

CITY OF AMERICAN CANYON
AND
AMERICAN CANYON FIRE PROTECTION DISTRICT
COMPREHENSIVE ANNUAL FINANCIAL REPORT
for the fiscal year ended June 30, 2016



Cash for Grass Program

American Canyon, California

www.cityofamericancanyon.org

American Canyon, California



Napa County
City of
American
Canyon



CITY OF AMERICAN CANYON AND AMERICAN CANYON FIRE PROTECTION DISTRICT COMPREHENSIVE ANNUAL FINANCIAL REPORT *for the fiscal year ended June 30, 2016*

Prepared by the Administrative Services Department

CITY OF AMERICAN CANYON
 Comprehensive Annual Financial Report
 For the Year Ended June 30, 2016

TABLE OF CONTENTS..... i

INTRODUCTORY SECTION

Letter of Transmittal iv

Certificate of Achievement for Excellence in Financial Reporting –
 Government Finance Officers Association x

List of Principal Officials xi

Organizational Chart..... xii

FINANCIAL SECTION

Independent Auditor’s Report 1

Management’s Discussion and Analysis..... 4

Basic Financial Statements

Government-Wide Financial Statements:

Statement of Net Position 15

Statement of Activities 16

Fund Financial Statements:

Governmental Funds:

Balance Sheet 18

Reconciliation of the Governmental Funds Balance Sheet with
 the Statement of Net Position..... 20

Statement of Revenues, Expenditures, and Changes in Fund
 Balances 21

Reconciliation of the Statement of Revenues, Expenditures and
 Changes in Fund Balances of Governmental Funds to the
 Statement of Activities 23

Statement of Revenues, Expenditures and Changes in Fund
 Balances – Budget and Actual:

General Fund..... 24

Fire District Operations Fund..... 25

Storm Drainage Fund 26

CDBG Loan Development Fund..... 27

Proprietary Funds:

Statement of Net Position 28

Statement of Revenues, Expenses and Changes in Fund Net
 Position 29

Statement of Cash Flows..... 30

Fiduciary Funds:

Statement of Fiduciary Net Position..... 31

Notes to Basic Financial Statements..... 32

CITY OF AMERICAN CANYON

Comprehensive Annual Financial Report

For the Year Ended June 30, 2016

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of the Proportionate Share of the Net Pension Liability and
Schedule of Contributions – City Miscellaneous Plans (Unaudited)..... 71

Schedule of the Proportionate Share of the Net Pension Liability and
Schedule of Contributions – Safety Fire Plans (Unaudited) 72

Schedule of the Proportionate Share of the Net Pension Liability and
Schedule of Contributions – Fire Protection Miscellaneous
(Unaudited)..... 73

Schedule of Funding Progress of the Employee Other Postemployment
Benefits Plan (Unaudited)..... 74

SUPPLEMENTAL INFORMATION

**Budgetary Comparisons, Other than General Fund and Major
Special Revenue Funds**

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

Affordable Housing Capital Projects Funds..... 75

City Capital Projects Fund 76

Non-major Governmental Funds

Combining Balance Sheet..... 79

Combining Schedule of Revenues, Expenditures and Changes in
Fund Balances 83

Schedules of Revenues, Expenditures and Changes in Fund Balances
– Budget and Actual..... 87

Internal Service Funds

Combining Statement of Net Position – Internal Service Funds..... 104

Combining Statement of Revenues, Expenses and Changes in Fund
Net Position – Internal Service Funds 105

Combining Statement of Cash Flows – Internal Service Funds..... 106

Agency Funds

Combining Schedule of Changes in Assets and Liabilities – All
Agency Funds..... 108

CITY OF AMERICAN CANYON

Comprehensive Annual Financial Report

For the Year Ended June 30, 2016

STATISTICAL SECTION

Financial Trends Information

Schedule of Net Position by Component – Last Ten Fiscal Years 110
Schedule of Changes in Net Position – Last Ten Fiscal Years 111
Schedule of Fund Balances, Governmental Funds – Last Ten Fiscal
Years 113
Schedule of Changes in Fund Balances, Governmental Funds – Last
Ten Fiscal Years 114

Revenue Capacity Information

Own Source Tax Revenue by Source – Last Ten Fiscal Years 115
Assessed Value of Taxable Property – Last Ten Fiscal Years 116
Direct and Overlapping Property Tax Rates – Last Ten Fiscal Years 117
Top Ten Property Taxpayers 118
Property Tax Levies and Collections – Last Ten Fiscal Years 120

Debt Capacity Information

Ratios of Outstanding Debt by Type – Last Ten Fiscal Years 121
Ratios of General Bonded Debt Outstanding – Last Ten Fiscal Years 122
Direct and Overlapping Governmental Activities Debt 123
Legal Debt Margin Information – Last Ten Fiscal Years 124
Pledged Revenue Coverage – Last Ten Fiscal Years 125

Demographic and Economic Information

Demographic and Economic Statistics – Last Ten Fiscal Years 126
Principal Employers – (Ten Largest) – Last Fiscal Year 127

Operating Information

Full-Time Equivalent City Government Employees by
Function/Program – Last Ten Fiscal Years 128
Operating Indicators by Function/Program – Last Ten Fiscal Years 129
Capital Asset Statistics by Function/Program – Last Ten Fiscal
Years 130

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Introductory Section



December 28, 2016

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, 2016. The fiscal year covers financial transactions from July 1, 2015 to June 30, 2016 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.

Richardson and Co., 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, 2016, 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, 2016 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, 2016 was estimated to be 20,374 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 selected annually by the Council. The non-partisan Mayor and City Council members serve staggered four year terms. 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.

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; short and long-range community planning; operation of water and wastewater utilities; and more. 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 City Council's Finance 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.

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 more than 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 Napa Valley, 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 addition to the tourism related economic benefits of proximity to the Napa Valley, American Canyon benefits tremendously as a wine processing hub. Because of our strategic location at the southern end of Napa County and with easy access to state and interstate highways, American Canyon's industrial district is home to millions of square feet of wine processing, bottling, storage and shipping space. Demand for space in this area is very high, with very little vacancy and new development underway.

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 minimize reductions in 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.

The City subsequently benefited from modest 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 were slowly restored as revenue growth allows. The 2015-16 fiscal year marks the final year of the plan.

In 2013-14 the City Council anticipated that assumed that General Fund *expenses* would exceed *revenues* by \$167,000 in 2013/14; *expenses* would again exceed *revenues* by \$127,000 in 2014-15, and would fully balance in 2015-16. However, I am pleased to report that some of the expenditure reductions established during the deficit elimination plan and maintained during the first year of the "stabilization plan" actually resulted in a small surplus of \$247,000 for the 2013/14 fiscal year. The 2014-15 fiscal year results show a small surplus of \$240,000 rather than a deficit of \$127,000 projected in the three year plan. As you will read in this report, in 2015-16 the General Fund balance decreased by \$1.182 million. However, this is a result of one-time transfers in the amount of \$2.036 million; eliminating the impact of these transfers would have resulted in an increase in fund balance by \$848 thousand.

Revenues in the City's General Fund continue to grow steadily, although at slower, and more sustainable, rates than experienced in the three prior fiscal years. For fiscal year 2016-17, General Fund revenues including transfers in for support services are \$20.7 million, up from \$18.5 million for the 2015-16 fiscal year.

Although the City is seeing small increases in many areas, residential property values are growing and property taxes, which make up more than 40% of total general fund revenues, and are critical to supporting the cost of essential services provided by the City, increased by 8.5% during the audit year, and are projected to increase an additional 5% in the 2016-17 fiscal year. There is growing 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.

While the local economy has been stable for the last several years, the impacts of the change in Presidential administration, including potential shifts in federal spending, are far from known. The City developed the 2016-17 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 City's budget.

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:

- ✓ Devlin Road Connection - In 2015 the City undertook a design project to construct a major connector from Devlin Road to Green Island Road. These two roads serve our growing industrial area on the north side of the City. When the City completes this section of Devlin Road, and when the County of Napa constructs one additional segment of Devlin Road north of American Canyon, Devlin Road will serve as a continuous parallel route to Highway 29 from Napa to American Canyon. This will help keep truck traffic off Highway 29 and ease congestion during peak times. The City anticipates beginning construction on this project in 2017.
- ✓ Broadway District Specific Plan - Broadway is the heart of American Canyon. Owned and operated by Caltrans as State Route 29, Broadway has served as the main thoroughfare through American Canyon since the Carquinez Bridge was completed in 1927. The Napa County Transportation and Planning Agency (NCTPA) approved a modified boulevard concept for the Highway 29 Corridor. With the NCTPA Broadway plan complete, the City is developing a Specific Plan for the land use on either side of the highway. This plan will be completed in 2017.
- ✓ Green Island Road reconstruction – Green Island Road is currently the only road currently serving the Green Island industrial district in the north portion of American Canyon. This road was originally constructed more than 40 years ago and receives heavy truck traffic. In 2015, the City began the design to completely reconstruct this road to meet current needs. This project, which will be constructed in conjunction with the Devlin Road project noted above, will begin construction in 2017.
- ✓ Valley View Senior Affordable Housing Project - The City of American Canyon has partnered with Satellite Affordable Housing Associates to construct rental housing affordable to 70 low-income seniors and veterans in American Canyon. This project will help fill a gap in the availability of affordable homes specifically designed for seniors and veterans and will include on-site support services. This project will break ground in 2017.

Water Supply

The critical droughts from 2013-2015 brought to the forefront the City's need to continue to seek out permanent, reliable water sources to serve our residents and businesses. The City receives nearly all of its water from the Department of Water Resources' (DWR) State Water Project (SWP). Generally, this "raw water" is treated at the City's Water Treatment Plant (WTP) and then distributed to residents and businesses in the City's Water Service Area (which is larger than City limits proper). The City also

maintains connections with the Cities of Napa and Vallejo, who provide treated water supplies if necessary.

The City's recently updated Urban Water Management Plan demonstrates that the City has sufficient water to meet projected needs in the next 20 years. However, the City could benefit from a greater variety of water sources, better water quality, and less expensive water sources. As such, the City is pursuing several important options, including participation in new, regional surface water projects and potable re-use of recycled water from our Water Reclamation Facility. In recent years, the City has invested heavily in maximizing both the water quality and quantity of recycled water produced at the Water Reclamation Facility, and have been successful in reducing demand for potable water by as much as 450 acre feet per year through conversion of potable water uses for irrigation to recycled water and permanent changes to landscape and irrigation techniques. In 2017, the City will continue its efforts to maximize the use of recycled water and will construct main line extensions on Devlin Road, Tower Road and Benton Way.

Cash Resources

The City ended the fiscal year with cash and investments totaling \$30.1 million with \$23.1 million available for City operations. Total investments at fiscal year-end, which includes investments held by the City and investments held by fiscal agents, includes the State of California Local Agency Investment Fund, \$12.15 million; Money Market Mutual Funds, \$2.49 million; U.S. Government Treasury and Agency Securities, \$7.08 million; U.S. Corporate Notes, \$2.83 million; and the remainder in demand deposits, commercial paper, and asset backed securities. 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 July 2015, the City entered into a lease purchase agreement for \$2,004,200 for the acquisition and installation of new membranes at the Water Reclamation Facility. The terms of this lease require annual payments of \$157,222 through July 6, 2022 which includes interest at 3.55%. The cost of the asset was \$2.164 million.

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). 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. During 2017, the City anticipates completing negotiations with employees to reduce post-employment medical insurance benefits to future employees as they retire, resulting in a decrease in long-term liability.

Awards

The City was awarded a Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers Association (GFOA) for its comprehensive annual financial report for the fiscal year ended June 30, 2015. The Certificate of Achievement is a prestigious national award, recognizing conformance with the highest standards for preparation of state and local government financial report. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. In our opinion, the current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and it will be submitted to the GFOA to determine its eligibility for recognition.

Acknowledgements

The preparation of this report would not have been possible without the capable and dedicated services of the Administrative Services Finance Team. 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,



Dana Shigley
City Manager



Government Finance Officers Association

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

Presented to

**City of American Canyon
California**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2015

Executive Director/CEO

CITY OF AMERICAN CANYON

PRINCIPAL OFFICIALS

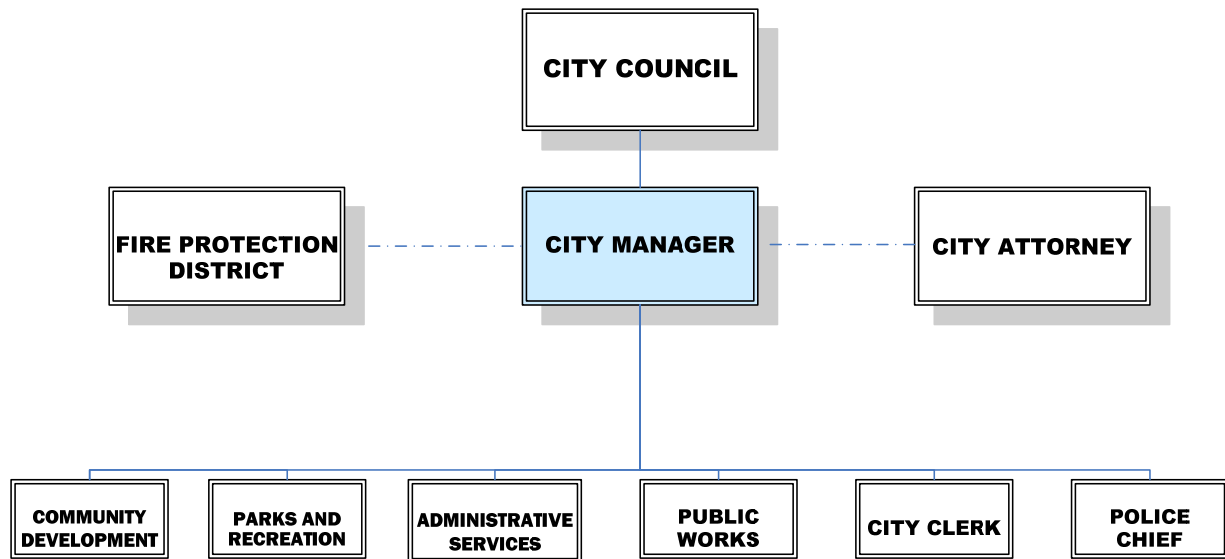
YEAR ENDED JUNE 30, 2016

CITY COUNCIL

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

ADMINISTRATIVE PERSONNEL

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



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Financial Section



550 Howe Avenue, Suite 210
Sacramento, California 95825
Telephone: (916) 564-8727
FAX: (916) 564-8728

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, 2016, 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.

To the City Council
City of American Canyon, California

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 June 30, 2016, 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, Storm Drainage Special Revenue Fund and CDBG Loan Development 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 4 through 13 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 budgetary comparisons other than the General Fund and Major Special Revenue Funds, and combining and individual nonmajor fund financial statements are fairly stated in all material respects in relation to the financial statements as a whole.

To the City Council
City of American Canyon, California

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

December 28, 2016

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, 2016. 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 \$4.5 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 \$339.9 million at the end of the 2016 fiscal year. Of that amount, \$8.2 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 \$21.8 million at June 30, 2016, an increase of \$323 thousand in comparison to the 2015 fiscal year. Of these fund balances, \$910 thousand is non-spendable, \$7.6 million is restricted, \$7.2 million is committed, \$5.5 million is assigned and \$615 thousand is unassigned.
- Overall, city-wide revenues from all governmental and business-type activities were \$44.4 million, an increase of about \$9.7 million compared to the 2015 fiscal year. This amount includes \$5.5 million from grants and capital contributions.
- The City's total expense for all programs in fiscal year 2016 was \$40 million, which is the same compared to the 2015 fiscal year.
- The general fund reported a fund balance of \$9.9 million at 2016 fiscal year end, a decrease of \$1.2 million compared to 2015. The Fire District Operations Fund ended the 2016 fiscal year with a \$4.8 million fund balance, an increase of about \$608 thousand compared to the prior year.
- The City ended fiscal year 2016 with \$9.5 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 2016 with about \$6.7 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**

	Fund Statements		
	Government-Wide 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* 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.

MANAGEMENT'S DISCUSSION AND ANALYSIS

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, an increase or decrease 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, CDBG loan development, and capital 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 also 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 one 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 2015 fiscal year, the City started creating 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 for the City's water and wastewater operations, both of which are considered to be major funds of the City.

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

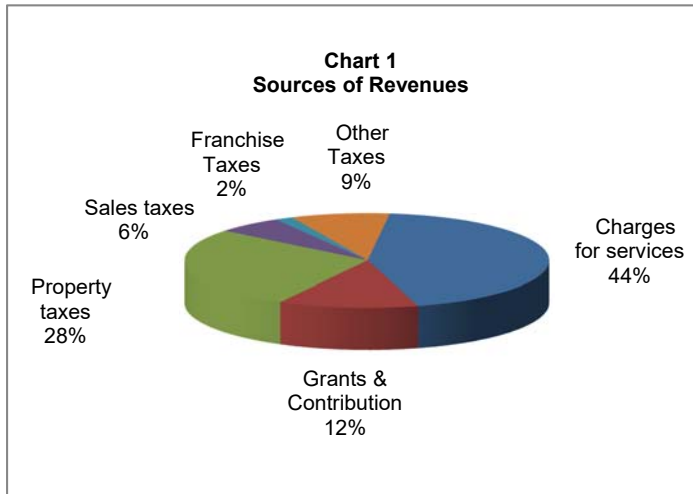
Net Position. As summarized in Table A-1 below, the City's *combined* net position increased \$4.5 million between fiscal years 2015 and 2016.

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

	Governmental Activities		Business-Type Activities		Total		Total Percentage Change
	2015	2016	2015	2016	2015	2016	2015-2016
Current and other assets	29.4	28.3	10.0	12.2	39.4	40.5	3.0%
Capital assets	271.1	272.6	58.3	58.7	329.4	331.3	0.6%
Total assets	300.5	300.9	68.4	70.9	368.9	371.8	0.8%
Deferred Outflow of Resources	1.3	1.4	0.3	0.3	1.5	1.8	20.0%
Long-term debt outstanding	18.6	19.6	9.3	9.8	27.9	29.4	5.4%
Other liabilities	3.3	1.5	1.4	0.4	4.6	1.9	-58.7%
Total liabilities	21.9	21.1	10.7	10.2	32.5	31.3	-3.7%
Deferred Inflows of Resources	2.0	1.9	0.5	0.6	2.5	2.5	0.0%
Net investment in capital assets	262.3	264.4	51.3	50.6	313.6	315.0	0.4%
Restricted	13.1	13.0	2.0	2.8	15.1	15.8	4.6%
Unrestricted	2.5	2.1	4.2	7.0	6.7	9.1	35.8%
Total net position	277.9	279.5	57.5	60.4	335.4	339.9	1.3%

Net position of the City's governmental and business-type activities increased 1.3% to \$339.9 million. About 93% of the City's net assets are invested in capital assets such as buildings, land, equipment and facilities. The remaining 7% is essentially represented by cash, investments and receivables. About 93% of the City's total liabilities are represented by long-term obligations including pension liabilities as newly required by GASB 68, lease revenue bonds, capital leases and loans from the State of California and the City of Napa

MANAGEMENT'S DISCUSSION AND ANALYSIS

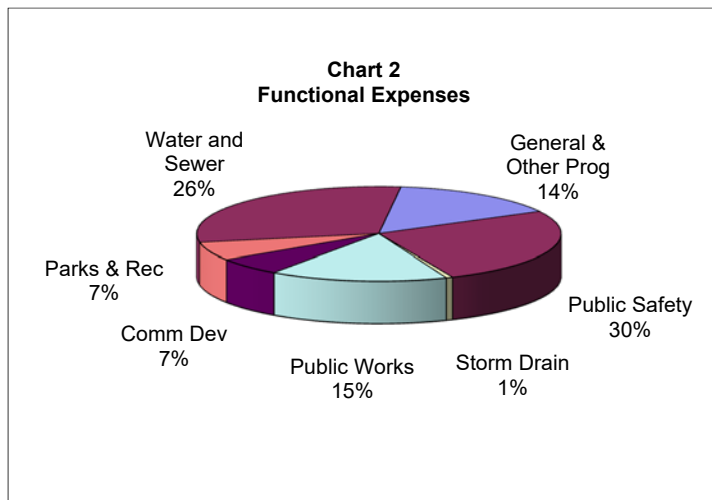


Changes in net position. The City's major sources of revenue and functional expenses are presented in charts 1 and 2. As summarized in Table A-2 on page 9, revenues for fiscal year 2015-16 totaled \$44.4 million, an increase of \$9.7 million or 28% from the prior year. Grants and Contributions increased significantly by \$4.3 million or 358%. This was largely due to the Kimberly Flood Control, Clean Water & Park Improvement project reimbursed by the Measure A Fund. Transient Occupancy Tax revenue increased by \$103 thousand or 7.5% due to continued marketing efforts and interest in Napa Valley tourist attractions. Total Charges for Services grew by 24%

to \$19.4 million due to a \$3.5 million increase in governmental activities primarily due to the Storm Drain/Measure A reimbursement. Charges for Services revenue in the enterprise funds showed a \$1 million increase due to the new Water Surcharge which became effective in September 2015. The City's primary source of revenue is property taxes which totaled \$12.3 million or 27.8% of total revenues for the year and increased by 7.0% over fiscal year 2016. General Fund sales tax revenue increased by \$231 thousand to \$2.6 million in fiscal year 2016. Sales tax revenue from Measure A claims increased by \$3.5 million. About \$12.9 million or 29% of all City revenues were from water and wastewater service fees and capacity fees.

The total cost for all programs and services in 2016 was \$40 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 2016, expenses were the same as fiscal year 2015. In fiscal year 2016 governmental activities expenses were \$1.6 million more than in fiscal year 2015 which is largely due to Public Safety expenses. The Law Enforcement Contract with County of Napa increased by \$279 thousand and Internal Service expense increased by \$341 thousand compared to fiscal year 2015. Additionally, Fire Operations expenses increased by \$333 thousand compared to fiscal year 2015.

The City's largest operating expense was public safety services. The City's cost to provide police and fire protection services was \$12 million or 30% of the City's total operating expenses followed by the water and sewer which collectively comprised 26% of total expenses. The water enterprise fund decreased by \$1.9 million due to reduced demand for water as a result of the water conservation efforts by the residents. Public Works and Storm Drain departments accounted for 16% of expenses, Parks and Recreation 7%, and Community Development 7%. 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
	2015	2016	2015	2016	2015	2016	2015-2016
Revenues							
Program revenues							
Charges for services	7.4	10.1	8.2	9.3	15.6	19.4	24.4%
Grants & contribution - operating	0.5	1.1	-	0.7	0.5	1.8	260.0%
Grants & contribution - capital	0.4	1.4	0.3	2.3	0.7	3.7	428.6%
General revenues							
Property taxes	11.5	12.3	-	-	11.5	12.3	7.0%
Sales taxes	2.4	2.6	-	-	2.4	2.6	8.3%
Franchise taxes	0.7	0.7	-	-	0.7	0.7	0.0%
Other	2.9	3.3	0.5	0.6	3.4	3.9	14.7%
Total revenues	25.6	31.5	9.0	12.9	34.7	44.4	28.0%
Expenses							
General government	5.6	5.3	-	-	5.6	5.3	-5.4%
Public Safety	10.6	12.1	-	-	10.6	12.1	14.2%
Public works	6.3	5.9	-	-	6.3	5.9	-6.3%
Community Development	2.4	2.8	-	-	2.4	2.8	16.7%
Parks and Recreation	2.5	2.9	-	-	2.5	2.9	16.0%
Storm Drain	0.2	0.2	-	-	0.2	0.2	0.0%
Water	-	-	7.3	5.4	7.3	5.4	-26.0%
Wastewater	-	-	4.0	5.0	4.0	5.0	25.0%
Other	0.3	0.3	0.6	-	0.9	0.3	-66.7%
Total expenses	28.0	29.5	11.9	10.4	39.9	39.9	0.0%
Excess (deficiency) before transfers	(2.3)	2.0	(2.9)	2.5	(5.2)	4.5	-186.5%
Transfers	1.0	(0.3)	(1.0)	0.3	-	-	0.0%
Increase(decrease) in net position	(1.3)	1.7	(3.9)	2.8	(5.2)	4.5	-186.5%
Net position, beginning	279.2	277.8	61.4	57.6	340.6	335.4	-1.5%
Net position, ending	277.9	279.5	57.5	60.4	335.4	339.9	1.3%

When all operations were concluded, governmental activities created a \$1.7 million increase in net position and business activities increased \$2.8 million for 2016.

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 \$40 million, which is the same compared to fiscal year 2015. For governmental activities, overall program costs increased \$1.5 million or about a 3.8% increase mainly due to an increase in the cost of Public Safety. Water and Wastewater expenses decreased \$1.5 million, a 6% decrease in Water Enterprise Fund due to a decreased demand for water and a 3% increase in the Wastewater enterprise funds largely due to the Wastewater treatment plant membrane replacement.

Governmental Activities

As detailed on the Statement of Activities, the City's governmental program expenses totaled \$29.5 million during the year. Program revenues, including grants, totaled \$12.6 million leaving the City to fund the balance of \$17 million with general revenues. Program revenues increased \$5.9 million and expenses increased \$1.5 million over the prior year. \$10 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 \$2.5 million to financially support the programs.

Business-Type Activities

At 2016 fiscal year-end, the net position for the City's Proprietary Funds or business-type activities, which for the Water and Wastewater funds, increased by \$2.8 million over the prior fiscal year. In fiscal year 2016, charges for services increased about \$1 million or 12.7% compared to the prior year. Water revenues increased 22.7% compared to 2015. This increase was due to the new \$2 per unit Water surcharge approved by City Council that went into effect in September 2015. Wastewater service charges increased by 1.5% compared to the prior year.

Water fund expenses decreased by \$2 million or 27% compared to fiscal year 2015. This decrease was due to the reduced demand for water as a result of the water conservation efforts by the residents. Wastewater fund expenses increased \$979 thousand, a 24.4% increase from the prior year. This increase was due to the Wastewater treatment plant membrane replacement.

MANAGEMENT'S DISCUSSION AND ANALYSIS

**Table A-3
Cost of City of American Canyon's Programs
(in millions of dollars)**

	Total Cost of Services		Percentage Change
	2015	2016	2015-2016
Public safety	10.6	12.1	14.2%
Public works	6.5	6.1	-6.2%
Parks and recreation	2.5	2.9	16.0%
Community development	2.4	2.8	16.7%
Water	7.9	5.4	-31.6%
Wastewater	4.0	5.0	25.0%
All other	6.0	5.6	-6.7%
Total	\$ 39.9	\$ 39.9	0.0%

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

At the end of fiscal year 2016, the City's governmental funds had a combined fund balance of \$21.8 million, about \$323 thousand more than the prior year. The City's general fund had an excess of revenues over expenditures of \$6 thousand before other financing sources. After including inter-fund transfers, there is a deficit of \$1.2 million, caused by one-time transfers as discussed in the following section. The general fund revenues increased by \$1.6 million or 9.50% compared to fiscal year 2015. Expenditures increased by 6.60% or \$1.1 million compared to the prior year. The Fire District Operations fund balance increased by \$608 thousand or 14.47% as a result of fiscal year 2016 operations.

The City's non-major governmental funds ended the fiscal year with a consolidated fund balance of \$6.7 million. The total fund balance of \$6.7 million is restricted with externally enforceable legal restrictions. The water and wastewater enterprises ended the year with \$8.2 million in cash and investments available for future use.

General Fund Budgetary Highlights

Over the course of the year, the City Council amended the City budget numerous times. These budget amendments were done throughout the year to fund new projects, avoid cost overruns, and to account for unanticipated revenues. Additionally, adjustments were made as a result of the mid-year budget review. At year end, including all adjustments, actual general fund expenditures were \$230 thousand less than final budget amounts. The largest expense in the general fund, police services, increased 11.5% to \$664 thousand in fiscal year 2016. Overall, fiscal year 2016 general fund expenses increased by 7.64%, or \$1.3 million, over the prior year to \$18.6 million.

The General Fund's fund balance decreased by \$1.182 million from June 30, 2015 to June 30, 2016. This reduction is the result of two one-time transfers out: elimination of an inter-fund receivable from the capital facilities fund in the amount of \$1.43 million and \$600 thousand in transfers to fully capitalize the internal service funds. Eliminating the effect of these two transactions would have resulted in a net increase in General Fund Balance of \$848 thousand.

MANAGEMENT'S DISCUSSION AND ANALYSIS

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2016, the City had invested \$331.3 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 \$1.9 million or .6 % compared to the prior year. Additional information can be found in the notes to the financial statements, Note F – Capital Assets, pages 47-50.

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
	2015	2016	2015	2016	2015	2016	2015-2016
Land	\$ 7.9	\$ 7.9	\$ 1.6	\$ 2.2	\$ 9.5	\$ 10.1	6.3%
Construction in progress	2.9	7.5	2.5	2.0	5.4	9.5	75.9%
Buildings and Improvements	42.7	42.2	3.3	3.1	46.0	45.3	-1.5%
Machinery and equipment	1.7	1.2	0.1	2.5	1.8	3.7	105.6%
Water utility system			28.2	28.5	28.2	28.5	1.1%
Wastewater system			22.6	20.4	22.6	20.4	-9.7%
Infrastructure system	215.9	213.8			215.9	213.8	-1.0%
Total	\$ 271.1	\$ 272.6	\$ 58.3	\$ 58.7	\$ 329.4	\$ 331.3	0.6%

Long - Term Debt

At the end of fiscal year 2016, the City had about \$15.1 million in long-term debt obligations outstanding. Of the \$15.1 million, \$7.9 million relates to City's business-type activities and the remaining \$7.2 million is applicable to governmental type financing activities. The City's component-unit, the City of American Canyon's Fire Protection District, has no long-term debt obligations.

For governmental type activities, the major long-term debt year-end balances consist of \$1.3 million in 2012 lease revenue bonds issued to refinance 2002 lease revenue bonds which were used to construct the City gym and aquatic center; a \$5.3 million capital lease to purchase a commercial office building that was transformed into City Hall; a \$315 thousand remaining on a capital lease for the purchase of property bordering City Hall to the north; and a \$257 thousand capital lease to purchase a Vector Truck for sewer, water and storm drain maintenance. Additional information about the City's long-term obligations can be found in the notes to the financial statements, Note G – Long Term Liabilities, pages 50-54.

For business-type activities, major long-term debt year-end balances are comprised of a \$4.7 million State revolving fund loan used for construction of the City's wastewater treatment plant facility; \$830 thousand for water system improvement; a \$1.7 million for the acquisition and installation of the wastewater treatment membrane; and a \$669 thousand for the acquisition and installation of the water treatment membranes. The City has no bonded debt outstanding for its business-type activities.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

While much uncertainty remains about the impact the new Presidential administration will have on the economy, it does appear that federal spending on infrastructure and defense, coupled with increased corporate and personal income tax credits to further encourage investment, may result in increases in jobs, at least in the next year or two. The UCLA Anderson forecast in December 2016 anticipates that GDP will accelerate to 3% growth for the short term and employment will continue to increase by roughly 120,000 to 140,000 jobs per month through 2018. The UCLA Anderson report expresses concern about 2018 and beyond, however, as the risk of increases in the federal deficit and decreases in housing starts will dampen growth.

California stands to benefit from increased defense spending, as sophisticated airplanes, weaponry, missiles and ships require the technology are produced here. Regionally, we expect a positive impact in the Bay Area and in coastal Southern California. The U.S. forecast also calls for increased infrastructure spending. While California needs funding for projects, such as the Western Electrical Grid, water infrastructure and road repairs, it's unclear how much of this federal spending will be directed to the state as a result of California's more liberal politics. As for the employment environment, the UCLA Anderson forecast notes that despite its current 5.5% unemployment rate, the state is basically at full employment. With more demand than supply for new workers in California in the coming two years, expect both wages and housing prices to increase. The forecast for 2017 and 2018 total employment growth is 1.8% and 1.3%, respectively. Payrolls will grow at about the same rate over the forecast horizon. Real personal income growth is forecast to be 3.6% and 3.8% in 2017 and 2018, respectively. Home building will continue in California at about 120,000 units per year through 2018.

In this state and national economic environment, the San Francisco Bay Area should benefit, at least for the next couple years, outpacing the state in job creation. This year and next, the technology sector, which is already at record levels of employment, will add jobs, propelling the Bay Area employment market and economy at a healthy pace, according to Christopher Thornberg, director of the Center for Economic Forecasting and Development at UC Riverside's School of Business. Further, analysts believe that job and economic growth in the Bay Area will outperform California as a whole during this time. However, just like forecasts for the state as a whole, the constraints of full employment could hamper job growth in the Bay Area, however, if job growth significantly outpaces the number of people available to be hired and housing prices become an issue. Full employment has no firm definition, but based on current economic conditions, it typically occurs when the jobless rate is at or below the 4.5 percent to 5 percent range. In October, California posted a 5.5 percent unemployment rate, and jobless rates in the Bay Area hovered around 4.5%.

Since the end of the great recession, the Napa Valley economy has steadily grown. The local economy is dominated by the wine industry and related tourism; hospitality workers are always in high demand. With unemployment hovering near record lows, new hotels and restaurants opening, and housing costs remaining high, sourcing the workers necessary to fill these newly created positions continues to be a challenge for employers. The unemployment rate in the Napa County was 4.2 percent in November 2016, below the year-ago estimate of 5.0 percent. Job-gaining industries over 12 months were leisure and hospitality, up 1,000, or 7.7 percent, to 14,000; manufacturing, which includes winemaking, up 900, or 7.4 percent, to 13,000; professional and business services up 400, to 7,600, or 5.6 percent; and trade, transportation and utilities up 200, or 10,800, at 1.9 percent. In Napa County, housing prices have increased 7% in the last year.

Geographically, American Canyon is located at the southern end of the Napa Valley, north of employment centers in Solano County, and within commuting distance from Marin, Sonoma, Contra Costa, Alameda, San Francisco and other Bay Area cities. As a result, American Canyon's local economy benefits from both the steady demand for employment in Napa County, and the larger technology industry in the entire Bay Area. The unemployment rate in American Canyon is low (4.2% in 2016), job growth is up 2.46%, compared to 1.59% nationally. Housing prices remain comparatively

MANAGEMENT'S DISCUSSION AND ANALYSIS

moderate in American Canyon, with a median home price in 2016 of \$476,000, compared to \$618,000 in Napa County and \$810,000 in the larger Bay Area. As a result of the demand for employees and modest housing prices, we expect housing inventory to remain low and prices to steadily increase.

The City of American Canyon's 2016-2017 annual budgets reflects these expectations, with anticipated increases in property values (and property taxes) in the range of 5-8% in the coming two years, following a very robust increase of 12% in 2015. (The 2015 increase also includes value restorations on the property tax roll, further increasing taxable values). For 2016 and beyond, because of our geographic location, American Canyon serves as a regional hub for the wine bottling, shipping and storage industry and we expect to see significant new development in this industry in the coming several years, further increasing property values. Transient occupancy taxes, a growing source of revenue for the City and often regarded as a leading economic indicator, continue to increase although at a more modest rate. TOT revenues doubled in the last five years; however, increased demand for hotel beds in the last several years has resulted in new hotel development in the region, dampening growth rates. We expect a conservative growth rate of 5% for the next few years. Equally notable is the renewed interest in industrial and residential development. Staff continues to promote economic development and with developable land selling and starting construction in the coming year, the City will experience increases in assessed valuation and property tax revenues. This growth is crucial for generating revenues to pay for services that American Canyon residents expect from the City.

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, 2016

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS			
Cash and investments	\$ 14,932,920	\$ 8,192,240	\$ 23,125,160
Restricted cash	1,700,006	2,811,555	4,511,561
Taxes receivable	1,383,394		1,383,394
Accounts receivable, net	74,631	1,132,356	1,206,987
Internal balances	(47,368)	47,368	
Interest receivable	47,030	15,254	62,284
Due from other governments	5,267,449		5,267,449
Property held for resale	1,083,628		1,083,628
Other assets	106,055	5,207	111,262
Loans receivable, net	3,768,095		3,768,095
Capital assets:			
Non-depreciable	177,618,498	4,188,739	181,807,237
Depreciable, net of accumulated depreciation	94,983,019	54,488,550	149,471,569
Total capital assets	<u>272,601,517</u>	<u>58,677,289</u>	<u>331,278,806</u>
TOTAL ASSETS	<u>300,917,357</u>	<u>70,881,269</u>	<u>371,798,626</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred amount on refunding	41,674		41,674
Pension	1,462,368	283,644	1,746,012
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>1,504,042</u>	<u>283,644</u>	<u>1,787,686</u>
LIABILITIES			
Accounts payable	845,310	121,689	966,999
Accrued expenses	580,725		580,725
Accrued interest payable		126,221	126,221
Deposits	39,584	180,561	220,145
Long-term liabilities:			
Due within one year			
Bonds, capital leases and contracts	634,963	974,350	1,609,313
Compensated absences	615,017	110,209	725,226
Claims and judgments	908,756		908,756
Due in more than one year			
Bonds, capital leases and contracts	7,622,374	7,080,829	14,703,203
Compensated absences	484,014		484,014
Net OPEB liability	351,408	64,737	416,145
Net pension liability	8,971,228	1,522,512	10,493,740
TOTAL LIABILITIES	<u>21,053,379</u>	<u>10,181,108</u>	<u>31,234,487</u>
DEFERRED INFLOWS OF RESOURCES			
Pension	1,896,464	556,312	2,452,776
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>1,896,464</u>	<u>556,312</u>	<u>2,452,776</u>
NET POSITION			
Net investment in capital assets	264,385,854	50,622,110	315,007,964
Restricted for:			
Public safety	1,284,286		1,284,286
Public works	5,548,503		5,548,503
Debt service	31,128	51,323	82,451
Community development, planning and building	5,795,815		5,795,815
Capacity expansion		2,760,232	2,760,232
Other activities	349,965		349,965
Unrestricted	2,076,005	6,993,828	9,069,833
TOTAL NET POSITION	<u>\$ 279,471,556</u>	<u>\$ 60,427,493</u>	<u>\$ 339,899,049</u>

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

CITY OF AMERICAN CANYON
Statement of Activities
For the Year Ended June 30, 2016

<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	\$ 5,295,617	\$ 636,987	\$ 269,745	
Public safety	12,125,365	1,461,036	191,346	
Public works	5,898,509	714,541	184,936	\$ 1,449,076
Community development	2,782,954	2,662,203	422,443	
Parks and recreation	2,924,419	406,163	10,419	
Storm drain	233,114	4,176,566		
Interest on long-term debt	278,204			
TOTAL GOVERNMENTAL ACTIVITIES	<u>29,538,182</u>	<u>10,057,496</u>	<u>1,078,889</u>	<u>1,449,076</u>
Business-type activities				
Water	5,362,693	5,318,577	711,601	1,410,622
Wastewater	4,992,726	3,973,672		890,919
Total business-type activities	<u>10,355,419</u>	<u>9,292,249</u>	<u>711,601</u>	<u>2,301,541</u>
TOTAL PRIMARY GOVERNMENT	<u>\$ 39,893,601</u>	<u>\$ 19,349,745</u>	<u>\$ 1,790,490</u>	<u>\$ 3,750,617</u>

General revenues:

Taxes:

Property taxes, levied for general purposes

Franchise taxes

Sales taxes

Other taxes

Unrestricted investment earnings

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

<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
\$ (4,388,885)		\$ (4,388,885)
(10,472,983)		(10,472,983)
(3,549,956)		(3,549,956)
301,692		301,692
(2,507,837)		(2,507,837)
3,943,452		3,943,452
(278,204)		(278,204)
<u>(16,952,721)</u>		<u>(16,952,721)</u>
	\$ 2,078,107	2,078,107
	(128,135)	(128,135)
<u>-</u>	<u>1,949,972</u>	<u>1,949,972</u>
<u>(16,952,721)</u>	<u>1,949,972</u>	<u>(15,002,749)</u>
12,317,143		12,317,143
722,371		722,371
2,589,452		2,589,452
2,354,266		2,354,266
372,728	201,053	573,781
524,995	429,941	954,936
(266,772)	266,772	
<u>18,614,183</u>	<u>897,766</u>	<u>19,511,949</u>
1,661,462	2,847,738	4,509,200
<u>277,810,094</u>	<u>57,579,755</u>	<u>335,389,849</u>
<u>\$ 279,471,556</u>	<u>\$ 60,427,493</u>	<u>\$ 339,899,049</u>

CITY OF AMERICAN CANYON
Balance Sheet
Governmental Funds
June 30, 2016

	Major Funds				
	General Fund	Fire District Operations Fund	Affordable Housing Capital Projects	Storm Drainage Special Revenue	CDBG Loan Development Special Revenue
ASSETS					
Cash and investments	\$ 2,550,442	\$ 4,817,052	\$ 377,980		
Restricted cash					
Taxes receivable	1,245,365	135,646			
Accounts receivable, net	59,039	13,723			
Interest receivable	33,128	6,272	574		\$ (194)
Due from other governments	52,269			\$ 4,868,104	
Due from other funds	6,081,386				
Property held for resale	530,868		552,760		
Other assets	97,319	688			
Loans receivable, net	152,605		2,281,752		1,333,738
TOTAL ASSETS	\$ 10,802,421	\$ 4,973,381	\$ 3,213,066	\$ 4,868,104	\$ 1,333,544
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 386,521	\$ 75,944			
Accrued expenses	319,249	90,633			
Deposits	39,584				
Due to other funds				\$ 4,868,104	\$ 103,499
TOTAL LIABILITIES	745,354	166,577	-	4,868,104	103,499
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue	158,465	-	\$ 2,281,752	508,876	1,333,738
TOTAL DEFERRED INFLOWS OF RESOURCES	158,465	-	2,281,752	508,876	1,333,738
FUND BALANCES					
Nonspendable:					
Property held for resale	530,868				
Loans receivable	10,000				
Receivables and other assets	368,594	688			
Restricted for:					
Public safety					
Public works					
Debt service					
Community development			378,554		
Other activities	89,269				
Committed	5,859,953	1,347,000			
Assigned	1,491,026	3,459,116	552,760		
Unassigned	1,548,892			(508,876)	(103,693)
TOTAL FUND BALANCES	9,898,602	4,806,804	931,314	(508,876)	(103,693)
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES	\$ 10,802,421	\$ 4,973,381	\$ 3,213,066	\$ 4,868,104	\$ 1,333,544

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

<u>Major Funds</u>		
<u>City Capital Project</u>	<u>Other Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 520,490	\$ 6,163,089	\$ 14,429,053
	1,700,006	1,700,006
	2,383	1,383,394
	1,830	74,592
	6,921	46,701
	347,076	5,267,449
		6,081,386
		1,083,628
		98,007
		3,768,095
<u>\$ 520,490</u>	<u>\$ 8,221,305</u>	<u>\$ 33,932,311</u>
\$ 227,081	\$ 138,960	\$ 828,506
169,112	2,201	581,195
		39,584
	1,073,706	6,045,309
<u>396,193</u>	<u>1,214,867</u>	<u>7,494,594</u>
-	339,640	4,622,471
-	339,640	4,622,471
		530,868
		10,000
		369,282
	1,284,286	1,284,286
124,297	5,411,532	5,535,829
	31,128	31,128
		378,554
	260,696	349,965
		7,206,953
		5,502,902
	(320,844)	615,479
<u>124,297</u>	<u>6,666,798</u>	<u>21,815,246</u>
<u>\$ 520,490</u>	<u>\$ 8,221,305</u>	<u>\$ 33,932,311</u>

CITY OF AMERICAN CANYON
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
June 30, 2016

Total fund balance, governmental funds \$ 21,815,246

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. 272,601,517

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. 4,622,471

Internal service funds are used by management to charge the costs of activities to individual funds. The assets and liabilities of internal service funds are included in governmental activities in the statement of net position. This amount excludes long-term assets and liabilities reported separately below. 412,504

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	(8,257,337)
Compensated absences	(1,099,031)
Other post-employment benefits	(351,408)
Uninsured claims	(908,756)
Net pension liability	(8,971,228)

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. 41,674

Employee pension differences to be recognized in the future as pension expense are reported as deferred inflows of resources on the statement of net position. (434,096)

NET POSITION OF GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET POSITION \$ 279,471,556

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

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CITY OF AMERICAN CANYON
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2016

	Major Funds				
	General Fund	Fire District Operations Fund	Affordable Housing Capital Projects	Storm Drainage Special Revenue	CDBG Loan Development Special Revenue
REVENUES					
Property taxes	\$ 8,759,626	\$ 3,588,246			
Sales taxes	2,589,452			\$ 4,359,228	
Other taxes	2,649,118	606,929			
Special assessments					
Fines and forfeitures	95,149				
Licenses and permits	454,945				
Intergovernmental	176,961				\$ 543,077
Charges for services	2,611,682	684,972	\$ 65,603		
Use of money and property	643,363	21,702	1,912		(505)
Other	439,828	47,329			3,758
TOTAL REVENUES	18,420,124	4,949,178	67,515	4,359,228	546,330
EXPENDITURES					
Current:					
General government	5,111,389				
Public safety	6,439,616	4,290,944			
Public works	1,739,629				
Community development	2,144,517		142,110		498,810
Parks and recreation	2,663,830				
Storm drain	233,114				
Debt Service:					
Principal					
Interest and other charges					
Capital outlay	81,968	50,615			
TOTAL EXPENDITURES	18,414,063	4,341,559	142,110	-	498,810
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	6,061	607,619	(74,595)	4,359,228	47,520
OTHER FINANCING SOURCES (USES)					
Transfers in	2,312,026		15		
Transfers out	(3,500,925)		(1,156)	(4,176,602)	(3,103)
TOTAL OTHER FINANCING SOURCES AND USES	(1,188,899)		(1,141)	(4,176,602)	(3,103)
NET CHANGE IN FUND BALANCES	(1,182,838)	607,619	(75,736)	182,626	44,417
Fund balances, beginning of year	11,081,440	4,199,185	1,007,050	(691,502)	(148,110)
FUND BALANCES, END OF YEAR	\$ 9,898,602	\$ 4,806,804	\$ 931,314	\$ (508,876)	\$ (103,693)

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

Major Funds

City Capital Project	Other Governmental Funds	Total Governmental Funds
		\$ 12,347,872
		6,948,680
		3,256,047
	\$ 487,578	487,578
		95,149
		454,945
	2,329,209	3,049,247
	209,898	3,572,155
	33,418	699,890
	84,427	575,342
<u>-</u>	<u>3,144,530</u>	<u>31,486,905</u>
		5,111,389
		10,730,560
	694,457	2,434,086
		2,785,437
	1,527	2,665,357
		233,114
	582,552	582,552
	314,189	314,189
\$ 4,403,900	723,478	5,259,961
<u>4,403,900</u>	<u>2,316,203</u>	<u>30,116,645</u>
<u>(4,403,900)</u>	<u>828,327</u>	<u>1,370,260</u>
4,403,900	2,333,693	9,049,634
<u>-</u>	<u>(2,415,150)</u>	<u>(10,096,936)</u>
<u>4,403,900</u>	<u>(81,457)</u>	<u>(1,047,302)</u>
-	746,870	322,958
<u>124,297</u>	<u>5,919,928</u>	<u>21,492,288</u>
<u>\$ 124,297</u>	<u>\$ 6,666,798</u>	<u>\$ 21,815,246</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, 2016**

Net change in fund balances - total governmental funds: \$ 322,958

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	5,259,961
Depreciation expense	(4,043,127)
Disposals and transfers	(2,077)
Donation of assets	52,197

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. (54,043)

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. 574,218

Internal service funds are used by management to charge the costs of activities to individual funds. The net revenue of certain internal service funds is reported with governmental activities. 1,068,796

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	(140,497)
Uninsured claims	(495,435)
Other post-employment benefits	162,357
Change in deferred outflow of resources	(157,724)
Change in net pension obligation	(1,088,148)
Change in deferred inflow of resources	202,026

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 1,661,462

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, 2016

	<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	\$ 8,430,483	\$ 8,645,483	\$ 8,759,626	\$ 114,143
Sales taxes	2,502,992	2,502,992	2,589,452	86,460
Other taxes	2,731,980	2,731,980	2,649,118	(82,862)
Fees and fines	131,000	131,000	95,149	(35,851)
Licenses and permits	492,530	492,530	454,945	(37,585)
Intergovernmental	322,233	400,333	176,961	(223,372)
Charges for services	2,708,913	2,908,913	2,611,682	(297,231)
Investment earnings	562,725	562,725	643,363	80,638
Other	187,000	395,850	439,828	43,978
TOTAL REVENUES	<u>18,069,856</u>	<u>18,771,806</u>	<u>18,420,124</u>	<u>(351,682)</u>
EXPENDITURES				
Current:				
General government	4,798,636	4,941,843	5,111,389	(169,546)
Public safety	6,310,281	6,379,031	6,439,616	(60,585)
Public works	2,285,501	2,210,465	1,739,629	470,836
Community development	2,703,508	2,712,808	2,144,517	568,291
Parks and recreation	2,965,356	2,994,546	2,663,830	330,716
Storm drain	337,189	337,189	233,114	104,075
Capital outlay	82,100	82,100	81,968	132
TOTAL EXPENDITURES	<u>19,482,571</u>	<u>19,657,982</u>	<u>18,414,063</u>	<u>1,243,919</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(1,412,715)</u>	<u>(886,176)</u>	<u>6,061</u>	<u>892,237</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	2,389,259	2,389,259	2,312,026	(77,233)
Transfers out	(1,017,232)	(1,856,332)	(3,500,925)	(1,644,593)
Proceeds from sale of assets	9,000	9,000	-	(9,000)
TOTAL OTHER FINANCING SOURCES AND USES	<u>1,381,027</u>	<u>541,927</u>	<u>(1,188,899)</u>	<u>(1,730,826)</u>
NET CHANGE IN FUND BALANCES	(31,688)	(344,249)	(1,182,838)	(838,589)
Fund balances, beginning of year	<u>11,081,440</u>	<u>11,081,440</u>	<u>11,081,440</u>	<u>-</u>
FUND BALANCES , END OF YEAR	<u>\$ 11,049,752</u>	<u>\$ 10,737,191</u>	<u>\$ 9,898,602</u>	<u>\$ (838,589)</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, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Property Taxes	\$ 3,264,500	\$ 3,264,500	\$ 3,588,246	\$ 323,746
Other taxes	575,000	575,000	606,929	31,929
Charges for services	341,500	516,500	684,972	168,472
Investment earnings	5,000	5,000	21,702	16,702
Other	84,400	84,400	47,329	(37,071)
TOTAL REVENUES	4,270,400	4,445,400	4,949,178	503,778
EXPENDITURES				
Current:				
Public safety	4,493,911	4,648,911	4,290,944	357,967
Capital outlay	65,000	65,000	50,615	14,385
TOTAL EXPENDITURES	4,558,911	4,713,911	4,341,559	372,352
NET CHANGE IN FUND BALANCES	(288,511)	(268,511)	607,619	876,130
Fund balances, beginning of year	4,199,185	4,199,185	4,199,185	-
FUND BALANCES, END OF YEAR	\$ 3,910,674	\$ 3,930,674	\$ 4,806,804	\$ 876,130

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, 2016

	<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	\$ 1,117,400	\$ 1,117,400	\$ 4,359,228	\$ 3,241,828
TOTAL REVENUES	<u>1,117,400</u>	<u>1,117,400</u>	<u>4,359,228</u>	<u>3,241,828</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(942,338)</u>	<u>(4,204,100)</u>	<u>(4,176,602)</u>	<u>27,498</u>
TOTAL OTHER FINANCING SOURCES AND USES	<u>(942,338)</u>	<u>(4,204,100)</u>	<u>(4,176,602)</u>	<u>27,498</u>
NET CHANGE IN FUND BALANCES	175,062	(3,086,700)	182,626	3,269,326
Fund balances, beginning of year	<u>(691,502)</u>	<u>(691,502)</u>	<u>(691,502)</u>	<u>-</u>
FUND BALANCES , END OF YEAR	<u>\$ (516,440)</u>	<u>\$ (3,778,202)</u>	<u>\$ (508,876)</u>	<u>\$ 3,269,326</u>

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

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, 2016

	<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	\$ 787,000	\$ 787,000	\$ 543,077	\$ (243,923)
Investment earnings	50	50	(505)	(555)
Other	47,000	47,000	3,758	(43,242)
TOTAL REVENUES	<u>834,050</u>	<u>834,050</u>	<u>546,330</u>	<u>(287,720)</u>
EXPENDITURES				
Current:				
Community development	820,000	820,000	498,810	321,190
TOTAL EXPENDITURES	<u>820,000</u>	<u>820,000</u>	<u>498,810</u>	<u>321,190</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>14,050</u>	<u>14,050</u>	<u>47,520</u>	<u>33,470</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(14,000)	(14,000)	(3,103)	(10,897)
TOTAL OTHER FINANCING SOURCES AND USES	<u>(14,000)</u>	<u>(14,000)</u>	<u>(3,103)</u>	<u>(10,897)</u>
NET CHANGE IN FUND BALANCES	50	50	44,417	44,367
Fund balances, beginning of year	<u>(148,110)</u>	<u>(148,110)</u>	<u>(148,110)</u>	<u>-</u>
FUND BALANCES , END OF YEAR	<u>\$ (148,060)</u>	<u>\$ (148,060)</u>	<u>\$ (103,693)</u>	<u>\$ 44,367</u>

CITY OF AMERICAN CANYON
Statement of Net Position
Proprietary Funds
June 30, 2016

	Business Type Activities-			Governmental
	Enterprise Funds			Activities-
	Water	Wastewater	Total	Internal Service
				Funds
ASSETS				
Current assets:				
Cash and investments	\$ 2,794,356	\$ 5,397,884	\$ 8,192,240	\$ 503,867
Accounts receivable, net	711,477	420,879	1,132,356	39
Interest receivable	7,749	7,505	15,254	329
Prepaid expenses	2,269	2,938	5,207	8,048
Total current assets	<u>3,515,851</u>	<u>5,829,206</u>	<u>9,345,057</u>	<u>512,283</u>
Non-current assets:				
Restricted cash	2,760,232	51,323	2,811,555	
Advances to other funds		5,827,094	5,827,094	
Capital assets:				
Non-depreciable	1,599,348	2,589,391	4,188,739	
Depreciable, net of accumulated depreciation	29,085,490	25,403,060	54,488,550	758,167
Total non-current assets	<u>33,445,070</u>	<u>33,870,868</u>	<u>67,315,938</u>	<u>758,167</u>
TOTAL ASSETS	<u>36,960,921</u>	<u>39,700,074</u>	<u>76,660,995</u>	<u>1,270,450</u>
DEFERRED OUTFLOW OF RESOURCES				
Pension	<u>119,219</u>	<u>164,425</u>	<u>283,644</u>	<u>30,863</u>
LIABILITIES				
Current Liabilities:				
Accounts payable	71,719	49,970	121,689	16,334
Accrued interest payable	-	126,221	126,221	
Due to other funds				36,077
Deposits	136,376	44,185	180,561	
Compensated absences, current portion	56,818	53,391	110,209	15,944
Bonds, notes and loans payable, current portion	223,643	750,707	974,350	29,107
Total current liabilities	<u>488,556</u>	<u>1,024,474</u>	<u>1,513,030</u>	<u>97,462</u>
Non-current liabilities:				
Advances from other funds	5,827,094		5,827,094	
Bonds, notes and loans payable	1,417,511	5,663,318	7,080,829	228,224
Net OPEB liability	24,364	40,373	64,737	1,018
Net pension liability	671,638	850,874	1,522,512	156,036
Total non-current liabilities	<u>7,940,607</u>	<u>6,554,565</u>	<u>14,495,172</u>	<u>385,278</u>
TOTAL LIABILITIES	<u>8,429,163</u>	<u>7,579,039</u>	<u>16,008,202</u>	<u>482,740</u>
DEFERRED INFLOW OF RESOURCES				
Pension	<u>225,299</u>	<u>331,013</u>	<u>556,312</u>	<u>63,122</u>
NET POSITION				
Net investment in capital assets	29,043,684	21,578,426	50,622,110	500,836
Restricted for:				
Debt service		51,323	51,323	
Capacity expansion	2,760,232		2,760,232	
Unrestricted	<u>(3,378,238)</u>	<u>10,324,698</u>	<u>6,946,460</u>	<u>254,615</u>
TOTAL NET POSITION	<u>\$ 28,425,678</u>	<u>\$ 31,954,447</u>	<u>60,380,125</u>	<u>\$ 755,451</u>

The assets and liabilities of certain internal service funds are not included in the fund financial statement, but are included in the Business Activities of the Statement of Net Position.

47,368

TOTAL NET POSITION PER GOVERNMENT-WIDE FINANCIAL STATEMENTS \$ 60,427,493

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, 2016

	Business Type Activities		Total	Governmental
	Enterprise Funds			Activities-
	Water	Wastewater		Internal Service
			Funds	
OPERATING REVENUES				
Charges for services	\$ 5,525,602	\$ 3,973,672	\$ 9,499,274	\$ 1,267,418
Other	344,815	85,126	429,941	
TOTAL OPERATING REVENUES	<u>5,870,417</u>	<u>4,058,798</u>	<u>9,929,215</u>	<u>1,267,418</u>
OPERATING EXPENSES				
Employee services	1,103,265	1,194,885	2,298,150	245,655
Maintenance and operations	2,682,671	967,070	3,649,741	812,622
Depreciation	1,566,479	1,595,085	3,161,564	142,856
TOTAL OPERATING EXPENSES	<u>5,352,415</u>	<u>3,757,040</u>	<u>9,109,455</u>	<u>1,201,133</u>
OPERATING INCOME (LOSS)	<u>518,002</u>	<u>301,758</u>	<u>819,760</u>	<u>66,285</u>
NON-OPERATING REVENUES (EXPENSES)				
Interest and investment revenue	25,134	175,919	201,053	145
Other revenue	680,662		680,662	5,373
Operating grants and contributions	30,939		30,939	1,339
Interest expense	(193,486)	(181,126)	(374,612)	(7,358)
(Loss) on disposal of capital assets	(29,585)	(1,061,988)	(1,091,573)	(506)
TOTAL NON-OPERATING REVENUE (EXPENSES)	<u>513,664</u>	<u>(1,067,195)</u>	<u>(553,531)</u>	<u>(1,007)</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	<u>1,031,666</u>	<u>(765,437)</u>	<u>266,229</u>	<u>65,278</u>
Capital contributions	1,410,622	890,919	2,301,541	
Transfers in	1,460,564	301,272	1,761,836	800,511
Transfers out	(897,502)	(597,562)	(1,495,064)	(19,981)
CHANGE IN NET POSITION	<u>3,005,350</u>	<u>(170,808)</u>	<u>2,834,542</u>	<u>845,808</u>
Net position, beginning of year	<u>25,420,328</u>	<u>32,125,255</u>	<u>57,545,583</u>	<u>(90,357)</u>
TOTAL NET POSITION, END OF YEAR	<u>\$ 28,425,678</u>	<u>\$ 31,954,447</u>	<u>\$ 60,380,125</u>	<u>\$ 755,451</u>
Change in net position			2,834,542	
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.			<u>13,196</u>	
CHANGE IN NET POSITION OF BUSINESS TYPE ACTIVITIES			<u>\$ 2,847,738</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, 2015

	<u>Enterprise Funds</u>		<u>Total</u>	<u>Governmental</u>
	<u>Water</u>	<u>Wastewater</u>		<u>Internal Service</u>
				<u>Funds</u>
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash received from customers	\$ 5,608,959	\$ 4,035,709	\$ 9,644,668	
Cash paid to suppliers	(3,077,307)	(969,204)	(4,046,511)	\$ (890,876)
Cash paid to employees and related benefits	(1,204,944)	(1,411,872)	(2,616,816)	(287,162)
Cash (paid) received from interfund services provided	(111,133)	(143,117)	(254,250)	1,267,418
CASH PROVIDED BY OPERATING ACTIVITIES	<u>1,215,575</u>	<u>1,511,516</u>	<u>2,727,091</u>	<u>89,380</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Intergovernmental revenue received	30,939		30,939	67,699
Amounts received (paid) to other funds	710,272	(443,500)	266,772	599,999
Other revenues received	680,662	-	680,662	5,373
CASH PROVIDED (USED) BY NONCAPITAL AND RELATED FINANCING ACTIVITIES	<u>1,421,873</u>	<u>(443,500)</u>	<u>978,373</u>	<u>673,071</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Capital expenditures	(1,741,528)	(872,605)	(2,614,133)	(260,482)
Capital revenues received	1,271,846	799,069	2,070,915	
Principal paid on long-term liabilities	(280,297)	(864,491)	(1,144,788)	(29,399)
Proceeds from disposal of capital assets				10,000
Interest paid on long-term liabilities	(193,486)	(197,312)	(390,798)	(7,358)
CASH USED FOR CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(943,465)</u>	<u>(1,135,339)</u>	<u>(2,078,804)</u>	<u>(287,239)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest received	20,171	172,168	192,339	(166)
CHANGE IN CASH AND INVESTMENTS	1,714,154	104,845	1,818,999	475,046
Cash and investments, beginning of year	3,840,434	5,344,362	9,184,796	28,821
CASH AND INVESTMENTS, END OF YEAR	<u>\$ 5,554,588</u>	<u>\$ 5,449,207</u>	<u>\$ 11,003,795</u>	<u>\$ 503,867</u>
RECONCILIATION OF CASH AND INVESTMENTS TO THE STATEMENT OF NET POSITION:				
Cash and investments	\$ 2,794,356	\$ 5,397,884	\$ 8,192,240	503,867
Restricted cash and investments	2,760,232	51,323	2,811,555	
CASH AND INVESTMENTS	<u>\$ 5,554,588</u>	<u>\$ 5,449,207</u>	<u>\$ 11,003,795</u>	<u>\$ 503,867</u>
RECONCILIATION OF OPERATING (LOSS) INCOME TO CASH PROVIDED BY OPERATING ACTIVITIES:				
Operating income (loss)	\$ 518,002	\$ 301,758	\$ 819,760	\$ 66,285
Adjustments to reconcile operating income (loss) to cash provided by operating activities:				
Depreciation and amortization	1,566,479	1,595,085	3,161,564	142,856
Expense of construction in progress not meeting capitalization threshold	266,680		266,680	
Postemployment benefit accrual	(27,922)	(36,231)	(64,153)	(6,096)
Change in pension obligation and related deferred inflows (outflows)	(80,078)	(168,520)	(248,598)	(34,465)
Changes in operating assets and liabilities:				
Accounts and other receivables	(261,458)	(23,089)	(284,547)	
Accounts payable and accrued expenses	(772,942)	(142,313)	(915,255)	(70,206)
Deposits	2,762		2,762	
Compensated absences	6,321	(12,236)	(5,915)	(946)
CASH (USED) PROVIDED BY OPERATING ACTIVITIES	<u>\$ 1,215,575</u>	<u>\$ 1,511,516</u>	<u>\$ 2,727,091</u>	<u>\$ 89,380</u>
SUPPLEMENTAL DISCLOSURE OF NONCASH ACTIVITIES:				
Issuance of lease for capital assets		\$ 2,004,200		
Donated capital assets	\$ 138,776	\$ 91,850	\$ 230,626	
Transfer of general governmental capital assets				\$ 180,531

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, 2016

	American Canyon Road East Assessment District	La Vigne Assessment District	Total Agency Funds
ASSETS			
Cash and investments	\$ 699,238	\$ 896,964	\$ 1,596,202
Restricted cash and investments	563,267	292,459	855,726
Taxes receivable	3,445	3,383	6,828
Interest receivable	614	1,059	1,673
TOTAL ASSETS	\$ 1,266,564	\$ 1,193,865	\$ 2,460,429
LIABILITIES			
Agency obligations	\$ 1,266,564	\$ 1,193,865	\$ 2,460,429
TOTAL LIABILITIES	\$ 1,266,564	\$ 1,193,865	\$ 2,460,429

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

NOTES TO THE BASIC FINANCIAL STATEMENTS

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CITY OF AMERICAN CANYON, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2016

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 City controls the Fire Protection District and is financially accountable for their activities. 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, 2016

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.

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

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

CITY OF AMERICAN CANYON, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2016

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:

Internal Service Funds – account for building maintenance, fleet and information technology services provided to other departments or agencies of the City on a cost-reimbursement basis.

Fiduciary Funds – These funds are used to account for assets held by the City in a fiduciary capacity for special assessment districts. They consist entirely of Agency Funds. 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 and proprietary 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. The Fiduciary Fund statements do not involve the results of operations and do not use a measurement basis.

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, 2016

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 position may be available to finance program expenditures. The City's policy is to first apply restricted grant resources to such programs, followed by general revenues if necessary.

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

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

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds and internal service funds are charges to customers for sales and services. The City also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as 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, 2016

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, Fire District, Internal Service, Water, and Wastewater funds as appropriate and are generally liquidated by these funds. 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.

Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Commission's California Public Employee's Retirement System (CalPERS) plans (Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. The net position liability is generally liquidated by the City's General, Fire District Operations, Internal Service, Water and Wastewater Funds.

New Pronouncements

In June 2015, the GASB issued Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB)", replaces the requirements of GASB Statement No. 45 and requires governments that are responsible only for OPEB liabilities related to their own employees and that provide OPEB through a defined benefit OPEB plan administered through a trust that meets specified criteria to report a net OPEB liability, which is the difference between the total OPEB liability and assets accumulated in the trust and restricted to making benefit payments, on the face of the financial statements. Governments that participate in a cost-sharing OPEB plan that is administered through a trust that meets the specified criteria will report a liability equal to their proportionate share of the collective OPEB liability for all entities participating in the cost-sharing plan. Governments that do not provide OPEB through a trust that meets specified

CITY OF AMERICAN CANYON, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2016

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

criteria will report the total OPEB liability related to their employees. This Statement also requires governments to present more extensive note disclosures and required supplementary information about their OPEB liabilities. This Statement is effective beginning the year ended June 30, 2018.

In June 2015, the GASB approved Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. This Statement identifies the hierarchy of generally accepted accounting principles (GAAP) for state and local governments, reducing the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. This Statement supersedes Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. This Statement is effective for periods beginning after June 15, 2015.

In December 2015, the GASB issued Statement No. 79, *Certain External Investment Pools and Pool Participants*. This Statement establishes criteria allowing investment pools meeting certain maturity, quality, diversification and other criteria to measure its investments at amortized cost for financial reporting purposes rather than at fair value and allowing the pool's users to measure their investment in the pool at amortized cost. This Statement is effective for periods beginning after June 15, 2015 with some provisions effective for periods beginning after December 15, 2015.

In March 2016, the GASB issued Statement No. 82, *Pension Issues, an Amendment of GASB Statements No. 67, No. 68, and No. 73*. This Statement clarifies certain accounting and reporting issues related to pension plans, including the presentation of payroll related measures in required supplementary information, clarifies the use of the term deviation for the selection of assumptions, and clarifies the classification of employer-paid member contributions and the period in which they should be recognized. The requirements of this Statement are effective for periods beginning after June 15, 2015, and should be applied retroactively.

The City is currently analyzing the impact of the required implementation of these new statements.

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.

CITY OF AMERICAN CANYON, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2016

NOTE B – BUDGETS AND BUDGETARY ACCOUNTING (Continued)

General Fund, Affordable Housing Capital Project, Zero Water Footprint and Lease Revenue Bonds funds had expenditures in excess of the final appropriation for the fiscal year ended June 30, 2016 by \$21,978, \$16,769, \$776 and \$18, respectively. These over expenditures were funded by available fund balance or current year revenues.

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	\$ 23,125,160
Restricted cash and investments	<u>4,511,561</u>
Total cash and investments of primary government	27,636,721
Cash and investments in Fiduciary Funds	1,596,202
Restricted cash and investments in Fiduciary Funds	<u>855,726</u>
Total cash and investments	<u><u>\$ 30,088,649</u></u>

Cash and investments as of June 30, 2016 consist of the following:

Cash on hand	\$ 2,300
Deposits with financial institutions	345,915
Investments:	
Held by City	27,477,162
Held by fiscal agents	<u>2,263,272</u>
Total cash and investments	<u><u>\$ 30,088,649</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, 2016

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, 2016

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, 2016

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 to 60 Months	Total
California Local Agency Investment Fund	\$ 12,154,244			\$ 12,154,244
U.S. Government Agency Obligations	1,180,318	\$ 3,631,761	\$ 2,268,905	7,080,984
U.S. Corporate Obligations	301,400	1,097,281	1,433,830	2,832,511
U.S. Treasury Notes	175,460	1,671,726	2,221,727	4,068,913
Asset-Backed Securities		605,009	201,043	806,052
Commercial paper	304,248			304,248
Money Market Mutual Funds	2,493,482			2,493,482
Total investments	16,609,152	7,005,777	6,125,505	29,740,434
Cash on hand	2,300			2,300
Cash in bank	345,915			345,915
Total cash and investments	\$ 16,957,367	\$ 7,005,777	\$ 6,125,505	\$ 30,088,649

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 \$75,497,087,667, 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, 2016, these investments matured in an average of 167 days.

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

June 30, 2016

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, 2016:

Investment Type	Aaa/AAA	Aa 1	Aa 2	Aa 3	P-1	A1, A2, A3	Total
U.S. Government Agencies	\$ 7,080,984						\$ 7,080,984
U.S. Corporate Obligations	195,900	\$ 190,468	\$ 309,688			\$ 2,136,455	2,832,511
Asset-Backed Securities	806,052						806,052
Commercial paper					\$ 304,248		304,248
Money Market Mutual Funds (U.S. Securities)	2,493,482						2,493,482
Totals	<u>\$10,576,418</u>	<u>\$190,468</u>	<u>\$309,688</u>	<u>\$ -</u>	<u>\$304,248</u>	<u>\$2,136,455</u>	13,517,277
<i>Not rated:</i>							
California Local Agency Investment Fund							12,154,244
Negotiable CD							
<i>Exempt from credit rate disclosure:</i>							
U.S. Treasury Notes							<u>4,068,913</u>
Total investments							<u>\$29,740,434</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. Investments exceeding 5% of total investments that are required to be disclosed under GASB Statement No. 40 were as follows at June 30, 2016:

Issuer	Investment Type	Reported Amounts
Federal National Mortgage Association	U.S. Government Agencies	\$ 2,855,504
Federal Home Loan Bank	U.S. Government Agencies	2,543,171

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

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

June 30, 2016

NOTE C – CASH AND INVESTMENTS (Continued)

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, 2016, the City had \$2,193,387 in deposits at banks above the federally insured limit, which are collateralized.

Fair Value Measurement

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The City has the following recurring fair value measurements as of June 30, 2016:

	Total	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value level				
U.S. Government Agency Obligations	\$ 7,080,984		\$ 7,080,984	
U.S. Corporate Obligations	2,832,511		2,832,511	
U.S. Treasury Notes	4,068,913		4,068,913	
Asset-Backed Securities	806,052		806,052	
Commercial paper	304,248		304,248	
Money market funds	2,493,482		2,493,482	
Total investments by fair value level	<u>\$ 17,586,190</u>	<u>\$ -</u>	<u>\$ 17,586,190</u>	<u>\$ -</u>
Investments measured at net asset value				
California Local Agency Investment Fund	<u>12,154,244</u>			
	<u>\$ 29,740,434</u>			

All securities classified in Level 2 are valued using pricing models that are based on market data, such as matrix or model pricing, which use standard inputs, which include benchmark yields, reported trades, broker/dealer quotes, issue spreads, two sided markets, benchmark securities, bids, offers and reference data including market research publications.

CITY OF AMERICAN CANYON, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2016

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, 2016 were as follows:

Fund Making Transfer	Fund Receiving Transfers	Amount Transferred
General Fund	City Capital Projects Fund	\$ 386,702 (B)
	Civic Facilities Capital Projects Fund	1,436,893 (G)
	Cabernet Village Lease Debt Service Fund	476,800 (C)
	Lease Revenue Bonds Debt Service Fund	285,300 (C)
	Broadway Property Lease Debt Service Fund	134,700 (C)
	Building Maintenance Internal Service Fund	100,000 (E)
	Fleet Internal Service Fund	300,000 (E)
	Information Technology Internal Service Fund	200,000 (E)
	Fleet Internal Service Fund	180,530 (F)
Major Governmental Funds:		
Affordable Housing	General Fund	1,156 (A)
Storm Drainage Special Revenue	General Fund	750,251 (A)
	City Capital Projects Fund	3,125,079 (B)
	Wastewater Enterprise Fund	301,272 (D)
CDBG Loan Development	General Fund	3,088 (A)
	Affordable Housing Capital Project Fund	15 (A)
Major Enterprise Funds:		
Water	General Fund	585,876 (A)
	City Capital Projects Fund	311,626 (B)
Wastewater	General Fund	545,614 (A)
	City Capital Projects Fund	51,948 (B)
Non-major Special Revenue Funds:		
Gas Tax	General Fund	300,000 (A)
	City Capital Projects Fund	159,800 (B)
State Supplemental Law Enforcement	General Fund	114,675 (A)
La Vigne Lighting	General Fund	849 (A)
Abandoned Vehicle	General Fund	10,517 (A)
State and Federal Grants - City Funds	City Capital Projects Fund	59,366 (B)
Zero Water Footprint	Water Enterprise Fund	1,460,564 (B)

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

June 30, 2016

NOTE D – INTERFUND TRANSACTIONS (Continued)

Fund Making Transfer	Fund Receiving Transfers	Amount Transferred
Non-major Capital Projects Funds:		
Traffic Impact	City Capital Projects Fund	309,379 (B)
Internal Service Funds:		
Building Maintenance	Fleet	3,897 (A)
Building Maintenance	Information technology	4,083 (A)
Fleet	Information technology	7,980 (A)
Information technology	Fleet	4,021 (A)
		<u>\$ 11,611,981</u>

- | | |
|---|---|
| (A) Transfer resources to fund incurring expenditures | (D) Transfer to fund flood protection projects |
| (B) Transfer to fund capital improvements | (E) Transfer to fund initial operations |
| (C) Transfer to fund debt service payment | (F) Transfer of capital assets to internal service fund |
| | (G) Transfer to pay off loan |

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, 2016, the following funds have interfund balances.

Fund Making Loan	Fund Receiving Loan	Amount
General Fund	Major Governmental Funds:	
	Storm Drainage	\$ 4,868,104
	CDGB Loan Development	103,499
	Non-Major Special Revenue Funds:	
	State and Federal Grants - City Fund	207,486
	Non-Major Capital Projects Funds:	
	Park Improvement	113,208
	Infrastructure	753,012
	Internal Service Funds:	
	Building Maintenance	15,731
	Fleet	20,346
	Total Due To/Due From Other Funds	<u>\$ 6,081,386</u>

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

June 30, 2016

NOTE D – INTERFUND TRANSACTIONS (Continued)

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. This loan accrued interest at 3% per year was to be repaid when funds are available. A transfer was made during fiscal year 2016 to eliminate this loan.

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, 2016, \$5,827,094 was outstanding on this advance, including accrued interest of \$920,070. 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.

NOTE E – LOANS RECEIVABLE

At June 30, 2016, the City had the following loans receivable:

BEGIN Program	\$ 8,053,383
Mid Peninsula Housing Coalition Loan	2,281,752
CDBG Housing Rehabilitation Program	1,278,709
Employee Home Purchase Assistance	152,605
Relocation incentive home loan	55,029
	11,821,478
Valuation allowance	(8,053,383)
Loans, net	\$ 3,768,095

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, 2016, residents owed the City \$8,053,383 in loans offered by this program, which includes \$2,614,483 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.

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

June 30, 2016

NOTE E – LOANS RECEIVABLE (Continued)

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, 2016, the loan balance was \$2,281,752.

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, 2016, residents owed the City \$1,278,709 in loans offered by this Program, including accrued interest.

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, 2016, there were 3 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, 2016, \$40,000 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.

CITY OF AMERICAN CANYON, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2016

NOTE F – CAPITAL ASSETS (Continued)

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

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, 2016.

Capital Asset Additions and Retirements

Capital assets at June 30 comprise:

	Balance at June 30, 2015	Additions	Retirements	Transfers	Balance at June 30, 2016
<u>Governmental Activities</u>					
Capital assets, not being depreciated:					
Land	\$ 7,878,928				\$ 7,878,928
Street right of ways	162,284,085				162,284,085
Construction in progress	2,932,969	\$ 5,199,198	\$ (2,077)	\$ (674,605)	7,455,485
Total capital assets, not being depreciated	173,095,982	5,199,198	(2,077)	(674,605)	177,618,498
Capital assets, being depreciated:					
Buildings and improvements	48,215,224				48,215,224
Machinery and equipment	7,145,366	299,396	(65,155)	116,553	7,496,160
Infrastructure - streets and storm drains	82,726,233	52,197		674,605	83,453,035
Total capital assets, being depreciated	138,086,823	351,593	(65,155)	791,158	139,164,419
Less accumulated depreciation for:					
Buildings and improvements	(5,559,270)	(464,167)			(6,023,437)
Machinery and equipment	(5,460,632)	(759,496)	54,649	(94,703)	(6,260,182)
Infrastructure - streets and storm drains	(29,078,232)	(2,819,549)			(31,897,781)
Total accumulated depreciation	(40,098,134)	(4,043,212)	54,649	(94,703)	(44,181,400)
Capital assets being depreciated, net	97,988,689	(3,691,619)	(10,506)	696,455	94,983,019
GOVERNMENTAL ACTIVITIES CAPITAL ASSETS, NET	\$271,084,671	\$ 1,507,579	\$ (12,583)	\$ 21,850	\$272,601,517

CITY OF AMERICAN CANYON, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2016

NOTE F – CAPITAL ASSETS (Continued)

	Balance at June 30, 2015	Additions	Retirements	Transfers	Balance at June 30, 2016
<u>Business-Type Activities</u>					
Capital assets, not being depreciated:					
Land and improvements	\$ 1,642,993			\$ 542,908	\$ 2,185,901
Construction in progress	2,464,690	\$ 2,336,999	\$ (226,681)	(2,572,170)	2,002,838
Total capital assets, not being depreciated	4,107,683	2,336,999	(226,681)	(2,029,262)	4,188,739
Capital assets, being depreciated:					
Buildings and improvements	6,827,336				6,827,336
Water treatment and distribution	42,532,377	138,776	(44,899)	1,700,747	44,327,001
Equipment	1,475,817	2,263,186	(108,424)	211,961	3,842,540
Wastewater treatment and collection	35,650,234	91,850	(2,102,657)		33,639,427
Total capital assets, being depreciated	86,485,764	2,493,812	(2,255,980)	1,912,708	88,636,304
Less accumulated depreciation for:					
Buildings and improvements	(3,511,311)	(179,745)			(3,691,056)
Water treatment and distribution	(14,330,115)	(1,529,852)	15,314		(15,844,653)
Equipment	(1,382,297)	(211,925)	102,093	94,704	(1,397,425)
Wastewater treatment and collection	(13,021,577)	(1,241,623)	1,048,580		(13,214,620)
Total accumulated depreciation	(32,245,300)	(3,163,145)	1,165,987	94,704	(34,147,754)
Capital assets being depreciated, net	54,240,464	(669,333)	(1,089,993)	2,007,412	54,488,550
BUSINESS-TYPE ACTIVITIES CAPITAL ASSETS, NET	\$ 58,348,147	\$ 1,667,666	\$ (1,316,674)	\$ (21,850)	\$ 58,677,289

Project Commitments

At June 30, 2016, the City had outstanding commitments with contractors for the following projects:

Project	Remaining Commitment
American Canyon Rd E Assessment District	\$ 645,669
Transportation Projects	1,164,922
Storm Drain Projects	270,828
Wastewater Projects	33,171
	<u>\$ 2,114,590</u>

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

June 30, 2016

NOTE F – CAPITAL ASSETS (Continued)

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	\$ 680,341
Public safety - Police	196,157
Public safety - Fire	719,744
Parks and recreation	270,318
Public works	<u>2,176,652</u>
Total Governmental Activities	<u>\$ 4,043,212</u>
Business-type Activities:	
Water	\$ 1,566,479
Wastewater	<u>1,596,666</u>
Total Business-type Activities	<u>\$ 3,163,145</u>

NOTE G – 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.

CITY OF AMERICAN CANYON, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2016

NOTE G – LONG-TERM LIABILITIES (Continued)

Current Year Transactions and Balances

	Original Issue Amount	Restated Balance June 30, 2015	Additions	Retirements	Balance June 30, 2016	Current Portion
<u>Governmental Activities</u>						
2012 Lease Revenue Bonds						
2.95%, due on 06/01/21	\$ 2,222,000	\$ 1,559,000		\$ (241,000)	\$ 1,318,000	\$ 249,000
Capital Lease - City Hall Facility						
4.54%, due 05/01/32	6,695,000	5,545,000		(225,000)	5,320,000	235,000
Capital Lease - Broadway Properties						
4.57%, due 08/22/2018	1,075,000	431,667		(116,552)	315,115	121,856
Municipal Asset Management, Inc.						
Capital Lease - 2.96% due 6/17/24	341,645	286,730		(29,400)	257,330	29,107
Cost reimbursement payable		1,046,892			1,046,892	
Compensated absences		958,534	\$ 744,774	(604,277)	1,099,031	615,017
Claims and judgments		413,321	637,890	(142,455)	908,756	908,756
Other postemployment benefits		513,765	688,823	(851,180)	351,408	
Net pension liability		7,883,080	1,088,148		8,971,228	
Total Governmental Long-Term Liabilities		18,637,989	3,159,635	(2,209,864)	19,587,760	\$ 2,158,736
Less: Amount due within one year		1,176,749			(2,158,736)	
Total Governmental Long-Term Liabilities, Net		\$ 19,814,738	\$ 3,159,635	\$ (2,209,864)	\$ 17,429,024	
<u>Business-type Activities</u>						
State of California Davis-Grunsky Loan						
2.5%, due 12/31/27	\$ 2,050,000	\$ 890,419		\$ (60,646)	\$ 829,773	\$ 62,207
State Water Resources Control Board, State Revolving Fund Loan						
2.7%, due 07/15/22	10,859,470	5,274,316		(599,475)	4,674,841	615,660
City of Napa Note Payable						
4.0%, due 09/30/2017	350,000	50,000		(50,000)	-	
Municipal Asset Management, Inc.						
Capital Lease - 2.41% due 12/5/19	827,100	827,100		(157,637)	669,463	161,435
Municipal Finance - Inc.						
Capital Lease - 3.55% due 07/06/22	2,004,200		\$ 2,004,200	(265,016)	1,739,184	135,048
Compensated absences		116,124	117,023	(122,938)	110,209	110,209
Other postemployment benefits		128,890	145,643	(209,796)	64,737	
Net pension liability		1,856,795		(334,283)	1,522,512	
Total Business-type Long-Term Liabilities		9,143,644	2,266,866	(1,799,791)	9,610,719	\$ 1,084,559
Less: Amount due within one year		(983,926)			(1,084,559)	
Add: Unamortized interest on Davis-Grunsky Loan		153,432		(11,514)	141,918	
Total Business-type Activity Liabilities		\$ 8,313,150	\$ 2,266,866	\$ (1,811,305)	\$ 8,668,078	

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

June 30, 2016

NOTE G – 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 \$6,804,780 and accumulated depreciation is \$2,041,434 at June 30, 2016.

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, 2016

NOTE G – 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 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 through September 20, 2015.

Capital Lease – Municipal Asset Management, Inc.

In December 2014, the City entered into a lease purchase arrangement for \$827,100 for the acquisition and installation of equipment at a water treatment plant. The terms of the lease require annual payments of \$177,570 through April 21, 2020, which includes interest at 2.41%. The cost of the asset is \$827,100 and accumulated depreciation is \$82,710 at June 30, 2016.

Capital Lease – Municipal Asset Management, Inc.

In July 2014, the City entered into a lease purchase arrangement for \$314,188 to purchase sewer and storm drain equipment. The terms of the lease require annual payments of \$36,757 through June 17, 2024, which includes interest at 2.96%. The cost of the asset is \$439,188 and accumulated depreciation is \$69,538 at June 30, 2016.

Capital Lease – Municipal Finance, Inc.

In July 2015, the City entered into a lease purchase agreement for \$2,004,200 for the acquisition and installation of equipment at a waste water plant. The terms of the lease require annual principal payments of \$157,222 through July 6, 2022, which includes interest at 3.55%. The cost of the asset is \$2,164,356 and accumulated depreciation is \$157,831 at June 30, 2016.

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

June 30, 2016

NOTE G – LONG-TERM LIABILITIES (Continued)

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		
2017	\$ 249,000	\$ 37,037	\$ 385,963	\$ 262,003	\$ 974,350	\$ 185,274
2018	256,000	29,648	402,369	244,927	1,136,655	180,192
2019	262,000	22,051	351,713	227,120	1,166,370	150,478
2020	273,000	14,234	296,769	213,147	1,196,861	119,985
2020	278,000	6,151	312,709	200,176	1,050,584	88,694
2022-2026			1,697,922	783,700	2,255,605	114,584
2027-2031			1,990,000	468,528	132,836	4,651
2032-2036			455,000	20,657		
Totals	\$ 1,318,000	\$ 109,121	\$ 5,892,445	\$ 2,420,258	\$ 7,913,261	\$ 843,858

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 2016, the principal and interest paid by the Water and Wastewater funds for these loans was \$82,952 and \$741,881, respectively. The Water Fund and the Wastewater Funds had net revenue of \$3,250,238 and \$2,963,681, respectively, in fiscal year 2016.

Arbitrage

Under U.S. Treasury Department regulations, all governmental tax-exempt debt issued after August 31, 1986 is subject to arbitrage rebate requirements stipulate, in general, that the earnings from the investment of tax-exempt bond proceeds, which exceed related interest expenditures on the bonds, must be remitted to the Federal government on every fifth anniversary of each bond issuance. The City has evaluated its bond issuance and no arbitrage liability was recognized as of June 30, 2016.

Special Assessment Debt Without City Commitment

At June 30, 2016, the outstanding principal amount of bonded debt issued by special assessment districts in the City was as follows:

2013 Reassessment Revenue Bonds	\$ 5,287,000
2005 Infrastructure Revenue Bonds	14,795,000

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.

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

June 30, 2016

NOTE H – 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.

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, which the City considers equally binding. The City Council has authority to establish, modify, or rescind a fund balance commitment through another ordinance or resolution.

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.

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

June 30, 2016

NOTE H – NET POSITION AND FUND BALANCES (CONTINUED)

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, 2016

NOTE H – NET POSITION AND FUND BALANCES (CONTINUED)

	General	Fire Operations	Affordable Housing	Storm Drainage	CDBG Loan Development	City Capital Project	Nonmajor Governmental Funds	Total Governmental Funds
Fund Balances								
Nonspendables:								
Property held for resale	\$ 530,868							\$ 530,868
Loans receivable	10,000							10,000
Receivables and other assets	368,594	\$ 688						369,282
Total Nonspendables	909,462	688	-					910,150
Restricted:								
Public safety								
Fire District capital acquisition							\$ 1,178,680	1,178,680
Other							105,606	105,606
Public works								
Capital projects						\$ 124,297	3,649,234	3,773,531
La Vigne landscaping and lighting							1,762,298	1,762,298
Debt service							31,128	31,128
Community development			\$ 378,554					378,554
Other activities	89,269						260,696	349,965
Total Restricted	89,269		378,554			124,297	6,987,642	7,579,762
Committed:								
Contingency	-	847,000						847,000
Catastrophe	-	500,000						500,000
Traffic offenders fund	142,700							142,700
Capital Projects	1,550,000							1,550,000
General Fund Reserve	4,167,253							4,167,253
Total Committed	5,859,953	1,347,000						7,206,953
Assigned:								
Vehicle replacement	-							-
Economic development	1,000,000							1,000,000
Pavement repair	300,000							300,000
General plan update	191,026							191,026
Property held for resale			552,760					552,760
Technology	-	100,000						100,000
Fire operations	-	3,359,116						3,359,116
	1,491,026	3,459,116	552,760					5,502,902
Unassigned:	1,548,892			\$(508,876)	\$(103,693)		(320,844)	615,479
Total Fund Balance	\$ 9,898,602	\$ 4,806,804	\$ 931,314	\$(508,876)	\$(103,693)	\$ 124,297	\$ 6,666,798	\$ 21,815,246

Fund Equity Deficits

The Storm Drain, CDBG Loan Development, State and Federal Grant-City and Park Improvement Funds had deficit fund balances of \$508,876, \$103,693, \$207,486 and \$113,358, respectively, at June 30, 2016. 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, 2016

NOTE I – 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 J – PENSION PLAN

Plan Descriptions: All qualified permanent and probationary employees are eligible to participate in the City's cost-sharing multiple employer defined benefit pension plans administered by the California Public Employees' Retirement System (CalPERS). The City has the following cost-sharing Plans:

- City Miscellaneous Plan
- City PEPRA Miscellaneous Plan
- Fire Protection Miscellaneous Plan
- Safety Fire First Tier Plan
- Safety Fire Second Tier Plan
- Safety Fire PEPRA Plan (effective beginning fiscal year 2017)

Benefit provisions under the Plans are established by State statute and City resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website at www.calpers.ca.gov.

Benefits Provided: CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 (52 for PEPRA Miscellaneous Plan) with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the 1959 Survivor Benefit level 4, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

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

June 30, 2016

NOTE J – PENSION PLAN (Continued)

The Plans' provisions and benefits in effect at June 30, 2016, are summarized as follows:

	City	City	
	Miscellaneous	PEPRA	
	Prior to	On or after	
Hire date	January 1, 2013	January 1, 2013	
Benefit formula (at full retirement)	2.0% @ 55	2.0% @ 62	
Benefit vesting schedule	5 years service	5 years service	
Benefit payments	monthly for life	monthly for life	
Retirement age	50 - 63	52 - 67	
Monthly benefits, as a % of eligible compensation	1.426% to 2.418%	1.0% to 2.5%	
Required employee contribution rates	7.00%	6.50%	
Required employer contribution rates	9.353%	6.73%	
	Fire Protection	Safety Fire	Safety Fire
	Miscellaneous	First Tier	Second Tier
	Prior to	January 1, 1965 to	On or after
	January 1, 2013	May 5, 2010	May 5, 2010
Benefit formula (at full retirement)	3.0% @ 60	3.0% @ 50	3.0% @ 55
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	50 - 60	50 - 55	50 - 55
Monthly benefits, as a % of eligible compensation	2.00% to 3.00%	3.00%	2.40% to 3.00%
Required employee contribution rates	8.00%	9.00%	9.00%
Required employer contribution rates	11.153%	18.524%	16.523%

All Plans except the PEPRA plans are closed to new members that are not already CalPERS participants.

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

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

June 30, 2016

NOTE J – PENSION PLAN (Continued)

For the year ended June 30, 2016, the contributions paid to each Plan were as follows:

	City Miscellaneous Plans	Fire Safety Plans	Fire Miscellaneous Plans
Contributions - employer	\$ 816,543	\$ 622,430	\$ 6,056

Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions:
 As of June 30, 2016, the City reported net pension liabilities for its proportionate shares of the net pension liability of each Plan as follows:

	<u>Proportionate Share of Net Pension Liability/Asset</u>
City Miscellaneous Plans	\$ 5,250,808
Fire Safety Plans	5,159,412
Fire Miscellaneous Plans	83,520
Total Net Pension Liability	\$ 10,493,740

The City's net pension liability for each Plan is measured as the proportionate share of the net pension liability. The net pension liability of each of the Plans is measured as of June 30, 2015, and the total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2014 rolled forward to June 30, 2015 using standard update procedures. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. The City's proportionate share of the net pension liability for each Plan as of June 30, 2015 and 2016 was as follows:

	City Miscellaneous Plans	Fire Safety Plans	Fire Miscellaneous Plans
Proportion - June 30, 2015	0.20906%	0.11999%	0.00294%
Proportion - June 30, 2016	0.19150%	0.12520%	0.30400%
Change - Increase (Decrease)	0.01756%	-0.00521%	-0.30106%

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

June 30, 2016

NOTE J – PENSION PLAN (Continued)

For the year ended June 30, 2016, the City recognized pension expense of \$1,598,769 for all Plans combined. At June 30, 2016, the City reported deferred outflows of resources and deferred inflows of resources related to all Plans combined from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 1,438,973	
Differences between actual and expected experience		\$ (21,547)
Changes in assumptions		(817,068)
Change in employer's proportion	148,075	(1,202,721)
Differences between the employer's contribution and the employer's proportionate share of contributions	158,964	
Net differences between projected and actual earnings on plan investments		(411,440)
Total	\$ 1,746,012	\$ (2,452,776)

The \$1,438,973 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30	
2016	\$ (900,066)
2017	(955,253)
2018	(807,761)
2019	517,343
Thereafter	\$(2,145,737)

CITY OF AMERICAN CANYON, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2016

NOTE J – PENSION PLAN (Continued)

Actuarial Assumptions: The total pension liabilities in the actuarial valuations for each of the Plans were determined using the following actuarial assumptions:

Valuation Date	June 30, 2014
Measurement Date	June 30, 2015
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.65%
Inflation	2.75%
Payroll Growth	3.0%
Projected Salary Increase	3.3% - 12.2% (1)
Investment Rate of Return	7.5% (2)
Mortality	

- (1) Depending on age, service and type of employment
- (2) Net of pension plan investment expenses, including inflation

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

Discount Rate: The discount rate used to measure the total pension liability was 7.65% for each Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.65 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.65 percent will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

According to Paragraph 30 of Statement 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. The 7.65 percent investment return assumption used in this accounting valuation is gross of administrative expenses. Administrative expenses are assumed to be 15 basis points.

Paragraph 30 of Statement 68, the long-term expected rate of return should be determined net of pension plan investment expense but without reduction for pension plan administrative expense. The discount rate was changed from 7.50 percent (net of administrative expense in 2014) to 7.65 percent as of the June 30, 2015 measurement date to correct the adjustment which previously reduced the discount rate for administrative expense.

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

CITY OF AMERICAN CANYON, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2016

NOTE J – PENSION PLAN (Continued)

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

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

Asset Class	New Strategic Allocation	Real Return Years 1 - 10(a)	Real Return Years 11+(b)
Global Equity	51.0%	5.25%	5.71%
Global Fixed Income	19.0%	0.99%	2.43%
Inflation Sensitive	6.0%	0.45%	3.36%
Private Equity	10.0%	6.83%	6.95%
Real Estate	10.0%	4.50%	5.13%
Infrastructure and Forestland	2.0%	4.50%	5.09%
Liquidity	2.0%	-0.55%	-1.05%
Total	<u>100.0%</u>		

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

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

CITY OF AMERICAN CANYON, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2016

NOTE J – PENSION PLAN (Continued)

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate: The following presents the City’s proportionate share of the net pension liability for each Plan, calculated using the discount rate for each Plan, as well as what the City’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	<u>City Miscellaneous Plans</u>	<u>Fire Safety Plans</u>	<u>Fire Miscellaneous Plans</u>
1% Decrease	6.65%	6.65%	6.65%
Net Pension Liability	\$ 8,805,972	\$ 8,272,310	\$ 140,070
Current Discount Rate	7.65%	7.65%	6.65%
Net Pension Liability	\$ 5,250,808	\$ 5,159,412	\$ 83,520
1% Increase	8.65%	8.65%	6.65%
Net Pension Liability	\$ 2,315,608	\$ 2,606,894	\$ 36,833

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

Payable to the Pension Plan: The City did not have any contributions payable to the pension plans required for the year ended June 30, 2016.

NOTE K – 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.

CITY OF AMERICAN CANYON, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2016

NOTE K – OTHER POSTEMPLOYMENT BENEFITS (Continued)

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.

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, 2015 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) 7.25% investment rate of return, (b) 3.00% projected annual salary increase and general inflation rate, and (c) health care cost trend rate of 4.0% to 7.25% 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 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 and is generally liquidated by the City's General, Internal Service, Water and Wastewater Funds.

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.

CITY OF AMERICAN CANYON, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2016

NOTE K – 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, 2016, the City contributed \$477,900 to the Plan, and funded pay-as-you-go premiums of \$221,894. As a result, the City 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, 2016	\$ 444,763
Annual required contribution (ARC)	469,800
Interest on net OPEB asset	32,700
Adjustment to annual required contribution	<u>(30,400)</u>
Annual OPEB cost	<u>472,100</u>
Contributions:	
Contributions to CERBT	477,900
City's portion of current year premiums paid	<u>221,894</u>
Total Contributions	<u>699,794</u>
Decrease in net OPEB obligation	<u>(227,694)</u>
Net OPEB obligation at June 30, 2016	<u>\$ 217,069</u>

The actuarial accrued liability (AAL) representing the present value of future benefits, included in the actuarial study dated June 30, 2015, amounted to \$8,508,300. 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)	Annual Contribution	Percentage of APC Contributed	Net OPEB (Asset) Obligation
06/30/14	\$ 492,600	\$ 217,977	44%	\$ 230,579
06/30/15	469,500	255,316	54%	444,763
06/30/16	472,100	699,794	148%	217,069

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.

CITY OF AMERICAN CANYON, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2016

NOTE K – OTHER POSTEMPLOYMENT BENEFITS (Continued)

Funded Status and Funding Progress: The funded status of the Plan as of June 30, 2015, the Plan’s most recent actuarial valuation date, was as follows:

Actuarial accrued liability (AAL)	\$ 8,508,300
Actuarial value of Plan assets	<u>2,936,300</u>
Unfunded actuarial accrued liability (UAAL)	5,572,000
Funded ratio (actuarial value of Plan assets/ALL)	34.51%
Covered payroll (active Plan participants)	\$ 5,227,700
UAAL as a percentage of covered payroll	106.59%

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, 2015 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) 7.28% investment rate of return, (b) 3.0% projected annual salary increase, (c) 2.75% general inflation rate and (d) health care cost trend rates are 5.0% to 7.50% for medical premiums. 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 and is generally liquidated by the Fire District operations Fund.

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, 2016

NOTE K – 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, 2016, the District contributed \$194,350 to the Plan, and funded pay-as-you-go premiums of \$166,832. 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, 2015	\$ 197,892
Annual required contribution (ARC)	361,182
Interest on net OPEB asset	14,545
Adjustment to annual required contribution	<u>(13,361)</u>
Annual OPEB cost	362,366
Contributions:	
Contributions to CERBT	194,350
City's portion of current year premiums paid	<u>166,832</u>
Total Contributions	<u>361,182</u>
Increase in net OPEB obligation	<u>1,184</u>
Net OPEB obligation at June 30, 2016	<u><u>\$ 199,076</u></u>

The actuarial accrued liability (AAL) representing the present value of future benefits, included in the actuarial study dated July 1, 2013, amounted to \$5,384,481. 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
06/30/14	\$ 293,859	\$ 292,221	99%	\$ 178,056
06/30/15	349,774	329,938	94%	197,892
06/30/16	362,366	361,182	99%	199,076

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, 2016

NOTE K – OTHER POSTEMPLOYMENT BENEFITS (Continued)

Funded Status and Funding Progress: The funded status of the Plan as of July 1, 2015, the Plan’s most recent actuarial valuation date, was as follows:

Actuarial accrued liability (AAL)	\$ 5,384,481
Actuarial value of Plan assets	<u>1,323,047</u>
Unfunded actuarial accrued liability (UAAL)	4,061,434
Funded ratio (actuarial value of Plan assets/ALL)	24.57%
Covered payroll (active Plan participants)	\$ 1,917,637
UAAL as a percentage of covered payroll	211.79%

NOTE L – 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 \$10,000,000 for a total coverage of \$15,000,000. 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, 2016, the City contributed \$201,526 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 \$2,000,000. 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 \$15,000,000 per occurrence with an aggregate limit of \$15,000,000. The Authority also provides property coverage with a deductible of \$25,000 with a limit of \$15,000,000. 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.

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

June 30, 2016

NOTE M – RISK MANAGEMENT (Continued)

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:

	<u>Year Ended June 30, 2016</u>	<u>Year Ended June 30, 2015</u>	<u>Year Ended June 30, 2014</u>
Unpaid claims, beginning of fiscal year	\$ 413,321	\$ 139,295	\$ 157,773
Incurred claims (including IBNRs)	637,890	523,195	331,085
Claim payments	<u>(142,455)</u>	<u>(249,169)</u>	<u>(349,563)</u>
Unpaid claims, end of fiscal year	<u>\$ 908,756</u>	<u>\$ 413,321</u>	<u>\$ 139,295</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.

The liability for uninsured claims is typically liquidated by the Fire District Operations Fund.

NOTE M – 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, 2016, 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 2016 was \$1.0 million, of which \$600,000 was related to the capital component. A similar payment will be required each year through 2035.

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REQUIRED SUPPLEMENTARY INFORMATION

CITY OF AMERICAN CANYON, CALIFORNIA

REQUIRED SUPPLEMENTARY INFORMATION

For the Year Ended June 30, 2016

**SCHEDULE OF THE PROPORTIONATE SHARE OF THE
NET PENSION LIABILITY - MISCELLANEOUS PLANS (UNAUDITED)
Last 10 Years**

	<u>June 30, 2016</u>	<u>June 30, 2015</u>
Proportion of the net pension liability	0.19444%	0.20960%
Proportionate share of the net pension liability	\$ 5,334,328	\$ 5,166,818
Covered - employee payroll - measurement period	\$ 5,157,279	\$ 5,062,574
Proportionate share of the net pension liability as a percentage of covered payroll	103.43%	102.06%
Plan fiduciary net position as a percentage of the total pension liability	78.22%	77.38%

Notes to Schedule:

Change in Benefit Terms: The figures above do not include any liability impact that may have resulted from plan changes which occurred after June 30, 2013 as they have minimal cost impact. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Changes in assumptions: The discount rate was changed from 7.50% in 2015 to 7.65% in 2016.

Omitted years: GASB Statement No. 68 was implemented during the year ended June 30, 2015. No information was available prior to this date.

**SCHEDULE OF CONTRIBUTIONS TO THE PENSION PLAN -
CITY MISCELLANEOUS PLANS (UNAUDITED)
Last 10 Years**

	<u>June 30, 2016</u>	<u>June 30, 2015</u>
Contractually required contribution (actuarially determined)	\$ 816,543	\$ 737,934
Contributions in relation to the actuarially determined contributions	(816,543)	(737,934)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
Covered - employee payroll - fiscal year	\$ 5,417,416	\$ 5,157,279
Contributions as a percentage of covered - employee payroll	-15.07%	14.31%

Valuation date: June 30, 2013 June 30, 2012

Methods and assumptions used to determine contribution rates:

Actuarial method	Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	19 years
Asset valuation method	15-year smoothed market
Inflation	2.75%
Salary increases	3.0%, average, including inflation of 2.75%
Investment rate of return	7.50%, net of pension plan investment expense, including
Retirement age	50 years

Omitted years: GASB Statement No. 68 was implemented during the year ended June 30, 2016; therefore only two years are presented.

CITY OF AMERICAN CANYON, CALIFORNIA

REQUIRED SUPPLEMENTARY INFORMATION

For the Year Ended June 30, 2016

**SCHEDULE OF THE PROPORTIONATE SHARE OF THE
NET PENSION LIABILITY - FIRE SAFETY PLANS (UNAUDITED)
Last 10 Years**

	<u>June 30, 2016</u>	<u>June 30, 2015</u>
Proportion of the net pension liability	12.52000%	0.11999%
Proportionate share of the net pension liability	\$ 5,159,412	\$ 4,500,491
Covered - employee payroll - measurement period	\$ 1,501,544	\$ 1,606,377
Proportionate share of the net pension liability as a percentage of covered payroll	343.61%	280.16%
Plan fiduciary net position as a percentage of the total pension liability	75.49%	77.83%

Notes to Schedule:

Change in Benefit Terms: The figures above do not include any liability impact that may have resulted from plan changes which occurred after June 30, 2013 as they have minimal cost impact. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Changes in assumptions: The discount rate was changed from 7.50% in 2015 to 7.65% in 2016.

Omitted years: GASB Statement No. 68 was implemented during the year ended June 30, 2015. No information was available prior to this date.

**SCHEDULE OF CONTRIBUTIONS TO THE PENSION PLAN -
FIRE SAFETY PLANS (UNAUDITED)
Last 10 Years**

	<u>June 30, 2016</u>	<u>June 30, 2015</u>
Contractually required contribution (actuarially determined)	\$ 622,420	\$ 549,070
Contributions in relation to the actuarially determined contributions	(622,420)	(549,070)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
Covered - employee payroll - fiscal year	\$ 1,524,899	\$ 1,501,544
Contributions as a percentage of covered - employee payroll	40.82%	36.57%

Valuation date: June 30, 2013 June 30, 2012

Methods and assumptions used to determine contribution rates:

Actuarial method	Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	19 years
Asset valuation method	15-year smoothed market
Inflation	2.75%
Salary increases	3.0%, average, including inflation of 2.75%
Investment rate of return	7.50%, net of pension plan investment expense, including
Retirement age	50 years

Omitted years: GASB Statement No. 68 was implemented during the year ended June 30, 2015; therefore only two years are presented.

CITY OF AMERICAN CANYON, CALIFORNIA

REQUIRED SUPPLEMENTARY INFORMATION

For the Year Ended June 30, 2016

**SCHEDULE OF THE PROPORTIONATE SHARE OF THE
NET PENSION LIABILITY - FIRE MISCELLANEOUS PLANS (UNAUDITED)
Last 10 Years**

	<u>June 30, 2016</u>	<u>June 30, 2015</u>
Proportion of the net pension liability	0.00304%	0.00294%
Proportionate share of the net pension liability	\$ 83,520	\$ 72,565
Covered - employee payroll - measurement period	N/A	N/A
Proportionate share of the net pension liability as a percentage of covered payroll	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	68.95%	73.76%

Notes to Schedule:

Change in Benefit Terms: The figures above do not include any liability impact that may have resulted from plan changes which occurred after June 30, 2013 as they have minimal cost impact. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

The plan has not had active employees since 2015, so there were no contributions or covered payroll in 2015 and 2016. As a result, the Schedule of Contributions has been omitted.

Changes in assumptions: The discount rate was changed from 7.50% in 2015 to 7.65% in 2016.

Omitted years: GASB Statement No. 68 was implemented during the year ended June 30, 2015. No information was available prior to this date.

CITY OF AMERICAN CANYON, CALIFORNIA

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

June 30, 2016

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
6/30/2011	\$ 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%
6/30/2015	2,936,300	8,508,300	5,572,000	34.51%	5,227,700	106.59%

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
7/1/2011	\$ 443,883	\$2,960,920	\$ 2,517,037	14.99%	\$1,799,162	139.90%
7/1/2013	845,495	3,886,253	3,040,258	22.00%	2,769,422	109.78%
7/1/2015	1,323,047	5,384,481	4,061,434	24.57%	1,916,637	211.79%

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*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, 2016

	<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			\$ 65,603	\$ 65,603
Investment earnings	\$ 1,350	\$ 1,350	1,912	562
TOTAL REVENUES	<u>1,350</u>	<u>1,350</u>	<u>67,515</u>	<u>66,165</u>
EXPENDITURES				
Current:				
Community development	115,341	125,341	142,110	(16,769)
TOTAL EXPENDITURES	<u>115,341</u>	<u>125,341</u>	<u>142,110</u>	<u>(16,769)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(113,991)</u>	<u>(123,991)</u>	<u>(74,595)</u>	<u>49,396</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	290	290	15	275
Transfers out	(1,400)	(1,400)	(1,156)	(244)
TOTAL OTHER FINANCING SOURCES AND USES	<u>(1,110)</u>	<u>(1,110)</u>	<u>(1,141)</u>	<u>31</u>
NET CHANGE IN FUND BALANCES	(115,101)	(125,101)	(75,736)	49,365
Fund balances, beginning of year	<u>1,007,050</u>	<u>1,007,050</u>	<u>1,007,050</u>	<u>-</u>
FUND BALANCES , END OF YEAR	<u>\$ 891,949</u>	<u>\$ 881,949</u>	<u>\$ 931,314</u>	<u>\$ 49,365</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, 2016

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Other	\$ 33,923	\$ 33,923		\$ (33,923)
TOTAL REVENUES	<u>33,923</u>	<u>33,923</u>	<u>-</u>	<u>(33,923)</u>
EXPENDITURES				
Capital outlay	2,807,701	8,798,563	\$ 4,403,900	4,394,663
TOTAL EXPENDITURES	<u>2,807,701</u>	<u>8,798,563</u>	<u>4,403,900</u>	<u>4,394,663</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(2,773,778)</u>	<u>(8,764,640)</u>	<u>(4,403,900)</u>	<u>4,360,740</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	2,845,678	8,837,540	4,403,900	(4,433,640)
TOTAL OTHER FINANCING SOURCES AND USES	<u>2,845,678</u>	<u>8,837,540</u>	<u>4,403,900</u>	<u>(4,433,640)</u>
NET CHANGE IN FUND BALANCES	71,900	72,900	-	(72,900)
Fund balances, beginning of year	<u>124,297</u>	<u>124,297</u>	<u>124,297</u>	<u>-</u>
FUND BALANCES , END OF YEAR	<u>\$ 196,197</u>	<u>\$ 197,197</u>	<u>\$ 124,297</u>	<u>\$ (72,900)</u>

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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.

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.

Zero Water Footprint – accounts for mitigation monies collected to offset new water and sewer demands associated with development projects.

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.

Civic Facilities Capital Projects Fund – accounts for impact fees collected by new development to be used for Civic Facilities improvement 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, 2016

	SPECIAL REVENUE FUNDS			
	Gas Tax	State Supplemental Law Enforcement	La Vigne Landscape and Lighting	La Vigne Open Space
ASSETS				
Cash and investments	\$ 159,696	\$ 18,079	\$ 1,774,819	\$ 175,785
Restricted cash				
Taxes receivable			2,383	
Accounts receivable, net			1,525	
Interest receivable	230	31	2,343	242
Due from other governments				
TOTAL ASSETS	\$ 159,926	\$ 18,110	\$ 1,781,070	\$ 176,027
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable			\$ 18,772	
Accrued expenses				
Due to other funds				
TOTAL LIABILITIES	-	-	18,772	-
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue				
TOTAL DEFERRED INFLOWS OF RESOURCES				
Fund balances:				
Restricted for:				
Public safety		\$ 18,110		
Public works	\$ 159,926		1,762,298	
Debt service				
Other activities				\$ 176,027
Unassigned				
TOTAL FUND BALANCES	159,926	18,110	1,762,298	176,027
TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES	\$ 159,926	\$ 18,110	\$ 1,781,070	\$ 176,027

SPECIAL REVENUE FUNDS

Newell Park Open Space	Abandoned Vehicle	State and Federal Grants - Fire	State and Federal Grants - City Funds	Zero Water Footprint	Total Other Government Special Revenue
\$ 84,550	\$ 81,494	\$ 5,891		\$ 75,014	\$ 2,375,328
					-
					2,383
					1,525
119	111			(697)	2,379
			\$ 339,640		339,640
<u>\$ 84,669</u>	<u>\$ 81,605</u>	<u>\$ 5,891</u>	<u>\$ 339,640</u>	<u>\$ 74,317</u>	<u>\$ 2,721,255</u>
				\$ 251	\$ 19,023
			\$ 207,486		-
			207,486	251	207,486
					226,509
			339,640		339,640
			339,640		339,640
	\$ 81,605	\$ 5,891		74,066	105,606
					1,996,290
\$ 84,669					-
			(207,486)		260,696
			(207,486)		(207,486)
<u>84,669</u>	<u>81,605</u>	<u>5,891</u>	<u>(207,486)</u>	<u>74,066</u>	<u>2,155,106</u>
<u>\$ 84,669</u>	<u>\$ 81,605</u>	<u>\$ 5,891</u>	<u>\$ 339,640</u>	<u>\$ 74,317</u>	<u>\$ 2,721,255</u>

Continued

CITY OF AMERICAN CANYON
Combining Balance Sheet
Other Governmental Funds
June 30, 2016

CAPITAL PROJECTS FUNDS

	Park			
	Fire Mitigation	Improvement	Traffic Impact	Infrastructure
ASSETS				
Cash and investments	\$ 1,176,730		\$ 2,356,849	
Restricted cash				\$ 1,700,006
Taxes receivable				
Accounts receivable, net	305			
Interest receivable	1,645	\$ (150)	3,267	(905)
Due from other governments			7,436	
TOTAL ASSETS	\$ 1,178,680	\$ (150)	\$ 2,367,552	\$ 1,699,101
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable			\$ 111,855	\$ 8,082
Accrued expenses				2,201
Due to other funds		\$ 113,208		753,012
TOTAL LIABILITIES	-	113,208	111,855	763,295
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue				
TOTAL DEFERRED INFLOWS OF RESOURCES				
Fund balances:				
Restricted for:				
Public safety	\$ 1,178,680			
Public works			2,255,697	935,806
Debt service				
Other activities				
Unassigned		(113,358)		
TOTAL FUND BALANCES	1,178,680	(113,358)	2,255,697	935,806
TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES	\$ 1,178,680	\$ (150)	\$ 2,367,552	\$ 1,699,101

CAPITAL PROJECTS FUNDS		DEBT SERVICE FUNDS				
Civic Facilities Capital Projects	Total Other Governmental Capital Projects	Lease Revenue Bonds	Cabernet Village Lease	Broadway Property Lease	Total Other Governmental Debt Service	Total Other Governmental Funds
\$ 223,436	\$ 3,757,015 1,700,006 - 305 4,160 7,436	\$ 25,683	\$ 4,375	\$ 688	\$ 30,746 - - - 382 -	\$ 6,163,089 1,700,006 2,383 1,830 6,921 347,076
\$ 223,739	\$ 5,468,922	\$ 25,948	\$ 4,491	\$ 689	\$ 31,128	\$ 8,221,305
	\$ 119,937 2,201 866,220 988,358					\$ 138,960 2,201 1,073,706 1,214,867
-	-	-	-	-	-	339,640
	-				-	339,640
\$ 223,739	1,178,680 3,415,242 - - (113,358) 4,480,564	\$ 25,948	\$ 4,491	\$ 689	\$ 31,128 - - -	1,284,286 5,411,532 31,128 260,696 (320,844) 6,666,798
\$ 223,739	\$ 5,468,922	\$ 25,948	\$ 4,491	\$ 689	\$ 31,128	\$ 8,221,305

CITY OF AMERICAN CANYON
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Other Governmental Funds
For the Year Ended June 30, 2016

	SPECIAL REVENUE FUNDS			
	Gas Tax	State Supplemental Law Enforcement	La Vigne Landscape and Lighting	La Vigne Open Space
REVENUES				
Special assessments			\$ 487,578	
Intergovernmental	\$ 427,519	\$ 114,618		
Charges for services				
Use of money and property	911	57	7,135	\$ 749
Other			38,720	
TOTAL REVENUES	428,430	114,675	533,433	749
EXPENDITURES				
Current:				
Public works			555,244	
Parks and recreation				958
Debt Service				
Principal				
Interest and other charges				
Capital outlay				
TOTAL EXPENDITURES	-	-	555,244	958
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	428,430	114,675	(21,811)	(209)
OTHER FINANCING SOURCES (USES)				
Transfers in				
Transfers out	(459,800)	(114,675)	(849)	
TOTAL OTHER FINANCING SOURCES AND USES	(459,800)	(114,675)	(849)	-
NET CHANGE IN FUND BALANCES	(31,370)	-	(22,660)	(209)
Fund balances, beginning of year	191,296	18,110	1,784,958	176,236
FUND BALANCES, END OF YEAR	\$ 159,926	\$ 18,110	\$ 1,762,298	\$ 176,027

SPECIAL REVENUE FUNDS

Newell Park Open Space	Abandoned Vehicle	State and Federal Grants - Fire	State and Federal Grants - City Funds	Zero Water Footprint	Total Other Government Special Revenue
	\$ 13,417		\$ 260,000	\$ 1,506,219	\$ 487,578 2,321,773
\$ 10,079	334		25,000	(1,414)	- 17,851 63,720
<u>10,079</u>	<u>13,751</u>	<u>-</u>	<u>285,000</u>	<u>1,504,805</u>	<u>2,890,922</u>
				776	556,020 1,527
569					- - -
<u>569</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>776</u>	<u>557,547</u>
9,510	13,751	-	285,000	1,504,029	2,333,375
	(10,517)		(59,366)	(1,460,564)	- (2,105,771)
-	(10,517)	-	(59,366)	(1,460,564)	(2,105,771)
9,510	3,234	-	225,634	43,465	227,604
75,159	78,371	\$ 5,891	(433,120)	30,601	1,927,502
<u>\$ 84,669</u>	<u>\$ 81,605</u>	<u>\$ 5,891</u>	<u>\$ (207,486)</u>	<u>\$ 74,066</u>	<u>\$ 2,155,106</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, 2016

CAPITAL PROJECTS FUNDS				
	Fire Mitigation	Park Improvement	Traffic Impact	Infrastructure
REVENUES				
Special assessments				
Intergovernmental			\$ 7,436	
Charges for services	\$ 79,858		121,922	
Use of money and property	4,923	\$ (473)	11,475	\$ (2,370)
Other				20,707
TOTAL REVENUES	84,781	(473)	140,833	18,337
EXPENDITURES				
Current:				
Public works			138,437	
Parks and recreation				
Debt Service				
Principal				
Interest and other charges				
Capital outlay				723,478
TOTAL EXPENDITURES	-	-	138,437	723,478
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	84,781	(473)	2,396	(705,141)
OTHER FINANCING SOURCES (USES)				
Transfers in				
Transfers out		-	(309,379)	
TOTAL OTHER FINANCING SOURCES AND USES	-	-	(309,379)	-
NET CHANGE IN FUND BALANCES	84,781	(473)	(306,983)	(705,141)
Fund balances, beginning of year	1,093,899	(112,885)	2,562,680	1,640,947
FUND BALANCES, END OF YEAR	\$ 1,178,680	\$ (113,358)	\$ 2,255,697	\$ 935,806

CAPITAL PROJECTS FUNDS		DEBT SERVICE FUNDS				
Civic Facilities Capital Projects	Total Other Governmental Capital Projects	Lease Revenue Bonds	Cabernet Village Lease	Broadway Property Lease	Total Other Governmental Debt Service	Total Other Governmental Funds
	\$ 7,436					\$ 487,578
\$ 8,118	209,898					2,329,209
925	14,480	\$ 833	\$ 251	\$ 3	\$ 1,087	209,898
	20,707				-	33,418
9,043	252,521	833	251	3	1,087	84,427
						3,144,530
	138,437				-	694,457
	-				-	1,527
	-	241,000	225,000	116,552	582,552	582,552
	-	44,318	251,743	18,128	314,189	314,189
-	723,478				-	723,478
-	861,915	285,318	476,743	134,680	896,741	2,316,203
9,043	(609,394)	(284,485)	(476,492)	(134,677)	(895,654)	828,327
1,436,893	1,436,893	285,300	476,800	134,700	896,800	2,333,693
-	(309,379)				-	(2,415,150)
1,436,893	1,127,514	285,300	476,800	134,700	896,800	(81,457)
1,445,936	518,120	815	308	23	1,146	746,870
(1,222,197)	3,962,444	25,133	4,183	666	29,982	5,919,928
\$ 223,739	\$ 4,480,564	\$ 25,948	\$ 4,491	\$ 689	\$ 31,128	\$ 6,666,798

CITY OF AMERICAN CANYON
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Gas Tax
For the year ended June 30, 2016

	<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	\$ 429,808	\$ 429,808	\$ 427,519	\$ (2,289)
Investment earnings	500	500	911	411
TOTAL REVENUES	<u>430,308</u>	<u>430,308</u>	<u>428,430</u>	<u>(1,878)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>430,308</u>	<u>430,308</u>	<u>428,430</u>	<u>(1,878)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(533,725)	(683,725)	(459,800)	223,925
TOTAL OTHER FINANCING SOURCES AND USES	<u>(533,725)</u>	<u>(683,725)</u>	<u>(459,800)</u>	<u>223,925</u>
NET CHANGE IN FUND BALANCES	(103,417)	(253,417)	(31,370)	222,047
Fund balances, beginning of year	<u>191,296</u>	<u>191,296</u>	<u>191,296</u>	<u>-</u>
FUND BALANCES , END OF YEAR	<u>\$ 87,879</u>	<u>\$ (62,121)</u>	<u>\$ 159,926</u>	<u>\$ 222,047</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, 2016

	<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	\$ 100,100	\$ 100,100	\$ 114,618	\$ 14,518
Investment earnings			57	57
TOTAL REVENUES	<u>100,100</u>	<u>100,100</u>	<u>114,675</u>	<u>14,575</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>100,100</u>	<u>100,100</u>	<u>114,675</u>	<u>14,575</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(100,100)</u>	<u>(100,100)</u>	<u>(114,675)</u>	<u>(14,575)</u>
TOTAL OTHER FINANCING SOURCES AND USES	<u>(100,100)</u>	<u>(100,100)</u>	<u>(114,675)</u>	<u>(14,575)</u>
NET CHANGE IN FUND BALANCES			-	-
Fund balances, beginning of year	<u>18,110</u>	<u>18,110</u>	<u>18,110</u>	<u>-</u>
FUND BALANCES , END OF YEAR	<u>\$ 18,110</u>	<u>\$ 18,110</u>	<u>\$ 18,110</u>	<u>\$ -</u>

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, 2016

	<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		\$ 482,012	\$ 487,578	\$ 5,566
Investment earnings			7,135	7,135
Other			38,720	38,720
TOTAL REVENUES	-	482,012	533,433	51,421
EXPENDITURES				
Current:				
Public works		793,665	555,244	238,421
TOTAL EXPENDITURES	-	793,665	555,244	238,421
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	(311,653)	(21,811)	289,842
OTHER FINANCING SOURCES (USES)				
Transfers out	\$ (146,000)	(194,170)	(849)	193,321
TOTAL OTHER FINANCING SOURCES AND USES	(146,000)	(194,170)	(849)	193,321
NET CHANGE IN FUND BALANCES	(146,000)	(505,823)	(22,660)	483,163
Fund balances, beginning of year	1,784,958	1,784,958	1,784,958	-
FUND BALANCES , END OF YEAR	\$ 1,638,958	\$ 1,279,135	\$ 1,762,298	\$ 483,163

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, 2016

	<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	\$ 400	\$ 400	\$ 749	\$ 349
TOTAL REVENUES	<u>400</u>	<u>400</u>	<u>749</u>	<u>349</u>
EXPENDITURES				
Current:				
Parks and recreation	3,200	3,200	958	2,242
TOTAL EXPENDITURES	<u>3,200</u>	<u>3,200</u>	<u>958</u>	<u>2,242</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(2,800)</u>	<u>(2,800)</u>	<u>(209)</u>	<u>2,591</u>
NET CHANGE IN FUND BALANCES	(2,800)	(2,800)	(209)	2,591
Fund balances, beginning of year	<u>176,236</u>	<u>176,236</u>	<u>176,236</u>	<u>-</u>
FUND BALANCES , END OF YEAR	<u>\$ 173,436</u>	<u>\$ 173,436</u>	<u>\$ 176,027</u>	<u>\$ 2,591</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, 2016

	<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	\$ 9,990	\$ 9,990	\$ 10,079	\$ 89
TOTAL REVENUES	<u>9,990</u>	<u>9,990</u>	<u>10,079</u>	<u>89</u>
EXPENDITURES				
Current:				
Parks and recreation	4,000	4,000	569	3,431
TOTAL EXPENDITURES	<u>4,000</u>	<u>4,000</u>	<u>569</u>	<u>3,431</u>
EXCESS (DEFICIENCY) OF				
REVENUES OVER EXPENDITURES	<u>5,990</u>	<u>5,990</u>	<u>9,510</u>	<u>3,520</u>
NET CHANGE IN FUND BALANCES	5,990	5,990	9,510	3,520
Fund balances, beginning of year	<u>75,159</u>	<u>75,159</u>	<u>75,159</u>	<u>-</u>
FUND BALANCES , END OF YEAR	<u>\$ 81,149</u>	<u>\$ 81,149</u>	<u>\$ 84,669</u>	<u>\$ 3,520</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, 2016

	<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	\$ 5,000	\$ 5,000	\$ 13,417	\$ 8,417
Investment earnings	150	150	334	184
TOTAL REVENUES	<u>5,150</u>	<u>5,150</u>	<u>13,751</u>	<u>8,601</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>5,150</u>	<u>5,150</u>	<u>13,751</u>	<u>8,601</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(5,000)</u>	<u>(5,000)</u>	<u>(10,517)</u>	<u>(5,517)</u>
TOTAL OTHER FINANCING SOURCES AND USES	<u>(5,000)</u>	<u>(5,000)</u>	<u>(10,517)</u>	<u>(5,517)</u>
NET CHANGE IN FUND BALANCES	150	150	3,234	3,084
Fund balances, beginning of year	<u>78,371</u>	<u>78,371</u>	<u>78,371</u>	<u>-</u>
FUND BALANCES , END OF YEAR	<u>\$ 78,521</u>	<u>\$ 78,521</u>	<u>\$ 81,605</u>	<u>\$ 3,084</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, 2016

	<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	\$ 1,063,388	\$ 1,063,388	\$ 260,000	\$ (803,388)
TOTAL REVENUES	<u>1,063,388</u>	<u>1,063,388</u>	<u>285,000</u>	<u>(778,388)</u>
EXPENDITURES				
Current:				
Public works		-	-	-
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF				
REVENUES OVER EXPENDITURES	<u>1,063,388</u>	<u>1,063,388</u>	<u>285,000</u>	<u>(778,388)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(1,005,376)	(1,302,376)	(59,366)	1,243,010
TOTAL OTHER FINANCING				
SOURCES AND USES	<u>(1,005,376)</u>	<u>(1,302,376)</u>	<u>(59,366)</u>	<u>1,243,010</u>
NET CHANGE IN FUND BALANCES	58,012	(238,988)	225,634	464,622
Fund balances, beginning of year	(433,120)	(433,120)	(433,120)	-
FUND BALANCES , END OF YEAR	<u>\$ (375,108)</u>	<u>\$ (672,108)</u>	<u>\$ (207,486)</u>	<u>\$ 464,622</u>

CITY OF AMERICAN CANYON
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Zero Water Footprint
For the year ended June 30, 2016

	<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	\$ -	\$ -	\$ 1,506,219	\$ 1,506,219
Investment earnings			(1,414)	(1,414)
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>1,504,805</u>	<u>1,504,805</u>
EXPENDITURES				
Current:				
Public works			776	(776)
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>776</u>	<u>(776)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>1,504,029</u>	<u>1,504,029</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(1,027,000)	(1,516,062)	(1,460,564)	55,498
TOTAL OTHER FINANCING SOURCES AND USES	<u>(1,027,000)</u>	<u>(1,516,062)</u>	<u>(1,460,564)</u>	<u>55,498</u>
NET CHANGE IN FUND BALANCES	(1,027,000)	(1,516,062)	43,465	1,559,527
Fund balances, beginning of year	<u>30,601</u>	<u>30,601</u>	<u>30,601</u>	
FUND BALANCES , END OF YEAR	<u>\$ (996,399)</u>	<u>\$ (1,485,461)</u>	<u>\$ 74,066</u>	<u>\$ 1,559,527</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, 2016

	<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	\$ 150,000	\$ 150,000	\$ 79,858	\$ (70,142)
Investment earnings	760	760	4,923	4,163
TOTAL REVENUES	<u>150,760</u>	<u>150,760</u>	<u>84,781</u>	<u>(65,979)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>150,760</u>	<u>150,760</u>	<u>84,781</u>	<u>(65,979)</u>
NET CHANGE IN FUND BALANCES	150,760	150,760	84,781	(65,979)
Fund balances, beginning of year	<u>1,093,899</u>	<u>1,093,899</u>	<u>1,093,899</u>	<u>-</u>
FUND BALANCES , END OF YEAR	<u>\$ 1,244,659</u>	<u>\$ 1,244,659</u>	<u>\$ 1,178,680</u>	<u>\$ (65,979)</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, 2016

	<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	\$ -	\$ -	\$ -	\$ -
Investment earnings	-	-	(473)	(473)
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>(473)</u>	<u>(473)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>(473)</u>	<u>(473)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(2,211)	(2,211)	-	2,211
TOTAL OTHER FINANCING SOURCES AND USES	<u>(2,211)</u>	<u>(2,211)</u>	<u>-</u>	<u>2,211</u>
NET CHANGE IN FUND BALANCES	(2,211)	(2,211)	(473)	1,738
Fund balances, beginning of year	<u>(112,885)</u>	<u>(112,885)</u>	<u>(112,885)</u>	<u>-</u>
FUND BALANCES , END OF YEAR	<u>\$ (115,096)</u>	<u>\$ (115,096)</u>	<u>\$ (113,358)</u>	<u>\$ 1,738</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, 2016

	<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	-	-	\$ 7,436	7,436
Charges for services	\$ 5,113,176	\$ 5,113,176	121,922	(4,991,254)
Investment earnings	-	-	11,475	11,475
TOTAL REVENUES	<u>5,113,176</u>	<u>5,113,176</u>	<u>140,833</u>	<u>(4,972,343)</u>
EXPENDITURES				
Current:				
Public works		220,000	138,437	81,563
TOTAL EXPENDITURES	-	<u>220,000</u>	<u>138,437</u>	<u>81,563</u>
EXCESS (DEFICIENCY) OF				
REVENUES OVER EXPENDITURES	<u>5,113,176</u>	<u>4,893,176</u>	<u>2,396</u>	<u>(4,890,780)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(1,098,720)	(2,316,720)	(309,379)	2,007,341
TOTAL OTHER FINANCING SOURCES AND USES	<u>(1,098,720)</u>	<u>(2,316,720)</u>	<u>(309,379)</u>	<u>2,007,341</u>
NET CHANGE IN FUND BALANCES	4,014,456	2,576,456	(306,983)	(2,883,439)
Fund balances, beginning of year	<u>2,562,680</u>	<u>2,562,680</u>	<u>2,562,680</u>	<u>-</u>
FUND BALANCES , END OF YEAR	<u>\$ 6,577,136</u>	<u>\$ 5,139,136</u>	<u>\$ 2,255,697</u>	<u>\$ (2,883,439)</u>

CITY OF AMERICAN CANYON
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Infrastructure
For the year ended June 30, 2016

	<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			\$ (2,370)	\$ (2,370)
Other	-	-	20,707	20,707
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>18,337</u>	<u>18,337</u>
EXPENDITURES				
Capital outlay	\$ 1,700,000	\$ 1,700,000	723,478	976,522
TOTAL EXPENDITURES	<u>1,700,000</u>	<u>1,700,000</u>	<u>723,478</u>	<u>976,522</u>
EXCESS (DEFICIENCY) OF				
REVENUES OVER EXPENDITURES	<u>(1,700,000)</u>	<u>(1,700,000)</u>	<u>(705,141)</u>	<u>994,859</u>
NET CHANGE IN FUND BALANCES	(1,700,000)	(1,700,000)	(705,141)	994,859
Fund balances, beginning of year	<u>1,640,947</u>	<u>1,640,947</u>	<u>1,640,947</u>	<u>-</u>
FUND BALANCES , END OF YEAR	<u>\$ (59,053)</u>	<u>\$ (59,053)</u>	<u>\$ 935,806</u>	<u>\$ 994,859</u>

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, 2016

	<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	\$ 129,347	\$ 129,347	\$ 8,118	\$ (121,229)
Investment earnings	-	-	925	925
TOTAL REVENUES	<u>129,347</u>	<u>129,347</u>	<u>9,043</u>	<u>(120,304)</u>
EXPENDITURES				
Debt service:				
Principal	122,600	122,600		122,600
Interest and other charges	42,100	42,100	-	42,100
TOTAL EXPENDITURES	<u>164,700</u>	<u>164,700</u>	<u>-</u>	<u>164,700</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(35,353)</u>	<u>(35,353)</u>	9,043	44,396
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	1,436,893	(1,436,893)
TOTAL OTHER FINANCING SOURCES AND USES	<u>-</u>	<u>-</u>	<u>1,436,893</u>	<u>(1,436,893)</u>
NET CHANGE IN FUND BALANCES	(35,353)	(35,353)	1,445,936	1,481,289
Fund balances, beginning of year	<u>(1,222,197)</u>	<u>(1,222,197)</u>	<u>(1,222,197)</u>	<u>-</u>
FUND BALANCES , END OF YEAR	<u>\$ (1,257,550)</u>	<u>\$ (1,257,550)</u>	<u>\$ 223,739</u>	<u>\$ 1,481,289</u>

CITY OF AMERICAN CANYON
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Lease Revenue Bonds
For the year ended June 30, 2016

	<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	\$ 200	\$ 200	\$ 833	\$ 633
TOTAL REVENUES	<u>200</u>	<u>200</u>	<u>833</u>	<u>633</u>
EXPENDITURES				
Debt service:				
Principal	\$ 241,000	\$ 241,000	241,000	-
Interest and other charges	44,300	44,300	44,318	(18)
TOTAL EXPENDITURES	<u>285,300</u>	<u>285,300</u>	<u>285,318</u>	<u>(18)</u>
EXCESS (DEFICIENCY) OF				
REVENUES OVER EXPENDITURES	<u>(285,100)</u>	<u>(285,100)</u>	<u>(284,485)</u>	<u>615</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	285,300	285,300	285,300	-
TOTAL OTHER FINANCING SOURCES AND USES	<u>285,300</u>	<u>285,300</u>	<u>285,300</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	200	200	815	615
Fund balances, beginning of year	<u>25,133</u>	<u>25,133</u>	<u>25,133</u>	<u>-</u>
FUND BALANCES , END OF YEAR	<u>\$ 25,333</u>	<u>\$ 25,333</u>	<u>\$ 25,948</u>	<u>\$ 615</u>

CITY OF AMERICAN CANYON
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Cabernet Village Lease
For the year ended June 30, 2016

	<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	\$ 251	\$ 151
TOTAL REVENUES	<u>100</u>	<u>100</u>	<u>251</u>	<u>151</u>
EXPENDITURES				
Debt service:				
Principal	225,000	225,000	225,000	-
Interest and other charges	251,800	251,800	251,743	57
TOTAL EXPENDITURES	<u>476,800</u>	<u>476,800</u>	<u>476,743</u>	<u>57</u>
EXCESS (DEFICIENCY) OF				
REVENUES OVER EXPENDITURES	<u>(476,700)</u>	<u>(476,700)</u>	<u>(476,492)</u>	<u>208</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	476,800	476,800	476,800	-
TOTAL OTHER FINANCING SOURCES AND USES	<u>476,800</u>	<u>476,800</u>	<u>476,800</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	100	100	308	208
Fund balances, beginning of year	<u>4,183</u>	<u>4,183</u>	<u>4,183</u>	<u>-</u>
FUND BALANCES , END OF YEAR	<u>\$ 4,283</u>	<u>\$ 4,283</u>	<u>\$ 4,491</u>	<u>\$ 208</u>

CITY OF AMERICAN CANYON
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Broadway Property Lease
For the year ended June 30, 2016

	<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	\$ -	\$ -	\$ 3	\$ 3
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>3</u>	<u>3</u>
EXPENDITURES				
Debt service:				
Principal	116,600	116,600	116,552	48
Interest and other charges	18,100	18,100	18,128	(28)
TOTAL EXPENDITURES	<u>134,700</u>	<u>134,700</u>	<u>134,680</u>	<u>20</u>
EXCESS (DEFICIENCY) OF				
REVENUES OVER EXPENDITURES	<u>(134,700)</u>	<u>(134,700)</u>	<u>(134,677)</u>	<u>23</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	134,700	134,700	134,700	-
TOTAL OTHER FINANCING SOURCES AND USES	<u>134,700</u>	<u>134,700</u>	<u>134,700</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	-	-	23	23
Fund balances, beginning of year	<u>666</u>	<u>666</u>	<u>666</u>	<u>-</u>
FUND BALANCES , END OF YEAR	<u>\$ 666</u>	<u>\$ 666</u>	<u>\$ 689</u>	<u>\$ 23</u>

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INTERNAL SERVICE FUNDS

INTERNAL SERVICE FUNDS

Internal service funds are established to account for goods or services provided by one department within the City to other departments or other government units on a cost reimbursement basis. The following are internal service funds:

Building Maintenance – accounts for the maintenance of all city facilities including janitorial, security alarms, door locks and building related equipment.

Fleet Management Fund – accounts for the maintenance of services to city vehicles and equipment using city staff and contracting service out when necessary.

Information Technology – accounts for the maintenance of services to city computer systems including the financial management system, utility billing system, and building permit software.

CITY OF AMERICAN CANYON
Combining Statement of Net Position
Internal Service Funds
June 30, 2016

	Building Maintenance	Fleet	Information Technology	Total Internal Service Funds
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 137,048	\$ 220,892	\$ 145,927	\$ 503,867
Accounts receivables, net		39		39
Interest receivable	20	78	231	329
Prepaid expenses	686	244	7,118	8,048
Total current assets	<u>137,754</u>	<u>221,253</u>	<u>153,276</u>	<u>512,283</u>
Non-current assets:				
Capital Assets:				
Depreciable, net of accumulated depreciation		758,167		758,167
Total non-current assets	<u>-</u>	<u>758,167</u>	<u>-</u>	<u>758,167</u>
TOTAL ASSETS	<u>137,754</u>	<u>979,420</u>	<u>153,276</u>	<u>1,270,450</u>
DEFERRED OUTFLOW OF RESOURCES				
Pension	<u>12,412</u>	<u>15,704</u>	<u>2,747</u>	<u>30,863</u>
LIABILITIES				
Current Liabilities:				
Accounts payable	12,966	3,032	336	16,334
Due to other funds	15,731	20,346		36,077
Compensated absences, current portion	6,777	8,260	907	15,944
Bonds, notes, and loans payable, current portion		29,107		29,107
Total current liabilities	<u>35,474</u>	<u>60,745</u>	<u>1,243</u>	<u>97,462</u>
Non-current liabilities:				
Bonds, notes and loans payable		228,224		228,224
Net OPEB liability	333	331	354	1,018
Net pension liability	62,674	79,413	13,949	156,036
Total non-current liabilities	<u>63,007</u>	<u>307,968</u>	<u>14,303</u>	<u>385,278</u>
TOTAL LIABILITIES	<u>98,481</u>	<u>368,713</u>	<u>15,546</u>	<u>482,740</u>
DEFERRED INFLOW OF RESOURCES				
Pension	<u>25,405</u>	<u>32,113</u>	<u>5,604</u>	<u>63,122</u>
NET POSITION				
Net investment in capital assets		500,836		500,836
Unrestricted	<u>26,280</u>	<u>93,462</u>	<u>134,873</u>	<u>254,615</u>
TOTAL NET POSITION	<u>\$ 26,280</u>	<u>\$ 594,298</u>	<u>\$ 134,873</u>	<u>\$ 755,451</u>

CITY OF AMERICAN CANYON
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Internal Service Funds
For the Year Ended June 30, 2016

	Building Maintenance	Fleet	Information Technology	Total Internal Service Funds
REVENUES				
Charges for services	\$ 387,195	\$ 532,270	\$ 347,953	\$ 1,267,418
TOTAL OPERATING REVENUES	<u>387,195</u>	<u>532,270</u>	<u>347,953</u>	<u>1,267,418</u>
OPERATING EXPENSES				
Employee services	104,653	124,023	16,979	245,655
Maintenance and operations	275,260	175,725	361,637	812,622
Depreciation		142,856		142,856
TOTAL OPERATING EXPENSES	<u>379,913</u>	<u>442,604</u>	<u>378,616</u>	<u>1,201,133</u>
OPERATING INCOME (LOSS)	<u>7,282</u>	<u>89,666</u>	<u>(30,663)</u>	<u>66,285</u>
NON-OPERATING REVENUES (EXPENSES)				
Interest and investment revenue	(52)	(200)	397	145
Other revenue			5,373	5,373
Operating grants and contributions	1,339			1,339
Interest expense		(7,358)		(7,358)
(Loss) on disposal on capital assets		(506)		(506)
TOTAL NON-OPERATING REVENUE (EXPENSES)	<u>1,287</u>	<u>(8,064)</u>	<u>5,770</u>	<u>(1,007)</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	<u>8,569</u>	<u>81,602</u>	<u>(24,893)</u>	<u>65,278</u>
Transfers in	100,000	488,448	212,063	800,511
Transfers out	(7,980)	(7,980)	(4,021)	(19,981)
CHANGE IN NET POSITION	<u>100,589</u>	<u>562,070</u>	<u>183,149</u>	<u>845,808</u>
Net position, beginning of year	<u>(74,309)</u>	<u>32,228</u>	<u>(48,276)</u>	<u>(90,357)</u>
TOTAL NET POSITION, END OF YEAR	<u>\$ 26,280</u>	<u>\$ 594,298</u>	<u>\$ 134,873</u>	<u>\$ 755,451</u>

CITY OF AMERICAN CANYON
Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2015

	Building Maintenance	Fleet	Information Technology	Total Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash received from interfund services provided	\$ 387,195	\$ 532,270	\$ 347,953	\$ 1,267,418
Cash paid to suppliers	(287,779)	(178,950)	(424,147)	(890,876)
Cash paid to employees and related benefits	(120,811)	(146,034)	(20,317)	(287,162)
CASH PROVIDED BY OPERATING ACTIVITIES	(21,395)	207,286	(96,511)	89,380
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Intergovernmental revenue received	66,538	1,161		67,699
Amounts received (paid) to other funds	92,020	299,937	208,042	599,999
Other revenues received			5,373	5,373
CASH PROVIDED BY NONCAPITAL AND RELATED FINANCING ACTIVITIES	158,558	301,098	213,415	673,071
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Capital expenditures		(260,482)		(260,482)
Principal paid on long-term liabilities		(29,399)		(29,399)
Proceeds from disposal of capital assets		10,000		10,000
Interest paid on long-term liabilities		(7,358)		(7,358)
CASH USED FOR CAPITAL AND RELATED FINANCING ACTIVITIES	-	(287,239)	-	(287,239)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest received	(115)	(253)	202	(166)
INCREASE IN CASH AND CASH EQUIVALENTS	137,048	220,892	117,106	475,046
Cash and cash equivalents, beginning of year			28,821	28,821
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 137,048	\$ 220,892	\$ 145,927	\$ 503,867
RECONCILIATION OF OPERATING (LOSS) INCOME TO CASH PROVIDED BY OPERATING ACTIVITIES:				
Operating income (loss)	\$ 7,282	\$ 89,666	\$ (30,663)	\$ 66,285
Adjustments to reconcile operating income (loss) to cash provided by operating activities:				
Depreciation and amortization		142,856		142,856
Postemployment benefit accrual	(2,771)	(3,047)	(278)	(6,096)
Change in pension obligation and related deferred inflows (outflows)	(13,919)	(17,522)	(3,024)	(34,465)
Changes in operating assets and liabilities:				
Prepaid expenses	(686)	(244)	(7,118)	(8,048)
Accounts payable and accrued expenses	(11,833)	(2,981)	(55,392)	(70,206)
Compensated absence accrual	532	(1,442)	(36)	(946)
CASH PROVIDED BY OPERATING ACTIVITIES	\$ (21,395)	\$ 207,286	\$ (96,511)	\$ 89,380
SUPPLEMENTAL DISCLOSURE OF NONCASH ACTIVITIES:				
Transfer of general government capital asset:	\$ -	\$ 180,531	\$ -	\$ 180,531

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

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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, 2016

	Balance June 30, 2015	Additions	Reductions	Balance June 30, 2016
<u>American Canyon Road East Assessment District</u>				
<u>Assets</u>				
Cash and investments	\$ 1,087,097		\$ (387,859)	\$ 699,238
Restricted cash and investments	2,248	\$ 561,019		563,267
Taxes receivable	8,868		(5,423)	3,445
Interest receivable	550	64		614
TOTAL ASSETS	<u>\$ 1,098,763</u>	<u>\$ 561,083</u>	<u>\$ (393,282)</u>	<u>\$ 1,266,564</u>
<u>Liabilities</u>				
Accounts payable	\$ 84		\$ (84)	
Agency obligations	1,098,679	167,885		\$ 1,266,564
TOTAL LIABILITIES	<u>\$ 1,098,763</u>	<u>\$ 167,885</u>	<u>\$ (84)</u>	<u>\$ 1,266,564</u>
<u>La Vigne Assessment District</u>				
<u>Assets</u>				
Cash and investments	\$ 831,741	\$ 65,223		\$ 896,964
Restricted cash and investments	291,213	1,246		292,459
Taxes receivable	12,547		\$ (9,164)	3,383
Interest receivable	493	566		1,059
TOTAL ASSETS	<u>\$ 1,135,994</u>	<u>\$ 67,035</u>	<u>\$ (9,164)</u>	<u>\$ 1,193,865</u>
<u>Liabilities</u>				
Agency obligations	\$ 1,135,994	\$ 57,871		\$ 1,193,865
TOTAL LIABILITIES	<u>\$ 1,135,994</u>	<u>\$ 57,871</u>	<u>\$ -</u>	<u>\$ 1,193,865</u>
<u>Total Agency Funds</u>				
<u>Assets</u>				
Cash and investments	\$ 1,918,838	\$ 65,223	\$ (387,859)	\$ 1,596,202
Restricted cash and investments	293,461	562,265		855,726
Taxes receivable	21,415		(14,587)	6,828
Interest receivable	1,043	630		1,673
TOTAL ASSETS	<u>\$ 2,234,757</u>	<u>\$ 628,118</u>	<u>\$ (402,446)</u>	<u>\$ 2,460,429</u>
<u>Liabilities</u>				
Accounts payable	\$ 84		\$ (84)	-
Agency obligations	2,234,673	\$ 225,756		2,460,429
TOTAL LIABILITIES	<u>\$ 2,234,757</u>	<u>\$ 225,756</u>	<u>\$ (84)</u>	<u>\$ 2,460,429</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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Governmental activities:										
Net investment in capital assets	\$ 227,564,725	\$ 250,971,443	\$ 256,124,111	\$ 257,279,990	\$ 253,763,878	\$ 253,484,193	\$ 256,298,710	\$ 264,170,866	\$ 262,265,389	\$ 265,385,854
Restricted	42,782,549	17,020,361	9,033,170	7,104,451	5,545,510	13,585,903	12,513,568	12,856,505	13,031,111	13,009,697
Unrestricted	10,245,964	20,757,525	27,809,270	25,464,653	27,430,671	12,415,149	9,050,617	10,950,108	2,513,594	2,076,005
Total governmental activities net position	280,593,238	288,749,329	292,966,551	289,849,094	286,740,059	279,485,245	277,862,895	287,977,479	277,810,094	280,471,556
Business-type activities:										
Net investment in capital assets	43,651,150	43,155,744	44,253,424	48,837,064	47,246,749	50,758,608	49,583,193	52,726,436	51,267,144	50,662,110
Restricted	6,612,632	6,785,993	11,559,556	7,387,841	8,466,754	4,723,486	4,541,608	2,598,062	2,088,606	2,811,555
Unrestricted	4,573,795	4,707,005	4,828,423	4,976,718	4,391,198	6,695,379	7,190,877	8,214,087	4,224,005	6,993,828
Total business-type activities	54,837,577	54,648,742	60,641,403	61,201,623	60,104,701	62,177,473	61,315,678	63,538,585	57,579,755	60,467,493
Primary government (City wide totals)										
Net investment in capital assets	271,215,875	294,127,187	300,377,535	306,117,054	301,010,627	304,242,801	305,881,903	316,897,302	313,532,533	315,007,964
Restricted	49,395,181	23,806,354	20,592,726	14,492,292	14,012,264	18,309,389	17,055,176	15,454,567	15,119,717	15,821,252
Unrestricted	14,819,759	25,464,530	32,637,693	30,441,371	31,821,869	19,110,528	16,241,494	19,164,195	6,737,599	9,069,833
Total primary government net position	\$ 335,430,815	\$ 343,398,071	\$ 353,607,954	\$ 351,050,717	\$ 346,844,760	\$ 341,662,718	\$ 339,178,573	\$ 351,516,064	\$ 335,389,849	\$ 339,899,049

Data Source: 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									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Expenses:										
Governmental activities:										
General government	\$ 2,137,443	\$ 2,967,301	\$ 2,792,871	\$ 5,925,952	\$ 5,742,030	\$ 4,309,153	\$ 5,069,455	\$ 4,749,018	\$ 5,647,996	\$ 5,295,617
Public safety	7,569,230	7,890,538	9,528,522	9,230,672	8,995,695	9,147,931	9,456,173	10,001,059	10,585,106	12,125,365
Community development	2,070,303	2,398,727	1,931,299	2,019,771	1,922,780	8,903,969	1,295,309	1,601,943	2,383,201	2,782,954
Parks and recreation	2,329,591	1,881,005	2,282,212	2,028,223	1,962,488	1,745,163	2,067,811	2,328,669	2,503,744	2,924,419
Public works	4,363,249	3,833,395	4,195,481	3,529,403	5,000,879	5,358,661	4,654,492	5,304,938	6,509,082	6,131,623
Interest on long-term debt	1,494,237	452,048	97,246	417,421	510,893	448,057	446,187	344,223	329,915	278,204
Total governmental activities expenses	19,964,053	19,423,014	20,827,631	23,151,442	24,134,765	29,912,934	22,989,427	24,329,850	27,959,044	29,538,182
Business-type activities:										
Water	4,907,860	6,401,819	5,074,018	4,951,067	6,020,578	4,894,501	5,502,434	6,191,545	7,350,323	5,362,693
Wastewater	3,508,065	4,263,817	4,072,014	3,623,805	3,885,692	4,356,356	3,843,559	3,555,274	4,013,398	4,992,726
Transit	19,778	21,896	30,060	-	-	-	-	-	-	-
Total business-type activities expenses	8,435,703	10,687,532	9,176,092	8,574,872	9,906,270	9,250,857	9,345,993	9,746,819	11,363,721	10,355,419
Total City government expenses	\$ 28,399,756	\$ 30,110,546	\$ 30,003,723	\$ 31,726,314	\$ 34,041,035	\$ 39,163,791	\$ 32,335,420	\$ 34,076,669	\$ 39,322,765	\$ 39,893,601
Program Revenues:										
Governmental activities:										
Charges for services:										
General government	\$ 574,407	\$ 2,189,873	\$ 441,894	\$ 536,747	\$ 365,857	\$ 212,295	\$ 184,060	\$ 484,057	\$ 534,179	\$ 636,987
Public safety	1,035,907	960,774	1,152,729	1,051,178	813,720	974,398	1,133,505	901,808	1,510,347	1,461,036
Community development	1,030,340	664,775	573,456	498,947	449,493	940,899	690,241	857,994	2,438,744	2,662,203
Parks and recreation	555,270	376,472	362,699	373,227	491,253	381,657	357,267	392,717	441,946	406,163
Public works	825,602	476,631	252,634	80,745	127,834	1,141,520	939,685	2,203,836	2,442,299	4,891,107
Operating grants and contributions	7,112,187	10,800,170	165,350	342,197	196,741	235,284	275,796	363,581	476,130	1,078,889
Capital grants and contributions	953,299	2,163,102	3,381,171	1,732,699	2,454,934	2,050,628	1,150,330	11,145,194	381,050	1,449,076
Total governmental activities program revenues	12,087,012	17,631,797	6,329,933	4,615,740	4,899,832	5,936,681	4,730,884	16,349,187	8,224,695	12,585,461
Business-type activities:										
Charges for services:										
Water	3,901,103	4,160,383	4,232,638	4,010,648	4,761,832	4,705,561	4,892,290	4,982,094	4,333,543	5,318,577
Wastewater	2,901,494	3,157,260	3,373,740	3,420,812	3,581,786	3,558,663	3,733,461	3,845,647	3,914,276	3,973,672
Transit	5,351	3,045	2,419	-	-	-	-	-	-	-
Operating grants and contributions	9,009	-	-	-	-	-	-	4,026	10,410	711,601
Capital grants and contributions	3,941,030	2,934,877	1,347,892	2,597,250	1,523,559	1,013,181	184,707	4,084,830	242,025	2,301,541
Total business-type activities programs revenues	10,757,987	10,255,565	8,956,689	10,028,710	9,867,177	9,277,405	8,810,458	12,916,597	8,500,254	12,305,391
Total City government program revenues	\$ 22,844,999	\$ 27,887,362	\$ 15,286,622	\$ 14,644,450	\$ 14,767,009	\$ 15,214,086	\$ 13,541,342	\$ 29,265,784	\$ 16,724,949	\$ 24,890,852

(Continued)

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

	Prior Years									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Net(Expense)Revenue:										
Governmental activities	\$ (7,877,041)	\$ (1,791,217)	\$ (14,497,698)	\$ (18,535,702)	\$ (19,234,933)	\$ (23,976,253)	\$ (18,258,543)	\$ (7,980,663)	\$ (19,734,349)	\$ (16,952,721)
Business-type activities	2,322,284	(431,967)	(219,403)	1,453,838	(39,093)	26,548	(535,535)	3,169,778	(3,414,199)	1,949,972
Total City government	<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>\$ (4,810,885)</u>	<u>\$ (23,148,548)</u>	<u>\$ (15,002,749)</u>
General Revenues and Other Changes in Net Position:										
Governmental activities:										
Taxes:										
Property taxes	\$ 9,356,579	\$ 10,673,890	\$ 10,852,126	\$ 10,162,212	\$ 10,510,243	\$ 10,343,648	\$ 10,261,072	\$ 10,599,981	\$ 11,480,330	\$ 12,317,143
Sales taxes	1,794,124	2,446,951	2,275,741	2,888,182	2,705,763	2,024,495	2,489,832	2,294,150	2,358,219	2,589,452
Other taxes	784,213	2,717,561	2,905,454	1,104,662	1,330,655	2,215,564	2,632,783	2,785,624	3,002,106	3,076,637
Unrestricted grants and contributions	1,191,706	110,157	79,109	55,668	83,979	0	0	0	0	0
Investment earnings	885,293	1,368,236	666,535	203,205	307,741	274,619	143,321	227,702	272,849	372,728
Settlement award (Note 13)	0	0	7,593,000	0	0	0	0	0	0	0
Miscellaneous	348,145	472,604	555,019	110,698	129,688	875,336	111,822	485,625	300,765	524,995
Transfers	1,068,900	483,198	(6,212,064)	893,618	1,057,829	1,110,118	997,363	1,702,165	994,725	(266,772)
Total governmental activities	<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>18,095,247</u>	<u>18,408,994</u>	<u>18,614,183</u>
Business-type activities										
Investment earnings and other						66,177	517,929	755,294	617,971	630,994
Transfers	(1,068,900)	243,132	6,212,064	(893,618)	(1,057,829)	(1,110,118)	(997,363)	(1,702,165)	(944,725)	266,772
Total business-type activities	<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>	<u>(326,754)</u>	<u>897,766</u>
Total City government	<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>\$ 17,148,376</u>	<u>\$ 18,082,240</u>	<u>\$ 19,511,949</u>
Change in net position:										
Governmental activities	\$ 7,551,919	\$ 16,481,380	\$ 4,217,222	\$ (3,117,457)	\$ (3,109,035)	\$ (7,132,473)	\$ (1,622,350)	\$ 10,114,584	\$ (1,325,355)	\$ 1,661,462
Business-type activities	1,253,384	(188,835)	5,992,661	560,220	(1,096,922)	(1,017,393)	(1,014,969)	2,222,907	(3,876,163)	2,847,738
Total City government	<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>	<u>\$ (5,201,518)</u>	<u>\$ 4,509,200</u>

Data Source: 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									Total
	Nonspendable	Restricted	Committed	Assigned	Unassigned	Total General Fund	Nonspendable	Restricted	Committed	Assigned		Unassigned				
								Special Revenue and Debt Service	Capital Projects	Special Revenue	Special Revenue	Capital Projects	Special Revenue	Capital Projects		
2016	\$ 909,462	\$ 89,269	\$ 5,859,953	\$ 1,491,026	\$ 1,548,892	\$ 9,898,602	\$ 688	\$ 2,393,720	\$ 5,096,773	\$ 1,347,000	\$ 3,459,116	\$ 552,760	\$ (820,055)	\$ (113,358)	\$ 11,916,644	
2015	2,644,665	75,883	1,476,370	777,418	6,107,104	11,081,440	589,041	2,390,604	5,876,113	1,347,000	2,815,904		(1,272,732)	(1,335,082)	10,410,848	
2014	2,467,641	69,535	1,461,807	872,295	5,970,052	10,841,330	553,448	2,235,092	6,088,807	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	1,587,471	5,944,172	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	3,135,456	6,806,475	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	3,307,876	7,394,711				3,758,213	(1,306,134)	13,707,426	
									<u>Unreserved, reported in</u>							
	<u>Reserved</u>	<u>Unreserved</u>					<u>Reserved</u>	<u>Designated for Other Purposes</u>	<u>Capital Projects</u>	<u>Special Revenue</u>	<u>Total</u>					
2010	\$ 4,287,304	\$ 5,787,462				\$ 10,074,766	\$ 2,361,971	\$ 1,447,000	\$ 2,988,237		\$ 4,435,237					
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					

Note: GASB Statement Number 54 was implemented in the 2011 fiscal year which changed the terminology used for fund balance reporting.
Data Source: 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									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Revenues:										
Taxes	\$ 12,005	\$ 14,165	\$ 14,196	\$ 14,155	\$ 14,547	\$ 15,272	\$ 15,313	\$ 15,992	\$ 17,896	\$ 22,553
Special assessments	2,104	473	498	515	457	435	447	455	471	488
Licenses and permits	484	633	578	530	329	338	337	337	446	455
Fines and forfeits	137	196	178	177	131	203	153	120	112	95
Intergovernmental	3,549	3,032	3,163	1,286	2,147	1,120	1,079	1,280	874	3,049
Charges for services	2,172	3,745	3,504	1,566	1,613	1,051	1,156	2,025	4,496	3,572
Other revenues	2,731	2,408	8,769	755	744	1,315	998	1,179	1,022	1,275
Total revenues	23,182	24,652	30,886	18,984	19,968	19,734	19,483	21,389	25,317	31,487
Expenditures:										
General government	2,182	4,577	5,117	4,587	5,004	3,670	3,896	4,066	5,064	5,111
Public safety	7,447	7,630	8,374	8,849	8,646	8,897	9,377	9,554	9,734	10,731
Parks and Recreation	2,193	1,748	2,217	2,023	1,934	1,597	1,073	1,192	2,202	2,665
Comm. Dev. and Public Wor	6,057	4,974	4,933	4,231	3,909	4,278	4,557	5,496	6,597	5,453
Capital outlay	24,446	10,580	5,759	3,803	194	947	2,445	2,277	1,200	5,260
Debt service:										
Payment to escrow agent	-	-	-	-	-	-	-	-	-	-
Costs of issuance	53	-	-	-	-	-	-	-	-	-
Principal	773	351	401	439	463	478	502	537	560	583
Interest	1,390	441	469	495	511	488	460	394	373	314
Total expenditures	44,541	30,301	27,270	24,427	20,661	20,355	22,310	23,516	25,730	30,117
Excess of revenues over (under) expenditures	(21,359)	(5,648)	3,616	(5,442)	(693)	(621)	(2,827)	(2,127)	(413)	1,370
Other Financing Sources (Uses)										
Proceeds from borrowing	6,695	-	1,075	-	-	-	2,222	-	-	-
Sale of Affordable Hsng Site	1,218	410	371	-	-	-	-	-	-	-
Payments to escrow agent	-	-	-	-	-	-	(2,465)	-	-	-
Transfers in	11,471	6,064	5,003	9,535	3,609	4,028	4,065	5,447	3,742	9,050
Transfers out	(10,402)	(4,574)	(11,215)	(8,641)	(2,551)	(2,918)	(3,068)	(3,745)	(2,747)	(10,097)
Sale of Assets	-	-	-	-	-	-	-	24	-	-
Total other financing Sources (Uses)	8,982	1,900	(4,766)	894	1,058	1,110	754	1,726	995	(1,047)
Net change in fund balances	\$ (12,377)	\$ (3,748)	\$ (1,150)	\$ (4,548)	\$ 365	\$ 489	\$ (2,073)	\$ (401)	\$ 581	\$ 323
Debt service as a percentage of noncapital expenditures	10.8%	4.0%	4.0%	4.5%	4.8%	5.0%	4.8%	4.4%	3.8%	3.6%

Data 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
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
2014-2015	11,353	1,406	673	232	597	14,261
2015-2016	12,348	1,509	722	168	607	15,354

Data Source: 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
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%
2014-2015	1,541,948	142,808	406,322	65,143	42	16,912	206,535	4,358	2,384,068	0.28%
2015-2016	1,724,766	143,476	413,039	59,632	42	17,265	196,671	14,027	2,568,918	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 2006/07 - 2015/16 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 7
City of American Canyon
Direct and Overlapping Property Tax Rates
For The Last Ten Fiscal Years
(Rates per \$100 of assessed value)**

Agency	Prior Years									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
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	0.019	0.011	0.024	0.025	0.017	0.025	0.025	0.027	0.026	0.026
Napa Valley Unified School District	0.040	0.031	0.057	0.073	0.061	0.073	0.065	0.072	0.069	0.063
Total Direct & Overlapping² Tax Rates	0.069	0.052	0.091	0.109	0.088	0.107	0.100	0.109	0.105	0.099
City's Share of 1% Levy per Prop 13³	0.354	0.354	0.354	0.296	0.296	0.296	0.296	0.296	0.296	0.296
Total Direct Rate⁴	0.289	0.285	0.285	0.285	0.282	0.281	0.277	0.276	0.276	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 2006/07 - 2015/16 Tax Rate Tale

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
2015/16 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		\$ -	0.00%	2	\$ 199,537	26.79%	\$ 199,537	1.89%	Unsecured American Canyon Gen Fund
2) SDG Hanna Court 411 LLC	2	140,837	1.44%				140,837	1.33%	Industrial American Canyon Gen Fund
3) Biagi and Associates	1	111,402	1.14%	1	1,335	0.18%	112,737	1.07%	Industrial American Canyon Gen Fund
4) Sutter Home Winery Inc	2	98,226	1.00%				98,226	0.93%	Industrial American Canyon Gen Fund
5) 5500 Eucalyptus Dr Apts	1	91,118	0.93%				91,118	0.86%	Residential American Canyon Gen Fund
6) Barry Callebaut USA LLC				1	88,089	11.83%	88,089	0.83%	Unsecured American Canyon Gen Fund
7) Broadstone HC California LLC	2	83,482	0.85%				83,482	0.79%	Industrial American Canyon Gen Fund
8) Amcan Beverages Inc	1	66,011	0.67%				66,011	0.63%	Industrial American Canyon Gen Fund
9) Hanna 760 LP	2	65,336	0.67%				65,336	0.62%	Industrial American Canyon Gen Fund
10) MEZZETTA 125 LP	1	64,477	0.66%				64,477	0.61%	Industrial American Canyon Gen Fund
Top Ten Totals	12	720,889	7.35%	4	288,961	38.80%	1,009,850	9.57%	
City Totals		\$ 9,806,670			\$ 744,689		\$ 10,551,358		

*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 2015/16 Combined Tax Rolls and the SBE Non Unitary Tax Roll

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
2006/07 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	\$ 122,658	1.44%				\$ 122,658	1.39%	Industrial American Canyon Gen Fund
2) SDG Commerce 201 LLC	4	82,246	0.96%				82,246	0.93%	Industrial American Canyon Gen Fund
3) Sutter Home Winery Inc	2	78,912	0.93%				78,912	0.89%	Industrial American Canyon Gen Fund
4) 125 Mezzetta Court	1	57,092	0.67%				57,092	0.64%	Industrial American Canyon Gen Fund
5) LBL DUC II Scally Ranch LLC	426	54,833	0.64%				54,833	0.62%	Vacant American Canyon Gen Fund
6) Barry Callebaut USA LLC			0.00%	1	\$ 37,445	11.51%	37,445	0.42%	Unsecured American Canyon Gen Fund
7) BDC American Canyon LP	5	37,394	0.44%				37,394	0.42%	Commercial American Canyon Gen Fund
8) YHB Napa LLC	1	32,615	0.38%				32,615	0.37%	Commercial American Canyon Gen Fund
9) Mezzetta Court Ventures LLC	1	29,203	0.34%				29,203	0.33%	Industrial American Canyon Gen Fund
10) Homanap LP	1	27,009	0.32%				27,009	0.31%	Industrial American Canyon Gen Fund
Top Ten Totals	442	521,962	6.12%	1	37,445	11.51%	559,407	6.32%	
City Totals		\$ 8,529,703			\$ 325,401		\$ 8,855,104		

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 2006/07 Combined Tax Rolls and the SBE Non Unitary Tax Roll

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 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
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%
2015	11,480,330	11,480,330	100%
2016	12,317,143	12,317,143	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				
2007	-	\$ 3,380	-	\$ 6,695	\$ 6,035	\$ 11,991	\$28,101	8.28%	\$ 1,766	
2008	-	3,205	-	6,695	5,776	11,545	27,221	7.18%	1,676	
2009	-	3,030	-	7,727	5,490	10,399	26,646	6.82%	1,613	
2010	-	2,850	-	7,467	5,355	9,565	25,237	6.55%	1,499	
2011	-	2,660	-	7,194	5,214	11,772	26,840	6.08%	1,355	
2012	-	2,465	-	6,912	-	10,157	19,534	3.98%	983	
2013	-	2,017	-	6,615	-	8,773	17,405	3.36%	870	
2014	-	1,792	-	6,303	-	7,331	15,426	2.86%	772	
2015	-	1,559	-	6,263	827	6,214	14,863	2.64%	738	
2016	-	1,318	-	5,892	2,408	5,505	15,123	2.65%	742	

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		
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%	183
2010	-	2,850,000	2,850,000	0.14%	169
2011	-	2,660,000	2,660,000	0.12%	134
2012	-	2,465,000	2,465,000	0.12%	124
2013	-	2,017,000	2,017,000	0.09%	101
2014	-	1,792,000	1,792,000	0.08%	90
2015	-	1,559,000	1,559,000	0.07%	77
2016	-	1,318,000	1,318,000	0.05%	65

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, 2015

<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	\$ 118,406,073	7.782%	\$ 9,214,361
Napa Valley Unified School District	286,794,855	11.695%	33,540,658
City of American Canyon 1915 Act Bonds	18,392,000	100.000%	18,392,000
Other debt:			
Napa County Certificates of Participation	27,305,000	7.853%	2,144,262
Napa County Board of Education Certificate of Participation	2,710,000	7.853%	<u>212,816</u>
Subtotal overlapping debt			63,504,097
City of American Canyon Lease Revenue Bond			1,318,000
City of American Canyon Capital Leases			<u>5,892,445</u>
Total Direct and Overlapping General Fund Debt			<u><u>\$ 70,714,542</u></u>
<u>Ratios to Assessed Valuation:</u>			
Total Direct Debt (\$7,210,445)		0.05%	
Total Overlapping Tax and Assessment Debt.		2.38%	
Combined Total Debt		2.52%	

Data Source: California Municipal Statistics, Inc.

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
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%
2015	2,384,068,041	89,402,552	1,559,000	87,843,552	1.74%
2016	2,568,918,377	96,334,439	1,318,000	95,016,439	1.37%

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		Coverage
			Principal	Interest	
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
2015	1,701,083	-	680,600	978,177	1.03
2016	1,533,089	-	672,600	950,079	0.94

State of California Water Loan

	Water Service Revenues	Capital Impact Fees	Less Operating Expenses	Net Available Revenue	Debt Service		
					Principal	Interest	Coverage
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
2015	4,612,345	171,882	5,825,479	(1,041,252)	59,210	23,008	(12.66)
2016	5,895,551	1,410,622	3,785,935	3,520,238	60,646	21,538	42.83

State of California Wastewater Construction Loan

	Wastewater Service Revenues	Capital Impact Fees	Less Operating Expenses	Net Available Revenue	Debt Service		
					Principal	Interest	Coverage
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
2015	4,150,773	70,143	2,584,479	1,636,437	583,714	142,407	2.25
2016	4,234,717	890,919	2,161,955	2,963,681	599,475	126,221	4.08

Note: Water and wastewater revenues include operating revenues, interest revenues, and capital impact fees.

Operating expenses exclude depreciation and amortization

Data Source: 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>
2006	14,879	\$ 339,580	\$ 42,720	6.30%
2007	15,911	379,118	47,491	6.60%
2008	16,241	390,752	50,817	8.20%
2009	16,521	385,465	58,014	13.80%
2010	16,836	441,591	67,996	15.50%
2011	19,809	490,649	48,009	14.30%
2012	19,862	517,643	51,253	9.60%
2013	20,001	539,507	83,581	8.20%
2014	19,989	563,790	83,609	6.50%
2015	20,374	571,557	81,955	5.40%
2016	not available			

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 2016 vs Calendar Year 2007

Employer	2016			2007		
	Rank	Number Employees	Percentage of Total City Employment	Rank	Number Employees	Percentage of Total City Employment
G.L. Mezzetta, Inc.	1	400	3.74%	2	195	3.90%
Walmart Supercenter	2	349	3.26%	1	513	10.26%
Napa Valley Unified School District (AC)	3	317	2.96%			
Coca-Cola Amcan Beverages	4	160	1.50%	3	175	3.50%
The Hess Collection Winery	5	150	1.40%			
Safeway Inc. #1883	6	123	1.15%	4	120	2.40%
Pasternak Wine Imports LLC	7	100	0.93%			
BVK Gaming Inc. Napa Valley Casino	8	90	0.84%			
City of American Canyon	9	85	0.79%	5	74	1.48%
Double Tree By Hilton	10	84	0.79%			
Biagi Bros. Inc.						
Sutter Home Winery, Inc.				6	55	1.10%
Barry Callebaut				7	50	1.00%
Culligan				8	45	0.90%
Diablo Timber				9	33	0.66%
All Bay Mill & Lumber Co.				10	30	0.60%

Data Source: Business License

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

Function/Program	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
				Prior Years						
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	1.85	2.15	2.15	2.15	2.15	2.55	2.55
City Clerk	1.40	1.40	1.40	1.40	1.40	1.40	1.40	1.40	1.65	1.65
Human Resources	1.50	2.00	2.00	2.00	2.00	1.50	1.50			
Administrative Services										
Human Resources								1.50	2.20	2.20
Finance	4.90	4.90	4.90	4.90	4.60	4.60	4.60	4.60	4.30	4.80
Information Systems	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20		
Utility	3.20	3.20	3.20	3.20	3.20	3.20	3.20	3.20	3.40	3.40
Public safety:										
Police	2.70	2.70	2.70	2.70	2.70	2.70	2.70	2.70	2.70	2.70
Non Departmental	0.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30
Community development:										
Planning	2.00	2.20	2.20	2.20	1.60	1.60	1.60	1.60	3.25	3.25
Building and safety	6.50	8.00	8.00	8.00	3.25	3.25	3.25	3.25	3.25	4.25
Economic Development	0.40	0.40	0.40	0.40	0.45	0.45	0.45	0.45	0.54	0.54
Housing Services	0.30	0.60	0.60	0.60	0.10	0.10	0.10	0.10	0.00	0.00
City Engineer					1.30	1.30	1.30	1.30		
Affordable Housing				0.25	0.25	0.25	0.25	0.25	0.10	0.10
Parks and Recreation:										
Park Maintenance	6.55	5.95	5.95	5.75	5.20	5.35	5.20	5.35	5.40	5.40
Park & Recreation Programs	2.50	3.30	3.30	2.90	2.75	2.80	2.75	2.80	2.20	2.20
Recreation Program & Events									1.80	2.80
Aquatics Programs	2.20	2.30	2.30	2.30	2.30	2.30	2.30	2.30	1.60	1.60
Building & Equipment Maintenance	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	3.50	3.50
Engineering	2.80	1.65	1.65	1.90						
Street Maintenance	4.70	5.85	5.85	5.35	3.45	3.45	3.45	3.45	2.90	3.30
Storm Drain	1.30	1.95	1.95	2.35	1.55	1.95	1.95	1.95	2.00	2.60
Capital Projects					2.00	1.60	1.60	1.60	3.00	4.00
Fleet			1.05	1.40	1.10	1.10	1.10	1.10		
Ctiy Engineer									1.00	1.00
Water:										
Treatment and Distribution	10.20	9.75	9.75	9.85	9.10	9.05	9.05	9.05	9.08	10.08
Wastewater:										
Collection and Treatment	8.40	9.85	9.35	8.25	12.60	12.00	12.00	12.00	12.23	9.73
Storm Water Quality	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	0.35	3.35
Internal Service:										
Building Maintenance									1.00	1.00
Fleet Operations									1.10	1.10
Information Systems									0.10	0.10
Totals	<u>72.20</u>	<u>81.00</u>	<u>81.00</u>	<u>80.00</u>	<u>75.50</u>	<u>74.50</u>	<u>74.30</u>	<u>74.50</u>	<u>77.50</u>	<u>83.50</u>

Data Source: Human Resources Department

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
	Prior Years									
Police:										
Physical arrest	446	520	595	543	614	701	842	790	471	569
Traffic violations	1,557	2,035	1,897	1,817	1,748	2,001	1,639	1,336	971	886
Fire:										
Emergency responses	1,266	1,320	1,393	1,355	1,286	1,441	1,437	1,449	1,627	1,615
Structure Fires	17	29	20	10	16	14	6	6	17	20
Fire Loss (Thousand \$)	825	400	285	279	19	72	-	-	-	-
Fire Engines	8	8	6	6	6	6	6	6	6	6
Inspections	374	171	184	261	218	279	264	199	229	216
Construction Inspection	135	120	103	111	75	111	108	50	44	78
Planning:										
Building permits issued	273	375	352	327	285	296	299	360	520	524
Public works:										
Miles streets resurfaced	-	1.56	0.77	0.51	-	0.12	-	-	1.75	0.15
Parks:										
Community events held	17	19	19	24	22	26	35	37	41	46
Swimming pool admissions	21,000	20,000	21,480	18,494	16,063	15,313	16,261	47,720	48,222	49,142
Water:										
Number of new services	423	668	732	761	711	697	633	493	402	418
Daily average water production in MGD	3.12	3.53	3.20	2.84	2.87	2.95	3.10	3.15	2.87	2.49
Daily average water consumption in MGD	3.93	4.06	2.88	2.46	2.67	2.73	2.94	2.89	2.39	2.08
Wastewater:										
Daily average treatment in millions gallons(MGD)	1.48	1.55	1.54	1.54	1.71	1.65	1.61	1.62	1.54	1.54

Data 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	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
	Prior Years									
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	12	12	12	12	12	12	13	15	19	17
Fire										
Stations	2	2	2	2	2	2	2	2	2	2
Engines	8	8	8	8	8	8	8	8	8	8
Public works:										
Miles of streets	9.5	14.2	14.2	38.1	38.1	38.1	38.1	38.1	38.1	38.1
Streetlights	1,062	1,233	1,233	1,233	1,233	1,233	1,233	1,233	1,233	1,233
Traffic signals	4	4	4	4	4	4	4	4	4	4
Parks and recreation:										
Community centers	2	2	2	3	3	3	3	3	3	3
Parks	20	22	22	22	22	22	22	22	22	22
Park acreage	75	79	79	79	79	79	79	79	79	79
Water:										
Miles of mains added	5	7	8	-	-	-	-	-	-	-
Number of services billed	4,914	5,147	5,208	5,232	5,455	5,529	5,565	5,593	5,594	5,621
Maximum plant capacity in million gallons	5.50	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	4.70	4.70	4.70	4.70	4.70
Wastewater:										
Miles of sewers added	5	5	5	-	-	-	-	-	-	-
Number of services billed	4,562	4,667	4,738	4,809	4,856	4,910	4,971	4,983	5,004	5,016
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	0.35	2.53	0.00	2.45	0.00	0.00	0.00	0.00	0.00	0.40
Number of services billed	1	1	1	3	12	12	13	15	20	30
Storage capacity in million gallons				1.00	1.00	1.00	1.00	1.00	2.50	2.50

Data Source: Various departments within the City of American Canyon