

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, 2019**

American Canyon, California

www.cityofamericancanyon.org

American Canyon, California



Napa County

City of
American
Canyon



CITY OF AMERICAN CANYON AND AMERICAN CANYON FIRE PROTECTION DISTRICT COMPREHENSIVE ANNUAL FINANCIAL REPORT *for the fiscal year ended June 30, 2019*

Prepared by the Finance Department

CITY OF AMERICAN CANYON

Comprehensive Annual Financial Report

For the Year Ended June 30, 2019

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December 23, 2019

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, 2019. The fiscal year covers financial transactions from July 1, 2018 to June 30, 2019 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. LLP, a licensed certified public accounting firm, has audited the City of American Canyon's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of American Canyon, for the fiscal year ended June 30, 2019, 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, 2019 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, 2019 was estimated to be 20,629 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.

Beginning in fiscal year 2013-14, the Council directed Staff to enter a three-year "Stabilization Plan" in order to ensure the long-term fiscal sustainability of the City's finances. During this three-year stabilization period, critical reductions in expenses were slowly restored as revenue growth allowed. The 2015-16 fiscal year marked the final year of this successful plan. Since then the City has benefited from improvements in both the national and local economy and revenues have been increasing gradually.

Approximately 50% of general fund revenue received is from property taxes and are critical in supporting the cost of essential services provided by the City. For the fiscal year 2019-20 the City budgeted a 5% increase in property taxes, but now expects a 6.7% increase. Property tax is projected to increase an additional 4.5% in the 2020-21 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. New construction will also mean an increase in building permit revenue.

The City's Transient Occupancy Tax (TOT) rate is 12%. Fiscal year 2018-19 Transient Occupancy Tax (TOT) decreased by 2.9%. This decrease was due to renovation of one of the hotels, which limited the number of rooms available. Based on performance in the last few months and conversations with the hoteliers, we are projecting no increase for fiscal year 2019-20 and modest future growth of around 0.5% to 1.0% per year. This is a conservative long-term projection, as American Canyon continues to benefit from tourism in the Napa Valley. We believe additional hotel rooms will be constructed in American Canyon within five years; however, this is not included in these projections.

For the most part, sales tax revenue has been relatively consistent the last several years and upon advice of our sales tax consultant we have not incorporated an increase for 2019-20 and are forecasting a modest 2% increase in future year projections.

Staff will continue to closely monitor and review updated economic forecasts for any new developments that may positively or 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 2020.
- ✓ 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 land secured debt financing, partially funded by private property owners within the Green Island Industrial District through the creation of a Community Facilities District. The City's first Community Facilities District was approved by a vote of the property in February 2019 and the project is anticipated to break ground in early 2020.
- ✓ 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 Broadway District Specific Plan was approved in 2019.
- ✓ Napa Logistics Park - The City continues to see development in the Napa Logistics Park with the development of Building 4, a 700,000 SF warehouse, and Building 5, a 360,000 SF warehouse. The City issued construction permits for NLP2 Building 4 in October of 2019, and is reviewing the building permit application for NLP2 Building 5 submitted in August of 2019. In the west side of town, the City issued a permit for ICC for a 330,000 SF wine warehouse on July of 2019. The project is scheduled for completion in late 2020.
- ✓ Village at Vintage Ranch - The Village at Vintage Ranch is an apartment project consisting of 159 units in 18 buildings. 16 of the units will be constructed for affordable housing. The project started construction in July of 2018 and three of the buildings received Temporary Certificates of Occupancy in October 2019. The applicant expects to complete all of the units by the Summer of 2020.
- ✓ 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 2020.

General Plan Update

The City will also embark on a General Plan Update (GPU) for the first time since 1994. The General Plan is American Canyon's long-term blueprint for development of the City and any land outside its boundaries that bears relation to its planning. The Plan represents our community's view of its future and expresses the long-term growth and development goals. It addresses issues that impact the entire City, such as how land is used; where buildings are built; the locations of roads, schools, and parks; safety; noise; and much more. The Plan includes the implementation of both one-time projects and on-going programs. The GPU process will revisit all of the City's General Plan's chapters, conduct public outreach to get community feedback, and prepare the City's vision for the next 20 years.

The City released an RFP for General Plan consultants in September 2019 and received 3 qualified applicants and interviewed them all in November 2019. The City Council will approve a contract for the selected team in December 2019 and the consultant will work with City staff on developing the new General Plan for the next two years. The GPU is scheduled to be completed in June of 2022.

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 the 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 2020, 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, the 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 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. Please see Note C – Cash and Investments beginning on page 38 of the CAFR.

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. The City is considering contributing to an irrevocable trust for retirement 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, 2018. 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 2018-2019 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,



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, 2018

Christopher P. Morill

Executive Director/CEO

CITY OF AMERICAN CANYON

PRINCIPAL OFFICIALS

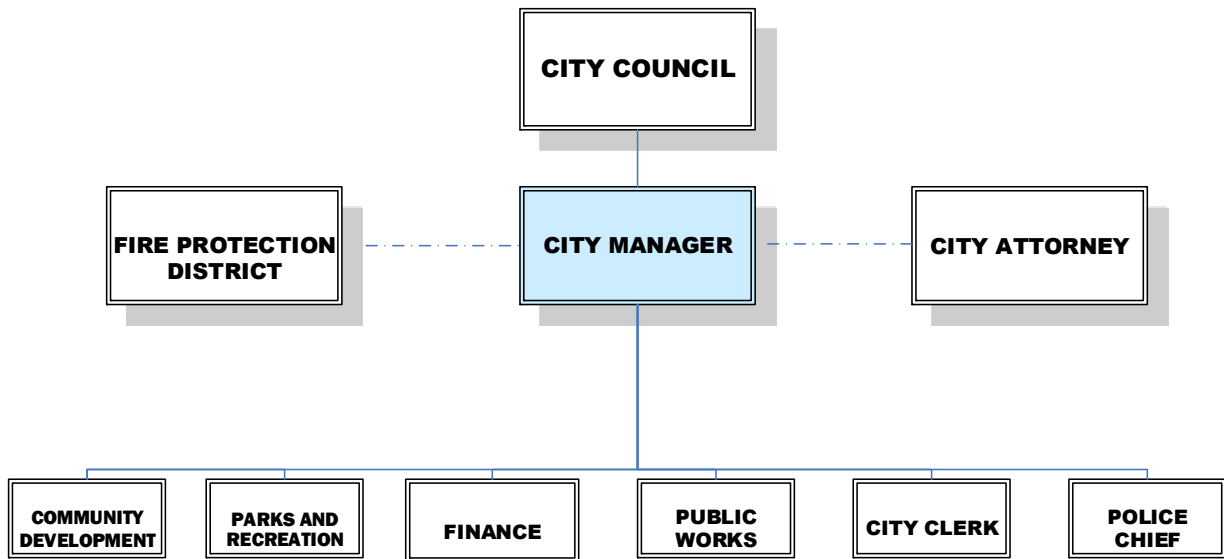
YEAR ENDED JUNE 30, 2019

CITY COUNCIL

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

ADMINISTRATIVE PERSONNEL

City Manager	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, 2019, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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, 2019, 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, CalHome and HOME Loan Development Special Revenue Fund, Storm Drainage Special Revenue Fund and the State and Federal Grants - City Special Revenue Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, 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 comparison for the major capital projects fund, 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 fund and combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the budgetary comparison for the major capital projects fund and combining and individual nonmajor fund financial statements are fairly stated in all material respects in relation to the financial statements as a whole.

To the City Council
City of American Canyon, California

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 23, 2019 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 23, 2019

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, 2019. 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 \$2.2 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 \$350.1 million at the end of the 2019 fiscal year. Of that amount, \$14.3 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 \$34.6 million at June 30, 2019, an increase of \$10.9 million compared to the prior year. Of these fund balances, \$0.4 million is non-spendable, \$20.0 million is restricted, \$6.0 million is committed, \$7.1 million is assigned, and \$1.1 million is unassigned.
- Overall, city-wide revenues from all governmental and business-type activities were \$45 million, a decrease of about \$14.5 million compared to the prior year. This amount includes \$3.4 million from grants and capital contributions.
- The City's total expense for all programs in fiscal year 2019 was \$42.9 million, an increase of \$2.1 million compared to the prior year.
- The General Fund ended fiscal year 2019 with a fund balance of \$10.4 million, an increase of \$1.8 million compared to the prior year of which \$2.3 million was unassigned. The Fire District Operations Fund ended fiscal year 2019 with a \$5.9 million fund balance, a decrease of approximately \$0.1 million compared to the prior year. The CDBG, CalHome and HOME Loan Development Special Revenue fund ended fiscal year 2019 with a fund balance of negative \$0.2 million, an increase of \$0.8 million compared to the prior year. The Storm Drainage fund ended fiscal year 2019 with a fund balance of \$7.4 million, an increase of \$7.8 million compared to the prior year. The State and Federal Grants - City Special Revenue funds ended fiscal year 2019 with a fund balance of \$0.8 million, a decrease of 0.4 million compared to the prior year. The Affordable Housing Capital Projects fund ended fiscal year 2019 with a fund balance of negative \$0.2 million a decrease of \$50,000 compared to the prior year. Other Governmental Funds reported a cumulative fund balance of \$12.2 million available for special purposes, primarily infrastructure and capital asset additions.
- The City ended fiscal year 2019 with \$18.3 million of available net position in its enterprise funds consisting of restricted and unrestricted net position. Internal Service Funds ended fiscal year 2019 with a cumulative unrestricted fund balance of \$0.8 million an increase of \$0.4 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 such as 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 and internal service 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 the 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, CalHome and HOME Loan Development; Storm Drainage; State and Federal Grants – City and Affordable Housing* 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

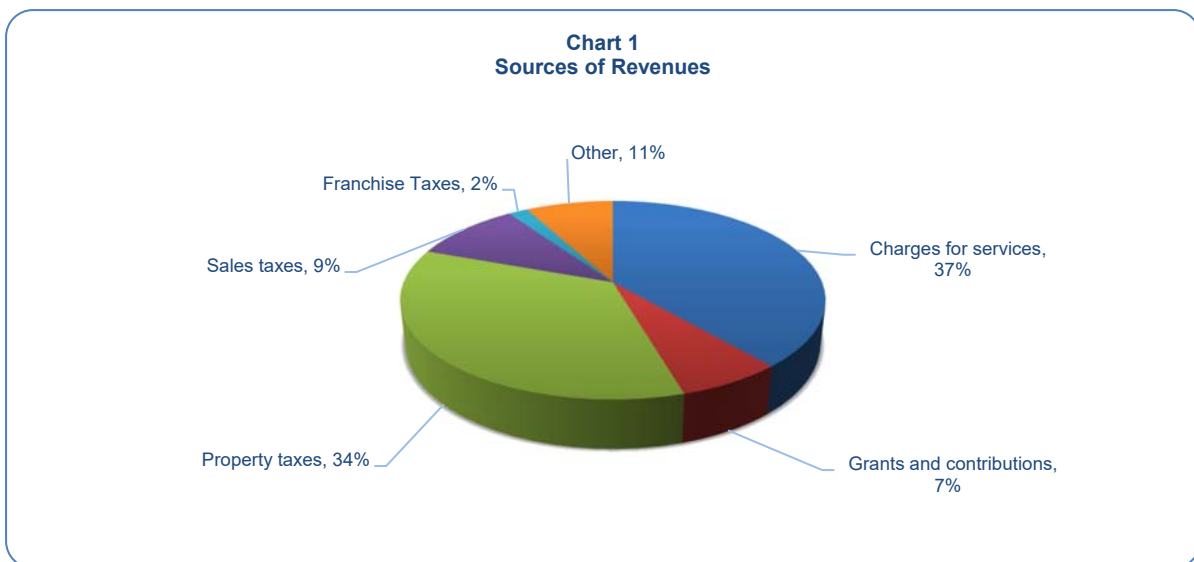
Net Position. As summarized in Table A-1 below, the City's *combined* net position increased \$2.1 million between fiscal years 2018 and 2019.

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

	Governmental Activities		Business-Type Activities		Total		Total Percentage Change
	2018	2019	2018	2019	2018	2019	2018-2019
Current and other assets	44.0	46.1	20.7	21.8	64.7	67.9	4.9%
Capital assets	270.9	267.0	55.3	54.4	326.2	321.4	-1.5%
Total assets	314.9	313.1	76.0	76.2	390.9	389.3	-0.4%
Deferred Outflow of Resources	5.5	4.7	1.0	0.8	6.5	5.5	-15.4%
Long-term debt outstanding	27.4	26.1	9.2	7.9	36.6	34.0	-7.1%
Other liabilities	3.5	1.6	0.8	0.6	4.3	2.2	-48.8%
Total liabilities	30.9	27.7	10.0	8.5	40.9	36.2	-11.5%
Deferred Inflows of Resources	1.0	1.0	0.2	0.2	1.2	1.2	0.0%
Net investment in capital assets	263.9	260.7	49.5	49.8	313.4	310.5	-0.9%
Restricted	24.8	27.4	5.5	5.3	30.3	32.7	7.9%
Unrestricted	(0.2)	1.0	11.8	13.2	11.6	14.2	22.4%
Total net position	288.5	289.1	66.8	68.3	355.3	357.4	0.6%

MANAGEMENT'S DISCUSSION AND ANALYSIS

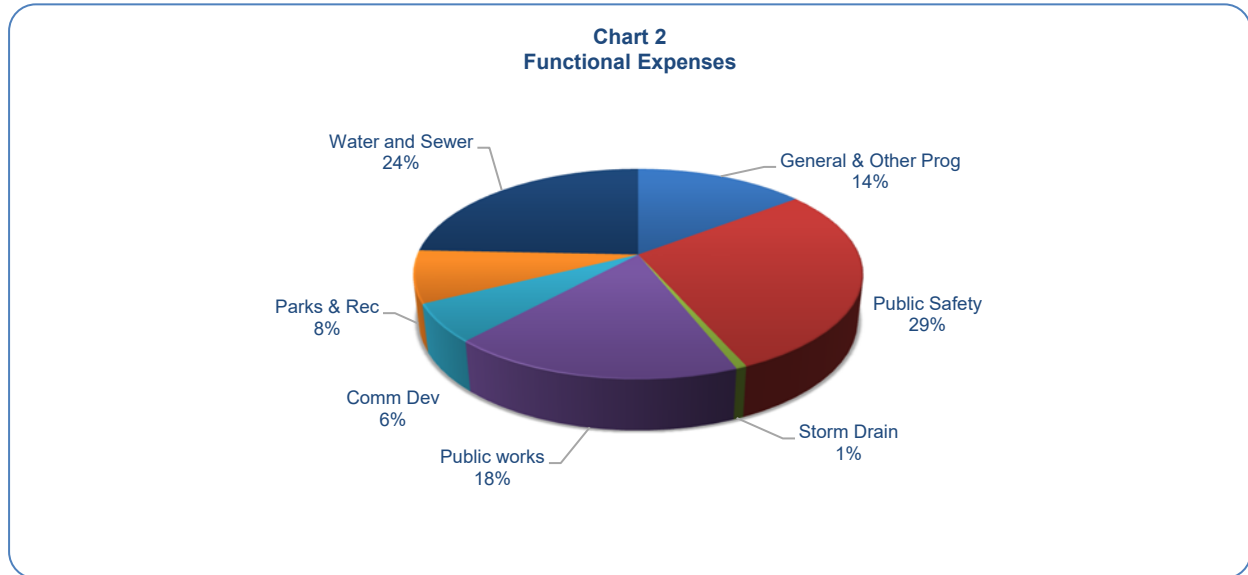
The net position of the City's governmental and business-type activities increased 0.6% to \$357.4 million. The increase was mostly due to the receipt of the prior year's receivable of \$8.2 million from Measure A Storm Drain fund and the receipt of \$1.3 million of the Measure T fund. Approximately 87% of the City's net position is invested in capital assets such as buildings, land, equipment and facilities. About \$2.4 million of ongoing capital projects have been invested for projects such as the Priority Development Area (PDA), Skate Park Repairs & Renovations, Wetlands Edge Environmental Educational Enhancement, Newell Creek Upper Watershed Sediment Reduction, Devlin Road Extension, Green Island Road Reconstruction & Widening, Headworks Channel 1&2 Screen Replacement and Solids Pond Aeration Projects. Construction in Progress decreased due to the completion of the \$1.1 million Automated Meter Infrastructure (AMI) Project and about \$0.4 million of the capital projects funds such as the SR29 Napa Junction Road Intersection Phase 2, Office Remodel in the Wastewater operating fund, SR29 End of SS4 to Crawford Way and the Donaldson Way Sidewalk Gap Project were completed this fiscal year. The remaining 13% is represented by restricted and unrestricted net position. Notable receivables are the \$1.2 million in Property Taxes and \$0.6 million from Measure T fund. Approximately \$1.2 million of Intergovernmental Receivables include projects such as the Green Island Road Reconstruction & Widening, Priority Development Area Project, Automated Meter Infrastructure and HOME Loan Assistance Program. About 94% 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. A more detailed list of long-term liabilities is found on pages 53-56.



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 10, revenues for fiscal year 2019 totaled \$44.9 million, a decrease of \$14.7 million or 24.7% from the prior year. Charges for Services decreased by \$3.9 million or negative 19%, primarily due to a decrease in developer activity which resulted in fewer building permits issued. Most of the permits and fees issued last year were for the Village at Vintage Ranch 159-unit apartment complex and the continued development of Napa Logistics Park. Grants and contributions decreased by \$15 million. Last year the city recognized \$8.4 million of Sales Tax of the Measure A Fund, \$0.9 million of Developer Contribution for the Valley View Senior Housing, \$1 million CDBG Grant for the Sewer Improvement at Theresa Avenue, \$0.6 million in Zero Water Footprint for the Montalcino Project and \$0.5 million for Hwy29 @ Napa Junction Rd Ph 2 project and the NVTA Congested Corridor Plan (Napa Logistics). Additionally, \$0.9 million of land (Mezzeta Court Property) was donated in the prior year. This fiscal year, the city received \$0.5 million of Civic Impact Fees for the Construction of Community Facility at a Site East of SR29, \$0.7 million of HOME Grant, about \$0.1 million of TFCA Grant, \$0.2 million of COPS Grant, \$0.4 million of RMRA money, \$0.2 million State Grants and \$0.3 million of Federal Grants. The City's primary source of discretionary revenue is property taxes which totaled \$15.1 million or 34% of total

MANAGEMENT'S DISCUSSION AND ANALYSIS

revenues for the year and increased by 9% over fiscal year 2018 due to continued improvement in assessed valuation. Sales tax revenue increased by \$1.4 million or 50% to \$4.2 million in fiscal year 2019. Approximately \$11.3 million or 25.2% of all City revenues were generated from water and wastewater service fees.



The total cost for all programs and services in fiscal year 2019 was \$42.8 million which includes 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 2019, expenses increased by \$2 million or 5.2%. In the fiscal year, the 2019 General Government expenses increased by \$0.7 million, a 13.2% increase from the prior year largely due to \$0.4 million of OPEB/Pension Expense and \$0.9 million of Legal Fees. Public Works expenses increased by \$1.9 million or 32.8% mostly due to \$1.8 million in General Repairs and Maintenance Projects such as the \$0.1 million of the 18-19 Annual Public Facilities Renovation Project, \$0.1 million of the Green Island Rd Reconstruction/Widening Project, \$0.1 million of the Devlin Road Extension Segment H Project, \$0.3 million of the SR29 Signal Interconnect Project, \$0.4 million of the Donaldson Sidewalk Gap Closure, \$0.2 million of the SR29/Napa Junction Rd Intersection Phase 2 Project and \$0.4 million of the 2018 Annual Pavement Management Project. Water expenses remained the same at \$6 million compared to the prior year. Wastewater expenses decreased by \$0.2 million or negative 4.3%.

The City's largest operating expense was public safety services. The City's cost to provide police and fire protection services was \$12.3 million or 29% of the City's total operating expenses followed closely by the water and sewer which collectively comprised 24% of total expenses. Public Works and Storm Drain departments accounted for 19% of expenses, Parks and Recreation 8%, and Community Development 6%. The remaining 14% was expended on general City administration and other programs.

When all operations were concluded, governmental activities created a \$0.6 million increase in net position and business activities increased \$1.5 million for 2019.

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
	2018	2019	2018	2019	2018	2019	2018-2019
Revenues							
Program revenues							
Charges for services	9.3	5.3	11.2	11.3	20.5	16.6	-19.0%
Grants and contributions - operating	0.8	1.3	0.3	0.2	1.1	1.5	36.4%
Grants and contributions - capital	13.1	1.7	3.9	0.2	17.0	1.9	-88.8%
General revenues							
Property taxes	13.8	15.1	-	-	13.8	15.1	9.4%
Franchise taxes	0.7	0.7	-	-	0.7	0.7	0.0%
Sales taxes	2.8	4.2	-	-	2.8	4.2	50.0%
Other	3.1	4.1	0.6	0.8	3.7	4.9	32.4%
Total revenues	43.6	32.4	16.0	12.5	59.7	44.9	-24.7%
Expenses							
General government	5.3	6.0	-	-	5.3	6.0	13.2%
Public Safety	12.2	12.3	-	-	12.2	12.3	0.8%
Public works	5.8	7.7	-	-	5.8	7.7	32.8%
Community Development	2.5	2.5	-	-	2.5	2.5	0.0%
Parks and Recreation	3.8	3.4	-	-	3.8	3.4	-10.5%
Storm Drain	0.3	0.3	-	-	0.3	0.3	0.0%
Water			6.0	6.0	6.0	6.0	0.0%
Wastewater			4.6	4.4	4.6	4.4	-4.3%
Other	0.2	0.2	-	-	0.2	0.2	0.0%
Total expenses	30.1	32.4	10.6	10.4	40.7	42.8	5.2%
Excess (deficiency) before transfers	13.5	0.0	5.4	2.1	18.9	2.1	-88.9%
Transfers	-	0.6	-	(0.6)	-	-	0.0%
Increase(decrease) in net position	13.5	0.6	5.4	1.5	18.9	2.1	-88.9%
Net position, beginning	280.6	288.5	62.2	66.8	342.8	355.3	3.6%
Restatement	(5.6)	-	(0.8)	-	(6.4)	-	
Net position, ending	288.5	289.1	66.8	68.3	355.3	357.4	0.6%

MANAGEMENT'S DISCUSSION AND ANALYSIS

City Program Costs

Table A-3 presents the cost of each of the City's six largest programs: Public Safety, Public Works, Parks and Recreation, Water, Wastewater, and Community Development.

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

	Total Cost of Services		Percentage Change
	2018	2019	2018-2019
Public Safety	12.2	12.3	0.8%
PW (includes Storm drain)	6.1	8.0	31.1%
Community Development	2.5	2.5	0.0%
Parks and Recreation	3.8	3.4	-10.5%
Water	6.0	6.0	0.0%
Wastewater	4.6	4.4	-4.3%
All other	5.5	6.2	12.7%
Total	<u>\$40.7</u>	<u>\$42.8</u>	<u>5.2%</u>

The cost of all programs this year was \$42.8 million, an increase of \$2 million, or 5.2%, over the prior year. For governmental activities, overall program costs increased \$2.3 million, or 7.6%, mostly due to \$1.5 million in non-capitalized Public Works projects and \$0.4 million of OPEB expenses.

Governmental Activities

As detailed on the Statement of Activities, the City's governmental program expenses totaled \$32.4 million during the year. Program revenues, including grants, totaled \$8.2 million leaving the City to fund the balance of \$24 million with general revenues. Program revenues decreased by \$15 million while expenses increased by \$2 million over the prior year. The decrease in the Program Revenues was mostly in Grants and contributions. (Refer to page 8 for the explanation of why Grants and contributions decreased.)

Business-Type Activities

At 2019 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 \$1.5 million over the prior year. In fiscal year 2019, charges for services increased by approximately \$0.1 million or 1% compared to the prior year. Water and Wastewater revenues decreased by negative 20% and 22.1% respectively compared to 2018. These decreases were mostly due to a decrease in Capital Grant and Contributions. Water fund expenses decreased by \$36 thousand or negative 0.59% compared to fiscal year 2018. Wastewater fund expenses decreased by \$132 thousand or negative 3%.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

At the end of fiscal year 2019, the City's governmental funds had a combined fund balance of \$34.6 million, about \$10.9 million more than the prior year. The City received \$9.4 million in total Sales Tax from Measure A and Measure T monies, \$0.5 million of Developer Contributions for the Construction of Community Facility at a Site East of SR29 Vintage Ranch LLC and increase of \$0.1 million in Charges for Services in the

MANAGEMENT'S DISCUSSION AND ANALYSIS

Internal Service Funds. The City's Cash and Investment accounts increased by \$13.9 million compared to the prior year. The City's General Fund had an excess of revenues over expenditures of \$0.2 million before other financing sources. General Fund Property Taxes increased by \$0.8 million and Use of money and property (Interest/Leases/Rents) increased by \$0.8 million compared to the prior year. The City's General Fund Expenditures increased by \$0.3 million mostly due to Legal Services. The Transfers in from Other Funds increased by \$0.8 million compared to the prior year mostly due to transfers for Capital Projects and Debt Service. After including inter-fund transfers, the General Fund ended the fiscal year with an excess of \$1.8 million. The Fire District Operations fund balance decreased by \$0.1 million or negative 1.74% as a result of fiscal year 2019 operations. In fiscal year 2018, Fire District received a Federal Grant of \$6 million for the purchase of fire equipment. The grant was received in 2018 and spent in 2019. Strike Team Reimbursements decreased by \$0.2 million a negative 26.22% compared to 2018. Fire Fees decreased by \$0.1 million, a negative 56% compared to 2018. A \$1 million CDBG Grant was received in 2019 for the prior year's Sewer Improvement at Theresa Avenue and Los Altos capital improvement project. The City received \$8.2 million in Sales Tax from Measure A. The State and Federal Grants - City fund received reimbursements for the Donaldson Way Sidewalk Gap Closure for \$0.1 million and \$0.2 million for the Priority Development Area Project and the Building E Pump Station Retrofit. The Affordable Housing Capital Projects fund balance increased by \$47 thousand or 18%. There was a one-time Developer in Lieu Fee of \$0.9 million received in the prior year compared to this year's total revenue of \$0.2 million.

The City's non-major governmental funds ended the fiscal year with a consolidated fund balance of \$12.2 million. The total fund balance of \$12.2 million is restricted with externally enforceable legal restrictions.

The Water and Wastewater enterprise funds ended the year with \$13.8 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 \$2.0 million less than final budget amounts. The largest cost in the General Fund, public safety, remained relatively constant, increasing \$0.2 million in fiscal year 2019. Overall, fiscal year 2019 General Fund expenditures also remained constant increasing by \$0.3 million, or 2% over the prior year to \$20.1 million.

The General Fund's fund balance increased by \$1.8 million from June 30, 2018 to June 30, 2019. The General Fund's primary source of discretionary revenue is property taxes which totaled \$10.5 million or 52% of total revenues for the year and increased by 8% over the prior year. The budget was under \$0.3 million. The Charges for Services were \$0.9 million less than anticipated due to less developer project activity which also resulted in fewer expenditures than anticipated in Community development by \$0.4 million.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2019, the City had invested \$321.4 million (net of accumulated depreciation) in a broad range of capital assets, including land, vehicles, equipment, the water and wastewater systems, streets, and other capital assets (see Table A-4). This amount represents a net decrease, after additions and deductions, of about \$4.8 million or negative 1.5% compared to the prior year. Additional information can be found in the notes to the financial statements, Note F – Capital Assets pages 50-53.

MANAGEMENT'S DISCUSSION AND ANALYSIS

**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
	2018	2019	2018	2019	2018	2019	2018-2019
Land	\$ 8.7	\$ 9.6	\$ 2.2	\$ 2.2	\$ 10.9	\$ 11.8	8.3%
Construction in progress	5.1	3.2	1.4	3.0	6.5	6.2	-4.6%
Buildings and Improvements	41.7	31.7	3.6	3.6	45.3	35.3	-22.1%
Machinery and Equipment	1.5	2.0	1.9	1.6	3.4	3.6	5.9%
Water utility system			26.3	24.9	26.3	24.9	-5.3%
Wastewater system			19.9	19.1	19.9	19.1	-4.0%
Infrastructure system	213.9	220.5			213.9	220.5	3.1%
Total	\$270.9	\$267.0	\$55.3	\$54.4	\$326.2	\$321.4	-1.5%

Long - Term Debt

At the end of fiscal year 2019, the City had about \$10.8 million in long-term debt obligations outstanding. Of the \$10.8 million, \$4.5 million relates to the City's business-type activities and the remaining \$6.3 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 \$0.6 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 \$4.6 million capital lease to purchase a commercial office building that was transformed into City Hall; 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 53-57. The City and Walmart agreed to share the cost of the traffic light and improvements at SR29. Walmart constructed the street light at a cost of \$1.6 million and the City has agreed to reimburse Walmart for 75.88% of the cost or \$1.2 million. The City reimbursed Walmart \$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 formalized.

For business-type activities, major long-term debt year-end balances are comprised of a \$2.8 million State Revolving Fund loan used for construction of the City's wastewater treatment plant facility; \$0.6 million State loan for water system improvement; a \$0.9 million capital lease for the acquisition and installation of the wastewater treatment membrane; and a \$0.2 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 economy continues to grow. However, the upcoming US Presidential election year brings an element of uncertainty with the possibility of a volatile financial market. Overall, economic growth has slowed from earlier this year, but experts forecast continued growth. California economies have been growing as well. Some experts predict California's economy will grow faster than the nation. The Napa Valley economy continues to grow at a steady rate as does American Canyon's.

MANAGEMENT'S DISCUSSION AND ANALYSIS

American Canyon's sales tax receipts from April 2019 through June 2019 were 41.0% above the same period in 2018. However, this comparison is inflated due to the California Department of Tax and Fee Administration's (CDTFA) transition to a new reporting system in the prior year which temporarily delayed distributions to the City. Excluding reporting aberrations, actual sales were up 8.9%. On advice from our consultant, the City conservatively budgeted no increase in sales tax for fiscal year 2019/20.

Approximately 50% of general fund revenue received is from property taxes. The City of American Canyon experienced a net taxable value increase of 6.9% for the 2019/20 tax roll, which was slightly more than the increase experienced countywide at 6.5%. The City of American Canyon's 2019/20 annual budget projects a 5% increase. The assessed value increase between 2018/19 and 2019/20 was \$216 million. The change attributed to the 2% Proposition 13 inflation adjustment was 47.9 million, which accounted for 22% of all growth experienced in the city.

Current median home prices, in many regions, are at or above the pre-recession peak values. In the past year, the number of home sales has generally declined and growth in median sales prices has flattened in most areas of the State. Despite the moderation of growth in sale prices and somewhat lower mortgage rates, affordability remains a concern, particularly in coastal regions. Most economists are predicting a weaker housing market through the remainder of 2019 and through 2020. The median sale price of a detached single-family residential home (D-SFR) in American Canyon from January through September 2019 was \$485,000. This represents a \$30,000 decrease in median sale price from 2018.

Year	D-SFR Sales	Median Price	% Change
2015	194	\$425,000	10.39%
2016	218	\$437,500	2.94%
2017	210	\$478,000	9.26%
2018	185	\$515,000	7.74%
2019	151	\$485,000	-5.83%

According to industry experts, affordability and concerns about buying too close to a potential drop in housing prices are impacting sales volume. The slowdown in number of sales may cause a further weakening of median sale prices if interest rates aren't enough to keep buyers interested. The reported median price of an existing, single-family detached home in California during June 2019 was \$611,420, a 1.4% increase from the June 2018 value of \$602,770.

Home Sales - Comparison by County:

All Homes	Units Sold June 2018	Units Sold June 2019	% Change	Median Price June 2018	Median Price June 2019	% Change
Napa County	173	170	-1.73%	\$646,000	\$700,000	8.36%
Solano County	670	622	-7.16%	\$435,500	\$435,000	-0.11%
Contra Costa County	1720	1335	-22.38%	\$632,750	\$645,000	1.94%
San Francisco County	601	484	-19.47%	\$1,330,000	\$1,400,000	5.26%

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. There is still approximately \$64 million left to be restored on the homes reduced during the recession. This is less than 0.02% of the citywide value.

MANAGEMENT'S DISCUSSION AND ANALYSIS

2019/20 Taxable Property Values:

Combined Values	Total
Total Values	\$3,394,365,455
Total Exemptions	\$70,902,353
Net Total Values	\$3,323,463,102

The City anticipates further increases in assessed valuation due to growing interest in industrial and residential development. Key development projects include the Broadway District Specific Plan, the Village at Vintage Ranch apartments, continued development of Napa Logistics Park, and Watson Ranch, the long-planned mixed-use commercial/retail town center. The City is also embarking on a General Plan Update, American Canyon's blueprint for development of the City and any land outside its boundaries that bears relation to its planning.

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, 2019

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and investments	\$ 34,321,303	\$ 13,844,968	\$ 48,166,271
Restricted cash and investments	287,792	5,282,263	5,570,055
Taxes receivable	1,900,296		1,900,296
Accounts receivable, net	229,415	2,270,749	2,500,164
Internal balances	(244,769)	244,769	
Interest receivable	189,662	124,421	314,083
Due from other governments	1,335,035		1,335,035
Property held for resale	562,773		562,773
Prepaid expenses and other assets	296,774	3,990	300,764
Loans receivable, net	7,221,171		7,221,171
Capital assets:			
Non-depreciable	175,065,256	5,231,867	180,297,123
Depreciable, net of accumulated depreciation	91,954,398	49,159,358	141,113,756
Total capital assets	267,019,654	54,391,225	321,410,879
TOTAL ASSETS	313,119,106	76,162,385	389,281,491
DEFERRED OUTFLOWS OF RESOURCES			
Deferred amount on refunding of debt	16,669		16,669
Pension plan	3,646,734	684,559	4,331,293
OPEB plans	1,068,595	152,143	1,220,738
TOTAL DEFERRED OUTFLOWS OF RESOURCES	4,731,998	836,702	5,568,700
LIABILITIES			
Accounts payable	881,718	321,428	1,203,146
Accrued expenses	450,267	490	450,757
Unearned revenue	241,957		241,957
Accrued interest payable		71,912	71,912
Deposits	69,617	176,748	246,365
Long-term liabilities:			
Due within one year			
Bonds, capital leases and contracts	569,769	1,200,676	1,770,445
Compensated absences	676,846	162,006	838,852
Workers compensation claims and judgments	724,016		724,016
Due in more than one year			
Bonds, capital leases and contracts	5,780,418	3,398,829	9,179,247
Compensated absences	6,398		6,398
Net pension liability	12,330,004	2,225,208	14,555,212
Net OPEB liability	6,000,394	922,874	6,923,268
TOTAL LIABILITIES	27,731,404	8,480,171	36,211,575
DEFERRED INFLOWS OF RESOURCES			
Pension plan	355,613	155,328	510,941
OPEB plans	648,113	20,093	668,206
TOTAL DEFERRED INFLOWS OF RESOURCES	1,003,726	175,421	1,179,147
NET POSITION			
Net investment in capital assets	260,686,136	49,791,720	310,477,856
Restricted for:			
Public safety	1,174,461		1,174,461
Public works	10,183,947		10,183,947
Storm drain projects	7,375,800		7,375,800
Community development, planning and building	8,166,841		8,166,841
Capacity expansion		5,282,263	5,282,263
Other activities	471,221		471,221
Unrestricted	1,057,568	13,269,512	14,327,080
TOTAL NET POSITION	\$ 289,115,974	\$ 68,343,495	\$ 357,459,469

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

CITY OF AMERICAN CANYON
Statement of Activities
For the Year Ended June 30, 2019

Functions/Programs	Expenses	Program Revenue		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government				
Governmental Activities				
General government	\$ 5,968,757	\$ 599,289	\$ 240,120	
Public safety	12,342,182	1,463,879	278,089	
Public works	7,652,743	725,299	763,817	\$ 900,696
Community development	2,513,656	2,140,534		714,261
Parks and recreation	3,439,644	328,236	76	
Storm drain	284,204			75,940
Interest on long-term debt	229,456			
TOTAL GOVERNMENTAL ACTIVITIES	32,430,642	5,257,237	1,282,102	1,690,897
Business-type activities				
Water	5,986,895	6,931,105	210,200	138,604
Wastewater	4,456,463	4,427,087	5,430	61,981
Total business-type activities	10,443,358	11,358,192	215,630	200,585
TOTAL PRIMARY GOVERNMENT	\$ 42,874,000	\$ 16,615,429	\$ 1,497,732	\$ 1,891,482
General revenues:				
Taxes:				
Property taxes, levied for general purposes				
Franchise taxes				
Sales taxes				
Other taxes				
Unrestricted investment earnings				
Other				
Transfers, net				
Total general revenues and transfers				
Change in net position				
Net position, beginning of year				
Net position, end of year				

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

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

Governmental Activities	Business-type Activities	Total
\$ (5,129,348)		\$ (5,129,348)
(10,600,214)		(10,600,214)
(5,262,931)		(5,262,931)
341,139		341,139
(3,111,332)		(3,111,332)
(208,264)		(208,264)
(229,456)		(229,456)
<u>(24,200,406)</u>		<u>(24,200,406)</u>
	\$ 1,293,014	1,293,014
	38,035	38,035
	<u>1,331,049</u>	<u>1,331,049</u>
<u>(24,200,406)</u>	<u>1,331,049</u>	<u>(22,869,357)</u>
15,084,618		15,084,618
750,990		750,990
4,222,888		4,222,888
2,428,822		2,428,822
1,172,806	660,972	1,833,778
568,578	155,306	723,884
605,473	(605,473)	
<u>24,834,175</u>	<u>210,805</u>	<u>25,044,980</u>
633,769	1,541,854	2,175,623
<u>288,482,205</u>	<u>66,801,641</u>	<u>355,283,846</u>
<u>\$ 289,115,974</u>	<u>\$ 68,343,495</u>	<u>\$ 357,459,469</u>

CITY OF AMERICAN CANYON
Balance Sheet
Governmental Funds
June 30, 2019

	<u>Major Funds</u>			
	<u>General Fund</u>	<u>Fire District Operations Special Revenue</u>	<u>CDBG, CalHome and HOME Loan Development Special Revenue</u>	<u>Storm Drainage Special Revenue</u>
ASSETS				
Cash and investments	\$ 8,299,397	\$ 6,069,393	\$ 25,647	\$ 7,327,486
Restricted cash and investments				
Taxes receivable	1,166,525	58,669		45,537
Accounts receivable, net	198,768	17,092	97	
Interest receivable	25,200	36,980		48,314
Due from other governments	62,179		178,020	
Due from other funds	1,434,456			
Property held for resale	412,503			
Prepaid expenditures and deposits	14,432			
Loans receivable, net	42,829		1,972,857	
TOTAL ASSETS	<u>\$ 11,656,289</u>	<u>\$ 6,182,134</u>	<u>\$ 2,176,621</u>	<u>\$ 7,421,337</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 505,723	\$ 173,493	\$ 10,080	
Accrued expenses	313,233	112,275	2,970	
Unearned revenue	241,957			
Deposits	69,617			
Due to other funds		25,083	173,674	
TOTAL LIABILITIES	<u>1,130,530</u>	<u>310,851</u>	<u>186,724</u>	
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	166,494		2,142,996	\$ 45,537
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>166,494</u>		<u>2,142,996</u>	<u>45,537</u>
FUND BALANCES				
Nonspendable:				
Property held for resale	412,503			
Prepaid expenditures and deposits	14,432			
Restricted for:				
Public safety	227,878			
Public works				
Storm drain projects				7,375,800
Other activities	122,347			
Committed	6,021,464			
Assigned	1,222,691	5,871,283		
Unassigned	2,337,950		(153,099)	
TOTAL FUND BALANCES	<u>10,359,265</u>	<u>5,871,283</u>	<u>(153,099)</u>	<u>7,375,800</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES	<u>\$ 11,656,289</u>	<u>\$ 6,182,134</u>	<u>\$ 2,176,621</u>	<u>\$ 7,421,337</u>

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

Major Funds

State and Federal Grants - City Special Revenue	Affordable Housing Capital Projects	Other Nonmajor Governmental Funds	Total Governmental Funds
		\$ 11,520,877	\$ 33,242,800
		287,792	287,792
		629,565	1,900,296
	\$ 595	6,519	223,071
		72,218	182,712
\$ 944,449		150,387	1,335,035
			1,434,456
	150,270		562,773
			14,432
	5,115,463	90,022	7,221,171
\$ 944,449	\$ 5,266,328	\$ 12,757,380	\$ 46,404,538
\$ 98,297		\$ 71,317	\$ 858,910
	2,375	19,364	450,217
			241,957
			69,617
841,622	\$ 362,443	31,634	1,434,456
939,919	364,818	122,315	3,055,157
798,422	5,115,463	462,401	8,731,313
798,422	5,115,463	462,401	8,731,313
			412,503
			14,432
		886,696	1,114,574
		9,791,656	9,791,656
			7,375,800
		1,555,601	1,677,948
			6,021,464
			7,093,974
(793,892)	(213,953)	(61,289)	1,115,717
(793,892)	(213,953)	12,172,664	34,618,068
\$ 944,449	\$ 5,266,328	\$ 12,757,380	\$ 46,404,538

CITY OF AMERICAN CANYON
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
June 30, 2019

Total fund balance, governmental funds	\$	34,618,068
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.		267,019,654
Revenues and loans receivable, which are deferred on the fund balance sheets because they are not available currently, are recognized as revenue in the Statement of Activities.		8,731,313
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.		824,512
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		282,000
Bonds, capital leases and contracts		(6,350,187)
Compensated absences		(683,244)
Uninsured claims		(724,016)
Other postemployment benefits liability		(6,000,394)
Net pension liability		(12,330,004)
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.		16,669
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.		3,291,121
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.		420,482
NET POSITION OF GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET POSITION	\$	<u><u>289,115,974</u></u>

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, 2019

	<u>Major Funds</u>			
	<u>General Fund</u>	<u>Fire District Operations Special Revenue</u>	<u>CDBG, CalHome and HOME Loan Development Special Revenue</u>	<u>Storm Drainage Special Revenue</u>
REVENUES				
Property taxes	\$ 10,518,429	\$ 4,432,801		
Sales taxes	2,710,944			\$ 8,180,650
Other taxes	2,784,489	638,537		
Special assessments				
Fines and forfeitures	151,166			
Licenses and permits	427,630			
Intergovernmental	124,400		\$ 1,544,122	
Charges for services	1,862,016	674,276		
Use of money and property	934,774	143,118	298	116,125
Other	830,543	75,306	4,411	
TOTAL REVENUES	<u>20,344,391</u>	<u>5,964,038</u>	<u>1,548,831</u>	<u>8,296,775</u>
EXPENDITURES				
Current:				
General government	5,644,832			
Public safety	6,880,927	5,481,194		
Public works	1,834,189			
Community development	2,261,073		714,397	
Parks and recreation	3,211,950			
Storm drain	300,627			6,141
Debt Service:				
Principal				
Interest and other charges				
Capital outlay		604,559		
TOTAL EXPENDITURES	<u>20,133,598</u>	<u>6,085,753</u>	<u>714,397</u>	<u>6,141</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>210,793</u>	<u>(121,715)</u>	<u>834,434</u>	<u>8,290,634</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of assets		18,000		
Transfers in	2,520,116			
Transfers out	(928,827)		(23,812)	(469,465)
TOTAL OTHER FINANCING SOURCES AND USES	<u>1,591,289</u>	<u>18,000</u>	<u>(23,812)</u>	<u>(469,465)</u>
NET CHANGE IN FUND BALANCES	1,802,082	(103,715)	810,622	7,821,169
Fund balances, beginning of year	8,557,183	5,974,998	(963,721)	(445,369)
FUND BALANCES, END OF YEAR	<u>\$ 10,359,265</u>	<u>\$ 5,871,283</u>	<u>\$ (153,099)</u>	<u>\$ 7,375,800</u>

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

Major Funds

State and Federal Grants - City Special Revenue	Affordable Housing Capital Projects	Other Governmental Funds	Total Governmental Funds
			\$ 14,951,230
		\$ 1,253,865	12,145,459
			3,423,026
		581,237	581,237
			151,166
			427,630
\$ 290,748		1,101,827	3,061,097
	\$ 7,187	653,226	3,196,705
	(13,188)	278,525	1,459,652
	159,685	33,411	1,103,356
<u>290,748</u>	<u>153,684</u>	<u>3,902,091</u>	<u>40,500,558</u>
			5,644,832
			12,362,121
		1,165,903	3,000,092
	106,742	92,925	3,175,137
		3,218	3,215,168
			306,768
		582,512	582,512
		243,271	243,271
		1,065,586	1,670,145
	<u>106,742</u>	<u>3,153,415</u>	<u>30,200,046</u>
290,748	46,942	748,676	10,300,512
			18,000
51,034		2,635,610	5,206,760
<u>(669,918)</u>		<u>(2,509,265)</u>	<u>(4,601,287)</u>
<u>(618,884)</u>		<u>126,345</u>	<u>623,473</u>
<u>(328,136)</u>	46,942	875,021	10,923,985
<u>(465,756)</u>	<u>(260,895)</u>	<u>11,297,643</u>	<u>23,694,083</u>
<u>\$ (793,892)</u>	<u>\$ (213,953)</u>	<u>\$ 12,172,664</u>	<u>\$ 34,618,068</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, 2019**

Net change in fund balances - total governmental funds: \$ 10,923,985

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	1,670,145
Depreciation expense	(3,830,634)
Disposals and transfers	(1,984,472)

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. (7,349,722)

Governmental funds report bond proceeds as current financial resources. In contrast, the Statement of Activities treats such issuance of debt as a liability. Governmental funds report repayment of bond principal as an expenditure. In contrast, the Statement of Activities treats such repayments as a reduction in long-term liabilities. This is the amount by which repayments exceed proceeds, net of amortization of deferred amount on refunding. 574,177

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. 597,607

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 deferred outflows of resources-pension	(702,269)
Change in deferred outflows of resources-OPEB	(22,134)
Change in compensated absences	473,109
Change in uninsured claims	(80)
Change in other postemployment benefits liability	52,449
Change in net pension liability	219,949
Change in deferred inflows of resources-pension	(68,190)
Change in deferred inflows of resources-OPEB	85,849

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 633,769

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, 2019

	<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	\$ 10,170,711	\$ 10,170,711	\$ 10,518,429	\$ 347,718
Sales taxes	2,552,700	2,552,700	2,710,944	158,244
Other taxes	2,955,200	2,955,200	2,784,489	(170,711)
Fines and forfeitures	98,000	98,000	151,166	53,166
Licenses and permits	606,900	606,900	427,630	(179,270)
Intergovernmental	71,258	71,258	124,400	53,142
Charges for services	2,737,400	2,737,400	1,862,016	(875,384)
Use of money and property	422,201	422,201	934,774	512,573
Other	713,500	824,809	830,543	5,734
TOTAL REVENUES	<u>20,327,870</u>	<u>20,439,179</u>	<u>20,344,391</u>	<u>(94,788)</u>
EXPENDITURES				
Current:				
General government	5,627,790	5,901,110	5,644,832	256,278
Public safety	6,892,913	6,893,665	6,880,927	12,738
Public works	2,133,050	2,128,517	1,834,189	294,328
Community development	3,010,300	2,632,300	2,261,073	371,227
Parks and recreation	3,936,662	3,974,041	3,211,950	762,091
Storm drain	556,100	556,100	300,627	255,473
TOTAL EXPENDITURES	<u>22,156,815</u>	<u>22,085,733</u>	<u>20,133,598</u>	<u>1,952,135</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(1,828,945)</u>	<u>(1,646,554)</u>	<u>210,793</u>	<u>1,857,347</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	2,429,438	2,686,813	2,520,116	(166,697)
Transfers out	(1,087,100)	(1,410,809)	(928,827)	481,982
Proceeds from sale of assets	10,000	10,000		(10,000)
TOTAL OTHER FINANCING SOURCES AND USES	<u>1,352,338</u>	<u>1,286,004</u>	<u>1,591,289</u>	<u>305,285</u>
NET CHANGE IN FUND BALANCE	(476,607)	(360,550)	1,802,082	2,162,632
Fund balance, beginning of year	<u>8,557,183</u>	<u>8,557,183</u>	<u>8,557,183</u>	
FUND BALANCE, END OF YEAR	<u>\$ 8,080,576</u>	<u>\$ 8,196,633</u>	<u>\$ 10,359,265</u>	<u>\$ 2,162,632</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, 2019

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Property taxes	\$ 4,320,750	\$ 4,320,750	\$ 4,432,801	\$ 112,051
Other taxes	643,000	643,000	638,537	(4,463)
Charges for services	142,515	636,515	674,276	37,761
Use of money and property	48,737	48,737	143,118	94,381
Other	71,590	71,590	75,306	3,716
TOTAL REVENUES	<u>5,226,592</u>	<u>5,720,592</u>	<u>5,964,038</u>	<u>243,446</u>
EXPENDITURES				
Current:				
Public safety	5,244,734	5,490,930	5,481,194	9,736
Capital outlay	135,500	724,640	604,559	120,081
TOTAL EXPENDITURES	<u>5,380,234</u>	<u>6,215,570</u>	<u>6,085,753</u>	<u>129,817</u>
EXCESS (DEFICIENCY) OF				
REVENUES OVER EXPENDITURES	<u>(153,642)</u>	<u>(494,978)</u>	<u>(121,715)</u>	<u>373,263</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets			18,000	18,000
TOTAL OTHER FINANCING SOURCES AND USES			<u>18,000</u>	<u>18,000</u>
NET CHANGE IN FUND BALANCE	(153,642)	(494,978)	(103,715)	391,263
Fund balance, beginning of year	<u>5,974,998</u>	<u>5,974,998</u>	<u>5,974,998</u>	
FUND BALANCE, END OF YEAR	<u>\$ 5,821,356</u>	<u>\$ 5,480,020</u>	<u>\$ 5,871,283</u>	<u>\$ 391,263</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
CDBG, CalHome and HOME Loan Development Special Revenue Fund
For the year ended June 30, 2019

	<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	\$ 530,013	\$ 530,013	\$ 1,544,122	\$ 1,014,109
Use of money and property			298	298
Other	35,185	35,185	4,411	(30,774)
TOTAL REVENUES	<u>565,198</u>	<u>565,198</u>	<u>1,548,831</u>	<u>983,633</u>
EXPENDITURES				
Current:				
Community development	534,547	534,547	714,397	(179,850)
TOTAL EXPENDITURES	<u>534,547</u>	<u>534,547</u>	<u>714,397</u>	<u>(179,850)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>30,651</u>	<u>30,651</u>	<u>834,434</u>	<u>803,783</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(638)	(638)	(23,812)	(23,174)
TOTAL OTHER FINANCING SOURCES AND USES	<u>(638)</u>	<u>(638)</u>	<u>(23,812)</u>	<u>(23,174)</u>
NET CHANGE IN FUND BALANCE	30,013	30,013	810,622	780,609
Fund balance, beginning of year	<u>(963,721)</u>	<u>(963,721)</u>	<u>(963,721)</u>	
FUND BALANCE, END OF YEAR	<u>\$ (933,708)</u>	<u>\$ (933,708)</u>	<u>\$ (153,099)</u>	<u>\$ 780,609</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, 2019

	<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	\$ 7,800,000	\$ 8,180,650	\$ 8,180,650	
Investment earnings			116,125	\$ 116,125
TOTAL REVENUES	<u>7,800,000</u>	<u>8,180,650</u>	<u>8,296,775</u>	<u>116,125</u>
EXPENDITURES				
Current:				
Storm drain			6,141	(6,141)
TOTAL EXPENDITURES			<u>6,141</u>	<u>(6,141)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>7,800,000</u>	<u>8,180,650</u>	<u>8,290,634</u>	<u>109,984</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(759,100)	(926,100)	(469,465)	456,635
TOTAL OTHER FINANCING SOURCES AND USES	<u>(759,100)</u>	<u>(926,100)</u>	<u>(469,465)</u>	<u>456,635</u>
NET CHANGE IN FUND BALANCE	7,040,900	7,254,550	7,821,169	566,619
Fund balance, beginning of year	<u>(445,369)</u>	<u>(445,369)</u>	<u>(445,369)</u>	
FUND BALANCE, END OF YEAR	<u>\$ 6,595,531</u>	<u>\$ 6,809,181</u>	<u>\$ 7,375,800</u>	<u>\$ 566,619</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
State and Federal Grants - City Special Revenue Fund
For the year ended June 30, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Intergovernmental	\$ 3,399,855	\$ 3,399,855	\$ 290,748	\$ (3,109,107)
TOTAL REVENUES	3,399,855	3,399,855	290,748	(3,109,107)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	3,399,855	3,399,855	290,748	(3,109,107)
OTHER FINANCING SOURCES (USES)				
Transfers in			51,034	51,034
Transfers out	(3,351,184)	(3,351,184)	(669,918)	2,681,266
TOTAL OTHER FINANCING SOURCES AND USES	(3,351,184)	(3,351,184)	(618,884)	2,732,300
NET CHANGE IN FUND BALANCE	48,671	48,671	(328,136)	(376,807)
Fund balance, beginning of year	(465,756)	(465,756)	(465,756)	
FUND BALANCE, END OF YEAR	\$ (417,085)	\$ (417,085)	\$ (793,892)	\$ (376,807)

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

CITY OF AMERICAN CANYON
Statement of Net Position
Proprietary Funds
June 30, 2019

	Business Type Activities-			Governmental
	Enterprise Funds			Activities-
	Water	Wastewater	Total	Internal Service Funds
ASSETS				
Current assets:				
Cash and investments	\$ 7,722,618	\$ 6,122,350	\$ 13,844,968	\$ 1,078,503
Accounts receivable, net	1,467,505	803,244	2,270,749	6,344
Interest receivable	83,153	41,268	124,421	6,950
Prepaid expenses	1,740	2,250	3,990	342
Total current assets	<u>9,275,016</u>	<u>6,969,112</u>	<u>16,244,128</u>	<u>1,092,139</u>
Non-current assets:				
Restricted cash and investments	5,052,863	229,400	5,282,263	
Advances to other funds		6,268,729	6,268,729	
Capital assets:				
Non-depreciable	2,890,867	2,341,000	5,231,867	
Depreciable, net of accumulated depreciation	25,380,515	23,778,843	49,159,358	835,789
Total non-current assets	<u>33,324,245</u>	<u>32,617,972</u>	<u>65,942,217</u>	<u>835,789</u>
TOTAL ASSETS	<u>42,599,261</u>	<u>39,587,084</u>	<u>82,186,345</u>	<u>1,927,928</u>
DEFERRED OUTFLOW OF RESOURCES				
Pension plan	309,418	375,141	684,559	71,465
OPEB plan	65,328	86,815	152,143	14,692
Total deferred outflows of resources	<u>374,746</u>	<u>461,956</u>	<u>836,702</u>	<u>86,157</u>
LIABILITIES				
Current Liabilities:				
Accounts payable	128,432	192,996	321,428	22,808
Accrued expenses	210	280	490	50
Accrued interest payable		71,912	71,912	
Deposits	132,563	44,185	176,748	
Compensated absences, current portion	84,466	77,540	162,006	17,197
Bonds, notes and loans payable, current portion	240,504	960,172	1,200,676	31,769
Total current liabilities	<u>586,175</u>	<u>1,347,085</u>	<u>1,933,260</u>	<u>71,824</u>
Non-current liabilities:				
Advances from other funds	6,268,729		6,268,729	
Bonds, notes and loans payable	678,830	2,719,999	3,398,829	135,526
Net pension liability	987,293	1,237,915	2,225,208	204,844
Net OPEB liability	394,234	528,640	922,874	82,538
Total non-current liabilities	<u>8,329,086</u>	<u>4,486,554</u>	<u>12,815,640</u>	<u>422,908</u>
TOTAL LIABILITIES	<u>8,915,261</u>	<u>5,833,639</u>	<u>14,748,900</u>	<u>494,732</u>
DEFERRED INFLOW OF RESOURCES				
Pension plan	41,326	114,002	155,328	24,339
OPEB plan	8,636	11,457	20,093	1,926
Total deferred inflows of resources	<u>49,962</u>	<u>125,459</u>	<u>175,421</u>	<u>26,265</u>
NET POSITION				
Net investment in capital assets	27,352,048	22,439,672	49,791,720	668,494
Restricted for:				
Capacity expansion	5,052,863	229,400	5,282,263	
Unrestricted	1,603,873	11,420,870	13,024,743	824,594
TOTAL NET POSITION	<u>\$ 34,008,784</u>	<u>\$ 34,089,942</u>	68,098,726	<u>\$ 1,493,088</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.

244,769

TOTAL NET POSITION PER GOVERNMENT-WIDE FINANCIAL STATEMENTS \$ 68,343,495

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, 2019

	Business Type Activities		Total	Governmental
	Enterprise Funds			Activities-
	Water	Wastewater		Internal Service
				Funds
OPERATING REVENUES				
Charges for services	\$ 6,949,353	\$ 4,427,087	\$ 11,376,440	\$ 1,652,300
Other	81,256	74,050	155,306	
TOTAL OPERATING REVENUES	<u>7,030,609</u>	<u>4,501,137</u>	<u>11,531,746</u>	<u>1,652,300</u>
OPERATING EXPENSES				
Employee services	1,342,050	1,571,669	2,913,719	285,955
Maintenance and operations	3,023,011	1,287,933	4,310,944	753,287
Depreciation	1,493,888	1,585,229	3,079,117	214,134
TOTAL OPERATING EXPENSES	<u>5,858,949</u>	<u>4,444,831</u>	<u>10,303,780</u>	<u>1,253,376</u>
OPERATING INCOME (LOSS)	<u>1,171,660</u>	<u>56,306</u>	<u>1,227,966</u>	<u>398,924</u>
NON-OPERATING REVENUES (EXPENSES)				
Interest and investment revenue	326,813	334,159	660,972	23,469
Other revenue	210,200		210,200	
Operating grants and contributions		5,430	5,430	
Interest expense	(196,459)	(59,609)	(256,068)	(5,866)
Gain (loss) on disposal of capital assets		(12,647)	(12,647)	17,854
TOTAL NON-OPERATING REVENUE (EXPENSES)	<u>340,554</u>	<u>267,333</u>	<u>607,887</u>	<u>35,457</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	<u>1,512,214</u>	<u>323,639</u>	<u>1,835,853</u>	<u>434,381</u>
CONTRIBUTIONS AND TRANSFERS				
Capital contributions	138,604	61,981	200,585	
Transfers in	751,191	101,991	853,182	
Transfers out	(631,920)	(826,735)	(1,458,655)	
CHANGE IN NET POSITION	<u>1,770,089</u>	<u>(339,124)</u>	<u>1,430,965</u>	<u>434,381</u>
Net position, beginning of year	<u>32,238,695</u>	<u>34,429,066</u>	<u>66,667,761</u>	<u>1,058,707</u>
TOTAL NET POSITION, END OF YEAR	<u>\$ 34,008,784</u>	<u>\$ 34,089,942</u>	<u>68,098,726</u>	<u>\$ 1,493,088</u>
Change in net position			1,430,965	
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.			<u>110,889</u>	
CHANGE IN NET POSITION OF BUSINESS TYPE ACTIVITIES			<u>\$ 1,541,854</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, 2019

	<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	\$ 7,018,060	\$ 4,510,703	\$ 11,528,763	
Cash paid to suppliers	(2,950,361)	(1,151,339)	(4,101,700)	\$ (844,415)
Cash paid to employees and related benefits	(1,299,178)	(1,536,404)	(2,835,582)	(279,348)
Cash (paid) received from interfund services provided	(191,200)	(230,600)	(421,800)	1,652,300
CASH PROVIDED BY OPERATING ACTIVITIES	<u>2,577,321</u>	<u>1,592,360</u>	<u>4,169,681</u>	<u>528,537</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Intergovernmental revenue received		5,430	5,430	
Amounts received (paid) to other funds	266,483	(871,956)	(605,473)	
Other revenues received	210,200		210,200	2,415
CASH PROVIDED (USED) BY NONCAPITAL AND RELATED FINANCING ACTIVITIES	<u>476,683</u>	<u>(866,526)</u>	<u>(389,843)</u>	<u>2,415</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Capital expenditures	(1,291,469)	(914,386)	(2,205,855)	(286,776)
Capital revenues received	138,604	61,981	200,585	
Proceeds from disposal of capital assets				71,228
Principal paid on long-term liabilities	(234,625)	(935,302)	(1,169,927)	(30,890)
Interest paid on long-term liabilities	(208,013)	(76,421)	(284,434)	(5,866)
CASH USED FOR CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(1,595,503)</u>	<u>(1,864,128)</u>	<u>(3,459,631)</u>	<u>(252,304)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Collection of interest and investment revenue	296,837	327,906	624,743	17,484
CHANGE IN CASH AND CASH EQUIVALENTS	<u>1,755,338</u>	<u>(810,388)</u>	<u>944,950</u>	<u>296,132</u>
Cash and cash equivalents, beginning of year	11,020,143	7,162,138	18,182,281	782,371
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 12,775,481</u>	<u>\$ 6,351,750</u>	<u>\$ 19,127,231</u>	<u>\$ 1,078,503</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION:				
Cash and investments	\$ 7,722,618	\$ 6,122,350	\$ 13,844,968	\$ 1,078,503
Restricted cash and investments	5,052,863	229,400	5,282,263	
CASH AND CASH EQUIVALENTS	<u>\$ 12,775,481</u>	<u>\$ 6,351,750</u>	<u>\$ 19,127,231</u>	<u>\$ 1,078,503</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO CASH PROVIDED BY OPERATING ACTIVITIES:				
Operating income (loss)	\$ 1,171,660	\$ 56,306	\$ 1,227,966	\$ 398,924
Adjustments to reconcile operating income (loss) to cash provided by operating activities:				
Depreciation and amortization	1,493,888	1,585,229	3,079,117	214,134
Changes in operating assets and liabilities:				
Accounts receivable, net	(13,333)	9,566	(3,767)	
Due from other governments	784		784	
Prepaid expenses	(230)	(297)	(527)	(46)
Accounts payable and accrued expenses	(118,548)	(93,709)	(212,257)	(91,082)
Deposits	228		228	
Compensated absences	3,831	(6,467)	(2,636)	(984)
Changes in pension & OPEB liabilities and related deferred outflows and outflows of resources:				
Deferred outflows of resources - pension plan	63,895	80,114	144,009	13,257
Net pension liability	(32,008)	(47,213)	(79,221)	(7,190)
Deferred inflows of resources - pension plan	10,740	13,465	24,205	2,228
Deferred outflows of resources - OPEB plan	14,321	18,507	32,828	2,816
Net OPEB liability	(16,709)	(21,594)	(38,303)	(3,284)
Deferred inflows of resources - OPEB plan	(1,198)	(1,547)	(2,745)	(236)
CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 2,577,321</u>	<u>\$ 1,592,360</u>	<u>\$ 4,169,681</u>	<u>\$ 528,537</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, 2019

	Total Agency Funds
ASSETS	
Cash and investments	\$ 1,516,543
Restricted cash and investments	1,186,261
Taxes receivable	9,461
Interest receivable	7,855
TOTAL ASSETS	\$ 2,720,120
 LIABILITIES	
Agency obligations	\$ 2,720,120
TOTAL LIABILITIES	\$ 2,720,120

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

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NOTES TO THE BASIC FINANCIAL STATEMENTS

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CITY OF AMERICAN CANYON, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2019

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of American Canyon (the City) 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 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 JPAs: Napa Valley Transportation Authority (transit services), Napa Valley Transportation and Planning Agency (transportation planning), North Bay Water Reuse Authority (water conservation and recycling) and Napa County Stormwater Management Program (pollution prevention program), Napa County Stormwater Management Program (stormwater management) and Cooperative Joint Powers Dispatching Services Agreement (fire dispatching). The City is also a member of the insurance JPA's discussed in Note L. The financial statements of the JPAs 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, 2019

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 Special Revenue 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, CalHome and HOME Loan Development Special Revenue Fund – Accounts for housing rehabilitation made with Federal Community Development Grant monies.

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

CITY OF AMERICAN CANYON, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2019

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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

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, proprietary financial and fiduciary fund 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 are also reported on the accrual basis, but are not reported using a measurement focus because only assets and liabilities are reported.

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 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, 2019

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, 2019

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 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 governmental activities, Internal Service, Water and Wastewater funds as appropriate and are generally liquidated by these funds. The governmental activities compensated absences liability is liquidated by the General and Fire District Operations funds. 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 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.

Other Postemployment Benefits (OPEB) Plan

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to the OPEB plan (Plan), and OPEB expense, information about the fiduciary net position of the Plan and additions to/deductions from the Plan’s fiduciary net position

CITY OF AMERICAN CANYON, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2019

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 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.

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.

In May 2019, the GASB issued Statement No. 91, *Conduit Debt Obligations*. The Statement indicates an issuer of a conduit debt obligation should not report a liability for the conduit debt obligation, but requires an issuer to report a liability associated with an additional commitment or a voluntary commitment to support the debt. Additional commitments by an issuer to support the debt include extending a moral obligation pledge, appropriation pledge or financial guarantee or pledging the issuer's own property, revenue or assets as security for the debt. The requirements of this Statement are effective for the reporting periods beginning after December 15, 2020.

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

June 30, 2019

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

NOTE B – BUDGETS AND BUDGETARY ACCOUNTING

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all government funds except the BEGIN Program Special Revenue Fund and State and Federal Grants-Fire Special Revenue Fund. 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 CDBG, CalHOME and HOME Loan Development Special Revenue Fund, Storm Drainage Special Revenue Fund, Affordable Housing Capital Projects Fund and Lease Revenue Bonds Debt Service Fund had expenditures in excess of the final appropriation for the fiscal year ended June 30, 2019 by \$179,850, \$6,141, \$6,742 and \$50, 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.

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.

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

June 30, 2019

NOTE C – CASH AND INVESTMENTS (Continued)

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	\$ 48,166,271
Restricted cash and investments	<u>5,570,055</u>
Total cash and investments of primary government	53,736,326
Cash and investments in Fiduciary Funds	1,516,543
Restricted cash and investments in Fiduciary Funds	<u>1,186,261</u>
Total cash and investments	<u><u>\$ 56,439,130</u></u>

Cash and investments as of June 30, 2019 consist of the following:

Cash on hand	\$ 2,300
Deposits with financial institutions	693,499
Investments:	
Held by City	54,575,441
Held by fiscal agents	<u>1,167,890</u>
Total investments	<u>55,743,331</u>
Total cash and investments	<u><u>\$ 56,439,130</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.

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.

CITY OF AMERICAN CANYON, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2019

NOTE C – CASH AND INVESTMENTS Continued)

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

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:

CITY OF AMERICAN CANYON, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2019

NOTE C – CASH AND INVESTMENTS (Continued)

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.

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	\$ 38,514,292			\$ 38,514,292
U.S. Treasury Notes	646,871	\$ 2,390,841	\$ 2,853,269	5,890,981
U.S. Government Agency Obligations	623,298	2,743,296	1,775,939	5,142,533
U.S. Corporate Obligations	909,311	1,567,039	1,650,690	4,127,040
Money Market Mutual Funds	1,325,246			1,325,246
Asset-Backed Securities	320	299,137	443,782	743,239
Total investments	<u>42,019,338</u>	<u>7,000,313</u>	<u>6,723,680</u>	<u>55,743,331</u>
Cash on hand	2,300			2,300
Cash in bank	693,499			693,499
Total cash and investments	<u>\$ 42,715,137</u>	<u>\$ 7,000,313</u>	<u>\$ 6,723,680</u>	<u>\$ 56,439,130</u>

CITY OF AMERICAN CANYON, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2019

NOTE C – CASH AND INVESTMENTS (Continued)

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 \$106,046,486,872, 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, 2019, these investments matured in an average of 173 days.

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, 2019:

Investment Type	Aa2/AA					A3/A-	Total
	Aaa/AAA	Aa1/AA+	Aa3/AA-	A1/A+	A2/A		
U.S. Government Agencies		\$ 5,142,533					\$ 5,142,533
U.S. Corporate Obligations		610,684	\$342,064	\$ 482,175	\$1,915,182	\$ 776,935	4,127,040
Money Market Mutual Funds (U.S. Securities)	\$ 1,325,246						1,325,246
Asset-Backed Securities	743,239						743,239
Totals	<u>\$ 2,068,485</u>	<u>\$ 5,753,217</u>	<u>\$342,064</u>	<u>\$ 482,175</u>	<u>\$1,915,182</u>	<u>\$ 776,935</u>	11,338,058
Not rated:							
California Local Agency Investment Fund							38,514,292
Exempt from credit rate disclosure:							
U.S. Treasury Notes							<u>5,890,981</u>
Total investments							<u>\$55,743,331</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 are required to be disclosed under GASB Statement No. 40, which excludes U.S. Treasury securities, mutual funds and external investment pools. At June 30, 2019 there were no investments exceeding 5% of total investments.

CITY OF AMERICAN CANYON, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2019

NOTE C – CASH AND INVESTMENTS (Continued)

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure public agency deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. At June 30, 2019, the City had \$2,786,901 in deposits at banks above the federally insured limit, which are collateralized by securities pledged by the financial institution, but not in the name of the City.

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, 2019:

	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	\$ 5,890,981		\$ 5,890,981	
U.S. Government Agency Obligations	5,142,533		5,142,533	
U.S. Corporate Obligations	4,127,040		4,127,040	
Asset-Backed Securities	743,239		743,239	
Total investments by fair value level	15,903,793	\$ -	\$ 15,903,793	\$ -
Investments uncategorized:				
California Local Agency Investment Fund	38,514,292			
Money Market Mutual Funds	1,325,246			
Total investments	\$ 55,743,331			

CITY OF AMERICAN CANYON, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2019

NOTE C – CASH AND INVESTMENTS (Continued)

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.

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.

CITY OF AMERICAN CANYON, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2019

NOTE D – INTERFUND TRANSACTIONS (Continued)

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, 2019 were as follows:

Fund Making Transfer	Fund Receiving Transfers	Amount Transferred
General Fund	City Capital Projects Fund	\$ 136,057 (B)
	Lease Revenue Bonds Debt Service Fund	256,193 (C)
	Cabernet Village Lease Debt Service Fund	469,156 (C)
	Broadway Property Lease Debt Service Fund	67,421 (C)
Major Governmental Funds:		
CDBG Loan Development	General Fund	3,812 (A)
	Wastewater Enterprise Fund	20,000 (B)
Storm Drainage Special Revenue	General Fund	362,111 (A)
	Wastewater Enterprise Fund	81,991 (D)
	City Capital Projects Fund	25,363 (B)
State and Federal Grants-City Special Revenue	City Capital Projects Fund	300,888 (B)
	Water Enterprise Fund	282,755 (B)
	General Fund	86,275 (A)
Major Enterprise Funds:		
Water	General Fund	622,156 (A)
	City Capital Projects Fund	9,764 (B)
Wastewater	General Fund	697,487 (A)
	State and Federal Grants - City Special Revenue Fund	51,034 (A)
	Water Enterprise Fund	13,590 (B)
	City Capital Projects Fund	64,624 (B)
Non-major Special Revenue Funds:		
Measure T	City Capital Projects Fund	831 (B)
Gas Tax	General Fund	300,000 (A)
	City Capital Projects Fund	488,213 (B)
Transportation Fund for Clean Air	City Capital Projects Fund	195,779 (B)
BEGIN Program	City Capital Projects Fund	1,051 (B)
State Supplemental Law Enforcement	General Fund	145,040 (A)
Abandoned Vehicle	General Fund	90,735 (A)
Zero Water Footprint	Water Enterprise Fund	454,846 (B)
Non-major Capital Projects Funds:		
Traffic Impact Capital Projects	General Fund	212,500 (A)
	City Capital Projects Fund	620,270 (B)
		<u>\$ 6,059,942</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

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

June 30, 2019

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, 2019, the following funds have interfund balances.

Fund Making Loan	Fund Receiving Loan	Amount
General Fund	Major Governmental Funds:	
	Fire District Operations Special Revenue	\$ 25,083
	CDGB Loan Development Special Revenue	173,674
	State and Federal Grants - City Special Revenue	841,622
	Affordable Housing Special Revenue	362,443
	Non-Major Special Revenue Funds:	
	Gas Tax Fund	7,326
	Transportation Fund for Clean Air Fund	21,608
	Cannabis Fund	2,700
	Total Due To/Due From Other Funds	<u>\$ 1,434,456</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, 2019, \$6,268,729 was outstanding on this advance, including accrued interest of \$1,361,697. 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, 2019, the City had the following loans receivable:

BEGIN Program	\$ 8,481,510
Satellite Affordable Housing Association	2,843,178
Mid-Peninsula Housing Coalition Loan	2,220,666
HOME Program	1,329,805
CDBG Housing Rehabilitation Program	453,754
CalHome Program	189,298
Employee Home Purchase Assistance	42,829
Other	51,619
	<u>15,612,659</u>
Valuation allowance	<u>(8,391,488)</u>
Loans, net	<u>\$ 7,221,171</u>

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

June 30, 2019

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, 2019, residents owed the City \$8,391,488 in loans offered by this program, which includes \$2,468,088 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 forgivable loans have been offset by a valuation allowance and is not reported on the balance sheet.

The BEGIN Fund also includes a loan of \$90,022, including accrued interest, which is not required to be forgiven. However, if the amount of net sale proceeds is less than the amount due under the loan, the City may forgive the loan to the extent that the amount due under the loan exceeds the net sale proceeds.

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.

As of June 30, 2019, the loan balance was \$2,843,178.

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, 2019, the loan balance was \$2,220,666.

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, 2019, residents owed the City \$1,329,805 in loans offered by this program, including accrued interest.

CITY OF AMERICAN CANYON, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2019

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, 2019, residents owed the City \$453,754 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, 2019, 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, 2019, 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, 2019, employees owed the City \$42,829 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, 2019

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	50-75 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, 2019.

Capital Asset Additions and Retirements

Capital assets at June 30 comprise:

	Balance at June 30, 2018	Additions	Retirements	Transfers	Balance at June 30, 2019
<u>Governmental Activities</u>					
Capital assets, not being depreciated:					
Land	\$ 8,745,291			\$ 878,222	\$ 9,623,513
Street right of ways	162,284,085				162,284,085
Construction in progress	5,058,077	\$ 1,065,582	\$ (1,906,099)	(1,059,902)	3,157,658
Total capital assets, not being depreciated	176,087,453	1,065,582	(1,906,099)	(181,680)	175,065,256
Capital assets, being depreciated:					
Buildings and improvements	50,959,691				50,959,691
Machinery and equipment	8,029,923	891,339	(697,025)		8,224,237
Infrastructure - streets and storm drains	86,844,076		(24,997)	181,680	87,000,759
Total capital assets, being depreciated	145,833,690	891,339	(722,022)	181,680	146,184,687
Less accumulated depreciation for:					
Buildings and improvements	(9,209,770)	(1,681,385)		(8,374,528)	(19,265,683)
Machinery and equipment	(6,497,438)	(380,013)	643,649		(6,233,802)
Infrastructure - streets and storm drains	(35,336,096)	(1,769,236)		8,374,528	(28,730,804)
Total accumulated depreciation	(51,043,304)	(3,830,634)	643,649		(54,230,289)
Capital assets being depreciated, net	94,790,386	(2,939,295)	(78,373)	181,680	91,954,398
GOVERNMENTAL ACTIVITIES					
CAPITAL ASSETS, NET	\$ 270,877,839	\$ (1,873,713)	\$ (1,984,472)	\$ -	\$ 267,019,654

CITY OF AMERICAN CANYON, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2019

NOTE F – CAPITAL ASSETS (Continued)

	Balance at June 30, 2018	Additions	Retirements	Transfers	Balance at June 30, 2019
<u>Business-Type Activities</u>					
Capital assets, not being depreciated:					
Land and improvements	\$ 2,185,901				\$ 2,185,901
Construction in progress	1,407,626	\$ 2,151,693		\$ (513,353)	3,045,966
Total capital assets, not being depreciated	<u>3,593,527</u>	<u>2,151,693</u>		<u>(513,353)</u>	<u>5,231,867</u>
Capital assets, being depreciated:					
Buildings and improvements	7,650,622			234,529	7,885,151
Water treatment and distribution	45,124,371				45,124,371
Equipment	3,863,819	54,161	\$ (519,137)		3,398,843
Wastewater treatment and collection	35,267,414			278,824	35,546,238
Total capital assets, being depreciated	<u>91,906,226</u>	<u>54,161</u>	<u>(519,137)</u>	<u>513,353</u>	<u>91,954,603</u>
Less accumulated depreciation for:					
Buildings and improvements	(4,093,961)	(207,170)			(4,301,131)
Water treatment and distribution	(18,792,469)	(1,464,275)			(20,256,744)
Equipment	(1,972,715)	(310,053)	506,491		(1,776,277)
Wastewater treatment and collection	(15,363,474)	(1,097,619)			(16,461,093)
Total accumulated depreciation	<u>(40,222,619)</u>	<u>(3,079,117)</u>	<u>506,491</u>		<u>(42,795,245)</u>
Capital assets being depreciated, net	<u>51,683,607</u>	<u>(3,024,956)</u>	<u>(12,646)</u>	<u>513,353</u>	<u>49,159,358</u>
BUSINESS-TYPE ACTIVITIES CAPITAL ASSETS, NET	<u>\$55,277,134</u>	<u>\$ (873,263)</u>	<u>\$ (12,646)</u>	<u>\$ -</u>	<u>\$ 54,391,225</u>

Project Commitments

At June 30, 2019, the City had outstanding commitments with contractors for the following projects:

Project	Remaining Commitment
Transportation projects	\$ 784,660
Parks projects	90,029
Storm drain projects	73,076
Wastewater projects	52,000
Water projects	39,895
	<u>\$ 1,039,660</u>

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

June 30, 2019

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	\$ 800,127
Public safety - Police	12,307
Public safety - Fire	299,004
Public works	2,407,366
Parks and recreation	311,830
Total Governmental Activities	\$ 3,830,634
Business-type Activities:	
Water	\$ 1,493,888
Wastewater	1,585,229
Total Business-type Activities	\$ 3,079,117

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, 2019

NOTE G – LONG-TERM LIABILITIES (Continued)

Activity in the City’s long-term liabilities were as follows for the year ending June 30, 2019:

	Original Amount	Balance June 30, 2018	Additions	Retirements	Balance June 30, 2019	Current Portion
Governmental Activities						
2012 Refunding Facilities Lease Financing						
2.95%, due on 06/01/21	\$ 2,222,000	\$ 813,000		\$ (262,000)	\$ 551,000	\$ 273,000
City Hall Facility Financing						
4.54%, due 05/01/32	6,695,000	4,840,000		(255,000)	4,585,000	265,000
Broadway Properties Financing						
4.57%, due 08/22/2018	1,075,000	65,512		(65,512)		
Municipal Asset Management, Inc.						
Financed Purchase Lease - 2.96% due 6/17/24	314,188	198,185		(30,890)	167,295	31,769
Total amortized debt		5,916,697		(613,402)	5,303,295	569,769
Cost reimbursement payable	1,046,982	1,046,892			1,046,892	
Total direct borrowings and direct placements		6,963,589		(613,402)	6,350,187	569,769
Compensated absences		1,156,353	\$ 189,394	(662,503)	683,244	676,846
Claims and judgments		723,936	217,917	(217,837)	724,016	724,016
Net pension liability		12,549,953		(219,949)	12,330,004	
Other postemployment benefits		6,052,843		(52,449)	6,000,394	
Total Governmental Long-Term Liabilities		27,446,674	407,311	(1,766,140)	26,087,845	\$ 1,970,631
Less: Amount due within one year		(1,986,100)			(1,970,631)	
Total Governmental Long-Term Liabilities, Net		\$ 25,460,574	\$ 407,311	\$ (1,766,140)	\$ 24,117,214	
Business-type Activities						
State of California Davis-Grunsky Loan						
2.5%, due 12/31/27	\$ 2,050,000	\$ 703,803		\$ (65,357)	\$ 638,446	\$ 66,992
State Water Resources Control Board, State Revolving Fund Loan						
2.7%, due 07/15/22	10,589,470	3,426,898		(649,355)	2,777,543	666,887
Municipal Asset Management, Inc.						
Financed Purchase Lease - 2.41% due 12/5/19	827,100	342,820		(169,308)	173,512	173,512
Municipal Finance - Inc.						
Financed Purchase Lease - 3.55% due 07/06/22	2,004,200	1,188,575		(285,947)	902,628	293,285
Total direct borrowings and direct placements		5,662,096		(1,169,967)	4,492,129	1,200,676
Compensated absences		164,642	\$ 191,122	(193,758)	162,006	162,006
Net pension liability		2,304,429		(79,221)	2,225,208	
Other postemployment benefits		961,177		(38,303)	922,874	
Total Business-type Long-Term Liabilities		9,092,344	191,122	(1,481,249)	7,802,217	\$ 1,362,682
Less: Amount due within one year		(1,334,612)			(1,362,682)	
Add: Unamortized interest on Davis-Grunsky Loan		118,890		(11,514)	107,376	
Total Business-type Activity Liabilities		\$ 7,876,622	\$ 191,122	\$ (1,492,763)	\$ 6,546,911	

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

June 30, 2019

NOTE G – LONG-TERM LIABILITIES (Continued)

All agreements below represent direct borrowings or direct placements.

2012 Refunding Facilities Lease Financing

The City's Financing Authority authorized a \$2,222,000 2012 Refunding Facilities Lease Financing with a bank 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 the lease payments. The lease receivable and payable between the City and the City's Financing Authority have been eliminated from the accompanying financial statements. The financing bears interest at 2.95%, and interest is payable each June 1 and December 1, ranging from \$2,050 to \$8,127. Principal is due each June 1 and December 1, through June 1, 2021, ranging from \$137,000 to \$139,000. In the event of default, the lender has the ability to direct and control remedies under the lease, which includes termination of the lease or to directly collect base rental payments from the City as they become due.

City Hall Facility Financing

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 \$265,000 to \$455,000 and semi-annual interest payments of \$10,329 to \$104,080 through May 1, 2032, which includes interest at 4.54%. The cost of the asset was \$6,804,780 and accumulated depreciation was \$2,721,912 at June 30, 2019. In the event of default, the lender has the ability to direct and control remedies under the lease, which includes termination of the lease and re-lease of the property. The default interest rate is 12%.

Broadway Properties Financing

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 required 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. The loan was paid-off during the year ended June 30, 2019.

Financed Purchased Lease – Municipal Asset Management, Inc. Vac Con Truck

In July 2014, the City entered into a lease purchase arrangement for \$314,188 to purchase sewer and storm drain equipment. The terms of the lease require annual payments of \$36,757 through June 17, 2024, which includes interest at 2.96%. The cost of the asset was \$439,188 and accumulated depreciation was \$201,294 at June 30, 2019. In the event of default, the lease may be terminated and the equipment may be repossessed. Also, a late charge of 1% per month will be assessed.

CITY OF AMERICAN CANYON, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2019

NOTE G – LONG-TERM LIABILITIES (Continued)

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.

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 with the final payment due December 31, 2027, ranging from \$659 to \$7,915. Principal payments are due each January 1 with a final payment due December 31, 2027, ranging from \$66,991 to \$79,631. 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. In the event of default, the State may take action in a court to enforce taxes or assessments to pay the State amounts due under the agreement and may charge a default interest rate of 0.209% per month after the scheduled payment is more than 30 days past due.

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. In the event of default, the State may take action in a court to enforce taxes or assessments to pay the State amounts due under the agreement.

Financed Purchase Lease – Municipal Asset Management, Inc.- Water Membranes

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 \$330,840 at June 30, 2019. In the event of default, the lease may be terminated and the equipment may be repossessed. A late charge of 1% per month will also be assessed.

Financed Purchase Lease – Municipal Finance, Inc.- Wastewater Membranes

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 \$969,532 at June 30, 2019. In the event of default, all unpaid principal and interest may be declared immediately due and payable. The default interest rate is 8%.

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

June 30, 2019

NOTE G – LONG-TERM LIABILITIES (Continued)

Debt Service Requirements

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

For the Year Ending June 30	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2020	\$ 569,769	\$ 227,381	\$ 1,200,676	\$ 116,293
2021	590,709	206,327	1,054,372	84,907
2022	323,677	186,496	1,082,299	56,978
2023	339,674	172,333	794,519	30,314
2024	354,466	157,460	73,946	9,007
2025-2029	1,820,000	551,156	286,317	17,072
2030-2033	1,305,000	120,310		
Totals	<u>\$ 5,303,295</u>	<u>\$ 1,621,463</u>	<u>\$ 4,492,129</u>	<u>\$ 314,571</u>

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 \$718,152 and total principal and interest remaining on the Wastewater Fund loan through 2023 is \$2,967,524. For fiscal year 2019, the principal and interest paid by the Water and Wastewater funds for these loans was \$82,161 and \$725,069, respectively. The Water Fund and the Wastewater Funds had net revenue of \$3,130,965 and \$2,037,675, respectively, in fiscal year 2019.

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, 2019.

Special Assessment Debt Without City Commitment

At June 30, 2019, the outstanding principal amount of bonded debt issued by special assessment districts in the City was as follows:

2013 Reassessment Revenue Bonds	\$ 4,503,300
2015 Refunding Revenue Bonds	11,600,000

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

CITY OF AMERICAN CANYON, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2019

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.

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

CITY OF AMERICAN CANYON, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2019

NOTE H – NET POSITION AND FUND BALANCES (CONTINUED)

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 Fire District Board has established a contingency reserve to pay expenditures caused by unforeseen emergencies or shortfalls caused by revenue declines, extraordinary opportunities to increase efficiency or add value and to eliminate any short-term borrowing for cash flow purposes. Although this amount does not meet the specific criteria for use under GASB Statement No. 54 to report the amount as committed fund balance, the amount may only be used according to a resolution of the governing body.

The City Council has established a General Fund contingency reserve which can only be used in the event the City experiences a 10% reduction in discretionary General Fund revenue compared to the prior fiscal year or in the event of a declared emergency as defined by Municipal Code 2.48.020.

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.

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 District Operations Special Revenue	CDBG, CalHome and HOME Loan Development Special Revenue	Storm Drainage Special Revenue	State and Federal Grants - City Special Revenue	Affordable Housing Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
Fund Balances								
Nonspendable:								
Property held for resale	\$ 412,503							\$ 412,503
Prepaid expenditures and deposits	14,432							14,432
Total Nonspendable	426,935							426,935
Restricted:								
Public safety								
Fire District capital acquisition							\$ 876,197	876,197
Vehicle enforcement	227,878							227,878
Other							10,499	10,499
Public works								
Capital projects							7,475,962	7,475,962
La Vigne landscaping and lighting							2,315,694	2,315,694
Storm Drain				\$ 7,375,800				7,375,800
Other activities	122,347						1,555,601	1,677,948
Total Restricted	350,225			7,375,800			12,233,953	19,959,978
Committed:								
Contingency	4,596,464							4,596,464
Capital projects	1,425,000							1,425,000
Total Committed	6,021,464							6,021,464
Assigned:								
Economic development	1,000,000							1,000,000
General plan update	222,691							222,691
Fire operations		\$ 5,871,283						5,871,283
	1,222,691	5,871,283						7,093,974
Unassigned:	2,337,950		\$ (153,099)		\$ (793,892)	\$ (213,953)	(61,289)	1,115,717
Total Fund Balance	\$ 10,359,265	\$ 5,871,283	\$ (153,099)	\$ 7,375,800	\$ (793,892)	\$ (213,953)	\$ 12,172,664	\$ 34,618,068

CITY OF AMERICAN CANYON, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2019

NOTE H – NET POSITION AND FUND BALANCES (CONTINUED)

Fund Equity Deficits

The CDBG, CalHome and HOME Loan Development Special Revenue, State and Federal Grants – City Special Revenue, Affordable Housing Capital Projects, Transportation Fund for Clean Air Other Special Revenue and Cannabis Other Special Revenue Funds had deficit fund balances of \$153,099, \$793,892, \$213,953, \$58,351 and \$2,938, respectively, at June 30, 2019. These deficits are expected to be covered by future grants or fees in these funds.

NOTE I – DEFERRED COMPENSATION PLAN

City employees may defer a portion of their compensation under a City sponsored deferred compensation plan (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

CITY OF AMERICAN CANYON, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2019

NOTE J – PENSION PLAN (Continued)

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.

The Plan’s provisions and benefits in effect at June 30, 2019, 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	10.152%	7.266%	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%	12.00%
Required employer contribution rates	20.556%	18.677%	12.141%

Beginning June 30, 2018 and June 29, 2019, the City and its General and Mid-Management bargaining units agreed the employees would reimburse 1.813% and 3.399% of the employer contribution and would equally share in any excess employer contributions exceeding 16% up to a limit of 5% additional employee contribution.

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, 2019

NOTE J – PENSION PLAN (Continued)

For the year ended June 30, 2019, the contributions paid to Plan were as follows:

	City Miscellaneous Risk Pool	Fire Safety Risk Pool	Fire Miscellaneous Risk Pool	Total
Contributions - employer	\$ 990,170	\$ 881,120	\$ 18,930	\$ 1,890,220

Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources: As of June 30, 2019, the City reported a net pension liability for its proportionate shares of the Plan as follows:

	Proportionate Share of Net Pension Liability/Asset
City Miscellaneous Risk Pool	\$ 7,278,267
Fire Safety Risk Pool	7,189,025
Fire Miscellaneous Risk Pool	87,920
Total Net Pension Liability	\$ 14,555,212

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, 2018, 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, 2017 rolled forward to June 30, 2018 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, 2019 and 2018 were as follows:

	City Miscellaneous Risk Pool	Fire Safety Risk Pool	Fire Miscellaneous Risk Pool
Proportion - June 30, 2018	0.19133%	0.12085%	0.00232%
Proportion - June 30, 2019	0.19312%	0.12252%	0.00233%
Change - increase (decrease)	-0.00179%	-0.00167%	-0.00001%

For the year ended June 30, 2019, the City recognized pension expense of \$1,276,400, \$1,245,513, \$30,022 and \$2,551,935 for the City Miscellaneous Risk Pool, Fire Safety Risk Pool, Fire Miscellaneous Risk Pool and in total for the Plan, respectively. At June 30, 2019, 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, 2019

NOTE J – PENSION PLAN (Continued)

City Miscellaneous Risk Pool	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 990,170	
Differences between actual and expected experience	279,254	\$ (95,029)
Changes in assumptions	829,744	(203,354)
Change in employer's proportion	190,289	(50,070)
Proportion Share of Contributions		
Differences between the employer's contribution and the employer's proportionate share of contributions	68,753	
Net differences between projected and actual earnings on plan investments	35,982	
Total	\$ 2,394,192	\$ (348,453)
Fire Safety Risk Pool	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 881,120	
Differences between actual and expected experience	154,468	\$ (586)
Changes in assumptions	705,369	(95,167)
Change in employer's proportion	44,008	(22,259)
Differences between the employer's contribution and the employer's proportionate share of contributions	51,096	(20,624)
Net differences between projected and actual earnings on plan investments	48,673	
Total	\$ 1,884,734	\$ (138,636)
Fire Miscellaneous Risk Pool	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 18,930	
Differences between actual and expected experience	3,373	\$ (1,148)
Changes in assumptions	10,023	(2,456)
Change in employer's proportion		(20,178)
Differences between the employer's contribution and the employer's proportionate share of contributions	19,607	(70)
Net differences between projected and actual earnings on plan investments	434	
Total	\$ 52,367	\$ (23,852)
Total Plans	\$ 4,331,293	\$ (510,941)

CITY OF AMERICAN CANYON, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2019

NOTE J – PENSION PLAN (Continued)

The amounts above 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
2020	\$ 839,140	\$ 686,067	\$ 7,956	\$ 1,533,163
2021	506,757	408,761	5,109	920,627
2022	(224,864)	(180,056)	(2,688)	(407,608)
2023	(65,464)	(49,794)	(792)	(116,050)
	<u>\$ 1,055,569</u>	<u>\$ 864,978</u>	<u>\$ 9,585</u>	<u>\$ 1,930,132</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, 2017
Measurement date	June 30, 2018
Actuarial cost method	Entry-Age Normal Cost Method
Actuarial assumptions:	
Discount rate	7.15%
Inflation	2.50%
Payroll growth	3.00%
Projected salary increase	3.2% - 20.0% (1)
Investment rate of return	7.15% (2)
Mortality	Based on CalPERS Study

- (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, 2017 valuation were based on the results of a December 2017 actuarial experience study for the period 1997 to 2015. The table includes 15 years of mortality improvements using Society of Actuaries Scale 90% of scale MP 2016. 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, 2019

NOTE J – PENSION PLAN (Continued)

In the June 30, 2018 accounting measurement, the financial reporting discount rate for the Plan was 7.15%. Deferred outflows of resources for changes of assumptions represent the unamortized portion of this change in assumptions.

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	50.0%	4.80%	5.98%
Global fixed income	28.0%	1.00%	2.62%
Private equity	8.0%	6.30%	7.23%
Real estate	13.0%	3.75%	4.93%
Inflation sensitive	0.0%	0.77%	1.81%
Liquidity	1.0%	0.00%	-0.92%
Total	100.0%		

(a) An expected inflation of 2.00% used for this period.

(b) An expected inflation of 2.92% used for this period.

CITY OF AMERICAN CANYON, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2019

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	\$ 11,485,657	\$ 10,824,245	\$ 87,920	\$ 22,397,822
Current discount rate	7.15%	7.15%	7.15%	7.15%
Net pension liability	\$ 7,278,267	\$ 7,189,025	\$ 87,920	\$ 14,555,212
1% increase	8.15%	8.15%	8.15%	8.15%
Net pension liability	\$ 3,805,136	\$ 4,210,613	\$ 87,920	\$ 8,103,669

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, 2019, the City had contributions payable to the City Miscellaneous and Fire Safety Risk Pools of \$ 36,454 and \$22,500, 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 plans 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.

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

CITY OF AMERICAN CANYON, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2019

NOTE K – OTHER POSTEMPLOYMENT BENEFITS (Continued)

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 2017, the caps were \$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	24	11
Active employees	74	19
Total	<u>98</u>	<u>30</u>

CITY OF AMERICAN CANYON, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2019

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, 2019, the City’s direct payments of insurance premiums were \$185,722, implicit subsidy was \$120,800 and cash contributions to the trust were \$272,000, resulting in total contributions of \$578,522. During the fiscal year ended June 30, 2019, the Fire District’s direct payments of insurance premiums were \$178,257, implicit subsidy was \$89,663 and cash contributions to the trust were \$215,381, resulting in total contributions of \$483,301. 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, 2018, 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 at the measurement date 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, 2018	June 30, 2018
Actuarial cost method	Entry-age normal cost method	Entry-age normal cost method
Actuarial assumptions:		
Discount rate	7.25%	7.10%
Inflation	not specified	2.75%
Salary increases	3.00%	3.25%
Investment rate of return	7.25%	7.10%
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	7.5% grading down to 5% in 2025
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, 2019

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%	5.71%
Fixed income	27.0%	2.40%
Real estate investment trusts (REITs)	8.0%	7.88%
Treasury inflation protected securities (TIPS)	5.0%	2.25%
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 7.10%, respectively. There was no change in the City discount rate. The Fire District discount rate was reduced from 7.28% at the previous measurement date. 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, 2019

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, 2019:

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability/(Asset)
City Plan			
Balance at June 30, 2018	\$ 7,645,800	\$ 4,077,900	\$ 3,567,900
Changes in the year:			
Service cost	326,100		326,100
Interest	553,400		553,400
Difference between expected and actual experience	2,700		2,700
Changes in assumptions			
Changes in benefit terms			
Contributions - employer		693,900	(693,900)
Investment income		322,826	(322,826)
Administrative expenses		(2,126)	2,126
Benefit payments	(351,400)	(351,400)	
Net changes	<u>530,800</u>	<u>663,200</u>	<u>(132,400)</u>
Balance at June 30, 2019	<u>\$ 8,176,600</u>	<u>\$ 4,741,100</u>	<u>\$ 3,435,500</u>
Fire Plan			
Balance at June 30, 2018	\$ 5,320,609	\$ 1,874,489	\$ 3,446,120
Changes in the year:			
Service cost	210,881		210,881
Interest	393,002		393,002
Changes in assumptions	126,927		126,927
Changes in benefit terms			
Contributions - employer		530,288	(530,288)
Investment income		162,465	(162,465)
Other expenses		(2,480)	2,480
Administrative expenses		(1,111)	1,111
Benefit payments	(266,215)	(266,215)	
Net changes	<u>464,595</u>	<u>422,947</u>	<u>41,648</u>
Balance at June 30, 2019	<u>\$ 5,785,204</u>	<u>\$ 2,297,436</u>	<u>\$ 3,487,768</u>
Total City and Fire Plans	<u>\$ 13,961,804</u>	<u>\$ 7,038,536</u>	<u>\$ 6,923,268</u>

CITY OF AMERICAN CANYON, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2019

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	\$ 4,414,700	\$ 3,435,500	\$ 2,616,100

	1% Decrease 6.10%	Current Discount Rate 7.10%	1% Increase 8.10%
Net OPEB liability - Fire Plan	\$ 4,287,911	\$ 3,487,768	\$ 2,839,168

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	\$ 2,485,300	\$ 3,435,500	\$ 4,594,200

	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	\$ 2,731,949	\$ 3,487,768	\$ 4,432,180

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, 2019, the City and Fire District recognized OPEB expense of \$550,113 and \$387,327, respectively.

CITY OF AMERICAN CANYON, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2019

NOTE K – OTHER POSTEMPLOYMENT BENEFITS (Continued)

At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
City Plan		
OPEB contributions subsequent to measurement date	\$ 578,522	
Differences between actual and expected experience		
Changes in benefit terms		
Net differences between projected and actual earnings on plan investments		\$ (75,950)
Total - City Plan	<u>\$ 578,522</u>	<u>\$ (75,950)</u>
Fire Plan		
OPEB contributions subsequent to measurement date	\$ 483,301	
Differences between actual and expected experience		\$ (544,380)
Changes in benefit terms		
Changes in assumptions	158,915	
Net differences between projected and actual earnings on plan investments		\$ (47,876)
Total - Fire Plan	<u>\$ 642,216</u>	<u>\$ (592,256)</u>
Total - City and Fire Plans	<u>\$ 1,220,738</u>	<u>\$ (668,206)</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	<u>City Plan</u>	<u>Fire Plan</u>	<u>Total</u>
June 30			
2020	\$ (23,853)	\$ (74,203)	\$ (98,056)
2021	(23,853)	(74,203)	(98,056)
2022	(23,854)	(74,201)	(98,055)
2023	(4,390)	(62,650)	(67,040)
2024		(59,345)	(59,345)
Thereafter		(88,739)	(88,739)
	<u>\$ (75,950)</u>	<u>\$ (433,341)</u>	<u>\$ (509,291)</u>

Payable to the OPEB Plan: At June 30, 2019, there were no significant payables to the OPEB plans.

CITY OF AMERICAN CANYON, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2019

NOTE L – RISK MANAGEMENT

Insurance Coverages

The City is a member of the Pooled Liability Assurance Network Joint Powers Authority (Plan JPA) for liability coverage up to \$2.5 million with excess liability coverage through commercial carriers of \$22.5 million, for total coverage of \$25 million, subject to a deductible of \$25,000. The Plan JPA also provides property and vehicle coverage of \$225,000 with excess liability coverage through commercial carriers of \$999,775,000, for total coverage of \$1 billion, subject to a deductible of \$5,000.

The City is also a member of the Shared Agency Risk Pool (SHARP), which is administered by the Plan JPA, for worker’s compensation insurance. Workers compensation insurance is provided by SHARP up to \$250,000 and excess insurance exists through the Local Agency Worker’s Compensation Excess Joint Powers Authority (LAWCX) that results in a coverage limit of up to \$5,000,000 per claim. Excess commercial insurance is retained by LAWCX up to \$50 million. The City has no deductible for such claims. Insurance transactions are accounted for in the City’s General Fund.

The Plan, SHARP and LAWCX are governed by boards consisting of representatives from member agencies. The boards control the operations of the Plan, SHARP and LAWCX, including selection of management and approval of operating budgets, independent of any influence by member municipalities beyond their representation on the boards. 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. Audited financial statements may be obtained from the Plan, SHARP and LAWCX at 1750 Creekside Drive, Suite 200, Sacramento, CA 95833.

The component unit Fire Protection District of the City obtains general, personal injury, fire damage, medical, products/completed operations annual aggregate, umbrella, management, cyber, auto, employee dishonesty and garagekeepers liability insurance through its membership in the Fire Agencies Insurance Risk Authority (FAIRA). The District transfers the risk of loss to the Authority and is covered by the Authority from \$10,000 to \$1,000,000 per occurrence with an aggregate limit of \$10,000,000 or \$1 million for employee dishonesty coverage. Deductibles range from \$250 to \$7,500, depending on the coverage. 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:

	<u>Year Ended</u> <u>June 30, 2019</u>	<u>Year Ended</u> <u>June 30, 2018</u>	<u>Year Ended</u> <u>June 30, 2017</u>
Unpaid claims, beginning of fiscal year	\$ 723,936	\$ 786,189	\$ 908,756
Incurred claims (including IBNRs)	217,917	105,185	9,311
Claim payments	<u>(217,837)</u>	<u>(167,438)</u>	<u>(131,878)</u>
Unpaid claims, end of fiscal year	<u>\$ 724,016</u>	<u>\$ 723,936</u>	<u>\$ 786,189</u>

CITY OF AMERICAN CANYON, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2019

NOTE L – RISK MANAGEMENT (Continued)

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.

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. 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 during the year ended June 30, 2019 was approximately \$1.6 million, of which \$578,678 was related to the capital component. A similar payment will be required each year through 2035. The State Water Project contractors and State Department of Water Resources are currently negotiating to extend the contract beyond 2035.

NOTE N – SUBSEQUENT EVENT

In May 2019, the American Canyon Fire Protection District entered into a lease and option agreement and an agreement for the purchase of real property that would be used as a future fire station, administration facility and emergency operations center. The agreement called for an initial payment of \$11,000, an agreement to lease the site for 22 months at \$2,000 per month and an option to purchase the real property for \$540,000 during the option period of February 1, 2021 to February 28, 2021.

In December 2019, the Council approved an agreement for consulting services for the Comprehensive General Plan 2040 Update in an amount not to exceed \$1,466,574.

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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, 2019

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

	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Proportion of the net pension liability	0.19312%	0.19133%	0.18829%	0.19150%	0.20960%
Proportionate share of the net pension liability	\$ 7,278,267	\$ 7,542,231	\$ 6,540,954	\$ 5,334,328	\$ 5,166,818
Covered payroll - measurement period	\$ 5,993,406	\$ 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	121.44%	126.14%	120.74%	103.43%	102.06%
Plan fiduciary net position as a percentage of the total pension liability	76.60%	74.15%	71.92%	78.22%	77.38%

Notes to Schedule:

Change in Benefit Terms: None.

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.

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

	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Contractually required contribution (actuarially determined) - employer fiscal year	\$ 990,170	\$ 918,516	\$ 903,780	\$ 816,543	\$ 737,934
Contributions in relation to the actuarially determined contributions	(990,170)	(918,516)	(903,780)	(816,543)	(737,934)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll - employer fiscal year	\$ 5,876,867	\$ 5,993,406	\$ 5,979,018	\$ 5,417,416	\$ 5,157,279
Contributions as a percentage of covered payroll	16.85%	15.33%	15.12%	15.07%	14.31%
Valuation date for contribution rates:	June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013	June 30, 2012
Valuation date for financial reporting:	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013
Measurement date:	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014

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 and discount rate	7.375%	7.50%	7.50%	7.50%	7.50%
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, 2019

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

	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Proportion of the net pension liability	0.12252%	0.12085%	0.12357%	0.12520%	0.11999%
Proportionate share of the net pension liability	\$ 7,189,025	\$ 7,220,857	\$ 6,399,934	\$ 5,159,412	\$ 4,500,491
Covered payroll - measurement period	\$ 1,824,180	\$ 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	394.10%	371.37%	419.70%	343.61%	280.16%
Plan fiduciary net position as a percentage of the total pension liability	72.74%	71.56%	71.92%	75.49%	77.83%

Notes to Schedule:

Change in Benefit Terms: None

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.

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

	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Contractually required contribution (actuarially determined) - employer fiscal year	\$ 881,120	\$ 781,173	\$ 712,349	\$ 622,420	\$ 549,070
Contributions in relation to the actuarially determined contributions	(881,120)	(781,173)	(712,349)	(622,420)	(549,070)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll - fiscal year	\$ 1,891,216	\$ 1,824,180	\$ 1,944,380	\$ 1,524,899	\$ 1,501,544
Contributions as a percentage of covered payroll	46.59%	42.82%	36.64%	40.82%	36.57%
Valuation date for contribution rates:	June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013	June 30, 2012
Valuation date for financial reporting:	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013
Measurement date:	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014

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 and discount rate	7.375%	7.50%	7.50%	7.50%	7.50%
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, 2019

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

	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Proportion of the net pension liability	0.00233%	0.00232%	0.00270%	0.00304%	0.00294%
Proportionate share of the net pension liability	\$ 87,920	\$ 91,294	\$ 93,760	\$ 83,520	\$ 72,565
Covered payroll - measurement period	N/A	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	N/A
Plan fiduciary net position as a percentage of the total pension liability	0.00%	0.00%	64.80%	68.95%	73.76%

Notes to Schedule:

Change in Benefit Terms: None

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. The plan has not had active employees since 2015, so there is no covered payroll.

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

	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Contractually required contribution (actuarially determined) - employer fiscal year	\$ 18,930	\$ 19,016	\$ 6,602	\$ 6,056	\$ 5,443
Contributions in relation to the actuarially determined contributions	(18,930)	(19,016)	(6,602)	(6,056)	(5,443)
Contribution deficiency (excess)	<u>\$ -</u>	<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	N/A
Valuation date for contribution rates:	June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013	June 30, 2012
Valuation date for financial reporting:	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013
Measurement date:	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014

Methods and assumptions used to determine contribution rates:

Single Employers Example						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 and discount rate	7.375%	7.50%	7.50%	7.50%	7.50%	7.50%
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, 2019

	<u>2019</u>	<u>2018</u>
Total OPEB liability		
Service cost	\$ 326,100	\$ 326,100
Interest	553,400	519,700
Differences between expected and actual experience	2,700	
Benefit payments	<u>(351,400)</u>	<u>(407,000)</u>
Net change in total OPEB liability	530,800	438,800
Total OPEB liability - beginning	<u>7,645,800</u>	<u>7,207,000</u>
Total OPEB liability - ending (a)	<u><u>\$ 8,176,600</u></u>	<u><u>\$ 7,645,800</u></u>
Plan fiduciary net position		
Contributions - employer	\$ 693,900	\$ 673,700
Investment income	322,826	366,285
Benefit payments	(351,400)	(407,000)
Administrative expenses	<u>(2,126)</u>	<u>(1,785)</u>
Net change in plan fiduciary net position	663,200	631,200
Plan fiduciary net position - beginning	<u>4,077,900</u>	<u>3,446,700</u>
Plan fiduciary net position - ending (b)	<u><u>\$ 4,741,100</u></u>	<u><u>\$ 4,077,900</u></u>
Net OPEB liability - ending (a)-(b)	<u><u>\$ 3,435,500</u></u>	<u><u>\$ 3,567,900</u></u>
Plan fiduciary net position as a percentage of the total OPEB liability	<u><u>57.98%</u></u>	<u><u>53.34%</u></u>
Covered payroll - measurement period	<u><u>\$ 6,053,800</u></u>	<u><u>\$ 5,811,270</u></u>
Net pension liability as percentage of covered-employee payroll	<u><u>56.75%</u></u>	<u><u>61.40%</u></u>
Notes to schedule:		
Valuation date	June 30, 2017	June 30, 2017
Measurement period - fiscal year ended	June 30, 2018	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, 2019

	<u>2019</u>	<u>2018</u>
Total OPEB liability		
Service cost	\$ 210,881	\$ 146,079
Interest	393,002	413,368
Differences between expected and actual experience		(705,918)
Changes in assumptions	126,927	60,313
Changes in benefit terms		
Benefit payments	<u>(266,215)</u>	<u>(250,572)</u>
Net change in total OPEB liability	464,595	(336,730)
Total OPEB liability - beginning	<u>5,320,609</u>	<u>5,657,339</u>
Total OPEB liability - ending (a)	<u><u>\$ 5,785,204</u></u>	<u><u>\$ 5,320,609</u></u>
Plan fiduciary net position		
Contributions - employer	\$ 530,288	\$ 414,364
Investment income	162,465	175,524
Benefit payments	(266,215)	(250,572)
Administrative and other expenses	<u>(3,591)</u>	<u>(904)</u>
Net change in plan fiduciary net position	422,947	338,412
Plan fiduciary net position - beginning	<u>1,874,489</u>	<u>1,536,077</u>
Plan fiduciary net position - ending (b)	<u><u>\$ 2,297,436</u></u>	<u><u>\$ 1,874,489</u></u>
Net OPEB liability - ending (a)-(b)	<u><u>\$ 3,487,768</u></u>	<u><u>\$ 3,446,120</u></u>
Plan fiduciary net position as a percentage of the total OPEB liability	<u><u>39.71%</u></u>	<u><u>35.23%</u></u>
Covered payroll - measurement period	<u><u>\$ 2,509,387</u></u>	<u><u>\$ 2,167,463</u></u>
Net pension liability as percentage of covered-employee payroll	<u><u>138.99%</u></u>	<u><u>158.99%</u></u>
Notes to schedule:		
Valuation date	June 30, 2017	June 30, 2017
Measurement period - fiscal year ended	June 30, 2018	June 30, 2017
Benefit changes:		None
Changes in assumptions:	0.5% increase in healthcare trend in 2018	
	Discount rate changed from 7.28% to 7.10% in 2019	

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, 2019

	<u>2019</u>	<u>2018</u>
Actuarially determined contribution - employer fiscal year	\$ 576,700	\$ 582,400
Contributions in relation to the actuarially determined contributions	<u>(578,522)</u>	<u>(692,000)</u>
Contribution deficiency (excess)	<u>\$ (1,822)</u>	<u>\$ (109,600)</u>
Covered payroll - employer fiscal year	\$ 6,053,800	\$ 6,074,290
Contributions as a percentage of covered payroll	9.56%	11.39%

Notes to Schedule:

Valuation date	June 30, 2017	June 30, 2017
Measurement period - fiscal year ended	June 30, 2018	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	3.25%
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, 2019

	<u>2019</u>	<u>2018</u>
Contractually determined contribution - employer fiscal year	\$ 492,634	\$ 457,056
Contributions in relation to the contractually determined contributions	<u>(483,301)</u>	<u>(530,288)</u>
Contribution deficiency (excess)	<u>\$ 9,333</u>	<u>\$ (73,232)</u>
Covered payroll - employer fiscal year	\$ 2,837,425	\$ 2,509,387
Contributions as a percentage of covered payroll	17.03%	21.13%

Notes to Schedule:

Valuation date	June 30, 2017	June 30, 2017
Measurement period - fiscal year ended	June 30, 2018	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	2.75%
Payroll growth	3.25%
Investment rate of return	7.28%
Healthcare cost-trend rate	8% grading down to 5% for 2024 and 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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**SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON
MAJOR CAPITAL PROJECTS FUND**

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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, 2019

	<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	\$ 779,792	\$ 779,792	\$ 7,187	\$ (772,605)
Use of money and property			(13,188)	(13,188)
Other			159,685	159,685
TOTAL REVENUES	<u>779,792</u>	<u>779,792</u>	<u>153,684</u>	<u>(626,108)</u>
EXPENDITURES				
Current:				
Community development	100,000	100,000	106,742	(6,742)
TOTAL EXPENDITURES	<u>100,000</u>	<u>100,000</u>	<u>106,742</u>	<u>(6,742)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>679,792</u>	<u>679,792</u>	<u>46,942</u>	<u>(632,850)</u>
NET CHANGE IN FUND BALANCE	679,792	679,792	46,942	(632,850)
Fund balance, beginning of year	<u>(260,895)</u>	<u>(260,895)</u>	<u>(260,895)</u>	
FUND BALANCE, END OF YEAR	<u>\$ 418,897</u>	<u>\$ 418,897</u>	<u>\$ (213,953)</u>	<u>\$ (632,850)</u>

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NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Measure T Streets and Roads – Accounts for the voter approved sales tax funds received for the maintenance, reconstruction and rehabilitation of streets, roads and transportation infrastructure.

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

Transportation Fund for Clean Air – Accounts for revenue received from a surcharge collected on motor vehicle registrations in the Bay Area which are to be used on projects that help clean the air by reducing motor vehicle emissions.

BEGIN Program – Accounts for revenue granted by the California Department of Housing and Community Development to reduce local regulatory barriers to affordable homeownership housing and provide down-payment assistance loans to qualifying homebuyers.

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 owner's 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.

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

Cannabis – Accounts for developer deposits and fees received to reimburse the City for costs associated with reviewing commercial cannabis business permits and conditional use permits.

CAPITAL PROJECTS FUNDS

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

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

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

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

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, 2019

SPECIAL REVENUE FUNDS

	Measure T Streets and Roads	Gas Tax	Transportation Fund for Clean Air	BEGIN Program	State Supplemental Law Enforcement
ASSETS					
Cash and investments	\$ 886,201	\$ 139,012		\$ 6,504	\$ 4,486
Restricted cash and investments					
Taxes receivable	627,002				
Accounts receivable, net					
Interest receivable	4,380	153			122
Due from other governments		36,086	\$ 58,353		55,948
Loans receivable, net				90,022	
TOTAL ASSETS	\$ 1,517,583	\$ 175,251	\$ 58,353	\$ 96,526	\$ 60,556
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 15		\$ 36,744		
Accrued expenses					
Due to other funds		\$ 7,326	21,608		
TOTAL LIABILITIES	15	7,326	58,352		
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue	258,079		58,352	\$ 90,022	\$ 55,948
TOTAL DEFERRED INFLOWS OF RESOURCES	258,079		58,352	90,022	55,948
FUND BALANCES					
Restricted for:					
Public safety					4,608
Public works	1,259,489	167,925			
Other activities				6,504	
Unassigned			(58,351)		
TOTAL FUND BALANCES	1,259,489	167,925	(58,351)	6,504	4,608
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES					
FUND BALANCES	\$ 1,517,583	\$ 175,251	\$ 58,353	\$ 96,526	\$ 60,556

SPECIAL REVENUE FUNDS

<u>La Vigne Landscape and Lighting</u>	<u>La Vigne Open Space</u>	<u>Newell Park Open Space</u>	<u>Abandoned Vehicle</u>	<u>State and Federal Grants - Fire</u>	<u>Zero Water Footprint</u>	<u>Cannabis</u>	<u>Total Other Governmental Special Revenue Funds</u>
\$ 2,304,455	\$ 179,483	\$ 136,534		\$ 5,891	\$ 345,006		\$ 4,007,572
2,563							629,565
14,456	1,152	872			3,295		24,430
							150,387
							90,022
<u>\$ 2,321,474</u>	<u>\$ 180,635</u>	<u>\$ 137,406</u>	<u>\$ -</u>	<u>\$ 5,891</u>	<u>\$ 348,301</u>	<u>\$ -</u>	<u>\$ 4,901,976</u>
\$ 5,780					\$ 1,193	\$ 238	\$ 43,970
						2,700	31,634
<u>5,780</u>					<u>1,193</u>	<u>2,938</u>	<u>75,604</u>
							462,401
							462,401
				\$ 5,891			10,499
2,315,694					347,108		4,090,216
	\$ 180,635	\$ 137,406					324,545
						(2,938)	(61,289)
<u>2,315,694</u>	<u>180,635</u>	<u>137,406</u>		<u>5,891</u>	<u>347,108</u>	<u>(2,938)</u>	<u>4,363,971</u>
<u>\$ 2,321,474</u>	<u>\$ 180,635</u>	<u>\$ 137,406</u>	<u>\$ -</u>	<u>\$ 5,891</u>	<u>\$ 348,301</u>	<u>\$ -</u>	<u>\$ 4,901,976</u>

Continued

CITY OF AMERICAN CANYON
Combining Balance Sheet
Other Governmental Funds
June 30, 2019

CAPITAL PROJECTS FUNDS

	<u>Fire Mitigation</u>	<u>Park Improvement</u>	<u>Traffic Impact</u>	<u>Infrastructure</u>	<u>City Capital Projects</u>
ASSETS					
Cash and investments	\$ 870,174	\$ 1,223,222	\$ 3,742,651	\$ 30,841	\$ 232,586
Restricted cash and investments				287,792	
Taxes receivable					
Accounts receivable, net	305				6,214
Interest receivable	5,718	7,834	24,983	198	
Due from other governments					
Loans receivable, net					
TOTAL ASSETS	<u>\$ 876,197</u>	<u>\$ 1,231,056</u>	<u>\$ 3,767,634</u>	<u>\$ 318,831</u>	<u>\$ 238,800</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES					
Liabilities:					
Accounts payable			\$ 27,347		
Accrued expenses					\$ 19,364
Due to other funds					
TOTAL LIABILITIES			<u>27,347</u>		<u>19,364</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue					
TOTAL DEFERRED INFLOWS OF RESOURCES					
FUND BALANCES					
Restricted for:					
Public safety	\$ 876,197				
Public works			3,740,287	\$ 318,831	219,436
Other activities		\$ 1,231,056			
Unassigned					
TOTAL FUND BALANCES	<u>876,197</u>	<u>1,231,056</u>	<u>3,740,287</u>	<u>318,831</u>	<u>219,436</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES					
FUND BALANCES	<u>\$ 876,197</u>	<u>\$ 1,231,056</u>	<u>\$ 3,767,634</u>	<u>\$ 318,831</u>	<u>\$ 238,800</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
\$ 1,413,831	\$ 7,513,305					\$ 11,520,877
	287,792					287,792
						629,565
	6,519					6,519
9,055	47,788					72,218
						150,387
						90,022
<u>\$ 1,422,886</u>	<u>\$ 7,855,404</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,757,380</u>
	\$ 27,347					\$ 71,317
	19,364					19,364
						31,634
	46,711					122,315
						462,401
						462,401
	876,197					886,696
\$ 1,422,886	5,701,440					9,791,656
	1,231,056					1,555,601
						(61,289)
<u>1,422,886</u>	<u>7,808,693</u>					<u>12,172,664</u>
<u>\$ 1,422,886</u>	<u>\$ 7,855,404</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,757,380</u>

CITY OF AMERICAN CANYON
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Other Governmental Funds
For the Year Ended June 30, 2019

SPECIAL REVENUE FUNDS

	Measure T- Streets and Roads	Gas Tax	Transportation Fund for Clean Air	BEGIN Program	State Supplemental Law Enforcement
REVENUES					
Sales taxes	\$ 1,253,865				
Special assessments					
Intergovernmental		\$ 797,012	\$ 137,545		\$ 144,853
Charges for services					
Use of money and property	6,455	598			187
Other				\$ 33,411	
TOTAL REVENUES	1,260,320	797,610	137,545	33,411	145,040
EXPENDITURES					
Current:					
Public works					
Community development				90,000	
Parks and recreation					
Debt Service:					
Principal					
Interest and other charges					
Capital outlay					
TOTAL EXPENDITURES				90,000	
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,260,320	797,610	137,545	(56,589)	145,040
OTHER FINANCING SOURCES (USES)					
Transfers in					
Transfers out	(831)	(788,213)	(195,779)	(1,051)	(145,040)
TOTAL OTHER FINANCING SOURCES AND USES	(831)	(788,213)	(195,779)	(1,051)	(145,040)
NET CHANGE IN FUND BALANCES	1,259,489	9,397	(58,234)	(57,640)	
Fund balances, beginning of year		158,528	(117)	64,144	4,608
FUND BALANCES, END OF YEAR	\$ 1,259,489	\$ 167,925	\$ (58,351)	\$ 6,504	\$ 4,608

SPECIAL REVENUE FUNDS

La Vigne Landscape and Lighting	La Vigne Open Space	Newell Park Open Space	Abandoned Vehicle	State and Federal Grants - Fire	Zero Water Footprint	Cannabis	Total Other Governmental Special Revenue Funds
							\$ 1,253,865
\$ 581,237							581,237
			\$ 992		\$ 21,425		1,101,827
51,277	\$ 4,320	\$ 12,919	777		16,838	\$ (13)	93,358
							33,411
632,514	4,320	12,919	1,769		38,263	(13)	3,063,698
381,341							381,341
						2,925	92,925
	1,695	1,523					3,218
381,341	1,695	1,523				2,925	477,484
251,173	2,625	11,396	1,769		38,263	(2,938)	2,586,214
			(90,735)		(454,846)		(1,676,495)
			(90,735)		(454,846)		(1,676,495)
251,173	2,625	11,396	(88,966)		(416,583)	(2,938)	909,719
2,064,521	178,010	126,010	88,966	\$ 5,891	763,691		3,454,252
<u>\$ 2,315,694</u>	<u>\$ 180,635</u>	<u>\$ 137,406</u>	<u>\$ -</u>	<u>\$ 5,891</u>	<u>\$ 347,108</u>	<u>\$ (2,938)</u>	<u>\$ 4,363,971</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, 2019

CAPITAL PROJECTS FUNDS

	Fire Mitigation	Park Improvement	Traffic Impact	Infrastructure	City Capital Projects
REVENUES					
Sales taxes					
Special assessments					
Intergovernmental					
Charges for services		\$ 1,541	\$ 144,275		
Use of money and property	\$ 18,854	29,292	98,615	\$ 5,444	
Other					
TOTAL REVENUES	18,854	30,833	242,890	5,444	
EXPENDITURES					
Current:					
Public works			12,617		\$ 771,945
Community development					
Parks and recreation					
Debt Service:					
Principal					
Interest and other charges					
Capital outlay					1,065,586
TOTAL EXPENDITURES			12,617		1,837,531
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	18,854	30,833	230,273	5,444	(1,837,531)
OTHER FINANCING SOURCES (USES)					
Transfers in					1,842,840
Transfers out			(832,770)		
TOTAL OTHER FINANCING SOURCES AND USES			(832,770)		1,842,840
NET CHANGE IN FUND BALANCES	18,854	30,833	(602,497)	5,444	5,309
Fund balances, beginning of year	857,343	1,200,223	4,342,784	313,387	214,127
FUND BALANCES, END OF YEAR	\$ 876,197	\$ 1,231,056	\$ 3,740,287	\$ 318,831	\$ 219,436

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	
							\$ 1,253,865
							581,237
							1,101,827
\$ 507,410	\$ 653,226						653,226
29,628	181,833	\$ 1,103	\$ 2,314	\$ (83)	\$ 3,334		278,525
							33,411
<u>537,038</u>	<u>835,059</u>	<u>1,103</u>	<u>2,314</u>	<u>(83)</u>	<u>3,334</u>		<u>3,902,091</u>
	784,562						1,165,903
							92,925
							3,218
		262,000	255,000	65,512	582,512		582,512
		22,150	219,736	1,385	243,271		243,271
	<u>1,065,586</u>						<u>1,065,586</u>
	<u>1,850,148</u>	<u>284,150</u>	<u>474,736</u>	<u>66,897</u>	<u>825,783</u>		<u>3,153,415</u>
537,038	(1,015,089)	(283,047)	(472,422)	(66,980)	(822,449)		748,676
	1,842,840	256,193	469,156	67,421	792,770		2,635,610
	<u>(832,770)</u>						<u>(2,509,265)</u>
	<u>1,010,070</u>	<u>256,193</u>	<u>469,156</u>	<u>67,421</u>	<u>792,770</u>		<u>126,345</u>
537,038	(5,019)	(26,854)	(3,266)	441	(29,679)		875,021
885,848	7,813,712	26,854	3,266	(441)	29,679		11,297,643
<u>\$ 1,422,886</u>	<u>\$ 7,808,693</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>		<u>\$ 12,172,664</u>

CITY OF AMERICAN CANYON
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Measure T- Streets and Roads
For the year ended June 30, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Sales taxes	\$ 1,750,000	\$ 1,750,000	\$ 1,253,865	\$ (496,135)
Use of money and property			6,455	6,455
TOTAL REVENUES	<u>1,750,000</u>	<u>1,750,000</u>	<u>1,260,320</u>	<u>(489,680)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>1,750,000</u>	<u>1,750,000</u>	<u>1,260,320</u>	<u>(489,680)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(1,750,000)	(1,750,000)	(831)	1,749,169
TOTAL OTHER FINANCING SOURCES AND USES	<u>(1,750,000)</u>	<u>(1,750,000)</u>	<u>(831)</u>	<u>1,749,169</u>
NET CHANGE IN FUND BALANCE			1,259,489	1,259,489
Fund balance, beginning of year				
FUND BALANCE, END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,259,489</u>	<u>\$ 1,259,489</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, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Intergovernmental	\$ 805,187	\$ 805,187	\$ 797,012	\$ (8,175)
Use of money and property	4,200	4,200	598	(3,602)
TOTAL REVENUES	<u>809,387</u>	<u>809,387</u>	<u>797,610</u>	<u>(11,777)</u>
EXCESS (DEFICIENCY) OF				
REVENUES OVER EXPENDITURES	<u>809,387</u>	<u>809,387</u>	<u>797,610</u>	<u>(11,777)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(899,749)	(902,540)	(788,213)	114,327
TOTAL OTHER FINANCING SOURCES AND USES	<u>(899,749)</u>	<u>(902,540)</u>	<u>(788,213)</u>	<u>114,327</u>
NET CHANGE IN FUND BALANCE	(90,362)	(93,153)	9,397	102,550
Fund balance, beginning of year	<u>158,528</u>	<u>158,528</u>	<u>158,528</u>	
FUND BALANCE, END OF YEAR	<u>\$ 68,166</u>	<u>\$ 65,375</u>	<u>\$ 167,925</u>	<u>\$ 102,550</u>

CITY OF AMERICAN CANYON
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Transportation Fund for Clean Air
For the year ended June 30, 2019

	<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	\$ 310,538	\$ 310,538	\$ 137,545	\$ (172,993)
TOTAL REVENUES	<u>310,538</u>	<u>310,538</u>	<u>137,545</u>	<u>(172,993)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>310,538</u>	<u>310,538</u>	<u>137,545</u>	<u>(172,993)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(281,094)	(281,094)	(195,779)	85,315
TOTAL OTHER FINANCING SOURCES AND USES	<u>(281,094)</u>	<u>(281,094)</u>	<u>(195,779)</u>	<u>85,315</u>
NET CHANGE IN FUND BALANCES	29,444	29,444	(58,234)	(87,678)
Fund balances, beginning of year	<u>(117)</u>	<u>(117)</u>	<u>(117)</u>	<u>-</u>
FUND BALANCES , END OF YEAR	<u>\$ 29,327</u>	<u>\$ 29,327</u>	<u>\$ (58,351)</u>	<u>\$ (87,678)</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, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Intergovernmental	\$ 140,000	\$ 140,000	\$ 144,853	\$ 4,853
Use of money and property			187	187
TOTAL REVENUES	<u>140,000</u>	<u>140,000</u>	<u>145,040</u>	<u>5,040</u>
EXCESS (DEFICIENCY) OF				
REVENUES OVER EXPENDITURES	<u>140,000</u>	<u>140,000</u>	<u>145,040</u>	<u>5,040</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(140,000)	(140,000)	(145,040)	(5,040)
TOTAL OTHER FINANCING SOURCES AND USES	<u>(140,000)</u>	<u>(140,000)</u>	<u>(145,040)</u>	<u>(5,040)</u>
NET CHANGE IN FUND BALANCE				
Fund balance, beginning of year	<u>4,608</u>	<u>4,608</u>	<u>4,608</u>	
FUND BALANCE, END OF YEAR	<u>\$ 4,608</u>	<u>\$ 4,608</u>	<u>\$ 4,608</u>	<u>\$ -</u>

CITY OF AMERICAN CANYON
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
La Vigne Landscape and Lighting
For the year ended June 30, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Special assessments	\$ 583,097	\$ 583,097	\$ 581,237	\$ (1,860)
Use of money and property			51,277	51,277
TOTAL REVENUES	<u>583,097</u>	<u>583,097</u>	<u>632,514</u>	<u>49,417</u>
EXPENDITURES				
Current:				
Public works	683,560	770,801	381,341	389,460
TOTAL EXPENDITURES	<u>683,560</u>	<u>770,801</u>	<u>381,341</u>	<u>389,460</u>
EXCESS (DEFICIENCY) OF				
REVENUES OVER EXPENDITURES	<u>(100,463)</u>	<u>(187,704)</u>	<u>251,173</u>	<u>438,877</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	(315,463)	(402,704)	251,173	653,877
Fund balance, beginning of year	<u>2,064,521</u>	<u>2,064,521</u>	<u>2,064,521</u>	
FUND BALANCE, END OF YEAR	<u><u>\$ 1,749,058</u></u>	<u><u>\$ 1,661,817</u></u>	<u><u>\$ 2,315,694</u></u>	<u><u>\$ 653,877</u></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, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Use of money and property	\$ 1,600	\$ 1,600	\$ 4,320	\$ 2,720
TOTAL REVENUES	<u>1,600</u>	<u>1,600</u>	<u>4,320</u>	<u>2,720</u>
EXPENDITURES				
Current:				
Parks and recreation	3,200	3,570	1,695	1,875
TOTAL EXPENDITURES	<u>3,200</u>	<u>3,570</u>	<u>1,695</u>	<u>1,875</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(1,600)</u>	<u>(1,970)</u>	<u>2,625</u>	<u>4,595</u>
NET CHANGE IN FUND BALANCE	(1,600)	(1,970)	2,625	4,595
Fund balance, beginning of year	<u>178,010</u>	<u>178,010</u>	<u>178,010</u>	
FUND BALANCE, END OF YEAR	<u>\$ 176,410</u>	<u>\$ 176,040</u>	<u>\$ 180,635</u>	<u>\$ 4,595</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, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Use of money and property	\$ 5,700	\$ 5,700	\$ 12,919	\$ 7,219
TOTAL REVENUES	<u>5,700</u>	<u>5,700</u>	<u>12,919</u>	<u>7,219</u>
EXPENDITURES				
Current:				
Parks and recreation	96,446	96,446	1,523	94,923
TOTAL EXPENDITURES	<u>96,446</u>	<u>96,446</u>	<u>1,523</u>	<u>94,923</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(90,746)</u>	<u>(90,746)</u>	<u>11,396</u>	<u>102,142</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	(65,746)	(65,746)	11,396	77,142
Fund balance, beginning of year	<u>126,010</u>	<u>126,010</u>	<u>126,010</u>	
FUND BALANCE, END OF YEAR	<u>\$ 60,264</u>	<u>\$ 60,264</u>	<u>\$ 137,406</u>	<u>\$ 77,142</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, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Intergovernmental			\$ 992	\$ 992
Use of money and property			777	777
TOTAL REVENUES			<u>1,769</u>	<u>1,769</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES			<u>1,769</u>	<u>1,769</u>
OTHER FINANCING SOURCES (USES)				
Transfers out		\$ (90,735)	(90,735)	
TOTAL OTHER FINANCING SOURCES AND USES		<u>(90,735)</u>	<u>(90,735)</u>	
NET CHANGE IN FUND BALANCE		(90,735)	(88,966)	1,769
Fund balance, beginning of year	\$ 88,966	88,966	88,966	
FUND BALANCE, END OF YEAR	<u>\$ 88,966</u>	<u>\$ (1,769)</u>	<u>\$ -</u>	<u>\$ 1,769</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, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Intergovernmental	\$ 600,000	\$ 600,000	\$ 21,425	\$ (578,575)
Use of money and property			16,838	16,838
TOTAL REVENUES	<u>600,000</u>	<u>600,000</u>	<u>38,263</u>	<u>(561,737)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>600,000</u>	<u>600,000</u>	<u>38,263</u>	<u>(561,737)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(1,209,100)	(1,209,100)	(454,846)	754,254
TOTAL OTHER FINANCING SOURCES AND USES	<u>(1,209,100)</u>	<u>(1,209,100)</u>	<u>(454,846)</u>	<u>754,254</u>
NET CHANGE IN FUND BALANCE	(609,100)	(609,100)	(416,583)	192,517
Fund balance, beginning of year	<u>763,691</u>	<u>763,691</u>	<u>763,691</u>	
FUND BALANCE, END OF YEAR	<u>\$ 154,591</u>	<u>\$ 154,591</u>	<u>\$ 347,108</u>	<u>\$ 192,517</u>

CITY OF AMERICAN CANYON
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Cannabis
For the year ended June 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Licenses and permits		\$ 98,400		\$ (98,400)
Use of money and property			\$ (13)	(13)
TOTAL REVENUES		<u>98,400</u>	<u>(13)</u>	<u>(98,413)</u>
EXPENDITURES				
Current:				
Community development		60,000	2,925	57,075
TOTAL EXPENDITURES		<u>60,000</u>	<u>2,925</u>	<u>57,075</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES		<u>38,400</u>	<u>(2,938)</u>	<u>(41,338)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out		(38,400)		38,400
TOTAL OTHER FINANCING SOURCES AND USES		<u>(38,400)</u>		<u>38,400</u>
NET CHANGE IN FUND BALANCE			(2,938)	(2,938)
Fund balance, beginning of year				
FUND BALANCE, END OF YEAR	\$ -	\$ -	\$ (2,938)	\$ (2,938)

CITY OF AMERICAN CANYON
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Fire Mitigation
For the year ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Charges for services	\$ 128,750	\$ 128,750		\$ (128,750)
Use of money and property	5,885	5,885	\$ 18,854	12,969
TOTAL REVENUES	<u>134,635</u>	<u>134,635</u>	<u>18,854</u>	<u>(115,781)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>134,635</u>	<u>134,635</u>	<u>18,854</u>	<u>(115,781)</u>
NET CHANGE IN FUND BALANCE	134,635	134,635	18,854	(115,781)
Fund balance, beginning of year	<u>857,343</u>	<u>857,343</u>	<u>857,343</u>	
FUND BALANCE, END OF YEAR	<u>\$ 991,978</u>	<u>\$ 991,978</u>	<u>\$ 876,197</u>	<u>\$ (115,781)</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, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Charges for services	\$ 22,492	\$ 22,492	\$ 1,541	\$ (20,951)
Use of money and property			29,292	29,292
TOTAL REVENUES	<u>22,492</u>	<u>22,492</u>	<u>30,833</u>	<u>8,341</u>
EXCESS (DEFICIENCY) OF				
REVENUES OVER EXPENDITURES	<u>22,492</u>	<u>22,492</u>	<u>30,833</u>	<u>8,341</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(110,026)	(110,026)		110,026
TOTAL OTHER FINANCING SOURCES AND USES	<u>(110,026)</u>	<u>(110,026)</u>		<u>110,026</u>
NET CHANGE IN FUND BALANCE	(87,534)	(87,534)	30,833	118,367
Fund balance, beginning of year	<u>1,200,223</u>	<u>1,200,223</u>	<u>1,200,223</u>	
FUND BALANCE, END OF YEAR	<u>\$ 1,112,689</u>	<u>\$ 1,112,689</u>	<u>\$ 1,231,056</u>	<u>\$ 118,367</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, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Charges for services	\$ 1,753,260	\$ 1,753,260	\$ 144,275	\$ (1,608,985)
Use of money and property			98,615	98,615
TOTAL REVENUES	<u>1,753,260</u>	<u>1,753,260</u>	<u>242,890</u>	<u>(1,510,370)</u>
EXPENDITURES				
Current:				
Public works		12,618	12,617	1
TOTAL EXPENDITURES		<u>12,618</u>	<u>12,617</u>	<u>1</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>1,753,260</u>	<u>1,740,642</u>	<u>230,273</u>	<u>(1,510,369)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(2,193,486)	(2,193,486)	(832,770)	1,360,716
TOTAL OTHER FINANCING SOURCES AND USES	<u>(2,193,486)</u>	<u>(2,193,486)</u>	<u>(832,770)</u>	<u>1,360,716</u>
NET CHANGE IN FUND BALANCE	(440,226)	(452,844)	(602,497)	(149,653)
Fund balance, beginning of year	<u>4,342,784</u>	<u>4,342,784</u>	<u>4,342,784</u>	
FUND BALANCE, END OF YEAR	<u>\$ 3,902,558</u>	<u>\$ 3,889,940</u>	<u>\$ 3,740,287</u>	<u>\$ (149,653)</u>

CITY OF AMERICAN CANYON
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Infrastructure
For the year ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Use of money and property			\$ 5,444	\$ 5,444
TOTAL REVENUES			5,444	5,444
EXPENDITURES				
Capital outlay	\$ 332,110	\$ 332,110		332,110
TOTAL EXPENDITURES	332,110	332,110		332,110
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(332,110)	(332,110)	5,444	337,554
NET CHANGE IN FUND BALANCE	(332,110)	(332,110)	5,444	337,554
Fund balance, beginning of year	313,387	313,387	313,387	
FUND BALANCE, END OF YEAR	\$ (18,723)	\$ (18,723)	\$ 318,831	\$ 337,554

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, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
EXPENDITURES				
Current:				
Public works			\$ 771,945	\$ (771,945)
Capital outlay	\$ 10,271,414	\$ 10,597,914	1,065,586	9,532,328
TOTAL EXPENDITURES	<u>10,271,414</u>	<u>10,597,914</u>	<u>1,837,531</u>	<u>8,760,383</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(10,271,414)</u>	<u>(10,597,914)</u>	<u>(1,837,531)</u>	<u>8,760,383</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	10,271,414	10,597,914	1,842,840	(8,755,074)
Transfers out	(123,689)	(123,689)		123,689
TOTAL OTHER FINANCING SOURCES AND USES	<u>10,147,725</u>	<u>10,474,225</u>	<u>1,842,840</u>	<u>(8,631,385)</u>
NET CHANGE IN FUND BALANCES	(123,689)	(123,689)	5,309	128,998
Fund balance, beginning of year	<u>214,127</u>	<u>214,127</u>	<u>214,127</u>	
FUND BALANCE, END OF YEAR	<u>\$ 90,438</u>	<u>\$ 90,438</u>	<u>\$ 219,436</u>	<u>\$ 128,998</u>

CITY OF AMERICAN CANYON
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Civic Facilities Capital Projects
For the year ended June 30, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Charges for services	\$ 373,928	\$ 873,928	\$ 507,410	\$ (366,518)
Use of money and property			29,628	29,628
TOTAL REVENUES	<u>373,928</u>	<u>873,928</u>	<u>537,038</u>	<u>(336,890)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>373,928</u>	<u>873,928</u>	<u>537,038</u>	<u>(336,890)</u>
NET CHANGE IN FUND BALANCE	373,928	873,928	537,038	(336,890)
Fund balance, beginning of year	<u>885,848</u>	<u>885,848</u>	<u>885,848</u>	
FUND BALANCE, END OF YEAR	<u>\$ 1,259,776</u>	<u>\$ 1,759,776</u>	<u>\$ 1,422,886</u>	<u>\$ (336,890)</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, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Use of money and property			\$ 1,103	\$ 1,103
TOTAL REVENUES			1,103	1,103
EXPENDITURES				
Debt service:				
Principal	\$ 262,000	\$ 262,000	262,000	
Interest and other charges	22,100	22,100	22,150	(50)
TOTAL EXPENDITURES	284,100	284,100	284,150	(50)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(284,100)	(284,100)	(283,047)	1,053
OTHER FINANCING SOURCES (USES)				
Transfers in	284,100	284,100	256,193	(27,907)
TOTAL OTHER FINANCING SOURCES AND USES	284,100	284,100	256,193	(27,907)
NET CHANGE IN FUND BALANCE			(26,854)	(26,854)
Fund balance, beginning of year	26,854	26,854	26,854	
FUND BALANCE, END OF YEAR	\$ 26,854	\$ 26,854	\$ -	\$ (26,854)

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, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Use of money and property			\$ 2,314	\$ 2,314
TOTAL REVENUES			2,314	2,314
EXPENDITURES				
Debt service:				
Principal	\$ 255,000	\$ 255,000	255,000	
Interest and other charges	219,800	219,800	219,736	64
TOTAL EXPENDITURES	474,800	474,800	474,736	64
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(474,800)	(474,800)	(472,422)	2,378
OTHER FINANCING SOURCES (USES)				
Transfers in	474,700	474,700	469,156	5,544
TOTAL OTHER FINANCING SOURCES AND USES	474,700	474,700	469,156	5,544
NET CHANGE IN FUND BALANCE	(100)	(100)	(3,266)	(3,166)
Fund balance, beginning of year	3,266	3,266	3,266	
FUND BALANCE, END OF YEAR	\$ 3,166	\$ 3,166	\$ -	\$ (3,166)

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, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Use of money and property			\$ (83)	\$ (83)
TOTAL REVENUES			(83)	(83)
EXPENDITURES				
Debt service:				
Principal	\$ 65,900	\$ 65,900	65,512	388
Interest and other charges	1,500	1,500	1,385	115
TOTAL EXPENDITURES	67,400	67,400	66,897	503
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(67,400)	(67,400)	(66,980)	420
OTHER FINANCING SOURCES (USES)				
Transfers in	67,300	67,300	67,421	121
TOTAL OTHER FINANCING SOURCES AND USES	67,300	67,300	67,421	121
NET CHANGE IN FUND BALANCE	(100)	(100)	441	541
Fund balance, beginning of year	(441)	(441)	(441)	
FUND BALANCE, END OF YEAR	\$ (541)	\$ (541)	\$ -	\$ 541

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 – 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, 2019

	Building Maintenance	Fleet	Information Technology	Total Internal Service Funds
ASSETS				
Current assets:				
Cash and investments	\$ 222,645	\$ 457,185	\$ 398,673	\$ 1,078,503
Accounts receivable, net		6,344		6,344
Interest receivable	1,378	3,043	2,529	6,950
Prepaid expenses	164	164	14	342
Total current assets	<u>224,187</u>	<u>466,736</u>	<u>401,216</u>	<u>1,092,139</u>
Non-current assets:				
Capital Assets:				
Depreciable, net of accumulated depreciation		835,789		835,789
Total non-current assets		<u>835,789</u>		<u>835,789</u>
TOTAL ASSETS	<u>224,187</u>	<u>1,302,525</u>	<u>401,216</u>	<u>1,927,928</u>
DEFERRED OUTFLOW OF RESOURCES				
Pension plan	28,791	37,444	5,230	71,465
OPEB plan	6,533	7,583	576	14,692
Total deferred outflows of resources	<u>35,324</u>	<u>45,027</u>	<u>5,806</u>	<u>86,157</u>
LIABILITIES				
Current Liabilities:				
Accounts payable	10,521	5,017	7,270	22,808
Accrued expenses	24	24	2	50
Compensated absences, current portion	4,366	11,406	1,425	17,197
Bonds, notes and loans payable, current portion		31,769		31,769
Total current liabilities	<u>14,911</u>	<u>48,216</u>	<u>8,697</u>	<u>71,824</u>
Non-current liabilities:				
Bonds, notes and loans payable		135,526		135,526
Net pension liability	90,098	98,659	16,087	204,844
Net OPEB liability	36,933	41,998	3,607	82,538
Total non-current liabilities	<u>127,031</u>	<u>276,183</u>	<u>19,694</u>	<u>422,908</u>
TOTAL LIABILITIES	<u>141,942</u>	<u>324,399</u>	<u>28,391</u>	<u>494,732</u>
DEFERRED INFLOW OF RESOURCES				
OPEB plan	860	990	76	1,926
Pension plan	9,519	11,857	2,963	24,339
Total deferred inflows of resources	<u>10,379</u>	<u>12,847</u>	<u>3,039</u>	<u>26,265</u>
NET POSITION				
Net investment in capital assets		668,494		668,494
Unrestricted	107,190	341,812	375,592	824,594
TOTAL NET POSITION	<u>\$ 107,190</u>	<u>\$ 1,010,306</u>	<u>\$ 375,592</u>	<u>\$ 1,493,088</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, 2019

	Building Maintenance	Fleet	Information Technology	Total Internal Service Funds
REVENUES				
Charges for services	\$ 468,300	\$ 750,600	\$ 433,400	\$ 1,652,300
TOTAL OPERATING REVENUES	<u>468,300</u>	<u>750,600</u>	<u>433,400</u>	<u>1,652,300</u>
OPERATING EXPENSES				
Employee services	120,308	144,818	20,829	285,955
Maintenance and operations	223,654	199,461	330,172	753,287
Depreciation		214,134		214,134
TOTAL OPERATING EXPENSES	<u>343,962</u>	<u>558,413</u>	<u>351,001</u>	<u>1,253,376</u>
OPERATING INCOME (LOSS)	<u>124,338</u>	<u>192,187</u>	<u>82,399</u>	<u>398,924</u>
NON-OPERATING REVENUES (EXPENSES)				
Interest and investment revenue	4,149	10,354	8,966	23,469
Interest expense		(5,866)		(5,866)
Gain on disposal of capital assets		17,854		17,854
TOTAL NON-OPERATING REVENUE (EXPENSES)	<u>4,149</u>	<u>22,342</u>	<u>8,966</u>	<u>35,457</u>
CHANGE IN NET POSITION	<u>128,487</u>	<u>214,529</u>	<u>91,365</u>	<u>434,381</u>
Net position, beginning of year	<u>(21,297)</u>	<u>795,777</u>	<u>284,227</u>	<u>1,058,707</u>
TOTAL NET POSITION, END OF YEAR	<u>\$ 107,190</u>	<u>\$ 1,010,306</u>	<u>\$ 375,592</u>	<u>\$ 1,493,088</u>

CITY OF AMERICAN CANYON
Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2019

	Building Maintenance	Fleet	Information Technology	Total Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash paid to suppliers	\$ (231,701)	\$ (247,358)	\$ (365,356)	\$ (844,415)
Cash paid to employees and related benefits	(123,637)	(137,301)	(18,410)	(279,348)
Cash received from interfund services provided	468,300	750,600	433,400	1,652,300
CASH PROVIDED BY OPERATING ACTIVITIES	<u>112,962</u>	<u>365,941</u>	<u>49,634</u>	<u>528,537</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Other revenues received		2,415		2,415
CASH PROVIDED BY NONCAPITAL AND RELATED FINANCING ACTIVITIES		<u>2,415</u>		<u>2,415</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Capital expenditures		(286,776)		(286,776)
Proceeds from disposal of capital assets		71,228		71,228
Principal paid on long-term liabilities		(30,890)		(30,890)
Interest paid on long-term liabilities		(5,866)		(5,866)
CASH USED FOR CAPITAL AND RELATED FINANCING ACTIVITIES		<u>(252,304)</u>		<u>(252,304)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Collection of interest and investment revenue	2,771	7,479	7,234	17,484
INCREASE IN CASH AND CASH EQUIVALENTS	115,733	123,531	56,868	296,132
Cash and cash equivalents, beginning of year	106,912	333,654	341,805	782,371
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 222,645</u>	<u>\$ 457,185</u>	<u>\$ 398,673</u>	<u>\$ 1,078,503</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO CASH PROVIDED (USED) BY OPERATING ACTIVITIES:				
Operating income (loss)	\$ 124,338	\$ 192,187	\$ 82,399	\$ 398,924
Adjustments to reconcile operating income (loss) to cash provided (used) by operating activities:				
Depreciation and amortization		214,134		214,134
Changes in operating assets and liabilities:				
Prepaid expenses	(22)	(22)	(2)	(46)
Accounts payable and accrued expenses	(8,025)	(47,875)	(35,182)	(91,082)
Compensated absences	(13,187)	11,098	1,105	(984)
Changes in pension & OPEB liabilities and related deferred outflows and inflows of resources:				
Deferred outflows of resources - pension plan	5,831	6,385	1,041	13,257
Net pension liability	3,383	(10,703)	130	(7,190)
Deferred inflows of resources - pension plan	980	1,073	175	2,228
Deferred outflows of resources - OPEB plan	1,346	1,346	124	2,816
Net OPEB liability	(1,569)	(1,569)	(146)	(3,284)
Deferred inflows of resources - OPEB plan	(113)	(113)	(10)	(236)
CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 112,962</u>	<u>\$ 365,941</u>	<u>\$ 49,634</u>	<u>\$ 528,537</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, 2019

	Balance June 30, 2018	Additions	Reductions	Balance June 30, 2019
<u>American Canyon Road East Assessment District</u>				
<u>Assets</u>				
Cash and investments	\$ 682,676		\$ (240,818)	\$ 441,858
Restricted cash and investments	644,867	\$ 235,231		880,098
Taxes receivable	7,447		(2,955)	4,492
Interest receivable	2,422		(774)	1,648
TOTAL ASSETS	<u>\$ 1,337,412</u>	<u>\$ 235,231</u>	<u>\$ (244,547)</u>	<u>\$ 1,328,096</u>
<u>Liabilities</u>				
Agency obligations	\$ 1,337,412		\$ (9,316)	\$ 1,328,096
TOTAL LIABILITIES	<u>\$ 1,337,412</u>	<u>\$ -</u>	<u>\$ (9,316)</u>	<u>\$ 1,328,096</u>
<u>La Vigne Assessment District</u>				
<u>Assets</u>				
Cash and investments	\$ 1,021,806	\$ 52,879		\$ 1,074,685
Restricted cash and investments	298,864	7,299		306,163
Taxes receivable	2,786	2,183		4,969
Interest receivable	4,450	1,757		6,207
TOTAL ASSETS	<u>\$ 1,327,906</u>	<u>\$ 64,118</u>	<u>\$ -</u>	<u>\$ 1,392,024</u>
<u>Liabilities</u>				
Agency obligations	\$ 1,327,906	\$ 64,118		\$ 1,392,024
TOTAL LIABILITIES	<u>\$ 1,327,906</u>	<u>\$ 64,118</u>	<u>\$ -</u>	<u>\$ 1,392,024</u>
<u>Total Agency Funds</u>				
<u>Assets</u>				
Cash and investments	\$ 1,704,482	\$ 52,879	\$ (240,818)	\$ 1,516,543
Restricted cash and investments	943,731	242,530		1,186,261
Taxes receivable	10,233	2,183	(2,955)	9,461
Interest receivable	6,872	1,757	(774)	7,855
TOTAL ASSETS	<u>\$ 2,665,318</u>	<u>\$ 299,349</u>	<u>\$ (244,547)</u>	<u>\$ 2,720,120</u>
<u>Liabilities</u>				
Agency obligations	\$ 2,665,318	\$ 64,118	(9,316)	\$ 2,720,120
TOTAL LIABILITIES	<u>\$ 2,665,318</u>	<u>\$ 64,118</u>	<u>\$ (9,316)</u>	<u>\$ 2,720,120</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 -----									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Governmental activities:										
Net investment in capital assets	\$ 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	\$ 260,686,136
Restricted	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	27,372,270
Unrestricted	25,464,653	27,430,671	12,415,149	9,050,617	10,950,108	2,513,594	2,076,005	2,454,460	(266,869)	1,057,568
Total governmental activities net position	\$ 289,849,094	\$ 286,740,059	\$ 279,485,245	\$ 277,862,895	\$ 287,977,479	\$ 277,810,094	\$ 280,471,556	\$ 280,552,158	\$ 288,482,205	\$ 289,115,974
Business-type activities:										
Net investment in capital assets	\$ 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	\$ 49,791,720
Restricted	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	5,282,263
Unrestricted	4,976,718	4,391,198	6,695,379	7,190,877	8,214,087	4,224,005	6,993,828	9,422,288	11,766,749	13,269,512
Total business-type activities	\$ 61,201,623	\$ 60,104,701	\$ 62,177,473	\$ 61,315,678	\$ 63,538,585	\$ 57,579,755	\$ 60,467,493	\$ 62,188,039	\$ 66,801,641	\$ 68,343,495
Primary government (City wide totals)										
Net investment in capital assets	\$ 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	\$ 310,477,856
Restricted	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	32,654,533
Unrestricted	30,441,371	31,821,869	19,110,528	16,241,494	19,164,195	6,737,599	9,069,833	11,876,748	11,499,880	14,327,080
Total primary government net position	\$ 351,050,717	\$ 346,844,760	\$ 341,662,718	\$ 339,178,573	\$ 351,516,064	\$ 335,389,849	\$ 339,899,049	\$ 342,740,197	\$ 355,283,846	\$ 357,459,469

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 -----									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Expenses:										
Governmental activities:										
General government	\$ 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	\$ 5,968,757
Public safety	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	12,342,182
Public works	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	7,936,947
Community development	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	2,513,656
Parks and recreation	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	3,439,644
Interest on long-term debt	417,421	510,893	448,057	446,187	344,223	329,915	278,204	262,354	246,458	229,456
Total governmental activities expenses	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	32,430,642
Business-type activities:										
Water	\$ 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	\$ 5,986,895
Wastewater	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	4,456,463
Total business-type activities expenses	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	10,443,358
Total City government expenses	\$ 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	\$ 42,874,000
Program Revenues:										
Governmental activities:										
Charges for services:										
General government	\$ 536,747	\$ 365,857	\$ 212,295	\$ 184,060	\$ 484,057	\$ 534,179	\$ 636,987	\$ 724,671	\$ 900,185	\$ 599,289
Public safety	1,051,178	813,720	974,398	1,133,505	901,808	1,510,347	1,461,036	1,296,885	1,822,591	1,463,879
Public works	80,745	127,834	1,141,520	939,685	2,203,836	2,442,299	4,891,107	1,990,415	3,326,094	725,299
Community development	498,947	449,493	940,899	690,241	857,994	2,438,744	2,662,203	5,351,403	1,921,393	2,140,534
Parks and recreation	373,227	491,253	381,657	357,267	392,717	441,946	406,163	1,034,664	1,291,887	328,236
Operating grants and contributions	342,197	196,741	235,284	275,796	363,581	476,130	1,078,889	1,333,432	762,518	1,282,102
Capital grants and contributions	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	1,690,897
Total governmental activities program revenues	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	8,230,236
Business-type activities:										
Charges for services:										
Water	\$ 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	\$ 6,931,105
Wastewater	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	4,427,087
Operating grants and contributions	-	-	-	-	4,026	10,410	711,601	580,429	254,863	215,630
Capital grants and contributions	2,597,250	1,523,559	1,013,181	184,707	4,084,830	242,025	2,301,541	284,400	3,851,481	200,585
Total business-type activities programs revenues	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	11,774,407
Total City government program revenues	\$ 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	\$ 20,004,643

(Continued)

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

	----- Prior Years -----									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Net(Expense)Revenue:										
Governmental activities	\$ (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)	\$ (24,200,406)
Business-type activities	1,453,838	(39,093)	26,548	(535,535)	3,169,778	(3,414,199)	1,949,972	2,236,033	4,737,266	1,331,049
Total City government	<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>	<u>\$ (22,869,357)</u>
General Revenues and Other Changes in in Net Position:										
Governmental activities:										
Taxes:										
Property taxes	\$ 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	\$ 15,084,618
Sales taxes	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	4,222,888
Other taxes	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	3,179,812
Unrestricted grants and contributions	55,668	83,979	-	-	-	-	-	-	-	-
Investment earnings	203,205	307,741	274,619	143,321	227,702	272,849	372,728	(1,047)	15,200	1,172,806
Miscellaneous	110,698	129,688	875,336	111,822	485,625	300,765	524,995	543,725	616,199	568,578
Transfers	893,618	1,057,829	1,110,118	997,363	1,702,165	994,725	(266,772)	868,412	(15,450)	605,473
Total governmental activities	<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>	<u>24,834,175</u>
Business-type activities										
Investment earnings and other			66,177	517,929	755,294	617,971	630,994	392,925	613,734	816,278
Transfers	(893,618)	(1,057,829)	(1,110,118)	(997,363)	(1,702,165)	(944,725)	266,772	(868,412)	15,450	(605,473)
Total business-type activities	<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>	<u>210,805</u>
Total City government	<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>	<u>\$ 25,044,980</u>
Change in net position:										
Governmental activities	\$ (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	\$ 633,769
Business-type activities	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	1,541,854
Total City government	<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>	<u>\$ 2,175,623</u>

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

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

Fiscal Year	General Fund						All Other Governmental Funds									Total All Other Governmental Funds
	Nondspendable	Restricted	Committed	Assigned	Unassigned	Total General Fund	Nondspendable	Restricted		Committed	Assigned		Unassigned			
								Special Revenue and Debt Service	Capital Projects	Special Revenue	Special Revenue	Capital Projects	Special Revenue	Capital Projects		
2019	\$ 426,935	\$ 350,225	\$ 6,021,464	\$ 1,222,691	\$ 2,337,950	\$ 10,359,265	\$ -	\$ 11,801,060	\$ 7,808,693	\$ -	\$ 5,871,283	\$ -	\$ (1,008,280)	\$ (213,953)	\$ 24,258,803	
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					

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 -----									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Revenues:										
Taxes	\$ 14,155	\$ 14,547	\$ 15,272	\$ 15,313	\$ 15,992	\$ 17,896	\$ 22,553	\$ 19,242	\$ 20,381	\$ 30,520
Special assessments	515	457	435	447	455	471	488	550	583	581
Fines and forfeits	177	131	203	153	120	112	95	98	91	151
Licenses and permits	530	329	338	337	337	446	455	460	763	428
Intergovernmental	1,286	2,147	1,120	1,079	1,280	874	3,049	1,689	2,441	3,061
Charges for services	1,566	1,613	1,051	1,156	2,025	4,496	3,572	4,913	8,669	3,197
Other revenues	755	744	1,315	998	1,179	1,022	1,275	851	1,151	2,563
Total revenues	18,984	19,968	19,734	19,483	21,389	25,317	31,487	27,803	34,079	40,501
Expenditures:										
General government	4,587	5,004	3,670	3,896	4,066	5,064	5,111	5,237	5,084	5,645
Public safety	8,849	8,646	8,897	9,377	9,554	9,734	10,731	11,063	12,043	12,362
Comm. Dev. and Public Works	4,231	3,909	4,278	4,557	5,496	6,597	5,453	7,619	5,446	6,482
Parks and Recreation	2,023	1,934	1,597	1,073	1,192	2,202	2,665	3,615	3,445	3,215
Principal	439	463	478	502	537	560	583	606	628	583
Interest	495	511	488	460	394	373	314	291	268	243
Capital outlay	3,803	194	947	2,445	2,277	1,200	5,260	3,040	2,099	1,670
Total expenditures	24,427	20,661	20,355	22,310	23,516	25,730	30,117	31,471	29,013	30,200
Excess of revenues over(under) expenditures	(5,442)	(693)	(621)	(2,827)	(2,127)	(413)	1,370	(3,668)	5,066	10,301
Other Financing Sources(Uses)										
Proceeds from borrowing	-	-	-	2,222	-	-	-	-	-	-
Payments to escrow agent	-	-	-	(2,465)	-	-	-	-	-	-
Transfers in	9,535	3,609	4,028	4,065	5,447	3,742	9,050	5,403	4,289	5,207
Transfers out	(8,641)	(2,551)	(2,918)	(3,068)	(3,745)	(2,747)	(10,097)	(4,535)	(4,676)	(4,601)
Sale of Assets	-	-	-	-	24	-	-	-	-	18
Total other financing Sources(Uses)	894	1,058	1,110	754	1,726	995	(1,047)	868	(387)	623
Net change in fund balances	\$ (4,548)	\$ 365	\$ 489	\$ (2,073)	\$ (401)	\$ 581	\$ 323	\$ (2,800)	\$ 4,679	\$ 10,924
Debt service as a percentage of noncapital expenditures	4.5%	4.8%	5.0%	4.8%	4.4%	3.8%	3.6%	3.2%	3.3%	2.9%

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 -----	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
	2018-2019	14,951	1,549	751	226	639	18,116

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
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%
2018-2019	2,072,127	191,160	548,337	62,889	269	19,337	209,319	4,492	3,107,929	0.27%

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

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 2009/10 - 2018/19 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)**

<u>Agency</u>	----- Prior Years -----									
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
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	0.025	0.017	0.025	0.025	0.027	0.026	0.026	0.025	0.024	0.024
Napa Valey Unified School District	0.073	0.061	0.073	0.065	0.072	0.069	0.063	0.114	0.102	0.098
Total Direct & Overlapping² Tax Rates	0.099	0.078	0.097	0.090	0.099	0.095	0.089	0.140	0.126	0.122
City's Share of 1% Levy per Prop 13³	0.296	0.296	0.296	0.296	0.296	0.296	0.296	0.296	0.296	0.292
Total Direct Rate⁴	0.285	0.282	0.281	0.277	0.276	0.276	0.276	0.276	0.274	0.275

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 2009/10 - 2018/19 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
2018/19 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	\$ 199,489	24.45%	\$ 199,489	1.56%	Unsecured American Canyon Gen Fund
SDG Hanna Court 411 LLC	2	\$ 148,864	1.24%				148,864	1.16%	Industrial American Canyon Gen Fund
SRI Napa LLC ET AL	1	126,746	1.06%				126,746	0.99%	Residential American Canyon Gen Fund
Barry Callebaut USA				1	123,992	15.20%	123,992	0.97%	Unsecured American Canyon Gen Fund
Biagi and Associates LLC	1	117,752	0.98%	1	1,918	0.24%	119,669	0.93%	Industrial American Canyon Gen Fund
Mezzetta 125 LP	1	111,729	0.93%				111,729	0.87%	Industrial American Canyon Gen Fund
Sutter Home Winery	2	98,864	0.82%				98,864	0.77%	Industrial American Canyon Gen Fund
Napa Junction Partners LLC	1	91,443	0.76%				91,443	0.71%	Residential American Canyon Gen Fund
SDG Lombard LLC	3	90,500	0.75%				90,500	0.71%	Industrial American Canyon Gen Fund
Broadstone HC California LLC	2	88,240	0.74%				88,240	0.69%	Industrial American Canyon Gen Fund
Top Ten Totals	13	874,137	7.28%	3	325,399	39.89%	1,199,537	9.36%	
City Totals		\$ 11,990,405			\$ 815,832		\$ 12,806,238		

*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 2018/19 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
2009/10 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	\$ 178,702	2.08%				\$ 178,702	1.98%	Industrial American Canyon Gen Fund
5500 Eucalyptus Dr Apts	1	113,305	1.32%				113,305	1.25%	Residential American Canyon Gen Fund
SDG Hanna Court 411 LLC	2	105,191	1.23%				105,191	1.16%	Industrial American Canyon Gen Fund
Sutter Home Winery Inc	2	89,843	1.05%				89,843	0.99%	Industrial American Canyon Gen Fund
Butterfly Effect Hotels LLC	2	75,141	0.88%				75,141	0.83%	Commercial American Canyon Gen Fund
Barry Callebaut USA				1	\$ 68,887	14.83%	68,887	0.76%	Unsecured American Canyon Gen Fund
125 Mezzetta Court Inc	1	60,586	0.71%				60,586	0.67%	Industrial American Canyon Gen Fund
Walmart Real Estate Business Trust	1	58,942	0.69%				58,942	0.65%	Commercial American Canyon Gen Fund
SDG Commerce 232 LLC	3	52,393	0.61%				52,393	0.58%	Industrial American Canyon Gen Fund
Napa Junction Retail	6	44,738	0.52%				44,738	0.49%	Commercial American Canyon Gen Fund
Top Ten Totals	19	778,841	9.09%		68,887	14.83%	847,729	9.37%	
City Totals		\$ 8,580,541			\$ 464,450		\$ 9,044,991		

*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 2009/10 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 -----	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%
	2019	15,084,618	15,084,618	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	Bank Financing	Capital Lease Obligations	Capital Lease Obligations	State of California and Other Loans			
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
2019	-	-	551	4,752	1,076	3,416	9,795	1.49%	475

Prior Years

Note: It was determined in 2019 that the City was inadvertently referring to a 2012 bank financing agreement as a Lease Revenue Bond. The name was changed and debt service payments were moved to a separate column accordingly.
 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		
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	-	-	-	0.00%	-
2014	-	-	-	0.00%	-
2015	-	-	-	0.00%	-
2016	-	-	-	0.00%	-
2017	-	-	-	0.00%	-
2018	-	-	-	0.00%	-
2019	-	-	-	0.00%	-

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

Note: It was determined in 2019 that the City was inadvertently referring to a 2012 bank financing agreement as a Lease Revenue Bond. Amounts starting in 2013 were for this financing and were removed above.

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, 2019

2018-19 Assessed Valuation: \$3,107,928,907

<u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	Total Debt 6/30/2019	% Applicable (1)	City's Share of Debt 6/30/2019
Napa Joint Community College District	\$ 98,889,699	7.844%	\$ 7,756,908
Napa Valley Unified School District	398,089,855	11.878%	47,285,113
City of American Canyon 1915 Act Bonds	16,103,300	100.000%	16,103,300
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT			\$ 71,145,321
<u>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</u>			
Napa County Certificates of Participation	\$ 17,740,000	7.913%	\$ 1,403,766
Napa County Board of Education Certificate of Participation	2,320,000	7.913%	183,582
City of American Canyon General Fund Obligations	551,000	100.000%	551,000
City of American Canyon City Hall Financing	4,585,000	100.000%	4,585,000
City of American Canyon Financed Purchase Lease	167,295	100.000%	167,295
TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT			\$ 6,890,643
TOTAL DIRECT DEBT			5,303,295
TOTAL OVERLAPPING DEBT			72,732,669
			<hr/>
COMBINED TOTAL DEBT			\$ 78,035,964 (2)

Ratios to Assessed Valuation:

Total Direct Debt (\$5,303,295)	0.17%
Total Overlapping Tax and Assessment Debt.	2.34%
Combined Total Debt	2.51%

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
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	-	79,840,619	0.00%
2014	2,233,695,851	83,763,594	-	83,763,594	0.00%
2015	2,384,068,041	89,402,552	-	89,402,552	0.00%
2016	2,568,918,377	96,334,439	-	96,334,439	0.00%
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%
2019	3,107,928,907	116,547,334	551,000	115,996,334	0.47%

----- 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		Coverage
			Principal	Interest	
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
2019	1,508,336	-	767,900	1,076,068	0.82

State of California Water Loan

	Water Service Revenues	Capital Impact Fees	Less Operating Expenses	Net Available Revenue	Debt Service		Coverage
					Principal	Interest	
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
2019	7,357,422	138,604	4,365,061	3,130,965	65,357	16,785	38.12

State of California Wastewater Construction Loan

	Wastewater Service Revenues	Capital Impact Fees	Less Operating Expenses	Net Available Revenue	Debt Service		Coverage
					Principal	Interest	
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
2019	4,835,296	61,981	2,859,602	2,037,675	649,355	74,994	2.81

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
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%
2019	20,629	657,387	91,705	4.20%

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

Source: MuniServices, LLC

Source: 2017-18 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 2019 vs Calendar Year 2010**

Employer	2019			2010		
	Rank	Number Employees	Percentage of Total City Employment	Rank	Number Employees	Percentage of Total City Employment
Walmart Supercenter	1	302	2.96%	1	426	11.49%
Napa Valley Unified School District (AC)	2	285	2.79%			
A Bright Future, Inc	3	200	1.96%			
Coca-Cola Amcan Beverages	4	150	1.47%	2	155	4.18%
Ikea Distribution Services, Inc.	5	144	1.41%			
Wine Direct, Inc	6	135	1.32%			
Safeway Inc. #1883	7	132	1.29%			
Western Wine Services, Inc.	8	105	1.03%			
Bvk Gaming Inc. Napa Valley Casino	9	90	0.88%			
City of American Canyon	10	88	0.86%	7	81	2.19%
GL Mezzetta Inc.				3	150	4.05%
Golden State Vintners Inc.				3	150	4.05%
Kona Coast Food Products				3	150	4.05%
Ghilotti Construction Company				4	100	2.70%
Napa Valley Cast Stone				5	99	2.67%
R.E. Maher Inc.				6	80	2.16%
American Canyon Middle School				8	70	1.89%
Donaldson Way Elementary School				9	60	1.62%

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 -----									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
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	1.85	2.15	2.15	2.15	2.15	2.55	2.55	3.50	2.50	2.50
City Clerk	1.40	1.40	1.40	1.40	1.40	1.65	1.65	2.00	2.00	2.00
Neighborhood Programs										1.00
Human Resources	2.00	2.00	1.50	1.50	-	-	-	2.20	2.00	2.00
Finance										
Human Resources	-	-	-	-	1.50	2.20	2.20	-	-	-
Finance	4.90	4.60	4.60	4.60	4.60	4.30	4.80	4.80	4.50	4.10
Information Systems	0.20	0.20	0.20	0.20	0.20	-	-	-	-	-
Utility Billing	3.20	3.20	3.20	3.20	3.20	3.40	3.40	3.40	3.40	3.80
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	1.60	1.60	1.60	1.60	3.25	3.25	3.25	4.25	2.75
Building and Safety	8.00	3.25	3.25	3.25	3.25	3.25	4.25	4.25	3.75	3.65
Economic Development	0.40	0.45	0.45	0.45	0.45	0.54	0.54	-	-	-
Housing Services	0.60	0.10	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	5.75	5.20	5.35	5.20	5.35	5.40	5.40	6.50	5.40	5.40
Parks & Recreation Administration	-	-	-	-	-	2.20	2.70	3.70	3.30	3.30
Recreation Program & Events	2.90	2.75	2.80	2.75	2.80	1.80	2.80	2.80	3.10	3.10
Aquatics Programs	2.30	2.30	2.30	2.30	2.30	1.60	1.60	1.50	1.90	1.90
Building & Equipment Maintenance	1.10	1.15	1.20	1.20	1.20	-	-	-	-	-
Neighborhood Programs	-	-	-	-	-	-	-	-	1.00	-
Facility Rentals	-	-	-	-	-	-	-	-	0.30	0.30
Public Works:										
Administration	4.00	4.00	3.90	3.90	3.90	3.50	3.50	3.50	3.50	3.50
Engineering	1.90	-	-	-	-	-	-	-	-	-
Street Maintenance	5.35	3.45	3.45	3.45	3.45	2.90	3.30	3.30	4.00	3.95
Storm Drain	2.35	1.55	1.95	1.95	1.95	2.00	2.60	1.60	1.90	2.35
Capital Projects	-	2.00	1.60	1.60	1.60	3.00	4.00	4.00	4.00	4.00
Fleet	1.40	1.10	1.10	1.10	1.10	-	-	-	-	-
City Engineer	-	-	-	-	-	1.00	1.00	1.00	1.00	1.50
Water:										
Treatment and Distribution	9.85	9.10	9.05	9.05	9.05	9.08	10.08	11.25	11.55	11.25
Wastewater:										
Collection and Treatment	8.25	12.60	12.00	12.00	12.00	12.23	9.73	9.40	11.10	11.25
Storm Water Quality	0.50	0.45	0.45	0.45	0.45	-	-	-	-	-
Solid Waste	0.35	0.35	0.35	0.35	0.35	0.35	3.35	3.35	3.35	3.10
Internal Service:										
Building Maintenance	-	-	-	-	-	1.00	1.00	1.00	1.00	1.05
Fleet Operations	-	-	-	-	-	1.10	1.10	1.10	1.10	1.05
Information Systems	-	-	-	-	-	0.10	0.10	0.10	0.10	0.10
Totals	80.00	75.50	74.50	74.30	74.50	77.50	84.00	86.50	89.00	88.00

Data Source: Human Resources Department

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

	----- Prior Years -----									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Police:										
Physical arrest	543	614	701	842	790	471	569	493	282	460
Traffic violations	1,817	1,748	2,001	1,639	1,336	971	886	1,189	1,204	635
Fire:										
Emergency responses	1,355	1,286	1,441	1,437	1,449	1,627	1,615	1,802	1,744	1,709
Structure Fires	10	16	14	6	6	17	20	20	21	19
Fire Loss (Thousand \$)	279	19	72	-	-	-	-	-	-	-
Fire Engines	6	6	6	6	6	6	6	6	8	8
Inspections	261	218	279	264	199	229	216	393	382	325
Construction Inspection	111	75	111	108	50	44	78	100	97	171
Planning:										
Building permits issued	327	285	296	299	360	520	524	496	511	428
Public works:										
Miles streets resurfaced	0.51	-	0.12	-	-	1.75	0.15	7.00	0.69	1.00
Parks:										
Community events held	24	22	26	35	37	41	46	41	40	38
Swimming pool admissions	18,494	16,063	15,313	16,261	47,720	48,222	49,142	49,302	63,110	46,594
Water:										
Number of new services	761	711	697	633	493	402	418	449	427	374
Daily average water production in MGD	2.84	2.87	2.95	3.10	3.15	2.87	2.49	2.31	2.38	2.40
Daily average water consumption in MGD	2.46	2.67	2.73	2.94	2.89	2.39	2.08	2.02	2.19	2.08
Wastewater:										
Daily average treatment in millions gallons(MGD)	1.54	1.71	1.65	1.61	1.62	1.54	1.54	1.86	1.55	1.76

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 -----									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	12	12	12	13	15	19	17	17	18	18
Fire										
Stations	2	2	2	2	2	2	2	2	2	2
Engines	8	8	8	8	8	8	8	8	9	8
Public works:										
Miles of streets	38.1	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	3	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	-	-	-	-	-	-	-	-	-	-
Number of services billed	5,232	5,455	5,529	5,565	5,593	5,594	5,621	5,654	5,646	5,595
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	4.70	4.70	4.70	4.70	4.70	4.70	4.70	4.70
Wastewater:										
Miles of sewers added	-	-	-	-	-	-	-	-	-	-
Number of services billed	4,809	4,856	4,910	4,971	4,983	5,004	5,016	5,012	4,999	5,050
Maximum plant capacity in million gallons	5	5	5	5	5	5	5	5	5	5
Recycled Water:										
Miles of pipelines added	2.45	-	-	-	-	-	0	-	-	-
Number of services billed	3	12	12	13	15	20	30	46	43	30
Storage capacity in million gallons	1	1	1	1	1	2.50	2.50	2.50	2.50	2.50

Data Source: Various departments within the City of American Canyon