation Plan created in accordance with Internal Revenue Code Section 457. Under this plan, participants are not taxed on the deferred portion of their compensation until distributed to them. Distributions may be made only at termination, retirement, death or in an emergency as defined by the Plan.

The laws governing deferred compensation plan assets require plan assets to be held by a Trust for the exclusive benefit of plan participants and their beneficiaries. Since assets held under these plans are not the City's property and are not subject to City control, they have been excluded from these financial statements.

NOTE K – PENSION PLAN

Plan Description: The City contributes to the California Public Employees Retirement System (PERS), a cost-sharing multiple-employer public employee defined benefit plan. PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. PERS acts as a common investment and administrative agent for participating public entities within the State of California. All permanent and part-time employees working at least 1,000 hours per year are enrolled in PERS. Under PERS, benefits vest after five years of service. Upon retirement, participants are entitled to an annual retirement benefit, payable for life, in an amount equal to a benefit factor multiplied by their highest average monthly salary over 12 consecutive months of employment. Benefit provisions and all other requirements are established by State statute. The establishment and amendment of specific benefit provisions of the Plan is authorized by resolution of the City Council. PERS requires plans with less than 100 active participants to participate in risk pools. The City staff in PERS as of December 31, 2012 participate in the Miscellaneous 2% at 55 Risk Pool, the Safety 3% at 50 Risk Pool, and the Safety Second Tier 3% at 55 Risk Pool. New non-safety employees that were not members of PERS as of that date participate in the Miscellaneous 2% at 62 Risk Pool and the 2.7% at 57 Risk Pool. Copies of the PERS annual financial report may be obtained from their Executive Office at 400 P Street, Sacramento, CA 95814.

Contributions: Participants in the Plan are required to contribute 7% to 9% of their annual covered salary. The City is required to contribute to PERS at an actuarially determined rate. The rate for the year ended June 30, 2014 was 14.904%, 35.121%, and 21.669% of the annual covered payroll for the Miscellaneous, Safety, and Safety Second Tier plans, respectively. These contribution rates were also used for non-safety employees not a member of PERS as of December 31, 2012 since separate rates were not determined for fiscal year 2014. The contribution requirement of plan members and the City are established and may be amended by PERS. The City's contributions for the years ended June 30, 2014, 2013 and 2012 were \$1,202,981, \$1,230,084, and \$1,203,787, respectively, which was equal to the required contributions.

CITY OF AMERICAN CANYON, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2014

NOTE L – OTHER POSTEMPLOYMENT BENEFITS

The City and Fire District joined the California Employers' Retiree Benefit Trust (CERBT), an agent multiple-employer plan administered by CALPERS, consisting of an aggregation of single-employer plans. The CERBT issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained from the California Public Employees' Retirement System, CERBT, P.O. Box 942703, Sacramento, CA 94229-2703.

Retiree Medical Benefits

Eligibility for retiree health benefits is based on an employee's age and number of years of service with all CalPERS agencies at retirement. Retirees must be in receipt of pension payment from CalPERS and meet the following provisions:

- Nondisabled retirement from full-time active status with at least age 50 and five years of service.
- Disabled retirement from active full-time service at any age with at least five years of service.

City employees/retirees receive medical benefits offered through CalPERS. Upon retirement, the City subsidy is limited to 100% of the lowest cost option available in the area (currently the PERS Select plan) for retirees and their covered dependents. Retirees can choose higher cost plan options but they are responsible for any premiums in excess of the applicable lowest cost plan's rate.

Covered dependents of eligible retirees include spouses, domestic partners, and children under age 26 and never married (or any age if handicapped, subject to CalPERS approval). Surviving spouses of deceased retirees are covered for life on the same basis as when the retiree was alive. There are no benefits for surviving spouses or dependent children of actives beyond COBRA continuation.

As of June 30, 2014, there were 20 participants receiving these healthcare benefits.

City of American Canyon's Plan

To qualify for postemployment medical benefits, an employee must be eligible for and retire from the City. At the present time, retirees receive the same level of medical benefits as offered to active employees. Prior to January 1, 2011, the benefit amount was equal to the PERS Select Plan through CalPERS Health. The City does not provide dental benefits to retirees.

Funding Policy and Actuarial Assumptions: The annual required contribution (ARC) was determined as part of a June 30, 2013 actuarial valuation using the entry age normal actuarial cost method. 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. The actuarial assumptions included (a) 7.35% investment rate of return, (b) 3.00% projected annual salary increase, and (c) health care cost trend rate of 5% for medical. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the City and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the City and plan members to that point. The actuarial methods and assumptions used include techniques that smooth the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets. Actuarial calculations reflect a long-term perspective and actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability

CITY OF AMERICAN CANYON, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2014

NOTE L – OTHER POSTEMPLOYMENT BENEFITS (Continued)

of events far into the future. Actuarially determined amounts are subject to revision at least biannually as results are compared to past expectations and new estimates are made about the future. The actuarial value of assets is based upon the balance in the CERBT Trust. The City’s OPEB unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll using a 26 year amortization period on a closed basis.

Concurrent with implementing Statement No. 45, the City Council passed a resolution to prefund the other post-employment benefits by transferring \$900,000 to the California Employers Retirees Benefit Trust (CERBT), an irrevocable trust established to fund OPEB. CERBT is administered by CalPERS, and is managed by an appointed board not under the control of the City Council. This Trust is not considered a component unit by the City and has been excluded from these financial statements. Separately issued financial statements for CERBT may be obtained from CALPERS at P.O. Box 942709, Sacramento, CA 94229-2709.

Funding Progress and Funded Status: Generally accepted accounting principles permit contributions to be treated as OPEB assets and deducted from the Actuarial Accrued Liability when such contributions are placed in an irrevocable trust or equivalent arrangement. During the fiscal year ended June 30, 2014, the City contributed no amounts to the Plan, and funded pay-as-you-go premiums of \$217,977. As a result, the City has calculated and recorded the Net OPEB Asset on the Statement of Net Position, representing the difference between the ARC, amortization and contributions, as presented below:

Net OPEB asset at June 30, 2013	\$ (44,044)
Annual required contribution (ARC)	492,900
Interest on net OPEB asset	(3,200)
Adjustment to annual required contribution	2,900
Annual OPEB cost	<u>492,600</u>
Contributions:	
Contributions to CERBT	-
City's portion of current year premiums paid	217,977
Total Contributions	<u>217,977</u>
Decrease in net OPEB asset	<u>274,623</u>
Net OPEB obligation at June 30, 2014	<u>\$ 230,579</u>

The actuarial accrued liability (AAL) representing the present value of future benefits, included in the actuarial study dated June 30, 2013, amounted to \$6,391,100. The AAL is partially funded since assets have been transferred into CERBT.

CITY OF AMERICAN CANYON, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2014

NOTE L – OTHER POSTEMPLOYMENT BENEFITS (Continued)

The Plan’s annual required contributions and actual contributions for the last three fiscal years are set forth below:

Fiscal Year	Annual Required OPEB Cost (AOC)	Annual Contribution	Percentage of APC Contributed	Net OPEB (Asset) Obligation
06/30/12	\$ 464,400	\$ 290,423	62%	\$ (355,525)
06/30/13	490,600	181,119	37%	(44,044)
06/30/14	492,600	217,977	44%	230,579

The Schedule of Funding Progress presents trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits. Trend data from the actuarial studies is presented as required supplementary information.

Fire District’s Plan

To qualify for postemployment medical and dental benefits, an employee must be eligible and retire from the Fire District and maintain enrollment in one of the District’s eligible health plans. In addition there are eligibility rules and contribution requirements defined in the Memorandum of Understanding (MOU) including a healthcare vesting program that was implemented in fiscal year 2009-10 which is required for all new District employees and optional for others. For employees not enrolled in the vesting program, the District pays up to the Kaiser Bay Area medical premium rate.

Funding Policy and Actuarial Assumptions: The annual required contribution (ARC) was determined as part of a July 1, 2011 actuarial valuation using the entry age normal actuarial cost method. 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. The actuarial assumptions included (a) 7.35% investment rate of return, (b) 3.25% projected annual salary increase, and (c) health care cost trend rates are 4.5% to 9.0% for medical. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the City and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the District and plan members to that point. The actuarial methods and assumptions used include techniques that smooth the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets. Actuarial calculations reflect a long-term perspective and actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to revision at least biannually as results are compared to past expectations and new estimates are made about the future. The District’s OPEB unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll using a 30 year amortization period on a closed basis.

Concurrent with implementing Statement No. 45, the District’s Board passed a resolution to participate in the California Employers Retirees Benefit Trust (CERBT), an irrevocable trust established to fund OPEB. CERBT is administered by CalPERS, and is managed by an appointed board not under the control of Association Board. This Trust is not considered a component unit by the Association and has been excluded from these financial statements. Separately issued financial statements for CERBT may be obtained from CALPERS at P.O. Box 942709, Sacramento, CA 94229-2709.

CITY OF AMERICAN CANYON, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2014

NOTE L – OTHER POSTEMPLOYMENT BENEFITS (Continued)

Funding Progress and Funded Status: Generally accepted accounting principles permit contributions to be treated as OPEB assets and deducted from the Actuarial Accrued Liability when such contributions are placed in an irrevocable trust or equivalent arrangement. During the fiscal year ended June 30, 2014, the District contributed \$161,297 to the Plan, and funded pay-as-you-go premiums of \$130,924. As a result, the District has calculated and recorded the Net OPEB Liability on the Statement of Net Position, representing the difference between the ARC, amortization and contributions, as presented below:

Net OPEB obligation at June 30, 2013	\$ 176,418
Annual required contribution (ARC)	292,221
Interest on net OPEB asset	13,226
Adjustment to annual required contribution	<u>(11,588)</u>
Annual OPEB cost	293,859
Contributions:	
Contributions to CERBT	161,297
City's portion of current year premiums paid	<u>130,924</u>
Total Contributions	<u>292,221</u>
Decrease in net OPEB obligation	<u>1,638</u>
Net OPEB obligation at June 30, 2014	<u><u>\$ 178,056</u></u>

The actuarial accrued liability (AAL) representing the present value of future benefits, included in the actuarial study dated July 1, 2011, amounted to \$2,960,920. The AAL is partially funded since assets have been transferred into CERBT.

The Plan's annual required contributions and actual contributions for the last three fiscal years are set forth below:

Fiscal Year	Annual Required OPEB Cost (AOC)	Actual Contribution	Percentage of AOC Contributed	Net OPEB Obligation
06/30/12	\$ 261,750	\$ 282,736	108%	\$ 179,638
06/30/13	284,888	288,108	101%	176,418
06/30/14	293,859	292,221	99%	178,056

The Schedule of Funding Progress presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits. Trend data from the actuarial studies is presented as required supplementary information.

CITY OF AMERICAN CANYON, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2014

NOTE M – RISK MANAGEMENT

Coverages

The City is a member of the Association of Bay Area Governments (ABAG), which provides general and auto liability coverage of \$5,000,000 above the City's deductible of \$25,000 per occurrence. ABAG has excess liability coverage for an additional \$5,000,000 for a total coverage of \$10,000,000. ABAG is governed by a board consisting of representatives from member municipalities. The board controls the operations of ABAG, including selection of management and approval of operating budgets, independent of any influence by member municipalities beyond their representation on the Board.

Actual surpluses or losses are shared according to a formula developed from overall loss costs and spread to member entities on a percentage basis after a retrospective rating. During the fiscal year ended June 30, 2014, the City contributed \$194,282 for current year coverage.

Audited financial statements may be obtained from ABAG Services, P.O. Box 2050, Oakland, CA 94604- 2050.

The City is also covered by the Plan's Employee Dishonesty coverage up to \$1,000,000. Workers compensation insurance is provided by the State Compensation Insurance Fund with coverage up to \$1,000,000 per claim; and the City has no deductible for such claims. Effective July 1, 2012, workers compensation insurance is being provided by ABAG. Insurance transactions are accounted for in the City's General Fund.

The component unit Fire Protection District of the City obtains general liability insurance through its membership in the ABAG. The District transfers the risk of loss to the Authority and is covered by the Authority up to \$10,000,000 per occurrence with an aggregate limit of \$10,000,000. The Authority also provides property coverage with a deductible of \$25,000 with a limit of \$10,000,000. The Fire Association Self Insurance System, a risk sharing pool, provides workers compensation insurance coverage for the Fire District. The System is self-insured for the first \$500,000 of each claim and purchases commercial insurance excess coverage up to \$5,000,000 per claim. The District has no deductible for works compensation insurance.

Liability for Uninsured Claims

The City's liability for uninsured claims, including estimated claims incurred but not reported, was estimated by management based on prior years claims experience and was computed as follows as of June 30:

	Year Ended June 30, 2014	Year Ended June 30, 2013	Year Ended June 30, 2012
Unpaid claims, beginning of fiscal year	\$ 157,773	\$ 159,541	\$ 84,523
Incurred claims (including IBNRs)	331,085	134,720	130,473
Claim payments	(349,563)	(136,488)	(55,455)
Unpaid claims, end of fiscal year	<u>\$ 139,295</u>	<u>\$ 157,773</u>	<u>\$ 159,541</u>

The City has had no settlements that exceeded insurance coverage in the last three fiscal years, and no changes in insurance coverage have accrued from the prior year.

CITY OF AMERICAN CANYON, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2014

NOTE N – OTHER COMMITMENTS AND CONTINGENT LIABILITIES

The City participates in a number of federal and state grant programs subject to financial and compliance audits by the grantors or their representatives. Audits of certain grant programs, including those for the year ended June 30, 2014, have yet to be conducted. The amount, if any, of expenditures that may be disallowed by the granting agencies cannot be determined at this time. Management believes that such disallowances, if any, would not have a material effect on the financial statements.

The City is a defendant in a number of lawsuits that have arisen in the normal course of business, the outcome of which cannot be predicted with certainty. In the opinion of the City Attorney, these actions when finally adjudicated will not have a material adverse effect on the financial position of the City.

The City has an agreement with the Napa County Flood Control and Water Conservation District (Napa Flood) to acquire water from the California State Water Project through the year 2035. Each year, the State determines the capital and operating costs associated with Napa Flood's share of the North Bay Aqueduct as well a charge dependent on water deliveries. The City's share of these costs is approximately 18%. The City is obligated to pay the capital component even if does not receive water. The amount paid under this contract in fiscal year 2013 was \$1.0 million, of which \$604,000 was related to the capital component. A similar payment will be required each year through 2035.

On June 17, 2014, the City entered into an agreement with the City of Napa to purchase up to 600 acre-feet of water during fiscal year 2015 at a cost of \$300 per acre-foot. However, if drought conditions continue and the water available through participation in the State Water Project is limited, the City will be required to return the water taken. The purchase of 600 acre-feet of water through other sources could cost as much as \$800,000.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF AMERICAN CANYON, CALIFORNIA

SCHEDULE OF FUNDING PROGRESS OF THE EMPLOYEE
OTHER POSTEMPLOYMENT BENEFITS PLAN (UNAUDITED)

June 30, 2014

City of American Canyon Plan

Actuarial Valuation Date	Actuarial Value of Assets	Entry Age Actuarial Accrued Liability	Unfunded (Overfunded) Actuarial Accrued Liability	Funded Ratio	Covered Payroll	Unfunded (Overfunded) Actuarial Liability as Percentage of Covered Payroll
6/30/2010	\$ 1,323,200	\$ 5,429,600	\$ 4,106,400	24.37%	\$ 5,592,900	73.42%
6/30/2011	1,743,300	6,357,600	4,614,300	27.42%	5,036,100	91.62%
6/30/2013	2,250,200	6,391,100	4,140,900	35.21%	5,438,700	76.14%

American Canyon Fire Protection District's Plan

Actuarial Valuation Date	Actuarial Value of Assets	Entry Age Actuarial Accrued Liability	Unfunded (Overfunded) Actuarial Accrued Liability	Funded Ratio	Covered Payroll	Unfunded (Overfunded) Actuarial Liability as Percentage of Covered Payroll
6/30/2008		\$2,531,000	\$ 2,531,000	0.00%	\$1,650,824	153.32%
6/30/2010	\$ 197,531	2,636,360	2,438,829	7.49%	1,732,102	140.80%
7/1/2011	443,883	2,960,920	2,517,037	14.99%	1,799,162	139.90%

*Optional Supplemental
Information Section*

**BUDGETARY COMPARISONS, OTHER THAN
GENERAL FUND AND MAJOR SPECIAL REVENUE FUNDS**

CITY OF AMERICAN CANYON
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Affordable Housing Capital Projects
For the year ended June 30, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
REVENUES				
Charges for services			\$ 19,761	\$ 19,761
Investment earnings	\$ 2,000	\$ 2,000	1,432	(568)
TOTAL REVENUES	<u>2,000</u>	<u>2,000</u>	<u>21,193</u>	<u>19,193</u>
EXPENDITURES				
Current:				
Community development	145,750	146,240	100,730	45,510
TOTAL EXPENDITURES	<u>145,750</u>	<u>146,240</u>	<u>100,730</u>	<u>45,510</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(143,750)</u>	<u>(144,240)</u>	<u>(79,537)</u>	<u>64,703</u>
NET CHANGE IN FUND BALANCES	(143,750)	(144,240)	(79,537)	64,703
Fund balances, beginning of year	<u>1,186,317</u>	<u>1,186,317</u>	<u>1,186,317</u>	<u>-</u>
FUND BALANCES , END OF YEAR	<u>\$ 1,042,567</u>	<u>\$ 1,042,077</u>	<u>\$ 1,106,780</u>	<u>\$ 64,703</u>

CITY OF AMERICAN CANYON
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
City Capital Projects
For the year ended June 30, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
REVENUES				
Other			\$ 37,430	\$ 37,430
TOTAL REVENUES	-	-	37,430	37,430
EXPENDITURES				
Current:				
Public works		\$ 402,178	402,178	-
Capital outlay	\$ 4,287,245	4,278,958	2,224,280	2,054,678
TOTAL EXPENDITURES	4,287,245	4,681,136	2,626,458	2,054,678
EXCESS (DEFICIENCY) OF				
REVENUES OVER EXPENDITURES	(4,287,245)	(4,681,136)	(2,589,028)	2,092,108
OTHER FINANCING SOURCES (USES)				
Transfers in		4,681,136	2,551,549	(2,129,587)
TOTAL OTHER FINANCING SOURCES AND USES	-	4,681,136	2,551,549	(2,129,587)
NET CHANGE IN FUND BALANCES	(4,287,245)	-	(37,479)	(37,479)
Fund balances, beginning of year	190,981	190,981	190,981	-
FUND BALANCES , END OF YEAR	\$ (4,096,264)	\$ 190,981	\$ 153,502	\$ (37,479)

CITY OF AMERICAN CANYON
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Civic Facilities Capital Projects
For the year ended June 30, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
REVENUES				
Charges for services	\$ 12,750	\$ 12,750	\$ 58,715	\$ 45,965
Investment earnings	100	100	125	25
TOTAL REVENUES	<u>12,850</u>	<u>12,850</u>	<u>58,840</u>	<u>45,990</u>
EXPENDITURES				
Debt service:				
Principal	5,000	5,000		5,000
Interest and other charges	42,000	42,000	37,024	4,976
TOTAL EXPENDITURES	<u>47,000</u>	<u>47,000</u>	<u>37,024</u>	<u>9,976</u>
EXCESS (DEFICIENCY) OF				
REVENUES OVER EXPENDITURES	<u>(34,150)</u>	<u>(34,150)</u>	<u>21,816</u>	<u>55,966</u>
NET CHANGE IN FUND BALANCES	(34,150)	(34,150)	21,816	55,966
Fund balances, beginning of year	<u>(1,338,207)</u>	<u>(1,338,207)</u>	<u>(1,338,207)</u>	<u>-</u>
FUND BALANCES , END OF YEAR	<u>\$ (1,372,357)</u>	<u>\$ (1,372,357)</u>	<u>\$ (1,316,391)</u>	<u>\$ 55,966</u>

NON-MAJOR GOVERNMENTAL FUNDS

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Gas Tax – accounts for proceeds and expenditures of gas tax revenue received under the California Streets and Highways Code.

CDBG Loan Development – accounts for housing rehabilitation made with Federal Community Development Grant monies.

State Supplemental Law Enforcement – accounts for revenue granted from the state General Fund for Citizen Option for Public Safety (COPS) program to provide supplemental public safety services for front line law enforcement including anti-gang, community crime prevention and juvenile justice programs.

La Vigne Landscape and Lighting – accounts for maintenance expenses of the three District zones which are paid for through property tax assessments placed on owners annual tax bills.

La Vigne Open Space – accounts for the costs to maintain open space at the La Vigne Open Space.

Newell Park Open Space – accounts for the costs to maintain open space at the Newell Open Space.

Abandoned Vehicle – accounts for the funds used to abate abandoned vehicles.

State and Federal Grants-Fire – accounts for State and Federal Grants.

State and Federal Grants – City – The State and Federal Grants – City Special Revenue Fund accounts for grant funds received for improvements to various bus stop, curb ramps, bicycle path / trail from Chaucer Lane to existing trail, State Water Resources Control Board for recycled water projects, Urban Open Space and Recreation Program under the Safe Neighborhood Parks, Clean Water, Clean Air, Coastal Protection Bond Act of 2000.

CAPITAL PROJECTS FUNDS

Fire Mitigation – accounts for a special voter approved new development tax for the purchase of the fire apparatus and facilities.

Park Improvement – accounts for impact fees collected by new development to be used for adding new parks, park improvements, and recreation facilities.

Traffic Impact – accounts for impact fees collected by new development to be used for street improvements.

Infrastructure – accounts for bond proceeds restricted for street and road modernization projects.

DEBT SERVICE FUNDS

Lease Revenue Bonds – issued to finance the acquisition and construction of a Community Center/Gymnasium facility and Aquatic Center Facility.

Cabernet Village Lease – accounts for debt service on lease financing for the purchase of the commercial office building at 4381 Broadway Street which was converted to a new City Hall facility.

Broadway Property Lease – accounts for debt service on lease financing for the purchase of property just north of the new city hall facility.

CITY OF AMERICAN CANYON
Combining Balance Sheet
Other Governmental Funds
June 30, 2014

SPECIAL REVENUE FUNDS

	<u>Gas Tax</u>	<u>CDBG Loan Development</u>	<u>State Supplemental Law Enforcement</u>	<u>La Vigne Landscape and Lighting</u>	<u>La Vigne Open Space</u>
ASSETS					
Cash and investments	\$ 91,242	\$ 72,751		\$ 1,650,241	\$ 178,733
Restricted cash					
Taxes receivable	60,881			31,754	
Accounts receivable, net					
Interest receivable	102	26	\$ 37	887	99
Due from other governments			17,057		
Loans receivable		714,041			
TOTAL ASSETS	<u>\$ 152,225</u>	<u>\$ 786,818</u>	<u>\$ 17,094</u>	<u>\$ 1,682,882</u>	<u>\$ 178,832</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable				\$ 38,570	\$ 1,314
Accrued expenses					
Unearned revenue					
Due to other funds			\$ 13,979		
Advances from other funds					
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>13,979</u>	<u>38,570</u>	<u>1,314</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue		\$ 714,041			
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>714,041</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:					
Restricted for:					
Public safety			3,115		
Public works	\$ 152,225			1,644,312	
Debt service					
Other activities		72,777			177,518
Committed					
Assigned					
Unassigned					
TOTAL FUND BALANCES	<u>152,225</u>	<u>72,777</u>	<u>3,115</u>	<u>1,644,312</u>	<u>177,518</u>
TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES	<u>\$ 152,225</u>	<u>\$ 786,818</u>	<u>\$ 17,094</u>	<u>\$ 1,682,882</u>	<u>\$ 178,832</u>

SPECIAL REVENUE FUNDS

Newell Park Open Space	Abandoned Vehicle	State and Federal Grants - Fire	State and Federal Grants - City Funds	Total Other Government Special Revenue
\$ 75,926	\$ 73,238	\$ 5,891		\$ 2,148,022
				-
				92,635
				-
42	43			1,236
			\$ 264,566	281,623
				714,041
<u>\$ 75,968</u>	<u>\$ 73,281</u>	<u>\$ 5,891</u>	<u>\$ 264,566</u>	<u>\$ 3,237,557</u>
\$ 637			\$ 24,275	\$ 64,796
				-
				-
			240,291	254,270
				-
<u>637</u>	<u>-</u>	<u>-</u>	<u>264,566</u>	<u>319,066</u>
			112,562	826,603
<u>-</u>	<u>-</u>	<u>-</u>	<u>112,562</u>	<u>826,603</u>
	\$ 73,281	\$ 5,891		82,287
				1,796,537
				-
75,331				325,626
				-
				-
			(112,562)	(112,562)
<u>75,331</u>	<u>73,281</u>	<u>5,891</u>	<u>(112,562)</u>	<u>2,091,888</u>
<u>\$ 75,968</u>	<u>\$ 73,281</u>	<u>\$ 5,891</u>	<u>\$ 264,566</u>	<u>\$ 3,237,557</u>

Continued

CITY OF AMERICAN CANYON
Combining Balance Sheet
Other Governmental Funds
June 30, 2014

CAPITAL PROJECTS FUNDS					Total Other Governmental Capital Projects
	Fire Mitigation	Park Improvement	Traffic Impact	Infrastructure	
ASSETS					
Cash and investments	\$ 690,514		\$ 2,231,989		\$ 2,922,503
Restricted cash				\$ 2,519,902	2,519,902
Taxes receivable					-
Accounts receivable, net	97				97
Interest receivable	(22)	\$ (44)	1,227	(26)	1,135
Due from other governments					-
Loans receivable					-
TOTAL ASSETS	\$ 690,589	\$ (44)	\$ 2,233,216	\$ 2,519,876	\$ 5,443,637
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable			\$ 2,450		\$ 2,450
Accrued expenses					-
Unearned revenue					-
Due to other funds		\$ 106,240		\$ 59,946	166,186
Advances from other funds					-
TOTAL LIABILITIES	-	106,240	2,450	59,946	168,636
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue					-
TOTAL DEFERRED INFLOWS OF RESOURCES	-	-	-	-	-
Fund balances:					
Restricted for:					
Public safety	\$ 690,589				690,589
Public works			2,230,766	2,459,930	4,690,696
Debt service					-
Other activities					-
Committed					-
Assigned					-
Unassigned		(106,284)			(106,284)
TOTAL FUND BALANCES	690,589	(106,284)	2,230,766	2,459,930	5,275,001
TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES	\$ 690,589	\$ (44)	\$ 2,233,216	\$ 2,519,876	\$ 5,443,637

DEBT SERVICE FUNDS

Lease Revenue Bonds	Cabernet Village Lease	Broadway Property Lease	Total Other Governmental Debt Service	Total Other Governmental Funds
\$ 25,688	\$ 4,187	\$ 712	\$ 30,587	\$ 5,101,112
				2,519,902
				92,635
				97
53	2		55	2,426
				281,623
				714,041
<u>\$ 25,741</u>	<u>\$ 4,189</u>	<u>\$ 712</u>	<u>\$ 30,642</u>	<u>\$ 8,711,836</u>
				\$ 67,246
				-
				-
				420,456
				-
				487,702
				826,603
				826,603
				772,876
\$ 25,741	\$ 4,189	\$ 712	\$ 30,642	6,487,233
				30,642
				325,626
				-
				-
				(218,846)
<u>25,741</u>	<u>4,189</u>	<u>712</u>	<u>30,642</u>	<u>7,397,531</u>
<u>\$ 25,741</u>	<u>\$ 4,189</u>	<u>\$ 712</u>	<u>\$ 30,642</u>	<u>\$ 8,711,836</u>

CITY OF AMERICAN CANYON
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Other Governmental Funds
For the Year Ended June 30, 2014

SPECIAL REVENUE FUNDS					
	Gas Tax	CDBG Loan Development	State Supplemental Law Enforcement	La Vigne Landscape and Lighting	La Vigne Open Space
REVENUES					
Sales taxes					
Special assessments				\$ 454,790	
Intergovernmental	\$ 611,484		\$ 88,869		
Charges for services					
Use of money and property	799	\$ 64	96	4,045	\$ 447
Other		54,543		3,995	
TOTAL REVENUES	<u>612,283</u>	<u>54,607</u>	<u>88,965</u>	<u>462,830</u>	<u>447</u>
EXPENDITURES					
Current:					
General government					
Public works				348,116	
Community development		-			
Parks and recreation					1,470
Debt Service					
Principal					
Interest and other charges					
Capital outlay					
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>348,116</u>	<u>1,470</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>612,283</u>	<u>54,607</u>	<u>88,965</u>	<u>114,714</u>	<u>(1,023)</u>
OTHER FINANCING SOURCES (USES)					
Proceeds from long-term debt, net					
Payment to bond refunding escrow agent					
Transfers in					
Transfers out	(921,648)		(100,100)	(109,953)	
TOTAL OTHER FINANCING SOURCES AND USES	<u>(921,648)</u>	<u>-</u>	<u>(100,100)</u>	<u>(109,953)</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	(309,365)	54,607	(11,135)	4,761	(1,023)
Fund balances, beginning of year	461,590	18,170	14,250	1,639,551	178,541
FUND BALANCES, END OF YEAR	<u>\$ 152,225</u>	<u>\$ 72,777</u>	<u>\$ 3,115</u>	<u>\$ 1,644,312</u>	<u>\$ 177,518</u>

SPECIAL REVENUE FUNDS

Newell Park Open Space	Abandoned Vehicle	State and Federal Grants - Fire	State and Federal Grants - City Funds	Total Other Government Special Revenue
				\$ -
	\$ 5,597		\$ 503,880	454,790
				1,209,830
				-
\$ 9,908	206			15,565
				58,538
<u>9,908</u>	<u>5,803</u>	<u>-</u>	<u>503,880</u>	<u>1,738,723</u>
				-
			20,195	368,311
				-
637				2,107
				-
				-
	10,147			10,147
<u>637</u>	<u>10,147</u>	<u>-</u>	<u>20,195</u>	<u>380,565</u>
				-
<u>9,271</u>	<u>(4,344)</u>	<u>-</u>	<u>483,685</u>	<u>1,358,158</u>
				-
				-
	(7,081)		(291,629)	(1,430,411)
				-
<u>-</u>	<u>(7,081)</u>	<u>-</u>	<u>(291,629)</u>	<u>(1,430,411)</u>
				-
9,271	(11,425)		192,056	(72,253)
<u>66,060</u>	<u>84,706</u>	<u>\$ 5,891</u>	<u>(304,618)</u>	<u>2,164,141</u>
<u>\$ 75,331</u>	<u>\$ 73,281</u>	<u>\$ 5,891</u>	<u>\$ (112,562)</u>	<u>\$ 2,091,888</u>

Continued

CITY OF AMERICAN CANYON
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Other Governmental Funds
For the Year Ended June 30, 2014

	CAPITAL PROJECTS FUNDS				Total Other Governmental Capital Projects
	Fire Mitigation	Park Improvement	Traffic Impact	Infrastructure	
REVENUES					
Sales taxes					
Special assessments					
Intergovernmental					
Charges for services	\$ 830	\$ 4,393	\$ 719,799		\$ 725,022
Use of money and property	1,305	97	4,905	\$ (78)	6,229
Other					
TOTAL REVENUES	<u>2,135</u>	<u>4,490</u>	<u>724,704</u>	<u>(78)</u>	<u>731,251</u>
EXPENDITURES					
Current:					
General government					
Public works			14,909	16,196	31,105
Community development					
Parks and recreation		3,420			3,420
Debt Service					
Principal					
Interest and other charges					-
Capital outlay					
TOTAL EXPENDITURES	<u>-</u>	<u>3,420</u>	<u>14,909</u>	<u>16,196</u>	<u>34,525</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>2,135</u>	<u>1,070</u>	<u>709,795</u>	<u>(16,274)</u>	<u>696,726</u>
OTHER FINANCING SOURCES (USES)					
Proceeds from long-term debt, net					
Payment to bond refunding escrow agent					
Transfers in					
Transfers out		(242,163)	(299,196)		(541,359)
TOTAL OTHER FINANCING SOURCES AND USES	<u>-</u>	<u>(242,163)</u>	<u>(299,196)</u>	<u>-</u>	<u>(541,359)</u>
NET CHANGE IN FUND BALANCES	2,135	(241,093)	410,599	(16,274)	155,367
Fund balances, beginning of year	688,454	134,809	1,820,167	2,476,204	5,119,634
FUND BALANCES, END OF YEAR	<u>\$ 690,589</u>	<u>\$ (106,284)</u>	<u>\$ 2,230,766</u>	<u>\$ 2,459,930</u>	<u>\$ 5,275,001</u>

DEBT SERVICE FUNDS

Lease Revenue Bonds	Cabernet Village Lease	Broadway Property Lease	Total Other Governmental Debt Service	Total Other Governmental Funds
				\$ -
				454,790
				1,209,830
				725,022
\$ 149	\$ 77	\$ (51)	\$ 175	21,969
<u>149</u>	<u>77</u>	<u>(51)</u>	<u>175</u>	<u>58,538</u>
				2,470,149
				399,416
				5,527
225,000	205,000	106,627	536,627	536,627
58,016	270,811	28,054	356,881	356,881
<u>283,016</u>	<u>475,811</u>	<u>134,681</u>	<u>893,508</u>	<u>10,147</u>
				1,308,598
(282,867)	(475,734)	(134,732)	(893,333)	1,161,551
282,900	475,900	134,700	893,500	893,500
<u>282,900</u>	<u>475,900</u>	<u>134,700</u>	<u>893,500</u>	<u>(1,971,770)</u>
				(1,078,270)
33	166	(32)	167	83,281
25,708	4,023	744	30,475	7,314,250
<u>\$ 25,741</u>	<u>\$ 4,189</u>	<u>\$ 712</u>	<u>\$ 30,642</u>	<u>\$ 7,397,531</u>

CITY OF AMERICAN CANYON
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Gas Tax
For the year ended June 30, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
REVENUES				
Intergovernmental	\$ 440,300	\$ 440,300	\$ 611,484	\$ 171,184
Investment earnings	4,800	4,800	799	(4,001)
TOTAL REVENUES	<u>445,100</u>	<u>445,100</u>	<u>612,283</u>	<u>167,183</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>445,100</u>	<u>445,100</u>	<u>612,283</u>	<u>167,183</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(578,663)	(1,382,379)	(921,648)	460,731
TOTAL OTHER FINANCING SOURCES AND USES	<u>(578,663)</u>	<u>(1,382,379)</u>	<u>(921,648)</u>	<u>460,731</u>
NET CHANGE IN FUND BALANCES	(133,563)	(937,279)	(309,365)	627,914
Fund balances, beginning of year	<u>461,590</u>	<u>461,590</u>	<u>461,590</u>	<u>-</u>
FUND BALANCES , END OF YEAR	<u>\$ 328,027</u>	<u>\$ (475,689)</u>	<u>\$ 152,225</u>	<u>\$ 627,914</u>

CITY OF AMERICAN CANYON
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
CDBG Loan Development
For the year ended June 30, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
REVENUES				
Investment earnings	\$ 100	\$ 100	\$ 64	\$ (36)
Other	3,100	3,100	54,543	51,443
TOTAL REVENUES	<u>3,200</u>	<u>3,200</u>	<u>54,607</u>	<u>51,407</u>
EXPENDITURES				
Current:				
Community development	40,000	40,000	-	40,000
TOTAL EXPENDITURES	<u>40,000</u>	<u>40,000</u>	<u>-</u>	<u>40,000</u>
EXCESS (DEFICIENCY) OF				
REVENUES OVER EXPENDITURES	<u>(36,800)</u>	<u>(36,800)</u>	<u>54,607</u>	<u>91,407</u>
NET CHANGE IN FUND BALANCES	(36,800)	(36,800)	54,607	91,407
Fund balances, beginning of year	<u>18,170</u>	<u>18,170</u>	<u>18,170</u>	<u>-</u>
FUND BALANCES , END OF YEAR	<u>\$ (18,630)</u>	<u>\$ (18,630)</u>	<u>\$ 72,777</u>	<u>\$ 91,407</u>

CITY OF AMERICAN CANYON
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
State Supplemental Law Enforcement
For the year ended June 30, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
REVENUES				
Intergovernmental			\$ 88,869	\$ 88,869
Investment earnings			96	96
TOTAL REVENUES	-	-	88,965	88,965
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	88,965	88,965
OTHER FINANCING SOURCES (USES)				
Transfers out			(100,100)	(100,100)
TOTAL OTHER FINANCING SOURCES AND USES	-	-	(100,100)	(100,100)
NET CHANGE IN FUND BALANCES			(11,135)	(11,135)
Fund balances, beginning of year	\$ 14,250	\$ 14,250	14,250	-
FUND BALANCES , END OF YEAR	\$ 14,250	\$ 14,250	\$ 3,115	\$ (11,135)

CITY OF AMERICAN CANYON
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
La Vigne Landscape and Lighting
For the year ended June 30, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
REVENUES				
Special assessments	\$ 453,831	\$ 453,831	\$ 454,790	\$ 959
Investment earnings			4,045	4,045
Other			3,995	3,995
TOTAL REVENUES	<u>453,831</u>	<u>453,831</u>	<u>462,830</u>	<u>8,999</u>
EXPENDITURES				
Current:				
Public works	539,380	539,380	348,116	191,264
Capital outlay				-
TOTAL EXPENDITURES	<u>539,380</u>	<u>539,380</u>	<u>348,116</u>	<u>191,264</u>
EXCESS (DEFICIENCY) OF				
REVENUES OVER EXPENDITURES	<u>(85,549)</u>	<u>(85,549)</u>	<u>114,714</u>	<u>200,263</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(31,970)	(118,789)	(109,953)	8,836
TOTAL OTHER FINANCING				
SOURCES AND USES	<u>(31,970)</u>	<u>(118,789)</u>	<u>(109,953)</u>	<u>8,836</u>
NET CHANGE IN FUND BALANCES	(117,519)	(204,338)	4,761	209,099
Fund balances, beginning of year	<u>1,639,551</u>	<u>1,639,551</u>	<u>1,639,551</u>	<u>-</u>
FUND BALANCES , END OF YEAR	<u>\$ 1,522,032</u>	<u>\$ 1,435,213</u>	<u>\$ 1,644,312</u>	<u>\$ 209,099</u>

CITY OF AMERICAN CANYON
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
La Vigne Open Space
For the year ended June 30, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
REVENUES				
Investment earnings	\$ 900	\$ 900	\$ 447	\$ (453)
TOTAL REVENUES	<u>900</u>	<u>900</u>	<u>447</u>	<u>(453)</u>
EXPENDITURES				
Current:				
Parks and recreation	2,500	2,500	1,470	1,030
TOTAL EXPENDITURES	<u>2,500</u>	<u>2,500</u>	<u>1,470</u>	<u>1,030</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(1,600)</u>	<u>(1,600)</u>	<u>(1,023)</u>	<u>577</u>
NET CHANGE IN FUND BALANCES	(1,600)	(1,600)	(1,023)	577
Fund balances, beginning of year	<u>178,541</u>	<u>178,541</u>	<u>178,541</u>	<u>-</u>
FUND BALANCES , END OF YEAR	<u>\$ 176,941</u>	<u>\$ 176,941</u>	<u>\$ 177,518</u>	<u>\$ 577</u>

CITY OF AMERICAN CANYON
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Newell Park Open Space
For the year ended June 30, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
REVENUES				
Investment earnings	\$ 9,900	\$ 9,900	\$ 9,908	\$ 8
TOTAL REVENUES	<u>9,900</u>	<u>9,900</u>	<u>9,908</u>	<u>8</u>
EXPENDITURES				
Current:				
Parks and recreation	4,000	4,000	637	3,363
TOTAL EXPENDITURES	<u>4,000</u>	<u>4,000</u>	<u>637</u>	<u>3,363</u>
EXCESS (DEFICIENCY) OF				
REVENUES OVER EXPENDITURES	<u>5,900</u>	<u>5,900</u>	<u>9,271</u>	<u>3,371</u>
OTHER FINANCING SOURCES (USES)				
Transfers out				-
TOTAL OTHER FINANCING SOURCES AND USES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	5,900	5,900	9,271	3,371
Fund balances, beginning of year	<u>66,060</u>	<u>66,060</u>	<u>66,060</u>	<u>-</u>
FUND BALANCES , END OF YEAR	<u>\$ 71,960</u>	<u>\$ 71,960</u>	<u>\$ 75,331</u>	<u>\$ 3,371</u>

CITY OF AMERICAN CANYON
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Abandoned Vehicle
For the year ended June 30, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
REVENUES				
Intergovernmental	\$ 15,000	\$ 15,000	\$ 5,597	\$ (9,403)
Investment earnings	200	200	206	6
TOTAL REVENUES	<u>15,200</u>	<u>15,200</u>	<u>5,803</u>	<u>(9,397)</u>
EXPENDITURES				
Capital outlay		10,200	10,147	53
	-	<u>10,200</u>	<u>10,147</u>	<u>53</u>
TOTAL EXPENDITURES				
EXCESS (DEFICIENCY) OF				
REVENUES OVER EXPENDITURES	<u>15,200</u>	<u>5,000</u>	<u>(4,344)</u>	<u>(9,344)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(5,000)	(5,000)	(7,081)	(2,081)
TOTAL OTHER FINANCING SOURCES AND USES	<u>(5,000)</u>	<u>(5,000)</u>	<u>(7,081)</u>	<u>(2,081)</u>
NET CHANGE IN FUND BALANCES	10,200	-	(11,425)	(11,425)
Fund balances, beginning of year	<u>84,706</u>	<u>84,706</u>	<u>84,706</u>	<u>-</u>
FUND BALANCES , END OF YEAR	<u>\$ 94,906</u>	<u>\$ 84,706</u>	<u>\$ 73,281</u>	<u>\$ (11,425)</u>

CITY OF AMERICAN CANYON
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
State and Federal Grants - City Funds
For the year ended June 30, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
REVENUES				
Intergovernmental	\$ 549,944	\$ 549,944	\$ 503,880	\$ (46,064)
TOTAL REVENUES	<u>549,944</u>	<u>549,944</u>	<u>503,880</u>	<u>(46,064)</u>
EXPENDITURES				
Current:				
Public works		20,195	20,195	-
TOTAL EXPENDITURES	<u>-</u>	<u>20,195</u>	<u>20,195</u>	<u>-</u>
EXCESS (DEFICIENCY) OF				
REVENUES OVER EXPENDITURES	<u>549,944</u>	<u>529,749</u>	<u>483,685</u>	<u>(46,064)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out		(680,402)	(291,629)	388,773
TOTAL OTHER FINANCING		<u>(680,402)</u>	<u>(291,629)</u>	<u>388,773</u>
SOURCES AND USES	<u>-</u>	<u>(680,402)</u>	<u>(291,629)</u>	<u>388,773</u>
NET CHANGE IN FUND BALANCES	549,944.00	(150,653)	192,056	342,709
Fund balances, beginning of year	<u>(304,618)</u>	<u>(304,618)</u>	<u>(304,618)</u>	<u>-</u>
FUND BALANCES , END OF YEAR	<u>\$ 245,326</u>	<u>\$ (455,271)</u>	<u>\$ (112,562)</u>	<u>\$ 342,709</u>

CITY OF AMERICAN CANYON
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Fire Mitigation
For the year ended June 30, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
REVENUES				
Charges for services	\$ 15,000	\$ 15,000	\$ 830	\$ (14,170)
Investment earnings	4,000	4,000	1,305	(2,695)
TOTAL REVENUES	<u>19,000</u>	<u>19,000</u>	<u>2,135</u>	<u>(16,865)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>19,000</u>	<u>19,000</u>	<u>2,135</u>	<u>(16,865)</u>
NET CHANGE IN FUND BALANCES	19,000	19,000	2,135	(16,865)
Fund balances, beginning of year	<u>688,454</u>	<u>688,454</u>	<u>688,454</u>	<u>-</u>
FUND BALANCES , END OF YEAR	<u>\$ 707,454</u>	<u>\$ 707,454</u>	<u>\$ 690,589</u>	<u>\$ (16,865)</u>

CITY OF AMERICAN CANYON
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Park Improvement
For the year ended June 30, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
REVENUES				
Charges for services	\$ 7,000	\$ 7,000	\$ 4,393	\$ (2,607)
Investment earnings	3,800	3,800	97	(3,703)
TOTAL REVENUES	<u>10,800</u>	<u>10,800</u>	<u>4,490</u>	<u>(6,310)</u>
EXPENDITURES				
Current:				
Parks and recreation			3,420	(3,420)
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>3,420</u>	<u>(3,420)</u>
EXCESS (DEFICIENCY) OF				
REVENUES OVER EXPENDITURES	<u>10,800</u>	<u>10,800</u>	<u>1,070</u>	<u>(9,730)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(141,450)	(340,959)	(242,163)	98,796
TOTAL OTHER FINANCING SOURCES AND USES	<u>(141,450)</u>	<u>(340,959)</u>	<u>(242,163)</u>	<u>98,796</u>
NET CHANGE IN FUND BALANCES	(130,650)	(330,159)	(241,093)	89,066
Fund balances, beginning of year	<u>134,809</u>	<u>134,809</u>	<u>134,809</u>	<u>-</u>
FUND BALANCES , END OF YEAR	<u>\$ 4,159</u>	<u>\$ (195,350)</u>	<u>\$ (106,284)</u>	<u>\$ 89,066</u>

CITY OF AMERICAN CANYON
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Traffic Impact
For the year ended June 30, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
REVENUES				
Charges for services	\$ 10,000	\$ 10,000	\$ 719,799	\$ 709,799
Investment earnings	9,300	9,300	4,905	(4,395)
TOTAL REVENUES	<u>19,300</u>	<u>19,300</u>	<u>724,704</u>	<u>705,404</u>
EXPENDITURES				
Current:				
Public works		57,400	14,909	42,491
TOTAL EXPENDITURES	<u>-</u>	<u>57,400</u>	<u>14,909</u>	<u>42,491</u>
EXCESS (DEFICIENCY) OF				
REVENUES OVER EXPENDITURES	<u>19,300</u>	<u>(38,100)</u>	<u>709,795</u>	<u>747,895</u>
OTHER FINANCING SOURCES (USES)				
Transfers out		(1,197,654)	(299,196)	898,458
TOTAL OTHER FINANCING SOURCES AND USES	<u>-</u>	<u>(1,197,654)</u>	<u>(299,196)</u>	<u>898,458</u>
NET CHANGE IN FUND BALANCES	19,300	(1,235,754)	410,599	1,646,353
Fund balances, beginning of year	<u>1,820,167</u>	<u>1,820,167</u>	<u>1,820,167</u>	<u>-</u>
FUND BALANCES , END OF YEAR	<u>\$ 1,839,467</u>	<u>\$ 584,413</u>	<u>\$ 2,230,766</u>	<u>\$ 1,646,353</u>

CITY OF AMERICAN CANYON
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Infrastructure
For the year ended June 30, 2014

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Investment earnings			\$ (78)	\$ (78)
TOTAL REVENUES	-	-	(78)	(78)
EXPENDITURES				
Current:				
Public works	\$ 13,100	\$ 33,100	16,196	16,904
Capital outlay		8,200		8,200
TOTAL EXPENDITURES	13,100	41,300	16,196	25,104
EXCESS (DEFICIENCY) OF				
REVENUES OVER EXPENDITURES	(13,100)	(41,300)	(16,274)	25,026
NET CHANGE IN FUND BALANCES	(13,100)	(41,300)	(16,274)	25,026
Fund balances, beginning of year	2,476,204	2,476,204	2,476,204	-
FUND BALANCES , END OF YEAR	\$ 2,463,104	\$ 2,434,904	\$ 2,459,930	\$ 25,026

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AGENCY FUNDS

AGENCY FUNDS

American Canyon Road East Assessment District – these assessment bonds were issued to finance major street and road realignments and improvements of the American Canyon Road East. The bonds are secured by special assessments levied against properties within the District.

La Vigne Assessment District – these assessment bonds were issued to finance water and sewer connection fees of the La Vigne Subdivision. The bonds are secured by special assessments levied against properties within the District.

CITY OF AMERICAN CANYON
Combining Schedule of Changes in Assets and Liabilities
Agency Funds
For the Year Ended June 30, 2014

	Balance June 30, 2013	Additions	Reductions	Balance June 30, 2014
<u>American Canyon Road East Assessment District</u>				
<u>Assets</u>				
Cash and investments	\$ 1,235,445	\$ 13,198		\$ 1,248,643
Restricted cash and investments	1,198,592	20,486		1,219,078
Taxes receivable	10,676	16,323		26,999
Interest receivable	561	72		633
TOTAL ASSETS	<u>\$ 2,445,274</u>	<u>\$ 50,079</u>	<u>\$ -</u>	<u>\$ 2,495,353</u>
<u>Liabilities</u>				
Accounts payable		\$ 2,032		\$ 2,032
Agency obligations	\$ 2,445,274	48,047		2,493,321
TOTAL LIABILITIES	<u>\$ 2,445,274</u>	<u>\$ 50,079</u>	<u>\$ -</u>	<u>\$ 2,495,353</u>
<u>La Vigne Assessment District</u>				
<u>Assets</u>				
Cash and investments	\$ 707,221	\$ 99,756		\$ 806,977
Restricted cash and investments	591,658		\$ 301,898	289,760
Taxes receivable	3,667	10,008		13,675
Interest receivable	349		72	277
TOTAL ASSETS	<u>\$ 1,302,895</u>	<u>\$ 109,764</u>	<u>\$ 301,970</u>	<u>\$ 1,110,689</u>
<u>Liabilities</u>				
Accounts payable	\$ 265		\$ 142	\$ 123
Agency obligations	1,302,630	\$ 5,795,200	5,987,264	1,110,566
TOTAL LIABILITIES	<u>\$ 1,302,895</u>	<u>\$ 5,795,200</u>	<u>\$ 5,987,406</u>	<u>\$ 1,110,689</u>
<u>Total Agency Funds</u>				
<u>Assets</u>				
Cash and investments	\$ 1,942,666	\$ 112,954		\$ 2,055,620
Restricted cash and investments	1,790,250	20,486	\$ 301,898	1,508,838
Taxes receivable	14,343	26,331		40,674
Interest receivable	910	72	72	910
TOTAL ASSETS	<u>\$ 3,748,169</u>	<u>\$ 159,843</u>	<u>\$ 301,970</u>	<u>\$ 3,606,042</u>
<u>Liabilities</u>				
Accounts payable	\$ 265	\$ 2,032	\$ 142	\$ 2,155
Agency obligations	3,747,904	5,843,247	5,987,264	3,603,887
TOTAL LIABILITIES	<u>\$ 3,748,169</u>	<u>\$ 5,845,279</u>	<u>\$ 5,987,406</u>	<u>\$ 3,606,042</u>

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Statistical Section

STATISTICAL SECTION

This part of the City's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health. In contrast to the financial section, the statistical section information is not subject to independent audit.

Financial Trends

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

1. Net Position by Component
2. Changes in Net Position
3. Fund Balances of Governmental Funds
4. Changes in Fund Balances of Governmental Funds

Revenue Capacity

These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax:

5. Own Source Tax Revenue
6. Assessed Actual Value of Taxable Property
7. Direct and Overlapping Property Tax Rates
8. Principal Property Taxpayers
9. Property Tax Levies and Collections

Debt Capacity

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future:

10. Ratio of Outstanding Debt by Type
11. Ratio of General Bonded Debt Outstanding
12. Direct and Overlapping Governmental Activities Debt
13. Computation of Legal Bonded Debt Margin
14. Debt Pledged Revenue Coverage

Demographic and Economic Information

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

15. Demographic and Economic Statistics
16. Principal Employers

Operating Information

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

17. Full-Time Equivalent City Government Employees by Function
18. Operating Indicators by Function/Program
19. Capital Asset Statistics by Function/Program

Sources

Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year.

**Schedule 1
City of American Canyon
Net Position by Component
Last Ten Fiscal Years
(Accrual basis of accounting)**

	Prior Years									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Governmental activities:										
Net investment in capital assets	\$ 22,013,417	\$ 34,983,375	\$ 227,564,725	\$ 250,971,443	\$ 256,124,111	\$ 257,279,990	\$ 253,763,878	\$ 253,484,193	\$ 256,298,710	\$ 264,170,866
Restricted	24,818,325	41,254,502	42,782,549	17,020,361	9,033,170	7,104,451	5,545,510	13,585,903	12,513,568	12,856,505
Unrestricted	14,406,044	14,924,274	10,245,964	20,757,525	27,809,270	25,464,653	27,430,671	12,415,149	9,050,617	10,950,108
Total governmental activities net position	61,237,786	91,162,151	280,593,238	288,749,329	292,966,551	289,849,094	286,740,059	279,485,245	277,862,895	287,977,479
Business-type activities:										
Net investment in capital assets	31,643,785	36,004,059	43,651,150	43,155,744	44,253,424	48,837,064	47,246,749	50,758,608	49,583,193	52,726,436
Restricted	10,259,428	13,730,771	6,612,632	6,785,993	11,559,556	7,387,841	8,466,754	4,723,486	4,541,608	2,598,062
Unrestricted	4,346,820	3,849,363	4,573,795	4,707,005	4,828,423	4,976,718	4,391,198	6,695,379	7,190,877	8,214,087
Total business-type activities	46,250,033	53,584,193	54,837,577	54,648,742	60,641,403	61,201,623	60,104,701	62,177,473	61,315,678	63,538,585
Primary government (City wide totals)										
Net investment in capital assets	53,657,202	70,987,434	271,215,875	294,127,187	300,377,535	306,117,054	301,010,627	304,242,801	305,881,903	316,897,302
Restricted	35,077,753	54,985,273	49,395,181	23,806,354	20,592,726	14,492,292	14,012,264	18,309,389	17,055,176	15,454,567
Unrestricted	18,752,864	18,773,637	14,819,759	25,464,530	32,637,693	30,441,371	31,821,869	19,110,528	16,241,494	19,164,195
Total primary government net position	\$ 107,487,819	\$ 144,746,344	\$ 335,430,815	\$ 343,398,071	\$ 353,607,954	\$ 351,050,717	\$ 346,844,760	\$ 341,662,718	\$ 339,178,573	\$ 351,516,064

Note: Source is the City of American Canyon Comprehensive Annual Financial Report.

Schedule 2
City of American Canyon
Changes in Net Position, Last Ten Fiscal Years
(Accrual Basis of Accounting)

	Prior Years									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Expenses:										
Governmental activities:										
General government	\$ 1,314,727	\$ 2,010,072	\$ 2,137,443	\$ 2,967,301	\$ 2,792,871	\$ 5,925,952	\$ 5,742,030	\$ 4,309,153	\$ 5,069,455	\$ 4,749,018
Public safety	5,720,899	6,519,301	7,569,230	7,890,538	9,528,522	9,230,672	8,995,695	9,147,931	9,456,173	10,001,059
Community development	1,723,158	2,408,385	2,070,303	2,398,727	1,931,299	2,019,771	1,922,780	8,903,969	1,295,309	1,601,943
Parks and recreation	1,946,230	2,160,917	2,329,591	1,881,005	2,282,212	2,028,223	1,962,488	1,745,163	2,067,811	2,328,669
Public works	2,365,794	3,154,375	4,363,249	3,833,395	4,195,481	3,529,403	5,000,879	5,358,661	4,654,492	5,304,938
Interest on long-term debt	800,248	1,307,101	1,494,237	452,048	97,246	417,421	510,893	448,057	446,187	344,223
Total governmental activities expenses	13,871,056	17,560,151	19,964,053	19,423,014	20,827,631	23,151,442	24,134,765	29,912,934	22,989,427	24,329,850
Business-type activities:										
Water	3,708,254	4,277,051	4,907,860	6,401,819	5,074,018	4,951,067	6,020,578	4,894,501	5,502,434	6,191,545
Wastewater	3,783,313	3,783,076	3,508,065	4,263,817	4,072,014	3,623,805	3,885,692	4,356,356	3,843,559	3,555,274
Transit	161,627	180,006	19,778	21,896	30,060	-	-	-	-	-
Total business-type activities expenses	7,653,194	8,240,133	8,435,703	10,687,532	9,176,092	8,574,872	9,906,270	9,250,857	9,345,993	9,746,819
Total City government expenses	\$ 21,524,250	\$ 25,800,284	\$ 28,399,756	\$ 30,110,546	\$ 30,003,723	\$ 31,726,314	\$ 34,041,035	\$ 39,163,791	\$ 32,335,420	\$ 34,076,669
Program Revenues:										
Governmental activities:										
Charges for services:										
General government	\$ 891,990	\$ 1,318,594	\$ 574,407	\$ 2,189,873	\$ 441,894	\$ 536,747	\$ 365,857	\$ 212,295	\$ 184,060	\$ 484,057
Public safety	1,188,952	1,233,993	1,035,907	960,774	1,152,729	1,051,178	813,720	974,398	1,133,505	901,808
Community development	1,702,797	1,920,903	1,030,340	664,775	573,456	498,947	449,493	940,899	690,241	857,994
Parks and recreation	559,504	814,243	555,270	376,472	362,699	373,227	491,253	381,657	357,267	392,717
Public works	3,478,602	2,126,087	825,602	476,631	252,634	80,745	127,834	1,141,520	939,685	1,384,428
Operating grants and contributions	617,845	1,247,123	7,112,187	10,800,170	165,350	342,197	196,741	235,284	275,796	363,581
Capital grants and contributions	16,591,942	26,671,090	953,299	2,163,102	3,381,171	1,732,699	2,454,934	2,050,628	1,150,330	11,145,194
Total governmental activities program revenues	25,031,632	35,332,033	12,087,012	17,631,797	6,329,933	4,615,740	4,899,832	5,936,681	4,730,884	15,529,779
Business-type activities:										
Charges for services:										
Water	3,514,930	3,602,305	3,901,103	4,160,383	4,232,638	4,010,648	4,761,832	4,705,561	4,892,290	4,982,094
Wastewater	2,330,231	2,751,242	2,901,494	3,157,260	3,373,740	3,420,812	3,581,786	3,558,663	3,733,461	3,845,647
Transit	9,110	9,010	5,351	3,045	2,419	-	-	-	-	-
Operating grants and contributions	141,041	143,371	9,009	-	-	-	-	-	-	4,026
Capital grants and contributions	11,112,300	8,878,705	3,941,030	2,934,877	1,347,892	2,597,250	1,523,559	1,013,181	184,707	4,084,830
Total business-type activities programs revenues	17,107,612	15,384,633	10,757,987	10,255,565	8,956,689	10,028,710	9,867,177	9,277,405	8,810,458	12,916,597
Total City government program revenues	\$ 42,139,244	\$ 50,716,666	\$ 22,844,999	\$ 27,887,362	\$ 15,286,622	\$ 14,644,450	\$ 14,767,009	\$ 15,214,086	\$ 13,541,342	\$ 28,446,376

(Continued)

**City of American Canyon
Changes in Net Position, Last Ten Fiscal Years
(Accrual Basis of Accounting)**

	Prior Years									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Net(Expense)Revenue:										
Governmental activities	\$ 11,160,576	\$ 17,771,882	\$ (7,877,041)	\$ (1,791,217)	\$ (14,497,698)	\$ (18,535,702)	\$ (19,234,933)	\$ (23,976,253)	\$ (18,258,543)	\$ (8,800,071)
Business-type activities	9,454,418	7,144,500	2,322,284	(431,967)	(219,403)	1,453,838	(39,093)	26,548	(535,535)	3,169,778
Total City government	<u>\$ 20,614,994</u>	<u>\$ 24,916,382</u>	<u>\$ (5,554,757)</u>	<u>\$ (2,223,184)</u>	<u>\$ (14,717,101)</u>	<u>\$ (17,081,864)</u>	<u>\$ (19,274,026)</u>	<u>\$ (23,949,705)</u>	<u>\$ (18,794,078)</u>	<u>\$ (5,630,293)</u>
General Revenues and Other Changes in in Net Position:										
Governmental activities:										
Taxes:										
Property taxes	\$ 6,733,737	\$ 8,297,424	\$ 9,356,579	\$ 10,673,890	\$ 10,852,126	\$ 10,162,212	\$ 10,510,243	\$ 10,343,648	\$ 10,261,072	\$ 10,599,981
Sales taxes	1,434,077	1,660,673	1,794,124	2,446,951	2,275,741	2,888,182	2,705,763	2,024,495	2,489,832	3,113,558
Other taxes	813,874	785,907	784,213	2,717,561	2,905,454	1,104,662	1,330,655	2,215,564	2,632,783	2,785,624
Unrestricted grants and contributions	852,361	1,058,703	1,191,706	110,157	79,109	55,668	83,979	0	0	0
Investment earnings	244,066	453,653	885,293	1,368,236	666,535	203,205	307,741	274,619	143,321	227,702
Settlement award (Note 13)	7,519	0	0	0	7,593,000	0	0	0	0	0
Miscellaneous	119,400	85,783	348,145	472,604	555,019	110,698	129,688	875,336	111,822	485,625
Transfers	(2,800,000)	(189,660)	1,068,900	483,198	(6,212,064)	893,618	1,057,829	1,110,118	997,363	1,702,165
Total governmental activities	<u>7,405,034</u>	<u>12,152,483</u>	<u>15,428,960</u>	<u>18,272,597</u>	<u>18,714,920</u>	<u>15,418,245</u>	<u>16,125,898</u>	<u>16,843,780</u>	<u>16,636,193</u>	<u>18,914,655</u>
Business-type activities										
Transfers	(119,400)	189,660	(1,068,900)	243,132	6,212,064	(893,618)	(1,057,829)	(1,043,941)	(479,434)	(946,871)
Total business-type activities	<u>(119,400)</u>	<u>189,660</u>	<u>(1,068,900)</u>	<u>243,132</u>	<u>6,212,064</u>	<u>(893,618)</u>	<u>(1,057,829)</u>	<u>(1,043,941)</u>	<u>(479,434)</u>	<u>(946,871)</u>
Total City government	<u>\$ 7,285,634</u>	<u>\$ 12,342,143</u>	<u>\$ 14,360,060</u>	<u>\$ 18,515,729</u>	<u>\$ 24,926,984</u>	<u>\$ 14,524,627</u>	<u>\$ 15,068,069</u>	<u>\$ 15,799,839</u>	<u>\$ 16,156,759</u>	<u>\$ 17,967,784</u>
Change in net position:										
Governmental activities	\$ 18,565,610	\$ 29,924,365	\$ 7,551,919	\$ 16,481,380	\$ 4,217,222	\$ (3,117,457)	\$ (3,109,035)	\$ (7,132,473)	\$ (1,622,350)	\$ 10,114,584
Business-type activities	9,335,018	7,334,160	1,253,384	(188,835)	5,992,661	560,220	(1,096,922)	(1,017,393)	(1,014,969)	2,222,907
Total City government	<u>\$ 27,900,628</u>	<u>\$ 37,258,525</u>	<u>\$ 8,805,303</u>	<u>\$ 16,292,545</u>	<u>\$ 10,209,883</u>	<u>\$ (2,557,237)</u>	<u>\$ (4,205,957)</u>	<u>\$ (8,149,866)</u>	<u>\$ (2,637,319)</u>	<u>\$ 12,337,491</u>

Note: Source is the City of American Canyon Comprehensive Annual Financial Report.

**Schedule 3
City of American Canyon
Fund Balances, Governmental Funds
Last Ten Fiscal Years**

Fiscal Year	General Fund						All Other Governmental Funds								
	Nonspendable	Restricted	Committed	Assigned	Unassigned	Total General Fund	Nonspendable	Restricted	Committed	Assigned	Unassigned			Total	
								Special Revenue and Debt Service	Capital Projects	Special Revenue	Special Revenue	Special Revenue	Capital Projects		
2014	\$ 2,467,641	\$ 69,535	\$ 1,461,807	\$ 872,295	\$ 5,970,052	\$ 10,841,330	\$ 553,448	\$ 7,616,377	\$ 707,522	\$ 1,347,000	\$ 2,411,746	\$ (1,143,857)	\$ (1,422,675)	\$ 10,069,561	
2013	3,112,160	61,228	1,494,771	1,026,588	4,899,474	10,594,221	552,760	6,898,086	633,557	1,347,000	1,011,763	1,612,299	(1,338,207)	10,717,258	
2012	3,073,931	37,527	1,449,532	1,110,230	4,560,773	10,231,993	552,755	9,178,363	763,568	1,387,400	103,000	2,482,445	(1,314,898)	13,152,633	
2011	2,366,735			2,709,975	4,233,589	9,310,299	552,760	10,562,206	140,381			3,758,213	(1,306,134)	13,707,426	
										Unreserved, reported in					
								Designated for Other Purposes	Capital Projects	Special Revenue					
	Reserved	Unreserved					Reserved			Total					
2010	\$ 4,287,304	\$ 5,787,462				\$ 10,074,766	\$ 2,361,971	\$ 1,447,000	\$ 2,988,237	\$ 5,780,621	\$ 10,215,858				
2009	2,989,559	8,337,849				11,327,408	6,027,173		4,739,327	5,107,191	15,873,691				
2008	2,076,721	8,899,893				10,976,614	4,867,860		7,959,292	4,547,519	17,374,671				
2007	2,912,695	5,049,883				7,962,578	3,955,073		6,005,878	17,344,047	27,304,998				
2006	1,375,885	6,743,625				8,119,510	1,321,957		7,813,033	30,390,931	39,525,921				
2005	809,859	7,212,803				8,022,662	1,180,815		4,775,233	17,798,038	23,754,086				

Note: GASB Statement Number 54 was implemented in the 2011 fiscal year which changed the terminology used for fund balance reporting.

Source is the City of American Canyon Comprehensive Annual Financial Report.

Schedule 4
City of American Canyon
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(In Rounded Thousands of Dollars)
(Modified accrual basis of accounting)

	Prior Years									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Revenues:										
Taxes	\$ 9,232	\$ 11,315	\$ 12,005	\$ 14,165	\$ 14,196	\$ 14,155	\$ 14,547	\$ 15,272	\$ 15,313	\$ 15,992
Special assessments			2,104	473	498	515	457	435	447	455
Licenses and permits	782	960	484	633	578	530	329	338	337	337
Fines and forfeits	121	87	137	196	178	177	131	203	153	120
Intergovernmental	1,248	2,683	3,549	3,032	3,163	1,286	2,147	1,120	1,079	1,280
Interest and rents	594	1,723	2,149	1,702	895	352	427	552	444	563
Charges for services	6,233	6,314	2,172	3,745	3,504	1,566	1,613	1,051	1,156	2,025
Other revenues	1,045	1,119	582	706	7,874	403	317	763	554	616
Total revenues	19,255	24,201	23,182	24,652	30,886	18,984	19,968	19,734	19,483	21,389
Expenditures:										
General government	1,463	2,136	2,182	4,577	5,117	4,587	5,004	3,670	3,896	4,066
Public safety	5,508	6,422	7,447	7,630	8,374	8,849	8,646	8,897	9,377	9,554
Parks and Recreation	1,765	1,999	2,193	1,748	2,217	2,023	1,934	1,597	1,073	1,192
Comm. Dev. and Public Works	3,805	7,632	6,057	4,974	4,933	4,231	3,909	4,278	4,557	5,496
Capital outlay	2,226	6,086	24,446	10,580	5,759	3,803	194	947	2,445	2,277
Debt service:										
Payment to escrow agent	694	-	-	-	-	-	-	-	-	-
Costs of issuance	404	902	53	-	-	-	-	-	-	-
Principal	454	420	773	351	401	439	463	478	502	537
Interest	415	974	1,390	441	469	495	511	488	460	394
Total expenditures	16,734	26,571	44,541	30,301	27,270	24,427	20,661	20,355	22,310	23,516
Excess of revenues over(under) expenditures	2,521	(2,371)	(21,359)	(5,648)	3,616	(5,442)	(693)	(621)	(2,827)	(2,127)
Other Financing Sources(Uses)										
Proceeds from borrowing	8,105	18,405	6,695	-	1,075	-	-	-	2,222	-
Sale of Affordable Hsng Site	-	-	1,218	410	371	-	-	-	-	-
Payments to escrow agent	(6,355)	-	-	-	-	-	-	-	(2,465)	-
Transfers in	2,552	23,623	11,471	6,064	5,003	9,535	3,609	4,028	4,065	5,447
Transfers out	(2,433)	(23,787)	(10,402)	(4,574)	(11,215)	(8,641)	(2,551)	(2,918)	(3,068)	(3,745)
Sale of Assets	-	-	-	-	-	-	-	-	-	24
Total other financing Sources(Uses)	1,869	18,241	8,982	1,900	(4,766)	894	1,058	1,110	754	1,726
Net change in fund balances	\$ 4,390	\$ 15,870	\$ (12,377)	\$ (3,748)	\$ (1,150)	\$ (4,548)	\$ 365	\$ 489	\$ (2,073)	\$ (401)
Debt service as a percentage of noncapital expenditures	13.3%	9.5%	5.2%	2.7%	3.3%	4.0%	4.9%	5.0%	4.5%	4.1%

Source: City of American Canyon Comprehensive Annual Financial Report

Schedule 5
City of American Canyon
Own Source Tax Revenues by Source
Last Ten Fiscal Years
(In Rounded Thousands of Dollars)
(Modified accrual basis of accounting)

Fiscal Year	Property Tax	Transient Occupancy Tax	Franchise Tax	Cardroom Admission Tax	Fire Assessment Fee	Total
2004-2005	\$ 6,734	\$ 119	\$ 305			\$ 7,158
2005-2006	8,450	217	372			9,039
2006-2007	9,357	283	369		538	10,547
2007-2008	10,674	462	504		515	12,155
2008-2009	10,852	460	523		565	12,400
2009-2010	10,162	557	547		593	11,859
2010-2011	10,510	663	547		592	12,312
2011-2012	10,314	930	585		590	12,419
2012-2013	10,240	1,064	577	147	593	12,621
2013-2014	10,569	1,249	618	261	588	13,285

Note: Source is the City of American Canyon Comprehensive Annual Financial Report and General Ledger

Schedule 6
City of American Canyon
Assessed Value of Taxable Property
Last Ten Fiscal Years
(In thousands of dollars)

Fiscal Year	Residential	Commercial	Industrial	Vacant Land	SBE Nonunitary	Possessory Int.	Unsecured	Other	Total	Total Direct Rate
2004-2005	\$ 1,024,087	\$ 64,383	\$ 200,032	\$ 74,015	\$ 420	\$ 11,258	\$ 63,544	\$ 420	\$ 1,438,159	0.30%
2005-2006	1,348,106	72,886	223,619	49,993	1,263	11,750	62,603	1,263	1,771,483	0.30%
2006-2007	1,632,628	78,370	245,592	58,882	1,262	12,742	73,975	-	2,103,451	0.29%
2007-2008	1,870,452	119,382	246,670	47,636	1,226	13,816	116,944	-	2,416,126	0.29%
2008-2009	1,740,322	133,785	321,819	54,152	1,226	14,600	107,201	-	2,373,105	0.29%
2009-2010	1,433,334	144,510	354,716	46,983	1,226	15,377	112,735	-	2,108,881	0.29%
2010-2011	1,435,443	136,599	410,527	36,245	1,226	15,844	121,972	-	2,157,856	0.28%
2011-2012	1,406,792	138,176	365,259	37,857	1,454	16,023	168,278	79	2,133,918	0.28%
2012-2013	1,335,380	136,921	375,497	66,285	1,454	16,147	193,882	3,517	2,129,083	0.28%
2013-2014	1,398,763	144,912	404,835	63,139	42	16,449	201,968	3,588	2,233,696	0.28%

Note: Exempt values are not included in Total.

In 1978 the voters of the State of California passed Proposition 13 which limited taxes to a total maximum rate of 1%, based upon the assessed value of the property being taxed. Each year, the assessed value of property may be increased by an "inflation factor" (limited to a maximum of 2%). With few exceptions, property is only reassessed as a result of new construction activity or at the time it is sold to a new owner. At that point, the property is reassessed based upon the added value of the construction or at the purchase price (market value) or economic value of the property sold. The assessed valuation data shown above represents the only data currently available with respect to the actual market value of taxable property and is subject to the limitations described above.

Data Source: Napa County Assessor 2003/04 - 2012/13 Combined Tax Rolls

**Schedule 7
City of American Canyon
Direct and Overlapping Property Tax Rates
For The Last Ten Fiscal Years
(Rates per \$100 of assessed value)**

Agency	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Basic Levy ¹	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Napa College	0.022	0.033	0.019	0.011	0.024	0.025	0.017	0.025	0.025	0.027
Napa Valey Unified School District	0.045	0.037	0.040	0.031	0.057	0.073	0.061	0.073	0.065	0.072
Total Direct & Overlapping² Tax Rates	1.066	1.070	1.059	1.042	1.081	1.099	1.078	1.097	1.090	1.099
City's Share of 1% Levy per Prop 13³	0.354	0.354	0.354	0.354	0.354	0.296	0.296	0.296	0.296	0.296
Total Direct Rate⁴	0.304	0.301	0.289	0.285	0.285	0.285	0.282	0.281	0.277	0.276

Notes:

¹In 1978, California voters passed Proposition 13 which set the property tax rate at a 1.00% fixed amount. This 1.00% is shared by all taxing agencies for which the subject property resides within. In addition to the 1.00% fixed amount, property owners are charged taxes as a percentage of assessed property values for the payment of any voter approved bonds.

²Overlapping rates are those of local and county governments that apply to property owners within the City. Not all overlapping rates apply to all city property owners.

³City's Share of 1% Levy is based on the City's share of the general fund tax rate area with the largest net taxable value within the city. ERAF general fund tax shifts may not be included in tax ratio figures.

⁴Total Direct Rate is the weighted average of all individual direct rates applied by the government preparing the statistical section information.

Data Source: Napa County Assessor 2001/02 - 2010/11 Combined Tax Rolls

This report is not to be used in support of debt issuance or continuing disclosure statements without the written consent of the City of American Canyon.

**Schedule 8
City of American Canyon
2013/14 Top Ten Property Taxpayers
Based on Property Tax Revenue**

Owner	Secured			Unsecured			Combined		Primary Use & Primary Agency
	Parcels	Revenue	% of Revenue	Parcels	Revenue	% of Revenue	Value	% of Revenue	
1) Coca Cola Company	1	\$ 64,338	0.76%	2	\$ 227,320	28.79%	\$ 291,658	3.16%	Unsecured American Canyon Gen Fund
2) SDG Hanna Court 411 LLC	2	136,803	1.62%				136,803	1.48%	Industrial American Canyon Gen Fund
3) Biagi and Associates	1	108,578	1.29%	1	1,239	0.16%	109,817	1.19%	Residential American Canyon Gen Fund
4) Sutter Home Winery Inc	2	99,627	1.18%				99,627	1.08%	Industrial American Canyon Gen Fund
5) 5500 Eucalyptus Dr Apts	1	91,114	1.08%				91,114	0.99%	Industrial American Canyon Gen Fund
6) Broadstone HC California LLC	2	81,366	0.97%				81,366	0.88%	Industrial American Canyon Gen Fund
7) Barry Callebaut USA LLC				1	68,765	8.71%	68,765	0.75%	Industrial American Canyon Gen Fund
8) 125 Mezzetta Court	1	61,138	0.73%				61,138	0.66%	Industrial American Canyon Gen Fund
9) Walmart Real Estate Business Trust	1	62,843	0.75%	1	4,763	0.60%	67,606	0.73%	Commercial American Canyon Gen Fund
10) Napa Junction Retail, LLC	2	46,695	0.55%				46,695	0.51%	Commercial American Canyon Gen Fund
Top Ten Totals	13	752,500	8.93%	5	302,087	38.26%	1,054,588	11.44%	
City Totals		\$ 8,426,453			\$ 789,559		\$ 9,216,012		

*Revenue includes Outer TRAs

Note: The 'Revenue' line for each owner is the estimated total revenue for that owner. Although these estimated calculations are performed on a parcel level, county auditor/ controllers' offices neither calculate nor apportion revenues at a parcel level.

Data Source: Napa County Assessor 2012/13 Combined Tax Rolls and the SBE Non Unitary Tax Roll

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**Schedule 8
City of American Canyon
2004/05 Top Ten Property Taxpayers
Based on Property Tax Revenue**

Owner	Secured			Unsecured			Combined		Primary Use & Primary Agency
	Parcels	Revenue	% of Revenue	Parcels	Revenue	% of Revenue	Value	% of Revenue	
1) Pokka USA Inc	1	\$ 105,530	2.53%				\$ 105,530	2.43%	Industrial American Canyon Gen Fund
2) SDG Commerce 201 LLC	4	79,048	1.90%				79,048	1.82%	Commercial American Canyon Gen Fund
3) Sutter Home Winery Inc	2	73,739	1.77%				73,739	1.69%	Industrial American Canyon Gen Fund
4) Richmond American Homes of Ca Inc	81	66,856	1.60%				66,856	1.54%	Industrial American Canyon Gen Fund
5) 125 Mezzetta Court	1	54,835	1.32%				54,835	1.26%	Commercial American Canyon Gen Fund
6) BDC American Canyon LP	5	35,940	0.86%				35,940	0.83%	Vacant American Canyon Gen Fund
7) Amcan Plaza LLC	3	34,120	0.82%				34,120	0.78%	Vacant American Canyon Gen Fund
8) GMAC Model Home Finance Inc	44	32,214	0.77%				32,214	0.74%	Industrial American Canyon Gen Fund
9) LBL Duc II Scally Ranch LLC	23	26,094	0.63%				26,094	0.60%	Industrial American Canyon Gen Fund
10) Homanap LP	1	25,959	0.62%				25,959	0.60%	Vacant American Canyon Gen Fund
Top Ten Totals	165	534,335	12.82%	0	-	0.00%	534,335	12.28%	
City Totals		\$ 4,167,881			\$ 182,505		\$ 4,350,386		

Note: The 'Revenue' line for each owner is the estimated total revenue for that owner. Although these estimated calculations are performed on a parcel level, county auditor/ controllers' offices neither calculate nor apportion revenues at a parcel level.
Data Source: Napa County Assessor 2003/04 Combined Tax Rolls and the SBE Non Unitary Tax Roll

**Schedule 9
City of American Canyon
Property Tax Levies and Collections
Last Ten Fiscal Years**

Fiscal Year Ended June 30	Taxes Levied For The Fiscal Year	Collected Within The Fiscal Year of The Levy	
		Amount	Percentage of Levy
2005	\$ 6,733,737	\$ 6,733,737	100%
2006	8,499,909	8,499,909	100%
2007	9,356,579	9,356,579	100%
2008	10,673,890	10,673,890	100%
2009	10,852,126	10,852,126	100%
2010	10,162,212	10,162,212	100%
2011	10,510,243	10,510,243	100%
2012	10,343,648	10,343,648	100%
2013	10,261,072	10,261,072	100%
2014	10,599,981	10,599,981	100%

Note: Source is City of American Canyon Tax Collection records and Napa County Assessor records. Property taxes are levied and collected pursuant to an arrangement commonly referred to as the Teeter Plan. Under the Teeter Plan, the County allocates and remits to the City the full amount of each years tax levy, and the County then retains any delinquencies as collected by the County.

Schedule 10
City of American Canyon
Ratios of Outstanding Debt By Type
Last Ten Fiscal Years
(Dollars in Thousands except for Per Capita)

Fiscal Year	Governmental Activities				Business-type Activities			Total City Debt	Total City Debt as a Percentage of Personal Income	Total City Debt Per Capita
	General Obligation Bonds	Lease Revenue Bonds	Special Assessment Bonds	Capital Lease Obligations	Capital Lease Obligations	State of California and Other Loans				
2005	-	\$3,710	-	\$ 666	\$ 6,910	\$ 10,906	\$22,192	5.04%	\$ 1,551	
2006	-	3,545	-	501	6,486	10,443	20,975	7.28%	1,402	
2007	-	3,380	-	6,695	6,035	11,991	28,101	7.74%	1,765	
2008	-	3,205	-	6,695	5,776	11,545	27,221	3.29%	1,671	
2009	-	3,030	-	7,727	5,490	10,399	26,646	2.78%	1,615	
2010	-	2,850	-	7,467	5,355	9,565	25,237	2.20%	1,499	
2011	-	2,660	-	7,194	5,214	11,772	26,840	2.84%	1,363	
2012	-	2,465	-	6,912	-	10,157	19,534	1.92%	986	
2013	-	2,017	-	6,615	-	8,773	17,405	1.05%	876	
2014	-	1,792	-	6,303	-	7,331	15,426	0.92%	771	

Data Source: City of American Canyon Comprehensive Annual Financial Report

Schedule 11
City of American Canyon
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year	General Bonded Debt Outstanding			Percentage of Actual Taxable Value of Property	Per Capita
	General Obligation Bonds	Lease Revenue Bonds	Total		
2005	-	\$ 3,710,000	\$ 3,710,000	0.26%	\$ 259
2006	-	3,545,000	3,545,000	0.20%	237
2007	-	3,380,000	3,380,000	0.16%	212
2008	-	3,205,000	3,205,000	0.13%	197
2009	-	3,030,000	3,030,000	0.13%	184
2010	-	2,850,000	2,850,000	0.14%	169
2011	-	2,660,000	2,660,000	0.12%	135
2012	-	2,465,000	2,465,000	0.12%	124
2013	-	2,017,000	2,017,000	0.09%	102
2014	-	1,792,000	1,792,000	0.08%	90

Note: Debt service on the lease revenue bonds is financed by the use of general governmental financial resources available in the general fund and special revenue funds of the City.

Data Source: City of American Canyon Comprehensive Annual Financial Report.

Schedule 12
City of American Canyon
Direct and Overlapping Governmental Activities Debt
As of June 30, 2014

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Percentage Applicable⁽¹⁾</u>	<u>Share of Overlapping Debt</u>
Debt repaid with property taxes:			
Napa Joint Community College District	\$ 130,878,005	7.513%	\$ 9,832,865
Napa Valley Unified School District	267,165,000	11.333%	30,277,809
City of American Canyon 1915 Act Bonds	21,435,200	100.000%	21,435,200
Other debt:			
Napa County Certificates of Participation	36,765,000	7.580%	2,786,787
Napa County Board of Education Certificate of Participation	2,945,000	7.580%	<u>223,231</u>
Subtotal overlapping debt			64,555,892
City of American Canyon Lease Revenue Bond			<u>1,792,000</u>
Total Direct and Overlapping General Fund Debt			<u><u>\$ 66,347,892</u></u>
Ratios to Assessed Valuation:			
Combined Direct Debt (\$1,792,000)		0.08%	
Combined Total Debt		2.97%	
2014		0.08%	

Schedule 13
City of American Canyon
Computation of Legal Debt Margin
Last Ten Fiscal Years

Fiscal Year	Assessed Value	Debt Limit	General Bonded Debt	Legal Debt Margin	Net Debt Margin
2005	\$ 1,432,458,204	\$ 53,717,183	\$ 3,710,000	\$ 50,007,183	6.91%
2006	1,770,220,281	66,383,261	3,545,000	62,838,261	5.34%
2007	2,103,991,026	78,899,663	3,380,000	75,519,663	4.28%
2008	2,416,125,517	90,604,707	3,205,000	87,399,707	3.54%
2009	2,373,105,782	88,991,467	3,030,000	85,961,467	3.40%
2010	2,108,881,346	79,083,050	2,850,000	76,233,050	3.60%
2011	2,157,856,501	80,919,619	2,660,000	78,259,619	3.29%
2012	2,133,917,840	80,021,919	2,465,000	77,556,919	3.08%
2013	2,129,083,162	79,840,619	2,017,000	77,823,619	2.53%
2014	2,233,695,851	83,763,594	1,792,000	81,971,594	2.14%

Notes:

⁽¹⁾ California Government Code, Section 43605 sets the debt limit at 15%. The Code section was enacted when assessed valuations were based on 25% of full market value. This has since changed to 100% of full market value. Thus, the limit shown is 3.75% (one-fourth the limit of 15%).

Data Source: City of American Canyon Comprehensive Annual Financial Report.

Schedule 14
City of American Canyon
Pledged Revenue Coverage
Last Ten Fiscal Years

Special Assessment Bonds

Fiscal Year	Special Assessment Collections	Capital Impact Fees	Debt Service		
			Principal	Interest	Coverage
2005	\$ 516,039	-	\$ 105,000	\$ 256,240	1.43
2006	1,704,616	-	255,000	802,011	1.61
2007	1,667,509	-	440,000	1,222,290	1.00
2008	1,706,675	-	490,000	1,170,455	1.03
2009	1,711,386	-	505,000	1,155,572	1.03
2010	1,896,142	-	515,000	1,139,097	1.15
2011	1,782,130	-	540,000	1,120,650	1.07
2012	1,690,646	-	555,000	1,100,375	1.02
2013	1,744,914	-	575,000	1,078,666	1.06
2014	1,687,609	-	605,000	1,023,243	1.04

State of California Water Loan

	Water Service Revenues	Capital Impact Fees	Less Operating Expenses	Net Available Revenue	Debt Service		
					Principal	Interest	Coverage
2005	\$ 3,514,930	\$ 2,135,971	\$ 2,681,338	\$ 2,969,563	\$ 56,614	\$ 36,504	31.89
2006	3,602,305	2,321,468	3,277,499	2,646,274	57,844	35,376	28.39
2007	3,901,103	774,625	3,404,570	1,271,158	58,938	34,236	13.64
2008	4,160,383	1,567,463	5,341,105	386,741	48,620	33,042	4.74
2009	4,232,638	1,174,189	3,985,190	1,421,637	49,836	31,826	17.41
2010	4,010,648	2,163,696	3,198,507	2,975,837	50,778	29,950	36.86
2011	4,761,832	1,461,935	3,532,662	2,691,105	53,642	28,646	32.70
2012	4,744,183	1,007,276	3,174,917	2,576,542	54,983	27,324	31.30
2013	5,147,040	179,580	3,885,541	1,441,079	56,357	25,860	17.53
2014	5,296,807	2,454,741	4,368,969	3,382,579	57,766	24,470	41.13

State of California Wastewater Construction Loan

	Wastewater Service Revenues	Capital Impact Fees	Less Operating Expenses	Net Available Revenue	Debt Service		
					Principal	Interest	Coverage
2005	\$ 2,330,231	\$ 5,418,862	\$ 2,683,153	\$ 5,065,940	\$ 394,181	\$ 259,752	7.75
2006	2,751,242	3,594,248	2,566,867	3,778,623	404,821	249,110	5.78
2007	2,901,495	1,059,655	2,273,227	1,687,923	415,752	238,179	2.58
2008	3,157,260	1,367,414	2,943,791	1,580,883	426,977	226,954	2.42
2009	3,373,740	173,703	2,592,028	955,415	510,331	230,967	1.29
2010	3,420,812	433,554	2,072,946	1,781,420	510,913	217,172	2.45
2011	3,581,786	61,624	2,315,643	1,327,767	524,709	203,005	1.82
2012	3,733,430	5,905	2,904,004	835,331	538,876	188,455	1.15
2013	3,996,640	5,127	2,422,454	1,579,313	553,426	173,513	2.17
2014	4,286,228	1,630,089	2,480,480	3,435,837	568,368	158,167	4.73

Note: Water and wastewater revenues include operating revenues, interest revenues, and capital impact fees. Data for wastewater shown in fiscal 2003 and thereafter when proceeds of State of California construction loan first were drawn down.
Operating expenses exclude depreciation and amortization
Source is the City of American Canyon Comprehensive Annual Financial Report.

Schedule 15
City of American Canyon
Demographic and Economic Statistics
For The Last ten Calendar Years

<u>Calendar Year</u>	<u>Population</u>	<u>Personal Income (thousands of dollars)</u>	<u>Median Household Income</u>	<u>Unemployment Rate</u>
2005	14,306	\$ 581,768	\$ 40,666	4.10%
2006	14,961	639,134	42,720	6.70%
2007	15,925	756,294	47,491	6.70%
2008	16,293	827,961	50,817	9.00%
2009	16,503	957,405	58,014	8.50%
2010	16,836	1,144,781	67,996	14.60%
2011	19,693	945,441	48,009	13.50%
2012	19,809	1,015,271	51,253	11.10%
2013	19,862	1,660,086	83,581	9.50%
2014	20,001	1,672,264	83,609	7.30%

Data Sources:

California Department of Finance (population from Gann Limit information)
U.S. Bureau of Economic Analysis for Napa County by Calendar Year www.bea.gov
U.S Census Bureau Community Survey 5-yr Estimates

**Schedule 16
City of American Canyon
Principal Employers (Ten Largest)
Calendar Year 2014 vs Calendar Year 2006**

Employer	2014			2006		
	Rank	Number Employees	Percentage of Total City Employment	Rank	Number Employees	Percentage of Total City Employment
Walmart Supercenter	1	362	6.46%			
Sutter Home Winery, Inc.	2	350	6.25%	5	55	1.08%
GL Mezzetta Inc.	3	300	5.36%	1	130	2.55%
Coca-Cola AmCan Beverages	4	155	2.77%			2.55%
Safeway Inc. #1883	5	103	1.84%	2	125	2.45%
Vinpak, Inc.	6	100	1.79%			
Biagi Bros.	7	77	1.38%			
City of American Canyon	8	75	1.34%	4	72	1.41%
Adobe Lumber	9	62	1.11%			
Wallaby Yogurt	10	61	1.09%			
Pokka USA				1	130	2.35%
Ramallah, Inc.				3	120	2.35%
C.L. Skaggs Trucking Co.				6	50	0.98%
Culligan				7	45	0.88%
Diablo Timber				8	45	0.88%
All Bay Mill & Lumber Co.				9	35	0.69%

Note: The information in this schedule should show 9 years prior and current, however FY 2004-2005 which is 10 years prior is not available. The oldest information is from FY 2005-2006.

Schedule 17
City of American Canyon
Full-Time Equivalent City Government Employees by Function/Program
Last Ten Fiscal Years

Function/Program	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Administration										
City Council	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
City Manager	2.10	2.10	2.10	2.10	2.10	1.85	2.15	2.15	2.15	2.15
City Clerk	1.70	1.40	1.40	1.40	1.40	1.40	1.40	1.40	1.40	1.40
Human Resources			1.50	2.00	2.00	2.00	2.00	1.50	1.50	0.00
Administrative Services										
Human Resources										1.50
Finance	6.00	6.90	4.90	4.90	4.90	4.90	4.60	4.60	4.60	4.60
Information Systems	1.00	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20
Utility	3.00	3.20	3.20	3.20	3.20	3.20	3.20	3.20	3.20	3.20
Public safety:										
Police	1.00	2.00	2.70	2.70	2.70	2.70	2.70	2.70	2.70	2.70
Non Departmental		1.00	0.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30
Community development:										
Planning	1.00	2.00	2.00	2.20	2.20	2.20	1.60	1.60	1.60	1.60
Building and safety	6.50	6.50	6.50	8.00	8.00	8.00	3.25	3.25	3.25	3.25
Economic Development	0.40	0.70	0.40	0.40	0.40	0.40	0.45	0.45	0.45	0.45
Housing Services	0.30	0.00	0.30	0.60	0.60	0.60	0.10	0.10	0.10	0.10
City Engineer							1.30	1.30	1.30	1.30
Affordable Housing						0.25	0.25	0.25	0.25	0.25
Parks and Recreation:										
Parks	6.55	6.55	6.55	5.95	5.95	5.75	5.20	5.35	5.35	5.35
Recreation	4.70	4.70	4.70	5.60	5.60	5.20	5.05	5.10	5.10	5.10
Building & Equipment Maintenance	2.00	2.00	2.00	2.05	1.00	1.10	1.15	1.20	1.20	1.20
Public Works:										
Administration				4.00	4.00	4.00	4.00	3.90	3.90	3.90
Engineering	2.80	2.80	2.80	1.65	1.65	1.90				
Streets & Roads	4.70	4.70	4.70	5.85	5.85	5.35	3.45	3.45	3.45	3.45
Storm Drain	1.30	1.30	1.30	1.95	1.95	2.35	1.55	1.95	1.95	1.95
Capital Projects							2.00	1.60	1.60	1.60
Fleet					1.05	1.40	1.10	1.10	1.10	1.10
Water:										
Treatment and Distribution	10.20	10.20	10.20	9.75	9.75	9.85	9.10	9.05	9.05	9.05
Wastewater:										
Collection and Treatment	8.30	8.30	8.40	9.85	9.35	8.25	12.60	12.00	12.00	12.00
Storm Water Quality	1.05	1.05	1.05	0.35	0.50	0.50	0.45	0.45	0.45	0.45
Solid Waste					0.35	0.35	0.35	0.35	0.35	0.35
Totals	69.60	72.60	72.20	81.00	81.00	80.00	75.50	74.50	74.50	74.50

Source: Human Resources Department
2012 Used 2012-13 budgeted FTEs

Schedule 18
City of American Canyon
Operating Indicators by Function/Program
Last Ten Fiscal Years

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Police:										
Physical arrest	429	695	446	520	595	543	614	701	842	790
Traffic violations	1,162	2,377	1,557	2,035	1,897	1,817	1,748	2,001	1,639	1,336
Fire:										
Emergency responses	1,249	1,240	1,266	1,320	1,393	1,355	1,286	1,441	1,437	1,449
Structure Fires	27	25	17	29	20	10	16	14	6	6
Fire Loss (Thousand \$)	219	455	825	400	285	279	19	72	-	-
Fire Engines	8	8	8	8	6	6	6	6	6	6
Inspections	250	264	374	171	184	261	218	279	264	199
Construction Inspection	850	800	135	120	103	111	75	111	108	50
Planning:										
Building permits issued	208	226	273	375	352	327	285	296	299	360
Public works:										
Miles streets resurfaced	-	-	-	1.56	0.77	0.51	-	0.12	-	-
Parks:										
Community events held	17	17	17	19	19	24	22	26	35	37
Swimming pool admissions	18,376	21,005	21,000	20,000	21,480	18,494	16,063	15,313	16,261	47,720
Water:										
Number of new services	868	708	423	668	732	761	711	697	633	493
Daily average water production in MGD	3.05	3.12	3.12	3.53	3.20	2.84	2.87	2.95	3.10	3.15
Daily average water consumption in MGD	2.55	3.93	3.93	4.06	2.88	2.46	2.67	2.73	2.94	2.89
Wastewater:										
Daily average treatment in millions gallons(MGD)	1.46	1.69	1.48	1.55	1.54	1.54	1.71	1.65	1.61	1.62

Source: Various departments within the City of American Canyon

Schedule 19
City of American Canyon
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

Function/Program	Prior Years									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	12	12	12	12	12	12	12	12	12	12
Fire										
Stations	1	1	2	2	2	2	2	2	2	2
Engines	8	8	8	8	8	8	8	8	8	8
Public works:										
Miles of streets	4.7	6.4	9.5	14.2	14.2	38.1	38.1	38.1	38.1	38.1
Streetlights	683	969	1,062	1,233	1,233	1,233	1,233	1,233	1,233	1,233
Traffic signals	3	3	4	4	4	4	4	4	4	4
Parks and recreation:										
Community centers	2	2	2	2	2	3	3	3	3	3
Parks	15	18	20	22	22	22	22	22	22	22
Park acreage	52	70	75	79	79	79	79	79	79	79
Water:										
Miles of mains added	5	5	5	7	8	-	-	-	-	-
Number of services billed	4,515	4,759	4,914	5,147	5,208	5,232	5,455	5,529	5,565	5,593
Maximum plant capacity in million gallons	2.60	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
Storage capacity in million gallons	4.81	4.81	4.81	4.81	4.81	4.81	4.81	4.70	4.70	4.70
Wastewater:										
Miles of sewers added	5	5	5	5	5	-	-	-	-	-
Number of services billed	4,217	4,386	4,562	4,667	4,738	4,809	4,856	4,910	4,971	4,983
Maximum plant capacity in million gallons	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Recycled Water:										
Miles of pipelines added	3.96	0.28	0.35	2.53	0.00	2.45	0.00	0.00	0.00	0.00
Number of services billed			1	1	1	3	12	12	13	15
Storage capacity in million gallons						1.00	1.00	1.00	1.00	1.00

Source: Various departments within the City of American Canyon