

CITY OF AMERICAN CANYON
AND
AMERICAN CANYON FIRE PROTECTION DISTRICT
COMPREHENSIVE ANNUAL FINANCIAL REPORT
for the fiscal year ended June 30, 2018



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American Canyon, California
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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, 2018*

Prepared by the Finance Department

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CITY OF AMERICAN CANYON
 Comprehensive Annual Financial Report
 For the Year Ended June 30, 2018

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December 31, 2018

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, 2018. The fiscal year covers financial transactions from July 1, 2017 to June 30, 2018 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 are 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, 2018, 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 ("clean" opinion) that the City of American Canyon's financial statements for the fiscal year ended June 30, 2018 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.

Immediately following the report of the independent auditors you will find the City of American Canyon's MD&A.

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, 2018 was estimated to be 20,990 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 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 marked the final year of this successful plan.

Fiscal year 2016-17 resulted in a \$1.4 million decrease in General Fund fund balance due to a combination of revenues coming in under budget in sales tax, developer projects and fair market value presentation of investments. Fiscal year 2017-18 shows a small increase to General Fund fund balance of \$193,000. There was relatively little change, although revenues and expenditures both came in well below budget, mainly due to developer project projections.

Revenues in the City's General Fund declined in fiscal year 2016-17 after four years of sustained growth. For fiscal year 2017-18, General Fund revenues including transfers in for support services are \$20.9 million, up from \$19.7 million in fiscal year 2016-17 and up from \$20.7 million for the 2015-16 fiscal year.

The City is seeing increases in many areas. Residential property values are growing and property taxes, which make up more than 50% of total general fund revenues, and are critical in supporting the cost of essential services provided by the City, increased by 8.0% during the audit year, and are projected to increase an additional 6.7% in the 2018-19 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. Fiscal year 2017-18 Transient Occupancy Tax (TOT) increased by 3%. However, recent trends show no growth for fiscal year 2018-19.

The City developed the 2018-19 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 – The City is undertaking a 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 2019.

- ✓ Green Island Road Reconstruction – Green Island Road is the only road currently serving the Green Island industrial district in the north portion of American Canyon. The City is undertaking a project to reconstruct this road to meet current needs. The project will involve up to \$14 million in City issued land secured debt financing, partially funded by private property owners within the Green Island Industrial District through the creation of a Community Facilities District. A vote of the property owners is scheduled for February 2019 and the project is anticipated to begin construction in 2019.
- ✓ Pavement Rehabilitation Projects – Road Repair and Accountability Act (also known as SB1) and Measure T, (the half cent Napa Valley County Sales Tax for Road Repairs) funds will be used to repair/rehabilitate various streets in American Canyon.

New Development

Key development projects include:

- ✓ 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 proposed Broadway District Specific Plan (BDSP) is intended to transform this auto-oriented highway commercial district into a livable, mixed use, small town neighborhood; and improve the City's image by supporting quality development. The BDSP plan has been drafted and is anticipated to be approved in 2019.
- ✓ Watson Ranch – Watson Ranch is a long-planned re-development of a vacant 300-acre industrial property into a new mixed-use commercial/retail town center and it includes a new hotel, 1,253 residential units, a school, parks, and other amenities. Approved in 2018, project construction expects to begin in late 2019.

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 are able to provide treated water supplies if necessary.

The City's 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. The City has 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 joined as a member of the Sites Reservoir Project. The Sites Project is a new proposed "off-stream" water storage reservoir that would hold approximately 1.8 million acre feet. In 2019, the City will continue to participate on the project team that is pursuing funding and ultimately, construction of this new water supply project.

In May 2018, City Council authorized new water rates beginning January 2019. The water rates will increase each of the next five years, with the last increase scheduled for January 2023. The City will no longer collect a drought surcharge of two dollars per unit. The rate increases are required to meet operational requirements, construct improvements to existing aging infrastructure, and to establish funding necessary to pay for additional water purchases

Cash Resources

The City ended the fiscal year with cash and investments totaling \$42.2 million with \$34.2 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, \$18.2 million; Money Market Mutual Funds, \$0.4 million; U.S. Government Treasury and Agency Securities, \$10.7 million; U.S. Corporate Notes, \$3.5 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.

Postemployment 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 completed 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, 2017. 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.

The City was awarded the Distinguished Budget Presentation Award by the GFOA and an Operating Budget Excellence Award by the California Society of Municipal Finance Officers for its fiscal year 2017-2018 Annual Budget. These prestigious awards recognize conformance with the highest budget standards and are awarded based on both content and presentation criteria. These awards are valid for a period of one year only.

Acknowledgements

The preparation of this report would not have been possible without the capable and dedicated services of the 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,

A handwritten signature in black ink that reads "Jason B. Holley". The signature is written in a cursive, flowing style.

Jason B. Holley
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, 2017

Christopher P. Morill

Executive Director/CEO

CITY OF AMERICAN CANYON

PRINCIPAL OFFICIALS

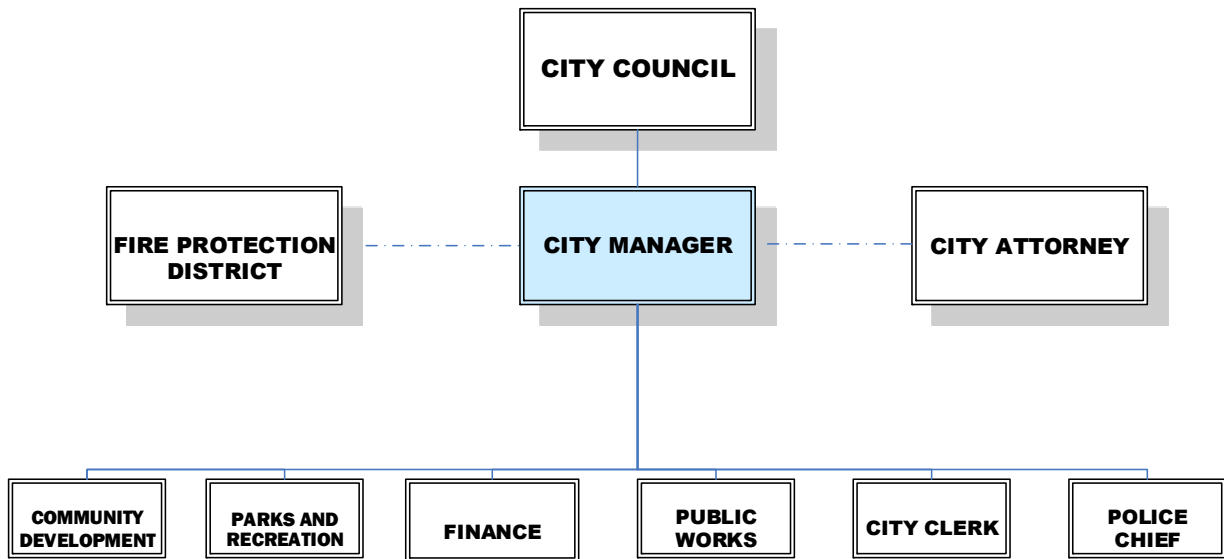
YEAR ENDED JUNE 30, 2018

CITY COUNCIL

Mayor	Leon Garcia
Vice Mayor.....	Kenneth Leary
Council Member	David Oro
Council Member	Mark Joseph
Council Member	Mariam Aboudamous

ADMINISTRATIVE PERSONNEL

City Manager / City Clerk	Jason Holley
City Clerk	Suellen Johnston
Police Chief	Oscar Ortiz
Fire Chief	Glen Weeks
City Attorney	William Ross
Finance Director.....	Christina Roybal
Public Works Director.....	Steve Hartwig
Community Services Director	Brent Cooper
Parks and Recreation Director.....	Creighton Wright



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INDEPENDENT AUDITOR'S REPORT

To the City Council
City of American Canyon, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of American Canyon, California, as of and for the year ended June 30, 2018, 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, 2018, 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, CDBG Loan Development Special Revenue Fund and Storm Drainage Special Revenue Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As discussed in Note N to the financial statements, in 2018 the City adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, Schedules of the Proportionate Share of the Net Pension Liability, Schedules of Contributions to the Pension Plan, Schedules of Changes in the Net OPEB Liability and Related Ratios and Schedules of Employer Contributions to the OPEB Plan 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 for the Major Capital Projects Funds, 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 for the Major Capital Projects 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

To the City Council
City of American Canyon, California

opinion, the budgetary comparisons for Major Capital Projects 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.

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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 31, 2018 on our consideration of the City of American Canyon, California's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of American Canyon, California's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of American Canyon, California's internal control over financial reporting and compliance.

Richardson & Company, LLP

December 31, 2018

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, 2018. 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 \$18.8 million over the course of this year's operations after conducting all City operations and programs. The assets and deferred outflows of the City exceeded its liabilities and deferred inflows by \$355.3 million at the end of the 2018 fiscal year. Of that amount, \$11.5 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 \$23.7 million at June 30, 2018, an increase of \$4.7 million compared to the prior year. Of these fund balances, \$0.6 million is non-spendable, \$11.3 million is restricted, \$1.9 million is committed, \$7.2 million is assigned, and \$2.7 million is unassigned.
- Overall, city-wide revenues from all governmental and business-type activities were \$59.6 million, an increase of about \$15.5 million compared to the prior year. This amount includes \$18 million from grants and capital contributions.
- The City's total expense for all programs in fiscal year 2018 was \$40.7 million, a decrease of \$0.5 million compared to the prior year.
- The General Fund ended fiscal year 2018 with a fund balance of \$8.6 million, an increase of \$0.2 million compared to the prior year of which \$301 thousand was unassigned. The Fire District Operations Fund ended fiscal year 2018 with a \$6.0 million fund balance, an increase of approximately \$0.8 million compared to the prior year. The CDBG Loan Development Special Revenue fund ended fiscal year 2018 with a fund balance of negative \$1.0 million, a decrease of \$1.0 million compared to the prior year. The Storm Drainage fund ended fiscal year 2018 with a fund balance of negative \$0.4 million, a decrease of \$47,550 compared to the prior year. The Affordable Housing Capital Projects fund ended fiscal year 2018 with a fund balance of negative \$0.3 million, an increase of \$0.9 million compared to the prior year. Traffic Impact fund ended fiscal year 2018 with a fund balance of \$4.3 million, an increase of \$1.5 million compared to the prior year. Other Governmental Funds reported a cumulative fund balance of \$6.5 million available for special purposes; primarily infrastructure and capital asset additions.
- The City ended fiscal year 2018 with \$17.2 million of available net position in its enterprise funds consisting of restricted and unrestricted net position. Internal Service Funds ended fiscal 2018 with a cumulative fund balance of \$1.0 million, an increase of \$0.2 million compared to the prior year.

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.

MANAGEMENT'S DISCUSSION AND ANALYSIS

- 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.

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
Scope	Entire City government	The activities of the City that are not proprietary or fiduciary, such as police, fire, streets, general government, and community services	Activities the City operates similar to private businesses: the water and wastewater funds
Required financial statements	<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
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term
Type of inflow/outflow information	All revenues and expenses during 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.

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 Fund, Fire District Operations, CDBG Loan Development, Storm Drainage, Affordable Housing, and Traffic Impact* 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.

MANAGEMENT'S DISCUSSION AND ANALYSIS

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 created 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.

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 \$18.8 million between fiscal years 2017 and 2018.

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

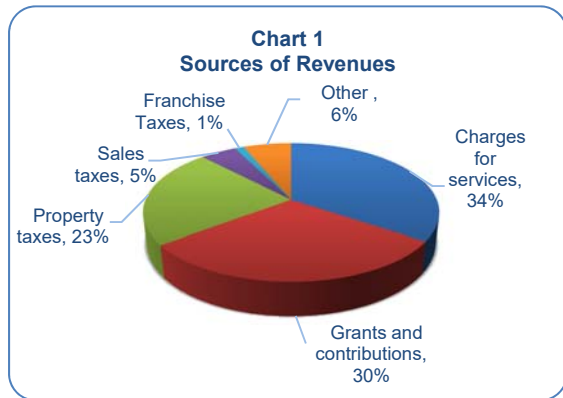
	Governmental Activities		Business-Type Activities		Total		Total Percentage Change
	2017	2018	2017	2018	2017	2018	2017-2018
Current and other assets	29.7	44.0	15.0	20.7	44.7	64.7	45.1%
Capital assets	271.8	270.9	56.7	55.3	328.5	326.2	-0.7%
Total assets	301.4	314.9	71.7	76.0	373.2	390.9	4.8%
Deferred Outflow of Resources	3.6	5.5	0.7	1.0	4.4	6.5	47.7%
Long-term debt outstanding	21.1	27.4	9.0	9.2	30.1	36.6	21.6%
Other liabilities	2.5	3.5	0.9	0.8	3.4	4.3	26.5%
Total liabilities	23.6	30.9	9.9	10.0	33.5	40.9	22.1%
Deferred Inflows of Resources	1.0	1.0	0.3	0.2	1.3	1.2	-7.7%
Net investment in capital assets	264.2	263.9	49.8	49.5	313.9	313.4	-0.2%
Restricted	13.9	24.8	3.0	5.5	16.9	30.3	79.3%
Unrestricted	2.5	(0.2)	9.5	11.8	11.9	11.6	-3.3%
Total net position	280.6	288.5	62.2	66.8	342.8	355.3	3.6%

Net position of the City's governmental and business-type activities increased 3.6% to \$355.3 million. The increase was mostly due to the building permits issued to Valley View Senior Housing and the

MANAGEMENT'S DISCUSSION AND ANALYSIS

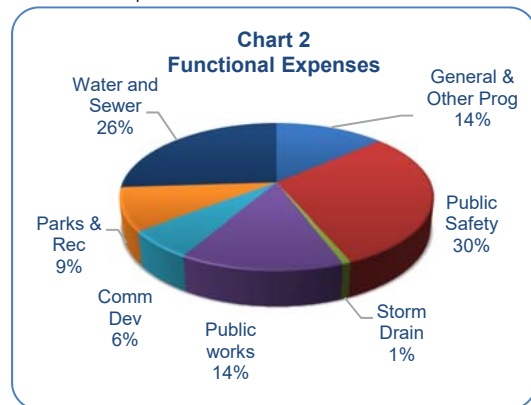
Village at Vintage Ranch Projects and the loan to Satellite Affordable Housing for the Valley View Senior Housing Project. Approximately 88% of the City's net position is invested in capital assets such as buildings, land, equipment and facilities. Land parcels at Mezzetta Court Property and Napa Junction Phase III was donated. Construction in Progress decreased due to the completion of Kimberly Flood Control Project, Sewer Improvement at Theresa Avenue and Los Altos and the Annual Water Main Replacement Projects. The remaining 12% is essentially represented by cash, investments and receivables. Notable receivables are the \$1.7 million in Property Taxes and \$8.2 million from Measure A storm drain funds. About 89% of the City's total liabilities are represented by long-term obligations including pension liabilities, lease revenue bonds, capital leases and loans from the State of California.

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 2018 totaled \$59.3 million, an increase of \$15.5 million or 35.2% from the prior year. Charges for Services decreased by \$1.4 million or 6.4%, primarily due to a decrease in developer activity and program income/housing activity. Grants and Contributions increased by \$15 million. This was primarily due to the sunset of Measure A in 2018 of which the city received the full and final payment of about \$8.2M and a \$930 thousand developer in lieu for the Valley View Senior Housing. The City's primary source of discretionary revenue is property taxes which totaled \$13.8 million or 23% of total revenues for the year and increased



by 8.7% over fiscal year 2017 due to continued improvement in assessed valuation. General Fund sales tax revenue increased by \$0.5 million or 21.7% to \$2.8 million in fiscal year 2018. Approximately \$11.2 million or 18.8% of all City revenues were generated from water and wastewater service fees and capacity fees.

The total cost for all programs and services in fiscal year 2018 was \$40.7 million which include a wide range of services such as 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 2018, expenses decreased by \$0.5 million or 1.2%. In fiscal year 2018 Community Development expenses decreased by \$2.8 million or 52.8%. This decrease was primarily due to the \$2.7 million loan to Satellite Affordable Housing Associates for the Valley View Senior Housing project in the prior year. Public Works expenses increased by \$0.8 million or 16.0% due to capital projects and pension expense. Wastewater expenses increased by \$0.6 million or 15% mostly due to the completion of the Valley View Senior Housing Project.



The City's largest operating expense was public safety services. The City's cost to provide police and fire protection services was \$12.2 million or 30% of the City's total operating expenses followed closely by the water and sewer which collectively comprised 26% of total expenses. Public Works and Storm Drain departments accounted for 15% of expenses, Parks and Recreation 9%, and Community Development 6%. 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
	2017	2018	2017	2018	2017	2018	2017-2018
Revenues							
Program revenues							
Charges for services	10.4	9.3	11.5	11.2	21.9	20.5	-6.4%
Grants and contributions - operating	1.3	0.8	0.6	0.3	1.9	1.1	-42.1%
Grants and contributions - capital	0.9	13.1	0.3	3.9	1.2	17.0	1316.7%
General revenues							
Property taxes	12.7	13.8	-	-	12.7	13.8	8.7%
Sales taxes	2.3	2.8	-	-	2.3	2.8	21.7%
Franchise taxes	0.7	0.7	-	-	0.7	0.7	0.0%
Other	3.0	3.1	0.4	0.6	3.4	3.4	8.8%
Total revenues	31.3	43.6	12.8	16.0	44.1	59.3	35.2%
Expenses							
General government	5.1	5.3	-	-	5.1	5.3	3.9%
Public Safety	11.6	12.2	-	-	11.6	12.2	5.2%
Public works	5.0	5.8	-	-	5.0	5.8	16.0%
Community Development	5.3	2.5	-	-	5.3	2.5	-52.8%
Parks and Recreation	3.6	3.8	-	-	3.6	3.8	5.6%
Storm Drain	0.2	0.3	-	-	0.2	0.3	50.0%
Water	-	-	6.1	6.0	6.1	6.0	-1.6%
Wastewater	-	-	4.0	4.6	4.0	4.6	15.0%
Other	0.3	0.2	-	-	0.3	0.2	-33.3%
Total expenses	31.1	30.1	10.1	10.6	41.2	40.7	-1.2%
Excess (deficiency) before transfers	0.2	13.5	2.7	5.4	2.9	18.9	551.7%
Transfers	0.9	-	(0.9)	-	-	-	0.0%
Increase(decrease) in net position	1.1	13.5	1.8	5.4	2.9	18.9	551.7%
Net position, beginning	279.5	280.6	60.4	62.2	339.9	342.8	0.9%
Restatement		(5.6)		(0.8)		(6.4)	
Net position, ending	280.6	288.5	62.2	66.8	342.8	355.3	3.7%

MANAGEMENT'S DISCUSSION AND ANALYSIS

When all operations were concluded, governmental activities created a \$13.5 million increase in net position and business activities increased \$5.4 million for 2018. The restatement of negative \$6.4 million is due to the implementation of GASB 75 related to other postemployment benefits.

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.

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

	Total Cost of Services		Percentage
	2017	2018	Change
			2017-2018
Public Safety	11.6	12.2	5.2%
PW (includes Storm drain)	5.2	6.1	17.3%
Community Development	5.3	2.5	-52.8%
Parks and Recreation	3.6	3.8	5.6%
Water	6.1	6.0	-1.6%
Wastewater	4.0	4.6	15.0%
All other	5.4	5.5	1.9%
Total	\$41.2	\$40.7	-1.2%

The cost of all programs this year was \$40.7 million, a decrease of \$0.5 million, or 1.2%, over prior year. For governmental activities, overall program costs decreased \$1 million, or 3%, due to the decrease in the cost of Community Development. The decrease was mainly due to the \$2.7 million loan to Satellite Affordable Housing for the Valley View Senior Housing Project. Water and Wastewater expenses increased \$0.5 million, a 5% increase. The increase was mainly due to the capital projects of \$1.4 million during the year compared to \$0.7 million last fiscal year. The biggest capital project completed during the year was the Sewer Improvement for the Valley View Senior Housing Project amounting to \$1.08 million.

Governmental Activities

As detailed on the Statement of Activities, the City's governmental program expenses totaled \$30.1 million during the year. Program revenues, including grants, totaled \$23.2 million leaving the City to fund the balance of \$6.9 million with general revenues. Program revenues increased by \$10.6 million while expenses decreased \$1.0 million over the prior year. The main increase was \$8.2 million from Measure A that sunset during the year. \$9.3 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 \$13.9 million to financially support the programs.

Business-Type Activities

At 2018 fiscal year-end, the net position for the City's enterprise funds or business-type activities, the City's Water and Wastewater funds, increased by \$4.6 million over the prior year. In fiscal year 2018, charges for services decreased approximately \$0.3 million or 3% compared to the prior year. Water revenues increased 21% compared to 2017. Wastewater program revenues increased by 29% compared to the prior year. These increases for the Water and Wastewater revenues were due to capacity fees received for the Valley View Senior Housing Development and Village at Vintage Ranch projects. Water fund expenses decreased by \$0.1 million or 1.6% compared to fiscal year 2017. Wastewater fund expenses increased by \$0.6 million or 15.0% which is mainly due to the completion of the Sewer Improvement project at the Valley View Senior Housing.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

At the end of fiscal year 2018, the City's governmental funds had a combined fund balance of \$23.7 million, about \$4.7 million more than the prior year. Developer Contributions and Capacity Fees for the Valley View Senior Housing and the Napa Junction Road Projects contributed to the increase of \$4.7 million. The City's General Fund had a deficit of revenues over expenditures of \$0.5 million before other financing sources due to less developer project activities. After including inter-fund transfers, the fund ended the fiscal year with an excess of \$0.2 million. The General Fund revenues increased by \$1.4 million or 7.6% compared to fiscal year 2017. This is largely due to a 66% increase in Building Permits for the Valley View Senior Housing. Expenditures increased by \$0.2 million, or 0.8% compared to the prior year mostly due to the increase in the Law Enforcement Contract with the County of Napa. The Fire District Operations fund balance increased by \$0.8 million or 15.4% as a result of fiscal year 2018 operations. Strike Team Reimbursements of \$.7 million and FEMA Grant of \$0.6 million contributed to this increase. A \$1 million CDBG Grant funded the Sewer Improvement at Theresa Avenue and Los Altos capital improvement project. Projects funded by the Storm Drain Fund decreased due to less expenditures attributed to the Kimberly Flood Control project in fiscal year 2018. The Affordable Housing Capital Projects fund increased by \$0.9 million or 76.9%. This significant increase was due to the City's \$2.2 million funding of the Valley View Senior Housing project in 2017 causing 2018 expenditures to be low in comparison. About \$2.1 million in traffic mitigation contributed to the increase in the Traffic Impact Fee fund balance.

The City's non-major governmental funds ended the fiscal year with a consolidated fund balance of \$6.5 million. The total fund balance of \$6.5 million is restricted with externally enforceable legal restrictions.

The Water and Wastewater enterprise funds ended the year with \$12.6 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 \$1.8 million less than final budget amounts. The largest cost in the General Fund, public safety, remained relatively constant, increasing less than \$0.2 million in fiscal year 2018. Overall, fiscal year 2018 General Fund expenditures also remained constant increasing by \$0.1 million, or 1% over the prior year to \$19.8 million.

The General Fund's fund balance increased by \$0.2 million from June 30, 2017 to June 30, 2018. The General Fund's primary source of discretionary revenue is property taxes which totaled \$9.7 million or 51% of total revenues for the year and increased by 8% over the prior year. The increase was close to budgeted growth leaving a less than \$0.1 million budget shortfall. The Charges for Services were \$1.3 million less than anticipated due to less developer project activity but also resulted in less expenditures than anticipated with Community development by \$0.9 million.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2018, the City had invested \$326.2 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 decrease, after additions and

MANAGEMENT'S DISCUSSION AND ANALYSIS

deductions, of about \$2.3 million or 0.7% 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
	2017	2018	2017	2018	2017	2018	2017-2018
Land	\$ 7.9	\$ 8.7	\$ 2.2	\$ 2.2	\$ 10.1	\$ 10.9	7.9%
Construction in progress	8.1	5.1	1.3	1.4	9.4	6.5	-30.9%
Bldgs & Improvements	40.9	41.8	3.8	3.6	44.7	45.4	1.3%
Machinery and Equipment	1.6	1.5	2.1	1.9	3.7	3.4	-8.1%
Water utility system			27.3	26.3	27.3	26.3	-3.7%
Wastewater system			20.0	19.9	20.0	19.9	-0.5%
Infrastructure system	213.3	213.8			213.3	213.8	0.2%
Total	\$271.8	\$270.9	\$56.7	\$55.3	\$328.5	\$326.2	-0.7%

Long - Term Debt

At the end of fiscal year 2018, the City had about \$11.6 million in long-term debt obligations outstanding. Of the \$11.6 million, \$5.7 million relates to the City's business-type activities and the remaining \$5.9 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 \$0.8 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 \$4.8 million capital lease to purchase a commercial office building that was transformed into City Hall; \$65,512 remaining on a capital lease for the purchase of property bordering City Hall to the north; and a \$0.2 million capital lease to purchase a Vactor 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 \$3.4 million State revolving fund loan used for construction of the City's wastewater treatment plant facility; \$0.7 million State loan for water system improvement; a \$1.2 million capital lease for the acquisition and installation of the wastewater treatment membrane; and a \$0.3 million capital lease 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

The National and California economies continue to grow, albeit at a slower rate. Experts forecast a mixed economy for California in 2018 and 2019. Recent stock volatility, tariff wars, and a new Congress bring an element of uncertainty. The raising of interest rates by the Federal Reserve and more homes destroyed by wild fires further tightened an already tight housing market. The Napa Valley economy continues to grow at a steady rate. The local Napa Valley economy is dominated by the wine industry

MANAGEMENT'S DISCUSSION AND ANALYSIS

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 American Canyon was 3.4% while Napa County was 2.6% in October 2018. This compares with an unadjusted unemployment rate of 4.1% for California and 3.7% for the nation during the same period.

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 Bay Area. Housing prices remain comparatively moderate in American Canyon, with a median home price in 2018 of \$568,200 compared to \$654,300 in Napa County and \$989,000 in the larger San Francisco Bay Area. Due to the demand for employees and modest housing prices, we expect housing inventory to remain low and prices to increase. American Canyon home values have gone up 8.2% over the past year and Zillow predicts they will rise 7.0% within the next year.

The City of American Canyon's 2018-19 annual budgets reflect these regional expectations as well as an analysis of our local trends. In the last several years, the City has benefitted from increased assessed valuations as the County Assessor has restored much of the value lost during the recession. The sizeable increases experienced in 2014-15 through 2015-16 are primarily a result of restored assessed valuations and not from increased market driving values or new construction. Those lost values are nearly all restored slowing assessed valuation growth in future years. Fiscal year 2018 property tax growth estimate is 6.7%, primarily due to increasing market values (home sales), commercial construction projects already planned and the modest 2% growth of base assessed property values. Based on performance in the past few months of fiscal year 2019 and conversations with industry experts, Transient Occupancy Tax revenues are now projecting no increase in fiscal year 2019. Sales tax revenues are now projecting a modest increase of 4% that takes into account the new retailers in the Napa Junction 3 retail center.

Also reflected in the 2018-19 annual budget is an increase to water quantity charges and water meter charges. In May 2018, City Council authorized new water rates beginning January 2019. The water rates will increase each of the next five years, with the last increase scheduled for January 2023. The City will no longer collect a drought surcharge of two dollars per unit. The rate increases are required to meet operational requirements, construct improvements to existing aging infrastructure, and to establish funding necessary to pay for additional water purchases.

In November 2012, voters approved Measure T, Napa Valley County Sales Tax for Road Repairs beginning July 1, 2018. Measure T began as Measure A, the Napa Valley County Sales Tax for Flood Protection sunset on June 30, 2018. Through Measure T, the City of American Canyon will receive 7.7% of annual revenues available. Measure T will expire in 25 years.

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 Finance Director, City of American Canyon, 4381 Broadway Street, Suite 201, American Canyon, California 94503.

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BASIC FINANCIAL STATEMENTS

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CITY OF AMERICAN CANYON
Statement of Net Position
June 30, 2018

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and investments	\$ 21,067,471	\$ 12,643,537	\$ 33,711,008
Restricted cash and investments	283,086	5,538,744	5,821,830
Taxes receivable	3,581,211		3,581,211
Accounts receivable, net	1,541,849	2,266,982	3,808,831
Internal balances	(133,880)	133,880	
Interest receivable	102,015	88,192	190,207
Due from other governments	10,179,144	784	10,179,928
Property held for resale	681,138		681,138
Prepaid expenses and other assets	321,411	3,463	324,874
Loans receivable, net	6,439,915		6,439,915
Capital assets:			
Non-depreciable	176,087,453	3,593,527	179,680,980
Depreciable, net of accumulated depreciation	94,790,386	51,683,607	146,473,993
Total capital assets	<u>270,877,839</u>	<u>55,277,134</u>	<u>326,154,973</u>
TOTAL ASSETS	<u>314,941,199</u>	<u>75,952,716</u>	<u>390,893,915</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred amount on refunding of debt	25,004		25,004
Pension plan	4,349,003	828,568	5,177,571
OPEB plans	1,090,729	184,971	1,275,700
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>5,464,736</u>	<u>1,013,539</u>	<u>6,478,275</u>
LIABILITIES			
Accounts payable	2,689,871	456,270	3,146,141
Accrued expenses	484,325	77,905	562,230
Unearned revenue	200,607		200,607
Accrued interest payable		88,724	88,724
Deposits	80,868	176,520	257,388
Long-term liabilities:			
Due within one year			
Bonds, capital leases and contracts	613,367	1,169,970	1,783,337
Compensated absences	648,797	164,642	813,439
Workers compensation claims and judgments	723,936		723,936
Due in more than one year			
Bonds, capital leases and contracts	6,350,222	4,611,016	10,961,238
Compensated absences	507,556		507,556
Net OPEB liability	6,052,843	961,177	7,014,020
Net pension liability	12,549,953	2,304,429	14,854,382
TOTAL LIABILITIES	<u>30,902,345</u>	<u>10,010,653</u>	<u>40,912,998</u>
DEFERRED INFLOWS OF RESOURCES			
Pension plan	287,423	131,123	418,546
OPEB plans	733,962	22,838	756,800
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>1,021,385</u>	<u>153,961</u>	<u>1,175,346</u>
NET POSITION			
Net investment in capital assets	263,939,254	49,496,148	313,435,402
Restricted for:			
Public safety	956,808		956,808
Public works	16,437,959		16,437,959
Debt service	29,679		29,679
Community development, planning and building	7,018,381		7,018,381
Capacity expansion		5,538,744	5,538,744
Other activities	366,993		366,993
Unrestricted	<u>(266,869)</u>	<u>11,766,749</u>	<u>11,499,880</u>
TOTAL NET POSITION	<u>\$ 288,482,205</u>	<u>\$ 66,801,641</u>	<u>\$ 355,283,846</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, 2018

Functions/Programs	Expenses	Program Revenue		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government				
Governmental Activities				
General government	\$ 5,320,539	\$ 900,185	\$ 267,768	\$ 866,363
Public safety	12,218,637	1,822,591	309,015	556,897
Public works	5,765,218	3,326,094	180,483	1,356,049
Community development	2,483,945	1,921,393		1,948,453
Parks and recreation	3,844,214	1,291,887	5,252	
Storm drain	254,091			8,382,915
Interest on long-term debt	246,458			
TOTAL GOVERNMENTAL ACTIVITIES	30,133,102	9,262,150	762,518	13,110,677
Business-type activities				
Water	6,022,713	6,876,702	243,887	2,270,458
Wastewater	4,588,339	4,365,272	10,976	1,581,023
Total business-type activities	10,611,052	11,241,974	254,863	3,851,481
TOTAL PRIMARY GOVERNMENT	\$ 40,744,154	\$ 20,504,124	\$ 1,017,381	\$ 16,962,158
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- as previously reported				
Restatement				
Net position, beginning of year - as restated				
Net position, end of year				

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

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

Governmental Activities	Business-type Activities	Total
\$ (3,286,223)		\$ (3,286,223)
(9,530,134)		(9,530,134)
(902,592)		(902,592)
1,385,901		1,385,901
(2,547,075)		(2,547,075)
8,128,824		8,128,824
(246,458)		(246,458)
<u>(6,997,757)</u>		<u>(6,997,757)</u>
	\$ 3,368,334	3,368,334
	1,368,932	1,368,932
	4,737,266	4,737,266
<u>(6,997,757)</u>	<u>4,737,266</u>	<u>(2,260,491)</u>
13,840,597		13,840,597
738,063		738,063
2,800,575		2,800,575
2,459,663		2,459,663
15,200	438,514	453,714
616,199	175,220	791,419
<u>(15,450)</u>	<u>15,450</u>	
<u>20,454,847</u>	<u>629,184</u>	<u>21,084,031</u>
13,457,090	5,366,450	18,823,540
280,552,158	62,188,039	342,740,197
(5,527,043)	(752,848)	(6,279,891)
<u>275,025,115</u>	<u>61,435,191</u>	<u>336,460,306</u>
<u>\$ 288,482,205</u>	<u>\$ 66,801,641</u>	<u>\$ 355,283,846</u>

CITY OF AMERICAN CANYON
Balance Sheet
Governmental Funds
June 30, 2018

	General Fund	Major Funds		
		Fire District Operations Special Revenue	CDBG Loan Development Special Revenue	Storm Drainage Special Revenue
ASSETS				
Cash and investments	\$ 2,845,544	\$ 6,155,573	\$ 25,348	
Restricted cash and investments				
Taxes receivable	3,501,186	58,568		
Accounts receivable, net	594,786	5,097		
Interest receivable	24,748	25,791		
Due from other governments	153,470		980,000	\$ 8,448,793
Due from other funds	2,988,030			
Property held for resale	530,868			
Prepaid expenditures and deposits	32,427	688		
Loans receivable, net	49,307		1,322,976	
TOTAL ASSETS	\$ 10,720,366	\$ 6,245,717	\$ 2,328,324	\$ 8,448,793
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 1,385,008	\$ 137,761	\$ 655,504	\$ 41
Accrued expenses	336,755	89,819		
Unearned revenue	200,607			
Deposits	80,868			
Due to other funds	90,638	43,139	333,565	743,874
TOTAL LIABILITIES	2,093,876	270,719	989,069	743,915
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	69,307		2,302,976	8,150,247
TOTAL DEFERRED INFLOWS OF RESOURCES	69,307		2,302,976	8,150,247
FUND BALANCES				
Nonspendable:				
Property held for resale	530,868			
Prepaid expenditures and deposits	32,427	688		
Restricted for:				
Public safety				
Public works				
Debt service				
Other activities	115,106			
Committed	1,903,925			
Assigned	1,222,500	5,974,310		
Unassigned	4,752,357		(963,721)	(445,369)
TOTAL FUND BALANCES	8,557,183	5,974,998	(963,721)	(445,369)
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES	\$ 10,720,366	\$ 6,245,717	\$ 2,328,324	\$ 8,448,793

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

Affordable Housing Capital Projects	Traffic Impact Capital Projects	Other Nonmajor Governmental Funds	Total Governmental Funds
	\$ 4,600,708	\$ 6,657,927	\$ 20,285,100
		283,086	283,086
		21,457	3,581,211
\$ 930,000		3,207	1,533,090
	22,006	28,505	101,050
		596,881	10,179,144
		90,638	3,078,668
150,270			681,138
			33,115
5,067,632			6,439,915
<u>\$ 6,147,902</u>	<u>\$ 4,622,714</u>	<u>\$ 7,681,701</u>	<u>\$ 46,195,517</u>
	\$ 279,930	\$ 118,011	\$ 2,576,255
\$ 6,296		51,131	484,001
			200,607
			80,868
1,334,869		532,583	3,078,668
<u>1,341,165</u>	<u>279,930</u>	<u>701,725</u>	<u>6,420,399</u>
5,067,632		490,873	16,081,035
<u>5,067,632</u>		<u>490,873</u>	<u>16,081,035</u>
			530,868
			33,115
		956,808	956,808
	4,342,784	4,400,102	8,742,886
		30,120	30,120
		1,504,243	1,619,349
			1,903,925
			7,196,810
(260,895)		(402,170)	2,680,202
<u>(260,895)</u>	<u>4,342,784</u>	<u>6,489,103</u>	<u>23,694,083</u>
<u>\$ 6,147,902</u>	<u>\$ 4,622,714</u>	<u>\$ 7,681,701</u>	<u>\$ 46,195,517</u>

CITY OF AMERICAN CANYON
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
June 30, 2018

Total fund balance, governmental funds \$ 23,694,083

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 the fund financial statements, but are reported in the governmental activities of the Statement of Net Position. 270,877,839

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. 16,081,035

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. 544,571

Long-term assets and liabilities are not due and payable in the current period and are not included in the fund financial statements, but are included in the governmental activities of the Statement of Net Position.

Prepaid rent	288,000
Long-term debt	(6,963,589)
Compensated absences	(1,156,353)
Other postemployment benefits liability	(6,052,843)
Uninsured claims	(723,936)
Net pension liability	(12,549,953)

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. 25,004

Employee pension differences to be recognized in the future as pension expense are reported as deferred outflows and inflows of resources on the statement of net position. 4,061,580

Employee OPEB differences to be recognized in the future as OPEB expense are reported as deferred outflows and inflows of resources on the statement of net position. 356,767

NET POSITION OF GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET POSITION \$ 288,482,205

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, 2018

	<u>General Fund</u>	<u>Major Funds</u>		
		<u>Fire District Operations Special Revenue</u>	<u>CDBG Loan Development Special Revenue</u>	<u>Storm Drainage Special Revenue</u>
REVENUES				
Property taxes	\$ 9,745,013	\$ 4,062,409		
Sales taxes	2,800,575			\$ 361,496
Other taxes	2,797,534	614,340		
Special assessments				
Fines and forfeitures	91,740			
Licenses and permits	762,618			
Intergovernmental	146,242	556,897	\$ 38,453	
Charges for services	2,203,681	948,193		
Use of money and property	151,173	59,638	462	
Other	548,626	164,067	78,110	
TOTAL REVENUES	<u>19,247,202</u>	<u>6,405,544</u>	<u>117,025</u>	<u>361,496</u>
EXPENDITURES				
Current:				
General government	5,084,201			
Public safety	6,644,301	5,399,048		
Public works	2,042,004			
Community development	2,310,576		72,503	
Parks and recreation	3,442,775			
Storm drain	254,091			
Debt Service:				
Principal				
Interest and other charges				
Capital outlay	6,701	227,712		
TOTAL EXPENDITURES	<u>19,784,649</u>	<u>5,626,760</u>	<u>72,503</u>	
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(537,447)</u>	<u>778,784</u>	<u>44,522</u>	<u>361,496</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	1,696,017			
Transfers out	(965,574)		(1,036,731)	(409,046)
TOTAL OTHER FINANCING SOURCES AND USES	<u>730,443</u>		<u>(1,036,731)</u>	<u>(409,046)</u>
NET CHANGE IN FUND BALANCES	<u>192,996</u>	<u>778,784</u>	<u>(992,209)</u>	<u>(47,550)</u>
Fund balances, beginning of year	8,364,187	5,196,214	28,488	(397,819)
FUND BALANCES, END OF YEAR	<u>\$ 8,557,183</u>	<u>\$ 5,974,998</u>	<u>\$ (963,721)</u>	<u>\$ (445,369)</u>

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

Affordable Housing Capital Projects	Traffic Impact Capital Projects	Other Governmental Funds	Total Governmental Funds
			\$ 13,807,422
			3,162,071
			3,411,874
		\$ 583,066	583,066
			91,740
			762,618
		1,699,745	2,441,337
\$ 995,339	\$ 3,017,177	1,504,169	8,668,559
(21,571)	66,153	79,012	334,867
		24,830	815,633
<u>973,768</u>	<u>3,083,330</u>	<u>3,890,822</u>	<u>34,079,187</u>
			5,084,201
			12,043,349
	104,828	554,711	2,701,543
107,427			2,490,506
		2,014	3,444,789
			254,091
		628,416	628,416
		267,709	267,709
	95,007	1,769,105	2,098,525
<u>107,427</u>	<u>199,835</u>	<u>3,221,955</u>	<u>29,013,129</u>
866,341	2,883,495	668,867	5,066,058
		2,592,964	4,288,981
	(1,416,541)	(848,036)	(4,675,928)
	(1,416,541)	1,744,928	(386,947)
866,341	1,466,954	2,413,795	4,679,111
(1,127,236)	2,875,830	4,075,308	19,014,972
<u>\$ (260,895)</u>	<u>\$ 4,342,784</u>	<u>\$ 6,489,103</u>	<u>\$ 23,694,083</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, 2018**

Net change in fund balances - total governmental funds: \$ 4,679,111

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

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

Capital outlay	2,098,525
Donated land	866,363
Depreciation expense	(3,771,681)
Disposals and transfers	(283,482)

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. 8,614,422

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. 620,082

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. 373,578

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:

Change in prepaid rent	(6,000)
Change in compensated absences	(61,487)
Change in uninsured claims	62,253
Change in deferred outflows of resources- OPEB	182,745
Change in other postemployment benefits liability	816,112
Change in deferred inflows of resources- OPEB	(733,962)
Change in deferred outflows of resources- pension	739,555
Change in net pension liability	(1,376,393)
Change in deferred inflows of resources- pension	637,349

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 13,457,090

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, 2018

	<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	\$ 9,674,180	\$ 9,828,354	\$ 9,745,013	\$ (83,341)
Sales taxes	2,567,580	2,779,743	2,800,575	20,832
Other taxes	2,831,277	2,924,611	2,797,534	(127,077)
Fines and forfeitures	98,000	95,600	91,740	(3,860)
Licenses and permits	455,400	675,578	762,618	87,040
Intergovernmental	77,740	71,398	146,242	74,844
Charges for services	2,694,250	3,461,296	2,203,681	(1,257,615)
Use of money and property	503,427	556,926	151,173	(405,753)
Other	358,434	508,684	548,626	39,942
TOTAL REVENUES	<u>19,260,288</u>	<u>20,902,190</u>	<u>19,247,202</u>	<u>(1,654,988)</u>
EXPENDITURES				
Current:				
General government	4,885,443	5,307,948	5,084,201	223,747
Public safety	6,649,630	6,635,854	6,644,301	(8,447)
Public works	2,373,200	2,424,296	2,042,004	382,292
Community development	2,631,000	3,239,966	2,310,576	929,390
Parks and recreation	3,688,515	3,590,432	3,442,775	147,657
Storm drain	296,800	357,253	254,091	103,162
Capital outlay		6,701	6,701	
TOTAL EXPENDITURES	<u>20,524,588</u>	<u>21,562,450</u>	<u>19,784,649</u>	<u>1,777,801</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(1,264,300)</u>	<u>(660,260)</u>	<u>(537,447)</u>	<u>122,813</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	2,094,000	2,097,003	1,696,017	(400,986)
Transfers out	(1,196,300)	(1,292,300)	(965,574)	326,726
Proceeds from sale of assets	9,000	9,000		(9,000)
TOTAL OTHER FINANCING SOURCES AND USES	<u>906,700</u>	<u>813,703</u>	<u>730,443</u>	<u>(83,260)</u>
NET CHANGE IN FUND BALANCE	(357,600)	153,443	192,996	39,553
Fund balance, beginning of year	<u>8,364,187</u>	<u>8,364,187</u>	<u>8,364,187</u>	
FUND BALANCE, END OF YEAR	<u>\$ 8,006,587</u>	<u>\$ 8,517,630</u>	<u>\$ 8,557,183</u>	<u>\$ 39,553</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 Special Revenue Fund
For the year ended June 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Property taxes	\$ 4,026,884	\$ 4,057,000	\$ 4,062,409	\$ 5,409
Other taxes	600,260	612,000	614,340	2,340
Intergovernmental		1,113,794	556,897	(556,897)
Charges for services	161,500	688,000	948,193	260,193
Use of money and property	23,523	32,250	59,638	27,388
Other	22,400	149,500	164,067	14,567
TOTAL REVENUES	4,834,567	6,652,544	6,405,544	(247,000)
EXPENDITURES				
Current:				
Public safety	4,982,138	5,274,108	5,399,048	(124,940)
Capital outlay	174,416	1,546,523	227,712	1,318,811
TOTAL EXPENDITURES	5,156,554	6,820,631	5,626,760	1,193,871
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(321,987)	(168,087)	778,784	946,871
NET CHANGE IN FUND BALANCE	(321,987)	(168,087)	778,784	946,871
Fund balance, beginning of year	5,196,214	5,196,214	5,196,214	
FUND BALANCE, END OF YEAR	\$ 4,874,227	\$ 5,028,127	\$ 5,974,998	\$ 946,871

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
CDBG Loan Development Special Revenue Fund
For the year ended June 30, 2018

	<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	\$ 1,146,000	\$ 1,160,292	\$ 38,453	\$ (1,121,839)
Use of money and property			462	462
Other	109,847	111,869	78,110	(33,759)
TOTAL REVENUES	<u>1,255,847</u>	<u>1,272,161</u>	<u>117,025</u>	<u>(1,155,136)</u>
EXPENDITURES				
Current:				
Community development	132,153	146,193	72,503	73,690
TOTAL EXPENDITURES	<u>132,153</u>	<u>146,193</u>	<u>72,503</u>	<u>73,690</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>1,123,694</u>	<u>1,125,968</u>	<u>44,522</u>	<u>(1,081,446)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(980,000)	(982,276)	(1,036,731)	(54,455)
TOTAL OTHER FINANCING SOURCES AND USES	<u>(980,000)</u>	<u>(982,276)</u>	<u>(1,036,731)</u>	<u>(54,455)</u>
NET CHANGE IN FUND BALANCE	143,694	143,692	(992,209)	(1,135,901)
Fund balance, beginning of year	<u>28,488</u>	<u>28,488</u>	<u>28,488</u>	
FUND BALANCE, END OF YEAR	<u>\$ 172,182</u>	<u>\$ 172,180</u>	<u>\$ (963,721)</u>	<u>\$ (1,135,901)</u>

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

CITY OF AMERICAN CANYON
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Storm Drainage Special Revenue Fund
For the year ended June 30, 2018

	<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	\$ 788,651	\$ 788,651	\$ 361,496	\$ (427,155)
TOTAL REVENUES	<u>788,651</u>	<u>788,651</u>	<u>361,496</u>	<u>(427,155)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>788,651</u>	<u>788,651</u>	<u>361,496</u>	<u>(427,155)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(788,651)</u>	<u>(788,651)</u>	<u>(409,046)</u>	<u>379,605</u>
TOTAL OTHER FINANCING SOURCES AND USES	<u>(788,651)</u>	<u>(788,651)</u>	<u>(409,046)</u>	<u>379,605</u>
NET CHANGE IN FUND BALANCE			(47,550)	(47,550)
Fund balance, beginning of year	<u>(397,819)</u>	<u>(397,819)</u>	<u>(397,819)</u>	
FUND BALANCE, END OF YEAR	<u>\$ (397,819)</u>	<u>\$ (397,819)</u>	<u>\$ (445,369)</u>	<u>\$ (47,550)</u>

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

CITY OF AMERICAN CANYON
Statement of Net Position
Proprietary Funds
June 30, 2018

	Business Type Activities-			Governmental
	Enterprise Funds			Activities-
	Water	Wastewater	Total	Internal Service Funds
ASSETS				
Current assets:				
Cash and investments	\$ 6,191,945	\$ 6,451,592	\$ 12,643,537	\$ 782,371
Accounts receivable, net	1,454,172	812,810	2,266,982	8,759
Due from other governments	784		784	
Interest receivable	53,177	35,015	88,192	965
Prepaid expenses	1,510	1,953	3,463	296
Total current assets	<u>7,701,588</u>	<u>7,301,370</u>	<u>15,002,958</u>	<u>792,391</u>
Non-current assets:				
Restricted cash and investments	4,828,198	710,546	5,538,744	
Advances to other funds		6,121,517	6,121,517	
Capital assets:				
Non-depreciable	1,599,398	1,994,129	3,593,527	
Depreciable, net of accumulated depreciation	26,874,403	24,809,204	51,683,607	816,521
Total non-current assets	<u>33,301,999</u>	<u>33,635,396</u>	<u>66,937,395</u>	<u>816,521</u>
TOTAL ASSETS	<u>41,003,587</u>	<u>40,936,766</u>	<u>81,940,353</u>	<u>1,608,912</u>
DEFERRED OUTFLOW OF RESOURCES				
OPEB plan	79,649	105,322	184,971	17,508
Pension plan	373,313	455,255	828,568	84,722
Total deferred outflows of resources	<u>452,962</u>	<u>560,577</u>	<u>1,013,539</u>	<u>102,230</u>
LIABILITIES				
Current Liabilities:				
Accounts payable	223,308	232,962	456,270	113,616
Accrued expenses	23,882	54,023	77,905	324
Accrued interest payable		88,724	88,724	
Deposits	132,335	44,185	176,520	
Compensated absences, current portion	80,635	84,007	164,642	18,181
Bonds, notes and loans payable, current portion	234,668	935,302	1,169,970	30,855
Total current liabilities	<u>694,828</u>	<u>1,439,203</u>	<u>2,134,031</u>	<u>162,976</u>
Non-current liabilities:				
Advances from other funds	6,121,517		6,121,517	
Bonds, notes and loans payable	930,845	3,680,171	4,611,016	167,330
Net OPEB liability	410,943	550,234	961,177	85,822
Net pension liability	1,019,301	1,285,128	2,304,429	212,034
Total non-current liabilities	<u>8,482,606</u>	<u>5,515,533</u>	<u>13,998,139</u>	<u>465,186</u>
TOTAL LIABILITIES	<u>9,177,434</u>	<u>6,954,736</u>	<u>16,132,170</u>	<u>628,162</u>
DEFERRED INFLOW OF RESOURCES				
OPEB plan	9,834	13,004	22,838	2,162
Pension plan	30,586	100,537	131,123	22,111
Total deferred inflows of resources	<u>40,420</u>	<u>113,541</u>	<u>153,961</u>	<u>24,273</u>
NET POSITION				
Net investment in capital assets	27,308,288	22,187,860	49,496,148	618,336
Restricted for:				
Capacity expansion	4,828,198	710,546	5,538,744	
Unrestricted	102,209	11,530,660	11,632,869	440,371
TOTAL NET POSITION	<u>\$ 32,238,695</u>	<u>\$ 34,429,066</u>	<u>66,667,761</u>	<u>\$ 1,058,707</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. 133,880

TOTAL NET POSITION PER GOVERNMENT-WIDE FINANCIAL STATEMENTS \$ 66,801,641

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, 2018

	Business Type Activities		Total	Governmental
	Enterprise Funds			Activities-
	Water	Wastewater		Internal Service
				Funds
OPERATING REVENUES				
Charges for services	\$ 6,886,904	\$ 4,365,272	\$ 11,252,176	\$ 1,583,700
Other	82,218	74,767	156,985	
TOTAL OPERATING REVENUES	<u>6,969,122</u>	<u>4,440,039</u>	<u>11,409,161</u>	<u>1,583,700</u>
OPERATING EXPENSES				
Employee services	1,368,628	1,681,658	3,050,286	279,632
Maintenance and operations	2,991,491	1,219,984	4,211,475	861,444
Depreciation	1,505,950	1,566,883	3,072,833	206,004
TOTAL OPERATING EXPENSES	<u>5,866,069</u>	<u>4,468,525</u>	<u>10,334,594</u>	<u>1,347,080</u>
OPERATING INCOME (LOSS)	<u>1,103,053</u>	<u>(28,486)</u>	<u>1,074,567</u>	<u>236,620</u>
NON-OPERATING REVENUES (EXPENSES)				
Interest and investment revenue	165,411	273,103	438,514	694
Other revenue	254,355		254,355	
Operating grants and contributions	7,767	10,976	18,743	
Interest expense	(192,171)	(142,632)	(334,803)	(6,754)
Loss on disposal of capital assets				(6,051)
TOTAL NON-OPERATING REVENUE (EXPENSES)	<u>235,362</u>	<u>141,447</u>	<u>376,809</u>	<u>(12,111)</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	<u>1,338,415</u>	<u>112,961</u>	<u>1,451,376</u>	<u>224,509</u>
Capital contributions	2,270,458	1,581,023	3,851,481	
Transfers in		1,570,645	1,570,645	2
Transfers out	(604,300)	(950,895)	(1,555,195)	
CHANGE IN NET POSITION	<u>3,004,573</u>	<u>2,313,734</u>	<u>5,318,307</u>	<u>224,511</u>
Net position, beginning of year - as originally reported	29,558,300	32,544,002	62,102,302	905,452
Restatement	(324,178)	(428,670)	(752,848)	(71,256)
Net position, beginning of year - as restated	<u>29,234,122</u>	<u>32,115,332</u>	<u>61,349,454</u>	<u>834,196</u>
TOTAL NET POSITION, END OF YEAR	<u>\$ 32,238,695</u>	<u>\$ 34,429,066</u>	<u>66,667,761</u>	<u>\$ 1,058,707</u>
Change in net position			5,318,307	
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.			<u>48,143</u>	
CHANGE IN NET POSITION OF BUSINESS TYPE ACTIVITIES			<u>\$ 5,366,450</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, 2018

	<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	\$ 6,943,822	\$ 4,359,161	\$ 11,302,983	
Cash paid to suppliers	(3,001,359)	(804,700)	(3,806,059)	\$ (920,724)
Cash paid to employees and related benefits	(1,370,608)	(1,567,412)	(2,938,020)	(288,426)
Cash (paid) received from interfund services provided	(261,700)	(235,800)	(497,500)	1,583,700
CASH PROVIDED BY OPERATING ACTIVITIES	<u>2,310,155</u>	<u>1,751,249</u>	<u>4,061,404</u>	<u>374,550</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Intergovernmental revenue received	7,767	10,976	18,743	(8,759)
Amounts received (paid) to other funds	(457,089)	101,044	(356,045)	2
Other revenues received	254,355		254,355	
CASH PROVIDED (USED) BY NONCAPITAL AND RELATED FINANCING ACTIVITIES	<u>(194,967)</u>	<u>112,020</u>	<u>(82,947)</u>	<u>(8,757)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Capital expenditures	(513,765)	(778,441)	(1,292,206)	(285,389)
Capital revenues received	2,270,458	1,581,023	3,851,481	
Principal paid on long-term liabilities	(240,483)	(911,075)	(1,151,558)	(30,003)
Proceeds from disposal of capital assets				89,110
Interest paid on long-term liabilities	(192,171)	(159,002)	(351,173)	(6,754)
CASH USED FOR CAPITAL AND RELATED FINANCING ACTIVITIES	<u>1,324,039</u>	<u>(267,495)</u>	<u>1,056,544</u>	<u>(233,036)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Collection of interest and investment revenue	130,574	251,593	382,167	968
CHANGE IN CASH AND INVESTMENTS	3,569,801	1,847,367	5,417,168	133,725
Cash and investments, beginning of year	7,450,342	5,314,771	12,765,113	648,646
CASH AND INVESTMENTS, END OF YEAR	<u>\$ 11,020,143</u>	<u>\$ 7,162,138</u>	<u>\$ 18,182,281</u>	<u>\$ 782,371</u>
RECONCILIATION OF CASH AND INVESTMENTS TO THE STATEMENT OF NET POSITION:				
Cash and investments	\$ 6,191,945	\$ 6,451,592	\$ 12,643,537	\$ 782,371
Restricted cash and investments	4,828,198	710,546	5,538,744	
CASH AND INVESTMENTS	<u>\$ 11,020,143</u>	<u>\$ 7,162,138</u>	<u>\$ 18,182,281</u>	<u>\$ 782,371</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO CASH PROVIDED BY OPERATING ACTIVITIES:				
Operating income (loss)	\$ 1,103,053	\$ (28,486)	\$ 1,074,567	\$ 236,620
Adjustments to reconcile operating income (loss) to cash provided by operating activities:				
Depreciation and amortization	1,505,950	1,566,883	3,072,833	206,004
Changes in OPEB & pension liabilities and related deferred outflows and outflows of resources:				
Deferred outflows of resources - OPEB plan	(2,106)	(2,785)	(4,891)	(463)
Net OPEB liability	(22,146)	(29,284)	(51,430)	(4,867)
Deferred inflows of resources - OPEB plan	9,834	13,004	22,838	2,162
Deferred outflows of resources - pension plan	(48,999)	(61,778)	(110,777)	(10,192)
Net pension liability	140,105	303,236	443,341	24,849
Deferred inflows of resources - pension plan	(90,418)	(113,998)	(204,416)	(18,808)
Changes in operating assets and liabilities:				
Accounts receivable, net	(24,516)	(80,878)	(105,394)	
Prepaid expenses	(1,510)	(1,953)	(3,463)	7,264
Accounts payable and accrued expenses	(267,081)	181,437	(85,644)	(66,544)
Deposits	(2,977)		(2,977)	
Compensated absences	11,750	5,851	17,601	(1,475)
CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 2,310,155</u>	<u>\$ 1,751,249</u>	<u>\$ 4,061,404</u>	<u>\$ 374,550</u>
SUPPLEMENTAL DISCLOSURE OF NONCASH ACTIVITIES:				
Transfer of capital assets to governmental activities	<u>\$ -</u>	<u>\$ 371,475</u>	<u>\$ 371,475</u>	<u>\$ -</u>

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

CITY OF AMERICAN CANYON
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2018

	Total Agency Funds
ASSETS	
Cash and investments	\$ 1,704,482
Restricted cash and investments	943,731
Taxes receivable	10,233
Interest receivable	6,872
TOTAL ASSETS	\$ 2,665,318
 LIABILITIES	
Agency obligations	\$ 2,665,318
TOTAL LIABILITIES	\$ 2,665,318

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, 2018

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 has full accountability for the Authority's fiscal affairs. Management of the City has operational responsibility for the Fire District. 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.

The City is a member of joint powers authorities (JPA) in which the City has only a residual equity interest in the related entity. The City is not liable for the liabilities of the entities if they dissolve under the related JPA agreement. However, Senate Bill 1912, effective January 1, 2019, requires members of a JPA that participates in a public retirement system to agree on the apportionment of the JPA's retirement liability to the members of the JPA if the JPA dissolves or otherwise terminates its contract with the public retirement system.. The City is a member of the following joint ventures: Napa Valley Transportation Authority (transit services) and Napa County Stormwater Management Program (pollution prevention program). The financial statements of the joint powers authorities are available on the websites of the related entities, if applicable.

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.

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

June 30, 2018

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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 revenues and the associated expenditures for fire services provided by the component unit fire protection district. The main sources of revenue are property taxes, assessments, and charges for services.

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

CITY OF AMERICAN CANYON, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2018

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

Traffic Impact Capital Projects Fund – Accounts for impact fees collected by new development to be used for street improvements.

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 focus.

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*.

CITY OF AMERICAN CANYON, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2018

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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.

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

June 30, 2018

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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 Operations, Internal Service, Water and Wastewater funds as appropriate and are generally liquidated by these funds. 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. The liability for compensated absences is determined annually.

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 pension liability is generally liquidated by the City’s General, Fire District Operations, Internal Service, Water and Wastewater Funds.

CITY OF AMERICAN CANYON, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2018

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Other Postemployment Benefits Plan (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the plan and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, the plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost. The net OPEB liability is generally liquidated by the City's General, Fire District Operations, Internal Service, Water and Wastewater Funds.

New Pronouncements

In January 2017, the GASB issued Statement No. 84, *Fiduciary Activities*. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. This Statement describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. Custodial funds generally should report fiduciary activities that are not held in a trust or equivalent arrangement that meets specific criteria. This Statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018.

In May 2017, the GASB issued Statement No. 86, *Certain Debt Extinguishment Issues*. The primary objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources—resources other than the proceeds of refunding debt—are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. The requirements of this Statement are effective for reporting periods beginning after June 15, 2017.

In June 2017, the GASB issued Statement No. 87, *Leases*. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019.

CITY OF AMERICAN CANYON, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2018

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

In April 2018, the GASB issued Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*. This Statement improves the information that is disclosed in the notes to government financial statements and clarifies which liabilities governments should include when disclosing information related to debt. This Statement requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences and significant subjective acceleration clauses. For notes to the financial statement there is a requirement that existing and additional information be provided for direct borrowings and direct placements of debt separately from other debt. The requirements of this Statement are effective for the reporting periods beginning after June 15, 2018.

In June 2018, the GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. This Statement enhances disclosures about capital assets and the cost of borrowing for a reporting period and simplifies the accounting for interest cost incurred before the end of a construction period. Interest cost incurred before the end of a construction period will be recognized as an expense rather than being recorded as part of the cost of capital assets in a business-type activity or enterprise fund and interest cost incurred by a fund using the current financial resources measurement focus before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles. The requirements of this Statement are effective for the reporting periods beginning after December 15, 2018.

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 State and Federal Grants-Fire Special Revenue Funds. All annual appropriations lapse at fiscal year-end.

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

The Affordable Housing Capital Projects Fund and Traffic Impact Capital Projects Fund had expenditures in excess of the final appropriation for the fiscal year ended June 30, 2018 by \$7,427 and \$99,835, respectively. These over expenditures were funded by available fund balance or current year revenues, except for the Affordable Housing Capital Projects Fund which will be funded by future charges for services.

CITY OF AMERICAN CANYON, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2018

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	\$ 33,711,008
Restricted cash and investments	<u>5,821,830</u>
Total cash and investments of primary government	39,532,838
Cash and investments in Fiduciary Funds	1,704,482
Restricted cash and investments in Fiduciary Funds	<u>943,731</u>
Total cash and investments	<u><u>\$ 42,181,051</u></u>

Cash and investments as of June 30, 2018 consist of the following:

Cash on hand	\$ 2,300
Deposits with financial institutions	1,715,545
Investments:	
Held by City	39,265,253
Held by fiscal agents	<u>1,197,953</u>
Total cash and investments	<u><u>\$ 42,181,051</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, 2018

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, 2018

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, 2018

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	\$ 24,228,458			\$ 24,228,458
U.S. Treasury Notes	198,492	\$ 1,347,543	\$ 4,007,952	5,553,987
U.S. Government Agency Obligations	1,271,571	2,393,185	1,188,506	4,853,262
U.S. Corporate Obligations	543,443	1,856,334	1,095,664	3,495,441
Money Market Mutual Funds	1,340,359			1,340,359
Asset-Backed Securities	3,642	431,618	286,439	721,699
Negotiable CD	270,000			270,000
Total investments	27,855,965	6,028,680	6,578,561	40,463,206
Cash on hand	2,300			2,300
Cash in bank	1,715,545			1,715,545
Total cash and investments	\$ 29,573,810	\$ 6,028,680	\$ 6,578,561	\$ 42,181,051

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 \$88,949,144,131, which is 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, 2018, these investments matured in an average of 193 days.

CITY OF AMERICAN CANYON, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2018

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, 2018:

Investment Type	Aaa/AAA	AA+	Aa2/AA		A2/A	A3/A-	A-1	Total
			Aa3/AA-	A1/A+				
U.S. Government Agencies		\$ 4,853,262						\$ 4,853,262
U.S. Corporate Obligations		368,695	\$136,005	\$ 777,467	\$1,646,013	\$ 567,261		3,495,441
Money Market Mutual Funds (U.S. Securities)	\$ 1,340,359							1,340,359
Asset-Backed Securities	721,699							721,699
Negotiable CD							\$ 270,000	270,000
Totals	<u>\$ 2,062,058</u>	<u>\$ 5,221,957</u>	<u>\$136,005</u>	<u>\$ 777,467</u>	<u>\$1,646,013</u>	<u>\$ 567,261</u>	<u>\$ 270,000</u>	10,680,761
<i>Not rated:</i>								
California Local Agency Investment Fund								24,228,458
<i>Exempt from credit rate disclosure:</i>								
U.S. Treasury Notes								<u>5,553,987</u>
Total investments								<u>\$40,463,206</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, which excludes U.S. Treasury securities, mutual funds and external investment pools, were as follows at June 30, 2018:

Issuer	Investment Type	Reported Amounts
Federal National Mortgage Association	U.S. Government Agencies	\$ 2,052,991

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, 2018

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, 2018, the City had \$2,464,318 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, 2018:

	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. Treasury Notes	\$ 5,553,987		\$ 5,553,987	
U.S. Government Agency Obligations	4,853,262		4,853,262	
U.S. Corporate Obligations	3,495,441		3,495,441	
Asset-Backed Securities	721,699		721,699	
Negotiable CD	270,000		270,000	
Total investments by fair value level	<u>14,894,389</u>	<u>\$ -</u>	<u>\$ 14,894,389</u>	<u>\$ -</u>
Investments uncategorized				
California Local Agency Investment Fund	24,228,458			
Money Market Mutual Funds	<u>1,340,359</u>			
	<u>\$ 40,463,206</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, 2018

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, 2018 were as follows:

<u>Fund Making Transfer</u>	<u>Fund Receiving Transfers</u>	<u>Amount Transferred</u>
General Fund	City Capital Projects Fund	\$ 69,274 (B)
	Lease Revenue Bonds Debt Service Fund	285,700 (C)
	Cabernet Village Lease Debt Service Fund	475,900 (C)
	Broadway Property Lease Debt Service Fund	134,700 (C)
Major Governmental Funds:		
CDBG Loan Development	General Fund	2,792 (A)
	Wastewater Enterprise Fund	1,033,937 (B)
	Information Technology Internal Service Fund	2 (A)
Storm Drainage Special Revenue	General Fund	51,216 (A)
	City Capital Projects Fund	23,476 (B)
	Wastewater Enterprise Fund	334,354 (D)
Traffic Impact Capital Projects	City Capital Projects Fund	1,416,541 (B)
Major Enterprise Funds:		
Water	General Fund	604,300 (A)
	General Fund	579,400 (A)
Wastewater	Governmental activities capital assets	371,495 (E)
Non-major Special Revenue Funds:		
Gas Tax	General Fund	300,000 (A)
	City Capital Projects Fund	4,548 (B)
State Supplemental Law Enforcement	General Fund	158,309 (A)
State and Federal Grants - City Funds	City Capital Projects Fund	171,981 (B)
	Wastewater Enterprise Fund	202,354 (B)
Non-major Capital Projects Funds:		
Park Improvement	City Capital Projects Fund	<u>10,844 (B)</u>
		<u>\$ 6,231,123</u>

(A) Transfer resources to fund incurring expenditures

(B) Transfer to fund capital improvements

(C) Transfer to fund debt service payments

(D) Transfer to fund flood protection projects

(E) Transfer of capital assets to governmental activities

CITY OF AMERICAN CANYON, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2018

NOTE D – INTERFUND TRANSACTIONS (Continued)

Current Interfund Balances

Current interfund balances arise in the normal course of business and are expected to be repaid shortly after the end of the fiscal year. At June 30, 2018, the following funds have interfund balances.

<u>Fund Making Loan</u>	<u>Fund Receiving Loan</u>	<u>Amount</u>
General Fund	Major Governmental Funds:	
	Fire District Operations Special Revenue	\$ 43,139
	Affordable Housing Special Revenue	1,334,869
	CDGB Loan Development Special Revenue	333,565
	Storm Drainage	743,874
	Non-Major Special Revenue Funds:	
	State and Federal Grants - City Fund	532,462
	Non-Major Debt Service Funds:	
	Broadway Property Lease	121
Fire Mitigation	General Fund	<u>90,638</u>
	Total Due To/Due From Other Funds	<u>\$ 3,078,668</u>

Advances Between Funds

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, 2018, \$6,121,517 was outstanding on this advance, including accrued interest of \$1,214,493. 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, 2018, the City had the following loans receivable:

BEGIN Program	\$ 8,384,113
Satellite Affordable Housing Association	2,789,178
Mid-Peninsula Housing Coalition Loan	2,227,337
HOME Program	683,314
CDBG Housing Rehabilitation Program	450,364
CalHome Program	189,298
Employee Home Purchase Assistance	49,307
Other	51,117
	<u>14,824,028</u>
Valuation allowance	<u>(8,384,113)</u>
Loans, net	<u>\$ 6,439,915</u>

CITY OF AMERICAN CANYON, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2018

NOTE E – LOANS RECEIVABLE (Continued)

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, 2018, residents owed the City \$8,384,113 in loans offered by this program, which includes \$3,005,213 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.

Satellite Affordable Housing Association Loan

The City made two separate loans to Satellite Affordable Housing Association (SAHA) totaling \$2,730,000 for the development of 70 affordable housing units:

Acquisition and Development: The City loaned \$1,050,000 for the acquisition and \$750,000 for other development costs. The loan carries a 3% interest rate over a 57-year term. As part of the agreement, the City will receive a residual share of the cash flow from the project.

Construction: The City loaned \$930,000 for the construction of the units. The loan is interest free over a 57-year term.

Mid-Peninsula Housing Coalition Loan

The City loaned the Mid-Peninsula Housing Coalition (MPHC) \$2,265,000 interest free 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, 2018, the loan balance was \$2,227,337.

HOME Program

The City provides loans to qualified first time buyers through the federally funded HOME Program. Under this program, principal and interest payments are deferred until the loan is refinanced or title to the property changes. These loans carry a 1% interest rate with a maturity of 30 years. As of June 30, 2018, residents owed the City \$683,314 in loans offered by this program, including accrued interest.

CITY OF AMERICAN CANYON, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2018

NOTE E – LOANS RECEIVABLE (Continued)

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, 2018, residents owed the City \$450,364 in loans offered by this program, including accrued interest.

CalHome Program

The City operates the CalHome Program to assist with the down payment or rehabilitation of manufactured homes. The loans have no interest and principal payments are deferred until maturity. As of June 30, 2018, residents owed the City \$189,298 in loans offered by this program.

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, 2018, there were 2 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. As of June 30, 2018, employees owed the City \$49,307 in loans offered by this program.

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 acquisition value on the date contributed, which is the price that would be paid to acquire an asset with equivalent service potential in an orderly market transaction at the acquisition date. 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, 2018

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, 2018.

Capital Asset Additions and Retirements

Capital assets at June 30 comprise:

	Balance at June 30, 2017	Additions	Retirements	Transfers	Balance at June 30, 2018
<u>Governmental Activities</u>					
Capital assets, not being depreciated:					
Land	\$ 7,878,928	\$ 866,363			\$ 8,745,291
Street right of ways	162,284,085				162,284,085
Construction in progress	8,153,290	1,864,112	\$ (185,614)	\$(4,773,711)	5,058,077
Total capital assets, not being depreciated	<u>178,316,303</u>	<u>2,730,475</u>	<u>(185,614)</u>	<u>(4,773,711)</u>	<u>176,087,453</u>
Capital assets, being depreciated:					
Buildings and improvements	48,469,341			2,490,350	50,959,691
Machinery and equipment	7,697,424	519,803	(187,304)		8,029,923
Infrastructure - streets and storm drains	84,658,582		(469,362)	2,654,856	86,844,076
Total capital assets, being depreciated	<u>140,825,347</u>	<u>519,803</u>	<u>(656,666)</u>	<u>5,145,206</u>	<u>145,833,690</u>
Less accumulated depreciation for:					
Buildings and improvements	(7,613,340)	(1,596,430)			(9,209,770)
Machinery and equipment	(6,143,984)	(445,596)	92,142		(6,497,438)
Infrastructure - streets and storm drains	(33,606,441)	(1,729,655)			(35,336,096)
Total accumulated depreciation	<u>(47,363,765)</u>	<u>(3,771,681)</u>	<u>92,142</u>		<u>(51,043,304)</u>
Capital assets being depreciated, net	<u>93,461,582</u>	<u>(3,251,878)</u>	<u>(564,524)</u>	<u>5,145,206</u>	<u>94,790,386</u>
GOVERNMENTAL ACTIVITIES CAPITAL ASSETS, NET	<u><u>\$271,777,885</u></u>	<u><u>\$ (521,403)</u></u>	<u><u>\$ (750,138)</u></u>	<u><u>\$ 371,495</u></u>	<u><u>\$270,877,839</u></u>

The Wastewater Enterprise Fund contributed \$371,495 of road infrastructure assets to the governmental activities during the year ended June 30, 2018.

CITY OF AMERICAN CANYON, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2018

NOTE F – CAPITAL ASSETS (Continued)

	Balance at June 30, 2017	Additions	Retirements	Transfers	Balance at June 30, 2018
<u>Business-Type Activities</u>					
Capital assets, not being depreciated:					
Land and improvements	\$ 2,185,901				\$ 2,185,901
Construction in progress	1,275,104	\$ 2,002,687		\$ (1,870,165)	1,407,626
Total capital assets, not being depreciated	<u>3,461,005</u>	<u>2,002,687</u>		<u>(1,870,165)</u>	<u>3,593,527</u>
Capital assets, being depreciated:					
Buildings and improvements	7,650,622				7,650,622
Water treatment and distribution	44,610,558			513,813	45,124,371
Equipment	3,831,310	32,509			3,863,819
Wastewater treatment and collection	34,282,557			984,857	35,267,414
Total capital assets, being depreciated	<u>90,375,047</u>	<u>32,509</u>		<u>1,498,670</u>	<u>91,906,226</u>
Less accumulated depreciation for:					
Buildings and improvements	(3,886,790)	(207,171)			(4,093,961)
Water treatment and distribution	(17,318,591)	(1,473,878)			(18,792,469)
Equipment	(1,661,970)	(310,745)			(1,972,715)
Wastewater treatment and collection	(14,282,435)	(1,081,039)			(15,363,474)
Total accumulated depreciation	<u>(37,149,786)</u>	<u>(3,072,833)</u>			<u>(40,222,619)</u>
Capital assets being depreciated, net	<u>53,225,261</u>	<u>(3,040,324)</u>		<u>1,498,670</u>	<u>51,683,607</u>
BUSINESS-TYPE ACTIVITIES CAPITAL ASSETS, NET	<u>\$ 56,686,266</u>	<u>\$ (1,037,637)</u>	<u>\$ -</u>	<u>\$ (371,495)</u>	<u>\$ 55,277,134</u>

Project Commitments

At June 30, 2018, the City had outstanding commitments with contractors for the following projects:

Project	Remaining Commitment
Transportation Projects	\$ 1,006,057
Wastewater Projects	332,561
Storm Drain Projects	74,774
Water Projects	684
	<u>\$ 1,414,076</u>

Since June 30, 2018, the City has entered into additional commitments with contracts totaling \$2.1 million.

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

June 30, 2018

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	\$ 707,397
Public safety - Police	17,445
Public safety - Fire	350,110
Public works	2,367,785
Parks and recreation	<u>328,944</u>
Total Governmental Activities	<u>\$ 3,771,681</u>
Business-type Activities:	
Water	\$ 1,505,950
Wastewater	<u>1,566,883</u>
Total Business-type Activities	<u>\$ 3,072,833</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 as follows and discussed in detail thereafter.

CITY OF AMERICAN CANYON, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2018

NOTE G – LONG-TERM LIABILITIES (Continued)

Current Year Transactions and Balances

	Original Issue Amount	Restated Balance June 30, 2017	Additions	Retirements	Balance June 30, 2018	Current Portion
<u>Governmental Activities</u>						
2012 Lease Revenue Bonds 2.95%, due on 06/01/21	\$ 2,222,000	\$ 1,069,000		\$ (256,000)	\$ 813,000	\$ 262,000
Capital Lease - City Hall Facility 4.54%, due 05/01/32	6,695,000	5,085,000		(245,000)	4,840,000	255,000
Capital Lease - Broadway Properties 4.57%, due 08/22/2018	1,075,000	192,928		(127,416)	65,512	65,512
Municipal Asset Management, Inc. Capital Lease - 2.96% due 6/17/24	341,645	228,188		(30,003)	198,185	30,855
Cost reimbursement payable		1,046,892			1,046,892	
Compensated absences		1,094,865	\$ 724,924	(663,436)	1,156,353	648,797
Claims and judgments		786,189	105,185	(167,438)	723,936	723,936
Other postemployment benefits		6,868,955		(816,112)	6,052,843	
Net pension liability		11,173,560	1,376,393		12,549,953	
Total Governmental Long-Term Liabilities		27,545,577	2,206,502	(2,305,405)	27,446,674	\$ 1,986,100
Less: Amount due within one year		(2,158,736)			(1,986,100)	
Total Governmental Long-Term Liabilities, Net		\$ 25,386,841	\$ 2,206,502	\$(2,305,405)	\$ 25,460,574	

	Original Issue Amount	Restated Balance June 30, 2017	Additions	Retirements	Balance June 30, 2018	Current Portion
<u>Business-type Activities</u>						
State of California Davis-Grunsky Loan 2.5%, due 12/31/27	\$ 2,050,000	\$ 767,565		\$ (63,762)	\$ 703,803	\$ 65,357
State Water Resources Control Board, State Revolving Fund Loan 2.7%, due 07/15/22	10,859,470	4,059,181		(632,283)	3,426,898	649,355
Municipal Asset Management, Inc. Capital Lease - 2.41% due 12/5/19	827,100	508,027		(165,207)	342,820	169,311
Municipal Finance - Inc. Capital Lease - 3.55% due 07/06/22	2,004,200	1,467,367		(278,792)	1,188,575	285,947
Compensated absences		147,041	\$ 184,693	(167,092)	164,642	164,642
Other postemployment benefits		1,012,607		(51,430)	961,177	
Net pension liability		1,861,088	443,341		2,304,429	
Total Business-type Long-Term Liabilities		9,822,876	628,034	(1,358,566)	9,092,344	\$ 1,334,612
Less: Amount due within one year		(1,084,559)			(1,334,612)	
Add: Unamortized interest on Davis-Grunsky Loan		130,404		(11,514)	118,890	
Total Business-type Activity Liabilities		\$ 8,868,721	\$ 628,034	\$(1,370,080)	\$ 7,876,622	

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

June 30, 2018

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 \$19,992. Principal is due each June 1 and December 1, through June 1, 2021, ranging from \$131,000 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 \$255,000 to \$455,000 and semi-annual interest payments of \$10,329 to \$109,868 through May 1, 2032, which includes interest at 4.54%. The cost of the asset was \$6,804,780 and accumulated depreciation was \$2,495,086 at June 30, 2018.

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.

Capital Lease – Municipal Asset Management, Inc.

In July 2014, the City entered into a lease purchase arrangement for \$341,645 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 was \$439,188 and accumulated depreciation was \$157,376 at June 30, 2018.

Cost Reimbursement Payable

The City entered into a cost 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 is expected to 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.

CITY OF AMERICAN CANYON, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2018

NOTE G – LONG-TERM LIABILITIES (Continued)

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 \$65,357 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.

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.

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 was \$827,100 and accumulated depreciation was \$248,130 at June 30, 2018.

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 \$2,164,536 and accumulated depreciation was \$698,965 at June 30, 2018.

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		
2019	\$ 262,000	\$ 22,051	\$ 351,367	\$ 227,120	\$ 1,169,970	\$ 146,878
2020	273,000	14,234	296,769	213,147	1,200,673	116,293
2021	278,000	6,151	312,709	200,176	1,054,371	84,907
2022			323,677	186,496	1,082,299	56,978
2023			339,674	172,333	794,519	30,314
2024-2028			1,779,501	631,436	360,264	26,079
2029-2032			1,700,000	197,490		
Totals	\$ 813,000	\$ 42,436	\$ 5,103,697	\$ 1,828,198	\$ 5,662,096	\$ 461,449

CITY OF AMERICAN CANYON, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2018

NOTE G – LONG-TERM LIABILITIES (Continued)

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, to finance certain capital improvements. Total principal and interest remaining on the Water Fund loan through 2028 is \$801,104 and total principal and interest remaining on the Wastewater Fund loan through 2023 is \$3,709,405. For fiscal year 2018, the principal and interest paid by the Water and Wastewater funds for these loans was \$82,161 and \$724,809, respectively. The Water Fund and the Wastewater Funds had net revenue of \$5,044,869 and \$3,392,523, respectively, in fiscal year 2018.

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, 2018.

Special Assessment Debt Without City Commitment

At June 30, 2018, the outstanding principal amount of bonded debt issued by special assessment districts in the City was as follows:

2013 Reassessment Revenue Bonds	\$ 4,776,200
2005 Infrastructure Revenue Bonds	13,893,000

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

NOTE 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 assets 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.

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

June 30, 2018

NOTE H – NET POSITION AND FUND BALANCES (CONTINUED)

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.

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 General Fund Reserves 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. Although these amounts do not meet the specific criteria for use under GASB Statement No. 54 to report the amounts as committed fund balance, the amounts may only be used according to a resolution of the governing body. The City's Capital Projects 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.

CITY OF AMERICAN CANYON, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2018

NOTE H – NET POSITION AND FUND BALANCES (CONTINUED)

The Economic Development Reserve was established at \$1,000,000 and is to be used to further the City’s adopted Economic Development program.

	General	Fire Operations Special Revenue	CDBG Loan Development Special Revenue	Storm Drainage Special Revenue	Affordable Housing Capital Projects	Traffic Impact Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
Fund Balances								
Nonspendable:								
Property held for resale	\$ 530,868							\$ 530,868
Prepaid expenditures and deposits	32,427	\$ 688						33,115
Total Nonspendable	563,295	688						563,983
Restricted:								
Public safety								
Fire District capital acquisition							\$ 857,343	857,343
Other							99,465	99,465
Public works								
Capital projects						\$ 4,342,784	2,335,581	6,678,365
La Vigne landscaping and lighting							2,064,521	2,064,521
Debt service							30,120	30,120
Other activities	115,106						1,504,243	1,619,349
Total Restricted	115,106					4,342,784	6,891,273	11,349,163
Committed:								
Traffic offenders program	153,925							153,925
Capital Projects	1,750,000							1,750,000
Total Committed	1,903,925							1,903,925
Assigned:								
Economic development	1,000,000							1,000,000
General plan update	222,500							222,500
Fire operations		5,974,310						5,974,310
	1,222,500	5,974,310						7,196,810
Unassigned:								
General Fund Reserve	4,450,888							4,450,888
Other	301,469		\$ (963,721)	\$ (445,369)	\$ (260,895)		(402,170)	(1,770,686)
	4,752,357		(963,721)	(445,369)	(260,895)		(402,170)	2,680,202
Total Fund Balance	\$ 8,557,183	\$ 5,974,998	\$ (963,721)	\$ (445,369)	\$ (260,895)	\$ 4,342,784	\$ 6,489,103	\$ 23,694,083

Fund Equity Deficits

The Affordable Housing Capital Projects, CDBG Loan Development Special Revenue, Storm Drainage Special Revenue, State and Federal Grant-City and Broadway Property Lease Funds had deficit fund balances of \$260,895, \$963,721, \$445,369, \$401,729 and \$441, respectively, at June 30, 2018. 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, 2018

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 Description: All qualified permanent and probationary employees are eligible to participate in the City's cost-sharing multiple-employer defined benefit pension plan (the Plan or PERF C) administered by the California Public Employees' Retirement System (CalPERS). PERF C consists of a miscellaneous risk pool and a safety risk pool and the following rate 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)

Although one pension plan exists, CalPERS provides the information separately for the Miscellaneous and Safety Risk Pools and the information is presented separately where available. Benefit provisions under the Plan is 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 Risk Pool) 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, 2018

NOTE J – PENSION PLAN (Continued)

The Plan’s provisions and benefits in effect at June 30, 2018, are summarized as follows:

	City Miscellaneous	City PEPRA Miscellaneous	Fire Protection Miscellaneous
	Prior to January 1, 2013	On or after January 1, 2013	Prior to January 1, 2013
Benefit formula (at full retirement)	2.0% @ 55	2.0% @ 62	3.0% @ 60
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	50 - 55	52 - 67	50 - 60
Monthly benefits, as a % of eligible compensation	1.426% to 2.418%	1.0% to 2.5%	2.00% to 3.00%
Required employee contribution rates	7.00%	6.50%	8.00%
Required employer contribution rates	9.599%	6.908%	0.000%
	Safety Fire First Tier	Safety Fire Second Tier	Safety Fire PEPRA
	January 1, 1965 to May 5, 2010	On or after May 5, 2010	On or after January 1, 2013
Benefit formula (at full retirement)	3.0% @ 50	3.0% @ 55	2.7% @ 57
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	50 - 55	50 - 55	50-57
Monthly benefits, as a % of eligible compensation	3.00%	2.40% to 3.00%	2.0% to 2.7%
Required employee contribution rates	9.00%	9.00%	11.50%
Required employer contribution rates	19.723%	17.875%	11.990%

All rate plans except the PEPRA rate 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 rate plan 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, 2018

NOTE J – PENSION PLAN (Continued)

For the year ended June 30, 2018, the contributions paid to Plan were as follows:

	City Miscellaneous Risk Pool	Fire Safety Risk Pool	Fire Miscellaneous Risk Pool	Total
Contributions - employer	\$ 918,516	\$ 781,173	\$ 19,016	\$ 1,718,705

Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions:
 As of June 30, 2018, the City reported net pension liabilities for its proportionate shares of the Plan as follows:

	Proportionate Share of Net Pension Liability/Asset
City Miscellaneous Risk Pool	\$ 7,542,231
Fire Safety Risk Pool	7,220,857
Fire Miscellaneous Risk Pool	91,294
Total Net Pension Liability	\$ 14,854,382

The City’s net pension liability of each risk pool is measured as the proportionate share of the net pension liability. The net pension liability of each of the risk pools is measured as of June 30, 2017, and the total pension liability for each risk pool used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016 rolled forward to June 30, 2017 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 risk pool as of June 30, 2018 and 2017 were as follows:

	City Miscellaneous Risk Pool	Fire Safety Risk Pool	Fire Miscellaneous Risk Pool
Proportion - June 30, 2017	0.18829%	0.12357%	0.00270%
Proportion - June 30, 2018	0.19133%	0.12085%	0.00232%
Change - Increase (Decrease)	-0.00304%	0.00272%	0.00038%

For the year ended June 30, 2018, the City recognized pension expense of \$881,195, \$948,842, \$9,305 and \$1,839,342 for the City Miscellaneous Risk Pool, Fire Safety Risk Pool, Fire Miscellaneous Risk Pool and in total for the Plan, respectively. At June 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to the Plan from the following sources:

CITY OF AMERICAN CANYON, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2018

NOTE J – PENSION PLAN (Continued)

City Miscellaneous Risk Pool	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 918,516	
Differences between actual and expected experience	9,814	\$ (140,606)
Changes in assumptions	1,217,708	(92,851)
Change in employer's proportion	303,094	(35,829)
Differences between the employer's contribution and the employer's proportionate share of contributions	140,692	
Net differences between projected and actual earnings on plan investments	275,395	
Total	\$ 2,865,219	\$ (269,286)
Fire Safety Risk Pool	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 781,173	
Differences between actual and expected experience	74,138	\$ (19,330)
Changes in assumptions	1,075,195	(82,492)
Change in employer's proportion	29,546	(36,262)
Differences between the employer's contribution and the employer's proportionate share of contributions	88,751	(2,831)
Net differences between projected and actual earnings on plan investments	234,435	
Total	\$ 2,283,238	\$ (140,915)
Fire Miscellaneous Risk Pool	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 19,016	
Differences between actual and expected experience	31	\$ (440)
Changes in assumptions	3,810	(290)
Change in employer's proportion	529	(6,064)
Differences between the employer's contribution and the employer's proportionate share of contributions	4,866	(1,551)
Net differences between projected and actual earnings on plan investments	862	
Total	\$ 29,114	\$ (8,345)
Total Plans	\$ 5,177,571	\$ (418,546)

CITY OF AMERICAN CANYON, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2018

NOTE J – PENSION PLAN (Continued)

The \$918,516, \$781,173 and \$19,016 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 subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized as pension expense as follows:

Year Ended June 30	City Miscellaneous Risk Pool	Fire Safety Risk Pool	Fire Miscellaneous Risk Pool	Total
2019	\$ 467,079	\$ 351,089	\$ (857)	\$ 817,311
2020	844,598	709,628	1,623	1,555,849
2021	529,248	437,608	1,525	968,381
2022	(163,508)	(137,175)	(538)	(301,221)
	<u>\$ 1,677,417</u>	<u>\$ 1,361,150</u>	<u>\$ 1,753</u>	<u>\$ 3,040,320</u>

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

Valuation Date	June 30, 2016
Measurement Date	June 30, 2017
Actuarial Cost Method	Entry-Age Normal Cost Method
<u>Actuarial Assumptions:</u>	
Discount Rate	7.15%
Inflation	2.75%
Payroll Growth	3.00%
Projected Salary Increase	3.2% - 20.0% (1)
Investment Rate of Return	7.375% (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, 2016 valuation were based on the results of a January 2014 actuarial experience study for the period 1997 to 2011. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. Further details of the Experience Study can be found on the CalPERS website.

Discount Rate: The discount rate used in the accounting valuations to measure the total pension liability was 7.15% for each risk pool. 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 7.15% discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.15% 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.

CITY OF AMERICAN CANYON, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2018

NOTE J – PENSION PLAN (Continued)

In the June 30, 2017 accounting valuation, the financial reporting discount rate for the Plan was lowered from 7.65 percent to 7.15 percent. Deferred outflows of resources for changes of assumptions represent the unamortized portion of this assumption change.

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

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

The table below reflects the long-term expected real rate of return by asset class for the Plan. 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	47.0%	4.90%	5.38%
Global Fixed Income	19.0%	0.80%	2.27%
Private Equity	12.0%	6.60%	6.63%
Real Estate	11.0%	2.80%	5.21%
Inflation Sensitive	6.0%	0.60%	1.39%
Infrastructure and Forestland	3.0%	3.90%	5.36%
Liquidity	2.0%	-0.40%	-0.90%
Total	100.0%		

(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, 2018

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 risk pool, calculated using the discount rate for each risk pool, 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:

	City Miscellaneous Risk Pool	Fire Safety Risk Pool	Fire Miscellaneous Risk Pool	Total
1% Decrease	6.15%	6.15%	6.15%	6.15%
Net Pension Liability	\$ 11,556,145	\$ 10,772,855	\$ 103,852	\$ 22,432,852
Current Discount Rate	7.15%	7.15%	7.15%	7.15%
Net Pension Liability	\$ 7,542,231	\$ 7,220,857	\$ 91,294	\$ 14,854,382
1% Increase	8.15%	8.15%	8.15%	8.15%
Net Pension Liability	\$ 4,217,835	\$ 4,317,277	\$ 80,894	\$ 8,616,006

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

Payable to the Plan: At June 30, 2018, the City had contributions payable to the City Miscellaneous and Fire Safety Risk Pools required for the year ended June 30, 2018 of \$19,061 and \$10,312, respectively.

NOTE K – OTHER POSTEMPLOYMENT BENEFITS

Plan Descriptions: The City’s defined benefit OPEB Plan (City Plan) and the Fire District’s defined benefit OPEB Plan (Fire Plan) are both agent multiple-employer defined benefit plants that provide OPEB benefits to retirees that meet eligibility requirements. The City Council has the authority to establish and amend the benefit terms of each Plan according to the Memorandum of Understanding with the labor units. The City Plan and the Fire Plan both participate in the CalPERS California Employers' Retiree Benefit Trust (CERBT) Fund, which is a Section 115 trust fund administered by CalPERS. The CERBT issues a publicly available financial statements that may be obtained from CalPERS at www.calpers.ca.gov.

City Plan Benefits Provided: To qualify for postemployment medical benefits, an employee must be eligible for benefits and retire from the City. The City Plan does not provide dental and vision coverage.

Employees must retire with CalPERS benefits to be eligible for City Plan benefits. Nondisabled participants must be at least age 50 and have five years of service. Disabled participants do not have a minimum retirement age and must have five years of service. Employees/retirees and their eligible spouses and dependents receive medical benefits offered through CalPERS.

CITY OF AMERICAN CANYON, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2018

NOTE K – OTHER POSTEMPLOYMENT BENEFITS (Continued)

For City retirees hired prior to June 2017 and enrolled in CalPERS health coverage, the City contributes a monthly payment equal to 100% of the current “Supplemental/Managed Monthly Employee Only Rate for Kaiser Senior Advantage” to CalPERS. CalPERS deducts the remaining cost of the medical insurance premium from the retirees account. The City reimburses the retiree for 90% of the Kaiser HMO premium rates less the payment made to CalPERS for the “Supplemental/Managed Monthly Employee Only Rate for Kaiser Senior Advantage”.

For retirees hired after June 2017 and enrolled in CalPERS health coverage, the City contributes a monthly payment equal to 100% of the current “Supplemental/Managed Monthly Employee Only Rate for Kaiser Senior Advantage” to CalPERS. CalPERS deducts the remaining cost of the medical premium from the retirees account.

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 active employees beyond COBRA continuation.

Fire Plan Benefits Provided: Employees must retire with CalPERS benefits to be eligible for Fire Plan benefits. Nondisabled participants must be at least age 50 and have five years of service. Disabled participants do not have a minimum retirement age and must have five years of service. Employees/retirees and their eligible spouses and dependents receive medical benefits offered through CalPERS. The Fire Plan offers retirees and their dependents access to dental, vision and life insurance for the remainder of their lifetime at the same premium rates applicable to active employees.

For employees hired prior to June 1, 2010, the District contributes the same amount for retirees as is contributed for similarly situated active employees. The District contributes the full premium up to 95% of the premium (determined reflecting coverage level and Basic, Combination or Supplemental rate) for the Kaiser Bay Area plan offered by CalPERS.

For employees hired on or after June 1, 2010, the Fire Plan has vesting requirements. Under the vesting program, employees must have ten years of CalPERS service, five of which must be with the District, to receive a contribution of 50%. An additional 5% contribution is received for each additional year of service up a 100% contribution after 20 years of service. The premium paid by the Fire Plan for employees hired on or after June 1, 2010 is subject to a cap. For 2016, the caps are \$705 for retiree only coverage, \$1,343 for the retiree plus one dependent and \$1,727 for the retiree plus 2 or more dependents.

Employees Covered by Benefit Terms: At the June 30, 2017 actuarial valuation date, the following employees were covered by the benefit terms:

	<u>City Plan</u>	<u>Fire Plan</u>
Inactive employees or beneficiaries currently receiving benefit payments	35	11
Active employees	<u>74</u>	<u>19</u>
Total	<u><u>109</u></u>	<u><u>30</u></u>

CITY OF AMERICAN CANYON, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2018

NOTE K – OTHER POSTEMPLOYMENT BENEFITS (Continued)

Contributions: The City Council and Fire District Board have the authority to establish and amend the contribution requirements of the City and Fire District and employees with powers granted to it under the City Municipal Code and California Government Code, subject to the Memorandum of Understanding with employee bargaining units.

Employees are not required to contribute to the City or Fire Plans. During the fiscal year ended June 30, 2018, the City’s direct payments of insurance premiums were \$240,800, implicit subsidy was \$108,700 and cash contributions to the trust were \$342,500, resulting in total contributions of \$692,000. During the fiscal year ended June 30, 2018, the Fire District’s direct payments of insurance premiums were \$170,653, implicit subsidy was \$95,562 and cash contributions to the trust were \$264,073, resulting in total contributions of \$530,288. The City and Fire District make contributions to the CERBT, which is administered by CalPERS.

Net OPEB Liability: The City and Fire District's net OPEB liabilities were measured as of June 30, 2017, and the total OPEB liabilities used to calculate the net OPEB liabilities were determined by actuarial valuations as of June 30, 2017.

Actuarial Assumptions: The total OPEB liabilities in the June 30, 2017 actuarial valuations were determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

	City Plan	Fire Plan
Valuation date	June 30, 2017	June 30, 2017
Measurement date	June 30, 2017	June 30, 2017
Actuarial cost method	Entry-age normal cost method	Entry-age normal cost method
Actuarial assumptions:		
Discount rate	7.25%	7.28%
Inflation	not specified	2.75%
Salary increases	3.00%	3.25%
Investment rate of return	7.25%	7.28%
Mortality rates	Derived using CalPERS membership data	Derived using CalPERS membership data
Pre-retirement turnover	Derived using CalPERS membership data	Derived using CalPERS membership data
Healthcare trend rate	Various initial rates grading down to 4% in 2030	8% grading down to 5% in 2024
Assumed HMO/PPO split	65%/35%	Not specified
Percentage electing to cover spouse	60%	85%

CITY OF AMERICAN CANYON, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2018

NOTE K – OTHER POSTEMPLOYMENT BENEFITS (Continued)

Pre-retirement mortality information for the City Plan was derived from data collected during 1997 to 2011 CalPERS Experience Study dated January 2014 and post-retirement mortality information was derived from the 2007 to 2011 CalPERS Experience Study. The Experience Study Reports may be accessed on the CalPERS website www.calpers.ca.gov under Forms and Publications. The Fire Plan mortality improvement was based on the MacLeod Watts Scale 2017.

The pre-retirement turnover information was developed based on CalPERS’ specific data. For more details, please refer to the 2007 to 2011 Experience Study Report. The Experience Study Report may be accessed on the CalPERS website www.calpers.ca.gov under Forms and Publications.

The long-term expected rate of return on OPEB 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 OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The City and Fire District have both elected the CERBT Strategy 1 portfolio. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Rate of Return
Global Equity	57.0%	5.38%
Fixed Income	27.0%	2.27%
Real Estate Investment Trusts	8.0%	5.21%
Treasury Inflation Protected Securities (TIPS)	5.0%	1.39%
Commodities	3.0%	4.95%
Total	100.0%	

Discount Rate: The discount rates used to measure the total City and Fire District OPEB liabilities were 7.25% and 7.28%, respectively, which were the same discount rates used in the previous valuations. The projection of cash flows used to determine the discount rate assumed that City and Fire District contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the City and Fire Plans’ fiduciary net positions were projected to be available to make all projected OPEB payments for current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments were applied to all periods of projected benefit payments to determine the total OPEB liabilities.

CITY OF AMERICAN CANYON, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2018

NOTE K – OTHER POSTEMPLOYMENT BENEFITS (Continued)

Changes in the Net OPEB Liability: Changes in the net OPEB liability were as follows during the year ended June 30, 2018:

City Plan	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability/(Asset)
Balance at June 30, 2017	\$ 7,207,000	\$ 3,446,700	\$ 3,760,300
Changes in the year:			
Service cost	326,100		326,100
Interest	519,700		519,700
Differences between expected and actual experience			
Changes in assumptions			
Changes in benefit terms			
Contributions - employer		673,700	(673,700)
Investment income		366,285	(366,285)
Administrative expenses		(1,785)	1,785
Benefit payments	(407,000)	(407,000)	
Net changes	438,800	631,200	(192,400)
Balance at June 30, 2018	<u>\$ 7,645,800</u>	<u>\$ 4,077,900</u>	<u>\$ 3,567,900</u>

Fire Plan	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability/(Asset)
Balance at June 30, 2017	\$ 5,657,339	\$ 1,536,077	\$ 4,121,262
Changes in the year:			
Service cost	146,079		146,079
Interest	413,368		413,368
Differences between expected and actual experience	(705,918)		(705,918)
Changes in assumptions	60,313		60,313
Changes in benefit terms			
Contributions - employer		414,364	(414,364)
Investment income		175,524	(175,524)
Administrative expenses		(904)	904
Benefit payments	(250,572)	(250,572)	
Net changes	(336,730)	338,412	(675,142)
Balance at June 30, 2018	<u>\$ 5,320,609</u>	<u>\$ 1,874,489</u>	<u>\$ 3,446,120</u>
Total City and Fire Plans	<u>\$ 12,966,409</u>	<u>\$ 5,952,389</u>	<u>\$ 7,014,020</u>

CITY OF AMERICAN CANYON, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2018

NOTE K – OTHER POSTEMPLOYMENT BENEFITS (Continued)

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate and Healthcare Cost Trend Rates: The following presents the net OPEB liability of the City and Fire District, as well as what the City and Fire District's net OPEB 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 discount rate:

	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
Net OPEB liability- City Plan	\$ 4,497,800	\$ 3,567,900	\$ 2,790,700

	1% Decrease 6.28%	Current Discount Rate 7.28%	1% Increase 8.28%
Net OPEB liability- Fire Plan	\$ 4,171,897	\$ 3,446,120	\$ 2,858,136

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates: The following presents the net OPEB liability of the City and Fire District, as well as what the City and Fire District's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rates:

	1% Decrease Various initial rates grading down to ultimate 3%	Current Healthcare Cost Trend Rates Various initial rates grading down to ultimate 4%	1% Increase Various initial rates grading down to ultimate 5%
Net OPEB liability	\$ 2,679,400	\$ 3,567,900	\$ 4,651,400

	1% Decrease Initial rates if 7% grading down to ultimate 4%	Current Healthcare Cost Trend Rates Initial rates if 8% grading down to ultimate 5%	1% Increase Initial rates if 9% grading down to ultimate 6%
Net OPEB liability	\$ 2,797,273	\$ 3,446,120	\$ 4,253,872

OPEB Plan Fiduciary Net Position: Detailed information about the City and Fire District Plan's fiduciary net position is available in the separately issued CERBT financial report at www.calpers.ca.gov.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB: For the year ended June 30, 2018, the City and Fire District recognized OPEB expense of \$566,737 and \$410,585, respectively.

CITY OF AMERICAN CANYON, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2018

NOTE K – OTHER POSTEMPLOYMENT BENEFITS (Continued)

At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
City Plan		
OPEB contributions subsequent to measurement date	\$ 692,000	
Differences between actual and expected experience		
Changes in benefit terms		
Changes in assumptions		
Net differences between projected and actual earnings on plan investments		\$ (85,437)
Total- City Plan	<u>\$ 692,000</u>	<u>\$ (85,437)</u>
Fire Plan		
OPEB contributions subsequent to measurement date	\$ 530,288	
Differences between actual and expected experience		\$ (625,149)
Changes in benefit terms		
Changes in assumptions	53,412	
Net differences between projected and actual earnings on plan investments		\$ (46,214)
Total- Fire Plan	<u>\$ 583,700</u>	<u>\$ (671,363)</u>
Total- City and Fire Plans	<u>\$ 1,275,700</u>	<u>\$ (756,800)</u>

The amount reported as deferred outflows of resources related to contributions after the measurement date will be recognized as a reduction of the net pension liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30	City Plan	Fire Plan	Total
2019	\$ (21,359)	\$ (85,422)	\$ (106,781)
2020	(21,359)	(85,422)	(106,781)
2021	(21,359)	(85,422)	(106,781)
2022	(21,360)	(85,420)	(106,780)
2023		(73,868)	(73,868)
Thereafter		(202,397)	(202,397)
	<u>\$ (85,437)</u>	<u>\$ (617,951)</u>	<u>\$ (703,388)</u>

Payable to the OPEB Plan: At June 30, 2018, there was no payable for the outstanding amount of contributions to the City and Fire Plans required for the year ended June 30, 2018.

CITY OF AMERICAN CANYON, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2018

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 liability coverage of \$15,000,000. Property coverage includes \$225,000 of pooled loss coverage and a limit of \$1 billion, subject to coverage limits for various types of coverage, after a deductible of \$5,000.

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, 2018, the City contributed \$204,405 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 \$5,000,000. 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 \$1,000,000 per occurrence with an aggregate limit of \$10,000,000. The Authority also provides property coverage with a deductible of \$5,000 with a limit of \$10,000,000. The Fire Association Self Insurance System, a risk sharing pool, provides workers compensation insurance coverage for the Fire District. The System is self-insured for the first \$750,000 of each claim and purchases commercial insurance excess coverage up to \$5,000,000 per claim. The District has no deductible for works compensation insurance.

Liability for Uninsured Worker Compensation Claims

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

	Year Ended June 30, 2018	Year Ended June 30, 2017	Year Ended June 30, 2016
Unpaid claims, beginning of fiscal year	\$ 786,189	\$ 908,756	\$ 413,321
Incurred claims (including IBNRs)	105,185	9,311	637,890
Claim payments	<u>(167,438)</u>	<u>(131,878)</u>	<u>(142,455)</u>
Unpaid claims, end of fiscal year	<u>\$ 723,936</u>	<u>\$ 786,189</u>	<u>\$ 908,756</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 Special Revenue Fund.

CITY OF AMERICAN CANYON, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2018

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, 2018, 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 2018 was \$1.6 million, of which \$577,000 was related to the capital component. A similar payment will be required each year through 2035.

NOTE N – CHANGE IN ACCOUNTING PRINCIPLE

During the year ended June 30, 2018, the City adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. This Statement required the City to recognize in its accrual-basis financial statements the net OPEB liability, deferred outflows of resources and deferred inflows of resources for the City’s OPEB plans.

Due to implementation of this Statement, the balances previously reported as of July 1, 2017 changed as follows:

	Governmental Activities	Business-type Activities	Total	Water Fund	Wastewater Fund	Internal Service Fund
Deferred Outflows of Resources	\$ 907,984	\$ 180,080	\$ 1,088,064	\$ 77,543	\$ 102,537	\$ 17,045
Total Liabilities	\$ 6,435,027	\$ 932,928	\$ 7,367,955	\$ 401,721	\$ 531,207	\$ 88,301
Net Position	\$ (5,527,043)	\$ (752,848)	\$ (6,279,891)	\$ (324,178)	\$ (428,670)	\$ (71,256)

NOTE O – SUBSEQUENT EVENT

During October 2018, the City received \$8,150,248 from the Napa County Flood Protection and Watershed Improvement Authority, which will be limited to projects and activities that implement the adopted Flood Control and Storm Drain Master Plan to protect existing development; and debt and expenses incurred to construct the wastewater treatment plant. The amount will be reported as restricted fund balance in the Storm Drainage Fund until spent.

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REQUIRED SUPPLEMENTARY INFORMATION

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CITY OF AMERICAN CANYON, CALIFORNIA
 REQUIRED SUPPLEMENTARY INFORMATION

For the Year Ended June 30, 2018

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

	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Proportion of the net pension liability	0.19133%	0.18829%	0.19150%	0.20960%
Proportionate share of the net pension liability	\$ 7,542,231	\$ 6,540,954	\$ 5,334,328	\$ 5,166,818
Covered payroll - measurement period	\$ 5,979,018	\$ 5,417,416	\$ 5,157,279	\$ 5,062,574
Proportionate share of the net pension liability as a percentage of covered payroll	126.14%	120.74%	103.43%	102.06%
Plan fiduciary net position as a percentage of the total pension liability	74.15%	71.92%	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 and 2017 and to 7.15% in 2018.

Omitted years: GASB Statement No. 68 was implemented during the year ended June 30, 2015. No information was available prior to this date. Information will be presented prospectively as it becomes available.

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

	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Contractually required contribution (actuarially determined) - employer fiscal year	\$ 918,516	\$ 903,780	\$ 816,543	\$ 737,934
Contributions in relation to the actuarially determined contributions	(918,516)	(903,780)	(816,543)	(737,934)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Covered payroll - employer fiscal year	\$ 5,993,406	\$ 5,979,018	\$ 5,417,416	\$ 5,157,279
Contributions as a percentage of covered payroll	15.33%	15.12%	15.07%	14.31%
Valuation date:	June 30, 2015	June 30, 2014	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	Varies, not more than 30 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 inflation
Retirement age	50-67 years

Omitted years: GASB Statement No. 68 was implemented during the year ended June 30, 2015. No information was available prior to this date. Information will be presented prospectively as it becomes available.

CITY OF AMERICAN CANYON, CALIFORNIA
REQUIRED SUPPLEMENTARY INFORMATION

For the Year Ended June 30, 2018

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

	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Proportion of the net pension liability	0.12085%	0.12357%	0.12520%	0.11999%
Proportionate share of the net pension liability	\$ 7,220,857	\$ 6,399,934	\$ 5,159,412	\$ 4,500,491
Covered payroll - measurement period	\$ 1,944,380	\$ 1,524,899	\$ 1,501,544	\$ 1,606,377
Proportionate share of the net pension liability as a percentage of covered payroll	371.37%	419.70%	343.61%	280.16%
Plan fiduciary net position as a percentage of the total pension liability	71.56%	71.92%	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 and 2017 and to 7.15% in 2018.

Omitted years: GASB Statement No. 68 was implemented during the year ended June 30, 2015. No information was available prior to this date. Information will be presented prospectively as it becomes available.

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

	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Contractually required contribution (actuarially determined) - employer fiscal year	\$ 781,173	\$ 712,349	\$ 622,420	\$ 549,070
Contributions in relation to the actuarially determined contributions	(781,173)	(712,349)	(622,420)	(549,070)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Covered payroll - fiscal year	\$ 1,824,180	\$ 1,944,380	\$ 1,524,899	\$ 1,501,544
Contributions as a percentage of covered payroll	42.82%	36.64%	40.82%	36.57%
Valuation date:	June 30, 2015	June 30, 2014	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, closec
Remaining amortization period	Varies, not more than 30 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 inflation
Retirement age	50-60 years

Omitted years: GASB Statement No. 68 was implemented during the year ended June 30, 2015. No information was available prior to this date. Information will be presented prospectively as it becomes available.

CITY OF AMERICAN CANYON, CALIFORNIA
REQUIRED SUPPLEMENTARY INFORMATION

For the Year Ended June 30, 2018

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

	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Proportion of the net pension liability	0.00232%	0.00270%	0.00304%	0.00294%
Proportionate share of the net pension liability	\$ 91,294	\$ 93,760	\$ 83,520	\$ 72,565
Covered payroll - measurement period	N/A	N/A	N/A	N/A
Proportionate share of the net pension liability as a percentage of covered payroll	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	0.00%	64.80%	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 is no covered payroll.

Changes in assumptions: The discount rate was changed from 7.50% in 2015 to 7.65% in 2016 and 2017 and to 7.15% in 2018.

Omitted years: GASB Statement No. 68 was implemented during the year ended June 30, 2015. No information was available prior to this date. Information will be presented prospectively as it becomes available.

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

	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Contractually required contribution (actuarially determined) - employer fiscal year	\$ 19,016	\$ 6,602	\$ 6,056	\$ 5,443
Contributions in relation to the actuarially determined contributions	(19,016)	(6,602)	(6,056)	(5,443)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll - fiscal year				
Contributions as a percentage of covered payroll	N/A	N/A	N/A	N/A
Valuation date:	June 30, 2015	June 30, 2014	June 30, 2013	June 30, 2012

Methods and assumptions used to determine contribution rates:

Single Employers Example	Entry age normal
Amortization method	Level percentage of payroll, closec
Remaining amortization period	Varies, not more than 30 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 inflation
Retirement age	50-67 years

Omitted years: GASB Statement No. 68 was implemented during the year ended June 30, 2015. No information was available prior to this date. Information will be presented prospectively as it becomes available.

CITY OF AMERICAN CANYON, CALIFORNIA

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
 SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS - CITY PLAN

For the Year Ended June 30, 2018

	<u>2018</u>
Total OPEB liability	
Service cost	\$ 326,100
Interest	519,700
Differences between expected and actual experience	
Changes in assumptions	
Changes in benefit terms	
Benefit payments	(407,000)
Net change in total OPEB liability	<u>438,800</u>
Total OPEB liability - beginning	7,207,000
Total OPEB liability - ending (a)	<u><u>\$ 7,645,800</u></u>
Plan fiduciary net position	
Contributions - employer	\$ 673,700
Investment income	366,285
Benefit payments	(407,000)
Administrative expenses	(1,785)
Net change in plan fiduciary net position	<u>631,200</u>
Plan fiduciary net position - beginning	3,446,700
Plan fiduciary net position - ending (b)	<u><u>\$ 4,077,900</u></u>
Net OPEB liability - ending (a)-(b)	<u><u>\$ 3,567,900</u></u>
Plan fiduciary net position as a percentage of the total OPEB liability	<u><u>53.34%</u></u>
Covered payroll - measurement period	<u><u>\$ 5,811,270</u></u>
Net pension liability as percentage of covered-employee payroll	<u><u>61.40%</u></u>
Notes to schedule:	
Valuation date	June 30, 2017
Measurement period - fiscal year ended	June 30, 2017
Benefit changes:	None
Changes in assumptions:	None

Omitted years: GASB Statement No. 75 was implemented during the year ended June 30, 2018. No information was available prior to this date. Information will be added prospectively as it becomes available until 10 years are reported.

CITY OF AMERICAN CANYON, CALIFORNIA

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
 SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS - FIRE PLAN

For the Year Ended June 30, 2018

	<u>2018</u>
Total OPEB liability	
Service cost	\$ 146,079
Interest	413,368
Differences between expected and actual experience	(705,918)
Changes in assumptions	60,313
Changes in benefit terms	
Benefit payments	<u>(250,572)</u>
Net change in total OPEB liability	(336,730)
Total OPEB liability - beginning	5,657,339
Total OPEB liability - ending (a)	<u><u>\$ 5,320,609</u></u>
Plan fiduciary net position	
Contributions - employer	\$ 414,364
Investment income	175,524
Benefit payments	(250,572)
Administrative expenses	(904)
Net change in plan fiduciary net position	<u>338,412</u>
Plan fiduciary net position - beginning	1,536,077
Plan fiduciary net position - ending (b)	<u><u>\$ 1,874,489</u></u>
Net OPEB liability - ending (a)-(b)	<u><u>\$ 3,446,120</u></u>
Plan fiduciary net position as a percentage of the total OPEB liability	<u><u>35.23%</u></u>
Covered payroll - measurement period	<u><u>\$ 2,167,463</u></u>
Net pension liability as percentage of covered-employee payroll	<u><u>158.99%</u></u>
Notes to schedule:	
Valuation date	June 30, 2017
Measurement period - fiscal year ended	June 30, 2017
Benefit changes:	None
Changes in assumptions:	0.5% increase in healthcare trend in 2018

Omitted years: GASB Statement No. 75 was implemented during the year ended June 30, 2018. No information was available prior to this date. Information will be added prospectively as it becomes available until 10 years are reported.

CITY OF AMERICAN CANYON, CALIFORNIA

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
 SCHEDULE OF CONTRIBUTIONS TO THE OPEB PLAN - CITY PLAN
 LAST TEN FISCAL YEARS

For the Year Ended June 30, 2018

	<u>2018</u>
Actuarially determined contribution - employer fiscal year	\$ 582,400
Contributions in relation to the actuarially determined contributions	(692,000)
Contribution deficiency (excess)	<u>\$ (109,600)</u>
Covered payroll - employer fiscal year	\$ 6,074,290
Contributions as a percentage of covered payroll	11.39%

Notes to Schedule:

Valuation date	June 30, 2017
Measurement period - fiscal year ended	June 30, 2017

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal Cost Method
Amortization method/period	Level percentage of payroll over static 30 years beginning 2008/2009
Asset valuation method	Market value of assets
Inflation	Not stated
Payroll growth	3.00%
Investment rate of return	7.25%
Healthcare cost-trend rate	Various initial rates grading to ultimate 4%
Retirement age	2014 CalPERS 1997-2011 Experience Study
Mortality	2014 CalPERS 1997-2011 Experience Study mortality for non-industrial miscellaneous employees.
Assumed HMO/PPO split	65%/35%
Percentage electing to cover spouse	60%

Omitted years: GASB Statement No. 75 was implemented during the year ended June 30, 2018. No information was available prior to this date. Information will be added prospectively as it becomes available until 10 years are reported.

CITY OF AMERICAN CANYON, CALIFORNIA

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
 SCHEDULE OF CONTRIBUTIONS TO THE OPEB PLAN - FIRE PLAN
 LAST TEN FISCAL YEARS

For the Year Ended June 30, 2018

	<u>2018</u>
Contractually determined contribution - employer fiscal year	\$ 457,056
Contributions in relation to the contractually determined contributions	(530,288)
Contribution deficiency (excess)	<u>\$ (73,232)</u>
Covered payroll - employer fiscal year	\$ 2,509,387
Contributions as a percentage of covered payroll	21.13%

Notes to Schedule:

Valuation date	June 30, 2017
Measurement period - fiscal year ended	June 30, 2017

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal Cost Method
Amortization method/period	Level percentage of payroll over a closed 30 years beginning July 1, 2009
Asset valuation method	Market value of assets
Inflation	3.00%
Payroll growth	3.25%
Investment rate of return	7.28%
Healthcare cost-trent rate	8% grading down to 5% for 2024 an after
Retirement age	2014 CalPERS 1997-2011 Experience Study
Mortality	2014 CalPERS 1997-2011 Experience Study, adjusted to back out 20 years of Scale BB to central year 2008, then projected using MacLeod Watts Scale 2017 applied generationally.
Percentage electing to cover spouse	85%

Omitted years: GASB Statement No. 75 was implemented during the year ended June 30, 2018. No information was available prior to this date. Information will be added prospectively as it becomes available until 10 years are reported.

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**BUDGETARY COMPARISONS
MAJOR CAPITAL PROJECTS FUNDS**

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CITY OF AMERICAN CANYON
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Affordable Housing Capital Projects Fund
For the year ended June 30, 2018

	<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	\$ 1,030,000	\$ 1,030,000	\$ 995,339	\$ (34,661)
Use of money and property			(21,571)	(21,571)
TOTAL REVENUES	<u>1,030,000</u>	<u>1,030,000</u>	<u>973,768</u>	<u>(56,232)</u>
EXPENDITURES				
Current:				
Community development	100,000	100,000	107,427	(7,427)
TOTAL EXPENDITURES	<u>100,000</u>	<u>100,000</u>	<u>107,427</u>	<u>(7,427)</u>
EXCESS (DEFICIENCY) OF				
REVENUES OVER EXPENDITURES	<u>930,000</u>	<u>930,000</u>	<u>866,341</u>	<u>(63,659)</u>
NET CHANGE IN FUND BALANCE	930,000	930,000	866,341	(63,659)
Fund balance, beginning of year	<u>(1,127,236)</u>	<u>(1,127,236)</u>	<u>(1,127,236)</u>	
FUND BALANCE, END OF YEAR	<u>\$ (197,236)</u>	<u>\$ (197,236)</u>	<u>\$ (260,895)</u>	<u>\$ (63,659)</u>

CITY OF AMERICAN CANYON
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Traffic Impact Capital Projects Fund
For the year ended June 30, 2018

	<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	\$ 590,000	\$ 950,236	\$ 3,017,177	\$ 2,066,941
Use of money and property	15,000	15,000	66,153	51,153
TOTAL REVENUES	<u>605,000</u>	<u>965,236</u>	<u>3,083,330</u>	<u>2,118,094</u>
EXPENDITURES				
Current:				
Public works		100,000	104,828	(4,828)
Capital outlay			95,007	(95,007)
TOTAL EXPENDITURES		<u>100,000</u>	<u>199,835</u>	<u>(99,835)</u>
EXCESS (DEFICIENCY) OF				
REVENUES OVER EXPENDITURES	<u>605,000</u>	<u>865,236</u>	<u>2,883,495</u>	<u>2,018,259</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(2,016,528)	(2,887,046)	(1,416,541)	1,470,505
TOTAL OTHER FINANCING				
SOURCES AND USES	<u>(2,016,528)</u>	<u>(2,887,046)</u>	<u>(1,416,541)</u>	<u>1,470,505</u>
NET CHANGE IN FUND BALANCE	(1,411,528)	(2,021,810)	1,466,954	3,488,764
Fund balance, beginning of year	<u>2,875,830</u>	<u>2,875,830</u>	<u>2,875,830</u>	
FUND BALANCE, END OF YEAR	<u>\$ 1,464,302</u>	<u>\$ 854,020</u>	<u>\$ 4,342,784</u>	<u>\$ 3,488,764</u>

NON-MAJOR GOVERNMENTAL FUNDS

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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.

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

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

Civic Facilities Capital Projects – 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, 2018

	SPECIAL REVENUE FUNDS			
	Gas Tax	State Supplemental Law Enforcement	La Vigne Landscape and Lighting	La Vigne Open Space
ASSETS				
Cash and investments	\$ 142,961	\$ 3,894	\$ 2,100,323	\$ 177,475
Restricted cash and investments				
Taxes receivable			21,457	
Accounts receivable, net			2,902	
Interest receivable	1,054	714	9,806	843
Due from other governments	17,887			
Due from other funds				
TOTAL ASSETS	\$ 161,902	\$ 4,608	\$ 2,134,488	\$ 178,318
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 3,374		\$ 69,967	\$ 308
Accrued expenses				
Due to other funds				
TOTAL LIABILITIES	3,374		69,967	308
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue				
TOTAL DEFERRED INFLOWS OF RESOURCES				
FUND BALANCES				
Restricted for:				
Public safety		\$ 4,608		
Public works	158,528		2,064,521	
Debt service				
Other activities				178,010
Unassigned				
TOTAL FUND BALANCES	158,528	4,608	2,064,521	178,010
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES	\$ 161,902	\$ 4,608	\$ 2,134,488	\$ 178,318

<u>Newell Park Open Space</u>	<u>Abandoned Vehicle</u>	<u>State and Federal Grants - Fire</u>	<u>State and Federal Grants - City Funds</u>	<u>Zero Water Footprint</u>	<u>Total Other Government Special Revenue Funds</u>
\$ 125,415	\$ 88,546	\$ 5,891	\$ 66,457	\$ 761,567	\$ 3,472,529
					21,457
					2,902
595	420			2,124	15,556
			578,994		596,881
					-
<u>\$ 126,010</u>	<u>\$ 88,966</u>	<u>\$ 5,891</u>	<u>\$ 645,451</u>	<u>\$ 763,691</u>	<u>\$ 4,109,325</u>
			\$ 23,845		\$ 97,494
			532,462		532,462
			556,307		629,956
			490,873		490,873
			490,873		490,873
	\$ 88,966	\$ 5,891			99,465
				\$ 763,691	2,986,740
\$ 126,010					304,020
			(401,729)		(401,729)
<u>126,010</u>	<u>88,966</u>	<u>5,891</u>	<u>(401,729)</u>	<u>763,691</u>	<u>2,988,496</u>
<u>\$ 126,010</u>	<u>\$ 88,966</u>	<u>\$ 5,891</u>	<u>\$ 645,451</u>	<u>\$ 763,691</u>	<u>\$ 4,109,325</u>

Continued

CITY OF AMERICAN CANYON
Combining Balance Sheet
Other Governmental Funds
June 30, 2018

CAPITAL PROJECTS FUNDS

	<u>Fire Mitigation</u>	<u>Park Improvement</u>	<u>Infrastructure</u>	<u>City Capital Projects</u>
ASSETS				
Cash and investments	\$ 763,035	\$ 1,203,431	\$ 30,169	\$ 276,283
Restricted cash and investments			283,086	
Taxes receivable				
Accounts receivable, net	305			
Interest receivable	3,365	5,494	132	
Due from other governments				
Due from other funds	90,638			
TOTAL ASSETS	<u>\$ 857,343</u>	<u>\$ 1,208,925</u>	<u>\$ 313,387</u>	<u>\$ 276,283</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES				
Liabilities:				
Accounts payable		\$ 8,702		\$ 11,815
Accrued expenses				50,341
Due to other funds				
TOTAL LIABILITIES		<u>8,702</u>		<u>62,156</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue				
TOTAL DEFERRED INFLOWS OF RESOURCES				
FUND BALANCES				
Restricted for:				
Public safety	\$ 857,343			
Public works			\$ 313,387	214,127
Debt service				
Other activities		1,200,223		
Unassigned				
TOTAL FUND BALANCES	<u>857,343</u>	<u>1,200,223</u>	<u>313,387</u>	<u>214,127</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES	<u>\$ 857,343</u>	<u>\$ 1,208,925</u>	<u>\$ 313,387</u>	<u>\$ 276,283</u>

CAPITAL PROJECTS FUNDS

DEBT SERVICE FUNDS

Civic Facilities Capital Projects	Total Other Governmental Capital Projects Funds	Lease Revenue Bonds	Cabernet Village Lease	Broadway Property Lease	Total Other Governmental Debt Service Funds	Total Other Governmental Funds
\$ 881,890	\$ 3,154,808	\$ 27,067	\$ 3,523		\$ 30,590	\$ 6,657,927
	283,086					283,086
						21,457
	305					3,207
3,958	12,949					28,505
						596,881
	90,638					90,638
<u>\$ 885,848</u>	<u>\$ 3,541,786</u>	<u>\$ 27,067</u>	<u>\$ 3,523</u>	<u>\$ -</u>	<u>\$ 30,590</u>	<u>\$ 7,681,701</u>
	\$ 20,517					\$ 118,011
	50,341	\$ 213	\$ 257	\$ 320	\$ 790	51,131
				121	121	532,583
	70,858	213	257	441	911	701,725
						490,873
						490,873
	857,343					956,808
\$ 885,848	1,413,362					4,400,102
		26,854	3,266		30,120	30,120
	1,200,223					1,504,243
				(441)	(441)	(402,170)
<u>885,848</u>	<u>3,470,928</u>	<u>26,854</u>	<u>3,266</u>	<u>(441)</u>	<u>29,679</u>	<u>6,489,103</u>
<u>\$ 885,848</u>	<u>\$ 3,541,786</u>	<u>\$ 27,067</u>	<u>\$ 3,523</u>	<u>\$ -</u>	<u>\$ 30,590</u>	<u>\$ 7,681,701</u>

CITY OF AMERICAN CANYON
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Other Governmental Funds
For the Year Ended June 30, 2018

	SPECIAL REVENUE FUNDS			
	Gas Tax	State Supplemental Law Enforcement	La Vigne Landscape and Lighting	La Vigne Open Space
REVENUES				
Special assessments			\$ 583,066	
Intergovernmental	\$ 518,397	\$ 143,310		
Charges for services				
Use of money and property	2,836	1,497	27,979	\$ 2,517
Other				
TOTAL REVENUES	<u>521,233</u>	<u>144,807</u>	<u>611,045</u>	<u>2,517</u>
EXPENDITURES				
Current:				
Public works	2,086		455,280	
Parks and recreation				1,848
Debt Service				
Principal				
Interest and other charges				
Capital outlay				
TOTAL EXPENDITURES	<u>2,086</u>		<u>455,280</u>	<u>1,848</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>519,147</u>	<u>144,807</u>	<u>155,765</u>	<u>669</u>
OTHER FINANCING SOURCES (USES)				
Transfers in				
Transfers out	(304,548)	(158,309)		
TOTAL OTHER FINANCING SOURCES AND USES	<u>(304,548)</u>	<u>(158,309)</u>		
NET CHANGE IN FUND BALANCES	214,599	(13,502)	155,765	669
Fund balances, beginning of year	(56,071)	18,110	1,908,756	177,341
FUND BALANCES, END OF YEAR	<u>\$ 158,528</u>	<u>\$ 4,608</u>	<u>\$ 2,064,521</u>	<u>\$ 178,010</u>

<u>Newell Park Open Space</u>	<u>Abandoned Vehicle</u>	<u>State and Federal Grants - Fire</u>	<u>State and Federal Grants - City Funds</u>	<u>Zero Water Footprint</u>	<u>Total Other Government Special Revenue Funds</u>
					\$ 583,066
	\$ 5,732		\$ 360,881	\$ 671,425	1,699,745
\$ 11,458	1,192			3,164	50,643
<u>11,458</u>	<u>6,924</u>		<u>360,881</u>	<u>674,589</u>	<u>2,333,454</u>
			97,345		554,711
166					2,014
166			97,345		556,725
<u>11,292</u>	<u>6,924</u>		<u>263,536</u>	<u>674,589</u>	<u>1,776,729</u>
			(374,335)		(837,192)
			(374,335)		(837,192)
11,292	6,924		(110,799)	674,589	939,537
<u>114,718</u>	<u>82,042</u>	<u>\$ 5,891</u>	<u>(290,930)</u>	<u>89,102</u>	<u>2,048,959</u>
<u>\$ 126,010</u>	<u>\$ 88,966</u>	<u>\$ 5,891</u>	<u>\$ (401,729)</u>	<u>\$ 763,691</u>	<u>\$ 2,988,496</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, 2018

CAPITAL PROJECTS FUNDS				
	Fire Mitigation	Park Improvement	Infrastructure	City Capital Projects
REVENUES				
Special assessments				
Intergovernmental				
Charges for services	\$ 168,718	\$ 955,032		
Use of money and property	8,715	10,696	\$ 2,421	
Other			4,830	\$ 20,000
TOTAL REVENUES	177,433	965,728	7,251	20,000
EXPENDITURES				
Current:				
Public works				
Parks and recreation				
Debt Service				
Principal				
Interest and other charges				
Capital outlay				1,769,105
TOTAL EXPENDITURES				1,769,105
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	177,433	965,728	7,251	(1,749,105)
OTHER FINANCING SOURCES (USES)				
Transfers in				1,696,664
Transfers out		(10,844)		
TOTAL OTHER FINANCING SOURCES AND USES		(10,844)		1,696,664
NET CHANGE IN FUND BALANCES	177,433	954,884	7,251	(52,441)
Fund balances, beginning of year	679,910	245,339	306,136	266,568
FUND BALANCES, END OF YEAR	\$ 857,343	\$ 1,200,223	\$ 313,387	\$ 214,127

CAPITAL PROJECTS FUNDS		DEBT SERVICE FUNDS					
Civic Facilities Capital Projects	Total Other Governmental Capital Projects Funds	Lease Revenue Bonds	Cabernet Village Lease	Broadway Property Lease	Total Other Governmental Debt Service Funds	Total Other Governmental Funds	
							\$ 583,066
							1,699,745
\$ 380,419	\$ 1,504,169						1,504,169
9,339	31,171	\$ (271)	\$ (1,376)	\$ (1,155)	\$ (2,802)		79,012
	24,830						24,830
<u>389,758</u>	<u>1,560,170</u>	<u>(271)</u>	<u>(1,376)</u>	<u>(1,155)</u>	<u>(2,802)</u>		<u>3,890,822</u>
							554,711
							2,014
		256,000	245,000	127,416	628,416	628,416	
		29,585	230,859	7,265	267,709	267,709	
	1,769,105						1,769,105
	1,769,105	285,585	475,859	134,681	896,125	3,221,955	
<u>389,758</u>	<u>(208,935)</u>	<u>(285,856)</u>	<u>(477,235)</u>	<u>(135,836)</u>	<u>(898,927)</u>		<u>668,867</u>
	1,696,664	285,700	475,900	134,700	896,300	2,592,964	
	(10,844)					(848,036)	
	1,685,820	285,700	475,900	134,700	896,300	1,744,928	
<u>389,758</u>	<u>1,476,885</u>	<u>(156)</u>	<u>(1,335)</u>	<u>(1,136)</u>	<u>(2,627)</u>		<u>2,413,795</u>
<u>496,090</u>	<u>1,994,043</u>	<u>27,010</u>	<u>4,601</u>	<u>695</u>	<u>32,306</u>		<u>4,075,308</u>
<u>\$ 885,848</u>	<u>\$ 3,470,928</u>	<u>\$ 26,854</u>	<u>\$ 3,266</u>	<u>\$ (441)</u>	<u>\$ 29,679</u>		<u>\$ 6,489,103</u>

CITY OF AMERICAN CANYON
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Gas Tax
For the year ended June 30, 2018

	<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	\$ 575,096	\$ 575,096	\$ 518,397	\$ (56,699)
Use of money and property	1,000	1,000	2,836	1,836
TOTAL REVENUES	<u>576,096</u>	<u>576,096</u>	<u>521,233</u>	<u>(54,863)</u>
EXPENDITURES				
Current:				
Public works	2,500	32,500	2,086	30,414
TOTAL EXPENDITURES	<u>2,500</u>	<u>32,500</u>	<u>2,086</u>	<u>30,414</u>
EXCESS (DEFICIENCY) OF				
REVENUES OVER EXPENDITURES	<u>573,596</u>	<u>543,596</u>	<u>519,147</u>	<u>(24,449)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(887,468)	(887,468)	(304,548)	582,920
TOTAL OTHER FINANCING SOURCES AND USES	<u>(887,468)</u>	<u>(887,468)</u>	<u>(304,548)</u>	<u>582,920</u>
NET CHANGE IN FUND BALANCE	(313,872)	(343,872)	214,599	558,471
Fund balance, beginning of year	<u>(56,071)</u>	<u>(56,071)</u>	<u>(56,071)</u>	
FUND BALANCE, END OF YEAR	<u>\$ (369,943)</u>	<u>\$ (399,943)</u>	<u>\$ 158,528</u>	<u>\$ 558,471</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, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 131,890	\$ 131,890	\$ 143,310	\$ 11,420
Use of money and property			1,497	1,497
TOTAL REVENUES	<u>131,890</u>	<u>131,890</u>	<u>144,807</u>	<u>12,917</u>
EXCESS (DEFICIENCY) OF				
REVENUES OVER EXPENDITURES	<u>131,890</u>	<u>131,890</u>	<u>144,807</u>	<u>12,917</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(120,000)</u>	<u>(120,000)</u>	<u>(158,309)</u>	<u>(38,309)</u>
TOTAL OTHER FINANCING SOURCES AND USES	<u>(120,000)</u>	<u>(120,000)</u>	<u>(158,309)</u>	<u>(38,309)</u>
NET CHANGE IN FUND BALANCE	11,890	11,890	(13,502)	(25,392)
Fund balance, beginning of year	<u>18,110</u>	<u>18,110</u>	<u>18,110</u>	
FUND BALANCE, END OF YEAR	<u>\$ 30,000</u>	<u>\$ 30,000</u>	<u>\$ 4,608</u>	<u>\$ (25,392)</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, 2018

	<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	\$ 583,097	\$ 583,097	\$ 583,066	\$ (31)
Use of money and property			27,979	27,979
TOTAL REVENUES	<u>583,097</u>	<u>583,097</u>	<u>611,045</u>	<u>27,948</u>
EXPENDITURES				
Current:				
Public works	829,139	829,139	455,280	373,859
TOTAL EXPENDITURES	<u>829,139</u>	<u>829,139</u>	<u>455,280</u>	<u>373,859</u>
EXCESS (DEFICIENCY) OF				
REVENUES OVER EXPENDITURES	<u>(246,042)</u>	<u>(246,042)</u>	<u>155,765</u>	<u>401,807</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(215,000)	(215,000)		215,000
TOTAL OTHER FINANCING SOURCES AND USES	<u>(215,000)</u>	<u>(215,000)</u>		<u>215,000</u>
NET CHANGE IN FUND BALANCE	(461,042)	(461,042)	155,765	616,807
Fund balance, beginning of year	<u>1,908,756</u>	<u>1,908,756</u>	<u>1,908,756</u>	
FUND BALANCE, END OF YEAR	<u>\$ 1,447,714</u>	<u>\$ 1,447,714</u>	<u>\$ 2,064,521</u>	<u>\$ 616,807</u>

CITY OF AMERICAN CANYON
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
La Vigne Open Space
For the year ended June 30, 2018

	<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				
Use of money and property	\$ 1,100	\$ 1,100	\$ 2,517	\$ 1,417
TOTAL REVENUES	<u>1,100</u>	<u>1,100</u>	<u>2,517</u>	<u>1,417</u>
EXPENDITURES				
Current:				
Parks and recreation	3,200	3,200	1,848	1,352
TOTAL EXPENDITURES	<u>3,200</u>	<u>3,200</u>	<u>1,848</u>	<u>1,352</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(2,100)</u>	<u>(2,100)</u>	<u>669</u>	<u>2,769</u>
NET CHANGE IN FUND BALANCE	(2,100)	(2,100)	669	2,769
Fund balance, beginning of year	<u>177,341</u>	<u>177,341</u>	<u>177,341</u>	
FUND BALANCE, END OF YEAR	<u>\$ 175,241</u>	<u>\$ 175,241</u>	<u>\$ 178,010</u>	<u>\$ 2,769</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, 2018

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Use of money and property	\$ 5,400	\$ 5,400	\$ 11,458	\$ 6,058
TOTAL REVENUES	<u>5,400</u>	<u>5,400</u>	<u>11,458</u>	<u>6,058</u>
EXPENDITURES				
Current:				
Parks and recreation	58,700	58,700	166	58,534
TOTAL EXPENDITURES	<u>58,700</u>	<u>58,700</u>	<u>166</u>	<u>58,534</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(53,300)</u>	<u>(53,300)</u>	<u>11,292</u>	<u>64,592</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	25,000	25,000		25,000
TOTAL OTHER FINANCING SOURCES AND USES	<u>25,000</u>	<u>25,000</u>		<u>25,000</u>
NET CHANGE IN FUND BALANCE	(28,300)	(28,300)	11,292	39,592
Fund balance, beginning of year	<u>114,718</u>	<u>114,718</u>	<u>114,718</u>	
FUND BALANCE, END OF YEAR	<u>\$ 86,418</u>	<u>\$ 86,418</u>	<u>\$ 126,010</u>	<u>\$ 39,592</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, 2018

	<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			\$ 5,732	\$ 5,732
Use of money and property			1,192	1,192
TOTAL REVENUES			<u>6,924</u>	<u>6,924</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES			<u>6,924</u>	<u>6,924</u>
NET CHANGE IN FUND BALANCE			6,924	6,924
Fund balance, beginning of year	<u>\$ 82,042</u>	<u>\$ 82,042</u>	<u>82,042</u>	
FUND BALANCE, END OF YEAR	<u>\$ 82,042</u>	<u>\$ 82,042</u>	<u>\$ 88,966</u>	<u>\$ 6,924</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, 2018

	<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	\$ 3,952,584	\$ 3,952,584	\$ 360,881	\$ (3,591,703)
TOTAL REVENUES	<u>3,952,584</u>	<u>3,952,584</u>	<u>360,881</u>	<u>(3,591,703)</u>
EXPENDITURES				
Current:				
Public works	300,000	300,000	97,345	202,655
Community development	50,000	50,000		50,000
TOTAL EXPENDITURES	<u>350,000</u>	<u>350,000</u>	<u>97,345</u>	<u>252,655</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>3,602,584</u>	<u>3,602,584</u>	<u>263,536</u>	<u>(3,339,048)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(3,061,748)	(3,061,748)	(374,335)	2,687,413
TOTAL OTHER FINANCING SOURCES AND USES	<u>(3,061,748)</u>	<u>(3,061,748)</u>	<u>(374,335)</u>	<u>2,687,413</u>
NET CHANGE IN FUND BALANCE	540,836	540,836	(110,799)	(651,635)
Fund balance, beginning of year	<u>(290,930)</u>	<u>(290,930)</u>	<u>(290,930)</u>	
FUND BALANCE, END OF YEAR	<u>\$ 249,906</u>	<u>\$ 249,906</u>	<u>\$ (401,729)</u>	<u>\$ (651,635)</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, 2018

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Intergovernmental	\$ 640,000	\$ 640,000	\$ 671,425	\$ 31,425
Use of money and property			3,164	3,164
TOTAL REVENUES	640,000	640,000	674,589	34,589
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	640,000	640,000	674,589	34,589
OTHER FINANCING SOURCES (USES)				
Transfers out	(107,500)	(107,500)		107,500
TOTAL OTHER FINANCING SOURCES AND USES	(107,500)	(107,500)		107,500
NET CHANGE IN FUND BALANCE	532,500	532,500	674,589	142,089
Fund balance, beginning of year	89,102	89,102	89,102	
FUND BALANCE, END OF YEAR	\$ 621,602	\$ 621,602	\$ 763,691	\$ 142,089

CITY OF AMERICAN CANYON
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Fire Mitigation
For the year ended June 30, 2018

	<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	\$ 128,750	\$ 10,000	\$ 168,718	\$ 158,718
Use of money and property	4,200	6,000	8,715	2,715
TOTAL REVENUES	<u>132,950</u>	<u>16,000</u>	<u>177,433</u>	<u>161,433</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>132,950</u>	<u>16,000</u>	<u>177,433</u>	<u>161,433</u>
NET CHANGE IN FUND BALANCE	132,950	16,000	177,433	161,433
Fund balance, beginning of year	<u>679,910</u>	<u>679,910</u>	<u>679,910</u>	
FUND BALANCE, END OF YEAR	<u>\$ 812,860</u>	<u>\$ 695,910</u>	<u>\$ 857,343</u>	<u>\$ 161,433</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, 2018

	<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	\$ 190,900	\$ 190,900	\$ 955,032	\$ 764,132
Use of money and property			10,696	10,696
TOTAL REVENUES	<u>190,900</u>	<u>190,900</u>	<u>965,728</u>	<u>774,828</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>190,900</u>	<u>190,900</u>	<u>965,728</u>	<u>774,828</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(122,912)	(122,912)	(10,844)	112,068
TOTAL OTHER FINANCING SOURCES AND USES	<u>(122,912)</u>	<u>(122,912)</u>	<u>(10,844)</u>	<u>112,068</u>
NET CHANGE IN FUND BALANCE	67,988	67,988	954,884	886,896
Fund balance, beginning of year	<u>245,339</u>	<u>245,339</u>	<u>245,339</u>	
FUND BALANCE, END OF YEAR	<u>\$ 313,327</u>	<u>\$ 313,327</u>	<u>\$ 1,200,223</u>	<u>\$ 886,896</u>

CITY OF AMERICAN CANYON
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Infrastructure
For the year ended June 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Use of money and property			\$ 2,421	\$ 2,421
Other			4,830	4,830
TOTAL REVENUES			<u>7,251</u>	<u>7,251</u>
EXPENDITURES				
Capital outlay	\$ 332,110	\$ 332,110		332,110
TOTAL EXPENDITURES	<u>332,110</u>	<u>332,110</u>		<u>332,110</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(332,110)</u>	<u>(332,110)</u>	7,251	339,361
NET CHANGE IN FUND BALANCE	(332,110)	(332,110)	7,251	339,361
Fund balance, beginning of year	<u>306,136</u>	<u>306,136</u>	<u>306,136</u>	
FUND BALANCE, END OF YEAR	<u>\$ (25,974)</u>	<u>\$ (25,974)</u>	<u>\$ 313,387</u>	<u>\$ 339,361</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, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
REVENUES				
Other			\$ 20,000	\$ 20,000
TOTAL REVENUES			20,000	20,000
EXPENDITURES				
Capital outlay	\$ 6,490,396	\$ 7,503,914	1,769,105	5,734,809
TOTAL EXPENDITURES	6,490,396	7,503,914	1,769,105	5,734,809
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(6,490,396)	(7,503,914)	(1,749,105)	5,754,809
OTHER FINANCING SOURCES (USES)				
Transfers in	6,366,707	7,380,225	1,696,664	(5,683,561)
TOTAL OTHER FINANCING SOURCES AND USES	6,366,707	7,380,225	1,696,664	(5,683,561)
Fund balance, beginning of year	266,568	266,568	266,568	
FUND BALANCE, END OF YEAR	\$ 142,879	\$ 142,879	\$ 214,127	\$ 71,248

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, 2018

	<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	\$ 162,700	\$ 162,700	\$ 380,419	\$ 217,719
Use of money and property	4,000	4,000	9,339	5,339
TOTAL REVENUES	<u>166,700</u>	<u>166,700</u>	<u>389,758</u>	<u>223,058</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>166,700</u>	<u>166,700</u>	<u>389,758</u>	<u>223,058</u>
NET CHANGE IN FUND BALANCE	166,700	166,700	389,758	223,058
Fund balance, beginning of year	<u>496,090</u>	<u>496,090</u>	<u>496,090</u>	
FUND BALANCE, END OF YEAR	<u>\$ 662,790</u>	<u>\$ 662,790</u>	<u>\$ 885,848</u>	<u>\$ 223,058</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, 2018

	<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				
Use of money and property			\$ (271)	\$ (271)
TOTAL REVENUES			(271)	(271)
EXPENDITURES				
Debt service:				
Principal	\$ 256,000	\$ 256,000	256,000	
Interest and other charges	29,700	29,700	29,585	115
TOTAL EXPENDITURES	285,700	285,700	285,585	115
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(285,700)	(285,700)	(285,856)	(156)
OTHER FINANCING SOURCES (USES)				
Transfers in	285,700	285,700	285,700	
TOTAL OTHER FINANCING SOURCES AND USES	285,700	285,700	285,700	
NET CHANGE IN FUND BALANCE			(156)	(156)
Fund balance, beginning of year	27,010	27,010	27,010	
FUND BALANCE, END OF YEAR	\$ 27,010	\$ 27,010	\$ 26,854	\$ (156)

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, 2018

	<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				
Use of money and property			\$ (1,376)	\$ (1,376)
TOTAL REVENUES			<u>(1,376)</u>	<u>(1,376)</u>
EXPENDITURES				
Debt service:				
Principal	\$ 245,000	\$ 245,000	245,000	
Interest and other charges	230,900	230,900	230,859	41
TOTAL EXPENDITURES	<u>475,900</u>	<u>475,900</u>	<u>475,859</u>	<u>41</u>
EXCESS (DEFICIENCY) OF				
REVENUES OVER EXPENDITURES	<u>(475,900)</u>	<u>(475,900)</u>	<u>(477,235)</u>	<u>(1,335)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	475,900	475,900	475,900	
TOTAL OTHER FINANCING SOURCES AND USES	<u>475,900</u>	<u>475,900</u>	<u>475,900</u>	
NET CHANGE IN FUND BALANCE			<u>(1,335)</u>	<u>(1,335)</u>
Fund balance, beginning of year	4,601	4,601	4,601	
FUND BALANCE, END OF YEAR	<u>\$ 4,601</u>	<u>\$ 4,601</u>	<u>\$ 3,266</u>	<u>\$ (1,335)</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, 2018

	<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				
Use of money and property			\$ (1,155)	\$ (1,155)
TOTAL REVENUES			<u>(1,155)</u>	<u>(1,155)</u>
EXPENDITURES				
Debt service:				
Principal	\$ 127,400	\$ 127,400	127,416	(16)
Interest and other charges	7,300	7,300	7,265	35
TOTAL EXPENDITURES	<u>134,700</u>	<u>134,700</u>	<u>134,681</u>	<u>19</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(134,700)</u>	<u>(134,700)</u>	<u>(135,836)</u>	<u>(1,136)</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>	
NET CHANGE IN FUND BALANCE			(1,136)	(1,136)
Fund balance, beginning of year	695	695	695	
FUND BALANCE, END OF YEAR	<u>\$ 695</u>	<u>\$ 695</u>	<u>\$ (441)</u>	<u>\$ (1,136)</u>

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INTERNAL SERVICE FUNDS

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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, 2018

	Building Maintenance	Fleet	Information Technology	Total Internal Service Funds
ASSETS				
Current assets:				
Cash and investments	\$ 106,912	\$ 333,654	\$ 341,805	\$ 782,371
Accounts receivable, net		8,759		8,759
Interest receivable		168	797	965
Prepaid expenses	142	142	12	296
Total current assets	<u>107,054</u>	<u>342,723</u>	<u>342,614</u>	<u>792,391</u>
Non-current assets:				
Capital Assets:				
Depreciable, net of accumulated depreciation		816,521		816,521
Total non-current assets		<u>816,521</u>		<u>816,521</u>
TOTAL ASSETS	<u>107,054</u>	<u>1,159,244</u>	<u>342,614</u>	<u>1,608,912</u>
DEFERRED OUTFLOW OF RESOURCES				
OPEB plan	7,879	8,929	700	17,508
Pension plan	34,622	43,829	6,271	84,722
Total deferred outflows of resources	<u>42,501</u>	<u>52,758</u>	<u>6,971</u>	<u>102,230</u>
LIABILITIES				
Current Liabilities:				
Accounts payable	18,272	52,892	42,452	113,616
Accrued expenses	298	24	2	324
Compensated absences, current portion	17,553	308	320	18,181
Bonds, notes, and loans payable, current portion		30,855		30,855
Total current liabilities	<u>36,123</u>	<u>84,079</u>	<u>42,774</u>	<u>162,976</u>
Non-current liabilities:				
Bonds, notes and loans payable		167,330		167,330
Net OPEB liability	38,502	43,567	3,753	85,822
Net pension liability	86,715	109,362	15,957	212,034
Total non-current liabilities	<u>125,217</u>	<u>320,259</u>	<u>19,710</u>	<u>465,186</u>
TOTAL LIABILITIES	<u>161,340</u>	<u>404,338</u>	<u>62,484</u>	<u>628,162</u>
DEFERRED INFLOW OF RESOURCES				
OPEB plan	973	1,103	86	2,162
Pension plan	8,539	10,784	2,788	22,111
Total deferred inflows of resources	<u>9,512</u>	<u>11,887</u>	<u>2,874</u>	<u>24,273</u>
NET POSITION				
Net investment in capital assets		618,336		618,336
Unrestricted	(21,297)	177,441	284,227	440,371
TOTAL NET POSITION	<u>\$ (21,297)</u>	<u>\$ 795,777</u>	<u>\$ 284,227</u>	<u>\$ 1,058,707</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, 2018

	Building Maintenance	Fleet	Information Technology	Total Internal Service Funds
REVENUES				
Charges for services	\$ 446,700	\$ 724,500	\$ 412,500	\$ 1,583,700
TOTAL OPERATING REVENUES	<u>446,700</u>	<u>724,500</u>	<u>412,500</u>	<u>1,583,700</u>
OPERATING EXPENSES				
Employee services	129,361	132,101	18,170	279,632
Maintenance and operations	340,038	199,902	321,504	861,444
Depreciation		206,004		206,004
TOTAL OPERATING EXPENSES	<u>469,399</u>	<u>538,007</u>	<u>339,674</u>	<u>1,347,080</u>
OPERATING INCOME (LOSS)	<u>(22,699)</u>	<u>186,493</u>	<u>72,826</u>	<u>236,620</u>
NON-OPERATING REVENUES (EXPENSES)				
Interest and investment revenue	(987)	(204)	1,885	694
Interest expense		(6,754)		(6,754)
Loss on disposal on capital assets		(6,051)		(6,051)
TOTAL NON-OPERATING REVENUE (EXPENSES)	<u>(987)</u>	<u>(13,009)</u>	<u>1,885</u>	<u>(12,111)</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	<u>(23,686)</u>	<u>173,484</u>	<u>74,711</u>	<u>224,509</u>
Transfers in			2	2
CHANGE IN NET POSITION	<u>(23,686)</u>	<u>173,484</u>	<u>74,713</u>	<u>224,511</u>
Net position, beginning of year - as previously reported	34,454	658,634	212,364	905,452
Restatement	(32,065)	(36,341)	(2,850)	(71,256)
Net position, beginning of year - as restated	<u>2,389</u>	<u>622,293</u>	<u>209,514</u>	<u>834,196</u>
TOTAL NET POSITION, END OF YEAR	<u>\$ (21,297)</u>	<u>\$ 795,777</u>	<u>\$ 284,227</u>	<u>\$ 1,058,707</u>

CITY OF AMERICAN CANYON
Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2018

	Building Maintenance	Fleet	Information Technology	Total Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash paid to suppliers	\$ (363,126)	\$ (154,217)	\$ (403,381)	\$ (920,724)
Cash paid to employees and related benefits	(124,280)	(146,819)	(17,327)	(288,426)
Cash received from interfund services provided	446,700	724,500	412,500	1,583,700
CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>(40,706)</u>	<u>423,464</u>	<u>(8,208)</u>	<u>374,550</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Intergovernmental revenue received		(8,759)		(8,759)
Amounts received (paid) to other funds			2	2
CASH PROVIDED (USED) BY NONCAPITAL AND RELATED FINANCING ACTIVITIES		<u>(8,759)</u>	<u>2</u>	<u>(8,757)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Capital expenditures		(285,389)		(285,389)
Principal paid on long-term liabilities		(30,003)		(30,003)
Proceeds from disposal of capital assets		89,110		89,110
Interest paid on long-term liabilities		(6,754)		(6,754)
CASH USED FOR CAPITAL AND RELATED FINANCING ACTIVITIES		<u>(233,036)</u>		<u>(233,036)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Collection of interest and investment revenue	(721)	4	1,685	968
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(41,427)	181,673	(6,521)	133,725
Cash and cash equivalents, beginning of year	148,339	151,981	348,326	648,646
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 106,912</u>	<u>\$ 333,654</u>	<u>\$ 341,805</u>	<u>\$ 782,371</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO CASH PROVIDED (USED) BY OPERATING ACTIVITIES:				
Operating income (loss)	\$ (22,699)	\$ 186,493	\$ 72,826	\$ 236,620
Adjustments to reconcile operating income (loss) to cash provided (used) by operating activities:				
Depreciation and amortization		206,004		206,004
Changes in OPEB & pension liabilities and related deferred outflows and inflows of resources:				
Deferred outflows of resources - OPEB plan	(209)	(236)	(18)	(463)
Net OPEB liability	(2,189)	(2,483)	(195)	(4,867)
Deferred inflows of resources - OPEB plan	973	1,103	86	2,162
Deferred outflows of resources - pension plan	(4,168)	(5,257)	(767)	(10,192)
Net pension liability	9,375	11,334	4,140	24,849
Deferred inflows of resources - pension plan	(7,692)	(9,701)	(1,415)	(18,808)
Changes in operating assets and liabilities:				
Prepaid expenses	318	(142)	7,088	7,264
Accounts payable and accrued expenses	(23,406)	45,827	(88,965)	(66,544)
Compensated absences	8,991	(9,478)	(988)	(1,475)
CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ (40,706)</u>	<u>\$ 423,464</u>	<u>\$ (8,208)</u>	<u>\$ 374,550</u>

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

AGENCY FUNDS

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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 Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended June 30, 2018

	Balance June 30, 2017	Additions	Reductions	Balance June 30, 2018
<u>American Canyon Road East Assessment District</u>				
<u>Assets</u>				
Cash and investments	\$ 865,895		\$ (183,219)	\$ 682,676
Restricted cash and investments	421,767	\$ 223,100		644,867
Taxes receivable	5,415	2,032		7,447
Interest receivable	1,433	989		2,422
TOTAL ASSETS	<u>\$ 1,294,510</u>	<u>\$ 226,121</u>	<u>\$ (183,219)</u>	<u>\$ 1,337,412</u>
<u>Liabilities</u>				
Agency obligations	\$ 1,294,510	\$ 42,902		\$ 1,337,412
TOTAL LIABILITIES	<u>\$ 1,294,510</u>	<u>\$ 42,902</u>	<u>\$ -</u>	<u>\$ 1,337,412</u>
<u>La Vigne Assessment District</u>				
<u>Assets</u>				
Cash and investments	\$ 953,122	\$ 68,684		\$ 1,021,806
Restricted cash and investments	294,658	4,206		298,864
Taxes receivable	4,260		\$ (1,474)	2,786
Interest receivable	1,918	2,532		4,450
TOTAL ASSETS	<u>\$ 1,253,958</u>	<u>\$ 75,422</u>	<u>\$ (1,474)</u>	<u>\$ 1,327,906</u>
<u>Liabilities</u>				
Agency obligations	\$ 1,253,958	\$ 73,948		\$ 1,327,906
TOTAL LIABILITIES	<u>\$ 1,253,958</u>	<u>\$ 73,948</u>	<u>\$ -</u>	<u>\$ 1,327,906</u>
<u>Total Agency Funds</u>				
<u>Assets</u>				
Cash and investments	\$ 1,819,017	\$ 68,684	\$ (183,219)	\$ 1,704,482
Restricted cash and investments	716,425	227,306		943,731
Taxes receivable	9,675	2,032	(1,474)	10,233
Interest receivable	3,351	3,521		6,872
TOTAL ASSETS	<u>\$ 2,548,468</u>	<u>\$ 301,543</u>	<u>\$ (184,693)</u>	<u>\$ 2,665,318</u>
<u>Liabilities</u>				
Agency obligations	\$ 2,548,468	\$ 116,850		\$ 2,665,318
TOTAL LIABILITIES	<u>\$ 2,548,468</u>	<u>\$ 116,850</u>	<u>\$ -</u>	<u>\$ 2,665,318</u>

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 -----									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Governmental activities:										
Net investment in capital assets	\$ 256,124,111	\$ 257,279,990	\$ 253,763,878	\$ 253,484,193	\$ 256,298,710	\$ 264,170,866	\$ 262,265,389	\$ 265,385,854	\$ 264,189,215	\$ 263,939,254
Restricted	9,033,170	7,104,451	5,545,510	13,585,903	12,513,568	12,856,505	13,031,111	13,009,697	13,908,483	24,809,820
Unrestricted	<u>27,809,270</u>	<u>25,464,653</u>	<u>27,430,671</u>	<u>12,415,149</u>	<u>9,050,617</u>	<u>10,950,108</u>	<u>2,513,594</u>	<u>2,076,005</u>	<u>2,454,460</u>	<u>(266,869)</u>
Total governmental activities net position	<u>\$ 292,966,551</u>	<u>\$ 289,849,094</u>	<u>\$ 286,740,059</u>	<u>\$ 279,485,245</u>	<u>\$ 277,862,895</u>	<u>\$ 287,977,479</u>	<u>\$ 277,810,094</u>	<u>\$ 280,471,556</u>	<u>\$ 280,552,158</u>	<u>\$ 288,482,205</u>
Business-type activities:										
Net investment in capital assets	\$ 44,253,424	\$ 48,837,064	\$ 47,246,749	\$ 50,758,608	\$ 49,583,193	\$ 52,726,436	\$ 51,267,144	\$ 50,662,110	\$ 49,753,722	\$ 49,496,148
Restricted	11,559,556	7,387,841	8,466,754	4,723,486	4,541,608	2,598,062	2,088,606	2,811,555	3,012,029	5,538,744
Unrestricted	<u>4,828,423</u>	<u>4,976,718</u>	<u>4,391,198</u>	<u>6,695,379</u>	<u>7,190,877</u>	<u>8,214,087</u>	<u>4,224,005</u>	<u>6,993,828</u>	<u>9,422,288</u>	<u>11,766,749</u>
Total business-type activities	<u>\$ 60,641,403</u>	<u>\$ 61,201,623</u>	<u>\$ 60,104,701</u>	<u>\$ 62,177,473</u>	<u>\$ 61,315,678</u>	<u>\$ 63,538,585</u>	<u>\$ 57,579,755</u>	<u>\$ 60,467,493</u>	<u>\$ 62,188,039</u>	<u>\$ 66,801,641</u>
Primary government (City wide totals)										
Net investment in capital assets	\$ 300,377,535	\$ 306,117,054	\$ 301,010,627	\$ 304,242,801	\$ 305,881,903	\$ 316,897,302	\$ 313,532,533	\$ 315,007,964	\$ 313,942,937	\$ 313,435,402
Restricted	20,592,726	14,492,292	14,012,264	18,309,389	17,055,176	15,454,567	15,119,717	15,821,252	16,920,512	30,348,564
Unrestricted	<u>32,637,693</u>	<u>30,441,371</u>	<u>31,821,869</u>	<u>19,110,528</u>	<u>16,241,494</u>	<u>19,164,195</u>	<u>6,737,599</u>	<u>9,069,833</u>	<u>11,876,748</u>	<u>11,499,880</u>
Total primary government net position	<u>\$ 353,607,954</u>	<u>\$ 351,050,717</u>	<u>\$ 346,844,760</u>	<u>\$ 341,662,718</u>	<u>\$ 339,178,573</u>	<u>\$ 351,516,064</u>	<u>\$ 335,389,849</u>	<u>\$ 339,899,049</u>	<u>\$ 342,740,197</u>	<u>\$ 355,283,846</u>

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 -----									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Expenses:										
Governmental activities:										
General government	\$ 2,792,871	\$ 5,925,952	\$ 5,742,030	\$ 4,309,153	\$ 5,069,455	\$ 4,749,018	\$ 5,647,996	\$ 5,295,617	\$ 5,074,386	\$ 5,320,539
Public safety	9,528,522	9,230,672	8,995,695	9,147,931	9,456,173	10,001,059	10,585,106	12,125,365	11,620,139	12,218,637
Public works	4,195,481	3,529,403	5,000,879	5,358,661	4,654,492	5,304,938	6,509,082	6,131,623	5,221,293	6,019,309
Community development	1,931,299	2,019,771	1,922,780	8,903,969	1,295,309	1,601,943	2,383,201	2,782,954	5,282,633	2,483,945
Parks and recreation	2,282,212	2,028,223	1,962,488	1,745,163	2,067,811	2,328,669	2,503,744	2,924,419	3,625,019	3,844,214
Interest on long-term debt	97,246	417,421	510,893	448,057	446,187	344,223	329,915	278,204	262,354	246,458
Total governmental activities expenses	20,827,631	23,151,442	24,134,765	29,912,934	22,989,427	24,329,850	27,959,044	29,538,182	31,085,824	30,133,102
Business-type activities:										
Water	\$ 5,074,018	\$ 4,951,067	\$ 6,020,578	\$ 4,894,501	\$ 5,502,434	\$ 6,191,545	\$ 7,350,323	\$ 5,362,693	\$ 6,107,343	\$ 6,022,713
Wastewater	4,072,014	3,623,805	3,885,692	4,356,356	3,843,559	3,555,274	4,013,398	4,992,726	4,023,167	4,588,339
Transit	30,060	-	-	-	-	-	-	-	-	-
Total business-type activities expenses	9,176,092	8,574,872	9,906,270	9,250,857	9,345,993	9,746,819	11,363,721	10,355,419	10,130,510	10,611,052
Total City government expenses	\$ 30,003,723	\$ 31,726,314	\$ 34,041,035	\$ 39,163,791	\$ 32,335,420	\$ 34,076,669	\$ 39,322,765	\$ 39,893,601	\$ 41,216,334	\$ 40,744,154
Program Revenues:										
Governmental activities:										
Charges for services:										
General government	\$ 441,894	\$ 536,747	\$ 365,857	\$ 212,295	\$ 184,060	\$ 484,057	\$ 534,179	\$ 636,987	\$ 724,671	\$ 900,185
Public safety	1,152,729	1,051,178	813,720	974,398	1,133,505	901,808	1,510,347	1,461,036	1,296,885	1,822,591
Public works	252,634	80,745	127,834	1,141,520	939,685	2,203,836	2,442,299	4,891,107	1,990,415	3,326,094
Community development	573,456	498,947	449,493	940,899	690,241	857,994	2,438,744	2,662,203	5,351,403	1,921,393
Parks and recreation	362,699	373,227	491,253	381,657	357,267	392,717	441,946	406,163	1,034,664	1,291,887
Operating grants and contributions	165,350	342,197	196,741	235,284	275,796	363,581	476,130	1,078,889	1,333,432	762,518
Capital grants and contributions	3,381,171	1,732,699	2,454,934	2,050,628	1,150,330	11,145,194	381,050	1,449,076	907,342	13,110,677
Total governmental activities program revenues	6,329,933	4,615,740	4,899,832	5,936,681	4,730,884	16,349,187	8,224,695	12,585,461	12,638,812	23,135,345
Business-type activities:										
Charges for services:										
Water	\$ 4,232,638	\$ 4,010,648	\$ 4,761,832	\$ 4,705,561	\$ 4,892,290	\$ 4,982,094	\$ 4,333,543	\$ 5,318,577	\$ 7,066,769	\$ 6,876,702
Wastewater	3,373,740	3,420,812	3,581,786	3,558,663	3,733,461	3,845,647	3,914,276	3,973,672	4,434,945	4,365,272
Transit	2,419	-	-	-	-	-	-	-	-	-
Operating grants and contributions	-	-	-	-	-	4,026	10,410	711,601	580,429	254,863
Capital grants and contributions	1,347,892	2,597,250	1,523,559	1,013,181	184,707	4,084,830	242,025	2,301,541	284,400	3,851,481
Total business-type activities programs revenues	8,956,689	10,028,710	9,867,177	9,277,405	8,810,458	12,916,597	8,500,254	12,305,391	12,366,543	15,348,318
Total City government program revenues	\$ 15,286,622	\$ 14,644,450	\$ 14,767,009	\$ 15,214,086	\$ 13,541,342	\$ 29,265,784	\$ 16,724,949	\$ 24,890,852	\$ 25,005,355	\$ 38,483,663

(Continued)

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

	----- Prior Years -----									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Net(Expense)Revenue:										
Governmental activities	\$ (14,497,698)	\$ (18,535,702)	\$ (19,234,933)	\$ (23,976,253)	\$ (18,258,543)	\$ (7,980,663)	\$ (19,734,349)	\$ (16,952,721)	\$ (18,447,012)	\$ (6,997,757)
Business-type activities	(219,403)	1,453,838	(39,093)	26,548	(535,535)	3,169,778	(3,414,199)	1,949,972	2,236,033	4,737,266
Total City government	<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>	<u>\$ (16,210,979)</u>	<u>\$ (2,260,491)</u>
General Revenues and Other Changes in in Net Position:										
Governmental activities:										
Taxes:										
Property taxes	\$ 10,852,126	\$ 10,162,212	\$ 10,510,243	\$ 10,343,648	\$ 10,261,072	\$ 10,599,981	\$ 11,480,330	\$ 12,317,143	\$ 12,738,881	\$ 13,840,597
Sales taxes	2,275,741	2,888,182	2,705,763	2,024,495	2,489,832	2,294,150	2,358,219	2,589,452	2,301,445	2,800,575
Other taxes	2,905,454	1,104,662	1,330,655	2,215,564	2,632,783	2,785,624	3,002,106	3,076,637	3,076,198	3,197,726
Unrestricted grants and contributions	79,109	55,668	83,979	-	-	-	-	-	-	-
Investment earnings	666,535	203,205	307,741	274,619	143,321	227,702	272,849	372,728	(1,047)	15,200
Settlement award (Note 13)	7,593,000	0	-	-	-	-	-	-	-	-
Miscellaneous	555,019	110,698	129,688	875,336	111,822	485,625	300,765	524,995	543,725	616,199
Transfers	(6,212,064)	893,618	1,057,829	1,110,118	997,363	1,702,165	994,725	(266,772)	868,412	(15,450)
Total governmental activities	<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>	<u>19,527,614</u>	<u>20,454,847</u>
Business-type activities										
Investment earnings and other				66,177	517,929	755,294	617,971	630,994	392,925	613,734
Transfers	6,212,064	(893,618)	(1,057,829)	(1,110,118)	(997,363)	(1,702,165)	(944,725)	266,772	(868,412)	15,450
Total business-type activities	<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>	<u>(475,487)</u>	<u>629,184</u>
Total City government	<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>	<u>\$ 19,052,127</u>	<u>\$ 21,084,031</u>
Change in net position:										
Governmental activities	\$ 4,217,222	\$ (3,117,457)	\$ (3,109,035)	\$ (7,132,473)	\$ (1,622,350)	\$ 10,114,584	\$ (1,325,355)	\$ 1,661,462	\$ 1,080,602	\$ 13,457,090
Business-type activities	5,992,661	560,220	(1,096,922)	(1,017,393)	(1,014,969)	2,222,907	(3,876,163)	2,847,738	1,760,546	5,366,450
Total City government	<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>	<u>\$ 2,841,148</u>	<u>\$ 18,823,540</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									
	Nonspendable	Restricted	Committed	Assigned	Unassigned	Total General Fund	Nonspendable	Restricted		Committed	Assigned		Unassigned		Total	
								Special Revenue and Debt Service	Capital Projects	Special Revenue	Special Revenue	Capital Projects	Special Revenue	Capital Projects		
2018	\$ 563,295	\$ 115,106	\$ 1,903,925	\$ 1,222,500	\$ 4,752,357	\$ 8,557,183	\$ 688	\$ 3,420,345	\$ 7,813,712	\$ -	\$ 5,974,310	\$ -	\$ (1,811,260)	\$ (260,895)	\$ 15,136,900	
2017	687,237	141,751	6,117,954	1,201,941	215,304	8,364,187	688	2,456,754	4,869,873	1,347,000	3,848,526		(594,550)	(1,277,506)	10,650,785	
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	
									Unreserved, reported in							
	Reserved	Unreserved					Reserved	Designated for Other Purposes	Capital Projects	Special Revenue	Total					
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					

Prior Years

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 -----									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Revenues:										
Taxes	\$ 14,196	\$ 14,155	\$ 14,547	\$ 15,272	\$ 15,313	\$ 15,992	\$ 17,896	\$ 22,553	\$ 19,242	\$ 20,381
Special assessments	498	515	457	435	447	455	471	488	550	583
Fines and forfeits	178	177	131	203	153	120	112	95	98	91
Licenses and permits	578	530	329	338	337	337	446	455	460	763
Intergovernmental	3,163	1,286	2,147	1,120	1,079	1,280	874	3,049	1,689	2,441
Charges for services	3,504	1,566	1,613	1,051	1,156	2,025	4,496	3,572	4,913	8,669
Other revenues	8,769	755	744	1,315	998	1,179	1,022	1,275	851	1,151
Total revenues	30,886	18,984	19,968	19,734	19,483	21,389	25,317	31,487	27,803	34,079
Expenditures:										
General government	5,117	4,587	5,004	3,670	3,896	4,066	5,064	5,111	5,237	5,084
Public safety	8,374	8,849	8,646	8,897	9,377	9,554	9,734	10,731	11,063	12,043
Comm. Dev. and Public Works	4,933	4,231	3,909	4,278	4,557	5,496	6,597	5,453	7,619	5,446
Parks and Recreation	2,217	2,023	1,934	1,597	1,073	1,192	2,202	2,665	3,615	3,445
Principal	401	439	463	478	502	537	560	583	606	628
Interest	469	495	511	488	460	394	373	314	291	268
Capital outlay	5,759	3,803	194	947	2,445	2,277	1,200	5,260	3,040	2,099
Total expenditures	27,270	24,427	20,661	20,355	22,310	23,516	25,730	30,117	31,471	29,013
Excess of revenues over(under) expenditures	3,616	(5,442)	(693)	(621)	(2,827)	(2,127)	(413)	1,370	(3,668)	5,066
Other Financing Sources(Uses)										
Proceeds from borrowing	1,075	-	-	-	2,222	-	-	-	-	-
Sale of Affordable Hsng Site	371	-	-	-	-	-	-	-	-	-
Payments to escrow agent	-	-	-	-	(2,465)	-	-	-	-	-
Transfers in	5,003	9,535	3,609	4,028	4,065	5,447	3,742	9,050	5,403	4,289
Transfers out	(11,215)	(8,641)	(2,551)	(2,918)	(3,068)	(3,745)	(2,747)	(10,097)	(4,535)	(4,676)
Sale of Assets	-	-	-	-	-	24	-	-	-	-
Total other financing Sources(Uses)	(4,766)	894	1,058	1,110	754	1,726	995	(1,047)	868	(387)
Net change in fund balances	\$ (1,150)	\$ (4,548)	\$ 365	\$ 489	\$ (2,073)	\$ (401)	\$ 581	\$ 323	\$ (2,800)	\$ 4,679
Debt service as a percentage of noncapital expenditures	4.0%	4.5%	4.8%	5.0%	4.8%	4.4%	3.8%	3.6%	3.2%	3.3%

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
----- Prior Years -----	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
	2016-2017	12,705	1,546	727	166	600	15,744
	2017-2018	13,807	1,593	738	201	614	16,953

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
Prior Years	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%
	2016-2017	1,806,564	162,450	462,896	72,072	42	18,507	209,045	14,217	2,745,793	0.28%
	2017-2018	1,952,312	179,425	518,566	61,512	42	18,909	176,326	4,457	2,911,549	0.27%

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 2008/09 - 2017/18 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 -----									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
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	0.024	0.025	0.017	0.025	0.025	0.027	0.026	0.026	0.025	0.024
Napa Valey Unified School District	0.057	0.073	0.061	0.073	0.065	0.072	0.069	0.063	0.114	0.102
Total Direct & Overlapping² Tax Rates	0.081	0.099	0.078	0.097	0.090	0.099	0.095	0.089	0.140	0.126
City's Share of 1% Levy per Prop 13³	0.354	0.296	0.296	0.296	0.296	0.296	0.296	0.296	0.296	0.296
Total Direct Rate⁴	0.285	0.285	0.282	0.281	0.277	0.276	0.276	0.276	0.276	0.274

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 2008/09 - 2017/18 Tax Rate Table

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
2017/18 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	
Coca Cola Company				1	\$ 154,421	22.61%	\$ 154,421	1.29%	Unsecured American Canyon Gen Fund
SDG Hanna Court 411 LLC	2	\$ 145,946	1.29%				145,946	1.22%	Industrial American Canyon Gen Fund
Biagi and Associates	1	115,443	1.02%	1	1,754	0.26%	117,197	0.98%	Industrial American Canyon Gen Fund
MEZZETTA 125 LP	1	109,538	0.97%				109,538	0.92%	Industrial American Canyon Gen Fund
Barry Callebaut USA LLC				1	99,323	14.54%	99,323	0.83%	Unsecured American Canyon Gen Fund
Sutter Home Winery Inc	2	98,355	0.87%				98,355	0.82%	Industrial American Canyon Gen Fund
SRI Napa	1	97,478	0.86%				97,478	0.81%	Residential American Canyon Gen Fund
SDG Lombard LLC	3	88,726	0.79%				88,726	0.74%	Industrial American Canyon Gen Fund
Broadstone HC California LLC	2	86,511	0.77%				86,511	0.72%	Industrial American Canyon Gen Fund
Hanna 760 LP	2	84,294	0.75%				84,294	0.70%	Industrial American Canyon Gen Fund
Top Ten Totals	14	826,292	7.33%	3	255,499	37.41%	1,081,790	9.04%	
City Totals		\$ 11,280,274			\$ 682,959		\$ 11,963,233		

*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 2017/18 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
2008/09 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		
American Canyon Beverages	1	\$ 176,941	1.83%				\$ 176,941	1.75%	Industrial American Canyon Gen Fund	
5500 Eucalyptus Dr Apts	1	110,914	1.15%				110,914	1.09%	Residential American Canyon Gen Fund	
Sutter Home Winery Inc	2	86,068	0.89%				86,068	0.85%	Industrial American Canyon Gen Fund	
Butterfly Effect Hotels LLC	2	80,053	0.83%				80,053	0.79%	Commercial American Canyon Gen Fund	
125 Mezzetta Court Inc	1	59,398	0.61%				59,398	0.59%	Industrial American Canyon Gen Fund	
Walmart Real Estate Business Trust	1	57,786	0.60%				57,786	0.57%	Commercial American Canyon Gen Fund	
Barry Callebaut USA LLC				1	53,994	11.49%	\$ 53,994	0.53%	Unsecured American Canyon Gen Fund	
SDG Commerce 232 LLC	3	51,365	0.53%				51,365	0.51%	Industrial American Canyon Gen Fund	
Mezzetta Court Ventures	1	30,600	0.32%	1	\$ 16,805	3.58%	47,406	0.47%	Industrial American Canyon Gen Fund	
YHB Napa LLC	1	39,809	0.41%				39,809	0.39%	Commercial American Canyon Gen Fund	
Top Ten Totals	13	692,935	7.17%	2	70,799	15.07%	763,734	7.54%		
City Totals		\$ 9,664,413			\$ 469,783		\$ 10,134,196			

*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 2008/09 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
----- Prior Years -----	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%
	2017	12,738,881	12,738,881	100%
	2018	13,840,597	13,840,597	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			
2009	\$ -	\$ 3,030	\$ -	\$ 7,727	\$ 5,490	\$ 10,399	\$ 26,646	6.91%	\$ 1,613
2010	-	2,850	-	7,467	5,355	9,565	25,237	5.72%	1,499
2011	-	2,660	-	7,194	5,214	11,772	26,840	5.47%	1,355
2012	-	2,465	-	6,912	-	10,157	19,534	3.77%	983
2013	-	2,017	-	6,615	-	8,773	17,405	3.23%	870
2014	-	1,792	-	6,303	-	7,331	15,426	2.74%	772
2015	-	1,559	-	6,263	827	6,214	14,863	2.60%	730
2016	-	1,318	-	5,892	2,408	5,505	15,123	3.67%	744
2017	-	1,069	-	5,506	1,975	4,827	13,377	2.07%	650
2018	-	813	-	5,104	1,532	4,131	11,580	1.86%	552

----- Prior Years -----

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		
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
2017	-	1,069,000	1,069,000	0.04%	52
2018	-	813,000	813,000	0.03%	39

----- Prior Years -----

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
Computation of Direct and Overlapping Debt
As of June 30, 2018

2017-18 Assessed Valuation: \$2,911,549,010

<u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	Total Debt 6/30/2018	% Applicable (1)	City's Share of Debt 6/30/2018
Napa Joint Community College District	\$ 107,484,699	7.705%	\$ 8,281,696
Napa Valley Unified School District	415,199,855	11.677%	48,441,367
City of American Canyon 1915 Act Bonds	16,891,200	100.000%	16,891,200
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT			<u>73,614,263</u>
 <u>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</u>			
Napa County Certificates of Participation	21,070,000	7.779%	1,639,035
Napa County Board of Education Certificate of Participation	2,455,000	7.779%	190,974
City of American Canyon General Fund Obligations	813,000	100.000%	813,000
TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT			2,643,010
TOTAL DIRECT DEBT			813,000
TOTAL OVERLAPPING DEBT			<u>75,444,273</u>
COMBINED TOTAL DEBT			<u><u>\$ 76,257,273</u></u>

Ratios to Assessed Valuation:

Total Direct Debt (\$813,000)	0.03%
Total Overlapping Tax and Assessment Debt.	2.53%
Combined Total Debt	2.62%

Data Source: California Municipal Statistics, Inc.

- (1) The percentage of overlapping debt applicable to the city is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the city divided by the district's total taxable assessed value.
- (2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

**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
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%
2017	2,745,793,523	102,967,257	1,069,000	101,898,257	1.04%
2018	2,911,549,010	109,183,088	813,000	108,370,088	0.74%

----- Prior Years -----

Notes:

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

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

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

Special Assessment Bonds

Fiscal Year	Special Assessment Collections	Capital Impact Fees	Debt Service		
			Principal	Interest	Coverage
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
2017	1,512,432	-	702,800	921,059	0.93
2018	1,505,161	-	728,000	890,452	0.93

State of California Water Loan

Fiscal Year	Water Service Revenues	Capital Impact Fees	Less Operating Expenses	Net Available Revenue	Debt Service		
					Principal	Interest	Coverage
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
2017	7,266,136	149,456	4,508,226	2,907,366	62,208	19,945	35.39
2018	7,134,533	2,270,458	4,360,122	5,044,869	63,762	18,399	61.40

State of California Wastewater Construction Loan

Fiscal Year	Wastewater Service Revenues	Capital Impact Fees	Less Operating Expenses	Net Available Revenue	Debt Service		
					Principal	Interest	Coverage
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
2017	4,709,025	134,944	2,347,478	2,496,491	615,660	109,598	3.44
2018	4,713,142	1,581,023	2,901,642	3,392,523	632,283	92,526	4.68

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 Fiscal Years

Fiscal Year	Population	Personal Income (thousands of dollars)	Median Household Income	Unemployment Rate
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	20,338	411,763	75,997	5.40%
2017	20,570	646,021	83,673	5.00%
2018	20,990	622,133	83,673	4.70%

----- Prior Years -----

Source: MuniServices, LLC

Source: 2016-17 and prior, previously published CAFR

(1) Population Projections are provided by the California Department of Finance Projections.

(2) Income Data is provided by the United States Census Data and is adjusted for inflation.

(3) Unemployment rate is provided by the EDD's Bureau of Labor Statistics Department.

Schedule 16
City of American Canyon
Principal Employers (Ten Largest)
Calendar Year 2018 vs Calendar Year 2009

Employer	2018			2009		
	Rank	Number Employees	Percentage of Total City Employment	Rank	Number Employees	Percentage of Total City Employment
Walmart Supercenter	1	325	3.32%	1	464	9.47%
G.L. Mezzetta, Inc.	2	300	3.06%	2	180	3.67%
Napa Valley Unified School District (AC)	3	298	3.04%			
Ikea Distribution Services, Inc.	4	183	1.87%			
A Bright Future, Inc.	5	180	1.84%			
Coca-Cola Amcan Beverages	6	160	1.63%	3	154	3.14%
Safeway Inc. #1883	7	126	1.29%	5	100	2.04%
Wine Direct Inc.	8	115	1.17%			
Western Wine Services, Inc.	9	100	1.02%			
City of American Canyon	10	89	0.91%	6	76	1.55%
Sutter Home Winery, Inc.				4	102	2.08%
Adobe Lumber Co				7	60	1.22%
All Bay Mill & Lumber Co.				8	34	0.69%
Barry Callebaut				8	34	0.69%
Diablo Timber				9	31	0.63%
Culligan				10	20	0.41%

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	----- Prior Years -----									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
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	1.85	2.15	2.15	2.15	2.15	2.55	2.55	3.50	2.50
City Clerk	1.40	1.40	1.40	1.40	1.40	1.40	1.65	1.65	2.00	2.00
Human Resources	2.00	2.00	2.00	1.50	1.50	-	-	-	2.20	2.00
Finance										
Human Resources	-	-	-	-	-	1.50	2.20	2.20	-	-
Finance	4.90	4.90	4.60	4.60	4.60	4.60	4.30	4.80	4.80	4.50
Information Systems	0.20	0.20	0.20	0.20	0.20	0.20	-	-	-	-
Utility Billing	3.20	3.20	3.20	3.20	3.20	3.20	3.40	3.40	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	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30
Community Development:										
Planning	2.20	2.20	1.60	1.60	1.60	1.60	3.25	3.25	3.25	4.25
Building and Safety	8.00	8.00	3.25	3.25	3.25	3.25	3.25	4.25	4.25	3.75
Economic Development	0.40	0.40	0.45	0.45	0.45	0.45	0.54	0.54	-	-
Housing Services	0.60	0.60	0.10	0.10	0.10	0.10	-	-	-	-
City Engineer	-	-	1.30	1.30	1.30	1.30	-	-	-	-
Affordable Housing	-	0.25	0.25	0.25	0.25	0.25	0.10	0.10	-	-
Parks and Recreation:										
Park Maintenance	5.95	5.75	5.20	5.35	5.20	5.35	5.40	5.40	6.50	5.40
Parks & Recreation Administration	-	-	-	-	-	-	2.20	2.70	3.70	3.30
Recreation Program & Events	3.30	2.90	2.75	2.80	2.75	2.80	1.80	2.80	2.80	3.10
Aquatics Programs	2.30	2.30	2.30	2.30	2.30	2.30	1.60	1.60	1.50	1.90
Building & Equipment Maintenance	1.00	1.10	1.15	1.20	1.20	1.20	-	-	-	-
Neighborhood Programs	-	-	-	-	-	-	-	-	-	1.00
Facility Rentals	-	-	-	-	-	-	-	-	-	0.30
Public Works:										
Administration	4.00	4.00	4.00	3.90	3.90	3.90	3.50	3.50	3.50	3.50
Engineering	1.65	1.90	-	-	-	-	-	-	-	-
Street Maintenance	5.85	5.35	3.45	3.45	3.45	3.45	2.90	3.30	3.30	4.00
Storm Drain	1.95	2.35	1.55	1.95	1.95	1.95	2.00	2.60	1.60	1.90
Capital Projects	-	-	2.00	1.60	1.60	1.60	3.00	4.00	4.00	4.00
Fleet	1.05	1.40	1.10	1.10	1.10	1.10	-	-	-	-
City Engineer	-	-	-	-	-	-	1.00	1.00	1.00	1.00
Water:										
Treatment and Distribution	9.75	9.85	9.10	9.05	9.05	9.05	9.08	10.08	11.25	11.55
Wastewater:										
Collection and Treatment	9.35	8.25	12.60	12.00	12.00	12.00	12.23	9.73	9.40	11.10
Storm Water Quality	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	3.35	3.35
Internal Service:										
Building Maintenance	-	-	-	-	-	-	1.00	1.00	1.00	1.00
Fleet Operations	-	-	-	-	-	-	1.10	1.10	1.10	1.10
Information Systems	-	-	-	-	-	-	0.10	0.10	0.10	0.10
Totals	81.00	80.00	75.50	74.50	74.30	74.50	77.50	84.00	86.50	89.00

Data Source: Human Resources Department

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

	----- Prior Years -----									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Police:										
Physical arrest	595	543	614	701	842	790	471	569	493	282
Traffic violations	1,897	1,817	1,748	2,001	1,639	1,336	971	886	1,189	1,204
Fire:										
Emergency responses	1,393	1,355	1,286	1,441	1,437	1,449	1,627	1,615	1,802	1,744
Structure Fires	20	10	16	14	6	6	17	20	20	21
Fire Loss (Thousand \$)	285	279	19	72	-	-	-	-	-	-
Fire Engines	6	6	6	6	6	6	6	6	6	8
Inspections	184	261	218	279	264	199	229	216	393	382
Construction Inspection	103	111	75	111	108	50	44	78	100	97
Planning:										
Building permits issued	352	327	285	296	299	360	520	524	496	511
Public works:										
Miles streets resurfaced	0.77	0.51	-	0.12	-	-	1.75	0.15	7	0.69
Parks:										
Community events held	19	24	22	26	35	37	41	46	41	40
Swimming pool admissions	21,480	18,494	16,063	15,313	16,261	47,720	48,222	49,142	49,302	63,110
Water:										
Number of new services	732	761	711	697	633	493	402	418	449	427
Daily average water production in MGD	3.20	2.84	2.87	2.95	3.10	3.15	2.87	2.49	2.31	2.38
Daily average water consumption in MGD	2.88	2.46	2.67	2.73	2.94	2.89	2.39	2.08	2.02	2.19
Wastewater:										
Daily average treatment in millions gallons(MGD)	1.54	1.54	1.71	1.65	1.61	1.62	1.54	1.54	1.86	1.55

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	----- Prior Years -----									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	12	12	12	12	13	15	19	17	17	18
Fire										
Stations	2	2	2	2	2	2	2	2	2	2
Engines	8	8	8	8	8	8	8	8	8	9
Public works:										
Miles of streets	14.2	38.1	38.1	38.1	38.1	38.1	38.1	38.1	38.1	38.1
Streetlights	1,233	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	3	3	3	3	3	3	3	3	3
Parks	22	22	22	22	22	22	22	22	22	22
Park acreage	79	79	79	79	79	79	79	79	79	79
Water:										
Miles of mains added	8	-	-	-	-	-	-	-	-	-
Number of services billed	5,208	5,232	5,455	5,529	5,565	5,593	5,594	5,621	5,654	5,646
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	4.70	4.70	4.70	4.70	4.70	4.70	4.70
Wastewater:										
Miles of sewers added	5	-	-	-	-	-	-	-	-	-
Number of services billed	4,738	4,809	4,856	4,910	4,971	4,983	5,004	5,016	5,012	4,999
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	0.00	2.45	0.00	0.00	0.00	0.00	0.00	0.40	0.00	0.00
Number of services billed	1	3	12	12	13	15	20	30	46	43
Storage capacity in million gallons	-	1.00	1.00	1.00	1.00	1.00	2.50	2.50	2.50	2.50

Data Source: Various departments within the City of American Canyon